



INVESTMENT CORPORATION OF BANGLADESH

BDBL Bhaban (Level: 14-17th), 8, Rajuk Avenue, Dhaka-1000

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RIGHTS SHARE OFFER DOCUMENT

Date: August 12, 2014

Rights Offer of **21,093,750** Ordinary Shares of Tk. **100.00** each at an issue price of Tk. **500.00** each including a premium of Tk. **400.00** per share totaling Tk. **10,546,875,000.00** offered on the basis of 1(R): 2 (i.e. one right share for two existing shares held) on the record date.

RECORD DATE FOR ENTITLEMENT OF RIGHTS OFFER

Record Date	September 09, 2014
Subscription	Opens on: December 07, 2014
	Closes on: December 30, 2014
(Within banking hours, both days inclusive)	

CREDIT RATING STATUS

	Long Term	Short Term
Entity Rating	AAA	ST-1
Date of Rating	26 May, 2014	
Rating Assigned By: Argus Credit Rating Services Ltd.		

MANAGER TO THE ISSUE



ICB CAPITAL MANAGEMENT LIMITED

BDBL Bhaban (Level-16), 8 Rajuk Avenue, Dhaka-1000

Phone: 9585691-2, E-mail: icmlbd@gmail.com

Fax: 880-2-9555707, Website: www.icbcml.com.bd

FULLY UNDERWRITTEN BY

ICB Capital Management Limited BDBL Bhaban (Level-16), 8 Rajuk Avenue, Dhaka-1000.
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BANKERS TO THE ISSUE

Investment Corporation of Bangladesh (ICB) BDBL Bhaban (Level: 14-17 th), 8 Rajuk Avenue, Dhaka-1000.	Bangladesh Development Bank Limited BDBL Bhaban, 8 Rajuk Avenue, Dhaka-1000.
IFIC Bank Limited BDBL Bhaban (8th - 10th & 16th – 19th Floor), 8, Rajuk Avenue, Dhaka-1000.	Standard Bank Limited Metropolitan Chamber Building (3rd Floor) 122-124 Motijheel C/A, Dhaka.

As per provision of the Depository Act, 1999 and regulation made there under, rights share shall only be issued in dematerialized condition. An applicant must apply for allotment of rights shares mentioning his/her Beneficiary Owner (BO) Account number in the application form.

TABLE OF CONTENTS

Particulars	Page No.	Page No.	Particulars
The Rights Share Offer	05	26	Directors' Subscription in the Rights Offer
Corporation Information	05	27	Management & Executives
Risk Factors & Management's perception about the risks	06	28	Executive Committee, Audit Committee
Utilization of Previous Rights Issue Fund	09	28	Bankers to the Issue of Rights Share
Purpose of the Rights Issue	09	30	Terms and Conditions of the Rights Issue
Implementation Schedule	09	31	Lock-in on Rights Share
Statement of Annual General Meeting held	10	33	Others & Material contracts
Existing Product & Services Rendered by the Corporation and it's subsidiaries	10	34	Declaration by the Issue Manager (Form-A)
Justification of the Issue Price of Proposed Rights Offer	17	35	Declaration by the Underwriter (Form-B)
Length of time during which the Issuer has carried on business	18	36	Declaration by the Auditors (Form-C)
Composition of Shareholding Position of the Corporation	18	37	Due diligence certificate (Form-D)
Quantity of Shares Held by Each Director on the Date of the Rights Share Offer Document	19	38	Independent Auditors' Report to the Shareholders, Audited Financial Accounts
Beneficial Owners Holding Shares 5% Or Above	20	160	Auditors' Report in pursuance of Section-135(1) and Paragraph 24(1)(3) and 25 of part-II of the Third Schedule of the Companies Act, 1994
Details of Directors, Managing Director & Corporation Secretary	21	166	Credit Rating Report of Investment Corporation Of Bangladesh
Details of Branch Managers of the Corporation	23	216	Letter of offer for Rights Issue to the Shareholders
Public Listed Company Under Common Management	24	217	Form of Acceptance and Application for Shares, Form-A
Classified Information & Underwriters	24	219	Form of Renunciation, Form-B
Name of Underwriters' and Underwriters' Information & Obligations	25	220	Application by Renouncee(s), Form-C

**DEFINITION AND ELABORATION OF THE ABBREVIATED WORDS AND TECHNICAL TERMS
USED IN THE RIGHTS SHARE OFFER DOCUMENT**

ACRONYM		ELABORATION
Allotment	:	Allotment of share
Alco	:	Assets Liability Committee
AMCL	:	ICB Asset Management Company Limited
BSEC	:	Bangladesh Securities and Exchange Commission
Commission	:	Bangladesh Securities and Exchange Commission
Corporation	:	Investment Corporation of Bangladesh
CSE	:	Chittagong Stock Exchange Limited
DSE	:	Dhaka Stock Exchange Limited
EPS	:	Earnings per share
EGM	:	Extra Ordinary General Meeting
EDF	:	Equity Development Fund
EEF	:	Equity and Entrepreneurship Fund
ICB	:	Investment Corporation of Bangladesh
Issue	:	Rights Issue
Issuer	:	Investment Corporation of Bangladesh
Issue Manager	:	ICB Capital Management Limited
ICML	:	ICB Capital Management Limited
ISTCL	:	ICB Securities Trading Company Limited
ICT	:	Information & Communication Technology
NAV	:	Net Asset Value
Offering Price	:	Rights share price of ICB
Rights Issue Rules	:	Securities and Exchange Commission (Rights Issue) Rules, 2006
RJSC	:	Registrar of Joint Stock Companies & Firms
Securities	:	Shares of Investment Corporation of Bangladesh
Securities Market	:	The securities market of Bangladesh
Sponsor	:	The sponsor shareholders of Investment Corporation of Bangladesh
Stockholder	:	Shareholder
Subscription	:	Application Money
TDR	:	Term Deposit Receipt

INVESTMENT CORPORATION OF BANGLADESH
Head Office, BDBL Bhaban (Level: 14-17th), 8, Rajuk Avenue
Dhaka-1000, Bangladesh

RIGHTS ISSUE OF SHARES

June 04, 2014

Dear Shareholder(s)

We are pleased to inform you that the shareholders of the Corporation in the Extra Ordinary General Meeting (EGM) held on 13-12-2013 approved Rights Shares issue proposal of 21,093,750 Ordinary Shares of Tk. 100.00 each at an issue price of Tk. 500.00 each including a premium of Tk. 400.00 per share totaling Tk. 10,546,875,000.00 offered on the basis of 1(R):2 (i.e. one rights share for two existing shares held). The purpose of issuance of Rights Share is to raise further paid up capital for investment in capital market particularly in the primary and secondary markets and payoff borrowings. Keeping that in view, the management of the Corporation has decided to increase paid-up capital to the extent of Tk. 6,328,125,000.00 from Tk. 4,218,750,000.00. Consent of the Government, pursuant to section 4(2) of ICB Ordinance, has also been obtained through letter no. ৫৩.০১৪.০৩৭.০০.০০.০১৭.২০০৬ (আইসিবি)(১)-০৬. dated 03 January 2013 of Bank and Financial Institutions Division, Ministry of Finance, Government of the People's Republic of Bangladesh for raising of the above capital.

Having satisfactory operation, the Corporation has earned Income of Tk 9,891,945,931.00, Net Profit (after Tax) of Tk. 3,764,248,817.00 and declared 40% cash dividend for the year ended 30-06-2013. Corporation's incomes, profits and dividends were also attractive in previous years as revealed in accounts enclosed with this document. The success could have been possible with the support of our customers and efficient direction of the Board of Directors as well as patronization and active participation of our valued shareholders.

To maintain the growth and to increase the capital base of your Organization, we hope you would come forward with full support and assistance to make the offer a success.

A self-explanatory Rights Share Offer Document prepared according to the Securities and Exchange Commission (Rights Issue) Rules, 2006 is enclosed herewith for your kind information and evaluation.

On behalf of the Board of Directors

Sd/-
(Md. Fayekuzzaman)
Managing Director

The Rights Share Offer

Highlights of the Corporation

In the backdrop of rapid and functional change in economic policy The Investment Corporation of Bangladesh (ICB) was established on 1 October 1976 under “The Investment Corporation of Bangladesh Ordinance, 1976” (Ordinance No. XL of 1976). The establishment of ICB was a major step in a series of measures undertaken by the government to accelerate the pace of industrialization and to develop a well-organized and vibrant capital market, particularly securities market in Bangladesh. ICB provides institutional support to meet the equity gap of the companies. In view of the national policy for accelerating the rate of savings and investment to foster self-reliant economy, ICB assumes an indispensable and pivotal role. Through the enactment of the investment Corporation of Bangladesh (Amendment) Act, 2000 (Act No. 24 of 2000), reforms in operational strategies and business policies have been implemented by establishing and operating subsidiary companies under ICB.

Corporate Information

<i>Date of Establishment</i>	:	01-10-1976
<i>Commencement of operation</i>	:	01-10-1976
<i>Listed in Dhaka Stock Exchange</i>	:	1977
<i>Listed in Chittagong Stock Exchange</i>	:	1995
<i>Authorized Capital as on 30.06.2013 (BDT)</i>	:	10,000,000,000.00
<i>Paid-up Capital as on 30.06.2013 (BDT)</i>	:	4,218,750,000.00
<i>Shareholders’ equity as on 30.06.2013 (BDT)</i>	:	25,638,856,030.00
<i>Total Assets as on 30.06.2013 (BDT)</i>	:	77,928,608,134.00
<i>Number of Employees as on 30.06.2013</i>	:	532

The Rights Issue

As per letter no. ৫৩.০১৪.০৩৭.০০.০০.০১৭.২০০৬(আইসিবি)(১)-০৬ dated 03 January 2013 of Bank and Financial Institutions Division, Ministry of Finance, Government of the People’s Republic of Bangladesh and the Board of Directors of the Corporation in their 416th meeting held on February 14, 2013 decided to raise paid-up capital by Tk. 2,109,375,000.00 through issuance of Rights share of 21,093,750 Ordinary Shares of Tk.100.00 each at an issue price Tk. 500.00 each including a premium of Tk. 400.00 per share at a ratio of 1(R):2 (One rights share for two existing shares held) on the basis of existing paid-up capital of Tk. 4,218,750,000.00.

Issue Price

The Extra Ordinary General Meeting (EGM) of the Corporation was held on December 13, 2013 for this purpose. In the EGM the honorable shareholders approved Rights Offer of 21,093,750 Ordinary Shares of Tk. 100.00 each at an issue price Tk.500.00 each including a premium of Tk. 400.00 per share on the basis of 1(One) rights share for every 2 (two) existing shares held on the record date. Government of Bangladesh has also approved the above right issue proposal including the offer price.

RISK FACTORS AND MANAGEMENT'S PERCEPTION ABOUT THE RISKS

Investors should be aware that there are risks associated with an investment in the Corporation. The investors should carefully consider the following risks in addition to the information contained in the Rights Offer Document for evaluating the said offer, and taking decision whether to invest in shares of the Corporation.

Interest rate risk:

Interest rate risk is the likelihood that changes in the level of market interest rates will adversely affect the organization net interest income and the value of the financial instruments. A considerable proportion of the corporation's assets are in the form of long-term and other short-term commitments some of which are matched against short-term deposits. This in turn results in the corporation being vulnerable to interest rate hikes.

Management Perception

Though ICB cannot avoid the consequences of unusual and abrupt increase in borrowing rate due to change in market condition, thus takes all the appropriate measures to minimize the negative consequences by adjusting lending rates wherever possible and reducing the dependency on high cost borrowing.

Industry Risk:

ICB is operating in a competitive market. Some of the competitors have same range of products, services and complementary lines of business etc.

Management Perception

The establishment of ICB by the government was to accelerate the pace of industrialization and to develop a well-organized and vibrant capital market, particularly securities market in Bangladesh. The Corporation has a sound financial and technical base. It is specialized in Capital Market Operations, Portfolio Management, Custodian and Banker to the Issues, Mergers and Acquisitions, Lease Financing, Consumer Credit Scheme, and strive to provide products according to customers' needs with a personalized service. Corporation and its 3 (three) subsidiary companies are also carrying out merchant banking, mutual fund operation and brokerage activities and enjoying significant market share in all the above business segments. There are continuous efforts for mobilizing funds at competitive prices from Banks/Insurance Companies & individuals.

Exchange Rate Risk:

Exchange rate risk generally arises from exchange rate fluctuations when an institution holds foreign currency fund or raises loan in foreign currencies or deals in foreign exchange currencies.

Management Perception

ICB does not borrow from foreign sources, neither deals in foreign exchange. As a result foreign exchange fluctuations will not have any impact on the business of the Corporation.

Market and technology related Risk:

In the global market of 21st century, developed technology obsoletes the old service/product strategy. So the existing technology may not be efficient enough to cope up with the future trend and needs.

Management Perception

ICB's key objective of managing market risk is minimizing the effects of adverse market movements on the corporation's earnings and capital effectively. In addition the management always puts emphasis on development and implementation of appropriate technology and is committed to upgrade ICT continuously.

Changes in Economic & Political Condition & National Policies

Changing economic and political conditions may affect the demand for the product/services offered by the Corporation.

Management Perception

ICB always monitors the changes in national policies and adjust strategies accordingly. Changes in the policies shall have effect on all the competitors, not only Investment Corporation of Bangladesh. Corporation has a strong risk management system, which to a large extent support the business continuity plan to absorb any political and economic shocks.

Operational Risk:

Operational risk is the direct or indirect loss or damages resulting from failure or inadequate internal processes, people, systems and management or from external events.

Management Perception

The objective of operation risk management of ICB is to monitor control of operational risk in a cost-effective manner within targeted levels. Our divisional heads are responsible for maintaining an acceptable level of internal control, commensurate with the scale and nature of operations. Audit & compliance department of ICB takes all necessary control measures regularly. Audit & compliance department is carried out on the basis of the guidelines circulated from time to time by the regulatory authorities. Besides, ICB emphasizes on the specific work manual for every department/division to reduce operational risk.

Credit Risk:

The credit risk emanates from various activities of the corporation including on Balance Sheet exposure such as lending, treasury functions, leasing and off-balance sheet exposures such as guarantees.

Management Perception

Being a financial institution, Investment Corporation of Bangladesh cannot fully eliminate credit risk but risk can be managed to optimize the risk adjusted return. Lending is one of the main lines of business of the corporation. Within the integrated risk management framework, credit division manages their credit risk exposures in an objective and informed manner. ICB management formulates credit strategy by establishing limits to mitigate concentration risk with regard to sector, region and product. Assessment on the quality of

credit is an important tool in any financial institution and ICB is focused on ensuring that credit will not result in bad loans. Stringent credit policies supported by IT based screening system help the right type of projects and sponsors. ICB believes that a key component of a disciplined credit culture is adherence to internal policies and procedures. A well-defined hierarchy supported by well-established policies and procedures provide a robust framework for the management of credit risk.

Liquidity Risk:

Liquidity risk is very significant for a financial institution as it operates mostly based on borrowing fund. Due to shortage of liquidity, the organization may not be able to meet payment obligations. Financial position of ICB will be adversely affected if the Corporation fails to manage liquidity position properly. The end objective of liquidity management is to ensure striking balance between liquidity and profitability.

Management Perception

To overcome the liquidity risk, ICB is maintaining a diversified and stable funding source, both long-term and short-term comprising of bonds, deposits and bank borrowings. Assets Liability Committee (ALCO) of the corporation manages the balance sheet of the Corporation within the performance of the Liquidity risk parameters laid down by the Board of Directors. ALCO reviews Statement of maturity of Assets and Liability and Statement of Sensitivity of Assets.

History of Non-Operation, if any:

Any interruption in the operations of the Corporation affects the Corporation's image as a going concern. Failure to ensure uninterrupted operation reduces profitability and in the long run weakens the fundamentals of ICB.

Management Perception

There is no history of disruption in the operation of the corporation.

DATE OF OPENING AND CLOSING OF SUBSCRIPTION LISTS

Subscription opens for the rights shares offer on **December 07, 2014** and subscription closes for the rights shares offer on **December 30, 2014**.

UTILIZATION OF PREVIOUS RIGHTS ISSUE FUND

Investment Corporation of Bangladesh raised BDT. 300,000,000.00 through issuance of Rights offer of 3,000,000 ordinary shares of Tk.100.00 each at par at the ratio of 1:1.5(R) in the year 2000. The objective of fund utilization of previous rights issue was not clearly specified in the offer document. However, raised fund through Rights issue was utilized for business expansion and normal course of business operations such as investment in primary & secondary market, investing in the other loan portfolios and repayment of loan of the Corporation.

sd/-

(Md. Kamal Hossain Gazi)

Deputy General Manager, Accounts Division

sd/-

(Md. Fayekuzzaman)

Managing Director

PURPOSE OF THE RIGHTS ISSUE

To foster sustainable growth in business and to give best efforts for maintaining stability and developing Capital market, Investment Corporation of Bangladesh envisages issuing the Rights Shares to raise its paid-up capital base for Investment in Primary & Secondary market and to pay off the borrowings of the Corporation. Therefore, the Board of Directors and the Shareholders of the Corporation have decided based on the approval of the Govt. as per Section 4(2) of ICB Ordinance to raise its paid-up capital to Tk. 6,328,125,000.00 from Tk. 4,218,750,000.00 by issuance of Right Shares of 21,093,750 ordinary shares of Tk. 500 each including a premium of Tk. 400/- per share at the ratio of 1R:2 i.e. 1 (one) Rights Share for 2 (two) existing shares held.

IMPLEMENTATION SCHEDULE [Rule-8(k)]

Total rights issue proceeds will be utilized as follows:

SL	Use of rights share proceeds (Proposed)	Amount (Tk. In crore)	Tentative time
1	Investment in Primary & Secondary market	554.69	Within 12 (twelve) months after receiving right issue fund
2	Pay off Borrowings: Repayment of Term Deposit from different Banks and other Institutions based on the maturity * Balance of Term Deposit Tk. 4,412.10 crore (Unaudited) as on 30 June, 2014	500.00	Within 2 (two) months after receiving right issue fund
Total		1054.69	

sd/-

(Provash Ranjon Roy)

Deputy General Manager, Finance Division

sd/-

(Md. Fayekuzzaman)

Managing Director

10 (TEN) YEARS INFORMATION REGARDING AGM HELD AND DIVIDEND DECLARED

Sl. No.	No. of AGM	Date of AGM	Year	Rate of Dividend	
				Bonus	Cash
1	37 th	13-12-2013	2012-13	-	40%
2	36 th	20-10-2012	2011-12	25%	25%
3	35 th	22-10-2011	2010-11	35%	15%
4	34 th	28-10-2010	2009-10	25%	15%
5	33 rd	21-11-2009	2008-09	100%	5%
6	32 nd	28-10-2008	2007-08	100%	10%
7	31 st	30-10-2007	2006-07	-	14%
8	30 th	18-10-2006	2005-06	-	12%
9	29 th	27-10-2005	2004-05	-	12%
10	28 th	31-10-2004	2003-04	-	10%

sd/-
(Dipika Bhattacharjee)
Deputy General Manager /Secretary

sd/-
(Md. Fayekuzzaman)
Managing Director

EXISTING PRODUCTS & SERVICES RENDERED BY THE CORPORATION & IT'S SUBSIDIARIES

(A) Existing Products & Services rendered by the Corporation

Capital Market Segment

- Advance against Equity, Private Equity, Placement of Shares;
- Advance against Share Repurchase arrangement;
- Advance against Unit & Bangladesh Fund certificates;
- Managing Margin Loan Accounts, Unit and Mutual Funds;
- Stock Market Operation;
- Portfolio Management;
- Investing in Preference Shares;
- Investing in Secondary Market;
- Trustee & Custodian;
- Agent for Divestment of Govt. Shares;
- Mergers & Acquisition;

Infrastructure segment

- Equity and Entrepreneurship Fund/Venture Capital Financing;
- Debenture Financing;
- Lease Financing;

Money market segment

- Dealing in Money market instruments: Subordinated Bond, Zero Coupon Bond, Term Deposit Receipt;
- Fixed Deposit Receipt;
- Issuing Bank Guarantee;
- Consumer Credit Scheme;
- Corporate Financial Advice;

Capital Market Segment

- **Advance against Equity, Private Equity, Placement of Shares**

As part of business diversification and encouraging rapid industrialization of the country, advance against equity, private equity, placement of shares have been introduced since inception of this Corporation. Every year significant level of transactions regarding these products rolls over. ICB invests in different companies through equity participation singly/under consortium arrangements of different Banks and financial institutions.

- **Advance against Share Repurchase arrangement**

One of the most prominent services that ICB provides is advance against share repurchase arrangement. This merchant banking operation has its unique features which makes ICB proud to keep the pioneering role in this regard.

- **Advance against ICB Unit & Bangladesh fund certificates**

Advance against ICB unit certificates scheme was introduced in 1998 for the ICB unit holders to meet their emergency fund requirements. Presently ICB provides advance against the certificates of ICB Unit Fund, Bangladesh Fund and ICB AMCL Unit Fund. One can borrow maximum 80 percent of initial surrender value by depositing his/her unit certificates under lien arrangement from any of the ICB offices and Banks. The rate of interest on the loan is reasonable and competitive.

- **Managing Margin Loan Accounts, Unit and Mutual Funds**

Margin Loan Accounts

Investment account holders can avail margin loan facilities to purchase securities from both primary and secondary markets as per BSEC margin rules. The margin loans are provided for purchasing securities with sound fundamentals and good prospects. As a result, risk reduces and safety of margin loans in investment of customers is protected. Returns of the investors under this scheme are attractive.

ICB Unit Fund

It is an open-end mutual fund scheme launched in April 1981, through which the small and medium savers get opportunity to invest their savings in a balanced and relatively low risk portfolio. ICB has so far declared attractive dividends on units every year ranging from Tk. 11.5 to Tk. 36.50 per unit. Investments in units enjoy tax benefits, amount being applicable as per law. However, after restructuring of ICB, new unit certificates are being sold by ICB's subsidiary company, the ICB Asset Management Company Ltd.

ICB Mutual Funds

ICB has so far floated eight closed-end mutual funds. The First ICB Mutual Fund was floated on 25 April 1980, while the Eighth ICB Mutual Fund was floated on 23 July 1996. The aggregate paid-up capital of these funds is Tk. 17.75 crore. As on 30 June 2013, 19799 certificate holders owned these funds. ICB mutual funds have become very popular to the investors due to payment of attractive dividends on regular basis. Investors show overwhelming interest in all the ICB mutual funds. One can invest in such funds through the stock exchanges with which these funds are listed. Through corporate restructuring, new mutual funds are now floated through "ICB Asset Management Company Ltd."- a subsidiary of ICB.

- **Stock Market Operation**

ICB is playing unparallel role both in primary and secondary market which ultimately makes the capital market vibrant. Merchant banking operations such as underwriting, issue management, fund management, brokerage services, etc. are being provided uniquely.

- **Portfolio Management**

Being the largest institutional investor, ICB contributes significantly to the development of the country's capital market through active portfolio management which is one of the important functions of ICB. Total ten portfolios ICB usually portrays- eight of which are mutual funds, one is unit fund and ICB's own portfolio. During the FY 2012-13, ICB earned Tk. 353.94 crore as capital gain and Tk. 125.61 crore as dividend on shares and interest on debentures.

- **Investing in Preference Shares**

Diversified instruments are the strength of ICB's investment strategy. Investment in preference shares signifies this attitude.

- **Investing in Secondary Market**

During 2012-13 a total investment of Tk. 1988.09 crore has been made in the investment portfolio of ICB including Tk. 80.32 crore in shares of a company through Pre-IPO placement, Tk. 5.0 crore in debentures of two companies, Tk. 0.66 crore in right shares of 6 companies . As on 30 June 2013, the market value of the securities of ICB's investment portfolio stood at Tk.3583.35 crore against the net investment value of Tk. 3320.16 crore resulting in capital appreciation of Tk. 263.19 crore.

- **Trustee & Custodian**

ICB is acting as trustee to the debenture issues and securitized bonds. Up to 30 June 2013 ICB acted as trustee to the debenture issues of 17 companies involving Tk. 184.15 crore and issues of 15 bonds of 12 companies involving Tk. 1749.36 crore. ICB also undertook the responsibilities of trustee to 23 mutual funds involving Tk. 2225.75 crore.

- **Agent for Divestment of Govt. Shares**

ICB is actively associated with disinvestment process. With a view to off loading of Government shares through the Stock Market, ICB has been entrusted with the responsibility of selling Government owned shares of different listed Companies.

Government enterprises intending to go public often seek professional & financial services on corporate restructuring and reengineering. In case of this divestment program ICB provides such services through analyzing Financial Statements and other relevant documents of the institution.

- **Mergers & Acquisition**

Companies willing to expand their business through mergers or acquisitions or to divest projects that no longer fit into present scale of operation contact the Corporation. ICB provides professional services and advice in respect of shaping up the cost and financial structures to ensure best possible operational results. Besides, the Corporation, through network and established business relationship, brings buyers and sellers together to help them negotiate final agreement and advice on the emerging corporate structure.

Infrastructure segment

- **Equity and Entrepreneurship Fund/Venture Capital Financing**

With a view to encouraging the investment in promising Agro-based and Information & Communication Technology (ICT), Government of Bangladesh had set up an Equity Development Fund (EDF) in the budget 2000-01. Targeting mainly country's remote areas for Equity and Entrepreneurship development, ICB along with Bangladesh Bank has taken a lot of measures to improve management of this fund. Fund is allocated for two sectors, namely

EEF (Agro) and EEF (IT). EEF is working mainly for development of rural economy infrastructure, reduction of unemployment, achieving self reliance in agro based product in the rural economy. Moreover, EEF (IT) is working as part of the government's plan to build a digital Bangladesh.

- **Debenture Financing**

Debenture financing is a special type of vehicle of debt financing, aims at helping the industries to meet their long-term investment requirement. It provides them to have an alternative source of fund, which normally reduces their cost of fund.

- **Lease Financing**

ICB provides lease finance mainly for procurement of capital machinery, equipment and transport to the prospective clients. The period of lease, rentals, charges and other terms and conditions are determined on the basis of assets and assistance provided as per requirement of the lessee. Since launching of this scheme in 1999, good response has been received from the intending lessees.

Money market segment

- **Dealing in Money market instruments: Subordinated Bond, Zero Coupon Bond, Term Deposit Receipt (TDR)**

ICB provides several money market services like investing in subordinated bond, zero coupon bond and accept TDR. These services have enriched the diversified arena in our portfolio. Attractive rate is offered for these products. ICB receives deposit in the form of TDR from institutions/ individuals offering attractive and negotiable interest rate which helps to make investment in profitable securities.

- **Fixed Deposit Receipt (FDR)**

Providing a tailored solution is the essence of our services. ICB recognizes that a customized solution like FDR is vital for the success of the business. Whether it is a Project Finance or Term Loan, ICB offers the right solution from where applicants find top-class skills and in-depth knowledge of market trends from our specialists - altogether a gratifying experience.

- **Issuing Bank Guarantee**

ICB introduced Bank Guarantee scheme in 2002-03. ICB provides (i) Bid bond for enabling the business people to participate in any tender or bidding; (ii) Performance bond for helping the business community to continue their business smoothly by fulfilling their obligations promised by them to their clients; (iii) Customs guarantee for solving different disagreements between the customs authority and the business classes at the initial stage.

- **Consumer Credit Scheme**

ICB has introduced "Consumer Credit Scheme" in 2003-04 to meet the needs of various household appliances of different professionals of govt., semi-govt., autonomous bodies and some established private sector organizations. Operation of the scheme has been kept stopped for a certain period to introduce strategic change in recovery of such credit.

- **Corporate Financial Advice**

Companies and Government enterprises intending to off-load shares frequently seek professional & financial advice on corporate restructuring & reengineering from ICB. As a professional, ICB provides such services to their clients.

(B) Existing Products & Services rendered by the Subsidiaries

(i) ICB Capital Management Limited (ICML)

- Managing Investors' Accounts (Investors' Scheme)
- Issue Management and Underwriting
- Portfolio Management
- Lien Bank and Consultancy Services of Equity and Entrepreneurship Fund (EEF)
- Trustee and Custodian

Managing Investors' Accounts (Investors' Scheme)

One of the foremost activities of ICML is the Investors' Scheme which includes both discretionary and non-discretionary services. This Scheme is an opportunity for the general investors as it shaped the secondary capital market by significant flow of securities. Topnotch Customer service is an integral part and driven value of ICML. Upto June, 30, 2013 the total no. of operative investors' accounts stood at 31,235. ICML has also implemented the waiver scheme successfully declared by the Govt. to rehabilitate affected small investors after the turmoil of capital market in 2010. More than 10,000 affected investors were supported to regain their confidence in the market.

Issue Management and Underwriting

ICML offers specialized services related to issue management to State Owned Enterprises, Local Statutory bodies and Corporate sector. It has been rendering Issue Management (Public/Repeat Public/Rights/Direct Listing/Private Placement Issues/Bonds/Preference Shares), Consultancy and Corporate Advisory Services as a Capital Market Intermediary. Since inception, ICML has assisted several fundamentally strong based companies to float their securities in the capital market & established itself as a trusted brand in managing issue. In FY 2012-13, ICML acted as issue manager of 2 companies involving Tk.280.00 crore representing around 39% of the total issue size in the market.

ICML renders underwriting support singly or through consortium to viable and prospective companies seeking long term fund from the capital market. It helps companies to float equity and debt instruments in the secondary market by giving commitment to take up unsubscribed portion of the issues.

Portfolio Management

ICML has been playing dynamic role in managing own portfolio by investing securities both in primary and secondary market. Being a subsidiary of ICB and a leading merchant banking institution, ICML contributes significantly to the development of the capital market through active portfolio management.

Lien Bank and Consultancy Services of Equity and Entrepreneurship Fund (EEF)

Equity and Entrepreneurship Fund (EEF) was created by the Government of Peoples' Republic of Bangladesh in FY 2000-2001 with a view to encourage small & medium entrepreneurs to invest in the risky but otherwise promising sectors viz. software industry and food processing & agro-based industry. Among other activities, ICML is acting as an Appraisal Bank and provides consultancy services to those who are seeking financial assistance from EEF, thereby it (ICML) is also contributing towards the development of the country through this scheme.

Trustee and Custodian

ICML has engaged itself as Trustee and Custodian of the largest ever mutual fund i.e. 'Bangladesh Fund'. It's a Tk.5000.00 crore open-end mutual fund which acted as savor of crash of country's capital market in 2010-2011.

(ii) ICB Asset Management Company Limited (ICBAMCL)

- Open- End Mutual Fund
- Closed End Mutual Fund

Open- End Mutual Fund

The ICB Asset Management Company Limited (ICB AMCL) is managing the following 3 (three) open-end mutual funds as on June 30, 2013:

Sl. No.	Fund's Name	Approved Size (In BDT crore)	Capital size (In BDT crore) as on June 30, 2013
1	ICB AMCL Unit Fund	200.00	175.07
2	ICB AMCL Pension Holders' Unit Fund	30.00	22.87
3	Bangladesh Fund	5000.00	1608.10

Closed End Mutual Fund

ICB Asset Management Company Ltd is managing the following 12(twelve) closed-end mutual funds as on June 30, 2013:

Sl. No.	Fund's Name	Capital size (In BDT crore)
1	ICB AMCL First Mutual Fund	10.00
2	ICB AMCL Islamic Mutual Fund	10.00
3	ICB AMCL First NRB Mutual Fund	10.00
4	ICB AMCL Second NRB Mutual Fund	100.00
5	ICB AMCL Second Mutual Fund	50.00
6	ICB Employees Provident Mutual Fund One: Scheme One	75.00
7	Prime Bank 1st ICB AMCL Mutual Fund	100.00
8	ICB AMCL Third NRB Mutual Fund	100.00
9	Phoenix Finance 1st Mutual Fund	60.00
10	IFIL Islamic Mutual Fund-1	100.00
11	ICB AMCL Sonali Bank Ltd. 1st Mutual Fund	100.00
12	Prime Finance First Mutual Fund	20.00

The company is planning to launch another closed-end mutual fund soon namely ICB AMCL First Agrani Bank Ltd. Mutual Fund to be sponsored by Agrani Bank Ltd.

(iii) ICB Securities Trading Company Limited (ISTCL)

- Brokerage Services
- Depository Participant (DP) Services
- Other Services

Brokerage Services

- Trade Execution for both Individual and Institutional Clients in Dhaka Stock Exchange Ltd. and Chittagong Stock Exchange Ltd.
- Trade Execution for Non-Resident Bangladeshis in both the Bourses
- Trade Execution in the “Over-the-Counter Market” for the Clients
- Extend Credit Facilities through Margin Accounts to the valued Clients
- Custodial Services provided for Clients for Safe Custody of Securities
- Act as a Selling Agent for the companies listed directly under “Direct Listing Regulations 2006” of Dhaka Stock Exchange Limited
- Offload Shares of the Government in State Owned Enterprises (SOEs)

Depository Participant (DP) Services

- BO (Beneficiary Owners) Account opening and maintenance
- Client Custodian Services
- BO ISIN balance enquiry
- Dematerialization and Re-materialization
- Pledging, Un-pledging and Confiscation
- Corporate events announcement enquiry
- Settlement Transfers & Transfers and Transmission of Securities
- Other Services as a Full Depository Participant (DP)

Other Services

- Report on Daily Stock Market
- Counseling to valued Clients regarding Capital Market
- Customized Economic and Capital Market related Research
- Providing Statements through e-mail

JUSTIFICATION OF THE ISSUE PRICE OF PROPOSED RIGHTS OFFER

As per letter no. ৫৩.০১৪.০৩৭.০০.০০.০১৭.২০০৬(আইসিবি)(১)-০৬ dated 03 January 2013 of Bank and Financial Institutions Division, Ministry of Finance, Government of the People's Republic of Bangladesh the rights issue price is offered at an issue price Tk. 500.00 each including a premium of Tk. 400.00 per share which is justified as per the guidelines of the Bangladesh Securities & Exchange Commission as detailed below:

Method-1: Price based on Net Asset Value per share

Particulars	Amount
Paid-up Capital	4,218,750,000.00
Reserves	14,640,897,416.00
Retained Earnings	6,779,208,614.00
Total Shareholders' Equity	25,638,856,030.00
Number of shares	42,187,500
Net Asset Value per share as on June 30, 2013 Audited Report	607.73

Method-2: Average market price of Investment Corporation of Bangladesh

Sl.	Months	Face Value (in Tk.)	Market Price in Tk. (as per DSE Monthly Review)
1.	April, 2014	100.00	1796.25
2.	March, 2014	100.00	1793.00
3.	February, 2014	100.00	1,645.25
4.	January, 2014	100.00	1,604.50
5.	December, 2013	100.00	1,461.00
6.	November, 2013	100.00	1,517.25
Average Market Price			1636.21

Method 3: Historical Earnings based value per share

Financial Year	No. of Share	Net Profit after Tax	Weight No. of Share	Weighted Average Profit
2012-13	42,187,500	3,764,240,394	32.22%	1,212,838,254.95
2011-12	33,750,000	4,625,851,579	25.78%	1,192,544,537.07
2010-11	25,000,000	5,100,355,073	19.09%	973,657,783.44
2009-10	20,000,000	3,056,716,530	15.27%	466,760,614.13
2008-09	10,000,000	1,658,301,989	7.64%	126,694,271.96
Total	130,937,500	18,205,465,565	100.00%	3,972,495,461.54
No. of shares				42,187,500
Weighted average EPS				94.16
3 months average P/E (lesser of 18.89 & 16.40)				16.40
Earning Based Value per share				1544.22

Particulars	April, 2014	March, 2014	February,2014
Sectoral Market PE (Financial Institutions)	17.39	18.21	21.07
Average	18.89		

Particulars	April, 2014	March, 2014	February,2014
Overall Market PE	16.41	15.89	16.91
Average	16.40		

Lesser of 18.89 & 16.40 is 16.40

Justification of offering price under different methods	Tk. in BDT
Method-1: Price based on Net Asset Value per share	607.73
Method-2: Average market price of Investment Corporation of Bangladesh	1636.21
Method 3: Historical Earnings based value per share	1544.22

LENGTH OF TIME DURING WHICH THE ISSUER HAS CARRIED ON BUSINESS [Rule-8(j)]

Investment Corporation of Bangladesh has been established on 1st October, 1976 to encourage and broaden the base of investments, develop the capital market and mobilise savings and to provide for matters ancillary thereto. The business policy of the Corporation is as under:

- To act on commercial consideration with due regard to the interest of industry, commerce, depositors, investors and to the public in general;
- To provide financial assistance to projects subject to their economic and commercial viability;
- To arrange equity support and loans for projects singly or through consortium of financial institutions including banks;
- To encourage and develop entrepreneurship in the country;
- To diversify investments;
- To inspire small and medium savers for investment in securities;
- To create employment opportunities;
- To encourage and broaden the base of Investment in agro and information & communication technology (ICT) sectors.

COMPOSITION OF SHAREHOLDING POSITION OF THE CORPORATION

Particulars	No. of Shares Held	Total Amount of Shares	% of Total Shares
Government and State owned Organizations	37,004,170	3,700,417,000.00	87.71%
Pubali Bank Limited	3,162,224	316,222,400.00	7.50%
Uttara Bank Limited	670,612	67,061,200.00	1.59%
General Public and others Institution	1,350,494	135,049,400.00	3.20%
Total	42,187,500	4,218,750,000.00	100.00%

QUANTITY OF SHARES HELD BY EACH DIRECTOR ON THE DATE OF RIGHTS SHARE OFFER DOCUMENT [(ROD) (Rule-8(I))]

Sl. No.	Name of the Directors	Status in the Board	Share Holding	
			Number of Shares (as per ICB Ordinance & Govt. Instruction)	% of holding
1	Dr. S.M. Mahfuzur Rahman * Professor Department of International Business University of Dhaka.	Chairman Appointed by the Govt. of the People's Republic of Bangladesh as per ICB Ordinance	1,13,90,625	27.00
2	Kazi Shofiqul Azam Additional Secretary Wing-2: World Bank Economic Relations Division Ministry of Finance Govt. of the People's Republic of Bangladesh.	Director Appointed by the Govt. of the People's Republic of Bangladesh as per ICB Ordinance		
3	Mr. Gokul Chand Das Additional Secretary (Administration) Bank and Financial Institutions Division Ministry of Finance Govt. of the People's Republic of Bangladesh.	Director Appointed by the Govt. of the People's Republic of Bangladesh as per ICB Ordinance		
4	Mr. S.M. Moniruzzaman Executive Director Bangladesh Bank.	Director Appointed by the Govt. of the People's Republic of Bangladesh as per ICB Ordinance		
5	Dr.Md. Zillur Rahman Managing Director Bangladesh Development Bank Limited.	Director (Ex-officio) as per ICB Ordinance	1,08,13,074	25.63
6	Mr. Pradip Kumar Dutta Managing Director & CEO Sonal Bank Ltd.	Director Elected by the shareholder as per ICB Ordinance	29,53,588	7.00
7	Syed Abdul Hamid Managing Director & CEO Agrani Bank Ltd.	Director Elected by the shareholder as per ICB Ordinance	21,17,727	5.02
8	Mr. S.M. Aminur Rahman* Managing Director & CEO Janata Bank Ltd.	Director Elected by the shareholder as per ICB Ordinance	28,19,007	6.68
9	Mr. Md. Rezaul Karim Managing Director Sadharan Bima Corporation	Director Elected by the shareholder as per ICB Ordinance	49,25,010	11.67
10	Mr. Md. Fayekuzzaman Managing Director Investment Corporation of Bangladesh	Managing Director Appointed by the Govt. of the People's Republic of Bangladesh as per ICB Ordinance	-	-

* The tenure of honorable Chairman of the Corporation Dr. S.M. Mahfuzur Rahman and CEO & Managing Director of Janata Bank Limited Mr. S.M. Aminur Rahman were expired on 08.08.2014 and 27.07.2014 respectively. The Chairman of the Corporation has not yet been appointed by the Government of the People's Republic of Bangladesh. Mr. Omar Farooq, Deputy Managing Director has been appointed as CEO and Managing Director (Current Charge) of Janata Bank Limited by the Board of Janata Bank Limited.

BENEFICIAL OWNERS HOLDING SHARES 5% OR ABOVE [Rule-8(I)]

Sl. No.	Name of the Directors	Status in the Board	Share Holding	
			Number of Shares (as per ICB Ordinance & Govt. Instruction)	% of holding
1	Dr. S.M. Mahfuzur Rahman* Professor Department of International Business University of Dhaka.	Chairman Appointed by the Govt. of the People's Republic of Bangladesh as per ICB Ordinance	1,13,90,625	27.00
2	Kazi Shofiqul Azam Additional Secretary Wing-2: World Bank Economic Relations Division Ministry of Finance Govt. of the People's Republic of Bangladesh.	Director Appointed by the Govt. of the People's Republic of Bangladesh as per ICB Ordinance		
3	Mr. Gokul Chand Das Additional Secretary (Administration) Bank and Financial Institutions Division Ministry of Finance Govt. of the People's Republic of Bangladesh.	Director Appointed by the Govt. of the People's Republic of Bangladesh as per ICB Ordinance		
4	Mr. S.M. Moniruzzaman Executive Director Bangladesh Bank.	Director Appointed by the Govt. of the People's Republic of Bangladesh as per ICB Ordinance		
5	Dr.Md. Zillur Rahman Managing Director Bangladesh Development Bank Limited.	Director (Ex-officio) as per ICB Ordinance	1,08,13,074	25.63
6	Mr. Pradip Kumar Dutta Managing Director & CEO Sonali Bank Ltd.	Director Elected by the shareholder as per ICB Ordinance	29,53,588	7.00
7	Syed Abdul Hamid Managing Director & CEO Agrani Bank Ltd.	Director Elected by the shareholder as per ICB Ordinance	21,17,727	5.02
8	Mr. S.M. Aminur Rahman* Managing Director & CEO Janata Bank Ltd.	Director Elected by the shareholder as per ICB Ordinance	28,19,007	6.68
9	Mr. Md. Rezaul Karim Managing Director Sadharan Bima Corporation.	Director Elected by the shareholder as per ICB Ordinance	49,25,010	11.67
10	Pubali Bank Ltd.	Shareholder	3,162,224	7.50

* The tenure of honorable Chairman of the Corporation Dr. S.M. Mahfuzur Rahman and CEO & Managing Director of Janata Bank Limited Mr. S.M. Aminur Rahman were expired on 08.08.2014 and 27.07.2014 respectively. The Chairman of the Corporation has not yet been appointed by the Government of the People's Republic of Bangladesh. Mr. Omar Farooq, Deputy Managing Director has been appointed as CEO and Managing Director (Current Charge) of Janata Bank Limited by the Board of Janata Bank Limited.

DETAILS OF DIRECTORS, MANAGING DIRECTOR & CORPORATION SECRETARY [Rule-8(m)]

Sl. No.	Name of Directors	Position	Educational Qualification	Address	Occupation
01	Dr. S.M. Mahfuzur Rahman*	Chairman	Masters in Economics and Planning, 1979 Ph.D in Development Economics,1983	Investment Corporation of Bangladesh Head Office BDBL Bhaban (Level 14-17), 8,Rajuk Avenue, Dhaka-1000.	Professor and Director, EMBA Program Department of International Business University of Dhaka.
02	Kazi Shofiqul Azam	Director	B.Com (Hon's), M.Com in Finance. Diploma in Course Design and Instructional Technique.	Block# 16 Room no# 04 Ground Floor Shere-e-Bangla Nagar, Dhaka.	Kazi Shofiqul Azam Additional Secretary,Wing-2: World Bank Economic Relations Division Ministry of Finance Govt. of the People's Republic of Bangladesh.
03	Mr. Gokul Chand Das	Director	B.Sc. (Hon's), M.Sc. in Chemistry.	Bank and Financial Institutions Division Ministry of Finance Govt. of the People's Republic of Bangladesh.	Additional Secretary (Administration) Bank and Financial Institutions Division Ministry of Finance Govt. of the People's Republic of Bangladesh
04	Mr. S.M. Moniruzzaman	Director	B.A (Hon's), M.A in Economics, Rajshahi University. M.A in Economics, Eastern Michigan University, USA. Diplomaed Associate Institute of Bankers, Bangladesh.	Bangladesh Bank Head Office Dhaka.	Executive Director, Bangladesh Bank
05	Dr. Md. Zillur Rahman	Director	Ph.D. in Credit Management from IBS of Rajshahi University. B.Com. (Hon's), M.com. in Management From Dhaka University.	Bangladesh Development Bank Ltd. BDBL Bhaban Head Office 8, Rajuk Avenue, Dhaka-1000.	Managing Director Bangladesh Development Bank Ltd.
06	Mr. Pradip Kumar Dutta	Director	M.Sc. in Applied Chemistry, University of Dhaka. Diploma in Banking from Institute of Bankers, Bangladesh. (IBB).	Sonali Bank Ltd. Head Office 35-42, 44, Motijheel C/A Dhaka-1000.	Managing Director & CEO Sonali Bank Ltd.

Sl. No.	Name of Directors	Position	Educational Qualification	Address	Occupation
07	Syed Abdul Hamid	Director	B.Com.(Hon's.) in Management and M.com in Marketing from Dhaka University. Qualified as a Chartered Accountant in 1984 from the Institute of Chartered Accountants of Bangladesh (ICAB). Completed Chartered Accountancy Course from Hoda Vasi Chowdhury & Co.	Agrani Bank Ltd. Head Office 9/D, Dilkhusha C/A Dhaka-1000.	Managing Director & CEO Agrani Bank Ltd.
08	Mr. S.M. Aminur Rahman*	Director	MBA from IBA, University of Dhaka. Diplomaed Associate Institute of Bankers, Bangladesh (DAIBB).	Janata Bank Ltd. Head Office 110, Motijheel C/A Dhaka-1000.	Managing Director & CEO Janata Bank Ltd.
09	Mr. Md. Rezaul Karim	Director	B.Com. (Hon's), M.com. in Management	Sadharan Bima Corporation Head Office, 33, Dilkhusha C/A Dhaka-1000.	Managing Director Sadharan Bima Corporation
10	Mr. Md. Fayekuzzaman	Managing Director	B.Com. (Hon's), M.Com. in Management Post Graduation Studies in Investment Planning, Appraisal and Management of Development Finance, Institution in Bradford University, United Kingdom. Attended Cambridge Leadership Program organized by the University of Cambridge, United Kingdom and Leadership Essential Program arranged by the Columbia University, USA.	Investment Corporation of Bangladesh Head Office BDBL Bhaban (Level 14-17), 8,Rajuk Avenue,Dhaka-1000.	Managing Director Investment Corporation of Bangladesh
11	Ms. Dipika Bhattacharjee	Secretary	B.Com. (Hon's), M.Com. in Finance From Dhaka University.	Investment Corporation of Bangladesh Head Office BDBL Bhaban (Level 14-17), 8, Rajuk Avenue, Dhaka-1000.	Deputy General Manager Investment Corporation of Bangladesh

* The tenure of honorable Chairman of the Corporation Dr. S.M. Mahfuzur Rahman and CEO & Managing Director of Janata Bank Limited Mr. S.M. Aminur Rahman were expired on 08.08.2014 and 27.07.2014 respectively. The Chairman of the Corporation has not yet been appointed by the Government of the People's Republic of Bangladesh. Mr. Omar Farooq, Deputy Managing Director has been appointed as CEO and Managing Director (Current Charge) of Janata Bank Limited by the Board of Janata Bank Limited.

DETAILS OF BRANCH MANAGERS OF THE CORPORATION [RULE-8 (M)] :

Sl. No	Name of Managers	Position	Educational Qualification	Name of Branch	Address	Occupation
1.	Mr. Manoranjan Chakma	Deputy General Manager	S.S.C (Commerce) Diploma In Commerce Master of Science in Economics and Trade (4 Years Course).	Chittagong	Delwar Bhaban (3 rd floor) 104, Agrabad C/A, Chittagong. Phone: (031) 714851, 727064 Fax: 880-31-727064 E-mail: icbctg@spetnet.com	Service
2.	Md. Emdad Hossain Mollah	Deputy General Manager	B.com (Hon's) M.Com (Accounting). JAIBB	Sylhet	Ananda Tower & Shopping Complex (2 nd floor) Dhupadighir Uttarpar, Jail Road, Sylhet Phone (0821) 714703, 2830458 E-mail: icbsyl@sol_bd.com	Service
3.	Mr. Md. Ruhul Amin	Deputy General Manager	B.Com (Hon's) Marketing M.Com (Marketing). JAIBB	Local Office	Kashpia Plaza (1 st floor) 35/C, Nayapaltan VIP Road, Dhaka- 1000 Phone: (02) 9343288, 8360815 E-mail: icblocal@intechworld.net	Service
4.	Mr. Md. Nazrul Islam	Deputy General Manager	BA (Hon's), MA (Economics). JAIBB	Khulna	BDBL Bhaban (3 rd floor) 25-26, KDA Commercial Area, Khulna Phone: (041) 721689, 722984 E-mail: icb_kln@khulna.bangla.net	Service
5.	Mr. Md. Rafiqul Islam	Deputy General Manager	B.Com (Hon's), M.Com (Marketing). DAIBB	Barishal	Barisal Plaza (2 nd floor) 87-88, Hemayet Uddin Road, Barisal Phone: (0431) 64404,62554 E-mail: icbbsl@ccnbsl.net	Service
6.	Mr. Abu Taher Mohammad Ahmedur Rahman	Deputy General Manager	B.Com (Hon's), M.Com (Finance), M.B.A (Financial Management). DAIBB	Rajshahi	Dr. Gaffar Plaza (2 nd Floor) Shaheb Bazar, Ghoramara, Rajshahi Phone: (0721) 775402, 774661 E-mail: icbrajbr@bttb.net.bd	Service
7.	Mr. Md. Nasimul Karim	Assistant General Manager	B.Com (Hon's), M.Com (Management).	Bogra	Afsar Ali Comlex (4 th floor) Raja Bazar Road, Borogola, Bogra Phone: (051) 66940, 66860 E-mail: icbbogra@bttb.net.bd	Service

PUBLIC LISTED COMPANIES UNDER COMMON MANAGEMENT [Rule-8(n)]

There is no Public Listed Company under common management of the Corporation.

CLASSIFIED INFORMATION & UNDERWRITERS [Rule-8 (o)]

Auditor	:	<ol style="list-style-type: none">S.F. Ahmed & CO. Chartered Accountants House # 51 (2nd Floor), Road # 09, Block # F, Banani, Dhaka-1213Octokhan Chartered Accountants House # 105 (4th Floor), Northern Road, Baridhara DOHS, Dhaka.
Legal Advisors	:	<ol style="list-style-type: none">Dr. Shahdeen Malik LL.M (Moscow) LL.M (Philadelphia) Ph.D (London) Advocate Supreme Court Of Bangladesh House # 27 (1st Floor) Road # 13 A Dhanmondi R/A Dhaka-1209. Tel: 8191634, 9142682, 8141912 Email : smalik1@aitlbd.netDr. Kamal Uddin Bhuiyan LL.B (Hon's), LL.M, Ph.D Advocate, Bangladesh Supreme Court Room No-4020 (Annex) Supreme Court Bar Association Building Bangladesh Supreme Court, Dhaka. Phone: 9515049, 01716-736389
Income Tax Advisors	:	Shafiq Basak & Co. Chartered Accountants Shatabdi Centre (6 th Floor), 292, Inner Circular Road, Fakirapul, Motijheel, Dhaka.
Issue Manager	:	ICB Capital Management Ltd. BDBL Bhaban (Level: 16), 8, Rajuk Avenue, Dhaka.
Banker to the Issue	:	<ol style="list-style-type: none">IFIC Bank Limited.Investment Corporation of Bangladesh (ICB).Bangladesh Development Bank Ltd.Standard Bank Ltd.

Name of the Underwriters

<i>Name & Address of Underwriter</i>	<i>Number of Shares</i>	<i>Underwritten Amount</i>
ICB Capital Management Limited BDBL Bhaban (Level: 16), 8, Rajuk Avenue, Dhaka	21,093,750	10,546,875,000.00

Underwriters' information and obligation:

If and to the extent that the shares offered to the existing shareholders by the Rights Share Offer Document authorized hereunder shall not have been subscribed and paid for in cash in full by the closing date, the Corporation shall within **10 (ten)** days of the closure of subscription call upon the underwriters (for full unsubscribed amount) in writing with a copy of said writing to the Bangladesh Securities and Exchange Commission, to subscribe for shares not subscribed by the closing date and to pay for in cash in full, inclusive of any premium if applicable, for such unsubscribed shares within **15 (fifteen)** days after being called upon to do so. If payment is made by Cheque/Bank Draft by the underwriter it will be deemed that the underwriter has not fulfilled his obligation towards his commitment under this Agreement, until such time as the Cheque/Bank Draft has been encashed and the Corporation's account has been credited. In any case, within **7 (seven)** days after the expiry of the aforesaid **15 (fifteen)** days, the Corporation shall send proof of subscription and payment by the underwriters, to the Commission.

DIRECTORS' SUBSCRIPTION IN THE RIGHTS OFFER [RULE-8(Q)]

Directors on behalf of their Institution are expected to exercise in full of their portion of Rights Share Offer:

Sl. No.	Name of the Directors	Status in the Board	Number of Shares holding (as per ICB Ordinance & Govt. Instruction)	Number of Rights Shares Offered
1	Dr. S.M. Mahfuzur Rahman* Professor Department of International Business University of Dhaka	Chairman Appointed by the Govt. of the People's Republic of Bangladesh as per ICB Ordinance	1,13,90,625	56,95,312.5
2	Kazi Shofiqul Azam Additional Secretary Wing-2: World Bank Economic Relations Division Ministry of Finance Govt. of the People's Republic of Bangladesh.	Director Appointed by the Govt. of the People's Republic of Bangladesh as per ICB Ordinance		
3	Mr. Gokul Chand Das Additional Secretary (Administration) Bank and Financial Institutions Division Ministry of Finance Govt. of the People's Republic of Bangladesh	Director Appointed by the Govt. of the People's Republic of Bangladesh as per ICB Ordinance		
4	Mr. S.M. Moniruzzaman Executive Director Bangladesh Bank	Director Appointed by the Govt. of the People's Republic of Bangladesh as per ICB Ordinance		
5	Dr. Md. Zillur Rahman Managing Director Bangladesh Development Bank Limited	Director (Ex-officio) as per ICB Ordinance	1,08,13,074	54,06,537
6	Mr. Pradip Kumar Dutta Managing Director & CEO Sonali Bank Ltd.	Director Elected by the shareholder as per ICB Ordinance	29,53,588	14,76,794
7	Syed Abdul Hamid Managing Director & CEO Agrani Bank Ltd.	Director Elected by the shareholder as per ICB Ordinance	21,17,727	10,58,863.5
8	Mr. S.M. Aminur Rahman* Managing Director & CEO Janata Bank Ltd.	Director Elected by the shareholder as per ICB Ordinance	28,19,007	14,09,503.5
9	Mr. Md. Rezaul Karim Managing Director Sadharan Bima Corporation	Director Elected by the shareholder as per ICB Ordinance	49,25,010	24,62,505

N.B. The Bank and Financial Institutions Division, Ministry of Finance, Government of the People's Republic of Bangladesh has, vide letter no. ৫৩.০১৪.০৩৭.০০.০০.০১৭.২০০৬(আইসিবি)(১)-১৩৬ dated 30 April 2013, instructed the above institutions to subscribe their respective portion of proposed rights issue as per rules.

* The tenure of honorable Chairman of the Corporation Dr. S.M. Mahfuzur Rahman and CEO & Managing Director of Janata Bank Limited Mr. S.M. Aminur Rahman were expired on 08.08.2014 and 27.07.2014 respectively. The Chairman of the Corporation has not yet been appointed by the Government of the People's Republic of Bangladesh. Mr. Omar Farooq, Deputy Managing Director has been appointed as CEO and Managing Director (Current Charge) of Janata Bank Limited by the Board of Janata Bank Limited.

MANAGEMENT & EXECUTIVES (NAME & DESIGNATION):

SL. No	Name	Designation
1	Mr. MD.Fayekuzzaman	Managing Director
2	Mr. Md.Wahiduzzaman Khandaker	General Manager
3	Mr. Md. Abdur Rouf	General Manager
4	Mr. Md. Abul Hossain	General Manager
5	Mr. Nasir Uddin Ahmed	General Manager
6	Ms. Tahmina Begum	General Manager
7	Mr. Md. Alauddin Khan	Deputy General Manager/ CEO, ICB Asset Management Co. Ltd.
8	Ms. Jubaida Nasrin	Deputy General Manager/CEO, ICB Securities Trading Co. Ltd.
9	Mr. Manoranjan Chakma	Deputy General Manager.
10	Mr. Md. Nazrul Islam Khan	Deputy General Manager.
11	Mr. Md. Moshir Rahman	Deputy General Manager/CEO, ICB Capital Management Ltd.
12	Mr. Mahmud Mizanur Rahman	Deputy General Manager
13	Ms. Nasrin Sultana	Deputy General Manager
14	Ms. Kamrun Nahar	Deputy General Manager
15	Mr. Md Ayub Ali	Deputy General Manager
16	Ms. Dipika Bhattacharjee	Deputy General Manager
17	Ms. Dilroze Habib	Deputy General Manager
18	Mr. Md. Emdad Hossain Mollah	Deputy General Manager
19	Mr. Mojibur Rahman Farazi	Deputy General Manager
20	Ms. Tanjina Chowdhury	Deputy General Manager
21	Ms. Noorjahan Khanam	Deputy General Manager
22	Mr. Md. Kamal Hossain Gazi	Deputy General Manager
23	Mr. Md. Ruhul Amin	Deputy General Manager
24	Mr. Md. Moynal Haque Khan	Deputy General Manager
25	Ms. Munira Rahman	Deputy General Manager
26	Mr. Md. Aminul Quader Khan	Deputy General Manager
27	Mr. Tarek Nizamuddin Ahmed	Deputy General Manager
28	Mr. Mohammed Shahjahan	Deputy General Manager
29	Ms. Hasina Akther	Deputy General Manager
30	Ms. Nasmin Anwar	Deputy General Manager
31	Mr. Muhammed Iqbal Hussain	Deputy General Manager
32	Mr. Muhammad Enayetur Rahman	System Manager/ Deputy General Manager
33	Mr. Md. Refat Hasan	System Manager/ Deputy General Manager
34	Mr. Md. Nazrul Islam	Deputy General Manager
35	Mr. Md. Zakir Hossain Khan	Deputy General Manager
36	Mr. Gazi Mastafa Haque	Deputy General Manager
37	Mr. Md. Rafiqul Islam	Deputy General Manager
38	Mr. Tipu Sultan Farazi	Deputy General Manager
39	Mr. Abu Taher Mohammad Ahmedur Rahman	Deputy General Manager
40	Mr. Provash Ranjon Roy	Deputy General Manager

EXECUTIVE COMMITTEE

<i>Name</i>	<i>Position in the Board</i>	<i>Position in the Committee</i>
Dr. S.M. Mahfuzur Rahman	Chairman	Chairman
Kazi Shofiqul Azam	Director	Member
Mr. Pradip Kumar Dutta	Director	Member
Mr. S.M. Aminur Rahman	Director	Member
Mr. Md. Fayekuzzaman	Managing Director	Member

AUDIT COMMITTEE

<i>Name</i>	<i>Position in the Board</i>	<i>Position in the Committee</i>
Syed Abdul Hamid, FCA	Director	Chairman
Mr. Gokul Chand Das	Director	Member
Mr. S.M. Moniruzzaman	Director	Member
Dr. Md. Zillur Rahman	Director	Member
Mr. Md. Rezaul Karim	Director	Member

BANKERS TO THE ISSUE OF RIGHTS SHARE

Investment Corporation of Bangladesh (ICB)	
NSC Tower, Purana Paltan, Dhaka Chittagong Branch, Chittagong Rajshahi Branch, Rajshahi Khulna Branch, Khulna	Barisal Branch, Barisal Sylhet Branch, Sylhet Bogra Branch, Bogra Local Office, Kashfia Plaza, Nayapaltan, Dhaka
Bangladesh Development Bank Limited (BDBL) (BDBL)	
Principal Branch, Dhaka Kawran Bazar Branch, Dhaka Motijheel Branch, Dhaka Elephant Road Branch, Dhaka Narayangonj Branch, Narayangonj Mymensingh Branch, Mymensingh Faridpur Branch, Faridpur Agrabad Branch, Chittagong Khatungonj Branch, Chittagong Sylhet Branch, Sylhet Comilla Branch, Comilla	Noyakhali Branch, Noyakhali Cox's Bazar Branch, Cox's Bazar Khulna Branch, Khulna Jenaidaha Branch, Jenaidaha Barisal Branch, Barisal Rajshahi Branch, Rajshahi Rangpur Branch, Rangpur Bogra Branch, Bogra Pabna Branch, Pabna Dinajpur Branch, Dinajpur

IFIC Bank Limited	
Federation Branch, Dhaka Mohakhali Branch, Dhaka Elephant Road Branch, Dhaka Kawran Bazar Branch, Dhaka Uttara Branch, Dhaka Pallabi Branch, Dhaka Narsingdi Branch, Narsingdi Narayanganj Branch, Narayanganj Faridpur Branch, Faridpur Dhanmondi Branch, Dhaka Banani Branch, Dhaka Shantinagar Branch, Dhaka Islampur Branch, Dhaka Naya Paltan Branch, Dhaka North Brook Hall Road Branch, Dhaka Mymensingh Branch, Mymensingh Stock Exchange Branch, Dhaka Pragoti Sarani Branch, Dhaka Gabtoli Branch, Dhaka Dholaikhal Branch, Dhaka Madam Bibir Hat Branch, Chittagong Shah Amanat Market branch, Chittagong Brahmanbaria Branch, Brahmanbaria Feni Branch, Feni	Cox's Bazar Branch, Cox's Bazar CDA Avenue Branch, Chittagong Comilla Branch, Comilla Miah Bazar Branch, Comilla Choumuhani Branch, Noakhali Alanker More Branch, Chittagong Naju Miah Hat Branch, Chittagong Chawkbazar Branch, Chittagong Laldighi Branch, Chittagong Rajshahi Branch, Rajshahi Bogra Branch, Bogra Dinajpur Branch, Dinajpur Rangpur Branch, Rangpur Pabna Branch, Pabna Khulna Branch, Khulna Jessore Branch, Jessore Boro Bazar Branch, Khulna Kushtia Branch, Kushtia Bagerhat Branch, Bagerhat Barisal Branch, Barisal Sylhet Branch, Sylhet Uposhohor Branch, Sylhet Moulvi Bazar Branch, Moulvi Bazar Tultikar Branch, Sylhet
Standard Bank Limited	
Principal Branch, Dhaka Foreign Exchange Branch, Dhaka Topkhana Road Branch, Dhaka Imamgonj Branch, Dhaka Gulshan Branch, Gulshan-2, Dhaka Gulshan-1 Branch, Gulshan, Dhaka Mohakhali Branch, Dhaka Malibagh Branch, Dhaka Dhanmondi Branch, Dhaka Mirpur Branch, Dhaka Uttara Branch, Dhaka Panthapath Branch, Dhaka Banani Branch, Dhaka Prigati Sarani Branch, Dhaka Nawabpur Road Branch, Dhaka Mohammadpur Branch, Dhaka Green Road Branch, Dhaka Narayanganj Branch, Narayanganj Eskaton Branch, Dhaka Ekuria Branch, Dhaka Ring Road Branch, Shamoli, Dhaka Kanchpur Branch, Narayanganj Jubilee Road Branch, Chaittagong	Agrabad Branch, Chittagong Khatungonj Branch, Chittagong CDA Avenue Branch, Chittagong Sadarghat Branch, Chittagong Bahaddarhat Branch, Chittagong Comilla Branch, Comilla Chaktai Branch, Chittagong Sylhet Branch, Sylhet Pahartali Branch, Chittagong Chittagong EPZ Branch, Chittagong Beani Bazar Branch, Sylhet Oxygen More Branch, Chittagong Moulubi Bazar Branch, Sylhet Mymensingh Branch, Mymensingh Rajshahi Branch, Rajshahi Bogra Branch, Bogra Rangpur Branch, Rangpur Dinajpur Branch, Dinajpur Jessore Branch, Jessore Khulna Branch, Khulna Kustia Branch, Kustia Faridpur Branch, Faridpur Barisla Branch, Barisal

TERMS AND CONDITIONS OF THE RIGHTS ISSUE

BASIS OF THE OFFER:

The Corporation records its share register of members on September 09, 2014 for determining the shareholders who are eligible to receive this offer of shares on rights basis. The ordinary shares are now being offered on a rights basis to the shareholders holding shares on the record date in the ratio of 1R:2 i.e. one right share for two existing shares held.

ENTITLEMENT:

As a shareholder of the Corporation on the record date on September 09, 2014 the shareholders are entitled to this Rights Offer. Only the holder(s) of a minimum of one fully paid ordinary share is entitled to receive the Rights Offer.

ACCEPTANCE OF THE OFFER:

A shareholder may accept and apply for the shares hereby offered, wholly or in part by filling in Application - Form A and submitting the same along with the application money to the Bankers to the Issue on or before the Closing Date of the Offer i.e. December 30, 2014.

RENUNCIATION:

A shareholder may renounce all or part of the shares he/she is entitled to in favour of any other person(s) other than an infant or person of unsound mind. He/she can renounce his/her rights/entitlement of shares by signing Renunciation Form-B. Renouncee(s) shall fill in Form-C appropriately.

GENERAL:

All applications should be made on the printed form provided by the Corporation in this Rights Share Offer Documents only and should be completed in all respects. Applications, which are not completed in all respects or are made otherwise than as herein provided or are not accompanied by the proper application amount of deposit, are liable to be rejected and the application money received in respect thereof shall be refunded.

All communications in connection with the application for the Rights Share should be addressed to the Corporation quoting the registered folio number/BO ID number in the form.

CONDITION OF SUBSCRIPTION:

One Right share of Tk. 100.00 each at an issue price Tk. 500.00 including a premium of Tk. 400.00 per share is offered against 2 (two) existing shares held by existing Shareholder(s) whose name(s) appeared in the Corporation's Share Register at the record date as on September 09, 2014.

PAYMENT OF SHARE PRICE:

Payments for the full value of Shares applied for shall be made with designated branches of Bankers to the issue by Cash/Pay Order/Demand Draft payable to "**Investment Corporation of Bangladesh**" and crossed. The Pay Order/Demand Draft for payment of share price must be drawn on a bank in the same town to which the application form has been submitted.

SUBSCRIPTION	Opens on: December 07, 2014
	Closes on: December 30, 2014
(Within banking hours, both days inclusive)	

Any change or extension regarding subscription period will be notified through national dailies.

LOCK-IN ON RIGHTS SHARE:

The rights share of directors and other shareholders holding 5% or more shares shall be subject to lock-in for a period of three years from the date of closure of the rights share subscription. In the event of renunciation of rights share by aforesaid persons, the renounced shares shall also be subject to lock-in for the same period.

Sl. No.	Name of the Directors	Status in the Board	Number of Shares		Expiry Date of Lock-in condition as per Securities and Exchange Commission (Right Issue) Rules, 2006	ICB Ordinance [4 (3)] The Share Capital of Corporation shall be subscribed in the following manner, namely:-	ICB General Regulations 1977 [(Part-II), (Share Capital and Shares), 6] Nature of Share: a share of the Corporation shall be movable property and shall not be transferable except in the manner provided hereunder:
			Number of Shares holding (as per ICB Ordinance & Govt. Instruction)	Number of Rights Shares offered			
1	Dr. S.M. Mahfuzur Rahman* Professor Department of International Business University of Dhaka	Chairman Appointed by the Govt. of the People's Republic of Bangladesh as per ICB Ordinance	1,13,90,625	56,95,312.5	3 yrs from the closing date of Subscription	(a) twenty-seven percent by the Government; (b) twenty-four percent by the Bangladesh Bank, the Shilpa Bank and the Shilpa Rin Sangstha in such proportion as the Government may direct; (c) Forty-nine percent by the new banks established under the Bangladesh Banks (Nationalization) Order, 1972 (P.O. No. 26 of 1972), the insurance companies and the general public in such	i) Shares under Sub-Section (3) (b) of Section 4 of the Ordinance shall be transferable within the group with the prior consent of the Government. ii) Shares subscribed under Sub-Section (3) (c) of Section 4 of the Ordinance by the new banks and Insurance Companies shall be transferable between themselves with the prior consent of the Government . iii) Shares offered to and subscribed by the General public under Sub Section (3) (c) of Section 4 of the Ordinance shall be freely transferable.
	Kazi Shofiquil Azam Additional Secretary Wing-2: World Bank Economic Relations Division Ministry of Finance Govt. of the People's Republic of Bangladesh.	Director Appointed by the Govt. of the People's Republic of Bangladesh as per ICB Ordinance					
	Mr. Gokul Chand Das Additional Secretary (Administration) Bank and Financial Institutions Division Ministry of Finance Govt. of the People's Republic of Bangladesh	Director Appointed by the Govt. of the People's Republic of Bangladesh as per ICB Ordinance					
	Mr. S.M. Moniruzzaman Executive Director Bangladesh Bank	Director Appointed by the Govt. of the People's Republic of Bangladesh as per ICB Ordinance					

Sl. No.	Name of the Directors	Status in the Board	Number of Shares		Expiry Date of Lock-in condition as per Securities and Exchange Commission (Right Issue) Rules, 2006	ICB Ordinance [4 (3)] The Share Capital of Corporation shall be subscribed in the following manner, namely:-	ICB General Regulations 1977 [(Part-II), (Share Capital and Shares), 6] Nature of Share: a share of the Corporation shall be movable property and shall not be transferable except in the manner provided hereunder:
			Number of Shares holding (as per ICB Ordinance & Govt. Instruction)	Number of Rights Shares offered			
2	Dr.Md. Zillur Rahman Managing Director Bangladesh Development Bank Limited	Director (Ex-officio) as per ICB Ordinance	1,08,13,074	54,06,537	3 yrs from the closing date of Subscription	proportion as the Government may direct.	
3	Mr. Pradip Kumar Dutta Managing Director & CEO Sonali Bank Ltd.	Director Elected by the shareholder as per ICB Ordinance	29,53,588	14,76,794	3 yrs from the closing date of Subscription		
4	Syed Abdul Hamid Managing Director & CEO Agrani Bank Ltd.	Director Elected by the shareholder as per ICB Ordinance	21,17,727	10,58,863.5	3 yrs from the closing date of Subscription		
5	Mr. S.M. Aminur Rahman* Managing Director & CEO Janata Bank Ltd.	Director Elected by the shareholder as per ICB Ordinance	28,19,007	14,09,503.5	3 yrs from the closing date of Subscription		
6	Mr. Md. Rezaul Karim Managing Director Sadharan Bima Corporation	Director Elected by the shareholder as per ICB Ordinance	49,25,010	24,62,505	3 yrs from the closing date of Subscription		
7	Pubali Bank Ltd.	Sponsor Shareholder	3,162,224	15,81,112	3 yrs from the closing date of Subscription		

* The tenure of honorable Chairman of the Corporation Dr. S.M. Mahfuzur Rahman and CEO & Managing Director of Janata Bank Limited Mr. S.M. Aminur Rahman were expired on 08.08.2014 and 27.07.2014 respectively. The Chairman of the Corporation has not yet been appointed by the Government of the People's Republic of Bangladesh. Mr. Omar Farooq, Deputy Managing Director has been appointed as CEO and Managing Director (Current Charge) of Janata Bank Limited by the Board of Janata Bank Limited.

OTHERS:

The application not properly filled in shall be treated as cancelled and deposited money will be refunded. For any reason, no profit/compensation will be paid on the refunded amount.

The offer will be deemed to have been declined if completed Application **Form-A** with necessary payments have not been received by December 30, 2014 (Within banking hours) or by such later date as may be notified through national dailies to that effect.

MATERIAL CONTRACTS:**Material Contracts of the vendors'**

There is no Vendors' Agreement of the Corporation with any others.

Acquisition of property, plant and equipments

There is no Acquisition of Property by the Corporation after the Balance Sheet date 30.06.2013.

BANKERS TO THE ISSUE

Investment Corporation of Bangladesh (ICB), Bangladesh Development Bank Limited, IFIC Bank Limited and Standard Bank Limited is the Bankers to the Issue who will collect the subscription money of the Rights Offer. The Rights Issue subscription money collected from the shareholders by the Bankers to the Issue will be remitted to the Corporation's Account No. 1001-638063-001 with **IFIC Bank Ltd.**

UNDERWRITERS

The full amount of Rights Offer of Investment Corporation of Bangladesh as shown in the classified information part of ROD has been underwritten by 01 (one) underwriter on firm commitment basis. Each underwriter will be paid underwriting commission @ 0.10% of the underwritten amount. Simultaneously, with the calling upon an underwriter to subscribe or procure subscriber and pay for any number of shares, the Corporation will pay no additional commission to that underwriter on the nominal value of shares required to be subscribed by them.

MANAGER TO THE ISSUE

ICB Capital Management Limited is appointed as Manager to the Issue of the Rights Issue of the Corporation. Accordingly, an agreement has been executed between the Issue Manager and the Corporation. The Corporation will pay Tk. 20.00 lac to the Issue Manager as issue management fee.

FORM-A

[rule 5 and rule 8(t)]

Declaration (due diligence certificate) about responsibility of the Issue Manager in respect of the rights share offer document of Investment Corporation of Bangladesh (ICB).

This rights share offer document has been reviewed by us and we confirm after due examination that the rights share offer document constitutes full and fair disclosures about the rights issue and issuer, and complies with the requirements of the Securities and Exchange Commission (Rights Issue) Rules, 2006; and that the issue price is justified under the provisions of the Securities and Exchange Commission (Rights Issue) Rules, 2006.

For
ICB Capital Management Limited

Sd/-
(Md. Moshir Rahman)
Chief Executive Officer

Place: Dhaka
Date: May 28, 2014

FORM-B

[rule 6 and rule 8(t)]

Declaration (due diligence certificate) about responsibility of the Underwriter(s) in respect of the rights share offer document of Investment Corporation of Bangladesh (ICB).

This rights share offer document has been reviewed by us and we confirm after due examination that the issue price is justified under the provisions of the Securities and Exchange Commission (Rights Issue) Rules, 2006, and also that we shall subscribe for the under-subscribed rights shares within fifteen days of calling thereof by the issuer. The issuer shall call upon us for such subscription within ten days of closure of the subscription lists for the rights issue.

For Underwriters:

sd/-

(Md. Moshir Rahman)

Chief Executive Officer

ICB Capital Management Limited

Place: Dhaka

Date: May 28, 2014

FORM – C

[(Rule 8(h) and 8(t)] of Securities and Exchange Commission (Rights Issue) Rules, 2006

AUDITORS' REPORT TO THE SHAREHOLDERS OF INVESTMENT CORPORATION OF BANGLADESH (ICB)

We have audited the accompanying Financial Statements of Investment Corporation of Bangladesh (ICB) for the year ended 30 June 2013 and for the year ended June 2012, 2011, 2010 and 2009 audited by other auditors in accordance with International Standards on Auditing as applicable in Bangladesh and state that we have obtained all the information and explanations which we have required, and after due verification thereof, we report that, in our opinion:

- (a) These Financial Statements have been drawn up in accordance with International Accounting Standards as applicable in Bangladesh and the requirements of Securities and Exchange Rules 1987 as amended, the Companies Act 1994 and other relevant laws where applicable;
- (b) These Financial Statements which are in agreement with the books of account of the Corporation give a true and fair view of the state of its affairs as at 30 June 2013 and of the result of its operations and cash flows for the period/year then ended;
- (c) Proper books of account have been kept by the Corporation as required by the relevant laws; and
- (d) The expenditure incurred was for the purposes of the Corporation's business.

We also certify that the above Corporation has declared the following dividend for each of the following five years immediately preceding the issue of rights share offer document under the Securities and Exchange Commission (Rights Issue) Rules, 2006, and that the Corporation has duly paid off the following amounts of the declared dividend as mentioned against respective year:

Financial Year 30 June	Date of AGM held & Dividend Declaration	Declared Dividend	
		Rate (%)	Total Dividend Paid (Tk)
2009	21.11.2009	5% Cash Dividend	50,000,000
		100% Stock Dividend	1,000,000,000
2010	28.10.2010	15% Cash Dividend	300,000,000
		25% Stock Dividend	500,000,000
2011	22.10.2011	15% Cash Dividend	375,000,000
		35% Stock Dividend	875,000,000
2012	20.10.2012	25% Cash Dividend	843,750,000
		25% Stock Dividend	843,750,000
2013	13.12.2013	40% Cash Dividend	1,687,500,000
		-	-

Dated, Dhaka;
18 May 2014

sd/-
S. F. Ahmed & Co.
Chartered Accountants

sd/-
OCTOKHAN
Chartered Accountants

FORM-D

[rule 8(t)]

Due diligence certificate by the directors about their personal responsibility in respect of the rights share offer document of Investment Corporation of Bangladesh (ICB).

This rights share offer document has been prepared, seen, reviewed and approved by us and we collectively and individually accept full responsibility for the accuracy of the information given in the rights share offer document, relevant documents and financial statements submitted to the Commission and others concerned under the Securities and Exchange Commission (Rights Issue) Rules, 2006.

We confirm, after making all reasonable enquiries, that all conditions concerning this rights issue and rights share offer document have been met. We further confirm that we have not concealed any information or statement which might have any bearing on the information already made. In case of any default or failure on our part, civil, criminal or administrative action may be taken against us.

On behalf of the Board of Directors

sd/-

(Md. Fayekuzzaman)

Managing Director

Place: ICB Head Office, Dhaka.

Dated: 27 July 2014.

Independent Auditor's Report to the Shareholders of Investment Corporation of Bangladesh and its Subsidiaries

We have audited the accompanying consolidated as well as the separate financial statements of Investment Corporation of Bangladesh and its Subsidiaries (here-in-after referred to as "Corporation") prepared from separate financial statements which comprise the consolidated statement of financial position (Balance Sheet) as at June 30, 2013, and the consolidated statement of comprehensive income (Profit and Loss Account), statement of changes in equity and statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information. The financial statements of the Subsidiaries, ICB Asset Management Company Limited, ICB Capital Management Limited and ICB Securities Trading Company Limited are not audited by us, as at June 30, 2013.

The financial statements of the Corporation's subsidiaries, ICB Asset Management Company Limited, ICB Capital Management Limited and ICB Securities Trading Company Limited, reflect total assets of Tk.2,157,641,521, Tk.1,914,977,688 and Tk.3,746,843,000 as at June 30, 2013 and total revenue of Tk.1,052,157,038, Tk. 578,527,736 and Tk.637,727,342 respectively for the year then ended. These financial statement have been audited by others auditors whose reports have been furnished to us and our opinion, in so far as it relates to the amounts included in respect of the Corporation's Subsidiaries, is based solely on the reports of the other auditors.

Management's Responsibility for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with Bangladesh Financial Reporting Standards (BFRS), and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with Bangladesh Standards on Auditing (BSA). Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion the consolidated financial statements of the Corporation have been prepared in accordance with the Bangladesh Financial Reporting Standards (BFRS) and give a true and fair view of the consolidated financial position of the Investment Corporation of Bangladesh and its Subsidiaries as at June 30, 2013. The results of its financial performance and its cash flows for the year then ended and complies with the rules and regulations issued by the Bangladesh Bank, the Companies Act 1994, the Securities and Exchange Rules 1987 and other applicable laws and regulations with the exception of the mandatory compliance with FID Circular No 02 dated 31 January 2012 and FID Circular No 08 dated 03 August 2002 of Bangladesh Bank (Note-3.14) which is different from the requirement of the Bangladesh Financial Reporting Standards (BFRS).

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 Corporation so far as it appeared from our examinations of those books and proper returns adequate for the purpose of our audit have been received from the branches not visited by us;
- iii) the consolidated Statement of Financial Position and the consolidated Statement of Comprehensive Income of the Corporation dealt with by the report are in agreement with the books of account and returns;
- iv) the expenditure incurred was for the purpose of the Corporation's business;
- v) the consolidated financial position of the Corporation and its subsidiaries as at June 30, 2013 and its profit for the year then ended have been properly reflected in the consolidated financial statements of the Corporation, and these consolidated financial statements have been prepared in accordance with generally accepted accounting principles(GAAP);
- vi) the consolidated financial statements of the Corporation have been drawn up in accordance with the accounting rules and regulations issued by Bangladesh Bank to the extent applicable to the Corporation;
- vii) adequate provisions have been made for loans, leases and advances and other assets which are, in our opinion, doubtful of recovery;
- viii) the information and explanations required by us have been received and found satisfactory;
- ix) the Corporation has complied with relevant laws pertaining to reserves, which was found satisfactory;
- x) the consolidated financial statements of the Corporation conform to the prescribed standards set in the accounting regulations issued by the Bangladesh Bank after consultation with the professional accounting bodies of Bangladesh;

sd/-
S. F. Ahmed & Co.
Chartered Accountants

sd/-
OCTOKHAN
Chartered Accountants

Dated, Dhaka;
October 06, 2013

Investment Corporation of Bangladesh and its Subsidiaries
Consolidated Statement of Financial Position (Balance Sheet)
As at 30 June 2013

	Note	Amount in Taka	
		2013	2012 (Restated)
<u>Property and Assets</u>			
Cash and Bank Balances	4.a	11,529,827,759	12,097,248,537
Investments:	5.a	44,529,201,562	31,130,242,478
Capital Investment in Other Institutions	5.2	358,174,599	48,752,837
Marketable Securities- at market value	5.3.a	38,711,026,963	26,081,489,641
Investment in Bangladesh Fund	5.4	5,460,000,000	5,000,000,000
Loans and Advances:	6.a	16,827,208,103	14,849,633,751
Margin Loan – Secured	6.1.a	12,283,633,382	11,432,314,996
Unit & Mutual Fund Advance Account – Secured	6.2	180,341,892	164,776,220
Consumer Credit Scheme	6.3	7,508,372	11,300,487
Bridging Loan	6.4	4,981,582	230,415,374
Debenture Loan	6.5	21,225,208	21,225,208
Lease Receivables	6.6	1,065,648,188	979,036,915
Advance against Equity	6.7	1,665,009,286	749,583,333
Other Loans and Advances	6.8.1	1,598,860,193	1,260,981,218
Premises and Equipment (at cost less depreciation)	7.a	150,087,007	154,595,808
Other Assets	8.a	4,892,283,703	3,310,780,089
Total Assets		77,928,608,134	61,542,500,663
<u>Liabilities and Capital</u>			
Liabilities			
Borrowings:	9.a	9,824,500,000	4,328,000,000
Government Loan	9.1	24,500,000	28,000,000
Borrowings From Different Banks	9.2	9,800,000,000	4,300,000,000
Deposits	10.a	34,881,134,873	24,558,620,346
Debentures	11.a	-	18,000,000
Deferred Interest	12.a	2,451,676	9,219,370
Other Liabilities and Provisions	13.a	7,581,626,289	6,641,657,332
Carried forward		52,289,712,838	35,555,497,048

Investment Corporation of Bangladesh and its Subsidiaries
Consolidated Statement of Financial Position (Balance Sheet)(Contd.)
As at 30 June 2013

	Note	Amount in Taka	
		2013	2012 (Restated)
Brought forward		52,289,712,838	35,555,497,048
Non-controlling interest	16	39,266	35,019
Capital / Shareholders' Equity		25,638,856,030	25,986,968,596
Paid-up Capital	14	4,218,750,000	3,375,000,000
Reserves	15.a	14,640,897,416	14,923,201,057
Retained Earnings	28.a	6,779,208,614	7,688,767,539
Total Liabilities and Shareholders' Equity		77,928,608,134	61,542,500,663
Contra Entries			
Off-Balance Sheet Items:			
Contingent Liabilities:			
Penalty imposed by BSEC		-	100,000
Commitment on NBL		-	72,476,000
Guarantee to DSE & CSE on behalf of ISTCL		500,000,000	550,000,000
		500,000,000	622,576,000
Commitments:			
Lease Financing		-	140,000,000
Debenture Financing		-	442,000,000
Pre-IPO Placement		-	255,000,000
Investment in Direct Equity		-	500,836,897
Investment in Bond		-	120,000,000
Purchase of Preference Share		-	500,000,000
		-	1,957,836,897
Total Off-Balance Sheet Items		500,000,000	2,580,412,897

The attached notes form an integral part of these Financial Statements.

For and on behalf of Investment Corporation of Bangladesh

sd/-
S.M. Aminur Rahman
Director

sd/-
Dr. Md. Zillur Rahman
Director

sd/-
Syed Abdul Hamid
Director

sd/-
Md. Fayekuzzaman
Managing Director

As per our annexed report of same date

sd/-
S. F. Ahmed & Co.
Chartered Accountants

sd/-
OCTOKHAN
Chartered Accountants

Dhaka, October 06, 2013

Investment Corporation of Bangladesh and its Subsidiaries
Consolidated Statement of Comprehensive Income
(Profit and Loss Account)
For the year ended 30 June 2013

	Note	Amount in Taka	
		2013	2012
Operating Income			
Interest Income	17.a	3,083,293,426	3,006,153,012
Less: Interest paid on Deposits, Borrowings, etc.	18.a	4,413,611,782	3,650,570,317
Net Interest Income		(1,330,318,356)	(644,417,305)
Dividend	19.a	1,337,321,734	757,931,141
Capital Gain		3,746,770,677	5,330,045,120
Fees, Commissions & Service Charges	20.a	1,626,601,035	837,106,807
Other Operating Income	21.a	17,161,390	33,436,612
Total Operating Income (a)		5,397,536,480	6,314,102,375
Operating Expenses			
Salary and Allowances	22.a	410,465,269	407,887,779
Rent, Taxes, Insurance, Electricity, etc.		58,419,789	60,543,303
Legal Expenses		2,173,449	1,283,082
Postage, Stamps, Telegram & Telephone		4,719,635	3,388,753
Auditors' Fees		230,000	223,750
Stationary, Printing, Advertisement, etc.		17,463,286	19,325,083
Directors' Fees & Allowances		2,794,250	2,426,250
Repair, Maintenance & Depreciation	23.a	48,621,317	44,391,324
Brokerage		24,138,868	25,117,664
Other Operating Expenses	24.a	172,045,335	145,206,978
Total Operating Expenses (b)		741,071,198	709,793,966
Operating Profit (a-b)		4,656,465,282	5,604,308,409
Add: Non-operating Income	25.a	80,797,669	74,211,645
Profit before Provision (c)		4,737,262,951	5,678,520,054
Provision against Loans, Advances and others	26.a	329,816,180	248,486,360
Total Provision (d)		329,816,180	248,486,360
Profit before Tax (c-d)		4,407,446,771	5,430,033,694
Provision for Taxation			
Current Tax	27.a.1	657,430,667	810,422,251
Deferred Tax	27.a.2	(14,232,713)	(6,245,783)
		643,197,954	804,176,468
Net profit after Taxation		3,764,248,817	4,625,857,226
Less: Non-controlling Interest	29.a	8,423	5,647
Net Profit Available for Appropriation		3,764,240,394	4,625,851,579

Investment Corporation of Bangladesh and its Subsidiaries
Consolidated Statement of Comprehensive Income
(Profit and Loss Account) (Contd.)
For the year ended 30 June 2013

	Note	Amount in Taka	
		2013	2012
Net Profit Available for Appropriation		3,764,240,394	4,625,851,579
Earnings Per Share (EPS)	29.a	89.23	109.65

The attached notes form an integral part of these Financial Statements.

For and on behalf of Investment Corporation of Bangladesh

sd/-
S.M. Aminur Rahman
Director

sd/-
Dr. Md. Zillur Rahman
Director

sd/-
Syed Abdul Hamid
Director

sd/-
Md. Fayekuzzaman
Managing Director

As per our annexed report of same date

sd/-
S. F. Ahmed & Co.
Chartered Accountants

sd/-
OCTOKHAN
Chartered Accountants

Dhaka, October 06, 2013

Investment Corporation of Bangladesh and its Subsidiaries
Consolidated Statement of Changes in Equity for the year ended 30 June 2013

Amount in Taka

Particulars	Paid up share capital	Reserve for Building	General Reserve	Dividend Equalization Reserve	Revaluation Reserve	Debenture Loan Redemption Reserve	Reserve for Future Diminution of Securities	Retained Earnings	Non Controlling Interest	Total
Balance at 01 July 2012 (Restated)	3,375,000,000	2,308,389,985	1,756,573,436	977,285,632	4,485,596,431	170,820,137	5,224,535,436	7,688,767,538	35,019	25,987,003,614
Net Profit after tax for the year	-	-	-	-	-	-	-	3,764,240,394	8,423	3,764,248,817
Reserve For Stock Dividend Transfer to Paid up Capital for FY 2011-12	843,750,000	-	-	-	-	-	-	(843,750,000)	-	-
Cash Dividend Paid by ICB - FY 2011-12	-	-	-	-	-	-	-	(843,750,000)	-	(843,750,000)
Interim Cash Dividend Paid by Subsidiaries FY 2012-13	-	-	-	-	-	-	-	(475,663,500)	-	(475,663,500)
Amount Transferred to Different Reserve for FY 2011-12	-	544,999,041	781,999,693	523,499,733	-	-	614,998,530	(2,465,496,997)	3,003	3,003
Adjustment made during the year	-	-	-	-	(2,556,936,233)	(170,820,137)	(20,044,268)	5,361,179	(7,179)	(2,742,446,638)
Amount Transferred to Benevolent Fund for FY 2011-12	-	-	-	-	-	-	-	(50,500,000)	-	(50,500,000)
Balance as at 30 June 2013	4,218,750,000	2,853,389,026	2,538,573,129	1,500,785,365	1,928,660,198	-	5,819,489,698	6,779,208,614	39,266	25,638,895,296

Consolidated Statement of Changes in Equity
For the year ended 30 June 2012

Amount in Taka

Particulars	Paid up share capital	Reserve for Building	General Reserve	Dividend Equalization Reserve	Revaluation Reserve	Debenture Loan Redemption Reserve	Reserve for Future Diminution of Securities	Retained Earnings	Non Controlling Interest	Total
Balance at 01 July 2011 (Restated)	2,500,000,000	2,058,400,000	976,576,220	422,286,840	12,480,522,802	170,820,137	4,400,061,917	7,022,078,771	33,875	30,030,780,562
Net Profit after tax for the year	-	-	-	-	-	-	-	4,625,851,579	5,647	4,625,857,226
Reserve For Stock Dividend Transfer to Paid up Capital for FY 2010-11	875,000,000	-	-	-	-	-	-	(875,000,000)	-	-
Cash Dividend Paid - FY 2010-11	-	-	-	-	-	-	-	(375,000,000)	-	(375,000,000)
Amount Transferred to Different Reserve for FY 2010-11	-	249,989,985	779,997,216	554,998,792	-	-	1,084,998,012	(2,669,984,005)	11,291	11,291
Adjustment made during the year	-	-	-	-	(7,994,926,371)	-	(260,524,493)	4,372,824	(15,794)	(8,251,093,834)
Amount Transferred to Benevolent Fund for FY 2010-11	-	-	-	-	-	-	-	(43,551,631)	-	(43,551,631)
Balance as at 30 June 2012 (Restated)	3,375,000,000	2,308,389,985	1,756,573,436	977,285,632	4,485,596,431	170,820,137	5,224,535,436	7,688,767,538	35,019	25,987,003,614

The attached notes form an integral part of these Financial Statements.

For and on behalf of Investment Corporation of Bangladesh

sd/-
S.M. Aminur Rahman
 Director

sd/-
Dr. Md. Zillur Rahman
 Director

sd/-
Syed Abdul Hamid
 Director

sd/-
Md. Fayekuzzaman
 Managing Director

As per our annexed report of same date

sd/-
S. F. Ahmed & Co.
 Chartered Accountants
 Dhaka, October 06, 2013

sd/-
OCTOKHAN
 Chartered Accountants

Investment Corporation of Bangladesh and its Subsidiaries
Consolidated Cash Flow Statement
For the year ended 30 June 2013

	Amount in Taka	
	2013	2012
Cash flow from operating activities:		
Interest Received	3,068,260,377	2,901,962,403
Interest Paid	(4,047,656,590)	(3,426,193,757)
Received from capital gain on sale of listed companies shares	3,746,770,677	5,330,045,120
Dividend Received	696,077,512	661,688,226
Fees & Commissions Received	1,626,601,035	837,106,807
Cash Paid to Employees	(406,562,194)	(372,062,544)
Cash Paid to Suppliers	(94,677,555)	(96,283,349)
Cash Received from Other operating activities	97,959,059	107,648,257
Cash Paid for Other operating activities	(198,978,453)	(172,750,892)
Cash Flow before changes in Operating Assets & Liabilities	4,487,793,867	5,771,160,271
Changes in Operating Assets & Liabilities		
(Increase)/Decrease in Loans & Advances	(1,977,574,352)	(2,134,427,459)
(Increase)/Decrease in Investment in other Institutions	(309,421,762)	43,665,303
(Increase)/Decrease in other Assets	(911,065,933)	1,334,322,293
Increase/(Decrease) in Deposit Received from Banks	4,767,578,861	1,382,936,338
Increase/(Decrease) in Deposit received from Other Depositors	5,555,292,548	463,810,657
Increase/(Decrease) in Long Term Debt	5,496,500,000	4,296,500,000
Increase/(Decrease) in other Liabilities	(1,055,598,373)	(2,127,947,019)
	11,565,710,989	3,258,860,113
Net Cash from Operating Activities	16,053,504,856	9,030,020,384
Cash Flow from Investment Activities:		
Cash inflow from Sale of Securities	13,036,572,517	4,329,873,503
Cash outflow for Purchase of Securities	(29,013,448,897)	(11,467,522,569)
Cash outflow for Purchase of Fixed Asset	(28,795,803)	(39,244,745)
Net Cash Used in Investment Activities	(16,005,672,183)	(7,176,893,812)
Cash Received from Financing Activities		
Dividend paid in Cash	(615,253,452)	(375,000,000)
Net Cash Used in Financing Activities	(615,253,452)	(375,000,000)
Net Increase/(Decrease) in Cash and Cash Equivalent	(567,420,779)	1,478,126,572
Cash and Cash Equivalent at beginning of the year	12,097,248,537	10,619,121,965
Closing Cash and Cash Equivalent at end of the year	11,529,827,759	12,097,248,537

The attached notes form an integral part of these accounts.

For and on behalf of Investment Corporation of Bangladesh

sd/-
S.M. Aminur Rahman
Director

sd/-
Dr. Md. Zillur Rahman
Director

sd/-
Syed Abdul Hamid
Director

sd/-
Md. Fayekuzzaman
Managing Director

As per our annexed report of same date

sd/-
S. F. Ahmed & Co.
Chartered Accountants

sd/-
OCTOKHAN
Chartered Accountants

Dhaka, October 06, 2013

Investment Corporation of Bangladesh
Statements of Financial Position (Balance Sheet)
As at 30 June 2013

	Note	Amount in Taka	
		2013	2012
<u>Property and Assets</u>			
Cash and Bank Balances	4.b	10,927,962,748	11,369,803,733
Investments:	5.b	42,233,017,826	29,373,877,392
Capital Investment in ICB Subsidiary Companies	5.1	579,499,100	579,499,100
Capital Investment in Other Institutions	5.2	358,174,599	48,752,837
Marketable Securities- at market value	5.3	35,835,344,127	23,745,625,455
Investment in Bangladesh Fund	5.4	5,460,000,000	5,000,000,000
Loans and Advances:	6.b	13,240,890,407	11,712,050,092
Margin Loan – Secured	6.1	4,026,903,362	3,880,143,939
Unit & Mutual Fund Advance Account – Secured	6.2	180,341,892	164,776,220
Consumer Credit Scheme	6.3	7,508,372	11,300,487
Bridging Loan	6.4	4,981,582	230,415,374
Debenture Loan	6.5	21,225,208	21,225,208
Lease Receivables	6.6	1,065,648,188	979,036,915
Advance against Equity	6.7	1,665,009,286	749,583,333
Other Loans and Advances	6.8	6,269,272,517	5,675,568,616
Premises and Equipment (at cost less depreciation)	7.b	88,421,946	83,632,129
Other Assets	8.b	4,799,382,120	3,121,008,439
Total Assets		71,289,675,047	55,660,371,785
<u>Liabilities and Capital</u>			
Liabilities			
Borrowings:	9.b	9,824,500,000	4,328,000,000
Government Loan	9.1	24,500,000	28,000,000
Borrowings From Different Banks	9.2	9,800,000,000	4,300,000,000
Deposits	10.b	34,881,134,873	24,558,620,346
Debentures	11.b	-	18,000,000
Deferred Interest	12.b	2,451,676	9,219,370
Other Liabilities and Provisions	13.b	5,461,175,156	4,605,704,240
Carried forward		50,169,261,705	33,519,543,956

Investment Corporation of Bangladesh
Statements of Financial Position (Balance Sheet) (Contd.)
As at 30 June 2013

	Note	Amount in Taka	
		2013	2012
Brought forward		50,169,261,705	33,519,543,956
Capital / Shareholders' Equity		21,120,413,342	22,140,827,829
Paid-up Capital	14	4,218,750,000	3,375,000,000
Reserves	15.b	13,822,148,160	14,281,079,310
Retained Earnings		3,079,515,182	4,484,748,519
Total Liabilities and Shareholders' Equity		71,289,675,047	55,660,371,785
Contra Entries			
Off-Balance Sheet Items:			
Contingent Liabilities:			
Guarantee to DSE & CSE on behalf of ISTCL		500,000,000	550,000,000
Commitments:			
Lease Financing		-	140,000,000
Debenture Financing		-	442,000,000
Pre-IPO Placement		-	255,000,000
Investment in Direct Equity		-	500,836,897
Investment in Bond		-	120,000,000
Purchase of Preference Share		-	500,000,000
		-	1,957,836,897
Total Off-Balance Sheet Items		500,000,000	2,507,836,897

The attached notes form an integral part of these Financial Statements.

For and on behalf of Investment Corporation of Bangladesh

sd/-
S.M. Aminur Rahman
Director

sd/-
Dr. Md. Zillur Rahman
Director

sd/-
Syed Abdul Hamid
Director

sd/-
Md. Fayekuzzaman
Managing Director

As per our annexed report of same date

sd/-
S. F. Ahmed & Co.
Chartered Accountants

sd/-
OCTOKHAN
Chartered Accountants

Dhaka, October 06, 2013

Investment Corporation of Bangladesh

Statements of Comprehensive Income (Profit and Loss Account)

For the year ended 30 June 2013

	Note	Amount in Taka	
		2013	2012
<u>Operating Income</u>			
Interest Income	17.b	2,749,568,171	2,549,305,422
Interest paid on Deposits, Borrowings, etc.	18.b	4,413,611,782	3,650,570,317
Net Interest Income		(1,664,043,611)	(1,101,264,895)
Dividend	19.b	1,256,091,282	698,791,356
Capital Gain		3,539,448,775	4,947,032,594
Fees, Commissions & Service Charges	20.b	261,296,357	214,998,662
Other Operating Income	21.b	1,938,848	3,165,507
Total Operating Income		3,394,731,651	4,762,723,224
<u>Operating Expenses</u>			
Salary and Allowances	22.b	240,202,560	232,566,853
Rent, Taxes, Insurance, Electricity, etc.		40,626,592	39,857,035
Legal Expenses		1,816,525	922,062
Postage, Stamps, Telegram & Telephone		3,766,973	2,550,869
Auditors' Fees		120,000	120,000
Stationary, Printing, Advertisement, etc.		11,075,193	11,578,768
Directors' Fees & Allowances		1,316,750	1,201,750
Repair, Maintenance & Depreciation-Premises & Equipment	23.b	25,312,844	23,195,525
Brokerage		30,106,272	18,152,879
Other Operating Expenses	24.b	74,752,801	45,218,560
Total Operating Expenses		429,096,510	375,364,301
Operating Profit		2,965,635,141	4,387,358,923
Non-operating Income	25.b	80,797,669	74,211,645
Profit before Provision		3,046,432,810	4,461,570,568
Provision against Loans and Advances	26.b	144,816,180	14,588,237
Provision against Off balance sheet items	26.b	5,000,000	-
Provision for diminution in value of investment			
Total Provision		149,816,180	14,588,237
Profit before Tax		2,896,616,630	4,446,982,331
<u>Provision for Taxation</u>			
Current Tax	27.b.1	423,000,000	508,700,000
Deferred Tax	27.b.2	(5,436,923)	(3,153,514)
		417,563,077	505,546,486
Net Profit Available for Appropriation		2,479,053,553	3,941,435,845

Investment Corporation of Bangladesh

Statements of Comprehensive Income (Profit and Loss Account) (Contd.)

For the year ended 30 June 2013

	Note	Amount in Taka	
		2013	2012
Net Profit Available for Appropriation		2,479,053,553	3,941,435,845
Earnings Per Share (EPS)	29.b	<u>58.76</u>	<u>93.43</u>

The attached notes form an integral part of these Financial Statements.

For and on behalf of Investment Corporation of Bangladesh

sd/-
S.M. Aminur Rahman
Director

sd/-
Dr. Md. Zillur Rahman
Director

sd/-
Syed Abdul Hamid
Director

sd/-
Md. Fayekuzzaman
Managing Director

As per our annexed report of same date

sd/-
S. F. Ahmed & Co.
Chartered Accountants

sd/-
OCTOKHAN
Chartered Accountants

Dhaka, October 06, 2013

Investment Corporation of Bangladesh
Statement of Changes in Equity For the year ended 30 June 2013

Amount in Taka

Particulars	Paid Share Capital	Reserve for Building	General Reserve	Dividend Equalization Fund	Revaluation Reserve	Reserve for Future Diminution of Securities	Debenture Loan Redemption Reserve	Retained Earnings	Total
Balance as at 01 July 2012	3,375,000,000	1,553,400,000	1,591,076,220	850,786,840	5,071,841,383	5,043,154,730	170,820,137	4,484,748,519	22,140,827,829
Net Profit for the year after tax	-	-	-	-	-	-	-	2,479,053,553	2,479,053,553
Reserve For Stock Dividend Transfer to Paid up Capital for FY 2011-12	843,750,000	-	-	-	-	-	-	(843,750,000)	-
Cash Dividend Paid - FY 2011-12	-	-	-	-	-	-	-	(843,750,000)	(843,750,000)
Amount Transferred to Different Reserve for FY 2011-12	-	400,000,000.00	750,000,000	500,000,000	-	500,000,000	-	(2,150,000,000)	-
Adjusted for Revaluation of Investment for FY 2011-12	-	-	-	-	(2,438,111,013)	-	-	-	(2,438,111,013)
Amount Transferred to Benevolent Fund for FY 2011-12	-	-	-	-	-	-	-	(50,000,000)	(50,000,000)
Adjustment made during the year	-	-	-	-	-	-	(170,820,137)	3,213,110	(167,607,027)
Balance as at 30 June 2013	4,218,750,000	1,953,400,000	2,341,076,220	1,350,786,840	2,633,730,370	5,543,154,730	-	3,079,515,182	21,120,413,342

Statement of Changes in Equity
For the year ended 30 June 2012

Particulars	Paid Share Capital	Reserve for Building	General Reserve	Dividend Equalization Reserve	Revaluation Reserve	Reserve for Future Diminution of Securities	Debenture Loan Redemption Reserve	Retained Earnings	Total
Balance as at 01 July 2011	2,500,000,000	1,553,400,000	841,076,220	350,786,840	12,253,656,020	4,043,154,730	170,820,137	4,077,659,158	25,790,553,105
Net Profit for the year after tax	-	-	-	-	-	-	-	3,941,435,845	3,941,435,845
Reserve For Stock Dividend Transfer to Paid up Capital for FY 2010-11	875,000,000	-	-	-	-	-	-	(875,000,000)	-
Cash Dividend Paid - FY 2010-11	-	-	-	-	-	-	-	(375,000,000)	(375,000,000)
Amount Transferred to Different Reserve for FY 2010-11	-	-	750,000,000	500,000,000	-	1,000,000,000	-	(2,250,000,000)	-
Adjusted for Revaluation of Investment for FY 2010-11	-	-	-	-	(7,181,814,637)	-	-	-	(7,181,814,637)
Amount Transferred to Benevolent Fund for FY 2010-11	-	-	-	-	-	-	-	(38,551,631)	(38,551,631)
Adjustment made during the year (2010-2011)	-	-	-	-	-	-	-	4,205,147	4,205,147
Balance as at 30 June 2012	3,375,000,000	1,553,400,000	1,591,076,220	850,786,840	5,071,841,383	5,043,154,730	170,820,137	4,484,748,519	22,140,827,829

The attached notes form an integral part of these Financial Statements.

For and on behalf of Investment Corporation of Bangladesh

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S.M. Aminur Rahman
Director

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Director

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Syed Abdul Hamid
Director

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Md. Fayekuzzaman
Managing Director

As per our annexed report of same date

sd/-
S. F. Ahmed & Co.
Chartered Accountants
Dhaka, October 06, 2013

sd/-
OCTOKHAN
Chartered Accountants

Investment Corporation of Bangladesh

Cash Flow Statement

For the year ended 30 June 2013

	Amount in Taka	
	2013	2012
Cash flow from operating activities:		
Interest Received	2,733,625,102	2,444,262,662
Interest Paid	(4,078,254,733)	(3,487,818,478)
Received from capital gain on sale of listed shares	3,539,448,775	4,947,032,594
Dividend Received	632,477,295	603,289,259
Fees & Commissions Received	261,296,357	214,998,662
Cash Paid to Employees	(235,443,269)	(223,869,857)
Cash Paid to Suppliers	(65,684,924)	(63,253,351)
Cash Received from Other operating activities	82,736,517	77,377,152
Cash Paid for Other operating activities	(106,175,823)	(68,891,313)
Cash Flow before changes in Operating Assets & Liabilities	2,764,025,296	4,443,127,331
Changes in Operating Assets & Liabilities		
(Increase)/Decrease in Loans & Advances	(1,528,840,315)	(1,664,999,145)
(Increase)/Decrease in Investment in other Institution	(309,421,762)	43,665,303
(Increase)/Decrease in other Assets	(1,033,379,702)	(217,733,927)
Increase/(Decrease) in Deposit Received from other Banks	4,767,578,861	1,382,936,338
Increase/(Decrease) in Deposit received from Other Depositors	5,555,292,548	463,810,657
Increase/(Decrease) in Long Term Debt	5,496,500,000	4,296,500,000
Increase/(Decrease) in other Liabilities	(476,197,057)	(131,012,365)
	12,471,532,573	4,173,166,861
Net Cash from Operating Activities	15,235,557,869	8,616,294,191
Cash Flow from Investment Activities:		
Cash inflow from Sale of Securities	4,076,526,726	3,877,809,231
Cash outflow for Purchase of Securities	(19,119,169,937)	(10,449,816,328)
Cash Increase/Decrease From Sale/Purchase of Fixed Asset	(19,502,192)	(23,657,921)
Net Cash used in Investment Activities	(15,062,145,402)	(6,595,665,019)
Cash Flows from Financing Activities		
Dividend paid in Cash	(615,253,452)	(375,000,000)
Net Cash used in Financing Activities	(615,253,452)	(375,000,000)
Net Increase/(Decrease) in Cash and Cash Equivalent	(441,840,985)	1,645,629,171
Cash and Cash Equivalent at beginning of the year	11,369,803,733	9,724,174,562
Closing Cash and Cash Equivalent at end of the year	10,927,962,748	11,369,803,733

The attached notes form an integral part of these Financial Statements.

For and on behalf of Investment Corporation of Bangladesh

sd/-
S.M. Aminur Rahman
Director

sd/-
Dr. Md. Zillur Rahman
Director

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Syed Abdul Hamid
Director

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Md. Fayekuzzaman
Managing Director

As per our annexed report of same date

sd/-
S. F. Ahmed & Co.
Chartered Accountants

sd/-
OCTOKHAN
Chartered Accountants

Dhaka, October 06, 2013

Investment Corporation of Bangladesh
Liquidity Statement
Asset Liability Maturity Analysis
As at 30 June 2013

Particulars	Upto 1 Month	Over 1 month Upto 3 Months	Over 3 months Upto 12 Month	Over 1 year Upto 5 years	Over 5 years	Total
Assets						
Cash in hand	41,931					41,931
Balance with other Banks and Financial Institutions	1,919,605,260	6,005,543,705	3,002,771,852	-	-	10,927,920,817
Money at call on short notice	-	-	-	-	-	-
Investment	8,627,432,988	19,084,530,550	7,225,067,550	6,358,313,039	937,673,699	42,233,017,826
Loans and Advances	248,355,693	1,204,566,780	3,005,534,675	8,104,567,810	677,865,450	13,240,890,408
Fixed assets including premises, furniture & fixture	1,768,439	2,210,549	8,842,195	58,947,964	16,652,800	88,421,946
Other assets	457,232,349	369,878,098	1,928,956,758	1,965,260,740	78,054,175	4,799,382,120
Non banking assets	-	-	-	-	-	-
Total Assets (A)	11,254,436,660	26,666,729,681	15,171,173,030	16,487,089,553	1,710,246,124	71,289,675,047
Liabilities						
Borrowing from Bangladesh bank, other banks, financial institutions and agents	3,800,000,000	6,000,000,000	-	26,951,676	-	9,826,951,676
Deposits	2,345,578,920	19,458,875,320	12,095,950,328	913,518,743	67,211,562	34,881,134,873
Other Liabilities	1,112,936,698	483,903,246	2,086,313,925	1,563,095,105	214,926,183	5,461,175,157
Total Liabilities (B)	7,258,515,618	25,942,778,566	14,182,264,253	2,503,565,524	282,137,745	50,169,261,706
Net Liquidity Gap (A-B)	3,995,921,042	723,951,115	988,908,777	13,983,524,029	1,428,108,379	21,120,413,342

The attached notes form an integral part of these Financial Statements.

For and on behalf of Investment Corporation of Bangladesh

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S.M. Aminur Rahman
Director

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Managing Director

As per our annexed report of same date

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S. F. Ahmed & Co.
Chartered Accountants
Dhaka, October 06, 2013

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OCTOKHAN
Chartered Accountants

Investment Corporation of Bangladesh
Notes to the Financial Statements

For the year ended 30 June 2013

CORPORATE PROFILE & SIGNIFICANT ACCOUNTING POLICIES

1 Corporate information

The Investment Corporation of Bangladesh (ICB) was established under Investment Corporation of Bangladesh Ordinance (No:XL) of 1976 (here-in-after referred to as Corporation) with the objectives of accelerating industrialization and economic development of the country through development of the capital market by mobilizing savings, encouraging and improving the investment environment with particular emphasis placed on broadening the base and scope of investments as well as tapping marginal investors.

1.2 Principal activities

The principal activities of the Corporation are to provide various kinds of Investment Banking Services to its customers. These activities mainly include providing loans to Operative Investors on margin trading basis, providing advance against ICB Unit Certificates & ICB Mutual Fund Certificates, Lease Financing, Management of existing Unit Fund and Mutual Funds as well as Operating Investors' Accounts, issuing Bank Guarantee, Consumer Credit Scheme.

2 Subsidiary Companies

The Corporation has three subsidiary Companies. A brief description of each of the subsidiary Companies is given below:

2.1 ICB Asset Management Company Limited

ICB Asset Management Company Limited, a subsidiary company of ICB was registered under the Companies Act 1994 as a public company limited by shares on 5 December 2000. The Company can manage the asset of any trust or fund of any type and/or character and hold, acquire, sell or deal in such asset or any trust or fund. It can organize various schemes of different types for trust funds, take part in the management of any mutual fund operation, operate, conduct, accomplish and establish services for industrial trading and commercial activities, invest funds in shares and securities, carry on business, and act as financial and monetary agent and merchandise shares and securities. The registered office of the Company is located at 8, D.I.T Avenue, BDBL Bhaban (15th Floor), Dhaka.

2.2 ICB Capital Management Limited

ICB Capital Management Limited, a subsidiary company of ICB was registered under the Companies Act 1994 as a public limited company by shares on 5 December 2000. The Company obtained registration from Bangladesh Securities and Exchange Commission as a Merchant Bank on 16 October 2001. As a part of restructuring program of Investment Corporation of Bangladesh (ICB) under CMDP (Capital Market Development Program) initiated by the Govt. of Bangladesh and the Asian Development Bank, the Company has been created as a subsidiary company of ICB conducting merchant banking activities and plays a more active role in capital market of Bangladesh. The principal functions of the company are issue management, underwriting, portfolio management and corporate advisory services. The registered office of the Company is located at 8, D.I.T Avenue, BDBL Bhaban (14th Floor), Dhaka.

2.3 ICB Securities Trading Company Limited

ICB Securities Trading Company Limited, a subsidiary company of ICB was registered under the Companies Act 1994 as a public company limited by shares on 05 December 2000. The address of the registered office is in Dhaka. The Company is an active member of Dhaka Stock Exchange and Chittagong Stock Exchange. Among many other functions the company primarily provides brokerage service for buying and selling securities listed with stock exchanges and provides brokerage service for buying and selling securities over-the-counter markets by the company itself and by appointing sub-brokers, sub-agents, bond brokers, specialists and odd-lot-dealers. Furthermore, the company also works as a full service Depository Participant in the Central Depository Bangladesh Ltd.(CDBL). The registered office of the Company is located at 8, D.I.T Avenue, BDBL Bhaban (13th Floor), Dhaka.

3 Summary of significant accounting policies & basis of preparation

3.1 A summary of the principle accounting policies which have been applied consistently (Unless otherwise stated), is set out below:

a) Statement of compliance & basis of preparation

The financial statements are prepared under historical cost convention in keeping with the Generally Accepted Accounting Principles (GAAP) consistently applied and relevant International Accounting Standards (IASs) so far adopted by The Institute of Chartered Accountants of Bangladesh (ICAB). The Corporation is a listed financial institution as its shares are listed with Country's stock exchanges. The accompanying financial statements are prepared and presented in a manner suitable to a Statutory Development Financial Institution consistently followed by the Corporation as considered appropriate pursuant to clause 26(1) of the ICB Ordinance 1976. Proper disclosures have been made in the accompanying financial statements as required by the relevant laws, Generally Accepted Accounting Principles(GAAP), International Accounting Standards(IASs) so far adopted by the ICAB and in accordance with BRPD Circular No.14 dated 25 June 2003 issued by Bangladesh Bank. Returns certified by seven branch managers and duly verified at the Head Office are incorporated in these accompanying financial statements for consolidation purposes.

b) Consolidation of operations of subsidiaries

The financial statements of the Corporation and its subsidiaries have been consolidated in accordance with Bangladesh Accounting Standard (BAS)-27 "Consolidated and Separate Financial Statements". The consolidation of the financial statements has been made after eliminating all material intra group transactions.

The total profits of the corporation and its subsidiaries are shown in the consolidated Statement of Comprehensive Income (profit and loss account), with the proportion of profit after taxation pertaining to non-controlling shareholders being deducted as "Non-Controlling Interest".

All assets and liabilities of the corporation and of its subsidiaries are shown in the consolidate statement of Financial Position (balance sheet). The interest of non-controlling shareholders of the subsidiaries are shown separately in the consolidated statement of financial position (balance sheet) under the heading "Non-Controlling Interest".

c) Going concern

The accompanying 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. The accompanying financial statements do not include any adjustments should the Corporation be unable to continue as a going concern.

d) Functional and presentation currency

These financial statements are presented in Taka, which is the Corporation's functional currency. Except as indicated, figures have been rounded off to the nearest Taka.

e) Use of estimates and judgments

The preparation of financial statements requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised and in any future periods affected. The key item which involve these judgments, estimates and assumptions are discussed below:

f) Impairment losses on loans and advances

In addition to the provision made for loans and advances based on the guideline of Bangladesh Bank, the Corporation reviews its loans and advances portfolio on a monthly basis to assess whether a further allowance for impairment should be provided in the income statement. The judgments by the management is required in the estimation of these amounts and such estimations are based on assumptions about a number of factors though actual results may differ, resulting in future changes to the provisions.

g) Materiality and aggregation

Each material item considered by management as significant has been displayed separately in the financial statements. No amounts has been set off unless the Corporation has a legal right to set off the amounts and intends to settle on net basis. Income and expenses are presented on a net basis only when permitted by the relevant accounting standards.

h) Comparative information

The accounting policies have been consistently applied by the Corporation and are consistent with those used in the previous year. Comparative information has been rearranged wherever necessary to conform with the current presentation.

i) Structure, content and presentation of financial statements

Being the general purpose financial statements, the presentation of these financial statements is in accordance with the guidelines provided by BAS 1: "Presentation of Financial Statements". A complete set of financial statements comprise:

- (i) Statement of Financial Position (Balance Sheet) as at 30 June 2013;
- (ii) Statement of Comprehensive Income (Profit and Loss Account) for the year ended 30 June 2013;
- (iii) Statement of Changes in Equity for the year ended 30 June 2013;
- (iv) Statement of Cash Flow for the year ended 30 June 2013 ;
- (v) Notes comprising a summary of significant accounting policies and other explanatory information to the accounts for the year ended 30 June 2013.

3.2 Accounting for provisions, contingent liabilities and contingent assets:

The Corporation recognizes provisions only when it has a present obligation as a result of a past event and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and when a reliable estimate of the amount of the obligation can be made.

No provision is recognized for-

a) Any possible obligation that arises from past events and the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Corporation; or

b) Any present obligation that arises from past events but is not recognized because-

* It is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation; or

* A reliable estimate of the amount of obligation cannot be made.

Such obligations are recorded as Contingent Liabilities. These are assessed continually and only that part of the obligation for which an outflow of resources embodying economic benefits is probable, is provided for except in the extremely rare circumstances where no reliable estimate can be made.

Contingent Assets are not recognized in the financial statement since this may result in the recognition of income that may never be realized.

3.2.1 Provisions against loans and advances

Provision against bad and doubtful debts and interest suspense accounts are maintained as per existing loan loss provision policy of the corporation approved by Bangladesh Bank against project loans. The corporation maintains provisions against lease financing as per FID circular no. 08 dated 03.08.2002 and BRPD circular no. 05 dated 05.06.2006 of the Bangladesh Bank. With regard to Margin Loans the corporation maintains required amount of the provisions together with one per cent general provision in line with the margin loan provisioning policy-2005 approved by the Bangladesh Bank. The corporation maintains one percent general provisions against all unclassified loans & advances. In addition, the corporation maintains a reasonable amount as provision against other assets.

3.3 Taxation

Income tax on earnings for the year comprises current and deferred tax and is based on the applicable tax law in Bangladesh. It is recognized in the income statement as tax expense.

3.3.1 Current tax:

Current tax is the expected tax payable on taxable income for the year, based on tax rates (and tax laws) which are enacted at the reporting date, including any adjustment for tax payable in previous periods. Current tax for current and prior periods is recognized as a liability (or asset) to the extent that it is unpaid (or refundable).

Provision for current income tax has been made as prescribed in the Finance Act-2013 on the taxable profit.

3.3.2 Deferred tax:

The Corporation accounted for deferred tax as per BAS - 12 "Income Taxes". Deferred tax is accounted for using the comprehensive tax balance sheet method. It is generated by temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and their tax base.

Deferred tax assets, including those related to the tax effects of income tax losses and credits available to be carried forward, are recognized only to the extent that it is probable that future taxable profits will be available against which the deductible temporary differences or unused tax losses and credits can be utilised.

Deferred tax liabilities are recognised for all taxable temporary differences. They are also recognised for taxable temporary differences arising on investments and it is probable that temporary differences will not reverse in the foreseeable future. Deferred tax assets associated with these interests are recognised only to the extent that it is probable that the temporary difference will reverse in the foreseeable future and there will be sufficient taxable profits against which to utilise the benefits of the temporary difference.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the period(s) when the asset and liability giving rise to them are realised or settled, based on tax rates (and tax laws) that have been enacted or substantively enacted by the reporting date. The measurement reflects the tax consequences that would follow from the manner in which the corporation at the reporting date, recovers or settles the carrying amount of its assets and liabilities.

3.4 Reporting period

These financial statements cover one fiscal year from 01 July 2012 to 30 June 2013.

3.5 Assets and the basis of their valuation

3.5.1 Cash and cash equivalents

For the purpose of presentation in the Cash flow statements, cash and cash equivalents includes Cash in Hand Cash at Bank and highly liquid interest bearing investment/Securities with original maturities of less than three month.

Cash flow statement is prepared in accordance with BAS-7 "Statement of Cash Flows". Cash flows from operating activities have been presented at "Direct Method".

3.5.2 Investment

Investment in marketable ordinary shares considered as Long-term Investments, has been shown at market value as per BAS-39 "Financial Instruments: recognition and measurement". Investment in non-marketable shares has been valued at cost. A reserve for diminution in value of overpriced marketable ordinary shares as on closing of the year has been taken into account.

3.5.3 Loans and advances

- a) Interest on loans and advances is calculated on daily product basis, but charged and accounted for monthly and quarterly on accrual basis.
- b) Provision for loans and advances is made based on the arrear in equivalent year and reviewed by the management and instruction contained in Bangladesh Bank BRPD Circulars No. 16 of 6 December 1998, 09 of 14 May 2001, 09 and 10 of 20 August 2005, 05 of 5 June 2006, 8 of 07 August 2007, 10 of 18 September 2007, 05 of 29th April 2008, 32 of 12 October 2010 and 14 of 23 September 2012 respectively.
- c) Interest is calculated on classified loans and advances as per BRPD circular No. 16 of 1998, 09 of 2001 and 10 of 2005 and recognized as income on realization.

The classification rates are given below:

Business Unit	Rate of Provision				
	Un-classified (UC)		Classified		
	Standard	Special Mention Account (SMA)	Substandard (SS)	Doubtful (DF)	Bad loan (BL)
Consumer credit	1%	5%	20%	50%	100%
All others loans	1%	1%	20%	50%	100%
Off Balance Sheet	1%	-	-	-	-

- d) Loans and advances are written off to the extent that (i) there is no realistic prospect of recovery, (ii) and against which legal cases are filed and classified as bad loss as per BRPD Circular 02 dated 13.01.2002. These write off however, will not undermine/affect the claim amount against the borrower. Detailed memorandum records for all such write off accounts are meticulously maintained and followed up.

3.5.4 Property, plant & equipment's

a) Recognition

The cost of an item of furniture, fixture and equipment's (Fixed assets) shall be recognized as an asset if, and only if it is probable that future economic benefits associated with the item will flow to the entity and the cost of the item can be measured reliably.

Furniture, fixture and equipment's have been accounted for at cost less accumulated depreciation. Cost includes expenditure that is directly attributable to the acquisition of the items.

Subsequent costs of enhancement of existing assets are recognised as a separate asset, only when it is probable that future economic benefits associated with the item will flow to the corporation and the cost of the item can be measured reliably. All other repairs and maintenance are charged to the Profit & Loss account during the financial period in which they are incurred.

b) Depreciation

Depreciation is charged to amortize the cost of basis, over their estimated useful lives, using the straight-line method in accordance with BAS-16. Full month's depreciation is charged on additions irrespective of date when the related assets are put into use and no depreciation is charged for the month of disposal. The depreciation rates used to write off the amount of assets are as follows:

<u>Category of assets:</u>	<u>Rate of Depreciation</u>
Land	-
Building	10%
Renovation of Office Building	20%
Furniture and Fixtures	10%
Office equipment	20%
Electrical equipment	20%
Air Conditioner & Refrigerator	20%
Computer	20%
Carpets and Curtains	20%
Telephone	20%
Motor vehicles	20%
Library Book	-
Others	10%

c) Sale of fixed assets

Sale price of fixed assets are determined on the basis of fair value of the assets. Gain or loss on sale of assets are recognized in profit & loss account as per provision of BAS 16 "Property plant & equipments".

d) Impairment

If the recoverable amount of an asset is less than its carrying amount, the carrying amount of the asset should be reduced to its recoverable amount. That reduction is an impairment loss. An impairment loss is recognised as an expenses in the income statement.

e) Others

Useful life and method of depreciation of property plant & equipment are reviewed periodically. As useful lives of assets do not differ significantly from that previously estimated, ICB Management does not consider to revalue its assets by the meantime.

f) Accounting for direct finance

Books of accounts for direct finance operation are maintained based on the accrual method of accounting. Outstanding loans, along with the accrued interest thereon, for short-term finance, and unrealized principal for long term finance, are accounted for as direct finance assets of the corporation. Interest earnings are recognized as operational revenue periodically.

g) Accounting for lease

As per Bangladesh Accounting Standards (BAS)-17 "Lease" all leases are treated as finance lease since assets leased to customers under agreement transfer substantially all the risks and rewards associate with ownership, other than legal title, to the customers and all leases are full payout leases.

In accordance with the said Standard the aggregate lease receivable including un-guaranteed residual value throughout the primary lease term are recorded as gross lease receivable while the excess of gross lease receivable over the total acquisition cost including interest during the period of acquiring the lease equipment constitutes the unearned lease income.

At the execution of each lease, a portion of the unearned lease is recognized as revenue income representing initial direct cost. The balance of the unearned lease income as amortized to revenue on monthly basis over the primary lease term yielding a constant rate of return over the period.

3.5.5 Other assets

Other assets include all other financial assets and include interest, fees and other unrealised income receivable, Prepaid interest expenses on fixed deposits, advance for operating and capital expenditure, security deposits and stocks of stationery & stamps etc.

3.6 Deposits and other liabilities

3.6.1 Deposits

Deposits include non interest-bearing lease deposit redeemable at the settlement of lease finance and interest bearing term deposit lodged for periods from 3 months to 3 years. These items are brought to account at the gross value of the outstanding balance.

3.6.2 Other liabilities

Other liabilities comprise items such as provision for loans and advances, provision for taxes, interest payable, interest suspense, accrued expenses. Other liability is recognised in the balance sheet according to the guideline of Bangladesh bank and Income Tax Ordinance-1984 and internal policies of ICB. Provisions and accrued expenses are recognized in the financial statement when the ICB has a legal or constructive obligation as a result of past event, it is probable that an outflow of economic benefit will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

3.7 Employee benefits

Provident fund (Defined contribution plan)

Employees who are under Gratuity Scheme contribute @ 10 percent of their basic salary to this scheme which is matched by an equal amount of contribution by the Corporation. Employees who are under Superannuation Fund Scheme contribute @ 10 to 20 percent of their basic salary to the provident fund in which no contribution is made by the Corporation. The monthly contribution is duly transferred to the fund. The respective accumulated Provident Fund balances, including interest, capital gain, dividend income and other incomes thereon, are paid to the members at the end of their satisfactory services according to Provident Fund Rules.

Superannuation Fund Scheme

There is a funded Superannuation Fund Scheme in which the Corporation contributes @ 17 per cent of employee's basic salary. The monthly contribution to the fund is transferred to a Board of Trustees duly constituted for the fund. The facilities under the scheme are provided to the employees as per approved rules at the time of retirement.

Gratuity fund (Defined benefit plan)

The Corporation also operated an unfunded gratuity scheme. Employees are entitled to gratuity benefit after completion of minimum three years of service in the Corporation. The gratuity is calculated on the last basic pay and is payable at the rate of two month's basic pay for every completed year of service.

3.8 Revenue recognition

Interest income from loans and other sources is recognized on an accrual basis of accounting.

Interest on Margin Loan

Interest on margin loan is recognized as revenue on an accrual basis and interest receivable on such loan is merged with original loan on a quarterly basis.

Unit & Mutual Fund Advance Account

The total amount of loans is stated at amount disbursed less recoveries. Like Margin Loans interest receivable on such loans is merged with the principal amount on a quarterly basis.

Bridging Loan and Debenture Loan

Bridging Loans and Debenture Loans are stated at amount disbursed less recoveries. Interest receivable on these loans is accounted for on accrual basis and where ultimate recovery of interest has been considered doubtful is transferred to interest Suspense Account.

Lease Income

The excess of aggregate rentals receivable over the cost of the leased asset constitutes the total unearned lease income. The unearned lease income is recognized as revenue on an accrual basis over the terms of the lease. However, lease income is not recognized if capital or interest is in arrears for more than three months.

Dividend Income

Dividend income is recognized on an accrual basis when the shareholders right to receive payment is established.

Bonus share i.e. Stock Dividend received or receivable from various companies is not accounted for as income rather included in the portfolio to reduce the average cost.

Profit/(Loss) on sale of securities

Profit/(Loss) on sale of securities is accounted for based on difference between average cost price and selling price. Premium on shares under Sale and Repurchase Agreement is taken to income on cash basis.

Interest on Fixed Deposit

Interest income from fixed deposit is recognized on an accrual basis in the period in which the income is accrued.

Fees, Commissions & Service Charges

Fees, Commissions & Service Charges are recognized on an accrual basis.

3.9 Borrowing Cost

All other borrowing costs are recognized as expenses in the year in which they are incurred unless capitalization is permitted under Bangladesh Accounting Standard (BAS)- 23 "Borrowing Costs".

3.10 Litigation

The Corporation has lawsuits arising in the normal course of business, which were filed against the default clients for non-payment against sales invoices. The Corporation however, provides adequate provisions against any doubtful payments.

3.11 Statement of liquidity

The liquidity statement of assets and liabilities as on the reporting date has been prepared on residual maturity term as per the following basis:

- a) Balances with other bank & financial institutions, money at call & short notice etc. are on the basis of their maturity term.
- b) Investments are on the basis of their residual maturity term.
- c) Loans & advances are on the basis of their repayment/ maturity schedule.
- d) Fixed assets are on the basis of their useful life.
- e) Other assets are on the basis of their adjustment.
- f) Borrowing from other banks, financial institutions and agents as per their maturity/ repayment term
- g) Deposits & other accounts are on the basis of their maturity term and behavioral past trend.
- h) Other long term liability on the basis of their maturity term.
- i) Provisions & other liabilities are on the basis of their settlement.

3.12 Reconciliation of inter-Corporation /inter-branch account

Books of accounts with regard to intercorporation are reconciled on a monthly basis and there are no material differences which may affect the financial statements significantly.

3.13 Compliance of Bangladesh Accounting standard (BAS) and Bangladesh Financial Reporting Standard (BFRS)

Bangladesh Accounting Standard (BAS)	Ref.	Status
Presentation of Financial Statements	BAS-1	Applied
Inventories	BAS-2	Not Applicable
Cash Flow Statements	BAS-7	Applied
Accounting Policies, Changes in Accounting estimate and Errors	BAS-8	Applied
Events after Balance Sheet date.	BAS-10	Applied
Construction Contracts	BAS-11	Not Applicable
Income taxes	BAS-12	Applied
Segment Reporting	BAS-14	Applied
Property Plant & Equipments	BAS-16	Applied
Leases	BAS-17	Not Applicable
Revenue	BAS-18	Applied
Employee Benefits	BAS-19	Applied
Accounting for Government Grants and Disclosure of Government Assistance	BAS-20	Not Applicable
The Effect of Changes in Foreign Exchanges Rate.	BAS-21	Not Applicable
Borrowing Cost	BAS-23	Applied
Related party Disclosures	BAS-24	Applied
Accounting and Reporting by Retirement Benefit Plans	BAS-26	Applied
Consolidated Financial Statements and Accounting for Investments in subsidiaries	BAS-27	Applied
Accounting for Investment in Associates	BAS-28	Not Applicable
Financial Reporting of Interest in Joint Ventures	BAS-31	Not Applicable
Financial Instruments: Presentation	BAS-32	Applied
Earning Per Share	BAS-33	Applied
Interim Financial Reporting	BAS-34	Not Applicable
Impairments of Assets	BAS-36	Applied
Provision, Contingent Liabilities and Contingent Assets	BAS-37	Applied
Intangible Assets	BAS-38	Not Applicable
Financial Instruments: Recognition & Measurement	BAS-39	Applied
Investment property	BAS-40	Not Applicable
Agriculture	BAS-41	Not Applicable

Bangladesh Financial Reporting Standard (BFRS)	Ref.	Status
First-time adoption of International financial Reporting Standards	BFRS-1	Not applicable
Shares Based Payment	BFRS-2	Not applicable
Business combination	BFRS-3	Not applicable
Non-current assets Held for Sale and Discounted operations	BFRS-5	Not applicable
Exploration for and Evaluation of Mineral Resources	BFRS-6	Not applicable
Financial Instruments: Disclosures	BFRS-7	Applied
Operating Segments	BFRS-8	Not applicable

3.14 Disclosure of departure from few requirements of BAS/BFRS due to mandatory compliance of Bangladesh Bank's requirements

The Corporation management has followed the principles of BAS & BFRS consistently in preparation of the financial statements to that extent as applicable to the corporation. Some requirements of Bangladesh Bank's rules and regulations contradict with those of financial instruments and general provision standards of BAS and BFRS. As such the Corporation has departed from those contradictory requirements of BAS/BFRS in order to comply with the rules and regulations of Bangladesh Bank which are disclosed below along with financial impact where applicable:

- 3.14.1** As per FID circular No. 02, dated 31 January 2012 investments in quoted shares and unquoted shares are revalued at the year end at market price and as per book value of last audited balance sheet respectively. Provisions has been made by netting off any unrealized gain/(loss) arising at the Balance sheet date. However as per requirements of BAS 39 investment in shares falls either under "at fair value through profit and loss account" or under "available for sale" where any change in the fair value at the year-end is taken to profit and loss account or other comprehensive income respectively.

- 3.14.2** As per FID circular No. 08 dated 03 August 2002 investments in quoted shares and unquoted shares are revalued at the year end at market price and as per book value of last audited balance sheet respectively. Provision should be made for any loss arising from diminution in value of investment. As such the Corporation measures and recognizes investment in quoted and unquoted shares at cost if the year-end market value (for quoted shares) and book value (for unquoted shares) are higher than the cost. At the year end the Corporation's market value and book value of quoted shares was higher than cost price by Tk. 2,633,730,370 in case of the separate financial statements and in case of the consolidated financial statements the same is higher than cost by 1,648,085,903 in the financial statement. However as per requirements of BAS 39 investment in shares falls either under "at fair value through statement of comprehensive income" or under "available for sale" where any change in the fair value at the year end is taken to statement of comprehensive income or revaluation reserve respectively.
- 3.14.3** As per FID circular No. 08 dated 03 August 2002 investments in quoted shares and unquoted shares are revalued at the year end at market price and as per book value of last audited balance sheet respectively. Provision should be made for any loss arising from diminution in value of investment. As such the Corporation measures and recognizes investment in quoted and unquoted shares at cost if the year-end market value (for quoted shares) and book value (for unquoted shares) are higher than the cost. At the year-end the Corporation's market value and book value of quoted shares was higher than cost price by Tk. 2,633,730,370 in the financial statements. However as per requirements of BAS 39 investment in shares falls either under "at fair value through statement of comprehensive income" or under "available for sale" where any change in the fair value at the year-end is taken to statement of comprehensive income or revaluation reserve respectively.
- 3.14.4** As per FID circular No. 08 dated 03 August 2002 and FID circular No. 03, dated 03 May 2006 a general provision at 1% to 5% under different categories of unclassified loans (good/standard loans) has to be maintained. However such general provision cannot satisfy the conditions of provision as per IAS 37. At the year end the Corporation has recognized an accumulated general provision of Tk. 109,666,923 in the statement of financial position under liabilities.
- 3.14.5** Bangladesh Bank has issued templates for financial statements which will strictly be followed by all banks and NBFIs as well as ICB. The templates of financial statements issued by Bangladesh Bank do not include Other Comprehensive Income (OCI) nor are the elements of Other Comprehensive Income allowed to include in a Single Comprehensive Income (OCI) Statement. As such the Corporation does not prepare the other comprehensive income statement. However the Corporation does not have any elements of OCI to be presented.
- 3.14.6** As per Bangladesh Bank guidelines financial instruments are categorized, recognized and measured differently from those prescribed in BAS 39. As such some disclosure and presentation requirements of BFRS 7 and BAS 32 have not been made in the accounts.

3.15 Risk management

Being a financial Intermediary, ICB is confronted with various kinds of financial and non-financial risks viz, Credit, Interest rate, liquidity, equity price, legal, regulatory, reputational, operational etc. These risks are highly interdependent and events that affect one area of risk can have ramifications for a range of other categories. So ICB's vision focuses on developing a strong and integrated approach in risk management which is fundamental to maintain Consistency on profitability and sustainability of the Corporation.

The Board of Director's approve the risk management strategy and policies and to determine ICB's risk appetite advised by the Audit & Executive Committee. At operational level, overall risk management has assigned to an Independent Risk Management Committee. The functions of Risk Committee is essential be to identify monitor and measure the risk profile. Basically, ICB has adopted a committee approach to risk management while the Asset-Liability Management Committee (ALCO), deal with different type of market risk. The Project Appraisal Committee (PAC) oversees the Credit/Counter party risk Budget Committee formulates and control the budget and, Sale Purchase Committee takes responsibility equity price risk of ICB's portfolio's and so on.

For decentralization and to ease complexity ICB has adopted a sophisticated model that is consistent to international method for the assessment of risk throughout the organization which is Risk Register. Each Head of Division is responsible for the creation of Risk Management Groups, within their individual department. These Risk Management Groups are tasked with preparing a Register of the specific risks and controls relating to their areas of responsibility.

Some key point of the procedure of Risk Register:

- 1) The Risk Register has established in every Department/unit/Branch for Corporation wide assessments.
- 2) Risk Register assesses the consequences and likelihood of each risk.
- 3) The objective of each risk assessment is to establish a prioritized list of risks for further analysis.
- 4) Divisional (Risk Owner) groups prepare their own Risk Register using the ICB Risk Assessment Form forwarded to the Risk Management Department. Then the Risk Management Department will undertake an analysis and evaluation of the identified risk profile.
- 5) Once analyzed and evaluated each risk will be prioritized and forwarded to the Risk Management Committee who is to undertake reviews (on a quarterly basis) of its content.
- 6) A written report of the committee has been provided to the Managing Director basis which details: i) the identified risks; ii) actions taken to manage these risks; iii) any incidents of occurrence, etc.

Major Types of Risk Faced By the corporation:

Credit Risk & Mitigation plan:

The credit risk emanates from various activities of the corporation including on Balance Sheet exposure such as lending, treasury functions, leasing and off-balance sheet exposures such as guarantees. Lending is one of the main lines of business of the corporation. Within the integrated risk management framework, credit division manages their credit risk exposures in an objective and informed manner. ICB management formulates credit strategy by establishing limits to mitigate concentration risk with regard to sector, region and product. Assessment on the quality of credit is an important tool in any financial institution and as ICB has focused on ensuring that credit will not result in bad loans. ICB believes that a key component of a disciplined credit culture is adherence to internal policies and procedures. A well-defined hierarchy supported by well-established policies and procedures provide a robust framework for the management of credit risk.

Market risk & Mitigation plan:

ICB's market risk exposures are mainly measured in terms of interest rate risk, liquidity risk and equity price risk. The assessment of each market risk types are briefly described below:

Interest Rate Risk (IRR):

Interest rate risk is the likelihood that changes in the level of market interest rates will adversely affect the organization net interest income and the value of any financial instruments. A considerable proportion of the corporation's assets are in the form of long-term and other long-term commitments some of which are matched against short-term deposits. This in turn results in the corporation being vulnerable to interest rate hikes. ICB is going to introduce comprehensive Asset Liability Management (ALM) system will measure the impact from probable changes in interest rates.

Liquidity Risk:

Liquidity risk is the risk that the Corporation cannot promptly fulfill its payment obligations or be forced to borrow funds on unfavorable terms. Thus the ALCO manages the balance sheet of the Corporation within the performance of the liquidity risk parameters laid down by the Board of Directors. ALCO reviews Statement of maturity of Assets and Liability and Statement of Sensitivity of Assets.

Equity Price Risk:

Equity risk is the risk of loss arising from movements in equity prices. The downward fluctuation of listed equity prices and resultant fall in share price index faced during the year has affected the value of investment and trading portfolios of equity. Daily computation of market value of on Balance Sheet and off balance sheet securities listed in the stock exchange is made. Results are reported to the share Sale-Purchase committee for appropriate action.

Operational Risk & Mitigation plan:

The objective of our operation risk management is to monitor control of operational risk in as cost-effective manner within targeted levels. Our divisional heads are responsible for maintain an acceptable level of internal control, commensurate with the scale and nature of operations. Audit department of ICB takes all necessary control measure through periodical or case to case basis. The internal audit is carried out on the basis of the guidelines circulated from time to time by the regulatory authorities. Besides this management of ICB emphasizes on development the specific work manual for every department/division to reduce operational risk.

Information risk management:

ICB is committed to secure customer information as well as Corporation information by developing, implementing and monitoring policies and systems. Strict measures are enforced to assure the integrity, confidentiality and availability of such information.

Compliance risk management:

Inspection and Compliance department through its continuous monitoring ensures that the decisions taken by the Board of Directors for the establishment of proper business environment and corporate governance are properly implemented. After analyzing the steps taken to achieve the goals and objectives of ICB if any deviation is detected this department reports the same to the authority for taking subsequent correcting measures.

3.16 Off balance sheet items

Under general function of the Corporation, liabilities against bank guarantee which guarantee has been given to DSE and CSE in favour of ISTCL, have been shown as Off Balance Sheet items. Provision for off balance sheet items is made as per BRPD circular No. 8 of 7th August 2007 and 10 of September 18, 2007.

3.17 Dividend Equalization Fund

Dividend Equalization Fund is created for making proposed and approved dividend payments consistently to the shareholders in the event of worst business situation of the company.

3.18 Accounting for changes in accounting estimates

BAS - 8 states that the effect of a change in an accounting estimate is to be applied prospectively by inclusion in the current accounting period and, if relevant, in future accounting period. The carrying amount of assets, liabilities, or equity may be changed following a change in accounting estimates in the period of the change.

3.19 Events after the reporting period

All materials events occurring after the reporting period are considered and where necessary, adjusted for or disclosed in Note No. 31.1.(c)

3.20 Director Responsibility

The Board of Director takes the responsibility for the preparation and presentation of the financial Statements.

3.21 Approval of Financial Statements

The financial statements were approved by the Board of Director on 06 October, 2013.

3.22 General:

- a) Figures appearing in the financial statements have been rounded off to the nearest Taka.
- b) Figures of previous year have been rearranged wherever considered necessary to conform to the current year's presentation.
- c) The expenses, irrespective of capital or revenue nature, accrued / due but not paid have been provided for in the books of the accounts.

	Notes	Amount in Taka	
		2013	2012
4.00 Cash and Bank Balances:			
4.a Consolidated Cash and Bank Balances:			
1. Cash in Hand	4.a.1	165,978	184,198
2. Cash at Bank	4.a.2	11,529,661,781	12,097,064,339
		11,529,827,759	12,097,248,537
4.a.1 Consolidated Cash in Hand			
Investment Corporation of Bangladesh		41,931	67,559
ICB Capital Management Ltd.		26,427	12,271
ICB Asset Management Ltd.		59,039	30,091
ICB Securities Trading Co.Ltd.		38,581	74,277
		165,978	184,198
4.a.2 Consolidated Cash at Bank			
Investment Corporation of Bangladesh	4.b.1	10,927,920,817	11,369,736,174
ICB Capital Management Ltd.		207,068,859	197,141,347
ICB Asset Management Ltd.		62,375,341	10,606,989
ICB Securities Trading Co.Ltd.		332,296,764	519,579,829
		11,529,661,781	12,097,064,339
4.b Cash and Bank Balances - ICB:			
1. Cash in Hand		41,931	67,559
2. Cash at Bank	4.b.1	10,927,920,817	11,369,736,174
		10,927,962,748	11,369,803,733
4.b.1 Cash at Bank			
Current Accounts:			
IFIC Bank Ltd.		9,289,914	191,310,499
Bangladesh Development Bank Ltd.		27,972	29,091
Standard Chartered Bank		-	10,000,000
National Bank Ltd.		(85,380)	(85,200)
		9,232,506	201,254,390
Savings Accounts:			
IFIC Bank Ltd.		3,184,235	5,568,419
National Bank Ltd.		1,704,065	4,090,627
Janata Bank Ltd.		100,207	212,079
Agrani Bank Ltd.		1,000	-
		4,989,507	9,871,125
Short Term Deposits:			
IFIC Bank Ltd.		712,930,525	495,789,202
AB Bank Ltd.		45,353	45,004
One Bank Ltd.		91,875	89,936
Dutch Bangla Bank Ltd.		1,354,640	1,313,163
Pubali Bank Ltd.		301,584,048	100,453,069
Islami Bank Bangladesh Ltd.		2,667,584	2,559,966
Sonal Bank Ltd.		134,174	128,320
CITI Bank NA		6,490,830	6,403,883
Agrani Bank Ltd.		24,865	26,109
National Bank Ltd.		4,356,974	4,148,155
BASIC Bank Ltd.		855,809,355	2,146,155,320
Standard Chartered Bank		8,947,761	-
ICB Islami Bank Ltd.		10,601,961	9,683,181
Standard Bank Ltd.		19,790	462,645
NCC Bank Ltd.		323,512	695,640
		1,905,383,247	2,767,953,593
Fixed Deposits:			
Bank		5,589,183,793	4,897,332,605
NBFI		3,419,131,764	3,493,324,461
		9,008,315,557	8,390,657,066
Total		10,927,920,817	11,369,736,174

	Notes	Amount in Taka	
		2013	2012
5. Investments			
5.a Consolidated investments:			
Investment Corporation of Bangladesh	5.b	42,233,017,826	29,373,877,392
ICB Capital Management Ltd.		1,516,015,844	1,175,901,461
ICB Asset Management Ltd.		1,060,922,497	888,442,589
ICB Securities Trading Co.Ltd.		298,744,495	271,520,136
Less: Investment in subsidiaries			
ICB Capital Management Ltd.		(516,999,700)	(516,999,700)
ICB Asset Management Ltd.		(49,999,700)	(49,999,700)
ICB Securities Trading Co.Ltd.		(12,499,700)	(12,499,700)
		44,529,201,562	31,130,242,478
5.b Investments - ICB			
Capital Investment in Subsidiary Companies	5.1	579,499,100	579,499,100
Capital Investment in Other Institutions	5.2	358,174,599	48,752,837
Marketable Securities- at market value	5.3	35,835,344,127	23,745,625,455
Investment in Bangladesh Fund	5.4	5,460,000,000	5,000,000,000
		42,233,017,826	29,373,877,392
5.1 Capital Investment in Subsidiary Companies			
ICB Securities Trading Company Ltd.		12,499,700	12,499,700
ICB Capital Management Ltd.		516,999,700	516,999,700
ICB Asset Management Company Ltd.		49,999,700	49,999,700
		579,499,100	579,499,100
5.2 Capital Investment in Other Institutions			
Central Depository Bangladesh Ltd.		18,900,440	18,900,440
Industrial & Infrastructural Dev. Finance Co. Ltd.		29,767,462	20,345,700
Aramit Thai Aluminum Ltd.		5,000,000	5,000,000
Credit Rating Information & Services Ltd.		2,836,897	2,836,897
Credit Rating Agency of Bangladesh Ltd.		1,669,800	1,669,800
The Farmers Bank Ltd.		300,000,000	-
		358,174,599	48,752,837
5.3 Marketable Securities- at market value			
Listed Securities			
Ordinary Shares	5.3.1.a	34,134,312,962	22,463,849,718
Debentures	5.3.1.b	992,156	-
Bond	5.3.1.c	70,061,132	59,018,228
		34,205,366,249	22,522,867,946
Non Listed Securities			
Ordinary Shares	5.3.2.a	360,760,000	-
Preference Shares	5.3.2.b	661,833,334	678,833,334
Shares Against Underwriting	5.3.2.c	27,884,544	27,884,544
Debentures	5.3.2.d	579,500,000	516,039,631
		1,629,977,878	1,222,757,509
		35,835,344,127	23,745,625,455

	Notes	Amount in Taka	
		2013	2012
5.3.1 Listed Securities			
5.3.1.a Ordinary Shares			
Banks		4,095,805,193	3,471,400,704
Financial Institutions		1,121,873,102	689,545,705
Investment		293,181,154	289,690,312
Ceramic Industry		979,971,004	873,812,426
Engineering		2,332,357,257	1,093,913,694
Food and Allied		3,717,451,828	2,317,544,604
Fuel & Power		7,456,655,649	3,528,735,110
IT Sector		415,879,785	120,059,040
Insurance		1,421,343,421	874,093,045
Textile		1,318,122,535	1,111,079,091
Paper & Printing		2,889,388	3,200,847
Chemical & Pharmaceuticals		4,486,977,580	4,298,177,037
Service		135,621,497	51,646,359
Tannery		489,969,911	464,303,240
Cement		2,596,213,231	1,150,923,937
Jute		42,758,401	8,037,701
Telecommunication		2,223,031,538	1,016,768,320
Travel and Leisure		219,931,303	-
Miscellaneous		784,279,186	1,100,918,546
		34,134,312,962	22,463,849,718
5.3.1.b Debentures			
Aramit Cement Limited		39,600	-
BD. Welding Electrodes		952,556	-
		992,156	-
5.3.1.c Bond			
Mudaraba Perpetual Bond		50,739,253	59,018,228
ACI Zero Coupon Bond		19,321,879	-
		70,061,132	59,018,228
5.3.2 Non Listed Securities			
5.3.2.a Ordinary Shares			
MymCo Jute Mills Ltd.		35,000,000	-
Allied Pharma Ltd.		20,000,000	-
The Acme Laboratories Ltd.		305,760,000	-
		360,760,000	-
5.3.2.b Preference Shares			
R & R Hatchery Ltd.		7,500,000	7,500,000
Energies Power Corp. Ltd		33,333,334	33,333,334
Macsons Spinning Mills		4,000,000	8,000,000
Belhasa Accom & Asso. Ltd		500,000,000	500,000,000
Bangladesh Development Co.Ltd		117,000,000	130,000,000
		661,833,334	678,833,334

Notes	Amount in Taka	
	2013	2012

5.3.2.c Shares Against Underwriting

BEMCO Ltd.	2,566,580	2,566,580
Bangladesh Chemical Inds. Ltd.	709,600	709,600
Bangladesh Shipping Corp. Ltd.	100,700	100,700
National Oxygen Ltd.	2,207,400	2,207,400
Padma Printers Ltd.	11,310	11,310
Paper Converting Ltd.	137,100	137,100
Safco Spinning Mills Ltd.	2,441,000	2,441,000
Saleh Carpet Mills Ltd.	8,300,500	8,300,500
SPL Jute Ltd.	397,525	397,525
Swan Textile Mills Ltd.	157,351	157,351
Milan Tannery Ltd.	200,000	200,000
Modern Dyeing & Printing Inds. Ltd.	3,771,900	3,771,900
Quashem Timber Complex Ltd.	100,000	100,000
Hakkani Pulp Paper mills Ltd.	501,700	501,700
Magura Papers Ltd.	6,281,878	6,281,878
	27,884,544	27,884,544

5.3.2.d Debentures

Hossain Real Estate Ltd.	25,000,000	25,000,000
National Laboratories	100,000,000	100,000,000
R & R Hatchery Ltd.	3,500,000	3,500,000
Bengal Fine Ceramics	25,000,000	25,000,000
Hotel Mohna International Ltd.	40,000,000	40,000,000
Growbiz Inds. Ltd	24,000,000	27,000,000
Shagor Konna Resort Ltd.	2,500,000	2,500,000
Shakil & Shintheia Knit Composite Ltd.	25,000,000	25,000,000
Texmil Ltd.	35,000,000	35,000,000
North Breeze Crusher Ltd .	10,000,000	10,000,000
Faridpur Shamarita Gen.Hospital Ltd.	36,000,000	38,000,000
Southern Muttileyer Ltd.	21,000,000	26,000,000
Wata Chemicals Ltd	120,000,000	157,181,623
Babylon Knitt Composit Ltd.	40,000,000	-
I & A Sweater Ltd.	35,000,000	-
N.I.L Stone Crusher Inds.Ltd.	12,500,000	-
Rupa Shipping Lines Ltd	25,000,000	-
North Bengal Cycle Inds. Ltd.	-	1,858,008
	579,500,000	516,039,631

5.3.3 Branch Investments

Khulna Branch	99,919,420	83,372,123
Barishal Branch	50,010,252	49,374,560
Sylhet Branch	149,518,516	147,416,277
Chittagong Branch	243,791,975	253,421,154
Rajshahi Branch	199,861,825	178,706,652
Local Office	308,795,265	307,121,116
Bogra Branch	57,561,309	56,625,560
	1,109,458,562	1,076,037,442

5.3.a Consolidated Marketable Securities- at market value

Investment Corporation of Bangladesh	35,835,344,127	23,745,625,455
ICB Capital Management Ltd.	1,516,015,844	1,175,901,461
ICB Asset Management Ltd.	1,060,922,497	888,442,589
ICB Securities Trading Co.Ltd.	298,744,495	271,520,136
	38,711,026,963	26,081,489,641

	Notes	Amount in Taka	
		2013	2012
5.4 Investment in Bangladesh Fund			
Balance as on 1 July		5,000,000,000	2,266,700,000
Investment made during the year		460,000,000	2,733,300,000
Balance as on 30 June		5,460,000,000	5,000,000,000
Total Investment		42,233,017,826	29,373,877,392
5.5 Investment made during the year			
Capital Investment in Other Institutions		309,421,762	-
Marketable Securities- at market value		18,587,782,114	-
Bangladesh Fund		460,000,000	2,733,300,000
		19,357,203,876	2,733,300,000
5.6 Remaining Maturity Grouping of Investments			
On Demand		-	-
In not more than one month		8,627,432,988	22,804,729,342
In more than 1 but not more than 3 months		19,084,530,550	56,045,330
More than 3 months but not more than 1 year		7,225,067,550	127,856,990
More than 1 year but not more than 5 years		6,358,313,039	5,756,993,793
More than 5 years		937,673,699	628,251,937
		42,233,017,826	29,373,877,392

5.7 Valuation of Marketable Securities (Quoted as on 30.06.2013)

Sector/Category	No. of shares	Total cost price (Tk) 2013	Total Market price (Tk) 2013
Banks	184905564.5	4,586,128,125	4,095,805,193
Investment	30299892	422,062,495	293,181,154
Engineering	34793965	2,381,033,957	2,332,357,257
Food and allied products	12207957.01	1,361,221,873	3,717,451,828
Fuel and Power	101538495	6,702,241,540	7,456,655,649
Textiles	49720759	1,282,941,523	1,318,122,535
Jute	3600060	36,597,611	42,758,401
Chemical and Pharmaceuticals	47587254.3	3,655,398,821	4,486,977,580
Service and Real estate	2759629	132,038,572	135,621,497
Cement	30178933	2,228,631,718	2,596,213,231
Information technology	8669574	297,874,514	415,879,785
Tannery and footwear	2530095	490,087,647	489,969,911
Ceramics	30647055	1,387,201,759	979,971,004
Insurance	29115944	1,283,975,005	1,421,343,421
Telecommunication	12433800	2,317,703,397	2,223,031,538
Non bank financial institution	23914314	1,016,074,931	1,121,873,102
Paper and printing	41174	4,764,983	2,889,388
Travel and leisure	10399530	217,711,992	219,931,303
Miscellaneous	16440241	1,706,799,368	784,279,186
Corporate bond	77325	62,057,261	70,061,132
Listed debenture	415551	992,156	992,156
Non Listed ordinary share	11380000	360,760,000	360,760,000
Non listed preference share	1775002	661,833,334	661,833,334
Share against underwriting	1152092.28	26,003,369	27,884,544
Non listed Debenture	1248	579,477,805	579,500,000
	646585454.1	33,201,613,757	35,835,344,127

	Notes	Amount in Taka	
		2013	2012
6. Loans and Advances:			
6.a Consolidated Loans & Advances			
Investment Corporation of Bangladesh	6.b	13,240,890,407	11,712,050,092
ICB Capital Management Ltd.		5,976,950,907	5,499,526,043
ICB Asset Management Ltd.		-	-
ICB Securities Trading Co.Ltd.		2,279,779,113	2,052,645,014
Less: Loan to subsidiaries			
ICB Capital Management Ltd.		3,649,246,356	3,407,789,067
ICB Asset Management Ltd.		121,165,968	106,798,331
ICB Securities Trading Co.Ltd.		900,000,000	900,000,000
		16,827,208,103	14,849,633,751
6.b Loans and Advances - ICB:			
Margin Loan – Secured	6.1	4,026,903,362	3,880,143,939
Unit & Mutual Fund Advance Account –	6.2	180,341,892	164,776,220
Consumer Credit Scheme	6.3	7,508,372	11,300,487
Bridging Loan	6.4	4,981,582	230,415,374
Debenture Loan	6.5	21,225,208	21,225,208
Lease Receivables	6.6	1,065,648,188	979,036,915
Advance against Equity	6.7	1,665,009,286	749,583,333
Other Loans and Advances	6.8	6,269,272,517	5,675,568,616
		13,240,890,407	11,712,050,092
6.1 Margin Loan – Secured			
Net Balance as on 1 July		3,501,660,348	3,172,058,873
Add: Loan disbursed during the year		2,807,409,400	2,462,942,008
Interest accrued during the year		352,333,112	450,388,607
		6,661,402,860	6,085,389,488
Less: Recovery during the year		3,115,235,938	2,583,729,140
Net Balance as at 30 June		3,546,166,921	3,501,660,348
Add: Credit Balance of Margin Loan		480,736,441	378,483,591
Balance as at 30 June		4,026,903,362	3,880,143,939
6.1.a Consolidate Margin Loan – Secured			
Investment Corporation of Bangladesh		4,026,903,362	3,880,143,939
ICB Securities Trading Company Ltd.		2,279,779,112	2,052,645,013
ICB Capital Management Ltd.		5,976,950,908	5,499,526,044
		12,283,633,382	11,432,314,996
6.2 Unit & Mutual Fund Advance Account-Secured			
Balance as on 1 July		164,776,220	121,565,631
Add: Loan disbursed during the year		111,505,888	113,987,846
Interest accrued during the year		26,857,588	20,169,616
		303,139,696	255,723,093
Less: Recovery during the year		122,797,804	90,946,873
Balance as at 30 June		180,341,892	164,776,220
6.3 Consumer Credit Scheme			
Balance as on 1 July		11,300,487	18,733,310
Less: Recovery during the year		3,792,115	7,432,823
Balance as at 30 June		7,508,372	11,300,487

	Notes	Amount in Taka	
		2013	2012
6.4 Bridging Loan			
Sector:			
Textile		4,981,582	180,376,290
Chemicals, Pharmaceuticals & Allied		-	50,039,084
		4,981,582	230,415,374
6.5 Debenture Loan			
Sectors:			
Food & Allied		21,225,208	21,225,208
		21,225,208	21,225,208
6.6 Lease Receivables			
I Gross Lease Rental Receivables			
Balance as on 1 July		1,299,082,556	381,713,640
Add: Additions during the year		247,329,175	1,037,455,427
		1,546,411,731	1,419,169,067
Less: Realization during the year		94,593,372	120,086,511
		1,451,818,359	1,299,082,556
II Unearned Lease Income		(467,726,816)	(417,016,721)
III Advances Against Lease Finance		204,585	25,204,585
IV IDCPC Receivable		3,479,669	3,479,669
V Delinquent Charge-Receivable		17,533,166	18,350,506
VI Lease Installment Receivable		60,339,225	49,936,320
Balance as at 30 June		1,065,648,188	979,036,915
6.7 Advance against Equity			
Balance as on 1 July		749,583,333	-
Add: Loan disbursed during the year		933,300,000	700,000,000
Interest accrued during the year		156,501,502	49,583,333
		1,839,384,835	749,583,333
Less: Recovery during the year		174,375,549	-
Balance as at 30 June		1,665,009,286	749,583,333
6.8 Other Loans and Advances			
Staff Loans and Advances	6.8.1	1,598,860,193	1,260,981,218
Long Term Loan to Subsidiary	6.8.2	100,437,324	114,612,398
Short Term Loan to Subsidiary	6.8.3	4,569,975,000	4,299,975,000
		6,269,272,517	5,675,568,616
Total Loans & Advances		13,240,890,407	11,712,050,092
6.8.1 Staff Loans and Advances			
Motorcycle loan		7,338,659	5,876,158
Motor car loan		11,647,069	10,505,025
House building Loan		1,579,874,465	1,244,600,035
		1,598,860,193	1,260,981,218
6.8.2 Long Term Loan to Subsidiary			
ICB Capital Management Ltd.		29,271,356	87,814,067
ICB Asset Management Ltd.		71,165,968	26,798,331
		100,437,324	114,612,398

Notes	Amount in Taka	
	2013	2012
6.8.3 Short Term Loan to Subsidiary		
ICB Capital Management Ltd.	3,619,975,000	3,319,975,000
ICB Asset Management Ltd.	50,000,000	80,000,000
ICB Securities Trading Co.Ltd.	900,000,000	900,000,000
	4,569,975,000	4,299,975,000
6.9 Classification of Loans and Advances		
Unclassified:		
Standard	10,958,961,201	9,246,760,416
Special Mention Account (SMA)	7,056,987	8,314,798
	10,966,018,188	9,255,075,214
Classified:		
Sub-standard	228,863,079	993,064,396
Doubtful	241,313,420	157,873,685
Bad/Loss	1,804,695,720	1,306,036,797
	2,274,872,219	2,456,974,878
	13,240,890,407	11,712,050,092
6.9.1 Movements of Classified Loans & Advances		
Opening Balance	2,456,974,878	1,809,558,398
Additions During the year	222,557,405	767,890,560
Reduction During the year	(404,660,064)	(120,474,080)
Closing Balance	2,274,872,219	2,456,974,878
Measures taken for recovery of classified loan:		
i) Sending letters and reminders to borrowers		
ii) Special Asset Management Department is responsible for holding discussion with the client to recover the loan		
iii) Disposal of security through auction		
iv) Legal proceedings and settlement		
v) Negotiation and approval from head office/board.		
6.10 Particulars of Loans and Advances		
i. Debtors considered good in respect of which the Corporation is fully secured	11,031,175,822	9,308,364,682
ii. Debtors considered good for which the Corporation holds no other security than the debtors' personal guarantees	788,553,356	1,141,396,902
iii. Debtors considered good and secured by the personal security of one or more parties in addition to the personal security of the debtors	1,421,161,229	1,262,288,508
iv. Debt adversely classified for which no provision is created	-	-
	13,240,890,407	11,712,050,092

Notes	Amount in Taka	
	2013	2012
v. Debts due by directors or officers of the corporation or any of these either separately or jointly with any other persons	1,598,860,193	1,260,981,218
vi. Debts due by companies or firms in which the directors or officers of the corporation are interested as directors, partners or managing agents or in case of private companies as member	4,670,412,324	4,414,587,398
vii. Maximum total amount of advances, including temporary advances made at any time during the year to directors or managers or officers of the corporation or any of them either separately or jointly with any other person	1,598,860,193	1,260,981,218
viii. Maximum total amount of advances, including temporary advances granted during the year to the companies or firms in which the directors of the corporation have interest as directors, partners or managing agents or in case of private companies, as members;	-	-
ix. Due from banking companies and NBFIs	4,670,412,324	4,414,587,398
x. Information in respect of classified loans and advances		
a) Loans and Advances for which interest not charged	1,804,695,720	1,306,036,797
b) Amount of written off loans and advances	3,903,525,620	3,757,581,376
c) Provision kept against loans and advances classified as bad debts	958,216,323	682,322,940
d) Interest credited to the Interest Suspense account	114,536,477	144,804,619
xi. Cumulative amount of the written off loan and advances:		
Opening Balance	3,757,581,376	3,985,984,271
Amount written off during the year	225,112,651	-
Amount received from written off Project during the year	(78,287,425)	(61,919,842)
Amount waived-written off project during the year	(880,982)	(166,483,053)
Balance of written off loans and advances yet to be recovered	3,903,525,620	3,757,581,376

6.A Loans and Advances on the basis of significant concerns

6.A.1 Residual Maturity Grouping of Loans and Advances

On Demand

In not more than one month

In more than 1 month but not more than 3 months

In more than 3 month but not more than 1 year

In more than 1 year but not more than years

More than 5 years

248,355,693	187,947,840
1,204,566,780	1,005,544,320
3,005,534,675	2,655,377,805
8,104,567,810	7,405,534,220
677,865,450	457,645,907
13,240,890,408	11,712,050,092

6.A.2 Loans and Advances to Directors, Executives and Others

Advances to Other Executives

Advances to Staff

1,198,352,519	959,477,703
400,507,674	301,503,515
1,598,860,193	1,260,981,218

Notes	Amount in Taka	
	2013	2012
6.A.2.1 Analysis of Advances to Staff		
Due for:		
Less than three month	12,645,890	12,174,595
More than three month but less than six months	20,245,875	17,584,588
More than six month but less than nine months	21,058,956	17,079,724
More than nine month but less than 12 months	23,012,489	18,368,985
More than 12 months	1,521,896,983	1,195,773,326
	1,598,860,193	1,260,981,218
6.A.3 Loans and Advances to Others		
Advances to A/C holders	4,214,753,626	4,056,220,646
Industrial Advances	7,427,276,588	6,394,848,228
	11,642,030,214	10,451,068,874
6.A.4 Industry-wise concentration of Loans & Advances		
Financial Institutions	4,670,412,324	4,414,587,398
Engineering	462,204,044	17,204,044
Food and Allied	56,802,596	5,341,596
Fuel & Power	729,577,673	720,545,620
Textile	232,019,153	59,519,153
Paper & Printing	9,226,502	11,230,198
Chemical & Pharmaceuticals	510,402,499	459,902,499
Service	756,631,798	706,517,720
	7,427,276,589	6,394,848,228
6.A.5 Sector-wise concentration of Loans & Advances		
Public Sector	7,427,276,588	6,394,848,228
Private Sector	5,813,613,819	5,317,201,864
	13,240,890,407	11,712,050,092
6.A.6 Geographical Location-wise concentration of Loans & Advances		
Dhaka	11,282,435,619	9,743,049,500
Khulna	185,337,303	198,241,681
Barishal	364,385,857	346,673,746
Sylhet	216,105,477	220,784,788
Chittagong	935,023,877	919,626,331
Rajshahi	230,748,719	254,684,892
Bogra	26,853,555	28,989,153
	13,240,890,407	11,712,050,092
6.A.7 Business segment-wise concentration of Loans & Advances		
Corporate	7,427,276,588	6,394,848,228
Individual	4,214,753,627	4,056,220,646
Executives & Staff	1,598,860,193	1,260,981,218
	13,240,890,408	11,712,050,092
6.A.8 Duration-wise concentration of Loans & Advances		
Continuous Loan	8,777,220,254	8,344,895,159
Short-term Loan	2,864,809,960	2,106,173,715
Long-Term Loan	1,598,860,193	1,260,981,218
	13,240,890,407	11,712,050,092
6.A.9 Security/Collateral-wise concentration of Loans & Advances		
Collateral of Movable/Immovable Assets	4,355,724,457	3,241,242,048
Personal Guarantee	7,508,373	11,300,487
Other Securities	8,877,657,578	8,459,507,557
	13,240,890,408	11,712,050,092

	Notes	Amount in Taka	
		2013	2012
6.A.10 Staff loan			
Motorcycle loan		7,338,659	5,876,158
Motor car loan		11,647,069	10,505,025
House building Loan		1,579,874,465	1,244,600,035
		1,598,860,193	1,260,981,218

6.A.11 Particulars of required provisions for loans and advances

Status	Outstanding	Base for provision	Percentage (%) of	Required provision	Required provision
Unclassified					
All unclassified loans	9,362,115,710	9,362,115,710	0.01	93,621,157	79,877,723
Small & Medium	-	-	-	-	-
Housing & loan for	-	-	-	-	-
Consumer finance	168,529	168,529	0.05	8,426	4,243
Special Mentioned	6,951,750	6,951,750	0.01	69,518	415,740
Staff Loan	1,596,782,199	1,596,782,199	0.01	15,967,822	12,589,032
Total	10,966,018,188	10,966,018,188		109,666,923	92,886,738

Particulars of required provisions for off balance sheet items - General Provision

Name of Exposure	Outstanding	Percentage (%) of required provision	Required provision June 2013	Required provision June 2012
Acceptances and endorsements	-	-	-	-
Letter of guarantees (Bank Guarantee)	500,000,000	0.01	5,000,000	-
Irrevocable letter of credits	-	-	-	-

	Notes	Amount in Taka	
		2013	2012
Total required provision		114,666,923	92,886,738
Provision maintained		114,666,923	92,886,738
Excess/(Short) provision at 30 June 2013		-	-
Classified - Specific provision			
Sub-standard		228,863,079	97,250,443
Doubtful		241,313,421	93,680,630
Bad/Loss		1,804,695,720	958,216,323
		2,274,872,220	1,149,147,396
Required provision for loans and advances		1,024,506,727	745,214,711
Total provision maintained: Sub standard		19,450,089	32,467,850
Doubtful		46,840,315	30,423,921
Bad/loss		959,894,465	683,877,632
		1,026,184,869	746,769,403
Excess/(Short) provision at 30 June 2013		1,678,142	1,554,692

6.A.12 Write off of loans & advances

Balance at the beginning of the year	3,757,581,376	3,985,984,271
Add: Write off during the year	225,112,651	-
	3,982,694,027	3,985,984,271
Less: Recovery of Write off loans	(78,287,425)	(61,919,842)
Intl. Waived against Written-off - 1 Projects	(880,982)	(166,483,053)
Balance at the end of the year	3,903,525,620	3,757,581,376

	Notes	Amount in Taka	
		2013	2012
7. Fixed assets including premises, furniture and fixtures			
7.a Consolidated Fixed Assets including Premises, Furniture & Fixtures			
Investment Corporation of Bangladesh	7.b	88,421,946	83,632,129
ICB Capital Management Ltd.		18,737,681	23,237,161
ICB Asset Management Ltd.		9,724,918	11,702,540
ICB Securities Trading Co.Ltd.		33,202,462	36,023,978
Net Book value at the end of the year (Annexure-A)		150,087,007	154,595,808
7.b Fixed assets including premises, furniture and fixtures - ICB:			
Cost			
Property plant and equipments:			
Land		35,807,055	35,807,055
Building		12,443,265	12,443,265
Building-Under construction		2,500,000	2,500,000
Renovation of Office Building		44,308,954	36,590,136
Furniture and Fixture		18,112,874	16,048,508
Office Equipment		8,077,892	7,315,438
Electrical Equipment		3,952,771	3,650,166
Air Conditioner & Refrigerator		2,812,341	931,841
Computer Hardware		49,780,146	40,966,340
Carpet and Curtains		299,531	299,531
Telephone Installation		4,015,023	3,957,347
Motor Vehicles		18,751,780	21,051,780
Library Books		1,008,164	904,201
Others		237,702	139,702
		202,107,498	182,605,310
Less: Accumulated Depreciation		113,685,552	98,973,181
Net Book value at the end of the year (Annexure-B)		88,421,946	83,632,129
8. Other assets			
8.a Consolidated Other Assets			
Investment Corporation of Bangladesh	8.b	4,799,382,120	3,121,008,439
ICB Capital Management Ltd.		193,126,556	56,421,814
ICB Asset Management Ltd.		1,024,559,725	266,011,526
ICB Securities Trading Co.Ltd.		802,781,585	675,261,869
Less: Inter-company transactions			
ICB Capital Management Ltd.		943,038,068	425,363,142
ICB Asset Management Ltd.		242,730,070	6,876,428
ICB Securities Trading Co.Ltd.		741,798,145	375,683,989
		4,892,283,703	3,310,780,089

	Notes	Amount in Taka	
		2013	2012
8.b Other assets - ICB			
Income Receivables		819,768,848	655,873,153
Building Rent		-	279,000
Interest on Bank Deposits & others		449,154,674	433,668,680
Fees and Commissions Receivable		736,076	-
Dividend and Interest Receivable		369,878,098	221,925,473
		819,768,848	655,873,153
Others			
Installment receivable of Marketable Investments (Debenture)		15,630,767	17,856,712
Current Account with ICB Unit/Mutual Funds		-	47,458
Advance against Share Applications		7,196,116	9,824,686
Advance Income Tax-Staff	8.1	7,618,881	6,400,001
Advance Income Tax (Tax Deducted at Source)	8.1	1,923,312,957	1,498,702,002
Receivable from Subsidiaries & AMCL Mutual Funds		1,928,956,758	829,316,775
Deferred Tax	8.2	78,054,175	72,617,252
Other Advances, Deposits and Receivables		18,698,135	30,224,664
Sundry Assets		145,483	145,736
		3,979,613,272	2,465,135,286
		4,799,382,120	3,121,008,439
8.1 Advance Income Tax			
Balance as on 1 July			
Advance Income Tax-Staff		6,400,001	7,300,001
Advance Income Tax (Advance & Tax Deducted at Source)		1,498,702,002	1,108,712,018
Add: Payment made during the year:			
Payment-Staff		7,618,880	5,348,958
Payment & Tax deducted at source		424,610,955	389,989,984
Less: Adjustment during the year			
Advance Income Tax-Staff		6,400,000	6,248,958
Advance Income Tax (Tax Deducted at Source)		-	-
Balance as on 30 June			
Advance Income Tax-Staff		7,618,881	6,400,001
Advance Income Tax (Advance & Tax Deducted at Source)		1,923,312,957	1,498,702,002
8.2 Deferred Tax Assets			
Balance as on 1 July		72,617,252	69,463,738
Adjustment during the year		5,436,923	3,153,514
Total at 30 June		78,054,175	72,617,252
9. Borrowings from banks, financial institutions & Others			
9.a Consolidated Borrowing from Banks, Financial Institutions and Others			
Investment Corporation of Bangladesh	9.b	9,824,500,000	4,328,000,000
ICB Capital Management Ltd.		3,649,246,358	3,407,789,070
ICB Asset Management Ltd.		121,165,968	106,798,331
ICB Securities Trading Co.Ltd.		900,000,000	900,000,000

	Notes	Amount in Taka	
		2013	2012
Less: Inter-company transaction			
ICB Capital Management Ltd.		3,649,246,358	3,407,789,070
ICB Asset Management Ltd.		121,165,968	106,798,331
ICB Securities Trading Co.Ltd.		900,000,000	900,000,000
		9,824,500,000	4,328,000,000
9.b Borrowings from banks, financial institutions & Others - ICB:			
9.1 Government Loan			
Government Loans (2.50 percent)		24,500,000	28,000,000
		24,500,000	28,000,000
9.2 Borrowings from Different Banks			
9.2.a Borrowings as Call Loan			
With Bank Companies			
Pubali Bank Ltd.		200,000,000	100,000,000
Rupali Bank Ltd.		-	100,000,000
The Trust Bank Ltd.		-	100,000,000
Citi Bank NA		-	200,000,000
Basic Bank Ltd.		-	800,000,000
Dutch Bangla Bank Ltd.		1,000,000,000	-
Sonali Bank Ltd.		1,200,000,000	-
Bangladesh Development Bank Ltd.		200,000,000	-
South East Bank Ltd.		450,000,000	-
The City Bank Ltd.		250,000,000	-
Standard Bank Ltd.		500,000,000	-
		3,800,000,000	1,300,000,000
9.2.b Short term loan from Bangladesh Bank			
		6,000,000,000	3,000,000,000
		6,000,000,000	3,000,000,000
		9,800,000,000	4,300,000,000
Total Borrowings (9.1 +9.2)		9,824,500,000	4,328,000,000
10. Deposits:			
10.a Consolidated Deposit			
Investment Corporation of Bangladesh	10.b	34,881,134,873	24,558,620,346
ICB Capital Management Ltd.		-	-
ICB Asset Management Ltd.		-	-
ICB Securities Trading Co.Ltd.		-	-
		34,881,134,873	24,558,620,346
10.b Deposits - ICB:			
10.1 Term Deposits from			
General Public		137,432,703	92,356,640
Banks		21,057,140,929	11,410,102,049
NBFI		211,241,720	587,225,845
Other Institutions		13,443,791,143	12,437,050,552
		34,849,606,495	24,526,735,086
10.2 Lease Deposits			
Mollah Knit Apparels Ltd.		668,550	668,550
Beacon Plastic Inds. Ltd.		213,210	213,210
Mahtab Knit Inds. Ltd.		552,765	552,765
Shah Cement Inds. Ltd.		204,704	204,704

Notes	Amount in Taka	
	2013	2012
Contract Advertising Ltd.	495,546	495,546
Innovative Electric & Electronics Products Ltd.1& 2	654,168	654,168
National Drug Co. Ltd.	660,726	660,726
Navana CNG Ltd	9,146,940	9,146,940
Rieko Printing and Packaging Ltd.-1	693,992	693,992
Sonargaon Textile Mills Ltd	341,308	341,308
Neer Ltd. - 3	2,047,848	2,047,848
Rupa Sweaters Ltd.	-	566,572
Sinha Foods Ltd.	-	648,000
Fortune Zipper Ltd.	1,365,231	1,365,231
Basundhara Draging Company Ltd	13,449,261	13,449,261
Rieko Printing and Packaging Ltd.-2	176,439	176,439
Tonmoy Feed Lt.	857,690	-
	31,528,378	31,885,260
Total deposit (10.1 +10.2)	34,881,134,873	24,558,620,346

10.c Term Deposit:

Balance as on 1 July	24,526,735,086	22,678,909,822
Addition during the year	52,713,226,381	48,429,579,741
	77,239,961,467	71,108,489,563
Encashed during the year	42,390,354,972	46,581,754,477
Balance as on 30 June	34,849,606,495	24,526,735,086

10.d Maturity wise grouping of deposits

Payable on demand		
Payable within 1 month	2,345,578,920	1,865,544,310
Over 1 month but within 6 months	19,458,875,320	14,512,789,430
Over 6 month but within 1 year	12,095,950,328	7,620,277,860
Over 1 year but within 5 years	913,518,743	516,429,380
Over 5 years but within 10 years	67,211,562	43,579,366
Over 10 years	-	-
	34,881,134,873	24,558,620,346

11. Debentures:

11.a Consolidated Debentures

Investment Corporation of Bangladesh	11.b	-	18,000,000
ICB Capital Management Ltd.		-	-
ICB Asset Management Ltd.		-	-
ICB Securities Trading Co.Ltd.		-	-
		-	18,000,000

11.b Debentures - ICB:

Private Commercial Banks (5 percent & floating Bank Rate)		
IFIC Bank Ltd.	-	3,000,000
Uttara Bank Ltd.	-	10,000,000
Eastern Bank Ltd.	-	2,000,000
Dutch Bangla Bank Ltd.	-	3,000,000
	-	18,000,000

Debentures by Maturity

Payable between 1 and 3 years	-	18,000,000
Payable between 3 and 5 years	-	-
	-	18,000,000

	Notes	Amount in Taka	
		2013	2012
12. Deferred Interest:			
12.a Consolidated Deferred Interest			
Investment Corporation of Bangladesh	12.b	2,451,676	9,219,370
ICB Capital Management Ltd.		-	-
ICB Asset Management Ltd.		-	-
ICB Securities Trading Co.Ltd.		-	-
		2,451,676	9,219,370
12.b Deferred Interest - ICB:			
Debenture Loans			
IFIC Bank Ltd.		-	1,053,356
Uttara Bank Ltd.		-	3,552,832
Eastern Bank Ltd.		-	702,676
Dutch Bangla Bank Ltd.		-	1,108,590
		-	6,417,454
Government Loan		2,451,676	2,801,916
		2,451,676	9,219,370
13. Other Liabilities and Provisions:			
13.a Consolidated Other Liabilities and Provisions			
Investment Corporation of Bangladesh	13.b	5,461,175,156	4,605,704,240
ICB Capital Management Ltd.		1,996,656,348	1,217,744,581
ICB Asset Management Ltd.		368,953,350	141,915,458
ICB Securities Trading Co.Ltd.		1,682,407,718	1,484,216,612
		9,509,192,572	7,449,580,891
Less: Inter-company transactions			
ICB Capital Management Ltd.		943,038,068	425,363,142
ICB Asset Management Ltd.		242,730,070	6,876,428
ICB Securities Trading Co.Ltd.		741,798,145	375,683,989
		1,927,566,283	807,923,559
		7,581,626,289	6,641,657,332
13.b Other Liabilities and Provisions - ICB:			
Interest Payable on Long & Short Term Debts		1,097,600,978	762,243,929
Long Term Debt installments due or falling due within one year		15,000,000	50,000,000
Current Account with ICB S A Fund		335,720	49,304
Credit Balance of Margin Loan		480,736,441	378,483,591
Accrued Payroll		57,309,128	52,885,919
Other Accrued Expenses		3,125,605	5,137,488
Co-underwriters		17,631,860	20,714,923
Unclaimed Dividend		252,368,562	23,923,993
Provision against Loans and Advances	13.b.1	1,135,851,792	839,656,142
Interest Suspense	13.b.2	285,309,438	422,632,366
Interest Suspense on Purchase of Debenture		48,698,057	46,797,105
Provision for Taxation	13.b.3	1,758,822,935	1,335,822,935
Provision for Gratuity		181,440	489,800
Provision against Other Asset		93,235,818	93,235,818
Provision against Off balance sheet Items		5,000,000	-
Other Liabilities Payable to Lessee		41,200	41,200
Others		209,926,182	573,589,727
		5,461,175,156	4,605,704,240

13.b.1 Provision against Loans and Advances

Provision for loans and advances is created for covering the bank for possible loan losses in the future. General provision is made on outstanding loan and advance without considering the quality of loans and advances according to the prescribed rate of Bangladesh Bank. Classified loans and advances of the banks are categorised as sub-standard, doubtful and bad/loss as per guidelines of the Bangladesh Bank. Specific provision is required to be made on the shortfall in security value over the amount outstanding (net of unearned interest and interest suspense) for accounts which are classified as sub-standard, doubtful or bad/loss.

i. General Provision against unclassified Loans and Advances

Balance as on 1 July	92,886,738	90,111,393
Provision made during the year	16,780,185	2,775,345
Balance as at 30 June	109,666,923	92,886,738

ii. Specific Provision

Balance as on 1 July	746,769,404	737,186,984
Provision made from debenture loan redemption reserve during the year	170,820,136	-
Provision charged for the year	128,035,995	11,812,892
Write off during the year	(19,440,666)	(2,230,472)
Balance as at 30 June	1,026,184,869	746,769,404
Total:	1,135,851,792	839,656,142

The above Loan Loss Provision has been maintained as follows:

Bridging Loan	4,981,582	24,422,249
Debenture Loan	3,704,928	3,704,928
Lease Finance	206,750,245	59,580,750
Unit & Mutual Funds Advance Account	1,803,419	1,647,762
Margin Loan	829,160,275	672,255,947
Staff Advance	19,723,958	16,345,168
Consumer Credit	6,373,169	10,057,631
Advance against Equity	16,650,093	7,495,833
Loan to Subsidiaries	46,704,123	44,145,874
Total:	1,135,851,792	839,656,141

iii. Cumulative Provision

The Corporation has a Loan Loss Provisioning Policy on Project Loans (Bridging Loan and Debenture Loan) approved by Bangladesh Bank, effective from 1 July 2001. Besides, The Corporation also follows master circular regarding loan classification and provisioning. The required provision against loans and advances stood at Tk 113.59 crore as on 30 June 2013 against which adequate provision has been made. The above noted provisions have been arrived at without considering the realizable value of land and building as estimated by lead financiers namely BDBL(former BSB and BSRS).

Notes	Amount in Taka	
	2013	2012
Provision against Other Asset		
Dividend Receivable	72,825,106	72,825,106
Share Application Money	2,554,000	2,554,000
Receivable Installment of Debenture	17,856,712	17,856,712
	93,235,818	93,235,818
Provision against Off Balance sheet Items		
Balance as on July 1	-	-
Addition during the year	5,000,000	-
Balance as on June 30	5,000,000	-

13.b.2 Interest Suspense - for Loans & Advances

Classified loans and advances of the banks are categorised as sub-standard, doubtful and bad/loss as per guidelines of the Bangladesh Bank. Interest accrued on Special Mentioned Account (SMA), Sub-Standard (SS), doubtful and bad/loss loans is recorded as 'interest suspense' and not taken to income. This interest is recognized as income as and when it is realized in cash by the bank.

Balance as on 1 July	422,632,366	418,390,051
Add: Amount transferred to Interest Suspense account during the year	114,536,477	144,804,619
Less: Amount recovered against Interest Suspense account during the year	(46,040,076)	(84,736,992)
Less: Amount waived during the year	(147,345)	(55,825,312)
Less: Amount write off during the year	(205,671,984)	-
Balance as at 30 June	285,309,438	422,632,366

13.b.3 Provision for current taxation

Balance at the beginning of the year	1,335,822,935	1,244,835,363
Add: Provision made during the year	423,000,000	508,700,000
	1,758,822,935	1,753,535,363
Less: Adjustment of tax provision for previous years	-	417,712,428
Balance at the end of the year	1,758,822,935	1,335,822,935

14. Share Capital:

Authorized Capital

100,000,000 ordinary shares of Tk 100 each	10,000,000,000	5,000,000,000
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Issued, Subscribed & Paid up Capital

500,000 ordinary shares of Tk 100 each fully paid up in cash	50,000,000	50,000,000
37,187,500 ordinary shares of Taka 100 each issued as bonus shares	3,718,750,000	2,875,000,000
4,500,000 ordinary shares of Taka 100 each issued as right shares	450,000,000	450,000,000
	4,218,750,000	3,375,000,000

Percentage of shareholdings at the closing date:

Particulars	2013 Taka	2012 Taka	2013 %	2012 %
Government of the People's Republic of	1,139,062,500	911,250,000	27	27
BDBL (Former BSB & BSRS)	1,081,307,400	865,046,000	26	26
Banks (notes- 14.a)	1,342,078,300	1,073,662,900	32	32
Others (notes-14.b)	548,779,400	433,475,000	13	13
General Public	107,522,400	91,566,100	3	3
	4,218,750,000	3,375,000,000	100	100

14.a Banks

Sonali Bank Limited	295,358,800	236,287,100	7.00	7.00
Janata Bank Limited	281,900,700	225,520,600	6.68	6.68
Agrani Bank Limited	211,772,700	169,418,200	5.02	5.02
Rupali Bank Limited	169,762,500	135,810,000	4.02	4.02
Pubali Bank Limited	316,222,400	252,978,000	7.50	7.50
Uttara Bank Ltd.	67,061,200	53,649,000	1.59	1.59
	1,342,078,300	1,073,662,900	31.81	31.81

14.b Others

Sadharan Bima Corporation	492,501,000	394,000,800	11.67	11.67
Jiban Bima Corporation	28,751,400	23,001,200	0.68	0.68
Other Corporate bodies	27,527,000	16,473,000	0.65	0.49
	548,779,400	433,475,000	13.01	12.84

Classification of shareholder by holding as required by regulation -37 of the listing regulations of Dhaka Stock Exchange Ltd.

Shareholding Range	No. of Share holders	Share	%
Less than 500	2529	265,896	0.63
500- 5,000	318	394,217	0.93
5,001 - 10,000	9	59,230	0.14
10,001 - 20,000	11	151,382	0.36
20,001 - 30,000	2	51,176	0.12
30,001 - 40,000	3	97,513	0.23
40,001 - 50,000	1	43,765	0.10
50,001 - 100,000	5	287,315	0.68
100,001 - 1,000,000	5	1,950,104	4.62
Over 1,000,000	12	38,886,902	92.18

Notes	Amount in Taka	
	2013	2012

Share Price on the Dhaka Stock Exchange Ltd:

Beginning of the Financial year	1,991.25	3,677.00
End of the Financial year	1,796.50	1,991.25
Maximum Price during the Financial year	2,570.00	3,896.00
Minimum Price during the Financial year	1,176.00	1,235.50

Capital Adequacy Ratio (CAR):

"As per section 4(GHA) of the Financial Institution Rule 1994, the minimum paid up capital of the Financial Institution (FI) shall be Tk.100 crore; provided that the sum of paid up capital and reserves shall not be less than the minimum capital determined by the Bangladesh Bank under the Risk Based Assets of the company. The surplus eligible capital of the corporation at the close of the business on June 30, 2013 were Tk 1372.73 crore.

Details are shown below:

Core Capital (Tier-I)

Paid up capital	4,218,750,000	3,375,000,000
General Reserve	2,341,076,220	1,591,076,220
Reserve for Building	1,953,400,000	1,553,400,000
Reserve for Future Diminution of Overpriced Securities	5,543,154,730	5,043,154,730
Debenture Loan Redemption Reserve	-	170,820,137
Dividend Equalization Reserve	1,350,786,840	850,786,840
Retained Earnings	3,079,515,182	4,484,748,519
Sub Total	18,486,682,972	17,068,986,446

Supplementary Capital (Tier-II)

General Provision	114,666,923	92,886,738
Revaluation Reserve for investment up to 45%	1,185,178,667	2,282,328,622
Sub Total	1,299,845,590	2,375,215,360

A) Total Capital

19,786,528,561 **19,444,201,806**

Total Assets including off balance sheet exposures

71,789,675,047 **56,210,371,785**

B) Total risk weighted assets

60,592,714,950 **44,749,665,250**

C) Required capital based on risk weighted assets (10% of B)

6,059,271,495 **4,474,966,525**

D) Surplus (A-C)

13,727,257,066 **14,969,235,281**

Capital Adequacy Ratio (%)

32.65 **43.45**

	Notes	Amount in Taka	
		2013	2012
15. Reserves:			
15.a Consolidated Reserve:			
Investment Corporation of Bangladesh	15.b	13,822,148,160	14,281,079,310
ICB Capital Management Ltd.		(94,312,483)	(79,920,747)
ICB Asset Management Ltd.		466,335,628	332,880,697
ICB Securities Trading Co.Ltd.		446,726,111	389,161,797
		14,640,897,416	14,923,201,057
15.b Reserves - ICB:			
General Reserve			
Balance as on 1 July		1,591,076,220	841,076,220
Add: Addition during the year		750,000,000	750,000,000
Balance as at 30 June		2,341,076,220	1,591,076,220
Reserve for Building			
Balance as on 1 July		1,553,400,000	1,553,400,000
Add: Addition during the year		400,000,000	-
Balance as at 30 June		1,953,400,000	1,553,400,000
Revaluation Reserve for investment			
Balance as on 1 July		5,071,841,383	12,253,656,020
Adjustment during the year		(2,438,111,013)	(7,181,814,637)
Balance as at 30 June		2,633,730,370	5,071,841,383
Reserve for Future Diminution of Overpriced Securities			
Balance as on 1 July		5,043,154,730	4,043,154,730
Add: Addition during the year		500,000,000	1,000,000,000
Balance as at 30 June		5,543,154,730	5,043,154,730
Debenture Loan Redemption Reserve			
Balance as on 1 July		170,820,137	170,820,137
Add: Adjustment during the year		(170,820,137)	-
Balance as at 30 June		-	170,820,137
Dividend Equalization Reserve			
Balance as on 1 July		850,786,840	350,786,840
Add: Addition during the year		500,000,000	500,000,000
Balance as at 30 June		1,350,786,840	850,786,840
Total Balance as at 30 June		13,822,148,160	14,281,079,310
16. Non Controlling Interest			
ICB Capital Management Ltd.		1,315	1,350
ICB Asset Management Ltd.		10,005	5,568
ICB Securities Trading Co.Ltd.		27,946	28,101
		39,266	35,019

16.1 Calculation of Non Controlling Interest

	ICB Capital Management Ltd.	ICB Asset Management Ltd.	ICB Securities Trading Co.Ltd.	Total
Share Capital	517,000,000	50,000,000	12,500,000	579,500,000
Reserves	(94,312,483)	466,335,628	446,726,111	818,749,256
Retained Earnings	1,843,335,038	1,151,176,871	705,181,523	3,699,693,432
Total net assets as at 30 June 2013	2,266,022,555	1,667,512,499	1,164,407,634	5,097,942,688
% Non Controlling Interest	0.000058027079	0.0006	0.002400000000	0.0030580270793
Non Controlling Interest at 30 June 2013	1,315	10,005	27,946	39,266
Total net assets as at 30 June 2012	2,326,705,397	928,074,679	1,170,860,691	4,425,640,767
% Non Controlling Interest	0.0000580271	0.0006	0.0024000000	0.0030580270793
Minority Interest as at 30 June 2012	1,350	5,568	28,101	35,019

17. Interest Income:

	Notes	Amount in Taka	
		2013	2012
17.a Consolidated Interest Income			
Investment Corporation of Bangladesh	17.b	2,749,568,171	2,549,305,422
ICB Capital Management Ltd.		693,187,732	667,857,529
ICB Asset Management Ltd.		2,058,111	1,584,367
ICB Securities Trading Co.Ltd.		264,018,059	316,378,658
		3,708,832,073	3,535,125,976
Less: Inter-company transaction			
ICB Capital Management Ltd.		481,556,354	423,194,540
ICB Asset Management Ltd.		20,794,793	9,124,257
ICB Securities Trading Co.Ltd.		123,187,500	96,654,167
		625,538,647	528,972,964
		3,083,293,426	3,006,153,012
17.b Interest Income - ICB:			
Gross Interest			
Bridging Loan		928,823	4,398,285
Debenture Loan		-	4,898,296
Margin Loan (Note-6.1)		352,333,112	450,388,607
		353,261,935	459,685,188
Less: Interest Suspense			
Margin Loan		(78,923,717)	(123,921,630)
		(78,923,717)	(123,921,630)
Less: Rebate against current year's accrued Interest			
Margin Loan		(147,345)	(141,574)
Net Interest			
Bridging Loan		928,823	4,398,285
Debenture Loan		-	4,898,296
Margin Loan		273,262,049	326,325,403
		274,190,872	335,621,984
Add: Interest transferred from interest suspense account on actual recovery			
Bridging Loan		2,000,203	-
		276,191,075	335,621,984
Unit & Mutual Fund Advance Account		26,857,588	20,245,270
Bank Deposits & Current Account with ICB Mutual Funds		1,467,436,200	1,409,899,177
Interest on Consumer Credit Scheme		645,056	1,091,737
Advance against Equity		156,501,502	58,788,813
Interest income from Lease Receivables		13,863,869	42,777,854
Interest on Advances against Lease Finance		127,980,928	113,575,365
Staff Loan		54,553,296	38,332,258
Interest Income on Loan to Subsidiary Companies		625,538,657	528,972,964
Total:		2,749,568,171	2,549,305,422

	Notes	Amount in Taka	
		2013	2012
18. Interest paid on Deposits, Borrowings, etc.:			
18.a Consolidated Interest Paid on Deposits, Borrowings, etc.			
Investment Corporation of Bangladesh	18.b	4,413,611,782	3,650,570,317
ICB Capital Management Ltd.		481,556,354	423,194,553
ICB Asset Management Ltd.		20,794,793	9,124,257
ICB Securities Trading Co.Ltd.		123,187,500	96,654,167
		5,039,150,429	4,179,543,294
Less: Inter-company transaction			
ICB Capital Management Ltd.		481,556,354	423,194,553
ICB Asset Management Ltd.		20,794,793	9,124,257
ICB Securities Trading Co.Ltd.		123,187,500	96,654,167
		625,538,647	528,972,977
		4,413,611,782	3,650,570,317
18.b Interest paid on Deposits, Borrowings, etc. - ICB:			
Government Loan		700,000	787,500
Debenture Loan		876,667	3,400,000
Term Deposits		3,864,055,234	3,066,582,538
Short Term Loans		547,979,881	555,435,743
Interest on C/A With ICB Unit Fund & Mutual Funds		-	24,364,536
Total:		4,413,611,782	3,650,570,317
19. Dividend Income:			
19.a Consolidated Dividend Income:			
Investment Corporation of Bangladesh	19.b	1,256,091,282	698,791,356
ICB Capital Management Ltd.		49,592,391	34,856,880
ICB Asset Management Ltd.		20,958,788	18,438,302
ICB Securities Trading Co.Ltd.		10,679,273	5,844,603
		1,337,321,734	757,931,141
19.b Dividend Income - ICB:			
Dividend on Shares		729,341,999	656,299,535
Dividend From Subsidiaries		475,661,361	-
Interest on Debenture Securities		51,087,922	42,491,821
Total:		1,256,091,282	698,791,356
20. Fees, Commissions and Service Charges:			
20.a Consolidated Fees, Commissions and Service Charges:			
Investment Corporation of Bangladesh	20.b	261,296,357	214,998,662
ICB Capital Management Ltd.		162,667,094	186,519,524
ICB Asset Management Ltd.		980,346,443	162,379,289
ICB Securities Trading Co.Ltd.		343,916,136	382,350,862
		1,748,226,030	946,248,337
Less: Inter-company transaction			
ICB Capital Management Ltd.		11,570,555	14,495,412
ICB Asset Management Ltd.		21,043,141	6,661,087
ICB Securities Trading Co.Ltd.		89,011,299	87,985,031
		121,624,995	109,141,530
		1,626,601,035	837,106,807

	Notes	Amount in Taka	
		2013	2012
20.b Fees, Commissions and Service Charges - ICB:			
Project Examination Fee		772,500	1,038,800
Management Fee		93,200,014	62,809,210
Trustee Fee		42,491,322	20,163,215
Bankers to the Issue Fee		5,680,891	4,593,585
Service Charge & Commissions		12,102,300	13,757,040
Charges on AMCL Funds		1,390,475	21,398,794
Service Charge from Subsidiary Companies		35,802,333	24,815,202
Membership Charge from ISTCL		39,705,431	39,331,781
Custodian Fees		14,140,132	249,368
Guarantee Fees		16,010,959	26,841,667
Total:		261,296,357	214,998,662
21. Other Operating Income:			
21.a Consolidated Other Operating Income:			
Investment Corporation of Bangladesh	21.b	1,938,848	3,165,507
ICB Capital Management Ltd.		3,887,097	4,662,596
ICB Asset Management Ltd.		-	544,699
ICB Securities Trading Co.Ltd.		11,335,445	25,063,810
		17,161,390	33,436,612
21.b Other Operating Income:			
Staff expenses		182,323	131,000
Legal Expenses		785,812	1,597,794
Others		959,992	1,436,713
Prior year adjustment		10,721	-
		1,938,848	3,165,507
22. Salaries and Allowances:			
22.a Consolidated Salaries and Allowances:			
Investment Corporation of Bangladesh	22.b	240,202,560	232,566,853
ICB Capital Management Ltd.		64,616,923	66,514,562
ICB Asset Management Ltd.		36,267,278	35,419,270
ICB Securities Trading Co.Ltd.		69,378,508	73,387,094
		410,465,269	407,887,779
22.b Salaries and Allowances - ICB:			
Basic Pay		79,489,137	77,002,198
House Rent Allowances		40,901,317	39,633,830
Medical Allowances		3,537,298	3,470,733
Conveyance & Transport		288,585	179,157
Festival Bonus		8,287,944	14,739,678
Incentive Bonus		56,000,000	50,932,349
Provident Fund & Superannuation Fund		13,779,092	13,007,987
Gratuity		10,200	77,050
Income Tax- Officers		6,165,940	6,058,080
Other Staff Expenses		31,743,047	27,465,791
Total:		240,202,560	232,566,853
Thereof Staff Expenses Paid to Officers:			
Managing Director		891,622	916,692
Other Officers		187,498,191	181,758,291
		188,389,813	182,674,983

	Notes	Amount in Taka	
		2013	2012
Repair, Maintenance & Depreciation-Premises & Equipment:			
Consolidated Repair, Maintenance & Depreciation-Premises & Equipment:			
Investment Corporation of Bangladesh	23.b	25,312,844	23,195,525
ICB Capital Management Ltd.		8,786,785	8,491,878
ICB Asset Management Ltd.		2,736,093	2,212,186
ICB Securities Trading Co.Ltd.		11,785,595	10,491,735
		48,621,317	44,391,324
Repair, Maintenance & Depreciation-Premises & Equipment - ICB:			
Maintenance:			
Premises		1,733,340	1,766,176
Computer		1,340,979	1,151,048
Motor Vehicles		2,898,187	2,789,908
Photocopier		174,250	111,300
Other Equipment		2,132,885	2,406,185
		8,279,641	8,224,617
Depreciation:			
Office Building		63,807	685,935
Renovation of Office Building		6,575,124	4,386,320
Furniture & Fixture		1,005,198	898,761
Carpet & Curtains		10,657	13,264
Computers		5,050,160	4,795,743
Office & other Equipment		709,264	582,041
Electrical Equipment		358,091	334,431
Air Conditioner & Refrigerator		207,852	24,593
Telephone Installation		133,495	133,005
Motor Vehicles		2,919,555	3,116,815
	Annex-B	17,033,203	14,970,908
Total:		25,312,844	23,195,525
Other Operating Expenses:			
Consolidated Other Operating Expenses:			
Investment Corporation of Bangladesh	24.b	74,752,801	45,218,560
ICB Capital Management Ltd.		24,093,573	30,481,746
ICB Asset Management Ltd.		25,275,495	11,380,410
ICB Securities Trading Co.Ltd.		139,442,189	149,114,913
		263,564,058	236,195,629
Less: Inter-company transaction			
ICB Capital Management Ltd.		11,570,555	14,495,412
ICB Asset Management Ltd.		21,043,141	6,661,087
ICB Securities Trading Co.Ltd.		58,905,027	69,832,152
		91,518,723	90,988,651
		172,045,335	145,206,978
Other Operating Expenses - ICB:			
Traveling & Conveyance		5,328,898	5,051,526
Transportation		16,746,051	11,083,032
Petrol, Oil & Lubricants		2,969,551	2,773,902
Entertainment		5,281,214	4,160,751
Subscription & Donations		1,375,000	897,300
Bank Charges		250,710	97,131
Cookeries		284,334	251,989

	Notes	Amount in Taka	
		2013	2012
Listing Fees		2,945,750	3,025,000
Prior Years' Adjustment		724,388	-
CSR		8,528,655	3,572,370
Consultancy & Professional Fees		856,639	395,800
Honorarium		2,629,193	784,234
Business Development		4,885,624	2,708,693
Sundries	24.1	21,946,794	10,416,832
Total:		74,752,801	45,218,560
24.1 Sundries:			
Tax Token Road Permit		63,931	49,760
Miscellaneous		1,939,446	154,999
Washing Charges		140,945	130,591
Expenses for Annual General Meeting		4,034,225	3,243,082
Excise Duty		2,841,399	2,427,367
Internship Expenses		207,150	333,150
Garage Rent		-	19,800
Tax (Holding Tax) City Corporation		74,648	39,638
CDBL Charge		7,233,051	171,408
Security Service		5,384,999	3,510,339
Refurbishment and Delocation		-	70,848
Computer Software		12,000	33,000
Custodian Fee		5,000	55,000
Trustee Fee		10,000	10,000
Training expenses -Computer		-	64,050
Abnormal Loss (Stolen)		-	103,800
Total:		21,946,794	10,416,832
25. Non-Operating Income:			
25.a Consolidated Non-Operating Income:			
Investment Corporation of Bangladesh	25.b	80,797,669	74,211,645
		80,797,669	74,211,645
25.b Non-Operating Income - ICB:			
Loan Loss Written Back		79,746,267	74,211,645
Profit on Sale of Fixed Assets		1,051,402	-
Total:		80,797,669	74,211,645
26. Provision against Loans and Advances:			
26.a Consolidated Provisions against Loans & Advances and others:			
Investment Corporation of Bangladesh	26.b	149,816,180	14,588,237
ICB Capital Management Ltd.		120,000,000	183,898,123
ICB Securities Trading Co.Ltd.		60,000,000	50,000,000
		329,816,180	248,486,360
26.b Provision against Loans & Advances and others - ICB:			
Charged for the year:			
For loans & advances:			
For classified loans & advances		128,035,995	11,812,892
For unclassified loans & advances		16,780,185	2,775,345
		144,816,180	14,588,237
For Off Balance Sheet items		5,000,000	-
		149,816,180	14,588,237

Notes	Amount in Taka	
	2013	2012

27. Income Tax

27.a Consolidated Provision for Income Tax

27.a.1 Current Tax:

Investment Corporation of Bangladesh	423,000,000	508,700,000
ICB Capital Management Ltd.	130,000,000	152,791,410
ICB Asset Management Ltd.	9,245,955	13,721,133
ICB Securities Trading Co.Ltd.	95,184,712	135,209,708
	657,430,667	810,422,251

27.a.2 Deferred Tax:

Investment Corporation of Bangladesh	(5,436,923)	(3,153,514)
ICB Capital Management Ltd.	(3,302,301)	(1,479,142)
ICB Asset Management Ltd.	(1,480,027)	(115,827)
ICB Securities Trading Co.Ltd.	(4,013,462)	(1,497,300)
	(14,232,713)	(6,245,783)
	643,197,954	804,176,468

27.b Provision for Income Tax

27.b.1 Current Tax

Provision for Income Tax has been made according to the Income Tax Ordinance,1984. During the year, an amount of Tk. 423,000,000 (2012 : 50,87,00,000) has been provided for current Income Tax.

27.b.2 Deferred Tax

Deferred tax is provided using the liability method for timing differences arising between the tax base of assets and liabilities and their carrying values for reporting purposes as per Bangladesh Accounting Standard (BAS) - 12. During the year net amount of Tk. 54,36,923 (2012 : 31,53,514) has been provided as deferred Tax income.

The charge for taxation is based upon the profit for the year comprises:

Current tax on taxable income @ 42.5%	(6,943,901)	(1,506,978)
Adjustment - prior year	(1,506,978)	1,646,536
Net deferred Tax liability/(asset) originated for temporary differences		
Income Tax on Profit	(5,436,923)	(3,153,514)

28. Net Profit Available for Appropriation:

28.a Consolidated Net Profit Available for Appropriation:

Investment Corporation of Bangladesh	28.b	3,079,515,182	4,484,748,519
ICB Capital Management Ltd.		1,843,335,038	1,889,626,144
ICB Asset Management Ltd.		1,151,176,871	545,193,982
ICB Securities Trading Co.Ltd.		705,181,523	769,198,894
		6,779,208,614	7,688,767,539

28.b Net Profit Available for Appropriation - ICB:

Retained Profit as on 1 July	4,484,748,519	4,077,659,158
Add: Net profit for the year	2,479,053,553	3,941,435,845
Adjustment during the year	3,213,110	4,205,147
	6,967,015,182	8,023,300,150

Notes	Amount in Taka	
	2013	2012

Less: Appropriations for FY 2011-12

Dividend Paid: on Paid up Capital of Tk 337,50,00,000

(FY 2011-12 @ 25% Stock & @ 25% Cash)

Transferred to:

General Reserve	15.b	750,000,000	750,000,000
Reserve for Building	15.b	400,000,000	-
Reserve for Future Diminution of Overpriced Securities	15.b	500,000,000	1,000,000,000
Dividend Equalization Reserve	15.b	500,000,000	500,000,000
Benevolent Fund		50,000,000	38,551,631

1,687,500,000	1,250,000,000
3,887,500,000	3,538,551,631
3,079,515,182	4,484,748,519

Retained Profit as at 30 June -Transferred to Balance Sheet

29. Weighted Average Earnings Per Share

29.a Consolidated Weighted Average Earnings Per Share

Profit after taxation	3,764,248,817	4,625,857,226
Less:		
Preference dividend	-	-
Profit attributable to Minority	8,423	5,647
Profit attributable for distribution to ordinary shareholders	3,764,240,394	4,625,851,579
Weighted average number of shares	42,187,500	42,187,500
Weighted average/ adjusted earnings per share (Taka)	89.23	109.65

Weighted average earnings per share (EPS) of 2012 has been restated as per BAS-33 "Earnings per Share". as a result of bonus issue the calculation of basic EPS for last year presented as comparative is adjusted retrospectively when the number of ordinary shares outstanding increases in current year. The EPS calculations for prior period financial statements presented are based on the new number of shares.

Last year the Weighted Average Number of Ordinary shares outstanding was 33,750,000 and EPS Tk. 137.06 per share. In the comparative of current year financial statement the denominator uses the new number of shares 42187500 and hence the EPS for previous year is restated as Tk. 109.65 per share.

29.b Weighted Average Earnings Per Share - ICB:

Profit after taxation	2,479,053,553	3,941,435,845
Less: Preference dividend	-	-
Profit attributable for distribution to ordinary shareholders	2,479,053,553	3,941,435,845
Weighted average number of shares	42,187,500	42,187,500
Weighted average/ adjusted earnings per share (Taka)	58.76	93.43

Last year the Weighted Average Number of Ordinary shares outstanding was 33,750,000 and EPS Tk. 116.78 per share. In the comparative of current year financial statement the denominator uses the new number of shares 42187500 and hence the EPS for previous year is restated as Tk. 93.43 per share.

30. General disclosure**30.1 Audit committee****(a) Particulars of the Audit Committee:**

The audit committee of the Board was duly constituted by the Board of Directors of the Corporation in accordance with the BRPD Circular no. 12 dated December 23, 2002 of Bangladesh Bank. Pursuant to the BRPD Circular no. 08 dated 19.06.2011 and SEC notification no. SEC/CMRRCD/2006-158/129/ Admin/44 dated August 7, 2012 on Corporate Governance, the current Committee is Constituted with the following 5 (Five) members of the Board:

Sl. No.	Name of Director	Status with The Corporation	Educational Qualification
01	Syed Abdul Hamid	Director	B.com (Hons.) in Management & M.Com in Marketing, FCA
02	Mr. Gokul Chand Das	Director	B.Sc (Hons.), M.Sc in Chemistry
03	Mr. S. M. Moniruzzaman	Director	B.A (Hons.), M.A. in Economics, M.A. in Economics from USA
04	Dr. Md. Zillur Rahman	Director	Ph.D. in Credit Management, B.Com (Hons.), M.Com in Management
05	Mr. Md. Rezaul Karim	Director	B.Com (Hons.), M.Com in Management

(b) Meetings held by the Audit Committee during the year by date:

During the year, the Audit Committee of the Board conducted 06 (Six) meetings in which among others, the following issues were discussed:

Meeting No.	Held On
33	16.09.2012
34	08.11.2012
35	23.01.2013
36	26.02.2013
37	18.04.2013
38	20.06.2013

(c) Events after the reporting period**Dividend information**

The Board of Director in its 432nd meeting held on 06 October 2013 has recommended 40% cash dividend for the year ended 30 June 2013 for placement before shareholder at 37th Annual General Meeting of the company schedules to be held on 30 November 2013.

Review by the Audit Committee and Recommended thereof:

- Review of the Internal Audit Plan for the year 2013 and suggested area of further concentration.
- Review of the Internal Control function and recommend before the Board for enhancement of the activities streamlining operational risk.
- Review of all branch and Head office inspection reports as submitted by the Internal Control and Compliance Division and advice management for timely implementation and follow up.
- Review of the draft consolidated financial statements along with the external auditors and the management and recommending it to the Board of Directors for consideration.
- Review the scope and general extent of the annual audit, including an explanation of risk factors considered, any limitations on scope of work.
- Review with the top management of the organization's policies and procedures to prevent illegal or unethical activities, the quality of its personnel and the adequacy of staffing, key accounting policies and procedures, internal controls, significant areas of risk, legal or regulatory matters that may have an impact on the financial statements, and any other matters that may affect financial reporting.
- Review of the Management Letter issued by Bangladesh Bank & External Auditors and Management response thereto as part of compliance.
- Review the results of the audit with external auditors, including material findings, changes to accounting principles, changes to audit plan, disputes with management, unresolved issues and access to information.
- Submission of compliance report on the minutes to the Board along with its decisions for information and concurrence of the Board on quarterly basis.

(d) Steps taken for implementation of an effective internal control procedure of the Bank :

- i) Review performance and portfolios of SME, Agriculture and Policy on Green Financing & Investment which has been declared a thrust sector for the economy of the country.
- ii) Review the functioning of Human Resources Development Centre (Training Academy) at periodical interval for its significance and contribution towards transformation of the resources in to Human Capital.
- iii) Directed & ensured health checking of the IT System and taking measures for up gradation for efficiency & effectiveness.
- iv) Suggested software development for monitoring & following up compliance issues.
- v) Advise Audit Teams to carry out Audit & Inspections of all Divisions of the Head Office alongside the branches and subsidiaries to ensure proper functioning as per laid down guidelines of the Board and the regulators.

30.2 Related party/(ies) transactions

Parties are considered to be related, if one party has the ability to control the other party, or exercise significant influence over the other party, in making financial and operational decisions and include associated companies with or without common directors and key management positions. The Company has entered into transactions with other entities in the normal course of business that fall within the definition of related party as per Bangladesh Accounting Standards No. 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 normal risk.

Details of transactions with related parties and balances with them as at June 30, 2013 were as follows:

Name of the Party	Relationship	Nature of	Balance at year end receivable/ (payable)
Bangladesh Development Bank Ltd.	Director	Term Deposit	91,961,794
Shadaran Bima Corporation	Director	Term Deposit	106,295,000
Agrani Bank Ltd.	Director	Term Deposit	3,000,000,000

Schedule of Consolidated Fixed Assets of the Corporation

As at 30 June 2013

Fixed assets including furniture and Office Appliances, Computer - at cost less accumulated depreciation

Particulars	C O S T				Rate %	D E P R E C I A T I O N				Written down value of 30 June 2013
	Balance as on 1 July 2012	Additions during the year	Disposals during the year	Balance as at 30 June 2013		Balance as on 1 July 2012	Charged for the year	Adjustment on disposals	Balance as at 30 June 2013	
Land	35,807,055	-	-	35,807,055	-	-	-	-	-	35,807,055
Building	44,898,408	-	-	44,898,408	10	21,112,563	3,049,727	20,833	24,141,457	20,756,951
Building-Under construction	2,500,000	-	-	2,500,000	-	-	-	-	-	2,500,000
Renovation of Office Building	57,975,574	10,051,015	-	68,026,589	20	32,455,297	9,339,829	-	41,795,126	26,231,463
Furniture and Fixture	29,998,335	3,361,892	-	33,360,226	10	16,379,193	2,369,959	-	18,749,152	14,611,074
Office Equipment	11,183,051	1,188,074	-	12,371,125	20	7,717,372	1,685,857	-	9,403,229	2,967,896
Electrical Equipment	11,543,791	964,825	13,100	12,495,516	20	7,240,725	1,489,341	13,100	8,716,966	3,778,550
Air Conditioner & Refrigerator	13,593,934	2,417,719	-	16,011,653	20	10,315,764	1,642,113	-	11,957,877	4,053,776
Computer Hardware	75,153,640	12,866,945	29,962	87,990,622	20	53,457,049	10,018,364	29,961	63,445,452	24,545,170
Carpet and Curtains	299,531	-	-	299,531	20	268,474	10,657	-	279,131	20,400
Telephone Installation	5,681,250	80,856	-	5,762,106	20	4,836,393	264,640	-	5,101,033	661,073
Motor Vehicles	39,245,780	-	2,300,000	36,945,780	20	21,092,952	5,771,005	2,299,998	24,563,959	12,381,821
Library Books	1,037,338	109,537	-	1,146,875	10	122,283	6,833	-	129,116	1,017,759
Others	823,878	98,000	-	921,878	10	147,691	20,168	-	167,859	754,019
As at 30 June 2013	329,741,564	31,138,863	2,343,062	358,537,364		175,145,756	35,668,493	2,363,892	208,450,357	150,087,007
As at 30 June 2012	290,496,818	43,914,366	4,669,620	329,741,564		146,831,821	32,871,946	4,558,011	175,145,756	154,595,808

Schedule of Fixed Assets of the Corporation

As at 30 June 2013

Fixed assets including furniture and Office Appliances, Computer - at cost less accumulated depreciation

Amount in Taka

Particulars	C O S T				Rate %	D E P R E C I A T I O N				Written down value of 30 June 2013
	Balance as on 1 July 2012	Additions during the year	Disposals during the year	Balance as at 30 June 2013		Balance as on 1 July 2012	Charged for the year	Adjustment on disposals	Balance as at 30 June 2013	
Land	35,807,055	-	-	35,807,055		-	-	-	-	35,807,055
Building	12,443,265	-	-	12,443,265	10	12,345,032	52,401	20,833	12,376,599	66,666
Building-Under construction	2,500,000	-	-	2,500,000	-	-	-	-	-	2,500,000
Renovation of Office Building	36,590,136	7,718,818	-	44,308,954	20	17,564,103	6,575,124	-	24,139,227	20,169,727
Furniture and Fixture	16,048,508	2,064,366	-	18,112,874	10	10,615,706	1,005,198	-	11,620,904	6,491,970
Office Equipment	7,315,438	762,454	-	8,077,892	20	5,281,447	706,162	-	5,987,609	2,090,282
Electrical Equipment	3,650,166	302,605	-	3,952,771	20	2,681,192	358,091	-	3,039,283	913,488
Air Conditioner & Refrigerator	931,841	1,880,500	-	2,812,341	20	763,025	207,852	-	970,877	1,841,464
Computer Hardware	40,966,340	8,813,806	-	49,780,146	20	32,460,831	5,050,160	-	37,510,991	12,269,155
Carpet and Curtains	299,531	-	-	299,531	20	268,473	10,657	-	279,130	20,401
Telephone Installation	3,957,347	57,676	-	4,015,023	20	3,676,761	133,495	-	3,810,254	204,769
Motor Vehicles	21,051,780	-	2,300,000	18,751,780	20	13,109,040	2,919,555	2,299,998	13,728,598	5,023,182
Library Books	904,201	103,963	-	1,008,164		94,346	-	-	94,346	913,818
Others	139,703	98,000	-	237,703	10	113,226	14,508	-	127,734	109,969
As at 30 June 2013	182,605,310	21,802,188	2,300,000	202,107,498		98,973,181	17,033,203	2,320,831	113,685,552	88,421,946
As at 30 June 2012	158,947,388	23,796,322	138,400	182,605,310		84,036,873	14,970,908	34,600	98,973,181	83,632,129

Investment Corporation of Bangladesh
Income Tax Related Information as at 30-06-2013

Financial Year	Depreciation	Income as per Accounts	Income as per Tax Return	Income as per Assessment	Appeal	Tribunal	Tax Demand	Tax Provision	Tax Paid	Income Tax Deducted at source	Income Tax Deducted at Source (Cumulative)	Remarks
1995-96	1,377,058	80,178,991	47,510,504	53,605,360	-	-	-	-	-	-	-	Tax Holliday
1996-97	1,345,009	47,510,504	80,178,991	87,576,701	-	-	-	-	-	-	-	Tax Holliday
1997-98	1,923,228	41,291,738	44,124,055	53,371,086	-	-	6,374,946	2,832,317	-	3,859,170	3,859,170	Final
1998-99	6,191,743	43,216,535	(84,679,707)	50,876,682	50,526,682	-	1,686,794	-	-	5,988,131	9,847,301	Final
1999-00	7,122,252	59,353,443	(53,941,078)	70,376,839	70,301,839	-	9,081,185	-	-	12,496,507	22,343,808	Final
2000-01	7,175,919	81,643,338	11,877,039	102,264,973	-	85,320,116	2,786,534	-	-	29,909,766	52,253,574	Final
2001-02	7,478,095	104,277,090	16,844,903	-	-	-	2,526,735	-	-	40,407,800	92,661,374	Final
2002-03	8,957,125	106,825,542	(145,705,690)	-	-	-	-	22,543,516	-	42,343,354	135,004,728	Final
2003-04	5,670,684	166,591,387	(253,916,461)	-	-	-	-	2,000,000	-	43,434,410	178,439,138	Final
2004-05	4,772,276	219,357,627	(454,901,811)	-	-	-	-	31,022,235	-	36,845,162	215,284,300	Final
2005-06	5,357,618	231,876,362	(228,363,834)	-	-	-	-	26,437,295	-	65,464,704	280,749,004	Final
2006-07	5,471,813	302,344,000	(201,304,484)	-	-	-	-	65,000,000	-	95,654,058	376,403,062	Final
2007-08	3,394,889	1,011,926,771	(1,173,807,183)	-	-	-	-	95,000,000	-	177,073,579	553,476,641	Appeal order yet to be received
2008-09	10,199,007	1,116,320,550	(741,441,617)	-	-	-	-	150,000,000	-	187,967,960	741,444,601	Appeal order yet to be received
2009-10	12,448,632	3,130,451,767	(248,587,737)	-	-	-	-	250,000,000	-	210,088,204	951,532,805	Appeal order yet to be received
2010-11	12,805,400	3,852,938,233	4,454,911,879	-	-	-	-	600,000,000	-	157,163,916	1,108,696,721	Appeal order yet to be received
2011-12	14,970,909	3,941,435,845	4,461,615,558	-	-	-	-	508,700,000	417,712,428	290,969,484	1,399,666,205	Self Assessment
2012-13	17,283,203	2,626,661,810	-	-	-	-	-	461,000,000	-	246,510,803	1,646,177,008	Return not yet Submitted
Total							22,456,194	2,214,535,363	417,712,428	1,646,177,008		

**INDEPENDENT AUDITORS' REPORT
TO THE SHAREHOLDERS OF
ICB CAPITAL MANAGEMENT LIMITED**

We have audited the accompanying financial statements of ICB Capital Management Limited, which comprises the statement of financial position as at 30 June 2013, the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year ended on that date, and a summary of significant accounting policies and other explanatory notes.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Bangladesh Financial Reporting Standards, the Companies Act 1994, Securities and other Exchange Rules 1987 and other applicable laws and regulation. This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Bangladesh standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risk of the material misstatement of the financial statement, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

Opinion

In our opinion, the financial statements, prepared in accordance with Bangladesh Financial Reporting Standards, give a true and fair view of the state of the company's affairs and its group as at 30 June 2013, and of the results of their operations and their cash flows for the year then ended comply with the requirements of Companies Act 1994, Securities and Exchange Rules 1987 and other applicable laws and regulations.

We also report that:

- a) We have obtained all the information and explanation which to the best of our knowledge and belief were necessary for the purpose of our audit made due verification thereof;
- b) In our opinion, proper books of account as required by law have been kept by the company so far as it appeared from our examination of those books;
- c) The company's statement of financial position and statement of comprehensive income along with the annexed notes to 1 to 45 dealt with by the report are in agreement with the books of account; and
- d) The expenditure incurred and payments made were for the purpose of the company's business.

Dated: Dhaka
11 August, 2013

sd/-
Ahsan Kamal Sadeq & Co.
Chartered Accountants

ICB Capital Management Limited
Statement of Financial Position
As at 30 June 2013

		<i>Figures in BDT</i>	
	Notes	30 June,2013	30 June,2012
Non Current Assets:			
Fixed Assets including Premises, Furniture and Fixture	6	18,737,681	23,237,159
Deferred Expenses	7	1,260,000	1,680,000
Margin Loans to Investors- Secured	8	5,976,950,907	5,499,526,043
Total Non- Current Assets (A)		5,996,948,589	5,524,443,202
Current Assets:			
Cash and Bank Balances	9	207,095,286	197,153,618
Investment in Securities at market value	10	1,516,015,844	1,175,901,461
Dividend Receivable	11	13,446,004	1,469,009
Other Assets	12	178,420,554	53,272,805
Total Current Assets (B)		1,914,977,688	1,427,796,893
Current Liabilities & Provisions:			
Short Term Loan	13	3,619,975,000	3,319,975,000
Liabilities for Expenses	14	745,030,445	425,101,322
Other Liabilities	15	632,174,936	333,281,250
Provision for Incentive Bonus	16	11,718,933	15,904,375
Provision for Tax	18	82,637,102	38,862,701
Total Current Liabilities (C)		5,091,536,417	4,133,124,649
Net Current Assets (D=B-C)		(3,176,558,729)	(2,705,327,755)
Net Assets (E=A+D)		2,820,389,860	2,819,115,447
Liabilities and Capital			
Liabilities:			
Non-Current Liabilities			
Long Term Loan	19	29,271,358	87,814,070
Total Non-Current Liabilities		29,271,358	87,814,070
Other Liabilities and Provisions			
Provision against Margin loans to Investors	17	519,594,931	399,594,931
Employee Welfare Fund	24	5,500,000	5,000,000
Total Other Liabilities and Provisions		525,094,931	404,594,931
Total Liabilities		554,366,289	492,409,001
Capital/Shareholders' Equity:			
Paid-up Capital	20	1,318,590,000	1,146,600,000
Reserve for Building	21	300,000,000	250,000,000
General Reserve	22	32,000,000	20,000,000
Dividend Equalization Fund	23	60,000,000	50,000,000
Fair value adjustment	25	(486,312,538)	(399,920,793)
Retained Earnings	26	1,041,746,109	1,260,027,239
Total Shareholders' Equity		2,266,023,571	2,326,706,446
Total Liabilities and Capital		2,820,389,860	2,819,115,447

The annexed notes 1 to 45 form an integral part of these financial statements

sd/-	sd/-	sd/-	sd/-
Md. Fayekuzzaman Chairman	Md. Moshir Rahman Chief Executive Officer	Prof. Farid Uddin Ahmed Director	Prof. Md. Kismatul Ahsan Director

Signed as per our annexed report of even date.

Dated: Dhaka
August 11, 2013

sd/-
Ahsan Kamal Sadeq & Co.
Chartered Accountants

ICB Capital Management Limited
Statement of Comprehensive Income
for the year ended 30 June 2013

		<i>Figures in BDT</i>	
Notes	30 June,2013	30 June,2012	
Operating Income:			
Interest Income	27	693,187,732	667,857,529
Less: Interest paid on Borrowings during the year	28	481,556,355	423,194,553
Net Interest Income		211,631,377	244,662,976
Profit on Sale of Securities	29	150,749,776	254,068,605
Dividend Income	30	49,592,391	34,856,880
Fees and Commission Income	31	141,442,105	186,519,524
Trustee and Custodian Fees	32	21,224,989	-
Other Operating Income	33	3,887,097	4,662,596
Total Operating Income		578,527,736	724,770,582
Operating Expenses:			
Salaries and Allowances	34	64,616,923	66,514,562
Rent, Taxes, Insurance, Electricity etc.	35	6,882,489	5,716,476
Legal and Professional Expenses	36	235,648	361,020
Postage, Telegram, Telephone and Stamp	37	452,801	401,658
Auditors' Fees		30,000	30,000
Stationery, Printing, Advertising etc.	38	2,464,450	3,195,961
Directors' Fees	39	270,000	270,000
Repairs & Maintenance of Assets	40	2,558,571	2,350,191
Depreciation of Assets	6	7,166,201	6,928,261
Deferred Exp. Written Off	7	420,000	420,000
Other Operating Expenses	41	11,165,030	14,479,760
Service Charges paid to ICB		11,570,555	14,495,412
Total Operating Expenses		107,832,667	115,163,302
Profit before Provision		470,695,068	609,607,280
Provision against Margin Loans to Investors	17	120,000,000	183,898,122
Total Provision		120,000,000	183,898,122
Profit before Tax		350,695,068	425,709,158
Provision for Tax	18	130,000,000	152,791,410
Net Income After Tax		220,695,068	272,917,748
Earning Per Share	44	1.81	2.24
Diluted EPS	44	1.67	2.07

The annexed notes 1 to 45 form an integral part of these financial statements

sd/- Md. Fayekuzzaman Chairman	sd/- Md. Moshir Rahman Chief Executive Officer	sd/- Prof. Farid Uddin Ahmed Director	sd/- Prof. Md. Kismatul Ahsan Director
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Signed as per our annexed report of even date.

Dated: Dhaka
August 11, 2013

sd/-
Ahsan Kamal Sadeq & Co.
Chartered Accountants

ICB Capital Management Limited
Statement of Cash Flows
for the year ended 30 June 2013

Particulars	Notes	<i>Figures in BDT</i>	
		30 June,2013	30 June,2012
Cash flow from Operating Activities:			
Collections	42	566,550,741	723,985,572
Payments	43	(108,531,354)	96,058,690
Net Cash Flow from Operating Activities		675,082,095	627,926,882
Cash flow from investing activities:			
Increase in Investment in Securities		(426,506,129)	(218,840,158)
Acquisition of Fixed Assets (Premises & Equipment)		(2,666,723)	(7,409,872)
Increase in Deferred Expenses		-	(2,100,000)
Increase in Margin Loans to Investors		(477,424,865)	(402,667,791)
Net Cash Flow From Investing Activities		(906,597,716)	(631,017,821)
Cash Flow from Financing Activities:			
Short Term Loan Received		300,000,000	180,000,000
Long Term Loan Payment		(58,542,712)	(58,542,708)
Net Cash Flow from Financing Activities		241,457,288	121,457,292
Increase / (Decrease) in Cash and Cash Equivalent		9,941,667	118,366,354
Cash and Cash Equivalent at Opening (01 July 2012)		197,153,618	78,787,264
Cash and Cash Equivalent at Closing (30 June 2013)	9	207,095,285	197,153,618
Net Operating Cash Flow Per Share		5.54	6.54

The annexed notes 1 to 45 form an integral part of these financial statements

sd/-	sd/-	sd/-	sd/-
Md. Fayekuzzaman Chairman	Md. Moshir Rahman Chief Executive Officer	Prof. Farid Uddin Ahmed Director	Prof. Md. Kismatul Ahsan Director

Signed as per our annexed report of even date.

Dated: Dhaka
August 11, 2013

sd/-
Ahsan Kamal Sadeq & Co.
Chartered Accountants

ICB Capital Management Limited
Statement of Changes in Equity
for the year ended 30 June 2013

Particulars	Paid-up Capital	Share Money Deposit	Figures in BDT	
			Retained Earnings	Total
Balance as at 01 July 2012	1,146,600,000	-	1,260,027,239	2,406,627,239
Net Profit (after tax) for the year	-	-	220,695,068	220,695,068
Issue of Bonus share	171,990,000	-	(171,990,000)	-
Interim Cash dividend for the FY 2012-13			(197,788,500)	(197,788,500)
Deferred Tax Assets for the Year	-	-	3,302,301	3,302,301
Fair value adjustment	-	-	-	(486,312,538)
Transfer to Building Reserve	-	-	(50,000,000)	250,000,000
Transferred to General Reserve			(12,000,000)	20,000,000
Transferred to Dividend Equalization fund			(10,000,000)	50,000,000
Transferred to Employees Welfare fund			(500,000)	(500,000)
Total equity as on 30.06.2013	1,318,590,000	-	1,041,746,109	2,266,023,571

sd/-	sd/-	sd/-	sd/-
Md. Fayekuzzaman	Md. Moshir Rahman	Prof. Farid Uddin Ahmed	Prof. Md. Kismatul Ahsan
Chairman	Chief Executive Officer	Director	Director

Signed as per our annexed report of even date.

Dated: Dhaka
August 11, 2013

sd/-
Ahsan kamal Sadeq & Co.
Chartered Accountants

ICB Capital Management Ltd.

Notes to the Financial Statements as on June 30, 2013

1.0 Legal Status and Nature of the Company:

ICB Capital Management Limited was registered under the Companies Act 1994 as a Public Company Limited by shares on 5th December, 2000. The Company obtained registration from Securities and Exchange Commission as a merchant bank on 16 October 2001 and commenced its operation as Merchant Bank from 1 July, 2002. As a part of restructuring program of Investment Corporation of Bangladesh (ICB) under CMDP (Capital Market Development Program) initiated by the Govt. of the Peoples Republic of Bangladesh and the Asian Development Bank, the ICB Capital Management Ltd. has been created as a subsidiary of ICB to conduct merchant banking activities and play active role in the Capital Market of Bangladesh.

2.0 Registered Office:

The registered office of the Company is located at 8, D .I.T Avenue, BDBL Bhaban, Dhaka.

3.0 Principal Activity:

The major activities of the Company are portfolio management, margin loan account, issue management, underwriting, trustee, custodian and other service as required thereof.

4.0 Accounting Policies:

4.1 Statement of Compliance :

The Financial Statements have been prepared under Historical Cost Conversion except Investment in Securities as a Going Concern. Accrual basis of Accounting has been followed to recognize all the income and expenditure. Interest Income from bank accounts is accounted for on cash basis. Accounting Standards, Companies Act 1994, Securities and exchange Rules 1987 and other applicable rules and regulation have also been followed.

4.2 Property plant and equipment-owned assets:

4.2.1 Recognition and measurement:

Items of fixed assets are measured at cost less accumulated depreciation and accumulated impairment losses, if any.

Cost includes expenditure that is directly attributable to the acquisition of asset and bringing to the location and conditioned necessary for it to be capable of operating in the intended manner.

4.2.2 Subsequent expenditure on property, plant and equipment:

Subsequent expenditure is capitalized only when it increases the future economic benefit from the assets. All other expenditures are recognized as an expense as an when they are incurred.

4.2.3 Depreciation:

These are stated at cost less depreciation in accordance with BAS “Property, Plant and Equipment”. Depreciation of fixed assets has been charged on Straight line basis on all assets from the date of acquisition. The rates applied on such assets are as follows:

Category of assets	Rate of depreciation
Building	10%
Furniture & Fixture	10%
Interior Decoration	20%
Office Equipment	20%
Air-Conditioner & Refrigerator	20%
Telephone Installation	20%
Motor Vehicles	20%
Computer	20%
Application of Software	20%

The gain or loss arising on the disposal or retirement of an asset is determined as the difference between the sale proceeds and the carrying amount of the asset and is recognized in the profit and loss account.

4.3 Investments in Securities:

Investment in securities is recognized at end of the year at market price as per BAS-39 “Financial instruments: Recognition and measurement” and surplus between cost and market value has shown as fair value adjustment under equity.

4.4 Capital/Shareholders equity:

4.4.1 Authorized Capital

Authorized Capital is the maximum amount of share capital that the company is authorized by its Memorandum and Article of Association. Authorized Capital of ICB Capital Management Ltd. is Tk.500.00 core as on June 30, 2013.

4.4.2 Paid Up Capital:

Paid up capital represents total amount of shareholder capital that has been paid in full by the ordinary shareholders. Holders of ordinary share are entitled to receive dividends as declared from time to time and are entitled to vote at shareholders meetings. Details of which are shown in the note.

4.5 Employee Benefits:

4.5.1 Provident Fund.

Provident Fund benefits are given to the staff of the company in accordance with the registered Provident Fund Rules. The fund is operated by a Board of Trustees consisting of 5 (five) member of the Company. All confirmed employees of the Company may contribute 100% of their basic salary as subscription of the fund but contributing 10%-20% of their basic salary is the current practice. The Company also contributes 10% to the fund. Contributions made by the Company are charged as expense. Member are eligible to get both the contribution after 5 (five) years of continuous service from the date of their membership.

4.5.2 Gratuity:

Basis of calculation of gratuity is equal to two months basic pay for each year. Permanent employees are entitled to gratuity benefit after completion of minimum 3 (three) years of service in the Company. Actuarial valuation is not considered essential since amount payable at the date of statement of financial position is recognized and accounted for as at that date based on actual rate. The gratuity is calculated on the basis of last basic pay and is payable at the rate of two months basic pay for every completed year of service. The amount so calculated are transferred to the fund and charged to expenses of the Company.

4.6 Consolidation of Accounts:

These Accounts have been consolidated at the Head Office base on the Financial Statements received from Chittagong, Rajshahi, Barisal, Khulna, Bogra, Sylhet, Uttara, Gazipur and Narayangonj branches.

4.7 Taxation:

4.7.1 Income Tax Provision:

Provision for current income tax has been made @ 37.50% as prescribed in Financial Act 2013 of the accounting profit made by the company after considering some of the taxable and backs of income and disallowances of expenditures.

4.7.2 Deferred Tax:

Deferred tax asset are the amounts of income taxes recoverable in future periods in respect of taxable temporary differences. Deferred tax liabilities are the amounts of income taxes payable in future periods in respect of taxable temporary difference. Deferred tax assets and liabilities are recognized for the future tax consequences of timing difference arising between the carrying values of assets, liabilities, income and expenditure and their respective tax bases. Deferred tax is provided using the liability method for all temporary difference arising between the tax base of assets and liabilities and their carrying value for financial reporting purpose.

4.8 Bonus Share:

Bonus share received from various Companies have been recorded at nil value. On receipt of bonus share cost price per share is reduced as per existing policy of the Company. The actual gain is recognized on sale of such shares. Bonus share on securities has been recognized when actually received.

4.9 Earnings Per Share:

The Company calculates earning per share (EPS) in accordance with BAS 33 “Earning per Share” which has been shown on the face of Income Statement and the computation of EPS has been shown in the relevant note. It is to be mentioned here that for the FY 2011-2012 Basic and Diluted EPS was Tk. 2.84 and Tk. 2.38 respectively.

4.10 Weighted Average Number of Ordinary Shares Outstanding during the year:

This represents the number of ordinary shares outstanding at the beginning of the year plus the number of ordinary shares issued during the year multiplied by a time weighting factor. The time weighting factor is the number of days the specific shares are outstanding as a proportion of the total number of days in the period.

4.11 Basic Earnings Per Share:

This has been calculated by dividing, the basic earnings by the weighted average number of ordinary shares outstanding during the year.

$$\text{Basic EPS} = \frac{\text{Earning Attributable to Ordinary Shareholders}}{\text{Weight average number of shares outstanding during the year 2012-2013}}$$

4.12 Cash Flow Statement:

Cash Flow Statement has been prepared basically in accordance with BAS 7 “Cash Flow Statements” and the Cash flow from the operation activities have presented under direct method as required by the Securities and Exchange Rules 1987 and considering the provisions of paragraph 19 of BAS 7 which provides that “Enterprises are encouraged to Report Cash Flow from Operating Activities using the Direct Method”.

4.13 Revenue Recognition:

The accounting policies adopted for the recognition of revenue are as follows:

4.13.1 Interest Income:

Interest on margin loan to investors is recognized as revenue on an accrual basis and interest receivable on such loan is merged with original loan on quarterly basis.

4.13.2 Dividend Income:

Dividend income on investment in securities has been recognized on the basis of approval of the said dividend in the Annual General Meeting of the relevant Company. Bonus/ Stock received or receivable from various companies is not accounted for as income rather included in the portfolio to reduce the average cost.

4.13.3 Profit/(Loss) on sale of securities:

Gain/(loss) on sale of securities is accounted for based on difference between average cost price and selling price.

4.13.4 Fees and commission income:

Fees and commission income includes:

1. Portfolio management fee which is calculated on quarterly basis on Portfolio Value (Market Value),
2. Settlement Charge which is recognized at the rate of 0.10% on trading of shares.

4.14 Borrowing Cost

All other borrowing costs are recognized as expenses in the year in which they are incurred unless capitalization is permitted under Bangladesh Accounting Standard (BAS)-23 “Borrowing Costs”.

4.15 Other liabilities

Other liabilities comprise items such as provision for gratuity, interest suspense, accrued expenses and other obligation etc. Other liabilities are recognized in the financial position according to the internal policy of the Company.

4.16 Uncertainties for use of estimates in preparation of Financial Statements:

Preparation of Financial Statements in conformity with the Bangladesh Accounting Standards requires management to make estimates and assumption that effect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the Financial Statement and revenues and expense during the period reported. Actual results could differ from those estimates. Estimates are used for Accounting of certain items such as long term contracts, depreciation and amortization, employees benefit plans, reserves and contingencies.

4.17 Responsibility for preparation and presentation of Financial Statements:

The Board of Directors is responsible for the preparation and presentation of financial Statements under section 183 of the Companies Act 1994 and as per the provision of “the Framework for the preparation and presentation of Financial Statements” issued by the International Accounting Standard Committee (IASC) as adopted by The Institute of Chartered Accountants of Bangladesh (ICAB).

4.18 Event after the balance sheet date:

All material events occurring after the balance sheet date are considered and where necessary, adjusted or disclosed.

4.19 Proposed dividend:

Proposed Interim Cash @ 15% dividend for the FY 2012-13 has been recognized as a liability in the balance sheet in accordance with Bangladesh Accounting Standards (BAS).

4.20 Provisions against margin Loan to investors:

As per margin loan provisioning policy 2005 specific provisions are made against margin loan at the following rate:

Provision on Unclassified Investment	01%
Provision on Substandard Investment	20%
Provision on Doubtful Investments	50%
Provision on Bad & Loss Investment	100%

Such provision cannot satisfy the conditions of provision as per BAS-37. At the end of the year the company has recognized an accumulated general provision of TK. 519.59 million in the statement of financial position under other liabilities and Provisions.

4.21 Approval of financial statements:

The financial statements were approved by the Board of Directors on 07 August, 2013.

5.0 General:

- I. Comparative information have been disclosed in respect of year 2012-2013 for all numerical information of the Financial Statements and also the narrative and descriptive information so as to clarify the current year position in with that of preceding Financial year.
- II. Figures shown in the Financial Statements have been rounded off to the nearest Taka.
- III. Financial Statements of the Company cover one year form 1 July, 2012 to 30 June, 2013 Consistently

		<i>Figures in BDT</i>	
		30 June,2013	30 June,2012
6	Fixed Assets including Premises, Furniture and Fixture :		
	Opening Balance	23,237,159	22,755,548
	Add: Addition During the Year	2,666,723	7,409,872
		25,903,882	30,165,420
	Less: Depreciation Charged During the Year	7,166,201	6,928,261
	Written Down Value as at 30th June , 2013	18,737,681	23,237,159
	"Annexure-A" may kindly be seen for details.		

7	Deferred Expenses		
	Opening Balance	1,680,000	-
	Add: Addition during the year	-	2,100,000
		1,680,000	2,100,000
	Less: Written off during the year	420,000	420,000
	Balance as at 30th June 2013	1,260,000	1,680,000

Amounting to Tk.21,00,000.00 has been paid to RJSC as fees for raising Authorized capital in the FY 2011-12. The amount shall be written off in 5 (Five) years.

8	Net Margin Loans to Investors - Secured:		
	Margin Loans to Investors (8.01)	5,976,950,907	5,499,526,043
	Less: Unutilized Fund of the Investors (8.02)	272,752,982	281,844,262
	Margin Loans to Investors (8.03)	5,704,197,925	5,217,681,781
	Add: Credit Balance of Margin Loan	272,752,982	281,844,262
	Balance as at 30th June 2013	5,976,950,907	5,499,526,043

8.01

(A)	Margin Loans to Investors (Non Discretionary) :		
	Margin Loan to investors - General	4,849,610,990	5,217,681,781
	Margin Loan to investors - Block	854,026,245	-
	Credit Balance of Margin Loan	272,752,982	281,844,262
	Total=	5,976,390,217	5,499,526,043

(B)	Margin Loans to Investors (Discretionary) :		
	Margin Loan to investors	560,690	-
	Credit Balance of Margin Loan	-	-
	Total=	560,690	-

Total Margin Loans to Investors (A+B)	5,976,950,907	5,499,526,043
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8.02	Unutilized Fund of the Investors		
	Credit Balance of Non Discretionary	272,752,982	281,844,262
	Credit Balance of Discretionary	-	-
	Total=	272,752,982	281,844,262

8.03 As per rules ICML can provide margin loan to the investors @ 1:1 ratio, but in some cases ICML allowed fund to investors beyond that ratio, because it was not determined on the basis of fund deposited by the investors but on the basis of market price of purchased securities.

9 Cash and Bank Balances:

Cash in Hand	26,427	12,271
Cash at Bank (STD)	207,068,859	187,141,347
Investment in FDRs	-	10,000,000
Total=	207,095,286	197,153,618

10 Investment in Securities (at market value) :

Opening Balance	1,175,901,461	1,575,510,041
Add: Investment made during the year (10.02)	969,072,467	434,701,144
	2,144,973,928	2,010,211,185
Less: Securities sold during the year (at Cost)	542,566,338	215,860,987
	1,602,407,590	1,794,350,198
Add: Fair value adjustment	(86,391,746)	(618,448,737)
Balance as at 30th June 2013	1,516,015,844	1,175,901,461

Investment has been shown at market value as per BAS-39 "Financial Instruments: recognition and measurement" . Details of Investment in Securities are shown under 'Annexure-B'.

10.01 Investment in Securities (at cost value) :

Opening Balance	1,575,822,255	1,356,982,098
Add: Investment made during the year (10.02)	969,072,467	434,701,144
	2,544,894,722	1,791,683,242
Less: Securities sold during the year (at Cost)	542,566,338	215,860,987
Balance as at 30th June 2013	2,002,328,384	1,575,822,255

10.02 Investment made during the year:

Securities purchased through Stock Exchange	826,581,297	330,743,664
Right shares with renunciation	576,170	10,269,040
Sino Bangla Ind. Ltd.	-	2,423,400
Federal Ins. Co. Ltd.	-	6,060,660
Lafarge Surma Cement Ltd.	-	7,203,900
Saif Powertec. Ltd	-	70,000,000
National Feed Mills Limited	9,000,000	-
The ACME Laboratories Ltd.	98,800,000	-
Zaheen Spinning Limited	15,000,000	-
ICB AMCL Sonali Bank MF	19,115,000	-
GBB Power Ltd.	-	7,583,600
Keya Cosmetics Ltd.	-	416,880
	969,072,467	434,701,144

Details of Investment made during the year are shown under "Annexure-C"

11 Dividend Receivable :

Opening Balance	1,469,009	684,000
Add: Receivable during the year	13,446,004	1,469,009
	14,915,013	2,153,009
Less: Adjustment during the year	1,469,009	684,000
Balance as at 30th June 2013	13,446,004	1,469,009

"Annexure-D" may kindly be seen for details.

12 Other Assets :

Advance for Purchase of Building	96,892,900	-
Securities and Other Deposits (12.01)	227,345	27,345
Receivable from ISTCL	11,736,342	17,943,318
Issue Management Fees Receivable	2,700,000	-
Receivable from AMCL against Trustee and Custodian fees	21,224,989	-
Advance to Staff	100,000	-
Advance Office rent	3,618,275	4,133,150
Other Receivable	-	1,879,537
Deferred Tax Assets(12.02)	8,163,647	4,861,346
Advance Tax (source tax) 12.03	32,714,636	24,428,109
Tax paid against sale of Placement Share (12.04)	1,042,420	-
Total=	178,420,554	53,272,805

12.01 Securities and Other Deposits :

It represents the amount of security deposits to BTTB and CDBL amounting to Tk.27,345.00 and Tk.2,00,000.00 respectively.

12.02 Deferred Tax Assets:

Opening Balance	4,861,346	3,382,204
Add: Addition during the year	3,302,301	1,479,142
Balance as at 30th June 2013	8,163,647	4,861,346

12.03 Advance Tax (Tax deducted at source)

Opening balance	24,428,109	17,157,871
Add: Tax paid/deducted during the year	8,286,527	7,270,238
	32,714,636	24,428,109
Less: Adjustment during the year	-	-
Balance as at 30th June 2013	32,714,636	24,428,109

12.04 Tax paid against sale of Placement Share

Opening balance	-	-
Add: Tax paid during the year	1,042,420	-
Less: Adjustment during the year	-	-
Balance as at 30th June 2013	1,042,420	-

13 Short Term Loan

Opening Balance	3,319,975,000	3,139,975,000
Add: Received during year	300,000,000	180,000,000
	3,619,975,000	3,319,975,000
Less: Repayment during the year	-	-
Balance as at 30th June 2013	3,619,975,000	3,319,975,000

The above amount of Short term loan received form ICB bearing interest @ 13.50% per annum .

14 Liabilities for Expenses :

Audit Fees	30,000	30,000
Payable to Holding Company (ICB)	743,993,244	424,106,774
TAX Deducted at sources	4,427	-
Fees to Tax Advisor	-	15,000
Outstanding Liabilities	1,002,774	949,548
Total=	745,030,445	425,101,322

14.01 Payable to Holding Company (ICB) includes interest on Long term loan, short term loan and service charge paid to ICB (@ 2% on gross income).

15 Other Liabilities :

Security Deposit Payable (15.01)	283,082	262,937
Payable to ISTCL	5,931,718	2,543,654
Dividend payable to the Share holders	197,788,500	-
Equity Entrepreneurship Fund (15.2)	27,258,000	500,000
Other Suspense Account	25,692	25,192
Provision for Gratuity	13,509,000	10,125,250
Current Account with ICML employees PF	-	38,395
Dividend Suspense Account	88,896	88,391
Interest Suspense Account	114,537,067	37,853,170
Credit Balance of Margin Loan	272,752,982	281,844,262
Total=	632,174,936	333,281,250

15.01 Security deposit payable:

Beximco Computers Ltd	64,760	64,760
Golden Enterprise	40,307	40,307
Gulf International Associates Ltd	48,524	48,524
Gulf Environ. Tech. Ltd	2,959	2,959
Technologies Ltd	5,918	5,918
Rivnat & Ornate Interior Design and Decoration	3,627	3,627
Techno Havac System Ltd	4,275	4,275
Reform interior Design and Decoration	8,327	8,327
Maa Refrigeration & Electric co.	4,863	4,863
Lead corporation ltd.	46,197	46,197
Green Power Ltd.	-	4,800
N.A Interior Design and Decoration	8,380	8,380
Business Machine Company	4,945	-
Security money from Cashiers of ICML	40,000	20,000
Total=	283,082	262,937

15.02 This amount represents Equity & Entrepreneurship Fund received from Bangladesh Bank through ICB for onward disbursement to the following companies:

Genius Agro	500,000	500,000
Munira Fisheries & Agro	3,400,000	-
A Salam Agro Food processing Ltd	13,500,000	-
Madhu Ujala Cold Storage Ltd.	9,858,000	-
Balance as at 30th June 2013	27,258,000	500,000

16 Provision for Incentive Bonus

Incentive Bonus for officer	8,480,575	11,746,675
Incentive Bonus for Staff	3,238,358	4,157,700
Balance as at 30th June 2013	11,718,933	15,904,375

17 Provision against Margin loans to Investors

Opening balance	399,594,931	215,696,809
Add: Provision during the year	120,000,000	183,898,122
Balance as at 30th June 2013	519,594,931	399,594,931

An amount of Taka 12,00,00,000.00 has been made during the year as Provision for margin loan to investors .

18 Provision for Income Tax:		
Opening balance	38,862,701	54,685,392
Add: Provision made during the year	130,000,000	152,791,410
	168,862,701	207,476,802
Less: Tax paid to DCT for the FY 2012-13	69,966,232	-
Less: Tax paid to DCT for FY2011-12	11,998,368	133,522,804
Less: Tax paid to DCT for FY2010-11	-	35,091,297
Less: Tax paid to DCT for FY2010-11	1,200,000	-
Less: Tax paid to DCT for FY2007-08	839,000	-
Less: Tax paid to DCT for FY2008-09	832,000	-
Less: Tax paid to DCT for FY2009-10	1,390,000	-
Balance as at 30th June 2013	82,637,102	38,862,701
19 Long term loan		
Opening Balance	87,814,070	146,356,778
Add: Loan Received During the Year	-	-
	87,814,070	146,356,778
Less: Repayment during the year	58,542,712	58,542,708
Balance as at 30th June 2013	29,271,358	87,814,070
20 Share Capital :		
Authorized Capital:		
500,000,000 Ordinary Shares of Tk. 10/each	5,000,000,000	5,000,000,000
Issued, Subscribed & Paid up Capital		
131,859,000 Ordinary Shares of Tk.10/each fully paid	1,318,590,000	1,146,600,000
There was no preference share issued by the company.		
<u>Name of the share holders:</u>	Value of shares 2013	Value of shares 2012
Investment Corporation of Bangladesh	1,318,589,400	1,146,599,400
Mr. Farid Uddin Ahmed	100	100
Mr. Nasir Uddin Ahmed, Nominee of ICB	100	100
Mr. Md.Asaduzzaman Khan	100	100
Mr. Md. Kismatul Ahsan	100	100
Mr. Md. Moshir Rahman, Nominee of ICB	100	100
Mr. Md.Ayub Ali, Nominee of ICB	100	100
Total=	1,318,590,000	1,146,600,000
21 Reserve for Building :		
Opening Balance	250,000,000	50,000,000
Add: Addition During the Year	50,000,000	200,000,000
Balance as at 30th June 2013	300,000,000	250,000,000
22 General Reserve :		
Opening Balance	20,000,000	-
Add: Addition During the Year	12,000,000	20,000,000
Balance as at 30th June 2013	32,000,000	20,000,000

23 Dividend Equalization fund :		
Opening Balance	50,000,000	-
Add: Addition During the Year	10,000,000	50,000,000
Balance as at 30th June 2013	60,000,000	50,000,000
24 Employees welfare fund :		
Opening Balance	5,000,000	-
Add: Addition During the Year	500,000	5,000,000
Balance as at 30th June 2013	5,500,000	5,000,000
25 Fair value adjustment:		
Market Price of the securities as on closing date	1,516,015,844	1,175,901,461
Cost price of the securities	2,002,328,382	1,575,822,254
Total=	(486,312,538)	(399,920,793)
25.01 Fair value adjustment:		
Opening Balance	(399,920,793)	218,527,944
Add : Addition During the Year	(86,391,745)	(618,448,737)
	(486,312,538)	(399,920,793)
Less : Adjustment during the year	-	-
Balance as at 30th June 2013	(486,312,538)	(399,920,793)
26 Retained Earnings:		
Opening Balance	1,260,027,239	1,588,230,349
Add: Profit after tax during the year	220,695,068	272,917,748
	1,480,722,308	1,861,148,097
Less: Stock Dividend for FY2010-11	-	327,600,000
Less: Stock Dividend for FY2011-12	171,990,000	-
Less: Interim Cash Dividend for FY2012-13	197,788,500	-
Less: Transferd to General Reserve	12,000,000	20,000,000
Less: Transferd to Dividend Equalization Fund	10,000,000	50,000,000
Less: Transferd to Employees Welfare fund	500,000	5,000,000
Less: Transferd to Building Reserve	50,000,000	200,000,000
Add: Deferred Tax Assets	3,302,301	1,479,142
Balance as at 30th June 2013	1,041,746,109	1,260,027,239
27 Interest Income:		
Interest on Margin loan to Investors (27.01)	681,673,566	662,590,242
Less : Interest weaver to Investors	1,338,472	-
Net Interest Income on Margin Loan	680,335,094	662,590,242
Add : Interest on Bank Deposits	12,852,638	5,267,287
Total=	693,187,732	667,857,529

27.01 Interest on Margin loan to Investors		
Interest income from Non Discretionary Account holders	681,669,200	662,590,242
Interest income from Discretionary Account holders	4,366	-
Total=	<u>681,673,566</u>	<u>662,590,242</u>
28 Interest Paid on Borrowings:		
Interest on Long term loan	8,042,601	14,700,905
Interest on Short term loan	473,513,753	408,493,648
Total=	<u>481,556,355</u>	<u>423,194,553</u>
29 Profit on Sale of Securities:		
Sale proceeds of shares	693,283,746	469,894,992
Less: Cost of Shares Sold	542,530,338	215,824,987
	150,753,408	254,070,005
Less: Loss on sale of ACI Convertible Bond	3,631	1,400
Total=	<u>150,749,776</u>	<u>254,068,605</u>
(For details please refer to 'Annexure-E')		
30 Dividend income	<u>49,592,391</u>	<u>34,856,880</u>
('Annexure-F' may kindly be seen for details.)	<u>49,592,391</u>	<u>34,856,880</u>
31 Fees and Commission Income :		
Project Examination fees	14,015,000	20,225,000
Portfolio Management fees (31.01)	89,032,284	112,556,823
Manager to the issue fees	27,556,668	31,837,500
Underwriting Commission	1,534,506	9,791,326
Settlement Charge (31.02)	9,303,647	12,108,875
Total=	<u>141,442,105</u>	<u>186,519,524</u>
31.01 Portfolio Management fees		
Portfolio Mgt. fees from Non Discretionary Account holders	89,010,324	112,556,823
Portfolio Mgt. fees from Discretionary Account holders	21,960	-
Total=	<u>89,032,284</u>	<u>112,556,823</u>
31.02 Settlement Charge		
Settlement Charges from Non Discretionary Account holders	9,303,323	12,108,875
Settlement Charges from Discretionary Account holders	325	-
Total=	<u>9,303,647</u>	<u>12,108,875</u>
32 Trustee and Custodian Fees		
Trustee Fees	14,475,737	-
Custodian Fees	6,749,252	-
Total=	<u>21,224,989</u>	<u>-</u>

33 Other Operating Income:		
Documentation Charges	251,000	355,500
Sale of account Opening Form	17,800	20,000
Charges against EEF projects	1,545,000	2,898,500
Account Closing Charges	518,500	801,500
Other income	1,499,227	587,096
Charges of Financial statement	55,570	-
Total=	<u>3,887,097</u>	<u>4,662,596</u>
34 Salaries and Allowances:		
Basic Pay -Officer	14,468,289	12,356,115
Basic Pay -Staffs	5,316,940	5,170,658
Allowances	31,304,135	27,651,208
Gratuity provision	3,383,700	2,586,986
Bonus-Officer	7,351,212	13,654,745
Bonus-Staffs	2,792,648	5,094,850
Total=	<u>64,616,923</u>	<u>66,514,562</u>
35 Rent, Taxes, Insurance, Electricity etc.:		
Rent, Taxes Electricity & Water	6,816,702	5,650,689
Insurance	65,787	65,787
Total=	<u>6,882,489</u>	<u>5,716,476</u>
36 Legal and Professional Expenses		
Fees to Securities & Exchange Commission	205,648	321,020
Other Legal and Professional Fees	30,000	40,000
Total=	<u>235,648</u>	<u>361,020</u>
37 Postage, Telegram, Telephone and Stamps		
Postage and Telegram	157,006	131,892
Telephone	227,546	186,393
Stamps	68,249	83,373
Total=	<u>452,801</u>	<u>401,658</u>
38 Stationary, Printing & Advertisement etc.		
Stationery and Printing	1,742,652	2,581,087
Advertisement and Publicity	721,798	614,874
Total=	<u>2,464,450</u>	<u>3,195,961</u>
39 Directors' Fee		
Fees for attending Meeting	270,000	270,000
Total=	<u>270,000</u>	<u>270,000</u>

40 Repairs and Maintenance of Assets

Office premises, furniture & fixtures	349,149	238,247
Office equipment & Computer	679,412	735,430
Repairs & maintenance of motor vehicle	592,023	589,940
Fuel & CNG Bill	937,987	786,574
Total=	<u>2,558,571</u>	<u>2,350,191</u>

41 Other Operating Expenses:

Traveling and Conveyance	2,190,106	2,715,964
Entertainment Expenses	845,701	730,777
Business Development	484,917	184,214
Newspapers and Periodicals	140,803	150,565
Bank Charges	49,320	100,071
Cookeries and Cutleries	25,900	21,941
Security Services Charges	566,181	499,395
Washing and Cleaning Charges	25,303	56,783
AGM Expenses	360,375	318,378
Branch Opening Expenses	-	197,699
Excise Duty	75,308	74,000
Computer software and website maintenance	294,650	213,566
ISTCL charges/CDBL Charge	4,362,476	7,253,968
Satellite TV	15,400	15,550
Chairman's Honorarium	120,000	120,000
Donation & Subscription	27,000	113,000
Legal and CIB Charges	131,142	112,776
Training Exp.	64,650	42,700
Vat Exp.	510,373	478,717
Sports and Cultural Programme	10,000	381,000
Employees Salary Tax	494,807	-
Fees to the members of Prospectus Evaluation Committee	5,000	-
Recruitment Expenses	133,000	-
Miscellaneous Expenses	232,619	698,696
Total=	<u>11,165,030</u>	<u>14,479,760</u>

42 Collections:

Income as per Income Statement	578,527,736	724,770,582
Decrease/Increase in Dividend Receivables	(11,976,995)	(785,009)
Total=	<u>566,550,741</u>	<u>723,985,572</u>

43 Payments to Suppliers, Employees & Others:

Expenditure as per Income Statement	227,832,667	299,061,424
Increase in provision against Margin Loan	(120,000,000)	(183,898,122)
Increase/Decrease in Other Assets	121,845,448	(13,071,690)
Increase in Liabilities for Expenses	(319,929,123)	(324,605,667)
Increase in Other Liabilities	(101,105,186)	164,698,244
Increase in provision for incentive bonus	4,185,442	(7,391,338)
Depreciation	(7,166,201)	(6,928,261)
Deferred Expenses Written off	(420,000)	(420,000)
Income tax paid	86,225,600	168,614,101
Total=	<u>(108,531,354)</u>	<u>96,058,690</u>

44 Earning Per Share:

Attributable Profit for the year	220,695,068	272,917,748
Number of share	121,822,323	96,081,041
Earning Per Share	1.81	2.24
Diluted EPS	1.67	2.07

Earning per share has been calculated in accordance with BAS-33 "Earnings per Share(EPS)". Basic and diluted EPS for the FY 2011-12 were Tk. 2.84 and Tk. 2.38 respectively.

45 Related Party Disclosure:

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 decisions and include associated companies with or without common directors and key management positions. The Company has entered into transactions with other entity in the normal course of business that fall within the definition of related party as per Bangladesh Accounting Standards No.-24: " Related Party Disclosures. "

Details of transactions with related party and balances as at June 30,2013 were as follows:

Name of the related party	Transaction nature	Amount
Investment Corp. of Bangladesh (Holding Company)	Long term loan	29,271,358
Investment Corp. of Bangladesh (Holding Company)	Short term loan	3,619,975,000

ICB Capital Management Limited

Fixed Asset Schedule

As on 30 June, 2013

Fixed Assets including Premises, Furniture and Fixture:

Annexure-A

Sl No.	Category of Premises and Equipment	Cost				Depreciation				Written Down Value as on 30 June 2013	Rate of Depreciation %
		Balance as on 1 July 2012	Additions during the year	Deletion during the year	Balance as at 30 June 2013	Balance as on 1 July 2012	Charged during the year	Deletion during the year	Balance as at 30 June 2013		
		1	2	3	4=(1+2-3)	5	6	7	8=(5+6-7)		
1	Building	14,864,047	-	-	14,864,047	4,932,816	1,486,405	-	6,419,221	8,444,826	10
2	Furniture and Fixture	4,495,874	188,985	-	4,684,859	1,800,597	447,351	-	2,247,948	2,436,911	10
3	Interior Decoration	10,204,869	381,096	-	10,585,965	7,095,207	1,495,905	-	8,591,112	1,994,853	20
4	Office Equipment	2,440,445	381,301	-	2,821,746	1,601,233	725,572	-	2,326,805	494,941	20
5	Air Conditioner & Refrigerator	4,944,300	480,643	-	5,424,943	3,788,006	596,219	-	4,384,225	1,040,718	20
6	Telephone Installation	405,232	1,400	-	406,632	377,809	13,288	-	391,097	15,535	20
7	Motor Vehicles	4,441,000	-	-	4,441,000	3,292,935	430,000	-	3,722,935	718,065	20
8	Computer Hardware	11,051,931	1,233,298	-	12,285,229	6,738,740	1,954,657	-	8,693,397	3,591,832	20
9	Application Software	442,080	-	-	442,080	425,276	16,804	-	442,080	-	20
Total: As on 2012-2013 Total:		53,289,778	2,666,723	-	55,956,501	30,052,619	7,166,201	-	37,218,820	18,737,681	
Total: As on 2011-2012 Total:		45,879,906	7,409,872	-	53,289,778	23,124,358	6,928,261	-	30,052,619	23,237,159	

**RAHMAN KASHEM & CO.
CHARTERED ACCOUNTANTS**

AUDITORS' REPORT

We have audited the accompanying Statements of Financial Position of **ICB Asset Management Company Limited** as at 30th June 2013 and the related Statement of Comprehensive Income, Statement of Cash Flow and Statement of Changes in Equity and notes to the Financial Statements for the year then ended. The Preparations of these Financial Statements are the responsibility of the Company's Management. Our responsibility is to express an opinion on these Financial Statements based on our audit.

We conducted our audit in accordance with Bangladesh Standards on Auditing (BSA). These standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements prepared in accordance with Bangladesh Accounting Standards (BAS), give a true and fair view of the state of the ICB Asset Management Company Limited affairs as at 30th June, 2013 and of the results of its operations and its Statement of Cash Flow for the year then ended and comply with the Companies Act, 1994, the Securities and Exchanges Rules, 1987 and other applicable laws and regulations.

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 purposes of our audit and made due verification thereof;
- ii. in our opinion, proper books of accounts as required by law have been kept by the Company so far as it appeared from our examination;
- iii. the Statement of Financial Position and the Statement of Comprehensive Income of the ICB Asset Management Company Limited dealt with by the report are in agreement with the books of account; and
- iv. the expenditure incurred was for the purposes of the Company's Business.

Dated:
22 July, 2013

sd/-
Rahman Kashem & Co.
Chartered Accountants

ICB ASSET MANAGEMENT COMPANY LIMITED
STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2013

Particulars	Notes	2012-13 (Taka)	2011-12 (Taka)
NON-CURRENT ASSETS:			
Property, Plant & Equipment	4	9,724,917	11,702,539
Total Non-Current Assets (A)		9,724,917	11,702,539
CURRENT ASSETS:			
Marketable Investment	5	1,060,922,497	888,442,589
Management Fee Receivable	6	193,120,000	139,255,904
Formation Fee receivable		600,000,000	-
Dividend & Interest Receivable	7	4,215,901	2,335,771
Other Receivable	8	6,463	225,426
Advance Deposit & Prepayments	9	224,235,779	122,692,868
Deferred Tax Assets	10	2,981,584	1,501,557
Cash in Hand & Cash at Bank	11	62,434,380	10,637,080
Total Current assets (B)		2,147,916,604	1,165,091,195
TOTAL ASSETS (A+B)		2,157,641,521	1,176,793,734
EQUITY AND LIABILITIES			
Shareholders' Equity			
Share Capital	12	393,750,000	315,000,000
Reserve Fund	13	426,338,426	296,382,694
Dividend Equalization Fund	14	40,000,000	36,500,000
Retained Earnings	15	807,433,778	280,197,252
Total Shareholders' Equity (C)		1,667,522,204	928,079,946
NON-CURRENT LIABILITIES:			
Long term Loan	16	71,165,968	26,798,331
Total Non-Current Liabilities (D)		71,165,968	26,798,331
CURRENT LIABILITIES & PROVISIONS:			
Short term Loan	17	50,000,000	80,000,000
Accrued Payroll	18	5,839,210	7,742,770
Operating Expenses Payable	19	21,318,941	6,286,509
Other Liabilities	20	3,700,295	1,792,972
Dividend payable		196,875,000	-
Interest Payable	21	4,517,021	452,221
Deferred Liabilities (Gratuity Payable)	22	5,912,850	4,096,908
Provision for Income Tax	23	130,790,032	121,544,077
Total Current Liabilities & Provisions (E)		418,953,349	221,915,457
TOTAL EQUITY AND LIABILITIES (C+D+E)		2,157,641,521	1,176,793,734

The annexed notes 1 to 35 form an integral part of this Financial Statement.

sd/-
Md. Wahiduzzaman Khandaker
Chairman

sd/-
Md. Alauddin Khan
Chief Executive Officer

sd/-
Dr. Mahmood Osman Imam
Director

SIGNED IN TERMS OF OUR ANNEXED REPORT OF EVEN DATE

Dated, Dhaka:
July 22, 2013

sd/-
RAHMAN KASHEM & CO.
Chartered Accountants

**ICB ASSET MANAGEMENT COMPANY LIMITED
STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 JUNE 2013**

Particulars	Notes	2012-13 (Taka)	2011-12 (Taka)
INCOME:			
Management Fee	24	230,346,443	162,379,289
Formation Fee		750,000,000	-
Profit on Sale on Investment	25	48,793,696	126,841,285
Interest Income	26	3,599,444	1,811,867
Dividend Income	27	19,417,455	18,210,802
Other Income	28	-	544,699
Total Income		1,052,157,038	309,787,942
EXPENSES:			
Interest expenses	29	20,794,793	9,124,257
Staff expenses	30	36,267,278	35,419,268
Premises Expenses	31	3,050,192	2,361,545
Equipment Expenses	32	1,219,544	1,446,484
Other Expenses	33	5,134,467	6,198,964
Holding Company Management Fees		21,043,141	6,195,759
Directors Fees and Allowance		471,500	563,500
Audit Fees		25,000	18,750
Depreciation		2,168,392	1,472,707
Total Expenses		90,174,307	62,801,234
Net Income/(Loss) Before Tax		961,982,731	246,986,708
Provision for Tax	23	9,245,955	13,721,133
Net Income after Taxation		952,736,776	233,265,575
Earnings Per Share (EPS)	35	241.96	59.24

The annexed notes 1 to 35 form an integral part of this Financial Statement.

sd/-
Md. Wahiduzzaman Khandaker
Chairman

sd/-
Md. Alauddin Khan
Chief Executive Officer

sd/-
Dr. Mahmood Osman Imam
Director

SIGNED IN TERMS OF OUR ANNEXED REPORT OF EVEN DATE

Dated, Dhaka:
July 22, 2013

sd/-
RAHMAN KASHEM & CO.
Chartered Accountants

ICB ASSET MANAGEMENT COMPANY LIMITED
STATEMENT OF CASH FLOW
FOR THE YEAR ENDED 30 JUNE 2013

Particulars	Notes	2012-13 (Taka)	2011-12 (Taka)
Cash flow from Operating Activities:			
Cash receipts:			
Management fee		176,482,347	198,483,400
Formation fee		150,000,000	-
Profit on Sale of investment		48,793,696	126,841,285
Interest income		2,871,444	1,811,867
Dividend income		18,265,325	18,254,993
Other income		-	544,699
		396,412,812	345,936,244
Cash payments:			
Interest paid		16,729,993	9,207,258
Staff expenses		38,170,838	30,481,000
Other expenses	34	90,299,231	39,684,774
		145,200,062	79,373,032
Net Cash flow from Operating Activities (A)		251,212,750	266,563,212
Cash flow from Investing Activities:			
Purchase of Marketable Securities		(570,162,865)	(617,803,259)
Sale of Marketable Securities		356,570,548	353,840,392
Acquisition of Fixed Assets (Premises & Equipment)		(190,770)	(4,442,233)
Net Cash Flow from Investing Activities (B)		(213,783,087)	(268,405,100)
Cash Flow from Financing Activities:			
Long Term Loan Received		60,000,000	-
Long Term Loan Paid		(15,632,363)	(17,865,558)
Short Term Loan Received		70,000,000	80,000,000
Short Term Loan Paid		(100,000,000)	(70,000,000)
Net Cash Flow from Financing Activities (C)		14,367,637	(7,865,558)
Increase/(Decrease) in Cash and Cash Equivalent (A+B+C)		51,797,300	(9,707,446)
Cash and Cash Equivalents at Opening		10,637,080	20,344,526
Cash and Cash Equivalents at Closing		62,434,380	10,637,080

The annexed notes 1 to 35 form an integral part of this Financial Statement.

sd/-
Md. Wahiduzzaman Khandaker
Chairman

sd/-
Md. Alauddin Khan
Chief Executive Officer

sd/-
Dr. Mahmood Osman Imam
Director

SIGNED IN TERMS OF OUR ANNEXED REPORT OF EVEN DATE

Dated, Dhaka:
July 22, 2013

sd/-
RAHMAN KASHEM & CO.
Chartered Accountants

ICB ASSET MANAGEMENT COMPANY LIMITED
STATEMENT OF CHANGES IN EQUITY
For the year ended 30 June 2013

Particulars	Paid-up Capital	Reserve for Building	Reserve Fund	Dividend Equalization Fund	Revaluation Reserve for Investment	Reserve for Future Diminution of securities	Retained Earnings	Total (Taka)
Balance as at 01 July 2011	210,000,000	75,000,000	30,000,000	31,500,000	107,899,684	306,907,187	301,614,985	1,062,921,856
Prior year Adjustment	-	-	-	-	-	-	200,865	200,865
Net Profit (after tax) for the year	-	-	-	-	-	-	233,265,575	233,265,575
Deferred Tax Asset	-	-	-	-	-	-	115,827	115,827
Transfer to dividend equalization Fund	-	-	-	5,000,000	-	-	(5,000,000)	-
Transfer to Reserve for building	-	50,000,000	-	-	-	-	(50,000,000)	-
Transfer to General Reserve	-	-	10,000,000	-	-	-	(10,000,000)	-
Revaluation Reserve for Investment adjusted	-	-	-	-	(107,899,684)	-	-	(107,899,684)
Reserve for Future Diminution of securities	-	-	-	-	-	85,000,000	(85,000,000)	-
Reserve for future diminution of securities adj.	-	-	-	-	-	(260,524,493)	-	(260,524,493)
50% Stock Dividend paid (2010-11)	105,000,000	-	-	-	-	-	(105,000,000)	-
Balance as at 30 June 2012	315,000,000	125,000,000	40,000,000	36,500,000	-	131,382,694	280,197,252	928,079,946
Balance as at 01 July 2012	315,000,000	125,000,000	40,000,000	36,500,000	-	131,382,694	280,197,252	928,079,946
Prior year Adjustment	-	-	-	-	-	-	2,144,723	2,144,723
Net Profit (after tax) for the year	-	-	-	-	-	-	952,736,776	952,736,776
Deferred Tax Asset	-	-	-	-	-	-	1,480,027	1,480,027
Transfer to dividend equalization Fund	-	-	-	3,500,000	-	-	(3,500,000)	-
Transfer to Reserve for building	-	75,000,000	-	-	-	-	(75,000,000)	-
Transfer to General Reserve	-	-	10,000,000	-	-	-	(10,000,000)	-
Interim Cash dividend paid	-	-	-	-	-	-	(196,875,000)	(196,875,000)
Reserve for Future Diminution of securities	-	-	-	-	-	65,000,000	(65,000,000)	-
Reserve for future diminution of securities adj.	-	-	-	-	-	(20,044,268)	-	(20,044,268)
25% Stock Dividend paid (2011-12)	78,750,000	-	-	-	-	-	(78,750,000)	-
Balance as at 30 June 2013	393,750,000	200,000,000	50,000,000	40,000,000	-	176,338,426	807,433,778	1,667,522,204

The annexed notes 1 to 35 form an integral part of these financial statements

sd/-
Md. Wahiduzzaman Khandaker
Chairman

sd/-
Md. Alauddin Khan
Chief Executive Officer

sd/-
Dr. Mahmood Osman Imam
Director

SIGNED AS PER OUR ANNEXED REPORT OF EVEN DATE

Dated, Dhaka:
July 22, 2013

sd/-
RAHMAN KASHEM & CO.
Chartered Accountants

ICB Asset Management Company Limited

Notes to the Financial Statements as at and for the year ended 30 June 2013

1 Company and its activities:

1.1 Legal Status of the Company

ICB Asset Management Company Limited was registered under the Companies Act 1994 as a public limited company by shares on 05 December 2000. The address of the registered office is in Dhaka.

1.2 Nature of business activities of the Company

The company can manage the assets of any Trust or Fund of any type and/or character and hold, acquire, sell or deal in such asset or any trust or Fund. It can organize various schemes of different types for trust Funds, take part in the management of any Mutual Fund operation, operate, conduct, accomplish and establish services for industrial trading and commercial activities, invest Funds in shares and securities, carry on business, and act as financial and monetary agent and merchandise shares and other securities.

2 Significant accounting policies:

2.1 Basis of accounting

The Financial statements of the ICB Asset Management Company Limited have been prepared as at 30 June 2013 on a going concern basis under historical cost concept in accordance with the International Accounting Standards (IAS) and International Financial Reporting Standards (IFRS) as adopted by The Institute of Chartered Accountants of Bangladesh, the Companies Act, 1994, the Securities and Exchange Rule, 1987.

2.2 Presentation of financial statements

The financial statements are presented in compliance with the Bangladesh Accounting Standard-1 "Presentation of financial statements".

2.3 Reporting period

These financial statements cover one year from 01 July 2012 to 30 June 2013.

2.4 Marketable Investment

Investment in listed companies are shown at Market value as per BAS-39 "Financial Instruments: Recognition and Measurement "(Note-5.1) .

2.5 Noncurrent assets and its depreciation

Property, Plant & Equipment

Property, Plant & Equipment are stated at cost less accumulated depreciation.

Depreciation

Depreciation has been charged on straight-line method on all tangible assets except Library books from the date of acquisition. The rates applied on such assets are as follows:

Interior Decoration	10%
Furniture & Fixture	10%
Electrical Equipment	15%
Air-Condition	15%
Telephone installation	10%
Motor Vehicles	15%
Computer	20%
Computer Software	20%
Other Assets	10%

2.6 Gratuity

Basis of calculation of gratuity is equal to two months basic pay for each year.

2.7 Provision for Tax

Current Tax

Provision for taxation has been made as per rates prescribed in Finance Act, 2009 and Section 82 of the Income Tax Ordinance, 1984 on the profit made by the ICB AMCL after considering taxable add backs of income and disallowances of expenditure as per Income Tax laws in compliance with BAS-12 "Income Taxes."

Deferred Tax

Deferred tax is made as per the balance sheet method in respect of temporary differences arising from differences between the carrying amount of assets and liabilities in the financial statements and the corresponding tax basis used in the computation of taxable profit. Deferred tax liabilities are generally recognized for all taxable temporary differences and deferred tax assets are recognized to the extent that it is probable that the taxable profits will be available against which the deductible temporary differences. The Company has made adequate provision for deferred tax for the year 2013.

2.8 Formation Fee

As per prospectus of Mutual Fund, Funds have to pay Formation Fee @ 1.5 % of the fund size to the Asset Management Company at the time of Formation of the Fund.

2.9 Revenue recognition

The revenue during the year is recognized as follows which satisfy all conditions of revenue recognition as prescribed by BAS-18 "Revenue".

2.9.1 Interest Income

Interest income from bank accounts is accounted for on accrual basis.

2.9.2 Dividend Income

Dividend Income on investment in securities has been recognized on the basis of approval of said dividend in the annual general meeting of the relevant company.

2.9.3 Gain on sale of Bonus share

Bonus share received from the companies have been recorded at nil value. On receipt of bonus share cost price per share is reduced as per existing policy of the company. The actual gain is recognized on sale of such shares in excess of average cost per share.

2.10 Earnings Per Share

Earnings per share (EPS) has been computed by dividing the basic earnings by the number of ordinary shares outstanding as on 30 June 2013 as per BAS-33 "Earning per Share".

2.11 Cash Flow statements

Cash flow statement is prepared principally in accordance with BAS-7 " Cash Flow Statement" and the cash flow from the opening actives has been presented under direct method as prescribed by the Securities and Exchanges Rules,1987.

2.12 Compliance of Bangladesh Accounting Standards (BAS) and Bangladesh Financial Reporting Standards (BFRS)

Name of the BAS	BAS No.	Status
Presentation of Financial Statements	1	Applied
Inventories	2	N/A
Cash Flow Statements	7	Applied
Accounting Policies, Changes in Accounting estimates & Errors	8	Applied
Events after the Balance Sheet Date	10	Applied
Construction Contracts	11	N/A
Income Taxes	12	Applied
Segment Reporting	14	N/A
Property, Plant and Equipment	16	Applied
Leases	17	N/A
Revenue	18	Applied
Employees Benefits	19	Applied
Accounting for Government Grants and Disclosure of Government Assistance	20	N/A
The effects of changes in Foreign Exchange Rates	21	N/A
Borrowing Costs	23	Applied
Related Party Disclosure	24	N/A
Accounting and Reporting by Retirement Benefits Plan	26	Applied
Consolidated and Separate Financial Statements	27	N/A
Investment in Associates	28	N/A
Disclosures in the Financial Statements of Banks and Similar Financial	30	N/A
Interest in Joint Ventures	31	N/A
Earnings per share	33	Applied
Interim Financial Reporting	34	N/A
Impairment of Assets	36	Applied
Provisions, Contingent Liabilities and Contingent Assets	37	Applied
Intangible Assets	38	N/A
Financial Instruments: Recognition and Measurement	39	Applied
Investment Property	40	N/A
Agriculture	41	N/A
Name of the BFRS	BFRS No	Status
Share Based Payment	2	N/A
Business Combinations	3	N/A
Non-Current Assets Held for Sale and Discontinued Operations	5	N/A
Exploration for and Evaluation of Mineral Resource	6	N/A

2.13 Approval of Financial Statements

The Financial Statements were approved by the Board of Directors.

2.14 Events after Balance Sheet date

All material events occurring after the Balance Sheet date has been considered and where necessary, adjusted for or disclosed.

2.15 Proposed dividend

Proposed dividend has not been recognized as a liabilities in the balance sheet in accordance with Bangladesh Accounting Standards (BAS) -10 "Event After the Balance Sheet".

3 General:

3.1 Figures appearing in these financial statements have been rounded off to the nearest Taka.

3.2 Figures of previous year have been re-arranged wherever necessary to conform to current year's presentation.

Particulars	2012-13 (Taka)	2011-12 (Taka)
-------------	-------------------	-------------------

4 Property, Plant & Equipment:

Interior Decoration	643,083	792,258
Furniture & Fixture	1,568,592	1,830,738
Electrical Equipment	837,223	1,081,247
Air- Condition/Refrigerator	166,362	241,962
Telephone Installation/PABX	311,406	348,188
Motor Vehicles	3,936,803	4,924,253
Computer	2,133,165	2,352,967
Computer Software	7,673	10,231
Library Books	91,347	85,773
Other Asset	29,263	34,922
Total	9,724,917	11,702,539

Annexure-A may kindly be seen for details.

5 Marketable Investments at cost :

Ordinary share	1,318,091,259	1,121,473,591
Preference share	9,000,000	10,000,000
Non Listed securities	14,400,000	17,620,000
Total	1,341,491,259	1,149,093,591

Annexure-B may kindly be seen for details.

5.1 Valuation of Marketable Investment (Quoted as on 30.06.2013)

Sector/category	No of shares	Total cost price (Tk)	Total market price (Tk)
Banks	4,221,419	122,339,110	91,593,788
Investment	8,109,600	86,582,173	90,146,935
Engineering	895,250	78,258,393	57,468,637
Food and allied products	811,341	46,941,508	47,191,342
Fuel and power	1,685,115	151,746,838	147,914,256
Jute	7,500	543,007	579,750
Textiles	1,127,340	32,183,567	31,792,895
Pharmaceuticals	2,406,008	216,996,052	167,431,521
Service and real estate	364,567	27,360,228	12,422,476
Cement	756,303	73,492,046	77,182,624
Information technology	591,440	21,984,394	20,224,386
Tannery and footwear	68,000	13,494,568	12,471,208
Ceramic	847,963	72,006,658	33,536,243
Insurance	2,275,239	116,080,230	103,770,464
Telecommunication	86,000	14,826,800	15,381,100
Finance and leasing	2,778,606	127,189,211	74,451,574
Corporate bond	5,420	5,167,254	5,027,875
Miscellaneous	994,893	110,899,221	48,935,425
Non Listed securities		23,400,000	23,400,000
	28,032,004	1,341,491,259	1,060,922,497

ICB AMCL follows fair value measurement systems as per BAS-39, i.e. Marked to market.

Particulars	2012-13 (Taka)	2011-12 (Taka)
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6 Management fees Receivable :

ICB AMCL First Mutual Fund	6,528,490	9,112,314
ICB AMCL Unit Fund	12,660,875	22,070,147
ICB AMCL Islamic Mutual Fund	3,787,003	5,066,099
ICB AMCL Pension Holders' Unit Fund	9,417,702	9,189,374
ICB AMCL First NRB Mutual Fund	5,373,637	6,788,116
ICB AMCL Second NRB Mutual Fund	14,947,545	19,587,545
Prime Finance First Mutual Fund	1,970,730	2,407,056
ICB AMCL Second Mutual Fund	7,074,668	8,785,328
ICB Employees Provident Mutual Fund One: Scheme One	9,062,368	10,572,144
Prime Bank 1st ICB AMCL Mutual Fund	10,760,117	12,715,825
ICB AMCL Third NRB Mutual Fund	10,534,983	11,894,079
Phoenix Finance 1st Mutual Fund	7,392,727	9,074,898
IFIL Islamic Mutual Fund-1	11,283,160	11,992,979
Bangladesh Fund	82,325,995	-
Total	193,120,000	139,255,904

ICB Asset Management Company Ltd. charges management fee on the fund managed by them which is paid to the company on annual basis. The rates (Percentage) of Management Fee on Bangladesh Fund is @1.5% on weekly average Net Asset Value and the rates (percentage) of rest of the Funds are as follows:

Weekly average Net Asset Value at market price	Other Funds	Prime Finance First Mutual Fund
1 - 50,000,000	2.50%	2.25%
50,000,000 - 250,000,000	2.00%	1.75%
250,000,000 – 500,000,000	1.50%	1.25%
500,000,000 and over	1.00%	0.75%

Particulars	2012-13 (Taka)	2011-12 (Taka)
7 Dividend & Interest Receivable:		
Dividend Receivables	3,487,901	2,335,771
Interest Receivables	728,000	-
Total	4,215,901	2,335,771
<i>Annexure- E</i> may kindly be seen for details.		
8 Other Receivable:		
Receivable from NSC Tower	-	225,426
Receivable from ISTCL	6,463	-
Total	6,463	225,426
9 Advance Deposits & Prepayments:		
Securities and other deposits	1,161,657	1,161,657
Share application money	126,800	126,800
Advance income tax- Company	109,101,483	107,701,483
Advance income tax- Staff	450,000	300,000
Income tax deducted at source	15,012,578	11,288,442
Advance group Insurance premium	-	60,740
Advance for Purchase of Asset	96,892,900	-
Staff advance (Personal Loan)	1,490,361	2,053,746
Total	224,235,779	122,692,868
10 Deferred Tax:		
Opening Balance	1,501,557	1,385,730
Add: Addition during the year	1,480,027	115,827
Closing Balance	2,981,584	1,501,557

10.1 Deferred Tax Assets was arrived at as follows:

Particulars	Carrying Amount at Balance Sheet	Tax Base	Taxable/ (deductible) temporary difference
Assets:			
Fixed Assets net of depreciation	9,724,917	11,762,957	(2,038,040)
Liabilities:			
Employee Gratuity	5,912,850	-	(5,912,850)
Total	15,637,767	11,762,957	(7,950,890)
Applicable Tax			37.5%
Deferred Tax Assets as on 30.06.2013			(2,981,584)
Deferred Tax Assets as on 30.06.2012			(1,501,557)
Deferred Tax accounted for during the year			(1,480,027)

Particulars	2012-13 (Taka)	2011-12 (Taka)
11 Cash in Hand and Cash at Bank:		
Cash in Hand	59,039	30,091
Cash at Bank (IFIC Bank , Motijheel, STD-2316)	62,275,299	10,510,537
Cash at Bank (Pubali Bank,STD-0264)	100,042	96,452
Total	62,434,380	10,637,080

Particulars	2012-13 (Taka)	2011-12 (Taka)
12 Share Capital:	393,750,000	315,000,000

The authorized share capital of the company is Taka 1,000,000,000 which consists of 10,000,000 ordinary shares of taka 100 each. The issued, Subscribed and paid up capital of the company is 3,937,500 Ordinary shares of taka 100 each. The shareholding position is as follows:

S.L.	Name of the share holder	No of share	Value of per share	Taka
1	Investment Corporation of Bangladesh	3,937,494	100	393,749,400
2	Dr. Mahmood Osman Imam	1	100	100
3	Dr. Mijanur Rahman	1	100	100
4	Monowara Begum, Nominee of ICB	1	100	100
5	Md. Jahangir Miah	1	100	100
6	Md. Alauddin Khan, Nominee of ICB	1	100	100
7	Kamrun Naher, Nominee of ICB	1	100	100
Total		3,937,500		393,750,000

13 Reserve Fund:

Opening balance of General Reserve	40,000,000	30,000,000
Add. Appropriation for General Reserve during the year	10,000,000	10,000,000
(a)	50,000,000	40,000,000

Reserve for Building

Opening balance	125,000,000	75,000,000
Add. Appropriation during the year	75,000,000	50,000,000
(b)	200,000,000	125,000,000

Revaluation Reserve for Investment

Opening balance	-	107,899,684
Less. Adjustment during the year	-	107,899,684
(c)	-	-

Reserve for Future Diminution of Overpriced Securities

Opening balance	131,382,694	306,907,187
Add. Appropriation during the year	65,000,000	85,000,000
Less: Adjustment during the year	20,044,268	260,524,493
(d)	176,338,426	131,382,694

Closing balance(a+b+c+d)

426,338,426	296,382,694
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14 Dividend Equalization Fund:

Opening balance	36,500,000	31,500,000
Add. Appropriation during the year	3,500,000	5,000,000
Closing balance	40,000,000	36,500,000

Particulars	2012-13 (Taka)	2011-12 (Taka)
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15 Retained earnings:

Retained earnings (Opening)	280,197,252	301,614,985
Add: Prior year Adjustment	2,144,723	200,865
Add: Profit during the year	952,736,776	233,265,575
Less: Interim Cash dividend paid	196,875,000	-
Add: Deferred Tax Assets	1,480,027	115,827
	1,039,683,778	535,197,252

Less: Appropriation

Transferred to :

Dividend Paid	78,750,000	105,000,000
General Reserve	10,000,000	10,000,000
Reserve for Building	75,000,000	50,000,000
Dividend Equalization Fund	3,500,000	5,000,000
Reserve for Future Diminution of Overprized Securities	65,000,000	85,000,000
	232,250,000	255,000,000
Closing Balance	807,433,778	280,197,252

16 Long Term Loan :

Opening Balance	26,798,331	44,663,889
Add :Received from ICB	60,000,000	-
	86,798,331	44,663,889
Less : Paid during the year	15,632,363	17,865,558
Closing Balance	71,165,968	26,798,331

The Long Term Loan has been received from ICB having annual interest @ 13.50% on principal amount.

17 Short Term Loan :

Opening Balance	80,000,000	70,000,000
Add : Loan from ICB	70,000,000	80,000,000
	150,000,000	150,000,000
Less : Paid during the year	100,000,000	70,000,000
Closing Balance	50,000,000	80,000,000

The short term loan has been received from ICB having annual interest @ 13.50% on principal amount.

18 Accrued Payroll:

Staff expenses payable	1,000	78,470
Incentive Bonus	5,838,210	7,664,300
Total	5,839,210	7,742,770

19 Operating Expenses Payable:

Operating exp. Payable	250,800	72,000
Management fee payable to ICB	21,043,141	6,195,759
Audit fees	25,000	18,750
Total	21,318,941	6,286,509

Management fee of ICB Payable is calculated @ 2% of the total income.

Particulars	2012-13 (Taka)	2011-12 (Taka)
20 Other Liabilities:		
Security Deposit Receipts	119,796	117,450
Income Tax Deducted at source	-	210
VAT Deducted at source	11,282	6,095
Suspense	2,769,217	769,217
Provision against salary Tax	800,000	900,000
Total	3,700,295	1,792,972
21 Interest Payable:		
Long term loan	4,517,021	452,221
Total	4,517,021	452,221
22 Deferred Liabilities (Gratuity Payable):		
Opening Balance	4,096,908	3,060,194
Add: Provision made during the year	1,815,942	1,036,714
Closing Balance	5,912,850	4,096,908
23 Provision for Income Tax:		
Opening Balance	121,544,077	107,822,944
Add: Provision made during the year	9,245,955	13,721,133
Closing Balance	130,790,032	121,544,077
24 Management Fee:		
ICB AMCL First Mutual Fund	6,528,490	9,112,314
ICB AMCL Unit Fund	47,660,875	42,230,157
ICB AMCL Islamic Mutual Fund	3,787,003	5,066,099
ICB AMCL Pension Holders Unit Fund	9,417,702	9,189,374
ICB AMCL First NRB Mutual Fund	5,373,637	6,788,116
ICB AMCL Second NRB Mutual Fund	14,947,545	19,587,545
Prime Finance First Mutual Fund	4,197,173	5,370,431
ICB AMCL Second Mutual Fund	7,074,668	8,785,328
ICB Employees Provident Mutual Fund One: Scheme One	9,062,368	10,572,144
Prime Bank 1st ICB AMCL Mutual Fund	10,760,117	12,715,825
ICB AMCL Third NRB Mutual Fund	10,534,983	11,894,079
Phoenix Finance 1st Mutual Fund	7,392,727	9,074,898
IFIL Islamic Mutual Fund-1	11,283,160	11,992,979
Bangladesh Fund	82,325,995	-
Total	230,346,443	162,379,289
25 Profit on sale of Investment:	48,793,696	126,841,285
During the year the Company has earned Tk. 48,793,696 as capital gain through sale of Shares of different Companies. The details are shown in Annexure – C .		
26 Interest Income:		
Interest on Short Term Deposit	1,323,308	709,360
Interest on Debenture Securities	1,541,333	227,500
Interest on Listed Bond	511,705	579,624
Interest on staff loan	223,098	295,383
Total	3,599,444	1,811,867

Interest on staff Loan has been calculated @ 12% simple interest rate.

Particulars	2012-13 (Taka)	2011-12 (Taka)
27 Dividend income:		
Dividend on Direct Share	18,614,920	15,770,931
Sale of Fractional Stock	2,535	13,205
Dividend on Preference Share	-	1,626,666
Dividend on Non listed ordinary share	800,000	800,000
Total	19,417,455	18,210,802
Details of dividend on direct share are shown in <i>Annexure-D</i>		
28 Other Income:		
Profit on sale of Fixed assets	-	530,999
Salary surrender for staff's resignation	-	7,700
Others	-	6,000
Total	-	544,699
29 Interest expenses:		
Interest on Short Term Loan	13,593,750	4,083,333
Interest on Long Term Loan	7,201,043	5,040,924
Total	20,794,793	9,124,257
30 Staff Expenses:		
Basic Salary	9,917,141	9,184,894
House Rent Allowance	5,906,756	5,482,249
Medical Allowance	1,260,288	1,157,294
Conveyance Allowance	807,574	754,812
Deputation Allowance	614,572	606,981
P.F. Contribution	688,630	612,341
Pension Fund Contribution	515,127	520,453
Group Insurance	480,485	427,335
Incentive Bonus	5,838,210	7,664,300
Festival bonus	1,673,760	1,471,600
Gratuity	1,815,942	1,036,714
Lunch subsidy of Officers & Staff	2,215,800	1,792,200
Entertainment expenses	777,026	667,620
House Maintenance expenses	705,026	596,105
Utility charges	531,026	393,363
Telephone bill-officer	292,165	225,603
Staff income Tax	800,000	900,000
Refreshment allowance- officer	554,600	569,800
Overtime-staff	631,786	564,099
Other Staff Expenses	241,364	791,505
Total	36,267,278	35,419,268
31 Premises Expenses:		
Office Rent	2,636,591	2,004,537
Repairs and Maintenance-Office	48,330	38,650
Repairs and Maintenance-Furniture	2,730	6,510
Electricity	263,786	202,281
Water	76,755	85,567
Garage Rent	22,000	24,000
Total	3,050,192	2,361,545

Particulars	2012-13 (Taka)	2011-12 (Taka)
32 Equipment Expenses:		
Petrol, Oil and Lubricant	525,220	557,779
Petrol, Oil and Lubricant- Generator	43,476	42,253
Computer software	41,000	-
Insurance-Motor Vehicles	93,208	152,132
Repairs and maintenance – Computer	31,500	75,700
Repairs and maintenance – Motor Vehicles	349,036	491,678
Repairs and maintenance – Elec. Equipment	3,530	14,922
Repairs and maintenance – Air –Condition	17,900	16,900
Repairs and maintenance – Telephone	8,900	3,380
Repairs and maintenance – Others	19,808	25,320
Repairs and maintenance – Photocopier	66,876	38,420
Repairs and maintenance – Generator	19,090	28,000
Total	1,219,544	1,446,484
33 Other expense:		
Printing and stationary-General	443,207	655,284
Printing and stationary-Computer	298,446	309,732
Traveling and conveyance	105,265	127,856
Mobile & Telephone bill	221,544	173,711
Advertisement	399,629	475,618
Entertainment	251,470	386,663
Business development	1,106,200	1,905,000
Newspaper & Periodicals	81,255	77,798
Subscription & Donation	15,000	75,000
Corporate social responsibility	70,800	43,000
Bank charge & excise duty	12,788	14,823
Legal/Professional/consultance fee	89,728	60,450
Listing fees/Renewal fees/Annual fees	10,000	10,000
Website	12,375	9,000
Customer Support Service	192,920	324,272
Honorarium to the Chairman	120,000	113,462
AGM Expenses	551,320	402,060
Milad Mahfil	475,500	397,500
CDBL Charges	175,263	212,870
Training Expenses	189,255	45,500
Internship expenses	32,800	29,200
Fiber optics connectivity charges	137,000	99,000
Miscellaneous	142,702	251,165
Total	5,134,467	6,198,964
34 Other expenses (Cash Flow):		
Premises expenses	3,050,192	2,361,545
Equipment expenses	1,219,544	1,446,484
Operating expenses	9,496,953	8,996,706
Increase/(decrease) in other Advances, Deposits & Receivable	101,323,948	20,579,847
(Increase)/decrease operating expenses payable	(21,068,141)	6,759,259
(Increase)/decrease liabilities payable	(1,907,323)	(258,202)
(Increase)/decrease deferred liabilities	(1,815,942)	(200,865)
Total	90,299,231	39,684,774

35 Earnings Per Share (EPS):

Net profit after tax (Numerator)	<u>952,736,776</u>	<u>233,265,575</u>
Number of ordinary shares outstanding (Denominator)	<u>3,937,500</u>	<u>3,937,500</u>
Earnings Per Share (EPS)	<u>241.96</u>	<u>59.24</u>

Earnings per share have been calculated in accordance with BAS 33 "Earnings per Share". Earnings per share for previous year have been restated since the bonus share issue is an issue without consideration of cash. It is treated as if it has occurred prior to the beginning of 2012-2013, the earliest period reported. Actual EPS for 2011-2012 was BDT 74.05 .

sd/-
Md. Wahiduzzaman Khandaker
Chairman

sd/-
Md. Alauddin Khan
Chief Executive Officer

sd/-
Dr. Mahmood Osman Imam
Director

AUDITORS' REPORT TO THE SHAREHOLDERS

We have audited the accompanying Statement of Financial Position of the **ICB Securities Trading Co. Ltd.** as at 30 June, 2013 and its Statement of Comprehensive Income for the year ended as on that date together with the accompanying Statement of Cash Flow, Statement of Changes in Equity and Notes thereto as prepared by the Company in due conformity with Generally Accepted Accounting Principles, procedures and also the applicable Bangladesh Accounting Standards (BAS) and produced to us by it for our examination in due conformity with the applicable Bangladesh Standards on Auditing (BSA).

We report that:

1. We have conducted the audit as per applicable Bangladesh Standards on Auditing (BSA). Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the Financial Statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the Financial Statement. An audit also includes assessing the Accounting Principles used and significant estimates made by the management as well as evaluating the overall Financial Statement presentation. We believe that our audit provides a reasonable basis for our opinion.
2. Our examination and checking of records, relevant books of accounts, registers, schedules and Financial Statements were sufficient to enable us to form an conformed and assessed opinion on the authenticity and accuracy of the accounts and Financial Statements;
3. We have obtained all the information, explanations and documents as required by us;
4. The Company management has followed relevant provisions of law and rules in managing the affairs of the Company and that proper books of accounts, records and other statutory books have been properly maintained;
5. The Statement of Financial Position, Statement of Comprehensive Income are in agreement with the said books of account maintained by the Company and examined by us while the Statement of Cash Flow conforms with the presentation laid out in the relevant Bangladesh Accounting Standards and;
6. The expenditure incurred and payments made were for the purpose of the Company's Business for the year.
And in our opinion the Annexed Statement of Financial Position, Statement of Comprehensive Income represent a true and fair view of the State of the Company's affairs as at 30 June, 2013 and of the income earned for the year ended on that date and that these Financial Statements have been drawn up in accordance with the requirement of applicable laws and rules containing all the information in the manner required by relevant laws and rules and the Bangladesh Accounting Standard (BAS) as applicable in Bangladesh.

Dated, Dhaka;
July 18, 2013

sd/-
Rahman Kashem & Co.
Chartered Accountants

ICB SECURITIES TRADING COMPANY LIMITED

Statement of Financial Position

as at 30 June 2013

	Note	30 June 2013 Taka	30 June 2012 Taka
Non -Current Assets:			
Property, Plant & Equipment (at cost less depreciation)	6	31,881,254	34,574,477
Intangible assets (at cost less amortization)	7	1,321,208	1,449,500
Total Non-Current Assets (A):		33,202,462	36,023,977
Current Assets:			
Margin Loan to Investors	8	2,279,779,112	2,052,645,013
Clients Accounts Receivables	9	380,730,048	483,034,727
Investment in Marketable Securities	10	298,744,495	271,520,136
Fees & Commissions Receivables	11	8,453,814	16,960,410
Interest Receivables on FDR	12	726,631	1,636,661
Dividend Receivables	13	3,773,110	-
Advance, Deposit & Prepayments	14	153,201,368	2,462,633
Other Assets	15	7,881,206	3,867,744
Advance Income Tax	16	248,015,408	167,299,694
Cash and Cash Equivalents	17	332,335,346	519,654,106
Total Current Assets (B):		3,713,640,538	3,519,081,125
TOTAL ASSETS (A+B):		3,746,843,000	3,555,105,102
EQUITY AND LIABILITIES			
Shareholders' Equity:			
Share Capital	18	405,000,000	337,500,000
General Reserve	19	115,500,000	105,500,000
Dividend Equalization Reserve	20	50,000,000	40,000,000
Reserve for building	21	400,000,000	380,000,000
Reserve Fund for Market fluctuation	22	100,000,000	50,000,000
Fair value adjustment	23	(218,763,167)	(186,328,863)
Retained Earnings	24	312,698,450	444,217,357
Total Shareholders' Equity(C):		1,164,435,283	1,170,888,494
Non-Current Liabilities:			
Loan from ICB (D):	25	900,000,000	900,000,000
Current Liabilities:			
Clients Accounts Payable	26	329,654,033	615,192,181
Liabilities for Expenses	27	673,530,485	385,378,280
Other Liabilities	28	97,923,328	23,779,839
Provision for Margin Loan	29	290,573,573	230,573,573
Provision for Gratuity	30	12,639,850	9,515,300
Provision for Income Tax	31	278,086,448	219,777,435
Total Current Liabilities (E):		1,682,407,717	1,484,216,608
TOTAL EQUITY AND LIABILITIES (C+D+E):		3,746,843,000	3,555,105,102

The annexed notes 1 to 47 form an integral part of these financial statements

sd/-
Md. Abdur Rouf
Chairman

sd/-
Jubaida Nasrin
Chief Executive Officer

sd/-
Professor Dr. N.R.M. Borhan Uddin
Director

Signed in terms of our separate report of even date

Dated, Dhaka:
July 18, 2013

sd/-
Rahman Kashem & Co.
Chartered Accountants

ICB SECURITIES TRADING COMPANY LIMITED
Statement of Comprehensive Income
for the year ended 30 June 2013

Particulars	Note	30 June 2013 Taka	30 June 2012 Taka
Operating Income:			
Brokerage Commission	32	264,702,874	262,211,875
CDS Fees	33	79,213,262	120,138,986
Interest Income	34	264,018,059	316,378,658
Other Income	35	11,335,444	25,063,810
Dividend Income	36	10,679,273	5,844,603
Capital Gain	36	7,778,430	2,102,636
Total Operating Income: A		637,727,342	731,740,568
Operating Expenses:			
Staff Expenses	37	69,378,508	77,860,244
Interest on Loan from ICB	38	123,187,500	96,654,167
Operating Expenses	39	5,828,563	6,455,485
Rent, Taxes, Insurance, & Electricity, etc.	40	7,644,733	7,263,096
Repair & Maintenance	41	1,203,471	991,664
Howla & Laga Charges	42	24,138,868	25,117,664
Holding Company Charges	43	42,894,068	42,990,485
Commission on Bank Guarantee	44	16,010,959	26,841,667
CDS Charges	45	54,900,330	65,166,773
Other Operating Expenses	46	23,805,875	12,543,766
Depreciation on Fixed Assets	4	10,276,833	9,223,682
Amortization of Intangible Assets	5	305,292	276,389
Total Operating Expenses: B		379,574,999	371,385,082
Profit Before Provision and Taxes (A-B)		258,152,343	360,355,486
Provision for Margin Loan	29	60,000,000	50,000,000
Profit Before Tax		198,152,343	310,355,486
Provision for Tax			
Current Tax	31	95,184,712	135,209,708
Deferred Tax	15	(4,013,462)	(1,497,300)
		91,171,250	133,712,408
Net Profit after Tax		106,981,093	176,643,078
Retained surplus brought forward	24	286,717,357	267,574,279
Profit available for appropriation		393,698,450	444,217,357
Less : Interim Dividend		81,000,000	-
Retained Earnings as on 30 June 2013 (Transferred to B/S)	24	312,698,450	444,217,357
Earnings Per Share	47	26.42	52.34

The annexed notes 1 to 47 form an integral part of these financial statements

sd/-
Md. Abdur Rouf
Chairman

sd/-
Jubaida Nasrin
Chief Executive Officer

sd/-
Professor Dr. N.R.M. Borhan Uddin
Director

Signed in terms of our separate report of even date

Dated, Dhaka:
July 18, 2013

sd/-
Rahman Kashem & Co.
Chartered Accountants

ICB SECURITIES TRADING COMPANY LIMITED
STATEMENT OF CASH FLOWS
for the year ended 30 June 2013

Particulars	Notes	30 June 2013 Taka	30 June 2012 Taka
Cash flow from Operating Activities:			
Cash receipts:			
from Brokerage commission		264,702,874	262,211,875
from CDS fees		87,719,858	110,487,547
from Interest income		263,108,029	317,230,808
from Other income		875,982	25,063,810
from investment in marketable Securities		14,684,593	7,947,239
		<u>631,091,336</u>	<u>722,941,279</u>
Cash payments:			
Income tax paid		117,589,384	138,070,433
Interest paid		123,187,500	96,654,167
Bank Guarantee fees		16,010,959	26,841,667
Employees benefits paid		69,313,216	72,527,495
Other operating expenses paid		109,633,323	397,337,617
		<u>435,734,382</u>	<u>731,431,378</u>
Net Cash flow from Operating Activities (A):		<u>195,356,954</u>	<u>(8,490,099)</u>
Cash flow from Investing Activities:			
Acquisition of Fixed Assets		(6,479,179)	(8,265,938)
Disposal of Fixed Assets		43,061	3,649,220
Investment in Margin loan		(227,134,099)	(380,352,253)
Investment for Office premises		(89,446,835)	-
Investment for Marketable Securities		(59,658,663)	(82,712,435)
Net Cash Flow from Investing Activities (B):		<u>(382,675,715)</u>	<u>(467,681,406)</u>
Cash Flow from Financing Activities:			
Dividend Paid		-	-
Loan from ICB		-	200,000,000
Net Cash Flow from Financing Activities (C):		<u>-</u>	<u>200,000,000</u>
Changes in Cash and Cash Equivalent (A+B+C):		(187,318,761)	(276,171,505)
Cash and Cash Equivalents at Opening		519,654,106	795,825,611
Cash and Cash Equivalents at Closing :		<u>332,335,345</u>	<u>519,654,106</u>

sd/-
Md. Abdur Rouf
Chairman

sd/-
Jubaida Nasrin
Chief Executive Officer

sd/-
Professor Dr. N.R.M. Borhan Uddin
Director

Dated, Dhaka:
July 18, 2013

sd/-
Rahman Kashem & Co.
Chartered Accountants

ICB SECURITIES TRADING COMPANY LIMITED
STATEMENT OF CHANGES IN EQUITY
For the year ended 30 June 2013

Particulars	Paid-up Capital	General Reserve	Reserve for Building	Dividend equalisation Reserve	Reserve Fund for Market fluctuation	Fair value adjustment	Retained Earnings	Total
Balance as at July 01, 2011	225,000,000	105,500,000	380,000,000	40,000,000	50,000,000	(99,560,846)	380,074,279	1,081,013,433
Net profit for the year after tax	-	-	-	-	-	-	176,643,078	176,643,078
Transfer to general reserve	-	-	-	-	-	-	-	-
Dividend Equalization Reserve	-	-	-	-	-	-	-	-
Transfer to reserve for building	-	-	-	-	-	-	-	-
Reserve Fund for Market fluctuation	-	-	-	-	-	-	-	-
Fair value adjustment	-	-	-	-	-	(86,768,017)	-	(86,768,017)
Issue of bonus share (2011)	112,500,000	-	-	-	-	-	(112,500,000)	-
Balance as at June 30, 2012	337,500,000	105,500,000	380,000,000	40,000,000	50,000,000	(186,328,863)	444,217,357	1,170,888,494
Balance as at July 01, 2012	337,500,000	105,500,000	380,000,000	40,000,000	50,000,000	(186,328,863)	444,217,357	1,170,888,494
Net profit for the year after tax	-	-	-	-	-	-	106,981,093	106,981,093
Transfer to general reserve	-	10,000,000	-	-	-	-	(10,000,000)	-
Dividend Equalization Reserve	-	-	-	10,000,000	-	-	(10,000,000)	-
Transfer to reserve for building	-	-	20,000,000	-	-	-	(20,000,000)	-
Reserve Fund for Market fluctuation	-	-	-	-	50,000,000	-	(50,000,000)	-
Fair value adjustment	-	-	-	-	-	(32,434,304)	-	(32,434,304)
Issue of bonus share (2012)	67,500,000	-	-	-	-	-	(67,500,000)	-
Proposed Interim Dividend (2013)	-	-	-	-	-	-	(81,000,000)	(81,000,000)
Balance as at June 30, 2013	405,000,000	115,500,000	400,000,000	50,000,000	100,000,000	(218,763,167)	312,698,450	1,164,435,283

sd/-
Md. Abdur Rouf
Chairman

sd/-
Jubaida Nasrin
Chief Executive Officer

sd/-
Professor Dr. N.R.M. Borhan Uddin
Director

Dated, Dhaka:
July 18, 2013

sd/-
Rahman kashem & Co.
Chartered Accountants

ICB Securities Trading Company Limited.

Notes to the Financial Statements For the year ended 30 June 2013

1.00 Company and its activities

1.01 Legal Status of the Company:

ICB Securities Trading Company Limited was registered under the Companies Act 1994 as a public company limited by shares on 05 December 2000. The address of the registered office is in Dhaka.

1.02 Nature of business activities of the Company:

The company is an active member of Dhaka Stock Exchange Limited (DSE) (Membership No.129) and Chittagong Stock Exchange Limited (CSE) (Membership No.071). Among many other functions the company primarily provides brokerage service for buying and selling securities listed with stock exchanges and provides brokerage service for buying and selling securities over-the-counter markets by the company itself and by appointing sub-brokers, sub-agents, bond brokers, specialists and odd-lot-dealers. Furthermore, the company also works as a full service Depository Participant in the Central Depository System.

2.00 Significant accounting policies

2.01 Basis of accounting

The Financial statements of ICB Securities Trading Co. Ltd (ISTCL) have been prepared as at 30 June 2013 on a going concern basis under historical cost concept in accordance with the International Accounting Standards (IAS) and International Financial Reporting Standards (IFRS) as adopted by The Institute of Chartered Accountants of Bangladesh, the Companies Act, 1994 and the Securities and Exchange Rules, 1987.

2.02 Presentation of financial statements

The financial statements are presented in compliance with the Bangladesh Accounting Standard-1 “Presentation of financial statements”.

2.03 Cash & Cash Equivalent:

Cash & Cash Equivalents consist of cash in hand, bank balances and fixed deposits that are readily convertible to cash.

2.04 Basis of consolidation:

A separate set of records for consolidation of the statement of affairs and Income and Expenditure Account of the branches are maintained at the Head Office of the company based on which financial statements have been presented.

2.05 Reporting period

These financial statements cover one financial year from [1 July 2012 to 30 June 2013](#).

2.06 Non current assets and depreciation

Property, Plant & Equipment:

Property, Plant & Equipment is stated at cost less accumulated depreciation.

Depreciation:

Depreciation has been charged on straight-line method on all tangible assets from the date of acquisition. The rates applied on such assets are as follows:

i) Furniture & Fixture	10%
ii) Interior Decoration	20%
iii) Office Equipment	20%
iv) Motor Vehicles	20%
v) Computer	20%

Intangible assets:

Intangible assets are recognized as per BAS-38 "Intangible Assets" which stated in the balance sheet at cost less accumulated amortization.

Fair Value Adjustment:

Investment has been shown at market value as per BAS-39 " Financial Instruments: recognition and measurement".

Amortization:

Amortization has been charged on straight-line method on intangible assets except licenses from the date of acquisition. An intangible asset, i.e. Software is amortized within five years of acquisition.

2.07 Gratuity

Basis of calculation of gratuity is equal to two months basic pay for each year.

2.08 Provision for Tax

Current Tax

Provision for taxation has been made as per rates prescribed in Finance Act, 2009 and Section- 82 of the Income Tax Ordinance, 1984 on the profit made by ISTCL after considering taxable add backs of income and disallowances of expenditure as per Income Tax laws in compliance with BAS-12 “Income Taxes.”

2.09 Deferred Tax

The Company recognized deferred tax in accordance with the provision of Bangladesh Accounting Standards (BAS)-12. Deferred tax due to temporary difference deductible or taxable for the events or transaction recognized in the income statement. A temporary difference is the difference between the tax base of an asset or liability and its carrying amount/reported amount in the financial statements. Deferred tax asset or liability is the amount of income tax payable or recoverable in future period(s) recognized in the current period. The deferred tax asset/income or liability /expenses dose not create a legal liability recoverability to and from the income tax authority.

2.10 Revenue recognition

The revenue during the year is recognized as follows which satisfy all conditions of revenue recognition as prescribed by BAS-18 “Revenue”.

2.11 Interest Income

Interest is calculated on daily product on margin loan and accounted for quarterly on accrual basis. In terms of the provisions of the BAS-18 “Revenue”, the interest income is recognized on the accrual basis. Interest on Bank accounts and fixed deposits is recognized as revenue as the interest accrues unless collectivity is in doubt.

2.11.a Brokerage commission and CDBL fees:

Revenue is recognized based on share transactions amount that comprises of brokerage commissions, CDS charges, transaction fees and custody fees.

2.11.b Interest on Margin Loan

Interest on margin loan is recognized as revenue on an accrual basis and interest receivable on such loan is merged with original loan on quarterly basis.

2.12 Earning per share

2.12.a Basic earning per share

Earning per share (EPS) has been computed by dividing the basic earnings by the number of ordinary shares outstanding as on [30 June 2013](#) as per BAS-33 “Earning per Share”.

2.12.b Diluted earning per share

Diluted earning per share was not required to calculate, as there was no dilution possibilities occurred.

2.13 Cash flow statements

Cash flow statement is prepared principally in accordance with BAS-7 “Cash Flow Statements” and the cash flow from the operating activities has been presented under direct method as prescribed by the Securities and Exchanges Rules, 1987.

2.14 Compliance of Bangladesh Accounting Standards (BAS) and Bangladesh Financial Reporting Standards (BFRS)

Name of the BAS	BAS No.	Status
Presentation of Financial Statements	1	Applied
Inventories	2	N/A
Cash Flow Statements	7	Applied
Accounting Policies, Changes in Accounting estimates & Errors	8	Applied
Events after the Balance Sheet Date	10	Applied
Construction Contracts	11	N/A
Income Taxes	12	Applied
Segment Reporting	14	N/A
Property, Plant and Equipment	16	Applied
Leases	17	N/A
Revenue	18	Applied
Employees Benefits	19	Applied
Accounting for Government Grants and Disclosure of Government Assistance	20	N/A
The effects of changes in Foreign Exchange Rates	21	N/A
Borrowing Costs	23	Applied
Related Party Disclosure	24	Applied
Accounting and Reporting by Retirement Benefits Plan	26	Applied
Consolidated and Separate Financial Statements	27	N/A
Investment in Associates	28	N/A
Disclosures in the Financial Statements of Banks and Similar Financial Institutions	30	N/A
Interest in Joint Ventures	31	N/A
Earning per share	33	Applied
Interim Financial Reporting	34	N/A
Impairment of Assets	36	Applied
Provisions, Contingent Liabilities and Contingent Assets	37	Applied
Intangible Assets	38	Applied
Recognition & Measurement	39	Applied
Investment Property	40	N/A
Agriculture	41	N/A
Name of the BFRS	BFRS No	Status
Share Based Payment	2	N/A
Business Combinations	3	N/A
Non-Current Assets Held for Sale and Discontinued Operations	5	N/A
Exploration for and Evaluation of Mineral Resource	6	N/A

2.15 Approval of Financial Statements:

The Board of Directors approved the Financial Statements.

2.16 Related party transactions

The Company in normal course of business has had transactions with other entities that fall within the definition of related party as contained in Bangladesh Accounting Standards (BAS)-24 (Related Party Disclosures).

Name of the Related Party	Relation	Nature of Transaction	Opening Balance as on 01 July 2012	Received during the year	Transaction		Outstanding as on 30 June 2013
					Debit (Tk.)	Credit (Tk.) (Interest only)	
Investment Corporation of Bangladesh	Holding Company	Loan from ICB	90,00,00,000.00	-	-	12,31,87,500.00	102,31,87,500.00

2.17 Events after Balance sheet date

All material events occurring after the balance sheet date has been considered and where necessary, adjusted for or disclosed. The Board of Directors of ISTCL in its 99th meeting held on April 11, 2013 recommended to the shareholders an interim dividend 20% of share i.e. 8,10,00,000/-.

3.00 General

3.01 Figures appearing in these financial statements have been rounded off to the nearest Taka.

3.02 Figures of previous year have been re-arranged wherever necessary to conform to current year's presentation.

4. Property, Plant & Equipment

Annexure-A

Name of the Assets	COST				DEPRECIATION				Carrying amount as at 30 June 2013	Rate of Depreciation (%)
	Opening balance as at 1 July 2012	Addition during the year	Disposal	Closing balance as at 30 June 2013	Opening balance as at 1 July 2012	Charged during the year	Disposal during the year	Closing balance as at 30 June 2013		
	1	2	3	4=(1+2-3)	5	6	7	8=(5+6-7)	9=(4-8)	10
Office Premises	17,591,096.00	-	-	17,591,096.00	3,834,715.31	1,510,920.98	-	5,345,636.29	12,245,459.71	10
Furniture & Fixture	6,490,368.48	1,108,543.78	-	7,598,912.26	2,830,048.76	655,264.56	-	3,485,313.32	4,113,598.94	10
Interior Decoration	9,121,292.00	1,951,098.54	-	11,072,390.54	6,605,644.41	1,119,624.98	-	7,725,269.39	3,347,121.15	20
Office Equipment	1,507,393.00	44,318.00	-	1,551,711.00	834,692.60	254,123.17	-	1,088,815.77	462,895.23	20
Electrical Equipment	5,889,658.50	662,219.59	13,100.00	6,538,778.09	3,636,814.20	887,224.84	13,100.00	4,510,939.04	2,027,839.05	20
Telephone	738,381.00	11,080.00	-	749,461.00	549,720.86	70,374.52	-	620,095.38	129,365.62	20
Air Conditioner	6,697,593.00	56,576.00	-	6,754,169.00	4,986,494.96	762,441.97	-	5,748,936.93	1,005,232.07	20
Computer	16,162,059.00	2,468,342.63	29,960.93	18,600,440.70	10,502,432.49	2,294,596.69	29,960.93	12,767,068.25	5,833,372.45	20
Motor Vehicles	7,170,000.00	-	-	7,170,000.00	3,032,229.05	1,434,000.00	-	4,466,229.05	2,703,770.95	20
Library Books	47,364.50	-	-	47,364.50	27,935.87	6,936.80	-	34,766.06	12,598.44	20
Total Value as of 30 June 2013	71,415,205.48	6,302,178.54	43,060.93	77,674,323.09	36,840,728.49	10,276,832.78	43,060.93	45,793,069.46	31,881,253.63	

Name of the Assets	COST				DEPRECIATION				Carrying amount as at 30 June 2011	Rate of Dereciation (%)
	Opening balance as at 1 July 2010	Addition during the year	Disposal	Closing balance as at 30 June 2011	Opening balance as at 1 July 2010	Charged during the year	Disposal during the year	Closing balance as at 30 June 2011		
	1	2	3	4=(1+2-3)	5	6	7	8=(5+6-7)	9=(4-8)	10
Office Premises	10,960,089.00	6,631,007.00	-	17,591,096.00	2,469,131.45	1,365,583.86	-	3,834,715.31	13,756,380.69	10
Furniture & Fixture	6,379,357.48	135,561.00	24,550.00	6,490,368.48	2,201,124.04	645,636.11	16,711.39	2,830,048.76	3,660,319.72	10
Interior Decoration	8,257,359.00	863,933.00	-	9,121,292.00	5,621,800.80	983,843.61	-	6,605,644.41	2,515,647.59	20
Office Equipment	1,638,313.00	10,300.00	141,220.00	1,507,393.00	694,114.04	276,361.19	135,782.63	834,692.60	672,700.40	20
Electrical Equipment	5,799,576.50	100,882.00	10,800.00	5,889,658.50	2,684,866.77	968,235.60	16,288.17	3,636,814.20	2,252,844.30	20
Telephone	705,031.00	33,350.00	-	738,381.00	475,052.97	74,667.89	-	549,720.86	188,660.14	20
Air Conditioner	6,697,593.00	-	-	6,697,593.00	4,071,095.98	915,398.98	-	4,986,494.96	1,711,098.04	20
Computer	16,982,069.00	354,140.00	1,174,150.00	16,162,059.00	9,124,107.95	2,552,456.54	1,174,132.00	10,502,432.49	5,659,626.51	20
Motor Vehicles	9,468,500.00	-	2,298,500.00	7,170,000.00	3,896,727.05	1,434,000.00	2,298,498.00	3,032,229.05	4,137,770.95	20
Library Books	46,864.50	500.00	-	47,364.50	20,438.02	7,497.85	-	27,935.87	19,428.63	20
Total Value as of June 30, 2012	66,934,752.48	8,129,673.00	3,649,220.00	71,415,205.48	31,258,459.05	9,223,681.63	3,641,412.19	36,840,728.49	34,574,476.99	

5. Intangible Assets

Annexure-B

Name of the Assets	COST				AMORTIZATION				Carrying amount as at 30 June 2013	Rate of Dereciation (%)
	Opening balance as at 1 July 2012	Addition during the year	Disposal	Closing balance as at 30 June 2013	Opening balance as at 1 July 2012	Charged during the year	Disposal during the year	Closing balance as at 30 June 2013		
	1	2	3	4=(1+2-3)	5	6	7	8=(5+6-7)	9=(4-8)	10
License	602,000.00	-	-	602,000.00	-	-	-	-	602,000.00	
Software	1,674,370.00	177,000.00	-	1,851,370.00	826,869.69	305,291.67	-	1,132,161.36	719,208.64	20
Total Value as of June 30, 2013	2,276,370.00	177,000.00	-	2,453,370.00	826,869.69	305,291.67	-	1,132,161.36	1,321,208.64	

Name of the Assets	COST				AMORTIZATION				Carrying amount as at 30 June 2011	Rate of Dereciation (%)
	Opening balance as at 1 July 2010	Addition during the year	Disposal	Closing balance as at 30 June 2011	Opening balance as at 1 July 2010	Charged during the year	Disposal during the year	Closing balance as at 30 June 2011		
	1	2	3	4=(1+2-3)	5	6	7	8=(5+6-7)	9=(4-8)	10
License	602,000.00	-	-	602,000.00	-	-	-	-	602,000.00	
Software	1,538,105.00	136,265.00	-	1,674,370.00	550,480.75	276,388.94	-	826,869.69	847,500.31	20
Total Value as of June 30, 2012	2,140,105.00	136,265.00	-	2,276,370.00	550,480.75	276,388.94	-	826,869.69	1,449,500.31	

	30 June 2013 Taka	30 June 2012 Taka
6 Property, Plant and Equipment		
Office Premises	17,591,096	17,591,096
Furniture & Fixture	7,598,912	6,490,368
Interior Decoration	11,072,391	9,121,292
Office Equipment	1,551,711	1,507,393
Electrical Equipment	6,538,778	5,889,659
Telephone	749,461	738,381
Air Conditioner	6,754,169	6,697,593
Computer	18,600,441	16,162,059
Motor Vehicles	7,170,000	7,170,000
Library Books	47,365	47,365
	77,674,323	71,415,205
Less: Accumulated Depreciation	45,793,069	36,840,728
Net Book Value at the end of the period(Annex-A)	31,881,254	34,574,477
7 Intangible assets		
License	602,000	602,000
Software	1,851,369	1,674,370
	2,453,369	2,276,370
Less: Accumulated Amortization	1,132,161	826,870
Net Book Value at the end of the period(Annex-B)	1,321,208	1,449,500
8 Margin Loan to Investors		
Balance-as on 1 July 2012	2,052,645,013	1,387,354,939
Add: Interest accrued on Margin Loan during the year	359,215,986	284,937,822
Less: Interest accrued but not accounted for	(130,090,205)	-
Add: Others (Commission, charges, etc.)	27,644,956	23,435,895
Add: Disbursement made during the year	3,179,401,613	2,953,638,100
	5,488,817,363	4,649,366,756
Less: Recovery during the Year	(3,068,457,420)	(2,431,630,768)
Less: Deposit & Others	(140,580,831)	(165,090,975)
Balance-as at 30 June 2013	2,279,779,112	2,052,645,013
Interest charged on Margin accounts during the 2012-13 where equity value is 50% or less of the debit balances, amounting Tk. 13,00,90,205/- not accounted for.		
9 Clients Accounts Receivables:		
Head Office :		
Receivable from DSE	319,149,272	8,393,422
Receivable from DLR	187,251	9,311,666
CSE-Rajshahi	-	37,333,999
Receivable from Individual Clients	16,222,840	10,567,031
ICB	-	285,222,148
ICML	-	41,755,612
ICB AMCL	-	15,219,523
Banks	-	38,073,888
Other Companies	18,315,376	12,880,953
Current Account with Branches	1,654,770	13,951,470
Total: A	355,529,509	472,709,713
Chittagong Branch:		
Receivable from ICB	-	12,365
Receivable from ICML	876,262	21,170
Banks	-	1,900
Closed Accounts	11,570	11,511
Total: B	887,832	46,946

	30 June 2013 Taka	30 June 2012 Taka
Sylhet Branch:		
Receivable from DSE	758,206	160,097
Receivable from CSE	955,318	6,978
Receivable from ICB	23,121	1,609,870
Other Companies	-	24,250
Receivable from Individual Clients	-	188,911
Total: C	1,736,645	1,990,106
Bogra Branch:		
Receivable from DSE	41,728	-
Total: D	41,728	-
Barisal Branch:		
Receivable from DSE	438,884	-
Receivable from ICB	5,735,000	2,683,003
Receivable from ICML	4,704,811	3,968,033
Receivable from Closed Accounts	-	52,367
Receivable from Individual Clients	-	546,343
Other Companies	-	1,570
Total: E	10,878,695	7,251,316
Rajshahi Branch:		
Receivable from ICB	20,363	39,204
Receivable from ICML	-	34,085
Receivable from DSE	1,735,484	-
Receivable from Individual Clients	-	12,589
Receivable from Closed Accounts	1,200	1,200
Total: F	1,757,047	87,079
Khulna Branch:		
Receivable from ICB	-	35,672
Receivable from DSE	597,732	-
Total: G	597,732	35,672
Uttara Branch:		
Receivable from ICML	-	913,896
Receivable from DSE	9,300,860	-
Receivable from Closed Accounts	-	-
Receivable from Individual Clients	-	-
Total: H	9,300,860	913,896
Grand Total:(A+-----+H)	380,730,048	483,034,727

10 Investment in Marketable Securities (at market value):

Opening balance of Securities (at cost)	457,848,999	375,136,564
Add: Investment made during the year (at cost)	95,458,518	95,043,413
Less: Securities sold during the year (at Cost)	35,799,855	12,330,978
Less: Fair value adjustment	(218,763,167)	(186,328,863)
Market value as on 30 June 2013	298,744,495	271,520,136
Cost value of Securities as on 30 June 2013	517,507,662	457,848,999

Investment has been shown at market value as per BAS-39 " Financial Instruments : recognition

11 Fees & Commissions Receivables:

CDS Fees	8,442,579	1,396,354
Commission	11,235	15,564,056
	8,453,814	16,960,410

	30 June 2013 Taka	30 June 2012 Taka
12 Interest Receivables on FDR:		
<u>Bank Branch</u>		
Standard Bank, Dhanmondi Branch	191,477	197,720
Jamuna Bank, Dhanmondi Branch	69,406	71,451
Standard Bank, Dhanmondi Branch	542	627
First Security Bank, Dilkusha branch	-	190,193
IFIC Bank ,Motijheel Branch	25,887	26,435
IFIC Bank ,Motijheel Branch	974	1,479
IFIC Bank ,Mohakhali Branch	-	32,639
Mercantile Bank Ltd., Green road Branch	-	30,080
EXIM Bank Ltd, Rajuk Avenue	71,424	-
EXIM Bank Ltd, Rajuk Avenue	71,424	-
Dhaka Bank Ltd. Narayangonj Branch	40,236	41,714
Dhaka Bank Ltd. Narayangonj Branch	40,236	41,714
One Bank Ltd, Jatrabari Branch	34,222	-
Khulna Branch	180,804	1,002,607
	726,631	1,636,661
13 Dividend Receivables		
Dividend Receivable	3,773,110	-
	3,773,110	-
14 Advance, Deposit, & Prepayments:		
Security Money deposit to CDBL	125,855	125,855
Temporary advance to Staff	60,220	93,220
Office rent	3,292,900	1,368,000
Share Application Money	59,400,000	-
Advance for Office premises at DSE Tower -Nikunja	875,558	875,558
Advance for Office premises as Head Office	89,446,835	-
	153,201,368	2,462,633
15 Other Assets-Deferred tax assets (Note 15.01)	7,881,206	3,867,744
15.01 Deferred tax assets		
Opening Balance	3,867,744	2,370,444
Add: Addition during the year	4,013,462	1,497,300
Closing Balance as on 30 June 2013	7,881,206	3,867,744
16 Advance Income Tax :		
Advance Income Tax for the Company	16.01 245,328,435	165,309,974
Advance Income Tax for Staff	16.02 2,686,973	1,989,720
	248,015,408	167,299,694
16.01 Advance Income Tax for the Company :		
Opening balance	165,309,974	141,882,560
Add: Tax deducted at sources during the year	56,018,461	3,427,414
Add: Advance Income Tax paid during the year	24,000,000	20,000,000
Less: Settlement during the year	-	-
Closing Balance	245,328,435	165,309,974

Advance income tax represents Tax deducted at source on Interest Income from FDR & STD A/C and advance Income tax paid during the period by the Company.

	30 June 2013 Taka	30 June 2012 Taka
16.02 Advance Income Tax for Staff :		
Opening balance	1,989,720	1,150,000
Add: Advance Income Tax for Staff during the year	697,253	839,720
Less: Tax adjusted during the year	-	-
Closing Balance	2,686,973	1,989,720
17 Cash & Cash Equivalents:		
Cash in hand	38,581	74,277
Cash at bank	276,800,676	432,630,558
Fixed Deposits	55,496,088	86,949,271
	332,335,346	519,654,106
17.01 Cash at Bank:		
Head Office:		
IFIC Bank Ltd. STD-2448	97,124,544	241,593,902
IFIC, STD-2308	13,749,349	5,525,919
IFIC, CD-3805	9,594,590	-
IFIC, Savings-1001-154376-031	-	10,426
Total: A	120,468,482	247,130,248
Chittagong Branch:		
IFIC Bank Ltd., STD A/C- 876	4,001,018	5,317,323
IFIC Bank Ltd., STD A/C- 851	1,589,586	25,057,878
Total: B	5,590,604	30,375,201
Sylhet Branch:		
SBL, STD-367	-	3,469,374
IFIC, STD-185978	-	323,047
SBL, CD A/C-2903	-	280,609
SBL, STD A/C-500	-	7,299,755
IFIC Bank Ltd. STD A/C-2665	21,740,674	40,430,773
IFIC Bank Ltd. CD A/C-18307	4,764,803	340,245
Total: C	26,505,477	52,143,804
Barisal Branch:		
NBL, STD-86	-	32,754
IFIC, STD-834	7,056,727	2,315,683
NBL, STD-87	-	415,569
IFIC Bank Ltd. STD A/C-258	10,943,417	21,861,588
Total: D	18,000,144	24,625,594
Rajshahi Branch:		
IFIC, STD-628	28,542,912	1,757,675
IFIC Bank Ltd. C/A-31733	7,957,827	33,356,894
Total: E	36,500,740	35,114,570
Khulna Branch:		
IFIC, STD- 1274	17,300,205	1,055,422
IFIC Bank Ltd. STD A/C-1282	6,914,697	16,382,483
Total: F	24,214,902	17,437,905
Bogra Branch:		
IFIC, STD- 733	14,371,593	5,303,791
IFIC Bank Ltd. STD A/C-725	1,178,177	6,663,032
Total: G	15,549,770	11,966,823
Uttara Branch:		
IFIC Bank Ltd. STD A/C-8041	10,326,712	12,765,571
IFIC, STD-8042	19,643,846	1,070,842
Total: H	29,970,557	13,836,412
Cash at Bank during the year (A+-----+H):	276,800,676	432,630,558

	30 June 2013 Taka	30 June 2012 Taka
17.02 Fixed Deposits (FDR):		
Standard Bank Ltd., Dhanmondi Branch	117,186	106,248
Standard Bank Ltd., Dhanmondi Branch	4,007,977	3,604,018
Jamuna Bank Ltd., Dhanmondi Branch	4,691,315	4,199,582
First Security Islami Bank Ltd., Dilkusha branch	-	8,055,246
IFIC BANK Ltd. ,Motijheel Branch	688,446	618,971
IFIC BANK Ltd.,Motijheel Branch	789,668	709,916
IFIC BANK Ltd.,Mohakhali Branch	-	2,000,000
Mercantile Bank Ltd., Green Road Branch	-	2,625,202
Dhaka Bank Ltd. Narayangonj Branch	3,626,219	3,246,951
Dhaka Bank Ltd. Narayangonj Branch	3,626,219	3,246,951
Exim Bank Ltd., Rajuk Branch	11,034,795	-
Exim Bank Ltd., Rajuk Branch	11,034,793	-
One Bank Ltd, Jatrabari Branch	10,093,750	-
IFIC BANK Ltd. Sylhet Branch	-	7,753,125
Dhaka Bank Ltd. RahshahiBranch	-	6,168,750
IFIC Bank Ltd. Rajshahi Branch	-	22,506,250
Standard Bank Ltd. Khulna Branch	-	11,882,927
United Commercial Bank Ltd. khulna Branch	5,785,720	7,589,794
IFIC Bank Ltd. Barisal Branch	-	2,635,340
	55,496,088	86,949,271
18 Share Capital:		
Authorised Capital		
5,000,000 ordinary shares of Taka 100/- each	500,000,000	500,000,000
Issued, Subscribed and paid-up capital		
40,50,000 Ordinary shares of taka 100/- each fully paid	405,000,000	337,500,000
Name of the share holders	Value of shares	Value of shares
ICB	404,980,560	337,483,800
Ms. Jubaida Nasrin, Nominee of ICB	3,240	2,700
Mr. Md. Abul Hossain, Nominee of ICB	3,240	2,700
Mr. Md. Moshir Rahman, Nominee of ICB	3,240	2,700
Mr. A. H. M. Moazzem Hossain	3,240	2,700
Dr. Mohammad Helal Uddin	3,240	2,700
Professor Dr. N.R.M. Borhan Uddin	3,240	2,700
	405,000,000.00	337,500,000
19 General Reserve		
Opening Balance	105,500,000	105,500,000
Add: Addition during the year	10,000,000	-
Closing Balance	115,500,000	105,500,000
20 Dividend Equalization Reserve		
Opening Balance	40,000,000	40,000,000
Add: Addition during the year	10,000,000	-
Closing Balance	50,000,000	40,000,000
21 Reserve for Building		
Opening Balance	380,000,000	380,000,000
Add: Addition during the year	20,000,000	-
Closing Balance	400,000,000	380,000,000
22 Reserve Fund for Market fluctuation		
Opening Balance	50,000,000	50,000,000
Add: Addition during the year	50,000,000	-
Closing Balance	100,000,000	50,000,000

	30 June 2013 Taka	30 June 2012 Taka
23 Fair value adjustment		
Opening Balance	(186,328,863)	(99,560,846)
Add: Addition during the year	(32,434,304)	(86,768,017)
Closing Balance	(218,763,167)	(186,328,863)
The Additional amount shows the difference between shortfall of previous year and current year in the Company's own portfolio.		
24 Retained Earnings		
Retained Earnings as on 1 July 2012	444,217,357	380,074,279
Less: Transferred to dividend payable account.	67,500,000	112,500,000
	376,717,357	267,574,279
Less: Transferred to Reserve Funds	90,000,000	-
Retained Earnings as on 01-07-2012.	286,717,357	267,574,279
Add: Net Profit for the year after tax	106,981,093	176,643,078
Less: Interim Dividend transferred to dividend payable account	81,000,000	-
	312,698,450	444,217,357
	-	-
Closing Balance as on 30 June 2013	312,698,450	444,217,357
25 Loan from ICB		
Opening Balance	900,000,000	700,000,000
Add: Received during the year	-	300,000,000
Less: Payment made during the year	-	(100,000,000)
Closing Balance as on 30 June 2013	900,000,000	900,000,000
The above amount of loan received from ICB bears interest @ 13.50% p.a.		
26 Clients Accounts Payable:		
Head Office:		
Payable to ICB	110,745,916	620,892
Payable to ICML	21,608,859	81,292,841
Payable to ICB AMCL	3,347,432	17,212,299
Payable to DLR	-	364,875,196
Payable to CSE	8,765,246	2,224,247
Payable to CSE-Barisal	-	32,802,812
Payable to Banks	14,490,294	-
Payable to Other Companies	17,830,632	15,517,707
Payable to Individual Clients	47,697,777	36,924,496
Payable to Closed Accounts	147,337	418,335
Total: A	224,633,492	551,888,825
Chittagong Branch:		
Payable to Other Companies	7,857	1,826
Payable to CSE	1,404,304	4,562,968
ICB Chittagong Branch	11,395,690	-
Payable to Individual Clients	2,453,418	3,478,921
Closed Accounts	-	-
Total: B	15,261,270	8,043,716
Sylhet Branch:		
ICB Sylhet Branch	-	-
Individual Clients	8,066,006	8,787,002
Closed Accounts	2,984	18,161
ICML	-	56,092
Payable to Other Companies	18,035	21,395
Total: C	8,087,025	8,882,651
Barisal Branch:		
ICB Barisal Branch	-	208,687
Other Companies	-	150
Individual Clients	20,179,496	15,481,667
Closed Accounts	79,478	-
Total: D	20,258,974	15,690,505

	30 June 2013 Taka	30 June 2012 Taka
Khulna Branch:		
ICB Khulna Branch	4,623	4,705
ICML	7,116,159	3,384,565
Other Companies	485	501
Individual Clients	20,096,536	9,620,209
Closed Accounts	22,288	23,563
Total: E	27,240,090	13,033,542
Rajshahi Branch:		
ICML Rajshahi Branch	1,324,216	-
Payable to DSE	-	-
Payable to Individual Clients	17,363,784	10,963,184
Payable to Other Companies	32,700	-
Total: F	18,720,699	10,963,184
Bogra Branch:		
ICB Bogra Branch	-	1,350
Payable to Other Companies	1,350	500
Individual Clients	9,822,701	6,649,585
Closed Accounts	493	23,032
Total: G	9,824,544	6,674,467
Uttara Branch:		
ICML Uttara Branch	3,399,360	-
Individual Clients	2,212,804	-
Closed Accounts	15,776	15,291
Total: H	5,627,940	15,291
Grand Total: (A+-----+H)	329,654,033	615,192,181

27 Liabilities For Expenses:

Bonus- Incentive	11,464,182	17,947,061
Staff Expenses Payable	1,184,083	1,118,792
Unclaimed Salary & Allowances	347	347
Telephone- Residence	8,093	9,093
Audit Fee	55,000	-
License/Membership Charge	39,705,431	140,136,196
Service Charge to ICB	3,188,637	3,658,703
Expenses Payable to ICB	406,463,711	53,591,380
Commission on Bank Guarantee	88,273,502	72,262,543
Interest payable to ICB	123,187,500	96,654,167
	673,530,485	385,378,280

28 Other Liabilities:

Current A/C with ISTCL Provident Fund	-	1,632,130
Accrued Expenses/Other Payable	14,459,145	19,817,929
Intrim Dividend Payable	81,000,000	-
Income Tax for Officers	811,649	811,649
Earnest / security Money Payable	427,291	242,112
Vat & taxes	14,487	(324,846)
Branch Suspense	743	6,035
Misc.-Other Suspense	(36,306)	2,794
Other Suspense	1,246,318	1,592,037
	97,923,328	23,779,839

29 Provision for Margin Loan:

Opening Balance	230,573,573	180,573,573
Provision made during the year	60,000,000	50,000,000
Closing Balance as on 30 June 2013	290,573,573	230,573,573

	30 June 2013 Taka	30 June 2012 Taka
30 Provision for Gratuity		
Opening Balance	9,515,300	5,042,150
Provision made during the year	3,124,550	4,473,150
Add/(Less): Adjustment made during the year	-	-
Closing Balance as on 30 June 2013	12,639,850	9,515,300

The above liability represents provision for gratuity for employees up to 30 June 2013. Provision is made at the rate of two month basic salary for each completed year of service.

31 Provision for Income Tax :		
Opening Balance	219,777,435	198,371,026
Add: Provision made during the year		
Provision against Brokerage Commission @ 37.50%	40,181,945	48,483,388
Provision against CDBL Fees @ 37.50%	12,024,588	22,213,887
Provision against Interest Income @ 37.50%	40,077,990	58,498,911
Provision against Other Income @ 37.50%	1,720,723	4,634,338
Provision against capital gain @ 10.00%	314,871	210,264
Provision against Dividend Income @ 20.00%	864,595	1,168,921
Provision during the year	95,184,712	135,209,708
Total Provision	314,962,147	333,580,734
Less: Settlement for 2011-12	36,875,699	37,204,826
TDS at source on Turnover (31.01)	-	76,598,473
Total Adjustment made during the year	36,875,699	113,803,299
Closing Balance	278,086,448	219,777,435

37.50% Provision for tax is made on net profit for the year as per Finance Act, 2009

31.01 As per section 53 BBB of Income Tax Ordinance 1984, the company paid in advance (at source) Income Tax Tk. 5,21,89,238.19 against Turnover @ 0.050% during the year ended 30 June 2013.

32 Brokerage Commission:

Head Office:

Dhaka Stock Exchange	174,395,847	195,315,777
Chittagong Stock Exchange	49,274,560	8,288,981
Total :A	223,670,406	203,604,758

Chittagong Branch:

Dhaka Stock Exchange	3,766,350	4,801,851
Chittagong Stock Exchange	-	748,254
Total: B	3,766,350	5,550,104

Sylhet Branch:

Dhaka Stock Exchange	3,139,732	4,510,005
Chittagong Stock Exchange	-	282,212
Total: C	3,139,732	4,792,217

Barisal Branch:

Dhaka Stock Exchange	9,285,124	11,375,702
Chittagong Stock Exchange	-	-
Total: D	9,285,124	11,375,702

Khulna Branch:

Dhaka Stock Exchange	3,612,000	11,348,829
Chittagong Stock Exchange	-	-
Total: E	3,612,000	11,348,829

	30 June 2013 Taka	30 June 2012 Taka
Rajshahi Branch:		
Dhaka Stock Exchange	10,358,689	12,201,797
Chittagong Stock Exchange	-	-
Total:F	10,358,689	12,201,797
Bogra Branch:		
Dhaka Stock Exchange	5,764,887	8,420,371
Chittagong Stock Exchange	-	-
Total:G	5,764,887	8,420,371
Uttara Branch:		
Dhaka Stock Exchange	5,105,685	4,918,095
Chittagong Stock Exchange	-	-
Total:H	5,105,685	4,918,095
Grand Total (A+-----+H):	264,702,874	262,211,875

Total income from brokerage commission is a net-off figure by rebate payable to ICB.

33 CDS Fees:

CDS fees have been received from different companies applying different rates.

Detail calculation of CDS fees are as follows:

1 Dematerialisation	-	3,072,364
2 Settlement /Transaction	38,494,672	8,801,043
3 Transfer / Transmission	-	52,806,261
4 Corporate action	-	12,929,533
5 Others	-	2,400,285
6 BO Annual Maintenance Fees	40,718,590	40,129,500
	79,213,262	120,138,986

34 Interest Income:

Interest on Fixed Deposits	6,993,692	13,550,161
Interest on Short Term Deposits	27,898,586	17,255,510
Interest on Savings Deposits	-	635,166
Interest on Margin Loans	229,125,781	284,937,822
	264,018,059	316,378,658

35 Other Income:

Prior Year's Adjustment	10,465,467	6,576
Sale of account opening form	174,600	159,400
Profit on Sale of Fixed assets	(6,004)	
Rebate from CDBL	-	23,477,003
Others	701,382	1,420,831
	11,335,444	25,063,810

36 Income from Marketable Securities

Dividend Income	10,679,273	5,844,603
Capital Gain	7,778,430	2,102,636
	18,457,703	7,947,239

	30 June 2013 Taka	30 June 2012 Taka
37 Staff Expenses:		
Salary & Allowances	19,848,161	20,730,656
P.F. Contribution	1,487,185	1,426,353
Festival & Incentive Bonus	15,314,768	21,272,210
Telephone - Residence	407,396	440,000
Uniform & Liveries	375,640	264,580
Deputation Allowance	995,762	1,288,260
Housing Expenses	12,091,830	12,360,929
Medical Expenses	2,820,900	3,047,916
House Maintenance Allowance	1,079,967	1,215,267
Utility	657,017	692,667
Entertainment	1,292,967	1,441,267
Conveyance Allowance	1,783,300	1,882,983
Lunch Subsidy	5,407,000	4,855,500
Gratuity Expenses	3,124,550	4,473,150
Pension Fund	839,034	1,095,020
Educational Allowance	22,500	31,300
Other Payroll Expenses	773,716	772,900
Overtime	445,887	535,311
Technical Allowance	33,600	33,973
Income Tax for Officers	577,329	-
	69,378,508	77,860,244
38 Interest on Loan from ICB	123,187,500	96,654,167
The above amount has been calculated on loan provided by ICB bearing interest @ 13.50% per annum.		
39 Operating Expenses :		
Printing & Stationary	1,854,539	2,184,861
Telephone- Office	220,085	196,012
Postage	46,657	66,503
Advertisement & Publicity	681,801	924,859
Traveling	342,892	313,744
Entertainment	728,636	598,809
Conveyance	362,642	497,094
Legal Expenses	31,548	22,810
Audit Fee	55,000	55,000
Books & Periodicals	164,766	203,308
Fuel & Lubricant	874,996	1,015,631
Training	50,600	26,400
Annual General Meeting	414,400	350,455
	5,828,563	6,455,485
40 Rent, Taxes, Insurance, & Electricity etc.		
Office rent	6,142,567	5,943,934
Electricity, Water & Sewerage	1,502,166	1,319,162
	7,644,733	7,263,096
41 Repair & Maintenance :		
Furniture & Fixture	243,644	12,820
Computer	110,396	139,790
Motor Vehicles	280,193	333,048
Photocopy Machine	13,000	12,500
Elct. Equipments	150,806	105,023
Air Conditioner	165,975	231,882
Telephone installation	1,660	2,925
Office Equipment	207,158	124,766
Other Equipments	30,639	28,910
	1,203,471	991,664

	30 June 2013 Taka	30 June 2012 Taka
42 Howla & Laga Charges:		
Howla Charges:(A)		
Head Office:		
DSE	2,502,726	2,935,208
CSE	18,404	7,488
Chittgong Branch:		
DSE	59,422	72,996
CSE	14,398	14,374
Sylhet Branch:		
DSE	53,252	74,462
CSE	8,372	6,454
Barisal Branch:		
DSE	194,524	207,772
Khulna Branch:		
DSE	175,826	192,530
Rajshahi Branch:		
DSE	210,776	227,978
Bogra Branch:		
DSE	127,964	161,476
Uttara Branch:		
DSE	81,146	77,852
Total: A	3,446,810	3,978,590
Laga Charges:(B)		
Head Office:		
DSE	15,101,681	17,156,120
CSE	2,870,413	562,425
Chittgong Branch:		
DSE	179,074	281,024
CSE	32,854	42,320
Sylhet Branch:		
DSE	154,816	255,166
CSE	19,645	14,961
Barisal Branch:		
DSE	510,254	622,351
Khulna Branch:		
DSE	499,919	626,626
Rajshahi Branch:		
DSE	617,902	723,424
Bogra Branch:		
DSE	336,919	505,014
Uttara Branch:		
DSE	368,581	349,642
Total: B	20,692,058	21,139,074
Total Howla & Laga charges (A+B) :	24,138,868	25,117,664
43 Holding Company Charges :		
License Charges of ICB (43.01)	39,705,431	39,331,781
Service Charge to ICB (43.02)	3,188,637	3,658,703
	42,894,068	42,990,484

As per deed of agreement dated 18th October, 2001 with ICB, the amount charged @ Tk. 15% on total income from Brokerage Commission.

As per deed of agreement dated 18th October, 2001 with ICB, the amount charged @ Tk. 0.50% on the total income shown in the Income Statement.

	30 June 2013 Taka	30 June 2012 Taka
44 Commission on Bank Guarantee	16,010,959	26,841,667
45 CDBL Charges :		
Monthly CDBL Charges	26,843,830	33,021,673
BO Renewal Fees	28,056,500	32,145,100
	54,900,330	65,166,773
46 Other Operating Expenses :		
Directors Remuneration	736,000	391,000
Honorarium to Chairman	120,000	120,000
Honorarium to Others	27,000	-
Listing Fees & Charges	95,866	289,288
Insurance: Vehicle	195,635	272,322
Picnic Support	50,717	429,300
Staff Welfare	140,279	135,800
Bank Charges	426,932	320,015
Refreshment Allowance	141,100	301,200
Donation	59,500	373,000
Corporate social responsibility (CSR)	920,000	-
Business Development	280,030	581,407
Cookeries & Cutleries	28,227	34,950
Miscellaneous	98,987	119,150
Customer Support Service	781,815	844,465
Stamp Charge	11,575	11,020
Garage Rent	-	36,975
Tax Token Road Permit	38,625	62,524
Previous Year's Adjustment	13,413,225	1,214,118
Investor Protection Fund	47,691	37,210
Satellite Connection Fees	16,575	19,850
Vat & Tax Expenses	104,416	348,246
Excise Duty	73,050	115,940
Connectivity/Internet Bill	5,092,078	5,618,035
Security Service	800,560	737,703
Washing Charges	9,200	11,043
Electrical Goods	84,368	119,205
Sports,Cultural & Milad Mahfil	12,425	-
Total	23,805,875	12,543,766
47 Earnings Per Share (EPS):		
Net Profit For the Year	106,981,093	176,643,078
Number of Outstanding Shares	4,050,000	3,375,000
EPS	26.42	52.34

sd/-
Mr. Md. Abdur Rouf
Chairman

sd/-
Jubaida Nasrin
Chief Executive Officer

sd/-
Professor Dr. N.R.M. Borhan Uddin
Director

Investment Corporation of Bangladesh and its Subsidiaries

Auditors' Report in pursuance of Section 135 (1) and paragraph 24 (1) (3) and 25 of part-II of the Third Schedule of the Companies Act, 1994
[As per Securities and Exchange Commission (Rights Issue) Rules, 2006, Rule 7 (2) (h) and 8 (i)]

We, as the auditors, having examined the consolidated financial statements of Investment Corporation of Bangladesh for the year ended on 30 June 2013 and for the following comparative Financial Position (statement of assets and liabilities) and comparative statements of Comprehensive Income (profit & loss account) for the year ended 30th June 2012, 2011, 2010 and 2009 audited by others Auditor's and the figures extracted from the financial statements certified in pursuance of Section 135 (1) and paragraph 24 (1) (3) and 25 of part-II of the Schedule-III of the Companies Act, 1994 and Rule 7 (2) (h) and 8 (i) of SEC (Rights Issue) Rules, 2006, we report :

1. The Investment Corporation of Bangladesh (ICB) was established on 01 October 1976 under "The Investment Corporation of Bangladesh Ordinance, 1976" (No. XL of 1976).

2. The statement of assets & liabilities of the Corporation is as under:

Consolidated Statement of Financial Position (Balance Sheet) as at 30 June

	2013 Taka'000	2012 (Restated) Taka'000	2011 Taka'000	2010 (Restated) Taka'000	2009 Taka'000
Property and Assets					
Cash and Bank Balances	11,529,827,759	12,097,248,537	10,619,121,963	14,889,072,118	17,839,350,113
Investments:	44,529,201,562	31,130,242,478	32,493,168,953	24,834,405,476	8,424,090,305
Government Securities	-	-	-	-	7,893,000
Capital Investment in Other Institutions	358,174,599	48,752,837	92,418,140	27,500,000	27,500,000
Marketable Securities- at market value	38,711,026,963	26,081,489,641	30,134,050,813	24,806,905,476	8,363,697,305
Bonds	-	-	-	-	25,000,000
Investment in Bangladesh Fund	5,460,000,000	5,000,000,000	2,266,700,000	-	-
Loans and Advances:	16,827,208,103	14,849,633,751	12,715,206,292	9,790,069,307	6,739,617,933
Margin Loan – Secured	12,283,633,382	11,432,314,996	10,428,306,591	7,977,621,665	4,990,223,059
Unit & Mutual Fund Advance Account – Secured	180,341,892	164,776,220	121,565,631	92,397,583	88,166,410
Consumer Credit Scheme	7,508,372	11,300,487	18,733,310	33,320,497	51,392,732
Bridging Loan	4,981,582	230,415,374	295,998,806	293,519,325	206,254,537
Debenture Loan	21,225,208	21,225,208	56,275,081	56,275,081	56,275,081
Lease Receivables	1,065,648,188	979,036,915	878,350,840	425,531,944	477,691,844
Advance against Equity	1,665,009,286	749,583,333	-	-	-
Other Loans and Advances	1,598,860,193	1,260,981,218	915,976,033	911,403,212	869,614,270
Premises and Equipment (at cost less depreciation)	150,087,007	154,595,808	143,664,997	142,683,728	135,267,977
Other Assets	4,892,283,703	3,310,780,089	4,438,423,076	3,228,839,150	2,243,287,584
Total Assets	77,928,608,134	61,542,500,663	60,409,585,281	52,885,069,779	35,381,613,912
Liabilities and Capital					
Liabilities					
Borrowings:	9,824,500,000	4,328,000,000	31,500,000	35,000,000	38,500,000
Government Loan	24,500,000	28,000,000	31,500,000	35,000,000	38,500,000
Borrowings From Different Banks	9,800,000,000	4,300,000,000	-	-	-
Deposits	34,881,134,873	24,558,620,346	22,711,873,351	17,987,100,105	21,549,702,288
Debentures	-	18,000,000	68,000,000	118,000,000	218,000,000
Deferred Interest	2,451,676	9,219,370	26,617,059	44,014,751	73,740,524
Other Liabilities and Provisions	7,581,626,289	6,641,657,331	7,540,847,181	7,965,652,286	8,221,031,817
	52,289,712,838	35,555,497,047	30,378,837,591	26,149,767,142	30,100,974,619
Non-controlling interest	39,266	35,019	33,875	22,407	12,017
Capital / Shareholders' Equity	25,638,856,030	25,986,968,596	30,030,713,814	26,735,280,230	5,280,627,276
Paid-up Capital	4,218,750,000	3,375,000,000	2,500,000,000	2,000,000,000	1,000,000,000
Reserves	14,640,897,416	14,923,201,057	20,508,667,916	19,395,796,906	1,855,582,291
Retained Earnings	6,779,208,614	7,688,767,539	7,022,045,898	5,339,483,324	2,425,044,985
Total Liabilities and Shareholders' Equity	77,928,608,134	61,542,500,663	60,409,585,281	52,885,069,779	35,381,613,912
Contra Entries					
Off-Balance Sheet Items:					
Contingent Liabilities:					
Penalty imposed by BSEC -RPO of Golden son Ltd.	-	-	500,000	1,000,000	-
Penalty imposed by BSEC	-	100,000	-	-	-
Commitment on NBL	-	72,476,000	72,476,000	72,476,000	-
Guarantee to DSE & CSE on behalf of ISTCL	500,000,000	550,000,000	2,050,000,000	50,000,000	50,000,000
Guarantee to ICB AMCL Pension Holders' Unit Fund	-	-	-	-	5,608,737
	500,000,000	622,576,000	2,122,976,000	123,476,000	55,608,737
Commitments:					
Lease Financing	-	140,000,000	250,000,000	790,000,000	300,000,000
Debenture Financing	-	442,000,000	542,500,000	455,000,000	480,000,000
Pre-IPO Placement	-	255,000,000	706,600,000	-	-
Investment in Direct Equity	-	500,836,897	763,600,000	1,170,000	-
Investment in Bond	-	120,000,000	350,000,000	140,000,000	-
Purchase of Preference Share	-	500,000,000	260,000,000	500,000,000	-
Advance Against Equity	-	-	-	-	2,000,000
	-	1,957,836,897	2,872,700,000	1,886,170,000	782,000,000
Total Off-Balance Sheet Items	500,000,000	2,580,412,897	4,995,676,000	2,009,646,000	837,608,737

3. The statement of operating result of the Corporation is as follows:

Consolidated Statement of Comprehensive Income (Profit and Loss Account)					
For the year ended 30 June					
	2013	2012	2011	2010 (Restated)	2009
	Taka'000	Taka'000	Taka'000	Taka'000	Taka'000
Operating Income					
Interest Income	3,083,293,426	3,006,153,012	2,524,437,504	2,214,212,308	2,180,317,869
Less: Interest paid on Deposits, Borrowings, etc.	4,413,611,782	3,650,570,317	1,846,896,811	1,577,734,878	1,728,538,854
Net Interest Income	(1,330,318,356)	(644,417,305)	677,540,693	636,477,430	451,779,015
Dividend	1,337,321,734	757,931,141	556,635,965	392,273,055	328,701,012
Capital Gain	3,746,770,677	5,330,045,120	4,334,235,661	3,351,676,167	1,546,547,177
Fees, Commissions & Service Charges	1,626,601,035	837,106,807	1,513,371,978	1,245,543,633	549,341,435
Other Operating Income	17,161,390	33,436,612	34,422,745	11,573,081	5,602,271
Total Operating Income (a)	5,397,536,480	6,314,102,375	7,116,207,042	5,637,543,366	2,881,970,910
Operating Expenses					
Salary and Allowances	410,465,269	407,887,779	357,204,594	270,887,744	182,161,100
Rent, Taxes, Insurance, Electricity, etc.	58,419,789	60,543,303	48,465,290	46,415,705	34,945,447
Legal Expenses	2,173,449	1,283,082	2,928,313	3,530,151	3,281,610
Postage, Stamps, Telegram & Telephone	4,719,635	3,388,753	3,419,846	3,310,771	3,066,401
Auditors' Fees	230,000	223,750	243,625	254,000	195,000
Stationary, Printing, Advertisement, etc.	17,463,286	19,325,083	20,635,529	18,403,182	11,847,364
Directors' Fees & Allowances	2,794,250	2,426,250	2,128,800	1,525,300	991,400
Repair, Maintenance & Depreciation	48,621,317	44,391,324	38,087,495	34,215,318	27,775,262
Brokerage	24,138,868	25,117,664	63,512,836	63,198,159	28,565,391
Other Operating Expenses	172,045,335	145,206,978	272,785,008	214,219,875	107,533,122
Total Operating Expenses (b)	741,071,198	709,793,966	809,411,336	655,960,205	400,362,097
Operating Profit (a-b)	4,656,465,282	5,604,308,409	6,306,795,706	4,981,583,161	2,481,608,813
Add: Non-operating Income	80,797,669	74,211,645	31,934,366	26,634,337	7,621,764
Profit before Provision (c)	4,737,262,951	5,678,520,054	6,338,730,072	5,008,217,498	2,489,230,577
Provision against Loans, Advances and others	329,816,180	248,486,360	123,404,544	206,183,897	104,027,571
Provision against Investments	-	-	-	-	465,000,000
Other Provisions	-	-	-	-	11,858,491
Total Provision (d)	329,816,180	248,486,360	123,404,544	206,183,897	580,886,062
Profit before Tax (c-d)	4,407,446,771	5,430,033,694	6,215,325,528	4,802,033,601	1,908,344,515
Provision for Taxation					
Current Tax	657,430,667	810,422,251	1,115,703,823	436,953,183	250,037,333
Deferred Tax	(14,232,713)	(6,245,783)	127,746	-	-
	643,197,954	804,176,468	1,115,831,569	436,953,183	250,037,333
Net profit after Taxation	3,764,248,817	4,625,857,226	5,099,493,959	4,365,080,418	1,658,307,182
Less: Non-controlling Interest	8,423	5,647	11,369	10,386	5,193
Net Profit Available for Appropriation	3,764,240,394	4,625,851,579	5,099,482,590	4,365,070,032	1,658,301,989
Earnings Per Share (EPS)	89.23	109.65	151.10	174.60	82.92

4. The statement of cash flows of the Corporation is as follows:

**Consolidated Cash Flow Statement
For the year ended 30 June**

	2013 Taka'000	2012 Taka'000	2011 Taka'000	2010 (Restated) Taka'000	2009 Taka'000
Cash flow from operating activities:					
Interest Received	3,068,260,377	2,901,962,403	2,495,444,056	2,409,239,050	2,056,407,530
Interest Paid	(4,047,656,590)	(3,426,193,757)	(1,576,221,151)	(1,852,643,426)	(1,709,529,537)
Received from capital gain on sale of listed companies shares	3,746,770,677	5,330,045,120	4,334,235,661	3,351,676,167	-
Dividend Received	696,077,512	661,688,226	529,487,962	419,470,820	306,674,007
Fees & Commissions Received	1,626,601,035	837,106,807	1,513,371,980	1,245,543,633	549,341,435
Cash Paid to Employees	(406,562,194)	(372,062,544)	(324,561,409)	(263,524,775)	(180,349,937)
Cash Paid to Suppliers	(94,677,555)	(96,283,349)	(85,391,142)	(80,319,585)	(60,607,342)
Cash Received from Other operating activities	97,959,059	107,648,257	66,357,110	38,207,418	13,224,035
Cash Paid for Other operating activities	(198,978,453)	(172,750,892)	(334,585,950)	(278,943,333)	(137,089,913)
Cash Flow before changes in Operating Assets & Liabilities	4,487,793,867	5,771,160,271	6,618,137,117	4,988,705,969	838,070,278
Changes in Operating Assets & Liabilities					
(Increase)/Decrease in Loans & Advances	(1,977,574,352)	(2,134,427,459)	(2,925,136,984)	(3,050,451,374)	(1,304,652,401)
(Increase)/Decrease in Investment in other Institutions	(309,421,762)	43,665,303	(2,331,618,140)	32,893,000	50,000,000
(Increase)/Decrease in other Assets	(911,065,933)	1,334,322,293	1,113,897,062	1,672,533,595	(2,950,460,870)
Increase/(Decrease) in Deposit Received from Banks	4,767,578,861	1,382,936,338	5,592,868,094	(4,180,221,683)	6,694,571,377
Increase/(Decrease) in Deposit received from Other Depositors	5,555,292,548	463,810,657	(868,094,848)	617,619,500	(1,582,196,581)
Increase/(Decrease) in Long Term Debt	5,496,500,000	4,296,500,000	(53,500,000)	(103,500,000)	(103,500,000)
Increase/(Decrease) in other Liabilities	(1,055,598,373)	(2,127,947,019)	(2,037,726,982)	2,544,217,544	(418,285,409)
	11,565,710,989	3,258,860,113	(1,509,311,798)	(2,466,909,418)	385,476,116
Net Cash from Operating Activities	16,053,504,856	9,030,020,384	5,108,825,318	2,521,796,551	1,223,546,394
Cash Flow from Investment Activities:					
Cash inflow from Sale of Securities	13,036,572,517	4,329,873,503	5,948,239,599	7,918,633,114	4,155,693,367
Cash outflow for Purchase of Securities	(29,013,448,897)	(11,467,522,569)	(12,724,275,174)	(10,431,637,238)	(5,354,518,538)
Cash outflow for Purchase of Fixed Asset	(28,795,803)	(39,244,745)	(30,775,972)	(33,225,293)	(39,290,073)
Net Cash Used in Investment Activities	(16,005,672,183)	(7,176,893,812)	(6,806,811,547)	(2,546,229,417)	(1,238,115,244)
Cash Received from Financing Activities					
Dividend paid in Cash	(615,253,452)	(375,000,000)	(304,496,643)	(49,839,326)	(69,867,287)
Net Cash Used in Financing Activities	(615,253,452)	(375,000,000)	(304,496,643)	(49,839,326)	(69,867,287)
Net Increase/(Decrease) in Cash and Cash Equivalent	(567,420,779)	1,478,126,572	(2,002,482,872)	(74,272,192)	(84,436,137)
Cash and Cash Equivalent at beginning of the year	12,097,248,537	10,619,121,965	3,472,362,083	3,546,634,275	3,631,070,412
Closing Cash and Cash Equivalent at end of the year	11,529,827,759	12,097,248,537	1,469,879,211	3,472,362,083	3,546,634,275

5. The history of dividend declared by the corporation is as follows:

40% Cash Dividend	25% Cash and 25% Stock Dividend	15% Cash and 35% Stock Dividend	15% Cash and 25% Stock Dividend	5% Cash and 100% Stock Dividend
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6. The corporation has following three subsidiaries and financial statements of these entities are consolidated separately:

<u>Name of Subsidiary</u>	<u>% of ownership interest</u>
ICB Asset Management Company Limited	99.99%
ICB Capital Management Limited	99.99%
ICB Securities Trading Company Limited	99.99%

7. No proceeds or part of proceeds of the issue of shares shall be applied directly or indirectly by the corporation in the purchase of any other business or an interest thereon.

8. Figures relating to previous years have been re-arranged wherever considered necessary.

Dated, Dhaka
18 May 2014

sd/-
S. F. Ahmed & Co.
Chartered Accountants

sd/-
OCTOKHAN
Chartered Accountants

Investment Corporation of Bangladesh

Auditors' Report in pursuance of Section 135 (1) and paragraph 24 (1) (3) and 25 of part-II of the Third Schedule of the Companies Act, 1994
[As per Securities and Exchange Commission (Rights Issue) Rules, 2006, Rule 7 (2) (h) and 8 (i)]

We, as the auditors, having examined the financial statements of Investment Corporation of Bangladesh for the year ended on 30 June 2013 and for the following comparative Financial Position (statement of assets and liabilities) and comparative statements of Comprehensive Income (profit & loss account) for the year ended 30th June 2012, 2011, 2010 and 2009 audited by others Auditor's and the figures extracted from the financial statements certified in pursuance of Section 135 (I) and paragraph 24 (1) (3) and 25 of part-II of the Schedule-III of the Companies Act, 1994 and Rule 7 (2) (h) and 8 (i) of SEC (Rights Issue) Rules, 2006, we report :

1. The Investment Corporation of Bangladesh (ICB) was established on 01 October 1976 under "The Investment Corporation of Bangladesh Ordinance, 1976" (No. XL of 1976).

2. The statement of assets & liabilities of the Corporation is as under:

Statements of Financial Position (Balance Sheet)

as at 30 June

	2013 Taka'000	2012 Taka'000	2011 Taka'000	2010 (Restated) Taka'000	2009 Taka'000
Property and Assets					
Cash and Bank Balances	10,927,962,748	11,369,803,733	9,724,164,561	14,017,861,701	17,008,719,086
Investments:	42,233,017,826	29,373,877,392	30,228,678,394	23,236,661,637	7,872,439,331
Government Securities					7,893,000
Capital Investment in ICB Subsidiary Companies	579,499,100	579,499,100	579,499,100	462,499,100	462,499,100
Capital Investment in Other Institutions	358,174,599	48,752,837	92,418,140	27,500,000	27,500,000
Marketable Securities- at market value	35,835,344,127	23,745,625,455	27,290,061,154	22,746,662,537	7,349,547,231
Bonds	-	-	-	-	25,000,000
Investment in Bangladesh Fund	5,460,000,000	5,000,000,000	2,266,700,000	-	-
Loans and Advances:	13,240,890,407	11,712,050,092	10,047,050,947	7,300,985,330	5,724,954,705
Margin Loan – Secured	4,026,903,362	3,880,143,939	3,659,155,578	2,921,133,752	2,329,726,480
Unit & Mutual Fund Advance Account – Secured	180,341,892	164,776,220	121,565,631	92,397,583	88,166,410
Consumer Credit Scheme	7,508,372	11,300,487	18,733,310	33,320,497	51,392,732
Bridging Loan	4,981,582	230,415,374	295,998,806	293,519,325	206,254,537
Debenture Loan	21,225,208	21,225,208	56,275,081	56,275,081	56,275,081
Lease Receivables	1,065,648,188	979,036,915	878,350,840	425,531,944	477,691,844
Advance against Equity	1,665,009,286	749,583,333	-	-	-
Other Loans and Advances	6,269,272,517	5,675,568,616	5,016,971,701	3,478,807,148	2,515,447,621
Premises and Equipment (at cost less depreciation)	88,421,946	83,632,129	74,910,515	81,499,453	76,024,089
Other Assets	4,799,382,120	3,121,008,439	2,699,576,142	1,953,841,775	1,762,777,046
Total Assets	71,289,675,047	55,660,371,785	52,774,380,559	46,590,849,896	32,444,914,257
Liabilities and Capital					
Liabilities					
Borrowings:	9,824,500,000	4,328,000,000	31,500,000	35,000,000	38,500,000
Government Loan	24,500,000	28,000,000	31,500,000	35,000,000	38,500,000
Borrowings From Different Banks	9,800,000,000	4,300,000,000	-	-	-
Deposits	34,881,134,873	24,558,620,346	22,711,873,351	17,987,100,105	21,549,702,288
Debentures	-	18,000,000	68,000,000	118,000,000	218,000,000
Deferred Interest	2,451,676	9,219,370	26,617,059	44,014,751	73,740,524
Other Liabilities and Provisions	5,461,175,156	4,605,704,240	4,145,837,044	4,983,060,468	6,638,116,722
	50,169,261,705	33,519,543,956	26,983,827,454	23,167,175,324	28,518,059,534
Capital / Shareholders' Equity	21,120,413,342	22,140,827,829	25,790,553,105	23,423,674,572	3,926,854,723
Paid-up Capital	4,218,750,000	3,375,000,000	2,500,000,000	2,000,000,000	1,000,000,000
Reserves	13,822,148,160	14,281,079,310	19,212,893,947	18,201,196,703	1,646,083,197
Retained Earnings	3,079,515,182	4,484,748,519	4,077,659,158	3,222,477,869	1,280,771,526
Total Liabilities and Shareholders' Equity	71,289,675,047	55,660,371,785	52,774,380,559	46,590,849,896	32,444,914,257
Contra Entries					
Off-Balance Sheet Items:					
Contingent Liabilities:					
Guarantee to ICB AMCL Pension Holders' Unit Fund	-	-	-	-	6,188,481
Guarantee to DSE & CSE on behalf of ISTCL	500,000,000	550,000,000	2,050,000,000	50,000,000	50,000,000
Commitments:					
Lease Financing	-	140,000,000	250,000,000	790,000,000	300,000,000
Debenture Financing	-	442,000,000	542,500,000	455,000,000	480,000,000
Pre-IPO Placement	-	255,000,000	706,600,000	-	2,000,000
Investment in Direct Equity	-	500,836,897	763,600,000	1,170,000	-
Investment in Bond	-	120,000,000	350,000,000	140,000,000	-
Purchase of Preference Share	-	500,000,000	260,000,000	500,000,000	-
	-	1,957,836,897	2,872,700,000	1,886,170,000	782,000,000
Total Off-Balance Sheet Items	500,000,000	2,507,836,897	4,922,700,000	1,936,170,000	838,188,481

3. The statement of operating result of the Corporation is as follows:

Statement of Comprehensive Income (Profit and Loss Account)
For the year ended 30 June

	2013 Taka'000	2012 Taka'000	2011 Taka'000	2010 (Restated) Taka'000	2009 Taka'000
Operating Income					
Interest Income	2,749,568,171	2,549,305,422	2,046,390,317	1,948,505,862	1,990,007,316
Interest paid on Deposits, Borrowings, etc.	4,413,611,782	3,650,570,317	1,846,896,811	1,577,734,878	1,728,538,854
Net Interest Income	(1,664,043,611)	(1,101,264,895)	199,493,506	370,770,984	261,468,462
Dividend	1,256,091,282	698,791,356	513,149,879	365,469,840	305,670,687
Capital Gain	3,539,448,775	4,947,032,594	3,701,499,031	2,629,039,504	1,175,568,474
Fees, Commissions & Service Charges	261,296,357	214,998,662	384,713,927	302,702,392	161,049,058
Other Operating Income	1,938,848	3,165,507	5,794,240	3,861,023	2,231,468
Total Operating Income	3,394,731,651	4,762,723,224	4,804,650,583	3,671,843,743	1,905,988,149
Operating Expenses					
Salary and Allowances	240,202,560	232,566,853	210,062,514	171,055,579	126,998,347
Rent, Taxes, Insurance, Electricity, etc.	40,626,592	39,857,035	29,860,748	26,157,882	22,742,821
Legal Expenses	1,816,525	922,062	2,473,645	3,132,701	3,060,310
Postage, Stamps, Telegram & Telephone	3,766,973	2,550,869	2,463,614	2,425,584	2,326,801
Auditors' Fees	120,000	120,000	120,000	120,000	120,000
Stationary, Printing, Advertisement, etc.	11,075,193	11,578,768	10,655,054	8,671,344	6,133,494
Directors' Fees & Allowances	1,316,750	1,201,750	851,000	511,200	333,500
Repair, Maintenance & Depreciation-Premises & Equipment	25,312,844	23,195,525	18,990,418	17,376,057	14,635,592
Brokerage	30,106,272	18,152,879	14,809,103	4,991,463	8,459,210
Other Operating Expenses	74,752,801	45,218,560	59,452,608	63,342,297	28,352,431
Total Operating Expenses	429,096,510	375,364,301	349,738,704	297,784,107	213,162,506
Operating Profit	2,965,635,141	4,387,358,923	4,454,911,879	3,374,059,636	1,692,825,643
Non-operating Income	80,797,669	74,211,645	31,934,366	26,634,337	7,621,764
Profit before Provision	3,046,432,810	4,461,570,568	4,486,846,245	3,400,693,973	1,700,447,407
Provision against Loans and Advances	144,816,180	14,588,237	31,683,110	20,242,206	22,268,366
Provision against Off balance sheet items	5,000,000	-	-	-	-
Provision against Investments	-	-	-	-	400,000,000
Other Provisions	-	-	-	-	11,858,491
Total Provision	149,816,180	14,588,237	31,683,110	20,242,206	434,126,857
Profit before Tax	2,896,616,630	4,446,982,331	4,455,163,135	3,380,451,767	1,266,320,550
Provision for Taxation					
Current Tax	423,000,000	508,700,000	600,000,000	250,000,000	150,000,000
Deferred Tax	(5,436,923)	(3,153,514)	2,224,902	-	-
	417,563,077	505,546,486	602,224,902	250,000,000	150,000,000
Net Profit Available for Appropriation	2,479,053,553	3,941,435,845	3,852,938,233	3,130,451,767	1,116,320,550
Earnings Per Share (EPS)	58.76	93.43	114.16	125.22	55.82

4. The statement of cash flows of the Corporation is as follows:

Cash Flow Statement					
For the year ended 30 June					
	2013	2012	2011	2010 (Restated)	2009
	Taka'000	Taka'000	Taka'000	Taka'000	Taka'000
Cash flow from operating activities:					
Interest Received	2,733,625,102	2,444,262,662	2,019,404,419	2,140,807,732	1,868,361,587
Interest Paid	(4,078,254,733)	(3,487,818,478)	(1,611,702,818)	(1,852,643,426)	(1,709,529,537)
Received from capital gain on sale of listed shares	3,539,448,775	4,947,032,594	3,701,499,031	2,629,039,504	-
Dividend Received	632,477,295	603,289,259	486,957,997	388,932,595	285,282,947
Fees & Commissions Received	261,296,357	214,998,662	384,713,927	302,702,392	161,049,058
Cash Paid to Employees	(235,443,269)	(223,869,857)	(195,121,649)	(170,304,839)	(126,869,827)
Cash Paid to Suppliers	(65,684,924)	(63,253,351)	(51,758,078)	(45,434,935)	(38,820,011)
Cash Received from Other operating activities	82,736,517	77,377,152	37,728,606	30,495,360	9,853,232
Cash Paid for Other operating activities	(106,175,823)	(68,891,313)	(71,407,168)	(68,844,960)	(37,145,141)
Cash Flow before changes in Operating Assets & Liabilities	2,764,025,296	4,443,127,331	4,700,314,267	3,354,749,423	412,182,308
Changes in Operating Assets & Liabilities					
(Increase)/Decrease in Loans & Advances	(1,528,840,315)	(1,664,999,145)	(2,746,065,617)	(1,576,030,625)	(1,115,473,547)
Increase/Decrease in Lease Assets					
(Increase)/Decrease in Investment in other Institution	(309,421,762)	43,665,303	(2,448,618,140)	32,893,000	(150,000,000)
(Increase)/Decrease in other Assets	(1,033,379,702)	(217,733,927)	1,521,300,793	2,432,215,069	(2,333,183,771)
Increase/(Decrease) in Deposit Received from other Banks	4,767,578,861	1,382,936,338	5,592,868,094	(4,180,221,683)	6,694,571,377
Increase/(Decrease) in Deposit received from Other Depositors	5,555,292,548	463,810,657	(868,094,848)	617,619,500	(1,582,196,581)
Increase/(Decrease) in Long Term Debt	5,496,500,000	4,296,500,000	(53,500,000)	(103,500,000)	(103,500,000)
Increase/(Decrease) in other Liabilities	(476,197,057)	(131,012,365)	(1,787,618,373)	1,342,127,630	338,322,923
	12,471,532,573	4,173,166,861	(789,728,091)	(1,434,897,109)	1,748,540,401
Net Cash from Operating Activities	15,235,557,869	8,616,294,191	3,910,586,176	1,919,852,314	2,160,722,709
Cash Flow from Investment Activities:					
Cash inflow from Sale of Securities	4,076,526,726	3,877,809,231	3,623,826,877	3,657,623,176	2,481,996,288
Cash outflow for Purchase of Securities	(19,119,169,937)	(10,449,816,328)	(9,305,528,249)	(5,662,779,706)	(3,872,379,247)
Cash Increase/Decrease From Sale/Purchase of Fixed Asset	(19,502,192)	(23,657,921)	(7,993,016)	(17,923,997)	(5,832,066)
Net Cash used in Investment Activities	(15,062,145,402)	(6,595,665,019)	(5,689,694,388)	(2,023,080,527)	(1,396,215,025)
Cash Flows from Financing Activities					
Dividend paid in Cash	(615,253,452)	(375,000,000)	(298,496,644)	(49,839,326)	(49,867,673)
Net Cash used in Financing Activities	(615,253,452)	(375,000,000)	(298,496,644)	(49,839,326)	(49,867,673)
Net Increase/(Decrease) in Cash and Cash Equivalent	(441,840,985)	1,645,629,171	(2,077,604,856)	(153,067,539)	714,640,011
Cash and Cash Equivalent at beginning of the year	11,369,803,733	9,724,174,562	2,747,656,000	2,900,723,539	2,186,083,528
Closing Cash and Cash Equivalent at end of the year	10,927,962,748	11,369,803,733	670,051,144	2,747,656,000	2,900,723,539

5. The history of dividend declared by the corporation is as follows:

40% Cash Dividend	25% Cash and 25% Stock Dividend	15% Cash and 35% Stock Dividend	15% Cash and 25% Stock Dividend	5% Cash and 100% Stock Dividend
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6. The corporation has following three subsidiaries and financial statements of these entities are consolidated separately:

<u>Name of Subsidiary</u>	<u>% of ownership interest</u>
ICB Asset Management Company Limited	99.99%
ICB Capital Management Limited	99.99%
ICB Securities Trading Company Limited	99.99%

7. No proceeds or part of proceeds of the issue of shares shall be applied directly or indirectly by the corporation in the purchase of any other business or an interest thereon.

8. Figures relating to previous years have been re-arranged wherever considered necessary.

Dated, Dhaka
18 May 2014

sd/-
S. F. Ahmed & Co.
Chartered Accountants

sd/-
OCTOKHAN
Chartered Accountants

ARGUS

CREDIT RATING

CREDIT RATING REPORT OF

Investment Corporation of Bangladesh (ICB)

UNWAVERING INDEPENDENCE

UNCOMPROMISING QUALITY

UNMATCHED INNOVATION

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Name:

Designation:

Date:

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Ref No	ACRSL10694/14
Entity Name	Investment Corporation of Bangladesh
Assigned Ticker	ICB
Activity	Portfolio Management, Mutual Fund Management, Private Equity Investment and Project Financing among others.
Incorporated On	October 01, 1976
Head Office	8, Rajuk Avenue, BDBL Bhaban, (Level 14 -17) Dhaka-1000

Rating Type	Corporate/Entity
Analyst(s)	ACRSL Analyst Team
Committee(s)	ACRSL Rating Committees

RATINGS SUMMARY

CREDIT RATING	CURRENT	PREVIOUS
Long-Term	AAA	-
Short-Term	ST-1	-
Publishing Date	26 May, 2014	-

RATINGS EXPLANATION

AAA	Investment grade. Highest credit quality with lowest expectation of credit risk. When assigned this rating indicates the obligor has exceptionally strong capacity to meet its financial obligations and it is highly unlikely that this capacity will be impacted adversely by foreseeable events.
ST-1	Highest Grade. Highest certainty of timely payment. Short-term liquidity including internal fund generation is very strong and access to alternative sources of funds is outstanding, Safety is almost like risk free Government short-term obligations.

Rating Validity: This validity assumes no additional loan over that disclosed in Q3FY14 [ended 31 March] audited/management certified balance sheet and that management has disclosed all material & adverse to financials since Q3FY14.

EXECUTIVE SUMMARY:

Strength:

- **Investment Corporation of Bangladesh (ICB) has benefitted from diversified operations and corporate synergy.** ICB is the leading Govt. backed Investment Bank in Bangladesh in terms of Size, Revenue, and Diversification of operations. ICB's subsidiaries i.e. ICB AMCL, ICB Securities Trading Company Ltd, ICB Capital Management Ltd all are top players in their respective sub-sectors. Since major stock market correction in 2011-2012 the financial sector of Bangladesh has witnessed dwindling profits; but ICB has absorbed the shock well and has maintained top returns in comparison to its peers. In FY13 10.32% of the total transaction in DSE was executed by ICB compared to 8.73% in FY12. In FY13 ICB's AUM was BDT 64961.8 MN (includes Open End and Closed End Funds) which is around 65% of the Mutual Fund Industry. As on FY13 ICB is Trustee to 78% of the Mutual Funds in the industry.
- **ICB is a Sovereign backed entity.** The corporation is 27% owned directly by the Government of Bangladesh and 61% indirectly through State owned corporations; this means ICB is backed by the full faith and credit of the sovereign and that it also enjoys a high degree of financial flexibility. ICB is anchored in a way to act as a medium for Bangladesh Investment Market development. This has helped ICB to, take part in off-loading of state owned enterprises' shares, launch the largest mutual fund of BDT 50,000 MN as well as play key role in positively supporting the regulators. For example, ICB made a major contribution in preparation "Draft of Demutualization Act" for demutualization of Stock Exchanges. Though ICB has a track record of being self-sufficient when facing stressful market scenarios such as the 1996 stock market crash, and 2011 stock market crash, it has the additional benefit of accessing financial support from its stake holders in instances of major financial stress.
- **ICB has maintained a strong Balance Sheet profile anchored by its strong capital base.** The deposit base of ICB has increased from BDT 22711.87 MN in FY10-11 to BDT 34881.13 MN in FY12-13 representing a CAGR of 24.0%. Total Operating Assets has grown at a CAGR of 14% from BDT 60,265.92 MN in FY10-11 to BDT 77,778.52 MN FY12-13. ICB's paid up capital is the highest in the Industry; it has grown at a healthy CAGR of 30% from BDT 2500 MN in FY10-11 to BDT 4218.75 MN in FY12-13. The Capital adequacy ratio of 32.65% is much higher than regulatory requirement of 10% under the BASEL II Framework.

Concerns:

- **During the last three years, ICB reported decreasing Net Interest Margin and Operating Income.** In FY11 NIM of ICB was 2.82% and in FY13, NIM was negative 4.81%. The management has attributed this to the fact that ICB has used some of its deposits and borrowings to make secondary market investments in depressed stocks. Thus its interest income has been less in FY13. The operating Income of ICB declined at a CAGR of 13% from BDT 7116.12 MN in FY11 to 5397.54 in FY13. This is attributed to steep decline in equity market activity since 2011; DSE average daily turnover has declined from BDT 16430 MN in FY11 to BDT 4003 MN in FY13; the market capitalization declined from peak BDT 3,680,714.19 MN in FY11 to low BDT 2,160,241.18 MN in FY13.
- **ICB has increased dependency on bank borrowings:** Though size of bank borrowings is small as a percentage of total asset size but it is growing fast. Historically ICB has enjoyed very low cost of fund but it shows fluctuating trend which can be attributed to increased borrowing in the past two years. ICB's borrowing was BDT 31.5 MN in FY11 which grew to 9824.5 MN in FY13 at a CAGR of 1666%. In FY12 and FY13 average cost of fund was 13.39% and 11.33% which is high compared to 7.4% in FY11.

Rating Rationale

Key Rating Drivers:

95% of ICB's total income was contributed by investment income, with a yield of 11%...

Govt. of Bangladesh owns 27% ownership, providing financial flexibility...

- We are assigning a long-term rating of "AAA" and a short-term rating of "ST-1" with a stable outlook to Investment Corporation of Bangladesh (hereinafter "ICB" or "the corporation").

- **Investment Corporation of Bangladesh (ICB) has benefitted from diversified operations and corporate synergy.** ICB's subsidiaries i.e. ICB AMCL, ICB Securities Trading Company Ltd, ICB Capital Management Ltd all are top players in their respective sub-sectors. Since major stock market correction in 2011-2012 the financial sector of Bangladesh has witnessed dwindling profits; but ICB has absorbed the shock well and has maintained top returns in comparison to its peers.

- **At the end of FY12-13 ICB reported a total operating income of BDT 5397.54 MN**, contributed by 95% from investment income considering 70% from capital gain, 25% from dividend and interest on debenture. 30% of total operating income of ICB was contributed by non funded income such as fees, commission and other services. Moreover, ICB reported net interest loss of BDT 1330.32 MN in the same period, which was 25% of total operating income.

- **Investment income contributes 95% to the total income basket, resulting from 11% yield on investment.** ICB's total investment income stood at BDT 5084.09 MN in FY12-13 against its total investment of BDT 44529.20 MN. The total investment income comprises of BDT 3746.77 MN from capital gain, BDT 1286.23 MN from dividend income and BDT 51.08 MN from return on debentures.

- **Non funded income contribution to total income stood at 30%.** ICB's total non funded income stood at BDT 1643.76 MN in FY12-13, comprising of management fees, custodian fees, underwriting fees, commission and service charges among others.

- **ICB is a Sovereign backed entity.** The corporation is 27% owned directly by the Government of Bangladesh and 61% indirectly through State owned corporations; this means ICB is backed by the full faith and credit of the sovereign and that it also enjoys a high degree of financial flexibility. Though ICB has a track record of being self sufficient when facing stressful market scenarios such as the 1996 stock market crash, 2011 stock market crash, it has the additional benefit of accessing financial support from its stake holders in instances of major financial stress.

- **Govt. of Bangladesh owns 27% ownership of Investment Corporation of Bangladesh.** Out of total 4,218,750,000 ordinary shares the govt. of Bangladesh directly owns 1,139,062,500 shares, BDBL owns 1,081,307,400 shares, state owned and private commercial banks own 958,794,700 and

- 383,283,600 shares respectively. State owned insurance corporations such as Sadharan Bima Corporation, Jiban Bima Corporation and private corporate bodies own 492,501,000, 28,751,400, and 27,527,000 shares respectively. The rest 107,522,400 shares are owned by general public. The ownership composition indicates majority stake of ICB is owned by government which provides financial flexibility to ICB in case of financial stress.
- **ICB is anchored in way to act as a medium for Bangladesh Investment Market development.** This has helped ICB to take part in off loading of state owned enterprise shares, launch the largest mutual fund of BDT 50,000 MN as well as play key role in positively supporting the regulators. For example. ICB made a major contribution in preparation “Draft of Demutualization Act” for demutualization of Stock Exchanges.

Total operating asset has grown at a CAGR of 14%, supported by 24% Deposit CAGR....

- **ICB has maintained a strong Balance Sheet profile anchored by its strong capital base.** The deposit base of ICB has increased from BDT 22711.87 MN in FY10-11 to BDT 34881.13 MN in FY13 representing a CAGR of 24.0%. Total Operating Assets has grown at a CAGR of 14% from BDT 60,265.92 MN in FY11 to BDT 77,778.52 MN FY12-13. ICB’s paid up capital is the highest in the Industry; it has grown at a healthy CAGR of 30% from BDT 2500 MN in FY11 to BDT 4218.75 MN in FY12-13. The Capital adequacy ratio of 32.65% is much higher than regulatory requirement of 10% under the BASEL II Framework.

- **Deposit base:** ICB's 24% deposit CAGR (Compounded Annual Growth Rate) over the last three years was driven by deposit by banks (18% CAGR), which comprises of 60% of total deposit base and deposit by corporate entities (CAGR 33%) which comprises of 39% of total deposit base in the same period. The remaining 1% deposit was contributed by lease deposits and deposits by general public.
- **Capital base:** ICB remained well capitalized in terms of Borrowing to Equity ratio and Capital Adequacy Ratio (CAR). The corporation's borrowing to equity ratio remained at 0.38x in FY12-13, in line with its borrowing of BDT 9824.50 MN against its equity base of BDT 25,638.86 MN. Moreover, the corporation's CAR stood at 32.65% in FY12-13, in line with its eligible capital of BDT 19,786.53 MN, against its risk weighted asset of BDT 60,592.71MN.
- **Investments:** Over the last three years ICB's investment grew from BDT 32,493.17 MN in FY10-11 to BDT 44,529.20 MN in FY12-13, representing a CARG of 17%. ICB's total investment in FY12-13 comprises of BDT 38,711.03 MN in marketable securities, BDT 358.17 MN in capital investment to subsidiaries and other institutions and BDT 5460.00 MN in Bangladesh fund.
- **Loans and advances :** ICB's Loans and Advances grew from BDT 12,751.21 MN in FY10-11 to BDT 16,827.21 MN in FY12-13,

- representing a CAGR of 15% over the last three years. The majority portion of ICB's Loans and Advances comprises of Margin Loan, which stood at 73% of total Loans and Advances in FY12-13. Over the last three years ICB's margin loan grew from BDT 10,428.30 MN in FY10-11 to BDT 12,283.63 MN in 2012-13, representing a CAGR of 9% over the same period.
- **During the last three years, ICB reported decreasing Net Interest Margin and Operating Income.** In FY10-11 NIM of ICB was 2.82% and in FY12-13, NIM was negative 4.81%. The management has attributed this to the fact that ICB has used some of its deposits and borrowings to make secondary market investments in depressed stocks. Thus its interest income has been less in FY12-13. The operating Income of ICB declined at a CAGR of 13% from BDT 7116.12 MN in FY10-11 to BDT 5397.54 in FY12-13. This is attributed to steep decline in equity market activity since 2011; DSE average daily turnover has declined from BDT 16430 MN in FY10-11 to BDT 4003 MN in FY13; the market capitalization declined from peak BDT 3,680,714.19 in FY10-11 to low BDT 2,160,241.18 MN in FY12-13.
 - **Operating Income:** The main driver behind ICB's negative operating income over the last three years was decreasing net interest income. ICB's interest income grew from BDT 2,524.44 MN in FY10-11 to BDT 3,083.29 MN in FY12-13, representing a CAGR of 11% over the last three years. Whereas, the interest expense grew from BDT 1,846.90 MN in FY10-11 to BDT 4,413.61 MN in FY12-13, representing a CAGR of 55% over the same period. As the ICB's interest expense growth outperformed interest income growth, the corporation reports net interest loss over the last two years. At the end of FY12-13 ICB's net interest loss stood at BDT 1,330.32 MN, which was around 25% of ICB's total operating income.
 - **Net Interest Margin (NIM):** Net interest income of ICB remained at BDT 677.54 MN, in line with its interest earning asset of BDT 23,334.33 MN in FY10-11. ICB's interest income decreased to BDT (1,330.32) MN in FY12-13, in line with its interest earning assets of BDT 28,357.04 MN. As ICB's interest earning asset growth outperformed interest income growth, the corporation's NIM decreased to (4.81%) from 2.82% over the same period.
- **ICB has increased dependency on Bank borrowings:** Though size of Bank borrowings is small as a percentage of total asset size but it is growing fast. Historically ICB has enjoyed very low cost of fund but it shows fluctuating trend which can be attributed to increased borrowing in the past two years. ICB's borrowing was BDT 31.5 MN in FY10-11 which grew to 9824.5 MN in FY-1213 at a CAGR of 1666%. In FY11-12 and FY12-13 average cost of fund was 13.39% and 11.33% which is high compared to 7.4% in FY10-11.

Special Note: At the time of publication of this credit rating report by ARGUS Credit Rating Services Limited, audited financial statements from FY11 to FY13 (ending June 30) and unaudited financial statements for Q3FY14 [ending March 31] were available. Projections up to FY15 were arrived after taking into consideration subsequent events up to the date of reporting, management feedback, and industry insights.

1 CORPORATE PROFILE

1.1 COMPANY DESCRIPTION

Investment Corporation of Bangladesh (ICB) was established on 1 October 1976 under "The Investment Corporation of Bangladesh Ordinance, 1976" (No. XL of 1976). The establishment of ICB was a major step to accelerate the pace of industrialization and develop a well-organised and vibrant capital market in Bangladesh.

At the end of FY13, ICB's Total Assets stood at BDT 77,928.61 MN, Equity at BDT 25638.86 MN, Paid-up Capital at BDT 4218.75 MN, Investments at BDT 44529.20 MN, Loans and Advances at BDT 16827.21 MN, Total Operating Revenue at BDT 5397.5 MN and Net Profit After Tax at BDT 3764.25 MN.

Businesses:

Capital Market Segment

Advance against Equity, Private Equity, Placement of Shares

As part of business diversification and encouraging rapid industrialization of the country, advance against equity, private equity, and placement of shares have been introduced since inception of this Corporation. ICB invests in different companies through equity participation singly/under consortium arrangements by different Banks and financial institutions.

Advance against Share Repurchase arrangement

One of the most prominent services that ICB provides is advance against share repurchase arrangement. This merchant banking operation has its unique features which makes ICB proud to keep the pioneering role in this regard.

Advance against Unit & Bangladesh Fund certificates

Advance against ICB unit certificates scheme was introduced in 1998 for the ICB unit holders to meet their emergency fund requirements. Presently ICB provides advance against the certificates of ICB Unit Fund, Bangladesh Fund and ICB AMCL Unit Fund. One can borrow maximum 80.0 percent of initial surrender value by depositing his/her unit certificates under lien arrangement from any of the ICB offices and Banks. The rate of interest on the loan is reasonable and competitive.

Managing Margin Loan Accounts, Unit and Mutual Funds

Investment account holders can avail margin loan facilities to purchase securities from both primary and secondary markets as per SEC margin rules. The margin loans are provided for purchasing securities with sound fundamentals and good prospects. As a result, risk reduces and safety of margin loans in investment of customers is protected. Returns of the investors under this scheme are attractive.

Asset management segment

ICB Unit Fund

It is an open-end mutual fund scheme launched in April 1981, through which the small and medium savers get opportunity to invest their savings in a balanced and relatively low risk portfolio. ICB has so far declared attractive dividends on units every year ranging from Tk. 11.5 to Tk. 36.50 per unit. Investments in units enjoy tax benefits, amount being applicable as per law. However, after restructuring of ICB, new unit certificates are being sold by ICB's subsidiary company, the ICB Asset Management Company Ltd.

ICB Mutual Funds

ICB has so far floated eight closed-end mutual funds. The First ICB Mutual Fund was floated on 25 April 1980, while the Eighth ICB Mutual Fund was floated on 23 July 1996. The aggregate size of these funds is Tk. 17.75 crore. As on 30 June 2013, 19799 certificate holders owned these funds. ICB mutual funds have become very popular with the investors due to payment of attractive dividends on regular basis. Investors show overwhelming interest in all the ICB mutual funds. One can invest in such funds through the stock exchanges with which these funds are listed. Through corporate restructuring, new mutual funds are now floated through "ICB Asset Management Company Ltd."- a subsidiary of ICB.

Portfolio Management Segment

Being the largest institutional investor, ICB contributes significantly to the development of the country's capital market through active portfolio management which is one of the important functions of ICB. ICB usually portrays ten portfolios - eight of which are mutual funds, one is unit fund and another is ICB's own portfolio. During the FY 2012-13, ICB earned Tk. 353.94 crore as capital gain and Tk. 125.61 crore as dividend on shares and interest on debentures.

ICB is playing unparalleled role both in primary and secondary market which ultimately makes the capital market vibrant. Merchant banking operations such as underwriting, issue management, fund management, brokerage services, etc. are being provided uniquely.

During 2012-13 a total investment of Tk. 1988.09 crore has been made in the investment portfolio of ICB including Tk. 80.32 crore in shares of a company through Pre-IPO placement, Tk. 5.0 crore in debentures of two companies, Tk. 0.66 crore in right shares of 6 companies. As on 30 June 2013, the market value of the securities of ICB's investment portfolio stood at Tk.3583.35 crore against the net investment value of Tk. 3320.16 crore resulting in capital appreciation of Tk. 263.19 crore.

Investing in Preference Shares

Diversified instruments are the strength of ICB's investment strategy. Investment in preference shares signifies this attitude.

Trustee & Custodian

ICB is acting as trustee to the debenture issues and securitized bonds. Up to 30 June 2013 ICB acted as trustee to the debenture issues of 17 companies involving Tk. 184.15 crore and issues of 15 bonds of 12 companies involving Tk. 1749.36 crore. ICB also undertook the responsibilities of trustee to 23 mutual funds involving Tk. 2225.75 crore.

Agent for Divestment of Govt. Shares

ICB is actively associated with disinvestment process. With a view to off loading of Government shares through the Stock Market, ICB has been entrusted with the responsibility of selling Government owned shares of different listed Companies. Government enterprises intending to go public often seek professional & financial services on corporate restructuring and reengineering. In case of this divestment program ICB provides such services through analyzing Financial Statements and other relevant documents of the institution.

Mergers & Acquisition

Companies willing to expand their business through mergers or acquisitions or to divest projects that no longer fit into present scale of operation contact the Corporation. ICB provides professional services and advice in respect of shaping up the cost and financial structures to ensure best possible operational results. Besides, the Corporation, through network and established business relationship, brings buyers and sellers together to help them negotiate final agreement and advice on the emerging corporate structure.

Infrastructure Segment

Equity and Entrepreneurship Fund/Venture Capital Financing

With a view to encouraging the investment in promising Agro-based and Information & Communication Technology (ICT), Government of Bangladesh had set up an Equity Development Fund (EDF) in the budget 2000-01. Targeting mainly country's remote areas for Equity and Entrepreneurship development, ICB along with Bangladesh Bank has taken a lot of measures to improve management of this fund. Fund is allocated for two sectors named EEF (Agro) and EEF (IT). EEF is working mainly for development of rural economy infrastructure, reduction of unemployment, achieving self reliance in agro based product in the rural economy. Moreover, EEF (IT) is working as part of the government's plan to build a digital Bangladesh.

Debenture Financing

During the financial year 2012-13, commitment of ICB in debenture financing is Tk. 5.00 crore and disbursement during this year is Tk.7.25 crore.

Lease Financing

ICB provides lease finance mainly for procurement of capital machinery, equipment and transport to the prospective clients. The period of lease, rentals, charges and other terms and conditions are determined on the basis of assets and assistance provided as per requirement of the lessee. Since launching of this scheme in 1999, good response has been received from the intending lessees.

Money Market Segment

Dealing in Money market instruments: Subordinated, Zero Coupon Bond, Term Deposit Receipt

ICB provides several money market services like investing in subordinated bond, zero coupon bond and accept TDR. These services have enriched the diversified arena in our portfolio. Attractive rate is offered for these products. ICB receives deposit in the form of TDR from institutions/ individuals offering attractive and negotiable interest rate which helps to make investment in profitable securities.

Fixed Deposit Receipt

Providing a tailored solution is the essence of our services. ICB recognizes that a customized solution like FRD is vital for the success of the business. Whether it is a Project Finance or Term Loan, ICB offers the right solution from where applicants find top-class skills and in-depth knowledge of market trends from our specialists - altogether a gratifying experience.

Issuing Bank Guarantee

ICB introduced Bank Guarantee scheme in 2002-03. ICB provides (i) Bid bond for enabling the business people to participate in any tender or bidding; (ii) Performance bond for helping the business community to continue their business smoothly by fulfilling their obligations promised by them to their clients; (iii) Customs guarantee for solving different disagreements between the customs authority and the business classes at the initial stage. The limit of guarantee would be issued against at least 20.0 per cent cash and 80.0 per cent easily en- cashable securities or against 100.0 per cent cash margin.

Consumer Credit Scheme

ICB has introduced "Consumer Credit Scheme" in 2003-04 to meet the needs of various household appliances of different professionals of govt., semi-govt., autonomous bodies and some established private sector organizations. Operation of the scheme has been kept stopped.

Corporate Financial Advice

Companies and Government enterprises intending to off- load shares frequently seek professional & financial advice on corporate restructuring & reengineering from ICB Capital management Ltd. As a professional, ICB provides such services to their clients.

1.2 SHAREHOLDING STRUCTURE

The government of Bangladesh established ICB with broad objective of developing the capital market of Bangladesh.

Table 1 Nature of Ownership/Shareholding Percentage

Name	No. of Share	% of Shares
Government of the People's Republic of Bangladesh	11,390,625	27.00
State Owned Commercial Banks	9,587,947	22.73
Development Financial Institutions	10,813,074	25.63
State Owned Insurance Corporation	5,212,524	12.35
Denationalized Private Commercial Banks	3,832,836	9.08
Private Commercial Banks and Mutual Fund	78,158	0.19
Other Institutions	197,112	0.47
General Public	107,522	2.55
Total	42,187,500	100.00

1.3 BOARD OF DIRECTORS :

Name & Designation
<p>S.M. Mahfuzur Rahman, Ph.D</p> <p>CHAIRMAN OF THE BOARD</p> <p><i>Current Responsibilities</i></p> <ul style="list-style-type: none"> • Chairman, Investment Corporation of Bangladesh • Professor and Director, EMBA Program, Department of International Business, University of Dhaka • Member, Dhaka University Senate • Director, Farmers Bank Ltd. <p><i>Past Responsibilities</i></p> <ul style="list-style-type: none"> • Director, Rupali Investment Ltd., • Visiting Professor, Department of Economics, Nagoya University, Japan • Chairman, Department of Finance, University of Dhaka • Director, MBA Program, Department of International Business, University of Dhaka • Director, MBA Program, Department of Finance, University of Dhaka • General Secretary, Asiatic Society of Bangladesh • Treasurer, Asiatic Society of Bangladesh • General Secretary, Dhaka University Club • President, Dhaka University Club <p><i>Education</i></p> <ul style="list-style-type: none"> • Masters in Economics and Planning, 1979 • Ph.D in Development Economics, 1983

Md. Fayekuzzaman

MANAGING DIRECTOR

Current Responsibilities

- Managing Director, Investment Corporation of Bangladesh
- Chairman, ICB Capital Management Ltd.
- Director,
 1. Standard Bank Ltd.,
 2. Bangladesh Development Bank Ltd.,
 3. IIDFC,
 4. CDBL,
 5. DSE Ltd.,
 6. Credit Rating Information and Services Ltd. (CRISL),
 7. Credit Rating Agencies of Bangladesh Ltd. (CRAB),
 8. Bangladesh Institute of Capital Market,
 9. The Institute of Bankers, Bangladesh (IBB),
 10. GlaxoSmithKline Bangladesh Ltd.,
 11. ACI Ltd.,
 12. Renata Ltd.,
 13. BATBC,
 14. Linde Bangladesh Ltd.,
 15. National Tea Company Ltd.,
 16. Apex Tannery Ltd.,
- Member,
 1. BSEC Steering Committee,
 2. Bangladesh Krishi Gobeshona Endowment Trust,
- Council Member of Institute of Bankers Bangladesh.

Past Responsibilities

- Deputy Managing Director, Agrani Bank Ltd.

Education

- B.Com. (Hons), M.Com. in Management
- Post Graduation Studies in Investment Planning, Appraisal and Management of Development Finance, Institution in Bradford University, United Kingdom.
- Attended Cambridge Leadership Program organized by the University of Cambridge, United Kingdom and Leadership Essential Program arranged by the Columbia University, USA.

Kazi Shofiqul Azam

DIRECTOR

Current Responsibilities

- Additional Secretary (Admin & Middle East), Economic Relations Division, Ministry of Finance, Government of the People's Republic of Bangladesh.
- Director, Investment Corporation of Bangladesh
- Member, Committee of Mutawallis, IDB-BISEW and AL Nahian Trust.

Gokul Chand Das

DIRECTOR

Current Responsibilities

- Joint Secretary(Administration) Bank & Financial Institution Division, Ministry of Finance, Government of the people's Republic of Bangladesh
- Director, Investment Corporation of Bangladesh, Probashi Kalyan Bank, Bangladesh Film Development Corporation, Bangladesh Insurance Training Academy.

S.M. Moniruzzaman

DIRECTOR

Current Responsibilities

- Executive Director, Bangladesh Bank
- Director, Investment Corporation of Bangladesh

Dr. Md. Zillur Rahman

DIRECTOR

Current Responsibilities

- Managing Director, Bangladesh Development Bank Ltd.
- Director, Investment Corporation of Bangladesh, Bangladesh Commerce Bank Ltd. (BCBL).
- Member, Governing Board, Bangladesh Institute of Bank Management (BIBM), The Institute of Bankers, Bangladesh (IBB).

Pradip Kumar Dutta

DIRECTOR

Current Responsibilities

- CEO/MD, Sonali Bank Ltd.
- Director, Investment Corporation of Bangladesh, Sonali Bank (UK) Ltd. London, UK, Sonali Investment Ltd. (SIL) Primary Dealers Bangladesh Ltd. (PDBL), Bangladesh Commerce Bank Ltd. (BCBL), Central Depository Bangladesh Ltd. (CDBL), Industrial and Infrastructure Development Finance Co. Ltd. (IIDFC).
- Chairman, Sonali Exchange Co. Incorp. Newyork, USA.
- Vice-Chairman, Institute of Bankers, Bangladesh (IBB), Bangladesh Foreign Exchange Dealers Association(BAFEDA).
- Member, Governing Board, Bangladesh Institute of Bank Management (BIBM).

Syed Abdul Hamid

DIRECTOR

Current Responsibilities

- CEO/MD, Agrani Bank Ltd.
- Chairman, Agrani SME Financing Co. Ltd.
- Director, Investment Corporation of Bangladesh, Agrani Equity and Investment Ltd., Agrani Exchange House Pte. Ltd., Singapore, Agrani Remittance House Sdn Bhd, Malaysia.
- Member, Governing Board, Bangladesh Institute of Bank Management (BIBM), The council of IBB.

S. M. Aminur Rahman

DIRECTOR

Current Responsibilities

- CEO/MD, Janata Bank Ltd.
- Director, Investment Corporation of Bangladesh , Industrial and Infrastructure Development Finance Co. Ltd. (IIDFC), Janata Capital & Investment Ltd. (JCIL) Primary Dealers Bangladesh Ltd. (PDBL).
- Chairman, Bangladesh Foreign Exchange Dealers' Association(BAFEDA) Janata Exchange Company srl, Italy, Audit Committee, Industrial and Infrastructure Development Finance Co. Ltd.(IIDFC).
- Council Member, Governing Board, Bangladesh Institute of Bank Management (BIBM) & Institute of Bankers, Bangladesh (IBB).
- Fellow Member, Institute of Bankers, Bangladesh (IBB).
- Committee Member, Bretton Woods Committee, USA.

Md. Rezaul Karim

DIRECTOR

Current Responsibilities

- Managing Director, Sadharan Bima Corporation
- Director, Investment Corporation of Bangladesh, National Tea Co. Ltd., Central Depository Bangladesh Ltd., National Housing and Investment Ltd., IDLC Finance Ltd., Bangladesh Insurance Academy.
- Chairman, SBC Securities & Investment Ltd.
- Member, Central Rating Committee

Dipika Bhattacharjee

SECRETARY

Deputy General Manager,

Investment Corporation of Bangladesh

1.4 SENIOR MANAGEMENT

Beside the Board of Directors, ICB's top-level management team comprises of the following members mentioned below-

Name	Designation
Md. Wahiduzzaman Khandaker	GM, EEF wing
Md. Abdur Rouf	GM, Operations wing
Md. Abul Hossain	GM, ICT & Depository wing Administration wing
Nasir Uddin Ahmed	GM, Accounts & Finance wing
Tahmina Begum	GM, Branch & Subsidiary wing

1.5 OPERATIONS

Investment Corporation of Bangladesh is the oldest and largest investment Bank in Bangladesh. Major Stakeholders of ICB are Bangladesh government and other State owned Banks. Operations of ICB are the most diverse ranging from Equity Investment, Merchant Banking, Brokerage , Mutual Fund management as well as managing special purpose funds such as EEF.

Generic operations of ICB:

- Direct purchase and sale of shares and debentures including placement and equity participation
- Providing lease finance singly and through syndication
- Managing existing investment accounts
- Managing existing Mutual Funds and Unit Fund
- Managing proprietary investment portfolios
- Providing advance against ICB Unit, Bangladesh Fund, Mutual Fund certificates and ICB AMCL Unit Fund certificates
- Providing bank guarantee
- Acting as trustee and custodian
- Participating in financing of joint-venture companies
- Providing investment counseling to investors
- Participating in government divestment program
- Introducing new business suited to market demand
- Dealing in other matters related to capital market
- Venture Capital Financing
- Take part in merger, acquisition & asset reconstruction activities
- Managing Equity and Entrepreneurship Fund (EEF) & others special schemes declared by the Government of Bangladesh
- Supervising the activities of the subsidiary companies as holding company

A proportion of ICB’s operations are undertaken by its fully owned subsidiaries:

- **Mutual Fund Management:** ICB has the largest Assets under management including both closed end and open end funds. ICB1st to ICB8th mutual funds are the highest yielding mutual funds in the DSE market. These funds have paid regular dividends since inception. New mutual funds are managed by subsidiary ICB Asset Management Company which made a record revenue growth of 240% in FY13. The company is also the asset manager of ‘Bangladesh Fund’ a BDT 50,000 MN open end fund; the largest fund in Bangladesh.
- **Brokerage:** ICB Securities Trading Company is one of the leading companies in Broker segment. The turnover in this company is one the highest in DSE and CSE. Despite decrease in market activity its revenue has been less volatile at BDT 637.7 MN in FY13 from 731.7 MN FY12
- **Merchant Banking:** ICB Capital Management Limited (ICML) has a successful track record of Merchant Banking business since its inception in 2002. In FY13 ICML became the Trustee and Custodian of BDT 50,000 MN Bangladesh Fund, the largest open end mutual fund in Bangladesh.

1.6 INFORMATION TECHNOLOGY

ICB has experienced and trained professionals working on maintaining and developing the company’s IT infrastructure. ICB has its own IT engineers to maintain, upgrade and Co-ordinate its IT backbone, more over to keep its human resource up-to-date ICB has a independent training center at 35/C, Kashfia Plaza, (2nd Floor), Nayapaltan, Dhaka. ICB has developed several in house software; some softwares used by ICB is Merchandising Operation Management System, Stock Exchange Index Publication, IPO management System, Personnel Management Information System, Law Suits Tracking Accounting Application, Staff Loan, Payroll, Fixed Asset/Inventory Management System, Portfolio Management System, EEF Project Administration and Budget Management System. ICB regularly updates its website with details of product offerings as well as quarterly, yearly performance of ICB as well as Subsidiaries.

ICB has initialized an ambitious 5 year ICT plan to new software module with will one single platform for all ICB branches and departments. The new web enabled software will have central Data server in ICB’s under construction head office. Disaster prevention equipment and Disaster Recovery Site are also the top priorities for ICB’s IT infrastructure development.

Indicators	Presence/Absence
IT Team	Present
Accounting Software	Present
Server and Backup Support	Present
Data Security Policy	Present
Market Research Team	Present

1.7 HUMAN RESOURCE MANAGEMENT

ICB continues to implement appropriate human resource management policies and practices to develop its employees, and to ensure their optimum contribution towards the achievement of corporate goals.

Extensive trainings in Banking, Financial management, Accounts are provided to the employees of Respective department of ICB ; Trainings are regulated by BIBM, NAPD, PM Office etc. ICB has well-defined HR management procedure in place. The corporation has Karmachari Kallyan Tahbil in place which provides assistance to officers and Staff in case of emergency. Apart from this ICB has in place Employees Provident Fund and Superannuation Fund provided financial support to the retired employees or to their legal heirs in case of death. The corporation is also regular sponsor of recreational activities for its employees and deems it important as a re-energizing tool. The total workforce of ICB as on 30 June 2013 was 532, compared to 540 on the same date of the previous year.

1.8 PRODUCTS AND SERVICES

- Direct purchase and sale of shares and debentures including placement and equity participation
- Providing lease finance singly and through syndication
- Managing existing investment accounts
- Managing existing Mutual Funds and Unit Fund
- Brokerage, managing proprietary investment portfolios and take part in buying & selling of Securities
- Providing bank guarantee
- Acting as trustee and custodian
- Participating in financing of joint-venture companies
- Participating in government divestment program
- Working with regulators in matters related to capital market
- Venture Capital Financing
- Take part in merger, acquisition & asset reconstruction activities
- Managing Equity and Entrepreneurship Fund (EEF) & others special schemes declared by the Government of Bangladesh
- Supervising the activities of the subsidiary companies as holding company
- Take part in offloading of state owned enterprises shares

1.9 ICB' S ROLE IN CAPITAL MARKET

During the bearish market owing to free fall of stock indices, ICB's massive participation in trading through its different portfolios made a significant contribution in providing liquidity to capital market in FY10-11. A major role of ICB in this context is to provide continued support to market through contribution to Government's "Affected Retailed Investor's refinancing scheme" and injecting fund to the fund in various forms.

In response to the bearish market trend in FY10-11, an initiative has been taken to form an open end mutual fund of BDT 5000 crore called "Bangladesh Fund" by ICB and other state owned banks to regain investors' reliance through increasing flow of liquidity for a stable and dynamic stock market.

2 RISK ANALYSIS

2.1 MACROECONOMIC RISK ANALYSIS

GDP Growth: The GDP of Bangladesh has been growing consistently bolstered by significant flow of remittance and stronghold in the global garments export market. The annual average GDP growth rate for the last four years in Bangladesh is 6.3 percent, but from FY12 it is showing a declining trend and the provisional figure for FY13 is only 6.03 percent. The slow growth of FY13 can be attributed to the poor performance of agriculture sector. The average growth rate of agriculture for the last four years is 3.9 per cent, but it has declined to 2.2 percent in FY13. Though the industry sector has shown a good growth - better than that of FY12 (8.9 percent) and four-year average is (8.1 percent), the fall of service sector from its long-term trend of 6.0 percent to around to 5.7 percent has offset it to make the GDP growth slow. Bangladesh, slowly but steadily, is turning from an agrarian economy to an industrial one. In FY06, the sector contribution of agriculture in GDP was 21.8 percent. From FY09 to FY13 a gradual decrease is shown in the agricultural GDP. Following the trend, it reached to 18.7 percent in FY13 making it third among the three broad sectors. On the contrary, the industry sector is making regular progressive contribution to the GDP and the growth has been increasing. In FY06, it was 29 percent and by the end of FY13, it reached to 32 percent. The contribution of services to GDP has been revolving around the same 49 percent for many years.

Savings and Investment: Over the last four years, the ratio of savings to GDP remained virtually stagnant. National saving hovers around 29-30 percent while domestic savings got stuck to 19.3 percent over last three years. However, in terms of national savings an increasing trend is being discernible for the last three years. The scenario of savings is replicated in the investment trend. The major source of investment, the private sector, has contributed less this year from the last year's 20 percent. However, there was a good increase in the public sector contribution compared to last year's figure. Since FY11, the investment GDP ratio has been increasing marginally but could not catch up to the available savings level. Private investment as share to GDP was increasing in FY11 and FY12 but fell sharply in FY13. Over the last four years owing to the increase in public sector contribution, the total portion of investment in GDP has increased. As a result, the savings-investment gap is gradually declining over the last four years.

Inflation: As far as inflation scenario in Bangladesh is concerned, for the last four years, two sets of data are available - one using the financial year 1995-96 as the base and the other is calculated using the new base year 2005-06 (more reasonable is to use the 2005-06 base year considering the rapid changes in economic structure). Two sets of data, though, present different absolute figures the general trend is the same. In a point-to-point basis, using the new base, inflation data of last four years create some asymmetric bell-shaped curves depicting a rising trend from FY10 to FY11. In FY11, the peak is reached and a declining trend starts again. The tendency to fall since FY11 until the end of FY13 can be a satisfactory note for the citizens. Food prices inflation has been falling sharply since FY11. Non-Food price inflation has shown an erratic trend since FY10. However, the general prices remain more or less stable over the last one year.

Government Borrowing: Government borrowing has impact on overall investment and inflation. Government borrowing from the banking system and the external source has stayed more or less manageable over the last four years due to balanced fiscal and monetary policy. Notwithstanding, the share of domestic and external sources demonstrates fluctuating trend. However, attention needs to be given to seek financing through non-bank borrowing from the public as it entails less risky and conducive to balanced economic functioning. Government borrowing remained below 5 per cent of GDP which depicts a prudent and restrained fiscal management by the Government.

Forex reserve: In terms of FX reserves, 2013 was a year of setting new records. Helped by declining imports, resilient exports and remittance there was an expansion in the current account surplus which helped the FX reserve rise from USD 12.7 BN to USD 18.04 bn. BDT also appreciated against the dollar by 3.5% and would have gained more if the central bank had not pursued open market policy of buying dollars from the commercial banks. In order to help exports retain competitiveness, the central bank has been actively buying dollars from the market. We feel that this policy will continue in 2014 as well.

The current account surplus will continue in 2014 if imports remain weak. However, we must highlight one risk to remittance growth. Starting from late 2012 manpower exports came down sharply and has stabilized at that level. The “Economist” (Revenge of the migrants’ employer?) clearly showed that manpower exports to Saudi Arabia declined for Bangladesh while it grew for Pakistan. Thus we fear that remittance growth will not be as strong as it had been in the past.

Capital Market: Bangladesh Securities and Exchange Commission has been working with various measures like demutualization of stock exchange, installation of surveillance software, revision of margin loan policy, implementing the government financial assistance to the affected investors among others. Moreover, recently BSEC and Bangladesh Bank have agreed to consult with each other prior to taking any policy related decision that might have an impact on capital market. It can be expected that with the easing of uncertainty on the political front and subsequent investment in real economy will help the rebound of capital market.

2.2 MANAGEMENT ANALYSIS

Indicators	Comments	Rating Outlook
Quality of Top Management	Senior management of ICB comprises of industry experts and highly qualified personnel with over a decade of experience in the Financial sector. Similarly, professionalism on part of management contributes to brand recognition and operational controls. Moreover, the company's senior management has sound, educational, business, social, and financial backgrounds and networks of contact that spans across diverse industries of Bangladesh. In effect, management proficiency contributes to brand and operating efficiency of ICB , which is a positive rating factor.	Positive
Management Adaptability	Senior management brings change at ICB by building group momentum and actively mobilizing others to initiate change. At ICB, management has embedded a culture for change. Such a proactive management change style of leadership contributes to a positive rating outlook.	Positive
Management Structure	ICB's upper management has instituted strict, control mechanisms and a robust infrastructural set up focused on inhibiting negative implications of conflict of interests, as well as fraud, and focused on the smooth flow of operations and the company's long-term operational efficiency. For example, ICB has structured organogram and state of the art credit management and accounting software. In effect,, adherence to control mechanisms has contributed to strong internal controls and is a positive rating factor.	Positive
HR Policy	ICB has a structured and robust HR Policy covering various employment policies, including, selection and recruiting policies, compensation, leave policies, perk and fringe benefits, among other factors for employees at all levels of the organization. Moreover, the company's HR policy also clearly delineates the job description and job responsibilities for each of its employees. This contributes to a positive rating factor.	Positive

Internal Controls	<p>ICB's upper management has instituted strict, control mechanisms and a robust infrastructural set up focused on continuous risk assessment and compliance with laws and regulations. ICB's internal controls inhibit the negative implications of conflict of interests, as well as fraud at all levels of the organization. Similarly, the internal controls have been implemented to allow for a smooth flow of operations. Furthermore, accounting controls ensure the quality of accounting and financial information, particularly the conditions of under which the information is recorded, stored, and available. In effect, adherence to control mechanisms has contributed to strong internal controls and is a positive rating factor.</p>	Positive
Work Environment	<p>ICB's work environment fosters team work and collaboration. A rewarding work environment has also contributed to higher job satisfaction, motivational, and productivity. Overall, this has contributed to a positive rating factor.</p>	Positive

2.3 CORPORATE GOVERNANCE

Board Practice	Presence/Absence
Existence of Board Charter	Present
Existence of Committees for audit and remuneration	Present
Separate CEO/MD and Chairperson	Present
Procedures to review/address external audit findings	Present

Code of Ethics/Conduct	Presence/Absence
Commitment to legal and regulatory compliance	Present
Policies to prohibit facilitation payments and bribes	Present
Guidelines on giving and receiving gifts	Present
Training and/or communication on code of ethics	Present

Business Value and Risk Management	Presence/Absence
Demonstrated commitment to work towards long term sustainability	Present
Demonstrated commitment to address social, ethical and environment challenges	Present
Procedures to identify potential risks and opportunities	Present
Risk Management and Internal Control Systems	Present
Presence of Research and Development Team	Present

2.4 INTERNAL CONTROL & COMPLIANCE

ACRSL considers that ICB maintains moderate internal controls and compliance. ICB's Internal Control & Compliance committee (ICCC) designs and monitors the company's internal controls and helps achieve efficiency of operations, reliable financing reporting, and compliance with laws and regulations. ICB also has an internal control manual to strengthen its internal control. In addition, ICB has a separate audit, inspection and compliance department to regularly review the internal control systems of the company. Hence, an extensive review process of the system of accounts, operational structure and compliance is considered moderately strong compared to the best corporate practices.

2.5 RISK MANAGEMENT ANALYSIS

ACRSL research suggests that ICB has strong credit monitoring and risk management system, ICB complies with the Bangladesh Bank's core risk management guideline and follows the best practices in the industry.

2.5.1 Credit Risk Management

ACRSL research suggests that the credit risk monitoring and supervision of ICB complies with the industry practices. ICB has its policy guideline for the credit risk management (CRM) approved by Board of Directors. The company has been operating its business through separate investment and risk management division under finance division. The Appraisal department assesses the credit/lease proposals based on quality of existing loan portfolio, purpose and amount of credit, alternative repayment sources, analyzing background, character, CIB report and financial habits of the applicant.

ICB has its own designed credit appraisal procedure, which takes into account of the following factors before lending to any party

- Assessment of customer's borrowing needs
- Assessment of the sources and quality of all primary sources of repayment.
- Assessment of the customer's habit and willingness to repay the loan facility.
- Assessment of the customer's background, character and past track record for taking all credit exposure.

2.5.2 Operational Risk Management

According to ACRSL research, ICB's operational risk management tools are in line with industry standards and that of its peers. This is using relevant business and operational policy manuals, Management Committee (MANCOM), and by Internal Control and Compliance Committee (ICCC)

ICB has codified its operational risk management process by issuing a high level standard, such as, SOP, supplemented by detailed formal guidance. The standard covers the following:

- Operational risk management responsibility is assigned to senior management within the business operation;
- Information systems are used to record the identification and assessment of operational risks and to generate appropriate regular management reporting;
- Assessments are undertaken of the operational risks facing each business and the risks inherent in its processes, activities, and products. Risk assessment incorporates a regular review of identified risks to monitor significant changes;
- Operational risk loss data is collected and reported to senior management. Aggregate operational risk losses are recorded and details of incidents above a material threshold are reported to the company's Audit Committee;
- Risk mitigation, including insurance, is considered where it is cost effective.

2.6 QUALITY OF COLLATERAL

As part of credit risk mitigation, ICB's claims are secured by financial collateral. With respect to collateral analysis and valuation, ICB prepared a stress-testing model in line with the Bangladesh Bank's guideline, part of which focused in evaluating the forced sale value of collateral. Forced sale value refers to the amount that is expected to be realized through the liquidation of collateral held as security through available operating cash flows of the business, net of any realization costs.

2.7 ANTI -MONEY LAUNDERING

ACRSL research indicates that ICB has strong control over Anti-Money Laundering. This is based on the monitoring of existing clients' actual transactions with their declared transaction profiles, review and update of clients' KYC profiles, audit and detection of suspicious transactions and activities.

In line with the Money Laundering Prevention Act of 2009, money laundering refers to the transfer, conversion, remittance to or from abroad to Bangladesh the proceeds or properties acquired through commission of a predicate offence for the purpose of concealing or disguising the illicit origin of the property or illegal transfer of properties.

As part of the ICB's AML initiatives, ICB ensures:

- KYC Formality completion for all legacy accounts;
- Declaration of Transaction Profile obtained of all accounts;
- Reporting of Cash Transaction Report (CTR) was regular;
- Reporting of STR to Bangladesh Bank was also regular;
- Self assessment forms to update Officers' knowledge on AML and Anti Terrorist financing;
- Follow up and monitoring of Audit report as and when received from bank's Central Compliance Department and external auditors.

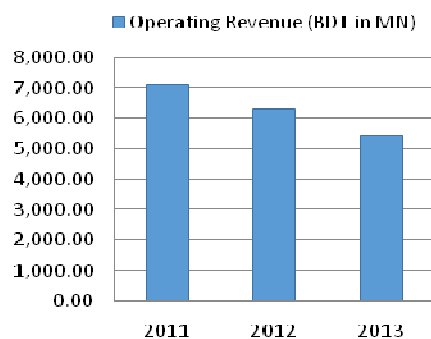
3 FINANCIAL RISK ANALYSIS

3.1 INCOME STATEMENT ANALYSIS

Indicator	FY11	FY12		FY13		Observations
Operating Revenue	7116.21	6314.10	↓	5397.54	↓	The operating revenue of ICB demonstrates a decreasing trend, with a strong forward growth prospect which is a positive rating factor.
Average Yield on Loans, Lease and Advances	10.68%	9.42%	↓	8.42%	↓	The yield on loans, lease and advances demonstrates a decreasing trend, but shows stable rate in the recent past quarter which is a neutral rating factor
Average Yield on Investments	14.63%	15.70%	↑	13.36%	↓	The yield on investment demonstrates a fluctuating trend, with a steep downward trend in the recent past year which is a negative rating factor.
Cost of Fund	7.40%	13.39%	↑	11.33%	↓	The cost of fund demonstrates a fluctuating trend, with a downtrend trend in the recent past year which is a positive rating factor
Net Interest Margin	2.82%	-2.56%	↓	-4.81%	↓	The net interest margin of ICB demonstrates a fluctuating trend, with a steep downward trend in the recent past year which is a negative rating factor
Cost to Income Ratio	10.98%	10.72%	↓	12.83%	↑	The cost to income ratio of ICB demonstrates an increasing trend, but this increase is not in line with the growth of the business thus it's a negative rating factor
Net Income	5099.49	4625.86	↓	3764.25	↓	The Net Income of ICB demonstrates a fluctuating trend, with a strong forward growth prospect which is a positive rating factor.

3.1.1 Operating Revenue

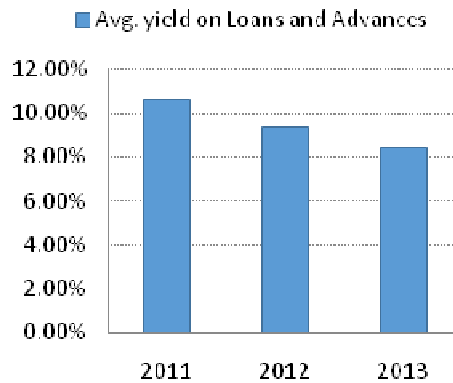
	FY11	FY12	FY13
Operating Revenue (BDT in MN)	7116.21	6314.10	5397.54



- **Historical Trend:** Between FY10-11 and FY12-13, ICB's operating revenue demonstrates a decreasing trend. The operating Income of ICB declined at a CAGR of 13% from BDT 7116.12 MN in FY10-11 to 5397.54 in FY12-13.
 - ACRSL analysis suggests that the main driver behind ICB's negative operating income over the last three years was decreasing net interest income. ICB's interest income grew from BDT 2,524.44 MN in FY10-11 to BDT 3,083.29 MN in FY12-13, representing a CAGR of 11% over the last three years. Whereas, the interest expense grew from BDT 1,846.90 MN in FY10-11 to BDT 4,413.61 MN in FY12-13, representing a CAGR of 55% over the same period. As the ICB's interest expense growth outperformed interest income growth, the corporation reports net interest loss over the last two years. At the end of FY12-13 ICB's net interest loss stood at BDT 1,330.32 MN, which was around 25% of ICB's total operating income.
- **Going Forward:** Over the next year, ACRSL has positive bias on the operating revenue trajectory of ICB, driven by stable loans and advance growth, robust investment income growth, non funded income growth such as commission, fees and service charges.

3.1.2 Average yield on loans and Advances

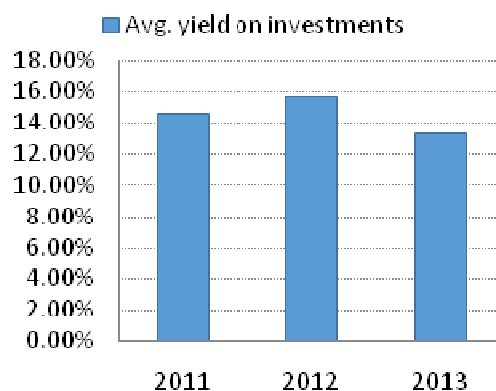
	FY11	FY12	FY13
Average yield on loans and Advances	10.68%	9.42%	8.42%



- **Historical Trend:** The average yield on Loans and Advances of ICB has demonstrated a decreasing trend. The average yield on loans of ICB has declined by 2.26 percentage points between the period of FY10-11 and FY12-13.
 - ACRSL analysis suggests that the yield on loans and advances of ICB has decreased by 2.26 percentage points between FY10-11 and FY12-13 due to declining yield from the lease financing. Yield from lease financing decreased from 16.84% in FY11-12 to 13.87% in FY12-13, in the previous period of FY10-11 the yield from lease remained at 9.52%. ICB's average yield on loans and advance decreased from 10.68% in FY10-11 to 9.42% in FY11-12 and 8.42% in FY12-13. ICB's decrease in yield on loans and advance was also driven by excessive cash balance with bank and financial institution.
- **Going Forward:** Over the next year, the average yield on loans, leases and advances of ICB is likely to remain stable driven by holding excessive cash with banks and financial institution with stable interest rates.

3.1.3 Average yield on Investment

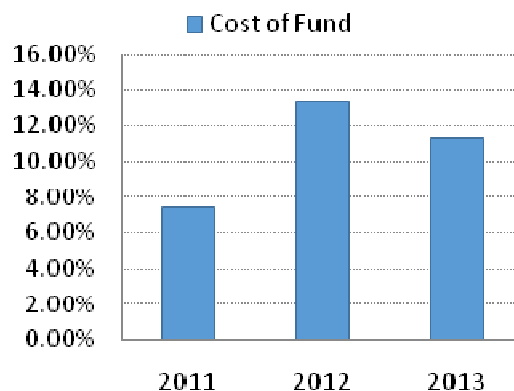
	FY11	FY12	FY13
Average yield on Investment	14.63%	15.70%	13.36%



- **Historical Trend:** ICB's average yield on investment has demonstrated a fluctuating trend over the period of FY10-11 to FY12-13. The yield on investment remained at 14.63% in FY10-11, which increased to 15.70% in FY11-12 and in the subsequent period of FY12-13, ICB's yield on investment decreased to 13.36%.
 - ACRSL analysis suggests that the average yield on investments had decreased by 2.34 percentage points from FY11-12 to FY12-13 due to decreasing capital gain on shares driven by bearish trend of the market in the period of FY11-12 to FY12-13. The political instability and macro economic performance has further decreased the investment income of ICB. ICB's investment income decreased from BDT 6,087.98 MN in FY11-12 to BDT 5,084.09 MN in FY12-13; which remained at BDT 4,334.24 MN in FY10-11.
- **Going Forward:** ACRSL has positive bias on the investment income trajectory, hence the yield on Investment of ICB is set to remain stable in the next one year if the stock indices remain stable. However, we remained concerned over the exposure of ICB to the capital market, as the volatility of the stock market has remained high historically.

3.1.4 Cost of fund

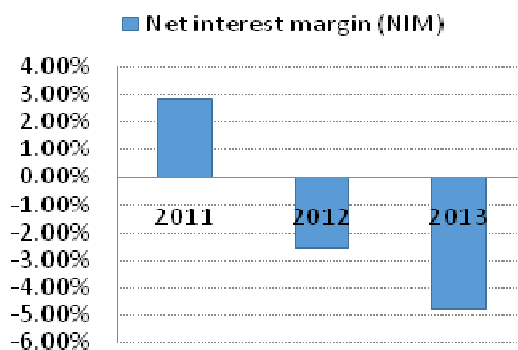
	FY11	FY12	FY13
Cost of fund	7.40%	13.39%	11.33%



- **Historical Trend:** The cost of fund of ICB has demonstrated a fluctuating trend over the last 3 years. Over the period of FY11-12 the cost of fund had increased by 5.99 percentage points. Subsequently over the period of FY12-13 the cost of fund has decreased by 2.06 percentage points.
 - ACRSL analysis suggests that the cost of fund had increased by 5.99% between FY11-12 due to the crunched liquidity situation of the economy making the policy rates and the deposit rates to soar in the same period. Subsequently in FY12-13 the cost of fund decreased by 2.06 percentage points as a result of eased monetary policy, lowered policy interest rate in the market, enabling them to lower their cost of fund.
- **Going Forward:** Over the next year, ACRSL has positive bias on the cost of fund trajectory of ICB, due to the availability of sufficient liquidity. We expect that the cost of fund will remain stable and the borrowings from other financial institutions will decline.

3.1.5 Net Interest Margin (NIM)

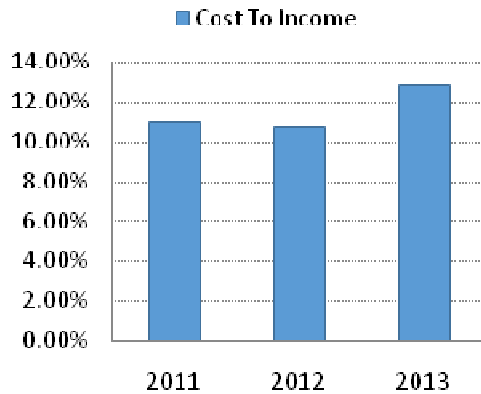
	FY11	FY12	FY13
Net Interest Margin	2.82%	-2.56%	-4.81%



- **Historical Trend:** Over the period of FY11-FY13, the net interest margin (NIM) of ICB has demonstrated a decreasing trend. The NIM ratio had decreased from 2.82% in FY10-11 to -4.81% in FY12-13.
 - ACRLS analysis suggests that the primary reason behind the decline in NIM is driven by decreasing net interest income. Net interest income of ICB remained at BDT 677.54 MN, in line with its interest earning asset of BDT 23,334.33 MN in FY10-11. ICB's interest income decreased to BDT (1,330.32) MN in FY12-13, in line with its interest earning asset of BDT 28,357.04 MN. As ICB's interest earning asset growth outperformed interest income growth the corporation's NIM decreased to (4.81%) from 2.82% over the same period.
- **Going Forward:** Over the next year the net interest margin of ICB is likely to remain stressed driven by the extensive availability of liquidity in low credit demand environment.

3.1.6 Cost to income

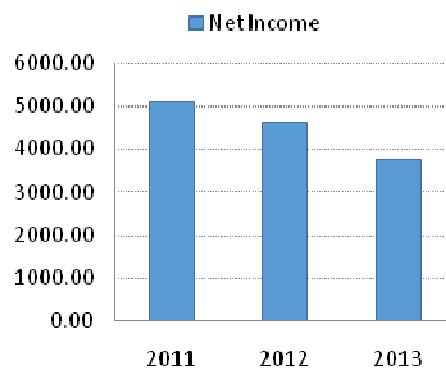
	FY11	FY12	FY13
Cost To Income	10.98%	10.72%	12.83%



- **Historical Trend:** The cost to income demonstrates an increasing trend over the period of FY10-11 to FY12-13. The cost to income ratio remained stable between 10.98% and 10.72% in FY11-12 and subsequently increased to 12.83% in FY12-13.
 - ACRSL analysis suggests that ICB is a rapidly growing company having been invested heavily in increasing the human capital of the business and office infrastructure. Hence, the cost income ratio has been increasing over the last 3 years.
- **Going Forward:** Over the next years the cost to income ratio is expected to increase further as the company has continued to invest in their growth and human capital.

3.1.7 Net Income

	FY11	FY12	FY13
Net Income (BDT MN)	5099.49	4625.86	3764.25



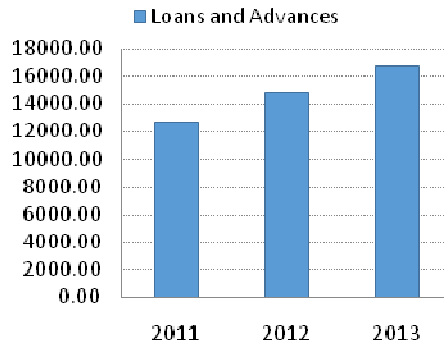
- **Historical Trend:** Between FY10-11 and FY12-13, ICB's net income demonstrates a decreasing trend. The net Income of ICB declined at a CAGR of 14% from BDT 5,099.49 MN in FY10-11 to BDT 3,764.25 MN in FY12-13.
 - ACRSL analysis suggests that the main driver behind ICB's decreasing net income over the last three years was decreasing net interest income. In addition, decreasing investment income driven by sluggish capital gain income, decreasing non funded income such as commission, fees and service charges has contributed to ICB's decreasing net income trend.
- **Going Forward:** Over the next year, ACRSL has positive bias on the net income of ICB, driven by stable loans and advance growth, robust investment income growth, non funded income growth such as commission, fees and service charges.

3.2 BALANCE SHEET ANALYSIS

Indicator	FY11	FY12	Column1	FY13		Observations	Outlook
Growth Rate of Loans and Advances	30%	17%	↓	13%	↓	The growth of loans, lease and advances of ICB demonstrates a decreasing trend with a strong forward growth prospect which is a neutral rating factor.	Neutral
Growth of Deposits	26%	8%	↓	42%	↑	The deposit growth demonstrates an increasing trend, with robust growth trend in recent fiscal which is a positive rating factor	Positive
Growth of Investments	31%	-4%	↓	43%	↑	The growth of investment demonstrates a fluctuating trend, with a steep uptrend in the recent past years which is a positive rating factor	Positive
NPL/ Total Loan	24.15%	25.65%	↑	13.52%	↓	The NPL to Total Loan demonstrates a fluctuating trend over the last three years, with a steep downtrend in last year, which is a positive rating factor.	Positive
Borrowing to equity	0.003X	0.17X	↑	0.38X	↑	Though the borrowing to equity of ICB demonstrates an increasing trend, the ratio remained well below peer group, which is a positive rating factor.	Positive
CAR	59.90%	43.45%	↓	32.65%	↓	Though the CAR of ICB demonstrates a decreasing trend, the ratio remained well above regulatory requirement, which is a positive rating factor.	Positive

3.2.1 Loans and Advances

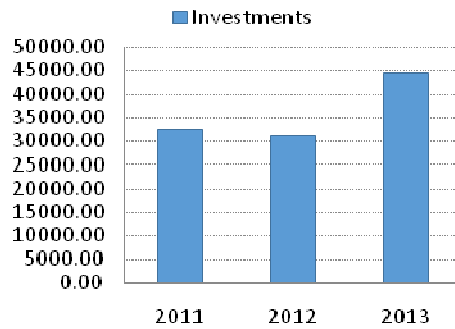
	FY11	FY12	FY13
Loans and Advances (BDTMN)	12715.21	14849.63	16827.21



- **Historical Trend:** Over the period of FY11 to FY13 ICB's growth of Loans and Advances has demonstrated an increasing trend. The loans and advance had grown at a rate of 17% from the period of FY11 to FY12. Subsequently in FY13 the loans and advances experienced a growth rate of 13%.
 - ACRSL analysis suggests that the 17% CAGR in loans and advance over the last three years was driven by 10.15% CAGR in lease finance and 8.53% CAGR in Margin loan. Margin loan comprises of 73% of ICB's loans and advance, which stood at BDT 16,827.20 MN in FY13. ICB's total loans and advance grew from BDT 12,715.21 MN in FY11 to BDT 16,827.21 MN in FY13, representing a CAGR of 17% over the same period.
- **Going Forward:** Over the next year the loans and advances is expected to have stable growth trajectory as ICB has adequate liquidity to provide margin loan to equity investor.

3.2.2 Investment

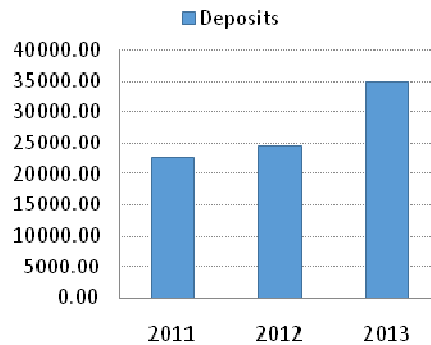
	FY11	FY12	FY13
Investment (BDT MN)	32,493.17	31,130.24	44,529.20



- **Historical Trend:** Over the last three years ICB's investment grew from BDT 32,493.17 MN in FY10-11 to BDT 44,529.20 MN in FY12-13, representing a CARG of 17%. ICB's total investment in FY12-13 comprises of BDT 38,711.03 MN in marketable securities, BDT 358.17 MN in capital investment to subsidiaries and other institution and BDT 5460.00 MN in Bangladesh fund.
 - ACRSL analysis suggests that ICB's majority investment was in the stock market, basically in marketable securities. In FY13 ICB's marketable securities investment contributes to 87% of total investment. In FY11 ICB's marketable securities investment remained at BDT 30,134.05 MN which increased to BDT 38,711.03 MN in FY13, representing a CAGR of 13% over the last three years.
- **Going Forward:** Over the next year, ACRSL has positive bias on ICB's investment growth as the capital market is showing positive trend after the crash in FY11.

3.2.3 Deposit

	FY11	FY12	FY13
Deposit (BDT MN)	22711.87	24558.62	34881.13

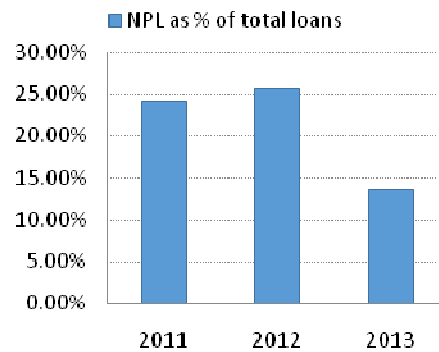


- **Historical Trend:** Over the period of FY11 to FY13 ICB's growth in Deposit has demonstrated an increasing trend. The deposit base of ICB has increased from BDT 22711.87 MN in FY10-11 to BDT 34881.13 MN in FY13 representing a CAGR of 24.0%.
 - ACRSL analysis suggests ICB's 24% deposit CAGR (Compounded Annual Growth Rate) over the last three years was driven by deposit by banks (18% CAGR), which comprises of 60% of total deposit base and deposit by corporate entities (CAGR 33%) which comprises of 39% of total deposit base in the same period. The remaining 1% deposit was contributed by lease deposits and deposits by general public

- **Going Forward:** Over next year the deposit growth is expected to sustain the higher growth trajectory as ICB has strong marketing drive to sweep individual and institutional depositors by offering attractive deposit products.

3.2.4 NPL to Total Loan

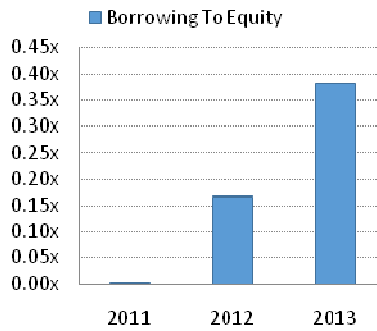
	FY11	FY12	FY13
NPL to Total Loan	24.15%	25.65%	13.52%



- **Historical Trend:** ICB's NPL to Total Loan demonstrates a fluctuating trend over the last three years. ICB's NPL to Total Loan remained at 24.15% in FY11, which increased to 25.65% in FY12 and decreased significantly to 13.52% in the subsequent period of FY13.
 - ACRSL analysis suggests that the non performing loan of ICB remained at BDT 3070.65 MN in FY11, which increased to BDT 3808.75 MN in FY12 and in the subsequent period of FY13 ICB's nonperforming loan decreased to BDT 2274.87 MN, representing a negative CAGR of 14%. Whereas, ICB's total loans and advance grew from BDT 12,715.21 MN in FY11 to BDT 16,827.21 MN in FY13, representing a CAGR of 17% over the same period. As ICB's loan and advance growth outperformed non performing loan growth, NPL to Total Loan follows a decreasing trend over the years.
- **Going Forward:** Over the next year, ACRSL has positive bias on the NPL to Total Loan ratio of ICB, driven by decreasing trend in nonperforming loan due to political and macro stability.

3.2.5 Borrowing to Equity

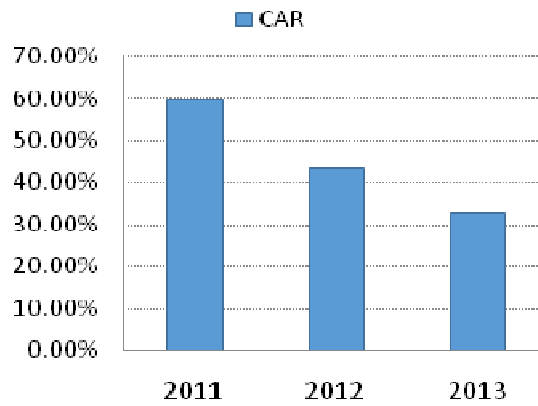
	FY11	FY12	FY13
Borrowing to Equity	0.003x	0.17x	0.38x



- **Historical Trend:** ICB's Borrowing to Equity ratio demonstrates an increasing trend over the last three years. ICB's Borrowing to Equity ratio remained at .003x in FY11, which increased to 0.17x in FY12 and 0.38x in the subsequent period of FY13.
 - ACRSL analysis suggests that the total borrowing of ICB remained at BDT 90.50 MN in FY11, which increased to BDT 4346.00 MN in FY12 and in the subsequent period of FY13 ICB's total borrowing increased to BDT 9824.54 MN, representing a CAGR of 894%. Whereas, ICB's capital base decreased from BDT 30,030.75 MN in FY11 to BDT 25638.86 MN in FY13, representing a negative CAGR of 8% over the same period. As ICB's borrowing growth outperformed the growth of equity base, Borrowing to Equity ratio follows an increasing trend over the years.
- **Going Forward:** Over the next year, ICB's borrowing to equity ratio expected to remain stable as the company's borrowing growth may decrease, because the company has adequate liquidity arising from strong deposit growth in recent years.

3.2.6 Capital Adequacy Ratio (CAR)

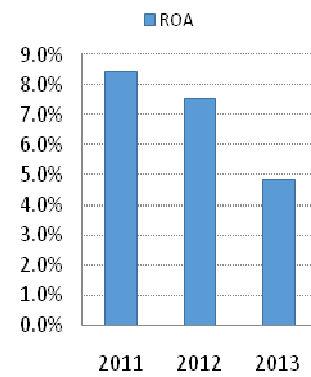
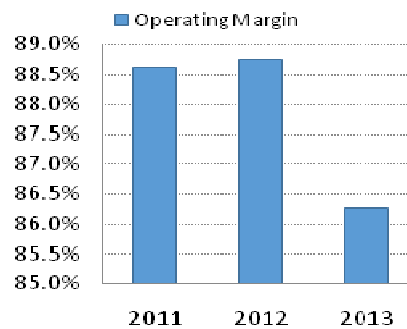
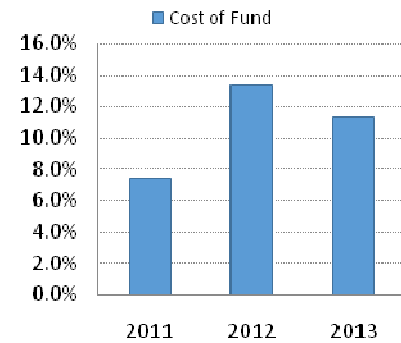
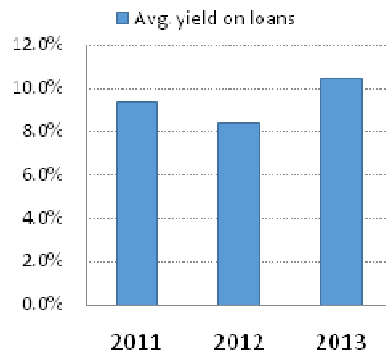
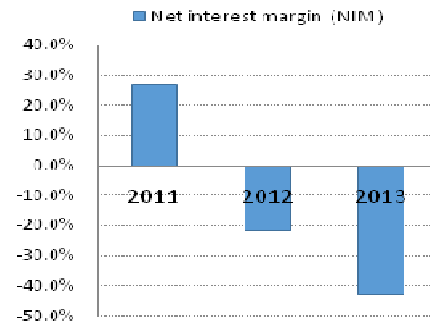
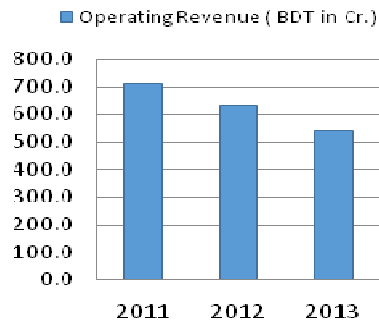
	FY11	FY12	FY13
Capital Adequacy Ratio	59.90%	43.45%	32.65%

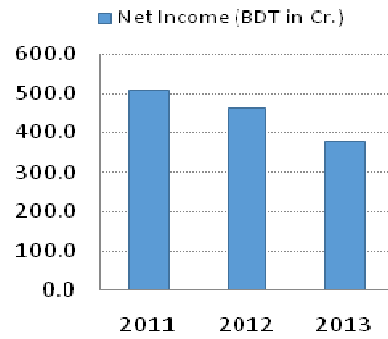
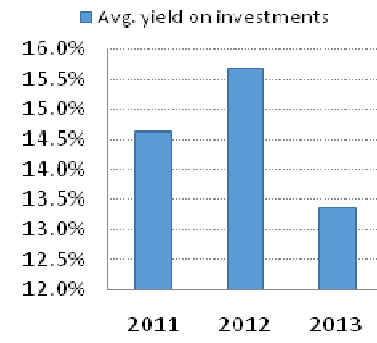
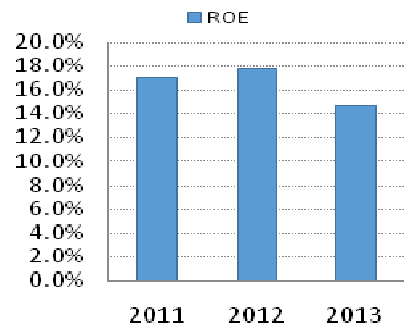


- **Historical Trend:** Over the last three years, ICB's CAR demonstrates a decreasing trend. ICB's CAR remained at 59.90% in FY11, which decreased to 43.45% in FY12 and 32.65% in the subsequent period of FY13.
 - ICB's paid up capital remained highest in the Industry; it has grown at a healthy CAGR of 30% from BDT 2500 MN in FY10-11 to BDT 4218.75 MN in FY12-13. As paid up capital is one of the main component of core capital, ICB's CAR remained high over the years. In FY13, ICB's CAR is 32.65%, much higher than regulatory requirement of 10% under the BASEL II Framework. ICB's CAR stood at 32.65% in FY12-13, in line with its eligible capital of BDT 19,786.53 MN, against its risk weighted asset of BDT 60,592.71MN.
- **Going Forward:** ACRSL has positive bias on the Capital Adequacy Ratio of ICB. ICB's capital base is expected to remain strong against risk weighted asset, driven by financial flexibility as substantial portion of its ownership is held by Bangladesh Government.

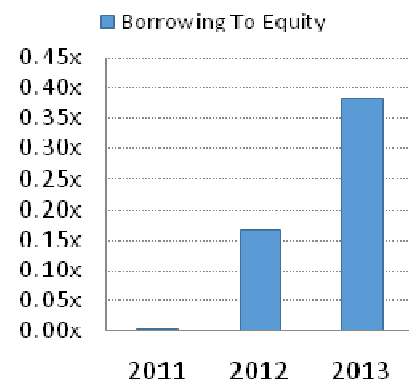
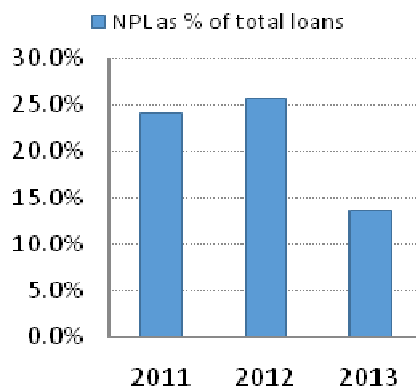
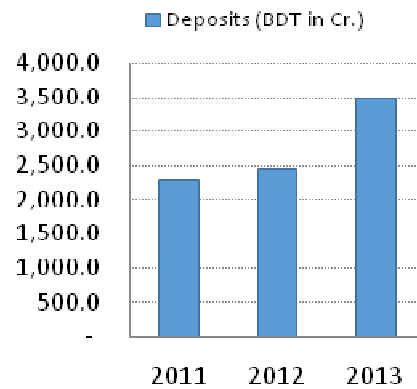
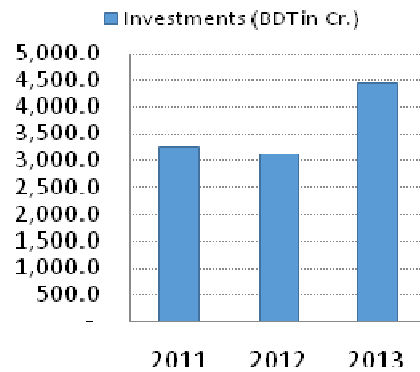
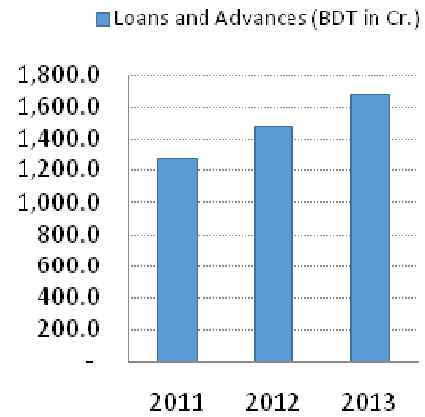
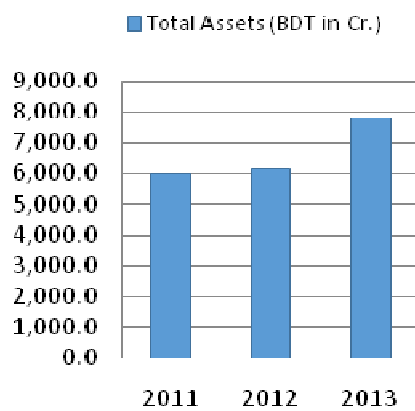
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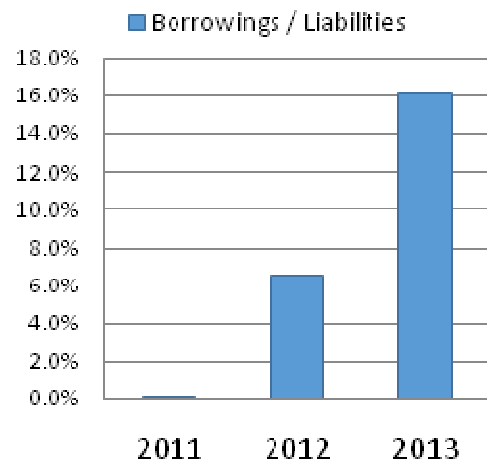
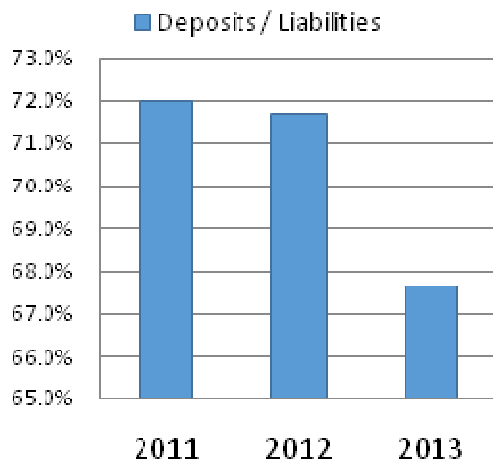
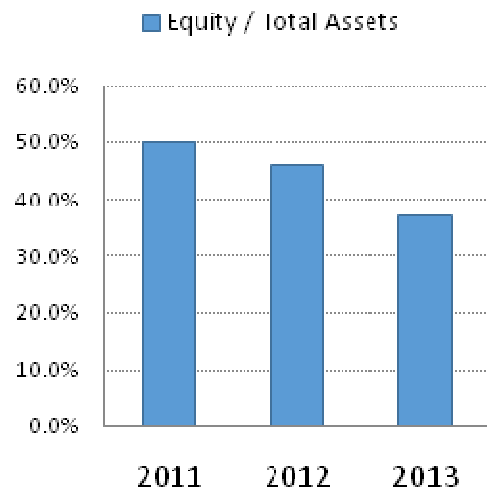
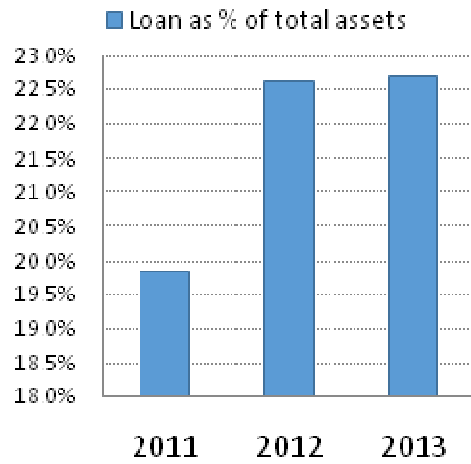
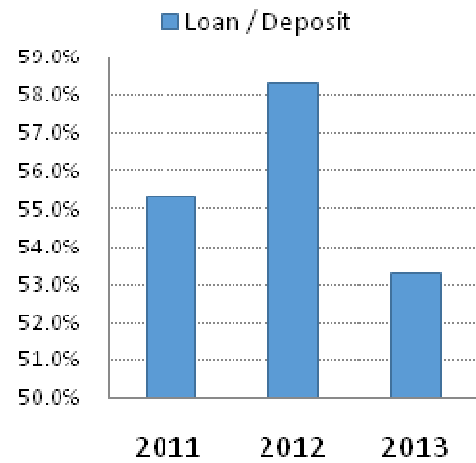
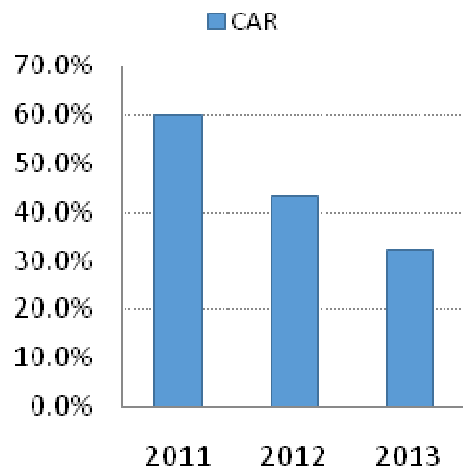
4.1 PROFITABILITY ANALYSIS





4.2 BALANCE SHEET ANALYSIS





Appendix A: Summary of Financial Metrics

Balance Sheet Metrics			
BDT MN	2011	2012	2013
Total Assets	60409.59	61542.50	77928.61
Total Operating Assets	60265.92	61387.90	77778.52
Investments	32493.17	31130.24	44529.20
Loans and Advances	12715.21	14849.63	16827.21
Total Liabilities	30378.84	35555.50	52289.75
Deposits	22711.87	24558.62	34881.13
Borrowings	31.50	4328.00	9824.50
Common Stockholders' Equity	30030.75	25987.00	25638.86
Paid-Up Capital	2500.00	3375.00	4218.75
Total Liabilities & Equity	60409.59	61542.50	77928.61

Income Statement Metrics			
BDT MN	2011	2012	2013
Total Interest Income	2524.44	3006.15	3083.29
Net Interest Income	677.54	-644.42	-1330.32
Non Interest Bearing Income	6438.67	6958.52	6727.85
Total Operating Revenue	7116.21	6314.10	5397.54
Operating Expense	781.02	676.92	692.45
Pre-Tax Income	6215.33	5430.03	4407.45
Net Income	5099.49	4625.86	3764.25

Source: ICB's Financial Statements FY11 to FY13

Appendix B: Summary of Analytics

<u>Indicators</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>
Growth Ratios			
Profitability Growth Ratios:			
Operating Revenue	26.23%	-11.27%	-14.52%
Operating Income before Depreciation& Provision	26.52%	-11.02%	-16.53%
Net Income	16.8%	-9.3%	-18.6%
Balance Sheet Growth Ratios:			
Total Asset Growth	14.23%	1.88%	26.63%
Total Liabilities	16.17%	17.04%	47.07%
Stock Holders Equity	12.33%	-13.47%	-1.34%
Profitability Ratios:			
Net interest margin (NIM) as % of earning assets	2.82%	-2.56%	-4.81%
Net interest margin / total assets	1.20%	-1.06%	-1.91%
Avg. yield on loans	9.42%	8.42%	10.50%
Avg. yield on investments	15.70%	13.49%	14.67%
Avg. cost of fund	13.39%	11.33%	11.18%
Cost / income	10.98%	10.72%	12.83%
Operating costs / total assets	1.38%	1.11%	0.99%
Pre-tax margin	87.34%	86.00%	81.66%
Net Income margin	71.66%	73.26%	69.74%
Operating Margin	88.63%	88.76%	86.27%
ROA	8.44%	7.52%	4.83%
ROE	16.98%	17.80%	14.68%
Cost of Fund	7.40%	13.39%	11.33%
Balance Sheet Ratios :			
Loan / Deposit	55.30%	58.31%	53.29%
Loan as % of total assets	19.86%	22.60%	22.71%
Earning assets as % of total assets	92.98%	93.40%	93.90%
Deposits / Liabilities	72.00%	71.69%	67.66%
Borrowings / Liabilities	0.12%	6.61%	16.11%
Equity / Total Assets	50.10%	45.93%	37.02%
NPL as % of total loans	24.15%	25.65%	13.52%
NPL as % of total assets	5.08%	6.19%	2.92%
Tier I Capital (%) of Total Capital	43.22%	60.42%	68.11%
Tier II Capital (%) of Total Capital	56.78%	39.58%	31.89%
Capital Adequacy Ratio (CAR)	60.13%	58.07%	42.31%

APPENDIX C: LONG TERM RATING DETAILS

ACRSL Corporate / Entity RATING (LONG TERM)

Rating	Definition
AAA Triple A (Highest Safety)	Investment grade. Highest credit quality with lowest expectation of credit risk. When assigned this rating indicates the obligor has exceptionally strong capacity to meet its financial obligations and it is highly unlikely that this capacity will be impacted adversely by foreseeable events.
AA+, AA, AA- Double A (High Safety)	Investment grade. Very high credit quality and minimal expectation of credit risk. When assigned this rating indicates the obligor has very strong capacity to meet its financial obligations and is unlikely to be impacted adversely by foreseeable events.
A+, A, A- Single A (Adequate Safety)	Investment grade. High credit quality and low expectation of credit risk. When assigned this rating indicates the obligor has strong capacity to meet its financial obligations but may be vulnerable to adverse economic conditions compared to obligors with higher credit ratings.
BBB+, BBB, BBB- Triple B (Moderate Safety)	Investment grade. Good credit quality and moderate expectation of credit risk. When assigned this rating indicates the obligor has adequate capacity to meet its financial obligations but this capacity remains more vulnerable to adverse economic conditions.
BB+, BB, BB- Double B (Inadequate Safety)	Speculative grade. Substantial credit risk. When assigned this rating indicates the obligor has business or other alternatives to meet current financial obligations but is substantially vulnerable to adverse economic conditions that may impair ability to meet such obligations in the future.
B+, B, B- Single B (Risky)	Highly Speculative grade. High credit risk. When assigned this rating indicates the obligor has business or other alternatives to currently meet its financial obligations but the degree of certainty regarding timely payment of financial obligations is doubtful unless circumstances improve and remain favorable.
CC+, CC, CC- Double C (Vulnerable)	Highly Vulnerable grade. Very High credit risk. When assigned this rating indicates the obligor is near to default and the degree of certainty regarding timely payment of financial obligations is doubtful unless circumstances improve. This rating may indicate that an insolvency petition has been filed or similar action has been taken, but payments on the obligation are being continued with high degree of external support.
C+, C, C- Single C (Near to Default)	Default Imminent. This category for an institution is considered to be either currently in default or expected to be in default with high probability. The obligor with this rating is unlikely to meet maturing financial obligations.
D Single D (Default)	In Default. This category for an institution is of the lowest credit quality. The rating indicates the obligor has already failed to meet its financial obligations and may have entered bankruptcy proceedings.

APPENDIX D: SHORT TERM RATING DETAILS

ACRSL Corporate / Entity RATING (SHORT TERM)

Rating	Definition
ST-1	Highest Grade Highest certainty of timely payment. Short-term liquidity including internal fund generation is very strong and access to alternative sources of funds is outstanding, Safety is almost like risk free Government short-term obligations.
ST-2	High Grade High certainty of timely payment. Liquidity factors are strong and supported by good fundamental protection factors. Risk factors are very small.
ST-3	Good Grade Good certainty of timely payment. Liquidity factors and company fundamentals are sound. Although ongoing funding needs may enlarge total financing requirements, access to capital markets is good. Risk factors are small.
ST-4	Satisfactory Grade Satisfactory liquidity and other protection factors qualify issues as to investment grade. Risk factors are larger and subject to more variation.
ST-5	Non-Investment Grade Speculative investment characteristics. Liquidity is not sufficient to insure against disruption in debt service. Operating factors and market access may be subject to a high degree of variation.
ST-6	Default Issuer failed to meet scheduled principal and/or interest payments.

Investment Corporation of Bangladesh

BDBL Bhaban (Level: 14-17th), 8 Rajuk Avenue, Dhaka-1000, Bangladesh.

Folio/BO Account No:

Name:

Address:

LETTER OF OFFER FOR RIGHTS ISSUE

Dear Shareholder (s)

We are pleased to inform you that the shareholders of the Corporation in the Extra Ordinary General Meeting (EGM) held on 13.12.2013 approved Rights Shares issue proposal of 21,093,750 Ordinary Shares of Tk. 100.00 each at an issue price Tk. 500.00 each including a premium of Tk. 400.00 per share totaling Tk. 10,546,875,000.00 offered on the basis of 1(R):2 (i.e. one rights shares for two existing shares held). The purpose of issuance of Rights Share is to raise further paid up capital for investment in primary and secondary market and to pay off Corporation's borrowings. For that reason, the management of the Corporation has decided to increase paid-up-capital to the extent of Tk. 6,328,125,000.00 from Tk. 4,218,750,000.00. As a registered Shareholder of ordinary shares as on 09/09/2014 the record date, you are entitled to exercise your rights share(s).

If you wish to accept the above Rights Share(s) in full or in part, you are required to submit completed Application Form-A annexed hereto with necessary payments.

You may, however, renounce your rights in respect of all or part of your entitlement in favor of others in which case the Renunciation **Form-B** and **Form-C** annexed hereto shall be submitted duly filled in by you and the renounee (s) along with necessary payments.

The rights cannot be exercised for fraction of a share i.e. below full unit of a share.

All the payments for accepted shares are to be made in cash or by P.O/DD/Cheque @ Tk. 500/- each including a premium of Tk.400.00 per share and to be deposited with any of the branches of Bankers to the Issue during Banking hours from 07/12/2014 to 30/12/2014 (both days inclusive). Any extension of time will be notified through national dailies. Payments through P.O/DD/Cheque payable to "**Investment Corporation of Bangladesh**" and must be drawn on a Bank in the same town where the Branch of Bankers to the Issue in which the application form has been submitted, is situated. It is to be noted that all transactions above Tk.1.00 (one) lac must be effected through Demand Draft/Crossed Cheque/Pay Orders.

The offer will be deemed to have been declined if completed Application Form-A and/or Renunciation Form-B and Form-C with necessary payments have not been received by 30/12/2014 or by such later date as may be notified through national dailies to that effect.

A self-explanatory Rights Share Offer Documents is attached for your kind information and evaluation.

sd/-

(Md. Fayekuzzaman)

Managing Director

BANKERS TO THE ISSUE OF RIGHTS SHARE

Investment Corporation of Bangladesh (ICB)	
NSC Tower, Purana Paltan, Dhaka Chittagong Branch, Chittagong Rajshahi Branch, Rajshahi Khulna Branch, Khulna	Barisal Branch, Barisal Sylhet Branch, Sylhet Bogra Branch, Bogra Local Office, Kashfia Plaza, Nayapaltan, Dhaka
Bangladesh Development Bank Limited (BDBL) (BDBL)	
Principal Branch, Dhaka Kawran Bazar Branch, Dhaka Motijheel Branch, Dhaka Elephant Road Branch, Dhaka Narayangonj Branch, Narayangonj Mymensingh Branch, Mymensingh Faridpur Branch, Faridpur Agrabad Branch, Chittagong Khatungonj Branch, Chittagong Sylhet Branch, Sylhet Comilla Branch, Comilla	Noyakhali Branch, Noyakhali Cox's Bazar Branch, Cox's Bazar Khulna Branch, Khulna Jenaidaha Branch, Jenaidaha Barisal Branch, Barisal Rajshahi Branch, Rajshahi Rangpur Branch, Rangpur Bogra Branch, Bogra Pabna Branch, Pabna Dinajpur Branch, Dinajpur
IFIC Bank Limited	
Federation Branch, Dhaka Mohakhali Branch, Dhaka Elephant Road Branch, Dhaka Kawran Bazar Branch, Dhaka Uttara Branch, Dhaka Pallabi Branch, Dhaka Narsingdi Branch, Narsingdi Narayanganj Branch, Narayangonj Faridpur Branch, Faridpur Dhanmondi Branch, Dhaka Banani Branch, Dhaka Shantinagar Branch, Dhaka Islampur Branch, Dhaka Naya Paltan Branch, Dhaka North Brook Hall Road Branch, Dhaka Mymensingh Branch, Mymensingh Stock Exchange Branch, Dhaka Pragati Sarani Branch, Dhaka Gabtoli Branch, Dhaka Dholaikhal Branch, Dhaka Madam Bibir Hat Branch, Chittagong Shah Amanat Market branch, Chittagong Brahmanbaria Branch, Brahmanbaria Feni Branch, Feni	Cox's Bazar Branch, Cox's Bazar CDA Avenue Branch, Chittagong Comilla Branch, Comilla Miah Bazar Branch, Comilla Choumuhani Branch, Noakhali Alanker More Branch, Chittagong Naju Miah Hat Branch, Chittagong Chawkbazar Branch, Chittagong Laldighi Branch, Chittagong Rajshahi Branch, Rajshahi Bogra Branch, Bogra Dinajpur Branch, Dinajpur Rangpur Branch, Rangpur Pabna Branch, Pabna Khulna Branch, Khulna Jessore Branch, Jessore Boro Bazar Branch, Khulna Kushtia Branch, Kushtia Bagerhat Branch, Bagerhat Barisal Branch, Barisal Sylhet Branch, Sylhet Uposhohor Branch, Sylhet Moulvi Bazar Branch, Moulvi Bazar Tultikar Branch, Sylhet
Standard Bank Limited	
Principal Branch, Dhaka Foreign Exchange Branch, Dhaka Topkhana Road Branch, Dhaka Imamgonj Branch, Dhaka Gulshan Branch, Gulshan-2, Dhaka Gulshan-1 Branch, Gulshan, Dhaka Mohakhali Branch, Dhaka Malibagh Branch, Dhaka Dhanmondi Branch, Dhaka Mirpur Branch, Dhaka Uttara Branch, Dhaka Panthapath Branch, Dhaka Banani Branch, Dhaka Prigati Sarani Branch, Dhaka Nawabpur Road Branch, Dhaka Mohammadpur Branch, Dhaka Green Road Branch, Dhaka Narayangonj Branch, Narayangonj Eskaton Branch, Dhaka Ekurai Branch, Dhaka Ring Road Branch, Shamoli, Dhaka Kanchpur Branch, Narayangonj Jubilee Road Branch, Chaittagong	Agrabad Branch, Chittagong Khatungonj Branch, Chittagong CDA Avenue Branch, Chittagong Sadarghat Branch, Chittagong Bahaddarhat Branch, Chittagong Comilla Branch, Comilla Chaktai Branch, Chittagong Sylhet Branch, Sylhet Pahartali Branch, Chittagong Chittagong EPZ Branch, Chittagong Beani Bazar Branch, Sylhet Oxygen More Branch, Chittagong Moulobi Bazar Branch, Sylhet Mymensingh Branch, Mymensingh Rajshahi Branch, Rajshahi Bogra Branch, Bogra Rangpur Branch, Rangpur Dinajpur Branch, Dinajpur Jessore Branch, Jessore Khulna Branch, Khulna Kustia Branch, Kustia Faridpur Branch, Faridpur Barisla Branch, Barisal

