ICB AMCL First Agrani Bank Mutual Fund

Asset Manager: ICB Asset Management Company Limited
Green City Edge (4th Floor), 89 Kakrail, Dhaka-1000.

In terms of the Rule 69 of the সিকিউরিটিজ ও এক্সচেঞ্জ কমিশন (িমউচ্য়াল ফাণ্ড) বিধিমালা 2001, the yearly audited accounts of the ICB AMCL First Agrani Bank Mutual Fund for the period ended 30 June 2018 are appended below:

Statement of Financial Position
as at June 30, 2018

Particulars	Notes	Amount in Taka June 30, 2018
Assets		
Marketable investment -at market	3.00	83,09,71,862
Cash & cash equivalents	4.00	16,77,10,924
Other current assets	5.00	1,18,97,367
Total Assets		**1,01,05,80,153**
Capital and Liabilities		
Unit capital	7.00	98,15,10,000
Reserves and surplus	8.00	69,95,458
Provision for Marketable investment	9.00	1,00,67,565
Current liabilities	10.00	1,20,07,130
Total Capital and Liabilities		**1,01,05,80,153**
Net Asset Value (NAV)		
At cost price		**10.97**
At market price		**10.17**

Statement of Profit or Loss and Other Comprehensive Income
For the period September 13, 2017 to June 30, 2018

Particulars	Notes	Amount in Taka September 13, 2017 to June 30, 2018
Income		
Profit on sale of investments		5,23,19,845
Dividend from investment in shares		1,95,75,752
Interest on Bank deposits and bonds	11.00	1,38,85,747
Total Income		**8,57,81,344**
Expenses		
Management fee		1,14,88,074
Trustee Fee		7,36,133
Custodian fee		4,58,556
Annual fee		9,93,693
Listing fee		19,81,510
Audit fee		28,750
Other expenses	12.00	6,89,323
Total Expenses		**1,63,76,039**
Profit before provision		**6,94,05,305**
Provision against marketable investment	9.00	1,00,67,565
Net Profit for the period		**5,93,37,740**
Earnings Per Unit		**0.60**

Statement of Changes in Equity
For the period September 13, 2017 to June 30, 2018

Particulars	Share Capital	Provision for Marketable investment	Reserve for Future Diminution of Overprice Securities	Retained Earnings	Total Equity
Balance as at September 13, 2017	**98,15,10,000**	**-**	**-**	**2,58,09,670**	**1,00,73,19,670**
Provision for Marketable investment	-	1,00,67,565	-	-	1,00,67,565
Reserve for Future Diminution of Overprice Securities	-	-	(7,81,51,952)	-	(7,81,51,952)
Net profit for the period	-	-	-	5,93,37,740	5,93,37,740
Balance as at June 30, 2018	**98,15,10,000**	**1,00,67,565**	**(7,81,51,952)**	**8,51,47,410**	**99,85,73,023**

Statement of Cash Flows
for the year ended 30 June 2018

Particulars	Amount in Taka September 13, 2017 to June 30, 2018
Cash flow from operating activities	
Dividend from investment in shares	2,02,66,709
Interest on bank deposits & Bonds	80,70,838
Expenses	(30,02,387)
Net cash inflow/(outflow) from operating activities	**2,53,35,160**
Cash flow from investment activities	
Purchase of shares-marketable investment	(66,80,18,629)
Sale of shares-marketable investment	33,86,12,591
Share application money deposited	(1,72,00,000)
Share application money refunded	1,50,00,000
Net cash in flow/(outflow) from investment activities	**(33,16,06,038)**
Cash flow from financing activities	
Unit capital increase	48,15,10,000
Preliminery expenses	(1,15,91,194)
Dividend paid	-
Net cash in flow/(outflow) from financing activities	**46,99,18,806**
Increase/(Decrease) in cash	**16,36,47,928**
Cash & cash equivalent at beginning of the period	40,62,996
Cash & cash equivalent at end of the period	**16,77,10,924**
Net Operating Cash Flow Per Unit (NOCFPU)	**0.26**

General Information:

Sponsor	Agrani Bank Ltd
Trustee	Investment Corporation of Bangladesh
Custodian	Investment Corporation of Bangladesh
Auditor	Ahmed Mashuque & Co.
Banker	Bangladesh Commerce Bank Ltd., Principal Branch, Dhaka

Other Financial Information:	**June 30, 2018**
Dividend (cash)	5.5%

The detailed annual report is available for inspection at the Head Office of ICB Asset Management Company Ltd. Interested Investors can collect a copy of annual report on payment of Tk. 20.00 only.

Sd/-	Sd/-	Sd/-
Asset Manager	**Trustee**	**Ahmed Mashuque & Co.**
ICB Asset Management Company Ltd.	**Investment Corporation of Bangladesh**	**Chartered Accountants**

ICB AMCL First Agrani Bank Mutual Fund

Notes to the financial statements

as at and for the period September 13, 2017 to June 30, 2018

1.00 Legal status and nature of business

The Trust Deed of the Fund was registered under the Trust Act,1882 and Registration Act,1908.The Fund was registered by the Bangladesh Securities and Exchange Commission (BSEC) under the wmwKDwiwUR I এক্সচেঞ্জ কমিশন (wgDPyqvj dvÛ) wewagvjv 2001.The Fund received consent for issunig Prospectus for public offer from BSEC on January 17, 2017.

ICB Asset Management Company Ltd (ICB AMCL) is the Manager of the Fund. ICB AMCL was created as part of the restructuring programme of ICB under Capital Market Development Programme (CMDP) initiated by the Government of the Peoples' Republic of Bangladesh and the Asian Development Bank (ADB). The Company was incorporated as a public limited company under the Companies Act, 1994 with the Registrar of Joint Stock Companies and Firms on December 05, 2000 with an authorized capital of Tk 100 crore and a nominal paid up capital of Tk 2 lac which was subsequently increased to Tk 39.37 crore. Registration of the company with the SEC has been completed on October 14, 2001. The Company became operational from July 01, 2002 as per government gazette notification.

ICB AMCL First Agrani Bank Mutual Fund is an close-end Mutual Fund. The objective of the Fund is to provide attractive dividend to the unit holders by investing the proceeds in the capital market and money market.

2.00 Significant Accounting Policies

2.01 Basis of preparation of accounts

These financial statements have been prepared under historical cost convention in accordance with generally accepted accounting principles as laid down in the International Accounting Standards (IASs)/International Financial Reporting Standards (IFRSs), applicable to the Fund so far adopted by the Institute of Chartered Accountants of Bangladesh as Bangladesh Accounting Standards (BASs)/Bangladesh Financial Reporting Standards except IAS 39(BAS 39)& IAS 32(BAS 32). The disclosures of information made in accordance with the requirements of Trust Deed, Securities and Exchange Rules 1987 and other applicable Rules and regulations.

2.02 Investment

(a) All purchases and sales of securities that require delivery within the time frame established by regulation or market convention are recognized at the trade date. Trade date is the date on which the Fund commits to purchase or sell the investments.

(b) Bonus entitlements, if any, are not accounted for as income rather included in the portfolio to reduce the average cost.

2.2.1 Valuation of investments

The market value of listed securities are valued at average closing quoted market price on the stock exchanges on the date of valuation ie, on June 30, 2018.

As per requirement of IAS 32 (BAS 32) the financial assets must be classified whether it is debt instrument or equity instrument and the subsequent measurement of financial assets will be based on this classification as per IAS 39 (BAS 39). Debt instruments would normally be measured at fair value through profit and loss, but could be measured at amortized cost if they have been shown to do so, provided the passing of "business model test" and "contractual cash flow characteristics test". Equity instruments would be measured at "fair value through profit and loss" or "fair value through comprehensive income", provided that the equity instrument cannot be held for trading and there must be an irrevocable choice for this designation up on initial recognition.

Considering the volatility of the stock markets in Bangladesh, the fund measures and recognize the investment in financial assets at cost. If the fund measures and recognize the financial assets at fair value through the recognition of fair value gain in the profit and loss account and distributes the 50% of this gain among unit holders (Rule 66 of সিকিউরিটিজ ও এক্সচেঞ্জ কমিশন (wgDPyqvj dvÛ) wewagvjv 2001), there would not be any option open to the fund to adjust the fair value losses in case of unlikely circumstances in the subsequent period.

2.03 Provision for marketable investment

The investments have been valued on aggregate portfolio basis and a provision is required to be made considering overall decrease in the value of the investments. To meet any future unforeseen diminution in the value of the investment portfolio over the cost, the management has established a policy of making a general provision out of its profit and has set up an accumulated general provision for Tk 68,00,000.

Provision against unrealized losses arising from investment in mutual fund units are maintained as per Bangladesh Securities and Exchange Commission directive no. SEC/CMRRCD/2009-193/172 as on 30 June 2015. Provision is calculated as, Required Provision (RP)= Average cost price (CP) - NAVcmp*85%.

2.04 Taxation

The income of the Fund is exempted from income tax as per SRO no. 333 Dated 27.10.2011.

2.07 Dividend policy

As per Rule 66 of the সিকিউরিটিজ ও এক্সচেঞ্জ কমিশন (wgDP¨qvj dvÛ) wewagvjv 2001, the Fund is required to distribute in the form of dividend to its unit holders an amount which shall not be less than 70% of annual profit during the year, net of provisions.

2.08 Management fee

ICB Asset Management Company Ltd, the management company of the Fund is to be paid an annual management fees on weekly average net asset value (NAV) as per Rule 65 of Securities and Exchange Commission (Mutual Fund) Bidhimala (Rules) 2001 and Trust Deed at the following rates:

NAV (Taka)	**Rate (%)**
Not exceeding Taka 5 crore	2.50%
Exceeding Taka 5 crore and up to Taka 25 crore	2.00% on additional amount
Exceeding Taka 25 crore and up to Taka 50 crore	1.50% on additional amount
Exceeding Taka 50 crore	1.00% on additional amount

2.09 Trustee fee

The Trustee is entitled to an annual Trustee Fee of @ 0.075% on NAV of the Fund during the life of the Fund.

2.10 Custodian fee

The Custodian is entitled to receive a safekeeping fee @ 0.075% of the balance of securities and assets held by the fund calculated on the basis of average month end value per annum.

2.11 Registration and other charges/annual fee to SEC

As per Rule 11 of the সিকিউরিটিজ ও এক্সচেঞ্জ কমিশন (wgDP¨qvj dvÛ) wewagvjv 2001, the Fund is required to pay an annual fee to SEC an amount equal to @ 0.10% of the value of the Fund or Tk 50,000 whichever is higher.

2.12 Revenue recognization

Gains/losses arising on sale of investment are included in the Revenue Account on the date at which the transaction takes place. Dividend and interest income are recognised on accrual basis.

	Amount in Taka
	June 30, 2018
3.00 Marketable investment at market	
Equity shares (Note 3.01)	83,09,71,862
	83,09,71,862

3.01 Sector wise break up of investments in shares is as follows:

Sector/category	No of shares	Total cost price (Tk)	Total market price (Tk)	Difference excess/(short)
BANKS	83,06,367	14,58,93,503	12,00,12,163	(2,58,81,340)
FUNDS	1,30,75,799	14,80,67,446	14,39,48,368	(41,19,078)
ENGINEERING	8,83,528	4,40,90,886	3,68,89,725	(72,01,160)
FOOD & ALLIED PRODUCTS	1,00,000	43,13,176	37,50,000	(5,63,176)
FUEL & POWER	14,36,472	13,30,88,288	12,49,70,299	(81,17,989)
TEXTILES	11,74,465	3,37,23,634	2,78,51,206	(58,72,428)
PHARMACEUTICALS & CHEMICAL	22,41,117	24,47,50,712	24,07,02,105	(40,48,607)
SERVICES	5,98,000	2,56,79,795	2,05,95,457	(50,84,338)
CEMENT	4,81,947	4,95,70,749	3,70,66,712	(1,25,04,038)
INSURANCE	3,41,095	97,53,814	84,62,827	(12,90,987)
TELECOMMUNICATION	50,000	1,56,33,623	1,94,10,000	37,76,377
FINANCE AND LEASING	13,74,571	3,94,48,757	3,24,63,638	(69,85,120)
CORPORATE BOND	15,545	1,51,09,430	1,48,49,361	(2,60,069)
	3,00,78,906	**90,91,23,813**	**83,09,71,862**	**(7,81,51,952)**

	Amount in Taka
4.00 Cash & cash equivalents	**June 30, 2018**
STD Accounts with	
BCBL, Principal Branch 002-0320000591	1,48,81,694
Brack Bank Ltd., Motijheel Branch (Escrow)	52,730
FDR with	
Investment Corporation of Bangladesh	15,27,76,500
Total	**16,77,10,924**
5.00 Other current assets	
Dividend receivable	23,76,151
Interest receivable on FDR	44,68,712
Interest receivable on listed Bond	13,46,197
Advance payment of annual fee	10,06,307
IPO application	22,00,000
Securities and other deposit	5,00,000
	1,18,97,367
6.00 Deferred revenue expenditure (Preliminary and Issue Expenses)	
Printing and stationery	4,14,000.00
Entertainment	5,44,500.00
Postage and telegram	14,143.00
Legal, Registration fee and listing fee	59,00,000.00
Bank charges	895.00
Advertisement	7,42,104.00
Issue expenses	5,75,000.00
CDBL Fee	2,12,346.00
Formation fee	98,15,100.00
	1,82,18,088.00
Less: Profit on convertion of FC	1,341.00
	1,82,16,747.00
Less: profit on bank deposits	1,82,16,747.00
Balance as on 30 June	**-**
7.00 Unit capital	
9,81,51,000 number of units of Tk 10 each in circulation.	**98,15,10,000**

		Amount in Taka June 30, 2018
8.00	**Reserve and surplus**	
	Retained earnings (Note 8.01)	8,51,47,410
	Reserve for Future Diminution of Overpriced Securities (Note 8.02)	(7,81,51,952)
		69,95,458
8.01	**Retained earning**	
	Pre-formation profit	2,58,09,670
	Add: Addition during the period	5,93,37,740
	Balance as on 30 June	**8,51,47,410**
8.02	**Reserve for Future Diminution of Overpriced Securities**	
	Opening balance	-
	Add/Less: Adjustment during the period	(7,81,51,952)
	Balance as on 30 June	**(7,81,51,952)**
9.00	**Provision for Marketable Investments**	
	Opening balance	-
	Add: Provision for Marketable Investments	1,00,67,565
	Provision for investment in Mutual Fund	32,67,565
	Provision for other investment	68,00,000
	Total provisions (Note 2.3)	**1,00,67,565**
10.00	**Current liabilities**	
	Management fee payable to ICB AMCL	1,14,88,074
	Custodian fee payable to ICB	4,58,556
	Earnest money payable	23,750
	Audit fee payable	28,750
	Others liabilities payable	8,000
	Total current liabilities	**1,20,07,130**

		Amount in Taka September 13, 2017 to June 30, 2018
11.00	**Interest on Bank deposits**	
	Interest on Short Term Deposit	52,58,338
	Interest income on Fixed Deposit	72,81,212
	Interest on Listed Bond	13,46,197
		1,38,85,747
12.0	**Other operating expenses**	
	Bank charges and excise duty	88,071
	CDBL Transection charges	2,88,942
	CDBL Fee & Connection charge	1,06,000
	Advertisement & publicity	1,29,690
	IPO application expenses	43,000
	Others	33,620
		6,89,323