

Internship Report on Departments and subsidiaries branches of ICB



ICB-Investment Corporation of Bangladesh



Inspiring Excellence

Course ID: BUS401

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Rahma Akter

Lecturer,

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Subject: Submission of Internship Report.

Dear Madam,

It is a matter of great pleasure for me to submit here with the internship report on “Department and subsidiaries branches of ICB”. This report will help me to fulfill my internship program course Bachelor of Business Administration. I am certain that the knowledge and experience acquired while conducting the study will help me in many ways in future.

I have tried my best to present my ideas and learning’s on my report as clearly as possible. I hope you will find a clear notion about the various departments and subsidiaries branches of ICB.

I would like to mention that there may be some unintentional mistakes on my report. I hope that you will clarify me about that and consider my errors while evaluating my report.

Sincerely Yours

Jayadul Islam Anik

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Acknowledgement

I express my sincere heartiest gratitude to the almighty Allah who created me. I also deeply thank him for creating an opportunity for me to successfully complete my internship with a well organized company.

I express my sincere heartiest gratitude to all the Department of ICB Head Office, who helped directly and indirectly in different capacities to conduct and complete the report. I may be mentioned here that without their co-operation it would perhaps, have not been possible for me to complete the report.

I would like to express my deep respect to my honorable teacher, who is my supervisor Rehma Akter (Lecturer, BBS, BRAC University) to guide me through this internship program with her valuable time.

In preparing the report, I received active-co operations from the AGM, Senior Principal Officers, senior officers, and Staffs of ICB. I sincerely express my heart- felt gratitude from their co-operation, which helped me to conduct and complete this report.

Finally I am pleased and grateful to say that I got the opportunity to work with this major organization of our country.

Executive Summary

Investment Corporation of Bangladesh (ICB) is a statutory corporation. It is mainly an investment bank. An investment bank is a financial institution, which by selling securities and deployed funds to the detail economic unit's also buying underwriting securities. The establishment of ICB along with re-opening of DSE in the same year were two of the far-reaching measures taken by the government to, on the one hand, accelerate the pace of industrialization and on other hand, develop and well organized and active capital market, primarily security market. ICB has hold now three subsidiary companies as on July 1, 2002. ICB has adopted this new line of business policy for providing better management, better and quick customer services, in sum from specialization.

The objective of the study is to gather knowledge that how ICB floats and manage the open ended mutual fund. The business of the open ended mutual fund is to mobilize savings from investors by way selling certificates and investing the funds in securities from the primary and secondary markets so as to ensure maximum return for certificate holders. It is invested in securities and money market securities as a single account.

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Chapter- One

Introduction

1.1 Objective of the Study:

The Objectives of the report are:

- a.** To fulfill the requirement of B.B.A program and also earn a real life experience about
- b.** To analyze the performance of ICB, it's Image and its role in the capital market of Bangladesh.
- c.** To relate our theoretical learning with the practical situation.
- d.** To review the practical aspect of the Investment Corporation of Bangladesh.
- e.** To get aware about the working environment in advance that will help in adjusting a student with the future working life.
- f.** To gather knowledge about the different departments of ICB

1.2 Methodology of the study:

Methodology can be termed as underlying principles and rules of origination that work at the background of the study. It clarifies the problem involving the research in an ordered and systematic way. For this study data and other information can be collected by following ways:

1.2.1 Sources and Methods of collecting Primary data:

During internship period we visited different departments of ICB and took part briefing session. The head of departments gave briefs the Trainees which were every much useful for us and we gathered some valuable information from their briefing.

By observation process primary data can be gathered. This process is very costly, time consuming. Through this process limited but accurate data can be collected.

1.2.2 Sources and Methods of collecting Secondary data:

The Secondary data had been collected with several relevant articles of the ICB. These are given bellow:

- Annual Report of ICB
- Annual Report of ICB unit fund
- Journal and books
- ICB ordinance
- Daily newspapers
- The reports prepared by the previous students who completed their internship in ICB.

1.3 Limitations of the study:

Although the internal environment of ICB as very much better and the employees were much co-operative, like all other field, there were some limitations, which I had to fact at the time of my internship and at the time preparing the report.

They are as follows:

- 63 days duration is a very limited time to know ICB activities in details.
- Official's secrecy of ICB was also a problem to me.
- Relevant papers and documents were not available sufficiently.

Chapter 2

2.1 Overview of ICB

Investment Corporation of Bangladesh (ICB) is a statutory corporation. It is mainly an investment bank. As an investment bank is a financial institution, which mobilizes fund from the surplus economic units through various mutual funds and sale of securities and develops funds for the deficit economic units through purchase and/or underwriting of securities..

The 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 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 caters to the need of institutional support to meet the equity gap of the industrial enterprises. In view of the national policy of accelerating the rate of savings and investment to foster self-reliant economy, ICB assumes an indispensable and pivotal role. Though the enactment of the Investment Corporation of Bangladesh (Amendment) Act, 2000 (No. of XXIV of 2000), reforms in operational, strategic and business polices have taken place by establishing and operating subsidiary companies under ICB.

2.2 Objectives of the ICB

The main objectives of ICB are as follows:

- a. To encourage and broaden the base of investment.
- b. To develop the capital market.
- c. To mobilize savings.
- d. To promote and establish subsidiaries for business development.

2.3 BASIC FUNCTIONS OF ICB

- Direct purchase of shares and debentures including Pre-IPO placement and equity participation.
- Providing lease finance to industrial machinery and other equipments singly or by forming syndicate.
- Underwriting of initial public offering of shares and debentures.
- Underwriting of right issue of shares.
- Managing investors' Accounts.
- Managing Open End and Closed End Mutual Funds.
- Operating on the Stock Exchanges.
- Providing investment counsel to issuers and investors.
- Providing Consumer Credit.
- Providing Bank Guarantee.
- to act as Trusty and Custodian.
- dealing in other matters related to capital market operations.

2.4 Product and Services of ICB

Underwriting:

In order to raise term debt and equity from the primary market, the govt. bodies, enterprises, corporation or companies may seek intermediary assistance from ICB in the form of underwriting.

Private placement:

ICB is authorized to act as an agent of the issuers and investors for private placement of securities. Under this arrangement, ICB places securities to individuals on behalf of the issuers for which it charges fees.

Manager and banker to the issues:

To act as the manager to the public issue of shares and debentures ICB provides professional services in respect to syndicate underwriting and bankers to the issue.

Mergers and acquisitions:

Companies willing to expand their business through mergers and acquisitions or to divest projects that no longer fit into the present scale of operation may contact of ICB. ICB provides professional services and advices.

Custodian and banker to the issues:

To act as the custodian to the public issue of open end & close end mutual funds, ICB provides professional services. It also acts as the banker to the issuer and provides similar services through the network of its branches. Fees in this regard are negotiable.

Bank Guarantee Scheme

ICB introduced Bank Guarantee scheme in 2002-03. ICB provided

- (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; and
- (iii) Customs Guarantee for solving different disagreements between the customs authority and the business classes at the initial stage. The maximum limit of guarantee is Tk. 2.0 crore and would be issued against at least 20 percent cash and 80 percent easily cashable securities or against 100 percent cash margin. Re-guarantee from other financial institution is required for guarantee against the amount exceeding Tk. 2.0 crore.

Consumer Credit Scheme

As part of business diversification program ICB has introduced “Consumer Credit Scheme” in 2003-04 looking at the need of various household commodities of different professionals of government, semi-government, autonomous bodies and some established private sector organizations. Under this scheme one can enjoy minimum of Tk. 1.0 lakh but maximum of Tk. 5.0 lakh credit facilities. The rate of interest on the loans reasonable and competitive

Lease Financing

ICB provides lease finance mainly for machinery, equipment and transport. ICB is in a position to provide professional advice and financial assistance to the intending clients. The period of lease, rental, and charge and other terms and conditions are determined on the basis of type of assets and the extent of assistance required by the applicants. Good responses have been received from the intending lessees since inception of this scheme in 1999.

ICB Unit Fund

It is an open-ended Mutual Fund 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. 25.0 per unit. Investment in units enjoys tax benefits, amount being applicable as per law. However, under the ICB's restructuring program new unit certificates are being sold by ICB's subsidiary company, the ICB Asset Management Company Ltd.

Chapter 3- Organizational Structure of ICB

3.1 Division & Department of ICB:

The entire organization of ICB is functionally divided into two broad groups. One is Operations Wing and the other is Administration Wing. The Operation wing are involve with the activities relating to Project Financing Research, computer, Launching of Unit Funds and Mutual Fund, Maintenance of investors Accounts, Shares, Transaction etc. The Functions of administration Wing are involved with the activities relating to Administration, Accounts. Implementation and monitoring of projects, recovery, public issue and Legal matters the function of the two wings are looking after by two General Managers who are responsible to the Managing Director. All branches are looked after by General Manager Administration Division. Each Wing is functionally sub-divided into divisions which are headed by Deputy General Manager besides the above two major wings there are also two divisions which are direct under supervision of Managing Director i.e. Audit and Methods Division and Secretary's Division .The description of the Divisions and Department are given below.

3.1.1 Direct Supervision under Managing Director:

1) Secretary's Division

- a) Secretary's Department
- b) Public Relations Department

2) Audit and Methods Division

- a) Head Office Control Department

3.1.2 Division Wings under Supervision of General Manager (operation):

1) Loan Appraisal Division:

- a) Loan Appraisal Department

b) EBR Department

2) Fund Division:

a) Unit Sales Department

b) Unit Registration and Procurement Department

c) Mutual Fund Department

3) Merchandising Division

a) Investors Department

b) Shares Department

c) Transaction Department

4) Computer Division

a) System Analysis Department

b) Programming Department

c) Data Management Department

3.1.3 Wings under Supervision of General Manager

(Administration):

1) Administration Division

a) Personal Department

b) Establishment Department

2) Accounts and Finance Division

a) General Accounts Department

b) Project Loan Accounts Department

c) Legal Affairs Division

d) Law Department

e) Public Issue Department

f) Implementation and Recovery Division

g) Implementation Department

h) Recovery and Follow up Department

4) Branches:

- a) Chittagong Branch
- b) Rajshahi Branch
- c) Khulna Branch
- d) Barisal Branch
- e) Sylhet Branch
- t) Bogura Branch
- g) Local office Dhaka

3.2 Management of ICB

The Head office of the corporation as per the requirement of the ordinance of ICB is Located at Dhaka. The general direction and superintendence of the corporation created in a board of directors, which consists of persons including the chairman and managing director of ICB The board of directors consists of the following directors:

- a) The Chairman to be appointed by the government.
- b) The directors to be appointed by the government from among persons serving under the government.
- c) One director to be nominated by the Bangladesh Bank
- d) The managing directors, Bangladesh Shilpa Bank, Ex-office.
- e) The managing directors, Bangladesh Shilpa Rin Sangstha, Ex-office.
- f) Our other directors to be elected by the shareholders other than the Government, BB, BSB and BSRS.
- g) The managing director of ICB to be appointed by the government.

Chapter: 4

Functions of the various departments of ICB

4.1 Personnel Department:

This department deals with the human resources of the organization. The main function of this department can be described as follows:

1. To make necessary rules, regulations and policies for efficient administration of the Corporation.
2. To handle personnel matters including confirmation, posting, transfer, fixation, leaves, training etc.
3. Process all promotion, time-scale encashment, etc.
4. Process registration, retirement cases.
5. Deal with retirement benefits including gratuity, pension, provident Fund etc.
6. Control attendance
7. Handle national pay scale, fixation, increment, etc.
8. Prepare long-term and short-term plans for executive development in the corporation.
9. Arrange seminars/symposium/workshops where experts in the line may be invited to deliver lecture.
10. Deal with all matters relating to ICB employees Union and officers Association.
11. Develop appropriate machinery for handling and arrive at a solution.
12. Any other assignment given by the management.

4.2 Establishment Department:

This department deals with purchase and sales of the office supplies, office equipment etc. They also maintain the utility service like telephone bill, electricity bill etc. This department divides cost into two categories: revenue cost and fixed cost. For fixed cost, depreciation is charged according to straight-line basis.

There are two-purchase committees to accomplish the purchase.. Also there is a quality control department committee to examine the quality of the purchased product. For purchasing of the products this department gives tender offer to the listed suppliers. In case of selling of the scraps and wastage products, the tender procedure is also allowed.

4.3 Secretary's Department:

The main function of this department is as follows:

- Arranges meeting of Board of Directors, Annual General Meeting, Executive Committee and other committees,
- Places working papers to the board of Directors.
- Maintains attendance registrar of Directors.
- Obtains signature of the Chairman on the minute's book.
- Collects and sends any action need to approve or implement.
- Maintains register of the shareholders.
- Sends minute of the meeting to the Board and government of Bangladesh.
- Makes payments of dividend to the shareholders.
- Arranges transfer splitting of shares and issuance of the duplicate certificate.

4.4 Investor's Department:

Investor's scheme got started on 13th June, 1997 to help small savers to invest and increase income. Investors department performs all related functions with investors account and at present maintaining more than 45000 accounts. The functions of this department are as follows:

- Open investors' accounts for individual investor,
- Receive buy and sale order from customers and get executed them on brokerage commission @ .05%.
- Provide account holder loan margin at 1:2 ratio subject to ceiling of Tk. 0.02million at a rate of interest 15.5 %(variable).

- Communicate with the companies about matters related to allotment letter, refund warrant, share certificate, right share, divided interest, bonus share and converted shares.
- Perform securities/ fund withdrawal formalities.
- Perform accounts closure formalities.
- Communicate with account holder to collect used up excess of margin/interest.
- Provide customer statement like sale /purchase confirmation sale or purchase cancellation.
- Adjust accounts monthly.

4.5 Shares Department:

We know the Ministerial Committee has approved the Central Depository System (CDS)'s policy. Basically CDS performs functions of recording registration and preservation as well as record keeping of physical holding. To avoid complexity the functions of this department are distributed among five sections/cells. The areas are as follows:

- Investor's portfolio section.
- Funds portfolio section.
- Collection section sale and withdrawal section
- Reconciliation cell.

4.6 Transaction Department (TD):

Transaction Department executes the sale and purchase order of the following different portfolios; ICB Unit Fund, Mutual Fund and Government portfolio and the order from investors of investment department and the order from ICB branches. For the portfolios' order the securities purchase and sale committee take decision every morning what share be bought and what should be sold for that day.

4.7 Mutual Fund Department:

ICB has played a pioneering role in the field of closed-ended Mutual Funds in Bangladesh. The first ICB Mutual Fund was floated on 25 April 1983. Since then ICB has, over the years, floated a series of closed-ended Mutual Funds. Mutual Fund department has to perform the following activities mainly:

- Renunciation and issue of certificate.
- Maintain the register of the certificate holders.
- Transfer certificate if applied for after verifying transferee signature.
- Register the name of the transferee after getting approval from competent authority.
- Prepare dividend list and issue and mail dividend warrant as decided by the board.
- Reissue certificate after confirming loss and mark transfer restriction of the lost certificate, if applied for and also inform DSE & CSE on revision of the following document submitted by the loser.
- Reissue of lost warrant / revalue warrant (if required)

4.8 Unit Sales Department:

Unit is an open end Mutual Fund. Issue is not time limit. It is not listed with DSE, so no sale in secondary market.

- ICB is the management authority of the fund. As an agent of ICB listed bank branches can sale and repurchase Unit. Normally sold unit is surrendered (if required) to the same sellers.
- Available denomination 1,5, 10,100,500,250, 1000,5000 units.
- Direct dividend or cumulative investment plan (CIP) facility.
- Investment limit under individual registration is 10,000 units.

- Approved security.

4.9 Unit Registration and Procurement Department:

This department maintains the ledger of accounts under registration number of the unit holder. Particularly it is unit's account maintain and dividend paying sector. It performs the following activities:

- Register the fresh buyer with requisite information available from unit a form.
- Record the transfer and transmitted units related information form -B & ICB Unit -C filled by the applicant.
- Do posting of sales, surrender (ICB Unit -D) dividend warrant issue, certificate issue under ICP, balance ledger wise, check and reconcile.
- In case of undelivered *Illost* Imutilated dividends warrant after completing necessary formalities.
- Manage undelivered *I* returned dividend warrant.
- Collect certificate of different denomination and other stationary.
- Supply the Unit certificates (blank), stationery to issuing offices and reconcile the blank unit certificate.

4.10 Central Accounts Department:

All kinds of receipts and payments of the ICB are done by the central accounts departments. It is the ICB's banking wing and works as the clearinghouse of the portfolios. The functions of this department are as follows: o to prepare the annual accounts of the ICB as a whole or different parts or product.

- o To get those annual accounts audited and approved.
- o To manage the liquids fund of the Corporation.
- o To keep interest bearing accounts of funds.
- o To keep accounts of the staff advance and recovery of them.
- o To open and manage bank account of the corporation.
- o To make payments according to the desire of the other departments as pears the competent authority.

4.11 Projects Loan Accounts Department:

The function of this department is to maintain projects loan accounts and supply the management up-to-date relevant information of the projects. In addition to this the department is to

- Issue check to the project after getting disbursement order from the project implement department and any recoverable amount in the disbursement period.
- Calculate interest on the disburse amount (half yearly compounded cyclic interest rate using days average)
- Maintain loan ledger, interest suspense ledger etc.
- Maintain accounts of funds already disbursed by the ICB in favor of co- under write or other consortium member.

4.12 Computer Department:

ICB approximately in the range of total computerization. It has automated trading through Wide Area Network with DSE from 10 August 98 and using two work stations and using TESA software for the purposes. It has installed Local Area Network with a heavy-duty server in the back. Under computerization ICB is going for developing and install following programs:

- Merchandising operational management.
- Unit Sale and repurchase information management.

- Mutual funds scripts and ownership management.
- Project information management.
- Software for personal management and corporate accounting.
- Software for IPO management.
- Software for financial feasibility analysis of project.
- Software for meeting minute, storage and retrieval.
- Software for low suit tracking.

4.13 Economics & Business Research Department:

This department is the centre of nerve system of ICB. In simple term EBR is the brain of ICB and basically a decision making department. The function of the EBR is to gather and summaries information to find out opportunity for the organization and to help the EBR committee to take the decision in the necessary way. This committee holds daily meeting & special meeting to take decision about:

- Sale and purchase of holding of ten (portfolio)
- Consider market trend and related company's position to take necessary steps to diversify portfolio risk.
- On the basis of approved overall dept (supplied by Account Dept.) fix budget for branches and departments, analyze their [performance and finalize consolidated EBR report to the management.
- Finalize Annul Reports of ICB and Fund Subject to the approval of the Board

4.14 Recovery and Follow up department:

This is the collection department of the ICB. RFD is the key operation department as it ensures the recycling of funds provided as credit. Functions performed by this department are as follows:

(I) recover the participial and interest due on the sanctioned project.

(ii) Provide management counseling; follow up project help in import processing and product marketing.

(iii) Visits projects, examine the problem and provide solution.

(i) Analyze balance sheet, sectoral review and individual project review.

(v) Help to approval/enlistment with DSE, CSE.

(vi) Provide counseling to get for public issues.

(vii) Communicate with first charge (BSB, BSRS) for implementation and recovery. (viii)

Communicate with consortium member for reimbursement, by back, information exchange.

Arrangement of loan (especially for debenture loan)

4.15 Public Issue Department:

Indirectly it is the market-making department, which vitalizes the supply of securities to the market. This department includes the following services.

- Advise; pursue sponsors for going for public issue.
- Visit the projects and collect the financial statements from the sponsors.
- Analyze the financial statements of ongoing projects and help in IPQ pricing.
- Assist sponsors to prepare prospectus and to get approval from SEC for issuing allotment letters and refund warrants.
- Make necessary adjustments of bridge loan of the concerned company.
- Take decision to become underwriter of the public issue.
- Maintain liaison with the recovery and follow up department regarding realization dues/over dues.

4.16 Public Relations Department:

This department maintains close relations with various newspapers, periodicals and mass communication organizations or departments like radio, television etc. This department also acts as the mouthpiece of the ICB. Issuing press releases, advertisements and other related this department accomplishes activities concerning publicity and mass communication. The activities of this department also help in creating favorable impression of the organization in the mind of general public.

4.17 Law Department:

This is a special department which duty is to deal in the legal affairs of ICB. This department is empowered to

- Advise the all-legal matters of the ICB.
- Prepare the legal documents, advances agreement, shares agreement, Memorandum and Deposit of the Title Deed, Demand Promissory note etc
- Execute underwriting cum-advance agreement, underwriting agreement and supplementary documents.
- Process litigation case, prepares legal notices, and refers cases to legal adviser in the court
- Prepare proposed Memos for placement in the Board meeting, relating to litigation and legal affairs.

Chapter: 5

Subsidiary Affairs Department:

5.1 ICB Capital Management Limited (ICML):

ICB Capital Management Limited started its journey as a subsidiary company of ICB on July 1, 2002. the authorized and paid-up capital of ICML as on 30 June 2010 stood at Tk. 100.0 crore and Tk. 58.5 crore respectively.

ICML has been playing an important role in the development of capital market by carrying out the functions of underwriting public issue of securities, portfolio management, issue management and management of investment accounts with the objectives to help mobilize savings and encourage and broaden the base of investment. The Company has emerged as one of the fastest growing merchant bank in the country.

Up to 30 June 2010, the amount of deposits received and net investments made against 27975 investor's operated by the Company stood at Tk. 788.80 crore and Tk. 6382.98 crore respectively. The company underwrote the issues of shares and debentures of Tk. 396.11 crore of 82 companies and assumed the responsibilities of issue manager to 54 companies involving Tk, 3079.53 crore.

Business Policy

- 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.

Objectives

- To encourage and broaden the base of investments.
- To develop the capital market.
- To mobilize savings.
- To promote and establish subsidiary companies for business expansion and
- To provide for matters ancillary thereto

Basic Functions

- 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

5.2 ICB Asset Management Company Ltd. (ICBAMCL):

ICB Asset Management Company Ltd. 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 started its functions for management of mutual funds from July 1, 2001. 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, 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 activities of this company have bolstered the mutual fund industry. The company has already gained widespread reputation as one of the best asset management companies in the country. Up to 30 June 2010, the company floated 10 closed-end mutual funds and 2 open-end mutual funds of which 5 closed-end mutual funds was floated at the end of 2009-10. The company has planned to float various regular and special types of mutual funds including IFIL Islamic Mutual Fund-1, ICB AMCL Growth Mutual Fund One, ICB Employees Superannuation Mutual Fund One:

Scheme One, ICB Bank First Mutual Fund, First Agrani Bank Mutual Fund, Sonali Bank Mutual Fund, Janata Bank Employees Provident Mutual Fund: Scheme One etc. recently.

Vision

To play an encouraging and effective role in developing Mutual Fund industry as the most popular tool of investment in the country.

Mission

To become a dominant and strategic market leader by offering customer oriented innovative products, provide best client service and attain sustainable growth level by adopting modern technique of portfolio management through maintaining transparent, ethical and professional conduct and standard.

Values

Quality with integrity and transparency

Ownership

ICB is the 100% owner of the ICB Asset Management Company Ltd.

Business

The company is engaged in investment management; more specifically floating and managing both open end and closed end mutual funds, provident funds etc. The company is dedicated towards development of mutual fund industry as well as the capital market of Bangladesh.

5.3 ICB Securities Trading Company Ltd. (ISTCL)

During the year, the company has expanded its activities significantly to become one of the most active brokers of both DSE and CSE as in the previous years. 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 CDBL.

The company has been undertaking trading activities of securities for general investors alongside the institutional investors. With a view to tempting more investors in the securities market, ISTCL has adopted an upgraded trading system namely Wide Area Networking(WAN) Connectivity through which it installed Radio Link/ VSAT/Dial-up connection in its geographically dispersed branch offices and performing direct trading.

Vision

To keep up the position as one of the leading and most reliable broker with the bourses.

Mission

1. Quality Service
2. Experience & Expertise
3. Nurturing Relationship
4. Promoting Advancement

Chapter: 6

SWOT Analysis

6.1 Strength:

- ICB Unit Fund more popular for investors, because every year authority declared handsome dividend for unit holders.
- Higher job satisfaction exists among the employer and employee.
- Not engaged in unfair business practice. As a result investors are investing money in the ICB Unit more safely
- Good co-operation among the officers and executives in the ICB Unit Fund Department.
- Risk less investment because ICB Unit Fund authority every year declared handsome dividend.
- ICB Unit Fund investment processes comparatively easy another institution Chittagong Stock Exchange.
- Loan facilities are available.
- Good consumer relationship.
- Cumulative Investment Plan (CIP) attractive for every category investors.

6.2 Weakness

ICB Unit Fund has some weakness which weaknesses are not favorable for investors.

Weaknesses are as follows:

- Loan facilities are not sufficient for investors.
- Most of officers are not business graduate and not highly qualified.

- There is information gap between head office Unit Fund Department and Chittagong Branch office.
- Absence of sufficient computer facilities.
- Reluctant to Advertisement campaign.

6.3 Opportunity

- As the corporate tax is reduced more investor will come to set up new ventures.
- Loan facilities can be increased.
- ICB can be more reliable towards the public investors.
- Capital market can be developed via government.

6.4 Threats

- Market competition are increasing day by day as many private company are now in the market
- Practicing of corruption in the stock market
- There are many people who have less knowledge about stock market.

Chapter: 7

Job Responsibilities

7.1 Job Responsibilities: The main job of intern in ICB is to visit all the departments of ICB and all the subsidiary branches. As ICB has many confidential issues they choose just formal meeting with the entire department. My responsibilities are just to visit the department and report back to the advisor. As the company is a financial based company, so every single day number of transactions made. So as an intern I had to do lot of photocopies. Sometimes I have to bind old worker file and categorize them in various aspect. It is a very difficult task. My supervisor used to give me hundreds of paper and I had to categorize those papers. I did all that work with great enthusiasm.

Chapter-Eight

Problem and Recommendation

Although ICB is the top performing company in merchant banking, I have some suggestion for ICB to improve its performance be more efficient.

- ICB has skilled and experiences fund manager but they perform only on security trading.
- The trade monitors and stock fraud monitoring team of ICB is lack of human resource.
- ICB should enroll more human capital on those fields.
- The portfolio categories of almost all the ICB mutual funds are almost same. They should have different portfolio category so both high risk and low risk investor will be interested to invest.
- The first ICB mutual fund provides high return comparing capital gain but other doesn't do that.
- To attract more investor ICB have to change its policy.
- ICB should have a strong IT setup and the network (internet & intranet) field should have to be developed.

Chapter: 9

Conclusion

To conclude this report it can be said that it was a great opportunity for me to study the operational activities of the investment bank as well as merchant and the capital market of the country. The Investment Corporation of Bangladesh (ICB) is virtually the only investment bank in Bangladesh. In a broader sense ICB is both Investment Bank and Development Finance Institution (DFI). ICB plays a vital role to encourage and broaden the base of investments and thereby to help develop the capital market in Bangladesh. My main focus on this report is performance appraisal on ICB Unit Fund. From the analysis it found that the Unit Funds position is good. There is low risk involvement. The main reason behind this, there was no binding in size. Now the net sale of Unit Fund is not satisfactory level. It is near about Tk. 9.11 crore in this circumstance Unit Fund also declared a handsome dividend.

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