Functions and performance evaluation of Investment Corporation of Bangladesh (ICB): an empirical research

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Citation

ABSTRACT
Investment Corporation of Bangladesh was established in 1st October, 1976. In a broader sense ICB is an Investment Bank and Development Financial Institution (DFI) and plays a pivotal role to encourage and broaden the base of investment and thereby to help develop a vibrant capital market in Bangladesh. ICB cater to the need of institutional support to the meet the equity gap of emerging new companies. ICB works with a view to mobilize savings of general public and inspires small and medium savers for...
investment in securities. As a single entity, The Government holds majority of the shares of ICB (27%). This research entitled "Functions and performance evaluation of a Financial Institution- Based on “Investment Corporation of Bangladesh” contains a comprehensive overview of ICB with special emphasis on its functions and its performance based on analysis of its vital financial statements over the years. Functions of ICB includes but not limited to: purchasing of shares and debentures including placement and direct participation, managing existing mutual funds and investment accounts, providing investment counseling to investors and helping government to divest its divestment programs.

Keywords: Functions, Performance Evaluation, ICB.

1. INTRODUCTION

The Investment Corporation Bangladesh was established in October 1, 1976 under the “The Investment Corporation of Bangladesh Ordinance 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 companies. In view of the national policy of accelerating the rate of saving 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 (No. 24 of 2000), reforms in operational strategies and business policies have been implemented by establishing and operating subsidiary companies with ICB as holding company. As the country’s pioneer investment bank, ICB has been working to assist the small investors in mobilizing their savings. ICB works with a view to broaden the base of the investment of the country, ensures mass participation of general people in the capital market and thus to contribute to the GDP of Bangladesh. Some of the objectives are stated below:

- To encourage and broaden the base of investment.
- To develop the capital market.
- To provide for matters ancillary.
- To mobilize savings.
- To promote and establish subsidiaries for business development.

To develop the capital market of Bangladesh, and mobilize the savings of small investors, ICB carries out a range of diversified functions. With a solid view to foster and accelerate the economic growth of the country, ICB provides all sorts of financial services to the potential sectors. Ensuring equal distribution of economic benefits gained by the economy among the grass root level is one of the main objectives of ICB. Unlike any other financial institution, ICB maintains a portfolio of the Government comprised of different securities of listed companies and helps government regarding fiscal and monitory policy of the country. As a market it floats mutual funds, issues unit certificated, underwrites securities and manages issuance of securities. Following are some of the activities of ICB:

- Underwriting of initial public offering of shares and debentures.
- Underwriting of right issue of shares.
- 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.
- Managing investors’ account.
- Operating on stock exchange.
- Providing investment counsel to issuers and investors.
- Participating in and financing of joint-venture projects.
- Dealing in other matters related to capital market operations.
- Trusty, custodian and bank guarantee.
- Consumer credit.
2. OBJECTIVES OF THE RESEARCH
The main objective of the study was to identify the functions of Investment Corporation of Bangladesh and to have an overall idea on how it works and its performance evaluation. The other objectives of this study are as follows:

- To have an overall idea about the subsidiary companies of ICB.
- To analyze the profitability of ICB sponsored mutual funds.
- To find out prevailing drawback and lacking of ICB, if there is any and recommend action plans.

3. METHODOLOGY OF THE RESEARCH
This research was descriptive in nature. While conducting smooth and accurate research it is necessary to collect information from different relevant sources. The information of this research has been collected from two sources:

Primary sources
- Employees of the Investment Corporation of Bangladesh
- Primary sources of data means the data collected directly from the field. I discussed face to face with the various departments and collected necessary data regarding the basic functions of ICB.

Secondary sources
- Financial reports of ICB.
- Progress report of ICB.
- Different papers of respective departments.
- Internet.

4. ANALYSIS AND INTERPRETATION OF THE DATA
Summarized performance of the three subsidiary company

<table>
<thead>
<tr>
<th>Particulars</th>
<th>ICB Capital Management Ltd.</th>
<th>ICB Securities Trading Co. Ltd.</th>
<th>ICB Asset Management Co. Ltd.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Income</td>
<td>109.75</td>
<td>61.58</td>
<td>78.22</td>
</tr>
<tr>
<td>Expenditure</td>
<td>34.43</td>
<td>19.82</td>
<td>73.71</td>
</tr>
<tr>
<td>Gross Profit</td>
<td>75.31</td>
<td>33.90</td>
<td>120.15</td>
</tr>
<tr>
<td>Net Profit</td>
<td>40.73</td>
<td>27.47</td>
<td>48.27</td>
</tr>
<tr>
<td>EPS (Taka)</td>
<td>77.19</td>
<td>73.44</td>
<td>5.11</td>
</tr>
<tr>
<td>NAV (Taka)</td>
<td>266.80</td>
<td>308.02</td>
<td>-13.38</td>
</tr>
<tr>
<td>Dividend (Taka)</td>
<td>20.00</td>
<td>38.10</td>
<td>-33.33</td>
</tr>
</tbody>
</table>

The table above shows the performance of the three subsidiaries of ICB on the financial year 2008-09 and 2009-19. It also shows the percentage changes in the income, expenditure, gross profit, earnings per share, net asset value and the dividends offered by the companies.

Other than the percentage change of the Net Asset Value figure of ICML and ISTCL, all the other changes shows positivity.

Functions of ICB’s Division and Department
Investment Corporation of Bangladesh is an investment bank as well as a financial institution. It manages trusts of funds, helps small investors and work in capital market to broaden the base of investment. In the real sense it is a government owned organization and managed by the government directly. However, it has some corporate objectives. To attain these objectives ICB has to perform different activities. This section attempts to describe the activities of some of the important departments of ICB. ICB...
has some functional departments such as EBR, Accounts, Law, Audit etc. activities of these departments are extended to many other departments, though the grouping is not distinct, as functions overlap and consecutive. Some operational departments or division may be identified. Such as merchandising division, fund division etc. Below are the descriptions of some of the important departments.

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

**Recruitment process**
Under the article 29 of constitution the government determines those seats according to rules, which are vacant permanently. They recruit those seats through the following way:

- Recruit by open declaration
- By improvement or promotion.

**Recruitment by open declaration**
- Recruitment are strictly prohibited without recommendation of the selection committee. No applicant will be recruited in any designation/post without the recommendation of the selection committee.
- In case of recruitment through open declaration the advertisement must be published through minimum two newspapers for all post which will be published from capital city.

**By improvement or promotion**
Under the subscription and schedule any personnel may be deemed for promotion of high level post/designation.

- Recruitment are to be accomplished through merit as well as seniority, but if the selection committee for service purpose is not satisfied then they do not recommend any persons bio-data.
- If any person is not permanent then his job will not be allowed for promotion.

**Types of training**
ICB recruits personnel by the following process:

- On the job training.
- Off the job training.

**On the job training**
If the personnel get training within the corporation is called on the job training. Here ICB gives training to the employees. It is more effective than the off job training.

**Off the job training**
If the personnel gets training from out of the corporation is called off the job training. ICB implements off the job training by sending the employees to BIBM, ICMA etc.

**Disciplinary actions**
This action is taken gradually to those employees who violate the rules and regulations of the organization.

**This action is of the following types**

- Light punishment.
- Heavy punishment.

**Project implementation department**
The function of PD starts after appraisal and approval of the project by LAF. This department disburse fund to the project and monitors implementation progress. The consecutive installment release depends on the previews used by installment.

**The summarized functions of PID are**

- To help for implementation of the project sanction.

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• To inspect the project site to review whether the progress is per time schedule.
• To submit progress report to the management regarding the implementation and recommendation.
• Further disbursement fund or cancelation of function. Make recommendation for additional loans in appropriate cases and refer them to LAD.

Economic and Business Research Department
This department is the centre of nerve system of ICB. In simple term EBR is the gentle man’s brain of ICB and basically a decision making department. The function of the EBR is to gather and summarize information to find out opportunity for the organization and to help the EBR committee to take the decision in the necessary way.

EBR committee which takes the functional decision with approval of managing directors consists of:
• GM (Operation)
• DGM (Funds division)
• GM (Administration)
• DGM (Merchandising division)
• DGM (LAD division)

This committee holds daily meeting and special meeting to take decision about
• Sale and purchase of holding portfolio.
• Consider market trend and related company’s position to take necessary steps to diversify portfolio risk.
• On the basis of approval the department fix budget for branches and departments, analyze their performance and finalize consolidation EBR report to the management.
• Finalize Annual Reports of ICB and Fund subject to the approval of the Board.

In addition to these the following functions are performed by EBR
• Prepare MIS report, which contains updated business and administrative performance.
• Prepare five years performance appraisal reports of the listed companies.
• Convey EBR’s decision directly or through computers department to the necessary departments.
• Prepare board memo regarding declaration on dividends on ICB’s own portfolio, Unit and Mutual Funds.
• Analyze securities and categorize them.
• Maintain information of DSE, CSE dividend/right bonus declared by different companies’ public issues, half yearly accounts of listed companies etc.
• Maintain liaison with ministry of finance, Bangladesh Bank, Foreign investors and provide ICB related information to the interested parties.
• Make arrangement for offloading government portion of shares in the different companies and public operation as per privatization decision.
• Perform all activities related to South Asian Development Fund (SADF). Also any information about global market trend collected and organized by this department.

Recovery and Follow up Department
This is the collection department of ICB. This department recovers ICB provided loans namely bridge loan, debenture loans and share purchase loans. RFD is the key operation department as it ensures the recycling of funds provided as credit. Functions performed by this department are as follows:
• Recover the principal and interest due to the sanction project.
• Provide management counseling, follow up project help in import processing and product marketing.
• Visit projects, examine the problem and provide solution.
• Analyze balance sheet, sector wise review and individual project review.
• Help to approval/enlistment with DSE and CSE.
• Provide counseling to get for public issues.
• Communicate with first charge for implementation and recovery.
• Communicate with consortium member for reimbursement, buy back information exchange.
• Make arrangement of loan (especially for debenture loan).
• Refer to the law department for taking action, if necessary.

Establishment department
This department deals with purchase and sales of the office supplies, office equipments etc. They also maintain the utility service like telephone bill, electricity bill etc.

This department divides cost into two categories:
• Revenue cost.
• Fixed cost.

For fixed cost, depreciation cost is calculated 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 products. For purchasing of the products this department offers tender to the listed suppliers. In case of selling of the scraps and wastage products, the tender procedure is also allowed.

Secretary’s Department
The main functions of this department are as follows:
• Arrange meeting of Board of Directors, Executive Committee and other committees.
• Place working papers to the Board of Directors.
• Maintaining attendance register of Directors.
• Obtaining signature of the Chairman and the minute’s book.
• Collecting and sending any sanction needed to be approved or implement.
• Maintaining register of the shareholders.
• Sending minute of the meeting to the Board and Government of Bangladesh.
• Making payment of dividend to the shareholders.
• Arranging Annual General Meeting.
• Arranging transfer splitting of shares and issuance of the duplicate certificate.

Public relation department
This department maintains close relations with various newspapers, periodicals and mass communication like radio, TV etc. This department also acts as the mouthpiece of ICB. Issuing press releases and advertisement related activities concerning mass communication are also accomplished by this department. The activities of this department are also to help in creating favorable impression of the organization in the mind of the general public.

Functions of Legal Affairs Division
This is the recovery and deal completion department division of ICB. It has two wings; public issue department and law department.

Public Issue Department- Indirectly this is market making department which vitalizes the supply of securities to the market. The ultimate objective is to provide bridge loan, direct underwriting and to help projects go for public issue.

The department includes the following services
• Advise and pursue sponsors for going public issue.
• Visit the projects and collect the financial statements from the sponsors.
• Analyze the financial statements of ongoing projects and help in IPO 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.
• Make decision to become manager to issuer.
• Make decision to become underwriter of the public issue.

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

• Advise all the legal matters of 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 litigates case, prepares legal notices and refers cases to legal advisor in the court.
• Prepare proposed memos for placement in the Board Meeting, relating the litigation and legal affairs.

Functions of Accounts and Finance Division
The Accounts and Finance Division is one of the most important divisions of ICB. In a word it is the “nerve center” of the organization. This division consists of two departments:

• Central Account Department.
• Project loan Accounts Department.

Central Account Department
All kinds of receipts and payments of the ICB are done by the Central Account Department. It is ICB’s banking wing and works as the clearinghouse of the portfolios. The functions of this department are as follows:

• To prepare the annual accounts of ICB as a whole.
• To complete the annual accounts of the Unit Funds.
• To complete the annual accounts of the Mutual Funds.
• To get those annual accounts audited and approved.
• To manage the liquid fund of the corporation.
• To keep interest bearing accounts of funds.
• To keep accounts of the staff advance and recovery of them.
• To maintain petty cash.
• To open and manage bank of the corporation.
• To make payments according to the desire of the other departments as per the competent authority.

Project loan Accounts Department
The function of this department is to maintain project loan accounts and supply the management up to date relevant information of the projects. In addition the department does the following task:

• Issues check the project after getting disbursement order from the project implementation department and any recoverable amount in the disbursement period such that IDCP is deducted from the disbursable amount.
• 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 fund already disbursed by ICB in favor of co-under write of other consortium number.
• Classify the loan as per rules and make appropriate provision.
• Prepare necessary statements related to project loan.
• Maintain interest receivable accounts.
• Make necessary accounts adjustment for amount written off as per as given rule. Any amount recovered from the project, applied in the following order:
  • Firstly interest suspense.
  • Then unrealized interest taken as income earlier.
  • Then current due interest.
Functions of the Merchandising Division

Merchandising division is the developing wing of ICB. Function of this division indirectly help to broaden the base of investment, encourage small investors to participate directly in the capital market and provide services and facilities to general mass that they can hold or invest in securities.

The division consists of three operational divisions namely:

- Investors department (ID).
- Transaction Department (TD).
- Shares Department.

Actually these three departments are closely related and jointly conduct the transactions settlement of securities.

Investors Department

Investors’ scheme got started on 13 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’ account (minimum balance of Tk. 5000 in cash or security).
- Receive buy and sale order from customers and get executed them on brokerage commission at .05%.
- Provide account holder loan margin at 1:2 ratio subject to ceiling of Tk. .02 million at the rate of interest 15.5% (variable).
- Perform securities and funds withdrawal formalities.
- Perform accounts closure formalities.
- Communicate with account holder to collect used up excess of margin or interest.
- Adjust accounts monthly.

Transaction Department

This department interacts directly with the secondary market. It participates in the DSE trading through Wide Area Network (WAN) as carried out system has been replaced by setting system. This department executes the sale and purchase order of securities, which comes from three sources.

- Different portfolio including ICB’s own, one Unit Fund, 10 (8+2) Mutual Fund, Government shares, sale and purchase decision taken by EBR and transmitted to transaction department in case sale order comes through shares and computers.
- Sale and purchase order of investors maintaining accounts with the branches.
- Sale and purchase order of investors constitute demand for execution this regard.

Transaction department acts as a member of DSE for ICB and executes the valid order. In addition to this it performs:

- Daily transaction report to sale and purchase (EBR) committee, portfolios, investors department, computer department and branches.
- Prepare sale and purchase confirmation report and after confirming those with DSE buy-sale setting settlement make necessary preparation to make statement with DSE clearing.
- Prepare bill, statement etc to make settlement with DSE

Purchase

Receive security certificate and deliver them to share department and branches. Make payment by check through DSE clearing.

Sale

Receive through DSE clearing.
Deliver sold shares to DSE clearing received from shares and branches.
5. FINDINGS OF THE RESEARCH

Net Profit after Tax
The net profit after tax figure shows a significant growth rate indicating that there was a consisting rise in the net profit figure of ICB. We know that it is calculated by deducting Income tax from the net profit figure. This constant increase shows that ICB’s performance over the year has been more than good enough to have a rising net profit after tax figure.

Earnings per Share (EPS)
EPS is calculated by dividing net profit after tax by the number of shares. The EPS figure also has an increasing trend over the years except for a little set back in the financial year 2008-09 and 2009-10. It was the highest in the financial year 2007-08.

Dividend performance of ICB Mutual funds
The above table shows the performance of the eight ICB Mutual Funds on the financial year 2008-09 and 2009-10. The first two funds show the highest value and the other six shows lower values. The main reason for this can be the fact that the first two were closed-end mutual funds. The last six were open-ended which means that there was both inflow and outflow of funds throughout the financial period.

Ten year dividend performance of ICB Unit Fund
This is a table showing the ten year performance of ICB Unit Fund. ICB Unit Fund is and open ended mutual fund and was launched in 10th April, 1981. After the establishment of ICB Asset Management Company Limited in 1 July, 2002, ICB has stopped sale of unit certificates. However, the existing portfolio of ICB Unit Fund is managed by ICB.

Revenue & Receivable Relation

<table>
<thead>
<tr>
<th>Particulars &amp; Year</th>
<th>01-02</th>
<th>02-03</th>
<th>03-04</th>
<th>04-05</th>
<th>05-06</th>
<th>06-07</th>
<th>07-08</th>
<th>08-09</th>
<th>09-10</th>
</tr>
</thead>
<tbody>
<tr>
<td>Revenue</td>
<td>0.2057</td>
<td>-0.0189</td>
<td>0.1305</td>
<td>0.0882</td>
<td>0.3064</td>
<td>0.7499</td>
<td>0.1005</td>
<td>0.1651</td>
<td>-0.0208</td>
</tr>
<tr>
<td>Receivable</td>
<td>3.7394</td>
<td>-0.2157</td>
<td>0.3389</td>
<td>0.6186</td>
<td>2.2081</td>
<td>-0.1605</td>
<td>0.1304</td>
<td>-0.1519</td>
<td>-0.1091</td>
</tr>
</tbody>
</table>

In 2002-2003 the relation between revenue & the receivables is negative because of their negative sales in 2003, but in 2003-2004, 2004-2005, 2005-2006 their sales is negative but because of their increase (%) in receivables. In 2006-2007 the (%) suddenly goes up more may be because of the market of that particular year. Then up to 2010 the sales is increasing but the receivables & the revenue both are decreasing because their operating expenses increased (%) for using the new technology available for the customers and the employees.
Return on Asset (ROA)

<table>
<thead>
<tr>
<th>Particulars &amp; Year</th>
<th>00-01</th>
<th>01-02</th>
<th>02-03</th>
<th>03-04</th>
<th>04-05</th>
<th>05-06</th>
<th>06-07</th>
<th>07-08</th>
<th>08-09</th>
<th>09-10</th>
</tr>
</thead>
<tbody>
<tr>
<td>Profit Margin = EBIT / Sales</td>
<td>0.3468</td>
<td>0.3786</td>
<td>0.445</td>
<td>0.5985</td>
<td>0.7101</td>
<td>0.3249</td>
<td>0.2601</td>
<td>0.6577</td>
<td>0.6491</td>
<td>1.2337</td>
</tr>
<tr>
<td>Asset turnover = Net Sales / Avg. Total Asset</td>
<td>2E-05</td>
<td>0.0004</td>
<td>-0.009</td>
<td>-0.012</td>
<td>-0.002</td>
<td>-0.011</td>
<td>0.0051</td>
<td>0.0047</td>
<td>0.009</td>
<td>0.0113</td>
</tr>
<tr>
<td>ROA=Profit margin*Asset turnover</td>
<td>7E-06</td>
<td>0.0002</td>
<td>-0.004</td>
<td>-0.007</td>
<td>-0.001</td>
<td>-0.004</td>
<td>0.0013</td>
<td>0.0031</td>
<td>0.0059</td>
<td>0.0139</td>
</tr>
</tbody>
</table>

The EBIT and sales of ICB has fluctuated very much up to 2006 but after that it is constantly increasing (↑). So we can say that the profit margin of ICB is not instable.

Return on Common Equity (ROCE) (2001)
In this year it was negative which was not good for the organization. The reason for this was the low asset turnover ratio. This shows that they could not utilize their assets.

(2002)
Their performance went down in this year than the previous year as they were having higher negative figure, and the effecting component for this was the interest burden which increased (↑) means they were having more debt than the receivables or they were not efficient in using their debt.

(2003)
Till now their ROCE was negative because of decrease (↓) in asset turnover and increase (↑) in leverage of the Bank. They were not using their assets and the equity part. The picture may be like, the bank was issuing share for collecting money or the avg. total asset but they could not sell it in the market, or they were not earning as much as their equity and the assets was increasing (↑).

(2004)
In this year they were in the worst position as their Asset turnover decreased (↓) = they had unutilized assets,
Interest burden increased (↑) = their interest expenses increased almost 0.05% than the previous year
And their net sales were also in negative figure. The company had to rethink their policy and the management system.

(2005)
Though their sales were also negative in this year, but it was in better situation than year 2004. Their ROCE was going upward which was a good sign for them. But their asset turnover and the interest burden was in bad position.
In this year the ROCE was not good but the company was improving their position as the ROCE was going the positive way. They were over coming from their problems (asset turnover & the interest burden).

Now we can say that, their asset turnover ratio was under control as it was positive. But their interest burden was still in bad position. But as the ROCE was near to the positive so the organization was going on the right track.

The bank was now in good position as their ROCE was positive. The asset turnover has decreased (↓) a little bit but for the huge decrease in interest burden the ROCE has increased.

The ratio increases as the leverage (↑) means the shareholder’s equity and the total asset also increased (↑), which shows that the investors were investing more money and the company was expanding their business.

Cash to total Current Assets

In 2001 & 2007 the ratio was low in comparison to other years, showing that the company was not in better situation. The company had only above 0.25% against their current asset which was not reliable for the investors. But from 2002-2004 the ratio has increased that was a good sign for the people who wanted to invest in ICB. In 2004 & 2005 the ratio was in stable position though their cash, cash equivalent and marketable securities increased (↑) but the current assets was same. Then in 2006 & 2007 the percentages (%) decreased (↓) may be the reason for this was the current assets and the cash both increased (↑) but the cash did not increase as much as the current assets increased (↑). Then again the ratio was in increasing (↑) mode which was good for the organization.

Cash to total Current Liability

2001, 2002 & 2004 the ratio was approximately same because the cash equivalent and the current liability both increased (↑) in same percentages. In 2003 the ratio increased a little bit for the increase (↑) in cash.2005 to 2007 the ratio decreased (↓) as in 2005 & 2006 the liability was same but their cash has fallen down and in 2007 the ratio was the lowest as the current liability increased (↑) rapidly. In 2007 the cash also increased (↑) but not as much as the liability has increased (↑). 2008, 2009 & 2010 the current liabilities and the current asset both elements increased but in the last year the ratio increased at the highest position. This shows that now the organization was in better situation and that they were able to pay their payables at the time.

6. ADDITIONAL FINDINGS

- After formation of the subsidiaries, ICB did not float any new mutual funds and did not give opportunity to small investors to open new account in their investors department.
- Lack of coordination among various departments.
- Sometimes ICB invests in such companies which are not fundamentally sound. Sometimes its investment decisions are taken only to comply with the government pressure.
- In case of selling and buying of shares by investors in ICB investors department, it takes much time to execute the order. Stock market fluctuates every minute, so there is chance of loss by the investors in buying and selling their shares.
- The rate of supply of fundamentally strong securities is very low in our capital market.
- As the fund will be professionally managed, investors will be relieved from the emotional stress associated with day-to-day management of individual investment portfolio.
- Because of ADB’s suggestion it has stopped the exchange of unit funds; as a result it is going out of knowledge of the new investors.

7. RECOMMENDATIONS

- Should concentrate on the decreasing EPS figure in spite of the increasing net profit after tax figure.
Work on increasing the performance of the Mutual Funds.
Unit funds should get more focus so that new investors are attracted.
Return on asset is very vital for the organization. ICB should make sure that this figure does not fluctuate much.
Investing in costly borrowing funds should be reduced. Management may look for sources of less costly funds and reduce expenses and increase income.
ICB may take initiative and decision to motivate small investors to open new account in their department.
Government pressure should be reduced in making any investment decisions by ICB.
Rate of supply of strong securities should be higher in our capital market.
Proper cash flow should be used to execute order quickly.
Training program should be arranged regularly to enhance efficiency level of the management and to keep them up to date.
Should enrich the library with updated information.
ICB is very much selective about providing bridge loan. As a result the number of projects receiving ICB assistance is decreasing day by day.

8. CONCLUSION
ICB is a unique name in our country as an Investment Bank. It is playing a pivotal role for the development of the country’s capital market. With the help of its strong organizational structure, ICB tends to surpass its performance every year. Its strong financial backbone has helped it grow over the years in to a figure trusted by all. There remains a huge gap between institutional investors and general investors. Institutional investors are far ahead from the general investors in respect of technical knowhow, knowledge and risk taking propensity. ICB tends to work its way through reducing this gap by accelerating economic development for meeting the demand of growing industrial development by way of mobilizing savings of small and medium savers to participate in activities of industrial section. As the national investment regulatory body which is the only organization to perform the activities by creating demand for securities, ICB on the other hand has to ensure the supply of securities in the capital market. Mutual fund management should be innovative, explorative and dynamic. ICB should specially emphasize on the operations and management of mutual funds because most of the small investors are key clients of the mutual funds.

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4. Annual report, ICB Securities Trading Company Limited
5. Ordinance and General Regulation of ICB
6. Various journals kept in ICB library