BANGLADESH BANK

Website:www.bb.org.bd

Head Office Post Box No.-325 Dhaka.

Department of Off-site Supervision

Date: 25/02/2014

DOS Circular letter No.-07

Chief Executives All Scheduled banks in Bangladesh

Consolidated Capital market investment limit for the scheduled banks

Pursuant to section 26KA of ' ব্যাংক-কোম্পানী আইন, ১৯৯১ (২০১৩ পর্যন্ত সংশোধিত)', DOS Circular No.-02/2013 has been issued to clarify issues related to individual and aggregate limits of investment in shares of any company or companies by banks. International best practice requires that capital adequacy, risk measurement, and management be done on a consolidated basis. In order to strengthen the capital base of the banks in Bangladesh by keeping their capital market risk within acceptable limit, the following additional instructions are issued:

1. (1). The market value of total investment of a banking company in capital market on consolidated basis shall not exceed 50% of the sum of its consolidated paid up capital, balance in share premium account, statutory reserve and retained earnings as stated in the latest audited financial statements. While computing total capital market investment on consolidated basis, the following components shall have to be considered:

- a) all components mentioned in Para 2(1) of DOS Circular No.-02/2013 except the intercompany (parent bank to subsidiary/subsidiaries or vice versa) transactions;
- b) subscription by the subsidiary or subsidiaries of the bank to any fund intended to invest in the capital market;
- c) market value of all types of shares, debentures, corporate bonds, mutual fund units and any other capital market leaning securities held by the subsidiary or subsidiaries of the bank;
- d) margin loan (outstanding) provided to the customers by the subsidiary or subsidiaries of the bank;
- e) bridge loans provided to companies by the subsidiary or subsidiaries of the bank against expected equity flows/issues.

(2). All components mentioned in Para 2(2) of DOS Circular No.-02/2013 shall be excluded while computing total capital market investment on consolidated basis.

2. Banks having total capital market investment above the consolidated limit set in Para 1(1) shall have to bring it down gradually within July 21, 2016.

3. Banks shall submit a report (both soft and hard copy) of their month end solo and consolidated basis position regarding capital market investment in the prescribed formats to Department of Off-site Supervision (DOS) within the 10^{th} of the following month. The formats provided with DOS Circular No.-02/2013 are suitably revised to enable the banks to report both positions in one format. The soft copy of the formats can be collected from DOS.

This shall come into effect immediately and the formats provided with DOS Circular No.-02/2013 shall be considered revised.

Please acknowledge receipt.

Sincerely yours,

Sd./-

(S. M. Rabiul Hassan) General Manager Phone: 9530093

Statement Regarding Total Investment in Capital Market (TICM) (To be submitted within the10th of the following month)

Name of the bank Reporting date

(dd/MM/yyyy)

TICM: SOLO

Market Value of Investment In Capital Market (in crore Tk.)			Total of Cap	ital Components (b	(in crore Tk.) a alanceSheet	s stated in th	e last audited	% of Investment in Capital Market to Total pescribed Capital Components
	Components	Amount	Paid up	Statutory Reserve	Retained Earnings	Share Premium	Total	
a)	Shares	-						
b)	Mutual Fund/Fund	-						
C)	Bonds/Debentures	-						
d)	Loan to own subsidiary/subsidiaries	-						Bank has no
	Loan to others for merchant banking and brokerage activities	-					-	exposure in capital
f)	Loan to Stock Dealer	-						market
g)	Placement/others	-						
h)	Equity Investment in Merchant bank and/Brokerage Subsidiaries	-						
	Total	-						

TICM: CONSOLIDATED

Market Value of Investment In Capital Market (in crore Tk.)			Total of Consolidated Capital Components (in crore Tk.) as stated in the last audited balanceSheet				% of Investment in Capital Market to Total pescribed Capital Components	
	Components	Amount	Paid up	Statutory Reserve	Retained Earnings	Share Premium	Total	
1	Portfolio:Bank							
a)	Shares	-						
	Less Equity investment in subsidiaries other than Merchant bank and/Brokerage Subsidiaries							
b)	Mutual Fund/Fund	-						
- /	Bonds/Debentures	-						
	Loan to others for merchant banking and brokerage activities	-						
e)	Loan to Stock Dealer	-						Bank has no
f)	Placement/others	-					-	exposure in capital
	Less placement in subsidiaries							market
2	Portfolio:Subsidiary/subsidiaries							
a)	Shares	-						
b)	Mutual Fund/Fund	-						
	Bonds/Debentures	-						
d)	Loans:							
	Margin Loans	-						
	Bridge Loans	-						
e)	Placement/others	-						
	Total	-						

Certified that the above information is correct.

Signature
Name
Designation
ID no.
Phone
Cell no.
Email
Fax no.

INVESTMENT IN SHARES (Parent Bank)

BANK NAME:

DATE:

(dd/MM/yyyy)

(Fig. In TK.)

Canital comp	Capital components of the bank co. as par last audited balance sheet		alance sheet	Name of the company (as	Paid up capital of the	No. of Shares	Face Value		Own Po	ortfolio		% of market value	% of market	% of market value of shares
capital comp				appeared in the ticker of the	company	issued	(Per unit)			Total no. of shares		of shares to paid up		to total capital components
				stock exchange where	,			shares held under		held under own	Increase/	capital of the	to paid up	of the banking company
				applicable)				own portfolio	Total Market value	portfolio at the last	Decrease	banking company	capital of the	5 . 7
Paid up	Statutory Reserve	Retained earnings	Share premium					••••• p••••••		reporting date	Decrease	U . ,	company	
1	2	3	4	5	6	7	8	9	10		12=col.9-col.11	13=col.10/col.1	14=col.10/col.6	15=col.10/col.(1+2+3+4)
											-	0.00%	0.00%	0.00%
							T				-	0.00%	0.00%	0.00%
							T				-	0.00%	0.00%	0.00%
							Ι				-	0.00%	0.00%	0.00%
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											-	0.00%	0.00%	0.00%
							Sub-total	-	-	-	-			

Insert as many rows as needed above the 'Sub-total row' by 'Insert row' function of excel in the databox

INVESTMENT IN MUTUAL FUND/SUBSCRIPTION IN ANY FUND FOR CM (Parent Bank)

	BANK NAME:					
	DATE:		(dd/MM/yyyy)			
	l					(Fig. In TK.)
Name of the Mutual Fund (as	No. of units issued	Face Value		Own P	ortfolio	
appeared in the ticker of the stock exchange)/Name of the Fund		(Per unit)	Total no. of units held under own portfolio	Total Market value	Total no. of units held under own portfolio at the last reporting date	Increase/ Decrease
1	2	3	4	5	6	7=col.4-col.6
						-
						-
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						-
		Sub-total	-	-	-	-

INVESTMENT IN BOND AND DEBENTURE (Parent Bank)

	BANK NA	ME:	
	DATE:		
		(Fig. In TK.)	
Name of the Bond/Debenture	Face Value	Market value	
1	2	3	
 			
	Sub-total	0.000	

(dd/MM/yyyy)

((Fig. In TK.)
Total Market value of	Total Capital of the	% of the value of Bond/
Bond/Debenture	Bank	Debenture to Total Capital
1	2	3
0		0.00%

INVESTMENT IN CAPITAL MARKET : LOANS/ADVANCES AND EQUITY INVESTMENT IN SUBSIDIARY (Parent Bank)

BANK NAME: DATE:

(dd/MM/yyyy)

Exposure in capital market

#1 Loan to own subsidiary/subsidiaries established for Merchant banking or brokerage activities:

SI. No	Name	Outstanding Loan/Limit whichever is higher	Total Capital of the bank as on the last base date	Outstanding Loan	% of Outstanding loan to Total Capital
1	2	3	4	5	6=col.5/col.4
	Total	-			

#2 Loan to others for Merchant banking or brokerage activities:

SI. No	Name	Outstanding Loan/Limit	Total Capital of the bank	Outstanding Loan	% of Outstanding loan to
		whichever is higher	as on the last base date		Total Capital
1	2	3	4	5	6=col.5/col.4
	Total	-			

#3 Loan to Stock dealer:

SI. No	Name	Outstanding Loan/Limit whichever is higher	Member of (name of the stock exchange, eg. DSE/CSE etc.)	Outstanding Loan	Membership No.
1	2	3	4	5	5
	Total	-			

#4 Balance Kept/Placed with any company involved with Capital Market Activities

SI. No	Name	Balance
1	2	3
L		
L		
L		
L		
L		
	Total	-

#5 Equity Investment in Subsidiary/Subsidiaries established for Capital Market activities

SI. No	Name	Balance
1	2	3
	Total	-

Insert as many rows as needed by 'Insert row' function of excel in the databox.

(Fig. in TK.)

INVESTMENT IN SHARES (by Subsidiary Company/companies)

BANK NAME: DATE:

	DATE:			(dd/MM/yyyy)			(Fig. In TK.)
Name of the company (as	Paid up capital of the	No. of Shares	Face Value				
appeared in the ticker of the stock exchange where applicable)	company	issued	(Per unit)	Total no. of shares held under own portfolio	Total Market value	Total no. of shares held under own portfolio at the last reporting date	Increase/ Decrease
5	6	7	8	9	10	11	12=col.9-col.11
						· · · · · · · · · · · · · · · · · · ·	
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			 				-
			Sub-total	-	-		-

INVESTMENT IN MUTUAL FUND/SUBSCRIPTION IN ANY FUND FOR CM (by Subsidiary Company/Companies)

BANK NAME:						
	DATE:		(dd/MM/yyyy)			
						(Fig. In TK.)
Name of the Mutual Fund (as	No. of units issued	Face Value		Own P	ortfolio	,
appeared in the ticker of the		(Per unit)	Total no. of	-	Total no. of units	
stock exchange)/Name of the		(,	units held under		held under own	Increase/
Fund			own portfolio	Total Market value	portfolio at the last	Decrease
i ullu			own portiono		reporting date	Decrease
	0		4			7
1	2	3	4	5	6	7=col.4-col.6
						-
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						-
						-
		Sub-total	-	-	-	-

INVESTMENT IN BOND AND DEBENTURE (by Subsidiary Company/Companies)

	BANK NAME:		
	DATE:		(dd/MM/yyyy
		(Fig. In TK.)	
Name of the Bond/Debenture	Face Value	Market value	
1	2	3	
1	2	3	
		· ·	
	I		
	Sub-total	0.000	

LOANS, EQUITY INVESTMENT, PLACEMENT and UNDERWRITING COMMITMENTS ((by	Subsidiar	y
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	Company/Companie	es)	
BANK NAME:			
-	DATE:	(dd/M	М/уууу)

(Fig. in TK.)

#1 Margin Loan to customers:							
	SI. No	Name	Outstanding Margin Loan				
	1	2	3				
		Oustanding Margin Loan to customers					
		Total	-				

#2 Bridge Loans:

SI. No	Name	Outstanding Loan/Limit
		whichever is higher
1	2	3
	Total	-

#3 Balance Kept/Placed with any company involved with Capital Market Activities

SI. No	Name	Balance
1	2	3
	Total	-