

Risk-averse investors depress stocks

STAR BUSINESS REPORT

Stocks slid for the second day as investors continue to be wary of undertaking any long-term, substantial investment.

DGEN, the benchmark General Index of Dhaka Stock Exchange finished the day at 4,159.66 points, after dropping 75.60 points, or 1.78 percent.

"Investors lack confidence in the market right now," said Fakhor Uddin Ali Ahmed, former president of Chittagong Stock Exchange. He called upon both institutional and small investors to make long-term investments in the market.

IDLC Investments too feels there is a dearth in confidence in the market at present, blaming it on the financial institutions' unimpressive half-yearly earnings.

"Both retail and institutional investors have taken on a risk-aversion approach and would rather have liquidity," it added.

However, as per Green Delta LR Holdings' report, mutual funds performed reasonably well, with dividend declarations made by eight funds of ICB.

Turnover lost 5.99 percent from the previous day, finishing the day at Tk224 crore.

Of the 266 issues that traded on the DSE floor, 200 declined, 48 advanced and 16 remained unchanged.

A total of 0.69 lakh trades were executed on the Dhaka bourse, for a transaction of 5.24 crore shares and mutual fund units.

All the prominent sectors experienced a downfall, led by engineering, which fell by 2.68 percent, followed by engineering, 2.56 percent; textiles, 2.51 percent; power, 2.03 percent; and life insurance, 1.78 percent.

Grameenphone was the most traded stock of the day, owing to its transactions of 9.08 lakh shares worth Tk18.56 crore.

Bangladesh Submarine Cable Company and Jamuna Oil were the next most popular stocks.

Second ICB Mutual Fund's 30 percent rise propelled it to the top of the gainers' chart, while Shyampur Sugar Mills' drop of 9.09 percent was the biggest experienced in the day.

United Arab Shipping starts Bangladesh operations

STAR BUSINESS REPORT

Dubai-based United Arab Shipping Company (UASC) started its journey in Bangladesh yesterday.

The renowned shipping company appointed Global Freight Limited as its agent in Bangladesh. The UASC has announced its journey here at The Westin Hotel in the city.

David Skillen, regional commercial manager of UASC, and Syed Iqbal Ali Shimul, director and chief executive officer of Global Freight, spoke on the occasion.

Skillen said they are here to provide services to the growing export of Bangladesh. He said UASC has 65 ships and 300,000 plus containers to provide services to exporters and importers around the world.

Oracle to buy software maker Xsigo

REUTERS

Software maker Oracle Corp said it would buy privately held Xsigo Systems, a network virtualization software maker.

San Jose, California-based Xsigo's software helps customers save costs by allowing them to connect any server to any network.

The eight-year-old company, backed by Kleiner Perkins and Khosla Ventures, counts British Telecom Plc, eBay Inc and Verizon Communication Inc among its customers.

Demutualisation gathers pace as SEC forms panel

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After the stock market crash at the beginning of last year, market experts were advocating demutualisation of the stock exchanges for greater transparency and accountability.

Even the probe report on the stock-market crash submitted to the government on April 7 last year highly recommended the operation.

Conflict of interest occurs if businessmen take the role of regulators, which, more often than not, results in shirking of regulatory duties, the probe report found.

"It is necessary to demutualise the stock exchanges. Market players and regulators should be separated," it said.



SOUTHEAST BANK

Ragib Ali, vice chairman of Southeast Bank, opens the newly shifted Pathantula branch of the bank in Sylhet on Sunday. Abdul Hye, director, was also present.

New board member for human resource management body

STAR BUSINESS DESK

Md Musharraf Hossain has recently been appointed as a board member of the Asia Pacific Federation of Human Resource Management (APFHRM), the apex trade body of the World Federation of People Management Association.

Hossain is the president of Bangladesh Society for Human Resources Management and head of human resources management of ICDDR,B, according to a statement of Sara Advertising yesterday.



SIBL

Nasiruddin, chairman of Social Islami Bank, presents a school uniform to UREKA for the underprivileged students of the school, at a programme recently. Muhammed Ali, managing director, was also present.

Call for better labour relations

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"It shows that business can be done properly by maintaining ethics," he said. Rokia Afzal Rahman, the immediate past president of the BEF, termed Latifur Rahman as a 'complete man', citing his engagement in both the corporate arena and family affairs.

"He is religious and honest," she said, "He is successful in business and happy with family," said Rokia.

"On the one hand, he is a corporate leader. On the other, he is a complete family man," she said. Latifur Rahman also responds to the issues and concerns of the business community whenever needed, said Rokia.

BEF President Md Fazlul Hoque said the federation will play important roles in settling the unresolved issues in the garment sector. He said the organisation played a vital role during the latest unrest in the sector.

Hoque also praised Latifur Rahman for doing business with honesty and integrity. He said Latifur Rahman successfully introduced and practised real corporate culture long ago.



NCC BANK

Mohammed Nurul Amin, managing director of NCC Bank, attends a workshop on "Loan classification, provisioning and rescheduling" organised by the NCC Bank Training Institute for its Dhaka-based branch managers recently.



গ্রীন ডেল্টা ইন্স্যুরেন্স কোম্পানী লিমিটেড Green Delta Insurance Company Ltd.



Half Yearly Financial Statements As on 30 June 2012 (Un-audited)

Consolidated Statement of Financial Position (Un-Audited)

As on 30 June, 2012

	As on 30th June, 2012	As on 31st December, 2011	Taka In Million Growth %
FIXED ASSETS :			
Fixed assets including land	261.82	234.86	11.48%
Long term investments	310.42	292.60	6.09%
Total long term investments	572.24	527.46	8.49%
CURRENT ASSETS :			
Short term investments (Shares, securities & FDRs)	2,672.44	2,893.85	-7.65%
Advance Against Office Space	184.50	158.57	16.35%
Debtors (Including receivable from co-insurer)	1,230.06	1,164.93	5.59%
Cash & bank balances	344.84	252.04	36.82%
Stock of stationery, Stamps & Preliminary Expenses	2.42	1.92	26.04%
Total current assets	4,434.26	4,471.31	-0.83%
CURRENT LIABILITIES :			
Creditors & Accruals	1,345.91	1,462.76	-7.99%
Estimated liabilities on account of outstanding claims	119.68	62.86	90.39%
Bank Loan & Overdraft	119.24	140.74	-15.28%
Total Current liabilities	1,584.83	1,666.36	-4.89%
Net working capital	2,849.43	2,804.95	1.59%
Net assets	3,421.67	3,332.41	2.68%
FINANCED BY :			
Premium Deposit & Unexpired risk reserve	539.96	457.86	17.93%
Share capital	510.30	408.24	25.00%
Revaluation reserve	1,215.52	1,035.35	17.40%
Reserve & provisions	1,155.89	1,430.96	-19.22%
Total long term liabilities & equity	3,421.67	3,332.41	2.68%

Additional Managing Director
&
Group CFO

Managing Director
&
Chief Executive Officer

Consolidated statement of Comprehensive Income (Un-audited)

For the half year ended June, 2012

	January-June 2012	January-June 2011	April -June 2012	April -June 2011
	Amount (BDT) in Million			
Gross Premium	1,195.76	977.17	549.42	484.24
Re-Insurance Premium	(623.20)	(481.96)	(277.07)	(214.96)
Net Premium	572.56	495.21	272.35	269.28
Re-Insurance Commission	131.15	108.76	57.60	52.12
Management Expenses	(277.42)	(199.26)	(152.05)	(89.67)
Agency Commission	(171.79)	(177.21)	(25.64)	(87.51)
Net Claim	(125.75)	(115.74)	(71.08)	(68.13)
A. Underwriting Result	128.75	111.76	81.18	76.09
Investment Income	48.20	92.28	21.57	21.90
Brokerage Commission and others	53.16	63.04	29.00	26.07
B. Investment and others Income	101.36	155.32	50.57	47.97
Total Income (A+B)	230.11	267.08	131.75	124.06
Management Expenses charged to Profit & Loss A/C	(139.90)	(73.91)	(103.53)	(40.74)
Net profit before Tax	90.21	193.17	28.22	83.32
Provision for Income Tax and others	(28.18)	(41.66)	(23.45)	(12.83)
Net Income after Tax	62.03	151.51	4.77	70.49
Earning Per Share of Tk.10 each	1.52	3.71	0.12	1.73

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Consolidated Cash Flow Statement (Un-audited)

For the half year ended June 30, 2012

	January - June 2012 (Tk.in Million)	January - June 2011 (Tk.in Million)
Cash flows from operating activities:		
Collection from premium & other income	1,451.05	1,645.38
Payments for management expense, re-insurance & claims	(1,478.96)	(648.00)
Total Cash flows from operating activities	(27.91)	997.38
Cash flows from Investing activities:		
Disposal/(Acquisition) of fixed assets	(30.69)	(5.41)
Purchase/(Sale) of Short Term Investment	6.01	(989.54)
Disposal/(Acquisition) of long term investment	0.00	5.41
Investment in Share (at cost)	35.66	-
Total cash flows from investing activities	10.98	(989.54)
Cash flows from financing activities:		
Bank Loan Account	(52.39)	-
Total cash flows from financing activities	(52.39)	0.00
Net cash flows for the half year	(69.32)	7.84
Opening Cash & Bank balance	414.16	459.99
Closing Cash & Bank balance	344.84	467.83

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Consolidated Statement of changes in shareholders' Equity (Un-audited)

For the half year ended 30 June, 2012

	Share Capital	Reserve for Exceptional Losses	General Reserve	Dividend Equalisation Fund	Foreign Currency Fluctuation	Revaluation Reserve	Investment Fluctuation Fund	Retain Earnings	Total
Balance at 1st January' 2012	408.24	615.56	170.00	120.00	4.55	235.05	1,035.35	285.81	2,874.56
Appropriation to Reserve (Last Year)	-	-	-	-	-	-	-	-	-
Dividend Paid (Last Year)	102.06							(102.06)	-
Profit after Tax								62.03	62.03
Appropriation to Reserve							(54.88)		(54.88)
Balance as at June30, 2012	510.30	615.56	170.00	120.00	4.55	235.05	980.47	245.78	2,881.71

Balance as at June30, 2011	408.24	529.36	90.00	60.00	2.63	235.05	1,215.56	575.84	3,116.68
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