



Vision

Central Depository Bangladesh Limited (CDBL) shall be a dynamic, forward looking institution committed to adding value to the business of its clients. It will be equipped with up-to-date Information Technology to ensure prompt customer response and provide innovative solutions to the needs of the capital market playing a pivotal role in Bangladesh's financial services sector.

Mission

CDBL will have a sound management team with carefully-chosen, highly-motivated staff fostering a spirit of enthusiasm balanced with prudent policies to achieve a high level of sophistication and expertise in the performance of its personnel by consistently striving to provide high quality services that are reliable, transparent and efficient by:

- Emphasizing the importance of the customer,
- Unleashing employee initiative by empowering them,
- Viewing activities of the business as processes and the goal of continuous improvement.

Management's leadership endeavour is to forge a passionate, inspired, motivated and cohesive team to operate from a fully common bottom line, sharing the same agenda, driven by the same vision to achieve the best possible results, not only for the shareholders and the employees but also to boost public confidence in CDBL's growing strength as an independent, professionally managed institution.

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Central Depository Bangladesh Limited (CDBL)

Overview

Central Depository Bangladesh Limited (CDBL) was incorporated on 20th August 2000 sponsored by the country's Nationalized Commercial Banks (NCBs), Investment Corporation of Bangladesh (ICB), Private Commercial Banks (PCBs), Foreign Banks, Merchant Banks, Publicly listed Companies, Insurance Companies and Dhaka & Chittagong Stock Exchanges with the collaboration of the Asian Development Bank (ADB).

CDBL's core services cover the efficient delivery, settlement and transfer of securities through computerized book entry system i.e. recording and maintaining securities accounts and registering transfer of securities; changing the ownership without any physical movement or endorsement of certificates and execution of transfer instruments. The Central Depository System (CDS) operated by CDBL has proved to be a convenient and reliable means to settle securities transaction. The investor has been freed from the hassles of physical handling of certificates, errors in paper work and the risks associated with damaged, lost and forged certificates.

Legal basis for CDBL's operations is set out in the Depositories Act 1999, Depositories Regulations 2000, Depository (User) Regulations 2003, and the CDBL By Laws.

CDBL's operations are carried out in its Main Data Centre which is linked to a remote Disaster Recovery Centre operating as a backup with data update taking place simultaneously.

CDBL's Software application VeDAS (Versatile Engine for Depository Accounting System) is built on three-tier architecture, with Visual Basic at the Front End, TUXEDO as the middle tier transaction manager, and Oracle at the Back End centralized database.

Network connectivity to Depository Participants, Issuers, Banks, Stock Exchanges and Bangladesh Bank is through Front End interfaces accessed by WAN link and dial-up telephone lines.

Live operations of the CDS commenced with the inauguration of the Electronic Government Securities Registry (EGSR) by the Governor of Bangladesh Bank on 20th October 2003. The EGSR also serves as a platform for secondary market sale/purchase as well as Repo transactions of government securities to commercial banks linked online to the CDS. Equity market securities dematerialization process i.e. eliminating physical certificate as record of security ownership by substituting it as an electronic book entry record in the CDS commenced on 24th January 2004 with the entry of Square Pharmaceuticals Limited into the CDS.

Highlights of progress of CDS

	June '04	June '05	June '06	June '07	June '08
Investors Accounts set-up in the CDS	6,347	360,908	792,463	1,385,144	1,777,334
Depository Participants (Equity market)	60	159	202	222	250
Equity Securities in CDS – Issuers	15	61	100	118	150
Number of Equity Shares in CDS (in millions)	10	196	462	714	1,098
% of Stock Exchange Turnover Settled in CDS	15	59	81	86	95
% of Government Securities held in CDS					
Treasury Bills	100	100	100	100	100
Government Treasury Bonds	100	100	100	100	100

Since 14th February 2003 CDBL has been acting as National Numbering Agency for ISIN (International Securities Identification Number) as partner organization in Bangladesh of ANNA (Association of National Numbering Agencies) based in Germany.

CDBL is a member of Asia Pacific CSD Group (ACG) and an associate member of South Asian Federation of Exchanges (SAFE).

Managing Director & CEO

Mohammed Habibus Samad, FCA, CTA

Chief Financial Officer & Company Secretary

Shuvra Kanti Choudhury, ACA

Application Support

Md. Tohabin Huq, M Com, PGD (IT & Comp Sc)

Md. Faruque Ahmed, Dip in Comp Sc (Japan)

Syed Zahid Hossain, B Sc, Comp Sc

Customer Support Services & Marketing

Md. Saiful Malik, MBA

Md. Shariful Alam, B Sc, Comp Sc & Engg

Md. Muniruzzaman Rana, B Sc, Comp Sc & Engg

Muhammad Saiful Islam, B Sc, Comp Sc & Engg

Prosunjit Biswas, B Sc, Comp Sc & Engg

Shihab Bari, B Sc, Comp Sc & Engg

Kazi Minhaz Uddin, B Sc, Comp Engg

Md. Mokhlesur Rahman, B Sc, Comp Sc & Engg

Md. Monirul Islam, B Sc (CIS), MBA (MIS)

Md. Rezaur Rahman, B Sc, Comp Sc & Engg

Ms. Farkhunda Dorin, B Sc (Hons), Comp Sc & Engg

Shafaet Ahmed Siddique, B Sc (Hons), Comp Sc

Shariful Islam, B Sc, Comp Sc & Engg

Syed Zahurul Islam, B Sc (Hons), Comp Sc & Engg

Ms. Nazia Zerín Hossain, M Sc, Digital Communication

Finance & Accounts

Abdur Rahman Sarker, B Com

Md. Golam Mostafa, B Com

Jayanta Biswnu Mondal, M Com

Ms. Rumana Rashid, B Com

Ms. Shanaz Begum, M Com

Md. Shahidul Islam, BBA

Ms. Nurjahan Begum, M Sc

Systems Operation

G M Ahsanul Haque, M Sc, Comp Sc

Md. Moinul Haque, M SC, Comp Sc

Raquibul Islam Chowdhury, B Sc Comp Sc

K M Shaberul Islam, B Sc Comp Sc

Quazi Ghulam Shakur, MSS (Econ)

Saber Mahmud, B S (USA)

Mosammat Parvin Akhter, M A, Dip in Comp Engg

Training

Maksudur Rahman, B Sc, B Ed

Network Administration

A Hasib Rahman, M A, MCSE (Aus)

Mashrur Sakib, B Sc Comp Sc

Md. Imam Hossain Sayem, B Sc Comp Sc (Russia)

Administration & Maintenance

Shafiqul Islam, Dip-in-Electrical Engineering

Md. Anisul Haque Chowdhury, B A

Ms. Supria Florence Biswas, BSS

Ms. Nasrin Haque

Ms. Shrabony Teresa Biswas

Md. Abdus Salam

Md. Faruque Hossain Munshi

Md. Joynal Abedin Sagor

Legal Affairs

Ms. Feroza Ahmed, LL M, Notary Public

Milestones

October 2008	CDBL completes five years of depository operations
June 2008	90% threshold reached of stock exchange trades settled in the CDS
February 2007	BO accounts setup in CDBL surpass 1 million
January 2007	Dematerialized securities held in CDBL surpass BDTk. 100 billion
August 2006	Global Internet Securities Balance Enquiry and Portfolio Valuation Service for BO accountholders launched
August 2005	BO accounts setup in CDBL surpass 500,000
December 2004	BO accounts setup in CDBL surpass 100,000
January 2004	Dematerialization of equity market securities commenced with the entry of Square Pharmaceuticals Limited into the CDS
October 2003	Electronic Government Securities Registry (EGSR) live operation inaugurated by the Governor of Bangladesh Bank
February 2003	Became National Numbering Agency for ISIN (International Securities Identification Number) in Bangladesh
September 2001	Depository Registration Certificate awarded by the SEC
July 2001	Contract signed with the depository system provider CMC Limited
August 2000	CDBL Incorporated
June 2000	Request For Proposal (RFP) issued to implement the country's first automated Depository System
June 2000	Depository Regulation 2000 gazetted by the SEC
June 1999	Enactment of Depositories Act 1999



Dr. Fakhruddin Ahmed, Governor of Bangladesh Bank inaugurating the Electronic Government Securities Registry



Mr. Samson H Chowdhury, Chairman of Square Group inaugurating the start up of the Central Depository System (CDS) with entry of Square Pharmaceuticals Limited into the CDS



Mr. Faruq Ahmad Siddiqui, Chairman of the Securities and Exchange Commission inaugurating CDBL's global Internet Securities Balance Enquiry and Portfolio Valuation Service

CDBL – Board of Directors

Mr. Samson H Chowdhury Nominee of Bangladesh Association of Publicly Listed Companies (BAPLC)	–	Chairman
Mr. Mohammed Shafiqul Azam Nominee of Sadharan Bima Corporation	–	Director
Mr. Azam J Chowdhury Nominee of Prime Bank Ltd	–	Director
Mr. Nasiruddin Ahmed Chowdhury Nominee of Chittagong Stock Exchange Ltd	–	Director
Mr. Sirajuddin Ahmed Chowdhury As Managing Director of Sonali Bank Ltd	–	Director
Ms. Hua Du Nominee of Asian Development Bank (ADB)	–	Director
Mr. Syed Manzur Elahi Nominee of Bangladesh Association of Banks (BAB)	–	Director
Mr. Abdul Haque Nominee of Dhaka Stock Exchange Ltd	–	Director
Mr. A K M Rafiqul Islam Nominee of Bangladesh Insurance Association (BIA)	–	Director
Mr. Md. Ziaul Haque Khondker Nominee of Investment Corporation of Bangladesh (ICB)	–	Director
Mr. M Fazlur Rahman Nominee of AB Bank Ltd	–	Director
Mr. A K M Shamsuddin Nominee of Standard Chartered Bank	–	Director
Mr. Mohammed Habibus Samad, FCA, CTA Central Depository Bangladesh Limited	–	Managing Director & CEO

Central Depository Bangladesh Limited (CDBL)

7th Annual General Meeting



The 7th Annual General Meeting of Central Depository Bangladesh Limited (CDBL) was held on Saturday 26th January 2008 at the Company's office premises presided over by Mr. A K M Rafiqul Islam, Director of the Company.



Directors' Report

The Board of Directors of Central Depository Bangladesh Limited (CDBL) is pleased to present the audited financial statements of the Company for the year ended 30th June 2008, Auditors' Report thereon along with a market overview relating to the Company's operations.

Market Overview

Bangladesh stock market was in a bullish trend during the year ended 30th June 2008 notwithstanding the economy posting a growth rate of 6.2 percent which was marginally lower than the 6.4 percent growth rate of the preceding financial year. Growth of the economy was affected by two consecutive floods and the devastating cyclone (Sidr) during the first half and widespread outbreak of bird flu in the poultry sector during second half of the year. Increasingly higher fuel oil and other commodity prices in the international market, labor unrest in the RMG sector, and consequent loss of business confidence also stalled the growth in non-agricultural sectors. However, the generally favourable economic indicators relating to exports, remittances and investment in-flows and healthy growth of the country's foreign exchange reserves as well as regained business confidence from various reforms such as forming of the Better Business Forum and Regulatory Reforms Commission, gave impetus to the bullish trend of the stock market.

Overall, the country's capital market registered a robust performance during the year with double digit growth recorded in market capitalization and general index despite some wide fluctuations in day to day transaction volumes from time to time. New thresholds were crossed in respect of both daily turnover at Tk. 6 billion on 8th June 2008 and market capitalization at Tk. 900 billion (US\$ 13 billion) on 26th June 2008.

All Share Price Index of Dhaka Stock Exchange (DSE) gained by around 47% from 1,764 on 30th June '07 to 2,588 on 30th June '08 whilst Chittagong Stock Exchange (CSE) index also gained from 5,194 to 9,051, up around 74%.

Turnover of DSE at Tk. 543.29 billion as against Tk. 164.67 billion in the previous year was up around 230%. CSE's turnover at Tk. 80.22 billion compared to Tk. 35.63 billion in the previous year was also up over 125%. Top performers, taking the combined turnovers at both DSE & CSE during the year, were from the Banking, Pharmaceuticals & Chemicals, Investment and Fuel & Power sectors as follows :-

Company	Turnover (Tk. billion)
Arab Bangladesh Bank Ltd.	32.48
BRAC Bank Ltd.	25.23
Square Pharmaceuticals Ltd.	24.93
AIMS 1 st Mutual Fund	19.09
Summit Power Ltd.	17.71
Power Grid Company of Bangladesh Ltd.	17.40
United Commercial Bank Ltd.	17.36
Grameen Mutual Fund One	16.98
Jamuna Oil Company Ltd.	14.60
Beximco Pharmaceuticals Ltd.	13.11

Market Capitalization at the close of the year ended 30th June '08, stood at Tk. 931.02 billion (US\$ 13.30 billion) registering a gain of over 95% during the year over the figure of Tk. 475.86 billion (US\$ 6.80 billion) at the end of the previous year. Share prices of the

largest contributors to market capitalization consequently also mostly gained during the year as indicated below:-

Company	Market Cap. (Tk. billion)	Closing Price (Tk.)	% Price Gain (Decline)
Square Pharmaceuticals Ltd.	48.81	5,458.75	44.45
Dutch Bangla Bank Ltd.	35.98	3,598.25	(2.22)
Lafarge Surma Cement Ltd.	30.36	523.00	35.84
Islami Bank Bangladesh Ltd.	24.28	6,387.50	2.74
Uttara Bank Ltd.	22.49	2,817.00	9.53

Total number of listed securities at DSE stood at 378 at end of the year made up of 271 companies, 14 mutual funds, 8 debentures, 1 corporate bond and 84 treasury bonds. Number of shares, debentures and mutual funds at DSE was 2,292 million and issued capital stood at Tk. 284.38 billion as at 30th June '08.

Initial Public Offerings (IPO) were made by 9 companies tapping the market for over Tk. 2.7 billion as tabled below:

Company	Subscription		IPO Amount Tk. (Million)
	From	To	
International Leasing and Financial Services Ltd.	02-Jul-07	08-Jul-07	50.00
Trust Bank Ltd.	15-Jul-07	19-Jul-07	466.67
Paramount Insurance Co. Ltd.	29-Jul-07	02-Aug-07	90.00
City General Insurance Co. Ltd.	19-Aug-07	23-Aug-07	90.00
Mudaraba Perpetual Bond of Islami Bank Bangladesh Ltd.	12-Sep-07	20-Sep-07	1,500.00
Fidelity Assets & Securities Co. Ltd.	28-Oct-07	01-Nov-07	140.64
Continental Insurance Limited	18-Nov-07	22-Nov-07	90.00
Delta Brac Housing Finance Corporation Ltd.	02-Mar-08	06-Mar-08	105.00
ICB AMCL 2 nd NRB Mutual Fund	15-May-08	29-May-08	200.00
			2,732.31

In comparison to the above, 12 companies raised Tk. 3.58 billion through initial public offerings in the previous year ended 30th June 2007.

Central Depository System (CDS) Operations

Depository Participants (DP) increased by 28 from 222 to 250 during the year ended 30th June '08 as detailed below:

Depository Participants (DPs) admitted to CDDBL	30th Jun '07	30th Jun '08
Broker Dealers – Full Service DPs	196	223
Broker Dealers – Trading DP	0	0
Custodian Banks	24	25
Stock Exchanges	2	2
	222	250

Investors Accounts registered a 28% growth during the year, increasing by 392,190 due to large-scale participation of investors in popular IPOs like ICB AMCL 2nd NRB Mutual Fund,

Investor Accounts:	30th Jun '07	30th Jun '08
Individual Accounts	848,808	1,091,532
Joint Accounts	532,441	680,632
Omnibus Accounts	224	305
Company Accounts	3,671	4,865
	1,385,144	1,777,334

Company's Global Internet Securities Balance Enquiry and Portfolio Valuation Service which was launched during last year is gradually getting popular, particularly with the investors from abroad.

Listed Securities of 32 publicly listed companies came into the CDS during the year taking the total from 118 as at 30th June '07 to 150 as on 30th June '08.

Number of shares held in the CDS increased during the year by 383,505,144 taking the total from 714,417,135 as at 30th June '07 to 1,097,922,279 as at 30th June '08. Market value of the shares held in CDS as at 30th June '07 amounted to around Tk. 166.08 billion which increased to Tk. 406.35 billion as at 30th June '08 registering a gain of around 145%.

With the increase in securities held in the depository, share transfers in the depository relating to settlement of stock exchange trades during the year were significantly higher compared to the previous year, as also, transactions value up over 244% as tabled below resulting in a upsurge in this income stream:

No of Shares in CDS	Year Ended	No of Trades	No of Shares Traded	Turnover Tk.
1,097,922,279	30 th June '08	13,386,312	4,051,787,039	594,199,984,918
714,417,135	30 th June '07	5,441,428	2,225,956,417	172,245,714,106
53.68 %	% Increase/(decrease)	146.01 %	82.02 %	244.97 %

Of the DSE & CSE combined trades during the year ended 30th June '08, as much as 95% of the turnover was settled in the demat market segment as detailed below:-

Exchanges	No of Trades	No of Shares	Turnover Tk.
Demat Segment			
DSE/CSE combined	14,635,586	4,502,530,909	623,504,986,584
Settled at CDBL	13,386,312	4,051,787,039	594,199,984,918
% at CDBL	91	90	95

Corporate Actions relating to bonus were much higher though rights shares issued and stock split declined. Credits to the BO accounts in the CDS on account of Corporate Actions were significantly higher during the year as against previous year as follows:-

Year Ended	No. of Shares			Total		
	Bonus	Rights	Stock Split	Shares	A/Cs credited	Value Tk. Billion
30 th June '08	158,318,101	20,329,515	1,406,548	180,054,164	394,152	129.15
30 th June '07	81,270,334	21,236,221	44,276,016	146,782,571	248,190	43.79
% Increase/(decrease)	95%	(4%)	(97%)	23%	59%	195%

Electronic Government Securities Registry (EGSR) of Bangladesh Bank holdings of outstanding T-Bills in the EGSR at the end of the year on 30th June '08 compared to the previous year increased marginally by around 0.11% whilst T-Bonds increased by 125% as follows:

Tenure Amount	28 Days Tk mln	91 Days Tk mln	182 Dys Tk mln	364 Dys Tk mln	2 Yrs Tk mln	5 Yrs Tk mln	10 Yrs Tk mln	15 Yrs Tk mln	20 Yrs Tk mln	Total Tk mln
T-Bills outstanding in the EGSR										
T-Bills outstanding 30-Jun-08	20,000	29,634	19,500	33,500	5,395	16,487.5	-	-	-	124,516.5
T-Bills outstanding 30-Jun-07	15,580	10,850	3,430	10,898.8	11,610	72,014	-	-	-	124,382.8
% Variance	28.37	173.12	468.51	207.37	(53.53)	(77.11)	-	-	-	0.11
T-Bonds outstanding in the EGSR										
T-Bond outstanding 30-Jun-08	-	-	-	-	-	78,351	96,310	12,000	6,000	192,661
T-Bond outstanding 30-Jun-07	-	-	-	-	-	38,077	47,686	-	-	85,763
% Variance	-	-	-	-	-	106	102	100	100	125

T-Bills issued lodged at CDBL during the year ended 30th June '08 was up by 4.79% compared to the previous year as follows:

Tenure Amount	28 Days Tk mln	91 Days Tk mln	182 Dys Tk mln	364 Dys Tk mln	2 Yrs Tk mln	5 Yrs Tk mln	10 Yrs Tk mln	15 Yrs Tk mln	20 Yrs Tk mln	Total Tk mln
T-Bills issued										
T-Bills issued during the year ended 30 th Jun'08	255,610	110,134	30,500	34,500	-	-	-	-	-	430,744
T-Bills issued during the year ended 30 th Jun'07	356,848.9	31,939	6,744	10,129.8	5,395	-	-	-	-	411,056.7
% Variance	(28.37)	244.83	352.25	240.58	(100)	-	-	-	-	4.79

T-Bonds issued lodged at CDBL during the year ended 30th June '08 was up over 79% compared to the previous year as follows:

Tenure Amount	28 Days Tk mln	91 Days Tk mln	182 Dys Tk mln	364 Dys Tk mln	2 Yrs Tk mln	5 Yrs Tk mln	10 Yrs Tk mln	15 Yrs Tk mln	20 Yrs Tk mln	Total Tk mln
T-Bonds issued										
T-Bond issued during the year ended 30 th Jun'08	-	-	-	-	-	40,000	48,000	12,000	6,000	106,000
T-Bond issued during the year ended 30 th Jun'07	-	-	-	-	-	24,340	34,853.7	-	-	59,193.7
% Variance	-	-	-	-	-	64.34	37.72	100	100	79.07

During the year ended 30th June 08, 1,402 T-Bills Repo transactions took place involving face value of Tk. 238,058.90 mln and 1,478 Repo transactions of T-Bonds were executed with face value of Tk. 256,681.10 mln.

Non-bank entities (including provident funds) purchase of T-Bills during the year involved 823 transactions amounting to Tk. 120,242.70 mln, whilst there were 310 T-Bonds transactions, mainly of provident funds amounting to Tk. 33,333.10 mln.

System Operations

The phenomenal growth of trade volumes in the stock exchanges coupled with the large number of investors BO accounts in the system caused processing resource constraint from time to time during the year.

Accordingly, a roadmap for system up-gradation was chalked out and work order placed with HP Singapore in May, 2008 to supply, install & commission servers & storage solutions with 5-year 24x7 support. Keeping in view the increased and potential market demand it was envisaged that this phase of CDBL's system up-gradation will adequately cope with daily turnover at the stock exchanges in the foreseeable future.

It will be noted with satisfaction that on Sunday 12th October 08 CDBL's ICT personnel and CMC's system migration team successfully completed the up-gradation with the commencement of live operations on the new rp8440 Servers and EVA8100 Storage Systems at the Main Data Centre with linkup to the Disaster Recovery Site at Topkhana.

Personnel

Workforce of the Company at the end of 30th June '08 was 44, of whom 28 were IT professionals. The workforce increased by 11 during the year.

However, in view of the growth in business volume and clientele the Company is continuing its ICT Management Trainee Program of 6 months duration. CDBL was also in the process of recruitment of some senior management positions at the end of the year.

Towards advanced level capacity building of CDBL's ICT Team four people attended a training program abroad during the year.

The Company has continued to outsource its security and cleaning services.

Financial Results

Exceptional financial results have been achieved in the year as a consequence of the favourable market conditions and the tight lid maintained on overall expenditure. Profit after tax at Tk. 348 mln for the year was up over 250% compared to the previous year as a result of growth in income from depository operations of around 203%.

Dividend

Considering the profitability attained by the Company during the year, the Board of Directors in its meeting held on 17th February 09 recommended a cash dividend of 25% i.e. Tk. 250,000.00 per ordinary share of Tk. 1 million each for the year ended 30th June 08 for consideration of the shareholders at the 8th Annual General Meeting of the Company.

Appropriations

	Taka
Net profit after taxation	348,005,212
Un-appropriated profit brought forward	103,594,114
Cash dividend @ 10% paid for the year ended 30 th June 2007	<u>(34,600,000)</u>
Profit available for appropriation	416,999,326
Proposed cash dividend @ 25% for the year ended 30 th June 2008	<u>(86,500,000)</u>
Un-appropriated profit carried forward	<u>330,499,326</u>

Outlook

The business outlook for the Company in the coming year generally appears to be good though the stock market may be vulnerable to overheating which invariably leads to a bubble burst at some stage. The global recession may also feature in this regard.

The Company has nonetheless made investments to be technologically well placed with new up-graded scalable systems to handle any extraordinary upsurge in trade volumes at the stock exchanges efficiently and deliver significant improvements in its service to depository participants and issuers.

Changes in Directorship

During the year changes that occurred in the directorship of the Company were as follows:

26 th Jan '08	Mr. Mohammed Shafiqul Azam, Managing Director of Sadharan Bima Corporation replaced Mr. Elias Ahmed as a nominee of Sadharan Bima Corporation.
26 th Jan '08	Mr. Nasiruddin Ahmed Chowdhury, President, Chittagong Stock Exchange Limited replaced Mr. M K M Mohiuddin as a nominee of Chittagong Stock Exchange Limited.
09 th Mar '08	Mr. M Fazlur Rahman, Deputy Managing Director, AB Bank Ltd. replaced Mr. Mufakhkharul Islam as a nominee of AB Bank Ltd.
09 th Mar '08	Mr. Sirajuddin Ahmed Chowdhury, CEO & Managing Director of Sonali Bank Ltd. replaced Mr. S M Aminur Rahman as a nominee of Sonali Bank Ltd.
25 th May '08	Mr. Abdul Haque, President, Dhaka Stock Exchange Limited replaced Mr. Abdullah Bokhari as a nominee of Dhaka Stock Exchange Limited.

Election of Directors

Pursuant to Article 117 to 120 of the Company, Mr. Paul J Heytens, Mr. Azam Jahangir Chowdhury, Mr. Mohammed Shafiqul Azam, Mr. M Fazlur Rahman and Mr. Sirajuddin Ahmed Chowdhury, Directors of the Company will retire and, being eligible, offer themselves for re-election.

Appointment of Auditors

The auditors of the Company, Hoda Vasi Chowdhury & Co., Chartered Accountants, retire as per Sec. 210 (6) of the Companies Act. 1994 and being eligible have offered themselves for re-appointment.

Conclusion

The Board of Directors is grateful for the assistance and support rendered to the Company by the Securities and Exchange Commission of Bangladesh. The trust and confidence reposed on the Board and extended to the Company by the sponsor shareholders and the increasing number of users of the Company's CDS is most heartening and deeply appreciated.

The Board of Directors is also pleased to record its appreciation for the relentless efforts of the Company's staff at all levels in achieving outstanding financial results in the year. The support extended by the Company's IT solution provider, CMC Limited and hardware maintenance team of HP Singapore in keeping the CDS up and running is also duly acknowledged and appreciated by the Board.

For and on behalf of the Board of Directors.

Samson H Chowdhury
Chairman

Hoda Vasi Chowdhury & Co

Chartered Accountants

Independent Correspondent Firm to Deloitte Touche Tohmatsu

Auditors' Report To the shareholders of Central Depository Bangladesh Limited

We have audited the accompanying Balance Sheet of **Central Depository Bangladesh Limited (CDBL)** as of 30 June 2008 and the related Profit and Loss Account, Statement of Changes in Equity and Cash Flow Statement for the year then ended. The preparation of these financial statements is the responsibility of the Company's management. Our responsibility is to express an independent opinion on these financial statements based on our audit.

We conducted our audit in accordance with Bangladesh Standards on Auditing (BSA). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes, examining on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

We report that as disclosed in accompanying accounting policy 2.4(b) and note – 11, deferred tax income amounting to Taka 19,878,013 was not recognized by the company, which is apparently non-compliant with Bangladesh Accounting Standards – 12 “Income taxes”.

In our opinion, except the above noted non - compliance, the financial statements prepared in accordance with Bangladesh Accounting Standards (BAS) give a true and fair view of the state of the Company's affairs as of 30 June 2008 and of the results of its operations and its cash flows for the year then ended and comply with the Companies Act. 1994, Depositories Act 1999, the Depository (User) Regulations 2003 and other applicable laws and regulations.

We also report that:

- a) We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit and made due verification thereof;
- b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appeared from our examination of those books;
- c) The Company's Balance Sheet and Profit and Loss Account along with the annexed notes 1 to 20 dealt with by the report are in agreement with the books of account;
- d) The financial statements have been prepared in accordance with the Generally Accepted Accounting Principles;
- e) The expenditures incurred and payments made were for the purposes of the Company's affairs; and
- f) The information and explanations required by us have been received and found satisfactory.

Dhaka, 17 February 2009

Chartered Accountants

National Office : BTMC Bhaban (8th Floor), 7-9 Kawran Bazar Commercial Area, Dhaka – 1215, Bangladesh
Motijheel Office : Ispahani Building (3rd Floor), 14-15 Motijheel Commercial Area, Dhaka – 1000, Bangladesh
Chittagong Office : Bengal Ship House (1st Floor), 73 Agrabad Commercial Area, Chittagong – 4100, Bangladesh

Central Depository Bangladesh Limited
Balance Sheet
as at 30 June 2008

	<u>Notes</u>	<u>2008</u> <u>Taka</u>	<u>2007</u> <u>Taka</u>
Fixed assets - at cost less accumulated depreciation	3	100,543,006	37,451,727
Current assets			
Accounts receivable - trade	4	135,801,986	56,265,531
Interest receivables		27,274,070	17,653,085
Deposits and pre-payments	5	1,046,857	1,035,438
Advances and loans	6	6,582,999	9,100,579
Cash and bank balances	7	802,540,664	438,897,830
		973,246,576	522,952,463
Less : Current Liabilities			
Creditors, accrued expenses and other liabilities	8	70,893,013	93,714
Un-earned fee	9	69,549,792	5,102,877
Provision for income tax	10	121,054,451	69,913,485
		261,497,256	75,110,076
Net Current Assets		711,749,320	447,842,387
Net Assets		812,292,326	485,294,114
Represented by			
Shareholders' equity			
Share capital	12	346,000,000	346,000,000
Retained earnings		421,817,326	103,594,114
		767,817,326	449,594,114
Long term security deposits	13	44,475,000	35,700,000
		812,292,326	485,294,114

These financial statements should be read in conjunction with annexed notes.

S.K. Choudhury
CFO &
Company Secretary

M. H. Samad
Managing Director & CEO

Md. Ziaul Haque Khondker
Director

Samson H. Chowdhury
Chairman

Auditors' Report to the Shareholders

See annexed report of date

Chartered Accountants

Dhaka, 17 February 2009

Central Depository Bangladesh Limited
Profit and Loss Account
for the year ended 30 June 2008

	Notes	2008 Taka	2007 Taka
Income			
Operating Income	14	611,730,696	201,938,689
Interest Income		74,519,520	39,862,481
		686,250,216	241,801,170
Expenditure			
Salaries and allowances		16,395,297	12,115,772
Gratuity		4,754,000	146,667
Office rent	15	4,666,608	3,385,502
Electricity and water charges		1,367,010	1,342,476
Depository system maintenance		14,447,833	15,658,970
Insurance		760,930	720,538
Motor car maintenance		291,618	161,862
Interest for lease asset		-	20,467
Advertisement expenses		355,310	26,500
Entertainment expenses		23,220	145,200
Printing, postage and stationery		459,176	346,251
WAN, telephone & internet		1,693,656	1,231,801
Travelling and conveyance		101,373	61,625
License fees & subscriptions		312,998	268,771
Legal & professional fees		514,040	65,009
Training and development costs		930,734	1,363,379
Marketing & capacity building		45,711	19,985
Refectory expenses		82,885	52,979
Security services		217,572	199,746
Repairs & maintenance		473,841	329,173
Office cleaning		34,449	23,459
Bank charges & excise duty		78,370	42,479
Audit fee		125,000	100,000
Meetings & participant conferences		176,290	148,163
Directors fee		189,750	91,500
Other expenses		12,118	9,926
Depreciation	3	55,917,215	33,169,268
		104,427,004	71,247,468
Net Profit before tax for the year		581,823,212	170,553,702
Provision for income tax	10	229,000,000	71,000,000
Net Profit for the year		352,823,212	99,553,702
Profit brought forward from previous year		103,594,114	4,040,412
Profit available for appropriation		456,417,326	103,594,114
Less: Dividend @ 10% for the year 2007		34,600,000	-
Accumulated profit transferred to retained earnings		421,817,326	103,594,114

These financial statements should be read in conjunction with annexed notes.

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Company Secretary

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Director

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Auditors' Report to the Shareholders
See annexed report of date

Chartered Accountants

Dhaka, 17 February 2009

**Central Depository Bangladesh Limited
Statement of Changes in Equity
for the year ended 30 June 2008**

<u>Particulars</u>	<u>Share capital Taka</u>	<u>Accumulated profit Taka</u>	<u>Dividend paid Taka</u>	<u>Total Taka</u>
Balance as at 1 July 2006	346,000,000	4,040,412	-	350,040,412
Net profit for the year	-	99,553,702	-	99,553,702
Balance as at 30 June 2007	346,000,000	103,594,114	-	449,594,114
Net profit for the year	-	352,823,212	-	352,823,212
Dividend paid for 2006-07	-	-	34,600,000	(34,600,000)
Balance as at 30 June 2008	346,000,000	456,417,326	34,600,000	767,817,326

S. K. Choudhury
CFO &
Company Secretary

M. H. Samad
Managing Director & CEO

Md. Ziaul Haque Khondker
Director

Samson H. Chowdhury
Chairman

Central Depository Bangladesh Limited

Cash Flow Statement

for the year ended 30 June 2008

	<u>2008</u> <u>Taka</u>	<u>2007</u> <u>Taka</u>
Cash flows from operating activities		
CDS Bills receipts	543,492,641	159,831,727
Office & Administrative expenses	(37,209,849)	(38,577,637)
Income Tax paid	(177,859,033)	(14,228,034)
Net cash increased from operating activities	328,423,759	107,026,056
Cash flows from investing activities		
Bank interest receipts	64,898,539	32,234,607
Purchase of Fixed Assets	(7,767,110)	(6,662,968)
Central Depository System - equipment additions	(111,241,384)	(48,000)
Deposits and pre-payments	(11,419)	126,424
Advances and loans	(2,559,231)	2,637,722
Liabilities for capital goods	52,327,465	-
Net cash (decreased) / increased from investing activities	(4,353,140)	28,287,785
Cash flows from financing activities		
Dividend paid	(34,600,000)	-
Security deposits & Participants advances	74,172,215	8,098,961
Vehicle lease rental	-	(400,533)
Net cash increased from financing activities	39,572,215	7,698,428
Net Increase in cash and cash equivalents during the year	363,642,834	143,012,269
Cash & cash equivalent at the beginning of the year	438,897,830	295,885,561
Cash & cash equivalent at the end of the year	802,540,664	438,897,830

These financial statements should be read in conjunction with annexed notes.

S. K. Choudhury
CFO &
Company Secretary

M. H. Samad
Managing Director & CEO

Md. Ziaul Haque Khondker
Director

Samson H. Chowdhury
Chairman

**Central Depository Bangladesh Limited
Notes to the financial statements
For the year ended 30 June 2008**

1. Background and objective of the Company

Central Depository Bangladesh Limited (hereinafter referred to as CDBL) was incorporated on 20 August 2000 in Bangladesh as a public limited company for running a central depository operation, first of its kind in Bangladesh. The Company is sponsored by the country's Nationalized Commercial Banks (NCBs), Investment Corporation of Bangladesh (ICB), Private Commercial Banks (PCBs), Foreign Banks, Merchant Banks, Publicly listed Companies, Insurance Companies and Dhaka & Chittagong Stock Exchanges with the collaboration of the Asian Development Bank (ADB). The Company received registration from the Securities & Exchange Commission (SEC) on 11 September 2001 under Depositories Regulations 2000 and subsequently obtained business commencement certificate on 23 December 2003 from the SEC. However, the Company commenced depository operations of Government securities from 20 October 2003 and that of listed securities from 24 January 2004. The main objective of the Company is to assist listed companies in the handling of scripless transfer of ownership of shares, debentures, mutual funds and also Government bonds and treasury bills issued by the Bangladesh Bank.

2. Accounting Policies

2.1 Basis of preparation and presentation of financial statements

These financial statements have been prepared on Generally Accepted Accounting Principles and in compliance with International Financial Reporting Standards (IFRS) so far adopted in Bangladesh, Companies Act 1994, Securities & Exchange Rules 1987, Depositories Act 1999, the Depositories Regulations 2000 and the Depository (User) Regulations 2003 and other applicable laws.

2.2 Fixed assets and depreciation

Operating fixed assets are capitalized at cost inclusive of the cost of installation and erection. These are stated at cost less accumulated depreciation. Expenditure relating to 'site preparation and office renovation' has been capitalized whilst incidental expenses in relation to repairs, renewals and maintenance are charged to Profit & Loss Account.

Depreciation on additions during the year is charged for the whole year irrespective of date of acquisition, while no depreciation will be charged in the year of retirement/disposal.

2.3 Foreign currency transactions

Foreign currency transactions are converted into Bangladesh Taka at the rate of exchange prevailing on the transaction dates.

2.4 Taxation

a) Current tax

Current income tax is recognized on the basis of Company's computation based on the best estimated assessable profit for the year @ 37.5% pursuant to provisions of Income Tax Ordinance 1984 and the relevant Finance Ordinance. The tax rate for the year is applied on the basis of Finance Ordinance 2008.

b) Deferred tax

It is the consistent policy of the Company not to recognize the effect of deferred tax income calculated in compliance with BAS - 12 "Income Taxes".

2.5 Recognition of Income

Income of the Company is recognized based on the services rendered and invoices raised there against on accrual basis.

2.6 Employee benefits

Permanent employees of the Company, on completion of 5 years service, are eligible for Gratuity benefit approved by the Board of Directors payable on the basis of 1 month's last drawn gross pay for each year of completed service. Accordingly necessary provision has been made in the financial statements.

3. FIXED ASSETS - At cost less accumulated depreciation

Figures in Taka

Particulars	COST			DEPRECIATION			Written down value at 30 June 2008	Rate (%)
	Balance on 01 July 2007	Additions during the year	Balance at 30 June 2008	Balance on 01 July 2007	Charge for the year	Balance at 30 June 2008		
Central Depository System (CDS):								
Software	85,197,384	-	85,197,384	68,157,909	17,039,375	85,197,284	100	20
Hardware	47,899,992	104,118,686	152,018,678	38,319,992	30,403,736	68,723,728	83,294,950	20
Network equipment, LAN & WAN	17,533,159	7,122,698	24,655,857	12,884,408	4,931,171	17,815,579	6,840,278	20
	150,630,535	111,241,384	261,871,919	119,362,309	52,374,282	171,736,591	90,135,328	
Computers & Accessories	2,858,505	237,600	3,096,105	2,647,665	100,230	2,747,895	348,210	20
Office & Electrical Equipment	1,723,692	1,177,700	2,901,392	1,154,718	425,366	1,580,084	1,321,308	20
Furniture & Fixtures	3,158,081	57,500	3,215,581	2,546,317	482,337	3,028,654	186,927	15
Air Conditioners	2,105,000	698,240	2,803,240	2,104,900	139,648	2,244,548	558,692	20
Site preparation & Office renovation	1,329,725	1,180,415	2,510,140	1,080,602	376,521	1,457,123	1,053,017	15
Power Generator	984,906	3,526,895	4,511,801	984,806	705,379	1,690,185	2,821,616	20
Auto Sensor Fire Alarm	1,171,500	888,760	2,060,260	1,171,400	177,852	1,349,252	711,008	20
Motor Vehicles	8,778,000	-	8,778,000	4,235,500	1,135,600	5,371,100	3,406,900	20
Total 2008	172,739,944	119,008,494	291,748,438	135,288,217	55,917,215	191,205,432	100,543,006	
Total 2007	166,028,976	6,710,968	172,739,944	102,118,949	33,169,268	135,288,217	37,451,727	

The ownership of the leased vehicle, the term of which has expired, is yet to be transferred in favour of the Company from Bay Leasing & Investment Limited.

	2008	2007
	<u>Taka</u>	<u>Taka</u>
4 Accounts receivable - trade		
Participants	106,587,075	43,369,707
Issuers	23,072,319	9,939,495
Bangladesh Bank for EGSR maintenance	5,914,060	1,926,332
Other Banks for EGSR transactions and connections	228,532	1,029,997
	<u>135,801,986</u>	<u>56,265,531</u>
5 Deposits and pre-payments		
Deposits with		
Bangladesh Shilpa Rin Sangsta - office rent	440,928	440,928
Bangladesh General Insurance Company - office rent for DRC at BGIC Tower	119,350	119,350
	560,278	560,278
Pre-payments		
MCCI Membership fees & subscription	-	10,653
Pragati Insurance Company Limited	486,579	456,177
SEC Registration fee	-	8,330
	486,579	475,160
	<u>1,046,857</u>	<u>1,035,438</u>
6 Advances and loans		
Advances		
Work Advance - staff	25,029	-
Hewlett-Packard Singapore (Sales) Pte. Ltd - CDS hardware maintenance	-	575,988
CMC Limited, Mumbai - CDS Software maintenance	-	4,500,823
	25,029	5,076,811
Loans		
Employees (Note - 6.01)	6,557,970	3,419,850
Managing Director & CEO	-	603,918
	6,557,970	4,023,768
	<u>6,582,999</u>	<u>9,100,579</u>

6.01 The above noted loans to the employees of Tk. 6,557,970 represent interest free loans on different personal grounds which are being recovered from monthly salaries.

	2008	2007
	<u>Taka</u>	<u>Taka</u>
7 Cash and bank balances		
Cash in hand	96,698	49,867
Cash at bank		
On current account with:		
Standard Chartered Bank, Kawran Bazar Branch, Dhaka	(176,252,353)	912,186
Bangladesh Shilpa Rin Sangstha, Kawran Bazar Branch	(2,351,823)	-
On Short Term Deposits with:		
Sonali Bank Limited; Local office, Dhaka	823,993	811,461
Standard Chartered Bank, Kawran Bazar Branch, Dhaka	262,225,243	18,384,285
Bangladesh Shilpa Rin Sangstha, Kawran Bazar Branch	14,259,144	23,001,269
	98,704,204	43,109,201
Fixed Deposits	703,739,762	395,738,762
	<u>802,540,664</u>	<u>438,897,830</u>

The negative balances with respect to Standard Chartered Bank, Kawran Bazar Branch, Dhaka and Bangladesh Shilpa Rin Sangstha, Kawran Bazar Branch, Dhaka represent cheques issued by the company but not presented to the banks within the year ended 30 June 2008.

8 Creditors, accrued expenses and other liabilities

Creditors

Flora Limited	48,081,500	-
Trade International Limited	402,506	-
	48,484,006	-

Accrued expenses

Hoda Vasi Chowdhury & Co - audit fee	125,000	100,000
BSRS - Generator rental	700,000	-
Gratuity fund	4,754,000	-
	5,579,000	100,000

Other liabilities

Securities & Exchange Commission for annual account maintenance fee	12,248,700	-
Sundry creditors	4,245,192	-
Withholding tax - payroll	335,342	(6,286)
Tax deducted at source - suppliers	773	-
	16,830,007	(6,286)
	<u>70,893,013</u>	<u>93,714</u>

	2008	2007
	<u>Taka</u>	<u>Taka</u>
9 Un-earned fee		
Annual fee - issuers	5,575,404	4,724,502
Connection fee - issuers	465,624	378,375
Annual accounts maintenance fee subsequently received	63,508,764	-
	<u>69,549,792</u>	<u>5,102,877</u>
10 Provision for income tax		
This has been arrived at as follows:		
Opening balance	69,913,485	13,141,519
Add : Provision made during the year		
For current year	228,524,658	71,000,000
For previous year's short provision	475,342	-
	229,000,000	71,000,000
	298,913,485	84,141,519
Less : Advance and payments made during the year		
Tax deducted at sources by Bangladesh Bank	2,375,733	954,573
Tax deducted at sources from interest on short term deposit	700,199	249,231
Tax deducted at sources from interest on fixed term deposit	5,789,656	2,974,230
Advance income tax paid	168,993,446	10,050,000
	177,859,034	14,228,034
	121,054,451	69,913,485

	<u>2008</u>	<u>2007</u>
	<u>Taka</u>	<u>Taka</u>
12 Share capital		
12.1 Authorised Capital		
500 ordinary shares of Tk 1,000,000 each	<u>500,000,000</u>	<u>500,000,000</u>
12.2 Issued, subscribed and paid up capital		
346 Ordinary shares of Tk 1,000,000 each fully paid in cash	<u>346,000,000</u>	<u>346,000,000</u>
12.3 Composition of shareholders		
Names of Shareholders	No of shares	
Nationalised and Specialized Banks	64	64,000,000
Private Commercial and Specialized Banks	101	101,000,000
Foreign Commercial Banks	38	38,000,000
Insurance Companies	26	26,000,000
Publicly Listed Companies	35	35,000,000
Non-Banking Financial Institutions/Merchant Banks	11	11,000,000
Asian Development Bank (ADB)	30	30,000,000
Dhaka Stock Exchange Limited (DSE)	10	10,000,000
Chittagong Stock Exchange Limited (CSE)	10	10,000,000
Investment Corporation of Bangladesh (ICB)	10	10,000,000
Sadharan Bima Corporation	10	10,000,000
Apex Pharma Limited	1	1,000,000
	<u>346</u>	<u>346,000,000</u>
	<u>346,000,000</u>	<u>346,000,000</u>

13 Long term security deposits

Participants	22,600,000	19,800,000
Issuers	21,600,000	15,700,000
Direct Account Holders	275,000	200,000
	<u>44,475,000</u>	<u>35,700,000</u>

In case of mutual funds, security deposits are accepted at 50% of applicable slab as specified in the bye-laws of the Company.

	2008	2007
	<u>Taka</u>	<u>Taka</u>
14 Operating Income		
Dematerialization of securities	7,903,906	3,752,156
Custody of securities	23,631,695	51,361,306
Settlement of securities transactions	302,922,152	88,546,686
Documentations	164,320	101,939
CDS connections	2,357,672	1,995,084
Rematerialization of securities	1,596,551	2,280,422
Issuers book entry demat register maintenance	9,449,095	7,269,792
Electronic Government Securities Registry (EGSR)	21,296,459	11,257,286
EGSR Connections and Transactions	557,710	1,649,730
Corporate actions	60,570,410	23,301,127
Pledging of securities	8,813,343	3,214,168
Suspensions & revocations	63,580	500
Fresh Issues (IPO)	2,400,420	729,937
Statement verifications	390	335
Transfers & transmissions	21,765,379	5,597,026
Radio Link installations	150,000	45,000
Radio Link connections	1,029,250	760,675
Freeze	130	3,597
Internet Balance Inquiry	111,400	47,800
Confiscations	219,198	24,123
Annual accounts Maintenance	146,727,636	-
	<u>611,730,696</u>	<u>201,938,689</u>

15 Office rent

Office rent	4,687,608	3,385,502
Less: Recoveries from users of meeting room	21,000	-
	<u>4,666,608</u>	<u>3,385,502</u>

16 Proposal of dividend

Subsequent to the close of business on 30 June 2008, the Board of Directors of the Company has recommended a cash dividend @ 20% i.e. Taka 200,000 for ordinary share of Taka 1,000,000 each, making a total amount of Taka 69,200,000 for 346 issued ordinary shares.

17 Payments / perquisites to directors

Directors, attending Board Meetings, were paid Tk. 5,000 per meeting. The Managing Director & CEO, received an aggregate amount of Tk. 3,200,000 (2007 : Tk. 2,800,000) as emoluments during the financial year.

2008
Taka 2007
Taka

18 Contingent liabilities and commitments

18.1 Contingent liability	<u>Nil</u>	<u>Nil</u>
18.2 Claims against the Company not acknowledged as debts	<u>Nil</u>	<u>Nil</u>
18.3 Capital expenditure commitments:		
i) Contracted and incurred but not provided for in the accounts	<u>Nil</u>	<u>Nil</u>
ii) Approved by the Board but not contracted for	<u>Nil</u>	<u>Nil</u>

19 Number of employees engaged for drawing remuneration

	<u>Number of employees</u>	<u>Number of employees</u>
Above Tk. 3,000 per month	<u>44</u>	<u>33</u>
Below Tk. 3,000 per month	<u>Nil</u>	<u>Nil</u>

20 General

- a) Figures relating to previous year have been rearranged wherever considered necessary to conform to current year's presentation.
- b) Figures appearing in these financial statements have been rounded off to the nearest Taka.

S. K Choudhury
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Company Secretary

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Director

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