"If you have any query about this document, you may consult issuer, issue manager and underwriter"

PROSPECTUS

For

Public Offering of 17,700,000 Ordinary Shares of Tk. 10 each at par totaling Tk. 177,000,000

of

BANGLADESH NATIONAL INSURANCE COMPANY LIMITED

Opening Date for Subscription: **17 February 2016**

Closing Date for Subscription (Cut-off date): **25 February 2016**

Manager to the Issue

Prime Finance Capital Management Limited
PFI Tower (6th Floor), 56-57, Dilkusha C/A, Dhaka-1000, Bangladesh.
Phone: 88-02-9584876-7; Fax: 88-02-9584922.
E-mail: info@primefincap.com, Website: www.primefincap.com

Underwriters

Prime Finance Capital Management Limited
PFI Tower (6th Floor), 56-57, Dilkusha C/A, Dhaka 1000
Phone: 88-02-9584876-7; Fax: 88-02-9584922

ICB Capital Management Limited
BDBL Bhaban (Level-16), 8, Rajuk Avenue, Dhaka-1000
Phone: 88-02-9585691-2; Fax: 88-02-9555707

Grameen Capital Management Limited
Grameen Bank Complex 1st Building (2nd Floor), Mirpur-2, Dhaka-1216
Phone: 88-02-9005257-69; Fax: 88-02-8057618

Credit Rating Agency

EMERGING Credit Rating Limited

Rating:	Long term **A-**	Short term **ECRL-2**
Rating date:	30 Sept. 2014	30 Sept. 2014
Validity till:	29 Sept. 2015	29 Sept. 2015

Date of Issuance of Prospectus: 28 May 2015

Date of Publication of Abridged Version of Prospectus: 4 June 2015

The issue shall be placed in "N" Category

"CONSENT OF THE SECURITIES AND EXCHANGE COMMISSION HAS BEEN OBTAINED TO THE ISSUE/OFFER OF THESE SECURITIES UNDER THE SECURITIES AND EXCHANGE ORDINANCE, 1969, AND THE SECURITIES AND EXCHANGE COMMISSION (PUBLIC ISSUE) RULES, 2006. IT MUST BE DISTINCTLY UNDERSTOOD THAT IN GIVING THIS CONSENT THE COMMISSION DOES NOT TAKE ANY RESPONSIBILITY FOR THE FINANCIAL SOUNDNESS OF THE ISSUER COMPANY, ANY OF ITS PROJECTS OR THE ISSUE PRICE OF ITS SECURITIES OR FOR THE CORRECTNESS OF ANY OF THE STATEMENTS MADE OR OPINION EXPRESSED WITH REGARD TO THEM. SUCH RESPONSIBILITY LIES WITH THE ISSUER, ITS DIRECTORS, CHIEF EXECUTIVE OFFICER/CHIEF FINANCIAL OFFICER, ISSUE MANAGER, UNDERWRITER AND/OR AUDITOR."

Bangladesh National Insurance Company Limited
REGISTERED OFFICE: WW TOWER, 68, MOTIJHEEL C/A (LEVEL-15), DHAKA-1000.
PHONE: 88-02-9573481-8; FAX: 88-02-9555704
EMAIL: INFO@BNICLIMITED.COM, WEBSITE: WWW.BNICLIMITED.COM

Availability of Prospectus

Prospectus of Bangladesh National Insurance Company Limited may be obtained from the Issuer Company, Issue Manager, Underwriters and the Stock Exchanges as follows:

Issuer Company	Contact Person	Contact Number
Bangladesh National Insurance Company Limited WW Tower (level-15) 68, Motijheel C/A, Dhaka-1000	**Md. Sana Ullah** Managing Director	Tel: 88-02-9573481-8 Fax: 88-02-9555704

Manager to the Issue	Contact Person	Contact Number
Prime Finance Capital Management Limited PFI Tower (6th Floor) 56-57, Dilkusha C/A, Dhaka-1000	**M. Mosharraf Hossain** PhD, FCA Managing Director & CEO	Tel: 88-02-9584876-7 Fax: 88-02-9584922

Underwriters	Contact Person	Contact Number
Grameen Capital Management Limited Grameen Bank Complex 1st Building (2nd floor), Mirpur-2, Dhaka-1216	**K. M. Ashaduzzaman** Managing Director (C.C)	Tel: 88-02-9005257-69 Fax: 88-02-8057618
ICB Capital Management Limited BDBL Bhaban (Level-16), 8, Rajuk Avenue, Dhaka-1000	**Mahmud Mizanur Rahman** Chief Executive Officer	Tel: 88-02-9585691-2 Fax: 88-02-9555707
Prime Finance Capital Management Limited PFI Tower (6th Floor) 56-57, Dilkusha C/A, Dhaka-1000	**M. Mosharraf Hossain** PhD, FCA Managing Director & CEO	Tel: 88-02-9584876-7 Fax: 88-02-9584922

Stock Exchanges	Available At	Contact Number
Dhaka Stock Exchange Ltd. 9/F Motijheel C/A Dhaka–1000	DSE Library	Tel: 88-02-9564601-7 Fax: 88-02-9564727
Chittagong Stock Exchange Ltd. 1080 Sheikh Mujib Road, Agrabad Chittagong–4100	CSE Library	Tel: 88-031-714632-3, 720871-3 Fax: 88-031-714101

Prospectus is also available on the web site **www.primefincap.com**, **www.bniclimited.com**, **www.sec.gov.bd**, **www.dsebd.org**, **www.cse.com.bd** and Public Reference room of the Bangladesh Securities and Exchange Commission (BSEC) for reading and study.

Corporate Directory

Registered office

WW Tower (level-15), 68, Motijheel C/A, Dhaka-1000

Tel: 88-02-9573481-8; Fax: 88-02-9555704

Email: info@bniclimited.com

Website: www.bniclimited.com

Branches

Sl.	Name of Branches	Address	Phone	Fax
1.	Head Office	68, Motijheel C/A, (Level-15), Dhaka-1000	9573481-8	880-2-9555704
2.	Local Office	58,Dilkusha C/A (7th Floor), Dhaka-1000	9573524-5	9573525
3.	VIP Road Branch	33, Anjuman Mofidul Islam Road, Kakrail, Dhaka-1000	9337268	9343578
4.	Dilkusha Branch	65, Dilkusha C/A (3rd Floor), Dhaka-1000	9575392	9575392
5.	Gulshan Branch	House No.39, Road No.126, Gulshan-1, Dhaka	9841219	9841219
6.	Motijheel Branch	Amin Court Building, 62-63, Motijheel C/A, Dhaka-1000	9573526	9587267
7.	Narayangonj Branch	16/3, S. M. Maleh Road, Tan Bazar, Narayangonj	7630454	
8.	Agrabad Branch	Akteruzzaman Center (9th Floor), 21-22, Agrabad C/A, Chittagong	(031) 721408-9	(031) 721409
9.	Jessore Branch	M.K. Road, Jess Tower (3rd Floor), Jessore	(0421) 68505	
10.	Khulna Branch	58, Khan-A-Sabur Road (1st Floor), Khulna	041-730296	
11.	Rangpur Branch	House No.06, Road No. 2/1, Shalban Mistripara, Kotwali, Rangpur	0521-65904	
12.	Jamalpur Branch	Bhai Bhai Cloth Store (1st Floor), Baro Masjid Road, Sakal Bazar, Jamalpur	01716552802	
13.	B.B. Avenue Branch	9, B.B. Avenue, Dawn Plaza (10th Floor), Dhaka-1000	9585074	9584982
14.	Kawran Bazar Branch	57/E, Kazi Nazrul Islam Avenue (4th Floor), Tejgoan, Dhaka	9117592	9117629
15.	Bangshal Branch	70 Shaheed Nazrul Islam Sharani (3rd Floor), Bangshal, Dhaka-1000	9586275	9586274
16.	Noapara Branch	Haji Idrish Ali Market (2nd floor),Avoynagar, Noapara, Jessore	01711976511	
17.	Jatrabari Branch	Abdur Rahim Bhuiyan Center (3rd floor), 80/C/2 Bibir Bagicha, Uttar Jatrabari, Dhaka	7554458	
18.	Chowmuhani Branch	N. S. Tower (3rd Floor), Karimpur Road, Chowmuhani, Noakhali	01718113152	
19.	Moulvi Bazar Branch	19/B, Panghat (1st Floor), Imamgonj, Dhaka	7342935	
20.	Faridpur Branch	Alipur Moor, Faridpur	(0631) 65782	
21.	Rajshahi Branch	226, Shaheb Bazar (2nd Floor), Moni Chattar, Ghoramara, Boalia, Rajshahi	01670622103	
22.	Mymensingh Branch	36, Baro Bazar, P.O: Maymensingh, Thana+Upozila: Kotwali, Dist: Mymensingh	01912420298	
23.	Khatungonj Branch	117, Amir Market (2nd Floor), Hasan Chamber, Khatungonj C/A, Chittagong	031-2851478	031-2851479
24.	Paltan Branch	Azad Center, 55, Purana Polton (11/A), Dhaka	9586623	
25.	Uttara Branch	House No. 32, Flat No. B2, Road No. 1, Sector No. 3, Jashim Uddin Road, Uttara, Dhaka	7911545	7911540
26.	Bagerhat Branch	Pourashava Road, Bagherhat	01713903897	

Auditors

Mahfuz Amin Nowsher & Co.	**Nurul Azim & Co.**
Chartered Accountants	Chartered Accountants
Modern Manson (11th Floor), 53, Motijheel C/A, Dhaka-1000, Bangladesh	House # 6 (Floor-4C), Road # 2, Naam Village, Banani, Dhaka-1213, Bangladesh
Phone: 88-02-9569313;	Phone: 88-02-8813302;
E-mail: raminfca@gmail.com	E-mail: bmnazim@citechco.net

Table of Contents

Definition and/or Elaboration of the abbreviated words and technical terms

Abbreviated words and technical terms	**Definition and/or Elaboration**
BO	Beneficiary Owner
BAS	Bangladesh Accounting Standards
BFRS	Bangladesh Financial Reporting Standards
Commission/BSEC	Bangladesh Securities and Exchange Commission
CSE	Chittagong Stock Exchange Limited
CDBL	Central Depository Bangladesh Limited
CIB	Credit Information Bureau
DSE	Dhaka Stock Exchange Limited
FC Account	Foreign Currency Account
IPO	Initial Public Offering
NAV	Net Asset Value
NRB	Non Resident Bangladeshi
NBR	National Board of Revenue
NPAT	Net Profit after Tax
RJSC	Registrar of Joint Stock Companies & Firms
SBC	Sadharan Bima Corporation
The Company/ Issuer/BNICL	Bangladesh National Insurance Company Limited
IDRA	Insurance Development & Regulatory Authority

Disclosure in respect of issuance of security in demat form

As per provision of the Depository Act, 1999 and regulations made thereunder, shares will only be issued in dematerialized form. All transfer/transmission/splitting will take place in the Central Depository Bangladesh Ltd. (CDBL) system and any further issuance of shares (right/bonus) will be issued in dematerialized form only.

Conditions under Section 2CC of the Securities and Exchange Ordinance, 1969

Part A

1. The Company shall go for Initial Public Offer (IPO) for 17,700,000 Ordinary Shares of Tk. 10.00 each at par worth Tk. 177,000,000.00 (taka seventeen crore seventy lac) only following the Securities and Exchange Commission (Public Issue) Rules, 2006, the Depository Act, 1999 and regulations made there under.

2. **The abridged version of the prospectus, as approved by the Commission, shall be published by the issuer in 4 (Four) national daily newspapers (two in Bangla and two in English), within 5 (Five) working days of issuance of the consent letter. The issuer shall post the full prospectus, vetted by the Bangladesh Securities and Exchange Commission (BSEC), in the issuer's website and shall also put on the websites of the Commission, stock exchanges, and the Issue Manager, within 5 (Five) working days from the date of issuance of this letter and shall remain posted till the closure of the subscription list. The issuer shall submit to BSEC, the stock exchanges and the Issue Manager a diskette containing the text of the vetted prospectus in "MS -Word" format.**

3. Sufficient copies of prospectus shall be made available by the issuer so that any person requesting a copy may receive one. A notice shall be placed on the front of the application form distributed in connection with the offering, informing that interested persons are entitled to a prospectus, if they so desire, and that copies of prospectus may be obtained from the issuer and the Issue Manager. The subscription application shall indicate in bold type that no sale of securities shall be made, nor shall any money be taken from any person, in connection with such sale until twenty five days after the prospectus has been published.

4. The company shall submit 40 (Forty) copies of the printed prospectus to the Bangladesh Securities and Exchange Commission for official record within **5 (Five) working days** from the date of publication of the abridged version of the prospectus in the newspaper.

5. The Issuer company and the Issue Manager shall ensure transmission of the prospectus, abridged version of the prospectus and relevant application forms for NRBs through email, simultaneously with publication of the abridged version of the prospectus, to the Bangladesh Embassies and Missions abroad and shall also ensure sending of the printed copies of abridged version of the prospectus to the said Embassies and Missions within **5 (Five) working days** of the publication date by Express Mail Service (EMS) of the postal department. A compliance report shall be submitted in this respect to the BSEC jointly by the Issuer and the Issue Manager within **2 (Two) working days** from the date of said dispatch of the prospectus.

6. The paper clipping of the published abridged version of the prospectus, as mentioned at **condition no. 2 above**, shall be submitted to the Commission within **24 (twenty four) hours** of the publication thereof.

7. The company shall maintain separate bank account(s) for collecting proceeds of the Initial Public Offering and shall also open Foreign Currency (FC) account(s) to deposit the application money of the Non Resident Bangladeshis (NRBs) for IPO purpose, and shall incorporate full particulars of said FC account(s) in the prospectus. The company shall open the above-mentioned accounts for IPO purpose, and close these accounts after refund of over-subscription money. Non-Resident Bangladeshi (NRB) means Bangladeshi citizens staying abroad including all those who have dual citizenship (provided they have a valid Bangladeshi passport) or those, whose foreign passport bear a stamp from the concerned Bangladesh Embassy to the effect that no visa is required for traveling to Bangladesh.

8. The issuer company shall apply to all the stock exchanges in Bangladesh for listing **within 7 (Seven) working days** from the date of issuance of this letter and shall simultaneously submit the vetted prospectus with all exhibits, as submitted to BSEC, to the stock exchanges.

9. The following declaration shall be made by the company in the prospectus, namely :-

   “Declaration about Listing of Shares with the Stock Exchange(s):

   None of the stock exchange(s), if for any reason, grants listing within 75 (Seventy Five) days from the closure of subscription, any allotment in terms of this prospectus shall be void and the company shall refund the subscription money within 15 (Fifteen) days from the date of refusal for listing by the stock exchanges, or from the date of expiry of the said 75 (Seventy Five) days, as the case may be.

   In case of non-refund of the subscription money within the aforesaid 15 (Fifteen) days, the Directors of the company, in addition to the issuer company, shall be collectively and severally liable for refund of the subscription money, with interest at the rate of 2% (Two Percent) per month above the bank rate, to the subscribers concerned.

   The Issue Manager, in addition to the issuer company, shall ensure due compliance of the above mentioned conditions and shall submit compliance report thereon to the Commission **within 7 (Seven) days** of expiry of the aforesaid 15 (fifteen) days time period allowed for refund of the subscription money.”

10. The subscription list shall be opened and the sale of securities commenced after **25 (Twenty Five) days** of the publication of the abridged version of the prospectus and shall remain open up to **25th (twenty fifth) working day** from the date of publication of abridged version of prospectus.

11. The IPO shall stand cancelled and the Issuer shall inform the stock exchanges **within 2 (two) working days** of receiving verification report and information from CDBL to release the application money, if any of the following events occur:
    (a) Upon closing of the subscription list it is found that the total number of valid applications (in case of under subscription including the number of the underwriter) is less than the minimum requirement as specified in the listing regulations of the Stock Exchange(s) concerned; or
    (b) At least 50% of the IPO is not subscribed.

12. **20% of the total public offering shall be reserved for ¶wZM¯ ¶` wewb‡qvMKvix, 10% of total public offering shall be reserved for non-resident Bangladeshi (NRB) and 10% for mutual funds and collective investment schemes registered with the Commission, and the remaining 60% shall be opened for subscription by the general public. In case of under-subscription under any of the 20%**

and 10% categories mentioned above, the unsubscribed portion shall be added to the general public category and, if after such addition, there is over subscription in the general public category, the Issuer and the Manager to the Issue shall jointly conduct an open lottery of all the applicants added together.

13. All the applicants shall first be treated as applied for one minimum market lot of **500 shares worth Taka 5,000/- (taka five thousand only)**. If, on this basis, there is over subscription, then lottery shall be held amongst the applicants allocating one identification number for each application, irrespective of the application money. In case of over-subscription under any of the categories mentioned hereinabove, the Issuer and the Issue Manager shall jointly conduct an open lottery of all the applications received under each category separately in presence of representatives from the issuer, the stock exchanges and the applicants, if there be any.

14. **An applicant cannot submit more than two applications, one in his/her own name and the other jointly with another person. In case an applicant makes more than two applications, all applications will be treated as invalid and will not be considered for allotment purpose. In addition, 15% (fifteen) of the application money will be forfeited by the Commission and the balance amount will be refunded to the applicant.**

15. **The applicants who have applied for more than two applications using same bank account, their application will not be considered for lottery and the Commission will forfeit 15% of their subscription money too.**

16. **Making of any false statement in the application or supplying of incorrect information therein or suppressing any relevant information in the application shall make the application liable to rejection and subject to forfeiture of 25% of the application money and/or forfeiture of share (unit) before or after issuance of the same by the issuer. The said forfeited application money or share (unit) will be deposited in account of the Bangladesh Securities and Exchange Commission (BSEC). This is in addition to any other penalties as may be provided for by the law.**

17. The company shall furnish the List of Allotees to the Commission and the Stock Exchange(s) simultaneously in which the shares will be listed, within **24 (Twenty Four) hours** of allotment.

18. In the event of under-subscription of the public offering, the unsubscribed portion of securities shall be taken up by the underwriter(s) (subject to Para -11 above). The issuer must notify the underwriters to take up the underwritten shares within **10 (Ten) days** of the closing of subscription on full payment of the share money within **15 (Fifteen) days** of the issuer's notice. The underwriter shall not share any underwriting fee with the Issue Manager, other underwriters, issuer or the sponsor group.

19. All issued shares of the issuer at the time of according this consent shall be subject to a lock-in period of 3 (Three) years from the date of issuance of prospectus or commercial operation, whichever comes later.

    Provided that the persons (other than Directors and those who hold 5% or more shares in the company), who have subscribed to the shares of the company within immediately preceding two years of according consent shall be subject to a lock-in period of 1 (One) year from the date of issuance of prospectus or commercial operation, whichever comes later.

20. If any existing sponsor or director of any company transfers any share to any person, other than existing shareholders, within preceding 12 (twelve) months of submitting any application for raising

of capital or initial public offering (IPO), all shares held by those transferee shareholders shall be subject to a lock-in period of 3 (three) years from the date of issuance of prospectus for IPO.

21. **In respect of shares of Sponsors/Directors/Promoters (if in paper format) shall be handed over to security custodian bank registered with BSEC and shall remain till completion of lock in and the name and branch of the bank shall be furnished to the Commission jointly by the Issuer and Issue Manager, along with a confirmation thereof from the custodian bank, within one week of listing of the shares with the stock exchange(s). Or they (shares of Sponsors/ Directors/ Promoters) can be demated and will remain in lock-in under CDBL system and issuer will submit a dematerialization confirmation report generated by CDBL and attested by Managing Director of the company along with lock-in confirmation with BSEC within one week of listing of the shares with the stock exchange(s). In respect of shares other than Sponsors/Directors/Promoters the issuer will ensure their lock-in of those shares and submit a statement to this effect to BSEC.**

22. The Company shall apply to the stock exchanges for listing within **7 (Seven) working days** of issuance of this letter and shall simultaneously submit to the Commission attested copies of the application filed with the stock exchanges.

23. **The Company shall not declare any benefit/dividend based on the financial statements for the year ended on December 31, 2014 before listing of its securities with Stock Exchange(s).**

24. A compliance report on Corporate Governance Guideline as per the provision of the Bangladesh Securities and Exchange Commission Notification no. SEC/CMRRCD/2006-158/134/Admin/44 Dated 7 August 2012 shall be submitted to the Commission before 07 (seven) working days of the IPO subscription opening.

Part B
Application Process

Step-1 (Applicant)

1. An applicant for public issue of securities shall submit application/buy instruction to the Stockbroker/Merchant Banker where the applicant maintains customer account, within the cut-off date (i.e. the subscription closing date), which shall be the **25th (twenty fifth) working day** from the date of publication of abridged version of prospectus.

2. The application/buy instruction may be submitted in prescribed paper or electronic form, which shall contain the Customer ID, Name, BO Account Number, Number of Securities applied for, Total Amount and Category of the Applicant. At the same time:

   a. Other than non-resident Bangladeshi (NRB) and Foreign applicants shall make the application money and service charge available in respective customer account maintained with the Stockbroker/Merchant Banker. No margin facility, advance or deferred payment is permissible for this purpose. In case the application is made through a margin account, the application money shall be deposited separately and the Stockbroker/Merchant Banker shall keep the amount segregated from the margin account, which shall be refundable to the applicant, if become unsuccessful.

   b. Non-resident Bangladeshi (NRB) and Foreign applicants shall submit bank drafts (FDD), issued in favor of the Issuer/Mutual Fund for an amount equivalent to the application money, with their application to concerned Stockbroker/Merchant Banker. A Non-resident Bangladeshi (NRB) and Foreign applicant may also submit a single draft against 02 (two) applications made by him/her, i.e. one in his/her own name and the other jointly with another person. The draft (FDD) shall be issued by the Bank where the applicant maintains NITA/Foreign Currency account debiting the same account. No banker shall issue more than two drafts from any NITA/Foreign Currency account for any public issue. At the same time, the applicant shall make the service charge available in respective customer account maintained with the Stockbroker/Merchant Banker.

Step-2 (Intermediary)

3. The Stockbroker/Merchant Banker shall maintain a separate bank account only for this purpose namely "Public Issue Application Account". The Stockbroker/Merchant Banker shall:

   a. post the amount separately in the customer account (other than NRB and Foreign applicants), and upon availability of fund, block the amount equivalent to the application money;

   b. accumulate all the application/buy instructions received up to the cut-off date, deposit the amount in the "Public Issue Application Account" maintained with its bank within the first banking hour of **next working day** of the cut-off date. In case of application submitted by the Stock-dealer or the Merchant Banker's own portfolio, the application amount should also be transferred to the "Public Issue Application Account";

   c. instruct the banker to block the account for an amount equivalent to the aggregate application money and to issue a certificate in this regard.

4. Banker of the Stockbroker/Merchant Banker shall block the account as requested for, issue a certificate confirming the same and handover it to the respective Stockbroker/Merchant Banker.

5. For Non-resident Bangladeshi (NRB) and Foreign applicants, the Stockbroker/Merchant Banker shall hold the bank drafts (FDD) submitted by the applicants in their custody, with a list containing the draft information against the respective applicant's particulars.

6. The Stockbroker/Merchant Banker shall prepare category wise lists of the applicants containing Customer ID, Name, BO Account Number and Number of Securities applied for, and **within 03 (three) working days** from the cut-off date, send it to the respective Exchange in electronic (text format with tilde '~' separator) format and the certificate(s) issued by its banker and a copy of the list containing the draft information received from Non-resident Bangladeshi (NRB) and Foreign applicants.

7. **On the next working day,** the Exchanges shall provide the Issuer/AMC of Mutual Fund with the information received from the Stockbroker/Merchant Bankers. Exchanges shall verify and preserve the bankers' certificates and list containing the draft information in their custody.

8. The application/buy instructions shall be preserved by the Stockbroker/Merchant Bankers up to 6 months from listing of the securities with exchange.

Step-3 (Issuer/AMC of Mutual Fund)

9. The Issuer/AMC of Mutual Fund shall prepare consolidated list of the applications and send the applicants' BOIDs in electronic (text) format in a CDROM to CDBL for verification. The Issuer/AMC of Mutual Fund shall post the consolidated list of applicants on its website and websites of the

Exchanges. CDBL shall verify the BOIDs as to whether the BO accounts of the applicants are active or not.

10. **On the next working day,** CDBL shall provide the Issuer/AMC of Mutual Fund with an updated database of the applicants containing BO Account Number, Name, Addresses, Parents' Name, Joint Account and Bank Account Information along with the verification report.

11. After receiving verification report and information from CDBL, the Issuer/AMC of Mutual Fund shall scrutinize the applications, prepare category wise consolidated lists of valid and invalid applications and submit report of final status of subscription to the Commission and the Exchanges **within 10 (ten) working days** from the date of receiving information from the Exchanges.

12. The Issuer/AMC of Mutual Fund and the Issue Manager shall conduct category wise lottery with the valid applications **within 03 (three) working days** from the date of reporting to the Commission and the Exchanges, if do not receive any observation from the Commission or the Exchanges.

13. The Issuer/AMC of Mutual Fund and Issue Manager shall arrange posting the lottery result on their websites **within 06 (six) hours** and on the websites of the Commission and Exchanges **within 12 (twelve) hours** of lottery.

14. **Within 02 (two) working days** of conducting lottery, the Issuer/AMC of Mutual Fund shall:
    a. send category wise lists of the successful and unsuccessful applicants in electronic (text format with tilde '~' separator) format to the respective Exchange.
    b. send category wise lists of unsuccessful applicants who are subject to penal provisions as per conditions of the Consent Letter issued by the Commission in electronic (text format with tilde '~' separator) format to the respective Exchange mentioning the penalty amount against each applicant.
    c. issue allotment letters in the names of successful applicants in electronic format with digital signatures and send those to respective Exchange in electronic form.
    d. send consolidated allotment data (BOID and number of securities) in electronic text format in a CDROM to CDBL to credit the allotted shares to the respective BO accounts.

<u>Step-4 (Intermediary)</u>

15. **On the next working day,** Exchanges shall distribute the information and allotment letters to the Stockbroker/Merchant Bankers concerned in electronic format and instruct them to:
    a. remit the amount of successful (other than NRB and Foreign) applicants to the Issuer's/Mutual Fund's respective Escrow account opened for subscription purpose, and unblock the amount of unsuccessful applicants;
    b. send the bank drafts (FDD) submitted by successful NRB and Foreign applicants to the Exchange along with a list and return the drafts submitted by unsuccessful applicants;
    c. send the penalty amount of other than NRB and Foreign applicants who are subject to penal provisions to the Issuer's/Mutual Fund's respective Escrow Accounts along with a list and unblock the balance application money;

d. send the drafts (FDD) submitted by unsuccessful NRB and Foreign applicants who are subject to penal provisions, to the respective Exchange, along with a list.

16. **On the next working day** of receiving the documents from the Exchanges, the Stockbrokers/Merchant Bankers shall request its banker to:

    a. release the amount blocked for unsuccessful (other than NRB and Foreign) applicants;

    b. remit the aggregate amount of successful applicants and the penalty amount of unsuccessful (other than NRB and foreign) applicants who are subject to penal provisions to the respective 'Escrow' account of the Issuer/Mutual Fund opened for subscription purpose.

17. **On the same day** the Stockbroker/Merchant Bankers shall:
    a. send the drafts (FDD) submitted by successful NRB and Foreign applicants to the Exchange concerned along with a list and return the drafts submitted by unsuccessful NRB and Foreign applicants;
    b. send the drafts (FDD) submitted by unsuccessful NRB and Foreign applicants who are subject to penal provisions to the respective Exchange separately along with a list of the applicants.

18. **On the next working day** of receiving request from the Stockbrokers/Merchant Bankers, their bankers shall unblock the amount blocked in the account(s) and remit the amount as requested for to the Issuer's/Mutual Fund's 'Escrow' account.

19. **Simultaneously,** the Stockbrokers/Merchant Bankers shall release the application money in the customer accounts; inform the successful applicants about allotment of securities and the unsuccessful applicants about releasing their blocked amounts and send documents to the Exchange evidencing details of the remittances made to the respective 'Escrow' account of the Issuer/Mutual Fund. The unblocked amounts of unsuccessful applicants shall be placed as per their instructions. The Stockbroker/Merchant Banker shall be entitled to recover the withdrawal charges, if any, from the applicant who wants to withdraw the application money, up to an amount of Tk. 5.00 (five) per withdrawal.

20. **On the same day,** Exchanges shall send the drafts submitted by successful NRB and Foreign applicants and also by unsuccessful NRB and Foreign applicants who are subject to penal provisions, to the Issuer/AMC of Mutual Fund.

21. In case of drafts (FDD) submitted by successful NRB or Foreign applicant for any amount excess to the value of securities to be allotted or by unsuccessful NRB and Foreign applicants who are subject to penal provisions, refund of the balance amount shall be made by the Issuer/AMC of Mutual Fund to the applicant through bank drafts issued in the same currency within 7 (seven) working days of receiving the drafts from Exchange.

Miscellaneous:

22. The Issuer/AMC of Mutual Fund, Issue Manager(s), Stockbrokers and Merchant Bankers shall ensure compliance of the above.

23. The bank draft (FDD) shall be issued considering TT Clean exchange rate of Sonali Bank Ltd. on the date of publication of abridged version of prospectus.

24. Amount deposited and blocked in the "Public Issue Application Account" shall not be withdrawn or transferred during the blocking period. Amount deposited by the applicants shall not be used by the Stockbrokers/Merchant Bankers for any purpose other than public issue application.

25. The Issuer/AMC of Mutual Fund shall pay the costs related to data transmission, if claimed by the Exchange concerned up to an amount of Tk. 2,00,000.00 (taka two lac) for a public issue.

26. The Stockbrokers/Merchant Bankers shall be entitled to a service charge of Tk. 5.00 (taka five) only per application irrespective of the amount or category. The service charge shall be paid by the applicant at the time of submitting application.

27. The Stockbroker/Merchant Banker shall provide the Issuer/AMC of Mutual Fund with a statement of the remittance and drafts sent.

28. The Issuer/AMC of Mutual Fund shall accumulate the penalty amount recovered and send it to the Commission through a bank draft/payment order issued in favor of the Bangladesh Securities and Exchange Commission.

29. The concerned Exchange are authorized to settle and complaints and take necessary actions against any Stockbroker in case of violation of any provision of the public issue application process with intimation to the Commission.

Part C

1. The Issuer and the Issue Manager shall ensure that the abridged version of the prospectus and the full prospectus is published correctly and in strict conformity with the conditions of this letter without any error/omission, as vetted by the Bangladesh Securities and Exchange Commission.

2. The Issue Manager shall carefully examine and compare the published abridged version of the prospectus on the date of publication with the copy vetted by BSEC. If any discrepancy/ inconsistency is found, both the Issuer and the Issue Manager shall jointly publish a corrigendum immediately in the same newspapers concerned, simultaneously endorsing copies thereof to BSEC and the Stock Exchange(s) concerned, correcting the discrepancy/inconsistency as required under 'Due Diligence Certificates' provided with BSEC.

3. Both the Issuer Company and the Issue Manager shall, immediately after publication of the prospectus and its abridged version, jointly inform the Commission in writing that the published prospectus and its abridged version are verbatim copies of the same as vetted by the Commission.

4. The fund collected through Public Offering shall not be utilized prior to listing with Stock Exchanges and that utilization of the said fund shall be effected through banking channel, i.e. through account payee cheque, pay order or bank drafts etc.

5. **No issuer of a listed security shall utilize more than 1/3rd (one-third) of the fund raised through IPO for the purpose of loan repayment.**

6. **The company shall furnish status report on utilization of Public Offering proceeds audited by foreign affiliated auditors and authenticated by the board of directors to the Commission and the stock exchanges within 15 (Fifteen) days of the closing of each month until such fund is fully**

utilized, as mentioned in the schedule contained in the prospectus, and in the event of any irregularity or inconsistency, the Commission may employ or engage any person, at issuer's cost, to examine whether the issuer has utilized the proceeds for the purpose disclosed in the prospectus.

7. **While auditing the utilization of IPO proceeds, the auditors' shall perform their jobs under the following terms of references (TOR) and confirm the same in their report/certificate:**
   a) **Whether IPO proceeds have been utilized for the purposes/heads as specified in the prospectus;**
   b) **Whether IPO proceeds have been utilized in line with the conditions (if any) of the Commission's consent letter;**
   c) **Whether utilization of IPO proceeds have been completed within the time schedule/implementation schedule as specified in the prospectus;**
   d) **Whether utilization of IPO proceeds is accurate and for the purpose of the company as mentioned/specified in the prospectus; and**
   e) **The auditors should also confirm that: (i) assets have been procured/imported/ constructed maintaining proper/required procedure as well as at a reasonable price; and (ii) auditors' report has been made on verification of all necessary documents/papers/ vouchers in support of utilization of IPO proceeds making reconciliation with Bank Statement.**

8. All transactions, excluding petty cash expenses, shall be effected through the Company's bank account(s).

9. Proceeds of the Public Offering shall not be used for any purpose other than those specified in the prospectus. Any deviation in this respect must have prior approval of the shareholders in the shareholders meeting under intimation to BSEC and Stock Exchanges.

10. Directors on the Company's Board will be in accordance with applicable laws, rules and regulations.

11. The financial statements should be prepared in accordance with Bangladesh Accounting Standards (BAS) and Bangladesh Financial Reporting Standards (BFRS) as required by the Securities and Exchange Rules, 1987.

12. If any quarter or half-year of the financial year ends after publication of the abridged version of prospectus and before listing of its securities with any exchange, the company shall disseminate/transmit/submit the said quarterly/half yearly financial statements in accordance with the Commission's Notification SEC/CMRRCD/2008-183/admin/03-34 dated September 27, 2009 and the section 13 of the Securities and Exchange Rules, 1987.

13. In the event of arising issues concerning Price Sensitive Information as defined under the সিকিউরিটিজ ও এক্সচেঞ্জ কমিশন (সুবিধাভোগী ব্যবসা নিষিদ্ধকরণ) বিধিমালা, ১৯৯৫ after publication of the abridged version of prospectus and before listing of its securities with any exchange, the company shall disseminate/transmit/submit the information as price sensitive in accordance with the Commission's Notification No. SEC/SRMI/200-953/1950 dated October 24, 2000.

Part D

1. All the above conditions imposed under section 2CC of the Securities and Exchange Ordinance, 1969 shall be incorporated in the prospectus immediately after the page of the table of contents, with a reference in the table of contents, prior to its publication.

2. The Commission may impose further conditions/restrictions etc. from time to time as and when considered necessary which shall also be binding upon the Issuer Company.

Part E

1. As per provision of the Depository Act, 1999 & regulations made there under, shares will only be issued in dematerialized condition. All transfer/transmission/splitting will take place in the Central Depository Bangladesh Ltd. (CDBL) system and any further issuance of shares (including rights/bonus) will be made in dematerialized form only.

   An applicant (including NRB) shall not be able to apply for allotment of shares without Beneficial Owners (BO) account.

2. The Company and the Issue Manager shall ensure due compliance of all the above conditions and the Securities and Exchange Commission (Public Issue) Rules, 2006.

General Information

The Prospectus has been prepared by **Prime Finance Capital Management Limited** from information supplied by **Bangladesh National Insurance Company Limited** (the Company) and also several discussions with the Managing Director and related executives of the Company which is publicly available. The Board of Directors of **Bangladesh National Insurance Company Limited** hereby confirms that to the best of their knowledge and belief the information contained herein is true and correct in all material respects and that there are no other material facts the omission of which would make any statement herein misleading.

No person is authorized to give any information or to make any representation not contained in this Prospectus and if given or made, any such information or representation must not be relied upon as having been authorized by the Company or the Issue Manager.

The Issue, as contemplated in this document, is made in Bangladesh and is subject to the exclusive jurisdiction of the Courts of Bangladesh. Forwarding this Prospectus to any person residing outside Bangladesh in no way implies that the issue is made in accordance with the laws of that country or is subject to the jurisdiction of the laws of that country.

A copy of this prospectus may be obtained from the Registered Office of **Bangladesh National Insurance Company Limited**, the Issue Manager, the Underwriters and the Stock Exchanges where the securities will be traded.

Declarations and due diligence certificates

Declaration about the Responsibility of the Directors, including the CEO of the Issuer Company "Bangladesh National Insurance Company Limited" in Respect of the Prospectus

This prospectus has been prepared, seen and approved by us, and we, individually and collectively, accept full responsibility for the authenticity and accuracy of the statements made, information given in the prospectus, documents, financial statements, exhibits, annexes, papers submitted to the Commission in support thereof, and confirm, after making all reasonable inquiries that all conditions concerning this public issue and prospectus have been met and that there are no other information or documents the omission of which make any information or statements therein misleading for which the Commission may take any civil, criminal or administrative action against any or all of us as it may deem fit.

We also confirm that full and fair disclosure has been made in this prospectus to enable the investors to make a well informed decision for investment.

Sd/- **Abdul Baset Majumder** Chairman	Sd/- **Mostafa Kamal** Vice Chairman	Sd/- **Beauty Akter** Director	Sd/- **Md. Abdur Rouf** Director
Sd/- **Farida Akter** Director	Sd/- **Tahmina Binthe Mostafa** Director	Sd/- **Tanjima Binthe Mostafa** Director	Sd/- **Tanveer Ahmed Mostafa** Director
Sd/- **Taif Bin Yousuf** Director	Sd/- **Yousuf Ali** Director	Sd/- **Md. Abdul Baten** Director	Sd/- **Hasina Begum** Director
Sd/- **Md. Sana Ullah** Managing Director			

Consent of the Director(s) to Serve as Director(S)

We hereby agree that we have been serving as Director(s) of "**Bangladesh National Insurance Company Limited**" and continue to act as Director(s) of the Company.

Sd/- **Abdul Baset Majumder** Chairman	Sd/- **Mostafa Kamal** Vice Chairman	Sd/- **Beauty Akter** Director	Sd/- **Md. Abdur Rouf** Director
Sd/- **Farida Akter** Director	Sd/- **Tahmina Binthe Mostafa** Director	Sd/- **Tanjima Binthe Mostafa** Director	Sd/- **Tanveer Ahmed Mostafa** Director
Sd/- **Taif Bin Yousuf** Director	Sd/- **Yousuf Ali** Director	Sd/- **Md. Abdul Baten** Director	Sd/- **Hasina Begum** Director
Sd/- **Md. Sana Ullah** Managing Director			

Declaration about filing of Prospectus with the Registrar of Joint Stock Companies & Firms

A dated and signed copy of the Prospectus has been filed for registration with the Registrar of Joint Stock Companies & Firms, Government of the Peoples' Republic of Bangladesh, as required under Section 138(1) of the Companies Act, 1994 before Publication of the Prospectus.

Due Diligence Certificate of Manager to the Issue

Sub: Public offer of 17,700,000 Ordinary Shares of Tk. 10 each at par of Bangladesh National Insurance Company Limited

We, the under-noted Manager to the Issue to the above mentioned forthcoming issue, state as follows:

1. We, while finalizing the draft prospectus pertaining to the said issue, have examined various documents and other materials as relevant for adequate disclosures to the investors; and

2. On the basis of such examination and the discussions with the issuer company, it's Directors and officers, and other agencies, independent verification of the statements concerning objects of the issue and the contents of the documents and other materials furnished by the issuer company.

WE CONFIRM THAT:

(a) the draft prospectus forwarded to the Commission is in conformity with the documents, materials and papers relevant to the issue;
(b) all the legal requirements connected with the said issue have been duly complied with; and
(c) the disclosures made in the draft prospectus are true, fair and adequate to enable the investors to make a well informed decision for investment in the proposed issue.

For Manager to the Issue

Sd/-
M. Mosharraf Hossain PhD, FCA
Managing Director & CEO
Prime Finance Capital Management Limited
Date: 20 October 2014

Due Diligence Certificate of the Underwriter(s)

Sub: Public Offer of 17,700,000 Ordinary Shares of Tk. 10 each at par totaling to Tk. 177,000,000 of Bangladesh National Insurance Company Limited

We, the under-noted Underwriter(s) to the abovementioned forthcoming issue, state individually and collectively as follows:

1. We, while underwriting the abovementioned issue on a firm commitment basis, have examined the draft prospectus, other documents and materials as relevant to our underwriting decision; and

2. On the basis of such examination and the discussion with the issuer company, it's directors and officers, and other agencies, independent verification of the statements concerning objects of the issue and the contents of the documents and other materials furnished by the issuer company; -

WE CONFIRM THAT:

(a) all information as are relevant to our underwriting decision have been received by us and the draft prospectus forwarded to the Commission has been approved by us;

(b) we shall subscribe and take up the un-subscribed securities against the abovementioned public issue within 15 (fifteen) days of calling up thereof by the issuer; and

(c) this underwriting commitment is unequivocal and irrevocable.

For Underwriters

Sd/-	Sd/-	Sd/-
Md. Moshiur Rahman	**Md. Anwar Hossain**	**M. Mosharraf Hossain** PhD, FCA
Chief Executive Officer	Managing Director	Managing Director & CEO
ICB Capital Management Limited	Grameen Capital Management Limited	Prime Finance Capital Management Limited

Risk factors & Management's perceptions about the risks

Any investment always associates with risks. Among those risks some can be averted, others are beyond control. Before making any investment decision, Investors should take the risk factors into consideration. Major such risk factors are described in brief as under:

Interest rate risks

Volatility of money market may influences the overall interest rate structure of the country. Other than underwriting profit earned, profitability of the company also depends on interest rate structure. During the period from January 2014 to July 2014 the company has earned Tk. 17,736,389.51 as interest income which is 36.50% of the total net profit before tax. So, any unfavorable change in interest rate structure may affect the company's business adversely.

Management perception

As the company does not have any bank loan, rise in interest rate will not affect the company adversely. On the other hand, if interest rate falls, the company will go for alternative investment schemes to utilize its funds.

Exchange rate risks

Taka has been devalued significantly against dollar and it is very unlikely of any immediate appreciation of Taka. But devaluation of local currency against major international currencies may not affect the company's insurance business.

Management perception

Since BNICL is not engaged into any insurance business in foreign currency, exchange rate risk is not relevant here.

Industry risks

The Company is operating in a highly competitive industry. Presently, 46 General insurance companies including the SBC are operating in the country. BNICL has to face stiff competition arising from the existing 44 general insurance companies excluding SBC.

Management perception

The company has successfully accessed the market till date with a proactive approach by a group of professional and vast experienced peoples. Therefore the company is working on offering services at competitive terms. Despite the extreme competition, BNICL's business operation shows satisfactory performance.

Market and technology-related risks

To be competitive in the market, insurance companies need to develop new services/products and offer excellent clientele services and also to expand the market by bringing more and more items under the preview of insurance otherwise the competitors may take away company's business.

Management perception

Insurance business globally is increasing. Industrialization and other infrastructure of the country are remarkably developing, as such the general insurance business is increasing day by day. New items are coming under the cover of insurance. The market is expanding as people are realizing the importance of insurance. Because of the company's excellent services and introduction of new products, the company faces a very low degree of market and technological related risk.

Potential or existing government regulations

Government policy change in respect of rates of premium, underwriting commission, agent's commission reinsurance commission, interest on deposits etc. may affect income and profitability of the company.

Management perception

The government is not expected to change policies relating to insurance requirement for the interest of economy, as when insurance business is affected industrialization, trade and commerce of the country will be also affected.

Moreover, if the Government changes the policy, the Company will go for alternative Business areas under the condition of Memorandum & Articles of Association of the Company.

Potential changes in global or national policies

Changes in government policy as well as policy of foreign countries may affect adversely the business of the company. Any structural change in the international insurance business adversely affecting the insurance business may have negative impact on the profitability of the Company.

Management perception

The history of insurance/re-insurance business for over two hundred years proves that any major structural change affecting reinsurance business is unimaginable. Any such event would create a global destabilization, which the major economies must not cause to happen.

History of non-operation

If a company becomes non-operative for some period in its operating life then risk of becoming non-operative in future for the same reasons or other probable reasons should be considered carefully.

Management perception

The Company does not have any history of non- operation so no risk has arise in this respect. Moreover the Company is operating its business all over the country through 26 branches along with one local office and financial strength of the Company is very high. So, chance of becoming non-operative in future is almost zero.

Operational risks

Political and social condition may affect smooth operation of the business resulting in drastic fall to the value of its investment.

Management perception

There is no record of reduction in the premium income of the company arising from political unrest in the past. Moreover insured are very much careful to take risk coverage on their properties. Therefore premium income ratio is increased at the time of political unrest. If political unrest may reduce the premium income of the Company for a short span of time, the shortfall can be overcome by increased income in subsequent period.

Risk on insurance coverage on own properties of the issuer company

All the insurance coverage of the company of its own is done with the company itself. Hence, in case of any unfavorable event, the issuer will not be able to metigate risk on its own properties from others.

Management perception

Since the Insurance Act, 2010 does not prohibit taking insurance coverage of own assets by the same insurance company, the issuer has executed insurance policies on its assets by itself. However, to diversify the risk, BNICL has entered into re-insurance on its risks with Sadharan Bima Corporation as per treaty.

Risk relating to amount due from other persons or bodies

An amount of Tk. 35,04,302.59 is shown as amount due from other persons or bodies from the year 2010 to 2014.

Management perception

This amount represents the total receivable from various insurance companies carrying on insurance business as co-insurer with Bangladesh National Insurance Company Limited. Before enactment of Insurance Act, 2010 it was a common practice among insurance companies to adjust these dues with receivables and payables generated through co-insurance business among the participating insurance companies. But after enactment of Insurance Act, 2010 adjustment of co-insurance dues is not allowed anymore. Hence, the receivable is same since 2010. Please be noted that in insurance industry this type of due is a common practice. As co-insurance business has been performed among different insurance companies, there exist a good business relation among them. Hence this due is considered as well and good. However, to be prudent, management of the company is planning to write off this due in the financial statements for the year 2014, if not been recovered by that time.

Financial structure

(as on 31 July 2014)

1	**Authorized capital**	
	100,000,000 ordinary shares of Tk. 10 each	**Tk 1,000,000,000**
2	**Paid up capital**	
	Prior to IPO	
	Issued, subscribed and paid up capital as on date	**Tk 265,500,000**
	After IPO	
a)	Issued, subscribed and paid up capital as on date	Tk 265,500,000
b)	Initial Public Offering (IPO)	Tk 177,000,000
	Total paid up capital after IPO	**Tk 442,500,000**

Detail breakup of existing paid up capital:

Allotment Date	Basis (in Tk.)				Total Amount (Tk.)	Comment
	In cash banking channel	In cash non banking channel	In kind	Bonus Share		
21 May 1996	3,000,000	-	-	-	3,000,000	At the time of incorporation
25 May 1996	57,000,000	-	-	-	57,000,000	As per BSEC consent dated 25 May 1996
23 July 2014	205,500,000	-	-	-	205,500,000	As per BSEC consent dated 23 April 2014
Total	**265,500,000**	**-**	-	-	**265,500,000**	

Use of IPO proceeds & schedule of implementation

The public issue is for compliance of statutory requirement of the Company. The Company offers its shares to the public as required by the Insurance Act, 2010. As per requirement of the Act, the sponsors have already subscribed their portion of equity capital and the same has already been invested as reflected in the audited accounts. The net proceeds of the present issue of 17,700,000 shares of Tk. 10 each at par totaling Tk. 177,000,000 will strengthen the capital base of the company and augment business expansion. The fund thus raised through public issue will be used for investment and to meet up IPO expenses as detailed under.

Use of IPO Proceeds

Sl.	Area of utilization of IPO proceeds	Amount in Tk.
1	Investment in FDR & Treasury Bond	172,466,000
2	To meet up IPO expenses	4,534,000
	Total utilization	**177,000,000**

Schedule of utilization of funds received through IPO

Sl.	Area of utilization of IPO proceeds	Amount in Tk.	Approximate date of utilization of fund
1	Investment in FDR & Treasury Bond	172,466,000	Within 3 months after listing
2	To meet up IPO expenses	4,534,000	Within 3 months after listing

As per rule 8B 4(C) of Securities and Exchange Commission (Public Issue) Rules, 2006 there is no contract covering any of the activities of the Issuer Company for which the proceeds of sale of securities from IPO is to be used.

Sd/-	Sd/-
(Md. Ferozul Islam)	(Md. Sana Ullah)
General Manager (Finance & Accounts) & CFO	Managing Director

Description of business

Company at a glance

Bangladesh National Insurance Company Limited (BNICL) was incorporated in Bangladesh as a public limited company on 21 May 1996 under the Companies Act, 1994 and licensed under the Insurance Act, 1938 in order to run all types of general insurance business other than life insurance business. It obtained certificate of commencement of business on 21 May 1996. It got registration from Controller of Insurance on 18 June 1996. Presently the Company has been operating its business through 26 branches along with one local office. The branches are located in different strategically important areas of the country.

Important dates

Incorporation of the Company	21 May 1996
Date of Certificate of Commencement of Business	21 May 1996
Registration from Controller of Insurance	18 June 1996
Date of changing of face value of share to Tk. 10/-	09 March 2014

Nature of business

Bangladesh National Insurance Company Limited is licensed under Insurance Act, 1938 in order to run all types of general insurance business other than life insurance business. Like most of the general insurance companies in the industry, BNICL underwrites risks in fire, marine, motor and miscellaneous business areas.

Principal products and services

Bangladesh National Insurance Company Limited is carrying out the following types of insurance/reinsurance business:

i) Fire Insurance Business
ii) Marine Insurance Business (both cargo and hull insurance)
iii) Motor Insurance Business and
iv) Miscellaneous Insurance Business

Relative contribution to revenue

(as per audited accounts)

Premium less reinsurance	1-1-2014 to 31-07-2014		1-1-2013 to 31-12-2013	
	Taka	(%)	Taka	(%)
Fire insurance revenue account	41,635,426.70	21.930	44,707,979.84	18.420
Marine cargo insurance revenue account	90,257,832.65	47.541	121,192,022.50	49.932
Marine hull insurance revenue account	44,336.12	0.023	148,976.43	0.061
Motor insurance revenue account	48,768,939.68	25.688	50,955,737.29	20.994
Miscellaneous insurance revenue account	9,147,176.70	4.818	25,710,770.19	10.593
Total	**189,853,711.85**	**100.000**	**242,715,486.25**	**100.000**

Associate, subsidiary/related holding company

The company does not have any associate, subsidiary/related holding company.

Distribution of products/services

The Company operates its business through the Head Office at Dhaka and the branches throughout the country. As on 31 July 2014, the Company has been operating its business through 26 branches along with one local office.

Branches

Sl.	Name of Branches	Address
1.	Head Office	68, Motijheel C/A, (Level-15), Dhaka-1000
2.	Local Office	58,Dilkusha C/A (7th Floor), Dhaka-1000
3.	VIP Road Branch	33, Anjuman Mofidul Islam Road, Kakrail, Dhaka-1000
4.	Dilkusha Branch	65, Dilkusha C/A (3rd Floor), Dhaka-1000
5.	Gulshan Branch	House No.39, Road No.126, Gulshan-1, Dhaka
6.	Motijheel Branch	Amin Court Building, 62-63, Motijheel C/A, Dhaka-1000
7.	Narayangonj Branch	16/3, S. M. Maleh Road, Tan Bazar, Narayangonj
8.	Agrabad Branch	Akteruzzaman Center (9th Floor), 21-22, Agrabad C/A, Chittagong
9.	Jessore Branch	M.K. Road, Jess Tower (3rd Floor), Jessore
10.	Khulna Branch	58, Khan-A-Sabur Road (1st Floor), Khulna
11.	Rangpur Branch	House No.06, Road No. 2/1, Shalban Mistripara, Kotwali, Rangpur
12.	Jamalpur Branch	Bhai Bhai Cloth Store (1st Floor), Baro Masjid Road, Sakal Bazar, Jamalpur
13.	B.B. Avenue Branch	9, B.B. Avenue, Dawn Plaza (10th Floor), Dhaka-1000
14.	Kawran Bazar Branch	57/E, Kazi Nazrul Islam Avenue (4th Floor), Tejgoan, Dhaka
15.	Bangshal Branch	70 Shaheed Nazrul Islam Sharani (3rd Floor), Bangshal, Dhaka-1000
16.	Noapara Branch	Haji Idrish Ali Market (2nd floor),Avoynagar, Noapara, Jessore
17.	Jatrabari Branch	Abdur Rahim Bhuiyan Center (3rd floor), 80/C/2 Bibir Bagicha, Uttar Jatrabari, Dhaka
18.	Chowmuhani Branch	N. S. Tower (3rd Floor), Karimpur Road, Chowmuhani, Noakhali
19.	Moulvi Bazar Branch	19/B, Panghat (1st Floor), Imamgonj, Dhaka
20.	Faridpur Branch	Alipur Moor, Faridpur
21.	Rajshahi Branch	226, Shaheb Bazar (2nd Floor), Moni Chattar, Ghoramara, Boalia, Rajshahi
22.	Mymensingh Branch	36, Baro Bazar, P.O: Maymensingh, Thana+Upozila: Kotwali, Dist: Mymensingh
23.	Khatungonj Branch	117, Amir Market (2nd Floor), Hasan Chamber, Khatungonj C/A, Chittagong
24.	Paltan Branch	Azad Center, 55, Purana Polton (11/A), Dhaka
25.	Uttara Branch	House No. 32, Flat No. B2, Road No. 1, Sector No. 3, Jashim Uddin Road, Uttara, Dhaka
26.	Bagerhat Branch	Pourashava Road, Bagherhat

Competitive condition in business

Over the years the insurance business has grown very competitive. Presently, 77 insurance companies are operating in the country, of which 46 are in general insurance business and the remaining 31 are in life insurance business. BNICL has to face stiff competition arising from the existing 45 general insurance companies including SBC. Despite the extreme competition, BNICL's business operations show satisfactory performance.

Sources and availability of raw materials and the names of the principal suppliers

The Company does not procure any raw materials and as such has no principal merchandizing supplier(s).

Sources of, and requirement for power, gas and water or any other utilities

The Company does not require such utilities except for ordinary use in office work.

Customer providing 10% or more revenues

There are no customers who provided 10% or more revenue/premium during the period January-July 2014.

Description of contract(s) with principal Suppliers/Customers

The Company has no such contract.

Material patents, trademarks, licenses or royalty agreements

The Company does not have any patent, trademark or royalty agreements. However, the company has obtained Trade License from Dhaka South City Corporation and has obtained license from Department of Insurance which is duly renewed by IDRA for doing general insurance (fire, marine and miscellaneous) business. All the licenses of the company are valid till date.

Sl.	*Name of license/certificate*	*Issuing authority*	*Validity*	*Remarks*
1	Trade License	Dhaka South City Corporation	up to 30 June 2015	License for doing insurance business
2	License of Department of Insurance (duly renewed by IDRA)	Department of Insurance (duly renewed by IDRA)	up to 31 December 2014	License # CR-9/96. License for doing general insurance business.

Number of employees

(as per audited accounts dated 31 July 2014)

Total number of employees	338
• Full-time employees	338
• Part-time employees	-

Description of property

The company's business is operated through its Head Office and branch offices. Except the head office and Jatrabari branch, all other branch offices of the company are situated on rented premises. Operation of the head office and Jatrabari branch are performed from owned floor space of the company measuring 5,800 sft. Situated on WW Tower, 68 Motijheel Commercial Area, Dhaka-1000. The Company posses the following fixed assets as on 31 July 2014:

Sl.	Particulars	Written down value Taka
1	Land	6,000,000.00
2	Office equipment	4,094,860.57
3	Books & periodicals	5,698.56
4	Car/motor vehicles	11,465,604.89
5	Office decoration	3,245,508.74
6	Furniture & fixtures	2,428,761.84
7	Telephone installation	191,174.75
8	Building	50,499,057.13
	Total Taka	**77,930,666.48**

- All the assets of the company are situated at company's office premises and are in good workable condition.
- The company itself owns the entire property and none is on lease or borrowed.
- Neither properties of the company are mortgaged nor have any lien on them.
- The properties are purchased in brand new condition.

Particulars of land:

Deed no. & date	Name of seller	Mouza of Land	Area	Cost Price As per deed	Mutation status
Deed no. 618 17-02-2010	Syed Md. Altaf Hussain	Motijheel	One commercial floor space measuring 5,800sft and one car parking along with undivided and undemarcated portion of share of land measuring 0.48 kathas	Land value Tk. 6,000,000 Floor space including common space Tk. 54,900,000 Car parking Tk. 1,000,000	Mutation done in the name of the Issuer Company

Plan of Operation and Discussion of Financial Condition

Internal and external sources of cash

(as per audited accounts)

	31-Jul-14 Taka	31-Dec-13 Taka	31-Dec-12 Taka	31-Dec-11 Taka
Internal sources of cash				
Share capital	265,500,000.00	60,000,000.00	60,000,000.00	60,000,000.00
Reserve or contingency account	150,092,858.85	125,387,268.96	100,815,380.41	85,799,446.35
Sub-total	**415,592,858.85**	**185,387,268.96**	**160,815,380.41**	**145,799,446.35**
External sources of cash				
Balance of funds	75,968,086.43	97,175,580.37	34,072,983.48	33,657,589.09
Premium deposits accounts	35,896,499.44	23,657,159.19	15,221,817.46	6,680,044.46
Sundry creditors including provision for expenses and taxes	48,458,944.38	34,350,073.05	25,749,021.51	20,177,078.66
Amount due to other persons or bodies caring on insurance business	12,227,404.67	15,963,209.17	8,220,440.23	5,664,882.84
Estimated liabilities in respect of outstanding claims whether due or intimated	104,756,015.00	81,349,472.00	104,732,043.00	92,173,643.00
Sub-total	**277,306,949.92**	**252,495,493.78**	**187,996,305.68**	**158,353,238.05**
Grand Total	**692,899,808.77**	**437,882,762.74**	**348,811,686.09**	**304,152,684.40**

Material commitment for capital expenditure

The company has not yet made any material commitment for capital expenditure.

Material changes from period to period

(as per audited accounts; figures in Taka)

Particulars	1-Jan-14 to 31-Jul-14	1-Jan-13 to 31-Dec-13	1-Jan-12 to 31-Dec-12	1-Jan-11 to 31-Dec-11
Income				
Interest on FDR, STD and BGTB	17,736,389.51	25,991,457.50	17,934,938.29	11,421,755.36
Profit/(loss) on investment in shares	-	(1,088,997.90)	(4,024,246.00)	(9,760,539.82)
Dividend income in share business	682,360.00	255,122.01	689,350.00	-
Profit/(loss) transferred from:				
Fire insurance revenue account	6,836,295.20	5,469,833.22	4,448,375.67	4,243,644.10
Marine insurance (cargo) revenue account	20,826,929.82	14,092,176.10	5,570,619.10	10,776,729.98
Marine insurance (hull) revenue account	51,542.87	(85,352.13)	(168,070.89)	(9,164.13)
Motor insurance revenue account	3,287,185.54	2,413,504.09	719,846.19	52,528.50
Miscellaneous insurance revenue account	3,895,474.25	1,748,256.83	909,222.42	476,825.44
Total	**53,316,177.20**	**48,795,999.72**	**26,080,034.78**	**17,201,779.43**
Less: Expenses				
Directors' fees	268,700.00	211,600.00	206,400.00	119,600.00
Meeting expenses	-	20,625.00	-	-
Audit fees	69,000.00	51,750.00	116,000.00	140,250.00
Subscription & registration	-	1,507,500.00	923,700.00	155,500.00
Publication & advertisement	83,875.00	241,960.00	93,920.00	92,000.00
Depreciation	4,404,625.29	6,416,342.20	5,167,443.88	5,395,007.37
Total	**4,826,200.29**	**8,449,777.20**	**6,507,463.88**	**5,902,357.37**
Balance for the year carried to Profit & Loss Appropriation account	**48,489,976.91**	**40,346,222.52**	**19,572,570.90**	**11,299,422.06**

Causes for material changes

During the last three years total income of the company shows an upward trend. BNICL's total income increased from 17.20 million in 2011 to 26.08 million in 2012 and 48.80 million in 2013. Management of the company also controlled its expenses very efficiently thereby net profit before tax increased from 11.30 million in 2011 to 19.57 million in 2012 and 40.35 million in 2013. Major cause of changes in total income, total expenses and net profit before tax is due to increase in operating area of the Company. This achievement was possible due to long lasting experience and good operational efficiency of the officials of the company and business promotion efforts of the Directors and Management personnel.

Seasonal aspect of the company's business

The operation of the company is not, in general, affected by any seasonal variances.

Known trends, events or uncertainties

Political unrest, flood and natural calamities are the known events that may affect the business operations of the company.

Changes in the assets of the company used to pay off any liabilities

No asset of the company has been disposed off to pay liabilities of the Company.

Loan taken from holding/parent company or subsidiary company

The company has no holding/parent company or subsidiary company and has not taken any loan from such party.

Loan given to holding/parent company or subsidiary company

The company has no holding/parent company or subsidiary company and has not given any loan to such party.

Future contractual liabilities

The company has not entered into any future contractual liability and has no plan to enter into any contractual obligation within next one year other than normal course of business.

Future capital expenditure

The company does not have any plan for capital expenditure in the near future other than normal course of business.

VAT, income tax, customs duty or other tax liability

VAT

VAT is being paid by the company on monthly basis. The company has no outstanding VAT except Tk. 2,042,553/- for the month of July, 2014 which has been paid in August 2014.

A VAT case No. 2928 of 2003 is lying with Honorable High Court as pending. The VAT authority was imposed a penalty, interest and others additional tax amounting to Tk. 8,936,474 out of which the Company paid the VAT and penalty amount of Tk. 4,869,490. The Company was filed a write petition no. 7227 of 2003 against VAT authority's demand of interest amount of Tk. 4,066,984. It was stayed primarily 3 (three) month and finally this period has extended till disposal of the rule by the Honorable High Court Division.

Income tax

The income tax status of the company is mentioned below:

Accounting Year	Assessment Year	Assessed Income (Loss)	Assessed Tax	Provision for tax as per audited accounts	Contingent liabilities against tax	Remarks
		1	2	3	4 (2-3)	
2005	2006-07	24,292,895.00	12,414,024.00	419,444.14	11,994,579.86	Case in Appealate Division against order of High Court Division
2006	2007-08	27,639,677.00	13,932,880.00	1,154,717.91	12,778,162.09	
2007	2008-09	12,960,023.00	6,099,140.00	2,458,024.00	3,641,116.00	
2008	2009-10	8,132,921.00	3,549,234.00	2,036,502.86	1,512,731.14	
2009	2010-11	25,493,529.00	11,789,626.00	7,504,225.83	4,285,400.17	Tribunal Pending
2010	2011-12	13,277,365.00	6,217,834.00	3,149,286.00	3,068,548.00	
2011	2012-13	-	-	1,232,158.00	-	Assessment pending before DCT
2012	2013-14	-	-	4,556,636.85	-	
2013	2014-15	-	-	6,774,333.96	-	

Custom duty or other liabilities

Custom duty is not applicable for the company.

Other contingent liabilities

The Company is contingently liable as on 31 July 2014 on account of Income Tax, the details of which are given in note no. 47.00 of the audited financial statements.

Operating lease during the last five years

The Company operates its business through the Head Office at Dhaka and the branches throughout the country. The Company has been operating its business through 26 branches along with one local office. Except the head office all other branch offices of the company are situated on leased/rented premises as detailed below:

Sl.	Branch Name	Location	Contract period	Covered area (Sft.)	Monthly rent (Tk.)	Advance outstanding on 31-07-2014 (Tk.)
1.	Local Office	58,Dilkusha C/A (7th Floor), Dhaka-1000	2 years starting from 1-12-2013	1,224	84,000	620,000
2.	VIP Road Branch	33, Anjuman Mofidul Islam Road, Kakrail, Dhaka-1000	2 years starting from 1-4-2013	581	20,000	120,000
3.	Dilkusha Branch	65, Dilkusha C/A (3rd Floor), Dhaka-1000	2 years starting from 1-1-2013	1,117	43,965	263,790
4.	Gulshan Branch	House No.39, Road No.126, Gulshan-1, Dhaka	3 years starting from 1-8-2012	500	37,000	386,000
5.	Motijheel Branch	Amin Court Building, 62-63, Motijheel C/A, Dhaka-1000	2 years starting from 1-7-2014	364	43,575	292,824
6.	Narayangonj Branch	16/3, S. M. Maleh Road, Tan Bazar, Narayangonj	2 years starting from 1-1-2014	286	13,000	110,500
7.	Agrabad Branch	Akteruzzaman Center (9th Floor), 21-22, Agrabad C/A, Chittagong	3 years starting from 1-4-2014	644	1,28,025	39,550
8.	Jessore Branch	M.K. Road, Jess Tower (3rd Floor), Jessore	3 years starting from 1-1-2014	365	5,475	-
9.	Khulna Branch	58, Khan-A-Sabur Road (1st Floor), Khulna	3 years starting from 1-6-2014	300	7,000	34,000
10.	Rangpur Branch	House No.06, Road No. 2/1, Shalban Mistripara, Kotwali, Rangpur	3 years starting from 1-1-2014	400	4,000	14,000

Sl.	Branch Name	Location	Contract period	Covered area (Sft.)	Monthly rent (Tk.)	Advance outstanding on 31-07-2014 (Tk.)
11.	Jamalpur Branch	Bhai Bhai Cloth Store (1st Floor), Baro Masjid Road, Sakal Bazar, Jamalpur	2 years starting from 1-7-2014	478	5,000	-
12.	B.B. Avenue Branch	9, B.B. Avenue, Dawn Plaza (10th Floor), Dhaka-1000	2 years starting from 1-1-2013	200	18,000	50,000
13.	Kawran Bazar Branch	57/E, Kazi Nazrul Islam Avenue (4th Floor), Tejgoan, Dhaka	2 years starting from 1-9-2014	480	24,000	4,500
14.	Bangshal Branch	70 Shaheed Nazrul Islam Sharani (3rd Floor), Bangshal, Dhaka-1000	3 years starting from 1-4-2013	300	10,000	100,000
15.	Noapara Branch	Haji Idrish Ali Market (2nd floor),Avoynagar, Noapara, Jessore	2 years starting from 1-8-2013	340	3,800	10,000
16.	Jatrabari Branch	Abdur Rahim Bhuiyan Center (3rd floor), 80/C/2 Bibir Bagicha, Uttar Jatrabari, Dhaka	2 years starting from 1-3-2015	500	12,000	-
17.	Chowmuhani Branch	N. S. Tower (3rd Floor), Karimpur Road, Chowmuhani, Noakhali	3 years starting from 1-2-2014	550	5,000	70,000
18.	Moulvi Bazar Branch	19/B, Panghat (1st Floor), Imamgonj, Dhaka	3 years starting from 1-8-2012	320	12,000	100,000
19.	Faridpur Branch	Alipur Moor, Faridpur	3 years starting from 1-4-2012	420	3,000	8,000
20.	Rajshahi Branch	226, Shaheb Bazar (2nd Floor), Moni Chattar, Ghoramara, Boalia, Rajshahi	2 years starting from 1-1-2013	350	4,000	2,500
21.	Mymensingh Branch	36, Baro Bazar, P.O: Maymensingh, Thana+Upozila: Kotwali, Dist: Mymensingh	5 years starting from 1-4-2013	400	4,000	68,000
22.	Khatungonj Branch	117, Amir Market (2nd Floor), Hasan Chamber, Khatungonj C/A, Chittagong	2 years starting from 1-5-2013	610	16,000	100,000
23.	Paltan Branch	Azad Center, 55, Purana Polton (11/A), Dhaka	2 years starting from 1-2-2014	550	24,000	50,000
24.	Uttara Branch	House No. 32, Flat No. B2, Road No. 1, Sector No. 3, Jashim Uddin Road, Uttara, Dhaka	3 years starting from 1-4-2015	1,230	30,000	-
25.	Bagherhat Branch	Pourashava Road, Bagherhat	3 years starting from 1-9-2014	128	2,000	-
		Total				**2,443,664**

Financial lease commitment

There is no financial lease commitment of the Company during the last five years.

Personnel related scheme

The Company considers its human resources as the most valuable assets of the company and has been continuing to train, equip and groom its employees for building a strong foundation. In order to enhance and advance the professional ability and knowledge of the employees, regular training programs are organized. The company has a well-designed compensation plan and is offering festival bonus for attracting highly skilled professional staff with high degree of integrity. Other than attractive remuneration package and festival bonus, the Board of Directors in its 116th board meeting has decided to introduce Workers Profit Participation (WPPF) policy from 31 December 2014. Summary of personnel related scheme is given below:

Scheme	Status of Issuer Company
Workers Profit Participation (WPPF) policy	To be introduce from 31 December 2014
Provident Fund	Not yet adopted
Gratuity	Not yet adopted
Leave Encashment benefit	Not yet adopted

Breakdown of issue expenses

The total IPO expenses are estimated as follows:

Particulars	Rate	Amount Tk
Manager to the Issue fee	Lump sum	675,000
VAT against Issue Management fee	15.00%	101,250
BSEC fee:		
Application fee	Fixed	10,000
Consent fee	0.15%	265,500
Fees related to the stock exchanges:		
Application fee (DSE)	Fixed	5,000
Listing fees for stock exchanges (DSE & CSE)	@ 0.25% on Tk. 10 crore and @ 0.15% on above Tk. 10 crore of paid up capital	1,527,500
CDBL fees and expenses:		
Documentation fee	Fixed	2,500
Initial Public Offering fee	0.0175%	30,975
Commission/service charge expenses:		
Underwriting commission	0.50%	442,500
Expenses related to printing and publications:		
Abridged version of prospectus	Estimated (4 X Tk. 100,000)	400,000
Notice for subscription, lottery, refund etc.	Estimated	100,000
Printing of prospectus and forms	Estimated (4,000 prospectus X Tk. 100)	400,000
Lottery related expenses including BUET fee	Estimated (lump sum)	500,000
Other expenses		73,775
Total		**4,534,000**

Revaluation of assets

The Company has not revalued any of its assets since inception.

Transactions with subsidiary/holding company or associate companies

The company has no subsidiary/holding company or associate company. Hence no transaction has taken place.

Declaration for an Insurance Company

We hereby declare that all requirements as specified in the Insurance Act, 2010 (Act No. XIII of 2010) have been adhered to. However, section 63 of the Insurance Act, 2010 has not been complied with.

Sd/- **Abdul Baset Majumder** Chairman	Sd/- **Mostafa Kamal** Vice Chairman	Sd/- **Beauty Akter** Director	Sd/- **Md. Abdur Rouf** Director
Sd/- **Farida Akter** Director	Sd/- **Tahmina Binthe Mostafa** Director	Sd/- **Tanjima Binthe Mostafa** Director	Sd/- **Tanveer Ahmed Mostafa** Director
Sd/- **Taif Bin Yousuf** Director	Sd/- **Yousuf Ali** Director	Sd/- **Md. Abdul Baten** Director	Sd/- **Hasina Begum** Director
Sd/- **Md. Sana Ullah** Managing Director			

Auditors' certificate regarding allotment of shares to the Directors and Subscribers to the Memorandum of Association and Articles of Association for any consideration otherwise than for cash

After due verification, we certify that the paid up capital of Bangladesh National Insurance Company Limited as on 31st July 2014 is Tk. 265,500,000/- (taka twenty six crore fifty five lac) divided into 26,550,000 ordinary shares of Tk. 10/- each.

We also certify that till date the Company has not allotted any shares for consideration otherwise than for cash to any shareholders, including its Directors and Subscribers to the Memorandum of Association and Articles of Association and/or promoters, sponsor shareholders. Details formation of the paid up capital of the company is as follows:

Allotment Date	Basis (in Tk.)				Total Amount (Tk.)	Comment
	In cash banking channel	In cash non banking channel	In kind	Bonus Share		
21 May 1996	3,000,000	-	-	-	3,000,000	At the time of incorporation
25 May 1996	57,000,000	-	-	-	57,000,000	As per BSEC consent dated 25 May 1996
23 July 2014	205,500,000	-	-	-	205,500,000	As per BSEC consent dated 23 April 2014
Total	**265,500,000**	**-**	-	-	**265,500,000**	

Dated: Dhaka September 23, 2014	Sd/- Mahfuz Amin Nowsher & Co. Chartered Accountants	Sd/- Nurul Azim & Co. Chartered Accountants

Material information which is likely to have an impact

There is no other material information which is likely to have an impact on the offering or change the terms and conditions under which the offer has been made to the public.

Directors and officers

Information regarding directorship

Sl. No.	Name of Directors	Position	Age (Years)	Experience (Year)	Date of becoming a director for the first time	Date of expiration of current term
1	Abdul Baset Majumder	Chairman	78	52	21-05-1996	*
2	Mostafa Kamal	Vice Chairman	59	39	21-05-1996	*
3	Beauty Akter	Director	49	24	21-05-1996	*
4	Md. Abdur Rouf	Director	46	17	14-12-1996	*
5	Farida Akter	Director	35	5	24-01-2010	*
6	Tahmina Binthe Mostafa	Director	28	10	25-09-2004	*
7	Tanjima Binthe Mostafa	Director	27	5	24-01-2010	*
8	Tanveer Ahmed Mostafa	Director	21	2	19-12-2012	*
9	Taif Bin Yousuf	Director	32	7	19-12-2012	*
10	Yousuf Ali	Director	42	15	19-12-2012	*
11	Md. Abdul Baten	Director	43	16	19-12-2012	*
12	Hasina Begum	Director	32	4	19-12-2012	*

* According to the Articles of Association of the company, at the Ordinary General Meeting one third of the directors for the time being or if their number is not three or multiple of three then the number nearest to one third shall retire from office.

Directors' involvement in other organization

Name and Position	Involvement in other organization	
	Name of the Organization	Position
Abdul Baset Majumder Chairman	N/A	N/A
Mostafa Kamal Vice Chairman	United Salt Industries Ltd.	Chairman & MD
	Meghna Dairy And Food Products Ltd.	"
	Kamal Trading Co. Limited	"
	Kamal Imports & Exports Limited	"
	United Fibre Industries Limited	"
	Meghna Vegetable Oil Industries Ltd.	"
	Bagdad Vegetable Oil Industries Ltd.	"
	United Feeds Limited	"
	Unique Cement Industries Ltd.	"
	United Edible Oils Limited	"
	United Mineral Water & PET Ind. Ltd.	"
	Unique Power Plant Ltd.	"
	Tanveer Polymer Industries Ltd.	"
	Unique Hatchery & Feeds Ltd.	"
	Tanveer Food Limited	"
	Tanveer Oils Limited	"
	Tanveer Mustard Oil Mill & Coconut Oil Mills Ltd.	"
	Tanveer Dal Mill & Flour Mills Ltd.	"
	United Sugar Mills Ltd.	"
	Unique Power Plant Ltd. Unit-II	"
	Tanveer Paper Mills Ltd.	"
	Janata Flour & Dal Mills Ltd.	"
	Everest Power Generation Co. Ltd.	"
	Global AD Star Bag Industries Limited	"
	Dhaka Plastic Bottle (PET) Industries Limited	"
	Tasnim Chemical Complex Ltd.	"
	Tasnim Condensed Milk Ltd.	"
	Sonargaon Salt Ind. Ltd.	"
	Fresh Cement Ind. Ltd.	"
	Meghna Seeds Crushing Mills Ltd.	"
	Surma Mustard Oil Mills Ltd.	"
	Meghna Pulp and Paper Mills Ltd.	"
	Meghna Ship Builders & Dockyard Ltd.	"
	Tanveer Steel Mills Ltd.	"

Name and Position	**Involvement in other organization**	
	Name of the Organization	**Position**
Beauty Akter Director	United Salt Industries Ltd.	Director
	Meghna Dairy And Food Products Ltd.	″
	Kamal Trading Co. Limited	″
	Kamal Imports & Exports Limited	″
	United Fibre Industries Limited	
	Meghna Vegetable Oil Industries Ltd.	″
	Bagdad Vegetable Oil Industries Ltd.	″
	United Feeds Limited	″
	Unique Cement Industries Ltd.	″
	United Edible Oils Limited	″
	United Mineral Water & PET Ind. Ltd.	
	Unique Power Plant Ltd.	″
	Tanveer Polymer Industries Ltd.	″
	Unique Hatchery & Feeds Ltd.	″
	Tanveer Food Limited	″
	Tanveer Oils Limited	″
	Tanveer Mustard Oil Mill & Coconut Oil Mills Ltd.	
	Tanveer Dal Mill & Flour Mills Ltd.	″
	United Sugar Mills Ltd.	″
	Unique Power Plant Ltd. Unit-II	″
	Tanveer Paper Mills Ltd.	″
	Everest Power Generation Co. Ltd.	″
	Global AD Star Bag Industries Limited	
	Dhaka Plastic Bottle (PET) Industries Limited	″
	Tasnim Condensed Milk Ltd.	″
	Fresh Cement Ind. Ltd.	″
	Meghna Seeds Crushing Mills Ltd.	″
	Surma Mustard Oil Mills Ltd.	″
	Meghna Pulp and Paper Mills Ltd.	
	Meghna Aviation Limited	″
Md. Abdur Rouf Director	One Tel Communications Ltd.	Director
	Agro Commodities International	″
Farida Akter Director	N/A	N/A
Tahmina Binthe Mostafa Director	United Salt Industries Ltd.	Director
	United Fibre Industries Limited	″
	United Feeds Limited	″
	United Edible Oils Limited	″
	United Mineral Water & PET Ind. Ltd.	
	Unique Cement Industries Ltd.	″
	Unique Power Plant Ltd.	″
	Tanveer Polymer Industries Ltd.	″
	Unique Hatchery & Feeds Ltd.	″
	Tanveer Oils Limited	″
	United Sugar Mills Ltd.	
	Tanveer Food Limited	″
	Unique Power Plant Ltd. Unit-II	″
	Tanveer Paper Mills Ltd.	″
	Everest Power Generation Co. Ltd.	″
	Janata Flour & Dal Mills Ltd.	″
	Global AD Star Bag Industries Limited	
	Dhaka Plastic Bottle (PET) Industries Limited	″
	Tasnim Chemical Complex Ltd.	″
	Tasnim Condensed Milk Ltd.	″
	Sonargaon Salt Ind. Ltd.	″
	Fresh Cement Ind. Ltd.	″
	Meghna Seeds Crushing Mills Ltd.	
	Surma Mustard Oil Mills Ltd.	″
	Meghna Pulp and Paper Mills Ltd.	″
	Meghna Aviation Limited	″

Name and Position	Involvement in other organization	
	Name of the Organization	Position
Tanjima Binthe Mostafa Director	United Salt Industries Ltd. Tanveer Polymer Industries Ltd. Unique Hatchery & Feeds Ltd. Tanveer Oils Limited Tanveer Food Limited United Sugar Mills Ltd. Tanveer Paper Mills Ltd. Everest Power Generation Co. Ltd. Janata Flour & Dal Mills Ltd. Global AD Star Bag Industries Limited Dhaka Plastic Bottle (PET) Industries Limited Tasnim Chemical Complex Ltd. Tasnim Condensed Milk Ltd. Sonargaon Salt Ind. Ltd. Fresh Cement Ind. Ltd. Meghna Seeds Crushing Mills Ltd. Surma Mustard Oil Mills Ltd. Meghna Pulp and Paper Mills Ltd. Meghna Aviation Limited	Director " " " " " " " " " " " " " " " " " "
Tanveer Ahmed Mostafa Director	United Salt Industries Ltd. Tanveer Polymer Industries Ltd. Unique Hatchery & Feeds Ltd. Tanveer Oils Limited Tanveer Food Limited United Sugar Mills Ltd. Tanveer Paper Mills Ltd. Everest Power Generation Co. Ltd. Janata Flour & Dal Mills Ltd. Global AD Star Bag Industries Limited Dhaka Plastic Bottle (PET) Industries Limited Tasnim Chemical Complex Ltd. Tasnim Condensed Milk Ltd. Sonargaon Salt Ind. Ltd. Fresh Cement Ind. Ltd. Meghna Seeds Crushing Mills Ltd. Surma Mustard Oil Mills Ltd. Meghna Pulp and Paper Mills Ltd. Meghna Aviation Limited	Director " " " " " " " " " " " " " " " " " "
Taif Bin Yousuf Director	Meghna Flour and Dall Mills Ltd.	Director
Yousuf Ali Director	Meghna Flour and Dall Mills Ltd.	Director
Md. Abdul Baten Director	N/A	N/A
Hasina Begum Director	N/A	N/A

Family relationship among Directors and top five Officers

There is no family relationship among directors and top five officers of Bangladesh National Insurance Company Limited except the following:

Sl.	Name	Family Relationship
1	Abdul Baset Majumder Chairman	N/A
2	Mostafa Kamal Vice Chairman	Husband of Beauty Akter Father of Tahmina Binthe Mostafa, Tanjima Binthe Mostafa and Tanveer Ahmed Mostafa Father-in-law of Taif Bin Yousuf
3	Beauty Akter Director	Wife of Mostafa Kamal Mother of Tahmina Binthe Mostafa, Tanjima Binthe Mostafa and Tanveer Ahmed Mostafa Mother-in-law of Taif Bin Yousuf
4	Md. Abdur Rouf Director	Husband of Farida Akther
5	Farida Akter Director	Wife of Md. Abdul Rouf
6	Tahmina Binthe Mostafa Director	Daughter of Mostafa Kamal and Beauty Akther Sister of Tanjima Binthe Mostafa and Tanveer Ahmed Mostafa Wife of Taif Bin Yousuf
7	Tanjima Binthe Mostafa Director	Daughter of Mostafa Kamal and Beauty Akther Sister of Tanjima Binthe Mostafa and Tanveer Ahmed Mostafa Sister-in-law of Taif Bin Yousuf
8	Tanveer Ahmed Mostafa Director	Son of Mostafa Kamal and Beauty Akther Brother of Tanjima Binthe Mostafa and Tahmina Binthe Mostafa Brother-in-law of Taif Bin Yousuf
9	Taif Bin Yousuf Director	Husband of Tahmina Binthe Mostafa Son-in-law of Mostafa Kamal and Beauty Akther Brother-in-law of Tanjima Binthe Mostafa and Tanveer Ahmed Mostafa
10	Yousuf Ali Director	N/A
11	Md. Abdul Baten Director	Husband of Hasina Begum
12	Hasina Begum Director	Wife of Md. Abdul Baten

Short bio-data of the directors

Abdul Baset Majumder
Chairman

Md. Abdul Baset Mazumder, son of late Abdul Aziz Mazumder & late Jamila Khatun, was born in a respectable Muslim family of Bramanbaria, Comilla on 1at January 1936. He has brilliant academic career. After completion of his education he starts practicing law. Now he is a Senior Advocate of the Supreme Court of Bangladesh High Court Division. He is former president of Supreme Court Bar Association. He is actively associated with a number of socio-cultural organizations as donor and life member.

Mostafa Kamal
Vice Chairman

Mr. Mostafa Kamal son of late Al-Hajj Noor Miah & late Al-Hajj Ayesha Khatun, was born in a respectable Muslim family of Chaudda-gram, Comilla on 2nd February 1955. He started his business carrier as an entrepreneur just after completion of his education and became a prominent industrialist of the country. He has built up reputation as a astute and efficient business personality and has achieved remarkable success in business. He is the Honorable Chairman & Managing Director of Meghna Group of Industries. He is associated with member of companies in the country in the field of Shipping, Cement, Edible Oil, Vegetable oils, P.P. Bag, Food items, Power Plant and Chemical Complex etc. He is the vice chairman of Bangladesh National Insurance Company Limited and Member of standing committee on Import, Tariff & Anti-Dumping of FBCCI, Secretary General of Bangladesh Vegetable Oil Refiners & Banaspathi Manufacturers Association, President of Bangladesh Woven Tape Bag Manufacturers' Association and Bangladesh Cement Manufacturers' Association (BCMA). He is the founder of Al-Hajj Noor Miah Degree College, Al-Hajj Ayesha Noor Welfair Foundation, Kankapaith Primary School and Kankapaith Madrasha. Mr. Mostafa Kamal has deep affinity and also attached with number of socio cultural organizations and educational institutes.

Beauty Akter
Director

Mrs. Beauty Akter, daughter of Al-Hajj Md. Abdul Hakim & Al-Hajj Ambia Khatun and wife of nationwide industrialist Mostafa Kamal, was born on 1 February 1965 in Comilla district. She associated herself with her husband's business and built reputation as an astute and efficient business entrepreneur and achieved remarkable success in business. Mrs. Beauty Akhter is one of the sponsor Directors of Bangladesh National Insurance Company Limited. She is one of the founding Shareholders of Meghna Group of Industries where she is the Director of Meghna Group of Industries, United Sugar Mills Ltd., Central Hospital Ltd., Barakah General Hospital Ltd. etc. Further more she has deep affinity and attachment with various social-cultural organizations.

Md. Abdur Rouf
Director

Mr. Abdur Rouf was born on 1 January 1968 at comilla. His father's name is late Abdur Rahman and mother's name is Asia Khatun. He started his career in business just after completion of his education. His business affiliation includes insurance, communication etc. He is a sponsor Director of the company.

Farida Akter
Director

Mrs. Farida Akter, daughter of Mr. Badiul Alam and late Mazeda Begum, was born in Comilla on 1st June 1979. Mrs. Farida Akter, wife of Mr. Abdur Rouf, is a Director of the company. She is also a Businessman. She has interest in various socio-cultural activities.

Tahmina Binthe Mostafa
Director

Mrs. Thamina Binthe Mostafa, daughter of Mr. Mostafa Kamal & Mrs. Beauty Akhter, was born on July 24, 1986 in Dhaka. She obtained her Masters and Bachelor Degree from the University of Greenwich, U.K. After the completion of her education Mrs. Tahmina Binthe Mostafa started business career in one of the leading business conglomerates in Bangladesh, Meghna Group of Industries. She is also a sponsor Director of Bangladesh National Insurance Company Limited. She has business experience in the field of Sugar, PET, Mineral Water, Dairy & Food Products, Cement, Hatchery & Feed, Fiber, Coconut Oil, Mustard Oil, Power Plant, Salt Flour Mill, Dal Mill, Printing & Packaging, Polymer, Spice etc.

Tanjima Binthe Mostafa
Director

Mrs. Tanjima Binthe Mostafa, daughter of Mr. Mostafa Kamal & Mrs. Beauty Akhter, was born on July 01, 1987 in Dhaka. She obtained her Bachelor of Science in Business Management degree from the Babson College Boston, USA, majoring in Entrepreneurial studies. Just after completion of her education she started her family Business and participates in Bangladesh National Insurance Company Limited as one of the Director of Meghna Group of Industries.

Tanveer Ahmed Mostafa
Director

Mr. Tanveer Ahmed Mostafa, son of Mostafa Kamal & Beauty Akter, was born on December 03, 1992 in Dhaka. He has completed High School Diploma (American System) and IB Certificate (International Baccalaureate) in 2010 from American International School Dhaka, he has also complected University Foundation Program Diploma in 2012. Presently he is a student of University of London, Queen Marry Collect, studying Bachelors of Science (Honours) mojoring Business and Management under School of Business and Management department. Mr. Tanver Ahmed Mostafa started business career in one of the leading business conglomerates in Bangladesh, Meghna Group of Industries. Presently he is a Director of Bangladesh National Insurance Company Limited.

Taif Bin Yousuf
Director

Mr. Taif Bin Yousuf, son of Md. Yousuf & Mrs. Majeda Yousuf, was born on 20 August 1982. Presently he is a director of Bangladesh National Insurance Company Limited. He is also a director of Meghna Flour and Dall Mills Limited. He has completed his graduation from London Metropolitan University majoring on Business and Information Technology. He has about 7 years of business experience. He has first become director of BNICL on 19 December 2012.

Yousuf Ali
Director

Mr. Yousuf Ali, son of Md. Kala Chan Sarder & Mrs. Amatan Nessa, was born on 3 September 1972 in a respected Muslim Family. He is an FCMA. He has completed his Masters of Commerce in Accounting under Dhaka University. Persently he is a Director of BNICL. He has interest in various socio-cultural activities.

Md. Abdul Baten
Director

Md. Abdul Baten, son of Mr. Abdur Rahman & Mrs. Ayesha Begum, was born on 17 November 1970 in Comilla. After obtaining his B.A. degree he has stated his business career. He has about 16 years of business experience. Mr. Baten has first become a director of Bangladesh National Insurance Company Limited on 19 December 2012. Mr. Baten has deep affinity and also attached with number of socio cultural activities.

Hasina Begum
Director

Mrs. Hasina Begum was born on 3 October 1981 in a respected Muslim Family. Her father's name is late Ali Hossain and mother's name is Momena Begum. She became director of Bangladesh National Insurance Company Limited on 19 December 2012. She has about 4 years of business experience.

Credit Information Bureau (CIB) report

Neither the company nor any of its directors or shareholders who hold 5% or more shares in the paid- up capital of the issuer is loan defaulter in terms of the CIB Report of the Bangladesh Bank.

Description of senior executives and departmental heads

Name	Position	Educational Qualification	Date of Joining in the Company	Name(s) of organization(s) where worked during the last five years
Mr. Md. Sana Ullah	Managing Director	B.A (Hon's) M.A	15-04-2013	Express Insurance Company Limited
Mr.Md. Omar Farooq	Additional Managing Director	B.SC	01-12-2012	Express Insurance Company Limited
Mr. Md. Emdadul Haque	Deputy Managing Director	B.A	31-10-2013	Express Insurance Company Limited
Mr. Ishraq Khan	Deputy Managing Director	B.A.	22-07-2003	Bangladesh National Insurance Company Limited
Mr. Sk. Salahuddin Ahmed	Senior General Manager (Head of Re-insurance, Claim, Branch control & Underwriting Department)	M.S.C.	22-06-1996	Bangladesh National Insurance Company Limited
Mr. Md. Ferozul Islam	General Manager (Finance & Accounts) & CFO	M.Com, C.A (C.C)	01-10-2000	Bangladesh National Insurance Company Limited
Mr. Md. Masud Rana	Sr. Assistant General Manager (Finance & Accounts) & Company Secretary	M.Com (Management) L.L.B CA-C.C	02-02-2002	Bangladesh National Insurance Company Limited
Mr. Khandoker Rezaur Rahman	Assistant General Manager (Head of Administration)	B.A	31-10-2013	Central Insurance Company Limited

Involvement of Directors and Officers in Certain Legal Proceedings

No director or officer of the Company was involved in any of the following types of legal proceedings in the last ten years:

(a) Any bankruptcy petition filed by or against any company of which any officer or director of the issuer company filing the prospectus was a director, officer or partner at the time of the bankruptcy.

(b) Any conviction of director, officer in a criminal proceeding or any criminal proceeding pending against him.

(c) Any order, judgment or decree of any court of competent jurisdiction against any director, officer permanently or temporarily enjoining, barring, suspending or otherwise limiting the involvement of any director or officer in any type of business, securities or banking activities.

(d) Any order of the Securities and Exchange Commission, or other regulatory authority or foreign financial regulatory authority, suspending or otherwise limiting the involvement of any director or officer in any type of business, securities or banking activities.

Certain Relationships and Related Transactions

Transaction with related parties

Neither proposed any transaction nor had any transaction during the last two years, between the issuer and any of the following persons:

(a) Any director or executive officer of the issuer;

(b) Any director or officer;

(c) Any person owning 5% or more of the outstanding shares of the issuer;

(d) Any member of the immediate family (including spouse, parents, brothers, sisters, children, and in-laws) of any of the above persons

(e) Any transaction or arrangement entered into by the issuer or its subsidiary for a person who is currently a director or in any way connected with a director of either the issuer company or any of its subsidiaries/holding company or associate concerns, or who was a director or connected in any way with a director at any time during the last three years prior to the issuance of prospectus.

(f) Any loan either taken or given from or to any director or any person connected with the director, any loan taken from any such person who did not have any stake in the issuer, its holding company or its associate concerns prior to such loan.

(g) Any director holding any position, apart from being a director in the issuer company, in any company, society, trust, organization, or proprietorship or partnership firm;

Except the following transactions:

Year/ Period	Name of party	Name of Relationship	Nature of transaction	Transaction amount Tk
Jan. 2014 to Jul. 2014	M/S Meghna Group	Common Directors	Insurance Premium	5,568,627
Jan. to Dec. 2013	M/S Meghna Group	Common Directors	Insurance Premium	8,151,569.00
Jan. to Dec. 2012	M/S Meghna Group	Common Directors	Insurance Premium	1,932,558.00
Jan. to Dec. 2011	M/S Meghna Group	Common Directors	Insurance Premium	6,182,776.00

(h) Directors' facilities:

The Directors did not enjoy any interest, any facilities, whether pecuniary or non-pecuniary except board meeting attencence fee and dividends on their respective shareholdings.

Executive Compensation

Remuneration paid to top five salaried officers

Sl. No.	Name of the Employee	Position	Remuneration	
			Jan. –Jul. 14	Jan. –Dec. 13
1	Mr. Md. Sana Ullah	Managing Director	17,50,000	30,00,000
2	Mr.Md. Omar Farooq	Additional Managing Director	8,40,000	13,20,000
3	Mr. Md. Emdadul Haque	Deputy Managing Director	7,70,000	2,00,000
4	Mr. Ishraq Khan	Deputy Managing Director	6,35,950	9,77,200
5	Mr. Sk. Salahuddin Ahmed	Senior General Manager (Head of Re-insurance, Claim, Branch control & Underwriting Department)	5,36,000	8,37,900

Aggregate amount of remuneration paid to directors and officers

Particulars	Remuneration			
	(1st Jan. 2014 to 31st Jul. 2014)		(1st Jan. 2013 to 31st Dec. 2013)	
Directors' fees	Tk.	268,700.00	Tk.	211,600.00
Salaries & allowances	Tk.	42,706,930.68	Tk.	48,479,038.00
Management expenses	Tk.	61,842,879.82	Tk.	74,401,843.78

The company did not pay any remuneration to any director who was not an officer during the last accounting year.

Future compensation

There is no contract with any director or officer for future compensation.

Pay increase intention

Periodical review of salary and benefits of the employees may be made depending on the growth of the company's operation.

Options granted to Directors, Officers and Employees

The company has not granted any option to directors, officers or employees.

Transaction with the Directors and Subscribers to the Memorandum

(a) The Directors and Subscribers to the memorandum of the Company have not received any benefits other than board meeting attendence fees and dividends against their respective shareholdings during the last five years. Otherthan these, no other benefits have been received or to be received by the Directors and Subscribers to the memorandum directly or indirectly from the issuer.
The issuer has not received any assets, services or other consideration from its Directors and Subscribers to the memorandum except fund against allotment of shares during last five years. Other than that, no other assets, services or other consideration have been received or to be received by the issuer.

(b) No assets were acquired or are to be acquired from the Directors and Subscribers to the memorandum.

Net Tangible assets per share as at 31 July 2014

Sl.	Particulars	Taka
A.	**Assets**	
1	Investment - at cost (BGTB)	25,000,000.00
2	Investment in shares	30,050,838.40
3	Outstanding premium	228,473.70
4	Interest accrued but not due	14,289,066.85
5	Amount due from other persons or bodies Carrying on Insurance Business	3,504,302.59
6	Sundry Debtors (Including Advances, Deposits & Prepayments)	33,604,394.02
7	Cash and Bank Balances	515,864,418.10
8	Fixed Assets (at cost less Dep.)	77,930,666.48
9	Stock of printing & stationary	249,321.00
	Total Assets	**700,721,481.14**
B.	**Liabilities**	
1	Balance of fund and accounts	75,968,086.43
2	Estimated liabilities in respect of outstanding claims whether due or intimated	104,756,015.00
3	Amount due to other persons or bodies carrying on insurance business	12,227,404.67
4	Sundry creditors (including provision for expenses and taxes)	48,458,944.38
5	Premium Deposits Account	35,896,499.44
6	Deferred Tax Liability	7,821,672.37
	Total Liabilities	**285,128,622.29**
C.	**Net Asset (A-B)**	**415,592,858.85**
D.	Intangible Asset	-
E.	Net Tangible Asset (C-D)	**415,592,858.85**
F.	Number of Shares outstanding	26,550,000
G.	**Net tangible assets per share (E/F)**	**15.65**

Ownership of the Company's Securities

Shareholding structure

Sl. No.	Name of Shareholder	Address	Status	Before IPO Shares	Before IPO %	After IPO Shares	After IPO %
1	Abdul Baset Majumder	House # 23 , Road # 15/D, Banani, Dhaka-1213.	Chairman	885,000	3.33%	885,000	2.00%
2	Mostafa Kamal	House # 21, Road # 10/A,Dhanmondi R/A, Dhaka	Vice Chairman	2,424,833	9.13%	2,424,833	5.48%
3	Beauty Akter	House # 21, Road # 10/A,Dhanmondi R/A, Dhaka	Director	1,000,000	3.77%	1,000,000	2.26%
4	Abdur Rouf	Vill.- Boddin Khanka ,Post+Dist: Comilla	Director	1,155,000	4.35%	1,155,000	2.61%
5	Tanjima Binthe Mostafa	House# 25, Road # 7, Baridhara United Nations Road,Dhaka	Director	3,208,334	12.08%	3,208,334	7.25%
6	Thamina Binthe Mostafa	12,Baridhara United Nations Road,Dhaka	Director	3,308,334	12.46%	3,308,334	7.48%
7	Taif Bin Yousuf	12,Baridhara United Nations Road, Dhaka	Director	895,833	3.37%	895,833	2.02%
8	Tanveer Ahmed Mostafa	House # 21 , Road # 10/A, Dhanmondi R/A, Dhaka.	Director	4,175,167	15.73%	4,175,167	9.44%
9	Abdul Baten	House# 8, Akota Sarak, Block-B, Nurerchala, Badda, Dhaka	Director	1,140,833	4.30%	1,140,833	2.58%
10	Hasina Begum	House# 8, Akota Sarak, Block-B, Nurerchala, Badda, Dhaka	Director	895,833	3.37%	895,833	2.02%
11	Yousuf Ali	House# 588, Road # 1, Block-C, Khilgaon, Dhaka	Director	895,833	3.37%	895,833	2.02%
12	Farida Akter	Vill.- Boddin Khanka, Post+Dist: Comilla	Director	1,075,000	4.05%	1,075,000	2.43%
13	Muhammad Zakaria	Azad Centre, 55, Purana Paltan, Dhaka	Share Holder	1,200,000	4.52%	1,200,000	2.71%
14	M.F. Kamal	Azad Centre, 55, Purana Paltan, Dhaka	Share Holder	1,200,000	4.52%	1,200,000	2.71%
15	Md. Abu Taher	Azad Centre, 55, Purana Paltan, Dhaka	Share Holder	100,000	0.38%	100,000	0.23%
16	MS Tasnim Binthe Mostafa	House # 21, Road # 10/A, Dhanmondi R/A, Dhaka	Share Holder	1,000,000	3.77%	1,000,000	2.26%
17	Wasikur Rahman	990, Ukilpara, vola	Share Holder	1,000,000	3.77%	1,000,000	2.26%
18	Nasir Uddin	409/1, North Shahjahanpur, Shantinagar, Dhaka	Share Holder	890,000	3.35%	890,000	2.01%
19	Md. Belayet	Plot # 1373/1, House # 26, Block-B, South Donia Shahi Mosque Road, Dahia, Shampur, Dhaka	Share Holder	100,000	0.38%	100,000	0.23%
	Total			**26,550,000**	**100.00%**	**26,550,000**	**60.00%**

Securities of the Company owned by top ten salaried officers and all other officer as a group

No share or security is held by any officer of the company.

Determination of Offering Price

The issue price at Tk. 10 each at par of Bangladesh National Insurance Company Limited is justified as detailed below:

Net Asset Value Per Share

The offering price of the common stock of Bangladesh National Insurance Co. Ltd. has been determined by assessing the Net Asset Value (NAV). The financial calculations are presented form the audited accounts as at 31 July 2014.

Sl.	Particulars	Taka
A.	**Assets**	
1	Investment - at cost (BGTB)	25,000,000.00
2	Investment in shares	30,050,838.40
3	Outstanding premium	228,473.70
4	Interest accrued but not due	14,289,066.85
5	Amount due from other persons or bodies Carrying on Insurance Business	3,504,302.59
6	Sundry Debtors (Including Advances, Deposits & Prepayments)	33,604,394.02
7	Cash and Bank Balances	515,864,418.10
8	Fixed Assets (at cost less Dep.)	77,930,666.48
9	Stock of printing & stationary	249,321.00
	Total Assets	**700,721,481.14**
B.	**Liabilities**	
1	Balance of fund and accounts	75,968,086.43
2	Estimated liabilities in respect of outstanding claims whether due or intimated	104,756,015.00
3	Amount due to other persons or bodies carrying on insurance business	12,227,404.67
4	Sundry creditors (including provision for expenses and taxes)	48,458,944.38
5	Premium Deposits Account	35,896,499.44
6	Deferred Tax Liability	7,821,672.37
	Total Liabilities	**285,128,622.29**
C.	**Net Asset (A-B)**	**415,592,858.85**
D.	Number of Shares outstanding	26,550,000
E.	**Net asset value per share (C/D)**	**15.65**

Based on the above calculation it appears that offer price of Tk. 10 per share at par of Bangladesh National Insurance Company Limited is justified and reasonable.

Market for the Securities Being Offered

The issuer shall apply to:

Dhaka Stock Exchange Limited	**and**	**Chittagong Stock Exchange Limited**
9/F Motijheel C/A,		CSE Building, 1080 Sk. Mujib Road
Dhaka-1000		Agrabad, Chittagong-4100

within 7 (seven) working days from the date of consent accorded by the Commission to issue prospectus.

Declaration about listing of shares with the stock exchange(s)

None of the stock exchange(s), if for any reason, grants listing within 75 days from the closure of subscription, any allotment in terms of this prospectus shall be void and the company shall refund the subscription money within fifteen days from the date of refusal for listing by the stock exchanges, or from the date of expiry of the said 75 (seventy five) days, as the case may be.

In case of non-refund of the subscription money within the aforesaid fifteen days, the company directors, in addition to the issuer company, shall be collectively and severally liable for refund of the subscription money, with interest at the rate of 2% (two percent) per month above the bank rate, to the subscribers concerned.

The issue manager, in addition to the issuer company, shall ensure due compliance of the above mentioned conditions and submit compliance report thereon to the Commission within seven days of expiry of the aforesaid fifteen days time period allowed for refund of the subscription money.

Trading and settlement

Trading and settlement regulation of the stock exchanges shall apply in respect of trading and settlement of the shares of the Company.

Description of Securities outstanding or Being Offered

Dividend, voting, pre-emption rights

The Share Capital of the company is divided into Ordinary Shares, carrying equal rights to vote and receive dividend in terms of the relevant provisions of the Companies Act 1994 and the Articles of Association of the company. All shareholders shall have the usual voting right voting right in person or by proxy in connection with, among others, election of Directors & Auditors and other usual agenda of General Meeting – Ordinary or Extra Ordinary. On a show of hand, every shareholder present in person and every duly authorized representative of a shareholder present at a General Meeting shall have one vote and on a poll every shareholder present in person or by proxy shall have one vote for every share held by him or her.

In case of any additional issue of shares for raising further capital the existing shareholders shall be entitled to Right Issue of shares of in terms of the guidelines issued by the BSEC from time to time.

Conversion and liquidation rights

If the company at any time issue convertible preference shares or debenture with the consent of the BSEC or other relevant regulatory authority, such holders of securities shall be entitled to convert such securities into ordinary shares if it is so determined by the company.

Right for transfer

In terms of the provisions of the Companies Act, 1994, Articles of Association of the Company and other relevant rules in force, the shares of the Company are freely transferable. The Company shall not charge any fee for registering transfer of shares. No transfer shall be made to a firm, an infant/minor or person of unsound mind.

Dividend policy

a) The profit of the Company, subject to any special right relating thereto created or authorized to be created by the Memorandum of Association and subject to the provisions of the Articles of Association, shall be divisible among the members in proportion to the amount of capital paid-up on the shares held by them respectively.

b) No larger dividend shall be declared than is recommended by the Directors, but the Company in its General Meeting may declare a smaller dividend. The declaration of Directors as to the amount of Net Profit of the Company shall be conclusive.

c) No dividend shall be payable except out of the profits of the Company or any other undistributed profits. Dividend shall not carry interest as against the Company.

d) The Directors may from time to time pay the members such interim dividend as in their judgment the financial position of the Company may justify.

e) A transfer of shares shall not pass the right to any dividend declared thereon before the registration of transfer.

f). There is no limitation on the payment dividends to the common stockholders of the Company.

Other rights of stockholders

The Directors shall present the financial statements as required under the law & International Accounting Standard as adopted in Bangladesh. Financial statements will be prepared in accordance with the International Accounting Standards as adopted in Bangladesh, consistently applied throughout the subsequent periods and present with the objective of providing maximum disclosure as par law and International Accounting Standard as adopted in Bangladesh to the shareholders regarding the financial and operational position of the company. The shareholders shall have the right to receive all periodical statement and reports, audited as well as unaudited, published by the company from time to time.

The shareholder holding minimum of 10% shares of paid-up capital of the company shall have the right to requisition Extra-ordinary General Meeting of the company as provided for the section 84 of the Companies Act 1994.

Debt Securities

The Company has not issued or planning to issue any debt securities within next six months.

Lock-in on Sponsors' Shares

All issued shares of the issuer at the time of according consent to public offering shall be subject to a lock-in period of three years from the date of issuance of prospectus or commercial operation, whichever comes later.

Provided that the persons, other than directors and those who hold 5% or more, who have subscribed to the shares of the company within immediately preceding two years of according consent, shall be subject to a lock-in period of one year from the date of issuance of prospectus or commercial operation, whichever comes later.

Sl.	Name	Status	No. of shares hold	Amount Taka	% holding	Expire date of lock-in
1	Abdul Baset Majumder	Chairman	885,000	8,850,000	3.33%	27 May 2018
2	Mostafa Kamal	Vice Chairman	2,424,833	24,248,330	9.13%	27 May 2018
3	Beauty Akter	Director	1,000,000	10,000,000	3.77%	27 May 2018
4	Abdur Rouf	Director	1,155,000	11,550,000	4.35%	27 May 2018
5	Tanjima Binthe Mostafa	Director	3,208,334	32,083,340	12.08%	27 May 2018
6	Thamina Binthe Mostafa	Director	3,308,334	33,083,340	12.46%	27 May 2018
7	Taif Bin Yousuf	Director	895,833	8,958,330	3.37%	27 May 2018
8	Tanveer Ahmed Mostafa	Director	4,175,167	41,751,670	15.73%	27 May 2018
9	Abdul Baten	Director	1,140,833	11,408,330	4.30%	27 May 2018
10	Hasina Begum	Director	895,833	8,958,330	3.37%	27 May 2018
11	Yousuf Ali	Director	895,833	8,958,330	3.37%	27 May 2018
12	Farida Akter	Director	1,075,000	10,750,000	4.05%	27 May 2018
13	Muhammad Zakaria	Share Holder	1,200,000	12,000,000	4.52%	27 May 2018
14	M.F. Kamal	Share Holder	1,200,000	12,000,000	4.52%	27 May 2018
15	Md. Abu Taher	Share Holder	100,000	1,000,000	0.38%	27 May 2018
16	MS Tasnim Binthe Mostafa	Share Holder	1,000,000	10,000,000	3.77%	27 May 2018
17	Wasikur Rahman	Share Holder	1,000,000	10,000,000	3.77%	27 May 2018
18	Nasir Uddin	Share Holder	890,000	8,900,000	3.35%	27 May 2018
19	Md. Belayet	Share Holder	100,000	1,000,000	0.38%	27 May 2018
	Total		**26,550,000**	**265,500,000**	**100.00%**	

Subscription by and Refund to Non-Resident Bangladeshi (NRB)

1. Non-resident Bangladeshi (NRB) and Foreign applicants shall submit bank drafts (FDD), issued in favor of the Issuer for an amount equivalent to the application money, with their application to concerned Stockbroker/Merchant Banker. The draft (FDD) shall be issued by the Bank where the applicant maintains NITA/Foreign Currency account debiting the same account. No banker shall issue more than two drafts from any NITA/Foreign Currency account for any public issue. At the same time, the applicant shall make the service charge available in respective customer account maintained with the Stockbroker/Merchant Banker.

2. The bank draft (FDD) shall be issued considering TT Clean exchange rate of Sonali Bank Ltd. on the date of publication of abridged version of prospectus.

3. Stockbrokers/Merchant Bankers shall send the bank drafts (FDD) submitted by successful NRB and Foreign applicants to the Stock Exchange and return the drafts submitted by unsuccessful applicants.

4. Stockbrokers/Merchant Bankers shall send the drafts (FDD) submitted by unsuccessful NRB and Foreign applicants who are subject to penal provisions, to the respective Stock Exchange, along with a list.

5. Stock Exchanges shall send the drafts submitted by successful NRB and Foreign applicants and also by unsuccessful NRB and Foreign applicants who are subject to penal provisions, to the Issuer.

6. In case of drafts (FDD) submitted by successful NRB or Foreign applicant for any amount excess to the value of securities to be allotted or by unsuccessful NRB and Foreign applicants who are subject to penal provisions, refund of the balance amount shall be made by the Issuer to the applicant through bank drafts issued in the same currency **within 7 (seven) working days** of receiving the drafts from Stock Exchange.

Availability of securities

Offer

1. Shares

Particulars	No. of shares	Amount in Tk
A. 20% of IPO i.e. 3,540,000 Ordinary Shares shall be reserved for affected small investors (ক্ষতিগ্রস্থ ক্ষুদ্র বিনিয়োগকারী)	3,540,000	35,400,000
B. 10% of IPO i.e. 1,770,000 Ordinary Shares shall be reserved for Non Resident Bangladeshis	1,770,000	17,700,000
C. 10% of IPO i.e. 1,770,000 Ordinary Shares shall be reserved for Mutual funds and Collective investment schemes registered with the Commission	1,770,000	17,700,000
D. The remaining 60% of IPO i.e. 10,620,000 Ordinary Shares shall be opened for subscription by the General Public	10,620,000	106,200,000
Total	**17,700,000**	**177,000,000**

2. All shares as stated in clause 1.A, 1.B, 1.C and 1.D shall be offered for subscription and subsequent allotment by the issuer, subject to any restriction, which may be imposed, from time to time, by the Bangladesh Securities and Exchange Commission.

3. In case of over-subscription under any of the categories mentioned in 1.A, 1.B, 1.C and 1.D the Issuer and Issue Manager shall conduct an open lottery of all the applications received under each category separately in accordance with the letter of consent issued by the Bangladesh Securities and Exchange Commission.

4. In case of under-subscription under any of the 20% and 10% categories mentioned in 1.A, 1.B and 1.C, the unsubscribed portion shall be added to the general public category and, if after such addition, there is over-subscription in the general public category, the issuer and the issue manager(s) shall jointly conduct and open lottery of all the applicants added together.
5. In case of under-subscription of the public offering, the unsubscribed portion of securities shall be taken up by the underwriter(s).

6. The lottery as stated in clause (3) and (4) shall be conducted in presence of representatives from the issuer, the stock exchanges and the applicants, if there be any.

Application for subscription

1. Application/buy instruction for shares may be made for a minimum lot for **500** Ordinary shares to the value of **Taka 5,000/- (Taka Five Thousand Only).** Prospectus may be obtained from the registered office of the Company, Issue Manager, Underwriters and Stock Exchanges. Application/buy instruction must not be for less than **500** shares. Any application/buy instruction not meeting this criterion will not be considered for allotment purpose.
2. An applicant for public issue of securities shall submit application/buy instruction to the Stockbroker/ Merchant Banker where the applicant maintains customer account, within the cut-off date (i.e. subscription closing date).

3. The application/buy instruction may be submitted in prescribed paper or electronic form, which shall contain the Customer ID, Name, BO Account Number, Number of Securities applied for, Total Amount and Category of the Applicant.

4. Application/buy instruction must be in full name of individuals or limited companies or trusts or societies and not in the name of firms, minors or persons of unsound mind. Application/buy instruction from insurance, financial and market intermediary companies and limited companies must be accompanied by Memorandum and Articles of Association.

5. **An applicant cannot submit more than two applications, one in his/her own name and the other jointly with another person. In case an applicant makes more than two applications, all applications will be treated as invalid and will not be considered for allotment purpose. In addition, 15% (fifteen) of the application money will be forfeited by the Commission and the balance amount will be refunded to the applicant.**

6. The applicants who have applied for more than two applications using same bank account, their application will not be considered for lottery and the Commission will forfeit 15% of their subscription money too.

7. **Making of any false statement in the application or supplying of incorrect information therein or suppressing any relevant information in the application shall make the application liable to rejection and subject to forfeiture of 25% of the application money and/or forfeiture of share (unit) before or after issuance of the same by the issuer. The said forfeited application money or share (unit) will be deposited in account of the Bangladesh Securities and Exchange Commission (BSEC). This is in addition to any other penalties as may be provided for by the law.**

8. An IPO applicant shall ensure his/her BO account remains operational till the process of IPO (including securities allotment or refund of IPO application/buy instruction) is completed. If any BO account mentioned in the application/buy instruction is found closed, the allotted security may be forfeited by BSEC.

9. Bangladeshi Nationals (including non-resident Bangladeshi Nationals working abroad) and Foreign Nationals shall be entitled to apply for shares.

10. Non-resident Bangladeshi (NRB) and Foreign applicants shall submit bank drafts (FDD), issued in favor of the Issuer/Mutual Fund for an amount equivalent to the application money, with their application to concerned Stockbroker/Merchant Banker. The draft (FDD) shall be issued by the Bank where the applicant maintains NITA/Foreign Currency account debiting the same account. No banker shall issue more than two drafts from any NITA/Foreign Currency account for any public issue. At the same time, the applicant shall make the service charge available in respective customer account maintained with the Stockbroker/Merchant Banker.

11. The bank draft (FDD) shall be issued considering TT Clean exchange rate of Sonali Bank Ltd. on the date of publication of abridged version of prospectus.

12. The IPO subscription money collected from successful applicants (other than NRB applicants) by the Stockbrokers/Merchant Bankers will be remitted to the Company's **A/C # 1011360380648** with **Eastern Bank Limited, Principal Branch**, Dhaka, Bangladesh for this purpose.

13. The IPO subscription money collected from successful NRB applicants in US Dollar or UK Pound Sterling or EURO shall be deposited to three FC accounts opened by the Company for IPO purpose are as follows:

Sl.	Name of the FC Accounts	Account No.	Bank & Branch	Currency
1	Bangladesh National Insurance Company Limited	1013050380669	Eastern Bank Limited, Principal Branch	US Dollar
2	-do-	1013060380658	Eastern Bank Limited, Principal Branch	GBP
3	-do-	1013070380680	Eastern Bank Limited, Principal Branch	EURO

14. তালিকাভূক্ত ক্ষতিগ্রস্থ ক্ষুদ্র বিনিয়োগকারীগণ সকল পাবলিক ইস্যুতে একক অথবা যৌথ হিসাবের যে কোনটি অথবা উভয়টি হতে সংরক্ষিত ২০% কোটায় আবেদন করতে পরবেন। তবে তারা ইচ্ছা করলে ক্ষতিগ্রস্থ সংরক্ষিত ২০% কোটায় আবেদন না করে সাধারণ বিনিয়োগকারীদের জন্য নির্ধারিত কোটায় আবেদন করতে পরবেন।

APPLICATIONS NOT IN CONFORMITY WITH THE ABOVE REQUIREMENTS AND THE INSTRUCTIONS PRINTED ON THE APPLICATION FORM ARE LIABLE TO BE REJECTED.

Allotment

The company reserves the right of accepting any application, either in whole, or in part. Within 02 (two) working days of conducting lottery, the Issuer shall issue allotment letters in the names of successful applicants in electronic format with digital signatures and send those to respective Stock Exchange in electronic form. On the next working day, Stock Exchanges shall distribute the information and allotment letters to the Stockbroker/Merchant Bankers concerned in electronic format. The Stockbrokers/Merchant Bankers shall inform the successful applicants about allotment of securities.

Underwriting of shares

The Initial Public Offering (IPO) is for 17,700,000 ordinary shares of Tk. 10 each at par amounting to Tk. 177,000,000. As per BSEC's guideline 50% of the said amount i.e. 8,850,000 ordinary shares of Tk. 10 each at par amounting to Tk 88,500,000 has been underwritten by the following institutions:

Sl.	Name and address of underwriters	Number of shares underwritten	Amount (Tk)
1	Grameen Capital Management Limited	1,327,500	13,275,000
2	ICB Capital Management Limited	1,327,500	13,275,000
3	Prime Finance Capital Management Limited	6,195,000	61,950,000
	Total	**8,850,000**	**88,500,000**

Principal terms and conditions of underwriting agreement

1. If and to the extent that the shares offered to the public by a Prospectus authorized hereunder shall not have been subscribed and paid for in cash in full by the closing date, the Company shall within 10 (ten) days of the closure of subscription call upon the underwriter in writing with a copy of said writing to the Securities and Exchange Commission, to subscribe for the shares not subscribed by the closing date and to pay for in cash in full for such unsubscribed shares in cash in full within 15 (fifteen) days of the date of said notice and the said amount shall have to be credited into shares subscription account within the said period.
2. If payment is made by Cheque/Bank Draft by the underwriter it will be deemed that the underwriter has not fulfilled his obligation towards his underwriting commitment under the Agreement, until such time as the Cheque/Bank Draft has been en-cashed and the Company's account credited.
3. In any case within 7 (seven) days after the expiry of the aforesaid 15 (fifteen) days, the Company shall send proof of subscription and payment by the underwriter to the Commission.
4. In the case of failure by the underwriter to pay for the shares under the terms mentioned above, the said Underwriter will not be eligible to underwrite any issue, until such time as he fulfils his underwriting commitment under the Agreement and also other penalties as may be determined by the Commission may be imposed on him.
5. In case of failure by any underwriter to pay for the shares within the stipulated time, the Company/Issuer will be under no obligation to pay any underwriting commission under the Agreement.
6. In case of failure by the Company to call upon the underwriter for the aforementioned purpose within the stipulated time, the Company and its Directors shall individually and collectively be held responsible for the consequences and/or penalties as determined by the Securities and Exchange Commission under the law may be imposed on them.

Financial Statements

AUDITORS' REPORT OF
"Bangladesh National Insurance Company Limited"

We have examined the annexed Financial Statement of **"Bangladesh National Insurance Company Limited"** which comprise the Statement of Financial Position as at 31 July, 2014 and the related Fire, Marine Cargo, Marine Hull, Motor and Miscellaneous Insurance Revenue Accounts as well as the Statement of Comprehensive Income, Other Comprehensive Income, Income Appropriation Account, Statement of Changes in Equity, the related Statement of Cash Flows for the period from 01 January, 2014 to 31 July, 2014 together with the accompanying accounting policies and notes to the Financial Statements in which the returns from the branch offices certified by the branch managers have been incorporated.

Responsibility of the Management:

The management of the company is responsible for the preparation and presentation of the financial statements in accordance with Bangladesh Financial Reporting Standards (BFRS), for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors Responsibility:

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 comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amount and disclosure in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditors consider internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements. We believe that the audit we have conducted is sufficient and appropriate to provide a reasonable basis for our opinion.

Opinion:

In our opinion, the Financial Statements prepared in accordance with Bangladesh Financial Reporting Standards (BFRS's) including Bangladesh Accounting Standards (BAS's), give a true and fair view of the state of the company's affairs as of 31July, 2014 and of the results of its operations and its cash flows for the period then ended and comply with the Companies Act, 1994, the Insurance Act 2010, Insurance Rules 1958, the Securities and Exchange Rules, 1987 and other applicable laws and regulations.

We also report that:

i) We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit and made due verification thereof;

ii) 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 and proper returns adequate for the purposes of our audit have been received from branches;

iii) As per Section 63 (2) of the Insurance Act, 2010, we certify that to the best of our knowledge and belief and according to the information and explanations given to us, all expenses of Management wherever incurred and whether directly or indirectly, in respect of Insurance business transacted in Bangladesh during the period under report have been duly debited to the related Revenue Accounts and Statement of Comprehensive Income of the Company.

iv) The Company's Statement of Financial Position and Statement of Comprehensive Income and its Statement of Cash Flows dealt with by the report are in agreement with the books of account and returns;

v) The Statement of Financial Position and the Revenue Accounts have been prepared in accordance with the regulations contained in Part I and Part II (Form A) of the First Schedule and Part I and Part II (Form F) of Third Schedule of Insurance Act, 1938. As per regulation 11 of Part I of the Third Schedule of the Insurance Act, 1938 as amended, we certify that to the best of our information and as shown by its books, the Company during the period under report has not paid any person any commission in any form outside Bangladesh and that the Company during the year under report has not received outside Bangladesh from any person any commission in any form in respect of any of its business re-insured abroad;

vi) The expenditure incurred was for the purposes of the company's business;

	Sd/-	Sd/-
Dated: Dhaka	**(Nurul Azim & Co.)**	**(Mahfuz Amin Nowsher & Co.)**
21 September, 2014	Chartered Accountants	Chartered Accountants

BANGLADESH NATIONAL INSURANCE COMPANY LIMITED

STATEMENT OF FINANCIAL POSITION AS AT 31 JULY 2014

Particulars	Notes	Amount in Taka	
		31-07-2014	31-12-2013
A. Shareholder's Equity and Liabilities:			
Share Capital:			
Authorized Share Capital	19	1,000,000,000.00	20,00,00,000.00
Issued, Subscribed and Paid up Capital	20	265,500,000.00	60,000,000.00
Reserve or Contingency Account	21	**150,092,858.85**	**125,387,268.96**
Reserve for Exceptional Losses		126,806,039.99	107,820,668.81
Income Appropriation Account		23,286,818.86	10,066,600.16
Investment Fluctuation Reserve	29.01	-	7,500,000.00
Total Shareholders' Equity		**415,592,858.85**	**185,387,268.96**
Balance of Funds and Accounts:	22	**75,968,086.43**	**97,175,580.37**
Fire Insurance Business Account		16,654,170.68	17,883,191.94
Marine Cargo Insurance Business Account		36,103,133.06	48,476,809.00
Marine Hull Insurance Business Account		44,336.12	148,976.43
Motor Insurance Business Account		19,507,575.87	20,382,294.92
Miscellaneous Insurance Business Account		3,658,870.68	10,284,308.08
Premium Deposits Account	23	35,896,499.44	23,657,159.19
Liabilities and Provisions		**173,264,036.42**	**131,662,754.22**
Sundry Creditors-Including Provision for Expenses and Taxes	24	48,458,944.38	34,350,073.05
Deferred Tax Liability	26	7,821,672.37	-
Amount due to other persons or bodies carrying on Insurance Business	25	12,227,404.67	15,963,209.17
Estimated liabilities in respect of outstanding Claims whether due or intimated	27	104,756,015.00	81,349,472.00
Total Shareholders' Equity and Liabilities		**700,721,481.14**	**437,882,762.74**

STATEMENT OF FINANCIAL POSITION
AS AT 31 JULY 2014

Particulars	Notes	Amount in Taka	
		31-07-2014	31-12-2013
B. Property and Assets:			
Non-Current Assets		**132,981,504.88**	**134,703,097.86**
	35	**77,930,666.48**	**76,959,575.76**
Fixed Assets -At Cost		112,390,249.32	107,014,533.32
Less: Accumulated Depreciation		34,459,582.84	30,054,957.56
		55,050,838.40	**57,743,522.10**
Investment-At cost (BGTB)	28	25,000,000.00	25,000,000.00
Investment in Shares	29	30,050,838.40	32,743,522.10
Current Assets			
Outstanding Premium	30	228,473.70	3,615,645.96
Interest Accrued but not Due	31	14,289,066.85	10,503,664.13
Amount Due from Other Persons or Bodies			
Carrying on Insurance Business	32	3,504,302.59	3,504,302.59
Sundry Debtors-Including Advances, Deposits & Prepayments	33	33,604,394.02	32,280,205.32
Stock of Printing & Stationery	35.01	249,321.00	158,962.82
Cash and Bank Balances	34	515,864,418.10	253,116,884.06
Total Property and Assets		**700,721,481.14**	**437,882,762.74**

The annexed notes form an integral part of these financial statements.

Sd/-	Sd/-	Sd/-	Sd/-
MANAGING DIRECTOR	**DIRECTOR**	**DIRECTOR**	**CHAIRMAN**

This is the statement of financial position referred to in our seperate report of even date.

	Sd/-	Sd/-
Dhaka	**NURUL AZIM & CO.**	**MAHFUZ AMIN NOWSHER & CO.**
21 September 2014	Chartered Accountants	Chartered Accountants

BANGLADESH NATIONAL INSURANCE COMPANY LIMITED

STATEMENT OF COMPREHENSIVE INCOME
FOR THE PERIOD ENDED 31 JULY 2014

Particulars	Notes	Amount in Taka	
		01 January to 31 July 2014	01 January to 31 July 2013
Expenses of Management (Not Applicable to any particular Fund or Account)			
Directors' Fees		268,700.00	55,200.00
Advertisement & Publicity		83,875.00	86,349.00
Subscription & Registration		-	847,500.00
Depreciation	35	4,404,625.29	3,643,744.10
Audit Fees		69,000.00	51,750.00
Net Profit before tax		48,489,976.91	39,315,777.25
Total		**53,316,177.20**	**44,000,320.35**
Interest on FDR, STD and BGTB	36	17,736,389.51	17,351,885.00
Dividend Income in Share Business		682,360.00	255,122.01
Profit / (Loss) Transferred from:		**34,897,427.69**	**26,393,313.34**
Fire Insurance Revenue Account		6,836,295.20	9,036,794.76
Marine Insurance (Cargo) Revenue Account		20,826,929.82	10,439,175.14
Marine Insurance (Hull) Revenue Account		51,542.87	140,733.70
Motor Insurance Revenue Account		3,287,185.54	2,107,737.39
Miscellaneous Insurance Revenue Account		3,895,474.25	4,668,872.35
Total		**53,316,177.20**	**44,000,320.35**
Earnings Per Share (EPS)	41	4.17	4.70

The annexed notes form an integral part of these financial statements.

Sd/-	Sd/-	Sd/-	Sd/-
MANAGING DIRECTOR	**DIRECTOR**	**DIRECTOR**	**CHAIRMAN**

This is the statement of Comprehensive income referred to in our seperate report of even date.

Dhaka
21 September 2014

Sd/-
NURUL AZIM & CO.
Chartered Accountants

Sd/-
MAHFUZ AMIN NOWSHER & CO.
Chartered Accountants

BANGLADESH NATIONAL INSURANCE COMPANY LIMITED

OTHER COMPREHENSIVE INCOME

FOR THE PERIOD ENDED 31 JULY 2014

Particulars	Notes	Amount in Taka	
		01 January to 31 July 2014	01 January to 31 July 2013
Profit After Tax	41	28,282,378.11	28,189,178.68
Other comprehensive income			
Revaluation Surplus		-	-
Changes in fair value the shares avilable for sale		-	-
Total Comprehensive Income		**28,282,378.11**	**28,189,178.68**

The annexed notes form an integral part of these financial statements.

Sd/-	Sd/-	Sd/-	Sd/-
MANAGING DIRECTOR	**DIRECTOR**	**DIRECTOR**	**CHAIRMAN**

This is the statement of Other Comprehensive income referred to in our seperate report of even date.

	Sd/-	Sd/-
Dhaka	**NURUL AZIM & CO.**	**MHFUZ AMIN NOWSHER & CO.**
21 September 2014	Chartered Accountants	Chartered Accountants

BANGLADESH NATIONAL INSURANCE COMPANY LIMITED

INCOME APPROPRIATION ACCOUNT
FOR THE PERIOD ENDED 31 JULY 2014

Particulars	Notes	Amount in Taka	
		01 January to 31 July 2014	01 January to 31 July 2013
Balance brought forward from last year		10,066,600.16	9,766,260.22
Written Back of share Fluctuation Reserve after adjusting current period loss on share.	29.01	3,923,211.78	
Net Profit before Tax b/d		48,489,976.91	39,315,777.25
Total		**62,479,788.85**	**49,082,037.47**
Reserve for Exceptional Losses	21.01	18,985,371.19	13,000,480.76
Income Tax Expenses:			
Current Tax	42	12,385,926.43	11,126,597.57
Deferred Tax	26	7,821,672.37	-
Dividend paid against the year 2013		-	-
Balance Transferred to Statement of Financial Position	21.02	23,286,818.86	24,954,958.16
Total		**62,479,788.85**	**49,082,037.47**

Earning Per Share (EPS)	41	4.17	4.70

The annexed notes form an integral part of these financial statements.

Sd/-	Sd/-	Sd/-	Sd/-
MANAGING DIRECTOR	**DIRECTOR**	**DIRECTOR**	**CHAIRMAN**

This is the profit & loss appropriation account referred to in our seperate report of even date.

	Sd/-	Sd/-
Dhaka	**NURUL AZIM & CO.**	**MAHFUZ AMIN NOWSHER & CO.**
21 September 2014	Chartered Accountants	Chartered Accountants

BANGLADESH NATIONAL INSURANCE COMPANY LIMITED

CONSOLIDATED ALL BUSINESS REVENUE ACCOUNT
FOR THE PERIOD ENDED 31 JULY 2014

Particulars	Notes	Amount in Taka	
		01 January to 31 July 2014	01 January to 31 July 2013
Claims under the policies less Reinsurance:			
Paid during the period		27,530,777.94	33,903,373.68
Total estimated liability in respect of outstanding claims at the end of the year whether due or intimated	27	104,756,015.00	87,149,473.00
		132,286,792.94	121,052,846.68
Less: Outstanding claims at the end of the previous year		81,349,472.00	104,732,043.00
		50,937,320.94	**16,320,803.68**
Agency Commission	39	30,949,968.03	20,765,133.45
Expenses of Management	37	61,842,879.82	40,583,922.55
Reserve for un-expired risks of Premium Income for the period	22	75,968,086.42	65,696,228.36
Profit Transferred to Statement of Comprehensive Income		34,897,427.68	26,393,313.32
Total		**254,595,682.89**	**169,759,401.36**
Balance of Account at the beginning of the year (7/12)		56,685,755.22	34,072,983.48
Premium Less Reinsurance	21.01	189,853,711.85	130,004,807.60
Commission on Reinsurance ceded		8,056,215.82	5,681,610.28
Total		**254,595,682.89**	**169,759,401.36**

Note : Last years Reserve for un-expired risks of Premium Income has been taken propotionatly calculated of 7 months.

The annexed notes form an integral part of these financial statements.

Sd/-	Sd/-	Sd/-	Sd/-
MANAGING DIRECTOR	**DIRECTOR**	**DIRECTOR**	**CHAIRMAN**

This is the consolidated all business revenue account referred to in our seperate report of even date.

	Sd/-	Sd/-
Dhaka	**NURUL AZIM & CO**.	**MAHFUZ AMIN NOWSHER & CO.**
21 September 2014	Chartered Accountants	Chartered Accountants

BANGLADESH NATIONAL INSURANCE COMPANY LIMITED

FIRE INSURANCE REVENUE ACCOUNT
FOR THE PERIOD ENDED 31 JULY 2014

Particulars	Notes	Amount in Taka	
		01 January to 31 July 2014	01 January to 31 July 2013
Claims under the policies less Reinsurance:			
Paid during the period		12,275,624.12	821,748.11
Total estimated liability in respect of outstanding claims at the end of the year whether due or intimated	27	16,250,000.00	36,285,399.00
		28,525,624.12	37,107,147.11
Less: Outstanding claims at the end of the previous year		19,286,639.00	33,607,672.00
		9,238,985.12	**3,499,475.11**
Agency Commission	39	7,769,069.70	4,457,201.25
Expenses of Management	37	14,693,868.25	7,966,624.00
Reserve for un-expired risks being 40% of Premium Income for the period	22	16,654,170.68	11,292,732.49
Profit Transferred to Statement of Comprehensive Income		6,836,295.20	9,036,794.76
Total		**55,192,388.95**	**36,252,827.61**
Balance of Account at the beginning of the year (7/12)		10,431,861.97	10,851,043.66
Premium Less Reinsurance	21.01	41,635,426.70	23,359,526.23
Commission on Reinsurance ceded		3,125,100.28	2,042,257.71
Total		**55,192,388.95**	**36,252,827.61**

The annexed notes form an integral part of these financial statements.

Sd/-	Sd/-	Sd/-	Sd/-
MANAGING DIRECTOR	**DIRECTOR**	**DIRECTOR**	**CHAIRMAN**

This is the Fire insurance revenue account referred to in our seperate report of even date.

	Sd/-	Sd/-
Dhaka	**NURUL AZIM & CO.**	**MAHFUZ AMIN NOWSHER & CO.**
21 September 2014	Chartered Accountants	Chartered Accountants

BANGLADESH NATIONAL INSURANCE COMPANY LIMITED

MARINE CARGO INSURANCE REVENUE ACCOUNT
FOR THE PERIOD ENDED 31 JULY 2014

Particulars	Notes	Amount in Taka	
		01 January to 31 July 2014	01 January to 31 July 2013
Claims Under The Policies Less Reinsurance:			
Paid during the period		148,613.40	25,494,897.90
Total estimated liability in respect of outstanding claims at the end of the year whether due or intimated	27	79,804,000.00	46,282,289.00
		79,952,613.40	71,777,186.90
Less: Outstanding claims at the end of the previous year		57,443,048.00	67,260,644.00
		22,509,565.40	**4,516,542.90**
Agency Commission	39	14,356,473.78	9,627,240.90
Expenses of Management	37	28,058,114.57	17,390,210.81
Reserve for un-expired risks being 40% of premium income for the period	22	36,103,133.06	35,557,297.41
Profit/(Loss) transferred to Statement of Comprehensive Income		20,826,929.82	10,439,175.14
Total		**121,854,216.63**	**77,530,467.16**
Balance of Account at the beginning of the year (7/12)		28,278,138.58	13,707,089.04
Premium Less Reinsurance	21.01	90,257,832.65	62,009,141.53
Commission on Reinsurance ceded		3,318,245.40	1,814,236.60
Total		**121,854,216.63**	**77,530,467.16**

The annexed notes form an integral part of these financial statements.

Sd/-	Sd/-	Sd/-	Sd/-
MANAGING DIRECTOR	**DIRECTOR**	**DIRECTOR**	**CHAIRMAN**

This is the Marine cargo insurance revenue account referred to in our seperate report of even date.

	Sd/-	Sd/-
Dhaka	**NURUL AZIM & CO.**	**MAHFUZ AMIN NOWSHER & CO.**
21 September 2014	Chartered Accountants	Chartered Accountants

BANGLADESH NATIONAL INSURANCE COMPANY LIMITED

MARINE HULL INSURANCE REVENUE ACCOUNT
FOR THE PERIOD ENDED 31 JULY 2014

Particulars	Notes	Amount in Taka	
		01 January to 31 July 2014	01 January to 31 July 2013
Claims under the policies less Reinsurance:			
Paid during the period		3,821.83	-
Total estimated liability in respect of outstanding claims at the end of the year whether due or intimated	27	-	-
		3,821.83	-
Less: Outstanding claims at the end of the previous year		-	-
		3,821.83	-
Agency Commission	39	-	-
Expenses of Management	37	37,105.73	89,284.63
Reserve for un-expired risks being 100% of premium income for the period	22	44,336.12	71,958.87
Profit/(Loss) transferred to Statement of Comprehensive Income		51,542.87	140,733.70
Total		**136,806.55**	**301,977.20**
Balance of Account at the beginning of the year (7/12)		86,902.92	214,156.18
Premium Less Reinsurance	21.01	44,336.12	71,958.87
Commission on Reinsurance ceded		5,567.51	15,862.15
Total		**136,806.55**	**301,977.20**

The annexed notes form an integral part of these financial statements.

Sd/-	Sd/-	Sd/-	Sd/-
MANAGING DIRECTOR	**DIRECTOR**	**DIRECTOR**	**CHAIRMAN**

This is the Marine hull insurance revenue account referred to in our seperate report of even date.

	Sd/-	Sd/-
Dhaka	**NURUL AZIM & CO.**	**MAHFUZ AMIN NOWSHER & CO.**
21 September 2014	Chartered Accountants	Chartered Accountants

BANGLADESH NATIONAL INSURANCE COMPANY LIMITED

MOTOR INSURANCE REVENUE ACCOUNT
FOR THE PERIOD ENDED 31 JULY 2014

Particulars	Notes	Amount in Taka	
		01 January to 31 July 2014	01 January to 31 July 2013
Claims under the policies less Reinsurance:			
Paid during the period		15,073,425.01	7,573,681.77
Total estimated liability in respect of outstanding claims at the end of the year whether due or intimated	27	5,080,700.00	2,075,470.00
		20,154,125.01	9,649,151.77
Less : Outstanding claims at the end of the previous year		2,998,470.00	2,477,722.00
		17,155,655.01	**7,171,429.77**
Agency Commission	39	7,426,600.05	3,515,669.25
Expenses of Management	37	13,673,460.73	6,107,880.34
Reserve for un-expired risks being 40% of premium income for the period	22	19,507,575.87	9,666,720.58
Profit/(Loss) transferred to Statement of Comprehensive Income		3,287,185.54	2,107,737.39
Total		**61,050,477.21**	**28,569,437.33**
Balance of Account at the beginning of the year (7/12)		11,889,672.04	4,880,327.88
Premium Less Reinsurance	21.01	48,768,939.68	23,446,973.44
Commission on Reinsurance ceded		391,865.49	242,136.00
Total		**61,050,477.21**	**28,569,437.33**

The annexed notes form an integral part of these financial statements.

Sd/-	Sd/-	Sd/-	Sd/-
MANAGING DIRECTOR	**DIRECTOR**	**DIRECTOR**	**CHAIRMAN**

This is the Motor insurance revenue account referred to in our seperate report of even date.

	Sd/-	Sd/-
Dhaka	**NURUL AZIM & CO.**	**MAHFUZ AMIN NOWSHER & CO.**
21 September 2014	Chartered Accountants	Chartered Accountants

BANGLADESH NATIONAL INSURANCE COMPANY LIMITED

MISCELLANEOUS INSURANCE REVENUE ACCOUNT
FOR THE PERIOD ENDED 31 JULY 2014

Particulars	Notes	Amount in Taka	
		01 January to 31 July 2014	01 January to 31 July 2013
Claims under the policies less Reinsurance:			
Paid during the period		29,293.58	13,045.90
Total estimated liability in respect of outstanding claims at the end of the year whether due or intimated	27	3,621,315.00	2,506,315.00
		3,650,608.58	2,519,360.90
Less: Outstanding claims at the end of the previous year		1,621,315.00	1,386,005.00
		2,029,293.58	**1,133,355.90**
Agency Commission	39	1,397,824.50	3,165,022.05
Expenses of Management	37	5,380,330.54	9,029,922.77
Reserve for un-expired risks being 40% of			
Misc. and accident premium income for the period	22	3,658,870.68	9,107,519.01
Profit/(Loss) transferred to Statement of Comprehensive Income		3,895,474.25	4,668,872.35
Total		**16,361,793.55**	**27,104,692.08**
Balance of Account at the beginning of the year (7/12)		5,999,179.71	4,420,366.72
Premium Less Re-Insurance	21.01	9,147,176.70	21,117,207.53
Commission on Re-insurance ceded		1,215,437.14	1,567,117.82
Total		**16,361,793.55**	**27,104,692.08**

The annexed notes form an integral part of these financial statements.

Sd/-	Sd/-	Sd/-	Sd/-
MANAGING DIRECTOR	**DIRECTOR**	**DIRECTOR**	**CHAIRMAN**

This is the Miscellaneous insurance revenue account referred to in our seperate report of even date.

	Sd/-	Sd/-
Dhaka	**NURUL AZIM & CO.**	**MAHFUZ AMIN NOWSHER & CO.**
21 September 2014	Chartered Accountants	Chartered Accountants

BANGLADESH NATIONAL INSURANCE COMPANY LIMITED

STATEMENT OF CHANGES IN EQUITY
FOR THE PERIOD ENDED 31 JULY 2014

(Amount in Taka)

Particulars	Share Capital	Reserve for Exceptional Losses	Investment Fluctuation Reserve	Profit & Loss Appropriation Account	Total Shareholders Equity
At 01 January 2014	60,000,000.00	107,820,668.81	7,500,000.00	10,066,600.16	185,387,268.96
Right share issue	205,500,000.00	-	-	-	205,500,000.00
Written Back of share Fluctuation Reserve after adjusting current period loss on share.				3,923,211.78	3,923,211.78
Net Profit before Tax	-	-	-	48,489,976.91	48,489,976.91
Provision for Income Tax	-	-	-	(12,385,926.43)	(12,385,926.43)
Investment Fluctuation Reserve	-	-	(7,500,000.00)	-	(7,500,000.00)
Reserve for Exceptional Losses	-	18,985,371.19	-	(18,985,371.19)	-
Deferred Tax Expenses	-	-	-	(7,821,672.37)	(7,821,672.37)
At 31 July 2014	**265,500,000.00**	**126,806,040.00**	**-**	**23,286,818.86**	**415,592,858.86**

STATEMENT OF CHANGES IN EQUITY
FOR THE PERIOD ENDED 31 JULY 2013

(Amount in Taka)

Particulars	Share Capital	Reserve for Exceptional Losses	Investment Fluctuation Reserve	Profit & Loss Appropriation Account	Total Shareholders Equity
At 01 January 2013	60,000,000.00	83,549,120.18	7,500,000.00	9,766,260.23	160,815,380.41
Right share issue	-	-	-	-	-
Net Profit before Tax	-	-	-	39,315,777.25	39,315,777.25
Provision for Income Tax	-	-	-	(11,126,597.57)	(11,126,597.57)
Investment Fluctuation Reserve	-	-	-	-	-
Reserve for Exceptional Losses	-	13,000,480.76	-	(13,000,480.76)	-
Dividend paid for the year 2012	-	-	-	-	-
At 31 July 2013	**60,000,000.00**	**96,549,600.94**	**7,500,000.00**	**24,954,958.16**	**189,004,559.10**

Sd/-	Sd/-	Sd/-	Sd/-
MANAGING DIRECTOR	**DIRECTOR**	**DIRECTOR**	**CHAIRMAN**

Sd/-
NURUL AZIM & CO.
Chartered Accountants

Sd/-
MAHFUZ AMIN NOWSHER & CO.
Chartered Accountants

Dhaka
21 September 2014

BANGLADESH NATIONAL INSURANCE COMPANY LIMITED

STATEMENT OF CASH FLOWS
FOR THE PERIOD ENDED 31 JULY 2014

PARTICULARS	AMOUNT (TK.) 01 January to 31 July 2014	AMOUNT (TK.) 01 January to 31 July 2013
Cash Flows from Operating Activities:		
Cash Receipts from Insurers and Others	216,162,729.73	146,748,639.10
Cash Paid for Claims and Management Expenses	(154,675,691.69)	(91,263,660.35)
Cash Generated from Operations	**61,487,038.04**	**55,484,978.75**
Interest Paid	-	-
Income Tax Paid & Deducted at Source	(1,556,471.70)	(2,403,902.00)
Net Cash Generated from Operating Activities	**59,930,566.34**	**53,081,076.75**
Cash Flows from Investing Activities		
Investment in Bonds / Shares	2,692,683.70	-
Acquisition of Property, Plant & Equipments etc.	(5,375,716.00)	(11,047,494.00)
Investment in BGTB	-	(16,000,000.00)
Disposal of Property, Plant and Equipments etc.	-	-
Net Cash used in Investing Activities	**(2,683,032.30)**	**(27,047,494.00)**
Cash Flows from Financing Activities		
Proceeds from Issuing of Shares	205,500,000.00	-
Proceeds from Short Term Borrowing	-	-
Dividend Paid	-	-
Re-payment of Short Term Loan	-	-
Re-payment of Long Term Loan	-	-
Net Cash Generated/ (Used) in Financing Activities	**205,500,000.00**	-
Net Increase in Cash and Bank Balances	262,747,534.04	26,033,582.75
Cash and Bank Balances at the Beginning of the Year	253,116,884.08	197,233,638.72
Cash and Bank Balances at the End of the Year	**515,864,418.10**	**223,267,221.50**

Net Operating Cash Flow per Share (NOCFPS) 6.71 8.85

The annexed notes form an integral part of these financial statements.

Sd/-	Sd/-	Sd/-	Sd/-
MANAGING DIRECTOR	**DIRECTOR**	**DIRECTOR**	**CHAIRMAN**

This is the statement of Comprehensive income referred to in our seperate report of even date.

	Sd/-	Sd/-
Dhaka	**NURUL AZIM & CO.**	**MAHFUZ AMIN NOWSHER & CO.**
21 September 2014	Chartered Accountants	Chartered Accountants

BANGLADESH NATIONAL INSURANCE COMPANY LIMITED

FORM "AA"

CLASSIFIED SUMMARY OF ASSETS AS AT 31 JULY 2014

Class of Assets	Book Value		Remarks
	31-07-2014	31-12-2013	
Deposit against Bangladesh Govt.Treasury Bond	25,000,000.00	25,000,000.00	At Cost
Investment in Shares	30,050,838.40	32,743,522.10	Realisable Value
Cash on Fixed Deposit and STD Account with Bank	514,474,677.10	251,877,162.86	Bookvalue
Cash in Hand and Current Account with Bank	786,301.00	801,731.20	Do
Stamp in Hand	603,440.00	437,990.00	Do
Outstanding Premium	228,473.70	3,615,645.96	Do
Interest Accrued but not due	14,289,066.85	10,503,664.13	Do
Amount due from other persons or bodies Carrying on Insurance business	3,504,302.59	3,504,302.59	Do
Sundry Debtors Including Advances, Deposits & Prepayments	33,604,394.02	32,280,205.32	Do
Fixed Assets (At Cost less Depreciation)	77,930,666.48	30,054,957.56	Written Down Value
Stock of Printing & Stationery	249,321.00	158,962.82	At Cost
Total	**700,721,481.14**	**437,882,762.74**	

Sd/-	Sd/-	Sd/-	Sd/-
MANAGING DIRECTOR	**DIRECTOR**	**DIRECTOR**	**CHAIRMAN**

	Sd/-	Sd/-
Dhaka	**NURUL AZIM & CO.**	**MAHFUZ AMIN NOWSHER & CO.**
21 September 2014	Chartered Accountants	Chartered Accountants

BANGLADESH NATIONAL INSURANCE COMPANY LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD 1 JANUARY TO 31 JULY 2014

1.00 Corporate Information–Domicile, Legal Form and Country of Incorporation

The Company was incorporated in Bangladesh as a Public Company Limited by Shares on the 21 day of May, 1996 under the Companies Act, 1994 and its commencement of business was started from 21 day of May, 1996 and the registration from the Controller of Insurance was received to start general insurance business on 18th day of June, 1996 which has been renewed upto 31 July, 2014.

Address of Registered Office

The registered office of the Company is located at 68,Motijheel Commercial Area (Level-15), Dhaka-1000. The operation of the company are being carried out through its 25 nos. of branches located all over Bangladesh with Head office at 68, Motijheel C/A, Dhaka.

Principal Activities and Nature of Operation

The main objective of the Company is to carry on all kinds of insurance, guarantee and indemnity business other than life insurance business.

2.00 Basis of Preparation

The following underlying assumptions, measurement base, laws, rules, regulations and accounting pronouncements have been considered in preparing and presenting the financial statements:

Going Concern

Accrual Basis

Historical Cost Convention

Generally Accepted Accounting Principles (GAAP) and practices in Bangladesh

The Companies Act, 1994

Insurance Act, 2010
Insurance Rules ,1958 followed for the purpose of prescribed format.

The Securities and Exchange Rules, 1987

The Accounting Standards adopted by the Institute of Chartered Accountants of Bangladesh (ICAB).

2.01 Premium Recognition

Premium is recognized when insurance policies are issued, but the premium of company's share of public sector insurance business (PSB) is accounted for in the year in which the statements are received from Sadharan Bima Corporation.

3.00 Compliance of Bangladesh Financial Reporting Standards (BFRSs)

The Financial Statements have been prepared in accordance with the Bangaladesh Financial Reporting Standards (BFRSs), including Bangladesh Accounting Standards (BASs).

4.00 Risk and Uncertainty for use of Estimates and Judgments

The preparation of financial statements in conformity with the Bangladesh Financial Reporting Standards (BFRSs) including the *Bangladesh Accounting Standards (BASs)* require management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses, and for contingent assets and liabilities that require disclosure during and at the date of financial statements.
Actual results could differ from those estimates. Estimates and underlying assumptions are used for accounting of certain items such as long-term contracts, provision for doubtful accounts, depreciation and amortization, taxes, reserves and contingencies.

5.00 **Compliance of Bangladesh Accounting Standards (BASs)**

In preparing and presenting these financial statements, considering relevant for the significant accounting issues of the company, following BASs have been implemented by the company, which were issued by the ICAB formulated in the light of the BASs originally issued by the International Accounting Standards Board and the conditions and practices prevailing in Bangladesh, and valid as on the balance sheet date:

SL.NO	Name of BAS	No. of BAS	Status
1	*Presentation of Financial Statements*	1	Complied
2	*Statement of Cash Flows*	7	Complied
3	*Events after the Balance Sheet Date*	10	Complied
4	*Income Tax*	12	Complied
5	*Property, Plant and Equipment*	16	Complied
6	*Revenue*	18	Complied
7	*Related Party Transactions*	24	Complied
8	*Financial Instruments Presentation*	32	Complied
9	*Earnings Per Share*	33	Complied
10	*Provision, Contingent Liabilities and Contingent Assets*	37	Complied

6.00 **Specific Accounting Policies Selected and Applied for Significant Transactions and Events**

The specific accounting policies selected and applied by the Company's Directors for significant transactions and events that have material effect within the framework of BAS 1 "*Preparation and Presentation of Financial Statements*", in preparation and presentation of financial statements have been consistently applied throughout the year and were also consistent with those used in earlier years.

For a proper understanding of the financial statements, these accounting policies are set out below in one place as prescribed by the BAS 1 "Preparation and Presentation of Financial Statements".

(a) **Revenue Recognition**

Revenue represents invoiced value of policies. Revenue is recognized when policies are made. Invoices were made after satisfying the following conditions as prescribed by BAS 18 "Revenue Recognition":

(i) the significant risks and rewards of ownership of the policies have been transferred to the policyholder;

(ii) the amount of revenue was measured reliably;

(iii) it was probable that the economic benefits relating to the transactions will flow to the Company;

(iv) neither continuing managerial involvement nor effective control usually associated with ownership of the policy was retained by the Company; and

(v) cost relating to the transactions was measured reliably.

(b) **Materiality and aggregation**

Each material class of similar items is presented seperately in the Financial Statements. Item of a dissimilar nature or function are presended seperately unless are immaterial.

(c) **Revenue Account**

While preparing the Revenue Account, the effect of necessary adjustment has duly been given in to accounts in respect of re-insurance business ceded and accepted. Re-Insurance Premium ceded has been accounted for into accounts.

Surplus or deficit on revenue has been arrived at after providing for un-expired risks @ 40% on all business except Marine Hull Insurance for which 100% provision has been created for un-expired risks.

(d) **Premium and Claim**

The total amount of premium earned on various classes insurance business underwritten during the period has been duly accounted for in the books of account of the Company and while preparing the financial statements the effect of re-insurance ceded as well as the effect of total estimated liabilities in respect of outstanding claims at the end of the period whether due or intimated have also been reflected in order to arrive at the net underwriting profit for the period.

(e) **Management Expenses**

The management expenses charged to Revenue Account amounting to **Tk.6,18,42,879.82** represent approximately 27.14% of Gross Premium of **Tk.227,802,974.59** (including public sector business). The said management expenses have been apportioned 23.75% to fire, 45.43% to marine (cargo & hull), 22.11% to motor,8.70% to miscellaneous business as per activity/Premium Income.

Property , Plant & Equipment

(f) **Recognition & measurement**

These are capitalized at the cost of acquisition and subsequently stated at cost less accumulated depreciation in compliance with the benchmark treatment of BAS 16 "Property, Plant and Equipment". The cost of acquisition of an asset comprises its purchase price and any directly attributable cost of bringing the asset to its working condition for its intended use and other related incidental charges. Expenditure incurred after the assets have been put into operation, such as repairs & maintenance is normally charged off as revenue expenditure in the period in which it is incurred. In situation where it can be clearly demonstrated that the expenditure has resulted in an increase in the future economic benefit expected to be obtained from the use of the fixed assets, the expenditure is capitalized as an additional cost of the assets.

(g) **Subsequent Cost**

The cost of replacing a component of an item of property , plant and equipment is recognized in the carrying amount of the item if iit is probable that the future economic benefits associtaed with the part will flow to the company and its cost can be measured reliably.

(h) **Depreciation**

In respect of all fixed assets, depreciation is provided to amortize the cost of the assets after commissioning, over their expected useful economic lives in accordance with the provision of BAS 16 "Property, Plant and Equipment"

Depreciation on Fixed Assets has been charged at a reducing balance method. 07month's depreciation has been charged on the book value of Fixed Assets excluding Land at the rates varying from 5% to 30%. Depreciation is charged at the rate shown below:

Office Equipment	20%
Books & Periodicals	20%
Car/Motor Vehicles	25%
Office Decoration	30%
Furniture & Fixture	10%
Telephone Installation	15%
Building	5%

Full month Depreciation is charged during the month of acquisiton and no depreciation is charged during the month of disposal.

- **De-recognition**

An item of property , plant and equipment is de-recognised upon disposal or when no future economic benefits are expected from its use. Any gain or loss arising on de-recognition of the assets is included in the statement of comprehensive income in the year the asset is de-recognized.

(i) **Disposal of Fixed Assets**

On disposal of Fixed assets ,the cost and accumulated depreciation are eliminated and gain or loss on such disposal is reflected in the income statement ,which is determined with reference to the net book value of the assets and net sales proceeds.

(j) ***Investment in FDR and Shares***

Investment is stated at its cost of acquisition and interest earned on statutory deposits lying with the Bangladesh Bank in the form Bangladesh Govt. Treasury Bond and the interest and profit earned on term deposit have been duly accounted for on accrual basis. The Statement of Comprehensive Income also reflects the income on account of interest on investment in FDR,Bond, Shares and Miscellaneous Income. The market value or cost price of investment in share whichever is lower have been taken as investment of share.

(k) **Sundry Debtors (Including Advance, Deposits and Pre-Payments)**

These are carried at original invoice amounts, which represent net realizable value.

(l) **Cash and Cash Equivalents**

For the purpose of Statement of Financial Position and Statement of Cash Flows, cash in hand, fixed deposit with other banks, collection in hand, stamp in hand and bank balances represent Cash and Cash Equivalents considering the BAS 1 "Preparation and Presentation of Financial Statements" and BAS 7 "Statement of Cash Flows", which provide, that cash and cash equivalents are readily convertible to known amounts of cash and are subject to an insignificant risk of changes in value and are not restricted as to use.

(m) **Other Current Assets**

Other current assets have a value on realization in the ordinary course of the company's business which is at least equal to the amount at which they are stated in the Statement of Financial Position .

(n) **Income Tax**

Current Tax

Current Tax has been provided on the estimated taxable profit for the year under review at 42.5% tax rate being the tax rate applicable for Insurance Company. It also includes adjustments for earlier year's short/excess provision.

Deferred Tax

The company has adopted deferred Tax during the period under review in compliance with the provisions of Bangladesh Accounting Standards (BSA-12) 'income Taxes ' the company's policy of recognition of deferred Tax assets/Liabilites is based on temporary differences (Taxable or Deductable) between the carrying amount (Book Value) of assets and liabilites for financial reporting purposes and its tax base, and accordingly,deferred tax income/expenses has been considered to determine net profit after tax and Earning Per Share (EPS).

Provision for Income Tax

Basis of Provision for Income Tax: Net Profit -Reserve for exceptional loss x tax rate.

(o) **Proposed Dividend**

Proposed Dividend for the year 2013 recommanded by the Board of Directors for approved by the shareholders.Dividend if any proposed by the Board of Directors for the period under review shall be accounted for after the approval of the shareholders in the Annual General Meeting. The said proposed dividend has not been recognized as liability in the financial statements in accordance with the BAS 10 "Event after the Financial statement Date". BAS-1 "Presentation of financial statements" also requires the dividend proposed after the financial statement date before the financial statements are authorized to for issue,be disclosed either on the face of the Financial Statement as a seperate component of equity or the notes to the financial statements.Accordingly, the company has disclosed on notes to the financial staements. We may note no interim dividend has been proposed by the Board of Directors.

(p) **Cost of Post Employment Benefits**

(i) **Defined Contribution Plan**

There is no defined contribution plan.

(ii) **Defined Benefits Plan**

There is no defined benefits plan.

(iii) **Insurance Scheme**

There is no Insurance scheme covering personal accident or death or partial or full disability.

(iv) **Number of Employees**

There were 338 Employees at the period ended for 31 July, 2014 whose salary exceeds Tk. 3,000.00 per month.

Particulars	**No. of**
Managing Director	1
Consultant	1
Additional Managing Director	1
Deputy Managing Director	2
Assistant Managing Director	1
Senior General Manager	5
General Manager	14
Senior Deputy General Manager	2
Deputy General Manager	12
Assistant General Manager	20
Officers	110
Other Employees	169
Total	**338**

(q) **Other Corporate Debt, Accounts Payable, Trade and Other Liabilities**

These liabilities are carried at the anticipated settlement amount in respect of policies and services received, whether or not billed by the policyholder and the supplier.

(r) **Provisions**

Provisions are liabilities of uncertain timings or amount. Provisions are recognized when the company has a present legal or constructive obligation as a result of past events.As per BAS 37 it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate of the amount of the obligation can be made. .

(s) ***Earnings per Share (EPS)***

The Company calculates earnings per share (EPS) in accordance with BAS 33 Earnings Per Share" which has been shown on the face of Statement of Comprehensive Income. The disclosure has been made in the Note 41 in respect of numerator (net profit) and denominator (weighted average number of shares) used in the calculation of basic EPS with necessary computation and reconciliation.

Basic Earnings

This represents earnings for the year attributable to ordinary shareholders, as there was no preference dividend, minority interest and extra ordinary items, the net profit for the year has been considered as fully attributable to the ordinary shareholders.

Diluted Earnings per Share

No diluted Earnings Per Share (EPS) is required to be calculated for the period as there was no scope for dilution during the year under review.

(t) **Reserve for Exceptional Losses**

Provision for exceptional losses has been made during the period under audit.

(u) **Share of Public Sector Business**

Company's Share of Public Sector business is accounted for in the period in which the complete set of accounts from Sadharan Bima Corporation (SBC) is received. During the period the company has included 2 (Two) quarters of its share of the Public Sector business as confirmed by the Sadharan Bima Corporation (SBC) in the following manner:

Period	**Particulars of Quarter**	**No.**
1st July, 2013 to 30th Sept, 2013	3rd Quarter of 2013	1 (One)
1st Oct., 2013 to 31st December, 2013	4th Quarter of 2013	1 (One)
Total		**2 (Two)**

(v) **Recognized Gains and Losses**

No gain or loss was directly dealt with though the shareholders equity without being recognized in the Statement of Comprehensive Income.

Therefore, net profit after tax for the period is the total recognized gains.

(w) **Historical Cost Income and Expenditure**

As there was no extra ordinary item, there was no difference in profit from ordinary activities before taxation and the net profit before tax. Furthermore, as there was no revaluation of fixed assets in previous years and during the year under review, there was no factor like the differences between historical cost depreciation and depreciation on revalued amount, realization of revenue surplus on retirement or disposal of assets etc. Therefore, no separate note of historical cost profit and loss has been presented.

(x) **Statement of Comprehensive Income**

The results for the year were not materially affected by the following:
(a) transactions of a nature not usually undertaken by the company;
(b) circumstances of an exceptional or non-recurring nature;
(c) charges or credits relating to prior years.

7.00 **Classified Summary of Assets**

The valuation of all assets as at 31st July, 2014 as shown in the Statement of Financial Position and in the classified summary of assets in **Form AA** annexed with the report has been reviewed and the said assets have been set-forth in the Statement of Financial Position at amount not exceeding their realizable or market value in aggregate.

8.00 **Financial Instruments and Derivatives Primary Financial Instruments (Financial Assets and Liabilities)**

The disclosure of primary financial instruments carried at the Statement of Financial Position date alongwith the recognition methods and risks involved are summarized in Note 44 in accordance with the provisions of BAS 32 Financial Instruments: "Disclosure and Presentation."

9.00 **Derivative Financial Instruments**

The Company is not a party to any derivative contract at the Statement of Financial Position date, such as forward exchange contract, currency swap agreement or interest rate option contract to hedge currency exposure related to import of raw materials and others or principal and interest obligations of foreign currency loans.

10.00 **Information by Industry Segments and Geographical Areas Industry Segment Information**

No mention is made because the company does not have any segment other than the general insurance business.

Geographic Segment Information

Not applicable as the company does not have any business unit outside Bangladesh.

11.00 **Reporting Currency**

The Financial Statements are presented in Bangladeshi Taka which is the Company's functional currency. No Foreign Currency Transactions was transacted during the period and thus the conversion of Foreign Currency into Bangladeshi Taka Currency is not required the period ended 31 July,2014.

12.00 **Comparative Information and Re-Arrangement thereof**

Comparative information have been disclosed in respect for the period 31st July, 2014 for all numerical information in the financial statements and also the narrative and descriptive information when it is relevant for understanding of the current year's financial statements.

Figures of the Period 2013 have been rearranged whenever considered necessary to ensure comparability with the current period.

13.00 **Transactions with Related Parties**

During the year under review the Company carried out the transactions with the related parties in the normal course of business and on arm's length basis.

14.00 Events after Reporting Period

In compliance with the requirements of BAS 10: Events After Reporting Period post Statement of Financial Position adjusting events that provide additional information about the company's position at the Statement of Financial Position date are reflected in the financial statements and events after Reporting Period that are not adjusting events are disclosed in the notes when material.

15.00 Approval of the Financial Statements

The financial statements were approved by the Board of Directors on 21 September 2014.

16.00 Reporting Period

The Financial Statements of the Company cover for the period from 1 January 2014 to 31 July 2014.

17.00 Statement of Cash Flows

Statement of Cash Flows is prepared principally in accordance with BAS 7 "Statement of Cash Flows" and the Cash Flow from the operating activities have been presented under direct method as required by the Securities and Exchangre Rules 1987 and considering the provisions of Paragraph 19 of BAS 7 which provides that " Enterprises are Encouraged to Report Cash Flow from Operating Activities Using the Direct Method".

18.00 Components of the Financial Statements

According to the International Accounting Standards (BAS) 1 "Presentation and Preparation of Financial Statements", the complete set of Financial Statements includes the following components:

(i) Statement of Financial Position as at 31 July, 2014;

(ii) Statement of Comprehensive Income for the period ended 31 July, 2014;

(iii) Income Appropriation Account for the period ended 31 July, 2014;

(iv) Revenue Accounts (Fire, Marine Cargo, Marine Hull, Motor, Miscellaneous Insurance Revenue Account) for the period ended 31 July, 2014;

(v) Statement of Changes in Equity for the period ended 31 July, 2014;

(vi) Statement of Cash Flows for the period ended 31 July, 2014;

(vii) Accounting Policies and Explanatory Notes.

STATEMENT OF FINANCIAL POSITION

	AMOUNT (TK.) 31-07-2014	AMOUNT (TK.) 31-12-2013
A. SHAREHOLDER'S EQUITY AND LIABILITIES		
19.00 SHARE CAPITAL	**Taka**	**Taka**
AUTHORIZED SHARE CAPITAL		
100,000,000 Ordinary Shares of Tk. 10/= each.	**1,000,000,000.00**	**20,00,00,000.00**

The Company has raised Authorised Capital to Tk. 100.00 crore divided into 100,000,000 ordinary shares of Tk. 10/- each on 09/03/2014.

20.00 ISSUED, SUBSCRIBED AND FULLY PAID UP CAPITAL

26,550,000 Ordinary Shares of Tk. 10/- each fully paid up in cash	**265,500,000.00**	**60,000,000.00**

As detailed below :

Sl. No.	Name of Directors / Shareholders	Status	Class of Share	No. of Shares Subscribed
1	Mr. Abdul Baset Majumder	Chairman	Ordinary	400,000.00
2	Mr. Mostafa Kamal	Vice Chairman	Ordinary	4,300,000.00
3	Mrs. Beauty Akter	Director	Ordinary	1,433,333.00
4	Mr. Abdur Rouf	Director	Ordinary	5,375,000.00
5	Mrs.Tahmina Binthe Mostofa	Director	Ordinary	2,508,334.00
6	Mrs. Farida Akter	Director	Ordinary	1,075,000.00
7	Mrs.Tanjima Binthe Mostofa	Director	Ordinary	2,508,334.00
8	Mr.Tanveer Ahmed Mostofa	Director	Ordinary	2,866,667.00
9	Mr. Taif bin Yousuf	Director	Ordinary	895,833.00
10	Mr. Yousuf Ali	Director	Ordinary	895,833.00
11	Mr. Abdul Baten	Director	Ordinary	895,833.00
12	Mrs. Hasina Begum	Director	Ordinary	895,833.00
13	Mr. Muhammad Zakaria	Shareholder	Ordinary	1,200,000.00
14	Mr. M.F. Kamal	Shareholder	Ordinary	1,200,000.00
15	Mr. Md. Abu Taher	Shareholder	Ordinary	100,000.00
	Total			**26,550,000.00**

During the period under audit the Company alloted 20,550,000 shares of Tk. 10/- each fully paid in cash and duly approved by Registrar Joint Stock Companies & Firms (RJSC).

		Amount (Tk) 31-07-2014	Amount (Tk) 31-12-2013
21.00	**RESERVE OR CONTINGENCY ACCOUNT**	**150,092,858.85**	**125,387,268.96**
	This is made up as follows:		
21.01	Reserve for Exceptional Losses	126,806,039.99	107,820,668.81
21.02	Profit & Loss Appropriation Account	23,286,818.86	10,066,600.16
21.03	Investment Fluctuation Reserve	-	7,500,000.00
		150,092,858.85	**125,387,268.96**

21.01	**RESERVE FOR EXCEPTIONAL LOSSES**	**126,806,039.99**	**107,820,668.81**
	This is made up as follows:		
	Opening Balance	107,820,668.81	83,549,120.18
	Add: During the period	18,985,371.19	24,271,548.63
		126,806,039.99	**107,820,668.81**

This represents profit set-aside up to the period under review as expenses to meet exceptional losses. This reserve has been created as per requirement of paragraph 6(2) of 4th Schedule of the Income Tax Ordinance, 1984.

The company has made the reserve for exceptional losses amounting to Tk.18,985,371.19 @10% of net premium income earned during the period as detailed below:

Particulars	AMOUNT (TK.) 31-07-2014	AMOUNT (TK.) 31-012-2013
Fire Insurance Business	41,635,426.70	44,707,979.84
Marine Cargo Insurance	90,257,832.65	121,192,022.50
Marine Hull Insurance	44,336.12	148,976.43
Motor Insurance Business	48,768,939.68	50,955,737.29
Miscellaneous Insurance	9,147,176.70	25,710,770.19
Total	**189,853,711.85**	**242,715,486.25**

21.02	**INCOME APPROPRIATION ACCOUNT**	**23,286,818.86**	**10,066,600.16**
	This is made up as follows:		
	Opening Balance	10,066,600.16	9,766,260.22
	Add: Profit for the period	48,489,976.91	40,346,222.52
	Add: Written Back of share Fluctuation Reserve	3,923,211.78	-
		62,479,788.85	50,112,482.74
	Less: Reserve & Provisions:	39,192,969.99	40,045,882.59
	Reserve for Exceptional Losses	18,985,371.19	24,271,548.63
	Investment Fluctuation Reserve	-	-
	Provision for Income Tax	12,385,926.43	6,774,333.96
	Dividend for the year 2012	-	9,000,000.00
	Deferred Tax Expenses	7,821,672.37	-
		23,286,818.86	**10,066,600.16**
21.03	**INVESTMENT FLUCTUATION RESERVE**	-	**7,500,000.00**

	Amount (Tk) 31-07-2014	Amount (Tk) 31-12-2013
22.00 **BALANCE OF FUNDS AND ACCOUNTS**	**75,968,086.43**	**97,175,580.37**

This represents Reserve for un-expired risks provided against the Net Premium Income including Public Sector Business of the year at the rate of 40% on different classes of business except Marine Hull Insurance for which 100% as shown below:

CLASSES OF BUSINESS	PERCENTAGE	AMOUNT (TK.) 31-07-2014	AMOUNT (TK.) 31-12-2013
Fire	40%	16,654,170.68	17,883,191.94
Marine Cargo	40%	36,103,133.06	48,476,809.00
Marine Hull	100%	44,336.12	148,976.43
Motor	40%	19,507,575.87	20,382,294.92
Miscellaneous	40%	3,658,870.68	10,284,308.08
Total		**75,968,086.43**	**97,175,580.37**

23.00 **PREMIUM DEPOSITS ACCOUNT**	**35,896,499.44**	**23,657,159.19**

	AMOUNT (TK) 31.07.2014	AMOUNT (TK) 31.12.2013
Class of Business :		
Marine Cargo	35,896,499.44	23,657,159.19
	35,896,499.44	**23,657,159.19**

Balance on this account represents net premium received against cover notes for which no policy has been issued within 31 July, 2014.

24.00 **SUNDRY CREDITORS INCLUDING PROVISION FOR EXPENSES AND TAXES**	**48,458,944.38**	**34,350,073.05**

The balance is made as under:

Particulars	AMOUNT (TK.) 31-07-2014	AMOUNT (TK.) 31-12-2013
Liability for Agency Commission	2,843,086.15	-
Income Tax Deducted on Salary	279,547.00	397,949.00
Provision for Audit Fees	69,000.00	210,750.00
Provision for Income Tax (Company)	41,671,256.23	29,285,329.80
Provision for VAT/ VAT Payable	2,042,553.00	1,515,365.00
Income Tax Deducted on Office Rent	-	-
Liability for Insurance Stamp	1,128,711.00	1,349,293.30
Provision for Bills Payable	424,791.00	1,591,385.95
	48,458,944.38	**34,350,073.05**

	Amount (Tk) 31-07-2014	Amount (Tk) 31-12-2013
25.00 **AMOUNT DUE TO OTHER PERSONS OR BODIES CARRYING ON INSURANCE BUSINESS**	**12,227,404.67**	**15,963,209.17**

This represents balance of account with various Private/Public Sector Insurance Companies in respect of co-insurance/ re-insurance transactions and amount payable to co-insurer/re-insurer. The break up of the above amount is noted below:

	NAME OF THE PERSON OR BODIES:	AMOUNT (TK) 31.07.2014	AMOUNT (TK) 31.12.2013
A.	**Co-Insurance Premium Payable:**		
	Green Delta Insurance Co. Ltd.	1,215,600.98	1,215,600.98
	Rupali Insurance Co. Ltd.	9,342.00	9,342.00
	Phoenix Insurance Co. Ltd.	16,022.00	16,022.00
	Provati Insurance Co. Ltd.	164,866.00	164,866.00
	Central Insurance Co. Ltd.	99,880.00	99,880.00
	Prime Insurance Co. Ltd.	6,649.00	6,649.00
	Eastern Insurance Co. Ltd.	101,600.00	101,600.00
	Bangladesh General Insurance Co. Ltd.	47,040.00	47,040.00
	Mercantile Insurance Co. Ltd.	50,385.00	50,385.00
	Global Insurance Co. Ltd.	101,600.00	101,600.00
	Janata Insurance Co. Ltd.	16,926.00	16,926.00
	Northern General Insurance Co. Ltd.	131,211.20	131,211.20
	Sub Total	**1,961,122.18**	**1,961,122.18**
B.	**Re-Insurance Creditors (SBC)**	10,266,282.49	14,002,086.99
	Sub Total	**10,266,282.49**	**14,002,086.99**
	Total (A+B)	**12,227,404.67**	**15,963,209.17**

26.00 DEFERRD TAX LIABILITY

a) Deferrd Tax Liability are arrived at as follows :

PARTICULARS :	AMOUNT (TK) 31.07.2014
Book value of Depreciable Fixed Assets	77,930,666.48
Less: Tax Base Value	59,526,731.50
Taxable Temporary Difference	**18,403,934.98**
Book value of Gratuity Payable	-
Less: Tax Base Value	-
Deductable Temporary Difference	-
Net Taxable Temporary Difference	**18,403,934.98**
Applecable Tax Rate	42.50%
Deferred Tax (Assets) / Liabilites	**7,821,672.37**

b) Deferred Tax Expenses/Income

PARTICULARS :	AMOUNT (TK) 31.07.2014
Closing Deferred Tax Liabilites	7,821,672.37
Opening Deferred Tax Liabilites	-
Deferred Tax Expenses/(Income)	**7,821,672.37**

	Amount (Tk) 31-07-2014	Amount (Tk) 31-12-2013
27.00 **ESTIMATED LIABILITIES IN RESPECT OF OUTSTANDING CLAIMS WHETHER DUE OR INTIMATED**	**104,756,015.00**	**81,349,472.00**

The break up of the above amount is noted below:

CLASSES OF BUSINESS	PRIVATE SECTOR	PUBLIC SECTOR	TOTAL 31-07-2014	TOTAL 31-12-2013
Fire	16,250,000.00	-	16,250,000.00	19,286,639.00
Marine Cargo	79,804,000.00	-	79,804,000.00	57,443,048.00
Motor	5,080,700.00	-	5,080,700.00	2,998,470.00
Miscellaneous	3,621,315.00	-	3,621,315.00	1,621,315.00
Total	**104,756,015.00**	**-**	**104,756,015.00**	**81,349,472.00**

B. PROPERTY AND ASSETS

28.00 **INVESTMENTS -AT COST**	**25,000,000.00**	**25,000,000.00**

The above amount represents the value of 10 (Ten) years Bangladesh Govt. Treasury Bond at cost kept with NCC Bank according to the provision of Section 23 (B) of Insurance Act,2010 (The 1st Schedule item 2 (B) as detailed below:

PARTICULARS	AMOUNT (TK.) 31-07-2014	AMOUNT (TK.) 31-12-2013
1 No. 10 (Ten) years Bangladesh Govt. Treasury Bond at Face Value of Tk. 90,00,000 each vide instrument ID BD0922301108 Date 15-02-2012 & instrument ID BD0923341103 Date 13-03-2013 BP ID BDNICCNCC BP Name BD.National Insurance Tk.9000000.00 & Tk. 1,60,00,000.00 respectively.	25,000,000.00	25,000,000.00

	Amount Tk 31-07-2014	Amount Tk 31-12-2013
29.00 **INVESTMENT IN SHARES:**	**30,050,838.40**	**32,743,522.10**

The market price of investment in shares as per requirement of BAS-39 has been shown as under:

Name of the Company	31.07.2014				Market Value as on 31.07.2014	Lower value
	No. of Shares	Face Value per share	Acquisition Cost	Market		
A. Listed Securities at cost:						
ICB Islami Bank Ltd.	147000	10	1,470,000.00	6.10	676,200.00	676,200.00
BD Finance Inv	34690	10	5,801,902.50	19.10	457,908.00	457,908.00
Jamuna Bank ltd	42312	10	1,746,216.24	16.40	583,896.00	583,896.00
Lankabangla Finance	39215	10	6,420,279.80	77.30	1,889,932.50	1,889,932.50
One Bank Ltd	23172	10	1,178,759.64	16.90	313,514.70	313,514.70
Prime Bank Ltd	35640	10	1,986,930.00	24.60	691,416.00	691,416.00
SIBL	117700	10	3,266,175.00	13.60	1,330,010.00	1,330,010.00
Southeast Bank Ltd	88200	10	4,474,386.00	19.30	1,592,892.00	1,592,892.00
Trust Bank ltd	34320	10	1,757,527.20	19.80	515,069.20	515,069.20
Right Share			-	-	-	-
Balance with Stock Broker			(2,228.22)		-	-
Sub total			**28,099,948.16**		**8,050,838.40**	**8,050,838.40**
B.Unlisted Securities at cost:						
Energyprima Ltd	200000	110	22,000,000.00		22,000,000.00	22,000,000.00
Total (A+B)			**50,099,948.16**		**30,050,838.40**	**30,050,838.40**

The acquisition cost or market value whichever is less has been taken into consideration in valuation of Investment in Shares as per BAS-39.

29.01 Investment Fluctuation Reserve

PARTICULARS	AMOUNT (TK.) 31-07-2014	AMOUNT (TK.) 31-12-2013
Opening Balance	7,500,000.00	7,500,000.00
Add: Addition for the period	-	-
Less: *Adjustment in current period	3,576,788.22	-
Less: ** Written back in Income Appropriation	3,923,211.78	-
	-	**7,500,000.00**

i) *Calculation of Adjustment in current period :

Share value as at 31.12.2010	50,308,659.04
Less: Share value as at 31.07.2014	30,050,838.40
	20,257,820.64
Less: Loss shown from 2010 to 2013	16,681,032.42
	3,576,788.22

ii)**Calculation of Written back in Income Appropriation Account :

Fluctuation Reserve created from 2010 to 2013	7,500,000.00
Less:Adjustment in current period	3,576,788.22
	3,923,211.78

	Amount Tk 31-07-2014	Amount Tk 31-12-2013
30.00 **OUTSTANDING PREMIUM**	**228,473.70**	**3,615,645.96**

It represents the outstanding premium for which policies /cover note were issued but the collections remained outstanding till to 31 July, 2014.

31.00 **INTEREST ACCRUED BUT NOT DUE (On FDR & Bangladesh Govt. Treasury Bond)**	**14,289,066.85**	**10,503,664.13**

This is made up as follows:

PARTICULARS	AMOUNT (TK.) 31-07-2014	AMOUNT (TK.) 31-12-2013
Interest on FDR	13,094,878.85	9,558,310.13
Interest on BGTB	1,194,188.00	945,354.00
Total	**14,289,066.85**	**10,503,664.13**

32.00 **AMOUNT DUE FROM OTHER PERSONS OR BODIES CARRYING ON INSURANCE BUSINESS**	**3,504,302.59**	**3,504,302.59**

The above amount represents the total receivable from various persons or bodies carrying on insurance business as co-insurance as on 31 July, 2014. The details of which are given below:

NAME OF THE PERSON OR BODIES	AMOUNT (TK.) 31.07.2014	AMOUNT (TK.) 31.12.2013
Green Delta Insurance Co. Ltd.	1,427,518.12	1,427,518.12
Rupali Insurance Co. Ltd.	29,493.00	29,493.00
Karnaphuli Insurance Co. Ltd.	95,642.00	95,642.00
Continental Insurance Co. Ltd.	207,937.00	207,937.00
Reliance Insurance Co. Ltd.	64,392.00	64,392.00
Federal Insurance Co. Ltd.	21,045.80	21,045.80
Provati Insurance Co. Ltd.	80,131.00	80,131.00
Central Insurance Co. Ltd.	907,630.00	907,630.00
Prime Insurance Co. Ltd.	26,576.00	26,576.00
Eastland Insurance Co. Ltd.	133,512.00	133,512.00
Eastern Insurance Co. Ltd.	3,951.00	3,951.00
United Insurance Co. Ltd.	8,125.00	8,125.00
Mercantile Insurance Co. Ltd.	25,830.50	25,830.50
Takaful Insurance Co. Ltd.	843.75	843.75
Agrani Insurance Co. Ltd.	59,044.00	59,044.00
United Insurance Co. Ltd.	2,814.54	2,814.54
Standard Insurance Ltd.	137,500.00	137,500.00
Northern General Insurance Co. Ltd.	272,316.88	272,316.88
Total	**3,504,302.59**	**3,504,302.59**

	Amount Tk 31-07-2014	Amount Tk 31-12-2013
33.00 **SUNDRY DEBTORS (INCLUDING ADVANCES DEPOSITS & PREPAYMENTS)**	**33,604,394.02**	**32,280,205.32**

The break up of the above is as under:

PARTICULARS	AMOUNT (TK.) 31-07-2014	AMOUNT (TK.) 31-12-2013
Security Deposits Against Telephone	58,000.00	58,000.00
Advance against Office Rent	2,443,664.00	2,571,614.00
Advance Income Tax (Company)	30,982,103.02	29,425,631.32
Advance against Salary	120,627.00	224,960.00
Total	**33,604,394.02**	**32,280,205.32**

34.00 **CASH AND BANK BALANCES**	**515,864,418.10**	**253,116,884.06**

The above amount is made up as follows:

PARTICULARS	AMOUNT (TK.) 31-07-2014	AMOUNT (TK.) 31-12-2013
Fixed Deposit Receipts (Annexure-I)	463,112,470.83	215,998,310.76
Short Term Deposit Account (Annexure-II)	51,362,206.27	35,878,852.10
Cash in Hand (Annexure-III)	786,301.00	801,731.20
Stamps in Hand	603,440.00	437,990.00
Total	**515,864,418.10**	**253,116,884.06**

34.01 Fixed Deposit Receipts (FDR) :

1) FDR issued by different Bank in favour of the Company.

34.02 Short Term Deposit Account & Cash in Hand

a) STD Balances are in agreement with Bank balance of respective account, where necessary reconciliation was done.

b) Cash Balances have been certified by the local management.

35.00 **Fixed Assets Less Depreciation**

This is arrived at as under:

Cost as on 01-01-2014/2013	107,014,533.32	94,036,014.32
Add: Addition during the period	5,375,716.00	12,978,519.00
Less: Adjustment	-	-
	112,390,249.32	107,014,533.32
Less: Depreciation:		
Dep. as on 01-01-2014/2013	30,054,957.56	23,638,615.36
Depreciation charged during the period	4,404,625.29	6,416,342.20
Less: Depreciation Adjusted	-	-
	34,459,582.85	30,054,957.56
Balance as on 31-07-2014/2013	**77,930,666.47**	**76,959,575.76**

Details of Non- Current Assets shown in Annexure-IV.

35.01 **Stock of Printing & Stationery**	**249,321.00**	**158,962.82**
This is made up as follows:		
Balance as on 01-01-2014/2013	158,962.82	230,794.00
Add : Purchase during the period	1,553,853.82	1,443,853.82
	1,712,816.64	1,674,647.82
Less : Consumed during the period	1,463,495.64	1,515,685.00
Balance as on 31-07-2014/2013	**249,321.00**	**158,962.82**

36.00 INTEREST ON FDR, STD AND BGTB 17,736,389.51 17,351,885.00

This is made up as follows:

PARTICULARS	AMOUNT (TK.) 01 January to 31 July 2014	AMOUNT (TK.) 01 January to 31 July 2013
Interest on STD Account	855,296.56	670,315.00
Interest on FDR	15,153,508.95	16,170,820.00
Interest on BGTB	1,727,584.00	510,750.00
Total	**17,736,389.51**	**17,351,885.00**

37.00 ALLOCATION OF MANAGEMENT EXPENSES (APPLICABLE TO FUND) 61,842,879.82 40,583,922.55

NAME OF BUSINESS	APPORTIONED	DIRECT CHARGE	AMOUNT (TK.) 01 January to 31 July 2014	AMOUNT (TK.) 01 January to 31 July 2013
Fire	14,693,868.25	-	14,693,868.25	7,966,624.00
Marine Cargo	28,058,114.57	-	28,058,114.57	17,390,210.81
Marine Hull	37,105.73	-	37,105.73	89,284.63
Motor	13,673,460.73	-	13,673,460.73	6,107,880.34
Miscellaneous	5,380,330.54	-	5,380,330.54	9,029,922.77
Total	**61,842,879.82**	-	**61,842,879.82**	**40,583,922.55**

38.00 GROSS PREMIUM INCOME 227,802,974.59 162,387,441.95

Class wise Private & Govt. Gross Premium Income are as follows:

CLASS OF BUSINESS	DIRECT	GOVT.	AMOUNT (TK.) 01 January to 31 July 2014	AMOUNT (TK.) 01 January to 31 July 2013
Fire	51,793,798.00	2,316,872.94	54,110,670.94	31,871,974.17
Marine Cargo	95,709,825.19	7,647,479.62	103,357,304.81	69,587,514.16
Marine Hull	-	145,563.13	145,563.13	360,361.55
Motor	49,510,667.00	851,048.37	50,361,715.37	24,428,405.44
Miscellaneous	9,318,830.00	10,508,890.34	19,827,720.34	36,139,186.63
Total	**206,333,120.19**	**21,469,854.40**	**227,802,974.59**	**162,387,441.95**

39.00 AGENCY COMMISSION 30,949,968.03 20,765,133.45

Class wise Private & Govt. Gross Premium Income are as follows:

CLASS OF BUSINESS	DIRECT	GOVT.	AMOUNT (TK.) 01 January to 31 July 2014	AMOUNT (TK.) 01 January to 31 July 2013
Fire	7,769,069.70	-	7,769,069.70	4,457,201.25
Marine Cargo	14,356,473.78	-	14,356,473.78	9,627,240.90
Marine Hull	-	-	-	-
Motor	7,426,600.05	-	7,426,600.05	3,515,669.25
Miscellaneous	1,397,824.50	-	1,397,824.50	3,165,022.05
Total	**30,949,968.03**	**-**	**30,949,968.03**	**20,765,133.45**

40.00 **NET PREMIUM INCOME**

(Amount in Taka)

Premium Income	Fire	Marine	Marine (H)	Motor	Miscellanious	Amount
PSB	2,316,872.94	7,647,479.62	145,563.13	851,048.37	10,508,890.34	21,469,854.40
Private Business: Less Refund	51,793,798.00	95,709,825.19	-	49,510,667.00	9,318,830.00	206,333,120.19
	54,110,670.94	103,357,304.81	145,563.13	50,361,715.37	19,827,720.34	227,802,974.59
R/I Premium Accepted	-	-	-	-	-	-
	54,110,670.94	103,357,304.81	145,563.13	50,361,715.37	19,827,720.34	227,802,974.59
R/I Premium Ceded	12,475,244.24	13,099,472.16	101,227.01	1,592,775.69	10,680,543.64	37,949,262.74
Premium Less Reinsurance	**41,635,426.70**	**90,257,832.65**	**44,336.12**	**48,768,939.68**	**9,147,176.70**	**189,853,711.85**

41.00 EARNINGS PER SHARE (EPS) AS PER BAS 33

Basic Earnings per Share (EPS)

$$\text{Basic EPS} = \frac{\text{Earnings Attributable to Ordinary Shareholders (Net profit after tax)}}{\text{Weighted Average No. of Shares Outstanding during the Period}}$$

	AMOUNT (TK) 01 January to 31 July 2014	AMOUNT (TK) 01 January to 31 July 2013
EPS	4.17	4.70

Computation of Earnings Attributable to Ordinary Shareholders:

PARTICULARS	AMOUNT (TK.) 01 January to 31 July 2014	AMOUNT (TK.) 01 January to 31 July 2013
Net Profit before Tax	48,489,976.91	39,315,777.25
Less: Provision for Income Tax	12,385,926.43	11,126,598.56
Less: Deferred Tax	7,821,672.37	-
Tk.	**28,282,378.11**	**28,189,178.69**

Computation of weighted average number of Shares Outstanding.

Particulars	No. of shares	Outstanding Period	Daily Product for the period	Weighted Average No. of Shares for the period
Opening Balance	6,000,000	January to July	212 days	6,000,000
Issued for the Period	20,550,000	January to July	8 days	775,472
Total	**26,550,000**			**6,775,472**

42.00 **CALCULATION OF PROVISION FOR INCOME TAX**

This is made up as follows:

PARTICULARS	AMOUNT (TK.) 31-07-2014	AMOUNT (TK.) 31-07-2013
Profit before Tax	48,489,976.91	39,315,777.25
Less: Reserve for Exceptional Losses	18,985,371.19	13,000,480.76
Less: Dividend Income	682,360.00	255,122.01
	19,667,731.19	13,255,602.77
	28,822,245.72	26,060,174.48
Tax on Profit	12,249,454.43	11,075,574.15
Tax on Dividend Income	136,472.00	51,024.40
Provision for Income Tax	**12,385,926.43**	**11,126,598.57**

43.00 **INTRINSIC VALUE OR NET ASSETS VALUE**

PARTICULARS	AMOUNT (TK.) 31-07-2014
A. ASSETS:	
Investment at cost	25,000,000.00
Investment in Shares	30,050,838.40
Outstanding Premium	228,473.70
Interest Accrued but not due	14,289,066.85
Amount due from other persons or bodies carrying on Insurance Business	3,504,302.59
Sundry Debtors (Including Advances, Deposits & Prepayments)	33,604,394.02
Cash and Bank Balances (including stock of stamp)	515,864,418.10
Fixed Assets and Stock of Stationary	78,179,987.48
Sub Total	**700,721,481.14**
B. LIABILITIES:	
Balance of Funds and Accounts	75,968,086.42
Estimated Liabilities in respect of outstanding claims whether due or intimated	104,756,015.00
Amount due to other persons or bodies carrying on Insurance Business	12,227,404.67
Sundry Creditors (Including provision for expenses, Taxes)	48,458,944.38
Premium Deposit Account	35,896,499.44
Deferred Tax Liability	7,821,672.37
Sub Total	**285,128,622.28**
Total Net Assets (A-B)	**415,592,858.86**
No. of Shares	26,550,000
Intrinsic Value/ Net Assets Value per Share (NAV)	15.65

44.00 **FINANCIAL INSTRUMENTS AND RELATED DISCLOSURE UNDER BAS 32 "FINANCIAL INSTRUMENTS: DISCLOSURE AND PRESENTATION".**

Setout below is a year-ended balance of carrying amounts (book value) of all financial assets and liabilities (Financial Instruments):

(Amount in Taka)

Particulars	Interest Bearing		Non Interest Bearing	Total
	Maturity within one year	Maturity after one year		
Financial Assets				
Bangladesh Govt. Treasury Bond	-	25,000,000.00	-	25,000,000.00
Investment in FDR	463,112,470.83	-	-	463,112,470.83
Interest accrued but not due	14,289,066.85	-	-	14,289,066.85
Sundry Debtors	-	-	33,604,394.02	33,604,394.02
Investment in Shares	-	-	30,050,838.40	30,050,838.40
Outstanding Premium	-	-	228,473.70	228,473.70
Stamp in Hand	-	-	603,440.00	603,440.00
Cash at Bank	51,362,206.27	-	-	51,362,206.27
Cash and Cash Equivalents	-	-	786,301.00	786,301.00
Total	**528,763,743.95**	**25,000,000.00**	**65,273,447.12**	**619,037,191.07**
Financial Liabilities				
Bank Overdraft	-	-	-	-
Outstanding Claims	-	-	104,756,015.00	104,756,015.00
Sundry Creditors	-	-	48,458,944.38	48,458,944.38
Total	**-**	**-**	**153,214,959.38**	**153,214,959.38**
Net Fin. Assets/Liabilities	**528,763,743.95**	**25,000,000.00**	**(87,941,512.26)**	**465,822,231.69**

45.00 **RELATED PARTY TRANSACTIONS-DISCLOSURE UNDER BAS 24 "RELATED PARTY DISCLOSURE"**

During the year under review the Company carried out the transactions with the related parties in the normal course of business and on arm's length basis.

Name of Party	Name of Relationship	Nature of Transaction	Transaction Amount (TK)
M/S.Meghna Group	Common Directors	Insurance Premium	55,68,627

46.00 **PAYMENT / PERQUISITES TO DIRECTORS**

No amount of money was spent by the Company for compensating any member of the Board for services rendered other than Board Meeting Fee.

47.00 CONTINGENT LIABILITIES

The Company is contingently liable as on 31 July, 2014 on account of Income Tax, the details of which are given below:

Accounting Year	Assessment Year	Assessed Income (Loss)	Assessed Tax	Provision for Tax as per Audited Accounts	Contingent liabilities against Tax	Remarks
1	2	3	4	5	6 = (4-5)	7
2005	2006-07	24,292,895.00	12,414,024.00	419,444.14	11,994,579.86	Reference Case filed by the Company against imposition of Tax beyond audited income and same was accepted by the Honourable High Court Division but appeal before Appellate Division filed by Commissioner of taxes and is still pending for decision.
2006	2007-08	27,639,677.00	13,932,880.00	1,154,717.91	12,778,162.09	
2007	2008-09	12,960,023.00	6,099,140.00	2,458,024.00	3,641,116.00	
2008	2009-10	8,132,921.00	3,549,234.00	2,036,502.86	1,512,731.14	
2009	2010-11	25,493,529.00	11,789,626.00	7,504,225.83	4,285,400.17	Before Appellate Tribunal
2010	2011-12	13,277,365.00	6,217,834.00	3,149,286.00	3,068,548.00	Do
Sub Total		**111,796,410.00**	**54,002,738.00**	**16,722,200.74**	**37,280,537.26**	
2011	2012-13	-		1,232,158.00		Assessment pending before DCT
2012	2013-14	-		4,556,636.85		Do
2013	2014-15	-		6,774,333.96		Do
Jul-14	2015-16					Due for submission after year end
Grand Total		**111,796,410.00**	**54,002,738.00**	**29,285,329.55**	**37,280,537.26**	

48.00 CREDIT FACILITY NOT AVAILED

There was no credit facility available to the Company under any contract and also not availed as of 31 July, 2014 other than trade credit available in the ordinary course of

49.00 SUBSEQUENT EVENTS-DISCLOSURES UNDER BAS 10 "EVENTS AFTER THE BALANCE SHEET DATE"

There was no non-adjusting post balance sheet event of such importance, non-disclosure of which would affect the ability of the users of the financial statements to make proper evaluations and decisions.

Annexure-I

The details bank wise balance of fixed deposit receipts account (FDR) as on 31-07-2014 as per books of accounts are as under:

SL. No.	Name of Bank	Amount (Tk.) 31-07-2014	Amount (Tk.) 31-12-2013
1	A.B. Bank Ltd.	11,039,331.78	10,192,208.73
2	Agrani Bank	2,054,084.92	2,045,762.92
3	Al-Arafa Bank Ltd.	10,019,586.55	8,797,143.10
4	Bangladesh Commerce Bank Ltd.	4,509,863.39	4,289,585.00
5	Bank Asia Ltd.	500,000.00	-
6	BASIC Bank Ltd.	448,897.88	448,897.88
7	Dhaka Bank Ltd.	16,629,695.70	14,979,734.53
8	Dutch Bangla Bank Ltd.	15,797,045.41	14,374,017.67
9	Eastern Bnak Ltd.	1,533,337.53	511,812.50
10	EXIM Bank Ltd.	8,700,050.31	8,459,251.66
11	gsp finance company (BD) Ltd.	2,500,000.00	-
12	ICB Islami Bank Ltd.	6,332,051.80	7,179,263.87
13	IFIC Bank Ltd.	7,194,642.91	4,793,819.88
14	Islami Bank B/D Ltd.	14,646,990.59	14,477,435.01
15	Jamuna Bank	10,533,731.00	9,975,390.00
16	Janata Bank	6,788,930.00	6,500,568.00
17	Mercantile Bank Ltd.	1,898,265.00	1,349,391.00
18	Midland Bank Ltd.	2,000,000.00	-
19	Modhumoti Bank Ltd.	224,388,980.76	5,131,812.49
20	Mutual Trust Bank	11,460,796.00	10,882,631.00
21	National Bank Ltd.	31,005,490.00	27,942,019.00
22	NCC Bank Ltd.	5,153,091.00	4,650,804.49
23	NRB Commercial Bank Ltd.	1,000,000.00	-
24	Prime Bank Ltd.	1,340,086.97	799,025.33
25	Pubali Bank Ltd.	5,070,186.00	4,765,584.00
26	Rajshahi Krishi Unnayan Bank	1,519,128.00	1,519,128.00
27	Rupali Bank Ltd.	952,574.00	859,690.00
28	Shajalal Islami Bank Ltd.	6,788,872.90	6,288,872.90
29	Social Islami Bank Ltd.	16,111,953.31	14,382,986.61
30	Southeast Bank Ltd.	6,189,343.74	4,084,097.12
31	Standard Bank Ltd	2,109,542.82	1,000,000.00
32	The City Bank Ltd.	1,937,485.00	1,758,154.00
33	The Farmers Bank Ltd.	3,000,000.00	3,000,000.00
34	UCBL	20,244,851.00	18,845,640.00
35	Uttara bank Ltd	1,713,584.07	1,713,584.07
		463,112,470.34	**215,998,310.76**

Annexure-II

The details bank wise balance of fixed deposit receipts account (STD) as on 31-07-2014 as per books of accounts are as under:

SL. No.	Name of Bank	Amount (Tk.) 31-07-2014	Amount (Tk.) 31-12-2013
1	A B Bank Ltd.	1,139,277.62	1,627,525.49
2	Agrani Bank	802,890.00	802,890.00
3	Al-Arafa Islami Bank Ltd.	265,691.69	265,691.69
4	Bangladesh Commerce Bank Ltd.	81,364.00	81,364.00
5	Bangladesh Krishi Bank	9,281.10	9,281.10
6	Bank Asia Ltd.	6,334.53	6,334.53
7	BASIC Bank Ltd.	3,056,925.12	2,994,457.48
8	Dhaka Bank Ltd.	114,525.13	114,525.13
9	Dutch Bangla Bank, Ltd.	231,597.42	231,597.42
10	Eastern Bank Ltd.	16,539.51	16,539.51
11	ICB Islami Bank Ltd.	2,177,780.17	2,593,172.02
12	IFIC Bank Ltd.	5,989,265.07	5,204,570.43
13	Islami Bank Bangladesh Ltd.	2,242,455.46	3,337,032.68
14	Janata Bank.	259,555.00	259,555.00
15	Mutual Trust Bank ltd.	9,729,450.70	5,674,482.91
16	National Bank Ltd.	367,900.05	567,052.10
17	NCC Bank Ltd.	8,271,314.56	7,480,625.06
18	One Bank Ltd.	3,281,312.95	0.04
19	Premier Bank Ltd	409,010.25	-
20	Prime Bank Ltd.	986,842.96	495,689.24
21	Pubali Bank Ltd.	998,968.00	909,547.00
22	Rupali Bank Ltd.	28,351.94	235,648.94
23	Shahjalal Islami Bank Ltd.	9,329,825.00	-
24	Social Investment Bank Ltd.	596,619.85	583,759.85
25	Sonali Bank	788,193.17	431,802.17
26	Southeast Bank Ltd.	26,443.72	26,443.72
27	Standard Chartered Bank Ltd.		70,182.97
28	United Commercial Bank Ltd.	131,547.92	131,547.97
29	Uttara Bank Ltd.	22,943.38	1,727,533.00
		51,362,206.27	**35,878,851.45**

Annexure-III

The details Branch Wise Cash In Hand as on 31-07-2014 are as under:

BRANCH NAME	AMOUNT
Head office	36,223.00
Local Office	39,753.00
Motijheel Branch	53,116.00
Gulshan Branch	148,166.00
Bogra Branch	-
Rangpur Branch	958.00
Agrabad Branch	51,163.00
Mymensingn Branch	-
Jamalpur Branch	39,958.00
Moulvibazar Branch	38,771.00
Narayangonj Branch	50,363.00
Khulna Branch	56,630.00
Jessore Branch	6,426.00
Rajshahi Branch	50,051.00
Faridpur Branch	4,304.00
B.B.Avenue Branch	42,237.00
Dilkusha Branch	36.00
Kawrun Bazar Branch	59,952.00
Paltan Branch	76.00
Noapara Branch	39,358.00
Chowmuhani Branch	-
D.I.T.Branch	-
Bongshal Branch	34,153.00
Jatrabari Branch	-
Khatungonj Branch	4,594.00
V.I.P.Road Branch	30,013.00
TOTAL	**786,301.00**

BANGLADESH NATIONAL INSURANCE COMPANY LIMITED

SCHEDULE OF NON-CURRENT ASSETS AS AT 31 JULY 2014

Annxure-IV

Sl. No.	PARTICULARS	COST				RATE	DEPRECIATION				WRITTEN DOWN VALUE AS ON 31.07.2014
		Balance as on 01.01.2014	Addition during the period	Sales/ Adjustment during the period	Total as on 31.07.2014		Balance as on 01.01.2014	Charged During the period	Adjustment during the period	Total as on 31.07.2014	
1	Land	6,000,000.00	-	-	6,000,000.00		-	-	-	-	6,000,000.00
2	Office Equipment	6,638,874.00	819,166.00	-	7,458,040.00	20%	2,876,444.66	486,734.77	-	3,363,179.43	4,094,860.57
3	Books & Periodicals	14,000.00	-	-	14,000.00	20%	7,548.80	752.64	-	8,301.44	5,698.56
4	Car / Motor Vehicles	18,995,068.00	3,310,000.00	-	22,305,068.00	25%	9,164,481.79	1,674,981.32	-	10,839,463.11	11,465,604.89
5	Office Decoration	9,043,598.00	1,246,550.00	-	10,290,148.00	30%	6,488,407.86	556,231.40	-	7,044,639.26	3,245,508.74
6	Furniture & Fixtures	3,139,943.32	-	-	3,139,943.32	10%	560,727.21	150,454.27	-	711,181.48	2,428,761.84
7	Telephone Installation	958,300.00	-	-	958,300.00	15%	748,793.42	18,331.83	-	767,125.25	191,174.75
8	Building	62,224,750.00	-	-	62,224,750.00	5%	10,208,553.81	1,517,139.06	-	11,725,692.87	50,499,057.13
	Total	**107,014,533.32**	**5,375,716.00**	**-**	**112,390,249.32**		**30,054,957.56**	**4,404,625.29**	**-**	**34,459,582.84**	**77,930,666.48**

SCHEDULE OF NON-CURRENT ASSETS AS AT 31 DECEMBER 2013

Sl. No.	PARTICULARS	COST				RATE	DEPRECIATION				WRITTEN DOWN VALUE AS ON 31.12.2013
		Balance as on 01.01.2013	Addition during the year	Sales/ Adjustment during the year	Total as on 31.12.2013		Balance as on 01.01.2013	Charged During the year	Adjustment during the year	Total as on 31.12.2013	
1	Land	6,000,000.00	-	-	6,000,000.00		-	-	-	-	6,000,000.00
2	Office Equipment	4,708,948.00	1,929,926.00	-	6,638,874.00	20%	2,177,078.08	699,366.58	-	2,876,444.66	3,762,429.34
3	Books & Periodicals	14,000.00	-	-	14,000.00	20%	5,936.00	1,612.80	-	7,548.80	6,451.20
4	Car / Motor Vehicles	11,295,068.00	7,700,000.00	-	18,995,068.00	25%	7,170,953.05	1,993,528.74	-	9,164,481.79	9,830,586.21
5	Office Decoration	7,478,298.00	1,565,300.00	-	9,043,598.00	30%	5,728,747.80	759,660.06	-	6,488,407.86	2,555,190.14
6	Furniture & Fixtures	1,356,650.32	1,783,293.00	-	3,139,943.32	10%	373,219.48	187,507.73	-	560,727.21	2,579,216.11
7	Telephone Installation	958,300.00	-	-	958,300.00	15%	711,821.68	36,971.75	-	748,793.42	209,506.58
8	Building	62,224,750.00	-	-	62,224,750.00	5%	7,470,859.27	2,737,694.54	-	10,208,553.81	52,016,196.19
		94,036,014.32	**12,978,519.00**	**-**	**107,014,533.32**		**23,638,615.36**	**6,416,342.20**	**-**	**30,054,957.56**	**76,959,575.76**

BANGLADESH NATIONAL INSURANCE COMPANY LIMITED

DIRECTORS' CERTIFICATE

As per regulations contained in the First Schedule of the Insurance Act, 2010 and as per Section 63 of the Act we certify that:

01. The value of all assets shown in the Balance Sheet and classified on **Form – "AA"** annexed have been reviewed as at 31 July, 2014 & in our belief, the said assets have been set forth in the Balance Sheet at amount not exceeding their realizable or market value under the several headings enumerated in the annexed form:

02. All expenses of management wherever incurred, whether directly or indirectly in respect of Fire, Marine Cargo, Marine Hull, Motor & Miscellaneous insurance business have been fully debited in the respective Revenue Account as expenses.

Sd/-	Sd/-	Sd/-	Sd/-
Managing Director	**Director**	**Director**	**Chairman**

Dhaka
21 September 2014

Disclosure of information as per BSEC's Notification no. SEC/CMRRCD/2008/115/admin/30 Dated: 5 October 2011

Earning Per Share (EPS) on fully diluted basis:

	Jan. to Jul. 2014
	Taka
Net Profit After Tax	28,282,378.11
Pre-IPO no. of shares	26,550,000.00
EPS on fully diluted basis	**1.07**

Net profit excluding extra-ordinary income or non-recurring income coming from other than core operations:

	Jan. to Jul. 2014
	Taka
Net Profit before Tax	48,489,976.91
Less: extra-ordinary or non-recurring income	-
Net Profit before Tax except extra-ordinary or non-recurring income	48,489,976.91
Less: Income Tax on operating Income	12,385,926.43
Less: Deferred Tax Expenses/ (Income)	7,821,672.37
Net profit excluding extra-ordinary or non-recurring income	28,282,378.11

Earning Per Share (EPS) excluding extra-ordinary income or non-recurring income coming from other than core operations:

	Jan. to Jul. 2014
	Taka
Net Profit excluding extra-ordinary or non-recurring income	28,282,378.11
Weighted average no. of shares	6,775,472.00
EPS excluding extra-ordinary income	**4.17**
Pre-IPO no. of shares	26,550,000.00
Fully diluted EPS excluding extra-ordinary income	**1.07**

Dated: Dhaka	Sd/- **Mahfuz Amin Nowsher & Co.**	Sd/- **Nurul Azim & Co.**
23 September 2014	Chartered Accountants	Chartered Accountants

Selected Ratios

BANGLADESH NATIONAL INSURANCE COMPANY LIMITED

STATEMENT OF RATIO ANALYSIS

Name of Ratio		Jan-July 2014		2013		2012		2011		2010		2009	
		Computation	Result	Computation	Result	Computation	Result	Computation	Result	Computation	Result	Computation	Re
Liquidity Ratios													
1 Current Ratio	Current Asset	567,739,976.26	1.99	303,179,664.88	1.20	235,789,907.12	1.25	186,000,085.56	1.17	185,508,126.36	1.16	254,398,168.04	1
	Current Liability	285,128,622.27		252,495,493.78		187,996,305.67		158,353,238.05		160,216,374.02		144,597,994.66	
2 Quick Ratio	Current Assets - inventory	567,739,976.26	1.99	303,179,664.88	1.20	235,789,907.12	1.25	186,000,085.56	1.17	185,508,126.36	1.16	254,398,168.04	1
	Current Liability	285,128,622.27		252,495,493.78		187,996,305.67		158,353,238.05		160,216,374.02		144,597,994.66	
3 Time Interest Earned	Profit before interest & tax		N/A		N/A		N/A		N/A		N/A		N
Ratio	Interest												
4 Debt to Equity Ratio	Long term debt		N/A		N/A		N/A		N/A		N/A		N
	Shareholders' equity												
Operating Ratio													
1 Accounts Receivable	Gross premium	227,802,974.59	997.06	312,983,572.52	86.56	142,438,638.45	37.54	129,155,799.07	27.87	118,188,607.74	14.19	119,824,218.76	1
Turnover Ratio (times)	Outstanding premium	228,473.70		3,615,645.96		3,794,593.54		4,634,107.65		8,330,665.43		11,272,743.34	
2 Inventory Trunover	Cost of sales		N/A		N/A		N/A		N/A		N/A		N
Ratio (times)	Average Inventory												
3 Assets Turnover Ratio	Gross premium	227,802,974.59	0.33	312,983,572.52	0.71	142,438,638.45	0.41	129,155,799.07	0.42	118,188,607.74	0.40	119,824,218.76	0
(times)	Total Assets	700,721,481.14		437,882,762.74		348,811,686.08		304,152,684.40		295,948,556.57		268,762,523.03	
Profitability Ratio													
1 Gross Margin Ratio	Gross Profit (Und. Prof.)	34,897,427.68	15.32%	23,638,418.11	7.55%	11,479,992.49	8.06%	15,540,563.89	12.03%	7,867,944.25	6.66%	5,717,975.65	4.
	Gross premium	227,802,974.59		312,983,572.52		142,438,638.45		129,155,799.07		118,188,607.74		119,824,218.76	
2 Operating Income Ratio	Operating Profit	48,489,976.91	25.54%	40,346,222.52	16.62%	19,572,570.90	23.06%	11,299,422.06	13.45%	14,716,940.18	20.27%	25,027,326.46	33
	Net premium	189,853,711.85		242,715,486.25		84,861,224.43		84,002,261.56		72,597,347.62		73,703,245.13	
3 Net Income Ratio	Profit After Tax	28,282,378.11	14.90%	33,571,888.56	13.83%	15,015,934.05	17.69%	10,067,263.80	11.98%	11,567,654.18	15.93%	17,523,100.63	23
	Net premium	189,853,711.85		242,715,486.25		84,861,224.43		84,002,261.56		72,597,347.62		73,703,245.13	
4 Return on Assets Ratio	Profit After Tax	28,282,378.11	4.04%	33,571,888.56	7.67%	15,015,934.05	4.30%	10,067,263.80	3.31%	11,567,654.18	3.91%	17,523,100.63	6.
	Total Assets	700,721,481.14		437,882,762.74		348,811,686.08		304,152,684.40		295,948,556.57		268,762,523.03	
5 Return on Equity Ratio	Profit After Tax	28,282,378.11	6.81%	33,571,888.56	18.11%	15,015,934.05	9.34%	10,067,263.80	6.90%	11,567,654.18	8.52%	17,523,100.63	14
	Share Holders Equity	415,592,858.85		185,387,268.96		160,815,380.41		145,799,446.35		135,732,182.55		124,164,528.37	
6 Earning per Share Ratio	Profit After Tax	28,282,378.11	4.17	33,571,888.56	5.60	15,015,934.05	2.50	10,067,263.80	1.68	11,567,654.18	1.93	17,523,100.63	2
	W.A.No of Shares @ Tk. 10	6,775,472.00		6,000,000.00		6,000,000.00		6,000,000.00		6,000,000.00		6,000,000.00	

Dated: Dhaka
23 September 2014

Sd/-
Mahfuz Amin Nowsher & Co.
Chartered Accountants

Sd/-
Nurul Azim & Co.
Chartered Accountants

Auditors' report in pursuance of Section 135(1) under Para 24(1) of Part-II of Third Schedule of the Companies Act, 1994 of Bangladesh National Insurance Company Limited

We, as the auditors, have examined the financial statement of Bangladesh National Insurance Company Limited for the seven months period ended on 31 July 2014, for the year ended 31 December 2013, and the figures extracted from the financial statements for the year ended 31 December 2012, 31 December 2011 audited by Mahfuz Amin Nowsher & Co. and the figures extracted from the financial statements for the year ended 31 December 2010 and 31 December 2009 audited by M. Ruhul Amin & Co. in pursuance of Section 135(1) under Para 24(1) of Part-II of Third Schedule of the Companies Act, 1994 and we report that:

01. The Company was incorporated on 21st May 1996.
02. The annexed Statement of Assets and liabilities as at 31 July 2014, 31 December 2013, 31 December 2012, 31 December 2011, 31 December 2010 and 31 December 2009 of the Company has been duly certified by us.
03. The annexed Statement of Operating result (Profit & Loss) for the seven months period ended on 31 July 2014 and for the year ended 31 December 2013, 31 December 2012, 31 December 2011, 31 December 2010 and 31 December 2009 of the Company has been duly certified by us.
04. The annexed Cash Flow Statements for the seven months period ended on 31 July 2014 and for the year ended 31 December 2013, 31 December 2012, 31 December 2011, 31 December 2010 and 31 December 2009 of the Company are certified by us.
05. The Company has declared 15% cash dividend for financial years 2012 and 2013 each.
06. The Company has no subsidiaries.
07. No proceeds or part of proceeds of the issue of shares were applied directly by the Company in the purchase of any other business.
08. The Company did not prepare any accounts for any period subsequent to July 31, 2014.
09. Figures relating to previous years have been re-arranged whether considered necessary.

	Sd/-	Sd/-
Dated: Dhaka	Mahfuz Amin Nowsher & Co.	Nurul Azim & Co.
23 September 2014	Chartered Accountants	Chartered Accountants

A. The statement of Assets and Liabilities of the company is as under:

Particulars	31.07.2014 Taka	31.12.2013 Taka	31.12.2012 Taka	31.12.2011 Taka	31.12.2010 Taka	31.12.2009 Taka
Shareholder's Equity and Liabilities:						
Share Capital:						
Authorized Share Capital	1,000,000,000.00	200,000,000.00	200,000,000.00	200,000,000.00	200,000,000.00	200,000,000.00
Issued, Subscribed and Paid up Capital	265,500,000.00	60,000,000.00	60,000,000.00	60,000,000.00	60,000,000.00	60,000,000.00
Reserve or Contingency Account	**150,092,858.85**	**125,387,268.96**	**100,815,380.41**	**85,799,446.35**	**75,732,182.55**	**64,164,528.37**
Reserve for Exceptional Losses	126,806,039.99	107,820,668.80	83,549,120.18	75,062,997.74	66,662,771.58	59,403,036.82
Income Appropriation Account	23,286,818.86	10,066,600.16	9,766,260.23	5,736,448.61	6,569,410.97	4,761,491.55
Investment Fluctuation Reserve	-	7,500,000.00	7,500,000.00	5,000,000.00	2,500,000.00	-
Total Shareholders' Equity	**415,592,858.85**	**185,387,268.96**	**160,815,380.41**	**145,799,446.35**	**135,732,182.55**	**124,164,528.37**
Balance of Funds and Accounts:	**75,968,086.41**	**97,175,580.37**	**34,072,983.48**	**33,657,589.09**	**29,110,725.86**	**29,550,058.28**
Fire Insurance Business Account	16,654,170.68	17,883,191.94	10,851,043.66	12,516,459.94	8,914,139.44	6,625,893.66
Marine Cargo Insurance Business Account	36,103,133.06	48,476,809.00	13,707,089.04	14,191,505.31	14,231,492.34	15,620,497.20
Marine Hull Insurance Business Account	44,336.12	148,976.43	214,156.18	94,474.12	119,644.68	114,600.38
Motor Insurance Business Account	19,507,575.87	20,382,294.92	4,880,327.88	2,394,813.40	2,487,723.04	2,345,075.63
Miscellaneous Insurance Business Account	3,658,870.68	10,284,308.08	4,420,366.72	4,460,336.32	3,357,726.36	4,843,991.41
Premium Deposits Account	**35,896,499.44**	**23,657,159.19**	**15,221,817.46**	**6,680,044.46**	**6,800,118.03**	**2,584,838.03**
Liabilities and Provisions	**173,264,036.42**	**131,662,754.22**	**138,701,504.73**	**118,015,604.50**	**124,305,530.13**	**112,463,098.35**
Sundry Creditors-Including Provision for Expenses and Taxes	48,458,944.38	34,350,073.05	25,749,021.50	20,177,078.66	19,323,617.40	15,631,928.10
Deferred Tax Liability	7,821,672.37	-	-	-	-	-
Amount due to other persons or bodies carrying on Insurance Business	12,227,404.67	15,963,209.17	8,220,440.23	5,664,882.84	20,551,297.73	22,417,092.25
Estimated liabilities in respect of outstanding Claims whether due or intimated	104,756,015.00	81,349,472.00	104,732,043.00	92,173,643.00	84,430,615.00	74,414,078.00
Total Shareholders' Equity and Liabilities	**700,721,481.14**	**437,882,762.74**	**348,811,686.08**	**304,152,684.40**	**295,948,556.57**	**268,762,523.03**

Particulars	31.07.2014 Taka	31.12.2013 Taka	31.12.2012 Taka	31.12.2011 Taka	31.12.2010 Taka	31.12.2009 Taka
Property and Assets:						
Non-Current Assets	**132,981,504.88**	**134,703,097.86**	**113,021,778.96**	**118,152,598.84**	**110,440,430.21**	**14,364,354.99**
Fixed Assets-At Cost less Depreciation	77,930,666.48	76,959,575.76	70,397,398.96	71,754,972.84	76,777,680.21	3,894,354.99
Investment-At cost (BGTB)	25,000,000.00	25,000,000.00	9,000,000.00	9,000,000.00	9,000,000.00	9,000,000.00
Investment in Shares	30,050,838.40	32,743,522.10	33,624,380.00	37,397,626.00	24,662,750.00	1,470,000.00
Current Assets	**567,739,976.26**	**303,179,664.88**	**235,789,907.12**	**186,000,085.56**	**185,508,126.36**	**254,398,168.04**
Outstanding Premium	228,473.70	3,615,645.96	3,794,593.54	4,634,107.65	8,330,665.43	11,272,743.34
Interest Accrued but not Due	14,289,066.85	10,503,664.13	8,305,064.20	6,699,296.43	6,288,449.43	6,852,466.68
Amount Due from Other Persons or Bodies carrying on Insurance Business	3,504,302.59	3,504,302.59	3,504,302.59	3,504,302.59	3,504,302.59	5,454,914.46
Sundry Debtors-Including Advances, Deposits & prepayments	33,604,394.02	32,280,205.32	22,721,514.07	19,021,894.87	14,279,688.62	23,160,054.91
Stock of Printing & Stationery	249,321.00	158,962.82	230,794.00	329,213.18	427,633.00	-
Cash and Bank Balances	515,864,418.10	253,116,884.06	197,233,638.72	151,811,270.84	152,677,387.29	207,657,988.65
Total Property and Assets	**700,721,481.14**	**437,882,762.74**	**348,811,686.08**	**304,152,684.40**	**295,948,556.57**	**268,762,523.03**

Dated: Dhaka
23 September 2014

Sd/-
Mahfuz Amin Nowsher & Co.
Chartered Accountants

Sd/-
Nurul Azim & Co.
Chartered Accountants

B. The Statement of Operating result (Profit & Loss) of the company is as under:

Particulars	01 January to 31 July 2014	2013	2012	2011	2010	2009
	Taka	Taka	Taka	Taka	Taka	Taka
Expenses of Management (Not Applicable to any particular Fund or Account)	**4,826,200.29**	**8,449,777.20**	**6,507,463.88**	**5,902,357.37**	**4,461,860.78**	**1,651,684.20**
Directors' Fees	268,700.00	211,600.00	206,400.00	119,600.00	252,800.00	73,500.00
Meeting Expenses	-	20,625.00	-	-	2,780.00	6,177.00
Advertisement & Publicity	83,875.00	241,960.00	93,920.00	92,000.00	112,740.00	39,710.19
Subscription & Registration	-	1,507,500.00	923,700.00	155,500.00	306,500.00	550,727.00
Depreciation	4,404,625.29	6,416,342.20	5,167,443.88	5,395,007.37	3,399,790.78	891,570.01
Audit Fees	69,000.00	51,750.00	116,000.00	140,250.00	387,250.00	90,000.00
Net Profit before tax	48,489,976.91	40,346,222.52	19,572,570.90	11,299,422.06	14,716,940.18	25,027,326.46
Total	**53,316,177.19**	**48,795,999.72**	**26,080,034.78**	**17,201,779.43**	**19,178,800.96**	**26,679,010.66**
Interest on FDR, STD and BGTB	17,736,389.51	25,991,457.50	17,934,938.29	11,421,755.36	13,045,284.71	20,430,320.01
Profit/Loss on Investment in Shares	-	(1,088,997.90)	(4,024,246.00)	(9,760,539.82)	(1,807,250.00)	530,715.00
Dividend Income in Share Business	682,360.00	255,122.01	689,350.00	-	-	-
Gain on sale of fixed Assets	-	-	-	-	72,822.00	-
Profit / (Loss) Transferred from:	**34,897,427.68**	**23,638,418.11**	**11,479,992.49**	**15,540,563.89**	**7,867,944.25**	**5,717,975.65**
Fire Insurance Revenue Account	6,836,295.20	5,469,833.22	4,448,375.67	4,243,644.10	3,205,913.60	2,052,595.21
Marine Insurance (Cargo) Revenue Account	20,826,929.82	14,092,176.10	5,570,619.10	10,776,729.98	5,342,755.32	1,420,309.02
Marine Insurance (Hull) Revenue Account	51,542.87	(85,352.13)	(168,070.89)	(9,164.13)	(63,041.56)	(137,747.37)
Motor Insurance Revenue Account	3,287,185.54	2,413,504.09	719,846.19	52,528.50	(1,137,201.40)	(611,548.63)
Miscellaneous Insurance Revenue Account	3,895,474.25	1,748,256.83	909,222.42	476,825.44	519,518.29	2,994,367.42
Total	**53,316,177.19**	**48,795,999.72**	**26,080,034.78**	**17,201,779.43**	**19,178,800.96**	**26,679,010.66**

Dated: Dhaka
23 September 2014

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Chartered Accountants

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Nurul Azim & Co.
Chartered Accountants

C. The profit appropriation accounts of the company are as under:

Particulars	1 January to 31 July 2014 Taka	2013 Taka	2012 Taka	2011 Taka	2010 Taka	2009 Taka
Balance brought forward from last year	10,066,600.16	9,766,260.22	5,736,448.61	6,569,410.97	4,761,491.55	(5,391,284.57)
Written back of share fluctuation resrve after adjusting current period loss on share	3,923,211.78	-	-	-	-	-
Net Profit before Tax	48,489,976.91	40,346,222.52	19,572,570.90	11,299,422.06	14,716,940.18	25,027,326.46
Total	**62,479,788.85**	**50,112,482.74**	**25,309,019.51**	**17,868,833.03**	**19,478,431.73**	**19,636,041.89**
Reserve for Exceptional Losses	18,985,371.19	24,271,548.63	8,486,122.44	8,400,226.16	7,259,734.76	7,370,324.51
Investment Fluctuation Reserve	-	-	2,500,000.00	2,500,000.00	2,500,000.00	-
Income Tax Expenses:						
Current Tax	12,385,926.43	6,774,333.96	4,556,636.85	1,232,158.26	3,149,286.00	7,504,225.83
Deferred Tax	7,821,672.37	-	-	-	-	-
Dividend paid	-	9,000,000.00	-	-	-	-
Balance Transferred to Statement of Financial Position	23,286,818.85	10,066,600.15	9,766,260.22	5,736,448.61	6,569,410.97	4,761,491.55
Total	**62,479,788.85**	**50,112,482.74**	**25,309,019.51**	**17,868,833.03**	**19,478,431.73**	**19,636,041.89**

Dated: Dhaka
23 September 2014

Sd/-
Mahfuz Amin Nowsher & Co.
Chartered Accountants

Sd/-
Nurul Azim & Co.
Chartered Accountants

D. The consolodited revenue accounts of the company are as under:

Particulars	1 January to 31 July 2014	2013	2012	2011	2010	2009
	Taka	Taka	Taka	Taka	Taka	Taka
Claims under the policies less Reinsurance:						
Paid during the year	27,530,777.94	70,833,701.73	16,558,366.81	16,491,207.63	15,966,633.55	14,878,257.67
Total estimated liability in respect of outstanding claims at the end of the year whether due or intimated	104,756,015.00	81,349,472.00	104,732,043.00	92,173,643.00	84,430,615.00	74,414,078.00
	132,286,792.94	**152,183,173.73**	**121,290,409.81**	**108,664,850.63**	**100,397,248.55**	**89,292,335.67**
Less: Outstanding claims at the end of the previous year	81,349,472.00	104,732,043.00	92,173,643.00	84,430,615.00	74,414,078.00	67,486,204.00
	50,937,320.94	**47,451,130.73**	**29,116,766.81**	**24,234,235.63**	**25,983,170.55**	**21,806,131.67**
Agency Commission	30,949,968.03	46,947,535.87	21,365,795.77	23,066,154.11	21,097,275.60	21,266,082.94
Expenses of Management	61,842,879.82	74,401,843.78	32,662,952.35	26,030,788.95	26,005,339.58	30,555,166.46
Reserve for un-expired risks of Premium Income of the period/year	75,968,086.42	97,175,580.37	34,072,983.48	33,657,589.09	29,110,725.86	29,550,058.28
Profit Transferred to Statement of Comprehensive Income	34,897,427.68	23,638,418.11	11,479,992.49	15,540,563.89	7,867,944.25	5,717,975.65
Total	**254,595,682.89**	**289,614,508.86**	**128,698,490.90**	**122,529,331.67**	**110,064,455.84**	**108,895,415.00**
Balance of Account at the beginning of the year	56,685,755.22	34,072,983.48	33,657,589.09	29,110,725.86	29,550,058.28	25,947,934.47
Premium Less Reinsurance	189,853,711.85	242,715,486.25	84,861,224.43	84,002,261.56	72,597,347.62	73,703,245.13
Commission on Reinsurance ceded	8,056,215.82	12,826,039.13	10,179,677.38	9,416,344.25	7,917,049.94	9,244,235.40
Total	**254,595,682.89**	**289,614,508.86**	**128,698,490.90**	**122,529,331.67**	**110,064,455.84**	**108,895,415.00**

Dated: Dhaka
23 September 2014

Sd/-
Mahfuz Amin Nowsher & Co.
Chartered Accountants

Sd/-
Nurul Azim & Co.
Chartered Accountants

E. The Cash Flow Statements of the company are as under:

Particulars	1 January to 31 July 2014	2013	2012	2011	2010	2009
	Taka	Taka	Taka	Taka	Taka	Taka
Cash Flows from Operating Activities:						
Cash Receipts from Insurers and Others	216,162,729.73	277,026,974.65	108,611,470.44	129,544,543.47	107,929,455.30	92,056,975.00
Cash Paid for Claims and Management Expenses	(154,675,691.69)	(176,139,856.94)	(59,716,079.36)	(112,935,427.67)	(61,667,062.95)	(68,197,461.00)
Cash Generated from Operations	**61,487,038.04**	**100,887,117.71**	**48,895,391.08**	**16,609,115.80**	**46,262,392.35**	**23,859,514.00**
Interest Paid	-	-	-	-	-	-
Income Tax Paid & Deducted at Source	(1,556,471.70)	(7,906,211.25)	(3,436,399.20)	(4,368,056.25)	(1,357,389.71)	(3,872,838.00)
Net Cash Generated from Operating Activities	**59,930,566.34**	**92,980,906.46**	**45,458,991.88**	**12,241,059.55**	**44,905,002.64**	**19,986,676.00**
Cash Flows from Investing Activities:						
Investment in Bonds / Shares	2,692,683.70	880,857.90	3,773,246.00	(12,734,876.00)	(23,192,750.00)	-
Acquisition of Property, Plant & Equipments etc.	(5,375,716.00)	(12,978,519.00)	(3,809,870.00)	(372,300.00)	(76,692,854.00)	(1,989,704.00)
Investment in BGTB	-	(16,000,000.00)	-	-	-	-
Disposal of Property, Plant and Equipments etc.	-	-	-	-	-	1,345,315.00
Net Cash generated/(used) in Investing Activities	**(2,683,032.30)**	**(28,097,661.10)**	**(36,624.00)**	**(13,107,176.00)**	**(99,885,604.00)**	**(644,389.00)**
Cash Flows from Financing Activities:						
Proceeds from Issuing of Shares	205,500,000.00	-	-	-	-	-
Proceeds from Short Term Borrowing	-	-	-	-	-	-
Dividend Paid	-	**(9,000,000.00)**	-	-	-	-
Re-payment of Short Term Loan	-	-	-	-	-	-
Re-payment of Long Term Loan	-	-	-	-	-	-
Net Cash Generated/ (Used) in Financing Activities	**205,500,000.00**	**(9,000,000.00)**	-	-	-	-
Net Increase/(Decrease) in Cash and Bank Balances	**262,747,534.04**	**55,883,245.36**	**45,422,367.88**	**(866,116.45)**	**(54,980,601.36)**	**19,342,287.00**
Cash and Bank Balances at the Beginning of the Year	**253,116,884.06**	**197,233,638.72**	**151,811,270.84**	**152,677,387.29**	**207,657,988.65**	**188,315,702.00**
Cash and Bank Balances at the End of the Year	**515,864,418.10**	**253,116,884.06**	**197,233,638.72**	**151,811,270.84**	**152,677,387.29**	**207,657,989.00**

Dated: Dhaka
23 September 2014

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Chartered Accountants

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Bangladesh National Insurance Company Limited

Credit Rating Report

Date of Declaration	Valid Till	Rating Action	Long Term Rating	Short Term Rating	Outlook
September 30, 2014	September 29, 2015	Initial	A-	ECRL-2	Stable

Date of Incorporation : May 21, 1996

Chairman : Mr. Abdul Baset Majumder

Managing Director : Mr. Md. Sana Ullah

Authorized Capital : BDT 1,000.00 Million

Paid up Capital : BDT 265.50 Million

Total Assets : BDT 437.88 Million
Fixed Assets : BDT 76.95 Million
Investment : BDT 320.13 Million
Current Assets : BDT 40.80 Million
(As per audited financial of December 2013)

Contact Analysts : Nusrat Arefeen nusrat@emergingrating.com
: Saniul Awal saniul@emerginrating.com
: Fahmeda Sultana fahmeda@emergingrating.com

Credit Analysis

Entity Rating

Entity Rating

2014 Initial Review

Bangladesh National Insurance Company Limited

Major Rating Factors

Strengths

- Efficient marketing team and achieve target business with significant growth.
- Capital maintenance ratio increased and group support.
- Good numbers of valued client continuing business with BNICL since inception.
- Investment portfolio and trail of excess investment than required.

Challenge/ Risks

- Activation and automation of all approved branch with all sorts of IT support.
- Ensure compliance as per regulatory requirement.
- Increased trend of risk retention ratio in all business.
- Ensuring underwriting profit in each business.
- Complete IPO formalities within the time frame.

Rationale

Emerging Credit Rating Limited (ECRL) has assigned **A-** (Pronounced as A minus) as long term credit rating and **ECRL-2** as short term credit rating to the Bangladesh National Insurance Company Limited (from herewith it will be called BNICL or the company). The outlook of the rating is **Stable.** The ratings are consistent with ECRL's methodology for this type of company. The ratings are based on audited financial statements from FY 2010 – FY 2013, seven months audited statements of FY 2014, site visit and other qualitative information up to the date of rating. The assigned ratings reflect the strength of the company's fundamentals which is underpinned by the improved underwriting profitability, better liquidity, good reserve maintenance, experienced management team and new marketing strategy.

Bangladesh National Insurance Company Limited is a second generation non life insurance company incorporated as a public limited company, established May 21, 1996. The company belongs to renowned group of company named 'Meghna Group'. In spite of non-listed in any of the stock exchange as per rules (must go for public offering after three years of establishment), the company run its business by own finance. BNICL's paid up capital increased to BDT 265.50 million in FY 2014 after collecting right share 1:4 basis from existing shareholders. Hence, the company took initiation for public offering to collect BDT 177.00 million capitals. If, IPO took place on time then the company's paid up capital will be BDT 442.50 million, and it will meet the regulatory requirement for this type of business. Now the company's capital represents BDT 134.50 million short than the requirement and capital adequacy rate is 66.38%.

Fire, Marine cargo, Marine Hull, Motor and Miscellaneous insurance businesses are the main source of Gross Premium. Among the five insurance business accounts Fire and Marine insurance business generate maximum revenue of BNICL. After the new management and marketing strategy implemented beginning of FY 2013, gross and net premium increased by 119.73% and 186.01% respectively in FY 2013. Profit before tax and after tax of BNICL's increased by 106.14% and 123.58% in FY 2013 from FY 2012. In FY 2013, BNICL recognized BDT 312.98 million gross premiums where direct and indirect business contribution ratio was 87:13. Representing the company has strong corporate clients based and less dependence on the PSB business. The company achieved its set target of FY 2013 and within seven months of operation its Gross Premium stood at BDT 227.80 million in FY 2014 (as per audited financial).

BNICL's entire insurance business has re-insurance covered by Sadharan Bima Corporation (SBC) with yearly renewable agreement. Risk retention ratio increased to 77.55% (FY 2013) from 59.58% (FY 2012) indicating that the company retained more risk than previous years. Hence, further increase of the ratio in seven months of FY 2014 also a concerning issue, as its re-insurance percentage has reduced. Last financial year claim number and amount was more in motor and marine insurance due to political unrest and unexpected weather as well as economic condition. Higher, retention ratio can affect its future profitability. Although, claim increased in FY 2013, its loss ratio decreased as a result of significant improvement of the net premium in the same time. The company settled total 84 numbers of claims valuing BDT 94.32 million out of 351 numbers of claim in FY 2013 which was only 25 numbers in FY 2014. Claim settlement capacity by CFO has decreased due to decrease in cash flow from operation. Current ratio was in the level of industry practice to cover the short term obligation.

Expense ratio decreased with the help of significant growth of net premium; hence management expenses were found 26.61% over than the required level. Another reason for this - the company has been in the expansion phase with new management team and other related expenses. As a result of better monitoring system actual management expenses percentage has reduced to 7.44% of allowable level within the seven month of FY 2014. Investment has increased in FY 2013 and trend of the actual investment over the last five years was always more than the required. Investment income over total income dropped slightly in FY 2013. As 67% of investment was made on secured source from FDR in various banks; but return from FDR has recently reduced due to fall in interest rate. Above all, investment yield has increased.

BNICL kept its reserve for exceptional loss as per guideline. In FY 2013 combined reserve for exception loss was 10% of net premium and 0.51 times of net claim - both the ratios improved from previous financial years. Solvency ratio stood at 0.10 times still behind industry practice. Underwriting profit of entire business units except marine hull was much better compared to last financial year. Even though CFO has been positive for the last four years, the trend is observed fluctuating.

BNICL's corporate reporting also complied with the reporting requirements. Management and other teams of the company have more than ten years experience in this sector. IT infrastructure already setup along with all active branches with internet connection and overall control and monitoring done by head office centrally. Significant growth of net premium, higher risk retention and improving combined ratio as well improved control over the management expense has stimulated improved performance of the company. ECRL views Bangladesh National Insurance Company Limited's outlook as **Stable** due to present business growth, current marketing strategy, stable business setup, goodwill of the directors and group exposure.

Exhibit 1: Financial Highlights: Bangladesh National Insurance Company Limited

FYE December	2014*	2013	2012	2011	2010
Gross premium (BDT in millions)	227.80	312.98	142.44	129.16	118.19
Annual Change (%)	-	119.73	10.28	9.28	(1.37)
Net premium (BDT in millions)	189.85	242.72	84.86	84.00	72.60
Underwriting profit (BDT in millions)	-	23.64	11.48	15.54	7.87
Net Profit After Tax (BDT in millions)	28.28	33.57	15.02	10.07	11.57
Investment yield (%)	33.46	43.57	34.25	3.58	33.60
Combined Ratio (%)	75.93	70.38	99.56	87.90	102.14
ROA (%)	6.92	9.21	5.61	3.72	4.97
ROE (%)	6.81	18.11	9.34	6.90	8.52
Risk Retention Ratio (%)	83.34	77.55	59.58	65.04	61.42
Current Ratio (Times)	2.82	1.95	1.53	1.49	1.41
Solvency Ratio (Times)	0.08	0.10	0.06	0.04	0.04
Management expenses % over allowable range	7.45	26.61	13.69	(11.26)	7.75
Reserve for unexpired risk (BDT in millions)	75.97	97.18	34.07	33.66	29.11

FY2010-FY2013 data extracted from audit report
**FY2014 data extracted from seven months audited report*

A. BUSINESS DESCRIPTION

A.1. Company Background

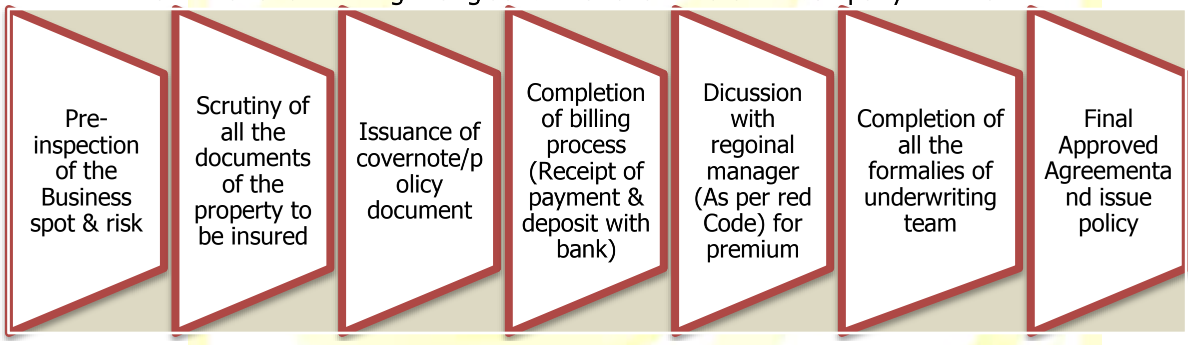
Bangladesh National Insurance Company Limited (BNICL), a second generation insurance company, was incorporated as a public limited company under the Companies Act, 1994 on May 21, 1996 and registered under the Department of Insurance on May 25, 1996 under the Insurance Act 1938.The Chief Controller of Insurance, Government of the People's Republic of Bangladesh has also accorded registration to transact all classes of Non life (general) insurance Business. Its main objective, supported by twenty four branches (active), is to provide the service of non life (general) insurance to its service holders. The company operates its business activities from its registered office address WW tower, 68 Motijheel C/A (Level-15) Dhaka-1000. Throughout the years the company has been expanding its business operation with and for the convenient to the customers.

A.2. Business Review

BNICL's major underwriting business covers - Fire, Marine cargo, Marine hull, Motor and Miscellaneous insurance business as per SBC Tariff. Major share of the revenue comes from fire and marine insurance.

Underwriting (Premium Rate) process: BNICL followed the tariff rules / premium rate for each business as per central rating committee under Insurance Development and Regulatory (IDRA).To underwrite the risk, the underwriting team checks the submitted insured proposal with details of risk and its value. Premium, which is based on rules provided by IDRA, is calculated to protect the risk of respective business. Policy is issued after necessary visit by the marketing team. Based on the case its apply Central Rating Committee and Re-insurer to set the rate terms and condition.

Exhibit 2: Process of underwriting: Bangladesh National Insurance Company Limited



Branch: It has total 24 branches at different place around the country out of which eleven is located within Dhaka and rest of them is outside Dhaka. Detailed list of branches in Dhaka are Local office, Dilkusha Branch, Motijheel Branch, Gulshan Branch, VIP Road branch, Kawran Bazar Branch, B B Avenue Branch, Jattra Bari Branch, Bangshal Branch, DIT branch, Moulvi Bazar Branch and Palton Branch. Outside Dhaka branches are Narayangonj Branch, Chittagong (Agrabad Branch and Khatungonj Branch), Jessore Branch, Khulna Branch, Faridpur Branch, Rajshahi Branch, Rangpur Branch, Jamalpur Branch, Mymensingh Branch, Chowmuhanui Branch and Noapara.

As per correspondence of the company personnel, total 24 branches actively working. Branch offices are being supplied with all support from head office as per requisition. Items are supplied from the central or head offices to branch offices are (i) petty cash, (ii) money receipts, (iii) related registers and (iv) insurance stamps. Branches are centrally controlled by the head office with accounts supported by monthly statement of affairs. Except few remote areas branches rest of the branches is internet connected with the main server for any premium issue and settlement. All data are centrally preserved in the main office.

A.3. Marketing Strategy

As a part of the regular improvement and avoid any business risk they tried to protect the insured risk. Periodically visit has done by the marketing team to the insured premises to ensure the trust of the insurer. It has trained marketing team to provide service to its valued clients. As per IRDA it has already submitted the agent list for the registration. Most of the insurance companies follow three kinds of strategies for doing business (selling out policies) - aggressive marketing strategy, cautious strategy and conservative marketing strategy. Among these strategies BNICL follows the conservative one. There is much justification of following this as insurance companies' business is assuring people for giving compensation to cope with any contingencies regarding the risk exposures as per the policy (agreement). So they have very good numbers of clients which are continuing business since inception and increasing though service satisfaction and marketing strategy after the new management.

B. INDUSTRY ANALYSIS

B.1. General Insurance

The insurance sector is an important provider of long-term capital. As economic growth accelerates, there is greater need for insurance protection and new insurance products. Until 1984, when the government permitted private insurers to conduct business, the SadharanBima Corporation (SBC) was acting as the sole general insurer. Insurance is a system of spreading the risk of one to the shoulders of many. It is a contract whereby the insurers, on receipt of a consideration known as premium, agree to indemnify the insured against losses arising out of certain specified unforeseen contingencies or perils insured against. There are nearly eighty seven insurance companies are performing their business in two segments life and non life insurance. The insurance companies of Bangladesh are segregated in three types including life, non-life insurance and publicly owned insurance companies. Insurance Act permits all the non life (general) insurance companies to carry out insurance business under fire, marine, motor and miscellaneous business categories. Despite having enormous economic potential, the country's insurance business remains one of the most neglected sectors due to lack of government priority. There is no government priority and interest for the development of the insurance sector though it is one of the key sectors in many countries. Bangladesh insurance market is rather small, considering that current penetration rate is low at only 1.0 per cent, there remains an immense potential for future expansion. The future expansion of Bangladesh insurance market and increase of insurance penetration in the country lies in tapping the hitherto untapped segments of the market - personal lines business in particular which has remained neglected so far. Non-life insurance companies have earned moderate growth in the third quarter in the last year 2013. Profits of 20 non-life insurance companies have increased while 13 dropped and one suffered losses during the July-September (first quarter) period of the last year of total 34 listed non-life insurance. Growth of non life (general) insurance industry largely depends on growth in imports, exports, prospects of industrialization and investments. Marine and fire insurance dominate the non life (general) insurance business in Bangladesh. The ownership structure of the industry as a whole is concentrated towards a small number of shareholders. The most severe impediments face the insurance company's snow days are:

Insurance industry	Sector	No. of companies
Non life insurance companies	Private	45
Life insurance companies	Private	30
Government insurance companies in	Government	1 (life) & 1 (non life)

Comparative premium position during the last seven years :

			(Taka Million)			
YEAR	Life Premium	Growth %	Non-life Premium	Growth %	Life +Non-life	Growth %
2007	31,815	18.60	10,683	18.40	42,498	18.50
2008	39,053	22.75	12,583	17.79	51,636	21.50
2009	49,305	26.25	13,898	10.45	63,203	22.40
2010	58,549	18.75	16,544	19.04	75,093	18.81
2011	62,814	7.28	19,249	16.35	82,063	9.28
2012	65,199	3.80	21,452	11.44	86,651	5.59

The share of public and private sectors during the last 3 years has been as under:

					Taka Million	
	Life			Non-life		
Year	Public sector	Private sector	Total	Public sector	Private sector	Total
2010	3,460	55,089	58,549	1,660	14,884	16,544
2011	3,079	59,735	62,814	1,975	17,274	19,249
2012	3,200	61,999	65,199	2,189	19,263	21,452

Higher cost of business: Growing cost of business is another problem that insurance companies are facing now a day. They urge that government tax, house rent, utility, commission fee, stationeries are growing day by day. But their businesses are not growing so fast with that rate. Besides this the policy holders are not willing to pay too much premium with growing cost that is hampering the strategies of insurance companies. So they are facing difficulties in running their business efficiently. Political instability is a major problem in Bangladesh. Political instability and inconsistency of political courses are a serious problem for the insurance business.

Lack of supervision from the government: Lack of surveillance from government ministry encourages many insurance companies to follow some unethical practices like make harassment to policy holder and showing less in the financial statement. This not only destroying the reputation of the well known insurance companies but also creates negative impact in the mind of the people about insurance. Besides this government sometimes impose some conflicting rules and regulation without discussing with insurance companies governing body. It creates conflict among insurance companies with government and act as one of the main hindrances of growing insurance business.

Competitive rivalry: High. As, there is cut thought competitions among rivals of non-life insurance industry, Insurance companies deal in identical policies as service levels offered are similar, Ministry of Finance controls all the insurance companies that are in the industry at present hence there are less chance of exit. Power of Suppliers: Moderate to low. Alternative investment opportunity exists, like-Customers deposits in bank & purchase of gold & silver, Investment in government securities, Money market investment. Market is highly segmented, Insurance industry is very return oriented and customer switches easily, Exercise of bargaining leverage over premium. The entry barrier of a non life (general) insurance industry is moderate to high.

C. BUSINESS RISK ANALYSIS

C.1. Operational Risk

Underwriting of branches: Entire branches are following the guide regarding issuing rates, terms and conditions provided by head office. As a part of central control all branches has to provide premium register along with related documents, premium income, summary and also the details of the outstanding monthly basis. Other than those underwriting department of head office takes care of any refund and adjustment of any cancellation, short shipment and refund of any declaration of policy. To avoid the discrepancy of premium collection and claim settlement there is a central IT system with unified tariff setup except few remote branches.

Employee turnover risk: BNICL has efficient employee with long relationship for the betterment of the business. Marketing people mainly field based employee turnover approximately is 5% - 10% per year as industry practice of better offer from the competitors. In spite of that yearly marketing people has increased every year within last four years. It has total 32 registered agents for various branches. Hence, as per industry practice head moved to other company also total line person has chance to move, in that regards its overall clients can be shifted to other company.

Back up support of electricity supply: BNICL's head office is getting central support from its building generator, other than that it also has UPS for each computer. Hence, all branches are not fully supported by generator, which also affected to open an account, settlement and other central issues. Insufficient support of national electricity supply shortage, which is can hampers its regular workings and communication with various businesses and branches through electronic media.

Accidental risk: It has fire, vehicle and group insurance policy for its fixed assets of the head office excluding the branches, with own company to cover those risks. But there is no backup plan for the data storage, and not enough space for fire escape to face any unavoidable circumstances. As a human capital based business, it has not yet secured its branches by any fire and other related risks.

C.2. Enterprise Risk Management

Like most of the non life (general) insurance companies of Bangladesh, BNICL also follows traditional business risk management tool. The company does not have any underwriting Manual rather it follows common practice, rules and guidelines as framed by the regulatory authority (SBC). Policies other than high valued risk (as framed by the management) are usually underwritten based on the 'principle of utmost good faith'. Central IT system and premium software will help to generate correct premium and able to prove quick service to its clients. Its claim register also not updated with claim settlement date column and decline status.

C.3. Industry Risk

In most cases growth of the company largely depends on growth in imports, exports, prospects of industrialization and investments, as it contributes to the edge of risks and banking transaction which are backed by the company. Political unrest may reduce the premium income of the company for a short span of time. Overall macro-economic slowdown resulting from change of government, successive devastating natural calamities and price hike in the international market affects the whole business.

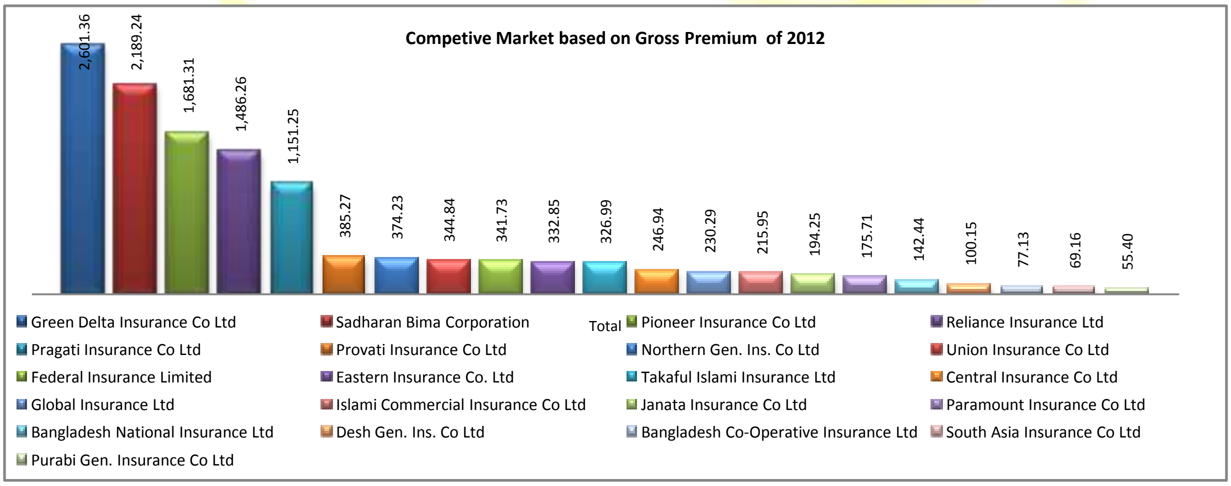
C.4. Catastrophic loss Risk

The coverage of natural calamities like cyclone, flood by insurance may severely weaken the financial strength of the company by accruing heavy claims on its own retained account. Last year (FY 2013) 160 new claim lodged among them 113 numbers from motors insurance business, due to political unrest satiation and 32 marine insurance business claims made for vessel sink by storm, 14 numbers fire insurance lodged. Now a day's marine vassal sinking become very regular due to world climate changes. Political unrest and economic condition is the main reason for fire business claim, last year that faced by many industrial building. The estimated losses arising from natural calamities are covered by higher rates of premium and reinsurance coverage for such losses. Beside that the company should recheck rate of the reserve for exceptional loss over claim for the strength maximization.

C.5. Market risk

Insurance business is increasing globally. Now a day's Fire and accidental insurance is a mandatory requirement of every bank loan sanction and renewal, in that regards scope of fire insurance business increased. Increased of the import tax on various motor cars and vehicles has reduced overall sales of new vehicles since FY 2011 especially private cars, which impact on the first party motor insurance business. Marine cargo insurance business depends on the national import, increased of import feels positive impact on this business. Other than those aggressive marketing strategy and less connection will hamper the overall non-life insurance business. BNICL has been facing loss in Marine hull business since FY 2010 due to its competent and concentration on marine hall business as well as shipment failure of the export oriented business. Hence, loss observed overcome in seven month of FY 2014. Marine hall after the fire main concentration of gross premium, can affected profitability of overall business.

Total 47 non life insurance companies with same tariff plan are offering their products among the clients. So better service, timely claim settlement and dynamic marketing strategy required to ensure long related clients switch and increase business. Currently BNICL is in the competitive market or industry, with present performance in the stage of growth. Top five non life insurance companies are Green Delta, Reliance, Pioneer, Pragati. Based on Gross premium earning BNICL's position observed 39 numbers among the 47 non life insurance companies. Unavoidable date is not able to calculate its rank in 2013 where its gross premium stood at BDT 312.98 million. Main competitors are shown in the graph below-



Other than that most of the 2nd generation company already listed to comply with the compliance, and the company took initiation for IPO.

C.6. Interest rate risk

The Management of the company should always aware of interest rate. If the interest rate increases the cost of credit fund will increase. On the other hand, if the interest rate decreases the company will go for the alternative investment of its existing FDR's as well as surplus fund. Non life insurance business has to invest as per rules of 27A in national investment bond, any bank fixed deposit and other investment. 85% of total investment is FDR in various banks. Bank FDR rates changes as per macro economic situation of the country and set by the central bank and it has reduced in end of FY 2013 from 12.50% to average 9.50%. As a consequence its interest earn from investment reduced by 51.53% in FY 2013 from better position of FY 2012.

C.7. Exchange rate risk

Devaluation of local currency against major international currencies i.e. USD, GBP and Euro may affect company's marine insurance business. Generally devaluation of local currency against international currencies increases premium income that will ultimately extend Net profit of the company.

D. FINANCIAL RISK ANALYSIS

The rating process was based on qualitative aspects which are based on the company's policies in relation with the operating strategies, financial leverage and ultimate financial goals of the companies. For analyzing the overall financial risk, ECRL considered the following aspects of BNICL; Growth analysis, Underwriting performance, Claim management, Management expense, Operating performance, Investment, Liquidity, Reserve adequacy, Capital adequacy, Financial flexibility, Solvency margin and Reinsurance utilization. Detailed analysis is presented in the analysis part given below:

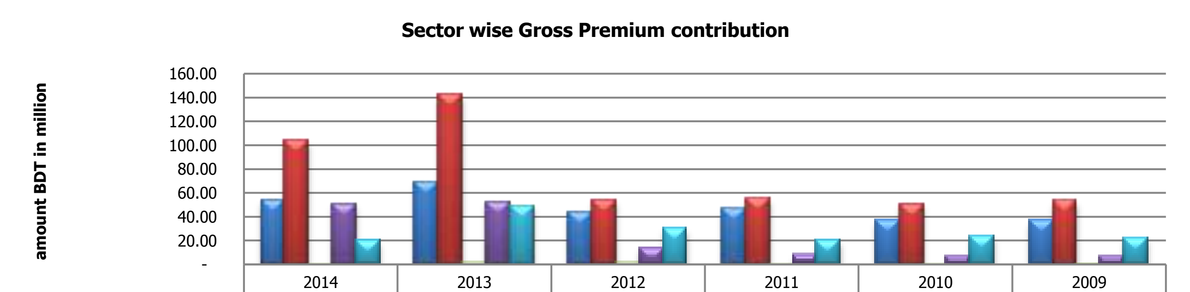
D.1. Revenue Growth

Exhibit 3: Profitability: Bangladesh National Insurance Company Limited

Particulars	2014*	2013	2012	2011	2010
Gross Premium (BDT in millions)	227.80	312.98	142.44	129.16	118.19
Growth (%)	5.47	119.73	10.28	9.28	(1.37)
Net Premium (BDT in Millions)	189.85	242.72	84.86	84.00	72.60
Net Premium Growth (%)	6.77	186.01	1.02	15.71	(1.51)

FY2010 - FY2013 data extracted from audit report
**FY2014 data extracted from seven months audited report*

BNICL's Gross Premium earning was significantly increased in FY 2013 to BDT 312.98 million from BDT 142.44 million of FY 2012 as a result of new management and marketing strategy. Growth of the Gross Premium of 119.73% was highest within the last five years (since 2007). Fire Insurance and Marine Insurance contribution into total Gross Premium earning has decreased by 68% in FY 2013, from 69% of FY 2012.



	2014	2013	2012	2011	2010	2009
Fire Insurance	54.11	69.29	43.91	46.21	36.60	36.56
Marine Insurance Cargo	103.36	141.59	53.90	54.88	50.30	53.36
Marine Insurance Hull	0.15	0.87	0.78	0.42	0.51	0.62
Motor Insurance	50.36	51.94	13.96	7.51	7.00	7.03
Miscellaneous Insurance	19.83	49.29	29.89	20.13	23.77	22.26

During FY 2013, the growth rate in fire insurance business was less than marine insurance business and growths of fire and marine insurance were 57.82% and 174.29% respectively. Marine insurance business was increased due to increase in volume of export in FY 2013 and new investment made for this sector. Maintaining good relationship with bank also helped BNICL to increase marine and fire insurance. Besides, Fire insurance is mandatory to keep banking relationship with banks. Insurance ceded percentage by the Sadharan Bima Bangladesh Limited on direct business for FY 2013 was 35.48% for fire, 14.40% for Marine Cargo, 82.95% for Marine Hull, 1.89% for Motor and 47.84% for miscellaneous business accounts. Overall direct business percentage on gross premium increased to 87% in FY 2013 from 75% of FY 2012.

BNICL's Net Premium has been increasing since FY 2010 and reached to BDT 242.72 million with growth rate of 186.01% in FY 2013. Net premium seven month of FY 2014 stood at BDT 189.85 million. Income from FDR interest has been reduced slightly as national interest rate has reduced.

D.2. Operating Performance

Exhibit 4: Profitability: Bangladesh National Insurance Company Limited

FYE : December	2014*	2013	2012	2011	2010
Under Writing Profit (BDT in millions)	34.90	23.64	11.48	15.54	7.87
Under Writing Profit Growth (%)	47.63	105.91	(26.13)	97.52	(138.91)
Profit before Tax (BDT in millions)	48.49	40.35	19.57	11.30	14.72
Net Profit After Tax (BDT in millions)	28.28	33.57	15.02	10.07	11.57
Net Profit Margin (%)	14.90	13.83	17.69	11.98	15.93
Return on Assets (%)	6.92	9.21	5.61	3.72	4.97
Return on Equity (%)	6.81	18.11	9.34	6.90	8.52

FY2010 - FY2013 data extracted from audit report
**FY2014 data extracted from seven months audited report*

Growth of underwriting profit of BNICL observed fluctuating trend throughout last five years, hence it improved significantly in FY 2013 with the help of new business during the year. Of total underwriting profits of BNICL, except marine hull entire business's contributed with a good growth in the FY 2013. Representing the management not only concentrates on its one business segment but also tried to improve other units also. Dependency on profitability of fire insurance business has been released for all dimensions. Only under writing loss observed in marine cargo business reduced in FY 2013 due to natural disaster and claim increased, that also overcome by the company within seven month of FY 2014. This is due to claim payment of BDT 94.32 million and increased management expenses as well as commission expenses. As a result Net Profit margin of BNICL was reduced to 13.83% in FY 2013 from better profit margin 17.69% of the FY 2012. Hence, it improved in seven month of FY 2014 after adjustment of reserve fluctuation.

Exhibit 5: Class wise underwriting Profit: Bangladesh National Insurance Company Limited

FYE December	2014*	2013	2012	2011	2010
Fire Insurance (BDT in Millions)	6.84	5.47	4.45	4.24	3.21
Marine Insurance Cargo (BDT in Millions)	20.83	14.09	5.57	10.78	5.34
Marine Insurance Hull (BDT in Millions)	0.05	(0.09)	(0.17)	(0.01)	(0.06)
Motor Insurance (BDT in Millions)	3.29	2.41	0.72	0.05	(1.14)
Miscellaneous Insurance (BDT in Millions)	3.90	1.75	0.91	0.48	0.52

FY2010 - FY2013 data extracted from audit report
**FY2014 data extracted from seven months audited report*

With improved profitability in the FY 2013 both the Return on Asset (ROA) and Return on Equity (ROE) were significantly increased, still room for improvement in line of the industry practice.

D.3. Quality of Underwriting Profit

Exhibit 6: Underwriting Process and Quality: Bangladesh National Insurance Company Limited

Particulars	2014*	2013	2012	2011	2010
Loss Ratio (%)	26.83	19.55	34.31	28.85	35.79
Expense Ratio (%)	49.09	50.83	65.25	59.05	66.34
Combined Ratio (%)	75.92	70.38	99.56	87.90	102.14

FY2010 - FY2013 data extracted from audit report
**FY2014 data extracted from seven months audited report*

The company follows the SBC's tariff plan / manual of underwriting for its five business accounts. Within last four years, in FY 2013 combined ratio has reduced and stood at 70.38%. BNICL's loss ratio decreased to 19.55% in the FY 2013 despite very good growth in net premium. This is due to increment in claim for motor insurance and marine cargo. Combined ratio improved in the FY 2013 as both loss and expenses ratio has reduced. Management expenses increased by 122.84% on the other hand net premium increased by 186.01% as a result expense ratio reduced to 50.83% in the FY 2013 from 65.25% of the FY 2012.

D.4. Claim Management

After receiving the claim intimation from the client, BNICL appoints surveyor (government approved and licensed holder) for physical investigation. All reports and documents are scrutinized by the sectional officer and submit it to departmental in-charge. Departmental head submits the finalized finding to the Managing director for the approval. Managing Director can approve a claim up to BDT 0.10 million, exceeding BDT 0.50 million needs claim committees approval on loss voucher. After the approval the company issues cheque to the policy holder of the claim. As per rules the claim must be approved or settled on its claim merit within 90 days of claim registered or last submitting of the required documents.

Exhibit 7: Claim performance: Bangladesh National Insurance Company Limited

Particulars	2014*	2013	2012	2011	2010
Opening Claims outstanding (BDT in millions)	81.35	104.73	92.17	84.43	74.41
Claims Lodged during the Year (BDT in millions)	71.43	58.21	53.55	55.36	39.91
Total Claims (BDT in millions)	152.78	162.95	145.73	139.79	114.32
Claims Paid during the Year (BDT in millions)	27.53	70.83	16.56	16.49	15.97
Claims Paid as % of Total Claims	18.02	43.47	11.36	11.80	13.97
Claims Settled during the Year (BDT in millions)	48.03	94.32	28.26	43.62	28.69
Claims Settled as % of Total Claims	31.43	57.89	19.39	31.20	25.10
Closing Claims Outstanding (BDT in millions)	104.76	81.35	104.73	92.17	84.43
Closing Claims Outstanding (%)	68.57	49.92	80.60	65.94	73.85

FY2010 - FY2013 data extracted from audit report
**FY2014 data extracted from seven months audited report*

The company has been maintaining claim register where claim settled amount is included but the date of claim settlement not mentioned. As per company provided data total 160 numbers of claim lodged in the FY 2013 and 106 numbers lodged in FY 2014 within seven months period. Out of total 351 claims 82 settled in FY 2013 among them 55 of motor, 17 of fire, 6 of Marine and 4 miscellaneous. Due to the political unrest motor claim observed highest and for the climate affect its marine insurance also found significant. Claim settled on time not yet confirmed by any document, hence it has to follow the rules.

D.5. Management Expense

Section 63 of Insurance Act 2010 (Previous Section 40C of Insurance Act 1938 Insurance Rules 1958) requires the insurance companies to calculate the allowable management expense as per the guidelines and maintain its actual management expenses within the limit.

Exhibit 8: Selected Indicators: Bangladesh National Insurance Company Limited

Particulars	2014*	2013	2012	2011	2010
Allowable management expense (BDT in millions)	86.75	97.45	48.70	55.90	44.70
Actual management expense (BDT in millions)	93.21	123.38	55.37	49.60	48.16
Excess or (Less) Management Expenses (BDT in millions)	6.46	25.93	6.67	(6.30)	3.46
Actual management expense as a percentage of allowable range (%)	7.45	26.61	13.69	(11.26)	7.75

FY2010-FY2013 data extracted from audit report
**FY2014 data extracted from seven months audited report*

The total management expense in the FY 2013 that comprises the management expenses and the agency commission; was 26.61% higher than the allowable expenses. Although it shows an improvement in the FY 2011, it has been noticed to be a common practice of BNICL over the last few years. Hence, seven months management expenses observed 7.44% higher than the allowable.

D.6. Investments

The company's Board of Directors takes the major investment decisions as per service rule 2008: page 38, Section no: 66 Investment based on Finance Trust Committee Act 1882 sub act 11 and section 20.

Exhibit 9: Investment performance: Bangladesh National Insurance Company Limited

Particulars	2014*	2013	2012	2011	2010
Investment Income /Total Income (%)	34.55	51.56	55.98	9.66	58.98
Yield on Investment (%)	33.46	43.57	34.25	3.58	33.60

FY2010-FY2013 data extracted from audit report
**FY2014 data extracted from seven months audited report*

BNICL's total investment comprises of 7.81% in national investment bond, 67% in fixed deposit, 10.23% investment on share and 14.49% is in the other short term investment. The company's total investment amount has increased to BDT 320.12 million in FY 2013 from BDT 244.85 million of FY 2012. Investment income percentage over total income has reduced slightly in FY 2013, due to interest rate of the bank has reduced significantly during the year. And current bank interest rate range is 9% to 10.50% based on the investment amount. Hence, new banks are offering higher price for at least one year FDR. As major contribution comes from the FDR most secured source also faced decreasing return due to national rules and economic condition. As per company policy the company also can invest in share and other short term bank finance other than government bond and interest based fixed deposit of any bank.

D.7. Liquidity

Exhibit 10: Selected Indicators: Bangladesh National Insurance Company Limited

Particulars	2014*	2013	2012	2011	2010
Operating Cash flows (BDT in millions)	61.49	57.82	100.89	48.90	(99.98)
Total Cash flows (BDT in millions)	262.75	55.88	45.42	(0.87)	(54.98)
Closing Cash Balance (BDT in millions)	515.86	253.12	197.23	151.81	152.68
Current Ratio (Times)	2.82	1.95	1.53	1.49	1.41
Current Asset/ Net Claim (Times)	11.15	6.39	8.10	7.68	7.14
Cash & Bank Balance/ Total Assets (%)	73.62	57.80	56.54	49.91	51.59
Operating cash flow/ Net claim paid out (x)	2.23	0.82	6.09	2.96	(6.26)

FY2010-FY2013 data extracted from audit report
**FY2014 data extracted from seven months audited report*

The operating cash flows in the last four years has been fluctuating, it increased in the FY 2012 which was significantly better position within four years. Increased of the current assets and decreased of the current liability such as reserve for unexpired risk, amount due to other persons of or body affected the operating cash flow. Claim payment capacity of the BNICL's by operating cash flow which was better in the FY 2012, it decreased in FY 2013 as net claim increased. Net claim from its operating cash required to meet any obligation before the re-insurance claim. Total cash flow of the company was negative in the FY 2010 as its cash outflow made on investing activity as purchase of office space, furniture, motor vehicles, electrical equipments and office equipments. Opening carry forward cash balance made its closing cash balance positive as it has no outsource financing.

Current ratio of the company represent capable to meets short term obligation. Current assets also sufficient to meet the net claim though reduced in FY 2013 from FY 2012 which is further gear up in seven months of FY 2014. Marine and Motors claim payments during the year put significant impact on the capacity to cover the current assets over net claim. Cash and bank balance over total assets moving around 57.80% (four years average) where it also includes the FDR amounts. Excluding FDR amount cash at bank over the total assets represent 0.02% in FY 2013 was very low.

D.8. Reserve Adequacy

Exhibit 11: Selected Indicators: Bangladesh National Insurance Company Limited

Particulars	2014*	2013	2012	2011	2010
Reserve for Exceptional Losses/ Net Premium (%)	10.00	10.00	10.00	10.00	10.00
Reserve for Exceptional Losses/ Net Claim (%)	0.37	0.51	0.29	0.35	0.28

FY2010-FY2013 data extracted from audit report
**FY2014 data extracted from seven months audited report*

BNICL maintained the reserve for un-expired risk as required; 100% of the net premium income for marine hull insurance and 40% for all other business classes. The company has also been maintaining reserve for exceptional losses aimed at absorbing some probable unexpected losses. This reserve percentage has been maintaining 10% for last four years capped by the 4th Schedule of Income Tax Ordinance, 1984. The company was even able to absorb 0.51 times of the net claims in the FY 2013 from this reserve for exceptional losses; this increment was highest in the last five years.

D.9. Capital Adequacy

As per 'The Insurance Act 2010', all non-life insurance companies registered in Bangladesh must have a minimum paid up capital of BDT 400.00 million, of which a minimum 60% must be paid by the entrepreneur and 40% shall be opened to be demonstrated by the public.

Exhibit 12: Equity position and its composition (BDT in Millions)

Particulars	2014*	2013	2012	2011	2010
Authorized Capital	1,000.00	200.00	200.00	200.00	200.00
Paid Up Capital	265.50	60.00	60.00	60.00	60.00
Reserve for Exceptional Losses	126.80	107.82	83.55	75.06	66.66
Retained Earnings	186.80	181.42	181.12	177.09	177.93
Investment Fluctuation Reserve	-	-	2.50	2.50	2.50
Shareholders' equity	415.59	185.39	160.82	145.80	135.73
Capital Maintenance Ratio (%)	66.38	15.00	15.00	15.00	15.00
Equity on Total Assets (%)	59.31	42.00	46.00	48.00	46.00

FY2010-FY2013 data extracted from audit report
**FY2014 data extracted from seven months audited report*

BNICL's shareholder equity became BDT 185.39 million in the FY 2013 which is the combination of paid up capital, reserve exceptional loss, carry forward profit and investment fluctuation reserve. The yearly retain earning growth rate has decreased to 0.017% in the FY 2013 from 2.28% of FY 2012. The company's present capital maintenance ratio increases to 66.38% in seven months of FY 2014 from 15% of FY 2013 after issued right share (4 shares against 1). The company is planning to increase paid up capital through public offering to meet the regulatory requirement. Company's equity on total assets ratio trend is fluctuating as this is related with the yearly premium earning. General expectation is increasing equity over total assets which indicate the strength of a company.

D.10. Financial flexibility

BNICL has no overdraft and bank facility limit to meet any short term obligations. But the company has fixed deposit and STD account with various banks to meet emergency finance.

D.11. Solvency Margin and Solvency Ratio

As per section 43 (6) of Insurance Act, 2010, the optimum investment level of BNICL was BDT 228.84 million for the FY 2013. BNICL investment amount last two years has increased with further investment on FDR and BGTB. It has the trail to keep over investment than required. It invested share, short term bank finance other than Bangladesh Government Treasury Bond (previously known as National investment bonds) and bank fixed deposits as per company policy to carry loads of any unexpected underwriting losses to protect the policy holders. Future plan of capital increasing through IPO will ensure the strength of the company and scope of diversify investment.

Exhibit 13: Selected indicators: Bangladesh National Insurance Company Limited

Particulars	2014*	2013	2012	2011	2010
Required Investment (BDT in millions)	247.57	228.84	171.77	150.57	152.50
Actual Investment (BDT in millions)	586.51	320.12	244.85	203.98	189.79
Excess/ Short of investment (BDT in millions)	338.94	91.29	73.09	53.41	37.30
Solvency Margin Ratio (times)	0.05	0.10	0.06	0.04	0.04

FY2010-FY2013 data extracted from audit report
**FY2014 data extracted from seven months audited report*

BNICL's solvency ratio increased indicates solvency position improved in FY 2013 than last financial years. BNICL's liabilities can be settled comparatively better way than previous financial year from the cash generated from the business as its solvency ratio increased to 0.10 times in the FY 2013 from 0.06 times of FY 2012, still lower than the industry practice. Hence, actual investment trend of the company observed excess than the required over the last five years.

D.12. Re-insurer, Retention Capacity, Treaty limit and Reinsurance utilization

The company has reinsurance arrangement with Sadharan Bima Corporation for both treaty and facultative. After establishment of private Insurance Companies in the year 1985 in Bangladesh, Government authorized Sadharan Bima Corporation, to accept 100% reinsurance of private insurance companies. In respect of reinsurance, the Insurance Corporation (Amendment) Act 1990 provides that fifty percent of a company's reinsurance business must be placed with the SBC and remaining fifty percent may be reinsured either with SBC or with any other insurer in Bangladesh or abroad.

BNICL's main re-insurer is Sadharan Bima Corporation in Bangladesh (100%). The company's re-insurance department is engaged look after the re-insurance interest on the issued documents as per treaty condition. This department prepared quarterly bordereaux for onward transmission to re-insurers wherein risks so shifted to the re-insurer are clearly laid down. Based on the claim emanate out of the ceding risk, the department approaches the re-insurer for its recovery.

Depending on the financial strength, underwriting expertise etc. every year Sadharan Bima Corporation (SBC) revises the retention & surplus treaty limit of all private non-life insurance companies in Bangladesh. BNICL's re-insurance agreement limits with SBC for the 2011/12 are as follows:

1. **Fire Business Account:** For the year 2013/14 retention is BDT 2.50 million. Treaty limits on surplus BDT 10.00 million to BDT 15.00 million.
2. **Marine Business Account (surplus treaty):** Retention limits BDT 2.00 million for each line of 60 lines (treaty limits BDT 120.00 million). Other terms as SBC/HO/RI/TTY/BNICL/2014 dated June 5, 2014.
3. **Marine Hull Business Account (Surplus Treaty):** It has no treaty it will be facultative reinsurance made based on case basis as per agreed terms and condition of SBC/HO/RI/TTY/BNICL/2014 dated June 5, 2014.
4. **Motor Business Account (XL Treaty):** Maximum amount protected by SBE BDT 3.00 million in excess of BDT 0.50 any one loss or series of losses arising out of one event.
5. **Miscellaneous Business Account (accident surplus treaty):** This business retention and treaty limit allocated based on (a) all classes (Retention: BDT 0.50 million; Treaty: BDT 10.00 million line 20), (b) P. A. (any one): (Retention: BDT 0.20 million; Treaty limit: BDT 1.00 million for 5 line) and (c) P.A. (accumulation): (Retention: BDT 0.50 million; Treaty: BDT 10.00 million for 20 line). Other terms as per treaty agreement of SBC/HO/RI/TTY/BNICL/2014 dated June 5, 2014.

However, BNICL can effectively underwrite any amount, as the excess over the surplus treaty can be reinsured with SBC on facultative reinsurance basis at mutually agreed upon terms. Although, according to the existing rule, fifty percent of the re-insurable non life (general) insurance business are required to be re-insured with the SBC and the remaining fifty per cent of such business are allowed to be re-insured either with SBC or with any other insurer whether in or outside Bangladesh, BNICL reinsures the full re-insurable amount only with the state owned SBC.

The company's re-insurance made on direct business and total direct business percentage over gross premium increased to 87% in FY 2013 from 75% of FY 2012. Out of five business accounts only fire insurance business account's re-insurance ceded increased in the FY 2011.

Exhibit 14: Class-wise Risk Retention ratio of Bangladesh National Insurance Company Limited

FYE December	**2014***	**2013**	**2012**	**2011**	**2010**
Risk Retention Ratio (Combined) (%)	83.34	77.55	59.58	65.04	61.42
Fire Insurance Business A/c (%)	76.94	64.52	61.78	67.71	60.89
Marine Insurance Business A/c (%)	87.33	85.60	63.58	64.65	70.74
Marine Hull Insurance Business A/c (%)	30.46	17.05	27.36	22.26	23.31
Motor insurance Business A/C (%)	96.84	98.11	87.40	79.70	88.79
Miscellaneous Insurance Business A/C (%)	46.13	52.16	36.97	55.39	35.31
Overall Risk Retention Ratio (%)	83.34	77.55	59.58	65.04	61.42

FY2010-FY2013 data extracted from audit report
**FY2014 data extracted from seven months audited report*

BNICL, trend of the overall risk retention fluctuating but increased in FY 2013 to 77.55% which indicates the company retained more risk than previous years, on the other hand the company's re-insurance ceded percentage reduced in FY 2013.

Class wise risk retention level of the company increased except Marine hull as re-insurance ceded made less for those class of business in the FY 2013. In FY 2013, highest retention risk observed in Motor Insurance business that was 98.11%, second highest Marine Insurance Business Risk increased to 85.60%. Marine Hull Insurance Business risk 17.05% as it made case to case basis. Yearly risk retention trend of the company is upward indicating company's risk diversification through reinsurance required to be improved. Miscellaneous insurance business with lowest risk retention ratio can cover its entire claim but during last three years there were only single claim made for this sector. It is noticeable that the company retains high risk in areas like Fire, Marine Cargo, Motor insurance business, which contributes most of the premium income. Although this high risk retention is meant to increase profitability, it, on the other-hand signals inadequate reinsurance protection.

E. MANAGEMENT AND OTHER QUALITATIVE FACTORS

E.1. Governance

The governance of BNICL is analyzed by judging different aspects of the Management team, Different committees, Human capital, IT and MIS and corporate reporting.

E.1.a. Corporate Governance

Corporate Governance is a mandatory system through which the company is directed, guided and controlled by the Board, keeping in view its accountability to the stakeholders. BNICL is complied with the requirement of the industry having its service rule, short tariff and organization of relevant committees to carry out the proper operation of the business. BNICL appointed their auditors for yearly financials evaluating and expressing their opinion as per companies ACT 1994 (Section 210). It also declared that the directors are not holding share from any other financial institute except BNICL.

E.1.b. Shareholding Position

The authorized share capital and paid up capital of BNICL is BDT 1,000.00 million and BDT 265.50 million respectively (as per audited statement and memorandum of article), so it is yet to go for public offering to raise the paid up capital to required level of BDT 177.00 million. Detail shareholding position describe in the company information page.

E.1.c. Board of Directors

The board ensures that the company achieves superior financial result and stewards its leadership position in the industry. The board of directors is engaged in addressing major policy, regulatory and strategic issue and providing proper guidelines, monitoring financial performance, monitoring operations of internal control, approval of annual budget, major capital expenditure, evaluation financial performance, approval of audit report, appointment and evaluation of Managing Director and Senior Management team, delegation to board committee and management of financial and operational authorities and periodic and timely reporting to shareholders about the affairs and performance of the company.

Board Committee Members	Position
Mr. Abdul Basety Majumder	Chairman
Mr. Mostafa Kamal	Vice Chairman
Mrs. Tanjima Binthe Mostafa	Director
Mr. Md. Sana Ullah	Managing Director
Mr. Md. Ferozul Islam	General Manager

E.1.d. Management

Company has a host of insurance expertise having long career in insurance industry. Timely action and prudent managerial decision have enabled the company to withstand the competition from the other Insurance companies in the market. Head of the corporate management is Managing Director. As per corporate hierarchy next to MD are Additional Managing Director and Deputy Managing Director. Managing Director Mr. Md. Sana Ullah, is the head of the corporate management. He is a B.A (Hon.'s) and M.A qualified having more than 24 years of experience in the non life (general) insurance industry and investment.

E.1.d.i. Management Team

Management team consists of seven members; all of them are more than five years experienced in the same line of industry in various companies as well as this company. Detail management information listed in the company information page. Mr. Sk. Salahuddin Ahmed, Sr. General Manager & In charge U/W & BCD having more than 26 years of experience and B.Sc. (Hon's) and M.Sc. qualified. General Manager (F & A) Mr. Md. Ferozul Islam is completed his C.A and M. Com in Management having more than 17 years of experience in insurance industry. Sr. Asstt. General

Manager (F & A) having more than twelve years of experience and L.L.B CA - C.C. qualified and he is also completed his M.Com in Management.

E.1.d.ii. Key Committee and Internal Control

To ensure smooth operation of the company, BNICL has formulated different committees to represent the board members in different strategic areas. These committees are Executive Committee, Finance Committee, Audit Committee and Claim Committee.

Audit Committee: The core responsibilities of this committee are to carry out the internal audit and monitor the compliance issues. The company currently has six members those are Vice Chairman, Director, Managing Director, General Manager and Senior Assistant General Manager.

Claim Committee: The claim committee has six members headed by the Chairman, Mr. Abdul Baset Majumder. This committee ensures and monitors the proper management of the claim related issues. The committee's main responsibility is to investigate and approve any claim that exceeds BDT 0.50 million. The insured are given the loss voucher on the approved claim amount and after everything if finalized, cheque is being issued to the insured. The claim are approved and settled on its claim merit with a time limit of 90 days upon receiving all of the relevant documents. Other members of the committee are Mr. Mostafa Kamal: Vice Chairman, Mrs. Tanjima Binthe Mostafa : Director, Mr. Md. Sana Ullah: Managing Director and Mr. Sk. Salahuddin Ahmed: Sr. General Manager. It claims team members are Mr. Md. Sana Ullah: Managing Director, Mr. Md. Omar Farooq: Additional Managing Director, Mr. Ishraq Khan: Deputy Managing Director, Mr. Md. Emdadul Haque: Deputy Managing Director, Mr. Sk. Salahudding Ahmed: Sr. General Manager, Mr. Md. Ferozul Islam: General Manager & CFO and Mr. Md. Masud Rana: Senior Assistant General Manager and Company Secretary.

The committee meets at least once in a month to explore the day-to-day development and also recommend and record their findings for further decision/approval and its implementation. The Managing Director, Deputy Managing Director, Branch In charges are engaged with their functioning of their activities with the direction of the Chairman. The agenda of Board of Directors meeting are mainly dealt with overall administration, business development along with overall financial position.

E.1.d.iii. Underwriting team

The team is responsible for dealing all the issues regarding the underwriting of the risk of specific policyholders. This team consists headed by Mr. Sk. Salahuddin Ahmed Senior General Manager (Head of Re-insurance, Claim, Branch control and Underwriting Department), has more than 26 years of experience on underwriting process. Officers and staffs on underwriting department have more than fifteen years of working experience. All of them have participated in elementary course of under writing and specialized underwriting.

E.1.d.iv. Investment Team

The global financial crisis in 2008 highlighted the importance of having a clear investment policy as well as a structured and disciplined investment process. It also underlined the need for insurance companies to manage their assets relative to their liabilities. The application and success of this activity has been a major differentiator across the insurance industry in recent years. In addition, a market environment that was characterized by low interest rates and falling bond yields forced the insurance industry to focus on improving underwriting standards and enhancing business efficiency as investment returns diminished.

E.2. Human Resource Management

Non life (general) insurance Company's success depends on its right, professional skilled human resource towards better service and revenue increase. BNICL followed proper recruitment process and training to meet the daunting challenge in today's euphoric corporate environment. The company has documented service rule to govern the employees and maintain congenial environment at the office. Like other Insurance company BNICL's also having commission based Insurance agent and permanent employee. The company nominates its employees in training programs to improve their performance conducted by Bangladesh Insurance Academy (BIA) & others. It has been ensured that most of the Departmental In-charges received training in different stages.

The Director (Co-operation), Managing Director (Chief Executive) and Board of Directors supervises the whole Human Resource Department. BNICL's permanent employees are not yet come under any provident and gratuity facilities. There were 338 employees are employed as per Audited Financial report of FY 2013. Out of total employee officers and other numbers are 270. Total employees 338 are receiving monthly salary more than BDT 3,000.00 per month.

E.3. IT & Management Information System (MIS)

Like most of the companies in the industry BNICL's MIS and regulatory reports are based on manual system which is obviously slow. Sound IT infrastructure requires substantial investment in IT platform that many of the companies are not interested, although a modern insurance company can't think of effective business management without having a well planned IT system. BNICL has a total of 40 computers in its head office and branches. However the firm uses different software to perform its activities from Oracle. The company performs activities like storing underwriting rates; prepare salary sheets, managing attendance and all other administrative works. Branches are not connected with online facility but uses internet from 'Citycell'.

E.4. Insurance Coverage

BNICL's has the necessary fire& lighting, R&SD and earthquake risk insurance coverage for building, electric equipment, furniture and fixtures of two floors of the registered address. Its insurance agreement made with own company. Other than that it also has insurance coverage of entire vehicles by this company.

E.5. Declaration

The company has given declaration that it does not have liability obligations with any Bank and financial institute. The company has also declared that it has some legal issues pending as per the relevant documents provided.

F. LIST OF ABBREVIATION

ECRL	Emerging Credit Rating Limited	BNICL	Bangladesh National Insurance Co. Limited
ROA	Return on Asset	ROE	Return on Equity
PBIRT	Profit before interest, reserve and tax		
GP	Gross Premium	NP	Net Premium
CFO	Cash Flow from Operation		

G. CORPORATE INFORMATION

Management Team

Name	Position	Educational Qualification	Date of Joining
Mr. Md. Sana Ullah	Managing Director	B.A (Hon's) M.A	15-04-2013
Mr. Md. Omar Farooq	Additional Managing Director	B.SC	01-12-2012
Mr. Md. Emdadul Haque	Deputy Managing Director	B.A	31-10-2013
Mr. Ishraq Khan	Deputy Managing Director	B.A.	22-07-2003
Mr. Sk. Salahuddin Ahmed	Senior General Manager (Head of Re-insurance, Claim, Branch control & Underwriting Department)	M.S.C.	22-06-1996
Mr. Md. Ferozul Islam	General Manager & CFO	M.Com, C.A (C.C)	01-10-2000
Mr. Md. Masud Rana	Sr. Assistant General Manager & Company Secretary	M.Com (Management) L.L.B CA-C.C	02-02-2002
Mr. Khandoker Rezaur Rahman	Assistant General Manager (Head of Administration)	B.A	31-10-2013

Shareholding Position for Sponsor Directors

Sl No	Shareholders	Designation	No. of Shares	Percentage
1	Mr. Abdul Baset Majumder	Chairman	885,000	3.33
2	Mr. Mostafa Kamal	Vice Chairman	2,424,833	9.13
3	Ms. Beauty Akter	Director	1,000,000	3.77
4	Mr. Abdur Rouf	Director	1,155,000	4.35
5	Ms. Tanjima Binthe Mostafa	Director	3,208,334	12.08
6	Ms. Tahmina Binthe Mostafa	Director	3,308,334	12.46
7	Mr. Taif Bin Yousuf	Director	895,833	3.37
8	Mr. Tanveer Ahmed Mostafa	Director	4,175,167	15.73
9	Mr. Abdul Baten	Director	1,140,833	4.30
10	Ms. Hasina Begum	Director	895,833	3.37
11	Mr. Yousuf Ali	Director	895,833	3.37
12	Ms. Farida Akter	Director	1,075,000	4.05
13	Mr. Muhammad Zakaria	Share Holder	1,200,000	4.52
14	Mr. M.F. Kamal	Share Holder	1,200,000	4.52
15	Mr. Md. Abu Taher	Share Holder	100,000	0.38
16	Ms. Tasnim Binthe Mostafa	Share Holder	1,000,000	3.77
17	Mr. Wasikur Rahman	Share Holder	1,000,000	3.77
18	Mr. Nasir Uddin	Share Holder	890,000	3.35
19	Mr. Md. Belayet	Share Holder	100,000	0.38
	Total		**26,550,000**	**100**

Registered office : WW Tower (level-15), 68, Motijheel C/A, Dhaka-1000
Telephone : 88-02-9573481-8; **Fax:** 88-02-9555704; **Website:** www.bniclimited.com

Auditors 1 : Mahfuz Amin Nowsher& Co., Chartered Accountants
Auditors 2 : Nurual Azim & Co, Chartered Accountants

Re-Insurer : **Sadharan Bima Bhaban,**
Address : 33, Dilkusha C/A, Dhaka-1000.
E-mail : head-office@sbc.gov.bd

BANGLADESH NATIONAL INSURANCE COMPANY LIMITED
BALANCE SHEET

Amount in BDT

Financial Year Ending: December	2014*	2013	2012	2011	2010
Capital & Liabilities					
Authorized Share Capital					
10,000,000 ordinary shares of BDT 100.00 each	1,000,000,000	200,000,000	200,000,000	200,000,000	200,000,000
Issued, Subscribed and Paid up Capital					
26,550,000 ordinary shares of BDT 100.00 each	265,500,000	60,000,000	60,000,000	60,000,000	60,000,000
Reserve or Contingency account /Surplus					
Reserve for Exceptional Losses	126,806,040	107,820,669	83,549,120	75,062,998	66,662,772
Profit & Loss Appropriation Accounts	23,286,821	10,066,602	9,766,262	5,736,450	6,569,411
Investment Fluctuation Reserve	-	7,500,000	7,500,000	5,000,000	2,500,000
	150,092,861	125,387,271	100,815,382	85,799,448	75,732,183
Total Shareholder's Equity	415,592,861	185,387,271	160,815,382	145,799,448	135,732,183
Balance of Fund & Accounts					
Fire insurance Business A/c	16,654,171	17,883,192	10,851,044	12,516,459	8,914,139
Marine Insurance Business A/c	36,103,133	48,476,809	13,707,089	14,191,505	14,231,492
Marine Hull Insurance Business A/c	44,336	148,976	214,156	94,474	119,645
Motor insurance Business A/C	19,507,576	20,382,295	4,880,328	2,394,813	2,487,723
Miscellaneous Insurance Business A/C	3,658,871	10,284,308	4,420,367	4,460,336	3,357,726
	75,968,086	97,175,580	34,072,983	33,657,588	29,110,726
Deposit Premium	35,896,499	23,657,159	15,221,817	6,680,044	6,800,118
Liabilities & Provision					
Outstanding claims due or intimated	104,756,015	81,349,472	104,732,043	92,173,643	84,430,615
Deferred Tax	7,821,672	-	-	-	-
Amount due to other persons or bodies carrying on Insurance business	12,227,405	15,963,209	8,220,440	5,664,883	20,551,298
Sundry Creditor including Provision for Expenses and Taxes	48,458,944	34,350,073	25,749,022	20,177,079	19,323,617
	173,264,036	131,662,754	138,701,505	118,015,605	124,305,530
Total Shareholder's Equity & Liability	700,721,481	437,882,763	348,811,686	304,152,684	295,948,558
Property & Assets					
Investment					
Investment in national investment Bonds (NIB)	25,000,000	25,000,000	9,000,000	9,000,000	9,000,000
Investment in Shares	30,050,838	32,743,522	33,624,380	37,397,626	24,662,750
	57,743,522	57,743,522	42,624,380	46,397,626	33,662,750
Interest Dividend and & Rents Outstanding	14,289,067	10,503,664	8,305,064	6,699,296	6,288,449
Amount due from other persons or bodies carrying on Insurance Business	3,504,303	3,504,303	3,504,303	3,504,303	3,504,303
Sundry Debtors	33,604,394	32,280,205	22,721,514	19,021,895	14,279,689
Advance, deposits & Prepayments	228,474	3,615,646	3,794,594	4,634,107	8,330,665
Stamp in Hand	-	-	-	-	-
Stock of Printing	249,321	158,963	230,794	329,213	427,633
Cash in hand	515,864,418	253,116,884	197,233,640	151,811,270	152,677,388
	515,864,418	253,116,884	197,233,640	151,811,270	152,677,388
Other Accounts					
Fixed Assets (Less Depreciation)	77,930,666	76,959,576	70,397,399	71,754,973	76,777,680
	77,930,666	76,959,576	70,397,399	71,754,973	76,777,680
Total Property & Assets	700,721,481	437,882,763	348,811,686	304,152,684	295,948,558

FY2010-FY2013 data extracted from audit report
**FY2014 data extracted from seven months audited report*

BANGLADESH NATIONAL INSURANCE COMPANY LIMITED
STATEMENT OF COMPREHENSIVE INCOME

Amount in BDT

Financial Year Ending: December	2014*	2013	2012	2011	2010
Profit /(Loss) Transferred					
Fire insurance Business A/c	6,836,295	5,469,833	4,448,376	4,243,646	3,205,914
Marine Insurance Business A/c	20,826,930	14,092,176	5,570,619	10,776,730	5,342,755
Marine Hull Insurance Business A/c	51,543	(85,352)	(168,071)	(9,164)	(63,042)
Motor insurance Business A/C	3,287,186	2,413,504	719,846	52,529	(1,137,201)
Miscellaneous Insurance Business A/C	3,895,474	1,748,257	909,222	476,825	519,518
	34,897,428	**23,638,418**	**11,479,993**	**15,540,566**	**7,867,944**
Interest Dividend and Rates					
Interest received	17,736,390	25,991,458	17,934,938	11,421,755	13,045,285
Profit / (Loss) on Investment	-	(1,088,998)	(4,024,246)	(9,760,540)	(1,807,250)
Loss/ Gain on investment in Share/ Fixed Assets	682,360	255,122	689,350	-	72,822
	18,418,750	**25,157,582**	**14,600,042**	**1,661,216**	**11,310,857**
Total	**53,316,177**	**48,796,000**	**26,080,035**	**17,201,781**	**19,178,801**
Expenses of Management					
(not applicable to any particular fund or account) :					
Advertisement & Publicity	83,875	241,960	93,920	92,000	112,740
Directors fees & TA/DA	268,700	211,600	206,400	119,600	252,800
Board Meeting Exp	-	20,625	-	-	2,780
Donation & Subscription	-	1,507,500	923,700	155,500	306,500
Depreciation	4,404,625	6,416,342	5,167,444	5,395,007	3,399,791
Audit Fess	69,000	51,750	116,000	140,250	387,250
	4,826,200	**8,449,777**	**6,507,464**	**5,902,357**	**4,461,861**
Balance for the year carried to Profit & Loss Appropriation	48,489,977	40,346,223	19,572,571	11,299,424	14,716,940
Total	**53,316,177**	**48,796,000**	**26,080,035**	**17,201,781**	**19,178,801**

BANGLADESH NATIONAL INSURANCE COMPANY LIMITED
PROFIT AND LOSS APPROPRIATION ACCOUNT

Amount in BDT

Financial Year Ending: December	2014*	2013	2012	2011	2010
Balance Brought forward from Last year	10,066,602	9,766,262	5,736,450	6,569,411	4,761,492
Written back of share fluctuation reserve after adjusting current period loss on share	3,923,211.78				
Net Profit / loss for the year brought down	48,489,977	40,346,223	19,572,571	11,299,424	14,716,940
Total	**62,479,791**	**50,112,485**	**25,309,021**	**17,868,835**	**19,478,432**
Reserve for Exceptional Losses					
Reserve for Exceptional Losses	18,985,371	24,271,549	8,486,122	8,400,226	7,259,735
Investment Fluctuation Reserve	-	-	2,500,000	2,500,000	2,500,000
Provision for Taxation & Deferred Tax	20,207,599	6,774,334	4,556,637	1,232,158	3,149,286
	40,595,059	**31,045,883**	**15,542,759**	**12,132,384**	**12,909,021**
Dividend Paid	-	9,000,000	-		-
Balance Transferred to Balance Sheet	23,286,821	10,066,602	9,766,262	5,736,450	6,569,411
Total	**62,479,791**	**50,112,485**	**25,309,021**	**17,868,835**	**19,478,432**

Earning Per Shares (EPS)	4.17	55.95	25.03	16.78	19.28

BANGLADESH NATIONAL INSURANCE COMPANY LIMITED
CONSOLIDATED ALL BUSINESS REVENUE ACCOUNT

Amount in BDT

Financial Year Ending: December	2014*	2013	2012	2011	2010
Balance of Account at the beginning of the year	56,685,755	34,072,983	33,657,588	29,110,726	29,550,058
Premium Less Re-insurance	189,853,712	242,715,486	84,861,224	84,002,262	72,597,348
Commission on Re-insurance	8,056,216	12,826,039	10,179,677	9,416,344	7,917,050
Total	**254,595,683**	**289,614,509**	**128,698,489**	**122,529,332**	**110,064,456**
Claim Under Policies less Re-Insurance					
Paid during the Year	27,530,778	70,833,702	16,558,367	16,491,208	15,966,634
Total Estimated Liabilities in respect of outstanding claims at the end of the year wheatear due or intimated	104,756,015	81,349,472	104,732,043	92,173,643	84,430,615
	132,286,793	**152,183,174**	**121,290,410**	**108,664,851**	**100,397,249**
Less: Outstanding Claim at the end of the previous year	(81,349,472)	(104,732,043)	(92,173,643)	(84,430,615)	(74,414,078)
	50,937,321	**47,451,131**	**29,116,767**	**24,234,236**	**25,983,171**
Expenses of Management	61,842,880	74,401,844	32,662,952	26,030,789	26,005,340
Agent Commission	30,949,968	46,947,536	21,365,795	23,066,153	21,097,276
Balance of Account at the end of the year					
Reserve for un-expired risks being @40% Fire, Marine, cargo, Motor, Misc and 100% of Marine Hull Premium income of the year	75,968,086	97,175,580	34,072,983	33,657,588	29,110,726
Profit / (Loss) transferred to Profit & Loss account	34,897,428	23,638,418	11,479,992	15,540,566	7,867,944
Total	**254,595,683**	**289,614,509**	**128,698,489**	**122,529,332**	**110,064,456**

FY2010-FY2013 data extracted from audit report

**FY2014 data extracted from seven months audited report*

RATING SYMBOL (NON-LIFE Insurance)

LONG TERM RATING	
RATING	DEFINITION
AAA	An institution rated AAA has an exceptionally strong capacity to meet its financial commitments and exhibits a high degree of resilience to adverse developments in the economy, and in business and other external conditions. These institutions typically possess a strong balance sheet and superior earnings record.
AA	Insurance companies rated AA possess a very strong ability to meet their policyholder obligations. Their overall risk profile, while low, is not quite as favorable as for insurance companies in the highest rating category.
A	Insurance companies rated A possess strong ability to meet their policyholder obligations but are somewhat more susceptible to adverse changes in economic and underwriting conditions than companies in higher-rated categories.
BBB	Insurance companies rated BBB possess an adequate ability to meet their policyholder obligations. However, adverse changes in economic and underwriting conditions over time could affect their claims-paying ability.
BB	Insurance companies rated BB exhibit some weaknesses in their operating profile and / or financial condition. Currently able to meet their policyholder obligations, but claims-paying ability is regarded as marginal and cannot be assured over a long period of time. Such companies are vulnerable to adverse changes in economic and underwriting conditions.
B	Insurance companies rated B exhibit fundamental weaknesses in their operating profile and / or financial condition. Currently able to meet their policyholder obligations, but claims-paying ability is regarded as weak. Such companies have limited capacity to withstand adverse changes in economic and underwriting conditions.
C	Insurance companies rated C possess a very weak ability to meet their policyholder obligations. The continued capacity of these companies to meet their policyholder obligations is poor and highly dependent on favorable economic and underwriting conditions.
D	Insurance companies rated D possess an inadequate ability to meet their policyholder obligations. Such companies require periodic external support or regulatory intervention without which their continued viability is in doubt. The rating indicates that a default may have already occurred or there is a high likelihood of default on their policyholder obligations.

Notes: *Ratings from AA to B may be modified by the addition of a plus (+) or minus (-) suffix to show relative standing within the major rating categories.*

SHORT-TERM RATINGS	
ECRL's Short-Term Ratings reflect the institution's capacity to meet its financial commitments due within one year.	
RATING	DEFINITION
ECRL - 1	An institution rated ECRL-1 has a superior capacity to meet its financial commitments in a timely manner. Adverse developments in the economy and in business and other external conditions are likely to have a negligible impact on the institution's capacity to meet its financial obligations.
ECRL - 2	An institution rated ECRL-2 has a strong capacity to meet its financial commitments in a timely manner; however, it is somewhat susceptible to adverse developments in the economy, and in business and other external conditions.
ECRL - 3	An institution rated ECRL-3 has an adequate capacity to meet its financial commitments in a timely manner. However, the institution's capacity to meet its financial obligations is more likely to be weakened by adverse changes in the economy, and in business and other external conditions than higher-rated institutions.
ECRL - 4	An institution rated ECRL-4 has an inadequate capacity to meet its financial commitments in a timely manner. The rating indicates that the institution is likely to default on its financial commitments, without some form of strong external support. A default may have already occurred.
ECRL - 5	High likelihood of default, with little capacity to address further adverse changes in financial circumstances.
ECRL - 6	Payment in default.

Rating Outlook	
ECRL's Rating Outlook assesses the potential direction of the Insurer Rating over the intermediate term (typically over a one to two-year period). The Rating Outlook may either be :	
POSITIVE	Which indicates that a rating may be raised;
NEGATIVE	Which indicates that a rating may be lowered;
STABLE	Which indicates that a rating is likely to remain unchanged; or
DEVELOPING	Which indicates that a rating may be raised, lowered or remain unchanged.

Additional disclosure by Auditors

The management of Bangladesh National Insurance Company Limited has given the following explanation in response to the BSEC's query regarding their proposed IPO (reference no. BSEC/CI/IPO-57/2014/817, dt. December 03, 2014).

Query 1. A huge increase in profit observed from the year 2013 (as on December 31, 2013) to 2014 (as on July, 2014) in the Audited Financial Statements under Fire Insurance, Marine Insurance (Cargo), Marine Insurance (Hull), Motor Insurance & Miscellaneous Insurance. Explanation with bank statement required.

Reply: Due to origination of IDRA and enactment of Insurance Act, 2010 a revolutionary change has emerged in the insurance sector. As some barriers have been imposed on credit business, payment of huge commission, uneven competition among insurance companies has reduced and as a result insurance companies have become more profitable.

On the other hand, during the last two years (i.e. 2013 & 2014) business of Bangladesh National Insurance Company Limited has flourished significantly. As a result, premium income (net of reinsurance) has increased to Tk. 189,853,711.85 during January 2014 to July 2014 (for the last 7 months) than that of Tk. 130,004,807.60 during January 2013 to July 2013. However, annual premium income (net of reinsurance) was Tk. 242,715,486.25 for the year ended on December 2013. Since, premium revenue of the company has significantly increased, profitability has also increased consequentially. A comparative table of premium income and profit has been presented below:

Description	Premium less reinsurance		Profit/(loss)	
	Jan.-Jul. 2014	Jan.-Dec. 2013	Jan.-Jul. 2014	Jan.-Dec. 2013
Fire Insurance	41,635,426.70	44,707,979.84	6,836,295.20	5,469,833.22
Marine Insurance (Cargo)	90,257,832.65	121,192,022.50	20,826,929.82	14,092,176.10
Marine Insurance (Hull)	44,336.12	148,976.43	51,542.87	(85,352.13)
Motor Insurance	48,768,939.68	50,955,737.29	3,287,185.54	2,413,504.09
Miscellaneous Insurance	9,147,176.70	25,710,770.19	3,895,474.25	1,748,256.83
Total	**189,853,711.85**	**242,715,486.25**	**34,897,427.68**	**23,638,418.11**

Moreover, due to major restructuring of top management at the end of 2012 and beginning of 2013 the company has become successful in boosting up its business activities. For instance, Md. Sana Ullah was appointed as Managing Director of the company on 15 April 2013, Md. Omar Farooq was appointed as Additional Managing Director on 1 December 2012, Md. Emdadul Haque was appointed as Deputy Managing Director and Mr. Khandoker Rezaur Rahman was appointed as Assistant General Manager (Head of Administration) on 31 October 2013. All of these top executives are very experienced in insurance sector and due to their prominence and hard work along with support of existing executives the Company has grown at a better rate than before. Moreover in the year 2014 BNICL has initiated 4 new branches and has employed new development officers, which also contributed positively in the Company's profitability.

We may mention bank statements were again checked and found consistency with increased business activities of the Company.

Query 2. There is an abnormal increase in cash and bank balance shown on July, 2014 than that of the year 2013. Documents regarding the same are required with explanation.

Reply: As on 31 December 2013, cash and bank balance of the company was Tk. 253,116,884.06 whereas on 31 July 2014 cash and bank balance of the company stood Tk. 515,864,418.10. This abnormal increase is due to issuance of rights shares amounting Tk. 205,500,000 by the company to its existing shareholders in consideration of additional subscription money collected through banking channel.

Query 3. An amount of Tk. 35,04,302.59 is shown as amount due from other persons or bodies from the year 2010 to 2014. Explanation with supporting documents is required.

Reply: This amount represents the total receivable from various insurance companies carrying on insurance business as co-insurer with Bangladesh National Insurance Company Limited. Before enactment of Insurance Act, 2010 it was a common practice among insurance companies to adjust these dues with receivables and payables generated through co-insurance business among the participating insurance companies. But after enactment of Insurance Act, 2010 adjustment of co-insurance dues is not allowed anymore. Hence, the receivable is same since 2010. Please be noted that in insurance industry this type of due is a common practice. As co-insurance business has been performed among different insurance companies, there exist a good business relation among them. Hence this due is considered as well and good. However, to be prudent, management of the company is planning to write off this due in the financial statements for the year 2014, if not been recovered by that time.

Query 4. There is an abnormal increase in sundry debtors from the year 2010 to 2014. Explanation with supporting documents is required.

Reply: Detail breakup of sundry debtors from 2010 to 2014 is as follows which are extracted from audited financial statements of Bangladesh National Insurance Company Limited.

	31.07.2014 Taka	**31.12.2013 Taka**	**31.12.2012 Taka**	**31.12.2011 Taka**	**31.12.2010 Taka**
Security Deposits against telephone	58,000.00	58,000.00	58,000.00	58,000.00	58,000.00
Advance against office rent	2,443,664.00	2,571,614.00	1,023,364.00	878,574.00	476,824.00
Advance Income Tax (Company)	30,982,103.02	29,425,631.32	21,519,420.07	18,083,020.87	13,714,964.62
Advance against salary	120,627.00	224,960.00	120,730.00	2,300.00	29,900.00
Sundry Debtors-Including Advances, Deposits & prepayments	**33,604,394.02**	**32,280,205.32**	**22,721,514.07**	**19,021,894.87**	**14,279,688.62**

It is evident from the above table that the abnormal increase in sundry debtors is due to increase in advance income tax of the Company. On 31 July 2014, sundry debtors was Tk. 33,604,394.02 out of which Tk. 30,982,103.02 was in advance income tax which is about 92.20% of total sundry debtors. Against the total advance income tax total provision for income tax was Tk. 41,671,256.23. As assessment of income tax since assessment year 2006-07 has not been finalized yet, advance income tax has not been adjusted. After finalization of assessment this figure will be adjusted with respective income tax. Detail information on income tax status of the company has been disclosed in Note 47.00 of the audited financial statements for the seven month period ended on 31 July 2014.

We have examined their explanation, the relevant facts, events and related books and documents as required for our jobs and can draw our opinion that the explanation given by the management of Bangladesh National Insurance Company Limited is correct.

	Sd/-	Sd/-
Dated: Dhaka	**Nurul Azim & Co.**	**Mahfuz Amin Nowsher & Co.**
23 December 2014	Chartered Accountants	Chartered Accountants

Management disclosure

Query by BSEC Different Ratios such as current ratio, operating ratio, gross margin ratio and return on assets provided by the company and by the credit rating company differ. Explanation required.

Reply: In practice ratios are calculated under different methods by different organizations. Difference in some ratios provided by the auditor and the credit rating company exists due to adoption of different methods of calculation by them. Detail calculation procedure adopted by the auditor and the credit rating company for calculating the mismatched ratios are given below.

Current Ratio:

Calculation procedure adopted by auditors-

Current ratio = Current asset / Current liabilities

= (Outstanding Premium + Interest Accrued but not Due + Amount Due from Other Persons or Bodies carrying on Insurance Business + Sundry Debtors Including Advances, Deposits & prepayments + Stock of Printing & Stationery + Cash and Bank Balances) / (Balance of Funds and Accounts + Premium Deposits Account + Liabilities and Provisions)

Year	2014*	2013	2012	2011	2010
Current ratio by auditor	567,739,976.26 / 285,128,622.27 =1.99	303,179,664.88 / 252,495,493.78 =1.20	235,789,907.12 / 187,996,305.67 =1.25	186,000,085.56 / 158,353,238.05 =1.17	185,508,126.36 / 160,216,374.02 =1.16

* for 7 months period ended on 31 July 2014.

Calculation procedure adopted by credit rating company-

Current ratio = Current asset / Current liabilities

= (Outstanding Premium + Interest Accrued but not Due + Amount Due from Other Persons or Bodies carrying on Insurance Business + Sundry Debtors Including Advances, Deposits & prepayments + Stock of Printing & Stationery + Cash and Bank Balances) / (Premium Deposits Account + Liabilities and Provisions - Deferred tax liability)

Year	2014*	2013	2012	2011	2010
Current ratio by credit rating co.	567,739,976.26 / 201,338,863.49 =2.82	303,179,664.88 / 155,319,913.41 =1.95	235,789,907.12 / 153,923,322.19 =1.53	186,000,085.56 / 124,695,648.96 =1.49	185,508,126.36 / 131,105,648.16 =1.41

* for 7 months period ended on 31 July 2014.

Return on Assets Ratio (ROA):

Calculation procedure adopted by auditors-

Return on asset = Profit after tax / Total assets

= (Net profit before tax - Current tax - deferred tax) / (Non current assets + Current assets)

Year	2014*	2013	2012	2011	2010
ROA % by auditor	28,282,378.11 / 700,721,481.14 =4.04 %	33,571,888.56 / 437,882,762.74 =7.67 %	15,015,934.05 / 348,811,686.08 =4.30 %	10,067,263.80 / 304,152,684.40 =3.31 %	11,567,654.18 / 295,948,556.57 =3.91 %

* for 7 months period ended on 31 July 2014.

Calculation procedure adopted by credit rating company-

Return on asset = Profit before tax / Total assets

= Net profit before tax / (Non-current assets + Current assets)

Year	2014*	2013	2012	2011	2010
ROA % by credit rating co.	48,489,976.91 700,721,481.14 =6.92 %	40,346,222.52 437,882,762.74 =9.21 %	19,572,570.90 348,811,686.08 =5.61 %	11,299,422.06 304,152,684.40 =3.72 %	14,716,940.18 295,948,556.57 =4.97 %

* for 7 months period ended on 31 July 2014.

Please be noted that the auditors' of BNICL has calculated operating ratios (that includes accounts receivable turnover ratio, inventory turnover ratio and assets turnover ratio) and gross margin ratio as per requirement of annexure-B of the Securities and Exchange Commission (Public Issue) Rules, 2006 whereas there are no such ratios mentioned in the credit rating report by the rating company.

Query by BSEC As per rules the claim must be approved or settled on its claim merit within 90 days of claim registered or last submitting of the required documents. In the credit rating report it is mentioned that claim settled on time not yet confirmed by any document, hence it has to follow the rules. Explanation with supporting documents is required.

Reply: As per rules, claim must be approved or settled on the basis of its merit within 90 days of being raised and accordingly BNICL settles claim within the stipulated time. But in some cases multiple surveys are needed and sometimes the insured also delay in submitting proper papers and documents relating to claim settlement and unintentional delay in claim settlement may take place. However, after getting proper papers and documents in due time no claim remains unsettled.

Query by BSEC The total Management expense in the year 2013 that comprises the management expense and the agency commission is higher than the allowable expense which is inconsistent with Section 63 of Insurance Act, 2010. Explanation required.

Reply: Due to the present price hike in almost all aspects, expenses relating to salary & allowances, rent of office spaces, electricity bill, printing & stationary expenses, licensing fee and other fees and charges has become very high. As a result in the year 2013, total management expenses has become higher than the allowable limit. As far as we know, presently in insurance sector the management expense of almost all companies are higher than the allowable limit. However, management of BNICL is very much concern about the matter and are trying to reduce these expenses so that total management expenses could be brought down to the allowable limit set by section 63 of the Insurance Act, 2010.

Query by BSEC Actual investment trend of the company observed excess than required over the last five years which is inconsistent with Section 43 (6) of Insurance Act, 2010. Explanation required.

Reply: Every insurance company has to maintain a certain level of solvency margin as investment under section 43 of the Insurance Act, 2010. These investments are made to secure the policy holders if any unexpected underwriting losses arise. As BNICL is maintaining excess investment amount, solvency of the Company is high in settling claim of policy holders which is a good sign as liabilities can be settled comparatively better way. Since Insurance Act does not prohibit keeping of excess margin, it is not a violation of section 43 of the Insurance Act, 2010.

Query by BSEC All the insurance coverage of the company of its own is done with the company itself. Explanation required with reference to the Insurance Act.

Reply: As far as we know, the Insurance Act, 2010 does not prohibit taking insurance coverage of own assets by the same insurance company. However, to diversify the risk, BNICL has entered into re-insurance on all of its risks with Sadharan Bima Corporation as per treaty.

New IPO Application Process

Step-1 (Applicant)

30. An applicant for public issue of securities shall submit application/buy instruction to the Stockbroker/Merchant Banker where the applicant maintains customer account, within the cut-off date (i.e. the subscription closing date), which shall be the **25th (twenty fifth) working day** from the date of publication of abridged version of prospectus.

31. The application/buy instruction may be submitted in prescribed paper or electronic form, which shall contain the Customer ID, Name, BO Account Number, Number of Securities applied for, Total Amount and Category of the Applicant. At the same time:

    c. Other than non-resident Bangladeshi (NRB) and Foreign applicants shall make the application money and service charge available in respective customer account maintained with the Stockbroker/Merchant Banker. No margin facility, advance or deferred payment is permissible for this purpose. In case the application is made through a margin account, the application money shall be deposited separately and the Stockbroker/Merchant Banker shall keep the amount segregated from the margin account, which shall be refundable to the applicant, if become unsuccessful.

    d. Non-resident Bangladeshi (NRB) and Foreign applicants shall submit bank drafts (FDD), issued in favor of the Issuer/Mutual Fund for an amount equivalent to the application money, with their application to concerned Stockbroker/Merchant Banker. A Non-resident Bangladeshi (NRB) and Foreign applicant may also submit a single draft against 02 (two) applications made by him/her, i.e. one in his/her own name and the other jointly with another person. The draft (FDD) shall be issued by the Bank where the applicant maintains NITA/Foreign Currency account debiting the same account. No banker shall issue more than two drafts from any NITA/Foreign Currency account for any public issue. At the same time, the applicant shall make the service charge available in respective customer account maintained with the Stockbroker/Merchant Banker.

Step-2 (Intermediary)

32. The Stockbroker/Merchant Banker shall maintain a separate bank account only for this purpose namely "Public Issue Application Account". The Stockbroker/Merchant Banker shall:

    d. post the amount separately in the customer account (other than NRB and Foreign applicants), and upon availability of fund, block the amount equivalent to the application money;

    e. accumulate all the application/buy instructions received up to the cut-off date, deposit the amount in the "Public Issue Application Account" maintained with its bank within the first banking hour of **next working day** of the cut-off date. In case of application submitted by the Stock-dealer or the Merchant Banker's own portfolio, the application amount should also be transferred to the "Public Issue Application Account";

    f. instruct the banker to block the account for an amount equivalent to the aggregate application money and to issue a certificate in this regard.

33. Banker of the Stockbroker/Merchant Banker shall block the account as requested for, issue a certificate confirming the same and handover it to the respective Stockbroker/Merchant Banker.

34. For Non-resident Bangladeshi (NRB) and Foreign applicants, the Stockbroker/Merchant Banker shall hold the bank drafts (FDD) submitted by the applicants in their custody, with a list containing the draft information against the respective applicant's particulars.

35. The Stockbroker/Merchant Banker shall prepare category wise lists of the applicants containing Customer ID, Name, BO Account Number and Number of Securities applied for, and **within 03 (three) working days** from the cut-off date, send it to the respective Exchange in electronic (text format with tilde '~' separator) format and the certificate(s) issued by its banker and a copy of the list containing the draft information received from Non-resident Bangladeshi (NRB) and Foreign applicants.

36. **On the next working day,** the Exchanges shall provide the Issuer/AMC of Mutual Fund with the information received from the Stockbroker/Merchant Bankers. Exchanges shall verify and preserve the bankers' certificates and list containing the draft information in their custody.

37. The application/buy instructions shall be preserved by the Stockbroker/Merchant Bankers up to 6 months from listing of the securities with exchange.

Step-3 (Issuer/AMC of Mutual Fund)

38. The Issuer/AMC of Mutual Fund shall prepare consolidated list of the applications and send the applicants' BOIDs in electronic (text) format in a CDROM to CDBL for verification. The Issuer/AMC of Mutual Fund shall post the consolidated list of applicants on its website and websites of the Exchanges. CDBL shall verify the BOIDs as to whether the BO accounts of the applicants are active or not.

39. **On the next working day,** CDBL shall provide the Issuer/AMC of Mutual Fund with an updated database of the applicants containing BO Account Number, Name, Addresses, Parents' Name, Joint Account and Bank Account Information along with the verification report.

40. After receiving verification report and information from CDBL, the Issuer/AMC of Mutual Fund shall scrutinize the applications, prepare category wise consolidated lists of valid and invalid applications and submit report of final status of subscription to the Commission and the Exchanges **within 10 (ten) working days** from the date of receiving information from the Exchanges.

41. The Issuer/AMC of Mutual Fund and the Issue Manager shall conduct category wise lottery with the valid applications **within 03 (three) working days** from the date of reporting to the Commission and the Exchanges, if do not receive any observation from the Commission or the Exchanges.

42. The Issuer/AMC of Mutual Fund and Issue Manager shall arrange posting the lottery result on their websites **within 06 (six) hours** and on the websites of the Commission and Exchanges **within 12 (twelve) hours** of lottery.

43. **Within 02 (two) working days** of conducting lottery, the Issuer/AMC of Mutual Fund shall:

    e. send category wise lists of the successful and unsuccessful applicants in electronic (text format with tilde '~' separator) format to the respective Exchange.

    f. send category wise lists of unsuccessful applicants who are subject to penal provisions as per conditions of the Consent Letter issued by the Commission in electronic (text format with tilde '~'

separator) format to the respective Exchange mentioning the penalty amount against each applicant.

g. issue allotment letters in the names of successful applicants in electronic format with digital signatures and send those to respective Exchange in electronic form.

h. send consolidated allotment data (BOID and number of securities) in electronic text format in a CDROM to CDBL to credit the allotted shares to the respective BO accounts.

Step-4 (Intermediary)

44. **On the next working day,** Exchanges shall distribute the information and allotment letters to the Stockbroker/Merchant Bankers concerned in electronic format and instruct them to:

e. remit the amount of successful (other than NRB and Foreign) applicants to the Issuer's/Mutual Fund's respective Escrow account opened for subscription purpose, and unblock the amount of unsuccessful applicants;

f. send the bank drafts (FDD) submitted by successful NRB and Foreign applicants to the Exchange along with a list and return the drafts submitted by unsuccessful applicants;

g. send the penalty amount of other than NRB and Foreign applicants who are subject to penal provisions to the Issuer's/Mutual Fund's respective Escrow Accounts along with a list and unblock the balance application money;

h. send the drafts (FDD) submitted by unsuccessful NRB and Foreign applicants who are subject to penal provisions, to the respective Exchange, along with a list.

45. **On the next working day** of receiving the documents from the Exchanges, the Stockbrokers/Merchant Bankers shall request its banker to:

c. release the amount blocked for unsuccessful (other than NRB and Foreign) applicants;

d. remit the aggregate amount of successful applicants and the penalty amount of unsuccessful (other than NRB and foreign) applicants who are subject to penal provisions to the respective 'Escrow' account of the Issuer/Mutual Fund opened for subscription purpose.

46. **On the same day** the Stockbroker/Merchant Bankers shall:

c. send the drafts (FDD) submitted by successful NRB and Foreign applicants to the Exchange concerned along with a list and return the drafts submitted by unsuccessful NRB and Foreign applicants;

d. send the drafts (FDD) submitted by unsuccessful NRB and Foreign applicants who are subject to penal provisions to the respective Exchange separately along with a list of the applicants.

47. **On the next working day** of receiving request from the Stockbrokers/Merchant Bankers, their bankers shall unblock the amount blocked in the account(s) and remit the amount as requested for to the Issuer's/Mutual Fund's 'Escrow' account.

48. **Simultaneously,** the Stockbrokers/Merchant Bankers shall release the application money in the customer accounts; inform the successful applicants about allotment of securities and the unsuccessful applicants about releasing their blocked amounts and send documents to the Exchange evidencing details of the remittances made to the respective 'Escrow' account of the Issuer/Mutual Fund. The unblocked amounts of unsuccessful applicants shall be placed as per their instructions.

The Stockbroker/Merchant Banker shall be entitled to recover the withdrawal charges, if any, from the applicant who wants to withdraw the application money, up to an amount of Tk. 5.00 (five) per withdrawal.

49. **On the same day,** Exchanges shall send the drafts submitted by successful NRB and Foreign applicants and also by unsuccessful NRB and Foreign applicants who are subject to penal provisions, to the Issuer/AMC of Mutual Fund.

50. In case of drafts (FDD) submitted by successful NRB or Foreign applicant for any amount excess to the value of securities to be allotted or by unsuccessful NRB and Foreign applicants who are subject to penal provisions, refund of the balance amount shall be made by the Issuer/AMC of Mutual Fund to the applicant through bank drafts issued in the same currency within 7 (seven) working days of receiving the drafts from Exchange.

Miscellaneous:

51. The Issuer/AMC of Mutual Fund, Issue Manager(s), Stockbrokers and Merchant Bankers shall ensure compliance of the above.

52. The bank draft (FDD) shall be issued considering TT Clean exchange rate of Sonali Bank Ltd. on the date of publication of abridged version of prospectus.

53. Amount deposited and blocked in the “Public Issue Application Account” shall not be withdrawn or transferred during the blocking period. Amount deposited by the applicants shall not be used by the Stockbrokers/Merchant Bankers for any purpose other than public issue application.

54. The Issuer/AMC of Mutual Fund shall pay the costs related to data transmission, if claimed by the Exchange concerned up to an amount of Tk. 2,00,000.00 (taka two lac) for a public issue.

55. The Stockbrokers/Merchant Bankers shall be entitled to a service charge of Tk. 5.00 (taka five) only per application irrespective of the amount or category. The service charge shall be paid by the applicant at the time of submitting application.

56. The Stockbroker/Merchant Banker shall provide the Issuer/AMC of Mutual Fund with a statement of the remittance and drafts sent.

57. The Issuer/AMC of Mutual Fund shall accumulate the penalty amount recovered and send it to the Commission through a bank draft/payment order issued in favor of the Bangladesh Securities and Exchange Commission.

58. The concerned Exchange are authorized to settle and complaints and take necessary actions against any Stockbroker in case of violation of any provision of the public issue application process with intimation to the Commission.

List of the Stockbrokers/Merchant Bankers to receive IPO application

Stockbrokers of DSE:

SL.	Name of TREC Holder (DSE)	TREC No.
1	A B S Safdar & Co. Ltd.	124
2	A N F Management Company Limited	117
3	A N W Securities Ltd.	240
4	A. L. Securities Ltd.	222
5	A. M. Securities and Financial Services Limited	205
6	A. R. Chowdhury Securities Ltd.	022
7	A.B. Ispahani Securities Ltd.	001
8	A.K. Khan Securities Ltd.	006
9	AB & Co. Ltd.	043
10	AB Securities Limited	201
11	ACE Capital Management Service Ltd.	016
12	AD Holdings Limited	213
13	Adil Securities Ltd.	017
14	AHC Securities Limited	151
15	Ahmed Iqbal Hasan Securities Ltd.	114
16	AIBL Capital Market Services Ltd.	234
17	Akij Securities Ltd.	231
18	Al-Haj Securities & Stocks Ltd.	093
19	Al-Haja Jahanara Securities Ltd.	138
20	Al-Muntaha Trading Co.Ltd.	049
21	Ali Securities Co. Ltd.	105
22	Alliance Securities & Management Limited	137
23	Aloco Securities Ltd.	139
24	Alpha Equities Ltd.	056
25	Anchor Securities Ltd.	177
26	Anwar Securities Limited	160
27	Apex Investments Limited	007
28	ARC Securities Limited	100
29	Arena Securities Ltd.	025
30	Aries Securities Ltd.	048
31	ASENZ Securities Ltd.	065
32	Asia Securities Ltd.	088
33	Azam Securities Ltd.	019
34	B & B Enterprise Limited	034
35	Bali Securities Ltd.	153
36	Banco Securities Limited.	063
37	Bangladesh Shilpa Bank	152
38	Bank Asia Securities Limited	237
39	BD Finance Securities Ltd.	030
40	BD Sunlife Securities Ltd.	248
41	BDBL Securities Ltd.	020
42	Beximco Securities Limited	178
43	BLI Securities Limited.	175
44	BRAC EPL STOCK BROKERAGE LTD.	011
45	BRB Securities Limited	220
46	Bulbul Securities (Bulbul Securities Limited)	032
47	C- Maart Securities Limited	183
48	City Brokerage Ltd.	145
49	CMSL Securities Limited	113
50	Coast To Coast Securities Ltd.	198
51	Commerce Bank Securities and Investment Ltd.	180
52	Conmark Limited	228
53	Cosmopolitan Traders (Pvt.) Limited	146
54	Country Stock (Bangladesh) Ltd.	099
55	Crest Securities Ltd.	008
56	Daulatunnessa Equities Limited	037
57	Dayton Holdings Limited	101
58	DBL Securities Limited	193

SL.	Name of TREC Holder (DSE)	TREC No.
59	Delta Capital Limited	185
60	Desa Securities Ltd.	085
61	Dhaka Securities Limited	239
62	Dhanmondi Securities Ltd.	098
63	DLIC Securities Limited	243
64	DMR Securities Services Ltd.	014
65	Doha Securities Limited	127
66	Dragon Securities Ltd.	119
67	DSFM Securities Ltd.	133
68	Dynamic Securities Consultants Limited	126
69	E - Securities Ltd.	066
70	EBL Securities Ltd.	026
71	EMES Securities Ltd.	155
72	Eminent Securities Limited	191
73	Ershad Securities Ltd.	023
74	ETBL Securities & Exchange Ltd.	031
75	Ettihad Securities Ltd.	110
76	Expo Traders Ltd.	230
77	Fareast Stocks & Bonds Ltd.	226
78	Fareast Islami Securities Limited.	170
79	Farida Raquib Securities Ltd.	087
80	Federal Securities And Investment Limited.	045
81	First Capital Securities Ltd.	070
82	Fortune Securities (Pvt.) Ltd.	147
83	G M F Securities Limited.	186
84	Gateway Equity Resources Limited	157
85	Global Securities Ltd.	060
86	Globe Securities Limited	189
87	Green Delta Securities Ltd.	059
88	Greenland Equities Limited	018
89	H R Securities & Investments Ltd.	072
90	Habibur Rahman Securities Ltd.	187
91	HAC Securities Ltd.	074
92	Haji Ahmad Brothers Securities Ltd.	041
93	Haji Mohammad Ali Securities Ltd.	165
94	Harpoon Securities Ltd.	131
95	Harun Securities Ltd.	005
96	Hasan Securities Ltd.	057
97	Hazrat Amanat Shah Securities Ltd.	173
98	Hedayetullah Securities Ltd.	140
99	Howlader Equity Services Limited	102
100	Ibrahim Securities Ltd.	033
101	ICB Securities Trading Company Limited	129
102	IDLC Securities Limited	058
103	IFIC Securities Ltd.	192
104	IIDFC Securities Limited	238
105	Imtiyaz Husain Securities Ltd.	050
106	Indicate Securities Consultants Limited.	154
107	International Leasing Securities Limited	009
108	Investment Promotion Services Limited	158
109	Islami Bank Securities Ltd.	107
110	Island Securities Limited	106
111	Jahan Securities Ltd.	195
112	Jamal Ahmed Securities Ltd.	097
113	JKC Securities Ltd.	179
114	Joytun Securities Intl. Limited	148
115	K-Securities and Consultants Ltd.	122
116	K.H.B. Securities Ltd.	143

SL.	Name of TREC Holder (DSE)	TREC No.
117	Kazi Equities Limited	135
118	Kazi Firoz Rashid Securities Ltd.	029
119	Khurshid Alam Securities Limited	167
120	Khurshid Securities Ltd.	047
121	Khwaja Equity Services Limited	010
122	LankaBangla Securities Ltd.	132
123	Latif Securities Ltd.	080
124	M & Z Securities Limited	196
125	M-Securities Limited	044
126	M. Zubair Securities Ltd.	052
127	MAH Securities Ltd.	013
128	MAM Securities Ltd.	086
129	Md. Fakhrul Islam Securities Ltd.	090
130	Md. Sahidullah Securities Ltd.	091
131	Meghna Life Securities and Investment Ltd.	245
132	Mercantile Bank Securities Limited	224
133	Merchant Securities Limited.	169
134	Mian Abdur Rashid Securities Ltd.	053
135	Midway Securities Ltd.	142
136	Mika Securities Limited	215
137	Mirror Financial Management Ltd.	223
138	Modern Equity Limited	206
139	Modern Securities Ltd.	229
140	Mohammad Talha & Co. Ltd.	069
141	Mona Financial Consultancy & Securities Limited	164
142	Mondol Securities Ltd.	209
143	Moshihor Securities Limited	134
144	MTB Securities Ltd.	197
145	Multi Securities & Services Limited.	075
146	Murshed Securities Ltd.	116
147	Nabiul Karim Securities Ltd.	115
148	NBL Securities Limited	203
149	NCCB Securities & Financial Services Ltd.	061
150	Nexus Securities Limited	218
151	NLI Securities Limited	244
152	Nouvelle Securities Limited	112
153	Nur-E-Alam Siddique & Company Ltd.	182
154	One Securities Limited	241
155	Oshadhi Securities Limited	208
156	Parkway Securities Limited	194
157	Pasha Capital Ltd.	012
158	Peace Securities Limited	159
159	Peoples Equities Ltd.	176
160	PFI Securities Limited	079
161	Phoenix Securities Limited	004
162	PHP Stocks & Securities Ltd.	235
163	Popular Equities Ltd.	068
164	Popular Life Insurance Company Ltd.	232
165	Premier Bank Securities Limited	236
166	Prilink Securities Limited	202
167	Prime Bank Securities Limited.	219
168	Prime Islami Securities Ltd.	104
169	Prudential Securities Limited	073
170	Pubali Bank Securities Limited	214
171	Quayum Securities Ltd.	038
172	R N I Securities Limited	128
173	R. N. Trading Limited	078
174	Rapid Securities Ltd.	042

SL.	Name of TREC Holder (DSE)	TREC No.
175	Rashid Investment Services Ltd.	035
176	Rasti Securities Consultant Ltd.	217
177	Razzak Sucurities Ltd.	184
178	Reliance Brokerage Services Ltd.	062
179	Remons Investment and Securities Ltd.	108
180	Rose Securities Limited	125
181	Royal Capital Ltd.	021
182	Royal Green Securities Limited	077
183	Rupali Bank Securities Limited	246
184	S & H Equities Ltd.	002
185	S. B. Securities Ltd.	051
186	Saad Securities Ltd.	118
187	Sadeque Finance Management Ltd.	028
188	SAHCO Securities Ltd.	046
189	Salam & Company Limited	190
190	Salta Capital Limited	095
191	SAR Securities Ltd.	027
192	SBC Securities & Investment Ltd.	071
193	SCL Securities Limited.	121
194	Securities Broking & Management Services Ltd.	136
195	Shah Mohammad Sagir & Co. Limited	171
196	Shahed Securities Limited	123
197	Shahiq Securities Ltd.(Shanta Securities Limited)	039
198	Shahjahan Securities Ltd.	064
199	Shahjalal Islami Bank Securities Ltd.	233
200	Shakil Rizvi Stock Limited	149
201	Sharp Securities Limited	216
202	Sheltech Brokerage Limited	120
203	Shohrab Securities & Trade Ltd.	225
204	Shyamol Equity Management Ltd.	003
205	SIBL Securities Limited	094
206	Sinha Securities Ltd.	067
207	Square Securities Management Limited	076
208	Standard Bank Securities Ltd.	156
209	Sterling Stocks and Securities Ltd.	249
210	Stock & Bond Limited	199
211	Subvalley Securities Ltd.	168
212	Surma Securities Holding Co. Limited	111
213	Synthia Securities Ltd.	204
214	T. A. Khan Securities Co. Ltd.	174
215	Tamha Securities Limited	081
216	Thea Securities Ltd.	130
217	Times Securities Limited	166
218	Tobarrak Securities Limited.	172
219	Total Communication Ltd.	200
220	Transcon Securities Ltd.	055
221	Treasure Securities Ltd.	221
222	Trust Bank Securities Limited	242
223	Trustee Securities Limited	162
224	UCB Capital Management Limited	181
225	UGC Securities Ltd.	054
226	UniCap Securities Limited	163
227	Unique Share Management Limited	109
228	Uniroyal Securities Ltd.	089
229	United Enterprises & Co. Limited	207
230	United Financial Trading Co. Ltd.	227
231	Uttara Bank Securities Limited	250
232	Vision Capital Management Ltd.	024
233	Wifang Securities Ltd.	210

Stockbrokers of CSE:

SL.	Name of TREC Holder (CSE)	TREC No.
1	A M Securities and Financial Services Ltd.	086
2	A.A. Securities Ltd.	032
3	Abacus Securities Ltd.	083
4	Adams Securities Ltd.	016
5	Ahmed Securities Services Ltd.	070
6	AIBL Capital Market Services Ltd.	139
7	Alpha Securities Ltd.	001
8	Amin Securities & Consultants Ltd.	128
9	Associated Capital Securities Ltd.	063
10	Azim Securities Ltd.	023
11	Base Capital Ltd.	040
12	Be Rich Ltd.	027
13	BRAC EPL Stock Brokerage Ltd.	013
14	British Bengal Securities Ltd.	008
15	Century Securities Ltd.	079
16	Chittagong Capital Ltd.	006
17	Chittagong Shares & Securities Ltd.	060
18	Chowdhury Securities Ltd.	073
19	City Brokerage Ltd.	133
20	CMSL Securities Ltd.	061
21	Cordial Securities Ltd.	113
22	D.N. Securities Ltd.	089
23	DBL Securities Ltd.	081
24	Eastern Shares & Securities Ltd.	058
25	EBL Securities Ltd.	021
26	EIC Securities Ltd.	098
27	E-Securities Ltd.	052
28	Far East Shares & Securities Ltd.	123
29	Fareast Stocks & Bonds Ltd.	138
30	Finvest Services Ltd.	066
31	First Capital Securities Ltd.	011
32	Firstlead Securities Ltd.	122
33	Galaxy Capital Ltd.	085
34	Green Delta Securities Ltd.	130
35	Habib Shares & Securities Ltd.	054
36	Hallmark Securities Ltd.	117
37	Hassan Shares & Securities Ltd.	114
38	Hefazatur Rahman & Co. Ltd.	046
39	Hillcity Securities Ltd.	037
40	Holy City Securities Ltd.	093
41	IDLC Securities Ltd.	119
42	Impel Shares & Securities Ltd.	049
43	Inter Continental Securities Ltd.	094
44	International Leasing Securities Ltd.	080
45	International Securities Co. Ltd.	096
46	Islami Bank Securities Ltd.	146
47	Island Securities Ltd.	005
48	ISPI Securities Ltd.	002
49	Jamuna Bank Securities Ltd.	147
50	Jesco Capital Management Ltd.	121
51	Kabir Securities Ltd.	056
52	Kishwar Security Investment Ltd.	047
53	LankaBangla Securities Ltd.	091
54	Lotus Shares & Securities Ltd.	112
55	Meenhar Securities Ltd.	003
56	Megacity Securities Ltd.	116
57	Mirpur Securities Ltd.	050
58	Moharam Securities Ltd.	108
59	Mona Financial Consultancy & Securities Ltd.)	103
60	Multi Securities & Services Ltd.	097
61	Muntaha Shares & Capital Ltd.	129
62	N.C. Securities Ltd.	107
63	NCCB Securities and Financial Services Ltd.	132
64	Nizams Shares & Securities Ltd.	029
65	North West Securities Ltd.	019
66	One Securities Ltd.	148
67	PFI Securities Ltd.	095
68	Phoenix Securities Ltd.	131
69	PHP Stocks & Securities Ltd.	031
70	Pioneer Shares & Securities Ltd.	034
71	Platinum Securities Ltd.	064
72	Popular Life Insurance Company Ltd.	135
73	Premier Leasing Securities Ltd.	136
74	Prime Financial Consultants & Equities Ltd.	055
75	Prime Islami Securities Ltd.	145
76	Prudential Capital Ltd.	062
77	Pubali Bank Securities Ltd.	105
78	Purabi Securities Ltd.	087
79	Raja Securities Ltd.	074
80	RAK Capital Ltd.	028
81	Reliance Brokerage Services Ltd.	088
82	Reliance Securities Consultant Ltd.	059
83	Remons Investment & Securities Ltd.	042
84	Royal Capital Ltd.	053
85	S. N. Securities Ltd.	125
86	S.R. Capital Ltd.	038
87	Salta Capital Ltd.	022
88	Sanmar Capital Management Ltd.	109
89	Saya Securities Ltd.	010
90	UniCap Securities Ltd.	082
91	Shahjalal Islami Bank Securities Ltd.	134
92	SIBL Securities Ltd.	142
93	Skys Securities Ltd.	084
94	Sohel Securities Ltd.	076
95	South Asia Securities Ltd.	004
96	Square Securities Management Ltd.	092
97	Starport Securities Ltd.	110

SL.	Name of TREC Holder (CSE)	TREC No.
98	Stock & Security Linkway Ltd.	014
99	Super Shares & Securities Ltd.	067
100	Sylhet Metro City Securities Ltd.	025
101	Sylnet Securities Ltd.	033
102	T.K. Shares & Securities Ltd.	069
103	Ten Stars (Pvt.) Ltd.	100
104	UCB Capital Management Ltd.	015

SL.	Name of TREC Holder (CSE)	TREC No.
105	United Financial Trading Co. Ltd.	043
106	Uttara Exchange & Securities Ltd.	024
107	Vanguard Shares & Securities Ltd.	036
108	Vantage Securities Ltd.	115
109	Western Security Investment Mgt. Ltd.	120
110	ZATL Securities Ltd.	045
111	3A & Company Ltd.	044

Merchant Bankers

Sl.	Name of Merchant Banker
1	AAA Finance and Investment Ltd.
2	AB Investment Ltd
3	AFC Capital Ltd.
4	Agrani Equity & Investment Limited
5	AIBL Capital Management Limited
6	Alpha Capital Management Ltd
7	Banco Finance & Investment Limited
8	BD Finance Capital Holdings Limited
9	Beta One Investments Limited
10	BLI Capital Limited
11	BMSL Investment Limited
12	BRAC EPL Investment Ltd.
13	CAPM Advisory Limited
14	City Bank Capital Resources Ltd.
15	EBL Investments Limited
16	EC Securities Ltd.
17	EXIM Islami Investment Ltd.
18	FAS Capital Management Ltd.
19	First Securities Islami Capital and Investment Ltd.
20	Grameen Capital Management Limited
21	Green Delta Capital Ltd.
22	GSP Finance Company (Bangladesh) Ltd.

Sl.	Name of Merchant Banker
23	ICB Capital Management Limited
24	IDLC Investment Ltd.
25	IIDFC Capital Ltd.
26	IL Capital Ltd.
27	Jamuna Bank Capital Management Ltd.
28	Janata Capital & Investment Limited
29	LankaBangla Investment Limited
30	MTB Capital Ltd.
31	PLFS Investments Limited
32	Prime Bank Investment Limited
33	Prime Finance Capital Management Ltd.
34	Race Portfolio and Issue Management Ltd.
35	Royal Green Capital Market Ltd.
36	Rupali Investments Ltd.
37	SBL Capital Management Ltd.
38	Sonali Investment Limited
39	Southeast Bank Capital Services Ltd
40	Swadesh Investment Management Limited
41	Trust Bank Investment Ltd.
42	UniCap Investments Limited
43	Uttara Finance and Investment Limited
44	First Security Services Limited
45	Imperial Capital Limited

Application Form

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Interested persons are entitled to a prospectus, if they desire, and that copies of prospectus may be obtained from the issuer and the issue manager

Bangladesh National Insurance Company Limited

APPLICATION FOR PUBLIC ISSUE

Date	:															
Name of applicant	:															
Client Code	:															
BO ID No.	:															
Category of applicant	:															
Name of the Company/Fund	:															
Number of Shares/Units	:															
Total amount	:															
Amount in word	:															
Mode of payment	:															
Cheque/Draft information	:															

Signature of Applicant(s)

Signature of Authorized Officer