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

PROSPECTUS OF DHAKA INSURANCE LIMITED

For

Public offer of 900,000 ordinary shares of Tk. 100 each at an issue price of Tk. 120.00 each including a premium of Tk. 20.00 per share totaling Tk. 108,000,000.00

OPENING DATE FOR SUBSCRIPTION: 06/12/2009
CLOSING DATE FOR SUBSCRIPTION: 10/12/ 2009
For Non-Resident Bangladeshi quota, subscription closes on: 19/12/ 2009

Underwriters

Jamuna Bank Ltd. 3, Dilkusha C/A, Dhaka-1000
Bangladesh Mutual Securities Limited Shareef Mansion (7th floor) 56-57, Motijheel C/A, Dhaka-1000
Bangladesh General Insurance Co. Ltd. 42, Dilkusha C/A, Dhaka-1000
Banco Trans World (BD) Ltd. Ispahani Building (3rd Floor), 14-15, Motijheel C/A., Dhaka-1000

Issue date of the Prospectus: 3rd September 2009
The issue shall be placed in "N" category

Manager to the Issue

AAA CONSULTANTS & FINANCIAL ADVISERS LTD.
PARTNERSHIP OF TRUST
Amin Court, 4th Floor (Suit#404),
31, Bir Uttam Shahid Ashfaqueus Samad Road
(Previous 62-63, Motijheel C/A) Dhaka-1000
Phone: +88029559602, +88029567726, Fax: 880-2-9558330
Web-site: **www.aaawebbd.com** E-mail: **info@aaawebbd.com**

Credit Rating by

Credit Rating Information and Services Limited (CRISL)

	Claim Paying Ability
Surveillance Rating-2008	BBB+
Surveillance Rating-2007	BBB+
Outlook	Positive
Date of Rating	April 29, 2009

DHAKA INSURANCE LIMITED
Amin Court(8th Floor), 31 Bir Uttam Shahid Ashfaqueus Samad Road
(Previous 62-63, Motijheel C/A) Dhaka-1000
Phone: 9571482-4, 9569947, 9552742(PABX), Fax: 880-2-9554950
Web site : www.dhakainsurance.com E-mail:dhakainsurance@mtlbd.net

"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".

AVAILABILITY OF PROSPECTUS

Prospectus of the Company will be available at the following addresses:

Name & Address	Contact Person	Tel. No.
Company		
Dhaka Insurance Limited Amin Court, 8th floor, 31, Bir Uttam Shahid Ashfaqueus Samad Road (Previous 62-63, Motijheel C/A) Dhaka-1000	**Md. Abul Hashim** Managing Director (cc)	9571482-4 9569947 9552742
Issue Manager		
AAA Consultants & Financial Advisers Ltd. Amin Court, 4th Floor (Suit#404), 31, Bir Uttam Shahid Ashfaqueus Samad Road (Previous 62-63, Motijheel C/A) Dhaka-1000	**Khwaja Arif Ahmed** Managing Director & CEO	9559602 9567726
Underwriters		
Jamuna Bank Ltd. 3, Dilkusha C/A, Dhaka-1000	**Mr. Md. Anwar Hossain** Company Secretary	9570912 9570119
Bangladesh General Insurance Company Ltd. **42,** Dilkusha C/A, 3rd floor, Dhaka-1000	**Mr. Md. Mustafa** Head of Share & Investment	7161223
Banco Trans World (BD) Limited Ispahani Building (3rd floor) 14-15, Motijheel C/A, Dhaka-1000	**Mr. A. Munim Choudhury** Managing Director	9564922 01190-354684
Bangladesh Mutual Securities Limited Shareef Mansion (7th floor) 56-57, Motijheel C/A, Dhaka-1000	**Mr. Suman Chandra Modak** Senior Executive Officer	7169428 9570624

Stock Exchanges

Dhaka Stock Exchange Limited (DSE) 9/F, Motijheel C.A., Dhaka-1000.	**DSE Library**	9564601-7 9666944-8
Chittagong Stock Exchange Limited (CSE) CSE Building, 1080, Sk. Mujib Road, Agrabad C.A., Chittagong.	**CSE Library**	714632-3 720871-3

Prospectus is also available on the web site www.secbd.org, www.dhakainsurance.com, www.aaawebbd.com www.dsebd.org www.csebd.com and Public Reference Room of the SEC for reading and study.

*In the time of submission of Prospectus to the Commission (SEC), Mr. K.A.M. Ferdous was Managing Director of the Company. Subsequently, he resigned from his post. From August 05, 2009 Md. Abul Hashim is carrying the role of Managing Director in current charge of the Company which is duly approved by the Board of Directors and Chief Controller of Insurance.

Name and Address of the Auditor

Saha Mazumder & Co.
Chartered Accountants
21, Purana paltan Lane (4th floor)
Dhaka-1000

TABLE OF CONTENTS

Definition and elaboration of the abbreviated words
And technical terms used in the Prospectus

AAA	:	AAA Consultants & Financial Advisers Limited
Allotment	:	Letter of allotment for shares
BB	:	Bangladesh Bank
BO A/C	:	Beneficial Owner Account or Depository Account
CCI	:	Chief Controller of Insurance
CDBL	:	Central Depository Bangladesh Limited
Certificate	:	Share Certificate
Commission	:	Securities and Exchange Commission
Companies Act	:	Companies Act, 1994 (Act. No. XVIII of 1994)
CSE	:	Chittagong Stock Exchange Limited
DIL	:	Dhaka Insurance Limited
DSE	:	Dhaka Stock Exchange Limited
FC Account	:	Foreign Currency Account
IPO	:	Initial Public Offering
Issue	:	Public Issue
Market of the Securities	:	Share market
NAV	:	Net Asset Value of the Company
NBR	:	National Board of Revenue
NRB	:	Non Resident Bangladeshi
Offering Price	:	Price of the securities of Dhaka Insurance Limited being offered
Registered Office	:	Amin Court(8th floor), 31, Bir Uttam Shahid Ashfaqueus Samad Road (Previous 62-63, Motijheel C/A), Dhaka-1000
RJSC	:	Registrar of Joint Stock Companies & Firms
SC	:	Share Certificate
SEC	:	Securities and Exchange Commission
Securities	:	Shares of Dhaka Insurance Limited
STD Account	:	Short Term Deposit Account
Stockholder	:	Shareholder
Subscription	:	Application money
The Company/Issuer	:	Dhaka Insurance Limited

DISCLOSURE IN RESPECT OF ISSUANCE OF SECURITY IN DEMAT FORM

"As per provisions of the Depository Act, 1999 and regulations made there under, share of the company will be issued in dematerialized form only and for this purpose the Dhaka Insurance Limited has signed an agreement with the Central Depository Bangladesh Ltd. (CDBL). Therefore, all transfer/ transmission, splitting or conversion will take place in the CDBL system and any further issuance of shares (including right/bonus) will also be issued in dematerialized form only."

CONDITIONS UNDER 2CC OF THE SECURITIES AND EXCHANGE ORDINANCE, 1969

PART-A

1. The company shall go for Initial Public Offer (IPO) for 900,000 ordinary shares of Tk. 100.00 each at an issue price of Tk. 120.00 per share (Including a premium of Tk. 20.00 each) worth of Tk. 10,80,00,000.00 (Taka ten core and eighty 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 four national daily newspapers (in two Bangla and two English), within 03 (three) working days of issuance of this letter. The issuer shall post the full prospectus vetted by the Securities and Exchange Commission in the issuer's website and shall also put on the web sites of the Commission, stock exchanges, and the issue managers within 03 (three) working days from the date of issuance of this letter which shall remain posted till the closure of the subscription list. The issuer shall submit to SEC, 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 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 managers shall ensure transmission of the prospectus, abridged version of the prospectus and relevant application forms for NRBs through e-mail, 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 and application forms to the said Embassies and Missions within **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 SEC jointly by the issuer and the issue manger within two working days from the date of said dispatch of the prospectus & the forms.

6. The paper clipping of the published abridged version of the prospectus, as mentioned at **condition 2 above**, shall be submitted to the Commission within 24 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 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 abovementioned accounts for IPO purpose; and close these accounts after refund of over-subscription. 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 to travel to Bangladesh.

8. The issuer company shall apply to all the stock exchanges in Bangladesh for listing within **07(seven) working days** from the date of issuance of this letter and shall simultaneously submit the vetted prospectus with all exhibits, as submitted to SEC, 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 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 managers, 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 seven days of expiry of the aforesaid 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 for **5 (Five) consecutive banking days.**

11. A non-resident Bangladeshi shall apply either directly by enclosing a foreign demand draft drawn on a bank payable at Dhaka, or through a nominee by paying out of foreign currency deposit account maintained in Bangladesh or in Taka, supported by foreign currency encashment certificate issued by the concerned bank, for the value of securities applied for through crossed bank cheque marking "Account Payee only". The NRB applicants shall send applications to the issuer company within the closing date of the subscription so as to reach the same to the company by the closing date plus nine days. Applications received by the company after the above time period will not be considered for allotment purpose.

12. The company shall apply the spot buying rate (TT clean) in US Dollar, UK Pound Sterling and Euro of Sonali Bank, which shall be mentioned in the Prospectus, as prevailed on the date of opening of the subscription for the purpose of application of the NRBs and other non-Bangladeshi persons, where applicable.

13. The company and the issue managers shall ensure prompt collection/clearance of the foreign remittances of NRBs and other non-Bangladeshis, if applicable, for allotment of shares.

14. Upon completion of the period of subscription for securities the issuer and the issue managers shall jointly provide the Commission and the stock exchanges with the preliminary status of the subscription within 05 (five) working days, in respect of the following matters, namely: -

(a) Total number of securities for which subscription has been received;
(b) Amount received from the subscription; and
(c) Amount of commission paid to the banker to the issue.

15. The issuer and the issue manager shall jointly provide the Commission and the stock exchanges with the list of valid and invalid applicants in electronic form in 2 (two) CDs and final status of subscription to the Commission within **3 (three) weeks** after the closure of the subscription along with bank statement (original) and branch-wise subscription statement. The list of valid and invalid applicants shall be finalized after examination with the CDBL in respect of BO accounts and particulars thereof.

16. The IPO shall stand cancelled and the application money shall be refunded immediately (but not later than **5(five) weeks** from the date of the subscription closure) 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.

17. 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 80% shall be open for subscription by the general public. In case of under-subscription under any of the 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 issue managers shall jointly conduct an open lottery of all the applicants added together.

18. All the applicants shall first be treated as applied for one minimum market lot of **50 shares worth Tk.6000/-**. 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 managers 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.

19. **An applicant can not submit more than two applications one in his/her own name another jointly with another person. In case an applicant makes more than two applications, all application will be treated as invalid and will not be considered for allotment purpose. In addition, whole or part of application money may be forfeited by Commission.**

20. Lottery (if applicable) shall be held within **4 (four) weeks** from closure of the subscription date.

21. The company shall issue share allotment letters to all successful applicants within **5 (five) weeks** from the date of the subscription closing date. Within the same time, Refund to the unsuccessful applicants shall be made in the currency in which the value of securities was paid for by the applicants without any interest, through Account Payee Cheque/ refund warrants with bank account number, bank's name and Branch as indicated in the securities application forms payable at Dhaka/ Chittagong/ Khulna/ Rajshahi/ Barisal/ Sylhet/ Bogra, as the case may be **subject to condition 19 above.**

Refund money of the unsuccessful applicants shall be credited directly to their respective bank accounts, who have mentioned in the IPO application forms, bank account numbers with the bankers to issue and other banks as disclosed in the prospectus. A Compliance reporting this regard shall be submitted to the commission within 7(seven) weeks from the date closure of subscription.

22. 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.

23. 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 -16 above). The issuer must notify the underwriter to take up the underwritten shares within **10 (ten) days** of the subscription closing date 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 managers, other underwriters, issuer or the sponsor group.

24. All issued shares of the issuer at the time of according consent shall be subject to a **lock- in 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 of one year** from the date of issuance of prospectus or commercial operation, whichever comes later.

25. Either a Jumbo Share (one for each of the existing Sponsors/Directors/Shareholders) in respect of the shares already issued covering together respective total holding, which shall contain the expiry date of lock-in period or Sponsor/ Directors/ Promoters/ Shareholders' shareholding shall be converted into demat form but shall be locked-in as per the condition at **para-24 above.**

26. In case of Jumbo Share Certificate issued to the existing Sponsors/ Directors/ Shareholders, the said share certificates shall be kept under custody of a security custodian bank registered with SEC during the lock-in period. The name and branch shall be furnished to the Commission jointly by the issuer and the issue manager, along with a confirmation thereof from the custodian bank, within one week of listing of the shares with the stock exchange(s).

27. Incase of dematerialization of shares held by the existing Sponsors/ Directors/ Shareholders the copy of dematerialization confirmation report generated by CDBL and attested by the managing director of the company along with lock-in confirmation shall be submitted to SEC within **one week** of listing of the shares with the stock exchange(s).

28. 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 stock exchanges.

29. The company shall not declare any benefit other than cash dividend based on the financial statement for the period ended on December 31, 2008.

Part –B

1. The issuer and the issue manager ensure that the abridged version of the prospectus and the full prospectus is published correctly and in strict conformity without any error/omission, as vetted by the Securities and Exchange Commission.

2. The issue managers shall carefully examine and compare the published abridged version of prospectus on the date of publication with the copy vetted by SEC. If any discrepancy/inconsistency is found, both the issuer and the issue managers shall jointly publish a corrigendum immediately in the same newspapers concerned, simultaneously endorsing copies thereof to SEC and the stock exchange(s) concerned, correcting the discrepancy/inconsistency as required under "Due Diligence Certificates" provided with SEC.

3. Both the issuer company and the issue managers 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 IPO shall not be utilized prior to listing with stock exchange 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. The company shall furnish report to the Commission on utilization of IPO proceeds **within 15 days** of the closing of each quarter 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.

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

7. Proceeds of the IPO 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 General Meeting under intimation to SEC and stock exchange(s).

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

PART-C

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-D

1. As per provision of the Depository Act, 1999 and 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 (right/bonus) will be issued in dematerialized form only.

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

2. The issue managers shall also ensure due compliance of all above.

GENERAL INFORMATION

AAA Consultants & Financial Advisers Limited has prepared this Prospectus from information supplied by **Dhaka Insurance Limited** (the Company) and also several discussions with Chairman, Managing Director and related executives of the Company. The Directors of both Dhaka Insurance Limited, AAA Consultants & Financial Advisers Limited collectively and individually, having made all reasonable inquiries, confirm that to the best of their knowledge and belief, the information contained herein is true and correct in all material respect 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 AAA Consultants & Financial Advisers Limited.

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 resident 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 can be obtained from the Head Office of Dhaka Insurance Limited, AAA Consultants & Financial Advisers Limited, the underwriters and the Stock Exchanges where the securities will be traded.

Declaration About The Responsibility Of The Directors Including CEO Of The Company "Dhaka Insurance 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, 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/- Fazlur Rahman Chairman	Sd/- Mohammad Masum Director	Sd/- Mohammad Hasan Director	Sd/- Hamida Rahman Director
Sd/- A.K.M. Kamruzzaman Director	Sd/- A.B.M. Kamal Director	Sd/- Biswajit Saha Director	Sd/- Md. Abul Hashim Managing Director(cc)

Consent of Director(S) to Serve As Director(S)

We hereby agree that we have been serving as Director(s) of Dhaka Insurance Limited and continue to act as a Director(s) of the Company:

Sd/- Fazlur Rahman Chairman	Sd/- Mohammad Masum Director	Sd/- Mohammad Hasan Director	Sd/- Hamida Rahman Director
Sd/- A.K.M. Kamruzzaman Director	Sd/- A.B.M. Kamal Director	Sd/- Biswajit Saha Director	Sd/- Md. Abul Hashim Managing Director(cc)

Declaration about Filing of Prospectus With the Registrar of Joint Stock Companies and Firms

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

Declaration by the Issuer about the Approval from SEC for Any Material Changes Regarding Prospectus of Dhaka Insurance Limited

In case of any material changes in any agreement, contract, instrument, facts and figures, operational circumstances and statement made in the Prospectus subsequent to the preparation of the Prospectus and prior to its publication shall be incorporated in the Prospectus and the said Prospectus should be published with the approval of the Commission.

Sd/-
Md. Abul Hashim
Managing Director(cc)
Dhaka Insurance Limited

Declaration by the Issue Manager about the Approval from SEC for Any Material Changes Regarding Prospectus of Dhaka Insurance Limited

In case of any material changes in any agreement, contract, instrument, facts and figures, operational circumstances and statement made in the Prospectus subsequent to the preparation of the Prospectus and prior to its publication shall be incorporated in the Prospectus and the said Prospectus should be published with the approval of the Commission.

Sd/-
Khwaja Arif Ahmed
Managing Director & CEO
AAA Consultants & Financial Advisers Limited

Due Diligence Certificate of Manager to the Issue

Sub: Public Offer of 900,000 Ordinary Shares of Tk.120.00 each including a premium of TK. 20.00 totaling Tk. 108,000,000.00 by Dhaka Insurance Limited

We, the under-noted Manager 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/-
Khwaja Arif Ahmed
Managing Director & CEO
AAA Consultants & Financial Advisers Ltd.

Due Diligence Certificate of the Underwriter(S)

Sub: Public Offer of 900,000 Ordinary Shares of Tk.120.00 each including a premium of TK. 20.00 totaling Tk. 108,000,000.00 by Dhaka Insurance 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 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) All information 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 Underwriter(s)

Sd/-

CEO/Managing Director

Banco Trans World (BD) Ltd.
Jamuna Bank Ltd.
Bangladesh General Insurance Co. Ltd.
Bangladesh Mutual Securities Ltd.

Risk Factors And Management Perception Regarding Risks

Any investment always associates with some internal/ external risk factors and among the factors some can be averted, other are beyond control. The management of Dhaka Insurance Limited considers some risk factors involving their business which are described as under:

Interest rate risks:
Volatility of money market, which ultimately influences the interest rate structure of fund. The company's net earning of Tk.13,221,504 from FDR, NIB, & Bank STD Accounts that is a significant portion of total net profit before tax. The Income from fixed & other deposits may fall with the reduction of Interest rate of commercial bank as per current trend.

The Management of the Company is always aware of interest rate. If the interest rate decreases the Company will take alternative windows for investment of its existing FDR's as well as surplus fund. On the other hand, if the interest rate increases the cost of credit fund will increase. But the Company has no loan outstanding. As a result there is no chance to generate such cost.

Exchange rate risks:
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.

Industry risks:

I. Liberalization of permission to set up more insurance companies by the Government
Liberalization of permission to set up more insurance companies by government may result in severe competition amongst insurers resulting in reduction of premium income and profitability of the company.

Though liberalization of permission to set up more insurance companies by government may be encouraging to new entrants resulting tough competition, DIL does not apprehend any loss of business due to its competent and highly experienced management team and expanding trend of insurance business in the country. Besides, DIL has plan to develop the standard of their existing service and introduce new insurance services that are not available in our country.

II. Natural calamities
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.

The estimated losses arising from natural calamities are covered by higher rates of premium and ***reinsurance*** *coverage for such losses. Management has taken into consideration statistical assessment of occurrence of natural calamities in setting its rates of premium and reinsurance risks. Moreover, most of our trained portfolios (Fire including flood, cyclone risks) are protected under catastrophic Excess of Loss Treaty with Shadharan Bima Corporation.*

Market & Technology related-risks:
To be competitive in the market, insurance companies need to develop new products and offer excellent clientele services and also to expand the market by bringing more and more items under the purview of insurance otherwise the competitors may take away existing company's business.

Insurance business is increasing globally. New items are coming under the cover of various insurances as days pass by; the market is expanding as people are realizing the importance of insurance. DIL provides excellent services and plan to introduce new products giving importance on Research and Development(R&D) considering market & technology related risks.

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.

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:
Any structural change in the international insurance business adversely affecting reinsurance operations may have negative impact on the profitability of the Company.

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

History of non-operation, if any:
Is there any chance for the company to become non-operative?

*All General Insurance Companies in Bangladesh are Public Limited Companies that have an independent body. DIL is operated by its Memorandum & Articles of Association and other applicable laws Implemented by the Government. The company is a financial organization and its financial strength is very high. It has a very experienced Directors Group of a lot of Industrialist of different sector. The Executive team of the company is also well experienced. The Company has **12** Branches all over Bangladesh and so there is no chance for the Company to become non-operative in future.*

Operational risks:
Any Political and social unrest/unstable situation may affect smooth operation of the business resulting in drastic fall to the value of its investment.

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.

Claim Paying Ability Risk:

The company is rated BBB+ (pronounced as 'triple be plus') which reflect moderated to some extent by moderate underwriting, moderate financial performance, moderate business and internal control risk management etc.

The solvency position of the company is good having an equity base of TK. 103.77 million as on December 31, 2008. However, the equity base will considerably improve at the IPO floatation. The liquidity position of the company also sound having 90.27% liquid assets in the asset portfolio. Underwriting profit of the company increased to TK.12.61 during 2008 (TK. 8.97 million during 2007) even incurring losses in two business segments (fire and motor). The moderate financial performance was reflected in return on average assets (8.03% in 2008), return on average equity (20.71% in 2008 from 18.46% in 2007).

Use Of Proceeds

The Company offers its shares to the public as required by the Insurance Act, 1938 and Insurance Rules, 1958. The sponsors have already subscribed their portion of equity capital of Tk. 60.00 million as per the requirement of the Rules and the same has already been invested as reflected in the audited accounts. The proceeds of the present issue of 900,000 shares of Tk. 100.00 each at an issue price of Tk. 120.00 including a premium of Tk. 20.00 per share totaling Tk.108,000,000.00 will strengthen the capital base of the Company and augment business expansion. The fund thus raised through public issue will be used for investment as under:

Area of utilization of IPO Fund	Amount (%)
Investment in FDR & Treasury Bond	50%
Investment in Capital Market	25%
Investment in Fixed Asset purchase	25%
Total	**100%**

Description Of Business

Company Background

The company was incorporated in the name of "The Loyeds Insurance Limited" on 4th January, 2000 under the company Act 1994 as a public company limited by shares for carrying out all kinds of general insurance activities and was granted certificate for commencement of Business on 4th January, 2000 for general insurance business. The Authorized capital is Tk. 200 million consisting of 2,000,000 ordinary shares of Tk. 100 each. The sponsors/subscribers have already contributed to the paid up capital of Tk. 60.00 million as required by the Chief Controller of Insurance. On 23rd May 2006 the name of the Company changed in to "Dhaka Insurance Limited" registered under RJSC. In fulfillment of the conditions of license by the Chief Controller of Insurance, the company now proposes to raise the paid up capital to Tk. 150.00 million by issuing 900,000 ordinary shares of Tk. 100.00 each at an issue price of Tk. 120.00 including a premium of Tk. 20.00 per share totaling Tk.108,000,000.00 by way of initial public offering (IPO).

Since its establishment in 2000 as one of the leading general insurance companies in the private sector, the Company has within a short span of time established itself as one of the most reputed and trustworthy insurance companies in the country. Selective underwriting and prompt settlement of claims have contributed towards building up a very respectable image of the Company within the business community. The Company has 12 branches throughout the country.

Highlight of the Company

(a) The Company acquired a proven track record for over eight years, during which time it has accumulated considerable goodwill, experience and know-how.

(b) The sponsor directors of the Company are engaged in various enterprises, which are a source of business for the Company.

(C) The Company has no loan outstanding

(d) With the acceleration of growth in economic activities and the further opening up of the insurance business from the public to the private sector, the Company is expected to take its due share of the growth of the market.

(1) Principal Product or Services:

The company is carrying out mainly following types of insurance/reinsurance businesses:

(i) Fire Insurance Business
(ii) Marine Insurance Business
(iii) Motor Insurance Business
(iv) Miscellaneous Insurance Business

(2)Product or service that accounts for more than 10% of the company's total revenues:

Description	31.12.2008	Percentage
Fire Insurance Revenue	12,791,353	12.40%
Marine Insurance Revenue	77,850,112	75.42%
Misc. Insurance Revenue	12,579,288	12.18%

(3) Associates, Subsidiary/ Related Holding Company:

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

(4) Distribution of Products/Services:

The Company conducts the business operations under the supervision of Board of Directors and the legal frame work of the Insurance Act 1938 and Insurance Rules 1958, as amended from time to time. The Company operates through the Head Office at Dhaka and 12 branches through out the country with the professional staff/executives. The Company also engages the services of research, experts and surveyors for professional assistance wherever necessary. Accounting and technical staffs provide the back office support in issuance of "Policy-Covers" and "Claim-Settlements".

The Company's services are rendered through the Head Office and following branches:

Gulshan Branch Sheba house (1st floor) Plot # 34, Road# 46, Gulshan-2, Dhaka-1212	**Khulna Branch** 87, Khan A Sabur Road,Khulna
Local Office Amin Court (6th floor) 62-63, Motijheel C/A. Dhaka-1000	**Jessore Branch** 41, M. K. Road,Jessore
Rajuk Avenue Branch Ali Bhaban (5th floor) 9, Rajuk Avenue, Dhaka.	**Comilla Branch** Surovi Mansion (2nd floor) Kandirpar, Nazrul Islam Sarak, Comilla
Distillary Road Branch 110, Gandaria, Dhaka	**Bogra Branch** Rangpur Road, KalitolaDatta Bari, Bogra
Kawran Bazar Branch 49,Kazi Nazrul Islam Avenue, Dhaka	**Jamalpur Branch** Dhakai Patty, Jamalpur
Agrabad Branch Aziz Court (3rd floor) 88/89, Agrabad C/A, Chittagong	**Narayangonj Branch** 26-29, S. A. Maleh Road Tan Bazar, Narayanganj

(5) Competitive conditions in the Business:

Though, soon after liberation in 1971, the insurance industry was nationalized and was controlled by two state owned institutions namely Sadharan Bima Corporation for general insurance and Jiban Bima Corporation for life Insurance (with the exception of American Life Insurance Co. in the private sector), there are at present 43 general insurance and 17 life insurance companies operating in the private sector. Over the years general insurance business has grown very competitive as the economic growth, especially the private sector industrial growth, has not been as expected. It is however need to mention that despite tough competition, the company's business operations show satisfactory performance. So far already 36 insurance companies have gone Public (including 7 life insurance companies) and their shares are all traded.

(6) Sources and availability of raw materials and the names of the principal suppliers:

The Company, being a service provider, operates on the basis of professional expertise relevant to insurance industry. Its' product is a service and its' raw materials are human resources. The general insurance industry has since developed and expanded fast in order to meet the growing need of the economy. The company has procured the services of experienced professional personnel from the existing insurance industry operators including Sadharan Bima Corporation. The company has also set up training programs for training fresh graduates for development of its growing need of human resources.

(7) Sources of, and requirement for, power, gas & water:

The Company does not need any power, gas and water except for ordinary uses in office work.

(8) Names of Customers providing 10% or more revenues:

There are no such customers of Company who provide 10% or more of its revenues.

(9) Description of Contract with Principal Suppliers/Customers:

The Company has not entered into any contract with any customer or supplier.

(10) Description of Material Patents, Trade Marks, Licenses or Royalty Agreements:

The Company does not have any material patents, trademarks, licenses or royalty agreement.

(11) Employees' position:

During the year 191 employees are employed for the full time. Information of the employees is given bellow:

Annual Salary	Full Time Employee	Part Time Employee	Total
salary less than Taka 3000/- per month	**04**	**-**	**04**
salary more than Taka 3000/- per month	**187**	**-**	**187**
Total	**191**	**-**	**191**

Description of Property

(a) The company, a provider of insurance service, operates through its Head Office at Dhaka, Branch Office at different district / city areas. The company owns the following fixed assets at the written down value as given below:

(As per Audited Accounts in Taka)

SL. No.	Particulars	31.12.2008	31.12.2007	31.12.2006
01.	Furniture & Fixture Vehicles	1,379,295	1,458,550	1,582,446
02.	Office Equipment	189,436	210,484	233,871
03.	Computer	553,476	594,189	442,923
04.	Electrical Equipment	285,657	346,071	173,817
05.	Telephone Installation	368,883	409,870	425,411
06.	Motor Cycle	181,502	226,877	268,796
07.	Motor Vehicles	5,183,939	5,647,424	3,217409
08.	Office Decoration	1,003,951	1,085,549	1,182,542
09.	Air-Conditioner	405,736	450,818	500,909
10.	Other Assets	7,919	9,899	12,374
	Total Assets	**9,559,794**	**10,439,731**	**8,040,498**

(a) The property of the company is not mortgaged with any one nor they're any lien on them.

(b) The property are purchased in brand new condition.

Plan of Operation And Discussion of Financial Condition

(1) Internal and External Sources of Cash:

(As per Audited Accounts amount in Tk.)

Particulars	31.12.2008	31.12.2007	31.12.2006
Internal sources of Cash:			
Issued, subscribed and paid-up capital	60,000,000	60,000,000	60,000,000
Reserves or contingency account:			20,936,504
Reserve For Exceptional Losses	40,991,316	30,547,725	-
General Reserve	-	-	-
Profit And Loss Appropriation Account	11,774,619	1,897,289	4,311,654
Sub Total	**112,765,935**	**92,445,014**	**85,248,158**
External Sources of Cash:			
Balance of Fund & Account	42,050,496	38,744,938	38,999,729
Premium Deposits	41,194,272	19,638,558	36,101,629
Estimated Liability in respect of outstanding claims whether due or intimated	100,526,926	70,411,149	40,590,600
Amount due to other persons or bodies carrying on insurances business	36,685,690	39,809,460	32,017,446
Provision for Taxation	17,000,000	11,400,000	6,400,000
Proposed Dividend		9,000,000	-
Sundry Creditors	7,785,950	5,838,850	6,174,033
Sub Total	**245,243,334**	**194,842,955**	**160,283,437**
Grand Total	**358,009,269**	**287,287,969**	**245,531,595**

(2) Material Commitment for Capital Expenditure:

The Company has not yet made any material commitment for capital expenditure except for those that are required in the course of carrying out of normal business operations.

(3) Causes for Material Changes in Income, Expenses & Net-Income:

The company's revenue and other income as well as operating expenses and net income have continued to change or increase due to business promotion efforts of the Directors and Management staff.

Operating Income

A comparative income position of the Company for the year December 31, 2008, 2007 & 2006 is as follows:

(Amount in Taka)

Description	31.12.2008	31.12.2007	31.12.2006
Interest received and accrued	13,231,254	8,759,332	7,767,704
Profit/(Loss) Transferred From:			
Fire Revenue Account	(19,477,841)	(18,366,727)	(5,728,269)
Marine Revenue Account	28,378,185	34,803,967	13,931,443
Misc. Revenue Account	3,713,532	(7,471,851)	(1,989,738)
Other Income	3,174,924	7,021,099	(106,193)
Total Income	**29,020,054**	**24,745,820**	**13,874,947**

Operating Expenses

A comparative operating expense position of the Company is as follows:

(Amount in Taka)

Description	31.12.2008	31.12.2007	31.12.2006
Expenses of Management (not applicable to any particular fund or account):			
Advertisement & Publicity	695,730	549,100	1,106,297
Signboard & hoarding	71,654	6,160	154,288
Subscriptions	225,000	366,000	258,200
Audit Fees	100,000	100,000	100,000
Legal fees	81,700	218,000	75,000
Depreciation	1,925,045	2,107,811	1,437,401
Total Expenses	**3,099,129**	**3,347,071**	**3,131,186**
Net Profit Before tax & Provision	**25,920,925**	**19,029,547**	**10,743,761**

(4) Seasonal Aspects:

There is no seasonal aspect in insurance business in the country except some pressure in the post-budget import finance insurance.

(5) Known Trends, Events or Uncertainties:

There are no known trends in customer preferences that may affect company's operations. However, political unrest, hartal, and power crisis are the known events that may affect the company's business.

(6) Change in the Assets of the Company used to pay off any Liabilities:

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

(7) Loans taken from Subsidiary or Associate Concern:

The Company has no subsidiary or associate concern or from any party or parties. Therefore, taking loan from such concerns does not arise.

(8) Future Material Contractual Liabilities:

The company does not have any plan in near future to contract any new liabilities except those that are required by way of insurance/reinsurance contract in the ordinary business operations.

(9) Future capital expenditure:

DIL has planned to open 02 new branches in next 1 (one) year time. The following capital expenditure has been planned to be incurred for the purpose:

Sl. No.	Items of Capital Expenditure	Estimated Tk.
01.	Computers	50,000
02.	Office Equipment	70,000
03.	Furniture & Decoration	400,000
04.	Advance Rent	200,000
Total		**720,000**

(10) VAT, Income Tax, Customs Duty or other Tax Liability:

VAT:

The Company has VAT outstanding in amounting to Tk.707,687 as on December 31, 2008 that has been paid on 18.01.2009 and 20.01.2009. The vat authority imposed a penalty, interest and other additional tax amounting to Tk. 6,466,109. The company filed a writ petition no. 6830/2003 before the Hon'ble Supreme Court of Bangladesh, High Court Division against vat authority's demand.

Income Tax:

Year wise income tax status of the company is as under:

Accounting Year	Assessment Year	Status
2000	2001-2002	Writ to High Court
2001	2002-2003	Writ to High Court
2002	2003-2004	Assessment Finalised
2003	2004-2005	Assessment Finalised
2004	2005-2006	Assessment Finalised
2005	2006-2007	Appeal Filed
2006	2007-2008	Appeal Filed
2007	2008-2009	Assessment yet to done

Customs Duty: Custom duty is not applicable for the company.

(11) Operating Lease during Last five years:

The Company has established its Head Office as well as its branches on leased accommodation.

Sl. No.	Name of the Office/Branch	Location	Contract Period	Covered Area(sft.)	Monthly Rent (Tk.)
01	Head Office	Amin court (8th Floor) 62-63, Motijheel C/A Dhaka.	02 Years 01.11,2007 to 31.10.2009	2979 sft.	Tk.77,454.00
02	Head Office (Extension)	Amin court (8th Floor) 62-63, Motijheel C/A Dhaka.	02 Years 01.03,2009 to 28.02.2011	862 sft.	Tk.25,860.00
03	Local Office	Amin court (6th Floor) 62-63, Motijheel C/A Dhaka.	02 Years 01.07.2008 to 30.06.2010	782 sft.	Tk.23,460.00
04	Rajuk Avenue Branch	Ali Bhaban (5th Floor) 9, Rajuk Avenue Dhaka	05 Years 01.07.2008 to 30.06.2013	1030 sft.	Tk.25,750.00
05	Distillary Road Branch	110,Distillary Road Gandaria, Dhaka.	03 Years 01.07.2007 to 30.06.2010	2000 sft.	Tk.25,000.00
06	Kawran Bazar Branch	49, Kazi Nazrul Islam Avenue(1st floor) Dhaka	03 Years 01.06.2008 to 31.05.2010	720 sft.	Tk.15,000.00
07	Gulshan Branch	Sheba house (1st floor) Plot # 34, Road# 46, Gulshan -2,Dhaka-1212	03 Years 11.04.2009 to 10.04.2012	506 sft.	Tk.27,830.00
08	Agrabad Branch	Aziz Court (2nd Floor) 88/89, Agrabad C/A Chittagong	02 Years 01.03.2009 to 28.02.2011	1780 sft.	Tk.27,370.00
09	Comilla branch	Surovi Mansion (3rd floor) Kandirpur, Nazrul Islam Sarak, Comilla.	06 Years 01.07.2008 to 30.06.2014	561 sft.	Tk.4,200.00
10	Khulna Branch	87, Khan-A Sabur Road, Haji-A- Golam Rasul Chamber(2nd floor).	05 Years 01.07.2008 to 30.06.2013	750 sft.	Tk.7,000.00
11	Jassore Branch	41,M.K.Road (1st floor) Jassore	03 Years 01.01.2009 to 31.12.2011	1050sft.	Tk.10,500.00
12	Bogra Branch	Rangpur Road, Kalitola Datta Bari Bogra.	03 Years 15.05.2006 to 31.05.2009	600sft.	Tk.3,000.00
13	Jamalpur Branch	Dhakai Patty (1st floor) Jamalpur.	05 Years 01.04.2005 to 31.03.2010	1000 sft.	Tk.2,500.00
14	Narayangonj Branch	26-29,S.M.Maleh Road, Tan Bazar, Narayangonj	05 Years 16.11.2005 to 15.11.2010	625 sft.	Tk.5,125.00

(12) Financial lease commitment:

The Company has not entered in to any financial lease commitment.

(13) 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 fresh recruits for building a strong foundation. In order to enhance and advance the professional ability and knowledge of the employees, regular training programs are organized at different professional institutions. The Company operates a contributory Provident Fund for its permanent employees, provision for which are being made annually as rules administer by a Board of Trustee in which eligible employee contribute @ 10% on Basic Salary. The company also makes equal contribution to the said Provident fund.

(14) Break Down of IPO Expenses:

Detail of estimated Public Issue expenses are shown under:

Particulars	Basis of Calculation	Amount in Tk.
Manager to the Issue fee	Lump sum	900,000.00
Credit Rating Fee	Lump sum	250,000
SEC fee:		
Application Fee to Securities & Exchange Commission		10,000.00
Consent Fee to Securities & Exchange Commission	@ 0.15% on the IPO amount	162,000.00
Fees related to listing with the stock exchanges:		
Application fee		5,000.00
Annual Fee for DSE & CSE	@Tk. 50,000 each	100,000.00
Listing fee to DSE & CSE	@ 0.25% on Tk. 100 million and @ 0.15% on the rest of paid-up capital	650,000.00
CDBL fees and expenses:		
Security Fee		300,000.00
Documentation fee		2,500.00
Initial public offering fee	@0.00025 on total IPO	22,500.00
Annual Fee		75,000.00
Connection Fee		6,000.00
Commissions & Expenses:		
Bankers to the Issue Commission	@ 0.10% on collected amount (Estimated; to be paid at actual)	540,000.00
Underwriting Commission	@.50% on 50% of IPO amount	270,000.00
Expenses related to printing & publication:		
Printing of Prospectus	Estimated; to be paid at actual	200,000.00
Advertisement of abridged version of prospectus and notices etc	Estimated; to be paid at actual	200,000.00
Printing of forms	Estimated; to be paid at actual	100,000.00
Arrangement of Lottery	Estimated; to be paid at actual	300,000.00
Distribution of allotment letters and refund warrants	Estimated; to be paid at actual	100,000.00
Post Issue Expenses	Estimated or actual	400,000.00
Total		**4,593,000.00**

(15) Revaluation of Company's Assets & Summary Thereof:

No revaluation has been made to the Company's assets and liabilities.

(16) Transaction between Holding Company and the Issuer:

DIL has no subsidiary Company. Hence no transaction of this type has taken place.

Declaration For an Insurance Company

We hereby declare that all requirements have been made as specified in the Insurance Act, 1938 (Act No.IV of 1938) as amended have been adhered to.

Sd/- Fazlur Rahman Chairman	Sd/- Mohammad Masum Director	Sd/- Mohammad Hasan Director	Sd/- Hamida Rahman Director
Sd/- A.K.M. Kamruzzaman Director	Sd/- A.B.M. Kamal Director	Sd/- Biswajit Saha Director	Sd/- Md. Abul Hashim Managing Director(cc)

AUDITOR'S SPECIAL REPORT REGARDING ALLOTMENT OF SHARES OF PROMOTERS OF SPONSOR SHAREHOLDERS FOR CONSIDERATION OTHER THAN CASH

This is to certify that the paid up capital of **Dhaka Insurance Limited** is Tk. 60,000,000 divided into 6,00,000 ordinary shares of Tk. 100.00 each and the full amount has been subscribed in cash at the time of incorporation. The company did not issue any shares other than cash.

Dhaka
Date: 22.04.2009

Sd/-
Saha Mazumder & Co.
Chartered Accountants

Declaration Regarding Suppression of Material Information

This is to declare that to the best of our knowledge and belief no information, facts, circumstances, that are disclose-able have been suppressed that can change the terms and conditions under which the offer has been made to the public.

Sd/-
Md. Abul Hashim
Managing Director(cc)
Dhaka Insurance Limited

Directors And Officers

Sl. No.	Name of Directors	Age	Position	Date of Becoming 1st Director	Date of expiry of current term
1	Mr. Fazlur Rahman	60	Chairman	January, 2000	Non retiring
2	Mrs. Hamida Rahman	50	Director	January, 2000	2011
3	Mr. Mohammad Hasan	30	Director	January, 2000	2010
4	Mr. Mohammad Masum	63	Director	January, 2000	2011
5	Mr. A. K. M. Kamruzzaman	42	Director	January, 2000	2011
6	Mr. A. B. M. Kamal	55	Director	January, 2000	2011
7	Mr. Biswajit Saha	39	Director	January, 2000	2010

Involvement of Directors with other Organizations:

Sl. No.	Name of Directors	Position in DIL	Age	Name of the Organization
01.	Mr. Fazlur Rahman	Chairman	60 years	**Director** Jamuna Bank Limited **Proprietor:** City Oil Mills; City Re-Rolling Mills; M. Hasan & Company; **Chairman & Managing Director:** City Vegetable Oil Mills Limited; City PET Industries Limited; City dal Mills Limited; City Fibers Limited; Hasan Vegetable Oil Mills Limited; Hasan Plastic Industries Limited; Hasan Printing & Packaging Ind. Limited Hasan Flour Mills Limited; Rahman Coconut Oil Mills Limited; The Asia Pacific Refineries Limited; Farzana Oil Refineries Limited; Van Ommeren Tank Terminal Bangladesh Ltd.; International Oil Mills Limited; City Sugar Industries Limited; C.S.I. Power & Energy Limited; Shampa Oil Mills Limited Hasan Containers Limited; F. Rahman Oil Mills Limited; City Poultry & Fish Feeds Limited; Rahman Synthetics Limited;
02	Mrs. Hamida Rahman	Director	50 years	**Director:** City Vegetable Oil Mills Limited**;** City PET industries Limited ; City Dal Mills limited; City Fibers Limited; Hasan Vegetables Oil Mills Limited; City Poultry & Fish Feeds Limited; Hasan Plastic Industries Limited Hasan Printing & Packaging Ind. Limited; Hasan Flour Mills Limited; Rahman Coconut Oil Mills Limited;

				The Asia Pacific Refineries Limited; Farzana Oil Refineries Limited; Van Ommeren Tank Terminal Bangladesh Ltd.; Rahman Synthetics Limited; International Oil Mills Limited; Shampa Oil Mills Limited Hasan Containers Limited; F. Rahman Oil Mills Limited; C.S.I. Power & Energy Limited; City Sugar Industries Limited;
03.	Mr. Mohammad Hasan	Director	60 years	City Vegetable Oil Mills Limited; City PET Industries Limited; City Dal Mills Limited; City Fibers Limited Rahman Synthetics Limited; Hasan Vegetable Oil Mills Limited; Hasan Plastic Industries Limited. Hasan Printing & Packaging Ind. Limited; Hasan Flour Mills Limited; Rahman Coconut Oil Mills Limited; The Asia Pacific Refineries Limited Farzana Oil Refineries Limited; Van Ommeren Tank Terminal Bangladesh Ltd. International Oil Mills Limited; Shampa Oil Mills Limited; Hasan Containers Limited; F. Rahman Oil Mills Limited; City Poultry & Fish Feeds Limited
04.	Mr. Mohammad Masum	Director	63 years	**Chairman:** Supreme Seed Company Limited; Surovi Agro Ind. Limited; Surovi Enterprise Limited; Abacus Enterprise Riead Properties Limited; G.P. Shipping Lines Limited; **Vice-Chairman:** Jardine Shipping Services (BD) Limited
05.	Mr. A.K.M. Kamruzzaman	Director	42 years	**Proprietor:** M/S. K.Z. Enterprise
06.	Mr. A. B. M. Kamal	Director	55 years	**Proprietor:** M/S. M. K. Traders
07.	Mr. Biswajit Saha	Director	39 years	**Proprietor:** M/S. B.S. Traders

Family Relation between Director & Officers:

There is no family relation between director & officers

Family Relationship among the Director:

Mrs. Hamida Rahman, Director is the wife of the Chairman Mr. Fazlur Rahman and Mr. Mohammad Hassan, Director is the son of Mr. Fazlur Rahman.

SHORT BIO-DATA OF THE DIRECTOR

1. Mr. Fazlur Rahman, Chairman

Mr. Fazlur Rahman, Sponsor Director of the Company, is the Chairman of Dhaka Insurance Limited. Mr. Rahman has been playing an important role in the development of edible oil industry of the country for the last few decades. He is the top producer of vegetable oil in the country. He is also Director of Jamuna Bank Limited. He is the Chief of The City Group of Industries and one of the leading importers of agricultural commodities. Apart from this, he is the proprietor and Chairman / Managing Director of –

Proprietor: City Oil Mills, City Re-Rolling Mills and M. Hasan & Company. **Chairman & Managing Director:** City Vegetable Oil Mills Ltd., City PET Industries Ltd., City Dal Mills Ltd., City Fibers Ltd., Hasan Vegetable Oil Mills Ltd., Hasan Plastic Industries Ltd., Hasan Printing & Packaging Ind. Ltd., Hasan Flour Mills Ltd., Rahman Coconut Oil Mills Ltd., The Asia Pacific Refineries Ltd., Farzana Oil Refineries Ltd., Van Ommeren Tank Terminal Bangladesh Ltd., and International Oil Mills Ltd.

Mr. Rahman has contributed immensely to the economic development of the country. Mr. Rahman is also actively involved with various types of business community body and socio-cultural organizations.

He is the Senior Vice President of Bangladesh Vegetable Oil Refinery Association. He is the President of East End Club- one of the oldest and famous sporting organization of the country. He is a Member of Dhaka Chamber of Commerce & Industry, Trustee of Anjuman-E-Mofidul Islam, Member of Managing Committee of Gandaria High School. He is the member of trustee board of Atish Dipankar University.

2. Mrs. Hamida Rahman, Director

Mrs. Hamida Rahman, Sponsor Director of the Company is the Director of City Vegetable Oil Mills Ltd., City PET Industries Ltd., City Dal Mills Ltd., City Fibers Ltd., Hasan Vegetable Oil Mills Ltd., Hasan Plastic Industries Ltd., Hasan Printing & Packaging Ind. Ltd., Hasan Flour Mills Ltd., Rahman Coconut Oil Mills Ltd., The Asia Pacific Refineries Ltd., Farzana Oil Refineries Ltd., Van Ommeren Tank Terminal Bangladesh Ltd., International Oil Mills Ltd., Rahman Synthetics Ltd., Shampa Oil Mills Ltd., Hasan Containers Ltd., F.Rahman Oil Mills Ltd., City Poltry and Fish Feeds Ltd., C.S.I. Power and Energy Ltd. and City Sugar Industries Ltd.

3. Mr. Mohammad Hasan, Director

Mr. Mohammad Hasan , Sponsor Director of the Company is a businessman. He is a young and rising industrialist. He obtained his BBA Degree from Australia. He is the Director of City Vegetable Oil Mills Ltd., City PET Industries Ltd., City Dal Mills Ltd., City Fibers Ltd., Hasan Vegetable Oil Mills Ltd., Hasan Plastic Industries Ltd., Hasan Printing & Packaging Ind. Ltd., Hasan Flour Mills Ltd., Rahman Coconut Oil Mills Ltd., The Asia Pacific Refineries Ltd., Farzana Oil Refineries Ltd., Van Ommeren Tank Terminal Bangladesh Ltd., International Oil Mills Ltd., Shampa Oil Mills Ltd., Hasan Containers Ltd., F. Rahman Oil Mills Ltd., City Poltry and Fish Feeds Ltd. and Rahman Synthetics Ltd.

4. Mr. Mohammad Masum, Director

Mr. Mohammad Masum, Sponsor-Director of the Company is a dynamic businessman. One of the First Batch Graduates of Mymensingh Agriculture University, he started his career as District Manager (Seed) in BADC in 1966 and stayed with BADC till 1974. He started business in 1974. He founded "Agri Impex Ltd." along with 2 other partners, which became one of the leading indenting house for Agri-commodity, Chemicals, Seed, Machineries, etc. In 1982, he founded "Surovi Enterprise", an agency house specialised in Agri Commodity only. He is also the Chairman of – Riead Properties Ltd., Supreme Seed Company Ltd., Surovi Agro Industries Ltd., Abacus Enterprise Ltd., GP Shipping Lines Ltd., Vice Chairman, Jardine Shipping Services (BD) Ltd. a joint venture shipping agency company with Jardine Shipping Services, Singapore.

He is associated with many business and socio-cultural organizations. He was the President of Bangladesh Seed Grower, Dealer & Merchants Association. Ex. Senior Vice President of Bangladesh Indenting Agents Association, past President of Bangladesh Seed Merchants Association. He is actively associated with the Rotary movement in Bangladesh and is a past President of Rotary Club of Dhaka Down Town, Dhaka.

1. **Mr. A. K. M. Kamruzzaman, Director**

Mr. A.K.M. Kamruzzaman, Sponsor Director of the Company is a businessman. He is proprietor Of M/S. K.Z. Enterprise.

2. **Mr. A. B. M. Kamal, Director**

Mr. A.B.M. Kamal, Sponsor Director of the Company is a businessman. He is proprietor of M/S. M. K. Traders.

3. **Mr. Biswajit Saha, Director**

Mr. Biswajit Saha, Sponsor Director of the Company is a businessman. He is proprietor of M/S. B.S. Traders.

CIB STATUS:

Neither Dhaka Insurance Limited nor any of its Sponsors or Directors or shareholders who hold 5% or more shares in paid-up capital of the issuer is loan defaulter in terms of the CIB Report of the Bangladesh Bank

Description of Top Executives And Officers:

Sl.No	Name	Educational Qualification	Position	Date of Joining	Last 5 years Experience
1.	Mr. Md. Abul Hashim	M. Com.	Managing Director(cc) & CFO	19.06.2000	G.M & chief of F & A Dhaka Insurance Ltd.
2.	Mr. Aminul Islam	M. Sc.	Dy. Managing Director	01.04.2004	Sr. G.M. Dhaka Insurance Ltd.
3.	Mr. Salim Ahmed	M.Sc., ACS	General Manager & Company Secretary	03.06.2000	Sr.D.G.M.& Company Secretary Dhaka Insurance Ltd.
4.	Mr. Shamiur Rahman	M.Com.	Dy. General Manager & In-charge Underwriting Deptt	12.06.2006	Vice President Prime Insurance Co. Ltd.
5.	Mr. Md. Ruhul Amin	B.Com.	Asstt.General Manager & In-charge Claims Deptt.	15.06.2006	Manager Sadharan Bima Corporation
6.	Mr. Humayun Kabir	B.A.	Asstt.General Manager & In-charge Re-Insurance Deptt.	01.03.2004	Sr. Manager Dhaka Insurance Ltd.

Involvement Of Directors And Officers In Certain Legal Proceedings

No Officer or Director of the company was involved in any of the following types of legal proceedings in the past ten years:

1) Any bankruptcy petition filed by or against any company of which any Officer or Director or Nominee of the company filling the prospectus was a Director, Officer or general partner at the time of the bankruptcy or within two years prior to that time;

2) Any conviction of an Officer, Director or Nominee in the criminal proceedings or any criminal proceedings pending against him;

3) Any order, judgment or decree of any Court of competent jurisdiction against Officer, Director or Nominee permanently or temporarily enjoying, barring, suspending or otherwise limiting the involvement of any Officer or Director or Nominee in any type of business, securities or banking activities.

4) 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 Officer or Director or Nominee in any type of business securities or banking activities.

Certain Relationship And Related Transactions

The Company does not have any special arrangement/commitment with its directors and there was no such transaction during the last 3 (three) years. Neither proposed any transaction nor had any transaction during the last two years between the Issuer and following related parties:

(a) Any Director or Executive officer of the company.
(b) Any nominee for director or officer.
(c) Any person owning 5% or more of the outstanding share capital of the company.
(d) Any member of the immediate family (including spouse, parents, brother, sister, children and in laws) of any of the above person.
(e) No transaction or arrangement entered into by the company for a person who is currently a director or in any way connected with a director of either the company or who was a director or connected in any way with a director at any time during the last three years prior to the publication of the prospectus.

Loan status
The Company did not take or give any loan from any Director or any person connected with any Director nor did any Director or any person connected with any Director.

Directors holding any position apart from the company
The information is already included in directors and officers' part of the prospectus.

Directors' Facilities during Prospectus Publication
Facilities whether pecuniary or non-pecuniary enjoyed by the Directors will remain unchanged during the publication period of the Prospectus. Interest and facility is already disclosed in Executive Compensation of the Prospectus.

Executive Compensation

1. Remuneration paid to top five Executives in the last accounting year:

Sl. No.	Name	Designation	2008
1.	Mr. A.S.M. Abdul Halim	Adviser	520,000.00
2.	Mr. Md. Abul Hashim	Managing Director(cc) & CFO	794,000.00
3.	Mr. Aminul Islam	Dy. Managing Director	875,000.00
4.	Mr. Salim Ahmed	General Manager & Company Secretary	539,200.00

2. Aggregate Amount of Remuneration paid to Directors & Officers

(Amount in Taka)

Sl. No.	Name	2008	2007
1	Directors' Fees	Nil	Nil
2	Remunerations paid to Executives & Employees including Managing Director	26,848,471.00	23,854,179.00

- The Company did not pay any remuneration to any Director who was not an Officer of the Company during the last fiscal year.
- There is no contract with any Director/Officer for future compensation.

Pay Increase Intention
Besides normal increment, additional salary increment has also been made.

Option Granted to Officers, Directors And Employees

The company has not granted any option to any directors salaried officers and all other officers as a group.

Transactions with The Directors And Subscribers to The Memorandum

A) The directors and subscribers to the memorandum have not received any benefits other than Dividend and Board Meeting attendance fees, and the Company also has not received anything from its director's subscribers except fund against allotments of Shares during the last 5 years.

B) Directors and subscribers to the memorandum have not transferred any asset to the Company by deposited share money as required. The Company acquired assets by investing its own funds.

Tangible Assets Per Share

(Amount in Taka)

Particulars	**2008 Taka**
Investments (At actual)	170,077,184
Interest, Dividend & Rent outstanding	7,636,708
Amounts due from other persons or bodies carrying on insurance business	2,877,488
Sundry Debtors	12,914,684
Cash & cash equivalent	154,583,021
Stationery in hand	360,394
Other Account	9,559,794
Total Assets (A)	**358,009,273**
Balance of Funds and Accounts	42,050,496
Deposit Premium	41,194,272
Liabilities & Provision	137,212,616
Sundry Creditors Including provision for Taxation	24,785,950
Total Liabilities (B)	**245,243,334**
Net Assets (A-B)	**112,765,939**
Number of Shares (C)	**600,000**
Net Assets Value per share (A-B)/C	**187.94**
Face Value per share	**100.00**

The net tangible asset baking per unit of share is Taka 187.94

Sd/-
Saha Mazumder & Co.

Chartered Accountants

Dhaka

Date : 22.04.2009

Ownership of The Company's Securities

Sl. No.	Name of Shareholder	Address	Position	Shareholding	Amount	Percentage
1.	Mr. Fazlur Rahman	115/7-A, Distillary Road,Gandaria Dhaka-1204.	Chairman	75,000	7,500,000	12.50%
2.	Mrs. Hamida Rahman	115/7-A, Distillary Road, Gandaria Dhaka-1204.	Director	45,000	4,500,000	7.50%
3.	Mr. Mohammad Hassan	110, Distillary Road, Gandaria,Dhaka-1204.	Director	1,20,000	12,000,000	20.00%
4.	Mr. Mohammad Masum	House # 8, Road # 14,Sector # 7 Uttara Model Town, Dhaka.	Director	75,000	7,500,000	12.50%
5.	Mr. A. K. M. Kamruzzaman	64/A, Swamibagh (Ground floor) Dhaka.	Director	90,000	9,000,000	15.00%
6.	Mr. A. B. M. Kamal	115/4, Distillary Road, Gandaria Dhaka-1204	Director	85,000	8,500,000	14.17%
7.	Mr. Biswajit Sah	115/4, Distillary Road, Gandaria Dhaka-1204	Director	35,000	3,500,000	5.83%
8.	Mrs. Farzana Rahman	122, Shantinagar Dhaka.	Sponsor Share Holder	75,000	7,500,000	12.50%
Total				**6,00,000.00**	**100.00%**	**100.00%**

- No officers owned any share of the Company
- Each Director/shareholder holds more than 5% shares of the company.

Shareholders Shareholding 5% Or More

Sl. No.	Name of Shareholder	Status	No. of Shares Subscribed	Amount of Shares Owned in Taka	Percentage
01.	Mr. Fazlur Rahman	Chairman	75,000	75,00,000.00	12.50%
02.	Mrs. Hamida Rahman	Director	45,000	45,00,000.00	7.50%
03.	Mr. Mohammad Hassan	Director	1,20,000	1,20,00,000.00	20.00%
04.	Mr. Mohammad Masum	Director	75,000	75,00,000.00	12.50%
06.	Mr. A. K. M. Kamruzzaman	Director	90,000	90,00,000.00	15.00%
07.	Mr. A. B. M. Kamal	Director	85,000	85,00,000.00	14.17%
08.	Mr. Biswajit Saha	Director	35,000	35,00,000.00	5.83%
05.	Mrs. Farzana Rahman	Sponsor Share Holder	75,000	75,00,000.00	12.50%

Determination of Offering Price

The issue price at Tk. 120.00 each (including a premium of Tk. 20.00 each) is justified as per the guidelines of the Securities and Exchange Commission as detailed below:

Net Assets Value per Share:

The offering of the common Stock of Dhaka Insurance Limited has been determined by assessing the net Assets value **(NAV).** The financial calculations presented below are from the audited accounts as of 31st December 2008.

Sl. No.	Particulars	Amount
A.	1. Current Assets (Cash, Bank Balance & Investment)	32,46,60,205
	2. Sundry Debtors	1,29,14,684
	3. Interest, Dividend & Rent Outstanding	76,36,708
	4. Amount Due from other persons or bodies carrying on insurance business	28,77,488
	5. Other Accounts	99,20,188
	Total Assets	**35,80,09,273**
B.	1. Balance of funds and Accounts	420,50,496
	2. Premium Deposit	411,94,272
	3. Estimated liability in respect of outstanding claim whether due or intimated	10,05,26,926
	4. Amount due to other persons or bodies carrying on insurance business	366,85,690
	5. Provision for Taxation	1,70,00,000
	6. Sundry creditors	77,85,950
	Total Liabilities	**24,52,43,334**
C.	**Net Assets (A-B)**	**11,27,65,939**
D.	**Number of Shares**	**6,00,000**
E.	**Net Assets Value per Share(C/D)**	**187.94**

From the above table we see that Net asset based value per share of the Company stands at Tk.187.94 which is higher than the price offered.

Earning Based Value per Share:

Period	Net Profit After Tax	Earning Per Share BDT
31st December, 2008	2,03,20,925.00	33.87
31st December, 2007	163,98,749.00	26.99
31st December, 2006	129,80,674.00	22.15
31st December, 2005	114,81,580.00	19.13
31st December, 2004	31,24,943.00	5.20
Average	**128,61,374.00**	**21.46**

The weighted average net profit after tax for the last 5 (five) years stands at Tk128,61,374.00 and the weighted average EPS stands at Tk. **21.46**. The Price Earning Multiple (PE) at issue price of Tk. 120.00 each (including a premium of Tk. 20.00 per share) stands at PE **5.59** as opposed to the present PE of Insurance Industry **21.81** on December 31, 2008.

If we consider the share price of Insurance Industry on the basis of price earning multiple of **21.81**, the earning based value of shares of the Company stands at **Tk. 468.04**, a price much higher than the price offered.

Average Market Price of Similar Stock:

Average Market Price of Similar Stocks on the basis of EPS and NAV per Share of the following Companies is given in the following table. Price data is collected from Monthly Reveiw, Dhaka Stock Exchange Limited.

Name of Companies	EPS (31-12-2008)	NAV (31-12-2008)	Average Mkt. Price (Dec 2008 to May 2009)
Takafull Islami Insurance Ltd.	10.04	116.19	266.00
Agrani Insurance Company Ltd.	11.44	110.31	313.48
Global Insurance Company Ltd.	13.85	124.89	228.29
Nitol Insurance Company Ltd.	18.29	130.89	358.92
Asia Pacific Insurance Co. Ltd.	13.47	123.07	275.34
Average Market Price			**288.40**

It may be mentioned here that Dhaka Insurance Limited has more EPS & NAV among the 5 Insurance Companies. From the above data it appears that the offered price of Tk. 120.00 each (at a premium of Tk. 20.00 each) fixed by the company is quite justified, reasonable and attractive as to the present Market context.

Projected Earnings Based Value Per Share:

Period	Projected Earning Per Share (Amount in Tk.)
31st December, 2009	16.00
31st December, 2010	17.00
31st December, 2011	18.00
Average EPS	**17.00**

The weighted average EPS of the Company for next 3 years stands at Tk. 17.00. If we consider the share price of the Company on the basis of price earning multiple of the Insurance Industry **21.81**, the earning based value of per share of the Company stands at **Tk. 370.77**, a price much higher than the price offered.

Projected NAV Based Value Per Share:

Period	Projected Earning Per Share (Amount in Tk.)
31st December, 2009	167.69
31st December, 2010	179.08
31st December, 2011	189.14
Average NAV	**178.63**

From the foregoing as summed up below the determination of the offer price Tk.120.00 each is quite justified.

Justification of offering price under different methods	***Amount***
1. Net asset Value (NAV) per share	Tk. 187.94
2. Earning Based Value per Share	Tk. 468.04
3. Average Market Price	Tk. 288.40
4. Projected Earning Based Value Per Share	Tk. 370.77
5. Projected Net Asset Value Per Share	Tk. 178.63
Average	**Tk. 298.76**

From the above analyses, it appears that the ordinary share of Tk.100.00 is being offered at Tk.120.00 each (including a premium of Tk. 20.00 per share) by the Company is quite justified and reasonable and also familiar and attractive to the Shareholders. Besides the above accounting figures it can be mentioned here that, Credit Rating Information & Services Limited **CRISL** has assigned Current Rating **"BBB+"** (pronounced as "**Triple B plus**") to Dhaka Insurance Limited (hereinafter called DIL) that indicates good claim paying ability, good protection factors of an insurance company.

Market for The Securities Being Offered

The issuer shall apply to all the stock exchanges in Bangladesh within seven working days from the date of consent accorded by the Commission to issue prospectus.

Dhaka Stock Exchange Limited (DSE)
9/F, Motijheel C/A, Dhaka-1000

And

Chittagong Stock Exchange Limited (CSE)
CSE Building, 1080 Sk. Mujib Road,
Agrabad C/A, Chittagong

"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 shall 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 regulation of the stock exchanges shall apply in respect of trading and settlement of the share of the company.

Description of Securities Outstanding Or Being Offered

Particulars	**Premium in Taka**	**Capital in Taka**
Authorized Capital 2,000,000 Shares @ Taka 100.00 each	-	200,000,000
Issued & Fully Paid Up capital 600,000 ordinary Shares @ Taka 100.00 each	-	600,000,000
IPO 900,000 ordinary shares of Tk. 100.00 each at an issue price of Taka 120.00 each including a premium of Tk.20.00 per share	18,000,000	90,000,000
After IPO Total Paid Up Capital	**18,000,000**	**150,000,000**

Dividend, Voting, Preemption Right

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. Shareholders shall have the usual voting right in person or by proxy in connection with, among others, selection of Directors & Auditors and other usual agenda of General Meeting – Ordinary or Extra Ordinary. On a show of hand every shareholder present 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/her.

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

Conversion & Liquidation Right

If the company at any time issues convertible preference shares or Debenture with the consent of SEC, such holders of Securities shall be entitled to convert such securities into ordinary shares if it is so determined by the company.
Subject to the provisions of the Companies Act, 1994, Articles of Association of the Company and other relevant Rules in force, the Shares, if any, of the Company are freely transferable, the Company shall not change any fee for registering transfer of shares. No transfer shall be made to firms, minors or persons of unsound mental health.

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 subject to the provision of the Articles of Association, shall be divisible among the members in proportion to the 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 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 of dividend.

Other Rights Of Stock Holders

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

In case of any declaration of stock dividend by issue of bonus shares, all shareholders shall be entitled to it in proportion to their shareholdings on the date of book closure for the purpose.

The shareholders holding not less than 10% of the issued/fully paid up capital of the company shall have the right to requisition Extra-Ordinary General Meeting of the Company as provided under Section 84 of the Companies Act, 1994.

Debt Securities

Dhaka Insurance Limited has not issued any Debt Securities and has no plan to issue within next six months.

Financial Structure

Particular	Premium in Taka	Capital in Taka
Authorized Capital 2,000,000 Shares @ Taka 100/- per share	-	200,000,000
Issued & Fully Paid up Capital 600,000 ordinary Shares @ Taka 100/- per share	**-**	60,000,000
IPO (Initial Public Offering) 900,000 ordinary shares of Tk. 100.00 each at an issue price of Taka 120.00 each including a premium of Tk. 20.00 per share	18,000,000	90,000,000
After IPO	**18,000,000**	**150,000,000**

Lock-In On Sponsor's Capital

All issued shares of the issuer at the time of according consent to the 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 has subscribed to the shares of the Company within immediatepreceeding 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. No.	Name of Shareholder	Address	Position	Shareholding	Percentage
1.	Mr. Fazlur Rahman	115/7-A, Distillary Road, Gandaria Dhaka-1204	Chairman	75,000	12.50%
2.	Mrs. Hamida Rahman	115/7-A, Distillary Road, Gandaria Dhaka-1204	Director	45,000	7.50%
3.	Mr. Mohammad Hassan	110, Distillary Road, Gandaria Dhaka-1204	Director	1,20,000	20.00%
4.	Mr. Mohammad Masum	House # 8, Road # 14, Sector # 7 Uttara Model Town, Dhaka	Director	75,000	12.50%
5.	Mr. A. K. M. Kamruzzaman	64/A, Swamibagh (Ground floor) Dhaka	Director	90,000	15.00%
6.	Mr. A. B. M. Kamal	115/4, Distillary Road, Gandaria Dhaka-1204	Director	85,000	14.17%
7.	Mr. Biswajit Saha	115/4, Distillary Road, Gandaria Dhaka-1204	Director	35,000	5.83%
8.	Mrs. Farzana Rahman	122, Shantinagar Dhaka	Sponsor Share Holder	75,000	12.50%
Total				**6,00,000**	**100.00%**

As per condition of the 2CC of the consent letter above shares will be locked-in from 06/09/2009 to 05/09/2012

Subscription by and refund to non-resident Bangladeshi (NRB)

(1) A non-resident Bangladeshi shall apply either directly by enclosing a foreign demand draft drawn on a bank payable at Dhaka, or through a nominee by paying out of foreign currency deposit account maintained in Bangladesh or in Taka, supported by foreign currency encashment certificate issued by the concerned bank, for the value of securities applied for through crossed bank cheque marking "Account Payee only".

(2) The value of securities applied for by such person may be paid in Taka or US Dollar or UK Pound Sterling or Euro at the rate of exchange mentioned in the securities application form.

(3) Refund against over subscription shall be made in the currency in which the value of securities was paid for by the applicant through Account Payee cheque payable at with bank account number, Bank's name and Branch as indicated in the securities application form.

Refund of subscription money

In the case of non-allotment of securities, if the applicants' bank accounts as mentioned in their IPO Application Forms are maintained with the Bankers to the Issue as mentioned below, refund amount of those applicants will be directly credited into the respective bank accounts as mentioned in their IPO Application Forms.

Dhaka Bank Limited	**Southeast Bank Limited**
Bank Asia Limited	**Jamuna Bank Limited**
National Bank Limited	**NCC Bank Ltd.**
Investment Corporation of Bangladesh	

Otherwise, refund will be made only through "Account Payee" cheque(s) with Bank account number name of Bank and branch as mentioned in the application payable at Dhaka or Chittagong, as the case may be.

For this purpose the number of the bank account along with name of bank and branch shall be indicated in the securities application form.

Subscription by and refund to non-resident Bangladeshi (NRB):

1. A Non-Resident Bangladeshi shall apply either directly by enclosing a foreign demand draft drawn on a bank payable at Dhaka, or through a nominee by paying out of foreign currency deposit account maintained in Bangladesh or in Taka, supported by foreign currency encashment certificate issued by the concerned bank, for the value of securities applied for through crossed bank cheque marking "Account Payee only".
2. The value of securities applied for by such person may be paid in Taka or US dollar or UK pound sterling or EURO at the rate of exchange mentioned in the securities application form.
3. Refund against oversubscription shall be made in the currency in which the value of securities was paid for by the applicant through Account Payee bank cheque payable at Dhaka with bank account number, Bank's name and Branch as indicated in the securities application form. If the applicants' bank accounts as mentioned in their IPO Application Forms are maintained with the Bankers to the Issue and other banks as mentioned below, refund amount of those applicants will be directly credited into the respective bank accounts as mentioned in their IPO Application Forms.

Allotment

The company shall issue share allotment letters to all successful applicants within 5 (five) weeks from the date of the subscription closing date. Within the same time, Refund to the unsuccessful applicants shall be made in the currency in which the value of securities was paid for by the applicants without any interest, through Account Payee Cheque/ refund warrants with bank account number, bank's name and Branch as indicated in the securities application forms payable at Dhaka/ Chittagong/ Khulna/ Rajshahi/ Barisal/ Sylhet/ Bogra, as the case may be. A compliance report in this regard shall be submitted to the Commission within 7(seven) weeks from the date of closure of subscription.

Availability Of Securities

a)	10% of the Issue i.e 90,000 ordinary Shares at an issue price Tk.120 each shall be reserved for Non-resident Bangladeshis.	Tk. 10,800,000.00
b)	10% of the Issue i.e 90,000 ordinary Shares at an issue price Tk.120 each shall be reserved for Mutual Funds and collective investment schemes registered with the Commission.	Tk. 10,800,000.00
c)	The remaining 80% i.e. 720,000 Ordinary Shares at an issue price Tk.120 each shall be open for subscription by the general public.	Tk.86,400,000.00
Total		**Tk.108,000,000.00**

(1) 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 80% shall be open for subscription by the general public.

(2) All securities as stated in sub-rule (1) 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 Securities and Exchange Commission.

(3) In case of over-subscription under any of the categories mentioned in sub-rule (1), the 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 Securities and Exchange Commission.

(4) In case of under-subscription under any of the 10% categories mentioned in sub-rule (1), 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 shall jointly conduct an 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 sub-rule (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

01. Application for shares may be made for a minimum lot of 50 (Fifty) ordinary shares to the value of Tk.6,000.00 and should be made on the Company's Printed Application forms. Application forms and the Prospectus May be obtained from the Registered Office of the Company, members of the Dhaka Stock Exchange Ltd., Chittagong Stock Exchange Ltd. or from the Bankers to the Issue. In case adequate forms are not available, applicants May use photocopied/cyclostyled/ handwritten/ typed copies of the forms. Application must not be for less than 50 shares. Any application not meeting the criterion will not be considered for allotment purpose.

02. Joint application form for more than two persons will not be accepted. In the case of a joint application each party must sign the application form.

03. Application 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. Applications from insurance, financial and market intermediary companies and Limited Companies must be accompanied by Memorandum and Articles of Association.

04. An applicant can NOT submit more than two applications, one in his/her own name and another 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, whole or part of application money may be forfeited by the Commission.

05. Bangladeshi nationals (including non-resident Bangladeshis residing/working aboard) and Foreign nationals shall be entitled to apply for shares.

06. Payment for subscription by investor other than Non-Resident Bangladeshi may be made to the said branches/office of the bank mentioned below in cash /cheque/pay order /Bank Draft. The Cheque or Pay order or Bank Draft shall be made payable to the bank to which it is sent and be marked "**Dhaka Insurance Limited"** and shall bear the crossing " **Account Payee only**" and must be drawn on a Bank the same town of the bank to which application from is deposited.

07. All completed Application forms, together with remittance for the full amount payable on Application, shall be lodged by investors other than Non-Resident Bangladeshis with any of the branches of the Bankers to the Issue.

08. A Non-Resident Bangladeshi (NRB) shall apply against the IPO either directly by enclosing a foreign demand draft drawn on a Bank payable at Dhaka, or through a nominee (including a bank or a company) by paying out of foreign currency deposit account maintained in Bangladesh, for the value of Securities applied for. The value of Securities applied for may be paid in Taka, US Dollar or UK Pound Sterling at the rate of exchange mentioned in the Share Application Form. Refund against over subscription of Shares shall be made in the currency in which the value of Shares applied for was paid by the applicant. Share

Application Form against the quota for NRB shall be sent by the applicant directly along with a draft or cheque to the Company at its Registered Office. Copies of Application Form and Prospectus shall be available with Bangladesh Embassy/High Commission in USA, UK, Saudi Arabia, UAE, Qatar, Kuwait, Oman, Bahrain, Malaysia and South Korea and web site of the company, Issue Manager, DSE, CSE and the SEC.

09. The IPO subscription money collected from investors (other than Non-Resident Bangladeshis) by the Bankers to the Issue will be remitted to the Company's **STD Account No. 000113100002651** with **United Commercial Bank Ltd**., Principal Branch, Dhaka-1000, for the purpose.

10. The subscription money collected from Non-Resident Bangladeshis in US Dollar or UK Pound Sterling shall be deposited to " FC Account(s) open by the company for IPO as follows:

Sl. No.	Name of the Accounts	Accounts No.	Bank and Branch
1.	**USD**	**00012009**	**United Commercial Bank Ltd., Principal Branch**
2.	**EURO**	**00022009**	
3.	**GBP**	**00032009**	

The company shall close these accounts after refund of over subscription, if any.

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

UNDERWRITERS OBLIGATION

As per Securities and Exchange Commission's guideline 50% of the **Public Offer of 9,00,000** ordinary share i.e., 450,000 ordinary shares of TK. 120.00 each including a premium of Tk.20.00 each share i.e., for TK. 540,00,000.00 will be Underwritten at a rate of 0.50% (underwriting commission) by the following Underwriters for the IPO of **Dhaka Insurance Limited.** No additional commission will be paid on the amount of shares required to be subscribed by the underwriter.

SL.No.	Name of Underwriter	Number of Share	Amount@Tk.120 per share
1.	Jamuna Bank Ltd.	200,000	24,000,000
2.	Bangladesh General Insurance Co. Ltd.	100,000	12,000,000
3.	Banco Trans World (BD) Ltd.	50,000	6,000,000
4.	Bangladesh Mutual Securities Ltd.	100,000	12,000,000
	Total	**450,000**	**54,000,000**

If and to the extent that the Shares offered to the public through 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 the said writing to the Securities and Exchange Commission, to subscribe the Shares not so subscribed within the closing date and to pay for in cash in full, inclusive of any premium, if applicable, for such unsubscribed Shares within 15 (fifteen) days after being called upon to do so. If payment is made by Cheque/Bank Draft by the underwriter it will be deemed that the underwriter has not fulfilled his obligation towards underwriting commitment under this agreement, until such time as the Cheque/Bank Draft has been en-cashed and the Company's account credited. In any case within 7 (seven) days after expiry of the aforesaid 15 (fifteen) days, the Company shall send proof of subscription and payment by the underwriters, to the

Commission. 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 fulfills his underwriting commitment under this Agreement and also other penalties as may be determined by the Commission.

Corporate Information

MANAGER TO THE ISSUE	**AAA Consultants & Financial Advisers Ltd.** Amin Court, 4th Floor (Suit#404), 31, Bir Uttam Shahid Ashfaqueus Samad Road (Previous 62-63, Motijheel C/A) Dhaka-1000.
AUDITOR	**Saha Mazumder & Co.** Chartered Accountants
TAX ADVISOR	**Mr. Jashim Chowdhury** Rahman Mostafa Alam & Co. Chartered Accountants
BANKER	**United Commercial Bank Limited**
COMPANY'S COMPLIANCE OFFICER	**Mr. Salim Ahmed** General Manager & Company Secretary
COMPLIANCE OFFICER OF MANAGER TO THE ISSUE	**Md. Khalid Hossain** Assistant Manager AAA Consultants & Financial Advisers Ltd.

All investors are hereby informed by the Company that it has appointed a Compliance Officer who may be contacted in case of any Pre-Issue / Post Issue related problems such as, non-receipt of letters of allotment /Share Certificates/Refund warrants/Cancelled Stock Investors, etc.

MATERIAL CONTRACTS

The following are material contracts in the ordinary course of business, which have been entered into by the Company.
a) Underwriting Agreement between the Company and the Underwriters.
b) Issue Management Agreement between the Company and the Manager to the Issue, AAA Consultants & Financial Advisers Ltd.
c) Contract between the company and the Central Depository Bangladesh Ltd. (CDBL).

Copies of the aforementioned contracts and documents and a copy of Memorandum and Articles of Association of the Company and the Consent Order from the Securities and Exchange Commission may be inspected on any working day during office hours at the Company's Registered Office.

BANKERS TO THE ISSUE

United Commercial Bank Ltd.

1. Principal Branch
2. Moulvibazar
3. Zinzira
4. Islampur
5. Mymensingh
6. Narsingdi
7. Elephant Road
8. Malibagh
9. Bangshal
10. Nawabpur
11. Narayangonj
12. Tangail
13. Kawran Bazar
14. Mohammadpur
15. Nayabazar
16. Gulshan
17. Mirpur
18. Faridpur
19. Tongi
20. Foreign Exchange
21. North Brook Hall Rd.
22. Mohakhali
23. Uttara
24. Khatungonj
25. Agrabad
26. Cox's Bazar
27. Jubilee Road
28. Comilla
29. Kadamtali
30. Chowk Bazar
31. Chandpur
32. Brahmanbaria
33. Port Branch
34. Anderkilla
35. Maizdee Court
36. O.R. Nizam Road
37. Kamal Bazar Branch
38. Muradpur
39. Station Road
40. Bahaddarhat
41. Sylhet
42. Moulvi Bazar
43. Ambekhana
44. Dinajpur
45. Rangpur
46. Rajshahi
47. Naogaon
48. Pabna
49. Serajgonj
50. Natore
51. Chapai Nawabgonj
52. Bogra
53. Khulna
54. Jessore
55. Kushtia
56. Jhenaidah
57. Noapara Bazar
58. Khan Jahan Ali
59. Chuadanga
60. Barisal

Investment Corporation Bank of Bangladesh (ICB)

1. Head Office, Dhaka
2. Chittagong Br. Agrabad C/A, Chittagong
3. Rajshahi Br.,Saheb Bazar,Rajshahi
4. Khulna Br., Shilpa Bank Bhaban, Khulna
5. Barishal Br., Hemayat Uddin Road, Barishal.
6. Sylhet Br., Chamber Building, Jail Road,Sylhet
7. Bogra Br.,Baragola, Bogra
8. Local Office, Nayapaltan, VIP Road, Dhaka

National Bank Ltd.

1. Agrabad BR. Chittagong
2. Anderkillah Br. Chittagong
3. Babubazar Br, Dhaka
4. Banani Branch, Dhaka
5. Bangsal Road Br., Dhaka
6. Barishal Br, Barashal
7. Bogra Br, Bogra
8. Chawk Bazar Br.,Chittagong
9. Comilla Br. Comilla
10. Dhanmondi Br., Dhaka
11. Dilkusha Br. , Dhaka
12. Elephant Road Br. Dhaka
13. Faridpur Br., Faridpur
14. Feni Br., Feni
15. Foreign Ex. Br., Dhaka
16. Gazipur Br., Gazipur
17. Gulshan Br. Dhaka
18. Imamgonj Br, Dhaka
19. Islampur Br., Dhaka
20. Jatrabari Br. Dhaka
21. Jubilee Road Br. Chittagong
22. Kawran Bazar Br., Dhaka
23. Katunganj BR. Chittagong
24. Khulna Br, Khulna
25. Lake Circus Br. Dhaka
26. Malibagh Br. Dhaka
27. Mirpur Br. Dhaka
28. Mohakhali Br. DHAKA
29. Mohammadpur Br. Dhaka
30. Motijheel Br., Dhaka
31. Narayangonj Br. Narayangonj
32. Narsingdi Br, Narsingdi
33. North brook Hall Br. Dhaka
34. Pagla bazaar Br. N'Gonj
35. Pahartoli BR. Chittagong
36. Pragati Sarani Br. Dhaka
37. Rajshahi Br, Rajshshi
38. Rangpur Br, Rangpur
39. Savar Bazar Br. Savar
40. Sheikh Muzib Road Br. Chittagong
41. Sylhet Br. Sylhet
42. Tangail Br, Tangail
43. Uttara Br. Dhaka
44. Z.H. Sikder M.C. Br. Dhaka

Jamuna Bank Limited

1. Mohakhali Br., Dhaka
2. Sonargaon Road Br, Dhaka
3. Moulvibazar Br., Dhaka
4. Dilkusha Br., Dhaka
5. Motijheel Br., Dhaka
6. Shantinagar Br, Dhaka
7. Gulshan Br., Dhaka
8. Dhanmondi Br., Dhaka
9. Naya Bazar Islami Banking Br., Dhaka
10. Foreign Exchange Br. Dhaka
11. Dholaikhal Br., Dhaka
12. Banani Br., Dhaka
13. Narayangonj Br, Narayangonj
14. Agrabad Br., Chittagong
15. Khatungonj Br. Chittagong
16. Jubilee Road Br.Chittagong
17. Bahaddarhat Br.Chittagong
18. Kadamtali Br., Chittagong
19. Sylhet Br., Sylhet
20. Bogra Br., Bogra
21. Rajshahi Br., Rajshahi
22. Comilla Br. Comilla
23. Dinajpur Br., Dinajpur
24. Kushtia Br., Kushtia

Bank Asia

1. Principal Office Br.Dhaka
2. MCB Dilkusha Br.,Dhaka
3. Corporate Br., Dhaka
4. Scotia Br., Dhaka
5. Gulshan Br., Dhaka
6. MCB Banani Br., Dhaka
7. Uttara Br., Dhaka
8. Mitford Br., Dhaka
9. North South Rd. Br.,Dhaka
10. Dhanmondi Br., Dhaka
11. Bashundhara Br., Dhaka
12. Sylhet Main Br., Sylhet
13. Sylhet Upashahar Br. Sylhet
14. Agrabad Br., Chittagong
15. Khatun gonj Br., Chittagong
16. MCB Sk. Mujib Road Br., Chittagong
17. CDA Avenue Br., Chittagong
18. Station Road Br., Chittagong
19. Rajshahi Br. Rajshahi
20. Khulna Br., Khulna
21. Mohakhali Br., Dhaka
22. Mirpur Br. Dhaka
23. Bogra Br, Bogra
24. Jessore Br. Jessore
25. Anderkilla Br.Chittagong
26. Shantinagar Br. Dhaka

Southeast Bank Limited

1. Principal Br, Dhaka
2. Corporate Br., Dhaka
3. Imamgonj Br., Dhaka
4. Dhanmondi Br., Dhaka
5. Uttara Br., Dhaka
6. New Elephant Rd. Br, Dhaka
7. Gulshan Br., Dhaka
8. Kakrail Br., Dhaka
9. Banani Branch, Banani, Dhaka
10. Bangshal Br., Dhaka
11. New Eskaton Br. Dhaka
12. Agargaon Br., Dhaka
13. Motijheel Br.(Islami Banking), Motijheel C/A, Dhaka
14. Shymoli Br., Dhaka
15. Aganagar Br., Dhaka
16. Kawran Bazar Br., Dhaka
17. MadhabdiBr. (Rural), Dhaka
18. Ashulia Br. (Rural), Dhaka
19. Narayanganj Br., Narayanganj
20. Joypara Br. (Rural), Dohar, Dhaka
21. Savar Br. Dhaka
22. Mouchak Br., Dhaka
23. Konabari Br.(Rural), Dhaka
24. Bandar Bazar Br. Sylhet
25. Moulivi Bazar Br., Sylhet
26. Hetimganj Br., Sylhet
27. Chouhatta BR., Sylhet
28. Laldighirpar Br., Sylhet
29. Shahjahaj Upashahar Br. Sylhet
30. Kulaura Br.(Rural), Sylhet
31. Pathantula Br., Sylhet
32. Agrabad Br., Chittagong
33. Khatungonj Br., Chittagong
34. Jubilee Road Br., Chittagong
35. Halishahar Br, Chittagong
36. Chowmuhani Br(Rural), Chittagong
37. CDA Avenue Br., Chittagong
38. Cox's Bazar Br(Islami Banking), Cox Bazar.
39. Chagalnaya Br., (Islami Banking),Feni
40. Feni Br. (Islami Banking), Feni
41. Pahartali Br, Chittagong
42. Bashurhat Br.(Rural), Noakhali
43. Momin Road Br., Chittagong
44. Rangpur Br., Rangpur
45. Bogra Br., Bogra
46. Khulna Br., Khulna

National Credit & Commerce Bank Ltd.

1. Motijheel Br., Dhaka
2. Karwan Bazar Br.
3. Dilkusha Br. Dhaka
4. Mirpur Br., Dhaka
5. Dhanmondi Br., Dhaka
6. Mitford Br., Dhaka
7. Foreign Ex. Br., Dhaka
8. Gulshan Br., Dhaka
9. Banani Branch, Dhaka
10. Malibagh Br. Dhaka
11. Uttara Br., Dhaka
12. Mogbazar Br. Dhaka
13. Babubazar Br. Dhaka
14. Bangshal Br, Dhaka
15. Elephant Rd. Br., Dhaka
16. Jatrabari Br. Dhaka
17. Bogra Br. Dhaka
18. Comilla Br. Dhaka
19. Agrabad Br., Chittagong
20. Khatungonj Br.Chittagong
21. O.R. Nizam Road Br., Chittagong
22. Jublee Rd. Br. Chittagong
23. Cox's Bazar Br. Cox's Bazar
24. Laldighirpar Br., Sylhet
25. Khulna Br., Khulna
26. Rajshahi Br., Rajshahi
27. Feni Branch, Feni

BRAC Bank Limited

1. Gulshan Branch, Dhaka
2. Banani Branch, Dhaka
3. Asad Gate Branch, Dhaka
4. Satmoshjeed Road Branch, Dhaka
5. Shymoli Branch, Dhaka
6. Motijheel Branch, Dhaka
7. Mogbazar Branch, Dhaka
8. Nawabpur Branch, Dhaka
9. Keraniganj Branch, Dhaka
10. Uttara Branch, Dhaka
11. Mirpur Branch, Dhaka
12. Rampura Branch, Dhaka
13. Graphics Building Branch, Dhaka
14. Narayanganj Branch
15. Ganakbari Branch, Savar
16. Dohar Branch, Dhaka
17. Savar Branch, Savar
18. Donia Branch, Dhaka
19. Dakhinkhan Branch, Dhaka
20. Eskaton Branch, Dhaka
21. Bashundhara Branch, Dhaka
22. Manda Branch, Dhaka

Dhaka Bank Limited

1. Local Office Br, Dhaka
2. Uttara Br., Dhaka
3. Narayangonj Br., Narayangonj
4. Agrabad Br., Chittagong
5. Bangsal Br., Dhaka
6. Foreign Ex. Br. Dhaka
7. Amin Bazar Br.
8. Savar,Dhaka
9. Jubilee Road Br. Chitagong
10. Imamganj Br., Dhaka
11. Dhanmondi Br., Dhaka
12. Islami Banking Br. Dhaka
13. Khatungonj Br.Chittagong
14. Islampur Br., Dhaka
15. Karwanbazar Br, Dhaka
16. Laldighirpar Br., Sylhet
17. Cox's Bazar Br. CoxBazar

INTERESTED PERSONS ARE ENTITLED TO A PROSPECTUS, IF THEY SO DESIRE, AND COPIES OF PROSPECTUS MAY BE OBTAINED FROM THE ISSUER AND THE ISSUE MANAGER"

DHAKA INSURANCE LIMITED

Application Form

APPLICATION FOR SHARES BY OTHER THANNON-RESIDENT BANGLADESHIS

Warning: Please read the instructions on the back of this form. Incorrectly filled Applications may be rejected.

Bankers Sl No.
Brokers Sl No.

The Managing Director
Dhaka Insurance Limited
Amin Court(8th Floor), 31 Bir Uttam Shahid Ashfaqueus
Samad Road (Previous 62-63, Motijheel C/A) Dhaka-1000

Dear Sir,
I/we apply for and request you to allot me/us the.........................number of Shares and I/we agree to accept the same or any smaller number that may be allotted to me/us upon terms of the Company's approved Prospectus and subject to the Memorandum and Articles of Association of the Company. Further, I/we authorize you to place my/our name(s) on the Register of Member(s) of the Company and deposit the said shares to my/our Depository (BO) Account and/or a crossed (A/C Payee Only) cheque in respect of any Application money refundable by post/courier at my/our risk to the first applicant's address stated below:

1 Number of Ordinary Shares ....of Tk. 120.00 each including a premium of Tk.20.

2 Amount Tk. (in figure)..............................Taka (in words)...only deposited vide Cash/ Cheque/Draft/Pay Order No........................Date....................... on.................................. Bank...........................Branch

3 Depository (BO) Account Number

{If you do not mention your valid Depository (BO) account, your application will be treated as invalid.}

4 I/we agree to fully abide by the instructions given herein.

5 **Particulars of Applicant(s)** :

Sole/First Applicant : Mr./Mrs./Ms.	
Father's/Husband's Name :	
Postal Address :	
Occupation :	Nationality :
For Refund Warrant: Applicant's Bank A/C No. :	
Name of the Bank :	Branch :

Second Applicant : Mr./Mrs./Ms.	
Father's/Husband's Name :	
Postal Address :	
Occupation :	Nationality:

6. I/we hereby declare that I/we have read the Prospectus of **Dhaka Insurance Limited** and have willingly subscribed for ....No. of Shares of Tk. 120.00 each including a premium of Tk.20 on this form.

7 Specimen Signature(s) :

Name (in Block Letters)	Signature
1	
2	

....

BANKER'S ACKNOWLEDGMENT

Certified that this Bank has received Tk......................... (in word.. ....)only from Mr./Mrs./Ms./ ....being the Application money for..................... Nos. of Ordinary Shares of **Dhaka Insurance Limited.**

Banker's SL. No. Seal & Date Authorized Signature (Name & Designation)

INSTRUCTIONS

1. As per provision of Depository Act, 1999 and regulations made there under shares will only be issued in dematerialized condition. Please mention your BO (Beneficiary Owner) Account number in the Application form. If you do not mention your valid BO (Beneficiary Owner) Account, your application will be treated invalid.
2. All information must be typed or written in full (in Block letters) in English or in Bengali and must NOT be abbreviated.
3. Application must be made on the Company's printed form/photocopy or typed copy/hand written form thereof.
4. Application must not be for less than 50 Ordinary Shares and must be for a multiple of 50 Ordinary Shares. Any Application not meeting this criterion will not be considered for allotment purpose.
5. Remittance for the full amount of the Shares must accompany each Application and must be forwarded to any of the Bankers to the Issue. Remittance should be in the form of Cash/Cheque/Bank Draft/Pay Order payable to one of the Bankers to the Issue A/C **"Dhaka Insurance Limited"** and crossed **"A/C Payee only"** and must be drawn on a Bank in the same town as the Bank to which the Application form has been sent.
6. In the case of Joint Application Form, the Allotment Letter will be dispatched to the person whose name appears first on this Application Form and where any amount is refundable in whole or in part the same will be refunded by Account Payee Cheque by post/courier service to the person named first on this Application Form in the manner prescribed in the Prospectus.
7. Joint Application form for more than two persons will not be accepted. In case of joint Application, each party must sign the Application Form.
8. Application must be in full name of individuals or companies or societies or trusts and not in the name of firms, minors or persons of unsound mind. Application from financial and market intermediary companies and Private Company must be accompanied by Memorandum and Articles of Association and Certificate of Incorporation.
9. **An applicant can not submit more than two applications, one in his/her own name and another 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, whole or part of application money may be forfeited by the commission.**
10. No receipt will be issued for the payment made with Application, but the bankers will issue a provisional acknowledgment to the Issue for Application lodged with them.
11. Refund will be made only through "**ACCOUNT PAYEE**" Cheque(s) with Bank A/C No. and name of Bank Branch as mentioned in the Application payable at Dhaka or Chittagong, as the case may be.
12. Allotment shall be made solely in accordance with the instructions of the Securities and Exchange Commission (SEC).
13. Making of any false statement in the application or supplying of incorrect information therein or suppressing any relevant information shall make the Application liable to rejection and subject to forfeiture of Application money. The said forfeited Application money will be deposited in account specified by the Securities and Exchange Commission (SEC). This may be in addition to any other penalties as may be provided for by law.
14. Applications, which do not meet the above requirements, or Applications, which are incomplete, shall NOT be considered for allotment purpose.
15. The Banker's to the Issue shall be obliged to receive the A/C Payee Cheque(s) on the closing day of the subscription of the IPO.
16. **No sale of securities shall be made, nor shall any money be taken from any person, in connection with such sale until 25 (twenty five) days after the prospectus has been published.**

"INTERESTED PERSONS ARE ENTITLED TO A PROSPECTUS, IF THEY SO DESIRE, AND COPIES OF PROSPECTUS MAY BE OBTAINED FROM THE ISSUER AND THE ISSUE MANAGER"

DHAKA INSURANCE LIMITED

Application Form

APPLICATION FOR SHARES BY NON-RESIDENT BANGLADESHIS

(To be sent to the Company's Head Office)

WARNING: Please read the instructions at the back of this form. Incorrectly filled Applications or failing to comply with any instruction therein, application may be rejected.

The Managing Director

Dhaka Insurance Limited
Amin Court(8th Floor), 31 Bir Uttam Shahid Ashfaqueus Samad Road
(Previous 62-63, Motijheel C/A) Dhaka-1000

Dear Sir,
I/We apply for and request you to allot me/us the …………………..number of Shares and I/we agree to accept the same or any smaller number that may be allotted to me/us upon terms of the Company's approved Prospectus and subject to the Memorandum and Articles of Association of the Company. Further, I/we authorize you to place my/our name(s) on the Register of Members of the Company and deposit the said shares to my/our Depository (BO) Account and/or a crossed (A/C Payee only) Cheque in respect of any Application money refundable by post/courier at my/our risk to the first applicant's address stated below:

1. No. of Shares .... of Tk. 120.00 each including a premium of Tk.20
2. Amount of Tk. (in figure) .... Tk. (in words) .... only convertible into US Dollar 1.00 = Tk.................. /UK Pound Sterling 1.00 = Tk............../Euro 1.00 = Tk………..…
3. Payment by Draft/pay order Cheque No......................... date...................... for US Dollar/UK Pound Sterling/ Euro/Tk……………………….. drawn on.......................... Bank..............................branch
4. Depository (BO) Account Number

5. **(If you do not mention your valid Depository (BO) Account, your application will be treated invalid.)**
I/we agree to fully abide by the instructions given herein.
6. Particulars of Applicant(s)

Sole/First Applicant : Mr./Mrs./Ms.	
Father's/Husband's Name :	
Mother's Name:	
Mailing Address :	
Occupation :	Nationality :
Telephone (if any):	Date of Birth :
Passport No. :	Valid up to:
For refund warrant (Application will not be treated as valid if anyone uses a non-scheduled bank. To avoid this complication, investors are requested not to use the name of any non-scheduled bank) Please write the correct and full name of bank and branch. Applicant's Bank A/C No. :	
Name of the Bank :	Branch :

Second Applicant : Mr./Mrs./Ms.	
Father's/Husband's Name :	
Mother's Name:	
Mailing Address :	
Occupation :	Nationality :
Passport No. :	Valid up to :
Date of Birth :	

Nominee

Name :
Mailing Address:

Specimen Signature(s):

	Name in Block Letters	Signature
Sole/First Applicant:		
Second Applicant :		
Nominee :		

INSTRUCTIONS:

1. As per provision of Depository Act, 1999 and regulations made there under shares will only be issued in dematerialized condition. Please mention your BO (Beneficiary Owner) Account number in the Application form. If you do not mention your valid BO (Beneficiary Owner) Account, your application will be treated invalid.

2. All information must be written or typed in Block Letters in English and must NOT be abbreviated.

3. Application must not be for less than 50 Ordinary Shares and must be for a multiple of 50 Ordinary Shares. Any Application not meeting this criterion will not be considered for allotment purpose.

4. Application must be accompanied by a foreign demand draft drawn on a bank payable at Dhaka or cheque drawn out of foreign currency deposit account maintained in Bangladesh for the full value of Shares favoring **"Dhaka Insurance Limited"** and crossed **"ACCOUNT PAYEE ONLY".**

5. Application shall be sent by the applicant directly to the Company within **10/12/2009** so as to reach the Company within **20/12/2009**. No Application sent after **10/12/2009** or received by the Company after **20/12/2009** will be considered for allotment purpose.

6. Refund against over-subscription shall be made in the currency in which the value of Shares was paid for by the applicant through Account Payee Cheque payable at Dhaka with bank account number, Bank's name and Branch.

7. All the applicants shall first be treated as applied for one minimum lot. 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. On the other hand, if there is under subscription, then all the applicants shall first be distributed with a single lot and thereafter, for the balance amount, lottery, shall be held for the applicants who have applied for multiple lots on the basis of dividing the application money by amount of a market lot separately for both NRB and General Public.

8. Money receipt of clearance of draft or cheque, as the case may be, shall be sent by post to the applicant by the Company.

9. Joint Application by two persons will be acceptable. In such a case, allotment or refund shall be made by post to the first applicant.

10. Application must be made by an individual, a corporation or Company, a trust or a society and not by a firm, minor or persons of unsound mind.

11. Making of any false statement in the application or supplying of incorrect information therein or suppressing any relevant information shall make the Application liable to rejection and subject to forfeiture of Application money.

12. The intending NRB applicants shall deposit share money by US $/UK Pound Sterling/Euro draft drawn on and payable in Dhaka, Bangladesh, or though a nominee by paying out of foreign currency deposit account or in Taka, supported by foreign currency encashment certificate issued by the concerned Bank, so that the Issuer's collecting Bank can clear that proceeds and deposit the same into Issuer's Bank account in time.

13. Spot buying rate (TT Clean) in US Dollars, Euro and UK Pound Sterling of Sonali Bank as prevalent on the date of opening of subscription will be applicable for the Non-Resident Bangladeshi (NRB) applicants.

14. The applicant shall furnish photocopies of relevant pages of valid passport(s) in support of his being a NRB, dual citizenship or of the foreign passport bearing an endorsement from the concerned Bangladeshi Embassy to the effect that no visa is required for him to travel to Bangladesh.

15. In case of joint NRB application joint applicant shall also submit supporting papers/ documents in support of their being an NRB as mentioned in para-14 above.

16. An applicant cannot submit more than two applications, one in his/her own name and another 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, whole or part of application money may be forfeited by the commission.

17. No sale of securities shall be made, nor shall any money be taken from any person, in connection with such sale until 25 days after the prospectus has been published.

THE NRB APPLICATION ALONG WITH THE DRAFT, AS ABOVE, IS TO BE SUBMITTED TO THE COMPANY'S HEAD OFFICE DIRECTLY WITHIN THE STIPULATED TIME MENTIONED IN PARA 5.

AUDITORS' REPORT TO THE SHAREHOLDERS
OF
DHAKA INSURANCE LIMITED

We have audited the accompanying Balance Sheet of **DHAKA INSURANCE LIMITED** as of 31 December 2008 and the related Revenue accounts as well as the Profit and Loss account, and profit and loss appropriation account and Statement of Cash flows Changes of equity and relevant explanatory notes and disclosers for the year then ended. These financial statements are the responsibility of the company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

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

In our opinion, the financial statements, prepared in accordance with BAS give a true and fair view of the state of the company's affairs as of 31 December 2008 and of the results of its cash flows for the year then ended and Exchange rules 1987 and other applicable laws and regulation.

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 (where applicable) proper returns adequate for the purpose of our audit have been received from branches not visited by us;

iii) the company's balance sheet and profit and loss account and it's cash flows dealt with by the report are in agreement with the books of account and returns;

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

v) as per section 40-C(2) of the Insurance Act, 1938 as amended, 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 incurred directly or indirectly, in respect of insurance business of the company transacted in Bangladesh during the year under report have been duly debited to the related revenue accounts and the profit and loss account of the company ; and

vi) as per regulation 11 of part 1 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 year under report has not paid any person any commission in any form outside Bangladesh from any person and commission in any form in respect of any of its business re-insured abroad.

Dhaka
Date: 22.04.2009

Sd/-
Saha Mazumder & Co.
Chartered Accountants

DHAKA INSURANCE LIMITED

BALANCE SHEET AS AT 31 DECEMBER 2008

CAPITAL AND LIABILITIES	NOTES	TAKA 2008	TAKA 2007	PROPERTY AND ASSETS	NOTES	TAKA 2008	TAKA 2007
Authorised Capital				INVESTMENTS AT COST	3.00	9,000,000	9,000,000
2,000,000 Ordinary Shares of Tk.100/- each		200,000,000	200,000,000	Statutory deposit			
				Shares	4.00	161,077,184	137,817,690
ISSUED,SUBSCRIBED AND PAID-UP CAPITAL				INTERESTS, DIVIDENDS & RENTS OUTSTANDING			
600,000 Ordinary Shares of Tk. 100/= each				Accrued Interest	5.00	7,636,708	7,098,535
called and paid up in full	10.00	60,000,000	60,000,000				
RESERVE OR CONTINGENCY ACCOUNTS				AMOUNTS DUE FROM OTHER PERSONS OR	6.00	2,877,488	2,338,893
Reserve for Exceptional Losses	11.00	40,991,316	30,547,725	BODIES CARRYING ON INSURANCE BUSINESS			
General Reserve							
PROFIT AND LOSS APPROPRIATION ACCOUNT		2,774,623	1,897,289	SUNDRY DEBTORS	7.00	12,914,684	9,655,385
				(Including advances, deposits and prepayments)			
BALANCES OF FUNDS AND ACCOUNTS	12.00	42,050,496	38,744,938				
PREMIUM DEPOSITS	13.00	41,194,272	19,638,558	CASH AND BANK BALANCES	8.00	154,583,021	110,694,108
ESTIMATED LIABILITY IN RESPECT OF OUT-							
STANDING CLAIMS WHETHER DUE OR INTIMATED	14.00	100,526,926	70,411,149	OTHER ACCOUNTS:	9.00		
				Fixed Assets:			
AMOUNTS DUE TO OTHER PERSONS OR				At Cost		21,583,542	20,538,434
BODIES CARRYING ON INSURANCE BUSINESS	15.00	36,685,690	39,809,460	Less: Accumulated Depreciation		12,023,748	10,098,703
		137,212,616	110,220,609			9,559,794	10,439,731
PROVISION FOR TAXATION	16.01	17,000,000	11,400,000				
PROPOSED DIVIDEND	17.00	9,000,000	9,000,000				
SUNDRY CREDITORS	18	7,785,950	5,838,850	Stationery and forms in hand		360,394	243,627
TOTAL		**358,009,273**	**287,287,969**	**TOTAL**		**358,009,273**	**287,287,969**

* Notes 1.00 to 25.00 form integral part of these Financial Statements
* Please see note 25.00 for contingent liability

See annexed report of date

	Sd/-	Sd/-	Sd/-	Sd/-	Sd/-
Dhaka	**Saha Mazumder & Co.**	**Chairman**	**Managing Director**	**Director**	**Director**
Dated, 22.04.2009	**Chartered Accountants**				

DHAKA INSURANCE LIMITED
PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31 DECEMBER 2008.

PARTICULARS	NOTES	TAKA 2008	TAKA 2007	PARTICULARS	NOTES	TAKA 2008	TAKA 2007
EXPENSES OF MANAGEMENT				INTEREST, DIVIDENDS & RENTS			
(Not applicable to any Fund or Account)				(Not applicable to any Fund or Account)			
Advertisement & Publicity		695,730	549,100	Interest received & accrued			
Signboard & Hoarding		71,654	6,160		19.00	13,231,254	8,759,332
Subscriptions		225,000	366,000	(PROFIT/LOSS)TRANSFERRED FROM			
Audit Fees		100,000	100,000	Fire Insurance Revenue Account		(19,477,841)	(18,366,727)
Legal fees		81,700	218,000	Marine Insurance Revenue Account		28,378,185	34,803,967
				Miscellaneous Insurance Revenue Account		3,713,532	(7,471,851)
Depreciation		1,925,045	2,107,811			12,613,876	8,965,389
		3,099,129	3,347,071				
BALANCE FOR THE YEAR CARRIED TO APPROPRIATION ACCOUNT		25,920,925	21,398,749	OTHER INCOME	20.00	3,174,924	7,021,099
		29,020,054	24,745,820			29,020,054	24,745,820

PROFIT AND LOSS APPROPRIATION ACCOUNT
FOR THE YEAR ENDED 31 DECEMBER 2008

PARTICULARS	NOTES	TAKA 2008	TAKA 2007	PARTICULARS	NOTES	TAKA 2008	TAKA 2007
BALANCE FOR THE YEAR BROUGHT FORWARD FROM PREVIOUS YEAR				BALANCE TRANSFERRED FROM PROFIT AND LOSS ACCOUNT		25,920,925	21,398,749
EXCEPTIONAL LOSS RESERVE		10,443,591	9,611,221				
GENERAL RESERVE				BALANCE BROUGHT FORWARD FROM PREVIOUS YEAR		1,897,289	4,311,654
PROVISION FOR TAXATION	16.01	5,600,000	5,000,000				
PROPOSED DIVIDEND @ 15% PER SHARE	17.00	9,000,000	9000000				
Income Tax Paid for the Asstt year 2005-2006			201,893				
Balance Transferred to Balance Sheet		2,774,623	1,897,289				
TOTAL		27,818,214	25,710,403	TOTAL		27,818,214	25,710,403

Note : All expenses of management wherever incurred, whether directly or indirectly, in respect of Fire, Marine and Miscellaneous Insurance business transacted in Bangladesh have been fully debited in respective revenue account as expenses

* Notes 1.00 to 25.00 form integral part of these Financial Statements

See annexed report of date

	Sd/-	Sd/-	Sd/-	Sd/-	Sd/-
Dhaka	**Saha Mazumder & Co.**	**Chairman**	**Managing Director**	**Director**	**Director**
Dated, 22.04.2009	**Chartered Accountants**				

DHAKA INSURANCE LIMITED

CONSOLIDATED REVENUE ACCOUNTS FOR THE YEAR ENDED 31 DECEMBER-2008.

PARTICULARS	NOTES	TAKA 2008	TAKA 2007	PARTICULARS	NOTES	TAKA 2008	TAKA 2007
Claims under policies less Re-insurance:				Balance of account at the beginning of the year		38,744,938	38,999,729
Paid during the year		6,510,060	5,203,384				
Total estimated liability in respect of outstanding claims at the end of the year whether due or intimated		100,526,926	70,411,149	Premium Less Re-insurance		104,435,908	96,112,211
		107,036,986	75,614,533				
Less: Outstanding at the end of previous year		70,411,149	40,590,600				
		36,625,837	35,023,933				
				Commission on Re-insurance ceded		12,172,786	7,501,285
Agency Commission		21,472,738	20,492,219				
Expenses of Management	21.00	42,567,970	39,386,746				
Commission on Re-insurance Accepted		22,715					
Profit/(Loss) transferred to Profit & Loss Account		12,613,876	8,965,389				
Balance of account at the end of the year as shown in the Balance Sheet:							
Reserve for unexpired risks	22.00	42,050,496	38,744,938				
TOTAL		**155,353,632**	**142,613,225**	**TOTAL**		**155,353,632**	**142,613,225**

* Notes 1.00 to 25.00 form integral part of these Financial Statements
*Signed in terms of our separate report of even date.

	Sd/-	Sd/-	Sd/-	Sd/-	Sd/-
Dhaka	**Saha Mazumder & Co.**	**Chairman**	**Managing Director**	**Director**	**Director**
Dated, 22.04.2009	**Chartered Accountants**				

DHAKA INSURANCE LIMITED

FIRE INSURANCE REVENUE ACCOUNT FOR THE YEAR ENDED 31 DECEMBER 2008

PARTICULARS	NOTES	TAKA 2008	TAKA 2007	PARTICULARS	NOTES	TAKA 2008	TAKA 2007
Claims Under policies Less Re-Insurance:				Balance of account at the beginning of the year		6,960,616	3,723,450
Paid during the year		1,369,805	1,870,201				
Total estimated liability in respect of outstanding claims at the end of the year whether due or intimated.		57,156,842	31,188,091				
		58,526,647	33,058,292	Premium Less Re-Insurance		12,791,353	17,401,540
Less : Outstanding at the end of previous year		31,188,091	14,477,074				
		27,338,556	18,581,218				
Agency Commission		5,797,103	7,170,467	Commission on Re-insurance ceded		7,492,325	3,745,540
Expenses of Management	21	8,469,935	10,524,957				
Loss transferred to Profit & Loss Account		(19,477,841)	(18,366,728)				
Balance of account at the end of the year as shown in the Balance Sheet:							
Reserve for unexpired risks	22	5,116,541	6,960,616				
TOTAL		**27,244,294**	**24,870,530**	**TOTAL**		**27,244,294**	**24,870,530**

* Notes 1.00 to 25.00 form integral part of these Financial Statements

See annexed report of date

Dhaka	Sd/-	Sd/-	Sd/-	Sd/-	Sd/-
Dated, 22.04.2009	**Saha Mazumder & Co.** **Chartered Accountants**	**Chairman**	**Managing Director**	**Director**	**Director**

DHAKA INSURANCE LIMITED

MARINE INSURANCE REVENUE ACCOUNT

FOR THE YEAR ENDED 31 DECEMBER 2008

PARTICULARS	NOTES	TAKA-2008 CARGO	TAKA-2008 HULL	TAKA-2008 TOTAL	TAKA-2007 TOTAL
Claims under Policies less Re-Insurance:					
Paid during the year		592,882	215,341	808,223	170,590
Total estimated liability in respect of outstanding claims at the end of the year whether due or intimated		40,862,551	-	40,862,551	31,305,106
		41,455,433	215,341	41,670,774	31,475,696
Less: Outstanding at the end of previous year		31,305,106	-	31,305,106	25,279,587
		10,150,327	215,341	10,365,668	6,196,109
Agency Commission		12,050,000	577,118	12,627,118	10,661,139
Expense of Management	21.00	23,679,752	1,193,568	24,873,320	21,617,148
Profit /(loss) Transferred to Profit & Loss Account		29,373,298	(995,113)	28,378,185	34,803,967
Balance of account at the end of the year as shown in the balance sheet:					
Reserve for unexpired risk	22.00	31,140,045	460,221	31,600,266	27,100,031
TOTAL		**106,393,422**	**1,451,135**	**107,844,557**	**100,378,394**

PARTICULARS	NOTES	TAKA-2008 CARGO	TAKA-2008 HULL	TAKA-2008 TOTAL	TAKA-2007 TOTAL
Balance of account at the beginning of the year		26,599,941	500,090	27,100,031	31,120,806
Premium less Re-insurance		77,850,112	460,221	78,310,333	66,999,943
Commission on Re-insurance Ceded		1,943,369	490,824	2,434,193	2,257,645
TOTAL		**106,393,422**	**1,451,135**	**107,844,557**	**100,378,394**

* Notes 1.00 to 25.00 form integral part of these Financial Statements
* Signed in terms of our separate report of even date.

	Sd/-	Sd/-	Sd/-	Sd/-	Sd/-
Dhaka	**Saha Mazumder & Co.**	**Chairman**	**Managing Director**	**Director**	**Director**
Dated: 22.04.2009	**Chartered Accountants**				

DHAKA INSURANCE LIMITED

MISCELLANEOUS INSURANCE REVENUE ACCOUNT

FOR THE YEAR ENDED 31 DECEMBER 2008

PARTICULARS	NOTES	TAKA-2008 MOTOR	TAKA-2008 MISC.	TAKA-2008 TAKA	TAKA-2007 TOTAL
Claims under Policies less Re-Insurance:					
Paid during the year		4,106,104	225,928	4,332,032	3162593
Total estimated liability in respect of outstanding claims at the end of the year whether due or intimated		2,507,533	-	2,507,533	7917952
		6,613,637	225,928	6,839,565	11,080,545
Less: Outstanding at the end of previous year		417,952	7,500,000	7,917,952	833,939
		6,195,685	(7,274,072)	(1,078,387)	10,246,606
Commission Re-insurance Accepted		-	22,715	22,715	-
Agency Commission		2,527,251	521,266	3,048,517	2,660,613
Expense of Management	21.00	3,717,939	5,506,776	9,224,715	7,244,642
Profit Loss Transferred to Profit & Loss Account		(465,916)	4,179,448	3,713,532	(7,471,851)
Balance of account at the end of the year as shown in the balance sheet:					
Reserve for unexpired risk	22.00	5,031,715	301,974	5,333,689	4,684,291
TOTAL		**17,006,674**	**3,258,107**	**20,264,781**	**17,364,301**

PARTICULARS	NOTES	TAKA-2008 MOTOR	TAKA-2008 MISC.	TAKA-2008 TOTAL	TAKA-2007 TOTAL
Balance of account at the beginning of the year		4,336,812	347,479	4,684,291	4,155,473
Premium less Re-insurance		12,579,288	754,934	13,334,222	11,710,728
Commission on Re-insurance Ceded		90,574	2,155,694	2,246,268	1,498,100
TOTAL		**17,006,674**	**3,258,107**	**20,264,781**	**17,364,301**

* Notes 1.00 to 25.00 form integral part of these Financial Statements
* Signed in terms of our separate report of even date.

	Sd/-	Sd/-	Sd/-	Sd/-	Sd/-
Dhaka	**Saha Mazumder & Co.**	**Chairman**	**Managing Director**	**Director**	**Director**
Date: 22.04.2009	**Chartered Accountants**				

DHAKA INSURANCE LIMITED

CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2008

PARTICULARS	TAKA-2008	TAKA-2007
A) CASH FLOW FROM OPERATING ACTIVITIES		
Cash receipts from premium and others	152,317,152	129,897,714
Cash payment for Management Expenses, Re-Insurance Claim & Other Expenses	(75,123,637)	(68,761,341)
Net cash flow operating activities	**77,193,515**	**61,136,373**
B) CASH FLOW FROM INVESTING ACTIVITIES		
Acquisition of fixed assets	(1,045,108)	(4,507,044)
Share Purchase	(23,259,494)	(36,071,498)
	(24,304,602)	**(40,578,542)**
C) CASH FLOW FROM FINANCING ACTIVITIES		
Loan Account	-	-
Dividend paid	(9,000,000)	-
	(9,000,000)	
NET INCREASE IN CASH & BANK BALANCES (A+B+C)	**43,888,913**	**20,557,831**
Cash and Bank balances at begaining of the year	**110,694,108**	**90,136,277**
Cash and Bank balances at the end of the year	**154,583,021**	**110,694,108**

Sd/-
Shah Mazumder & Co.
Chartered Accountants.

Sd/-
Chairman

Sd/-
Managing Director

Dhaka
Date:22.04.2009

Sd/-
Director

Sd/-
Director

DHAKA INSURANCE COMPANY LIMITED
Statement of Changes in Shareholder's Equity
For the Year 31 December 2008

Particulars	Share capital	Reserve for exceptional losses	Proposed dividend	Profit & Loss appropriation account	Total Taka
Balance at 1 January, 2008	60,000,000	30,547,725	9,000,000	1,897,289	101,445,014
Profit after tax for the year 2008	-	-	-	20,320,925	20,320,925
Dividend Paid	-	-	(9,000,000)	-	(9,000,000)
Appropriation made during the year	-	10,443,591	9,000,000	(19,443,591)	-
Balance at 31 December, 2008	**60,000,000**	**40,991,316**	**9,000,000**	**2,774,623**	**112,765,939**
Balance at 31 December, 2007	**60,000,000**	**30,547,725**	**9,000,000**	**1,897,289**	**101,445,014**

Sd/-

Dhaka
Date:22.04.2009

Shah Mazumder & Co.
Chartered Accountants

DHAKA INSURANCE LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2008

1.00 BACKGROUND & CHANGE OF NAME:

Dhaka Insurance Limited was incorporated in Bangladesh on 4th January 2000 as a public company limited by shares. The Chief Controller of Insurance, Government of the People's Republic of Bangladesh issued the registration certificate with effect on 2nd February 2000 for carrying out general insurance business. The name of the company has been changed to **DHAKA INSURANCE LIMITED** vide certificate No.C-39415 (1383)/2000 dated 23 May 2006 of the Registrar of Joint Stock Companies & Firms, Dhaka, Bangladesh;

2.00 BASIS OF PRESENTING ACCOUNTS & SIGNIFICANT ACCOUNTING POLICIES.

2.01 Basis of presenting Accounts:

a) These Accounts are prepared under historical cost convention on using mercantile system of accounting.

b) The Balance Sheet has been prepared in accordance with the regulations as contained in part I of the First Schedule and as per Form 'A' as set forth in Part-II of that Schedule and the Revenue Account of each class of Business has been prepared in accordance with the regulations as contained in part I of the Third Schedule and as per Form "F" as set forth in part- II of that Schedule of the Insurance Act, 1938.

c) Figures have been rounded off to the nearest Taka.

2.02 Significant accounting policies

a) Depreciation on Fixed Assets:

Depreciation has been charged on Fixed Assets of the Company on the basis of diminishing balance method at rates varying from 10% to 20% depending on the estimated useful life of the assets.

b) Stock of Stationery & Forms :

Stock of Stationery and Forms have been valued at cost which is lower than the market price.

c) Public Sector Business.

Company's share of public sector Business for the period from 1st July 2007 to 30 June 2008 received from Sadharan Bima Corporation (SBC) has been incorporated in the company's Accounts for the year ended 31st December 2008. The statement of Account from 1st July 2008 to 31st December 2008 have not been received form SBC and as such company's share of public Sector Business for this period has not been incorporated in these accounts. Estimated liability in respect of outstanding claims for the 3rd & 4th quarter of 2007 and 1st & 2nd quarter of 2008 have not been received from Sadharan Bima Corporation and as such provision for outstanding claims considered appropriate by the Management of the Company has been made in the Accounts.

d) Valuation of Assets :

The Value of all assets at 31 December 2008 as shown in the Balance Sheet and in the Classified summary of Assets on form "AA" annexed have been reviewed and the said assets have been set forth in the Balance Sheet and amounts at their respective book value which in the aggregate do not exceed their aggregate market value.

e) Reporting Currency:

The financial Statements are presented in Bangladesh currency (Taka), which has been rounded off or the nearest Taka.

f) Earnings per Share (EPS) : 2008 (According to BAS 33)

The Company calculates Earnings per Share (EPS) in accordance with the international Standards. Calculation of EPS is shown below:

		Taka 2008	Taka-2007
	Net Profit before Tax	25,920,925	21,398,749
	Less: Provision for Taxation	5,600,000	5,000,000
	Net Profit after Tax	**20,320,925**	**16,398,749**
EPS=	Earnings attributable to ordinary shareholders	20,320,925	16,398,749
	Weighted average No. of Shares during the year	600,000	600,000
	EPS	**Tk. 33.87**	**Tk. 27.33**

g) Revenue recognition

The total amount of premium earned on various class of insurance business underwritten during the year, the gross amount of premium earned against various policies, the amount of re-insurance premium due to Sadharan Bima Corporation and the amount of claim less re-insurance recovery during the year have been duly accounted for in the books of accounts of the Company.

h) Benefit to Employees :

The Company operates a contributory Provident Fund for its permanent employees, provision for which are being made annually as rules administer by a Board of Trustee in which eligible employee contribute @ 10% on Basic Salary. The company also makes equal contribution to the said Provident fund.

i) Employees details

During the year under review 191 employees are employed for the time. As per schedule - XI Part - II of the company Act 1994 the employees remuneration slab is given below :

Slab	Name of Employees
No of employees received salary below Tk. 3,000 per month	4
No of employees received salary above Tk. 3,000 per month	187
Total no. of employees	**191**

Note : There is no part time employee of the company.

j) Management Expenses :

Management expenses charged to revenue accounts amounting to Tk.42,567,970 represents approximately 27% of gross premium of 154,847,464 (Including Public sector business of Tk. 26,438,584) The expenses have been apportioned @ 19.90% to Fire, 55.63% to Marine Cargo, 2.80% to Marine Hull, 8.73% to Motor and 12.94% to Miscellaneous business as per management decision. Management expenses charged to revenue accounts as net premium after charging re-insurance premium ceded.

k) Dividend :

The Company has declared and paid dividend as stated below :

Year	Cash	Bonus	Total
2007	9,000,000	--	9,000,000

l) Cash & Cash Equivalent :

Cash comprises cash in hand, demand deposit cash equivalents on short term highly liquid investments that are readily convertible to know amounts of cash and those which are subject to an insignificant risk of changes in value. Cash & Cash equivalents are not restricted in use and accordingly cash in hand, bank balances have been considered as cash and cash equivalents.

m) Reporting period

Financial statements of the Company cover one calendar year from 01 January 2008 to 31 December 2008.

3.00 INVESTMENT (AT COST): Tk. 9,000,000

The amount represents the investment in 3 years National Biniyog Bond which is held with Bangladesh Bank as statutory deposit under the Insurance Act, 1938
Interest accrued on the Investment has been accounted for.

4.00 SHARES OF LISTED COMPANY Tk. 161,077,184

The break up of the above amount is as under :

Share in Public Ltd. Co.	No. of Share	Purchase Price	Market Value as on 31.12.2008
Jamuna Bank Ltd.	715,797	147,879,010	190,938,850
One Bank Ltd.	211	71,778	70,263
Standard Bank Ltd	2,089	466,865	474,725
AB Bank Ltd.	1,000	992,251	822,250
Bank Asia	1,825	739,504	699,431
Turst Bank Ltd.	1,000	481,028	445,000
Social Investment Bank Ltd.	2,234	824,765	479,751
Southeast Bank Ltd.	1,687	552,780	536,466
Shahjalal Islami Bank Ltd.	5,160	1,588,778	1,606,050
Mutual Trust Bank Ltd.	224	59,084	71,624
Al Arafah Islami Bank Ltd.	5,500	2,398,203	2,443,375
IFIC Bank. Ltd.	1,000	1,380,314	1,188,750
BIFC Ltd.	3,000	994,218	966,000
First Security Bank Ltd.	3,000	494,575	523,500
Progati Insurance Ltd.	300	424,481	304,650
Heidelberg Cement Ltd.	200	320,819	242,800
ICB Islamic Bank Ltd	596	596,000	726,673
Atlas BD Ltd.	2,000	812,730	595,200
Total		**161,077,184**	**203,135,358**

5.00 ACCRUED INTEREST: TK. 7,636,708

This is made-up as follows:

	Taka 2008	Taka 2007
Interest on Fixed Deposits	5,477,941	5,704,768
Interest on 3 years National Biniyog Bond	2,158,767	1,393,767
Total	**7,636,708**	**7,098,535**

6.00 AMOUNT DUE FROM OTHER PERSONS OR BODIES CARRYING ON INSURANCE BUSINESS : TK. 2,877,488

This represents amount due from Insurance Companies on account of Co-insurance Premium:

SL No	Name of Insurance Company	Taka 2008	Taka 2007
1.	United Insurance Company Ltd.	176,223	
2.	Pragati Insurance Ltd.	1,240,601	
3.	Eastern Insurance Company Ltd.	2,392	
4.	Express Insurance Company Ltd.	244,707	
5.	Phoenix Insurance Company Ltd.	80,932	
6.	Desh General Insurance Company Ltd.	33,456	
7.	Central Insurance Company Ltd.	11,765	
8.	Peoples Insurance Company Ltd.	50,331	870,308
9.	Rupali Insurance Co. Ltd.	178,110	---
10.	Green Delta Insurance Company Ltd.	254,427	---
11.	Standard Insurance Ltd.	150,855	---
12.	Bangladesh General Insurance Company Ltd.	3,948	---
13.	Janata Insurance Company Ltd.	272,269	---
14.	Federal Insurance Co. Ltd.	142,419	---
15.	Prime Insurance Company Ltd.	6,995	---
16.	Union Insurance Company Ltd.	28,058	---
17.	Reliance Insurance Ltd.	---	19,997
18.	Purabi General Insurance Ltd.	---	11,173
19.	Karnaphuli Insurance Company Ltd.	---	521,860
20.	Northern General Insurance Company Ltd.	---	316,405
21.	Islami Commercial Insurance Company Ltd.	---	91,366
22.	Eastern Insurance Company Ltd.	---	349,695
23.	Islami Insurance Bangladesh Ltd.	---	158,089
	Total	**2,877,488**	**2,338,893**

7.00 SUNDRY DEBTORS : TK. 12,914,684

This is made-up as follows:

	Taka 2008	Taka 2007
House Building Loan	1,126,292	1,008,176
Staff Advance	82,168	263,697
Advance for Office Rent	925,246	762,352
Advance for Registration & Renewal	493,974	484,265
Telephone Security	36,000	36,000
BANCO Securities Services Ltd.	3,563	1,472
Multi Securities Services Ltd.	--	1,571
Advance Income tax **(Note-23)**	10,197,441	7,047,852
Advance Capital Market Services Ltd.	50,000	50,000
Total	**12,914,684**	**9,655,385**

8.00 CASH & BANK BALANCES: TK. 154,583,021

This is made-up as follows :

	Taka 2008	Taka 2007
Cash in hand	127,703	120,238
Cheques in hand **(Note- 8.1)**	8,953,323	10,449,705
Stamps in hand	125,097	70,559
At Banks:		
Fixed Deposits **(Note- 8.2)**	138,406,000	97,300,000
Short term Deposit Accounts	6,639,261	2,467,749
Current Accounts	331,637	285,857
	145,376,898	100,053,606
Total	**154,583,021**	**110,694,108**

Bank accounts are reconciled

8.01 CHEQUES IN HAND TK. 8,953,323

SL No	Name of the Client	Premium	Remarks
1.	Desh Bondhu Sugar Mills Ltd.	2,756,912	
2.	Badar Spinning Mills Ltd.	377,318	
3.	Fertilizer Marketing Corporation	1,250,299	
4.	M.M. Spinning Mills Ltd.	310,145	
5.	Jalal & Sons	602,760	
6.	N.N.B. International	578,380	
7.	Terminal Operations & Trading	657,326	
8.	Ardent Ltd.	607,604	
9.	Bangladesh Science House	203,950	
10.	Classic Fashion Concept Ltd.	629,984	
11.	Fahami International	335,338	
12.	I.I Tube Mills Ltd.	282,454	
13.	Shethu Corporation	360,853	
	Total	**8,953,323**	

8.02 FIXED DEPOSIT TK. 138,406,000

Statement of Bank wise Fixed Deposit Receipt for the year ended 31 December 2008.

Sl. No.	Name of Bank	Taka 2008		Taka 2008
1	Dhaka Bank Ltd.	2,500,000		1,500,000
2	Janata Bank	2,200,000		2,200,000
3	Uttara Bank Ltd	4,000,000		4,000,000
4	IFIC Bank Ltd.	5,900,000		5,400,000
5	National bank Ltd.	4,700,000		4,700,000
6	South East Bank Ltd.	5,000,000		4,000,000
7	The Oriental Bank Ltd.	6,106,000		6,700,000
8	Rupali Bank	1,000,000		1,000,000
9	Estern Bank Ltd.	2,000,000		2,000,000
10	Prime Bank Ltd.	7,000,000		5,500,000
11	Exim Bank	5,500,000		5,000,000
12	Dutch Bangla Bank Ltd.	1,500,000		1,000,000
13	Standard Bank Ltd.	7,500,000		5,000,000
14	Arab Bangladesh Bank Ltd.	7,800,000		6,300,000
15	Islami Bank Bangladesh Ltd.	7,000,000		7,000,000
16	Bangladesh Shilpa Bank	2,000,000		2,000,000
17	Al-Arafa Islami Bank Ltd.	3,000,000		2,000,000
18	One Bank Ltd.	3,000,000		2,500,000
19	Pubali Bank Ltd.	3,500,000		2,000,000
20	Social Investment Bank Ltd.	6,000,000		3,500,000
21	Rirst Security Bank Ltd.	4,500,000		2,000,000
22	Mercantile Bank Ltd.	3,500,000		2,500,000
23	Mutual Trust Bank Ltd.	5,000,000		1,500,000
24	Agrani Bank	1,800,000		1,800,000
25	BASIC Bank Ltd.	1,500,000		1,500,000
26	Bank Asia Ltd.	5,500,000		2,500,000
27	Premier Bank Ltd.	2,500,000		500,000
28	Sahmil Bank Of Baharain Ec	700,000		700,000
29	Bangladesh Krishi Bank	300,000		300,000
30	State Bank Of India	1,000,000		1,000,000
31	Bangladesh Commerce Bank Ltd.	500,000		500,000
32	Jamuna Bank Ltd.	12,200,000		4,500,000
33	National Credit & Commerce Bank.	1,000,000		500,000
34	Shahjalal Banm Ltd.	500,000		500,000
35	United Commerce Bank Ltd.	1,000,000		500,000
36	The Trust Bank Ltd.	1,500,000		1,000,000
37	BRAC Bank Ltd.	5,000,000		-
38	Rajshahi Krishi Unnayan Bank Ltd.	1,700,000		1,700,000
39	HSBC Bank	500,000		500,000
40	National Bank Of Pakistan	500,000		-
41	Habib Bank Ltd	500,000		-
	Total	**138,406,000**		**97,300,000**

9.00 FIXED ASSETS - (WDV) TK. 21,583,542

The details have been shown in "Annexure-A"

	Taka 2008	Taka 2007
Opening Balance	20,538,434	16,031,390
Add: During the year	1,045,108	4,507,044
Closing Balance	**21,583,542**	**20,538,434**

10.00 SHARE CAPITAL :

a) **Authorized Capital Tk. 200,000,000**

2,000,000 Ordinary Shares of Tk. 100 each

b) **Issued Subscribed & paid-up Capital Tk. 60,000,000**

600,000 Ordinary shares of Tk. 100 each issued in cash to sponsors.

OWNERSHIP OF THE COMPANY'S SECURITIES (As Per Schedule X)

Sl. No	Name of Shareholder	Position	Shareholdings	Percentage
1	Mr. Fazlur Rahman	Chairman	75,000	12.50%
2	Mrs. Hamida Rahman	Director	45,000	7.50%
3	Mr. Mohammad Hassan	Director	120,000	20.00%
4	Mr. Mohammad Masum	Director	75,000	12.50%
5	Mr. Farzana Rahman	Sponsor Share Holder	75,000	12.50%
6	Mr.A.K.M. Kamruzzaman	Director	90,000	15.00%
7	Mr. A. B. M. kamal	Director	85,000	14.17%
8	Mr. Biswajit Saha	Director	35,000	5.83%
	Total		**600,000**	**100%**

c) **Statement of fixed Deposit Receipt of different banks for deposit of Paid Up Capital of Tk. 6.00 crore is shown bellow:**

Sl. No	Name of Bank	Unit	Amount	Remarks
1	ICB Islamic Bank Ltd.	1	2,000,000	
2	A.B. Bank Ltd.	2	1,500,000	
3	Al-Arafa Islami Bank Ltd.	1	1,000,000	
4	Agrani Bank	1	1,000,000	
5	BASIC Bank Ltd.	1	1,000,000	
6	Bank Asia Ltd.	1	500,000	
7	Bangladesh Shilpa Bank	1	2,000,000	
8	Dutch-Bangla Bank Ltd.	1	1,000,000	
9	Dhaka Bank Ltd.	1	1,000,000	
10	Eastern Bank Ltd.	2	2,000,000	
11	EXIM Bank Ltd.	3	4,000,000	
12	First Security Bank Ltd.	3	1,500,000	
13	Islami Bank (BD) Ltd.	5	5,500,000	
14	IFIC Bank Ltd.	3	2,000,000	
15	Janata Bank.	1	2,000,000	
16	Jamuna Bank Ltd.	1	500,000	
17	Mercantile Bank Ltd.	2	1,500,000	
18	Mutual Trust Bank Ltd.	1	500,000	
19	National Bank Ltd.	2	2,000,000	
20	One Bank Ltd.	1	1,000,000	
21	Prime Bank Ltd.	1	2,000,000	
22	Pubali Bank Ltd.	1	2,000,000	
23	Rupali Bank Ltd.	1	1,000,000	
24	Rajshahi Krishi Unnayan Bank	1	1,000,000	
25	Southeast Bank Ltd.	3	3,000,000	
26	Standard Bank Ltd.	2	1,500,000	
27	Social Investment Ltd.	1	2,000,000	
28	State Bank of India	1	1,000,000	
29	Uttara Bank Ltd.	3	4,000,000	
30	Bangladesh Bank (NIB)	1	9,000,000	
	Total		**60,000,000**	

11.00 RESERVE FOR EXCEPTIONAL LOSS: TK. 40,991,316

This is made-up as follows:

	Taka 2008	Taka 2007
Opening Balance	30,547,725	20,936,504
Add: During the year	10,443,591	9,611,221
Closing Balance	**40,991,316**	**30,547,725**

An amount of Tk. 10,443,591 has been set-aside during the year to meet exceptional loss as per rules for computation of profits and gains as prescribed in the 4th Schedule of the Income Tax Ordinance, 1984.

12.00 BALANCE OF FUNDS & ACCOUNTS: TK. 42,050,496

This is made-up as follows:

	Taka 2008	Taka 2007
Fire Insurance Revenue Account	5,116,541	6,960,616
Marine Insurance Revenue Account	31,600,266	27,100,031
Miscellaneous Insurance Revenue Account	5,333,689	4,684,291
Total	**42,050,496**	**38,744,938**

13.00 PREMIUM DEPOSITS: TK. 41,194,272

This represents amount received against cover notes for which risks have not been initiated and such amount will be adjusted upon initiation of risk and issuance of policy in due course.

14.00 ESTIMATED LIABILITIES IN RESPECT OF OUTSTANDING CLAIMS WHETHER DUE OR INTIMATED : TK. 100,526,926

This is made-up as follows:

	Taka 2008	Taka 2007
Fire	57,156,842	31,188,091
Marine	40,862,551	31,305,106
Miscellaneous	2,507,533	7,917,952
Total	**100,526,926**	**70,411,149**

All the claims of which the management is aware of as per intimation up to the year and have been taken into consideration while estimating these net liabilities in respect of outstanding claims.

15.00 AMOUNT DUE TO OTHER PERSONS OR BODIES CARRYING ON INSURANCE BUSINESS: TK. 36,685,690

The amounts are due in respect of re-insurance and co-insurance premium to:

SL No	Name of Insurance Company	Taka 2008	Taka 2007
1.	Shadharan Bima Corporation	31,294,508	33,363,911
2.	Mercantile Insurance Company Ltd	12,85,122	104,920
3.	Karnaphuli Insurance Company Ltd	12,93,902	--
4.	United Insurance Company Ltd.	--	230,165
5.	Green Delta Insurance Company Ltd.	--	221,618
6.	Eastland Insurance Company Ltd.	--	218,062
7.	Janata Insurance Company Ltd.	--	275,288
8.	Federal Insurance Company Ltd.	--	381,763
9.	Provati Insurance Company Ltd.	--	142,056
10.	Prime Insurance Company Ltd.	--	367,207
11.	Meghna Insurance Company Ltd.	--	519,976
12.	Bangladesh National Insurance Company Ltd.	--	457,048
13.	Nitol Insurance Company Ltd.	2,851	282,577
14.	South Asia Insurance Company Ltd.	--	33,913
15.	Sonar Bangla Insurance Ltd.	--	118,973
16.	Desh General Insurance Company Ltd.	--	430,653
17.	Republic Insurance Company Ltd.	--	885,127
18.	Express Insurance Ltd.	--	383,798
19.	Phoenix Insurance Company Ltd.	--	57,772
20.	Paramount Insurance Company Ltd.	--	105,141
21.	Global Insurance Ltd.	--	146,345
22.	Pragati Insurance Ltd.	--	308,549
23.	Bangladesh General Insurance Co. Ltd.	--	67,239
24.	Central Insurance Company Ltd.	--	17,676
25.	City General Insurance Company Ltd.	171,325	98,994
26.	Standard Insurance Ltd.	--	115,767
27.	Continental Insurance Ltd.	1,266,017	306,373
28.	Agrani Insurance Company Ltd.	2,830	8,253
29.	Rupali Insurance Company Ltd.	--	152,207
30.	Pioneer Insurance Company Ltd.	1,284,782	6,439
31.	Bangladesh Co-operative Insurance Ltd.	--	1,650
32.	Islami Insurance Bangladesh Ltd.	84,353	--
	Total	**36,685,690**	**39,809,460**

16. 00 PROVISION FOR TAXATION : TK. 17,000,000

This is made-up as follows:

		Taka 2008	Taka 2007
Previous years		11,400,000	6,400,000
Current year	**(Note- 16.01)**	5,600,000	5,000,000
Total		**17,000,000**	**11,400,000**

16.01 Calculation of Income Tax:

Net Profit (As per P/L Account)	25,920,925
Less : Exceptional losses reserve	(10,443,591)
Less : Capital Gain Sale of Share	(3,146,847)
	12,330,487

Income tax rate @ 45% of Tk. 12,330,487 = 5,548,720, Say Tk. 5,600,000

17.0 Proposed Dividend Tk. 9,000,000

The Board of directors has recommended dividend @ 15% on ordinary share paid up capital of Tk. 6 cores for the year ended 31 December 2008.

18. 00 SUNDRY CREDITORS TK. 7,785,950

This is made-up as follows:

	Taka 2008	Taka 2007
Salary & Allowances	163,228	647,000
Security Deposit Against Open Policy	1,018,181	400,215
Audit fees Payable	244,648	236,448
Provident Fund	3,279,847	2,264,376
Income tax (Deducted at source)	87,749	285,591
VAT (Deducted at source)	20,016	115,782
Advertisement Bill Payable	475,149	400,040
Printing Bill Payable	250,000	--
Subscription Payable	50,000	--
Agency Commission Payable	1,489,445	--
VAT (Paid by Challan No. 70-3, Date 18.01.2009. Challan No. 7 Date 20.01.2009.)	707,687	1,489,398
Total	**7,785,950**	**5,838,850**

19. 00 INTEREST RECEIVED & ACCRUED: TK. 13,231,254

This is made-up as follows:

	Taka 2008	Taka 2007
Interest on National Biniyog Bonds	765,000	765,000
Interest on Fixed Deposits (Total FDR Tk. 138,406,000)	12,084,150	7,846,409
Interest on STD Accounts	372,354	147,923
Dividend	9,750	--
Total	**13,231,254**	**8,759,332**

20. 00 OTHER INCOME : TK. 3,174,924

This is made-up as follows:

	Taka 2008	Taka 2007
Capital Gain on Sale of Shares	3,146,847	6,950,902
Dividend Received	--	7,000
Co.-Insurance Service Charge	28,077	63,197
Total	**3,174,924**	**7,021,099**

21.00 ALLOCATION OF MANAGEMENT EXPENSES: TK. 42,567,970

Class of Business	Taka 2008	Taka 2007
Fire	8,469,935	10,524,957
Marine	24,873,320	21,617,148
Miscellaneous	9,224,715	7,244,641
Total	**42,567,970**	**39,386,746**

The expenses have been charged to Revenue Accounts at the ratio of Gross Premium earned on direct Business against each class of Insurance.

22. 00 RESERVE FOR UNEXPIRED RISKS:

Reserve for unexpired risk have been made on premium income at the following rates:

Fire	40%
Marine Cargo	40%
Marine Hull	100%
Motor & Miscellaneous	40%
Aviation Hull	100%

23.00 Tax Assessment Status:

Accounting Year	Assessment Year	Provision for Income Tax	Liabilities as per assessment order	Advance income Tax Paid	Bal. of liabilities as per assessment appeal Tribunal	Remarks
2000	2001-2002	Nil	5,666,090	205,049	196,655	Writ to High Court
2001	2002-2003	Nil	3,401,210	214,311	1,337,232	Writ to High Court
2002	2003-2004	Nil	Nil	Nil	Nil	Assh. Finalised
2003	2004-2005	Nil	Nil	Nil	Nil	Assh. Finalised
2004	2005-2006	Nil	Nil	Nil	Nil	Assh. Finalised
2005	2006-2007	3,500,000	8,152,779	3,594,998		Appeal filed with the Tribunal
2006	2007-2008	2,900,000	5,680,645	2,878,252		Appeal filed with the Tribunal
2007	2008-2009	5,000,000		1,674,859		Asstt. Not yet done
2008	2009-2010	5,600,000		1,629,972		Income Tax return not yet due.
	Total	**17,000,000**		**10,197,441**		

24.00 INSURANCE ACT. RELEVANT INFORMATION

a) During the year under review nothing was paid to the directors of the company as board meeting and committee meeting attendance fee.

b) During the year under review no compensation was allowed to the chief executive officer of the company or any member of the Board for special services rendered.

c) During the year nothing was earned as premium against guarantees issued

25.00 CONTINGENT LIABILITY

There is a demand of Tk. 6,466,109 by VAT authority against which the company has filed a writ petition number 6830/2003 before the Hon'ble Supreme Court of Bangladesh, High Court Division. The liability is therefore contingent up on award of decision by the Court.

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

Dhaka Insurance Limited

FORM-AA

Classified Summary of the Assets in Bangladesh as at 31 December 2008.

Class of Assets	**Book Value (Taka)**	**Remarks.**
Statutory deposit with Bangladesh Bank (3 years National Biniyog Bonds)	9,000,000	Not quoted in Market
Shares (Market Value Tk. 203,135,358)	161,077,184	Quoted in Market
In Fixed deposit account with Banks	138,406,000	Realisable Value
In Short term deposit account with Banks	6,639,261	Realisable Value
In Current Account with Banks	331,637	Realisable Value
Cash, Cheques and Stamp in hand	9,206,123	Realisable Value
Accrued interest	7,636,708	Realisable Value
Amounts due from other persons or bodies Carrying on insurance business	2,877,488	Realisable Value
Fixed Assets	9,559,794	At cost less depreciation
Sundry Debtors	12,914,684	Realisable Value
Stationary and forms in hand	360,394	At Cost
Total	**358,009,273**	

Sd/- Saha Mazumder & Co. Chartered Accountants	Sd/- Chairman	Sd/- Managing Director
Dhaka. Dated :	Sd/- Director	Sd/- Director

DHAKA INSURANCE LIMITED

Schedule of Management Expenses (Allocated)

For the Year ended 31 December-2008

Particulars	***Taka***
Staff Salary	24,564,017
Bonus	2,284,454
Office Rent	3,111,936
Rates & Taxes	128,347
Telephone	875,658
Electricity	563,103
Printing & Stationery	674,423
Postage & Telegram	107,361
Repairs & Maintenance	255,555
Travelling & Conveyance	667,049
Motor Expenses Fuel	1,306,113
Motor Expenses Maintenance	1,661,476
Staff Training	22,900
Entertainment Expenses	412,017
Uniform & Liveries	2,280
Staff Tea	192,965
Medical Expenses	35,485
Papers & Periodicals	60,472
Bank Charges	153,861
Insurance Premium	242,855
Co-Insurance Mgt. Expenses	2,212,627
Office Cleaning & Up-keep	46,751
Group Insurance	35,499
General Expenses	1,341,867
Registration & Renewal Fee	484,265
Employers Contribution to Provident Fund	987,188
Bima Stamp	137,446
Total	**42,567,970**

DHAKA INSURANCE LIMITED.

Allocation of Management Expenses

For the Year ended 31 December-2008

Class of Business	**Gross Premium Income**	**Mgt. Exp.**	**Stamp**	**Total**
Fire	30,618,448	8,389,913	80,022	8,469,935
Marine Cargo	86,417,728	23,679,752	-	23,679,752
M. Hull	4,355,851	1,193,568	-	1,193,568
Motor	13,381,089	3,666,619	51,320	3,717,939
Misc.	20,074,348	5,500,672	6,104	5,506,776
Total=		**42,430,524**	**137,446**	**42,567,970**

DHAKA INSURANCE LIMITED
SCHEDULE OF FIXED ASSETS
AS AT 31 DECEMBER 2008

Annexure-A

Particulars	COST			Rate	DEPRECIARION			Written down Value as on 31.12.2008	Written down Value as on 31.12.2007
	Balance as at 01.01.2008	Additions during the year	Total as at 31.12.2008		Depreciation as at 01.01.2008	Charged for the year	Total as at 31.12.2008		
	A	B	C=(A+B)		D	E=(C-D)*Rate	F=(D+E)	G=(F-C)	H=(A-D)
Furniture & Fixture	2,671,059	74,000	2,745,059	10%	1,212,509	153,255	1,365,764	1,379,295	1,458,550
Office Equipment	361,862	-	361,862	10%	151,378	21,048	172,426	189,436	210,484
Computers	1,208,403	97,656	1,306,059	20%	614,214	138,369	752,583	553,476	594,189
Electrical Equipment	558,556	11,000	569,556	20%	212,485	71,414	283,899	285,657	346,071
Telephone Installation	757,124	-	757,124	10%	347,254	40,987	388,241	368,883	409,870
Motor Cycle	404,545	-	404,545	20%	177,668	45,375	223,043	181,502	226,877
Motor Vehicle	11,740,371	832,500	12,572,871	20%	6,092,947	1,295,985	7,388,932	5,183,939	5,647,424
Office Decoration	2,067,582	29,952	2,097,534	10%	982,033	111,550	1,093,583	1,003,951	1,085,549
Air cooler	726,973	-	726,973	10%	276,155	45,082	321,237	405,736	450,818
Other Assets	41,959	-	41,959	20%	32,060	1,980	34,040	7,919	9,899
Total Assets	**20,538,434**	**1,045,108**	**21,583,542**		**10,098,703**	**1,925,046**	**12,023,749**	**9,559,794**	**10,439,731**

Sd/-

Shah Mazumder & Co.
Chartered Accountants

Dhaka
Date:22.04.2009

DHAKA INSURANCE COMPANY LIMITED

Statement of Claim Settlement (Net Claim)

Annexure -B

Particulars	Fire	Marine Cargo	Marine Hull	Motor	Misce.	Total
Claim Re Insurance	1,369,805	592,882	215,341	4,106,104	225,928	6,510,060
Add: O/s. Claim at the end of the years	57,156,842	40,862,551	-	2,507,533	-	100,526,926
	58,526,647	**41,455,433**	**215,341**	**6,613,637**	**225,928**	107,036,986
Less: O/s. Claim at the end of the P/Y	31,188,091	31,305,106	-	417,952	7,500,000	70,411,149
Net Claim	**27,338,556**	**10,150,327**	**215,341**	**6,195,685**	**(7,274,072)**	**36,625,837**

DHAKA INSURANCE LIMITED.
For the Year ended 31 December-2008

Branch wise office rent is given below:

Name of Branch:	2008 Total	2007 Total
Head Office	1,208,736	1,143,858
Jamalpur	29,000	27,000
Agrabad	288,360	312,390
Distilary Road	300,000	290,000
Narayangonj	61,500	67,500
Kawran Bazar	180,000	149,760
Local Office	250,240	262,752
Rajuk Avenue	278,100	271,405
Gulshan	255,000	276,250
Khulna	78,000	78,000
Jaessore	100,800	109,200
Comilla	46,200	42,000
Bogra	36,000	39,000
Total	**3,111,936**	**3,069,115**

Allocation of Management Expenses:

Class of Business	2008 %	2007 %	2008 (Amount in Taka)	2007 (Amount in Taka)
Fire	19.90	26.72	8,469,935	10,524,956
Marine	58.43	54.89	24,873,320	21,617,148
Miscellaneous	21.67	18.39	9,224,715	7,244,642
Total	**100.00**	**100.00**	**42,567,970**	**39,386,746**

PAID UP CAPITAL RECEIVED FROM SPONSOR SHAREHOLDERS

Sl. No	Name of Shareholder	No of Shares Subscribed	Amount of Shares Owned in Taka
1	Mr. Fazlur Rahman 115/7-A, Distillary Road, Gandaria, Dhaka-1204	75,000	7,500,000
2	Mrs. Hamida Rahman 115/7-A, Distillary Road, Gandaria, Dhaka-1204	45,000	4,500,000
3	Mr. Mohammad Hassan 110, Distillary Road, Gandaria, Dhaka-1204	120,000	12,000,000
4	Mr. Mohammad Masum House # 8, Road # 14, Sector # 7, Uttara Model Town, Dhaka.	75,000	7,500,000
5	Mr. Farzana Rahman 122, Shantinagar, Dhaka.	75,000	7,500,000
6	Mr. A. K. M. Kamruzzaman 64/A, Swamibagh (Ground floor), Dhaka.	90,000	9,000,000
7	Mr. A. B. M. Kamal 115/4, Distillary Road, Gandaria, Dhaka-1204	85,000	8,500,000
8	Mr. Biswajit Saha 115/4, Distillary Road, Gandaria, Dhaka-1204	35,000	3,500,000
	Total	**600,000**	**60,000,000**

AUDITOR'S REPORT IN PURSUANCE OF SECTION 135 (1)
UNDER PARA 24 (1) OF PART II OF THE THIRD SCHEDULE
OF THE COMPANIES ACT 1994
OF

DHAKA INSURANCE LIMITED

We have audited the financial statement of Dhaka Insurance Ltd. for the period ended December 31, 2008. We have also examined the statement of accounts of the company for the year ended on December 31, 2004 to December 31, 2007 audited by us in pursuance section 135 (1) paragraph 24 (1) of Part-II of the Third Schedule of the Companies Act, 1994 and We report that:

1. The Company was incorporated on 06th February 2000.
2. The statement of operating result of the company for the period ended December 31, 2004 to December 31, 2008 has been duly certified by us.
3. We also certify the statement of assets and Liabilities of the company as of December 31, 2004, 2005, 2006, 2007 and 2008.
4. The company has declared dividend for the year 2007 at the rate of 15%.
5. The company has no subsidiaries; and
6. No proceeds of part of proceed of the issue of shares were applied directly by the company in the purchase of any other business.

Dhaka
Date: 22.04.2009

Sd/-
Saha Mazumder & Co.
Chartered Accountants

DHAKA INSURANCE LIMITED
Balance Sheet

As at 31st December 2008, 2007, 2006, 2005, 2004 respectively

CAPITAL & LIABILITIES	Taka 2008	Taka 2007	Taka 2006	Taka 2005	Taka 2004
Share Capital					
Authorised					
20,00,000 ordinary shares of Tk. 100/- each	200,000,000	200,000,000	200,000,000	200,000,000	200,000,000
Issued, subscribed and paid-up 6,00,000 ordinary shares of of Tk. 100/- eash	60,000,000	60,000,000	60,000,000	60,000,000	60,000,000
Reserve or Contingency account	43,765,939	32,445,014	25,248,158	12,267,484	785,904
Reserve for exceptional losses	40,991,316	30,547,725	20,936,504	11,141,611	3,000,000
Profit & loss appropriation account	2,774,623	1,897,289	4,311,654	1,125,873	(2,214,096)
Balance of fund and account	42,050,496	38,744,938	38,999,729	33,299,801	24,114,463
Fire insurance account	-	-	-	-	-
Marine insurance account	-	-	-	-	-
Motor insurance account	-	-	-	-	-
Miscellaneous insurance account	42,050,496	38,744,938	38,999,729	33,299,801	24,114,463
Depreciation reserve	-	-	-	-	-
Deposit premium	41,194,272	19,638,558	36,101,629	35,069,950	29,202,258
Liabilities and provisions	137,212,616	110,220,609	72,608,046	49,412,141	37,270,455
Estimated liability in respect of outstanding-claims whether due or intimated	100,526,926	70,411,149	40,590,600	21,052,998	1,744,246
Amount due to other persons or bodies-carrying on insurance business	36,685,690	39,809,460	32,017,446	28,359,143	35,526,209
Proposed dividend	9,000,000	9,000,000	-	-	-
Sundry creditors	7,785,950	5,838,850	6,174,033	3,606,561	1,970,247
Provision for taxation	17,000,000	11,400,000	6,400,000	5,590,000	2,090,000
Loan Account	-	-	-	-	-
Total	**358,009,273**	**287,287,969**	**245,531,595**	**199,245,937**	**155,433,327**
PROPERTY & ASSETS					
Investment (at actual)	170,077,184	146,817,690	110,746,192	9,000,000	9,000,000
National investment bond	9,000,000	9,000,000	9,000,000	9,000,000	9,000,000
Investment in shares	161,077,184	137,817,690	101,746,192	-	-
Outstanding premium	-	-	-	-	-
Interest, dividend & rent outstanding	7,636,708	7,098,535	5,544,555	11,286,930	7,477,208
Amount due from other persons or bodies carrying on insurance business	2,877,488	2,338,893	2,458,470	2,960,595	4,076,794
Sundry debtors	-	-	-	-	-
Advance, deposit and prepayments	12,914,684	9,655,385	28,383,909	5,122,553	3,613,414
Fixed deposit with banks	-	-	-	-	-
Cash in hand and at banks	154,583,021	110,694,108	90,136,277	161,132,256	119,930,661
Stock of Printing & Stationery	360,394	243,627	221,694	305,833	385,700
Other account	9,559,794	10,439,731	8,040,498	9,437,770	10,949,550
Fixed assets -at cost	9,559,794	10,439,731	8,040,498	9,437,770	10,949,550
Printing and stationery in hand	-	-	-	-	-
Security deposit	-	-	-	-	-
Pre-operational expenses	-	-	-	-	-
Total	**358,009,273**	**287,287,969**	**245,531,595**	**199,245,937**	**155,433,327**

DHAKA INSURANCE LIMITED

Profit & Loss Account

For the year ended 31st December 2008,2007,2006,2005,2004,2003 respectively

Particular	2008	2007	2006	2005	2004
Revenue Income	12,613,877	8,965,389	11,660,684	5,048,359	930,066
Investment Income	13,231,254	8,759,332	7,767,704	11,850,799	7,465,758
Others Income	3,174,924	7,021,099	(106,193)	223,223	126,909
Total Income	**29,020,055**	**24,745,820**	**19,322,195**	**17,122,381**	**8,522,733**
Operating Expenses(Not applicable	-	-	-	-	-
to any particulars Fund or Accounts)		275,289			
Advertisement & Publicity	695,730	549,100	1,106,297	48,575	342,499
Signboards & Hoarding	71,655	6,160	154,288	-	23,330
Subscriptions	225,000	366,000	258,200	214,798	267,335
Audit fees	100,000	100,000	100,000	120,000	161,800
Lefal fees	81,700	218,000	75,000	56,720	73,247
	-	-	-	-	-
Depreciation	1,925,045	2,107,811	1,437,401	1,700,708	2,010,971
Total Expenses	**3,099,130**	**3,622,360**	**3,131,186**	**2,140,801**	**2,879,182**
Balance transferred to P/L App.A/C	**25,920,925**	**21,123,460**	**16,191,009**	**14,981,580**	**5,643,551**

Profit & Loss Appropriation Account

Particular	2008	2007	2006	2005	2004
Balance B/F from last year	1,897,289	4,311,654	1,125,873	-	2214096
Net profit B/F from P & L Account	25,920,925	21,398,749	16,191,009	14,981,580	5643551
Total	**27,818,214**	**25,710,403**	**17,316,882**	**14,981,580**	**7,857,647**
B/F forward from previous year	-	-	-	2,214,096	4,339,039
Reserve for exceptional loss	10,443,591	9,611,221	9,794,893	8,141,611	1,000,000
General Reserve		-	-	-	-
Provision for Income Tax	5,600,000	5,000,000	2,900,000	3,500,000	2,518,608
Proposed Dividend	9,000,000	9,000,000	-	-	-
Income Tax paid for the previous year	-	201,893	310,335	-	-
Balance Transferred to B/S	2,774,623	1,897,289	4,311,654	1,125,873	-
Total	**27,818,214**	**25,710,403**	**17,316,882**	**14,981,580**	**7,857,647**

DHAKA INSURANCE LIMITED
Consolidated Revenue Account
For the year ended 31st December 2008,2007,2006,2005,2004,2003 respectively

Particular	**Notes**	**Amount**						**Particular**	**Notes**	**Amount**					
		2008	**2007**	**2006**	**2005**	**2004**	**2003**			**2008**	**2007**	**2006**	**2005**	**2004**	**2003**
Claims under policies		**36,625,837**	**35,023,933**	**31,508,224**	**24,279,389**	**8,486,343**	**1,206,597**	Balance of Account at the beginning of the year		38,744,938	38,999,729	33,299,801	24,114,463	19,026,230	14,573,722
Claims paid during the year		6,510,060	5,203,384	11,970,622	4,970,637	8,675,688	2,851,571								
Total Estimated Liabilities in respect of outstanding claim at the end of the year due or intimated		100,526,926	70,411,149	40,590,600	21,052,998	1,744,246	1,933,591	Premium less Re-Insurance		104,435,908	96,112,211	97,948,931	81,416,117	59,692,646	47,504,343
Less:Outstanding claims at the end the previous year		70,411,149	40,590,600	21,052,998	1,744,246	1,933,591	3,578,565	Profit Commission							
								Commission on re-insurance ceded		12,172,786	7,501,285	7,018,022	7,082,510	8,593,342	7,438,830
Commission		21,472,738	20,492,219	19,659,377	15,652,891	-	-								
Commission on Re-Insurance Accepted		22,715	-	-	-	-	-								
Expenses of Management		42,567,970	39,386,746	36,438,740	34,332,650	53,781,346	50,507,283								
Profit transfered to P/L A/C		12,613,876	8,965,389	11,660,684	5,048,359	930,066	(1,223,215)								
Balance of fund account at the end of the year Reserve for unexpired risks being 40% Fire Marine cargo, Motor, & Misce. & 100% of Marine Hull Premium income of the year transferred to Balance Sheet		42,050,496	38,744,938	38,999,729	33,299,801	24,114,463	19,026,230								
		155,353,632	**142,613,225**	**138,266,754**	**112,613,090**	**87,312,218**	**69,516,895**	-	-	**143,180,846**	**135,111,940**	**131,248,732**	**105,530,580**	**78,718,876**	**62,078,065**

DHAKA INSURANCE LIMITED

Cash flows statement
for the year ended 31st December 2008,2007,2006,2005,2004,2003 respectively

Particualrs	**Taka**				
	2008	**2007**	**2006**	**2005**	**2004**
A. Cash flow from operating activities					
Cash receipts from premium and others	152,317,152	129,897,714	126,239,063	98,581,389	102,190,222
Cash payment for Management Expenses, Re-Insurance Claim & Other Expenses	(75,123,637)	(68,761,341)	(95,340,076)	(57,279,895)	(63,932,218)
Net cash flow from operating activities	**77,193,515**	**61,136,373**	**30,898,987**	**41,301,494**	**38,258,004**
B. **CASH FLOW FROM INVESTING ACTIVITIES**					
Acquisition of fixed assets	(1,045,108)	(4,507,044)	(148,774)	(99,899)	426,581
Purchase of Share	(23,259,494)	(36,071,498)	(101,746,192)	-	-
Net cash used in investing activities	**(24,304,602)**	**(40,578,542)**	**(101,894,966)**	**(99,899)**	**426,581**
C. CASH FLOW FROM FINANCING ACTIVITIES					
Loan account	-	-	-	-	-
Dividend paid	(9,000,000)				(151,506)
	(9,000,000)	**-**	**-**	**-**	**(151,506)**
Net increase in cash and bank balance (A+B+C)	**43,888,913**	**20,557,831**	**(70,995,979)**	**41,201,595**	**38,533,079**
Cash and bank balance at beginning of the year	110,694,108	90,136,277	161,132,256	119,930,661	81,397,582
Cash and bank balance at end of the year	**154,583,021**	**110,694,108**	**90,136,277**	**161,132,256**	**119,930,661**

DHAKA INSURANCE LIMITED

Form "AA"

Classified Summary of Assets

As at 31 December 2008,2007,2006,2005 and 2004 respectively

SL. NO.	Class of Assets	2008	2007	2006	2005	2004
1	NIB Deposit with Bangladesh Bank	9,000,000	9,000,000	9,000,000	9,000,000	9,000,000
2	Shares	161,077,184	137,817,690	101,746,192	-	-
3	Cash in hand and at Bank	154,583,021	110,694,108	90,136,277	161,132,256	119,930,661
4	Interest, Dividend and rent outstanding : accrued interest	7,636,708	7,098,535	5,544,555	11,286,930	7,477,208
5	Advanced deposit and prepayment	12,914,684	9,655,385	28,383,909	5,122,553	3,613,414
6	Fixed assets	9,559,794	10,439,731	8,040,498	9,437,770	10,949,550
7	Stock of Printing & Stationary	360,394	243,627	221,694	305,833	385,700
8	Amount due from other person or bodies carrying on Insurance business	2,877,488	2,338,893	2,458,470	2,960,595	4,076,794
Total		**358,009,273**	**287,287,969**	**245,531,595**	**199,245,937**	**155,433,327**

DHAKA INSURANCE LIMITED
STATEMENT OF RATIO ANALYSIS

Ratio	Particular	2008	2007	2006	2005	2004
Current Ratio	Current Assets / Current Liability	0.99	0.88	1.48	3.07	3.26
Quick Ratio	C.A Inventories / Cl	0.99	0.88	1.48	3.07	3.25
Times Interest Earned Ratio	Income from Operations+Finance Cost / Finance Cost	N/A	N/A	N/A	N/A	N/A
Debt to Equity Ratio	Long Term Debt / Share Holder Equity	N/A	N/A	N/A	N/A	N/A
Operating Ratio						
Accounts Receivable Turnovr Ratio	Shales/ Receivable	N/A	N/A	N/A	N/A	N/A
Inventory Turnover Ratio	Inventory	N/A	N/A	N/A	N/A	N/A
Assets Turnover Ratio	Sales / Total Assets	N/A	N/A	N/A	N/A	N/A
Profitability :						
Gross margin Ratio %	Underwriting Profit / Gross Premium x 100	8.15%	6.35%	8.43%	4.27%	0.92%
Operating Income Ratio %	Net Profit before tax / Net Premium x 100	24.82%	22.26%	16.53%	18.40%	9.45%
Net Income Ratio %	Net Profit after Tax / Net Premium x 100	19.46%	13.56%	14.10%	5.23%	4.34%
Return on Assets Ratio %	Net profit after tax / Average Assets x 100	5.73%	5.63%	5.41%	5.76%	2.01%
Return on Equity Ratio %	Net profit after tax/ Average Shareholders Equity x 100	33.87%	26.99%	22.15%	19.13%	5.23%
Earning per Share Ratio %	Net Profit after tax/ No. of Shareholders	33.87%	26.99%	22.15%	19.13%	5.20%

Sd/-
Saha Mazumder & Co.
Chartered Accountants

CREDIT RATING REPORT
ON
Dhaka Insurance Limited

REPORT: RR/255/09

This is a credit rating report as per the provisions of the Credit Rating Companies Rules 1996. CRISL's Claim Paying Ability Rating is valid for only one year. After the above period, the rating will not carry any validity unless the company goes for rating surveillance.

Address:
CRISL
Nakshi Homes
(4th & 5th Floor),
6/1A, Segunbagicha,
Dhaka-1000
Tel: 7173700-1
Fax: 88-02-9565783
Email:
crisl@bdonline.com

Analyst:
Md. Nazrul Husain
nazrul@crislbd.org

Khaled M. Raihan
raihan@crislbd.org

Surveillance Rating: BBB+
(triple be plus)

Outlook: Positive

Rating Base: Financials of 2008

DHAKA INSURANCE LIMITED

ACTIVITY
General Insurance

INCORPORATED ON
January 4, 2000

CHAIRMAN
Mr. Fazlur Rahman

MANAGING DIRECTOR
Mr. K.A.M. Ferdous

GROSS PREMIUM
TK. 154.85 million

	Claim Paying Ability
Surveillance Rating-2008	BBB+
Surveillance Rating-2007	BBB+
Outlook	Positive
Date of Rating	April 29, 2009

1.0 RATIONALE

Credit Rating Information and Services Limited (CRISL) has reaffirmed the Claim Paying Ability (CPA) rating of Dhaka Insurance Limited (hereinafter called DIL) to BBB+ (pronounced as 'triple be plus') based on the audited financials up-to December 31, 2008 and other relevant qualitative and quantitative information up-to the date of rating. The above rating has been assigned in consideration of its good solvency position, good technical performance, sound liquidity, concentration towards low risky marine business, good in-house business support and experienced management team. The above factors are, however, moderated to some extent by moderate underwriting, moderate financial performance, moderate business and internal control risk management, shortfall in tax provision etc.

The gross premium of the company stood at TK.154.85 million during 2008 against TK.141.14 million of the previous year having increased concentration in low risky marine business. In-house business still contributes to a significant portion of revenue which reduced to stand at 24.60% in 2008 from 27.81% of the previous year. The renewal business rate (57.61% in 2008) indicates the company's moderate business persistency. However, diversified clientele base (top 20 clients contributes only 17.62% business revenue in 2008) reduces the company's business concentration risk.

Underwriting profit of the company increased to TK.12.61 during 2008 (TK. 8.97 million during 2007) even incurring losses in two business segments (fire and motor). The moderate financial performance was reflected in return on average assets (8.03% in 2008), return on average equity (20.71% in 2008 from 18.46% in 2007) and return on average investment (5.83% in 2008 from 7.03% in 2007). However, non-provisioning of tax against disallowable management expenses beyond the allowable limit might create financial risk in future. The retention ratio (came down to 67.44% in 2008 from 68.10% in 2007) and expense ratio (decreased to 54.94% in 2008 from 57.79% in 2007) and claim ratio (reduced to 31.41% in 2008 from 33.80% in 2007) contributed towards the improvement of technical performance.

The solvency position of the company is found good having an equity base of TK. 103.77 million as on December 31, 2008. However, the equity base will considerably improve at the IPO floatation. The liquidity position of the company also found sound having 90.27% liquid assets in the asset portfolio.

CPA rating in this category is adjudged to offer good claims paying ability with good protection factor. But changes in underwriting and/or economic conditions are likely to have impact on the capacity to meet policyholder obligations than insurers in higher rated categories.

CRISL also viewed the company with 'positive outlook' in consideration of its recent move towards initial public offerings, prospective business growth as well as turnaround in operation.

CREDIT RATING REPORT
ON
Dhaka Insurance Limited

2.0 RECENT DEVELOPMENTS

- Going for public offering of shares to enhance capital base
- Improvement in liquidity position
- Improvement in technical performance
- Considerable involvement in capital market operation
- Decrease in market share of gross premium
- Improvement in retention limit of fire business

3.0 CORPORATE PROFILE

3.1 The Genesis

A third generation insurance company

Dhaka Insurance Limited, a third generation general insurance company, was incorporated on January 04, 2000 as a public limited company under the Companies Act 1994. It was subsequently registered with the Chief Controller of Insurance, Govt. of the People's Republic of Bangladesh on February 02, 2000 for carrying out general insurance business. Sponsored by a group of individuals link to a number of business houses, DIL started with a paid up capital of TK. 60 million against an authorized capital of Tk.200 million. The company is in the process of going for IPO to enhance its capital base. During the year 2008, the company earned a gross premium of TK. 154.85 million against which it reported an underwriting profit of TK. 12.61 million. The company has been operating through 12 branches, head office being located at Amin Court (8th Floor), 62-63, Motijheel C/A, Dhaka-1000.

3.2 Ownership Pattern

Concentrated ownership

Being a closely held public limited company, shareholding pattern remained unchanged having full ownership and control with the sponsors. The company is fully owned by eight sponsor shareholders having 0.60 million shares worth of TK. 60 million. The chairman, Mr. Fazlur Rahman along with his wife and offspring holds 52.50% share while rests are held by four sponsors. Present shareholding pattern reveals high concentration of ownership among few investors. However, DIL is in the process of increasing its paid up capital to the tune of TK. 150 million through Initial Public Offerings (IPOs). The above will dilute the ownership concentration to a great extent.

3.3 Market Share

Small market share

The general insurance industry of Bangladesh reported gross premium of Tk.9.42 billion during 2007 which was being shared by 43 private sector general insurance companies. The gross premium of DIL stood at Tk.141.14 million during the period representing only 1.50% of the market share in 2007 against 1.73% of the previous year. During 2008, the gross premium of the company stood at TK. 154.85 million registering only 9.71% growth over previous year. DIL might face stiff competition to retain its market share like other third generation companies in the industry unless the growth of the company is matched with the industry growth.

3.4 Branch Network

Limited branch network

The company has now been operating its business under the network of 12 branches. Initially started with 5 branches in 2000, the company subsequently opened 11 branches of which one was opened in 2001 and 10 branches were opened in 2002 and thus raised the total number of branches to 16. In course of time, DIL closed down 4 branches in Dhaka City (2 in 2003 and 2 in 2004) and 1 branch in Chittagong in 2005 in consideration of their non profitable operation. Out of the existing network of branches, 5 are operating in Dhaka while one branch each at Chittagong, Khulna, Jessore, Comilla, Bogra, Jamalpur and Narayangonj.

4.0 INSURANCE INDUSTRY

Insurance industry has long history of evolution

Insurance industry of Bangladesh has a long history of evolution. About a century back, couple of insurance companies started both general and life insurance business during the British regime in India. However, insurance business got the momentum during the East Pakistan regime. In the pre-liberation period, there were as many as 49 privately owned insurance companies underwriting general insurance business along with one central Govt. run-organization, namely, Pakistan Insurance Corporation. After liberation, the insurance industry was nationalized vide Presidential Order No. 95 of 1972. By virtue of nationalization order, 5 Corporations were set up to manage the insurance industry of which four were subsidiary corporation, two each for life and General and an apex body, viz., Jatiya Bima corporation as a controlling corporation. At a later stage, the above five corporations were replaced by two state owned corporations namely, Sadharan Bima Corporation for general business and Jiban Bima Corporation for life business under a restructuring plan made in 1973 in order to curtail excessive administrative expenses of the aforementioned corporations. Again, in the process of denationalization, the Insurance Corporations Act was amended in 1984 to allow insurance companies to operate in the private sector subject to certain restrictions regarding business operation and reinsurance. Subsequent to that, the Act was further amended for the relaxation of the existing regulation to promote the private sector insurance companies. Presently, 62 insurance companies are operating in the country, of which 44 are in general business and the remaining 18 are in life business, even though the two state-owned corporations, along with some private sector companies, are dominating the market.

Moderate growth in the industry

The gross premium of private sector general and life insurance business stood respectively at TK. 9.42 billion and TK. 29.17 billion during 2007 with a combined growth rate of around 19% compared to that of the previous year. However, presence of large number of companies in a small market leads to tough market competition and unethical practices which has already created a significant number of sick insurance companies in the industry. Understanding the importance of revitalizing the sector in line with the international norms, the regulatory authorities have decided to introduce mandatory credit rating requirement in the industry. Under the above directives, all general insurance companies are directed to get credit rating with effect from 2007 with mandatory surveillance at the end of each year. However, the life insurance companies were directed to have the surveillance rating biannually.

After introduction of mandatory credit rating in the industry, 51 companies have been rated during the first year constituting 82.26% of the industry. Of the above, 90.91% are in general insurance industry and 61.11% are in life insurance industry. Credit Rating Information and Services Limited (CRISL), the premier credit rating company of Bangladesh, rated 35 insurance companies (including 9 life insurances) which constitutes 68.63% of the total rated entities. Again, among the rated companies, CRISL awarded rating of 65% general insurances and 81.81% life insurances. Over and above, 66.67% companies achieved investment grade ('BBB-' and above) while rest 33.33% obtained non-investment grade ('BB+' and below). While analyzing the industry-wise strength of rating, it was found that 81.81% life insurances and 62.60% general insurances achieved investment grade rating. Rating distribution of general insurance companies revealed that 35% companies were in 'BBB' category, followed by 32.50% in 'BB' category, 22.50% in 'A' category and 5% each in 'AA' and 'B' category. On the other hand, 54.55% of the life insurances achieved 'A', 9.09% 'AA' and 18.18% each in 'BBB' and 'BB' category.

Industry is at final stage of transition

The insurance industry is now at the final stage of transition. It has been decided to replace the age old insurance laws with Insurance Regulatory Authority (IRA) Ordinance 2008 and Insurance Ordinance (IO) 2008. The Department of Insurance will be abolished by the five-member Insurance Regulatory Authority headed by the Chairman not below the rank of Government Secretary. For further enhancing the solvency position, the paid up capital for general and life insurance companies have been raised to TK. 400 million and TK. 300 million respectively. The number of directors in the company has also been reduced to 15 from 20 with the participation from the policyholder directors. The new law also introduced mandatory solvency margin for the insurance companies. Besides, the insurance companies will be required to ensure international accounting standard, separate Islamic insurance from conventional ones and put a limit on commission expenses. Moreover, the life insurance companies will be required to make the valuation of liabilities on yearly basis to reveal the real strength of the company. The law also allowed foreign investment in general insurance sector. With the promulgation of the ordinances, the insurance industry will be under the Ministry of Finance from the Ministry of Commerce. However, the ordinances concerned were not tabled in the parliament within the constitutional mandated period by the present government which made the ordinances lapse.

5.0 CORPORATE GOVERNANCE

CRISL evaluates the corporate governance of DIL in the following areas:

5.1 Board of Directors and its committees

Eight- member Board

The Board remained unchanged during the year and consisted of eight directors including the Managing Director as ex-officio. The Board is presently chaired by Mr. Fazlur Rahman, who is also the Chairman of City Group of Industries consisting of 30 units of industries and business concerns dealing with food staff like edible oil, suger, salt, flour and drinking water etc. All the sponsor shareholders, except Mrs. Farzana Rahman, are the members of the Board. The Board held 5 and 7 meetings during 2008 and 2007 respectively. Generally, Board reviews various policy issues related to business expansion as well as operational affairs of the company. However, the Board has no committee to accelerate its activities.

5.2 Best Practice Guideline of Corporate Governance

DIL is still a closely held public limited company. The composition of the Board, formation of management structure, style of management, disclosures etc are all based on ownership criterion. However, after flotation of IPO, the company will be required to follow the minimum requirements of Securities & Exchange Commission (SEC) corporate governance guidelines. The company needs to have at least one Independent Director in the Board and a Board Audit Committee with at least three directors including one Independent Director. Moreover, the company is required to have a Chief Finance Officer and a Company Secretary. The Company Secretary is to work as the Compliance Officer. Since DIL is going for public offering of shares, these minimum corporate governance guidelines, along with others, will be required to be followed by "comply or explain" basis. However, the company has a Company Secretary and a Chief Finance Officer.

5.3 Management

Management team remained unchanged with the leadership of Mr. K.A.M. Ferdous as the Managing Director having 15 years of experience in commercial banking and about 20 years of experience in general insurance business. The company recently appointed former Cabinet Secretary Mr. A. S. M. Abdul Halim as Adviser having profound exposure. In the management team Mr. Ferdous is aided by two Deputy Managing Directors, two General Managers (of whom one is company Secretary), one Deputy General Manager, four Assistant General Managers and one Assistant Manager. The activities of the company are being carried out by six departments namely, Administration & Establishment Department, Finance & Accounts Department, Underwriting Department, Claims Department, Re- Insurance Department and Internal Audit Department. The activities of the branches are taken care of by the branch in- charges. DIL formed Administrative Committee, Claims Committee and Purchase Committee to accelerate different kinds of management activities. All the committees are headed by the Managing Director. The committees enjoy required delegation of power.

5.4 IT Infrastructure and its use

IT at developing stage

The IT infrastructure of DIL is at developing stage without having any significant development during the last one year. The head office of the company is equipped with desktop computers which are connected with Local Area Network (LAN) supported by server. Branches are yet to be fully equipped with hard infrastructure. The function of underwriting department is run by General Insurance Integrated System software based on ORACL program which helps to generate different types of MIS report. The company is going to computerize its reinsurance and claim department as well as to bring all branches under on –line net working system. However, the company is yet to ensure integration in the soft infrastructure even at the head office level to get the maximum benefit of MIS.

5.5 Human Resources Management

Experienced human resource base

DIL has been operating with experienced human resource base which stood at 191 as on December 31, 2008 against 193 as on December 31, 2007. Out of the above 97 are in desk job while 94 are in the development side. The company has its documented service rules and pay scales approved by the Board. The activities of the human resources of the company are being looked after by the Administrative committee. During 2008, DIL recruited 29 employees in different level of management (of whom 18 are from desk side and 11 are from development side) and also promoted 37 employees. However, 31 employees left the organization during 2008. Ten different level employees participated different training programs organized by Bangladesh Insurance Academy, Bangladesh Insurance Association and FBCCI during 2008. However, the number of participants weren't found in line with the human resource base of the company.

5.6 Marketing Strategy

Too many companies in small market

DIL has been operating in a small market competing with as many as 43 general insurance companies. The total marketing force of the company is 906 of whom 101 are permanent, 5 are contractual and rest 800 are on commission basis. The company does not have any comprehensive marketing policy to be competitive in the market.

Low dependence on big clients

Moderate business persistency

The gross premium of DIL increased to Tk.154.85 million in 2008 from TK. 141.13 million in 2007. Although in-house business (business from the directors) has been decreased to 24.60% during 2008 from 27.81% of the previous year, the same is still considered to be a stable source of business revenue. DIL earned 17.07% of the gross premium from public sector business against 14.81% of the previous year. Above gross premium (excluding PSB) consisted of banking institution (87.20%), non- banking institution (5.17%) and others sources (7.63%). The company earned a significant portion of revenue (33.59%) from four nationalized commercial banks. Among the top twenty clients (in terms of gross premium) major business came from spinning industry, garments, textiles industry and oil industry, etc. from which DIL earned 17.62% revenue during 2008 against 17.37% of the previous year indicating the company's low dependence on big clients. While analyzing the composition of premium, it was revealed that out of total premium of TK. 68.43 million (excluding marine cargo) during 2008, 45.02% revenue was generated from new business and rest 54.98% from renewal business. The renewal business rate (57.61%) indicates the company's moderate business persistency.

However, for accelerating the marketing drive, DIL has the plan to take long term strategy, like periodic review meeting with branches and development personnel, training and skill development program, advertising in print and electronic media, introducing new product etc. to expand company's operations gradually.

6.0 BUSINESS PROFILE

6.1 Business Mix

Concentration in low risky marine business

Business mix of DIL includes Fire, Marine Cargo, Marine Hull, Motor and Miscellaneous business policies. DIL underwrote business worth of Tk.8.77 billion in fire, Tk.11.15 billion in marine (cargo), Tk.0.62 billion in motor, Tk.0.21 billion in marine (hull), and Tk.14.18 billion in miscellaneous during FY2008 against Tk.7.49 billion, TK.10.15 billion, TK.0.50 billion, TK. 0.03 billion and Tk.4.24 billion respectively in fire, marine cargo, motor, marine hull and miscellaneous business during 2007 respectively indicating more concentration in marine business segment. Under the above underwriting portfolio, the gross premium stood at TK. 154.85 million during 2008 which includes 58.62% (55.07% in 2007) in marine, 19.77% (26.60% in 2007) in fire business, 8.64% (8.29% in 2007) in motor, and 12.96% (10.02% in 2007) in miscellaneous business. Among the gross premium, Dhaka zone contributed business worth of Tk.129.80 million during the period which is 83.30% of the business revenue.

6.2 Reinsurance

100% reinsurance with SBC

DIL follows the practice of doing reinsurance with state-owned Sadharan Bima Corporation (SBC) under class-wise treaties. The company is capable of writing insurance business of any volume since the reinsurance treaties are designed in such a way so that it can comfortably absorb high-valued projects under reinsurance treaties and facultative method. In reinsurance business, DIL exercised facultative, surplus treaty, and excess of loss treaty. It underwrote business worth of TK. 34.95 billion as sum-insured against which total re-insurance amount was Tk.21.16 billion during 2008 representing 60.54% reinsurance coverage against 41.81% of the previous year. Above increase in reinsurance coverage is reflected in the retention ratio which came down to 67.44% in 2008 compared to 68.10% in 2007.

6.3 Claim Settlement

The company follows standard claim settlement procedure which starts with the intimation of a claim. At the intimation, DIL first examine whether the loss has been proximately caused by peril insured. Then claim file is opened and recorded in the Lodge Register as well as a surveyor is deputed upon the above consideration. However, if the loss is less than five thousand, it is not necessary to appoint surveyor. DIL has a Claims Committee consisting of four members headed by Managing Director which is empowered to approve a claim amount up-to Tk.1 lac after scrutinizing all necessary documents. But claim amount above Tk1 lac up-to Tk.5 lac is to be approved by the Chairman after recommendation of the Claim Committee. However, claim amount more than Tk.5 lac is placed before the Board for approval.

TK.188.69 million outstanding claim as on December 31, 2008

As on December 31, 2008, the total outstanding claim (including the share of the re-insurer) of DIL stood at Tk.188.69 million consisted of 69.76% in fire, 28.91% in marine and rest 1.33% in motor business segment. Out of the above, DIL portion was TK.100.53 million which constituted 53.28% of the total outstanding claim. It was also observed that out of the above, 65.38% (TK. 123.36 million) of the claim liability is payable against public sector business. While analyzing the claim status as on March 31, 2009 of the outstanding claim as on December 31, 2008 it was revealed that the company settled only one claim each under fire and marine policy while most of the motor policies have been settled. Total top twenty claims (in terms of claim amount) of DIL during 2008 stood at TK. 12.77 million of which retained loss of the company was TK. 8.55 million. Out of the same, the company settled TK. 4.53 million against motor and marine policies till March 31, 2009. Although the company enjoys considerable in-house business support, no in-house claim was reported since inception.

6.4 Underwriting quality and expertise

Moderate underwriting quality

The overall underwriting quality of DIL has been found moderate. DIL has underwriting manual which give the guidance to undertake the risks. All general insurance company including DIL follows Central Rating Committee manual named as Bangladesh Fire Tariff, Bangladesh Marine tariff and Bangladesh Motor tariff. In case of Fire business, DIL looks into the nature of business and condition of building etc and in case of Motor business DIL overviews Liability Risk, comprehensive Risk etc. With the same token, in marine business, company follows Institute of Cargo clauses. CRC circulates that, to underwrite the policy above Tk.5 crore (in case of fire insurance), all general insurance company has to appoint surveyors to give pre-inspection report which is also maintained by DIL.

No high valued risk assignment

The underwriting activities are being carried out under the direct supervision of underwriting department comprised of nine members and headed by a Deputy General Manager having 25 years working experience in General Insurance business. In addition, the long experienced Managing Director adds value to the underwriting quality. Although DIL did not underwrite any high valued risk (more than one billion sum insured) during 2008, there were 33 clients having underwriting risk of more than Tk.100 million each amounting to total TK. 6.84 billion against Tk.6.60 billion during 2007. However, it has been revealed that DIL underwrote TK. 34.95 billion during 2008 against Tk.22.48 billion of the previous year.

6.5 Sectoral Business review

DIL, as mentioned earlier, carries out all types of general insurance business. While analyzing the performance in terms of business class, CRISL reviews the following dimensions:

6.5.1 Fire Business

TK. 19.48 million underwriting loss

The overall performance of fire business was not found satisfactory in terms of underwriting profit. The company underwrote TK. 8.77 billion risk during 2008 against reinsurance coverage of TK. 7.37 billion. Under the above arrangement, the gross premium and net premium of the segment stood respectively at TK.30.62 million and TK. 12.79 million representing 41.78% retention ratio in 2008 against 46.35% of the previous year. Although expense ratio reduced to 70.34% in 2008 from 83.68% in 2007, the claim ratio considerably increased to 134.78% in 2008 from 87.87% in 2007 which was found to be at the higher end in the industry. The above increase in claim was mainly stimulated by a claim liability of TK. 50.92 million from public sector business. Above all, the underwriting loss from the segment increased to TK. 19.48 million during 2008 against TK. 18.37 million of the previous year.

6.5.2 Marine Business

TK. 28.38 million underwriting profit

DIL increased its exposure in low risky marine business during the period. Sum insured of the segment increased to TK. 11.37 billion in 2008 against TK.10.25 billion of the previous year. As a consequence of increased exposure, the gross premium from the segment increased to stand at TK. 90.77 million during 2008 from TK. 77.73 million of the previous year. Retention ratio, however, remained almost unchanged to 86.27% in 2008 against 86.19% of the previous year. Expense ratio slightly reduced to 46.44% in 2008 from 46.44% in 2007. Claim ratio, however, increased to 12.84% in 2008 from 8.95% in 2007 due to significant claim liability (TK.37.28 million) from PSB. Marine business, above all reported an underwriting profit of TK. 28.38 million during 2008 against TK. 34.80 million of the previous year.

6.5.3 Motor Business

TK. 0.47 million underwriting loss

Motor business reported an underwriting loss of TK. 0.47 million during 2008 against a profit of TK. 2.37 million during 2007. The company underwrote TK. 0.62 billion risks during 2008 against TK. 0.50 billion of the previous year. The motor policies are protected by excess of loss treaty with SBC under two layers. The gross premium from the segment increased to TK. 13.38 million during 2008 registering 14.26% growth over previous year. Expense ratio of the segment slightly reduced to 49.29% in 2008 from 50.17% in 2007. Claim ratio, however, increased to 48.9% in 2008 from 23.41% in 2007 due to increase in net claim by 2.41 times during the period.

6.5.4 Miscellaneous Business

TK. 4.18 million underwriting profit

Miscellaneous business reported an underwriting profit of TK.4.18 million during 2008 against an underwriting loss of TK.9.84 million in 2007. Sum insured of the segment stood at Tk.14.18 billion in 2008 against reinsurance coverage of TK. 11.51 billion indicating 81.17% reinsurance coverage. Under the above arrangement, the gross premium and net premium during the period stood respectively at TK.20.32 million and TK.0.75 million representing only 3.76% retention ratio in 2008 against 6.14% of the previous year. As a consequence of low retention ratio, expense ratio stood at 207.88% as management expenses are charged against gross premium. Claim ratio, however, went into (249.91%) due to the deduction of TK.7.50 million public sector claim from the outstanding claim list during the period.

6.6 Retention Capacity and treaty limit

Improvement in retention limit in fire segment

Retention limit of private sector general insurance companies are revised from time to time depending on the financial strength, underwriting expertise etc. However, the retention limit of DIL, except fire segment, remained unchanged. The retention limit of fire business increased to stand at Tk.4.5 million under jute, non-jute and all textile related risk. Retention limit of marine cargo, marine hull, engineering, miscellaneous remained respectively with Tk.1.5 million, Tk.2 million, 1.00 million and 0.70 million. The motor business is protected by excess of loss treaty where the retention limit is TK. 0.50 million.

The latest treaty limit of the company revealed fire class limit of TK. 135 million, marine cargo of TK. 52.50 million, marine hull (inland) of TK.8 million, miscellaneous class within the range of TK.1 to TK.10 million. However, the company can underwrite any amount of risk beyond the surplus treaty limit under facultative re-insurance arrangement.

6.7 Investment portfolio

Total investment portfolio of DIL stood at Tk.315.13 million at YE2007 compared to TK. 246.59 million at YE2007 registering 27.80% growth over previous year. Above investment portfolio includes 51.11% in shares, 43.92% in FDR, 2.86% in National Investment Bond and rest 2.11% in STD accounts. It has been revealed that DIL maintained FDR with as many as 41 banks amounting to Tk.138.41 million at YE 2008 against Tk.97.30 million at YE 2007. The company has considerable investment and trading in capital market without having any specific investment guideline. The purchase price of the equity portfolio stood at TK.161.07 million as on December 31, 2008 against 18 securities consisted of 14 banks, 1 financial institution, 1 insurance company and 2 corporate. Although the market price of the securities increased to stand at TK. 203.14 million as on December 31, 2008 on aggregate basis, market price of 10 securities were found below the cost price. However, the company did not keep any provision against the diminution of the securities of the portfolio.

7.0 RISK MANAGEMENT

Risk is inherent word to Insurance Business Risk management of DIL was moderate. CRISL has reviewed the risk management of the company as delineated below:

7.1 Industry Risk

High industry risk

Too many insurance companies in a small market pose significant risk for all the companies. The gazette notification of the two insurance ordinances has been published after approval of the President under the Caretaker Government. However, the same were not tabled in the parliament within the constitutional mandated period by the present government which made the ordinances lapse and again hang the promising sector in the balance. Despite, mandatory credit rating for the insurance companies created a positive vibration in the industry as the institutional insured ask for good credit rating to safeguard their interest. The same will pose challenge to the underperforming (non investment grade) insurance companies to retain their market share.

7.2 Business Risk

Moderate risk management

DIL adopted the underwriting guideline of SBC for business risk management. Among the different classes of businesses DIL has more concentration in miscellaneous (37.71% sum insured) and marine (32.50% sum insured) business segment which are categorized under medium to high risk category. On the other hand, DIL is more concentrated to Dhaka region (82.11% of the total sum insured) indicating more business risk involved. Underwriting professionals at branch level are given specific instruction and guidelines time to time from Head Office regarding underwriting of different types of policies. DIL has decentralized its underwriting functions and delegated powers to employees of its different branches for rendering prompt, efficient and effective services to the clients. Risks involved with policies are assessed by underwriting officer of the respective branch for underwriting different types of policies involving specific limit of sum insured.

7.3 Internal Control Risk

Moderate internal control risk management

Internal control is the process of ensuring transparency and accountability which can enhance the operating efficiency in the organization. Internal control risk arises from non compliance of rules and regulation of an organization which keeps an impact on business performance. DIL has an audit department consisting of 2 officers headed by an AGM who also look after Finance and Accounts. These overlapping responsibilities are not in line with best practice of corporate governance. Internal Audit Department is mainly responsible to look into the insight of branches and Head Office with the main purpose of looking at the compliance issues as per the provisions of the Insurance Act, directives of the Board and Managing director. Five branches had been audited by the Department during 2008. However, DIL had no audit manual to perform the audit function effectively and the company is yet to form an Audit Committee to ensure sound and accountable internal control system.

7.4 Catastrophic Risk

DIL did not encounter any catastrophic loss during 2008. It had Tk.1.95 billion exposures under Flood, cyclone and earthquake in Dhaka, Rajshahi, Chittagong, Khulna and Rajshahi zone in 2008 against re-insurance coverage of Tk.1.63 billion depicting 82.59% coverage. However, Bangladesh is under threats of earthquake especially at Chittagong, Dhaka. Heavy flood, cyclone, hurricane are common phenomenon in Bangladesh. A devastating cyclone "SIDR" had blow out many areas of Bangladesh a year ago. Thus, the company is under catastrophic risk.

7.5 Financial Risk

Income tax rate applicable for insurance companies presently fixed at 45% on the taxable net profit. The management expenses beyond the allowable limit are not recognized as taxable expense while calculating the tax liabilities as per existing NBR Circular. The company did not have any income tax liabilities up to accounting year 2004 (assessment year 2005-2006). In the two subsequent accounting years (2005 and 2006), the company kept provision of TK.6.4 million against the liabilities of 13.83 million as per assessment order representing a shortfall in Income tax provision of TK. 7.43 million. Again, during accounting year 2007 and 2008 (assessment year 2008-09 and 2009-10), DIL made Income tax provision of TK.10.60 million disregarding excess management expenses beyond allowable limit. However, assessment of the two accounting year is yet to be finalized. CRISL estimated an amount of around TK.12 million as shortfall in income tax provision for 2007 and 2008 which may stand as financial risk. However, an appeal has been lodged to the Honorable high court in this connection.

8.0 PERFORMANCE

8.1 Financial Performance

Moderate financial performance

The overall financial performance has been found moderate without having any significant development over previous year. Total income of the company stood at TK. 29.02 million during 2008 consisted of 43.45% by net underwriting profit, 45.59% by interest dividend and rent and remaining 10.92% by other income mainly contributed by profit from sale of securities. Total management expenses (excluding expenses related to underwriting) reduced to stand at TK. 3.10 million during 2008 representing profit before tax of TK. 25.92 million. The company kept provision of TK. 5.60 million during FY2008 (against reported taxable income of TK.12.33 million) resulting to profit after tax of TK. 20.32 million. However, considering disallowable management expenses beyond the allowable limit might require additional tax for the company which will put pressure on profitability.

Financial performance was measured by Gross Underwriting Margin, Net Underwriting Margin, Return on Average Asset (ROAA), Return on Average Equity (ROAE) and Return on Average Investment (ROAI). Gross underwriting margin slightly increased to stand at 46.88% in 2008 from 46.05% in 2007. Considering the reserve for unexpired risk, net underwriting margin also increased to 10.82% in 2008 from 8.65% of the previous year. However, pre-tax operating margin also increased to 22.23% in 2008 from 20.65% of the previous year. Consequently, ROAA and ROAE slightly stood at 8.03% and 20.71% in 2008 from 8.03% and 18.46% in 2007 respectively. ROAI, however, considerably reduced to 5.83% in 2008 from 7.03% in 2007.

8.2 Technical analysis

Good technical performance

The overall technical performance of the company was found good with improvement during 2008 compared to previous year which was measured by retention ratio, expense ratio and claim ratio. Retention ratio of the company slightly decreased to 67.44% in 2008 from 68.10% in 2007. Expense ratio, however, reduced to stand at 54.94% in 2008 compared to 57.79% in 2007 as a result of decrease in expense of management. However, the total management expenses (including business line and non business) stood at TK. 67.16 million during 2008 against the allowable limit of TK. 52.80 million during the period indicating

27.20% higher expenses over limit. On the other hand claim ratio reduced to 31.41% in 2008 from 33.80% in 2007.

9 .0 BALANCE SHEET STRENGTH

9.1 Solvency Analysis

Moderate equity base

The equity of DIL was found moderate among the companies to its contemporary. The equity base of the company stood at TK.103.77 million as on December 31, 2008 against Tk.92.45 million registering 12.24% growth over previous year. However, at the IPO floatation, the equity base will enhance to a great extent. Above equity base consisted of 57.82% paid up capital, 39.50% reserve for exceptional loss and remaining 2.68% retained earnings.

Good solvency

However, while considering the solvency position in relative measurement, the position was found good. External liabilities to equity ratio increased to 1.08 times at YE 2008 from 0.93 times of the previous year. Unexpired risk reserve to net claim increased to 1.15 times at YE2008 from 1.11 times at YE2007 as a result of slight increasing in net claim amount. It is revealed that net worth to total assets decreased to 28.98% in 2008 from 32.18% in 2007 indicating low equity backup against assets. However, internal capital generation ratio slightly increase to stand at 13.50% during 2008 compared to 10.70% of the previous year even though the company recommended 15% cash dividend. The company has the practice of maintaining 10% reserve for exceptional risk against net premium. The underwriting leverage of the company has increased to 61.24% in 2008 from 42.70% in 2007 indicating increased back up against the risk underwritten.

9.2 Liquidity and Funding

Sound liquidity position

Liquidity position of the company has been found sound. Liquid assets of the company was TK. 323.18 at YE2008 against Tk.255.54 million at YE2007 registering 26.47% growth over previous year. Liquid assets to total assets improved to 90.27% in 2008 from 88.95% in 2007 showing improved liquidity position against total asset. Operating cash flow coverage ratio has been increased to 1.67 times in 2008 from 1.52 times in 2007. Current ratio slightly decreased to 1.43 times in 2008 from 1.46 times in 2007. The liquid asset to net claim ratio slightly increased to 8.82 times in 2008 compared to 7.3 times in 2007.

10. SUMMARY OBSERVATION

Comforts: • Good solvency • Good technical performance • Sound liquidity • Concentration towards low risky marine business • Good in-house business support • Experienced management team	**Concerns:** • Moderate underwriting • Moderate financial performance • Moderate business and internal control risk management • Small Market Share • Shortfall in tax provision may create financial risk
Prospects: • Expansion of branch network • Further product diversification • Deregulation may increase the business of private sector companies	**Challenges:** • Too many companies in small • market • Compliance with new ordinance • Recent global financial crisis

11.0 PROSPECTS

The business prospects of the general insurance companies particularly depend on smooth and sound operation of trade and commerce which is positively correlated with the stable macroeconomic fundamentals of the country. The economy of Bangladesh had gone through a crucial time for last couple of years. It had to face several downside risks including political disruption, infrastructure constraints, power shortage, natural calamities etc. There were high inflation, sluggishness in the capital Market and sudden oil price fall in the world market. Above all, the world felt the pinch of debacle in the financial institutions in the western world causing financial meltdown leading to recession in the western economy. Especially in USA all recovery financial packages, advanced by Government did not bring the desired impetus in the financial sector. The meltdown has affected all western countries including some Asian countries. Lately, Bangladesh has also started receiving the heat of global meltdown. The export volume started declining due to reduced order from the exporters. Although inward remittance flow till December 2008 was found good, the same is not expected to continue in the same growth and pace in upcoming years as withdrawal of labor forces is reported from couple of countries. The cumulative effect of the above will have an adverse impact on overall macro economic fundamentals.

Based on the above macroeconomic outlook, it is presumed to have moderate growth potential of industry and service sectors which will offer DIL to explore moderate business opportunities along with other insurance companies. Again, existence of too many insurance companies operating in the industry will lead to tough and unhealthy competition that ultimately will press on a new challenge for DIL to retain its market share.

END

12.0 CORPORATE INFORMATION:

Date of Incorporation: 4 January 2000
Date of Commencement of Business: 4 January 2000

Board of Directors

Mr. Fazlur Rahman	Chairman
Mr. Mohammad Masum	Director
Mr. Mohammad Hassan	Director
Mrs. Hamida Rahman	Director
Mr. A. K. M. Kmruzzaman	Director
Mr. A. B. M. Kamal	Director
Mr. Biswajit Saha	Director
Mr. K.A.M. Ferdous	Managing Director (Ex-officio)
Mr. A. S. M. Abdul Halim	Adviser

Management

Mr. K.A.M. Ferdous	Managing Director
Mr. Md. Abul Hashim	Deputy Managing Director & Chief of F/A
Mr. Aminul Islam	Deputy Managing Director
Khawja Manzer Nadeem	Deputy Managing Director
Mr. Salim Ahmed	Company Secretary
Mr. Shamiur Rahman	Deputy General Manager (U/W)
Mr. Md. Ruhul Amin	Asstt. General Manger (Claims)
Mr. Md. Humayun Kabir	Asstt. General Manager(Re-Ins)
Mr. Md. Abdur Rob (Forhad)	Asstt. General Manager (F&A)
Mr. Anwarul Islam	Asstt. General Manager(IT& MIS)
Mr. Achyut Menon Saha	Asstt. Manager (Internal Audit)

Financials
Balance Sheet: (As on December 31)

(TK. In million)

Particulars	**2006**	**2007**	**2008**
Cash in Hand	0.87	10.57	9.08
Cash with Banks	89.24	100.05	145.38
Cash and Bank Balance	90.11	110.62	154.46
Stamps in Hand	0.03	0.07	0.12
Amount Due from other person/bodies carrying insurance business	2.46	2.34	2.88
Advance, deposits and prepayments	28.38	9.66	12.91
Outstanding Interest /Dividend/Rent	5.54	7.10	7.64
Investment in Securities (ST)	101.75	137.82	161.08
Total Current Assets	228.27	267.60	339.09
Investment in Securities(LT)	9.00	9.00	9.00
Fixed Assets	8.04	10.44	9.56
Stock of Stationary	0.22	0.24	0.36
Non Current Assets	17.26	19.68	18.92
Total Assets	**245.53**	**287.29**	**358.01**
Paid Up Capital	60.00	60.00	60.00
Reserve for Exceptional Loss	20.94	30.55	40.99
Retained Earning	4.31	1.90	2.77
Shareholders' Equity	85.25	92.45	103.77
Balance of Fund Account	39.00	38.74	42.05
Estimated Liabilities in respect of Outstanding Claims	40.59	70.41	100.53
Premium Deposit	36.10	19.64	41.19
Amount Due to other person/bodies carrying insurance business	32.02	39.81	36.69
Sundry Creditors	6.17	5.84	7.79
Proposed Dividend		9.00	9.00
Provision for Income Tax	6.40	11.4	17.00
Total Liabilities and Shareholders' Equity	**245.53**	**287.29**	**358.01**

PROFIT & LOSS A/C (For the Year Ended December 31)

TK. In Million

Particulars	**2006**	**2007**	**2008**
Net Underwriting P/L	11.66	8.97	12.61
Interest on FDR & STD	6.48	7.99	12.46
P/L from Sale of Shares	-	6.95	3.15
Interest on PSP & Bonds	0.75	0.77	0.77
Dividend Income	0.54	0.01	0.01
Gross Investment and Other Interest Income	7.77	15.72	16.38
Other Income	-0.11	0.06	0.03
Total Income	19.32	24.75	29.02
Management Expenses (P/L A/c)	1.69	1.24	1.17
Depreciation Expenses	1.44	2.11	1.93
Total Management Expenses	3.13	3.35	3.10
Profit before Tax	16.19	21.40	25.92

CONSOLIDATED REVENUE A/C (For the Year Ended December 31)

TK. In Million

Particulars	**2006**	**2007**	**2008**
Gross Premium of the year	138.36	141.14	154.85
Re-insurance Premium	40.41	45.02	50.41
Net Premium less Re-insurance	97.95	96.11	104.44
Commission on Re-Insurance ceded & others	7.02	7.50	12.17
Adjusted Net Premium	104.97	103.61	116.61
Opening Balance	33.30	39.00	38.74
Total	138.27	142.61	155.35
Net Claims Paid	31.51	35.02	36.63
Agency Commission paid	19.66	20.49	21.50
Expenses of Management	36.44	39.39	42.57
Profit Transferred to P/L A/C	11.66	8.97	12.61
Balance (C/F)	39.00	38.74	42.05

CRISL RATING SCALES AND DEFINITIONS
INSURANCE CLAIM PAYING ABILITY RATING

RATING	DEFINITION
AAA Triple A	Highest claims paying ability. Risk factors are negligible and almost risk free.
AA+, AA, AA- Double A	Very high claims paying ability. Protection factors are strong. Risk is modest, but may vary slightly over time due to underwriting and/or economic condition.
A+, A, A- Single A	High claims paying ability. Protection factors are good and there is an expectation of variability in risk over time due to economic and/or underwriting conditions.
BBB+, BBB, BBB- Triple B	Good claims paying ability. Protection factors are good. Changes in underwriting and/or economic conditions are likely to have impact on capacity to meet policyholder obligations than insurers in higher rated categories.
BB+, BB, BB- Double B	Average claim paying ability. Protection factors are average. The companies are deemed likely to meet these obligations when due. But changes in underwriting and/or economic conditions are more likely to weaken the capacity to meet policyholder obligations than insurers in higher rated categories.
B+, B, B- Single B	Inadequate Claim paying ability. Protection factors are weak. Changes in underwriting and/or economic conditions are very likely to further weaken the capacity to meet policyholder obligations than insurers in higher rated categories.
CCC+ CCC, CCC-	Uncertain claims paying ability. The companies may not meet these obligations when due. Protection factors are very weak and vary widely with changes in economic and/or underwriting conditions.
CC+, CC, CC-	Poor claims paying ability. Adverse underwriting or economic conditions would lead to lack of ability on part of insurer to meet policyholder obligations.
C+, C, C-	Very high risk that policyholders obligations will not be paid when due. Present factors cause claim paying ability to be vulnerable to default or very likely to be default. Timely payment of policyholder obligations possible only if favorable economic and underwriting conditions emerge.
D	Insurance companies rated in this category are adjudged to be currently in default.

DHAKA INSURANCE LIMITED
62-63, MOTIJHEEL C/A
DHAKA-1000

THREE YEARS PROJECTED RATIO ANALYSIS
MAJOR FINANCIAL RATIO

PARTICULARS	YEAR-2009	YEAR -2010	YEAR-2011
Premium Income Growth	10%	8%	8%
Underwriting Profit	6%	5%	5%
Net Claim	10.46%	10.19%	4.08%
Profit Growth (Before tax)	85.06%	4.83%	2.58%
Return on Asset ROA (Before Tax)	9.20%	8.92%	8.52%
Return on Equity ROE (Befor Tax)	21.08%	20.68%	20.09%
Equity/Total Assets	43.79%	43.13%	42.38%
Net Asstes Value per Share (NAV)	167.69	179.08	189.14
Earning per Share (Tk)	26.51	27.39	27.06
Dividend	16%	17%	18%
Management Expenses % of Premium Income	27.40%	28.21%	29.70%
Reserve & Contingency % of net Premium	10%	10%	10%
Income Tax	45%	45%	45%

These are projections made purely by the company, Dhaka Insurance Limited and reflect its own assessment.

Sd/-
K.A.M. Ferdous
Managing Director

Sd/-
Saha Mazumder & Co.
Chartered Accountants

DHAKA INSURANCE LIMITED

AMIN COURT (8TH FLOOR) 62-63, MOTIJHEEL C/A,DHAKA.

THREE YEARS PROJECTED BALANCE SHEET

CAPITAL AND LIABILITIES	TAKA 2009	TAKA 2010	TAKA 2011
AUTHORISED CAPITAL			
2,000,000 Ordinary Shares of Tk.100/- each	200,000,000	200,000,000	200,000,000
ISSUED,SUBSCRIBED AND PAID-UP CAPITAL			
600000 Ordinary Shares of Tk. 100/= each called and paid up in full	150,000,000	150,000,000	150,000,000
SHARE PREMIUM	18,000,000	18,000,000	18,000,000
RESERVE OR CONTINGENCY ACCOUNTS			
Reserve for Exceptional Losses	52,903,416	65,544,776	79,156,996
PROFIT AND LOSS APPROPRIATION ACCOUNT	6,633,232	9,581,117	9,560,104
BALANCES OF FUNDS AND ACCOUNTS	47,648,400	50,565,440	54,448,880
PREMIUM DEPOSITS	46,024,868	53,950,024	49,621,755
ESTIMATED LIABILITY IN RESPECT OF OUTSTANDING CLAIMS WHETHER DUE OR INTIMATED	82,200,000	92,500,000	103,000,000
AMOUNTS DUE TO OTHER PERSONS OR BODIES CARRYING ON INSURANCE BUSINESS	48,900,000	43,100,000	48,700,000
PROVISION FOR TAXATION	25,200,000	34,400,000	45,400,000
PROPOSED DIVIDEND	24,000,000	25,500,000	27,000,000
SUNDRY CREDITORS	20,000,000	20,500,000	20,500,000
TOTAL:	**521,509,916**	**563,641,357**	**605,387,735**
Net Assets Value (NAV)	167.69	179.08	189.14

PROPERTY AND ASSETS	TAKA 2009	TAKA 2010	TAKA 2011
INVESTMENTS AT COST			
Statutory deposit	9,000,000	9,000,000	9,000,000
Shares	250,000,000	260,000,000	275,000,000
INTERESTS, DIVIDENDS & RENTS OUTSTANDING			
Accrued Interest	10,000,000	11,000,000	11,500,000
AMOUNTS DUE FROM OTHER PERSONS OR BODIES CARRYING ON INSURANCE BUSINESS	3,000,000	3,100,000	3,200,000
SUNDRY DEBTORS			
(Including advances, deposits and prepayments)	20,000,000	35,000,000	45,000,000
CASH AND BANK BALANCES	218,609,916	235,116,357	251,257,735
OTHER ACCOUNTS:			
Fixed Assets:			
At Cost less depreciation	23,000,000	23,500,000	24,000,000
Less: Accumulated Depreciation	12,500,000	13,500,000	14,000,000
	10,500,000	10,000,000	10,000,000
Stationery and forms in hand	400,000	425,000	430,000
TOTAL:	**521,509,916**	**563,641,357**	**########**

These are projections made purely by the company, Dhaka Insurance Limited and reflect its own assessment.

Sd/-
K.A.M. Ferdous
Managing Director

Sd/-
Saha Mazumder & Co.
Chartered Accountants

DHAKA INSURANCE LIMITED

AMIN COURT (8TH FLOOR) 62-63, MOTIJHEEL C/A,DHAKA.

THREE YEARS PROJECTED PROFIT AND LOSS SUMMARY

PARTICULARS	TAKA 2008	TAKA 2009	TAKA 2010	TAKA 2011
Premium Income	154,847,464	170,333,000	183,960,000	198,670,000
Commission on R/I Ceded	12,150,071	13,122,077	14,386,600	15,636,950
	166,997,535	**183,455,077**	**198,346,600**	**214,306,950**
R/I Premium Ceded	50,411,556	51,212,000	57,546,400	62,547,800
Net Claims	36,625,837	40,457,129	44,579,985	46,398,984
Agency Commission	21,472,738	24,616,961	26,006,318	27,546,823
Stamp Expenses	137,446	150,000	160,000	175,000
Alloc.Management Expenses	42,430,524	48,050,374	53,097,612	59,013,696
Unexpired Risk Reserve	3,305,558	5,597,904	2,917,040	3,883,440
	154,383,659	**170,084,368**	**184,307,355**	**199,565,743**
Underwriting Profit (Loss)	12,613,876	13,370,709	14,039,245	14,741,207
Investment Income	13,231,254	20,000,000	21,000,000	21,500,000
Misc. Income (Gain on sale of Share)	3,174,924	18,000,000	19,000,000	19,500,000
Unalloc. Management Exp.	(3,099,129)	(3,400,000)	(3,750,000)	(4,150,000)
Net Profit before Tax	**25,920,925**	**47,970,709**	**50,289,245**	**51,591,207**
Income Tax	(5,600,000)	(8,200,000)	(9,200,000)	(11,000,000)
Exceptional Loss Reserve	(10,443,591)	(11,912,100)	(12,641,360)	(13,612,220)
Net Profit after Tax	**9,877,334**	**27,858,609**	**28,447,885**	**26,978,987**
Profit from previous year	1,897,289	2,774,623	6,633,232	9,581,117
Total Available Profit	11,774,623	30,633,232	35,081,117	36,560,104
Dividend	(9,000,000)	(24,000,000)	(25,500,000)	(27,000,000)
Profit Carried Forward	**2,774,623**	**6,633,232**	**9,581,117**	**9,560,104**
PAID UP CAPITAL	60,000,000	150,000,000	150,000,000	150,000,000
EARNING PER SHARE (EPS)	33.87	26.51	27.39	27.06
DIVIDEND %	15%	16%	17%	18%

These are projections made purely by the company, Dhaka Insurance Limited and reflect its own assessment.

Sd/-
K.A.M. Ferdous
Managing Director

Sd/-
Saha Mazumder & Co.
Chartered Accountants

Certificate regarding compliance of Section 3C, 27, 27A, 27B, 29, 40and 40C of
the Insurance Act 1938 and rule 40 of the Insurance ACT 1958 of Dhaka Insurance Ltd.

To Whom it May Concern

Insurance Act. 1938 (Sec-3C)

The Company has been complied with the section 3C of Insurance Act. 1938 as applicable.

Insurance Act. 1938 (Sec-27)

The Section under the Insurance Act-1938 is not applicable for the general Insurance Company.

Insurance Act. 1938 (Sec-27-A)

Optimum investment of the Company for the year ended 31 December, 2008 are as follows :

	Particulars	Taka
	Liabilities as per Section. 02	
A	Net Claim outstanding .	100,526,926
B	40% of Net Premium (Fire. Marine Cargo.Motor. Misce)	41,590,275
C	100% of Net Premium (Marine Hull)	460,221
D	Amount due to other person or bodies caring on Insurance business After adjustment of (payable to SBC-Receivable from SBC)	36,685,690
E	Unpaid Dividend	9,000,000
F	Redserve for Taxation	17,000,000
G	**Sundry Creditors(Excluding Share Capital, General reserve, Reserve for exceptional loss and Depriciation fund)**	**7,785,950**
	Total Liabilities	**213,049,062**
	10% of the Net Premioum	**10,443,591**
	Higher one is optimum investment as per section 27A-of the Insurance Act.1938(a)	202,605,471
	Actual Investment as at 31 Decedmber, 2008 as per section 27-A	
	National Investment Bond	9,000,000
	Fixed deposit Account	138,406,000
	Share	161,077,184
	Total actual investment (J to L)	**308,483,184**
	Excess investment (M-I)	**105,877,713**

Insurance Act. 1938 (Sec-27-B)

There is no Investment of the company in or hold any shares or debentures of any company, Farms or other business concern in which any of its Derectors or any members of the family of such directors has any interest as Propritor, Partner, Director, Manager & Managing Agent.

Insurance Act. 1938 (Sec-29)

The Company has no investment against any loan to any Director or any member of the family, Banking company, Subsidiary Company and Auditor, any loan or temporary advance either and hypothecation property or presonal sec urity or other wise except advance for Tk. 82,168 against their officers with the prior approval or the competent authorizes, Management confirm that said advance will be realised with in 30.06.2009. and Tk.1126292 as house building loan to 2 senior officers against hypothecation of property will be realized within Jan 2012 and October 2012.

Insurance Act 1938 (SEC-40)
Disclosure of payments by way of commission on Sec. 40 of Insurance ACT, 1938 Commission has been paid to Insurance agents only.

Insurance Act 1938 (SEC-40C)

Disclosures as per Section 40C of the Insurance Act, 1938 and Rule 40 of the Insurance Ruls, 1958 with regard to the Management Expenses of the company are as follows :

Level of Premium		Allowable expenses as per Insurance rule	Actual Expenses	Variance	Remarks
1 Fire, Motor & Misc.					
a) First 10,000,000 @ 30%		3,000,000			
b) Next 10,000,000 @ 25%		2,500,000			
c) Next 10,000,000 @ 24%		2,400,000			
d) Next 10,000,000 @ 24%		2,400,000			
e) Next 10,000,000 @ 23%		2,300,000			
f) Next 10,000,000 @ 22%		2,200,000			
g) Next 4,073,885 @ 18%		733,299			
Total 64,073,885		15,533,299	17,694,650	(2,161,351)	Adverse
2 Marine Cargo & Marine Hull					
a) First 10,000,000 @ 18%		1,800,000			
b) Next 10,000,000 @ 15%		1,500,000			
c) Next 10,000,000 @ 15%		1,500,000			
d) Next 10,000,000 @ 13%		1,300,000			
e) Next 10,000,000 @ 13%		1,300,000			
f) Next 10,000,000 @ 13%		1,300,000			
g) Next 12,500,000 @ 11%		1,375,000			
Balance 18,273,579 @ 10%		1,827,358			
Total 90,773,579		11,902,358	24,873,320	(12,970,962)	Adverse
3 Commission		21,472,738	21,472,738	-	
4 Additional amount the interest earned on the- Paid up Capital in the year of account or 2.5% of the Gross Premium income of Tk. 154,847,464 whichever is less		3,871,187	-	3,871,187	
Interest earned	6,000,000				
2.5% onGorss Premium Income	3,871,187				
Grand Total (1+2+3+4)		52,779,582	64,040,708	(11,261,126)	Adverse

The Company could not comply with the provisions of Insurance ACT & the related rules as notes above.

Date: 04 June, 2009

Sd/-
Saha Mazumder & Co.
Chrtered Accountants

Certificate regarding related party transaction of "Dhaka Insurance Limited" under BAS 24:

For the year ended December 31, 2008 the company did not have any related party transaction in accordance with BAS-24. The related party details of the directors/sponsors are as below:

Directors' involvement / interest in other Firms/Companies:

Sl. No.	Name of Directors	Position in DIL	Age	Name of the Organization
01.	Mr. Fazlur Rahman	Chairman	60 years	**Director:** Jamuna Bank Limited **Proprietor :** City Oil Mills; City Re-Rolling Mills; M. Hasan & Company; **Chairman & Managing Director:** City Vegetable Oil Mills Limited; City PET Industries Limited ; City Dal Mills Limited; City Fibers Limited; Hasan Vegetable Oil Mills Limited; Hasan Plastic Industries Limited; Hasan Printing & Packaging Ind. Limited; Hasan Flour Mills Limited; Rahman Coconut Oil Mills Limited; The Asia Pacific Refineries Limited; Farzana Oil Refineries Limited; Van Ommeren Tank Terminal Bangladesh Ltd.; International Oil Mills Limited; City Sugar Industries Limited; C.S.I. Power & Energy Limited; Shampa Oil Mills Limited; Hasan Containers Limited; F. Rahman Oil Mills Limited; City Poultry & Fish Feeds Limited; Rahman Synthetics Limited; City Navigation Ltd;
02.	Mrs. Hamida Rahman	Director	50 years	**Director:** City Vegetable Oil Mills Limited; City PET Industries Limited; City Dal Mills Limited; City Fibers Limited; Hasan Vegetable Oil Mills Limited; Hasan Plastic Industries Limited; Hasan Printing & Packaging Ind. Limited; Hasan Flour Mills Limited; Rahman Coconut Oil Mills Limited; The Asia Pacific Refineries Limited; Farzana Oil Refineries Limited; Van Ommeren Tank Terminal Bangladesh Ltd.; International Oil Mills Limited. Rahman Synthetics Limited; Shampa Oil Mills Limited; Hasan Containers Limited; F. Rahman Oil Mills Limited; City Poultry & Fish Feeds Limited; C.S.I. Power & Energy Limited; City Sugar Industries Limited; City Navigation Ltd;

03.	Mr. Mohammad Hasan	Director	30 years	**Director:** City Vegetable Oil Mills Limited; City PET Industries Limited; City Dal Mills Limited; City Fibers Limited; Hasan Vegetable Oil Mills Limited; Hasan Plastic Industries Limited; Hasan Printing & Packaging Ind. Limited; Hasan Flour Mills Limited; Rahman Coconut Oil Mills Limited; The Asia Pacific Refineries Limited; Farzana Oil Refineries Limited; Van Ommeren Tank Terminal Bangladesh Ltd., International Oil Mills Limited; Shampa Oil Mills Limited; Hasan Containers Limited; F. Rahman Oil Mills Limited; City Poultry & Fish Feeds Limited; Rahman Synthetics Limited; City Navigation Ltd;
04.	Mr. Mohammad Masum	Director	63 years	**Proprietor :** Supreme Seed Company Limited; Surovi Agro Ind. Limited; Surovi Enterprise Limited; Abacus Enterprise Limited; Riead Properties Limited; G. P. Shipping Lines Limited; Jardine Shipping Services (BD) Limited;
05.	Mr. A. K. M. Kamruzzaman	Director	42 years	**Proprietor :** M/s. K.Z. Enterprise
06.	Mr. A. B. M. Kamal	Director	55 years	**Proprietor :** M/s. M.K. Traders
07.	Mr. Biswajit Saha	Director	39 years	**Proprietor :** M/s. B.S. Traders

Date: 04 June, 2009

Sd/-
Saha Mazumder & Co.
Chartered Accountants

Certificate regarding Tax status of Dhaka Insurance Limited

Tax Assessment Status

Accounting Year	Assessment Year	Provision for Income Tax	Liabilities as per assessment order	Advance income Tax Paid	Bal. of liabilities as per assessment appeal Tribunal	Remarks
2000	2001-2002	Nil	5,666,090	205,049	196,655	Writ to High Court
2001	2002-2003	Nil	3,401,210	214,311	1,337,232	Writ to High Court
2002	2003-2004	Nil	Nil	Nil	Nil	Assh. Finalised
2003	2004-2005	Nil	Nil	Nil	Nil	Assh. Finalised
2004	2005-2006	Nil	Nil	Nil	Nil	Assh. Finalised
2005	2006-2007	3,500,000	8,152,779	3,594,998		Reference to High Court
2006	2007-2008	2,900,000	5,680,645	2,878,252		Appeal filed with the Tribunal
2007	2008-2009	5,000,000		1,674,859		Asstt. not yet done
2008	2009-2010	5,600,000		1,629,972		Income Tax return not yet due.
	Total	**17,000,000**		**10,197,441**		

VAT Status:

There was a demand of Tk. 6,466,109.00 by VAT authority against which the company has filed a writ petition number 6830/2003 before the Honorable Supreme Court of Bangladesh, High Court Division. But the Honorable High Court has declared a judgment on 07.08.2008 and vacates the liability.

Date: 04 June, 2009

Sd/-
Saha Mazumder & Co.
Chartered Accountants