

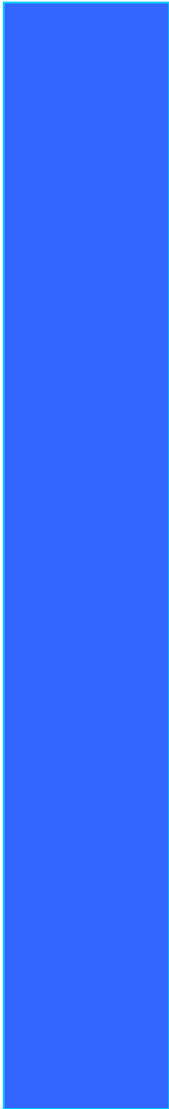
Rights Share Offer Document

Of



Rupali Life Insurance Company Limited

Rupali Bima Bhaban (9th Floor), 7, Rajuk Avenue, Motijheel C/A, Dhaka-1000
Tel: 9571355, 9566541, 9566527 E-mail:rupali_life@yahoo.com
Website: www.rupalilife.com



“Strengthening, protecting and restoring,
lives for a healthy community.....”



Business philosophy

Success is our Ambition

Rupali Life Insurance Company Limited started its operation in the year 1999 with chartered vision and mission. We all know that the company is continuing its operation successfully from the last 13 years with optimum satisfaction of our investors and valued policyholders. The Company increase its profit, consolidates its position in all arena of operations with steady financial sound position.

Our first and main priority is to protect our policyholders & shareholders interest and uphold the Company's image and goodwill in the insurance market.

Our Vision

We want to be the Leader insurer among the life insurance companies in Bangladesh, providing integrated insurance service and prompt claim settlement.



Our Mission

Our mission to provide quality and innovative insurance product, to emphasis on the highest customer satisfaction, to create shareholder value, to ensure corporate social responsibility to the society upheld by employment and taking financial risk.

Core Objective

Our core objectives are to serve participants with best satisfaction, to conduct transparent business operation, to create awareness of life insurance, to ensure the maximum output to shareholders against their input.

**Rupali Life Insurance Company Limited****Rights Share Offer Document**

For Rights Offer of **12,008,304** Ordinary Shares of **Tk. 30 each** including **Tk. 20 as premium** totaling **Tk. 360,249,120** offered on the basis of **1R:1** (i.e., **1 right share against 1 existing share** held as on record date.

Subscription

Opens on: 6-April-2014

Closes on: 5-May-2014

Record Date

16-January-2014

Manager to the Issue**Prime Finance Capital Management Limited**

63, Dilkusha C.A., Dhaka-1000

Tel: 02-9563883, FAX: 02-9563692

E: Mail Info@primefincap.com

Website: www.primefincap.com

Fully Underwritten By**Prime Finance Capital Management Limited**

63, Dilkusha C.A., Dhaka-1000

Tel: 02-9563883, FAX: 02-9563692

E: Mail Info@primefincap.com

Website: www.primefincap.com

Credit Rating Report Summary

Particulars	Summary on Rating
Credit rating Company	Credit Rating Agency of Bangladesh Limited (CRAB)
Ratings	Long Term: BBB ₁
Outlook	Stable
Date of Rating	18 September 2013
Validity Upto	30 June 2014
Rating Based on	Audited Financial Statements up to 31 December 2012

Rights Offer Document Date

18 December 2013

As per provision of the Depository Act, 1999 and regulation made there under, rights share shall only be issued in dematerialized condition. An applicant must apply for allotment of rights shares mentioning his/her Beneficiary Owner (BO) Account number in the application form.

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Rupali Life Insurance Company Limited

Rupali Bima Bhaban (9th Floor), 7, Rajuk Avenue, Motijheel C/A, Dhaka-1000

Tel: 9571355, 9566541, 9566527, E-mail:rupali_life@yahoo.com

Website: www.rupalilife.com

Issue of Rights Share

Date: 18-December-2013

Dear Shareholder(s)

The Board of Directors of Rupali Life Insurance Company Limited in its 125th meeting held on June 27, 2012 recommended 14% stock dividend on existing paid up capital as on 31st December 2011 and issuing rights share @1R:1(i.e. One Rights share for every one shares) subject to approval of the Shareholders in the 12th AGM and also by the regulatory authorities.

Subsequently in the 12th AGM of the Company held on 8th August 2012, the shareholders of the Company approved 14% stock dividend and also to issue 100% rights share [i.e. 1R:1 (One Rights share for every one shares)] of the company for rising paid up capital subject to approval of regulatory authority.

Again in the 13th AGM of the Company held on 17 August 2013, the shareholders of the Company approved 12% stock dividend for the year ended on 31 December 2012. After Considering 12% stock dividend the paid up capital of the company stands at Tk. 120,083,040. So the proposed rights offer would be considered on 12,008,304 nos. shares @ BDT 30 per share including BDT 20 per share as premium subject to approval of the regulatory authority.

The purpose of issuance of rights shares is to strengthen capital base of the Company and also to fulfill regulatory requirement.

To maintain further growth and increase the capital base of your company, we hope you would come forward with your full support and assistance to make the offer a success.

A self-explanatory Rights Share Offer Document prepared in light of the Securities and Exchange Commission (Rights Issue) Rules, 2006 is enclosed herewith for your information and evaluation.

On behalf of the Board of Directors,

Sd/-

(Md. Golam Kibria)

Managing Director (Current Charge)



Corporate Directory

Registered Office

Rupali Life Insurance Company Limited

Rupali Bima Bhaban (9th floor),
7, Rajuk Avenue, Motijheel C/A, Dhaka-1000
Tel: 9571355, 9566541, 9566527
E-mail: rupali_life@yahoo.com
Website: www.rupalilife.com

Auditor

SHAFIQ BASAK & CO.

Chartered Accountants
Shatabdi Center (6th Floor)
292, Inner Circular Road
Fakirapool, Motijheel C.A., Dhaka-1000

Re Insurer

SCOR Global Life SE, Singapore

Consulting Actuary

Mohammad Shobrab Uddin PhD, AIA

House#8 (2nd Floor), Road#12
Sector#13, Uttara Model Town, Dhaka-1213

Legal Advisor

A.F Hasan Arif & Associated

Suit # C-2/12, AI – Baraka Tower
252, Elephant Road, Dhaka-1205

Issue Manager

Prime Finance Capital Management Limited

63 Dilkusha C/A (3rd Floor) Dhaka-1000
Tel: 02-9563883, FAX: 02-9563692
E: Mail Info@primefincap.com
Website: www.primefincap.com

Underwriter

Prime Finance Capital Management Limited

63 Dilkusha C/A (3rd Floor) Dhaka-1000
Tel: 02-9563883, FAX: 02-9563692
E: Mail Info@primefincap.com
Website: www.primefincap.com

Bankers to the rights issue

1. Bank Asia Limited
2. BRAC Bank Limited

The rights issue subscription money collected from the shareholders by the Bankers to the Issue will be remitted to the **STD Account no 1505200344854002** with The **BRAC Bank Limited**.



The Company

Rupali Life Insurance Company Limited

Rupali Life Insurance Company Limited is one of the leading and growing life insurance company in Bangladesh, was incorporated in Bangladesh on 28 December 1999 under the Companies Act 1994. The company operates its business under the Insurance Act, 2010 and Insurance Rules, 1958 as amended from time to time. The Company becomes listed with the bourse in the year 2009. The Company is engaged in life insurance business and has no subsidiary.

The authorized capital of the Company is Tk. 1,000 million divided into 100,000,000 ordinary shares of Tk. 10 each. Its paid-up capital stood after considering 12% stock dividend for the year end 31st December 2012 at Tk. 120,083,040 divided into 12,008,304 ordinary shares of Tk. 10 each. The Company achieved remarkable performance since its inception. The company always holds a positive growth track record in its business operations. All key performance indicators such as premium income, life fund, Investment and total assets are increase over the previous year. In 2012 total assets of the company increased by 4.67% over the previous year and stood at Taka 3,193.66 million. Investment has also increased by 5.87% and stood at Tk. 1,376.13 million. Rupali Life Insurance Company Limited is going to touch the pinnacle of success due to its long experience professional qualified insurance experts and dynamic leadership. The company is moving forward to achieve its sets goals and target by providing highest satisfactions to all its stakeholders.

The sponsors of RLICL having wide range of experience in the field of commerce and industries and contributing of economic development of our country. Under the dynamic leadership and supervision by the Board of Directors the company able to reach itself in the remarkable position in the insurance industry and could established itself a leading and promising life insurance company in our country. The revenue track record has proven the company's ability to meet up the challenges and positioning itself to become market leader in the industry.

The main objective of Rupali Life Insurance Company Limited is to conduct transparent and high life insurance service as well as to create the best values for customers, shareholders and all stakeholders. The Company has the vision to be an innovative, profitable, customer-oriented insurance enterprise with a national focus. The Company is committed to meet up the expectations and super satisfaction of the customer and maximum return of the stakeholder investment.

Highlights of the Company

Background	Dates
Incorporation of the Company	28 December 1999
Commencement of Business	28 December 1999
Registration certificate from Chief Controller of Insurance (CCI) office	29 December 1999
Inaugural Ceremony	9 February 2000
Signing of First Policy	09 February 2000
Inauguration of official websites	02 February 2005
Bangladesh Electronic Fund Transfer Network (BEFTN) payment system introduction	22 March 2012
Mobile Banking System introduction	30 June 2012
Consent to issue of IPO from BSEC	25 March 2009
Publication of Prospectus	30 March 2009
Listing with Dhaka Stock Exchange Limited (DSE)	12 July 2009
Listing with Chittagong Stock Exchange Limited (CSE)	22 June 2009

Other business information

Principal Wing

- Ekok Bima
- Islami Jibon Bima
- Samajik Bima
- Rupali Deposit pension scheme
- Takaful deposit pension scheme
- Rupali khudra Bima Takaful
- Shariah & Sanchaya Bima
- Al Amanat Bima

**Business Operation**

The Company operates its business through Dhaka head office and distributes its service through agencies and organizational offices throughout the country.

Re Insurance

The company has re insurance contract with SCOR Global Life SE, Singapore

Islami Bima & Shariah Board

The Company is operating the business on Islamic life insurance along with ordinary life business. It has a shariah Board Consisted of a group of Islamic wisdom and learned people of our country. Operations of the Companies business have been conducted in conformity with shariah principal.

Bangladesh Electronic Fund Transfer (BEFTN) & Mobile Banking

The Company has started its payment to customer through BEFTN system with Social Islami Bank Limited. Policy holders payment is being credited to their personal account within 48 hours. Harassment of customers for payment has been reduced to a minimum level by this BEFTN system.

In addition to the above system, Rupali Life Insurance Company Limited has signed an agreement with Dutch Bangla Bank Limited for operation of mobile banking. The officials of the company shall have received their salary through the mobile banking system. Customers are also receiving their claims through mobile banking systems. Rupali Life Insurance Company is the pioneer of introducing mobile banking system and BEFTN in life Insurance industry.

Statement of Capital Structure of the Company**A. Authorized share capital**

100,000,000 ordinary shares of Tk. 10 each Tk. 1,000,000,000

Capital Structure of the Company before Rights Issue**Paid up capital****B. Paid up capital as on 31 December 2012**

10,721,700 ordinary shares of Tk. 10 each Tk. 107,217,000
(As per audited accounts as on 31 December 2012)

C. Paid up capital as on rights share offer document date

12,008,304 nos. ordinary shares of Tk. 10 each Tk. 120,083,040

*In the 13th AGM held on 17 August 2013 the shareholders has approved stock dividend @ 12% for the year ended 31 December 2012. After crediting the stock dividend paid up capital of the company stands at Tk. 120,083,040 divided into 12,008,304 nos. of shares of Tk. 10 each as on rights share offer document date

Proposed rights issue**Number of rights share**

(i.e., 100 % of 12,008,304 nos. share, i.e. 1R:1 shares) 12,008,304 nos.

Offer price

Tk. 30 per share including Tk. 20 per share as premium

D. Rights Issue at face value

12,008,304 nos. rights share @ Tk. 10 per share Tk. 120,083,040

E. Premium from rights issue proceed

12,008,304 nos. rights share @ Tk. 20 per share Tk. 240,166,080

F. Total rights issue including premium (D+E)

Tk. 360,249,120

Capital structure of the Company after rights Issue**G. Total paid up capital after rights issue (C+D)**

Tk. 240,166,080

**Important Offices (Servicing Offices)****Ekok Bima Division****Agrabad Service Cell**

Ahammed Mansion(4th Floor)
1128, shek Mojib Road, Dewanhat,
Dabol Moring,
Agrabad, Chittagong.

Chowmuhoni Service Cell

552/1 Shekh Mojib Road(3rd
Floor)
Agrabad, Chittagong.

Bahaddarhat Service Cell

Yeaqub Tower (3rd Floor),
Arakan Road
Bahaddarhat, Chittagong.

Barisal Divisional Office

Arjolaxmi bababan
99, Sadar Road, Barisal.

Tangail Divisional Office

Mirza Vila, Victoria Road,
Tangail.

Feni Service Cell

M.E.F Center (3rd floor)
47, S.K Sarak, Feni.

Tongi Service Cell

Charagali Ceramic Market
Tongi, GaziPur.

Muradnagar Service Cell

Kazi Noman Ahmed Market
Muradnagar Bazar
Muradnagar, Comilla.

Bogra Divisional Office

Kabir Market Hafiz Bhaban(3rd
Floor)

Tinpotti, Barogola, Bogra.

Sandwip Service Cell

Guptachara Road, Mouza
Haramiya
Sandwip, Chittagong.

Sokhipur Service Cell

Holding No. 868(1st Floor)
Sokhipur, West Side of Dhaka
Road
Sokhipur, Tangil.

Comilla Divisional Office

Jahangir Manson(1st Floor)
Rajgong, Comilla.

Faridpur Service Cell

Chamber of Commerce &
Industry
Chamber Bhaban(4th Floor),
Niltuli, Faridpur

Seed Store Service Cell

Samlata Plaza(1st Floor)
Seed Store Bazar, Bhaluka,
Mymensing.

Gazipur Service Cell

M. N. Complex
Joydebpur Chowrasta, Gazipur

Homna Service Cell

Sohel Super Merket(1st Floor)
Homana Bazar, College Road
Homana, Comilla.

Jessore divisional Office

33/1 Real Road Jessore.

Barisal Divisional Office

Arjolaxmi bababan
99, Sadar Road, Barisal.

Sylhet Divisional Office

Asia Merket(3rd Floor)
Jalarpar, Genda Bazar, Sylhet.

Chandpur Service Cell

Miyan Menson(3rd Floor)
Comilla Road, Chadpur.

Mymensingh Service Cell

44/ka K.C Roy Road (3rd
Floor)Tagil High Road,
Mymensingh.

Sylhet Model Service Cell

Khairun Bhaban((4th Floor)
Mirboxtola, Sylhet.

Narhingdi Service Cell

176, Court Road, Bilashdi
Narsingdi.

Samajik Bima Division**Dhaka Service Cell**

3, D.I.T Road Motijheel
C/A, Dhaka-1000.

Comilla West Service Cell

Gouripur Bazar, Daukandi
Comilla.

Khulna Service Cell

Mojibullha Mansion (1st floor)
2-No-P.C Ray Road
Hadis Park(West Side), Khulna.

Satkhirra Service Cell

Sowkhin Villa(1st floor),
Microbus stand, Satkhira.

Chittagong Service Cell

221, Ashraf Complex(3rd floor)
Nazma Khatun Bi-Lane,
Bewandhar

Chittagong.

Chittagong North Service Cell

Hazi Market (2nd floor)
Sitakundo Powrasova Bazar,
Sitakundo, Chittagong.

Faridpur Service Cell

Moyrapotti, Chowk Bazar
Boishaki Enterprise(1st Floor),
Faridpur.

Naogaon Service Cell

Notun Judge Court, Naogaon-
6500.

Jessore Service Cell
Islmail Bhaban(1st floor)

Notun Khayertola

Polashbari, Jessore.

Barisal Divisional Office

Arjolaxmi bababan
99, Sadar Road, Barisal.

Comilla Service Cell

Jahangir Mansion (1st floor)
Rajgonj, Comilla.

Sylhet Service Cell

Asia International Market (3rd
floor)Zindabazar, Sylhet.

Rajshahi Service Cell

Holding # 05, Alok more, Rani
Bazar, Rajshahi.

Natore Service Cell

Samoy (2nd floor), Fire Service
more
Kanaikhali, Natore.

Magura Service Cell

107, Ansar Biswas Colony
Chayabithi Road Magura.

Mymensingh Service Cell

Soudi Bangla Super Market
Muktachacha, Mymensingh.

Islami Jibon Bima**Gauseypak Service Cell**

Gauseypak Bhaban(3rd floor)
28/G-A Toyenbee Circular Road
Motijheel, C/A, Dhaka.

Saleh Sadan Service Cell

Saleh Sadan(2nd Floor)
145, Motijheel, C/A, Dhaka-1000.

Mirpur Service Cell

Razia Plaza(3rd Floor)

184, Senpara Parbata, Begum
Rokeya Shoroni Mirpur, Dhaka-
1216.

Jatrabari Service Cell

Shamsuddin Bhaban(3rd Floor)
88/1, shahid Faruk Sarak
South Jatrabari, Dhaka.
Farmgate Service Cell
Hashem Mansion (5th Floor)
48 Kazi Nazrul Islam Avenue
Tejgaon, Dhaka-1215.

Hatkahola Service Cell

33/1, Shahid Nazrul Islam Sarak
Hatkahola ((3rd Floor),
Sutrapur, Dhaka-1203.

Haque Chember Service Cell

3, D.I.T Road (2nd floor)
Motijheel C/A, Dhaka-1000.

Chittagong Road Service Cell

US Shopping Complex
Mukti Shoroni, Chittagong Road
Siddirgonj, Narayanganj.

Mudaforgonj Service Cell

Sazzad Super Market(1st Floor)
Mudaforgonj Bazar, Purbogoli
Laksam, Comilla.

Laksham Service Cell

Daigonastic Medical Centre(2nd
Floor)
Baipass Road, Laksam, Comilla.

Comilla Divisional Office

488/433, Nazrul Avenue
Kandirpar, Comilla.

Chittagong Service Cell

Ashraf Complex(2nd floor)
221, Nazma Khatun Bailane
Dawanhat More, Chittagong.

Noakhali Service Cell

Abu Super Market(1st Floor)
Central Road, Maizdi Court
Noakhali.

Bogra Divisional Office

Kabir Market, Hafiz Bhaban(4th
Floor)
Tinpotti, Borogola, Bogra.

Joypurhat Service Cell

Sattar Market Bhaban(4th Floor)
Chinikal Road, Joypurhat.

Barisal Divisional Office

Arjolaxmi bababan
99, Sadar Road, Barisal.



Bhola Service Cell

Hazi Motiur Rahman Shopping Complex(1st floor), Nuton Bazar, Bhola Sador, Bhola.

Jessore Divisional Office

33/1 Real Road
Jessore.

Bagmara Service Cell

Samsser Tower (1st floor)
Bagmara Bazar
Comilla Sadar(South), Comilla.

Malibagh Service Cell

484, DIT Road(3rd Floor)
Malibagh, Dhaka-1217.

Narayangonj Shibui Market Service Cell

6 No, West Lamapara
Shibui Market(1st Floor)
Dargabari Moszid Road
Fatulla, Narayangonj.

Anowara Service Cell

Asma Shopping Complex (1st Floor) Anowara Chittangong.

Badda Model Service Cell

Holding No Ga-133
Madda Badda, Gulshan, Dhaka

Badda-1 Service Cell

Holding No- 133/3 Pragati
Sharani(2nd Floor)
Badda, Gulshan, Dhaka-1212

Hazigonj Service Cell

Hazi Iman Market(1st Floor)
Purbo Bazar, Hazigonj,
Chandpur.

Laxmirpur Service Cell

P.S.M Plaza, Sandhani Eye
Hospital Building (1st Floor),
Bagabari, Sador, Laxmirpur.

Pallabi Service Cell

Section # 11, Block # D
House # 4 (3rd Floor)
Road No # 28, Kalshi
Pollbi, Mirpur, Dhaka-1216.

Hemayetpur Service Cell

Hemayetpur Super Market(3rd floor)

Hemayetpur, Saver.

Lalbag Service Cell

60/1 (2nd floor)
Rajnarayan Dhar Road
Lalbag, Dhaka-1211.

Chattingong Road Model Service Cell.

Halima Johara Market(4th Floor)
Siddirgonj, Naryangonj.

Koira Service Cell

P.O-Kapilmuni
P.S-Paigacha
Khulna.

Khudra Bima Takaful Division

Dhaka Service Cell

Gousepak Bhaban(3rd Floor)
28/G-1, Toynbee Circular Road
Motijheel, Dhaka-1000.

Agrabad Service Cell

Ahammed Mansion(4th Floor)
1128, shek Mojib Road, Dewanhat,
Dabol Morring,

Agrabad, Chittagong.

Jessore Service Cell

33/1, Rail Road(4th floor)
Jessore.

Bhuiyapur Service Cell

Mourin Super Marker(2nd Floor)
Bhuiyampur, Tangail.

Sathkhira Service Cell

Shakhin Vila (1st floor)
Abul Kashem Sarak
Old Microbas Stand
Sathkhira.

Dhaka-01 Service Cell

Gousepak Bhaban(3rd Floor)
28/G-1, Toynbee Circular Road
Motijheel C/A, Dhaka-1100.

Bogra Service Cell

Hafij Bhaban(5th Floor)
Tin Patti, Borogola Bogra.



Statement of annual general meetings held after IPO

Financial Year	Date of Annual General Meeting (AGM)	Venue of AGM	Time of AGM
2009	29 August 2010	Bangladesh-China Friendship Conference Centre, Agargaon, Shere-E-Bangla Nagar, Dhaka	10:00 AM
2010	18 August 2011	Institute of Diploma Engineers Bangladesh, Muktijuddah Smriti Milanayatan, 160/A Kakrail, Dhaka-1000	10:30 AM
2011	8 August 2012	Institute of Diploma Engineers Bangladesh, Muktijuddah Smriti Milanayatan, 160/A Kakrail, Dhaka-1000	11:00 AM
2012	17 August 2013	Institute of Diploma Engineers Bangladesh, Muktijuddah Smriti Milanayatan, 160/A Kakrail, Dhaka-1000	10:30 AM

Board of Directors

The following persons comprise the Board of Directors of the Company

SL	Name	Designation	Address	
			Business Address	Permanent Address
1	Mr. Mahfuzur Rahman	Chairman	Rupali Bima Bhaban (9 th floor), 7, Rajuk Avenue, Motijheel C/A, Dhaka-1000	Flat # A-2, House # 09, Road # 06, Gulshan-1, Dhaka.
2	Mr. Engr. Dewan Nuruzzaman	Vice Chairman	Rupali Bima Bhaban (9 th floor), 7, Rajuk Avenue, Motijheel C/A, Dhaka-1000	43 M/B, Indira Road, West Raza Bazar, Dhaka
3	Mr. Abdul Matin (Alternate Director of Mr. Abdul Azim)	Alternate Director	Rupali Bima Bhaban (9 th floor), 7, Rajuk Avenue, Motijheel C/A, Dhaka-1000	CWS (B)-73, Road # 25, Gulshan, Dhaka.
4	Mr. Monirul Hasan Khan	Sponsor Director	Rupali Bima Bhaban (9 th floor), 7, Rajuk Avenue, Motijheel C/A, Dhaka-1000	House # 18, Road # 2, Section # 7, Uttara, Dhaka.
5	Mrs. Shazia Ahmed Sony	Sponsor Director	Rupali Bima Bhaban (9 th floor), 7, Rajuk Avenue, Motijheel C/A, Dhaka-1000	House # 19, Road # 4, Block # F, Banani, Dhaka.
6	Mrs. Ben Afroz	Sponsor Director	Rupali Bima Bhaban (9 th floor), 7, Rajuk Avenue, Motijheel C/A, Dhaka-1000	342, Segun Bagicha, Dom Inno Altura, Flat # A-16, Dhaka.
7	Mr. Md. Alamgir	Sponsor Director	Rupali Bima Bhaban (9 th floor), 7, Rajuk Avenue, Motijheel C/A, Dhaka-1000	8/6 Lalmatia, Block # C, Shahjalal Rose, Flat # A-2, (2 nd floor), Dhaka.
8	Mr. Abdullah Jamil Matin	Sponsor Director	Rupali Bima Bhaban (9 th floor), 7, Rajuk Avenue, Motijheel C/A, Dhaka-1000	CWS(B)-73, Road # 25, Gulshan, Dhaka.
9	Mrs. Mahmuda Mahfuz	Sponsor Director	Rupali Bima Bhaban (9 th floor), 7, Rajuk Avenue, Motijheel C/A, Dhaka-1000	Flat # A-2, House # 09, Road # 06, Gulshan-1, Dhaka.
10	Mohammed Amirul Islam	Sponsor Director	Rupali Bima Bhaban (9 th floor), 7, Rajuk Avenue, Motijheel C/A, Dhaka-1000	Rangs Malancho, House # 68, Road # 6A, Flat # A4, Dhanmondi, Dhaka
11	Mr. Aminur Rahman Khan	Shareholder Director	Rupali Bima Bhaban (9 th floor), 7, Rajuk Avenue, Motijheel C/A, Dhaka-1000	Vill: Matuail, PO: Matuail PS: Jatrabari, Dhaka
12	Mrs. Shanaz Begum	Shareholder Director	Rupali Bima Bhaban (9 th floor), 7, Rajuk Avenue, Motijheel C/A, Dhaka-1000	426 Saheenbag, Old Airport Road, Tejgaon, Dhaka.
13	Mr. Md. Shafiqul Islam Ripon	Shareholder Director	Rupali Bima Bhaban (9 th floor), 7, Rajuk Avenue, Motijheel C/A, Dhaka-1000	15/1 Jahurabad Darus Salam, Mirpur-1, Dhaka.
14	Mrs. Sabita Ferdousi	Shareholder Director	Rupali Bima Bhaban (9 th floor), 7, Rajuk Avenue, Motijheel C/A, Dhaka-1000	Rangs Malancho, House # 68, Road # 6A, Flat # A4, Dhanmondi, Dhaka
15	Mr. Md. Shamim Khan	Independent Director	Rupali Bima Bhaban (9 th floor), 7, Rajuk Avenue, Motijheel C/A, Dhaka-1000	6/7, Segun Bagicha, F-C-3, DOM INNO Eldora, Dhaka
16	Mr. Md. Delwar Hossain FCA	Independent Director	Rupali Bima Bhaban (9 th floor), 7, Rajuk Avenue, Motijheel C/A, Dhaka-1000	House -379, North Goran, Khilgaon, Dhaka-1219
17	Mr. Abdul Hamid, FCA	Independent Director	Rupali Bima Bhaban (9 th floor), 7, Rajuk Avenue, Motijheel C/A, Dhaka-1000	Vill: Jahanabad, P.O: Baghra P.S: Sreenagar, Munshighonj
18	Mr. Muhammad Amir Kazim, ACMA	Independent Director	Rupali Bima Bhaban (9 th floor), 7, Rajuk Avenue, Motijheel C/A, Dhaka-1000	17/C, Ranking Street, Wari, Dhaka1203
19	Mr. Noor Mohammed Bhuiyan	Managing Director	Rupali Bima Bhaban (9 th floor), 7, Rajuk Avenue, Motijheel C/A, Dhaka-1000	Al Baraka Tower, Flat-D1, 11 th Floor, 252, Elephant Road, Dhaka-1205

**Shariah Board**

1.	Professor Mawlana Mohammad Salahuddin Khatib, Baitul Mokarram National Mosque, Dhaka.	Chairman
2.	Mawlana Ruhul Amin Khan Khatib, Gawsul Azam Mosque, Mohakhali, Dhaka.	Member
3.	Mawlana Kafiluddin Sarkar Principal, Dhaka Nesaria Kamil Madrashah, Dhaka.	Member
4.	Mawlana Sharif Mohammad Assistant-Editor, The Daily Amar Desh	Member
5.	Mawlana Mufti Md. Akhtaruzzaman Head Mufti, Satkhira Alia Madrashah, Satkhira.	Member
6.	Mr. Fazlul Qader Qaderi Ex Bank Officer	Member
7.	Dr. Abdullah Al-Maruf Deputy Director, Islamic Foundation, Bangladesh	Member
8.	Mr. Mahfuzur Rahman, Chairman, RLICL	Observer Member
9.	Mr. Abdul Matin Technical Director, RLICL	Observer Member
10.	Mr. Noor Mohammad Bhuiyan Managing Director, RLICL	Observer Member
11.	Md. Golam Kibria Deputy Managing Director, RLICL	Observer Member
12.	Company Secretary Designated	Observer Member
13.	Mawlana Mohammad Khalid Saifullah Vice President, RLICL	Member-Secretary

Management

Sl. No.	Name	Department	Description (Status in the Company)	Address
1	Mr. Noor Mohammed Bhuiyan	-	Managing Director	Village-Majhir Char, PO-Mohajampur, PS-Sonargaon Dist- Narayanganj.
2	Mr. Md. Golam Kibria	Admin & Establishment	Deputy Managing Director	Village-Musapur, PO-Osmania, PS-Sandwip Dist- Chittagong
3	Mr. Biswajit Kumar Mondal	Board Affairs	Deputy Managing Director & Company Secretary	Village-Moukhali, PO-Mithakhali, PS-Monglaport Dist- Bagerhat
4	Mr. Habibur Rahman Patoary	Finance & Accounts	Chief Financial Officer	Village-North Jamuar, PO-Munshirhat, PS-Fulgazi Dist- Feni
5	Mr. Mohammad Shafiqur Rahman	Audit	Head of Internal Audit	Village-Malvail (Konapara)i, PS-Demra, Dist- Dhaka
6	Mr. Md. Rejaul Hossain Khan	Training	Chief Consultant	Village-Suktagram, PO-Suktagram, PS- Kashiani Dist- Gopalganj
7	Mr. Md. Mozammel Hossain	Development (Admin)	Senior Executive Vice President	Village-Motua, PO-Chagalnaiya, PS- Chagalnaiya Dist- Feni
8	Mr. Md. Omar Faruque Sohel	Information Technology	Executive Vice President	Village-Raikhali Bazar, PO-Chondroghona, Upozila-Kaptai Dist- Rangamati
9	Mr. Md. Khalid Saifullah	Establishment & Admin	Vice President	1567, College Road, Satpai, Sadar, Netrokona
10	Mr. Md. Abdullah	Underwriting & Claims	Vice President	Village-Charsuvi, PO-Daulatkhan, Dist- Bhola

The Rights Offer**Highlights of the Rights Issue**

The Board of Directors of Rupali Life Insurance Company Limited in its 125th meeting held on June 27, 2012 recommended 14% stock dividend on existing paid up capital BDT 9,405,000 as on 31st December 2011 and issuing rights share @1R:1(i.e. **One Rights share for every one share**) subject to approval of the Shareholders in the 12th AGM and also by the regulatory authorities.

Subsequently in the 12th AGM of the Company held on 8th August 2012, the shareholders of the Company approved 14% stock dividend and also to issue **100% rights share [i.e. 1R:1 (One Rights share for every one shares)]** of the company for raising paid up capital subject to approval of regulatory authority. The paid up capital of the company stands after considering 14% stock dividend is BDT 107,217,000

Again in the 13th AGM of the Company held on 17 August 2013, the shareholders of the Company approved 12% stock dividend for the year ended on 31 December 2012. After Considering 12% stock dividend the paid up capital of the company stands at Tk 120,083,040.



So the proposed rights offer would be considered on 12,008,304 nos. shares @ BDT 30 per share including BDT20 per share as premium subject to approval of the regulatory authority.

So the proposal for issuance of Rights Share is Tk. 360,249,120 by way of issuing 12,008,304 Ordinary shares (i.e. 100% of existing paid up capital share) @ Tk. 30 per share including Tk. 20 as premium at a ratio of 1R:1 [One rights share for existing one share held] on the record date subject to approval of the regulatory authority

Issue Price

The issue price per share has been approved by the shareholders in the 12th AGM held on 8 August 2012 @ Tk. 30 each (including a premium of Tk. 20 each) on the basis of 1(one) Rights share for 1 (one) share held on the record date subject to approval of the regulatory authority

Risk factors and management perception about risk

Rupali Life Insurance Company Limited is one of the most successful companies among the Life insurance companies. The Company has successfully passed its thirteen years of operation. With a professional and dedicated team of management having long experience, commendable knowledge and expertise in insurance, the Company has achieved success among its peer group within a short span of time. With all its resources, the management of the company firmly believes that the Company would be able to encounter problems that may arise both at micro and macro economic levels. However, the prospective risk factors and the plan of the management to reduce such risk are given below:

Sl	External and internal risk factors	Management perception about the risks
(a)	General investment risks: Investors should keep in mind that there is a difference between equity securities and debt securities. As a residual owner, the claim of an equity shareholder comes last and in an extreme situation he/she may lose his/her entire investment.	The management does aware about the equity shareholders position of getting their respective claims and believes that this kind of extreme situation would not arise.
(b)	Interest rate risks: Changes in interest rates may negative affect its financial results in case of interest rate increase by lenders and also interest decrease on deposits by RLICL.	The company has so far, not had to depend on debt financing. The management of RLICL will reduce these negligible risks by investing the fund in land and building according to Insurance Act, 2010 and Insurance Rules, 1958 as amended
(c)	Exchange rate risks: The change in currency exchange rates may influence the result of operations, in case of the companies who are involved in foreign currency transaction.	Rupali Life Insurance Company Ltd. does not have any foreign currency transaction. Therefore no such risk would arise.
(d)	Industry risks: Liberalization of permission to set up more insurance companies by government may result in severe competition amongst insurers reducing premium income and profitability.	Though liberalization of insurance policy by government may be encouraging to new entrants resulting tough competition, Rupali Life Insurance Co. Ltd. does not apprehend any loss of business due to its competent management team for quality services and expanding trend of insurance business in the country. The Company has already proved its leading role by its attractive earning performance.
(e)	Technology related risks: Although life insurance business is a relatively low tech industry, any sophisticated integrated software by other competitors any give them competitive edge on RLICL as far MIS and quality service is concerned.	RLICL is continuously upgrading its technological levels and making it comparable to that of the other competitors in line with the insurance business.
(f)	Potential or existing government regulations: Government policy change in respect of imposing new tax, VAT, stamp duty and limitation of investment may also affect smooth functioning of life insurance business.	Like all democratically elected governments, the government of Bangladesh also holds commitment for freedom from economic emancipation of the nation, which can be achieved through maintaining sustainable industrial growth. The government, which is the owner of Jiban Bima Corporation is not expected to change policies relating to insurance requirements, affecting the income of the insurance companies.
(g)	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.
(h)	Operational risks: The company may face poor financial conditions due to failure in future expansion of business or inefficient management capability.	From the inception, the Company has a good reputation in the insurance business and progressing smoothly. The management of the Company has also proven its efficiency, which is clear from the previous positive track record of the Company's financial statements.
(i)	Political risk: Political and social condition may affect the smooth functioning as well as drastic fall to the value of its investments.	The management has been very selective in its investment decisions that have already produced positive results. It feels government will not create any situation leading to abrupt losses of investments, especially when industrial output is showing signs of growth.
(j)	Natural risks The coverage of natural calamities like cyclone, flood and tremors by insurance may severely weaken the financial strength of the company by accruing heavy claims on account of loss of huge human life.	Risk is an important consideration for premium calculation of any insurance policy. 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 risk.

**Date and timing of Opening and Closing of Subscription (After approval from BSEC)**

Subscription Open: 6-April-2014

Subscription Close: 5-May-2014

Extension of subscription period, if any, will be notified through national dailies.

Purpose of the rights issue

Rupali Life Insurance Company Limited is one of the promising life Insurance Company in the private sector of Bangladesh, which provides diversified life insurance services. **The authorized capital of the company is Tk. 1,000,000,000.** The shareholders of the company approved 12% stock dividend for the year end 2012 in the 13th AGM held on 17 August.2013. After that the paid up capital of the company stood at **Tk.120,083,040** as on rights share offer document date.

As per Insurance Act, 2010 (schedule-1) paid up capital of life Insurance Company should be raised up to **Tk. 300 million (thirty crore)** without specifying any fixed time frame. The company desires to meet up regulatory requirements of paid up capital in two steps. In this regard the company desires to increase its paid up capital up to **Tk. 240,166,080 from Tk. 120,083,040 by way of issuing 12,008,304 nos. rights share @ Tk. 10 per share total Tk. 120,083,040 (excluding premium).** The shortfall of paid up capital of **Tk. 59,833,920** will be increased in future with due course.

Furthermore, considering goodwill and business growth, the company charged premium on face value of share which was duly approved in the **12th AGM held on 8 August 2012.** Total premium will be raised **Tk. 240,166,080 (i.e. 12,008,304 nos. rights share @ Tk. 20 per share total Tk. 240,166,080).** After adding paid up capital **Tk. 240,166,080** and premium **Tk. 240,166,080**, total capital including premium will be **Tk. 480,332,160.**

The total rights issue proceeds will be utilized as follows:

Sl	Use of rights share proceeds (Proposed)	Amount in BDT	Tentative time
1	Investment in Govt. treasury Bond	100,000,000	Within 1 week after receiving rights issue fund
2	Investment in Capital Market	65,000,000	Within 1 week after receiving rights issue fund
3	Business expansion*	190,494,090	As per schedule mention below
4	Rights Issue Expense	4,755,030	Time to time when required during rights share issue processing
Total		360,249,120	

*The proceeds of offering will be utilized as per direction of Board of Directors of the Company for business expansion in future such as

Projected schedule for business expansion

Sl	Particulars	Projected Cost (Amount in BDT)	Implementation Schedule
1	Payment of 05 (five) installment against floor purchase at 94 Sheikh Mujib Road Agrabad, Chittagong	35,520,000(Note-1)	Installment will be started after 7 (seven) days of receiving rights issue proceed and will be completed on 30/12/2014 as per schedule mentioned in the vendors agreement
2.	Investment in Bangladesh Govt. Treasury Bond	30,000,000	Within 01(one) months after receiving rights issue fund
3	Investment in fixed deposit with Bank & Financial Institutions.	124,974,090	Within 01(one) months after receiving rights issue fund
Total		190,494,090	

Note: Total purchase price of floor situated at 94 Sheikh Mujib Road Agrabad, Chittagong is Tk. 131,040,000 (Thirteen crore ten lac forty thousand Only). Out of which 06 (six) installments amounting BDT 95,520,000 (Nine Crore fifty five lac twenty thousand) out of 11 installment already paid. Remaining of 05 (five) installments amounting BDT 35,520,000 will be paid from rights share issue proceeds.

The above allocation of investment has been made as per guideline of Rule 10A of Insurance Rules 1958.

Thus rights share issue proceeds will be used for business activities of the company as well as this fund will enhance financial strength of the company and by raising fund through this rights share issue is one stepping up for compliance to regulatory requirement for minimum requirements of paid up capital of Insurance Company as specified in the **Insurance Act, 2010 (schedule-1).**

Name of product manufactured or services rendered by the issuer

Rupali Life Insurance Company Ltd., which plays a vital role in life insurance sector in Bangladesh and beyond, offers a varied list of services in accordance with the popular requirements at the insurance sector. The comprehensive list of products and services the company provides are as follows:

Product and services

- | | |
|--|--|
| <ul style="list-style-type: none"> ▪ Single payment endowment assurance plan with profit ▪ Three payment endowment assurance plan with profit ▪ Five payment endowment assurance plan with profit ▪ Mohorana bima with profit ▪ Child education assurance plan with profit ▪ Takaful deposit pension scheme ▪ Rupali deposit pension scheme | <ul style="list-style-type: none"> ▪ Anticipated endowment (Takaful) assurance- 4 stage with profit ▪ Child welfare assurance plan with profit ▪ Hajj plan with profit ▪ Premium back term assurance plan with guaranteed profit ▪ Premium back term assurance plan without profit ▪ Assurance cum pension plan without profit |
|--|--|



Justification of the issue price of rights share

Summary on different pricing method

SI	Details		Value per share (Amount in Tk.)
Method-1	Net Asset Value Per Share	As on Rights Share Offer Document date Considering 12% stock dividend for the year ended 31 December 2012 and revaluation reserve	41.52
		As on Rights Share Offer Document date Considering 12% stock dividend for the year ended 31 December 2012 and without considering revaluation reserve	22.56
Method-2	Last 6 months Average Market Price		104.28
Average of above three price			56.12

Method-1

A. Net Assets Value (NAV) per share:

As on 31 December 2012, the Net Assets Value per share stands at Tk. 46.50 as per audited financial statements, after considering the 12% stock dividend as per rights share offer document date, Net Asset Value per share stands at Tk. 41.52.

Thus the offer price of BDT 30 per share including BDT 20 per share as premium has been considered less compare to the NAV per share as per Asset Liability method

The calculation of net assets value per share in different approaches are given below:

Particulars	31 December 2012 Amount in Taka
1 Loan on insurers policy	35,398,280
2 Investment at Cost	927,595,741
3 Outstanding premium	104,539,906
4 Interest, dividend and rent accrued but not due	231,079,991
5 Advance and deposit	353,994,258
6 Cash and bank balance	1,098,353,318
7 Fixed asset (At Cost less depreciation)	432,421,040
8 Un amortized IPO Expense*	0
9 Stock of stamp, forms and stationary	7,997,130
A. Total assets (1 to 9)	3,191,379,664
1 Estimated liabilities in respect of outstanding claim whether due or intimated	589,536
2 Amount due to other person or bodies carrying on insurance business	134,673
3 Sundry creditors	59,575,187
4 Policy holders liability (As per actuarial valuation report of 2012)	2,594,476,000
5 Provision for Corporate Tax	38,000,000
B. Total liabilities (1 to 5)	2,692,775,396
C. Net assets (A-B)	498,604,268
D Number of shares as per audited accounts as on 31 December 2012	10,721,700
E. Net assets value per share (C/D)	46.50
F. Number of shares after considering 12% stock dividend for the year end 31 December 2012	120,083,04
G. Net Assets Value per Share (C/F) after considering 12% stock dividend for the year end 31 December 2012	41.52

*Un- amortized IPO expense has not been considered for calculation of NAV.

Note: According to section 30 (a) of Insurance Act, 2010, every Life Insurance Company have to made an actuarial valuation once in a year. As the valuation of liabilities was made for the year end 31 December 2012, so NAV is calculated on the basis of actuarial valuation of 31 December 2012.



Again, NAV as per equity method, NAV stands Tk.46.50 considering revaluation reserve. If we do not consider revaluation reserve, NAV stands at Tk. 22.56 after adjustment of 12% stock dividend on paid up capital as on 31 December 2012. The Net Asset Value (NAV) is also equivalent to the shareholders equity as follows:

Particulars	Considering revaluation reserve	Without Considering revaluation reserve
	31 December 2012 Amount in Taka	31 December 2012 Amount in Taka
A. Paid up capital as per audited accounts as on 31 December 2012	107,217,000	107,217,000
B. Asset revaluation reserve	227,604,538	-
C. Fair Value Change Account	5,002,363	5,002,363
D. Accumulated Surplus from Actuarial Valuation report as on 31/12/2012	161,062,000	161,062,000
E. Total Share holders' Equity considering revaluation reserve	500,885,901	273,281,363
Less un amortized IPO expense	2,282,584	2,282,584
F. Total share holders' equity less un amortized IPO expense	498,603,317	270,998,779
G. Number of Shares as on 31 December 2012 as per audited accounts	10,721,700	10,721,700
H. Net Assets Value per Share (F/G)	46.50	25.27
I. Number of Shares after considering 12% stock dividend for the year end 31 December 2012	12,008,304	12,008,304
J. Net Assets Value per Share (F/I) after considering 12% stock dividend and revaluation reserve for the year end 31 December 2012	41.52	
K. Net Assets Value per Share (F/I) after considering 12% stock dividend and without Considering revaluation reserve for the year end 31 December 2012	-	22.56

Method-2

B.. Average Market Price

Average Market Price per share of Rupali Life Insurance Co. Ltd. for the last 6 months:

Sl	Particulars	Closing Price
1	Market Price per share as on 30 September 2013	95.60
2	Market Price per share as on 31 August 2013	94.40
3	Market Price per share as on 31 July 2013	87.00
4	Market Price per share as on 30 June 2013	113.00
5	Market Price per share as on 31 May 2013	122.00
6	Market Price Per share as on 30 April 2013	113.70
6 months average		104.28

Source: DSE monthly review from April 2013 to September 2013

Findings

Last 6 months average price of Rupali Life Insurance Company Limited is much higher than price offered for rights issue

Conclusion

From the above analysis, it appears that the offered price of Tk. 30 each including a premium of Tk. 20 per share by the company is much lower than Average price under different pricing method. So the offer price is quiet justified and reasonable and will be favorable and attractive to the shareholders.



Financial Statements of Rupali Life
Insurance Company Limited



04 July 2013

Auditors' Report to the Shareholders

We have audited the accompanying Financial Statements of Rupali Life Insurance Company Limited consisting of the Balance Sheet as of 31 December 2012 and the related Life Revenue Account and Statement of Cash Flow together with Notes thereto which form an integral part of these financial statements for the year then ended. These financial statements are the responsibility of the Company's management. Our responsibility is to express an independent opinion on these financial statements based on our audit.

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

In our opinion, these financial statements, prepared in accordance with Bangladesh Accounting Standards (BAS), give a true and fair view of the state of the company's affairs as of 31 December 2012 and of the results of its operations and its cash flow for the year then ended and comply with the Companies Act 1994, the Insurance Act 2010, the Securities and Exchange Rules 1987 and other applicable laws and regulations.

We also report that

- i we have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit and made due verification thereof ;
- ii in our opinion, proper books of account as required by law have been kept by the Company so far as it appeared from our examination of those books; and (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 Life Revenue Account and its Cash Flow 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 62 of the Insurance Act, 2010, we certify that to the best of our knowledge and belief and according to the information and explanations given to us, all expenses of management wherever incurred and whether incurred directly or indirectly, in respect of insurance business of the Company transacted in Bangladesh during the period under report have been duly debited to the related revenue accounts of the Company; and
- vi as per section 58 and 59 of the Insurance Act, 2010, we certify that to the best of our information and as shown by its books the Company during the period under report has not paid any person any commission in any form outside Bangladesh from any person and commission in any form in respect of any of its business reinsured abroad.

Sd/-
SHAFIQ BASAK & CO.
Chartered Accountants

SHAFIQ BASAK & CO.
Chartered AccountantsRUPALI LIFE INSURANCE COMPANY LIMITED
Balance Sheet as at 31 December 2012

	Note	2012 Taka	2011 Taka
Capital and Liabilities			
Share capital			
Authorized capital			
100,000,000 ordinary shares of Tk 10 each		1,000,000,000	1,000,000,000
Issued, subscribed and paid up capital			
10,721,700 ordinary shares of Tk 10 each			
fully paid up	5	107,217,000	94,050,000
Assets revaluation reserve	6	227,604,538	227,604,538
Fair value change account	7	5,002,363	117,500,000
Balance of funds and accounts			
Life insurance fund	8	2,755,538,951	2,518,712,423
Amount due to other persons or bodies carrying on insurance business	9	134,673	2,126,119
Liabilities and provisions		98,164,723	91,124,569
Estimated liabilities in respect of outstanding claims whether due or intimated	10	589,536	125,349
Sundry creditors	11	59,575,187	65,999,220
Provision for corporate tax	12	38,000,000	25,000,000
		3,193,662,248	3,051,117,649
Property and Assets			
Loan	13	35,398,280	22,485,672
On Insurer's policies within their surrender value			
Investment at cost	14	927,595,741	881,842,890
Statutory deposit with Bangladesh Bank (NIB)		4,000,000	4,000,000
Treasury bond		813,500,000	638,500,000
Shares of companies		110,095,741	239,342,890
Outstanding premium	15	104,539,906	136,023,858
Interest, dividend and rent accrued but not due	16	231,079,991	214,903,538
Advance and deposits	17	353,994,258	255,574,849
Cash and bank balances	18	1,098,353,318	1,079,985,314
Fixed deposit in bank		413,138,971	395,558,152
STD account with bank		561,768,200	338,326,603
Current account with bank		74,303,897	204,109,183
Cash in hand		49,142,250	92,109,884
Collection in hand		-	49,881,492
Other assets			
Fixed assets at cost less depreciation	19	432,421,040	445,073,096
Unamortized IPO expenses	20	2,282,584	4,565,160
Stock of stamp, forms and stationery		7,997,130	10,663,272
		3,193,662,248	3,051,117,649

Accompanying notes 1 to 33 form an integral part of these financial statements.

Sd/-	Sd/-	Sd/-	Sd/-	Sd/-
Biswajit Kumar Mondal	Noor Mohammed Bhuiyan	Abdul Matin	Engr Dewan Nuruzzaman	Mahfuzur Rahman
Dy Managing Director(F&A)	Managing Director	Director	Vice Chairman	Chairman

Signed as per our annexed report of similar date.

Dhaka 04 July 2013

Sd/-
SHAFIQ BASAK & CO.
Chartered Accountants



SHAFIQ BASAK & CO.
Chartered Accountants

RUPALI LIFE INSURANCE COMPANY LIMITED
Life Revenue Account
For the year ended 31 December 2012

Income	Note	2012 Taka	2011 Taka
Balance of life fund at the beginning of the year		2,518,712,423	2,242,906,889
Premium less reinsurances	21		
First year premium		364,920,755	605,955,140
Ekok bima		117,284,863	160,367,351
Samajik bima		29,975,285	57,537,070
Islami bima		142,420,818	257,656,368
Takaful DPS bima		44,344,044	86,463,346
Rupali DPS bima		7,454,079	10,732,500
Rupali Khudra bima		10,990,351	21,488,284
Shariah DPS bima		10,910,460	9,252,350
Al Amanat Bima		1,540,855	2,457,871
Renewal premium		1,054,565,977	1,056,408,083
Ekok bima		314,675,839	298,248,277
Samajik bima		121,124,607	139,460,991
Islami bima		432,919,670	403,895,753
Takaful DPS bima		113,961,600	137,937,800
Rupali DPS bima		33,225,686	38,598,000
Rupali Khudra bima		27,685,634	32,446,713
Shariah DPS bima		6,479,228	2,844,951
Al Amanat Bima		4,493,713	2,975,598
Group insurance premium		1,610,260	2,012,783
Ekok bima		1,103,496	1,240,076
Samajik bima		160,614	318,476
Islami bima		346,150	368,813
Rupali Khudra bima		-	52,800
Shariah DPS bima		-	16,872
Al Amanat Bima		-	15,746
Gross premium		1,421,096,992	1,664,376,006
Less: reinsurances premium		1,492,787	2,126,119
Net premium		1,419,604,205	1,662,249,887
Interest, dividend and rent	22	176,902,510	136,201,441
Gain on sale of shares	23	-	3,392,752
Other income	24	3,980,743	3,107,100
		4,119,199,881	4,047,858,069

First year premium where the maximum premium paying year is:

First year		
Two years		
Three years		
Four years		
Five years		
Six years		
Seven years		
Eight years		
Nine years		
Ten years	1,362,359	2,763,154
Eleven years		
Twelve years or over (including throughout life)	363,558,396	603,084,632
	364,920,755	605,847,786



SHAFIQ BASAK & CO.
Chartered Accountants

RUPALI LIFE INSURANCE COMPANY LIMITED
Life Revenue Account
For the year ended 31 December 2012

Expenditure	Note	2012 Taka	2011 Taka
Claims under policies (including provision for claims due or intimated) less reinsurances	25	570,060,820	449,554,064
By death		21,583,121	16,768,771
By Maturity		158,790,075	129,268,997
By survival		336,515,720	271,853,770
By policy bonus		44,315,239	21,162,222
By surrender		8,856,665	10,500,304
 Expenses of management		 488,208,938	 674,746,939
Commission:			
(a) Commission to insurance agents (less reinsurances)		318,902,284	466,284,778
(b) Allowances and commission (other than commission in sub item (a) above		169,306,654	208,462,161
 Salaries, etc (other than to agents and those contained in the allowances and commission)		94,179,452	98,635,242
Travelling and conveyance		7,240,733	7,845,102
Directors' fees		1,097,200	1,352,000
Audit fee		148,150	200,000
Medical fee		671,796	1,292,779
Insurance policy stamps		5,598,906	7,637,214
Advertisement and publicity		2,513,047	3,852,924
Printing and stationery		9,223,616	14,322,787
Legal and professional fees		593,448	207,775
Office rent		42,200,846	49,565,881
Bank charges		2,199,457	2,479,041
General repairs and maintenance		2,638,058	3,932,001
Car fuel, repair and maintenance		18,279,003	21,465,961
Paper and periodicals		225,821	196,788
Telephone, telex, fax, etc		3,404,942	4,353,073
Electricity, gas and WASA		3,358,198	2,788,804
Training and recruitment expenses		155,284	30,000
Fees, subscription and donation		1,287,293	942,580
Entertainment		1,840,232	3,548,184
Insurance premium (general)		1,245,877	1,649,822
Postage and telegram		1,364,597	1,189,320
Business development expenses		11,051,797	13,661,173
Prize and awards		569,320	1,012,000
Conference expenses		1,029,222	323,510
Company registration fee		5,825,454	5,624,184
Revenue stamps		1,056,008	902,270
Annual general meeting expenses		1,392,982	1,225,442
Actuarial fees		444,125	391,936
Credit rating fees		150,000	150,000
Shariah board meeting expenses		115,000	146,497
		221,099,864	250,924,290



SHAFIQ BASAK & CO.
Chartered Accountants

RUPALI LIFE INSURANCE COMPANY LIMITED
Life Revenue Account
For the year ended 31 December 2012

Expenditure (contd)	2012 Taka	2011 Taka
Other expenses		
Depreciation on fixed assets	21,807,121	26,087,774
Corporate tax	11,449,500	-
Fair value change account	22,585,111	101,000,000
Unamortized IPO expenses written off	2,282,576	2,282,579
Stock dividend for the year 2011	13,167,000	11,550,000
Provision for taxation	13,000,000	13,000,000
	84,291,308	153,920,353
	1,363,660,930	1,529,145,646
Balance of life insurance fund at the end of the year as shown in the balance sheet	2,755,538,951	2,518,712,423
	4,119,199,881	4,047,858,069

Accompanying notes 1 to 33 form an integral part of these financial statements.

Sd/-	Sd/-	Sd/-	Sd/-	Sd/-
Biswajit Kumar Mondal	Noor Mohammed Bhuiyan	Abdul Matin	Engr Dewan Nuruzzaman	Mahfuzur Rahman
Dy Managing Director(F&A)	Managing Director	Director	Vice Chairman	Chairman

Signed as per our annexed report of similar date.

Dhaka 04 July 2013

Sd/-
SHAFIQ BASAK & CO.
Chartered Accountants

**SHAFIQ BASAK & CO.**

Chartered Accountants

RUPALI LIFE INSURANCE COMPANY LIMITED
Statement of Life Insurance Fund
For the year ended 31 December 2012

Assets	2012 Taka	2011 Taka
Loan on insurer's policies within their surrender value	35,398,280	22,485,672
Investment	927,595,741	881,842,890
Outstanding premium	104,539,906	136,023,858
Interest, dividends and rents accruing but not due	231,079,991	214,903,538
Advance and deposits	353,994,258	255,574,849
Cash and bank balances	1,098,353,318	1,079,985,314
Fixed assets (at cost less depreciation)	432,421,040	445,073,096
Unamortized IPO expenses	2,282,584	4,565,160
Stock of stamps, forms and stationery	7,997,130	10,663,272
	3,193,662,248	3,051,117,649
Liabilities		
Estimated liabilities in respect of outstanding claims whether due or intimated	589,536	125,349
Amount due to other persons of bodies carrying on insurance business	134,673	2,126,119
Sundry creditors	59,575,187	65,999,220
Fair value change account	5,002,363	117,500,000
Assets revaluation reserve	227,604,538	227,604,538
Provision for corporate tax	38,000,000	25,000,000
	330,906,297	438,355,226
Gross fund (assets minus liabilities)	2,862,755,951	2,612,762,423
Less: shareholders' capital (paid up capital)	107,217,000	94,050,000
Life insurance fund at the end of the year	2,755,538,951	2,518,712,423

Sd/-**Biswajit Kumar Mondal**

Dy Managing Director(F&A)

Sd/-**Noor Mohammed Bhuiyan**

Managing Director

Sd/-**Abdul Matin**

Director

Sd/-**Engr Dewan Nuruzzaman**

Vice Chairman

Sd/-**Mahfuzur Rahman**

Chairman

Signed as per our annexed report of similar date.

Sd/-**SHAFIQ BASAK & CO.**

Chartered Accountants

Dhaka 04 July 2013



SHAFIQ BASAK & CO.
Chartered Accountants

RUPALI LIFE INSURANCE COMPANY LIMITED
FORM AA
Classified Summary of the Assets in Bangladesh
As at 31 December 2012

SI No	Class of assets	Book value (Tk)	Market value (Tk)	Remarks
1	Statutory deposit with Bangladesh Bank	4,000,000	4,000,000	At cost
2	Loan on Insurer's policies	35,398,280	35,398,280	Realizable value
3	Investment in shares of companies	110,095,741	110,095,741	Market value
4	Government treasury bond	813,500,000	813,500,000	ditto
5	Fixed deposits with bank	413,138,971	413,138,971	Book value
6	Cash in hand, STD and current accounts	685,214,347	685,214,347	Realizable value
7	Outstanding premium	104,539,906	104,539,906	ditto
8	Interest, dividend and rent accrued but not due	231,079,991	231,079,991	ditto
9	Advance and deposit	353,994,258	353,994,258	ditto
10	Fixed assets (at cost less depreciation)	432,421,040	432,421,040	WDV
11	Stock of forms, stamp and stationery	7,997,130	7,997,130	At cost
12	Unamortized IPO expenses	2,282,584	2,282,584	Amortizable expenses
		3,193,662,248	3,193,662,248	

Sd/-	Sd/-	Sd/-	Sd/-	Sd/-
Biswajit Kumar Mondal	Noor Mohammed Bhuiyan	Abdul Matin	Engr Dewan Nuruzzaman	Mahfuzur Rahman
Dy Managing Director(F&A)	Managing Director	Director	Vice Chairman	Chairman

Signed as per our annexed report of similar date.

Dhaka 04 July 2013

Sd/-
SHAFIQ BASAK & CO.
Chartered Accountants



SHAFIQ BASAK & CO.
Chartered Accountants

RUPALI LIFE INSURANCE COMPANY LIMITED
Cash Flow Statement
For the year ended 31 December 2012

	2012	2011
	Taka	Taka
a Cash flow from operating activities		
Collection from premium	1,452,580,944	1,528,352,148
Other income received	3,980,743	6,499,853
Payment for death claims, survivals, surrenders etc.	(569,596,633)	(452,649,390)
Payment for reinsurances, management expenses and others	(716,550,927)	(939,947,266)
Net cash received from operating activities	170,414,127	142,255,345
b Cash flow from investing activities		
Investments	(180,835,599)	(155,259,523)
Acquisition of fixed assets	(10,582,266)	(29,025,865)
Disposal of fixed assets	1,427,202	2,360,885
Advance income tax paid	(32,371,195)	(22,945,955)
Loan against policies paid	(19,447,222)	(16,640,325)
Loan against policies realized	6,534,614	8,419,696
Other loans and advance paid	(95,694,941)	(15,937,142)
Other loans and advance realized	18,197,227	33,711,983
Interest, dividend and rent received	160,726,057	72,851,602
Net cash used in investing activities	(152,046,123)	(122,464,644)
c Cash flow from financing activities		
Share capital issued (IPO)	-	-
Net cash received from financing activities	-	-
d Net increase in cash and cash equivalents (a+b+c)	18,368,004	19,790,701
e Cash and cash equivalents at beginning of the year	1,079,985,314	-
f Cash and cash equivalents at end of the year(d+e)	1,098,353,318	19,790,701

Sd/-	Sd/-	Sd/-	Sd/-	Sd/-
Biswajit Kumar Mondal	Noor Mohammed Bhuiyan	Abdul Matin	Engr Dewan Nuruzzaman	Mahfuzur Rahman
Dy. Managing Director(F&A)	Managing Director	Director	Vice Chairman	Chairman

Dhaka 04 July 2013

Sd/-
SHAFIQ BASAK & CO.
Chartered Accountants

Note: Additional disclosure by the Auditors and Management regarding cash flow statement has been disclosed at page no. 65



RUPALI LIFE INSURANCE COMPANY LIMITED
Statement of changes in shareholders' equity
For the year ended 31 December 2012

SHAFIQ BASAK & CO.
Chartered Accountants

Particulars	2012						2011						Amount in Taka	
	Share Capital	Share premium	General Reserve	Revaluation Reserve	Fair value change account	Retained Earnings	Total	Share Capital	Share premium	General Reserve	Revaluation Reserve	Fair value change account		Retained Earnings
Equity as on 01 January	94,050,000	-	-	227,604,538			321,654,538	82,500,000	-	-	227,604,538			310,104,538
Changes in Accounting Policy- transferred to Fair Value Change Account during the year from Provision for Diminution in Value of Shares(previous years carrying							-					16,500,000		16,500,000
Restated balance	94,050,000	-	-	227,604,538	-	-	321,654,538	82,500,000	-	-	227,604,538	16,500,000	-	326,604,538
Bonus share issued during the year	13,167,000	-	-	-			13,167,000	11,550,000	-	-	-			11,550,000
Reserve for assets revaluation	-	-	-	-			-	-	-	-	-			-
Adjustment of Fair Value Change Account during the year	117,500,000				(112,497,637)		5,002,363					101,000,000		101,000,000
Equity as at 31 December	224,717,000	-	-	227,604,538	(112,497,637)	-	339,823,901	94,050,000	-	-	227,604,538	117,500,000	-	439,154,538

Sd/-
Biswajit Kumar Mondal
Dy. Managing Director(RA)

Sd/-
Noor Mohammed Bhuiyan
Managing Director

Sd/-
Abdul Matin
Director

Sd/-
Engr. Dewan Nuruzzaman
Vice Chairman

Sd/-
Mahfuzur Rahman
Chairman

Signed as per our annexed report of similar date.

Dhaka 04 July 2013

Sd/-
SHAFIQ BASAK & CO.
Chartered Accountants



SHAFIQ BASAK & CO.
Chartered Accountants

RUPALI LIFE INSURANCE COMPANY LIMITED

Notes on the Financial Statements

For the year ended 31 December 2012

1 Legal status and nature of business

1.1 Status

Rupali Life Insurance Company Limited (the Company) was incorporated as a public limited company in Bangladesh under the Companies Act 1994 on 28 December 1999 and commenced operation from the same date. The company is a publicly traded company and its ordinary shares are listed in both Dhaka and Chittagong Stock Exchanges.

1.2 Nature of business

The Company is engaged in life insurance business mainly in individual life and islami individual life insurance business. It also operates in non traditional micro life insurance under the name , (1) Samajik Bima, (2) Takaful DPS Bima, (3) Rupali DPS Bima, (4) Rupali Khudra Bima, (5) Shariah DPS Bima and (6) Al Amanat Bima.

2 Basis of presentation and Statement of Compliance

2.1 Basis of presentation

The financial statements have been prepared on a going concern and accrual basis on historical cost convention.

2.2 Statement of Compliance

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

Insurance Act, 2010;
Insurance Rules, 1958;
Companies Act, 1994;
Securities and Exchange Commission(SEC) Rules 1987;
Income Tax Ordinance 1984;
Listing Regulations of Dhaka and Chittagong Stock Exchange;
Bangladesh Accounting Standards(BAS);
Any other applicable legislations.

2.3 Components of the Financial Statements

The financial statements include the following components:

- i) Balance Sheet
- ii) Life Revenue Account
- iii) Statement of Life insurance fund
- iv) Cash flow statement
- v) Statement of changes in equity
- vi) Classified Summary of the Assets(Form AA)
- vii) Accounting policies and explanatory notes

3 Significant Accounting Policies

3.1 Revenue recognition

First year premium is recognized when premium is received and the relevant policy is issued. Collectable amount of premiums due and outstanding in the month of December 2011 for which grace period has not expired and previous installments have been paid, are recognized as revenue.

3.2 Depreciation on fixed assets

Depreciation on fixed assets except on land has been calculated on reducing balance method at varying rates depending on the class and their estimated useful life as stated below. Method and rate of providing depreciation are consistently applied in relation to the previous year.

Furniture and fixtures	15%	Office equipment	15%
Signboard	10%	Photocopy machine	15%
Motor vehicle	20%	Electric equipment	15%
Computer	20%	Multimedia equipment	15%
Air cooler	20%		

3.3 Investment

Investments are stated in the financial statements at their market value in line with the BAS 39. Interest on investment is calculated on accrual basis. Shortfall in the market value on the balance sheet date over the cost price is charged in the revenue account through Fair Value Change Account.

**SHAFIQ BASAK & CO.**
Chartered Accountants**3.4 Taxation**

Corporate tax has been finalized up to accounting year 2009 (assessment year 2010-11) and a refund has been created of Tk. 3,285,467. Assessment for the year 2011-2012 and 2012-2013 is under process. Tax for an amount of Tk. 9,279,239 for the assessment year 2011-2012 and Tk. 11,493,296 for the assessment year 2012-2013 has been deposited on the basis of return filed. During the assessment year 2013-2014 (accounting year 2012) an amount of Tk. 13,000,000 has been provided for taxation.

3.5 Deferred tax

Difference between income tax written down value and accounting written down value is insignificant, thus, provision for deferred tax liability or deferred tax assets has not been made in the financial statements as required by Bangladesh Accounting Standard (BAS-12).

3.6 Cash Flow Statement

Cash flow statement has been prepared on direct method in accordance with BAS-7. Cash flow from operating activities have been presented under direct method. Cash and cash equivalents comprise cash in hand, Cash at banks including FDR's, which were held available for use of the company without any restriction.

3.7 Risk and uncertainties for use of estimates in preparation of financial statements

Preparation of financial statements in conformity with Bangladesh Accounting Standards requires management to make estimates and assumption that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of financial statement and revenues and expense during the period reported. Actual result could differ from estimates. Estimates are used for accounting of certain items such as long term contracts, depreciation and amortization, employees benefit plans, taxes, reserves and contingencies.

3.8 Responsibility for preparation of Financial Statements

The Board of Directors is responsible for the preparation of financial statements under section 183 of the Companies Act 1994 and as per provisions of "The Framework for the preparation and presentation Financial Statements" issued by the International Accounting Standard Committee (IASB) as adopted by the Institute of the Chartered Accountants of Bangladesh (ICAB).

3.9 Commission

Commission to insurance agents (less that on reinsurances) represents first year commission and renewal commission.

Allowances and commission (other than commission to insurance agents less that on reinsurances) represent field officers salary and allowances including bonus.

3.10 Stock of stamp, printing and stationery

Stock of stationery, stamps and printed materials have been valued at cost and such valuation has been certified by the management.

3.11 Reinsurances premium

The Company has reinsurances arrangement with SCOR Global Re, Singapore branch.

3.12 Retirement benefit scheme

The Company, through the trustees has been maintaining a recognized contributory provident fund for all its eligible permanent employees.

3.13 Related party transaction

The Company has no related party transactions as described in IAS 24 with any person who can exercise significant influence in making financial and operating decision.

3.14 Post balance sheet event

No material event after the balance sheet date came to our notice which could affect the values reported in the financial statements except the board of directors has recommended a stock dividend of 12% for the year 2012.

4.00 General

Previous year's figures have been rearranged, where necessary, to conform to the current year's presentation. Monetary figures in these financial statements have been rounded off to the nearest Bangladesh Taka currency.


SHAFIQ BASAK & CO.
Chartered Accountants

5	Share capital	2012 Taka	2011 Taka
	Authorized	1,000,000,000	1,000,000,000
	100,000,000 ordinary shares of Tk 10 each		
	Issued, subscribed and paid up	107,217,000	94,050,000
	7,500,000 ordinary shares of Tk 10 each fully paid up in cash	75,000,000	75,000,000
	750,000 ordinary shares of Tk 10 each as stock dividend in 2009	7,500,000	7,500,000
	1,155,000 ordinary shares of Tk 10 each as stock dividend in 2010	11,550,000	11,550,000
	1,316,700 ordinary shares of Tk 10 each as stock dividend in 2011	13,167,000	-
		107,217,000	94,050,000
	Category of shareholders	Shareholding(%)	
	Sponsor	36.57%	3,921,175
	General Public	63.43%	6,800,525
			10,721,700
			9,405,000

5.1 Distribution schedule of paid-up capital

Category of shareholders	Shareholding	No. of shares	No. of shareholders	Shareholding(%)
Sponsor	00001-50000	78,591	2	0.73%
	50001-100000	-	-	0%
	100001-200000	441,549	3	4.12%
	200001-300000	1,194,848	5	11.14%
	300001-400000	1,011,578	3	9%
	400001-500000	-	-	0.00%
	500001-600000	520,824	1	4.86%
	600001-700000	673,785	1	6.28%
		3,921,175	15	36.57%
General Public	00001-50000	4,022,564	2,370	37.52%
	50001-100000	1,000,974	15	9.34%
	100001-200000	1,176,750	8	10.98%
	200001-300000	227,900	1	2.13%
	300001-400000	372,337	1	3.47%
		6,800,525	2,395	63.43%
		10,721,700	2,410	100%

6	Assets revaluation reserve	227,604,538	227,604,538
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The amount represents the previous year's balance arrived on the valuation of 27.37 decimals of land of the Company situated at Dhaka, Khulna and Sandwip towns. Total cost of the land was Tk. 102,170,462 and revalued price was ascertained at Tk. 329,775,000. After revaluation excess value of Tk. 227,604,538 was accounted for as assets revaluation reserve.

7	Fair value change account	5,002,363	117,500,000
	The above balance is made up as follows:		
	Balance as on 1 January	117,500,000	16,500,000
	Add: transferred during the year	-	101,000,000
		117,500,000	117,500,000
	Less: adjustment made during the year	112,497,637	-
	Balance as on 31 December	5,002,363	117,500,000

The unrealized loss arised on sale of shares during the year adjusted with fair value change account as per circular issued by IDRA circular no.Life 04/2012 of 11 June 2012.

8	Life insurance fund		
	Balance as on 1 January	2,518,712,423	2,242,906,889
	Add:surplus in Life Revenue A/C of the year	256,826,528	275,805,534
	Balance as on 31 December	2,775,538,951	2,518,712,423

**SHAFIQ BASAK & CO.**
Chartered Accountants

	2012	2011
	Taka	Taka
9 Amount due to other persons or bodies carrying on insurance business	134,673	2,126,119
The above amount is payable to SCOR Global Re, Singapore branch on account of reinsurance premium.		
10 Estimated liabilities in respect of outstanding claims whether due or intimated		
Death claim:		
Ekok bima	-	-
Islami bima	-	63,665
Rupali Khudra bima	13,604	36,684
Samajik bima	575,932	-
RDPS bima		25,000
	589,536	125,349
11 Sundry creditors		
Commission payable(Note11.1)	6,397,839	7,151,799
Auditors' fees (Note 11.2)	205,000	200,000
Credit Rating fees(Note11.3)	285,000	135,000
Office rent	-	73,734
Licence fees payable (Note 11.4)	1,909,966	1,624,279
Income tax payable on salary (Note 11.5)	47,800	173,939
VAT payable on bills (Note 11.6)	342,185	199,082
Income tax deduction on bills (Note 11.7)	437,221	20,642
Security money (Note 11.8)	332,780	307,780
Income tax payable on office rent (Note 11.9)	19,080	23,924
Other creditors (Note 11.10)	33,434,234	28,215,020
Employees provident fund (Note 11.11)	279,036	519,852
Incometax deduction on commission (Note 11.12)	12,175,534	21,009,220
Vat payable for office rent (11.13)	1,124,972	4,144,280
Liabilities for share of ICBI Bank (Note 11.14)	269,000	312,000
IPO subscription refundable(11.15)	1,848,669	1,888,669
Retention money for contractor of RLI Tower(11.16)	466,871	-
	59,575,187	65,999,220
11.1 Commission payable	6,397,839	7,151,799
The above is payable against renewal commission bill on outstanding premium subsequently been paid.		
11.2 Auditors' fees		
Special audit fees	130,000	130,000
Statutory audit fees	75,000	70,000
	205,000	200,000
11.3 Credit rating fees	285,000	135,000
The above amount has been provided for rating fees payables to the Credit Rating Agencies of Bangladesh.		
11.4 Licence fee payable		
Agents' licence fee	1,785,161	1,577,244
Certificate fee	124,805	47,035
	1,909,966	1,624,279

**SHAFIQ BASAK & CO.**

Chartered Accountants

**2012
Taka****2011
Taka**

Agents licence fees payable Tk 1,785,161 and certificate fees payable Tk 124,805 as disclosed under "sundry creditors" are in line with the provision of section 58 & 59 of the Insurance Act 2010.

11.5 Income tax payable on salary	<u>47,800</u>	<u>173,989</u>
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The above amount has subsequently been paid to the national exchequer after the date of balance sheet.

11.6 VAT payable on bill	<u>342,185</u>	<u>199,082</u>
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The above amount has subsequently been paid to the government treasury after the balance sheet date.

11.7 Income tax deducted on bills	<u>437,221</u>	<u>20,642</u>
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The above amount has subsequently been paid to the government treasury after the balance sheet date.

11.8 Security money

Balance as on 1 January	307,780	346,114
Add: received during the year	<u>25,000</u>	<u>-</u>
	332,780	346,114
Less: adjusted during the year	<u>-</u>	<u>38,334</u>
Balance as on 31 December	<u>332,780</u>	<u>307,780</u>

11.9 Income tax payable on office rent	<u>19,080</u>	<u>23,924</u>
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The above amount has subsequently been paid to the government treasury after the balance sheet date.

11.10 Other creditors

Lanka Bangla Securities Ltd	21,882,219	11,882,219
Uttara Finance and Investment Ltd	<u>11,552,015</u>	<u>16,332,801</u>
	<u>33,434,234</u>	<u>28,215,020</u>

The above amount is payable to Uttara Finance and Investment Ltd (Merchant Banker) for portfolio account and Lanka Bangla Securities Ltd for margin account of share trading.

11.11 Employees' provident fund	<u>279,036</u>	<u>519,852</u>
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The above amount is payable to CPF Trustee on account of contributory provident fund.

11.12 Income tax deducted on commission	<u>12,175,534</u>	<u>21,009,220</u>
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The above amount has been subsequently deposited to government treasury after the balance sheet date.

11.13 VAT payable for office rent	<u>1,124,972</u>	<u>3,611,855</u>
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The above amount has been subsequently deposited to government treasury after the balance sheet date.

11.14 Liabilities for shares of ICBI Bank	<u>269,000</u>	<u>312,000</u>
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The amount represents the liabilities for allotment of 31,200 shares @ Tk. 10 each in favour of Rupali Life Insurance Co. Ltd against deposit of money to ICBI Bank Ltd(former The Oriental Bank Ltd).



SHAFIQ BASAK & CO.
Chartered Accountants

	2012 Taka	2011 Taka
11.15 IPO subscription refundable	<u>1,848,669</u>	<u>1,888,669</u>
The above amount represents balance amount refundable to the unsuccessful IPO applicants of the Company.		
11.16 Retention money for Contractor of RLI Tower	<u>466,871</u>	<u>-</u>
Money retained as security from the bill of M/S Hamid Construction payable after the completion of RLI Tower.		
12 Provision for corporate tax	<u>38,000,000</u>	<u>25,000,000</u>
The above balance of provision for corporate tax made as follows:		
Balance as on 1 January	25,000,000	14,000,000
Add: provision made during the year	13,000,000	13,000,000
	<u>38,000,000</u>	<u>27,000,000</u>
Less: adjusted during the year	-	2,000,000
Balance as on 31 December	<u>38,000,000</u>	<u>25,000,000</u>
13 Policy loan		
Balance as on 1 January	22,485,672	14,265,043
Add: paid during the year	19,447,222	16,640,325
	<u>41,932,894</u>	<u>30,905,368</u>
Less: realized during the year	6,534,614	8,419,696
Balance as on 31 December	<u>35,398,280</u>	<u>22,485,672</u>
The above balance represents loan paid to policy holders within the surrender value of the respective policies as per provision of the Insurance Act 2010.		
14 Investment (at cost)	<u>1,034,987,341</u>	<u>881,842,890</u>
Statutory deposit with Bangladesh Bank	4,000,000	4,000,000
Government Treasury Bond (Note 14.1)	813,500,000	638,500,000
Investment in Shares (Note 14.2)	110,095,741	239,342,890
	<u>927,595,741</u>	<u>881,842,890</u>
14.1 Government Treasury Bond		
5 year 10.60% government treasury bond	157,500,000	157,500,000
5 year 10.14% government treasury bond	10,000,000	10,000,000
5 year 8.20% government treasury bond	30,000,000	30,000,000
5 year 11.30% government treasury bond	5,000,000	-
5 year 11.25% government treasury bond	30,000,000	-
10 year 8.49% government treasury bond	30,000,000	30,000,000
10 year 8.75% government treasury bond	126,000,000	126,000,000
10 year 8.77% government treasury bond	70,000,000	70,000,000
10 year 8.79% government treasury bond	30,000,000	30,000,000
10 year 8.82% government treasury bond	10,000,000	10,000,000
10 year 8.85% government treasury bond	10,000,000	10,000,000
10 year 9.45% government treasury bond	45,000,000	45,000,000
10 year 9.50% government treasury bond	10,000,000	10,000,000
10 year 9.55% government treasury bond	50,000,000	40,000,000
10 year 9.53% government treasury bond	55,000,000	55,000,000
10 year 11.74% government treasury bond	15,000,000	15,000,000


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	2012 Taka	2011 Taka
10 year 11.80% government treasury bond	20,000,000	-
10 year 11.75% government treasury bond	40,000,000	-
10 year 11.65% government treasury bond	40,000,000	-
10 year 11.25% government treasury bond	15,000,000	-
10 year 11.50% government treasury bond	15,000,000	-
	813,500,000	638,500,000

This represents investment made in government treasury bond as per provision of section 41 of the Insurance Act, 2010.

14.2 Investment in shares of companies

	No of share	2012		2011
		Book value	Market value	Taka
Fareast Islami Life	9,115	2,086,948	968,013	6,272,934
Beximco Ltd	3,250	392,239	209,300	266,855
Exim Bank Ltd	250,000	5,279,703	5,200,000	
Agni Systems	102,250	3,217,046	2,443,775	
RN Spinning	239,250	8,758,793	8,158,425	
Active Fine Ceramic	224,500	16,412,951	16,321,150	
DESCO	130,811	14,810,388	9,431,473	11,006,760
Lanka Bangla Finance Ltd	160,746	10,825,799	9,484,014	154,151,712
KPCL	5	777	249	777
Sandhani Life Insurance	103	10,221	9,806	720,256
MI Cement	22,056	1,889,409	1,828,442	4,241
MJLBD	253	26,892	20,164	22,080
IDLC	20,000	2,279,599	1,838,000	
Peoples Leasing	55	2,065	1,782	31,314,690
Al Arafa Islami Bank	150,000	3,775,870	3,765,000	
Popular Life Insurance	7,000	1,554,630	1,106,700	
Malek Spinning	100,000	2,880,512	2,510,000	
Confidence cement	8	1,570	839	
Pubali Bank Ltd	170,000	5,927,900	5,610,000	
Mercantile Bank	14,268	551,621	272,519	551,260
Grameen Phone	21,000	4,769,186	3,675,000	12,243,245
Phoenix Finance & Invest.	451,300	30,337,461	20,127,980	
Dhaka Dyeing Ltd	300	18,224	9,390	
NLI 1ST Mutual Fund	1,000,000	10,000,000	9,200,000	
ICBI Bank Ltd	31,200	312,000	234,000	312,000
One Bank Ltd	275	3,660	6,270	8,836,536
Saiham Cotton Mills Ltd	180,000	4,985,940	5,094,000	3,000,000
Aftab Auto				1,929,195
Social Islami Bank Ltd				1,481,672
Prime Finance & Investment Ltd				5,657,308
United Commercial Bank Ltd				1,919
CDBL	256,945	1,569,450	2,569,450	1,569,450
		132,680,854	110,095,741	239,342,890

Investments are stated in the financial statements at their market value as per BAS 39. Cost price of the shares was Tk.132,680,854 and market price was Tk 110,095,741 leaving a shortfall of Tk. 22,585,113. The above shortfall amount has been charged in the fair value change account in terms of IDRA circular no. Life 4/2012 of 11 June 2012.


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	2012	2011
	Taka	Taka
15 Outstanding premium	<u>104,539,906</u>	<u>136,023,858</u>
The above amount have been provided against due premium on 31 December 2012, realised within their grace period. Details are shown in "Annex-A".		
16 Interest, dividend and rent accruing but not due		
Interest on National Investment Bond (Note 16.1)	6,377,501	9,242,697
Interest on fixed deposits in bank (Note 16.2)	139,393,229	161,706,179
Interest on government treasury bond (Note 16.3)	70,211,655	43,954,662
Dividend receivable on RLI Mutual Fund	15,097,606	-
	<u>231,079,991</u>	<u>214,903,538</u>
16.1 Interest on national investment bond		
Balance as on 1 January	9,242,697	8,902,696
Add: provision made during the year	-	340,001
	<u>9,242,697</u>	<u>9,242,697</u>
Less: received/adjusted during the year	2,865,196	-
Balance as on 31 December	<u>6,377,501</u>	<u>9,242,697</u>
16.2 Interest on fixed deposits in bank		
Balance as on 1 January	161,706,179	123,247,331
Add: provision made during the year	49,722,690	45,432,911
	<u>211,428,869</u>	<u>168,680,242</u>
Less: received during the year	72,035,640	6,974,063
Balance as on 31 December	<u>139,393,229</u>	<u>161,706,179</u>
16.3 Interest on government treasury bond		
Balance as on 1 January	43,954,662	19,403,672
Add: provision made during the year	60,776,045	40,139,941
	<u>104,730,707</u>	<u>59,543,613</u>
Less: received during the year	34,519,052	15,588,951
Balance as on 31 December	<u>70,211,655</u>	<u>43,954,662</u>
17 Advances and deposits		
Loans and advances(Note 17.1)	1,399,351	2,065,881
Advance office rent(Note 17.2)	15,532,093	16,078,152
Advance Corporate tax(Note 17.3)	47,125,338	26,083,643
Advance against floor purchase (Note 17.4)	79,272,041	-
Advance against salary	3,485,435	4,047,173
Advance against share purchase (17.5)	200,000,000	200,000,000
Advance for purchase of land(Note 17.6)	7,300,000	7,300,000
	<u>354,114,258</u>	<u>255,574,849</u>
17.1 Loans and advances		
Motor cycle loan	872,793	1,535,160
Bicycle loan	493,558	497,721
Mobile phone loan	33,000	33,000
	<u>1,399,351</u>	<u>2,065,881</u>



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	2012 Taka	2011 Taka
17.2 Advance office rent		
Balance as on 1 January	16,078,152	16,305,898
Add: paid during the year	14,301,100	13,617,325
	<u>30,379,252</u>	<u>29,923,223</u>
Less: adjusted during the year	14,847,159	13,845,071
Balance as on 31 December	<u>15,532,093</u>	<u>16,078,152</u>
17.3 Advance corporate tax		
Balance as on 1 January	26,083,643	5,137,688
Add: paid during the year	32,371,195	22,945,955
	<u>58,454,838</u>	<u>28,083,643</u>
Less: adjusted during the year	11,449,500	2,000,000
Balance as on 31 December	<u>47,005,338</u>	<u>26,083,643</u>
Year wise breakup of the above balance is as under :		
2009	-	1,995,743
2010	3,141,945	3,141,945
2011	11,492,198	20,945,955
2012	32,371,195	-
	<u>47,005,338</u>	<u>26,083,643</u>
17.4 Advance against floor purchase	<u>79,272,041</u>	<u>-</u>

The company has purchased an under construction real estate property consisting of two floors measuring a total area of 12,480 sq ft at SB Trade Centre, 94 Sk. Mujib Road, Agrabad, Chittagong on instalment payment basis which is scheduled to be completed by December 2014. Total consideration for the property is Tk. 131,040,000 excluding registration cost and other costs. The above amount represent payment of 50% of cost of two floors, 2 instalments and other charges including cost of registration of Bainanama.

17.5 Advance against share purchase	<u>200,000,000</u>	<u>200,000,000</u>
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The above amount represents the sponsors' portion of "Rupali Life Insurance 1 st Mutual Fund" for Tk. 50 crore. On March 2012 the SEC has accorded their consent for raising subscription for IPO. Due to abnormal situation prevailing in the capital market, the Unit Holders of RLI 1st Mutual Fund in a meeting held on 7 May 2013 has decided to convert the fund from Closed- end to Opened-end, subject to approval of SEC. Accordingly the Trustee of the fund advised to the fund manager for completion of formalities of conversion and process is going on.

17.6 Advance for purchase of land

17.6.1 Plot at East West Property Development (Pvt) Ltd

The Company has booked 10 kathas land of East West Property Development (Pvt) Ltd, plot# 1029, Block# I at Bashundhara, Dhaka, Dhaka on instalment payment system. Details of payments of the plots are stated below:

Plot# 1029, Block I

Booking money	25,000	25,000
50 instalments @ Tk.1,45,500 each	7,275,000	7,275,000
	<u>7,300,000</u>	<u>7,300,000</u>

Since full payment has been made registration of the land infavour of the Company is under process.

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2012**2011****Taka****Taka****18 Cash and bank balances**

Fixed deposits in banks and financial institutions(Note 18.1)	413,138,971	395,558,152
Banks	317,029,541	336,828,847
Financial institutions	96,109,430	58,729,305
STD account with bank	561,768,200	338,326,603
Current account with bank	74,303,897	204,109,183
Cash in hand	49,142,250	92,109,884
Collection in hand	-	49,881,492
	1,098,353,318	1,079,985,314

18.1 Fixed deposits in banks and financial institutions**(a) Banks**

Exim Bank Ltd, Rajuk Avenue Branch, Dhaka	58,085,357	44,196,433
Exim Bank Ltd, Motijheel Branch	9,500,000	27,030,853
Exim Bank Ltd, H.O. Corporate Branch	10,000,000	-
Exim Bank Ltd, Elephant Road Branch	-	6,037,385
Premier Bank Ltd, Motijheel Branch	5,000,000	5,000,000
Premier Bank Ltd, Savar Branch	6,000,000	6,000,000
Premier Bank Ltd, Kakrail Branch	-	-
Premier Bank Ltd, Meghnaghat Branch	3,000,000	3,000,000
First Security Islami Bank Ltd, Dilkusha Branch	-	1,000,000
First Security Islami Bank Ltd, Bangshal Branch	4,000,000	10,765,432
Mercantile Bank Ltd, Main Branch, Dhaka	2,000,000	9,250,000
Mercantile Bank Ltd, Motijheel Branch, Dhaka	28,727,002	39,750,876
Mercantile Bank Ltd, Shakhipur Branch	3,000,000	-
ICBI Bank Ltd, Babubazar Branch	1,722,050	1,159,318
ICBI Bank Ltd, Principal Branch	1,159,318	1,722,050
Bank Asia Ltd, Principal Branch	-	15,000,000
Bank Asia Ltd, MCB Dilkusha Branch	-	5,000,000
National Bank Ltd, Halisahor Branch	-	5,000,000
State Bank of India, Motijheel Branch	-	5,000,000
United Commercial Bank, Corporate Branch	-	4,500,000
United Commercial Bank, Mohammedpur Branch	10,000,000	-
United Commercial Bank, Khilkhet Branch	10,000,000	-
United Commercial Bank, Bashundhara Branch	10,000,000	-
Islami Bank Bangladesh Ltd, Gaibandha	2,089,494	-
A B Bank, Principal Branch	-	1,500,000
Southeast Bank Ltd, Bangshal Branch	10,000,000	10,000,000
Southeast Bank Ltd, Motijheel Branch	2,000,000	4,000,000
Social Islami Bank Ltd, Foreign Exchange Branch	2,000,000	13,500,000
Social Islami Bank Ltd, New Eskaton Branch	-	3,256,500
Social Islami Bank, Principal Branch	2,243,000	2,000,000
Social Islami Bank Ltd, Savar Branch	18,223,070	12,860,000
Social Islami Bank Ltd, Panthapath Branch	12,000,000	12,000,000
Jamuna Bank Ltd, Foreign Exchange Branch	4,000,000	4,000,000
Jamuna Bank Ltd, Sonargaon Road Branch, Dhaka	2,000,000	4,000,000
Jamuna Bank Ltd, Dilkusha Branch, Dhaka	-	5,000,000
Jamuna Bank Ltd, Moulvibazar Branch, Dhaka	-	2,200,000
Jamuna Bank Ltd, Shantinagar Branch	2,500,000	3,300,000
Jamuna Bank Ltd, Motijheel Branch	3,500,000	6,000,000


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	2012	2011
	Taka	Taka
Shahjalal Islami Bank Ltd, Bangshal Branch	-	2,000,000
Shahjalal Islami Bank Ltd, Foreign Exchange Branch	23,000,000	3,000,000
Prime Bank Ltd, Sylhet Branch	-	1,500,000
Prime Bank Ltd, Gulshan Branch	2,500,000	6,000,000
Prime Bank Ltd, Tongi Branch	-	1,000,000
Prime Bank Ltd, Foreign Exchange Branch	-	8,300,000
Prime Bank Ltd, Islami Banking Branch	5,000,000	-
Dhaka Bank Ltd, Local Office	-	5,000,000
Dhaka Bank Ltd, Islampur Branch	2,000,000	7,000,000
Dhaka Bank Ltd, Bangshal Branch	2,000,000	2,000,000
Dhaka Bank Ltd, Mohakhali Branch	10,000,000	-
Al Arafah Islami Bank Ltd, New Elephant Rd Br	13,500,000	17,000,000
Al Arafah Islami Bank Ltd, Motijheel Branch	6,000,000	6,000,000
Al Arafah Islami Bank Ltd, Corporate Branch	5,000,000	5,000,000
Bank Asia Ltd, Paltan Branch	5,280,250	-
National Credit & Commerce Bank Ltd, Natore Branch	10,000,000	-
Brac Bank Ltd, Shyamoli Branch	10,000,000	-
	317,029,541	336,828,847
(b) Financial institutions		
Intrenational Leasing & Financial Services Ltd	44,976,955	42,270,830
Union Capital Ltd	-	2,000,000
Premier Leasing & Finance Ltd	5,674,000	5,000,000
Bangladesh Industrial Finance Corporation Ltd	21,000,000	-
Prime Finance & Investment Ltd.	-	5,000,000
National Housing Finance & Investment Ltd	5,000,000	-
IDLC Finance Company Limited	15,000,000	-
United Leasing	1,000,000	1,000,000
Phoenix Finance and Investment Ltd, Motijheel	3,458,475	3,458,475
	96,109,430	58,729,305
Cash in hand	49,142,250	92,109,884
STD account with bank	561,768,200	338,326,603
Current account with bank	74,303,897	204,109,183
Collections in hand	-	49,881,492
	685,214,347	684,427,162
	1,098,353,318	1,079,985,314

18.2 Fixed deposit

We have physically verified the FDR instruments and found in order.

18.3 Cash at bank

We have checked the bank reconciliation statements and found the balances are in agreement with the bank book balances.

18.4 Cash in hand

Cash in hand has not been physically verified by us as on 31 December 2012. However, we have obtained a management certificate in respect of the cash in hand as on 31.12.12.

19 Fixed assets

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Particulars	C o s t				D e p r e c i a t i o n					Written down value as on 31.12.12
	Balance at 1.1.2012	Addition during the year	Adjustment	Total at 31.12.12	Rate	Balance at 1.1.2012	Charge for the year	Adjustment	Total at 31.12.12	
Land	331,571,000	-	-	331,571,000	-	-	-	-	-	331,571,000
Furniture and fixtures	57,565,120	3,977,211	8,850	61,533,481	15%	30,322,513	4,681,645	-	35,004,158	26,529,323
Signboard	909,335	50,941	-	960,276	10%	394,268	56,601	-	450,869	509,407
Motor vehicle	146,398,546	-	7,515,500	138,883,046	20%	72,302,056	14,535,628	6,097,148	80,740,536	58,142,510
Computer	15,031,198	1,520,730	-	16,551,928	20%	7,610,892	1,788,207	-	9,399,099	7,152,829
Air cooler	3,443,529	-	-	3,443,529	20%	2,354,734	217,759	-	2,572,493	871,036
Office equipment	839,399	231,349	-	1,070,748	15%	421,121	97,444	-	518,565	552,183
Photocopying machine	392,700	-	-	392,700	15%	282,336	16,555	-	298,891	93,809
Electric equipment	2,457,278	133,323	-	2,590,601	15%	1,308,630	192,296	-	1,500,926	1,089,675
Accounting Software	116,000	-	-	116,000	20%	41,760	14,848	-	56,608	59,392
Generator	2,231,558	-	-	2,231,558	20%	1,241,582	197,995	-	1,439,577	791,981
Construction Work-in-Progress	343,036	4,668,712	-	5,011,748	-	-	-	-	-	5,011,748
Multimedia projector	104,000	-	-	104,000	15%	49,711	8,143	-	57,854	46,146
Total 31.12.2012	561,402,699	10,582,266	7,524,350	564,460,615		116,329,603	21,807,121	6,097,148	132,039,576	432,421,039
Total 31.12.2011	538,443,833	29,025,866	6,067,000	561,402,699		93,947,944	26,087,774	3,706,115	116,329,603	445,073,096


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	2012 Taka	2011 Taka
20 Unamortized IPO expenses		
Opening Balance as on 01 January	4,565,160	6,847,739
Less: Written off during the year(20%)	2,282,576	2,282,579
	2,282,584	4,565,160
21 Premium less reinsurances		
Type of premium	2012 Gross premium (Tk) RI premium (Tk) Net premium (Tk)	2011 Net premium (Tk)
First year premium		
Ekok bima	117,284,863 1,492,787 115,792,076	158,241,232
Samajik bima	29,975,285 - 29,975,285	57,537,070
Islami bima	142,420,818 - 142,420,818	257,656,368
Takaful DPS bima	44,344,044 - 44,344,044	86,463,346
Rupali DPS bima	7,454,079 - 7,454,079	10,732,500
Rupali Khudra bima	10,990,351 - 10,990,351	21,488,284
Shariah DPS bima	10,910,460 - 10,910,460	9,252,350
Al Amanat bima	1,540,855 - 1,540,855	2,457,871
	364,920,755 1,492,787 363,427,968	603,829,021
Renewal premium		
Ekok bima	314,675,839 - 314,675,839	298,248,277
Samajik bima	121,124,607 - 121,124,607	139,460,991
Islami bima	432,919,670 - 432,919,670	403,895,753
Takaful DPS bima	113,961,600 - 113,961,600	137,937,800
Rupali DPS bima	33,225,686 - 33,225,686	38,598,000
Rupali Khudra bima	27,685,634 - 27,685,634	32,446,713
Shariah DPS bima	6,479,228 - 6,479,228	2,844,951
Al Amanat bima	4,493,713 - 4,493,713	2,975,598
	1,054,565,977 - 1,054,565,977	1,056,408,083
Group insurance premium		
Ekok Bima	1,103,496 - 1,103,496	1,240,076
Samajik bima	160,614 - 160,614	318,476
Islami bima	346,150 - 346,150	368,813
Rupali Khudra bima	- -	52,800
Shariah DPS bima	- -	16,872
Al Amanat bima	- -	15,746
	1,610,260 - 1,610,260	2,012,783
	1,421,096,992 1,492,787 1,419,604,205	1,662,249,887
22 Interest, dividend and rent		
Interest realized:		
Fixed deposit	12,042,031	7,717,832
Interest on government treasury bond	27,202,628	39,561,115
STD	10,530,421	7,411,780
Interest on policy loan	589,354	521,350
	50,364,434	55,212,077
Add interest accrued:		
Fixed deposit	49,722,690	45,432,911
Jatiya Binayog Bond (NIB)	-	340,001
Interest on government treasury bond	60,776,045	34,445,322
Rupali Life First Mutual Fund	15,097,606	
	125,596,341	80,218,234
Dividend(realized):		
Saiham Cotton Mills Ltd	-	100,000
Grameen phone Ltd	934,855	590,800
Aftab Auto Ltd	-	15,000
Meghna Life Insurance Ltd	-	330
Confidence Cement	6,880	65,000
	941,735	771,130
	176,902,510	136,201,441
23 Realized gain on sale of shares	-	3,392,753


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	2012 Taka	2011 Taka
24 Other income		
Service charges	87,360	81,299
Alteration fee	119,263	38,584
Proposal form	428,842	23,000
Duplicate policy issue fee	38,685	33,110
Schedule sale	21,200	7,545
Diary sale	6,200	-
Calender sale	36,700	13,000
Profit on sale of car	1,742,149	2,409,714
Late fees	109,698	70,607
Crockeries sale	401,137	-
Car Insurance Claim	818,540	-
Others	170,969	430,241
	3,980,743	3,107,100

25 Claims under policies including provision for claims due or Intimated less reinsurances

Particulars	By death	By maturity	Survival	Surrender	Policy bonus	2012 Taka	2011 Taka
Ekok bima	6,994,810	39,496,762	154,822,067	1,633,301	20,629,088	223,576,028	192,915,221
Samajik bima	3,772,755	109,049,315	-	558,559	17,734,200	131,114,829	114,249,664
Islami bima	6,696,039	10,243,998	181,693,653	592,553	5,801,373	205,027,616	135,201,616
TDPS bima	2,345,787	-	-	4,614,679	78,738	7,039,204	4,973,724
RDPS bima	869,990			1,218,067	39,886	2,127,943	1,381,265
Rupali Khudra bima	695,740			227,552	20,754	944,046	791,639
Sharah DPS bima	68,000			5,069		73,069	25,797
Al Amanat bima	140,000			6,885	11,200	158,085	15,138
	21,583,121	158,790,075	336,515,720	8,856,665	44,315,239	570,060,820	449,554,064

26 Capital expenditure commitment

There was no capital expenditure commitment entered into by the Company as on 31 December 2012.

27 Contingent liability

There was no claim against the Company not acknowledged as debt as on 31 December 2012.

28 Credit facility available to the Company

There was no credit facility available to the Company under any contract as on 31 December 2012 other than trade credit available in the ordinary course of business.

29 Expenses incurred in foreign currency

The Company has neither incurred any expenses nor earned any income in foreign currency on account of royalty, technical expert and professional advisory fee, etc apart from those out of reinsurance treaties.

30 Payments to directors/officers

The aggregate amount paid/provided during the year in respect of directors and officers of the Company as defined in the Securities and Exchange Rules, 1987 are disclosed below:

Particulars	Amount in Taka			
	2012		2011	
	Directors	Officers	Directors	Officers
Board meeting fee	1,097,200		1,352,000	
Basic salary		42,380,700		44,385,860
Other allowances		51,798,752		54,249,382
	1,097,200	94,179,452	1,352,000	98,635,242

31 Disclosure as per Schedule XI, Part II of the Companies Act 1994

i) Number of employees drawing salary above Tk 3,000 per month	989	1,002
ii) Number of employees drawing salary below Tk 3,000 per month	401	442
	1,390	1,444


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32 Name of directors and their interest in different entities

SI	Name of directors	Name of entity	Position held	Percentage of interest
1	Mr Mahfuzur Rahman	1 Rupkatha Advertising (Pvt) Ltd 2 Naz Colour Process and Print Ltd 3 Communication Express 4 Sonar Bangla Capital Management Ltd 5 Smart Express	Managing Director Managing Director Proprietor Director Proprietor	50.00% 30.00% 100.00% 10.00% 100.00%
2	Mr Abdul Matin (Alternate Director of Mr Abdul Azim)	1 Modern Dyeing & Screen Printing Ltd 2 Northern General Insurance Co Ltd 3 Metropolitan Medical Centre Ltd 4 Narshingdi Hatchery and Fisheries Ltd 5 Global Investment Cooperative Society Ltd 6 Modern Textile Mills	Managing Director Director Chairman Chairman Director Proprietor	32.00% 5.33% 3.59% 40.00% 4.76% 100.00%
3	Mrs Sazia Sultana Sony	Nil	Nil	Nil
4	Abdullah Jamil Matin	1 Modern Dyeing & Screen Printing Ltd 2 Narshingdi Hatchery and Fisheries Ltd 3 Global Investment Cooperative Society Ltd 4 Future Holdings 5 Global Furnishing	Director Managing Director Director Director Partner	2.08% 30.00% 4.76% 20.00% 33.33%
5	Mrs Ben Afroz	1 Orient Tailors and Fabrics	Proprietor	100.00%
6	Mr. Monirul Hasan Khan	1 Global Investment Cooperative Society Ltd 2 Modern Thread	Director Partner	4.76% 50.00%
7	Mrs. Mahmuda Mahfuz	1 Rupkatha Advertising (Pvt.) Ltd	Chairman	40.00%
8	Md Alamgir	Nil	Nil	Nil
9	Engr Dewan Nuruzzaman	1 Global Investment Cooperative Society Ltd 2 Modern Dyeing & Screen Printing Ltd 3 Future Holdings Ltd 4 Global Furnishing	Director Director Chairman Partner	4.76% 0.16% 20.00% 33.33%
10	Mr Pankaj Kumar Sarker	Nil	Nil	Nil
11	Mrs. Sabita Ferdousi	1 Karnaphuli Insurance Co. Ltd	Director	2.00%
12	Md Shamim Khan	Nil	Nil	Nil
13	Md. Shafiqul Islam	Nil	Nil	Nil
14	Md. Aminur Rahman Khan	Nil	Nil	Nil
15	Shahnaj Begum	Nil	Nil	Nil
16	Md. Kamal Hossain	Nil	Nil	Nil
17	Shamsuddin Ali Ahasan	Nil	Nil	Nil



33 The provisions of the Section 41, 44, 58, 59 & 62 of Insurance Act, 2010.

Section 41

Provisions of Section 41 for investment of assets have been duly complied with by the Company.

Section 44

The Company has complied with the provisions of Section 44 regarding loans.

Section 58 & 59

The Company has not paid any commission except to an insurance agent or an employer of agent and thus provisions under section 58 & 59 has been complied with by the Company.

Section 62

The total management expenses for life business comes to Tk. 480,650,760 as per section 62 of Insurance Act 2010, but the actual amount of management expenses was Tk.709,308,802, which is Tk. 228,658,042 more than permissible limit.

Sd/-	Sd/-	Sd/-	Sd/-	Sd/-
Biswajit Kumar Mondal	Noor Mohammed Bhuiyan	Abdul Matin	Engr Dewan Nuruzzaman	Mahfuzur Rahman
Dy. Managing Director(F&A)	Managing Director	Director	Vice Chairman	Chairman



CERTIFICATE UNDER THE INSURANCE ACT 2010

As per regulations contained in the Insurance Act 2010, and 62 of the said Act , we certify that:

- 1 The value of investment in shares and debentures have been taken at cost with adequate provision for fluctuation in share price, if any.
- 2 The values of all assets as shown in the Balance Sheet and as classified on Form "AA" annexed have been duly reviewed as on 31 December 2012 and in our belief, the said assets have been set forth in the Balance Sheet at amounts not exceeding their realizable or market values under the several headings as enumerated in the annexed form.
- 3 All expenses of management in respect of life insurance business transacted by the Company in Bangladesh have been fully debited to the Life Revenue Account as expenses.

Sd/-	Sd/-	Sd/-	Sd/-	Sd/-
Mahfuzur Rahman	Engr Dewan Nuruzzaman	Abdul Matin	Noor Mohammed Bhuiyan	Biswajit Kumar Mondal
Chairman	Vice Chairman	Director	Managing Director	Dy Managing Director(F&A)

Dhaka 04 July 2013

Sd/-
SHAFIQ BASAK & CO.
Chartered Accountants



SHAFIQ BASAK & CO.
Chartered Accountants

RUPALI LIFE INSURANCE COMPANY LIMITED
Statement of Outstanding Premium (Ref. Note 15)
For the year ended 31 December 2012

Annex-"A"

Name of bank and branch	Date of deposit	Bank A/C No	Amount (Tk)
Ekok Bima			
1. EXIM Bank Ltd, Rajuk Avenue branch, Dhaka	01.01.13 to 29.03.13	STD # 35695	5,530,410
2. Mercantile Bank Ltd, Agrabad branch, Chittagong	01.01.13 to 29.03.13	STD # 199	5,086,770
3. First Security Islami Bank Ltd, Agrabad branch, Ctg.	01.01.13 to 29.03.13	STD # 92-4	5,025,510
4. AB Bank Ltd, Feni branch, Feni	01.01.13 to 29.03.13	STD # 430	4,035,530
5. IFIC Bank Ltd, Comilla branch, Comilla	01.01.13 to 29.03.13	STD # 2041	5,010,420
6. United Commercial Bank Ltd, Bahaddarhat, Ctg.	01.01.13 to 29.03.13	STD # 335	4,380,861
			29,069,501
Islami Bima			
1. Islami Bank Bangladesh Ltd, H/O Complex Br	01.01.13 to 29.03.13	SND # 06	65,470,405
2. EXIM Bank Ltd, Rajuk Avenue Br, Dhaka	01.01.13 to 29.03.13	STD # 35385	10,000,000
			75,470,405
			104,539,906



**Certificate of CEO & CFO under Corporate Governance guidelines issued by
Bangladesh Securities and Exchange Commission**

(Condition no. 6 of Notification 7 August 2012 no. SEC/CMRRCD/2006-158/Admin/44)

The Board of Directors

Rupali Life Insurance Co. Ltd
7 Rajuk Avenue
Rupali Bima Bhaban (9th floor)
Dhaka-1000

Certified that,

- i) We have reviewed the financial statements of Rupali Life Insurance Co. Ltd for the year ended 31 December 2012 and to the best of our knowledge and belief :
 - a) these financial statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
 - b) these statements together present a true and fair view of the company's affairs and are in compliance with existing accounting standards and applicable laws.
- ii) There are, to the best of our knowledge and belief, no transactions entered into by the company during the year which are fraudulent, illegal or violation of the company's code of conduct.

Sd/-

Biswajit Kumar Mondal
Dy. Managing Director (F&A)

Sd/-

Noor Mohammed Bhuiyan
Managing Director

04 July 2013

**Summarize Cash Flow Statement, Profit and Loss Account and Balance Sheet****Rupali Life Insurance Company Limited**

Auditors' Report Under Section 135 (1) of Para 24(1) of

Part II of Third Schedule of the Companies Act, 1994

We, as the Auditors of Rupali Life Insurance Company Limited having examined the Financial Statements of Rupali Life Insurance Company Limited for the year end 31 December 2012 and the Financial Statements for the year end 31 December 2011, 2010, 2009 & 2008 were audited by B. Alam & Co., Chartered Accountants, in pursuance of section 135 (1) of Para 24(1) of Part II of Third Schedule of the Companies Act, 1994.

The statements of operating results and financial position of Rupali Life Insurance Company Limited are as under:

	31.12.12 Taka	31.12.2011 Taka	31.12.2010 Taka	31.12.2009 Taka	31.12.2008 Taka
1. Operational results					
a) Gross premium Income	1,421,096,992	1,664,376,006	1,606,909,573	1,260,108,961	902,646,895
Less: Reinsurance premium	1,492,787	2,126,119	1,271,037.00	628,156	358,642
	1,419,604,205	1,662,249,887	1,605,638,536	1,259,480,805	902,288,253
Add:					
i) Interest, dividend and rent	176,902,510	136,201,441	111,756,596	89,177,749	62,725,457
ii) Gain on sale of shares	0	3,392,752	85,543,432	3,798,072	3,271,488
iii) Other income	3,980,743	3,107,100	2,464,406	2,173,411	1,256,853
Total (a)	1,600,487,458	1,804,951,180	1,805,402,970	1,354,630,037	969,542,051
b) Claims and surrenders	570,060,820	449,554,064	283,274,191	172,812,964	141,340,656
Management expenses	709,308,802	925,671,229	802,804,158	635,581,507	474,500,357
Other expenses	84,291,308	153,920,353	74,564,916	28,831,701	17,873,341
Total (b)	1,363,660,930	1,529,145,646	1,160,643,265	837,226,172	633,714,354
Increase in life fund (a-b)	236,826,528	275,805,534	644,759,705	517,403,865	335,827,697

	31.12.12 Taka	31.12.2011 Taka	31.12.2010 Taka	31.12.2009 Taka	31.12.2008 Taka
2. Statement of assets and liabilities					
Investment	1,376,132,992	1,299,886,714	1,022,930,417	710,685,252	525,964,652
Fixed assets	432,421,040	445,073,096	444,495,889	194,503,582	173,556,998
Unamortized IPO expenses	2,282,584	4,565,160	6,847,739	9,130,318	-
Deferred expenses	-	-	-	962,627	1,897,357
Current assets	1,382,825,632	1,301,592,679	1,189,071,405	790,731,410	501,526,928
	3,193,662,248	3,051,117,649	2,663,345,450	1,706,013,189	1,202,945,935
Less: Current liabilities	98,299,396	93,250,688	93,834,023	32,866,005	92,202,616
	3,095,362,852	2,957,866,961	2,569,511,427	1,673,147,184	1,110,743,319
Financed by					
Share capital	107,217,000	94,050,000	82,500,000	75,000,000	30,000,000
Assets revaluation reserve	227,604,538	227,604,538	227,604,538	-	-
Fair value change account	5,002,363	117,500,000	16,500,000	-	-
Life insurance fund	2,755,538,951	2,518,712,423	2,242,906,889	1,598,147,184	1,080,743,319
	3,095,362,852	2,957,866,961	2,569,511,427	1,673,147,184	1,110,743,319

- The Company was incorporated on 28 December 1999.
- The Company has declared dividend for the following five years as follows:

2008	Nil
2009	10% stock dividend
2010	14% stock dividend
2011	14% stock dividend & 1R:1(one right shares for every one share held)
2012	12% Stock dividend
- The company has no subsidiary/(ies) or associate company/(ies).
- No proceeds or part of the proceeds of the issue of shares have been applied directly by the Company in the purchase of any business.
- The company has not prepared any accounts in respect of any period subsequent to 31 December 2012.

Investment includes fixed deposits with bank, loans on insurer's policies, statutory deposits with Bangladesh bank, investment in shares of company, jatiyo biniog bond and treasury bond.

Sd/-

Dhaka, 26 August 2013

Shafiq Basak & Co
Chartered Accountants



**RUPALI LIFE INSURANCE COMPANY LIMITED
BALANCE SHEET**

CAPITAL AND LIABILITIES	31.12.12	31.12.2011	31.12.2010	31.12.2009	31.12.2008
Share capital	107,217,000	94,050,000	82,500,000	75,000,000	30,000,000
Assets revaluation reserve	227,604,538	227,604,538	227,604,538	-	-
Fair value change account	5,002,363	117,500,000	16,500,000	-	-
Balance of fund and accounts					
Life insurance fund	2,755,538,951	2,518,712,423	2,242,906,889	1,598,147,184	1,080,743,319
Amount due to other persons or bodies carrying on insurance business	134,673	2,126,119	519,905	241,082	-
Liabilities and provisions					
Estimated liabilities in respect of outstanding claims whether due or intimated	589,536	125,349	3,220,675	2,138,161	4,389,869
Sundry creditors	59,575,187	65,999,220	76,093,443	27,021,145	86,347,130
Provision for diminution in the value of shares	-	-	-	-	-
Provision for doubtful debts	-	-	-	1,465,617	1,465,617
Provision for Corporate tax	38,000,000	25,000,000	14,000,000	2,000,000	-
	3,193,662,248	3,051,117,649	2,663,345,450	1,706,013,189	1,202,945,935
PROPERTY AND ASSETS	31.12.12	31.12.2011	31.12.2010	31.12.2009	31.12.2008
Loan	35,398,280	22,485,672	14,265,043	9,089,950	5,388,105
(On insurer's policies within their surrender value)					
Investments (at cost)					
Statutory deposit with Bangladesh Bank	4,000,000	4,000,000	4,000,000	4,000,000	4,000,000
Jatiya Biniyog Bond (NIB)	-	-	-	81,400,000	99,900,000
Treasury bond	813,500,000	638,500,000	498,500,000	272,500,000	108,000,000
Shares of Companies	110,095,741	239,342,890	224,083,367	34,621,284	38,245,179
	927,595,741	881,842,890	726,583,367	392,521,284	250,145,179
Sundry debtors				1,465,617	1,465,617
Outstanding premium	104,539,906	136,023,858			
Interest, dividend and rent accrued but not due	231,079,991	214,903,538	151,553,699	121,173,400	88,958,558
Advance and deposit	353,994,258	255,574,849	252,403,735	46,762,369	48,834,696
Cash and bank balances					
Fixed depositS with bank	413,138,971	395,558,152	282,082,007	309,074,018	270,431,368
STD account with bank	561,768,200	338,326,603	532,685,284	473,823,208	268,568,996
Current account with bank	74,303,897	204,109,183	83,316,523	28,228,353	17,203,858
Cash in hand	49,142,250	92,109,884	70,916,661	79,214,670	50,725,372
Collection in hand		49,881,492	91,194,138	32,364,631	20,796,326
	1,098,353,318	1,079,985,314	1,060,194,613	922,704,880	627,725,920
Other assets					
Fixed assets at cost less depreciation	432,421,040	445,073,096	444,495,889	194,503,582	173,556,998
Unamortized IPO expenses	2,282,584	4,565,160	6,847,739	9,130,318	-
Deferred expenses	-	-	-	962,627	1,897,357
Stock of stamps, forms and stationery	7,997,130	10,663,272	7,001,365	7,699,162	4,973,505
	3,193,662,248	3,051,117,649	2,663,345,450	1,706,013,189	1,202,945,935

Dhaka, 26 August 2013

Sd/-
Shafiq Basak & Co
Chartered Accountants



**RUPALI LIFE INSURANCE COMPANY LIMITED
LIFE REVENUE ACCOUNT**

PARTICULARS	31.12.12	31.12.2011	31.12.2010	31.12.2009	31.12.2008
Balance of fund at the beginning					
of the year	2,518,712,423	2,242,906,889	1,598,147,184	1,080,743,319	744,915,622
Premium less reinsurances					
First year Premium					
Ekok bima	117,284,863	160,367,351	184,199,099	127,540,526	98,405,510
Samajik bima	29,975,285	57,537,070	50,861,165	31,032,103	45,447,721
Islami bima	142,420,818	257,656,368	325,629,241	267,102,255	155,018,799
Takaful DPS bima	44,344,044	86,463,346	136,740,232	92,365,000	67,014,600
Rupali DPS bima	7,454,079	10,732,500	20,263,604	16,608,100	19,699,200
Rupali Khudra bima	10,990,351	21,488,284	20,662,459	23,250,718	17,931,308
Shariah DPS bima	10,910,460	9,252,350	8,996,398	6,241,274	2,794,679
Al-Amanat bima	1,540,855	2,457,871	4,366,838	4,696,586	4,313,046
	364,920,755	605,955,140	751,719,036	568,836,562	410,624,863
Renewal Premium					
Ekok bima	314,675,839	298,248,277	250,965,748	242,422,928	177,789,423
Samajik bima	121,124,607	139,460,991	145,777,697	132,413,728	117,977,012
Islami bima	432,919,670	403,895,753	270,556,125	188,558,642	111,517,252
Takaful DPS bima	113,961,600	137,937,800	106,291,255	63,343,200	34,045,583
Rupali DPS bima	33,225,686	38,598,000	43,585,763	35,940,200	28,720,700
Rupali Khudra bima	27,685,634	32,446,713	33,260,558	25,896,186	21,299,382
Shariah DPS bima	6,479,228	2,844,951	1,568,573	345,258	485,253
Al-Amanat bima	4,493,713	2,975,598	2,771,490	1,036,449	151,952
	1,054,565,977	1,056,408,083	854,777,209	689,956,591	491,986,557
Group insurance premium					
Ekok bima	1,103,496	1,240,076	235,878	632,471	15,525
Samajik bima	160,614	318,476	-	77,550	-
Islami bima	346,150	368,813	171,600	572,712	-
Rupali Khudra bima	-	52,800	-	27,975	19,950
Shariah DPS bima	-	16,872	-	4,050	-
Al Amanat bima	-	15,746	5,850	1,050	-
	1,610,260	2,012,783	413,328	1,315,808	35,475
Gross Premium	1,421,096,992	1,664,376,006	1,606,909,573	1,260,108,961	902,646,895
Less reinsurances premium	(1,492,787)	(2,126,119)	(1,271,037.00)	(628,156)	(358,642)
Net premium	1,419,604,205	1,662,249,887	1,605,638,536	1,259,480,805	902,288,253
Interest, dividend and rent	176,902,510	136,201,441	111,756,596	89,177,749	62,725,457
Gain on sale of shares	-	3,392,752	85,543,432	3,798,072	3,271,488
Other income	3,980,743	3,107,100	2,464,406	2,173,411	1,256,853
	4,119,199,881	4,047,858,069	3,403,550,154	2,435,373,356	1,714,457,673
First year premium, where the maximum premium paying year is :					
Single					
Two years					
Three years					
Four years					
Five years					
Six years					
Seven years					
Eight years					
Nine years					
Ten years	1,362,359	2,763,154	10,110,250	10,240,595	15,909,702
Twelve years or over (including throughout life)	363,558,396	603,084,632	741,608,786	558,595,967	394,715,161
	364,920,755	605,847,786	751,719,036	568,836,562	410,624,863

Dhaka, 26 August 2013

Sd/-
Shafiq Basak & Co
Chartered Accountants



PARTICULARS	31.12.12	31.12.2011	31.12.2010	31.12.2009	31.12.2008
Claims under policies (including provision for claims due or intimated)					
less reinsurances					
By death	21,583,121	16,768,771	16,753,359	7,733,891	11,865,875
By Maturity	158,790,075	129,268,997	44,155,516	-	-
By survival	336,515,720	271,853,770	217,454,556	162,577,237	127,768,537
By policy bonus	44,315,239	21,162,222	925,166	-	-
By surrender	8,856,665	10,500,304	3,985,594	2,501,836	1,706,244
	570,060,820	449,554,064	283,274,191	172,812,964	141,340,656
Expenses of management					
Commission					
a) Commission to insurance agents (Less that on reinsurance)	318,902,284	466,284,778	355,256,613	320,364,300	142,607,506
b) Allowances and commission	169,306,654	208,462,161	236,289,615	121,018,956	185,317,258
	488,208,938	674,746,939	591,546,228	441,383,256	327,924,764
Salaries etc. (Other than to agents and those contained in the allowance and commission)	94,179,452	98,635,242	81,227,349	65,486,275	49,000,826
Travelling and conveyance	7,240,733	7,845,102	5,773,365	5,273,219	4,785,814
Directors' fees	1,097,200	1,352,000	1,257,200	1,670,750	1,035,000
Auditors' fee	148,150	200,000	190,000	115,000	90,000
Medical fee	671,796	1,292,779	936,140	1,413,538	1,108,587
Insurance policy stamps	5,598,906	7,637,214	8,097,747	5,816,052	4,891,609
Advertisement and publicity	2,513,047	3,852,924	3,254,498	6,078,555	5,380,796
Printing and stationery	9,223,616	14,322,787	9,972,821	15,455,678	11,643,928
Lease rent	-	-	-	-	-
Legal and professional fees	593,448	207,775	152,651	76,200	509,105
Office rent	42,200,846	49,565,881	42,820,945	37,935,458	26,004,747
Bank charge	2,199,457	2,479,041	1,666,141	1,550,570	1,488,242
General repairs and maintenance	2,638,058	3,932,001	3,068,300	2,690,528	2,415,950
Car fuel, repair and maintenance	18,279,003	21,465,961	17,093,735	17,694,657	11,995,158
Papers and periodicals	225,821	196,788	193,181	211,083	172,293
Telephone, telex, fax etc.	3,404,942	4,353,073	4,764,946	4,035,068	3,435,046
Electricity, gas and WASA	3,358,198	2,788,804	2,533,386	1,963,256	1,745,544
Training and recruitment expenses	155,284	30,000	86,069	396,733	18,000
Fees, subscription and donation	1,287,293	942,580	1,035,099	165,170	119,058
Penalty paid to Controller of Insurance	-	-	-	519,000	664,750
Entertainment	1,840,232	3,548,184	2,800,299	2,341,320	1,679,880
Insurance premium (general)	1,245,877	1,649,822	1,675,566	1,068,485	935,706
Postage and telegram	1,364,597	1,189,320	1,157,692	1,657,507	1,114,850
Business development expenses	11,051,797	13,661,173	11,941,770	15,875,286	7,858,922
Prize and awards	569,320	1,012,000	598,997	332,226	1,278,140
Conference expenses	1,029,222	323,510	975,922	-	3,490,095
Company registration fee	5,825,454	5,624,184	4,410,381	3,185,442	2,507,262
Revenue stamp	1,056,008	902,270	825,345	718,135	499,395
AGM expenses	1,392,982	1,225,442	1,243,770	132,810	70,660
Actuarial fee	444,125	391,936	1,134,500	-	355,300
Credit rating fees	150,000	150,000	209,000	-	150,000
Shariah board meeting expenses	115,000	146,497	136,115	29,750	129,430
Rates and taxes	-	-	-	21,205	1,500
Picnic expenses	-	-	25,000	289,295	-
	221,099,864	250,924,290	211,257,930	194,198,251	146,575,593


Other expenses

Depreciation of fixed assets	21,807,121	26,087,774	26,580,546	21,145,222	16,938,709
Corporate tax	11,449,500	-	8,739,164	-	-
Amortization of deferred expenses	-	-	962,627	934,730	934,632
Bad debt written off	-	-	-	2,469,170	-
Unamortized IPO expenses written off	2,282,576	2,282,579	2,282,579	2,282,579	-
Provision for fair value change account	22,585,111	101,000,000	16,500,000	-	-
Provision for taxation	-	13,000,000	12,000,000	2,000,000	-
Provision for diminution in the value of shares	13,000,000	-	-	-	-
Stock dividend	13,167,000	11,550,000	7,500,000	-	-
Loss on sale of car	-	-	-	-	-
	84,291,308	153,920,353	74,564,916	28,831,701	17,873,341
	1,363,660,930	1,529,145,646	1,160,643,265	837,226,172	633,714,354
Balance of fund at the end of the period	2,755,538,951	2,518,712,423	2,242,906,889	1,598,147,184	1,080,743,319
	4,119,199,881	4,047,858,069	3,403,550,154	2,435,373,356	1,714,457,673

Sd/-

Dhaka .26 August 2013

Shafiq Basak & Co
Chartered Accountants

RUPALI LIFE INSURANCE COMPANY LIMITED
Cash Flow Statement

Particulars	31.12.2012 Taka	31.12.2011 Taka	31.12.2010 Taka	31.12.2009 Taka	31.12.2008 Taka
a Cash flow from operating activities					
Collection from premium	1,452,580,944	1,528,352,148	1,606,909,573	1,260,108,961	902,646,895
Other income received	3,980,743	6,499,853	88,007,838	5,971,483	4,528,341
Payment for death claims, survivals, surrenders etc.	(569,596,633)	(452,649,390)	(282,191,677)	(175,064,672)	(138,776,639)
Payment for reinsurances, management expenses and others	(716,550,927)	(939,947,266)	(754,026,275)	(698,020,223)	(400,203,626)
Net cash received from operating activities	170,414,127	142,255,345	658,699,459	392,995,549	368,194,971
b Cash flow from investing activities					
Investments	(180,835,599)	(155,259,523)	(334,062,083)	(142,376,105)	(87,669,633)
Acquisition of fixed assets	(10,582,266)	(29,025,865)	(49,818,089)	(42,320,647)	(125,022,984)
Disposal of fixed assets	1,427,202	2,360,885	849,772	228,841	12,644,053
Advance income tax paid	(32,371,195)	(22,945,955)	(3,141,945)	(1,995,743)	(2,055,357)
IPO expenses	-	-	-	(11,412,897)	-
Deferred expenses	-	-	-	-	-
Loan against policies paid	(19,447,222)	(16,640,325)	(7,686,962)	(4,808,087)	(2,831,828)
Loan against policies realized	6,534,614	8,419,696	2,511,869	1,106,242	1,058,792
Other loans and advance paid	(95,694,941)	(15,937,142)	(262,842,029)	(16,840,159)	(31,794,703)
Other loans and advance realized	18,197,227	33,711,983	51,603,444	18,439,059	12,863,220
Interest, dividend and rent received	160,726,057	72,851,602	81,376,297	56,962,907	24,186,395
Net cash used in investing activities	(152,046,123)	(122,464,644)	(521,209,726)	(143,016,589)	(198,622,045)
c Cash flow from financing activities					
Share capital issued (IPO)	-	-	-	45,000,000	-
Net cash received from financing activities	-	-	-	45,000,000	-
d Net increase in cash and cash equivalents (a+b+c)	18,368,004	19,790,701	137,489,733	294,978,960	169,572,926
e Cash and cash equivalents at beginning of the period	1,079,985,314	1,060,194,613	922,704,880	627,725,920	458,152,994
f Cash and cash equivalents at end of the period (d+e)	1,098,353,318	1,079,985,314	1,060,194,613	922,704,880	627,725,920

Sd/-

Dhaka, 26 August 2013

Shafiq Basak & Co
Chartered Accountants



Life Fund Valuation Report as at 31 December 2012

Rupali Life Insurance Company Limited

Rupali Insurance Bhaban (12th Floor),
7 Rajuk Avenue, Motijheel C/A, Dhaka - 1000

Actuarial Valuation Report as at 31st December 2012

July 03, 2013

Mohammad Sohrab Uddin PhD, AIA
Consulting Actuary
House # 8 (2nd Floor), Road # 12
Uttara Model Town, Dhaka - 1230
Phone: 01715013176, E-mail: msuddin41@yahoo.com



Rupali Life Insurance Company Limited

Rupali Insurance Bhaban (12th Floor),
7 Rajuk Avenue, Motijheel C/A, Dhaka - 1000

1. The valuation date was 31st December 2012.
2. (a) The valuation bases were approved by the Insurance Development and Regulatory Authority (IDRA).
 - (b) i) The liabilities under all classes of assurances were arrived at by deducting from the present value of the sum assured and bonuses (if any), the present value of the future net premiums.
 - ii) Net premiums were initially calculated on the basis set out in para 3. These were adjusted to allow for recovery of initial expenses by adding with the net premium the equivalent value of an additional fixed amount per thousand taka sum assured/pension over term of the policy.
 - iii) The age at entry was taken to be the age nearest birthday at entry age.
 - iv) The actual premium term and the exact maturity date were used.
 - v) Group term assurances were valued by reserving 40% of net premium.
- c) i) The valuation age was taken as the age at entry plus nearest duration of the policy to the valuation date.
- ii) The factors for valuing the sum assured and bonuses, if any and the net premiums were calculated for each plan of assurance separately.
- d) No specific provision has been made for the maintenance of any specific rate of future bonus.
- e) i) All premiums were assumed to be paid annually.
- ii) Where premiums were paid more frequently than yearly the net premium in respect of outstanding installments of premiums were deducted from liabilities.
- f) i) No specific provision was made for immediate payment of claims.
- ii) No specific provision was made for future expenses and profits on limited payment and paid up policies.
- iii) An adequate reserve has been made for revival of lapsed policies.
- g) Policies were valued according to plans of assurances, risk year and term. Calculations were carried out on a computer that was programmed to ignore negative values arising as a result of the valuation method adopted.
- h) Extra premiums and supplementary riders were valued by taking 50% of actual premiums received.
- i) No policy in foreign currency was issued.

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3. The mortality tables and the rates of interest used in the valuation have been approved by the office of the Insurance Development and Regulatory Authority (IDRA) and are as follows:

- | | |
|------------------------------|--|
| a. All with profits plans | : Mortality Table: A(49-52) Ult
Interest Rate/Rate of return: @ 3.75% |
| b. All without profits plans | : Mortality Table: A(49-52) Ult
Interest Rate/ Rate of return: @ 7.0% |

4. The proportion of future office premiums provided for future expenses was for assurance

With participation of profits :	11.67%
Without participation of profits :	15.82%

(excluding single premium)

5. The investment yield for the inter-valuation period was as follows:

2012 : 6.94%

6. The basis of distribution of surplus between the insurer and the policyholders was determined by the Company as per the Insurance Act 1938 and the recommendation of the actuary.

7. The distribution of surplus among the policyholders was made by the use of reversionary bonus method.

- a. The distribution of surplus was made by the Company as per recommendation of the actuary.
- b. The bonus is allocated on the basis of the premium payment term.
- c. The bonus is allotted in respect of each year's premium paid.
- d. The bonus vest on the policy anniversary subsequent to allotment provided that the policy is then in force.

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8. (i) It is recommended that Rupali Life Insurance Company Limited allocates bonuses under with-profit policies remaining in-force as at 31st December 2012 as follows.

Reversionary bonus to be paid per thousand sumassured for all with profit policies as per following table

Term for Premium payment	Bonus rate
8 to 14 years	Tk.30
15 to 19 years	Tk.32
20 years and above	Tk.35

It is also recommended that till the next actuarial valuation, the same rates of bonuses may be paid to fully inforce with profit policies becoming claims due to death or maturity.

The estimated cost of bonuses is Tk. 121,345 thousand.

7/1/2012



	Tk.(000's)
8(ii) Surplus as at 31 st December 2012	161,062
Less	
Surplus remained unappropriated on shareholders account in 2011 as per decision of the board	138
Surplus reserved for future bonuses to policyholders in 2011	32,429
	<u>(-) 32,567</u>
Surplus for the year 2012	128,495
<u>Appropriation of Surplus</u>	
Surplus to share holder	
Surplus remained unappropriated as at last valuation	138
Share of current year's surplus	12,849
Total surplus available to shareholders	12,987
Surplus allocated to shareholders for payment of dividend for the year 2012	12,867
Surplus carried forward on shareholders' account	<u>120</u>
Surplus to policyholder	
Surplus brought forward from last valuation	32,429
Share of current year's surplus	115,646
Total surplus available to policyholders	148,075
Surplus allocated for bonuses for the year 2012	121,345
Surplus carried forward for policyholders' future bonuses	<u>26,730</u>

9. Policy documents issued to the policyholders do not contain any minimum guaranteed surrender values and as such 'J' form has not been prepared.

10. Provision for disability benefit was provided under supplementary rider.

11. Forms H and I are attached.

M. N. Uddin
(Mohammad Sohrab Uddin PhD, AIA)
Consulting Actuary



Summary of figures shown in Form H are set out below

Net liabilities as per Form H		<u>Tk.(000's)</u>
A. i) Assurance business with immediate participation of profits including single premium assurances		2,553,080
ii) Assurance business without participation of profits including single premium assurances		33,992
	Sub Total (A)	<u>2,587,072</u>
B. i) Group Term Insurance		644
	Sub Total (B)	<u>644</u>
C. i) Reserves for supplementary cover		4,260
ii) Reserves for policies which may not have been included but have liabilities and including revival of lapse policies		2,500
	Sub Total(C)	<u>6,760</u>
Grand Total (A+B+C)		<u>2,594,476</u>
		<i>৳</i>



Form-I

Valuation Balance sheet of Rupali Life Insurance Company Limited
as at 31st December 2012.Tk. (000's)

Net Liability as shown in Form H	2,594,476	Balance of Life Insurance Fund as shown in the Balance Sheet	
Surplus	161,062		2,755,538

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RUPALI LIFE INSURANCE COMPANY LIMITED
7 Rajuk Avenue, Motijheel C/A, Dhaka - 1000
FORM - H

Actuarial Valuation of liabilities under valued policies as at 31.12.2012 - Inforce Policies

Division 1
Insurances
Group A - with immediate participation in profits

Plan no.	Description	Particulars of policies for valuation						VALUATION				
		No. of policies	Sum Assured (Tk. 000)	Office Yearly Premium (Tk. 000)	Net Yearly Premium (Tk. 000)	Bonuses (Tk. 000)	Sum Assured and bonus (Tk. 000)	Office premium (Tk. 000)	Net Premium (Tk. 000)	Net liabilities (Tk. 000)		
01	Four Stage Endowment	28,383	2,034,450	196,667	183,136	26,075	1,579,511	1,564,427	1,442,792	177,001		
02	Endowment assurance	474	64,600	4,820	4,217	693	39,328	31,701	31,830	10,606		
03	Three payment assurance	5,822	535,835	46,062	34,197	7,825	328,297	368,840	256,684	84,554		
04	Five payment assurance	2,465	166,753	15,420	13,062	2,881	89,304	82,580	66,655	17,167		
08	Child Welfare Assurance	157	21,158	1,733	1,279	238	17,770	15,469	11,157	1,705		
09	Rupali DPS	4,600	193,488	11,603	9,670	2,435	89,279	77,799	63,000	28,926		
10	Single Payment Endowment	1	50	6		1	24			24		
11	Three payment assurance	21,631	1,790,477	147,713	120,606	29,059	1,230,772	1,257,352	938,176	270,393		
12	Five payment endowment	3,226	260,743	21,184	18,520	3,251	164,662	181,465	155,193	11,664		
13	Mohorana Bima	21	1,639	124	104	20	1,643	878	701	257		
15	Takaful DPS	7,673	326,550	22,713	19,118	3,566	249,840	213,602	208,098	79,225		
16	Four Stage Endowment	39,436	2,816,293	248,005	228,994	44,033	2,325,781	2,071,753	2,127,483	227,059		
17	Samajik Bima	31,369	720,852	5,512	4,330	9,225	520,589	321,499	301,736	219,617		
21	Child Welfare Assurance	494	49,854	3,763	3,320	761	38,638	35,856	31,687	8,925		
22	Haji Bima Endowment	5	1,850	182	146	31	1,252	1,345	1,072	152		
23	Haji Bima Endowment	33	3,660	297	278	64	2,396	2,095	1,942	411		
27	Child Welfare Assurance	2,048	33,893	2,306	2,134	342	24,262	22,103	21,170	14,167		
28	Rupali Khudra Bima	2,976	85,430	6,721	6,153	955	56,537	33,969	41,736	13,392		
29	Rupali Endowment assurance	101	3,432	264	221	34	2,436	2,167	1,755	454		
30	Al Amanat Bima	1	72	7	5	1	32	35	31	1		
31	Al Amanat Bima	38	2,578	202	178	26	1,619	1,746	1,529	167		
32	Shariah DPS	87	2,515	196	174	25	1,071	1,316	1,218	393		
33	Rupali DPS	864	49,476	2,444	2,122	495	29,775	27,066	24,448	8,637		
34	Takaful DPS	13,614	953,446	76,622	67,420	9,534	567,973	557,019	487,773	38,671		
37	Endowment assurance	470	46,427	3,210	2,950	539	16,107	31,296	28,329	576		
Total		165,989	10,165,521	817,776	722,334	142,109	7,378,898	6,893,378	6,246,195	1,214,144		



RUPALI LIFE INSURANCE COMPANY LIMITED
7 Rajuk Avenue, Motijheel C/A, Dhaka - 1000

FORM - H

Actuarial Valuation of liabilities under valued policies as at 31.12.2012 - Paid-up Policies

Group A - with profits plans with no further participation in profits

Plan no.	Description	Particulars of policies for valuation				VALUATION		
		No. of policies	Paid-up Sum Assured (Tk. 000)	Office Yearly Premium (Tk. 000)	Bonuses (Tk. 000)	Sum Assured and bonus (Tk. 000)	Net liabilities (Tk. 000)	
01	Four Stage Endowment	29,303	508,218	165,732	18,605	249,703	255,703	
02	Endowment assurance	376	12,670	2,808	419	7,339	7,339	
03	Three payment assurance	4,966	104,147	28,900	3,689	54,679	54,679	
04	Five payment assurance	3,981	81,707	17,540	2,721	53,003	53,003	
08	Child Welfare Assurance	135	3,218	1,139	154	1,480	1,480	
09	Rupali DPS	10,304	130,932	2,717	5,271	80,437	80,437	
11	Three payment assurance	12,379	223,241	68,611	8,922	104,839	104,839	
12	Five payment endowment	3,429	57,592	12,485	2,687	35,171	35,171	
13	Mohorana Bima	37	694	186	28	365	365	
15	Takaful DPS	17,719	231,559	5,324	7,406	133,995	133,995	
16	Four Stage Endowment	33,433	501,934	160,087	19,090	232,759	232,759	
17	Samajik Bima	55,241	441,527	8,131	12,175	271,238	271,238	
21	Child Welfare Assurance	293	4,870	1,691	259	1,976	1,976	
23	Haji Bima Endowment	31	1,111	293	35	600	600	
27	Child Welfare Assurance	4,199	20,483	591	659	10,090	10,090	
28	Ruplai Khudra Bima	10,334	93,600	2,397	2,683	54,495	54,495	
29	Rupali Endowment assurance	408	3,660	97	140	1,673	1,673	
33	Rupali DPS	488	4,106	116	168	1,818	1,818	
34	Takaful DPS	6,939	85,819	2,671	3,845	36,973	36,973	
37	Endowment assurance	37	713	333	41	303	303	
Total		194,532	2,511,821	481,849	88,997	1,332,936	1,338,936	

Group A - Total - with immediate participation of profit

2,553,080

Group B - with deferred participation of profits - Nil

Nil

Group C - under discontinued bonus system - Nil



RUPALI LIFE INSURANCE COMPANY LIMITED
7 Rajuk Avenue, Motijheel C/A, Dhaka - 1000

FORM - H

Actuarial Valuation of liabilities under valued policies as at 31.12.2012 - Inforce Policies

Group D - without participation in profits

Plan no.	Description	Particulars of policies for valuation					VALUATION			
		No. of policies	Sum Assured (Tk. 000)	Office Yearly Premium (Tk. 000)	Net Yearly Premium (Tk. 000)	Bonuses (Tk. 000)	Sum Assured (Tk. 000)	Office premium (Tk. 000)	Net Premium (Tk. 000)	Net liabilities (Tk. 000)
05	Money Back term assurance	36	8,495	161	139		2,031	1,043	1,340	1,280
06	Money Back term with Guaranteed Profit	31	6,900	305	264		2,842	2,096	2,241	621
07	Pension assurance	12	11,241	448	372		4,468	3,582	3,840	477
18	Single Premium Guaranteed Benefit	52	1,960	1,960			851			851
20	Single Premium Guaranteed Benefit	3	36	30			20			20
24	Money Back term with Guaranteed Profit	2,048	79,260	3,404	2,811		43,522	11,441	25,443	16,276
25	Money Back term assurance	42	9,804	175	156		2,771	1,237	1,578	1,087
26	Pension assurance	3	1,043	35	31		339	355	317	14
Sub Total		2,227	118,739	6,516	3,773		56,844	19,754	34,759	20,626

Max



RUPALI LIFE INSURANCE COMPANY LIMITED
7 Rajuk Avenue, Motijheel C/A, Dhaka - 1000

FORM - H

Actuarial Valuation of liabilities under valued policies as at 31.12.2012 - Paid-up Policies

Group D - without participation in profits

Plan no.	Description	Particulars of policies for valuation				VALUATION	
		No. of policies	Paid-up Sum Assured (Tk. 000)	Office Yearly Premium (Tk. 000)	Bonuses (Tk. 000)	Sum Assured (Tk. 000)	Net liabilities (Tk. 000)
05	Money Back term assurance	44	2,410	171		905	905
06	Money Back term with Guaranteed Profit	24	1,530	197		743	743
07	Pension assurance	12	1,558	280		518	518
24	Money Back term with Guaranteed Profit	2,688	22,124	756		10,971	10,971
25	Money Back term assurance	18	782	82		229	229
Sub Total		2,796	28,404	1,486		13,366	13,366

Group D - Total - without participation of profit

33,992

Group Term

644

Reserves for supplementary cover

4,260

Reserves for revival of lapse policies and policies that may not have been included in valuation but have liabilities

2,500

Grand Total

2,594,476

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Certificate under Fourth Schedule, Part -1, Regulation 4

Certified that full and accurate particulars of every policy under which there is a liability, either actual or contingent, have been furnished to Mohammad Sohrab Uddin PhD, AIA, Consulting Actuary, for valuation as at 31st December 2012.

Noor Mohammad Bhuiyan
Managing Director
Rupali Life Insurance Company Limited
3rd July 2013

**Certificate Under Regulation 4, Part I
of the Fourth Schedule to
the Insurance Act, 1938**

I hereby certify that I have satisfied myself as to the accuracy of the Valuation, and of Valuation data of Rupali Life Insurance Company Limited as at 31st December, 2012 made for the purpose of the abstracts prepared in accordance with the requirements of part II of the Fourth Schedule to the Insurance Act, 1938.

Mohammad Sohrab Uddin
Consulting Actuary
3rd July, 2013



Additional Disclosure by the Auditor and Management of Rupali Life Insurance Company Limited on the audited accounts as on 31 December 2012

BSEC Query:

Explanation regarding presentation of " Loss on sale of investments" amounting to Tk. 135,082,748.00 in the cash flow statement for the year ended on December 31, 2012.

Reply on Query:

Tk.135,082,748 represents the difference figure of invested amount in the shares of companies and receipts amount by sales of those shares, which actually reveals the loss on sale of shares. The above amount have been wrongly shown in the cash flow statements as Loss on sale of shares, which ought to be presented as "cash out flows from investment in Shares" and "cash inflows by sale of investment in shares" separately in the investing activities segment of cash flow statements. However, the accounts have been published and considered in the Annual General Meeting of the company and hence the errors have been detected, so it would have been treated as prior years' error and would have been rectified by giving retrospective application in the year 2013 as per BAS-8 (Accounting Policies, Changes in Accounting Estimates and Errors). Further noted that, no materials changes/effects would have been occurred in the results of "investing activities" of cash flow statements excepting only presentation of cash flows as per BAS-7. However, actual scenario of revised cash flow statement would have been as per attachment-A.

It is further noted that, Tk 135,082,748 represents the accumulated amount of:

Unrealized loss up to the year 2011, realized during the year 2012 on account of sale of shares Tk. 112,497,637 and; Unrealized loss of investment in shares for the year 2012 of Tk. 22,585,111.

The above unrealized loss of Tk. 22,585,111 has been charged in the life revenue account as per BAS-39 during the year 2012 and realized loss of Tk. 112,497,637 has been charged/ set off against earlier provision for unrealized loss of Tk. 117,500,000 stated as fair value change account in the note 7.00 of the balance sheet in the year 2011(as earlier applied BAS-25). After charging /set off Tk. 112,497,637 against provision of Tk. 117,500,000 the balance remains Tk. 5,002,363 as fair value change account in note 7.00 of the balance sheet. This is also for kind information that, the company applied BAS-39 instead of BAS-25(earlier applied) during the year 2012.

BSEC Query:

Explanation regarding dissimilarity between closing balance of cash and cash equivalents for the year ended on 2011and opening balance of the same for the year ended on 2012 in the cash flow statement for the year ended on December 31, 2012

Reply on Query:

This is a printing mistake. Cash and Cash equivalents at beginning of the year 2011 was Tk. 1,060,194,613 and it was not printed in the cash flow statement. Now it has been corrected (Attachment-A).

BSEC Query:

At page 43, explanation regarding excess of management expense

Reply on Query:

There is a permissible limit of management expense as set by Insurance Rules 1958 (Rule 10A), which is totaling of 90% of 1st year business and 15% of renewal business. The management expenses exceeded the limit due to severe falling of 1st year business and decrease of persistency of renewal premium of the Company compared to previous year.

BSEC Query:

At page 15 in the accounts (Note no.14 of the notes to the financial statements), dissimilarity between figure shown in the headline "Investment (at cost)" and summation of investment.

Reply on Query:

This is a printing mistake. The actual figure of investment is 927,595,741 instead of 1034,987,341, which is shown in the balance sheet. Actually there have been no effects in the accounts due to the above printing mistake.

However, we regrets for the above inconveniences.

Sd/-

Noor Mohammed Bhuiyan

Managing Director

Dated- 20 October 2013

Sd/-

Shafiq Basak & Co

Chartered Accountant

Dated- 20 October 2013



SHAFIQ BASAK & CO.
Chartered Accountants

RUPALI LIFE INSURANCE COMPANY LIMITED
Cash Flow Statement (Revised)
For the year ended 31 December 2012

	2012 Taka	2011 Taka
a Cash flow from operating activities		
Collection from premium	1,452,580,944	1,528,352,148
Other income received	3,980,743	6,499,853
Payment for death claims, survivals, surrenders etc.	(569,596,633)	(452,649,390)
Payment for reinsurances, management expenses and others	(716,550,927)	(939,947,266)
Net cash received from operating activities	170,414,127	142,255,345
b Cash flow from investing activities		
Investments made	(1,117,135,782)	(155,259,523)
Sale of investments	936,300,183	-
Acquisition of fixed assets	(10,582,266)	(29,025,865)
Disposal of fixed assets	1,427,202	2,360,885
Advance income tax paid	(32,371,195)	(22,945,955)
Loan against policies paid	(19,447,222)	(16,640,325)
Loan against policies realized	6,534,614	8,419,696
Other loans and advance paid	(95,694,941)	(15,937,142)
Other loans and advance realized	18,197,227	33,711,983
Interest, dividend and rent received	160,726,057	72,851,602
Net cash used in investing activities	(152,046,123)	(122,464,644)
c Cash flow from financing activities		
Share capital issued (IPO)	-	-
Net cash received from financing activities	-	-
d Net increase in cash and cash equivalents (a+b+c)	18,368,004	19,790,701
e Cash and cash equivalents at beginning of the year	1,079,985,314	1,060,194,613
f Cash and cash equivalents at end of the year(d+e)	1,098,353,318	1,079,985,314

Sd/-	Sd/-	Sd/-	Sd/-	Sd/-
Biswajit Kumar Mondal	Noor Mohammed Bhuiyan	Abdul Matin	Engr Dewan Nuruzzaman	Mahfuzur Rahman
Dy. Managing Director	Managing Director	Director	Vice Chairman	Chairman

Sd/-
SHAFIQ BASAK & CO.
Chartered Accountants

**Length of time during which the issuer has carried on business**

Rupali Life Insurance Company Limited incorporated as a public limited Company under the Companies Act, 1994 and commencement its business on 28th December, 1999 and since then the company is continuing its business operation. The Company is operating in the industry more than 13 years.

Implementation Schedule

The fund that will be raised from issuing rights share will be used normal business operations of the company. Use of rights share proceeds and implementation schedule is as follows:

The total rights issue proceeds will be utilized as follows:

Sl	Use of rights share proceeds (Proposed)	Amount in BDT	Tentative time
1	Investment in Govt. treasury Bond	100,000,000	Within 1 week after receiving rights issue fund
2	Investment in Capital Market	65,000,000	Within 1 week after receiving rights issue fund
3	Business expansion*	190,494,090	As per schedule mention below
4	Rights Issue Expense	4,755,030	Time to time when required during rights share issue processing
Total		360,249,120	

*The proceeds of offering will be utilized as per direction of Board of Directors of the Company for business expansion in future such as

Projected schedule for business expansion

Sl	Particulars	Projected Cost (Amount in BDT)	Implementation Schedule
1	Payment of 05 (five) installment against floor purchase at 94 Sheikh Mujib Road Agrabad, Chittagong	35,520,000(Not-1)	Installment will be started after 7 (seven) days of receiving rights issue proceed and will be completed on 30/12/2014 as per schedule mentioned in the vendors agreement
2.	Investment in Bangladesh Govt. Treasury Bond	30,000,000	Within 01(one) months after receiving rights issue fund
3	Investment in fixed deposit with Bank & Financial Institutions.	124,974,090	Within 01(one) months after receiving rights issue fund
Total		190,494,090	

Note: Total purchase price of floor situated at 94 Sheikh Mujib Road Agrabad, Chittagong is Tk. 131,040,000 (Thirteen crore ten lac forty thousand Only). Out of which 06 (six) installments amounting BDT 95,520,000 (Nine Crore fifty five lac twenty thousand) out of 11 installment already paid. Remaining of 05 (five) installments amounting BDT 35,520,000 will be paid from rights share issue proceeds.

The above allocation of investment has been made as per guideline of Rule 10A of Insurance Rules 1958.

Quantity of shares held by each director and persons who hold 5% or more of the paid-up share capital of the issuer on the date of the rights share offer document.

The quantity of shares held by each director and persons who hold 5% or more of the paid-up share capital as on the date of Rights Share Offer document is as follows:

a. Directors

Quantity of shares held by each Director and persons who hold 5% or more of the paid up share capital of the Issuer on the rights share offer document date

Sl. No.	Name	Status	Represented by	No. of shares held as on right share offer documented	Paid up Capital (no of share) as on rights share offer document date	Each Director Share holding Percentage in the paid up capital before rights issue	Subscription by each director @ 1R:1 Basis	No. of shares held by the each director after subscription of right share proportionately (@ 1R:1)	Paid Up capital after rights Issue	Each Director Share holding Percentage in the paid up capital after rights issue
				After Considering 12% Stock Dividend for the year end 31 December 2012	in figure	(%)				(%)
1	Mr. Mahfuzur Rahman	Chairman	Self	754,639	12,008,304	6.28	754,639	1,509,278	24,016,608	6.28
2	Engr. Dewan Nuruzzaman	Vice Chairman	Self	291,661	12,008,304	2.43	291,661	583,323	24,016,608	2.43
3	Mr. Abdul Azim (Represented by Alternate Director Mr. Abdul Matin)	Sponsor Director	Self (Alternate Director of Abdul Azim)	583,322	12,008,304	4.86	583,322	1,166,644	24,016,608	4.86
4	Mrs. Shazia Ahmed Sony	Sponsor Director	Self	330,276	12,008,304	2.75	330,276	660,552	24,016,608	2.75
5	Mr. Monirul Hasan Khan	Sponsor Director	Self	349,436	12,008,304	2.91	349,436	698,872	24,016,608	2.91
6	Mrs. Ben Afroz	Sponsor Director	Self	280,896	12,008,304	2.34	280,896	561,792	24,016,608	2.34
7	Mr. Abdullah Jamil Matin	Sponsor Director	Self	368,253	12,008,304	3.07	368,253	736,506	24,016,608	3.07
8	Mrs. Mahmuda Mahfuz	Sponsor Director	Self	243,868	12,008,304	2.03	243,868	487,736	24,016,608	2.03
9	Mr. Md. Alamgir	Sponsor Director	Self	255,360	12,008,304	2.13	255,360	510,720	24,016,608	2.13
10	Mr. Mohammed Amirul Islam	Sponsor Director	Self	240,750	12,008,304	2.00	240,750	481,500	24,016,608	2.00
11	Mr. Aminur Rahman Khan	Shareholder Director	Self	1,277	12,008,304	0.01	1,277	2,554	24,016,608	0.01
12	Mrs. Shanaj Begum	Shareholder Director	Self	1,277	12,008,304	0.01	1,277	2,554	24,016,608	0.01
13	Mrs. Sabita Ferdousi	Shareholder Director	Self	18,514	12,008,304	0.15	18,514	37,027	24,016,608	0.15
14	Mr. Shafigul Islam Ripon	Shareholder Director	Self	1,596	12,008,304	0.01	1,596	3,192	24,016,608	0.01
15	Mr. Md. Shamim Khan	Independent Director	Self	3,051	12,008,304	0.03	3,051	6,102	24,016,608	0.03
16	Mr. Md. Delwar Hossain, FCA	Independent Director	Self	Nil	12,008,304	Nil	Nil	Nil	24,016,608	nil
17	Mr. Abdul Hamid, FCA	Independent Director	Self	Nil	12,008,304	Nil	Nil	Nil	24,016,608	nil
18	Mr. Muhammad Amir Kazim, ACA	Independent Director	Self	Nil	12,008,304	Nil	Nil	Nil	24,016,608	nil
19	Mr. Noor Mohammed Bhuiyan	Managing Director	Self	Nil	12,008,304	Nil	Nil	Nil	24,016,608	nil
Total Shareholdings(%) by the Directors						31.01				31.01


b. Sponsors

Sl. No.	Name	Status	Represented by	No. of shares held as on right share offer document date	Paid up Capital as on rights share offer document	Each Director share holding (%) in the paid up capital before rights issue	Subscription by the each director @1R: 1 basis	No. of shares held after subscription of right share offer document	Paid Up Capital after Right share	Each Director Share holding Percentage in the paid up capital after rights issue
				After Considering 12% Stock Dividend for the year end 31 December 2012	in figure					
1	Mrs.Kamrunnessa Jharna	Sponsor	Self	129,761	12,008,304	1.08	129,761	259,522	24,016,608	1.081
2	Mr.Md.Helal Uddin	Sponsor	Self	169,663	12,008,304	1.41	169,663	339,326	24,016,608	1.413
3	Mrs.Parvez Akhter Khanam	Sponsor	Self	32,022	12,008,304	0.27	32,022	64,044	24,016,608	0.267
4	Mrs.Safia Rahman Diba	Sponsor	Self	56,000	12,008,304	0.47	56,000	112,000	24,016,608	0.466
5	Mr. Pankaj Kumar Sarker	Sponsor	Self	166,443	12,008,304	1.39	166,443	332,886	24,016,608	1.386
Total Shareholdings(%) by the Sponsor						4.61				4.61
Grand Total Shareholdings (%) by the directors and Sponsors (a+b)										35.63
Total of Shareholder director										0.19
Total of Sponsor, Director excluding shareholder director										35.44
Public Shareholding %										64.56

Summary

Particulars	(%)
Total Shareholdings (%) by the sponsors and sponsor directors excluding shareholder directors	35.44
Add: Total public shareholding position as on 31 October 2013	
Govt. (%)	0
Institute (%)	0
Foreign (%)	0
Public (%)	64.56
Total public shareholding (in %)	64.56
Total shareholding percentage of the Company (A+B)	100%



Names, addresses, descriptions, occupations of Directors, Managing Director, Managers, Company Secretary

Directors

SL	Name	Description			Occupation	Address
		Status in the Company	Age	Educational Qualification		
1	Mr. Mahfuzur Rahman	Chairman	40	M.Com (Marketing)	Business	Flat # A-2, House # 09, Road # 06, Gulshan-1, Dhaka
2	Engr. Dewan Nuruzzaman	Vice Chairman	56	B.SC Engr. (BUET)	Business	43 M/B, Indira Road, West Raza Bazar, Dhaka
3	Mr. Abdul Matin (Alternate Director of Abdul Azim)	Sponsor Director	66	B.Sc. (Textile) from USA	Business	CWS (B)-73, Road # 25, Gulshan, Dhaka.
4	Ms. Shazia Ahmed Sony	Sponsor Director	33	LLM	Business	House # 19, Road # 4, Block # F, Banani, Dhaka.
5	Mr. Monirul Hasan Khan	Sponsor Director	42	M.Sc (Fisheries)	Business	House # 18, Road # 2, Section # 7, Uttara, Dhaka.
6	Mrs. Ben Afroz	Sponsor Director	47	M.A in Political Science	Business	342, Segun Bagicha, Dom Inno Altura, Flat # A-16, Dhaka.
7	Mr. Abdullah Jamil Matin	Sponsor Director	30	MBA	Business	CWS(B)-73, Road # 25, Gulshan, Dhaka.
8	Mrs. Mahmuda Mahfuz	Sponsor Director	36	M.A. in Economics	Business	Flat # A-2, House # 09, Road # 06 ,Gulshan-1, Dhaka.
9	Mr. Md. Alamgir	Sponsor Director	61	H.S.C	Business	8/6 Lalmatia, Block # C, Shahjalal Rose, Flat # A-2, (2 nd floor), Dhaka.
10	Mr. Mohammad Amirul Islam	Sponsor Director	57	M.A	Business	Rangs Malancho, House # 68, Road # 6A, Flat # A4, Dhanmondi, Dhaka
11	Mr. Aminur Rahman Khan	Shareholder Director	59	S.S.C	Business	Vill: Matuail, PO: Matuail PS: Jatrabari , Dhaka
12	Mrs. Shanaz Begum	Shareholder Director	42	S.S.C	Business	426 Saheenbag, Old Airport Road, Tejgaon, Dhaka.
13	Ms. Sabita Ferdousi	Shareholder Director	44	M.A	Business	Rangs Malancho, House # 68, Road # 6A, Flat # A4, Dhanmondi, Dhaka
14	Mr. Md. Shafiqul Islam Ripon	Shareholder Director	42	B.Com	Business	15/1 Jahurabad Darus Salam, Mirpur-1, Dhaka.
15	Mr. Md. Shamim Khan	Independent Director	51	M.Com (Marketing)	Business	6/7, Segun Bagicha, F-C-3, DOM INNO Eldora, Dhaka
16	Mr. Md. Delwar Hossain, FCA	Independent Director	47	FCA	Business	House -379, North Goran, Khilgaon, Dhaka-1219
17	Mr. Abdul Hamid, FCA	Independent Director	47	FCA	Business	Vill: Jahanabad, P.O: Baghra P.S: Sreenagar, Munshighonj
18	Mr. Muhammad Amir Kazim, ACMA	Independent Director	40	ACMA	Business	17/C, Ranking Street, Wari, Dhaka1203
19	Mr. Noor Mohammed Bhuiyan	Managing Director	52	MBA	Business	Al Baraka Tower, Flat-D1, 11 th Floor, 252, Elephant Road, Dhaka-1205

**Managing Director, Managers & Company Secretary****Management**

SI	Name	Department	Description				Address
			Status in the Company	Age (yrs)	Educational qualification	Occupations	
1	Mr. Noor Mohammed Bhuiyan	-	Managing Director	52	MBA	Service	Village-Majhir Char, PO-Mohajir Sonargaon Dist- Narayanganj.
2	Mr. Md. Golam Kibria	Admin & Establishment	Deputy Managing Director	45	MSS & MBA	Service	Village-Musapur, PO-Osmania, Dist- Chittagong
3	Mr. Biswajit Kumar Mondal	Company Secretary	Deputy Managing Director	52	M.Com, MBA, ABIA, FMAAT	Service	Village-Moukhali, PO-Mithakhal Dist- Bagerhat
4	Mr. Md. Rejaul Hossain Khan	Training	Chief Consultant	67	M.Sc.	Service	Village-Suktagram, PO-Suktagr Dist- Gopalganj
5	Mr. Md. Mozammel Hossain	Development (Admin)	Senior Executive Vice President	49	M.Com	Service	Village-Motua, PO-Chagalnaiya Dist- Feni
6	Mr. Md. Omar Faruque Sohel	Information Technology	Executive Vice President	31	B.Sc. in CSE	Service	Village-Raikhali Bazar, PO-Cho Kaptai Dist- Rangamati
7	Mr. Mohammad Habibur Rahman Patoary	Finance & Accounts	Joint Executive Vice President (CFO)	37	M.Com, CA (Inter)	Service	Village-North Jamuar, PO-Muns Dist- Feni
8	Mr. Md. Khalid Saifullah	Establishment & Admin	Vice President	33	M.A	Service	1567, College Road, Satpai, Sadar, Netrokona
9	Mr. Md. Abdullah	Underwriting & Claims	Vice President	37	MBA	Service	Village-Charsuvi, PO-Daulatkhan, Dist- Bhola
10	Mr. Mohammad Shafiqur Rahman	Audit	Vice President	50	M.Com, ABIA	Service	Village-Malvail (Konapara), PS-Demra, Dist- Dhaka

**Name of public listed companies under common management**

Rupali Life Insurance Company Limited has no public listed company under its common management. However, there are some common directors with other listed companies as stated below:

SI	Name of the directors of Rupali Life Insurance Company Limited	Director of other listed companies
1	Mr. Abdul Matin (Alternate Director of Mr. Abdul Azim)	1. Modern Dyeing & Screen Printing Limited 2. Northern General Insurance Co. Limited
2	Mr. Abdullah Jamil Matin	Modern Dyeing & Screen Printing Limited
3	Mr. Engr. Dewan Nuruzzaman	Modern Dyeing & Screen Printing Limited

Name address of the underwriters along with number of shares they will underwrite

The rights issue is fully underwritten by the following underwriter:

Name of Underwriter	Address	No. of shares underwritten	Offer Price	Amount in Taka
Prime Finance Capital Management Limited	63, Dilkusha C.A., Dhaka-1000	12,008,304	BDT 30 per share	360,249,120

Name and Address of the Issue Manager, Auditor, Legal advisor and Bankers to the Issue

Name of the Parties	Address
Issue Manager	Prime Finance Capital Management Limited 63, Dilkusha C/A, Dhaka-1000
Auditor	SHAFIQ BASAK & CO. Chartered Accountants Shatabdi Center (6 th Floor), 292, Inner Circular Road, Fakirapool, Motijheel C.A., Dhaka-1000
Legal Advisor	A. F Hasan Arif & Associated Suit # C-2/12, Al – Baraka Tower, 252, Elephant Road, Dhaka-1205
Bankers to the Issue	1. Bank Asia Limited Rangs Tower (2 nd to 6 th Floor), 68 Purana Paltan, Dhaka-1000 2. BRAC Bank Limited 1, Gulshan Avenue Gulshan -1 Dhaka 1212

Particulars of material contract

RLICL has entered into agreements with Issue Manager, Underwriter and Bankers to the Issue for the Rights Issue and Vendors for purchasing land and property. Particulars along with the terms and conditions of the contracts are given below:

A. Issue Management

Name of Issue Manager	Adders
Prime Finance Capital Management Limited	63 Dilkusha C.A., Dhaka 1000

Significant clauses of **issue management agreement** are as follows:

- Scope of services**

The scope of the services to be rendered by the Issue Manager to the Issuer under this agreement shall be as detailed hereunder:

Preparation Rights Offer Document

- Incorporation of statutory information along with audited accounts and credit rating report
- Drafting of Offer Document

Regulatory compliance

- Preparation of all necessary papers and deeds for submission to the BSEC for making the RIGHTS ISSUE effective
- Filing of offer document to the BSEC
- Incorporation of modification suggested by the BSEC



- Obtaining approval from the BSEC within the stipulated time

Underwriting

- Preparation of Company brief for the Underwriters
- Documentation/preparation of underwriting agreement etc.,
- Select Underwriters for underwriting of proposed Rights Issue

Subscription

- Selection of Banker to the Issue in consultation with the Issuer
- Supervising the distribution of offer documents to the shareholders

Listing

- Filing of application for listing with Stock Exchange(s) where it is already listed. The Issue Manager will also coordinate the post issue work as required by the Issuer.

Notwithstanding the above, if any other services required but not listed here in above to effect RIGHTS ISSUE shall be performed by the same.

- **Fees**

The Issuer commits to pay the Issue Manager a rights issue management fee of **Tk. 800,000 (eight lac)**

B. Underwriter

Sl. No.	Name of Underwriter	Address
A.	Prime Finance Capital Management Limited	63, Dilkusha C.A., Dhaka-1000.

Significant clauses of the **underwriting agreement** are as follows:

- The underwriter shall underwrite the total amount of rights offering of **12,008,304** ordinary shares of **Tk. 30 each including Tk. 20 as premium total amount of BDT 360,249,120**
- The underwriter shall be liable for making payment for the unsubscribed portion of the rights issue within fifteen days from receiving letter from the issuer for such payment.
- The liability of the underwriters shall be in proportion to but not exceeding the shares agreed to be underwritten.
- Company shall within 10 (ten) days of the closure of subscription call upon the underwriter to take-up the unsubscribed shares.
- Underwriter should pay for in cash in full for such unsubscribed shares within 15 (fifteen) days after being called upon to do so.
- The Company shall pay the underwriter an underwriting commission of **0.25%** on the amount of underwriting.

Bankers to the issue

BRAC Bank Limited and **Bank Asia Limited** has accorded their consent to act as the Banker to the Issue and will receive the subscription amount of rights share in cash/cheque/pay order/draft, etc. through their designated branches as mentioned below:

BRAC BANK LIMITED

1. Asad gate Br. Dhaka
2. Bashundhara Br. Dhaka
3. Donia Br. Dhaka
4. Eskaton Br. Dhaka
5. Graphics Building Br. Dhaka
6. Manda Br. Dhaka
7. Mirpur Br. Dhaka
8. Narayanganj Br. Narayanganj
9. Nawabpur Br. Dhaka
10. Rampura Br. Dhaka
11. Shyamoli Br. Dhaka
12. Uttara Br. Dhaka
13. Agrabad Br. Chittagong
14. CDA Avenue Br. Chittagong

15. Halishahar Br. Chittagong
16. Kazirdeuri Br. Chittagong
17. Momin Road Br. Chittagong
18. Bogra Br. Bogra
19. Rajshahi Br. Rajshahi
20. Jessore Br. Jessore
21. Khulna Br. Khulna
22. Barisal Br. Barisal
23. Zindabazar Br. Sylhet

BANK ASIA LIMITED

1. Principal Office Branch, Dhaka
2. MCB Dilkusha Branch, Dhaka
3. Gulshan Branch, Dhaka

4. Scotia Branch, Dhaka
5. MCB Banani Branch, Dhaka
6. North South Road Branch, Dhaka
7. Dhanmondi Branch, Dhaka
8. Mirpur Branch, Dhaka
9. Shantinagar Branch, Dhaka
10. MCB Sk. Mujib Road Branch, Chittagong
11. CDA Avenue Branch, Chittagong
12. Sylhet Main Branch, Sylhet
13. Rajshahi Branch, Rajshahi
14. Bogra Branch, Bogra
15. Khulna Branch, Khulna

Significant clauses of **Bankers to the Issue agreement** are as follows:

- The Bank shall collect through its nominated branches Rights Share subscription money against Rights Share Offering of the Company.
- The Bank shall collect Rights Share subscription money Subject to the approval from the Bangladesh Securities and Exchange Commission for Rights Share Offering of the Company.
- The Company shall pay commission to the Bank at the rate of **0.10 %** of the amount of subscription money to be collected.
- The Company shall comply with any other formalities required under law of the land, for raising fund publicly.
- The Bank shall provide the Rights Share Application Forms to the Company and transfer the subscription money after realizing the agreed charges and commission to the designated bank STD account within 05 (five) days of closing of the Rights Share subscription.
- In case of failure by the Bank to pay for the collection amount within the stipulated time, the Company will be under no obligation to pay any bankers to the issue commission under this Agreement.



The rights issue subscription money collected from the shareholders by the Bankers to the Issue will be remitted to the **STD Account no 1505200344854002** with **BRAC Bank Limited**.

Commission of Bankers to the issue

The Bankers to the Issue will get a commission @ **0.10%** on the total amount to be collected by them.

Contract for acquisition of property plant and equipment

- a. Rupali Life Insurance Company Limited purchased 10 decimal land at Sandwip Bangladesh an amount of **Tk. 20,76,552/-** (Taka twenty lac seventy six thousand five hundred fifty two only) which include deed value Tk. 4,50,000, registration cost Tk. 94,610 and Development cost Tk. 15,31,942. The khatian no is B.S. 1403 and Dag no 10,144 and 10,145 at Haramiah mouza, Swandip.

In this regard an deed of agreement was executed (Deed no. 3199) between **Rupali life Insurance Company Limited** with **Mst. Minara Begum, Vill: Harishpur, Swandip, Chittagong on 22.10.2003**. The mutation of the above said land was completed on 19.04.2007. The land is currently is in vacant position and will be used for development of office building at that region in future with due course. As per revaluation report, the revalued price of the said land is **Tk. 30,00,000** (Taka thirty lac)

- b. Rupali Life Insurance Company Limited purchased 9.12 decimal land at Kakrail, Dhaka, Bangladesh an amount of **Tk. 9,50,68,910** (Taka Nine crore fifty lac sixty eight thousand nine hundred ten only) which include deed value **Tk. 7,31,00,000** registration cost **Tk. 1,41,71,910** and borrowing cost **Tk. 77,97,000**. The khatian no is 795 and Dag no. 5969 at 50 Kakrail.

In this regard an deed of agreement was executed (Deed no. 7890) between **Rupali life Insurance Company Limited** with **Mohsena Begum & Others, 55/A, Siddeswari lane, Aziz Place, Flat 502, Shantinagar, Dhaka on 09.11.2008**. The mutation of the above said land was completed on **05.04.2010**. The Construction of corporate office on that land is going on. As per revaluation report, the revalued price of the said land is **Tk. 30,01,20,000** (Taka thirty crore one lac twenty thousand only).

- c. Rupali Life Insurance Company Limited purchased 5 Katha land at Khulna Development Authority, Khulna, Bangladesh an amount of **Tk. 65,25,000/-** (Taka Sixty five lac twenty five thousand only) which include deed value **Tk. 50,00,000** registration cost **Tk. 15,25,000**. The khatian no is 29 and Dag no. 18, mouza Denarabad, Batiaghata, Khulna.

In this regard an deed of agreement was executed (Deed no. 4343) between **Rupali life Insurance Company Limited** with **Md. Nurul Amin, Khulna on 18.11.2007**. The mutation of the above said land is under process. The land is currently is in vacant position and will be used for development of office building at that region in future with due course. As per revaluation report, the revalued price of the said land is **Tk. 2,23,50,000** (Taka two crore twenty three lac fifty thousand only).

- d. Rupali Life Insurance Company Limited purchased a plot of 10 Katha land at East West Property Development, Dhaka, Bangladesh by an amount of **Tk. 73,00,000/-** (Taka Seventy three lac only) which include only deed value **Tk. 73,00,000**. **Registration of the said plot yet to be completed**. The said plot is situated at plot no 1029, Block-I, Bashundhara, Baridhara project.

In this regard an allotment letter was provided (Allotment no. P2-41382) by East West Property development authority on **09.05.2004**. The mutation of the above said land is under process. The land is currently is in vacant position and will be used for development of office building at that region in future with due course.

- e. Rupali Life Insurance Company Limited purchased 14 decimals land at Naogaon, Bangladesh an amount of **Tk. 16,96,000/-** (Taka Sixteen lac ninety six thousand only) which include deed value **Tk. 15,28,000** registration cost **Tk. 168,000**. The khatian no. of the said land is 36 and Dag no. 18 & 19, mouza Chakbaram, P.S.- Naogaon, Dist- Naogon, Bangladesh.

In this regard an deed of agreement was executed (Deed no. 8129) between **Rupali life Insurance Company Limited** with **Md. Motahar Hossain (ID no-6426001593490) and Md. Mofazzal Hossain (ID no- 6426001110188) on 25.09.2011**. The mutation of the above said land is under process. The land is currently is in vacant position and will be used for development of office building at that region in future with due course.

- f. Rupali Life Insurance Company Limited purchased floor space of 12,480 sft at S.B. Trade center, 94 Sheikh Mujib Road, Agrabad, Chittagong, Bangladesh by an amount of **Tk. 13,10,40,000/-** (Taka thirteen crore ten lac forty thousand only). The Company paid to the seller totaling **Tk. 6,92,72,041** which includes deed value **Tk. 6,55,20,000** and registration and other costs **Tk. 37,52,041**. The outstanding amount will be paid by December 2014 within 11 installments. The khatian no. of the said floor space is BS 339 and Dag no. BS 45, mouza- Mugoltuli, P.S.- Double Mooring, Dist- Chittagong, Bangladesh.

In this regard a deed of agreement was executed (Deed no. 2818) between **Rupali life Insurance Company Limited** with **NJS Properties and Development Company Ltd on 15.02.2012**. The mutation of the above said floor space is under process. The above floor space will be used for official purpose.



- g. An agreement for rental of office space at Rupali Bima Bhaban (6th, 8th, 9th & 11th floor), 7, Rajuk Avenue, Motijheel C/A, Dhaka-1000" was executed between **Rupali Life Insurance Company Limited** and **Rupali Insurance Ltd.**, details of which is stated below:

Sl	Location	Measuring floor area	Validity of the deed	Rental per month (Tk.)
1	6 th floor	3,015 sft	31 December 2014	105,525
2	8 th floor	3,015 sft	30 April 2015	135,675
3	9 th floor	3,015 sft	31 December 2013	69,345
4	11 th floor	3,015 sft	30 June 2014	105,525

All other regional office of the RLICL are operated in rented premises in different location of the country.

Directors' take-up in the rights offer

Directors are willing to exercise in full their portion of rights offer. Numbers of shares to be subscribed by the directors are as under:

Sl. No.	Name	Status	Represented by	No. of shares held as on right share offer documented	Directors agreed to Subscribe @ 1R:1 Basis subject to approval of regulatory authority	No of Share to be renounced by each Directors	After renunciation directors shareholdings position would be	After proposed rights offer each director shareholding position would be	Signature
				After Considering 12% Stock Dividend for the year end 31					
1	Mr. Mahfuzur Rahman	Chairman	Self	754,639	754,639	Nil	754,639	1,509,278	Sd/-
2	Mr. Engr. Dewan Nuruzzaman	Vice Chairman	Self	291,661	291,661	Nil	291,661	583,323	Sd/-
3	Mr. Abdul Azim (Represented by Alternate Director Mr. Abdul Matin)	Sponsor Director	Self (Alternate Director of Abdul Azim)	583,322	583,322	Nil	583,322	1,166,644	Sd/-
4	Mrs. Shazia Ahmed Sony	Sponsor Director	Self	330,276	330,276	Nil	330,276	660,552	Sd/-
5	Mr. Monirul Hasan Khan	Sponsor Director	Self	349,436	349,436	Nil	349,436	698,872	Sd/-
6	Mrs. Ben Afroz	Sponsor Director	Self	280,896	280,896	Nil	280,896	561,792	Sd/-
7	Mr. Abdullah Jamil Matin	Sponsor Director	Self	368,253	368,253	Nil	368,253	736,506	Sd/-
8	Mrs. Mahmuda Mahfuz	Sponsor Director	Self	243,868	243,868	Nil	243,868	487,736	Sd/-
9	Mr. Md. Alamgir	Sponsor Director	Self	255,360	255,360	Nil	255,360	510,720	Sd/-
10	Mr. Mohammed Amirul Islam	Sponsor Director	Self	240,750	240,750	Nil	240,750	481,500	Sd/-
11	Mr. Aminur Rahman Khan	Shareholder Director	Self	1,277	1,277	Nil	1,277	2,554	Sd/-
12	Mrs. Shanaj Begum	Shareholder Director	Self	1,277	1,277	Nil	1,277	2,554	Sd/-
13	Mrs. Sabita Ferdousi	Shareholder Director	Self	18,514	18,514	Nil	18,514	37,027	Sd/-
14	Mr. Shafiqul Islam Ripon	Shareholder Director	Self	1,596	1,596	Nil	3,051	6,102	Sd/-
15	Mr. Md. Shamim Khan	Independent Director	Self	3,051	3,051	Nil	3,051	6,102	Sd/-
16	Mr. Md. Delwar Hossain FCA	Independent Director	Self	Nil	Nil	Nil	Nil	Nil	Sd/-
17	Mr. Abdul Hamid FCA	Independent Director	Self	Nil	Nil	Nil	Nil	Nil	Sd/-
18	Mr. Muhammad Amir Kazim ACMA	Independent Director	Self	Nil	Nil	Nil	Nil	Nil	Sd/-
19	Mr. Noor Mohammed Bhuiyan	Managing Director	Self	Nil	Nil	Nil	Nil	Nil	Sd/-

**utilization of fund raised by Initial Public Offering (IPO)**

The Company went for public offering in the year 2009 to raise fund amounting Tk. 45,000,000 to investment, enhance capital base as well as fulfilling regulatory requirement. The fund raised through the public offering was fully utilized for meeting the said purpose. The statement of fund utilization is given below:

Break-up of utilization of fund (IPO and pre-IPO placement)

SI	Particulars	Amount in Taka
Receipt of fund		
1	From IPO	45,000,000
2	Premium	0
Total		45,000,000
Utilization of fund		
1	Investment	45,000,000
Total		45,000,000

After IPO the company did not declared any rights share offer to its ordinary shareholder except this offer.



Offer Letter and Forms

Rupali Life Insurance Company Limited

Rupali Bima Bhaban (9th floor),
7, Rajuk Avenue, Motijheel C/A, Dhaka-1000

Folio No :
Name :

Date: After Record date

Letter of Offer for Rights Issue

Dear Shareholder(s)

We are pleased to inform you that the Board of Directors at its 125st meeting held on 27 June 2012 recommended to issue Rights Shares in the ratio of **1R:1 i.e. one rights share for every one ordinary shares** held which was approved by the Shareholders in the Annual General Meeting held on 8 August 2012. As a registered shareholder of ordinary shares as on 16/01/ 2014, you are entitled to ordinary shares of **Tk. 30 each including Tk. 20 as premium**.

If you wish to accept the above Rights Share in full or in part, you are required to submit completed "Application Form-A" annexed hereto with necessary payments.

You may, however, renounce your rights in respect of all or part of your entitlement in favour of others in which case the "Renunciation Form-B" annexed here to be submitted duly filled in by you and the renouncee(s) along with necessary payments.

The rights cannot be exercised for fraction of share i.e. below full unit of share.

All the payments for accepted/renounced shares are to be made in cash or by P.O./DD/Cheque @ **Tk 30 per share (including Tk. 20 as premium)** and to be deposited with any of the branches of Banker to the Issue during banking hours from 6/4/2014 to 5/5/2014 (both days inclusive). Any extension of time will be notified through national dailies. Payments through P.O./DD/Cheque payable to "**Rupali Life Insurance Company Limited**" and must be drawn on a bank in the same town where the branch of banker to the issue in which the application form has been submitted is situated.

The offer will be deemed to have been declined if completed "Application Form-A" and/or "Renunciation Form-B" with necessary payments have not been received by 5/5/2014 or by such later date as may be notified through national dailies to that effect.

A self-explanatory Rights Share Offer Documents is attached for your kind information and evaluation.

By order of the Board

Sd/-
(Md. Golam Kibria)
Managing Director (Current Charge)

Application Form-A

Rupali Life Insurance Company Limited

Rupali Bima Bhaban (9th floor),
7. Rajuk Avenue, Motiheel C/A, Dhaka-1000

Rights Issue of 12,008,304 Ordinary Shares of Tk. 30 each including Tk. 20 as premium totaling to Tk. 360,249,120

Last date of acceptance and Application: 5/5/2014

FORM OF ACCEPTANCE AND APPLICATION FOR SHARES

The Managing Director
Rupali Life Insurance Company Limited
Rupali Bima Bhaban (9th floor),
7, Rajuk Avenue, Motiheel C/A, Dhaka-1000

Date:

Dear Sir,

I/We apply for allotment of ordinary shares indicated below in response to your letter dated record date I/We hereby agree to accept the shares as may be allotted to me / us on the term laid down in the letter of offer and made the necessary payment at an issue price of **Tk 30 per share including Tk 20 per Share as premium**

Share Register Folio No.	Shares held as on [record date]	No. of shares offered	Total shares accepted	Total shares applied for (Taka)	Total amount paid

Yours faithfully,

Name (in block):

Signature

Address:.....

Name (in block):

Signature

Address:.....

BO-ID:

[illegible]

As per provision of the Depository Act, 1999 and regulations made thereunder, rights share shall only be issued in dematerialised condition. An applicant must apply for allotment of rights shares mentioning his/her Beneficiary Owner (BO) Account number in the application form.

Note: Signature must be the same as was furnished to the Company earlier.

ACKNOWLEDGEMENT RECEIPT OF SHARE MONEY

Received Tk..... (Taka.....) only from
Mr./Ms..... folio No.....
.....for.....No(s) of rights share in Cash/Payorder/Cheque no..... date
..... of Bank Branch.

Application Sl. No. (Bank's Seal)

Signature of Receiving Officer _____
Date _____



Bankers to the Issue

BRAC Bank Limited

1. Asad gate Br. Dhaka
2. Bashundhara Br. Dhaka
3. Donia Br. Dhaka
4. Eskaton Br. Dhaka
5. Graphics Building Br. Dhaka
6. Manda Br. Dhaka
7. Mirpur Br. Dhaka
8. Narayanganj Br. Narayanganj
9. Nawabpur Br. Dhaka
10. Rampura Br. Dhaka
11. Shyamoli Br. Dhaka
12. Uttara Br. Dhaka
13. Agrabad Br. Chittagong
14. CDA Avenue Br. Chittagong
15. Halishahar Br. Chittagong
16. Kazirdeuri Br. Chittagong
17. Momin Road Br. Chittagong
18. Bogra Br. Bogra
19. Rajshahi Br. Rajshahi
20. Jessore Br. Jessore
21. Khulna Br. Khulna
22. Barisal Br. Barisal
23. Zindabazar Br. Sylhet

Bank Asia Limited

1. Principal Office Branch, Dhaka
2. MCB Dilkusha Branch, Dhaka
3. Gulshan Branch, Dhaka
4. Scotia Branch, Dhaka
5. MCB Banani Branch, Dhaka
6. North South Road Branch, Dhaka
7. Dhanmondi Branch, Dhaka
8. Mirpur Branch, Dhaka
9. Shantinagar Branch, Dhaka
10. MCB Sk. Mujib Road Branch, Chittagong
11. CDA Avenue Branch, Chittagong
12. Sylhet Main Branch, Sylhet
13. Rajshahi Branch, Rajshahi
14. Bogra Branch, Bogra
15. Khulna Branch, Khulna



Rupali Life Insurance Company Limited

Rights Share Offer Document

Renunciation Form-B



Rupali Life Insurance Company Limited
Rupali Bima Bhaban (9th floor),
7, Rajuk Avenue, Motijheel C/A, Dhaka-1000

Rights Issue of 12,008,304 Ordinary Shares of Tk. 30 each including Tk. 20 as premium totaling to Tk. 360,249,120

Last date of acceptance and/or Renunciation: 5/5/2014

FORM OF RENUNCIATION

The Managing Director
Rupali Life Insurance Company Limited
Rupali Bima Bhaban (9th floor),
7, Rajuk Avenue, Motijheel C/A, Dhaka-1000

Date:

Dear Sirs,
I/We hereby renounce my/our rights shares to the share(s) offered to me/us as noted below in favor of person(s) accepting the same and signing below in Application by Renouncee(s) and apply for allotment in his/her/their/names at next page.

Share Register Folio No.	Shares held as on [Record date]	No. of shares offered	No. of shares renounced	Value of shares renounced	Name and address of renounces

Yours faithfully,

Name (in block) :

Signature

Address:.....

BO-ID:

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As per provision of the Depository Act, 1999 and regulations made thereunder, rights share shall only be issued in dematerialised condition. An applicant must apply for allotment of rights shares mentioning his/her Beneficiary Owner (BO) Account number in the application form.

Note: Signature must be the same as was furnished to the Company earlier.



APPLICATION BY RENOUNCEE (S)

Rupali Life Insurance Company Limited
Rupali Bima Bhaban (9th floor),
7, Rajuk Avenue, Motijheel C/A, Dhaka-1000

As the shareholder(s) at pre-page has/have renounced his/her/their rights to the shares offered, in my/our favor, I/We do hereby apply for the number of shares noted above as renounced, by making payment of Tk. being the value of shares at an issue price of **Tk. 30 per share including Tk. 20 per Share as premium.**

Folio No: Folio No:

[illegible]

Note: Signature must be the same as was furnished to the Company earlier.

Bank.....Branch.....

Date:



Due Diligence

Form A

Declaration (due diligence certificate) about responsibility of the Issue Manager in respect of the rights share document

This rights share offer document has been reviewed by us and we confirm after due examination that the rights share offer document constitutes full and fair disclosures about the rights issue and issuer and complies with the requirements of the Securities and Exchange Commission (Rights Issue) Rules, 2006; and the issue price is justified under the provisions of the Securities and Exchange Commission (Rights Issue) Rules, 2006.

For Prime Finance Capital Management Limited

Sd/-

M. Mosharraf Hossain PhD, FCA
Managing Director & CEO

Place: Dhaka

Dated: 28 November 2013

Form B

Declaration (due diligence certificate) about responsibility of the underwriter(s) in respect of the rights share offer document

This rights share offer document has been reviewed by us and we confirm after due examination that the issue price is justified under the provisions of the Securities and Exchange Commission (Rights Issue) Rules, 2006 and also that we shall subscribe for the under-subscribed rights shares within fifteen days of calling thereof by the issuer. The issuer shall call upon us for such subscription within ten days of closure of the subscription lists for the rights issue.

For Prime Finance Capital Management Limited

Sd/-

M. Mosharraf Hossain PhD, FCA
Managing Director & CEO

Place: Dhaka

Dated: 26 August 2013



FORM-C
Securities and Exchange Commission
Right Issue Rules 2006
[See rule 8(1)(h) & 8(1)(i)]

Auditors' report to the shareholders

We have audited the accompanying financial statements for the period from 01.01.2012 to 31.12.2012 of Rupali Life Insurance Co. Ltd in accordance with the International Standards of Auditing as applicable in Bangladesh; and we state that we have obtained all the information and explanations which we have required, and after due verification thereof, we report that, in our opinion:

- (a) These financial statements have been drawn up in accordance with the requirements of the Securities and Exchange Rules, 1987, as amended the Companies Act, 1994 and other relevant laws where applicable; and the International Accounting Standards as applicable in Bangladesh;
- (b) These financial Statements which are in agreement with the Books of Account of the Company give a true and fair view of the state of its affairs as at 31 December 2012 and of the result of its operations and cash flows for the period then ended;
- (c) Proper Books of Account have been kept by the Company as required by the relevant laws; and
- (d) The expenditure incurred was for the purposes of the Company's business.

We also certify that the above company has declared the following dividend for each of the following five years immediately preceding the issue of rights share offer document under the Securities and Exchange Commission (Rights Issue) Rules, 2006, and that the company has duly paid off the following amounts of the declared dividend mentioned against respective year-

Financial year	Date of dividend declaration	Rate		Declared dividend Total Amount (Tk. in mn)	Total paid (Tk. in mn)
		Cash	Stock		
2008	-	Nil	-	-	-
2009	26 July 2010	Nil	10%	7.50	7.50
2010	28 June 2011	Nil	14%	11.55	11.55
2011	27 June 2012	Nil	14%	13.17	13.17
2012	4 July 2013	Nil	12%	12.86	12.86

Place, Dhaka
Date: 26 August 2013

Sd/-
Shafiq Basak & Co
Chartered Accountants

**FORM-D**

[rule 8(t)]

Due diligence certificate by the directors about their personal responsibility in respect of the rights share offer document

This rights share offer document has been prepared, seen, reviewed and approved by us and we collectively and individually accept full responsibility for the accuracy of the information given in the rights share offer document; relevant documents and financial statements submitted to the Commission and others concerned under the Securities and Exchange Commission (Rights Issue) Rules, 2006.

We confirm, after making all reasonable enquiries, that all conditions concerning this rights issue and rights share offer document have been met. We further confirm that we have not concealed any information or statement, which might have any bearing on the information already made.

In case of any default or failure on our part, civil, criminal or administrative action may be taken against us.

Sd/- Mr. Mahfuzur Rahman Chairman	Sd/- Mr. Noor Mohammed Bhuiyan Managing Director	Sd/- Engr. Dewan Nuruzzaman Vice Chairman
Sd/- Mr. Abdul Matin Alternate Director (Representative of Sponsor Director Mr. Abdul Azim)	Sd/- Mrs. Shazia Ahmed Sony Sponsor Director	Sd/- Mr. Abdullah Jamil Matin Sponsor Director
Sd/- Mr. Monirul Hasan Khan Sponsor Director	Sd/- Mrs. Ben Afroz Sponsor Director	Sd/- Mr. Mohammed Amirul Islam Sponsor Director
Sd/- Mrs. Mahmuda Mahfuz Sponsor Director	Sd/- Mr. Md. Alamgir Sponsor Director	Sd/- Mr. Md. Shafiqul Islam Ripon Shareholder Director
Sd/- Mrs. Sabita Ferdousi Shareholder Director	Sd/- Mr. Md. Aminur Rahman Khan Shareholder Director	Sd/- Ms. Shahnaz Begum Shareholder Director
Sd/- Mr. Md. Shamim Khan Independent Director	Sd/- Mr. Md. Delowar Hossain FCA Independent Director	Sd/- Mr. Abdul Hamid FCA Independent Director
Sd/- Mr. Muhammad Amir Kazim ACMA Independent Director		

Place: Dhaka

Date: 8 November 2013

Rupali Life Insurance Company Limited

**Lock-in on rights shares of Directors' and other shareholders holding 5% or more shares**

The rights share of directors and other shareholders holding 5% or more shares shall be subject to lock-in for a period of three years from the date of closure of the rights share subscription. In the event of renunciation of rights share by aforesaid persons, the renounced shares shall also be subject to lock-in for the same period.

Distribution of rights shares

Rights shares will be delivered to the general shareholders' Beneficiary Owner (BO) accounts who applied within subscription period as determined by the issuer within 21 (twenty one) days from the Subscription closing date or time period as prescribed by Bangladesh Securities and Exchange Commission (BSEC) from time to time in their consent letter.

The issuer will credit of rights shares to The underwriters as per Bangladesh Securities and Exchange Commission (BSEC) notification

নং: এসইসি/এসআরএমআইসি/২০০৭-১৮/১১৭৮/২৭০
তারিখ: অক্টোবর ১২, ২০১১

(Annexure-1)

An applicant must apply for allotment of rights shares mentioning his/her BO Account number in the application form.

Credit Rating Report summary***

The summary of Credit Rating Report in connection with Rating of Rupali Life Insurance Company Limited Limited under the Credit Rating Companies Rules, 1996 is given below:

Particulars	Summary on Rating
Credit rating company	Credit Rating Agency of Bangladesh Limited (CRAB)
Ratings	Long Term: BBB ₁
Outlook	Stable
Date of Rating	18 September 2013
Validity Upto	30 June 2014
Rating Based on	Audited Financial Statements up to 31 December 2012

Terms and Conditions of the Rights Offer**Condition of subscription**

01 (One) rights share of Tk. 30 each including **Tk. 20 as premium** is offered against **01 (one) ordinary shares** held by the existing shareholder(s) whose name appeared in the shareholders' register at the close of business on **16/01/2014 (record Date)**.

Entitlement

As a shareholder of the company on the **record date (16/01/2014)** the shareholders are entitled to this Rights Offer. Only the holders of a minimum of one fully paid ordinary shares is entitled to receive the Rights Offer.

Acceptance of rights shares

For acceptance of right share, the **Application Form-A** annexed hereto shall be duly completed and the share price of **Tk. 30 per share including Tk. 20 as premium** to be deposited. Rights can be exercised against all or part of the share(s) held by the applicant.

Renunciation

A shareholder may renounce all or part of the share(s) he/she is entitled to in favour of any other person(s) other than an infant or person of unsound mind. He/she can renounce his/her rights /entitlement of shares by signing **Renunciation Form-B**. Renouncee(s) shall fill in **Renunciation Form-C** appropriately.

Underwriter Obligation

If and to the extent that the shares offered to the existing shareholders by a Rights Share Offer Document 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 underwriters** in writing with a copy of the said writing to the Bangladesh Securities and Exchange Commission, to subscribe the shares not subscribed by the closing date and to pay for in cash in full, inclusive of any premium if applicable, for such unsubscribe 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 his underwriting commitment under this Agreement, until such time as the Cheque/Bank Draft has been encashed and the Bank's account credited.



In any case within **7 (seven)** days after the expiry of the aforesaid **15(fifteen) days**, the Bank shall send proof of subscription and payment by the underwriters to the Commission.

General

All applications should be made on the printed application form provided by the company in this Rights Share offer documents only and should be completed in all respect.

All communication in connection with the application for the Rights Issue should be addressed to the Company quoting the registered folio number /BO ID number in the form.

Payment of share price

Payment for the value of shares applied shall be deposited with any of the designated branches of the bankers to the issue by cash or by way of pay order /draft/cheque payable to “**Rupali Life Insurance Company Limited**” and crossed “**A/C Payee Only**”. The pay order/draft/cheque for payment of share price must be drawn on a bank in the same town where the branch of bankers to the issue to which the application form has been submitted is situated.

Period of subscription

Subscription open: 6-April-2014

Subscription Close: 5-May-2014

Others

The application not properly filled in shall be treated as cancelled and money deposited will be refunded. No profit/compensation will be paid on the refund amount in any circumstances.

Rectification

If the Bangladesh Securities and Exchange Commission (BSEC) raises any objection in any point/matter of the rights share offer document or require any paper/document, the same shall be rectified/made/provided by the issuer as per directives of the BSEC prior to opening of subscription of the rights issue.

Issue of rights share in dematerialize form

As per provision of the **Depository Act, 1999** and regulation made there under, rights share shall only be issued in **dematerialized** condition. An applicant must apply for allotment of rights shares mentioning his/her Beneficiary Owner (BO) Account number in the application form.



সিকিউরিটিজ ও এক্সচেঞ্জ কমিশন
SECURITIES AND EXCHANGE COMMISSION
 JIBAN BIMA TOWER (14,15,16 & 20 FLOOR), 10 DILKUSHA C/A, DHAKA-1000, BANGLADESH

নং: এসইসি/এসআরএমআইসি/২০০৭-১৮/১১৭৮/২৭০
 তারিখ: অক্টোবর ১২, ২০১১

নির্দেশনা

সিকিউরিটিজ ও এক্সচেঞ্জ কমিশন এতদ্বারা দি সিকিউরিটিজ ও এক্সচেঞ্জ অর্ডিন্যান্স ১৯৬৯ এর ২০ A ধারার প্রদত্ত ক্ষমতাবলে সকল তালিকাভুক্ত কোম্পানির জন্য নিম্নরূপ নির্দেশনা জারী করল; যা:

কোম্পানি আইন ১৯৯৪ এর ১৫৫ ধারার অধীন যে সকল সদস্য কোম্পানির রাইট অফার ডকুমেন্ট পাবার অধিকারী হওয়া সত্ত্বেও যথাসময়ে পায়নি তাদের দাখিলকৃত সকল অভিযোগ আপাতী ঘাট্ (৬০) দিনের মধ্যে নিষ্পত্তি করে কমিশনকে অবহিত করবে(বিদ্যমান ও ধার্যকৃত সময়সীমার মধ্যে প্রাপ্ত নতুন অভিযোগ)। উক্ত ঘাট্ (৬০) দিন অতিবাহিত হবার পরে অবিলম্বে অংশ অবলোখকদের হিসাবে কমিশন এর নির্দেশক্রমে জমা প্রদান করা যাবে।

উল্লেখ্য যে, ভবিষ্যতে অনিষ্পন্ন অভিযোগসমূহ উল্লেখিত পন্থায় নিষ্পত্তি করতে হবে এবং উক্ত নির্দেশনা জারীর পরবর্তী সময়ে যে সকল রাইট শেয়ার পাবার অধিকারী সদস্যগণ আপত্তি উত্থাপন করবেন তা সংশ্লিষ্ট কোম্পানি কর্তৃক কমিশনে রাইট শেয়ার ক্রেডিট করার প্রতিবেদন দাখিল করার দিন হতে ঘাট্ (৬০) দিনের মধ্যে নিষ্পত্তি পূর্বক কমিশনকে অনুরূপভাবে অবহিত করবে।

এ আদেশ অনতিবিলম্বে কার্যকর হবে।

সিকিউরিটিজ ও এক্সচেঞ্জ কমিশন এর পক্ষে

অধ্যাপক ডঃ এম. খায়রুল হোসেন
 চেয়ারম্যান



Management Disclosure

Management disclosure regarding compliance to the Corporate Governance Guidelines of Rupali Life Insurance Company Limited as per BSEC Notification No SEC/CMRRCD/2006-158/134/Admin/44 dated 7 August 2012 and subsequent notification dated August 18, 2013

To whom It may concern

We would like to disclose herewith that we have complied to all the conditions and requirement as specified in BSEC Notification No SEC/CMRRCD/2006-158/134/Admin/44 dated 7 August 2012 regarding corporate governance related issues.

It is mentionable here that our compliance status already incorporated in our last annual report as on 31 December 2012.

Sd/-

(Noor Mohammed Bhuiyan)

Managing Director

Date: 26 August 2013



2013

CREDIT RATING REPORT

AAA	
AA2	BBB1
A3	BB2
	CCC1

CRAB RATING PORTRAYAL



CREDIT RATING AGENCY OF BANGLADESH LIMITED



Rating Report (Surveillance) Rupali Life Insurance Company Limited

Ratings	
Long Term :	BBB _i
Outlook :	Stable
Previous Rating	
Date of Rating	Long Term
08 July 2012	BBB _i

Date of Rating: 18 September 2013

Validity: 30 June 2014

Rating Based on: Audited financial statement up to 31 December 2012 and other relevant quantitative as well as qualitative information up to the date of rating declaration.

Methodology: CRAB's Life Insurance Rating Methodology (www.crab.com.bd)

Analysts:

Shahtaj Noor

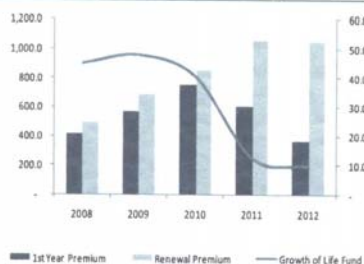
shahtaj.noor@crab.com.bd

Md. Saiful Islam

saiful@crab.com.bd

Financial Highlights

	-Year ended December 31-	
Mil.BDT	2012	2011
1st Year Premium	364.9	606.0
Renewal Premium	1,054.6	1,056.4
Net Premium	1,419.6	1,662.2
Life Fund	2,755.5	2,518.7
Investment	2,500.6	2,184.7
Surplus as at December	161.1	151.3
Investment Yield (%)	6.9	6.0

**Company Profile**

Rupali Life Insurance Company Limited (hereafter called RLICL or the Company) was incorporated in 1999 to carry out life insurance business. RLICL got listed in capital market through public offering of shares in 2009. Now it is listed in both DSE and CSE. The paid up capital of RLICL reached BDT 107.2 million against authorized capital of BDT 1,000.0 million as of December 2012. Presently the Company has 97 service cells and 919 agency offices across the country.

Rationale

Credit Rating Agency of Bangladesh Limited (CRAB) has affirmed the long term rating of Rupali Life Insurance Company Limited at BBB_i (Pronounced Triple B one) based on audited financials and actuarial valuation report up to December 2012 and other relevant information.

Life insurance companies rated BBB_i in long-term belong to "Good Financial Security" cohort, though are more likely to be affected by adverse business conditions than the Insurers with higher ratings.

The rating reflects the Company's strength in moderate level of profitability, moderate growth of life fund. On the other hand, principal concerns of the Company are higher lapse ratio, excess management expense, small market share as well as lower investment yield.

In 2012, first year premium income showed a negative growth, whereas renewal premium remained almost stable. Therefore, net premium of RLIC reduced by 14.6% in 2012 and reached BDT 1,419.6 million. Renewal premium was the main contributing source to net premium of RLIC for last five years with an average of 60.0%.

The growth of life fund was moderated for the last couple of years. However the market share of RLIC in respect of life fund, premium and total asset were still insignificant. In 2012, total management

Signature
Managing Director
Credit Rating Agency
of Bangladesh Ltd.



expense of the Company decreased by 23.4% in 2012 mainly resulted from reduced commission expense. However, it was BDT 222.5 million (45.7%) higher than the allowable management expense limit.

In 2012, Rupali Life settled death claims amounting BDT 29.5 million, among which, claims amounting BDT 27.7 million were paid and the rest were repudiated. The death claim settlement ratio of the Company was 50.1% of its total claims in 2012. Among outstanding death claims, around 61.8% were settled within three months. The company also settled maturity claims amounting BDT 199.6 million in 2012.

Lapse trend of Rupali Life for the last few years shows that policy lapse rate was high in the 2nd year of issue. Around 34.0% of total policies lapsed in the 2nd year of issuance.

The Company invested BDT 2,500.6 million against required investment of BDT 2,710.1 million as of 31st December 2012. There was an investment shortfall of BDT 209.6 million (2011: BDT 288.3 million). Investment portfolio of RLICL included deposits with different banks and financial institutions (39.0% of total), government securities (32.7%), real estate property (13.3%) and quoted shares (4.4%). Investment yield of the Company increased to 6.9% in 2012 from 6.0% in 2011.

Liquid asset to life fund ratio was 39.9% at the end of 2012 with an average of 49.2% for last five years as major assets of the Company were kept in liquid form.

According to the actuarial valuation conducted in 2012, BDT 161.1 million net surplus was available for distribution as bonuses with profit policies and dividend to shareholders including previous unallocated surplus. As per recommendation of actuarial report and in line with profit distribution law of Insurance Act, a sum of BDT 115.6 million was allocated for distribution among the policyholders. It was also recommended that an amount of BDT 12.8 million may be distributed among shareholders as dividend. The return on equity was 12.1% in 2012.

■ CORPORATE REVIEW

Company Profile

Rupali Life Insurance Company Limited was incorporated in 1999 to carry out life insurance business. RLICL got listed in capital market through public offering of shares in 2009. Now it is listed in both DSE and CSE. The paid up capital of RLICL reached BDT 107.2 million against authorized capital of BDT 1,000.0 million as of 31 December 2012. Presently the Company has 97 service cells and 919 agency offices across the country.

Product Mix and Distribution

Currently the company has eight different types of life insurance products, i.e. Ekok bima, Samajik Bima, Islami Bima, Takaful DPS Bima, Rupali DPS Bima, Rupali Khudra Bima, Shariah DPS Bima and Al-Amanat Bima. The Company also has some group Insurance products. However, major portion of revenue of Rupali life came from Islami life (2012: 40.0% of gross premium) followed by Ekok Bima insurance products (22.0% of gross premium). Generally, the Company sells all its insurance products through insurance agents. Major portion of 1st year premium was spent for agency commission and allowances.

Table 1

Premium Distribution of the Company

(Mil. BDT)	--Year ended December 31--				
	2012	2011	2010	2009	2008
First Year Premium	364.9	606.0	751.7	568.8	410.6
Renewal Premium	1,054.6	1,056.4	854.8	690.0	492.0
Group Premium	1.6	2.0	0.4	1.3	0.0
Gross Premium	1,421.1	1,664.4	1,606.9	1,260.1	902.6
First Year Premium as % of Gross Premium	25.7	36.4	46.8	45.1	45.5
Renewal Premium as % of Gross Premium	74.2	63.5	53.2	54.8	54.5

The above exhibit shows that the contribution of renewal premium to gross premium for the last five years was higher compared to that of first year premium. In 2012, 74.2% of gross premium came from renewal premium (with



an average of 60.0% for the last five years). According to the existing rule, 90% of 1st year premium is allowed as management expense whereas only 15% of the renewal premium is allowable in this regard (for companies having more than ten years of operation). Life insurance companies having higher renewal premium are more profitable. RLICL's performance in case of renewal premium income is getting better.

■ OPERATIONAL REVIEW

Growth Analysis

Table 2

Key Performance Indicators

(Mil. BDT)	--Year ended December 31--					
	2012		2011		2010	
	Amount	Growth (%)	Amount	Growth (%)	Amount	Growth (%)
First Year Premium	364.9	(39.8)	606.0	(19.4)	751.7	32.2
Renewal Premium	1,054.6	(0.2)	1,056.4	23.6	854.8	23.9
Net Premium	1,419.6	(14.6)	1,662.2	3.5	1,605.6	27.5
Net Claim	570.1	26.8	449.6	58.7	283.3	63.9
Life Fund	2,755.5	9.4	2,518.7	12.3	2,242.9	40.3
Total Assets	3,193.7	4.7	3,051.1	14.6	2,663.3	56.1

In 2012, 1st year premium of the Company decreased by 39.8% and reached BDT 364.9 million, whereas renewal premium of the Company remained almost stable (BDT 1,056.4 million). As an overall effect, net premium of the Company decreased by 14.6% and reached BDT 1,419.6 million. The growth of net claim was higher for the last three years with an average of 49.8% (2012: 26.8%) mainly resulted from the survival benefit policies followed by matured policies. Life fund of the Company grew by 9.4% in 2012 with an average of 20.7% in the last three years. Total asset of Company reached BDT 3,193.7 million registering a growth of 4.7%.

Market Share

Market share position reflects the ability to exercise underwriting and pricing discipline as well as the risk management effectiveness of a company in managing its business growth. However, life insurance companies in Bangladesh are facing stiff competition mainly because of similar type of products as well as similar type single distribution channel to acquire business. Due to the unavailability of Industry data for the year 2012, market share cannot be calculated for the period.

Table 3

Market Share ¹

(Mil. BDT)	--For the Year 2011--			
	Rupali	Industry ²	Market Share (%)	Market Position (out of 17)
First Year Premium	606.0	17,703.4	3.4	11 th
Renewal Premium	1,056.4	39,674.2	2.7	10 th
Net Premium	1,662.2	58,595.0	2.8	10 th
Net Claim	449.6	16,550.4	2.7	10 th
Life Fund	2,518.7	164,229.5	1.5	11 th
Total Assets	3,051.1	188,547.3	1.6	9 th

In 2011, Rupali Life acquired 3.4% (11th position) and 2.7% (10th position) market share for 1st year premium and renewal premium respectively. In 2011, the market share of the Company in respect of net premium was 2.8% which placed the Company in 10th position in the industry. The market share of both life fund and total asset was 1.5% and 1.6% of the industry till 2011. The Company's market share is still insignificant in comparison with other insurance companies.

¹ Source: Insurance Year Book 2011, published by Bangladesh Insurance Association (Industry information was available up to 2011)

² Industry- Private Sector (excluding JBC)

**Distribution Channel**

The Company has a wide distribution channel across the country with 1,016 offices. Among these, 97 are Service Cell centers and 919 are agency offices. These channels, comprising of more than 12,965 insurance agents offer door to door insurance services to its customers. The selection of location for expanding the distribution network depends on products, customer segments.

Policy Lapse

It is revealed from the analysis that on an average 26.1% of the policies were lapsed in the 1st year of issuance. Policy lapse rate is high in the 2nd year of issue. Around 34.0% of total policies lapsed in the 2nd year of issuance. Low lapse ratio helps the insurance companies to grow life fund rapidly. However, high policy lapse is very common in the life insurance industry in Bangladesh.

The behavior of policy lapses from its issue year to subsequent year are as follows:

Table 5

Lapse Ratio

--Year ended December 31--			
Figures in %	1st Year	2nd Year	Total
2012	27.6		27.6
2011	25.0	45.5	70.5
2010	32.5	33.0	65.5

FINANCIAL REVIEW**Underwriting Quality**

Underwriting quality is a very important for life insurance companies as it poses risk to long term volatility of a company. On the other hand, high competition in the market and first year premium affects the industry as a whole. Generation gap of the firms within the industry also affects the process. Underwriting process of the Company determines whether or not to accept a proposal for insurance and if accepted, the terms and conditions to be applied and the level of premium to be charged. The Company has a structured process for the identification of applicants who are eligible to be accepted at standard rates and conditions. However, there are scopes to strengthen in some areas to mitigate its underwriting risk assessment and devise monitoring tools, such as process for order to make the risk assessment of compliance issues; methods for monitoring compliance with underwriting policies and procedures such as reviews area heads or portfolio management, peer review of policies, in case of re-insurance, audit of the ceding compliance to ensure the reinsurance assumed is in accordance with treaties in place.

Management Expenses

Table 6

Allowable Management Expenses

--Year ended December 31--				
(Mil. BDT)	2012	2011	2010	2009
Allowable Management Expenses	486.8	703.8	803.3	669.8
Actual Management Expenses	709.3	925.7	802.8	635.6
Excess Management Expenses	222.5	221.9	(0.5)	(34.2)
Excess Management Expenses as % of Allowable Expenses	45.7	31.5	(0.1)	(5.1)

Management expense of the Company includes staff salary, agency commission and administrative expense. The Company was allowed to incur management expenses of BDT 486.8 million in 2012 against which the Company incurred BDT 709.3 million which was 45.7% higher than the allowable management expenses. However, actual management expense decreased by 23.4% in 2012 mainly resulted from reduced commission expense. On the other hand, allowable management expense decreased significantly in 2012 mainly resulted from reduced gross premium.

**Claim Settlement**

The Company has separate claim settlement department to monitor and expedite the claim settlement. During 2012, the total death claims amounting BDT 53.0 million was filed. Of the total death claims, BDT 27.7 million were paid during 2012. The Company also repudiated claims amounting BDT 1.8 million in 2012. According to the management, claims are mostly repudiated because of lack of proper documentation or for violation of insurance clauses. In 2012, the claim settlement ratio of the Company was 50.1% whereas claim paid to total claim was 47.1%.

Table 7
Death Claim Settlement

(Mil. BDT)	--Year ended December 31--			
	2012	2011	2010	2009
1) Claims Outstanding at the Beginning of the Year	5.8	3.2	2.1	4.4
2) Claims Lodged during the Year	53.0	24.9	25.8	8.0
3) Total Claims (1+2)	58.8	28.1	27.9	12.4
4) Claims Paid during the Year	27.7	18.9	21.5	7.7
5) Claims Paid as % of Total Claims	47.1	67.1	76.9	62.3
6) Claims Repudiated during the Year	1.8	3.4	3.2	2.5
7) Claims Repudiated as % of Total Claims	3.0	12.2	11.6	20.5
8) Claims Settled during the Year (4+6)	29.5	22.3	24.7	10.3
9) Claims Settled as % of Total Claims	50.1	79.3	88.5	82.7
10) Claims Outstanding at the End of the Year (3-8)	29.3	5.8	3.2	2.1

In spite of higher amount of claim payment in 2012, outstanding claim increased to BDT 29.3 million at the end of 2012 from BDT 5.8 million in 2011 mainly resulted from increased new claims. Around 61.8% of outstanding death claims were settled within three months. The company also settled maturity claims amounting BDT 199.6 million in 2012 (2011: BDT 150.2 million).

Table 8
Maturity Claim Settlement

--Year ended December 31--					
(Mil. BDT)					
Year	Claims Outstanding at the Beginning of the Year	Claims Lodged during the Year	Total Claims	Claims Settled during the Year	Claims Outstanding at the End of the Year
2012	159.0	178.2	337.2	199.6	137.6
2011	100.1	209.1	309.2	150.2	159.0

Profitability

Table 9
Net Surplus as per Valuation

Mil. BDT	--Year ended December 31--			
	2012	2011	2010	2009
Total Surplus as of December	161.1	151.3	124.1	88.1
Less: Unallocated Previous Surplus	32.6	28.3	6.4	5.2
Surplus for the Valuation Period	128.5	123.0	117.7	82.9

The Company had consistent growth of surplus for the last couple of years. According to the actuarial valuation report as of 2012, there was net surplus of BDT 161.1 million which was available for distribution as bonuses with profit policies and dividend to shareholders. Among these, BDT 128.5 million was for the valuation period January 2012 to December 2012 and BDT 32.6 million was brought forward as unallocated surplus from 2011.



Table 10

Net Surplus Distribution

Mil.BDT	--Year ended December 31--			
	2012	2011	2010	2009
Bonuses to policy holders	115.6	105.5	84.3	74.1
Dividend to shareholders	12.8	13.2	11.6	7.5
Unallocated surplus	32.6	32.6	28.3	6.4
ROE ³	12.1	15.1	15.0	10.0

As per recommendation of actuarial report and in line with profit distribution law of Insurance Act, a sum of BDT 115.6 million was allocated for distribution among the policyholders. It was also recommended that an amount of BDT 12.8 million might be distributed among shareholders as dividend. The distribution composition did not exceed the set limit of distribution to the shareholders, i.e. maximum 10% of total distribution. An amount of BDT 32.6 million was kept as unallocated surplus.

The return on equity was 12.1% in 2012 which implies profitable level of the organization. However, profitability ratio may be affected if enhancement of capital is not accompanied by more profitable investment.

Investment Profile

The Company needs to invest BDT 2,710.1 million against which actual investment was BDT 2,500.6 million as of 31st December 2012. There was an investment shortfall of BDT 209.6 million in 2012 which was BDT 288.3 million in 2011.

Table 11

Investment Position of the Company

Mil.BDT	--Year ended December 31--			
	2012	2011	2010	2009
Required Investment as per Law	2,710.1	2,473.0	2,203.1	1,544.2
Actual Investment	2,500.6	2,184.7	2,037.0	1,407.9
Investment Shortfall	(209.6)	288.3	166.1	136.4

Generally, major assets of the life insurance companies are kept in liquid form as life insurance contracts frequently have embedded policyholder options that create uncertainty regarding the timing of the liability payout stream. Rupali Life also concentrates its assets in high quality liquid assets.

Table 12

Investment Portfolio

(Mil. BDT)	As of 31 December, 2012		
	Actual Investment as %		Limit (%)
	Amount	of Required Investment	
Investment in Government Securities	817.5	32.7	30.0 (at least)
Other Investment:	1,683.1	67.3	70.0
Ordinary Shares	110.1	4.4	-
Deposits other than current deposits in bank	974.9	39.0	50.0 (Highest)
Property Investment	331.6	13.3	20.0 (Highest)
Other types of investment (policy loan)	35.4	1.4	-
Others	231.1	9.2	-

The above composition shows that the Company invested BDT 817.5 million in different Government securities which was 32.7% of required investment against the regulatory requirement of at least 30% of total. Around 39.0%

³ As per actuarial report, net surplus after tax (presented in the above table) could be distributed among to policyholders and shareholders. As per law, shareholders could at best get 10% of the surplus. CRAB assumes 10% of net surplus as return. Therefore, ROE means 10% of net surplus for the period divided by paid up capital.



of required investment (BDT 974.9 million) was in different commercial banks in forms of FDR and short-term deposit and 13.3% of total investment was in property (land & building). BDT 110.1 million was invested in ordinary shares which were recorded at market price. The cost price of the quoted share was BDT 132.7 million at the end of 2012 against market price of BDT 110.1 million. Other investment of the Company consists of BDT 231.1 million accrued interest, dividend & rent. Investment yield trend of the Company increased to 6.9% in 2012 from 6.0% in 2011.

Capital Adequacy

As of 31st December 2012, the paid-up capital of Rupali Life was BDT 107.2 million. However, the Company is in process of issuing right share.

Table 13
Capital Adequacy

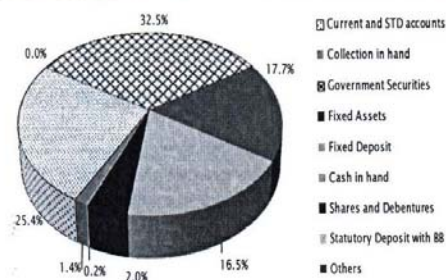
Mil.BDT	--Year ended December 31--		
	2012	2011	2010
Required Paid up Capital	400.0	300.0	300.0
Paid up Capital Maintained	107.2	94.0	82.5

Liquidity and Liability Management

CRAB looks into the Asset Liability Management (ALM) process to ensure that company's assets are adequate to meet the potential short and long term needs of liabilities. The company has to maintain an overall match between the expected cash flows and expected liability cash flows applying Cash Flow matching Methodologies. Every year, it carried out actuarial analysis and based on the actuarial report, bonuses to the policy holders as well as dividend to the shareholders were determined. Management tools and techniques that are used to quantify and accomplish the ALM task needs to be strengthened through dynamic cash flow technique which attempts to assess the sensitivity and resulting impact on a wide variety of economic scenarios on its asset and liability cash flows and hence the impact on its earnings and capital. Liquidity position of a company reflects its ability to meet the demands on its liabilities. Liquid asset to life fund showed slightly decreasing trend over the last few years with 39.9% at the end of 2012.

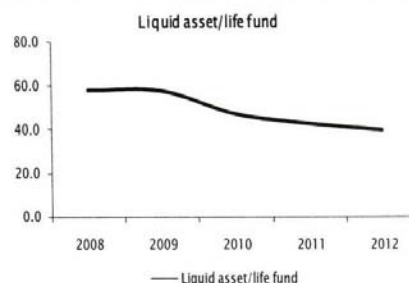
Graph 1

Composition of Core Asset



Graph 2

Liquide Asset as % of Life Fund



The Company's fundamental policy on investing assets is to maintain the soundness of assets and investment efficiency to build an investment portfolio capable of ensuring stable medium and long term returns, taking into account expected return and investment risks and responding to changes in financial conditions and the investment environment. As of 31st December 2012, assets of the Company reached BDT 2,504.4 million. Major portion of core asset includes government securities (32.5% of core asset), current & savings a/c (25.4% of core asset), fixed deposits in different banks (16.5% of core asset) and fixed assets (17.7% of core asset).

Re-insurance Utilization

Reinsurance management process of Life Insurance Company includes selecting, monitoring, reviewing, controlling and documenting reinsurance arrangement. Rupali Life has reinsurance agreement with SCOR Global Life Se,



Singapore Branch. The retention limit is BDT 0.30 million till December 2012. In 2012, the Company had paid BDT 1.5 million as re-insurer premium.

■ MANAGEMENT

Senior Management

Rupali Life has an experienced management team with wide exposure in insurance industry. Mr. Noor Mohammed Bhuiyan, having 26 years experience in insurance business is the managing director of the company. The managing director is supported by a group of senior professionals comprising of two deputy managing directors (admin and F & A), chief consultants and different departmental heads. There are 17 layers from top management to entry level executives at the organizational structure of the company.

Human Resources Management

The human resource strength of the Company reached 1,390 at the end of 2012 (2011: 1,431) whereas total number of development employees reached 13,455 (2011: 12,965). Administrative employees are paid on salary basis, development employees are paid on salary and commission basis. Different trainings are being arranged for the employees to increase the efficiency of the executives. The Company has a structured service rules and pay scale for its workforce. Performance appraisal of different employees is measured once a year according to the decision of management. The Company has recently revised its pay scale.

Management Information System

The present IT and MIS setup of the company is sound compared to the industry standard. RLICL has a separate IT department. The Company is run by two fully functional online service centers and seventy online service cells presently. The Head office is connected with server through LAN. RLICL is presently using integrated software namely "Insurance Management System", Micro Insurance Management System, DevAdmin. RLICL introduced Push and Pull SMS Services for their customer with which a customer can get their policy information anytime. RLICL generates some of their reports from IT division.

■ CORPORATE GOVERNANCE

Board of Directors

The Board of the Company consists of 19 members. Mr. Mahfuzur Rahman is the Chairman and Mr. Dewan Nuruzzaman is the Vice Chairmen of the Board. The Board reviews the ongoing activities and business strategies and provides general guidelines to the management. During 2012, the Board held 6 meetings. The Board has three sub-committees:

- Executive Committee: consists of 8 members, headed by Mr. Mahfuzur Rahman. The Committee deals with recruitment, promotion, transfer, reward, punishment of staff, suggestion for investment and other financial or organizational matter that may be required for immediate decision.
- Audit Committee: consists of 9 members, headed by Mr. Md. Shamim Khan. The committee took important decision on internal audit. Also this committee takes stern actions to rectify irregularities and fraudulence of the employee audited by internal Auditor.
- Claim Committee: consists of 13 members, headed by Mr. Monirul Hasan Khan. The Committee deals with general policies, guideline for claims and takes decision on settlement of claim.

■ Financial Reporting and Disclosures

The financial statement of the Bank was audited by a chartered accountants firm Shafiq Basak & Co. According to them the financial statements of the Bank were prepared and presented in accordance with Bangladesh Financial Reporting Standards, the Companies Act 1994, the Insurance Act 2010, the Securities and Exchange Rules 1987 and other applicable laws and regulations. According to the auditor the financial statements gave a true and fair view of the state of the Bank as at December 31, 2012.



CRAB RATING SCALES AND DEFINITIONS
LONGTERM CREDIT RATING

RATING	DEFINITION
AAA Triple A	(Extremely Strong Financial Security) Insurance Companies rated 'AAA' have EXTREMELY STRONG financial security characteristics. 'AAA' is the highest Insurer Financial Strength Rating assigned by CRAB.
AA₁, AA₂, AA₃* Double A	(Very Strong Financial Security) Insurance Companies rated 'AA' have VERY STRONG financial security characteristics, differing only slightly from those rated higher.
A₁, A₂, A₃ Single A	(Strong Financial Security) Insurance Companies rated 'A' have STRONG financial security characteristics, but are somewhat more likely to be affected by adverse business conditions than the Insurers with higher ratings.
BBB₁, BBB₂, BBB₃ Triple B	(Good Financial Security) Insurance Companies rated 'BBB' have GOOD financial security characteristics, but are more likely to be affected by adverse business conditions than the higher rated Insurers.
BB₁, BB₂, BB₃ Double B	(Marginal Financial Security) Insurance Companies rated 'BB' have MARGINAL financial security characteristics. Positive attributes exist, but adverse business conditions could lead to insufficient ability to meet financial commitments.
B₁, B₂, B₃ Single B	(Weak Financial Security) Insurance Companies rated 'B' have WEAK financial security characteristics. Adverse business conditions are likely to impair their ability to meet financial commitments.
CCC₁, CCC₂, CCC₃ Triple C	(Very Weak Financial Security) Insurance Companies rated 'CCC' have VERY WEAK financial security characteristics, and are dependent on favourable business conditions to meet financial commitments.
CC Double C	(Extremely Weak Financial Security) Insurance Companies rated 'CC' have EXTREMELY WEAK financial security characteristics and are likely not to meet some of their financial commitments.
C Single C	(Near to Default) A 'C' rating is assigned to insurance companies that are currently highly vulnerable to non-payment, having obligations with payment arrearages allowed by the terms of the documents, or have obligations subject of a bankruptcy petition or similar action though have not experienced a payment default. C is typically in default, with little prospect for meeting its financial commitments.
D	(Default) 'D' is assigned to insurance companies which are in DEFAULT. The 'D' rating also will be used upon the filing of a bankruptcy petition or the taking of a similar action if payments on an obligation are jeopardized.

**Note: CRAB appends numerical modifiers 1, 2, and 3 to each generic rating classification from AA through CCC. The modifier 1 indicates that the obligation ranks in the higher end of its generic rating category; the modifier 2 indicates a mid-range ranking; and the modifier 3 indicates a ranking in the lower end of that generic rating category.*

*** CRAB does not provide short term credit rating for life insurance companies from 2009.*

The rating committee of CRAB is the final authority to award a rating. The rating committee of CRAB is comprised of external independent persons who are not members of the board of the company and they ensure the independence of rating.

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