

# ANNUAL REPORT | 2018



# ANNUAL REPORT 2018

We take your risk so you can feel safe





# CONTENTS

Letter of Transmittal	05
Notice of 23rd AGM	07
BNICL at a Glance	09
Vision	11
Mission	13
Strategic Objectives	15
Code of Conduct and Ethics	17
Core Values	18
Walking Collectively	19
Performance at a Glance	20
Performance Illustration	21
Board of Directors	23
Profile of the Directors	25
Products & Services	31
Message from the Chairman	32
Director's Report to the Shareholder	35
From the Desk of CEO	43
Corporate Governance	46
Shareholding Structure	50
Executive Of BNICL	51
Various Events	52
Risk Management	54
Report on Corporate Social Responsibility (CSR)	57
BNICL Human Resources Status	58
Status of Compliance of Corporate Governance	59
Meeting attendance by the Directors	73
Pattern of shareholding	74
Declaration By CEO & CFO	75
Credit Rating Information	76
Report of the Audit Committee	77
Independent Auditor's Report	79
Statement of Financial Position	84
Statement of Profit or Loss Accounts	86
Statement of Other Comprehensive Income	87
Statement of Profit or Loss Appropriation Account	88
Consolidated Revenue Account	89
Fire Insurance Revenue Account	90
Marine Cargo Insurance Revenue Account	91
Marine Hull Insurance Revenue Account	92
Motor Insurance Revenue Account	93
Miscellaneous Insurance Revenue Account	94
Statement of Cash Flows	95
Statement of Changes in Shareholder's Equity	96
Classified Summary of the Assets	97
Notes to the Financial Statements	98
Annexures	115
Schedule of Fixed Assets	118
Director's Certificate	119
BNICL IT Infrastructure	120
Branches	121
Proxy Form	122



Bangladesh National Insurance Co. Ltd.

# LETTER OF TRANSMITTAL

To

All the shareholders

Bangladesh Securities and Exchange Commission

Registrar of Joint Stock Companies & Firms

Dhaka Stock Exchange Limited

Chittagong Stock Exchange Limited

Insurance Development & Regulatory Authority

## **Annual report for the year ended 31 December 2018**

We are pleased to enclose a copy of the Annual Report of Bangladesh National Insurance Company Limited for the year 2018 together with the Audited Financial Statements for the year ended December 31, 2018 for your kind information and record.

Thank you

Sincerely yours



Md. Masud Rana

Company Secretary (C.C)

11 June 2019





# NOTICE OF THE 23RD ANNUAL GENERAL MEETING (AGM)

Notice is hereby given that the 23rd Annual General Meeting of Bangladesh National Insurance Company Limited will be held on June 26, 2019 at 10:00 a.m. at Spectra Convention Centre Limited, House-19, Road-7, Gulshan-1, Dhaka -1212, to transact the following business:

1. To receive, consider and adopt the Director's Report and the audited Financial Statements of the company for the year ended December 31, 2018 together with the Auditors Report thereon.
2. To declare dividend for the year 2018 as recommended by the Board of Directors.
3. To elect/re-elect directors in place of retiring directors from Group-A Shareholders & Group-B Shareholders.
4. To appoint /re-appointment Auditors for the year 2019 and fix their remuneration.
5. To appoint Compliance Auditor for the year 2019 and fix their remuneration.
6. To transact any other business with permission of the Chair.

By the order of the Board



Md.Masud Rana  
Company Secretary (C.C)  
Date: June11, 2019

## Notes

- a) The record date: May16, 2019
- b) Members of the company whose names appear in the depository register on record date will be entitled to dividend for the year 2018 to be approved by the shareholders in the 23rd Annual General Meeting.
- c) A member wishing to appoint a Proxy, must deposit the Proxy Form duly stamped at Tk. 20/- to the company's Head Office at least 72 hours before the meeting.
- d) Entry to the Annual General Meeting is reserved only for the shareholders or his/her Attendance Slip/Proxy.
- e) In compliance with the Bangladesh Securities and Exchange Commission's circular # SEC/CMRRCD/ 2009-193/154 dated 24 October 2013, no gift/gift coupon/food box etc. shall be distributed on the meeting day.



# আমরাই আপনার বীমাকৃত সম্পত্তির সম্পূর্ণ নিরাপত্তা দিচ্ছি



**STARTING  
A NEW  
JOURNEY**

**bnic**

Bangladesh National Insurance Co. Ltd.

সাফল্যের সহযাত্রী

**bnic**  
Bangladesh National Insurance Co. Ltd.  
সাফল্যের সহযাত্রী

**BANGLADESH NATIONAL INSURANCE CO. LTD.**

**বাংলাদেশ ন্যাশনাল ইন্স্যুরেন্স কোম্পানী লিমিটেড**

Head Office : Rashid Tower (3<sup>rd</sup> Floor), House # 11, Road # 18, Gulshan-1, Dhaka-1212, Bangladesh  
Tel : 8832234-5, 8832215, 8832217 Fax : 88-02-8832154 E-mail : [mail@bnicl.net](mailto:mail@bnicl.net), web: [www.bnicl.net](http://www.bnicl.net)

## BNICL AT A GLANCE

Bangladesh National Insurance Company Limited (BNICL) started its journey in 1996 as a non-life general insurance company with the prime objective of delivering a range of non-life insurance coverage solution like Fire, Motor, Marine or Miscellaneous Insurance. BNICL has been incorporated as a public limited company under the Companies ACT, 1994 and obtained the certificate of commencement of business from the register of joint stock companies & firms on May 21, 1996. The company also listed with Dhaka Stock Exchange Limited and Chittagong Stock Exchange Limited on 21 April 2016. The company also obtained license to operate its business from IDRA (Former Controller of Insurance ) on 21 May 1996. The shareholding structure of BNICL consists of reputed corporate houses, leading industrialists & general public. Other important information of Bangladesh National Insurance Company Limited is as follows:

<b>Date of certificate of incorporation</b>	: 21 May 1996
<b>Date of certificate for commencement of business</b>	: 21 May 1996
<b>Date of Registration to carry on non-life insurance business</b>	: 01 June 1996
<b>Authorized Capital</b>	: Tk. 100,00,00,000.00
<b>Paid-up capital</b>	: Tk.44,25,00,000.00
<b>Head Office</b>	: Rashid Tower (3rd Floor), Plot # 11, Road # 18 Gulshan-1, Dhaka-1212, Bangladesh. Phone: (PABX) 8832234-5, 8832215, 8832217 Fax: 88-02-8832154
<b>Registered Office</b>	: W.W. Tower (Level-15) 68, Motijheel Commercial Area Dhaka- 1000, Bangladesh.
<b>Nature of Business</b>	: All Kinds of non-life insurance business
<b>Auditors</b>	: A. Hoque & Co. Chartered Accountants
<b>Compliance Auditors</b>	: Nurul Azim & Co. Chartered Accountants
<b>Website</b>	: <a href="http://www.bnici.net">www.bnici.net</a>



## VISION

To be the most quality insurance and risk solution service provider in the country with the high standard of customer Services.







## MISSION

- Building long-term mutually beneficial relationship with business partners
- Practicing fair business ethics and values
- Applying “state of art” technology, processes including enterprise risk management and innovative solutions
- Developing and retaining highly motivated professional team of employees
- Enhancing profitability and financial strength
- To operate in accordance with the law of the land and as per international norms and practices
- To provide promptly the best possible services ensuring security of our clients
- To extend a professional hand to our clients at all times
- To serve the interests of shareholders



## STRATEGIC OBJECTIVES

- To carry out qualitative nation-wide non-life insurance coverage.
- To be attractive to customers by being a competitive independent and pre-eminent insurance coverage.
- To ensure that shareholders achieve a long-term, competitive, stable return.
- To improve the position of the company in the insurance market.
- To ensure the expense ratio is lower than the general market.
- To increase the growth of the company by increasing the non-life premium year after year.
- To improve continuously company's product features.
- To attract and keep profitable customers by delivering a high level of customer service.
- To decrease the risk of reinvestment of insurance premium.
- To be able to attract and keep qualified employees.



## CODE OF CONDUCT AND ETHICS

- Compliance with law and the legal system is the fundamental principle for BNICL. Every employee, sponsor and director obeys the laws and regulations of the legal systems on the land within which one acts.
- Respect to personal integrity, privacy and right of individual is maintained by everyone that all works together with individual's backgrounds, ethics, cultures, gender, religions and ages.
- Perform fairly with the quality and price of the innovative products and services, not by offering improper benefits to others.
- Employees are not permitted to use their jobs to solicit, to demand, accept, obtain or be promised advantages.
- To conduct business with reputable clients and business partners who are involved in lawful business activities. Never facilitate money laundering.
- Employees make sure all the business decisions for the best interest of the company and not based on their personal interest.
- Protecting all assets of the company including intangible/tangible assets and use them only for the benefit of the Company.
- Maintain open, fair and effective communication for truthful reporting. The company maintains sound processes and controls on every transaction are executed within approved authorization.
- Maintain confidentiality in its client's business.



## CORE VALUES

### **Client Focus**

Always listening to clients.

### **Integrity/Honesty**

Always treating the stakeholders fairly and conduct the business in a dignified and ethical manner.

### **Professionalism**

Always maintaining good relationship with clients with respect and in good faith.

### **Dynamism**

Always practicing good dynamism and responsive to the changing needs of the stakeholders.

### **Accountability**

Always taking full responsibility to the corporate activities and honor the commitments.

### **Nurturing**

Always providing equal opportunity to the employees/clients/stakeholders that encourage each of them to improve the overall activities of the company.

## WALKING COLLECTIVELY

Bangladesh National Insurance Company Limited started its journey with a vision of becoming one of the market leaders in the insurance sector. In line with that BNICL always concentrated providing highest standard of risk coverage solution to the clients. Developed its products features more customarily for the clients. Resulting clients feel comfort with us. By dint of this, company was able to create its brand image and reliability before the customers as well as the other stakeholders.

In spite of looking to the short term success; BNICL management crossed its fingers for attaining the long term growth. Resulting, the company listed with DSE and CSE in the year 2016. It helped the company to enrich the reliability of the company in the business sector. BNICL believed in walking collectively with the business conglomerates.

Over the years BNICL established itself in such a way that accomplished its position by being clear and easily understandable to the customers, only happens for our good payment nature of the claims. Clients always like to smile with us, we like to walk collectively.

BNICL believes that company's positive growth achieved in 2018 will be continued in coming years. Following the country's GDP growth, BNICL intends to go forward with all its stakeholders and the community as a whole by walking collectively.

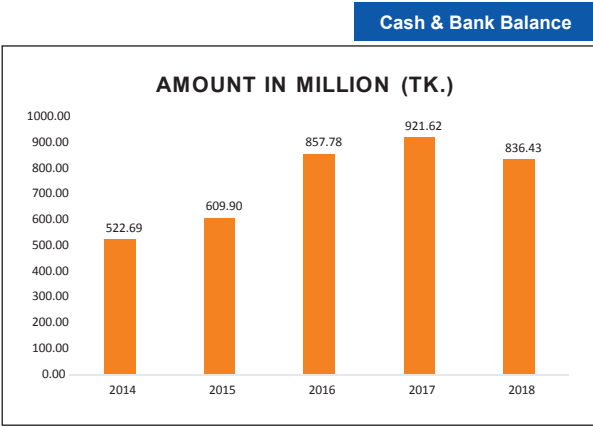
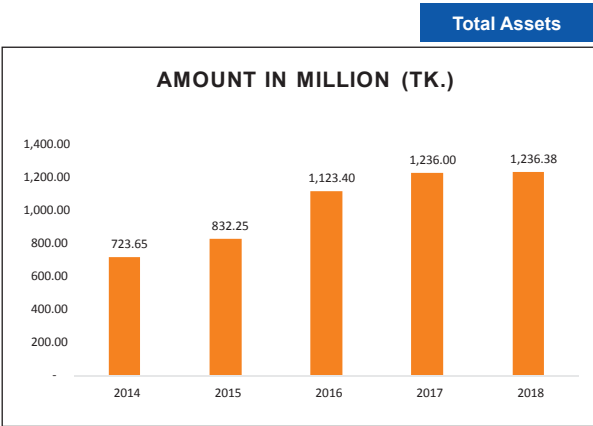
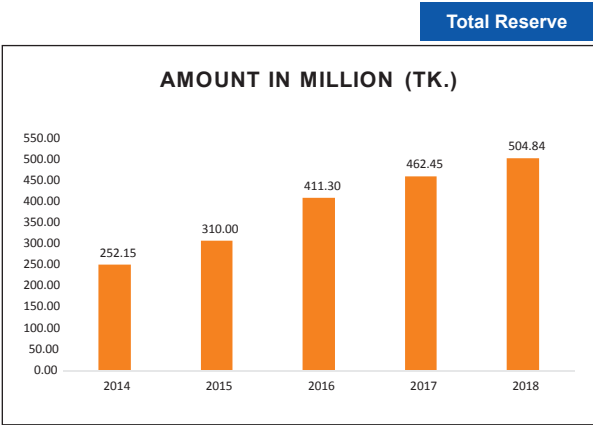
## PERFORMANCE AT A GLANCE

Company's performance analysis is an analytic process that enables the management to achieve the pre-selected goals of the company. It is a part of total business performance that has three main activities. They are useful for selection of goals, helpful for taking financial decisions and reflect the light of performance analysis. Company's performances over the last five years are presented below:

(Amount in Million)

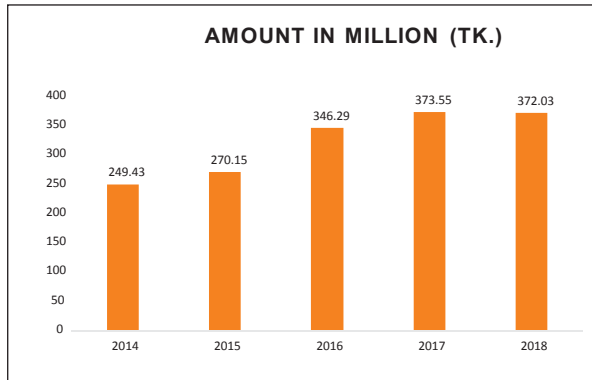
Particulars	2018	2017	2016	2015	2014
Gross Premium	501.91	476.73	441.04	362.39	326.12
Net Premium	372.03	373.55	346.29	270.15	249.43
Claims Paid	172.36	156.72	140.26	87.47	122.48
Investment & Other Income (Gross)	74.61	53.71	60.06	58.64	43.00
Underwriting Profit/Loss	62.93	62.06	49.08	26.11	25.73
Net Profit Before Tax	117.36	94.40	81.61	74.35	59.07
Paid up Capital	442.50	442.50	442.50	265.50	265.50
Deposit Premium	12.87	10.30	7.36	27.66	13.70
Total Reserves	504.84	462.45	411.30	310.00	252.15
Total Assets	1326.38	1236.00	1123.40	832.25	723.65
Total Liabilities	366.19	320.75	262.24	229.09	192.31
Cash & Bank Balances	836.43	921.62	857.78	609.90	522.69
Face Value Per Share (In Taka)	10.00	10.00	10.00	10.00	10.00
Earning Per Share (In Taka)	2.00	1.64	1.62	1.87	2.62
Book Value Per Share (In Taka)	18.02	17.05	16.15	17.60	15.74
Dividend (Cash)	12%	10%	10%	0%	0%

# PERFORMANCE ILLUSTRATION

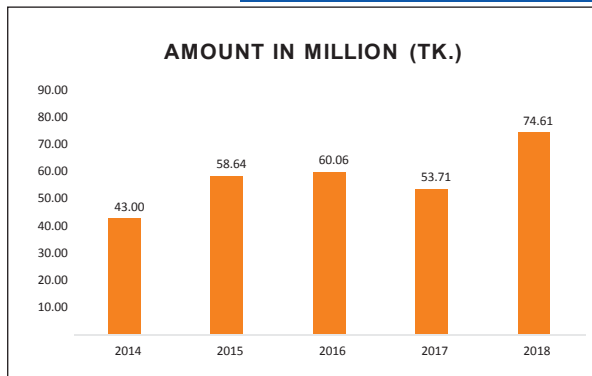


# PERFORMANCE ILLUSTRATION

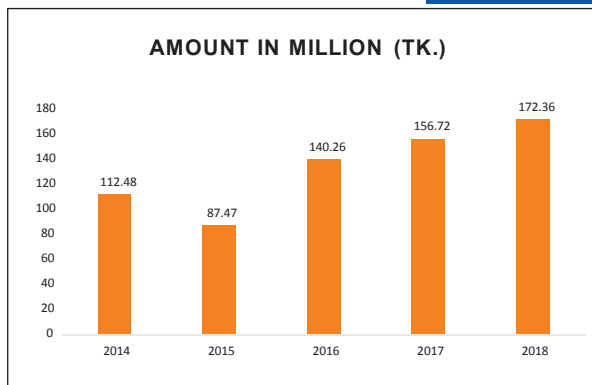
## Net Premium Income



## Investments & Others Income



## Claims Paid





# BOARD OF DIRECTORS

## CHAIRMAN

Abdul Baset Majumder

## VICE CHAIRMAN

Mostafa Kamal

## DIRECTOR

Beauty Akter  
Md. Abdur Rouf  
Tahmina Binthe Mostafa  
Taif Bin Yousuf  
Tanjima Binthe Mostafa  
Wasikur Rahman  
Tanveer Ahmed Mostafa  
Yousuf Ali  
Tasnim Binthe Mostafa

## PUBLIC DIRECTOR

Monjur Md. Shaiful Azam  
Md. Ruhul Amin  
Md. Hasan Rajib Prodhan  
Mohd. Naim Akhter  
Md. Mozaffar Hossain

## INDEPENDENT DIRECTOR

Professor Dr. Mijanur Rahman  
Mohammed Salim, FCMA  
Professor Dr. Goutam Buddha Das  
Fakhruddin Ahmed, FCMA, FCA

## CHIEF EXECUTIVE OFFICER

Md. Sana Ullah

## CHIEF FINANCIAL OFFICER

Mostafa Jasim Raihani, FCA

## COMPANY SECRETARY (C.C)

Md. Masud Rana



## PROFILE OF THE DIRECTORS



**Abdul Baset Majumder**

Chairman

Mr. Abdul Baset Majumder is one of the sponsors of Bangladesh National Insurance Company Limited. Currently he is the Chairman of the Company. He is the son of late Abdul Aziz Majumder & late Jamila Khatun, was born in a respectable Muslim family in Brahmanbaria, Comilla on 01 January 1936. He has brilliant academic career. After successfully completion of his education, he started practicing in law. Now he is a senior advocate of the Supreme Court of Bangladesh. He is the former Vice President of Supreme Court Bar Council. He is actively associated with a number of socio-cultural organizations as a donor and a life member.



**Mostafa Kamal**

Vice Chairman

Mr. Mostafa Kamal is the Vice Chairman of Bangladesh National Insurance Company Limited. He is the son of late Al-Hajj Noor Miah & late Al-Hajj Ayesha Khatun, was born in a respectable Muslim family in Chaudhagram, Comilla on 2nd February 1955. He started his business career as an entrepreneur after his education and now he is a prominent industrialist of the country. He has reputation in his business personality. He is the Honorable Chairman and Managing Director of Meghna Group of Industries. He is associated with a number of companies in the field of shipping, cement, edible oil, vegetable oil, food items etc. He is a member of standing committee on import, Tariff and Anti-dumping of FBCCI, Secretary General of Bangladesh Vegetable Oil Refiners, President of Bangladesh Woven Tape Bag Manufacturers' Association and Bangladesh Cement Manufacturers' Association. He is the founder of Al-Hajj Noor Miah Degree College, Al-Hajj Ayesha Noor Welfare Foundation, Kankapaith Primary School. Mr. Mostafa Kamal is also involved in socio-cultural and educational institutes.



**Beauty Akter**

Director

Mrs. Beauty Akter, daughter of Al-Hajj Md. Abdul Hakim & Al-Hajj Ambia Khatun and wife of prominent industrialist Mostafa Kamal, was born on 1 February, 1965 in Comilla. She involved herself with her husband's business and built reputation as an astute and efficient business entrepreneur. Mrs. Beauty Akter is one of the sponsor directors of Bangladesh National Insurance Company Limited. She is one of the founding shareholders of Meghna Group of Industries. She is the Director of United Salt Industries Limited, Meghna Dairy and Food Products Limited, Kamal Trading Co. Limited, Kamal Imports and exports Limited, United Fiber Industries Limited and Meghna Vegetable Oil Industries Limited. Now she is the Vice Chairman of Meghna Group.



**Md. Abdur Rouf**

Director

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



**Tahmina Binthe Mostafa**

Director

Mrs. Tahmina Binthe Mostafa was born on July 24, 1986 in Dhaka. She obtained her Masters and Bachelors Degree from the University of Greenwich, U.K. After completion of her education, Mrs. Tahmina Binthe Mostafa started her business career in one of the leading business conglomerates in Bangladesh. She is one of the directors of Bangladesh National Insurance Company Limited. She has business experience in the field of sugar, mineral water, dairy and food products, cement, hatchery & feed, fiber, coconut oil, mustard oil, power plant, printing & packaging etc.



**Taif Bin Yousuf**

Director

Mr. Taif Bin Yousuf, son of Md. Yousuf & Mrs. Majeda Yousuf, was born on 20 August, 1982. At present, he is a Director of Bangladesh National Insurance Company Limited. He is also senior executive director of Meghna group of industries. He completed his graduation from London Metropolitan University, majoring in Business and Information Technology. He has 8 years of business experience. He joined in the Board of Directors of Bangladesh National Insurance Company Limited on 19 December, 2012.



**Tanjima Binthe Mostafa**

Director

Mrs. Tanjima Binthe Mostafa was born on July 01, 1987 in Dhaka. She obtained her Bachelor of Science in Business in Management from the Babson College, Boston, USA, majoring in Entrepreneurial studies. After the completion of her education, she started business in various field and joined Bangladesh National Insurance Company Limited as a director.





**Wasikur Rahman**

Director

Mr. Wasikur Rahman, son of Late Naziur Rahman Monju & Reba Rahman was born in a respectable Muslim family in Dhaka, on 16th January 1987. He obtained his Bar-At –Law (Bar Vocational Course) at LINCOLN'S INN -2010, He obtained his Post Graduate Diploma in law from the – University of law in 2009. He obtained his LLB Hon's from Queen Mary University London in 2008. After successfully finishing his academic life, he started practicing law as an advocate in the Supreme Court of Bangladesh.



**Tanveer Ahmed Mostafa**

Director

Mr. Tanveer Ahmed Mostafa was born on December 03, 1992 in Dhaka. He completed his High School Diploma (American System) and IB Certificate (International Bacchalarate) in 2010 from American International School, Dhaka. He also completed University Foundation Program Diploma in 2012. At present, he is a student of University of London, Queen Mary College, studying Bachelor of Science (Honors), with a major in Business and Management. Mr. Tanveer Ahmed Mostafa started his business in various field in Bangladesh and joined Bangladesh National Insurance Company Limited as a director.



**Mr. Yousuf Ali**

Director

Mr. Yousuf Ali, son of Kala Chan Sarder & Mrs. Amatun Nessa was born on 3 September 1972 in a respectable Muslim family. He is an FCMA. He completed his Masters of Commerce in Accounting from Dhaka University. Currently he is one of the Directors of Bangladesh National Insurance Company Limited. He has interest in various socio-cultural activities.



**Ms. Tasnim Binthe Mostafa**

Director

Ms. Tasnim Binthe Mostafa, daughter of Mr. Mostafa Kamal & Mrs. Beauty Akter was born on 05 February 1998 in Dhaka. She obtained her LL.B. (Hons) degree from Queen Mary University of London, UK in 2019. As a young talent, she joined her family business at her early age and contributed in different area of the business. Thereafter, she joined in the Board of Directors of Bangladesh National Insurance Company Limited. She is also a shareholder of Unique Infoway Limited.





**Prof. Dr. Mijanur Rahman**

Independent Director

Prof. Dr. Mijanur Rahman is an Independent Director of Bangladesh National Insurance Company Limited. Prof. Dr. Mijanur Rahman, son of late Abdul Gani, was born on 01 January, 1958. He obtained B.Com. (Hons) and M.Com in Marketing from the University of Dhaka in 1978 & 1979 respectively. He did his Ph.D. in Business Administration from Aligarh Muslim University, India in 1994. He has a teaching experience of 31 years at university level. At present, He is the Vice Chancellor of Jagannath University. He has been serving as a professor of Marketing in the University of Dhaka since 1999. He has a commendable list of publications. He is the author of several well acclaimed books.



**Professor Dr. Gautam Buddha Das**

Independent Director

Professor Dr. Gautam Buddha Das is an Independent Director of Bangladesh National Insurance Company Limited. Professor Dr. Gautam Buddha Das, is the son of Swadesh Ranjan Das and Sabitri Rani Das, was born on 1st July, 1963. He obtained his B.Sc. A.H. (Hons) and M.Sc.(A.H) from Bangladesh Agricultural University, Mymensingh in 1985 & 1986 respectively. He did his Ph.D. from Bangladesh Agricultural University, Mymensingh in 2012. Mr. Das has 30 years of teaching and research experience. Mr. Gautam Buddha Das is the Vice Chancellor of Chittagong Veterinary and Animal Sciences University. He is a professor at the Department of Animal Science and Animal Nutrition, Chittagong Veterinary and Animal Sciences University, Khulshi, Chittagong from April 15, 2003 till now. He has also served as the Dean, Faculty of Food Science and Technology and Head, Department of Animal Science and Animal Nutrition. He is a life member of Bangabandhu Krishibid Parishad and member, Krishibid Institution of Bangladesh.



**Mohammed Salim FCMA**

Independent Director

Mr. Mohammed Salim is an Independent Director of Bangladesh National Insurance Company Limited. Mohammed Salim, son of late Zaher Alam Chowdhury and Firoza Begum, was born on 31 October, 1963. He obtained Master of Commerce (M.Com.) from the University of Dhaka in 1987 and Master of Business Administration (MBA) from the University of Hull, UK in 1997. He is a fellow of Cost and Management Accountants (ACMA), ICMA Bangladesh and a member of National Institute of Accountants (MNIA), Australia. He served as the President of the Institute of Cost and Management Accountants of Bangladesh (ICMAB). He has 28 years of professional background leading all aspects of accounting, budgeting, forecasting, financial analysis, treasury management, reporting and project financing.



**Fakhruddin Ahmed, FCMA, FCA**

Independent Director

Mr. Fakhruddin Ahmed is an Independent Director of Bangladesh National Insurance Company Limited. Mr. Fakhruddin Ahmed, son of late Mr. Abdur Rahman, was born on 01 January, 1963. He obtained B.Com (Hons.) in Accounting and M.Com.(Accounting) from the University of Dhaka in 1983 & 1984 respectively. He is a Certified Chartered Accountant and Auditor and also a Certified Cost & Management Accountant and Auditor. He is enlisted as a fellow member of the Institute of Chartered Accountants of Bangladesh. He has more than 26 years of professional experience in the field of finance and accounts. He is the Managing Director of Newage Accessories Limited, Newage Textiles Limited and Newage Plastics Limited. He has also worked as a part-time lecturer in the State University of Bangladesh, the Institute of Cost and Management Accountants of Bangladesh (ICMAB), the Institute of Chartered Accountants of Bangladesh (ICAB) and Bangladesh Institute of Bank Management (BIBM).



**Monjur Md. Shaiful Azam**

Public Director

Mr. Monjur Md. Shaiful Azam is a Public Director of Bangladesh National Insurance Company Limited. He joined in the Board of Directors on 14 June 2017. He is a fellow member of the Institute of Cost & Management Accountants of Bangladesh. He has vast experience in business and consultancy.



**Md. Ruhul Amin**

Public Director

Mr. Md. Ruhul Amin, FCA is a practicing Chartered Accountants of Bangladesh Since 1981. He qualified from the institute of Chartered Accountants of Bangladesh (ICAB) in 1980. He was a member of National Wages & Productivity Commission Govt. of Bangladesh 1999. He served under Bangladesh Textile Mills Corporation (BTMC) as Head of Accounts in different Projects/Mills for more than 10 years.



**Md. Hasan Rajib Prodhan**

Public Director

Mr. Md. Hasan Rajib Prodhan is a Public Director of Bangladesh National Insurance Company Limited. He joined in the Board of Directors on 14 June 2017. He did his LLB from United Kingdom. He has 21 years of experience in litigation practice in Supreme Court of Bangladesh.



**Mohd. Naim Akhter**

Public Director

Mr. Mohd. Naim Akhter is a Public Director of Bangladesh National Insurance Company Limited. He joined in the Board of Directors on 14 June 2017. He is B.A. graduated, and a well known businessman. He has around 29 years of business experience in trading field.



**Md. Mozaffar Hossain**

Public Director

Mr. Md. Mozaffar Hossain is a Public Director of Bangladesh National Insurance Company Limited. He joined in the Board of Directors on 14 June 2017. He is a fellow member of the Institute of Cost & Management Accountants of Bangladesh. He has around 16 years of professional experience in different conglomerates.



**Md. Sana ullah**

Chief Executive Officer

Mr. Md. Sana ullah served as Chief Executive Officer of Bangladesh National Insurance Co. Ltd. for a tenure of 3 (three) years with effect from April 15, 2013. He has been reappointed as Chief Executive Officer for another 3 (three) years w.e.f. May 15, 2016. Before joining Bangladesh National Insurance Co. Limited, he had served with Express Insurance Limited as Additional Managing Director. He obtained B.A (Hons) and M.A. Over the last 29 years of experience in insurance industry and he continuously been contributing for the growth of this sector. He started his career in the year 1989 and work in different organization including Northern General Insurance Co. Ltd., Central Insurance Company Ltd. with full responsibility and utmost dedication for the last 29 years in General Insurance Industry. In the period of time he hold several responsible post private owned Insurance company. He is an active social worker engaged with various activities to bring positive changes among under privileged people.

## PRODUCTS & SERVICES

### Marine insurance

BNIC Marine Risks is a specialist marine insurance broker. Our sole aim is to provide highly competitive, first class marine insurance solutions to the risks faced by maritime enterprises across the world. This singular purpose defines our approach and underlines our commitment to consistently exceeding our clients' expectations.

Marine insurance covers the loss or damage of ships, cargo, terminals, and any transport or cargo by which property is transferred, acquired, or held between the points of origin and final destination.

### Fire insurance

Fire insurance policy can be bought by anyone who is the legal owner of a residential landed property or apartment in order to protect it against loss of or damage to such property. The contents of a home can also be insured against.

You are the owner of a house, your fire insurance policy may be extended to include permanent fixtures and fittings such as fitted kitchen and bedroom closets/cupboards and interior decorations. Outbuildings such as maids quarters or garages may be included as well. The extent of structures to be included will depend on their inclusion in the build up in the sum insured.

In addition, the contents of your home like furniture, carpets, TV, video, hi-fi equipment, piano, bookcase, books, lamps, ornaments, PC, clothing, bedding, kitchenware and appliances, personal effects etc and leasehold improvements can be insured as well. Often the policy on contents/leasehold improvements is issued separately from the policy on the structure although some insurers issue a combined policy for houses.

Many a poet have wondered about the dual power of fire – so constructive and beneficial, yet with the potential to cause so much damage. A single fire accident has the power to wreak complete havoc burning down buildings, plant and machinery and even stocks. A single spark can lead to so much loss and unless adequately insured, a business will find it very difficult to rise from the ashes. With Cholamandalam MS Fire Insurance, ensure that your business is adequately covered against damage arising out of various fire and fire-related perils.

### Motor insurance

Motor insurance (also known as auto insurance, car insurance, or motor insurance) is insurance purchased for cars, trucks, and other vehicles. Its primary use is to provide protection against losses incurred as a result of traffic accidents and against liability that could be incurred in an accident.

Under the provisions of Motor Vehicles Act, all vehicles that ply in public places must have an insurance policy that at least covers "Third Party Liability" as specified under the Act. A Comprehensive Motor Insurance Cover in addition to the mandatory third-party cover also protects the car owner from financial losses, caused by loss or damage or theft of the vehicle.

### Miscellaneous insurance

Miscellaneous insurance like other forms of insurance is a form of collectivism by means of which people collectively pool their risk, in this case the risk of incurring medical expenses. The collective is usually publicly owned or else is organized on a non-profit basis for the members of the pool, though in some countries medical insurance pools may also be managed by for-profit companies. It is sometimes used more broadly to include insurance covering disability or long-term nursing or custodial care needs. It may be provided through a government-sponsored social insurance program, or from private insurance companies. It may be purchased on a group basis (e.g., by a firm to cover its employees) or purchased by an individual. In each case, the covered groups or individuals pay premiums or taxes to help protect themselves from unexpected healthcare expenses. Similar benefits paying for medical expenses may also be provided through social welfare programs funded by the government.

By estimating the overall risk of healthcare expenses, a routine finance structure (such as a monthly premium or annual tax) can be developed, ensuring that money is available to pay for the healthcare benefits specified in the insurance agreement. The benefit is administered by a central organization such as a government agency, private business, or not-for-profit entity.

## MESSAGE FROM THE CHAIRMAN



Bismillahir Rahmanir Rahim

Honorable shareholders – Assalamu Alaikum

I am privileged to welcome you all to the 23rd Annual General Meeting of Bangladesh National Insurance Company Limited. On behalf of the Board of Directors, I express my sincere appreciation to you all for being with us for the year 2018 and feels happy to declare 12% cash dividend for the shareholders. I also take this opportunity for sharing our successes, challenges and directions to be followed for the future to cope up with the economy changes. Besides, I am also delighted to present the Annual Report of Bangladesh National Insurance Company Limited for the year 2018 along with the audited financial statements and Auditors' Report thereon for the year ended 31 December 2018 before you.



Bangladesh National Insurance Co. Ltd.

The Bangladesh Government has been published the “National Insurance Policy” for developing the insurance industry of the country. We thanked Insurance Development & Regulatory Authority for their initiatives in this regard and hope that under the new chairmanship of Insurance Development & Regulatory Authority, insurance industry further move forward.

Bangladesh has been able to maintain sustained economic growth even in the face of global financial crisis. A well balanced fiscal policy, higher private and public sector investment and stable political situation increase the GDP growth of 7.90 percent in FY 2018, despite having flood and rohingya refugee crises at the end of the year. Per capita income increased by USD 1610 to USD 1675 and in 2018 revenue income increased from the last year which enabled the government to take up large infrastructure projects.

Under these circumstances, your company posted net profit before tax Tk.117.36 million only. Gross premium income and net premium income stood at Tk.501.91 million and Tk.372.03 million, representing a growth of 5.28 % and (0.41)% respectively over the previous year. Total Assets of the company at stood 1326.38 million as at 31 December 2018 showing a growth of 7.31 % comparing with the last year. We hope that in the year 2019, the performance of the company will be continued in a same profitable manner also.

Your company also established a good market reputation for timely claim settlement and built a strong platform for continuous future growth with the utilization of the merits of experienced management. To increase the branding image of the company, we launched new company logo as well.

I thankfully acknowledge the support and cooperation that the company received from Ministry of Finance, Bangladesh Bank, Insurance Development & Regulatory Authority, Bangladesh Securities and Exchange Commission, Dhaka Stock Exchange Limited, Chittagong Stock Exchange Limited, Sadharan Bima Corporation, overseas brokers and all related Government and private organizations.

Sincere thanks also goes to my fellow colleagues of the management and staff of Bangladesh National Insurance Company Limited whose loyalty, dedication, professionalism, positive attitude and commitment has been fundamental to the performance in the year 2018 and to paving the way forward for smooth growth in the years to come.

Gratefulness also goes to our Board of Directors for their valuable guidance, prudent and timely decisions to drive the company to ultimate destination. Your company has a committed, sincere, hardworking team who can make the dream true for the company.

Finally, I would like to express my heartfelt gratitude also to regulators, sponsors, shareholders, stakeholders, management, policyholder and all well-wishers for their support they have been rendering to us during the year 2018.

Allah Hafez

Thanking you



Abdul Baset Majumder  
Chairman  
Board of Directors

18 April 2019

## চেয়ারম্যান মহোদয়ের বক্তব্য

বিসমিল্লাহির রাহমানির রাহিম

সম্মানিত শেয়ারহোল্ডার বৃন্দ - আসসালামু আলাইকুম

বাংলাদেশ ন্যাশনাল ইন্স্যুরেন্স কোম্পানী লিমিটেড এর ২৩তম বার্ষিক সাধারণ সভায় আপনাদেরকে স্বাগত জানাতে পেরে আমি অত্যন্ত আনন্দিত। পর্ষদের পক্ষ থেকে সকল সম্মানিত শেয়ারহোল্ডারগণকে ২০১৮ সালে আমাদের সাথে থাকার জন্য আন্তরিক ধন্যবাদ জানাচ্ছি, আমি খুব আনন্দিত যে পরিচালনা পর্ষদ এ বছর আপনাদের জন্য ১২% নগদ লভ্যাংশ ঘোষণা করেছে। তাই আমি আমাদের এই সাফল্য আপনাদের সাথে ভাগ করে নিতে চাই এবং আগামীতে এই সাফল্য ধরে রেখে যে কোন অর্থনৈতিক প্রতিযোগিতাকে মোকাবেলা করার জন্য আপনাদেরকে পাশে চাই। পাশাপাশি, ২০১৮ সালের বার্ষিক প্রতিবেদন এবং নিরীক্ষিত আর্থিক বিবরণী ও অডিটরস রিপোর্ট আপনাদের মাঝে পেশ করতে পেরে আমি আনন্দিত।

গণপ্রজাতন্ত্রী বাংলাদেশ সরকার “জাতীয় বীমা পলিসি” প্রকাশিত করেছে। এই কাজের জন্য বিভিন্ন পদক্ষেপ গ্রহন করায় আমি বীমা উন্নয়ন ও নিয়ন্ত্রণ কর্তৃপক্ষ কে ধন্যবাদ জানাই এবং বিশ্বাস করি যে নতুন নিয়োগপ্রাপ্ত মাননীয় চেয়ারম্যানের অধীনে বীমা উন্নয়ন ও নিয়ন্ত্রণ কর্তৃপক্ষ আরো সামনের দিকে এগিয়ে যাবে।

বাংলাদেশ ক্রমানুয়ে টেকসই অর্থনৈতিক উন্নয়ন সাধন করে চলছে যেখানে বিশ্ব অর্থনীতি একটি সংকটময় সময় পার করেছে। চমৎকার আর্থিক নীতি, সরকারী এবং বেসরকারী বিনিয়োগের উদ্বুদ্ধি এবং স্থির রাজনৈতিক পরিস্থিতির কারণে ২০১৮ সালে বাংলাদেশের জিডিপি প্রবৃদ্ধি ছিল ৭.৯০ শতাংশ, যদিও এ বছর ছিল বন্যা কবলিত এবং শেষ পাক্ষিকের রহিঙ্গা রিফিউজি সংকট। মাথাপিছু আয় বেড়েছে ইউ.এস.ডি. ১৬১০ হতে ইউ.এস.ডি. ১৬৭৫ ডলার এবং ২০১৮ সালে রাজস্ব আয় গতবছরের তুলনায় বৃদ্ধি পেয়েছে যা সরকারকে সকল যোগাযোগ ব্যবস্থার উন্নয়নে সহায়তা করেছে।

এমতাবস্থায়, আপনাদের কোম্পানী ১১৭.৩৬ মিলিয়ন টাকা মুনাফা অর্জন করেছে। মোট প্রিমিয়াম আয় এবং নিট প্রিমিয়াম আয় হয়েছে ৫০১.৯১ মিলিয়ন টাকা এবং ৩৭২.০৩ মিলিয়ন টাকা, যা ৫.২৮% এবং (০.৪১)% প্রবৃদ্ধি প্রদর্শন করে। মোট সম্পত্তির পরিমাণ দাড়িয়েছে ৩১ ডিসেম্বর ২০১৮ইং তারিখে ১,৩২৬.৩৮ মিলিয়ন যেখানে আছে ৭.৩১% প্রবৃদ্ধি। আমরা আশাকরি ২০১৯ সালেও আপনাদের কোম্পানীর ফলাফল এরূপ উন্নতির দিকে থাকবে।

সময়মত বীমা দাবী নিষ্পত্তির মাধ্যমে আপনাদের কোম্পানী সুনাম অর্জন করেছে এবং সেই সাথে অভিজ্ঞ ব্যবস্থাপনা কর্তৃপক্ষের কর্মদক্ষতাকে কাজে লাগিয়ে কোম্পানীর শক্ত ভিত্তি তৈরী হয়েছে। যা ভবিষ্যতে নিয়মিত অগ্রগতি বয়ে নিয়ে আসবে। কোম্পানীর ভাবমূর্তি বৃদ্ধি করার লক্ষ্যে নতুন লোগো এর সূচনা করা হয়েছে।

আমি আন্তরিকভাবে ধন্যবাদ জানাই অর্থ মন্ত্রণালয়, বাংলাদেশ ব্যাংক, বীমা উন্নয়ন ও নিয়ন্ত্রণ কর্তৃপক্ষ, বাংলাদেশ সিকিউরিটিজ এন্ড এক্সচেঞ্জ কমিশন, ঢাকা স্টক এক্সচেঞ্জ লিমিটেড, চিটাগং স্টক এক্সচেঞ্জ লিমিটেড, সাধারণ বীমা কর্পোরেশন, বিদেশী পুনঃবীমা প্রতিষ্ঠান ও সংশ্লিষ্ট সকল সরকারী ও বেসরকারী সংস্থাসহ বীমা গ্রাহকদের তাদের সহযোগিতার জন্য।

আমি আরো ধন্যবাদ জানাই বাংলাদেশ ন্যাশনাল ইন্স্যুরেন্স কোম্পানী লিমিটেড এর ব্যবস্থাপনা কর্তৃপক্ষকে এবং সকল কর্মকর্তা কর্মচারীদেরকে যাদের সততা, সহযোগিতা এবং কর্মকাণ্ডের মাধ্যমে ২০১৮ সালের সাফল্য অর্জিত হয়েছে এবং যা ভবিষ্যতেও একইভাবে চলতে থাকবে।

আমি কৃতজ্ঞতা প্রকাশ করছি পরিচালনা পর্ষদের কাছে যাদের মূল্যবান দিক-নির্দেশনা এবং সঠিক সময়ে সঠিক সিদ্ধান্তের মাধ্যমে কোম্পানী তার গন্তব্যে পৌছাতে সমর্থ হয়েছে। আপনাদের কোম্পানীর আছে একদল সৎ ও সুদক্ষ কর্মী যারা কিনা কোম্পানীর জন্য যেকোন স্বপ্ন বাস্তবে রূপদান করতে পারে।

পরিশেষে আমি ধন্যবাদ জানাই সকল নিয়ন্ত্রণ সংস্থা, স্পন্সর, শেয়ার হোল্ডার, স্টেক হোল্ডার, ব্যবস্থাপনা কর্তৃপক্ষ, বীমা গ্রাহক এবং সকল শ্রমিকসহ যাদের সহযোগিতায় ২০১৮ সালের সাফল্য অর্জন হয়েছে।

আল্লাহ হাফেজ

ধন্যবাদান্তে



আবদুল বাসেত মজুমদার

চেয়ারম্যান

পর্ষদ

১৮ এপ্রিল ২০১৯ইং



# DIRECTOR'S REPORT TO THE SHAREHOLDERS

## Dear Shareholders

It is a great pleasure and privilege on the part of the Board of Directors of Bangladesh National Insurance Company Limited to present the Annual Report for the year 2018 inclusive of the audited financial statements of the Company for the year ended on 31 December 2018 and the Auditor's Report thereon, for consideration and approval of the esteemed Shareholders. Beside, the Board also welcomes all the present shareholders whose presence in this 23rd Annual General Meeting makes enlighten and provide us huge encouragement to work hard for upcoming days for producing good result for the company.

The Board of Directors expresses their sincere thanks to all the shareholders for being with the company over the year 2018 and humbly discloses that during the year 2018 the company was able to unveil net profit of Tk.117, 356,032 only and posted Tk.2.00 EPS. The Board also expresses his happiness for recommendation of 12% cash dividend for the year 2018 for the shareholders.

## World economy

According to International Monetary Fund (IMF), global economic growth expansion has weakened mainly due to tariff increases enacted in USA and its continued trade friction with Europe, China and other major economies. Apart from trade tensions, slowdown of Chinese economy, uncertainties associated with BREXIT deal or no-deal, tightening of financial conditions in advanced economies and continued political-economic instability in certain Latin American countries all contribute to the slow down process. World economic growth is now projected at 3.7% for 2018, 3.5% for 2019 and 3.6% for 2020, of which advanced economies will grow at 2%, and the emerging markets and Developing countries at 4.5 percent over 2019 and 2020 years. Meanwhile ADB has made its growth forecast for developing Asian countries at 6.0 per cent in 2018 and 5.8 per cent in 2019. With a projected growth rate of 7.0% and 7.2% Bangladesh falls in the category of one of the countries with high growth rate in 2018 and 2019.

## Country economy

According to Bangladesh Bureau of Statistics (BBS), the GDP growth stood at 7.28 percent in FY2016-17 and 7.86 percent in FY2017-18. GDP at current market prices stood at Tk.22,504,790 million in FY2017-18, up by 13.90 percent of the previous fiscal year. However, In the light of slowdown in global economy and other factors like increase in CPI rate, Bangladesh Bank has projected a growth rate for FY 2019 at 7.8%. Total premium volume in USD for Bangladesh in 2017 (Life and non-life) stood at USD 1,345 million against USD 1,355 million in 2016, a decrease of 0.74%. Out of USD 1,345 million Non-life business premium stood in 2017 was USD 371 million and life business stood USD 974 million. Bangladesh non-life insurance industry has been continuing to be one of the smallest in the world (holding 86th position in the world ranking). The growth of Non-life insurance companies' premium income in 2017 was 8.1 percent, as against 4.7% in the previous year. In the non-life insurance sector, 46 private insurers and 1 state-owned corporation have earned TK 29,862 million in 2017.

## Insurance industry

The Bangladeshi insurance industry is highly competitive. Key factors affecting the performance of the industry during the review period included fierce competition in the non-life segment, the rising market shares of private insurance companies, and the increasing level of risk being retained by insurers. The gross premium income of the country in non-life insurance in the private sector was around Tk.30,000 million in 2018 indicating a little higher growth.

## Insurance business in 2018

BNICL earned a gross premium income of Tk.501.91 million as against Tk.476.73 Million in 2017, showing an increase of 5.28 percent.

**Product-wise performance****Fire Insurance Business**

The Company wrote direct fire insurance business with a gross premium income of Tk. 195.02 million against Tk. 136.11 million in 2017. The Company earned an underwriting profit of Tk. 10.51 million from its fire insurance business against Tk. 4.89 million in 2017.

**Marine Insurance Business**

The gross premium income from underwriting of marine insurance was Tk.131.81 million in 2018 and Tk. 134.11 million in 2017. The Company earned an underwriting profit of Tk. 31.98 million in 2018 and Tk. 30.86 million in 2017.

**Motor Insurance Business**

In motor insurance segment, the gross premium income Tk.85.63 million and underwriting profit of Tk. 6.96 million in 2018.

**Miscellaneous Insurance Business**

Gross Premium income from miscellaneous insurance business Tk.89.45 million and underwriting profit of Tk. 13.49 million in the year 2018.

**Income from Investment**

Interest income derived from banks and non-banking financial institutions was Tk.63.89 million and Tk.57.62 million in 2017. The dividend income increased to Tk.2.53 million from Tk.2.06 million in 2017.

**Financial Results & Appropriation**

We are pleased to report that due to effective underwriting, marketing, appropriate portfolio issue, technically sound reinsurance arrangements and effective monitoring, the company has been able to achieve favorable financial results in 2018. Taking into consideration of the company's financial needs and the shareholder's short as well as long term interests, the board of directors recommends the appropriation of after-tax profit for the 2018 in the following manner:

a)	The Un-appropriated Profit Carry forward from previous Year 2017	8,03,23,632
b)	The Un-appropriated Profit for Current Year 2018	1,15,896,311
c)	Deferred Tax Income	4,74,112
d)	Total Fund Available for Appropriation	1,96,694,055
i)	Reserve for Exceptional Losses	37,202,364
ii)	Provision for Taxes	29,290,107
iii)	Dividend Paid	44,250,000
iv)	Balance transferred to retained earnings	85,951,583

**Cost of goods sold and profit margin**

The company is a non-life insurance company and hence cost of goods sold and gross profit margin concept is not appropriate for the company. Rather profit of the company is main concerned for the company hence, in the year 2018 the company earned profit of Tk.117,356,032 only.

**Claim**

The company settled claim of Tk.172.36 million indicating 9.98% growth comparing with the year 2017, after recovery from the reinsurance during the year 2018. The company always used to attach due importance on quick settlement of claims of the valued clients.

**Continuity of any extra-ordinary gain or loss**

In the year 2018 there was no extra ordinary activities and hence there was no continuation of extra ordinary gain or loss in the current year.

#### **Basis of related party transaction**

According to the International Accounting Standard-24 “Related Party Disclosures” related party disclosure was made in note # 45 of the financial statements.

#### **Remuneration to directors including independent directors**

Directors are not empowered to take any remuneration other than attendance fee. In line with that no remuneration except meeting attendance fee has been given to any director in the year 2018. Till date no remuneration was also given to any independent director except the attendance fee.

#### **Corporate and financial reporting framework**

In conformity of the BSEC Notification No.BSEC/CMRRCD/2006-158/207/Admin/80 dated June 3, 2018; the directors confirm compliance with the financial reporting framework for the following:

- The financial statements prepared by the management of Bangladesh National Insurance Company Limited present fairly its state of affairs, the result of its operations, cash flows and changes in equity.
- Proper books of account of the issuer company have been maintained.
- Appropriate accounting policies have been consistently applied in preparation of the financial statements and that the accounting estimates are based on reasonable and prudent judgment.
- International Accounting Standards and International Financial Reporting Standards as applicable in Bangladesh along with Bangladesh Accounting Standards and Bangladesh Financial Reporting Standards have been followed in preparation of the financial statements and any departure there from has been adequately disclosed.
- The system of internal control is sound in design and has been effectively implemented and monitored.
- There are no significant doubts upon the company's ability to continue as a going concern.

#### **Significant deviations from the last year's operating result**

The company earned profit of Tk.117.36 million in the year 2018. In the year 2017, the company earned profit of Tk.94.40 million. The company earns higher profit comparing with the last year can say that significant profit increased during the period under review.

#### **Key operating and financial data**

Key operating and financial data of preceding five years is included in this annual report.

#### **Dividend**

For the year 2018 the Board of Directors recommends 12 percent cash dividend hence there is no reason for non declaration of dividend.

#### **Credit Rating**

Credit Rating of Bangladesh National Insurance Company Limited was carried out by Emerging Credit Ltd for the year 2018-2019. After assessment they provide “Long Term: A A- and Short Term: ST-2” which increase more reliability of the company to the stakeholders. Apart from the above rating agency also highlighted the following salient feature of the Company:

- Steady increase in gross premium income.
- Capacity to meet claim demand of policy holder.
- Decrease in claim due to quality Underwriting expertise.
- Strong reserve base.
- Introduction Corporate governance issues and guidance for Compliance with regulation of IDRA & BSEC.

#### **Utilization of IPO proceeds**

In 2016 the company invested Tk.172,466,000 only in FDR and meet up the IPO expenses of Tk. 4,534,000 only as per use of IPO proceeds published in the Prospectus.

### **Risk Management**

The company is always aware of the risk factors inherent in the industry. To keep the risks at an acceptable level, the company identifies, monitors and reviews the risks inherent in the business from time to time, continuous to update data base for information and takes corrective and or preventive measure to safeguard the stakeholders interest.

### **Director's meeting**

During the year 2018 Five board meetings were held. The attendance in the board meetings by each director is included with this annual report.

### **Shareholding pattern**

According to the clause 1.5 (xxiii) of the BSEC's Notification No. BSEC/CMRRCD/2006 -158/207/Admin/80 dated June 3, 2018 shareholding pattern is included corporate governance guideline.

### **Directors' appointment and re-appointment**

In every year other than first year, one-third of the Directors for the time being or if their number is not three or multiples of three then the number nearest to one-third are required to retire from office. Till date, number of Directors in the Company's Board is 20 and hence four Directors will retire on 26 June 2019 from their office. In line with that, from Group-A, Md. Abdul Rouf, Mrs. Tahmina Binthe Mostafa, Mrs. Tanjima Binthe Mostafa and Mr. Tanveer Ahmed Mostafa will retire on 26 June 2019 and all of them are eligible for re-election. Besides, from Group-B, Md. Hasan Rajib Prodhan and Mohammad Naim Akter will also retire on 26 June 2019 and all of them are eligible for re-election. Detail disclosure in this regard is stated under the heading of brief profile of Directors in the annual report.

### **Auditors**

As per BSEC guidelines, the existing auditors of the Company, M/S. A. Hoque & Co., Chartered Accountants, have consented to continue audit and being eligible, qualify for reappointment under section 210 (3) of the Companies Act, 1994. Audit fee will be Tk. 90,000 only. Now the appointment is placed before the 23rd Annual General Meeting for shareholders approval.

In 22nd Annual General Meeting the appointed auditor of the company M/S Masih Muhith Haque & Co. Chartered Accountants did not perform their duty due to unavoidable circumstance. In place of that the Board of Directors appointed M/S A. Haque & Co. Chartered Accountants as per previous approval fee.

### **Acknowledgement**

We gratefully acknowledge valuable help and advices from the esteemed shareholders at the AGM, Well-wishers, the Insurance Development & Regulatory Authority (IDRA), Bangladesh Insurance Association, Bangladesh Insurance Academy, our Co-insurers and Re-insurers, Registered of Joint Stock Companies, Ministry of Finance, Commercial Banks and Financial Institutions, Bangladesh Bank, Bangladesh Securities & Exchange Commission Dhaka Stock Exchange Limited and Chittagong Stock Exchange Limited.

We also like to thank the members of our staffs for their devotion, drive and skill in maintaining the companies high standard of business ethics.



Abdul Baset Majumder  
Chairman  
18 April 2019

## পরিচালক মন্ডলীর প্রতিবেদন

### প্রিয় শেয়ারহোল্ডারবৃন্দ:

বাংলাদেশ ন্যাশনাল ইন্স্যুরেন্স কোম্পানি লিমিটেডের পরিচালনা পর্ষদের পক্ষ থেকে ৩১শে ডিসেম্বর ২০১৮ইং তারিখের সমাপ্ত বছরের নিরীক্ষিত আর্থিক বিবরণী, বার্ষিক প্রতিবেদন এবং অডিটরস রিপোর্ট শেয়ারহোল্ডারদের বিবেচনা ও অনুমোদনের জন্য উপস্থাপন করতে পেরে আমরা খুব আনন্দিত। পাশাপাশি পর্ষদ উপস্থিত সকল শেয়ারহোল্ডারদের স্বাগত জানায়, যারা ২৩তম বার্ষিক সাধারণ সভায় উপস্থিত হয়েছেন এবং এই সভাকে আলোকিত করেছেন এবং প্রচুর সাহস জুগিয়েছেন যাতে আমরা আগামী দিন গুলোতে কঠোর পরিশ্রমের মাধ্যমে কোম্পানীর জন্য ভালো ফলাফল বয়ে আনতে পারি।

২০১৮ইং সাল জুড়ে কোম্পানীর সাথে থাকার জন্য উপস্থিত সম্মানিত শেয়ারহোল্ডারদের পর্ষদ এর পক্ষ থেকে ধন্যবাদ জ্ঞাপন করছি এবং বিনিয়োগের সাথে অবগত করছি যে ২০১৮ইং সালে কোম্পানী ১১৭,৩৫৬,০৩২ টাকা মুনাফা অর্জন করে এবং ইপিএস অর্জন করে ২.০০ টাকা। পর্ষদ ২০১৮ইং সালের জন্য ১২% নগদ লভ্যাংশ প্রদানের সুপারিশ করতে পেরে আনন্দিত।

### বিশ্ব অর্থনীতি:

আন্তর্জাতিক মুদ্রা তহবিল তথ্য অনুযায়ী বৈশ্বিক অর্থনৈতিক প্রবৃদ্ধি দুর্বল হয়েছে প্রধানত মার্কিন যুক্তরাষ্ট্র কতক অব্যাহত ভাবে ইউরোপ, চীন ও অন্যান্য মূল অর্থনীতির উপর ক্রমাগত শুল্ক বৃদ্ধির কারণে। এধরনের বানিজ্য সংকট ছাড়াও চীনের মন্দা অর্থনীতি, BREXIT চুক্তি নিয়ে একধরনের অনিশ্চয়তা এবং ল্যাটিন আমেরিকার আর্থ-রাজনৈতিক অস্থিতিশীলতা, সবধরনের অর্থনৈতিক উন্নয়ন নিম্নমুখী ধারায় বিরাজমান। বর্তমানে বৈশ্বিক অর্থনৈতিক প্রবৃদ্ধি লক্ষ্যমাত্রা ২০১৮ সালে ৩.৭%, ২০১৯ সালে ৩.৫% এবং ২০২০ সালে ৩.৬% যা উন্নত অর্থনীতির জন্য প্রবৃদ্ধি হবে ২%। উদীয়মান বাজার এবং উন্নয়নশীল দেশের জন্য ২০১৯ এবং ২০২০ সালের জন্য ৪.৫% প্রবৃদ্ধি ইতিমধ্যে এডিবি উন্নয়নশীল এশিয়ান দেশ গুলোর জন্য ২০১৮ সালে ৬% এবং ২০১৯ সালে ৫.৮% এর পূর্বাভাস দেয়া হয়েছে। সম্ভাব্য প্রবৃদ্ধি ৭% এবং ৭.২% নির্ধারণ করে বাংলাদেশ ২০১৮ এবং ২০১৯ সালে উচ্চ প্রবৃদ্ধির দেশের তালিকায় স্থান করে নিবে।

### বাংলাদেশের অর্থনীতি:

বাংলাদেশ পরিসংখ্যান ব্যুরো এর তথ্যমতে ২০১৬-২০১৭ এবং ২০১৭-২০১৮ অর্থ বছরে বর্তমান জিডিপি প্রবৃদ্ধি যথাক্রমে ৭.২৮% ও ৭.৮৬%। জিডিপি প্রবৃদ্ধি বর্তমান ২০১৭-২০১৮ অর্থ বছরে ২২,৫০৪,৭৯০ মিলিয়ন টাকা যা পূর্ববর্তী অর্থ বছরের চেয়ে ১৩.৯০% বেশী। বৈশ্বিক অর্থনীতির নিম্নমুখী ধারা সত্ত্বেও এবং অন্যান্য বিষয়াদি যেমন সিপিআই হার, বাংলাদেশ ব্যাংক ২০১৯ অর্থ বছরে সম্ভাব্য ৭.৮% নির্ধারণ করেছে। ২০১৭ সালে মোট প্রিমিয়াম (লাইফ এবং নন-লাইফ) ইউএসডি ১,৩৪৫ মিলিয়ন ডলার যা ২০১৬ সালে ছিল ইউএসডি ১,৩৫৫ মিলিয়ন ডলার ছিল। যা পূর্ববর্তী বছরের চেয়ে ০.৭৪% হ্রাস হয়েছে। ২০১৭ সালে ইউএসডি ১,৩৪৫ ডলার এর মধ্যে ৩৭১ মিলিয়ন নন-লাইফ প্রিমিয়াম এবং ৯৭৪ মিলিয়ন লাইফ প্রিমিয়াম। বিশ্বের মধ্যে বাংলাদেশের নন-লাইফ ইন্স্যুরেন্স ইন্ডাস্ট্রিজ এর অবস্থান ৮৬তম। ২০১৭ সালে নন-লাইফ ইন্স্যুরেন্স প্রিমিয়াম আয় ৪.১% যা আগের বছর ছিল ৪.৭%। বর্তমানে ৪৬টি প্রাইভেট নন-লাইফ ইন্স্যুরেন্স এবং ১টি রাষ্ট্রীয় মালিকানাধীন কর্পোরেশন সম্মিলিত ভাবে ২০১৭ সালে ২৯,৮৬২ মিলিয়ন টাকা প্রিমিয়াম আয় করেছে।

### বীমা শিল্প:

বাংলাদেশের বীমা শিল্প খুবই প্রতিযোগিতামূলক। ২০১৮ইং সালের ইন্স্যুরেন্স ব্যবসায়ের প্রতিযোগিতায়, নন-লাইফ ব্যবসায়ের দ্রুতগামী প্রতিযোগিতা, মার্কেট শেয়ারের প্রবৃদ্ধিতে বেসরকারী বীমা কোম্পানীর অতিরিক্ত অন্তর্ভুক্তি এবং অতিরিক্ত বুকিং বৃদ্ধি ছিল মূল উপাদান। ২০১৮ইং সালে দেশের বেসরকারী নন-লাইফ বীমা খাতে মোট প্রিমিয়াম আয় ছিল প্রায় ৩০,০০০ মিলিয়ন টাকা যা সামান্য পরিমাণ প্রবৃদ্ধি প্রদর্শন করে।

### ২০১৮ইং সালের বীমা ব্যবসা:

বাংলাদেশ ন্যাশনাল ইন্স্যুরেন্স কোম্পানি লিমিটেডের ২০১৮ইং সালের মোট প্রিমিয়াম আয় ছিল ৫০১.৯১ মিলিয়ন টাকা এর বিপরীতে ২০১৭ইং সালে মোট প্রিমিয়াম আয় ছিল ৪৭৬.৭৩ মিলিয়ন টাকা। গত বছরের তুলনায় ৫.২৮ শতাংশ প্রবৃদ্ধি প্রদর্শন করে।

### পন্য ভিত্তিক ব্যবসায়িক সফলতা

#### অগ্নি বীমা ব্যবসা:

কোম্পানী প্রত্যক্ষ অগ্নি বীমা ব্যবসা থেকে ২০১৮ইং সালে মোট প্রিমিয়াম আয় ছিল ১৯৫.০২ মিলিয়ন টাকা এর বিপরীতে ২০১৭ইং সালে আয় ছিল ১৩৬.১১ মিলিয়ন টাকা। কোম্পানী অগ্নি বীমা ব্যবসা থেকে ২০১৮ইং সালে ১০.৫১ মিলিয়ন টাকা অবলিখন মুনাফা অর্জন করে এর বিপরীতে ২০১৭ইং সালে এই আয় ছিল ৪.৮৯ মিলিয়ন টাকা।

**নৌ বীমা ব্যবসা:**

নৌ বীমা ব্যবসা থেকে কোম্পানীর মোট প্রিমিয়াম আয় ২০১৮ইং সালে ছিল ১৩১.৮১ মিলিয়ন টাকা এবং ২০১৭ইং সালে ছিল ১৩৪.১১ মিলিয়ন টাকা। কোম্পানী নৌ বীমা ব্যবসা থেকে ২০১৮ইং সালে অবলিখন মুনাফা ছিল ৩১.৯৮ মিলিয়ন টাকা এবং ২০১৭ইং সালে ছিল ৩০.৮৬ মিলিয়ন টাকা।

**মোটর বীমা ব্যবসা:**

মোটর বীমা ব্যবসা থেকে ২০১৮ইং সালে মোট আয় হয়েছে ৮৫.৬৩ মিলিয়ন টাকা, মোটর বীমা ব্যবসা থেকে ২০১৮ইং সালে লাভ হয়েছে ৬.৯৬ মিলিয়ন টাকা।

**বিবিধ বীমা ব্যবসা:**

বিবিধ বীমা ব্যবসা থেকে ২০১৮ইং সালে মোট আয় হয়েছে ৮৯.৪৫ মিলিয়ন টাকা। বিবিধ বীমা ব্যবসা থেকে ২০১৮ইং সালে লাভ হয়েছে ১৩.৪৯ মিলিয়ন টাকা।

**বিনিয়োগ থেকে আয়:**

বিভিন্ন ব্যাংক ও আর্থিক প্রতিষ্ঠানে গচ্ছিত বিনিয়োগ থেকে ২০১৮ইং সালের মুনাফা ছিল ৬৩.৮৯ মিলিয়ন টাকা এবং তা ২০১৭ইং সালে ছিল ৫৭.৬২ মিলিয়ন টাকা। ডিভিডেন্ট খাতে আয় বৃদ্ধি পায় ২.৫৩ মিলিয়ন যা ২০১৭ সালে ছিল ২.০৬ মিলিয়ন।

**বন্টনযোগ্য মুনাফা:**

আমরা অত্যন্ত আনন্দের সাথে জানাচ্ছি যে, কার্যপোযোগী অবলিখন, বিপণন এবং যথাযথ পোর্টফোলিও ইস্যু ও নিখুত পুনঃ-বীমা প্রক্রিয়ার অনুসরণ করার পাশাপাশি কার্যকর তদারকির মাধ্যমে আমরা ২০১৮ সালে কাজিত আর্থিক সাফল্য অর্জন করতে সক্ষম হয়েছি। কোম্পানীর আর্থিক দিক বিবেচনা করে ও শেয়ার হোল্ডারদের স্বার্থ সংরক্ষণে দীর্ঘমেয়াদী পরিকল্পনার আলোকে পরিচালকবৃন্দ ২০১৮ সালে ট্যাক্স পরবর্তী নিম্নলিখিত সুপারিশ সমূহ প্রদান করেছেন:

a)	The Un-appropriated Profit Carry forward from previous Year 2017	8,03,23,632
b)	The Un-appropriated Profit for Current Year 2018	1,15,896,311
c)	Deferred Tax Income	4,74,112
d)	Total Fund Available for Appropriation	1,96,694,055
i)	Reserve for Exceptional Losses	37,202,364
ii)	Provision for Taxes	29,290,107
iii)	Dividend Paid	44,250,000
iv)	Balance transferred to retained earnings	85,951,583

**কষ্ট অব গুডস সোল্ড এবং মুনাফা অর্জন:**

বাংলাদেশ ন্যাশনাল ইস্যুরেন্স কোম্পানি লিমিটেড একটি নন-লাইফ ইস্যুরেন্স কোম্পানী যে কারনে কষ্ট অব গুডস সোল্ড এক্ষেত্রে প্রযোজ্য নয়। অন্য দিকে কোম্পানীর মুনাফা অর্জন বিশেষ অর্থ বহন করে এবং ২০১৮ইং সালে ১১৭,৩৫৬,০৩২ টাকা মুনাফা অর্জন করে।

**বীমা দাবী:**

২০১৮ইং সালে কোম্পানী নেট ১৭২.৩৬ মিলিয়ন টাকার বীমা দাবি নিষ্পত্তি করেছে যা গত বছরের তুলনায় ৯.৯৮% প্রবৃদ্ধি প্রদর্শন করে। সম্মানিত গ্রাহকদের দাবি পূরণে কোম্পানী সর্বদাই অত্যন্ত আন্তরিক ও যত্নশীল।

**অস্বাভাবিক হঠাৎ মুনাফা অর্জন বা ক্ষতি:**

২০১৮ইং সালে এরূপ কোনো হঠাৎ মুনাফা অর্জন বা ক্ষতি হয়নি।

**বেসিস অব রিলেটিভ পার্টি ট্রানজেকশন:**

বাংলাদেশ একাউন্টিং স্ট্যান্ডার্ড - ২৪ “রিলেটিভ পার্টি ডিসক্লোজার অনুযায়ী” ৪৫ এ রিলেটিভ পার্টি ট্রানজেকশন প্রদর্শন করা হয়েছে।

**পরিচালকদের সম্মানী (স্বতন্ত্র পরিচালকসহ):**

পরিচালকগণ পর্ষদ মিটিং এর উপস্থিতির জন্য সম্মানী ব্যতীত অন্য কোন প্রকার বেতন বা সম্মানী ভাতা দেয়া হয় না। সে অনুযায়ী ২০১৮ইং সালে পর্ষদ মিটিং সম্মানী ব্যতীত অন্য কোন প্রকার বেতন বা সম্মানী কোনো পরিচালক বা স্বতন্ত্র পরিচালককে প্রদান করা হয়নি।



#### কর্পোরেট এবং আর্থিক প্রতিবেদন:

বিএসইসি নোটিফিকেশন # এসইসি/ সিএমআরআরসিডি/২০০৬-১৫৮/২০৭/এডমিন/৮০ তারিখ ০৩ জুন ২০১৮ অনুযায়ী পর্ষদ আর্থিক প্রতিবেদনের ক্ষেত্রে নিম্নোক্ত বিষয়গুলো পরিপালন বিধায় নিশ্চিত করেন :

- বাংলাদেশ ন্যাশনাল ইন্স্যুরেন্স কোম্পানির ম্যানেজমেন্ট কমিটি আর্থিক প্রতিবেদন তৈরি করেছে এবং এ প্রতিবেদন সমূহ কোম্পানীর আর্থিক অবস্থা, সমাপ্ত বছরের কার্যক্রমের ফলাফল এবং নগদ অর্থ প্রবাহের সুষ্ঠু প্রতিফলন করে।
- কোম্পানীর হিসাব বহিসমূহ সঠিকভাবে সংরক্ষিত হয়েছে।
- আর্থিক বিবরনীসমূহ তৈরিতে সঠিক হিসাব নীতিমালাসমূহ যথাযথভাবে প্রয়োগ করা হয়েছে।
- বাংলাদেশে প্রযোজ্য আন্তর্জাতিক হিসাবমান অনুযায়ী আর্থিক বিবরনীসমূহ প্রস্তুত করা হয়েছে।
- অভ্যন্তরীণ নিয়ন্ত্রণ ব্যবস্থা সুদৃঢ়ভাবে প্রণীত এবং যার প্রয়োগ এবং পর্যবেক্ষণ অতীব কার্যকর।
- চলমান প্রতিষ্ঠান হিসাবে কোম্পানীর স্বক্ষমতায় বিন্দুমাত্র কোন সন্দেহ নেই।

#### গত বছরের মুনাফার তুলনামূলক পার্থক্য:

কোম্পানী ২০১৮ইং সালে ১১৭.৩৬ মিলিয়ন টাকা মুনাফা অর্জন করে। ২০১৭ইং সালে মুনাফা অর্জন করে ৯৪.৪০ মিলিয়ন টাকা। এটি প্রতিয়মান হয় যে, ২০১৭ইং সালের তুলনায় ২০১৮ইং সালে তুলনামূলক মুনাফা বৃদ্ধি পেয়েছে।

#### আর্থিক তথ্য:

গত পাঁচ বছরের আর্থিক তথ্য এই বার্ষিক প্রতিবেদনে সংযুক্ত করা হয়েছে।

#### লভ্যাংশ:

পরিচালনা পর্ষদ ২০১৮ইং সালের জন্য ১২ শতাংশ লভ্যাংশ ঘোষণা করেছে। সুতরাং এ বছরের জন্য লভ্যাংশ ঘোষণা হয়নি এরূপ কিছু বর্ণনার প্রয়োজন নেই।

#### ক্রেডিট রেটিং:

বাংলাদেশ ন্যাশনাল ইন্স্যুরেন্স কোম্পানি লিমিটেডের ২০১৮-২০১৯ইং সালের ক্রেডিট রেটিং করে ইমারজিং ক্রেডিট রেটিং লিমিটেড এবং তাদের রেটিং অনুযায়ী কোম্পানী এএ- রেটিং পেয়েছে। এই রেটিং কোম্পানীর সন্তোষজনক আর্থিক ব্যবস্থাপনা, আর্থিক স্বচ্ছলতা, তারল্যের প্রবাহ ইত্যাদি প্রদর্শন করে।

#### আই.পি.ও- এর অর্থ ব্যবস্থাপনা:

২০১৬ সালে কোম্পানী আই.পি.ও. প্রসপেকটাসের বর্ণনা অনুযায়ী ১৭,২৪,৬৬,০০০ টাকা এফ.ডি.আর. হিসেবে বিনিয়োগ করা হয় এবং ৪৫,৩৪,০০০ টাকা আই.পি.ও- এর খরচ হিসাবে বহন করা হয়।

#### ঝুঁকি ব্যবস্থাপনা:

কোম্পানী সবসময় ইন্স্যুরেন্স ব্যবসায়ের ঝুঁকি নিয়ে সজাগ থাকে। ঝুঁকিকে সহনীয় পর্যায়ে রাখার জন্য, কোম্পানী সবসময় ঝুঁকি নিরসন ও পর্যবেক্ষণ করে এবং সে অনুযায়ী তথ্য সংগ্রহ করে এবং সে ভাবে কর্মকাণ্ড পরিচালনা করে যাতে শেয়ারহোল্ডারদের স্বার্থ রক্ষা পায়।

#### পর্ষদ মিটিং:

২০১৮ইং সালে সর্বমোট পাঁচটি পর্ষদ মিটিং অনুষ্ঠিত হয়। সে অনুযায়ী পর্ষদ মিটিং এ পরিচালকদের উপস্থিতির বিবরণ এই বার্ষিক প্রতিবেদনে লিপিবদ্ধ করা আছে।

#### শেয়ারধারন অবস্থা:

বিএসইসি নোটিফিকেশন # এসইসি/সিএমআরআরসিডি/২০০৬/১৫৮/২০৭/এডমিন/৮০ তারিখ ০৩ জুন ২০১৮ এর ক্রজ ১.৫ (xxiii) অনুযায়ী কোম্পানীর শেয়ার ধারন অবস্থা এই বার্ষিক প্রতিবেদনে লিপিবদ্ধ করা আছে।

#### পরিচালকদের নিয়োগ:

প্রথম বছর ব্যতীত পরবর্তী প্রতি বছরে ১/৩ ভাগ পরিচালক পর্ষদ হতে অবসর গ্রহণ করবে। বর্তমানে কোম্পানীর পরিচালকের সংখ্যা ২০ জন, তাই ৪ জন পরিচালক ২৬ জুন ২০১৯ইং তারিখে অবসর গ্রহণ করবে। সে অনুযায়ী গ্রুপ ‘এ’ থেকে জনাব আব্দুর রউফ, মিসেস তাহমিনা বিনতে মোস্তফা, মিসেস তানজিমা বিনতে মোস্তফা এবং জনাব তানভীর আহমেদ মোস্তফা ২৬ জুন ২০১৯ইং তারিখে অবসর গ্রহণ করবেন এবং তারা যোগ্য বিধায় পুনরায় নির্বাচিত হওয়ার অধিকার রাখেন।

পাশাপাশি, গ্রুপ 'বি' হতে জনাব মো: হাসান রাজীব প্রধান এবং মো: নাসিম আজার ২৬ জুন ২০১৯ইং তারিখে অবসর গ্রহণ করবেন এবং তারা যোগ্য বিধায় পুনরায় নির্বাচিত হবার অধিকার রাখেন।  
এই মর্মে সকল পরিচালকদের জীবন বৃত্তান্ত এই বার্ষিক প্রতিবেদনের সাথে সংযুক্ত করা হয়েছে।

#### অডিটর নিয়োগ:

বাংলাদেশ সিকিউরিটিজ এন্ড এক্সচেঞ্জ কমিশনের নির্দেশনা অনুযায়ী বর্তমান অডিটর মেসার্স এ. হক এন্ড কোং চার্টার্ড একাউন্টেন্টস ২০১৯ইং সালের অডিট করার জন্য আহ্বান প্রকাশ করে এবং যোগ্য বিধায় কোম্পানি আইন ১৯৯৪ এর ২১০ (৩) মোতাবেক পূর্ণনিয়োগের যোগ্যতা রাখে। অডিট ফি হবে ৯০,০০০ টাকা মাত্র। যা ২৩তম বার্ষিক সাধারণ সভায় শেয়ার হোল্ডারদের অনুমোদনের জন্য পেশ করা হলো।  
২২তম বার্ষিক সাধারণ সভায় নিয়োগ প্রাপ্ত অডিটর মেসার্স মসিহ মুহিত হক এন্ড কোং চার্টার্ড একাউন্টেন্টস ২০১৮ইং সালের জন্য অডিটর হিসাবে নিয়োগ প্রাপ্ত হলেও অনিবার্য কারনবসত নিরীক্ষা কার্যক্রম পরিচালনায় অপারগতা প্রকাশ করেন। পরিচালনা পর্ষদ তার স্থলে অডিটর হিসাবে মেসার্স এ.হক এন্ড কোং চার্টার্ড একাউন্টেন্টস কে পূর্বের নির্ধারিত ফি অনুযায়ী নিয়োগ প্রদান করেন।

#### কৃতজ্ঞতা স্বীকার:

সকলের সহযোগিতা এবং সু-পরামর্শের জন্য আমরা কৃতজ্ঞতা প্রকাশ করি। আমাদের উপস্থিত সম্মানিত শেয়ার হোল্ডার বৃন্দ, শুভানুধ্যায়ী, বীমা উন্নয়ন ও নিয়ন্ত্রণ কর্তৃপক্ষ, বাংলাদেশ ইস্যুরেন্স একাডেমী, রেজিস্ট্রার অব জয়েন্ট স্টক কোম্পানীজ এন্ড ফার্মস, অর্থ মন্ত্রণালয়, বানিজ্যিক ব্যাংক এবং আর্থিক প্রতিষ্ঠান, বাংলাদেশ ব্যাংক, বাংলাদেশ সিকিউরিটিজ এন্ড এক্সচেঞ্জ কমিশন, ঢাকা স্টক এক্সচেঞ্জ লিমিটেড এবং চিটাগাং স্টক এক্সচেঞ্জ লিমিটেড কে কৃতজ্ঞতা জানাই।

আমরা আরো কৃতজ্ঞতা জানাই আমাদের সকল কর্মকর্তা ও কর্মচারীদের যাদের দক্ষতা ও কর্মকাণ্ডের মাধ্যমে কোম্পানী তার অবস্থান ধরে রেখেছে।

ধন্যবাদান্তে

পরিচালক মন্ডলীর পক্ষে



(আবদুল বাসেত মজুমদার)

চেয়ারম্যান

# FROM THE DESK OF CHIEF EXECUTIVE OFFICER



Bismillahir Rahmanir Rahim

Honorable shareholders – Assalamu Alaikum

This is my immense pleasure to inform you that being with the Bangladesh National Insurance Company Limited as a Chief Executive Officer I have completed the year 2018 successfully overcoming many business obstacles. Besides, I convey my warm wishes to all the shareholders presences in the 23rd Annual General Meeting from the part of the employees of the company and inform you that the board recommends 12 percent cash dividend for the year 2018 for your continuous trust, encouragement and support. We hope that in coming year we can put more profits in the accounts of the company.

You know that Non-Life insurance industry has traditional insurance services, with them; companies are trying to cover business throughout the country. Currently, we are trying to add more features to our services that may attract more clients in coming years. We believe that with new service's dimension, clients will feel more comfort with us.

In Competition with other companies, we have covered a large number of clients in the year 2018 comparing with the year 2017. Many clients were also showed their interest to grow with us by covering their risks with our products. Thus after listing with Dhaka Stock Exchange Limited and Chittagong Stock Exchange Limited, our reliability in the insurance market is increased.

Now we look forward to improving our branding image in the market. As a result, we launched our new corporate logo which looks so eye catching and indicate modern corporate style. We begin to changing; new changes will come in our business.

Having overcome many challenges, your company able to put some profit of Tk. 11,73,56,032.00 only and the Board of Directors recommended 12 % cash dividend for the year 2018. If we always receive your faith and support, we hope that in future we can also be able to declare more dividends.

In 2018 our Gross premium income and net premium income stood at Tk. 501.91 million and Tk.372.03 million, representing a growth of 5.28 % and (0.41)% respectively over the previous year. Total Assets of the company at stood 1326.38 million as at 31 December 2018 showing a growth of 7.31 % comparing with the last year.

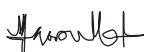
Our credit rating status is AA- (pronounced as double AA minus) by Emerging Credit Rating Limited (ECRL) which reflects our good financial strength and claim paying ability.

On the other hand, we believe that strong internal database system is very much essential for continuous growth of the company. Keeping that in mind, we were established branch wise computer network system with software that can provide information promptly as per business requirement. Continuous development in IT infrastructures is also one of our core objectives.

I express my profound gratitude to the Board of Directors for their active support and proper guidance.

Finally, on behalf of the management of Bangladesh National Insurance Company Limited, would like to express my heartfelt gratitude to our shareholders/stakeholders, Insurance Development & Regulatory Authority (IDRA), Bangladesh Bank, Bangladesh Insurance Association, Bangladesh Insurance Academy, Sadharan Bima Corporation, Bangladesh Securities & Exchange Commission, Dhaka and Chittagong Stock Exchange Limited, our co-insurers and re-insurers for the support they have been rendering to us for a long time.

Allah Hafez



Md. Sana Ullah  
Chief Executive Officer  
18 April 2019

## মূখ্য নির্বাহী কর্মকর্তা মহোদয়ের বক্তব্য

বিসমিল্লাহির রাহমানির রাহিম

সম্মানিত শেয়ারহোল্ডার বৃন্দ - আসসালামু আলাইকুম

বাংলাদেশ ন্যাশনাল ইস্যুরেন্স কোম্পানীর লিমিটেড এর ২৩তম বার্ষিক সাধারণ সভায় আমি আনন্দের সাথে জানাচ্ছি যে, ২০১৮ সাল আমরা সাফল্যের সাথে অতিক্রম করেছি। সেই সাথে আমি কর্মকর্তা ও কর্মচারীদের পক্ষ হতে উপস্থিত সকল সম্মানিত শেয়ার হোল্ডারদের শুভেচ্ছা জানাচ্ছি। পর্যদ ২০১৮ সালের জন্য ১২ শতাংশ নগদ লভ্যাংশ প্রদানের সুপারিশ করেছে যা সম্ভব হয়েছে আপনাদের আস্থা ও সহযোগিতার জন্যে। আমরা বিশ্বাস করি যে আগামী দিনগুলিতে আমরা আরো বেশি মুনাফা অর্জন করতে পারব।

আপনারা জানেন যে নন-লাইফ ইস্যুরেন্স ব্যবসায় এখনো প্রচলিত বীমা সেবা প্রদানের মাধ্যমে দেশব্যাপী বীমা ব্যবসা পরিচালনা করছে। বর্তমানে আমরা, আমাদের সেবাগুলোতে নতুন মাত্রা সংযোজন করার চেষ্টা করছি যা আরো অধিক পরিমাণে গ্রাহকদের আকর্ষণ করবে। আমরা বিশ্বাস করি যে, এই নতুন সেবার মাধ্যমে গ্রাহকগণ আরো অধিক স্বাচ্ছন্দ্য বোধ করবে।

প্রতিযোগিতামূলক বীমা বাজারে ২০১৭ সালের তুলনায় ২০১৮ সালে আমরা আরো অধিক গ্রাহক সেবা প্রদান করেছি। অনেক নতুন গ্রাহক আমাদের বীমা সেবার মাধ্যমে ঝুঁকি নিরোসনের জন্য আগ্রহ প্রকাশ করেছে। পাশাপাশি ঢাকা স্টক এক্সচেঞ্জ লিমিটেড এবং চিটাগং স্টক এক্সচেঞ্জ লিমিটেডের সাথে তালিকা ভুক্তি হওয়ার ফলে ব্যবসায় আমাদের উপর গ্রাহকদের আস্থা অনেক বেড়েছে।

এখন আমরা আমাদের সুনাম আরো উন্নত করার দিকে বিশেষ ভাবে নজর দিয়েছি। তারই ফল স্বরূপ আমরা আমাদের কোম্পানীর নতুন কর্পোরেট লোগো এর প্রচলন করেছি যা দেখতে অনেক দৃষ্টি নন্দন ও আধুনিক। আমরা পরিবর্তন গুরু করেছি, পরিবর্তন আসছে আমাদের ব্যবসায়ের পরিধিতে।

অনেক বাঁধা বিপত্তি পার করে কোম্পানী ২০১৮ সালে ১১,৭৩,৫৬,০৩২.০০ টাকা মুনাফা অর্জন করেছে, সেই সাথে পর্যদ ১২% নগদ লভ্যাংশ ঘোষণা করেছে। আমরা যদি সব সময় আপনাদের আস্থা ও সহযোগিতা পাই, ভবিষ্যতেও আমরা নিশ্চয় আরো বেশি লভ্যাংশ ঘোষণা করতে পারবো। ২০১৮ সালে মোট প্রিমিয়াম আয় এবং নেট প্রিমিয়াম আয় ছিল ৫০১.৯১ মিলিয়ন টাকা এবং ৩৭২.০৩ মিলিয়ন টাকা যা কিনা একাধারে ৫.২৮% এবং (০.৪১)% প্রবৃদ্ধি প্রদর্শন করে। ২০১৮ সালে মোট সম্পত্তির পরিমাণ ছিল ১,৩২৬.৩৮ মিলিয়ন টাকা যা বিগত বছরের তুলনায় ৭.৩১% প্রবৃদ্ধি প্রদর্শন করে।

কোম্পানীর ক্রেডিট রেটিং অবস্থান হল “এএ-”, যা কোম্পানীর ভালো আর্থিক ভিত্তি এবং বীমা দাবী প্রদানের অধিক স্বক্ষমতা প্রকাশ করে।

অন্যদিকে, আমরা বিশ্বাস করি যে, কোম্পানীর গতিময় উন্নয়নের জন্য প্রয়োজন একটি শক্ত অভ্যন্তরীণ তথ্য ভান্ডার, সে দিক বিবেচনা করে, আমরা সকল শাখা অফিসগুলোকে অনলাইন নেটওয়ার্ক সিস্টেম এর আওতায় এনেছি। যার ফলে এখন অতি সহজে যে কোনো ব্যবসায়িক তথ্য পাওয়া সম্ভব হচ্ছে।

আমি ধন্যবাদ জানাই বাংলাদেশ ন্যাশনাল ইস্যুরেন্স কোম্পানী লিমিটেড এর পর্যদকে, তাদের সর্বদা সহযোগিতা এবং প্রয়োজনীয় দিক নির্দেশনা প্রদানের জন্য।

সর্বশেষে বাংলাদেশ ন্যাশনাল ইস্যুরেন্স কোম্পানী লিমিটেড এর ব্যবস্থাপনা কর্তৃপক্ষ পক্ষ থেকে আন্তরিক ধন্যবাদ জানাই সকল শেয়ারহোল্ডার/স্টেক হোল্ডার, বীমা উন্নয়ন ও নিয়ন্ত্রণ কর্তৃপক্ষ (আইডিআরএ), বাংলাদেশ ব্যাংক, বাংলাদেশ ইস্যুরেন্স এসোসিয়েসন, বাংলাদেশ ইস্যুরেন্স একাডেমি, সাধারণ বীমা কর্পোরেশন, বাংলাদেশ সিকিউরিটিজ এন্ড এক্সচেঞ্জ কমিশন, ঢাকা ও চিটাগং স্টক এক্সচেঞ্জ লিমিটেড, রেজিস্ট্রার অব জয়েন্ট স্টক কোম্পানীজ এন্ড ফার্মস কে যাদের সার্বিক সহযোগিতার জন্য আমরা আমাদের এই গন্তব্যে পৌঁছাতে পেরেছি।

আব্বাস হাফেজ



মোঃ সানা উল্লাহ  
মূখ্য নির্বাহী কর্মকর্তা  
১৮ এপ্রিল ২০১৯



# CORPORATE GOVERNANCE

Corporate governance is the mechanisms, processes and relations by which corporations are controlled and directed. Governance structures and principles identify the distribution of rights and responsibilities among different participants in the corporation such as the board of directors, managers, shareholders, creditors, auditors, regulators, and other stakeholders. It also includes the rules and procedures for making decisions in corporate affairs. Corporate governance includes the processes through which company's objectives are set and pursued in the context of the social, regulatory and market environment. Governance mechanisms include monitoring the actions, policies, practices, and decisions of corporations, their agents, and affected stakeholders. Corporate governance practices are affected by attempts to align the interests of stakeholders.

## Compliance of corporate governance

Pursuant to BSEC Notification No. SEC/CMRRCD/2006-158/207/Admin/80 dated 03 June 2018, the Board of Directors of Bangladesh National Insurance Company Limited is responsible to company's shareholders for the policies and their implementation, activities regarding the effective corporate governance practices in the company. Implementation and improvement in the corporate governance is a continuous process. Keeping that in mind the Board is marching ahead with the formulation and implementation of clear structure and accountabilities supported by well understandable policies in the company.

## Composition of the Board

The Board of Directors of Bangladesh National Insurance Company Limited composed of 20 Directors where 11 are Directors 4 are Independent Directors and 5 are Public Directors having highly professionalism in insurance area and other also. A brief profile of the directors is also presented in this annual report. The Board also considers that its composition carries a suitable sense of equilibrium of experience and expertise in following the corporate governance in the company.

## Responsibilities of the Board

The board of directors is appointed to act on behalf of the shareholders to run the day to day affairs of the business. The boards are directly accountable to the shareholders and each year the company will hold an annual general meeting (AGM) at which the directors must provide a report to shareholders on the performance of the company, what its future plans and strategies are and also submit themselves for re-election to the board.

The objects of the company are defined in the Memorandum of Association and regulations are laid out in the Articles of Association.

The board of directors' key purpose is to ensure the company's prosperity by collectively directing the company's affairs, whilst meeting the appropriate interests of its shareholders and stakeholders. In addition to business and financial issues, boards of directors must deal with challenges and issues relating to corporate governance, corporate social responsibility and corporate ethics. Thus the responsibilities of the BNICL are as follows:

- Determination of strategic mission/vision of the company.
- Fixation of business goal, growth and excellence on annual basis.
- Establish, observe and evaluate the policies, planning, management performance criteria.
- Discussion regarding change/extension/modification/up-to-date of policies.
- Regular review of the operational success and failure and point out the reason for failure.
- The delegation of authority has been fully supervised through close supervision in different issues
- Approval and monitor timely completion of all annual budget, capital expenditure and statutory reports of the company.
- Review on regular basis the financial statements, overdue situation, financial performance, provisioning, capital adequacy and legal steps against the default cases.



Bangladesh National Insurance Co. Ltd.

- Policy regarding purchase.
- Decision regarding purchase of land, building, vehicle.
- Evaluation of proposal which requires Board approval and/or suggestions.
- Appointment of CEO and increase of remuneration under approval of Bangladesh Bank.
- Ensuring the necessary skills and experience of the senior management team, to perform their responsibilities, functions effectively, in the best interest of the company.
- Formation of different committees.
- Review of the reports of external auditor, Bangladesh Bank auditor and audit committee.
- Any other activities as required beneficial for the company.

#### Board meeting

During the period under review, 5 number of Board meeting held in the head office of the Bangladesh National Insurance Company Limited. Meetings are scheduled with consent of the Chairman of the Board and the Company Secretary gives the notice of each Board meeting in writing to each Director.

#### Independent Directors

In compliance with BSEC notification # SEC/CMRRCD/2006-158/207/Admin/80 dated 03 June 2018, four Independent Directors are appointed in the Board of directors of the Company. In terms of their experience and education, they are highly qualified to perform the duties of Independent Directors.

#### The Chairman and the Chief Executive Officer

The Chairman and the Chief Executive Officer of the company are different bodies and their duties & responsibilities are separated as mentioned in the Articles of Association of the company. The Chairman is the Non Executive Director and Managing Director is performed as Executive Director. The Chairman ensures to comply the policy of the company through the Board and the Managing Director confirmed to the Board about the implementation of the policy with the support of the management team.

#### The Executive Committee

The Board of Directors formed the Executive Committee as a subcommittee of the Board to works in line with the policies and guidelines approved by the Board and in requirement of smooth operation of the company. The committee is composed of as follows:

Name of Directors	Executive Committee
Abdul Baset Majumder	Chairman
Mostafa Kamal	Member
Beauty Akter	Member
Taif Bin Yousuf	Member
Tahmina Binthe Mostafa	Member

#### Audit Committee

The Audit Committee comprises of three members of the Board as follows:

Name of Directors	Audit Committee
Mohammed Salim, FCMA	Chairman
Yousuf Ali	Member
Tanjima Binthe Mostafa	Member

#### Nomination and Remuneration Committee

The Nomination & Remuneration committee comprises of three members of the Board as follows

Name of Directors	Nomination & Remuneration committee
Prof. Dr. Mijanur Rahman	Chairman
Taif Bin Yousuf	Member
Wasikur Rahman	Member

During the year 2018, four meetings were held by the Board Audit Committee. Functions and responsibilities of the Committee are as under:

- Examine any matter relating to the financial and other connected to the company.
- Review all internal & external Audit of the company
- Review the efficiency of internal control systems and procedures.
- Review the quality of Accounting Policies to statutory and regulatory compliance.
- Ensure that a well managed sound financial reporting system is in place within the company
- Review the quarterly financial statement and annual financial statements
- Review all the disclosures are presented in the financial statements etc.

#### **Claim Committee:**

The claim committee is constituted with five members. The committee ensures and monitors the proper management of the claim related issues. The committee's main responsibility is to investigate and approve any claim that exceeds BDT 0.50 million. The insured are given the loss voucher on the approved claim amount and after everything if finalized, cheque is being issued to the insured. The claim are approved and settled on its claim merit with a time limit of 90 days upon receiving all of the relevant documents.

#### **Internal Control Committee:**

The Company's internal committee formed by board with seven members. Entire internal control has been monitored by the committee. The committee meets at least once in a month to explore the day-to-day development and also recommend and record their findings for further decision/approval and its implementation. Decisions are taken collectively to further enhance the expertise in the best interest of the members in serving the needs of its clients.

#### **Underwriting Team**

The team is responsible for dealing all the issues regarding the underwriting of the risk of specific policyholders. This team consists of headed by Senior General Manager, Head of Reinsurance, Claims, Branch control and Underwriting Department), has more than 29 years of experience on underwriting process. Officers and staffs on underwriting department have more than sixteen years of working experience. All of them have participated in elementary course of under writing and specialized underwriting

#### **Investment Team**

The Investment team comprises five experienced and qualified members. This committee assists the board through regular meetings with investment managers in creating, modifying, and monitoring the company investment policy. The global financial crisis in 2008 highlighted the Importance of having a dear investment policy as well as a structured and disciplined investment process. It also underlined the need for insurance companies to manage their assets relative to their liabilities. The application and success of this activity have been a major differentiate across the insurance industry in recent years.

#### **Appointment of Chief Financial Officer, Head of the Internal Audit and Company Secretary**

In compliance with BSEC notification # SEC/CMRRCD/2006-158/207/Admin/80 dated 03 June 2018, and establish a good corporate governance, the company appointed Chief Financial Officer, Head of the Internal Audit and Company Secretary. They are separate individual and have respective set forth responsibilities.

#### **Internal Control Framework**

The Management recognizes its responsibilities to present a balanced and understandable assessment of the company's position and prospect. The management has accountability for reviewing and approving the effectiveness of internal controls operated by the company, including financial and operational compliance.

#### **Delegation of authority**

The Board of Directors delegated financial and operational powers to the company management and Executive Committee with set of guidelines and limits to ensure effective, prompt and growth oriented business. The management of BNICL strongly believes that accurate delegation of authority helped a lot the organization which causes betterment of the company.

### **Human Resource Management**

Non-life (general) insurance Company's success depends on its right, professional skilled human resource towards better service and revenue increase. BNICL is practicing proper HR functions through Human resource planning, recruitment, selection, training & development. BNICL knows efficient people can change work environment and increase the trust of the people. BNICL periodically reviews salary and benefits of the employees; besides this, the company has also decided to introduce workers profit participation policy. Like other Insurance company BNICL's also having commission based Insurance agent and permanent employee. The company nominates its employees in training programs to improve their performance conducted by Bangladesh Insurance Academy (BIA), insurance firm & others.

### **External auditor**

According to The Companies Act, 1994 and the Articles of Association of the company the external auditor of the company is appointed by the shareholders in the AGM along with the fee in quantum. The auditor will be selected from the panel lawyer of Bangladesh Securities and Exchange Commission in this regard.

### **Financial reporting**

According to The Companies Act, 1994, the Board is responsible to prepare the financial statements of the company following the applicable accounting standards, rules and regulations etc. The Board is also responsible to present the financial statements before the shareholders in the annual general meeting for getting approval.

Regarding the financial position, the BNICL Board confirms the following:

- The company's financial statements has been prepared in compliance with the International Accounting Standards (IAS) and International Financial Reporting Standards (IFRS) as adopted by ICAB, the requirements of The Companies Act, 1994, Securities and Exchange Commission Rules 1987 and The Financial Institutions Act 1993.
- The financial statements represent the fair view of the state of affairs of the company and will enable the shareholders and other users to form their independent opinion with reasonable accuracy of the financial position.

### **Compliance with the requirement of Dhaka Stock Exchange Limited, Chittagong Stock Exchange Limited and Bangladesh Securities & Exchange Commission**

In compliance with the requirement of Dhaka Stock Exchange Limited (DSE), Chittagong Stock Exchange Limited (CSE) and Bangladesh Securities & Exchange Commission (BSEC) BNICL submitted all type of shareholdings' reports to the DSE, CSE and BSEC on monthly basis. BNICL follows all other compliance of the notifications, orders, rules etc. of DSE, CSE and BSEC and especially the Listing Regulations of Dhaka and Chittagong Stock Exchange Limited, 2015 for approval of quarterly accounts and publication, declaration of financial performance, publication of price sensitive information, fixation of record date, Annual General Meeting, Extra Ordinary General Meeting etc. as a best practice of the corporate governance.

### **Communication with shareholders**

All the shareholders have the right to attend the annual general meeting and to express their views on the company's business and financial performances. If any shareholder is unable to attend the annual general meeting, he may appoint a proxy on his behalf. The shareholder can also exchange his ideas and thoughts regarding company's betterment in future. The Chairman and the Directors are always makes them available in the annual general meeting, so that they can also exchange their views.

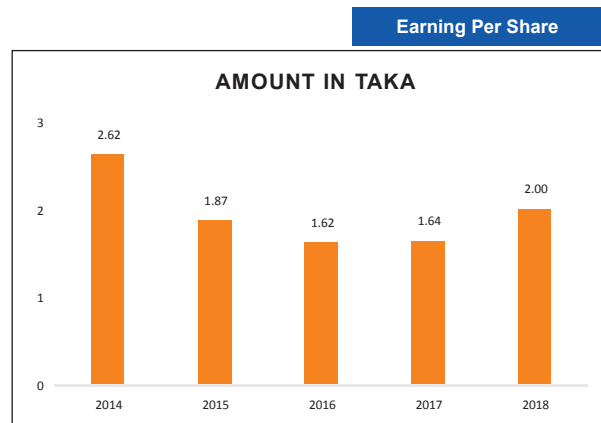
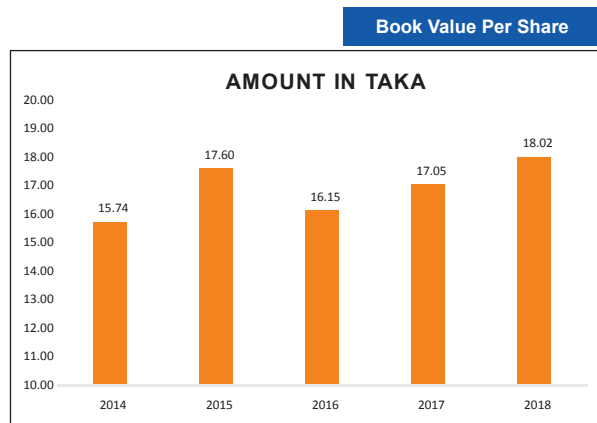
# SHAREHOLDING STRUCTURE

Shareholding structure of Bangladesh National Insurance Company Limited as on December 31, 2018 is as follows:

Particulars	Amount in Taka	
	2018	2017
<b>Authorized capital:</b>	1000,000,000	1,000,000,000
100,000,000 ordinary share of Tk.10 each		
<b>Issued, subscribed and paid up capital:</b>	442,500,000	442,500,000
44,250,000 ordinary shares of Tk.10 each		

Composition of the shareholding as on 31 December 2017

Shareholdings	Number of shares	Percentage of paid up capital
Directors and sponsors shareholders	22,457,094	50.74%
Government	00.00	00.00%
Institute	600,605	1.36%
Foreign	71,942	0.17%
Public	21,120,359	47.73%
<b>Total</b>	<b>44,250,000</b>	<b>100.00</b>



## EXECUTIVE OF BNICL

	<b>Md. Sana ullah</b> Managing Director & CEO	
Mostafa Jasim Raihani, FCA Chief Financial Officer	Sk. Salahuddin Ahmed Sr. General Manager (BCD & U/W)	A.T.M. Malekuzzaman Sr. General Manager (Claims & Re-Ins.)
Md. Ferozul Islam General Manager (F&A)	Md. Masud Rana Dy. General Manager & Company Secretary(C.C.)	Sharmin Akhter Head of Internal Audit
<b>Executive Branches</b>		
S.M. Khurshid Alam Deputy Managing Director & Branch Incharge Dilkusha Br. Dhaka	Md. Shakur Elahi Joarder Deputy Managing Director & Branch Incharge Gulshan Br. Dhaka	Ishraq Khan Deputy Managing Director & Branch Incharge Uttara Br. Dhaka
Md. Anisur Rahman Deputy Managing Director & Branch Incharge D.I.T. Br.Dhaka	Md. Rafiqul Islam Deputy Managing Director & Branch Incharge Khatungonj Br. Chattogram	Jahangir Alam Deputy Managing Director & Branch Incharge Sk.Mujib Road Br.Chattogram
Kazi Mohammed Shafiqul Islam Deputy Managing Director & Branch Incharge Jubilee Road Br.Chattogram	Gopal Roy (Rana) Sr. General Manager & Branch Incharge V.I.P.Road Br.Dhaka	Mohammad Abdul Quader Sr. General Manager & Branch Incharge Local Officer,Dhaka
Md. Mizanur Rahman Chowdhury Sr. General Manager & Branch Incharge Principal Br. Dhaka	Md. Shahidul Alam Sr. General Manager & Branch Incharge Agrabad Br. Chattogram	Kh. Mohammad Joynul Abedin General Manager & Branch Incharge Palton Br. Dhaka
Md. Nasir Uddin (Rumy) General Manager & Branch Incharge Jashore Br. Jashore	Md. Abdul Latif Dy. General Manager & Branch Incharge Kushtia Br. Kushtia	A.K.M. Elias Khan Sr. Asstt. General Manager & Branch Incharge Kadamtoli Br. Chattogram
Shamima Akter Asstt. General Manager & Branch Incharge B.B. Avenue Br.Dhaka	Kh. Rezaur Rahman Asstt. General Manager & Branch Incharge Jatrabari Br. Dhaka	Md. Tozammel Hossain Asstt. General Manager & Branch Incharge Rangpur Br. Rangpur.
Kazi Taifur Rahman Sr. Manager & Branch Incharge Bangshal Br. Dhaka	Md. Hemayet Sheikh Sr. Manager & Branch Incharge Bagerhat Br. Bagerhat	Taposh Chandra Halder Manager & Branch Incharge KarwanBazar Br. Dhaka
Asraful Alam Manager & Branch Incharge Khulna Br. Khulna  Md. Rehanul Islam Asstt. Manager & Branch Incharge Pabna Br. Pabna.	Nazmul Hasan Deputy Manager & Branch Incharge Baridhara Br. Dhaka	Md. Hossain Kabir Deputy Manager & Branch Incharge Jamalpur Br. Jamalpur



## VARIOUS EVENTS



## VARIOUS EVENTS



# RISK MANAGEMENT

Risk management is the process, whereby organizations methodically address the risks attaching to their activities with the goal of achieving sustainable benefit. Bangladesh National Insurance Company Limited always tried to reduce the risk of the portfolio in controllable position that push up the profit of the company. Good risk management strategy always increases the operational result and reduces unusual cost rising. Therefore BNICL get the benefit from the underwriting returns by relocating its portfolio by risk management.

## **Risks of Insurance Operations**

BNICL faces many risks, which the company managed successfully, but its core competences and main contribution to society is to accept the risks underwritten by businesses and individuals, hence the strategic importance for citizens and governments that protect their assets and revenues, and that policies and scientific methods are established to ensure a minimum financial solvency and the continuity of its operations. Operational risk also includes market or credit risks. The management of BNICL always tried to minimize its operational risks.

## **Risk Management Plan**

The BNICL management developed its risk management plant and established with the organization to achieving the objectives of the company. All the employees are cordially worked/control/overseeing the plan that can effect properly. The Company's risk management of components, the approach, and the resources that will be used to manage the risk are setforth sequentially. It includes procedures, practices, responsibilities, and activities to implement the plans.

## **Risk Concentrations**

The BNICL takes the risk concentration in its overall business coverage. Estimating the maximum loss, the management tried to control the property risk, business risk etc. The estimation includes reinsurance coverage also. Earthquakes are excluded within the risk here. BNICL concentrated on the risk associated with other natural disasters, such as storms and floods.

## **Risk Analysis**

Risk analysis is very important for insurance business. BNICL takes over risks from customers. Insurers consider every available quantifiable factors to develop profiles of high and low insurance risk. Level of risk determines insurance premiums. Generally, insurance policies involving factors with greater risk of claims are charged at a higher rate. With much information at hand, insurers can evaluate risk of insurance policies at much higher accuracy. To this end, insurers collect a vast amount of information about policy holders and insured objects.

## **Underwriting Risks**

Underwriting risk is the risk of loss borne by an underwriter and refers to the risk of loss from underwriting activity. In insurance, underwriting risk may arise from an inaccurate assessment of the risks associated with writing an insurance policy or from uncontrollable factors. As a result, the insurer's costs may significantly exceed earned premiums. In line with that BNICL diversifies the company operates in the region with a perceived relatively low risk of natural catastrophes, enabling the company to protect against the risk through reinsurance.

## **Reinsurance Risk**

Reinsurance risk refers to the inability of the ceding company or the primary insurer to obtain insurance from a reinsurer at the right time and at an appropriate cost. The inability may emanate from a variety of reasons like unfavorable market conditions, etc. Default risk by a reinsurer also affects the ceding insurance company in an adverse manner as it may affect their profitability. Insurers transfer a part of their portfolio to a reinsurer in exchange for a premium. However, the unavailability of reinsurance at the right time and cost has ramifications for the ceding company. A default on the part of the reinsurer can lead to adverse impacts on the profitability and solvency of the ceding insurer. In line with that BNICL makes reinsurance agreements with the local and foreign companies.

## **Comprehensive Motor Insurance Risk**

Moor insurance also known as car insurance is insurance for cars, trucks, motorcycles, and other road vehicles. Its primary use is to provide financial protection against physical damage or bodily injury resulting from traffic collisions and

against liability that could also arise from incidents in a vehicle. Vehicle insurance may additionally offer financial protection against theft of the vehicle, and against damage to the vehicle sustained from events other than traffic collisions, such as keying, weather or natural disasters, and damage sustained by colliding with stationary objects. BNICL covers the comprehensive Motor Insurance Risk.

#### **Risk of Cargo Insurance**

Cargo Insurance applies mainly to Companies transport risks, transport risks, covering loss of or damage to goods in transit. This line of Insurance also contains luggage and boat/yacht Insurance whose policyholder is mainly a private individual. In addition, weather conditions may involve accumulation risks covering a geographically large region, such as storms and floods, and the risk of snow and icy roads during the winter pertains to comprehensive Insurance. The BNICL has taken out reinsurance coverage against major loss of or damage to cargoes.

#### **Market Risk**

Market risk relates to the volatility of the market price of assets. It involves exposure to movements in the level of financial variables, such as stock prices, interest rates, exchange rates or commodity prices. It also includes the exposure of options to movements in the underlying asset price. Market risk also involves exposure to other unanticipated movements in financial variables or to movements in the actual or implied volatility of asset prices and options. It is obvious that this volatility affects the actual market value of the company's assets, including those needed to cover the liabilities, and therefore also affects the company's actual surplus. In line with that BNICL always take appropriate measures to control the market risk.

#### **Investment Risks**

In insurance business, investments comprise assets covering technical provisions and shareholder's equity. Through controlled investment risks, BNICL aims is to achieve the best possible return on the investment portfolio at an acceptable risk level while taking account of the structure of technical provisions and the solvency targets. The Company applies the Asset/Liability Management (ALM) model used to determine the basic allocation of the risk.

#### **Interest Rate Risk**

Usually general insurance companies have good amount of liquid investment and the investment kept in the form of FDR. The FDR interest is one of the main incomes of the company. Decrease of interest rate may reduce from income from the FDRs. Thus, BNICL takes early precaution to control the risk.

#### **Legal Compliance Risks**

In general insurance business, legal compliance risk is a vital one. Non compliance of legal procedure may rise lose thus BNICL always take early safety controlling over the legal compliance risk.

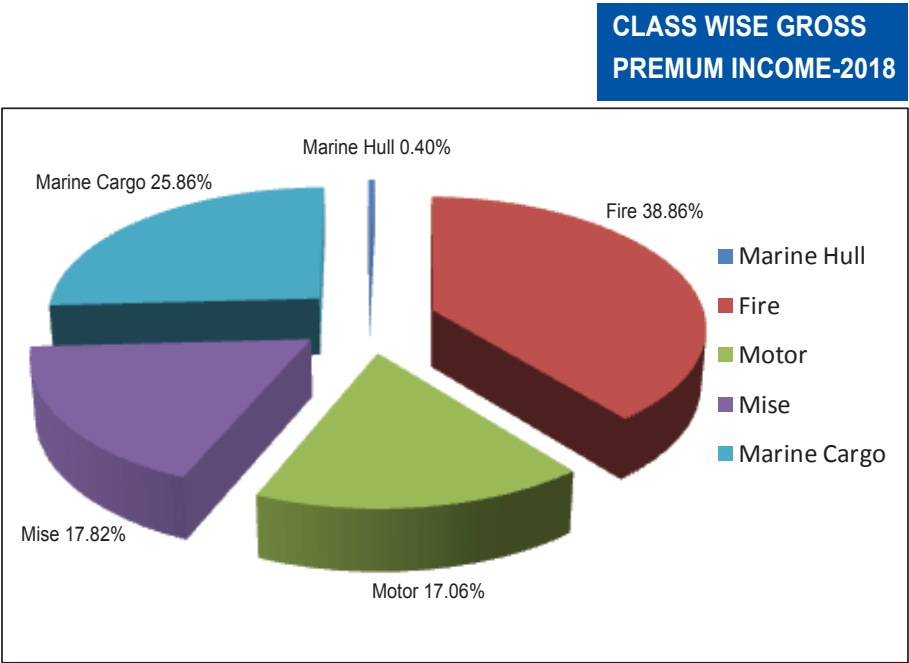






# REPORT ON CORPORATE SOCIAL RESPONSIBILITY (CSR)

The management of Bangladesh National Insurance Company Limited believes that besides maximizing the profit of the company, every organization should have some responsibilities towards the society as a part of corporate social responsibility (CSR). In line with that the company voluntarily contributes to different socio-economics activities for the development of the country. To do so, the company shared some part of profit to develop the society in the year 2018.



## BNICL HUMAN RESOURCES STATUS

BNICL believes on the utilization of high quality of human resources within the company. Currently, the management trying to develop the existing employees through inside training program. Because good human capital always produce good output. Keeping that in mind, the management developing the service rule of the company in conjunction with the market requirement. It is all about developing and managing the knowledge, skills, creativity, aptitude and talent of the employees.

The company encourages open communication, feedback and discussions about any matter of importance to employees; so that they are well informed and can contribute to the change happening across the organization. BNICL's main strength is the right employee at right place. The principal strength of the company is the eminence and devotion of its employees and their shared sense of being part of a team. The company always concentrates on equitable distribution of human resources development opportunities and benefits to its employees.

BNICL welcome recruitment of employees from different cultures, regions, ethnic groups and generations. Besides, creating good environment for the employees is also taken a key objective of the company. Happy life of the employees increases the fellow relationship of the company.

Current human resource status of Bangladesh National Insurance Company Limited as on December 31, 2018 was under:

Designation	Numbers
Chief Executive Officer	01
Chief Financial Officer	01
Deputy General Manager & Company Secretary	01
Head of Internal Audit	01
Deputy Managing Director	07
Assistant Managing Director	02
Senior General Manager	09
General Manager	12
Senior Deputy General Manager	02
Deputy General Manager	19
Assistant General Manager	42
Senior Manager	14
Manager	64
Deputy Manager	22
Assistant Manager	41
Senior Executive Officer	14
Executive Officer	26
Senior Officer	02
Junior Officer	15
Officer	20
Attendance & Others	113
<b>Total</b>	<b>428 Nos</b>



**Nurul Azim & Co.**  
Chartered Accountants

REPORT TO THE SHAREHOLDERS OF BANGLADESH NATIONAL INSURANCE CO. LTD.  
ON COMPLIANCE ON THE CORPORATE GOVERNANCE CODE

We have examined the compliance status to the Corporate Governance Code by Bangladesh National Insurance Co. Ltd. for the year ended on 31 December 2018. This Code relates to the Notification No. SEC/CMRRCD/2006-158/207/Admin/80 dated 3 June 2018 of the Bangladesh Securities and Exchange Commission.

Such compliance with the Corporate Governance Code is the responsibility of the Company. Our examination was limited to the procedures and implementation thereof as adopted by the Management in ensuring compliance to the conditions of the Corporate Governance Code.

This is a scrutiny and verification and an independent audit on compliance of the conditions of the Corporate Governance Code as well as the provisions of relevant Bangladesh Secretarial Standards (BSS) as adopted by Institute of Chartered Secretaries of Bangladesh (ICSB) in so far as those standards are not inconsistent with any condition of this Corporate Governance Code.

We state that we have obtained all the information and explanations, which we have required, and after due scrutiny and verification thereof, we report that, in our opinion.

- (a) The Company has complied with the conditions of the Corporate Governance Code as stipulated in the above mentioned Corporate Governance Code issued by the Commission;
- (b) The Company has complied with the provisions of the relevant Bangladesh Secretarial Standards (BSS) as adopted by the Institute of Chartered Secretaries of Bangladesh (ICSB) as required by this Code;
- (c) Proper books and records have been kept by the company as required under the Companies Act, 1994, the securities laws and other relevant laws; and
- (d) The Governance of the company is satisfactory.



Dated: 18 April 2019  
Place : Dhaka, Bangladesh

(Nurul Azim & Co.)  
Chartered Accountants

## BANGLADESH NATIONAL INSURANCE COMPANY LIMITED

### Compliance Status of Corporate Governance Guideline

Status of compliance with the conditions imposed by the Bangladesh Securities and Exchange Commission Notification No. BSEC/CMRRCD/2006-158/207/Admin/80 dated 3 June 2018 issued under section 2CC of the Securities and Exchange Ordinance, 1969 is as follows:

#### Report under condition no. 9.00 of above referred notification

Condition No.	Title	Compliance Status as on 31 December 2018		Remarks
		Complied	Not Complied	
1	Board Of Directors:			
1.1	Size of the Board of Directors: The Number of the Board members of the company shall not be less than 5 ( Five ) and more than 20 (Twenty ).	√		
1.2	Independent Directors:			
1.2(a)	At least one fifth (1/5) of the total number of directors in the company's Board shall be independent directors.	√		
1.2(b) (i)	Independent director does not hold any share or holds less than one percent (1%) shares of the total paid up shares of the company.	√		
1.2(b) (ii)	Independent director is not a sponsor of the company and is not connected with the company's any sponsor or director or shareholder who holds one percent (1%) or more shares of the total paid-up shares of the company on the basis of family relationship. His/her family members also should not hold above mentioned shares in the company	√		
1.2(b) (iii)	who has not been an executive of the company in immediately preceding 2 (two) financial years	√		
1.2(b) (iv)	does not have any other relationship, whether pecuniary or otherwise, with the company or its subsidiary or associated companies	√		
1.2(b) (v)	Independent director are not a member or TREC (Trading Right Entitlement Certificate) holder, director or officer of any stock exchange	√		
1.2(b) (vi)	"Independent director is not a shareholder, director excepting independent director or officer of any member or TREC holder of stock exchange or an intermediary of the capital market."	√		
1.2(b) (vii)	Independent director is not a partner or an executive or was not a partner or an executive during the preceding 3 (three) years of the concerned company's statutory audit firm or audit firm engaged in internal audit services or audit firm conducting special audit or professional certifying compliance of this Code	√		
1.2(b) (viii)	Not an independent director in more than 5 (five) listed companies	√		
1.2(b) (ix)	who has not been convicted by a court of competent jurisdiction as a defaulter in payment of any loan or any advance to a bank or a Non-Bank Financial Institution (NBFI)	√		

Condition No.	Title	Compliance Status as on 31 December 2018		Remarks
		Complied	Not Complied	
1.2(b) (x)	Not convicted for a criminal offence involving moral turpitude	√		
1.2(c)	The independent director(s) shall be appointed by the Board and approved by the shareholders in the Annual General Meeting (AGM)	√		
1.2(d)	"The post of independent director(s) cannot remain vacant formore than 90 (ninety) days"	√		
1.2(e)	The tenure of office of an independent director shall be for a period of 3 (three) years, which may be extended for 1 ( one) term only	√		
<b>1.3</b>	<b>Qualification of Independent Director (ID):</b>			
1.3(a)	Independent director shall be a knowledgeable individual with integrity who is able to ensure compliance with financial laws, regulatory requirements and corporate laws and can make meaningful contribution to the business	√		
<b>1.3(b)</b>	<b>Independent director shall have following qualifications:</b>			
1.3(b)(i)	Business Leader who is or was a promoter or director of an unlisted company having minimum paid-up capital of Tk. 100.00 million or any listed company or a member of any national or international chamber of commerce or business association			N/A
1.3(b)(ii)	Corporate Leader who is or was a top level executive not lower than Chief Executive Officer or Managing Director or Deputy Managing Director or Chief Financial Officer or Head of Finance or Accounts or Company Secretary or Head of Internal Audit and Compliance or Head of Legal Service or a candidate with equivalent position of an unlisted company having minimum paid-up capital of Tk.100.00 million or of a listed company			N/A
1.3(b)(iii)	Former official of government or statutory or autonomous or regulatory body in the position not below 5th Grade of the national pay scale, who has at least educational background of bachelor degree in economics or commerce or business or Law			N/A
1.3(b)(iv)	University Teacher who has educational background in Economics or Commerce or Business Studies or Law	√		
1.3(b)(v)	Professional who is or was an advocate practicing at least in the High Court Division of Bangladesh Supreme Court or a Chartered Accountant or Cost and Management Accountant or Chartered Financial Analyst or Chartered Certified Accountant or Certified Public Accountant or Chartered Management Accountant or Chartered Secretary or equivalent qualification	√		



Condition No.	Title	Compliance Status as on 31 December 2018		Remarks
		Complied	Not Complied	
1.3(c)	The independent director shall have at least 10 (ten) years of experiences in any field mentioned in clause (b)	√		
1.3(d)	In special cases, the above qualifications or experiences may be relaxed subject to prior approval of the Commission.			N/A
<b>1.4</b>	<b>Duality of Chairperson of the Board of Directors and Managing Director or Chief Executive Officer</b>			
1.4(a)	The positions of the Chairperson of the Board and the Managing Director (MD) and/or Chief Executive Officer (CEO) of the company shall be filled by different individuals	√		
1.4(b)	The Managing Director (MD) and/or Chief Executive Officer (CEO) of a listed company shall not hold the same position in another listed company	√		
1.4(c)	The Chairperson of the Board shall be elected from among the non-executive directors of the company	√		
1.4(d)	The Board shall clearly define respective roles and responsibilities of the Chairperson and the Managing Director and/or Chief Executive Officer	√		
1.4(e)	In the absence of the Chairperson of the Board, the remaining members may elect one of themselves from nonexecutive directors as Chairperson for that particular Board's meeting; the reason of absence of the regular Chairperson shall be duly recorded in the minutes.	√		
<b>1.5</b>	<b>The Directors' Report to Shareholders</b>			
1.5(i)	Industry outlook and possible future developments in the industry	√		
1.5(ii)	Segment -wise or product- wise performance.	√		
1.5(iii)	Risks and concerns including internal and external risk factors, threat to sustainability and negative impact on environment	√		
1.5(iv)	A Discussion on Cost of Goods sold, Gross Profit Margin and Net Profit Margin.	√		
1.5(v)	Discussion on continuity of any Extra - Ordinary gain or loss.	√		
1.5(vi)	A detailed discussion on related party transactions along with a statement showing amount, nature of related party, nature of transactions and basis of transactions of all related party transactions	√		
1.5(vii)	Utilization of proceeds from public issues, right issues and / or through any others instruments			N/A
1.5(viii)	An explanation if the financial results deteriorate after the company goes for Initial Public Offering (IPO), Repeat Public Offering (RPO), Rights Offer, Direct Listing, etc.			N/A
1.5(ix)	An explanation on any significant variance that occurs between Quarterly Financial performances and Annual Financial Statements	√		

Condition No.	Title	Compliance Status as on 31 December 2018		Remarks
		Complied	Not Complied	
1.5(x)	Remuneration to directors including independent directors	√		
1.5(xi)	The financial statements prepared by the management of the issuer company present fairly its state of affairs, the result of its operations, cash flows and changes in equity	√		
1.5(xii)	Proper books of account of the issuer company have been maintained	√		
1.5(xiii)	Appropriate accounting policies have been consistently applied in preparation of the financial statements and that the accounting estimates are based on reasonable and prudent judgment.	√		
1.5(xiv)	International Accounting Standards (IAS) or International Financial Reporting Standards (IFRS), as applicable in Bangladesh, have been followed in preparation of the financial statements and any departure there from has been adequately disclosed	√		
1.5(xv)	The system of internal control is sound in design and has been effectively implemented and monitored.	√		
1.5(xvi)	Minority shareholders have been protected from abusive actions by, or in the interest of, controlling shareholders acting either directly or indirectly and have effective means of redress	√		
1.5(xvii)	There is no significant doubt upon the issuer company's ability to continue as a going concern, if the issuer company is not considered to be a going concern, the fact along with reasons there of shall be disclosed	√		
1.5(xviii)	significant deviations from the last year's operating results of the issuer company shall be highlighted and the reasons thereof shall be explained	√		
1.5(xix)	key operating and financial data of at least preceding 5 (five) years shall be summarized	√		
1.5(xx)	if the issuer company has not declared dividend (cash or stock) for the year	√		
1.5(xxi)	Board's statement to the effect that no bonus share or stock dividend has been or shall be declared as interim dividend			N/A
1.5(xxii)	The total number of Board meetings held during the year and attendance by each director	√		
1.5(xxiii)	<b>A report on the pattern of shareholding disclosing the aggregate number of shares (along with name-wise details where stated below) held by:</b>			
1.5(xxiii)(a)	Parent or Subsidiary or Associated Companies and other related parties (name wise details):	√		
1.5(xxiii)(b)	Directors, Chief Executive Officer, Company Secretary, Chief Financial Officer, Head of Internal Audit and Compliance and their spouses and minor children (name-wise details)	√		

Condition No.	Title	Compliance Status as on 31 December 2018		Remarks
		Complied	Not Complied	
1.5(xxiii)(c)	Executives	√		
1.5(xxiii)(d)	Shareholders holding ten percent (10%) or more voting interest in the company (name-wise details)	√		
<b>1.5(xxiv)</b>	<b>In case of the appointment or reappointment of a director, a disclosure on the following information to the shareholders:</b>			
1.5(xxiv)(a)	A brief resume of the director	√		
1.5(xxiv)(b)	Nature of his /her expertise in specific functional areas	√		
1.5(xxiv)(c)	Names of companies in which the person also holds the directorship and the membership of committees of the board	√		
<b>1.5(xxv)</b>	<b>A Management's Discussion and Analysis signed by CEO or MD presenting detailed analysis of the company's position and operations along with a brief discussion of changes in the financial statements, among others, focusing on:</b>			
1.5(xxv)(a)	"Accounting policies and estimation for preparation of financial statements"	√		
1.5(xxv)(b)	Changes in accounting policies and estimation, if any, clearly describing the effect on financial performance or results and financial position as well as cash flows in absolute figure for such changes	√		
1.5(xxv)(c)	Comparative analysis (including effects of inflation) of financial performance or results and financial position as well as cash flows for current financial year with immediate preceding five years explaining reasons thereof	√		
1.5(xxv)(d)	Compare such financial performance or results and financial position as well as cash flows with the peer industry scenario	√		
1.5(xxv)(e)	Briefly explain the financial and economic scenario of the country and the globe	√		
1.5(xxv)(f)	Risks and concerns issues related to the financial statements, explaining such risk and concerns mitigation plan of the company	√		
1.5(xxv)(g)	Future plan or projection or forecast for company's operation, performance and financial position, with justification thereof, i.e., actual position shall be explained to the shareholders in the next AGM	√		
1.5(xxvi)	Declaration or certification by the CEO and the CFO to the Board as required under condition No. 3(3) shall be disclosed as per Annexure-A	√		
1.5(xxvii)	The report as well as certificate regarding compliance of conditions of this Code as required under condition No. 9 shall be disclosed as per Annexure-B and Annexure-C	√		
<b>1.6</b>	<b>Meetings of the Board of Directors</b>			

Condition No.	Title	Compliance Status as on 31 December 2018		Remarks
		Complied	Not Complied	
1.6	The company shall conduct its Board meetings and record the minutes of the meetings as well as keep required books and records in line with the provisions of the relevant Bangladesh Secretarial Standards (BSS) as adopted by the Institute of Chartered Secretaries of Bangladesh (ICSB) in so far as those standards are not inconsistent with any condition of this Code	√		
<b>1.7</b>	<b>Code of Conduct for the Chairperson, other Board members and Chief Executive Officer</b>			
1.7(a)	The Board shall lay down a code of conduct, based on the recommendation of the Nomination and Remuneration Committee (NRC) at condition No. 6, for the Chairperson of the Board, other board members and Chief Executive Officer of the company	√		
1.7(b)	The code of conduct as determined by the NRC shall be posted on the website of the company including, among others, prudent conduct and behavior; confidentiality; conflict of interest; compliance with laws, rules and regulations; prohibition of insider trading; relationship with environment, employees, customers and suppliers; and independency	√		
<b>2</b>	<b>Governance of Board of Directors of Subsidiary Company.</b>			
2(a)	Provisions relating to the composition of the Board of the holding company shall be made applicable to the composition of the Board of the subsidiary company			N/A
2(b)	At least 1 (one) independent director on the Board of the holding company shall be a director on the Board of the subsidiary company			N/A
2(c)	The minutes of the Board meeting of the subsidiary company shall be placed for review at the following Board meeting of the holding company			N/A
2(d)	The minutes of the respective Board meeting of the holding company shall state that they have reviewed the affairs of the subsidiary company also			N/A
2(e)	The Audit Committee of the holding company shall also review the financial statements, in particular the investments made by the subsidiary company			N/A
<b>3</b>	<b>Managing Director (MD) or Chief Executive Officer (CEO), Chief Financial Officer (CFO), Head of Internal Audit and Compliance (HIAC) and Company Secretary (CS)</b>			
<b>3(1)</b>	<b>Appointment</b>			
3.1(a)	The Board shall appoint a Managing Director (MD) or Chief Executive Officer (CEO), a Company Secretary (CS), a Chief Financial Officer (CFO) and a Head of Internal Audit and Compliance (HIAC)	√		

Condition No.	Title	Compliance Status as on 31 December 2018		Remarks
		Complied	Not Complied	
3.1(b)	The positions of the Managing Director (MD) or Chief Executive Officer (CEO), Company Secretary (CS), Chief Financial Officer (CFO) and Head of Internal Audit and Compliance (HIAC) shall be filled by different individuals	√		
3.1(c)	The MD or CEO, CS, CFO and HIAC of a listed company shall not hold any executive position in any other company at the same time	√		
3.1(d)	The Board shall clearly define respective roles, responsibilities and duties of the CFO, the HIAC and the CS	√		
3.1(e)	The MD or CEO, CS, CFO and HIAC shall not be removed from their position without approval of the Board as well as immediate dissemination to the Commission and stock exchange(s).			N/A
<b>3.2</b>	<b>Requirement to attend Board of Directors' Meetings</b>			
3.2	The MD or CEO, CS, CFO and HIAC of the company shall attend the meetings of the Board	√		
<b>3.3</b>	<b>Duties of Managing Director (MD) or Chief Executive Officer (CEO) and Chief Financial Officer (CFO)</b>			
3.3(a)	The MD or CEO and CFO shall certify to the Board that they have reviewed financial statements for the year and that to the best of their knowledge and belief			
3.3(a)(i)	These statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading	√		
3.3(a)(ii)	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	√		
3.3(b)	The MD or CEO and CFO shall also certify that there are, to the best of knowledge and belief, no transactions entered into by the company during the year which are fraudulent, illegal or in violation of the code of conduct for the company's Board or its members	√		
3.3(c)	The certification of the MD or CEO and CFO shall be disclosed in the Annual Report	√		
<b>4</b>	<b>Board of Directors' Committee: For ensuring good governance in the company, the Board shall have atleast following sub-committees:</b>			
4(i)	Audit Committee	√		
4(ii)	Nomination and Remuneration Committee.	√		
<b>5</b>	<b>Audit Committee.</b>			
<b>5.1</b>	<b>Responsibility to the Board of Directors.</b>			
5.1(a)	The company shall have an Audit Committee as a sub-committee of the Board of Directors	√		



Condition No.	Title	Compliance Status as on 31 December 2018		Remarks
		Complied	Not Complied	
5.1(b)	The Audit Committee shall assist the Board in ensuring that the financial statements reflect true and fair view of the state of affairs of the company and in ensuring a good monitoring system within the business	√		
5.1(c)	The Audit Committee shall be responsible to the Board; the duties of the Audit Committee shall be clearly set forth in writing	√		
<b>5.2</b>	<b>Constitution of the Audit Committee:</b>			
5.2(a)	The audit Committee shall be composed of at least 3 (three) members	√		
5.2(b)	The Board shall appoint members of the Audit Committee who shall be non-executive directors of the company excepting Chairperson of the Board and shall include at least 1 (one) independent director	√		
5.2(c)	All members of the audit committee should be "financially literate" and at least 1 (One) member shall have accounting or related financial management background and 10 (ten) years of such experience	√		
5.2(d)	When the term of service of any Committee member expires or there is any circumstance causing any Committee member to be unable to hold office before expiration of the term of service, thus making the number of the Committee members to be lower than the prescribed number of 3 (three) persons, the Board shall appoint the new Committee member to fill up the vacancy immediately or not later than 1 (one) month from the date of vacancy in the Committee to ensure continuity of the performance of work of the Audit Committee			N/A
5.2(e)	The company secretary shall act as the secretary of the Committee	√		
5.2(f)	The quorum of the Audit Committee meeting shall not constitute without at least 1 (one) Independent director	√		
<b>5.3</b>	<b>Chairperson of the Audit Committee:</b>			
5.3(a)	"The Board shall select 1 (one) member of the Audit Committee to be Chairperson of the Audit Committee, who shall be an independent director"	√		
5.3(b)	In the absence of the Chairperson of the Audit Committee, the remaining members may elect one of themselves as Chairperson for that particular meeting, in that case there shall be no problem of constituting a quorum as required under condition No. 5(4)(b) and the reason of absence of the regular Chairperson shall be duly recorded in the minutes	√		
5.3(c)	Chairperson of the Audit Committee shall remain present in the Annual General Meeting (AGM):	√		
<b>5.4</b>	<b>Meeting of the Audit Committee:</b>			
5.4(a)	The Audit Committee shall conduct at least its four meetings in a financial year	√		

Condition No.	Title	Compliance Status as on 31 December 2018		Remarks
		Complied	Not Complied	
5.4(b)	The quorum of the meeting of the Audit Committee shall be constituted in presence of either two members or two-third of the members of the Audit Committee, whichever is higher, where presence of an independent director is a must	√		
<b>5.5</b>	<b>Role of Audit Committee</b>			
5.5(a)	Oversee the financial reporting process	√		
5.5(b)	Monitor choice of accounting policies and principles	√		
5.5(c)	Monitor Internal Audit and Compliance process to ensure that it is adequately resourced, including approval of the Internal Audit and Compliance Plan and review of the Internal Audit and Compliance Report	√		
5.5(d)	Oversee hiring and performance of external auditors	√		
5.5(e)	Hold meeting with the external or statutory auditors for review of the annual financial statements before submission to the Board for approval or adoption	√		
5.5(f)	Review along with the management, the annual financial statements before submission to the Board for approval	√		
5.5(g)	Review along with the management, the quarterly and half yearly financial statements before submission to the Board for approval	√		
5.5(h)	Review the adequacy of internal audit function	√		
5.5(i)	Review the management's discussion and analysis before disclosing in the annual report	√		
5.5(j)	Review statement of all related party transactions submitted by the management	√		
5.5(k)	Review Management Letters or Letter of Internal Control weakness issued by statutory auditors	√		
5.5(l)	Oversee the determination of audit fees based on scope and magnitude, level of expertise deployed and time required for effective audit and evaluate the performance of external auditors	√		
5.5(m)	Oversee whether the proceeds raised through Initial Public Offering (IPO) or Repeat Public Offering (RPO) or Rights Share Offer have been utilized as per the purposes stated in relevant offer document or prospectus approved by the Commission	√		
<b>5.6</b>	<b>Reporting of the Audit Committee:</b>			
<b>5.6(a)</b>	<b>Reporting to the Board of Directors:</b>			
5.6(a)(i)	The Audit Committee shall report on its activities to the Board	√		

Condition No.	Title	Compliance Status as on 31 December 2018		Remarks
		Complied	Not Complied	
5.6(a)(ii)	The Audit Committee shall immediately report to the Board on the following findings, if any			
5.6(a)(ii)(a)	Report on conflicts of interests			N/A
5.6(a)(ii)(b)	Suspected or presumed fraud or irregularity or material defect identified in the internal audit and compliance process or in the financial statements			N/A
5.6(a)(ii)(c)	Suspected infringement of laws, regulatory compliances including securities related laws, rules and regulations			N/A
5.6(a)(ii)(d)	Any other matter which the Audit Committee deems necessary shall be disclosed to the Board immediately			N/A
5.6(b)	Reporting to the Authorities: If the Audit Committee has reported to the Board about anything which has material impact on the financial condition and results of operation and has discussed with the Board and the management that any rectification is necessary and if the Audit Committee finds that such rectification has been unreasonably ignored, the Audit Committee shall report such finding to the Commission, upon reporting of such matters to the Board for three times or completion of a period of 6 (six) months from the date of first reporting to the Board, whichever is earlier			N/A
5.7	Reporting to the Shareholders and General Investors: Report on activities carried out by the Audit Committee, including any report made to the Board under condition No. 5(6)(a)(ii) above during the year, shall be signed by the Chairperson of the Audit Committee and disclosed in the annual report of the issuer company.			N/A
6	Nomination and Remuneration Committee (NRC)			
6.1	Responsibility to the Board of Directors			
6.1(a)	The company shall have a Nomination and Remuneration Committee (NRC) as a sub-committee of the Board	√		
6.1(b)	The NRC shall assist the Board in formulation of the nomination criteria or policy for determining qualifications, positive attributes, experiences and independence of directors and top level executive as well as a policy for formal process of considering remuneration of directors, top level executive	√		
6.1(c)	"The Terms of Reference (ToR) of the NRC shall be clearly set forth in writing covering the areas stated at the condition No.6(5)(b)."	√		
6.2	Constitution of the NRC			
6.2(a)	The Committee shall comprise of at least three members including an independent director	√		

Condition No.	Title	Compliance Status as on 31 December 2018		Remarks
		Complied	Not Complied	
6.2(b)	All members of the Committee shall be non-executive directors	√		
6.2(c)	Members of the Committee shall be nominated and appointed by the Board	√		
6.2(d)	The Board shall have authority to remove and appoint any member of the Committee	√		
6.2(e)	In case of death, resignation, disqualification, or removal of any member of the Committee or in any other cases of vacancies, the board shall fill the vacancy within 180 (one hundred eighty) days of occurring such vacancy in the Committee			N/A
6.2(e)	The Chairperson of the Committee may appoint or co-opt any external expert and/or member(s) of staff to the Committee as advisor who shall be non-voting member, if the Chairperson feels that advice or suggestion from such external expert and/or member(s) of staff shall be required or valuable for the Committee			N/A
6.2(g)	The company secretary shall act as the secretary of the Committee	√		
6.2(h)	The quorum of the NRC meeting shall not constitute without attendance of at least an independent director	√		
6.2(i)	"No member of the NRC shall receive, either directly or indirectly, any remuneration for any advisory or consultancy role or otherwise, other than Director's fees or honorarium from the company"	√		
<b>6.3</b>	<b>Chairperson of the NRC</b>			
6.3(a)	The Board shall select 1 (one) member of the NRC to be Chairperson of the Committee, who shall be an independent director	√		
6.3(b)	In the absence of the Chairperson of the NRC, the remaining members may elect one of themselves as Chairperson for that particular meeting, the reason of absence of the regular Chairperson shall be duly recorded in the minutes	√		
6.3(c)	The Chairperson of the NRC shall attend the annual general meeting (AGM) to answer the queries of the shareholders.			Will be Complied
<b>6.4</b>	<b>Meeting of the NRC</b>			
6.4(a)	The NRC shall conduct at least one meeting in a financial year	√		
6.4(b)	The Chairperson of the NRC may convene any emergency meeting upon request by any member of the NRC	√		

Condition No.	Title	Compliance Status as on 31 December 2018		Remarks
		Complied	Not Complied	
6.4(c)	The quorum of the meeting of the NRC shall be constituted in presence of either two members or two third of the members of the Committee, whichever is higher, where presence of an independent director is must as required under condition No. 6(2)(h);	√		
6.4(d)	The proceedings of each meeting of the NRC shall duly be recorded in the minutes and such minutes shall be confirmed in the next meeting of the NRC	√		
<b>6.5</b>	<b>Role of the NRC</b>			
6.5(a)	"NRC shall be independent and responsible or accountable to the Board and to the shareholders"	√		
<b>6.5(b)</b>	<b>NRC shall oversee, among others, the following matters and make report with recommendation to the Board:</b>			
<b>6.5(b)(i)</b>	<b>Formulating the criteria for determining qualifications, positive attributes and independence of a director and recommend a policy to the Board, relating to the remuneration of the directors, top level executive, considering the following:</b>			
6.5(b)(i)(a)	The level and composition of remuneration is reasonable and sufficient to attract, retain and motivate suitable directors to run the company successfully;	√		
6.5(b)(i)(b)	The relationship of remuneration to performance is clear and meets appropriate performance benchmarks	√		
6.5(b)(i)(c)	Remuneration to directors, top level executive involves a balance between fixed and incentive pay reflecting short and long-term performance objectives appropriate to the working of the company and its goals	√		
6.5(b)(ii)	Devising a policy on Board's diversity taking into consideration age, gender, experience, ethnicity, educational background and nationality	√		
6.5(b)(iii)	Identifying persons who are qualified to become directors and who may be appointed in top level executive position in accordance with the criteria laid down, and recommend their appointment and removal to the Board	√		
6.5(b)(iv)	Formulating the criteria for evaluation of performance of independent directors and the Board	√		
6.5(b)(v)	Identifying the company's needs for employees at different levels and determine their selection, transfer or replacement and promotion criteria	√		
6.5(b)(vi)	Developing, recommending and reviewing annually the company's human resources and training policies	√		
6.5(c)	The company shall disclose the nomination and remuneration policy and the evaluation criteria and activities of NRC during the year at a glance in its annual report	√		
<b>7</b>	<b>External or Statutory Auditors</b>	√		



Condition No.	Title	Compliance Status as on 31 December 2018		Remarks
		Complied	Not Complied	
7.1	The issuer company shall not engage its external or statutory auditors to perform the following services of the company, namely:-			
7.1(i)	Appraisal or valuation services or fairness opinions	√		
7.1(ii)	Financial information systems design and implementation	√		
7.1(iii)	Book-keeping or other services related to the accounting records or financial statements	√		
7.1(iv)	Broker-dealer services	√		
7.1(v)	Actuarial services	√		
7.1(vi)	Internal audit services or special audit services	√		
7.1(vii)	Any service that the Audit Committee determines	√		
7.1(viii)	Audit or certification services on compliance of corporate governance as required under condition No. 9(1); and	√		
7.1(ix)	Any other service that creates conflict of interest.	√		
7.2	No partner or employees of the external audit firms shall possess any share of the company they audit at least during the tenure of their audit assignment of that company; his or her family members also shall not hold any shares in the said company			N/A
7.3	"Representative of external or statutory auditors shall remain present in the Shareholders' Meeting (Annual General Meeting or Extraordinary General Meeting) to answer the queries of theshareholders."	√		
8	Maintaining a website by the Company			
8.1	The company shall have an official website linked with the website of the stock exchange	√		
8.2	The company shall keep the website functional from the date of listing	√		
8.3	"The company shall make available the detailed disclosures on its website as required under the listing regulations of the concernedstock exchange(s)."	√		
9	Reporting and Compliance of Corporate Governance.			
9.1	The company shall obtain a certificate from a practicing Professional Accountant or Secretary (Chartered Accountant or Cost and Management Accountant or Chartered Secretary) other than its statutory auditors or audit firm on yearly basis regarding compliance of conditions of Corporate Governance Code of the Commission and shall such certificate shall be disclosed in the Annual Report	√		
9.2	The professional who will provide the certificate on compliance of this Corporate Governance Code shall be appointed by the shareholders in the annual general meeting	√		
9.3	The directors of the company shall state, in accordance with the Annexure-C attached, in the directors' report whether the company has complied with these conditions or not	√		

**MEETING ATTENDED BY THE DIRECTORS OF  
BANGLADESH NATIONAL INSURANCE COMPANY LIMITED DURING 2018**

Name of Directors	Position	Board of Directors Meeting			Audit Committee Meeting			Nomination and Remuneration Committee Meeting		
		Total Meetings Held	Meetings Attended	%	Total Meetings Held	Meetings Attended	%	Total Meetings Held	Meetings Attended	%
Mr. Abdul Baset Mojumder	Chairman	5	4	80						
Mr. Mostafa Kamal	Vice Chairman	5	5	100						
Mrs. Beauty Akter	Director	5	4	80						
Mr. Abdur Rouf	Director	5	5	100						
Mrs. Tahmina Binthe Mostafa	Director	5	5	100						
Mrs. Tanjima Binthe Mostafa	Director	5	5	100	4	4	100			
Mr. Tanveer Ahmed Mostafa	Director	5	5	100						
Mr. Taif Bin Yousuf	Director	5	5	100				1	1	100
Mr. Yousuf Ali	Director	5	5	100	4	4	100			
Ms. Tasnim Binthe Mostafa	Director	5	4	80						
Mr. Wasikur Rahman	Director	5	5	100				1	1	100
Professor Dr. Miljanur Rahman	Independent Director	5	5	100				1	1	100
Mr. Mohammed Salim, FCMA	Independent Director	5	5	100	4	4	100			
Professor Dr. Goutam Buddha Das	Independent Director	5	5	100						
Mr. Fakhruddin Ahmed, FCMA, FCA	Independent Director	5	5	100						
Mr. Monjur Md. Shaiful Azam	Public Director	5	3	60						
Mr. Md. Ruhul Amin	Public Director	5	3	60						
Mr. Md Hasan Rajib Prodhan	Public Director	5	2	40						
Mr. Mohd. Naim Akhter	Public Director	5	3	60						
Md. Mozaffar Hossain	Public Director	5	3	60						
Md. Sana Ullah	Chief Executive Officer	5	5	100						

# PATTERN OF SHAREHOLDING

AS ON DECEMBER 31, 2018

Shareholding by Companies, Directors and their Spouse &amp; Children:

Shareholdings of Directors /Sponsor Shareholders		Designation	Shareholding status	
			Shares	%
1	Mr. Abdul Baset Mojumder	Chairman	885,000	2.0000%
2	Mr. Mostafa Kamal	Vice Chairman	2,424,833	5.4800%
3	Mrs. Beauty Akter	Director	1,000,000	2.2600%
4	Mr. Abdur Rouf	Director	1,155,000	2.6100%
5	Mrs. Tahmina Binthe Mostafa	Director	3,308,334	7.4800%
6	Mrs. Tanjima Binthe Mostafa	Director	3,208,334	7.2500%
7	Mr. Tanveer Ahmed Mostafa	Director	4,175,167	9.4400%
8	Mr. Taif Bin Yousuf	Director	895,833	2.0200%
9	Mr. Yousuf Ali	Director	895,833	2.0200%
10	Ms. Tasnim Binthe Mostafa	Director	1,000,000	2.2600%
11	Mr. Wasikur Rahman	Director	1,000,000	2.2600%
12	Professor Dr.Mijanur Rahman	Independent Director	0	0.0000%
13	Mr. Mohammed Salim, FCMA	Independent Director	0	0.0000%
14	Professor Dr.Goutam Buddha Das	Independent Director	0	0.0000%
15	Mr. Fakhruddin Ahmed, FCMA, FCA	Independent Director	0	0.0000%
16	Mr. Monjur Md. Shaiful Azam	Public Director	1,500	0.0034%
17	Mr. Md. Ruhul Amin FCA	Public Director	1,100	0.0025%
18	Mr. Md Hasan Rajib Prodhan	Public Director	1,170	0.0026%
19	Mr. Mohd. Naim Akhter	Public Director	1,500	0.0034%
20	Md. Mozaffar Hossain	Public Director	103,490	0.2300%
21	Muhammad Zakaria	Sponsor	1,200,000	2.7100%
22	M.F. Kamal	Sponsor	1,200,000	2.7100%
21	Other Shareholders		21,792,906	49.2581%
	<b>Total</b>		<b>44,250,000</b>	<b>100.0000%</b>

## B) Shareholders by others

Chief Executive Officer	nil	
Chife Financial Officer	nil	
Company Secretary ( C.C)	nil	
Head of Internal Audit	nil	
Parent/Subsidiary/Associate and other related parties	nil	
Shareholding of top five executives	nil	
Shareholders holding ten percent or more	nil	

# DECLARATION BY CEO AND CFO AS PER CONDITION NO.1(5)(XXVI) OF CGC

The Board of Directors  
Bangladesh National Insurance Co. Ltd.  
Head Office: Rashid Tower (3rd Floor)  
Plot # 11 Road # 18, Gulshan-1  
Dhaka-1212

Subject: Declaration on Financial Statements for the year ended on 31 December, 2018

Dear Sirs,

Pursuant to the condition No. 1(5)(xxvi) imposed vide the Commission's Notification No. BSEC/ CMRRCD/2006 158/207/Admin/80 Dated 3 June 2018 under section 2CC of the Securities and Exchange Ordinance, 1969, we do hereby declare that:

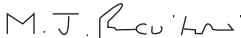
1. The Financial Statements of Bangladesh National Insurance Co. Ltd. for the year ended on 31 December, 2018 have been prepared in compliance with International Accounting Standards (IAS) or International Financial Reporting Standards (IFRS), as applicable in the Bangladesh and any departure there from has been adequately disclosed;
2. The estimates and judgments related to the financial statements were made on a prudent and reasonable basis, in order for the financial statements to reveal a true and fair view;
3. The form and substance of transactions and the Company's state of affairs have been reasonably and fairly presented in its financial statements;
4. To ensure above, the Company has taken proper and adequate care in installing a system of internal control and maintenance of accounting records;
5. Our internal auditors have conducted periodic audits to provide reasonable assurance that the established policies and procedures of the Company were consistently followed; and
6. The management's use of the going concerns basis of accounting in preparing the financial statements is appropriate and there exists no material uncertainty related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern.


In this regard, we also certify that: -

- i. We have reviewed the financial statements for the year ended on 31 December, 2018 and that to the best of our knowledge and belief:
  - a) these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
  - b) these statements collectively present 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 knowledge and belief, no transactions entered into by the Company during the year which are fraudulent, illegal or in violation of the code of conduct for the company's Board of Directors or its members.

Sincerely yours,

Dated : Dhaka  
April 18, 2019

  
Mostafa Jasim Raihani  
Chief Financial Officer

  
Md. Sana Ullah  
Chief Executive Officer

## CREDIT RATING INFORMATION

Credit rating of an insurance company reflects its financial strength and ability to pay policyholders' claims and obligation of time. Rating provides an opinion on the financial strength of the insurer, from a policyholder's perspective which may act as an important input influencing the consumer's choice of insurance companies and products. Credit rating also gives an idea to the investors about the credibility of the company, and the risk factor attached to a particular instrument. So the investors can decide whether to invest in such companies or not. Higher the rating, the more will be the willingness to invest in the instruments and vice-versa. Current credit rating of Bangladesh National Insurance Company Limited is as under issued by Emerging Credit Rating Limited:

Description	Information
Long term rating	AA-
Short term rating	ST-2
Date of rating	September 30, 2018
Validity of Rating	Till September 29, 2019

Emerging Credit Rating Limited (ECRL) has reaffirmed the ratings to Bangladesh National Insurance Company Limited based on its financials as well as other relevant qualitative and quantitative information. ECRL has affirmed to AA- as long term credit rating and affirmed ST-2 as short term credit rating to the BNICL. The outlook of the rating is Stable. The ratings are consistent with ECRL's methodology for this type of company. The ratings are based on audited financial statements from FY2010 to FY2017, site visit and other qualitative along with quantitative information up to the date of rating.

# REPORT OF THE AUDIT COMMITTEE

The Audit Committee of Bangladesh National Insurance Company Limited is an operating committee of the Board charged with oversight of financial reporting and disclosure. Committee members are drawn from members of the company's board of directors, with a Chairman (Independent Director) selected from among the members of the directors. BNICL Audit Committees empowered to acquire the consulting resources and expertise deemed necessary to perform their responsibilities.

The Company's management has the primary responsibility for the financial statements, for maintaining effective internal control over financial reporting, and for assessing the effectiveness of internal control over financial reporting. In fulfilling its oversight responsibilities, the Committee reviewed and discussed the quarterly un-audited and yearly audited financial statements with related issues including of the accounting principles; the reasonableness of significant accounting treatment; and the clarity of disclosures in the financial statements. The Committee is governed by a board approved terms of reference.

A qualifying audit committee is required in a publicly listed company in accordance with the BSEC Notification # SEC/CMRRCD/2006-158/207/Admin/80 dated 03 June 2018.

## Composition

The Board of Directors of Bangladesh National Insurance Company Limited formed the Audit Committee with following three members:

Name of Directors	Board Audit Committee
Mohammed Salim, FCMA	Chairman
Yousuf Ali	Member
Tanjima Binthe Mostafa	Member

The Chairman of the Audit committee is an Independent Director having accounting and financial management experience.

## Meeting of the Audit Committee

During the period under review a total of 04 (four) Audit Committee meetings were held at the head office of the company.

The Board Audit Committee has been constituted with an Independent Director having accounting and Financial Management experience as Chairman. The Head of Internal Audit Department and Chief Financial Officer (CFO) attended the meeting(s) by invitation.

## Role of the Audit Committee

Audit Committee of the Board can play an effective role in providing a bridge between the Board and Management, Shareholders and other Stakeholders. The Board of Directors of Bangladesh National Insurance Company Limited recognized the importance of the Audit Committee. The Key role of the Committee is to assist the Board in discharging

its responsibilities for financial and business discipline, financial reporting, corporate governance and internal control. The following are the prime responsibilities for the Audit Committee.

- To evaluate whether management is setting the appropriate compliance culture of internal control and ensuring that all employees have good understanding of their roles and responsibilities.
- To review the existing risk management policies and procedures for ensuring an effective internal check and control system.



- To review the financial statements and determine whether they are complete and consistent with the accounting standard set by the regulatory authorities.
- To review the efficiency and effectiveness of internal audit function.
- To review the findings and recommendations made by the internal auditors for removing the irregularities detected.
- To review the auditing performance of external auditors and their audit reports and recommending to the Board for appointment or removal of external auditors.

#### Activities

During the period under review, the committee, interalia, focused on the following activities:

- Reviewed quarterly financial statement of the company to measure the performance.
- Reviewed significant internal audit findings and advised the management to rectify the deficiencies and improve operational performance and compliance.
- The Audit Committee recommended strengthening of Internal Audit Department with skill manpower to increase capacity and efficiency of the Audit Department.
- Reviewed and examined the Draft Annual Financial Statements 2018 made out in line with accounting standard set by the regulatory authorities and recommended to place the same before the Board for consideration.

#### Acknowledgement

The audit committee would like to express their sincere thanks to the members of the Board, key management personnel, internal audit Division and all employees for their utmost co-operation extended by them.



Mohammed Salim, FCMA  
Chairman  
Board Audit Committee

17 April 2019

**INDEPENDENT AUDITOR'S REPORT  
 TO  
 THE SHAREHOLDERS**

**Opinion**

We have audited the financial statements of Bangladesh National Insurance Company Limited (the Company), which comprise the Statement of Financial Position as at December 31, 2018, the Statement of Profit or loss and Other Comprehensive Income, Profit and Loss Appropriation Account, Consolidated Insurance Revenue Accounts, Fire Insurance Revenue Account, Marine and Marine Hull Insurance Revenue Account, Motor Insurance Revenue Account, Miscellaneous Insurance Revenue Account, Statement of Changes in Equity and Statement of Cash Flows for the year then ended, Classified Summary of Assets as at December 31, 2018 and notes to the financial statements, including a summary of significant accounting policies and other explanatory information disclosed in notes 1 to 49 and Annexure-A

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the company as at December 31, 2018, and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs), the Companies Act 1994, the Insurance Act 2010, the Insurance Rules 1958, the Securities and Exchange Rules 1987 and other applicable laws and regulations.

**Basis for Opinion**

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code) together with the ethical requirements that are relevant to our audit of the financial statements in Bangladesh, and we have fulfilled our other ethical responsibilities in accordance with the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

**Our key audit matters**

<b>Risk</b>	<b>Our response to the risk</b>
<b>Premium Income</b>	
Gross general insurance premiums comprise the total premiums received for the whole period of cover provided by contracts entered into during the accounting period.	With respect to Premium income in respect of various types of insurance we carried out the following procedures:
Given the important nature, connections to other items to the financial statements and sensitivity of the item we believe this area pose high level of risk.	<ul style="list-style-type: none"> <li>• The design and operating effectiveness of key controls around premium income recognition process.</li> <li>• Carried out analytical procedures and recalculated premium income for the period.</li> </ul>
	<ul style="list-style-type: none"> <li>• Carried out cut-off testing to ensure unearned premium income has not been included in the premium income.</li> </ul>
	<ul style="list-style-type: none"> <li>• On a sample basis reviewed policy to ensure appropriate policy stamp was affixed to the contract and the same has been reflected in the premium register.</li> </ul>
	<ul style="list-style-type: none"> <li>• Ensured on a sample basis that the premium income was being deposited in the designated bank account.</li> </ul>
	<ul style="list-style-type: none"> <li>• Tested on a sample basis to see that appropriate VAT was being collected and deposited to bank through Treasury Challan.</li> </ul>

Risk	Our response to the risk
	<ul style="list-style-type: none"> <li>• For a sample of insurance contracts tested to see if appropriate level of reinsurance was done and whether that reinsurance premium was deducted from the gross premium.</li> </ul>
	<ul style="list-style-type: none"> <li>• Applying specialist judgment ensured if there is any impairment of the re-insurer.</li> </ul>
	<ul style="list-style-type: none"> <li>• Finally assessed the appropriateness and presentation of disclosures against relevant accounting standards, Insurance Act 1938 (as amended in 2010), Insurance Rules, 1958 and other applicable rules and regulations and regulatory guidelines.</li> </ul>
<b>Estimated liability in respect of outstanding claims whether due or intimated and claim Payment</b>	
<p>This account represents the claim due or intimated from the insured and involves significant management judgment and risk of understatement. In extreme scenario this item may have going concern implications for the company.</p>	<p>We tested the design and operating effectiveness of controls around the due and intimated claim recording process.</p> <p>We additionally carried out the following substantive testing's around this item:</p>
	<ul style="list-style-type: none"> <li>• Obtained the claim register and tested for completeness of claims recorded in the register on a sample basis.</li> </ul>
	<ul style="list-style-type: none"> <li>• Obtained a sample of claimed policy copy and cross check it with claim.</li> </ul>
	<p>Obtained a sample of survey reports cross checked those against respective ledger balances and in case of discrepancy carried out further investigation.</p>
	<ul style="list-style-type: none"> <li>• Obtained and discussed with management about their basis for estimation and challenged their assumptions where appropriate.</li> <li>• Reviewed the claim committee meeting minutes about decision about impending claims.</li> <li>• Tested a sample of claims payments with intimation letter, survey report, bank statement, claim payment register and general ledger.</li> <li>• Finally assessed the appropriateness and presentation of disclosures against relevant accounting standards, Insurance Act 1938 (as amended in 2010), Insurance Rules, 1958 and other applicable rules and regulations and regulatory guidelines.</li> </ul>
Risk	Our response to the risk
<b>Investment In shares</b>	
<p>Insurance company makes a number of investments in the listed and unlisted capital market with required regulatory permission. Income generated from the investments (realized gain and dividend received) is credited to the Profit &amp; Loss Account. Unrealized capital gain or loss if any is transferred to the Investment Fluctuation Fund subsequently or as per the policy of the company.</p> <p>This item has significant impact on the earnings performance of the company and return to the shareholders and might be prone to misreporting as large unreported fall in the value of any holding may wipe out the value of the portfolio and hamper the distribution capability of the company.</p>	<p>We tested the design and operating effectiveness of key controls around monitoring, valuation and updating of prices of the positions held by the company from trusted sources. Additionally, we performed the following:</p> <ul style="list-style-type: none"> <li>• Obtained year-end share holding positions from the company and through directional testing assessed the completeness of the report.</li> <li>• Ascertained the valuation of the holding as per IFRS 13.</li> </ul>

	<ul style="list-style-type: none"> <li>• Reviewed and challenged the assumptions used for the valuation models for any unquoted securities.</li> <li>• Recalculated unrealized gain or loss at the year end.</li> <li>• Carried out cut-off testing to ensure unrealized gain or loss was recognized in correct period.</li> </ul>
	<ul style="list-style-type: none"> <li>• Obtained the CDBL report and share portfolio and cross checked against each other to confirm unrealized gain or loss.</li> </ul>
	<ul style="list-style-type: none"> <li>• Check the subsequent positioning of this unrealized amount after the year end.</li> </ul>
	<ul style="list-style-type: none"> <li>• Finally assessed the appropriateness and presentation of disclosures against relevant accounting standards, Insurance Act 1938 (as amended in 2010), Insurance Rules, 1958 and other applicable rules and regulations and regulatory guidelines.</li> </ul>

#### Other Information

Management is responsible for the other information. The other information comprises all of the information in the Annual report other than the financial statements and our auditors' report thereon. The directors are responsible for the other information.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information; we are required to report that fact. We have nothing to report in this regard.

#### Responsibilities of Management and Those Charged with Governance for the Financial Statements and Internal Controls

Management is responsible for the preparation and fair presentation of the financial statements in accordance with IFRSs, the Companies Act 1994, the Insurance Act 2010, the Insurance Rules 1958, the Securities and Exchange Rules 1987 and other applicable laws and regulations and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's financial reporting process.

#### Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will

always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit
- Evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

#### **Report on other Legal and Regulatory Requirements**

In accordance with the Companies Act 1994, the Insurance Act 2010, the Insurance Rules 1958, the Securities and Exchange Rules 1987 and relevant notifications issued by Bangladesh Securities and Exchange Commission, we also report that:

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

Bangladesh National Insurance Co. Ltd.

- In our opinion, proper books of accounts, records and other statutory books as required by law have been kept by the Company so far as it appeared from our examinations of those books;
- The Company management has followed relevant provisions of laws and rules in managing the affairs of the Company and proper books of accounts, records and other statutory books have been properly maintained and (where applicable) proper returns adequate for the purposes of our audit have been received from branches not visited by us;
- As per section 63(2) of the Insurance Act 2010, in our opinion to the best of our knowledge and belief an according to the information and explanation given to us, all expenses of management wherever incurred and whether incurred directly or indirectly, in respect of insurance business of the company transacted in Bangladesh during the year under report have been duly debited to the related Revenue Accounts and the Statement of Comprehensive Income of the Company;
- We report that to the best of our information and as shown by its books, the company during the year under report has not paid any person any commission in any form, outside Bangladesh in respect of any its business re-insured abroad;
- The Statement of Financial Position, Statement of Comprehensive Income, Profit and Loss Appropriation Account, related Revenue Accounts, Statement of Changes in Equity and Statement of Cash Flows of the Company together with the annexed notes dealt with by the report are in agreement with the books of account and returns; and
- The expenditure was incurred for the purpose of the Company's business.

Dated 18th April, 2019  
Place: Dhaka, Bangladesh



A. Hoque & Co.  
Chartered Accountants



**BANGLADESH NATIONAL INSURANCE COMPANY LIMITED****STATEMENT OF FINANCIAL POSITION**

AS AT 31ST DECEMBER, 2018

	Notes	Amount in Taka	
		31.12.2018	31.12.2017
<b>A. Shareholder's Equity and Liabilities:</b>			
<b>Share Capital:</b>			
Authorized Share Capital	19	1,000,000,000	1,000,000,000
Issued, Subscribed and Paid up Capital	20	442,500,000	442,500,000
Reserve and Contingency Account	21	354,915,981	312,085,666
Reserve for Exceptional Losses		268,964,398	231,762,034
Profit or Loss Appropriation Account		85,951,583	80,323,632
<b>Total Shareholders' Equity</b>		<b>797,415,981</b>	<b>754,585,666</b>
<b>Balance of Funds and Accounts:</b>	22	<b>149,916,876</b>	<b>150,360,198</b>
Fire Insurance Business Account		54,047,610	34,246,564
Marine Cargo Insurance Business Account		41,567,250	42,497,253
Marine Hull Insurance Business Account		1,845,698	1,567,441
Motor Insurance Business Account		33,053,409	44,059,201
Miscellaneous Insurance Business Account		19,402,909	27,989,739
Premium Deposits Account	23	12,863,818	10,303,234
<b>Liabilities and Provisions</b>		<b>366,182,508</b>	<b>320,752,602</b>
Sundry Creditors-Including Provision for Expenses and Taxes	24	148,473,425	120,474,677
Amount due to other persons or bodies			
Carrying on Insurance Business	25	55,327,230	45,972,566
Deferred Tax Liability	26	4,311,476	4,785,589
Estimated liabilities in respect of outstanding			
Claims whether due or intimated	27	158,070,378	149,519,771
<b>Total Shareholders' Equity and Liabilities</b>		<b>1,326,379,183</b>	<b>1,236,001,700</b>

The accompanying notes from 1 to 49 & Annexure-A to D form an integral part of the financial statements.

  
Chairman

  
Director

  
Director

  
Chief Executive Officer

Signed in terms of separate report of even date annexed

Dated 18th April, 2019  
Place: Dhaka, Bangladesh

  
A. Hoque & Co.  
Chartered Accountants

**BANGLADESH NATIONAL INSURANCE COMPANY LIMITED**  
**STATEMENT OF FINANCIAL POSITION**  
 AS AT 31ST DECEMBER, 2018

	Notes	Amount in Taka	
		31.12.2018	31.12.2017
<b>B. Property and Assets:</b>			
<b>Non-Current Assets</b>			
	28	<b>334,149,983</b>	<b>184,289,507</b>
		<b>255,059,360</b>	<b>100,561,350</b>
Fixed Assets -At Cost		332,306,991	168,237,270
Less: Accumulated Depreciation		77,247,631	67,675,920
		<b>79,090,622</b>	<b>83,728,157</b>
Investment-At cost (BGTB)	29	25,000,000	25,000,000
Investment in Shares	30	54,090,622	58,728,157
		<b>992,229,201</b>	<b>1,051,712,193</b>
<b>Current Assets</b>			
Interest Accrued but not Due	31	25,817,563	24,746,014
Amount Due from Other Persons or Bodies			
Carrying on Insurance Business	32	1,200,851	1,200,851
Sundry Debtors-Including Advances, Deposits & Prepayments	33	127,898,143	103,491,537
Stock of Stationery	34	884,520	655,420
Cash and Bank Balances	35	836,428,124	921,618,371
<b>Total Property and Assets</b>		<b>1,326,379,183</b>	<b>1,236,001,700</b>

The accompanying notes from 1 to 49 & Annexure-A to D form an integral part of the financial statements.

  
Chairman

  
Director

  
Director

  
Chief Executive Officer

Signed in terms of separate report of even date annexed

Dated 18th April, 2019  
Place: Dhaka, Bangladesh

  
A. Hoque & Co.  
Chartered Accountants

**BANGLADESH NATIONAL INSURANCE COMPANY LIMITED****STATEMENT OF PROFIT OR LOSS ACCOUNT  
FOR THE YEAR ENDED 31ST DECEMBER, 2018**

Particulars	Notes	Amount in Taka	
		31.12.2018	31.12.2017
<b>Expenses of Management</b> ( Not Applicable to any particular Fund or Account)			
Directors' Fees		610,650	678,500
Meeting Expenses		374,743	240,815
Advertisement & Publicity		498,367	525,510
Subscription & Registration		548,244	2,275,179
Depreciation		12,142,795	12,797,956
Audit Fees		132,250	132,250
		<b>14,307,049</b>	<b>16,650,210</b>
Worker's Profit Participation Fund		5,867,800	4,719,767
Net Profit before tax		117,356,032	94,395,347
<b>Total</b>		<b>137,530,880</b>	<b>115,765,324</b>
Interest on FDR, STD and BGTB	36	63,882,350	57,615,097
Gain on Sales of Fixed Assets		1,449,084	1,073,410
Dividend Income in Share Business		2,522,713	2,053,510
Rental Income		2,921,850	1,728,000
Gain/(Loss) on sale of shares		3,825,698	(8,762,099)
<b>Profit /(Loss) Transferred from:</b>		<b>62,929,185</b>	<b>62,057,406</b>
Fire Insurance Revenue Account		10,507,279	4,890,285
Marine Insurance (Cargo) Revenue Account		31,085,799	30,479,064
Marine Insurance (Hull) Revenue Account		888,142	374,073
Motor Insurance Revenue Account		6,957,863	11,861,211
Miscellaneous Insurance Revenue Account		13,490,102	14,452,773
<b>Total</b>		<b>137,530,880</b>	<b>115,765,324</b>
<b>Earnings Per Share (EPS)</b>	<b>41</b>	<b>2.00</b>	<b>1.64</b>

The accompanying notes from 1 to 49 & Annexure-A to D form an integral part of the financial statements.

  
Chairman

  
Director

  
Director

  
Chief Executive Officer

Signed in terms of separate report of even date annexed

Dated 18th April, 2019  
Place: Dhaka, Bangladesh

  
A. Hoque & Co.  
Chartered Accountants

**BANGLADESH NATIONAL INSURANCE COMPANY LIMITED**  
**STATEMENT OF OTHER COMPREHENSIVE INCOME**  
 FOR THE YEAR ENDED 31ST DECEMBER, 2018


Particulars	Notes	Amount in Taka	
		31.12.2018	31.12.2017
Profit Before Tax		117,356,032	94,395,347
<b>Other comprehensive income</b>			
Unrealized Profit /(Loss) on Investment in Share		(1,459,721)	11,447,820
<b>Total Comprehensive Income</b>		<b>115,896,311</b>	<b>105,843,167</b>

The accompanying notes from 1 to 49 & Annexure-A to D form an integral part of the financial statements.

  
Chairman

  
Director

  
Director

  
Chief Executive Officer

Signed in terms of separate report of even date annexed

Dated 18th April, 2019  
Place: Dhaka, Bangladesh

  
A. Hoque & Co.  
Chartered Accountants

**BANGLADESH NATIONAL INSURANCE COMPANY LIMITED**  
**STATEMENT OF RPROFIT OR LOSS APPROPRIATION ACCOUNT**  
 FOR THE YEAR ENDED 31ST DECEMBER, 2018

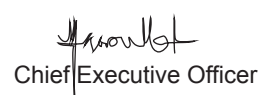
Particulars	Notes	Amount in Taka	
		31.12.2018	31.12.2017
Balance brought forward from last year		80,323,632	77,848,083
Net Profit before Tax b/d		115,896,311	105,843,167
Deferred Tax Income/expenses		474,112	374,427
		<b>196,694,055</b>	<b>184,065,677</b>
Reserve for Exceptional Losses		37,202,364	37,354,933
<b>Income Tax Expenses:</b>		<b>29,290,107</b>	<b>22,137,112</b>
Current Tax	42	29,290,107	22,137,112
Dividend Paid		44,250,000	44,250,000
Balance Transferred to Statement of Financial Position		85,951,583	80,323,632
<b>Total</b>		<b>196,694,055</b>	<b>184,065,677</b>
<b>Earnings Per Share (EPS)</b>	<b>41</b>	<b>2.00</b>	<b>1.64</b>

The accompanying notes from 1 to 49 & Annexure-A to D form an integral part of the financial statements.

  
Chairman

  
Director

  
Director

  
Chief Executive Officer

Signed in terms of separate report of even date annexed

Dated 18th April, 2019  
Place: Dhaka, Bangladesh

  
A. Hoque & Co.  
Chartered Accountants



**BANGLADESH NATIONAL INSURANCE COMPANY LIMITED****CONSOLIDATED REVENUE ACCOUNT**

FOR THE YEAR ENDED 31ST DECEMBER, 2018

Particulars	Notes	Amount in Taka	
		31.12.2018	31.12.2017
<b>Claims under the policies less Reinsurance:</b>			
Paid during the year		172,360,290	156,723,118
Total estimated liability in respect of outstanding claims at the end of the year whether due or intimated	27	158,070,378	149,519,771
		<b>330,430,668</b>	<b>306,242,889</b>
Less: Outstanding claims at the end of the previous year		149,519,771	129,893,918
		<b>180,910,897</b>	<b>176,348,971</b>
Agency Commission	38	65,258,670	64,178,331
Expenses of Management	37	98,637,389	79,981,947
Reserve for un-expired risks of Premium Income for the year	22	149,916,876	150,360,197
Profit Transferred to Statement of profit or loss account		62,929,185	62,057,406
<b>Total</b>		<b>557,653,018</b>	<b>532,926,852</b>
Balance of Account at the beginning of the year		150,360,197	139,041,662
Premium Less Reinsurance	40	372,023,643	373,549,333
Commission on Reinsurance ceded		35,269,178	20,335,858
<b>Total</b>		<b>557,653,018</b>	<b>532,926,852</b>

The accompanying notes from 1 to 49 & Annexure-A to D form an integral part of the financial statements.



Chairman



Director



Director



Chief Executive Officer

Signed in terms of separate report of even date annexed

Dated 18th April, 2019  
Place: Dhaka, Bangladesh



A. Hoque & Co.  
Chartered Accountants

## BANGLADESH NATIONAL INSURANCE COMPANY LIMITED

### FIRE INSURANCE REVENUE ACCOUNT FOR THE YEAR ENDED 31ST DECEMBER, 2018

Particulars	Notes	Amount in Taka	
		31.12.2018	31.12.2017
<b>Claims under the policies less Reinsurance:</b>			
Paid during the year		50,075,634	40,309,587
Total estimated liability in respect of outstanding claims at the end of the year whether due or intimated	27	38,524,926	27,857,742
		<b>88,600,560</b>	<b>68,167,329</b>
Less: Outstanding claims at the end of the previous year		27,857,742	21,000,747
		<b>60,742,818</b>	<b>47,166,582</b>
Agency Commission	38	27,925,722	19,636,292
Expenses of Management	37	38,330,489	22,834,845
Reserve for un-expired risks being 40% of Premium Income for the year	22	54,047,610	34,246,564
Profit Transferred to Statement of profit or loss account		10,507,279	4,890,285
<b>Total</b>		<b>191,553,918</b>	<b>128,774,568</b>
Balance of Account at the beginning of the year		34,246,564	32,706,849
Premium Less Reinsurance	40	135,119,025	85,616,410
Commission on Reinsurance ceded		22,188,329	10,451,309
<b>Total</b>		<b>191,553,918</b>	<b>128,774,568</b>

The accompanying notes from 1 to 49 & Annexure-A to D form an integral part of the financial statements.

  
Chairman

  
Director

  
Director

  
Chief Executive Officer

Signed in terms of separate report of even date annexed

Dated 18th April, 2019  
Place: Dhaka, Bangladesh

  
A. Hoque & Co.  
Chartered Accountants

**BANGLADESH NATIONAL INSURANCE COMPANY LIMITED**  
**MARINE CARGO INSURANCE REVENUE ACCOUNT**  
 FOR THE YEAR ENDED 31ST DECEMBER, 2018

Particulars	Notes	Amount in Taka	
		31.12.2018	31.12.2017
<b>Claims Under The Policies Less Reinsurance:</b>			
Paid during the year		42,542,862	58,290,999
Total estimated liability in respect of outstanding claims at the end of the year whether due or intimated	27	62,835,387	68,436,855
		<b>105,378,249</b>	<b>126,727,854</b>
Less: Outstanding claims at the end of the previous year		68,436,855	78,379,856
		<b>36,941,394</b>	<b>48,347,998</b>
Agency Commission	38	17,109,150	17,214,689
Expenses of Management	37	25,507,629	22,218,985
Reserve for un-expired risks being 40% of premium income for the year	22	41,567,250	42,497,253
Profit Transferred to Statement of profit or loss account		31,085,799	30,479,064
<b>Total</b>		<b>152,211,223</b>	<b>160,757,989</b>
Balance of Account at the beginning of the year		42,497,253	48,620,778
Premium Less Reinsurance	40	103,918,126	106,243,133
Commission on Reinsurance ceded		5,795,844	5,894,078
<b>Total</b>		<b>152,211,223</b>	<b>160,757,989</b>

The accompanying notes from 1 to 49 & Annexure-A to D form an integral part of the financial statements.

  
Chairman

  
Director

  
Director

  
Chief Executive Officer

Signed in terms of separate report of even date annexed

Dated 18th April, 2019  
Place: Dhaka, Bangladesh

  
A. Hoque & Co.  
Chartered Accountants

**BANGLADESH NATIONAL INSURANCE COMPANY LIMITED**  
**MARINE HULL INSURANCE REVENUE ACCOUNT**  
 FOR THE YEAR ENDED 31ST DECEMBER, 2018

Particulars	Notes	Amount in Taka	
		31.12.2018	31.12.2017
<b>Claims under the policies less Reinsurance:</b>			
Paid during the year		22,108	621
Total estimated liability in respect of outstanding claims at the end of the year whether due or intimated	27	-	-
		22,108	621
Less: Outstanding claims at the end of the previous year		-	-
		<b>22,108</b>	<b>621</b>
Agency Commission	38	270,863	228,938
Expenses of Management	37	394,550	279,937
Reserve for un-expired risks being 100% of premium income for the year	22	1,845,698	1,567,441
Profit Transferred to Statement of profit or loss account		888,142	374,073
<b>Total</b>		<b>3,421,361</b>	<b>2,451,010</b>
Balance of Account at the beginning of the year		1,567,441	877,913
Premium Less Reinsurance	40	1,845,698	1,567,441
Commission on Reinsurance ceded		8,222	5,656
<b>Total</b>		<b>3,421,361</b>	<b>2,451,010</b>

The accompanying notes from 1 to 49 & Annexure-A to D form an integral part of the financial statements.

  
Chairman

  
Director

  
Director

  
Chief Executive Officer

Signed in terms of separate report of even date annexed

Dated 18th April, 2019  
Place: Dhaka, Bangladesh

  
A. Hoque & Co.  
Chartered Accountants

**BANGLADESH NATIONAL INSURANCE COMPANY LIMITED****MOTOR INSURANCE REVENUE ACCOUNT**  
FOR THE YEAR ENDED 31ST DECEMBER, 2018

Particulars	Notes	Amount in Taka	
		31.12.2018	31.12.2017
<b>Claims under the policies less Reinsurance:</b>			
Paid during the year		53,684,912	32,974,395
Total estimated liability in respect of outstanding claims at the end of the year whether due or intimated	27	54,709,098	50,245,580
		<b>108,394,010</b>	<b>83,219,975</b>
Less : Outstanding claims at the end of the previous year		50,245,580	24,277,000
		<b>58,148,430</b>	<b>58,942,975</b>
Agency Commission	38	12,469,117	16,347,758
Expenses of Management	37	16,827,538	18,715,776
Reserve for un-expired risks being 40% of premium income for the year	22	33,053,409	44,059,201
Profit Transferred to Statement of profit or loss account		6,957,863	11,861,211
<b>Total</b>		<b>127,456,357</b>	<b>149,926,921</b>
Balance of Account at the beginning of the year		44,059,201	39,447,228
Premium Less Reinsurance	40	82,633,522	110,148,001
Commission on Reinsurance ceded		763,634	331,692
<b>Total</b>		<b>127,456,357</b>	<b>149,926,921</b>

The accompanying notes from 1 to 49 & Annexure-A to D form an integral part of the financial statements.

  
Chairman

  
Director

  
Director

  
Chief Executive Officer

Signed in terms of separate report of even date annexed

Dated 18th April, 2019  
Place: Dhaka, Bangladesh

  
A. Hoque & Co.  
Chartered Accountants



**BANGLADESH NATIONAL INSURANCE COMPANY LIMITED**  
**MISCELLANEOUS INSURANCE REVENUE ACCOUNT**  
 FOR THE YEAR ENDED 31ST DECEMBER, 2018


Particulars	Notes	Amount in Taka	
		31.12.2018	31.12.2017
<b>Claims under the policies less Reinsurance:</b>			
Paid during the year		26,034,774	25,147,516
Total estimated liability in respect of outstanding claims at the end of the year whether due or intimated	27	2,000,967	2,979,594
		28,035,741	28,127,110
Less: Outstanding claims at the end of the previous year		2,979,594	6,236,315
		<b>25,056,147</b>	<b>21,890,795</b>
Agency Commission	38	7,483,819	10,750,654
Expenses of Management	37	17,577,183	15,932,404
Reserve for un-expired risks being 40% of premium income for the year	22	19,402,909	27,989,739
Profit Transferred to Statement of profit or loss account		13,490,102	14,452,773
<b>Total</b>		<b>83,010,160</b>	<b>91,016,365</b>
Balance of Account at the beginning of the year		27,989,739	17,388,894
Premium Less Re-Insurance	40	48,507,272	69,974,348
Commission on Re-insurance ceded		6,513,149	3,653,123
<b>Total</b>		<b>83,010,160</b>	<b>91,016,365</b>

The accompanying notes from 1 to 49 & Annexure-A to D form an integral part of the financial statements.

  
Chairman

  
Director

  
Director

  
Chief Executive Officer

Signed in terms of separate report of even date annexed

Dated 18th April, 2019  
Place: Dhaka, Bangladesh

  
A. Hoque & Co.  
Chartered Accountants

**BANGLADESH NATIONAL INSURANCE COMPANY LIMITED****STATEMENT OF CASH FLOWS**

FOR THE YEAR ENDED 31ST DECEMBER, 2018

Particulars	Notes	Amount in Taka	
		31.12.2018	31.12.2017
Cash Flows from operating activities:			
Collection from premium & other income		409,286,836	478,175,108
Less: Payments for management expenses, re-insurance & claims		(327,567,614)	(329,408,833)
Less: Income Tax and other source Taxes paid		(22,074,894)	(19,494,428)
Less: Payment of WPPF		(4,719,767)	(4,080,493)
Interest received on STD/SND		1,633,193	1,467,897
		<b>56,557,754</b>	<b>126,659,251</b>
Cash Flows from investing activities:			
Acquisition of Fixed Assets		(166,709,721)	(23,200,777)
Sale Proceeds of Fixed Assets		1,518,000	1,403,000
Investment in Shares		-	(21,500,000)
Encashment of FDR		-	26,888,537
Investment in FDR		-	(63,500,000)
Interest received on FDR		59,291,657	54,596,573
Interest received on BGTB		2,957,500	2,957,500
Rental Income		2,921,850	1,728,000
Dividend Income from Share Business		2,522,713	2,053,510
		<b>(97,498,001)</b>	<b>(18,573,657)</b>
<b>Cash Flows from financing activities:</b>			
Dividend Paid		(44,250,000)	(44,250,000)
		<b>(44,250,000)</b>	<b>(44,250,000)</b>
<b>Net Cash inflow/outflow for the year</b>		<b>(85,190,247)</b>	<b>63,835,594</b>
Opening Cash and Bank balances		921,618,371	857,782,777
<b>Cash and Bank balances</b>		<b>836,428,124</b>	<b>921,618,371</b>
<b>Net operating Cash Flow per share</b>		<b>1.27</b>	<b>2.86</b>

The accompanying notes from 1 to 49 & Annexure-A to D form an integral part of the financial statements.

  
Chairman

  
Director

  
Director

  
Chief Executive Officer

Signed in terms of separate report of even date annexed

Dated 18th April, 2019  
Place: Dhaka, Bangladesh

  
A. Hoque & Co.  
Chartered Accountants

**BANGLADESH NATIONAL INSURANCE COMPANY LIMITED**  
**STATEMENT OF CHANGES IN SHAREHOLDERS EQUITY**  
 FOR THE YEAR ENDED 31ST DECEMBER, 2018

(Amount in Taka)				
Particulars	Share Capital	Reserve for Exceptional Losses	Profit or Loss Appropriation Account	Total Shareholders Equity
<b>Balance on January 01, 2018</b>	<b>442,500,000</b>	<b>231,762,034</b>	<b>80,323,632</b>	<b>754,585,666</b>
Net Profit before Tax	-	-	115,896,311	115,896,311
Deferred Tax Income/expenses			474,112	474,112
Provision for Income Tax	-	-	(29,290,107)	(29,290,107)
Reserve for Exceptional Losses	-	37,202,364	(37,202,364)	-
Dividend Paid			(44,250,000)	(44,250,000)
<b>Balance on December 31, 2018</b>	<b>442,500,000</b>	<b>268,964,398</b>	<b>85,951,583</b>	<b>797,415,981</b>

(Amount in Taka)				
Particulars	Share Capital	Reserve for Exceptional Losses	Profit or Loss Appropriation Account	Total Shareholders Equity
<b>Balance on January 01, 2017</b>	<b>442,500,000</b>	<b>194,407,101</b>	<b>77,848,083</b>	<b>714,755,184</b>
Public Share		-		-
Net Profit before Tax	-	-	105,843,167	105,843,167
Deferred Tax income/Expenses	-	-	374,427	374,427
Provision for Income Tax	-	-	(22,137,112)	(22,137,112)
Reserve for Exceptional Losses	-	37,354,933	(37,354,933)	-
Dividend Paid			(44,250,000)	(44,250,000)
<b>Balance on December 31, 2017</b>	<b>442,500,000</b>	<b>231,762,034</b>	<b>80,323,632</b>	<b>754,585,666</b>

The accompanying notes from 1 to 49 & Annexure-A to D form an integral part of the financial statements.

  
Chairman

  
Director

  
Director

  
Chief Executive Officer

Signed in terms of separate report of even date annexed

Dated 18th April, 2019  
Place: Dhaka, Bangladesh

  
A. Hoque & Co.  
Chartered Accountants

**BANGLADESH NATIONAL INSURANCE COMPANY LIMITED****FORM "AA"**

CLASSIFIED SUMMARY OF ASSETS AS AT 31ST DECEMBER, 2018


Class of Assets	Book Value		Remarks
	31.12.2018	31.12.2017	
Deposit against Bangladesh Govt. Treasury Bond	25,000,000	25,000,000	At Cost
Investment in Shares	54,090,622	58,728,157	Market Value
Cash on Fixed Deposit and STD Account with Bank	834,505,226	915,322,389	Book Value
Cash in Hand	1,651,428	5,917,514	Do
Stamp in Hand	271,470	378,468	Do
Interest Accrued but not due	25,817,563	24,746,014	Do
Amount due from other persons or bodies Carrying on Insurance business	1,200,851	1,200,851	Do
Sundry Debtors Including Advances, Deposits & Prepayments	127,898,143	103,491,537	Do
Fixed Assets (At Cost less Depreciation)	255,059,360	100,561,350	Written Down Value
Stock of Stationery	884,520	655,420	At Cost
<b>Total</b>	<b>1,326,379,183</b>	<b>1,236,001,700</b>	

The accompanying notes from 1 to 49 & Annexure-A to D form an integral part of the financial statements.

  
 Chairman

  
 Director

  
 Director

  
 Chief Executive Officer

Signed in terms of separate report of even date annexed

Dated 18th April, 2019  
 Place: Dhaka, Bangladesh

  
 A. Hoque & Co.  
 Chartered Accountants

## **BANGLADESH NATIONAL INSURANCE COMPANY LIMITED**

### **NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST DECEMBER, 2018**

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

The Company was incorporated in Bangladesh as a Public Company Limited by Shares on the 21 day of May 1996 under the Companies Act, 1994 and its commencement of business was started from 21 day of May, 1996 and the registration from the Controller of Insurance was received to start general insurance business on 18th day of June, 1996 which has been renewed upto December 31, 2018.

#### **Address of Registered Office**

The registered office of the Company is located at 68, Motijheel Commercial Area (Level-15), Dhaka-1000. The operation of the company are being carried out through its 27 nos. of branches located all over Bangladesh with Head office at Rashid Tower(3rd Floor), Plot #11, Road # 18, Gulshan #1, Dhaka-1212.

#### **Principal Activities and Nature of Operation**

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

#### **2.00 Basis of Preparation**

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

Going Concern

Accrual Basis

Historical Cost Convention

Generally Accepted Accounting Principles ( GAAP) and practices in Bangladesh

The Companies Act, 1994

Insurance Act, 2010

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

The Securities and Exchange Rules, 1987

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

#### **2.01 Premium Recognition**

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

#### **3.00 Compliance of International Financial Reporting Standards (IFRSs)**

The Financial Statements have been prepared in accordance with the International Financial Reporting Standards (IFRSs), including International Accounting Standards (IASs).

#### **4.00 Risk and Uncertainty for use of Estimates and Judgments**

In conformity with the International Financial Reporting Standards (IFRSs) including the International Accounting Standards (IASs) in preparation of financial statements the management is required to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses, and for contingent assets and liabilities that require disclosure during and at the date of financial statements.

Actual results could differ from those estimates. Estimates and underlying assumptions are used for accounting of certain items such as long-term contracts, provision for doubtful accounts, depreciation and amortization, taxes, reserves and contingencies.

**5.00 Compliance of International Accounting Standards (IASs)**

Considering relevant significant accounting issues, in preparing and presenting these financial statements, the company implemented the following International Accounting Standards IASs issued and revised by the ICAB in light of the International Accounting Standards Board (IASB) as per current practices prevailing in Bangladesh as on the balance sheet date:

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

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

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

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

**(a) Revenue Recognition**

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

- (i) the significant risks and rewards of ownership of the policies have been transferred to the policyholder;
- (ii) the amount of revenue was measured reliably;
- (iii) it was probable that the economic benefits relating to the transactions will flow to the Company;
- (iv) neither continuing managerial involvement nor effective control usually associated with ownership of the policy was retained by the Company; and
- (v) cost relating to the transactions was measured reliably.

**(b) Materiality and aggregation**

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

**(c) Revenue Account**

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

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

**(d) Premium and Claim**

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



(e) **Management Expenses**

The management expenses charged to Revenue Account amounting to Tk 98,637,389 represent approximately 19.65% of Gross Premium of Tk 501,908,044 (including public sector business). The said management expenses have been apportioned 38.86% to fire, 26.26% to marine (cargo & hull), 17.06% to motor, 17.82% to miscellaneous business as per activity/Premium Income.

**Property , Plant & Equipment**

(f) **Recognition & measurement**

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

(g) **Subsequent Cost**

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

(h) **Depreciation**

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

Depreciation on Fixed Assets has been charged at a reducing balance method. 12 month's depreciation has been charged on the book value of Fixed Assets excluding Land at the rates varying from 5% to 30%. Depreciation is charged at the rate shown below:

<b>Class of Assets</b>	<b>Rate of Depreciation</b>
Office Equipment	20%
Books & Periodicals	20%
Car/Motor Vehicles	25%
Office Decoration	30%
Furniture & Fixture	10%
Telephone Installation	15%
Building	5%

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

**De-recognition**

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

(i) **Disposal of Fixed Assets**

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

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

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

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

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

(l) **Cash and Cash Equivalents**

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

(m) **Other Current Assets**

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

(n) **Income Tax**

**Current Tax**

Current Tax has been provided on the estimated taxable profit for the year under review at 37.50% tax rate being the tax rate applicable for Insurance Company. It also includes adjustments for earlier year's short/excess provision.

**Deferred Tax**

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

**Provision for Income Tax**

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

(o) **Dividend**

10% Cash Dividend has been paid for the year 2017.

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

(i) **Defined Contribution Plan**

There is no defined contribution plan.

(ii) **Defined Benefits Plan**

There is no defined benefits plan.

(iii) **Insurance Scheme**

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

(iv) **Number of Employees**

There were 428 Employees at the period ended for December 31, 2018 whose salary exceeds Tk. 6,000 per month.

Particulars	No. of Employees
Chief Executive Officer	1
Deputy Managing Director	7
Assistant Managing Director	2
Chief Financial Officer	1
Senior General Manager	9
General Manager	12
Senior Deputy General Manager	2
Deputy General Manager & Company Secretary	1
Deputy General Manager	19
Senior Assistant General Manager	1
Assistant General Manager	42
Officers	160
Other Employees	171
<b>Total 428</b>	

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

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

(r) **Provisions**

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

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

The company calculates earnings per Share (EPS) in accordance with IAS 33 Earnings per Share which has been shown on the face of Statement of Profit or Loss Account. The disclosure has been made in the Note 41 in respect of numerator (net profit) and denominator (weighted average number of Shares) used in the calculation of basic EPS with necessary computation and reconciliation.

**Basic Earnings**

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

**Diluted Earnings per Share**

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

(t) **Reserve for Exceptional Losses**

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

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

Company's Share of Public Sector business is accounted for in the period in which the complete set of accounts from Sadharan Bima Corporation (SBC) is received. During the period the company has included 4 (Four) quarters of its share of the Public Sector business as confirmed by the Sadharan Bima Corporation (SBC) in the following manner:

Period	Particulars of Quarter	No.
1st July, 2017 to 30th Sept, 2017	3rd Quarter of 2017	1 (One)
1st Oct, 2017 to 31st December, 2017	4th Quarter of 2017	1 (One)
1st Jan, 2018 to 31st March , 2018	1st Quarter of 2018	1 (One)
1st April, 2018 to 30 th June , 2018	2nd Quarter of 2018	1 (One)
<b>Total</b>		<b>4 (Four)</b>

(v) **Recognized Gains and Losses**

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

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

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

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

(x) **Statement of Profit or Loss Account**

The results for the year were not materially affected by the following:

- (a) transactions of a nature not usually undertaken by the company:
- (b) circumstances of an exceptional or non-recurring nature:
- (c) charges or credits relating to prior years:

7.00 **Classified Summary of Assets**

The valuation of all assets as at December 31, 2018 as shown in the Statement of Financial Position and in the classified summary of assets in Form "AA" annexed with the report has been reviewed and the said assets have been set-forth in the Statement of Financial Position at amount not exceeding their realizable or market value in aggregate.

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

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

9.00 **Derivative Financial Instruments**

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

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

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

**Geographic Segment Information**

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

11.00 **Reporting Currency**

The Financial Statements are presented in Bangladeshi Taka which is the Company's functional currency. Foreign Currency Transactions was transacted during the year and thus the conversion of Foreign Currency into Bangladeshi Taka Currency is required the year ended December 31, 2018.

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

Comparative information have been disclosed in respect for the year December 31, 2018 for all numerical information in the financial statements and also the narrative and descriptive information when it is relevant for understanding of the current year's financial statements.

Figures of the year 2017 have been rearranged whenever considered necessary to ensure comparability with the current year.

**13.00 Transactions with Related Parties**

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

**14.00 Events after Reporting Period**

The Board of Directors has recommended 12% cash dividend on paid up capital for the year ended December 31, 2018 at its 143th Board Meeting held on 18.04.2019 subject to approval of the Annual General Meeting.

**15.00 Approval of the Financial Statements**

The Financial statements were approved by the Board of Directors on 18.04.2019

**16.00 Reporting Period**

The Financial Statements of the Company cover for the year from January 01, 2018 to December 31, 2018.

**17.00 Statement of Cash Flows**

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

**18.00 Components of the Financial Statements**

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

- (i) Statement of Financial Position as at December 31, 2018;
- (ii) Statement of Profit or Loss Account for the year ended December 31, 2018;
- (iii) Statement of Other Comprehensive Income for the year ended December 31, 2018;
- (iv) Statement of Profit or Loss Appropriation Account for the year ended December 31, 2018;
- (v) Consolidated Revenue Account for the year ended December 31, 2018;
- (vi) Revenue Accounts (Fire, Marine Cargo, Marine Hull, Motor, Miscellaneous) for the year ended December 31, 2018;
- (vii) Statement of Changes in Equity for the year ended December 31, 2018;
- (viii) Statement of Cash Flows for the year ended December 31, 2018;
- (ix) Form "AA": Classified Summary of Assets;
- (x) Accounting Policies and Explanatory Notes 1 to 49 and Annexure -A to D.

Amount in Taka	
31.12.2018	31.12.2017

19.00 **SHARE CAPITAL****AUTHORIZED SHARE CAPITAL**

100,000,000 Ordinary Shares of Tk. 10/= each.

1,000,000,000	1,000,000,000
---------------	---------------

20.00 **ISSUED, SUBSCRIBED AND PAID UP CAPITAL**

44,250,000 Ordinary Shares of Tk. 10/- each fully paid up in cash

442,500,000	442,500,000
-------------	-------------

As detailed below :

Particulars	2018		2017	
	%	Taka	%	Taka
<b>Group--A Sponsors &amp; Directors:</b>				
2,24,57,094 Ordinary Shares of Tk. 10 each fully Paid in cash	50.74	224,570,940	60.00	265,500,000
<b>Group--B Others:</b>				
2,17,92,906 Ordinary Shares of Tk. 10 each fully Paid in cash	49.26	217,929,060	40.00	177,000,000
1) Institute:	1.36	6,006,050	1.06	4,684,220.00
2) Foreign:	0.17	719,420	0.18	81,842.00
3) General Public:	47.73	211,203,590	38.76	172,233,938.00
<b>Total</b>	<b>100.00</b>	<b>442,500,000</b>	<b>100.00</b>	<b>442,500,000</b>

**Classification of shareholder's by holding**

The distribution schedule of shareholdings as on December 31, 2018 was as under:

Holding	Number of Holders		Total Holding%	
	2018	2017	2018	2017
<b>Group-A</b>				
Less than 5000 shares	4	-	0.01	-
50,001-5,00,000	1	2	0.23	0.46
5,00,001-10,00,000	6	8	12.83	16.86
10,00,001-20,00,000	1	5	2.61	13.04
20,00,001-45,00,000	6	4	35.06	29.64
<b>Group-B</b>				
Less than 5000 shares	3,163	3,601	6.63	7.50
5,001-10,000	217	217	3.82	3.88
10,001-50,000	207	226	10.26	10.62
50,001-1,00,000	42	26	6.87	4.28
1,00,001-2,00,000	14	16	4.93	5.50
2,00,001-5,00,000	5	4	4.05	2.85
5,00,001-10,00,000	3	2	5.40	3.08
10,00,001-20,00,000	3	1	7.30	2.29
<b>Total</b>	<b>3,672.00</b>	<b>4,112</b>	<b>100.00</b>	<b>100.00</b>



		Amount in Taka	
		31.12.2018	31.12.2017
21.00	<b>RESERVE OR CONTINGENCY ACCOUNT</b>		
	This is made up as follows:		
	Reserve for Exceptional Losses (21.01)	268,964,398	231,762,034
	Profit & Loss Appropriation Account (21.02)	85,951,583	77,848,083
		<b>354,915,981</b>	<b>309,610,117</b>
21.01	<b>RESERVE FOR EXCEPTIONAL LOSSES</b>		
	This is made up as follows:		
	Opening Balance	231,762,034	194,407,101
	Add: During the year	37,202,364	37,354,933
	Total	<b>268,964,398</b>	<b>231,762,034</b>
	This represents profit set-aside up to the year under review as expenses to meet exceptional losses. This reserve has been created as per requirement of paragraph 6(2) of 4th Schedule of the Income Tax Ordinance, 1984. The company has made the reserve for exceptional losses amounting to Tk 372,023,643 of net premium income earned during the year as detailed below:		
	Fire Insurance	135,119,025	85,616,410
	Marine Cargo Insurance Business	103,918,126	106,243,133
	Marine Hull Insurance Business	1,845,698	1,567,441
	Motor Insurance	82,633,522	110,148,001
	Miscellaneous Insurance Business	48,507,272	69,974,348
	Total	<b>372,023,643</b>	<b>373,549,333</b>
21.02	<b>PROFIT OR LOSS APPROPRIATION ACCOUNT</b>		
	This is made up as follows:		
	Opening Balance	80,323,631	77,848,083
	Add: Profit for the year	115,896,311	105,843,167
	Add : Deferred Tax Income ( Note: 26.00 )	474,112	374,427
		<b>196,694,054</b>	<b>184,065,677</b>
	Less: Reserve & Provisions:	<b>110,742,471</b>	<b>103,742,045</b>
	Reserve for Exceptional Losses	37,202,364	37,354,933
	Provision for Income Tax	29,290,107	22,137,112
	Dividend Paid	44,250,000	44,250,000
		<b>85,951,583</b>	<b>80,323,631</b>
22.00	<b>BALANCE OF FUNDS AND ACCOUNTS</b>		
	This represents Reserve for un-expired risks provided against the Net Premium Income including Public Sector Business of the year at the rate of 40% on different classes of business except Marine Hull Insurance for which 100% as shown below:		
	CLASSES OF BUSINESS	Percentage	
	Fire	40%	54,047,610
	Marine Cargo	40%	41,567,250
	Marine Hull	100%	1,845,698
	Motor	40%	33,053,409
	Miscellaneous	40%	19,402,909
	Total		<b>149,916,876</b>
23.00	<b>PREMIUM DEPOSITS ACCOUNT</b>		
		12,863,818	10,303,234
	Marine Cargo Insurance	<b>12,863,818</b>	<b>10,303,234</b>
	Balance on this account represents net premium received against cover notes for which no policy has been issued within 31st December, 2018.		

Amount in Taka	
31.12.2018	31.12.2017

**24.00 SUNDRY CREDITORS INCLUDING PROVISION FOR EXPENSES AND TAXES**

The balance is made as under:

Liability for Agency Commission	2,001,101	3,965,536
Income Tax Deducted on Salary	172,800	157,500
Provision for Audit Fees	132,250	132,250
Provision for Income Tax (Company)	133,600,141	104,310,034
Provision for VAT/ VAT Payable	2,629,831	2,537,640
Liability for Insurance Stamp	1,234,572	1,210,470
Provision for Bills Payable	2,834,930	3,441,479
Worker's Profit Participation Fund (24.01)	5,867,800	4,719,767
	<b>148,473,425</b>	<b>120,474,677</b>

**24.01 Worker's Profit Participation Fund**

This is made up as follows:

Opening Worker's Profit Participation Fund	4,719,767	4,080,493
Add: During the year worker's profit participation fund	5,867,800	4,719,767
	10,587,567	8,800,260
Less: Paid	4,719,767	4,080,493
	<b>5,867,800</b>	<b>4,719,767</b>

**25.00 AMOUNT DUE TO OTHER PERSONS OR BODIES CARRYING ON INSURANCE BUSINESS**

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

**A. Co-Insurance Premium Payable:**

Phoenix Insurance Co. Ltd.	16,022	16,022
Provati Insurance Co. Ltd.	84,735	84,735
Eastern Insurance Co. Ltd.	97,649	97,649
Bangladesh General Insurance Co. Ltd.	47,040	47,040
Mercantile Insurance Co. Ltd.	24,555	24,555
Global Insurance Co. Ltd.	101,600	101,600
Janata Insurance Co. Ltd.	16,926	16,926
<b>Sub Total</b>	<b>388,527</b>	<b>388,527</b>

**B. Re-Insurance Creditors (SBC)**

<b>Sub Total</b>	<b>54,938,703</b>	<b>45,584,039</b>
<b>Total (A+B)</b>	<b>55,327,230</b>	<b>45,972,566</b>

**26.00 DEFERRED TAX LIABILITY**

a) Deferrd Tax Liability are arrived at as follows :

Book value of Depreciable Fixed Assets	254,674,521	100,561,348
Less: Tax Base Value	243,177,251	88,597,376
<b>Taxable Temporary Difference</b>	<b>11,497,270</b>	<b>11,963,972</b>
Applicable Tax Rate	37.50%	40.00%
<b>Deferred Tax ( Assets ) / Liabilites</b>	<b>4,311,476</b>	<b>4,785,589</b>

b) Deferred Tax Expenses/ (Income)

Opening Deferred Tax Liabilites	4,785,588	5,160,015
Closing Deferred Tax Liabilites	4,311,476	4,785,588
<b>Deferred Tax Income/(Expenses)</b>	<b>474,112</b>	<b>374,427</b>

Amount in Taka	
31.12.2018	31.12.2017

**27.00 ESTIMATED LIABILITIES IN RESPECT OF OUTSTANDING CLAIMS WHETHER DUE OR INTIMATED**

The break up of the above amount is noted below:

CLASSES OF BUSINESS	PRIVATE SECTOR	PUBLIC SECTOR	TOTAL 31.12.2018	TOTAL 31.12.2017
Fire	38,524,926	-	38,524,926	27,857,742
Marine Cargo	62,835,387	-	62,835,387	68,436,855
Motor	54,709,098	-	54,709,098	50,245,580
Miscellaneous	2,000,967	-	2,000,967	2,979,594
<b>Total</b>	<b>158,070,378</b>	<b>-</b>	<b>158,070,378</b>	<b>149,519,771</b>

**B. PROPERTY AND ASSETS:****28.00 Fixed Assets Less Depreciation (Annexure - D)**

This is arrived at as under:

Cost as on January 01,2018	168,237,270	147,351,493
Add: Addition during the year	166,709,721	23,200,777
Less: Sales during the year	2,640,000	2,315,000
	<b>332,306,991</b>	<b>168,237,270</b>
Less: Depreciation:		
Dep. as on January 01,2018	67,675,920	56,863,374
Depreciation charged during the year	12,142,795	12,797,956
Accumulation depreciation	2,571,084	1,985,410
	<b>77,247,631</b>	<b>67,675,920</b>
Balance as on December 31, 2018	<b>255,059,360</b>	<b>100,561,350</b>

**29.00 INVESTMENTS AT COST**

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

1 No. 10 (Ten) years Bangladesh Govt. Treasury Bond at Face Value of Tk. 90,00,000 each vide instrument ID BD0922301108 Date 15-02-2012 & instrument ID BD0923341103 Date 13-03-2013 BP ID BDNICCNCC BP Tk. 1,60,00,000.00 respectively.

25,000,000	25,000,000
------------	------------

Amount in Taka	
31.12.2018	31.12.2017

## 30.00 INVESTMENT IN SHARES:

54,090,622	58,728,157
------------	------------

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

Name of the Company	31.12.2018				Market value
	No. of Shares	Value at cost per share	Acquisition cost	Market value Per Share	31.12.2018
<b>A. Listed Securities at cost:</b>					
Bd Fin & Inv Co Ltd	30472	6.83	208,124	16.30	496,694
Activefine	80	27.36	2,189	28.20	2,256
Doreenpwr	8713	108.08	941,697	79.90	696,169
Jamunaoil	20537	392.54	4,032,180	190.50	3,912,298
Mjlbd	125634	228.43	14,353,423	99.20	12,462,893
Bpml	8800	90.61	797,397	83.80	737,440
Ibp	294	9.09	2,672	31.10	9,143
Squrpharma	220	516.69	56,817	254.20	55,924
One Bank Ltd	52500	21.13	1,109,395	15.00	787,500
Mldyeing	5208	40.52	142,160	29.70	154,678
Intraco	266	9.53	2,534	26.80	7,129
Ktl	7582	9.09	68,931	25.30	191,825
Spcl	24341	116.71	2,840,920	94.80	2,307,527
Uttara Bank Ltd	241621	73.13	8,764,790	28.50	6,886,199
Silvaphl	4596	10	45,960	30.10	138,340
Sktrims	5546	9.09	50,420	46.30	256,780
Sssteel	13491	10	134,910	-	-
Vfstld	703	8.33	5,859	57.80	40,633
Kpcl	5002	59.32	296,697	59.30	296,619
<b>IPO Share :</b>					-
Balance with Stock Broker			-		2,650,577
<b>Sub total</b>			<b>33,857,076</b>		<b>32,090,622</b>
<b>B.Unlisted Securities at cost:</b>					
Energyprima Ltd	200000	110	22,000,000		22,000,000
<b>Total ( A+B )</b>			<b>55,857,076</b>		<b>54,090,622</b>

## 31.00 INTEREST ACCRUED BUT NOT DUE (On FDR &amp; Bangladesh Govt. Treasury Bond)

This is made up as follows:

Interest on FDR	24,834,493	23,762,944
Interest on BGTB	983,070	983,070
<b>Total</b>	<b>25,817,563</b>	<b>24,746,014</b>

## 32.00 AMOUNT DUE FROM OTHER PERSONS OR BODIES CARRYING ON INSURANCE BUSINESS

The above amount represents the total receivable from various persons or bodies carrying on insurance business as co-insurance as on December 31, 2018. The details of which are given below:

**NAME OF THE PERSON OR BODIES**

Green Delta Insurance Co. Ltd.	211,917	211,917
Rupali Insurance Co. Ltd.	20,151	20,151
Central Insurance Co. Ltd.	807,750	807,750
Prime Insurance Co. Ltd.	19,927	19,927
Northern General Insurance Co. Ltd.	141,106	141,106
<b>Grand Total</b>	<b>1,200,851</b>	<b>1,200,851</b>

Amount in Taka	
31.12.2018	31.12.2017

**33.00 SUNDRY DEBTORS (INCLUDING ADVANCES DEPOSITS & PREPAYMENTS)**

The break up of the above is as under:

Security Deposits Against Telephone	58,000	58,000
Advance against Office Rent	2,898,093	5,349,628
Advance against Salary	141,454	-
Advance Income Tax (Company)	115,764,091	93,689,197
Income Tax Paid Against Protest	870,000	870,000
Rental Income Receivable	375,950	-
Deposit Clearing	7,790,555	3,524,712
<b>Total</b>	<b>127,898,143</b>	<b>103,491,537</b>

**34.00 Stock of Stationery**

This is made up as follows:

Balance as on 01-01-2018	655,420	428,402
Add : Purchase during the year	1,452,920	779,590
	2,108,340	1,207,992
Less : Consumed during the year	1,223,820	552,572
Balance as on 31-12-2018	<b>884,520</b>	<b>655,420</b>

**35.00 CASH AND BANK BALANCES**

The above amount is made up as follows:

Fixed Deposit Receipts ( Annexure-A)	747,312,245	853,492,295
Short Term Deposit Account ( Annexure-B)	87,192,981	61,830,094
Cash in Hand ( Annexure-C)	1,651,428	5,917,514
Stamps in Hand	271,470	378,468
<b>Total</b>	<b>836,428,124</b>	<b>921,618,371</b>

35.01 Fixed Deposit Receipts (FDR) :

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

**35.02 Short Term Deposit Account & Cash in Hand**

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

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

**36.00 INTEREST ON FDR, STD AND BGTB**

This is made up as follows:

Interest on STD Account	1,633,193	1,467,897
Interest on FDR	59,291,657	53,189,700
Interest on BGTB	2,957,500	2,957,500
<b>Total</b>	<b>63,882,350</b>	<b>57,615,097</b>

**37.00 ALLOCATION OF MANAGEMENT EXPENSES (APPLICABLE TO FUND)**

NAME OF BUSINESS	APPORTIONED EXPENSES	DIRECT CHARGE	AMOUNT (TK.) 31.12.2018	AMOUNT (TK.) 31.12.2017
Fire	38,330,489	-	38,330,489	22,834,845
Marine Cargo	25,507,629	-	25,507,629	22,218,985
Marine Hull	394,550	-	394,550	279,937
Motor	16,827,538	-	16,827,538	18,715,776
Miscellaneous	17,577,183	-	17,577,183	15,932,404
<b>Total</b>	<b>98,637,389</b>	<b>-</b>	<b>98,637,389</b>	<b>79,981,947</b>

Amount in Taka	
31.12.2018	31.12.2017

## 38.00 AGENCY COMMISSION

Class wise Agency Commission are as follows:

CLASS OF BUSINESS	DIRECT	GOVT.	AMOUNT (TK.) 31.12.2018	AMOUNT (TK.) 31.12.2017
Fire	27,925,722	-	27,925,722	19,636,292
Marine Cargo	17,109,150	-	17,109,150	17,214,689
Marine Hull	270,863	-	270,863	228,938
Motor	12,469,117	-	12,469,117	16,347,758
Miscellaneous	7,483,819	-	7,483,819	10,750,654
<b>Total</b>	<b>65,258,671</b>	<b>-</b>	<b>65,258,671</b>	<b>64,178,331</b>

## 39.00 GROSS PREMIUM INCOME

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

CLASS OF BUSINESS	DIRECT	GOVT.	AMOUNT (TK.) 31.12.2018	AMOUNT (TK.) 31.12.2017
Fire	186,171,479	8,851,645	195,023,124	136,111,879
Marine Cargo	114,061,003	15,752,511	129,813,514	132,438,760
Marine Hull	1,805,750	189,433	1,995,183	1,670,268
Motor	83,127,445	2,502,156	85,629,601	111,537,397
Miscellaneous	49,892,125	39,554,497	89,446,622	94,975,130
<b>Total</b>	<b>435,057,802</b>	<b>66,850,242</b>	<b>501,908,044</b>	<b>476,733,434</b>

## 40.00 NET PREMIUM INCOME

						AMOUNT (TK.) 31.12.2018
Premium Income	Fire	Marine	Marine ( H)	Motor	Miscellaneous	Amount
PSB	8,851,645	15,752,511	189,433	2,502,156	39,554,497	66,850,242
Private Business: Less Refund	186,171,479	114,061,003	1,805,750	83,127,445	49,892,125	435,057,802
	195,023,124	129,813,514	1,995,183	85,629,601	89,446,622	501,908,044
R/I Premium Accepted	-	-	-	-	-	-
	195,023,124	129,813,514	1,995,183	85,629,601	89,446,622	501,908,044
R/I Premium Ceded	59,904,099	25,895,388	149,485	2,996,079	40,939,350	129,884,401
Premium Less Reinsurance	<b>135,119,025</b>	<b>103,918,126</b>	<b>1,845,698</b>	<b>82,633,522</b>	<b>48,507,272</b>	<b>372,023,643</b>

						AMOUNT (TK.) 31.12.2017
Premium Income	Fire	Marine	Marine ( H)	Motor	Miscellaneous	Amount
PSB	5,203,263	17,674,168	144,018	2,552,342	23,304,104	48,877,895
Private Business: Less Refund	130,908,616	114,764,592	1,526,250	108,985,055	71,671,026	427,855,539
	136,111,879	132,438,760	1,670,268	111,537,397	94,975,130	476,733,434
R/I Premium Accepted	-	-	-	-	-	-
	136,111,879	132,438,760	1,670,268	111,537,397	94,975,130	476,733,434
R/I Premium Ceded	50,495,469	26,195,627	102,828	1,389,396	25,000,782	103,184,101
Premium Less Reinsurance	<b>85,616,410</b>	<b>106,243,133</b>	<b>1,567,441</b>	<b>110,148,001</b>	<b>69,974,348</b>	<b>373,549,333</b>



Amount in Taka	
31.12.2018	31.12.2017

**41.00 EARNINGS PER SHARE (EPS) AS PER IAS 33**

Basic Earnings Per Share (EPS)

Basic EPS	=	$\frac{\text{Net profit after tax}}{\text{No. of Shares during the year}}$
<b>EPS</b>	=	$\frac{88,540,036}{44250000}$

Computation of Earnings Attributable to Ordinary Shareholders:

**Net Profit before Tax**

Add : Deferred Tax Income

Less: Provision for Income Tax

**Profit After Tax**

AMOUNT ( TK )	
31.12.2018	31.12.2017
<b>2.00</b>	<b>1.64</b>
117,356,032	94,395,347
474,112	374,427
29,290,107	22,137,112
<b>88,540,036</b>	<b>72,632,662</b>

**42.00 CALCULATION OF PROVISION FOR INCOME TAX**

This is made up as follows:

Profit before Tax

Less: Reserve for Exceptional Losses

Less: Dividend Income

Less: Gain on Sales of Fixed Assets

**Taxable business income**

Tax on Profit

Tax on Dividend Income

Tax on Gain on Sales of Fixed Assets

**Provision for Income Tax**

117,356,032	94,395,347
37,202,364	37,354,933
2,522,713	2,053,510
1,449,084	1,073,410
41,174,161	40,481,853
<b>76,181,871</b>	<b>53,913,495</b>
28,568,202	21,565,398
504,543	410,703
217,363	161,012
<b>29,290,107</b>	<b>22,137,112</b>

**43.00 INTRINSIC VALUE OR NET ASSETS VALUE****A. ASSETS:**

Investment at cost

Investment in Shares

Interest Accrued but not due

Amount due from other persons or bodies carrying on Insurance Business

Sundry Debtors (Including Advances, Deposits &amp; Prepayments)

Cash and Bank Balances (including stock of stamp)

Fixed Assets and Stock of Stationary

**Sub Total**

Balance of Funds and Accounts

Estimated Liabilities in respect of outstanding claims whether due or intimated

Amount due to other persons or bodies carrying on Insurance Business

Sundry Creditors (Including provision for expenses, Taxes)

Premium Deposit Account

Deferred Tax Liability

**Sub Total****Total Net Assets (A-B)**

No. of Shares

Intrinsic Value/ Net Assets Value per Share (NAV)

25,000,000	25,000,000
54,090,622	58,728,157
25,817,563	24,746,014
1,200,851	1,200,851
127,898,143	103,491,537
836,428,124	921,618,371
255,943,880	101,216,770
<b>1,326,379,184</b>	<b>1,236,001,700</b>
149,916,876	150,360,198
158,070,378	149,519,771
55,327,230	45,972,566
148,473,425	120,474,677
12,863,818	10,303,234
4,311,476	4,785,589
<b>528,963,203</b>	<b>481,416,034</b>
<b>797,415,981</b>	<b>754,585,667</b>
44,250,000	44,250,000
18.02	17.05

Amount in Taka	
31.12.2018	31.12.2017

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

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

Particulars	Interest Bearing		Non Interest Bearing	Total
	Maturity within one year	Maturity after one year		
<b>Financial Assets</b>				
Bangladesh Govt. Treasury Bond	-	25,000,000	-	25,000,000
Investment in FDR	747,312,245	-	-	747,312,245
Interest accrued but not due	25,817,563	-	-	25,817,563
Sundry Debtors	-	-	127,898,143	127,898,143
Investment in Shares	-	-	54,090,622	54,090,622
Stamp in Hand	-	-	271,470	271,470
Cash at Bank	87,192,981	-	-	87,192,981
Cash and Cash Equivalents	-	-	1,651,428	1,651,428
<b>Total</b>	<b>860,322,789</b>	<b>25,000,000</b>	<b>183,911,663</b>	<b>1,069,234,452</b>
<b>Financial Liabilities</b>				
<u>Outstanding Claims</u>	-	-	158,070,378	158,070,378
Sundry Creditors	-	-	148,473,425	148,473,425
Deferred Tax Liability	-	-	4,311,476	4,311,476
<b>Total</b>	<b>-</b>	<b>-</b>	<b>310,855,279</b>	<b>310,855,279</b>
<b>Net Fin. Assets/Liabilities</b>	<b>860,322,789</b>	<b>25,000,000</b>	<b>(126,943,616)</b>	<b>758,379,173</b>

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

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

S.I No	Name of Party	Name of Relationship	Nature of Transaction	Transaction Amount (Tk)
1	Unique Cement Industries Ltd	Common Directors	Insurance Premium	2,528,290
2	Tanveer Oils Ltd	Do	Do	1,018,260
3	United Sugar Mills Ltd	Do	Do	93,528
4	Meghna Pulp & Paper Mills Ltd	Do	Do	1,221,090
5	United Mineral Water & Pet Industries Ltd	Do	Do	216,713
6	Tanveer Food Ltd	Do	Do	70,915
7	Unique Power Plant Ltd	Do	Do	632,120
8	Global Ad Star Bag Industries Ltd	Do	Do	318,520
9	United Edible Oils Ltd	Do	Do	1,109,780
10	Tasnim Chemical Complex Ltd	Do	Do	1,822,723
11	Tasnim Condensed Milk Ltd	Do	Do	317,222
12	Meghna Ship Builders & Dockyard Ltd	Do	Do	1,176,728
13	Sonargaon Flour & Dal Mills Ltd	Do	Do	3,843,058
14	Sonargaon Salt Industries Ltd	Do	Do	361,225
15	Meghna Beverage Ltd	Do	Do	295,721
16	Tanveer Paper Mills Ltd	Do	Do	423,872

46.00 **PAYMENT / PERQUISITES TO DIRECTORS**

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

**47.00 CONTINGENT LIABILITIES**

The Company is contingently liable as on December 31, 2018 on account of Income Tax, the details of which are given below:

Accounting Year	Assessment Year	Assessed Income (Loss)	Assessed Tax	Provision for Tax as per Audited Accounts	Contingent liabilities against Tax	Remarks
<b>1</b>	<b>2</b>	<b>3</b>	<b>4</b>	<b>5</b>	<b>6 = (4-5)</b>	<b>7</b>
2005	2006-07	24,292,895	12,414,024	419,444	11,994,580	Reference Case filed by the Company against imposition of Tax beyond audited income and same was accepted by the Honorable High Court Division but appeal before Appellate Division filed by Commissioner of taxes and is still pending for decision.
2006	2007-08	27,639,677	13,932,880	1,154,718	12,778,162	
2007	2008-09	12,960,023	6,099,140	2,458,024	3,641,116	
2008	2009-10	8,132,921	3,549,234	2,036,503	1,512,731	
2009	2010-11	25,493,529	11,789,626	7,504,226	4,285,400	Reference Case filed before The Honorable High Court Division /Stay order by High Court
2010	2011-12	13,277,365	6,217,834	3,149,286	3,068,548	
2011	2012-13	12,640,492	5,931,609	1,232,158	4,699,451	
2012	2013-14	20,482,624	9,330,457	4,556,637	4,773,820	
2013	2014-15	43,068,930	20,235,915	6,882,138	13,353,777	
<b>Sub Total</b>		<b>187,988,456</b>	<b>89,500,719</b>	<b>29,393,134</b>	<b>60,107,585</b>	
2014	2015-16	79,134,681	36,097,640	14,325,596	21,772,044	Appeal Under Process
2015	2016-17	-	-	19,960,592		Assessment pending before DCT
2016	2017-18	-	-	18,601,404		Assessment pending before DCT
2017	2018-19			22,137,112		Assessment pending before DCT
2018	2019-20			29,290,107		Assessment pending
<b>Grand Total</b>		<b>267,123,137</b>	<b>125,598,359</b>	<b>133,707,945</b>	<b>81,879,629</b>	

**48.00 CREDIT FACILITY NOT AVAILED**

There was no credit facility available to the Company under any contract and also not availed as of 31 Dec, 2018 other than trade credit available in the ordinary course of business.

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

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

**Annexure-A**

The details bank wise balance of fixed deposit receipts account (FDR) as on 31-12-2018 as per books of accounts are as under:

SL.No.	Name of Bank	Amount (Tk.) 31-12-2018	Amount (Tk.) 31-12-2017
1	A.B. Bank Ltd.	18,264,176	38,567,617
2	Agrani Bank	1,454,287	2,614,008
3	Al-Arafa Bank Ltd.	7,094,787	140,474,551
4	Bangladesh Commerce Bank Ltd.	8,679,469	7,573,909
5	Bank Asia Ltd.	7,821,606	7,429,288
6	BASIC Bank Ltd.	1,250,052	2,333,358
7	Dhaka Bank Ltd.	21,555,774	21,755,620
8	Dutch Bangla Bank Ltd.	20,089,066	19,417,258
9	Eastern Bank Ltd.	1,165,873	2,333,450
10	EXIM Bank Ltd.	19,634,238	22,889,761
11	First Security Islami Bank Ltd	11,338,076	10,677,500
12	IDLC Finance Limited	12,733,602	11,107,882
13	IFIC Bank Ltd.	18,246,705	18,673,144
14	Islami Bank B/D Ltd.	23,799,716	22,536,614
15	Jamuna Bank	19,498,563	19,302,096
16	Janata Bank	8,568,972	8,293,168
17	Lanka Bangla Finance Ltd	9,596,424	7,116,286
18	Mercantile Bank Ltd.	7,339,905	7,442,002
19	Megna Bank Ltd	1,629,706	1,530,500
20	Midland Bank Ltd.	-	3,547,651
21	Modhumoti Bank Ltd.	280,463,931	22,512,469
22	Mutual Trust Bank	19,711,012	18,729,294
23	National Bank Ltd.	32,861,256	37,020,268
24	NCC Bank Ltd.	12,242,102	9,238,577
25	NRB Commercial Bank Ltd.	1,129,304	2,864,129
26	One Bank Ltd	6,060,031	5,764,900
27	Prime Bank Ltd.	5,909,332	4,753,041
28	Pubali Bank Ltd.	3,707,834	7,363,604
29	Premier Bank Ltd	3,272,411	172,075,406
30	Rajshahi Krishi Unnayan Bank	1,860,854	1,860,854
31	Rupali Bank Ltd.	1,253,765	1,202,060
32	SBAC Bank Ltd	2,442,517	2,210,918
33	Shajalal Islami Bank Ltd.	4,727,484	2,605,669
34	Social Islami Bank Ltd.	83,402,601	80,013,599
35	Southeast Bank Ltd.	9,538,896	10,527,589
36	South Bangla Agriculture Bank Ltd	6,787,561	24,842,000
37	Standard Bank Ltd	5,176,208	7,061,895
38	The Farmers Bank Ltd.	3,716,000	4,852,736
39	UCBL	41,343,273	20,742,912
40	Union Bank Ltd	1,150,587	39,730,811
41	Uttara bank Ltd	794,289	1,903,901
		<b>747,312,245</b>	<b>853,492,295</b>

**Annexure-B**

The details bank wise balance of short term deposit receipts account (STD) as on 31-12-2018 as per books of accounts are as under:

SL. No.	Name of Bank	Amount (Tk.) 31-12-2018	Amount (Tk.) 31-12-2017
1	A B Bank Ltd.	1,342,351	2,849,469
2	Agrani Bank	1,258,600	2,253,646
3	Al-Arafa Islami Bank Ltd.	626,688	847,025
4	Bangladesh Commerce Bank Ltd.	86,397	85,605
5	Bangladesh Krishi Bank	9,281	9,281
6	Bank Asia Ltd.	5,713	13,051
7	BASIC Bank Ltd.	2,466,388	2,156,192
8	Dhaka Bank Ltd.	4,535	4,535
9	Dutch Bangla Bank, Ltd.	3,777	3,777
10	Eastern Bank Ltd.	590,230	578,133
11	Exim Bank Ltd	1,215,938	3,706,755
12	First Security Islami Bank Ltd	1,285,246	2,596,819
13	ICB Islami Bank Ltd.	539,328	541,433
14	IFIC Bank Ltd.	2,723,298	2,416,930
15	Islami Bank Bangladesh Ltd.	5,402,790	4,759,378
16	Jamuna Bank	1,546,962	1,593,435
17	Janata Bank.	140,044	140,967
18	Midland Bank Ltd	145,044	145,045
19	Modhumoti Bank Ltd	1,829,014	2,060,035
20	Mutual Trust Bank Ltd.	5,817,692	6,455,057
21	National Bank Ltd.	483,705	484,659
22	NCC Bank Ltd.	18,266,310	9,483,591
23	NRB Bank Ltd	50,710	80,884
24	One Bank Ltd.	468,663	935,486
25	Premier Bank Ltd	2,069,668	1,137,635
26	Prime Bank Ltd.	947,512	1,856,597
27	Pubali Bank Ltd.	2,723,226	2,245,020
28	Rupali Bank Ltd.	5,719	9,946
29	Shahjalal Islami Bank Ltd.	2,649,357	7,181,769
30	Social Islami Bank Ltd.	31,402,856	2,272,500
31	Sonali Bank	409,182	373,724
32	Southeast Bank Ltd.	24,111	25,278
33	The Farmers Bank Ltd	358,606	359,236
34	United Commercial Bank Ltd.	206,588	2,079,749
35	Uttara Bank Ltd.	87,452	87,452
		<b>87,192,981</b>	<b>61,830,094</b>

**Annexure-C**

The details Branch Wise Cash In Hand as on 31-12-2018 are as under:

SL. No.	BRANCH NAME	Amount (Tk) 31-12.2018	Amount (Tk) 31-12.2017
1	Agrabad Branch	103,520	132,690
2	B.B.Avenue Branch	150,000	150,244
3	Bangshal Branch	55,143	74,170
4	Bagerhat Branch	130,032	124,365
5	Bogra Branch	-	50,056
6	Chowmuhan Branch	-	30,000
7	Dilkusha Branch	525	2,452
8	DIT Branch	2,996	4,508
9	Gulshan Branch	148,064	122,874
10	Head office	88,628	271,659
11	Jamalpur Branch	30,581	64,605
12	Jatrabari Branch	35	200,034
13	Jessore Branch	3	16,098
14	Jubliroad Branch	64	1,553
15	Kawrun Bazar Branch	31,652	61,365
16	Khatungonj Branch	10,591	16,036
17	Khulna Branch	13,866	16,101
18	Local Office	1,588	133,930
19	Motijheel Branch	45	523
20	Narayangonj Branch	-	4,525
21	Noapara Branch	-	27
22	Paltan Branch	200,015	200,012
23	Rangpur Branch	30,015	30,163
24	Sheikh Mujib Road	142	61,910
25	Uttara Branch	31,143	21,493
26	V.I.P.Road Branch	300,007	300,305
27	Principal Branch	24	1,419
28	Kushtia Branch	114,474	99,507
29	Baridhara Branch	1,181	1,177
30	Kadamtali Branch	234	-
	<b>TOTAL</b>	<b>1,444,568</b>	<b>2,193,801</b>
	Insurance Stamp	206,860	223,713
	<b>TOTAL</b>	<b>206,860</b>	<b>223,713</b>
	<b>GROSS TOTAL</b>	<b>1,651,428</b>	<b>2,417,514</b>



## Annual Report - 118

Particulars	Cost			Rate	Depreciation			Written
	Balance as on 01.01.2018	Addition during the year	Sales/ Adjustment during the year		Total as on 31.12.2018	Charged During the year	Adjustment during the year	
Land	6,000,000	158,134,200	-	-	-	-	-	164,134,200
Office Equipment	14,999,568	1,191,740	-	20%	7,764,279	1,566,232	-	6,860,797
Books & Periodicals	14,000	-	-	20%	11,358	528	-	2,114
Car / Motor Vehicles	41,181,368	3,995,600	2,640,000	25%	23,614,071	4,891,274	2,571,084	16,602,707
Office Decoration	20,416,571	520,000	-	30%	13,229,931	2,233,992	-	5,472,648
Furniture & Fixtures	6,518,713	368,181	-	10%	1,947,483	475,532	-	4,463,879
Telephone Installation	982,300	-	-	15%	854,065	19,235	-	109,000
Building	78,124,750	2,500,000	-	5%	20,254,733	2,956,001	-	57,414,016
Total	168,237,270	166,709,721	2,640,000		67,675,920	12,142,795	2,571,084	255,059,360

# BANGLADESH NATIONAL INSURANCE COMPANY LIMITED

## DIRECTORS' CERTIFICATE

As per regulations contained in the First Schedule of the Insurance Act, 1938/2010 and As per Section 40-c of the Act we certify that:

01. The value of all assets shown in the Balance Sheet and classified on Form-"AA" annexed have been reviewed as at 31st December, 2018 and in our belief, the said assets have been set forth in the Statement of Financial Position at amount not exceeding their realizable or market value under the several headings enumerated in the annexed form:
02. All expenses of management wherever incurred, whether directly or indirectly in respect of Fire, Marine Cargo, Marine Hull, Motor and Miscellaneous Insurance business have been fully debited in the respective Revenue Account as expenses.




Chairman



Director



Director



Chief Executive Officer

Dated: 18th April, 2019

Place: Dhaka, Bangladesh



## BNICL IT INFRASTRUCTURE

### **Centralized ERP Systems**

All in all, having multiple ERPs in place can make for extremely expensive infrastructure, software, maintenance and contracting capabilities. This, in turn, means that the organization lacks agility to adapt to market changes, adopt the latest best practice, adhere to standards across the board and remain consistent in conforming to regulatory control.

### **Redundant network systems**

The term redundant can describe computer or network system components, such as fans, hard disk drives, servers, operating systems, switches and telecommunication links that are installed to back up primary resources in case they fail.

### **Face detractor attendance systems**

Face Recognition attendance system - A Powerful Biometric User Identification based on Innovative, Deep Learning Technology. It accepts the user's mobile as a credential and evolves as per regular user interaction in different conditions. The technology checks liveness of a face with 99.53% accuracy. It is a facial recognition attendance system that ensures contactless authentication and identifies user's face in < 1 Sec.

### **Fully CCTV Monitoring systems**

When a CCTV system is combined with a professional remote CCTV monitoring service, the effectiveness of the CCTV is raised to a new level by providing all the benefits of a manned on-site presence at a fraction of the cost. In the event of an intrusion at the customer's site, our dedicated CCTV Monitoring operators will be able to view live images from site whilst simultaneously transmitting audio messages to deter intruders where possible. Where appropriate, they will contact the relevant emergency services and key holders.

### **Centralized Branches Network systems**

A VPN connection can be used to securely connect your branch offices to the corporate network, and to exchange data with partner companies. The access rights are controlled by virtual networks (VLAN), which ensure that each and every network participant only has access to the corporate data that is relevant to them.

### **Barcode Systems**

For documents security reason BNICL is the company who introduced Barcode systems in non-life insurance company for the 1st time.



<b>Local Office</b> 58, Dilkusha C/A (7th Floor), Dhaka-1000. Tel: 9573524-5, 9587886 Fax: 9573525 E-mail : localoffice@bnicl.net	<b>Uttara Branch</b> House No.25, Flat-A1, Gorib-E Newaz Avenue, Sector-11, Uttara, Dhaka-1230. Phone: 88-02-7911545, Fax: 88-02-7911540 E-mail : uttara@bnicl.net	<b>Kadamtoli Branch</b> Rafique Plaza (4th Floor), 1151 D.T. Road, Kadamtoli, Chattogram Tel: 031-714223, 714224 E-mail : kadamtoli@bnicl.net
<b>Dilkusha Branch</b> Fazlur Rahman Centre, 72, Dilkusha C/A (6/B Flat), Dhaka-1000. Tel: 9575392, 9583428 Fax: 9575392 E-mail : dilkusha@bnicl.net	<b>Paltan Branch</b> Azad Centre, 55, Purana Polton (11/A), Dhaka. Tel: 9586623, 9586624 E-mail : paltan@bnicl.net	<b>Khulna Branch</b> 58, Loyal Jessore Road (1st Floor), Khulna. Tel: 041-730296 E-mail : khulna@bnicl.net
<b>Motijheel Branch</b> Amin Court Building (3rd Floor), 62-63, Motijheel C/A, Dhaka-1000. Tel: 9587267, 9573526, E-mail : motijheel@bnicl.net	<b>Principal Branch</b> W.W.Tower (Level-15), 68, Motijheel C/A, Dhaka-1000, Tel: 9555704 E-mail : principal@bnicl.net	<b>Noapara Branch</b> Hazil Drish Ali Market (2nd floor), Avoy Nagar, Noapara, Jessore. Mob: 01715-168627 E-mail : noapara@bnicl.net
<b>Gulshan Branch</b> Islam Mansion House No.39, Road No.126 Gulshan-1, Dhaka, Tel: 9841219 Fax: 9841219, E-mail : gulshan@bnicl.net	<b>Baridhara Branch</b> Road No.12, House No.04, Flat No.A1, Block-J, Baridhara, Dhaka-1212. Tel: 8833670 E-mail : baridhara@bnicl.net	<b>Narayanganj Branch</b> 16/1, S. M. Maleh Road (5th floor), Tan Bazar, Narayanganj, Tel: 7630454 E-mail : narayanganj@bnicl.net
<b>V.I.P. Road Branch</b> Navana Rahim Ardent (4th Floor), Flat No.A/4, 185 Shahid Syed Nazrul Islam Sharani, 39 Kakrail, Paltan, Dhaka-1000. Tel: 9337268 Fax: 9343578, E-mail : viproad@bnicl.net	<b>D.I.T. Branch</b> Motijheel Square (8th Floor), 1/B, D.I.T. Avenue Motijheel C/A (Dainik Bangla Moor, Dhaka. Tel: 9574631, 9574961, E-mail : dit@bnicl.net	<b>Rangpur Branch</b> Kudrat Mansion (Asir Building) 2nd Floor, 0039/01 Station Road, Rangpur. Tel: 0521-65904, E-mail : rangpur@bnicl.net
<b>Karwanbazar Branch</b> 57/E, Kazi Nazrul Islam Avenue (4th Floor), Tejgaon, Dhaka-1215, Tel: 58153197 Fax: 9117629, E-mail : karwanbazar@bnicl.net	<b>Agrabad Branch</b> World Trade Center (5th Floor), 102/103, Agrabad, Chattogram. Tel: (031) 721408-9 (Off), Fax: (031) 721409, E-mail : agrabad@bnicl.net	<b>Jamalpur Branch</b> Bhai Bhai Cloth Store (1st Floor) Baro Masjid Road, Sakal Bazar, Jamalpur. Tel: 01716552802, E-mail : jamalpur@bnicl.net
<b>B.B. Avenue Branch</b> 9, B.B. Avenue, Dawn Plaza (10th Floor), Dhaka-1000, Tel: 9585074 Fax: 9584982 E-mail : bbavenue@bnicl.net	<b>Sk. Mujib Road Branch</b> Gausiya Tofayel Tower (4th floor), 1837 Sk. Mujib Road, Badamtoli, Agrabad, Chattogram, Tel: 031-251529-4, E-mail : mujibroad@bnicl.net	<b>Jessore Branch</b> M.K. Road, Jess Tower (3rd Floor), Jessore. Tel: (0421) 68505 E-mail : jessore@bnicl.net
<b>Jatrabari Branch</b> Abdur Rahim Bhuiyan Center (3rd Floor), 80/C/2, Bibirbagicha, Uttar Jatrabari, Dhaka. Tel: 7554456, 7554458, E-mail : jatrabari@bnicl.net	<b>Khatungonj Branch</b> Salma Tower (3rd Floor), Chattogram Tel: 031-2851478, Fax: 031-2851479, E-mail : khatungonj@bnicl.net	<b>Kushtia Branch</b> Khan Super Market, N.S. Road (2nd Floor), Kushtia, Mob: 01714130478, 01730-168713 E-mail : kushtia@bnicl.net
<b>Bangshal Branch</b> 70 Shaheed Nazrul Islam Sharani (3rd Floor), Bangshal, Dhaka 1100, Tel: 9586275 Fax: 9586274, E-mail : bangshal@bnicl.net	<b>Jubilee Road Branch</b> Kader Tower (7th floor), 128 Jubilee Road, Tinpool, Chattogram, Tel: 031-635688-99 E-mail : jubileeroad@bnicl.net	<b>Bagerhat Branch</b> House No.54, Rail Road (Near Bangladesh- Krishi Bank (Suktarargoli), Bagerhat. Tel: 046864703 E-mail : bagerhat@bnicl.net





## Bangladesh National Insurance Co. Ltd.

বাংলাদেশ ন্যাশনাল ইন্স্যুরেন্স কোম্পানী লিমিটেড

**Head Office:** Rashid Tower (3<sup>rd</sup> Floor), Plot # 11, Road # 18, Gulshan-1, Dhaka-1212

Phone: PABX - 8832234-5, 8832215, 8832217, 8832232, Fax : 88-02-8832154

E-mail: mail@bnicl.net, Website: www.bnicl.net