



ANNUAL REPORT | 2019

ANNUAL REPORT 2019



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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 2019

We are pleased to enclose a copy of the Annual Report of Bangladesh National Insurance Company Limited for the year 2019 together with the Audited Financial Statements for the year ended December 31, 2019 for your kind information and record.

Thank you

Sincerely yours



Md. Masud Rana

Company Secretary (CC)

10 August 2020

আমরাই আপনার বীমাকৃত সম্পত্তির সম্পূর্ণ নিরাপত্তা দিচ্ছি



**STARTING
A NEW
JOURNEY**

bnic

Bangladesh National Insurance Co. Ltd.

সাফল্যের সহযাত্রী

Hotline: 09613 112233

bnic
Bangladesh National Insurance Co. Ltd.
সাফল্যের সহযাত্রী

BANGLADESH NATIONAL INSURANCE CO. LTD.
বাংলাদেশ ন্যাশনাল ইন্স্যুরেন্স কোম্পানী লিমিটেড

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

NOTICE OF THE 24TH ANNUAL GENERAL MEETING (AGM)

Notice is hereby given that the 24th Annual General Meeting of Bangladesh National Insurance Company Limited will be held on August 26, 2020 at 12:00 pm virtually by using Digital Platform

(As per BSEC order no. SEC/SRMIC/94-231/935 dated 11 June 2020) to transact 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, 2019 together with the Auditors Report thereon.
2. To declare dividend for the year 2019 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 2020 and fix their remuneration.
5. To appoint Compliance Auditor for the year 2020 and fix their remuneration.

By the order of the Board



Md. Masud Rana

Company Secretary (CC)

Date: 10 August, 2020

Notes:

- a) The Shareholders whose name appeared on the Members/Depository Register as on the "Record Date" i.e. July 29, 2020 are eligible to participate in the 24th Annual General Meeting (AGM) and receive dividend.
- b) To ensure proper verification, all the respected shareholders need to register themselves in this link: <http://digiagm.ucasbd.com/bniclagm24@2020>. Once the registration details are verified and complete, a web link and password to attend the AGM will be sent to the respective e-mail.
- c) We request the respected Shareholders to log in to the system, through the web link provided, prior to the meeting start time of 12.00 pm (Dhaka time) on August 26, 2020. The AGM webcast will start at 12.00 pm (Dhaka time)
- d) Pursuant to the Bangladesh Securities and Exchange Commission (BSEC) Notification No. BSEC/CMRRC D/2006-15B/208/Admin/81 dated 20 June 2018, the soft copy of Annual Report- 2019 has already been sent to the e-mail addresses of the Members, available in their Beneficial Owner (BO) accounts maintained with the Depository. The soft copy of Annual Report- 2019 will also be available of the Company's website at 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:

Date of certificate of incorporation	: 21 May 1996
Date of certificate for commencement of business	: 21 May 1996
Date of Registration to carry on non-life insurance business	: 01 June 1996
Authorized Capital	: Tk. 100,00,00,000.00
Paid-up capital	: Tk.44,25,00,000.00
Head Office	: Rashid Tower (3rd Floor), Plot # 11, Road # 18 Gulshan-1, Dhaka-1212, Bangladesh. Phone: (PABX) 8832234-5, 8832215, 8832217 Fax: 88-02-8832154
Registered Office	: W.W. Tower (Level-15) 68, Motijheel Commercial Area Dhaka- 1000, Bangladesh.
Nature of Business	: All Kinds of non-life insurance business
Auditors	: A. Hoque & Co. Chartered Accountants
Compliance Auditors	: Nurul Azim & Co. Chartered Accountants
Website	: www.bnicl.net
Hotline	: 09613 112233

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 2019 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.

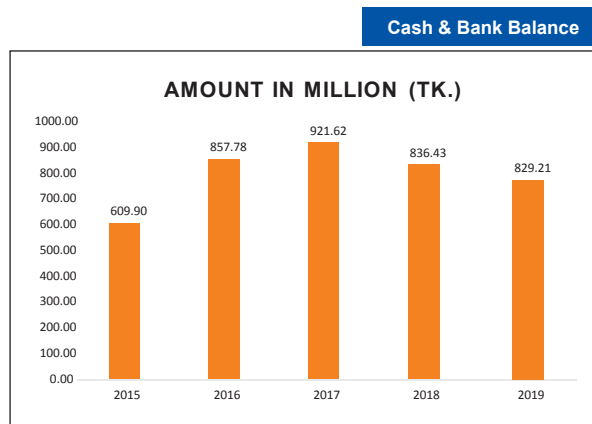
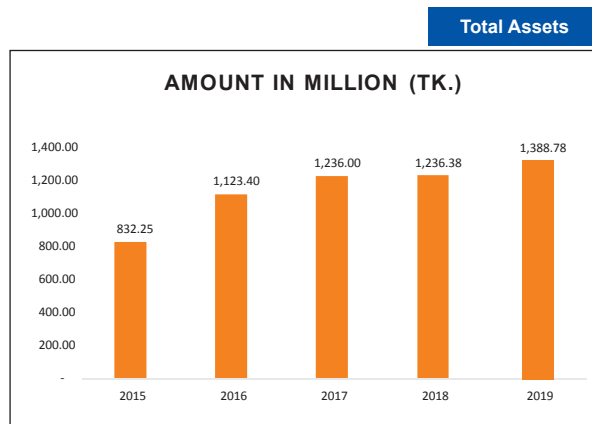
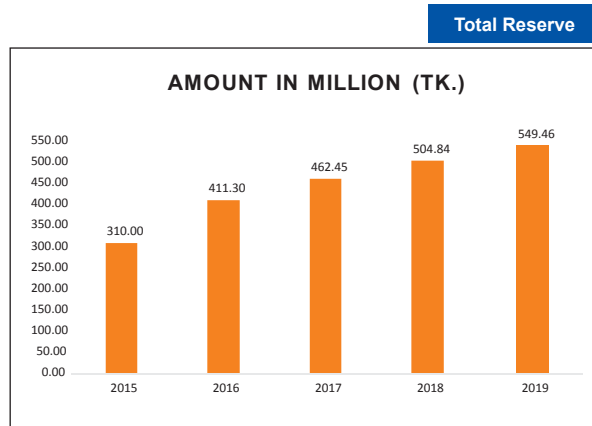
PERFORMANCE AT A GLANCE

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:

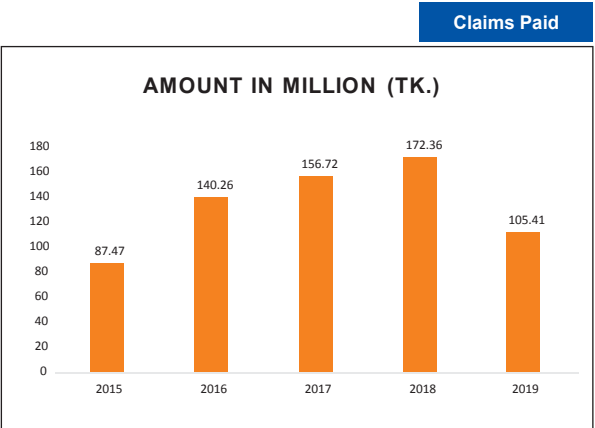
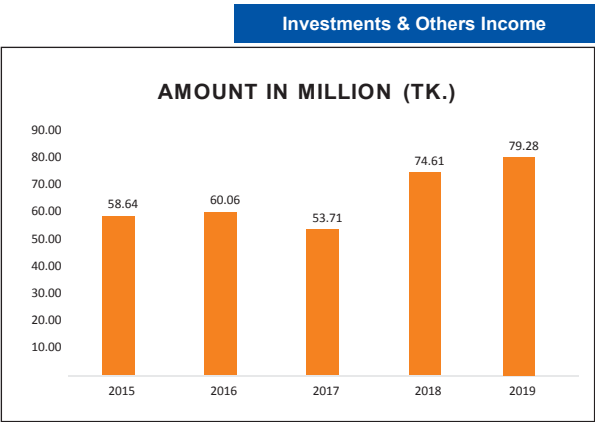
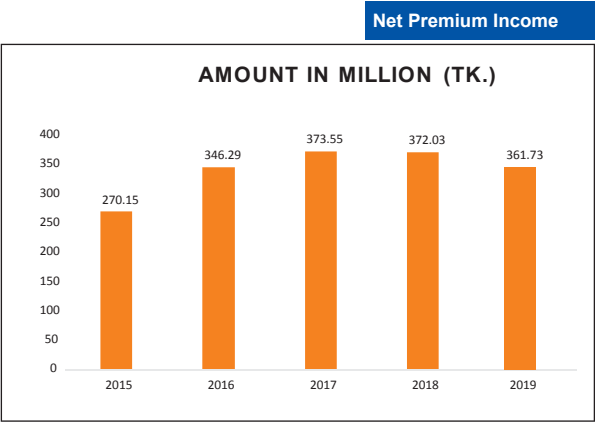
(Amount in Million)

Particulars	2019	2018	2017	2016	2015
Gross Premium	520.46	501.91	476.73	441.04	362.39
Net Premium	361.73	372.03	373.55	346.29	270.15
Claims Paid	105.41	172.36	156.72	140.26	87.47
Investment & Other Income (Gross)	79.28	74.61	53.71	60.06	58.64
Underwriting Profit/Loss	80.05	62.93	62.06	49.08	26.11
Net Profit Before Tax	135.58	117.36	94.40	81.61	74.35
Paid up Capital	442.50	442.50	442.50	442.50	265.50
Deposit Premium	15.01	12.87	10.30	7.36	27.66
Total Reserves	549.46	504.84	462.45	411.30	310.00
Total Assets	1388.78	1326.38	1236.00	1123.40	832.25
Total Liabilities	381.82	366.19	320.75	262.24	229.09
Cash & Bank Balances	829.21	836.43	921.62	857.78	609.90
Face Value Per Share (In Taka)	10.00	10.00	10.00	10.00	10.00
Earning Per Share (In Taka)	2.23	2.00	1.64	1.62	1.87
Book Value Per Share (In Taka)	19.05	18.02	17.05	16.15	17.60
Dividend (Cash)	12%	12%	10%	10%	0%

PERFORMANCE ILLUSTRATION



PERFORMANCE ILLUSTRATION





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

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 (CC)

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 was born on 20 August, 1982. He is a Director of Bangladesh National Insurance Company Limited and senior executive director of Meghna group of industries (MGI / Fresh). Mr. Taif Graduated from London Metropolitan University (London), majoring in Business and Information Technology. He has been associated with various businesses from last 13 years and now in the Board of Directors of Bangladesh National Insurance Company Limited since 19 December, 2012. His dedication has shifted BNICL to a new journey following the current insurance trend globally.



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 was born in Dhaka, on 16th January 1987. He finished his High School from David Game College, United Kingdom. He obtained his Bachelors in Law (LLB-Hons) from Queen Mary University of London, UK. He was called to the Bar in 2010 from Lincoln's INN. After successfully finishing his academic life, he started practicing law as an advocate in the Supreme Court of Bangladesh and Joined Bangladesh National Insurance Company Limited as a Director.



Tanveer Ahmed Mostafa

Director

Mr. Tanveer Ahmed Mostafa, son of Mostafa Kamal was born on December 03, 1992 in Dhaka. He completed his High School from American International School Dhaka in 2010. He later went on to complete his undergraduate from University of Wales, United Kingdom in Bachelor of Science (Hons) with a major in Business and Management. Mr. Tanvir Ahmed Mostafa started his business in various fields 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).



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 30 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 30 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 Chola mandalam 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 24th 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 2019 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 2019 along with the audited financial statements and Auditors' Report thereon for the year ended 31 December 2019 before you.

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 present 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 8.13 percent in FY 2019, despite having flood and rohingya refugee crises. Per capita income increased by USD 1751 to USD 1909 and in 2019 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.135.58 million only. Gross premium income and net premium income stood at Tk.520.46 million and Tk.361.73 million, representing a growth of 3.70 % and (-2.77)% respectively over the previous year. Total Assets of the company at stood 1388.78 million as at 31 December 2019 showing a growth of 4.70 % comparing with the last year. We hope that in the year 2020, 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.

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 2019 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 2019.

Allah Hafez

Thanking you



Abdul Baset Majumder
Chairman
Board of Directors

22 June 2020

চেয়ারম্যান মহোদয়ের বক্তব্য

বিসমিল্লাহির রাহমানির রাহিম

সম্মানিত শেয়ারহোল্ডার বৃন্দ - আসসালামু আলাইকুম

বাংলাদেশ ন্যাশনাল ইন্স্যুরেন্স কোম্পানী লিমিটেড এর ২৪তম বার্ষিক সাধারণ সভায় আপনাদেরকে স্বাগত জানাতে পেয়ে আমি অত্যন্ত আনন্দিত। পর্ষদের পক্ষ থেকে সকল সম্মানিত শেয়ারহোল্ডারগণকে ২০১৯ 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 প্রতিযোগীতাকে মোকাবেলা করার জন্য আপনাদেরকে পাশে চাই। পাশাপাশি, ২০১৯ সালের বার্ষিক প্রতিবেদন এবং নিরীক্ষিত আর্থিক বিবরণী ও অডিটরস রিপোর্ট আপনাদের মাঝে পেশ করতে পেয়ে আমি আনন্দিত।

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

বাংলাদেশ ক্রমানুয়ে টেকসই অর্থনৈতিক উন্নয়ন সাধন করে চলেছে যেখানে বিশ্ব অর্থনীতি একটি সংকটময় সময় পার করেছে। চমৎকার আর্থিক নীতি, সরকারী এবং বেসরকারী বিনিয়োগের উর্দ্ধগতি এবং স্থির রাজনৈতিক পরিস্থিতির কারণে ২০১৯ সালে বাংলাদেশের জিডিপি প্রবৃদ্ধি ছিল ৮.১৩ শতাংশ, যদিও এ বছর ছিল বন্যা কবলিত এবং রহিসা রিফিউজি সংকট। মাথাপিছু আয় বেড়েছে ইউ.এস.ডি. ১,৭৫১ হতে ইউ.এস.ডি. ১৯০৯ ডলার এবং ২০১৯ সালে রাজস্ব আয় গতবছরের তুলনায় বৃদ্ধি পেয়েছে যা সরকারকে সকল যোগাযোগ ব্যবস্থার উন্নয়নে সহায়তা করেছে।

এমতাবস্থায়, আপনাদের কোম্পানী ১৩৫.৫৮ মিলিয়ন টাকা মুনাফা অর্জন করেছে। মোট প্রিমিয়াম আয় এবং নিট প্রিমিয়াম আয় হয়েছে ৫২০.৪৬ মিলিয়ন টাকা এবং ৩৬১.৭৩ মিলিয়ন টাকা, যা ৩.৭০% এবং (-২.৭৭)% প্রবৃদ্ধি প্রদর্শন করে। মোট সম্পত্তির পরিমাণ দাড়িয়েছে ৩১ ডিসেম্বর ২০১৯ইং তারিখে ১,৩৮৮.৭৮ মিলিয়ন যেখানে আছে ৪.৭০% প্রবৃদ্ধি। আমরা আশাকরি ২০২০ 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।

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 সহযোগীতার জন্য।

আমি আরো ধন্যবাদ জানাই বাংলাদেশ ন্যাশনাল ইন্স্যুরেন্স কোম্পানী লিমিটেড এর ব্যবস্থাপনা কর্তৃপক্ষকে এবং সকল কর্মকর্তা কর্মচারীদেরকে যাদের সততা, সহযোগীতা এবং কর্মকাণ্ডের মাধ্যমে ২০১৯ 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 শুভাকাঙ্ক্ষীদের যাদের সহযোগীতায় ২০১৯ সালের সাফল্য অর্জন হয়েছে।

আল্লাহ হাফেজ

ধন্যবাদান্তে



আবদুল বাসেত মজুমদার

চেয়ারম্যান

পর্ষদ

২২ জুন ২০২০ইং

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 2019 inclusive of the audited financial statements of the Company for the year ended on 31 December 2019 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 24th 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 2019 and humbly discloses that during the year 2019 the company was able to unveil net profit of Tk.135, 576,445 only and posted Tk.2.23 EPS. The Board also expresses his happiness for recommendation of 12% cash dividend for the year 2019 for the shareholders.

World Economy

According to International Monetary Fund (IMF), Global growth is projected to rise from an estimated 2.9 percent in 2019 to 3.3 percent in 2020 and 3.4 percent for 2021. The global growth trajectory reflects a sharp decline followed by a return closer to historical norms. Across advanced economies, growth is projected to stabilize at 1.6 percent in 2020–2021. Growth in the euro area is projected to pick up from 1.2 percent in 2019 to 1.3 percent in 2020. Japan's growth rate is projected to moderate from an estimated 1 percent in 2019 to 0.7 percent in 2020. Growth in emerging and developing Asia is forecast to inch up slightly from 5.6 percent in 2019 to 5.8 percent in 2020 and 5.9 percent in 2021. ADB has made Growth forecasts for East Asia at 5.4% in 2019 and 5.2% in 2020, while it made its growth forecast for developing Asian countries at 5.7 per cent in 2019 and 5.6 per cent in 2020. Growth projections for South Asia are lowered to 5.1% in 2019 and 6.1% in 2020. Growth in India is expected to slow to 5.1% in 2019. Bangladesh's GDP is expected to grow by 8.1% in 2019 and 8.0% in 2020, upholding the country's position as one of the countries with highest growth rate in 2019 and 2020.

World Insurance Perspective

Global insurance premium surpassed the USD 5 trillion mark for the first time ever in 2018, reaching at US\$ 5,193.2 billion, out of which US\$2,820.2 billion is attributable to life insurance and US\$2,373.0 billion to non-life Insurance. Global insurance industry showed an overall growth rate of 1.5% in 2018 with life and non-life insurance contributing 0.2% and 3% respectively. Emerging markets total premium was up by 7.1% and advanced market was up by 1.9% in the same period. For 2019-20, World Premium growth is (Life 2.9% and Non-life 3.0%) and emerging markets 7.0% and Advanced markets 1.9%

Country Economy

According to Bangladesh Bureau of Statistics (BBS), the GDP growth was 7.86 percent in FY2017-2018 and 7.28 percent in FY2016-17. GDP growth stood at 8.15 percent in FY2018-2019 Total premium volume in USD for Bangladesh in 2018 stood USD 1,540 million against USD 1,410 million in 2017, an increase of 9.2%. Out of USD 1,540 million Non-life business premium in 2018 was USD 447 million and life business stood at USD 1,093 million. Bangladesh non-life insurance industry continues to operate as one of the smallest in the world (holding 86th position in the world ranking). The growth of Non-life insurance companies' premium income has been rather nominal. In the non-life insurance sector, 46 private insurers and 1 state-owned corporation have earned TK 37,338 million in 2018. Non-life insurance penetration rate (insurance premium as a percentage of GDP) has shrank from 0.25% in 2009 to 0.17% in 2018. With a gross market premium of less than TK 40,000 million and 47 companies operating, our non-life insurance market is extremely overcrowded when compared with developing countries including our neighbors.

Insurance Business in 2019

BNICL earned a gross premium income of Tk.520.46 million as against Tk.501.91 Million in 2018, showing an increase of 3.70 percent.

Product-wise performance Fire Insurance Business

The Company wrote direct fire insurance business with a gross premium income of Tk. 183.30 million against Tk. 195.02 million in 2018. The Company earned an underwriting profit of Tk. 11.68 million from its fire insurance business against Tk. 10.51 million in 2018.

Marine Insurance Business

The gross premium income from underwriting of marine insurance was Tk.170.09 million in 2019 and Tk. 131.81 million in 2018. The Company earned an underwriting profit of Tk. 36.39 million in 2019 and Tk. 31.98 million in 2018.

Motor Insurance Business

In motor insurance segment, the gross premium income Tk.76.24 million and underwriting profit of Tk. 12.67 million in 2019.

Miscellaneous Insurance Business

Gross Premium income from miscellaneous insurance business Tk.90.83 million and underwriting profit of Tk. 19.31 million in the year 2019.

Income from Investment

Interest income derived from banks and non-banking financial institutions was Tk 69.38 million and Tk.63.89 million was in 2018.

Dividend Income

The dividend income of Tk 15.85 million for the year 2019.

Rental Income

The Rental income of Tk 4.57 million against Tk 2.92 million in 2018

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 2019. 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 2019 in the following manner:

a)	The Un-appropriated Profit Carry forward from previous Year 2018	85,951,583
b)	The Un-appropriated Profit for Current Year 2018	126,856,936
c)	Deferred Tax Expenses	(217,770)
d)	Total Fund Available for Appropriation	212,590,749
i)	Reserve for Exceptional Losses	36,173,114
ii)	Provision for Taxes	36,746,213
iii)	Dividend Paid	5,31,00,000
iv)	Balance transferred to retained earnings	86,571,422

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 2019 the company earned profit of Tk.135,576,445 only.

Claim

The company settled claim of Tk.105.41 million after recovery from the reinsurance during the year 2019. 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 2019 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 # 33 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 2019. 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 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.135.58 million in the year 2019. In the year 2018, the company earned profit of Tk.117.36 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 2019 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 2019-2020. 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 2019 seven 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 now 15 and hence four Directors will retire on 26 August 2020 from office. In line with that, from Group-A, Taif Bin Yousuf, Yousuf Ali, Tasnim Binthe Mostafa and Wasikur Rahman will retire on 26 August 2020 and all of them are eligible for re-election. Besides, from Group-B, Md.Hasan Rajib Prodhon, Mohammad Naim Akter, Monjur Md. Shaiful Azam, Md. Ruhul Amin and Md. Mozaffar Hossain already their position has vacked on 29 December 2019 decision of 148th Board of Director meeting as per BSEC notiifction no. BSEC/CMRRCD/2009-193/217/ADMIN/90 date: 21 May 2019. Election of director from public shere holder will be held in said annual general meeting. The necessary notice for election of directors from public share holder was published on 22nd june 2020 in newspaper. On the other hand, as per BSEC corporate governance guidelines The Independent Director Prof. Dr. Mijanur Rahman 1st tenure is going on 7th March 2020 and The Board of Directors of re-appointment for next tenure whose appointment shall be approved by the shareholder in 24th AGM.

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 24th Annual General Meeting for shareholders approval.

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
22 June 2020

পরিচালক মন্ডলীর প্রতিবেদন

প্রিয় শেয়ারহোল্ডারবৃন্দ:

বাংলাদেশ ন্যাশনাল ইন্স্যুরেন্স কোম্পানি লিমিটেডের পরিচালনা পর্ষদের পক্ষ থেকে ৩১শে ডিসেম্বর ২০১৯ইং 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 জানাচ্ছি, যারা ২৪তম 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।

২০১৯ইং সাল জুড়ে কোম্পানীর সাথে থাকার জন্য উপস্থিত সম্মানিত শেয়ারহোল্ডারদের পর্ষদ এর পক্ষ থেকে ধন্যবাদ জ্ঞাপন করছি এবং বিনিয়ের সাথে অবগত করছি যে ২০১৯ইং সালে কোম্পানী ১৩৫,৫৭৬,৪৪৫ টাকা মুনাফা অর্জন করে এবং ইপিএস অর্জন করে ২.২৩ টাকা। পর্ষদ ২০১৯ইং সালের জন্য ১২% নগদ লভ্যাংশ প্রদানের সুপারিশ করতে পেরে আনন্দিত।

বিশ্ব অর্থনীতি:

আন্তর্জাতিক মুদ্রা তহবিলের (আইএমএফ) মতে, বিশ্বব্যাপী প্রবৃদ্ধি ২০১৯ সালে আনুমানিক ২.৯ শতাংশ ২০২০ সালে ৩.৩ শতাংশ এবং ২০২১ সালের জন্য ৩.৪ শতাংশে উন্নীত হওয়ার কথা রয়েছে। উন্নত অর্থনীতিজুড়ে, ২০২০-২০২১ সালের মধ্যে প্রবৃদ্ধি ১.৬ শতাংশে স্থিতিশীল হওয়ার কথা রয়েছে। ২০১৯ সালের ইউরো অঞ্চলে প্রবৃদ্ধি ১.২ শতাংশ থেকে ২০২০ সালে ১.৩ শতাংশে উন্নীত হবে বলে ধারণা করা হচ্ছে। জাপানের প্রবৃদ্ধি ২০১৯ সালে আনুমানিক ১ শতাংশ থেকে ২০২০ সালে ০.৭ শতাংশ হতে পারে বলে আশা করা হচ্ছে। উদীয়মান ও উন্নয়নশীল এশিয়ার প্রবৃদ্ধি ২০১৯ সালে ৫.৬ শতাংশ থেকে ২০২০ সালে ৫.৮ শতাংশ এবং ২০২১ সালে ৫.৯ শতাংশে উন্নীত হওয়ার পূর্বাভাস রয়েছে। এডিবি পূর্ব এশিয়ার জন্য প্রবৃদ্ধি পূর্বাভাস ২০১৯ সালে ৫.৪% এবং ২০২০ সালে ৫.২%, যা এশীয় দেশগুলির উন্নয়নমূলক পূর্বাভাস দিয়েছে ২০১৯ সালে ৫.৭ শতাংশ এবং ২০২০ সালে ৫.৬ শতাংশ। দক্ষিণ এশিয়ায় ২০১৯ সালে প্রবৃদ্ধি কমে হয়েছে ৫.১% শতাংশ এবং ২০২০ সালে ৬.১% শতাংশ কম। ২০১৯ সালে ভারতে প্রবৃদ্ধি কমে ৫.১% শতাংশ হবে বলে আশা করা হচ্ছে। ২০১৯ সালে বাংলাদেশের জিডিপি প্রবৃদ্ধি হবে ৮.১% শতাংশ এবং ২০২০ সালে প্রবৃদ্ধি হবে ৮% শতাংশ যা ২০১৯- ২০২০ সালের দেশের সর্বোচ্চ প্রবৃদ্ধির অবস্থা নির্দেশ করে।

বিশ্ব বীমা দৃষ্টিকোণ:

বিশ্বব্যাপি ইন্স্যুরেন্সের প্রিমিয়াম প্রথমবারের মতো ২০১৮ সালে ৫.০০ ট্রিলিয়ন মার্কিন ডলার ছাড়িয়ে ৫.১৯৩.২ বিলিয়ন মার্কিন ডলারে পৌঁছেছে, যার মধ্যে ২,৮২০.২ বিলিয়ন মার্কিন ডলার জীবন বীমা এবং ২,৩৩৭ বিলিয়ন মার্কিন ডলার সাধারণ বীমা। বৈশ্বিক বীমা শিল্পে ২০১৮ সালে সার্বিক প্রবৃদ্ধি ১.৫% শতাংশ এর মধ্যে জীবন বীমা ও সাধারণ বীমা যথাক্রমে ০.২% এবং ৩% অবদান দেখিয়েছে। উদীয়মান বাজারগুলির মোট প্রিমিয়াম ছিল ৭.১% শতাংশ এবং উন্নত বাজার গুলোতে একই সময়কালে প্রবৃদ্ধি ১.৯% শতাংশ। ২০১৯-২০-এর জন্য বিশ্বব্যাপি প্রিমিয়াম প্রবৃদ্ধি পূর্বাভাস লাইফ ২.৯% শতাংশ এবং নন-লাইফ ৩.০% শতাংশ এবং উদীয়মান বাজারগুলি ৭.০০% শতাংশ এবং উন্নত বাজারগুলি ১.৯% হবে।

বাংলাদেশের অর্থনীতি:

বাংলাদেশ পরিসংখ্যান ব্যুরো (বিবিএস) অনুসারে, ২০১৭-১৮ অর্থবছরে জিডিপির প্রবৃদ্ধি ৭.৮৬ শতাংশ এবং ২০১৬-১৭ অর্থবছরে ৭.২৮ শতাংশ ছিল। ২০১৮-১৯ অর্থবছরে জিডিপি প্রবৃদ্ধি ৮.১৫। বাংলাদেশের জন্য ২০১৮-২০১৯ মোট প্রিমিয়ামের পরিমাণ দাঁড়িয়েছে ১,৫৪০ মিলিয়ন মার্কিন ডলার, যা ২০১৭ সালে ছিলো ১,৪১০ মিলিয়ন মার্কিন ডলার, যা ৯.২% বৃদ্ধি পেয়েছে। ২০১৮ সালে ১,৫৪০ মিলিয়ন মার্কিন ডলারের বীমা ব্যবসায়ের মধ্যে ননলাইফ ব্যবসার পরিমাণ ছিল ৪৪৭ মিলিয়ন মার্কিন ডলার এবং জীবন বীমা ব্যবসায়ের পরিমাণ ছিল ১,০৯৩ মিলিয়ন ডলার। নন-লাইফ বীমা শিল্পে বাংলাদেশের অবস্থান বিশ্বে ৮৬তম। প্রিমিয়াম আয়ের বৃদ্ধি অত্যন্ত সামান্য। ননলাইফ বীমা খাতে, ৪৬ টি বেসরকারী বীমা কোম্পানী এবং ১ টি রাষ্ট্রায়ত্ত্ব কর্পোরেশন ২০১৮ সালে ৩৭,৩৩৮ মিলিয়ন টাকা আয় করেছে। ননলাইফ বীমা প্রিমিয়াম প্রবৃদ্ধি হার (জিডিপির শতাংশ হিসাবে বীমা প্রিমিয়াম) ২০০৯ সালে ০.২৫% থেকে ২০১৮ সালে ০.১৭% হয়েছে। ৪৭ টি বীমা প্রতিষ্ঠানের প্রিমিয়াম ৪০,০০০ হাজার মিলিয়ন এর কম এবং আমাদের প্রতিবেশীসহ উন্নয়নশীল দেশগুলির তুলনায় নন লাইফ বীমা বাজারটি অত্যন্ত প্রতিযোগিতা মূলক হয়ে পড়েছে।

২০১৯ইং সালের বীমা ব্যবসা:

বাংলাদেশ ন্যাশনাল ইন্স্যুরেন্স কোম্পানি লিমিটেডের ২০১৯ইং সালের মোট প্রিমিয়াম আয় ছিল ৫২০.৪৬ মিলিয়ন টাকা এর বিপরীতে ২০১৮ইং সালে মোট প্রিমিয়াম আয় ছিল ৫০১.৯১ মিলিয়ন টাকা। গত বছরের তুলনায় ৩.৭০ শতাংশ প্রবৃদ্ধি প্রদর্শন করে।

পন্য ভিত্তিক ব্যবসায়িক সফলতা

অগ্নি বীমা ব্যবসা:

কোম্পানী প্রত্যক্ষ অগ্নি বীমা ব্যবসা থেকে ২০১৯ইং সালে মোট প্রিমিয়াম আয় ছিল ১৪৩.৩০ মিলিয়ন টাকা এর বিপরীতে ২০১৮ইং সালে আয় ছিল ১৯৫.০২ মিলিয়ন টাকা। কোম্পানী অগ্নি বীমা ব্যবসা থেকে ২০১৯ইং সালে ১১.৬৮ মিলিয়ন টাকা অবলিখন মুনাফা অর্জন করে এর বিপরীতে ২০১৮ইং সালে এই আয় ছিল ১০.৫১ মিলিয়ন টাকা।

নৌ বীমা ব্যবসা:

নৌ বীমা ব্যবসা থেকে কোম্পানীর মোট প্রিমিয়াম আয় ২০১৯ইং সালে ছিল ১৭০.০৯ মিলিয়ন টাকা এবং ২০১৮ইং সালে ছিল ১৭১.৮১ মিলিয়ন টাকা। কোম্পানী নৌ বীমা ব্যবসা থেকে ২০১৯ইং সালে অবলিখন মুনাফা ছিল ৩৬.৩৯ মিলিয়ন টাকা এবং ২০১৮ইং সালে ছিল ৩১.৯৮ মিলিয়ন টাকা।

মোটর বীমা ব্যবসা:

মোটর বীমা ব্যবসা থেকে ২০১৯ইং সালে মোট আয় হয়েছে ৭৬.২৪ মিলিয়ন টাকা, মোটর বীমা ব্যবসা থেকে ২০১৯ইং সালে লাভ হয়েছে ১২.৬৭ মিলিয়ন টাকা।

বিবিধ বীমা ব্যবসা:

বিবিধ বীমা ব্যবসা থেকে ২০১৯ইং সালে মোট আয় হয়েছে ৯০.৮৩ মিলিয়ন টাকা। বিবিধ বীমা ব্যবসা থেকে ২০১৯ইং সালে লাভ হয়েছে ১৯.৩০ মিলিয়ন টাকা।

বিনিয়োগ থেকে আয়:

বিভিন্ন ব্যাংক ও আর্থিক প্রতিষ্ঠানে গচ্ছিত বিনিয়োগ থেকে ২০১৯ইং সালের মুনাফা ছিল ৬৯.৩৮ মিলিয়ন টাকা এবং তা ২০১৮ইং সালে ছিল ৬৩.৮৯ মিলিয়ন টাকা।

ডিভিডেন্ট খাতে আয়:

২০১৯ইং সালের ডিভিডেন্ট খাতে আয় হয়েছে ১৫.৮৫ মিলিয়ন।

ভাড়া থেকে আয়:

ভাড়া হতে আয় বৃদ্ধি পায় ৪.৫৭ মিলিয়ন যা ২০১৮ইং সালে ছিল ২.৯২ মিলিয়ন।

বন্টনযোগ্য মুনাফা:

আমরা অত্যন্ত আনন্দের সাথে জানাচ্ছি যে, কার্যপোষোগী অবলিখন, বিপণন এবং যথাযথ পোর্টফোলিও ইস্যু ও নিখুত পুনঃ-বীমা প্রক্রিয়ার অনুসরণ করার পাশাপাশি কার্যকর তদারকির মাধ্যমে আমরা ২০১৯ সালে কাজিত আর্থিক সাফল্য অর্জন করতে সক্ষম হয়েছি। কোম্পানীর আর্থিক দিক বিবেচনা করে ও শেয়ার হোল্ডারদের স্বার্থ সংরক্ষণে দীর্ঘমেয়াদী পরিকল্পনার আলোকে পরিচালকবৃন্দ ২০১৯ সালে ট্যাক্স পরবর্তী নিম্নলিখিত সুপারিশ সমূহ প্রদান করেছেন:

a)	The Un-appropriated Profit Carry forward from previous Year 2018	85,951,583
b)	The Un-appropriated Profit for Current Year 2018	126,856,936
c)	Deferred Tax Income	(2,17,770)
d)	Total Fund Available for Appropriation	212,590,749
i)	Reserve for Exceptional Losses	36,173,114
ii)	Provision for Taxes	36,746,213
iii)	Dividend Paid	5,31,00,000
iv)	Balance transferred to retained earnings	86,571,422

কষ্ট অব গুডস সোল্ড এবং মুনাফা অর্জন:

বাংলাদেশ ন্যাশনাল ইন্স্যুরেন্স কোম্পানি লিমিটেড একটি নন-লাইফ ইন্স্যুরেন্স কোম্পানী যে কারনে কষ্ট অব গুডস সোল্ড এক্ষেত্রে প্রযোজ্য নয়। অন্য দিকে কোম্পানীর মুনাফা অর্জন বিশেষ অর্থ বহন করে এবং ২০১৯ইং সালে ১৩৫,৫৭৬,৪৪৫ টাকা মুনাফা অর্জন করে।

বীমা দাবী:

২০১৯ইং সালে কোম্পানী নেট ১০৫.৪১ মিলিয়ন টাকার বীমা দাবি নিষ্পত্তি করেছে। সম্মানিত গ্রাহকদের দাবি পূরনে কোম্পানী সর্বদাই অত্যন্ত আন্তরিক ও যত্নশীল।

অস্বাভাবিক হঠাৎ মুনাফা অর্জন বা ক্ষতি:

২০১৯ইং সালে এরূপ কোনো হঠাৎ মুনাফা অর্জন বা ক্ষতি হয়নি।

বেসিস অব রিলেটিভ পার্টি ট্রানজেকশন:

আন্তর্জাতিক একাউন্টিং স্ট্যান্ডার্ড - ২৪ “রিলেটেড পার্টি ডিসক্লোজার অনুযায়ী” ৩৩ 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 ২০১৯ইং 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 ইস্যুরেন্স 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 বিবরণীসমূহ তৈরিতে সঠিক হিসাব নীতিমালাসমূহ যথাযথভাবে প্রয়োগ করা হয়েছে।
- বাংলাদেশে প্রযোজ্য আন্তর্জাতিক হিসাবমান অনুযায়ী আর্থিক বিবরণীসমূহ 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 ২০১৯ইং সালে ১৩৫.৫৮ মিলিয়ন টাকা মুনাফা অর্জন করে। ২০১৭ইং সালে মুনাফা অর্জন করে ১১৭.৩৬ মিলিয়ন টাকা। এটি প্রতিয়মান হয় যে, ২০১৮ইং সালের তুলনায় ২০১৯ইং সালে তুলনামূলক মুনাফা বৃদ্ধি পেয়েছে।

আর্থিক তথ্য:

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

লভ্যাংশ:

পরিচালনা পর্ষদ ২০১৯ইং সালের জন্য ১২ শতাংশ লভ্যাংশ ঘোষণা করেছে। সুতরাং এ বছরের জন্য লভ্যাংশ ঘোষণা হয়নি এরূপ কিছু বর্ণনার প্রয়োজন নেই।

ক্রেডিট রেটিং:

বাংলাদেশ ন্যাশনাল ইস্যুরেন্স কোম্পানি লিমিটেডের ২০১৯-২০২০ইং 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 ইস্যুরেন্স 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:

২০১৯ইং সালে সর্বমোট সাতটি 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 ক্লজ 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 ১৫ জন, তাই ৪ জন পরিচালক ২৬ আগস্ট ২০২০ইং তারিখে অবসর গ্রহণ করবে। সে অনুযায়ী গ্রুপ 'এ' থেকে জনাব তাইফ বিন ইউসুফ, জনাব ইউসুফ আলী, মিসেস তাসনিম বিনতে মোস্তফা, এবং জনাব ওয়াসিকুর রহমান ২৬ আগস্ট ২০২০ইং তারিখে অবসর গ্রহণ করবেন এবং তারা যোগ্য বিধায় পুনরায় নির্বাচিত হওয়ার অধিকার রাখেন। পাশাপাশি বিএসইসি নোটিফিকেশন নম্বর : বিএসইসি/সিএমআরআরসি-ডি/২০০৯-১৯৩/২১৭/এডমি-ন/৯০/তারিখঃ ২১ মে ২০১৯ইং তারিখ অনুযায়ী গ্রুপ 'বি' হতে জনাব মোঃ হাসান রাজীব প্রধান, মোঃ নাসিম আক্তার, জনাব মোঃ সাইফুল আজম, জনাব মোঃ রুহুল আমিন, এবং জনাব মোঃ মোজাফফর হোসাইন ১৪৮তম বোর্ড সভা এর সিদ্ধান্ত অনুযায়ী ২৯ ডিসেম্বর ২০১৯ইং তারিখে অবসর গ্রহণ করেন। উল্লেখিত বার্ষিক সাধারণ সভায় শেয়ারহোল্ডারদের মধ্য হতে পাবলিক পরিচালক নির্বাচিত হবেন। পাবলিক শেয়ার হোল্ডার থেকে পরিচালক নির্বাচনের জন্য প্রয়োজনীয় বিজ্ঞপ্তি ২২ শে জুন ২০২০ইং তারিখে সংবাদপত্রে প্রকাশ করা হয়েছে। অন্যদিকে, বিএসইসি এর কর্পোরেট গভর্নেন্স নিয়ম অনুযায়ী, ০৭ মার্চ ২০২০ইং তারিখে স্বাধীন পরিচালক প্রফেসর ডঃ মিজানুর রহমানের প্রথম মেয়াদ পূর্ণ হয় এবং পরিচালনা পর্ষদ তাকে দ্বিতীয় মেয়াদে পুনরায় নিয়োগ প্রদান করে, যা ২৪তম বার্ষিক সাধারণ সভায় শেয়ার হোল্ডারদের মাধ্যমে অনুমোদিত হবে।

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 ২০২০ইং 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 ২৪তম বার্ষিক সাধারণ সভায় শেয়ার হোল্ডারদের অনুমোদনের জন্য পেশ করা হলো।

কৃতজ্ঞতা স্বীকার:

সকলের সহযোগীতা 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

২২ জুন ২০২০

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 2019 successfully overcoming many business obstacles. Besides, I convey my warm wishes to all the shareholders presences in the 24th 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 2019 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.

We are always striving to provide technology-based services to the company keeping pace with the current world. As part of this, we have started providing online insurance services through mobile apps from 09/01/2020, which is a new addition to the country's insurance sector.

In Competition with other companies, we have covered a large number of clients in the year 2019 comparing with the year 2018. 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.135,576,445.00 only and the Board of Directors recommended 12 % cash dividend for the year 2019. If we always receive your faith and support, we hope that in future we can also be able to declare more dividends.

In 2019 our Gross premium income and net premium income stood at Tk. 520.46 million and Tk.361.73 million, representing a growth of 3.70 % and (-2.77)% respectively over the previous year. Total Assets of the company at stood 1,388.78 million as at 31 December 2019 showing a growth of 4.70 % 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, All Commercial Banks, Leasing Companies, 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.



Md. Sana Ullah
Chief Executive Officer
22 June 2020

মূখ্য নির্বাহী কর্মকর্তা মহোদয়ের বক্তব্য

বিসমিল্লাহির রাহমানির রাহিম

সম্মানিত শেয়ারহোল্ডার বৃন্দ - আসসালামু আলাইকুম

বাংলাদেশ ন্যাশনাল ইস্যুরেন্স কোম্পানীর লিমিটেড এর ২৪তম বার্ষিক সাধারণ সভায় আমি আনন্দের সাথে জানাচ্ছি যে, ২০১৯ সাল আমরা সাফল্যের সাথে অতিক্রম করেছি। সেই সাথে আমি কর্মকর্তা ও কর্মচারীদের পক্ষ হতে উপস্থিত সকল সম্মানিত শেয়ার হোল্ডারদের শুভেচ্ছা জানাচ্ছি। পর্যদ ২০১৯ 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 স্বাচ্ছন্দ বোধ করবে।

আমরা বর্তমান বিশ্বের সাথে তাল মিলিয়ে কোম্পানীকে প্রযুক্তি নির্ভর সেবা প্রদানের ব্যাপারে সর্বদা সচেতন আছি। তার অংশ হিসাবে গত ০৯ জানুয়ারী ২০২০ইং তারিখ হতে মোবাইল অ্যাপস এর মাধ্যমে অনলাইন বীমা সেবা প্রদান শুরু করেছি যা দেশের বীমা খাতে নতুন সংযোজন।

প্রতিযোগিতামূলক বীমা বাজারে ২০১৮ সালের তুলনায় ২০১৯ 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 ব্যবসায়ে 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 শুরু করেছি, পরিবর্তন আসছে আমাদের ব্যবসায়ের পরিধিতে।

অনেক বাঁধা বিপত্তি পার করে কোম্পানী ২০১৯ সালে ১৩৫,৫৭৬,৪৪৫.০০ 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। ২০১৯ সালে মোট প্রিমিয়াম আয় এবং নেট প্রিমিয়াম আয় ছিল ৫২০.৪৬ মিলিয়ন টাকা এবং ৩৬১.৭৩ মিলিয়ন টাকা যা কিনা একাধারে ৩.৭০% এবং (-২.৭৭)% প্রবৃদ্ধি প্রদর্শন করে। ২০১৯ সালে মোট সম্পত্তির পরিমাণ ছিল ১,৩৮৮.৭৮ মিলিয়ন টাকা যা বিগত বছরের তুলনায় ৪.৭০% প্রবৃদ্ধি প্রদর্শন করে।

কোম্পানীর ফ্রেডিট 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, সকল বানিজ্যিক ব্যাংক, লিজিং কোম্পানী, বাংলাদেশ ইস্যুরেন্স এসোসিয়েসন, বাংলাদেশ ইস্যুরেন্স একাডেমি, সাধারণ বীমা কর্পোরেশন, বাংলাদেশ সিকিউরিটিজ এন্ড এক্সচেঞ্জ কমিশন, ঢাকা ও চিটাগং স্টক এক্সচেঞ্জ লিমিটেড, রেজিস্টার অব জয়েন্ট স্টক কোম্পানীজ এন্ড ফার্মস কে যাদের সার্বিক সহযোগিতার জন্য আমরা আমাদের এই গন্তব্যে পৌঁছাতে পেরেছি।

আল্লাহ হাফেজ



মোঃ সানা উল্লাহ
মূখ্য নির্বাহী কর্মকর্তা
২২ জুন ২০২০

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 15 Directors where 11 are Directors 4 are Independent 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 of Bangladesh National Insurance Company Limited composed of 15 Directors where 11 are Directors 4 are Independent 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.

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.

- 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 Insurance Development and Regulatory Authority (IDRA).
- 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, Insurance Development.
- and Regulatory Authority (IDRA) and audit committee. Any other activities as required beneficial for the company.

Board meeting

During the period under review, 7 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
Tanjima 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 2019, 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 Seven 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 Asstt. Managing Director, Head of Under writing and Branch control Department, has more than 35 years of experience on underwriting process. Officers and staffs on underwriting department have more than seventeen 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. shareholder may attend annual general meeting virtually by using digital platform from any places. 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.

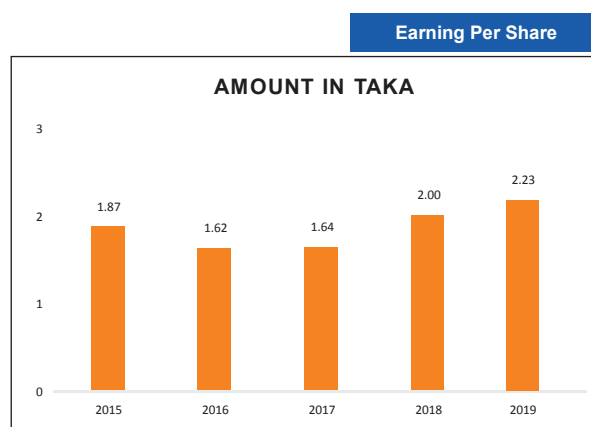
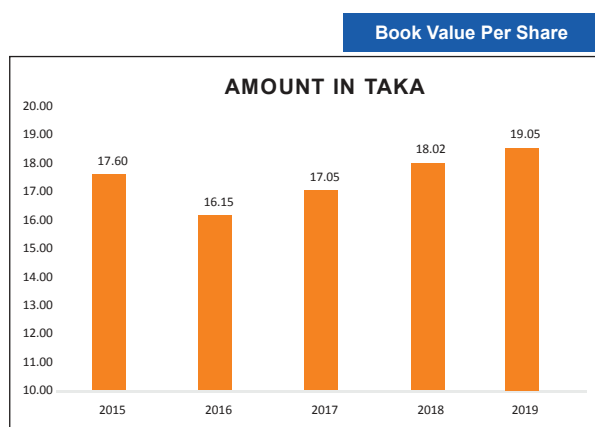
SHAREHOLDING STRUCTURE

Shareholding structure of Bangladesh National Insurance Company Limited as on December 31, 2019 is as follows:

Particulars	Amount in Taka	
	2019	2018
Authorized capital:	1000,000,000	1,000,000,000
100,000,000 ordinary share of Tk.10 each		
Issued, subscribed and paid up capital:	442,500,000	442,500,000
44,250,000 ordinary shares of Tk.10 each		

Composition of the shareholding as on 31 December 2019

Shareholdings	Number of shares	Percentage of paid up capital
Directors and sponsors shareholders	22,348,334	50.50%
Government	00.00	00.00%
Institute	2,566,862	5.81%
Foreign	33,043	0.07%
Public	19,301,761	43.62%
Total	44,250,000	100.00



EXECUTIVE OF BNICL

	Md. Sana ullah Managing Director & CEO	
Mostafa Jasim Raihani, FCA Chief Financial Officer	S. M. Shafi Ullah Asstt. Managing Director (BCD & U/W)	A.T.M. Malekuzzaman Sr. General Manager (Claims & Re-Ins.)
Md. Ferozul Islam General Manager (F&A)	Md. Masud Rana Deputy General Manager & Company Secretary(CC)	Sharmin Akhter Manager & Head of Internal Audit
Executive Branches		
S.M. Khurshid Alam Additional Managing Director & Branch Incharge Dilkusha Br. Dhaka	Md. Shakur Elahi Joarder Deputy Managing Director & Branch Incharge Gulshan Br. Dhaka	Kh. Mohammad Joynul Abedin Sr. General Manager & 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 Asstt. Managing Director & Branch Incharge Local Office, Dhaka
Md. Mizanur Rahman Chowdhury Asstt. Managing Director & Branch Incharge Principal Br. Dhaka	Md. Shahidul Alam Sr. General Manager & Branch Incharge Agrabad Br. Chattogram	Md. Sohel Sikder Sr. General Manager & Branch Incharge, Palton Br.
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 Asstt. General Manager & Branch Incharge Bagerhat Br. Bagerhat	Taposh Chandra Halder Asstt. General Manager & Branch Incharge KarwanBazar Br. Dhaka
SM Abul Hossain Asstt. General Manager & Branch Incharge Khulna Br. Khulna	Nazmul Hasan Manager & Branch Incharge Baridhara Br. Dhaka	Md. Hossain Kabir Manager & Branch Incharge Jamalpur Br.Jamalpur
Md. Rehanul Islam Asstt. Manager & Branch Incharge Pabna Br. Pabna.	Md. Kamal Hossain General Manager & Branch Incharge Narayangonj Br. Narayangonj	Abu Hanif Sr. Manager & Branch Incharge Moulvibazar Br. Dhaka
Md. Abdul Latif Asstt. Managing Director & Branch Incharge Motijheel Br. Dhaka	Md. Nasir Uddin General Manager & Branch Incharge Faridpur Br. Faridpur	M. Ruhul Amin Pavel Deputy Managing Director & Branch Incharge, Mirpur Br. Dhaka

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 set forth 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

Motor 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.

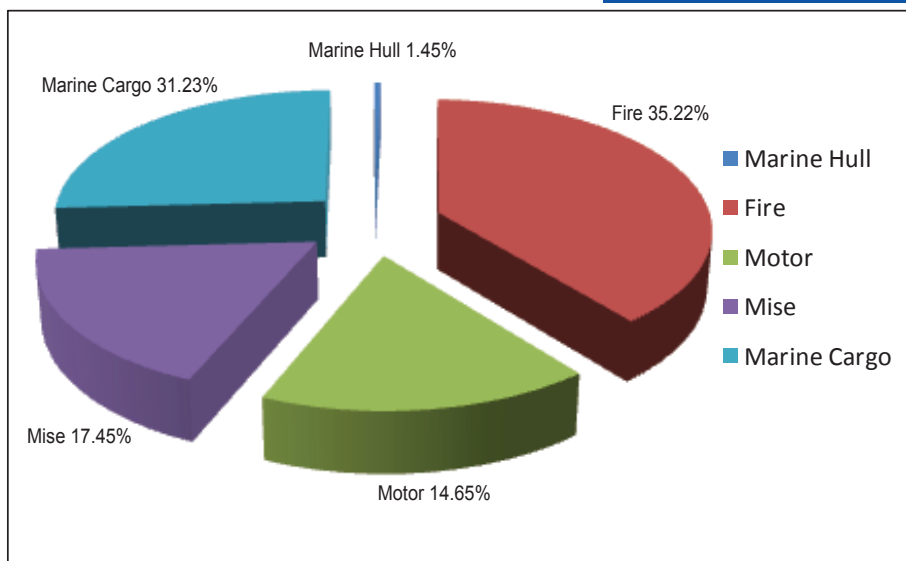
Legal Compliance Risks

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 2019.

**CLASS WISE GROSS
PREMIUM INCOME-2019**



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, 2019 was under:

Designation	Numbers
Chief Executive Officer	01
Deputy Managing Director	06
Assistant Managing Director	02
Chief Financial Officer	01
Deputy General Manager & Company Secretary	01
Senior General Manager	06
General Manager	19
Senior Deputy General Manager	04
Deputy General Manager	16
Senior Assistant General Manager	01
Assistant General Manager	29
Officer	176
Other Employees	67
Total	329 Nos



Nurul Azim & Co.
Chartered Accountants

**REPORT TO THE SHAREHOLDERS OF BANGLADESH NATIONAL INSURANCE COMPANY LIMITED
ON COMPLIANCE ON THE CORPORATE GOVERNANCE CODE**

We have examined the compliance status to the Corporate Governance Code by Bangladesh National Insurance Company Limited for the year ended on 31 December 2019. This Code relates to the Notification No. BSEC/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 highly satisfactory.



Place: Dhaka, Bangladesh

Dated: 22 June 2020

(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 2019		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 2019		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 for more 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	√		
1.3	Qualification of Independent Director (ID):			
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	√		
1.3(b)	Independent director shall have following qualifications:			
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	√		
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

Condition No.	Title	Compliance Status as on 31 December 2019		Remarks
		Complied	Not Complied	
1.4	Duality of Chairperson of the Board of Directors and Managing Director or Chief Executive Officer			
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.	√		
1.5	The Directors' Report to Shareholders	√		
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	√		
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	√		

Condition No.	Title	Compliance Status as on 31 December 2019		Remarks
		Complied	Not Complied	
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)	A report on the pattern of shareholding disclosing the aggregate number of shares (along with name-wise details where stated below) held by:	√		
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)	√		
1.5(xxiii)(c)	Executives	√		
1.5(xxiii)(d)	Shareholders holding ten percent (10%) or more voting interest in the company (name-wise details)	√		
1.5(xxiv)	In case of the appointment or reappointment of a director, a disclosure on the following information to the shareholders:			
1.5(xxiv)(a)	A brief resume of the director	√		

Condition No.	Title	Compliance Status as on 31 December 2019		Remarks
		Complied	Not Complied	
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	√		
1.5(xxv)	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:			
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	√		
1.6	Meetings of the Board of Directors	√		
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	√		
1.7	Code of Conduct for the Chairperson, other Board members and Chief Executive Officer	√		

Condition No.	Title	Compliance Status as on 31 December 2019		Remarks
		Complied	Not Complied	
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	√		
2	Governance of Board of Directors of Subsidiary Company.			
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
3	Managing Director (MD) or Chief Executive Officer (CEO), Chief Financial Officer (CFO), Head of Internal Audit and Compliance (HIAC) and Company Secretary (CS)			
3(1)	Appointment			
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)	√		
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			

Condition No.	Title	Compliance Status as on 31 December 2019		Remarks
		Complied	Not Complied	
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).	√		
3.2	Requirement to attend Board of Directors' Meetings			N/A
3.2	The MD or CEO, CS, CFO and HIAC of the company shall attend the meetings of the Board	√		
3.3	Duties of Managing Director (MD) or Chief Executive Officer (CEO) and Chief Financial Officer (CFO)	√		
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	√		
4	Board of Directors' Committee: For ensuring good governance in the company, the Board shall have atleast following sub-committees:			
4(i)	Audit Committee	√		
4(ii)	Nomination and Remuneration Committee.	√		
5	Audit Committee.	√		
5.1	Responsibility to the Board of Directors.	√		
5.1(a)	The company shall have an Audit Committee as a sub-committee of the Board of Directors	√		
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	√		
5.2	Constitution of the Audit Committee:			
5.2(a)	The audit Committee shall be composed of at least 3 (three) members	√		

Condition No.	Title	Compliance Status as on 31 December 2019		Remarks
		Complied	Not Complied	
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	√		
5.3	Chairperson of the Audit Committee:			
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):	√		
5.4	Meeting of the Audit Committee:			
5.4(a)	The Audit Committee shall conduct at least its four meetings in a financial year	√		
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	√		
5.5	Role of Audit Committee	√		
5.5(a)	Oversee the financial reporting process	√		
5.5(b)	Monitor choice of accounting policies and principles	√		

Condition No.	Title	Compliance Status as on 31 December 2019		Remarks
		Complied	Not Complied	
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	√		
5.6	Reporting of the Audit Committee:			
5.6(a)	Reporting to the Board of Directors:			
5.6(a)(i)	The Audit Committee shall report on its activities to the Board	√		
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			

Condition No.	Title	Compliance Status as on 31 December 2019		Remarks
		Complied	Not Complied	
	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	√		
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(f)	The Chairperson of the Committee may appoint or			

Condition No.	Title	Compliance Status as on 31 December 2019		Remarks
		Complied	Not Complied	
	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	√		
6.3	Chairperson of the NRC			
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
6.4	Meeting of the NRC			
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	√		
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	√		
6.5	Role of the NRC			
6.5(a)	NRC shall be independent and responsible or accountable to the Board and to the shareholders	√		
6.5(b)	NRC shall oversee, among others, the following matters and make report with recommendation to the Board:			
6.5(b)(i)	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:			

Condition No.	Title	Compliance Status as on 31 December 2019		Remarks
		Complied	Not Complied	
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	√		
7	External or Statutory Auditors			
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

Condition No.	Title	Compliance Status as on 31 December 2019		Remarks
		Complied	Not Complied	
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 the shareholders.	√		
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 concerned stock 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 2019**

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	7	7	100						
Mr. Mostafa Kamal	Vice Chairman	7	7	100						
Mrs. Beauty Akter	Director	7	7	100						
Mr. Abdur Rouf	Director	7	7	100						
Mrs. Tahmina Binthe Mostafa	Director	7	7	100						
Mrs. Tanjima Binthe Mostafa	Director	7	7	100	4	4	100			
Mr. Tanveer Ahmed Mostafa	Director	7	7	100						
Mr. Taf Bin Yousuf	Director	7	7	100				1	1	100
Mr. Yousuf Ali	Director	7	7	100	4	4	100			
Ms. Tasnim Binthe Mostafa	Director	7	7	100						
Mr. Wasikur Rahman	Director	7	7	100				1	1	100
Professor Dr. Mijanur Rahman	Independent Director	7	7	100				1	1	100
Mr. Mohammed Salim, FCMA	Independent Director	7	7	100	4	4	100			
Professor Dr. Goutam Buddha Das	Independent Director	7	7	100						
Mr. Fakhruddin Ahmed, FCMA, FCA	Independent Director	7	7	100						
Mr. Monjur Md. Shaiful Azam	Public Director	7	5	71						
Mr. Md. Ruhul Amin	Public Director	7	5	71						
Mr. Md Hasan Rajib Prodhan	Public Director	7	5	71						
Mr. Mohd. Naim Akhter	Public Director	7	3	43						
Md. Mozaffar Hossain	Public Director	7	5	71						
Md. Sana Ullah	Chief Executive Officer	7	7	100						

(Abdul Baset Majumder)
Chairman

Date: June 22, 2020

PATTERN OF SHAREHOLDING

AS ON DECEMBER 31, 2019

Shareholding by Companies, Directors and their Spouse & Children:

Sl. No	Name of 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	Muhammad Zakaria	Sponsor	1,200,000	2.7100%
17	M.F. Kamal	Sponsor	1,200,000	2.7100%
18	Other Shareholders		21,901,666	49.5000%
	Total		44,250,000	100.0000%

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	



(Abdul Baset Majumder)
Chairman
Date: June 22,2020

DECLARATION BY CEO AND CFO

As per condition No.1(5)(xxvi) of CGC

The Board of Directors
Bangladesh National Insurance Company Limited
Head Office: Rashid Tower (3rd Floor)
Plot # 11, Road # 8, Gulshan-1
Dhaka-1212

Subject: Declaration on Financial Statements for the year ended on 31 December, 2019

Dear Sirs,

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

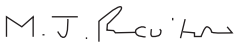
- 1 The Financial Statements of Bangladesh National Insurance Co. Ltd. for the year ended on 31 December, 2019 have been prepared in compliance with International Accounting Standards (IAS) or International Financial Reporting Standards (IFRS), as applicable in the Bangladesh and any departure there 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 concern 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, 2019 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
June 22, 2020


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, 2019
Validity of Rating	Till September 29, 2020

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 FY2015 to FY2018, 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 2019 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

21.06.2020

**INDEPENDENT AUDITOR'S REPORT
TO
THE SHAREHOLDERS OF BANGLADESH NATIONAL INSURANCE COMPANY LIMITED**

Report on the Audit of Financial Statements

Opinion

We have audited the financial statements of Bangladesh National Insurance Company Limited (the Company), which comprise the Statement of Financial Position as at 31st December, 2019, 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 31st December, 2019 and notes to the financial statements in which the returns from the branch offices certified branch managers have been incorporated including a summary of significant accounting policies and other explanatory information disclosed in notes 1 to 46 and Annexure-A, B, C and D.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the company as at 31st December, 2019, 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 Bangladesh 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.

Material Uncertainty Related to Going Concern

We are required to report to you if we have concluded that the use of the going concern basis of accounting is inappropriate or there is an undisclosed material uncertainty that may cast significant doubt over the use of that basis for a period of at least twelve months from the date of approval of the financial statements. We have nothing to report in these respects.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current year. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key Audit Matters	How our Audit Addressed the Key Audit Matters
Premium Income	
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 sensibility of the item we believe this area pose high level of risk.	<ul style="list-style-type: none">• The design and operating effectiveness of key controls around premium income recognition process.• Carried out analytical procedures and recalculated premium income for the period.

Key Audit Matters	How our Audit Addressed the Key Audit Matters
	<ul style="list-style-type: none"> • Carried out cut-off testing to ensure unearned premium income has not been included in the premium income. • 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. • Ensured on a sample basis that the premium income was being deposited in the designated bank account. • Tested on a sample basis to see that appropriate VAT was being collected and deposited to bank through Treasury Challan. • For a sample of insurance contracts tested to see if appropriate level of reinsurance was done and whether that re insurance premium was deducted from the gross premium. • Applying specialist judgment ensured if there is any impairment of the re-insurer. • 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.
Estimated liability in respect of outstanding claims whether due or intimated and claim Payment	How our Audit Addressed the Key Audit Matters
<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 around this item:</p> <ul style="list-style-type: none"> • Obtained the claim register and tested for completeness of claims recorded in the register on a sample basis. • Obtained a sample of claimed policy copy and cross check it with claim. • Obtained a sample of survey reports cross checked those against respective ledger balances and in case of discrepancy carried out further investigation. • Obtained and discussed with management about their basis for estimation and challenged their assumptions where appropriate. • Reviewed the claim committee meeting minutes about decision about impending claims. • Tested a sample of claims payments with intimation letter, survey report, bank statement, claim payment register and general ledger.a • 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.

Key Audit Matters	How our Audit Addressed the Key Audit Matters
<p>Investment In shares</p> <p>Insurance company makes a number of investments in the listed and unlisted capital market with a required regulatory permission. Income generated from the investments (realized gain and dividend received) is credited to the statement of Profit or Loss and Other Comprehensive Income. Unrealized capital gain or loss if any is transferred to the Investment Fluctuation Reserve 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"> • Obtained year-end share holding positions from the company and through directional testing assessed the completeness of the report. • Ascertained the valuation of the holding as per IFRS 13. • Reviewed and challenged the assumptions used for the valuation models for any unquoted securities. • Recalculated unrealized gain or loss at the year end. • Carried out cut-off testing to ensure unrealized gain or loss was recognized in correct period. • Obtained the CDBL report and share portfolio and cross checked against each other to confirm unrealized gain or loss. • Check the subsequent positioning of this unrealized amount after the year end. * 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.

Other Information

Management is responsible for the other information. The other information comprises all of the information available in the Annual Report other than the financial statements and our auditors' report thereon. The Annual Report is expected to be made available to us after the date of this auditor's report.

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 on the other information that we have obtained prior to the date of this auditor's report, we conclude that there is material misstatement of this other information, we are required to communicate the matter to those charged with governance. 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;
- * 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's 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 regulation 11 of Part I of the Third Schedule of the Insurance Act, 1938, as amended Insurance Act, 2010 we certify that to the best of our information and as shown by its books, the company during the year under report has not paid to any person any commission in any form to outside Bangladesh and that the company during the year under report has not received outside Bangladesh from any person any commission in any form in respect of its business re-insured abroad;
- * As per Section 63(2) of the Insurance Act, 2010, in our opinion to the best of our knowledge and belief and according to the information and explanation given to us, all expenses of management wherever 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 Profit or Loss and Other Comprehensive Income of the Company;
- * The Statement of Financial Position, Statement of Profit or Loss and Other 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 22.06.2020
Place: Dhaka, Bangladesh



(A.K.M Aminul Hoque, FCA)
Enrolment No. 407
A. Hoque & Co.
Chartered Accountants

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

AS AT 31ST DECEMBER, 2019

Capital & Liabilities	Notes	Amount in Taka	
		31.12.2019	31.12.2018
Authorized Share Capital			
100,000,000 Ordinary Shares of Tk. 10/- each.		1,000,000,000	1,000,000,000
Shareholders' Equity & Liabilities:			
Shareholders' Equity:			
Issued, Subscribed and Paid up Capital	6.00	442,500,000	442,500,000
Reserve or Contingency Account:	7.00	400,428,443	354,915,981
Reserve for Exceptional Losses	7.01	305,137,512	268,964,398
Investment Fluctuation Reserve	7.02	8,719,509	-
Retained Earnings	7.03	86,571,422	85,951,583
Total Shareholders' Equity		842,928,443	797,415,981
Balance of Funds and Accounts:	8.00	149,028,203	149,916,876
Fire Insurance Business Account		41,250,941	54,047,610
Marine Cargo Insurance Business Account		51,148,154	41,567,250
Marine Hull Insurance Business Account		7,226,246	1,845,698
Motor Insurance Business Account		30,022,280	33,053,409
Miscellaneous Insurance Business Account		19,380,582	19,402,909
Premium Deposits Account	9.00	15,007,609	12,863,81
Liabilities and Provisions:		381,820,350	366,182,508
Sundry Creditors-Including Provision for Expenses and Taxes	10.00	191,502,467	148,473,425
Amount due to other persons or bodies			
Carrying on Insurance Business	11.00	23,499,804	55,327,230
Deferred Tax Liability	12.00	5,324,566	4,311,476
Estimated liabilities in respect of outstanding			
Claims whether due or intimated	13.00	161,493,512	158,070,378
Total Shareholders' Equity and Liabilities		1,388,784,605	1,326,379,183
Property & Assets:			
Investment:		89,655,577	79,090,622
Investment-At cost (BGTB)	14.00	25,000,000	25,000,000
Investment in Shares	15.00	64,655,577	54,090,622
Interest Accrued but not Due	16.00	28,009,773	25,817,563
Amount Due from Other Persons or Bodies			
Carrying on Insurance Business	17.00	1,200,851	1,200,851
Sundry Debtors-Including Advances, Deposits & Prepayments	18.00	172,302,950	127,898,143
Cash and Bank Balances	19.00	829,206,696	836,428,124
Other Account:		268,408,759	255,943,880
Fixed Assets -At Cost less Depreciation	20.00	267,469,252	255,059,360
Stock of Stationery	21.00	939,507	884,520
Total Property & Assets		1,388,784,605	1,326,379,183
Net Asset Value per Share	30.00	19.05	18.02

The accompanying notes from 1 to 46 & 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 22.06.2020

Place: Dhaka, Bangladesh


 (A.K.M. Aminul Hoque, FCA)
 Enrolment No. 407
 A. Hoque & Co.
 Chartered Accountants

BANGLADESH NATIONAL INSURANCE COMPANY LIMITED**STATEMENT OF PROFIT OR LOSS ACCOUNT**

FOR THE YEAR ENDED 31ST DECEMBER, 2019

Particulars	Notes	Amount in Taka	
		31.12.2019	31.12.2018
Expenses of Management (Not Applicable to any particular Fund or Account)			
Directors' Fees		1,177,600	610,650
Meeting Expenses		309,485	374,743
Advertisement & Publicity		927,183	498,367
Subscription & Registration		1,487,263	548,244
Depreciation		11,699,336	12,142,795
Audit Fees		1,374,250	132,250
		16,975,117	14,307,049
Worker's Profit Participation Fund		6,778,819	5,867,800
Net Profit before tax		135,576,445	117,356,032
Total		159,330,382	137,530,880
Interest on FDR, STD and BGTB	22.00	69,376,389	63,882,350
Gain on Sales of Fixed Assets		1,123,257	1,449,084
Dividend Income in Share Business		1,584,593	2,522,713
Rental Income		4,566,000	2,921,850
Gain/(Loss) on Sale of Shares		2,626,119	3,825,698
Profit /(Loss) Transferred from:		80,054,024	62,929,185
Fire Insurance Revenue Account		11,675,641	10,507,279
Marine Insurance (Cargo) Revenue Account		37,767,511	31,085,799
Marine Insurance (Hull) Revenue Account		(1,376,320)	888,142
Motor Insurance Revenue Account		12,674,027	6,957,863
Miscellaneous Insurance Revenue Account		19,313,165	13,490,102
Total		159,330,382	137,530,880
Earnings Per Share (EPS)	28.00	2.23	2.00

The accompanying notes from 1 to 46 & Annexure-A to D form an integral part of the financial statements.



Chairman



Director



Director



Chief Executive Officer

**(A.K.M Aminul Hoque, FCA)**

Enrolment No. 407

A. Hoque & Co.

Chartered Accountants

Dated 22.06.2020

Place: Dhaka, Bangladesh

BANGLADESH NATIONAL INSURANCE COMPANY LIMITED
STATEMENT OF OTHER COMPREHENSIVE INCOME
 FOR THE YEAR ENDED 31ST DECEMBER, 2019

Particulars	Notes	Amount in Taka	
		31.12.2019	31.12.2018
Profit Before Tax		135,576,445	117,356,032
Other Comprehensive Income			
Unrealized Gain /(Loss) on Investment in Shares	7.02	(8,719,509)	(1,459,721)
Total Comprehensive Income		126,856,936	115,896,311
Earning Per Share	28.00	2.23	2.00

The accompanying notes from 1 to 46 & Annexure-A to D form an integral part of the financial statements.



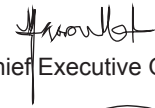
Chairman



Director



Director



Chief Executive Officer



(A.K.M Aminul Hoque, FCA)
 Enrolment No. 407
 A. Hoque & Co.
 Chartered Accountants

Dated 22.06.2020

Place: Dhaka, Bangladesh

BANGLADESH NATIONAL INSURANCE COMPANY LIMITED
STATEMENT OF PROFIT OR LOSS APPROPRIATION ACCOUNT
 FOR THE YEAR ENDED 31ST DECEMBER, 2019

Particulars	Notes	Amount in Taka	
		31.12.2019	31.12.2018
Balance brought forward from last year		85,951,583	80,323,632
Net Profit before Tax b/d		126,856,936	115,896,311
Deferred Tax Income/Expenses	12(b)	(217,770)	474,112
		212,590,749	196,694,055
Reserve for Exceptional Losses		36,173,114	37,202,364
Income Tax Expenses:		36,746,213	29,290,107
Current Tax	27.00	36,746,213	29,290,107
Dividend Paid		53,100,000	44,250,000
Balance Transferred to Statement of Financial Position		86,571,422	85,951,583
Total		212,590,749	196,694,055
Earnings Per Share (EPS)	28.00	2.23	2.00

The accompanying notes from 1 to 46 & 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 22.06.2020

Place: Dhaka, Bangladesh



(A.K.M Aminul Hoque, FCA)
 Enrolment No. 407
 A. Hoque & Co.
 Chartered Accountants

BANGLADESH NATIONAL INSURANCE COMPANY LIMITED
CONSOLIDATED REVENUE ACCOUNT
FOR THE YEAR ENDED 31ST DECEMBER, 2019

Particulars	Notes	Amount in Taka	
		31.12.2019	31.12.2018
Claims under the policies less Reinsurance:			
Paid during the year		105,412,194	172,360,290
Total estimated liability in respect of outstanding claims at the end of the year whether due or intimated	13.00	161,493,512	158,070,378
		266,905,706	330,430,668
Less: Outstanding claims at the end of the previous year		158,070,378	149,519,771
		108,835,328	180,910,897
Agency Commission	24.00	66,569,604	65,258,670
Expenses of Management	23.00	149,161,052	98,637,389
Reserve for un-expired risks of Premium Income for the year	8.00	149,028,203	149,916,876
Profit Transferred to Statement of Profit or Loss Account		80,054,023	62,929,185
Total		553,648,210	557,653,018
Balance of Account at the beginning of the year		149,916,876	150,360,197
Premium Less Reinsurance	26.00	361,731,138	372,023,643
Commission on Reinsurance ceded		42,000,196	35,269,178
Total		553,648,210	557,653,018

The accompanying notes from 1 to 46 & Annexure-A to D form an integral part of the financial statements.



Chairman

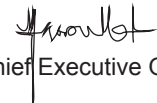


Director



Director

Signed in terms of separate report of even date annexed



Chief Executive Officer

Dated 22.06.2020

Place: Dhaka, Bangladesh



(A.K.M Aminul Hoque, FCA)
Enrolment No. 407
A. Hoque & Co.
Chartered Accountants

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

FOR THE YEAR ENDED 31ST DECEMBER, 2019

Particulars	Notes	Amount in Taka	
		31.12.2019	31.12.2018
Claims under the policies less Reinsurance:			
Paid during the year		37,559,040	50,075,634
Total estimated liability in respect of outstanding claims at the end of the year whether due or intimated	13.00	54,444,116	38,524,926
		92,003,156	88,600,560
Less: Outstanding claims at the end of the previous year		38,524,926	27,857,742
		53,478,230	60,742,818
Agency Commission	24.00	25,608,796	27,925,722
Expenses of Management	23.00	52,534,522	38,330,489
Reserve for un-expired risks being 40% of Premium Income for the year	8.00	41,250,941	54,047,610
Profit Transferred to Statement of Profit or Loss Account		11,675,641	10,507,279
Total		184,548,130	191,553,918
Balance of Account at the beginning of the year		54,047,610	34,246,564
Premium Less Reinsurance	26.00	103,127,352	135,119,025
Commission on Reinsurance ceded		27,373,168	22,188,329
Total		184,548,130	191,553,918

The accompanying notes from 1 to 46 & 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 22.06.2020

Place: Dhaka, Bangladesh


(A.K.M Aminul Hoque, FCA)

Enrolment No. 407

A. Hoque & Co.

Chartered Accountants

BANGLADESH NATIONAL INSURANCE COMPANY LIMITED**MARINE CARGO INSURANCE REVENUE ACCOUNT**

FOR THE YEAR ENDED 31ST DECEMBER, 2019

Particulars	Notes	Amount in Taka	
		31.12.2019	31.12.2018
Claims Under The Policies Less Reinsurance:			
Paid during the year		31,643,090	42,542,862
Total estimated liability in respect of outstanding claims at the end of the year whether due or intimated	13.00	51,855,004	62,835,387
		83,498,094	105,378,249
Less: Outstanding claims at the end of the previous year		62,835,387	68,436,855
		20,662,707	36,941,394
Agency Commission	24.00	21,126,845	17,109,150
Expenses of Management	23.00	46,582,997	5,507,629
Reserve for un-expired risks being 40% of premium income for the year	8.00	51,148,154	41,567,250
Profit Transferred to Statement of Profit or Loss Account		37,767,511	31,085,799
Total		177,288,214	152,211,223
Balance of Account at the beginning of the year		41,567,250	42,497,253
Premium Less Reinsurance	26.00	127,870,386	103,918,126
Commission on Reinsurance ceded		7,850,578	5,795,844
Total		177,288,214	152,211,223

The accompanying notes from 1 to 46 & 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 22.06.2020

Place: Dhaka, Bangladesh



(A.K.M Aminul Hoque, FCA)
Enrolment No. 407
A. Hoque & Co.
Chartered Accountants

BANGLADESH NATIONAL INSURANCE COMPANY LIMITED**MARINE HULL INSURANCE REVENUE ACCOUNT**

FOR THE YEAR ENDED 31ST DECEMBER, 2019

Particulars	Notes	Amount in Taka	
		31.12.2019	31.12.2018
Claims under the policies less Reinsurance:			
Paid during the year		(6)	22,108
Total estimated liability in respect of outstanding claims at the end of the year whether due or intimated	13.00	-	-
		(6)	22,108
Less: Outstanding claims at the end of the previous year		-	-
		(6)	22,108
Agency Commission	24.00	1,076,636	270,863
Expenses of Management	23.00	2,162,835	394,550
Reserve for un-expired risks being 100% of premium income for the year	8.00	7,226,246	1,845,698
Profit Transferred to Statement of Profit or Loss Account		(1,376,320)	888,142
Total		9,089,392	3,421,361
Balance of Account at the beginning of the year		1,845,698	1,567,441
Premium Less Reinsurance	26.00	7,226,246	1,845,698
Commission on Reinsurance ceded		17,448	8,222
Total		9,089,392	3,421,361

The accompanying notes from 1 to 46 & Annexure-A to D form an integral part of the financial statements.



Chairman



Director



Director

Signed in terms of separate report of even date annexed



Chief Executive Officer

Dated 22.06.2020

Place: Dhaka, Bangladesh


(A.K.M Aminul Hoque, FCA)

Enrolment No. 407

A. Hoque & Co.

Chartered Accountants

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

FOR THE YEAR ENDED 31ST DECEMBER, 2019

Particulars	Notes	Amount in Taka	
		31.12.2019	31.12.2018
Claims under the policies less Reinsurance:			
Paid during the year		33,610,077	53,684,912
Total estimated liability in respect of outstanding claims at the end of the year whether due or intimated	13.00	53,894,392	54,709,098
		87,504,469	108,394,010
Less : Outstanding claims at the end of the previous year		54,709,098	50,245,580
		32,795,371	58,148,430
Agency Commission	24.00	11,039,811	12,469,117
Expenses of Management	23.00	21,852,094	16,827,538
Reserve for un-expired risks being 40% of premium income for the year	8.00	30,022,280	33,053,409
Profit Transferred to Statement of Profit or Loss Account		12,674,027	6,957,863
Total		108,383,583	127,456,357
Balance of Account at the beginning of the year		33,053,409	44,059,201
Premium Less Reinsurance	26.00	75,055,699	82,633,522
Commission on Reinsurance ceded		274,475	763,634
Total		108,383,583	127,456,357

The accompanying notes from 1 to 46 & 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 22.06.2020

Place: Dhaka, Bangladesh


(A.K.M Aminul Hoque, FCA)

Enrolment No. 407

A. Hoque & Co.

Chartered Accountants

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

FOR THE YEAR ENDED 31ST DECEMBER, 2019

Particulars	Notes	Amount in Taka	
		31.12.2019	31.12.2018
Claims under the policies less Reinsurance:			
Paid during the year		2,599,992	26,034,774
Total estimated liability in respect of outstanding claims at the end of the year whether due or intimated	13.00	1,300,000	2,000,967
		3,899,992	28,035,741
Less: Outstanding claims at the end of the previous year		2,000,967	2,979,594
		1,899,025	25,056,147
Agency Commission	24.00	7,717,516	7,483,819
Expenses of Management	23.00	26,028,604	17,577,183
Reserve for un-expired risks being 40% of premium income for the year	8.00	19,380,582	19,402,909
Profit Transferred to Statement of Profit or Loss Account		19,313,165	13,490,102
Total		74,338,892	83,010,160
Balance of Account at the beginning of the year		19,402,909	27,989,739
Premium Less Re-Insurance	26.00	48,451,456	48,507,272
Commission on Re-insurance ceded		6,484,527	6,513,149
Total		74,338,892	83,010,160

The accompanying notes from 1 to 46 & Annexure-A to D form an integral part of the financial statements.



Chairman



Director



Director

Signed in terms of separate report of even date annexed



Chief Executive Officer

Dated 22.06.2020

Place: Dhaka, Bangladesh

**(A.K.M Aminul Hoque, FCA)**

Enrolment No. 407

A. Hoque & Co.

Chartered Accountants

BANGLADESH NATIONAL INSURANCE COMPANY LIMITED
STATEMENT OF CHANGES IN SHAREHOLDERS EQUITY
FOR THE YEAR ENDED 31ST DECEMBER, 2019

(Amount in Taka)

Particulars	Share Capital	Reserve for Exceptional Losses	Investment Fluctuation Reserve	Profit or Loss Appropriation Account	Total Shareholders Equity
Balance on 1st January, 2019	442,500,000	268,964,398	-	85,951,583	797,415,981
Net Profit before Tax	-	-	8,719,509	126,856,936	135,576,445
Deferred Tax Income/Expenses	-	-	-	(217,770)	(217,770)
Provision for Income Tax	-	-	-	(36,746,213)	(36,746,213)
Reserve for Exceptional Losses	-	36,173,114	-	(36,173,114)	-
Dividend Paid	-	-	-	(53,100,000)	(53,100,000)
Balance on 31st December, 2019	442,500,000	305,137,512	8,719,509	86,571,422	842,928,443

(Amount in Taka)

Particulars	Share Capital	Reserve for Exceptional Losses	Investment Fluctuation Reserve	Profit or Loss Appropriation Account	Total Shareholders Equity
Balance on 1st January, 2018	442,500,000	231,762,034	-	80,323,632	754,585,666
Public Share	-	-	-	-	-
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)
Balance on 31st December, 2018	442,500,000	268,964,398	-	85,951,583	797,415,981

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 22.06.2020

Place: Dhaka, Bangladesh



(A.K.M Aminul Hoque, FCA)

Enrolment No. 407

A. Hoque & Co.

Chartered Accountants

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

FOR THE YEAR ENDED 31ST DECEMBER, 2019

Particulars	Notes	Amount in Taka	
		31.12.2019	31.12.2018
Cash Flows from Operating Activities:			
Collection from Premium & Other Income	29.01	395,791,110	412,208,686
Payments for Management Expenses,			
Re-insurance & Claims	29.02	(361,678,334)	(327,567,614)
Income Tax and Other Source Tax Paid	29.03	(30,341,416)	(22,074,894)
Payment to Workers Profit Participation Fund	29.04	(5,867,800)	(4,719,767)
Interest received on STD/SND	29.05	66,418,889	60,924,850
		64,322,449	118,771,261
Cash Flows from Investing Activities:			
Acquisition of Fixed Assets		(24,516,970)	(166,709,721)
Sale Proceeds of Fixed Assets		1,531,000	1,518,000
Interest received on BGTB		2,957,500	2,957,500
Dividend Income from Share Business		1,584,593	2,522,713
		(18,443,877)	(159,711,508)
Cash Flows from Financing Activities:			
Dividend Paid		(53,100,000)	(44,250,000)
		(53,100,000)	(44,250,000)
Net Cash Inflow/Outflow for the year		(7,221,428)	(85,190,247)
Opening Cash and Bank balances		836,428,124	921,618,371
Cash and Bank Balances		829,206,696	836,428,124
Net Operating Cash Flow per Share	31.00	1.45	2.68

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 22.06.2020

Place: Dhaka, Bangladesh


(A.K.M Aminul Hoque, FCA)

Enrolment No. 407

A. Hoque & Co.

Chartered Accountants

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

CLASSIFIED SUMMARY OF ASSETS AS AT 31ST DECEMBER, 2019

Class of Assets	Book Value		Remarks
	31.12.2019	31.12.2018	
Bangladesh Govt. Treasury Bond (BGTB)	25,000,000	25,000,000	At Cost
Investment in Shares	64,655,577	54,090,622	Market Value
Fixed Deposit and STD Account with Bank	824,798,068	834,505,226	Book Value
Cash in Hand	4,017,828	1,651,428	Do
Stamp in Hand	390,800	271,470	Do
Interest Accrued but not due	28,009,773	25,817,563	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	172,302,950	127,898,143	Do
Fixed Assets (At Cost less Depreciation)	267,469,252	255,059,360	Written Down Value
Stock of Stationery	939,507	884,520	At Cost
Total	1,388,784,605	1,326,379,183	

The accompanying notes from 1 to 46 & Annexure-A to D form an integral part of the financial statements.



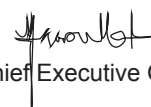
Chairman



Director



Director



Chief Executive Officer

Signed in terms of separate report of even date annexed

Dated 22.06.2020

Place: Dhaka, Bangladesh


(A.K.M Aminul Hoque, FCA)

Enrolment No. 407

A. Hoque & Co.

Chartered Accountants

BANGLADESH NATIONAL INSURANCE COMPANY LIMITED
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST DECEMBER, 2019
FORMING AN INTEGRAL PART OF THE FINANCIAL STATEMENTS

1.00 Reporting Entity

1.01 Corporate Information—Domicile, Legal Form and Country of Incorporation

The Company was incorporated in Bangladesh as a Public Company Limited by Shares on the 21st day of May, 1996 under the Companies Act, 1994 and its commencement of business was started from 21st 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. The company also obtained license to operate its business from IDRA (Former Controller of Insurance) on 21st day of May, 1996. The company went into initial public offerings (IPO) on 21.04.2016 and listed in both Dhaka Stock Exchange Ltd. (DSE) and Chittagong Stock Exchange Ltd. (CSE) as a publicly traded company.

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.

1.02 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.

1.03 Presentation of Financial Statements

The presentation of these financial statements is in accordance with the guidelines provided by IAS 1: Presentation of financial statements. The financial statements comprise of:

- * Statement of Financial Position as at 31st December, 2019;
- * Statement of Profit or Loss for the year ended 31st December, 2019;
- * Statement of Other Comprehensive Income for the year ended 31st December, 2019;
- * Profit or Loss Appropriation Account for the year ended 31st December, 2019;
- * Consolidated Revenue Account for the year ended 31st December, 2019;
- * Revenue Accounts (Fire, Marine Cargo, Marine Hull, Motor, Miscellaneous) for the year ended 31st December, 2019;
- * Statement of Changes in Shareholders Equity for the year ended 31st December, 2019;
- * Statement of Cash Flows for the year ended 31st December, 2019;
- * Form "AA", Classified Summary of Assets for the year ended 31st December, 2019;
- * Notes comprising summary of significant accounting policies and other explanatory information.

2.00 Basis of Preparation of Financial Statements

2.01 Basis of Accounting

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

- ✓ Generally accepted Accounting Principles and Policies in Bangladesh (GAAP);
- ✓ Historical Cost Convention;

- ✓ International Financial Reporting Standards (IFRS) as adopted by the Institute of Chartered Accountants of Bangladesh (ICAB);
- ✓ International Accounting Standards (IAS) as adopted by the Institute of Chartered Accountants of Bangladesh (ICAB);
- ✓ The Companies Act, 1994;
- ✓ The Bangladesh Securities and Exchange Rules, 1987;
- ✓ The Bangladesh Securities and Exchange Commission Act, 1993;
- ✓ The Securities and Exchange Ordinance, 1969;
- ✓ Insurance Rules, 1958 as no rule has yet been made in pursuance of Insurance Act, 2010;

2.02 Other Regulatory Compliances

The Company is also required to comply with the following major legal provisions in addition to Companies Act, 1994 and other applicable laws and regulations:

The Income Tax Ordinance, 1984;

The Income Tax Rules, 1984;

The Value Added Tax and Supplementary Duty Act, 2012;

The Value Added Tax Rules, 1991;

The Stamp Act, 1899;

DSE/CSE Rules;

Listing Regulations, 2015;

Bangladesh Labour Act, 2006 (as amended to 2013)

2.03 Compliance with the Financial Reporting Standards as applicable in Bangladesh

The Company as per para-12 of Securities & Exchange Rule, 1987, has followed the International Accounting Standards (IAS's) and International Financial Reporting Standards (IFRS's) as adopted by the Institute of Chartered Accountants of Bangladesh (ICAB) in preparing the financial statements.

Sl. No.	IAS No.	IAS Title	Compliance Status
1	1	Presentation of Financial Statements	Complied
2	2	Inventories	Complied
3	7	Statement of Cash Flows	Complied
4	8	Accounting Policies, Changes in Accounting Estimates and Errors	Complied
5	10	Events after the Reporting Period	Complied
6	11	Construction Contracts	N/A
7	12	Income Taxes	Complied
8	16	Property, Plant and Equipment	Complied
9	17	Leases	N/A
10	19	Employee Benefits	Complied
11	20	Accounting for Govt. Grants and Disclosure of Govt. Assistance	N/A
12	21	The Effects of Changes in Foreign Exchange Rates	N/A
13	23	Borrowing Costs	Complied
14	24	Related Party Disclosures	Complied
15	26	Accounting and Reporting by Retirement Benefit Plan	N/A
16	27	Separate Financial Statements	N/A

Sl. No.	IAS No.	IAS Title	Compliance Status
17	28	Investment in Associated and Joint Venture	N/A
18	29	Financial Reporting in Hyperinflationary Economics	N/A
19	31	Interest in Joint Ventures	N/A
20	32	Financial Instruments : Presentation	Complied
21	33	Earnings per Share	Complied
22	34	Interim Financial Reporting	Complied
23	36	Impairment of Assets	Complied
24	37	Provisions, Contingent Liabilities and Contingent Assets	Complied
25	38	Intangible Assets	N/A
26	40	Investment Property	N/A
27	41	Agriculture	N/A

Sl. No.	IFRS No.	IFRS Title	Compliance Status
1	1	First-time adoption of International Financial Reporting Standards	Complied
2	2	Share based Payment	N/A
3	3	Business Combinations	N/A
4	4	Insurance Contracts	Complied
5	5	Non-current Assets held for Sale and Discontinued Operations	N/A
6	6	Exploration for and Evaluation of Mineral Resources	N/A
7	7	Financial Instruments : Disclosures	Complied
8	8	Operating Segments	Complied
9	9	Financial Instrument	Complied
10	10	Consolidated Financial Statements	Complied
11	11	Joint Arrangements	N/A
12	12	Disclosure of Interests in Other Entities	Complied
13	13	Fair Value Measurement	Complied
14	14	Regulatory Deferral Accounts	N/A
15	15	Revenue from Contracts with Customers	Complied

2.04 Basis of Presentation

The financial statements have been prepared in accordance with the regulations as contained in Part I and as per Form "A" as set forth in Part II of the First Schedule, Revenue Account in accordance with the regulations as contained in Part I and as per Form "F" as set forth in Part II of Third Schedule, Profit and Loss Account in accordance with the regulations as contained in Part I and as per Form "B" as set forth in Part II of the Second Schedule, Profit and Loss Appropriation Account in accordance with regulations as contained in Part I and as per Form "C" as set forth in Part II of the Second Schedule of the Insurance Act, 1938 as amended Insurance Act, 2010. The Classified Summary of the Assets has been prepared in accordance with Form "AA" as set forth in Part II of the First Schedule.

2.05 Consolidation

A separate set of records for consolidation of the statement of affairs and income and expense statement of the branches was maintained at the Head Office of the company based on which these financial statements have been prepared. All significant inter branch transactions are eliminated on consolidation.

2.06 Basis of Measurement

The financial statements have been prepared based on the accrual basis of accounting and prepare under the historical cost convention except for the revaluation of certain non current assets which are stated either at revaluated amount or fair market value as explained in the accompanying notes.

2.07 Accrual basis of Accounting

The Company prepares its financial statements, except for cash flow information, using the accrual basis of accounting. Since the accrual basis of accounting is used, the company recognizes items as assets, liabilities, equity, income and expenses (the elements of financial statements) when they satisfy the definitions and recognition criteria for those elements in the IFRS conceptual Framework.

2.08 Functional and Presentation Currency

Functional and presentation currency items included in these financial statements are measured using the currency of the primary economic environment in which the company operates ('the functional currency'). These financial statements are presented in Bangladesh Taka ("BDT") which is also the functional currency of the company. The amounts in these financial statements have been rounded off to the nearest BDT except otherwise indicated.

2.09 Key Accounting Estimates and Judgments in Applying Accounting Policies

The preparation of financial statements in conformity with International Financial Reporting Standards including IAS's requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses and for contingent assets and liabilities that require disclosure during and at the date of the financial statements. Actual results may differ from these estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions of accounting estimates are recognized in the period in which the estimate is revised and in any future periods affected as required by IAS 8: "Accounting Policies, Changes in Accounting Estimates and Errors".

In particular, the key areas of estimation, uncertainty and critical judgments in applying accounting policies that have the most significant effect on the amounts recognized in the financial statements include accrued expenses, inventory valuation and other payables.

2.10 Materiality, Aggregation and Off Setting

Each material item as considered by management significant has been displayed separately in the financial statements. No amount has been set off unless the Company has legal right to set off the amounts and intends to settle on net basis. Income and expenses are presented on a net basis only when permitted by the relevant accounting standards. The values of assets or liabilities as shown in the statement of financial position are not off-set by way of deduction from another liability or asset unless there exist a legal right, therefore no such incident existed during the year.

2.11 Going Concern Assumption

The financial statements are prepared on the basis of going concern assumption. As per management assessment there is no material uncertainties related to events or conditions which may cast significant doubt upon the Company's ability to continue as a going concern.

2.12 Comparative Information

Comparative information has been disclosed in respect of 2018-2019 in accordance with IAS-1 "Presentation of Financial Statements" for all numeric information in the financial statements and also the narrative and descriptive information where it is relevant for understanding of the current periods of financial statements. Prior year figure has been re-arranged wherever considered necessary to ensure comparability with the current period.

2.13 Events after the Reporting Period

Where necessary all the material events after the reporting period have been considered and appropriate adjustment/disclosure have been made in the financial statements.

2.14 Responsibility for Preparation and Presentation of Financial Statements

The Board of Directors is responsible for the preparation and presentation of the financial statements as per requirements of Companies Act, 1994.

2.15 Reporting Period

The reporting period of the Company covers one year from 1st day of January, 2019 to 31st December, 2019.

2.16 Approval of Financial Statements

The financial statements have been approved by the Board of Directors on the 22nd day of June, 2020.

3.00 Significant Accounting Principles and Policies selected and applied for significant transactions and events

For significant transactions and events that have material effect, the Company's Directors selected and applied significant accounting principals and policies within the framework of IAS-1 Presentation of Financial Statements in preparation and presentation of financial statements that have been consistently applied throughout the year and were also consistent with those use in earlier years.

For proper understanding of the financial statements, accounting policies set out below in one place as prescribed by the IAS Presentation of Financial Statements:

Assets and Basis of their Valuation

3.01 Property, Plant and Equipments

3.01.1 Recognition and Measurements

These are capitalized at 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 inclusive of inward freight, duties and non-refundable taxes.

In a situation where it can clearly be demonstrated that expenditure has resulted in an increase in 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.

Cost also includes initial estimate of the costs of dismantling, removing the item and restoring this site (generally called asset retirement obligation) are recognized and measured in accordance with IAS 37: Provision, Contingent Liabilities and Contingent Assets.

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

3.01.2 Maintenance Activities

Expenditure incurred after the assets have been put into operation, such as repairs & maintenance is normally charged off as revenue expenditure in the year in which it is incurred.

3.01.3 Subsequent Cost

The Cost of replacing part of an item of property, plant & equipment is recognized in the carrying amount of the item if it is possible that the future economic benefits embodied within the part will flow to the company and its cost measured reliably. The cost of the day to day servicing of property and equipment are recognized in the Statement of Profit or Loss and Other Comprehensive Income as repairs and maintenance where it is incurred.

3.01.4 Depreciation on Tangible Fixed Assets

As required in Paragraph 43 of IAS-16 Property and Equipment, depreciation in respect of all fixed assets 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 excepting land is computed using diminishing balance method in amount sufficient to write-off depreciable assets over their estimated useful life. Depreciation has been charged on additions and when it is used. Expenditure for maintenance and repairs are expenses; major replacements, renewals and betterment are capitalized.

The cost and accumulated depreciation of depreciable assets retired or otherwise disposed off are eliminated from the assets and accumulated depreciation and any gain or loss on such disposal is reflected in the Statement of Profit or Loss Account for the year ended. The annual depreciation rates applicable to the principal categories are:

Category of Fixed Assets	Rate of Depreciation
Building	5%
Office Equipments	20%
Furniture & Fixtures	10%
Office Decoration	30%
Books & Periodicals	20%
Car/ Motor Vehicles	25%
Telephone Installation	15%

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

3.01.5 Disposal of Property, Plant and Equipment

An item of Property, Plant and Equipment is removed from the statement of financial position when it is disposed off or when no future economic benefits are expected from its use or disposal. The gain or loss on the disposal of an item of Property, Plant and Equipment is included in the statement of income of the period in which the de-recognition occurs.

3.01.6 Impairment

The carrying amounts of property, plant and equipment are reviewed at each balance sheet date to determine whether there is any indication of impairment loss. If any such indication exists, recoverable amount is estimated to determine the extent of the impairment loss, if any, impairment loss is recorded on judgmental basis, for which provision may differ in the future years based on the actual experience.

3.02 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 also reflects the income on account of interest on investment in FDR, Bond, Shares and Miscellaneous Income.

It may be mentioned here that a fluctuation reserve has been created in order to equalize the price go down below the cost price of the shares. During the year under audit loss on realization of investment in shares for price go down below the cost price of the shares has been charged directly to statement of other comprehensive income in order to equalize the price of the shares.

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

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

3.04 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.

3.05 Inventories

In compliance with the requirement of IAS 2 "Inventories", inventories are stated at the lower of cost and net realizable value.

Net realizable value is based on estimated selling price less any further cost expected to be incurred to make the sale. The amount recognized in the financial statements has been valued by the management considering the above method.

3.06 Revenue Recognition

In compliance with the requirements of IFRS 15 "Revenue" is recognized to the extent that it is probable that the economic benefits will flow to the entity and the revenue can be reliably measured. Revenue represents invoiced value of policies. Revenue recognized when the policies are made.

The Company recognizes as revenue the amount that reflects the consideration to which the Company expects to be entitled in exchange for goods or services when (or as) it transfers control to the customer. To achieve that core principle, this standard establishes a five-step model as follows:

- * Identify the contract with a customer;
- * Identify the performance obligations in the contract;
- * Determine the transaction price;
- * Allocate the transaction price to the performance obligations in the contract; and
- * Recognize revenue when (or as) the entity satisfies a performance obligation.

Considering the five steps model, the company recognizes revenue when (or as) the Company satisfies a performance obligation by transferring a promised goods to a customer. Goods is considered as transferred when (or as) the customer obtains control of that goods. Revenue from sale of goods is measured at the fair value of the consideration received or receivable net of returns and allowances, trade discounts, rebates and Value Added Tax (VAT).

- 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.

- 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.

- 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.

- Management Expenses

The management expenses charged to Revenue Account amounting to Tk. 149,161,052 represent approximately 28.66% of Gross Premium of Tk. 520,464,425 (including public sector business). The said management expenses have been apportioned 35.22% to fire, 32.68% to marine (cargo & hull), 14.65% to motor, 17.45% to miscellaneous business as per activity/Premium Income.

3.07 Cash and Cash Equivalents

For the purposes of the Statement of Financial Position and Cash Flows, cash in hand and bank balances represents cash and cash equivalents considering the IAS 1 "Presentation of Financial Statements" and IAS 7 "Cash Flow Statement" which provide, that cash and cash equivalents are readily convertible to known amounts of cash and are subject to an in significant risks of changes in value and are not restricted as to use.

3.08 Statement of Cash Flows

The Statement of Cash Flow has been prepared in accordance with the requirements IAS 7: Statement of Cash Flows. The cash generated from operating activities has been presented using the Direct Method as prescribed by the Securities and Exchange Rules, 1987 and considering the provisions of Paragraph 19 of IAS 7 which provided that "Enterprises are Encouraged to Report Cash Flow From Operating Activities Using the Direct Method".

The Board of Director of Bangladesh National Insurance Company Limited in its meeting held on 12.03.2020 decided to reclassify its cash flows for interest received on STD/SND and FDR. The Company operates its STD/SND and FDR accounts maintained for operating activities and thus management considered the income from these accounts are operating activities as per IAS 7 and consequently the Board of Directors of the Company reclassify interest received on STD/SND and FDR from investing activities to operating activities and prior year's cash flows also reclassify accordingly to conform with current year's presentation.

3.09 Operating Segments

No operating segment is applicable for the Company as required by IFRS 8: Operating Segments as the Company has only one operating segments and the operation of Company is within the geographical territory in Bangladesh.

3.10 Taxation

Income Tax expense comprises current and deferred taxes. Income tax expense is recognized in profit or loss except to the extent that it relates to items recognized directly in equity, in which case it is recognized in equity in accordance with IAS 12: Income Tax.

(a) 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 the publicly traded Insurance Company. It also includes adjustments for earlier year's short/excess provision.

(b) Deferred Tax

Deferred tax is recognized on differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit, and are accounted for using the balance sheet liability method.

Deferred tax liabilities are generally recognized for all taxable temporary differences and deferred tax assets are recognized to the extent that it is probable that the taxable profits will be available against which deductible temporary differences, unused tax losses or unused tax credits can be utilized. Such assets and liabilities are not recognized if the temporary difference arises from goodwill or from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the taxable profit nor accounting profit.

Considering the practices generally followed in Bangladesh the company have been reserved deferred tax assets or deferred tax liabilities in accordance with IAS 12 "Income Tax".

(c) Provision for Income Tax

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

3.11 Dividend

12% Cash Dividend has been paid for the year 2018.

3.12 Cost of Post Employment Benefits

The company maintains a defined contribution plan for its eligible permanent employees. The eligibility is determined according to the terms and conditions set forth in the trust deed and rules. The plan is funded and recognized / approved under Income Tax Ordinance, 1984 by the National Board of Revenue (NBR).

(i) Contributory Provident Fund

The company has a contributory provident fund for its regular employees. The fund is approved by the National Board of Revenue (NBR), administered separately by a Board of Trustees and is contributed equally by the Company and the employees.

(ii) Incentive Bonus

The company has a policy namely incentive bonus scheme for its employees who meets certain criteria based on their annual performance bonus ascertained on net profit with approval in the Annual General Meeting and the expenses accounted for in the year to which same relates.

(iii) Worker's Profit Participant Fund

Worker's Profit Participation Fund has been created by the Company which is five percent (5%) of net profit before tax after charging the contribution to WPPF as per Section 232, 233, 234, 235, 240, 241, 242, 243, 248, 249 and 250 of the Bangladesh Labour Law 2012. Under this law a trusty board is formed and registered for maintenance of this fund.

3.13 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.

3.14 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.

3.15 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.

3.16 Capitalization of Borrowing Costs

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalized as part of the cost of the asset. All other borrowing costs are expensed in the period in which they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds as per IAS 23: Borrowing Costs.

3.17 Accruals, Provisions and Contingencies

(a) Accruals

Accruals are liabilities to pay for goods or services that have been received or supplied but have not been paid, invoiced or formally agreed with the supplier, including amounts due to employees. Accruals are reported as part of trade and other payables.

(b) Provisions

A provision is recognised in the statement of financial position when the company has a legal or constructive obligation as a result of a past event, it is probable that an outflow of economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Provision is ordinarily measured at the best estimate of the expenditure required to settle the present obligation at the reporting date. Where the company expects some or all of a provision to be reimbursed, the reimbursement is recognized as a separate asset but only when the reimbursement is virtually certain. The expense relating to any provision is presented in the income statement net of any reimbursement. If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, where appropriate, the risks specific to the liability. Where discounting is used, the increase in the provision due to the passage of time is recognized as a finance cost. During the reporting year the company has made sufficient provisions where applicable.

(c) Contingencies

A contingent liability is a possible obligation that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the company; or a present obligation that arises from past events but is not recognized because it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation; or the amount of the obligation cannot be measured with sufficient reliability.

A contingent asset is a possible asset that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the company. At the reporting date the company does not have any contingent asset.

Contingent liabilities and assets are not recognized in the statement of financial position of the company.

3.18 Earnings per Share (EPS)

Earnings Per Share (EPS) are calculated in accordance with the International Accounting Standard IAS-33 "Earnings Per Share".

Basic Earnings Per Share

Basic earnings per share is calculated by dividing the profit or loss attributable to ordinary equity holders of the entity by the weighted average number of ordinary shares outstanding during the year. The Basic EPS of previous year has been restated to adjust the effect of bonus issue of shares during the year.

Diluted Earnings Per Share

For the purpose of calculating diluted earnings per shares, an entity adjusts profit or loss attributable to each ordinary equity holders of the entity, and weighted average number of shares outstanding, for the effects of all dilutive potential ordinary shares.

Diluted EPS is only calculated where the company has commitment to issue ordinary shares in future at reporting date. No such commitment is hold by company at reporting date.

3.19 Reserve for Exceptional Losses

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

3.20 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.

3.21 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.

3.22 Related Party Disclosure

As per International Accounting Standard, IAS-24: 'Related Party Disclosures', parties are considered to be related if one of the parties has the ability to control the other party or exercise significant influence over the other party in making financial and operating decisions. The Company carried out transactions in the ordinary course of business on an arm's length basis at commercial rates with its related parties. Related party disclosures have been given in Note 32.

3.23 Statement of Profit or Loss and Other Comprehensive Income

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

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

3.24 Classified Summary of Assets

The valuation of all assets as at 31st December, 2019 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.

3.25 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, 2018 to 30th Sept, 2018	3rd Quarter of 2018	1 (One)
1st Oct, 2018 to 31st December, 2018	4th Quarter of 2018	1 (One)
1st Jan, 2019 to 31st March , 2019	1st Quarter of 2019	1 (One)
1st April, 2019 to 30th June , 2019	2nd Quarter of 2019	1 (One)
Total		4 (Four)

4.00 Number of Employees

There were 329 Employees at the period ended for 31st December, 2019 whose salary exceeds Tk. 6,000.00 per month.

Particulars	No. of Employees
Chief Executive Officer	1
Deputy Managing Director	6
Assistant Managing Director	2
Chief Financial Officer	1
Senior General Manager	6
General Manager	19
Senior Deputy General Manager	4
Deputy General Manager & Company Secretary	1
Deputy General Manager	16
Senior Assistant General Manager	1
Assistant General Manager	29
Officers	176
Other Employees	67
Total	329

5.00 General

These notes form an integral part of the financial statements and accordingly are to be read in conjunction therewith. Figures shown in the accounts have been rounded off to the nearest taka.

6.00 SHARE CAPITAL

Authorized Share Capital

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

Issued, Subscribed and Paid Up Capital

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

As detailed below :

AMOUNT (TK.)	
31.12.2019	31.12.2018
1,000,000,000	1,000,000,000
442,500,000	442,500,000

Particulars	2019		2018	
	%	Taka	%	Taka
Group-A Sponsors & Directors:				
2,23,48,334 Ordinary Shares of Tk. 10 each fully Paid in cash	50.50	223,483,340	50.74	224,570,940
Group-B Others:				
2,19,01,666 Ordinary Shares of Tk. 10 each fully Paid in cash	49.50	219,016,660	49.26	217,929,060
1) Institute:	5.81	25,668,620	1.36	6,006,050
2) Foreign:	0.07	330,430	0.17	719,420
3) General Public:	43.62	193,017,610	47.73	211,203,590
Total	100.00	442,500,000	100.00	442,500,000

Classification of Shareholder's by Holding

The distribution schedule as of 31st December, 2019 showing the number of shareholders and their shareholding in percentages is disclosed below as requirement of the "Listing Regulation" of Dhaka Stock Exchange Ltd. (DSE) and Chittagong Stock Exchange Ltd. (CSE):

Range of Holdings in Number of Shares	Number of Shareholders		Total Holding%	
	2019	2018	2019	2018
Group-A				
Less than 5000 shares	-	4	-	0.01
50,001-5,00,000	-	1	-	0.23
5,00,001-10,00,000	6	6	12.83	12.83
10,00,001-20,00,000	3	1	8.03	2.61
20,00,001-45,00,000	4	6	29.64	35.06
Group-B				
Less than 5000 shares	2,514	3,163	5.58	6.63
5,001-10,000	239	217	4.28	3.82
10,001-50,000	250	207	13.10	10.26
50,001-1,00,000	43	42	7.07	6.87
1,00,001-2,00,000	20	14	6.26	4.93
2,00,001-5,00,000	4	5	2.53	4.05
5,00,001-10,00,000	3	3	5.67	5.40
10,00,001-20,00,000	2	3	5.01	7.30
Total	3,088.00	3,672	100.00	100.00

7.00 Reserve or Contingency Account

This is made up as follows:

Reserve for Exceptional Losses (7.01)

Investment Fluctuation Reserve (7.02)

Retained Earnings (7.03)

400,428,443	334,915,981
305,137,512	268,964,398
8,719,509	-
86,571,422	85,951,583
40,04,28,443	354,915,981

7.01 Reserve for Exceptional Losses

This is made up as follows:

Opening Balance

Add: During the year

Total

305,137,512	268,964,398
268,964,398	231,762,034
36,173,114	37,202,364
305,137,512	268,964,398

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. 305,137,512 against net premium income earned during the year as detailed below:

Fire Insurance	103,127,352	135,119,025
Marine Cargo Insurance Business	127,870,386	103,918,126
Marine Hull Insurance Business	7,226,246	1,845,698
Motor Insurance	75,055,699	82,633,522
Miscellaneous Insurance Business	48,451,456	48,507,272
Total	361,731,138	372,023,643

		AMOUNT (TK.)		
		31.12.2019	31.12.2018	
7.02	Investment Fluctuation Reserve	8,719,509	-	
	This is made up as follows:	-	-	
	Opening Balance	8,719,509	-	
	Add: Provision during the year	8,719,509	-	
		86,571,422	85,951,583	
7.03	Retained Earnings	85,951,583	80,323,631	
	This is made up as follows:	126,856,936	115,896,311	
	Opening Balance	(217,770)	474,112	
	Add: Profit for the year	212,590,749	196,694,054	
	Add : Deferred Tax Income (Note: 12.00)	126,019,327	110,742,471	
		36,173,114	37,202,364	
	Less: Reserve & Provisions:	-	-	
	Reserve for Exceptional Losses	36,746,213	29,290,107	
	Provision for Investment Fluctuation Reserve	53,100,000	44,250,000	
	Provision for Income Tax	86,571,422	85,951,583	
	Dividend Paid			
		149,028,203	149,916,876	
8.00	Balance of Funds and Accounts			
This represents Reserve for un-expired risks provided against the Net Premium Income including Public Sector Business of the year at the rate of 40% on different classes of business except Marine Hull Insurance for which 100% as shown below:				
Classes of Business		Percentage	Amount (Tk.)	Amount (Tk.)
Fire		40%	41,250,941	54,047,610
Marine Cargo		40%	51,148,154	41,567,250
Marine Hull		100%	7,226,246	1,845,698
Motor		40%	30,022,280	33,053,409
Miscellaneous		40%	19,380,582	19,402,909
Total			149,028,203	149,916,876
9.00	Premium Deposits Account	15,007,609	12,863,818	
	Class of Business:	15,007,609	12,863,818	
	Marine Cargo Insurance	15,007,609	12,863,818	
Balance on this account represents net premium received against cover notes for which no policy has been issued within 31st December, 2019.				
10.00	Sundry Creditors Including Provision for Expenses and Taxes	191,502,467	148,473,425	
	The balance is made as under:	2,719,680	2,001,101	
	Liability for Agency Commission	444,280	172,800	
	Income Tax Deducted on Salary	2,446,479	-	
	Provision for Salary	1,339,750	132,250	
	Provision for Audit Fees	170,346,354	133,600,141	
	Provision for Income Tax (Company)	4,539,120	2,629,831	
	Provision for VAT/ VAT Payable	1,234,572	1,234,572	
	Liability for Insurance Stamp	1,438,755	2,834,930	
	Provision for Bills Payable	214,658	-	
	Provision for Provident Fund	6,778,819	5,867,800	
	Worker's Profit Participation Fund (10.01)	191,502,467	148,473,425	
		6,778,819	5,867,800	
10.01	Worker's Profit Participation Fund	5,867,800	4,719,767	
	This is made up as follows:	6,778,819	5,867,800	
	Opening Worker's Profit Participation Fund	12,646,619	10,587,567	
	Add: During the year worker's profit participation fund	5,867,800	4,719,767	
		6,778,819	5,867,800	
	Less: Paid			

		AMOUNT (TK.)	
		31.12.2019	31.12.2018
11.00	Amount due to Other Persons or Bodies Carrying on Insurance Business	23,499,804	55,327,230
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
	Sub Total	388,527	388,527
B. Re-Insurance Creditors (SBC)			
	Sub Total	23,111,277	54,938,703
	Total (A+B)	23,499,804	55,327,230
12.00	Deferred Tax Liabilities	5,324,566	4,311,476
a) Deferrd Tax Liabilities are arrived at as follows :			
	Book value of Depreciable Fixed Assets	267,469,252	254,674,521
	Less: Tax Base Value	253,270,408	243,177,251
	Taxable Temporary Difference	14,198,844	11,497,270
	Applicable Tax Rate	37.50%	37.50%
	Deferred Tax (Assets) / Liabilites	5,324,566	4,311,476
b) Deferred Tax Expenses/ (Income)			
	Opening Deferred Tax Liabilites	4,311,476	4,785,588
	Add: Adjustment	795,321	-
	Closing Deferred Tax Liabilites	5,324,566	4,311,476
	Deferred Tax Income/(Expenses)	(217,770)	474,112
13.00	Estimated Liabilities in Respect of Outstanding Claims whether Due or Intimated	161,493,512	158,070,378

The break up of the above amount is noted below:

CLASSES OF BUSINESS	PRIVATE SECTOR	PUBLIC SECTOR	TOTAL 31.12.2019	TOTAL 31.12.2018
Fire	54,444,116	-	54,444,116	38,524,926
Marine Cargo	51,855,004	-	51,855,004	62,835,387
Motor	53,894,392	-	53,894,392	54,709,098
Miscellaneous	1,300,000	-	1,300,000	2,000,967
Total	161,493,512	-	161,493,512	158,070,378

PROPERTY & ASSETS

14.00	Investments at Cost	25,000,000	25,000,000
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The above amount represents the value of 10 (Ten) years Bangladesh Govt. Treasury Bond at cost kept with National Credit & Commerce Bank Ltd. according to the provision of Section 23 (B) of Insurance Act, 2010 (The 1st Schedule item 2 (B) as detailed below:

Particulars	Amount (Tk.) 31.12.2019	Amount (Tk.) 31.12.2018
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	9,000,000	9,000,000
1 No. 10 (Ten) years Bangladesh Govt. Treasury Bond at Face Value of Tk. 1,60,00,000 each vide instrument ID BD0923341103 Date 13-03-2013 BP ID BDNICCNCC BP Tk. 1,60,00,000	16,000,000	16,000,000
Total	25,000,000	25,000,000

It is noted that the above investment to be renewed after the expiration of the above mentioned 10 (Ten) years period.

AMOUNT (TK.)	
31.12.2019	31.12.2018

15.00 Investment in Shares

64,655,577

54,090,622

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

Name of the Company	31.12.2019				Market Value 31.12.2019
	No. of Shares	Value at Cost Per Share	Acquisition cost	Market value Per Share	
A. Listed Securities at cost:					
BD Finance & Inv. Co, Ltd.	33519	6.21	208,153	9.80	328,486
GP	46075	324.94	14,971,642	281.40	12,965,505
ANDTEL	18968	30.00	569,040	27.00	512,136
Coopertech	4978	9.52	47,410	23.80	118,476
MJL BD	131000	113.23	14,816,353	64.90	8,501,900
Esquirent	41780	45.00	1,880,100	28.30	1,182,374
Genexll	392	8.70	3,409	68.30	26,774
Newine	4282	9.35	40,023	15.00	64,230
One Bank Ltd.	110000	16.98	1,867,566	10.10	1,111,000
Runner Auto	7566	71.43	540,450	60.60	458,500
Seapearl	3916	9.53	37,300	41.40	162,122
Silcophl	4376	9.09	39,783	30.20	132,155
SPCL	35700	107.55	3,839,692	70.00	2,499,000
Uttara Bank Ltd.	517015	31.85	16,465,910	27.00	13,959,405
Silvaphl	11550	16.90	195,206	16.90	195,195
IPO Share:					-
Balance with Stock Broker	0	0	-		438,319
Sub Total	971117	810.28	55,522,037	774.70	42,655,577
B.Unlisted Securities at cost:					
Energyprima Ltd.	200000	110	22,000,000		22,000,000
Sub Total					22,000,000
Total (A+B)			77,522,037		64,655,577

16.00 Interest Accrued but no Due (On FDR & Bangladesh Govt. Treasury Bond)

28,009,773

25,817,563

This is made up as follows:

Interest on FDR 16.01

27,026,703

24,834,493

Interest on BGTB 16.02

983,070

983,070

Total**28,009,773****25,817,563**

16.01 Interest on FDR

27,026,703

24,834,493

This is made up as follows:

Interest Income

65,200,553

59,291,657

Add: Interest Accrued Last year

24,834,493

23,762,944

90,035,046

83,054,601

Less: Collection Interest during the year

63,008,344

58,220,108

Interest Accrued during the year

27,026,703

24,834,493

16.02 Interest on BGTB

983,070

983,070

This is made up as follows:

Interest Income

2,957,500

2,957,500

Add: Interest Accrued Last year

983,070

983,070

3,940,570

3,940,570

Less: Collection Interest during the year

2,957,500

2,957,500

Interest Accrued during the year

983,070

983,070

		AMOUNT (TK.)	
		31.12.2019	31.12.2018
17.00	Amount Due from Other Persons or Bodies Carrying on Insurance Business	1,200,851	1,200,851
The above amount represents the total receivable from various persons or bodies carrying on insurance business as co-insurance as on 31st December, 2019. 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
Grand Total		1,200,851	1,200,851
18.00	Sundry Debtors (Including Advances Deposits & Pre-payments)	172,302,950	127,898,143
The break up of the above is as under:			
Particulars	Period	Amount (Tk.) 31.12.2019	Amount (Tk.) 31.12.2018
Deposit Clearing	0-1 Month	15,579,910	7,790,555
Rental Income Receivable	1-3 Month	233,450	375,950
Security Deposits Against Telephone	12 Month above	58,000	58,000
Advance against Office Rent	12 Month above	9,185,989	2,898,093
Advance against Salary	12 Month above	270,094	141,454
Advance Income Tax (Company)	12 Month above	146,105,507	115,764,091
Income Tax Paid Against Protest	12 Month above	870,000	870,000
Total		172,302,950	127,898,143
19.00	Cash and Bank Balances	829,206,696	836,428,124
The above amount is made up as follows:			
Fixed Deposit Receipts (Annexure-A)		765,768,439	747,312,245
Short Term Deposit Account (Annexure-B)		59,029,630	87,192,981
Cash in Hand (Annexure-C)		4,017,828	1,651,428
Stamps in Hand		390,800	271,470
Total		829,206,696	836,428,124
Fixed Deposit Receipts (FDR) :			
FDR issued by different Bank in favour of the Company.			
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.			
20.00	Fixed Assets Less Depreciation (Annexure - D)	267,469,252	255,059,360
This is arrived at as under:			
Cost as on 1st January, 2019		332,306,991	168,237,270
Add: Addition during the year		24,516,970	166,709,721
Less: Sales during the year		2,375,000	2,640,000
		354,448,961	332,306,991
Less: Depreciation:			
Depreciation as on 1st January, 2019		77,247,631	67,675,920
Depreciation charged during the year		11,699,336	12,142,795
Accumulation depreciation		1,967,257	2,571,084
		86,979,709	77,247,631
Balance as on 31st December, 2019		267,469,252	255,059,360

		AMOUNT (TK.)	
		31.12.2019	31.12.2018
21.00	Stock of Stationery	939,507	884,520
This is made up as follows:			
Balance as on 01.01.2019		884,520	655,420
Add : Purchase during the year		1,814,450	1,452,920
		2,698,970	2,108,340
Less : Consumed during the year		1,759,463	1,223,820
Balance as on 31.12.2019		939,507	884,520
22.00	Interest on FDR, STD and BGTB	69,376,389	63,882,350
This is made up as follows:			
Interest on STD Account		1,218,335	1,633,193
Interest on FDR		65,200,553	59,291,657
Interest on BGTB		2,957,500	2,957,500
Total		69,376,389	63,882,350
23.00	Allocation of Management Expenses (Applicable to Fund)	149,161,052	98,637,389

This is made up as follows:

NAME OF BUSINESS	APPORTIONED EXPENSES	DIRECT CHARGE	AMOUNT (TK.) 31.12.2019	AMOUNT (TK.) 31.12.2018
Fire	52,534,522	-	52,534,522	38,330,489
Marine Cargo	46,582,997	-	46,582,997	25,507,629
Marine Hull	2,162,835	-	2,162,835	394,550
Motor	21,852,094	-	21,852,094	16,827,538
Miscellaneous	26,028,604	-	26,028,604	17,577,183
Total	149,161,052	-	149,161,052	98,637,389

24.00	Agency Commission	66,569,604	65,258,671
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Class wise Agency Commission are as follows:

CLASS OF BUSINESS	DIRECT	GOVT.	AMOUNT (TK.) 31.12.2019	AMOUNT (TK.) 31.12.2018
Fire	25,608,796	-	25,608,796	27,925,722
Marine Cargo	21,126,845	-	21,126,845	17,109,150
Marine Hull	1,076,636	-	1,076,636	270,863
Motor	11,039,811	-	11,039,811	12,469,117
Miscellaneous	7,717,516	-	7,717,516	7,483,819
Total	66,569,604	-	66,569,604	65,258,671

25.00	Gross Premium Income	520,464,425	501,908,044
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Class wise Private & Govt. Gross Premium Income are as follows:

CLASS OF BUSINESS	DIRECT	GOVT.	AMOUNT (TK.) 31.12.2019	AMOUNT (TK.) 31.12.2018
Fire	170,725,308	12,576,881	183,302,189	195,023,124
Marine Cargo	140,845,634	21,699,935	162,545,569	129,813,514
Marine Hull	7,177,575	365,901	7,543,476	1,995,183
Motor	73,598,741	2,643,048	76,241,789	85,629,601
Miscellaneous	51,450,105	39,381,298	90,831,403	89,446,622
Total	443,797,363	76,667,062	520,464,425	501,908,044

26.00	Net Premium Income	AMOUNT (TK.)				
		31.12.2019				
Premium Income	Fire	Marine	Marine (H)	Motor	Miscellaneous	Amount (Tk.)
PSB	12,576,881	21,699,935	365,901	2,643,048	39,381,298	76,667,062
Private Business: Less Refund	170,725,308	140,845,634	7,177,575	73,598,741	51,450,105	443,797,362
	183,302,189	162,545,569	7,543,476	76,241,789	90,831,403	520,464,425
R/I Premium Accepted	-	-	-	-	-	-
	183,302,189	162,545,569	7,543,476	76,241,789	90,831,403	520,464,425
R/I Premium Ceded	80,174,838	34,675,182	317,230	1,186,090	42,379,946	158,733,285
Premium Less Reinsurance	103,127,352	127,870,386	7,226,246	75,055,699	48,451,456	361,731,138

						AMOUNT (TK.)
						31.12.2018
Premium Income	Fire	Marine	Marine (H)	Motor	Miscellaneous	Amount (Tk.)
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	135,119,025	103,918,126	1,845,698	82,633,522	48,507,272	372,023,643

27.00 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

28.00 Earnings per Share (EPS) as per IAS 33

Basic Earnings Per Share (EPS)

Basic EPS =
$$\frac{\text{Net profit after tax}}{\text{No. of Shares during the year}}$$

EPS =

Earning Per Share (EPS) has been increased during the year 2019 due to increase of interest on FDR and rental income.

Computation of Earnings Attributable to Ordinary Shareholders:

Net Profit before Tax

Add: Deferred Tax Income

Less: Provision for Income Tax

Profit After Tax

29.00 Notes on Cash Flow from Operating Activities

29.01 Collection from Premium and Other Income:

Interest, Profit, Dividend, Premium, Commission etc.

Opening Interest, profit, dividend

Sundry Debtors (Opening)

Closing Interest, Profit, Dividend

Sundry Debtors (Closing)

29.02 Payment for Management Expenses, Re-Insurance & Claims

Management Expenses

Premium Deposits (Opening)

Amount due to Other Persons or Bodies Carrying on Insurance Business(Opening)

Sundry Creditors (Opening)

Investment Fluctuation Reserve

Premium Deposits (Closing)

Amount due to Other Persons or Bodies Carrying on Insurance Business(Closing)

Sundry Creditors (Closing)

Printing & Stationery Purchase

AMOUNT (TK.)	
31.12.2019	31.12.2018
36,746,213	29,290,107
135,576,445	117,356,032
36,173,114	37,202,364
1,584,593	2,522,713
1,123,257	1,449,084
38,880,964	41,174,161
96,695,481	76,181,871
36,260,805	28,568,202
316,919	504,543
168,489	217,363
36,746,213	29,290,107
2.23	2.00
98,612,463	88,540,036
44,250,000	44,250,000
2.23	2.00

135,576,445	117,356,032
(2,17,770)	474,112
36,746,213	29,290,107
98,612,463	88,540,036
64,322,449	118,771,261
395,791,110	412,238,686
412,046,710	415,611,947
25,817,563	24,746,014
11,264,052	8,932,340
(28,009,773)	(25,817,563)
(25,327,443)	(11,234,052)
395,791,110	412,238,686
361,678,334	327,567,614
329,841,765	338,420,603
12,863,818	10,303,234
55,327,230	45,972,566
14,873,284	16,164,643
8,719,509	-
(15,007,609)	(12,863,818)
(23,499,804)	(55,327,230)
(21,494,846)	(14,873,284)
54,987	(229,100)
361,678,334	327,567,614

		AMOUNT (TK.)	
		31.12.2019	31.12.2018
29.03	Income Tax Paid	30,341,416	22,074,894
29.04	Payment to Worker's Profit Participation Fund	5,867,800	4,719,767
29.05	Interest Received on STD/SND	66,418,889	63,846,700
30.00	Intrinsic Value or Net Assets Value	19.05	18.02
This is made up as follows:			
A. ASSETS:			
	Investment at cost	25,000,000	25,000,000
	Investment in Shares	64,655,577	54,090,622
	Interest Accrued but not due	28,009,773	25,817,563
	Amount due from other persons or bodies carrying on Insurance Business	1,200,851	1,200,851
	Sundry Debtors (Including Advances, Deposits & Prepayments)	172,302,950	127,898,143
	Cash and Bank Balances (including stock of stamp)	829,206,696	836,428,124
	Fixed Assets and Stock of Stationary	268,408,759	255,943,880
	Sub Total	1,388,784,605	1,326,379,184
B. LESS LIABILITIES:			
	Balance of Funds and Accounts	149,028,203	149,916,876
	Estimated Liabilities in respect of outstanding claims whether due or intimated	161,493,512	158,070,378
	Amount due to other persons or bodies carrying on Insurance Business	23,499,804	55,327,230
	Sundry Creditors (Including provision for expenses, Taxes)	191,502,467	148,473,425
	Premium Deposit Account	15,007,609	12,863,818
	Deferred Tax Liability	5,324,566	4,311,476
	Sub Total	545,856,161	528,963,203
	Total Net Assets (A-B)	842,928,444	797,415,981
	No. of Shares	44,250,000	44,250,000
	Intrinsic Value/ Net Assets Value per Share (NAV)	19.05	18.02

Increase in NAV has been arised due to Increase in Investment in Shares and Fixed Assets.

31.00 Net Operating Cash Flows Per Share (NOCFPS)

Net Cash provided by operating activities	64,322,449	118,771,261
Divided by no. of Ordinary Shares outstanding during the year	44,250,000	44,250,000
	1.45	2.68

Decrease in NOCFPS has been arised due to decrease in collection of revenue income and increase in percentage of operating expenses.

31.01 Reconciliation of Cash Flows from Operating Activities under

Indirect Method

Net Profit / (Loss) before Interest and Income Tax during the year (PBT)

Adjustments to reconcile Net Income to Net Cash provided by Operating Activities:

Depreciation	11,699,336	12,142,795
Dividend Income	(1,584,593)	(2,522,713)
Profit on Sales of Fixed Assets	(1,531,000)	(1,518,000)
Interest received on BGTB	(2,957,500)	(2,957,500)
	5,626,243	5,144,582
Changes in Operating Assets	-	-
Increase/(Decrease) the Balance of Fund	(888,673)	(443,322)
Increase/(Decrease) in Accrued Interest	(2,192,210)	(1,071,549)
Increase/(Decrease) in Advance, Deposits and Pre-payments	(14,063,390)	(2,331,712)
Increase/(Decrease) the Premium Deposit	2,143,791	2,560,584
Decrease/(Increase) of Amount due from Other Persons or Bodies	(31,827,426)	12,143,192
Increase/(Decrease) of Sundry Creditor	5,530,473	(1,291,359)
Increase/(Decrease) of Outstanding Claims	3,423,134	8,550,607
Investment Fluctuation Reserve	(8,719,509)	-
Tax Paid during the year	(30,341,416)	(22,074,894)
Increase/(Decrease) Stock of Stationery	54,987	229,100
	(76,880,239)	(3,729,353)
Net Cash Generated Operating Activities	64,322,449	118,771,261

AMOUNT (TK.)	
31.12.2019	31.12.2018

32.00 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		
Financial Assets				
Bangladesh Govt. Treasury Bond	-	25,000,000	-	25,000,000
Investment in FDR	765,768,439	-	-	765,768,439
Interest accrued but not due	28,009,773	-	-	28,009,773
Sundry Debtors	-	-	172,302,950	172,302,950
Investment in Shares	-	-	64,655,577	64,655,577
Stamp in Hand	-	-	390,800	390,800
Cash at Bank	59,029,630	-	-	59,029,630
Cash and Cash Equivalents	-	-	4,017,828	4,017,828
Total	852,807,841	25,000,000	241,367,155	1,119,174,996
Financial Liabilities				
Outstanding Claims	-	-	161,493,512	161,493,512
Sundry Creditors	-	-	191,502,467	191,502,467
#REF!	-	-	5,324,566	5,324,566
Total	-	-	358,320,546	358,320,546
Net Financial Assets / Liabilities	852,807,841	25,000,000	(116,953,391)	760,854,449

33.00 Related Party Transactions-Disclosure Under IAS 24 "Related Party Disclosure"

During the year, the Company carried out the transactions with related parties in the normal course of business and on an arm's length basis. The name of related parties, relationship, types of transaction and their total value have been set out in accordance with the provisions of IAS 24 "Related Party Disclosures", Transaction with related parties are executed on the some terms as those of other customers of similar credentials and do no involve more than a normal risk.

Sl. No.	Name of Party	Name of Relationship	Nature of Transaction	Transaction Amount (Tk.)
1	Unique Cement Industries Ltd.	Common Directors	Insurance Premium	1,220,653
2	Tanveer Oils Ltd.	Do	Do	152,582
3	United Sugar Mills Ltd.	Do	Do	762,908
4	Meghna Pulp & Paper Mills Ltd.	Do	Do	534,036
5	United Mineral Water & Pet Industries Ltd.	Do	Do	457,745
6	Tanveer Food Ltd.	Do	Do	610,327
7	Unique Power Plant Ltd.	Do	Do	152,582
8	Global Ad Star Bag Industries Ltd.	Do	Do	762,908
9	United Edible Oils Ltd.	Do	Do	610,327
10	Tasnim Chemical Complex Ltd.	Do	Do	381,454
11	Tasnim Condensed Milk Ltd.	Do	Do	457,745
12	Meghna Ship Builders & Dockyard Ltd.	Do	Do	686,618
13	Sonargaon Flour & Dal Mills Ltd.	Do	Do	839,199
14	Sonargaon Salt Industries Ltd.	Do	Do	228,872
15	Meghna Beverage Ltd.	Do	Do	381,454
16	Tanveer Paper Mills Ltd.	Do	Do	534,036
17	Meghna Tea Company Ltd.	Do	Do	228,872
18	Meghna Cement Fibre Industries Ltd.	Do	Do	381,454
19	Meghna Ceramic Industries Ltd.	Do	Do	228,873
20	Meghna Bulk Bag Industries Ltd.	Do	Do	839,199
21	Meghna Noodles & Biscuits Factory Ltd.	Do	Do	305,163
22	Meghna PVA Ltd.	Do	Do	610,327
23	Sonargaon Steel Fabricate Ltd.	Do	Do	686,618
24	Tasnim Chemical Complex Unit-2 Ltd.	Do	Do	610,327
25	Tanveer Printing & Packaging Industries Ltd.	Do	Do	305,164
26	Unique Cement Fibre Industries Ltd.	Do	Do	762,908
27	Meghna Edible Oil Rifinary Ltd.	Do	Do	1,525,817

34.00 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.

Name of Directors	Position	Total Meeting Held	Meeting Attended	Fees Given
Mr. Abdul Baset Mojumder	Chairman	7	7	56,000
Mr. Mostafa Kamal	Vice Chairman	7	7	56,000
Mrs. Beauty Akter	Director	7	7	56,000
Mr. Abdur Rouf	Director	7	7	56,000
Mrs. Tashmina Binte Mostafa	Director	7	7	56,000
Mrs. Tanjima Binte Mostafa	Director	7	7	56,000
Mr. Tanveer Ahmed Mostafa	Director	7	7	56,000
Mr. Taif Bin Yousuf	Director	7	7	56,000
Mr. Yousuf Ali	Director	7	7	56,000
Ms. Tasnim Binte Mostafa	Director	7	7	56,000
Mr. Wasikur Rahman	Director	7	7	56,000
Professor Dr. Mijanur Rahman	Independent Director	7	7	56,000
Mr. Mohammad Salam, FCMA	Independent Director	7	7	56,000
Professor Dr. Gautam Buddah Das	Independent Director	7	7	56,000
Mr. Fakhruddin Ahmed, FCMA, FCA	Independent Director	7	7	56,000
Mr. Monjur Md. Shafiul Azam	Public Director	7	5	40,000
Mr. Md. Ruhul Amin	Public Director	7	5	40,000
Mr. Md. Hasan Rajib Prodhan	Public Director	7	5	40,000
Mr. Mohd. Naim Akhter	Public Director	7	3	24,000
Md. Mozaffor Hossain	Public Director	7	5	40,000
Total				1,024,000

35.00 Payment to Statutory and Special Audit Fees

Statutory Audit	132,250	132,250
Special Audit	1,242,000	-
	<u>1,374,250</u>	<u>132,250</u>

36.00 Contingent Liabilities

The Company is contingently liable as on 31st December, 2019 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	Advance Tax	Contingent Liabilities against Tax	Remarks
1	2	3	4	5	6	7 = (4-5)	7
2005	2006-07	24,292,895	12,414,024	419,444	1,127,699	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	2,153,268	12,778,162	
2007	2008-09	12,960,023	6,099,140	2,458,024	1,637,529	3,641,116	
2008	2009-10	8,132,921	3,549,234	2,036,503	3,154,941	1,512,731	
2009	2010-11	25,493,529	11,789,626	7,504,226	3,414,138	4,285,400	
2010	2011-12	13,277,365	6,217,834	3,149,286	1,357,390	3,068,548	
2011	2012-13	12,640,492	5,931,609	1,232,158	4,368,056	4,699,451	
2012	2013-14	20,482,624	9,330,457	4,556,637	3,436,399	4,773,820	Reference Case filed before The Honorable High Court Division /Stay order by High Court
2013	2014-15	43,068,930	20,235,915	6,882,138	7,906,211	13,353,777	
2014	2015-16	79,134,681	36,097,640	14,325,596	7,211,962	21,772,044	
Sub Total		267,123,137	125,598,359	43,718,730	35,767,593	81,879,629	
2015	2016-17	-	-	19,960,592	17,041,351	-	Appeal under Process
2016	2017-18	-	-	18,601,404	21,385,823	-	Assessment pending before DCT
2017	2018-19	-	-	22,137,112	19,494,428	-	Assessment pending before DCT
2018	2019-20	-	-	29,290,107	22,074,894	-	Assessment pending before DCT
2019	2020-2021	-	-	36,746,213	30,341,416	-	Assessment pending
Grand Total		267,123,137	125,598,359	170,454,158	146,105,507	81,879,629	

37.00 Key Management Benefits

The aggregate amount paid (except director's fees for attending board meetings) during the year to directors and Executive of the Company is disclosed below as required by the Securities and Exchange Commission Rules, 1987.

Benefits	2019		2018	
	Directors	Executive	Directors	Executive
Salary	Nil	11,316,000	Nil	9,576,000
Festival Bonus	Nil	1,141,600	Nil	950,000
Incentive Bonus	Nil	1,141,600	Nil	950,000
Provident Fund	Nil	114,160	Nil	95,000
Conveyance Allowance & Transport	Nil	600,000	Nil	400,000
Total		14,313,360		11,971,000

38.00 Capital Expenditure Commitment

There was no commitment for capital expenditure and also not incurred or provided for the year ended 31st December, 2019.

39.00 Contingent Assets

There was no contingent assets as on 31st December, 2019.

40.00 Remittance of dividend

As there were no non-resident shareholders, no dividend was remitted to or received from abroad.

41.00 Credit Facility not Availed

There was no credit facility available to the Company under any contract and also not availed as on 31st December, 2019 other than trade credit available in the ordinary course of business.

42.00 Subsequent events-Disclosures under IAS 10 "Events after Reporting Period"

The directors in the meeting held on 22.06.2020 recommended 12% cash dividend for the Shareholders excluding sponsor Shareholders whose name will be appeared in the Shareholders' registers at the date of book closure which is subject to Shareholders' approval at the forthcoming annual general meeting to be held on 26.08.2020.

"Except the fact stated above, no circumstances have arisen since the balance sheet date which would require adjustments or disclosure in the financial statements or notes thereto.

43.00 Attendance status of Board Meeting of Directors

During the year there was 7 Board Meetings were held. The attendance status of all the meetings is as follows:

Name of the Directors	Position	Duration Period	Meeting Held	Attended
Abdul Baset Majumder	Chairman	01.01.2019-31.12.2019	7	7
Mostafa Kamal	Vice Chairman	01.01.2019-31.12.2019	7	7
Beauty Aktar	Director	01.01.2019-31.12.2019	7	7
Md. Abdur Rouf	Director	01.01.2019-31.12.2019	7	7
Tahmina Binte Mostafa	Director	01.01.2019-31.12.2019	7	7
Taif Bin Yousuf	Director	01.01.2019-31.12.2019	7	7
Tanjima Binte Mostafa	Director	01.01.2019-31.12.2019	7	7
Wasikur Rahman	Director	01.01.2019-31.12.2019	7	7
Tanveer Ahmed Mostafa	Director	01.01.2019-31.12.2019	7	7
Mr. Yousuf Ali	Director	01.01.2019-31.12.2019	7	7
Ms. Tasnim Binte Mostafa	Director	01.01.2019-31.12.2019	7	6
Prof. Dr. Majanur Rahman	Independent Director	01.01.2019-31.12.2019	7	7
Prof. Dr. Gautan Budda Das	Independent Director	01.01.2019-31.12.2019	7	7
Mohammed Salim, FCMA	Independent Director	01.01.2019-31.12.2019	7	7
Fakhruddin Ahmed, FCMA, FCA	Independent Director	01.01.2019-31.12.2019	7	7
Monjur Md. Shariful Azam	Public Director	01.01.2019-31.12.2019	7	5
Md. Ruhul Amin	Public Director	01.01.2019-31.12.2019	7	5
Md. Hasan Rajib Prodhan	Public Director	01.01.2019-31.12.2019	7	5
Mohd. Naim Akhter	Public Director	01.01.2019-31.12.2019	7	4
Md. Mosaffor Hossain	Public Director	01.01.2019-31.12.2019	7	6
Md. Sanaullah	Chief Executive Officer	01.01.2019-31.12.2019	7	7

44.00 Disclosures as per requirement of Schedule XI, Part II of the Companies Act, 1994
(Employee Position as on 31st December, 2019)

(A) Disclosure as per requirement of Schedule XI, Part II, Notes 5 of Para 3

Monthly Salary Range	Head Office	Branch	No. of Employee
Above 6000	87	242	329
Below 6000	0	0	0
Total	87	242	329

(B) Disclosure as per requirement of Schedule XI, Part II, Para 4

Name	Position	Meeting Attendance Fee	Allowance	Amount (Tk.)
Abdul Baset Majumder	Chairman	8,000	0	56,000
Mostafa Kamal	Vice Chairman	8,000	0	56,000
Beauty Aktar	Director	8,000	0	56,000
Md. Abdur Rouf	Director	8,000	0	56,000
Tahmina Binte Mostafa	Director	8,000	0	56,000
Taif Bin Yousuf	Director	8,000	0	56,000
Tanjima Binte Mostafa	Director	8,000	0	56,000
Wasikur Rahman	Director	8,000	0	56,000
Tanveer Ahmed Mostafa	Director	8,000	0	56,000
Mr. Yousuf Ali	Director	8,000	0	56,000
Ms. Tasnim Binte Mostafa	Director	8,000	0	48,000
Prof. Dr. Majianur Rahman	Independent Director	8,000	0	56,000
Prof. Dr. Gautan Budda Das	Independent Director	8,000	0	56,000
Mohammed Salim, FCMA	Independent Director	8,000	0	56,000
Fakhruddin Ahmed, FCMA, FCA	Independent Director	8,000	0	56,000
Monjur Md. Shariful Azam	Public Director	8,000	0	40,000
Md. Ruhul Amin	Public Director	8,000	0	40,000
Md. Hasan Rajib Prodhan	Public Director	8,000	0	40,000
Mohd. Naim Akhter	Public Director	8,000	0	24,000
Md. Mosaffor Hossain	Public Director	8,000	0	48,000
Total				1,024,000

During the year under review:

- (i) No compensation was allowed by the company to the Chief Executive Officer of the Company who is also a director;
- (ii) The rate at which Directors have drawn Board Meeting attendance fees @ Tk. 8,000 per Director per meeting.
The total Board Meeting attendance fee incurred during the year under review was Tk. 1,024,000; and
- (iii) No amount of money was spent by the company for compensating any member of the board for special services rendered.

45.00 Disclosure in line with instruction F of Part I of Schedule XI

In regard to sundry debtors the following particulars shall be given separately:

(I) Debt considered good in respect of which the company is fully secured

Within six months trade debtors occurred in the ordinary course of business are considered good but no security given by the debtors.

(II) Debt considered good for which the company holds no security other than the debtors' personal security

Within six months trade debtors have arisen in the ordinary course of business in good faith as well as market reputation of the company for the above mentioned reasons no personal security taken from debtors.

(III) Debt considered doubtful or bad

The were no doubtful and bad debts.

(IV) Debt due by directos or other officers of the Company

There is no debt due by directors or other officers of the company.

(V) Debt due by common management

There is no debt under common management.

(VI) The maximum amount due by directors or other officers of the Company

There is no such debt in this respect.

46.00 Schedule XI, Part II, Para 8(b) & Para 8(d) Foreign Currencies remitted during the year

During the year under review the company did not remit any amount as dividend, technical know-how, royalty, professional consultation fees, interest and other matters either its shareholder or others.

Annexure-A

The details bank wise balance of fixed deposit receipts account (FDR) as on 31st December, 2019 as per books of accounts are as under:

Sl. No.	Name of Bank	Amount (Tk.) 31.12.2019	Amount (Tk.) 31.12.2018
1	A.B. Bank Ltd.	19,784,151	18,264,176
2	Agrani Bank Ltd.	1,525,834	1,454,287
3	Al-Arafa Islami Bank Ltd.	7,838,711	7,094,787
4	Bangladesh Commerce Bank Ltd.	9,112,241	8,679,469
5	Bank Asia Ltd.	9,292,311	7,821,606
6	BASIC Bank Ltd.	2,304,569	1,250,052
7	Dhaka Bank Ltd.	18,876,092	21,555,774
8	Dutch Bangla Bank Ltd.	20,876,041	20,089,066
9	Eastern Bank Ltd.	2,205,171	1,165,873
10	EXIM Bank Ltd.	20,978,523	19,634,238
11	First Security Islami Bank Ltd	12,346,566	11,338,076
12	IDLC Finance Limited	13,936,928	12,733,602
13	IFIC Bank Ltd.	18,993,264	18,246,705
14	Islami Bank Bangladesh Ltd.	26,250,830	23,799,716
15	Jamuna Bank Ltd.	20,128,611	19,498,563
16	Janata Bank Ltd.	8,981,118	8,568,972
17	Lanka Bangla Finance Ltd.	9,264,290	9,596,424
18	Mercantile Bank Ltd.	8,359,304	7,339,905
19	Megna Bank Ltd.	1,171,440	1,629,706
20	Modhumoti Bank Ltd.	332,353,140	280,463,931
21	Mutual Trust Bank Ltd.	13,702,642	19,711,012
22	National Bank Ltd.	35,179,658	32,861,256
23	NCC Bank Ltd.	12,464,420	12,242,102
24	NRB Commercial Bank Ltd.	1,225,294	1,129,304
25	One Bank Ltd	6,494,793	6,060,031
26	Padma Bank Ltd.	4,016,996	-
27	Prime Bank Ltd.	4,523,362	5,909,332
28	Pubali Bank Ltd.	3,850,562	3,707,834
29	Premier Bank Ltd.	4,495,386	3,272,411
30	Rajshahi Krishi Unnayan Bank Ltd.	-	1,860,854
31	Rupali Bank Ltd.	1,319,103	1,253,765
32	SBAC Bank Ltd.	-	2,442,517
33	Shajalal Islami Bank Ltd.	5,486,253	4,727,484
34	Social Islami Bank Ltd.	52,426,286	83,402,601
35	Southeast Bank Ltd.	8,766,582	9,538,896
36	South Bangla Agriculture Bank Ltd.	9,780,991	6,787,561
37	Standard Bank Ltd.	4,940,089	5,176,208
38	The Farmers Bank Ltd.	-	3,716,000
39	UCBL	31,273,332	41,343,273
40	Union Bank Ltd.	1,243,555	1,150,587
41	Uttara bank Ltd.	-	794,289
		765,768,439	747,312,245

Annexure-B

The details bank wise balance of short term deposit receipts account (STD) as on 31st December, 2019 as per books of accounts are as under:

Sl. No.	Name of Bank	Amount (Tk.) 31.12.2019	Amount (Tk.) 31.12.2018
1	A B Bank Ltd.	-	1,342,351
2	Agrani Bank	-	1,258,600
3	Al-Arafa Islami Bank Ltd.	-	626,688
4	Bangladesh Commerce Bank Ltd.	-	86,397
5	Bangladesh Krishi Bank	-	9,281
6	Bank Asia Ltd.	-	5,713
7	BASIC Bank Ltd.	4,136,425	2,466,388
8	Dhaka Bank Ltd.	-	4,535
9	Dutch-Bangla Bank Ltd.	593,979	3,777
10	Eastern Bank Ltd.	-	590,230
11	Exim Bank Ltd.	-	1,215,938
12	First Security Islami Bank Ltd.	-	1,285,246
13	ICB Islami Bank Ltd.	-	539,328
14	IFIC Bank Ltd.	-	2,723,298
15	Islami Bank Bangladesh Ltd.	-	5,402,790
16	Jamuna Bank Ltd.	-	1,546,962
17	Janata Bank Ltd.	-	140,044
18	Midland Bank Ltd.	3,000	145,044
19	Modhumoti Bank Ltd	23,113,963	1,829,014
20	Mutual Trust Bank Ltd.	-	5,817,692
21	National Bank Ltd.	3,845,791	483,705
22	NCC Bank Ltd.	-	18,266,310
23	NRB Bank Ltd.	-	50,710
24	One Bank Ltd.	-	468,663
25	Premier Bank Ltd.	-	2,069,668
26	Prime Bank Ltd.	7,913,028	947,512
27	Pubali Bank Ltd.	-	2,723,226
28	Rupali Bank Ltd.	-	5,719
29	Shahjalal Islami Bank Ltd.	-	2,649,357
30	Social Islami Bank Ltd.	-	31,402,856
31	Sonali Bank	1,492,674	409,182
32	Southeast Bank Ltd.	-	24,111
33	The Farmers Bank Ltd	-	358,606
34	United Commercial Bank Ltd.	17,930,770	206,588
35	Uttara Bank Ltd.	-	87,452
		59,029,630	87,192,981

Annexure-C

The details Branch Wise Cash In Hand as on 31st December, 2019 are as under:

Sl. No.	Branch Name	Amount (Tk.) 31.12.2019	Amount (Tk.) 31.12.2018
1	Agrabad Branch	58,326	103,520
2	B.B.Avenue Branch	150,005	150,000
3	Bangshal Branch	93,704	55,143
4	Bagerhat Branch	138,642	130,032
5	Dilkusha Branch	310	525
6	DIT Branch	300,776	2,996
7	Gulshan Branch	120,657	148,064
8	Head office	48,397	88,628
9	Jamalpur Branch	11,821	30,581
10	Jatrabari Branch	91	35
11	Jessore Branch	148	3
12	Jubliroad Branch	20	64
13	Kawrun Bazar Branch	33,106	31,652
14	Khatungonj Branch	4,295	10,591
15	Khulna Branch	-	13,866
16	Local Office	6,159	1,588
17	Motijheel Branch	50,060	45
18	Paltan Branch	200,095	200,015
19	Rangpur Branch	30,151	30,015
20	Sheikh Mujib Road	12,940	142
21	Uttara Branch	1,732	31,143
22	V.I.P.Road Branch	300,016	300,007
23	Principal Branch	50,463	24
24	Kushtia Branch	149,114	114,474
25	Baridhara Branch	91,368	1,181
26	Kadamtali Branch	35	234
27	Moulovi Bazar Branch	40	-
28	Pabna Branch	6	-
	TOTAL	1,852,477	1,444,568

29	Insurance Stamp	165,351	206,860
30	DD Transit	2,000,000	-
	TOTAL	2,165,351	206,860
	GROSS TOTAL	4,017,828	1,651,428

BANGLADESH NATIONAL INSURANCE COMPANY LIMITED
SCHEDULE OF FIXED ASSETS AS AT 31ST DECEMBER, 2019

Annxure-D

PARTICULARS	COST				RATE	DEPRECIATION			WRITTEN DOWN VALUE AS ON 31.12.2019
	Balance as on 01.01.2019	Addition during the year	Sales/ Adjustment during the year	Total as on 31.12.2019		Balance as on 01.01.2019	Charged During the year	Adjustment during the year	Total as on 31.12.2019
Land	164,134,200	15,500,000	-	179,634,200	-	-	-	-	179,634,200
Office Equipment	16,191,308	918,570	-	17,109,878	20%	9,330,511	1,474,826	-	10,805,337
Books & Periodicals	14,000	-	-	14,000	20%	11,886	423	-	12,309
Car / Motor Vehicles	42,536,968	5,943,000	2,375,000	46,104,968	25%	25,934,261	5,194,998	1,967,257	29,162,002
Office Decoration	20,936,571	2,119,100	-	23,055,671	30%	15,463,923	1,693,687	-	17,157,610
Furniture & Fixtures	6,886,894	36,300	-	6,923,194	10%	2,423,015	448,352	-	2,871,367
Telephone Installation	982,300	-	-	982,300	15%	873,300	16,350	-	889,650
Building	80,624,750	-	-	80,624,750	5%	23,210,734	2,870,701	-	26,081,435
Total	332,306,991	24,516,970	2,375,000	354,448,961		77,247,630	11,699,336	1,967,257	86,979,709
									267,469,252

BANGLADESH NATIONAL INSURANCE COMPANY LIMITED

DIRECTORS' CERTIFICATE

As per regulations contained in the First Schedule of the Insurance Act, 1938 as amended Insurance Act, 2010 and as per Section 63 (2) of the Insurance Act, 2010 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, 2019 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.



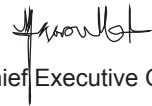
Chairman



Director

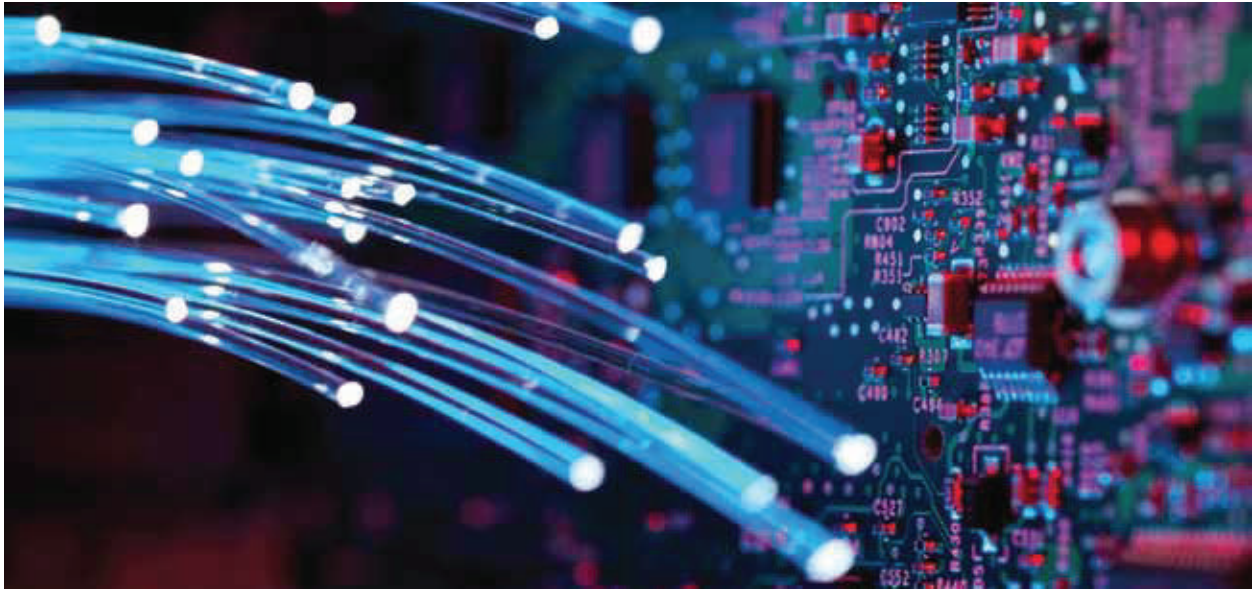


Director



Chief Executive Officer

Dated: 22.06.2020
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

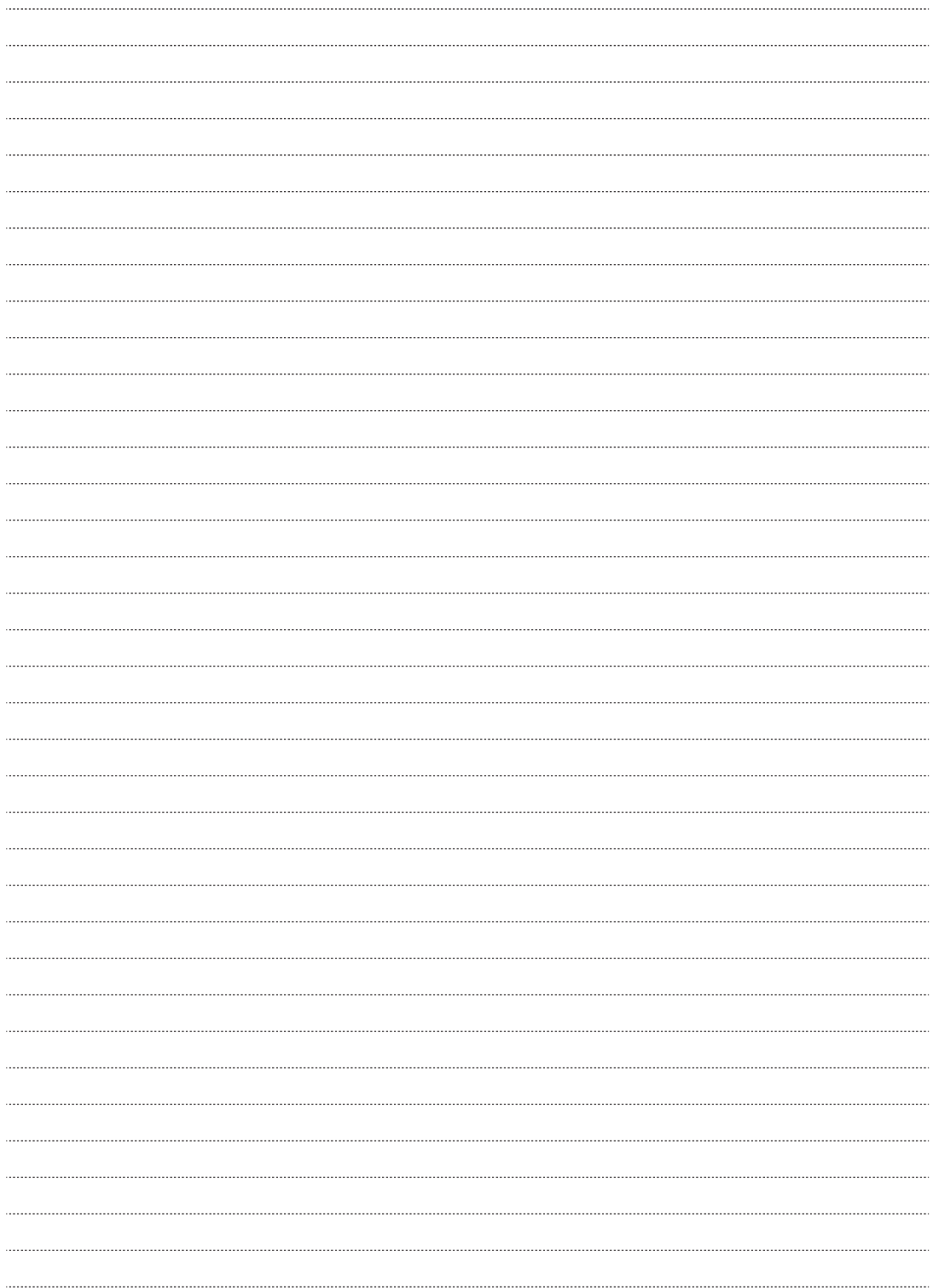
For documents security reason BNICL is the company who introduced Barcode systems in non-life insurance company for the 1st time.

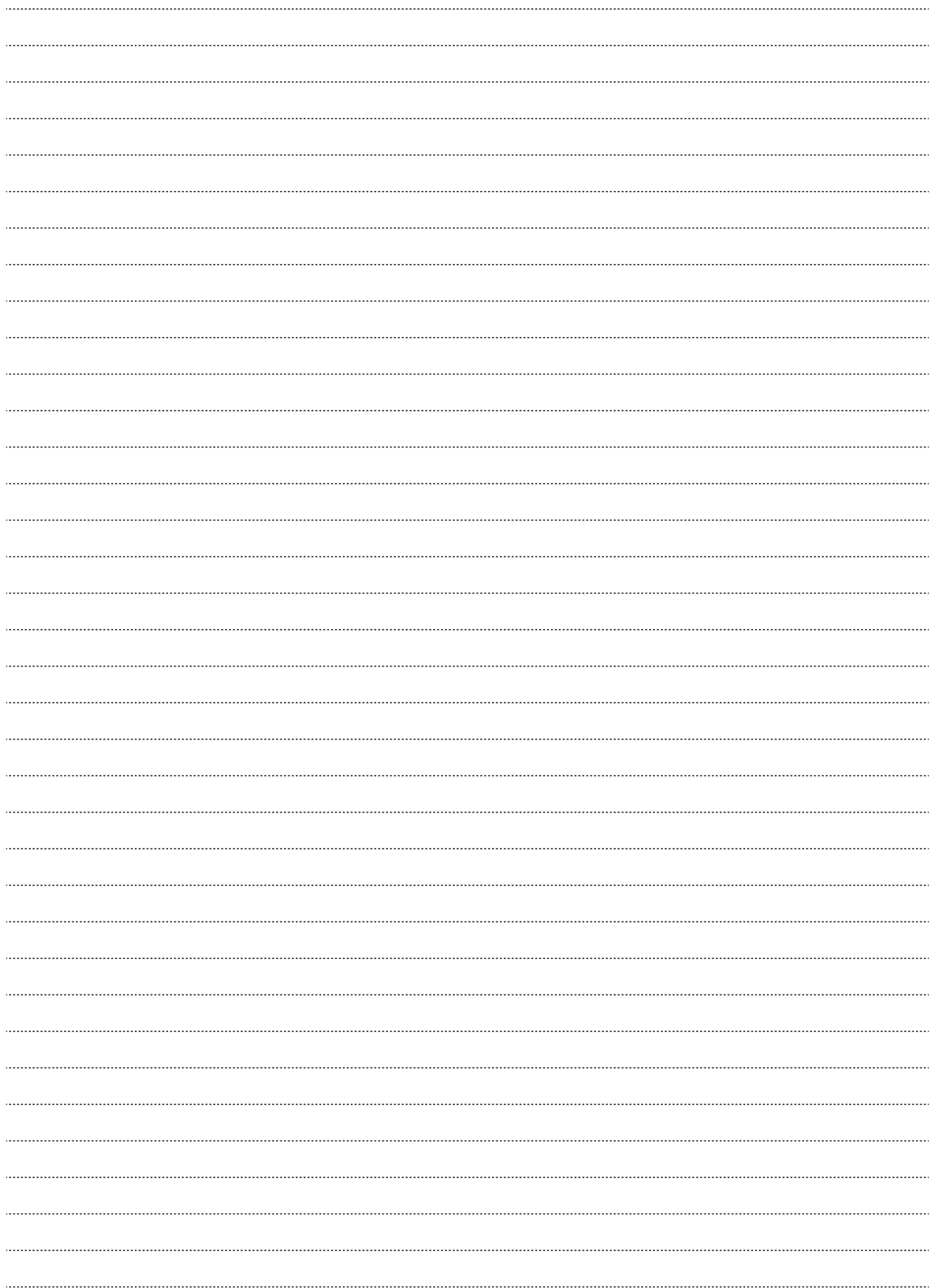


Local Office 58,DilkushaC/A(7thFloor), Dhaka-1000. Tel:9573524-5,9587886Fax:9573525 E-mail : localoffice@bnicl.net	Uttara Branch House No.25, Flat-A1, Gorib-E Newaz Avenue, Sector-11, Uttara, Dhaka-1230. Phone: 88-02-7911545, Fax: 88-02-7911540 E-mail : uttara@bnicl.net	Kadamtoli Branch Rafique Plaza (4th Floor), 1151 D.T. Road, Kadamtoli, Chattogram Tel: 031-714223, 714224 E-mail : kadamtoli@bnicl.net
Dilkusha Branch FazlurRahaman Centre, 72, Dilkusha C/A (6/B Flat), Dhaka-1000. Tel: 9575392, 9583428 Fax: 9575392 E-mail : dilkusha@bnicl.net	Paltan Branch Azad Centre, 55, Purana Polton (11/A), Dhaka. Tel:9586623, 9586624 E-mail : paltan@bnicl.net	Khulna Branch 58, Loyar Jessore Road (1st Floor), Khulna.Tel: 041-730296 E-mail : khulna@bnicl.net
Motijheel Branch Amin Court Building (3rd Floor), 62-63, Motijheel C/A,Dhaka-1000. Tel: 9587267, 9573526,E-mail : motijheel@bnicl.net	Principal Branch W.W.Tower (Level-15), 68, Motijheel C/A, Dhaka-1000,Tel: 9555704 E-mail : principal@bnicl.net	Narayanganj Branch 53/2, S.M. Maleh Road (Abul Hasnat Shantu Market, 2nd Floor) Tanbazar, Narayanganj. Mobile: 01720-823484, 01911-744996, Tel: 7630454, Fax: 9587267, E-mail : narayanganj@bnicl.net
Gulshan Branch Islam Mansion House No.39, Road No.126 Gulshan-1, Dhaka,Tel: 9841219 Fax: 9841219, E-mail : gulshan@bnicl.net	Baridhara Branch Road No.12, House No.04, Flat No.A1, Block-J, Baridhara, Dhaka-1212. Tel:8833670 E-mail : baridhara@bnicl.net	Rangpur Branch KudratMansion(Asir Building)2nd Floor, 0039/01 Station Road,Rangpur. Tel: 0521-65904, E-mail : rangpur@bnicl.net
V.I.P. Road Branch Navana RahimArdent (4th Floor), Flat No.A/4, 185 Shahid Syed Nazrul Islam Sharani, 39 Kakrail, Paltan, Dhaka-1000. Tel: 9337268Fax: 9343578, E-mail : viproad@bnicl.net	D.I.T.Branch MotijheelSquare(8thFloor),1/B,D.I.TAvenue MotijheelC/A (DainikBanglaMoor,Dhaka. Tel:9574631,9574961, E-mail : dit@bnicl.net	Jamalpur Branch Bhai Bhai Cloth Store (1st Floor) Baro Masjid Road, Sakal Bazar, Jamalpur. Tel: 01716552802, E-mail : jamalpur@bnicl.net
Karwanbazar Branch 57/E, Kazi Nazrul IslamAvenue (4th Floor), Tejgaon, Dhaka-1215,Tel: 58153197 Fax: 9117629, E-mail : karwanbazar@bnicl.net	Agrabad Branch World Trade Center (5th Floor), 102/103,Agrabad, Chattogram.Tel: (031) 721408-9 (Off), Fax: (031) 721409, E-mail : agrabad@bnicl.net	Jessore Branch M.K. Road, JessTower (3rd Floor), Jessore. Tel: (0421) 68505 E-mail : jessore@bnicl.net
B.B.Avenue Branch 9, B.B.Avenue, Dawn Plaza (10th Floor), Dhaka-1000,Tel: 9585074 Fax: 9584982 E-mail : bbavenue@bnicl.net	Sk. Mujib Road Branch GausiyaTofayelTower (4th floor),1837 Sk.Mujib Road, Badamtoli, Agrabad,Chattogram, Tel: 031-251529-4, E-mail : mujibroad@bnicl.net	Kushtia Branch Lovely Tower (9th Floor), N. S. Road, Kushtia. Mob: 01714730478, 01730-168713 Tel: 07171295 E-mail : kushtia@bnicl.net
Jatrabari Branch Abdur Rahim Bhuiyan Center (3rd Floor), 80/C/2, Bibirbagicha, Uttar Jatrabari, Dhaka. Tel:7554456,7554458, E-mail : jatrabari@bnicl.net	Khatungonj Branch SalmaTower (3rd Floor), Chattogram Tel: 031-2851478, Fax: 031-2851479, E-mail : khatungonj@bnicl.net	Bagerhat Branch House No.54, Rail Road (Near Bangladesh Krishi Bank (Suktargoli), Bagerhat. Tel: 046864703 E-mail : bagerhat@bnicl.net
Bangshal Branch 70 Shaheed Nazrul Islam Sharani (3rdFloor), Bangshal, Dhaka 1100, Tel:9586275 Fax: 9586274, E-mail : bangshal@bnicl.net	Jubilee Road Branch KaderTower(7thfloor),128JubileeRoad, Tinpool, Chattogram, Tel: 031-635688-99 E-mail : jubileeroad@bnicl.net	Pabna Branch Abdul Hamid Road (1st Floor) Pabna College Goli, Pabna. Mob: 01716960034 E-mail : pabna@bnicl.net

*** We may mention that in 2020, we have opened following Branches:

Tejgaon Branch 223/1 (1st Floor), Tejgaon-Gulshan Link Road, Tejgaon C/A, Dhaka-1208. Mob: 01714300365 E-mail : tejgaon@bnicl.net	Mirpur Branch 97/2, Baghbari, Gabtali, Mirpur, Darus Salam, Dhaka-1216.T el:9586623, 9586624, Mob: 01910910880, 01710247392 E-mail : mirpur@bnicl.net	Moulvibazar Branch Moulvibazar Tower (9th Floor), 69-70, Moulvibazar (Infront of Tajmahal Tower), Dhaka-1100. Mob: 01924000018 E-mail : moulvibazar@bnicl.net	Faridpur Branch 103 R. P. Tower (1st Floor) Hazratata Moor, Goalchamot, Faridpur. Mob: 01716544051 E-mail : faridpur@bnicl.net
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Bangladesh National Insurance Co. Ltd.

বাংলাদেশ ন্যাশনাল ইন্স্যুরেন্স কোম্পানী লিমিটেড

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

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

Hotline No. 09613112233