

REPORT OF AUDIT COMMITTEE



Khurshida Ahmed

The Audit committee of Global Insurance Limited consists of 11 (Eleven) Directors nominated by the Board. Including two Independent Directors in the committee; one of them is the Chairman of the Committee. The objectives of the committee are to ensure that proper internal controls are enforced to facilitate the smooth functioning of the company's operation. The committee has to convey the report to the Board of Directors directly. During the year under review 4 (Four) meetings of the Audit Committee were held to accomplish the under mentioned jobs:-

1. Review the financial and other system and its reporting procedure.
2. Evaluate whether Management is setting the appropriate compliance culture by communicating the importance of internal control and the management of risk and ensure that all employees of the company have understood their roles and responsibilities.
3. Review whether internal Control strategies recommended by the Board of Directors have been implemented by the Management.
4. Comprehensive inspection program of the Internal Audit & Inspection for the year 2019.
5. Oversee the work of External Auditors, including matter of disagreement between the Management & External Auditors regarding financial reporting.
6. Comprehensive inspection reports of different branches conducted by the Internal Audit & Inspection Team from time to time and the status of compliance thereof.
7. Review the Management Audit of Accounts of different branches conducted by Internal Audit Department.
8. Monitor choice of accounting policies and principles and also monitor internal control risk management process.
9. Review along with the management, the quarterly and half yearly and annual financial statements before submission to the board for approval.
10. Review along with the management, review the adequacy of internal audit function, also review statement of significant related party transactions submitted by the management.
11. Review Management Letters/letter of Internal Control weakness issued by statutory auditors.
12. Review reports of litigation and regulatory compliance matters.
13. Identify suspected fraud or irregularity in the internal control system.

During the meeting held on 21st October, 2020 the Audit Committee reviewed and examined the external draft audit reports including the financial statements for the year 2019 and placed the audited accounts with recommendation for the year 2019 before the Board of Directors for their consideration and approval. The Audit Committee is of the opinion that the external audit control and measures are quite enough to present a true and fair picture of performances and financial status of the Company.



Khurshida Ahmed
Chairman, Audit Committee

Independent Auditor's Report To the Shareholders of Global Insurance Limited

Report on the Audit of the Financial Statements

Qualified Opinion

We have audited the financial statements of Global Insurance Limited (the Company), which comprise the Statement of Financial Position (Balance Sheet) as at 31 December 2019, Profit and Loss Appropriation Account, the Statement of Profit or Loss and other Comprehensive Income (Profit and Loss Account), related consolidated and separate Revenue Accounts, Statement of Changes in Equity and Statement of Cash Flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, except for the effects of the matter described in the Basis for Qualified Opinion section of our report, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as at 31 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 (as applicable), the Securities and Exchange Rules, 1987 and other applicable laws and regulations.

Basis for Qualified Opinion

1. The Company has not maintained party-wise record of Collection Control Accounts (Note 7.1) which includes long outstanding receivables.

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 qualified opinion.

Emphasis of Matter

1. We draw attention to Note 2.26 of the financial statement, which described the status of implementation of IFRS 16 "Leases" in the financial statements for the year ended 31 December 2019; and

2. We draw attention to Note 29 of the financial statements, which described the basis for not creating provision for WPPF as per the Labour Act, 2006 (as amended in 2013) in the financial statements for the year ended 31 December 2019.

Our opinion is not modified in respect of these matters.

Risk	Our response to the risk
Premium Income	
<p>Gross general insurance premiums comprise the total premiums received for the whole period of cover provided by contracts entered into during the accounting period.</p> <p>Given the important nature, connections to other items to the financial statements and sensitivity of the item we believe this area pose high level of risk.</p>	<p>With respect to Premium income in respect of various types of insurance we carried out the following procedures:</p> <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. • 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 reinsurer. • Finally assessed the appropriateness and presentation of disclosures against relevant accounting standards, Insurance Act, 2010, Insurance Rules, 1958 (as applicable) and other applicable rules and regulations and regulatory guidelines.
See note no. 19 to the financial statements	
Investment in shares	
<p>Global Insurance Limited made a number of investments in the listed companies. Income generated from the investments (realized gain and dividend received) is credited to the Profit & Loss Account. Unrealized capital gain or loss, if any, is recognized in Profit & Loss Account for the period in which it arises as per the policy of the Company.</p>	

<p>Gross general insurance premiums comprise the total premiums received for the whole period of cover provided by contracts entered into during the accounting period.</p> <p>Given the important nature, connections to other items to the financial statements and sensitivity of the item we believe this area pose high level of risk.</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. • 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, the Insurance Act, 2010, the Insurance Rules, 1958 (as applicable), other applicable rules and regulations and regulatory guidelines.
See note no. 4 to the financial statements	
Estimated liability in respect of outstanding claims whether due or intimated and claim payment	
<p>This account represents the claim due or intimated from the insured and involves significant management judgment and risk of understatement. In extreme scenario this item may have going concern implications for the Company.</p>	<p>We tested the design and operating effectiveness of controls around the due and intimated claim recording process.</p> <p>We additionally carried out the following substantive testing's around this item:</p> <ul style="list-style-type: none"> • 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.

	<ul style="list-style-type: none"> • Tested a sample of claims payments with intimation letter, survey report, bank statement, claim payment register and general ledger. • Finally assessed the appropriateness and presentation of disclosures against relevant accounting standards, the Insurance Act, 2010, the Insurance Rules, 1958 (as applicable), other applicable rules and regulations and regulatory guidelines.
See note no. 16 to the financial statements	

Other Information

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

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

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

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

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

Management is responsible for the preparation and fair presentation of the financial statements in accordance with IFRSs, the Companies Act, 1994, the Insurance Act, 2010, the Insurance Rules, 1958 (as applicable), 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 including material effects of the COVID-19 pandemic 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 (as applicable), the Securities and Exchange Rules, 1987 and relevant notifications issued by Bangladesh Securities and Exchange Commission, we also report that:

- a) 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;
- b) 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;
- c) The Company management has followed relevant provisions of laws and rules in managing the affairs of the Company and proper books of accounts, records and other statutory books have been properly maintained and (where applicable) proper returns adequate for the purposes of our audit have been received from branches not visited by us;

- d) As per section 63(2) of the Insurance Act, 2010, in our opinion to the best of our knowledge and belief according to the information and explanation given to us, all expenses of management wherever incurred and whether incurred directly or indirectly, in respect of insurance business of the Company transacted in Bangladesh during the year under report have been duly debited to the related Revenue Accounts and the Statement of Comprehensive Income of the Company;
- e) We report that to the best of our information and as shown by its books, the Company during the year under report has not paid any person any commission in any form, outside Bangladesh in respect of any its business re-insured abroad;
- f) The Statement of Financial Position (Balance Sheet), Profit and Loss Appropriation Account, Statement of Profit or Loss and other Comprehensive Income (Profit and Loss 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
- g) The expenditure was incurred for the purpose of the Company's business.



Hedayet Ullah FCA

Senior Partner

K. M. HASAN & CO.

Chartered Accountants

Place: Dhaka

Dated: 14 October 2020

GLOBAL INSURANCE LIMITED
BALANCE SHEET

As at 31 December 2019

Capital & Liabilities	Notes	2019 Taka	2018 Taka	Property & Assets	Notes	2019 Taka	2018 Taka
Share Capital							
Authorised Capital							
100,000,000 ordinary shares of Tk.10 each		1,000,000,000	1,000,000,000				
Issued, Subscribed & Paid up Capital							
3,86,20,727 Ordinary Shares of Tk. 10 each	11	386,207,270	367,816,450	National Investment Bond (NIB)	3	25,000,000	25,000,000
				Investments in Shares	4	38,206,382	38,206,382
				Interest receivable	5	8,778,367	270,988
Reserve or Contingency Accounts:							
Reserve for Exceptional Losses		45,135,412	45,135,412				
General Reserve		4,000,000	4,000,000	Amounts due from other Persons or-			
Retained Earnings	12	38,850,894	18,345,975	Bodies carrying on insurance business	6	148,861,767	148,861,767
		87,986,306	67,481,387				
Balances of Funds and Accounts:							
Fire		34,481,828	12,610,800				
Marine (Cargo)		92,456,956	48,164,272	Sundry Debtors	7	319,727,541	248,784,313
Marine (Hull)		1,280,460	271,760				
Motor		28,990,612	9,762,382	Advance against Floor purchase	8	-	15,739,500
Miscellaneous		10,590,829	8,598,074	Cash and Bank Balances	9		
		167,800,686	79,407,289	Cash in Hand		588,966	9,490,891
Premium Deposit	13	9,876,712	2,221,035	Balance with Banks		31,737,132	25,022,113
Loans & Overdraft	14	93,456,438	107,217,275	FDR with Banks		321,000,000	221,250,000
Deferred Tax Liability	15	6,259,252	2,169,913			353,326,098	255,763,004
Liabilities and Provisions:							
Estimated Liability in respect of outstanding claims, whether due or intimated	16	32,554,199	47,768,679	Other Accounts:			
Amounts due to other Persons or Bodies				Fixed Assets (At cost less accum. Depreciation)	10	100,749,527	74,649,310
Carrying on Insurance Business	17	58,719,298	97,875,470	Stock of Stationery		1,335,321	827,110
Sundry Creditors	18	154,625,108	37,059,576	Stamp in Hand		1,500,264	914,700
		245,898,605	182,703,725			103,585,112	76,391,120
Total		997,485,268	809,017,074	Total		997,485,268	809,017,074
				NAV per share (2018 Restated)	24	12.28	11.27

The annexed notes 1 to 37 form an integral part of these financial statements.



Chief Executive Officer



Director



Director

Signed in terms of our separate report of even date annexed.



Chairman



Hedayet Ullah FCA
Senior Partner
K. M. HASAN & CO.
Chartered Accountants

Place: Dhaka
Dated: 21 October 2020

GLOBAL INSURANCE LIMITED
PROFIT AND LOSS ACCOUNT

For the year ended 31 December 2019

Particulars	Notes	2019 Taka	2018 Taka	Particulars	Notes	2019 Taka	2018 Taka
Expenses of Management (Not applicable to any particular Fund or Account)				Interest Income (Not applicable to any particular Fund or Account)	22	22,353,479	14,880,865
Advertisement & Publicity		1,102,409	580,184	Dividend Income		1,435,085	971,955
Donation & Subscription		329,302	194,360	Provision for loss on Investment in Shares		-	-
Audit Fees		520,000	516,750	Profit on Sale of Share		-	-
Legal & Professional Fees		2,577,000	680,000	Office rent Income		1,244,160	829,440
Depreciation		7,522,111	5,875,255	Profit on Sale of Assets		469,960	138,024
Interest on Loan		11,327,553	9,575,380			25,502,684	16,820,284
Registration Fees		748,077	1,635,812				
Directors Fee	21	2,903,000	1,031,000	Profit transferred from :			
Meeting, Conference & AGM expenses		2,343,369	1,752,807	Fire Insurance Revenue Account		4,067,328	(5,317,201)
Provision for loss on Investment in Shares		3,262,114	2,388,252	Marine Insurance Revenue Account		64,172,588	33,962,771
Subscription		1,300,000	-	Motor Insurance Revenue Account		11,123,946	6,940,115
		33,934,935	24,229,801	Misc. Insurance Revenue Account		1,692,689	5,185,785
Provision for WPPF	29	-	1,588,664			81,056,551	40,771,470
Provision for Profit Bonus	30	4,250,000	-				
Balance for the period carried to Profit & Loss App. A/C		68,374,300	31,773,289				
		106,559,235	57,591,754			106,559,235	57,591,754
Earnings per Share (2018 Restated)	23	1.01	0.51				

The annexed notes 1 to 37 form an integral part of these financial statements.



Chief Executive Officer



Director



Director



Chairman

Signed in terms of our separate report of even date annexed.



Hedayet Ullah FCA
Senior Partner
K. M. HASAN & CO.
Chartered Accountants

Place: Dhaka
Dated: 21 October 2020

GLOBAL INSURANCE LIMITED
PROFIT AND LOSS APPROPRIATION ACCOUNT
For the year ended 31 December 2019

Particulars	Notes	2019 Taka	2018 Taka	Particulars	Notes	2019 Taka	2018 Taka
Provision for Income Tax	28.1.1	25,389,223	11,744,891	Balance brought forward from last year	12	(44,845)	(1,401,572)
Deferred Tax expenses	15	4,089,339	280,851				
Reserve for Exceptional Loss				Net profit for the year brought down		68,374,300	31,773,289
Balance transferred to the Balance Sheet		38,850,894	18,345,975				
		68,329,455	30,371,717			68,329,455	30,371,717

The annexed notes 1 to 37 form an integral part of these financial statements.



Chief Executive Officer



Director



Director



Chairman

Signed in terms of our separate report of even date annexed.

Place: Dhaka

Dated: 21 October 2020


Hedayet Ullah FCA
Senior Partner
K. M. HASAN & CO.
Chartered Accountants

GLOBAL INSURANCE LIMITED
CONSOLIDATED BUSINESS REVENUE ACCOUNT
For the year ended 31 December 2019

Particulars	Notes	2019 Taka	2018 Taka	Particulars	Notes	2019 Taka	2018 Taka
Claims under policies less Re-insurances							
Paid during the year		15,247,194	8,880,044	Balance of account at the beginning of the year		79,407,288	44,045,590
Add : Total estimated liability in respect of outstanding claims at the end of the year whether due or intimated		32,554,199	47,768,679	Premium less Re-insurances	19	417,581,024	198,110,583
		47,801,393	56,648,723	Commission on Re-insurances		34,772,367	22,234,313
Less: Claims outstanding at the end of the previous year		47,768,679	46,172,432				
		32,714	10,476,291				
Expenses of Management	20	192,044,019	83,794,846				
Agent Commission		90,826,709	49,940,590				
Profit transferred to profit & loss account		81,056,551	40,771,470				
Balance of account at the end of the year as shown in the balance sheet:							
Reserve for unexpired risks being 100% for Marine Hull & 40% for other net premium income of the year		167,800,686	79,407,289				
		531,760,679	264,390,486			531,760,679	264,390,486

The annexed notes 1 to 37 form an integral part of these financial statements.



Chief Executive Officer



Director



Director



Chairman

Signed in terms of our separate report of even date annexed.

Place: Dhaka
Dated: 21 October 2020


Hedayet Ullah FCA
Senior Partner
K. M. HASAN & CO.
Chartered Accountants

GLOBAL INSURANCE LIMITED
FIRE INSURANCE REVENUE ACCOUNT
For the year ended 31 December 2019

Particulars	Notes	2019 Taka	2018 Taka	Particulars	Notes	2019 Taka	2018 Taka
Claims under policies less Re-insurances							
Paid during the year		4,469,467	1,990,616	Balance of account at the beginning of the year		12,610,800	7,690,209
Add : Total estimated liability in respect of outstanding claims at the end of the year whether due or intimated		16,839,422	25,318,713	Premium less Re-insurances	19	86,204,571	31,527,001
		21,308,889	27,309,329	Commission on Re-insurances		20,880,534	11,313,150
Less: Claims outstanding at the end of the previous year		25,318,713	28,660,275				
		(4,009,824)	(1,350,946)				
Agent Commission		28,767,022	17,879,040				
Expenses of management	20	56,389,550	26,708,667				
Profit transferred to profit & loss account		4,067,328	(5,317,201)				
Balance of account at the end of the year as shown in the balance sheet:							
Reserve for unexpired risks being 40% of net premium income of the year		34,481,828	12,610,800				
		119,695,905	50,530,360			119,695,905	50,530,360

The annexed notes 1 to 37 form an integral part of these financial statements.



Chief Executive Officer



Director



Director

Signed in terms of our separate report of even date annexed.



Chairman

Place: Dhaka
Dated: 21 October 2020


Hedayet Ullah FCA
Senior Partner
K. M. HASAN & CO.
Chartered Accountants

GLOBAL INSURANCE LIMITED
MARINE INSURANCE REVENUE ACCOUNT

For the year ended 31 December 2019

Particulars	Notes	2019 Taka	2018 Taka	Particulars	Notes	2019 Taka	2018 Taka
Claims under policies less Re-insurances							
Paid during the year			2,496,095	Balance of account at the beginning of the year		48,436,032	26,424,374
Add : Total estimated liability in respect of outstanding claims at the end of the year whether due or intimated		3,051,075	18,731,430	Premium less Re- insurances	19	232,422,849	120,682,441
		7,687,972	21,227,525	Commission on Re-insurances		7,683,859	4,528,146
Less: Claims outstanding at the end of the previous year		10,739,047	11,743,157				
		18,731,430	9,484,368				
		(7,992,383)	23,745,021				
Agent Commission		46,904,006	36,006,768				
Expenses of management	20	91,721,113	33,962,771				
Profit transferred to profit & loss account		64,172,588					
Balance of account at the end of the year as shown in the balance sheet:							
Reserve for unexpired risks being 40% of net premium income on marine cargo and 100% of net premium income on marine hull of the year:							
Cargo		92,456,956	48,164,272				
Hull		1,280,460	271,760				
		93,737,416	48,436,032				
		288,542,740	151,634,961				
						288,542,740	151,634,961

The annexed notes 1 to 37 form an integral part of these financial statements.



Chief Executive Officer



Director



Director

Signed in terms of our separate report of even date annexed.



Chairman

Place: Dhaka

Dated: 21 October 2020



Hedayet Ullah FCA
 Senior Partner
K. M. HASAN & CO.
 Chartered Accountants

GLOBAL INSURANCE LIMITED
MISCELLANEOUS INSURANCE REVENUE ACCOUNT
For the year ended 31 December 2019

Particulars	Notes	2019 Taka			2018 Taka			Notes	2019 Taka			2018 Taka		
		<u>Motor</u>	<u>Misc.</u>	<u>Total</u>	<u>Motor</u>	<u>Misc.</u>	<u>Total</u>		<u>Motor</u>	<u>Misc.</u>	<u>Total</u>	<u>Motor</u>	<u>Misc.</u>	<u>Total</u>
Claims under policies less Re-insurances														
Paid during the year		6,105,858	1,620,794	7,726,652	4,393,333		4,393,333		9,762,382	8,598,074	18,360,456	9,931,007		9,931,007
Add: Total estimated liability in respect of outstanding claims at the end of the year whether due or intimated		4,196,805	3,830,000	8,026,805	3,718,536		3,718,536							
Less: Claims outstanding at the end of the previous year		10,302,663	5,450,794	15,753,457	8,111,869		8,111,869	19	72,476,531	26,477,073	98,953,604	45,901,141		45,901,141
		3,498,536	220,000	3,718,536	5,769,000		5,769,000		112,303	6,095,671	6,207,974	6,393,017		6,393,017
		6,804,127	5,230,794	12,034,921	2,342,869		2,342,869							
Agent Commission		10,683,282	4,472,399	15,155,681	8,316,529		8,316,529							
Expenses of management	20	24,749,249	19,184,107	43,933,355	21,079,410		21,079,410							
Profit transferred to profit & loss account		11,123,946	1,692,689	12,816,635	12,125,901		12,125,901							
Balance of account at the end of the year as shown in the balance sheet:														
Reserve for unexpired risks being 40% of net premium income of the year		28,990,612	10,590,829	39,581,442	18,360,456		18,360,456							
		82,351,216	41,170,818	123,522,034	62,225,165		62,225,165		82,351,216	41,170,818	123,522,034	62,225,165		62,225,165

The annexed notes 1 to 37 form an integral part of these financial statements.



Chief Executive Officer



Director



Director



Chairman

Signed in terms of our separate report of even date annexed.

Place: Dhaka
Dated: 21 October 2020


Hedayet Ullah FCA
Senior Partner
K. M. HASAN & CO.
Chartered Accountants

GLOBAL INSURANCE LIMITED
STATEMENT OF CHANGES IN EQUITY
For the year ended 31 December 2019

Amount in Taka					
Particulars	Share Capital	Reserve for Exceptional Losses	General Reserve	Retained Earnings	Total
Balance as on 01.01.2018	350,301,380	45,135,412	4,000,000	16,113,498	415,550,290
Stock Dividend for 2017	17,515,070	-	-	(17,515,070)	-
Net Profit after tax	-	-	-	19,747,547	19,747,547
Reserve for Exceptional Loss	-	-	-	-	-
Balance as on 31.12.2018	367,816,450	45,135,412	4,000,000	18,345,975	435,297,837
Balance as on 01.01.2019	367,816,450	45,135,412	4,000,000	18,345,975	435,297,837
Stock Dividend for 2018	18,390,820	-	-	(18,390,820)	-
Net Profit after tax	-	-	-	38,895,739	38,895,739
Reserve for Exceptional Loss	-	-	-	-	-
Balance as on 31.12. 2019	386,207,270	45,135,412	4,000,000	38,850,894	474,193,576



Chief Executive Officer



Director



Chairman

Signed in terms of our separate report of even date annexed.

Place: Dhaka
Dated: 21 October 2020


Hedayet Ullah FCA
Senior Partner
K. M. HASAN & CO.
Chartered Accountants

GLOBAL INSURANCE LIMITED
STATEMENT OF CASH FLOWS
For the year ended 31 December 2019

	<u>Notes</u>	<u>2019</u> <u>Taka</u>	<u>2018</u> <u>Taka</u>
A) Cash flow from operating activities:			
Premium Collection & other Receipts		662,532,943	389,934,398
Payments of Magt. Exp., Commission, Ri-Ins & Claim .		(506,860,856)	(339,761,009)
Income tax paid		(15,607,732)	(7,879,819)
Net Cash provided from operating activities		140,064,354	42,293,570
B) Cash flow from investing activities:			
Acquisition of fixed assets		(18,364,062)	(24,883,324)
Disposal of fixed assets		951,193	522,936
National Investment Bond		-	-
Investment in Share		-	-
Net Cash used in Investing activities		(17,412,869)	(24,360,388)
C) Cash flow from financing activities:			
SOD loan		(14,619,594)	9,034,847
IDLC Loan		(1,142,101)	6,900,920
Margin loan from Mercantile Bank Securities Ltd.		2,000,858	2,096,868
Interest on Loan		(11,327,553)	(9,575,380)
Net Cash (used in)/provided from financing activities		(25,088,390)	8,457,255
D) Net increase in Cash & Bank balances for the year (A+B+C)		97,563,094	26,390,437
E) Opening Cash and Bank balances		255,763,004	229,372,568
F) Closing Cash and Bank balances : (D+E)	9	353,326,098	255,763,005
 NOCF per share (2018 Restated)	 25	 3.63	 1.10

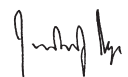
The annexed notes 1 to 37 form an integral part of these financial statements.



Chief Executive Officer



Director



Director



Chairman

GLOBAL INSURANCE LIMITED
NOTES TO THE FINANCIAL STATEMENTS
As at & for the year ended 31 December 2019

1. INTRODUCTION:

1.1 Legal Status:

GLOBAL INSURANCE LIMITED ("the Company") was incorporated as a public company limited by shares in Bangladesh vide registration no. C-40102(2070)/2000 dated April 23, 2000 under the Companies Act, 1994 and commenced its operation as per the Insurance Act, 2010. The certificate of commencement of business was obtained from the Registrar of Joint Stock Companies, Bangladesh.

The Company is listed in Dhaka Stock Exchange Limited as a Publicly Traded Company.

1.2 Address of Registered Office and Principal Place of Business :

The registered office of the Company is situated in Bangladesh. Its principal business office is located at Al-Razi Complex (12th Floor), 166-167, Shahid Syed Nazrul Islam Sarani, Purana Paltan, Dhaka-1000, Bangladesh. The operation of the Company is being carried out through its 51 branches located in different places in Bangladesh.

1.3 Principal Activities of the Company:

The Principal objects of the Company is to carry out all kinds of insurance, guarantee and indemnity business other than life insurance business.

2. SIGNIFICANT ACCOUNTING POLICIES AND OTHER RELEVANT INFORMATION:

2.1 The Company has adopted relevant International Financial Reporting Standards (IFRSs) with reference to disclosures of accounting policies and notes to the financial statements.

2.2 Basis of Accounting:

The financial statements have been prepared on the basis of going-concern concept under historical cost convention in accordance with International Financial Reporting Standards (IFRSs) .

2.3 Basis of Presentation:

The balance sheet has been prepared in accordance with the regulations as contained in part I of the First Schedule and as per Form 'A' as set forth in part II of that Schedule and the revenue account of each class of general insurance business has been prepared in accordance with the regulations as contained in part I of the Third Schedule and as per Form 'F' as set forth in part II of that Schedule of the Insurance Act, 2010. The Classified summary of the assets is prepared in accordance with Form "AA" of part II of the First Schedule of the said Act.

2.4 Reporting:

The financial statements of the Company covers 1 year from January 01, 2019 to December 31, 2019.

2.5 Going Concern:

The financial statements of the entity have been prepared by the management considering the entity as a going concern and the entity is optimistic to continue its business operation for the foreseeable future.

2.6 Branch Accounting:

The Company has 51 branches without having any overseas branch up to the year end December 31, 2019. The financial statements of branches are maintained at the Head office level. Only Petty cash books are maintained at the branch for meeting day to day expenses. During 2019 through the operation of 52 offices (Including Head Office) the gross premium income earned by the Company was to Tk.605,511,396 including Public Sector business of Tk 76,667,063 after ceding for re-insurance premium, the net premium for the year amounted to Tk 417,581,024 and after charging direct expenses there from the net underwriting profit stood at Tk 81,056,551.

2.7 Statement of Cash Flows:

Statement of Cash Flows is prepared in accordance with IAS 7: "Statement of Cash Flows". The Statement of Cash Flows shows the structure of and changes in cash and cash equivalents during the financial year. Cash and Cash equivalents include notes and coins on hand, unrestricted balance held with the commercial banks. It is broken down into operating activities, investing activities and financing activities. The direct method is used to show the cash flows from operating activities. According to IAS 7: "Statement of Cash Flows", Cash comprises cash in hand and cash equivalents are short term, highly liquid investment that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value. Considering the provisions of IAS 7 and IAS 1, cash in hand, fixed deposits and bank balances have been considered as cash and cash equivalents.

2.8 Fixed Assets:

Fixed Assets are stated at cost less accumulated depreciation as per IAS-16 "Property, Plant & 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, interest and non refundable taxes.

2.9 Depreciation on Fixed Assets:

Depreciation on tangible fixed assets are charged on diminishing balance method at rates varying from 2.5% to 30% depending on the estimated useful life of the assets. Depreciation on additions to fixed assets are charged from the date of acquisition and depreciation is charged to the date of disposal of assets. Gain or loss arising on the disposal or the retirement of asset is determined as the difference between the sale proceeds and the carrying amount of the asset and recognised in the profit and loss account.

2.10 Impairment of Assets:

As required by IAS-36 'Impairment of Assets' the Company carried out an impairment test at the end of reporting period to ascertain impairment loss relating to an asset to recognise and disclose the same in the financial statements. But no impairment loss has been arisen in such test to recognise in the financial statements.

2.11 Public Sector Business:

The Company's share of Public Sector business for 4 quarters for the period from 1st July, 2018 to 30th June, 2019 received from Sadharan Bima Corporation and other insurance companies has been incorporated in the Company's account for the year ended 31st December, 2019. This system of accounting of public sector business is being followed consistently.

2.12 Statement of Changes in Equity:

The statement of changes in equity is prepared in accordance with IAS 1 "Presentation of Financial Statements".

2.13 Revenue Recognition:

The revenue is recognized after satisfying the relevant condition for revenue recognition as provided in IFRS 15: "Revenue from contracts with customers" in compliance with IFRS 4 "Insurance Contract". Detailed income wise policy for revenue recognition is given as under:

a) Premium Income:

The total amount of premium earned on various classes of insurance business underwritten during the year, the gross amount of premium earned against various policies, the amount of re-insurance premium due to Sadharan Bima Corporation, the amount of re-insurance commission earned and the amount of claims less re-insurance settled during the year have all been duly accounted for in the books of account of the Company and while preparing the final statements of accounts, the effect of re-insurance accepted and re-insurance ceded as well as the effect of total estimated liabilities in respect of outstanding claims at the end of the year whether due or intimated have also been duly reflected in the accounts in order to arrive at the net underwriting profit for the year.

b) Interest on Statutory Investments:

Interest on statutory investment is accounted for on accrual basis.

c) Gain or Loss on sale of Shares:

Gain or loss on sale of shares and dividend income during the year have been shown in the Profit and Loss Account and the tax relief as well as the concession rate of tax as availed under the existing income tax law have been given effect in the financial statements.

2.14 Management Expenses:

Management expenses as charged to Revenue Accounts amount of Tk. 192,044,019 (Note:20) is approximately 28.15% of gross premium of Tk.682,178,459. The expenses have been apportioned 29.36% to Fire, 47.76% to Marine, 12.89% to Motor and 9.98% to Miscellaneous business as per management decision. The management expenses of the Company remained within the prescribed limit

2.15 Risk Analysis:

Risk analysis for insurance business is difficult to estimate the uncertainty in taking and managing the risk by chronological identification of unascertained risk, mitigating approach of risk and continuing efforts to equate the risk at reasonable level. This, inter alia, includes

(a) Insurance Product Risk:

In non-life insurance business, the product selection is one of the important factors for the Company. Product with less uncertainty with lower cost can facilitate to secure more risk coverage. Accordingly, high risk is more relate to the capital strength and credit rating of the Company. Necessary provision for un-expired risk @ 40% of net premium income on all business except marine Hull Insurance for which provision have been made @ 100% on net premium income.

(b) Operational Risk:

This is in association of all departmental effort within the Company to ensure the sufficient coverage for the uncertainty of particular policy selection. It varies in accordance with the nature of products offered to the insured. Guideline for selection of offered product and monitoring the same are effective when fencing the risk at the level of estimate.

(c) Strategic Market Risk:

This indicates to identify and quantify the inherent risk of the products for the insured in competitive market. Product with low risk should be encouraged to minimize risk.

(d) Underwriting Risk:

This is involved in loss events coverable under contract or agreement with the insured and the volume or size of the coverable loss. It relates to selection, pricing, monitoring and technical provision. However, risk with excessive volume is jointly share by two or more insurers. In such circumstances, non-life insurance business with different products has been carried out with approved guideline.

(e) Reinsurance Risk:

Reinsurance has an influence basing the capital strength and rating aspects. Treaty limit is outline by the amount of risk, which can be ceded to other re-insurance. It depends on the nature of risk to be taken by the Company. As such, technical provision has been estimated by way of covering the reasonable and probable obligations with respect to claims for known or un-known uncertainty.

(f) Investment Risk:

This relates to market, credit and liquidity of the Company and as such, investments consist of assets covering the technical provisions and shareholders' equity. Accordingly, investment plan has been designed in such manner to accommodate inherent risk.

(f) Liquidity Risk:

This indicates to pay the claim on demand and the Company needs to liquidate or convert assets to meet the obligation as and when arise.

(f) Credit Risk:

The Company follows IDRA instructions with respect to issuing of policies, that is, policies were not issued on credit.

(f) Default Risk:

This indicates default in paying off the claims on demand when third party involved in such approach. At the time, the Company needs to have sufficient liquidity to pay off the claims on demand and to fulfill the contractual obligation.

(f) Legal and Regulatory Risk:

There is legal and regulatory obligation to follow and abide by the restricted rules and regulation in carrying out the business, which do not conform to the competitive market for procuring business. As such, non-compliance to rules and regulation may invite risk to the employment of the Company.

2.16 Provision for Unexpired Risks:

Before arriving at the surplus of each class of business necessary provision for un-expired risk have been created at the rate of 40% of all business except on Marine Hull business for which the provision was made @ 100% of the total net premium for the year 2019.

2.17 Provision for Income Tax:

Provision for Income Tax have been made as per the Income Tax Ordinance, 1984 and the Finance Act, 2019 on taxable income of the Company.

2.18 Deferred Tax

The Company has recognised deferred tax as per IAS-12 "Income Taxes". Accordingly, deferred tax liability/assets is accounted for all temporary differences arising between the tax base of the assets and liabilities and their carrying value for financial reporting purpose. Deferred tax is computed at the applicable tax rate i.e. 37.5% on the Company (Note: 15).

2.19 Reserve for Exceptional Loss:

Reserve for Exceptional loss was created up to 2013 to meet the future loss from claim or other reason as decided by the Board. There was no provision taken for Reserve for Exceptional Losses during this

2.20 General Reserve:

The Company creates a general reserve from the year 2007 for an amount of Tk. 4,000,000 on profit to avoid future contingency.

2.21 Employees Benefit:

The Company operates a contributory provident fund for its permanent employees from the year 2008 which is approved by the National Board of Revenue. The fund is administered by a board of trustees and funded by equal contribution from the Company and the employees. The fund is invested separately from the Company's assets.

2.22 Earning per Share (EPS):

The Company has calculated earning per share (EPS) in accordance with IAS-33 as adopted by ICAB : "Earning per Share" which has been shown on the face of Profit and Loss Account and the computation of EPS is stated in Note no. 23.

a) Basic Earnings:

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

b) Basic Earnings per Share:

This has been calculated by dividing the basic earning by the weighted average number of ordinary shares outstanding during the year.

c) Diluted Earnings per Share:

This has been calculated by dividing the basic earning previous year by the weighted average number of dilutive potential ordinary shares outstanding during the year.

2.23 Outstanding Premium:

The outstanding premium appearing in the accounts represents only the amount which relates to the accounting period in the form of cash and cheques in hand and in line with the system followed by the Company.

2.24 Use of Estimate:

Preparation of financial statements in conformity with International Accounting Standards (IASs) requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities if any at the date of the financial statements, and revenues and expenses during the year reported. Actual result could differ from those estimates. Estimates are used in accounting for certain items such as depreciation, outstanding claims, taxes,

2.25 Basis of Recognition of Income in Respect of Premium Deposits:

Amounts received against Cover notes, which have not been converted into policy are recognised as Income before the Cover notes and are converted into policy on expiry of period not exceeding six months in accordance with the Controller of Insurance Circular.

2.26 Lease:

Financial Reporting Principles IFRS 16 "Leases" effective from annual periods beginning on or after January 1, 2019 has changed how the Company accounts for its lease contracts. The Company leases a number of office space in addition to service sites. Before the adoption of IFRS 16, all lease contracts were classified as operating leases. IFRS 16 requires all contracts that contain a lease to be recognized on the balance sheet as a right-of-use asset and lease liability. Only certain short-term and low-value leases are exempted. In compliance with the standard, the Company has elected to use the recognition exemptions in the standard for short-term leases and leases of low value items. In such cases the lease are accounted for as short term leases and the lease payments associated with them are recognized as

2.27 Investment in Shares:

Investment in shares is recognised at cost and subsequently measured at fair value and any change in the fair value is recognised in the profit and loss account for the period in which it arises as per IFRS-9 "Financial Instruments".

2.28 Components of the Financial Statements:

As per the Section 27 of the Insurance Act, 2010 and the IAS-1 "Presentation of Financial Statements" (as applicable), the complete set of financial statements of the Company includes the following

- a) Statement of Financial Position (Balance Sheet) as at December 31, 2019.
- b) Profit and Loss Appropriation Account for the year ended December 31, 2019.
- c) Statement of Profit or Loss and other Comprehensive income (Profit and Loss Account) for the year ended December 31, 2019.
- d) Revenue Accounts for specific class of business for the year December 31, 2019.
- e) Statement of Changes in Equity for the year ended December 31, 2019.
- f) Statement of Cash Flows for the year ended December 31, 2019.
- g) Notes to the financial statements and significant accounting policies as at & for the year ended December 31, 2019.

2.29 General:

- a) Figures in the financial statements are presented in Bangladeshi Taka which is the companies functional and presentational currency.
- b) Figures have been rounded off to the nearest Taka.
- c) Previous year's figures have been rearranged whenever considered necessary to ensure comparability with the current year.

2019
Taka

2018
Taka

3. NATIONAL INVESTMENT BOND

Durations	Issue date	Maturity date	Bank name	Rate (%)	Taka 2019	Taka 2018
10 Years	16.07.2014	16.07.2024	Prime Bank Ltd.	11.59	9,000,000	9,000,000
10 Years	13.03.2013	13.03.2023	Mercantile Bank Ltd.	12.10	16,000,000	16,000,000
TOTAL					25,000,000	25,000,000

The amount represents investment in National Investment Bond against statutory deposit under Insurance Act.

4. INVESTMENTS IN SHARE

Name of the Company	No of Share	Cost Price per share	Total Cost	Market Price per share as on 31.12.2019	Total Market Price as on 31.12.2019
Fareast life insurance Ltd.	71,368	79.72	5,689,175	49.60	3,539,853
Green Del MF	500,000	10.00	5,000,000	8.00	4,000,000
MBL 1st mutual fund	250,000	10.00	2,500,000	6.10	1,525,000
Meghna life insurance Ltd.	22,411	179.79	4,029,276	51.70	1,158,649
Padma Oil Ltd.	11,200	341.42	3,823,925	192.20	2,152,640
Pubali Bank Ltd.	70,364	53.78	3,784,520	24.00	1,688,736
S Alam steel	108,900	77.11	8,396,956	20.50	2,232,450
SP ceramics Ltd.	40,807	66.01	2,693,784	8.30	338,698
Summit power Ltd.	48,760	46.94	2,288,748	36.30	1,769,988
Total	1,123,810		38,206,382		18,406,014

Provision has been made for an amount of Tk. 19,800,369 due to fall in market price of the shares as on December 31, 2019.

5. INTEREST RECEIVABLE

Opening Balance	270,988	1,391,962
Add: Accrued during the year	22,353,479	14,880,865
	<u>22,624,467</u>	<u>16,272,827</u>
Less: Received during the year	13,846,100	16,001,839
Closing Balance	<u>8,778,367</u>	<u>270,988</u>

6. AMOUNTS DUE FROM OTHER PERSONS OR BODIES CARRYING ON INSURANCE BUSINESS

These represent the amount receivable from insurance companies on account of co-insurance premium and claim as at December 31, 2019.

Amount due from Shadharon Bima Corporation:

Opening Balance	148,861,767	113,419,916
Add: Receivable from SBC against PSB	14,180,562	11,528,237
Add: Receivable from SBC against Claim		30,400,701
	<u>163,042,329</u>	<u>155,348,854</u>
Less: Adjusted with SBC Account	14,180,562	6,487,087
Closing Balance	<u>148,861,767</u>	<u>148,861,767</u>

7. SUNDRY DEBTORS

	2019 Taka	2018 Taka
Advance against office rent	5,771,900	4,867,872
Advance against other parties	1,270,000	1,109,500
Deposit clearing	41,033,556	42,029,820
Advance against salary	401,500	342,750
Collection control A/C, Note-7.1	267,969,415	197,902,001
Advance for automation	1,933,330	1,933,330
Rent receivable	1,347,840	599,040
	319,727,541	248,784,313

Deposit clearing are fully collected before 31st March-2020.

Aging of Sundry Debtors:

0 to 06 Months	94,090,310
07 months to above	225,637,231
	319,727,541

7.1 Collection Control A/C

Opening Balance as at 01.01.2019	197,902,001	209,281,771
Add, Additions during the year	118,480,398	-
	316,382,399	209,281,771
Less, Adjusted with deposit clearing A/c	48,412,984	11,379,770
Closing Balance as at 31.12.2019	267,969,415	197,902,001

The management considers the above receivable as good and collectible in due course.

8. ADVANCE AGAINST FLOOR PURCHASE

3,939 sft at Central Plaza (7th floor), Mirpur	-	15,739,500
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Global Insurance Limited executed a Deed of agreement with Hasan Holdings Ltd.(3rd floor) 52/1, New Eskaton Road, Dhaka-1000 on 14.12.2009 for the purchase of 3,930 sft. Floor Space 7th floor at the Central Plaza at Mirpur, at total price 15,739,500. The amount has been capitalized during the year on completion of registration formalities.

9. CASH & BANK BALANCES

Cash in hand:

Head office	399,356	2,115,976
Branch offices	189,610	7,374,915
	588,966	9,490,891

Cash at bank:

Short term deposits	27,553,360	25,019,406
Current deposit	4,183,772	2,707
	31,737,132	25,022,113
Fixed deposit receipts	321,000,000	221,250,000
	352,737,132	246,272,113
	353,326,098	255,763,004

. FIXED ASSETS

Amount in Taka

Particulars	Cost				Rate (%)	Depreciation				Written Down Value as on 31.12.2019
	Balance as on 01.01.2019	Addition during the year	Adjustment during the year	Balance as on 31.12.2019		Balance as on 01.01.2019	Charged during the year	Adjustment during the year	Balance as on 31.12.2019	
Office Space	50,327,720	19,575,500		69,903,220	2.5	9,223,246	1,151,587		10,374,833	59,528,387
Furniture & Fixture	5,918,870	691,708		6,610,578	10	3,286,425	289,610		3,576,035	3,034,543
Motor Vehicles	46,680,666	10,045,763	2,927,845	53,798,584	20	23,011,081	4,387,213	2,446,612	24,951,682	28,846,902
Office Decoration	12,955,729	438,509		13,394,238	20	10,314,633	562,436		10,877,069	2,517,169
Computer	5,491,865	1,451,890		6,943,755	30	4,098,812	542,593		4,641,405	2,302,350
Air Conditioner	2,471,170	876,238		3,347,408	15	1,555,840	177,270		1,733,110	1,614,298
Office Equipment	5,815,410	1,023,954		6,839,364	15	3,522,083	411,400		3,933,483	2,905,881
Total as on 31.12.2019	129,661,430	34,103,562	2,927,845	160,837,147		55,012,120	7,522,111	2,446,612	60,087,620	100,749,527
Total as on 31-12-2018	106,255,663	24,883,324	1,477,557	129,661,430		50,229,509	5,875,255	1,092,645	55,012,120	74,649,310

11. SHARE CAPITAL

Authorised capital:

100,000,000 Ordinary shares of Tk. 10 each

2019
Taka
2018
Taka
1,000,000,000
1,000,000,000

Issued, subscribed and paid-up capital

3,86,20,727 Ordinary shares of Tk. 10/- each

386,207,270
367,816,450

During the year 2019, the company has paid stock dividend by issuing 18,390,820 ordinary shares of Tk. 10 each against retained earnings of 2018.

The Category-wise share holding position as on 31 December, 2019 is as under:

Category of Shareholders	No. of Shares	(%) of Holding	Amount in Taka
Sponsors (Group-A)	591,185	1.53	5,911,850
Sponsor Directors (Group-A)	10,480,430	27.14	104,804,300
General Public Shareholder Directors (Group-B)	2,576,446	6.67	25,764,460
Independent Director (Group-B)	136,396	0.68	1,363,960
Financial & Other Institutions (Group-B)	4,638,991	12.01	46,389,910
General Public (Group-B)	20,197,279	52.30	201,972,790
TOTAL	38,620,727	100	386,207,270

Classification of Shareholders as per share holdings: Group-A

S/N	Class Interval	No. of Shares	No. of Shareholders	Share Holdings (%)	(%) of Total Paid up Capital
1	01-500			0.00	0.00%
2	501-5,000			0.00	0.00%
3	5,001-10,000	8,154	1	0.07	0.02%
4	10,001-20,000			0.00	0.00%
5	20,001-30,000			0.00	0.00%
6	30,001-40,000			0.00	0.00%
7	40,001-50,000			0.00	0.00%
8	50,001-1,00,000			0.00	0.00%
9	1,00,001-10,00,000	8,605,785	11	77.73	22.28%
10	10,00,001-Over	2,457,676	2	22.20	6.36%
Total		11,071,615	14	100.00	28.67%

Classification of Shareholders as per share holdings: Group-B

S/N	Class Interval	No. of Shares	No. of Shareholders	Share Holdings (%)	(%) of Total paid up capital
1	01-500	250,822	1637	0.91	0.65%
2	501-5,000	3,658,362	1954	13.28	9.47%
3	5,001-10,000	2,534,940	334	9.20	6.56%
4	10,001-20,000	2,952,747	204	10.72	7.65%
5	20,001-30,000	1,792,724	71	6.51	4.64%
6	30,001-40,000	1,457,561	41	5.29	3.77%
7	40,001-50,000	1,010,477	22	2.62	2.62%
8	50,001-1,00,000	2,841,852	38	10.32	7.36%
9	1,00,001-10,00,000	8,901,239	30	32.31	23.05%
10	10,00,001- Over	2,148,388	2	7.80	5.56%
Total		27,549,112	4333	100.00	71.33%
GRAND TOTAL		38,620,727	4347		100.00%

Name wise shareholding position of Sponsors Directors and General Public Shareholder Directors:

SL#	Name of the directors	Designation	Percentage (%)	Value
1	Mr. Sayeed Ahmed	Chairman	3.33%	1,287,354
2	Mr. Shawket Reza	Vice Chairman	2.00%	773,159
3	Mr. Mahabub Morshed Talukder	Sponsor Director	2.00%	774,116
4	Mr. S.M. Sarowar Alam	Sponsor Director	2.02%	779,084
5	Mr. Monoj Kumar Roy	Sponsor Director	2.00%	772,930
6	Ar. Mubasshar Hussain	Sponsor Director	2.00%	772,411
7	Mr. Md. Harunur Rashid	Sponsor Director	2.23%	860,816
8	Mrs. Ishrat Jahan	Sponsor Director	2.50%	967,208
9	Mr. Md. Monirul Islam	Sponsor Director	3.03%	1,170,322
10	Mr. Tahsin Aman	Sponsor Director	2.00%	772,411
11	Md. Abdul Khaleque	Sponsor Director	2.00%	773,025
12	Mr. Md. Quamruzzaman	Sponsor Director	2.01%	777,594
13	Mr. Sazzad Arefin Alam	General Public Shareholder Director	2.67%	1,029,880
14	Mr. Syed Badrul Alam	General Public Shareholder Director	2.00%	772,799
15	Mr. Abdul Muqtadir	General Public Shareholder Director	2.00%	773,767
Total			33.81%	13,056,876

2019 **2018**
Taka **Taka**

12. RETAINED EARNINGS

Balance brought forward from last year	(44,845)	(1,401,572)
Add: Net profit during the year after Tax & WPPF	38,895,739	19,747,547
	38,850,894	18,345,975
Less: Reserve for exceptional losses	-	-
	38,850,894	18,345,975

12.1 BALANCE BROUGHT FORWARD FROM LAST YEAR

Net profit before dividend	18,345,975	16,113,498
Less: Dividend paid	18,390,820	17,515,070
	(44,845)	(1,401,572)

13. PREMIUM DEPOSIT

9,876,712 **2,221,035**

The amount represents the un-adjusted balance of premium as received against cover notes over the years for which policies have not been issued within December 31, 2019.

14. LOANS & OVERDRAFT

Loans (14.1)	65,159,619	79,779,213
Car Loan	5,758,819	6,900,920
Margin Loan from Mercantile Bank Securities Ltd.	22,538,000	20,537,142
	93,456,438	107,217,275

14.1 Loans

United Commercial Bank Ltd., A/c No-107174800037	9,987,297	9,725,944
United Commercial Bank Ltd., A/c No-107174800028	25,340,859	24,968,261
United Commercial Bank Ltd., A/c No-107174800039	23,627,827	23,066,494
SOD Loan (EXIM Bank, Paltan Branch)	-	1,939,034
Mercantile Bank Ltd., A/c no-11337150448835	6,203,636	20,079,480
	65,159,619	79,779,213

14.2 SOD Loan (UCBL & MBL, Bijoyagar Branch)

- (a) **SOD loan account no-1071748000000037:-** SOD Limit of Tk. 100.00 Lac have been obtained from United Commercial Bank Ltd.(UCBL) Bijoyagar Branch against security of lien FDR valuing Tk.115 lac. Rate of Interest 2% of above FDR .
- (b) **SOD loan account no-1071748000000028:-** SOD Limit of Tk. 250.00 Lac have been obtained from United Commercial Bank Ltd.(UCBL) Bijoyagar Branch against security of lien FDR valuing Tk.312.50 lac. Rate of Interest 2% of above FDR .
- (c) **SOD loan account no-1071748000000039:-** SOD Limit of Tk. 230.00 Lac have been obtained from United Commercial Bank Ltd.(UCBL) Bijoyagar Branch against security of lien FDR valuing Tk.289.00 lac. Rate of Interest 2% of above FDR .
- (d) **SOD loan account no-1000635876:-** SOD Limit of Tk. 19.00 Lac have been obtained from EXIM Bank Ltd. Paltan Branch against security of lien FDR valuing Tk. 22.00 lac. Rate of Interest 1.75% of
- (e) **SOD loan account no-113371504458835:-** SOD Limit of Tk. 200.00 Lac have been obtained from Mercantile Bank Ltd.(MBL) Bijoyagar Branch against security of lien FDR valuing Tk.253.00 lac. Rate of Interest 2% of above FDR .

	2019 Taka	2018 Taka
15. DEFERRED TAX LIABILITY		
Opening Balance	2,169,913	1,889,062
Add, Provision made during the year	4,089,339	280,851
	<u>6,259,252</u>	<u>2,169,913</u>
Less, Adjusted during the year	-	-
Closing Balance	<u>6,259,252</u>	<u>2,169,913</u>

Calculation of Deferred Tax :

Particulars	Account Base	Tax Base	Difference	Rate (%)	Deferred Tax	Deferred Tax
Fixed Assets	100,749,530	84,058,192	16,691,338	37.50	6,259,252	280,851
Total					6,259,252	280,851

16. ESTIMATED LIABILITY IN RESPECT OF OUTSTANDING CLAIMS WHETHER DUE OR INTIMATED

Fire	16,839,422	25,318,713
Marine (Cargo)	7,687,972	18,731,430
Miscellaneous (Motor)	4,196,805	3,498,536
Miscellaneous	3,830,000	220,000
	<u>32,554,199</u>	<u>47,768,679</u>

17 AMOUNTS DUE TO OTHER PERSONS OR BODIES CARRYING ON INSURANCE BUSINESS

Shadharon Bima Corporation	<u>58,719,298</u>	<u>97,875,470</u>
Opening Balance	97,875,470	90,784,606
Add: Ceded during the year	111,897,738	42,074,433
	<u>209,773,208</u>	<u>132,859,039</u>
Less: Paid during the year	37,194,336	28,496,481
Less: Adjustment with Claim paid	99,679,012	-
Less: Adjustment with PSB	14,180,562	6,487,087
Closing Balance	<u>58,719,298</u>	<u>97,875,470</u>

18 SUNDRY CREDITORS

Provision for office rent		62,600	98,666
Provision for audit fee		864,250	516,750
Provision For Utility and Telephone Bills		123,757	122,446
VAT deducted at source		274,668	121,696
Salary income tax payable		242,900	40,000
Income tax deduction (Office rent)		24,106	29,830
Security deposit against office rent		800,536	800,536
I.T. deduction at source		121,931	239,260
GIL foundation		5,000	5,000
Share application money refundable		830,699	815,242
Provision for loss on investment in shares	Note: 18.1	19,800,369	16,538,256
Provision for Salary & Allowance		19,350,665	3,748,624
Provision for employees Contribution(P.F)		-	156,607
Claim payable to party		76,797,646	-
Payable to Other party		4,877,812	-
Provision for profit bonus	Note: 30	4,250,000	-
Provision for WPPF	Note: 29	1,981,128	4,406,058
Premium VAT payable		7,877,655	2,976,512
Provision for company's Contribution(P.F)		270,409	156,607
Income tax payable	Note: 28	16,068,977	6,287,486
		154,625,108	37,059,576
Aging of Sundry Creditors:			
0 to 06 Months		131,207,376	
07 months to above		23,417,732	
		154,625,108	

18.1 Provision for loss on investment in shares

Opening Balance	16,538,255	14,150,004
Add: Provision made due to fall in market prices	3,262,114	2,388,251
Closing Balance	19,800,369	16,538,255

19 PREMIUM INCOME LESS RE-INSURANCE

Business	Gross Premium			Re-Insurance	Net Premium	Net Premium
	Private	Public	Total			
Fire	191,780,149	12,576,881	204,357,030	118,152,459	86,204,571	31,527,001
Marine	312,693,372	22,065,836	334,759,208	102,336,359	232,422,849	120,682,441
Motor	71,221,881	2,643,048	73,864,929	1,388,398	72,476,531	24,405,956
Miscellaneous	29,815,994	39,381,298	69,197,292	42,720,219	26,477,073	21,495,185
Total	605,511,396	76,667,063	682,178,459	264,597,435	417,581,024	198,110,583

20 EXPENSES OF MANAGEMENT

The expenses have been charged to Revenue Accounts on product basis of Gross Premium earned or direct business as under:

Fire	29.36	56,389,550	26,708,667
Marine	47.76	91,721,113	36,006,768
Motor	12.89	24,749,249	7,399,344
Miscellaneous	9.98	19,184,107	13,680,066
Total	100%	192,044,019	83,794,846

SL	Head of Accounts	2019	2018
1	Bank charges	436,669	453,600
2	Books, papers & periodicals	121,166	99,510
3	Brokerage commission	-	500
4	Car Allowance	5,306,072	860,700
5	Car fuel	259,029	457,240
6	Car maintenance	1,875,376	1,131,679
7	Conveyance	1,761,078	415,994
8	Cookeries	1,820	-
9	Electricity & WASA expenses	1,871,007	926,470
10	Entertainment	2,233,181	680,028
11	Fee and Charges	574,787	677,580
12	Festival & Incentive	13,132,391	4,278,404
13	Group Insurance Premium	-	500,000
14	Insurance premium Car	99,068	768,696
15	Internet Bill	946,136	882,360
16	Office maintenance	2,484,322	2,676,668
17	Office rent, rates & taxes	10,667,796	9,131,733
18	New Year celebration	271,892	212,293
19	PF Contribution	2,298,202	2,071,683
20	Postage, revenue stamps & telegram	663,928	503,612
21	Printing & stationery	5,457,665	2,213,281
22	Salary & allowances	123,632,556	46,474,195
23	SBC expenses on PSB	5,803,181	5,066,524
24	Office Service charges	602,806	648,575
25	Surveyor Fees	2,542,367	717,361
26	Telephone & telex	2,440,654	516,917
27	Training Fee	404,663	37,201
28	Traveling	807,549	198,372
29	Uniform	215,608	14,170
Sub Total		186,910,969	82,615,346
Insurance Stamp Expenses			
1	Fire	397,500	248,300
2	Marine	-	-
3	Motor	4,510,900	665,000
4	Miscellaneous	224,650	266,200
Sub Total		5,133,050	1,179,500
Total Expenses		192,044,019	83,794,846

	2019	2018
	<u>Taka</u>	<u>Taka</u>
21 DIRECTORS FEE	<u>2,903,000</u>	<u>1,031,000</u>

During the year an amount of Tk. 2,903,000 was paid to the Directors of the Company as Board and Committee meeting's attendance fee.

22 INTEREST INCOME

Interest on National Investment Bond (NIB)	2,979,100	2,979,100
Interest on Fixed Deposits	19,271,257	11,872,225
Interest on Short Term Deposits	103,122	29,540
	<u>22,353,479</u>	<u>14,880,865</u>

23 EARNING PER SHARE (EPS)

Earning attributable to ordinary share holders (Profit after tax & WPF)	38,895,739	19,747,547
Weighted average number of ordinary shares outstanding during the	<u>38,620,727</u>	<u>38,620,727</u>
EPS (2018 restated)	<u>1.01</u>	<u>0.51</u>

24 NET ASSETS VALUE PER SHARE (NAV)

Net Assets	474,193,576	435,297,837
Weighted average number of ordinary shares outstanding during the	<u>38,620,727</u>	<u>38,620,727</u>
NAV per share (2018 restated)	<u>12.28</u>	<u>11.27</u>

25 NET OPERATING CASH FLOW PER SHARE (NOCFPS)

Cash Flows from Operating Activities – Preferred Dividends	140,064,354	42,293,570
Weighted average number of ordinary shares outstanding during the	<u>38,620,727</u>	<u>38,620,727</u>
NOCFPS (2018 restated)	<u>3.63</u>	<u>1.10</u>

26 KEY MANAGEMENT PERSONNEL COMPENSATION

As per IAS-24 paragraph 17 "Related Party Disclosure" the Company has not any key management personnel compensation for any of the following categories:

- a) Short-term employee benefits;
- b) Post -employment benefits;
- c) Other long -term benefits;
- d) Termination benefits; and
- e) Share based payment.

27 RELATED PARTY TRANSACTIONS

As per International Accounting Standards: 24 Related Party Disclosures, parties are considered to be related if one of the party has the ability to control the other party or exercise significant influence over the other party in making financial and operating decisions. The company has not any related party transaction during the year.

	2019	2018
	<u>Taka</u>	<u>Taka</u>
28 CURRENT TAX ASSETS/(LIABILITY)		
Provision for income tax (Note: 28.1)	204,045,679	178,656,456
Income Tax paid in Advance (Note: 28.2)	<u>187,976,702</u>	<u>172,368,970</u>
	<u>16,068,977</u>	<u>6,287,486</u>
28.1 Provision for income tax:		
Opening Balance	178,656,456	166,911,565
Add. Provision made during the year (28.1.1)	<u>25,389,223</u>	<u>11,744,891</u>
	204,045,679	178,656,456
Less: Adjustment on completion of assessment	-	-
Closing Balance	<u>204,045,679</u>	<u>178,656,456</u>

28.1.1 Computation of taxable income and income tax liability

Net income as per Profit & Loss Account	68,374,300
Less: Reserve for Exceptional Loss	
(Exempted from Tax as per 4th Schedule	
Clause# 6 (2) of ITO 1984)	-
Total Income:	<u>68,374,300</u>

Less:

Other Income (Misc. Income)	
Office Rent Income	1,244,160
Interest Income	22,353,479
Dividend Income	1,435,085
Profit on sale of Assets	469,960
Profit on sale of Shares of Listed Companies	-
Income/(loss) from Insurance Business	<u>25,502,684</u>
	<u>42,871,616</u>

Computation of Income Tax:

1) Tax on Business Income @ 37.5%	16,076,856
2) Tax on Other Income @ 37.5%	-
3) Tax on Office Rent Income @ 37.5%	466,560
4) Tax on Interest Income @ 37.5%	8,382,555
5) Tax on Dividend Income @ 20%	287,017
7) Tax on Capital gain @ 37.5%	176,235
	-
	<u>25,389,223</u>
Income tax liability for the year	<u>25,389,223</u>

Provision for income tax consists of the following:

Income year-2005(AY:-2006-2007)	16,176,903	16,176,903
Income year-2006(AY:-2007-2008)	6,200,363	6,200,363
Income year-2007(AY:-2008-2009)	7,094,131	7,094,131
Income year-2008(AY:-2009-2010)	9,661,284	9,661,284
Income year-2009(AY:-2010-2011)	4,486,640	4,486,640
Income year-2010(AY:-2011-2012)	4,937,744	4,937,744
Income year-2011(AY:-2012-2013)	12,986,800	12,986,800
Income year-2012(AY:-2013-2014)	18,837,088	18,837,088
Income year-2013(AY:-2014-2015)	21,821,380	21,821,380
Income year-2014(AY:-2015-2016)	22,901,711	22,901,711

	2019 <u>Taka</u>	2018 <u>Taka</u>
Income year-2015(AY:-2016-2017)	20,358,489	20,358,489
Income year-2016(AY:-2017-2018)	11,795,662	11,795,662
Income year-2017(AY:-2018-2019)	9,653,370	9,653,370
Income year-2018(AY:-2019-2020)	11,744,891	11,744,891
Income year-2019(AY:-2020-2021)	25,389,223	-
	<u>204,045,679</u>	<u>178,656,456</u>

28.2 Income Tax paid in Advance:

Opening Balance	172,368,970	160,624,079
Add. Tax paid during the year (Note: 28.2.1)	15,607,732	11,744,891
	187,976,702	172,368,970
Less: Adjustment on completion of assessment	-	-
Closing Balance	<u>187,976,702</u>	<u>172,368,970</u>

28.2.1 Income Tax paid in Advance includes the following:

Income Tax paid directly	14,148,346
Tax deducted at source:	
From FDR Interest	959,036
From Dividend Income	277,015
From others	223,334
	<u>15,607,732</u>

Income tax paid in advance consists of the following:

Income year-2005(AY:-2006-2007)	9,426,019	9,426,019
Income year-2006(AY:-2007-2008)	5,056,640	5,056,640
Income year-2007(AY:-2008-2009)	5,234,847	5,234,847
Income year-2008(AY:-2009-2010)	7,500,813	7,500,813
Income year-2009(AY:-2010-2011)	5,190,099	5,190,099
Income year-2010(AY:-2011-2012)	6,122,069	6,122,069
Income year-2011(AY:-2012-2013)	15,121,518	15,121,518
Income year-2012(AY:-2013-2014)	19,654,852	19,654,852
Income year-2013(AY:-2014-2015)	22,251,812	22,251,812
Income year-2014(AY:-2015-2016)	23,249,371	23,249,371
Income year-2015(AY:-2016-2017)	21,528,077	21,528,077
Income year-2016(AY:-2017-2018)	12,089,221	12,089,221
Income year-2017(AY:-2018-2019)	8,198,741	8,198,741
Income year-2018(AY:-2019-2020)	11,744,891	11,744,891
Income year-2019(AY:-2020-2021)	15,607,732	-
	<u>187,976,702</u>	<u>172,368,970</u>

29 PROVISION FOR WPPF

	2019 <u>Taka</u>	2018 <u>Taka</u>
Opening Balance	4,406,058	2,817,394
Add: Provision made during the year	<u>-</u>	<u>1,588,664</u>
	4,406,058	4,406,058
Less: Payment & adjustment during the year	<u>2,424,930</u>	<u>-</u>
Closing Balance	<u>1,981,128</u>	<u>4,406,058</u>

As per letter no:-BIA-3(91)/2019-512 date- 26/12/2019 from Bangladesh Insurance Association and Bank and Financial Institution Division, Ministry of Finance Bangladesh latter no- 53.00.0000.311.22.002.17-130 dated 14/02/2017 no provision was made for the year.

30 PROVISION FOR PROFIT BONUS

Opening Balance	-	-
Add: Provision made during the year	<u>4,250,000</u>	<u>-</u>
	4,250,000	-
Less: Payment & adjustment during the year	<u>-</u>	<u>-</u>
Closing Balance	<u>4,250,000</u>	<u>-</u>

This represents 01 (one) month basic pay of the eligible employees.

31 Reconciliation of cash flow from operating activities under indirect method

Net profit before tax	68,374,300	31,773,289
Add: Adjustment for non-cash item and others		
Depreciation	7,522,111	5,875,255
Interest expense	11,327,553	9,575,380
Profit on sale of assets	<u>(469,960)</u>	<u>(138,024)</u>
	86,754,005	47,085,900
Changes in Working capital:		
Increase/(Decrease) of interest receivable	(8,507,379)	1,120,974
Increase/(Decrease) Amount due from other persons or bodies carrying on insurance business	-	(35,441,851)
Increase/(Decrease) of Sundry debtors	(70,943,228)	(14,447,604)
Increase/(Decrease) of Stationery	(508,211)	261,756
Increase/(Decrease) of Stamp in hand	(585,564)	(60,704)
Increase/(Decrease) of Balance of fund and accounts	88,393,397	35,361,700
Increase/(Decrease) of premium deposit	7,655,677	920,378
(Increase)/Decrease of Estimated liability in respect of outstanding claims, where due or intimation	(15,214,480)	1,596,247
(Increase)/Decrease amount due to other persons or bodies carrying on insurance business	(39,156,172)	7,090,864
(Increase)/Decrease of Sundry creditor and others	107,784,041	6,685,728
	68,918,081	3,087,488
Tax paid during the year	<u>(15,607,732)</u>	<u>(7,879,819)</u>
	<u>140,064,354</u>	<u>42,293,570</u>

32 CONTINGENT LIABILITIES

The Income Tax Authority has claimed Tk. 143,890,446 for the assessment year 2006-07, 2007-08, 2008-09, 2009-10, 2010-11, 2011-12, 2012-13, 2013-14, 2014-15, 2015-16, 2016-17 & 2017-18 in excess of income tax paid for the respective years. However, the company filed a writ with the Honorable High Court for the assessment year 2006-07, 2007-08, 2008-09, 2009-10, 2010-11, 2011-12, 2012-13, 2013-14, 2014-15, 2015-16 and appeal to appellate tribunal for the assessment years 2016-17 and appeal to appellate for the year 2017-18. The Honorable High Court given decision in favour of the Company but the Government again appeal to the Honorable High Court against the decision. The ultimate outcome of the matters cannot be accurately determined and no provision for any liability that may arise has been made in the financial statements.

33 BOARD MEETING

During the year 2019 the Company had 17 members Board of Directors and held 06 Board meetings. Board of Directors of the Company has formed other Committees and Sub-committees like Executive Committee, Claims Committee and Audit Committee. Regular meetings of those Committees were also held during the year.

34 EMPLOYEES

Total number of employees of the Company is 630. None of them received salary below Tk. 5,000 per month.

35 CREDIT FACILITY

There was no credit facility available to the company under any contract availed of as on 31 December, 2019 other than trade credit available in the ordinary course of business.

36 DIRECTOR'S RESPONSIBILITY OF THE FINANCIAL STATEMENTS

The Board of Directors takes the responsibility for the preparation and presentation of the financial statements of the Company for the year ended 31 December 2019.

37 EVENTS AFTER THE REPORTING PERIOD**(i) Impact of Covid-19:**

Subsequent to year-end, on 11 March 2020, World Health Organization (WHO) declared a global pandemic due to Corona Virus related respiratory disease commonly called as COVID-19. To contain the spread of this disease, along with many other countries of the world, Government of Bangladesh has also taken a number of measures such as declaration of general holiday, enforcement of lock down, social distancing etc. As a result of these measures, all business and economic activities were adversely affected and those also impacted the insurance company as well. Management considered COVID-19 as a subsequent event and in accordance with IAS 10 this is a non-adjusting event (i.e. an event after the reporting period that is indicative of a condition arising after the end of the reporting period); because the significant changes in business activities and economic conditions as a result of COVID-19 had taken place well after the reporting date of 31 December 2019. Although the business operation and profitability of the Insurance were affected due to COVID-19, the situation is constantly changing and there is no certainty at present as to how long the situation will prevail. The potential impact of COVID 19 related matters on the Insurance's operation and financial results cannot be reasonably assessed. There is no impact of the stimulus packages declared by Government of Bangladesh for the industries in Bangladesh to the financial statements of the Insurance for the financial year ended 31 December 2019 regarding COVID-19.

Subsequent to year-end, on 11 March 2020, World Health Organization (WHO) declared a global pandemic due to Corona Virus related respiratory disease commonly called as COVID-19. To contain the spread of this disease, along with many other countries of the world, Government of Bangladesh has also taken a number of measures such as declaration of general holiday, enforcement of lock down, social distancing etc. As a result of these measures, all business and economic activities were adversely affected and those also impacted the insurance company as well. Management considered COVID-19 as a subsequent event and in accordance with IAS 10 this is a non-adjusting event (i.e. an event after the reporting period that is indicative of a condition arising after the end of the reporting period); because the significant changes in business activities and economic conditions as a result of COVID-19 had taken place well after the reporting date of 31 December 2019. Although the business operation and profitability of the Insurance were affected due to COVID-19, the situation is constantly changing and there is no certainty at present as to how long the situation will prevail. The potential impact of COVID 19 related matters on the Insurance's operation and financial results cannot be reasonably assessed. There is no impact of the stimulus packages declared by Government of Bangladesh for the industries in Bangladesh to the financial statements of the Insurance for the financial year ended 31 December 2019 regarding COVID-19.

(ii) Approval of financial statements:

The Board of Directors has approved the Financial Statements of the Year Ended 31st December 2019 & Recommended for the payment of Cash Dividend to the Amount of Tk-19,310,363.50 @ 5% & Stock Dividend to the Number of 1931036 shares @ 5% on paid Capital out of the surplus available for Distribution at end of the year 2019, as decided In their 157th Meeting held on 21 October 2020, For the which is subject to the approval of shareholders in the forthcoming Annual General Meeting of the Company.

(iii) Other significant event:

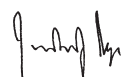
There was no significant event that has occurred between the balance sheet date and the date when the financial statements are authorized for issue by the Board of Directors except the above.



Chief Executive Officer



Director



Director



Chairman

Place: Dhaka
Dated: 21 October 2020

GLOBAL INSURANCE LIMITED
FORM AA

Annexure-"A"

Classified Summary of Assets
As at 31 December 2019

Amount in Taka

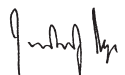
Particulars	Book value as per balance	Market value	Remarks
Deposit with Prime Bank Ltd. (10 years National Investment Bond @ Average 11.59% Interest)	9,000,000	9,000,000	At cost
Deposit with Mercantile Bank Ltd. (10 years National Investment Bond @ Average 12.10%)	16,000,000	16,000,000	At cost
Investment in Shares	38,206,382	18,406,014	At market value
Amount due from other persons or bodies carrying on insurance business	148,861,767	148,861,767	Realizable value
FDR	321,000,000	321,000,000	Realizable value
CD & STD	31,737,132	31,737,132	Realizable value
Cash in Hand	588,966	588,966	Realizable value
Interest accrued but not due	8,778,367	8,778,367	Realizable value
Sundry debtors, advance, deposits and prepayments	319,727,541	319,727,541	All considered good and realizable
Fixed Assets (At cost less depreciation)	100,749,527	100,749,527	At written down value
Advance against floor purchase	-	-	At cost
Stamp in hand	1,500,264	1,500,264	At cost
Stock of Printing and Stationery	1,335,321	1,335,321	At cost
	997,485,268	977,684,899	



Chief Executive Officer



Director



Director



Chairman

Place: Dhaka
Dated: 21 October 2020

Directors' Certificate

As per regulations contained in the first schedule of the Insurance Act, 2010 as amended and as per Section 40 of the said Act, we certify that:

The value of investment in shares and debentures have been taken at cost and the quoted value thereof mentioned wherever available.

The value of all assets as shown in the Balance Sheet and as classified on Form AA annexed have been duly reviewed as at 31st December, 2019 and in our belief, the said assets have been set forth in the Balance Sheet at amount not exceeding their realizable or market value under the several headings as enumerated in the annexed form.

All expenses of management, wherever incurred and whether incurred directly or indirectly in respect of Fire, Marine, Motor and Miscellaneous Insurance Business have been duly debited to the related Revenue Accounts and Profit & Loss Account.



Chief Executive Officer



Director



Director



Chairman

Place: Dhaka
Dated: 21 October 2020