

AUDITORS' REPORT

We have audited the accompanying Balance Sheet of Global Insurance Limited as of December 31, 2004 and the Related Profit and Loss Account and Statement of Cash flows for the year then ended. The preparation of these Financial Statements is the responsibility of the Company's management. Our responsibility is to express an independent opinion on these Financial Statements based on our audit.

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

In our opinion, the financial statements prepared in accordance with Bangladesh Accounting Standards (BAS), give a true and fair view of the state of the company's affairs as of December 31, 2004 and of the results of its operations and its Cash Flows for the year then ended and comply with the Companies Act, 1994, Insurance Rules 1958, the Securities Exchange Rules 1987 and other applicable laws and regulations.

Subject to the accompanying notes and disclosures therein we also report that :

- i) We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit and made due verification thereof;
- ii) In our opinion, proper books of account as required by law have been kept by the company so far as it appeared from our examination of those books and (where applicable) proper returns adequate for the purposes of our audit have been received from branches not visited by us;
- iii) The company's Balance Sheet and Profit and Loss Account and its Cash Flows dealt with by the report are in agreement with the books of account and returns;
- iv) The expenditure incurred was for the purposes of the company's business;
- v) As per Section 40c(2) of the Insurance Act 1938 as amended, we certify that to the best of our knowledge and belief and according to the information and explanations given to us, all expenses of management wherever incurred and whether incurred directly or indirectly, in respect of insurance business of the company transacted in Bangladesh during the year under report have been duly debited to the related Revenue Accounts and the Profit & Loss Account of the Company; and
- vi) As per Regulation-11 of Part-1 of the Third Schedule of the Insurance Act 1938 as amended, we certify that to the best of our information and as shown by its books, the Company during the year under report has not paid any person any commission in any form outside Bangladesh in respect of any of its business re-insured abroad.

Dated : February 12, 2005

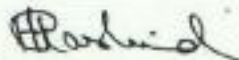

(A. WAHAB & CO.)
Chartered Accountants

BALANCE SHEET AS

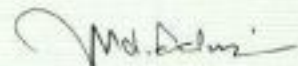
CAPITAL AND LIABILITIES	NOTES	2004 Taka	2003 Taka
AUTHORISED CAPITAL: 3000000 Ordinary shares of Tk.100/- each.		<u>300,000,000</u>	<u>300,000,000</u>
ISSUED, SUBSCRIBED AND PAID UP CAPITAL: 600,000 Ordinary shares of Tk.100/- each	8	60,000,000	60,000,000
RESERVE OR CONTINGENCY ACCOUNTS:		4,230,763	572,410
Reserve for exceptional losses		4,200,000	500,000
Profit and loss Appropriation Account		30,763	72,410
BALANCE OF FUND AND ACCOUNTS:		21,342,901	19,266,642
Fire insurance business		4,989,514	3,723,928
Marine insurance business		11,993,101	11,308,072
Motor insurance business		3,287,633	3,545,206
Miscellaneous insurance business		1,072,653	689,436
PREMIUM DEPOSIT	9	17,659,491	20,470,029
ESTIMATED LIABILITIES IN RESPECT OF OUTSTANDING CLAIMS WHETHER DUE OR INTIMATED	10	9,164,299	565,651
AMOUNT DUE TO OTHER PERSONS OR BODIES CARRYING ON INSURANCE BUSINESS:			
Sadharan Bima Corporation	11	16,675,675	8,290,853
SUNDRY CREDITORS	12	65,251,457	17,794,981
PROPOSED DIVIDEND	13	6,000,000	6,000,000
		<u>200,324,586</u>	<u>132,960,566</u>



A. B. M. Nurul Haq
Managing Director



Md. Harunur Rashid
Director



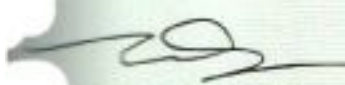
Mohd. Selim
Director

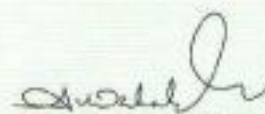
Dated : Dhaka, February 12, 2005

AT 31 DECEMBER, 2004

PROPERTY AND ASSETS INVESTMENT (AT COST)	NOTES	2004 Taka	2003 Taka
Statutory Deposit with Bangladesh Bank			
National Investment Bond	1	9,000,000	9,000,000
Investment in Share		6,500	-
INTEREST, DIVIDEND AND RENT OUTSTANDING	2	4,343,500	2,179,083
AMOUNT DUE FROM OTHER PERSONS OR BODIES CARRYING ON INSURANCE BUSINESS: Sadharan Bima Corporation	3	44,327,004	1,108,821
SUNDRY DEBTORS	4	66,570,511	40,532,525
CASH AND BANK BALANCES :		69,404,541	74,305,112
Fixed deposit with Bank	5	61,375,000	56,758,550
Cash at Bank	6	4,576,642	3,975,106
Cash in hand	7	3,452,899	13,571,456
OTHER ACCOUNTS:		6,672,530	5,835,025
Fixed Assets (Annexure-1)		6,408,169	5,625,365
Stamps in hand		6,831	7,305
Printing and stationery in hand (At cost)		257,530	202,355
		200,324,586	132,960,566

The accompanying notes are an integral part of this financial statement.


Md. Anwarul Haque
Chairman

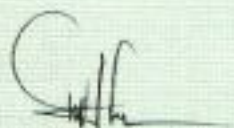

(A. WAHAB & CO.)
Chartered Accountants

PROFIT AND LOSS ACCOUNT FOR

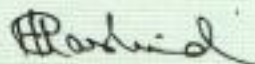
PARTICULARS	2004 Taka	2003 Taka
EXPENSES OF MANAGEMENT		
(Not Applicable to any particular fund or Account)		
Audit fee	90,000	66,900
Directors Fee	1,087,950	1,334,000
Retainers Fee	60,000	60,000
Advertisement	228,999	293,250
Registration & Renewal	329,819	197,044
Rent, Rates & Taxes	31,552	41,613
Subscription & Donation	322,760	175,167
Legal Expenses	14,745	160,940
Depreciation	1,310,983	1,142,871
Profit/(Loss) for the year transferred to		
Profit & Loss Appropriation Account	14,858,353	14,369,211
	<u>18,335,161</u>	<u>17,840,996</u>

PROFIT AND LOSS APPROPRIATION ACCOUNT

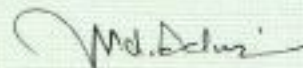
PARTICULARS	2004 Taka	2003 Taka
Reverve for Exceptional Losses	3,700,000	500,000
Provision for Income tax including dividend distribution tax	5,200,000	1,550,000
Proposed Dividend	6,000,000	6,000,000
Balance Transferred to Balance Sheet	30,763	72,410
	<u>14,930,763</u>	<u>8,122,410</u>



A. B. M. Nurul Haq
Managing Director



Md. Harunur Rashid
Director



Mohd. Selim
Director

Dated : Dhaka, February 12, 2005

THE YEAR ENDED 31 DECEMBER, 2004

PARTICULARS	NOTES	2004 Taka	2003 Taka
INTEREST, DIVIDEND AND RENTS (Not Applicable to any particular fund or Account)		6,480,027	6,118,462
FDR Interest	15	5,630,711	5,302,134
Interest on NIB		765,000	748,232
Interest on STD A/C	16	84,316	68,096
Miscellaneous Income		14,822	5,582
Profit / (Loss) Transferred from :		11,840,312	11,716,952
Fire Revenue Account		(138,580)	1,913,380
Marine Revenue Account		10,402,319	6,711,731
Motor Revenue Account		888,827	2,602,801
Miscellaneous Revenue Account		687,746	489,040
		<u>18,335,161</u>	<u>17,840,996</u>

FOR THE YEAR ENDED 31 DECEMBER, 2004

PARTICULARS	2004 Taka	2003 Taka
Balance brought forward from previous year	72,410	(6,246,801)
Net Profit for the year transferred from Profit & Loss Account	14,858,353	14,369,211
	<u>14,930,763</u>	<u>8,122,410</u>

The accompanying notes are an integral part of this financial statement.


Md. Anwarul Haque
Chairman

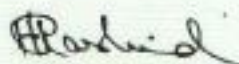

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FIRE INSURANCE REVENUE ACCOUNT FOR

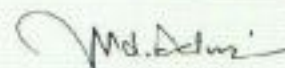
PARTICULARS	2004 Taka	2003 Taka
Claims Under Policies Less Re-insurance Paid during the year	5,279,602 1,212,933	1,193,833 972,979
Total estimated liability in respect of outstanding claims at the end of the year whether due or intimated	4,350,419 5,563,352	283,750 1,256,729
Less : Outstanding at the end of previous year	283,750	62,896
Agency Commission	-	3,780
Commission on reinsurance accepted	-	-
Expenses of management	15,407,779	8,480,092
Reserve for unexpired risks being 40% of the net premium income of the year	4,989,514	3,723,928
Profit/(Loss) transferred to profit and loss account	(138,580)	1,913,380
	<u>25,538,315</u>	<u>15,315,013</u>



A. B. M. Nurul Haq
Managing Director



Md. Harunur Rashid
Director



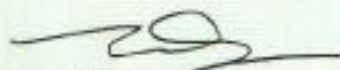
Mohd. Selim
Director

Dated : Dhaka, February 12, 2005

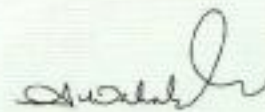
THE YEAR ENDED 31 DECEMBER, 2004

PARTICULARS	2004 Taka	2003 Taka
Balance of account at the beginning of the year	3,723,928	3,028,200
Premium less re-insurance	12,473,786	9,309,819
Commission on re-insurance ceded	9,340,601	2,976,994
	<u>25,538,315</u>	<u>15,315,013</u>

The accompanying notes are an integral part of this financial statement.



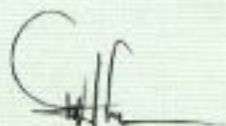
Md. Anwarul Haque
Chairman



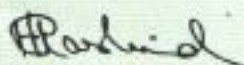
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Chartered Accountants

MARINE INSURANCE REVENUE ACCOUNT FOR

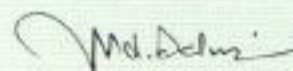
PARTICULARS	2004 Taka	2003 Taka
Claims Under Policies Less Re-insurance	4,286,465	485,108
Paid during the year	1,617,531	492,301
Total estimated liability in respect of outstanding claims at the end of the year whether due or intimated	2,728,463	59,529
	4,345,994	551,830
Less : Outstanding at the end of previous year	59,529	66,722
Agency Commission	-	424,263
Commission on re-insurance accepted	-	-
Expenses of management	16,498,327	14,059,736
Reserve for unexpired risks being 40% of the net premium income of the year	11,993,101	11,308,072
Profit/(Loss) transferred to profit and loss account	10,402,319	6,711,731
	<u>43,180,212</u>	<u>32,988,910</u>



A. B. M. Nurul Haq
Managing Director



Md. Harunur Rashid
Director



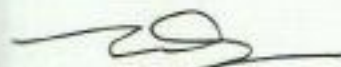
Mohd. Selim
Director

Dated : Dhaka, February 12, 2005

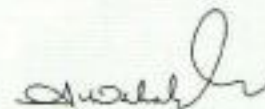
THE YEAR ENDED 31 DECEMBER, 2004

PARTICULARS	2004 Taka	2003 Taka
Balance of account at the beginning of the year	11,308,072	2,831,200
Premium less re-insurance	29,982,753	28,270,181
Commission on re-insurance ceded	1,889,387	1,887,529
	<u>43,180,212</u>	<u>32,988,910</u>

The accompanying notes are an integral part of this financial statement.



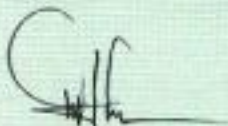
Md. Anwarul Haque
Chairman



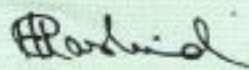
(A. WAHAB & CO.)
Chartered Accountants

MOTOR INSURANCE REVENUE ACCOUNT FOR

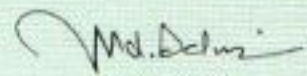
PARTICULARS	2004 Taka	2003 Taka
Claims Under Policies Less Re-insurance Paid during the year	3,249,864 1,386,819	2,350,385 2,751,001
Total estimated liability in respect of outstanding claims at the end of the year whether due or intimated	2,085,417 3,472,236	222,372 2,973,373
Less : Outstanding at the end of previous year	222,372	622,988
Agency Commission Commission on re-insurance accepted Expenses of management	: 5,339,042	: 4,089,046
Reserve for unexpired risks being 40% of the net premium income of the year	3,287,633	3,545,206
Profit/(Loss) transferred to profit and loss account	888,827	2,602,801
	<u>12,765,366</u>	<u>12,587,438</u>



A. B. M. Nurul Haq
Managing Director



Md. Hafunur Rashid
Director




Mohd. Selim
Director

Dated : Dhaka, February 12, 2005

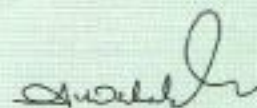
THE YEAR ENDED 31 DECEMBER, 2004

PARTICULARS	2004 Taka	2003 Taka
Balance of account at the beginning of the year	3,545,206	3,396,800
Premium less re-insurance	8,219,083	8,863,015
Commission on re-insurance ceded	1,001,077	327,623
	<u>12,765,366</u>	<u>12,587,438</u>

The accompanying notes are an integral part of this financial statement.



Md. Anwarul Haque
Chairman



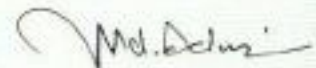
(A. WAHAB & CO.)
Chartered Accountants

MISCELLANEOUS INSURANCE REVENUE ACCOUNT FOR

PARTICULARS	2004 Taka	2003 Taka
Claims Under Policies Less Re-insurance Paid during the year	73,816	80,208
	73,816	80,208
Total estimated liability in respect of outstanding claims at the end of the year whether due or intimated	-	-
	73,816	80,208
Less : Outstanding at the end of previous year	-	-
Agency Commission	-	37,330
Commission on re-insurance accepted	-	-
Expenses of management	2,145,945	1,549,204
Reserve for unexpired risks being 40% of the net premium income of the year	1,072,653	689,436
Profit/(Loss) transferred to profit and loss account	687,746	489,040
	<u>3,980,160</u>	<u>2,845,218</u>


A. B. M. Nurul Haq
Managing Director


Md. Harunur Rashid
Director


Mohd. Selim
Director

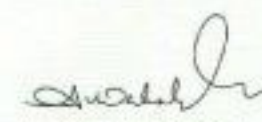
Dated : Dhaka, February 12, 2005

THE YEAR ENDED 31 DECEMBER, 2004

PARTICULARS	2004 Taka	2003 Taka
Balance of account at the beginning of the year	689,436	575,900
Premium less re-insurance	2,681,632	1,723,590
Commission on re-insurance ceded	609,092	545,728
	<u>3,980,160</u>	<u>2,845,218</u>

The accompanying notes are an integral part of this financial statement.


Md. Anwarul Haque
 Chairman


(A. WAHAB & CO.)
 Chartered Accountants

CASH FLOW STATEMENT FOR THE YEAR ENDED 31 DECEMBER, 2004

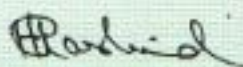
A. Cash Flow from Operating Activities:	2004 Taka	2003 Taka
Net profit after provision for tax	9,658,353	12,819,211
Adjustment to reconcile net profit to net cash provided by Operating Activities :		
Investment	(6,500)	-
Depreciation	1,310,983	1,142,871
Reserve for Unexpired Risks	2,076,259	9,434,542
Increase in Stock of Printing and Stationery	(55,175)	(12,500)
Decrease / (Increase) in Stamps in hand	474	491,665
Increase in Sundry Debtors	(26,037,906)	(25,138,675)
Decrease / (Increase) in Interest, Dividend & Rent outstanding	(2,164,417)	1,487,151
Decrease / (Increase) in amount due from other persons or bodies carrying on Insurance Business.	(43,218,183)	1,204,052
Increase in Sundry Creditors (including tax provision)	47,456,476	7,559,501
(Decrease) / Increase in Estimated Liability in respect of Outstanding Claims whether due or intimated	8,598,648	(186,954)
Increase in amount due to other persons or bodies carrying on Insurance Business.	8,384,822	1,885,015
(Decrease) / Increase in Premium Deposit	(2,810,538)	(3,350,320)
Dividend Paid	(6,000,000)	-
Net Cash Flow From Operating Activities	<u>(2,806,784)</u>	<u>7,335,559</u>
B. Cash Flows from Investing Activities :		
Purchase of Fixed Assets	(2,093,787)	(1,576,397)
Increase in Fixed Deposit	(4,616,450)	(4,708,550)
Net Cash Flow from Investing Activities	<u>(6,710,237)</u>	<u>(6,284,947)</u>
C. Net Cash Flows from Financing Activities		
Increase (Decrease) in Cash and Bank Balance (A+B+C)	<u>(9,517,021)</u>	<u>1,050,612</u>
Cash and Bank Balance at opening	17,546,562	16,495,950
Cash and Bank Balance at closing	<u>8,029,541</u>	<u>17,546,562</u>

The accompanying notes are an integral part of this financial statement.

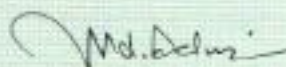
Note : The Cash Flow statement has been prepared using indirect method.



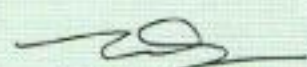
A. B. M. Nurul Haq
Managing Director



Md. Harunur Rashid
Director



Mohd. Selim
Director



Md. Anwarul Haque
Chairman

Dated : Dhaka, February 12, 2005



(A. WAHAB & CO.)
Chartered Accountants

NOTES ON ACCOUNTS FOR THE YEAR ENDED 31 DECEMBER, 2004

GENERAL

a) Significant accounting policies and other relevant information

- i) The company is a Public Limited Company formed under the Companies Act, 1994 and is engaged in general insurance business as per Insurance Act, 1938. It has adopted relevant International Accounting Standards as were adopted in Bangladesh under the title, Bangladesh Accounting Standards (BAS) particularly with regard to disclosure of accounting policies and relevant information in financial statements as well as accounting for property, plant & equipment and depreciation there on and the valuation of investments and other relevant matters.

ii) Basis of Accounting

The financial statements have been prepared on a going concern basis under generally accepted accounting principles on historical cost convention.

iii) Basis of Presentation

The Balance Sheet has been prepared in accordance with the regulations as contained in Part-1 of the First 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' set forth in Part-II of Third Schedule of the Insurance Act, 1938 as amended from time to time.

iv) 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 order to arrive at the net underwriting profit for the year.

v) Interest on Statutory and other Investments

Interest earned on statutory investment lying with Bangladesh Bank in the form of NIBs as renewed has been accrued and accounted for. Accordingly Tk. 765,000 has duly been credited to the profit and loss account of the company. Interests on other investments in the form of STD and FDR have been credited to profit & loss account after deduction of tax at source on such income.

vi) Management Expenses

Management expenses as charged to Revenue Accounts, amounting to Tk. 39,391,093 represents approximately 41.35% of gross premium of Tk. 95,242,368. Management expenses have been apportioned @ 39.12% to Fire, 41.88% to Marine, 13.55% to Motor and 5.45% to Miscellaneous business as per management decision.

vii) Surplus of Revenue Account & Provision for Unexpired Risks

Before arriving at the surplus of each class of business, necessary provision for unexpired risks have been created at the rate of 40% on all business except on Marine Hull business in which case 100% has been provided.

viii) Depreciation on Fixed Assets

Depreciation on Fixed Assets has been charged on cost from the date of procurement. Depreciation has been charged on diminishing balance method on the cost of individual assets at the following rates :

<u>Category of Assets</u>	<u>Rate of Depreciation</u>
Furniture & Fixture	10%
Telephone Set	10%
Air Conditioner	20%
Office Decoration	20%
Office Equipment	15%
Sign Board	10%
Motor Vehicles	20%
Electrical Installation	20%
Computer	20%

b) Operation

During the year under audit, through the operation of 15 Branches (including Head Office) the gross premium income earned by the company amount to Tk. 95,242,368 including public sector business of Tk. 14,678,060. After ceding for re-insurance premium the net premium for the year amounted to Tk. 53,357,254 and after charging direct expenses there from the net underwriting profit/(loss) stood at Tk. 11,840,312.

c) Public Sector Business

Public Sector Business for four quarters up to June, 2004 has been accounted for on the basis of statement received from SBC.

d) Income Tax

- Income Tax has been deducted at source respectively in the amounts of Tk. 4,600,000 and Tk. 600,000 has been provided for divided distribution tax on the proposed dividend of Tk.6,000,000.
- Income Tax Assessment of the company has been completed upto assement year 2003-2004 (Accounting year 31-12-2002) and the matter is lying with Appeal Authority.

e) Agency Commission and Profitability

As per order of the controller of insurance (dated February 10, 2002), payment of agency commission for procurement of Insurance business has been fully withdrawn as of March 01, 2002

Accordingly no new agency commission (other than adjustment of advance and provision of commission paid earlier) has been paid by the company, during the year under audit.

f) Others

- The margin of security of investments over liabilities of the company has been maintained as appeared from the Balance Sheet.
- Figures have been rounded off to the nearest Taka.

BALANCE SHEET

1.00 National Investment Bond : Tk. 9,000,000

The amount represents 3 years National Investment Bond @ 8.5% simple interest which is statutory deposit under Insurance Act, 1938.

2.00 Interest, Dividend and Rents Outstanding : Tk. 4,343,500

The balance is made up as follows:

Particulars	2004 Taka	2003 Taka
Interest on NIB	1,272,205	507,205
Interest on FDR	3,071,295	1,671,878
	<u>4,343,500</u>	<u>2,179,083</u>

3.00 Amount due from other persons or bodies carrying on insurance business : Tk.44,327,004

The business wise break-up of the balance is given below :

Particulars	2004 Taka	2003 Taka
Fire	23,065,272	550,837
Marine	19,955,837	536,977
Motor	1,305,895	21,007
	<u>44,327,004</u>	<u>1,108,821</u>

This amount is due from SBC against outstanding claims recovery, which will be adjusted against corresponding amount of Tk.43,773,854 payable by SBC as per reinsurance agreement shown under sundry creditors. Incidentally this huge claim has occurred due to loss on marine cargo insurance business of Tk.17,100,000 (approx). of M/s. City Overseas Ltd. and fire loss of Tk.24,620,000 (estimated amount) of M/s. Sydney Fashions Ltd. as per Preliminary report.

4.00 Sundry Debtors : Tk. 66,570,511

The balance is made up as under :

Particulars		2004 Taka	2003 Taka
I.T. deducted on Bank & FDR Interest	4.01	5,139,421	2,604,482
Advance for office Decoration		-	369,150
Advance against Office Rent		624,272	1,060,508
Deposit Clearing	4.02	1,966,886	8,914,368
Security Deposit for Fuel		20,000	20,000
Security Deposit for Telephone		84,400	79,400
Advance against lease account		-	401,191
Short deposit premium	4.03	50,915,877	23,878,463
Advance against Printing		152,400	70,000
Advance against Salary		89,700	104,900
Advance against Car on Hire Purchase		1,392,835	1,630,900
Advance against Mobile		3,400	10,900
Advance against Service Charge		12,493	62,497
Advance against VAT Payment	4.04	5,940,827	1,325,766
Advance against Sign Board		25,000	-
Advance against Furniture & Fixure		203,000	-
		<u>66,570,511</u>	<u>40,532,525</u>

- 4.01 Income tax deducted by bank from Interest income needs to be adjusted on finalisation of Assessment.
- 4.02 Deposit clearing refers to checks received on or before December 31, 2004 but deposited to bank subsequently.
- 4.03 Short deposit premium refers to outstanding premium recoverable from different parties over the several years and not adjusted in full subsequently under report.
- 4.04 Advance VAT Payment also needs to be charged to account on issue of policy.
- 5.00 **Fixed deposit with Banks : Tk. 61,375,000**
The balance has been arrived at as under :

Name of the Bank	2004 Taka	2003 Taka
Prime Bank Ltd	3,500,00	2,500,000
Dhaka Bank Ltd	1,600,000	1,500,000
Bank Asia Ltd	2,300,000	1,700,000
Bangladesh Shilpa Bank	2,000,000	2,000,000
IFIC Bank Ltd	3,050,000	2,750,000
Mercantile Bank Ltd	3,800,000	4,400,000
Exim Bank Ltd	5,200,000	5,100,000
Mutual Trust Bank Ltd	1,700,000	1,500,000
Standard Bank Ltd	3,000,000	3,000,000
Bangladesh Krishi Bank	1,000,000	1,000,000
National Bank Ltd	2,350,000	2,800,000
Arab Bangladesh Bank	3,250,000	2,800,000
Premier Bank Ltd	1,400,000	1,800,000
First Security Bank Ltd	4,000,000	3,900,000
Social Investment Bank Ltd	1,400,000	1,400,000
United Commercial Bank Ltd	1,000,000	1,000,000
Southeast Bank Ltd	2,300,000	2,100,000
The City Bank Ltd	2,000,000	2,000,000
BASIC Bank Ltd	2,000,000	2,000,000
NCC Bank Ltd	2,300,000	2,300,000
Islami Bank (BD) Ltd	2,100,000	2,000,000
Jamuna Bank Ltd	2,300,000	1,800,000
Uttara Bank Ltd	525,000	450,000
Bangladesh Commerce Bank Ltd.	750,000	750,000
Rajshahi Krishi Unnayan Bank	500,000	100,000
One Bank Ltd	800,000	500,000
Eastern Bank Ltd	100,000	108,550
Dutch Bangla Bank Ltd	250,000	250,000
Shahjalal Bank Ltd	750,000	250,000
Pubali Bank Ltd	500,000	500,000
The Oriental Bank Ltd	1,100,000	800,000
BRAC Bank Ltd	300,000	200,000
Al-Arafah Islami Bank Ltd	950,000	700,000
State Bank of India	300,000	300,000
Midas Financing (BD) Ltd.,	500,000	500,000
Premier Leasing International Ltd.	500,000	-
	61,375,000	56,758,550

Out of the above balance a sum of Tk. 8,400,000 against loan amount of Tk.7,003,139 and another sum of Tk.5,700,000 against loan of Tk.2,465,455 have been put under lien with Standard Bank Ltd. and IFIC Bank Ltd. respectively for SOD loan.

6.00 **Cash at Bank : Tk. 4,576,642**

The balance is made up as follows:

Particulars	2004 Taka	2003 Taka
STD, SND & SB A/C	4,557,908	3,955,552
Current Account	18,734	19,554
	<u>4,576,642</u>	<u>3,975,106</u>

The above balance have been confirmed with the respective bank statement and reconciliation statements as applicable.

7.00 **Cash in hand : Tk. 3,452,899**

The balance has been arrived at as under :

Particulars	2004 Taka	2003 Taka
Head Office	2,467,758	7,741,088
Current Account	985,141	5,830,368
	<u>3,452,899</u>	<u>13,571,456</u>

The management has furnished certificate confirming the position.

8.00 **Issued, Subscribed and Paid up Capital : Tk. 60,000,000**

The balance represents 600,000 ordinary shares of Tk.100 each fully paid up in cash.

9.00 **Premium Deposit : Tk. 17,659,491**

The amount represents the adjusted balance of premium as received against Cover Notes over the years for which policies have not been issued within December 31, 2004.

10.00 **Estimated Liabilities in respect of outstanding claims whether due or intimated : Tk. 9,164,299**

The break-up of the amount is noted below :

Particulars	2004 Taka	2003 Taka
Fire	4,350,429	283,750
Marine	2,728,463	59,529
Motor	2,085,417	222,372
	<u>9,164,299</u>	<u>565,651</u>

11.00 **Amount due to other persons or bodies carrying on Insurance Business : Tk. 16,675,675**

The above balance is due to SBC. The break-up of the amount is given below:

Particulars	2004 Taka	2003 Taka
Opening Balance	8,290,853	6,405,838
Add: Due to SBC for Re-insurance Net	16,720,172	5,313,583
	<u>25,011,025</u>	<u>11,719,421</u>
Less : Amount Received against PSB Net	2,535,350	1,928,568
	<u>22,475,675</u>	<u>9,790,853</u>
Less : Cash Paid during the year	5,800,000	1,500,000
	<u>16,675,675</u>	<u>8,290,853</u>

12.00 Sundry Creditors : Tk. 65,251,457

The balance is made up as follows :

Particulars		2004 Taka	2003 Taka
Provision for Office Rent		929,200	904,600
Provision for Audit Fee		30,000	20,000
Lease Finance by EXIM Bank		-	29,900
VAT deducted at source		1,350	6,644
Excess premium deposit	12.01	3,013,203	2,045,867
Salary Income Tax Payable		120,417	98,400
Provision for Agency Commission		755,331	755,331
Vendors Account		210,000	235,000
Income Tax Deduction (Office Rent)		2,438	23,600
SOD Balance	12.02	9,468,594	10,915,905
Claim Payable (Outstanding Claims SBC Share)	12.03	43,773,854	555,672
Security Deposit (Open Cover)		675,105	574,105
I.T. Deduction at Source		82,885	74,957
GIL Foundation		5,000	5,000
Provision for Income Tax (2004-05 & 2005-06)		6,150,000	1,550,000
Provision for Office Decoration		34,080	-
		<u>65,251,457</u>	<u>17,794,981</u>

12.01 Excess Premium Deposits needs to be adjusted without delay.

12.02 SOD Balance : Tk. 9,468,594

This is made up as follows :

Particulars		2004 Taka	2003 Taka
Standard Bank Ltd., A/c. No. 010238000654		7,003,139	8,113,790
IFIC Bank Ltd., A/c. No. 133086386		2,465,455	-
First Security Bank Ltd., A/c. No. 75201405		-	2,802,115
		<u>9,468,594</u>	<u>10,915,905</u>

The above balance has been confirmed with bank and reconciliation statement.

12.03 This refers SBC portion of outstanding claims of the company.

13.00 Proposed dividend : Tk. 6,000,000

The Board of directors have recommended for payment of dividend @10% on paid up capital of Tk.60,000,000 out of surplus available as at the end of the year 2004, which is subject to the approval of the shareholders in the Annual General Meeting. On this proposed dividend provision for dividend distribution tax has been made @ 10% and including in tax provision of Tk.5,200,000. On payment of dividend the tax also will become payable.

14.00 REVENUE ACCOUNTS :

The summarized position of net underwriting profit earned during the year 2004 is as follows:

PARTICULARS	FIRE	MARINE	MOTOR	MISCELLANEOUS	TOTAL
A. Gross Premium (Including SBC & Govt. Business)	34,092,977	38,684,599	11,890,504	10,574,288	95,242,368
B. Re-Insurance Premium ceded	21,619,191	8,701,846	3,671,421	7,892,656	41,885,114
C. Net Premium (A-B)	12,473,786	29,982,753	8,219,083	2,681,632	53,357,254
DIRECT EXPENSES :					
D. Commission (Net)	(9,340,601)	(1,889,387)	(1,001,077)	(609,092)	(12,840,157)
E. Claim Settled and Provided (Net)	5,279,602	4,286,465	3,249,864	73,816	12,889,747
F. Management Expenses	15,407,779	16,498,327	5,339,042	2,145,945	39,391,093
G. Total Direct Expenses (D+E+F)	11,346,780	18,895,405	7,587,829	1,610,669	39,440,683
H. Adjusted Fund Balance for unexpired risk (opening balance less closing balance)	(1,265,586)	(685,029)	257,573	(383,217)	(2,076,259)
Net Underwriting Profit [C- (G+H)]	(138,580)	10,402,319	888,827	687,746	11,840,312
COMMISSION (NET)					
Commission paid on Direct Business	-	-	-	-	-
Commission paid on Re-Insurance Accepted	-	-	-	-	-
Less : Commission earned on Re-Insurance ceded	9,340,601	1,889,387	1,001,077	609,092	12,840,157
Net Commission	(9,340,601)	(1,889,387)	(1,001,077)	(609,092)	(12,840,157)
CLAIMS SETTLED (NET)					
Gross Claim	1,921,229	2,778,300	1,535,855	101,568	6,336,952
Less : Re-Insurance Claim Recovery	708,296	1,160,769	149,036	27,752	2,045,853
Paid during the year	1,212,933	1,617,531	1,386,819	73,816	4,291,099
Add: Outstanding Claim at the end of the year whether due or intimated	4,350,419	2,728,463	2,085,417	-	9,164,299
	5,563,352	4,345,994	3,472,236	73,816	13,455,398
Less : Outstanding claim at the end of the previous year	283,750	59,529	222,372	-	565,651
Net Amount	5,279,602	4,286,465	3,249,864	73,816	12,889,747

Management Expenses : Tk. 39,391,093

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

Revenue Accounts	Percentage	Amount
Fire	39.12	15,407,779
Marine	41.88	16,498,327
Motor	13.55	5,339,042
Miscellaneous	5.45	2,145,945
	100.00	39,391,093