

Auditor's Report to the Shareholders of Global Insurance Limited

We have audited the accompanying Balance Sheet of Global Insurance Limited as of 31 December, 2007 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 Bangladesh Standards on Auditing (BSA). 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.

We observed that:

a) There remains an unadjusted short deposit total Tk. 52,250,101 as disclosed at note no. 05 of the notes to the accounts which are accumulated balance. In our opinion these should be adjusted immediately in order for reflecting actual financial position of the company in its Balance Sheet.

b) As disclosed at note no. 02 of the notes to the accounts the market value of investment in shares was less than cost price by Tk. 1,163,041, for which no provision has been made in the accounts.

In our opinion, except for the effect on the financial statements of the matters referred to in the preceding paragraphs, 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 31 December, 2007 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 above, 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 and payments made were 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-I 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.


(A. Wahab & Co.)

Chartered Accountants

Dated: Dhaka, April 30, 2008

Balance Sheet As

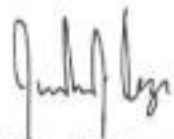
CAPITAL & LIABILITIES	NOTES	2007 Taka	2006 Taka
AUTHORIZED CAPITAL:			
3,000,000 Ordinary shares of Tk. 100/- each.		300,000,000	300,000,000
ISSUED, SUBSCRIBED AND PAID-UP CAPITAL	10	150,000,000	150,000,000
1,500,000 Ordinary shares of Tk. 100/- each.			
Reserve or Contingency Account:		37,335,453	24,054,378
Reserve for Exceptional Losses		22,635,412	16,412,979
General Reserve		4,000,000	-
Profit and Loss Appropriation Account	23	10,700,041	7,641,399
Balance of Fund And Accounts:		24,938,612	24,851,914
Fire Insurance Business		3,089,802	6,624,538
Marine Insurance Business		12,429,929	9,720,204
Marin Hull Insurance Business		81,464	-
Motor Insurance Business		8,058,035	6,561,763
Miscellaneous Insurance Business		1,279,382	1,945,409
Premium Deposit	11	2,125,616	5,366,310
Estimated Liabilities in respect of outstanding claims whether due or intimated	12	19,449,010	21,831,686
Amount due to other persons or bodies carrying on insurance business (S.B.C)	13	27,458,328	21,389,399
Sundry Creditors	14	188,581,624	254,674,107
Provision for Income Tax		4,594,131	-
Deferred Tax		2,500,000	-
		456,982,773	502,167,794

Note:

Contingent Liabilities (Note-18)



(A.B.M. Nurul Haq)
Managing Director



(Shawket Reza)
Director



(R.A. Howlader)
Director

Dated: Dhaka, April 30, 2008

At 31 December, 2007

PROPERTY & ASSETS	NOTES	2007 Taka	2006 Taka
Investment:			
National Investment Bond	1	9,000,000	9,000,000
Investment in Share	2	31,042,980	15,809,752
Interest, Dividend & Rent Outstanding	3	17,337,680	11,478,449
Amount due from other persons or bodies carrying on insurance business (S.B.C)	4	153,752,483	218,690,921
Sundry Debtors	5	85,849,520	85,584,545
Deferred Expenses (IPO)	6	2,973,015	3,964,021
Cash and Bank Balances:		151,353,045	151,206,413
Fixed deposit with Bank	7	128,375,500	129,975,500
Cash at Bank	8	7,476,856	6,932,580
Cash in Hand	9	15,500,689	14,298,333
Other Accounts:		5,674,050	6,433,693
Fixed Assets (Annexure-1)		5,425,925	6,189,746
Stamps in hand		62,769	46,987
Printing and stationery (at cost)		185,356	196,960
		<u>456,982,773</u>	<u>502,167,794</u>

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



(Mahabub Morshed Talukder)
Chairman



(A. Wahab & Co.)
Chartered Accountants

Profit and Loss Account

PARTICULARS	NOTE	2007 Taka	2006 Taka
Expenses of Management (Not applicable to any fund or account)			
Audit Fee		140,000	70,000
Directors Fee		303,600	349,600
Retainers Fee		60,000	60,000
Advertisement		173,444	198,148
Registration & Renewal		630,007	482,507
Rent Rates & Taxes		57,298	50,000
Subscription & Contribution		156,020	245,500
Legal & Professional Expenses		222,960	20,955
Deferred Expenses (IPO)		991,005	991,005
Depreciation		1,057,085	1,235,503
Profit/ (Loss) for the year transferred to Profit & Loss Appropriation Account		27,875,207	19,991,563
		<u>31,666,626</u>	<u>23,694,781</u>

Profit and Loss Appropriation Account

PARTICULARS	2007 Taka	2006 Taka
Reserve for Exceptional Losses	6,222,433	6,212,979
Provision for Income Tax	4,594,131	6,200,363
Deferred Tax	2,500,000	-
General Reserve	4,000,000	-
Balance Transferred to Balance Sheet	10,700,042	7,641,399
	<u>28,016,606</u>	<u>20,054,741</u>
Earning per Share	20	13.85
		<u>9.19</u>


(A.B.M. Nurul Haq)
Managing Director


(Shawket Reza)
Director


(R.A. Howlader)
Director

Dated: Dhaka, April 30, 2008

For The Year Ended 31 December, 2007

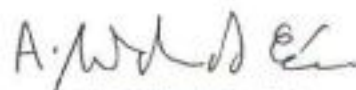
PARTICULARS	NOTE	2007 Taka	2006 Taka
Interest, Dividend and Rents (Not applicable to any fund or account)		17,097,941	16,609,570
FDR Interest	16	16,055,114	15,664,881
Interest on NIB		765,000	752,425
Interest on STD Account	17	277,827	192,264
Miscellaneous Income		233,456	27,887
Dividend Income		243,920	279,000
Profit on Sale of Share		11,280,980	1,473,040
Profit/(Loss) Transferred from:		2,810,329	5,305,284
Fire Revenue Account		(11,548,861)	(6,249,190)
Marine Revenue Account		9,899,133	7,875,150
Marin Hull Revenue Account		(72,830)	-
Motor Revenue Account		2,858,025	1,199,944
Miscellaneous Revenue Account		1,674,862	2,479,380
		<u>31,666,626</u>	<u>23,694,781</u>

For The Year Ended 31 December, 2007

PARTICULARS	2007 Taka	2006 Taka
Opening Balance as on 01-01-2007	141,399	63,178
Net Profit for the year Transferred from Profit & Loss Account	27,875,207	19,991,563
	<u>28,016,606</u>	<u>20,054,741</u>



(Mahabub Morshed Talukder)
Chairman



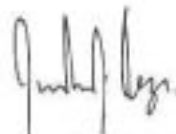
(A. Wahab & Co.)
Chartered Accountants

Fire Insurance Revenue Account

PARTICULARS	2007 Taka	2006 Taka
Claims Under Policies Less Re-Insurance	5,183,402	4,381,421
Paid during the year	9,936,777	3,419,622
Total estimated liability in respect of outstanding claims at the end of the year whether due or intimated	8,208,402	12,961,777
	18,145,179	16,381,399
Less: Outstanding at the end of previous year	12,961,777	11,999,978
Agency Commission	7,997,623	8,760,550
Commission on re-Insurance accepted	-	-
Expenses of Management	14,111,460	13,175,442
Reserve for unexpired risks being 40% of the net premium income of the year	3,089,802	6,624,538
Profit/(Loss) transferred to profit and loss account	(11,548,861)	(6,249,190)
	<u>18,833,426</u>	<u>26,692,761</u>



(A.B.M. Nurul Haq)
Managing Director



(Shawket Reza)
Director



(R.A. Howlader)
Director

Dated: Dhaka, April 30, 2008

For The Year Ended 31 December, 2007

PARTICULARS	2007 Taka	2006 Taka
Balance of account at the beginning of the year	6,624,538	6,920,319
Premium less re-insurance	7,724,504	16,561,345
Commission on re-insurance ceded	4,484,384	3,211,097
	<u>18,833,426</u>	<u>26,692,761</u>

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



(Mahabub Morshed Talukder)
Chairman



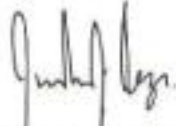
(A. Wahab & Co.)
Chartered Accountants

Marine Insurance Revenue Account

PARTICULARS	CARGO	HULL	2007 Taka	2006 Taka
Claims Under Policies Less Re-Insurance	1,731,511	32,616	1,764,127	3,402,951
Paid during the year	1,504,690	32,616	1,537,306	886,429
Total estimated liability in respect of outstanding claims at the end of the year whether due or intimated	5,316,363	-	5,316,363	5,089,542
	6,821,053	32,616	6,853,669	5,975,971
Less: Outstanding at the end of previous year	5,089,542	-	5,089,542	2,573,020
Agency Commission	5,496,512	-	5,496,512	5,831,381
Commission on re-insurance Accepted	-	-	-	-
Expenses of management	13,371,496	53,007	13,424,503	12,078,525
Reserve for unexpired risks being 40% of Marin Cargo (100% on Marin Hull) Net				
Premium Income for the year	12,429,928	81,464	12,511,392	9,720,205
Profit/(Loss) transferred to profit and loss account	9,899,133	(72,830)	9,826,303	7,875,150
	42,928,580	94,257	43,022,837	38,908,211



(A.B.M. Nurul Haq)
Managing Director



(Shawket Reza)
Director



(R.A. Howlader)
Director

Dated: Dhaka, April 30, 2008

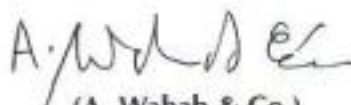
For The Year Ended 31 December, 2007

PARTICULARS	CARGO	HULL	2007 Taka	2006 Taka
Balance of account at the beginning of the year	9,720,205	-	9,720,205	12,136,959
Premium less re-insurance	31,074,821	81,464	31,156,285	24,300,511
Commission on re-insurance ceded	2,133,554	12,793	2,146,347	2,470,741
	<u>42,928,580</u>	<u>94,257</u>	<u>43,022,837</u>	<u>38,908,211</u>

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



(Mahabub Morshed Talukder)
Chairman



(A. Wahab & Co.)
Chartered Accountants

Motor Insurance Revenue Account

PARTICULARS	2007 Taka	2006 Taka
Claims Under Policies Less Re-Insurance	4,278,248	5,581,479
Paid during the year	2,174,370	4,432,597
Total estimated liability in respect of outstanding claims at the end of the year whether due or intimated	5,884,245	3,780,367
	8,058,615	8,212,964
Less: Outstanding at the end of previous year	3,780,367	2,631,485
Agency Commission	4,361,103	3,960,829
Commission on re-insurance accepted	-	-
Expenses of management	7,708,363	5,980,391
Reserve for unexpired risks being 40% of the net premium income of the year	8,058,035	6,561,763
Profit/(Loss) transferred to profit and loss account	2,858,025	1,199,944
	<u>27,263,774</u>	<u>23,284,406</u>


(A.B.M. Nurul Haq)
 Managing Director


(Shawket Reza)
 Director


(R.A. Howlader)
 Director

Dated: Dhaka, April 30, 2008

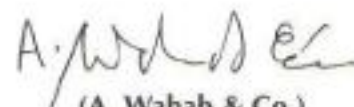
For The Year Ended 31 December, 2007

PARTICULARS	2007 Taka	2006 Taka
Balance of account at the beginning of the year	6,561,763	5,694,902
Premium less re-insurance	20,145,089	16,404,407
Commission on re-insurance ceded	556,922	1,185,097
	<u>27,263,774</u>	<u>23,284,406</u>

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



(Morshed Talukder)
Chairman



(A. Wahab & Co.)
Chartered Accountants

Miscellaneous Insurance Revenue Account

PARTICULARS	2007 Taka	2006 Taka
Claims Under Policies Less Re-Insurance	146,519	178,136
Paid during the year	106,519	228,136
Total estimated liability in respect of outstanding claims at the end of the year whether due or intimated	40,000	-
	146,519	228,136
Less: Outstanding at the end of previous year	-	50,000
Agency Commission	- 627,418	999,780
Commission on re-insurance accepted	-	-
Expenses of management	2,298,548	2,755,456
Reserve for unexpired risks being 40% of the net premium income of the year	1,279,382	1,945,409
Profit/(Loss) transferred to Profit and Loss account	1,674,862	2,479,380
	<u>6,026,729</u>	<u>8,358,161</u>


(A.B.M. Nurul Haq)
 Managing Director


(Shawket Reza)
 Director


(R.A. Howlader)
 Director

Dated: Dhaka, April 30, 2008

For The Year Ended 31 December, 2007

PARTICULARS	2007 Taka	2006 Taka
Balance of account at the beginning of the year	1,945,408	2,567,847
Premium less re-insurance	3,198,455	4,863,521
Commission on re-insurance ceded	882,866	926,793
	<u>6,026,729</u>	<u>8,358,161</u>

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


(Mahabub Morshed Talukder)
Chairman


(A. Wahab & Co.)
Chartered Accountants

Cash Flow Statement

For The Year Ended 31 December, 2007

PARTICULARS	2007 Taka	2006 Taka
A. Cash Flows From Operating Activities:		
Collection from Premium & Other Income	157,263,955	192,482,663
Payment against Management Expenses, Commission, Re-insurance & Claims	(124,566,568)	(168,699,827)
Income Tax Paid and deducted	(8,103,836)	(11,587,949)
Net Cash Flow From Operating Activities	<u>24,593,551</u>	<u>12,194,887</u>
B. Cash Flows From Investing Activities		
Purchase of Fixed Assets	(293,264)	(1,264,051)
Disposal of Fixed Assets	-	561,800
Investment in Share	(15,233,228)	(154,500)
Net Cash Flow From Investing Activities	<u>(15,526,492)</u>	<u>(856,751)</u>
C. Cash Flows From Financing Activities		
Share Capital	-	-
Dividend Paid	(8,920,427)	(11,529,650)
Net Cash Flow From Financing Activities	<u>(8,920,427)</u>	<u>(11,529,650)</u>
Net Cash Flows/(Outflows) for the year (A+B+C)	146,632	(191,514)
Opening Cash and Bank Balance	151,206,413	151,397,927
Closing Cash and Bank Balance	<u><u>151,353,045</u></u>	<u><u>151,206,413</u></u>

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

Note: The Cash Flow Statement has been prepared using direct method.


(A.B.M. Nurul Haq)
Managing Director


(Shawket Reza)
Director


(R.A. Howlader)
Director


(Mahabub Morshed Talukder)
Chairman


(A. Wahab & Co.)
Chartered Accountants

Dated: Dhaka, April 30, 2008

Statement of Changes in Shareholders' Equity

For The Year Ended 31 December, 2007


Particulars	Share Capital	Reserve for Exceptional Loss	General Reserve	Profit & Loss Appropriation Account	Total
Opening Balance as on 01-01-2007	150,000,000	16,412,979	-	7,641,399	174,054,378
Dividend Paid for 2006	-	-	-	(7,500,000)	(7,500,000)
Net Profit during the year	-	-	-	27,875,207	27,875,207
Reserve for Exceptional Losses	-	6,222,433	-	(6,222,433)	-
Provision for Income Tax	-	-	-	(4,594,131)	(4,594,131)
Provision for deferred tax	-	-	-	(2,500,000)	(2,500,000)
General reserve	-	-	4,000,000	(4,000,000)	-
Closing Balance as on 31-12-2007	150,000,000	22,635,412	4,000,000	10,700,042	187,335,454

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


(A.E.M. Nurul Haq)
Managing Director


(Shawket Reza)
Director


(R.A. Howlader)
Director


(Mahabub Morshed Talukder)
Chairman


(A. Wahab & Co.)
Chartered Accountants

Dated: Dhaka, April 30, 2008

Notes on Accounts

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. Accrual basis of accounting has been followed.
- 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-1 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.
- vi) Management Expenses: Management expenses as charged to Revenue Accounts, amounting to Tk. 37,542,874 represents approximately 30.56% of Gross premium of Tk. 122,844,009. Management expenses have been apportioned @ 37.59% to Fire, 35.76% to Marine, 20.53% to Motor and 6.12% 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:

For the Year Ended 31 December, 2007

Category of Assets	Rate of Depreciation
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%

ix) **Employees Benefits:** The management is very much committed to introduce employees benefit plans as per the provision of BAS-19. As such the Board of Directors has approved Group Life Insurance scheme to cover all illegible employees under the umbrella of group Insurance.

xi) **Use of Estimate:** The preparation of financial statements in conformity with the Bangladesh Accounting Standards requires the management to make estimates and assumptions that affect the reported amounts of assets, liabilities and disclosures at Balance Sheet date and of the revenues and expenses during the year.

b) **Operation:**

During the year under audit, through the operation of 19 offices (including Head Office) the gross premium income earned by the company amount to Tk. 12,844,009 including public sector business of Tk. 20,859,672. After ceding for re-insurance premium the net premium for the year amounted to Tk. 62,224,333 and after charging direct expenses there from the net underwriting profit/(loss) stood at Tk. 2,829,193.

c) **Public Sector Business:**

Public Sector Business for four quarters up to June 2006 has been accounted for on the basis of statement received from SBC.

d) **Income Tax:**

- i) Income Tax provision has been made for business profit in the amount of Tk. 4,594,131
- ii) Income Tax Assessment of the company has been completed upto assessment year 2006-2007 (Accounting year 31-12-2005) and the assessment for the year 2007-2008 is under process.
- iii) The company could not comply with BAS-12 as regards to Deferred Tax during the year 2007 but has a plan to comply with the BAS in the coming years.

e) **Reserve for Exceptional Loss:**

As per provision of Income Tax Ordinance 1984 the company has made provision for reserve for exceptional loss in the amount of Tk. 6,222,433, which is 10% of net premium income.

f) **Others:**

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

Notes on Accounts

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 a statutory deposit under Insurance Act, 1938.

2.00 Investment in Shares: Tk. 31,042,980

The above balance is made up as follows:

Name of the Company	Balance of Shares	Cost price per share (W.A)	Total Cost	Market Price per share as on 31-12-2007	Total Market price as on 31-12-2007
EXIM Bank BD. Ltd.	136	80.88	11,000	391.00	53,176
Islami Bank BD Ltd	800	6,153.98	4,923,184	6,632.00	5,305,600
EXIM Bank BD. Ltd.	5,000	419.98	2,099,900	391.00	1,955,000
Jamuna Bank	15,000	405.62	6,084,300	388.25	5,823,750
Prime Bank Ltd.	31,000	336.90	10,443,900	304.00	9,424,000
Premier Leasing Int	5,000	204.32	1,021,607	201.00	1,005,000
Pubali Bank Ltd	1,000	958.22	958,220	985.75	985,750
Singer Bangladesh	410	1,953.74	801,033	1,900.00	779,000
Eastern Cables	2,500	597.29	1,493,225	605.00	1,512,500
National Tea Co	650	1,077.94	700,661	880.25	572,163
Bangladesh Online	25,000	52.31	1,307,750	47.60	1,190,000
Square textile	10,000	119.82	1,198,200	127.40	1,274,000
			31,042,980		29,879,939

Value of shares have been shown at cost. No provision for fall in market price has been made in view of the fact that the aggregate market value of the shares as on December 31, 2007.

3.00 Interest, Dividend and Rents Outstanding :Tk. 17,337,680

The balance is made up as follows:

Particulars	2007 Taka	2006 Taka
Interest on NIB	1,259,630	494,630
Interest on FDR	16,078,050	10,983,819
	17,337,680	11,478,449

For the Year Ended 31 December, 2007

4.10 Amount due from other persons or bodies carrying on insurance business: Tk. 153,752,483

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

Particulars	2007 Taka	2006 Taka
Fire	131,327,012	197,373,547
Marine	19,353,859	19,623,765
Motor	3,071,612	1,693,609
	<u>153,752,483</u>	<u>218,690,921</u>

This amount is due from SBC against outstanding claims recovery, which will be adjusted against corresponding amount of Tk. 153,752,483 payable by SBC as per reinsurance agreement shown under sundry creditors.

5.10 Sundry Debtors: Tk. 85,849,520

The balance is made up as under:

Particulars	Notes	2007 Taka	2006 Taka
Advance Income Tax	5.01	22,783,893	14,680,057
Advance against Office Rent		721,205	1,097,388
Deposit Clearing	5.02	5,012,274	9,133,588
Security Deposits		476,400	476,400
Short deposit premium	5.03	52,250,101	54,713,028
Advance against Office Decoration		40,000	40,000
Advance against Calender		-	150,000
Advance against Salary		298,501	363,426
Advance against Car on Hire Purchase		1,189,199	2,198,535
Advance against Mobile		10,000	8,331
Advance against Service Charge		70,875	13,335
Advance against VAT Payment	5.04	2,860,593	2,650,457
Advance against Sign Board		25,000	25,000
Advance against lease rental		111,480	
Advance against Furniture & Fixture		-	35,000
		<u>85,849,520</u>	<u>85,584,545</u>

5.11 Income tax deducted by bank from Interest income needs to be adjusted on finalization of Assessment.

5.12 Deposit clearing refers to cheques received on or before December 31, 2007 but deposited to bank subsequently.

5.13 Short deposit premium refers to outstanding premium recoverable from different parties over the several years and not adjusted in full subsequently. The management is confident that the same will be realized within the shortest possible period.

5.14 Advance VAT payment also needs to be charged to account on issuance of policy.

Notes on Accounts

6.00 Deferred Expenses (IPO): Tk. 2,973,015

The Board of Directors has decided to write off the IPO expense of Tk. 49,55,026 in five equal installments. As such Tk. 991,005 has been written off during the year.

7.00 Fixed deposit with Banks: Tk. 128,375,500

The balance has been arrived at as under:

Name of the Bank	2007 Taka	2006 Taka
Al-Arafah Islami Bank Ltd.	1,900,000	1,600,000
Arab Bangladesh Bank	3,600,000	3,600,000
Bangladesh Shilpa Bank	2,000,000	2,000,000
Bank Al-Falah Ltd	500,000	-
Bangladesh Commerce Bank	450,000	450,000
Bank Asia Ltd	6,250,000	6,150,000
Basic Bank Ltd	200,000	200,000
Dhaka Bank Ltd	4,200,000	4,000,000
Dutch Bangla Bank Ltd.	1,550,000	1,550,000
Eastern Bank Ltd	1,100,000	600,000
Exim Bank Ltd	8,700,000	8,400,000
First Security Bank Ltd	2,400,000	2,400,000
HSBC Ltd.	2,500,000	2,500,000
IFIC Bank Ltd	5,600,000	5,100,000
Islami Bank (BD) Ltd	4,100,000	4,100,000
Jamuna Bank Ltd.	4,950,000	4,650,000
Mercantile Bank Ltd	10,650,000	9,750,000
Midas Financing (BD) Ltd.,	1,500,000	1,500,000
Mutual Trust Bank Ltd	4,200,000	3,400,000
National Bank Ltd	2,275,500	2,275,500
NCC Bank Ltd	7,600,000	6,300,000
One Bank Ltd.	3,400,000	4,400,000
Premier Bank Ltd	400,000	400,000
Premier Leasing International Ltd.	20,500,000	30,500,000
Prime Bank Ltd	9,500,000	8,000,000
Shahjalal Bank Ltd.	2,950,000	2,450,000
Social Investment Bank Ltd.	3,200,000	2,700,000
Southeast Bank Ltd	4,300,000	3,800,000
Standard Bank Ltd	5,000,000	4,500,000
State Bank of India	800,000	800,000
The Oriental Bank Ltd.	1,900,000	1,900,000
United Leasing Co. Ltd	200,000	-
	128,375,500	129,975,500

For the Year Ended 31 December, 2007

Out of the above balance FDRs in the amount of Tk. 5,300,000 and Tk 57,00,000 has been put under lien with Standard Bank Ltd. and IFIC Bank Ltd respectively for Loan in the amount of Tk 47.70 lacs and Tk 46.00 lacs.

8.00 Cash at Bank: Tk. 7,476,856

The balance is made up as follows:

Particulars	2007 Taka	2006 Taka
STD, SND A/C	7,352,913	6,376,532
Current Account	123,943	556,048
	<u>7,476,856</u>	<u>6,932,580</u>

The above balance have been confirmed with the respective bank statement and reconciliation statements as applicable. However, as per Bank Statement, there is a balance of us \$ 1,076.54 (FC A/C # 311) and £ 601.64 (FC account number # 68) with Mercantile Bank Ltd, Main Branch, Dhaka.

9.00 Cash in hand: Tk. 15,500,689

The balance has been arrived at as under:

Particulars	2007 Taka	2006 Taka
Head Office	4,966,680	4,306,462
Branch	10,534,009	9,991,871
	<u>15,500,689</u>	<u>14,298,333</u>

The management has furnished certificate confirming the position.

10.00 Issued Subscribed and Paid up Capital Tk. 150,000,000

The balance represents 1,500,000 ordinary shares of Tk. 100 each fully paid up in cash.

SHAREHOLDING STRUCTURE

Sponsors	600,000	40%
Financial & Other Institutions (including ICB)	539,250	36%
General Public	360,750	24%
Nos.	<u>1,500,000</u>	<u>100%</u>

A distribution schedule of each class of equity setting out the number of holders and percentage of holding in the different categories as on 31.12. 2007 is given as follows :

Notes on Accounts

Group "A" Shareholders (Sponsors)

Class Interval	No. of Shares	No. of Shareholders	Total Holdings %	% of Total Paid up Capital
5001 – 10000	20,000	2	3.33%	1%
10001 – 15000	30,000	2	5.00%	2%
15001 – 20000	60,000	3	10.00%	4%
20001 – 25000	50,000	2	8.33%	3%
25001 – 30000	210,000	7	35.00%	14%
35001 – 40000	80,000	2	13.33%	5%
45001 – 50000	150,000	3	25.00%	10%
Total of (I)	600,000	21	100%	40%

Group "B" Shareholders (Public)

Class Interval	No. of Shares	No. of Shareholders	Total Holdings %	% of Total Paid up Capital
01 - 500	154,100	2,129	17.12%	10.27%
501 - 5000	102,900	75	11.43%	6.86%
5001 - 10000	24,150	7	2.68%	1.61%
10001 - 15000	74,550	3	8.28%	4.97%
15001 - 20000	19,050	1	2.12%	1.27%
20001 - 25000	25,600	1	2.84%	1.71%
25001 - 30000	56,250	2	6.25%	3.75%
30001 - 35000	66,450	2	7.38%	4.43%
35001 - 40000	36,500	1	4.06%	2.43%
45001 - 50000	48,450	1	5.38%	3.23%
50001 - 100000	97,450	1	10.83%	6.50%
100001 - 200000	194,550	1	21.62%	12.97%
Total of (II)	900,000	2,224	100.00%	60.00%
GRAND TOTAL (I+II)	1,500,000	2,245	100.00%	100.00%

11.00 Premium Deposit: Tk. 2,125,616

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, 2007.

12.00 Estimated Liabilities in respect of outstanding claims whether due or intimated: Tk.19,449,010

The break-up of the amount is noted below:

For the Year Ended 31 December, 2007

Particulars	2007 Taka	2006 Taka
Fire	8,248,402	12,961,777
Marine	5,316,363	5,089,542
Motor	5,884,245	3,780,367
	<u>19,449,010</u>	<u>21,831,686</u>

13.00 Amount due to other persons or bodies carrying on Insurance Business: Tk. 27,458,328

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

Particulars	2007 Taka	2006 Taka
Opening Balance	21,389,399	25,656,228
Add: Due to SBC for Re-insurance Net	90,470,474	7,588,138
	111,859,873	33,244,366
Less: Amount Received against PSB Net	2,347,213	2,516,803
	109,512,660	30,727,563
Less: Cash Paid during the year	82,054,332	9,338,164
	<u>27,458,328</u>	<u>21,389,399</u>

14.00 Sundry Creditors: Tk. 188,581,624

The balance is made-up as follows:

Particulars	Notes	2007 Taka	2006 Taka
Provision for Office Rent		-	368,584
Provision for Audit Fee		40,000	30,000
VAT Deducted at Source		101,999	38,849
Excess Premium Deposit	14.01	1,789,592	900,160
Salary Income Tax Payable		399,956	70,488
Vendors Account		-	56,300
Income Tax Deduction (Office Rent)		18,710	12,834
SOD Account	14.02	4,917,277	5,766,455
Claim Payable (Outstanding Claims SBC Share)	14.03	153,752,483	218,137,771
Security Deposit (Open Cover)		55,000	583,000
I.T. Deduction at Source		459,549	452,780
GIL Foundation		5,000	5,000
Provision for Income Tax		22,770,863	22,770,863
Provision for Proposed Dividend		2,049,922	3,470,350
Share Application Money Refundable		959,000	969,000
Income Tax Payable (upto assessment year 2005-2006)		54,960	54,960
Provision for Incentive Bonus		1,207,313	986,713
		<u>188,581,624</u>	<u>254,674,107</u>

Notes on Accounts

14.01 Excess Premium Deposits will be adjusted after reconciliation.

14.02 SOD Account: Tk. 4,917,277

This is made up as follows:

Standard Bank Ltd., A/c.No.010238000654	1,094,929	1,203,658
IFIC Bank Ltd., A/c.No.000132086387	3,822,348	4,562,797
	4,917,277	5,766,455

The above has been confirmed with bank and reconciliation statements.

14.03 This refers to the amount of SBC portion of outstanding claims of the company.

15.00 REVENUE ACCOUNTS:

The summarized position of Net underwriting Profit earned during the year 2006 is as follows:

PARTICULARS	NOTES	FIRE	MARINE	HULL	MOTOR	MISCELLANEOUS	TOTAL
A. Gross Premium (Including SBC & Govt. Business)		41,747,486	43,042,493	507,899	22,570,481	14,975,650	122,844,008
B. Re-Insurance Premium ceded		34,022,982	11,967,672	426,435	2,425,392	11,777,195	60,619,675
C. Net Premium (A-B)		7,724,504	31,074,821	81,464	20,145,089	3,198,455	62,224,333
DIRECT EXPENSES:							
D. Commission (Net)		3,513,239	3,362,958	(12,793)	3,804,181	(255,448)	10,412,137
E. Claims Settled and Provided (Net)		5,183,402	1,731,511	32,616	4,278,248	146,519	11,372,296
F. Management Expenses	15.1	14,111,460	13,371,496	53,007	7,708,363	2,298,548	37,542,874
G. Total Direct Expenses (D+E+F)		22,808,101	18,465,965	72,830	15,790,792	2,189,620	59,327,307
H. Adjusted Fund Balance for unexpired risk (opening balance less closing balance)		3,534,736	(2,709,723)	(81,464)	(1,496,273)	666,027	(86,696)
Net Underwriting Profit (C-G+H)		(11,548,861)	9,899,333	(72,830)	2,858,024	1,674,862	2,810,329
COMMISSION (NET)							
Commission paid on Direct Business		7,997,623	5,496,512	-	4,361,103	627,418	18,482,656
Commission paid on Re-Insurance Accepted		-	-	-	-	-	-
		7,997,623	5,496,512	-	4,361,103	627,418	18,482,656
Less: Commission earned on Re-Insurance ceded		4,484,384	2,133,554	12,793	556,922	882,866	8,057,726
Net Commission		3,513,239	3,362,958	(12,793)	3,804,181	(255,448)	10,412,137
CLAIMS SETTLED (NET)							
Gross Claim		15,602,294	1,795,419	1,166,090	2,210,310	19,405,737	40,179,850
Less: Re-Insurance Claim Recovery		5,665,517	290,728	1,133,474	35,940	19,299,218	26,424,877
Paid during the year		9,936,777	1,504,691	32,616	2,174,370	106,519	13,754,973
Add: Outstanding Claim at the end of the year whether due or intimated		8,208,402	5,316,363	-	5,884,245	40,000	19,449,010
		18,145,179	6,821,054	32,616	8,058,615	146,519	33,203,983
Less: Outstanding claim at the end of the previous year		12,961,777	5,089,542	-	3,780,367	-	21,831,686
Net Amount		5,183,402	1,731,512	32,616	4,278,248	146,519	11,372,297

For the Year Ended 31 December, 2007

15.1 Management Expenses: Tk. 37,542,874

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	37.59%	14,111,460
Marine	35.76%	13,424,503
Motor	20.53%	7,708,363
Miscellaneous	6.12%	2,298,548
	100.00%	37,542,874

Net Profit for the year and its Appropriation:

Underwriting Profit as per Revenue Accounts	2,810,329
Interest Income	17,097,941
Miscellaneous Income	233,456
Capital gain on sale of share	11,280,980
Dividend Income	243,920
	<u>31,666,626</u>
Less: Expenses of Management (Not applicable to any Fund or Account)	3,791,419
Surplus	<u>27,875,207</u>
Less: Reserve for Exceptional Losses	6,222,433
	<u>21,652,774</u>
Add: Surplus Brought Forward	141,399
	<u>21,794,173</u>
Less: Provision for Income Tax	4,594,131
	<u>17,200,042</u>
Less: Deffered tax	2,500,000
	<u>14,700,042</u>
Less: General Reserve	4,000,000
Surplus Carried forward	<u>10,700,042</u>

16.00 FDR Interest Received and Accrued: Tk. 16,055,144

The amount is made-up as follows:

Particulars	2007 Taka	2006 Taka
Interest received from Bank on FDR	4,681,062	
Interest on FDR	16,055,144	10,983,819
	<u>16,055,144</u>	<u>15,664,881</u>

Notes on Accounts

For the Ended 31 December, 2007

17.00 Interest on STD Account: Tk. 277,827

This amount was received from several STD Accounts with different banks.

18.00 Contingent Liabilities:

As per Management of the company Global Insurance has no contingent liabilities as of December 31, 2007.

19.00 Other Relevant Information:

During the year under review an amount of Tk. 303,600 was paid to the Directors of the company as Board and committee meeting attendance fee.

20.00 Earning Per Share (EPS)

The earning per share of the company is as follows:

Particulars	2007 Taka	2006 Taka
Before Tax	18.58	13.33
After Tax	13.85	9.19

21.00 During the year 2007 the company had a 21 member Board of Directors and held 7 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 these committees were also held during the current year.

22.00 Employees:

The company employed 311 employees during the year out of which 3 employees received salary below Tk. 3,000 per month and 308 employees received more than Tk. 3,000 per month.

23.00 Post Balance Sheet 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 following:

Proposed Dividend: Tk. 10,500,000

The Board of Directors has recommended in it's meeting held on 20-04-2008 for payment of cash dividend in the amount of Tk 10,500,000 @ 7% on paid up capital out of the surplus available for distribution at the end of the year 2007, which is subject to the approval of shareholders in the ensuing Annual General Meeting of the company.

Schedule of Fixed Assets

As on 31 December, 2007

ANNEXURE-1

Sl. No.	Particulars	COST					DEPRECIATION				
		As on 01-01-2007	Addition during the year	Sale/Adjustment during the year	Total as on 31-12-2007	Rate of Dep.	As on 01-01-2007	Charged during the year	Sales/Adjustment during the year	Total as on 31-12-2007	Written Down Value as on 31-12-2007
1.	Furniture & Fixture	2,202,225	145,178	-	2,347,403	10%	792,376	155,503	-	947,879	1,399,524
2.	Telephone Set	378,253	7,386	-	385,639	10%	127,262	25,838	-	153,100	232,539
3.	Air Conditioner	583,726	47,000	-	630,726	20%	265,988	72,948	-	338,936	291,790
4.	Office Decoration	4,202,778	-	-	4,202,778	20%	2,711,659	298,224	-	3,009,883	1,192,895
5.	Office Equipment	622,544	16,000	-	638,544	15%	237,991	60,083	-	298,074	340,470
6.	Sign Board	633,256	-	-	633,256	10%	251,771	38,148	-	289,919	343,337
7.	Motor Vehicles	2,601,500	-	-	2,601,500	20%	1,004,042	319,491	-	1,323,533	1,277,967
8.	Electrical Installation	352,503	-	-	352,503	20%	225,646	25,371	-	251,017	101,486
9.	Computer	497,550	77,700	-	575,250	20%	267,854	61,479	-	329,333	245,917
Total:		12,074,335	293,264	-	12,367,599		5,884,589	1,057,085	-	6,941,674	5,425,925

Notes:

- Depreciation has been charged on diminishing balance method on the cost of individual assets.
- Full year's depreciation has been charged on additions during the year irrespective of date of acquisition.

Form AA


Classified Summary of Assets as at December 31, 2007

CLASS OF ASSETS	Book Value Taka
Investment:	
Deposit with Bangladesh Bank (3 years Investment Bond @ 8.50% Interest)	9,000,000
Investment in Shares	31,042,980
Amount due from other persons or bodies carrying on insurance business	153,752,483
Cash and Bank balance:	
FDR	128,375,500
CD & STD	7,476,855
Cash in Hand	15,500,689
	151,353,045
Interest accrued but not due	17,337,680
Sundry debtors, advance, deposits and prepayments	85,849,520
Fixed Assets (at cost less depreciation)	5,425,925
Stamp in hand	62,769
Stock of Printing and Stationery	185,356
	<u><u>454,009,757</u></u>


(A.B.M. Nurul Haq)
Managing Director


(Shawket Reza)
Director


(R.A. Howlader)
Director


(Mahabub Morshed Talukder)
Chairman


(A. Wahab & Co.)
Chartered Accountants

Dated: Dhaka, April 30, 2008