

Auditors' Report

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We have audited the accompanying balance sheet of the Global Insurance Limited as of December 31, 2008 and the related revenue accounts as well as profit and loss account, profit and loss appropriation account, statement of cash flows, statement of changes in shareholders' equity and the explanatory notes to the financial statements for the year then ended. The preparation of these Financial Statements is the responsibility of Company's management. Our responsibility is to express an independent opinion on these Financial Statements based on our audit.

Scope :

Except as discussed in the following paragraph, we 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 misstatements. 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 the management, as well as evaluating the overall presentation of financial statements. We believe that our audit provides a reasonable basis for our opinion.

Opinion :

1. As discussed in Note 7 to the financial statements, the company shows Tk. 26,812,274 as deposit clearing account and Tk. 48,850,245 as short deposit premium account, total accumulated balance of Tk. 75,662,519 in sundry debtors which remains unadjusted.
2. As explained in Note 4 to the financial statement, no provision has been made for losses expected to arise on investment in shares amounting Tk. 1,719,047 for difference between cost price and market price of shares.
3. We did not observe the counting of physical cash in hand (Note - 9.01) as of December 31, 2008 amounting Tk. 13,385,492, since that date was prior to the time we were initially engaged as auditors for the Company.
4. Cash and cash equivalent includes Tk. 1,717,250 lying with ICB Islamic Bank Ltd. (former Oriental Bank Ltd.) which do not qualify as cash and cash equivalents.

In our opinion, except for the effect on financial statements of the matter referred to in the preceding paragraph, 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, 2008 and of the results of its operations and its cash flows for the year then ended and comply with the applicable sections of the Companies Act, 1994; the Insurance Rules, 1958; the Securities and Exchange Rules, 1987 and other applicable laws and regulations.

Without qualifying our opinion, we draw attention to provision for income taxes, the company is the defendant in payment of tax liability for the previous assessment years. The company also filed appeal to the Tribunal and High Court. The ultimate outcome of the matter cannot presently be determined, and no provision for any liability that may result has been made in the financial statements.

Subject to the above, 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 purposes of our audit and made due verification thereof ;
- b) in our opinion, proper books of account as required by the law have been kept by the company so far as it appeared from our examination of those books and proper returns adequate for the purposes of our audit have been received from branches not visited by us ;
- c) the Company's balance sheet, profit & loss account and it's cash flows dealt with by the report are in agreement with the books of account and returns ;
- d) the expenditure incurred was for the purpose of the company's business ;
- e) as per section 40-C(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 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 Profit and Loss Account of the company ; and
- f) 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, during the year under report the company has not paid any person any commission in any form outside Bangladesh in respect of any of its business reinsured abroad.

Dated : Dhaka
April 23, 2009


Rahman Mostafa Alam & Co.
Chartered Accountants

BALANCE SHEET As at 31st December, 2008

Capital & Liabilities	Notes	2008 Taka	2007 Taka	Property & Assets	Notes	2008 Taka	2007 Taka
Share Capital							
Authorised Capital		300,000,000	300,000,000				
3,000,000 ordinary shares of Tk.100 each							
Issued, subscribed & paid up Capital							
1,500,000 ordinary shares of Tk.100 each	12	150,000,000	150,000,000	National Investment Bond (NIB)	3	9,000,000	9,000,000
				Investments in Shares	4	27,211,780	31,042,980
				Interest, Dividend & Rent Receivable	5	23,675,467	17,337,680
Reserve or Contingency Accounts							
Reserve for exceptional Losses		42,241,907	37,335,454				
General reserve		23,135,412	22,635,412				
Retained Earnings		4,000,000	4,000,000				
Balances of Funds and Accounts	13	15,106,495	10,700,042	Amounts due from other Persons or-			
Fire		42,652,443	24,936,612	Bodies carrying on insurance business	6	2,402,825	153,752,483
Marine (Cargo)		11,536,051	3,089,802				
Marine (Hull)		18,410,885	12,429,929	Sundry Debtors (including advances, deposits and prepayments)	7	107,442,516	85,849,520
Motor		99,437	81,464				
Miscellaneous		11,069,350	8,058,035	Advance Against Floor Purchase	8	26,875,000	-
		1,536,720	1,279,382	Cash and Bank Balances	9	151,568,594	151,353,045
Premium Deposit	14	1,271,000	2,125,616	Cash in Hand		13,385,492	15,500,689
Bank Overdraft	15	13,926,669	4,917,277	Balance with Banks		7,040,352	7,476,856
Liabilities and Provisions		106,521,805	237,665,816	FDR with Banks		131,142,750	128,375,500
Estimated Liability in Respect of Outstanding claims, whether due or Intimated	16	17,115,826	19,449,010				
Amounts due to other Persons or Bodies				Other Accounts		8,437,642	8,647,066
carrying on Insurance Business	17	38,633,226	27,458,328	Fixed Assets (at cost less accum. Depreciation)	10	6,025,070	5,425,925
Sundry Creditors	18	8,746,475	160,893,484	Deferred Expenses (IPO)	11	1,982,011	2,973,016
Provision for income tax		39,526,278	27,364,994	Stock of Stationery		169,245	185,356
Deferred Tax		2,500,000	2,500,000	Stamp in Hand		261,316	62,769
		356,613,824	456,982,774			356,613,824	456,982,774

The annexed notes 1 to 27 form an integral part of these Financial Statements.


A. B. M. Nurul Haq
Managing Director


Mohammad Abdul Muhit
Director


Md. Abdul Khaleque
Director


A K M Shaheed Reza
Chairman

Signed in terms of our separate report of even date.


Rahman Mostafa Alam & Co.
Chartered Accountants

Dated : Dhaka, April 23, 2009

PROFIT AND LOSS ACCOUNT For the year ended 31st December, 2008

Particulars	Notes	2008 Taka	2007 Taka	Particulars	Notes	2008 Taka	2007 Taka
Expenses of Management (not Applicable to any particular Fund or Account)				Interest, Dividend and Rents (not Applicable to any particular Fund or Account)	22		
Advertisement & Publicity		7,113,321	3,791,419	Dividend Income		16,458,745	17,097,941
Share Issue Expenses		393,687	173,444	Miscellaneous Income		76,790	243,920
Retainers Fee		991,005	991,005	Profit / (Loss) on Sale of Share		32,379	233,456
Donation & Subscription		-	60,000			(2,002,402)	11,280,980
Audit Fees		278,000	156,020				
Legal & Professional Fees		90,000	140,000				
Depreciation		114,700	222,960				
Interest on Loan		1,200,614	1,057,085				
Registration Fees		1,266,447	-				
Directors Fee		642,490	630,007				
Lease Rental		296,700	303,600				
Rent, Rates & Taxes		1,337,760	57,298				
AGM Expenses		501,918	-				
Balance for the period carried to Profit & Loss Appropriation Account		27,567,737	27,875,207				
		<u>34,681,058</u>	<u>31,666,626</u>			<u>34,681,058</u>	<u>31,666,626</u>

PROFIT AND LOSS APPROPRIATION ACCOUNT For the year ended December 31, 2008

General Reserve	-	4,000,000	Balance brought forward from last year	13.01	200,042	141,399
Provision for income tax	12,161,284	4,594,131				
Reserve for Exceptional Losses	500,000	6,222,433				
Deferred Tax	-	2,500,000				
Balance transferred to the Balance Sheet	15,105,495	10,700,042				
	<u>27,767,779</u>	<u>28,016,606</u>				
Earning per Share	24	10.27				
		13.85				

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Chartered Accountants


CONSOLIDATED REVENUE ACCOUNT

For the year ended 31st December, 2008

Particulars	Notes	2008 Taka	2007 Taka	Particulars	Notes	2008 Taka	2007 Taka
Claims under policies less reinsurances		19,409,437	11,372,296	Balance of account at the			
Paid during the year		21,742,621	13,754,972	beginning of the year		24,938,612	24,851,917
Add : total estimated liability in respect of		17,115,826	19,449,010	Premium less Re-insurances	19	106,481,952	82,224,333
outstanding claims at the end of the period							
whether due or intimated				Commission on Re-insurances		12,375,171	8,070,519
Less: Claims outstanding at the end		38,858,447	33,203,982				
of the previous year		19,449,010	21,831,686				
Agent Commission	20	23,731,873	18,482,656				
Expenses of Management		37,886,437	37,542,874				
Profit transferred to profit & loss account		20,115,545	2,810,331				
Balance of account at the end of the period							
as shown in the balance sheet:							
Reserve for unexpired risks being 100% for							
Marine Hull & 40% for other net premium income							
of the year		42,652,443	24,938,612				
		<u>143,795,735</u>	<u>95,146,769</u>			<u>143,795,735</u>	<u>95,146,769</u>

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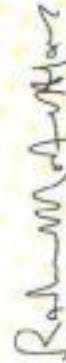

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 Managing Director


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 Chairman

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 Chartered Accountants


Dated : Dhaka, April 23, 2009

FIRE INSURANCE REVENUE ACCOUNT For the year ended 31st December, 2008

Particulars	Notes	2008 Taka	2007 Taka	Particulars	Notes	2008 Taka	2007 Taka
Claims under policies less reinsurances		13,445,553	5,183,402	Balance of account at the			
Paid during the year		14,898,982	9,936,777	beginning of the year		3,089,802	6,624,538
Add: total estimated liability in respect of		5,754,973	8,208,402	Premium less Re-insurances	19	26,840,127	7,724,504
outstanding claims at the end of the period				Commission on Re-insurances		8,407,096	4,484,384
whether due or intimated							
		21,653,955	18,145,179				
Less: Claims outstanding at the end							
of the previous year		8,208,402	12,961,777				
Agent Commission		8,827,222	7,997,623				
Expenses of management	20	13,211,477	14,111,460				
Profit transferred to profit & loss account		(6,683,278)	(11,548,861)				
Balance of account at the end of the period							
as shown in the balance sheet							
Reserve for unexpired risks being 40%							
of net premium income of the year		11,536,051	3,089,802				
		40,337,025	18,833,426			40,337,025	18,833,426

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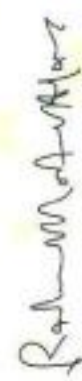

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Chartered Accountants

Dated : Dhaka, April 23, 2009


MARINE INSURANCE REVENUE ACCOUNT

For the year ended 31st December, 2008

Particulars	Notes	2008 Taka	2007 Taka	Particulars	Notes	2008 Taka	2007 Taka
Claims under policies less re-insurances		(815,907)	1,764,127	Balance of account at the			
Paid during the year		1,652,434	1,537,306	beginning of the year		12,511,393	9,720,205
Add : total estimated liability in respect of				Premium less re-insurances	19	46,126,649	31,156,285
outstanding claims at the end of the period							
whether due or intimated				Commission on re-insurances		2,034,085	2,146,347
Less: Claims outstanding at the end		2,848,022	5,316,363				
of the previous year		4,500,456	6,853,669				
Agent Commission		5,316,363	5,089,542				
Expenses of management		8,183,832	5,496,512				
Profit transferred to profit & loss account	20	12,825,040	13,424,503				
Balance of account at the end of the period		21,968,840	9,826,303				
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		18,510,322	12,511,392				
Hull		18,410,885	12,429,928				
		99,437	81,464				
		<u>60,672,127</u>	<u>43,022,837</u>			<u>60,672,127</u>	<u>43,022,837</u>

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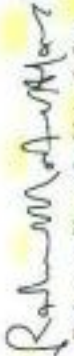

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Chartered Accountants

Dated : Dhaka, April 23, 2009

MISCELLANEOUS INSURANCE REVENUE ACCOUNT

For the year ended 31st December, 2008

Particulars	Notes	2008		Total	2007	Particulars	Notes	2008		Total	2007
		Motor	Misc.					Motor	Misc.		
Claims under policies less re-insurances		5,553,864	225,927	6,779,791	4,424,757	Balance of account at the beginning of the year		8,058,035	1,279,382	9,337,417	8,507,171
Paid during the year		4,925,278	265,927	5,191,205	2,280,859	Premium less Re insurances	10	27,673,377	3,841,799	31,515,176	23,343,544
Total estimated liability in respect of outstanding claims at the end of the period whether due or intimated		7,512,931	-	7,512,931	5,924,245	Commission on Re-insurances		321,454	1,612,536	1,933,990	1,439,788
Less: Claims outstanding at the end of the previous year		12,438,109	265,927	12,704,036	8,205,134						
		5,884,245	40,000	5,924,245	3,780,367						
Agent Commission		5,926,072	794,747	6,720,819	4,988,521						
Expenses of management	20	7,402,838	4,447,081	11,849,919	10,036,911						
Profit/(loss) transferred to profit & loss account		5,100,742	(270,758)	4,829,984	4,532,887						
Balance of account at the end of the period as shown in the balance sheet:											
Reserve for unexpired risks being 40% of net premium income of the year		11,069,350	1,536,720	12,606,070	9,337,417						
		<u>36,052,866</u>	<u>6,733,717</u>	<u>42,786,583</u>	<u>33,290,503</u>			<u>36,052,866</u>	<u>6,733,717</u>	<u>42,786,583</u>	<u>33,290,503</u>

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 Chairman

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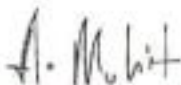
Dated : Dhaka, April 23, 2009

STATEMENT OF CASH FLOW*For the year ended 31st December, 2008*

Particulars	2008 Taka	2007 Taka
A Cash flow from operating activities:		
Premium Collection & other Receipts	156,169,761	157,263,955
Payments of Magt. Exp., Commission, Ri-Ins & Claim .	(116,337,822)	(123,510,373)
Interest on Short term Loan	(1,266,447)	(1,056,195)
Income tax paid and deducted at source	(5,819,569)	(8,103,836)
Net Cash inflow from operation activities	32,745,923	24,593,551
B Cash flow from investing activities:		
Acquisition of fixed assets	(1,799,759)	(293,264)
Sales of Share	50,747,959	-
Advance against floor purchase	(26,875,000)	-
Investment in Share	(48,918,324)	(15,233,228)
Net Cash outflow from Investing activities	(26,845,124)	(15,526,492)
C Cash flow from financing activities:		
Dividend Paid	(5,685,250)	(8,920,427)
Net Cash outflow from Financing activities	(5,685,250)	(8,920,427)
D Net Cash inflow for the year : (A+B+C)	215,549	146,632
E Opening cash and bank balances	151,353,045	151,206,413
F Closing cash and bank balances : (D+E)	151,568,594	151,353,045



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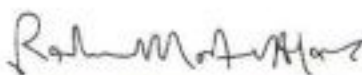


Md. Abdul Khaleque
Director



A K M Shaheed Reza
Chairman

Signed in terms of our separate report of even date.



Dated : Dhaka, April 23, 2009


Rahman Mostafa Alam & Co.
Chartered Accountants

STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY

For the year ended 31st December, 2008

Particulars	Share Capital	Reserve for Exceptional Loss	General Reserve	Retained Earnings	Total
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 Loss		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)	-
Balance as on 31.12.2007	150,000,000	22,635,412	4,000,000	10,700,042	187,335,454
Balance as on 01.01.2008	150,000,000	22,635,412	4,000,000	10,700,042	187,335,454
Dividend Paid for 2007				(10,500,000)	(10,500,000)
Net Profit during the year				27,567,737	27,567,737
Reserve for Exceptional Loss		500,000		(500,000)	-
Provision for Income Tax				(12,161,284)	(12,161,284)
Balance as on 31.12.2008	150,000,000	23,135,412	4,000,000	15,106,495	192,241,907


A. B. M. Nurul Haq
Managing Director

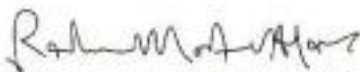

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Director


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Dated : Dhaka, April 23, 2009


Rahman Mostafa Alam & Co.
Chartered Accountants

◀ NOTES TO THE ACCOUNTS ▶

For the year ended 31st December, 2008

1. Legal Status :

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.

2. Significant Accounting Policies :

2.01. Basis of Accounting :

- i) The financial statements are prepared on a going concern basis under generally accepted accounting principle on historical cost convention. These statements are also prepared in accordance with applicable Accounting Standards as adopted by the Institute of chartered Accountants of Bangladesh and where relevant with presentation requirements of the law.
- ii) The balance Sheet is prepared in accordance with the regulations 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 is prepared in accordance with the regulation contained in Part-I of the Third Schedule and as per Form "F" set forth in Part-II of that Schedule of the Insurance Act, 1938. The classified summary of the assets is prepared in accordance with Form "AA" of Part-II of the First Schedule of the said Act.

2.02. 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.

2.03. Revenue Recognition :

i) 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.

ii) 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.

iii) Management Expenses :

Management expenses as charged to Revenue Accounts, amounting to Tk. 37,886,437 represents approximately 23.34% of Gross premium of Tk. 162,281,874. Management expenses have been apportioned @ 34.87% to Fire, 33.85% to Marine, 19.54% to Motor and 11.74% to Miscellaneous business as per management decision.

iv) 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.

2.04. Fixed Assets :

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

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%

2.05. Employees Benefits :

Since the present business is not at the expected level the company could not afford the employees benefit as per BAS-19. But the management is very much committed to introduce such benefit plans in coming years.

2.06. 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. 162,281,874 including public sector business of Tk. 26,430,330. After ceding for re-insurance premium the net premium for the year amounted to Tk. 106,481,952 and after charging direct expenses there from the net underwriting profit/(loss) stood at Tk. 20,115,545.

2.07. Public Sector Business :

Public Sector Business for four quarters up to June 2008 has been accounted for on the basis of statement received from SBC.

2.08. Income Tax :

- Income Tax provision has been made for business profit in the amount of Tk. 12,161,284.
- Income Tax Assessment of the company has been completed up to assessment year 2008-2009 (Income year 2007) and the assessment for the year 2009-2010 is under process.
- The company could not comply with BAS-12 as regards to Deferred Tax during the year 2008 but has a plan to comply with the BAS in the coming years.

2.09. 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. 500,000 on a lump sum basis.

2.10. Resumption of Agency Commission :

Restriction on payment of agency commission has been withdrawn by the Chief Controller of Insurance vide circular no. সি.সি.সি. 15/1/96-1203 dated July 26, 2005. As such the company has resumed payment of agency commission to the licensed insurance agents with effect from September 2005.

2.11. General :

- The margin of security of investments over liabilities of the company has been maintained as appeared from the Balance Sheet.
- The reporting currency is Taka (Bangladeshi).
- Figures have been rounded off to the nearest Taka.
- Last year's figures have been rearranged wherever necessary for the current year's presentation.

3. **National Investment Bond (NIB) : Tk. 9,000,000**

Amount in Taka
2008 2007

9,000,000 9,000,000

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

4. **Investment in Shares : Tk. 27,211,780**

27,211,780 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 31-12-2008	Total Market price as on 31-12-2008
Prime finance first m.f.	100,000	10	1,000,000	10.00	1,000,000
ICB Islami Bank	698	1,621	1,131,569	1,219.25	851,037
EXIM Bank BD. Ltd.	5,136	326.11	1,674,900	323.50	1,661,496
Islami Bank BD Ltd	500	3,731	1,865,570	6,075.00	3,037,500
AB Bank	4,000	90.17	360,696	822.25	3,289,000
Premier Bank Ltd.	5,500	255.21	1,403,655	253.25	1,392,875
United Commercial Bank Ltd.	900	5,278.57	4,750,713	3,190.00	2,871,000
Square Pharma	1,000	3,206.12	3,206,122	3,151.25	3,151,250
Jamuna Oil	19,000	246.65	4,686,396	143.30	2,722,700
Meghna Petroleum	5,000	324.78	1,623,900	135.80	679,000
AMCL (PRAN)	1,300	1,131.40	1,470,820	1,013.75	1,317,875
Square textile	30,000	134.58	4,037,439	117.30	3,519,000
				<u>27,211,780</u>	<u>25,492,733</u>

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, 2008.

5. **Interest, Dividend and Rent Receivable : Tk. 23,675,467**

The balance is made up as follows:

Opening Balance	17,337,680	11,478,449
Add. New made	<u>16,404,848</u>	<u>16,820,114</u>
	33,742,528	28,298,563
Less. Received During the year	<u>10,067,061</u>	<u>10,960,883</u>
	<u>23,675,467</u>	<u>17,337,680</u>

6. **Amount due from other persons or bodies carrying on insurance business : Tk. 2,402,825**

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

Shadharan Bima Corporation	2,402,825	153,752,483
	<u>2,402,825</u>	<u>153,752,483</u>

7. Sundry Debtors : Tk. 107,442,516

		Amount in Taka	
		2008	2007
The balance is made up as under:			
Advance Income Tax	7.01	29,485,623	22,783,893
Advance against Office Rent		699,979	721,205
Deposit Clearing	7.02	26,812,274	5,012,274
Security Deposits		602,400	476,400
Short deposit premium	7.03	48,850,245	52,250,101
Advance against Office Decoration		81,142	40,000
Advance against Motorcycle		125,000	-
Advance against Salary		422,199	298,501
Advance against Car on Hire Purchase		122,999	1,189,199
Advance against Mobile		10,000	10,000
Advance against Service Charge		14,175	70,875
Advance against VAT Payment		-	2,860,593
Advance against Sign Board		25,000	25,000
Advance against lease rental		111,480	111,480
Advance against Legal Fee		100,000	-
		107,442,516	85,849,520

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

7.02 Deposit clearing refers to cheques received on or before December 31, 2008 but deposited to bank subsequently.

7.03 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.

8. Advance Against Floor Purchase : Tk. 26,875,000

26,875,000 **-**

Global Insurance Limited executed a deed of Agreement with Abed Holding Ltd. 53, Purana Paltan, Dhaka-1000 on 20.05.2008 for the purchase of 11050sq. ft. Space 12th floor with The Al-Razi Complex at a total price of Tk. 4,35,30,000. Out of which an amount of Tk. 2,68,75,000 has been paid up to 31.12.2008

9. Cash and Bank Balances : Tk. 151,568,594

The balance has been arrived at as under:

Cash in Hand	9.01	13,385,492	15,500,689
Balance with Banks	9.02	7,040,352	7,476,856
		20,425,844	22,977,545
Fixed Deposit with Banks		131,142,750	128,375,500
		151,568,594	151,353,045

The management has furnished certificate confirming the position.

9.01. Cash in Hand

Head Office	7,815,869	4,966,680
Branch Office	5,569,623	10,534,009
	13,385,492	15,500,689

9.02. Balance with Banks

Short Term Deposit	6,478,507	7,352,914
Current Deposit	561,845	123,942
	7,040,352	7,476,856

10. **Fixed Assets : Tk. 6,025,070**

	Amount in Taka	
	2008	2007
	<u>6,025,070</u>	<u>5,425,925</u>

(at cost less accumulated Dep.)

A details of Fixed Assets Schedule is shown in the Annexure - A

11. **Deferred Expenses (IPO) : Tk. 1,982,011**

Opening	2,973,016	3,964,021
Less : Written off during the year	991,005	991,005
	<u>1,982,011</u>	<u>2,973,016</u>

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.

12. **Issued, Subscribed and Paid up Capital Tk. 150,000,000**

150,000,000 150,000,000

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

Share holding structure

	No. of shares	Share (%)
Sponsors	600,000	40.00
Financial & Other Institutions (including ICB)	483,800	32.25
General Public	416,200	27.75
	<u>1,500,000</u>	<u>100.00</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. 2008 is given as follows :

Group "A" Shareholders (Sponsors)

Class Interval	No. of Shares	No. of Shareholders	Share Holdings(%)	% of Total Paid up Capital
5001 – 1000	20,000	2	3.33	1.33
10001 – 15000	30,000	2	5.00	2.00
15001 – 20000	60,000	3	10.00	4.00
20001 – 25000	50,000	2	8.33	3.33
25001 – 30000	210,000	7	35.00	14.00
35001 – 40000	80,000	2	13.33	5.33
45001 – 50000	150,000	3	25.00	10.00
Total of (I)	600,000	21	100	40

Group "B" Shareholders (Public)

Class Interval	No. of Shares	No. of Shareholders	Share Holdings(%)	% of Total Paid up Capital
01 - 500	200,600	2,000	22.29	13.37
501 - 5000	186,650	344	20.74	12.44
5001 - 10000	90,150	12	10.02	6.01
10001 - 15000	27,000	2	3.00	1.80
15001 - 20000	15,300	1	1.70	1.02
20001 - 25000	23,950	1	2.66	1.60
25001 - 30000	84,500	3	9.39	5.63
50001 - 100000	94,900	1	10.54	6.33
100001 - 200000	176,950	1	19.66	11.80
Total of (II)	900,000	2,365	100	60
GRAND TOTAL (I+II)	1,500,000	2,386		100

13. Retained Earnings : Tk. 15,106,495

		Amount in Taka	
		2008	2007
Balance brought forward from last year	13.01	200,042	141,399
Add: Net Profit During the year		27,567,737	27,875,207
		27,767,779	28,016,606
Less: General reserve		-	4,000,000
Less: Provision for Income Tax		12,161,284	4,594,131
Less: Reserve for Exceptional losses		500,000	6,222,433
Less: Deferred tax		-	2,500,000
Surplus Carried forward		15,106,495	10,700,042

13.01 Balance brought forward from last year : Tk. 200,042

Net Profit before Dividend	10,700,042	7,641,399
Dividend Paid	10,500,000	7,500,000
	200,042	141,399

14. Premium Deposit : Tk. 1,271,000

1,271,000	2,125,616
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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, 2008.

15. Bank Overdraft : Tk. 13,926,669

This overdraft was allowed by Standard Bank Ltd. & IFIC Bank Ltd. Against these Overdraft, there are lien on FDRs amounting to Tk. 53,00,000 and Tk. 12,500,000 respectively.

This is made up as follows:

Standard Bank Ltd., A/c.No.010238000654	4,761,490	1,094,929
IFIC Bank Ltd., A/c.No.000132086387	9,165,179	3,822,348
	13,926,669	4,917,277

The above balance has been confirmed & reconciled with bank statements.

16. Estimated Liability in respect of outstanding claims whether due or Intimated : Tk. 17,115,826

Amount in Taka
2008 2007

The break-up of the amount is noted below :

Fire	6,754,973	8,248,402
Marine (Cargo)	2,848,022	5,316,363
Miscellaneous (Motor)	7,512,831	5,884,245
	<u>17,115,826</u>	<u>19,449,010</u>

17. Amounts due to other persons or bodies carrying on Insurance Business : Tk. 38,633,226

Shadharon Bima Corporation (SBC)	<u>38,633,226</u>	<u>27,458,328</u>
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18. Sundry Creditors : Tk. 8,746,475

The balance is made-up as follows:

Provision for Office Rent	29,475	-
Provision for Audit Fee	40,000	40,000
VAT Deducted at Source	91,719	101,999
Excess Premium Deposit	18.01	1,789,592
Salary Income Tax Payable	220,806	399,956
Bill Payable	175,245	-
Income Tax Deduction (Office Rent)	-	18,710
Claim Payable (Outstanding Claims SBC Share)	-	153,752,483
Security Deposit (Open Cover)	22,232	55,000
I.T. Deduction at Source	383,058	459,549
GIL Foundation	5,000	5,000
Provision for Proposed Dividend	5,562,604	2,049,922
Share Application Money Refundable	924,000	959,000
Income Tax Payable (up to assessment year 2005-2006)	54,960	54,960
Provision for Incentive Bonus	1,229,081	1,207,313
Provision for Employee Con. PF.	8,295	-
	<u>8,746,475</u>	<u>160,893,484</u>

18.01 Excess Premium Deposits have been adjusted after reconciliation.

19. Premium Income less Re-Insurance

Business	Gross Premium	Re-Insurance accepted	Re-Insurance ceded	2008 Net Premium	2007 Net Premium
Fire	56,493,916	-	27,653,789	28,840,127	7,724,504
Marine	55,227,543	-	9,100,894	46,126,649	31,156,285
Motor	31,443,588	-	3,770,211	27,673,377	20,145,089
Miscellaneous	19,116,827	-	15,275,028	3,841,799	3,198,455
Total	162,281,874	-	55,799,922	106,481,952	62,224,333

20. Management Expenses : Tk. 37,886,437

Amount in Taka

2008

2007

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

Fire	34.87%	13,211,477	14,111,460
Marine	33.85%	12,825,040	13,424,503
Motor	19.54%	7,402,838	7,708,363
Miscellaneous	11.74%	4,447,082	2,298,548
	<u>100.00%</u>	<u>37,886,437</u>	<u>37,542,874</u>

21. Directors Fee : Tk. 296,700

296,700

303,600

During the year under review an amount of Tk. 296,700 was paid to the Directors of the company as Board and committee meeting attendance fee.

22. Interest, Dividend and Rents : Tk. 16,458,745

The amount is made-up as follows:

Interest on National Investment Bond (NIB)	765,000	765,000
Interest on Fixed Deposit	15,639,848	16,055,114
Interest on STD	53,897	277,827
	<u>16,458,745</u>	<u>17,097,941</u>

23. Contingent Liabilities

As per Management of the company Global Insurance has no contingent liabilities as of December 31, 2008.

24. Earning Per Share (EPS)

The earning per share of the company is as follows:

Earning attributable to ordinary share holders (profit after tax)	15,406,453	20,781,166
Number of ordinary shares outstanding during the year	1,500,000	1,500,000
	<u>10.27</u>	<u>13.85</u>

25. Board Meeting

During the year 2008 the company had a 21 members 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.

26. Employees

The company employed 403 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.

27. 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 Stock Dividend: Tk.1,50,00,000

The Board of Directors has recommended for payment of Stock dividend to the amount of Tk 1,50,00,000 @10.% on paid up capital out of the surplus available for distribution at the end of the year 2008, as decided by the Board of Director in their meeting held on 22nd April 2009, which is subject to the approval of shareholders in the forthcoming Annual General Meeting of the company.

FIXED ASSETS SCHEDULE
As on 31st December, 2008

ANNEXURE - 1

Particulars	C O S T				Rate of Dep. (%)	D E P R E C I A T I O N				Written down value at 31.12.2008
	As on 01.01.2008	Additions during the year	Sale/ Adjustment the year	As on 31.12.2008		Amount before charging depreciation	As on 01.01.2008	Charged during the year	Sale/ Adjustment the year	As on 31.12.2008
Furniture & Fixture	2,347,403	188,074	-	2,535,477	10	1,587,598	947,879	158,780	-	1,105,639
Telephone Installation	385,639	60,425	-	446,064	10	232,964	153,100	29,296	-	182,396
Air Conditioner	630,726	10,500	-	641,226	20	302,290	338,936	60,458	-	399,394
Office Decoration	4,202,778	200,790	-	4,403,568	20	1,393,685	3,009,883	278,737	-	3,288,620
Office Equipment	638,544	58,550	-	697,094	15	399,020	298,074	59,853	-	357,927
Sign Board	633,256	21,820	-	655,076	10	365,157	289,919	36,516	-	326,435
Motor Vehicles	2,601,500	1,190,000	-	3,781,500	20	2,457,967	1,323,533	491,593	-	1,815,126
Electrical Installation	352,503	-	-	352,503	20	101,486	251,017	20,297	-	271,314
Computer	575,250	79,600	-	654,850	20	325,517	329,333	65,103	-	394,436
	12,367,599	1,799,759	-	14,167,358		7,225,684	6,941,674	1,200,614	-	8,142,288
										6,025,070

Notes: i) Depreciation has been charged on diminishing balance method on the cost of individual assets.

ii) Full year's depreciation has been charged on additions during the year irrespective of date of acquisition.