

AUDITORS' REPORT TO THE SHAREHOLDERS OF GLOBAL INSURANCE LIMITED

Management's Responsibility for the Financial Statements

Management of the GLOBAL INSURANCE LIMITED is responsible for the preparation and fair presentation of these financial statements in accordance with Bangladesh Financial Reporting Standards (BFRS) and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Bangladesh Standards on Auditing (BSA). Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amount and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risk of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.


Opinion

In our opinion, the financial statements, give a true and fair view of the financial position of GLOBAL INSURANCE LIMITED as at 31st December, 2011 and of its financial performance and its cash flows for the year then ended in accordance with Bangladesh Financial Reporting Standards (BFRS) and comply with the Companies Act -1994, Insurance Act- 1938, the Insurance Rules- 1958, the Security and Exchange Rules-1987 and other applicable laws and regulations.

Report on Other Legal and Regulatory Requirements

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 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;

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- iv) The expenditure incurred was for the purposes of the company's business;
 - v) As per section 40-C (2) of the Insurance Act, 1938 as amended, in the Insurance Act-2010 section-63 , 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 and Loss Account of the Company;
 - vi) as per regulation 11 of part 1 of the Third Schedule of the 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
27 February, 2012


K.M. Asadul Haque
Chartered Accountants

GLOBAL INSURANCE LIMITED
Balance Sheet
As at December 31, 2011

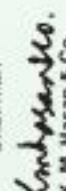
Capital & Liabilities	Notes	Amount in Taka 2011	Amount in Taka 2010	Property & Assets	Notes	Amount in Taka 2011	Amount in Taka 2010
Share Capital							
Authorised Capital		1,000,000,000	300,000,000				
100,000,000 ordinary shares of Tk. 10 each							
Issued, Subscribed & Paid up Capital							
19,965,000 Ordinary Shares of Tk. 10 each	11	199,650,000	181,500,000	National Investment Bond (NIB)	3	9,000,000	9,000,000
Reserve or Contingency Accounts:				Investments in Shares	4	44,090,278	37,353,972
Reserve for Exceptional Losses				Interest, Dividend & Rent receivable	5	43,305,304	28,222,460
General Reserve							
Retained Earnings	12	33,135,412 4,000,000 21,200,051 58,335,463	30,135,412 4,000,000 19,886,740 54,022,152	Amounts due from other Persons or Bodies carrying on insurance business	6	20,188,520	13,532,959
Balances of Funds and Accounts:							
Fire							
Marine (Cargo)				Sundry Debtors	7	113,510,101	126,509,523
Marine (Hull)				Advance against Floor purchase	8	15,739,500	55,224,500
Motor				Cash and Bank Balances	9		
Miscellaneous				Cash in Hand		6,480,763	1,070,749
				Balance with Banks		40,222,999	22,461,131
Premium Deposit	13	14,552,013 19,815,711 94,475 10,124,910 1,321,942 45,909,051	14,558,552 17,042,095 119,644 9,842,380 1,256,563 42,619,234	FDR with Banks		134,349,650	123,803,480
Loans & Overdraft	14	1,810,403 54,536,962	1,550,451 54,605,593				
Liabilities and Provisions:							
Estimated Liability in respect of outstanding claims, whether due or intimated	15			Other Accounts:			
Amounts due to other Persons or Bodies				Fixed Assets (at cost less accum. Depreciation)	10	73,721,285	14,928,832
carrying on Insurance Business	16	13,502,051	16,057,209	Stock of Stationery		530,320	650,450
Sundry Creditors	17	35,057,562	18,299,313	Stamp in Hand		78,555	380,590
Provision for Income Tax	24	26,271,818	11,327,628				
		56,143,865	53,157,065	Total		74,330,160	15,959,872
Total		140,975,396	98,841,215			501,217,275	433,138,645
		501,217,275	433,138,645				

The annexed notes 1 to 29 form an integral part of these Financial Statements.


Fariduddin Khan Siddiqui
Managing Director


Mohammed Abdul Muqtadir
Director


R A Howlader
Chairman


K. M. Hasan & Co.
Chartered Accountants

Signed in terms of our separate report of even date.

Dated, Dhaka
27 February, 2012


GLOBAL INSURANCE LIMITED
Profit and Loss Appropriation Account
For the year ended December 31, 2011

Particulars	Notes	Amount in Taka 2011	Amount in Taka 2010	Particulars	Notes	Amount in Taka 2011	Amount in Taka 2010
Provision for Income Tax	24	12,886,800	4,937,764	Balance brought forward from last year	12	1,736,740	1,721,727
Reserve for Exceptional Losses		3,000,000	2,000,000	Net profit for the year brought down		35,450,111	25,102,757
Balance transferred to the Balance Sheet		21,200,051	19,886,740			<u>37,186,851</u>	<u>26,824,484</u>
		<u>37,186,851</u>	<u>26,824,484</u>				

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Fariduddin Khan Siddiqui
Managing Director



Sajad Arefin Alam
Director


Mohammed Abdul Muktedir
Director


R A Howlader
Chairman

Signed in terms of our separate report of even date

Dated, Dhaka
27 February 2012


K. M. Hasan & Co.
Chartered Accountants

For the year ended December 31, 2011

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R A Howlader
Chairman

Kimbosanto.
K. M. Hasan & Co.
Chartered Accountants

GLOBAL INSURANCE LIMITED
Consolidated All Business Revenue Account
For the year ended December 31, 2011

Particulars	Notes	Amount in Taka		Particulars	Notes	Amount in Taka	
		2011	2010			2011	2010
Claims under policies less Re-insurances							
Paid during the year		24,083,144	17,898,981	Balance of account at the beginning of the year		42,619,234	40,949,672
Add : total estimated liability in respect of outstanding claims at the end of the period whether due or intimated		13,502,051	16,057,209	Premium less Re-insurances	19	114,630,914	106,369,618
		37,585,195	33,956,190	Commission on Re-insurances		25,744,227	15,572,388
Less: Claims outstanding at the end of the previous year		16,057,209	12,357,584				
		21,527,986	21,598,606			182,994,375	162,890,678
Expenses of Management	19	44,290,514	44,009,968				
Agent Commission		31,303,968	44,558,929				
Profit transferred to profit & loss account		39,962,856	10,103,941				
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		45,909,051	42,619,234				
		182,994,375	162,890,678				

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Fariduddin Khan Siddiqui
Managing Director

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Dated, Dhaka
27 February, 2012


Sajjad Arefin Alam
Director


Mohammed Abdul Muktadir
Director


R A Howlader
Chairman


K. M. Hasan & Co.
Chartered Accountants

GLOBAL INSURANCE LIMITED
Fire Insurance Revenue Account

For the year ended December 31, 2011

Particulars	Notes	Amount in Taka 2011	Amount in Taka 2010	Particulars	Notes	Amount in Taka 2011	Amount in Taka 2010
Claims under policies less Re-insurances				Balance of account at the beginning of the year		14,558,552	11,580,946
Paid during the year		14,390,714	9,467,740	Premium less Re-insurances	18	36,380,032	36,396,380
Add : total estimated liability in respect of outstanding claims at the end of the period whether due or intimated		289,167	3,126,105	Commission on Re-insurances		19,329,007	10,105,461
		14,679,881	12,593,845				
Less: Claims outstanding at the end of the previous year		3,126,105	1,859,896				
		11,553,776	10,733,949			69,267,591	58,082,787
Agent Commission		15,982,006	11,296,244				
Expenses of management	19	20,161,507	18,194,300				
Profit transferred to profit & loss account		7,018,289	3,299,742				
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		14,552,013	14,558,552				
		69,267,591	58,082,787				

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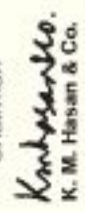

Fariduddin Khan Siddiqui
 Managing Director


Sajjad Arefin Alam
 Director


Mohammed Abdul Muktaadir
 Director


R A Howlader
 Chairman

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K. M. Hasan & Co.
 Chartered Accountants

Dated, Dhaka
 27 February, 2012

GLOBAL INSURANCE LIMITED
Marine Insurance Revenue Account
For the year ended December 31, 2011

Particulars	Notes	Amount in Taka 2011	Amount in Taka 2010	Particulars	Notes	Amount in Taka 2011	Amount in Taka 2010
Claims under policies less Re-insurances				Balance of account at the beginning of the year		17,161,739	14,859,727
Paid during the year		1,076,912	1,912,465	Premium less Re-insurances	18	49,633,752	42,724,881
Add : total estimated liability in respect of outstanding claims at the end of the period whether due or intimated		5,595,143	2,934,719	Commission on Re-insurances		4,844,771	2,991,991
		6,672,055	4,847,184				
Less: Claims outstanding at the end of the previous year		2,934,719	4,075,657				
		3,737,336	771,527				
Agent Commission		9,047,557	27,844,060				
Expenses of management	19	15,202,493	14,829,435				
Profit/(Loss) transferred to profit & loss account		23,742,590	(30,162)				
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 on marine cargo and 100% of net premium income on marine hull of the year:							
Cargo		19,815,711	17,042,095				
Hull		94,475	119,644				
		19,910,186	17,161,739				
		71,640,262	60,576,599			71,640,262	60,576,599

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Fariduddin Khan Siddiqui
Managing Director

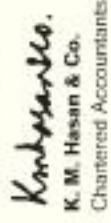

Sajjad Arefin Alam
Director


Mohammed Abdul Muktaadir
Director


R A Howlader
Chairman

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Dated, Dhaka
27 February, 2012


K. M. Hasan & Co.
Chartered Accountants

GLOBAL INSURANCE LIMITED
Miscellaneous Insurance Revenue Account
For the year ended December 31, 2011

Particulars	Notes	Amount in Taka		Amount in Taka		Notes	Amount in Taka	
		2011	2010	2011	2010		2011	2010
		Motor	Misc	Total	Total		Motor	Misc
Claims under policies less Re-insurances								
Paid during the year		8,570,726	44,792	8,615,518	6,518,776	Balance of account at the beginning of the year	9,542,380	1,216,563
Add: Total estimated liability in respect of outstanding claims at the end of the period whether due or intimated		7,516,845	100,896	7,617,741	9,996,385	Premium less Re-insurances	25,312,274	3,304,856
		16,087,571	145,688	16,233,259	16,515,161	Commission on Re-insurances	1,076,866	1,493,583
Less: Claims outstanding at the end of the previous year		9,885,937	110,448	9,996,385	6,422,031			
		6,201,634	35,240	6,236,874	10,093,130			
Agent Commission		5,446,573	827,832	6,274,405	5,418,625			
Expenses of management	19	6,850,794	2,065,720	8,916,514	10,986,233			
Profit transferred to profit & loss account		7,397,609	1,804,258	9,201,877	6,834,361			
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		30,124,910	1,321,942	31,446,852	10,898,943			
		38,031,520	6,055,002	44,086,522	44,231,292			

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Managing Director


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Dated, Dhaka
27 February, 2012


K. M. Hasan & Co.
Chartered Accountants

GLOBAL INSURANCE LIMITED

Statement of Cash Flows

For the year ended 31st December, 2011

	Amount in Taka	
	2011	2010
A) Cash flow from operating activities:		
Premium Collection & other Receipts	241,826,170	194,965,571
Payments of Magt. Exp., Commission, Re-Ins & Claim .	(195,704,160)	(174,686,224)
Income tax paid and deducted at source	(6,484,144)	(3,552,551)
Net Cash provided from operation activities	39,637,866	16,726,796
B) Cash flow from investing activities:		
Acquisition of fixed assets	(27,868,026)	(3,548,650)
Disposal of fixed assets	904,400	-
Sales of Share	21,181,862	15,380,000
Advance against floor purchase	-	(6,739,500)
Investment in Share	(25,513,978)	(7,700,000)
Net Cash used in Investing activities	(31,295,742)	(2,608,150)
C) Cash flow from financing activities:		
Interest on Short term Loan	(9,206,920)	(7,116,012)
Overdraft	(68,631)	(220,527)
Term loan	34,651,479	-
Net Cash used in Financing activities	25,375,928	(7,336,539)
D) Net increase in Cash & Bank balances for the year :(A+B+C)	33,718,052	6,782,107
E) Opening cash and bank balances	147,335,360	140,553,253
F) Closing cash and bank balances : (D+E)	181,053,412	147,335,360


Fariduddin Khan Siddiqui
Managing Director


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Dated, Dhaka
27 February, 2012


K. M. Hasan & Co.
Chartered Accountants

GLOBAL INSURANCE LIMITED

Statement of changes in Equity


For the year ended December 31, 2011

Amount in Taka

Particulars	Share Capital	Reserve for Exceptional Loss	General Reserve	Retained Earnings	Total
Balance as on 01.01.2010	105,000,000	20,105,412	4,000,000	10,221,727	215,057,100
Stock Dividend for 2000	10,500,000			(16,500,000)	-
Net Profit after tax				20,165,013	20,165,013
Reserve for Exceptional Loss		2,000,000		(2,000,000)	-
Balance as on 31.12.2010	181,500,000	30,135,412	4,000,000	19,886,740	235,522,152
Balance as on 01.01.2011	181,500,000	30,135,412	4,000,000	19,886,740	235,522,152
Stock Dividend for 2010	18,150,000			(18,150,000)	-
Net Profit after tax				22,463,311	22,463,311
Reserve for Exceptional Loss		3,000,000		(3,000,000)	-
Balance as on 01.12.2011	100,050,000	00,105,412	4,000,000	21,200,051	257,005,400


Fariduddin Khan Siddiqui
Managing Director

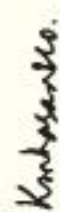

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Dated, Dhaka
27 February, 2012


K. M. Hasan & Co.
Chartered Accountants

GLOBAL INSURANCE LIMITED

Notes to the Financial Statements

As at & for the year ended December 31, 2011

1. INTRODUCTION:

1.01 Legal Status:

GLOBAL INSURANCE LIMITED was incorporated as a public limited company in Bangladesh on April 23, 2000 under the Companies Act, 1994 and commenced its operation as per insurance Act, 1938. The certificate of commencement of business was obtained from the Registrar of Joint Stock Companies, Bangladesh.

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

1.02 Address of Registered Office and Principal Place of Business :

The registered office of the Company is situated in Bangladesh. Its principal business office is located at Al-Razi Complex (12th Floor), 166-167, Shahid Syed Nazrul Islam Sarani, Purana Paltan, Dhaka-1000, Bangladesh. The operation of the Company is being carried out through its 20 branches located in Bangladesh.

1.03 Principal Activities of the Company:

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

2. SIGNIFICANT ACCOUNTING POLICIES AND OTHER RELEVANT INFORMATION:

2.01 The Company has adopted relevant International Accounting Standards (IASs) as were adopted in Bangladesh under the title Bangladesh Accounting Standards (BASs) with reference to disclosures of accounting policies and notes to the financial statements.

2.02 Basis of Accounting:

The Financial Statements have been prepared on the basis of going-concern concept under historical cost convention in accordance with Bangladesh Financial Reporting Standards (BFRS) .

2.03 Basis of Presentation:

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

2.04 Branch Accounting:

The Company has 20 branches without having any overseas branch up to the year end December 31, 2011. The financial statements of branches are maintained at the Head office level. Only Petty cash books are maintained at the branch for meeting day to day expenses. During 2011 through the operation of 21 offices (Including Head Office) the gross premium income earned by the Company was to Tk 198,255,573 including Public Sector business of Tk 29,484,400 after ceding for re-insurance premium, the net premium for the year amounted to Tk 114,630,914 and after charging direct expenses there from the net underwriting profit stood at Tk 35,450,111.

2.05 Statement of Cash Flows:

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

2.06 Fixed Assets:

Fixed Assets are stated at cost less accumulated depreciation as per BAS-16: "Property, Plant & Equipment". The cost of acquisition of an asset comprises its purchase price and any directly attributable cost of bringing the asset to its working condition for its intended use inclusive of inward freight, duties, interest and non refundable taxes.

2.07 Depreciation on Fixed Assets:

Depreciation on Tangible Fixed Assets are charged on diminishing balance method at rates varying from 2.5% to 30% depending on the estimated useful life of the Assets. Depreciation on additions to Fixed Assets are charged for the full year irrespective of the date of acquisition of assets and no depreciation is charged in the year of disposal of assets. Gain or loss arising on the disposal or the retirement of asset is determined as the difference between the sale proceeds and the carrying amount of the asset and recognised in the profit and loss account.

2.08 Public Sector Business:

The Company's share of Public Sector business for 4 quarters for the period from 1st July, 2010 to 30th June, 2011 received from Sadharan Bima Corporation and other insurance companies has been incorporated in the Company's account for the year ended 31st December, 2011. This system of accounting of public sector business is being followed consistently.

2.09 Statement of Changes in Equity:

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

2.10 Revenue Recognition:

The revenue is recognized after satisfying the relevant condition for revenue recognition as provided in BAS 18: "Revenue" in compliance with BFRS 4 "Insurance Contract". Detailed income wise policy for revenue recognition is as given under:

a) Premium Income:

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

b) Interest on Statutory and other Investments:

Interest accrued on statutory investment of Tk.90.00 lacs lying with Bangladesh Bank in the form of National Investment Bond (NIB) and interest received from banks on STD and FDR accounts have been duly credited to the Profit and Loss Account.

c) Loss or Gain on sale of Shares and Debentures:

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

2.11 Management Expenses:

Management expenses as charged to Revenue Accounts amount of Tk. 44,290,514 is approximately 22.34% of gross premium of Tk. 198,255,573. The expenses have been apportioned 45.52% to Fire, 34.32% to Marine, 15.49% to Motor and 4.67% to Miscellaneous business as per management decision.

2.12 Provision for Unexpired Risks:

Before arriving at the surplus of each class of business necessary provision for un-expired risk have been created at the rate of 40% on all business except on Marine Hull business for which the provision was made @ 100% of the total net premium for the year 2011.

2.13 Provision for Income Tax:

Provision for Income Tax have been made as per Income Tax Ordinance 1984 during the year for an amount of Tk 12,986,800 on taxable income of the company.

2.14 Reserve for Exceptional Loss:

Reserve for Exceptional Losses as appropriated out of current year's profit before tax amounts to Tk 3 000 000

2.15 General Reserve:

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

2.16 Employees Benefit:

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

2.17 Earning per Share (EPS):

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

a) Basic Earnings:

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

b) Basic Earnings per Share:

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

2.18 Outstanding Premium:

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

2.19 Going Concern:

The financial statements of the entity have been prepared by the management considering the entity as a going concern and the entity is optimistic to continue its business operation for the foreseeable future. More so, the company has earned a good amount of profit and in line with that the company has proposed 10% dividend for 2011 in the form of bonus shares.

2.20 Use of Estimate:

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

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

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

2.22 Investment in Shares and Debenture:

The company has invested total amount of Tk. 44,090,278 in the security market which have been valued at cost and presented in the financial statements attached to the report in note no-4.

2.23 Components of the Financial Statements:

Following the BAS-1 "Presentation of Financial Statements", the companies complete set of financial statements includes the following components:

- Statement of Financial position (Balance Sheet) as at December 31, 2011.
- Statement of Comprehensive Income (Profit and Loss Account) for the year ended December 31, 2011.
- Profit and Loss Appropriation Account for the year ended December 31, 2011.
- Revenue Accounts for specific class of business for the year December 31, 2011.
- Statement of Cash flows for the year ended December 31, 2011.
- Statement of Changes in Equity for the year ended December 31, 2011.
- Notes to the financial statements and significant accounting policies as at & for the year ended December 31, 2011.

2.24 General:

- Financial Statements of the Company cover from January 01, 2011 to December 31, 2011.
- Figures in the financial statements are presented in Bangladeshi Taka which is the companies functional and presentational currency.
- Margin of security of Investment over liabilities of the company has been maintained as appeared from the Balance Sheet.
- Figures have been rounded off to the nearest Taka.
- Previous year's figures have been re-arranged wherever necessary to conform to current year's

Amount in Taka

2011

2010

3. NATIONAL INVESTMENT BOND (NIB)

9,000,000

9,000,000

The amount represents 5 years National Investment Bond @ 10.14% simple interest which is a statutory deposit under Insurance Act.

4. INVESTMENTS IN SHARE	Amount in Taka	
	2011	2010
	44,090,278	37,353,972

Details are given below:

Name of the Company	No of Share	Cost share	Price per	Total Cost	Market Price per share as on 31.12.2011	Total Market Price as on 31.12.2011
Meghna petroleum	2,105	256		538,395	187.90	395,530
GP	3,200	282		902,836	163.50	523,200
SP ceramics	65,205	90		5,900,790	40.90	2,666,885
KPCL	19,320	151		2,920,800	62.80	1,213,296
GDI 1st mutual fund	500,000	10		5,000,000	6.80	3,400,000
Beximco Ltd.	1,500	212		318,500	113.00	169,500
R A K ceramics	5,500	191		1,052,300	78.40	431,200
Summit power (Pref.)	56,264	91		5,114,150	74.40	4,186,042
MBL 1st mutual fund	250,000	10		2,500,000	9.20	2,300,000
Makson spinning	15,000	65		972,600	35.00	525,000
S Alam steel	108,900	78		8,448,300	61.40	6,686,460
Pubali Bank Ltd.	45,900	82		3,773,200	50.40	2,313,360
Prime Bank Ltd.	8,100	62		502,101	44.50	360,450
Fareast life insurance	8,680	246		2,135,079	162.00	1,406,160
Meghna life insurance	15,400	260		4,011,227	186.80	2,876,720
				44,090,278		29,453,802

Value of shares have been shown at cost. Provision has been made for an amount of Tk. 4,878,824 due to fall in market price in view of the fact that the aggregate market value of the shares as on December 31, 2011 is lower than total cost price.

5. INTEREST, DIVIDEND & RENT RECEIVABLE

Opening Balance	28,222,460	21,742,752
Add: Receivable during the year	17,706,306	14,577,905
	45,928,766	36,320,657
Less: Received during the year	2,623,462	8,098,197
	43,305,304	28,222,460

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

These represent the amount receivable from insurance companies on account of co-insurance premium and claim as at December 31, 2011.

Amount due from Shadharon Bima Corporation & other Insurance Companies	20,188,520	13,532,959
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	Amount in Taka	
	<u>2011</u>	<u>2010</u>
7. SUNDRY DEBTORS		
Advance income tax	47,098,339	40,614,195
Advance against office rent	609,182	751,340
Advance against office decoration	-	3,916,700
Advance against other parties	235,000	12,595,003
Deposit clearing	8,101,078	9,446,431
Security deposit	-	637,210
Short deposit premium	7,333,376	8,534,017
Advance against salary	302,101	445,217
Advance against car on hire purchase	-	182,590
Advance against mobile	10,000	10,000
Advance against commission	7,005,468	6,315,747
Collection control A/C	37,690,852	38,122,454
Advance for automation	525,000	-
Advance against lease rental	-	176,765
VAT Collection control A/C	2,012,397	2,583,368
Rent receivable	456,240	456,240
Advance & security deposit	637,210	-
Stamp collection control A/C	1,493,858	1,722,246
	<u>113,510,101</u>	<u>126,509,523</u>

8. ADVANCE AGAINST FLOOR PURCHASE

11,050 sq ft at AL-Razi Complex(12th floor), Paltan	-	39,485,000
3,930 sq ft at Central Plaza (7th floor), Mirpur	15,739,500	15,739,500
	<u>15,739,500</u>	<u>55,224,500</u>

Global Insurance Limited executed a Deed of agreement with Hasan Holding Ltd.(3rd floor) 52/1, New Eskaton Road, Dhaka-1000 on 14.12.2009 for the purchase of 3,930 sq ft. Floor Space 7th floor at the Central Plaza at Mirpur, at total price 15,739,500 which has been paid up to 31.12.2010.

9. CASH & BANK BALANCES

Cash in hand:		
Head office	1,385,505	230,997
Branch offices	5,095,258	839,752
	6,480,763	1,070,749
Cash at bank:		
STD	19,515,292	21,949,894
Current deposit	20,707,707	511,237
	40,222,999	22,461,131
FDR	134,349,650	123,803,480
	174,572,649	146,264,611
Total	<u>181,053,412</u>	<u>147,335,360</u>

10. FIXED ASSETS:

Amount in Taka

Particulars	Cost				Rate (%)	Depreciation				Written Down Value as on 31.12.2011
	Balance as on 01.01.2011	Addition during the year	Adjustment during the year	Balance as on 31.12.2011		Balance as on 01.01.2011	Charged during the year	Adjustment during the year	Balance as on 31.12.2011	
Office Space	-	50,257,720	-	50,257,720	2.5	-	1,256,443	-	1,256,443	49,001,277
Furniture & Fixture	3,646,911	269,197	-	3,916,108	10	1,515,905	240,020	-	1,755,925	2,160,183
Motor Vehicles	15,027,299	9,117,721	1,594,000	22,551,020	20	4,734,533	3,627,057	318,800	8,042,790	14,508,230
Office Decoration	4,854,014	4,891,909	-	9,745,923	20	3,785,691	1,192,046	-	4,977,737	4,768,186
Computer	824,602	1,967,423	-	2,792,025	30	579,867	663,647	-	1,243,514	1,548,511
Air Conditioner	824,406	244,500	-	1,068,906	15	526,813	81,314	-	608,127	460,779
Office Equipment	2,328,926	604,556	-	2,933,482	15	1,434,517	224,845	-	1,659,362	1,274,120
Total as on 31-12-2011	27,506,158	67,353,026	1,594,000	93,265,184		12,677,326	7,285,373	318,800	19,543,899	73,721,285
Total as on 31-12-2010	18,568,544	9,868,614	931,000	27,606,158		9,976,095	3,230,079	635,847	12,577,326	14,928,832

11. SHARE CAPITAL

Amount in Taka
2011 **2010**

Detailed break up of shareholders capital is as below:

- a) Authorised capital:
- | | | |
|--|----------------------|--------------------|
| 100,000,000 Ordinary shares of Tk. 10 each | 1,000,000,000 | 300,000,000 |
|--|----------------------|--------------------|
- During the year 2011, the authorised capital of the company has been increased from Taka 300,000,000 to Taka 1,000,000,000 which is divided into 100,000,000 Ordinary shares of Tk. 10 each.
- b) Issued, subscribed and paid-up capital
- | | | |
|---|--------------------|--------------------|
| 19,965,000 Ordinary shares of Tk. 10/- each | 199,650,000 | 181,500,000 |
|---|--------------------|--------------------|

The Category-wise share holding position as on 31st December, 2011 is as under:

Category of Shareholders	No. of Shares	(%) of Holding	Amount in Taka
Sponsor & Director (Group-A)	7,144,300	35.78	71,443,000
Financial & Other Institution (Group-B)	4,773,820	23.92	47,738,200
General Public (Group-B)	8,046,880	40.30	80,468,800
TOTAL	19,965,000	100	199,650,000

Classification of Shareholders as per share holdings:

Group-A

S/N	Class Interval	No. of Shares	No. of Shareholders	Share Holdings (%)	(%) of Total Paid up Capital
1	100001 – 150000	359,750	3	5.04	1.80
2	150001 – 200000	395,850	2	5.54	1.98
3	200001 – 250000	676,000	3	9.46	3.39
4	300001 – 350000	966,900	3	13.53	4.84
5	350001 – 400000	1,557,900	4	21.81	7.80
6	400001 – 450000	885,000	2	12.39	4.43
7	450001 – 500000	500,000	1	7.00	2.50
8	500001- 1000000	1,802,900	3	25.24	9.03
	Total	7,144,300	21	100	35.79

Amount in Taka

2011

2010

**Classification of Shareholders as per share holdings:
Group-B**

S/N	Class Interval	No. of Shares	No. of Shareholders	Share Holdings (%)	(%) Of Total paid up capital
1	01 - 5000	3,651,990	4256	28.49	18.29
2	5001 - 50000	3,914,550	286	30.53	19.61
3	50001 - 100000	798,610	11	6.23	4.00
4	100001 - 150000	694,250	5	5.42	3.48
5	150001 - 200000	591,000	4	4.61	2.96
6	200001 - 250000	827,950	2	6.46	4.15
7	250001 - 300000	293,730	1	2.29	1.47
8	350001 - 400000	383,050	1	2.99	1.92
9	1000001 - 2000000	1,665,570	1	12.99	8.34
Total		12,820,700	4567	100	64.22
GRAND TOTAL		19,965,000	4588		100

12. RETAINED EARNINGS

Balance brought forward from last year	1,736,740	1,721,727
Add: Net profit during the year	35,450,111	25,102,757
	37,186,851	26,824,484
Less: Provision for income tax	12,986,800	4,937,744
Less: Reserve for exceptional losses	3,000,000	2,000,000
	21,200,051	19,886,740

12.1 BALANCE BROUGHT FORWARD FROM LAST YEAR

Net profit before dividend	19,886,740	18,221,727
Less: Dividend paid	18,150,000	16,500,000
	1,736,740	1,721,727

13. PREMIUM DEPOSIT

1,810,403 **1,550,451**

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, 2011.

14. LOANS & OVERDRAFT

Loans (14.1)	44,388,861	8,286,592
Overdraft (14.2)	10,148,101	46,319,001
	54,536,962	54,605,593

14.1 Loans

Computer loan	1,450,790	-
Car loan	9,238,071	8,286,592
Term loan (UCBL, Bijoy Nagar Branch)	33,700,000	-
	44,388,861	8,286,592

		<u>Amount in Taka</u>	
		<u>2011</u>	<u>2010</u>
14.2 Overdraft			
Standard Bank Ltd., A/c.No.010238000654	-		34,220,149
IFIC Bank Ltd., A/c.No.000132086387	10,148,101		10,150,136
BRAC Bank Ltd., A/c No.1505200344843001	-		1,948,716
	<u>10,148,101</u>		<u>46,319,001</u>

The overdraft allowed by IFIC Bank Ltd. was availed against the lien on FDR amounting to Tk. 12,500,000 in the same Bank.

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

Fire	289,167	3,126,105
Marine (Cargo)	5,595,143	2,934,719
Miscellaneous (Motor)	7,617,741	9,996,385
	<u>13,502,051</u>	<u>16,057,209</u>

16. AMOUNTS DUE TO OTHER PERSONS OR BODIES CARRYING ON INSURANCE BUSINESS :

Shadharon Bima Corporation & other Insurance Companies	<u>35,057,662</u>	<u>18,299,313</u>
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17. SUNDRY CREDITORS

Provision for office rent	312,400	174,286
Provision for audit fee	180,000	185,000
VAT deducted at source	194,209	-
Salary income tax payable	266,637	273,534
Brokerage loan A/c	10,662,225	4,919,813
Income tax deduction (Office rent)	61,675	61,675
Advance office rent payable	2,290,742	1,041,664
I.T. deduction at source	488,763	381,383
GIL foundation	5,000	5,000
Dividend payable	1,326,508	1,326,508
Share application money refundable	924,000	924,000
Loan from PF	-	12,165
Provision for loss on investment in shares	4,878,824	-
Provision for employees Contribution(P.F)	257,838	106,774
Security deposit (Open cover note)	150,000	-
VAT payable	3,109,796	733,613
Provision for company's Contribution(P.F)	-	106,774
Stamp control A/C	1,163,201	1,075,439
	<u>26,271,818</u>	<u>11,327,628</u>

Amount in Taka
2011 **2010**

18. PREMIUM INCOME LESS RE-INSURANCE

Business	Gross Premium	Re-Insurance accepted	Re-Insurance ceded	Net Premium	Net Premium
Fire	82,928,931	-	46,548,899	36,380,032	36,396,380
Marine	69,374,708	-	19,740,956	49,633,752	42,724,881
Motor	28,279,525	-	2,967,251	25,312,274	24,105,950
Miscellaneous	17,672,409	-	14,367,553	3,304,856	3,141,407
Total	198,255,573	-	83,624,659	114,630,914	106,368,618

19. MANAGEMENT EXPENSES

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

Fire	45.52	20,161,507	18,194,300
Marine	34.32	15,202,493	14,829,435
Motor	15.49	6,860,794	6,517,434
Miscellaneous	4.67	2,065,720	4,468,799
	100%	44,290,514	44,009,968

20. DIRECTORS FEE

732,000 **557,000**

During the year under review an amount of Tk. 732,000 was paid to the Directors of the company as Board and committee meeting attendance fee.

21. INTEREST INCOME

Interest on National Investment Bond (NIB)	912,600	912,600
Interest on Fixed Deposit	16,793,706	13,665,305
Interest on STD	33,145	-
	17,739,451	14,577,905

22. CONTINGENT LIABILITIES

a) Income Tax:

The Income Tax Authority has claimed Tk. 30,064,605 for the assessment year 2006-07, 2007-08, 2008-09 and 2009-10 in excess of income tax paid for the respective years. However, the company filed writ in the Honourable High Court for the assessment year 2006-7 and appeal to appellate tribunal for the assessment year 2007-8, 2008-9, 2009-10 2010-11. The ultimate outcome of the matters cannot be accurately determined and no provision for any liability that may arise has been made in the financial statements.

b) Insurance Claim:

Global Insurance Limited issued a cover note under marine insurance policy undertaking the risk of voyage for import of capital machinery of equipment and accessories, the insured sum being Tk. 17,102,777. Accidentally the goods were destroyed by fire when those were being carried by rail to Kamalapur. The insured lodged a compensation claim and on refusal a suit number 105/2007 was filed on 30-04-2007 with the honourable high court for realisation of insurance and damage claim for Tk. 47,102,777 which is yet to be settled. In the meantime National Bank Ltd. Dilkusha branch (the L/C issuing Bank of the insured) has held up encashment of FDR of Tk. 1,500,000 of GIL which has been maintained with them.

23. EARNING PER SHARE (EPS)	Amount in Taka	
	2011	2010
The earning per share of the company is as follows:		
Earning attributable to ordinary share holders (profit after tax)	22,463,311	20,165,013
Weighted average number of ordinary shares outstanding during the year	19,965,000	19,965,000
	<u>1.13</u>	<u>1.01</u>

* In accordance with BAS-33* Earning Per Share* previous year's EPS is restated .

24. PROVISION FOR INCOME TAX

Income year		
2004	4,600,000	4,600,000
2005	16,176,903	16,176,903
2006	6,200,363	6,200,363
2007	7,094,131	7,094,131
2008	9,661,284	9,661,284
2009	4,486,640	4,486,640
2010	4,937,744	4,937,744
2011	12,986,800	-
	<u>66,143,865</u>	<u>53,157,065</u>

25. BOARD MEETING

During the year 2011 the Company had 20 members Board of Directors and held 5 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

Total number of employees of the company is 495. None of them received salary below Tk. 5,000 per month.

27. EVENTS AFTER THE REPORTING PERIOD :

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.19,965,000

The Board of Directors has recommended for payment of stock dividend to the amount of Tk.19,965,000 @10% on paid up capital out of the surplus available for distribution at the end of the year 2011, as decided by the Board of Director in their meeting held on 27th February 2012, which is subject to the approval of shareholders in the forthcoming Annual General Meeting of the company.

28. There was no credit facility available to the company under any contract availed of as on 31st December, 2011 other than trade credit available in the ordinary course of business.
29. There was no event occurred after Balance Sheet date, which might affect Financial position of the Company as on Balance Sheet date.

GLOBAL INSURANCE LIMITED
Form AA
Classified Summary of Assets
As on December 31, 2011


Annexure-A

Class of Assets	<u>Amount in Taka</u>
	<u>Book Value</u>
Investment	
Deposit with Prime Bank Ltd. (5 years National Investment Bond @ 10.14% Interest)	9,000,000
Investment in Shares	44,090,278
Amount due from other persons or bodies carrying on insurance business	20,188,520
Cash and Bank balance	
FDR	134,349,650
CD & STD	40,222,999
Cash in Hand	<u>6,480,763</u>
	181,053,412
Interest accrued but not due	43,305,304
Sundry debtors, advance, deposits and prepayments	113,510,101
Fixed Assets (at cost less depreciation)	73,721,285
Advance against floor purchase	15,739,500
Stamp in hand	78,555
Stock of Printing and Stationery	530,320
	<u>501,217,275</u>


Farouddin Khan Siddiqui
Managing Director


Sajjad Arefin Alam
Director


Mohammed Abdul Mukbader
Director


R A Howladar
Chairman