

AUDITORS' REPORT TO THE SHAREHOLDERS OF GLOBAL INSURANCE LIMITED

We have audited the accompanying financial statements of Global Insurance Limited which comprise the balance sheet as December 31, 2013 and the related revenue accounts as well as the profit and loss account, profit & loss appropriation account. We have audited the accompanying financial statements of Global Insurance Limited which comprise the balance sheet as information.

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. We have audited the accompanying financial statements of Global Insurance Limited which comprise the balance sheet as 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 judgment, including the assessment of the risk of 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 judgment, including the assessment of the risk of material misstatement of the financial statement, 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, 2013 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, 2010, 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 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 purpose of our audit have been received from branches not visited by us;
- iii) The company's balance sheet and profit and loss account and its cash flows dealt with by the report are in agreement with the books of account and returns;
- iv) The expenditure incurred was for the purposes of the company's business.
- v) As per section 63(2) of the Insurance Act, 2010, 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 related Revenue Accounts and the profit and Loss Account of the company;
- vi) 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 re-insured abroad.

Dated, Dhaka
18 March, 2014


K. M. Hasan & Co.
Chartered Accountants

GLOBAL INSURANCE LIMITED
Statement of Financial Position

As at December 31, 2013

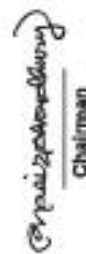
Capital & Liabilities	Notes	2013 Taka	2012 Taka	Property & Assets	Notes	2013 Taka	2012 Taka
Share Capital							
Authorized Capital							
100,000,000 ordinary shares of Tk.10 each		1,000,000,000	1,000,000,000				
Issued, Subscribed & Paid up Capital							
2,459,660 Ordinary Shares of Tk. 10 each	11	245,966,800	219,615,000	National Investment Board	3	25,000,000	9,000,000
				Investments in Shares	4	40,310,295	44,090,276
				Interest & Rent receivable	5	9,773,796	13,468,051
Reserve or Contingency Accounts:							
Reserve for Exceptional Losses		45,135,412	38,135,412				
General Reserve		4,000,000	4,000,000				
Retained Earnings	12	27,228,657	26,852,049	Amounts due from other Persons or-			
		76,364,069	69,987,461	Bodies carrying on insurance business	6	32,286,161	26,907,391
Balances of Funds and Accounts:							
Fire		8,249,235	9,351,934				
Marine (Cargo)		34,618,347	34,711,975	Sundry Debtors	7	192,599,369	145,839,506
Marine (Hull)		-	147,557				
Motor		8,270,958	7,227,594	Advance against Floor purchase	8	15,739,500	15,739,500
Miscellaneous		2,650,699	3,736,138	Cash and Bank Balances	9		
		53,989,239	55,175,198	Cash in hand		4,708,216	7,380,320
Premium Deposit	13	3,218,145	4,521,055	Balance with Banks		20,609,050	24,303,199
Loans & Overdraft	14	52,007,857	49,400,095	Fixed Deposit with Banks		228,000,000	213,949,650
						253,317,276	245,633,169
Liabilities and Provisions:							
Estimated Liability in respect of outstanding				Other Accounts:			
claims, whether due or intimated	15	18,928,187	15,782,277	Fixed Assets (At cost less accum. Depreciation)	10	76,075,584	74,367,324
Amounts due to other Persons or Bodies	16	62,528,101	51,105,818	Stock of Stationery		530,320	587,258
carrying on Insurance Business	17	26,821,385	25,535,862	Stamp in Hand		989,795	471,240
Sundry Creditors	24	106,802,333	84,980,953			77,595,699	75,425,822
Provision for Income Tax		215,080,006	177,404,910			646,622,116	576,103,719
		646,622,116	576,103,719				

The annexed notes 1 to 26 form an integral part of these financial statements.


Managing Director


Director


Director


Chairman

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


K. M. Hasan & Co.
Chartered Accountants

Dated, Dhaka
18 March, 2014

GLOBAL INSURANCE LIMITED
Profit and Loss Appropriation Account
For the year ended December 31, 2013

Particulars	Notes	2013 Taka	2012 Taka	Particulars	Notes	2013 Taka	2012 Taka
Provision for Income Tax	24	21,821,380	18,837,088	Balance brought forward from last year	12.1	488,249	1,235,051
Reserve for Exceptional Losses		6,000,000	6,000,000	Net profit for the year brought down		54,551,788	50,454,086
Balance transferred to the Balance Sheet		27,228,657	25,852,049			<u>55,050,037</u>	<u>51,689,137</u>

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GLOBAL INSURANCE LIMITED
Statement of Comprehensive Income
For the year ended December 31, 2013


Particulars	Notes	2013 Taka	2012 Taka	Particulars	Notes	2013 Taka	2012 Taka
Expenses of Management (Not applicable to any particular Fund or Account)				Interest Income (Not applicable to any particular Fund or Account)	21		16,184,489
Advertisement & Publicity		755,502	754,382	Dividend Income		28,982,788	248,440
Donation & Subscription		493,500	205,000	Office rent Income		391,698	2,095,080
Audit Fees		50,000	48,900	Profit on Sale of Assets		489,020	544,982
Legal & Professional Fees		677,000	467,575			27,863,496	19,072,971
Depreciation		7,554,870	7,863,762				
Interest on Loan		1,321,506	707,400				
Registration Fees		8,238,873	7,989,797				
Directors Fee		1,159,200	1,094,800				
Meeting, Conference & AGM expenses		2,131,548	1,799,322				
Provision for loss on Investment in Shares		3,000,000	3,000,000				
Subscription		1,380,000	-				
		26,751,989	23,728,938			53,440,291	55,110,053
Balance for the period carried to Profit & Loss Appropriation Account		54,551,788	50,454,086			81,303,787	74,183,024
		81,303,787	74,183,024				
Earnings Per Share	23	1.33	1.29				

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Dated, Dhaka
18 March, 2014

GLOBAL INSURANCE LIMITED
Consolidated Business Revenue Account
For the year ended December 31, 2013


Particulars	Notes	2013 Taka	2012 Taka	Particulars	Notes	2013 Taka	2012 Taka
Claims under policies less Re-insurances Paid during the year		23,364,815	22,269,619	Balance of account at the beginning of the year		55,175,198	45,909,051
Add : Total estimated liability in respect of outstanding claims at the end of the year whether due or intimated		18,928,187	15,782,277	Premium less Re-insurances	18	134,973,097	137,716,659
		42,293,002	38,051,896	Commission on Re-insurances		29,139,064	26,278,975
Less: Claims outstanding at the end of the previous year		15,782,277	13,502,051				
		26,510,725	24,549,845				
Expenses of Management	19	53,835,642	45,204,474				
Agent Commission		31,511,462	29,885,115				
Profit transferred to profit & loss account		53,440,291	55,110,053				
Balance of account at the end of the year as shown in the balance sheet:							
Reserve for unexpired risks being 100% for Marine Hull & 40% for other net premium income of the year		53,989,239	55,175,198				
		219,287,359	209,904,685			219,287,359	209,904,685

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Dated, Dhaka
18 March, 2014


GLOBAL INSURANCE LIMITED
Fire Insurance Revenue Account

For the year ended December 31, 2013


Particulars	Notes	2013 Taka	2012 Taka	Particulars	Notes	2013 Taka	2012 Taka
Claims under policies less Re-Insurances Paid during the year		4,570,032	5,545,281	Balance of account at the beginning of the year		9,351,934	14,552,013
Add : Total estimated liability in respect of outstanding claims at the end of the year whether due or intimated		8,125,431	5,547,605	Premium less Re-insurances	18	20,623,068	23,379,834
		12,695,463	11,092,886	Commission on Re-insurances		21,064,429	16,445,864
Less: Claims outstanding at the end of the previous year		5,547,605	289,167				
Agent Commission		7,147,858	10,803,699				
Expenses of management		11,064,294	9,732,345				
Profit transferred to profit & loss account	19	18,774,615	13,321,743				
		5,803,449	11,167,990				
Balance of account at the end of the year as shown in the balance sheet:							
Reserve for unexpired risks being 40% of net premium income of the year		8,249,235	9,351,934				
		51,039,451	54,377,711			51,039,451	54,377,711

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Chartered Accountants


Dated, Dhaka
18 March, 2014

GLOBAL INSURANCE LIMITED
Marine Insurance Revenue Account
For the year ended December 31, 2013


Particulars	Notes	2013 Taka	2012 Taka	Particulars	Notes	2013 Taka	2012 Taka
Claims under policies less Re-Insurances Paid during the year		5,122,804	7,540,780	Balance of account at the beginning of the year		34,858,532	19,910,186
Add : Total estimated liability in respect of outstanding claims at the end of the year whether due or intimated		5,800,440	4,386,175	Premium less Re-insurances	18	87,045,868	86,927,495
		10,923,344	11,926,955	Commission on Re-insurances		4,401,628	5,057,484
Less: Claims outstanding at the end of the previous year		4,386,175	5,595,143				
		6,537,169	6,331,812				
Agent Commission		15,934,870	14,373,519				
Expenses of management	19	26,870,244	20,389,640				
Profit transferred to profit & loss account		42,146,396	35,940,662				
Balance of account at the end of the year as shown in the balance sheet:							
Reserve for unexpired risks being 40% of net premium income on marine cargo and 100% of net premium income on marine hull of the year:							
Cargo		34,818,347	34,711,975				
Hull		-	147,557				
		34,818,347	34,859,532				
		126,307,026	111,895,165				

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Chartered Accountants

Dated, Dhaka
18 March, 2014

GLOBAL INSURANCE LIMITED
Miscellaneous Insurance Revenue Account
For the year ended December 31, 2013

Particulars	Notes	2013 Taka		2012 Taka		Notes	2013 Taka		2012 Taka	
		Motor	Misc	Motor	Misc		Motor	Misc	Motor	Total
Claims under policies less Re-insurances										
Paid during the year		13,393,144	278,735	13,671,879	9,183,578		7,227,594	3,736,138	10,963,732	11,448,852
Add: Total estimated liability in respect of outstanding claims at the end of the year whether due or intimated		4,798,287	204,028	5,002,316	5,848,487	18	20,677,394	6,626,747	27,304,141	27,409,330
Less: Claims outstanding at the end of the previous year		15,191,431	482,764	15,674,195	15,032,075		1,736,939	1,936,070	3,673,009	4,775,627
Agent Commission		5,548,185	302,332	5,848,497	7,617,741					
Expenses of management	19	12,645,266	180,432	12,825,698	7,414,334					
Profit transferred to profit & loss account		2,830,707	1,681,581	4,512,298	5,799,251					
		5,329,193	2,861,590	8,190,783	11,493,091					
		555,803	4,924,643	5,480,446	8,001,401					
Balance of account at the end of the year as shown in the balance sheet:										
Reserve for unexpired risks being 40% of net premium income of the year		8,270,958	2,650,699	10,921,657	10,963,732					
		29,641,927	12,298,955	41,940,882	43,631,809		29,641,927	12,298,955	41,940,882	43,631,809

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K. M. Hasan & Co.
 Chartered Accountants

Dated, Dhaka
 18 March, 2014


GLOBAL INSURANCE LIMITED

Statement of Cash Flows


For the year ended 31 December, 2013

	2013 <u>Taka</u>	2012 <u>Taka</u>
A) Cash flow from operating activities:		
Premium Collection & other Receipts	285,178,352	277,478,278
Payments of Magt. Exp., Commission, Re-Ins & Claim	(226,571,467)	(180,406,287)
Income tax paid and deducted at source	(23,792,520)	(11,600,751)
Net cash provided from operating activities	34,814,365	85,471,240
B) Cash flow from investing activities:		
Acquisition of fixed assets	(9,273,130)	(8,394,819)
Disposal of fixed assets	-	630,000
National Investment Bond	(16,000,000)	-
Investment in shares (Net)	3,779,983	-
Net cash used in investing activities	(21,493,147)	(7,764,819)
C) Cash flow from financing activities:		
Interest on Short term Loan	(8,238,873)	(7,989,797)
Overdraft repaid	-	(10,148,101)
Term loan received	2,601,762	5,011,234
Net cash used in financing activities	(5,637,111)	(13,126,664)
D) Net increase in cash & bank balances for the year (A+B+C)	7,684,107	64,579,757
E) Opening cash and bank balances	245,633,169	181,053,412
F) Closing cash and bank balances (D+E)	253,317,276	245,633,169


Managing Director


Director


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Dated, Dhaka
18 March, 2014

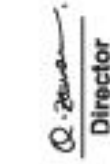

K. M. Hasan & Co.
Chartered Accountants

GLOBAL INSURANCE LIMITED
Statement of Changes in Equity
For the year ended December 31, 2013

Amount in Taka

Particulars	Share Capital	Reserve for Exceptional Losses	General Reserve	Retained Earnings	Total
Balance as at 01.01.2013	219,615,000	39,135,412	4,000,000	26,852,049	289,602,461
Stock Dividend for 2012	26,353,800	-	-	(26,353,800)	-
Net Profit after tax	-	-	-	32,730,408	32,730,408
Reserve for Exceptional Loss	-	6,000,000	-	(6,000,000)	-
Balance as at 31.12.2013	245,968,800	45,135,412	4,000,000	27,228,657	322,332,869
Balance as at 01.01.2012	199,650,000	33,135,412	4,000,000	21,200,051	257,985,463
Stock Dividend for 2011	19,965,000	-	-	(19,965,000)	-
Net Profit after tax	-	-	-	31,616,998	31,616,998
Reserve for Exceptional Losses	-	6,000,000	-	(6,000,000)	-
Balance as at 31.12.2012	219,615,000	39,135,412	4,000,000	26,852,049	289,602,461


Managing Director


Director


Director


Chairman

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K. M. Hasan & Co.
Chartered Accountants

Dated, Dhaka
18 March, 2014

GLOBAL INSURANCE LIMITED

Notes to the Financial Statements

As at & for the year ended December 31, 2013

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, 2010. The certificate of commencement of business was obtained from the Registrar of Joint Stock Companies, Bangladesh.

The Company is listed in Dhaka Stock Exchange 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 22 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 (BFRSs) .

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, 2010. The Classified summary of the assets is prepared in accordance with Form 'AA' of part II of the First Schedule of the said Act.

2.04 Going Concern:

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

2.05 Branch Accounting:

The Company has 24 branches without having any overseas branch up to the year end December 31, 2013. 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 2013 through the operation of 25 offices (including Head Office) the gross premium income earned by the Company was to Tk. 262,827,668 including Public Sector business of Tk 42,751,248 after ceding for re-insurance premium, the net premium for the year amounted to Tk 134,973,097 and after charging direct expenses there from the net underwriting profit stood at Tk 54,551,788.

2.06 Statement of Cash Flows:

Statement of Cash Flows is prepared in accordance with BAS 7: "Statement of Cash Flows" , the Statement of Cash Flows shows the structure of and changes in cash and cash equivalents during the financial year. Cash and Cash equivalents include notes and coins on hand, unrestricted balance held with the commercial banks. It is broken down into operating activities, investing activities and financing activities. The direct method is used to show the 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.

2.07 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.

2.08 Depreciation on Fixed Assets:

Depreciation on Tangible Fixed Assets are charged on diminishing balance method at rates varying from 2.5% to 30% depending on the estimated useful life of the Assets. Depreciation on additions to Fixed Assets are charged from the date of acquisition and 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.

2.09 Public Sector Business:

The Company's share of Public Sector business for 4 quarters for the period from 1st July, 2012 to 30th June, 2013 received from Sadharan Bima Corporation and other insurance companies has been incorporated in the Company's account for the year ended 31st December, 2013. This system of accounting of public sector business is being followed consistently.

2.10 Statement of Changes in Equity:

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

2.11 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 given as under:

a) Premium Income:

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

b) Interest on Statutory and other Investments:

Interest accrued on statutory investment of Tk.250 lac 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) Gain or Loss on sale of Shares and Debentures:

Gain or Loss 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.

2.12 Management Expenses:

Management expenses as charged to Revenue Accounts amount of Tk. 53,835,642 is approximately 21.29% of gross premium of Tk. 252,827,688. The expenses have been apportioned 34.87% to Fire, 49.91% to Marine, 9.90% to Motor and 5.32% to Miscellaneous business as per management decision.

2.13 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 2013.

2.14 Provision for Income Tax:

Provision for Income Tax have been made as per Income Tax Ordinance 1984 on taxable income of the company.

2.15 Reserve for Exceptional Loss:

Reserve for Exceptional Losses is appropriated out of current year's profit before tax to meet future contingency.

2.16 General Reserve:

The Company creates a general reserve on profit to meet future contingency.

2.17 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.

2.18 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.

2.19 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.

2.20 Going Concern:

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

2.21 Use of Estimate:

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

2.22 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 on expiry of period not exceeding six months in accordance with the Controller of Insurance Circular.

2.23 Investment in Shares:

Investment in shares has been valued at cost and presented in the financial statements.

2.24 Components of the Financial Statements:

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

- a) Statement of Financial position (Balance Sheet) as at December 31, 2013.
- b) Profit and Loss Appropriation Account for the year ended December 31, 2013.
- c) Statement of Comprehensive Income (Profit and Loss Account) for the year ended December 31, 2013.
- d) Revenue Accounts for specific class of business for the year December 31, 2013.
- e) Statement of Cash Flows for the year ended December 31, 2013.
- f) Statement of Changes in Equity for the year ended December 31, 2013.
- g) Notes to the financial statements and significant accounting policies as at & for the year ended December 31, 2013.

2.25 General:

- a) Financial Statements of the Company cover from January 01, 2013 to December 31, 2013.
- b) Figures in the financial statements are presented in Bangladeshi Taka which is the companies functional and presentational currency.
- c) Figures have been rounded off to the nearest Taka.
- d) Previous year's figures have been rearranged whenever considered necessary to ensure comparability with the current year.

3. NATIONAL INVESTMENT BOND:

Durations	Issue date	Maturity date	Bank name	Rate (%)	Taka 2013	Taka 2012
5 Years	20.05.2009	20.05.2014	Prime Bank Ltd.	10.14	9,000,000	9,000,000
10 Years	13.03.2013	13.03.2013	Mercantile Bank Ltd.	12.10	16,000,000	-
					<u>25,000,000</u>	<u>9,000,000</u>

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

	2013 <u>Taka</u>	2012 <u>Taka</u>
4. INVESTMENTS IN SHARE	40,310,295	44,090,278

Name of the Company	No of Share	Average Cost Price per share	Total Cost	Market Price per share as on 31.12.2013	Total Market value as at 31.12.2013
Meghna petroleum	4,267	126.55	540,009	211.00	900,337
GP	3,200	282.98	905,543	200.90	642,880
SP ceramics	40,807	66.01	2,693,784	18.30	746,768
KPCL	27,168	107.83	2,929,562	49.10	1,333,949
GDI Ist mutual fund	500,000	10.00	5,000,000	5.30	2,650,000
Beximco Ltd.	2,156	143.58	309,563	32.20	69,423
R A K ceramics	6,655	133.37	887,581	53.30	354,712
Summit power (Pref.)	59,396	60.08	3,568,456	38.40	2,280,806
MBL 1st mutual fund	250,000	10.00	2,500,000	6.30	1,575,000
Makson spinning	862	49.97	43,077	19.90	17,154
S Alam steel	108,900	77.11	8,396,956	47.30	5,150,970
Pubali Bank Ltd.	57,375	65.96	3,784,520	32.50	1,864,688
Prime Bank Ltd.	10,692	47.12	503,857	25.90	276,923
Fareast life insurance	12,477	171.87	2,144,468	96.00	1,197,792
Meghna life insurance	15,400	261.64	4,029,276	116.30	1,791,020
City Bank	64,240	18.78	1,206,690	20.20	1,297,648
National Bank Ltd	50,000	17.34	866,954	11.80	590,000
	1,213,595		40,310,295		22,740,069

Market value as at 06.03.2014

24,193,080

Investment shares have been shown at cost. Provision has been made for Tk. 9,010,691 due to fall in market price of the shares as at December 31, 2013.

5. INTEREST, DIVIDEND & RENT RECEIVABLE

Opening Balance	13,468,051	43,305,304
Add: Interest income during the year	<u>26,982,788</u>	<u>15,882,747</u>
	40,450,839	59,188,051
Less: Interest received during the year	<u>30,677,043</u>	<u>45,720,000</u>
Closing balance	9,773,796	13,468,051

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, 2013.

Amount due from Sadharan Bima Corporation.

32,286,161 **26,907,391**

The balance is confirmed by Sadharan Bima Corporation.

	2013	2012
	<u>Taka</u>	<u>Taka</u>
7. SUNDRY DEBTORS		
Advance income tax	82,491,610	58,699,090
Advance against office rent	2,231,851	3,457,099
Deposit clearing account	20,088,365	23,502,579
Advance against salary	113,335	340,101
Collection control A/C	84,111,214	57,165,407
Advance for automation	1,933,330	1,466,666
VAT Collection control A/C	705,565	-
Rent receivable	-	211,559
Stamp collection control A/C	924,119	997,007
	<u>192,599,389</u>	<u>145,839,508</u>

8. ADVANCE AGAINST FLOOR PURCHASE

3,930 sft at Central Plaza (7th floor), Mirpur	<u>15,739,500</u>	<u>15,739,500</u>
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Global Insurance Limited executed a Deed of Agreement with Hasan Holdings Ltd.(3rd floor) 52/1, New Eskaton Road, Dhaka-1000 on 14.12.2009 for the purchase of 3,930 sft. Floor Space 7th floor at the Central Plaza at Mirpur, at total price 15,739,500 the entire amount has been paid up to 31.12.2010.

9. CASH & BANK BALANCES

Cash in hand:

Head office	587,999	1,901,732
Branch offices	4,120,217	5,478,588
	4,708,216	7,380,320

Cash at Bank:

In STD Account	18,845,205	20,217,865
In Current deposit	1,763,855	4,085,334
	20,609,060	24,303,199
Fixed Deposit with Banks	228,000,000	213,949,650
	248,609,060	238,252,849
	<u>253,317,276</u>	<u>245,633,169</u>

Fixed Deposit Receipts with Banks for TK. 228,000,000 has been kept lien with Banks TK. 75,550,000 for obtaining from facilities from them (Note 14).

10. FIXED ASSETS

Amount in Taka

Particulars	Cost				Rate (%)	Depreciation				Written Down Value as at 31.12.2013
	Balance as at 01.01.2013	Addition during the year	Adjustment during the year	Balance as at 31.12.2013		Balance as at 01.01.2013	Charged during the year	Adjustment during the year	Balance as at 31.12.2013	
Office Space	50,257,720	70,000	-	50,327,720	2.5	2,481,476	1,194,698	-	3,676,174	46,651,546
Furniture & Fixture	4,200,618	213,477	-	4,414,095	10	2,000,394	234,894	-	2,235,288	2,178,807
Motor Vehicles	27,461,585	8,344,716	-	35,806,301	20	11,487,815	4,339,842	-	15,827,657	19,978,644
Office Decoration	9,926,303	40,560	-	9,966,863	20	5,967,450	794,475	-	6,761,925	3,204,938
Computer	3,648,209	328,077	-	3,976,286	30	1,964,923	566,758	-	2,531,681	1,444,605
Air Conditioner	1,913,906	-	-	1,913,906	15	803,994	166,487	-	970,481	943,425
Office Equipment	3,618,227	276,300	-	3,894,527	15	1,953,192	267,716	-	2,220,908	1,673,619
Total as at 31-12-2013	101,026,568	9,273,130	-	110,299,698		26,659,244	7,564,870	-	34,224,114	76,075,584
Total as at 31-12-2012	93,265,184	8,394,819	633,435	101,026,568		19,543,899	7,663,762	548,417	26,659,244	74,367,324

11. SHARE CAPITAL

	2013 Taka	2012 Taka
Authorised capital: 100,000,000 Ordinary shares of Tk. 10 each	1,000,000,000	1,000,000,000
Issued, subscribed and paid-up capital 24,596,880 Ordinary shares of Tk. 10/- each	245,968,800	219,615,000

During the year 2013 the company has paid stock dividend by issued 2,635,380 ordinary shares of Tk. 10 during the year 2013 as bonus share.

The Category-wise share holding position as at 31st December, 2013 is as under:

Category of Shareholders	No. of Shares	(%) of Holding	Amount in Taka
Sponsor & Director (Group-A)	8,408,580	34.19	84,085,800
Financial & Other Institution (Group-B)	5,513,362	22.42	55,133,620
General Public (Group-B)	10,674,938	43.40	106,749,380
Total	24,596,880	100	245,968,800

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	5001 – 50000	45,920	1	0.55	0.19%
2	150001-200000	162,923	1	1.94	0.66%
3	350001-400000	371,324	1	4.42	1.51%
4	450001 – 500000	4,443,001	9	52.84	18.06%
5	500001- 1000000	3,385,412	5	40.26	13.76%
Total		8,408,580	17	100	34.19%

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	3,482,718	4599	21.39	14.08%
2	5001 - 50000	4,139,598	315	25.57	16.83%
3	50001 - 100000	1,278,926	19	7.90	5.20%
4	100001 - 150000	716,357	6	4.43	2.91%
5	150001-200000	503,534	3	3.11	2.05%
6	200001-250000	476,486	2	2.94	1.94%
7	250001-300000	251,328	1	1.02	1.02%
8	400001-450000	445,480	1	2.75	1.81%
9	450001-500000	491,937	1	3.04	2.00%
10	500001-550000	542,080	1	3.35	2.20%
11	600001-1000000	684,213	1	2.78	2.78%
12	1000001-2000000	1,131,341	1	6.99	4.60%
13	2000001-3000000	2,084,302	1	8.39	8.39%
Total		16,186,300	4951	100.00	65.81%
Sub-Total		24,596,880	4968		100.00%

	2013 <u>Taka</u>	2012 <u>Taka</u>
12. RETAINED EARNINGS		
Balance brought forward from last year (Note 12.1)	498,249	1,235,051
Add: Net profit after tax during the year	<u>32,730,408</u>	<u>31,616,998</u>
	33,228,657	32,852,049
Less: Reserve for exceptional losses	<u>6,000,000</u>	<u>6,000,000</u>
	<u>27,228,657</u>	<u>26,852,049</u>
12.1 BALANCE BROUGHT FORWARD FROM LAST YEAR		
Net profit before dividend	26,852,049	21,200,051
Less: Dividend paid	<u>26,353,800</u>	<u>19,965,000</u>
	<u>498,249</u>	<u>1,235,051</u>
13. PREMIUM DEPOSIT	<u>3,218,145</u>	<u>4,521,055</u>
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, 2013.		
14. LOANS AND OVERDRAFT		
Computer loan from UCBL (Note 14.1)	974,303	1,232,202
Car loan From UCBL (Note 14.2)	2,075,446	5,748,039
SOD Loan from UCBL (Note 14.3)	17,657,375	4,000,000
Term loan from UCBL (Note 14.4)	<u>31,294,733</u>	<u>38,419,854</u>
	<u>52,001,857</u>	<u>49,400,095</u>
14.1 Computer loan	<u>974,303</u>	<u>1,232,202</u>
Above computer loan have been sanctioned from UCBL Bijoy Nagar Br. against the following securities:		
(a) Lien on FDR of TK. 15 lac issued by One Bank Limited, Mirpur Branch, Dhaka.		
14.2 Car loan	<u>2,075,446</u>	<u>5,748,039</u>
Above loan have been obtained from UCBL Bijoy Nagar Branch against the following securities:		
(a) Ownership of the leased out vehicle amounting to TK.15 (Fifteen) lac		
(b) The loan will be primarily secured by hypothecation of the 02 nos. of Toyota Corolla X		
(c) Ownership of the leased asset valuing TK. 19.70 lac and lease agreement		
(d) Ownership of the leased asset valuing TK. 38.60 lac and lease agreement		
(e) Ownership of the leased asset valuing TK. 20.30 lac and lease agreement		
(f) Ownership of the leased asset valuing TK. 19.40 lac and lease agreement		
14.3 SOD Loan (UCBL, Bijoy Nagar Branch)	<u>17,657,375</u>	<u>4,000,000</u>
(a) SOD loan have been obtained United Commercial Bank Ltd.(UCBL) Bijoy Nagar Branch against security of lien FDR valuing Tk.240 (100+125+15) lac		
14.4 Term loan (UCBL, Bijoy Nagar Branch)	<u>31,294,733</u>	<u>38,419,854</u>
Above term loan have been sanctioned from UCBL against the following securities:		
(a) Lien of FDR valuing TK. 125 lac along with 60 nos. post dated MICR cheque covering each installment in favour of the Bank.		
(b) Lien of FDR valuing TK. 375.5 lac along with 60 nos. post dated MICR cheque covering each installment in favour of the Bank.		

	2013 <u>Taka</u>	2012 <u>Taka</u>
15. ESTIMATED LIABILITY IN RESPECT OF OUTSTANDING CLAIMS		
WHETHER DUE OR INTIMATED		
Fire	8,125,431	5,547,605
Marine (Cargo)	5,800,440	4,386,175
Miscellaneous (Motor)	4,798,287	5,546,165
Miscellaneous	204,029	302,332
	<u>18,928,187</u>	<u>15,782,277</u>

All the claims against which the Company received intimations within 31st December 2013 have been taken into consideration while estimating the liability in respect of outstanding claims.

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

Shadharon Bima Corporation & other Insurance Companies	<u>62,528,101</u>	<u>51,105,818</u>
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17. SUNDRY CREDITORS

Provision for office rent	317,273	298,115
Provision for audit fee	50,000	195,000
VAT deducted at source	165,280	-
Salary income tax payable	34,383	41,462
Brokerage loan A/c	14,817,041	12,530,358
Income tax deduction (Office rent)	19,380	-
Advance office rent payable	225,500	553,714
I.T. deduction at source	35,860	-
GIL foundation	5,000	5,000
Share application money refundable	714,502	805,871
Provision for diminution in the investment of shares	9,010,691	6,010,691
Provision for employees Contribution(P.F)	153,567	-
Security deposit (Open cover note)	-	600,000
VAT payable	1,119,341	4,534,031
Provision for p.f Contribution	153,567	161,820
	<u>26,821,385</u>	<u>25,535,862</u>

18. PREMIUM INCOME LESS RE-INSURANCE

Business	Gross Premium	Re- insurance accepted	Re-Insurance ceded	Net Premium	Net Premium
Fire	88,772,767	-	68,149,679	20,623,088	23,379,834
Marine	127,851,125	-	40,805,257	87,045,868	86,927,495
Motor	22,711,771	-	2,034,377	20,677,394	18,068,985
Miscellaneous	13,492,005	-	6,865,258	6,626,747	9,340,345
Total	252,827,668	-	117,854,571	134,973,097	137,716,659

19. EXPENSES OF MANAGEMENT

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

Fire	34.87	18,774,615	13,321,743
Marine	49.91	26,870,244	20,389,640
Motor	9.90	5,329,193	5,723,989
Miscellaneous	5.32	2,861,591	5,769,102
	<u>100.00%</u>	<u>53,835,642</u>	<u>45,204,474</u>

	2013	2012
	<u>Taka</u>	<u>Taka</u>
20. DIRECTORS FEE	<u>1,159,200</u>	<u>1,094,800</u>

This represent meeting attendance fees paid to the Directors of the company for attending Board meeting and Committee meeting .

21. INTEREST INCOME

Interest on National Investment Bond	2,466,704	912,600
Interest on Fixed Deposit	24,417,931	14,970,147
Interest on Short Term Deposit	98,153	301,722
	<u>26,982,788</u>	<u>16,184,469</u>

22. CONTINGENT LIABILITIES

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 a reference application with the Honourable High Court for the assessment year 2006-7 and appeal to appellate tribunal for the assessment years 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 .

23. EARNING PER SHARE (EPS)

The earning per share of the company is as follows:

Earning attributable to ordinary share holders (Profit after tax)	32,730,408	31,616,998
Weighted average number of ordinary shares outstanding during the year	<u>24,596,880</u>	<u>21,961,500</u>
Earning Per Share (EPS)	<u>1.33</u>	<u>1.44</u>
Restated Earnig Per Share		<u>1.29</u>

* In accordance with BAS-33" Earnings 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	12,986,800
2012	18,837,088	18,837,088
2013	<u>21,821,380</u>	<u>-</u>
	<u>106,802,333</u>	<u>84,980,953</u>

25. BOARD MEETING

During the year 2013 the Company had 16 members Board of Directors and held 08 Board meetings. Board of Directors of the Company has formed other Committees like Executive Committee, Claims Committee and Audit Committee. Regular meetings of those Committees were also held during the current year.

26. EMPLOYEES

Total number of employees of the company is 528. None of them received salary below Tk. 5,000.00 per month.

- 27.** There was no credit facility available to the company under any contract availed of as at 31st December, 2013 other than trade credit available in the ordinary course of business.

28. 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:

- (i) The Board of Directors in its meeting held on 18 March, 2014 approved the financial statements of the company for the year ended December 31, 2013 and authorised the same for issue.
- (ii) The Board of Directors has also recommended 10% stock dividend on paid up capital out of the surplus available for distribution for the year 2013, which is subject to approval of shareholders in the forthcoming Annual General Meeting of the company.


Managing Director


Director


Director


Chairman

Dated, Dhaka
18 March, 2014

GLOBAL INSURANCE LIMITED


Form AA


Classified Summary of Assets

As at December 31, 2013

Particulars	Book value as per balances sheet	Market value	Remarks
Deposit with Prime Bank Ltd.(5 years NIB @ 10.14% Interest)	9,000,000	9,000,000	Not Quoted in Market
Deposit with Mercantile Bank Ltd. (10 years NIB @ 12.10% Interest)	16,000,000	16,000,000	Not Quoted in Market
Investment in Shares	40,310,295	22,740,069	At Cost
Amount due from other persons or bodies carrying on insurance business	32,286,161	32,286,161	Realizable Value
FDR	228,000,000	228,000,000	Realizable Value
CD & STD	20,609,060	20,609,060	Realizable Value
Cash in Hand	4,708,216	4,708,216	Realizable Value
Interest accrued but not due	9,773,796	9,773,796	Realizable Value
Sundry debtors, advance, deposits and prepayments	192,599,389	192,599,389	All considered Good
Fixed Assets (At cost less depreciation)	76,075,584	76,075,584	At written down value
Advance against floor purchase	15,739,500	15,739,500	At cost
Stamp in hand	989,795	989,795	At cost
Stock of Printing and Stationery	530,320	530,320	At cost
	646,622,116	629,051,890	


 Managing Director


 Director


 Director


 Chairman

Dated. Dhaka
18 March, 2014