

## AUDITORS' REPORT TO THE SHAREHOLDERS OF GLOBAL INSURANCE LIMITED

We have audited the accompanying financial statements of GLOBAL INSURANCE LIMITED which comprise the statement of financial position as at December 31, 2014, and the related revenue accounts as well as the statement of comprehensive income account, profit & loss appropriation account and statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory 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 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, 2014 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 statement of financial position and statement of comprehensive income 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 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 statement of comprehensive income 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 re-insured abroad.

# GLOBAL INSURANCE LIMITED

## Statement of Financial Position

As at 31st December, 2014

Capital & Liabilities	Notes	Amount in Taka 2014	Amount in Taka 2013	Property & Assets	Notes	Amount in Taka 2014	Amount in Taka 2013
<b>Share Capital</b>							
Authorised Capital 100,000,000 ordinary shares of Tk.10 each		1,000,000,000	1,000,000,000				
Issued, Subscribed & Paid up Capital 27,056,568 Ordinary Shares of Tk.10 each	11	270,565,680	245,968,800	National Investment Bond (NIB) Investments in Shares Interest, Dividend & Rent Receivable	3 4 5	25,000,000 40,218,065 2,587,213	25,000,000 40,218,065 9,773,796
<b>Reserve or Contingency Accounts:</b>							
Reserve for Exceptional Losses		45,135,412	45,135,412	Amounts due from other Persons or Bodies carrying on insurance business	6	54,316,226	32,286,161
General Reserve		4,000,000	4,000,000				
Retained Earnings	12	33,861,656	27,228,657				
		<b>82,997,068</b>	<b>76,364,069</b>				
<b>Balances of Funds and Accounts:</b>							
Fire		9,776,401	8,249,235	Sundry Debtors	7	129,396,308	150,107,779
Marine (Cargo)		36,920,142	34,818,347	Advance against Floor purchase	8	15,739,500	15,739,500
Marine (Hull)		5,391,041	8,270,968	<b>Cash and Bank Balances</b>	9		
Motor		658,520	2,650,669	Cash in Hand		1,773,252	4,708,216
Miscellaneous		<b>52,746,103</b>	<b>53,989,239</b>	Balance with Banks		12,463,182	20,609,060
Premium Deposit	13	3,823,472	3,218,145	FDR with Banks		235,200,000	228,000,000
Loans & Overdraft	14	83,864,995	52,001,857			<b>249,436,434</b>	<b>253,317,278</b>
<b>Liabilities and Provisions:</b>				Other Accounts:			
Estimated Liability in respect of outstanding claims, whether due or intimated	15	26,517,034	18,928,187	Non-current Assets (At cost less acc. Dep.)	10	70,243,213	76,075,584
Amounts due to other Persons or Bodies carrying on Insurance Business	16	67,857,731	62,528,101	Stock of Stationery		879,146	530,309
Sundry Creditors	17		51,132,108	Stamp in Hand		555,978	989,756
		<b>94,374,765</b>	<b>132,588,396</b>			<b>71,678,337</b>	<b>77,595,699</b>
<b>Total</b>		<b>588,372,084</b>	<b>564,130,596</b>	<b>Total</b>		<b>588,372,084</b>	<b>564,130,596</b>

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



Chief Executive Officer (In charge)



Director

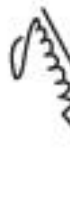


Director



Chairman

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



Dated: 26 April, 2015  
Place: Dhaka

ARTISAN  
Chartered Accountants

**GLOBAL INSURANCE LIMITED**  
**Profit and Loss Appropriation Account**  
**For the year ended December 31, 2014**

Particulars	Notes	Amount in Taka 2014	Amount in Taka 2013	Particulars	Notes	Amount in Taka 2014	Amount in Taka 2013
Stock Dividend				Balance Brought Forward from Last Year	12	2,631,777	498,249
Provision for Income Tax	24	22,901,711	21,821,380				
Reserve for Exceptional Losses			6,000,000	Net Profit for the year brought down		54,131,590	54,551,788
Balance transferred to the statement of financial position after tax & workers' profit participation fund		33,861,656	27,228,657				
		<u>56,763,367</u>	<u>55,050,037</u>			<u>56,763,367</u>	<u>55,050,037</u>

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



Chief Executive Officer (in charge)



Director



Director



Chairman



Dated: 26 April, 2015  
Place: Dhaka

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



**GLOBAL INSURANCE LIMITED**  
**Statement of Comprehensive Income**  
For the year ended December 31, 2014

Particulars	Notes	Amount in Taka 2014	Amount in Taka 2013	Particulars	Notes	Amount in Taka 2014	Amount in Taka 2013
Expenses of Management (Not applicable to any particular Fund or Account)				Interest Income (Not applicable to any particular Fund or Account)			
Advertisement & Publicity		253,051	755,502	Dividend Income	21	23,140,787	26,902,788
Donation & Subscription		73,500	493,500	Miscellaneous Income		403,176	391,688
Audit Fees		182,500	50,000	Profit on Sale of Share		-	-
Legal & Professional Fees		202,000	677,000	Office Rent Income		285,480	489,020
Depreciation		7,086,925	7,564,870	Profit on Sale of Assets		-	-
Interest on Loan		7,477,571	8,238,873			23,839,443	27,863,496
Registration Fees		1,011,406	1,321,506				
Directors Fee		1,142,000	1,150,200				
Meeting, Conference & A/C M E Expenses		1,778,235	2,131,548	Profit transferred from:			
Provision for Loss on Investment in		11,224,707	3,000,000	Free Insurance Revenue Account		5,195,850	5,803,449
Shares Subscription		300,000	1,350,000	Marine Insurance Revenue Account		56,458,017	42,146,396
				Motor Insurance Revenue Account		10,203,686	565,803
				Misc Insurance Revenue Account		2,095,770	4,924,543
						63,581,823	53,440,291
Provision for WPF		30,812,896	26,751,999				
		2,706,580					
Balance for the year carried to							
Profit & Loss App. A/c after WPF		54,131,590	54,551,788				
		87,451,066	87,303,787			87,451,066	87,303,787
<b>Earning per Share</b>	23	1.15	1.21				

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



Chief Executive Officer (In charge)



Director



Director



Chairman

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



**ARTISAN**  
Chartered Accountants

Dated: 26 April, 2015  
Place: Dhaka

**GLOBAL INSURANCE LIMITED**  
**Consolidated Business Revenue Account**  
For the year ended December 31, 2014

Particulars	Notes	Amount in Taka 2014	Amount in Taka 2013	Particulars	Notes	Amount in Taka 2014	Amount in Taka 2013
Claims under policies less Re-insurances Paid during the year		10,287,546	23,364,815	Balance of account at the beginning of the year		53,989,239	55,175,198
Add : Total estimated liability in respect of outstanding claims at the end of the year whether due or intimated		26,517,034	18,928,187	Premium less Re-insurances	18	131,865,258	134,973,097
		36,804,580	42,293,002	Commission on Re-insurances		23,494,675	29,139,064
Less: Claims outstanding at the end of the previous year		18,928,187	15,782,277				
		<b>17,876,393</b>	<b>26,510,725</b>				
Expenses of Management	19	45,942,900	53,835,642				
Agent Commission		29,222,153	31,511,462				
Profit Transferred to Profit & Loss account		63,561,623	53,440,291				
<b>Balance of account at the end of the year as shown in statement of financial position:</b>							
Reserve for unexpired risks being 100% for Marine Hull & 40% for other net premium income of the year		52,746,103	53,989,239				
		<b>209,349,172</b>	<b>219,287,359</b>			<b>209,349,172</b>	<b>219,287,359</b>

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



Chief Executive Officer (In charge)



Director



Director



Chairman

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

Dated: 26 April, 2015  
Place: Dhaka



**ARTISAN**  
Chartered Accountants

**GLOBAL INSURANCE LIMITED**  
**Fire Insurance Revenue Account**  
For the year ended December 31, 2014

Particulars	Notes	Amount in Taka 2014	Amount in Taka 2013	Particulars	Notes	Amount in Taka 2014	Amount in Taka 2013
<b>Claims under policies less Re-insurances</b>							
Paid during the year		4,972,331	4,570,032	Balance of account at the beginning of the year		8,249,235	9,351,934
Add : Total estimated liability in respect of outstanding claims at the end of the year whether due or intimated		19,889,325	8,125,431	Premium less Re-insurances	18	24,441,002	20,623,088
		23,861,656	12,695,463	Commission on Re-insurances		17,749,891	21,064,429
Less: Claims outstanding at the end of the previous year		8,125,431	5,547,605				
		<b>15,736,225</b>	<b>7,147,858</b>				
Agent Commission		11,890,838	11,064,294				
Expenses of management	19	18,232,515	18,774,615				
Profit transferred to profit & loss account		(5,195,050)	5,903,449				
<b>Balance of account at the end of the year as shown in statement of financial position:</b>							
Reserve for unexpired risks being 40% of net premium income of the year		9,776,401	8,249,235				
		<b>50,440,128</b>	<b>51,039,451</b>			<b>50,440,128</b>	<b>51,039,451</b>

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



Chief Executive Officer (in charge)



Director



Director



Chairman



Dated: 26 April, 2015  
Place: Dhaka

Chartered Accountants

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

**GLOBAL INSURANCE LIMITED**  
**Marine Insurance Revenue Account**  
For the year ended December 31, 2014

Particulars	Notes	Amount in Taka 2014	Amount in Taka 2013	Particulars	Notes	Amount in Taka 2014	Amount in Taka 2013
Claims under policies less Re-insurances Paid during the year		2,709,237	5,122,904	Balance of account at the beginning of the year		34,818,347	34,859,532
Add : Total estimated liability in respect of outstanding claims at the end of the year whether due or intimated		4,573,598 7,382,835	5,800,440 10,923,344	Premium less Re- insurances	18	92,300,355	87,045,868
Less: Claims outstanding at the end of the previous year		5,800,440 1,582,395	4,386,175 6,537,169	Commission on Re-insurances		3,698,806	4,401,626
Agent Commission		14,208,280	15,934,870				
Expenses of management	19	21,548,673	26,870,244				
Profit transferred to profit & loss account		56,458,017	42,146,396				
<b>Balance of account at the end of the year as shown in statement of financial position:</b>							
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		36,920,142	34,618,347				
Hull		36,920,142	34,818,347				
		<b>130,817,507</b>	<b>126,307,026</b>			<b>130,817,507</b>	<b>126,307,026</b>

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



Chief Executive Officer (In charge)



Director



Director



Chairman

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

Dated: 26 April, 2015  
Place: Dhaka



**ARTISAN**  
Chartered Accountants

**GLOBAL INSURANCE LIMITED**  
**Miscellaneous Insurance Revenue Account**  
For the year ended December 31, 2014

Particulars	Notes	Amount in Taka 2014			Particulars	Notes	Amount in Taka 2013		
		Motor	Misc	Total			Motor	Misc	Total
<b>Claims under policies less Re-insurances</b>									
Paid during the year		2,599,327	6,651	2,605,978	Balance of account at the beginning of the year		8,270,958	2,650,699	10,921,657
Add: Total estimated liability in respect of outstanding claims at the end of the year whether due or intimated		2,707,015	247,096	2,954,111	Premium less Re-insurances	18	13,477,602	1,646,299	15,123,902
Less: Claims outstanding at the end of the previous year		5,306,342	253,747	5,560,089	Commission on Re-insurances		1,506,351	539,627	2,045,978
		4,798,287	204,029	5,002,316					
		<b>508,055</b>	<b>49,718</b>	<b>557,773</b>					
Agent Commission		2,603,426	619,609	3,123,035					
Expenses of management	19	4,548,702	1,513,010	6,061,712					
Profit transferred to profit & loss account		10,203,686	2,095,770	12,299,456					
<b>Balance of account at the end of the year as shown in statement of financial position:</b>									
Reserve for unassigned risks being 40% of net premium income of the year		5,391,041	658,520	6,049,561					
		<b>23,254,911</b>	<b>4,836,626</b>	<b>28,091,537</b>			<b>23,254,911</b>	<b>4,836,626</b>	<b>28,091,537</b>
									<b>41,940,882</b>

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



Chief Executive Officer (In charge)



Director



Director



Chairman

Dated: 26 April, 2015  
Place: Dhaka



**ARTISAN**  
Chartered Accountants

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



# GLOBAL INSURANCE LIMITED

## Statement of Cash Flows

For the year ended December 31, 2014

	Amount in Taka	
	2014	2013
<b>A) Cash Flow from Operating Activities:</b>		
Premium collection & other receipts	244,833,645	285,178,352
Payments of magt. exp., commission, re-ins & claim	(248,909,927)	(226,571,467)
Income tax paid and deducted at source	(23,047,802)	(23,792,520)
<b>Net Cash provided from Operating Activities</b>	<b>(27,124,085)</b>	<b>34,814,365</b>
<b>B) Cash flow from Investing Activities:</b>		
Acquisition of fixed assets	(1,234,554)	(9,273,130)
Disposal of fixed assets	-	-
National Investment Bond	-	(16,000,000)
Investment in Share	92,230	3,779,983
<b>Net Cash used in Investing Activities</b>	<b>(1,142,324)</b>	<b>(21,493,147)</b>
<b>C) Cash flow from Financing Activities:</b>		
Interest on Short term Loan	(7,477,571)	(8,238,873)
Overdraft	-	-
Term loan	31,863,138	2,601,762
<b>Net Cash used in Financing Activities</b>	<b>24,385,567</b>	<b>(5,637,111)</b>
<b>D) Net Increase in Cash &amp; Bank Balances for the Year: (A+B+C)</b>	<b>(3,880,842)</b>	<b>7,684,107</b>
<b>E) Opening Cash and Bank Balances</b>	<b>253,317,276</b>	<b>245,633,169</b>
<b>F) Closing Cash and Bank Balances : (D+E)</b>	<b>249,436,434</b>	<b>253,317,276</b>

Chief Executive Officer (in charge)

Director

Director

Chairman

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

Dated: 26 April, 2015

Place: Dhaka

**ARTISAN**  
Chartered Accountants

**GLOBAL INSURANCE LIMITED**  
**Statement of Changes in Equity**

For the year ended December 31, 2014

Amount in Taka

Particulars	Share Capital	Reserve for Exceptional Losses	General Reserve	Retained Earnings	Total
<b>Balance as on 01.01.2013</b>	<b>219,615,000</b>	<b>39,135,412</b>	<b>4,000,000</b>	<b>26,852,049</b>	<b>289,602,461</b>
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)	-
<b>Balance as on 31.12.2013</b>	<b>245,968,800</b>	<b>45,135,412</b>	<b>4,000,000</b>	<b>27,228,657</b>	<b>322,332,869</b>
<b>Balance as on 01.01.2014</b>	<b>245,968,800</b>	<b>45,135,412</b>	<b>4,000,000</b>	<b>27,228,657</b>	<b>322,332,869</b>
Stock Dividend for 2013	24,596,880			(24,596,880)	-
Net Profit after Tax				31,229,879	31,229,879
Reserve for Exceptional Loss		-		-	-
<b>Balance as on 31.12. 2014</b>	<b>270,565,680</b>	<b>45,135,412</b>	<b>4,000,000</b>	<b>33,861,656</b>	<b>353,562,748</b>

  
 Chief Executive Officer (In charge)

  
 Director

  
 Director

  
 Chairman

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

  
**ARTISAN**  
 Chartered Accountants

Dated: 26 April, 2015  
 Place: Dhaka

# GLOBAL INSURANCE LIMITED

## Notes to the Financial Statements

As at for the year ended December 31, 2014

### 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 both 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 24 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:

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 has 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 statement of financial position 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, 2014. 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 2014 through the operation of 25 offices (Including Head Office) the gross premium income earned by the Company was to Tk. 231,581,538 including Public Sector business of Tk 36,767,187 after ceding for re-insurance premium, the net premium for the year amounted to Tk 131,865,258 and after charging direct expenses there from the net underwriting profit stood at Tk. 54,131,590.

## **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 Non- current Assets:**

Non- current 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 Non- current Assets:**

Depreciation on Tangible non- current 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, 2013 to 30th June, 2014 received from Sadharan Bima Corporation and other insurance companies has been incorporated in the Company's account for the year ended 31st December, 2014. 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. 45,942,900 is approximately 19.84% of gross premium of Tk. 231,581,538. The expenses have been apportioned 40.69% to Fire, 48.62% to Marine, 8.91% to Motor and 1.78% 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 at the rate of 100% of the total net premium for the year 2014.

**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:**

There was no provision taken for Reserve for Exceptional Losses during this year.

**2.16 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.

**2.17 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 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.

## 2.21 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 and are converted into policy on expiry of period not exceeding six months in accordance with the Controller of Insurance Circular.

## 2.22 Investment in Shares:

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

## 2.23 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:

- Statement of Financial position (Balance Sheet) as at December 31, 2014.
- Profit and Loss Appropriation Account for the year ended December 31, 2014.
- Statement of Comprehensive Income (Profit and Loss Account) for the year ended December 31, 2014.
- Revenue Accounts for specific class of business for the year December 31, 2014.
- Statement of Cash Flows for the year ended December 31, 2014.
- Statement of Changes in Equity for the year ended December 31, 2014.
- Notes to the financial statements and significant accounting policies as at & for the year ended December 31, 2014.

## 2.24 General:

- Financial Statements of the Company cover from January 01, 2014 to December 31, 2014.
- Figures in the financial statements are presented in Bangladeshi Taka which is the companies functional and presentational currency.
- Figures have been rounded off to the nearest Taka.
- 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 2014	Taka 2013
5 Years	20.05.2009	20.05.2015	Prime Bank Ltd.	10.14	9,000,000	9,000,000
10 Years	13.03.2013	13.03.2014	Mercantile Bank Ltd.	12.10	16,000,000	16,000,000
					<b>25,000,000</b>	<b>25,000,000</b>

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

**Amount in Taka****2014****2013****4. INVESTMENTS IN SHARE**

Details are given below:

Name of the Company	No of Share	Cost Price per share	Total Cost	Market Price per share as on 31.12.2014	Total Market Price as on 31.12.2014
CMC Kamal	4,200	23.39	98,251	20.50	86,100
Fareast Life Insurance	12,477	171.87	2,144,468	75.10	937,023
Green Delta MF	500,000	10.00	5,000,000	4.60	2,300,000
KPCL	28,526	102.70	2,929,562	57.00	1,625,982
MBL 1st Mutual Fund	250,000	10.00	2,500,000	4.50	1,125,000
Meghna Life Insurance	16,940	237.86	4,029,276	90.60	1,534,764
Meghna Petroleum	73	116.15	8,479	211.00	15,403
MHSML	29,125	23.96	697,730	28.00	815,500
Padma Oil	11,200	341.42	3,823,925	251.60	2,817,920
Prime Bank Ltd.	10,692	47.12	503,857	19.60	209,563
Pubali Bank Ltd.	60,243	62.82	3,784,520	25.50	1,536,197
R A K Ceramics	320	121.25	38,801	57.70	18,464
S Alam Steel	108,900	77.11	8,396,956	34.50	3,757,050
SP Ceramics	40,807	66.01	2,693,784	14.40	587,621
Summit Power ( Pref.)	68,305	52.24	3,568,456	38.30	2,616,082
<b>Total</b>	<b>1,141,808</b>		<b>40,218,065</b>		<b>19,982,668</b>

Value of shares have been shown at cost. Provision has been made for an amount of Tk. 2,02,35,398 due to fall in market price in view of the fact that the aggregate market value of the shares as on December 31, 2014 is lower than total cost price.

**5. INTEREST, DIVIDEND & RENT RECEIVABLE**

Opening Balance	9,773,796	13,468,051
Add: Receivable during the year	23,140,787	26,982,788
	32,914,583	40,450,839
Less: Received during the year	30,327,370	30,677,043
	<b>2,587,213</b>	<b>9,773,796</b>

**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, 2014.

Amount due from Shadharon Bima Corporation & other Insurance Companies:

Opening Balance	32,286,161	26,907,391
Add, Receivable from SBC against PSB	9,065,681	5,378,770
Add, Receivable from SBC against Claim	12,964,384	
	<b>54,316,226</b>	<b>32,286,161</b>



		<b>Amount in Taka</b>	
		<b>2014</b>	<b>2013</b>
<b>7. SUNDRY DEBTORS</b>			
Advance against office rent		1,689,630	2,231,851
Advance against other parties		-	-
Deposit clearing		21,820,738	20,088,365
Short deposit premium		-	-
Advance against salary		2,498,432	113,335
Advance against mobile		-	-
Advance against commission		-	-
Collection control A/C		98,834,494	84,111,214
Advance for automation		1,933,330	1,933,330
VAT Collection control A/C		1,012,738	705,565
Rent receivable		87,840	-
Advance & security deposit		-	-
Stamp collection control A/C		1,519,107	924,119
<b>Total</b>		<b>129,396,308</b>	<b>110,107,779</b>

#### 8. ADVANCE AGAINST FLOOR PURCHASE

3,930 sft at Central Plaza (7th floor), Mirpur	<b>15,739,500</b>	<b>15,739,500</b>
--	-------------------	-------------------

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 which has been paid up to 31.12.2010.

#### 9. CASH & BANK BALANCES

Cash in hand:

Head office	757,832	587,999
Branch offices	1,015,420	4,120,217
	1,773,252	4,708,216

Cash at bank:

STD	12,350,389	18,845,205
Current deposit	112,793	1,763,855
	12,463,182	20,609,060
FDR	235,200,000	228,000,000
	247,663,182	248,609,060

<b>Total</b>	<b>249,436,434</b>	<b>253,317,276</b>
--------------	--------------------	--------------------



10. Non-current Assets

Amount in Taka

Particulars	Cost				Rate (%)	Depreciation				Written Down Value as on 31.12.2014
	Balance as on 01.01.2014	Addition during the year	Adjustment during the year	Balance as on 31.12.2014		Balance as on 01.01.2014	Charged during the year	Adjustment during the year	Balance as on 31.12.2014	
Office Space	50,327,720			50,327,720	2.5	3,676,174	1,166,289		4,842,463	45,485,257
Furniture & Fixture	4,414,095	118,350		4,532,445	10	2,235,288	229,716		2,465,003	2,067,442
Motor Vehicles	35,806,301	-		35,806,301	20	15,827,657	3,995,729		19,823,385	15,982,916
Office Decoration	9,966,863	816,704		10,783,567	20	6,761,925	804,328		7,566,253	3,217,314
Computer	3,976,286	-		3,976,286	30	2,531,681	433,382		2,965,063	1,011,224
Air Conditioner	1,913,906	-		1,913,906	15	970,481	141,514		1,111,895	801,911
Office Equipment	3,894,527	299,500		4,194,027	15	2,220,908	295,968		2,516,877	1,677,150
<b>Total as on 31-12-2014</b>	<b>110,299,698</b>	<b>1,234,554</b>	<b>-</b>	<b>111,534,252</b>		<b>34,224,114</b>	<b>7,066,925</b>	<b>-</b>	<b>41,291,039</b>	<b>70,243,213</b>
<b>Total as on 31-12-2013</b>	<b>101,026,568</b>	<b>9,273,130</b>	<b>-</b>	<b>110,299,698</b>		<b>26,659,244</b>	<b>7,664,870</b>	<b>-</b>	<b>34,224,114</b>	<b>76,075,584</b>

# 11. SHARE CAPITAL

Detailed break up of shareholders capital is as below:

		Amount in Taka	
		2014	2013
a)	Authorised capital: 100,000,000 Ordinary shares of Tk. 10 each	1,000,000,000	1,000,000,000
b)	Issued, subscribed and paid-up capital 27,056,568 Ordinary shares of Tk. 10/- each	270,565,680	245,968,800

During the year 2014 the company has paid stock dividend by issuing 2,459,688 ordinary shares of Tk. 10 each against retained earnings of 2013.

The Category-wise share holding position as on 31st December, 2014 is as under:

Category of Shareholders	No. of Shares	(%) of Holding	Amount in Taka
Sponsor & Director (Group-A)	9,248,975	34.18	92,489,750
Financial & Other Institution (Group-B)	7,073,960	26.15	70,739,600
General Public (Group-B)	10,733,633	39.67	107,336,330
<b>TOTAL</b>	<b>27,056,568</b>	<b>100</b>	<b>270,565,680</b>

## 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	01-500			0.00	0.00%
2	501-5,000			0.00	0.00%
3	5,001-10,000			0.00	0.00%
4	10,001-20,000			0.00	0.00%
5	20,001-30,000			0.00	0.00%
6	30,001-40,000			0.00	0.00%
7	40,001-50,000			0.00	0.00%
8	50,001-1,00,000	50,512	1	0.55	0.19%
9	1,00,001-10,00,000	9,198,463	16	99.45	34.00%
10	10,00,001-Over			0.00	0.00%
<b>Total</b>		<b>9,248,975</b>	<b>17</b>	<b>100.00</b>	<b>34.18%</b>

## 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	01-500	322,492	2177	1.81	1.19%
2	501-5,000	2,734,992	1903	15.36	10.11%
3	5,001-10,000	1,230,811	174	6.91	4.55%
4	10,001-20,000	1,236,997	88	6.95	4.57%
5	20,001-30,000	485,787	20	2.73	1.80%
6	30,000-40,000	411,858	12	2.31	1.52%
7	40,001-50,000	371,137	8	1.37	1.37%

8	50,001-1,00,000	1,741,086	25	9.78	6.43%
9	1,00,001-10,00,000	5,443,226	19	30.57	20.12%
10	10,00,001- Over	3,829,207	2	21.50	14.15%
Total		17,807,593	4428	100.00	65.82%
<b>GRAND TOTAL</b>		<b>27,056,568</b>	<b>4445</b>		<b>100.00%</b>

		<b>Amount in Taka</b>	
		<b>2014</b>	<b>2013</b>
<b>12. RETAINED EARNINGS</b>			
Balance brought forward from last year		2,631,777	498,249
Add: Net profit during the year after tax & workers' profit participation fund		31,229,879	32,730,408
		<b>33,861,656</b>	<b>33,228,657</b>
Less: Reserve for exceptional losses		-	6,000,000
		<b>33,861,656</b>	<b>27,228,657</b>
<b>12.1 BALANCE BROUGHT FORWARD FROM LAST YEAR</b>			
Net profit before dividend		27,228,657	26,852,049
Less: Dividend paid		24,596,880	26,353,800
		<b>2,631,777</b>	<b>498,249</b>
<b>13. PREMIUM DEPOSIT</b>		<b>3,823,472</b>	<b>3,218,145</b>
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, 2014.			
<b>14. LOANS &amp; OVERDRAFT</b>			
Loans ( 14.1)		83,864,995	52,001,857
Overdraft ( 14.2)		-	-
<b>Total</b>		<b>83,864,995</b>	<b>52,001,857</b>
<b>14.1 Loans</b>			
Computer loan		670,022	974,303
Car loan		469,078	2,075,446
SOD Loan (UCBL, Bijoy nagar Branch)		40,144,293	17,657,375
SOD Loan (MBL, Bijoy nagar Branch)		19,615,463	-
Term loan (UCBL, Bijoy nagar Branch)		22,966,139	31,294,733
<b>Sub-Total</b>		<b>83,864,995</b>	<b>52,001,857</b>
<b>14.2 Overdraft</b>		-	-
		-	-
<b>15. ESTIMATED LIABILITY IN RESPECT OF OUTSTANDING CLAIMS WHETHER DUE OR INTIMATED</b>			
Fire		18,889,325	8,125,431
Marine (Cargo)		4,673,598	5,800,440
Miscellaneous (Motor)		2,707,015	4,798,287
Miscellaneous		247,096	204,029
<b>Total</b>		<b>26,517,034</b>	<b>18,928,187</b>



		<b>Amount in Taka</b>	
		<b>2014</b>	<b>2013</b>
<b>16. AMOUNTS DUE TO OTHER PERSONS OR BODIES CARRYING ON INSURANCE BUSINESS</b>			
Shadharon Bima Corporation & other Insurance Companies	-	<b>62,528,101</b>	
Opening Balance	62,528,101	51,105,818	
Add, Ceded in this year	74,787,210	88,390,928	
	137,315,311	139,496,746	
Less, Paid in this year	137,315,311	76,968,645	
Closing Balance	-	<b>62,528,101</b>	

**17. SUNDRY CREDITORS**

Provision for office rent	338,323	317,273
Provision for audit fee	82,500	50,000
VAT deducted at source	35,384	165,280
Salary income tax payable	32,100	34,383
Brokerage loan A/c	17,542,442	14,817,041
Income tax deduction (Office rent)		19,380
Security deposit against office rent	609,800	225,500
I.T. deduction at source	22,398	35,860
GIL foundation	5,000	5,000
Share application money refundable	743,173	714,502
Provision for loss on investment in shares	20,235,398	9,010,691
Provision for employees Contribution( P.F)		153,567
Provision for WPPF	2,706,580	
VAT payable	1,231,817	1,119,341
Provision for company's Contribution( P.F)	108,184	153,567
Income tax payable , Note no-24	24,164,632	24,310,723
<b>Total</b>	<b>67,857,731</b>	<b>51,132,108</b>

**18. PREMIUM INCOME LESS RE-INSURANCE**

<b>Business</b>	<b>Gross Premium</b>	<b>Re-Insurance accepted</b>	<b>Re-Insurance ceded</b>	<b>Net Premium</b>	<b>Net Premium</b>
Fire	94,233,253	-	69,792,251	24,441,002	20,623,088
Marine	112,598,663	-	20,298,308	92,300,355	87,045,868
Motor	20,631,795	-	7,154,192	13,477,602	20,677,394
Miscellaneous	4,117,827	-	2,471,528	1,646,299	6,626,747
<b>Total</b>	<b>231,581,538</b>	<b>-</b>	<b>99,716,280</b>	<b>131,865,258</b>	<b>134,973,097</b>



## 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		39.69	18,232,515	18,774,615
Marine		47.12	21,648,673	26,870,244
Motor		9.90	4,548,702	5,329,193
Miscellaneous		3.29	1,513,010	2,861,591
<b>Total</b>		<b>100%</b>	<b>45,942,900</b>	<b>53,835,643</b>

## 20. DIRECTORS FEE

<b>Amount in Taka</b>	
<b>2014</b>	<b>2013</b>
<b>1,142,000</b>	<b>1,159,200</b>

During the year under review an amount of Tk.1,142,000 was paid to the Directors of the company as Board and committee meeting attendance fee.

## 21. INTEREST INCOME

Interest on National Investment Bond (NIB)	2,392,300	2,466,704
Interest on Fixed Deposit	20,717,375	24,417,931
Interest on STD	31,112	98,153
<b>Total</b>	<b>23,140,787</b>	<b>26,982,788</b>

## 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 a writ with the Honourable High Court for the assessment year 2006-07 and appeal to appellate tribunal for the assessment years 2007-08, 2008-09, 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 & WPPF)	31,229,879	32,730,408
Weighted average number of ordinary shares outstanding during the year	27,056,568	27,056,568
	<b>1.15</b>	<b>1.21</b>

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

**24. PROVISION FOR INCOME TAX**

Particulars	Amount in Taka	
	2014	2013
Balance as on 1st January, 2014	106,802,333	84,980,953
Add, Provision made during the year	22,901,711	21,821,380
	129,704,044	106,802,333
Less, payment & Adjustment during the year	102,954,382	79,585,154
Less, Tax deducted at source for transfer to advance Tax	2,585,030	2,906,456
<b>Income tax Payable</b>	<b>24,164,632</b>	<b>24,310,723</b>

- 24.1** Re- arrangement of figures regarding of provision and adjustment of income tax. Income tax payable included in the sundry creditors, Note- 17.

**25. BOARD MEETING**

During the year 2014 the Company had 19 members Board of Directors and held 09 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 those Committees were also held during the current year.

**26. EMPLOYEES**

Total number of employees of the company is 286. None of them received salary below Tk. 5,000 per month.

- 27** There was no credit facility available to the company under any contract availed of as at 31st December, 2014 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 statement of financial position date and the date when the financial statements are authorized for issue by the Board of Directors except the following:

- The Board of Directors in its meeting held on 27 April, 2015 approved the financial statements of the company for the year ended December 31, 2014 and authorised the same issue.
- The Board of Directors has also recommended 10% stock dividend on paid up capital out of the surplus available for distribution for the year 2014, which is subject to approval of shareholders in the forthcoming Annual General Meeting of the company.



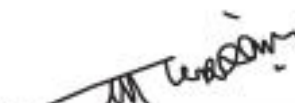
Chief Executive Officer (In charge)



Director



Director



Chairman

Date: 26 April, 2015  
Place: Dhaka

**GLOBAL INSURANCE LIMITED****Form AA****Classified Summary of Assets**As on December 31, 2014

<b>Particulars</b>	<b>Book value as per financial position</b>	<b>Market value</b>	<b>Remarks</b>
Deposit with Prime Bank Ltd. (5 years National Investment Bond @ 10.14% Interest)	9,000,000	9,000,000	Not Quoted in Market
Deposit with Mercantile Bank Ltd. (10 years National Investment Bond @ 12.10% Interest)	16,000,000	16,000,000	Not Quoted in Market
Investment in Shares	40,218,065	19,982,668	At Cost
Amount due from other persons or bodies carrying on insurance business	54,316,226	54,316,226	Realizable Value
FDR	235,200,000	235,200,000	Realizable Value
CD & STD	12,463,182	12,463,182	Realizable Value
Cash in Hand	1,773,252	1,773,252	Realizable Value
Interest accrued	2,587,213	2,587,213	Realizable Value
Sundry debtors, advance, deposits and prepayments	129,396,308	129,396,308	All Considered Good
Fixed Assets (At cost less depreciation)	70,243,213	70,243,213	At Written Down Value
Advance against floor purchase	15,739,500	15,739,500	At Cost
Stamp in hand	555,978	555,978	At Cost
Stock of Printing and Stationery	879,146	879,146	At Cost
<b>Total</b>	<b>588,372,084</b>	<b>568,136,687</b>	



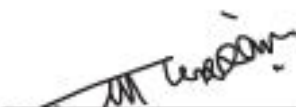
Chief Executive Officer (in charge)



Director



Director



Chairman

Dated: 26 April, 2015

Place: Dhaka