

# Annual Report 2018



**Northern General Insurance Co. Ltd.**  
(A KEY TO PROTECTION)

**Head Office :**

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# নর্দার্ন জেনারেল ইন্স্যুরেন্স কোঃ লিঃ Northern General Insurance Co. Ltd.

(A KEY TO PROTECTION)

## Notice of the 23<sup>rd</sup> Annual General Meeting

Notice is hereby given that the 23<sup>rd</sup> Annual General Meeting of the honorable shareholders of Northern General Insurance Company Limited will be held on **Sunday, June 23, 2019 at 11:00 A.M. at Institution of Diploma Engineers, Bangladesh, IDEB Bhaban, 160/A, Kakrail, Dhaka-1000** to transact the following business:

### AGENDA

- 1. Report and Accounts**  
To receive, consider and adopt the Audited Financial Statements and the Report of the Directors and Auditors of the Company for the year ended 31st December, 2018.
- 2. Dividends**  
To declare and approve dividend for the year 2018 as recommended by the Board of Directors.
- 3. Election/ Re-election of Directors**  
To elect Directors who are retiring in terms of the relevant provision of the Articles of Association of the company.
- 4. Appointment of Auditor(s)**  
To consider appointment of Auditor (s) for the year 2019 and to fix their remuneration.
- 5. Appointment/ Reappointment of Independent Director**  
To consider post facto approval of appointment/reappointment of Independent Director.
- 6. Appointment of Professional**  
To Consider appointment of professional accountant /secretary to provide the certificate on compliance of the Corporate Governance Code for the year 2019 and to fix their remuneration.

Dated, Dhaka  
May 29, 2019

By order of the Board of Directors

Sd/-  
(M. H. Galib)  
Company Secretary

### Notes:

- Members whose names appear on the Member/Depository Register on the "Record Date" i.e., May 19, 2019 shall be eligible to attend the 23rd Annual General Meeting and receive dividend.
- Members are requested to update their Bank Accounts, Addresses, Contact Numbers, E-mail addresses, ETIN etc. through their respective depository participants (DP).
- Any member of the company entitled to attend and vote at the Annual General Meeting may appoint a proxy to attend and vote on his/her behalf. The proxy must be a member of the company.
- The instrument appointing a proxy duly stamped and signed by the member must be submitted to the Registered Office of the Company not less than **48 hours** before the time fixed for the meeting.
- For registration in the meeting, production of attendance slip is required.
- The shareholders are requested to register their names in the counter at the entrance of the AGM venue from 9:00 A.M. to 11:15 A.M. on June 23, 2019. No entry will be recorded before 9:00 A.M. and after 11:15 A. M. on the scheduled meeting date.
- Entry to the AGM is reserved only for shareholders or his/her proxy on production of the attendance slip or proxy form to attend the meeting.
- No Gift/Gift Coupon/Benefit in cash or Kind**, other than in the form of dividend shall be offered/paid to the shareholders in the 23rd AGM in compliance with the circular of Bangladesh Securities and Exchange Commission's BSEC/CMRRCD/2009-193/154 dated 24 October, 2013.



## Corporate Information

Name of the Company	<b>Northern General Insurance Company Limited</b>
Legal Form	A Public Limited Company Incorporated in Bangladesh under the Companies Act 1994 from Registrar of Joint Stock Companies & Firms and Registered with Department of Insurance, Govt. of the People's Republic of Bangladesh (Insurance Development & Regulatory Authority).
Nature of Business	Non Life Insurance Business
Auditors	Rahman Mostafa Alam & Co. Chartered Accountants Paramount Heights (7th Floor-D2 & C1), 65/2/1, Box Culvert Road, Purana Paltan, Dhaka – 1000.
Contact	Telephone : (+880-2) 955 9077-79, 9569918, 57164389, 4711 0160 Fax : (+880-2-) 9551579, 47113724 Email : info@ngicl.com Website : www.ngicl.com
Legal Advisor	M. A. Hannan & Counsels Consultants in Law Apartment 6-B, Level-6, Unique Heights 117, Kazi Nazrul Islam Avenue, Dhaka.
Tax Advisor	ADN Associates Rupayan Karim Tower, A(II) 80, Kakrail, Dhaka-1000, Bangladesh
Principal Bankers	Standard Chartered Bank AB Bank Ltd. First Security Islami Bank Ltd. Southeast Bank Ltd. Shahjalal Islami Bank Ltd. Al-Arafah Islami Bank Limited Islami Bank Bangladesh Ltd. Social Islami Bank Ltd. Union Bank Ltd. NRB Global Bank Ltd.



## Corporate Milestones

Incorporation of the Company	:	April 08,1996
Commencement of Business	:	April 08,1996
First Board Meeting	:	March 25,1996
Registered with the Department of Insurance	:	May 25,1996
Authorized Capital (in Tk.)	:	Tk. 1,000,000,000.00
Issued, Subscribed & Paid up capital	:	Tk. 42,65,96,110.00
Number of Share Issued	:	4,26,59,611 Shares
Face Value (Per Share)	:	Tk.10.00
Applied for Listing with DSE	:	July 16, 2008
Applied for Listing with CSE	:	July 16, 2008
First Trading of shares on DSE	:	November 25, 2008
First Trading of shares on CSE	:	November 25, 2008
Net Asset value per share	:	Tk. 20.60
Price Earning Ratio (as on 31-12-2018)	:	DSE-Tk. 10.79, CSE-Tk. 10.42
Market Price (as on 31-12-2018)	:	DSE Tk. 17.80, CSE Tk. 17.20
Year Wise Dividend Declaration	:	12.50% (Cash) 2007, 15% (Bonus) 2008, 15% (Bonus) 2009, 12% (Bonus) 2010, 15% (Bonus) 2011 12% ((Bonus) 2012, 10% (Bonus) 2013 10% (Bonus) 2014, 12% (Bonus) 2015, 10%(Bonus) 2016, 10% (Cash) 2017 10% (Cash) 2018
Distribution of 10% Cash dividend in respect of financial year ended 31st December, 2017	Record date	May 23, 2018
	Distribution date	July 19, 2018
22 <sup>nd</sup> Annual General Meeting	Notice date	May 21, 2018
22 <sup>nd</sup> Annual General Meeting	Held on	June 21, 2018

### FINANCIAL CALENDAR

	Submission Date
Audited Financial Statement for the 31 December, 2017	May 13, 2018
Unaudited Financial Statement for the 1st quarter ended 31 March, 2018	May 03, 2018
Unaudited Financial Statement for the 2nd quarter and half year ended 30 June, 2018	August 01, 2018
Unaudited Financial Statement for the 3rd quarter ended 30 September 2018	October 03, 2018



## Vision, Mission & Objectives

### Our Vision

To be the market leader as strong and dynamic non-life insurer in providing integrated insurance service with special focus on prompt claim settlement.

### Our Mission

- ▶ Enhance profitability through customer's satisfaction.
- ▶ Create shareholders value.
- ▶ Progress Employer's Commitment to excellence.

### Objectives

- ▶ To meet the customers demand with our all out effort.
- ▶ To ensure the maximum protection of investment of our shareholders.
- ▶ To provide secured employment environment.
- ▶ To maintain high level of ethical standard.
- ▶ To develop corporate culture and good governance for us and all around us.
- ▶ To maintain the transparency in disclosures.

## Products and Services



### Fire Insurance

- ▶ Fire Insurance (including Allied Perils)
- ▶ Industrial All Risks (IAR)

### Marine Cargo Insurance

- ▶ Transit by Steamer or Powered Vessel
- ▶ Transit by Rail/Lorry/Truck
- ▶ Transit by Inland Rail or Road Conveyance
- ▶ Transit by Air Cargo
- ▶ Transit by Inland Cargoes (Water Borne)

### Marine Hull Insurance

- ▶ Total Loss Only (TLO)
- ▶ Comprehensive

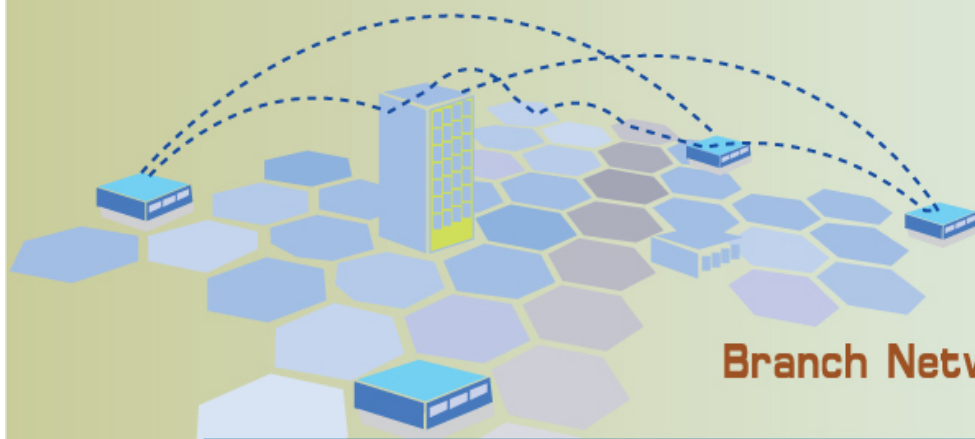
### Motor Insurance

- ▶ Commercial Vehicle
- ▶ Private Vehicle
- ▶ Motor Cycle/ Scooter

### Miscellaneous

- ▶ Burglary & House Breaking Insurance
- ▶ Cash in Safe
- ▶ Cash in Transit
- ▶ Cash on Counter
- ▶ Cash in Premises
- ▶ Contractors' All Risk (CAR)
- ▶ Erection All Risks (EAR)
- ▶ Engineering Insurance
  - ▶ Boiler and Pressure Vessel Insurance (BPV)
  - ▶ Machinery Breakdown Policy (MBD)
  - ▶ Deterioration of stock in cold storage Policy (DOS)
  - ▶ Electronic Equipment Insurance (EEI)
  - ▶ Lift Insurance Policy
- ▶ Fidelity Guarantee Insurance
- ▶ People's Personal Accident (PPA)
- ▶ Performance Bond Insurance
- ▶ Third Party Liability Policy
- ▶ Workmen's Compensation Policy
- ▶ Personal Accident Policy (PA)
- ▶ Business Interruption Policy
- ▶ Public Liability Policy
- ▶ Overseas Medi Claim and Holiday Insurance including study and employment





## Branch Network

Branch Name	Address	Phone/ Fax/ Mobile
Agrabad Branch	Sattar Chamber (4th floor) 99, Agrabad C/A, Chattogram	Tel : 031-716032, 031-716031 Mobile : 01819-321297
Anderkilla Branch	A.N Tower (5th Floor), 23, Anderkilla, Boxirbit Teribazar, Chattogram	Tel: 031-620092-3 Mobile: 01819179290 01924159000
Bangshal Branch	230 North South Road (3rd floor), Dhaka-1000	Tel: 02-47116843 Mobile : 01819-271092
B.B. Avenue Branch	29 B.B. Avenue (1st floor), Dhaka-1000	Tel: 02-9558011, Fax: 02-9569598 Mobile : 01511 850550
Cumilla Branch	Hira Mansion (3rd floor), Ramghat, Kandirpar, Cumilla	Tel : 081-67813 Mobile : 01711 107137
Dilkusha Branch	Zaman Court, (8th Floor), 45 Dilkusha, C/A, Dhaka-1000	Tel: 02-9551805, Fax: 02-7168656 Mobile : 01911 350774
Elephant Road Branch	299 Elephant Road (5th floor) Dhaka	Tel : 02-9660746, 02-8616145 Mobile : 01718 964799
Gazipur Branch	Tangail Road, Near Brac Bank & NCC Bank Ltd. Chandana, Chourasta, Gazipur	Tel : 02- 49263672 Mobile : 01711-317698
Hatkola Branch	Property Heights (2nd Floor), 12, R.K. Mission Road, Dhaka.	Tel : 02-9563635 Mobile : 01819-468690
Jubilee Road Branch	44, Jubilee Road, Enayet Bazar, Chattogram.	Tel: 031-615611, Fax: 031-630327 Mobile : 01819-385413
Kadamtoli Branch	1336/A, D.T. Road, (1st Floor) Kadamtoli, Chattogram.	Tel : 031-716125, 718495 Mobile : 01819-311430
Khatungonj Branch	279 Khatungonj, Noor Market, Chattogram.	Tel: 031-622426, Fax: 031-622425 Mobile : 01817-748474
Kawran Bazar Branch	57/E (1st Floor), Kazi Nazrul Islam Avenue, Dhaka	Tel: 02-9125864, Fax: 02-9124511 Mobile : 01819 199170
Kakrail Branch	50/D, VIP Road (1st Floor) Naya Palton, Dhaka-1000	Tel : 02-9346686 Mobile : 01913 464031



## Branch Network

Branch Name	Address	Phone/ Fax/ Mobile
Local Office	Motijheel Square (7th floor), 1/B, D.I.T. Avenue, Motijheel C/A, Dainik Banglar Moor, Dhaka-1000	Tel : 02-47114932, 9571555 Mobile : 01925-769092
Motijheel Branch	Bhuiyan Mansion (1st floor), 6 Motijheel C/A, Dhaka-1000	Tel: 02-9559702, Fax: 02-7121197 Mobile : 01711-107651
Mogh Bazar Branch	4, Shahid Tajuddin Saroni (4th floor), Boro Moghbazar, Dhaka-1217	Tel : 02-9330450 Mobile : 01730-452819
Mohakhali Branch	H-4 (2nd floor), International Airport Road, Mohakhali C/A, Dhaka	Tel: 02-9886790, Fax: 02-9890498 Mobile : 01713-038195
Narayangonj Branch	Fazar Ali Trade Centre (4th floor), 78, B.B. Road, Narayangonj	Tel : 02-7631963 Mobile : 01816-338372
Paltan Branch	Chowdhury Compelx (2nd Floor), Suite-01, 15, Purana Paltan, Dhaka-1000	Tel: 02-9513173, Fax: 02-9513258 Mobile : 01711-136580
Shantinagar Branch	Shaan Tower (4th floor), 24/1 Chamelibag, Dhaka-1217	Tel : 02-9338037 Mobile : 01818342006
Sk. Mujib Road Branch	Progressive Tower (2nd floor), 1837, SK. Mujib Road, Badamtoli, Agrabad, C/A, Chattogram.	Tel : 031-2517832, Fax: 031-2517834 Mobile : 01716 524778
Imamgonj Branch	AGI Business Centre (7th Floor) 81/B-1, Hosni Dalan Road, Chankharpul, Dhaka.	Tel: 02-57300725 Contact No. 01871 210100
Principal Branch	205/1, Sahid Syad Nazrul Islam Saroni, (1st Floor), Bijoy Nagar, Dhaka.	Tel: 02-9513627-28 Mobile No. : 019122 46526





## Corporate Structure

### Board of Directors

Chairman

**Mr. Abdul Matin**

Vice Chairman

**Mr. Mohammad Azam**

Directors

**Al-haj Nasiruddin**

**Mr. Md. Sarwar Salim**

**Mr. S. M. Ayub Ali Chowdhury**

**Al-haj Abdus Samad**

**Al-haj Md. Saiful Alam**

**Mrs. Ferdousi Islam**

**Mrs. Thamina Rahman**

**Barrister Faysal Ahmed Patwary**

**Mr. Shahriar Khaled**

**Mr. Mortuza Siddique Chowdhury**

Independent Director

**Mrs. Umme Habiba Akhter**

**Mr. Mohammad Rafique**

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Chief Executive Officer

**Mr. Abdul Haque FCA**

Chief Financial Officer

**Mr. Sujit Kumar Dey FCA**

Company Secretary

**Mr. M. H. Galib**

Head of Internal Audit & Compliance

**Mr. Mohammed Saifur Rahman**

### Executive Committee

Chairman

**Barrister Faysal Ahmed Patwary**

### Audit Committee

Chairman

**Mrs. Umme Habiba Akhter**

### Claim Committee

Chairman

**Al-haj Nasiruddin**

### Nomination and Remuneration Committee (NRC)

Chairman

**Mrs. Umme Habiba Akhter**

### Manpower Review Committee

Convener

**Mr. Md. Sarwar Salim**

## Introducing the Directors

### Board of Directors and their Profile



**Mr. Abdul Matin**  
Chairman, BOD

Mr. Abdul Matin is the current Chairman of the Board of Directors of Northern General Insurance Company Limited. He is one of the Sponsor Director of the company and he has completed his diploma in Textile Chemistry and B.Sc in Textile (USA). He is associated with a good number of business in Manufacturing, Insurance and Medical Service holding capacity of Chairman, Managing Director & Director which have been listed in the page no. 97. He is a widely travelled person and involved in many social activities.



**Mr. Mohammad Azam**  
Vice Chairman, BOD

Mr. Mohammad Azam is the Vice Chairman of the Board of Directors of Northern General Insurance Company Ltd. He is a prominent businessman of the country. He has a long experience in various field of business and associated with a number of entities which is listed in the page no. 97. He is actively involved in many social activities and charitable organizations. He is a widely travelled person across the globe.



## Board of Directors and their Profile



**Al-haj Abdus Samad**  
Director, BOD

Al-haj Abdus Samad, is a member of Board of Directors of Northern General Insurance Company Ltd. He is a renowned entrepreneur of the country and Chairman of the Board of Director of Al-Arafah Islami Bank Ltd. and Vice Chairman of S. Alam Group. He is the Vice-Chairman of Bangladesh Association of Banks (BAB). He has versatile & diversified business affiliation and keen perception in Banking, Leasing, Merchant Banking, Manufacturing, Shipping, Power Plant, Transportation, Properties, Electronic Media and Trading business holding the capacity of Chairman, Vice Chairman, Managing Director and Director which is listed in the page 98. He is very much active using his tremendous leadership to progress and development of the insurance sector. He accomplished his graduation in business administration from Panjab University Chandrigar, India. He travelled the SAARC countries, USA, UK, Canada, Brazil, Japan, China, Malaysia, Singapore, Thailand and several European Countries on business trips on different accession including conference, seminar, symposium etc. He is also actively involved in many social activities.



**Al-haj Nasiruddin**  
Director, BOD &  
Chairman of Claims Committee

Former Chairman of Board of Directors, Alhaj Nasiruddin is a Sponsor Director of Northern General Insurance Co. Ltd. as well as a versatile business personality. He is actively associated with a number of companies in the areas of Insurance, Trading and Indenting Sector. A list of organization and entities has given in the page 97. where he has got interest in the capacity of Managing Director. He is attached with various educational & socio-cultural activities and devoted himself in the development of the country. He is a widely travelled person and involved in many charitable organizations.



**Mr. S. M. Ayub Ali Chowdhury**  
Director, BOD

Former Chairman of the Board of Directors Mr. S. M. Ayub Ali Chowdhury is a Director of Northern General Insurance Company Ltd. As a versatile business personality he is actively associated with the business of Manufacturing, Pharmaceutical sector listed in the page 97. He is a widely travelled person and involved in many social activities



## Board of Directors and their Profile



**Mr. Md. Sarwar Salim**  
Director, BOD &  
Convener, Manpower Review Committee

Former Vice Chairman of the Board of Directors Mr. Md. Sarwar Salim is a member of Board of Directors & Convener of Manpower Review Committee of Northern General Insurance Company Ltd. He has completed his M. Com in Accounting and he is a highly proficient personality in the field of banking sector having a long experience in multinational banking sector with the managerial capacity. He is involved himself in different lines in business activities like manufacturing, international trading and property business holding the capacity of Managing Director & Director which has been listed in the page 97. He is a widely travelled person across the globe on business trips and involved in many charitable and social activities.



**Barrister Faysal Ahmed Patwary**  
Director, BOD &  
Chairman of Executive Committee

Barrister Faysal Ahmed Patwary is a member of Board of Directors of Northern General Insurance Company Ltd. He is also the Chairman of Executive Committee of the Board. After completion his Bar-at Law, he engaged himself with business activities in different areas with several prestigious sector holding the capacity of Director which is listed in the page 97. He is very much using his tremendous leadership to progress and development of the insurance business. He is a widely travelled person and visited the SAARC countries, USA and several European countries for business purpose.



**Al-haj Md. Saiful Alam**  
Director, BOD

Al-haj Md. Saiful Alam member of Board of Directors of Northern General Insurance Company Ltd. is a renowned entrepreneur of the country. He is the Chairman of of S. Alam Group and First Security Islami Bank Ltd. Besides, he has build up a reputation as an astute and efficient business personality and achieved a remarkable success in a good number of business entities engaged in Banking, Leasing, Merchant Banking, Shipping, Manufacturing, Power Plant, Transportation, Properties, Electronic Media & Trading Business holding the capacity of Chairman & Managing Director which is listed in the page no. 97. Apart from all these, he is associated with a number of Social, Sports, Cultural and Religious Organizations.

## Board of Directors and their Profile



**Mr. Mortuza Siddique Chowdhury**  
Director, BOD

Mr. Mortuza Siddique Chowdhury is a member of Board of Directors of Northern General Insurance Company Ltd. As a versatile business personality in the country, he has a long business experience like Banking, Leasing, Media Communication, Service Sector and Trading Sector holding the capacity of Chairman, Vice Chairman and Director listed in the page no. 98. He is also involved in many social & charitable activities and known as a widely travelled person.



**Mrs. Ferdousi Islam**  
Director, BOD

Mrs. Ferdousi Islam, a dynamic and visionary business personality is a Sponsor Director and is involved with a good number of business entities holding the capacity of Chairman, Managing Director & Director in the various field of business listed in the page no. 97. She is also actively involved in many social activities. She is a widely travelled person across the globe.



**Mrs. Tamina Rahman**  
Director, BOD

Mrs. Tamina Rahman is a young and promising business woman and she is devoted herself to business activity at Chittagong. She is involved in many social, cultural activities and devoted herself in social welfare works. She is a widely travelled person.



## Board of Directors and their Profile



**Mr. Shahriar Khaled**  
Director, BOD

Mr. Shahriar Khaled is a member of Board of Directors of Northern General Insurance Company Ltd. He is a young promising business personality. He is involved himself in many social & charitable activities and know as widely travelled person.



**Mrs. Umme Habiba Akhter**  
Independent Director and  
Chairman of Audit Committee

Mrs. Umme Habiba Akhter was appointed to the Board of Directors of Northern General Insurance Company Ltd. as Independent Director on December 12, 2018. Mrs. Habiba has completed her graduation from Chittagong University as well as M.A. in Political Science. As a dynamic and visionary lady she is involved with a good number of business entities. She is a member of Chattogram Women Chamber of Commerce & Industries (WCCI), President of Ladies Club, Jamalpur & Vice President of Ladies Club, Rajshahi Division.



**Mohammad Rafique**  
Independent Director

Mr. Mohammad Rafique was appointed to the Board of Northern General Insurance Company Limited on 23 September, 2014 as an Independent Director. He has vast experience in diversified business affiliation. He accomplished his MSS in Economic from Chittagong University. He is the proprietor of M. M. Corporation.



## Management Team

### Managing Director & CEO

Mr. Abdul Haque FCA

### Deputy Managing Director

Mr. Sujit Kumar Dey FCA (CFO)

Mr. Md. Raihan Ferdous

Mr. Md. Mahbubul Haque

Mr. Md. Mustafizur Rahman

Mr. Md. Lutful Alam

Mr. Md. Masud Rana

Mr. Md. Zahir Uddin Babur

Mr. Chowdhury Golam Faruque

### Assistant Managing Director

Mr. S. M. Ahsanul Hoque

Mr. Md. Abdul Hoque Chowdhury

Mr. Golam Haider Chowdhury

Mr. Kazi Mizanur Rahman

### Sr. Executive Vice President

Mr. Mohammed Salim

Mr. Md. Rafiqul Islam

Mr. Md. Nazmul Huda

Mr. Md. Azazul Islam

### Executive Vice President

Mr. Khokan Chandra Sarkar

Mr. Md. Shahidul Hoque

### Sr. Vice President

Mr. Md. Aminul Islam

### Vice President

Mr. Babul Mitra

Mr. Md. Waliullah Sikder

Mr. Md. Shahadat Hossain

Mr. M. H. Galib (Company Secretary)

Mr. A. S. M. Sajjadul Islam Chowdhury

Mr. Mohammed Saifur Rahman (Head of Internal Audit)

### Senior Assistant Vice President

Mr. Tofael Ahmed Bhuya

Mr. Md. Nazmul Karim

Mrs. Fazilatun Nesa Rimi

### Assistant Vice President

Mr. Md. Mostafa Jamal Masud

Mr. Mohammed Jahangir Alam

Mr. Md. Shakhawat Hossain

Mrs. Shikha Rani Datta, ACS

Mr. Md. Mafizur Rahman

### Jt. Assistant Vice President

Mr. Md. Shamsul Alam

Mr. Md. Hafizullah

Mr. Md. Moniruzzaman

Mr. Biddut Kumar Samadder



# Pictorial



22nd AGM held on June 21, 2018



Shareholder's registration event in the 22nd AGM



Shareholder's at 22nd AGM





Half Yearly Managers' Conference-2018



Annual Managers' Conference-2019



Board of Directors Meeting -2019





An warm reception on the eve of the meeting



Celebrating Cultural Program at Cox's Bazar on the Occation of the Branch Managers' Conference, 2018



Handing over Cheque of claim settlement in presence of Chairman, IDRA

## Chairman's Address





## Chairman's Address

Bismillahir Rahmanir Rahim

**Distinguished Shareholders,**

**Assalamu Alaikum,**

I have great pleasure to welcome you all to the 23rd Annual General Meeting (AGM) of Northern General Insurance Co. Ltd. We are presenting the company's Audited Financial Statements for the year ended 31st December 2018.

Under difficult circumstances which prevailed in the country in the last quarter of the year 2018 and having disorders in politics due to General Election, national economy was comparatively static in the last year. Conversely, local insurance companies could not show desirable increasing trend and could not add much growth in national economy as well. As a result the economic activities affected adversely.

Despite of an unfavorable economic climate of insurance sector, the company was able to maintain its momentum and achieve 9.41% growth in business in 2018. During the year 2018, gross premium income was BDT 462.35 million against BDT 422.60 million in 2017. The net profit after tax rose BDT 70.49 million from BDT 69.42 million in 2017 and total asset stood at BDT 1,354.88 million as at 31st December 2018. We record with gratitude the contribution to this growth made by all our clients, local corporate and sundry entities.

There was increase of 2.57 million in underwriting profit to BDT 120.42 million as compared to BDT 117.81 million in 2017. Investment income also increased at BDT 15.88 million against BDT 14.72 million in 2017 although rate of interest on FDR was reduced. The company continues with its efforts towards diversifying its business portfolio by advocating for medium and smaller clients, thus achieving a desirable spread of business fundamental to the growth of insurance industry.

I am very pleased to inform you that the Board of Directors has recommended 10% Cash Dividend for the year 2018. This recommendation is based on our operating profit and our objective of monitoring for sustaining growth of the company. The company continues to strive to develop a well balanced business portfolio which is not overly dependent on any particular type of business or client.

We have always emphasized on professionalism and the company is in the hands of highly qualified personnel who have rendered dedicated services over the year. We

believe that our skilled manpower is dedicated towards responding to customer's requirement with transparency and development of proper human resources is one of the priorities of the company to maintain its ability to provide services of the highest quality to its clients and thus edge over its competitors. We paid equal attention in development our existing IT infrastructure and stretched uninterrupted network coverage to its optimum capacity.

Northern General Insurance Company Limited views sound Corporate Governance as a critical factor in ensuring organizational integrity and efficiency creating long term value for shareholders. We aspire to the highest standards of ethical conduct and best practices in reporting results with accuracy and transparency and maintaining full compliance with the laws, rules and regulations that govern our business in different jurisdiction.

With its impressive track record, we are very much confident that the company is poised to accept challenges of the future, capitalize on opportunities arising and maintain its momentum in growth of business and profitability in the years to come. We are most obliged and appreciative of the continued support from our clients & shareholders and would look forward to continuation of the same. In particular, I would like to thank all scheduled banks & non banking financial institutions with whom we have extensive dealings, prime regulator Insurance Development and Regulatory Authority (IDRA), Dhaka Stock Exchange Ltd., Chittagong Stock Exchange Ltd., CDBL, BSEC, Sadharan Bima Corporation and other government bodies for their continued co-operation and support.

I would like to convey my sincere gratitude to my fellow Directors for their extended support, valuable advice and guidance which made your company in a desirable position within the insurance industry. The diligence of the management team and the staff who worked very hard to take the company forward and delivering excellent results. I must express our deepest appreciation of their dedicated & untiring services and convey our thanks to all of them.

May Allah bless all of us.



**Abdul Matin**  
Chairman

## Chief Executive Officer's Review





## Chief Executive Officer's Review

**Bismillahir Rahmanir Rahim**

**Assalamu Alaikum Warahmatullah,**

It is my pleasure to present before you a short review on our company's activities and its performance. Northern General Insurance acrossed another year and we would appreciate for its quality business & good customer service. The company follows International Accounting Standards (IAS) or International Financial Reporting Standards (IFRS) in preparing financial statements. Disclosure as required by Insurance Act 2010 have been complied with while preparing financial statements and also in compliance with the companies Act 1994, in addition, the Bangladesh Securities and Exchange Commission Rules 1987, Listing Regulation of Dhaka Stock Exchange Ltd. (DSE) & Chittagong Stock Exchange Ltd. (CSE). Detailed description of accounting policies and estimation used for preparation of the financial statements of the company are disclosed in the note 2.0 of the financial statements.

Despite of country's political flux in last quarter of the year 2018, the key operating and financial performance as well as cash flows for immediate preceding five years are as follows;

Particulars	2018	2017	2016	2015	2014
Gross Premium	462.35	422.60	373.38	351.49	329.14
Net Premium	246.60	247.21	209.68	241.63	209.00
Underwriting Profit	120.42	117.81	110.96	130.98	92.43
Investment Income	15.88	14.72	14.41	24.99	35.97
Net profit before tax	99.55	99.03	93.75	90.26	89.96
Net profit after tax	70.49	69.42	66.21	64.16	63.35
EPS	1.65	1.63	1.55	1.50	1.49
NOCFPS	1.33	3.22	1.17	0.90	0.55
Paid-up capital	426.60	426.60	387.81	346.26	314.78
Shareholders' equity	879.19	851.36	781.94	715.73	651.57
Total assets	1354.88	1282.29	1129.28	1110.65	1188.03
NAV (Per Share)	20.61	19.96	18.33	16.78	15.27

The underwriting result along with income even in this competitive insurance market has exhibited positive growth which has been presented in detail in the report of Board of Directors.

Our commitment to sustainability through our inventive and diversified products, innovative IT infrastructure development and software solution, implementation of standard operating procedures. We are always concerned about the benefit of the clients and the betterment of the company. Our other goal of doing business through the speedy settlement of the claims. We believe that insurers must be seen as being in the business of identifying policyholders; interest when misfortune strikes. Insurers have to pay valid claims quickly for the compensation of the clients. We will continue implementing our projects and delivering value to our clients and other stakeholder.

We believe that compliance to regulations introduced by Insurance Development and Regulatory Authority (IDRA) is our top priority. Adequate service levels, good

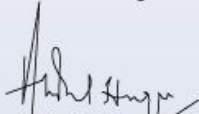


corporate governance practices & compliance with regulations can have a significant impact on the company's sustainability. We aspire to the highest standard of corporate governance and apply the codes as set out by BSEC as well as abide by the rules & regulations of Registrar Joint Stock Companies & Firms (RJSC), Dhaka Stock Exchange Ltd. (DSE), Chittagong Stock Exchange Ltd. (CSE), Central Depository of Bangladesh Ltd., Sadharan Bima Corporation, Bangladesh Bank, all schedule Banks & Non Banking Finance Institutions. We are really thankful to our employees for their dedicated commitment during the year 2018 and hope for continuance in the years to come.

Finally I wish to express my profound gratefulness to the honorable Board of Directors for their valuable guidance, support and advices to proceed with the work smoothly to attain the optimum goal of the company.

I sincerely thank each and every shareholder for their unshakable trust and confidence in making the year 2018 a success and we are always looking for ideal opportunities for them. I assure all shareholders that we will make every effort to honor their trust for running the company with the highest level of ethics, integrity and honesty.

With best regards



**Abdul Haque FCA**  
Chief Executive Officer



## Report of the Board of Directors

Bismillahir Rahmanir Rahim

Dear Shareholders,

**Assalamu Alaikum,**

On behalf of the Board of Directors, we take this opportunity to express our gratitude and welcome you all to the 23rd Annual General Meeting of Northern General Insurance Co. Ltd. as we present before you the Directors' Report and Audited Financial Statements of the company for the year ended 31st December, 2018 together with the Auditors' Report there on, for consideration and approval of our valued shareholders in accordance with the prevailing rules & regulations. These were approved by the Board of Directors of the company on April 27, 2019. Before reviewing the performance of our company in 2018, it may be appropriated to briefly review the Global Economy, its impact on Bangladesh scenario and the situation prevailing in the insurance sector of the country.

### **Global and Bangladesh Economy**

International Monetary Fund (IMF) had forecast for 2019 in January in its World Economy Outlook that the global economy will grow 3.3 percent this year, down from the 3.5 percent. The growth rate of 2019 would be the weakest since 2009, when the world economy shrank. The IMF is warning that risks are skewed to the downside, with a range of threats menacing the global economy, including the possible collapse of negotiations between U.S. and China to end their trade war as China could retaliate against the U.S. after president Donald Trump blacklisted Huawei Technologies Company and the departure of Britain from the European Union without a transition agreement, known as the "no-deal" Brexit Scenario. The Fund cut its forecast for U.S. growth to 2.3 percent this year, down 0.2 percentage point. The IMF slashed its outlook for the euro area to 1.3 percent this year down 0.3 percent point from three months ago. Growth is expected to be softer in several major European economies, including Germany, where weak global demand and tougher car-emission standards have hit factory production. The IMF raised its forecast for Chinese growth by 0.1 point to 6.3 percent this year, while lowering its projection for growth in Japan by 0.1 point to 1 percent. The fund cut its outlook for India's growth this year to 7.3 percent, down from 7.5 percent in this January.

According to Bangladesh Bureau of Statistics (BBS), the GDP growth rate of the country stood at 7.86 percent in fiscal year 2017-18 from the preliminary estimation of 7.65 percent. This growth registered for outstanding success in the agriculture sector. In the 2017-18 fiscal year, the contribution of agriculture sector to the country's GDP was 13.82%



while the industry and services sector contributed 30.17% and 56% respectively. After analyzing the data for the first eight months of the year (July-February) the BBS estimates a record economic growth of 8.13 percent at the end of the fiscal year 2018-2019. Asian Development Bank makes the prediction in its "Asian Development outlook 2019" that the GDP of Bangladesh is expected to grow by 8 percent in 2019-2020 with robust private consumption, increased public investment, strong export performance and expansion in industries. To sustain this momentum in the medium to long term, Bangladesh require expended industrial base, diversified export basket, improved business environment for vibrant private sector development, expanded tax base, better revenue collection for increased resource allocation and human capital development. Strengthening the banking sector, sound debt management, removing the cost of doing business are important to help achieve the long term development in the country.

The insurance sector in Bangladesh is still in its adolescence because the introduction of the Insurance Act 2010 are yet to be completed as the important regulation under the Act, have not yet been introduced. It is hoped that the Regulations will soon be put in place, thereby removing the present state of vacuum in Insurance Laws. Consequently, the situation in Bangladesh non life market has continued to worsen due to intense and cut throat competition among the existing market players. Regulatory reforms to modernize strict enforcement of these and whole hearted adherence to all are needed to free the industry from unwanted practices and to glorify its dignity.

#### **Financial Achievement**

In the year ended on 31st December, 2018 the Gross premium income of the company stood at Tk. 462.35 million against Tk. 422.60 million during the year 2017. Total Investment including FDR reached to Tk. 300.04 million during the year compare to Tk. 291.26 million in 2017 and Total Assets stood at Tk. 1,354.88 million against Tk. 1,282.29 million in 2017.

#### **Profit**

Due to tremendous fall in rate of interest/profit on fixed deposit during the year 2018 Investment Income stood at Tk. 15.88 million against Tk. 14.72 million in 2017. In spite of small increase in investment income your Company earned Net Profit before tax Tk. 99.55 million in 2018 against Tk. 99.03 million in 2017.

#### **Client Service & Claim Settlement**

The Board of Directors of the company follows the principle of increasing goodwill of the company in all respect such as prompt settlement of Claim, Payment of dues (if any) in time, improvement of prompt services to the clients, associates, well wishers and to look after the well-being irrespective of rank and file of the insured to maintain excellent friendly atmosphere at all time. The Claim Department of Northern General Insurance Co. Ltd. is fully equipped with devoted and efficient professionals capable of providing personalized services to the valued clients round the clock. The Gross Claim paid during the year stood at Tk. 81.11 million against Tk. 84.99 million in 2017.



### Reserve & Surplus

In order to build strong and solid foundation of Assets & Reserve based Company, the Board of Directors proposed to transfer Tk. 24.66 million only to Reserve for Exceptional Losses Account during the year and therefore, the Reserve and Surplus stood at Tk. 466.12 million in 2018 as follows:

	In Million Tk.
Reserve for Exceptional Loss	187.69
Reserve for Un-expired Risk	99.55
Revaluation Surplus	178.88
<b>Total</b>	<b>466.12</b>

### Earning Per Share

Company's attributable profit to the ordinary shareholders is Tk. 86.02 million in 2018. During this year Company's Earning Per Share (EPS) stood at Tk. 1.65 (face value per share Tk. 10/-).

### Dividend

Our long term goal is to maximize shareholders interest on their investment. Keeping this objective in mind, the Board of Directors recommended 10% Cash Dividend to the shareholders of the Company for the year ended 31st December 2018 subject to approval in the 23rd AGM.

### Investment

The total Investment including FDR of the Company stood at Tk. 300.04 million at the end of the year 2018 as against Tk. 291.26 million in 2017.

	Year 2018 In Million Tk.	Year 2017 In Million Tk.
Fixed Deposit with various Banks	225.00	206.21
Bangladesh Govt. Treasury Bond	25.00	25.00
First Security Islami Bank (FSIB) Subordinated Bond	0.00	10.00
FSIB 2nd Mudaraba Subordinated Bond	50.00	50.00
Share in Public Limited Company	0.04	0.05
<b>Total</b>	<b>300.04</b>	<b>291.26</b>

## Financial Summary

Particulars	Taka in Million				
	2018	2017	2016	2015	2014
Gross Premium	462.35	422.60	373.38	351.49	329.14
Net Premium	246.60	247.21	209.68	241.63	209.00
Gross Claim Paid	81.11	84.99	92.17	56.29	60.22
Underwriting Profit	120.42	117.81	110.96	130.98	92.43
Investment Income	15.88	14.72	14.41	24.99	35.97
Net Profit (before tax)	99.55	99.03	93.75	90.26	89.96
Investment including FDR	300.04	291.26	211.87	178.74	407.06
Fixed Assets	318.71	320.61	307.87	316.75	352.90
Total Assets	1,354.88	1,282.29	1,129.28	1,110.65	1,188.03
Operating Income Ratio (%)	40.37	40.06	44.71	37.36	43.04
Net Income Ratio (%)	28.58	28.08	31.58	26.55	30.45
Earning Per Share (Taka)	1.65	1.63	1.55	1.50	1.49
Face Value Per Share	Tk. 10	Tk. 10	Tk. 10	Tk. 10	Tk. 10

## Retirement of Directors

At the 23rd Annual General Meeting the following Directors from 'A' Group shall be retired by rotation as per article 112 & 114 of the Articles of Associations of Company, being eligible, they offer themselves for re-appointment:

- 1) Alhaj Nasiruddin
- 2) Mr. Abdul Matin
- 3) Mr. Shahriar Khaled

In accordance with the provision of clause 112 of the Articles of Association of the Company the following 2 Directors belonging to Group -B will retire in the 23rd Annual General Meeting:

- 1) Alhaj Abdus Samad
- 2) Alhaj Md. Saiful Alam

With a view to inform all public shareholders, the relevant notice in relation to Election of Directors from Public Shareholders 2019 has already been published on April 23, 2019 in two National Dailies.

## Human Resource Management

In the perspective of the national economy of the country, the principal goal is to generate more and more employment. All of you know that the skilled manpower plays a very vital role in achieving a gradual achieved goal. You would be pleased to know that

presently 296 efficient and dedicated professional officers & staff are working in the company holding various positions. To build up an efficient and enriched team, through all level of officers and staff, different types of training have been arranged that has given a positive improvement on overall image of the company.

#### **Appointment of Auditor(s)**

The present Auditor M/S Rahman Mostafa Alam & Co., Chartered Accountants of "Paramount Heights (7th Floor, D2 & C1), 65/2/1 Box Culvert Road, Purana Paltan, Dhaka-1000 is going to retire in the 23rd Annual General Meeting and they have completed their assignment as Auditor(s) for last 3 years 2018. To comply BSECs' requirement the Board of Directors of Northern General Insurance Company Ltd. recommended M/S Hussain Farhad & Co., Chartered Accountants, Address: House # 15, Road # 12, Block # F, Niketon, Gulshan-1, Dhaka-1212 as they expressed their willingness & offered themselves as Statutory Auditor of the company for the year 2019, subject to approval in the 23rd Annual General Meeting.

#### **Credit Rating**

The Company has been rated as "AA" in the Long Term and "ST-2" in the Short Term by the Government approved Alpha Credit Rating Ltd. on the basis of Audited Financial Statements for the year ended December 31, 2018 and the other relevant information. The rating is supported by increasing gross premium, prudent underwriting and dividend policy, prompt settlement of claims etc.

#### **Corporate Governance**

The Board of Directors of the company firmly believes that practice of Good Corporate Governance and transparency is a sine qua non towards ensuring a disciplined and a sustainable organization. The main objective of corporate governance is to ensure publicizing the transparency and accountability through a mix of national and social responsibilities with the company's individual goal and its outcome. In pursuant to the Bangladesh Securities and Exchange Commission notification No. BSEC/CMRRCD/2006-158/207/Admin/80 dated 3 June, 2018, it is to highlight here that the listed companies of Bangladesh have taken steps to adapt such Corporate Governance. Accordingly the Board of Directors of Northern General Insurance Company Limited has taken this notification into their consideration and in trail to that you are requested to look at your company's present status in Annexure-1 to Annexure-V.

#### **Looking Ahead**

This year the company has set up a challenging business target and in order to achieve the same, some concrete initiatives have also been adopted and we believe that our endeavour to provide quality and prompt services to the clients will be helpful to increase the volume of business. We hope and believe that Insha Allah, the endeavour of the management with full co-operation & active participation of all of us, we shall continue our progress in the coming days too.



## Acknowledgement

The Board of Directors deeply appreciates the gracious support and co-operation extended by the Government of the Peoples Republic of Bangladesh particularly the Ministry of Finance, Insurance Development and Regularity Authority, Bangladesh Securities and Exchange Commission, Dhaka Stock Exchange Limited, Chittagong Stock Exchange Limited, Registrar of Joint Stock Companies & Firms, Central Depository of Bangladesh Ltd, Alpha Credit Rating Ltd. The Board also like to put on record its appreciation and service rendered by IDRA, Sadharan Bima Corporation, Bangladesh Insurance Association, Bangladesh Insurance Forum and Bangladesh Insurance Academy. The Board also would like to thank Bangladesh Bank and all scheduled Banks, Financial Institutions, our valued clients, patrons and well wishers for their continuous assistance and co-operation, patronization and encouragement extended to us on various aspects.

We also offer sincere gratitude and thanks for all out efforts and team spirit of the Chief Executive Officer, CFO, Company Secretary, Senior Executives, Officers and the Employees of the company for their sincere and dedicated services towards greater success. We always solicit your continuous co-operation, hard work and valuable suggestions during the days ahead as done before.

We are also highly grateful to our colleagues and express our heartfelt thanks and gratitude to our dear fellow colleagues, the Chairman of Executive Committee, Claims Committee, Audit Committee and Convener of Manpower Review Committee of the Board of Directors for their valuable suggestion, noble counsel, active co-operation and unstinted support towards achieving the cherish goals of the Company.

We all are very grateful to Almighty Allah who has helped us and given us the courage to lead the Company towards a better future.

For and on behalf of the  
Board of Directors

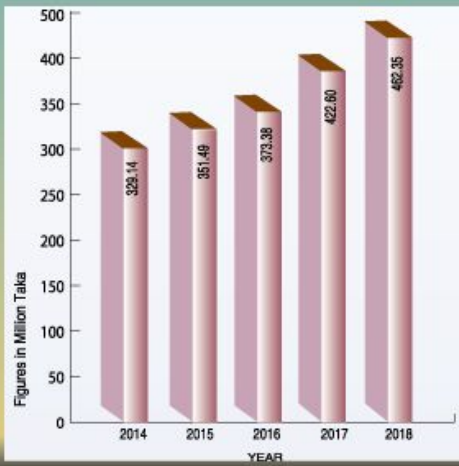
Northern General Insurance Company Limited.



(Abdul Matin)  
Chairman of the Board

## Graphical Data

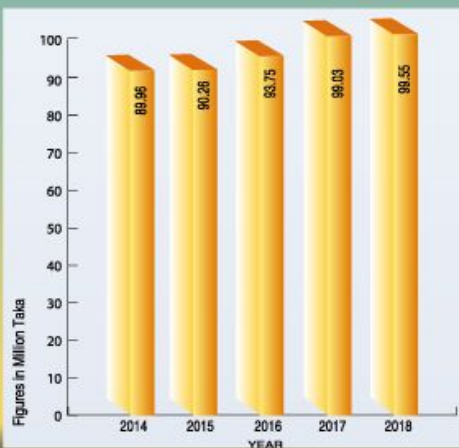
**Gross Premium**



**Gross Claim Paid**



**Net Profit**



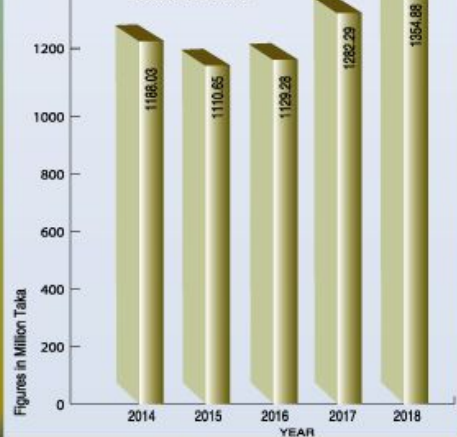
**Earning Per share**



**Investment**



**Total Asset**





## Compliance Report to Bangladesh Securities and Exchange Commission (under section 184 of the Companies Act, 1994)

### Annexure-I

#### The Directors also report that-

- ☐ Related party Transaction are depicted in Note no. 21, 21.1 & 21.2 in the Notes of Accounts.
- ☐ Remuneration of Directors including Independent Director have been shown in the statement of comprehensive income.
- ☐ The Financial Statements of the company present true and fair view of the Company's state of affairs, result of its operation, cash flows and changes in equity.
- ☐ Proper books of accounts as required by the prevailing law have been maintained.
- ☐ Appropriate accounting policies have been followed in formulating the financial statements and accounting estimates were reasonable and prudent.
- ☐ The financial statements were prepared in accordance with IAS/BAS/IFRS/BFRS.
- ☐ The internal control system is sound in design and is effectively implemented and monitored.
- ☐ There is no significant doubt about the company's ability to continue as a going concern.
- ☐ There is no significant deviation from the operating result of the last year.
- ☐ During the year ended December 31, 2018 the Board of Directors held 8 meetings and the Directors serving on the Board attended in aggregate 80% of the total number of the meetings.
- ☐ The pattern of shareholding (along with name detail) of Partner/Subsidiary/Associated companies and other related parties, Directors, Chief Financial Officer, Head of Internal Audit and their spouse and minor children, Executives, shareholders holding 10% as at December 31, 2018 are as stated in **Annexure-II**.
- ☐ Key operating and financial data of last five years have been presented in summarized form in **Report of the Board of Directors**.
- ☐ Brief Resume of the Directors along with others necessary particulars are stated in **Profile of Directors and their attachment**.
- ☐ A management's discussion and Analysis signed by CEO & Managing Director presenting detailed analysis of the company's positions and operations along with a brief discussion of changes in financial statements, among others in **Chief Executive Officer Review**.
- ☐ Declaration or certification by the CEO and the CFO to the Board as required under condition No. 3(3) is disclosed in **Annexure-IV**.
- ☐ The report as well as certificate regarding compliance of condition of this code as required under condition. 9 is disclosed in **Annexure-V**.

## Shareholding Pattern of Directors & Sponsors:

(as at 31st December, 2018)

### ANNEXURE-II

Share holding by Companies, Directors, Sponsors, their Spouse & Children

Particulars	No. of Share Held	Percentage	Remark
<b>Parent Company</b>	–	–	The Company is not subsidiary of any company
<b>Directors</b>			
Mr. Abdul Matin	9,27,111	2.17	
Mr. Mohammad Azam	9,84,385	2.31	
Al-haj Nasiruddin	9,27,111	2.17	
Mr. S.M. Ayub Ali Chowdhury	10,92,504	2.56	
Mr. Md. Sarwar Salim	9,41,897	2.21	
Mrs. Ferdousi Islam	12,45,647	2.92	
Al-haj Abdus Samad	9,27,111	2.17	
Mr. Shahriar Khaled	9,27,111	2.17	
Barrister Faysal Ahmed Patwary	12,45,645	2.92	
Mrs. Thamina Rahman	12,45,647	2.92	
Mr. Md. Mortuza Siddique Chowdhury	9,27,111	2.17	
Mr. Mohammed Shafiul Azam	11,71,111	2.75	
Al-haj Md. Saiful Alam	8,54,231	2.00	
Ms. Maimuna Khanam	7,78,285	1.83	
Mr. Arshadul Alam	12,45,647	2.92	
Late Hamidul Haq	27,181	0.06	
Chief Executive Officer(CEO) and his spouse and minor children :	NIL		
Chief Financial Officer(CFO) and his spouse and minor children :	NIL		
Company Secretary (CS) and his spouse and minor children :	NIL		
Head of Internal Audit and his spouse and minor children :	NIL		
Executives (Top salaried person other than CEO, CFO, CS, HIA) :	NIL		
Shareholders Holding 10% or more voting right :	NIL		



## Compliance of Notification

No. BSEC/CMRRCD/2006-158/207/Admin/80 dated 3 June, 2018

### ANNEXURE-III

#### 1. BOARD OF DIRECTORS:

##### 1.1 Board's Size

The member of the Board Directors within the limit given by BSEC

##### 1.2 Independent Director's:

- (i) In terms of the Provision under this sub-clause the Board of Directors has appointed 2 (two) nos. Independent Director as per Insurance Act'2010.
- (ii) The Independent Director, nominated by the Board of Directors meets all the requirement as prescribed under the Corporate Governance Code of BSEC
- (iii) In terms of provision of BSEC Notification under reference the shareholders in the AGM are required to approve the appointment of Mrs. Umme Habiba Akhter for 3 years as Independent Director.
- (iv) The post of Independent Director shall not be kept vacant for more than 90 days.
- (v) The Board of Directors has laid down a code of conduct for all members of the Board.
- (vi) The tenure of office of the Independent Director as nominated above shall be 3(three) years which may be extended for 1 (one) term only.

##### 1.3 Qualification of Independent Director (ID)

- (i) The Independent Director nominated by the Board is highly qualified and knowledgeable person.
- (ii) The recommended IDs' have more than 10 years experiences.

##### 1.4 Duality of Chairperson of the Board of Directors and Managing Director or CEO

- (i) The position of the Chairman of the Board and the Chief Executive Officer stand separate. The roles of the Chairman and CEO & Managing Director are separate.
- (ii) The Board defined respective roles and responsibilities of the Chairperson/Chairman and the Managing Directors and/or Chief Executive Officer

##### 1.5 The Director's Report to Shareholders

All the requirements have been fulfilled.

##### 1.6 The Company is conducting Board Meeting and record the minutes of the meeting in line with the provisions of the relevant Bangladesh Secretarial Standards (BSS) as adopted by the Institute of Chartered Secretaries of Bangladesh (ICSB)

##### 1.7 Code of Conduct for the Chairperson, other Board members and Chief Executive Officer.

All the requirements have been fulfilled.

2. **GOVERNANCE OF BOARD OF DIRECTORS OF SUBSIDIARY COMPANY.**  
The Company has no Subsidiary Company.
3. **CHIEF FINANCIAL OFFICER (CFO), HEAD OF INTERNAL AUDIT & COMPLIANCE AND COMPANY SECRETARY (CS)**  
All the requirements have been fulfilled.
4. **BOARD OF DIRECTORS' COMMITTEE**  
For ensuring good governance of the company the Board has the following sub-committee:  
01) Audit Committee  
02) Nomination & Remuneration Committee
5. **AUDIT COMMITTEE:**  
The Audit Committee, as a sub-Committee of the Board, has been constituted with the Independent Director as Chairman. Role of the Audit Committee as per provision of the BSEC regulation, has been duly adopted by the Board. Their reports are being submitted as per BSEC requirements.
6. **NOMINATION AND REMUNARATION COMMITTEE**, as a sub-committee of the Board, assists the Board in formulation of the nomination criteria or policy for determining qualification, positive attributes, experience and independence of directors and top level executive. The Committee is independent and accountable to the Board and to the shareholders.
7. **EXTERNAL/ STATUTORY AUDITOR(S):**  
The BSEC guidelines are being strictly followed in engaging Statutory Auditors.
8. **MAINTAINING A WEBSITE BY THE COMPANY:**  
Northern General Insurance Co. Ltd. has a website link with the Stock Exchanges and detail disclosures of the company are available on its website under the listing regulations.
9. **REPORTING AND COMPLIANCE OF CORPORATE GOVERNANCE:**  
Requirement on the above are being complied with.



## Responsibilities of CEO & CFO

### Annexure - IV

**The Board of Directors  
Northern General Insurance Co. Ltd.**

**Subject: Declaration on Financial Statements for the year ended on 31 December 2018**

Dear Sirs,


Pursuant to the condition No. 1(5)(xxvi) imposed vide the Commission's Notification No. BSEC/CMRRCD/2006-158/207/Admin/80 Date 03 June 2018 under section 2CC of the Securities and Exchange Ordinance, 1969, we do hereby declare that:


- (1) The Financial Statements of Northern General Insurance Company Limited for the year ended on 31 December 2018 have been prepared in compliance with International Accounting Standards (IAS) or International Financial Reporting Standards (IFRS), as applicable in the Bangladesh and any departure there from has been adequately disclosed;
- (2) The estimates and judgments related to the financial statements were made on a prudent and reasonable basis, in order for the financial statements to reveal a true and fair view;
- (3) The form and substance of transactions and the Company's state of affairs have been reasonable and fairly presented in its financial statements;
- (4) To ensure above, the Company has taken proper and adequate care in installing a system of internal control and maintenance of accounting records;
- (5) Our internal auditors have conducted periodic audits to provide reasonable assurance that the established policies and procedures of the Company were consistently followed; and
- (6) The management's use of the going concern basis of accounting in preparing the financial statements is appropriate and there exists no material uncertainty related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern.

In this regard, we also certify that:-

- (i) We have reviewed the financial statements for the year ended on 31 December 2018 and that to the best of our knowledge and belief:
  - (a) These statements do not contain any materially untrue statements or omit any material fact or contain statements that might be misleading;
  - (b) These statements collectively present true and fair view of the Company's affairs and are in compliance with existing accounting standards and applicable laws.
- (ii) There are, to the best of knowledge and belief, no transactions entered into by the Company during the year which are fraudulent, illegal or in violation of the code of conduct for the company's Board of Directors or its members.

Sincerely yours,

  
**Abdul Haque FCA**  
Chief Executive Officer (CEO)

  
**Sujit Kumar Dey FCA**  
Chief Financial Officer (CFO)

## AUDIT COMMITTEE REPORT

For the year ended 31st December, 2018

The Audit Committee of Northern General Insurance Co. Ltd. is a sub-committee of the Board of Directors and is appointed by the Board of Directors. The Audit Committee consists of the following Directors:

Name	Status	Position of Audit Committee
Mrs. Umme Habiba Akhter	Independent Director	Chairman
Mr. Abdul Matin	Director	Member
Al-haj Abdus Samad	Director	Member
Alhaj Nasiruddin	Director	Member
Mr. Md. Sarwar Salim	Director	Member
Mr. S. M. Ayub Ali Chowdhury	Director	Member

The Committee held 10 meetings during the year as per following:

Name of the Meeting	Total Meeting held during the 2018	Attended
Audit Committee Meeting	6 (Six)	98% attendance on average

### Activities of the Audit Committee:

- Reviewed and recommended to the Board to approve the financial statements prepared for statutory purpose;
- Report to the Board of Directors on internal audit finding from time to time considering the significance of the issues;
- Carry on a supervision role to safeguard the systems of governance and independence of statutory auditors; and
- Reviewed and considered the internal auditor's report and management report submitted by the statutory auditor's regarding observations on internal control. The Audit Committee is of the view that risk management associated with the insurance business is adequately controlled.
- The Committee reviewed the internal audit reports, quarterly, half yearly, annual financial statements and the external audit report and recommended to the board for consideration. The Committee did not find any material deviation, discrepancies or any adverse finding/observation in the areas of reporting.

Umme Habiba Akhter

**Umme Habiba Akhter**

Chairman

Audit Committee



## Nomination and Remuneration Committee (NRC)

The NRC of Northern General Insurance Co. Ltd. is a sub committee of the Board of Directors and is appointed by the Board of Directors as follows;

Sl. No.	Name	Position
01	Mrs. Umme Habiba Akhter, Independent Director	Chairman
02	Mr. Abdul Matin, Chairman, BOD	Member
03	Mr. Md. Sarwar Salim, Director	Member
04	Alhaj Abdus Samad, Director	Member
05	Alhaj Nasiruddin, Director	Member
06	Mr. Abdul Haque FCA, MD & CEO	Member

### Activities of the NRC

- 1) NRC shall be independent and responsible or accountable to the Board and to the shareholders;
- 2) NRC shall oversee, among others, the following matters and make report with recommendation to the Board;
  - a. Formulating the criteria for determining qualifications, positive attributes and independence of a director and recommend a policy to the Board, relating to the remuneration of the directors, top level executive, considering the following;
    - i) the level and composition of remuneration is reasonable and sufficient to attract, retain and motivate suitable directors to run the company successfully;
    - ii) the relationship of remuneration to performance is clear and meets appropriate performance benchmarks; and
    - iii) remuneration to directors, top level executive involves a balance between fixed and incentive pay reflecting short and long-term performance objectives appropriate to the working of the company and its goals;
  - b. devising a policy on Board's diversity taking into consideration age, gender, experience, ethnicity, educational background and nationality;
  - c. identifying persons who are qualified to become directors and who may be appointed in top level executive position in accordance with the criteria laid down, and recommend their appointment and removal to the Board;
  - d. formulating the criteria for evaluation of performance of independent directors and the Board;
  - e. identifying the company's needs for employees at different levels and determine their selection, transfer or replacement and promotion criteria; and
  - f. developing, recommending and reviewing annually the company's human resources and training policies;
- 3) The Committee shall report to the Board and disclose the nomination and remuneration policy and the evaluation criteria and activities of NRC during the year at a glance in its annual report.



দাশ চৌধুরী দত্ত এন্ড কোং  
**DAS CHOWDHURY DUTTA & CO.**  
CHARTERED ACCOUNTANTS

Well Tower ( 1st Floor), Flat- A/1  
12/A Purana Paltan Line, Dhaka  
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74 Agrabad com. Area, Chittagong  
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E-mail : dcdctg@outlook.com

Website : [www.daschowdhurydutta.com](http://www.daschowdhurydutta.com)

**[Certificate as per condition No. 1 (5) (xxvii)]**

**Report to the Shareholders of  
Northern General Insurance Company Limited  
on Compliance on the Corporate Governance Code**

We have examined the compliance status to the Corporate Governance Code by **Northern General Insurance Co. Limited** for the year ended on **31 December 2018**. This Code relates to the Notification No. **BSEC/CMRRCD/2006-158/207/Admin/80 dated 03 June 2018** of the Bangladesh Securities and Exchange Commission (BSEC).

Such compliance with the Corporate Governance Code is the responsibility of the Company. Our examination was limited to the procedures and implementation there of as adopted by the Management in encuring compliance to the conditions of the Corporate Governance Code.

This is a scrutiny and verification and an independent audit on compliance of the conditions of the Corporate Governance Code as well as the provisions of relevant Bangladesh Secretarial Standards (BSS) as adopted by institute of Chartered Secretaries of Bangladesh (ICSB) in so far as those standards are not inconsistent with any condition of this Corporate Governance Code.

We state that we have obtained all the information and explanations, which we have required and after due scrutiny and verification there of, we report that, in our opinion:

- (a) The Company has complied with the conditions of the Corporate Governance Code as stipulated in the above mentioned Corporate Governance Code issued by the Commission.
- (b) The Company has complied with the provisions of the relevant Bangladesh Secretarial Standards (BSS) as adopted by the Institute of Chartered Secretaries of Bangladesh (ICSB) as required by this Code.
- (c) Proper books and records have been kept by the company as required under the Companies Act, 1994, the securities laws and other relevant laws and
- (d) The Governance of the company is satisfactory.

Dhaka, 14 May 2019





**Sunirmal Chowdhury FCA**  
Partner  
**Das Chowdhury Dutta & Co.**  
(CHARTERED ACCOUNTANTS)



## Compliance Report on CGC

### Annexure-V

Status of Compliance with the Corporate Governance Code (CGC) [As per condition No. 1(5) (xxvii)]  
 Status of compliance with the conditions imposed by the Commission's Notification No.  
 BSEC/CMRRCD/2006-158/207/Admin/80 dated 3 June 2018 (Report under Condition No. 9)

Condition No.	Title	status		Remarks
		Complied	Not complied	
1.	Board of Directors			
1(1)	The number of Board members shall not be less than 5 (five) and more than 20 (twenty)	✓		
1(2)(a)	At least one-fifth (1/5) of the total number of directors shall be Independent Directors (ID);	✓		As per insurance act
1(2)(b)(i)	IDs do not hold any share or holds less than 1% shares of the total paid-up shares of the company	✓		Declared by independent director
1(2)(b)(ii)	ID is not a sponsor and not connected with any sponsor or director or nominated director or shareholder or any of its associated, sister concerns, subsidiaries and parents or holding entities who holds one percent (1%) or more shares of the total paid-up shares and his or her family members shall not hold above mentioned shares;	✓		
1(2)(b)(iii)	ID has not been an executive of the company in immediately preceding two financial years;	✓		
1(2)(b)(iv)	ID does not have any pecuniary or otherwise relationship with the company or its subsidiary/associated companies;	✓		
1(2)(b)(v)	ID is not a member or TREC holder, director or officer of any stock exchange;	✓		
1(2)(b)(vi)	ID is not a shareholder, director excepting independent director or officer of any member or TREC holder of stock exchange or an intermediary of the capital market;	✓		
1(2)(b)(vii)	ID is/was not a partner or an executive of company's audit firms engaged in Statutory Audit or Internal Audit or Special Audit or Compliance Certification of the Codes during preceding three years;	✓		
1(2)(b)(viii)	ID shall not be independent director in more than five listed companies;	✓		
1(2)(b)(ix)	ID has not been convicted by a court of competent jurisdiction as a defaulter in payment of any loan or any advance to a bank or NBFIs;	✓		

Condition No.	Title	status		Remarks
		Complied	Not complied	
1(2)(b)(x)	ID has not been convicted for a criminal offence involving moral turpitude;	✓		
1(2)(c)	Appointment of ID shall be done by Board and approved by shareholders in the AGM;	✓		
1(2)(d)	The position of IDs cannot remain vacant for more than ninety days;	✓		
1(2)(e)	The tenure of office of an ID shall be for Three years, which may be extended for One tenure only;	✓		
1(3)(a)	ID shall be a knowledgeable individual with integrity who is able to ensure compliance with financial, corporate laws, regulatory requirements and can make meaningful contribution to the business;	✓		
1(3)(b)(i)	ID is a Business Leader who is/was a promoter or director of an unlisted company having minimum paid-up capital of One Hundred million or any listed company or a member of any national or international chamber of commerce or business association;	✓		
1(3)(b)(ii)	ID is/was a Corporate Leader as top level executive as adopted by the code and a candidate with equivalent position of an unlisted company having minimum paid up capital of Tk. 100.00 million or of a listed company;	✓		
1(3)(b)(iii)	ID is/was Former official of government in the position not below 5th Grade at the national pay Scale	✓		
1(3)(b)(iv)	ID is/was University Teacher who has educational background in Economics or Commerce or Business Studies or Law;	✓		
1(3)(b)(v)	ID is/was a professional or an advocate practicing in the HCD of Bangladesh Supreme Court or a CA, CMA, CFA, CCA, CPA and CS or equivalent qualification;	✓		
1(3)(c)	The ID shall have at least Ten years of experiences in any field mentioned in clause (b);	✓		
1(3)(d)	Special cases for relaxing qualifications or experiences with prior approval of the Commission;			
1(4)(a)	Chairperson of the Board and the Chief Executive Officer of the company is different individual having clearly defined their respective roles and responsibilities by the board;	✓		

Condition No.	Title	status		Remarks
		Complied	Not complied	
1(4)(b)	Chairperson of the Board and the MD and/or CEO of the company shall be different individuals;	✓		
1(4)(c)	Chairperson elected from among the non-executive directors of the company;	✓		
1(4)(d)	The board clearly defined respective roles of the Chairperson and the Managing Director;	✓		
1(4)(e)	In absence of chairperson, the remaining members may elect one from non-executive directors as Chairperson for that particular Board's meeting;	✓		
1(5)(i)	An industry outlook and possible future developments;	✓		
1(5)(ii)	Segment-wise or product-wise performance;	✓		
1(5)(iii)	Risks and concerns including internal and external risk factors, threat to sustainability and negative impact on environment, if any;	✓		
1(5)(iv)	A discussion on Cost of Goods sold, Gross Profit Margin and Net Profit Margin, where applicable;	✓		
1(5)(v)	A discussion on continuity of any extraordinary activities and their implications (gain or loss);	✓		
1(5)(vi)	A detailed discussion and statement on related party transactions;	✓		
1(5)(vii)	A statement of utilization of proceeds raised through public issues, rights issues and/or any other instruments;	✓		
1(5)(viii)	An explanation if the financial results deteriorate after the company goes for Initial Public Offering (IPO), Repeat Public Offering (RPO), Rights share Offer, Direct Listing, etc.;	✓		
1(5)(ix)	An explanation on any significant variance between Quarterly Financial performances and Annual Financial Statements;	✓		
1(5)(x)	A statement of Directors remuneration;	✓		
1(5)(xi)	A statement on fair preparation of the financial statements by the management of the issuer company;	✓		
1(5)(xii)	A statement that proper books of account of the issuer company have been maintained;	✓		



Condition No.	Title	status		Remarks
		Complied	Not complied	
1(5)(xiii)	A statement that appropriate accounting policies have been consistently applied in the financial statements and that the accounting estimates are based on reasonable and prudent judgment;	✓		
1(5)(xix)	IAS/BAS/IFRS/BFRS, as applicable in Bangladesh, have been followed in preparation of the financial statements and any departure there-from has been adequately disclosed;	✓		
1(5)(xv)	A statement that the system of internal control is sound in design and has been effectively implemented and monitored;	✓		
1(5)(xvi)	A statement with regard to the protection of minority shareholders from abusive actions of controlling shareholders;	✓		
1(5)(xvii)	There is no significant doubt upon the issuer company's ability to continue as a going concern;	✓		No such significant deviation observed
1(5)(xviii)	An explanation that significant deviations from the last year's operating results of the issuer company shall be highlighted and the reasons thereof shall be explained;	✓		No such significant deviation observed
1(5)(xix)	Key operating and financial data of at least preceding 5 (five) years shall be summarized;	✓		Available in the Annual Report
1(5)(xx)	An explanation on the reasons if the issuer company has not declared dividend (cash or stock) for the year;	✓		Declared dividend regularly
1(5)(xxi)	Board's statement to the effect that no bonus share or stock dividend has been or shall be declared as interim dividend;	✓		
1(5)(xxii)	The total number of Board meetings held during the year and attendance by each director;	✓		
1(5)(xxiii)(a)	Parent/Subsidiary/Associated Companies and other related parties (name wise details);	✓		Not applicable
1(5)(xxiii)(b)	Directors, Chief Executive Officer, Company Secretary, Chief Financial Officer, Head of Internal Audit and their spouses and minor children (name wise details);	✓		
1(5)(xxiii)(c)	Executives;	✓		
1(5)(xxiii)(d)	Shareholders holding ten percent (10%) or more voting interest in the company (name wise details);	✓		
1(5)(xxiv)(a)	A brief resume of the director;	✓		
1(5)(xxiv)(b)	Nature of expertise in specific functional areas;	✓		

Condition No.	Title	status		Remarks
		Complied	Not complied	
1(5)(xxiv)(c)	Names of companies in which the person also holds the directorship and membership of board committees;	✓		
1(5)(xxv)	A Management's Discussion and Analysis signed CEO or MD;	✓		
1(5)(xxv)(a)	Presenting detailed analysis of accounting policies and estimation for preparation of financial statements;	✓		
1(5)(xxv)(b)	Presenting detailed analysis of changes in accounting policies and estimation, if any;	✓		
1(5)(xxv)(c)	Presenting detailed analysis of comparative analysis (including effects of inflation) of financial performance or results and financial position as well as cash flows for current financial year with immediate preceding five years explaining reasons thereof;	✓		
1(5)(xxv)(d)	Presenting detailed analysis of compare such financial performance or results and financial position as well as cash flows with the peer industry scenario;	✓		
1(5)(xxv)(e)	Presenting detailed analysis of briefly explain the financial and economic scenario of the country and the globe;	✓		
1(5)(xxv)(f)	Presenting detailed analysis of risks and concerns issues related to the financial statements, explaining such risk and concerns mitigation plan of the company;	✓		
1(5)(xxv)(g)	Presenting detailed analysis of future plan or projection or forecast for company's operation, performance and financial position, with justification thereof, i.e., actual position shall be explained to the shareholders in the next AGM;	✓		
1(5)(xxvi)	Declaration or certification by the CEO and the CFO to the Board as required under condition No. 3(3) disclosed as per Annexure-A;	✓		
1(5)(xxvii)	The report and compliance certificate disclosed as per Annexure-B and Annexure-C;	✓		
1(6)	Conducting Board Meetings and recording the minutes of the meetings and keeping required books and records in line BSS as adopted by the ICSB;	✓		
1(7)(a)	Code of conduct, based on the recommendation of the NRC for the Chairman of the Board, other board members and Managing Director of the company;	✓		

Condition No.	Title	status		Remarks
		Complied	Not complied	
1(7)(b)	Code of conduct as determined by the NRC shall be posted on the website of the company;	✓		
<b>2.</b>	<b>Governance of Board of Director of subsidiary company</b>			
2(a)	Composition of the board of the subsidiary company;	✓		N/A
2(b)	Independent director of the holding company on the Board of the subsidiary company;	✓		N/A
2©	Review of minutes of the subsidiary company's Board meeting by the holding company's Board;	✓		N/A
2(d)	Statement as to the review of minutes of Subsidiary company by the holding company's Board;	✓		N/A
2(e)	Review of financial statements of Subsidiary company by the Audit Committee of the holding company;	✓		N/A
<b>3.</b>	<b>Managing Director (MD) or Chief Executive Officer (CEO), Chief Financial Officer (CFO), Head of Internal Audit and Compliance (HIAC) and Company Secretary (CS)</b>			
3(1)(a)	The Board shall appoint a MD or CEO, CS, CFO and HIAC;	✓		
3(1)(b)	The positions of the MD or CEO, CS, CFO and HIAC shall be filled by different individuals;	✓		
3(1)(c)	The MD or CEO, CS, CFO and HIAC of a listed company shall not hold any executive position in any other company at the same time;	✓		
3(1)(d)	Respective roles, responsibilities and duties of the CFO, the HIAC and the CS;	✓		
3(1)(e)	Removal of the MD or CEO, CS, CFO and HIAC with approval of the Board and immediate dissemination to BSEC and stock exchange(s);	✓		
3(2)	The MD or CEO, CS, CFO and HIAC of the company shall attend the meetings of the Board;	✓		
3(3)(a)(i)	Certification of CEO and CFO as to the review of financial statements with declaration that there is no materially untrue and misleading statement;	✓		
3(3)(a)(ii)	Certification of CEO and CFO as to the true and fair view of the financial statements and affairs of the Company's per applicable laws;	✓		
3(3)(b)	Certification of CEO and CFO that to the best of their knowledge and belief there was no fraudulent, illegal transactions during the year;	✓		



Condition No.	Title	status		Remarks
		Complied	Not complied	
3(3)(c)	The certification of the MD or CEO and CFO shall be disclosed in the Annual Report;	✓		
<b>4.</b>	<b>Board of Directors' Committee</b>			
4(i)	Board Audit Committee (BAC);	✓		
4(ii)	Nomination and Remuneration Committee;	✓		
<b>5.</b>	<b>Audit Committee</b>			
5(1)(a)	BAC as a sub-committee of the Board	✓		
5(1)(b)	BAC shall assist the Board of Directors as to the financial statements reflect true and fair view of the state of affairs of the company;	✓		
5(1)(c)	BAC is responsible to the Board. The duties of the BAC is clearly set forth in writing;	✓		
5(2)(a)	BAC is composed of 3 (three) members;	✓		
5(2)(b)	The Board appointed members of BAC who are non-executive directors and Chairperson is an ID;	✓		
5(2)(c)	All members of BAC are "financially literate" and 1 (one) member have accounting or related financial management background and 10 (ten) years of such experience;	✓		
5(2)(d)	Filling of casual vacancy in the BAC;	✓		
5(2)(e)	The CS shall act as the Secretary of the Committee.	✓		
5(2)(f)	The quorum of the BAC meeting have not constitute without ID	✓		
5(3)(a)	The Board of Directors select 1 (one) ID as the Chairman of BAC;	✓		
5(3)(b)	Election of Chairman of the particular meeting in absence of regular Chairperson of BAC recording the reasons of such absence in the minutes.	✓		
5(3)(c)	Chairman of the BAC shall remain present in the AGM;	✓		
5(4)(a)	BAC conducted four meetings in the financial year;	✓		
5(4)(b)	The quorum of the meeting of BAC constituted in presence of either two members including ID or two third of the members, whichever was higher;	✓		
5(5)(a)	Oversee the financial reporting process;	✓		

Condition No.	Title	status		Remarks
		Complied	Not complied	
5(5)(b)	Monitor choice of accounting policies and principles;	✓		
5(5)(c)	Monitor Internal Audit and Compliance process to ensure that it is adequately resourced;	✓		
5(5)(d)	Oversee hiring and performance of external auditors;	✓		
5(5)(e)	Hold meeting with the external or statutory auditors for review of the annual financial statements before submission to the Board for approval or adoption;	✓		
5(5)(f)	Review with the management, the annual financial statements before submission to the Board for approval;	✓		
5(5)(g)	Review with the management the quarterly and half yearly financial statements before submission to the Board for approval;	✓		
5(5)(h)	Review the adequacy of internal audit function;			
5(5)(i)	Review the Management's Discussion and Analysis before disclosing in the Annual Report;	✓		
5(5)(j)	Review statement of all related party transactions submitted by the management;	✓		
5(5)(k)	Review Management Letters or Letter of Internal Control weakness issued by statutory auditors;	✓		
5(5)(l)	Oversee the determination of audit fees based on scope and magnitude, level of expertise deployed and time required for effective audit and evaluate the performance of external auditors;	✓		
5(5)(m)	Oversee whether the proceeds raised IPO or RPO or Rights Share Offer have been utilized per the purposes stated in relevant offer document or prospectus approved by the Commission;	✓		
5(6)(a)(i)	The BAC shall report on its activities to the Board;	✓		
5(6)(a)(ii)(a)	The BAC shall immediately report to the Board if any report on conflicts of interests;	✓		No conflict of interest
5(6)(a)(ii)(b)	The BAC shall immediately report to the Board if any suspected or presumed fraud or irregularity or material defect identified in the internal audit and compliance process or in the financial statements;	✓		No such finding

Condition No.	Title	status		Remarks
		Complied	Not complied	
5(6)(a)(ii) (c)	The BAC shall immediately report to the Board if any suspected infringement of laws, regulatory compliances including securities related laws, rules and regulations;	✓		No such finding
5(6)(a)(ii) (d)	The BAC shall immediately report to the Board if any other matter which the Audit Committee deems necessary;	✓		
5(6)(b)	If any material impact on the financial condition and results of operation, unreasonably ignored by the management;	✓		
5(7)	Report on the activities carried out by the Audit Committee, including any report made to the Board of Directors under condition 5(6)(a)(ii);	✓		
<b>6.</b>	<b>Nomination and Remuneration Committee (NRC)</b>			
6(1)(a)	Nomination and Remuneration Committee (NRC) as a sub-committee of the Board;	✓		
6(1)(b)	The NRC shall assist the Board in formulation of the nomination criteria or policy for determining qualifications, positive attributes, experiences and independence of directors and top level executive as well as a policy for formal process of considering remuneration of directors, top level executive;	✓		
6(1)(c)	Tor of the NRC shall be clearly set forth in writing covering the areas stated at the condition No. 6(5)(b);	✓		
6(2)(a)	The Committee shall comprise of at least three members including an independent director;	✓		
6(2)(b)	All members of the Committee shall be non executive directors;	✓		
6(2)(c)	Members of the Committee shall be nominated and appointed by the Board;	✓		
6(2)(d)	The Board shall have authority to remove and appoint any member of the Committee			
6(2)(e)	In case of death, resignation, disqualification, or removal of any member of the Committee or in any other cases of vacancies, the board shall fill the vacancy within 180 (one hundred eighty) days of occurring such vacancy in the Committee;	✓		



Condition No.	Title	status		Remarks
		Complied	Not complied	
6(2)(f)	The Chairperson of the Committee may appoint or co-opt any external expert and /or member(s) of staff to the Committee as advisor who shall be non-voting member, if the Chairperson feels that advice or suggestion from such external expert and/or member(s) of staff shall be required or valuable for the Committee;	✓		
6(2)(g)	The Company secretary shall act as the secretary of the Committee;	✓		
6(2)(h)	The quorum of the NRC meeting shall not constitute without attendance of at least an independent director;	✓		
6(2)(i)	No member of the NRC shall receive, either directly or indirectly, any remuneration for any advisory or consultancy role or otherwise, other than Director's fees or honorarium from the company;	✓		
6(3)(a)	The Board shall select 1 (one) member of the NRC to be chairperson of the committee, who shall be an independent director;	✓		
6(3)(b)	In the absence of the chairperson of the NRC, the remaining members may elect one of themselves as chairperson for that particular meeting, the reason of absence of the regular chairperson shall be duly recorded in the minutes;	✓		
6(3)(c)	The chairperson of the NRC shall attend the annual general meeting (AGM) to answer the queries of the shareholders;	✓		
6(4)(a)	The NRC shall conduct at least one meeting in a financial year;	✓		
6(4)(b)	The chairperson of the NRC may convene any emergency meeting upon request by any member of the NRC;	✓		
6(4)(c)	The quorum of the meeting of the NRC shall be constituted in presence of either two members or two third of the members of the Committee, whichever is higher, where presence of an independent director is must as required under condition No. 6(2)(h);	✓		
6(4)(d)	The proceedings of each meeting of the NRC shall duly be recorded in the minutes and such minutes shall be confirmed in the next meeting of the NRC;	✓		

Condition No.	Title	status		Remarks
		Complied	Not complied	
6(5)(a)	NRC shall be independent and responsible or accountable to the Board and to the shareholders;	✓		
6(5)(b)(i)(a)	NRC shall oversee, formulate & recommend to the Board regarding the level and composition of remuneration is reasonable and sufficient to attract, retain and motivate suitable directors to run the company successfully;	✓		
6(5)(b)(i)(b)	NRC shall oversee, formulate & recommend to the Board regarding the relationship of remuneration to performance is clear and meets appropriate performance benchmarks;	✓		
6(5)(b)(i)(c)	NRC shall oversee, formulate & recommend to the Board regarding remuneration to directors, top level executive involves a balance between fixed and incentive pay reflecting short and long-term performance objectives appropriate to the working of the company and its goals;	✓		
6(5)(b)(ii)	NRC shall oversee & make report with recommendation to the Board regarding devising a policy on Board's diversity taking into consideration age, gender, experience, ethnicity, educational background and nationality;	✓		
6(5)(b)(iii)	NRC shall oversee & make report with recommendation to the Board regarding indentifying persons who are qualified to become directors and who may be appointed in top level executive position in accordance with the criteria laid down, and recommend their appointment and removal to the Board;	✓		
6(5)(b)(iv)	NRC shall oversee & make report with recommendation to the Board regarding formulating the criteria for evaluation of performance of independent directors and the Board;	✓		
6(5)(b)(v)	NRC shall oversee & make report with recommendation to the Board regarding indentifying the company's needs for employees at different levels and determine their selection, transfer or replacement and promotion criteria;	✓		
6(5)(b)(vi)	NRC shall oversee & make report with recommendation to the Board regarding developing, recommending and reviewing annually the company's human resources and training policies;	✓		

Condition No.	Title	status		Remarks
		Complied	Not complied	
6(5)(c)	The company shall disclose the nomination and remuneration policy and the evaluation criteria and activities of NRC during the year at a glance in its annual report;	✓		
<b>7.</b>	<b>External on Statutory Auditors</b>			
7(1)	The issuer company shall not engage its external or statutory auditors to perform the following services of the company:	✓		
7(1)(i)	the appraisal or valuation services or fairness opinions of the company.	✓		
7(1)(ii)	the financial information systems design and implementation of the company.	✓		
7(1)(iii)	book-keeping or other services related to the accounting records or financial statements of the company.	✓		
7(1)(iv)	broker-dealer services of the company.	✓		
7(1)(v)	actuarial services of the company.	✓		
7(1)(vi)	internal audit services or special audit services of the company.	✓		
7(1)(vii)	any service that the Audit Committee determines of the company.	✓		
7(1)(viii)	audit or certification services on compliance of corporate governance as required under condition No. 9(1) of the company.	✓		
7(1)(ix)	any other service that creates conflict of interest of the company.	✓		
7(2)	No partner or employees of the external audit firms shall possess any share of the company they audit at least during the tenure of their audit assignment of the company; his or her family members also shall not hold any shares in the said company;	✓		
7(3)	Representative of external or statutory auditors shall remain present in the Shareholders' Meeting (Annual General Meeting or Extraordinary General Meeting) to answer the queries of the shareholders;	✓		



Condition No.	Title	status		Remarks
		Complied	Not complied	
8.	Maintaing a website by the company			
8(1)	The company shall have an official website linked with the website of the stock exchange;	✓		
8(2)	The company shall keep the website functional from the date of listing;	✓		
8(3)	The company shall make available the detailed disclosures on its website as required under the listing regulations of the concerned stock exchange(s);	✓		
9.	Reporting and compliance of Corporate Governance			
9(1)	Compliance Audit certification and its disclosure in the Annual Report;	✓		
9(2)	Compliance certification professional shall be appointed by the shareholders in the AGM;	✓		
9(3)	The directors of the company shall state, in accordance with the directors' report whether the company has complied with these conditions or not.	✓		

## Credit Rating Report

# AA

Year	Long Term Rating	Short Term Rating	Outlook
2018	AA	ST-1	Stable

### Rating Explanation:

Northern General Insurance Company Limited has been rated by Alpha Credit Rating. The result of credit rating in long term "AA" reflects **very strong capacity**, short term "ST-1" reflects **strong capacity** and **Outlook stable**.

Date of Rating : 26 May, 2019

Rating Validity : 25 May, 2020

Rated by : Alpha Credit Rating Ltd.

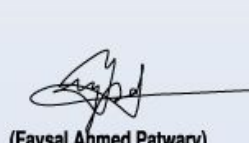
## Directors Certificate

As per Section 63(2) of the Insurance Act' 2010, we certify that:

01. The value of investments in shares and debentures have been taken at cost and the quoted value thereof mentioned wherever available.
02. The Values of all assets as shown in the Balance Sheet and as classified on Form AA annexed have been duly reviewed as at 31st December, 2018 and in our belief, the said assets have been set forth in the Balance Sheet at amount not exceeding their realizable or market value under the several heading's as enumerated therein.
03. All expenses of management, wherever incurred and whether incurred directly or indirectly in respect of Fire, Marine, Motor and Miscellaneous Insurance Business have been duly debited to the related Revenue Accounts and Profit & Loss Account.

  
(Abdul Haque FCA)  
Managing Director

  
(Al-hajj Abdus Samad)  
Director

  
(Faysal Ahmed Patwary)  
Director

  
(Abdul Matin)  
Chairman





**Rahman Mostafa Alam & CO.**  
Chartered Accountants



## Independent Auditor's Report To the Shareholders of Northern General Insurance Company Limited Report on the Audit of the Financial Statements

### Opinion

We have audited the financial statements of Northern General Insurance Company Limited. (the Company), which comprise the Statement of Financial Position as at December 31, 2018, the Statement of Profit or Loss & Other Comprehensive Income, Profit and Loss Appropriation Account, related Revenue Accounts, Statement of Changes in Shareholders' Equity and Statement of Cash Flows for the year then ended and notes to the financial statements including a summary of significant accounting policies and other explanatory information disclosed in notes 1 to 24 and Form-AA.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the company as at December 31, 2018, its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs), the Companies Act 1994, the Insurance Act 2010, the Insurance Rules 1958, the Securities and Exchange Rules 1987 and other applicable laws and regulations.

### Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code) together with the ethical requirements that are relevant to our audit of the financial statements in Bangladesh, and we have fulfilled our other ethical responsibilities in accordance with the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### Our key audit matters

Risk	Our response to the risk
<b>Premium Income</b>	
Gross general insurance premiums comprise the total premiums received for the whole period of cover provided by contracts entered into During the accounting period.	With respect to Premium income in respect of various types of insurance we carried out the following procedures:
Given the important nature, connections to other items to the financial statements and sensitivity of the item we believe this area pose high level of risk.	<ul style="list-style-type: none"> <li>➤ The design and operating effectiveness of key controls around premium income recognition process.</li> <li>➤ Carried out analytical procedures and recalculated premium income for the period.</li> <li>➤ Carried out cut-off testing to ensure unearned premium income has not been included in the premium income.</li> <li>➤ On a sample basis reviewed policy to ensure appropriate policy stamp was affixed to the contract and the same has been reflected in the premium register.</li> </ul>

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Branch Office (Dhaka): House # 195, New DOHS, Road # 1 (3rd Floor, C-3), Mohakhali, Dhaka-1206, Mob: 01914 284705, 01920 911976, Web: www.rmadbd.com  
Branch Office (Chattogram): Taher Chamber (2nd Floor), 10 Agrabad C/A, Chittagong, Bangladesh. Phone: +88-031-725314, E-mail: rmactg@gmail.com, Web: www.rmadbd.com



**Rahman Mostafa Alam & CO.**  
Chartered Accountants



	<ul style="list-style-type: none"> <li>➤ Ensured on a sample basis that the premium income was being deposited in the designated bank account.</li> <li>➤ Tested on a sample basis to see that appropriate VAT was being collected and deposited to bank through Treasury Challan.</li> <li>➤ For a sample of insurance contracts tested to see if appropriate level of reinsurance was done and whether that re insurance premium was deducted from the gross premium.</li> <li>➤ Applying specialist judgment ensured if there is any impairment of the reinsurer.</li> <li>➤ Finally assessed the appropriateness and presentation of disclosures against relevant accounting standards, Insurance Act 1938 (as amended in 2010), Insurance Rules, 1958 and other applicable rules and regulations and regulatory guidelines.</li> </ul>
See Form-XL to the financial statements	

<b>Estimated liability in respect of outstanding claims whether due or intimated and claim Payment</b>	
This account represents the claim due or intimated from the insured and involves significant management judgment and risk of understatement. In extreme scenario this item may have going concern implications for the company.	<p>We tested the design and operating effectiveness of controls around the due and intimated claim recording process.</p> <p>We additionally carried out the following substantive testing's around this item:</p> <ul style="list-style-type: none"> <li>➤ Obtained the claim register and tested for completeness of claims recorded in the register on a sample basis.</li> <li>➤ Obtained a sample of claimed policy copy and cross check it with claim.</li> <li>➤ Obtained a sample of survey reports</li> </ul>

<b>Risk</b>	<b>Our response to the risk</b>
	<ul style="list-style-type: none"> <li>➤ Cross checked those against respective ledger balances and in case of discrepancy carried out further investigation.</li> <li>➤ Obtained and discussed with management about their basis for estimation and challenged their assumptions where appropriate.</li> </ul>

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	<ul style="list-style-type: none"> <li>➤ Reviewed the claim committee meeting minutes about decision about impending claims.</li> <li>➤ Tested a sample of claims payments with intimation letter, survey report, bank statement, claim payment register and general ledger.</li> <li>➤ Finally assessed the appropriateness and presentation of disclosures against relevant accounting standards, Insurance Act 1938 (as amended in 2010), Insurance Rules, 1958 and other applicable rules and regulations and regulatory guidelines.</li> </ul>
See note no 8 to the financial statements	

#### Other Information

Management is responsible for the other information. The other information comprises all of the information in the Annual report other than the financial statements and our auditors' report thereon. The directors are responsible for the other information.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information; we are required to report that fact. We have nothing to report in this regard.

#### Responsibilities of Management and Those Charged with Governance for the Financial Statements and Internal Controls

Management is responsible for the preparation and fair presentation of the financial statements in accordance with IFRSs, the Companies Act 1994, the Insurance Act 2010, the Insurance Rules 1958, the Securities and Exchange Rules 1987 and other applicable laws and regulations 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.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.



Those charged with governance are responsible for overseeing the Company's financial reporting process.

#### **Auditor's Responsibilities for the Audit of the Financial Statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all

relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

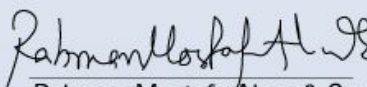
From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

#### **Report on other Legal and Regulatory Requirements**

In accordance with the Companies Act 1994, the Insurance Act 2010, the Insurance Rules 1958, the Securities and Exchange Rules 1987 and relevant notifications issued by Bangladesh Securities and Exchange Commission, we also report that:

- a) We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit and made due verification thereof;
- b) In our opinion, proper books of accounts, records and other statutory books as required by law have been kept by the Company so far as it appeared from our examinations of those books;
- c) The Company management has followed relevant provisions of laws and rules in managing the affairs of the Company and proper books of accounts, records and other statutory books have been properly maintained and (where applicable) proper returns adequate for the purposes of our audit have been received from branches not visited by us;
- d) As per section 63(2) of the Insurance Act 2010, in our opinion to the best of our knowledge and belief according to the information and explanation given to us, all expenses of management wherever incurred and whether incurred directly or indirectly, in respect of insurance business of the company transacted in Bangladesh during the year under report have been duly debited to the related Revenue Accounts and the Statement of Comprehensive Income of the Company;
- e) We report that to the best of our information and as shown by its books, the company during the year under report has not paid any person any commission in any form, outside Bangladesh in respect of any its business re-insured abroad;
- f) The Statement of Financial Position, Statement of Comprehensive Income, Profit and Loss Appropriation Account, related Revenue Accounts, Statement of Changes in Equity and Statement of Cash Flows of the Company together with the annexed notes dealt with by the report are in agreement with the books of account and returns; and
- g) The expenditure was incurred for the purpose of the Company's business.

Dated : Dhaka  
April 27, 2019

  
Rahman Mostafa Alam & Co.  
Chartered Accountants



## Statement of Financial Position

Capital and Liabilities	Notes	Amount in Taka	
		31-Dec-18	31-Dec-17
<b>Share Capital</b>	<b>3</b>		
Authorized :			
100,000,000 ordinary shares of Tk.10 each		1,000,000,000	1,000,000,000
<b>Issued, subscribed and paid up :</b>			
42,659,611 ordinary shares of Tk.10 each	<b>3.2</b>	<b>426,596,110</b>	<b>426,596,110</b>
<b>Reserve or Contingency Accounts</b>		<b>452,597,472</b>	<b>424,768,175</b>
Reserve for Exceptional Losses	<b>4</b>	187,690,821	163,031,170
Revaluation Surplus	<b>5</b>	178,881,243	183,467,942
Profit or Loss Appropriation Account	<b>6</b>	86,025,407	78,269,063
<b>Balance of Funds and Accounts</b>		<b>99,550,573</b>	<b>98,927,542</b>
Fire Insurance Business		27,442,958	29,195,058
Marine Insurance Business		32,035,027	33,438,603
Motor Insurance Business		28,138,598	27,038,784
Miscellaneous Insurance Business		11,933,990	9,255,097
<b>Premium Deposit</b>	<b>7</b>	<b>7,551,554</b>	<b>8,078,860</b>
<b>Liabilities and Provisions</b>		<b>368,585,497</b>	<b>323,918,607</b>
Estimated liability in respect of outstanding claims whether due or intimated	<b>8</b>	47,206,200	32,428,688
Amount due to other persons or bodies carrying on insurance business	<b>9</b>	71,953,503	69,951,953
Sundry Creditors(including provision for tax)	<b>10</b>	248,867,142	221,537,966
Deferred Tax Liabilities	<b>18.3</b>	558,652	-
<b>Total Capital and Liabilities</b>		<b>1,354,881,205</b>	<b>1,282,289,294</b>
<b>Net Assets Value Per Share</b>		<b>20.61</b>	<b>19.96</b>

The accompanying notes from 1 to 24 & Annexed-1 form an integral part of these financial statements.

  
\_\_\_\_\_  
Company Secretary

  
\_\_\_\_\_  
Chief Financial Officer

  
\_\_\_\_\_  
Managing Director & CEO

Dated: Dhaka  
April 27, 2019



## AS AT 31 DECEMBER 2018

Property and Assets	Notes	Amount in Taka	
		31-Dec-18	31-Dec-17
<b>Investment</b>	<b>11</b>	75,040,024	85,050,194
<b>Interest Accrued</b> (but not due)	<b>12</b>	2,937,453	8,257,787
Amount due from other persons or bodies carrying on insurance business	13	379,815,081	362,829,068
<b>Sundry Debtors</b> (including advance taxes, others advances , deposits and pre-payments)	14	276,603,775	213,337,014
<b>Cash and Cash Equivalents</b>	<b>15</b>	301,185,754	290,809,254
<b>Other accounts</b>		<b>319,299,118</b>	<b>322,005,977</b>
Property, Plant & Equipments	<b>16</b>	318,528,473	320,335,579
Intangible Assets	<b>17</b>	180,305	277,392
Stock of Stationery in hand		321,890	266,554
Insurance Stamps in hand		268,450	705,850
Deferred Tax Assets	<b>18.3</b>	-	420,602
<b>Total Property and Assets</b>		<b>1,354,881,205</b>	<b>1,282,289,294</b>

Signed in terms of separate report of even date.

  
Director

  
Director

  
Chairman

  
Rahman Mostafa Alam & Co.  
Chartered Accountants

## Statement of Profit or Loss & Other Comprehensive Income

Particulars	Notes	Amount in Taka	
		2018	2017
Expenses of Management (not applicable to any particular fund or account)	19	16,967,564 19,775,110	14,172,609 19,346,095
Directors' Fees		960,250	828,000
Audit Fees		1,529,500	316,250
Subscription		300,000	340,000
Legal and Professional Fees		201,250	338,125
Depreciation and Amortization		16,244,688	15,141,432
Registration renewal Fees		539,422	2,382,288
<b>Profit before Tax</b>		<b>99,553,268</b>	<b>99,034,891</b>
Deferred Tax Income	18.2	979,254	(326,026)
Provision for Taxation	18.3	28,085,106	29,939,982
Profit after Tax carried to Profit or Loss Appropriation Account		70,488,907	69,420,935
<b>Total</b>		<b>136,295,942</b>	<b>132,553,595</b>

## Profit or Loss Appropriation Account

Particulars	Notes	Amount in Taka	
		2018	2017
Reserve for Exceptional Losses		24,659,651	25,000,000
Stock Dividend		-	38,781,460
Cash Dividend		42,659,611	
Balance of Profit after tax		86,025,408	78,269,063
<b>Total</b>		<b>153,344,670</b>	<b>142,050,523</b>
<b>Earning Per Share (EPS)</b>	2.11	<b>1.65</b>	<b>1.63</b>
<b>Face value per share</b>		<b>10</b>	<b>10</b>

The Accompanying notes from 1 to 24 & Annexed-1 form an integral part of these financial statements.

  
Company Secretary

  
Chief Financial Officer

  
Managing Director & CEO

Dated: **Dhaka**  
April 27, 2019

## FOR THE YEAR ENDED DECEMBER 31, 2018

Particulars	Notes	Amount in Taka	
		2018	2017
Interest, Dividend and Rents (not applicable to any particular fund or account):			
Interest Income		15,882,771	14,724,021
Other Income		(9,425)	14,354
Underwriting Profit or Loss transferred from		120,422,596	117,815,220
Fire Insurance Revenue Account		31,272,444	34,500,040
Marine Insurance Revenue Account		52,331,527	58,095,896
Motor Insurance Revenue Account		16,319,130	13,711,076
Miscellaneous Insurance Revenue Account		20,499,495	11,508,208
<b>Total</b>		<b>136,295,942</b>	<b>132,553,595</b>

## FOR THE YEAR ENDED DECEMBER 31, 2018

Particulars	Notes	Amount in Taka	
		2018	2017
Balance being Profit brought forward from last year		78,269,063	67,925,282
Revaluation surplus transferred to Retained Earnings		4,586,699	4,704,306
Net Profit for the year brought down		70,488,907	69,420,935
<b>Total</b>		<b>153,344,670</b>	<b>142,050,523</b>

Signed in terms of our report of even date annexed.

  
Director

  
Director

  
Chairman

  
Rahman Mostafa Alam & Co.  
Chartered Accountants



## CONSOLIDATED INSURANCE REVENUE ACCOUNT

Particulars	Notes	Amount in Taka	
		2018	2017
Claims under policies less re-insurances			
Paid during the year		54,023,166	53,561,291
Total estimated liability in respect of outstanding claims at the end of the year whether due or intimated		47,206,200	32,428,688
		101,229,366	85,989,979
Less : Claims outstanding at the end of the previous year		32,428,688	24,650,692
		68,800,678	61,339,287
Agent Commission		48,579,681	44,116,654
Expenses of management	20	66,259,064	57,148,487
Balance of account at the end of the year as shown in the Financial Position		99,550,573	98,927,542
Underwriting Profit or Loss transferred to Profit or Loss Account		120,422,596	117,815,220
<b>Total</b>		<b>403,612,592</b>	<b>379,347,190</b>

The accompanying notes from 1 to 24 & Annexure-1 form an integral part of the financial statements.

  
\_\_\_\_\_  
Company Secretary

  
\_\_\_\_\_  
Chief Financial Officer

  
\_\_\_\_\_  
Managing Director & CEO

Dated: Dhaka  
April 27, 2019

## FOR THE YEAR ENDED DECEMBER 31, 2018

Particulars	Notes	Amount in Taka	
		2018	2017
Balance of account at the beginning of the year:			
Reserve for unexpired risk		98,927,542	84,231,704
Premium less re-insurances		246,596,512	247,207,393
Commission on re-insurances ceded		58,088,538	47,908,093
<b>Total</b>		<b>403,612,592</b>	<b>379,347,190</b>

Signed in terms of our report of even date annexed.

  
Director

  
Director

  
Chairman

  
Rahman Mostafa Alam & Co.  
Chartered Accountants

## FIRE INSURANCE REVENUE ACCOUNT

Particulars	Notes	Amount in Taka	
		2018	2017
Claims under policies less re-insurances			
Paid during the year		22,364,213	23,861,300
Total estimated liability in respect of outstanding claims at the end of the year whether due or intimated		15,631,727	8,090,000
		37,995,940	31,951,300
Less : Claims outstanding at the end of the previous year		8,090,000	2,050,500
		29,905,940	29,900,800
Agent Commission		20,109,158	18,665,438
Expenses of management	20	25,632,955	22,167,933
Balance of account at the end of the year as shown in the Financial Position			
Reserve for unexpired risks being 40% of premium income of the year		27,442,958	29,195,058
Underwriting Profit or Loss transferred to Profit or Loss Account		31,272,444	34,500,040
<b>Total</b>		<b>134,363,455</b>	<b>134,429,269</b>

The accompanying notes from 1 to 24 & Annexure-1 form an integral part of the financial statements.

  
\_\_\_\_\_  
Company Secretary

  
\_\_\_\_\_  
Chief Financial Officer

  
\_\_\_\_\_  
Managing Director & CEO


Dated: **Dhaka**  
April 27, 2019



## FOR THE YEAR ENDED DECEMBER 31, 2018

Particulars	Notes	Amount in Taka	
		2018	2017
Balance of account at the beginning of the year:			
Reserve for unexpired risk		29,195,058	31,476,032
Premium less re-insurances		68,607,395	72,987,646
Commission on re-insurances ceded		36,561,002	29,965,591
<b>Total</b>		<b>134,363,455</b>	<b>134,429,269</b>

Signed in terms of our report of even date annexed.

  
Director

  
Director

  
Chairman

  
Rahman Mostafa Alam & Co.  
Chartered Accountants

## MARINE INSURANCE REVENUE ACCOUNT

Particulars	Notes	Amount in Taka	
		2018	2017
Claims under policies less re-insurances			
Paid during the year		3,842,553	7,342,467
Total estimated liability in respect of outstanding claims at the end of the year whether due or intimated		9,961,303	7,530,000
		13,803,856	14,872,467
Less : Claims outstanding at the end of the previous year		7,530,000	14,075,000
		6,273,856	797,467
Agent Commission		14,358,915	15,182,019
Expenses of management	20	16,321,014	16,087,368
Balance of account at the end of the year as shown in the Financial Position			
Reserve for unexpired risks being 40% of premium income on marine cargo and 100% of premium income on Marine Hull of the year :			
Cargo		32,035,027	33,438,603
Hull		30,515,080	33,364,295
		1,519,947	74,308
Underwriting Profit or Loss transferred to Profit or Loss Account		52,331,527	58,095,896
<b>Total</b>		<b>121,320,339</b>	<b>123,601,353</b>

The accompanying notes from 1 to 24 & Annexure-1 form an integral part of the financial statements.

  
Company Secretary

  
Chief Financial Officer

  
Managing Director & CEO

Dated: Dhaka  
April 27, 2019

## FOR THE YEAR ENDED DECEMBER 31, 2018


Particulars	Notes	Amount in Taka	
		2018	2017
Balance of account at the beginning of the year:			
Reserve for unexpired risk		33,438,603	30,901,171
Premium less re-insurances		77,807,646	83,485,045
Commission on re-insurances ceded		10,074,090	9,215,137
<b>Total</b>		<b>121,320,339</b>	<b>123,601,353</b>

Signed in terms of our report of even date annexed.

  
Director

  
Director

  
Chairman

  
Rahman Mostafa Alam & Co.  
Chartered Accountants



## MOTOR INSURANCE REVENUE ACCOUNT

Particulars	Notes	Amount in Taka	
		2018	2017
Claims under policies less re-insurances			
Paid during the year		29,582,289	22,048,332
Total estimated liability in respect of outstanding claims at the end of the year whether due or intimated		21,266,920	16,462,438
		50,849,209	38,510,770
Less : Claims outstanding at the end of the previous year		16,462,438	7,835,342
		34,386,771	30,675,428
Agent Commission		8,677,093	6,208,960
Expenses of management	20	10,309,815	9,670,038
Balance of account at the end of the year as shown in the Financial Position			
Reserve for unexpired risks being 40% of premium income of the year		28,138,598	27,038,784
Underwriting Profit or Loss transferred to Profit or Loss Account		16,319,130	13,711,076
<b>Total</b>		<b>97,831,407</b>	<b>87,304,286</b>

The accompanying notes from 1 to 24 & Annexure-1 form an integral part of the financial statements.

  
\_\_\_\_\_  
Company Secretary

  
\_\_\_\_\_  
Chief Financial Officer

  
\_\_\_\_\_  
Managing Director & CEO

Dated: Dhaka  
April 27, 2019

## FOR THE YEAR ENDED DECEMBER 31, 2018

Particulars	Notes	Amount in Taka	
		2018	2017
Balance of account at the beginning of the year:			
Reserve for unexpired risk		27,038,784	18,984,886
Premium less re-insurances		70,346,495	67,596,959
Commission on re-insurances ceded		446,128	722,441
<b>Total</b>		<b>97,831,407</b>	<b>87,304,286</b>

Signed in terms of our report of even date annexed.

  
Director

  
Director

  
Chairman

  
Rahman Mostafa Alam & Co.  
Chartered Accountants

## MISCELLANEOUS INSURANCE REVENUE ACCOUNT

Particulars	Notes	Amount in Taka	
		2018	2017
Claims under policies less re-insurances			
Paid during the year		(1,765,889)	309,192
Total estimated liability in respect of outstanding claims at the end of the year whether due or intimated		346,250	346,250
		(1,419,639)	655,442
Less : Claims outstanding at the end of the previous year		346,250	689,850
		(1,765,889)	(34,408)
Agent Commission		5,434,515	4,060,237
Expenses of management	20	13,995,280	9,223,148
Balance of account at the end of the year as shown in the Financial Position			
Reserve for unexpired risks being 40% of premium income of the year		11,933,990	9,255,097
Underwriting Profit or Loss transferred to Profit or Loss Account		20,499,495	11,508,208
<b>Total</b>		<b>50,097,391</b>	<b>34,012,282</b>

The accompanying notes from 1 to 24 & Annexure-1 form an integral part of the financial statements.

  
\_\_\_\_\_  
Company Secretary

  
\_\_\_\_\_  
Chief Financial Officer

  
\_\_\_\_\_  
Managing Director & CEO

Dated: Dhaka  
April 27, 2019



## FOR THE YEAR ENDED DECEMBER 31, 2018


Particulars	Notes	Amount in Taka	
		2018	2017
Balance of account at the beginning of the year:			
Reserve for unexpired risk		9,255,097	2,869,615
Premium less re-insurances		29,834,976	23,137,743
Commission on re-insurances ceded		11,007,318	8,004,924
<b>Total</b>		<b>50,097,391</b>	<b>34,012,282</b>

Signed in terms of our report of even date annexed.

  
Director

  
Director

  
Chairman

  
Rahman Mostafa Alam & Co.  
Chartered Accountants

## Statement of Changes in Shareholders' Equity

For the year ended December 31, 2018

Particulars	Amount in taka			
	Share Capital	Retained Earnings	Reserve for Exceptional Losses	Revaluation Surplus
Balance as on January 01, 2018	426,596,110	78,269,063	163,031,170	183,467,942
Addition during the period		-	24,659,651	-
Revaluation surplus transferred to Retained Earnings		4,586,699		(4,586,699)
Cash dividend for the year 2017	-	(42,659,611)	-	-
Profit after tax for the year	-	45,829,256	-	-
Balance as on December 31, 2018	426,596,110	86,025,407	187,690,821	178,881,243
				851,364,285
				24,659,651
				(42,659,611)
				45,829,256
				879,193,581

## Statement of Changes in Shareholders' Equity

For the year ended December 31, 2017

Particulars	Amount in taka			
	Share Capital	Retained Earnings	Reserve for Exceptional Losses	Revaluation Surplus
Balance as on January 01, 2017	387,814,650	67,925,282	138,031,170	188,172,248
Addition during the period	38,781,460	-	25,000,000	-
Revaluation surplus transferred to Retained Earnings		4,704,306		(4,704,306)
Stock Dividend	-	(38,781,460)	-	-
Profit after tax for the year	-	44,420,935	-	-
Balance as on December 31, 2017	426,596,110	78,269,063	163,031,170	183,467,942
				781,943,350
				63,781,460
				(38,781,460)
				44,420,935
				851,364,285

 Company Secretary  
 Chief Financial Officer  
 Managing Director & CEO  
 Director  
 Director  
 Chairman

## STATEMENT OF CASH FLOWS


FOR THE YEAR ENDED DECEMBER 31, 2018

Particulars	Notes	Amount in Taka	
		2018	2017
<b>A. Cash flows from operating activities</b>			
Collection from premium and others		550,534,743	515,719,746
Payment for management expenses, re-insurance and claims		(431,441,525)	(352,331,925)
Income Tax paid		(62,383,886)	(26,221,681)
<b>Net cash generated from operating activities (A)</b>		<b>56,709,332</b>	<b>137,166,140</b>
<b>B. Cash flows from investing activities</b>			
Fixed Assets acquired		(14,340,495)	(27,884,840)
Investment in Bond		10,000,000	(40,000,000)
<b>Net cash used in investing activities (B)</b>		<b>(4,340,495)</b>	<b>(67,884,840)</b>
<b>C. Cash flows from financing activities</b>			
Dividend paid		(41,992,337)	-
<b>Net cash generated from financing activities (C)</b>		<b>(41,992,337)</b>	<b>-</b>
<b>D. Net Increase/(decrease) (D =A+B+C)</b>		<b>10,376,500</b>	<b>69,281,300</b>
<b>E. Cash and cash equivalents at the beginning of the year</b>		<b>290,809,254</b>	<b>221,527,954</b>
<b>F. Cash and cash equivalents at the end of the year (F=D+E)</b>		<b>301,185,754</b>	<b>290,809,254</b>

  
Company Secretary

  
Chief Financial Officer

  
Managing Director & CEO

  
Director

  
Director

  
Chairman



## FORM - AA CLASSIFIED SUMMARY OF ASSETS


AS AT DECEMBER 31, 2018

Class of Assets	Amount in Taka		Remarks
	Book value as per Balance Sheet	Market Value	
Bangladesh Govt. Treasury Bond	25,000,000	25,000,000	Not quoted in the market
Fixed Deposit with Banks	225,005,540	225,005,540	Realizable Value
Balance in STD A/C with Banks	62,699,894	62,699,894	Realizable Value
Cash in Hand	13,480,320	13,480,320	Realizable Value
Interest on Investment accrued but not due	2,937,453	2,937,453	Realizable Value
Amount due from other persons or bodies carrying on insurance business	379,815,081	379,815,081	Realizable Value
Other Assets :			
Property, Plant & Equipments	318,708,778	318,708,778	Revalued
Investment in Bond	50,040,024	50,040,024	Market Value
Sundry Debtors	276,603,775	276,603,775	Realizable Value
Stock of Stationery and Stamps	590,340	590,340	Realizable Value
	<b>1,354,881,205</b>	<b>1,354,881,205</b>	

  
Company Secretary

  
Chief Financial Officer

  
Managing Director & CEO

  
Director

  
Director

  
Chairman

## NOTES TO THE FINANCIAL STATEMENTS

### FOR THE YEAR ENDED ON DECEMBER 31, 2018

#### 1.0 Introduction:

#### 1.1 Status of the Company:

Northern General Insurance Company Limited was incorporated as public company limited by shares on April 08, 1996 under the companies Act, 1994 bearing certificate of incorporation no.C-30509(1725)/96. The company was entitled to commence business vide certificate of commencement issued on April 08, 1996 by the Registrar of Joint Stock Companies & Firms under section 150(2) of the said Act. The Controller of Insurance has issued certificate of registration on May 25, 1996. The Securities & Exchange Commission has approved for issue of shares to public on October 20, 2008 (date of lottery). The company has been listed with the stock exchange [both in Dhaka and in Chittagong] on July 16, 2008.

#### 1.2 Nature of Business:

The primary objectives of the Company are to carry on non-life related all kinds of insurance, guarantee and indemnity business.

#### 1.3 Structure, Content and Presentation of Financial Statements:

These financial statements are presented in accordance with the guidelines provided as per requirement of Insurance Act 1938 and IAS 1: "Presentation of Financial Statements". A complete set of financial statements comprises of:

- i. Statement of Financial Position as at December 31, 2018;
- ii. Statement of Profit or Loss & Other Comprehensive Income for the year ended December 31, 2018;
- iii. Profit or Loss Appropriation Account for the year ended December 31, 2018;
- iv. Consolidated all Business Revenue Account for the year ended December 31, 2018;
- v. Fire Insurance Revenue Account for the year ended December 31, 2018;
- vi. Marine Insurance Revenue Account for the year ended December 31, 2018;
- vii. Motor Insurance Revenue Account for the year ended December 31, 2018;
- viii. Miscellaneous Insurance Revenue Account for the year ended December 31, 2018;
- ix. Statement of Changes in Shareholders' Equity for the year ended December 31, 2018;
- x. Statement of Cash Flows for the year ended December 31, 2018;
- xi. Notes comprising a summary of significant accounting policies and other explanatory information to the accounts for the year ended December 31, 2018;

#### 2.0 Summary of Significant Accounting Policies & Basis of Preparation:

A summary of the principle accounting policies which have been applied consistently (unless otherwise stated), as set out below:

#### 2.1 Basis of Accounting:

These financial statements have been prepared on a going concern basis under generally accepted accounting principles on historical cost convention. These statements have also been prepared in accordance with applicable International Financial Reporting Standards as adopted in Bangladesh, namely, International Financial Reporting Standards (IFRSs) with reference to disclosures of accounting policies and valuation of investment.

#### 2.2 Basis of Presentation:

These Financial Statements have been prepared on going concern and accrual basis under historical cost convention. The preparation and presentation of the financial statements and the disclosure of information have been made in accordance with the Insurance Act 1938 (as amended in 2010), the Insurance Rules 1958 and in conformity with International Accounting Standards (IASs), International Financial Reporting Standards (IFRSs), the Companies Act 1994, the Securities and Exchange Rules 1987 (as amended in 1997), the listing rules of Dhaka and Chittagong Stock Exchange and other applicable



## NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED ON DECEMBER 31, 2018

laws and regulations in Bangladesh and practice generally followed by the insurance sector. The Balance sheet has been prepared in accordance with Part-I and "From A" and Part II of the First Schedule. The revenue account for fire, marine, motor and miscellaneous business has been prepared in accordance with "Form F" in Part II of the Third Schedule of Insurance Act 1938. Statement of Cash Flow and Statement of Changes in Equity has been prepared in accordance with IFRSs.

### 2.3 Disclosure Differs:

Northern General Insurance Company Limited has followed the IASs/IFRSs provisions to that extent which is not restricted by the Insurance Act and Rules as outlined below:

#### 2.3.1 Valuation of Investment:

IAS - 39 provides to disclose unrealized gain/loss in investment in shares through comprehensive income. But this is restricted in accordance with the provisions of Insurance Act and Rules.

#### 2.3.2 Provision for Insurance Premium:

Depending on business, certain percentage of premium income is to be made as provision in accordance with Insurance Act and Rules. But, this is not in commensurate to the provision of IAS - 37.

#### 2.3.3 Comprehensive Income Statement:

Northern General Insurance Company Limited does not require preparing a single Comprehensive Income Statement other than the Income Statement prepared in accordance with the templates stipulated by Insurance Act and Rules.

#### 2.3.4 IDRA Guidelines:

Mandatory investment has to be made as per IDRA instructions which are not required in accordance with IASs/IFRSs.

### 2.4 Going Concern:

These financial statements have been prepared on a going concern basis, which contemplates the realization of assets and the satisfaction of liabilities in the normal course of business. These do not include any adjustments for which Northern General Insurance Company Limited is unable to continue as a going concern.

### 2.5 Functional and Presentation Currency:

These financial statements are presented in BD Taka, which is the company's functional currency except as indicated otherwise.

### 2.6 Use of Estimates and Judgments:

The preparation of financial statements require management to make judgments, estimates and assumptions that affect the application of accounting policies and reported amounts of assets, liabilities, income and expenses for which actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period when revised and in any future periods affected.

### 2.7 Materiality and Aggregation:

Each material item has been presented separately in the financial statements being significant consideration of the management. No amount has been set off unless the Northern General Insurance Company Limited has a legal right to set off the amounts and intends to settle on net basis. Income and expenses are presented on a basis only when permitted by the relevant accounting standards.



## NOTES TO THE FINANCIAL STATEMENTS

### FOR THE YEAR ENDED ON DECEMBER 31, 2018

#### 2.8 Investment in Share and Redeemable Bond:

Investments are initially recognized at cost including acquisition charges. The investments in marketable ordinary shares have been valued at market price. Investment in redeemable bond has been valued at cost. Provision for diminution value of shares as on closing of the year is made in the financial statements.

#### 2.9 Cash and Cash Equivalents:

Cash and cash equivalents consist of cash, cash in clearing account, FDR and bank balances. For the purpose of statement of cash flow, cash and cash equivalents are arrived at after net off bank overdrafts, if any.

#### 2.10 Cash Flow Statements:

Cash flow statement is prepared in accordance with IAS - 7 "Statement of Cash Flows". Cash flows from operating activities have been presented at "Direct Method".

#### 2.11 Earnings Per Share [EPS]: TK. 1.65 [IAS - 33]:

Earnings Per Share (IAS - 33) is calculated by applying the formula of net profit after tax divided by number of shares as follows:

Particulars	2018	2017
Net Profit after Tax for the year (Taka)	70,488,907	69,420,935
Ordinary Shares (Number)	42,659,611	42,659,611
Face value per share (Taka)	10	10
Basic Earnings Per Share (Taka)	1.65 (Approx)	1.63 (Approx)

It is relevant to note that the Company has changed its face value per share from Tk. 100 to Tk. 10 vide 6th EGM held on November 24, 2011.

#### 2.12 Revenue Recognition [IAS - 18]:

2.12.1 Premium is recognized when insurance policies are issued. The sum of premium income as appeared in Revenue Accounts is net of the refund made, Re-insurance ceded and Re-insurance premium on PSB.

2.12.2 The premium in respect of Company's share of Public Sector Insurance Business (PSB) has been accounted for in the year in which the relevant statement of accounts received from Shadharan Bima Corporation (SBC). The statements of account for the period from July 2017 to June 2018 have been received from SBC and the Company's share of PSB for the aforesaid period has been recognized in these financial statements accordingly.

2.12.3 Amounts received, against issue of Cover Notes which have not been converted into Policies for the purpose of recognition, as income at the earlier date of Cover Notes converted into Policies or after expiry of nine months of issuing Cover Notes.

2.12.4 Re-insurance commission is recognized as revenue over the period in which the related services performed.

2.12.5 Interest on Fixed Deposit Receipts (FDR) and Bangladesh Govt. Treasury Bond is recognized as revenue on accrual basis.

2.12.6 Capital gain/(loss) from dealing with listed companies' shares are recognized in the accounts as and when arisen or incurred. Dividend income is recognized on cash basis.

## NOTES TO THE FINANCIAL STATEMENTS

### FOR THE YEAR ENDED ON DECEMBER 31, 2018

#### 2.13 Benefits, Claims and Expenses Recognition:

##### 2.13.1 Gross Benefits and Claims:

General insurance claims include all claims occurring during the year relates to internal and external/external claims handling costs that are directly related to the processing and settlement of claims, a reduction for the value of salvage and other recoveries and any adjustments to claims outstanding from previous years.

##### 2.13.2 Re-insurance Claims:

Re-insurance claims are recognized when the related gross insurance claim determined according to the terms of the relevant contract.

##### 2.13.3 Employment Benefits [IAS - 19]:

The company's employment benefits to eligible employees comprise of recognized contributory provident fund and group insurance scheme. Assets of provident fund are held under separate trustee as per the provident fund rules. Provident Fund is contributed by the employees and the company at pre-determined rates. Employees are entitled to get company's contribution to provident fund after completion of minimum five years of service in the company. The company's contributions to the provident fund, group insurance and provision for gratuity have been charged as revenue expenditure.

The Provision for gratuity has not been made during the year as provision is adequate.

##### 2.14 Provision for Outstanding Claim:

This has been recognized on estimates in the accounts on the basis of expected claims including incidental cost whether reported or not on the date of reporting.

#### 2.15 Reserve or Contingencies:

##### 2.15.1 Un-expired Risk:

Surplus/(deficit) on Revenue Accounts has been arrived at after making necessary provision for un-expired risk @ 40% of net premium income on all business except Marine Hull Insurance for which provision has been made @ 100% on net premium income.

##### 2.15.2 Reserve for Exceptional Loss:

Reserve for Exceptional Losses Tk. 24,659,651 was appropriated out of current year's profit before tax as reserve to meet exceptional losses under 4th schedule of Income Tax Ordinance 1984.

##### 2.15.3 Revaluation Surplus:

This has been recognized in the accounts in year 2014 being difference amount of revalued assets and depreciated assets, that is, the surplus value of revalued and depreciated assets. Revaluation Surplus has been transferred to Retained Earnings as per IAS 16.

##### 2.16 Interest Expense:

The company has incurred interest and related expenses on account of overdraft and short term loan. In terms of provision of the Bangladesh Accounting Standard (IAS) - 1 "Presentation of Financial Statements" interest expenses are recognized on accrual basis.

##### 2.17 Allocation of Total Management Expenses:

Management expenses have been allocated to all Revenue Accounts in proportion to their gross premium.

##### 2.18 Property, Plant & Equipments:



## NOTES TO THE FINANCIAL STATEMENTS

### FOR THE YEAR ENDED ON DECEMBER 31, 2018

#### 2.18.1 Recognition and Measurement:

The cost of an item of Fixed Assets shall be recognized as an assets if, and only it is probable that future economic benefits associated with the item will flow to the entity, and the cost of the item can be measured reliably.

Fixed assets have been accounted for at cost less accumulated depreciation. Cost includes expenditure that is directly attributable to the acquisition of the items.

Subsequent costs of enhancement of existing assets are recognized as a separate asset, only when it is probable that future economic benefits associated with the item will flow to the company and the cost of such items can be measured reliably. All other expenditures are charged to the Profit or Loss account during the financial period in which they are incurred.

Office Floor Space have been revalued in the year 2014 by an independent organization, named as "Jorip O Paridarshan Company Limited" to reflect the fair value at prevailing market price.

#### 2.18.2 Depreciation on Property, Plant & Equipments:

Fixed assets are depreciated applying the Reducing Balance method consistently, as per IAS - 16 for addition of assets; depreciation is charged from the date of capitalization up to the date immediately preceding the date of disposal. Depreciation method, useful lives and residual values are reviewed at each year-end and adjusted if appropriate.

According to IAS-8 Management has estimated the useful life of Floor Space (including undivided proportionate land) and as such the depreciation of the related asset is changed and accounted for on new rate of 2.50%.

The rate of Depreciation used on the assets is as follows:

Name of Asset	Rate	Name of Asset	Rate
Furniture and Fixture	10%	Telephone Installation	15%
Type Writer and Office Equipments	15%	Office Decoration	10%
Electric Fan	15%	Office Floor Space	2.5%
Air Conditioner and Refrigerator	20%	Library Books	20%
Motor Vehicle	20%	Computer	20%
Motor Cycle	20%		

The value of all assets at December 31, 2018 as shown in the Balance Sheet and in the Classified Summary of Assets have been prepared following the regulations and Form AA, Part II, First Schedule of the Insurance Act 1938. The said assets have been set forth in the Balance Sheet at amounts of their respective book values and such value does not exceed their aggregate market value.

#### 2.18.3 Intangible assets

Intangible assets are measured at cost less accumulated amortization and accumulated impairment loss(if any). Intangible assets are recognized when all the conditions for recognition as per IAS 38 intangible assets are met.

Subsequent expenditure is capitalized only when it increases the future economic benefits embodied in the specific assets to which it relates.

#### 2.18.4 Sale of Property, Plant & Equipments:

Sale price of Fixed Assets are determined on the basis of the assets. Gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as being the difference between sales proceeds and carrying amount of the asset so recognized as per provision of IAS - 16 "Property, Plant & Equipments".



## NOTES TO THE FINANCIAL STATEMENTS

### FOR THE YEAR ENDED ON DECEMBER 31, 2018

#### 2.18.5 Impairment:

If the recoverable amount of asset is less than its carrying amount, the carrying amount of the asset should be reduced to its recoverable amount. That reduction is an impairment loss. An impairment loss is recognized as expenses in the Income Statement.

#### 2.18.6 Leased Assets [IAS - 17]:

The Company acquired 4 (Four) vehicles under operating lease finance for five years from IDLC Finance Ltd. In 2013 and 2014. These were not recorded as fixed assets in the books of the Company, as these were taken on operating lease. Lease rental paid for these assets have been charged to revenue account. Lease rental to be paid for one year and for two to five years is Tk. 2,691,700 and Tk. Nil respectively.

#### 2.19 Taxation:

Income tax on earnings for the year comprises current and deferred tax which is based on the applicable tax law in Bangladesh. It is recognized in the income statement as tax expense.

##### 2.19.1 Current Tax:

Current tax is the expected tax payable on taxable income for the year based on the taxes rates (and tax laws) which are enacted at the reporting date, including any adjustment for tax payable in previous periods. Current tax for current and prior periods is recognized as a liability (or Assets) to the extent that it is unpaid (or refundable).

Provision for income tax has been made at best estimate keeping in view with the provisions of Income Tax Ordinance 1984 and amendment made thereto from time to time. Applicable rate of income tax for the company is 37.50% as per Finance Act 2018.

##### 2.19.2 Deferred Tax [IAS - 12]:

The Company recognized deferred tax in accordance with the provision of IAS 12. This arises due to temporary difference deductible or taxable for the events or transaction recognized in the profit and loss account. A temporary difference is the difference between tax bases of an asset or liability and its carrying amount/reported amount in the financial statements. Deferred tax asset or liability is the amount of income tax payable or recoverable in future period(s) recognized in the current period. The deferred tax assets/liabilities do not create a legal liability/recoverability to and from the income tax authority.

#### 2.20 Accounting for Changes in Accounting Estimates:

IAS - 8 states that the effect of a change in an accounting estimate is to be applied prospectively by inclusion in the current accounting period and, if relevant, in future accounting period. The carrying amount of assets, liabilities, or equity may be changed following a change in accounting estimates in the period of the change.

#### 2.21 Related Party Disclosure:

As per International Accounting Standards (IAS) 24 "Related Party Disclosures", parties are considered to be related if one of the parties has the ability to control the other party or exercise significant influence over the other party in making financial and operating decisions. The company carried out transactions in the ordinary course of business on an arm's length basis at commercial rates with its related parties. Related party disclosures have been given in Note 21.

#### 2.22 Contingent Liabilities and Contingent Assets:

The company does not recognize contingent liability and contingent assets. A contingent liability is probable obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of uncertain future events not within the control of the company or present obligation that cannot be measured reliably.

## NOTES TO THE FINANCIAL STATEMENTS

### FOR THE YEAR ENDED ON DECEMBER 31, 2018

The company has a writ petition against VAT on agent commission under the service code S 099.20 "Other Miscellaneous Service" and the entity obtained a stay order by the High Court Division of the Supreme Court of Bangladesh.

**2.23 Branch Accounting:**

The company has 25 branch offices (including Head Office) with no overseas branch as on December 31, 2018. Accounts of the branches are maintained at the head office which is included in the accompanying financial statements.

**2.24 Consistency of Presentation:**

In accordance with the IFRS framework for the presentation of financial statements together with IAS 1 and IAS 8, Northern General Insurance Company Limited applies the accounting disclosure principles consistently from one period to the next. For selecting and applying new accounting policies, changes in accounting policies applied, correction of errors, the amounts involved are accounted for and disclosed retrospectively in accordance with the requirement of IAS 8 and applied the same accounting and valuation principles in 2018 as in financial statements for 2017 (unless otherwise stated).

**2.25 Comparative Information:**

Comparative information has been disclosed in respect of the period ended December 31, 2018 for all numerical data in the financial statements and also the narrative and descriptive information when it is relevant for better understanding of the current year's financial statements.

**2.26 Reporting Currency:**

The financial statements are prepared and presented in Bangladesh Currency (Taka), which is the company's financial currency.

**2.27 Rounded off and Rearrange of Figures:**

Figures appearing in these Financial Statements have been rounded off to the nearest Taka. Previous year's figures have been rearranged/restated/reclassified, where necessary, in order to conform to current period's presentation.

**2.28 Reporting Period:**

These financial statements have covered under audit for twelve months' period from January 01, 2018 to December 31, 2018.

**2.29 Directors Responsibility:**

The Board of Directors takes the responsibility for the preparation and presentation of these Financial Statements.

**2.30 Events after the Balance Sheet Date:**

The Board of Directors has recommended 10% cash dividend totaling Tk.42,659,611 on paid-up capital of Tk. 426,596,110 for the year ended December 31, 2018 at its 196th Board meeting held on April 27, 2019 subject to the approval of the AGM.

Under International Accounting Standard (IAS) 10: Events after the reporting period, dividend was declared after the balance sheet date should not be classified as a liability at the balance sheet date, as the proposed dividend does not represent a present obligation under IAS 37: Provisions, contingent liabilities and contingent assets.



## NOTES TO THE FINANCIAL STATEMENTS

### FOR THE YEAR ENDED ON DECEMBER 31, 2018

**2.31 Approval for Issuing Financial Statements:**

The Board of Directors has approved these Financial Statements on April 27, 2019.

**2.32 Risk Analysis:**

Risk analysis for insurance business is difficult to estimate the uncertainty in taking and managing the risk by chronological identification of unascertained risk, mitigating approach of risk and continuing efforts to equate the risk at reasonable level. This, inter alia, includes

**(a) Insurance Product Risk:**

In non-life insurance business, the product selection is one of the important factors for the company. Product with less uncertainty with lower cost can facilitate to secure more risk coverage. Accordingly, high risk is more related to the capital strength and credit rating of the company. Necessary provision for un-expired risk @ 40% of net premium income on all business except Marine Hull Insurance for which provision has been made @ 100% on net premium income.

**(b) Operational Risk:**

This is in association of all departmental effort within the company to ensure the sufficient coverage for the uncertainty of particular policy selection. It varies in accordance with the nature of products offered to the insured. Guideline for selection of offered product and monitoring the same are effective when fencing the risk at the level of estimate.

**(c) Strategic Market Risk:**

This indicates to identify and quantify the inherent risk of the products for the insured in competitive market. Product with low risk should be encouraged to minimize risk.

**(d) Underwriting Risk:**

This is involved in loss events coverable under contract or agreement with the insured and the volume or size of the coverable loss. It relates to selection, pricing, monitoring and technical provision. However, risk with excessive volume is jointly shared by two or more insurers. In such circumstances, non-life insurance business with different products has been carried out with approved guideline.

**(e) Reinsurance Risk:**

Reinsurance has an influence basing the capital strength and rating aspects. Treaty limit is outlined by the amount of risk which can be ceded to other re-insurer. It depends on the nature of risk to be taken by the company. As such, technical provision has been estimated by way of covering the reasonable and probable obligations with respect to claims for known or un-known uncertainty.

**(f) Investment Risk:**

This relates to market, credit and liquidity of the company and as such, investments consist of assets covering the technical provisions and shareholders' equity. Accordingly, investment plan has been designed in such manner to accommodate inherent risk.

**(g) Liquidity Risk:**

This indicates to pay the claim on demand and the company needs to liquidate or convert assets to meet the obligation as and when arise.

**(h) Credit Risk:**

The Company follows IDRA instructions with respect to issuing of policies, that is, policies were not issued on credit.

**(i) Default Risk:**

It indicates default in paying off the claims on demand when third party involved in such approach. At the time, the company needs to have sufficient liquidity to pay off the claims on demand and to fulfill the contractual obligation.

**(j) Legal and Regulatory Risk:**

There is legal and regulatory obligation to follow and abide by the restricted rules and regulation in carrying out the business which do not conform to the competitive market for procuring business. As such, non-compliance to rules and regulation may invite risk to the employment of the company.



## NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED ON DECEMBER 31, 2018

		Amount in Taka	
		31-Dec-2018	31-Dec-2017
3.	Share Capital :		
3.1	Authorized Share Capital :		
	100,000,000 ordinary shares of Tk. 10 each	1,000,000,000	1,000,000,000
3.2	Issued, Subscribed and Paid up Capital :		
	Issued against cash	150,000,000	150,000,000
	Issued against bonus share	276,596,110	276,596,110
		<b>426,596,110</b>	<b>426,596,110</b>

### 3.2.1 Group wise shareholding position as at December 31, 2018 are given below :

Shareholder Group	No. of Shareholder	No. of Shares	Percentage
Sponsors	16	15,467,735	36.26%
Institutional Investors	67	17,710,181	41.52%
General Investors	3,333	9,481,695	22.23%
<b>Total</b>	<b>3,416</b>	<b>42,659,611</b>	<b>100.00%</b>

### 3.2.2 Range wise shareholding position as at December 31, 2018 are given below :

Share holding range	No. of Shareholder	No. of Shares	Percentage
000001-005000	3,086	2,878,790	6.75%
005001-050000	279	3,828,061	8.97%
050001-100000	13	1,006,635	2.36%
100001-200000	7	931,901	2.18%
200001-300000	3	725,492	1.70%
300001-400000	2	617,674	1.45%
400001-500000	2	933,635	2.19%
500001- Over	24	31,737,423	74.40%
<b>Total</b>	<b>3,416</b>	<b>42,659,611</b>	<b>100.00%</b>

### 3.2.3 Shareholding position of Sponsor/Director as at December 31, 2018 are as follows:

SL. No.	Name of the Directors/Sponsor	Class of Share	No. of Shares	Nominal value	Taka
01	Mr. S. M. Ayub Ali Chowdhury	Ordinary	1,092,504	10	10,925,040
02	Mr. Md. Sarwar Salim	Ordinary	941,897	10	9,418,970
03	Al-haj Nasiruddin	Ordinary	927,111	10	9,271,110
04	Mr. Abdul Matin	Ordinary	927,111	10	9,271,110
05	Mr. Mohd. Azam	Ordinary	984,385	10	9,843,850
06	Al-haj Md. Saiful Alam	Ordinary	854,231	10	8,542,310
07	Ms. Thamina Rahman	Ordinary	1,245,647	10	12,456,470
08	Mr. Hamidul Haq	Ordinary	27,181	10	271,810
09	Mr. Faysal Ahmed Patwary	Ordinary	1,245,645	10	12,456,450
10	Mrs. Ferdousi Islam	Ordinary	1,245,647	10	12,456,470
11	Al-haj Md. Shafiul Azam	Ordinary	1,171,111	10	11,711,110
12	Al-haj Abdus Samad	Ordinary	927,111	10	9,271,110
13	Mr. Shahriar Khaled	Ordinary	927,111	10	9,271,110
14	Mr. Arshadul Alam	Ordinary	1,245,647	10	12,456,470
15	Ms. Maimuna Khanam	Ordinary	778,285	10	7,782,850
16	Al-haj Mortuza Siddique Chowdhury	Ordinary	927,111	10	9,271,110
	<b>Total</b>		<b>15,467,735</b>		<b>154,677,350</b>

## NOTES TO THE FINANCIAL STATEMENTS

### FOR THE YEAR ENDED ON DECEMBER 31, 2018

		Amount in Taka																									
		31-Dec-2018	31-Dec-2017																								
3.2.4	<b>Change in face value of each share</b> The company has amended relevant clause of Memorandum and Articles of Association in the 6th EGM held on November 24, 2011 to comply SEC's order regarding changing the share denomination from Tk.100.00 to Tk.10.00 each.																										
4.	<b>Reserve for Exceptional Losses : Tk. 187,690,821</b> This is arrived at as under: <b>Balance as at January 01, 2018</b> Add : Provision for the year <b>Balance as at December 31, 2018</b>	163,031,170 24,659,651 <b>187,690,821</b>	138,031,170 25,000,000 <b>163,031,170</b>																								
5.	<b>Revaluation Surplus : Tk. 178,881,243</b> This represents revaluation of Office Floor Space and arrived at as under: Balance as at January 01, 2018  Less : Transferred to Retained Earnings <b>Balance as at December 31, 2018</b>	183,467,942  (4,586,699) <b>178,881,243</b>	188,172,248  (4,704,306) <b>183,467,942</b>																								
6.	<b>Profit or Loss Appropriation Account : Tk. 86,025,407</b> This is arrived at as under: <b>Balance as at January 01, 2018</b> Less : Appropriation for Cash dividend & Stock dividend  Add : Profit during the year Add : Transferred from Revaluation Surplus Balance as at December 31, 2018	78,269,063 42,659,611 35,609,452 45,829,256 4,586,699 <b>86,025,407</b>	67,925,282 38,781,460 29,143,822 44,420,935 4,704,306 <b>78,269,063</b>																								
7.	<b>Premium Deposit : Tk. 7,551,554</b> This represents the balance of premium received against Cover Notes during the year for which Policies were not issued within December 31, 2018.																										
8.	<b>Estimated liability in respect of outstanding claims whether due or intimated : Tk. 47,206,200</b> The break-up of the amount with estimated numbers of claim against policies is as under:																										
	<table> <tr> <th>Sl. No.</th><th>Class of business</th><th colspan="2">Taka</th></tr> <tr> <td>01</td><td>Fire</td><td>15,631,727</td><td>8,090,000</td></tr> <tr> <td>02</td><td>Marine</td><td>9,961,303</td><td>7,530,000</td></tr> <tr> <td>03</td><td>Motor</td><td>21,266,920</td><td>16,462,438</td></tr> <tr> <td>04</td><td>Miscellaneous</td><td>346,250</td><td>346,250</td></tr> <tr> <td colspan="2"><b>Total</b></td><td><b>47,206,200</b></td><td><b>32,428,688</b></td></tr> </table>	Sl. No.	Class of business	Taka		01	Fire	15,631,727	8,090,000	02	Marine	9,961,303	7,530,000	03	Motor	21,266,920	16,462,438	04	Miscellaneous	346,250	346,250	<b>Total</b>		<b>47,206,200</b>	<b>32,428,688</b>		
Sl. No.	Class of business	Taka																									
01	Fire	15,631,727	8,090,000																								
02	Marine	9,961,303	7,530,000																								
03	Motor	21,266,920	16,462,438																								
04	Miscellaneous	346,250	346,250																								
<b>Total</b>		<b>47,206,200</b>	<b>32,428,688</b>																								
9.	<b>Amount due to other persons or bodies carrying on insurance business :</b> The above amount is payable to Shadharan Bima Corporation on account of re-insurance arrangements and co-insurance scheme to other General Insurance Companies.	<b>71,953,503</b>	<b>69,951,953</b>																								

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED ON DECEMBER 31, 2018

Amount in Taka	
31-Dec-2018	31-Dec-2017

**10. Sundry Creditors : Tk. 248,867,142**

The break-up of the amount is as under :

Sl. No.	Head of accounts	Taka	
01	Audit fees payable	2,070,075	833,825
02	VAT Payable	2,816,109	3,036,156
03	Employees' Tax deduction at source	89,179	56,594
04	Security Deposit	35,000	35,000
05	Share Subscription	4,435,895	4,435,895
06	Provident Fund Payable	1,097,495	3,516,364
08	Shareholders Account	1,321,052	1,321,052
11	Provision for Income Tax	235,722,854	207,637,747
09	Dividend Payable	667,274	-
10	Agent Commission Tax	612,209	665,333
<b>Total</b>		<b>248,867,142</b>	<b>221,537,966</b>

**11. Investment : Tk. 75,040,024**

The break-up of the amount is as under:

13.1	Bangladesh Government Treasury Bond - at cost	25,000,000	25,000,000
13.2	FSIB Mudaraba Subordinated Bond	-	10,000,000
13.2	FSIB 2nd Mudaraba Subordinated Bond	50,000,000	50,000,000
13.3	Shares in Listed Companies	40,024	50,194
		<b>75,040,024</b>	<b>85,050,194</b>

11.1 Investment in Bangladesh Government Treasury Bond is made as per section 23, schedule - 1 of the Insurance Act - 2010 being statutory deposit with Bangladesh Bank.

11.2 Further Investment for Tk. 500,00,000.00 (Tk. 3,00,00,000.00 and 2,00,00,000.00 was made in FSIB 2nd Mudaraba Subordinated Bond on 13.12.2017 and 17.12.2017 respectively) for seven years. Originally, the interest rate is Mudaraba Term Deposit rate plus 1.25% additional. The investment will be redeemed 20% each year after 2 (two) years from end of 3rd year.



## NOTES TO THE FINANCIAL STATEMENTS

### FOR THE YEAR ENDED ON DECEMBER 31, 2018

Amount in Taka	
31-Dec-2018	31-Dec-2017

#### 11.3 Details of investment in the shares of listed companies are given below :

Sl. No.	Particulars	Cost	Taka	
			Market value as at 31.12.2018	Market value as at 31.12.2017
01	Aftab Auto Limited	567	275	385
02	BD Finance Limited	605	359	432
03	Beacon Pharma Limited	20,545	4,050	5,325
04	Dhaka Bank Limited	1,947	1,335	1,848
05	Eastern Bank Limited	387	396	562
06	Exim Bank Limited	393	932	1,359
07	Fine Foods Limited	-	9,853	8,259
08	Islami Bank Limited	274	194	293
09	Islami Insurance Limited	10,454	11,349	16,267
10	National Bank Limited	2,165	884	1,105
11	Paramount Insurance Limited	11,772	3,932	3,770
12	Premier Leasing International Limited	15,212	4,432	8,313
13	Prime Finance Limited	2,005	295	378
14	Pubali Bank Limited	466	312	365
15	Rupali Insurance Limited	216	78	82
16	Summit Power Limited	151	236	215
17	Uttara Finance Limited	1,595	1,112	1,236
<b>Total</b>		<b>68,754</b>	<b>40,024</b>	<b>50,194</b>

The above investment in marketable securities that are designated as available for sale by the management. These are measured at fair value and presented as non current assets.

#### 12. Interest accrued but not due : Tk. 2,937,453

This represents accrued interest on Fixed Deposits with the different banks and in Bangladesh Treasury Bond as summarized below:

12.1	Bangladesh Govt. Treasury Bond	952,806	952,806
	Fixed Deposit with different banks	-	6,343,583
	FSIB Mudaraba Subordinate Bond	1,984,647	961,398
		<b>2,937,453</b>	<b>8,257,787</b>

#### 12.2 Bangladesh Govt. Treasury Bond:

Investment in Bangladesh Government Treasury Bond was purchased in different time from AB Bank Limited, Principal Branch, Dhaka. Accrued interest is calculated at the rate varied from 9.55% to 12.10% .

## NOTES TO THE FINANCIAL STATEMENTS

### FOR THE YEAR ENDED ON DECEMBER 31, 2018

	Amount in Taka	
	31-Dec-2018	31-Dec-2017
13. Amount due from other persons or bodies carrying on insurance business :	379,815,081	362,829,068
The above amount is due from Shadharan Bima Corporation on account of re-insurance arrangements, public sector business and co-insurance scheme to other General Insurance Companies.		

14. **Sundry Debtors : Tk. 276,603,775**  
[including advance tax, other advances, deposits and pre-payments]  
The break-up of the amount as under :

Sl. No.	Particulars	31-Dec-2018	31-Dec-2017
01	Advance Income Tax	154,004,545	130,751,578
02	Advance Tax deduction at source	30,473,945	28,741,365
03	Advance office rent	2,846,370	4,151,689
04	Security Deposit with CDBL	300,000	300,000
05	Advance payment for printing of desk calendar	-	100,00
<b>Total</b>		<b>276,603,775</b>	<b>213,337,014</b>

It is to mention that paid amount of advance tax and tax deduction at source to be adjusted against provision of completed assessment years.

15. **Cash and Bank balances : Tk. 301,185,754**  
The break-up of the amount is as under:

15.1	Fixed Deposit with banks	225,005,540	206,212,116
15.2	Balance with banks	62,699,894	79,448,742
15.3	Cash in hand (including cash at branches)	13,480,320	5,148,396
		<b>301,185,754</b>	<b>290,809,254</b>

- 15.1 **Fixed Deposit with banks : Tk. 225,005,540**

Sl. No.	Bank	Amount in Taka	
		31-Dec-2018	31-Dec-2017
01	AB Bank Ltd.	1,063,050	1,000,000
02	Al Arafah Islami Bank Limited	9,805,193	7,130,138
03	Bangladesh Commerce Bank Limited	3,089,639	900,000
04	Bank Asia Limited	5,522,744	5,269,446
05	BASIC Bank Limited	896,885	858,638
06	BRAC Bank Limited	2,269,970	1,683,401
07	CAPM Venture Capital & Finance Ltd.	800,000	1,600,000
08	Dhaka Bank Limited	6,058,396	5,855,328
09	Dutch Bangla Bank Limited	1,898,616	4,755,163
10	Eastern Bank Limited	3,474,789	3,405,405
11	Exim Bank of Bangladesh Limited	7,961,108	10,307,791
12	First Security Islami Bank Limited	20,421,332	15,112,533
13	IFIC Bank Limited	3,310,904	3,461,608
14	Industrial Promotion and Development of BD Ltd.	300,000	1,588,747
15	International Leasing and Financial Service Ltd.	10,294,901	2,709,721
16	Islami Bank Bangladesh Limited	12,199,052	6,787,246
17	Jamuna Bank Ltd.	1,311,951	-
18	Janata Bank Limited	4,236,129	4,084,423
19	Lanka Bangla Finance Ltd.	2,191,745	500,000
20	Marcentile Bank Limited	1,749,577	4,013,914

## NOTES TO THE FINANCIAL STATEMENTS

### FOR THE YEAR ENDED ON DECEMBER 31, 2018

Sl. No.	Bank	Amount in Taka	
		31-Dec-2018	31-Dec-2017
21	Meghna Bank Limited	1,099,527	1,026,750
22	Midland Bank Ltd.	-	500,000
23	Modhumoti Bank Ltd.	524,850	500,000
24	Mutual Trust Bank Limited	3,603,528	3,424,614
25	National Bank Limited	1,953,453	3,036,157
26	NCC Bank Limited	8,348,978	6,306,904
27	NRB Commercial Bank Limited	2,912,862	5,719,927
28	NRB Global Bank Limited	2,045,780	1,441,243
29	One Bank Limited	1,595,658	1,522,628
30	People's Leasing And Financial Services Ltd.	1,600,000	-
31	Premier Bank Limited	2,455,701	1,923,223
32	Prime Bank Limited	5,636,040	5,758,308
33	Pubali Bank Limited	661,482	623,678
34	Rajshahi Krishi Unnayan Bank	1,437,449	1,363,804
35	Reliance Finance Ltd.	44,281,334	43,035,088
36	Rupali Bank Limited	1,150,685	1,343,404
37	Shahjalal Islami Bank Limited	4,631,768	4,970,261
38	Social Islami Bank Limited	11,888,527	13,493,073
39	Sonali Bank Limited	9,715,475	9,310,662
40	Southeast Bank Limited	7,834,906	5,584,613
41	Standard Bank Limited	3,384,482	2,228,896
42	The City Bank Limited	854,737	825,411
43	The Farmers Bank Limited	500,000	1,553,215
44	Trust Bank Limited	878,794	837,822
45	Union Bank Ltd.	-	500,000
46	United Commercial Bank Limited	5,817,394	7,086,129
47	Uttara Bank Limited	1,336,149	1,272,805
<b>Total</b>		<b>225,005,540</b>	<b>206,212,116</b>

#### 15.2 Balance with banks :

This represents the balance in STD accounts with different banks. We have circularized the balance confirmation letter to the bank to confirm the balance directly to the Auditors. But they said to have not received any reply till to the date of this report.

#### 15.3 Cash in hand :

This represents petty cash of head office and branches and also CD account balances of the branches. Management has certified the closing petty cash in hand.



## NOTES TO THE FINANCIAL STATEMENTS

### FOR THE YEAR ENDED ON DECEMBER 31, 2018

16. Property, Plant & Equipments : Tk. 318,528,473

Particulars	Cost			Rate	Depreciation			Written Down Value	
	Opening balance as at 1-Jan-18	Addition during the year	Disposal during the year		Opening balance as at 1-Jan-18	Charged during the year	Adjustment during the year	Balance as on 31-Dec-18	Balance as on 31-Dec-17
Property, Plant & Equipments (At Cost):									
Furniture and Fixture	10,454,604	-	-	10%	6,914,726	353,988	-	7,268,714	3,185,890
Type Writer and Office Equipments	5,992,410	677,474	-	15%	5,129,634	156,357	-	5,285,991	1,383,893
Electric Fan	381,147	-	-	15%	351,146	4,500	-	355,646	25,501
Air Conditioner and Refrigerator	7,131,717	-	-	20%	5,847,231	256,897	-	6,104,128	1,284,486
Motor Vehicle	51,996,296	13,215,000	-	20%	25,364,493	6,815,194	-	32,179,687	33,031,609
Motor Cycle	1,305,905	-	-	20%	1,246,527	11,876	-	1,258,403	47,502
Telephone Installation	649,000	-	-	15%	580,678	10,248	-	590,926	58,074
Office Decoration	38,799,505	-	-	10%	25,714,972	1,308,453	-	27,023,425	11,776,080
Library Books	148,988	-	-	20%	128,705	4,057	-	132,762	16,226
Computer	3,845,212	448,021	-	20%	2,015,530	402,920	-	2,418,450	1,874,783
Sub Total	120,704,784	14,340,495	-		73,293,642	9,324,490	-	82,618,132	52,427,147
Property, Plant & Equipments (At Revalued):									
Office Floor Space	357,868,868	-	-	2.5%	84,944,431	6,823,111	-	91,767,542	266,101,326
Sub Total	357,868,868	-	-		84,944,431	6,823,111	-	91,767,542	266,101,326
Grand Total As at December 31, 2018	478,573,652	14,340,495	-	-	158,238,073	16,147,601	-	174,385,674	318,528,473
As at December 31, 2017	450,731,134	27,842,518	-		143,246,006	14,992,067	-	158,238,073	320,335,579

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED ON DECEMBER 31, 2018

17. Intangible Assets :		Tk. 180,305								
Particulars	Cost			Balance as on 31-Dec-18	Rate	Depreciation			Written Down Value	
	Opening balance as at 1-Jan-18	Addition during the year	Disposal during the year			Opening balance as at 1-Jan-18	Charged during the year	Adjustment during the year	Balance as on 31-Dec-18	Balance as on 31-Dec-17
Software Installation	4,809,661	-	-	4,809,661	35%	4,532,269	97,087	-	4,629,356	277,392
As at December 31, 2018	4,809,661	-	-	4,809,661		4,532,269	97,087	-	4,629,356	277,392
As at December 31, 2017	4,767,339	42,322	-	4,809,661		4,382,904	149,365	-	4,532,269	-

## NOTES TO THE FINANCIAL STATEMENTS

### FOR THE YEAR ENDED ON DECEMBER 31, 2018

		Amount in Taka	
		31-Dec-2018	31-Dec-2017
18.	Deferred Tax [BAS 12] :		
18.1	Deferred Tax Assets :		
	Book value of depreciable fixed assets	318,708,778	320,335,579
	Less: Tax base	316,404,040	319,284,073
	Total difference	2,304,739	1,051,506
	Less: Permanent difference	815,000	-
	Taxable Temporary differences	1,489,739	1,051,506
	Effective Tax Rate [is considered as per Finance Act, 2018]	37.50%	40.00%
18.2	Deferred Tax Expense/(Income) : Tk. 979,254		
	Opening deferred tax assets	420,602	94,576
	Closing deferred tax Liabilities	558,652	420,602
	Total Deferred tax expense /(Income)	979,254	(326,026)
18.2.1	Decrease in deferred tax Liabilities over the year :		
	The break-up of the amount is as under :		
	Balance as at January 01, 2018	420,602	94,576
	Deduction during the year	(979,254)	326,026
	Balance as at December 31, 2018	(558,652)	420,602
18.3	Provision for Taxation :		
	Break-up of the above is as under:		
	Current Tax Provision	28,085,106	29,939,982
	Deferred Tax (Liabilities)/ Assets	(558,652)	420,602
19.	Expenses of Management : Tk.16,967,564		
	The following expenses were incurred for management of the company's total business but not related to any particular fund or identical business.		
	Insurance Premium on Office Car	1,373,858	1,150,011
	Bank Charges	625,128	637,122
	Meeting Expenses	-	378,250
	Advertisement and Publicity	789,606	833,002
	Traveling and Conveyance	13,823	248,310
	Lease Rental	4,276,020	2,753,760
	AGM Expenses	378,996	337,200
	Festival Allowance	5,099,977	4,289,038
	Annual listing fee	562,596	629,943
	Branch Managers Conference	-	185,177
	Group Insurance Premium	684,034	583,532
	Contribution to Provident Fund	3,163,526	2,147,264
		16,967,564	14,172,609



## NOTES TO THE FINANCIAL STATEMENTS

### FOR THE YEAR ENDED ON DECEMBER 31, 2018

Amount in Taka	
31-Dec-2018	31-Dec-2017

#### 20. Expenses of Management : Tk. 66,259,064

These expenses were incurred in consolidation of identical business as below:

Salaries and allowances	41,403,845	35,720,963
Wages	972,282	150,000
Postage and Telegram	334,098	340,069
Printing	1,429,922	1,618,598
Stationery	433,195	330,308
Conveyance	763,521	447,026
Training Fee	42,500	5,750
Entertainment	1,179,320	826,136
Electrical Expenses	3,775	55,265
Office Contingency and General Charges	117,187	364,982
Telephone, Trunk Call and Telex	540,649	584,908
Car Maintenance	712,964	518,196
Internet Charge	641,660	738,160
Office Rent	7,932,568	8,157,934
Gas, Water and Electricity Charges	2,733,184	1,208,399
Service Charges	974,400	974,400
Papers and Periodicals	25,510	22,640
Holding Tax	2,160	3,780
Misc. Expenses	207,616	560,396
Management Expenses SBC	5,066,523	3,712,497
Stamp Duty consumed - Fire	177,600	195,850
Stamp Duty consumed - Motor	444,835	525,630
Stamp Duty consumed - Miscellaneous	119,750	86,600
	<b>66,259,064</b>	<b>57,148,487</b>

#### 20.1 Gross Premium & Allocation of Expenses of Management:

The above expenses were allocated to respective revenue account on the basis of gross premium earned during the year under audit as follows:

Revenue Account	Basis of allocation		Amount in taka		
	Gross Premium	Percentage %	General Expenses	Direct Expenses	Total Management Expenses
Fire	190,469,309	41%	24,784,646	848,309	25,632,955
Marine	114,937,725	25%	15,112,589	1,208,425	16,321,014
Motor	73,144,602	16%	9,672,057	637,758	10,309,815
Miscellaneous	83,798,278	18%	10,881,064	3,114,216	13,995,280
<b>Total for the year 2018</b>	<b>462,349,914</b>	<b>100%</b>	<b>60,450,356</b>	<b>5,808,708</b>	<b>66,259,064</b>
<b>Total for the year 2017</b>	<b>422,600,911</b>	<b>100%</b>	<b>52,627,910</b>	<b>4,520,577</b>	<b>57,148,487</b>

## NOTES TO THE FINANCIAL STATEMENTS

### FOR THE YEAR ENDED ON DECEMBER 31, 2018

#### 21. Related Party Disclosure: [IAS - 24]

##### 21.1 Related Party being Directors:

Directors' involvement in other Firms/ Companies are details below:

Sl. No.	Name of Directors	Status With NGICL	Name of the Firms/ Companies in which interested as Proprietor, Partner, Director, Managing Agent, Guarantor, Employees etc.	Position in the Firms/ Companies
01	Mr. Abdul Matin	Chairman	1 Metropolitan Medical Center Limited	Chairman
			2 Rupali Life Insurance Company Limited	Alternate Director
			3 Modern Textile Mills	Proprietor
			4 Modern Dying and Screen Printing Limited	Managing Director
			5 Narsingdi Hatchery and Fisheries Limited	Chairman
02	Mr. Mohammad Azam	Vice Chairman	1 Zia and Brothers	Proprietor
			2 Boshra Trading	Proprietor
03	Mr. S. M. Ayub Ali Chowdhury	Director	1 City Pharmaceuticals Limited	Chairman
			2 K. B. Knit Fashion Limited	Chairman
			3 Fortune Fashion Limited	Chairman
04	Mr. Md. Sarwar Salim	Director	1 Panwin Fashion Limited	Managing Director
			2 Panwin Garments Limited	Managing Director
			3 Panwin Designs Limited	Managing Director
			4 Pantax Accessories (Pvt) Limited	Managing Director
			5 Shamoli Garments Limited	Managing Director
			6 Western Developers Limited	Director
05	Al-haj Nasiruddin	Director	1 Nasim Trading Company	Proprietor
			2 Nams Trade Corporation	Proprietor
			3 J. A. N. Corporation Limited	Managing Director
06	Ms. Thamina Rahman	Director	Not Applicable	
07	Mr. Faysal Ahmed Patwary	Director	1 Patwary Potato Flakes Limited	Director
			2 Greentech Greenhouse Bangladesh Limited	Director
			3 Social Islami Bank Ltd	Director
			4 Patwary & Associates	Proprietor
08	Mrs. Ferdousi Islam	Director	1 China Bangla Ceramic Industries Limited	Chairman
			2 China Bangla Engineering & Technology Services Limited	Chairman
			3 Bajnabo Textile Mills Limited	Chairman
			4 Trustee Securities Limited	Managing Director
			5 Bangal Tiger Cement Industries Limited	Director
			6 Total Merchandising & Trims Limited	Director
			7 United Shipping Lines Limited	Director
			8 Dhaka-Foshan Mould Company Limited	Director
			9 Azbal International Limited	Chairman
			10 Bajnabo Creamic Industries Limited	Director
			11 Rajanigondha Cargo Limited	Director
09	Mr. Md. Shafiul Azam	Director	1 Ambia Apperals Limited	Director
			2 Ambia Sweaters Limited	Director
			3 Ambia Steel & Re-Rolling Mills Limited	Director



## NOTES TO THE FINANCIAL STATEMENTS

### FOR THE YEAR ENDED ON DECEMBER 31, 2018

Sl. No.	Name of Directors	Status With NGICL	Name of the Firms/ Companies in which interested as Proprietor, Partner, Director, Managing Agent, Guarantor, Employees etc.	Position in the Firms/ Companies
			4 Ambia Accessories Limited	Director
			5 S. A. Chemical Industries Limited	Director
			6 Ambia Tank Terminal Limited	Director
			7 Ambia Holdings Limited	Director
			8 M/s A. H. Trading	Director
			9 M & M Navigation Company Limited	Director
			10 Patenga Builders Corporation Limited	Director
			11 Ocean Construction Limited	Director
10.	Al-haj Abdus Samad	Director	1 Al-Arafah Islami Bank Limited	Chairman (BOD) & Promoter Shareholder/ Director
			2 S. Alam Power Plant Limited	Managing Director
			3 Karnaphuli Prakritik Gas Limited	Managing Director
			4 S. Alam Hatchery Limited	Chairman
			5 S. Alam Soyaseed Extraction Plant Limited	Chairman
			6 S. Alam Tank Terminal Limited	Chairman
			7 S. Alam Cold Rolled Steels Limited	Chairman
			8 S. Alam Steels Limited	Chairman
			9 S. Alam Cement Limited	Chairman
			10 Portman Cements Limited	Chairman
			11 S. Alam Brothers Limited	Chairman
			12 S. Alam Properties Limited	Chairman
			13 S. Alam Luxury Chair Coach Services Limited	Chairman
			14 S. Alam Super Edible Oil Limited	Sponsor Shareholder
			15 S. Alam Vegetable Oil Limited	Sponsor Shareholder
			16 S. Alam Power Generation Limited	Chairman
			17 SS Power I Limited	Nominee Director
			18 Norinco Engineering Limited	Director
			19 Ekushey Television Limited	Vice Chairman
			20 Reliance Finance Limited	Nominee Director
			21 Sonali Cargo Logistics (Pvt.) Limited	Chairman
			22 AIBL Capital Market Services Limited	Promoter Shareholder/ Director
			23 Marine Empire Limited	Managing Director
			24 Samad Trading Agency	Proprietor
			25 Fatehabad Farm Limited	Chairman
11.	Mr. Shahriar Khaled	Director	Not Applicable	
12.	Al-haj Mr. Mortuza Siddique Chowdhury	Director	1 Diganta Media Corporation Limited	Sponsor Shareholder
			2 Reliance Finance Limited	Director
			3 Mortaza Assets Limited	Managing Director
			4 MARSА Holding Limited	Chairman
			5 MARSА Trading Limited	Proprietor
			6 Union Bank Limited	Director
			7 MARSА Fishing Limited	Chairman
			8 Parkview Hospital Limited	Vice Chairman



## NOTES TO THE FINANCIAL STATEMENTS

### FOR THE YEAR ENDED ON DECEMBER 31, 2018

Sl. No.	Name of Directors	Status With NGICL	Name of the Firms/ Companies in which interested as Proprietor, Partner, Director, Managing Agent, Guarantor, Employees etc.	Position in the Firms/ Companies
13.	Mrs. Umme Habiba Akhter	Independent Director	1 Akhter's Collection's	Proprietor
			2 Chattogram Women Chamber of Commerce & Industries (WCCI)	Member
			3 Disney Elementory School, Chattogram	Advisor
			4 Subline Consultancy	Advisor
			5 Ladies Club, Jamalpur	President
			6 Ladies Club, Rajshahi Division	Vice President
14.	Mr. Mohammed Rafique	Independent Director	1 M. M. Corporation	Proprietor
15.	Al-haj Md. Saiful Alam	Director	1 Al-Arafah Islami Bank Limited	Sponsor Shareholder
			2 Karnaphuli Praktik Gas Limited	Chairman
			3 First Security Islami Bank Limited	Chairman
			4 First Security Islami capital & Investment Limited	Chairman
			5 S. Alam Hatchery Limited	Managing Director
			6 S. Alam Soyaseed Extraction Plant Limited	Managing Director
			7 S. Alam Tank Terminal Limited	Managing Director
			8 S. Alam Cold Rolled Steels Limited	Managing Director
			9 S. Alam Bag Manufacturing Mills Limited	Managing Director
			10 S. Alam Refined sugar Industries Limited	Managing Director
			11 S. Alam Steels Limited	Managing Director
			12 S. Alam Cement Limited	Managing Director
			13 Portman Cements Limited	Managing Director
			14 S. Alam & Co.	Proprietor
			15 S. Alam Trading Co. (Pvt.) Limited	Managing Director
			16 S. Alam Brothers Limited	Managing Director
			17 S. Alam Properties Limited	Managing Director
			18 S. Alam Luxury Chair Coach Services Limited	Managing Director
			19 S. Alam Super Edible Oil Limited	Sponsor Shareholder
			20 S. Alam Vegetable Oil Limited	Sponsor Shareholder
			21 Norinco Engineering Limited	Chairman
			22 S. Alam Power Generation Limited	Managing Director
			23 Reliance Brokerage Services Limited	Chairman
			24 Reliance Finance Limited	Chairman
			25 Sonali Cargo Logistics (Pvt.) Limited	Managing Director
			26 Fatehabad Farm Limited	Managing Director
			27 Rangdhanu Media Limited	Managing Director
			28 SS Power I Limited	Chairman(BOD) & Nominee Director
			29 Pavilion International Ltd.	Managing Director
			30 Crest Holdings Ltd.	Managing Director
			31 Virgin Assets Ltd.	Managing Director
			32 Noor Islamic Holdings Ltd.	Managing Director
			33 Disney Business Solution Ltd.	Managing Director
			34 Ekushey Television Limited	Chairman

## NOTES TO THE FINANCIAL STATEMENTS

### FOR THE YEAR ENDED ON DECEMBER 31, 2018

#### 21.2 Transactions with Related Party:

The Company has carried out business through the following related parties and the nature of transactions and value are detailed below :

Sl. No.	Name of the Client	Related to	Nature of transaction	Amount in Taka	
				2018	2017
1	Fortune Fashion Limited	Mr. S. M. Ayub Ali Chowdhury	Insurance Premium	205,647	979,095
2	Modern Dying and Screen Printing	Mr. Abdul Matin	Insurance Premium	-	53,980
3	S. Alam Cold Rolled Steel Limited	Al-haj Abdus Samad Al-Haj Md. Saiful Alam	Insurance Premium	475,858	157,194
4	S. Alam Steels Limited	Al-haj Abdus Samad Al-Haj Md. Saiful Alam	Insurance Premium	88,383	43,783
5	S. Alam Cement Limited	Al-haj Abdus Samad Al-Haj Md. Saiful Alam	Insurance Premium	26,979	350,237
6	S. Alam Luxury Chair Coach Services Limited	Al-haj Abdus Samad Al-Haj Md. Saiful Alam	Insurance Premium	722,915	182,854
7	S. Alam Super Edible Oil Limited	Al-haj Abdus Samad Al-Haj Md. Saiful Alam	Insurance Premium	47,080	45,656
8	S. Alam Vegetable Oil Limited	Al-haj Abdus Samad Al-Haj Md. Saiful Alam	Insurance Premium	390,230	405,637
9	S. Alam Power Plant Limited	Al-haj Abdus Samad Al-Haj Md. Saiful Alam	Insurance Premium	1,985	1,023,243
10	Portman Cement Limited	Al-haj Abdus Samad Al-Haj Md. Saiful Alam	Insurance Premium	397	397
11	S. Alam Properties Limited	Al-haj Abdus Samad Al-Haj Md. Saiful Alam	Insurance Premium	2,267	1,744
12	Reliance Brokerage Services Limited	Al-Haj Md. Saiful Alam	Insurance Premium	682	1,332
13	Reliance Finance Limited	Al-haj Abdus Samad Al-Haj Md. Saiful Alam	Insurance Premium	16,388	372,915
14	S. Alam Refined Sugar Industries Limited	Al-Haj Md. Saiful Alam	Insurance Premium	398,470	412,013
15	Rangdhanu Media Limited	Al-Haj Md. Saiful Alam	Insurance Premium	2,356	1,390
16	S. Alam Power Generation Limited	Al-haj Abdus Samad Al-Haj Md. Saiful Alam	Insurance Premium	580	580
17	Ekushey Television Limited	Al-haj Abdus Samad Al-Haj Md. Saiful Alam	Insurance Premium	-	7,170
18	S. Alam Bag Manufacturing Mills Limited	Al-Haj Md. Saiful Alam	Insurance Premium	235,341	235,976
19	Panwin Fashions Limited	Mr. Md. Sarwar Salim	Insurance Premium	1,913,178	2,156,754
20	Pantax Accessories (Pvt.) Limited	Mr. Md. Sarwar Salim	Insurance Premium	2,053,890	2,190,255
21	Panwin Designs Limited	Mr. Md. Sarwar Salim	Insurance Premium	9,898,078	11,279,559
22	Panwin Garments Limited	Mr. Md. Sarwar Salim	Insurance Premium	1,003,689	739,071
23	China Bangla Ceramic Industries Limited	Mrs. Ferdousi Islam	Insurance Premium	843,928	1,543,644
24	Total Merchandising & Trims Limited	Mrs. Ferdousi Islam	Insurance Premium	400,000	300,000
25	United Shipping Lines Limited	Mrs. Ferdousi Islam	Insurance Premium	400,000	200,000
26	Azbal International Limited	Mrs. Ferdousi Islam	Insurance Premium	403,570	403,570
27	Ambia Holdings Limited	Mr. Md. Shafiul Azam	Insurance Premium	397	397
28	PFI Securities Limited	Mr. Shahriar Khaled	Insurance Premium	-	435



## NOTES TO THE FINANCIAL STATEMENTS

### FOR THE YEAR ENDED ON DECEMBER 31 2018

22. **Compliance of Schedule XI Part II of the Companies Act, 1994 :**  
The slab of employees' remuneration is given below:

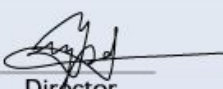
Particulars	No. of Employees	
	2018	2017
Below Taka.36,000 per year	-	-
Taka.36,000 and above	296	295
<b>Total</b>	<b>296</b>	<b>295</b>

23. **Provisions Relating to Collection of Premium :**  
The Company has always complied with the Section 18 of the Insurance Act, 2010 as applicable with regard to provision in collecting premium.
24. **Restriction on Certain Investment :**  
Northern General Insurance Company Limited has not made any investment nor holds any shares or debentures of any company, firms or other business concern except FSIB Mudaraba Subordinated Bond, in which any of it's directors or any members of the family of such directors has any interest as Proprietor, Partner, Director, Manager or Managing Agent as per Section 44(3) of the Insurance Act, 2010 .

  
Company Secretary

  
Chief Financial Officer

  
Managing Director & CEO

  
Director



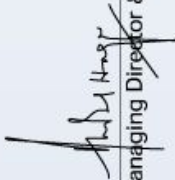


  
Director

  
Chairman



## STATEMENT OF CLASS-WISE UNDERWRITING PROFIT OR LOSS FOR THE YEAR ENDED ON DECEMBER 31, 2018

Particulars	Amount in taka					2017
	2018					
	Fire	Marine	Motor	Miscellaneous	Total	
Gross Premium	190,469,309	114,937,725	73,144,602	83,798,278	462,349,914	422,600,911
Add: Premium on Re-insurance Accepted	-	-	-	-	-	-
Less: Premium on Re-insurance ceded	121,861,914	37,130,079	2,798,107	53,963,302	215,753,402	175,393,518
Net Premium Income	68,607,395	77,807,646	70,346,495	29,834,976	246,596,512	247,207,393
Add: Commission on Re-insurance ceded	36,561,002	10,074,090	446,128	11,007,318	58,088,538	47,908,093
Less: Commission on Re-insurance Accepted	-	-	-	-	-	-
Less: Commission	20,109,158	14,358,915	8,677,093	5,434,515	48,579,681	44,116,654
Add: Last year's Unexpired Risks	-	-	-	-	-	84,231,704
Sub-Total	85,059,239	73,522,821	62,115,530	35,407,779	256,105,369	335,230,536
Deduct:						
Net Claim	29,905,940	6,273,856	34,386,771	(1,765,889)	68,800,678	61,339,287
Management Expenses	25,632,955	16,321,014	10,309,815	13,995,280	66,259,064	57,148,487
Reserve for Unexpired Risks	27,442,958	32,035,027	28,138,598	11,933,990	99,550,573	98,927,542
Sub-Total	82,981,853	54,629,897	72,835,184	24,163,381	234,610,315	217,415,316
Underwriting Profit/(Loss)	2,077,386	18,892,924	(10,719,654)	11,244,398	21,495,054	117,815,220



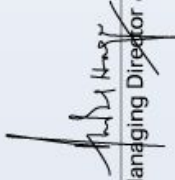


 _____ Company Secretary	 _____ Chief Financial Officer	 _____ Managing Director & CEO	 _____ Director	 _____ Chairman
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**Statement showing the details of classwise premium income, re-insurance accepted and ceded, commission earned and paid, claim paid, losses recovered and recoverable**

**For the year ended December 31, 2018**

**Direct Business:**

Class of Business	Premium Income (Taka)				Commission (Taka)				Claims (Taka)			
	Gross Premium	Re-insurance Accepted	Re-insurance Ceded	Net Premium	Direct Business	Re-insurance Accepted	Re-insurance Ceded	Net Commission	Paid for direct Business	Re-insurance Accepted	Re-insurance Ceded	Net Claim
Fire	181,617,664		115,303,391	66,314,273	20,109,158		35,809,368	(15,700,210)	37,955,961		16,060,064	21,895,897
Marine - Cargo	96,495,782		24,322,192	72,173,590	14,051,837		7,627,580	6,424,257	3,486,265		-	3,486,265
Marine - Hull	2,500,000		1,020,000	1,480,000	307,078		153,000	154,078	-		-	-
Motor	70,642,446		2,609,500	68,032,946	8,677,093		446,128	8,230,965	29,451,942		-	29,451,942
Miscellaneous	44,243,781		14,931,817	29,311,964	5,434,515		5,772,984	(338,469)	181,010		2,111,725	(1,930,715)
Total	395,499,673		158,186,900	237,312,773	48,579,681		49,809,060	(1,229,379)	71,075,178		18,171,789	52,903,389
Public Sector Business (PSB):												
Fire	8,851,645		6,558,523	2,293,122	-		751,634	(751,634)	1,489,577		1,021,261	468,316
Marine - Cargo	15,752,511		11,638,402	4,114,109	-		2,285,287	(2,285,287)	378,190		44,011	334,179
Marine - Hull	189,432		149,485	39,947	-		8,223	(8,223)	173,419		151,310	22,109
Motor	2,502,156		188,607	2,313,549	-		-	-	130,347		-	130,347
Miscellaneous	39,554,497		39,031,485	523,012	-		5,234,334	(5,234,334)	7,868,276		7,703,450	164,826
Total	66,850,241		57,566,502	9,283,739	-		8,279,478	(8,279,478)	10,039,809		8,920,032	1,119,777
Direct Business and Public Sector Business (PSB):												
Fire	190,469,309		121,861,914	68,607,395	20,109,158		36,561,002	(16,451,844)	39,445,538		17,081,325	22,364,213
Marine - Cargo	112,248,293		35,960,594	76,287,699	14,051,837		9,912,867	4,138,970	3,864,455		44,011	3,820,444
Marine - Hull	2,689,432		1,169,485	1,519,947	307,078		161,223	145,855	173,419		151,310	22,109
Motor	73,144,602		2,798,107	70,346,495	8,677,093		446,128	8,230,965	29,582,289		-	29,582,289
Miscellaneous	83,798,278		53,963,302	29,834,976	5,434,515		11,007,318	(5,572,803)	8,049,286		9,815,175	(1,765,889)
Total	462,349,914		215,753,402	246,596,512	48,579,681		58,088,538	(9,508,857)	81,114,987		27,091,821	54,023,166

				
Company Secretary	Chief Financial Officer	Managing Director & CEO	Director	Chairman

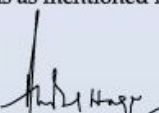
## Status of compliance of Bangladesh Accounting Standards and Bangladesh Financial Reporting Standards

Annexure-1		
Name of the IAS	IAS No	Status
Presentation of financial statements	1	**
Inventories	2	N/A
Cash flow statement	7	Applied
Accounting policies, change in accounting estimates and errors	8	Applied
Events after the balance sheet date	10	Applied
Construction contracts	11	N/A
Income Taxes	12	Applied
Property, plant and equipment	16	Applied
Lease	17	Applied
Revenue	18	Applied
Employee benefits	19	Applied
Accounting for government grants and disclosure of governments assistance	20	N/A
The effect of change in foreign exchange rates	21	N/A
Borrowing cost	23	Applied
Related party disclosure	24	Applied
Accounting and reporting by retirement benefits plan	26	Applied
Consolidated and separate financial statements	27	Applied
Investment in associates	28	N/A
Investment in joint ventures	31	N/A
Financial instruments: disclosure and presentations	32	**
Earning per share	33	Applied
Interim financial reporting	34	Applied
Impairment of assets	36	Applied
Provision, contingent liabilities and contingent assets	37	Applied
Intangible assets	38	Applied
Financial instruments: recognition and measurement combination	39	**
Investment property	40	N/A
Agriculture	41	N/A
Name of the IFRS	IFRS No	Status
Share base payment	2	N/A
Business combination	3	N/A
Insurance contracts	4	**
Non-currents assets held for sale and discontinued operation	5	N/A
Exploration for and evaluation of mineral resources	6	N/A
Financial instruments: disclosure	7	**
Operating segment	8	N/A

\*\* Northern General Insurance Company Limited management has followed the principles of IAS and IFRS consistently in the preparation of the financial statements to that extent as applicable to Insurance Company. Some of the standards have not been complied with, about which IDRA has special guideline. On the other hand, some disclosures differ with the authoratative directions as mentioned in note 2.3.

  
Company Secretary

  
Chief Financial Officer

  
Managing Director & CEO

  
Director

  
Director

  
Chairman





# নর্দার্ন জেনারেল ইন্স্যুরেন্স কোঃ লিঃ Northern General Insurance Co. Ltd.

(A KEY TO PROTECTION)

## PROXY FORM

I/We \_\_\_\_\_ of \_\_\_\_\_

being a member of Northern General Insurance Co. Ltd. and a holder of \_\_\_\_\_ (Number

of Shares) Ordinary Shares do hereby appoint Mr. / Ms. \_\_\_\_\_ of

\_\_\_\_\_ as my/our proxy to attend and vote for me / us and on my / our behalf at the 23<sup>rd</sup> Annual General Meeting (AGM) of the Company to be held on Sunday, June 23, 2019 at 11:00 A.M. at "Institution of Diploma Engineers, Bangladesh" IDEB Bhaban, 160/A, Kakrail, Dhaka-1000 and any adjournment thereof.

Signature of Proxy  
Registered Folio/BO

Revenue  
Stamp  
Tk. 20.00

Signature of Shareholder  
Registered Folio/BO

### Note:

- 1) This proxy form signed across twenty taka revenue stamp and must be deposited at least 48 hours before the meeting at the company's registered office.
- 2) Signature of the Shareholders should agree with the specimen signature registered with the company and / or Depository Register.
- 3) The eligible member to attend and vote at the above Annual General Meeting may appoint the proxy (as per Articles of Association, proxy must be a member of the Company) to attend and vote on his/her behalf.



# নর্দার্ন জেনারেল ইন্স্যুরেন্স কোঃ লিঃ Northern General Insurance Co. Ltd.

(A KEY TO PROTECTION)

## ATTENDANCE SLIP

I hereby record my attendance at the 23<sup>rd</sup> Annual General Meeting (AGM) held on Sunday, June 23, 2019 at 11:00 A.M. at "Institution of Diploma Engineers, Bangladesh" IDEB Bhaban, 160/A, Kakrail, Dhaka-1000.

Name of the Member: \_\_\_\_\_ Signature: \_\_\_\_\_

Registered Folio/BO ID No: \_\_\_\_\_ Date: \_\_\_\_\_

Name of the Proxy: \_\_\_\_\_ Signature: \_\_\_\_\_

Registered Folio/BO ID No: \_\_\_\_\_ Date: \_\_\_\_\_

Note: The shareholders/proxy are requested to record their entry for entrance the Meeting Room on 23<sup>rd</sup> AGM held on 23/06/2019 in between 9:00 A.M. to 11:15 A.M.

N.B. Please note that no gift/gift coupon/food box/benefit in cash or kind shall be distributed/paid at the 23<sup>rd</sup> AGM as per BSEC Directives.