

# ANNUAL REPORT 2014

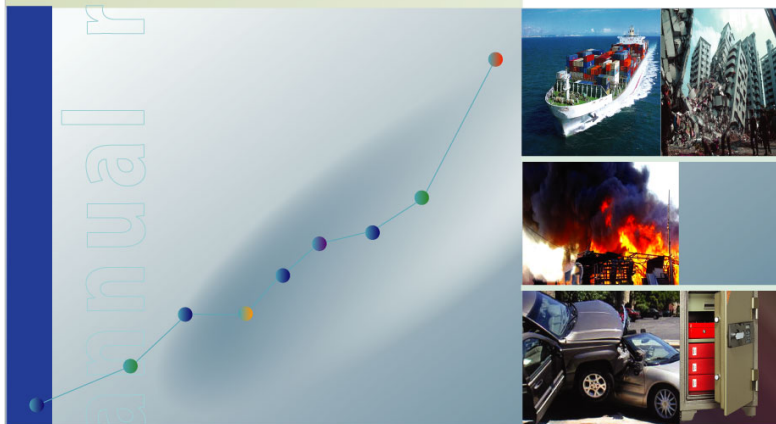


**Northern General Insurance Co. Ltd.**

**(A KEY TO PROTECTION)**

annual report

## ANNUAL REPORT 2014



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

Head Office : WW Tower, 68 Motijheel C/A (Level 12 & 13), Dhaka-1000, Bangladesh Phone : (+880-2) 955 9077-79, 712 6228, 711 0160, Fax : (+880-2) 9551579, Email : [info@ngicl.com](mailto:info@ngicl.com)



## Contents

Notice of the 19th Annual General Meeting	05
Corporate Information	06
Corporate Milestones	07
Vision, Mission and Objectives	08
Product and Services	09
Branch Network	10
Corporate Structure	12
Board of Directors and their Profile	13
Management Team	19
Pictorial	20
Chairman's Address	22
Chief Executive Officer's Review	24
Report of the Board of Directors (English)	25
Report of the Board of Directors (Bangla)	30
Credit Rating Report	36
Compliance Report of BSEC	37
Shareholding Pattern	38
Financial Summary	39
Graphical Data	40
Compliance of Notification of BSEC	41
Audit Committee Report	42
Auditors' Certificate on Corporate Governance Compliance	43
Status of Compliance of Corporate Governance	44
Value Added Statements	51
Class-wise Underwriting Result	52
Directors' Certificate	53
Auditors' Report	54
Balance Sheet	56
Profit & Loss Account	58
Profit & Loss Appropriation Account	58
Consolidated Revenue Account	60
Fire Insurance Revenue Account	62
Marine Insurance Revenue Account	64
Motor Insurance Revenue Account	66
Misc. Insurance Revenue Account	68
Statement of Cash Flow	70
Statement of Changes in Equity	71
Classified Summary of Assets (Form - "AA")	72
Notes to the Financial Statements	73
Proxy Form & Attendance Slip	93



**নর্দার্ন জেনারেল ইন্স্যুরেন্স কোঃ লিঃ**  
**Northern General Insurance Co. Ltd.**  
(A KEY TO PROTECTION)

**Notice of the 19<sup>th</sup> Annual General Meeting**

Notice is hereby given that the **19th Annual General Meeting** of the honorable shareholders of Northern General Insurance Company Limited will be held on **Saturday, June 13, 2015 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, 2014.
- 2. Dividends**  
To declare and approve dividend for the year 2014 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 2015 and to fix their remuneration.
- 5. Appointment of Independent Director**  
To consider post facto approval of appointment of Independent Director.

Dated, Dhaka  
May 10, 2015

By order of the Board of Directors

**Sd/-**  
**(Sujit Kumar Dey, FCA)**  
Dy. Managing Director &  
Company Secretary

**NOTES :**

- April 22, 2015** has been scheduled as Record Date. The shareholders whose name appeared in the Share Register/Depository Register on the Record Date would be eligible to attend the meeting and be entitled to dividend.
- 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 13, 2015. No entry will be recorded before 9:00 A.M. and after 11:15 A.M. on the schedule 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/ Food /Benefit in cash or Kind**, other than in the form of dividend shall be offered/paid to the shareholders in the 19th 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 Co. Ltd.</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 (Now Insurance Development & Regulatory Authority).
Nature of Business	Non Life Insurance Business
Auditors	Chowdhury Bhattacharjee & Co. Chartered Accountants 47/8, Indira Road, Dhaka-1215
Contracts	Telephone : (+880-2-) 955 9077-79, 712 6228, 711 0160 Fax : (+880-2-) 9551579 Email : info@ngicl.com Website : www.ngicl.com
Legal Advisor	MNS Barristers & Advocates 2/1, Naya Paltan (3rd floor), Dhaka, Bangladesh
Tax Advisor	ADN Associates Aly's Centre (8th Floor), 40, Bijoy Nagar, Dhaka-1000, Bangladesh
Principal Bankers	Standard Chartered Bank AB Bank Ltd. First Security Islami Bank Ltd. Southeast Bank Ltd. Shahjalal Islami 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
Authorised Capital(in Tk)	:	Tk. 1,000,000,000.00
Issued, Subscribed & Paid up capital	:	Tk. 31,47,84,620.00
Number of Share Issued	:	3,14,78,462 Shares
Face Value (Per share)	:	Taka 10.00
Market Lot	:	DSE-500 (Five Hundred) shares CSE-500 (Five Hundred) shares
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. 20.70
Price Earning Ratio (as on 30-12-2014)	:	DSE-Tk. 13.71, CSE-Tk. 13.81
Market Price (as on 30.12.2014)	:	DSE Tk.27.70, CSE Tk. 27.90
Year Wise Dividend Declaration	:	12.50% (Cash Dividend) 2007, 15% (Bonus) 2008, 15% (Bonus) 2009, 12% (Bonus) 2010, 15% (Bonus) 2011, 12% ((Bonus) 2012, 10% (Bonus) 2013 10% (Bonus) 2014
Distribution of 10% stock dividend in respect of financial year ended 31st December, 2013	Record date	April 16, 2014
	Allotment date	June 19, 2014
18th Annual General Meeting	Notice date	May 06, 2014
18th Annual General Meeting	Held on	June 08, 2014

### FINANCIAL CALENDAR

	Submission Date
Audited Financial Statement for the 31 December, 2013	April 29, 2014
Unaudited Financial Statement for the 1st quarter ended 31 March, 2014	May 14, 2014
Unaudited Financial Statement for the 2nd quarter and half year ended 30 June, 2014	July 24, 2014
Unaudited Financial Statement for the 3rd quarter ended 30 September 2014	October 30, 2014



## 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 (TLO)

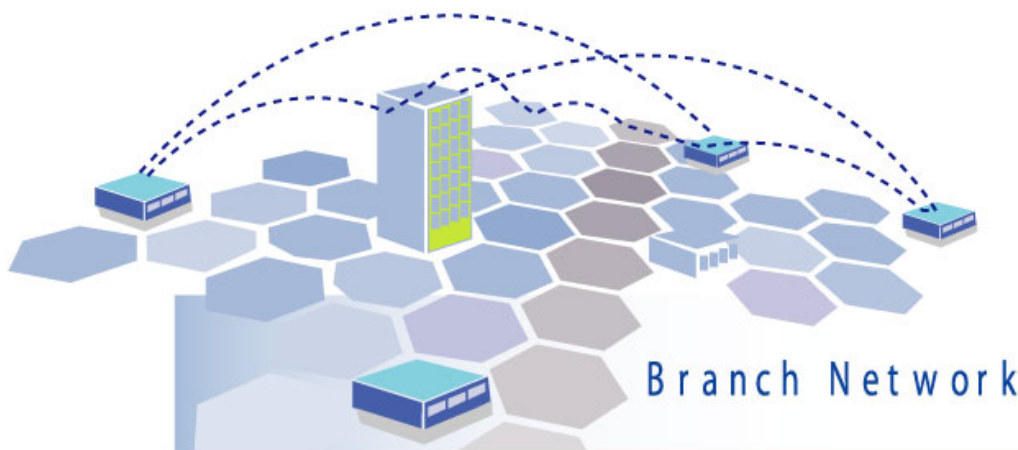
- ▶ Total Loss Only (TLO)
- ▶ Comprehensive

### 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 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 Med claim and Holiday Insurance including study and employment



Branch Name	Address	Phone/Fax/Mobile
Agrabad Branch	Sattar Chamber (4th floor) 99, Agrabad C/A, Chittagong	Tel : 031-716032, 031-716031 Mobile : 01819-321297
Bangshal Branch	230, North South Road (3rd floor) Dhaka	Tel : 02-7123529 Fax : 02-7116162 Mobile : 01819-271092
B.B. Avenue Branch	29, B.B. Avenue (1st floor). Dhaka-1000	Tel : 02-9558011 Fax : 02-9569598 Mobile : 01711-850550
Comilla Branch	Hira Mansion (3rd floor), Ramghat Kandirpar, Comilla	Tel : 081-67813 Mobile : 01727-115552
Dilkusha Branch	Chan Mansion (4th floor), 66, Dilkusha, C/A, Dhaka-1000	Tel : 02-9551805 Fax : 02-7168656 Mobile : 01819242180
Elephant Road Branch	299, Elephant Road (5th floor) Dhaka.	Tel : 02-9660746, 8616145 Mobile : 01718964799
Gazipur Branch	Tangail Road, Near Brac Bank & NCC Bank Ltd. Chandana, Chourasta, Gazipur	Tel : 02-9263672 Mobile : 01711-317698
Hatkholra Branch	Property Heights (2nd Fl.) 12, R.K. Mission Road Flat No. B2, Dhaka-1000	Tel : 02-7114960 Fax : 02-9563635 Mobile : 01819-468690
Jubilee Road Branch	44, Jubilee Road, Enayet Bazar, Chittagong	Tel : 031-615611 Fax : 031-630327 Mobile : 01819-385413
Kadamtoli Branch	1336/ A.D.T. Road, (1st Floor) Kadamtoli, Chittagong	Tel : 031-718495 Fax : 031-716125 Mobile : 01819-311430
Khatungonj Branch	279, Khatungonj, Noor Market, Chittagong	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 : 01711-387547

## Branch Network

Branch Name	Address	Phone/Fax/Mobile
Kakrail Branch	50/E, VIP Road (4th Floor) Naya Palton, Dhaka-1000	Tel : 02-9346686 (Off) Fax : 02-9355988 Mobile : 01913-464031
Local Office	Motijheel Square (7th floor) 1/B, D.I.T. Avenue, Motijheel C/A Dainik Banglar Moor, Dhaka	Tel : 02-7162556 Fax : 02-9571555 Mobile : 01925-769092
Motijheel Branch	Bhuiyan Mansion (2nd floor), 6, Motijheel C/A, Dhaka	Tel : 02-9559702 Fax : 02-7121197 Mobile : 01711-107651
Mogh Bazar Branch	4, Shahid Tajuddin Sharani (3rd fl.) Bara Moghbazar, Dhaka-1217	Tel : 02-9330450 Fax : 02-8331549 Mobile : 01730452819
Mohakhali Branch	H-4 (2nd fl.), International Airport Road Mohakhali C/A, Dhaka	Tel : 02-9886790 Fax : 02-9890498 Mobile : 01713-038195
Modhupur Branch	Holding No. 1100, P.S.- Modhupur, Dist. Tangail	Tel : 09228-56352 Mobile : 01711-133343
Narayangonj Branch	Mir Syed Ali Chamber (3rd floor) 52/1, B.B. Sarak, Narayangonj	Tel : 02-7631963 Fax : 02-7631963 Mobile : 01818-285637
Paltan Branch	Darus Salam Arcade (6th Floor), Room # 02, 14, Purana Paltan Dhaka-1000	Tel : 02-9513173 Fax : 02-9513258 Mobile : 01711-136580
Shantinagar Branch	Shaan Tower (4th floor), 24/1, Chamelibag, Dhaka	Tel : 02-9338037 Fax : 02-933803 Mobile : 01711-850942
Sk. Mujib Road Branch	Ispahani Building, Agrabad Chittagong	Tel : 2517832, 2517834 Fax : 02-2517834 Mobile : 01670-323060
Imamgonj Branch	8/3, Kamaldah Road (1st floor) P.O. Posta, P.S. Lalbagh, Dhaka	Tel : 02-734131 Fax : 02-7341143 Mobile : 01912-246526





## Corporate Structure

### Board of Directors

---

Chairman

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

Vice-Chairman

**Mr. Md. Sarwar Salim**

Directors

**Al-haj Nasiruddin**

**Mr. Abdul Matin**

**Al-haj Abdus Samad**

**Mr. Mohammad Azam**

**Mrs. Ferdousi Islam**

**Al-haj Md. Saiful Alam**

**Mr. Arshadul Alam**

**Ms. Tamina Rahman**

**Barrister Faysal Ahmed Patwary**

**Mr. Shahriar Khaled**

**Mr. Md. Mortaza Siddique Chowdhury**

**Mr. Mohammed Shafiul Azam**

Independent Director

**Prof. Dr. Zainab Begum**

**Mr. Mohammad Rafique**

Chief Executive Officer

**Mr. G. F. M. Shawkat Ali**

Additional Managing Director

**Mr. Mohiuddin Ahmed**

Company Secretary

**Mr. Sujit Kumar Dey, FCA**

---

### Executive Committee

Chairman

**Mr. Abdul Matin**

---

### Claim Committee

Chairman

**Mr. Mohammad Azam**

---

### Audit Committee

Chairman

**Prof. Dr. Zainab Begum**

---

### Manpower Review Committee

Convener

**Mr. Md. Sarwar Salim**

## Introducing the Directors

### Board of Directors and their Profile



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

Mr. S. M. Ayub Ali Chowdhury is a Director and Current Chairman of Northern General Insurance Company Limited. Apart from this involvement, he is the Managing Director of City Pharmaceuticals Ltd, Chairman of Hi Fashion Limited, K.B. Knit Fashion Limited, Fortune Fashion Limited and also Proprietor of Chowdhury Construction.



**Mr. Md. Sarwar Salim**  
Vice Chairman BOD and  
Convener of Manpower Review Committee

Mr. Md. Sarwar Salim accomplished his M.Com in Accounting and he is a highly proficient personality in the field of Banking Sector alongwith Multinational Banking sector with the managerial capacity. He is the Managing Director of Panwin Fashion Limited, Panwin Garments Limited, Panwin Designs Limited, Pantax Accessories (Pvt.) Limited and Director of Western Developers Limited. Mr. Md. Sarwar Salim is a Director and Current Vice Chairman of Northern General Insurance Co. Ltd.



**Al-haj Nasiruddin**  
Director, BOD

Al-haj Nasiruddin is a Director and past Chairman of Northern General Insurance Co. Ltd. He is actively associated with a number of company in the areas of Banking Services, Insurance, Trading and Indenting Sector. He is the Director of Social Islami Bank Limited, Proprietor of Nasim Trading Company, Nams Trade Corporation & Managing Director of J.A.N. Corporation Limited.

## Board of Directors and their Profile



**Mr. Abdul Matin**  
Director & Chairman, Executive Committee

Mr. Abdul Matin is a Director and Chairman of Executive Committee of Northern General Insurance Co. Ltd. After Completion of his Diploma in Textile Chemistry and BSC in Textile (USA), he started his business career. He is the Chairman of Metropolitan Medical Center Limited, Bangladesh Textile Engineering College, Global Investment Co-operative Society, Narsingdi Hatchery and Fisheries Ltd., Vice Chairman of Prime Asia University, Alternate Director of Rupali Life Insurance Co. Ltd., Proprietor of Modern Textile Mills and Managing Director of Modern Dying and Screen Printing Ltd.



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

Al-haj Abdus Samad accomplished his graduation in Business Administration from Panjab University, Chandigarh, India. He is the Chairman of S. Alam Hatchery Limited, S. Alam Soyaseed Extraction Plant Ltd., S. Alam Tank Terminal Limited, S. Alam Cold Rolled Steels Ltd., S. Alam Cement, Portman Cements Ltd., S. Alam Brothers Ltd., S. Alam Properties Ltd., S. Alam Luxury Chair Coach Services, S. Alam Power Generation Ltd., Sonali Cargo Logistics (Pvt.) Ltd., Fatehabad Farm Ltd., Managing Director of S. Alam Power Plant Ltd., Karnaphuli Praktik Gas Ltd., Marine Empire Ltd., Nominee Director of Reliance Finance Ltd., Promoter Shareholder of AIBL Capital Market Services Ltd., Director of Al-Arafah Islami Bank Ltd., Sponsor Shareholder of S. Alam Super Edible Oil Ltd., S. Alam Vegetable Oil Ltd. and Proprietor of Samad Trading Agency. He is also Director of Northern General Insurance Co. Ltd.



**Mr. Mohammad Azam**  
Director & Chairman, Claim Committee

Mr. Mohammad Azam is a Director and Chairman of Claim Committee of Northern General Insurance Co. Ltd. After Completion of his education, he involved himself to business activity. He is the Sponsor shareholder of Social Islami Bank Ltd., Proprietor of Zia & Brothers and Boshra Trading.

## Board of Directors and their Profile



**Mrs. Ferdousi Islam**  
Director, BOD

Mrs. Ferdousi Islam is a Director of Northern General Insurance Co. Ltd. She is also the Chairman of China Bangla Ceramic Ind. Ltd., China Bangla Engineering & Technology, Bajnaboo Textile Mills Limited, Managing Director of Trustee Securities Limited, Director of Bangal Tiger Cement Ind. Ltd., Total Merchandising & Trims Ltd., United Shipping Lines Ltd. and Rajanigondha Cargo Ltd.



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

Al-haj Md. Saiful Alam is the Chairman of First Security Islami Bank Ltd., First Security Islami Capital & Investment Ltd., Karnaphuli Prakritik Gas Ltd., Reliance Brokerage Services Ltd., Reliance Finance Ltd., Managing Director of S. Alam Hatchery Ltd., S. Alam Soyaseed Extraction Plant Ltd., S. Alam Tank Terminal Ltd., S. Alam Cold Rolled Steels Ltd., S. Alam Bag Manufacturing Mills Ltd., S. Alam Refined Sugar Industries Ltd., S. Alam Steels Ltd., S. Alam Cement Ltd., Portment Cements Ltd., S. Alam Trading Co. (Pvt.) Ltd., S. Alam Brothers Ltd., S. Alam Properties Ltd., S. Alam Power Generation Ltd., Sonali Cargo Logistics (Pvt.) Ltd. and Fatehabad Farm Ltd., Sponsor Shareholder of Al-Arafah Islami Bank Ltd., S. Alam Super Edible Oil Ltd., S. Alam Vegetable Oil Ltd., Shah Amanat Prakritik Gas Co. Ltd. and Proprietor of S. Alam & Co. Apart from all these, he is associated with a number of social, sports, cultural and religious organizations. He is well traveled person and has visited many countries of Asia, Europe and America Continents. He is the Director of Northern General Insurance Company Limited.



**Mr. Arshadul Alam**  
Director, BOD

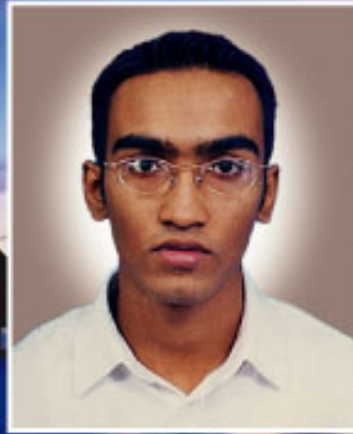
Mr. Arshadul Alam obtained his graduation in Business Administration and started his career as a dynamic businessman. He is a Director of Northern General Insurance Co. Ltd. He is also involved in many social activities. Mr. Alam is the Managing Director of Jesco Capital Management Ltd., Metro Diagnostic Ltd., Director of Jesco Bangladesh, Kharana Fish & Poultry Ltd. and The Chittagong Chamber of Commerce & Industry.

## Board of Directors and their Profile



**Ms. Tamina Rahman**  
Director, BOD

Ms. Tamina Rahman is a Director of Northern General Insurance Co. Ltd. She is involved in many Social cultural activities and contributed herself in social welfare works.



**Barrister Faysal Ahmed Patwary**  
Director, BOD

Barrister Faysal Ahmed Patwary is a Director of Northern General Insurance Co. Ltd. After completion his Bar-at-law, he started his career as a dynamic and young business personality. He is the Director of Patwary Potato Flakes Limited & Greentech Greenhouse Bangladesh Ltd. and Proprietor of Patwary & Associates.



**Mr. Shahriar Khaled**  
Director, BOD

Mr. Shahriar Khaled is a Director of Northern General Insurance Co. Ltd. He is a young and energetic business personality of the country. He is also the Director of MAKSONS (Bangladesh) Limited, MAKSONS Associate Ltd., Prime Financial Securities Ltd., Fareast Islami Life Insurance Ltd. PFI Securities Ltd., PFI Properties Ltd. and Prime Properties Holdings Limited.

## Board of Directors and their Profile



**Mr. Md. Mortaza Siddique Chowdhury**  
Director, BOD

Mr. Md. Mortaza Siddique Chowdhury is a Director of Northern General Insurance Co. Ltd. He is also the Director of Union Bank Ltd., Reliance Finance Ltd., Chairman of MRM Trading Ltd., Marsa Trading Ltd., Marsa Holding Ltd., Sponsor Shareholder of Diganta Media Corporation Limited and Proprietor of Marsa Trading. He is a widely travelled person and involved in many social activities and contributed himself in social welfare works.



**Mr. Md. Shafiul Azam**  
Director, BOD

Mr. Md. Shafiul Azam is a Director of Northern General Insurance Co. Ltd. After completion his graduation in Business Administration from University of Canberra, Australia, he started his business career. He is also the Director of Ambia Apperals Ltd., Ambia Sweaters Ltd., Ambia Steel & Re-Rolling Mills Ltd., Ambia Accessories Ltd., S.A. Chemical Industries Ltd., Ambia Tank Terminal Ltd., Ambia Holding Ltd., M/s A. H. Trading, M & M Navigation Co. Ltd., Patenga Building Corporation Ltd. and Ocean Construction Ltd.

## Board of Directors and their Profile



**Prof. Dr. Zainab Begum**  
Independent Director and  
Chairman of Audit Committee

Prof. Dr. Zainab Begum was appointed to the Board of Directors of Northern General Insurance Co. Ltd. on September 09, 2012 as Independent Director of the company. She is also the Chairman of Audit Committee of Northern General Insurance Co. Ltd. She is a retired Joint Secretary of Government of the People's of Republic of Bangladesh, Bangladesh Secretariat. She has 35 years experience in different Ministries of Bangladesh Govt. for policy making as senior ranking Government officer. She obtained her M. Sc. from University of Dhaka and completed her Ph. D from University De Clermontferrand, France. She got various training in different from UGC, UNESCO, NAEM, Dhaka, SAARC, BIAM Dhaka, RDCD of Division of LGRD Ministry. She is a widely traveled person across the globe on official trips on different occasions including attending high level international Conference, Seminar, Symposium etc.



**Mohammad Rafique**  
Independent Director

Mr. Mohammad Rafique joined to the Board of Director of Northern General Insurance Co. Ltd. as Independent Director on 23 September, 2014. He had completed his MSS in Economics from Chittagong University. He is the proprietor of M.M. Corporation.



## Management Team

### Chief Executive Officer (CEO)

Mr. G. F. M. Shawkat Ali

### Additional Managing Director

Mr. Mohiuddin Ahmed

### Deputy Managing Director

Mr. Sujit Kumar Dey, FCA  
(CFO & Company Secretary)  
Mr. Md. Raihan Ferdous  
Mr. Md. Mahbubul Haque

### Assistant Managing Director

Mr. Md. Rafiqul Alam Chowdhury  
Mr. Md. Mustafizur Rahman  
Mr. S.M. Ahasanul Haque  
Mr. Md. Mamun-Ur-Rashid Chowdhury  
Mr. Md. Abdul Haque Chowdhury  
Mr. Md. Zahir Uddin Babur

### Sr. Executive Vice President

Mr. Md. Masud Rana  
Mr. Mohammed Salim  
Mr. Chowdhury Golam Faruque  
Mr. Golam Haider Chowdhury  
Mr. Lutful Alam

### Executive Vice President

Mr. Harun-or- Rashid  
Mr. Kazi Mizanur Rahman  
Mr. Md. Nazmul Huda  
Mr. Badrul Haque Rafiqi  
Mr. Md. Azazul Islam  
Mr. Md. Rafiqul Islam  
Mr. Shahjahan Mian

### Sr. Vice President

Mr. Uzzal Kumar Chakraborty  
Mr. Khokan Chandra Sarkar

### Vice President

Mr. Md. Aminul Islam

### Senior Assistant Vice President

Mr. M. H. Galib  
Mr. Md. Saifur Rahman  
Mr. Babul Mitra

### Assistant Vice President

Mrs. Fazilatun Nesa Rimi  
Mr. Md. Waliullah Sikder  
Mr. Tofayel Ahmed Bhuiyan  
Mr. Md. Anwar Hossain Khan

### Joint Assistant Vice President

Mr. Md. Hafizullah  
Mr. Md. Mostafa Jamal Masud  
Mr. Mohammed Jahangir Alam  
Mr. Md. Shamsul Alam

## Pictorial



18th AGM held on June 8, 2014



Shareholder's queries submission in the 18th AGM



Shareholder's at 18th AGM

## Pictorial



19th Branch Managers' Conference-2015



Award Distribution at 19th Branch Managers' Conference 2015



Award Distribution at 19th Branch Managers' Conference 2015

## Chairman's Address



## Chairman's Address

**Distinguished Shareholders,**

**Assalamu Alaikum,**

It is my privilege and honors to welcome you all to the 19th Annual General Meeting (AGM) of Northern General Insurance Company Limited. I on behalf of the Board of Directors, hereby extend a warm greeting to all of you present at this gathering and to present the Annual Report 2014, together with the Audited Financial Statements and the Auditors Report for the year ended 31st December 2014 to you for your consideration.

It is a remarkable fact that Bangladesh economy, despite the severe effects of political uncertainties and pressures over the past two years; has grown at an average 6.1% over the past several years on the back of the robust RMG sector and foreign remittances that constitute the chunk of the National GDP.

The Director's Report have elaborately deal with the self performance of Northern General Insurance Company Limited for the year 2014. During the financial year 2014 the paidup capital stood at BDT 31,47,84,620/-. On the other hand despite of stiff market competition, performance of NGICL during 2014 has been moved slightly. We earned a gross premium at BDT. 329.14 million and our net profit stood at BDT 89.96 million, total asset stood at BDT 1,188.03 million as at 31st December 2014.

We stand by our responsibility to desire forward the necessary change which consists of our operational business and the long term security of jobs in the Company. I am very pleased to inform you that the Board of Directors has recommended 10% stock Dividend for the year 2014. This recommendation is based on our objective of monitoring for sustaining growth of the Company. We are confident to maintain the strong performance based on our financial strength and on our competitive advantages.

We look forward to being one of a class in the insurance market in Bangladesh, by adopting

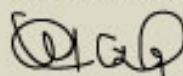
the Corporate Governance Guideline. Management efficiency, functional ability and all other matters connecting to smooth functioning of the company rests on sound corporate governance. It is the result of harmonious relationship between different tiers of the management such as Board of Directors, Management, Shareholders, Stakeholders and all other concern legal entities specially Insurance Development and Regulatory Authority (IDRA), Bangladesh Securities and Exchange Commission (BSEC) and so on.

We have established ourselves as a renowned non life insurance by providing best level solution to complex risk on behalf of customers through our motto "Focus on Growth." These commitments start at the top with our Board of Directors providing in valuable guidance. Our key personnel employees are proud of our company. I firmly believe that we have the most talented and dedicated team of professional committed to implement our different strategic marketing approach. None the less, our members of the staff deserve all praises for their dedicated services and same of absolute belonging for the company.

I wish to thank the members of the Board of Directors for their valuable advice and guidance which made your company in a desirable position within the insurance industry.

I must express my deep sense of gratitude to our Insured, Shareholders, Regulators, Business Associates and well wishers of the Company for their continuous support & guidance.

May Allah bless all of us.



**S. M. Ayub Ali Chowdhury**  
Chairman

## Chief Executive Officer's Review

**Assalamu Alaikum,**

It gives me immense pleasure to welcome you to the 19th Annual General Meeting of Northern General Insurance Co. Ltd. I would like to express my heartfelt thanks to all of you for your active support and cooperation during the year 2014.

Northern General Insurance Company Limited has been protecting in the interest of policy holder since 1996 and has specialized in providing affordable, comprehensive primary and preventive care services to everyone regardless of insurance status. We are always concerned about the benefit of the clients and betterment of our company.

In the years 2014, there were various challenges in the overall business environment due to political instability and intern industry competition and economic downturn. However, our company has earned for the year 2014 a gross premium of BDT 329.14 million, net premium of BDT 209.00 million, net profit of BDT 89.96 million and total asset of the company stood at BDT 1,188.03 million as at 31st December, 2014. We are also grateful to other regulatory bodies such as Bangladesh Securities & Exchange Commission, Registrar of Joint Stock Companies & Firms, Dhaka Stock Exchange Ltd., Chittagong Stock Exchange Ltd., Bangladesh Bank, Central Depository of Bangladesh Ltd., IDRA for their unending support and guidance.

We are really thankful to our adroit employees because without their dedication & hard work nothing would be possible and we always believe in team work.


To conclude I wish to express my profound gratefulness to the members of the Board of Directors of Northern General Insurance Company Limited who have extended their all out support and advices me to proceed with the work smoothly to attain the optimum goal of the company.

We believe in change and we believe in hard work. Hard work and dedication has always proved that nothing is impossible. So, our progress towards success is also inevitable. We are always looking for ideal opportunities for our clients, shareholders and ourselves which will enhance our strength by focusing areas, where we have an advantage today and we can grow faster. Because we are the adherents of vision and vision can take us to the place where we want to see ourselves in the coming days.

With best regards



**G. F. M. Shawkat Ali**  
Chief Executive Officer



# Report of the Board of Directors

Bismillahir Rahmanir Rahim

Dear Shareholders,

**Assalamu Alaikum,**

On behalf of the Board of Directors of Northern General Insurance Company Limited, I have immense pleasure to present the Annual Report and the Audited Financial Statements of the Company for the year ended December 31, 2014 together with the Auditor's Report thereon, for consideration and approval of our honorable shareholders in accordance with the prevailing Rules & Regulations.

**Global and Bangladesh Economy**

The International Monetary Fund (IMF) has cut its global growth forecasts for 2014 & 2015 and warned that the world economy may never return to the pace of expansion seen before the financial crisis.

In its flagship half yearly world economic outlook (WEO), the IMF said the failure of countries to recover strongly from the worst recession of the postwar era meant there was a risk of stagnation or persistently weak activity.

Global growth in 2014 was lower than initially expected, continuing a pattern of disappointing outturns over the past several years. Growth picked up only marginally in 2014, to 2.6 percent, from 2.5 percent in 2013.

Several major forces are driving the global outlook: soft commodity prices, persistently low interest rates but increasingly divergent monetary policies across major economies and weak world trade. In particular, the sharp decline in oil prices since mid 2014 will support global activity and help offset some of the headwinds to growth in oil importing developing economies. However, it will dampen growth prospects for oil exporting countries, with significant regional repercussions.

In Bangladesh, Economic growth in fiscal year 2014 (ended June 2014) in provisionally estimated at 6.1% slightly improved from 6.0% in FY 2013. Agriculture expanded by 3.3%, aided by good weather and continued government support. Industry growth slumped to 8.4% from 9.6% a year earlier, however, because political unrest before the parliamentary election in January 2014 disrupted the supply of materials and undermined consumer confidence. Services advanced by 5.8%, up slightly from 5.5% the year before, mainly on stronger trade in the second half of the year.

On the demand side, net exports added to growth as garments grow briskly. A decline in remittances and weak consumer confidence ahead of the election held down growth in

consumer spending. Investment rose slightly to 28.7% of the Gross Domestic Product (GDP) in FY 2014 from 28.4% in the previous year, as private investment slipped to 21.4% GDP from 21.8% in FY 2013, while public investment rose from 6.6% to 7.3%. Private investment was constrained by the unsettled political environment, difficulties with infrastructure and skills deficits, and procedural problems that inhibit investment. Rising public investment came as the government stepped up its implementation of election pledge. Foreign direct investment remained low.

The current state of affairs of general insurance market in Bangladesh is far from satisfactory. The operation of a large number of companies at present is certainly not commensurate with the size of the market that has led to out throat competition and many unhealthy practices which is determined to the industry as a whole. Regulatory reforms to modernize strict enforcement thereof 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 December 31st, 2014 the Gross premium income of the company stood at Tk. 329.14 million and Net Premium Income stood at Tk. 209.00 million against Tk. 357.91 million and Tk. 186.15 million respectively during the year 2013. Your company earned Underwriting Profit of Tk. 92.43 million during the year 2014 compare to Tk. 91.72 million in 2013. Total Investment reached to Tk. 407.06 million during the year compare to Tk. 405.16 million in 2013 and Total Assets stood at Tk. 1,188.03 million against Tk. 934.94 million in 2013.

#### **Profit**

During the year 2014 Investment Income stood at Tk. 35.97 million against Tk. 39.63 million in 2013. Your Company earned Net Profit before tax Tk. 89.96 million in 2014 against Tk. 79.66 million in 2013.

#### **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. 60.22 million against Tk. 61.14 million in 2013.

#### **Reserve & Surplus**

In order to build strong and solid foundation of Assets & Reserve based Company, the Board of Directors proposed to transfer Tk. 27.50 million only to Reserve for Exceptional Loss Account during the year and therefore, the Reserve and Surplus stood at Tk. 386.12 million in 2014 as follows:

	In Million	
Reserve for Exceptional Loss	Tk.	88.03
Reserve for Un-expired Risk	Tk.	83.65
Revaluation Surplus	Tk.	214.44
<b>Total</b>	<b>Tk.</b>	<b>386.12</b>

#### **Earning Per Share**

Company's profit attributed to the ordinary shareholders Tk 63.65 million in 2014. During this year Company's Earning Per Share (EPS) stood at Tk. 2.02 (face value at Tk. 10/-) considering 28.62 lac

issued bonus shares (face value at Tk. 10/-) as 10% stock dividend was approved for the year ended 2013.

#### **Dividend**

Our long term goal is to maximize shareholders interest on their investment. Keeping this objective in mind, the Board of Directors recommended 10% Stock Dividend to the shareholders of the Company for the year ended 31st December 2014 subject to approval in the 19th AGM.

#### **Investment**

The total Investment of the Company stood at Tk. 407.06 million at the end of the year 2014 as against Tk. 405.16 million in 2013.

	<b>Year 2014</b> In Million		<b>Year 2013</b> In Million	
Fixed Deposit with various Banks	Tk.	342.03	Tk.	326.31
Bangladesh Govt. Treasury Bond	Tk.	25.00	Tk.	25.00
First Security Subordinated Bond	Tk.	40.00	Tk.	50.00
Share in Public Limited Company	Tk.	0.03	Tk.	3.85
<b>Total</b>	<b>Tk.</b>	<b>407.06</b>	<b>Tk.</b>	<b>405.16</b>

#### **Retirement of Directors**

At the 19th 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. Md. Abdul Matin
- 3) Mr. Arshadul Alam
- 4) Mr. Md. Shafiul Azam

In accordance with the provision of clause 112 of the Articles of Association of the Company the following 2 nos. Director belonging to Group -B will retire in the 19th Annual General Meeting:

- 1) Mr. Mohammad Azam
- 2) Ms. Thamina Rahman

With a view to inform all public shareholders, the relevant notice in relation to Election of Directors from Public Shareholders has already been published on April 10, 2015 in two National Dailies.

#### **Independent Director**

Northern General Insurance Company Limited has expanded its Board by induction of 1(one) new Independent Director. The Board of Directors in its 157th Meeting held on 23 September, 2014 has appointed the following personality as the Independent Director of the Company:

- 1) Mr. Mohammed Rafique.

As per BSEC's Corporate Governance Guidelines dated 07 August, 2012, the appointed of Independent Director needs to be approved by the shareholders in the 19th AGM.

### **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 of goal. You would be pleased to know that presently 370 nos 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 status of the company.

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

The present Auditor M/s Chowdhury Bhattacharjee & Co, Chartered Accountants of "47/8, Indira Road, Dhaka-1215 is going to retire in the 19th Annual General Meeting and they have completed their assignment as Auditor for the last 3 (three) consecutive years successfully. As per SEC order M/s Chowdhury Bhattacharjee & Co., Chartered Accountants is not in a position for retention as statutory Auditor for the year 2015 due to exceeding a consecutive period of three years.

Meantime, M/s Das Chowdhury Dutta & Co., Chartered Accounts of "Well Tower (1st floor), Flat A-1, 12/A, Purana Paltan line, Dhaka have expressed their willingness & offered themselves as Statutory Auditor of the Company for the year 2015, the Board of Directors recommended for their appointment subject to approval in the 19th AGM.

### **Credit Rating**

The Company has been rated as "A" (pronounced as single A) in the Long Term and "AR-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, 2013 and other relevant information. "A" in the Long Term indicated Strong Capacity to meet Policyholder & Contract obligation and rates "AR-2" in the Short Term indicated good capacity to meet their near term obligation.

### **Corporate Governance**

The Board of Directors of the company firmly believes that practice of Good Corporate Governance and transparency in 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 Securities and Exchanger Commission notification No. SEC/CMRRCD/2006-158/134/Admin/44 dated 07-08-2012, it is to highlight here that the listed companies of Bangladesh have taken steps to culture 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.

### **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 Commerce, 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 Sadharan Bima Corporation, Bangladesh Insurance Association and Bangladesh Insurance Academy. The Board also would like to thanks the 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, Additional Managing Director, 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, Claim 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.



**(S. M. Ayub Ali Chowdhury)**  
Chairman of the Board

Dated, Dhaka  
May 10, 2015



## পরিচালকমন্ডলীর প্রতিবেদন

বিস্মিল্লাহির রাহমানির রাহিম

সম্মানিত শেয়ারহোল্ডারবৃন্দ,

আসসালামু আলাইকুম,

নর্দার্ন জেনারেল ইন্স্যুরেন্স কোম্পানী লিমিটেডের পরিচালকমন্ডলীর পক্ষ থেকে কোম্পানীর ১৯তম বার্ষিক সাধারণ সভায় আপনাদের সানন্দচিত্তে স্বাগত জানাচ্ছি। ৩১শে ডিসেম্বর, ২০১৪ সমাপ্ত বছরের জন্য পরিচালকমন্ডলীর প্রতিবেদন এবং নিরীক্ষিত আর্থিক বিবরণী পেশ করা আমাদের জন্য আনন্দের বিষয়। একই সঙ্গে গত ২০১৪ সালে আমাদের জাতীয় অর্থনীতির সংক্ষিপ্ত পর্যালোচনা ও বিশ্ব অর্থনীতির কিছু চিত্র এ প্রতিবেদনের সাথে আপনাদের অবগতির জন্য উপস্থাপন করছি।

### বিশ্ব ও জাতীয় অর্থনীতি:

আন্তর্জাতিক মুদ্রা তহবিল (IMF) ২০১৪ ও ২০১৫ অর্থবছরের জন্য বৈশ্বিক প্রবৃদ্ধি সম্পর্কে এই বলে সতর্ক করে যে, বিশ্ব অর্থনীতি বছর জুড়ে সচল থাকলেও তা খুব গতিশীল থাকবে না। আইএমএফ বিশ্ব প্রবৃদ্ধির ব্যাপারে আরো বলেছে যে, যুদ্ধোত্তর সময়ের পরে দেশগুলোর দ্বিতীয়ার্ধে আলোচনায় থাকবে ক্রমহ্রাসমান বেকাত্বের হার যা দেশগুলো পুনরুদ্ধারে ব্যর্থ হয়ে তা ব্যর্থ স্তম্ভ বা নিরবচ্ছিন্নভাবে দুর্বল ঝুঁকি হিসাবে বিবেচিত হবে।

২০১৪ সালে বৈশ্বিক প্রবৃদ্ধি প্রাথমিকভাবে প্রত্যাশিত প্রবৃদ্ধির চেয়ে কম ছিল। অর্থাৎ অর্থনীতির আরেকটি হতাশাজনক বছর হিসাবে উল্লেখ করা হয়। এতে ২০১৪ সালে বিশ্ব অর্থনীতির প্রবৃদ্ধির প্রাক্কলন করা হয়েছে ২.৬ শতাংশ, যা ২০১৩ সালে ছিল ২.৫ শতাংশ। এই ব্যর্থতার ঝুঁকিগুলো হল : ব্যবসায় প্রবৃদ্ধি কম হলে পণ্য ও সেবা বিক্রির সুযোগ কমবে, উচ্চ সুদের হার এবং দুর্বল বিশ্ব বাণিজ্য উল্লেখযোগ্য। বিশেষত ২০১৪ সালের মাঝামাঝি সময়ে তেলের দাম সস্তা হওয়ায় বিশ্ব অর্থনীতিতে বেশ কিছুটা গতি সঞ্চারের সম্ভাবনার মাঝেও আগামী দিনগুলোতে কম প্রবৃদ্ধি হওয়ার আভাস দিয়েছিল আইএমএফ। কেননা তেলের মূল্য নিম্নগামী হওয়ার ফলে তেল আমদানী নির্ভর দেশগুলো সুবিধাজনক অবস্থানে থাকলেও তেল রফতানীকারী দেশগুলোর প্রবৃদ্ধি ব্যাহত হবে বলে অনুমিত হয়।

বাংলাদেশের অর্থনৈতিক প্রবৃদ্ধি ২০১৪ সালে ৬.১ শতাংশে পৌছায়, যা ২০১৩ সালে ছিল ৬.০ শতাংশ। সরকারী সহায়তা ও অনুকূল আবহাওয়ার কারণে কৃষিতে ৩.৩ শতাংশ প্রবৃদ্ধি অর্জিত হয়। শিল্প প্রবৃদ্ধি পূর্বের বছরের ৯.৬ শতাংশ থেকে ৮.৪ শতাংশে নেমে আসে, কেননা ২০১৪ সালের জাতীয় নির্বাচন সংশ্লিষ্ট বিঘ্নতা এবং রাজনৈতিক অনিশ্চয়তা ও অস্থিরতার কারণে ভোক্তা বিশ্বাস

যোগ্যতার অভাবে সরবরাহ বিঘ্নিত হয়। তবে বছরের শেষার্ধ্বে সেবাখাতে প্রবৃদ্ধি শক্তিশালী বাণিজ্য প্রবাহের কারণে ৫.৫ শতাংশ থেকে ৫.৮ শতাংশে উন্নতি হয়।

অন্যদিকে পোষাক খাতের ক্ষিপ্র প্রবৃদ্ধি দেশের রফতানী ব্যবসাকে প্রভাবিত করে। নির্বাচনকে লক্ষ্য করে ভোজ্য ও ব্যবসায়িক আত্মহীনতা ও নিম্নমুখী রেমিটেন্স প্রবাহ অর্থনৈতিক প্রবৃদ্ধিকে প্রভাবিত করে। জিডিপিতে বিনিয়োগ প্রবৃদ্ধি ২০১৪ সালে ২৮.৭ শতাংশে উন্নতি হয়, যা পূর্ববর্তী বছরে ছিল ২৮.৪ শতাংশ। তবে বেসরকারী বিনিয়োগ ২১.৪ শতাংশে নেমে আসে, যা ২০১৩ সালে ছিল ২১.৮ শতাংশ, যেখানে সরকারী বিনিয়োগ ছিল ৭.৩ শতাংশ, যা পূর্ববর্তী বছরে ছিল ৬.৬ শতাংশ। বেসরকারী বিনিয়োগ রাজনৈতিক অনিশ্চয়তা, অবকাঠামোগত সমস্যা, দক্ষজনবল এর অভাব, পদ্ধতিগত সমস্যার কারণে বাধাগ্রস্ত হয়, যার ফলে বিনিয়োগ প্রবৃদ্ধি কাঙ্ক্ষিত লক্ষ্য অর্জন করতে পারেনি। তবে সরকারের নির্বাচনী অঙ্গীকার ধাপে ধাপে বাস্তবায়নের জন্য সরকারী বিনিয়োগ বৃদ্ধি পায়। কিন্তু বৈদেশিক বিনিয়োগ এখনও ক্রমহ্রাসমান রয়েছে।

বর্তমানে দেশের সাধারণ বীমাখাত একটা সন্তোষজনক পর্যায়ে নেই। দেশে বাজারের আকারের তুলনায় বহুসংখ্যক সাধারণ বীমা কোম্পানী বিদ্যমান থাকায় প্রতিষ্ঠানগুলোর মধ্যে অসুস্থ প্রতিযোগিতা বিরাজমান যা সমগ্র বীমা শিল্পে প্রকটভাবে পরিলক্ষিত হচ্ছে। বীমা শিল্পে সুশৃঙ্খল পরিবেশ ফিরিয়ে আনার লক্ষ্যে প্রয়োজনীয় পুনর্গঠন কার্যক্রম বাস্তবায়নের জন্য রেগুলেটরী কর্তৃপক্ষ গুরুত্বপূর্ণ পদক্ষেপ গ্রহণ করে চলেছে। যার পরিপ্রেক্ষিতে তারা গৃহীত পদক্ষেপসমূহ বাস্তবায়নের লক্ষ্যে বীমা কোম্পানীতে তাদের শুদ্ধি অভিযানও শুরু করেছে।

#### আর্থিক অর্জনঃ

সার্বিক অর্থনৈতিক অবস্থা পর্যালোচনা করে দেখা যায় যে, ২০১৪ সালে আমাদের বীমা ব্যবসা মোটামুটি সন্তোষজনক পর্যায়ে ছিল। ২০১৪ সালে কোম্পানী মোট প্রিমিয়াম আয় করেছে ৩২৯.১৪ মিলিয়ন টাকা এবং নীট প্রিমিয়াম আয় করেছে ২০৯.০০ মিলিয়ন টাকা, যা ২০১৩ সালে ছিল যথাক্রমে ৩৫৭.৯১ মিলিয়ন টাকা ও ১৮৬.১৫ মিলিয়ন টাকা। ২০১৪ সালে আপনাদের কোম্পানী অবলিখন মুনাফা অর্জন করেছে ৯২.৪৩ মিলিয়ন টাকা যা ২০১৩ সালে ছিল ৯১.৭২ মিলিয়ন টাকা। ২০১৪ সালে মোট বিনিয়োগ দাঁড়ায় ৪০৭.০৬ মিলিয়ন টাকা, যা ২০১৩ সালে ছিল ৪০৫.১৬ মিলিয়ন টাকা। আলোচ্য বছরের মোট সম্পদ দাঁড়ায় ১,১৮৮.০৩ মিলিয়ন টাকা, যা বিগত বছরে ছিল ৯৩৪.৯৪ মিলিয়ন টাকা।

#### নীট মুনাফা :

আলোচ্য বছরে কোম্পানীর বিনিয়োগ আয় দাঁড়ায় ৩৫.৯৭ মিলিয়ন টাকা, যা বিগত বছরে ছিল ৩৯.৬৩ মিলিয়ন টাকা। ২০১৪ সালে আপনাদের কোম্পানী ট্যাক্স দেওয়ার পূর্ব পর্যন্ত মুনাফা করেছে ৮৯.৯৬ মিলিয়ন টাকা, যা ২০১৩ সালে ছিল ৭৯.৬৬ মিলিয়ন টাকা।

#### গ্রাহকসেবা ও দাবী পরিশোধ :

দ্রুত বীমা দাবী পরিশোধের জন্য, সময়মতো বকেয়া দাবী পরিশোধ (যদি থাকে), দ্রুত গ্রাহক সেবার জন্য ও পারস্পরিক বন্ধুত্বপূর্ণ পরিবেশ গড়ার লক্ষ্যে, কোম্পানীর উত্তরোত্তর সুনাম ও সুখ্যাতির

ধারাবাহিকতা রক্ষার্থে পরিচালকমন্ডলী সদা সচেতন। নর্দার্ন জেনারেল ইন্স্যুরেন্স কোম্পানী লিঃ এর দাবী বিভাগের দক্ষ ও ত্যাগী কর্মী বাহিনী সম্মানিত গ্রাহকদের সার্বক্ষণিক ব্যক্তিগত সেবা দানে প্রস্তুত এবং দ্রুত সময়ে দাবী পরিশোধ সহজ সরল পন্থা অবলম্বন করে থাকে। এ কারণে এ বছর কোম্পানীর মোট দাবী পরিশোধ দাঁড়িয়েছে ৬০.২২ মিলিয়ন টাকা, যা বিগত বছরে ছিল ৬১.১৪ মিলিয়ন টাকা।

#### সম্পত্তি ও উদ্বৃত্ত :

কোম্পানীর আর্থিক শক্তি পরিমাপক কোম্পানীর সম্পদ ও সম্পত্তি গড়ে তোলার লক্ষ্যে, আলোচ্য বছরে অস্বাভাবিক ক্ষতি খাতে পরিচালকমন্ডলী ২৭.৫০ মিলিয়ন টাকা বরাদ্দ করেছেন, যার ফলে সম্পত্তি ও উদ্বৃত্ত দাঁড়িয়েছে ৩৮৬.১২ মিলিয়ন টাকায় যার বিবরণ নিম্নে প্রদত্ত হল :

অস্বাভাবিক ক্ষতির জন্য সম্পত্তি	৮৮.০৩ মিলিয়ন টাকা
অন-অবসায়িত ঝুঁকির জন্য সম্পত্তি	৮৩.৬৫ মিলিয়ন টাকা
পূর্ণমূল্যায়ন সম্পত্তি	২১৪.৪৪ মিলিয়ন টাকা
<b>মোট-</b>	<b>৩৮৬.১২ মিলিয়ন টাকা</b>

#### শেয়ার প্রতি আয় :

২০১৪ সালে শেয়ারহোল্ডারদের অংশগ্রহণে কোম্পানীর মুনাফা দাঁড়িয়েছে ৬৩.৬৫ মিলিয়ন টাকা। ২০১৩ সালে ১০% ষ্টক বোনাস অনুমোদনের ফলে জনগণের মাঝে ২৮.৬২ লাখ বোনাস শেয়ার (প্রতিটি শেয়ার ১০/= টাকা মূল্যের) ইস্যু করায় কোম্পানীর শেয়ার প্রতি আয় দাঁড়িয়েছে ২.০২ টাকা। (প্রতিটি শেয়ার ১০/= টাকা মূল্যের)।

#### লভ্যাংশ :

আমাদের দীর্ঘ মেয়াদী লক্ষ্য হলো শেয়ারহোল্ডারদের বিনিয়োগ সংশ্লিষ্ট স্বার্থ সংরক্ষণ করা। এ উদ্দেশ্যে, ১৯তম বার্ষিক সাধারণ সভার অনুমোদন সাপেক্ষে নর্দার্ন জেনারেল ইন্স্যুরেন্স কোঃ লিঃ এর পরিচালক পর্ষদ ৩১শে ডিসেম্বর ২০১৪ সমাপ্ত বছরের জন্য ১০ শতাংশ (১০%) বোনাস শেয়ার প্রদানের সুপারিশ করেছেন।

#### বিনিয়োগ :

২০১৪ সালের সমাপ্ত বছরে কোম্পানীর মোট বিনিয়োগ দাঁড়িয়েছে ৪০৭.০৬ মিলিয়ন টাকা, যা পূর্ববর্তী বছরে ছিল ৪০৫.১৬ মিলিয়ন টাকা।

	২০১৪ সাল	২০১৩ সাল
বিভিন্ন ব্যাংকে ফিক্সড ডিপোজিট	৩৪২.০৩ মিলিয়ন টাকা	৩২৬.৩১ মিলিয়ন টাকা
সরকারী ট্রেজারী বন্ড	২৫.০০ মিলিয়ন টাকা	২৫.০০ মিলিয়ন টাকা
ফাষ্ট সিকিউরিটি সাবঅর্ডিনেটেড বন্ড	৪০.০০ মিলিয়ন টাকা	৫০.০০ মিলিয়ন টাকা
পাবলিক লিঃ কোম্পানীর শেয়ার	০.০৩ মিলিয়ন টাকা	৩.৮৫ মিলিয়ন টাকা
<b>মোট -</b>	<b>৪০৭.০৬ মিলিয়ন টাকা</b>	<b>৪০৫.১৬ মিলিয়ন টাকা</b>

#### পরিচালকবৃন্দের অবসর গ্রহণ :

কোম্পানীর আর্টিকেলস্ অব এসোসিয়েশনের ১১২ ও ১১৪ ধারা অনুযায়ী ১৯তম বার্ষিক সাধারণ সভায় “ক” গ্রুপের অন্তর্ভুক্ত নিম্নবর্ণিত ৪ জন পরিচালক আবর্তনক্রমের দ্বারা অবসর গ্রহণ করবেন এবং যোগ্য বিধায় পুনঃনিয়োগের আগ্রহ প্রকাশ করেছেন:

- ১। আলহাজ্ব নাছির উদ্দিন
- ২। জনাব মো: আবদুল মতিন
- ৩। জনাব আরশাদুল আলম
- ৪। জনাব মো: শফিউল আজম

কোম্পানীর আর্টিকেলস্ অব এসোসিয়েশন এর ধারা অনুযায়ী ১৯তম বার্ষিক সাধারণ সভায় ‘খ’ গ্রুপের ২ জন পরিচালক অবসর গ্রহণ করবেন। এক্ষেত্রে দুই পদে পরিচালক নিয়োগের জন্য এবং সকল শেয়ারহোল্ডারদের অবহিতকরণের লক্ষ্যে গত এপ্রিল ১০, ২০১৫ইং তারিখে দুইটি জাতীয় দৈনিক পত্রিকায় এ সংক্রান্ত নোটিশ প্রকাশিত হয়।

#### স্বাধীন পরিচালক :

নর্দার্ন জেনারেল ইন্স্যুরেন্স কোম্পানী লি: বিএসইসির নির্দেশনা অনুযায়ী ১৫৭তম বোর্ড সভায় নিম্নোক্ত ব্যক্তি স্বাধীন পরিচালক হিসাবে নিয়োগ দিয়েছে:

- ০১) জনাব মোহাম্মদ রফিক

স্বাধীন পরিচালক নিয়োগ সংক্রান্ত বিষয়টি ১৯তম বার্ষিক সাধারণ সভায় সাধারণ শেয়ারহোল্ডারদের অনুমোদনের জন্য পেশ করা হবে।

#### নিরীক্ষক :

মেসার্স চৌধুরী ভট্টাচার্য্য এন্ড কোং, চার্টার্ড একাউন্টেন্টস, ঠিকানা- ৪৭/৮, ইন্দিরা রোড, ঢাকা- ১২১৫, কোম্পানীর নিরীক্ষক হিসাবে তাদের ১৯তম বার্ষিক সাধারণ সভায় অবসর গ্রহণ করবেন। এই সাথে তারা তাদের ধারাবাহিকভাবে ৩ বৎসর নিরীক্ষা কার্যকাল সম্পন্ন করেছেন। বিএসইসি এর নির্দেশনাক্রমে মেসার্স চৌধুরী ভট্টাচার্য্য এন্ড কোং, চার্টার্ড একাউন্টেন্টস পরবর্তী বৎসরের জন্য নিরীক্ষা কার্যক্রম অব্যাহত রাখতে সক্ষম হবেন না। ইতিমধ্যে মেসার্স দাশ চৌধুরী দত্ত এন্ড কোং, চার্টার্ড একাউন্টেন্টস, ঠিকানা- “ওয়েল টাওয়ার” (২য় তলা), ফ্লাট নং এ/১, ১২/এ, পুরানা পল্টন লাইন, ঢাকা ২০১৫ সালের কোম্পানীর আর্থিক হিসাব নিরীক্ষা কার্যক্রমের জন্য ইচ্ছা ব্যক্ত করেছেন। যোগ্যবিধায় পরিচালকমন্ডলী ২০১৫ সালের নিরীক্ষা কার্যক্রমের জন্য তাদের নিয়োগের জন্য সুপারিশ করেছেন, যা ১৯তম বার্ষিক সভায় শেয়ারহোল্ডারদের অনুমোদনের জন্য উপস্থাপন করা হয়েছে।

#### ক্রেডিট রেটিং :

৩১শে ডিসেম্বর ২০১৩ এর আর্থিক প্রতিবেদনের আলোকে বাংলাদেশ সরকার অনুমোদিত Alpha Credit Rating Ltd. কর্তৃক দীর্ঘ মেয়াদে “A” (Pronounced as Single A) এবং স্বল্পমেয়াদে

“AR-2” হিসাবে নিরূপিত হয়। দীর্ঘ মেয়াদে “A” নির্ধারিত হওয়ায় পলিসিহোল্ডারদের বীমাদাবী প্রদানে সক্ষমতা জোরালো হিসাবে নিরূপন করা হয় এবং স্বল্পমেয়াদে “AR-2” কোম্পানীর আর্থিক স্বচ্ছলতা, সক্ষমতা ও অর্থনৈতিক অঙ্গীকার রক্ষায় যথেষ্ট সক্ষম বলে নির্দেশিত হয়।

#### মানব সম্পদ ব্যবস্থাপনা :

বাংলাদেশের বর্তমান প্রেক্ষাপটে কর্মসংস্থান আমাদের জাতীয় অর্থনীতির অন্যতম লক্ষ্য ও উদ্দেশ্য। আমরা গর্বের সাথে জানাতে চাই যে, দেশের বিভিন্ন অঞ্চলে শাখা সম্প্রসারণের মাধ্যমে কোম্পানী ব্যবসায়িক মুনাফাই শুধু অর্জন করেনি, এর পাশাপাশি অঞ্চলগুলোতে কর্মসংস্থানের মতো একটি গুরুত্বপূর্ণ সামাজিক দায়িত্ব পালন করেছে। আমরা বিশ্বাস করি, প্রশিক্ষিত জনবলের স্বতঃস্ফূর্ত অংশগ্রহণের মাধ্যমে যে কোন উদ্যোগকে সফল করা সম্ভব। বর্তমানে কোম্পানীতে বিভিন্ন স্তরে বিভিন্ন পদমর্যাদায় ৩৭০ জন দক্ষ ও পেশাদার কর্মকর্তা ও কর্মচারী নিয়োজিত রয়েছেন। কোম্পানীতে কর্মকর্তা ও কর্মরত কর্মচারীদের দক্ষ ও প্রশিক্ষিত জনবল হিসেবে গড়ে তোলার লক্ষ্যে বিভিন্ন সময়ে বিভিন্ন ধরনের ট্রেনিং এর ব্যবস্থা করা হয়।

#### কর্পোরেট গভর্নেন্স :

কোম্পানীর পরিচালকমন্ডলী দৃঢ়ভাবে বিশ্বাস করেন সুশাসন ও স্বচ্ছতা সৃষ্টিতে টেকসই প্রতিষ্ঠানের জন্য অপরিহার্য। এর জন্য কোম্পানীর নিজস্ব লক্ষ্য ও উদ্দেশ্য সমূহের সাথে সামাজিক ও রাষ্ট্রীয় দায়-দায়িত্ব সমূহের সমন্বয়ের মাধ্যমে স্বচ্ছতা ও জবাবদিহিতা নিশ্চিত করার লক্ষ্যে কর্পোরেট গভর্নেন্স নিশ্চিত করা প্রয়োজন। বাংলাদেশ সিকিউরিটিজ ও এক্সচেঞ্জ কমিশন কর্তৃক প্রজ্ঞাপিত নোটিফিকেশন নং BSEC/CMRRCD/2006-158/134/Admin/44 তারিখ ০৭/০৮/২০১২ ইং এর মাধ্যমে বাংলাদেশের লিষ্টেড কোম্পানীগুলোতে কর্পোরেট গভর্নেন্স নিশ্চিত করার জন্য উদ্যোগ নেয়া হয়েছে। নর্দার্ন জেনারেল ইন্স্যুরেন্স কোঃ লিঃ এর পরিচালকমন্ডলী বাংলাদেশ সিকিউরিটিজ এন্ড এক্সচেঞ্জ কমিশন এর উক্ত নোটিফিকেশনের দিকনির্দেশনা অনুযায়ী কর্পোরেট গভর্নেন্স নিশ্চিত করার বিষয়টি আন্তরিকতার সাথে বাস্তবায়ন করছেন। এ বিষয়ে আপনাদের কোম্পানীর বর্তমান অবস্থা সংযুক্তি-১ এ বর্ণিত হল।

#### ভবিষ্যৎ কর্মকাণ্ড :

আলোচ্য বছরে কোম্পানী ব্যবসায়িক চ্যালেঞ্জ মোকাবিলায় এক যুগান্তকারী লক্ষ্য স্থির করেছে, এ অগ্রযাত্রা অব্যাহত রাখার উদ্দেশ্যে সন্তোষজনক বীমা কার্যক্রম এবং সময়ানুযায়ী গ্রাহক সেবা প্রদানের মাধ্যমে ব্যবসায়িক প্রবৃদ্ধিও ধারাবাহিকতা উত্তরোত্তর বৃদ্ধি পাবে বলে আশা করা যায়। ইনশা-আল্লাহ আমরা বিশ্বাস করি যে, অভিজ্ঞ ও দক্ষ ব্যবস্থাপনার পূর্ণ সহযোগিতা ও স্বতঃস্ফূর্ত অংশগ্রহণ এর মাধ্যমে ভবিষ্যতে এর চলমান অগ্রগতির ধারাবাহিকা বজায় রাখতে পারবো।

#### কৃতজ্ঞতা :

পরিচালকমন্ডলীর পক্ষ থেকে আমি কোম্পানীর সকল সম্মানিত শেয়ারহোল্ডারদের ধন্যবাদ জানাচ্ছি যারা নিজ নিজ অবস্থানে থেকে বিভিন্ন গঠনমূলক ও মূল্যবান পরামর্শ দিয়ে কোম্পানীর কার্যক্রমে সর্বদা সহায়তা করেছেন। সেই সাথে বাংলাদেশ সরকারের বিশেষ করে বাণিজ্য মন্ত্রণালয়, অর্থ মন্ত্রণালয়, বীমা উন্নয়ন ও নিয়ন্ত্রণ কর্তৃপক্ষ, বাংলাদেশ সিকিউরিটিজ এন্ড এক্সচেঞ্জ কমিশন, ঢাকা

ও চট্টগ্রাম ষ্টক এক্সচেঞ্জ লিঃ, রেজিস্ট্রার অব জয়েন্ট ষ্টক কোম্পানীজ, সেন্ট্রাল ডিপোজিটরী অব বাংলাদেশ লিঃ, Alpha Credit Rating Ltd. বাংলাদেশ ইন্স্যুরেন্স এসোসিয়েশন, বাংলাদেশ ইন্স্যুরেন্স একাডেমী, সাধারণ বীমা কর্পোরেশন, সহযোগী বীমা প্রতিষ্ঠান সমূহ, বাংলাদেশ ব্যাংক, ব্যাংক ও আর্থিক প্রতিষ্ঠান সমূহ, সম্মানিত গ্রাহকবৃন্দ ও শুভাকাজীদের বিভিন্ন ক্ষেত্রে সহযোগীতা ও উৎসাহ প্রদানের জন্য আন্তরিক কৃতজ্ঞতা প্রকাশ করছি।

কোম্পানীর অব্যাহত সফলতার ধারাবাহিকতা রক্ষার জন্য কোম্পানীর ব্যবস্থাপনা পরিচালকের নেতৃত্বে কোম্পানীর অতিরিক্ত ব্যবস্থাপনা পরিচালক, প্রধান অর্থ কর্মকর্তা ও কোম্পানী সচিব, উর্ধ্বতন নির্বাহীবৃন্দ, কর্মকর্তা এবং কর্মচারীবৃন্দের উদ্যম, একাগ্রতা ও কর্মনিষ্ঠার জন্য পরিচালক মন্ডলীর পক্ষ থেকে আমি আন্তরিক অভিবাদন জানাচ্ছি। কোম্পানীর সাফল্যে আপনাদের এরূপ অব্যাহত সহযোগীতা, গভীর নিষ্ঠার সহিত কঠোর পরিশ্রম এবং মূল্যবান মতামত প্রদানের জন্য আন্তরিক প্রশংসা জ্ঞাপন করছি।

আমাদের সুহৃদ সহকর্মীবৃন্দ, কোম্পানীর Executive Committee এর চেয়ারম্যান, Claim Committee এর চেয়ারম্যান, Audit Committee এর চেয়ারম্যান এবং Manpower Review Committee এর Convener এর বিভিন্ন ক্ষেত্রে তাদের সময়োপযোগী মূল্যবান উপদেশ, পরামর্শ ও মতামত প্রদানের জন্য আমাদের আন্তরিক অভিবাদন ও কৃতজ্ঞতা প্রকাশ করছি। আশা করি, আপনাদের সকলের স্বতঃস্ফূর্ত সহযোগিতা ও সহমর্মিতার ফলে কোম্পানীর অগ্রযাত্রা ভবিষ্যতেও অব্যাহত থাকবে।

আমরা সকলেই সর্বশক্তিমান মহান আল্লাহতালার প্রতি কৃতজ্ঞ, যিনি আমাদের সামনে এগিয়ে চলার সঠিক পথ দেখিয়েছেন এবং সাহস যুগিয়েছেন। আল্লাহ আমাদের সহায় হউন।

নর্দার্ন জেনারেল ইন্স্যুরেন্স কোঃ লিঃ এর  
পরিচালকমন্ডলীর পক্ষে

(এস, এম, আইয়ুব আলী চৌধুরী)  
চেয়ারম্যান

তারিখ, ঢাকা  
মে ১০, ২০১৫ ইং

## Credit Rating Report

**Northern General Insurance Co. Ltd.** has been rated by Alpha Credit Rating Ltd. on the basis of audited financial statements for the year ended December 31, 2013 and other relevant information. The summary of Rating is presented below:

Long Term Rating	<b>"A"</b> (Pronounced as single A)
------------------	-------------------------------------

Short Term Rating	<b>AR-2</b>
-------------------	-------------

Outlook	<b>Stable</b>
---------	---------------

Date of Rating	<b>June 18, 2014</b>
----------------	----------------------

Validity of Rating	<b>Till June 17, 2015</b>
--------------------	---------------------------

Alpha Credit Rating Ltd. has assigned **"A"** (Pronounced as single A) rating in the Long Term and **"AR-2"** in the short term to Northern General Insurance Co. Ltd.

The Company rated **"A"** (Pronounced as single A) in the long term indicated strong capacity to meet policyholder & contract obligations and rated **"AR-2"** in the short term indicated good capacity to meet their near term obligations.

## 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. 22 & 22.1 in the Notes of Accounts
- ▷ Remuneration of Directors including Independent Director have been shown in P/L Accounts
- ▷ The Financial Statement 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, 2014 the Board of Directors held 10 (Ten) **meetings** and the Directors serving on the Board attended in aggregate 99% 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, Company Secretary, Head of Internal Audit and their spouse and minor children, Executives, shareholders holding 10% as at December 31, 2014 are as stated in **Annexure-II**
- ▷ Key operating and financial data of last 5 (five) years have been presented in summarized form in **Annexure-III**
- ▷ Brief Resume of the Directors who seek re-appointed and appointed in the AGM are stated in **Profile of Directors and their attachment**

## Shareholding Pattern of Directors & Sponsors:

(as at 31st December, 2014)

### ANNEXURE-II

Particulars	No. of Share Held	Percentage	Remark
<b>Parent Company</b>	–	–	The Company is not subsidiary of any company
<b>A. Directors :</b>			
Al-haj Nasiruddin	6,84,115	2.17	
Mr. Abdul Matin	6,84,115	2.17	
Mr. S.M. Ayub Ali Chowdhury	8,06,159	2.56	
Al-haj Md. Saiful Alam	4,53,307	1.44	
Al-haj Abdus Samad	6,84,115	2.17	
Mr. Md. Sarwar Salim	6,95,025	2.21	
Mr. Mohammad Azam	7,26,379	2.31	
Mr. Hamidul Haq	2,71,572	0.86	
Mrs. Ferdousi Islam	9,19,162	2.92	
Mr. Arshadul Alam	9,19,162	2.92	
Ms. Thamina Rahman	9,19,162	2.92	
Barrister Faysal Ahmed Patwary	9,19,161	2.92	
Mr. Shahriar Khaled	6,84,115	2.17	
Al-haj Md. Mortaza Siddique Chowdhury	6,84,115	2.17	
Ms. Maimuna Khanam	5,74,296	1.83	
Mr. Mohammed Shafiul Azam	8,64,162	2.75	
<b>Total</b>	<b>1,14,88,122</b>	<b>36.49</b>	
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		

## Financial Summary

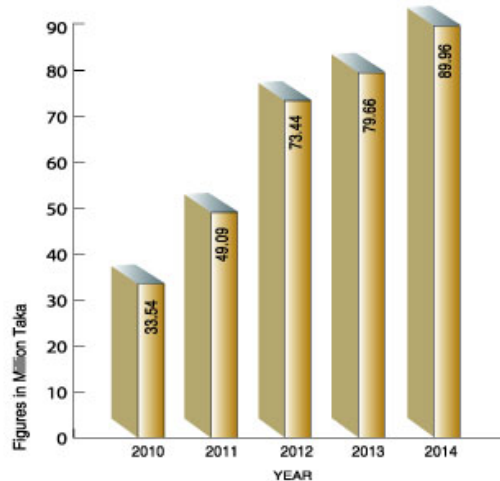
### ANNEXURE-III

Taka in Million

Particulars	2014	2013	2012	2011	2010
Gross Premium	329.14	357.91	374.23	324.90	288.91
Net Premium	209.00	186.15	232.15	186.84	203.67
Gross Claim Paid	60.22	61.14	66.05	64.54	73.60
Underwriting Profit	92.43	91.72	100.85	78.41	41.32
Investment Income	35.97	39.63	28.32	26.27	19.11
Net Profit (before tax)	89.96	79.66	73.44	49.09	33.54
Investment	407.06	405.16	352.28	280.80	244.70
Fixed Assets	352.90	142.06	157.31	173.55	190.08
Total Assets	1188.03	934.94	874.49	806.88	741.98
Gross Margin Ratio (%)	28.08	25.63	26.95	24.13	13.39
Operating Income Ratio (%)	43.04	42.79	31.64	26.27	16.47
Net Income Ratio (%)	30.45	30.67	21.84	18.00	11.00
Return on Assets Ratio (%)	7.57	8.52	8.40	6.08	4.52
Return on Equity Ratio (%)	9.77	21.17	23.01	18.28	14.27
Earning Per Share (Taka)	2.02	2.00	1.98	1.51	11.19
Face Value Per Share	Tk. 10	Tk. 10	Tk. 10	Tk. 10	Tk. 100

## Graphical Data

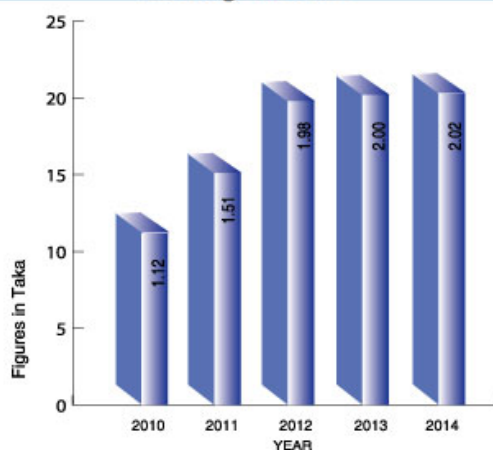
**Net Profit**



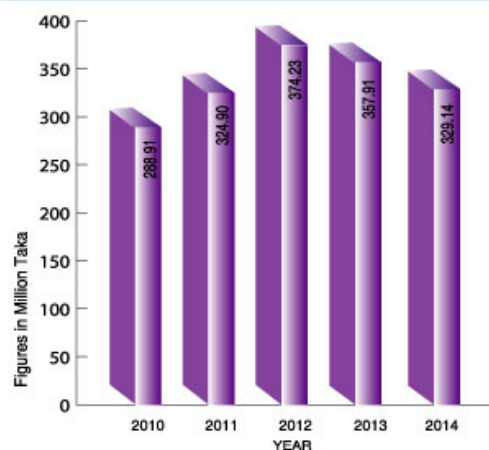
**Total Asset**



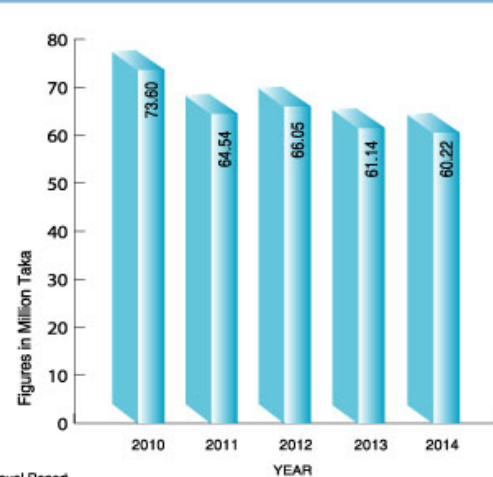
**Earning Per share**



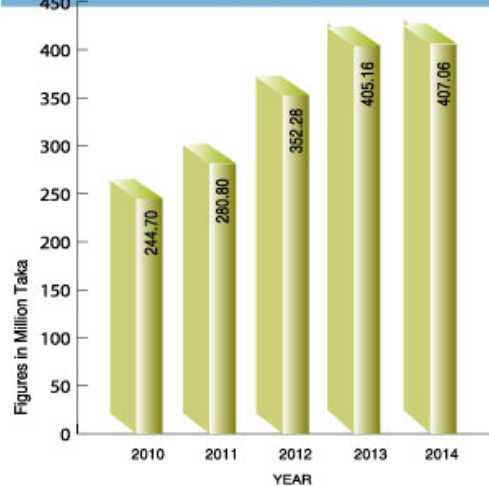
**Gross Premium**



**Gross Claim Paid**



**Investment**



## Compliance of Notification

No. SEC/CMRRCD/2006-158/134/Admin/44 as on 07 August, 2012

ANNEXURE-IV

### 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.
- (ii) The Independent Director, nominated by the Board of Directors meets all the requirement as prescribed under the SEC Notification.
- (iii) In terms of provision of SEC Notification under reference the shareholders in the AGM are required to approve the appointment of Mr. Mohammed Rafique as another 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 15 years experiences.

#### 1.4 Chairman of the Board and Chief Executive Officer

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.

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

All the requirements have been fulfilled.

#### 2. CHIEF FINANCIAL OFFICER (CFO), HEAD OF INTERNAL AUDIT AND COMPANY SECRETARY (CS)

All the requirements have been fulfilled.

#### 3. AUDIT COMMITTEE:

The Audit Committee, as a sub-Committee of the Board, has been constituted with the Independent Director as Chairman. The Company Secretary acts as Secretary to the Committee. 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.

#### 4. EXTERNAL/STATUTORY AUDITOR(S):

The BSEC guidelines are being strictly followed in engaging Statutory Auditors.

#### 5. SUBSIDIARY COMPANY (S):

Northern General Insurance Company Ltd. has no any subsidiary company.

#### 6. DUTIES OF CHIEF EXECUTIVE OFFICER (CEO) AND CHIEF FINANCIAL OFFICER (CFO):

The provision of BSEC regulations are being complied with on regular basis.

#### 7. REPORTING AND COMPLIANCE OF CORPORATE GOVERNANCE:

Requirement on the above are being complied with.

## AUDIT COMMITTEE REPORT

For the year ended 31st December 2014

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:

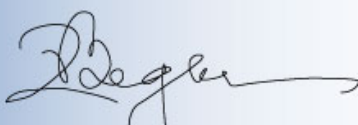
Name	Status	Position of Audit Committee
Prof. Dr. Zainab Begum	Independent Director	Chairman
Mr. S.M. Ayub Ali Chowdhury	Director	Member
Mr. Md. Sarwar Salim	Director	Member
Al-haj Abdus Samad	Director	Member
Mr. Abdul Matin	Director	Member

The Committee held 07 (seven) meetings during the year as per following:

Name of the Meeting	Total Meeting held during the 2014	Attended
Audit Committee Meeting	07 (Seven)	100% attendance on average

### Activities of the Audit Committee:

- Reviewed and recommend 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.



(Prof. Dr. Zainab Begum)  
Chairman  
Audit Committee



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

Dhaka Office:  
"Well Tower" (1st Floor)  
Flat -A/1, 12/A, Purana Paltan Line, Dhaka.  
Ph: 088-02-58313305, Fax: 880-02-58310639  
E-mail: doddhaka@f-lix.net

CTG. Office:  
Jahan Building No. 5 (2nd floor)  
74 Agrabad Com. Area, Chittagong.  
Ph: 880-31-725955, Fax: 880-31-714312  
E-mail: dodctg@iolbd.net

### **Auditors' Certificate on Corporate Governance Compliance Of Northern General Insurance Company Limited**

We have examined the compliance by Northern General Insurance Co. Ltd. for the year ended on 31st December 2014 with respect to the BSEC guidelines on Corporate Governance. Such compliance is the responsibility of the company as stipulated by notification on SEC/CMRRCD/2006/158/134/Admin/44 dated 07 August 2012 issued by Bangladesh Securities and Exchange Commission in accordance with section 2CC of Securities and Exchange Ordinance, 1969.

Our examination relating to status of compliance (as attached) by Northern General Insurance Company Limited was limited to the procedures including implementation thereof as adopted by the company for ensuring such compliances and this has not been for expression of our opinion on the financial statements or future viability of the company.

In our opinion, to the best of our information and explanations provided us, the Company has complied with all the conditions of aforesaid Corporate Governance Guidelines of Bangladesh Securities and Exchange Commission except the number of Independent Directors which has been complied with as per section 76 of Insurance Act 2010.

Dated, Dhaka  
April 12, 2015

**DAS CHOWDHURY DUTTA & CO.**  
(CHARTERED ACCOUNTANTS)

## STATUS OF COMPLIANCE OF CORPORATE GOVERNANCE

Status of compliance with the conditions imposed by the Commission's Notification No. BSEC/CMRRCD/2006-158/134/Admin/44 dated 07 August 2012 issued under section 2CC of the Bangladesh Securities and Exchange Ordinance, 1969:

Condition No.	Title	Compliance status (Put in the appropriate column)		Remarks (if any)
		Complied	Not complied	
<b>1.</b>	<b>BOARD OF DIRECTORS:</b>			
1.1	Board's Size	✓		
<b>1.2</b>	<b>Independent Directors:</b>			
1.2 (i)	Number of Independent Director.	✓		Complied with the Insurance Act' 2010
1.2 (ii)(a)	Shareholding position of Independent Director.	✓		
1.2 (ii)(b)	Independent Director is not sponsor, nor any family member/family relationship of the sponsor	✓		
1.2(ii)(c)	Independent Director does not have any other relationship with the company or it's subsidiary associated companies.	✓		
1.2(ii)(d)	Independent Director is not a member, director or officer of any stock exchange.	✓		
1.2(ii)(e)	Independent Director is not a shareholder, director or officer of any member of stock exchange or an intermediary of the capital market.	✓		
1.2(ii)(f)	Independent Director is not a partner or an executive or was not a partner or an executive during the preceding 3(three) years of the concerned company's statutory audit firm.	✓		
1.2(ii)(g)	Independent Director shall not be an independent director in more than 3(three) listed companies.	✓		
1.2(ii)(h)	Independent Director has not been convicted by a court of competent jurisdiction as a defaulter in payment of any loan to a bank or a NBFI.	✓		
1.2(ii)(i)	Independent Director has not been convicted for a criminal offence involving moral turpitude.	✓		
1.2(iii)	The Independent Director(s) shall be appointed by the board, and approved by the shareholders in the Annual General Meeting (AGM)	✓		
1.2(iv)	The post of Independent Director(s) cannot remain vacant for more than 90(ninety) days.	✓		
1.2(v)	The Board shall lay down a code of conduct of all Board members and annual compliance of the code to be recorded.	✓		
1.2(vi)	The tenure of office of an independent director shall be for a period of 3(three) years, which may be extended for 1(one) term only.	✓		

Condition No.	Title	Compliance status (Put ✓ in the appropriate column)		Remarks (if any)
		Complied	Not complied	
1.3	Qualification of Independent Director(ID)			
1.3(i)	Independent director shall be a knowledgeable individual with integrity, ensure compliance with financial, regulatory and corporate laws.	✓		Profile of ID available in the Annual Report
1.3(ii)	Independent Director should be a Business Leader/Corporate Leader Bureaucrat/ University Teacher with Economics or Business Studies or Law background/ Professionals. Independent Director must have a least 12(twelve) years corporate management/professional experiences.	✓		
1.3(iii)	In special cases the above qualifications may be relaxed subject to prior approval of the Commission.	✓		
1.4	Chairman of the Board and Chief Executive Officer shall be filled by different individuals. The Board of Directors shall clearly define respective roles and responsibilities of the Chairman and the Chief Executive Officer	✓		
1.5	The Director's Report to Shareholder shall include the following additional statements:			
1.5(i)	Industry outlook and possible future developments in the industry.	✓		Available in the Annual Report
1.5(ii)	Segment-wise or product-wise performance	✓ ✓		Available in the Annual Report
1.5(iii)	Risks and concerns.	✓		Available in the Annual Report
1.5(iv)	A discussion on Cost of Goods sold, Gross Profit Margin and Net Profit Margin.	✓		No such Extra-ordinary gain or loss
1.5(v)	Discussion on continuity of any Extra-Ordinary gain or loss.	✓		Available in the Annual Report
1.5(vi)	Basis for related party transactions-a statement of all related party transactions should be disclosed in the annual report	✓		Available in the Annual Report
1.5(vii)	Utilization of proceeds from public issues, rights issues and/or through any others instruments.	✓		
1.5(viii)	An explanation if the financial results deteriorate after the company goes IPO, RPO, Rights Offer, Direct Listing etc.	✓		Financial result is not deteriorated
1.5(x)	Remuneration to directors including independent directors.	✓		Available in the Annual Report
1.5(xi)	Financial statements present fairly state of affairs, the result of its operations, cash flows and changes in Shareholder's equity of the company.	✓		

Condition No.	Title	Compliance status (Put in the appropriate column)		Remarks (if any)
		Complied	Not complied	
1.5(xii)	Proper books of account of the issuer company have been maintained.	✓		
1.5(xiii)	Appropriate accounting policies have been consistently applied in preparation of the financial statements and accounting estimates are based on reasonable and prudent judgment.	✓		
1.5(xiv)	International Accounting Standards (IAS)/ Bangladesh Accounting Standards (BAS)/ International Financial Reporting Standard (IFRS)/Bangladesh Financial Reporting Standards (BFRS), as applicable in Bangladesh have been followed in preparation of the financial statements.	✓		
1.5(xv)	The system of internal control is sound in design and has been effectively implemented and monitored.	✓		
1.5(xvi)	There are no significant doubts upon the issuer company's ability to continue as a going concern.	✓		No such significant deviation observed
1.5(xvii)	Significant deviations from the last year's operating results of the company shall be highlighted.	✓		No such significant deviation observed
1.5(xviii)	Key operating and financial data of at least preceding 5(five) years shall be summarized.	✓		available in the Annual Report
1.5(xix)	If the issuer company has not declared dividend (cash or stock) for the year.	✓		Declared dividend regularly
1.5(xx)	The number of Board meetings held during the year and attendance by each director shall be disclosed.	✓		
1.5(xxi)a)	Share holding position Parent/Subsidiary/ Associated Companies and other related parties.	✓		Available in the Annual Report
1.5(xxi)b)	Share holding position of Directors, Chief Executive Officer Company Secretary, Chief Financial Officer, Head of Internal Audit and their spouses and minor children.	✓		No such matter to report on
1.5(xxi)c)	Share holding position of Executives of the company	✓		No such matter to report on
1.5(xxi)d)	Shareholders holding ten percent (10%) or more voting interest in the company.	✓		No such matter to report on
1.5(xxii)a)	A brief resume of the appointed/ reappointed director	✓		Available in the Annual Report
1.5(xxii)b)	Expertise in specific functional areas of the appointed/reappointed director	✓		Profile available in the Annual Report

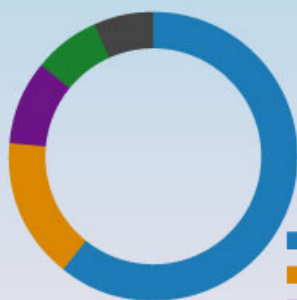
Condition No.	Title	Compliance status (Put in the appropriate column)		Remarks (if any)
		Complied	Not complied	
1.5(xxii)c)	Names of companies in which the person also holds the directorship and the membership of committees of the board.	✓		
<b>2</b>	<b>Chief Financial Officer (CFO), Head of Internal Audit and Company Secretary:</b>			
2.1	Appointment of CFO, HIA and CS & defining their responsibilities.	✓		
2.2	Attendance of CFO & Company Secretary at the meeting of the Board of the Directors.	✓		
<b>3.00</b>	<b>Audit Committee:</b>			
3(i)	The company has an Audit Committee as a sub-committee of the Board of the Directors.	✓		
3(ii)	Assistance of the Audit Committee to the Board of Directors in ensuring that the financial statements reflect true and fair view of the state of affairs of the company and in ensuring a good monitoring system within the business.	✓		
3(iii)	The Audit Committee is responsible to the Board of Directors. The duties of the Audit committee clearly set forth in writing.	✓		
<b>3.1</b>	<b>Constitution of the Audit Committee:</b>			
3.1(i)	Committee shall be comprised at least 3(three) members.	✓		
3.1(ii)	Appointment of members of the Audit Committee who are directors and including 1(one) independent directors.	✓		
3.1(iii)	All members of the audit committee are "financially literate" and 1(one) member have accounting or related financial management experience.	✓		
3.1(iv)	Board of Directors appoint the new Committee member(s) to fill up the vacancy immediately or not later than 1(one) month from the date vacancies in the Committee.	✓		
3.1(v)	The company secretary shall act as the secretary of the committee.	✓		
3.1(vi)	The quorum of the Audit Committee meeting shall not constitute without at least 1(one) independent director.	✓		
<b>3.2</b>	<b>Chairman of the Audit Committee:</b>			
3.2(i)	Independent Director is the Chairman of the Audit Committee.	✓		

Condition No.	Title	Compliance status (Put in the appropriate column)		Remarks (if any)
		Complied	Not complied	
3.2(ii)	Chairman of the Audit Committee shall remain present in the Annual General Meeting (AGM)	✓		
<b>3.3</b>	<b>Role of the Audit Committee:</b>			
3.3(i)	Audit Committee oversees the financial reporting process.	✓		
3.3(ii)	Audit Committee monitor choice of accounting policies and principles.	✓		
3.3(iii)	Audit Committee monitor Internal Control Risk Management process.	✓		
3.3(iv)	Audit Committee oversee hiring and performance of external auditors.	✓		
3.3(v)	Audit Committee review along with the management, the annual financial statements before submission to the board for approval.	✓		
3.3(vi)	Audit Committee review the quarterly and half yearly financial statements before submission to the board for approval.	✓		
3.3(vii)	Audit Committee review the adequacy of internal audit function.	✓		
3.3(viii)	Audit Committee review statement of significant related party transactions submitted by the management.	✓		
3.3(ix)	Audit Committee review Management Letters/Letter of Internal Control weakness issued by statutory auditors.	✓		
3.3(x)	Money is raised through IPO, RPO/Rights Issue the company shall disclose to the Audit Committee about the uses/applications of funds.	✓		
<b>3.4</b>	<b>Reporting of the Audit Committee:</b>			
3.4.1	Reporting to the Board of Directors:	✓		
3.4.1(i)	The Audit Committee shall report on its activities to the Board of Directors.	✓		
3.4.1(ii)a)	The Audit Committee shall immediately report on conflict of interest.	✓		
3.4.1(ii)b)	Suspected or presumed fraud or irregularity or material defect in the internal control system.	✓		
3.4.1(ii)c)	Suspected infringement of laws, including securities related laws, rules and regulations.	✓		
3.4.1(ii)d)	Any other matter which shall be disclosed to the Board of Directors immediately.	✓		

Condition No.	Title	Compliance status (Put in the appropriate column)		Remarks (if any)
		Complied	Not complied	
3.4.2	If the Audit Committee reported to the Board of Directors about anything which has material impact on the financial condition as result of operation. Audit Committee funds that such rectification has been unreasonably ignored, the Audit Committee shall report such finding to the Commission.	✓		
3.5	Report on activities carried out by the Audit Committee, under condition 3.4.1(ii) above during the year, shall be signed by the Chairman of the Audit Committee.	✓		
<b>4</b>	<b>External/statutory auditors to perform:</b>			
4(i)	Appraisal or valuation services or fairness opinions.	✓		
4(ii)	Financial information systems design and implementation.	✓		
4(iii)	Book-keeping or other services related to the accounting records or financial statements.	✓		
4(v)	Actuarial Services.	✓		
4(vi)	Internal audit services.	✓		
4(vii)	Any other service that the Audit Committee determines.	✓		
4(viii)	No partner or employees of the external audit firms shall possess any share of the company.	✓		
<b>5</b>	<b>Subsidiary Company:</b>			
5(i)	The composition of the Board of Directors of the subsidiary company.	✓		No subsidiary company
5(ii)	At least 1(one) independent director shall be a director on the Board of Directors of the subsidiary company.	✓		
5(iii)	The minutes of the Board meeting of the subsidiary company shall be placed for review at the following Board meeting of the holding company.	✓		
5(iv)	The minutes of the respective Board meeting of the holding company shall state that they have reviewed the affairs of the subsidiary company also.	✓		
5(v)	The Audit Committee of the holding company shall also review the investments made by the subsidiary company.	✓		

Condition No.	Title	Compliance status (Put in the appropriate column)		Remarks (if any)
		Complied	Not complied	
6	Duties of Chief Executive Officer (CEO) and Chief Financial Officer (CFO):			
6(i)a)	The CEO and CFO shall certify to the Board that financial statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading.	✓		No subsidiary company
6(i)b)	Financial statements together present a true and fair view the company's affairs and are in compliance existing accounting standards and applicable laws.	✓		
6(ii)	To the best of knowledge and belief, no transaction entered into by the company during the year which fraudulent, illegal or violation of the company's code of conduct.	✓		
7	Reporting and Compliance of Corporate Governance:			
7(i)	The company obtained a certificate from a practicing Chartered Accountant regarding compliance of conditions of Corporate Governance Guidelines.	✓		No subsidiary company
7(ii)	The directors of the company shall state, in accordance with the Annexure attached, in the director's report whether the company has complied with these conditions.	✓		

## Value Added Statements



For the year ended 31st December 2014

### Value Added :

(Taka in Million)

Gross Premium	329.14
Opening Balance of Unexpired Risk Revenue	74.49
VAT & Stamp duty	49.85
Commission on Re-insurance Ceded	35.89
Interest, Dividend & Other Income	35.73
<b>Total =</b>	<b>525.10</b>



For the year ended 31st December 2014

### Distributed as follows:

(Taka in Million)

VAT & Stamp duty	49.85
Net Claims	28.21
Re-Insurance Ceded	120.13
Management Expenses, Commission & Un-allocated Expenses	153.30
Closing Balance of Un-expired Risk Revenue	83.65
Net Profit	89.96
<b>Total =</b>	<b>525.10</b>

## Class-wise Underwriting Results for the Year 2014

Particulars	Taka				
	Fire	Marine	Motor	Miscellaneous	Total
Gross Premium	148,868,735	82,175,486	58,873,580	39,218,476	329,136,277
Add: Premium on Re-insurance Accepted	-	-	-	-	-
Less: Premium on Re-insurance ceded	51,080,550	37,635,081	7,757,860	23,657,760	120,131,251
Net Premium Income	97,788,185	44,540,405	51,115,720	15,560,716	209,005,026
Add: Commission on Re-insurance ceded	20,346,326	9,234,382	1,651,888	4,661,352	35,893,948
Less: Commission on Re-insurance Accepted	-	-	-	-	-
Less: Commission	18,933,485	10,245,400	8,545,735	3,217,901	40,942,521
Add: Last year's Unexpired Risks	28,295,871	26,245,889	15,606,439	4,338,659	74,486,858
<b>Sub-Total</b>	<b>127,496,897</b>	<b>69,775,276</b>	<b>59,828,312</b>	<b>21,342,826</b>	<b>278,443,311</b>
Net Claim	(1,335,264)	8,962,599	19,919,263	662,246	28,208,844
Management Expenses	33,538,361	18,513,163	13,263,520	8,835,458	74,150,502
Reserve for Unexpired Risks	39,115,274	17,866,588	20,446,288	6,224,286	83,652,436
<b>Sub-Total</b>	<b>71,318,371</b>	<b>45,342,350</b>	<b>53,629,071</b>	<b>15,721,990</b>	<b>186,011,782</b>
<b>Under writing Profit / (Loss)</b>	<b>56,178,526</b>	<b>24,432,926</b>	<b>6,199,241</b>	<b>5,620,836</b>	<b>92,431,529</b>

## Directors Certificate


As per Regulations contained in the First Schedule of the Insurance Act, 1938, and 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 there of 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, 2014 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.

  
(G. F. M. Shawkat Ali)  
Managing Director

  
(Faisal Ahmed Patwary)  
Director

  
(Abdul Matin)  
Director

  
(S.M. Ayub Ali Chowdhury)  
Chairman

# Auditors' Report & Financial Statements 2014



## Auditors' Report to the Shareholders

We have audited the accompanying Financial Statements of Northern General Insurance Co. Limited, which comprise of the Balance Sheet as at 31 December, 2014 and the related Revenue Accounts as well as Profit and Loss Account, Profit and Loss Appropriation Account, Statement of Cash Flows and Statement of Changes in Equity for the year then ended. The preparation of these Financial Statement in accordance with Bangladesh Financial Reporting Standards (BFRS), the Companies Act 1994, the Insurance Act 2010, the Insurance Rules 1958, the Securities and Exchange Commission Rules 1987 and other applicable laws and regulations are responsibility of the Company's management.

### Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these Financial Statements in accordance with Bangladesh Financial Reporting Standards (BFRS), the Companies Act 1994, the Insurance Act 2010, the Insurance Rules 1958, the Securities and Exchanges Rules 1987 and other applicable laws and regulations. This responsibility includes: designing, implementing, and maintaining internal control relevant to the preparation and fair presentation of Financial Statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

### Auditors Responsibility

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

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

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

### Opinion

In our opinion, subject to the accounting policies and notes annexed, the Financial Statements prepared in accordance with Bangladesh Financial Reporting Standards (BFRS), give a true and fair view of the state of the company's affairs as at 31 December, 2014 and of the results of its operation and its Cash Flows for the year then ended and comply with the Companies Act 1994, the Insurance Act 2010, the Insurance Rules 1958, the Securities and Exchange Commission Rules 1987 and other applicable laws and regulations.

### We also report that :

- We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit and made due verification thereof;
- In our opinion, proper books of account as required by law have been kept by the company so far as it appeared from our examination of those books and proper returns adequate for the purpose of our audit have been received from the branches not visited by us;
- The company's Balance Sheet and Profit and Loss Account and its Cash Flows dealt with by the report are in agreement with the books of account and returns;
- The expenditure incurred was for the purpose of the company's business;
- As per Section 63(2) of the Insurance Act 2010 as amended we certify that to the best of our knowledge and belief and according to the information and explanations given to us, all expenses of management wherever incurred and whether incurred directly or indirectly with respect to insurance business of the company transacted in Bangladesh during the year under report have been duly debited to the related Revenue Accounts and the Profit and Loss Account of the company;
- As per Insurance Act 2010, we certify 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 with respect to any of its business re-insured abroad; and
- The information and explanations required by us have been received and found to be satisfactory.



**B. K. Bhattacharjee, FCA**  
Partner  
Chowdhury Bhattacharjee & Co.  
(CHARTERED ACCOUNTANTS)  
Dated, Dhaka 08 April, 2015


## BALANCE SHEET

Capital and Liabilities	Notes	2014 Taka	2013 Taka
<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
Issued, subscribed and paid up :			
31,478,462 ordinary shares of Tk.10 each		314,784,620	286,167,840
<b>Reserve or Contingency Accounts</b>		<b>336,787,840</b>	<b>90,160,712</b>
Reserve for Exceptional Losses	4	88,031,170	60,531,170
Revaluation Surplus	5	214,441,308	-
Profit and Loss Appropriation Account	6	34,315,362	29,629,542
<b>Balance of Funds and Accounts</b>		<b>83,652,436</b>	<b>74,486,858</b>
Fire Insurance Business		39,115,274	28,295,871
Marine Insurance Business		17,866,588	26,245,889
Motor Insurance Business		20,446,288	15,606,439
Miscellaneous Insurance Business		6,224,286	4,338,659
<b>Premium Deposit</b>	<b>7</b>	<b>12,821,880</b>	<b>13,465,750</b>
<b>Liabilities and Provisions</b>		<b>439,981,625</b>	<b>470,663,689</b>
Estimated liability in respect of outstanding claims whether due or intimated	8	27,299,200	30,853,068
Amount Due to Other Persons or Bodies carrying on Insurance Business	9	31,955,436	78,746,102
Sundry Creditors	10	131,992,453	131,776,258
Bank Overdraft	11	108,900,000	115,766,197
Provision for Income Tax	12	139,834,536	113,522,064
<b>Total Capital and Liabilities</b>		<b>1,188,028,401</b>	<b>934,944,849</b>

Attached notes form an integral part of these financial statements.



Managing Director



Director



Director

Dated, Dhaka 08 April, 2015

## AS AT 31 DECEMBER 2014

Property and Assets	Notes	2014 Taka	2013 Taka
<b>Investment</b>	13	65,028,391	78,852,783
<b>Interest Accrued (but not due)</b>	14	20,092,193	22,126,442
<b>Amount Due from Other Persons or Bodies</b> carrying on Insurance Business	15	213,696,865	173,907,055
<b>Sundry Debtors</b> (including advances, deposits and pre-payments)	16	164,408,796	151,190,054
<b>Cash and Bank Balances</b>	17	371,147,596	366,069,934
<b>Other accounts</b>		<b>353,654,560</b>	<b>142,798,581</b>
Fixed Assets	18	352,897,340	142,059,227
Stock of Stationery		348,482	440,060
Insurance Stamps in hand		292,800	416,780
Deferred Tax Assets	19.2.1	115,938	(117,486)
<b>Total Property and Assets</b>		<b>1,188,028,401</b>	<b>934,944,849</b>

Signed as per our annexed report of even date.



Chairman



**B. K. Bhattacharjee, FCA**  
Partner  
Chowdhury Bhattacharjee & Co.  
(CHARTERED ACCOUNTANTS)

## PROFIT AND LOSS ACCOUNT

Particulars	Notes	2014 Taka	2013 Taka
Expenses of Management (not applicable to any particular fund or account)	20	18,570,850 <b>19,634,920</b>	21,503,103 <b>30,190,316</b>
Directors' Fees		1,054,763	1,080,000
Audit Fees		184,000	161,000
Donation and Subscription		125,000	1,721,000
Legal and Professional Fees		229,448	843,013
Provision for Gratuity		11,500,000	6,222,344
Depreciation and Amortization		5,522,452	17,939,385
Registration Fees		1,252,681	1,828,551
Deferred Tax Expenses	19.2	(233,424)	395,023
Balance for the year carried to Profit and Loss Appropriation Account		89,960,931	79,655,644
<b>Total</b>		<b>128,166,701</b>	<b>131,349,063</b>

## PROFIT AND LOSS APPROPRIATION ACCOUNT

Particulars	Notes	2014 Taka	2013 Taka
Reserve for Exceptional Losses		27,500,000	27,500,000
Provision for Taxation	19.3	26,312,472	22,561,172
Balance of Profit / (Loss)		170,377,011	134,228,552
<b>Total</b>		<b>224,189,483</b>	<b>184,289,724</b>
<b>Earning Per Share (EPS)</b>	<b>2.5</b>	<b>2.02</b>	<b>1.81</b>
<b>Face value per share</b>		<b>10</b>	<b>10</b>

Attached notes form an integral part of these financial Statements.



Managing Director



Director



Director

Dated, Dhaka 08 April, 2015

## FOR THE YEAR ENDED 31 DECEMBER 2014

Particulars	Notes	2014 Taka	2013 Taka
Interest, Dividend and Rents (not applicable to any particular fund or account)			
Interest Income		35,970,926	41,483,445
Gain/(loss) from dealing with Listed Coys' shares	21	(235,754)	(1,850,881)
<b>Profit / (Loss) Transferred from</b>		<b>92,431,529</b>	<b>91,716,499</b>
Fire Insurance Revenue Account		56,178,526	38,680,989
Marine Insurance Revenue Account		24,432,926	26,492,723
Motor Insurance Revenue Account		6,199,241	21,178,702
Miscellaneous Insurance Revenue Account		5,620,836	5,364,085
<b>Total</b>		<b>128,166,701</b>	<b>131,349,063</b>

## FOR THE YEAR ENDED 31 DECEMBER 2014

Particulars	Notes	2014 Taka	2013 Taka
Balance being Profit/Loss brought forward from last year	134,228,552	104,634,080	
Net Profit for the year brought down		89,960,931	79,655,644
<b>Total</b>		<b>224,189,483</b>	<b>184,289,724</b>

Signed in terms of our report of even date annexed.



Chairman



**B. K. Bhattacharjee, FCA**  
Partner  
Chowdhury Bhattacharjee & Co.  
(CHARTERED ACCOUNTANTS)

## CONSOLIDATED INSURANCE REVENUE ACCOUNT

Particulars	Notes	2014 Taka	2013 Taka
Claims under policies less re-insurances Paid during the year		31,762,712	25,505,383
Total estimated liability in respect of outstanding claims at the end of the year whether due or intimated		27,299,200	30,853,068
		59,061,912	56,358,451
Less : Claims outstanding at the end of the previous year		30,853,068	29,776,579
		28,208,844	26,581,872
Commission		40,942,521	47,273,611
Expenses of management	22	74,150,502	83,034,306
Balance of account at the end of the year as shown in the Balance Sheet		83,652,436	74,486,858
Profit/(Loss) transferred to Profit and Loss Account		92,431,529	91,716,499
<b>Total</b>		<b>319,385,832</b>	<b>323,093,146</b>

Attached notes form an integral part of these financial statements.



Managing Director



Director



Director

Dated, Dhaka 08 April, 2015

## FOR THE YEAR ENDED 31 DECEMBER 2014

Particulars	Notes	2014 Taka	2013 Taka
Balance of account at the beginning of the year Reserve for unexpired risks		74,486,858	92,972,932
Premium less re-insurances		209,005,026	186,147,451
Commission on re-insurances ceded		35,893,948	43,972,763
<b>Total</b>		<b>319,385,832</b>	<b>323,093,146</b>

Signed as per our annexed report of even date.



Chairman



**B. K. Bhattacharjee, FCA**  
Partner  
Chowdhury Bhattacharjee & Co.  
(CHARTERED ACCOUNTANTS)

## FIRE INSURANCE REVENUE ACCOUNT

Particulars	Notes	2014 Taka	2013 Taka
Claims under policies less re-insurances Paid during the year		2,108,316	2,529,085
Total estimated liability in respect of outstanding claims at the end of the year whether due or intimated		5,048,250	8,491,830
		7,156,566	11,020,915
Less : Claims outstanding at the end of the previous year		8,491,830	13,467,687
		(1,335,264)	(2,446,772)
Commission		18,933,485	25,455,993
Expenses of management	22.1	33,538,361	40,089,309
Balance of account at the end of the year as shown in the Balance Sheet			
Reserve for unexpired risks being 40% of premium income of the year		39,115,274	28,295,871
Profit / (Loss) transferred to Profit and Loss Account		56,178,526	38,680,989
	<b>Total</b>	<b>146,430,382</b>	<b>130,075,390</b>

Attached notes form an integral part of these financial statements.



Managing Director



Director



Director

Dated, Dhaka 08 April, 2015

**FOR THE YEAR ENDED ON 31 DECEMBER 2014**

[illegible]

Signed as per our annexed report of even date .

QEQ

Chairman



**B. K. Bhattacharjee, FCA**  
Partner  
Chowdhury Bhattacharjee & Co.  
(CHARTERED ACCOUNTANTS)

## MARINE INSURANCE REVENUE ACCOUNT

Particulars	Notes	2014 Taka	2013 Taka
Claims under policies less re-insurances Paid during the year		6,491,999	7,927,373
Total estimated liability in respect of outstanding claims at the end of the year whether due or intimated		7,525,600	5,055,000
		14,017,599	12,982,373
Less : Claims outstanding at the end of the previous year		5,055,000	3,552,483
		8,962,599	9,429,890
Commission		10,245,400	12,512,254
Expenses of management	22.1	18,513,163	22,773,280
Balance of account at the end of the year as shown in the Balance Sheet			
Reserve for unexpired risks being 40% of premium income on marine cargo and 100% of premium income on Marine Hull of the year :		17,866,588	26,245,889
Cargo		17,782,545	26,199,427
Hull		84,043	46,462
Profit / (Loss) transferred to Profit and Loss Account		24,432,926	26,492,723
<b>Total</b>		<b>80,020,676</b>	<b>97,454,036</b>

Attached notes form an integral part of these financial statements.



Managing Director



Director



Director

Dated, Dhaka 08 April, 2015

**FOR THE YEAR ENDED 31 DECEMBER 2014**

Particulars	Notes	2014 Taka	2013 Taka
Balance of account at the beginning of the year Reserve for unexpired risks		26,245,889	22,062,844
Premium less re-insurances		44,540,405	65,545,030
Commission on re-insurances ceded		9,234,382	9,846,162
Total		80,020,676	97,454,036

Signed as per our annexed report of even date.

QEG

**Chairman**



**B. K. Bhattacharjee, FCA**  
Partner  
Chowdhury Bhattacharjee & Co.  
(CHARTERED ACCOUNTANTS)

## MOTOR INSURANCE REVENUE ACCOUNT

Particulars	Notes	2014 Taka	2013 Taka
Claims under policies less re-insurances Paid during the year		22,419,263	14,454,544
Total estimated liability in respect of outstanding claims at the end of the year whether due or intimated		14,050,000	16,550,000
		36,469,263	31,004,544
Less: Claims outstanding at the end of the previous year		16,550,000	11,556,409
			19,919,263
19,448,135 Commission		8,545,735	6,790,392
Expenses of management	22.1	13,263,520	10,924,781
Balance of account at the end of the year as shown in the Balance Sheet			
Reserve for unexpired risks being 40% of premium income of the year		20,446,288	15,606,439
Profit / (Loss) transferred to Profit and Loss Account		6,199,241	21,178,702
	<b>Total</b>	<b>68,374,047</b>	<b>73,948,449</b>

Attached notes form an integral part of these financial statements.



Managing Director



Director



Director

Dated, Dhaka 08 April, 2015

**FOR THE YEAR ENDED 31 DECEMBER 2014**

Particulars	Notes	<b>2014 Taka</b>	<b>2013 Taka</b>
Balance of account at the beginning of the year Reserve for unexpired risks		15,606,439	33,200,268
Premium less re-insurances		51,115,720	39,016,097
Commission on re-insurances ceded		1,651,888	1,732,084
Total		<b>68,374,047</b>	<b>73,948,449</b>

Signed as per our annexed report of even date .

QEQ

**Chairman**



**B. K. Bhattacharjee, FCA**  
Partner  
Chowdhury Bhattacharjee & Co.  
(CHARTERED ACCOUNTANTS)

## MISCELLANEOUS INSURANCE REVENUE ACCOUNT

Particulars	Notes	2014 Taka	2013 Taka
Claims under policies less re-insurances Paid during the year		743,134	594,381
Total estimated liability in respect of outstanding claims at the end of the year whether due or intimated		675,350	756,238
		1,418,484	1,350,619
Less: Claims outstanding at the end of the previous year		756,238	1,200,000
		662,246	150,619
Commission		3,217,901	2,514,972
Expenses of management	22.1	8,835,458	9,246,936
Balance of account at the end of the year as shown in the Balance Sheet			
Reserve for unexpired risks being 40% of premium income of the year		6,224,286	4,338,659
Profit / (Loss) transferred to Profit and Loss Account		5,620,836	5,364,085
	<b>Total</b>	<b>24,560,727</b>	<b>21,615,271</b>

Attached notes form an integral part of these financial statements.



Managing Director



Director



Director


Dated, Dhaka 08 April, 2015

**FOR THE YEAR ENDED 31 DECEMBER 2014**

[illegible]

Signed as per our annexed report of even date .

  
Chairman

  
**B. K. Bhattacharjee, FCA**  
Partner  
Chowdhury Bhattacharjee & Co.  
(CHARTERED ACCOUNTANTS)

## STATEMENT OF CASH FLOW

### FOR THE YEAR ENDED 31 DECEMBER 2014

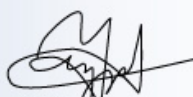
Particulars	Notes	2014 Taka	2013 Taka
<b>A. Cash flow from operating activities</b>			
Collection from premium and other income		328,922,399	321,244,007
Payment for management expense, re-insurance and claims(293,897,783)		(270,766,906)	
Income Tax paid		(11,661,500)	(21,726,705)
<b>Net cash generated from operating activities (A)</b>		<b>23,363,116</b>	<b>28,750,396</b>
<b>B. Cash flow from investing activities</b>			
Fixed Assets acquired		(1,919,257)	(2,033,795)
Investment in shares and Bond		-	(16,000,000)
<b>Net cash used in investing activities (B)</b>		<b>(1,919,257)</b>	<b>(18,033,795)</b>
<b>C. Cash flow from financing activities</b>			
Bank loan paid		(9,500,000)	(10,709,891)
<b>Net cash generated from financing activities ( C )</b>		<b>(9,500,000)</b>	<b>(10,709,891)</b>
<b>D. Net cash flow (D = A + B + C)</b>		<b>11,943,859</b>	<b>6,710</b>
E. Cash and cash equivalent at the end of the year	27	262,247,596	250,303,737
F. Cash and cash equivalent at the beginning of the year		250,303,737	250,297,027
<b>G. Increase/(decrease) in cash and cash equivalent during the year (G = E-F)</b>		<b>11,943,859</b>	<b>6,710</b>

Attached notes form an integral part of these financial Statements.

Signed as per our annexed report of even date.



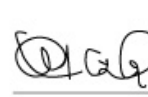
Managing Director



Director

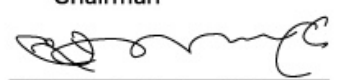


Director



Chairman

Dated, Dhaka 08 April, 2015

  
**B. K. Bhattacharjee, FCA**  
 Partner  
 Chowdhury Bhattacharjee & Co.  
 (CHARTERED ACCOUNTANTS)

## STATEMENT OF CHANGES IN EQUITY

### FOR THE YEAR ENDED 31 DECEMBER 2013

Particulars	Taka				
	Share Capital	Retained Earnings	Reserve Earnings Taka	Reserve for Exceptional Losses Taka	Total Equity
Balance as on 01 January, 2014	286,167,840	29,629,542	60,531,170	-	376,328,552
Addition during the period	28,616,780	-	27,500,000	214,441,308	270,558,088
Stock Dividend	-	(28,616,780)	-	-	(28,616,780)
IPO Expenses	-	(2,845,859)	-	-	(2,845,859)
Profit after tax for the year	-	36,148,459	-	-	36,148,459
<b>Balance as on 31 December, 2014</b>	<b>314,784,620</b>	<b>34,315,362</b>	<b>88,031,170</b>	<b>214,441,308</b>	<b>651,572,460</b>

Signed as per our annexed report of even date.



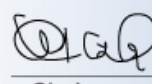
Managing Director



Director



Director



Chairman

Dated, Dhaka 08 April, 2015



**B. K. Bhattacharjee, FCA**  
Partner  
Chowdhury Bhattacharjee & Co.  
(CHARTERED ACCOUNTANTS)

## FORM - AA CLASSIFIED SUMMARY OF ASSETS

AS ON 31 DECEMBER 2014

Class of Assets	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	342,030,430	342,030,430	Realizable Value
In STD A/C with Banks	23,565,423	23,565,423	Realizable Value
Cash in Hand	5,551,743	5,551,743	Realizable Value
Interest on Investment accrued but not due	20,092,193	20,092,193	Realizable Value
Amount due from other persons or bodies carrying on insurance business	213,696,865	213,696,865	Realizable Value
<b>Other Assets :</b>			
Fixed Assets	352,897,340	352,897,340	Revalued
Investment in Shares & Bond	40,028,391	40,028,391	Market Value
Sundry Debtors	164,524,734	164,524,734	Realizable Value
Stock of Stationery and Stamps	641,282	641,282	Realizable Value
	<b>1,188,028,401</b>	<b>1,188,028,401</b>	

Signed as per our annexed report of even date.



Managing Director



Director



Director



Chairman



**B. K. Bhattacharjee, FCA**  
Partner  
Chowdhury Bhattacharjee & Co.  
(CHARTERED ACCOUNTANTS)

## NOTES TO THE FINANCIAL STATEMENTS

### FOR THE YEAR ENDED ON 31 DECEMBER 2014

#### 1. Introduction :

##### 1.1 Status of the Company :

Northern General Insurance Co. Ltd. was incorporated as public company limited by shares on 08 April, 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 08 April, 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 25 May, 1996. The Securities & Exchange Commission has approved for issue of shares to public on 20 October, 2008 (date of lottery). The company has been listed with the stock exchange [both in Dhaka and in Chittagong] on 16 July, 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.

#### 2. Basis of Presenting Accounts and Significant Accounting Policies

##### 2.1 Basis of accounting :

The 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, Bangladesh Financial Reporting Standards (BFRS) with reference to disclosures of accounting policies and valuation of investment.

##### 2.2 Basis of presentation :

The Balance Sheet [First Schedule, Part – I, **Form A** of Part – II], Revenue Account of each class of business [Third Schedule, Part – I and **Form F** of Part – II] and the Classified Summary of Assets [First Schedule, **Form AA** of Part – II] have been prepared in accordance with the regulations contained in the Insurance Act, 1938 as the regulations are yet to be adopted as per Insurance Act 2010. The Cash Flow Statement has also been prepared as per requirement of the Securities & Exchange Commission Rules, 1987.

##### 2.3 Method :

The Financial Statements have been drawn on mercantile basis.

##### 2.4 Other :

Previous year's figures have been re-arranged and adjusted wherever necessary to conform to the current year's presentation and figures in the financial statements have been rounded off to the nearest BD Taka.

##### 2.5 Earning Per Share [EPS] : [BAS - 33] TK. 2.02

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

Particulars		2014	2013
Net Profit after Tax for the year	Tk.	63,648,459	57,094,472
Ordinary Shares	Number	31,478,462	31,478,462
Face value per share	Tk.	10	10
Basic Earning Per Share	Tk.	2.02	1.81

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 24 November, 2011.

## **2.6 Revenue recognition [BAS-18] :**

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

2.6.2 The premium in respect of Company's share of Public Sector Insurance Business (PSB) is 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 2013 to June 2014 have been received from SBC and the Company's share of PSB for the aforesaid period has been recognized in these financial statements accordingly.

2.6.3 Amounts received against issue of Cover Notes which have not been converted into Policy are recognized as income at the earlier of Cover Notes converted into Policy or after expiry of two years of Cover Notes in accordance with SBC's Circular.

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

2.6.5 Capital gain/(loss) has been arisen/incurred from dealing with listed companies' shares and this was accounted for on realization basis.

2.6.6 Necessary adjustment in respect of re-insurance ceded and accepted in Bangladesh has duly been made in respective Revenue Account as per Treaty Agreement made between the Company and Shadharan Bima Corporation (SBC).

## **2.7 Provision for Un-expired Risk :**

### **2.7.1 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.

### **2.7.2 Reserve for Exceptional Loss :**

Reserve for Exceptional Losses Tk. 27,500,000 was appropriated out of current year's profit before tax being 13.16 % (approximate) of net premium earned during the year.

## **2.8 Allocation of total management expenses :**

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

## **2.9 VAT claim deposit :**

This was paid as per claim of VAT Authority which shall be reimbursable from respective clients and has been adjusted being revenue expenses.

## 2.10 Fixed Assets : Recognition and measurement

The cost of an item of Fixed Assets shall be recognized as an assets if, and only if 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 an 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 & Loss account during the financial period in which they are incurred.

## 2.11 Depreciation on Fixed Assets :

- 2.11.1 Fixed assets are depreciated applying the Reducing Balance method consistently, as per BAS-16 for addition of assets, depreciation is charged from the date of capitalisation 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 BAS-8 Management has estimated the useful life of Telephone, Software and Computer as such the depreciation rate of the related assets are changed and accounted for on new rate of depreciation. The rate of Depreciation used on the assets are as follows :

Name of Asset	Rate of Depreciation	Name of Asset	Rate of Depreciation
Furniture and Fixture	10%	Motor Cycle	20%
Type Writer and Office Equipments	15%	Telephone Installation	15%
Electric Fan	15%	Office Decoration	10%
Air Conditioner and Refrigerator	20%	Software Installation	35%
Floor Space	10%	Library Books	20%
Motor Vehicle	20%	Computer	20%

- 2.11.2 The value of all assets at 31 December, 2014 as shown in the Balance Sheet and in the Classified Summary of Assets prepared following the regulations and Form AA, Part II, First Schedule of the Insurance Act 1938 as the regulations are yet to be adopted as per Insurance Act 2010. The said assets have been set forth in the Balance Sheet at amounts of their respective book values which in the aggregate do not exceed their aggregate market value.

## 2.12 Deferred Tax [BAS 12] :

The Company recognized deferred tax in accordance with the provision of BAS 12. Deferred tax 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/expenses do not create a legal liability/recoverability to and from the income tax authority.

## 2.13 IPO Expenses : Tk. 3,656,074

IPO Expenses which has been amortized @ 15% and charged to the Profit and Loss Account. But as per BAS 32, paragraph 37 IPO Expenses to be accounted for as deduction from Equity. So balance of IPO Expenses (Tk. 3,656,074 - Tk. 810,215) = Tk. 2,845,859 has been deduction this year from Equity.

#### 2.14 Employment Benefits [BAS 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 in the period to which the contributions relate. To comply The Labour Law Company will contribute to WPPF and WWF in near future.

#### 2.15 Leased Assets [BAS-17] :

The Company acquired 15 (Fifteen) vehicles under operating lease finance for five years each from Shahjalal Islami Bank Ltd. and IDLC Finance Ltd. in 2010, 2011, 2012, 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 not later than one year Tk. 6,015,898 and for later than one year and not later than five years Tk. 16,004,714.

#### 2.16 Revaluation of Floors Space : Tk. 319,000,000

As decided by the Board of Directors in the 159th meeting held on 23rd November, 2014 for evaluation of two Floor spaces situated at W.W. Tower (Level 12 & 13), 68, Motijheel C/A, Dhaka-1000 Jorip O Paridarshan Company Ltd., Paltan Tower (4th Floor), Suite # 404, Purana Paltan Line, Dhaka-1000 have revalued the two floor spaces of the Company on 23.12.2014 showing value of the two floor spaces of the Company total of (5,800 sft x2) 11,600 sft including 2 car parking spaces @ Tk. 27,500.00 per sft. Total value stands as on 23.12.2014 is Tk. 319,000,000.00 ( Thirty one crore ninety lac ) which has been shown in equity as revaluation surplus Tk. 214,441,308.00.

#### 3. Share Capital : Tk. 314,784,620

##### 3.1 Authorized Share Capital :

100,000,000 ordinary shares of Tk. 10 each

Taka	
2014	2013
<b>1,000,000,000</b>	<b>1,000,000,000</b>
150,000,000	150,000,000
164,784,620	136,167,840
<b>314,784,620</b>	<b>286,167,840</b>

##### 3.2 Issued, Subscribed and Paid up Capital :

Issued against cash  
Issued against bonus share  
**Total**

##### 3.2.1 Group wise shareholding position as on 31 December, 2014 are given below :

Shareholder Group	No. of Shareholder	No. of Shares	Percentage
Sponsors	16	11,488,122	36.50%
Associated Companies	124	9,334,716	29.65%
General Investors	5,837	10,655,624	33.85%
<b>Total</b>	<b>5,977</b>	<b>31,478,462</b>	<b>100.00%</b>

### 3.2.2 Range wise shareholding position as on 31 December, 2014

Share holding range	No. of Shareholder	No. of Shares	Percentage
000001-005000	5,608	3,908,597	12.42%
005001-050000	308	4,224,081	13.42%
050001-100000	20	1,434,077	4.56%
100001-200000	10	1,207,497	3.84%
200001-300000	8	1,862,624	5.92%
300001-400000	1	385,000	1.22%
400001-500000	3	1,359,036	4.32%
500001- Over	19	17,097,550	54.32%
<b>Total</b>	<b>5,977</b>	<b>31,478,462</b>	<b>100.00%</b>

### 3.2.3 Shareholding position of Sponsor/Director as on 31 December 2014

Sl. No.	Name of the Director/ Sponsor	Class of Share	No. of Shares hold	Nominal value of each share	Taka
01	Mr. S.M. Ayub Ali Chowdhury	Ordinary	806,159	10	8,061,590
02	Mr. Md. Sarwar Salim	Ordinary	695,025	10	6,950,250
03	Al-haj Nasiruddin	Ordinary	684,115	10	6,841,150
04	Mr. Abdul Matin	Ordinary	684,115	10	6,841,150
05	Mr. Mohd. Azam	Ordinary	726,379	10	7,263,790
06	Al-haj Md. Saiful Alam	Ordinary	453,307	10	4,533,070
07	Ms. Thamina Rahman	Ordinary	919,162	10	9,191,620
08	Mr. Hamidul Haq	Ordinary	271,572	10	2,715,720
09	Mr. Faysal Ahmed Patwary	Ordinary	919,161	10	9,191,610
10	Mrs. Ferdousi Islam	Ordinary	919,162	10	9,191,620
11	Al-haj Md. Shafiul Azam	Ordinary	864,162	10	8,641,620
12	Al-haj Abdus Samad	Ordinary	684,115	10	6,841,150
13	Mr. Shahriar Khaled	Ordinary	684,115	10	6,841,150
14	Mr. Arshadul Alam	Ordinary	919,162	10	9,191,620
15	Ms. Maimuna Khanam	Ordinary	574,296	10	5,742,960
16	Al-haj Md. Mortaza Siddique Chowdhury	Ordinary	684,115	10	6,841,150
	<b>Total</b>		<b>11,488,122</b>		<b>114,881,220</b>

### 3.2.4 Bonus share

The Company has issued bonus share Tk. 28,616,784 being 10% of paid up capital Tk. 286,167,840 for the year 2013.

### 3.2.5 Change in face value of each share

The company has amended relevant clause of Memorandum and articles of Association in the 6th EGM held on 24 November 2011 to comply SEC's order regarding changing the share denomination from Tk.100.00 to Tk.10.00 each.

		Taka	
		2014	2013
<b>4. Reserve for Exceptional Losses : Tk. 88,031,170</b>			
Balance as at 01 January, 2014	60,531,170	33,031,170	
Add : Provision for the year	27,500,000	27,500,000	
	88,031,170	60,531,170	
Less : Transfer to Profit and Loss Appropriation Account for the issue of bonus share -	-	-	
<b>Balance as at 31 December, 2014</b>	<b>88,031,170</b>	<b>60,531,170</b>	
<b>5. Revaluation Surplus : Tk. 214,441,308</b>			
Balance as at 01 January, 2014	-	-	
Add : Revaluation for the year	214,441,308	-	
	214,441,308	-	
Less : Transfer to Retain Earning for the year	-	-	
<b>Balance as at 31 December, 2014</b>	<b>214,441,308</b>	<b>-</b>	
<b>6. Profit and loss Appropriation Account : Tk. 34,315,362</b>			
Balance as at 01 January, 2014	29,629,542	30,695,910	
Add : Profit during the year	36,148,459	29,594,472	
Add : Transfer from Reserve for Exceptional Losses for the issue of bonus share -	-	-	
	65,778,001	60,290,382	
Less: Appropriation for issue of bonus share	28,616,780	30,660,840	
Less: IPO Expenses (Note-2.13)	2,845,859	-	
<b>Balance as at 31 December, 2014</b>	<b>34,315,362</b>	<b>29,629,542</b>	
<b>7. Premium Deposit : Tk. 12,821,880</b>			
This represents the balance of premium received against Cover Notes over the years for which Policies were not issued within 31 December, 2014.			
<b>8. Estimated liability in respect of outstanding claims whether due or intimated : Tk. 27,299,200</b>			
The break-up of the amount is as under:		Taka	
		2014	2013
Class of business			
Fire	5,048,250	8,491,830	
Marine	7,525,600	5,055,000	
Motor	14,050,000	16,550,000	
Miscellaneous	675,350	756,238	
<b>27,299,200</b>	<b>30,853,068</b>		
<b>9. Amount due to other persons or bodies carrying on insurance business : Tk. 31,955,436</b>			
The amount is payable to the following on account of re-insurance arrangements with SBC and co-insurance scheme to other General Insurance Companies as below:			

Sl. No.	Head of accounts	Taka	
		2014	2013
01	Sadharan Bima Corporation	28,743,856	75,534,522
02	Federal Insurance Co. Ltd.	181,657	181,657
03	Green Delta Insurance Co. Ltd.	131,856	131,856
04	Provati Insurance Co. Ltd.	540,389	540,389
05	Continental Insurance Co. Ltd.	264,901	264,901
06	Progati Insurance Co. Ltd.	195,191	195,191
07	Prime Insurance Co Ltd.	888,731	888,731
08	Eastern Insurance Co. Ltd.	124,484	124,484
09	Bangladesh Co-operative Insurance Co. Ltd.	339,657	339,657
10	Bangladesh National Insurance Co. Ltd.	217,611	217,611
11	Rupali Insurance Co. Ltd.	176,363	176,363
12	Mercantile Insurance Ltd.	150,740	150,740
	<b>Total</b>	<b>31,955,436</b>	<b>78,746,102</b>

We have circularised the balance confirmation letter to the above parties to confirm the balances. However, we did not receive any reply from the parties till to the date of this report. Aging of the balances could not be done due to lack of information.

**10. Sundry Creditors : Tk. 131,992,453**

The break-up of the amount is as under :

Sl. No.	Head of accounts	Taka	
		2014	2013
01	Audit fees payable	730,325	546,325
02	VAT Payable	1,728,426	2,114,021
03	Employees' Tax deduction at source	47,841	130,054
04	Security Deposit	35,000	35,000
05	Share Subscription	4,435,895	4,435,895
06	Provident Fund Payable	3,566,098	3,815,160
07	Incentive Bonus	3,530,150	3,784,500
08	IPO Expenses	-	810,215
09	Office Rent	396,326	271,058
10	Shareholders Account	1,302,815	1,271,858
11	Loan from Shahjalal Islami Bank Ltd	95,910,378	105,410,378
12	Provision for gratuity	20,309,199	8,809,199
13	Group Insurance Premium	-	342,595
	<b>Total</b>	<b>131,992,453</b>	<b>131,776,258</b>

**11. Bank Overdraft : Tk. 108,900,000**

The break-up of the amount is as under :

Name of bank	Taka	
	2014	2013
AB Bank Ltd., Principal Branch, Dilkusha C/A, Dhaka	-	6,866,197
First Security Islami Bank Ltd., Dilkusha Branch, Dhaka.	73,400,000	73,400,000
Shajalal Islami Bank. Ltd.	35,500,000	35,500,000
<b>Total</b>	<b>108,900,000</b>	<b>115,766,197</b>

The company has been enjoying the overdraft facilities by keeping lien of FDR amounting to Tk. **110,853,650** as detailed are given below :

FDR of issuing bank	FDR Amount (Taka)	FDR Lien with
First Security Islami Bank Ltd	60,000,000	First Security Islami Bank Ltd
AI –Arafah Islami Bank Ltd.	1,500,000	First Security Islami Bank Ltd
Arab Bangladesh Bank Ltd.	500,000	First Security Islami Bank Ltd
Dhaka Bank Ltd.	500,000	First Security Islami Bank Ltd
Eastern Bank Limited	500,000	First Security Islami Bank Ltd
EXIM Bank Ltd.	1,500,000	First Security Islami Bank Ltd
IFIC Bank Ltd.	1,000,000	First Security Islami Bank Ltd
Mutual Trust Bank Ltd.	500,000	First Security Islami Bank Ltd
NCC Bank Ltd.	2,500,000	First Security Islami Bank Ltd
One Bank Ltd.	2,500,000	First Security Islami Bank Ltd
Prime Bank Ltd.	500,000	First Security Islami Bank Ltd
Shahjalal Islami Bank Limited	500,000	First Security Islami Bank Ltd
Social Islami Bank Ltd.	2,500,000	First Security Islami Bank Ltd
Trust Bank Ltd.	2,500,000	First Security Islami Bank Ltd
United Comarcial Bank Ltd.	500,000	First Security Islami Bank Ltd
Dhaka Bank Ltd.	1,800,000	Shahjalal Islami Bank Ltd
Social Islami Bank Ltd.	6,300,000	Shahjalal Islami Bank Ltd
Southeast Bank Ltd.	1,500,000	Shahjalal Islami Bank Ltd
Islami Bank Bangladesh Ltd.	3,400,000	Shahjalal Islami Bank Ltd
AI –Arafah Islami Bank Ltd.	2,000,000	Shahjalal Islami Bank Ltd
First Security Islami Bank Ltd	1,000,000	Shahjalal Islami Bank Ltd
Shahjalal Islami Bank Limited	200,000	Shahjalal Islami Bank Ltd
AB Bank Ltd.	2,000,000	Shahjalal Islami Bank Ltd
NCC Bank Ltd.	5,053,650	Shahjalal Islami Bank Ltd
Uttara Bank Ltd.	1,000,000	Shahjalal Islami Bank Ltd
IDLC Finance Ltd.	1,800,000	Shahjalal Islami Bank Ltd
ICB Islami Bank Ltd.	500,000	Shahjalal Islami Bank Ltd
Bank Asia Ltd.	500,000	Shahjalal Islami Bank Ltd
Bangladesh Commerce Bank Ltd.	500,000	Shahjalal Islami Bank Ltd
EXIM Bank Ltd.	1,700,000	Shahjalal Islami Bank Ltd
One Bank Ltd.	2,000,000	Shahjalal Islami Bank Ltd
United Commercial Bank Ltd.	2,100,000	Shahjalal Islami Bank Ltd
<b>Total FDR lien against overdraft</b>	<b>110,853,650</b>	

**12. Provision for Income Tax : Tk. 139,834,536**

The break-up of the amount is as under:

	Taka	
	2014	2013
Balance as at 01 January, 2014	113,522,064	90,960,892
Addition during the year (note -19.3)	26,312,472	22,561,172
<b>Balance as at 31 December, 2014</b>	<b>139,834,536</b>	<b>113,522,064</b>

**13. Investment : Tk. 65,028,391**

The break-up of the amount is as under:

Bangladesh Government Treasury Bond - at cost	25,000,000	25,000,000
FSIB Mudaraba Subordinated Bond	40,000,000	50,000,000
Shares in Listed Companies (Note-13.2)	28,391	3,852,783
<b>Total</b>	<b>65,028,391</b>	<b>78,852,783</b>

13.1 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. Tk. 25,000,000.

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

Particulars	Cost (Taka)	Market/realizable value (Taka) as at 31.12.2014
Aftab Auto	567	403
BD. Finance	605	285
Beacon Pharma	20,545	4,500
Dhaka Bank Ltd.	1,947	1,226
Eastern Bank	387	272
Exim Bank Ltd.	393	799
Fine Foods	-	2,397
Islami Bank	274	187
Islami Insurance	10,454	8,084
SPPCL	84	150
National Bank Ltd.	2,165	650
Paramount Insurance	11,772	2,655
Premier Leasing International Ltd.	15,212	4,406
Prime Finance	2,005	663
Pubali Bank Ltd.	466	306
Rupali Insurance	216	95
Summit Power	121	115
Uttara Finance	1,595	1,198
<b>Total</b>	<b>68,808</b>	<b>28,391</b>

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

**14. Interest accrued but not due : Tk. 20,092,193**

This represents accrued interest on Fixed Deposits with the different banks and in Bangladesh Treasury Bond which are yet to be due and details are as follows:

Particulars	Taka	
	2014	2013
Fixed Deposit with different banks	16,963,255	17,595,460
Bangladesh Govt. Treasury Bond	2,176,132	952,806
FSIB Mudaraba Subordinate Bond	952,806	3,578,176
<b>Total</b>	<b>20,092,193</b>	<b>22,126,442</b>

**15. Amount due from other persons or bodies carrying on insurance business : Tk. 213,696,865**

This is due from the following on account of re-insurance and co-insurance business as below :

Sl. No.	Name	Taka	
		2014	2013
01	Sadharan Bima Corporation	209,934,404	169,083,088
02	Eastern Insurance Co. Ltd	15,257	15,257
03	Federal Insurance Co. Ltd.	231,091	201,122
04	Green Delta Insurance Co. Ltd.	460,411	460,410
05	Provati Insurance Co. Ltd.	429,218	429,218
06	Karnaphuli Insurance Co. Ltd.	83,201	83,201
07	Janata Insurance Co. Ltd.	261,017	261,017
08	Progati Insurance Co. Ltd.	692,773	692,773
09	Prime Insurance Co Ltd.	183,704	183,704
10	Bangladesh Co-operative Insurance Co. Ltd.	20,639	20,640
11	Bangladesh National Insurance Co. Ltd.	272,318	272,318
12	City General Insurance Co. Ltd.	23,963	1,115,440
13	Rupali Insurance Co. Ltd.	768,143	768,144
14	Desh General Insurance Co. Ltd.	10,692	10,692
15	Republic Insurance Co. Ltd.	112,130	112,130
16	Central Insurance Co. Ltd.	164,529	164,529
17	Mercantile Insurance Ltd.	33,375	33,373
	<b>Total</b>	<b>213,696,865</b>	<b>173,907,055</b>

We have circularized the balance confirmation letter to the above parties to confirm the balances. However, we did not receive any reply from the parties till to the date of this report. Aging of the balances could not be done due to lack of information.

**16. Sundry Debtors : TK. 164,408,796**  
[including advances, deposits and pre-payments]

The break-up of the amount is as under :

Sl. No.	Name	Taka	
		2014	2013
01	Advance Income Tax	95,468,529	83,807,029
02	Advance Tax deduction at source	25,937,655	21,858,010
03	Advance office rent	3,362,612	2,228,941
04	Security Deposit with CDBL	300,000	300,000
05	VAT Claim Deposit (after adjustment)	39,340,000	39,340,000
06	IPO Expenses	-	3,656,074
	<b>Total</b>	<b>164,408,796</b>	<b>151,190,054</b>

**17. Cash and Bank balances : TK. 371,147,596**

The break-up of the amount is as under:

Sl. No.	Name	Taka	
		2014	2013
17.1	Fixed Deposit with banks	342,030,430	326,306,962
17.2	Balance with banks	23,565,423	35,055,978
17.3	Cash in hand (including cash at branches)	5,551,743	4,706,994
	<b>Total</b>	<b>371,147,596</b>	<b>366,069,934</b>

**17.1 Fixed Deposit with banks : TK. 342,030,430**

Sl. No.	Name	Taka	
		2014	2013
01	Agrani Bank Ltd.	222,150	200,000
02	Al Arafah Islami Bank Ltd.	7,397,425	6,906,405
03	Arab Bangladesh Bank Ltd.	5,119,637	5,231,298
04	Bank Alfalah Ltd.	1,891,545	2,374,649
05	Bank Asia Ltd.	2,298,989	2,582,388
06	BASIC Bank Ltd.	776,440	700,595
07	Bangladesh Krishi Bank Ltd.	233,500	216,750
08	BRAC Bank Ltd.	1,013,123	932,739
09	Dhaka Bank Ltd.	14,370,246	13,069,889
10	Dutch Bangla Bank Ltd.	4,815,567	4,381,772
11	Eastern Bank Ltd.	3,591,076	3,452,253
12	Exim Bank Ltd.	9,176,380	10,990,949
13	First Security Islami Bank Ltd.	110,319,089	95,749,908
14	I.F.I.C Bank Ltd.	6,028,380	7,772,233

Sl. No.	Name	Taka	
		2014	2013
15	Islami Bank Bang. Ltd.	9,429,171	8,699,444
16	Jamuna Bank Ltd.	-	1,235,544
17	Janata Bank	5,564,742	5,025,682
18	Marcentile Bank Ltd.	6,097,290	6,413,724
19	Mutual Trust Bank Ltd.	4,004,641	3,617,287
20	National Bank Ltd.	7,660,897	6,895,216
21	NCC Bank Ltd.	21,803,671	20,087,610
22	One Bank Ltd.	8,215,230	7,924,077
23	Premier Bank Ltd.	2,639,693	2,878,710
24	Prime Bank Ltd.	10,486,022	10,174,065
25	Pubali Bank Ltd.	1,425,504	1,751,476
26	Rajshahi Krishi Unn. Bank	1,852,789	1,707,436
27	Rupali Bank Ltd.	1,102,824	1,030,116
28	Social Islami Bank Ltd.	32,900,760	31,802,683
29	Sonali Bank Ltd.	7,683,239	6,978,551
30	Southeast Bank Ltd.	11,609,938	11,494,069
31	Standard Bank Ltd.	1,365,128	1,722,693
32	Shahjalal Islami Bank Ltd.	9,877,403	8,951,527
33	The City Bank Ltd.	5,677,340	5,616,325
34	IDLC Finance Ltd.	2,063,646	1,849,500
35	Trust Bank Ltd.	6,885,983	6,214,486
36	United Com. Bank Ltd.	11,592,823	12,971,452
37	Uttara Bank Ltd.	2,303,559	2,090,552
38	Bangladesh Commerce Bank Ltd.	552,425	500,000.00
39	State Bank of India	1,425,484	1,312,909
40	ICB Islami Bank Ltd.	556,681	800,000
41	Union Bank Ltd.	-	1,000,000
42	NRB Commercial Bank Ltd.	-	1,000,000
	<b>Total</b>	<b>342,030,430</b>	<b>326,306,962</b>

#### 17.2 Balance with banks :

These represent the balance in STD account with different banks. We have circularized the balance confirmation letter to the bank to confirm the balance directly to us. But we did not receive some reply till to the date of this report.

#### 17.3 Cash in hand :

This includes petty cash of head office and branches and also CD account balances of the branches. Management has certified the petty cash balances which were kept by the head office and branches at the end day of the year.

18. Fixed Assets : Tk. 352,897,340

Particulars	Taka						
	Cost			Depreciation			
	Balance as at 01.01.2014	Addition during the year	Sales/ Disposal during the year	Balance as at 31.12.2014	Rate of depreciation	Depreciation changed during the year	Written Down Value as at 31.12.2014
Furniture and Fixture	5,029,215	109,233	-	5,138,448	10%	513,845	4,624,603
Type Writer and Office Equipments	1,078,824	327,290	-	1,406,114	15%	210,917	1,195,197
Electric Fan	42,828	6,880	-	49,708	15%	7,456	42,252
Air Conditioner and Refrigerator	2,029,213	216,700	-	2,245,913	20%	449,183	1,796,730
Motor Vehicle	6,173,022	-	-	6,173,022	20%	1,234,604	4,938,418
Motor Cycle	144,968	-	-	144,968	20%	28,994	115,974
Telephone Installation	122,458	7,250	-	129,708	15%	19,456	110,252
Office Decoration	19,495,350	265,210	-	19,760,560	10%	1,976,056	17,784,504
Software Installation	930,148	454,320	-	1,384,468	35%	484,564	899,904
Office Floor Space	104,558,692	214,441,308	-	319,000,000	10%	-	319,000,000
Library Books	49,519	-	-	49,519	20%	9,904	39,615
Computer	2,404,990	532,374	-	2,937,364	20%	587,473	2,349,891
As at 31 December, 2014	142,059,227	216,360,565	-	358,419,792		5,522,452	352,897,340
As at 31 December, 2013	157,319,628	2,033,795	-	159,353,423		17,294,196	142,059,227

	Taka	
	2014	2013
<b>19. Deferred Tax [BAS-12] :</b>		
<b>19.1 Deferred Tax Assets :</b>		
Book value of depreciable fixed assets	352,897,340	142,059,227
Less: Tax base	352,624,544	142,335,663
Deductible Temporary differences	<b>272,796</b>	<b>(276,436)</b>
Effective Tax Rate [is considered as per Finance Act, 2014]	42.50%	42.50%
<b>19.2 Deferred Tax Expense/(Income) : Tk. (233,424)</b>		
Opening deferred tax assets	(117,486)	277,537
Closing deferred tax assets [note 19.2.1]	115,938	(117,486)
<b>Total Deferred tax expense /(Income) (233,424)</b>	<b>395,023</b>	
<b>19.2.1 Decrease in deferred tax assets over the year : Tk. 115,938</b>		
The break-up of the amount is as under :		
Balance as at 01 January, 2014	(117,486)	277,537
Deduction during the year	233,424	(395,023)
<b>Balance as at 31 December, 2014</b>	<b>115,938</b>	<b>(117,486)</b>
<b>19.3 Current year provision for Taxation : Tk. 26,312,472</b>		
Break-up of the above is as under:		
Current Year's Provision	26,545,896	22,166,149
Deferred Tax expenses/(Income) [Note 19.2] (233,424)	395,023	
<b>Total</b>	<b>26,312,472</b>	<b>22,561,172</b>
<b>20. Expenses of Management : Tk. 18,570,850</b>		
[Not related to any particular Fund / Accounts]		
Insurance Premium on Office Car	831,429	667,686
Bank Charges	571,423	734,580
Meeting Expenses	464,450	465,448
Directors TA/DA	595,220	765,850
Crockeries and Cutleries	5,507	4,065
Advertisement and Publicity	574,086	871,442
Traveling and Conveyance	588,336	1,055,455
Lease Rental	4,547,408	5,235,464
AGM Expenses	545,772	855,430
Festival Allowance	6,033,530	6,277,454
Annual listing fee	300,810	523,765
Branch Managers Conference	638,771	665,432
Group Insurance Premium	172,364	842,595
Contributory Provident Fund	2,701,744	2,538,437
<b>Total</b>	<b>18,570,850</b>	<b>21,503,103</b>

**21. Gain / (loss) from dealing with listed companies shares : Tk. (235,754)**

This was taken on realization basis

**22. Expenses of Management : Tk. 74,150,502**

	Taka	
	2014	2013
Salaries and allowances	40,194,493	46,267,182
Wages	603,620	634,560
Postage and Telegram	506,490	473,014
Printing	2,804,510	1,996,144
Stationery	405,325	457,430
Conveyance	969,320	844,327
Incentive Allowance	3,530,150	3,740,750
Training Fee	-	18,000
Entertainment	1,787,327	1,602,408
Electrical Expenses	171,648	43,246
Office Contingency and General Charges	125,568	197,865
Telephone, Trunk Call and Telex	1,110,266	1,220,233
Car Maintenance	909,989	893,958
Internet Charge	1,483,303	1,298,763
Interest on Overdraft	6,664,150	10,734,444
Office Rent	6,710,280	6,372,960
Garage Rent	54,000	54,000
Gas, Water and Electricity Charges	1,082,540	1,008,849
Service Charges	974,400	816,408
Papers and Periodicals	111,666	101,120
Misc. Expenses	921,230	913,736
Management Expenses SBC	2,802,147	3,248,204
Stamp Duty consumed - Fire	35,650	45,621
Stamp Duty consumed - Motor	35,180	28,123
Stamp Duty consumed - Miscellaneous	157,250	22,961
<b>Total</b>	<b>74,150,502</b>	<b>83,034,306</b>

**22.1 The above expenses were allocated to the respective revenue account as follows:**

Revenue Account	General Expenses (Taka)	Direct Expenses (Taka)	Total Management Expenses (Taka)	Percentage of Allocation (%)
Fire	33,256,806	281,555	33,538,361	45%
Marine	17,455,870	1,057,293	18,513,163	25%
Motor	13,083,381	180,139	13,263,520	18%
Miscellaneous	7,324,218	1,511,240	8,835,458	12%
<b>Total for the year 2014</b>	<b>71,120,275</b>	<b>3,030,227</b>	<b>74,150,502</b>	<b>100%</b>
<b>Total for the Year 2013</b>	<b>79,689,397</b>	<b>3,344,909</b>	<b>83,034,306</b>	<b>100%</b>

Excess management expenses of Tk.9,174,334 was incurred beyond the allowable limit as stipulated by the Section 63 of Insurance Act, 2010 and the corresponding Rule 40 of the Insurance Rules, 1958.

**23. Related Party Disclosure: [BAS - 24]**

Directors' involvement in other Firms/ Companies

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. S.M. Ayub Ali Chowdhury	Chairman	1 City Pharmaceuticals Limited	Managing Director
			2 Hi-Fashion Limited	Chairman
			3 K.B. Knit Fashion Limited	Chairman
			4 Fortune Fashion Limited	Chairman
			5 Chowdhury Construction	Proprietor
02	Mr. Md. Sarwar Salim	Vice Chairman	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 Western Developers Limited	Director
03	Al-haj Nasiruddin	Director	1 Social Islami Bank Limited	Director
			2 Nasim Trading Company	Proprietor
			3 Nams Trade Corporation	Proprietor
			4 J. A. N. Corporation Limited	Managing Director
04	Mr. Abdul Matin	Director	1 Metropolitan Medical Center Limited	Chairman
			2 Bangladesh Textile Engineering College	Chairman
			3 Global Investment Co-operative Society Ltd.	Chairman
			4 Prime Asia University	Vice Chairman
			5 Rupali Life Insurance Co. Limited	Alternate Director
			6 Modern Textile Mills Limited	Proprietor
			7 Modern Dying and Screen Printing Ltd.	Managing Director
			8 Narsingdi Hatchery and Fisheries Ltd.	Chairman
05	Mr. Mohd. Azam	Director	1 Social Islami Bank Limited	Vice Chairman
			2 Zia and Brothers	Proprietor
			3 Boshra Trading	Proprietor
06	Ms. Thamina Rahman	Director	Not Applicable	
07	Mr. Faysal Ahmed Patwary	Director	1 Patwary Potato Flakes Limited	Director
			2 Greentech Greenhouse Bangladesh Ltd.	Director
			3 Patwary & Associates	Proprietor
08	Mrs. Ferdousi Islam	Director	1 China Bangla Ceramic Ind. Ltd.	Chairman
			2 China Bangla Engineering & Technology Services Ltd.	Chairman
			3 Bajnabo Textile Mills Limited	Chairman
			4 Trustee Securities Limited	Managing Director
			5 Bangal Tiger Cement Ind. Ltd.	Director
			6 Total Merchandising & Trims Ltd.	Director
			7 United Shipping Lines Ltd.	Director
			8 Rajanigondha Cargo Ltd.	Director

09	Mr. Md. Shafiul Azam	Director	1	Ambia Apperals Limited	Director
			2	Ambia Sweaters Ltd.	Director
			3	Ambia Steel & Re-Rolling Mills Ltd.	Director
			4	Ambia Accessories Limited	Director
			5	S.A.Chemical Industries Ltd.	Director
			6	Ambia Tank Terminal Ltd.	Director
			7	Ambia Holdings Ltd.	Director
			8	M/s A. H. Trading	Director
			9	M & M Navigation Co. Ltd.	Director
			10	Patenga Builders Corporation Ltd.	Director
			11	Ocean Construction Ltd	Director
10.	Prof. Dr. Zainab Begum	Independent Director		Not Applicable	
11.	Al-haj Abdus Samad	Director	1	Al-Arafah Islami Bank Limited	Chairman (EC) & Promoter Shareholder/Director
			2	S. Alam Power Plant Limited	Managing Director
			3	Karnaphuli Praktik Gas Limited	Managing Director
			4	S. Alam Hatchery Limited	Chairman
			5	S. Alam Soyaseed Extraction Plant Ltd.	Chairman
			6	S. Alam Tank Terminal Limited	Chairman
			7	S. Alam Cold Rolled Steels Limited	Chairman
			8	S. Alam Steels Limited	Director
			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 Ltd.	Chairman
			14	S. Alam Super Edible Oil Ltd.	Sponsor Shareholder
			15	S. Alam Vegetable Oil Ltd.	Sponsor Shareholder
			16	S. Alam Power Generation Ltd.	Chairman
			17	Reliance Finance Ltd.	Nominee Director
			18	Sonali Cargo Logistics (Pvt.) Ltd.	Chairman
			19	AIBL Capital Market Services Ltd.	Promoter Shareholder/ Director
			20	Marine Empire Ltd.	Managing Director
			21	Samad Trading Agency	Proprietor
			22	Fatehabad Farm Ltd.	Chairman
12.	Mr. Shahriar Khaled	Director	1	MAKSONS (Bangladesh) Limited	Director
			2	MAKSONS Associate Ltd.	Director
			3	Prime Financial Securities Ltd.	Director
			4	Fareast Islami Life Insurance Ltd.	Director
			5	PFI Securities Ltd.	Director
			6	PFI Properties Ltd.	Director
			7	Prime Properties Holdings Limited	Director

13.	Mr. Arshadul Alam	Director	1	Uni- Trade International Ltd.	Proprietor
			2	Jesco Bangladesh Limited	Director
			3	Jesco Capital Management Limited	Managing Director
			4	Kharana Fish & Poultry Ltd.	Director
			5	Metro Diagnostic Ltd.	Managing Director
			6	The Chittagong Chamber of Com. & Industry	Director
14.	Al-haj Md. Mortaza Siddique Chowdhury	Director	1	Union Bank Ltd	Director
			2	Diganta Media Corporation Limited	Sponsor Shareholder
			3	Reliance Finance Ltd.	Director
			4	Mortaza Assets Limited	Managing Director
			5	MARSA Holdings Ltd	Chairman
			6	MRM Trading Ltd.	Chairman
			7	MARSA Fishing Ltd	Chairman
			8	MARSA Trading	Proprietor
15.	Mr. Mohammed Rafique	Independent Director	1	M. M. Corporation	Proprietor
16.	Al-haj Md. Saiful Alam	Director	1	Al-Arafah Islami Bank Limited	Sponsor Shareholder
			2	Karnaphuli Prakritik 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 Ltd.	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 Ltd.	Managing Director
			10	S. Alam Refined sugar Industries Ltd.	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.) Ltd.	Managing Director
			16	S. Alam Brothers Limited	Managing Director
			17	S. Alam Properties Limited	Managing Director
			18	S. Alam Luxury Chair Coach Services Ltd.	Managing Director
			19	S. Alam Super Edible Oil Ltd.	Sponsor Shareholder
			20	S. Alam Vegetable Oil Ltd.	Sponsor Shareholder
			21	Shah amanat Prakritik Gas Co. Ltd.	Sponsor Shareholder
			22	S. Alam Power Generation Ltd.	Managing Director
			23	Reliance Brokerage Services Ltd.	Chairman
			24	Reliance Finance Ltd.	Chairman
			25	Sonali Cargo Logistics (Pvt.) Ltd.	Managing Director
			26	Fatehabad Farm Ltd.	Managing Director

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

Name of the Client	Related to	Nature of transaction	Taka	
			2014	2013
Hi-Fashion Ltd.	Mr. S. M. Ayub Ali Chowdhury	Insurance Premium	86,148	1,160,928
K.B.Knit Fashion Limited	Mr. S. M. Ayub Ali Chowdhury	Insurance Premium	75,600	25,200
Fortune Fashion Limited	Mr. S. M. Ayub Ali Chowdhury	Insurance Premium	493,991	498,140
Zia and Brothers	Mr. Md. Azam	Insurance Premium	-	60,605
Modern dying and Screen Printing	Mr. Abdul Matin	Insurance Premium	67,532	460
S. Alam Cold Rolled Steel Ltd.	Al-haj Abdus Samad Al-Haj Md. Saiful Alam	Insurance Premium	248,324	680,996
S. Alam Steels Ltd.	Al-haj Abdus Samad Al-Haj Md. Saiful Alam	Insurance Premium	249,364	599,993
S. Alam Cement Ltd.	Al-haj Abdus Samad Al-Haj Md. Saiful Alam	Insurance Premium	303,920	337,756
S. Alam Hatchery Ltd.	Al-haj Abdus Samad Al-Haj Md. Saiful Alam	Insurance Premium	-	472
S. Alam Luxury Chair Coach Services Ltd.	Al-haj Abdus Samad Al-Haj Md. Saiful Alam	Insurance Premium	149,775	184,929
S. Alam Super Edible Oil Ltd.	Al-haj Abdus Samad Al-Haj Md. Saiful Alam	Insurance Premium	57,454	70,744
S. Alam Vegetable Oil Ltd	Al-haj Abdus Samad Al-Haj Md. Saiful Alam	Insurance Premium	68,433	98,238
S. Alam Power Plant Ltd	Al-haj Abdus Samad	Insurance Premium	1,015	1,015
Portman Cement Ltd.	Al-haj Abdus Samad Al-Haj Md. Saiful Alam	Insurance Premium	410	-
S. Alam Brothers Ltd	Al-haj Abdus Samad Al-Haj Md. Saiful Alam	Insurance Premium	-	2,920
S. Alam Properties Ltd.	Al-haj Abdus Samad Al-Haj Md. Saiful Alam	Insurance Premium	1,347	-
Reliance Finance Limited	Al-haj Abdus Samad Al-Haj Md. Saiful Alam	Insurance Premium	308,828	95,920
S. Alam Refined sugar Industries Ltd.	Al-Haj Md. Saiful Alam	Insurance Premium	517,325	-
S. Alam Power Generation Ltd.	Al-Haj Md. Saiful Alam	Insurance Premium	650	-
S. Alam Trading Co. (Pvt.) Ltd.	Al-Haj Md. Saiful Alam	Insurance Premium	37,161	-
S. Alam Bag Manufacturing Mills Ltd.	Al-Haj Md. Saiful Alam	Insurance Premium	411,022	-
Panwin Fashions Ltd.	Mr. Md. Sarwar Salim	Insurance Premium	1,930,028	2,362,348
Pantax Accessories (Pvt.) Ltd.	Mr. Md. Sarwar Salim	Insurance Premium	331,258	1,148,611
Panwin Designs Ltd.	Mr. Md. Sarwar Salim	Insurance Premium	5,849,626	3,821,480
Panwin Garments Ltd.	Mr. Md. Sarwar Salim	Insurance Premium	1,259,601	1,213,715
China Bangla ceramic Ind.Ltd.	Mrs. Ferdousi Islam	Insurance Premium	1,124,375	1,485,550
Ambia Apparels Ltd.	Mr. Md. Saiful Azam	Insurance Premium	-	173,638
Ambia Accessories Limited	Mr. Md. Saiful Azam	Insurance Premium	-	53,094
Patwary Potato Flakes Limited	Mr.Faysal Ahmed Patwary	Insurance Premium	24,714	5,393

**24. Compliance of Schedule XI Part II of the Companies Act, 1994 :**

The slab of employees' remuneration is given below:

Particulars	No. of Employees	
	2014	2013
Below Taka.36,000 per year	-	-
Taka.36,000 and above	370	414
<b>Total</b>	<b>370</b>	<b>414</b>

**25. 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.

**26. Restriction on Certain Investment :**

Northern General Insurance Co. Ltd. has not made any investment nor holds any shares or debentures of any Company, firms or other business concern in which any of its 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 .

**27. Cash and cash equivalent : Tk. 262,247,596**

This is arrived at by offsetting the overdraft balance from the cash and bank balances:

	Taka	
	2014	2013
Cash and bank balances	371,147,596	366,069,934
Less: Bank Overdraft	108,900,000	115,766,197
<b>Total</b>	<b>262,247,596</b>	<b>250,303,737</b>



নর্দাণ 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 19th Annual General Meeting (AGM) of the Company to be held on Saturday, June 13, 2015 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.



নর্দাণ জেনারেল ইন্স্যুরেন্স কোঃ লিঃ  
Northern General Insurance Co. Ltd.

(A KEY TO PROTECTION)

### ATTENDANCE SLIP

I hereby record my attendance at the 19th Annual General Meeting (AGM) held on Saturday, June 13, 2015 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 19th AGM held on 13/06/2015 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 19th AGM as per BSEC Directives.



**নর্দার্ন জেনারেল ইন্স্যুরেন্স কোঃ লিঃ**  
**Northern General Insurance Co. Ltd.**  
**(A KEY TO PROTECTION)**

**Head Office**

WW Tower, 68 Motijheel C/A, Level-12 & 13, Dhaka-1000, Bangladesh

**Telephone**

(+880-2-) 955 9077-79, 712 6228, 711 0160

**Fax**

(+880-2-) 955 1579, 711 3724

**E-mail**

info@ngicl.com

**www.ngicl.com**