

# ANNUAL REPORT 2019



সেন্ট্রাল ইনস্যুরেন্স কোম্পানী লিঃ  
CENTRAL INSURANCE COMPANY LIMITED



## THE LEADER'S FOOTPRINT IN THE INSURANCE INDUSTRY

On March 1, 1960, the Father of the Nation Bangabandhu Sheikh Mujibur Rahman graced the insurance industry by joining the Alpha Insurance Company. As the whole Bangladesh celebrates the Birth Centenary (Mujib Borsho) of the Father of the Nation this year, in order to mark this memorable occasion, the government of Bangladesh has decided to observe March 1 as 'National Insurance Day' from now on.

Bangabandhu Sheikh Mujibur Rahman dreamt of a poverty and hunger free 'Sonar Bangla'. After the independence, the government of Bangabandhu formed insurance corporations namely Surma, Rupsa, Teesta and Karnafuli by nationalizing 49 foreign insurance companies through the issuance of the Bangladesh Insurance (Nationalization) Order, 1972. A national insurance corporation was formed to control four corporations. Subsequently, the Insurance Corporation Act, 1973, formed a separate insurance corporation named the 'Jiban Bima Corporation' to provide life insurance services and the 'Sadharan Bima Corporation' to provide non-life insurance services. Bangabandhu also established Bangladesh Insurance Academy to prepare human resources for the insurance industry and formed the directorate of insurance to control the insurance sector.

## LETTER OF TRANSMITTAL

All Shareholders,  
Bangladesh Securities & Exchange Commission (BSEC)  
Insurance Development and Regulatory Authority (IDRA)  
Registrar of Joint Stock Companies & Firms (RJSC)  
Dhaka Stock Exchange Limited (DSE) and  
Chittagong Stock Exchange Limited (CSE)

**Sub: - Annual Report for the year ended December 31, 2019.**

Dear Sir/Madam (s),

A copy of the Annual Report along with the Audited Financial Statements including the Financial Position, Income Statement, Changes in Shareholders' Equity and Statement of Cash Flows for the year ended December 31, 2019 together with notes thereon of Central Insurance Company Limited is being enclosed herewith for kind information, record and necessary action.

With thanks & regards

Sincerely yours,



(MD. JAFAR ALI FCS)  
Company Secretary

## NOTICE OF THE 32ND ANNUAL GENERAL MEETING


Notice is hereby given that the 32nd Annual General Meeting of Central Insurance Company Limited will be held on Monday, the 7th September, 2020 at 11:00 a.m. (Dhaka time). The AGM will be held virtually by using Digital Platform to transact the following business:

### AGENDA

- 1) To receive, consider and adopt the Financial Statements and Report of Auditors thereon and the Report of the Board of Directors of the Company for the year 2019.
- 2) To declare Dividend for the year ended 31st December, 2019.
- 3) To elect/re-elect Directors.
- 4) To appoint Statutory Auditor for the Year 2020 and fixation their remuneration.
- 5) To appoint Compliance Auditor as per Corporate Governance Code-2018 for the Year 2020.

All members are requested to make it convenient to attend the meeting in time.

By order of the Board of Directors,

  
(MD. JAFAR ALI FCS)  
Company Secretary

Date: 17 August, 2020.

### Notes:

- a) The Members whose names appeared on the Members/Depository Register as on Record Date i.e. 23rd July, 2020 are eligible to attend and vote at the 32nd Annual General Meeting (AGM) and receive dividend, if any.
- b) Pursuant to the Bangladesh Securities Exchange Commission's Order No.SEC/SRMIC/04-231/932 Dated 24 March, 2020; the AGM will be virtual meeting of the members which will be conducted via live webcast by using Digital Platform.
- c) The Members will be able to submit their question/comments and vote electronically 24 hours before commencement of the AGM and during the AGM. For logging into the system, the Members need to put their 16 digit Beneficial Owner (BO), ID number and other credential as proof of their identify by visiting the link given to the website of the Company i.e. [www.cicl-bd.com](http://www.cicl-bd.com) The link also sent/be sent to the email addresses to the respected shareholders.
- d) The detailed procedures to participate in the virtual meeting and Frequently Asked Questions (FAQs) have been provided in the Annual Report and published in the Investor Relation Section of the company sebsite at [www.cicl-bd.com](http://www.cicl-bd.com).
- e) We encourage the members to log into the system prior to the meeting start time 11:00 a.m. (Dhaka time). Please contact 01799-936608, 01815-862332 & 01919-049807 for technical diffulties in accessing the virtual meeting.
- f) Members entitled to attend and vote at the Annual General Meeting (AGM) may appoint a proxy to attend and vote on his/her stead. The Proxy Form duly filled, signed and stamped BDT 20 must be send through email to CIC Board Division [board@cicl-bd.com](mailto:board@cicl-bd.com) on later than 48 hours before commencement of the AGM.
- g) Pursuant to the Bangladesh Securities and Exchange Commission (BSEC) Notification No.BSEC/CMRRCD/2006-158/208/Admin/81 dated 20 June 2018, the Soft Copy of the Annual Report-2019 is being sent to the email addresses of the Members available in their beneficiary Owner accounts maintained with the Depository. The Members are requested to update their email address through their respective Depository Participant. The soft copy of the Annual Report 2019 will also be available on the Financial Status section of the Company's website at [www.cicl-bd.com](http://www.cicl-bd.com).

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## COMPANY'S PROFILE

### BACKGROUND

Central Insurance Company Limited being incorporated on the 12th November, 1987, starts operation by virtue of the Certificate of Commencement of Business” issued by Registrar of Joint Stock Companies on the 10th December, 1987. It obtains Certificate of Registration from Controller of Insurance on the 30th of November, 1987. Currently the Company is regulated by Insurance Development and Regulatory Authority (IDRA). Central Insurance Company Limited is one of the leading non-life insurance company in Bangladesh with specialized and significant expertise both in traditional and non-traditional insurance businesses ethically with its dynamic leadership in management. Central Insurance always works hard for all clients to deliver innovative products and services while maintaining a commitment to safety, security and sustainability.

### BOARD AND SUB-COMMITTEES:

The Company has an experienced and renowned Board of Directors including two Independent Directors. All of them comprise a good number of eminent entrepreneurs and business personalities of the Country. Board members of the Company always support and encourage the Management to comply with the rules and regulations of the land.

Mr. Mohammed Musa, Chairperson, is a veteran business executive. The board has delegated authority towards 3 sub-committees namely Executive Committee (EC), Audit Committee (AC) and Nomination & Remuneration Committee (NRC). The Board has delegated sufficient power to the management of the Company for accomplishment of the day to day work.

### CHIEF EXECUTIVE OFFICER (CEO):

Mr. Md. Zahid Anwar Khan, the Chief Executive Officer (CEO) of the Central Insurance Company Limited, is a 33 years' experienced and outstanding insurance professional. He has long versatile and outstanding carrier in the field of Insurance sector from joining inception of the CICL. Mr. Khan, being the Chief Executive Officer with his most updated knowledge in all the departments of insurance, outstanding professional leadership and excellent managerial charisma, is commanding the Company to place itself to the unique height in the insurance industry of Bangladesh.

### HEAD OF DEPARTMENTS:

Central Insurance has appointed experienced and qualified professional persons as head of the department those who are performing with Finance & Accounts, Sales & Developments, Claims & Re-Insurance, Underwriting & BCD, Share & Establishment, Information Technology, Internal Audit and Board & Administration.

### CREDIT RATINGS:

Central Insurance Company Limited is rated AA- by Credit Rating Information & Services (CRISL), which indicates its high claims paying ability, good protection ability and expectation of variability in risk over time due to economic and or underwriting conditions.



## Our Products

### OUR PRODUCTS:



#### Fire Insurance

- ◆ Fire Insurance (including Allied Perils)
- ◆ Industrial All Risks (IAR) Policy
- ◆ Business Interruption Policy
- ◆ Comprehensive Machinery Insurance
- ◆ Property Damage All Risks



#### Marine Insurance

- ◆ Marine Cargo
- ◆ Marine Hull
- ◆ Builders Risks Insurance



#### Engineering Insurance

- ◆ Machinery Breakdown Insurance (MBD)
- ◆ Electronic Equipment Insurance (EEI)
- ◆ Work Plant (WP)
- ◆ Deterioration of Stocks (DOS)
- ◆ Erection All Risks (EAR)
- ◆ Oil & Gas Well Drilling Equipment Package (OGD)
- ◆ Boiler and Pressure Vessel (BPV)
- ◆ Contractor's All Risks (CAR)
- ◆ Contractors Plant & Machinery (CPM)



#### Motor Insurance

- ◆ Comprehensive Insurance
- ◆ Act Liability Insurance



#### Miscellaneous Insurance

- ◆ Burglary & House Breaking Insurance
- ◆ Money Policy
- ◆ Cash in Safe
- ◆ Cash in Transit (CIT) Policy
- ◆ Cash on Counter (COC) Policy
- ◆ Employers Liability Insurance Policy
- ◆ Product Liability Policy
- ◆ Public Liability Policy
- ◆ Professional Liability Policy
- ◆ Plate Glass Insurance Policy
- ◆ Workman's Compensation (WC) Policy
- ◆ Personal Accident Policy
- ◆ People Personal Accident (PPA) Policy
- ◆ Overseas Mediclaim Policy
- ◆ Fidelity Guarantee Policy



## OUR PHILOSOPHIES

### VISION

Our vision is to be the most confident and a reliable insurer of the Country.

- ◆ To uphold status of our Company as one of the most admired, trusted & successful market leaders in the insurance industry of Bangladesh.
- ◆ To establish the Company as a role model in the insurance sector of Bangladesh.
- ◆ To provide our employees a safe and secured working atmosphere.

### MISSION

Our mission is to improve the quality of the life style of the people by providing security of their trade and hard earned properties through our professional service.

- ◆ Providing world class service with supreme security by ensuring complete risk management solutions to the clients, maintaining stringently ethical standard in business operation.
- ◆ Increasing awareness about insurance in the country and introducing non-traditional social insurance products for the mass people to bring them under the Insurance umbrella for enhanced social security.
- ◆ Introducing modern insurance products comparable with international standards.
- ◆ To maintain highest level of ethical standard and transparency in all business transactions.
- ◆ Enhancing public confidence in the insurance Industry by ensuring benefits to the policy holders, shareholders and the society at large.
- ◆ To establish good governance for the company and the insurance industry as a whole.
- ◆ To be socially responsible and make effective contribution to the national development and national economy.
- ◆ To provide a clear vision of the future to all of our employees to maximize their potentials to achieve a high level of performance.



## GOALS

Our goal is to be the top insurer in the Non-life Insurance sector of the Country.

To achieve the goal we aim at:

- ◆ Maximizing Insurance Coverage at a Minimum Cost.
- ◆ Establishing a long term relationship with our clients and Business partners built on professional service and trust.
- ◆ Responding quickly to new opportunities.
- ◆ Maintaining strong relationships with a wide variety of Partners, like re-insurers, insurance brokers and so on.
- ◆ Assessing and managing our business risks carefully.
- ◆ Striving for continuous improvement developing Performance excellence at all levels.

## OBJECTIVES

The Central focuses of our strategic objectives are as follows in brief:-

- ◆ To carry on in Bangladesh or any part of the world all kinds of Insurance Business like Fire, Lightening, Explosion, Earth Quake, hail, Air Marine, Transit Accident, Employers Liability, Women's Compensation, Disease, Sickness Survivorship, Failure of Issue, Burglary, Robbery, Theft, Fidelity, Motor Car, Livestock, Crops, Glass, Third Party Risk and every kind of Guarantee and Indemnity and generally every kind of insurance and re-insurance business whether now known or hereafter to be devised.
- ◆ Provide our Clients and Business partners with the best quality of faster service.
- ◆ Speedy and hassle free settlement of claims
- ◆ Maximize insurance coverage at a minimum cost
- ◆ Improve organizational structure.
- ◆ Ensure administrative transparency.
- ◆ Strengthen Corporate Governance practices.
- ◆ Enhance mass awareness about General Insurance in Bangladesh.



# CORE VALUES

## CORE VALUES

Our Core values consist of 8 key elements and these values keep us close with our Business Partner Clients. It helps us to build a strong sense of fraternity among all the Executives and Employees of the Company. These values make us different those are following:

◆ **Customer Focus**

We are dedicated to satisfying customer needs and honoring commitments that we have made to them. Our customers are our partners and we remain committed to build strong relationship with them and value their loyalty as our best rewards.

◆ **Integrity**

We believe integrity is the key to success. We are committed to employ the highest ethical standards, demonstrating honesty and fairness in all our actions. We earn the trust and respect of our shareholders, stakeholders, and employees, clients/business partners by our honesty, loyalty and fairness.

◆ **Result Focus**

We are result focused. We strive to timely, tenaciously and consistently execute well developed plans, goals and objectives and we accept responsibility for the results they deliver. We focus both on external and internal training programs to increase our efficiency level, while improving continuously against demanding targets for integrity and professionalism.

◆ **Quality**

We ensure quality both in terms of products and services. We are always open to new ideas for raising the Bar.

◆ **Service**

We strive to add more value to our services that we provide to our clients and stakeholders. To ensure a better and secured service towards them. We are always ready with our online service.

◆ **Teamwork**

We are committed to a teamwork environment where every individual is a valued member, treated with respect, encouraged to contribute and recognized and rewarded for his/her efforts. We emphasize on conscious self- improvement provident and information sharing among the employees to ensure a strong teamwork so as to achieve Central Insurance's vision, mission and goal.

◆ **Transparency**

We encourage and inculcate total transparency and communicate openly & honesty with all our stakeholders and clients. We accept our individual and team responsibilities and we make support business decisions through experience and good judgment.

◆ **Professionalism & Excellence**

We believe in developing a highly motivated, valued and diverse workforce. We strive constantly to be the best in quality and in everything we do in order to meet and exceed the highest expectations of our customers.

## HISTORY OF THE COMPANY

Authorised Capital	:	Tk. 100.00 crore
Issued, Subscribed & Paid-up Capital	:	Tk. 47,08,29,000.00
Number of shares issued	:	4,70,82,900 nos.
Face value per share	:	Tk. 10.00
Market Lot of share	:	1 No.
Date of incorporation	:	12th November, 1987
Obtained certificate for commencement of business	:	12th November, 1987
Registered with the Insurance Development Regulatory Authority	:	30th November, 1987
Commencement of Business	:	10th December, 1987
First Board Meeting	:	18th March, 1988
First Dividend Declared	:	1992
Prospectus issued for public subscription	:	22nd September, 1994
Subscription Opened	:	19th December, 1994
Subscription Closed	:	28th December, 1994
Listing on Dhaka Stock Exchange Ltd.	:	20th March, 1995
Listing on Chittagong Stock Exchange Ltd.	:	22nd October, 1995
Public Subscription	:	Tk. 3.00 crore
Amount over subscription	:	Tk. 32,38,24,500.00
First Trading of shares on Dhaka Stock Exchange Ltd.	:	20th March, 1995
1ST AGM in participation of public shareholders	:	7th August, 1995
First Trading of shares on Chittagong Stock Exchange Ltd.	:	22nd October, 1995
Market Price of each share as introduce in DSE	:	177.17
First election of Public Directors	:	26th November, 1997
Issuance of 1st Bonus share	:	11th September, 2004
Agreement Sign with CDBL	:	23rd July, 2005
Issuance of 1st Right Share	:	24th April, 2006

## BOARD OF DIRECTORS AND SPONSORS

<b>CHAIRMAN</b>	:	Mr. Mohammed Musa
<b>VICE CHAIRMAN</b>	:	Mr. Zoynal Abedin Chowdhury
<b>DIRECTORS</b>	:	Mrs. Shahida Akhter Mrs. Rosy Rahman Alhaj Md. Masud Hossain Mr. Shabbir Ul Kabir Mrs. Nurun Nahar Mr. Md. Masud Karim Mr. Ifthehar Maleque Alhaj Md. Shahjahan Mr. Md. Nurul Islam Mr. Abu Mohammad Ms. Angee Chowdhury Mrs. Shahida Nazneen
<b>SPONSORS</b>	:	Mr. Golam Kibria Alhaj Md. Nurun Newaz Mr. Abul Kalam Mr. AKM Azizur Rahman Mr. Md. Tayabur Rahman Haji M.A. Malek Alhaj Md. Shafi Alhaj Md. Abdul Maleque Alhaj Md. Yousuf Chowdhury Alhaj Md. Abu Taher Chowdhury Mr. Showkat Alam Mrs. Hosne Ara Begum Mr. S. M. Safiul Bari Mr. Shah Alam Chowdhury Mr. Nabab Siraj-ud Dowla
<b>INDEPENDENT DIRECTORS</b>	:	Mr. Mohammad A. Hafiz Mr. Abu Mohammed Abid Chowdhury
<b>CHIEF EXECUTIVE OFFICER</b>	:	Mr. Md. Zahid Anwar Khan
<b>COMPANY SECRETARY</b>	:	Mr. Mohammad Jafar Ali FCS

## BRIEF PROFILE OF DIRECTORS



**Mohammed Musa**  
Chairman

Mr. Mohammed Musa, Chairman of the Central Insurance Company Limited. He is also the Managing Director of Madina Garments Limited and Executive Director of Silkway Fashion Limited. He has completed B.Com & M.com degree from University of Chittagong. He is a Director of Bangladesh Garment Manufacturers and Exporters Association (BGMEA). He is also the Chairman of Management Committee of Nurul Afshar Nuranee Academy at Hathazari in Chittagong. Mr. Musa is a visionary man and leading business personality in garments sector of the Country. He has traveled many Countries of the world for the purpose of the business and to enrich his knowledge and experience. He is also associated with a number of different social welfare organizations as a part of social responsibility.



**Zoynal Abedin Chowdhury**  
Vice Chairman

Mr. Zoynal Abedin Chowdhury is the Vice Chairman at CIC. He has completed his B.Sc in Chemical Engineering, M.Sc in Global Textile Market and MBA in Finance from USA with many years of experience in chemical and finance from reputed foreign institutions. He is the Chief Executive Officer (CEO) of ASM Chemical Industries Limited, Proprietor of RJM Corporation, shareholder of AZM Chemical, AAA Corp, The Grounds of Dhaka - Premium Food Outlet in Tejgaon and DMD of Aziz Group. He has taken a leading role at CIC to mark the company's presence in the insurance industry. He is also a distinguished member of International Chamber of Commerce in Bangladesh, Bangladesh Small and Captic Power Producer Association, The Dhaka Chamber of Commerce and Industry and American Chamber of Commerce in Bangladesh.

## BRIEF PROFILE OF DIRECTORS



**Shahida Akhter**  
Director

Mrs. Shahida Akhter is the Director of the Central Insurance Company Limited. Mrs. Akhter is also a Director of Orchid Energy Limited, Director of Newaz International Ltd. Mrs. Akhter is a promoter and donor of many organization and well known as social leader and important member of many social welfare organizations and contributed to enhancing the life quality of general people.



**Rosy Rahman**  
Director

Mrs. Rosy Rahman is the Director of the Central Insurance Company Limited. She is also a Director of Khansons Group and Donor of Mundopasha Anwara Begum Girl's High School situated at Uazirpur, Barisal and Founder of Uzirpur Alhaz B.N. Khan Degree College, Barisal. Mrs. Rahman is a well-known social leader and important member of many social welfare organizations and contributed to enhancing the life quality of general people.



**Alhaj Md. Masud Hossain**  
Director

Alhaj Md. Masud Hossain is the Director of the Central Insurance Company Limited. He has completed B.Com degree from University of Chittagong. He has been dealing in various businesses successfully for a long period of time with reputation. He is the proprietor of M. N. Trading Co. and Co-Owner of HHH Corporation. Mr. Hossain is also a Promoter & Donner of Amjadia Academy at Nowdoba Shariatpur. He is socially involved with many organizations.

## BRIEF PROFILE OF DIRECTORS



**Shabbir UI Kabir**  
Director

Mr. Shabbir UI Kabir is the Director of the Central Insurance Company Limited. He obtained Bachelor of Business Administration (BBA) from a renowned University of Bangladesh. He has been dealing in various businesses successfully for a long period of time with reputation. He is also a Director of International Medicare Limited under the service of International Medical College and Hospital, Graduate Nursing Unit and International Institute of Medical Technology. He is socially involved with many organizations.



**Nurun Nahar**  
Director

Mrs. Nurun Nahar is the Director of the Central Insurance Company Limited. She is a visionary and leading business personality in garments sector of the Country. She is also a Founder Vice-Chairman of City Sweater International Limited. Mrs. Nahar is associated with a number of social and cultural organizations.



**Md. Masud Karim**  
Director

Mr. Mohammed Masud Karim is the Director of the Company who is Canadian Bangladeshi residing in Chittagong. He is a well-travelled individual and had completed his education starting in Singapore then onto the UK Middlesex University as a business graduate. Mr. Karim had taken the Chair as DMD of Masud group, and started business in the industries of Commodities Trading, Ready Made Garments, Real Estate (Masud Properties), Gas Station (Shafis' CNG LPG. & Filling Station, Ruku Garden Convention Hall and Mediterranean Fine Dine Restaurant (El Patron), Exotic Car Importer (e.g. Range Rover and Porsche) and former owner of a BPL Cricket team. As a successful business industrialist entrepreneur, Mr. Karim also takes keen interest in doing charity by being part of 'Protigga Foundation' a Welfare Organization and also members in various prestigious social and golf clubs all over Bangladesh.

## BRIEF PROFILE OF DIRECTORS



**Ifthehar Maleque**  
Director

Mr. Ifthehar Maleque is the Director of the Central Insurance Company Limited. He obtained his L.L.M degree from a renowned University of Bangladesh. Mr. Maleque is the Deputy Managing Director of Bengal Group BD. He is a visionary and young energetic entrepreneur in Business and also associated with a number of social and cultural organizations.



**Alhaj Md. Shahjahan**  
Director

Alhaj Md. Shahjahan is the Director of the Company. He is a Commerce Graduate and leading business personality in the Steel, Shipping and Cement sector of Bangladesh and known as a wizard in business entrepreneurship. Mr. Shahjahan is the Managing Director of Kabir Group of Industries (KSRM). The Group is known for its long exposures in the steel which is concerned mostly shipping business. Presently, three companies under the Group are providing shipping services by developing 21 vessels. Foundation of Royal Cement has also enabled the group to further increase the contribution to the country's construction industry. The family has been successfully running the group for the last 37 years and is regarded as one of the best managed corporate in the country. Besides, Mr. Shahjahan is associated with various social organizations.



**Md. Nurul Islam**  
Director

Mr. Md. Nurul Islam is the Director and former Chairman of the Central Insurance Company Limited. He has been doing business with success and reputation for a long time. He is a Proprietor of M/s. Islamia Auto Traders and N.I Trading house. He is involved in various Social activities.

## BRIEF PROFILE OF DIRECTORS



**Abu Mohammad**  
Director

Mr. Abu Mohammad is the Director of the Central Insurance Company Limited. He is a Business Graduate and an ambitious and dynamic entrepreneur. He is a proprietor of M/S Chittagong Trading House, M/s. Madina Tannery and M/s. Madina Shoe Mfg. Co. He has been doing business with success and reputation for a long time. He is involved in various Social activities.



**Angee Chowdhury**  
Director

Ms. Angee Chowdhury is a Director of the Central Insurance Company Limited. She obtained Masters of Business Administration from United States of America (USA). Her father Mr. Shah Alam Chowdhury is a successful and reputed businessman. She is the Director of ARCH Limited. Ms. Chowdhury is a well-known social leader and important member of many social welfare organizations.



**Shahida Nazneen**  
Director

Mrs. Shahida Nazneen is the Director of the Central Insurance Company Limited. Mrs. Nazneen is also Managing Director of Horizone Homes Ltd. She is the member of Gulshan Society, Former President-Rotary Club of Shyamoli. Mrs. Nazneen performing as an Assistant Professor about 23 years with Mohammadpur Preparatory School & College. Besides this, she is actively involved in day to day business affairs and social activities.

## BRIEF PROFILE OF DIRECTORS



**Mohammad A. Hafiz**  
Independent Director  
& Chairman of AC

Mr. Mohammad A. Hafiz was appointed to the Board of Directors' of Central Insurance Company Limited as Independent Director on June 29, 2019. Mr. Hafiz is a prominent business personality as well as a Capital Market Professional in Bangladesh. He obtained MBA from the IBA, University of Dhaka and having more than 46 (forty Six) years of extensive professional experiences. He is the Former President of Bangladesh Merchant Bankers' Association (BMBA) of Bangladesh. Mr. Hafiz is well efficient and having maneuvering knack in managing and counseling the investment portfolio and corporate advisory in the primary and secondary market of country's Capital Market. Besides, Mr. Hafiz is the Former Chairman of AAA Finance & Investment Limited. Furthermore, Mr. Hafiz is a former President of Rotary Club of Banani, Dhaka and Life Member of Banani Society & Banani Club Limited.



**A.M Abid Chowdhury**  
Independent Director  
& Chairman of NRC

Mr. Abu Mohammed Abid Chowdhury was appointed to the Board of Directors' of Central Insurance Company Limited as Independent Director on June 29, 2019. Mr. Chowdhury has completed his M.Com. CA (Inter) under ICAB & CA (CC) from S.F Ahmed & Co, Certified Financial Consultant (CFC) under IFC, Vancouver, Canada. Mr. Chowdhury was selected for The Association for Overseas Technical Scholarship (AOTS) also Completed Course on Solving Human and Organization Problems (SHOP) from AOTS in Japan. During his professional career he served Madina Garment's Limited and also reputed group of Companies. Now he is serving in Golden Containers Limited as a DGM (A & F). He is associated with various social activities.

## OUR HONORABLE FORMER CHAIRMAN & ADVISOR



**Haji MA Malek**

4 August, 1990 - 6 August, 1992



**Mr. Shah Alam Chowdhury**

7 August, 1992 - 5 August, 1993



**Mr. Abul Kalam**

6 August, 1993 – 4 August, 1994



**Alhaj Md. Shafi**

5 August, 1994 – 7 August, 1995  
28 October, 2011 – 7 August, 2014



**Alhaj M.A Maleque**

8 August, 1995 – 5 November, 1996



**Mr. A.K.M Azizur Rahman**

6 November, 1996 - 26 December, 1997

## OUR HONORABLE FORMER CHAIRMAN & ADVISOR



**Alhaj Md. Yousuf Chowdhury**  
27 December, 1997 – 25 November, 1998



**Mr. Mir Rahmat Ali**  
29 November, 1999 – 18 March, 2001



**Alhaj Md. Nurun Newaz**  
19 March, 2001 – 16 September, 2004  
25 May, 2007 – 31 October, 2009



**Mr. Nurul Islam**  
17 September, 2004 – 24 May, 2007  
08 August, 2014 – 30 March, 2017



**Alhaj Md. Abu Taher Chowdhury**  
26 November, 1998 – 28 November, 1999  
01 November, 2009 – 27 October, 2011  
31 March, 2017 – 30 April, 2019



**Mr. Azizul Haque Chowdhury**  
Former Chief Advisor of the Company

## COMPOSITION OF EXECUTIVE, AUDIT, NOMINATION & REMUNARATION AND MANAGEMENT COMMITTEE

### EXECUTIVE COMMITTEE

- |    |                             |   |                  |
|----|-----------------------------|---|------------------|
| 1. | Mr. Zoynal Abedin Chowdhury | - | Chairman         |
| 2. | Mrs. Shahida Akther         | - | Member           |
| 3. | Mrs. Rosy Rahman            | - | Member           |
| 4. | Mr. Ifthehar Maleque        | - | Member           |
| 5. | Mr. Md. Nurul Islam         | - | Member           |
| 6. | Mr. Abu Mohammad            | - | Member           |
| 7. | Ms. Angee Chowdhury         | - | Member           |
| 8. | Mrs. Shahida Nazneen        | - | Member           |
| 9. | Mr. Md. Jafar Ali FCS       | - | Member-Secretary |

### AUDIT COMMITTEE

- |    |                         |   |                  |
|----|-------------------------|---|------------------|
| 1. | Mr. Mohammad A. Hafiz   | - | Chairman         |
| 2. | Mr. A.M. Abid Chowdhury | - | Member           |
| 3. | Mr. Md. Masud Karim     | - | Member           |
| 4. | Mr. Md. Nurul Islam     | - | Member           |
| 5. | Mr. Md. Jafar Ali FCS   | - | Member-Secretary |

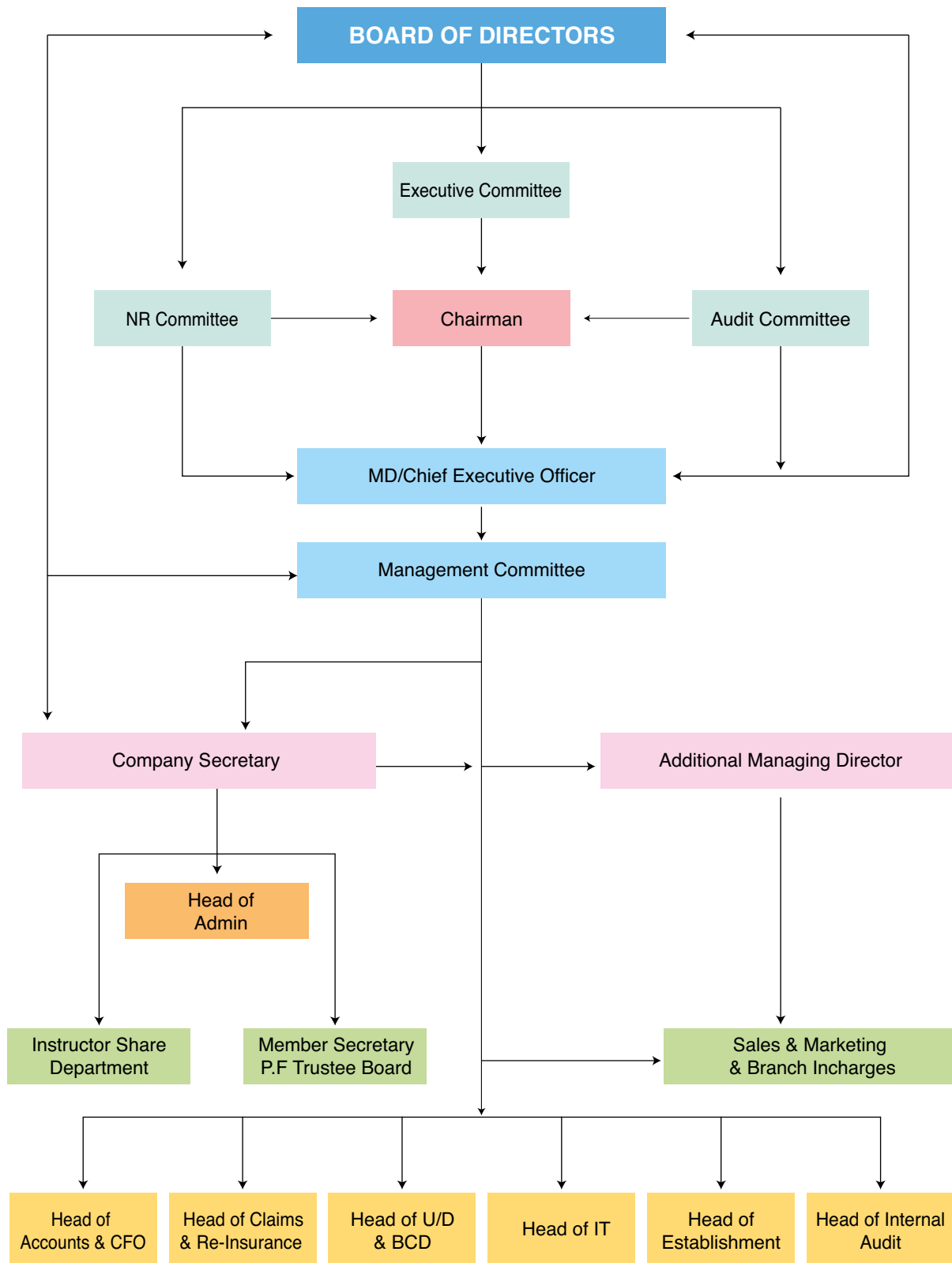
### NOMINATION & REMUNERATION COMMITTEE (NRC)

- |    |                         |   |                  |
|----|-------------------------|---|------------------|
| 1. | Mr. A.M. Abid Chowdhury | - | Chairman         |
| 2. | Alhaj Md. Masud Hossain | - | Member           |
| 3. | Mr. Shabbir Ul Kabir    | - | Member           |
| 4. | Mr. Md. Jafar Ali FCS   | - | Member-Secretary |

### MANAGEMENT COMMITTEE

- |    |                          |   |                  |
|----|--------------------------|---|------------------|
| 1. | Mr. Md. Zahid Anwar Khan | - | President        |
| 2. | Mr. Md. Badrul Amin      | - | Member           |
| 3. | Mr. Badrul Munir         | - | Member           |
| 4. | Mr. Md. Mizanur Rahman   | - | Member           |
| 5. | Mr. Md. Jafar Ali FCS    | - | Member-Secretary |

## ORGANOGRAM OF THE COMPANY



## BRIEF PROFILE OF MANAGEMENT & CORE EXECUTIVES



**Md. Zahid Anwar Khan**  
CEO & President of MC

Mr. Md. Zahid Anwar Khan, the Chief Executive Officer (CEO) of the Central Insurance Company Limited, having 33 years' experience and outstanding insurance professional. He obtained B.Com (Hon's), M.Com in Management from University of Rajshahi. He has long versatile and outstanding carrier in the field of Insurance sector. Mr. Khan, being the Chief Executive Officer with his most updated knowledge in all the departments of insurance, outstanding professional leadership and excellent managerial charisma, is commanding the company to place itself to the unique height in the insurance industry of Bangladesh.



**Md. Badrul Amin**  
AMD & Member of MC

Mr. Md. Badrul Amin, Additional Managing Director (AMD) of the Central Insurance Company Limited. He obtained his B.Sc (Honors), M.Sc in Physics from University of Dhaka and has been working in Insurance Industry for the last Thirty years. He started his career at Pragati Insurance Ltd. on February 1990. He is the life member of Lakshmpur Zila Samity. He also involved with many other local clubs, samity & cultural organizations. He visited several countries i.e. India, Thailand, Malaysia, Singapore, Saudi Arabia several times.



**Badrul Munir**  
DMD & Member of MC

Mr. Badrul Munir is the Deputy Managing Director & CAMELCO of the Company. He is also a member of the Management Committee. He obtained his BSS (Honors), MSS degree in Economics from University of Dhaka. He started his career with the Federal Insurance Company Limited since 1988 after completing his post graduate studies. Mr. Munir associated with Bangladesh Economic Association (BEA) as Joint-Secretary & Former President of Bangladesh Young Economist Association. He is also performing important responsibilities in many other social organizations including Lions Clubs International. He attended various short training courses, seminars & workshops.

## BRIEF PROFILE OF MANAGEMENT & CORE EXECUTIVES



**Md. Mizanur Rahman**  
CFO & Member of MC

Mr. Md. Mizanur Rahman is the Deputy Managing Director and the Chief Financial Officer (CFO) of the Company. He has completed B.Com (Hon's), M.Com in accounting from University of Rajshahi and obtained C.A (Inter) from ICAB and also CA CC from M. Ahmed & Co. He has vast knowledge in accounting with 30 years of experience in Insurance Sector and also attended different Insurance Seminar at home and abroad including England, Thailand, Singapore, Malaysia & India. Mr. Rahman directly involved in many social and well-fare organizations.



**S.M. Jahir ul Alam**  
DMD & Head of C&R

Mr. S.M.Jahir ul Alam is designated as DMD and Head of Claims & Re-Insurance Department of the Company. He has completed BA (Honors) and Master's from the University of Dhaka. He obtained BIA degree (Diploma in Insurance) from Bangladesh Insurance Academy and stood 1st position with TYSER AWARD of the year. Besides, he also participated in various training courses on Underwriting, Claims, Reinsurance, Legal and Economic Aspects of Insurance, Management Techniques organized by Bangladesh Insurance Academy and Asian Reinsurance Corporation during his last 33 years in service with Central Insurance Company Limited.



**Md. Jafar Ali FCS**  
CS & Head of Admin

Mr. Md. Jafar Ali is the Company Secretary & Head of Admin of the Company. He has completed BBA & MBA from University of Chittagong and Certified ITP from National Board of Revenue (NBR). He is a Fellow Member of the Institute of Chartered Secretaries of Bangladesh (ICSB) and Founder & Sole Donner of Shalika Jafar Ali High School at Madhupur-Tangail. He has also 18 years of experience in Corporate Management as well as Finance, Secretarial and Admin sector. Mr. Ali also a life member of Tangail Foundation, Tangail Zilla Samity and associated with many social well-fare and cultural organizations.

## BRIEF PROFILE OF MANAGEMENT & CORE EXECUTIVES



**Mahfizur Rahman**  
EVP & Head of BCD

Mr. Md. Mahfizur Rahman is designated as Executive Vice President and Head of Branch Control Department of Central Insurance Company Limited. He obtained B.Com (Hon's), M.Com in Management from University of Rajshahi and successfully completed Insurance related Basic Course from Bangladesh Insurance Academy (BIA). He has also 31 years of job experience in Insurance Sector.



**Rezaul Islam**  
EVP & Head of IT

Mr. Rezaul Islam is designated as Executive Vice President & Head of IT of Central Insurance Company Limited. He obtained B.Sc. in Electrical & Electronic Engineering and PGD degree in Computer Science. He is ITIL-V3 (Information Technology Infrastructure Library Version 3 of 2011) Certified IT Professional. He has also more than 10 years of experience in IT & Telecommunication field with joint AMC of IBM India & Airtel BD, Metro Global Telecom Services Limited (India).



**S.M.Hasan Akter**  
VP & Head of Share  
& Establishment

Mr. S.M. Hasan Akther is designated as Vice President & Head of Share & Establishment of Central Insurance Company Limited. He obtained BA (Hon's), MA degree from University of Dhaka having 29 years of experience in Insurance Sector. Mr. Akther is also associated with many cultural organizations.



**Md. Humayan Kabir Shimul**  
Head of Internal Audit

Mr. Md. Humayan Kabir Shimul is designated as an Assistant Vice President & Head of Internal Audit of the Company. He has completed B.B.S (Hon's), M.B.S in Accounting from National University and C.A. (CC) from S.F. Ahmed & Co. Now he is in Professional Level. Therefore he obtained ITP from National Board of Revenue (NBR) and member of DTBA. He has vast experience in audit and accounting services in many organizations. Prior to joining CICL, Mr. Shimul worked at Shakti Foundation for disadvantaged Women as a General Manager.

## EXECUTIVES OF HEAD OFFICE

### CHIEF EXECUTIVE OFFICER

Md. Zahid Anwar Khan

### DEPUTY MANAGING DIRECTORS'

Md. Mizanur Rahman

Chief Financial Officer

S. M Jahir-ul Alam

Head of Claims & Re-Insurance

### EXECUTIVE VICE PRESIDENTS

Md. Jafar Ali FCS

CS & Head of Admin

Md. Mahfizur Rahman

Head of U/W & BCD

Rezaul Islam

Head of IT

### SENIOR VICE PRESIDENT

Md. Abul Hasanat, Accounts

### VICE PRESIDENTS

Md. Azahar Hossain – Accounts

S.M Hasan Akther – Share & Establishment

### SR. ASSISTANT VICE PRESIDENTS

Md. Firoze Akhter - BCD

Ibrahim Miah – BCD

Md. Faruk Hossain - Accounts

Md. Tazul Islam Mozumder – BCD

Md. Mostafizur Rahman - Accounts

S.M Mostafizur Rahman – Accounts

Md. Wahidur Rahman – BCD

Md. Golam Rejwany-Re-Insurance

### ASSISTANT VICE PRESIDENTS

Zahid Iqbal Mozumder - BCD

Syed Mozammel Haque – BCD

Ruchira Sultana – Claims

Md. Nur Hossain – BCD

Subir Mistry - Accounts

Md. Humayan Kabir Shimul - Internal Audit

Md. Lutful Haider Murshed – Accounts

### SENIOR MANAGERS

Md. Ruhul Quddus (Tanvir)– Accounts

Salah Uddin – Internal Audit

Tahmina Sultana – BCD

## REVIEW FROM THE CHAIRMAN



Bismillahir Rahmanir Rahim

**Dear Shareholders,**

**Ladies and Gentlemen,**

Welcome to the 32nd Annual General Meeting (AGM) of Central Insurance Company Limited. It is a great privilege to report to all of you as your Chairman.

The year 2019 was a period of further achievement and considerable success. Through its focus on inclusive Insurance, Central Insurance is delivering inclusive value, sharing success with investors, customers, employees and the society.

As we step into the 32nd year of the Company's business operation, Central Insurance Company Limited can proudly assert that it has persistently strived to achieve optimum value for its shareholders from the very onset of this enterprise. As we have persistently strived with our policy to act as a responsible steward of our Shareholders Capital by analyzing and engaging in opportunities in the light of their ability to deliver profitable growth at an appropriate level of risk. We remain thankful to you and all other stakeholders for extending their continuous support to the Company.

Notwithstanding, various contains prevailing in the insurance sector last year the company witnessed an impressive momentum. Central Insurance achieved Taka 362.12 million in Gross Premium in 2019. This is indicated by 3.21% more considering the year 2018.

There was an impressive increase of 11.33% in underwriting profit to Taka 45.95 million as opposed to Taka 41.27 million in 2018. The net pre-tax and post-tax operating profit was Taka 130.34 million and Taka 100.89 million respectively over the preceding year.

Despite the challenge and complying all the instructions of our regulatory IDRA, the financial strength of our Company gradually increasing total assets stand at Tk. 1859.60 million where fixed deposit rose to Tk. 573.92 million.

Central Insurance always emphasized on professionalism and relied on the dynamic leadership. We believe that our skilled manpower is dedicated towards responding to customers' requirement with utmost transparency and efficiency. Therefore, fostering apposite human resources remains one of our key priorities to be able to serve customers better and establish competitive edge over our competitors. We used equal attention in launching our latest IT infrastructure and stretched network coverage to its optimum capacity.

We believe that Central Insurance Company Limited will remain committed, to overcome the challenges in future and will achieve remarkable business growth. We acknowledge gratitude to our clients and shareholders for their outstanding support and trust in us. We would like to thank the Banks and Financial Institutions with whom we have extensive dealings along with the regulations, Stock Exchanges of Dhaka and Chittagong, BSEC, Sadharan Bima Corporation, Government bodies and Stakeholders for their continuous Co-operation and support. Based on the operating profits for 2019, we have proposed a Cash dividend @7% and Bonus @5%.

On behalf of the Board I would like to take the opportunity to express our gratitude to the management and staff of the Company for their outstanding work in adherence to Company's vision. The diligence of the management team and the staff paid dividends, driving the Company's forward and achieve commendable results. I would also like to record our deepest appreciation for their dedicated and confining services and convey our thanks to all of them. Hope they will continue to strive better in the year to come.

In closing, I would like to say that we are looking forward to the continuous successive business operation of our Company in the year ahead. We are confident that 2020 will be another successful year.



**Mohammed Musa**  
Chairman

## REVIEW FROM THE CHIEF EXECUTIVE OFFICER



Bismillahir Rahmanir Rahim

**Ladies and Gentlemen,**

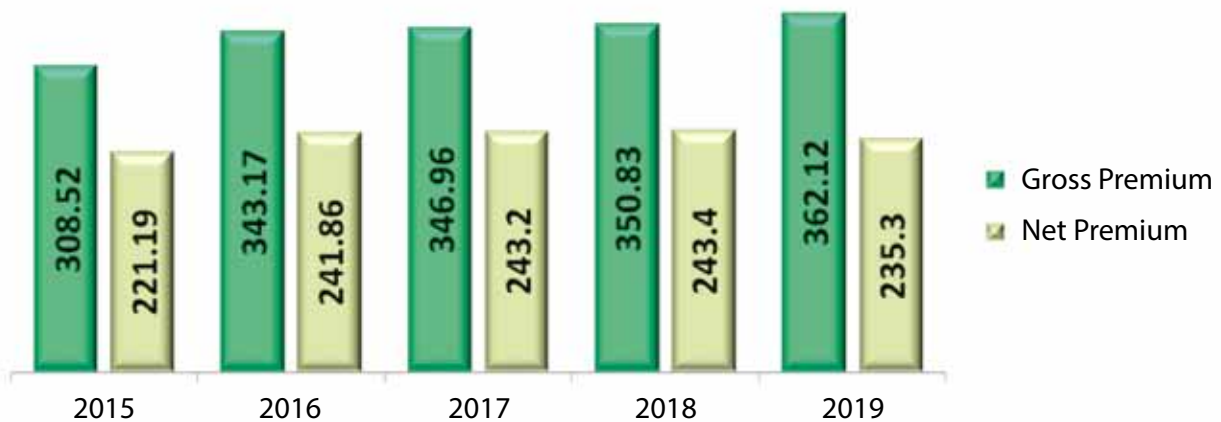
I am pleased to introduce Central Insurance's Annual Report-2019. The Company has once again produced a respectable set of challenge and change.

Throughout the year 2019, the Insurance Development and Regulatory Authority (IDRA) of Bangladesh have issued several directives in order to bring discipline amongst the 78 insurers i.e. insurance industry in the country. While the Insurance market in Bangladesh had the modest development in the year 2019, we keep building on our strength. Central Insurance Company Limited is a well-balance business, primed to create sustainable value for customers, shareholders and employees.

Since its inception in 1987, Central Insurance Company Limited through into continued steady development under the guidance of our honorable Chairman and keen interest of our honorable Vice-Chairman, support of the members of the Board of Directors, Continued confidence of our valued customers and confining endeavor of the management team. We also recognize our Corporate Social Responsibility (CSR) in the nation building activities. In this regard, we are also working for promoting the public awareness about the socio-economic role of insurance.

In our way to settle every valid claim a shorter span of time, we attempt to improve our core competency in claims management. Because we want to reflect in our every dealing that insurance must be the ones who are in the business of indemnify policyholders when misfortunate's do strike.

We believe in core Competency, Which can effectively be converted into an aid to our future growth potentials



We also believe in long term competitive advantages in certain operational aspects, such as diversification of customer base, innovation of products and expanding geographical position. In 2019 we successfully step into informational Technology based products.

Besides these, during the year 2019, our emphasis was the following field:

- Diversifying our products
- Maximizing our profit portfolio
- Optimizing our costing

We understand that healthy employee is happy employee in order to keep our employees healthy. Thus, we arrange congenial environment to our staffs for ensuring self-motivation in discharging responsibilities in most professional manner. In addition to offering internal training at our training institute. We engage our employees trainings offered by locally.

Compliance to regulations introduced by Insurance Development and Regulatory Authority (IDRA) is our top priority. It is our strength, which facilitates good corporate governance and adequate service levels bring sustainability. We also abide by the regulatory changes made by Bangladesh Bank and Bangladesh Securities and Exchange Commission.

Finally, I would like to convey my thanks to all of our stakeholders and colleagues for their whole-hearted support and my sincere gratitude to Board of Directors' for sharing their insights and wisdom. Relying upon these loving commitments from all corners, I firmly believe Central Insurance shall be the insurer of choice in Bangladesh.

Warm Regards,

**Md. Zahid Anwar Khan**  
Chief Executive Officer

# CODE OF CONDUCT & ETHICS FOR BOARD OF DIRECTORS

## 1. Preface:

This Code of Conduct for the Board of Directors is a guide to help Directors on the Board of the Central Insurance Company Limited to live up to Company's ethical standards. The rules and principles set forth in this Code are general in nature and the compliance with the Code shall be ensured read with other applicable policies and procedures of the Company. This code of conduct may be reviewed by the Board from time to time to keep in pace with the regulatory environment and any amendments to this Code, shall be approved by the Board of Directors.

## 2. Applicability:

The Directors both executive and non executive, are obliged to carry out their duties in an honest, fair, diligent and ethical manner, within the scope of the authority conferred upon them and in accordance with the laws, rules, regulations, agreements, guidelines, standards and internal policies and procedures. The Board of Directors of the Company is entrusted with the fiduciary responsibility of oversight of the affairs of the Company. As Directors of the Company, they have a duty to make decisions and implement policies in the best interests of the Company and its stakeholders.

## 3. Honest & Ethical Conduct:

The Directors are required to act in accordance with the highest standards of professional integrity, honesty, ethical and legal conduct, when acting on behalf of the Company or in connection with the Company's business or operations and at social events. It contains the following:

- Act honesty, fairly, ethically with integrity and loyalty.
- Act in the best interests of the Company and in a manner to enhance and maintain the reputation of the Company, and fulfill their fiduciary duties to the stakeholders of the Company;
- Act in good faith, with responsibility, due care, competence and diligence.
- Treat their colleagues and other associates of the Company with dignity and shall not harass any of them in any manner.

## 4. Conflict of Interest:

The Directors are expected to avoid and disclose any activity or association that creates or appears to create a conflict between the personal interests and the Company's business interests. A Conflict of interest exists where the interests or benefits of one person or entity conflict with the interests or benefits of the Company. Relationships with prospective or existing suppliers, contractors, customers, competitors or regulators must not affect the independent and sound judgment on behalf of the Company. General guidelines to better understand several of the most common examples of situations that may cause a conflict of interest are listed below.

### (A). Outside Employment

Executives Directors shall not work for or receive payments for services from any competitor, customer, distributor or supplier of the Company without approval of the Board. Any outside activity must be strictly separated from the Company's employment and should not harm job performance at the company.

**(B). Board Memberships**

Acceptance of Directorship on the Boards of other Companies, which compete, with the Company amounts to conflict of interest. Helping the community by serving on Boards of non-profit or welfare organizations risk encouraged, and does not require prior approval.

**(C). Family Members and Close Personal Relationships**

Directors shall not use personal influence to make the Company do business with a company/ institution in which his or her relatives are interested. As a general rule, shall avoid conducting Company's business with a relative or with an entity in which a relative is associated in any significant role. In cash of conflicts, disclosure shall be made to the Board of Directors and a prior approval shall be obtained.

**(D). Gifts**

Gifts are not always physical objects – they might also be services, favors or other items of value. The Directors shall not accept lavish gifts or gratuities or any offer, payment, promise to pay, or authorization to pay any money, or anything of value that could be interpreted to adversely affect business decisions or likely compromise their personal or professional integrity. Gift items of nominal value, such as small promotional items bearing another company's name, business meals, gifts received because of personal relationships and not because of official position, mementos received because of attending a widely held gatherings as panelist/speaker and other customary gifts are allowed.

**(E). Investments**

Directors may not allow their investments to influence, appear to influence, their independent judgment on behalf of the Company. This could happen in many ways, but it is most likely to create the appearance of a conflict of interest if a Director has a significant investment in a competitor, supplier, customer, or distributor and his decisions may have a business impact on this outside party.

**(F). Diversion of Business:**

Directors shall not divert business opportunities of the Company, by exploiting for their own personal gain. However the Directors can pursue such business opportunities once they are fully disclosed to the company and the company declines to pursue such opportunities.

**(G). Use of Company's assets:**

The assets of the Company shall be used for legitimate business purpose and shall not be used for personal purposes. Incidental personal use, if reasonable, does not amount to violation of the code.

**(H). Others:**

It would be impracticable to attempt to list all possible conflict of interest situations and it is possible that other such situations, which are not enumerated above, May arise. All such situations, which arise any questions or doubts, may please be brought to the notice of the Board for appropriate decision.

**5. Legal Compliance:**

It is the general obligation of the Directors to conduct the business and operations of the Company in accordance with the laws, rules, regulations, agreements, guidelines; standards including accounting standards governing its operations in the geographies the Company operate. The Directors shall acquire appropriate knowledge of the legal requirements relating to their duties sufficient to enable

them to perform their obligations diligently. The Directors shall also comply with the internal policies and procedures of the Company to the extent applicable to them including but not limited compliance with Prohibition of Insider Trading policy of the Company.

#### **6. Corporate Disclosure Policy:**

It is the Company's policy to ensure continuous, timely and adequate disclosure of Company's information. The Company is committed to full, fair, accurate, timely and understandable disclosure in reports and documents it files with or submits to the regulatory authorities and in other public communications. The Directors shall provide only public information to the analyst/ research person/large investors like institutions. Alternatively, the information given to the analyst should be simultaneously made public at the earliest. The Directors must maintain the confidentiality of information relating to the affairs of the Company until and unless authorized or legally required to disclose such information; and shall not use confidential information for their personal advantage.

#### **7. Competition and Fair Dealing:**

The Directors are obligated to deal fairly and honestly with each other, the Company's associates and with the Company's customers, suppliers, competitors and other third parties. Directors and Senior Management personnel shall not take unfair advantage of anyone through manipulation, concealment, abuse of privileged information, misrepresentation or any other unfair dealing or practice. The Company is committed to free and open competition in the marketplace.

It is the duty and obligation of every Director to comply with this code of conduct and he/she shall acknowledge and affirm ongoing compliance with the code on an annual basis. Any violation of the code shall be reported to the Chairman of the Board and to the Compliance Officer of the Company. This code of conduct shall be posted on the website of the Company.

#### **8. Acknowledgement:**

The Directors shall read and fully understand this model code of conduct and fully comply with the policies, procedures and principles contained therein. They shall not appear to influence, or be influenced by, their independent judgment on behalf of the Company. This could happen in many ways, but it is most likely to create the appearance of a conflict of interest if a Director has a significant investment in a competitor, supplier, customer, or distributor and his decisions may have a business impact on this outside party.

## CEO & CFO'S DECLARATION & CERTIFICATION TO THE BOARD OF DIRECTORS

Date : 30 June, 2020

### The Board of Directors

Central Insurance Company Limited  
CIC Tower, 7-8 Motijheel C/A, Dhaka

Sub : Declaration on Financial Statements for the year ended on 31st December, 2019.

Dear Sirs,

Pursuant to the condition No. 1(5)(xxvi) imposed vide the Commission's Notification No. BSEC/CMRRCD/206-158/207/Admin/80 Dated June 3, 2018 under section 2CC of the Securities and exchange Ordinance, 1969, we do hereby declare that:

- (1) Financial Statements of Central Insurance Company Limited for the year ended on 31st December, 2019 have been prepared in compliance with International Accounting Standards (IAS) or International Financial Reporting Standards (IFRS), as applicable in the Bangladesh and any departure there from has been adequately disclosed;
- (2) The estimates and judgement related to the financial statements were made on a prudent and reasonable basis, in order for the financial statements to reveal a true and fair view;
- (3) The form and substance of transactions and the Company's state of affairs have been reasonably and fairly presented in its financial statements;
- (4) To ensure above, the Company has taken proper and adequate care in installing a system of internal control and maintenance of accounting records;
- (5) Our internal auditors have conducted periodic audits to provide reasonable assurance that the established policies and procedures of the Company were consistently followed; and
- (6) The management's use of the going concern basis of accounting in preparing the financial statements is appropriate and there exists no material uncertainty on the Company's ability to continue as a going concern.

In this regard, we also certify that --

- (i) We have reviewed the Financial Statement for the year ended on December 31, 2019 and that to the best of our knowledge and belief;
  - (a) these statements do not contain any materially untrue statement or omit any material fact or contain Statements that might be misleading;
  - (b) these statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards and applicable laws.
- (ii) There are no transactions entered into by the Company during the year of 2019 which are fraudulent, illegal or violation of the Company's code of conduct.

Sincerely yours,



**Md. Zahid Anwar Khan**  
Chief Executive Officer



**Md. Mizanur Rahman**  
Chief Financial Officer

## REPORT OF THE AUDIT COMMITTEE FOR THE YEAR 2019

Audit committee of the Central Insurance Company Limited is a Sub-Committee of the Board of Directors. The Committee is headed by a Director who is an Independent Director of the Company. The Chief Internal Audit & Compliance officer has direct access to the Committee and the Committee is directly reportable to the Board.

### PURPOSE OF AUDIT COMMITTEE

The role of the Audit Committee is to monitor the integrity of the financial statements of the Company and review and, when appropriate, make recommendations to the Board on business risks, internal controls and compliance. The Committee assists for the Company and in ensuring a good monitoring system within the business. The Audit Committee is responsible to the Board of Directors.

### ROLE OF THE AUDIT COMMITTEE:

According to the Terms of Reference approved by the Board and in compliance with Section 3.00 of the Bangladesh Securities and Exchange Commission Notification No. BSEC/CMRRCD/2006-158/207/ Admin/80 dated 03 June 2018, the role of the Committee is as follows:

- ❖ Oversee the financial reporting process.
- ❖ Monitor choice of accounting policies and principles.
- ❖ Monitor Internal Control Risk management process.
- ❖ Oversee hiring and review performance of external auditors.
- ❖ Review along with the management, the annual financial statements before submission to the Board for approval.
- ❖ Review along with the management, the quarterly and half yearly financial statements before submission to the Board for approval.
- ❖ Review the adequacy of internal audit function.
- ❖ Review statement of significant related party transactions submitted by the management.
- ❖ Review Management Letters/ Letter of Internal Control weakness issued by statutory auditors.
- ❖ When money is raised through Repeat Public Offering (RPO)/Rights Issue, the Company shall disclose to the Audit Committee about the uses/applications of funds by major category (capital expenditure, sales and marketing expenses, working capital, etc), on a quarterly basis, as a part of their quarterly declaration of financial results. Further, on an annual basis, the Company shall prepare a statement of funds utilized for the purposes other than those stated in the offer document/prospectus.

### MEETING ATTENDANCE

The Audit Committee met four times during the year 2019. All the members were present in all meetings of the Committee.

The Audit Committee met with the external auditor's separately, and with the internal auditors, on an annual basis without any Executive Directors being present. The Secretary of the Audit Committee facilitates the Chairman and other members for effective functioning of the Committee as per its terms of reference as well as corporate governance notification of BSEC. The Details of attendance of each member at the Audit Committee meeting during 2019 are given below:

### Attendance at Audit Committee Meetings

SN	Composition of Audit Committee	Designation	Meeting	Attended	%
1.	Mr. Mohammad A. Hafiz Independent Director	Chairman	2	2	100%
2	Mr. A.M Abid Chowdhury Independent Director	Member	2	2	100%
3	Mr. Md. Masud Karim	Member	2	2	100%
4	Mr. Md. Nurul Islam	Member	2	2	100%
5	Mr. Md. Abdullah Zehad Independent Director	Former Chairman	2	2	100%
6	Mr. Shabbir UI Kabir	Former Member	2	2	100%
7	Mrs. Shafina Shahreen	Former Member	2	2	100%
8	Mr. Md. Jafar Ali FCS	Member Secretary	4	4	100%

The Audit Committee is of the view that the internal control and procedures are adequate to present a true and fair view of the activities and financial status of the Company. Finally, the Audit Committee would like to convey their appreciation to the members of the Board, key Management personnel and Internal Audit Division for the cooperation and support received during the year 2019.

With thanks and best regards



**(Mohammad A. Hafiz)**  
Chairman, Audit Committee

## NOMINATION & REMUNERATION COMMITTEE & ITS FUNCTION

NRC Committee of Central Insurance Company Limited comprises five members. The committee is headed by a director who is an Independent Director of the Company.

Terms of reference (ToR) of NRC committee in line with the corporate governance Condition no.6 (1) and other compliance as per 6(2) to 6 (5) of BSEC notification no. BSEC/CMRRCD/2006-158/207/ Admin/80 dated 3 June 2018 is as follows-

### TERMS OF REFERENCE

#### 1. PURPOSE

The Committee assists the Board in formulation of the nomination criteria or policy for determining qualifications, positive attributes, experiences and independence of directors and top level executive as well as a policy for formal process of considering remuneration of directors, top level executive.

#### 2. AUTHORITY

The Nomination and Remuneration Committee is a Committee of the Board of Central Insurance Company Limited from which it derives its authority and to which it regularly reports.

The Committee has delegated authority from the Board in respect of the functions and powers set out in these Terms of Reference.

#### 3. CONSTITUTION

##### Chairperson-

- ❖ One member of the NRC to be Chairperson of the Committee appointed by the Board, who shall be an independent director;
- ❖ In the absence of the Chairperson of the NRC, the remaining members may elect one of themselves as Chairperson for that particular meeting, the reason of absence of the regular Chairperson shall be duly recorded in the minutes;
- ❖ The Chairperson of the NRC shall attend the annual general meeting (AGM) to answer the queries of the shareholders:

Provided that in absence of Chairperson of the NRC, any other member from the NRC shall be selected to be present in the annual general meeting (AGM) for answering the shareholder's queries and reason for absence of the Chairperson of the NRC shall be recorded in the minutes of the AGM.

##### Membership-

- ❖ The Committee shall comprise of at least three members including an independent director;
- ❖ All members of the Committee shall be non-executive directors;
- ❖ Members of the Committee shall be nominated and appointed by the Board;
- ❖ The Board shall have authority to remove and appoint any member of the Committee;
- ❖ In case of death, resignation, disqualification, or removal of any member of the Committee or in any other cases of vacancies, the board shall fill the vacancy within 180 (one hundred eighty) days of occurring such vacancy in the Committee;
- ❖ The Chairperson of the Committee may appoint or co-opt any external expert and/or member(s) of staff to the Committee as advisor who shall be nonvoting member, if the Chairperson feels that advice or suggestion from such external expert and/or member(s) of staff shall be required or valuable for the Committee;

##### Secretary-

- ❖ The company secretary shall act as the member secretary of the Committee;

#### 4. PROCEEDINGS OF MEETINGS

##### Frequency of Meetings-

- ❖ The NRC shall conduct at least one meeting in a financial year;
- ❖ The Chairperson of the NRC may convene any emergency meeting upon request by any member of the NRC;

**Quorum-**

- ❖ The quorum of the meeting of the NRC shall be constituted in presence of either two members or two third of the members of the Committee, whichever is higher,
- ❖ The quorum of the NRC meeting shall not constitute without attendance of at least an independent director;

**Meeting Fees-**

- ❖ No member of the NRC shall receive, either directly or indirectly, any remuneration for any advisory or consultancy role or otherwise, other than Director's fees or honorarium from the company.

**Minutes of Meeting-**

- ❖ The proceedings of each meeting of the NRC shall duly be recorded in the minutes and such minutes shall be confirmed in the next meeting of the NRC.

**5. ROLE OF NRC**

- ❖ NRC shall be independent and responsible or accountable to the Board and to the shareholders
- ❖ To oversee the preparation and maintenance of a remuneration philosophy and policy to promote performance culture
- ❖ To monitor the remuneration structure and levels of Top Executives, Senior Managers and all other Officers
- ❖ To review the effectiveness of remuneration policy to ensure that whether the Board's set objectives and expectations are being met
- ❖ To ensure that the structure and mix of fixed and variable pay and other elements are in alignment with the overall business objectives
- ❖ To guide and provide proper directives to HRD during preparation and review of any policy or process related to compensation and benefits
- ❖ To review the annual salary increment for all employees
- ❖ To ensure that all benefits, including retirement benefits and other financial arrangements are justified, appropriately valued and promoting performance based reward & recognition.
- ❖ The Committee shall report to the Board and disclose the nomination and remuneration policy and the evaluation criteria and activities of NRC during the year at a glance in its annual report.

**6. MAJOR ACTIVITIES DURING THE YEAR**

The Committee carried out its functions in accordance with its Charter and applicable laws in key areas of the annual financial reporting cycle. During the year under review, the Committee carried out the following activities:

- ❖ Reviewed and recommended to the Board for adoption the updated Code of Conduct for the Board, Key Management Personnel and all members of the Company
- ❖ Reviewed the compensation and talent management principles of the Company
- ❖ Reviewed and confirmed the appointment of the Director
- ❖ Review and recommend to the Board for approval revisions to the Charter of the Committee
- ❖ Review and approved the calendar of business of the Committee
- ❖ Reviewed and recommended to the Board for approval the Policy on Board Diversity

The minutes of the Committee meetings were placed subsequently before the Committee for its approval, on a regular basis, which contained all issues along with discussions and recommendations to the Management and the Board.

With thanks and best regards



**(A.M Abid Chowdhury)**  
Chairman, NRC

## DIRECTORS' REPORT TO THE SHAREHOLDERS

FOR THE YEAR ENDED 31<sup>ST</sup> DECEMBER 2019

**Dear Shareholders,**

**Ladies and Gentlemen,**

I have great pleasure to welcome you to the 32nd Annual General Meeting of Central Insurance Company Ltd. And also place before you the Director's Report along with the Audited Financial Statements and the Audited Report for the year ended 31st December 2019 for your kind review and approval.

Before reviewing the performance of the Company for the year 2019, we would like to briefly review the Global & Bangladesh economy.

### GLOBAL ECONOMY

According to International Monetary Fund (IMF), Global growth is projected to rise from an estimated 2.9 percent in 2019 to 3.3 percent in 2020 and 3.4 percent in 2021. The global growth trajectory reflects a sharp decline followed by a return close to historical norms. The growth profile fundamentally relies on relatively healthy emerging market economies maintaining their robust performance, even when advanced economies and china continue to gradually slow down. Japan's growth rate is projected to moderate from an estimated 1.00 percent in 2019 to 0.7 percent in 2020. For the emerging market and developing economic growth is expected to increase to 4.4 percent in 2020 and 4.0 percent in 2021.

Meanwhile ADB has made Growth forecast for East Asia at 5.4% in 2019 and 5.2% in 2020. The regional growth estimated higher growth but declined in 2018 to 5.9% in the middle of the year which continued 5.7% up to the end of the year 2019 and forecasted to be showed growth up to 5.6% in 2020. Estimated regional growth remains strong but showed in 5.9% in 2018, 5.7% in 2019 and forecasted to be 5.6% in 2020.

The Cascading economic impact of the new Corona Virus (COVID-19) outbreak in china is becoming more apparent worldwide, with Apple's surprise cut to its sales forecast due to supply chain disruptions spooking global markets and Asia governments downgrading growth prospects.

### BANGLADESH ECONOMY

According to Bangladesh Bureau of Statistics (BBS), the GDP growth was 7.86 percent in Financial Year 2017-2018 and 7.28 percent in Financial Year 2016-2017. GDP growth stood at 8.15 percent in Financial Year 2018-2019.

Bangladesh non-life insurance industry continues to operate as one of the smallest industry in the world (holding 86th position in the world ranking). The growth of non-life insurance companies' premium income has been rather nominal in the non-life insurance sector, 46 private insurers and 1 stated-owned corporation have earned Tk. 37,338 million in 2018.

Bangladesh's economy will outperform the economy of Malaysia, Hong Kong and Singapore with its presence as the 30th largest economy in the worlds by 2024, says new report. The global report title World Economic League table 2020, of the centre for Economies and Business Research (CEBR) also says that Bangladesh's economy will further climb from the 40th place in the World Economic League Table in 2020 to 26th and 25th position respectively by 2029 and 2034. The World Economic League table with forecasts for 193 countries to 2034 was published recently.

### OUTLOOK & DEVELOPMENTS OF INSURANCE INDUSTRY :

Bangladesh insurance market is in unpredictable upward revenue trend despite the low penetration rate and unsafe underwriting profit condition. It has potentialities to growth and advancement as opined by the insurance experts from home and aboard.

However, the information are not available in the market during the analysis leak of proper research is as extreme as insurance sector is neglected by the public and officials of Bangladesh, besides, 46

Nos. Life Insurance Companies are competing with each other for paying more agent commission on premium income. Subsequently shareholders wealth maximization is a challenge for all insurance companies. This existing missing process is increasing day after day. But the scope of the Non-Life insurance sectors has less focused to the Government and Private counterpart. Non-Life Insurance industry revenue in Bangladesh was 16,147 million in 2019 which was 15,643 million in 2018 and 3.22% Business growth was compare between 2019 and 2018. However, the market forecast in 2020 is not possible due to lack of market data. We assume that the year 2020 will be more profitable compare to 2019 due to elimination of excess commission from the middle of the year 2019. But in reality, we have loose attractive business, because Central Insurance Company were strictly followed the Regulation's Order regarding Agent Commission.

#### PERCEPTION OUR CUSTOMERS AND CONSUMERS:

The regulatory reforms in Bangladesh which started with the introduction of the Insurance Act 2010 are yet to be completed as the important regulations under the act. It is obligatory for insurance companies in Bangladesh to charge premium rates as determined by the Central Rating Committee (CRC) of IDRA, the Regulatory. However, although the process of reviewing the tariffs rates have already started in the light of up dated loss expenses obtaining over the years, this need to be completed. Otherwise many clients tend to feel that they are being over charged. This has future negatively impacted on the public perception at the insurance industry at large, thereby hindering its growth. The future progress of Bangladesh Insurance Industry predominantly depends on how the consumers' perception of insurance as a useful and efficient vehicle of risk transfer can be bolstered.

#### OPERATING RESULT OF THE COMPANY

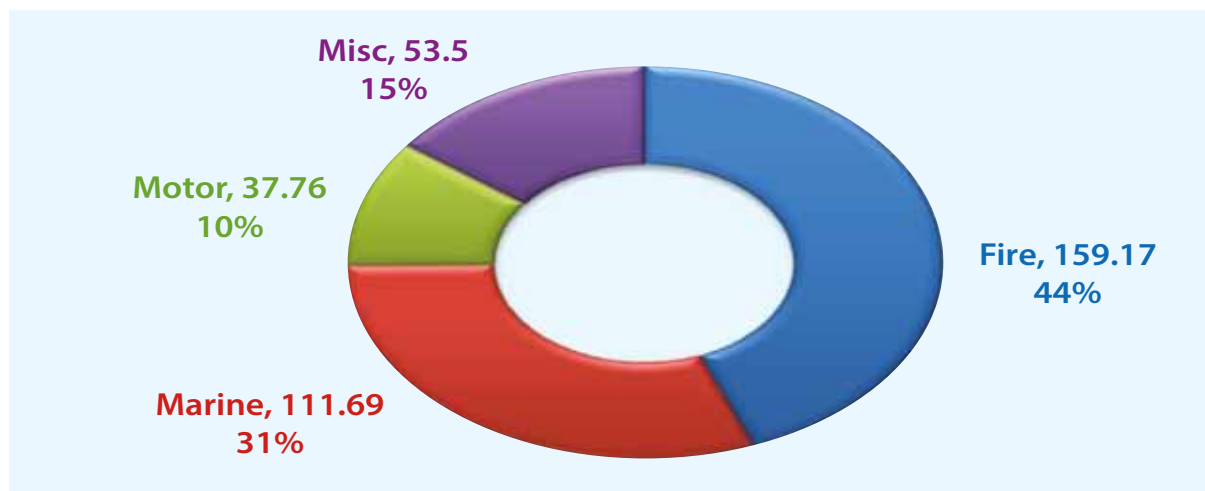
During the year 2019, Central Insurance attained Gross Premium income of Tk. 362.12 million as against Tk. 350.83 million in 2018 an increase of 3.21%. The reasonable growth in Gross Premium income is attributable due to writing new business from private sector and small growth of net premium caused by low retention of larger risks.

Class wise Financial Achievement in 2019 compared to 2018 is shown below:

Class	Gross Premium		Net Premium	
	2019	2018	2019	2018
Fire	159.16	150.96	96.86	101.60
Marine	111.69	125.44	89.79	92.62
Motor	37.75	40.32	36.76	39.36
Miscellaneous	53.50	34.11	11.83	9.82
<b>Total</b>	<b>362.12</b>	<b>350.43</b>	<b>235.26</b>	<b>243.39</b>

#### Class Wise Gross Premium Income 2019

BDT in million



Underwriting profit achieved was Tk. 45.95 million as against Tk. 41.27 million in 2018.

Investment income was Tk 99.07 million as against Tk104.47 million in 2018.

Net pre-tax profit stood at Tk130.34 million as against Tk128.69 million in 2018.

Net profit after tax profit amount Tk100.90 million as against Tk. 101.16 million in 2018.

Some important statistics relating to the performance of the Company in the year 2019 are shown at accounts part.

## DIVIDEND & OTHER RESERVES

The Board of Directors of the Company has recommended 7% cash & 5% bonus dividend for the year ended 31st December, 2019 from the net profit of Tk.132.21 million. The Board of Directors of our Company recommended transfer of Tk. 23.53 million for exceptional loss account, Tk.29.44 million as income tax. The policy of the Directors is to pay dividend to the heights possible extent from the surplus after being considered tax & reserve for exceptional loss subject to normal business condition. On 31st December, 2019 total investments in Bank & Other financial instruments are Tk.226.06 Million. This progress undoubtedly shall create hopes in the mind of valued shareholders.

## INFORMATION TECHNOLOGY

Central Insurance has been able to successfully build up its own IT Division managed by highly experienced and trained professionals, working on maintaining and developing the Company's IT infrastructure. The IT professionals are constantly innovating and producing in house programs to meet the needs of the Company's even increasing and diversified products and services. The IT division has successfully implemented a Wide Area Network (WAN) to connect the entire branch offices situated all over the Country on real time basis, that's why providing seamless connectivity and prompt customer services.

We have also acquired a new high configured server to build up three tier applications and hardware architecture.

## HUMAN RESOURCE MANAGEMENT

It has been fundamental practice in Central Insurance to always emphasize on professionalism and developing of appropriate human resource management policies to enhance the quality of its employees and to ensure their optimum contribution towards the achievement of corporate goals.

The Board believes that employees are the most valuable resource and key to the success of an organization. The Company strives in attract, develop, compensate and retain the most qualified people in a work environment characterized by discipline and attention. The Board also endorses the betterment and productivity of its employees.

Through a good number of facilities and measures, financial and non-financial which are as follows:-

- ◆ Attractive Compensation Package
- ◆ Gratuity
- ◆ Provident Fund (With 10% on basic salary of employees)
- ◆ Leave Facilities
- ◆ Group Insurance
- ◆ Festival Bonus
- ◆ Training and Workshop
- ◆ Transport Facilities
- ◆ Internet and Mobile Facilities
- ◆ Car Finance Scheme (Hire Purchase Policy)
- ◆ Annual Increment
- ◆ Promotion and Career Growth Opportunities
- ◆ Hygienic Work Environment

## SOUND CORPORATE GOVERNANCE:

As a public listed entity and leading insurance company in Bangladesh led by professional people, Central Insurance Company Limited is committed to adopt the highest governance standard and adjusting them as required in profiting the interest of Shareholders and Policyholders.

Our Supervisions have a keen interest in our sound corporate governance as it is our essential element in the safe functioning of the company and may adversely affect the company's risk profile if not operating effectively.

Corporate Governance determines the allocation of authority and responsibility by which the business and affairs of an insurance are carried out by its Shareholders, Board and Senior Management including how they

- ◆ Set the company's strategy and objections
- ◆ Select and oversee personnel.
- ◆ Operate the Insurance's Business a day-to-day basis.
- ◆ Perfect the interests of depositories meet Shareholder obligations and take into account the interests of other recognized Stakeholders.
- ◆ Align Corporate culture, corporate activities and behavior with the expectation that.
- ◆ The Insurance will operate in a safe and Sound manner, with integrity and in compliance with applicable laws and regulations; and
- ◆ Establish Control Functions.

## PRACTICES WE ADMIRE:

- ◆ The Chairman leads the Board of CICL.
- ◆ Representation of women on the Board is encouraging.
- ◆ The Company is being run in line with Corporate Governance Policy of the Regulation.
- ◆ Shareholders vote for individual directors.
- ◆ All Boards Committee meet independent guidelines in respect of composition.
- ◆ The Board conducts an annual review of its performance and that of its Committees.
- ◆ An orientation program is in place for all new directors.
- ◆ All directors, executives/officers and employees of CICL are required to acknowledge their adherence annually to Insurance guidelines for business conduct.

## CORPORATE SOCIAL RESPONSIBILITY (CSR):

The Company has continued its Endeavour to deliver economic and social benefits to the community in discharge of its CSR and has extended financial assistance to society and our employees. Central Insurance Company Limited is quite animate on its role of Corporate Social Responsibilities (CSR). Alike last years the Company during the year has contributed the following Corporate Social Responsibilities (CSR) activities:

- ◆ Donation towards BGMEA Hospital for the patient of COVID-19
- ◆ Donation for Treatment of Government Employee
- ◆ Donation for Employees Treatment
- ◆ Donation for Education

## RETIREMENT OF DIRECTORS

### Group-‘A’

In accordance with the provision of the Articles of Association of the Company, three directors from Group-A namely Mrs.Rosy Rahman, Mrs. Nurun Nahar & Alhaj Md. Shahjahan will retire from office by rotation at the 32nd Annual General Meeting and being eligible for reappointment. In place of three vacant posts of Directors Mr. Abul Kalam, Mr. Md. Tayabur Rahman & Mrs.Rosy Rahman Sponsor Shareholders have offered their candidature for appointment as director and their resumes are enclosed herewith as Annexure-1.

**Group-‘B’**

In accordance with the provision of the Articles of Association of the Company two directors from ‘Group-B Directors namely Mr. Shabbir Ul Kabir & Mr. Ifthekar Maleque will retire from office by rotation at the 32nd Annual General Meeting and being eligible for reappointment. In place of two vacant posts of Directors, Sponsor Shareholder has offered their candidature for appointment as Director.

In pursuance of the Insurance Rules 1958, necessary arrangements have been made for election of two Directors from ‘Group-B’ shareholders and notice has been published in two daily newspapers inviting nominations from the eligible candidates in this respect Mr. Aminul Islam FCA, Managing Partner of M/s. K. M. Hasan & Co., Chartered Accountants has been appointed as Election Commissioner as per the decision of the Board of Directors.

**DIRECTORS FEE**

The Directors including Independent Directors, all being Non-Executive Directors, are given only Meeting Attendance Fee of BDT 8,000 (BDT eight thousand only) per head per Meeting of the Board and Committees. During the year 2019, a total amount of BDT 569,200 was given to the Directors as Remuneration/Meeting Attendance Fee, Travel expenses and others.

**APPOINTMENT OF AUDITORS**

M/s. Kazi Zahir Khan & Co, Chartered Accountants, External Auditor of the Company, retire at the 32nd Annual General Meeting and being eligible offer themselves for appointment as External Auditors for the year 2020 & our Board recommended their remuneration of Tk. 1,75,000/- only for approval by the shareholders in the Annual General Meeting.

**ACKNOWLEDGEMENTS**

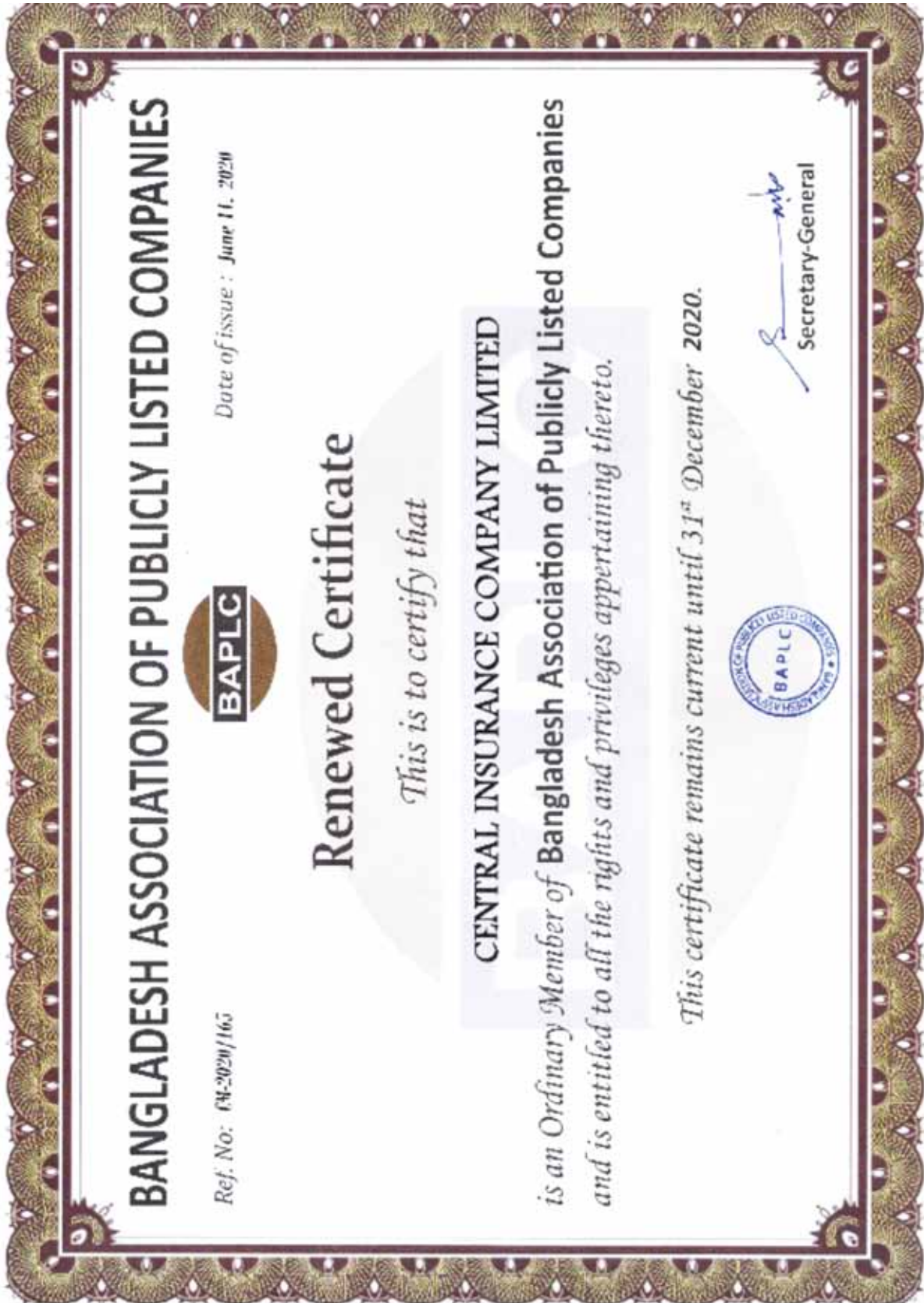
This year’s performance is testament to the hard work and dedication of our people around the country. With an agile workforce and an ethic that emphasizes on constant learning and adaptability, I am confident in the skills and commitment of my colleagues to deliver for our customers and our shareholders in 2020 and beyond.

On behalf of the Board of Directors, Executives, Officers and Staff of all ranks of the Company for continued growth of the Company.



**Mohammed Musa**  
Chairman

## MEMBERSHIP CERTIFICATE FROM BAPLC



## VIEW OF CSR ACTIVITIES



*100 Years Birthday Celebration of the Father of the Nation*



*Hon'ble Guest and Participants are shown on the dias of Anti-Money Laundering Programme*



*Donation for Medical Treatment*



*Prize Ceremony and Farewell Gift*



## **AA- RATING HAS BEEN ENDORSED TO CENTRAL BY CRISL**

Credit Rating Information and Services Ltd. (CRISL) confirmed very “High Claims Paying Ability” (HCPA) i.e. AA-(pronounced as double a minus) for the year 2020 based on the financial and other relevant qualitative and quantitative information.

Credit Rating in this category is adjudged as very high claim paying ability where protection factors for the insured’s, investors and stakeholders are recognized and established. This rating reflects a good financial and underwriting performance, sound liquidity, good fixed assets, efficient investment, experienced board members and prudent management team of the Company.

The aforementioned rating from 2017 to 2018 confirmed that the Company operates its financial activities in a very professional, transparent and ethical manner which results in steady growth of the company’s business and goodwill.


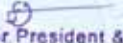
Last three years CRISL rating at a glance:

2019 AA- (double A minus) CPA Rating

2018 AA- (double A minus) CPA Rating

2017 A+ (A plus) CPA Rating

## CREDIT RATING REPORT

 <i>Setting global standard at national level</i>	<b>Credit Rating Information and Services Limited</b> <small>Founder Member, Association of Credit Rating Agencies in Asia (ACRAA), Manila, Philippines          Joint Venture with JCR-VIS Credit Rating Company Ltd, Pakistan  <a href="http://www.crislbd.com">www.crislbd.com</a></small>								
<b>Credit Rating Report</b>	<b>CREDIT RATING REPORT</b> <b>On</b> <b>CENTRAL INSURANCE COMPANY LIMITED</b>								
<b>REPORT: RR/33882/20</b>									
<small>This is a credit rating report as per the provisions of the Credit Rating Companies Rules 1996. CRISL's Claim Paying Ability Rating is valid for only one year from the date of rating. After the above period, the rating will not carry any validity unless the company goes for rating surveillance. CRISL followed Insurance Rating Methodology published in CRISL website <a href="http://www.crislbd.com">www.crislbd.com</a></small>									
<b>Address:</b> CRISL Nakshi Homes (4 <sup>th</sup> & 5 <sup>th</sup> Floor) 6/1A, Segunbagicha, Dhaka-1000 Tel: 9530991-4 Fax: 88-02-9530995 Email: <a href="mailto:crislthk@crislbd.com">crislthk@crislbd.com</a>	<table border="1"> <tr> <td colspan="2" style="text-align: center;"><b>Claim Paying Ability</b></td> </tr> <tr> <td>CPA Rating</td> <td style="text-align: center;">AA-</td> </tr> <tr> <td>Outlook</td> <td style="text-align: center;">Stable</td> </tr> <tr> <td><b>Date of Rating:</b> January 30, 2020</td> <td style="text-align: center;"><b>Valid up to:</b> January 29, 2021</td> </tr> </table>	<b>Claim Paying Ability</b>		CPA Rating	AA-	Outlook	Stable	<b>Date of Rating:</b> January 30, 2020	<b>Valid up to:</b> January 29, 2021
<b>Claim Paying Ability</b>									
CPA Rating	AA-								
Outlook	Stable								
<b>Date of Rating:</b> January 30, 2020	<b>Valid up to:</b> January 29, 2021								
<b>Rating Contact:</b> Md. Asiful Haq Chief Rating Officer <a href="mailto:asif@crislbd.com">asif@crislbd.com</a>	<b>1.0 RATIONALE</b>								
<b>Analysts:</b> Reaz Uddin Ahmed <a href="mailto:reaz@crislbd.com">reaz@crislbd.com</a>  Md. Younusur Rahman <a href="mailto:younus@crislbd.com">younus@crislbd.com</a>	<p>CRISL has upgraded the Claim Paying Ability (CPA) rating of Central Insurance Company Limited (CICL) to 'AA-' (Very High claims paying ability) based on the financials up to December 31, 2018 and other relevant qualitative and quantitative information up-to the date of rating. The rating has been upgraded on the basis of CICL's profitable underwriting performance, good capital base, good FDR base, experienced and professional management team etc. CICL sources significant business from renowned group of companies and banks. The company continues to deliver improved and innovative product and services taking due care of the compliance requirements. Based on the financial statement of 2018, its underwriting profit stood at Tk.41.27 million. Profit after Tax (PAT) moved upward to Tk.105.16 million in YE2018 from Tk.83.04 million in YE2017. Pre-tax operating margin increased to 50.42% in YE2018 from 42.54% in YE2017. CRISL views CICL's investment strategy is well diversified having around 86.35% of its funds remaining in cash and deployed in fixed deposits as well as in fixed income instruments and rest 13.65% in capital market investment.</p> <p>On the other hand, CICL faces challenges from high expense ratio, unrealized loss on capital market exposure, small market share, decline in market capitalization etc. However, reduction of management expense will enhance its overall performance. CRISL expects the company to continue to adopt a prudent underwriting approach, improve business and investment portfolio.</p> <p>CPA rated in this category is adjudged to offer very high claims paying ability. Protection factors are strong. Risk is modest but may vary slightly over time due to underwriting and/or economic condition.</p> <p>CRISL also views the company with "Stable Outlook" from the industry viewpoint for overall industry growth and policy and regulations implicated by regulatory authority. CRISL believes that the company will be able to maintain its fundamentals in foreseeable future.</p>								
<b>Entity Rating:</b> CPA Rating: AA-  <b>Outlook: Stable</b>	<b>2.0 CORPORATE PROFILE</b>								
<b>Rating:</b> Based on Financials up to December 31, 2018	<b>2.1 Background</b> Central Insurance Company Limited (CICL), a first generation non-life insurance company, was incorporated on November 12, 1987 as a public limited company. CICL was incorporated with the initiative of some renowned business personalities of the country having involvement in diversified businesses with the vision "to be leading and most confident and a reliable insurer of the country". It obtained the Certificate of Registration for carrying on insurance business from the Chief Controller of Insurance on November 12, 1987. The company started its business with an authorized capital of Tk.1,000.00 million and paid-up capital of Tk.470.83 million. CICL went into initial public offering in 1994. The shares of the company are listed with both the bourses of the country and are being traded as 'A' category issue. The company has been operating its business with a network of 29 branches located at different districts of the country. CICL earned a gross premium of Tk.350.83 million in YE2018 and reported net underwriting profit of Tk.41.27 million during the same period. Mr. Mohammed Musa is the Chairman of the Board while Management team is headed by Mr. Md. Zahid Anwar Khan as Managing Director & CEO. The company carries out its business operation from its Head Office								
<b>CENTRAL INSURANCE COMPANY LIMITED</b>									
<b>ACTIVITY</b> Non-Life Insurance									
<b>DATE OF INCORPORATION</b> November 12, 1987									
<b>COMMENCEMENT OF BUSINESS</b> December 10, 1987									
<b>CHAIRMAN</b> Mohammed Musa									
<b>CHIEF EXECUTIVE OFFICER</b> Md. Zahid Anwar Khan									
<b>EQUITY</b> TK.1,117.41 million									
<b>TOTAL ASSETS</b> TK.1,806.59 million									
Page 1 of 12	 <b>For President &amp; CEO</b> <b>Sarwat Amina</b> Executive Vice President Credit Rating Information and Services Ltd.								

## CLAIMS MANAGEMENT AND OUR ANALYSIS

The essence of insurance contract contemplates efficient service when distress falls upon the insured and renders assistance in no time most effectively to refill loss suffered. Central achieved built-in reputation for its expeditious settlement of claim. Central Claims Department is fully equipped with devoted and efficient professionals capable of providing personalized services to the valued clients round the clock. The claims handling process starts with the notification of loss to Central Insurance and the company appoints a licensed loss adjuster immediately upon receipt of intimation. Central Insurance undertakes all necessary steps expeditiously in an orderly sequence: to contact the insured, arrange to inspect the loss through a loss adjuster, ascertain quantum of loss and company's liability etc. Central Insurance also suggests to their clients the preventive measures to be adopted to minimize the loss and to take steps to protect salvage.

Simple procedures and formalities are followed in settlement of claims at the earliest. Partial on account payment on the preliminary survey report is also paid to the insured considering severity of loss. In order to ensure speedy disposal of claims, the insured and/or their agent are always requested to submit all available supporting documents without delay. A list of minimum requirement of supporting papers for claims arising under each class of business is maintained at the Head Office. As soon as Central Insurance receives all necessary papers along with survey report from the loss adjuster, the company quickly scrutinizes all documents against its check list of requirements; verifies the loss adjustment made by the Surveyor and, if in order, proceeds with settlement of claim without loss of time.

Underwriting and claims settlement are the two vital aspects of the functioning of any insurance company. An insurance client obtains an insurance policy by paying a price called premium with the objective of obtaining financial indemnification upon happening of a loss to the subject matter of insurance. Out of any insurance contract, the client therefore has the following expectations:

- ◆ Adequate insurance coverage, which does not leave him high and dry in time of need, with right pricing.
- ◆ Timely delivery of defect free policy documents with relevant endorsements/ warranties/ conditions/ guidelines.
- ◆ Should a claim happen, quick settlement to his Satisfaction

Central Insurance has a corporate philosophy on claims management setting out broad approach aiming to provide high quality service and expeditious settlement of claims. It specifies the nature of claim service at each stage of the claim process, the speed of the claim service and also the IT enabled interactive process to know the status of the claim. Central Insurance manages the claims rather than handling them.

### INCURRED BUT NOT REPORTED (IBNR) LOSSES

IBNR refers to the losses that are not filed with the insurer or reinsurer until years after the insurance policy is sold. It is a reserve to provide for claims in respect of claim events that have occurred before the accounting date but had still to be reported to the insurer by that date. In the case of a reinsurer, the reserve needs also to provide for claims that have not yet been reported to the reinsurer as being liable to involve the reinsurer.

Some liability claims may be filed long after the event that caused the injury to occur. Asbestos-related diseases, for example, do not show up until decades after the exposure. IBNR also refers to estimates made about claims already reported but where the full extent of the injury is not yet known, such as a workmen's compensation claim where the degree to which work-related injuries prevents a worker from earning what he or she earned before the injury unfolds over time. Central Insurance regularly adjusts reserves for such losses as new information becomes available.

### INCURRED BUT NOT ENOUGH REPORTED (IBNER) RESERVE

IBNER refers a reserve reflecting expected changes (increases and decreases) in estimates for reported claims only (i.e. excluding any "true" or "pure" IBNR claims). The abbreviation is sometimes stated as applying to "incurred but not enough reserved."

IBNR and IBNER - these are two terms can be regarded as identical meaning. In some types of work, especially in reinsurance and in the London market, IBNR provisions include any IBNER provisions. Sometimes the provision for claims incurred on or before the valuation date and reported after the valuation date is referred to as the True IBNR or the Pure IBNR.

Under the current Insurance laws of Bangladesh, it is not yet obligatory to provide reserves for IBNR and/ or IBNER claims. However, under solvency margin regulations proposed under Insurance Act 2010, such reserves will be required to be maintained in the manner to be prescribed by the relevant Rules.

## CORPORATE GOVERNANCE STATEMENT 2019

Central Insurance Company Limited (CICL) has always fulfilled its responsibilities as a trusted business organization, cognizant of its obligation to all its stakeholders. As a truly people's entity, the Company is fully transparent and maintains the highest levels of integrity and accountability, practiced up to global standards. The Board of Directors of the Company is collectively responsible to shareholders for its performance and for the organization's governance framework, its value system and its growth strategies. The Board, comprising luminaries from diverse fields, provide the leadership necessary for the Company to meet its performance objectives within a robust framework of internal processes and controls.

Operating in a highly regulated and massively competitive industry environment, we consider it a bigger responsibility to ensure compliance with the highest standards of governance. As a First Generation Insurance Company, we emphasize on integrity, transparency and accountability, which represent the key cornerstone of our corporate governance philosophy that powers sustainable growth and perpetual stakeholder value creation. The Company has always endeavored to maintain the highest standards of governance and business conduct to be able to ensure sustainable shareholder value, while also safeguarding the interests of stakeholders and also maintaining investor trust and confidence.

### OUR CORPORATE GOVERNANCE PRINCIPLES & FRAMEWORK:

- ❖ Insurance Act 2010
- ❖ Insurance Rules 1958
- ❖ Rules Regulations, Directives and Circulars issued by IDRA
- ❖ The Companies Act 1994
- ❖ Securities Related Ordinance, Act, Rules and Regulations
- ❖ Bangladesh Labour Laws and Rules
- ❖ DSE & CSE (Listing) Regulations, 2015
- ❖ Code of Corporate Governance 2018
- ❖ Laws of the land
- ❖ Income Tax Ordinance-1984
- ❖ VAT Act 2012
- ❖ Bangladesh Accounting Standard
- ❖ Bangladesh Secretarial Standard
- ❖ Government Policy



## CHAIRMAN OF THE BOARD

The Board of Directors elects the Chairman of the Company who will lead the Company according to the article of the Company.

### Roles and responsibilities of the Chairman

- ❖ Defined by the Board as per BSEC's notifications on Codes of Corporate Governance.
- ❖ As Chairman of the Board of Directors (or Chairman of any Committee formed by the Board) he does not personally possess the jurisdiction to apply policy-making or executive authority, neither does he participate in or interfere with the administration or operational and routine affairs of the Company.
- ❖ The Board functions as per the Memorandum & Articles of Association of the Company, along with other applicable laws which must be ensured by the Chairman.
- ❖ The Chairman presides over meetings of the Board and Company (at the AGM) and ensures good corporate governance in the conduct of the Board and the Company.
- ❖ Representing the Company (whilst in consultation with the Board and Managing Director), the Chairman liaisons with relevant stakeholders representing the Company as a responsible corporate citizen.
- ❖ The Chairman may assume any responsibility that the Board assigns within the purview of the relevant rules, regulations, acts and articles.

## CHIEF EXECUTIVE OFFICER

The Chief Executive Officer ("CEO") is responsible for leading the development and execution of the Company's long term strategy with a view to creating shareholder value. The CEO's leadership role also entails being ultimately responsible for all day-to-day management decisions and for implementing the Company's long and short term plans. The CEO acts as a direct liaison between the Board and management of the Company and communicates to the Board on behalf of management. The CEO also communicates on behalf of the Company to shareholders, employees, Government authorities other stakeholders and the public.

### Roles and Responsibilities

- ❖ The Managing Director is responsible for driving business operations and entrusted with the responsibility of developing and executing the Company's long-term strategies with a view to creating sustainable shareholder value.
- ❖ The Managing Director's leadership role entails being ultimately responsible for all day-to-day management decisions and for implementing the Company's long- and short-term plans.
- ❖ The Managing Director acts as a direct liaison between the Board and the management of the Company, and communicates to the Board on behalf of the management.
- ❖ The Managing Director also engages on behalf of the Company with shareholders, employees, other stakeholders and the public at large.
- ❖ Oversees fundraising planning and implementation, including identifying resource requirements, researching funding sources, establishing strategies to approach funders, submitting proposals and administering fundraising records and documentation
- ❖ The CEO has to maintain the proper liaison with the authorities like, IDRA, BSEC, DSE, CSE, Bangladesh Bank, NBR and other Authority. The CEO must be able to maintain their laws, rules, regulations, circulars and other order.

## MANAGEMENT THROUGH PEOPLE

The CICAL Board focuses on establishing the organizational direction and, in this regard, considers empowerment as the biggest driver of change. It is in this spirit that the Board delegates' operational and financial authority to the Managing Director, empowering him to set up the organizational structure, recruit appropriate talent, manage the strategic business units and other functional areas and also provides the team guidance towards achieving the desired results and outcomes. Being the apex authority of the Company, the Board remains abreast of the targets and initiatives of the Business Units and is also apprised of the financial performance on a regular basis. The Managing Director is in-charge of the operations of the Company and manages the affairs through close consultation with relevant employees from within the Company and/or, if necessary, outside experts.

## ROLE OF CHIEF FINANCIAL OFFICER (CFO)

CFO is responsible for financial strategy, financial condition and position of the Company that requires personnel with extensive knowledge and experience to strengthen financial discipline in Company's operation. He /She will be responsible for successful implementation of financial system as per international standard, Bangladesh Bank guidelines and Bank Companies Act, Insurance Act-2010 and other related Rules and Regulations. CFO will have to work in close consultation with the CEO and report to him.

### Roles and Responsibilities

- ❖ To oversee asset liability management and fund management.
- ❖ To review the Company's financial conditions, financial position and recommend viable alternatives for cost effective operation.
- ❖ To develop and expand financial strategy of the Company management in order to develop and strengthen the financial capacity.
- ❖ To participate in the strategic planning process, to lead the budgeting and forecasting of the Company and to build a strong financial discipline and accountability foundation for budgeting and forecasting.
- ❖ To establish a powerful and effective financial system in the bank and help to prepare all accounts & financial statements of the Company timely and review periodically.
- ❖ To implement the policy & procedures relating to financial management, accounting and budget planning and to improve the quality of Company's operation.
- ❖ To assist the Company in the field of financial and management accounting, costing and auditing. other fields of importance will include developing and implementing computerized financial system and management accounting system.
- ❖ To ensure achievement of revenue targets on interest income and off-balance sheet earnings. ensure adherence to policies for control of assets and expenses.
- ❖ To plan, direct and coordinate the implementation of effective accounting and financial administration policies, procedures and reports to ensure meticulous compliance of Company's financial policy for sound financial management and control of the Company.
- ❖ Tax management – Corporate Tax, Employee Tax and VAT.
- ❖ To prepare, present and interpret financial reports to the management, Board of Directors, shareholders and government authorities and to direct and supervise preparation of all fiscal reporting, such as cost accounting, budgets, regulatory authorities and government reports.

## COMPANY SECRETARY

A qualified Company Secretary assists the Board. The Company Secretary is appointed for maintaining the essential link and liaison with both internal and external agencies and at the same time ensuring active aggregation, compilation and timely flow of information to and from the Board. The BSEC Corporate governance code also provides that a Company Secretary is to be appointed. The Company Secretary, being a governance official, drives the corporate compliance agenda, while also providing support to the Chairman and other members of the Board for ensuring its effective functioning. Apart from the core roles, the Company Secretary also performs the responsibilities of public affairs and is the authorized representative/signatory of the Company.

The brief roles and responsibilities of the Company Secretary, include, inter alia-

- ❖ Maintaining linkage between the Board, Management, Shareholders and other stakeholders on Matters of corporate interests in a transparent.
- ❖ Driving policy compliance awareness among the Company employees.
- ❖ Compliance of the Acts, rules regulations, notifications, guidelines, orders/directives, etc. As issued by BSEC or Stock Exchange (s) applicable to the conduct of business activities of the Company so as to protect the interests of the investors and other stakeholders.
- ❖ Disclosure of the Company's price sensitive information (PSI) and other capital market related issues.
- ❖ Ensuring that appropriate Board procedures are followed as per given guidelines and best practices, and advises the Board on matters as such.

## ROLE OF HEAD OF INTERNAL AUDIT

- ❖ Maintain and administer internal control and compliance policy ensuring that all key risks are covered by appropriate rules and that line management has an effective system in place to identify, monitor and measures risk management framework of the Company and to introduce and implement risk based internal audit system.
- ❖ Understand and mitigate key elements of the company's risk profile.
- ❖ Devise and monitor reliable control systems.
- ❖ Ensure that record keeping meets the requirements of auditors and government agencies.
- ❖ Report risk issues to the audit committee of the Board of Directors.
- ❖ Maintain relations with external auditors and investigate their findings and recommendations.
- ❖ To lead the Risk Management Division and report the risks to the CEO.
- ❖ Review the findings and recommendations made by the internal & external auditors.
- ❖ Meet the requirements of the regulatory authority regarding internal control, compliance and internal audit; provide suitable directions and leadership to the audit and inspection unit, monitoring unit and compliance unit; ensure compliance to Government Commercial audit, statutory audit (CA firms) and Bangladesh Bank audit and IDRA Audit.
- ❖ Submit report to the CEO, Audit Committee and Board of Directors periodically with assurance that risk-based audit concept is being implemented effectively and bank's asset & liabilities and other factors are free from risks to a great extent.

## FINANCIAL REPORTING PROCESS

The pillars of a successful information structure are crucial for any organization is its financial reporting system. The Company has a robust financial reporting procedure with all financial statements made in accordance with International/Bangladesh Financial Reporting Standards (IFRS/ BFRS), Companies Act, 1994, Securities and Exchange Rules, 1987, and other applicable financial legislation. Financial data is captured from the financial reports segment of the enterprise resource planning system. Financial statements are reviewed by the CFO, CEO and Audit Committee on a regular basis. External auditors examine the financial reports in accordance with local financial reporting policies and Company procedures. Upon completion of internal scrutiny, financial reports are placed before the Board for final review and approval.

## STATUTORY AUDIT

On the basis of the Audit Committee's suggestions, the Board endorses the appointment of an auditor upon shareholders' approval at the Annual General Meeting. Appointment of the statutory auditor is regulated by the Companies Act, 1994, Securities & Exchange Rules, 1987, and BSEC Codes of Governance, 2018. Shareholders not only approve the appointment of the statutory auditor, but also fix their remuneration. As per BSEC order, a statutory auditor cannot remain in office for more than three consecutive years. CICL maintains full independence of the statutory auditor. Prior to submission of the financial statements to the Board for approval, the Audit Committee meets with the statutory auditor to ensure the independence of the statutory auditor. Further, to ensure adequate regulatory alignment, a Compliance Certificate is obtained from a licensed practicing professional who certifies on the basis of his audit that the Company has duly complied with all the regulatory requirements, as stipulated in the CG Code of Bangladesh Securities and Exchange Commission (BSEC). Such a report is presented to the shareholders and forms a part of the Annual Report of the Company. The appointment of the compliance auditor is also subject to approval of shareholders at the Annual General Meeting.

## TRANSPARENT DISCLOSURES

Financial statements are prepared in accordance with the various applicable laws and regulations, some which include:

- ❖ International/Bangladesh Financial Reporting Standards (I/BFRS)
- ❖ Companies Act, 1994
- ❖ Securities and Exchange Rules, 1987
- ❖ BSEC directives (issued from time to time)

The management is responsible for designing, implementing and maintaining internal controls relevant to the preparation and fair presentation of financial statements that are free from material misstatements, whether due to fraud or error. Accounting estimates are made which are rational as per circumstances, with use of correct accounting policies and interpretations. The reports are then reviewed accordingly by respective authorities on a regular basis.

The external auditor attends the Audit Committee meetings to review the quarterly financial statements, prepared in accordance with Bangladesh Financial Reporting Standards (BFRS) and Company policies.

The Board reviews the financial statements of the Company at the end of every quarter. The quarterly financial statements, along with the notes, are published in two leading daily newspapers, as well as on the Company's website. Furthermore, half-yearly and annual financial statements are also dispatched to all shareholders on a timely basis.

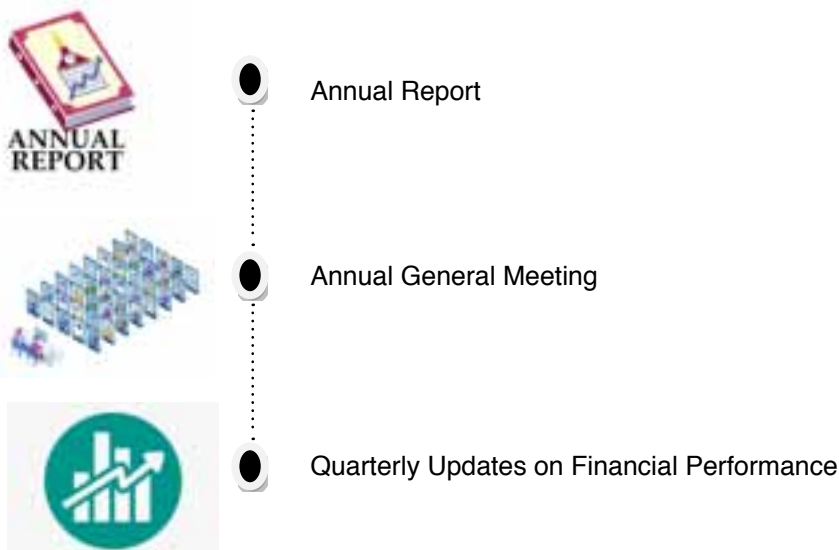
Directors prepare the Directors Report, which is an essential part of the Annual Report, as it discloses the financial performance as well as non-financial information regarding the Company's growth, productivity, responsibilities and other information, in compliance with BSEC notification. The Company also abides by the applicable regulations in respect to price sensitive information (PSI).

### WELL-DEFINED SHAREHOLDERS' RIGHTS

For managing successful and productive relationships with shareholders, it is imperative to reinforce the importance of maintaining transparency and accountability. The Board ensures through the Company Secretary that shareholders of the Company are treated justly and honorably, and their rights are firmly protected. The Company Secretary is the bridge between shareholders and the Board of Directors of the Company, delivering services to its valued shareholders and conforming to applicable laws and Articles of Association of the Company to safeguard the well-defined rights of shareholders. Shareholders are informed on all material developments in a routine manner on all major issues and changes in business, catering to the continuous requirement of disclosures so that shareholders can make informed decisions.

### COMMUNICATION WITH SHAREHOLDERS

Regular communications with shareholders including other stakeholders are made through:



Overall, at CICL, we uphold our commitment to good corporate governance and pledge to continue to work in meeting the best interests of our shareholders and all other stakeholder groups.

# CERTIFICATE OF CORPORATE GOVERNANCE CODE



## Suraiya Parveen & Associates

(Chartered Secretaries, Financial & Management Consultants)

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

### Report to the Shareholders of Central Insurance Company Ltd. on compliance on the Corporate Governance Code

We have examined the compliance status to the Corporate Governance Code by Central Insurance Company Limited for the year ended on 31<sup>st</sup> December 2019. This Code relates to the Notification No. BSEC/CMRRCD/2006-158/207/Admin/80 dated 3 June, 2018 of the Bangladesh Securities and Exchange Commission.

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

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

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

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

Dhaka, Dated  
July 20, 2020



For Suraiya Parveen & Associates  
Chartered Secretaries

Suraiya Parveen, FCS  
Chief Executive Officer

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Web: www.suraiyaparveenandassociates.com

## STATUS OF COMPLIANCE OF CORPORATE GOVERNANCE

Condition No.	Title	Compliance Status		Remarks (If any)
		Complied	Not Complied	
1.00	Board of Directors			
1.(1)	Size of the Board of Directors	√		
1.2	Independent Directors			
1(2)(a)	At least one-fifth (1/5) of the total number of directors in the company's Board shall be Independent directors	√		2 Independent Directors as per Insurance Act, 2010
1(2)(b)(i)	Shareholding position of Independent Director	√		
1(2)(b)(ii)	Independent Director is not sponsor, nor any family member/ family relationship of the sponsor	√		
1(2)(b)(iii)	Independent Director has not been Executive of the Company in immediately preceding 2(two) financial years	√		
1(2)(b)(iv)	Independent Director does not have any other relationship with the Company or its' subsidiary associates companies	√		
1(2)(b)( v)	Independent Director is not a member or TREC holder, director or officer of any stock exchange	√		
1(2)(b)(vi)	Independent Director is not a shareholder, director or officer of any member or TREC holder of stock exchange or an intermediary of the capital market	√		
1(2)(b)(vii)	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)(b)(viii)	Independent Director shall not be an independent director in more than 5 (five) listed companies	√		
1(2)(b)(ix)	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 NBF1	√		
1(2)(b)(x)	Independent Director has not been convicted for a criminal offence involving moral turpitude.	√		
1(2)(c)	The Independent Director(s) shall be appointed by the board, and approved by the shareholders in the Annual General Meeting (AGM)	√		
1(2)(d)	The post of Independent Director(s) cannot remain vacant for more than 90 (ninety) days.			No. Vacancy occurred
1(2)(e)	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.	√		
1.3	Qualification of Independent Director (ID)			
1(3)(a)	Independent Director shall be a knowledgeable individual with integrity who is able to ensure compliance with financial laws, regulatory requirements and corporate laws and can make meaningful contribution to the business	√		
1(3)(b)(i)	Independent director of an unlisted company having minimum paid-up capital of Tk.100.00 million or any listed company or a member of any national or International chamber of commerce or business association.	√		

## STATUS OF COMPLIANCE OF CORPORATE GOVERNANCE

Condition No.	Title	Compliance Status		Remarks (if any)
		Complied	Not Complied	
1(3)(b)(ii)	Corporate Leader who is or was a top level executive not lower than Chief Executive Officer or Managing Director or Deputy Managing Director or Chief Financial Officer or Head of Internal Audit and Compliance or Head of Legal Service or a candidate with equivalent position of an unlisted company having minimum paid up capital of Tk.100.00 million or of a listed company; or	√		
1(3)(b)(iii)	Independent Director has at least educational background of bachelor degree in economics or commerce or business or law.	√		
1(3)(b)(iv)	University Teacher Independent Director who has educational background in Economics or Commerce or Business Studies or Law.	√		
1(3)(b)(v)	Professional Independent Director is an Advocate, Supreme Court or a Chartered Accountant or Cost and Management Accountant or Chartered Secretary or Chartered Financial Analyst or equivalent qualification.	√		
1(3)(c)	The independent director shall have at least 10 (ten) years of experiences in any field mentioned in clause (b);	√		
1(3)(d)	In special cases, the above qualification of experiences may be relaxed subject to prior approval of the commission			Not applicable
1.4	Duality of Chairperson of the Board of Directors and Managing Director of Chief Executive Officer			
1(4)(a)	The Chairperson of the Board and Chief Executive Officer (CEO) of the company shall be filled by different individuals	√		
1(4)(b)	The Chief Executive Officer (CEO) of a listed company shall not hold the same position in another listed company	√		
1(4)(c)	The Chairperson of the Board shall be elected from among the non-executive directors of the company	√		
1(4)(d)	The Board shall clearly define respective roles responsibilities of the Chairperson and the Chief Executive Officer (CEO)	√		
1(4)(e)	In the absence of the Chairperson of the Board, remaining members may elect one of themselves from non-executive directors as Chairperson for that particular Board Meeting			No such situation occurred
1.5	Directors reports to Shareholders	√		
1(5)(i)	Industry outlook and possible future developments in the industry	√		
1(5)(ii)	Segment-wise or product-wise performance	√		
1(5)(iii)	Risks and concerns	√		
1(5)(iv)	A discussion on Cost of Goods sold, Gross Profit Margin and Net Profit Margin	√		
1(5)(v)	Discussion on continuity of any Extra-Ordinary gain or loss.			Not applicable
1(5)(vi)	Basis for related party transactions-a statement or all related party transactions should be disclosed in the annual report			Not applicable
1(5)(vii)	Utilization of proceeds from public issues, rights issues and/or through any others instruments.			Not applicable

## STATUS OF COMPLIANCE OF CORPORATE GOVERNANCE

Condition No.	Title	Compliance status		Remarks (If any)
		Complied	Not Complied	
1(5)(viii)	An explanation if the financial results deteriorate after the company goes IPO, RPO, Rights Offer, Direct Listing, etc.			Not applicable
1(5)(ix)	Significant variance occurs between Quarterly Financial Performance and Annual Financial Statements			No such significant variance occurs
1(5)(x)	Remuneration to directors including independent director	√		
1(5)(xi)	Financial statements present fairly state of affairs, the result of its operations, cash flows and changes in Shareholders' equity of the company	√		
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 statement and that the accounting estimates are based on reasonable and prudent judgment.	√		
1(5)(xiv)	International Accounting Standards (IAS) or International Financial Reporting Standard (IFRS), as applicable in Bangladesh	√		
1(5)(xv)	The system of internal control is sound in design and has been effectively implemented and monitored	√		
1(5)(xvi)	The minority shareholders have been protected from abusive actions by or in the interest of,controlling shareholders acting either directly or indirectly			No such situation occurred
1(5)(xvii)	There are no significant doubts upon the issuer Company's ability to continue as a going concern.	√		
1(5)(xviii)	Significant deviations from the last year's operating results of the company shall be highlighted			Not applicable
1(5)(xix)	Key operating and financial data of at least preceding 5 (five) years shall be summarized	√		
1(5)(xx)	If the issuer company has not declared dividend (cash or stock) for the year			Declared dividend regularly (Cash & Bonus)
1(5)(xxi)	The effect that no bonus share or stock dividend has been or shall be declared as interim dividend;	√		
1(5)(xxii)	The number of Board meeting held during the year and attendance by each director shall be disclosed	√		
1(5)(xxiii) (a)	Share holding position parent/ Subsidiary/ Associated Companies and other related parties	√		
1(5)(xxiii) (b)	Share holding position of Directors, Chief Executive Officer, Company Secretary, Chief Financial Officer, Head of Internal Audit and their spouses and minor children	√		
1(5)(xxiii) (c)	Share holding position of Executives of the Company	√		
1(5)(xxiii) (d)	Share holding ten percent (10%) or more voting interest in the Company	√		
1(5)(xxiv) (a)	A brief resume of the appointed/re appointed director	√		
1(5)(xxiv) (b)	Expertise is specific functional areas of the appointed/ reappointed director	√		

## STATUS OF COMPLIANCE OF CORPORATE GOVERNANCE

Condition No.	Title	Compliance status		Remarks (if any)
		Complied	Not Complied	
1(5)(xxiv)(c)	Names of companies in which the person also holds the directorship and the membership of committees of the board	√		
1(5)(xxv)	Management's Discussion and Analysis signed by CEO			
1(5)(xxv)(a)	Estimation for preparation of financial statements;	√		
1(5)(xxv)(b)	Changes in accounting policies and estimation if any clearly describing the effect on financial performance or results and financial position as well as cash flows in absolute figure for such changes.	√		
1(5)(xxv)(c)	Comparative analysis of financial performance or results and financial position as well as cash flows for current financial year with immediate preceding five years explaining reasons thereof	√		
1(5)(xxv)(d)	Financial performance or results and financial position as well as cash flows with the peer industry scenario;	√		
1(5)(xxv)(e)	Briefly explain the financial and economic scenario of the country and the globe;	√		
1(5)(xxv)(f)	Risk and concerns mitigation plan of the company	√		
1(5)(xxv)(g)	Future plan or projection or forecast for company's operation, performance and financial position, with justification thereof, i.e. actual position shall be explained to the shareholders in the next AGM	√		
1(5)(xxvi)	Declaration or certification by the CEO and the CFO to the Board as required under condition No. 3(3) shall be disclosed as Annexure-A;	√		
1(5)(xxvii)	The report as well as certificate regarding compliance of conditions of this Code as required under condition No. 9 shall be disclosed as per Annexure-B and Annexure-C	√		
1.6	Meetings of the Board of Directors			
1(6)	Bangladesh Secretarial Standards (BSS) as adopted by the Institute of Chartered Secretaries of Bangladesh (ICSB) in so far as those standards are not inconsistent with any condition of this Code.	√		
	Code of Conduct for the Chairperson, other Board members and Chief Executive Officer			
1(7)(a)	Remuneration Committee (NRC) at condition No. 6, for the Chairperson of the Board, other board members and Chief Executive Officer of the Company;	√		
1(7)(b)	Confidentiality conflict of interest compliance with laws, rules and regulations; prohibition of insider trading; relationship with environment, employees, customers and suppliers and independency	√		
2.00	Governance of Board of Directors of Subsidiary Company			
2(a)	The Board of the holding company shall be made applicable to the composition of the Board of the subsidiary company	√		
2(b)	At least 1 (one) independent director on the Board of the holding company shall be a director on the Board of the subsidiary company	√		
2(c)	The minutes of the Board meeting of the subsidiary company shall be placed for review at the following Board meeting of the holding company	√		

## STATUS OF COMPLIANCE OF CORPORATE GOVERNANCE

Condition No.	Title	Compliance status		Remarks (if any)
		Complied	Not Complied	
2(d)	The minutes of the respective Board meeting of the holding company shall state that they have reviewed the affairs of the subsidiary company also;	√		
2(e)	The Audit Committee of the holding company shall also review the financial statements, in particular the investments made by the subsidiary company	√		
3.00	Managing Director (MD) or Chief Executive Officer (CEO), Chief Financial Officer (CFO), Head of Internal Audit and Compliance (HIAC) and Company Secretary (CS)			
3.1	Appointment			
3(1)(a)	The Board of Directors appointed a Chief Executive Officer (CEO), a Company Secretary (CS), a Chief Financial Officer (CFO) and a Head of Internal Audit and Compliance (HIAC)	√		
3(1)(b)	Chief Executive Officer (CEO), Company Secretary (CS), Chief Financial Officer (CFO) and a Head of Internal Audit and Compliance (HIAC) shall be filled by different individuals;	√		
3(1)(c)	The MD or CEO, CS, CFO and HIAC of a listed company shall not hold any executive position in any other company at the same time;	√		
3(1)(d)	The Board shall clearly define respective roles, responsibilities and duties of the CFO, the HIAC and the CS;	√		
3(1)(e)	The MD or CEO, CS, CFO and HIAC shall not be removed from their position without approval of the Board as well as immediate dissemination to the Commission and stock exchange(s).			No such situation occurred
3.2	Requirement to attend Board of Directors' Meeting			
3(2)	The CS, CFO and/or the HIAC shall attend such part of a meeting of the Board which involves consideration of an agenda item relating to their personal matters.	√		
3.3	Duties of Managing Director (MD) or Chief Executive Officer or CEO and CFO Chief Financial Officer (CFO)			
3(3)(a)(i)	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	√		
3(3)(a)(ii)	Financial statements together present a true and fair view the Company's affairs and are in compliance existing accounting standards and applicable laws	√		
3(3)(b)	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.	√		
3(3)(c)	The certification of the MD or CEO and CFO shall be disclosed in the Annual Report	√		
4.	Board of Directors' Committee : For ensuring good governance in the company, the Board shall have at least following sub-committees :			
4(i)	Audit Committee	√		
4(ii)	Nomination and Remuneration Committee	√		
5.	Audit Committee			
5.1	Responsibility to the Board of Directors			

## STATUS OF COMPLIANCE OF CORPORATE GOVERNANCE

Condition No.	Title	Compliance status		Remarks (if any)
		Complied	Not Complied	
5(1)(a)	The Company has an Audit Committee as a subcommittee of the Board of Directors	√		
5(1)(b)	The Audit Committee assist 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;	√		
5(1)(c)	The Audit Committee is responsible to the Board; the duties of the Audit Committee clearly set forth in writing	√		
5.2	Constitution of the Audit Committee			
5(2)(a)	The Audit Committee shall be composed of at least 3(three) members;	√		
5(2)(b)	The Board of Directors appointed members of the Audit Committee who shall be non-executive directors of the company excepting Chairperson of the Board and shall include at least 1(one) independent director	√		
5(2)(c)	All members of the audit committee are "financially literate" and 1(one) member have accounting or related financial management background and 10(ten) years of such experience	√		
5(2)(d)	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	√		
5(2)(e)	The Company Secretary shall act as the secretary of the Committee	√		
5(2)(f)	The quorum of the Audit Committee meeting shall not constitute without at least 1 (one) independent director	√		
5.3	Chairperson of the Audit Committee			
5(3)(a)	Independent Director is the Chairman of the Audit Committee	√		
5(3)(b)	In the absence of the Chairperson of the Audit Committee, the remaining members may elect one of themselves as Chairperson for that particular meeting, in that case there shall be no problem of constituting a quorum as required under condition No.5(4)(b) and the reason of absence of the regular Chairperson shall be duly recorded in the minutes.			No such situation occurred
5(3)(c)	Chairman of the Audit Committee shall remain present in the Annual General Meeting (AGM)	√		
5.4	Meeting of the Audit Committee			
5(4)(a)	The Audit Committee shall conduct at least its four meetings in financial year	√		
5(4)(b)	The quorum of the meeting of the Audit Committee shall be constituted in presence of either two members or two-third of the members of the Audit Committee, whichever is higher, where presence of an independent director is a must.	√		
5(5)	Role of Audit Committee			
5(5)(a)	Audit Committee oversees the financial reporting process	√		
5(5)(b)	Audit Committee monitor choice of accounting policies and principles	√		

## STATUS OF COMPLIANCE OF CORPORATE GOVERNANCE

Condition No.	Title	Compliance status		Remarks (if any)
		Complied	Not Complied	
5(5)(c)	Audit Committee monitor Internal Audit and Compliance Plan and review of the Internal Audit and Compliance Report	√		
5(5)(d)	Audit Committee oversee hiring and performance of external auditors	√		
5(5)(e)	Audit Committee hold meeting with the external or statutory auditors for review of the annual financial statements before submission to the Board for approval or adoption	√		
5(5)(f)	Audit Committee review along with the management, the annual financial statements before submission to the board for approval	√		
5(5)(g)	Audit Committee review the quarterly and half yearly financial statements before submission to the board for approval	√		
5(5)(h)	Audit Committee review the adequacy of internal audit function	√		
5(5)(i)	Audit Committee review Management's Discussion and Analysis before disclosing in the Annual Report	√		
5(5)(j)	Audit Committee review statements of significant related party transactions submitted by the management	√		
5(5)(k)	Audit Committee review Management Letters/Letter of Internal Control weakness issued by statutory auditors.	√		
5(5)(l)	Review the Management's Discussion and Analysis before disclosing in the Annual Report.	√		
5(5)(m)	Money is raised through IPO. RPO/Rights Issue the company shall disclose to the Audit Committee about the uses/ applications of funds.			Not applicable
5.6	Reporting of the Audit Committee			
5(6) (a)	Reporting to the Board of Directors			
5(6)(a)(i)	The Audit Committee shall report on its activities to the Board of Directors	√		
5(6)(a)(ii) (a)	The Audit Committee shall immediately report on conflict of interest.			No conflict of interest
5(6)(a)(ii) (b)	Suspected or presumed fraud or irregularity or material defect in the internal control system.			No such situation occurred
5(6)(a)(ii) (c)	Suspected infringement of laws, including securities related laws, rules and regulations.			No such case raised
5(6)(a)(ii) (d)	Any other matter which shall be disclosed to the Board of Directors immediately			No such situation occurred
5(6)(b)	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 finds that such rectification has been unreasonably ignored; the Audit Committee shall report such finding to the Commission.			No such situation occurred
5(7)	Report on activities carried out by the Audit Committee, under condition 5.6.(a)(ii) above during the year, shall be signed by the Chairman of the Audit Committee	√		
6.	Nomination and Remuneration Committee (NRC)			
6(1)(a)	The Company shall have a Nomination and Remuneration Committee (NRC) as a sub-committee of the Board;	√		

## STATUS OF COMPLIANCE OF CORPORATE GOVERNANCE

Condition No.	Title	Compliance status		Remarks (if any)
		Complied	Not Complied	
6(1)(b)	The NRC shall assist the Board in formulation of the nomination criteria or policy for determining qualifications, positive attributes, experiences and independence of directors and top level executive as well as a policy for formal process of considering remuneration of directors, top level executive;	√		
6(1)(c)	The Terms of Reference (ToR) of the NRC shall be clearly set forth in writing covering the areas stated at the condition No.6(5)(b).	√		
6(2)	Constitution of the NRC			
6(2)(a)	The Committee shall comprise of at least three members including an independent director;	√		
6(2)(b)	All members of the Committee shall be non-executive directors;	√		
6(2)(c)	Members of the Committee shall be nominated and appointed by the Board;	√		
6(2)(d)	The Board shall have authority to remove and appoint any member of the Committee;	√		
6(2)(e)	In cash of death, resignation, disqualification, or removal of any member of the Committee or in any other cases of vacancies, the board shall fill the vacancy within 180 (one hundred eighty) days of occurring such vancy in the Committee;			No such situation occurred
6(2)(f)	The Chairperson of the Committee may appoint or co-opt any external expert and/or member(s) of staff to the Committee as advisor who shall be nonvoting member, if the Chairperson feels that advice or suggestion from such external expert and/or member(s) of staff shall be required or valuable for the Committee;			No such expert appointed
6(2)(g)	The company secretary shall act as the secretary of the Committee;	√		
6(2)(h)	The quorum of the NRC meeting shall not constitute without attendance of at least an independent director;	√		
6(2)(i)	No member of the NRC shall receive either directly or indirectly, any remuneration for any advisory or consultancy role or otherwise, other than Director's fees or honorarium from the company.	√		
6.3	Chairman of the NRC			
6(3)(a)	The Board shall select 1(one) member of the NRC to be Chairperson of the Committee, who shall be an independent director.	√		
6(3)(b)	In the absence of the Chairperson of the NRC, the remaining members may elect one of themselves as Chairperson for that particular meeting, the reason of absence of the regular Chairperson shall be duly recorded in the minutes;			No such situation occurred
6(3)(c)	The Chairperson of the NRC shall attend the annual general meeting (AGM) to answer the queries of the shareholders; In absence of Chairperson of the NRC, any other member from the NRC shall be selected to be present in the AGM for answering the shareholder's queries and reason for absence of the Chairperson of the NRC shall be recorded in the mnutes of the AGM			No such situation occurred

## STATUS OF COMPLIANCE OF CORPORATE GOVERNANCE

Condition No.	Title	Compliance status		Remarks (if any)
		Complied	Not Complied	
6.4	Meeting of the NRC			
6(4)(a)	The NRC shall conduct at least one meeting in a financial year;	√		
6(4)(b)	The Chairperson of the NRC may convene any emergency meeting upon request by any member of the NRC.			No such situation occurred
6(4)(c)	The quorum of the meeting of the NRC shall be constituted in presence of either two members or two third of the members of the Committee, whichever is higher, where presence of an independent director is must as required under condition No.6(2)(h)	√		
6(4)(d)	The proceedings of each meeting of the NRC shall duly be recorded in the minutes and such minutes shall be confirmed in the next meeting of the NRC.	√		
6.5	Role of the NRC			
6(5)(a)	NRC shall be independent and responsible or accountable to the Board and to the shareholders;	√		
6.5(b)	NRC shall oversee, among others, the following matters and make report with recommendation to the Board:	√		
6.5(b)(i)	Formulating the criteria for determining qualifications, positive attributes and independence of a director and recommend a policy to the Board, relating to the remuneration of the directors, top level executive, considering the following:	√		
6(5)(b)(i)(a)	The level and composition of remuneration is reasonable and sufficient to attract, retain and motivate suitable directors to run the company successfully;	√		
6(5)(b)(i)(b)	The relationship of remuneration of performance is clear and meets appropriate performance benchmarks;	√		
6(5)(b)(i)(c)	Remuneration to directors, top level executive involves a balance between fixed and incentive pay reflecting short and long-term performance objectives appropriate to the working of the company and its goals;	√		
6(5)(b)(ii)	Devising a policy on Board's diversity taking into consideration age, gender, experience, ethnicity educational background and nationality;			Under Process
6(5)(b)(iii)	Identifying persons who are qualified to become directors and who may be appointed in top level executive position in accordance with the criteria laid down, and recommend their appointment and removal to the Board;			Under Process
6(5)(b)(iv)	Formulating the criteria for evaluation of performance in independent directors and the Board			Under Process
6(5)(b)(v)	Identifying the company's needs for employees at different levels and determine their selection, transfer or replacement and promotion criteria;			Under Process
6(5)(b)(vi)	Developing, recommending and reviewing annually the Company's human resources and training policies	√		
6(5)(c)	The company shall disclose the nomination and remuneration policy and the evaluation criteria and activities of NRC during the year at a glance in its annual report.	√		
7.	External or statutory Auditors			
7.1	The issuer company shall not engage its external or statutory auditors to perform the following services of the company namely :			

## STATUS OF COMPLIANCE OF CORPORATE GOVERNANCE

Condition No.	Title	Compliance status		Remarks (if any)
		Complied	Not Complied	
7(1)(i)	Appraisal or valuation services or fairness opinions;	√		
7(1)(ii)	Financial information systems design and implementation;	√		
7(1)(iii)	Book-keeping or other services related to the accounting records or financial statements;	√		
7(1)(iv)	Broker-dealer services;	√		
7(1)(v)	Actuarial services;	√		
7(1)(vi)	Internal audit services or special audit services;	√		
7(1)(vii)	Any services that the Audit Committee determines;	√		
7(1)(viii)	Audit or certification services on compliance of corporate governance as required under condition No.9(1);	√		
7(1)(ix)	Any other service that creates conflict of interest	√		
7(2)	No partner or employees of external audit firms shall possess any share of the company they audit at least during the tenure of their audit assignment of that company; his or her family members also shall not hold any shares in the said company; Provided that spouse, son, daughter, father, mother, brother, sister, son-in law and daughter-in-law shall be considered as family member.	√		
7(3)	Representative of external or statutory auditors shall remain present in the Shareholders' Meeting (AGM or EGM) to answer the queries of the shareholders	√		
8.	Maintaining a website by the Company			
8(1)	The Company shall have an official website linked with the website of the stock exchange	√		
8(2)	The Company shall keep the website functional from the date of listing	√		
8(3)	The Company shall make available the detailed disclosures on its website as required under the listing regulations of the concerned stock exchange(s)	√		
9.	Reporting and Compliance of Corporate Governance			
9(1)	The company shall obtain a certificate from a practicing Professional Accountant or Secretary (Chartered Accountant or Cost and Management Accountant or Chartered Secretary) other than its statutory auditors or audit firm on yearly basis regarding compliance of conditions of Corporate Governance Code of the Commission	√		
9(2)	The professional who will provide the certificate on compliance of this Corporate Governance Code shall be appointed by the shareholders in the annual general meeting.			To be complied upcoming AGM
9(3)	The directors of the company shall state, in accordance with the Annexure-C attached, in the directors' report whether the company has complied with these conditions or not.	√		

## SHARE HOLDING POSITION OF DIRECTORS & SPONSORS (AS ON 31ST DECEMBER 2019)

SI.N	Name	Designation	Number of shares held
1	Mr. Mohammed Musa	Chairman	941,911
2	Mr. Zoynal Abedin Chowdhury	Vice-Chairman	1,050,000
3	Mrs. Shahida Akhter	Director	942,000
4	Mrs. Rosy Rahman	Director	943,221
5	Alhaj Md. Masud Hossain	Director	1,177,052
6	Mr. Shabbir Ul Kabir	Director	1,154,991
7	Mrs. Nurun Nahar	Director	1,063,033
8	Mr. Md. Masud Karim	Director	949,545
9	Mr. Ifthehar Maleque	Director	943,144
10	Alhaj Md. Shahjahan	Director	942,103
11	Mr. Md. Nurul Islam	Director	943,035
12	Mr. Abu Mohammad	Director	941,880
13	Ms. Angee Chowdhury	Director	941,853
14	Mrs. Shahida Nazneen	Director	941,758
15	Mr. Mohammad A. Hafiz	Ind. Director	Nil
16	Mr. A.M Abid Chowdhury	Ind. Director	Nil
1	Mr. Golam Kibria	Sponsor	548,521
2	Alhaj Md. Nurun Newaz	Sponsor	1,298,417
3	Mr. Abul Kalam	Sponsor	1,961,761
4	Mr. AKM Azizur Rahman	Sponsor	10,000
5	Mr. Md. Tayabur Rahman	Sponsor	1,177,052
6	Haji M. A. Malek	Sponsor	19,150
7	Alhaj Md. Shafi	Sponsor	135,476
8	Alhaj Md. Abdul Maleque	Sponsor	242,967
9	Alhaj Md. Yousuf Chowdhury	Sponsor	498,298
10	Alhaj Md. Abu Taher Chowdhury	Sponsor	143,031
11	Mr. Showkat Alam	Sponsor	128,750
12	Mrs. Hosne Ara Begum	Sponsor	262,500
13	Mr. S. M. Shafiul Bari	Sponsor	894,192
14	Mr. Shah Alam Chowdhury	Sponsor	202,042
15	Mr. Nabab Siraj-Ud-Dowla	Sponsor	942,103

## SHAREHOLDING POSITION OF CORPORATE OFFICIALS (AS ON 31ST DECEMBER 2019)

Name of the Executives	Designation	Number of Share held
Mr. Md. Zahid Anwar Khan	MD / CEO	Nil
Mr. Md. Mizanur Rahman	DMD & CFO	Nil
Mr. Md. Jafar Ali FCS	Company Secretary	Nil
Mr. Md. Humayan Kabir Shimul	Head of Internal Audit	Nil
Spouses & minor childrens of executives		Nil

## SHAREHOLDING POSITION OF TOP EXECUTIVES (TOP FOUR SALARIED EMPLOYEES)

Name of the Executives	Designation	Number of Share held
Mr. S.M. Jahirul Alam	DMD & Head of Claims	Nil
Mr. Md. Mahfizur Rahman	EVP & Head of BCD	Nil
Mr. Md. Rezaul Islam	EVP & Head of IT	Nil
Mr. SM Hasan Akter	VP & Head of Estab.	Nil
Spouses & minor childrens of executives		Nil

## BOARD MEETING HELD IN THE YEAR 2019

Name of Meeting	Meeting Date	Director Present	Independent Director	Total Present
216th Board Meeting	17/01/2019	7	2	9
217th Board Meeting	14/03/2019	9	2	11
218th Board Meeting	29/04/2019	9	2	11
219th Board Meeting	14/05/2019	7	2	9
220th Board Meeting	29/06/2019	10	-	10
221st Board Meeting	27/07/2019	8	1	9
222nd Board Meeting	12/10/2019	9	1	10

## COMPANY'S PERFORMANCE

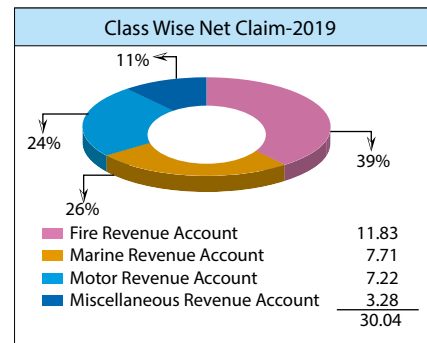
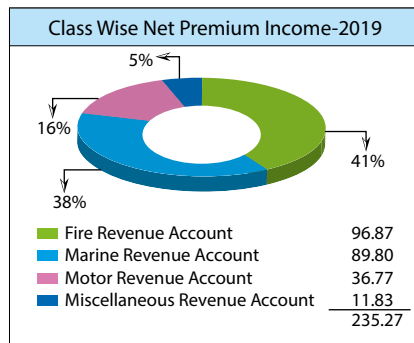
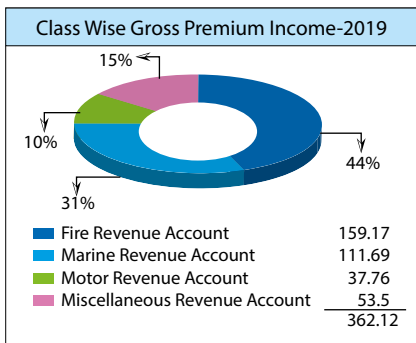
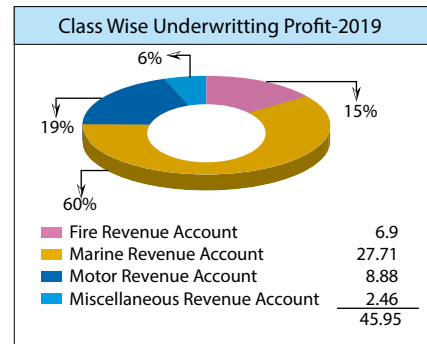
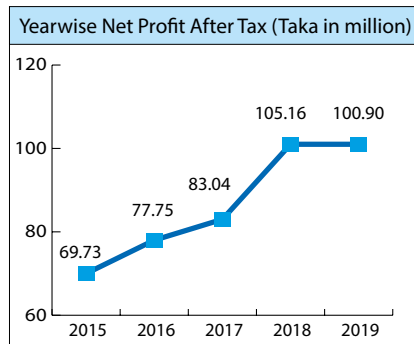
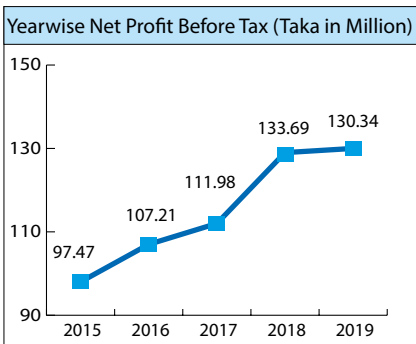
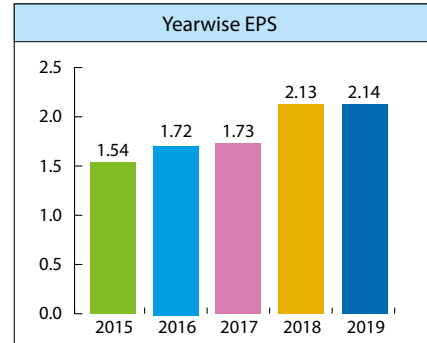
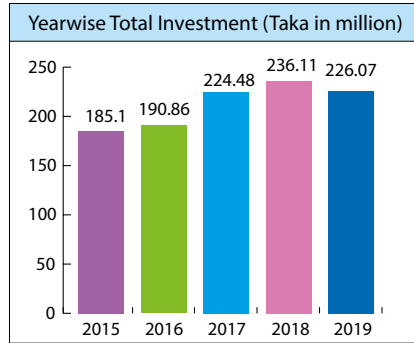
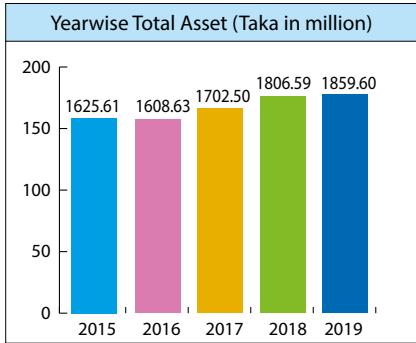
### 5 Years at a Glance

<b>Financial Performance</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>	<b>2019</b>
Gross Premium	308.52	343.17	346.96	350.83	362.12
Net Premium	221.19	241.86	243.2	243.4	235.27
Net Claim	36.84	29.51	31.95	39.65	30.05
Underwriting Profit	30.97	51.41	52.41	41.27	45.95
Investment & Other Income	75.11	64.71	68.87	104.47	99.08
Net Profit before Tax	97.47	107.21	111.98	133.69	130.34
Net Profit after Tax	69.73	77.75	83.04	105.16	100.90
<b>Share Capital and Reserve</b>					
Paid up Capital	448.41	448.41	470.83	470.83	470.83
Shareholders Equity	991.19	1023.6	1073.75	1,117.41	1,161.81
Total Reserves	440.64	464.82	489.14	525.98	564.51
<b>Assets</b>					
Investment	185.1	190.86	224.48	236.11	226.07
Cash, FDR and Bank balances	589.79	546.48	554.42	579.98	587.12
Land at Cost	402.82	409.49	411.59	412.18	459.88
Fixed Assets	22.27	19.83	19.18	26.14	29.76
Other Assets	425.63	441.97	492.83	552.18	556.77
Total Assets	1625.61	1608.63	1702.5	1806.59	1859.60
<b>Ratios</b>					
Dividend in Percent	10% Cash	7% Cash & 5% Bonus	12% Cash	12% Cash	7% Cash & 5% Bonus
Earning per Share (Weight average)	1.54	1.72	1.73	2.13	2.14
Book Value per Share	22.1	22.83	22.81	23.73	24.68



*Agenda Passes by the Shareholder at 31st AGM*

# GRAPHICAL TREND



## MANAGEMENT DISCUSSION AND ANALYSIS

Our Management has discussed about the company's position and operation along with brief discussion of changes in the financial statements, among others focusing accounting policies, financial performances, cash flows financial and economic scenario of the country, risk and concerns issues related to the financial statements, future plan or projection or forecast for company's operation with justification thereof, i.e, actual position shall be explained to the shareholder in the next AGM.

Now I am pleased to announce that the overall business performance of the Company for the year 2019 is satisfactory although market is highly competitive and facing economic challenges. All the financial indicators show our performances which are given below during 2019 compared to 2018.

*Taka in Million*

Particulars	2019	2018	Change
Gross Premium Income	362.12	350.83	3.22%
Net Premium Income	235.26	243.4	(3.34%)
Underwriting Profit	45.95	41.27	11.34%
Pre-tax Profit	130.34	133.69	(2.51%)
Net profit after tax	100.90	105.16	(4.05%)
Total Reserve Fund	564.51	525.98	7.33%
Total Assets	1859.60	1806.59	2.93%

### Improving our core competency

Our competitive advantage is derived from diversification of customer base, innovation of products and expanding geographical position. From this year we boldly stem into liability classes of business as a part of our introducing new products program to cater for the changing needs of today's and future SME (Short and Medium Enterprise) customers.

In our way to settle every valid claim in a shorter span to time, we attempt to improve our core competency in claims management because we want to reflect in our very dealing that insurers must be the ones who are in the business of indemnifying policyholders when misfortunes do strike.

### Managing operational risks

Our business is subject to operational risks such as direct and indirect loss resulting from human error, failure of internal and external system since we are involved in a large number of complex transactions with clients, brokers and reinsurers. Therefore; we pay due heed to the rest improvement practices and employ a range of risk mitigation strategies based on evaluation and monitoring on an ongoing basis.

### Responsibility in the nation-building activities

We also recognize our corporate social responsibility in the nation-building activities. In this connection we are also working for promoting the public awareness about the socio-economic role of insurance sector and thus for improving insurance performance in the country for sustainable development of the Insurance Industry.

With best regards,



**Md. Zahid Anwar Khan**  
Chief Executive Officer

## PHOTOGRAPH OF SHAREHOLDERS & MANAGEMENT TEAM



*A View of Honourable Shareholders confirming their registration before 31st AGM*



*A View of Honourable Shareholders confirming their registration before 31st AGM*



*A view of Honourable Shareholders on the Occasion of 31st AGM*

## PHOTOGRAPH OF SHAREHOLDER & MANAGEMENT TEAM



*Hon'ble Chairman, Board of Directors and Sponsors, CEO & CS are shown on the dias of 31st AGM*



*Hon'ble Chairman, CEO, CFO and others are observing pre-activities of 31st AGM*



*31st AGM Team (Committee Members who are performing 31st AGM)*

## VIEW OF STRATEGIC PLAN



## VIEW OF MANAGERS' CONFERENCE



## DIRECTORS' CERTIFICATE

As per Regulations contained in the First Schedule of the Insurance Act, 1938 as amended and as per Section 40-C of the said Act, we certify that:

1. The value of investments as shown in the Balance Sheet has been taken at cost.
2. 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, 2019 and in our belief, the said assets have been set forth in the Balance Sheet at amounts not exceeding their realizable or market values under the Several headings as enumerated in the annexed form.
3. 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.



(Md. Zahid Anwar Khan)  
Chief Executive Officer



(A.M. Abid Chowdhury)  
Director



(Zoynal Abedin Chowdhury)  
Vice Chairman



(Mohammed Musa)  
Chairman



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## Independent Auditor's Report

To

The Shareholders of Central Insurance Company Limited

Report on the Audit of the Financial Statements

### Opinion

We have audited the accompanying Financial Statements of Central Insurance Company Limited, which comprise the Statement of Financial Position as at December 31, 2019, and the Statement of Profit or Loss and other Comprehensive Income, Profit and Loss Appropriation Account, Consolidated Insurance Revenue Account, Fire Insurance Revenue Account, Marine & Marine Hull Insurance Revenue Account, Motor Insurance Revenue Account, Miscellaneous Insurance Revenue Account, Statement of Changes in Shareholder's Equity, Statement of Cash Flows for the year then ended, Form "AA" as at December 31, 2019 and a summary of significant accounting policies and other explanatory information disclosed in Note 1- 42.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the company as at December 31, 2019, its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs), the Companies Act 1994, the insurance Act 2010, the Insurance rules 1958, the Securities and Exchange Rules 1987 and other applicable laws and regulations.

### Basis for Opinion

We conduct our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the company in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code), Bangladesh Securities and Exchange Commission (BSEC) and Bangladesh Bank, and we have fulfilled our other ethical responsibilities in accordance with the IESBA Code and the Institute of Chartered Accountants of Bangladesh (ICAB) Bye Laws. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our unqualified opinion.

### Matter of Emphasis

We draw attention to the following matters, though our opinion is unqualified in respect of the same:

- As per IAS-24, every entity should disclose every related party transaction. However, the company did not disclose every related party transaction.

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Branch Office: 281/3, Jafrabad (Sankor), Ground Floor, West Dhanmondi, Dhaka-1207. Tel: 9124642. e-mail: aamahmudco@gmail.com



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Chartered accountants  
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- As disclosed in note 8.01 the company has calculated deferred tax during the reporting period. However, computation needs to be complied with all aspects as per IAS-12;
- As per BSEC Rules every listed company should establish a gratuity fund. However, we did not observe such establishment of Gratuity Fund. Which is a non-compliance of said Rules. Anyway, we observed that provision has been made for gratuity fund;
- As disclosed in note 7 and 12 regarding amount payable and receivable were carry forwarded since long ago, management needs to take proper action to settle the balance immediately;
- We refer to the Note 15 and 16 reads with Schedule A, where the company reported Property, Plant and Office Equipment. Except Land, Building and Motor Vehicle we are unable to verify the whereabouts of other items as mentioned in said Notes and Schedule due to absence of appropriate Fixed Asset management system;
- The company revalued Land and Building in 2009. As per para-34 of IAS 16 “Property, Plant and Equipment” the frequency of revaluation should not exceed three or five years. As of report date the company did not arrange revaluation of Land and Building.

We conduct our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditor’s Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the company in accordance with the International Ethics Standards Board for Accountants’ Code of Ethics for Professional Accountants (IESBA Code), Bangladesh Securities and Exchange Commission (BSEC) and Bangladesh Bank, and we have fulfilled our other ethical responsibilities in accordance with the IESBA Code and the Institute of Chartered Accountants of Bangladesh (ICAB) Bye Laws. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our unqualified opinion.

### Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements for the current period and include the most significant assessed risks of material misstatement (whether or not due to fraud) that we identified. These matters were addressed in the context of our audit of the consolidated and separate financial statement as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

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Risk	Our response to the risk
<p><b>Premium Income:</b></p> <p>Gross general insurance premiums comprise the total premiums received for the whole period of cover provided by contracts entered into during the accounting period.</p> <p>Given the important nature, connections to other items to the financial statements and sensitivity of the item we believe this area present high level of audit risk.</p>	<p>With respect to Premium income in respect of various types of insurance we carried out the following procedures:</p> <ul style="list-style-type: none"> <li>• Carried out analytical procedures and recalculated premium income for the period.</li> <li>• The design and operating effectiveness of key controls around premium income recognition process.</li> <li>• Carried out cut-off testing to ensure unearned premium income has not been included in the premium income.</li> <li>• On a sample basis reviewed policy to ensure appropriate policy stamp was affixed to the contract and the same has been reflected in the premium register.</li> <li>• Ensured on a sample basis that the premium income was being deposited in the designated bank account.</li> <li>• Tested on a sample basis to see that appropriate VAT was being collected and deposited to bank through Treasury Challan.</li> <li>• For a sample of insurance contracts tested to see if appropriate level of reinsurance was done and whether that reinsurance premium was deducted from the gross premium.</li> <li>• Applying specialist judgment ensured if there is any impairment of the reinsurer.</li> <li>• Finally assessed the appropriateness and presentation of disclosures against relevant accounting standards, Insurance Act 1938 (as amended in 2010), Insurance Rules, 1958 and other applicable rules and regulations and regulatory guidelines.</li> </ul>
<p><b>Fair value reserve on Investment of marketable securities:</b></p> <p>The company makes a number of investments in the listed securities in stock exchange. Income generated from the investments (realized gain and dividend received) is credited to the Profit or Loss Account.</p> <p>This item has significant impact on net asset value of the company and equity balances might be prone to misreporting as large unreported fall in the value of any holding may wipe out the value of the portfolio and hamper the distribution capability of the company.</p>	<p>We tested the design and operating effectiveness of key controls around monitoring, valuation and updating of prices of the positions held by the company from trusted sources. Additionally, we performed the following:</p> <ul style="list-style-type: none"> <li>• Obtained year-end share holding positions from the company and through directional testing assessed the completeness of the report.</li> <li>• Ascertained the valuation of the holding as per IFRS 13.</li> <li>• Reviewed the assumptions used for the valuation models for any unquoted securities.</li> <li>• Recalculated unrealized gain or loss at the year end.</li> <li>• Carried out cut-off testing to ensure unrealized gain or loss was recognized in correct period.</li> <li>• Obtained the CICL report and share portfolio and cross checked against each other to confirm unrealized gain or loss.</li> <li>• Check the subsequent positioning of this unrealized amount after the year end.</li> <li>• Finally assessed the appropriateness and presentation of disclosures against relevant accounting standards, Insurance Act 1938 (as amended in 2010), Insurance Rules, 1958 and other applicable rules and regulations and regulatory guidelines.</li> </ul>

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কাজী জহির খান এন্ড কোং  
KAZI ZAHIR KHAN & CO.  
Chartered accountants  
In practice Since 1980

<p>Estimated liability in respect of outstanding claims whether due or intimated and claim payment:</p> <p>This account represents the claim due or intimated, and related balance of recoverable from reinsurer, from the insured and involves significant management judgment and risk of understatement. In extreme scenario this item may have going concern implications for the company.</p>	<p>We tested the design and operating effectiveness of controls around the due and intimated claim recording process.</p> <p>We additionally carried out the following substantive testing's around this item</p> <ul style="list-style-type: none"> <li>• Obtained the claim register and tested for completeness of claims recorded in the register on a sample basis.</li> <li>• Obtained a sample of claimed policy copy and crosscheck it with claim.</li> <li>• Obtained a sample of survey reports cross checked those against respective ledger balances and in case of discrepancy carried out further investigation.</li> <li>• Obtained and discussed with management about their basis for estimation and challenged their assumptions where appropriate.</li> <li>• Reviewed the claim committee meeting minutes about decision about impending claims.</li> <li>• Tested a sample of claims payments with intimation letter, survey report, bank statement, claim payment register and general ledger.</li> <li>• Finally assessed the appropriateness and presentation of disclosures against relevant accounting standards, Insurance Act 1938 (as amended in 2010), Insurance Rules, 1958 and other applicable rules and regulations and regulatory guidelines.</li> </ul>
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#### Other Matter

As per Sec-232, Labor Act 2006 and as amended, if a company comply certain conditions as per said section of the Act then the company should establish a worker's profit participation fund (WPPF). CICL is eligible for establishing a WPPF as per said Act. However, they did not establish WPPF which is a non-compliance of the said Act.

#### We have nothing to report on going concern

We are required to report if we have concluded that the use of the going concern basis of accounting is inappropriate or there is an undisclosed material uncertainty that may cast significant doubt over the use of that basis for a period of at least twelve months from the date of the financial statements. We have nothing to report in these respects.

#### Other information

Management is responsible for the other information. The other information companies all of the information in the annual report other than the financial statements and our auditor's report thereon. The directors are responsible for the other information.

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

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

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

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

Management is responsible for the preparation and fair presentation of the financial statements in accordance with IFRSs, the Companies Act 1994, the Insurance Act 2010, the Insurance Rules 1958, the Securities and Exchange Rules 1987 and other applicable laws and regulations and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

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

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

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

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

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

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

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

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


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

In accordance with the Companies Act 1994, the Insurance Act 2010, the Insurance Rules 1958, the Securities and Exchange Rules 1987 and relevant notifications issues by Bangladesh Securities and Exchange Commission, 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 purpose of our audit and made due verification thereof;
- In our opinion, proper books of accounts, records and other statutory books as required by law have been kept by the Company so far as it appeared from our examinations of those books;
- The expenditure was incurred for the purpose of the Company's business;
- The Company management has followed relevant provisions of laws and rules in managing the affairs of the Company and proper books of accounts, records and other statutory books have been properly maintained and (where applicable) proper returns adequate for the purposes of our audit have been received from branches not visited by us;
- As per section 63(2) of the Insurance Act 2010, in our opinion to the best of our knowledge and belief an according to the information and explanation given to us, all expenses of management wherever incurred and whether incurred directly or indirectly, in respect of insurance business of the company transacted in Bangladesh during the year under report have been duly debited to the related Revenue Accounts and the Statement of Comprehensive Income of the Company;
- We report that to the best of our information and as shown by its books, the company during the year under report has not paid any person any commission in any form, outside Bangladesh in respect of any its business re-insured abroad; and
- The Statement of Financial Position, Statement of Comprehensive Income, Profit and Loss Appropriation Account, related Revenue Accounts, Statement of Changes in Equity and Statement of Cash Flows of the Company together with the annexed notes dealt with by the report are in agreement with the books of account and returns.

Dated: Dhaka  
June 30, 2020



  
**Nurul Hossain Khan FCA**  
Membership No.-240  
Kazi Zahir Khan & Co.  
Chartered Accountants

Head Office: Shamsunnahar & Wazi Complex 8th Floor, Suite-B, 31/C/1, Topkhana Road, SegunBagicha, Dhaka-1000.

Tel: 57160824, 57160821, Fax: +880-2-57160821 e-mail: kzkc\_bd@yahoo.com

Branch Office: 281/3, Jafrabad (Sankor), Ground Floor, West Dhanmondi, Dhaka-1207. Tel: 9124642. e-mail: aamahmudco@gmail.com

## Central Insurance Company Limited

### STATEMENT OF FINANCIAL POSITION AS

CAPITAL & LIABILITIES	NOTES	Taka 2019	Taka 2018
<b>SHARE CAPITAL</b>			
<b>AUTHORISED</b>	2.00	1,000,000,000	1,000,000,000
100,000,000 Ordinary shares of Tk.10 each			
<b>ISSUED, SUBSCRIBED AND PAID UP</b>		470,829,000	470,829,000
47,082,900 Ordinary shares of Tk.10 each			
<b>SHARE PREMIUM</b>		56,167,900	56,167,900
11,233,580 Ordinary shares of Tk.5 each			
<b>RESERVE OR CONTINGENCY ACCOUNT</b>	3.00	634,815,715	590,416,268
Reserve for exceptional losses		286,810,356	263,283,496
General Reserve		29,000,000	29,000,000
Investment Equalization Fund		19,600,000	14,600,000
Dividend Equalization Fund		22,500,000	12,500,000
Revaluation Reserve		206,599,638	206,599,638
Profit & Loss Appropriation Account		70,305,721	64,433,134
<b>BALANCE OF FUND &amp; ACCOUNT</b>	4.00	96,563,582	98,378,162
Fire Insurance Business Account		39,047,641	40,638,951
Marine Insurance Business Account		37,874,984	38,066,010
Motor Insurance Business Account		14,907,122	15,745,840
Misc. Insurance Business Account		4,733,835	3,927,361
<b>DEPOSIT PREMIUM</b>	5.00	21,792,362	23,482,156
<b>LIABILITIES &amp; PROVISIONS</b>		97,396,411	95,372,217
Estimated liability in respect of outstanding-claims whether due or intimated	6.00	34,831,160	33,562,287
Amount due to other persons or bodies-carrying on insurance business	7.00	62,565,251	61,809,930
<b>SUNDRY CREDITORS</b>	8.00	471,032,245	428,951,763
(Including provision for expenses & taxes)			
<b>OTHER LIABILITIES ( Bank Overdraft)</b>	9.00	11,004,631	42,993,984
<b>Total Taka :</b>		<b>1,859,601,846</b>	<b>1,806,591,450</b>

The annexure notes form an integral part of these Financial Statements.

Date: 30 June, 2020

  
(Md. Zahid Anwar Khan)  
Chief Executive Officer

  
(A.M. Abid Chowdhury)  
Director

## Central Insurance Company Limited


AT DECEMBER 31, 2019

PROPERTY & ASSETS	NOTES	Taka 2019	Taka 2018
<b>INVESTMENT (At cost)</b>	10.00	226,068,714	236,112,201
<b>OUTSTANDING PREMIUM</b>		-	-
<b>INTEREST, DIVIDEND &amp; RENT OUTSTANDING</b>	11.00	25,595,435	23,894,488
Accrued Interest			
<b>AMOUNT DUE FROM OTHER PERSONS OR BODIES CARRYING ON INSURANCE BUSINESS</b>	12.00	189,734,497	176,776,831
<b>SUNDRY DEBTORS</b>	13.00	340,287,722	350,045,894
<b>CASH AND CASH EQUIVALENTS</b>	14.00	587,124,322	579,981,599
Fixed Deposit Accounts		573,925,000	544,825,000
Current and STD Accounts		13,091,538	33,148,633
Cash in hand		107,784	2,007,966
<b>FIXED ASSETS</b>		489,643,567	438,319,557
Property, Building & Land Development	15.00	459,884,581	412,184,443
Plant, Office Equipments & Other Fixed Assets	16.00	29,758,986	26,135,114
<b>OTHER ASSETS</b>		1,147,589	1,460,880
Stock of Stationery	17.00	589,560	593,953
Security Deposit	18.00	162,175	162,175
Insurance Stamps in hand	19.00	395,854	704,752
<b>Total Taka :</b>		<b>1,859,601,846</b>	<b>1,806,591,450</b>

Signed in terms of our separate report of even date

  
**(Zoynal Abedin Chowdhury)**  
 Vice Chairman

  
**(Mohammed Musa)**  
 Chairman

  
**Kazi Zahir Khan & Co.**  
 Chartered Accountants



## Central Insurance Company Limited

### STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR

	Taka 2019	Taka 2018
<b>Expenses of Management</b>		
(Not Applicable to any particular Fund or Account)	14,689,608	17,054,704
Advertisement & Publicity	477,362	385,404
Directors Fee	569,200	290,500
Audit Fee	162,500	143,750
Legal, Professional and Retainers Fee	395,334	738,582
Contribution and Subscription	1,261,204	1,148,124
Fees, Registration & Renewal	526,609	647,968
Group Insurance Premium	478,482	483,857
Financial Cost	2,854,768	4,229,007
Gratuity	1,874,198	5,000,000
Deferred tax expenses/income	(2,427,556)	-
Depreciation	8,517,507	3,987,512
<b>Profit/Loss for the year transferred to Profit &amp; Loss Appropriation Account</b>	<b>130,340,190</b>	<b>128,691,579</b>
<b>Total Taka :</b>	<b>145,029,798</b>	<b>145,746,283</b>

### PROFIT AND LOSS APPROPRIATION ACCOUNT FOR

	Taka 2019	Taka 2018
Reserve for Exceptional Losses	23,526,860	24,339,871
Provision for Taxation	29,441,264	28,532,097
Dividend Equalization Fund	10,000,000	12,500,000
Investment Equalization Fund	5,000,000	-
Dividend Paid- for 2018 and 2017	56,499,479	56,499,479
Balance transferred to Balance Sheet	70,305,721	64,433,134
<b>Total Taka :</b>	<b>194,773,324</b>	<b>186,304,581</b>
<b>Earnings Per Share (EPS) (Note # 22.00)</b>	<b>2.14</b>	<b>2.13</b>

The annexure notes form an integral part of these Financial Statements.

Date: 30 June, 2020

  
(Md. Zahid Anwar Khan)  
Chief Executive Officer

  
(A.M. Abid Chowdhury)  
Director

## Central Insurance Company Limited

THE YEAR ENDED DECEMBER 31, 2019

	Taka 2019	Taka 2018
<b>INTEREST, DIVIDEND AND RENTS</b>		
(Not Applicable to any particular Fund or Account)		
Interest Received and Accrued	42,012,448	43,593,538
Income from Properties	29,833,694	23,726,743
Dividend Income	4,648,980	6,908,447
Capital Gain/(Loss) on Sale of Share	21,249,023	30,245,088
Revenue Gain on Sale of Car	1,331,513	-
PROFIT OR (LOSS) TRANSFERRED FROM	45,954,140	41,272,467
Fire Revenue Account	6,903,729	1,992,699
Marine Revenue Account	27,713,202	20,496,349
Motor Revenue Account	8,877,468	13,329,090
Miscellaneous Revenue Account	2,459,741	5,454,329
<b>Total Taka :</b>	<b>145,029,798</b>	<b>145,746,283</b>

THE YEAR ENDED DECEMBER 31, 2019

	Taka 2019	Taka 2018
Balance brought forward from last year	64,433,134	57,613,002
Net Profit for the year (Transferred from Profit and Loss Account)	130,340,190	128,691,579
<b>Total Taka :</b>	<b>194,773,324</b>	<b>186,304,581</b>

Signed in terms of our separate report of even date

  
**(Zoynal Abedin Chowdhury)**  
Vice Chairman

  
**(Mohammed Musa)**  
Chairman

  
**Kazi Zahir Khan & Co.**  
Chartered Accountants



## Central Insurance Company Limited

### CONSOLIDATED BUSINESS REVENUE ACCOUNT FOR

	TAKA 2019	TAKA 2018
<b>CLAIMS UNDER POLICIES LESS RE-INSURANCE</b>	30,045,056	39,648,861
Paid during the year	28,776,183	38,667,368
Total estimated liability in respect of outstanding claim at the end of the year whether due or intimated	34,831,160	33,562,287
	63,607,343	72,229,655
Less: Outstanding at the beginning of the year	33,562,287	32,580,794
 <b>Agency Commission</b>	 43,039,640	 45,211,038
 <b>Expenses of Management</b>	 141,202,687	 138,308,275
 <b>BALANCE OF ACCOUNT AT THE END OF THE YEAR as shown in the Balance Sheet :</b>		
Reserve for unexpired risks being 100% for Marine Hull & 40% for other insurance on net premium income	96,563,582	98,378,162
 <b>Profit/(Loss) Transferred To Profit &amp; Loss Account</b>	 45,954,140	 41,272,467
<b>Total Taka :</b>	<b>356,805,105</b>	<b>362,818,803</b>

The annexure notes form an integral part of these Financial Statements.

Date: 30 June, 2020

  
(Md. Zahid Anwar Khan)  
Chief Executive Officer

  
(A.M. Abid Chowdhury)  
Director

## Central Insurance Company Limited


THE YEAR ENDED DECEMBER 31, 2019

	TAKA 2019	TAKA 2018
Balance of Account at the beginning of the year	98,378,162	97,682,447
Premium Less Re- Insurance (Notes-20.00)	235,268,597	243,398,707
Commission on Re- Insurance ceded	23,158,346	21,737,649
<b>Total Taka :</b>	<b>356,805,105</b>	<b>362,818,803</b>

Signed in terms of our separate report of even date

  
**(Zoynal Abedin Chowdhury)**  
 Vice Chairman

  
**(Mohammed Musa)**  
 Chairman

  
**Kazi Zahir Khan & Co.**  
 Chartered Accountants



## Central Insurance Company Limited

### FIRE INSURANCE REVENUE ACCOUNT FOR

	TAKA 2019	TAKA 2018
<b>CLAIMS UNDER POLICIES LESS RE- INSURANCE</b>	11,830,272	27,804,842
Paid during the year	11,751,917	24,200,690
Total estimated liability in respect of outstanding claims- at the end of the year whether due or intimated	22,139,516	22,061,161
	33,891,433	46,261,851
Less: Outstanding at the end of the previous year	22,061,161	18,457,009
 <b>Agency Commission</b>	 22,317,888	 21,548,429
 <b>Expenses of Management</b>	 71,054,083	 64,685,211
 <b>BALANCE OF ACCOUNT AT THE END OF THE YEAR</b>		
Reserve for unexpired risks @ 40 % of premium income of the year	39,047,641	40,638,951
<b>Profit /(Loss) transferred to Profit &amp; Loss Account</b>	6,903,729	1,992,699
<b>Total Taka</b>	<b>151,153,613</b>	<b>156,670,132</b>

The annexure notes form an integral part of these Financial Statements.

Date: 30 June, 2020

  
(Md. Zahid Anwar Khan)  
Chief Executive Officer

  
(A.M. Abid Chowdhury)  
Director

## Central Insurance Company Limited

THE YEAR ENDED DECEMBER 31, 2019

	TAKA 2019	TAKA 2018
Balance of Account at the beginning of the year	40,638,951	43,114,622
Premium Less Re- Insurance	96,869,103	101,597,378
Commission on Re- Insurances ceded	13,645,559	11,958,132
<b>Total Taka</b>	<b>151,153,613</b>	<b>156,670,132</b>

Signed in terms of our separate report of even date

  
**(Zoyanal Abedin Chowdhury)**  
 Vice Chairman

  
**(Mohammed Musa)**  
 Chairman

  
**Kazi Zahir Khan & Co.**  
 Chartered Accountants



## Central Insurance Company Limited

### MARINE INSURANCE REVENUE ACCOUNT FOR

	TAKA 2019	TAKA 2018
<b>CLAIMS UNDER POLICIES LESS RE- INSURANCE</b>	<b>7,714,520</b>	<b>8,422,271</b>
Paid during the year	6,492,880	9,825,103
Total estimated liability in respect of outstanding claim- at the end of the year whether due or intimated	10,612,427	9,390,787
	17,105,307	19,215,890
Less: Outstanding at the end of the previous year	9,390,787	10,793,619
<b>Agency Commission</b>	<b>13,585,796</b>	<b>16,294,669</b>
<b>Expenses of Management</b>	<b>44,372,339</b>	<b>49,769,125</b>
<b>BALANCE OF ACCOUNT AT THE END OF THE YEAR</b>		
Reserve for unexpired risks @ 40 % of Marine Cargo- and @ 100 % of Marine Hull premium income of the year	37,874,984	38,066,010
<b>Porfit/(Loss) transferred to Profit &amp; Loss Account</b>	<b>27,713,202</b>	<b>20,496,349</b>
<b>Total Taka</b>	<b>131,260,841</b>	<b>133,048,424</b>

The annexure notes form an integral part of these Financial Statements.

Date: 30 June, 2020

  
**(Md. Zahid Anwar Khan)**  
 Chief Executive Officer

  
**(A.M. Abid Chowdhury)**  
 Director

## Central Insurance Company Limited


THE YEAR ENDED DECEMBER 31, 2019

	TAKA 2019	TAKA 2018
Balance of Account at the beginning of the year	38,066,010	34,278,756
Premium Less Re- Insurance	89,297,100	92,618,325
Commission on Re- Insurance ceded	3,897,731	6,151,343
<b>Total Taka</b>	<b>131,260,841</b>	<b>133,048,424</b>

Signed in terms of our separate report of even date

  
**(Zoyanal Abedin Chowdhury)**  
 Vice Chairman

  
**(Mohammed Musa)**  
 Chairman

  
**Kazi Zahir Khan & Co.**  
 Chartered Accountants



## Central Insurance Company Limited

### MOTOR INSURANCE REVENUE ACCOUNT FOR

	TAKA 2019	TAKA 2018
<b>CLAIMS UNDER POLICIES LESS RE- INSURANCE</b>	7,221,014	3,219,877
Paid during the year	7,252,136	4,439,704
Total estimated liability in respect of outstanding claim- at the end of the year whether due or intimated	1,994,500	2,025,622
	9,246,636	6,465,326
Less: Outstanding at the beginning of the year	2,025,622	3,245,449
 <b>Agency Commission</b>	 5,254,383	 5,674,761
 <b>Expenses of Management</b>	 16,753,659	 17,080,874
 <b>BALANCE OF ACCOUNT AT THE END OF THE YEAR</b>		
Reserve for unexpired risks @ 40 % of premium income of the year	14,907,122	15,745,840
Profit/(Loss) transferred to Profit & Loss Account	8,877,468	13,329,090
<b>Total Taka</b>	<b>53,013,646</b>	<b>55,050,442</b>

The annexure notes form an integral part of these Financial Statements.

Date: 30 June, 2020

  
(Md. Zahid Anwar Khan)  
Chief Executive Officer

  
(A.M. Abid Chowdhury)  
Director

## Central Insurance Company Limited

THE YEAR ENDED DECEMBER 31, 2019

	TAKA 2019	TAKA 2018
Balance of Account at the beginning of the year	15,745,840	15,585,841
Premium Less Re- Insurance	37,267,806	39,364,601
Commission on Re- Insurance ceded	-	100,000
<b>Total Taka</b>	<b>53,013,646</b>	<b>55,050,442</b>

Signed in terms of our separate report of even date

  
**(Zoyanal Abedin Chowdhury)**  
 Vice Chairman

  
**(Mohammed Musa)**  
 Chairman

  
**Kazi Zahir Khan & Co.**  
 Chartered Accountants



## Central Insurance Company Limited

### MISCELLANEOUS INSURANCE REVENUE ACCOUNT FOR

	TAKA 2019	TAKA 2018
<b>CLAIMS UNDER POLICIES LESS RE- INSURANCE</b>	3,279,250	201,871
Paid during the year	3,279,250	201,871
Total estimated liability in respect of outstanding claim- at the end of the year whether due or intimated	84,717	84,717
	3,363,967	286,588
Less: Outstanding at the beginning of the year	84,717	84,717
 <b>Agency Commission</b>	 1,881,573	 1,693,179
 <b>Expenses of Management</b>	 9,022,606	 6,773,065
 <b>BALANCE OF ACCOUNT AT THE END OF THE YEAR</b>		
Reserve for unexpired risks @ 40 % of Net premium	4,733,835	3,927,361
Porfit/(Loss) transferred to Profit & Loss Account	2,459,741	5,454,329
<b>Total Taka:</b>	<b>21,377,005</b>	<b>18,049,805</b>

The annexure notes form an integral part of these Financial Statements.

Date: 30 June, 2020

  
(Md. Zahid Anwar Khan)  
Chief Executive Officer

  
(A.M. Abid Chowdhury)  
Director

## Central Insurance Company Limited


THE YEAR ENDED DECEMBER 31, 2019

	TAKA 2019	TAKA 2018
Balance of Account at the beginning of the year	3,927,361	4,703,228
Premium Less Re- Insurance	11,834,588	9,818,403
Commission on Re- Insurance ceded	5,615,056	3,528,174
<b>Total Taka:</b>	<b>21,377,005</b>	<b>18,049,805</b>

Signed in terms of our separate report of even date

  
**(Zoynal Abedin Chowdhury)**  
 Vice Chairman

  
**(Mohammed Musa)**  
 Chairman

  
**Kazi Zahir Khan & Co.**  
 Chartered Accountants



**Central Insurance Company Limited**  
STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY  
FOR THE YEAR ENDED DECEMBER 31, 2019

Particulars	Share Capital	Share Premium	Reserve for Exceptional Loss	General Reserve & Investment Equalization Fund	Revaluation Reserve	Dividend Equalization Fund	Retained Earnings	Total
Opening Balance as on 01-01-2019	470,829,000	56,167,900	263,283,496	43,600,000	206,599,638	12,500,000	64,433,134	1,117,413,168
Cash Dividend							(56,499,479)	(56,499,479)
Net Profit (after taxation and provision)							100,898,926	100,898,926
Reserve for Exceptional Losses			23,526,860				(23,526,860)	-
Investment Equalization Fund				5,000,000			(5,000,000)	-
Dividend Equalization Fund						10,000,000	(10,000,000)	-
<b>Closing Balance as on 31-12-2019</b>	<b>470,829,000</b>	<b>56,167,900</b>	<b>286,810,356</b>	<b>48,600,000</b>	<b>206,599,638</b>	<b>22,500,000</b>	<b>70,305,721</b>	<b>1,161,812,615</b>
Opening Balance as on 01-01-2018	470,829,000	56,167,900	238,943,625	43,600,000	206,599,638	-	57,613,002	1,073,753,165
Cash Dividend							(56,499,479)	(56,499,479)
Net Profit (after taxation and provision)							100,159,482	100,159,482
Reserve for Exceptional Losses			24,339,871				(24,339,871)	-
Dividend Equalization Fund						12,500,000	(12,500,000)	-
<b>Closing Balance as on 31-12-2018</b>	<b>470,829,000</b>	<b>56,167,900</b>	<b>263,283,496</b>	<b>43,600,000</b>	<b>206,599,638</b>	<b>12,500,000</b>	<b>64,433,134</b>	<b>1,117,413,168</b>

The annexure notes form an integral part of these Financial Statements.

Signed in terms of our separate report of even



**(Md. Zahid Anwar Khan)**  
Chief Executive Officer



**(A.M. Abid Chowdhury))**  
Director



**(Zoynal Abedin Chowdhury)**  
Vice Chairman



**(AMohammed Musa)**  
Chairman



**Kazi Zahir Khan & Co.**  
Chartered Accountants




## Central Insurance Company Limited

### STATEMENT OF CASH FLOW FOR THE YEAR ENDED DECEMBER 31, 2019

	2019 Taka	2018 Taka
<b>A. CASH FLOW FROM OPERATING ACTIVITIES</b>		
Collection from premium and other income	382,985,283	407,078,870
Income Tax paid	(18,409,707)	(19,322,602)
Payment for Management Exp. Re-Insurance & Claim	(267,117,648)	(279,818,922)
<b>Net cash flow from operating activities</b>	<b>97,457,928</b>	<b>107,937,346</b>
<b>B. CASH FLOW FROM INVESTING ACTIVITIES</b>		
Purchase of Fixed Assets (Addition)	(14,223,782)	(11,542,098)
Sale of Fixed Assets	1,515,000	-
Investment Enhancement	10,043,487	(11,630,368)
<b>Net cash flow from investing activities</b>	<b>(2,665,295)</b>	<b>(23,172,466)</b>
<b>C. CASH FLOW FROM FINANCING ACTIVITIES</b>		
Overdraft	(31,989,353)	(3,398,992)
Dividend Paid	(55,660,557)	(55,799,444)
<b>Net cash flow from Financing activities</b>	<b>(87,649,910)</b>	<b>(59,198,436)</b>
<b>D. Net inflows/(out flows) for the year (A+B+C)</b>	<b>7,142,723</b>	<b>25,566,444</b>
<b>E. Opening Cash and Bank balance</b>	<b>579,981,599</b>	<b>554,415,155</b>
<b>F. Closing Cash and Bank balances ( D + E)</b>	<b>587,124,322</b>	<b>579,981,599</b>
<b>Net operating cash flow per share (NOCFPS)</b>	<b>2.07</b>	<b>2.29</b>

The annexure notes form an integral part of these Financial Statements.

Signed in terms of our separate report of even date

  
(Md. Zahid Anwar Khan)  
Chief Executive Officer

  
(A.M. Abid Chowdhury)  
Director

  
(Zoynal Abedin Chowdhury)  
Vice Chairman

  
(Mohammed Musa)  
Chairman

  
Kazi Zahir Khan & Co.  
Chartered Accountants



## Form "AA"

## CLASSIFIED SUMMARY OF ASSETS AS ON DECEMBER 31, 2019

(IN TAKA)

PARTICULARS	BOOK VALUE AS PER BALANCE SHEET	MARKET VALUE	REMARKS
Bangladesh Government Treasury Bond (BGTB)	25,000,000	25,000,000	Not quoted in market Realisable value
Investment in Share	101,069,014	72,365,572	At Cost
Investment in CIC Investment Ltd.	99,999,700	99,999,700	Realisable value
In Fixed deposit with Bank	573,925,000	573,925,000	do
In STD A/C. with Banks	12,664,348	12,664,348	do
Cash in Hand	107,784	107,784	do
Accrued interest	25,595,435	25,595,435	do
At call on short notice	427,190	427,190	do
<b>OTHER ASSETS:</b>			
Amount due from other Persons or bodies carrying on insurance business	189,734,497	189,734,497	do
Sundry Debtors	340,287,722	340,287,722	do
Stock in Stationery	589,560	589,560	At cost
Security Deposit	162,175	162,175	do
Stamps in hand	395,854	395,854	do
Fixed Assets (at cost less depreciation)	489,643,567	489,643,567	Depreciated value (Except Land and Development Cost)
<b>Total</b>	<b>1,859,601,846</b>	<b>1,830,898,404</b>	

Certificate u/s 7 (a) of part of the first schedule to the Insurance Act, 1938. Certified that the value of all assets have been reviewed, that the said costs have been set forth in the balance sheet at amounts not exceeding their realizable or market value.

Notes form the integral part of these financial statements.

  
(Md. Zahid Anwar Khan)  
Chief Executive Officer

  
(A.M. Abid Chowdhury)  
Director

  
(Zoynal Abedin Chowdhury)  
Vice Chairman

  
(Mohammed Musa)  
Chairman

  
Kazi Zahir Khan & Co.  
Chartered Accountants



## Central Insurance Company Limited

### SCHEDULE OF PROPERTY PLANT & OFFICE EQUIPMENT AS ON DECEMBER 31, 2019

#### Schedule-A

Sl #	Particulars	Cost				Rate of Dep	Depreciation				Written Down value as on 12/31/19
		As on 1/1/2019	Addition during the year	Adjusted during the year	Total As on 12/31/19		As on 1/1/19	Charge during the year	Adjusted during the year	Total as on 12/31/19	
1	Furniture & Fixture	10,019,247	311,637		10,330,884	10%	277,501		7,771,437	2,559,447	
2	Office Decoration	28,258,117	2,285,477		30,543,594	10%	829,730		21,536,720	9,006,874	
3	Office Equipment	9,438,167			9,438,167	15%	95,283		8,898,232	539,935	
4	Electrical Equipment	3,900,910	465,805		4,366,715	15%	303,414		2,482,919	1,883,796	
5	Motor Vehicle	36,245,395	4,400,405	(2,710,000)	37,935,800	20%	2,664,394	(2,526,513)	26,688,315	11,247,485	
6	Telephone Installation	2,801,062	167,920		2,968,982	20%	41,567		2,688,716	280,266	
7	Air Cooler	5,743,611			5,743,611	15%	271,124		4,207,240	1,536,371	
8	Computer & Software	5,494,226	1,237,191		6,731,417	25%	580,465		4,084,294	2,647,123	
9	Sign Board	825,461	17,500		842,961	25%	15,098		785,272	57,689	
	<b>Sub total</b>	<b>102,726,196</b>	<b>8,885,935</b>	<b>(2,710,000)</b>	<b>108,902,131</b>		<b>5,078,576</b>	<b>(2,526,513)</b>	<b>79,143,145</b>	<b>29,758,986</b>	
10	Building	101,054,443	12,605,779		113,660,222	2.5%	2,534,907		2,534,907	111,125,315	
11	Floor Space	-	38,533,290		38,533,290	2.5%	904,024		904,024	37,629,266	
	<b>Sub total</b>	<b>101,054,443</b>	<b>51,139,069</b>	<b>-</b>	<b>152,193,512</b>		<b>3,438,931</b>	<b>-</b>	<b>3,438,931</b>	<b>148,754,581</b>	
12	<b>Land &amp; Land Development :</b>										
a.	7-8 Motijheel	267,930,000			267,930,000					267,930,000	
b.	Kawranbazar	43,200,000	-		43,200,000					43,200,000	
	Sub total	311,130,000	-	-	311,130,000		-	-	-	311,130,000	
	<b>Grand Total :</b>	<b>514,910,639</b>	<b>60,025,004</b>	<b>(2,710,000)</b>	<b>572,225,643</b>		<b>8,517,507</b>	<b>(2,526,513)</b>	<b>82,582,076</b>	<b>489,643,567</b>	



## Central Insurance Company Limited

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2019

### 1.00 BASIS OF PRESENTATION OF FINANCIAL STATEMENTS AND SIGNIFICANT ACCOUNTING POLICES:

#### A. NOTES GENERAL

##### A.01 Legal Form of the Company

The Central Insurance Co. Ltd. was incorporated as a Public Limited Company on 12th November, 1987 under the Companies Act, 1913 and obtained the certificate of commencement of business on 10th December, 1987. The company obtained the registration from the Chief Controller of Insurance, Government of Bangladesh on 30th November, 1987 concurrently. Being registered with the Insurance Development & Regulatory Authority (IDRA) under the Insurance Act, in 2010 the company has been providing non-life insurance services as per the Insurance Act, 2010 and the directives issued by the IDRA from time to time.

The Company was listed with Dhaka Stock Exchange Ltd and Chittagong Stock Exchange Ltd as a publicly traded company from the year 1995 with the authorised capital Tk 1,000,000,000 consisting of 100,000,000 shares of Tk. 10 each.

##### A.02 Address of Registered office and place of business of the company

The registered office of the company is located at Central Insurance Bhaban (3rd & 4th Floor), 7-8, Motijheel C/A, Dhaka-1000, Bangladesh. The business operations of the Company are being carried out through its 30 branches located in all over Bangladesh through which company's business operations are being carried out.

The Company has formed another subsidiary company viz; Central Insurance Investment Ltd. with a view to carrying out business activity of Merchant Bank, but the permission for operating business as Merchant Bank not yet obtained.

##### A.03 Principle activities of the company

The principle activity of the company is to carry on all kinds of non-life insurance business. There were no significant changes in the nature of the principle activities of the Company during the year 2019 under review.

##### A.04 Date of financial statements authorised for issue

Financial statements of the company for the year ended December 31, 2019 were authorised for issue on June 30, 2020 in accordance with a resolution of the Board of Directors of the company.

#### B Summary of significant accounting policies and other related policy information



**B.01 Basis of preparation of Financial Statements as per IAS-01**

The financial statements have been prepared on the basis of going concern concept under Generally Accepted Accounting Principles (GAAP) according to historical cost convention in Bangladesh in compliance with the Companies Act 1994, the Securities and Exchange Rules 1987, Listing Regulations of Dhaka Stock Exchange Ltd. & Chittagong Stock Exchange Ltd. Disclosure of financial information as required by Insurance Act 2010 have been compiled with while preparing statement of financial position, statement of profit or loss and other comprehensive income and revenue accounts for specific classes of insurance business in the form of set forth in the first, second and third schedule of the insurance Act and also in compliance with the Company Act 1994. These statements have also been prepared in accordance with applicable International Accounting Standards (IAS) and as were adopted in Bangladesh by the Institute of Chartered Accountants of Bangladesh (ICAB) under name & style International Accounting Standard (IAS) with reference to disclosures of accounting policies and valuation of investment both.

**B.02 Managements Responsibility**

The management is responsible for the preparation and fair presentation of the financial statements in accordance with International Financial Reporting Standards (IFRS), the Companies Act 1994, the Insurance Act 2010, the Insurance rules 1958, the Securities and Exchange Rules 1987 and other applicable laws and regulations for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatements, whether due to fraud or error.

**B.03 Director's Responsibility**

The Board of Directors is also responsible for the preparation and fair presentation of financial statements under section 183 of the Companies Act 1994, the Bangladesh Securities and Exchange Rules 1987, Listing Regulations of Dhaka Stock Exchange Ltd and Chittagong Stock Exchange Ltd .

**B.04 Basis of presentation**

The balance sheet has been prepared in accordance with regulations as contained in Part -I of the First Schedule and as per Form "A" as set forth in Part-II of that schedule. Revenue Account of each class of non-life insurance business has been prepared in accordance with the regulations as contained in Part -I of the Third Schedule as per Form 'F' as set forth in Part-II of that schedule of the Insurance Act, 1938, in absence of such Forms in the Insurance Act of 2010. The classified summary of the assets has also been prepared in accordance with form "AA" as set forth in Part-II of the aforesaid Act.

**C Method of preparation**

The financial statements have been prepared on mercantile method.

**C.01 Last year's figures rearranged and adjusted (IAS # 1)**

Previous year's figures have been rearranged wherever considered necessary to conform to the current year's presentation.

**C.02 Functional and presentational currency**

These financial statements has been prepared in Bangladesh Taka which is company's functional currency. All information presented in Taka has been rounded off to the nearest Taka (BDT).

**C.03 Reporting period**

Financial statements of the company consistently cover one year from 1 January 2019 to 31 December 2019.



**C.04 Going Concern Basis (IAS # 10)**

The Company has adequate resources to continue in the operation for the foreseeable future. For this reason, the Directors continue to adopt going concern basis in preparing the financial statements. The current credit facilities and adequate resources for providing sufficient funds to meet the present requirements of its existing business and operations.

**C.05 Branch accounting**

The company has 30 branches under its umbrella without having any overseas branch up to the year ended December 31, 2019. The accounts of the branches are maintained at the Head Office level. Only petty cash books are maintained at the branch level for meeting day to day cash expenses.

**C.06 Interim financial reporting (IAS # 34)**

In accordance with International Accounting Standard (IAS-34), interim financial reporting, publicly traded entities are encouraged to provide interim financial reports that confirm to the recognition, measurement and disclosure principles set out in this standard. Timely and reliable interim financial reporting improves the ability of investors, creditors and others to understand an entity's capacity to generate earnings and cash flows and its financial condition and liquidity. The company applies the same accounting policies in its interim financial statement as are applied in its annual financial statements.

**C.07 Segment reporting (IFRS # 10)**

A business segment is a distinguishable component of the company that is engaged in providing services that are subject to risks and returns and are different from those of other business segments. The company accounts for segment reporting of operating result of each segment. The company has four primary business segments for reporting purposes namely Fire, Marine, Motor and Miscellaneous.

**C.08 Comparative information (IAS # 8)**

Comparative information has been disclosed in respect of the previous year for all numerical information in the financial statements including narrative and descriptive information when it is relevant for understanding of the current year financial statements. Previous year figure's have been restated and rearranged wherever necessary, to confirm to current year presentation as per IAS-8 "Accounting Policies, Changes in Accounting Estimate and Errors".

**D. SIGNIFICANT ACCOUNTING POLICIES****D.01 INVESTMENT:**

- i. Investment is stated at cost of acquisition.
- ii. Income on Investment, Other than shares are accounted for on accrual basis.
- iii. Dividend income on Investment in shares is accounted for in the year of receipt of such dividend.
- iv. Gain on sale of shares is accounted for on actual realization basis.

**D.02 Property, Plant & Equipments (IAS # 16)**

All fixed assets are stated at cost less accumulated depreciation as per IAS-16 "Property, Plant & Equipments". The cost of acquisition of an asset comprises of purchase price and directly attributable cost of bringing the asset to its working condition for its intended use inclusive of inward freight, duties and non-refundable taxes.



Property, Plant and Equipment are depreciated following the reducing balance method on the basis of economic life expectancy of the assets in accordance with IAS-16. Depreciation on addition of fixed assets has been charged when it is available for use.

Land and land development stated at revalued price during the year [Note 16.00] and no depreciation has been charged on the value of land and land development. The property, plant & equipments are depreciated at the following rates :

Items	Rate %	Items	Rate %
a) Furniture and fixtures	10%	g) Sign Board	25%
b) Office Equipment	15%	h) Electrical Equipments	15%
c) Office Decoration	10%	i) Computer & Software	25%
d) Air Cooler	15%	j) Building	2.5%
e) Motor Vehicles	20%	k) Floor Space	2.5%
f) Telephone Installation	20%		

#### D.03 De-recognition

An item of property, plant and equipment is de-recognised upon disposal or when no future economic benefits are expected from its use. Any gain or loss arising on de-recognition of the asset is included in the statement of profit or loss and other comprehensive income in the year the asset is de-recognised.

#### D.04 Impairment of assets (IAS # 36)

All assets of the company shown in financial statement that are within the scope of IAS-36, are in physical existence and valued on more than their recoverable amount following international accounting standards adopted by ICAB, disclosures with regards to "Impairment of Assets" as per IAS-36 have not been considered necessary.

#### D.05 PROVISION FOR INCOME TAXES (IAS # 12)

The Company has made the income tax provision on the basis of IAS-12 "Income Taxes", Income Tax Ordinance, 1984 as amended from time to time and Finance Act 2019.

#### D.06 CLASSIFIED SUMMARY OF ASSETS:

The value of all assets as shown in the balance sheet and in the annexed classified summary of assets drawn up in accordance with Form "AA" of part II of the First Schedule of the Insurance Act 1938, have been reviewed and the balances are in agreement with the balance sheet amount and Form "AA" amount.

#### D.07 EMPLOYEE'S BENEFIT PLAN:

Company has introduced gratuity benefit for its permanent employees as per board decision those who have been working since 1st April, 2006 are entitled to get this benefit and company contributes @ 10% of basic salary of the employee to contributory provident fund which is wholly administered by a Board of Trustees. The gratuity fund has not yet been recognised by the NBR.

#### D.08 EARNING PER SHARE (EPS) (IAS # 33)

The company calculates Earning Per Share (EPS) in accordance with the International Accounting Standards - IAS-33

"Earning Per share" as adopted by the Institute of Chartered Accountants of Bangladesh (ICAB).



**D.09 General Reserve Fund**

The company has been maintaining a general reserve fund from the current year profit to meet future contingencies.

**D.10 RESERVE FOR EXCEPTIONAL LOSSES:**

As per Para 6 of 4th Schedule of Income Tax Ordinance, 1984 to meet the exceptional losses, the company sets aside maximum 10% of the net premium income of the year in which it is set aside from the balance of the profit to Reserve for exceptional losses. As per Insurance Act 1938 as amended 2010, maximum 10% statutory reserve be maintained out of profit by the company to meet any possible future claims on net premium income during the year. In the year under review, the Company sets aside 10% of net premium.

**D.11 REVENUE RECOGNITION (IFRS#15)**

Gross underwriting business and Re-insurance thereof as well as claim settled have been recorded separately for each class of business and the net underwriting results thereof have been reflected in the revenue accounts after due consideration of re-insurance ceded, agency commission and expenses of management recognized as well as transfer of reserve of unexpired risk.

Dividend income on investment in shares are recognised when the company is entitled to get dividend from the investee and shown in the statement of profit or loss and other comprehensive income. For stock dividend, the number of related shares of investee increases effecting decrease in average cost of investment .

Interest on FDR is recognized on accrual basis after making provision for income tax deductible at source. Interest on STD account, cash dividend on investment in share and other income are recognised on cash basis.

**D.12 UNDERWRITING PREMIUM INCOME**

Premium income is recognised on when insurance policies are issued and premium collected. The sum of premium income as appeared in classified revenue accounts is net of the refund made, re-insurance ceded and premium on Public Sector Business (PSB).

**D.13 PUBLIC SECTOR BUSINESS (PSB)**

As per government decision effective from April 1990, 100% public sector insurance business is being underwritten by Sadharan Bima Corporation (SBC), 50% premium being retained by SBC and the remaining balance is equally distributed among private sector insurance companies. 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 from Sadharan Bima Corporation is received. The statements of accounts for the period from January 1, 2018 to December 31, 2018 have been received from SBC and the company's share of PSB for the aforesaid has been recognised in this financial statements accordingly. Such method of account for the Public Sector insurance Business (PSB) has been consistently followed.

**D.14 Re-insurance ceded and accepted with Sadharan Bima Corporation**

Necessary adjustment in respect of re-insurance ceded and accepted in Bangladesh has duly been made in respective revenue account as per treaty between the company and Sadharan Bima Corporation (SBC).



**D.15 COVER NOTES CONVERTED INTO POLICY (CCP)**

Amounts received against issue of cover note that have not been converted into policy are not recognised as income. The cover notes which were previously issued are converted into insurance policy at the expiry of the date of issue of such cover notes as per circular of the then chief controller of insurance.

**D.16 INVESTMENT INCOME**

a) Interest on FDR's and Bangladesh Government Treasury Bond (BGTB) are recognised on accrual basis interest on STD/SND/PLS account and other income are recognised as and when amount credited to our account.

**D.17 CASH & CASH EQUIVALENTS**

Cash comprises of cash in hand and demand deposit and cash equivalents are short term, high liquid investments that are readily convertible to know amount of cash and which are subject to an insignificant risk of changes in value, IAS-1 "Presentation of Financial Statements" also provides that cash equivalents are those which have no restriction in use considering the provision of IAS-7 and IAS-1, cash in hand and bank balance have been considered as cash and cash equivalents.

**D.18 DEFERRED TAXES :(IAS# 12)**

Deferred tax is recognised on differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit and are accounted for using the balance sheet liability method. Deferred tax assets are generally recognised for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which such differences can be utilised. Deferred tax liabilities are generally recognized for all taxable temporary differences. Accordingly tax liability is created and provided in the profit & loss appropriation account. Deferred tax calculation are shown in note no. 8.01.

**D.19 CASH FLOW STATEMENT: (IAS #7)**

Cash flow statement is prepared in accordance with IAS-7 "Statement of Cash Flows" and the cash flow from operating activities has been presented under direct method as prescribed by the Securities and Exchanges Rules - 1987. Cash flow statement is broken down into operating activities, investing activities and financing activities.

**D.20 BORROWING COSTS (IAS #23)**

Interest on borrowing of fund from bank against secured overdrafts is recognized as financial expenses according to IAS 23. "Borrowing Costs". Interest represented amount paid & accrued up to the end of the reporting year.

**2.00 SHARE CAPITAL :**

Authorized shares capital Tk. 1,000,000,000

100,000,000 Ordinary Shares of Tk. 10 each.

Issued, Subscribed & Paid-up Capital : Tk.470,829,000

47,082,900 ordinary shares of Tk.10 each



The Category wise shareholding position as on 31 December, 2019 are noted below :

Category of Shareholders	No. of Shares	% of Holdings	Amount Tk.
1. Sponsors & Directors (Group -A)	19,591,345	41.61	195,913,450
2. ICB & Institutions (Group -B)	4,175,442	8.87	41,754,420
3. General Public (Group-B)	23,316,113	49.52	233,161,130
<b>Total</b>	<b>47,082,900</b>	<b>100.00</b>	<b>470,829,000</b>

Classification of Shareholders according to holding of shares :

**i) Group -A**

Class Interval	No. of Shares	No. of Shareholders	Total Holding%	% of Total Paid Up-Capital
Less than 5000 Shares	2,689	1	0.01	0.01
5001-10,000	-	-	0	0
10,001-50,000	19,150	1	0.10	0.04
50,001-100,000	-	-	0.00	0
100,001-200,000	407,257	3	2.08	0.86
200,001-500,000	1,205,807	4	6.15	2.56
500,001-1,000,000	10,372,553	11	52.95	22.03
1,000,001-2,000,000	7,583,889	6	38.71	16.11
<b>Total of (A)</b>	<b>19,591,345</b>	<b>26</b>	<b>100.00</b>	<b>41.61</b>

**ii) Group -B**

Class Interval	No. of Shares	No. of Shareholders	Total Holding%	% of Total Paid Up-Capital
Less than 5000 Shares	5,762,879	2,835	20.96	12.24
5001-10,000	853,126	111	3.10	1.81
10,001-50,000	2,970,876	140	10.81	6.31
50,001-100,000	1,264,236	19	4.60	2.68
100,001-200,000	1,656,837	11	6.03	3.52
200,001-500,000	6,714,861	22	24.42	14.26
500,001-1,000,000	5,766,659	7	20.98	12.25
1,000,001-2,000,000	2,502,081	2	9.10	5.32
2,000,001-3,000,000	-	-	0.00	0.00
3,000,001-10,000,000	-	1	0.00	0.00
<b>Total of (B)</b>	<b>27,491,555</b>	<b>3,148</b>	<b>100.00</b>	<b>58.39</b>
<b>Grand Total (A +B)</b>	<b>47,082,900</b>	<b>3,174</b>		<b>100.00</b>

This shares are listed with both DSE and CSE.



	<b>2019</b>		<b>2018</b>
<b>3.00 RESERVE OR CONTINGENCY ACCOUNT:</b>	<b>Tk. 634,815,715</b>	<b>Tk.</b>	<b>590,416,268</b>

This has been made up as under:

<b>A. Reserve or contingency account :</b>			
Balance as on January 01, 2019	525,983,134		489,143,263
Add: Reserve for Exceptional Loss for the year	23,526,860		24,339,871
Add: Investment Equalization Fund	5,000,000		-
Add: Dividend Equalization Fund	10,000,000		12,500,000
<b>Sub Total</b>	<b>564,509,994</b>		<b>525,983,134</b>
<b>B. Profit &amp; Loss Appropriation Account :</b>			
Undistributed Profit up to financial statement Date	70,305,721		64,433,134
<b>Grand Total</b>	<b>634,815,715</b>		<b>590,416,268</b>

<b>4.00 BALANCE OF FUND &amp; ACCOUNT:</b>	<b>Tk. 96,563,582</b>	<b>Tk.</b>	<b>98,378,162</b>
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This has been made up as under:

Fire Revenue Account	39,047,641		40,638,951
Marine Revenue Account	37,874,984		38,066,010
Motor Revenue Account	14,907,122		15,745,840
Miscellaneous Revenue Account	4,733,835		3,927,361
<b>Total Taka</b>	<b>96,563,582</b>		<b>98,378,162</b>

<b>5.00 DEPOSIT PREMIUM :</b>	<b>Tk. 21,792,362</b>	<b>Tk.</b>	<b>23,482,156</b>
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The above balance represents the premium, stamp duty and VAT received against cover-notes for which policies have not yet been issued.

<b>6.00 ESTIMATED LIABILITY IN RESPECT OF OUTSTANDING CLAIMS AT THE END OF THE PERIOD WHETHER DUE OR INTIMATED :</b>	<b>Tk. 34,831,160</b>	<b>Tk.</b>	<b>33,562,287</b>
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The break up of the above is as under:

<b>Fire Insurance</b>	<b>22,139,516</b>		<b>22,061,161</b>
<b>Marine Insurance</b>	<b>10,612,427</b>		<b>9,390,787</b>
<b>Motor Insurance</b>	<b>1,994,500</b>		<b>2,025,622</b>
<b>Miscellaneous Insurance</b>	<b>84,717</b>		<b>84,717</b>
<b>Total Taka</b>	<b>34,831,160</b>		<b>33,562,287</b>

<b>7.00 AMOUNT DUE TO OTHER PERSONS OR BODIES CARRYING ON INSURANCE BUSINESS :</b>	<b>Tk. 62,565,251</b>	<b>Tk.</b>	<b>61,809,930</b>
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The break up of the above is as follows:

Sadharan Bima Corporation	61,013,174		60,257,853
Other Insurance Companies of Bangladesh	1,552,077		1,552,077
<b>Total Taka :</b>	<b>62,565,251</b>		<b>61,809,930</b>



**8.00 SUNDRY CREDITORS :** **Tk. 471,032,246** **Tk. 428,951,763**

This has been made up as under

Provision for Income Tax	308,434,871	278,993,607
Bills Payable	12,822,590	970,016
Security Deposit (Open Cover)	250,000	250,000
Advance Rent Receive	29,966,838	27,386,563
Provision for Audit Fee	130,000	130,000
Income Tax Deduction at source	433,785	1,380,692
VAT deducted at source	240,530	137,328
Dividend Payable	4,781,068	3,942,146
Deferred Tax (Note no.8.01)	(740,997)	1,686,559
Provision for Bonus	3,500,000	5,067,998
Excess Deposit Premium	38,569	33,569
Premium Payable on Co-Ins. Share	2,547,005	656,198
Advance Received Against sale of car	350,000	-
Loan from Central Insurance Investment Ltd.	99,245,000	99,245,000
Loan from Islami Finance and Investment Ltd.	1,200,000	1,302,875
Security Deposit (Contractor)	930,000	990,000
Provision for Provident Fund	454,217	442,507
Provision for Deduction Ag. PF Loan	212,119	155,280
Provision for Gruatuity	6,236,651	6,181,425
<b>Total Taka</b>	<b>471,032,245</b>	<b>428,951,763</b>

**8.01 DEFERRED TAX :** **(740,997)** **Tk. 1,686,559**

Written down value of Fixed Assets as per financial statement	148,754,581	-
Written down value of Fixed Assets as per tax basis	150,730,571	-
Deductible temporary difference	<b>(1,975,990)</b>	-
Applicable tax rate	37.50%	
<b>Total Taka</b>	<b>(740,997)</b>	<b>1,686,559</b>

**9.00 BANK OVERDRAFT :** **Tk. 11,004,631** **Tk. 42,993,984**

The above mentioned overdrawn facility was allowed by the bank as mentioned below against lien of Fixed Deposit of the Company.

Social Islami Bank Ltd., Principal Br., A/c # 42221	-	3,088,441
Social Islami Bank Ltd., Principal Br., A/c # 42243	-	2,524,535
Social Islami Bank Ltd., Principal Br., A/c # 42232	-	8,350,376
Mercantile Bank Ltd. Nayabazar Br. A/c # 219143	11,004,631	29,030,632
<b>Total Taka:</b>	<b>11,004,631</b>	<b>42,993,984</b>



**10.00 INVESTMENT: Tk. 226,068,714 Tk. 236,112,201**

This is made up as follows.

Bangladesh Government Treasury Bond (BGTB)	25,000,000	25,000,000
Investment in Share	101,069,014	111,112,501
Investment in CIC Investment Ltd.	99,999,700	99,999,700
<b>Total Taka:</b>	<b>226,068,714</b>	<b>236,112,201</b>

Value of share has been shown at cost price which was inflated by Tk. 28,703,442 as per market price as on 31.12.2019 and are shown in annexure-1. Moreover unquoted shares also shown at cost price. Considering the instability in stock market the company has made a cumulative provision amounting taka 19,600,000 for unrealized loss on the investment in share.

**11.00 INTEREST, DIVIDEND & RENT OUTSTANDING: Tk. 25,595,435 Tk. 23,894,488**

The amount represents interest receivable on Bangladesh Government Treasury Bond (BGTB) and Fixed Deposit Receipts (FDR) as on the date of financial statement.

Fixed Deposit Receipt (FDR)	24,739,819	23,038,872
Bangladesh Government Treasury Bond (BGTB)	855,616	855,616
<b>Total Taka:</b>	<b>25,595,435</b>	<b>23,894,488</b>

**12.00 AMOUNT DUE FROM OTHER PERSONS OR BODIES CARRYING ON INSURANCE BUSINESS: Tk. 189,734,497 Tk. 176,776,831**

The break up of the above is as follows:

Sadharan Bima Corporation	186,220,773	173,263,107
Other Insurance Companies of Bangladesh	3,513,724	3,513,724
<b>Total Taka:</b>	<b>189,734,497</b>	<b>176,776,831</b>

**13.00 SUNDRY DEBTORS : Tk. 340,287,722 Tk. 350,045,894**

The break up of the above is as follows:

Advance Against Salary	611,027	441,236
Advance Against Floor Purchases	-	32,320,647
Advance Against Office Rent	908,172	740,708
Advance Income Tax	264,730,408	247,626,803
Advance & Security Deposit	45,000	45,000
Deposit Clearing	-	8,517,544
Advance Against Printing	612,500	612,500
Advance Against Car on HP	4,196,023	4,477,401
Advance Against Motor Cycle on HP	345,045	494,037
Advance Income Tax Against House Rent	9,021,975	7,715,873
Advance Against CIC Investment	2,726,066	2,720,316
Bills Receivable	1,848,085	1,204,748
Bank Guarantee	11,643,572	10,479,307
Agent Balance	43,599,849	32,649,774
<b>Total Taka:</b>	<b>340,287,722</b>	<b>350,045,894</b>

The above debts are considered good for realization / adjustment.



**14.00 CASH AND CASH EQUIVALENTS :** **587,124,322** **Tk.** **579,981,599**

The break up of the above is as follows :

<b>A) Cash at Bank</b>		
Short Term Deposit	12,664,348	32,961,672
Current Deposit	427,190	186,961
Fixed Deposit	573,925,000	544,825,000
	<b>587,016,538</b>	<b>577,973,633</b>
<b>B) Cash in hand</b>	107,784	2,007,966
<b>Total Taka:</b>	<b>587,124,322</b>	<b>579,981,599</b>

**15.00 PROPERTY, BUILDING & LAND DEVELOPMENT :** **TK. 459,884,581** **Tk.** **412,184,443**

The above value represents the revalued price of Land and Land Development at the financial statement date. They has employed an independent valued viz. A. Wahab & Co., Chartered Accountant during the year 2009 and the value arrived as under:

Land at Kawran Bazar Area	43,200,000	43,200,000
Land and building at 7-8 Motijheel	267,930,000	268,172,500
Building	111,125,315	100,811,943
Floor Space	37,629,266	-
<b>Total Taka:</b>	<b>459,884,581</b>	<b>412,184,443</b>

**16.00 PLANT, OFFICE EQUIPMENTS & OTHER FIXED ASSETS :** **TK. 29,758,986** **Tk.** **26,135,144**

The above balance represents written down value of the Plant, Office Equipments & Other Fixed Assets as financial statement date, Details of the fixed assets are shown in Schedule A.

**17.00 STOCK OF STATIONERY :** **Tk. 589,560** **Tk.** **593,953**

The stock of stationery was valued at cost price or net realizable value whichever is lower.

**18.00 SECURITY DEPOSIT :** **Tk. 162,175** **Tk.** **162,175**

This represents the security money deposited against Bangladesh Telephone & Telegraph Board (BTTB), Bangladesh Power Development Board (BPDB) and Dhaka Electric Supply Authority (DESA).

**19.00 INSURANCE STAMP IN HAND :** **Tk. 395,854** **Tk.** **704,752**

This represents unused insurance stamp in hand at the end of the period and was valued at cost price.

**20.00 PREMIUM LESS RE-INSURANCE :** **Tk. 235,268,597** **Tk.** **243,398,707**

This represents net premium from Direct Business and Government Business.

Class of Business	Gross Premium	Re-Insurance Accepted	Re-Insurance Ceded	2019	2018
				Net Premium	Net Premium
Fire	159,168,760	-	62,299,657	96,869,103	101,597,378
Marine	111,691,255	-	21,894,155	89,797,100	92,618,325
Motor	37,759,524	-	991,718	36,767,806	39,364,601
Misc.	53,503,212	-	41,668,624	11,834,588	9,818,403
<b>Total Tk.</b>	<b>362,122,751</b>	<b>-</b>	<b>126,854,154</b>	<b>235,268,597</b>	<b>243,398,707</b>



**21.00 NET ASSETS VALUE (NAV) :**

The Computation of NAV is given below:

a) Total Assets	1,859,601,846	1,806,591,450
b) Current Liabilities	697,789,231	689,178,282
<b>c) Net Assets Value ( a -b )</b>	<b>1,161,812,615</b>	<b>1,117,413,168</b>
d) Ordinary shares at 1st January	47,082,900	47,082,900
<b>e) Net Assets Value (NAV) Per Share ( c / d )</b>	<b>24.68</b>	<b>23.73</b>

**22.00 EARNING PER SHARES-BASIS:**

The Computation of EPS is given below:

a) Earnings attributable to ordinary share holders (Net profit after taxation and provision)	100,898,926	100,159,482
b) Ordinary shares at 1st January	47,082,900	47,082,900
<b>c) Earnings per share (EPS) (a/b)</b>	<b>2.14</b>	<b>2.13</b>

**23.00 POST EVENT OF FINANCIAL STATEMENT :**

The Board of Director of Central Insurance Company Ltd. in its 224th meeting held on June 30, 2020 has recommended stock dividend 5% and cash dividend @ 7% for the year 2019, out of the surplus available for the year 2019 subject to approval of shareholders in the ensuing 32nd Annual General Meeting.

**24.00 CLAIMS AGAINST COMPANY NOT ACKNOWLEDGED AS DEBT:**

here was no claim against Company, which is not acknowledged as debt other than normal course of business.

**25.00 CONTINGENT LIABILITIES:**

There was no contingent liabilities other than normal course of business.

**26.00 CREDIT FACILITIES**

There was no credit facility available to the Company under any contract and availed of as on December 31, 2019 other than trade available in the ordinary course of business.

**27.00 MISC. EXPENSES**

No single transaction under this head of accounts Miscellaneous exceeded Tk. 5,000.

**28.00 CAPITAL EXPENDITURE COMMITMENT :**

There was no capital expenditure commitment as at 31st December 2019.



**29.00 Attendance Status of Board Meeting of Directors :**

A. During the year from 01.01.2019 to 31.12.2019 there were 7 (Seven) Board Meetings were held. The attendance status of board meetings is as follows:

Name of Directors	Position	No. of Meeting Held	Attended
Mr. Mohammed Musa	Chairman	7	7
Mr. Zoynal Abedin Chowdhury	Vice-Chairman	7	3
Mrs. Shahida Akhter	Director	7	6
Mrs. Rosy Rahman	Director	7	5
Alhaj Md. Masud Hossain	Director	7	1
Mr. Shabbir Ul Kabir	Director	7	3
Mrs. Nurun Nahar	Director	7	2
Mr. Md. Masud Karim	Director	7	3
Mr. Ifthehar Maleque	Director	7	2
Alhaj Md. Shahjahan	Director	7	2
Mr. Md. Nurul Islam	Director	7	7
Mr. Abu Mohammad	Director	7	3
Ms. Angee Chowdhury	Director	7	2
Mrs. Shahida Nazneen	Director	7	2
Mr. Mohammad A. Hafiz	Independent Director	7	1
Mr. A.M Abid Chowdhury	Independent Director	7	2
Alhaj Md. Abu Taher Chowdhury	Former Chairman	7	3
Mrs. Shafina Shahreen	Former Director	7	3
Mrs. Shamim Ara Begum	Former Director	7	4
Mr. Md. Abdullah Zehad	Former Independent Director	7	4
Mr. Md. Nurul Islam	Former Independent Director	7	3
Mr. Md. Zahid Anwar Khan	Chief Executive Officer	7	7

B. During the year from 01.01.2019 to 31.12.2019 there were 3 (three) Executive Committee Meetings were held.

The attendance status of Executive Committee meetings is as follows:

Name of Directors	Position	No. of Meeting Held	Attended
Mr. Zoynal Abedin Chowdhury	Chairman	3	2
Mrs. Shahida Akhter	Member	3	3
Mrs. Rosy Rahman	Member	3	2
Mrs. Nurun Nahar	Member	3	1
Mr. Md. Nurul Islam	Member	3	3
Mr. Abu Mohammad	Member	3	2
Ms. Angee Chowdhury	Member	3	3
Mrs. Shahida Nazneen	Member	3	2
Mr. Mohammed Musa	Former Chairman	3	1
Mrs. Shamim Ara Begum	Former Member	3	1
Mr. Md. Jafar Ali FCS	Member-Secretary	3	3



C. During the year from 01.01.2019 to 31.12.2019 there were 4 (four) Audit Committee Meetings were held.

The attendance status of Audit Committee meetings is as follows:

Name of Directors	Position	No. of Meeting Held	Attended
Mr. Mohammad A. Hafiz	Chairman	4	2
Mr. A. M Abid Chowdhury	Member	4	2
Mr. Md. Masud Karim	Member	4	2
Mr. Md. Nurul Islam	Member	4	2
Mr. Md. Abdullah Zehad	Former Chairman	4	2
Mr. Shabbir UI Kabir	Former Member	4	2
Mrs. Shafina Shahreen	Former Member	4	2
Mr. Md. Jafar Ali FCS	Member-Secretary	4	4

D. During the year from 01.01.2019 to 31.12.2019 there were 1 (one) Nomination & Remuneration Committee (NRC) Meetings were held.

The attendance status of nomination & remuneration committee meetings is as follows:

Name of Directors	Position	No. of Meeting Held	Attended
Mr. A. M Abid Chowdhury	Chairman	1	1
Alhaj Md. Masud Hossain	Member	1	1
Mr. Shabbir UI Kabir	Member	1	1
Mr. Md. Jafar Ali FCS	Member-Secretary	1	1

**30.00** There were 303 numbers of employees.

**31.00** There was no bank guarantee issued by the company on behalf of their directors.

**32.00** Auditors were paid only statutory audit fee duly approved by the shareholders in the last AGM.

**33.00** There was capital work in progress at the end of the accounting year (Note no. 15).

**34.00** No expenses were paid as royalty and salary to technical experts etc.

**35.00** During the year the company was not entered into any agreement with the third party

**36.00** There was no event occurred after financial statement date, which might effect financial position of the company as on financial statement date.

**37.00** No remuneration was given to the director except the board meeting fees.



**38.00 Internal Control :**

The following steps have been taken for implementation of an effective internal control procedure of the Company

- i) A strong internal control and compliance division has been formed with a view to establish a well designated system of internal control.
- ii) Regular review of internal audit reports with view to implement the suggestion of internal auditors in respect if internal control technique.
- iii) To establish an effective management system that includes planning, organizing and supervising culture in branches of the company as well as at head office.

**39.00 Subsequent Disclosure of Events after the financial statement Date - Under IAS 10 :**

There is no non-adjusting post financial statement event of such importance, non disclosure of which would affect the ability to the users of the financial statements to proper evaluation and decision.

**40.00 Credit Rating Report :**

Credit Rating Information and Services Limited (CRISL) has assigned the Claim Paying Ability (CPA) rating of the company to 'AA-' (very high claims paying ability) based on the audited Financial Statements up to December 31, 2018 and other relevant qualitative and quantitative information up-to the date of rating. The rating has been upgraded on the basis of profitable underwriting performance, good capital base, good FDR base, experienced and professional management team etc.

**41.00 Related Party Transactions (IAS # 24) :**

The Company has centered into transactions with other entities in normal course of business that fall within the definition of related party as per International Accounting Standard-24 "Related Party Disclosure". The items of related party transaction are not significantly different from those that could have been obtained from their parties. The significant related party transactions are as follows :

Name of the related party	Relationship	Nature of Transaction	Premium earned during 2019	Closing Balance (31.12.2019)
Central Insurance Investment Ltd.	Subsidiaries	Intercompany	-	99,999,700
KSRM Group	Common Director	Insurance Premium	6,547,869	
Aziz Group	Common Director	Insurance Premium	1,552,054	



**42.00 In preparing Financial Statement, we applied following IAS avnd IFRS.**

Name of IAS	IAS No.	Status of application
Presentation of Financial Statements	1	Applied
Inventories	2	Applied
The Statements of Cash Flows	7	Applied
Accounting Policies, Changes in Accounting Estimates & Errors	8	Applied
Events After the Reporting Period	10	Applied
Income Tax	12	Applied
Property, Plant & Equipment	16	Applied
Employee Benefits	19	Applied
Accounting for Govt. Grants and Disclosure of Govt. Assistance	20	N/A
The Effects Changes in Foreign Exchange Rates	21	Applied
Borrowing Costs	23	Applied
Related Party Disclosures	24	Applied
Accounting & reporting by Retirement Benefit Plans	26	Applied
Separate Financial Statements	27	N/A
Investment In Associates & joint Ventures	28	Applied
Financial Reporting In Hyperinflationary Economic	29	N/A
Financial Instrument Presentation	32	Applied
Earnings Per Share	33	Applied
Interim Financial Reporting	34	Applied
Impairment Of Assets	36	Applied
Provisions, Contingent Liabilities & Contingent Assets	37	Applied
Intangible Assets	38	Applied
Investment Property	40	Applied
Agriculture	41	N/A

Name of IFRS	IFRS No.	Status of application
First time Adoption of IFRSs	1	Applied
Share based payment	2	Applied
Business Combination	3	N/A
Insurance Contracts	4	Applied
Non-Current Assets Held for Sales & Discontinued Operation	5	N/A
Exploration for and Evaluation of Mineral Resources	6	N/A
Financial Instrument: Disclosure	7	Applied
Operating Segment	8	Applied
Financial Instrument	9	Applied
Consolidated Financial Statements	10	N/A
Joint Arrangement	11	N/A
Disclosure of interest in other Entitles	12	Applied
Fair Value Measurement	13	Applied
Regulatory Deferred Accounts	14	Applied
Revenue From Contracts with Customers	15	Applied



## SHARE INVESTMENT POSITION AS ON DECEMBER 31, 2019

Annexure-1

Sl.#	Name of Items	No.of Share	Book Value	Market Rate	Market Value as on 31.12.19
1	Central Depository Bangladesh Ltd.	571,181	1,569,450	2.75	1,569,450
2	Eastland Insurance	28,093	1,566,240	24.60	691,088
3	Fareast Islami Life Insurance Ltd.	4,928	5,000	49.60	244,429
4	Generation Next Fashions Limited	58,669	851,548	2.70	158,406
5	Global Heavy Chemicals Limited	10,000	606,718	25.60	256,000
6	GMG Air Lines Ltd.	110,000	5,000,000	45.45	5,000,000
7	Grameen S-2	5,000	58,676	11.80	59,000
8	Green Delta Mutual Fund	100,000	1,000,000	8.00	800,000
9	IBBL Mudaraba Perpetual Bond	500	460,652	937.00	468,500
10	ICB Islamic Unit Fund	53,610	1,490,175	27.80	1,490,175
11	ICB AMCL 1st Unit Fund	124,100	3,286,572	26.48	3,286,572
12	ICB Islamic Bank Ltd.	200	2,000	3.00	600
13	IPDC	100,000	2,276,810	25.60	2,560,000
14	Khulna Power Co. Ltd.	360,500	31,685,834	46.70	16,835,350
15	Matin Spinning Mills Ltd	3,000	139,224	33.20	99,600
16	NCCBL	13,500	222,427	12.00	162,000
17	NLI 1st MF	16,000	194,983	10.60	169,600
18	Orion Pharma Ltd.	225,000	12,601,150	26.90	6,052,500
19	Reliance 1st MF	300,000	3,100,514	8.10	2,430,000
20	Reliance Insurance Co. Ltd.	50,000	2,295,322	43.50	2,175,000
21	Singer BD Ltd.	100,000	20,451,347	180.40	18,040,000
22	Southeast Bank	25,300	390,751	13.40	339,020
23	Square Pharmaceuticals Ltd.	362	79,722	190.00	68,780
24	Sumit Power Ltd.	19,198	1,058,517	36.30	696,887
25	Titas Gas	157	13,513	30.90	4,851
26	Trust Bank 1st MF	114,826	646,453	4.80	551,165
27	United Finance Co. Ltd.	70,875	4,002,943	17.30	1,226,138
28	United Power Generation & Distribution Co Ltd	28,253	6,012,475	245.30	6,930,461
	<b>Total :</b>		<b>101,069,014</b>		<b>72,365,572</b>

## BRANCH NETWORK



### DHAKA DIVISION

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#### CHATTOGRAM REGIONAL OFFICE

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#### SK MUJEEB ROAD BRANCH

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#### AGRABAD BRANCH

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#### CUMILLA BRANCH

**Mr. Md. Abul Hashem Mojumder, AVP**  
163/149 Chatipatti, Cumilla.  
Mobile: 01619-659559  
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#### JUBLEE ROAD BRANCH

**Mr. Mohammad Abdul Mubin, DM**  
Kader Tower (4th Floor), 128,  
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### RAJSHAHI DIVISION

#### RAJSHAHI BRANCH

**Mr. Torab Hossain, SVP**  
146, Shaheb Bazar (3rd  
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#### BOGURA BRANCH

**Mr. Md. Rezaul Karim, SVP**  
Bochiron Market (3rd Floor),  
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#### PABNA BRANCH

**Mr. Md. Mizanur Rahman, AVP**  
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#### JOYPURHAT BRANCH

**Mr. Md. Enamul Haque, DM**  
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## BRANCH NETWORK



### RANGPUR DIVISION

#### SAIDPUR BRANCH

**Mr. Md. Rashidul Haque, SAVP**  
Shahid Jahirul Haque Road,  
Saidpur, Nilfamari.  
Mobile: 01750-362569  
Email: saidpur.cic@gmail.com

#### LALMONIRHAT BRANCH

**Mr. A.K.M Rafiqul Islam, AVP**  
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Email: cic.lalmonirhat@gmail.com

#### RANGPUR BRANCH

**Mr. Ikram Sarwar Babun, SM**  
Chamber Bhaban, G.L. Roy  
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#### DINAJPUR BRANCH

**Mr. Md. Jakaria Hossain, DM**  
Shasthitola, Dinajpur.  
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Email: cic.dinajpur@gmail.com



### MYMENSINGH DIVISION

#### MYMENSINGH BRANCH

**Mr. Md. Abdur Rouf, VP**  
1, Madanbabu Road, Mymensingh.  
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Email: cic.mymensingh@gmail.com

#### SHERPUR BRANCH

**Mr. Arup Kumar Datta, AVP**  
Al-Haj Chan Mia Bhaban, Sherpur  
Town, Sherpur.  
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Email: cic.sherpur@gmail.com



### KHULNA DIVISION

#### SATKHIRA BRANCH

**Mr. Sk. Arifur Rahman, SVP**  
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#### JASHORE BRANCH

**Ms. Razia Sultana, VP**  
Ishaq Tower, 43 M.K Road,  
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#### KUSHTIA BRANCH

**Mr. Ali Hossain Akhtar, VP**  
Lovely Tower, 55/1 N.S. Road,  
Kushtia.  
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### SYLHET DIVISION

#### SYLHET BRANCH

**Mr. Azad Bakth Chowdhury, SM**  
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### BARISHAL DIVISION

#### BARISHAL BRANCH

**Mr. Md. Arifur Rahman, Manager**  
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Student Library, Sadar Barishal.  
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## MEETING ON VIRTUAL PLATFORM

Pursuant to the Bangladesh Securities and Exchange Commission's Order No. SEC/SRMIC/04-231/932 dated 24 March 2020, a listed company can arrange virtual shareholder meeting, which can be conducted via live webcast by using digital platform. Accordingly, in the light of prevailing COVID-19 situation in Bangladesh, considering the health and safety of all the shareholders, staff and others who plan to attend our Up-Coming, Central Insurance Company Limited has decided to convene its 32nd AGM virtually by using digital platform and online shareholders tools that –

- Facilitate shareholder attendance and participation.
- Enable shareholders to participate fully, and equally, from any location.



We believe the virtual shareholder meeting will increase the ability to engage with all the shareholders, regardless of their number of shares, resources, or physical location.

Access	Q&A	Vote
<p>Central Insurance Company Limited values the importance of effective communication with its shareholders. The Company recognizes the rights of Shareholders and the Shareholders' interest are primarily ensured through CICL's AGM. Accordingly, we have designed our virtual format to enhance, rather than constrain, Shareholder access, participation and communication.</p>	<p>The Company does not place restrictions on the type or form of questions that may be asked; however, the Company reserves the right to edit profanity or other inappropriate language for publication.</p> <p>During the Q&amp;A session of the meeting, the Chair or the Management will try to answer the questions sent in.</p>	<p>The Shareholders will be able to cast their vote on the Agenda items and the results will be broadcasted in real time at the time of approval on the specific agenda item.</p>

We believe good Corporate Governance involves openness and trusting cooperation between all stakeholders involved in the Company, including the owners of the Company – the Shareholders. The virtual shareholder meeting will increase the ability to engage with all the shareholders, regardless of their number of shares, resources, or physical location. We have carefully designed the 32nd AGM of the Company to provide continuous and meaningful Shareholder engagement and participation. Our committed Board of Directors and Management Team value these interactions and invest significant time and resources to ensure that it has an open line of communication with Shareholders. In this connection, we are available for any kind of support to perform your attendance and any communication for Virtual AGM with contact number: 01799-936608, 01919-049807 & Email: share@cicl-bd.com

## GENERAL INFORMATION

AGM-DATE, TIME	: 11:00 a.m. Monday, September 07, 2020 Virtually held by using digital platform.
FINANCIAL YEAR	: January 01, 2019 – December 31, 2019
RECORD DATE	: Thursday, July 23, 2020
DIVIDEND PAID & RECOMMENDED	: Cash Dividend @ 7% & Bonus @ 5%
DIVIDEND PAYMENT DATE	: Dividend will be paid within 30 days from the date of approval by the Shareholders
LISTING ON STOCK EXCHANGES	: Dhaka Stock Exchange Limited (DSE) Chittagong Stock Exchange Limited (CSE)
STOCK/SCRIP CODE	: DSE – CENTRALINS CSE – CENTRALINS
CATEGORY	: Insurance
NUMBER OF SHAREHOLDERS AS ON 31ST DECEMBER, 2019	: 3174 Nos.
BOOK VALUE PER SHARE	: Tk. 24.68
MARKET PRICE – DSE IN 2019	: (High) Tk. 31 (Low) Tk.18
MARKET PRICE – CSE IN 2019	: (High) Tk. 30.20 (Low) Tk.17.6
INVESTORS' ENQUIRY	: +88(02) 9560251-4 Hotline : 09613777778 Email: cic@cicl-bd.com share@cicl-bd.com Website: <a href="http://www.cicl-bd.com">http://www.cicl-bd.com</a>
OFFICE ADDRESS	: Corporate Head Office Central Insurance Bhaban-1 7-8 Motijheel C/A, Dhaka-1000



# সেন্ট্রাল ইনস্যুরেন্স কোম্পানী লিঃ

## CENTRAL INSURANCE COMPANY LIMITED

### PROXY FORM

I/We ..... of .....

in the district of ..... being a Member of CENTRAL INSURANCE COMPANY LIMITED hereby appoint Mr./Ms. .... of (Address) .....

as any proxy, to vote for me and on my / our behalf at the 32nd Annual General Meeting of the Company to be held on Monday, the 7th September, 2020 at 11:00 a.m at any adjournment thereof as WITNESS I PUT MY HAND THIS ..... DAY OF ..... 2020

Signature of Proxy

Revenue  
Stamp  
(Tk. 20.00)

Signature of Shareholder(s)

Folio / B.O. NO. ....

Folio No./BO ID No. ....  
No. of Shares .....

#### Important

1. This Proxy form, duly stamped, must be deposited at the registered Office of the Company at least 48 (Forty Eight) hours before the time for holding the meeting.
2. Signature of the shareholder and the Proxy must confirm to the specimen signature Registered with the Company/Depository Participants).



# সেন্ট্রাল ইনস্যুরেন্স কোম্পানী লিঃ

## CENTRAL INSURANCE COMPANY LIMITED

### ATTENDANCE SLIP

I do hereby record my attendance at the 32nd Annual General Meeting of the Company to be held on Monday, the 7th September, 2020 at 11:00 a.m by Virtual/Digital Platform.

Name of Shareholder(s) / Proxy .....

Name

Folio No./BO ID No. ....

No. of Shares .....

Signature

7th September, 2020

#### Important

1. Shareholders attending the meeting in person or by proxy are requested to complete this Attendance Slip.
2. Signature of Shareholder or Proxy must conform to the specimen signature recorded with the Company.
3. Please bring this Attendance Slip with you. Admission into the Meeting Room may not be permitted without it.
4. Any friend or children accompanying with honorable shareholders/proxy will not be allowed to the meeting.





Central Insurance Bhaban-2 at Kawran Bazar, Dhaka



Central Insurance Bhaban-1 at 7-8 Motijheel C/A, Dhaka