

INSURANCE

প্রগতি ইন্স্যুরেন্স

Stepping into

20
20th year

19th Annual Report 2004

19th Annual Report 2004

১৯তম বার্ষিক প্রতিবেদন ২০০৪



PRAGATI INSURANCE LIMITED

SYMBOL OF SECURITY



Company Profile

| | |
|--------------------------|--------------------|
| Incorporation | : January 27, 1986 |
| Commencement Of business | : January 30, 1986 |
| Listing with DSE | : April 4, 1996 |
| Listing With CSE | : April 6, 1996 |

Mission Statement

- We are conscious of our social obligation:
- We aim to provide prompt & personalized services to our clients:
- We strive hard to produce new ideas for the benefit of society & consumers:
- We work to deliver optimum value to our shareholders, clients, employees and add value to the nation:
- We continuously adjust ourselves to the insurance scenario in & around the world:
- Happy **Pragati** Family is our aim:



New Policy

Comprehensive health Policy "New Product of the Year"

Introduction of Takaful Insurance



Insurance Services

- Industrial all Risks Policies:
- Property & Marine Insurance:
- Personal Accident Insurance including Group Personal Accident:
- Motor Insurance:
- Flood & Cyclone Insurance:
- Tsunami & Earthquake Insurance:
- CAR Insurance:
- Business Interruption & Machinery Break- down Insurance:

Financial Services

- Underwriting & Bridge Financing:
- Trusteeship:

Re - Insurers:

- Sadharan Bima Corporation of Bangladesh:
- General Insurance Corporation of India:



Growth of Capital (million)

| | | |
|-----------|-------------------------------|--------|
| 1986-1995 | | 30.00 |
| 1996 | IPO | 61.00 |
| 1997 | 20% Stock dividend | 73.20 |
| 2001 | 30% Stock dividend | 95.16 |
| 2002 | 25% Stock dividend | 118.95 |
| 2003 | 27% Stock dividend | 151.07 |
| 2004 | 25% Stock dividend (Proposed) | 188.84 |

Growth of Asset (million)

| | |
|-----------|---------|
| 1986-1990 | 260.35 |
| 1991-1995 | 495.23 |
| 1995-2000 | 1014.53 |
| 2000-2004 | 1380.25 |





Notice

Pragati Insurance Limited

Head Office: Pragati-R.P.R. Centre, 20-21, Karwan Bazar Dhaka 1215. Tel : PABX : 9133680-2. Fax: 88-02-8122980

Notice of the Nineteenth Annual General Meeting

Notice is hereby given that the 19 th Annual General Meeting of Pragati Insurance Limited will be held on Thursday, the 26th May, 2005 at 3.00 pm. at the CA Bhaban Auditorium, 100 Kazi Nazrul Islam Avenue, Dhaka, to transact the following business:

- 1) To receive, consider and adopt the Directors' Report for the year ended 31st December 2004.
- 2) To receive, consider and adopt the Audited Accounts of the Company and the Auditors' Report thereon for the year ended 31st December 2004.
- 3) To declare Dividend for the year 2004 as recommended by the Board of Directors.
- 4) To elect Directors in place of retiring Directors from Group-A shareholders & from Group-B shareholders.
- 5) To appoint Auditors for the year 2005 and fix their remuneration

By order of the Board of Directors

(H.R Chowdhury)
Company Secretary

Dated: Dhaka, 3rd May, 2005

Notes:

- (a) The record date: 10th May 2005
- (b) Members of the Company whose name appear in the Register of Members upto record date will be entitled to dividend for the year 2004 to be approved by the shareholders in the Annual General Meeting.
- (c) A member wishing to appoint a Proxy, must deposit the Proxy Form duly stamped to the Company's Registered Office at least 72 hours before the meeting.
- (d) Only the shareholders or their appointed proxies can attend the meeting .A proxy must be a member of the company.
- (e) Entry to the Annual General Meeting is reserved only for the Shareholders or his/ her Proxy. No guest and children shall be allowed entrance in the meeting.

Board of Directors



Al Haj Khalilur Rahman
Chairman



A.S.M Mainuddin Monem
Vice Chairman



Zakaria Taher
Vice Chairman



A.K.M. Rafiqul Islam, FCA
Managing Director

Directors



Engr. A. Latif



Abdul Monem



Abdul Awal Mintoo



Mohammed A. Awwal



Moazzam Hossain



Syed M. Altaf Hussain



Khan Mohd Ameer



Cept. Imam Anwar Hossain



Md. Sarwar Kamal



Mohammed A. Malek



Md Syedur Rahman Mintoo



Prof. Jahangir Chowdhury



Md. Mushfiqur Rahman



Tabith Mohd Awal



Razia Sultana Shimul



A.N.M Yeahea



Md Mahbubur Rahman



Nigar Jahan Chowdhury



A.J.M Enamul Islam



A.S.M Mohiuddin Monem



Ahmedul Hoque



Tahsina Rahman



Mahbub Anam



Syed Shamsul Alam



Tafsir Mohd Awal



Moazzem Hossain



Executives



Executives

Managing Director

A.K. M. Rafiqul Islam , FCA.

Additional Managing Director

A.B.M. Mir Hossain

Deputy Managing Director

Q. A.F.M. Serajul Islam

Shaikh Shahjahan Uddin

Company Secretary

Hafizur Rahman Chowdhury

Sr. Executive Vice President

Md. Shahabuddin

Mahboob Uddin Ahmed

Mohammed Ali Khan

Executive Vice President

Shamsuzzaman

Senior Vice President

Zabed Ali Mridha

Md. Anisur Rahman

S.M.B. Shamim

Abdul Momen

Sharif Mustaba

Taslim Bahar Chowdhury

S. M. Murshed

M.A. Hasan

Md. Nazrul Islam

Md. Jamal Uddin Haider

Vice President

Md . Shafiqul Islam

Khondaker Zafor Sadeque

Monjurul Hoque

Deputy Vice President

Kabir Ahmed

Farid Ahmed

Asstt. Vice President

Delwar Hossain

Abdur Razzaque Sarder

Ali Fathker Kollol

Auditor

A. Wahab & Co.

Chartered Accountants



চেয়ারম্যান এর বাণী

প্রিয় শেয়ারহোল্ডারবৃন্দ,

আসসালামুআলাইকুম

প্রগতি ইন্সুরেন্স লিমিটেড এর বোর্ড অব ডিরেক্টরস এর পক্ষ থেকে আমি কোম্পানীর ১৯তম বার্ষিক সাধারণ সভায় আপনাদেরকে স্বাগত জানাচ্ছি। এই সাধারণ সভায় আপনাদের উপস্থিতি দেখে আমি অত্যন্ত আনন্দিত এবং উৎসাহিত বোধ করছি। এতে এটাই প্রমাণ করে যে কোম্পানীর উপর আপনাদের গভীর বিশ্বাস এবং দৃঢ় আস্থা বিদ্যমান।

আপনার জেনে অত্যন্ত খুশি হবেন যে নানা প্রতিকূলতা যথা প্রাকৃতিক দুর্যোগ, রাজনৈতিক অস্থিরতা ইত্যাদি সত্ত্বেও প্রগতি ইন্সুরেন্স লিমিটেড তার অগ্রগতি অব্যাহত রাখতে সক্ষম হয়েছে। ২০০৪ সালে প্রগতি ইন্সুরেন্স লিমিটেড মোট এস প্রিমিয়াম আয় করেছে ৫০৭.৭০ মিলিয়ন টাকা যা গত বছরের তুলনায় ৩৮.৯৬ মিলিয়ন টাকা অধিক। এটা সম্ভব হয়েছে সকলের সমন্বিত প্রয়াশে, সহযোগীতায় ও পৃষ্ঠপোষকতায়। এ জন্য আমরা অত্যন্ত কৃতজ্ঞ এবং আপনাদের সকলকে জানাই অভিনন্দন। ভবিষ্যতে আমরা আমাদের অগ্রগতি সমুন্নত রাখার জন্য বদ্ধপরিকর।

আপনারা জানেন যে বীমা ব্যবসা কঠিন প্রতিযোগিতার সম্মুখীন। WTO চুক্তির আওতায় বাজার উন্মুক্ত হলে এই প্রতিযোগিতা কঠিনতর হবে এবং তা হবে আমাদের বেঁচে থাকার জন্য বিরাট চ্যালেঞ্জ স্বরূপ। একমাত্র শক্তিশালীরাই টিকে থাকতে পারবে এই প্রতিযোগিতায়। সেজন্য এখন থেকেই আমাদের প্রস্তুতি নিতে হবে নচেৎ আমাদেরকে অসহায় অবস্থায় পড়তে হবে।

আমি আপনাদেরকে এই আশ্বাস দিচ্ছি যে আমরা এই সমস্যা সম্পর্কে সম্পূর্ণ সচেতন এবং কোম্পানীকে অধিকতর শক্ত ভিত্তিতে দাড় করানোর জন্য আমরা সচেষ্ট রয়েছি। আপনাদের সকলের সাহায্য এবং সহযোগিতা পেলে আমরা এই চ্যালেঞ্জ মোকাবিলা করতে সক্ষম হব, ইনশাআল্লাহ।

প্রিয় শেয়ারহোল্ডারবৃন্দ, আমরা আপনাদের নিকট কোম্পানীর ২০০৪ সালের বার্ষিক প্রতিবেদন উপস্থাপন করেছি। আমাদের সাফল্য এবং বার্থতা এতে বর্ণনা করা হয়েছে। আমরা আমাদের সাফল্যের জন্য গর্বিত। তথাপিও আমরা ভবিষ্যতের জন্য আপনাদের গঠনমূলক পরামর্শ স্বাগত জানাব। আগামী দিনগুলোতে দেশে বৈদেশিক বিনিয়োগের উজ্জ্বল সম্ভাবনা দেখা দিয়েছে। এটা বাস্তবায়িত হলে আমরা কোম্পানীকে আরও উন্নতির পর্যায়ে নিয়ে যেতে পারব বলে আশা রাখি।

পরিশেষে আপনাদের মূল্যবান সময় আমাদেরকে দেয়ার জন্য আবারও ধন্যবাদ এবং আমাদের লক্ষ্য অর্জনের অভিযাত্রায় আপনাদের এবং সম্মানিত গ্রাহকবৃন্দের অনড় ও অব্যাহত সহযোগিতা কামনা করছি।

আল্লাহ হাফেজ।

আলহাজ্ব খলিলুর রহমান
চেয়ারম্যান

Company's Performance

5 Years at a Glance

Taka in Million

| Particulars | 2000 | 2001 | 2002 | 2003 | 2004 |
|--|----------|----------|----------|----------|----------|
| Financial Performance | | | | | |
| Gross Premium | 301.37 | 337.45 | 350.39 | 468.74 | 507.70 |
| Net Premium | 161.88 | 169.35 | 176.47 | 225.95 | 234.15 |
| Net Claim | 39.22 | 65.58 | 67.50 | 51.48 | 94.90 |
| Underwriting Profit | 26.51 | 30.17 | 40.99 | 41.56 | 47.82 |
| Investment Income | 26.65 | 26.99 | 24.51 | 25.07 | 23.64 |
| Income from Financial service/Capital gain | 10.28 | 9.77 | 5.06 | 7.27 | 24.64 |
| Net Profit before Tax | 51.17 | 53.29 | 56.39 | 58.42 | 75.71 |
| Net Profit after Tax | 42.17 | 43.79 | 45.89 | 46.42 | 54.96 |
| Share Capital and Reserve | | | | | |
| Paid up Capital | 73.20 | 73.20 | 95.16 | 118.95 | 151.09 |
| Shareholders Equity | 539.72 | 566.64 | 595.07 | 584.92 | 766.99 |
| Total Reserves | 583.39 | 616.94 | 627.83 | 721.54 | 779.29 |
| Assets | | | | | |
| Investment in Share and Securities | 84.84 | 94.40 | 90.12 | 111.99 | 167.55 |
| Cash, FDR and Bank balance | 274.69 | 291.82 | 260.98 | 301.37 | 380.93 |
| Land | 332.91 | 340.95 | 348.07 | 413.24 | 418.89 |
| Fixed Assets | 41.82 | 53.34 | 60.49 | 63.81 | 71.54 |
| Other Assets | 280.27 | 270.46 | 333.51 | 361.83 | 339.54 |
| Total Assets | 1,014.53 | 1,050.97 | 1,093.17 | 1,253.24 | 1,380.25 |
| Ratios | | | | | |
| Dividend in percent (Cash + Stock) | 35 | 30+30 | 20+25 | 20+27 | 20+25 |
| EPS | 57.62 | 59.81 | 48.22 | 39.02 | 36.40 |
| P/E (Time) | 7.49 | 6.72 | 10.96 | 16.54 | 19.29 |



DIRECTORS' REPORT -2004

Dear Shareholders,

Assalamualaikum.

I have the pleasure to welcome the shareholders to the 19th Annual General Meeting of Pragati Insurance Limited on behalf of the Board of Directors and take the privilege to present the Annual Report of the company for the year 2004 alongwith the audited financial statements for the year ended December 31,2004.

Bangladesh Economy:

Bangladesh economy maintained its growth momentum and is pursuing the silent path of progress. Despite adverse effects of natural calamities and externalities of oil and commodity price hike, its macro-economic performance improved over the last calendar year. GDP growth recorded at 5.5% in the Financial Year (FY)-2004 as against 5.3% in the FY-2003. According to a report of the Bangladesh Bank MFA phase out monster is yet to strike a blow to our major export i.e. garment industry. In fact, Knit Fabrics export has exceeded last year's performance by more than 30%. Knit export may hit the 50% growth in 2005. Steady rise in home remittance from NRB has facilitated steady growth in economy. Overall export growth has been recorded at 14.9% in 2004 on year to year basis as against 9.4% growth in 2003. Import increased by 20%. While export to US destination has declined slightly, but export increase to EU destinations has compensated the shortfall. In its PRSP goal, Bangladesh Govt. has given serious efforts to child education specially the female ones. PRSP aims at tapping the nation's richer resource that is its manpower.

In the trade sector, our trade gap, with our biggest neighbor is widening every year. Our potential export destinations need to be seriously exploited either under the SAFTA or through FTA.

Industrial Growth:

Textile sector witnessed a phenomenal growth during the last 8 months of the year and extending beyond December, 04. Accelerated investment in the textile sector is to face the MFA phase out to support the major export sector of the country viz; garments and knitwear. Besides, investment in the service sector like telecommunication also played the key role.

These investment related imports have put pressure on the foreign exchange of the country as a result of which country witnessed sliding of the Taka currency against US\$. Industrial growth recorded 7.3 % increase and is poised to take the front seat in the foreseeable future.

পরিচালকমন্ডলীর প্রতিবেদন-২০০৪

প্রিয় শেয়ারহোল্ডারবৃন্দ,

আসসালামু আলাইকুম

প্রগতি ইস্যুরেন্স লিমিটেডের ১৯তম বার্ষিক সাধারণ সভায় আমি পরিচালকমন্ডলীর পক্ষ থেকে আপনাদেরকে স্বাগত জানাচ্ছি এবং সেই সঙ্গে ৩১শে ডিসেম্বর সমাপ্ত ২০০৪ সালের বার্ষিক হিসাব সহ কোম্পানীর ১৯তম বার্ষিক প্রতিবেদন আপনাদের সমীপে পেশ করতে পেরে আনন্দিত। একই সংগে উপরোক্ত হিসাবের উপর নিরীক্ষকদের প্রতিবেদনও আপনাদের বিবেচনা ও গ্রহণের জন্য পেশ করা হলো।

বাংলাদেশের অর্থনীতি:

বাংলাদেশের অর্থনৈতিক অগ্রগতি অব্যাহত রয়েছে। প্রাকৃতিক দুর্যোগ, আন্তর্জাতিক বাজারে তেলসহ অন্যান্য দ্রব্যমূল্যের উর্ধ্বগতি সত্ত্বেও ম্যাক্রো অর্থনীতির সুষ্ঠু ব্যবস্থাপনার ফলে অর্থনীতিতে যথেষ্ট গতি সঞ্চার হয়েছে। বিগত অর্থ বছরের তুলনায় বর্তমান অর্থ বছরে ৫.৫% জিডিপি বৃদ্ধি পেয়েছে। বিগত বছরে এর হার ছিল ৫.৩%। বাংলাদেশ ব্যাংকের প্রতিবেদনে উল্লেখ করা হয়েছে যে তৈরী পোষাক শিল্পের উপর মুক্ত বাজার অর্থনীতির মারাত্মক প্রতিক্রিয়া এ যাবত ততটা পরিলক্ষিত হয়নি। প্রকৃত পক্ষে বাংলাদেশের নীট পোষাক রপ্তানী ২০০৩ সালের তুলনায় ২০০৪ সালে ৩০% বৃদ্ধি পেয়েছে এবং আগামী বছরে অর্থাৎ ২০০৫ সালে তা বৃদ্ধি পেয়ে ৫০% উন্নিত হবে বলে আশা করা যাচ্ছে। এ ছাড়াও প্রবাসী বাংলাদেশীদের প্রেরিত অর্থ দেশের অর্থনৈতিক উন্নয়নে প্রভূত অবদান রাখতে সক্ষম হয়েছে। বিগত বছরের তুলনায় ২০০৪ সালে দেশের মেট রপ্তানী ১৪.৯% বৃদ্ধি পেয়েছে। পূর্ববর্তী বছরে রপ্তানী বৃদ্ধির হার ছিল ৯.৪%। আমদানী ২০% বৃদ্ধি পেয়েছে। যদিও যুক্তরাষ্ট্রে বাংলাদেশের পণ্য, বিশেষ করে তৈরী পোশাকের রপ্তানী কিছুটা হ্রাস পেয়েছে কিন্তু ইউরোপীয় ইউনিয়নেরদেশ সমূহে বাণিজ্য বৃদ্ধি পাওয়ায় উল্লেখিত ঘাটতি পূরিয়ে নেয়া হয়েছে। দারিদ্র বিমোচন নীতিতে বাংলাদেশ সরকার মহিলাসহ শিশু শিক্ষার উপর বিশেষ গুরুত্ব আরোপ করেছে। দারিদ্র বিমোচন নীতির মূল লক্ষ্যই হচ্ছে মানব সম্পদের উন্নয়ন এবং এই লক্ষে সর্বাঙ্গিক প্রচেষ্টা চালানো হচ্ছে।

বাণিজ্য ক্ষেত্রে আমাদের বৃহৎ প্রতিবেশী দেশের সাথে বাণিজ্য ঘাটতি প্রতি বছরেই বৃদ্ধি পাচ্ছে। তাই SAFTA অথবা FTA এর অধীনে বাংলাদেশের রপ্তানীবৃদ্ধির কার্যক্রম গ্রহন একান্ত প্রয়োজন হয়ে পড়েছে।

শিল্প ক্ষেত্রে অগ্রগতি:

বস্ত্র শিল্পে বিগত ৮ মাসে অভূতপূর্ব অগ্রগতি সাধিত হয়েছে। মুক্তবাজার অর্থনীতির প্রেক্ষিতে উদ্ভূদ পরিস্থিতির মোকাবিলায় বাংলাদেশের প্রধান রপ্তানী তৈরী পোষাক শিল্পকে সাহায্য করাই বস্ত্র শিল্পে অধিকতর বিনিয়োগের কারন। টেলিযোগাযোগ ক্ষেত্রে বিনিয়োগও অগ্রগতির ক্ষেত্রে যথেষ্ট ভূমিকা পালন করেছে। এ সব শিল্পে বিনিয়োগ বৃদ্ধির ফলে আমদানীও বৃদ্ধি পায় যার ফলশ্রুতিতে বৈদেশিক মুদ্রার উপর চাপ সৃষ্টি হয় এবং ডলারের বিপরীতে টাকার মুদ্রামান হ্রাস পায়। ২০০৪ সালে দেশের শিল্প ক্ষেত্রে প্রবৃদ্ধির হার প্রাথমিক হিসাব অনুযায়ী ১০% বৃদ্ধি পাবে যা আগামীতে অব্যাহত থাকবে বলে আশা করা যায়।

Insurance Sector:

Growth in the insurance business has maintained a steady trend. The prospect of ODI in the iron and steel, Coal, Power, Gas and Fertilizer is considered as a major breakthrough to come out of the sign of "Small Country, Small Business" impasse. Re-insurers do not care to give Bangladesh insurance a prominence in view of country's small port-folio suffering from the genesis of natural calamities and political disability.

It is expected that with the implementation of the expected ODI, there would be a quantum jump in the insurance scenario of Bangladesh. Let us all hope for the best. We hope to pin on the development of infrastructure, port facility, electricity, telecommunication and other service sector on the current ODI prospects.

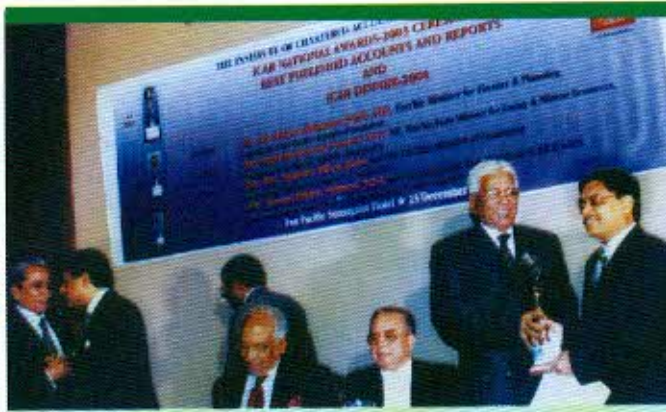
Insurance Law:

Insurance Law as reported earlier, is currently under consideration for change as per the recommendation of the committee formed by the Government in which World Bank expert has added his expertise and knowledge.

Since WTO regime envisages opening up of the service sector which includes "Insurance", Government of Bangladesh will decide as to when the sector would be opened to competition from outside. That will pose a big challenge to the indigenous local companies.

ICAB Award:

It is a matter of great pride for us that the company's Annual Accounts & Reports for the year 2003 has been adjudged as the 2nd best in the non-Banking Sub-sector of Financial Sector by the Institute of Chartered Accountants of Bangladesh (ICAB) in recognition of the quality of its Annual Report. Consecutively for the 2nd year, ICAB has recognized the Annual Reports of the Company.



ICAB National Award-2003 Ceremony

ইস্যুরেন্স সেक्टर:

বীমা ব্যবসায়ক্ষেত্রে অগ্রগতি অব্যাহত রয়েছে। ইস্পাত, কয়লা, বিদ্যুত, গ্যাস এবং রসায়ন শিল্পে বিদেশী বিনিয়োগের সম্ভাবনা বাস্তবায়িত হলে অচিরেই বাংলাদেশ "গরিবী হালত" থেকে মুক্তি পাবে বলে আশা করা যাচ্ছে। রি-ইস্যুরেন্স মার্কেটে বিদেশীরা প্রাকৃতিক দুর্যোগ এবং রাজনৈতিক অস্থিতিশীলতার কারণে বাংলাদেশকে কম গুরুত্ব দেয়। তবে আশা করা যায় যে বাংলাদেশে যদি বিদেশী বিনিয়োগ বৃদ্ধির প্রস্তাবসমূহ বাস্তবায়িত হয় তবে বাংলাদেশে ইস্যুরেন্স ব্যবসায় ইতিবাচক ভূমিকা রাখবে। অবশ্য বাংলাদেশের অব-কাঠামো ব্যবস্থা অর্থাৎ বন্দর, বিদ্যুত, টেলিযোগাযোগসহ, অন্যান্য সেবা খাতের উন্নয়নের উপর নির্ভর করছে সম্ভাবনাময় বৈদেশিক বিনিয়োগের প্রস্তাব সমূহ।

ইস্যুরেন্স আইন:

ইস্যুরেন্স আইন প্রনয়ন বিষয়টি বর্তমানে সরকারের বিবেচনাবীন রয়েছে। এক্ষেত্রে সরকার কর্তৃক গঠিত কমিটির সুপারিশসমূহ পেশ করা হয়েছে। উল্লেখ্য যে বিশ্ব ব্যাংকের একজন বিশেষজ্ঞ এ বিষয়ে তার জ্ঞান ও অভিজ্ঞতা দিয়ে সাহায্য করেছেন। মুক্ত বাজার অর্থনীতির আওতায় সার্ভিস সেक्टरে যে সকল সেবা মূলক খাতকে আনা হয়েছে তন্মধ্যে বীমা শিল্প অন্যতম। বাংলাদেশ সরকারের এখন সিদ্ধান্ত নিতে হবে কবে নাগাদ বীমা শিল্পকে উন্মুক্ত ঘোষণা করা হবে এবং তা হবে দেশীয় বীমা শিল্পের প্রতি বিরাট চ্যালেঞ্জ স্বরূপ।

ইনিস্টিটিউট অব চার্টার্ড একাউন্টেন্ট-এর পুরস্কার:

আমরা অতীব গর্বের সঙ্গে জানাচ্ছি যে প্রগতি ইস্যুরেন্স লিমিটেড তার ২০০৩ সালের বার্ষিক হিসাব এবং প্রতিবেদন গুণগতমানে স্বীকৃতি স্বরূপ আই.সি.এ.বি কর্তৃক প্রদত্ত ফিন্যান্সিয়াল সেक्टरের নন-ব্যাংকিং সাব সেक्टरে ২য় পুরস্কার লাভ করেছে। উল্লেখ্য, যে পর পর দুই বছর প্রগতি ইস্যুরেন্স লিমিটেডের বার্ষিক প্রতিবেদন আই.সি.এ.বি এর স্বীকৃতি লাভ করে।



ICAB National Award-2003



Pragati Insurance: An Overview

Salient features of 2004 Account compared to the previous year's account are shown herein below.

Underwriting Performance

Figure in million

| Particulars | 2004 | 2003 | Inc/Dec |
|---|--------|--------|---------|
| Premium income | 507.70 | 468.74 | 38.96 |
| Re-insurance premium | 273.55 | 242.79 | 30.76 |
| Re-insurance premium as % of Gross Premium | 53.88% | 51.80% | 2.08% |
| Net Premium | 234.15 | 225.95 | 8.20 |
| Claim Less Re-insurance (Net claim) | 94.90 | 51.49 | 43.41 |
| Net claim over Net Premium | 40.53% | 22.79% | +17.73% |
| Management expenses & Net of Re-insurance Commission Accepted & Ceded | 86.67 | 107.93 | -21.26% |
| Management Expenses as a percentage of Gross Premium | 17.07% | 23.02% | -5.96% |
| Underwriting Profit | 47.82 | 41.57 | +6.25 |

Income from Sources other than insurance

| | | | |
|------------------------------|-------|-------|--------|
| Profit on sale of investment | 20.79 | 3.64 | +17.15 |
| Building Rent (net) | 3.35 | 3.03 | +0.32 |
| Interest and Dividend | 23.64 | 25.08 | -1.44 |
| Others | 0.50 | 0.60 | -0.10 |
| Total | 48.28 | 32.35 | 15.93 |

Divisible Profit Tk.7,64.70,868

The divisible profit for the year is made up as follows:

| | | | |
|---|-------|-------|---------|
| Underwriting Profit for the year | 47.82 | 41.57 | + 6.25 |
| Income from sources other than insurance | 48.28 | 32.35 | + 15.93 |
| Sub Total | 96.10 | 73.92 | + 22.18 |
| Less: Expenses charged to Profit & Loss Account | 20.39 | 15.50 | - 4.89 |
| Sub Total | 75.71 | 58.42 | + 17.29 |
| Add: Last year un-appropriated Profit | .76 | 0.73 | 0.03 |
| Total Divisible Profit | 76.47 | 59.15 | + 17.32 |

Appropriation of Profit

| | | | |
|---|-------|-------|--------|
| Exceptional Loss Reserve | 23.42 | 22.60 | + 0.82 |
| Provision for Income Tax + Dividend Tax | 20.72 | 12.00 | + 8.72 |
| General Reserve | 1.00 | - | 1.00 |
| Dividend Equalization Reserve | 1.00 | - | 1.00 |
| Balance available for distribution | 30.33 | 24.55 | + 5.78 |
| Total | 76.47 | 59.15 | 17.32 |

Gross Premium income of 2004 exceeded the previous year's income by Tk.38.96 million

Net premium after reinsurance outgo stood at Tk.234.15 million in the year 2004 which is Tk.8.20 million more than the previous year

Underwriting profit for 2004 was Tk. 47.82 million as against Tk.41.57 million earned in 2003 .

Net Profit after providing for depreciation and other

২০০৪ সালে কোম্পানীর কার্যক্রমের পর্যালোচনা:

২০০৪ সালে কোম্পানীর কার্যক্রমের বিশেষ দিকগুলো পূর্ববর্তী বছরের সাথে তুলনামূলক ভাবে নিম্নে প্রদর্শন করা হলো।

অবলেনন কার্যক্রম

(মিলিয়ন টাকা)

| | ২০০৪ | ২০০৩ | বৃদ্ধি/ হ্রাস |
|--|--------|--------|---------------|
| প্রিমিয়াম আয় | ৫০৭.৭০ | ৪৬৮.৭৪ | ৩৮.৯৬ |
| রি-ইস্যুরেন্স প্রিমিয়াম | ২৭৩.৫৫ | ২৪২.৭৯ | ৩০.৭৬ |
| এস প্রিমিয়ামের উপর রি-ইস্যুরেন্স প্রিমিয়াম হার | ৫৩.৮৮% | ৫১.৮০% | ২.০৮% |
| নেট প্রিমিয়াম | ২৩৪.১৫ | ২২৫.৯৫ | ৮.২০ |
| রিইস্যুরেন্স ব্যতির নেট দাবী | ৯৪.৯০ | ৫১.৪৯ | ৪৩.৪১ |
| নেট প্রিমিয়ামের উপর নেট দাবীর হার | ৪০.৫৩% | ২২.৭৮% | +১৭.৭৫% |
| নেট পুনরীক্ষিত বীমা কমিশন এবং প্রশাসনিক ব্যয় | ৮৬.৬৭ | ১০৭.৯৩ | -২১.২৬% |
| এস প্রিমিয়ামের উপর প্রশাসনিক ব্যয়ের হার | ১৭.০৭% | ২৩.০২% | -৫.৯৬% |
| অবলেনন মুনাফা | ৪৭.৮২ | ৪১.৫৭ | +৬.২৫ |

অন্যান্য খাত হতে আয় (ইস্যুরেন্স ব্যতীরিক)

| | | | |
|---------------------------|-------|-------|---------|
| বিনিয়োগ হতে আয় | ২০.৭৯ | ৩.৬৪ | + ১৭.১৫ |
| বাড়ী ভাড়া হতে আয় | ৩.৩৫ | ৩.০৩ | + ০.৩২ |
| ডিভিডেন্ড এবং সুদ হতে আয় | ২৩.৬৪ | ২৫.০৮ | - ১.৪৪ |
| বিবিধ খাতে আয় | ০.৫০ | ০.৬০ | - ০.১০ |
| মোট | ৪৮.২৮ | ৩২.৩৫ | ১৫.৯৩ |

বন্টনযোগ্য মুনাফা

| | | | |
|------------------------------------|-------|-------|---------|
| অবলেনন মুনাফা | ৪৭.৮২ | ৪১.৫৭ | + ৬.২৫ |
| অন্যান্য খাতের আয় | ৪৮.২৮ | ৩২.৩৫ | + ১৫.৯৩ |
| | ৯৬.১০ | ৭৩.৯২ | + ২২.১৮ |
| (-) লাভক্ষতি হিসাবে চার্জকৃত ব্যয় | ২০.৫৯ | ১৫.৫০ | - ৪.৯৯ |
| | ৭৫.৫১ | ৫৮.৪২ | + ১৭.০৯ |
| (+) গত বছরের অববন্টন মুনাফা | .৭৬ | ০.৭৩ | ০.০৩ |
| মোট বন্টন যোগ্য মুনাফা | ৭৬.২৭ | ৫৯.১৫ | + ১৭.১২ |

মুনাফা বন্টন

| | | | |
|--|-------|-------|-----------|
| অস্বাভাবিক ক্ষতির জন্য সংরক্ষিত তহবিল | ২৩.৪২ | ২২.৬০ | (+) ০.৮২ |
| আয়করের জন্য তহবিল + ডিভিডেন্ড ট্যাক্স | ২০.৭২ | ১২.০০ | (+) ৮.৭২ |
| সাধারণ সঞ্চিতি তহবিল | ১.০০ | - | ১.০০ |
| ডিভিডেন্ড ইকুয়ালাইজেশন রিজার্ভ | ১.০০ | - | ১.০০ |
| বন্টনযোগ্য তহবিল | ৫০.৫৩ | ২৪.৬০ | (+) ২৫.৯৩ |
| মোট | ৭৬.২৭ | ৫৯.১৫ | ১৭.১২ |

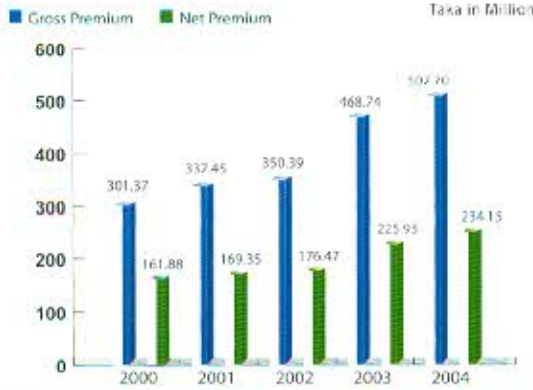
পূর্ববর্তী বছরের তুলনায় ২০০৪ সালে অর্জিত এস প্রিমিয়াম ৩৮.৯৬ মিলিয়ন টাকা অধিক।

রি-ইস্যুরেন্স ব্যয় পরিশোধের পর নেট মুনাফা হয়েছে ২৩৪.১৫ মিলিয়ন টাকা যা ২০০৩ সালের তুলনায় ৮.২০ মিলিয়ন টাকা অধিক।

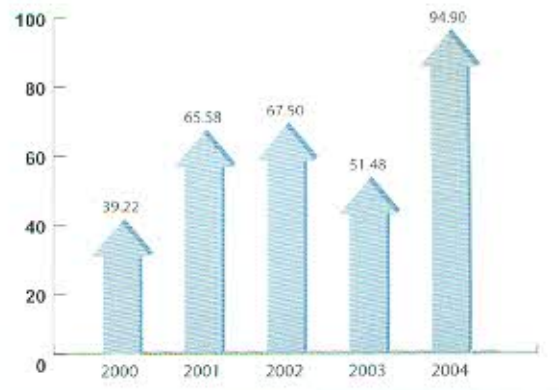
২০০৪ সালে অবলেনন মুনাফার পরিমাণ ৪৭.৮২ মিলিয়ন টাকা। ২০০৩ সালে এর পরিমাণ ছিল ৪১.৫৭ মিলিয়ন টাকা।



Gross & Net Premium



Net Claim



charges stood at Tk 76.47 million as against Tk. 59.15 million.

After providing for Exceptional Loss Reserve, Provision for Income Tax, General Reserve etc. an amount of Tk. 30.33 million is available for distribution.

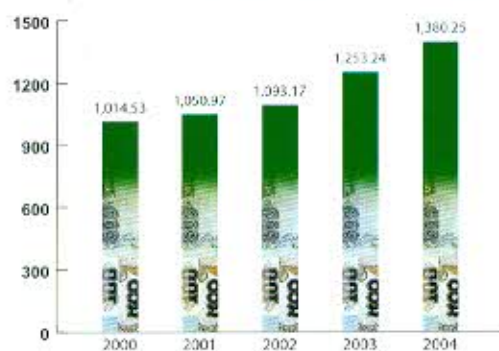
It is therefore, recommended that a cash Dividend @20% be considered for the year 2004 from out of the fund available for distribution leaving a balance of Tk.1,21,235 to be carried forward.

Besides, the Company has been following a policy of gradual increase of its paid-up-capital commensurate with increased "Risk Retention". It is recommended that stock dividend @ 25% through transfer from "Share Premium Account" to "Paid-up share capital Account" be also considered for approval. Thus raising the paid-up capital to Tk. 18,88,83,125.00 from Tk. 15,10,66,500.00.

Revaluation of Investments and Land:

In accordance with the International Accounting Standard (IAS), the value of the investments in shares and debentures have been shown at the market value on 31.12.2004. Increase and /or diminution in the value has been shown in the "Revaluation Reserve" accounts separately. Land & Building have not been revalued this year. It has been shown as per the last revaluation carried out by independent valuer.

Total Assets



অবচয় এবং অন্যান্য ব্যয় বাদে ২০০৪ সালের নীট মুনাফার পরিমাণ দাঁড়িয়েছে ৭৬.৪৭ মিলিয়ন টাকায়। পূর্ববর্তী বছরে এর পরিমাণ ছিল ৫৯.১৫ মিলিয়ন টাকা।

অস্বাভাবিক ক্ষতির জন্য সংরক্ষিত তহবিল, আয়কর তহবিল, সাধারণ সঞ্চিতি তহবিল ইত্যাদি খাতে বরাদ্দের পর বিতরণযোগ্য টাকার পরিমাণ হচ্ছে ৩০.৩৩ মিলিয়ন টাকা।

উপরেউল্লিখিত ব্যাখ্যার আলোকে ২০০৪ সালের জন্য বিতরণযোগ্য তহবিল হতে প্রস্তাবিত ডিভিডেন্ডের উপর ডিভিডেন্ড ট্যাক্স সংরক্ষণের পর ২০% ক্যাশ ডিভিডেন্ড প্রদানের প্রস্তাব বিবেচনার জন্য সুপারিশ জানানো হচ্ছে। এই খাতে উদ্বৃত্ত ১,২১,২৩৫ টাকা আগামী বছরের হিসাবে স্থানান্তর করা হবে।

এ ছাড়াও আপনারা অবগত আছেন যে পরিশোধিত মূলধন বৃদ্ধির লক্ষে এবং ক্রমান্বয়ে কোম্পানীর অধিকতর খুঁকি গ্রহণের ক্ষমতা বৃদ্ধির লক্ষে প্রগতি ইন্স্যুরেন্স লিমিটেড ইতিমধ্যেই পর্যায়ক্রমে কয়েকবার পদক্ষেপ নিয়েছে। এই লক্ষে এ বছরেও ডিভিডেন্ড প্রদানের পাশাপাশি শেয়ার প্রিমিয়াম হিসাব হতে পরিশোধিত মূলধন খাতে স্থানান্তরের মাধ্যমে ২৫% স্টক ডিভিডেন্ড প্রদানের সুপারিশ জানানো যাচ্ছে। এর ফলে প্রগতি ইন্স্যুরেন্স লিমিটেড এর পরিশোধিত মূলধন ১৫,১০,৬৬,৫০০.০০ টাকা হতে ১৮,৮৮,৮৩,১২৫.০০ টাকায় উন্নীত হবে।

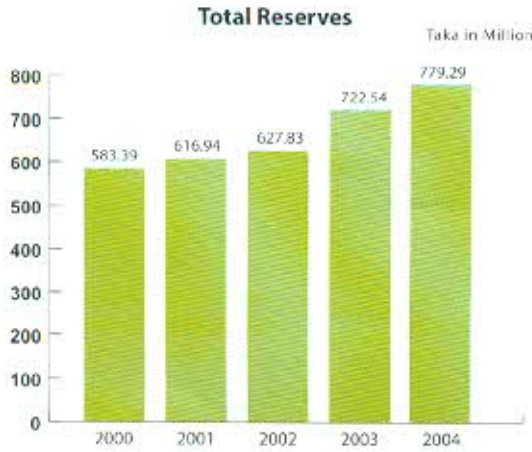
সম্পদের পুনঃমূল্যায়ন:

আন্তর্জাতিক এ্যাকাউন্টিং স্ট্যান্ডার্ড অনুযায়ী শেয়ার এবং ডিবেঞ্চারে বিনিয়োগকৃত সম্পদের মূল্য ৩১/১২/২০০৪ তারিখের বাজারদর অনুযায়ী মূল্যায়ন করা হয়েছে। শেয়ার ডিবেঞ্চার মূল্যের বৃদ্ধি/হ্রাস ভিন্নভাবে "রি-ভ্যালুয়েশন রিজার্ভ" হিসাবে দেখানো হয়েছে। এ বছর জমির মূল্য পুনঃ মূল্যায়ন করা হয়নি। গত বছরে জমির যে পুনঃ মূল্যায়ন করা হয়েছিল তাই প্রতিবেদনে দেখানো হয়েছে।



Re-insurance:

Re-insurance arrangement has been concluded for the year 2005. Across the Board, we have increased our own retention. Business has been placed as before with SBC (50%) and GIC (50%). 50% placed with SBC is a matter of legal requirement and the remaining 50% has been placed outside Bangladesh under the leadership of GIC, a Government of India undertaking. In spite of one big fire loss recorded at the fag end of 2004, terms and conditions for 2005 are more or less akin to the expiring terms and conditions. Limits have been adjusted with new increased retention. Overseas Re-insurance market is slowly returning to its normal position and hopefully, if there is no major catastrophe, is likely to ease out further.



Stock Market:

Stock market after June, 2004 showed buoyancy and we were quite an active player in the secondary market. We earned capital gain through market operation amounting to Tk.20.79 million which reflects our continuous engagement.

Market however, has stagnated after the crunch in money market but we are hopeful that with the corporate announcement market is likely to cheer up.

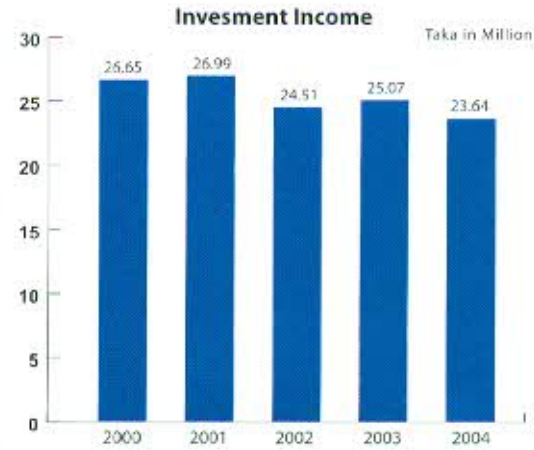
Board of Directors:

In accordance with the Articles 105 and 107 of the company's Articles of Association, the undernoted Directors from Group-A shareholders retire from office by rotation. Being eligible, they offer themselves for re-election:

01. Engr. A. Latif
02. Mr. Abdul Awal Mintoo
03. Mr. Mohd. A. Awwal
04. Mr. Mohd. A. Malek
05. Mr. Md. Mahbubur Rahman

রি-ইস্যুরেন্স:

২০০৫ সালের জন্য রি-ইস্যুরেন্স চুক্তি সম্পন্ন করা হয়েছে। আলোচনার মাধ্যমে আমরা আমাদের ধারণ ক্ষমতা (Retention) বৃদ্ধি করেছি। গত বছরের ন্যায় এবারও ৫০% সাধারণ বীমা করপোরেশনে এবং অবশিষ্ট ৫০% জেনারেল ইস্যুরেন্স করপোরেশন অব ইন্ডিয়ার নেতৃত্বে বর্হিবিধে ন্যস্ত করা হয়েছে। আলোচ্য বছরের শেষভাগে একটি বিরাট অগ্নি দুর্ঘটনা সত্ত্বেও রি-ইস্যুরেন্স চুক্তির শর্তাবলী প্রায় পূর্ববর্তী বছরের মতনই। আন্তর্জাতিক রি-ইস্যুরেন্স মার্কেট দীর্ঘকাল ধরে স্বাভাবিক পর্যায়ে ফিরে আসছে। আশা করা যায় কোন বড় রকমের দুর্ঘটনা না ঘটলে, আগামীতে পরিস্থিতির আরও উন্নতি হবে।



পূঁজি বাজার:

জুন ২০০৪ সালের পর থেকেই পূঁজি বাজারে তেজীভাব পরিলক্ষিত হয়েছে। আমরাও সেকেন্ডারী মার্কেটে মোটামুটি সক্রিয় অংশ গ্রহণ করেছি এবং আলোচ্য বছরে ২০.৭৯ মিলিয়ন টাকা অর্জন করেছি। কিন্তু মানি মার্কেটে প্লস নামার পর পূঁজি বাজারে স্থবিরতা বিরাজ করছে। তবে আমরা আশাবাদী যে বিভিন্ন প্রতিষ্ঠানের লভ্যাংশ ঘোষণার পর পূঁজি বাজার পুনরায় চাংগা হয়ে উঠবে।

পরিচালক মন্ডলী:

কোম্পানীর আর্টিকেলস অব এসোসিয়েশনের ১০৫ এবং ১০৭ ধারা অনুযায়ী "এ" গ্রুপের নিম্নলিখিত উদ্যোক্তা পরিচালক অবসর গ্রহণ করবেন এবং যোগ্য বিধায় প্রত্যেকেই পুনঃনির্বাচনের ইচ্ছা প্রকাশ করেছেন:

১. জনাব প্রকৌশলী এ. লতিফ
২. জনাব আব্দুল আউয়াল মিন্টু
৩. জনাব মোহাম্মদ আব্দুল আউয়াল
৪. জনাব মোহাম্মদ আব্দুল মালেক
৫. জনাব মোহাম্মদ মাহবুবুর রহমান



06. Mr. Tabith Mohd. Awal

07. Mr. A.N.M. Yeahea

Besides, following 3(three) Directors from Group-B Shareholding retire today at the 19th AGM of the company.

Being eligible, all three have offered themselves for re-election:

01. Mr. Zakaria Taher

02. Mr. Syed Shamsul Alam

03. Mrs. Tahsina Rahman

Auditors:

In compliance with the Article 149 of the Articles of Association of the company, the Auditor M/s. A. Wahab & Co., Chartered Accountants is to retire as Auditor of the Company. M/s. A. Wahab & Co., has indicated their willingness in writing for appointment as auditors. Accordingly, we have written to the SEC for permission to appoint M/s. A. Wahab & Co., as the Auditor of the company for the year 2005. Subject to the approval of the Securities and Exchange Commission, it is recommended that M/s. A. Wahab & Co., be appointed as the Auditor of the company for the year 2005.

Conclusion:

In the end, the Board express its grateful thanks and deep appreciation for the assistance, help and much needed support received by the company from various Banks both in the private as well as in the nationalized sector, DFIs and all private sector enterprises who have helped us in building a sound footing for the company. We are specially grateful to the management of Square Group, Beximco Group, KDS Group, Abdul Monem Limited, Hosaf Group, Multimode Group, Abul Khair Group, Monno Group, KAFCO, Grameen Phone, Aktel, City Cell, Novartis Bangladesh Ltd., Organon Bangladesh, BOC, Hoque Group, Hop-Lum, Holcim Cement, Scan Cement, Lafarge, Larson & Turbo, Glaxo Smith Kline, Prostar Group, Progatee-Concord Group, Bengal Shipping Lines Ltd., Chowdhury Apparels, McDonald (BD) Ltd., SA Group, Gonoshashtya Group, National Bank, DHL Worldwide, Group-4 Securities, Olympic Industries, NASA Group, NTV, ETV, American International School, Dhaka, UAE Embassy, Dhaka Youngone Group, Pacific Jeans, HKD Group, Alita Group, Apex Weaving, Metro Spinning, Prime Textile, Dhakaria, MGH Group, Westmont Power, AES Power, Khulna Power, Jayson Group for reposing

৬. জনাব তাবিদ মোহাম্মদ আউয়াল

৭. জনাব এ. এন. এম. ইয়াহিয়া

এতদ্ব্যতীত “বি” গ্রুপ শেয়ারহোল্ডারদের মধ্য থেকে নিম্নবর্ণিত ৩ জন পরিচালক ১৯তম এজিএম-এ অবসর গ্রহন করবেন।

প্রত্যেকেই যোগ্য বিধায় তাঁরা পুনঃনির্বাচন করার ইচ্ছা প্রকাশ করেছেন:

১. জনাব জাকারিয়া তাহের

২. জনাব সৈয়দ শামসুল আলম

৩. জনাব তাহসিনা রহমান

নিরীক্ষক:

আর্টিকেল অব এসোসিয়েশনের ১৪৯ বারা অনুযায়ী কোম্পানীর নিরীক্ষক মেসার্স এ. ওহাব এন্ড কোং অবসর গ্রহন করবেন। তারা প্রগতি ইন্স্যুরেন্স লিটিটেড-এ অডিটর হিসাবে নিযুক্তির আগ্রহ প্রকাশ করে পত্র দিয়েছেন। আমরা মেসার্স এ. ওহাব এন্ড কোং কে ২০০৫ সালের জন্য কোম্পানীর অডিটর নিয়োগের জন্য সিকিউরিটিজ এন্ড একসচেঞ্জ কমিশনের অনুমতি প্রার্থনা করে পত্র দিয়েছি। সিকিউরিটিজ এন্ড একসচেঞ্জ কমিশন-এর অনুমতি সাপেক্ষে আমরা ২০০৫ সালের জন্য মেসার্স এ. ওহাব এন্ড কোং কে কোম্পানীর অডিটর নিয়োগের সুপারিশ জানাচ্ছি।

উপসংহার:

পরিশেষে পরিচালকমন্ডলী কোম্পানীর কার্যক্রমে সহায়তা এবং সহযোগিতা প্রদানের জন্য সরকারী ও বেসরকারী ব্যাংক সমূহ, বিভিন্ন আর্থিক প্রতিষ্ঠান এবং ব্যক্তি মালিকানাধীন ব্যবসায়িক প্রতিষ্ঠানসমূহের প্রতি কৃতজ্ঞতা প্রকাশ করেছেন। কোম্পানীকে বর্তমান মর্যাদায় উন্নীতকরনে তাঁদের অবদান অপরিমিত। বিশেষভাবে স্কয়ার গ্রুপ, বেঙ্কমেকো গ্রুপ, কেডিএস গ্রুপ, আব্দুল মোমেন লিঃ, হোসাফ গ্রুপ, মালটিমোড গ্রুপ, আবুল খায়ের গ্রুপ, মনু গ্রুপ, কর্নফুলী ফার্টিলাইজার কোং লিঃ (কাফকো), গ্রামীন ফোন, গ্র্যাকটেল, সিটি সেল, নোভারটিস (বাংলাদেশ) লিঃ, অরগানন (বাংলাদেশ) লিঃ, বি.ও.সি বাংলাদেশ, হক গ্রুপ, হোপ-লুম, হোলসিম সিমেন্ট, স্কান সিমেন্ট, লাফার্জ, লারসান এন্ড টারবো, গ্র্যাকসো স্মিথক্রাইন, প্রো-স্টার গ্রুপ, প্রগতি-কনকর্ড গ্রুপ, বেংগল শিপিং লাইনস, চৌধুরী এ্যাপারেলস, ম্যাকডোনাল্ড (বাংলাদেশ) লিঃ, এস.এ. গ্রুপ, গনস্বাস্থ্য গ্রুপ, ন্যাশনাল ব্যাংক, ডি.এইচ.এল ওয়ার্ল্ড-ওয়াইড, গ্রুপ-৪ সিকিউরিটিস লিঃ, অলিম্পিক ইন্ডাস্ট্রিজ, নাশা গ্রুপ, এনটিভি, ইটিভি, আমেরিকান ইন্টারন্যাশনাল স্কুল, ঢাকা, আরব এ্যামিরাত দূতাবাস, ঢাকা, ইয়াংওয়ান গ্রুপ, প্যাসিফিক জিনস, এইচ কে ডি গ্রুপ, আলিটা গ্রুপ, এ্যাপেক্স উইভিং, মেট্রো স্পিনিং, প্রাইম টেক্সটাইল, ডাকারিয়া, এম.জি.এইচ গ্রুপ, ওয়েস্টমন্ট পাওয়ার (বাংলাদেশ) লিঃ, এ.ই.এস পাওয়ার, খুলনা পাওয়ার, জেসন গ্রুপ প্রগতি ইন্স্যুরেন্সের উপর যে আস্থা প্রদর্শন করেছেন তার জন্য পরিচালকমন্ডলী তাঁদের নিকট



their confidence in the company. We have also been favoured by PHP Group by placing a substantial portion of the group's business with Pragati; policy of which was issued in January, 2005.

We also record our gratefulness to the Government of the Peoples' Republic of Bangladesh, Chief Controller of Insurance, Securities and Exchange Commission, Sadharan Bima Corporation for their support and assistance.

Above all, the Board of Directors express its profound gratitude to all its valued clients, patrons and well wishers for their continued support, active cooperation and confidence in the company.



The Directors also put on record their thanks to the Managing Director and have conveyed their appreciation through the Managing Director to all the Executives, Officers and Staff of the Company for their excellent work. With their sincere, dedicated, whole-hearted devotion and committed efforts to the challenging duty and responsibility, we may look forward to achieving better results in the coming days. The Directors have been pleased to reward its staff including the Executives, Officers and Employees with 3 (three) Bonus.

The company remains fully committed to its deep determination and ideology of personalized client service, their satisfaction and their financial security.

On behalf of the Board of Directors

Al-Haj Khalilur Rahman
Chairman

গভীরভাবে কৃতজ্ঞ। এছাড়াও পিএইচপি গ্রুপের ইন্স্যুরেন্স ব্যবসাও আমরা ইতিমধ্যে অর্জন করেছি। ২০০৫ এর জানুয়ারীতে আমরা তাদের ব্যবসা অর্জনে সক্ষম হই।

আমরা গনপ্রজাতন্ত্রী বাংলাদেশ সরকার, প্রধান বীমা নিয়ন্ত্রক, সিকিউরিটিজ এন্ড এক্সচেঞ্জ কমিশন, সাধারণ বীমা কর্পোরেশন এর নিকট সর্বধরনের সাহায্য সহযোগিতা পাওয়ার জন্য তাঁদের প্রতি আমাদের আন্তরিক কৃতজ্ঞতা জানাচ্ছি।

এতদ্ব্যতীত কোম্পানীর সম্মানিত গ্রাহকবৃন্দ, শুভানুধ্যায়ী এবং পৃষ্ঠপোষকবৃন্দ কোম্পানীর কার্যক্রমে যে সক্রিয় সাহায্য, সহমর্মিতা এবং আস্থা প্রদর্শন করেছেন তৎজন্য পরিচালকমন্ডলী তাঁদের জানাচ্ছেন কৃতজ্ঞতা এবং ধন্যবাদ এবং কৃতজ্ঞতা।



পরিচালকমন্ডলী ব্যবস্থাপনা পরিচালক মহোদয়কে ধন্যবাদ জ্ঞাপন করছেন এবং তার মাধ্যমে কোম্পানীর সকল শ্রেণীর কর্মকর্তা ও কর্মচারীর আন্তরিক কর্মনিষ্ঠা, অক্লান্ত পরিশ্রম, নিবেদিত সেবার প্রশংসা করছেন এবং আশা প্রকাশ করছেন যে ভবিষ্যতেও তারা একইভাবে তাদের প্রচেষ্টা সমুন্নত রাখবেন এবং কোম্পানীকে উত্তোরণের সমৃদ্ধির পথে নিতে অগ্রণী ভূমিকা পালন করবেন। পরিচালকমন্ডলী তাঁদের আন্তরিক এবং প্রশংসনীয় কর্মোদ্যমের জন্য সকল শ্রেণীর কর্মকর্তা ও কর্মচারীবৃন্দকে ৩ টি উৎসাহ বোনাস প্রদানের সিদ্ধান্ত নিয়েছেন।

উপসংহারে পরিচালকমন্ডলী সম্মানিত গ্রাহক, পৃষ্ঠপোষক, শুভানুধ্যায়ীদের এইমর্মে আশ্বাস প্রদান করছেন যে ভবিষ্যতেও প্রগতি ইন্স্যুরেন্স লিঃ গ্রাহক সেবা এবং তাদের আর্থিক নিরাপত্তার ব্যাপারে অধিকতর সচেতনতা এবং নিরলস প্রচেষ্টা অব্যাহত রাখবে।

পরিচালকমন্ডলীর পক্ষে

আলহাজ্ব খলিলুর রহমান
চেয়ারম্যান



VALUE ADDED STATEMENT

For The Year Ended December 31, 2004

Figures in million

Value Added:

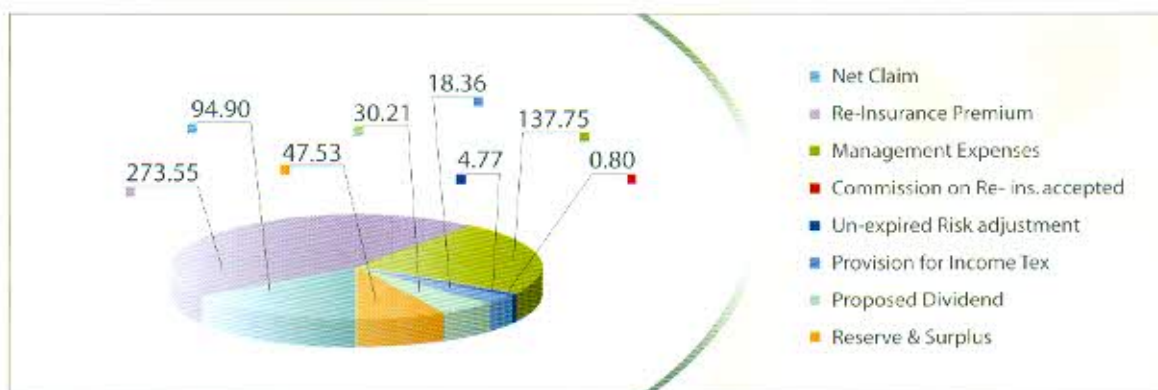
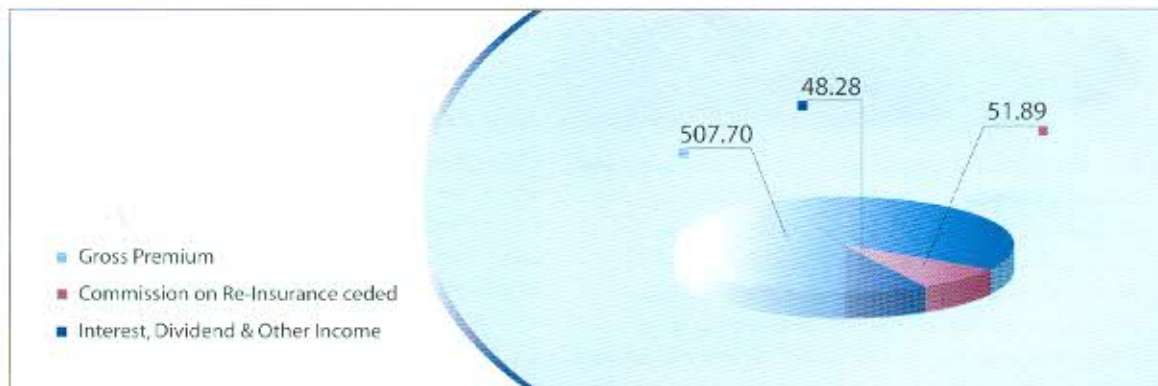
| | |
|-----------------------------------|--------|
| Gross Premium | 507.70 |
| Commission on Re-Insurance ceded | 51.89 |
| Interest, Dividend & Other Income | 48.28 |

Application:

| | |
|---------------------------------|--------|
| Net Claim | 94.90 |
| Re - Insurance Premium | 273.55 |
| Management Expenses | 137.75 |
| Commission on Re- ins. accepted | 0.80 |
| Un - expired Risk adjustment | 4.77 |
| Provision for Income Tax | 18.36 |
| Proposed Dividend | 30.21 |
| Reserve & Surplus | 47.53 |

Total Taka: 607.87

Total Taka: 607.87



Auditor's Report To The Shareholders

We have audited the accompanying Balance Sheet of Pragati Insurance Limited as of December 31, 2004 and the related Profit and Loss Account and Statement of Cash flows for the year then ended. The preparation of these Financial Statements is the responsibility of the Company's management. Our responsibility is to express an independent opinion on these Financial Statements based on our audit.

We conducted our audit in accordance with Bangladesh Standards on Auditing (BSA). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements prepared in accordance with Bangladesh Accounting Standards (BAS), give a true and fair view of the state of the company's affairs as of December 31, 2004 and of the results of its operations and its Cash Flows for the year then ended and comply with the Companies Act, 1994, Insurance Rules 1958, The Securities Exchange Rules 1987 and other applicable laws and regulations.

We also report that:

- i) We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit and made due verification thereof;
- ii) In our opinion, proper books of account as required by law have been kept by the company so far as it appeared from our examination of those books and (where applicable) proper returns adequate for the purposes of our audit have been received from branches not visited by us;
- iii) The company's Balance Sheet and Profit and Loss Account and its Cash Flows dealt with by the report are in agreement with the books of account and returns;
- iv) The expenditure incurred was for the purposes of the company's business;
- v) As per Section 40c(2) of the Insurance Act 1938 as amended, we certify that to the best of our knowledge and belief and according to the information and explanations given to us, all expenses of management wherever incurred and whether incurred directly or indirectly, 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 Profit & Loss Account of the Company; and
- vi) As per Regulation-11 of Part-1 of the Third Schedule of the Insurance Act 1938 as amended, we certify that to the best of our information and as shown by its books, the Company during the year under report has not paid any person any commission in any form outside Bangladesh in respect of any of its business re-insured abroad.



(A. WAHAB & CO.)
Chartered Accountants

Dated: Dhaka, April 17, 2005





BALANCE SHEET

As at December 31, 2004

| Capital & Liabilities | Note | 2004 | 2003 |
|---|-------|----------------------|----------------------|
| Authorized Capital: 2,500,000 Ordinary shares of Tk. 100 each. | | 250,000,000 | 250,000,000 |
| Issued, Subscribed & Paid-up capital: 1,510,665 Ordinary shares of Tk. 100 each | 14 | 151,066,500 | 118,950,000 |
| Share Premium | | 45,118,772 | 77,235,272 |
| Reserve or Contingency Account: | | 617,909,055 | 532,009,818 |
| Reserve for Exceptional Losses | | 212,524,799 | 189,109,796 |
| Contingency Reserve for Insurance Guarantees and Tail ended Insurance Business | 15 | 105,869,651 | 105,869,651 |
| Revaluation Reserve | 16 | 215,320,830 | 157,226,598 |
| General Reserve | 17 | 1,264,728 | 264,728 |
| Dividend Equalization Reserve | | 37,500,000 | 36,500,000 |
| Depreciation Fund | | 45,307,812 | 42,274,161 |
| Profit & Loss Appropriation Account | | 121,235 | 764,884 |
| Balance of Fund & Account: | | 118,065,758 | 113,299,266 |
| Fire Insurance Business | | 20,845,624 | 29,536,506 |
| Marine Insurance Business | | 54,833,749 | 49,411,832 |
| Misc. Insurance Business | | 42,386,385 | 34,350,928 |
| Premium Deposit | 18 | 7,499,186 | 47,732,604 |
| Liabilities & Provision: | | 278,699,012 | 174,574,392 |
| Estimated Liabilities in respect of outstanding claims whether due or Intimated | 19 | 160,401,084 | 112,755,915 |
| Amount due to other persons or bodies carrying on Insurance Business | 20 | 118,297,928 | 61,818,477 |
| | | 82,870,027 | 116,921,654 |
| Loan from Bank for Building Project (Secured) | 21 | 46,091,895 | 68,350,836 |
| Loan from Bank for Gulshan Land (Secured) | 21.01 | 36,778,132 | 48,570,818 |
| Sundry Creditors | 22 | 30,447,774 | 27,233,389 |
| Provision for Income Tax (Including Dividend Distribution Tax) | 23 | 18,359,333 | 21,489,024 |
| Proposed Dividend | 24 | 30,213,300 | 23,790,000 |
| Total: Taka | | 1,380,248,717 | 1,253,235,419 |

Notes:

- i) Contingent Liabilities (Note-31)
- ii) Figures have been rounded off to the nearest Taka.
- iii) Approved by the Board on 16th April 2005 and signed on its behalf by.

A.K.M Rafiqul Islam
Managing Director

Capt. Imam Anwar Hossain
Director

Dated: Dhaka, April 17, 2005

BALANCE SHEET

As at December 31, 2004

| PROPERTY & ASSETS | Note | 2004 | 2003 |
|---|--------|----------------------|----------------------|
| Investment: | | 169,350,581 | 112,996,991 |
| National Investment Bond | 1 | 4,500,000 | 4,500,000 |
| Shares & Debentures | 2 | 164,850,581 | 108,496,991 |
| Outstanding Premium | 3 | 11,479,916 | 12,168,434 |
| Amount due from other persons or bodies carrying on Insurance Business | 4 | 116,742,182 | 132,150,668 |
| Interest, Dividend & Rent Outstanding | 5 | 7,578,213 | 8,158,779 |
| Sundry Debtors | 6 | 25,214,900 | 23,279,249 |
| Advance Payment of Tax | 7 | 2,981,112 | 10,495,786 |
| Cash and Bank Balances: | | 380,931,546 | 301,372,524 |
| Fixed Deposit Accounts | 8 | 278,502,632 | 254,302,632 |
| STD & Current Accounts | 9 | 96,112,700 | 42,070,378 |
| Cash & Stamp in Hand | 10 | 6,316,214 | 4,999,514 |
| Other Accounts: | | 665,970,267 | 652,612,988 |
| Land (freehold) | 11 | 356,098,311 | 356,038,311 |
| Land at Gulshan | 11 (a) | 62,796,636 | 57,197,623 |
| Fixed Assets (at cost) | 12 | 71,538,527 | 63,812,761 |
| Joint Venture Building Project | 13 | 175,294,893 | 175,294,893 |
| Stock of Printing Materials | | 241,900 | 269,400 |
| Total: Taka | | 1,380,248,717 | 1,253,235,419 |

Subject to our separate report of even date.



Mohammed A. Awwal
Director



Al-Haj Khalilur Rahman
Chairman



(A. Wahab & Co.)
Chartered Accountants



PROFIT AND LOSS ACCOUNT

For the year ended December 31, 2004

| | Note | 2004 | 2003 |
|---|------|-------------------|-------------------|
| Expenses of Management: (Not applicable to any fund or account) | | | |
| Advertisement & Publicity | | 4,650,171 | 3,626,171 |
| Directors' Fee | | 1,158,440 | 1,258,905 |
| Bonus | | 6,500,000 | 4,865,535 |
| Registration Renewal Fee | 28 | 1,636,539 | 525,030 |
| Donation | | 1,000,000 | - |
| Audit Fees (including fee for special audit) | 29 | 500,000 | 255,000 |
| Legal Expenses | | 350,000 | 271,912 |
| Depreciation | | 4,593,651 | 4,701,629 |
| Profit for the year transferred to Profit & Loss Appropriation Account | | 75,705,984 | 58,415,427 |
| Total: Taka | | 96,094,785 | 73,919,609 |

PROFIT AND LOSS APPROPRIATION ACCOUNT

For the year ended December 31, 2004

| | | | |
|---|----|-------------------|-------------------|
| Reserve for Exceptional Losses | | 23,415,003 | 22,595,015 |
| Provision for Income Tax (Including Dividend Distribution Tax) | | 20,721,330 | 12,000,000 |
| General Reserve | | 1,000,000 | - |
| Dividend Equalization Reserves | | 1,000,000 | - |
| Proposed Dividend | | 30,213,300 | 23,790,000 |
| Balance Transferred to Balance Sheet | 30 | 121,235 | 764,884 |
| Total: Taka | | 76,470,868 | 59,149,899 |

Approved by the Board on 16th April 2005 and signed on its behalf by.

A.K.M Rafiqul Islam
Managing Director

Capt. Imam Anwar Hossain
Director

Dated: Dhaka, April 17, 2005



PROFIT AND LOSS ACCOUNT

For the year ended December 31, 2004

| | Note | 2004 | 2003 |
|--|------|-------------------|-------------------|
| Interest, Dividend and Rent: (Not applicable to any fund or account) | | 23,643,045 | 25,075,185 |
| Interest Received & Accrued | 26 | 20,246,953 | 19,726,937 |
| Dividend and Debenture Interest | 27 | 3,396,092 | 5,348,248 |
| Profit transferred from: | | 47,816,305 | 41,567,776 |
| Fire Revenue account | | 19,271,385 | 20,508,584 |
| Marine Revenue account | 25 | 21,834,538 | 16,200,891 |
| Misc. Revenue account | | 6,710,382 | 4,858,301 |
| Other Income: | | 24,635,435 | 7,276,648 |
| Misc. Receipt | | 501,406 | 600,933 |
| Profit on Sale of Investment (Shares) | | 20,787,481 | 3,641,800 |
| Building Rent | | 3,346,548 | 3,033,915 |
| Total: Taka | | 96,094,785 | 73,919,609 |

PROFIT AND LOSS APPROPRIATION ACCOUNT

For the year ended December 31, 2004

| | | | |
|---|--|-------------------|-------------------|
| Balance brought forward from previous period | | 764,884 | 734,472 |
| Net profit for the years transferred from Profit and Loss Account | | 75,705,984 | 58415427 |
| Total: Taka | | 76,470,868 | 59,149,899 |

Mohammed A. Awwal
Director

Al-Haj Khalilur Rahman
Chairman

(A. Wahab & Co.)
Chartered Accountants

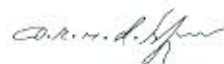


FIRE INSURANCE REVENUE ACCOUNT

For The Year Ended December 31, 2004

| | 2004 | 2003 |
|--|--------------------|--------------------|
| Claims under policies Less: Re-Insurance: | | |
| Paid during the year | 6,492,317 | 16,201,388 |
| Total estimated liability in respect of outstanding claims at the end of the year whether due or intimated | 62,278,951 | 37,345,167 |
| | 68,771,268 | 53,546,555 |
| Less: Outstanding claims at the end of the previous year | 37,345,167 | 40,471,503 |
| | 31,426,101 | 13,075,052 |
| Commission on Re-insurance Accepted | 760,533 | 321,638 |
| Expenses of Management | 36,770,107 | 34,224,632 |
| Commission | - | 26,544,850 |
| Profit transferred to Profit & Loss Account | 19,271,385 | 20,508,584 |
| Balance of Account at the end of the year as shown in Balance Sheet: | | |
| Reserve for unexpired risks, being 50% of the Fire Premium income of the year | 20,845,624 | 29,536,506 |
| Total: Taka | 109,073,750 | 124,211,262 |

Dated: Dhaka, April 17, 2005



A.K.M Rafiqul Islam
Managing Director



Capt. Imam Anwar Hossain
Director



FIRE INSURANCE REVENUE ACCOUNT

For The Year Ended December 31, 2004

| | 2004 | 2003 |
|---|--------------------|--------------------|
| Balance of Account at the beginning of the year: | | |
| Reserve for Unexpired Risk | 29,536,506 | 16,714,284 |
| Premium less : Re-Insurance | 41,691,248 | 59,073,012 |
| Commission on Re-Insurance Ceded | 37,845,996 | 48,423,966 |
| Total: Taka | 109,073,750 | 124,211,262 |

FIFTH ANNUAL REPORT 2004 FIRE INSURANCE

Mohammed A. Awwal
Director

Al-Haj Khalilur Rahman
Chairman

(A. Wahab & Co.)
Chartered Accountants



MARINE INSURANCE REVENUE ACCOUNT

For The Year Ended December 31, 2004

| | CARGO | HULL | 2004 | 2003 |
|---|--------------------|------------------|--------------------|--------------------|
| Claims under Policies | | | | |
| Less: Re-Insurance: | | | | |
| Paid during the year | 6,299,368 | 225,495 | 6,524,863 | 9,854,488 |
| Total estimated liability in respect of outstanding claims at the end of the year whether due or intimated | 58,749,216 | 75,016 | 58,824,232 | 37,628,369 |
| | 65,048,584 | 300,511 | 65,349,095 | 47,482,857 |
| Less: Outstanding Claims at the end of the previous year | 37,628,369 | - | 37,628,369 | 39,308,480 |
| | 27,420,215 | 300,511 | 27,720,726 | 8,174,377 |
| Expenses of Management | 60,631,293 | 1,118,602 | 61,749,895 | 41,408,486 |
| Commission | - | - | - | 23,012,380 |
| Profit transferred to Profit & Loss Account | 21,503,774 | 330,764 | 21,834,538 | 16,200,891 |
| Balance of Account at the end of the year as shown in Balance Sheet: | | | | |
| Reserve for unexpired risks being 50% of the Marine Cargo Premium income and 100% of the Marine Hull Premium Income of the year | 52,852,271 | 1,981,478 | 54,833,749 | 49,411,832 |
| Total: Taka | 162,407,553 | 3,731,355 | 166,138,908 | 138,207,966 |

Dated: Dhaka, April 17, 2005

A.K.M Rafiqul Islam
Managing Director

Capt. Imam Anwar Hossain
Director



MARINE INSURANCE REVENUE ACCOUNT

For The Year Ended December 31, 2004

| | CARGO | HULL | 2004 | 2003 |
|---|--------------------|------------------|--------------------|--------------------|
| Balance of Account at the beginning of the year: | | | | |
| Reserve for Unexpired Risk | 48,763,455 | 648,377 | 49,411,832 | 33,923,731 |
| Premium less: Re-Insurance | 105,704,542 | 1,981,478 | 107,686,020 | 98,175,288 |
| Commission on Re-Insurance Ceded | 7,939,556 | 1,101,500 | 9,041,056 | 6,108,947 |
| Total: Taka | 162,407,553 | 3,731,355 | 166,138,908 | 138,207,966 |

Mohammed A. Awwal
Director

Al-Haj Khalilur Rahman
Chairman

[A. Wahab & Co.]
Chartered Accountants

MARINE INSURANCE

MISCELLANEOUS INSURANCE REVENUE ACCOUNT

For The Year Ended December 31, 2004

| | MOTOR | MISC. | 2004 | 2003 |
|--|-------------------|-------------------|--------------------|--------------------|
| Claims under Policies | | | | |
| Less: Re-Insurance: | | | | |
| Paid during the year | 19,865,575 | 14,373,319 | 34,238,894 | 24,064,293 |
| Total estimated liability in respect of outstanding claims at the end of the year whether due or intimated | 24,873,607 | 14,424,294 | 39,297,901 | 37,782,379 |
| | 44,739,182 | 28,797,613 | 73,536,795 | 61,846,672 |
| Less: Outstanding claims at the end of the previous year | 21,150,655 | 16,631,724 | 37,782,379 | 31,608,355 |
| | 23,588,527 | 12,165,889 | 35,754,416 | 30,238,317 |
| Commission on Re-Insurance Accepted | - | 44,122 | 44,122 | 30,707 |
| Expenses of Management | 34,457,339 | 4,771,015 | 39,228,354 | 32,400,558 |
| Commission | - | - | - | 12,104,401 |
| Profit transferred to Profit & Loss Account | 5,648,409 | 1,061,973 | 6,710,382 | 4,858,301 |
| Balance of Account at the end of the year as shown in Balance Sheet: | | | | |
| Reserve for unexpired risks being 50% of the Motor and Misc. Premium income of the year | 32,614,124 | 9,772,261 | 42,386,385 | 34,350,928 |
| Total: Taka | 96,308,399 | 27,815,260 | 124,123,659 | 113,983,212 |

Dated: Dhaka, April 17, 2005


A.K.M Rafiqul Islam
 Managing Director


Capt. Imam Anwar Hossain
 Director



MISCELLANEOUS INSURANCE REVENUE ACCOUNT

For The Year Ended December 31, 2004

| | MOTOR | MISC. | 2004 | 2003 |
|---|-------------------|-------------------|--------------------|--------------------|
| Balance of Account at the beginning of the year: | | | | |
| Reserve for Unexpired Risk | 31,080,151 | 3,270,777 | 34,350,928 | 37,692,333 |
| Premium less: Re-Insurance | 65,228,248 | 19,544,523 | 84,772,771 | 68,701,856 |
| Commission on Re-Insurance Ceded (including profit commission) | - | 4,999,960 | 4,999,960 | 7,589,023 |
| Total: Taka | 96,308,399 | 27,815,260 | 124,123,659 | 113,983,212 |

15TH ANNUAL REPORT 2004 MISCELLANEOUS INSURANCE

Mohammed A. Awwal
Director

Al-Haj Khalilur Rahman
Chairman

(A. Wahab & Co.)
Chartered Accountants

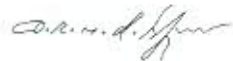
STATEMENT OF CHANGES IN EQUITY

For The Year Ended December 31, 2004

| Particulars | Share Capital | Share Premium | Reserve for Exceptional Losses | Revaluation Reserve | General Reserve | Dividend Equalization Reserve | Income Tax Provision | Proposed Dividend | Retained Earnings | Total |
|--|--------------------|-------------------|--------------------------------|---------------------|------------------|-------------------------------|----------------------|-------------------|-------------------|--------------------|
| Opening Balance as on 01-01-2004 | 118,950,000 | 77,235,272 | 189,109,796 | 157,226,598 | 264,728 | 36,500,000 | 21,489,024 | 23,790,000 | 764,884 | 625,330,302 |
| Dividend Paid | - | - | - | - | - | - | - | (23,657,620) | - | (23,657,620) |
| Transfer to unpaid dividend | - | - | - | - | - | - | - | (132,380) | - | (132,380) |
| Increase share capital during the year | 32,116,500 | - | - | - | - | - | - | - | - | 32,116,500 |
| Adjustment of Share Premium | - | (32,116,500) | - | - | - | - | - | - | - | (32,116,500) |
| Revaluation Reserve during the year | - | - | - | 58,094,232 | - | - | - | - | - | 58,094,232 |
| General Reserve during the year | - | - | - | - | 1,000,000 | - | - | - | (1,000,000) | - |
| Dividend Equalization Reserve | - | - | - | - | - | 1,000,000 | - | - | (1,000,000) | - |
| Net Profit for the year 2004 | - | - | - | - | - | - | - | - | 75,705,984 | 75,705,984 |
| Reserve for Exceptional losses | - | - | 23,415,003 | - | - | - | - | - | (23,415,003) | - |
| Provision for Income Tax | - | - | - | - | - | - | 20,721,330 | - | (20,721,330) | - |
| Proposed Dividend | - | - | - | - | - | - | - | 30,213,300 | (30,213,300) | - |
| Tax adjustment during the year | - | - | - | - | - | - | (23,851,021) | - | - | (23,851,021) |
| December 31, 2004 Taka | 151,066,500 | 45,118,772 | 212,524,799 | 215,320,830 | 1,264,728 | 37,500,000 | 18,359,333 | 30,213,300 | 121,235 | 711,489,497 |

See accompanying notes.

Approved by the board on 16th April, 2005 and signed on its behalf by:



A.K.M Rafiqul Islam
Managing Director



Capt. Imam Anwar Hossain
Director



Mohammed A. Awwal
Director



Al-Haj Khalilur Rahman
Chairman



(A. Wahab & Co.)
Chartered Accountants

Dated: Dhaka, April 17, 2005

STATEMENT OF CASH FLOW

For The Year Ended December 31, 2004

2004

2003

| A Cash Flow from Operating Activities: | | |
|--|---------------------|---------------------|
| Net Profit after Tax | 58,005,984 | 46,415,427 |
| Adjustment to reconcile net profit to net cash provided by Operating Activities: | | |
| Depreciation | 3,033,651 | 2,686,616 |
| Loss (Profit) on Sale of Investment | - | - |
| Reserve for Unexpired Risk | 4,766,492 | 24,968,918 |
| Decrease in Stock of Printing | 27,500 | 95,300 |
| Increase in Advance Payment of Tax | 7,514,674 | (6,913,678) |
| Increase in Sundry Debtors | (1,935,651) | 9,095,699 |
| Decrease in Interest, Dividend & Rent outstanding | 580,566 | 74,228 |
| Increase in Amount due from Other Person or Bodies carrying on Insurance Business | 15,408,486 | (22,688,889) |
| Increase in Outstanding Premium | 688,518 | (6,802,787) |
| Increase / (Decrease) in Income Tax Payable | (6,151,021) | 8,417,892 |
| Increase / (Decrease) in S. Creditors (excluding unpaid Dividend) | 3,082,005 | (5,614,474) |
| Increase in Estimated Liability in respect of outstanding claim whether due or intimated | 47,645,169 | 1,367,577 |
| Increase in Amount due to other person or bodies carrying on Insurance business | 56,479,451 | 13,832,848 |
| Increase / (Decrease) in Premium Deposit | (40,233,418) | 24,958,195 |
| Net Cash Flow from Operating Activities | 148,912,406 | 89,892,872 |
| B Cash Flow from Investing Activities: | | |
| Purchase of Fixed Assets | (15,544,779) | (10,928,426) |
| Increase in Capital Work-in-Progress (Building Project) | - | (1,229,365) |
| Disposal of Investment & other assets | 17,618,937 | 11,369,628 |
| Investment made during the year | (13,718,295) | (23,579,055) |
| Net Cash Flow from Investing Activities | (11,644,137) | (24,367,218) |
| C Cash Flow from Financing Activities: | | |
| Loan Received from Bank | 12,658,581 | 15,340,094 |
| Loan Repayment to Bank | (46,710,208) | (21,467,780) |
| Dividend Paid | (23,657,620) | (19,009,370) |
| Net Cash Flow from Financing Activities | (57,709,247) | (25,137,056) |
| Decrease in Cash and Bank Balance (A+B+C) | 79,559,022 | 40,388,598 |
| Cash and Bank Balance at Opening | 301,372,524 | 260,983,926 |
| Cash and Bank Balance at Closing | 380,931,546 | 301,372,524 |


A.K.M Rafiqul Islam
Managing Director


Capt. Imam Anwar Hossain
Director


Mohammed A. Awwal
Director


Al-Haj Khalilur Rahman
Chairman


(A. Wahab & Co.)
Chartered Accountants

Dated: Dhaka, April 17, 2005



NOTES ON ACCOUNTS

For The Year Ended December 31, 2004

A GENERAL:

Incorporation and Legal Form of the Company:

The company was incorporated as a public limited company on January 27, 1986, under the Companies Act 1913. It commenced its commercial operation as on January 30, 1986.

The company is listed with both Dhaka and Chittagong Stock Exchange Limited as a Publicly traded company.

Nature of Business:

The primary objectives of the company are to carry on all kinds of insurance, guarantee and indemnity business.

B SIGNIFICANT ACCOUNTING POLICIES AND OTHER RELEVANT INFORMATION:

i) The Company has adopted relevant International Accounting Standards as were adopted in Bangladesh under the title Bangladesh Accounting Standards (BAS) with reference to disclosures of accounting policies, valuation of investment such as long term and current investments.

ii) Basis of Accounting:

The accounts have been prepared on a going concern basis under generally accepted accounting principles on historical cost convention.

iii) Basis of Presentation:

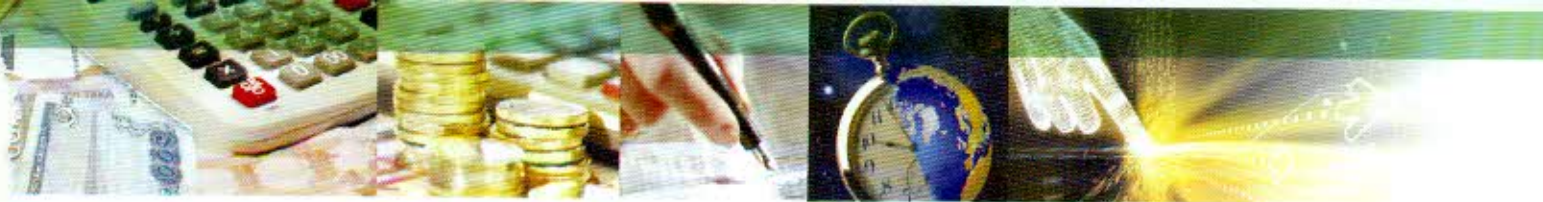
The Balance Sheet has been prepared in accordance with the regulations as contained in Part-I of the First Schedule. Revenue Account of each class of general insurance business has been prepared in accordance with the regulations as contained in Part-I of the Third Schedule and as per Form "F" as set forth in Part-II of Third Schedule of the Insurance Act, 1938 as amended from time to time.

iv) Premium Income:

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

v) Interest on Statutory and other Investments :

Interest accrued on statutory investment of Tk. 45.00 lacs lying with Bangladesh Bank in the form of N.I.B.s has not been accounted for. But interest received from banks on STD accounts and FDR Accounts have been duly credited to the Profit and Loss Account after adjusting interest on OD A/C.



vi) Loss or Gain on Sale of Shares and Debentures:

Loss or Gain on sale of shares and dividend income earned during the year have been shown in the Profit and Loss Account and the tax relief as well as the concession rate of tax as availed under the existing income tax law, have been given effect in the accounts.

vii) Management Expenses:

Management expenses as charged to Revenue Accounts and amounting to Tk. 137,748,356 is approximately 27.13% of gross premium of Tk. 507,698,731. The expenses have been apportioned @ 26.69% to Fire, 44.83% to Marine and 28.48% to Miscellaneous business as per Management decision.

viii) Provision for Unexpired Risks :

Before arriving at the surplus of each class of business necessary provision for un-expired risks have been created at the rate of 50% on all business except on Marine Hull business for which the provision was made @ 100% of the total premium for the year 2004.

ix) Reserve for Exceptional Loss:

Reserve for Exceptional Losses as appropriated out of current year's profit before tax amounts to Tk. 23,415,003 being 10% of the net premium earned during the year.

x) Depreciation on Fixed Assets :

Depreciation on Fixed Assets has been charged on cost for full year as per Straight Line Method at the following rates:

| Category of Assets | Rate of Depreciation |
|-------------------------------|----------------------|
| Furniture and Fixtures | 10% to 15% |
| Motor Vehicles | 20% |
| Office & Electrical Equipment | 15% |
| Miscellaneous Items | 20% |

xi) Outstanding Premium :

The outstanding premium appearing in the accounts was realized subsequently till January, 2005.

xii) Contingency Reserve:

The company has credited Contingency Reserve for Insurance Guarantees and tail ended insurance business against which there exists no re-insurance arrangement although there remain risk till the expiry of the Guarantee.

xiii) Use of Estimate:

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

xiv) Issue of Bonus Share:

The company has transferred an amount of Tk. 32,116,500 (bonus share @ 27% of total paid up capital of Tk. 118,950,000) from share premium account to share capital account.

xv) Others:

- a) Provision for Income Tax has been made in accordance with the best estimate of the management based on the prevailing Income Tax law.
- b) During the year interest on investments in NIB and Debenture as well as dividend on shares have been accounted for as income on declaration basis.
- c) Figures have been rounded off to the nearest Taka and previous year's figures have been re-arranged for the purpose of comparison, where felt necessary.

C OPERATION:

During the year under audit, the company earned gross premium of Tk. 507,698,731, which includes public sector business of Tk. 273,548,692. After ceding for re-insurance, the net premium stood at Tk. 234,150,039. Underwriting profit of Tk. 47,816,305 as against Tk. 41,567,776 in the previous year, worked out to be 20.42% of the net premium.

Public Sector Business

Public Sector Business for four quarters upto June 2004 has been accounted for on the basis of statements received from SBC.

D TAX ASSESSMENT POSITION:

Income Tax Assessment of the Company has been completed upto Assessment year 2003-2004 (A/cs 31-12-2002) as per Assessment Order. Subsequently the assessment has been completed upto Assessment year 2004-2005 (A/cs 31-12-2003) as certified by the DCT, Large Tax Payer Unit (LTU) dated March 10, 2005.

BALANCE SHEET:

01 National Investment Bond: Tk. 4,500,000

The amount represents 3-year National Investment Bond with a face value of Tk. 45.00 lacs held with Bangladesh Bank as Statutory deposit under Insurance Act, 1938.

Interest accrued on the investment has not been accounted for.

02 Shares and Debentures: Tk. : 164,850,581

The movement of the balance is shown below:

| Particulars | 2004 | 2003 |
|--|--------------------|--------------------|
| Opening Balance | 108,496,991 | 85,622,326 |
| Add : Purchased during the year | 13,718,295 | 23,579,055 |
| | 122,215,286 | 109,201,381 |
| Less : Sales/Redemption during the year | 15,458,937 | 9,337,581 |
| | 106,756,349 | 99,863,800 |
| Add: Share value as per market price on 31-12-2004 (Adjusted through Revaluation Reserve Account) | 58,094,231 | 8,633,191 |
| Closing Balance at Market Value | 164,850,581 | 108,496,991 |

The company wise break-up of the above balance is as under:

i) Shares:

| Share in Public Limited Company | No. of Shares | At Cost | Market Value as on 31-12-2004 |
|---|---------------|-------------------|-------------------------------|
| IFIC Bank Ltd. | 93 | 20,669 | 37,851 |
| Rupali Bank Ltd. | 325 | 42,819 | 223,519 |
| National Bank Ltd. | 3,189 | 766,267 | 1,515,572 |
| Dhaka Bank Ltd. | 600 | 285,012 | 510,000 |
| Prime Bank Ltd. | 3,850 | 1,408,389 | 2,231,075 |
| Southeast Bank Ltd | 5,000 | 1,531,858 | 3,312,500 |
| One Bank Ltd. | 2,000 | 379,000 | 920,000 |
| Al-Arafa Bank Ltd. | 685 | 913,134 | 2,212,036 |
| Mutual Trust Bank | 29,645 | 5,509,028 | 17,416,437 |
| Standard Bank Ltd. | 7 | 700 | 3,203 |
| Exim Bank Ltd. | 800 | 515,341 | 620,800 |
| BOC Bangladesh Ltd. | 100 | 16,190 | 14,470 |
| Tripti Industries Ltd. | 21,120 | 649,440 | 995,808 |
| Green Delta Insurance Co. Ltd. | 230 | 266,957 | 232,661 |
| Reliance Insurance Ltd. | 1,900 | 1,123,705 | 1,425,000 |
| United Insurance Ltd. | 440 | 350,156 | 319,220 |
| Eastland Insurance Co. Ltd. | 180 | 81,424 | 93,825 |
| Ind. & Infrastructure Dev. Finance Co. Ltd. | 115,000 | 11,500,000 | 11,500,000 |
| United Leasing Co. Ltd. | 316 | 437,982 | 622,915 |
| National Housing Ltd. | 200,000 | 20,000,000 | 20,000,000 |
| Central Depository Bangladesh Ltd. | 2 | 2,000,000 | 2,000,000 |
| AMCL (Pran) | 200 | 85,100 | 118,300 |
| Pioner Insurance | 300 | 75,600 | 83,850 |
| 1st ICB Mutul Fund | 155 | 299,770 | 426,250 |
| 5th ICB Mutul Fund | 160 | 40,960 | 59,920 |
| 6th ICB Mutul Fund | 600 | 98,850 | 125,400 |
| 7th ICB Mutul Fund | 700 | 105,000 | 146,825 |
| Heidelberg Cement Bangladesh Ltd. | 8,838 | 4,256,924 | 10,042,178 |
| Daffodials Computers Ltd. | 100,000 | 1,000,000 | 1,440,000 |
| Lafarge Surma Cement Ltd. | 100,449 | 14,527,180 | 43,720,427 |
| Keya Detergent Ltd. | 20,000 | 185,065 | 316,000 |
| Beximco Pharma Ltd. | 49,672 | 2,704,019 | 4,574,791 |
| Orion Infusion Ltd. | 7,000 | 512,750 | 976,500 |
| Square Pharmaceuticals Ltd. | 588 | 1,105,732 | 2,233,665 |
| Beximco Infusion Ltd. | 1,023 | 220,201 | 504,851 |
| Eastern Housing Ltd. | 10,900 | 1,070,925 | 1,387,025 |
| Shinepukur Holding Ltd. | 400 | 12,400 | 17,900 |
| Monno Fabrics Ltd. | 167,000 | 13,067,750 | 12,358,000 |
| Padma Textile Ltd. | 21,700 | 318,990 | 857,150 |
| Tallu Spinning Mills Ltd. | 390 | 39,000 | 32,405 |
| Ashraf Textile Mills Ltd. | 2,500 | 18,500 | 15,000 |
| Square Textile Ltd. | 27 | 1,078 | 3,734 |
| Usmania Glass Sheet Ltd. | 5 | 4,224 | 9,834 |
| National Tubes Ltd. | 80 | 189,116 | 174,540 |
| Total Taka (i) | | 87,737,205 | 145,831,437 |

ii) Debentures:

| Name of the Company | At Cost Less: Redemption |
|---------------------------------------|-----------------------------|
| Bangladesh Export Import Company Ltd. | 1,660,000 |
| Beximco Fisheries Ltd. | 1,161,194 |
| Beximco Textile Ltd. | 2,091,750 |
| Beximco Denims Ltd. | 9,606,200 |
| Bangladesh Luggage Industries Ltd. | 4,500,000 |
| Total Taka (ii) | 19,019,144 |
| Grand Total Taka (i+ii) | 164,850,581 |

Principal amount due against debenture not received is Tk. 17,458,670 upto 31-12-2004 and Debenture Interest due but no provision has been made in this account is Tk. 12,191,069 up to the same date.

| Name of the Company | Interest | Redemption | Total |
|---------------------------------|-------------------|-------------------|-------------------|
| Bangladesh Export Imp. Co. Ltd. | 421,610 | 1,660,000 | 2,081,610 |
| Beximco Fisheries Ltd. | 847,230 | 1,315,312 | 2,162,542 |
| Beximco Denims Ltd. | 7,504,910 | 8,198,200 | 15,703,110 |
| Beximco Textile Ltd. | 1,634,194 | 1,785,158 | 3,419,352 |
| Bangladesh Luggage Ind. Ltd. | 1,260,000 | 4,500,000 | 5,760,000 |
| Total: | 11,667,944 | 17,458,670 | 29,126,614 |

The dividend income and debenture interest shown in the accounts is Tk. 3,396,092.

03 Outstanding Premium: Tk. 11,479,916

The balance represents outstanding premium on direct account, which have been realized subsequently till January, 2005. It is exclusive of Tk. 54,770,364 due from other Co-insurers shown separately in note 4 below. The business wise break-up of the outstanding premium shown as above is given below:

| Particulars | 2004 | 2003 |
|--------------|-------------------|-------------------|
| Fire | 3,234,498 | 4,464,350 |
| Marine | 5,007,204 | 5,574,464 |
| Motor | 2,574,026 | 1,622,500 |
| Misc. | 664,188 | 507,120 |
| Taka: | 11,479,916 | 12,168,434 |

04 Amount due from other persons or bodies carrying on Insurance business: Tk. 116,742,182

The amount is made up as follows:

| Particulars | 2004 | 2003 |
|--|--------------------|--------------------|
| Co-Insurance Premium receivable (including refund premium) | 54,770,364 | 52,632,711 |
| Amount due from SBC | 38,797,306 | 57,311,283 |
| Co-insurance Claim receivable from different Insurance companies : | | |
| Fire | 4,348,398 | 4,344,055 |
| Marine | 15,068,976 | 14,971,542 |
| Motor | 989,406 | 967,421 |
| Misc. | 2,767,732 | 1,923,656 |
| Taka: | 116,742,182 | 132,150,668 |

05 Interest, Dividend & Rent outstanding: Tk. 7,578,213

The balance is made up as follows:

| Particulars | 2004 | 2003 |
|-------------------------|------------------|------------------|
| Dividend (i) | 51,426 | 160,516 |
| Debenture Interest (ii) | 7,526,787 | 7,998,263 |
| Taka: | 7,578,213 | 8,158,779 |

i) Dividend: Tk. 51,426

The balance is made up as follows:

| Name of Company | Amount |
|------------------------|---------------|
| Metro Spinning Ltd. | 510 |
| Beximco Fisheries Ltd. | 50,916 |
| Taka: | 51,426 |

ii) Debenture Interest: Tk. 7,526,787

The balance is made up as follows:

| Name of Company | Amount |
|-----------------------------------|------------------|
| Bangladesh Export Import Co. Ltd. | 421,610 |
| Beximco Textile Ltd. | 1,069,612 |
| Beximco Denims Ltd. | 4,912,110 |
| Beximco Fisheries Ltd. | 598,455 |
| Bangladesh Luggage Ltd. | 525,000 |
| Taka: | 7,526,787 |

All of the above balance is old since long and an amount of Tk. 84,306 and Tk. 387,170 only has been received from Beximco Textile and Beximco Denims Ltd respectively, during the year under audit.

06 Sundry Debtors: Tk. 25,214,900

The balance is made up as follows:

| Particulars | 2004 | 2003 |
|--|--------------------------|--------------------------|
| Advance against expenses | 653,694 | 1,141,462 |
| Advance against rent (i) | 4,260,953 | 5,028,717 |
| Advance against salary | 74,409 | 174,565 |
| Advance against investment (ii) | 2,000,000 | 2,097,500 |
| House Building Loan | 6,325,227 | 5,123,260 |
| Receivable against Building Maintenance from Rhone Polence | 3,744,573 | 1,892,601 |
| Security Deposit | 499,080 | 499,080 |
| Group Insurance Premium (Due from employees) | 429,686 | 594,786 |
| Jamuna Resort Limited (iii) | 7,227,278 | 6,727,278 |
| Taka: | <u>25,214,900</u> | <u>23,279,249</u> |

i) Advance against Rent: Tk. 4,260,953

Advance against rent relates to advance paid for office rent of branch offices in different locations of the country. The balance is made up as follows:

| | |
|-----------------------------------|-------------------------------|
| Opening Balance as on 01-01-2004 | 5,028,717 |
| Add: Advance paid during the year | 1,894,880 |
| | <u>6,923,597</u> |
| Less: Adjusted during the year | 2,662,644 |
| Closing Balance | <u>Taka: 4,260,953</u> |

ii) Advance Against Investment: Tk. 2,000,000

The balance is made up as follows:

| | |
|----------------------------------|-------------------------------|
| Opening Balance as on 01-01-2004 | 2,097,500 |
| Less: Adjusted during the year | 97,500 |
| Closing Balance | <u>Taka: 2,000,000</u> |

iii) Jamuna Resort Ltd.: Tk. 7,227,278

The balance is made up as follows:

| | |
|-------------------------------|-------------------------------|
| Opening Balance | 6,727,278 |
| Add: Addition during the year | 500,000 |
| Closing Balance | <u>Taka: 7,227,278</u> |

The amount spent for Bangabandhu Bridge Tourism Development Project is on account of preparatory action taken in connection with meeting the expenses relating to financial bids for the work of the project and miscellaneous development work undertaken subsequently. When fully paid the amount will be adjusted against equity participation in the capital of the company.

07 Advance Payment of Tax : Tk. 2,981,112

The entire balance relates to Accounting year ended on 31-12-2004 (Assessment year 2005-06).

The balance is made up as follows:

| AIT Deducted on Account of | 2004 | 2003 |
|---|-------------------------|--------------------------|
| Deducted at Source from FDR Interest | 1,889,098 | 1,773,280 |
| Deducted at Source from STD Interest | 169,245 | 268,627 |
| Deducted at Source from Dividend Income | 7,890 | 501,054 |
| Deducted at Source from Office Rent | 914,879 | 952,825 |
| Advance Tax Paid | - | 7,000,000 |
| Taka: | <u>2,981,112</u> | <u>10,495,786</u> |

The entire amount is eligible for adjustment towards the settlement of Tax liability on finalization of assessments. The provision for income tax during the year being Tk. 20,721,330 (including provision for Dividend Distribution Tax) the balance amount of the tax payable for the year needs to be paid before filing of the return.

08 Fixed Deposit Account : Tk. 278,502,632

The balance is made up as follows:

| Particulars | 2004 | 2003 |
|-----------------------------------|---------------------------------|---------------------------|
| Opening Balance as on 01-01-2004 | 254,302,632 | 237,702,632 |
| Add : Addition during the year | 24,200,000 | 16,600,000 |
| | <u>278,502,632</u> | <u>254,302,632</u> |
| Less : Encashment during the year | - | - |
| Closing Balance | <u>Taka: 278,502,632</u> | <u>254,302,632</u> |

09 STD & Current Account: Tk. 96,112,700

The balance has been arrived at as follows:

| Particulars | 2004 | 2003 |
|--------------------------|--------------------------|--------------------------|
| STD Account | 98,660,305 | 36,192,492 |
| Current Account (OD) | (4,633,516) | (1,904,497) |
| Current Account | 292,569 | 178,732 |
| Foreign Currency Account | 1,793,342 | 7,603,651 |
| Taka: | <u>96,112,700</u> | <u>42,070,378</u> |

10 Cash and Stamp in hand: Tk. 6,316,214

The balance is made up as follows:

| Particulars | 2004 | 2003 |
|-----------------------------------|------------------|------------------|
| Petty Cash Account at Head Office | 1,110,597 | 808,733 |
| Petty Cash Account with Branches | 4,779,577 | 3,860,183 |
| Stamp in Hand | 426,040 | 330,598 |
| Taka: | 6,316,214 | 4,999,514 |

Physical count of cash and stamp at Head Office have been done as on December 31, 2004. The management has furnished certificate confirming the position of Tk. 4,779,577 as cash lying with different branches located throughout the country.

11 Land: Tk. 356,098,311

The balance is made up as follows:

| Particulars | 2004 | 2003 |
|---|--------------------------|--------------------|
| Opening balance as on 01-01-2004 | 356,038,311 | 296,469,582 |
| Less: Adjustment with Note - 11.01 | - | 69,774 |
| | 356,038,311 | 296,399,808 |
| Add: Expenses at Panthapath Land, Kawran Bazar (Legal Expenses and Salary of Security Personnel) | - | 49,055 |
| Value Addition on revaluation of Panthapath Land | - | 59,589,448 |
| Paid to G. K. Adjusters Ltd. For valuation of Panthapath Land. | 60,000 | |
| Closing Balance | Taka: 356,098,311 | 356,038,311 |

11 (a) Land at Gulshan: Tk. 62,796,636

The balance is made up as follows:

| Particulars | 2004 | 2003 |
|--|-------------------------|-------------------|
| Opening Balance as on 01-01-2004 | 57,197,623 | 51,597,321 |
| Add: Adjustment with Note-11 | - | 69,774 |
| Interest on Loan for Procurement of the Land | 5,599,013 | 5,473,497 |
| Expenses for Gulshan Land (Boundary Wall) | - | 57,031 |
| Closing Balance | Taka: 62,796,636 | 57,197,623 |

The details of the land purchased is as under:

A total of 22.93 Katha Land at Plot No. NW(H)7, Holding No. 7, Road No. 51/54, Gulshan R/A-2, Dhaka.

The land has been purchased with loan from National Credit & Commerce Bank Ltd., Motijheel Main Br., Dhaka as shown under Note 21(a).

12 Fixed Assets at cost: Tk. 71,538,527

Details break-up of Fixed Assets is given below:

| Particulars | Furniture and Fixture | Office and Electrical Equipment | Motor Vehicles | Other Assets | Total |
|--|-----------------------|---------------------------------|-------------------|------------------|-------------------|
| As at 1st January, 2004 | 23,791,451 | 14,756,524 | 24,333,542 | 931,244 | 63,812,761 |
| Addition during the year 2004 | 2,069,863 | 1,350,583 | 6,377,320 | 88,000 | 9,885,766 |
| Disposal of Fixed Assets | - | - | (2,160,000) | - | (2,160,000) |
| Cost as at December 31, 2004 | 25,861,314 | 16,107,107 | 28,550,862 | 1,019,244 | 71,538,527 |
| Depreciation : | | | | | |
| As at 1st January, 2004 | 12,254,530 | 12,122,405 | 17,043,936 | 853,290 | 42,274,161 |
| Charged for the year 2004 | 1,539,942 | 1,236,148 | 1,783,291 | 34,270 | 4,593,651 |
| Depreciation adjustment for disposal of Fixed Assets | - | - | (1,560,000) | - | (1,560,000) |
| Depreciation as at 31-12-2004 | 13,794,472 | 13,358,553 | 17,267,227 | 887,560 | 45,307,812 |
| Written down value as at 31-12-2004 | 12,066,842 | 2,748,554 | 11,283,635 | 131,684 | 26,230,715 |

13 Joint Venture Building Project: Tk. 175,294,893

The balance is as per last account.

Joint Venture Building is yet to be registered in the name of the Company.

14 Issued, Subscribed & Paid up Capital: Tk. 151,066,500

The balance represents:

| Particulars | 2004 | 2003 |
|---|--------------------|--------------------|
| 610,000 ordinary shares of Tk. 100 each fully paid up in cash | 61,000,000 | 61,000,000 |
| 122,000 Ordinary Shares of Tk. 100 each fully paid up as Bonus share (5:1) allotted during 1997 | 12,200,000 | 12,200,000 |
| 219,600 Ordinary shares of Tk. 100 each fully paid up as Bonus share (10:3) allotted during 2002 (Out of General Reserve Balance at 31-12-2001) | 21,960,000 | 21,960,000 |
| 237,900 Ordinary shares of Tk. 100 each fully paid up as Bonus share (4:1) allotted during 2003 (Out of Share Premium Balance at 31-12-2002) | 23,790,000 | 23,790,000 |
| 321,165 Ordinary Share of Tk. 100 each fully paid up issued as Bonus share during 2004 (Out of Share Premium) | 32,116,500 | - |
| Taka: | 151,066,500 | 118,950,000 |

All the shares of the company are in the dematerialized form (DEMAT) with effect from May 16,2004 under CDBL. The proportion of public and sponsor holdings are given below:

| | |
|----------------------|-------------|
| Category A (Sponsor) | 50% |
| Category B (Public) | 50% |
| | <u>100%</u> |

15 Contingency Reserve for Insurance Guarantees & Tail ended Insurance Business: Tk. 105,869,651

The balance is as per last account and made up as follows:

| Particulars | 2004 | 2003 |
|---|--------------------|--------------------|
| Reserve against unexpired Guarantees | 87,080,441 | 87,080,441 |
| Reserve against Tail ended Insurance Business | 18,789,210 | 18,789,210 |
| Taka: | 105,869,651 | 105,869,651 |

16 Revaluation Reserve: Tk. 215,320,830

The balance is made up as follows:

| Particulars | 2004 | 2003 |
|---|--------------------|--------------------|
| Opening Balance as on 01-01-2004 | 157,226,598 | 89,003,959 |
| Add: Appreciated value of shares (145,831,437-87,737,205) | 58,094,232 | 8,633,191 |
| | 213,520,830 | 97,637,150 |
| Add: Revaluation of Panthapath Land | - | 59,589,448 |
| Taka: | 215,320,830 | 157,226,598 |

The amount includes accretion in value of Assets like land, investment in shares.

17 General Reserve: Tk. 1,264,728

The balance is made up as follows:

| Particulars | 2004 | 2003 |
|----------------------------------|------------------|----------------|
| Opening Balance 01-01-2004 | 264,728 | 264,728 |
| Add: Addition during the year | 1,000,000 | - |
| | 1,264,728 | 264,728 |
| Less: Adjustment during the year | - | - |
| Taka: | 1,264,728 | 264,728 |

18 Premium Deposit: Tk. 7,499,186

The amount represents the adjusted balance of premium as received against Cover Notes over the years for which policies have not been issued within 31st December, 2004. The balance is made up as follows:

| Particulars | 2004 | 2003 |
|--------------------------------------|------------------|-------------------|
| Deposit Premium on Marine Cover note | 5,780,055 | 39,558,178 |
| Stamp Duty | 1,719,131 | 8,174,426 |
| Taka: | 7,499,186 | 47,732,604 |

19 Estimated Liabilities in respect of outstanding claims whether due or intimated: Tk. 160,401,084

The balance is made up as follows:

| Particulars | 2004 | 2003 |
|--------------|--------------------|--------------------|
| Fire | 62,278,951 | 37,345,167 |
| Marine | 58,824,232 | 37,628,369 |
| Motor | 24,873,607 | 21,150,655 |
| Misc. | 14,424,294 | 16,631,724 |
| Taka: | 160,401,084 | 112,755,915 |

20 Amount due to other persons or bodies carrying on Insurance Business: Tk. 118,297,928

The balance is made up as follows:

| Particulars | 2004 | 2003 |
|--------------------------------------|--------------------|-------------------|
| Payable against Co-Insurance Premium | 55,808,094 | 44,941,164 |
| Overseas Re-Insurer | 22,511,508 | 15,747,931 |
| Co-Insurance Claim | 39,978,326 | 1,129,382 |
| Taka: | 118,297,928 | 61,818,477 |

21 Loan from Bank for Building Project (Secured): Tk. 46,091,895

The balance is made up as follows:

| Particulars | 2004 | 2003 |
|---|-------------------|-------------------|
| Opening Balance | 68,350,836 | 72,452,019 |
| Interest charges upto December, 2004 | 7,054,567 | 9,291,597 |
| Bank charges and Excise Duty | 5,000 | 5,000 |
| | 75,410,403 | 81,748,616 |
| Less : Adjusted/Payment during the year | 29,318,508 | 13,397,780 |
| Closing Balance | 46,091,895 | 68,350,836 |

This is a SOD loan from National Bank Ltd., Dilkusha Branch, Secured against lien of FDR for Tk. 82,212,000.

21 (a) Loan from Bank for Gulshan land (Secured): Tk. 36,778,132

The balance is made up as follows:

This is on account of Loan from National Credit and Commerce Bank Ltd., Motijheel Main Branch, Dhaka under the Account SOD-01403893 (Land) for procurement of land in Gulshan, Dhaka, which has been fully liquidated subsequently on April 05, 2005.



| Particulars | 2004 | 2003 |
|---|-------------------------|-------------------|
| Opening Balance | 48,570,818 | 50,597,321 |
| Add: Interest charged upto December, 2004 | 5,594,014 | 6,040,997 |
| Bank charge and Excise Duty | 5,000 | 2,500 |
| | 54,169,832 | 56,640,818 |
| Less: Payment during the year | 17,391,700 | 8,070,000 |
| Closing Balance | Taka: 36,778,132 | 48,570,818 |

22 Sundry Creditors: Tk. 30,447,774

The balance is made up as follows:

| Particulars | 2004 | 2003 |
|---------------------------------|-------------------|-------------------|
| Payable against Expenses (i) | 17,026,228 | 12,184,665 |
| Provident Fund | 69,126 | 127,589 |
| Income Tax deduction (ii) | 1,807,820 | 1,858,931 |
| VAT payable (iii) | 7,554,551 | 4,766,287 |
| Unpaid dividend (iv) | 665,338 | 532,958 |
| Received against Security | 90,000 | 3,296,000 |
| Tax deduction against Rent | 10,000 | 48,980 |
| Vat deduction against Bills | 80,880 | 56,628 |
| Advance Rent received (v) | 2,970,550 | 4,164,550 |
| Provident Fund Loan Deduction | 108,458 | 145,008 |
| Tax deduction against bills | 50,490 | 19,932 |
| Share Application | 14,000 | 14,000 |
| Hospitalization Insurance Claim | 333 | - |
| Pragati Life Insurance Limited | - | 6,900 |
| Others | - | 10,961 |
| Taka: | 30,447,774 | 27,233,389 |

i) Payable against Expenses: Tk. 17,026,228

The balance is made up as follows:

| Particulars | 2004 | 2003 |
|---|-------------------|-------------------|
| Company's Contribution to PF | 259,880 | 230,104 |
| Incentive Bonus | 7,275,199 | 7,545,009 |
| Honorarium | 2,185,000 | 2,185,000 |
| Audit Fee (including special audit fee) | 700,000 | 475,000 |
| Rhone Poulance (House Rent) | 4,625,208 | 1,749,552 |
| Payable against Rent to NBL | 71,250 | - |
| Payable against Advertisement | 1,909,691 | - |
| Taka: | 17,026,228 | 12,184,665 |

ii) Income Tax deduction: Tk. 1,807,820

Income Tax deduction at source amounting to Tk. 1,807,820 includes income tax deducted from salary and other bills paid during the year and yet to be deposited to Bangladesh Bank.

iii) VAT Payable: Tk. 7,554,551

VAT payable in the amount of Tk. 7,554,551 represents VAT for the month of December 2004 which has been deposited into Bangladesh Bank subsequently.

iv) Unpaid dividend: Tk. 665,338

This represents balance of unpaid dividend from year to year.

v) Advance Rent Received: Tk. 2,970,550

This balance will be adjusted over the period of lease from rental income.

23 Provision for Income Tax: Tk. 18,359,333

The amount includes Tk. 20,721,330 being Income Tax provision made for accounting year ended on 31st December, 2004 (Assessment year 2005-2006) as a lump sum basis and provision for Dividend Distribution Tax for the year 2004.

The make-up of the balance of provision is noted below:

| Particulars | 2004 | 2003 |
|---|-------------------------|-------------------|
| Opening balance as on 01-01-2004 | 21,489,024 | 13,071,132 |
| Less : Paid/Adjusted during the year for Asstt. yr. 2004-05 | 10,495,786 | 3,582,108 |
| | 10,993,238 | 9,489,024 |
| Less: Paid against the Asstt. year 2002-2003 | 876,259 | - |
| | 10,116,979 | 9,489,024 |
| Less: Paid against the Asstt. year 2003-2004 | 10,099,976 | - |
| | 17,003 | 9,489,024 |
| Less: Dividend distribution tax -2003 | 2,379,000 | - |
| | (2,361,997) | 9,489,024 |
| Add: Provision, including Dividend Distribution Tax, made for the year 2004 (Asstt. year 2005-06) | 20,721,330 | 12,000,000 |
| Closing Balance | Taka: 18,359,333 | 21,489,024 |

24 Proposed Dividend: Tk. 30,213,300

The amount has been appropriated out of surplus available for distribution @ 20% on paid-up capital of Tk. 151,066,500 as on 31-12-2004 as per recommendation of the Board. The Board of Directors has also recommended a stock dividend of 25% payable to the existing shareholders, out of Share Premium Account of the Company.

PROFIT AND LOSS ACCOUNT:

25 Revenue Account: Tk. 47,816,305

i) The summarized position of net underwriting profit earned during the year 2004 is as follows:

| Particulars | Fire | Marine | Motor & Misc. | 2004 | 2003 |
|--|-------------------|--------------------|-------------------|--------------------|--------------------|
| Premium Income: | | | | | |
| A) Gross Premium | 189,197,330 | 211,706,756 | 106,794,645 | 507,698,731 | 468,742,154 |
| B) Re-Insurance premium Ceded | 147,506,082 | 104,020,736 | 22,021,874 | 273,548,692 | 242,791,998 |
| C) Net Premium (A-B) Taka: | 41,691,248 | 107,686,020 | 84,772,771 | 234,150,039 | 225,950,156 |
| Direct Expenses : | | | | | |
| D) Commission {(Net of Re-Insurance Accepted and Ceded (Net) Note-25 (iii)} | (37,085,463) | (9,041,056) | (4,955,838) | (51,082,357) | (107,960) |
| E) Claim settled & provided {(Net) (Note-25 (iii)) | 31,426,101 | 27,720,726 | 35,754,416 | 94,901,243 | 51,487,746 |
| F) Management Expenses | 36,770,107 | 61,749,895 | 39,228,354 | 137,748,356 | 108,033,676 |
| G) Allocation of Management Expenses | 26.69% | 44.83% | 28.48% | 100% | 100% |
| H) Total Direct expenses (D+E+F) | 31,110,745 | 80,429,565 | 70,026,932 | 181,567,242 | 159,413,462 |
| I) Adjusted Fund balance for unexpired risk (Opening Balance Less closing balance) | 8,690,882 | (5,421,917) | (8,035,457) | (4,766,492) | (24,968,918) |
| Net underwriting profit (C-H+I) Taka: | 19,271,385 | 21,834,538 | 6,710,382 | 47,816,305 | 41,567,776 |

ii) Commission (Net): Tk. (51,082,357)

| Particulars | Fire | Marine | Motor & Misc. | 2004 | 2003 |
|---|---------------------|--------------------|--------------------|---------------------|------------------|
| Commission paid on Direct Business | - | - | - | - | 61,661,631 |
| Commission paid on Re-Insurance Accepted | 760,533 | - | 44,122 | 804,655 | 352,345 |
| | 760,533 | - | 44,122 | 804,655 | 62,013,976 |
| Less: Commission earned on Re-insurance ceded | 37,845,996 | 9,041,056 | 4,999,960 | 51,887,012 | 62,121,936 |
| Net Commission Taka: | (37,085,463) | (9,041,056) | (4,955,838) | (51,082,357) | (107,960) |

iii) Claim settled (Net): Tk. 94,901,243

| Particulars | Fire | Marine | Motor & Misc. | 2004 | 2003 |
|---|-------------------|-------------------|-------------------|-------------------|-------------------|
| Gross Claim | 35,137,862 | 15,289,952 | 75,959,896 | 126,387,710 | 254,786,979 |
| Less : Salvage Received | - | - | - | - | - |
| | 35,137,862 | 15,289,952 | 75,959,896 | 126,387,710 | 254,786,979 |
| Less : Re-Insurance claim Recovery Paid during the year | 28,645,545 | 8,765,089 | 41,721,002 | 79,131,636 | 204,666,810 |
| | 6,492,317 | 6,524,863 | 34,238,894 | 47,256,074 | 50,120,169 |
| Add : Outstanding Claim at the end of the year whether due or intimated (Company's Share) | 62,278,951 | 58,824,232 | 39,297,901 | 160,401,084 | 112,755,915 |
| | 68,771,268 | 65,349,095 | 73,536,795 | 207,657,158 | 162,876,084 |
| Less : Outstanding claim at the end of the previous year | 37,345,167 | 37,628,369 | 37,782,379 | 112,755,915 | 111,388,338 |
| Net Claim Taka: | 31,426,101 | 27,720,726 | 35,754,416 | 94,901,243 | 51,487,746 |

26 Interest Received and Accrued: Tk. 20,246,953

The balance is made up as follows:

| Particulars | 2004 | 2003 |
|--|-------------------|-------------------|
| Interest on FDR | 18,890,980 | 17,732,800 |
| Interest on STD Accounts | 1,745,146 | 2,679,817 |
| | 20,636,126 | 20,412,617 |
| Less : Interest adjusted on OD Account | 389,173 | 685,680 |
| Taka: | 20,246,953 | 19,726,937 |

27 Dividend and Debenture Interest (Gross): Tk. 3,396,092

The balance is made up as follows:

| Particulars | 2004 | 2003 |
|------------------------|------------------|------------------|
| Dividend Income | 3,391,556 | 3,953,515 |
| Debenture Interest (i) | 4,536 | 1,394,733 |
| Taka: | 3,396,092 | 5,348,248 |

i) Debenture Interest: 4,536

Name of the Company
Bangladesh Zipper Ltd.

Interest received during the year

| | |
|--------------|--------------|
| | 4,536 |
| Taka: | 4,536 |

27 (a) Building Rent: Tk. 3,346,548

The position has been arrived at after adjusting the Interest on loan and maintenance expenses.

28 Registration Renewal Fee: Tk. 1,636,539

The balance represents the amount deposited to Bangladesh Bank against renewal of registration for doing Fire, Marine and Miscellaneous insurance business as per Section-3A of Insurance Act, 1938.

29 Audit Fee: Tk. 500,000

The balance is made up as follows:

| Particulars | 2004 | 2003 |
|---|----------------|----------------|
| Statutory Audit (provision during the year) | 200,000 | 175,000 |
| Special Audit (provision during the year) | 300,000 | 80,000 |
| Taka: | 500,000 | 255,000 |

