

AUDITOR'S REPORT TO THE SHAREHOLDERS

We have audited the accompanying Balance Sheet of Global Insurance Limited as of December 31, 2005 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 have conducted our audit in accordance with Generally Accepted Auditing Standards as adopted as Bangladesh Standards on Auditing. 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, 2005 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.

Subject to the accompanying notes and disclosures therein 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 and payments made were for the purposes of the company's business for the year.
- 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 25, 2006

CAPITAL & LIABILITIES	Notes	2005 Taka	2004 Taka
Authorized Capital :			
3,000,000 ordinary shares of Tk. 100/- each.		300,000,000	300,000,000
Issued, Subscribed & Paid-Up Capital :	10	150,000,000	60,000,000
1,500,000 ordinary shares of Tk. 100/- each.			
Reserve or Contingency Account :		10,263,178	4,230,763
Reserve for exceptional losses		10,200,000	4,200,000
Profit and loss appropriation account		63,178	30,763
Balance of Fund & Accounts :		27,320,027	21,342,901
Fire Insurance business		6,920,319	4,989,514
Marine Insurance business		12,136,959	11,993,101
Motor Insurance business		5,694,902	3,287,633
Miscellaneous Insurance business		2,567,847	1,072,653
Premium deposit	11	5,051,306	17,659,491
Estimated liabilities in respect of outstanding Claims whether due or intimated	12	17,254,483	9,164,299
Amount due to other persons or bodies Carrying on Insurance business (S.B.C)	13	25,656,228	16,675,675
Sundry creditors (including S.B.C)	14	185,340,404	65,251,457
Proposed dividend	23	15,000,000	6,000,000
		435,885,626	200,324,586

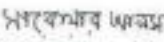
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Note :

Contingent liabilities (note-18)

Dated: Dhaka
April 25, 2006


A.B.M Nurul Haq
Managing Director


S.M. Sarwar Alam
Director


Tahsin Aman
Director

PROPERTY & ASSETS	Notes	2005 Taka	2004 Taka
Investment (at cost) :			
National investment bond	1	9,000,000	9,000,000
Investment in share	2	15,655,551	6,500
Interest, dividend & rent outstanding	3	11,298,754	4,343,500
Amount due from other persons or bodies Carrying on Insurance business (S.B.C)	4	158,121,720	44,327,004
 Sundry debtors	5	79,067,016	66,570,511
Deferred expenses (IPO)	6	4,955,026	-
 Cash And Bank Balances :		151,397,927	69,404,541
Fixed deposit with bank	7	129,175,000	61,375,000
Cash at bank	8	5,126,340	4,576,642
Cash in hand	9	17,096,587	3,452,899
 Other Accounts :		6,389,632	6,672,530
Fixed assets (annexure-1)		6,161,198	6,408,169
Stamps in hand		6,084	6,831
Printing and stationery (at cost)		222,350	257,530
		435,885,626	200,324,586

Subject to our separate report of even date.



Syed Badrul Alam
Chairman



(A. Wahab & Co.)
Chartered Accountants

PROFIT AND LOSS ACCOUNT

For The Year Ended 31 December, 2005

PARTICULARS	2005 Taka	2004 Taka
Expenses of Management (Not applicable to any particular fund or account)		
Audit fee	20,000	90,000
Directors fee	344,250	1,087,950
Retainers fee	60,000	60,000
Advertisement	167,197	228,999
Registration & renewal	567,668	329,819
Rent rates & taxes	46,032	31,552
Subscription & donation	176,024	322,760
Legal expenses	19,894	14,745
Depreciation	1,211,905	1,310,983
 Profit/(Loss) for the year transferred to Profit & Loss Appropriation Account	 37,209,318	 14,858,353
	39,822,288	18,335,161

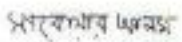
PROFIT AND LOSS APPROPRIATION ACCOUNT

For The Year Ended 31 December, 2005

PARTICULARS	2005 Taka	2004 Taka
Reserve for exceptional losses	6,000,000	3,700,000
Provision for income tax (including prior years short provision adjustment)	16,176,903	5,200,000
Proposed dividend	15,000,000	6,000,000
Balance transferred to balance sheet	63,178	30,763
	37,240,081	14,930,763

Dated: Dhaka
April 25, 2006

A.B.M Nurul Haq
 Managing Director


S.M. Sarwar Alam
 Director


Tahsin Aman
 Director

PROFIT AND LOSS ACCOUNT

For The Year Ended 31 December, 2005

PARTICULARS	Note	2005 Taka	2004 Taka
Interest, Dividend And Rents			
(Not applicable to any particular fund or account)		16,762,653	6,494,849
FDR interest	16	15,858,906	5,630,711
Interest on NIB		765,000	765,000
Interest on STD accounts	17	111,272	84,316
Miscellaneous income		27,475	14,822
Profit on sale of investment in share		107,812	-
Profit/(Loss) Transferred From :		22,951,823	11,840,312
Fire revenue account		2,120,686	(138,580)
Marine revenue account		16,381,076	10,402,319
Motor revenue account		2,225,972	888,827
Miscellaneous revenue account		2,224,089	687,746
		39,822,288	18,335,161

PROFIT AND LOSS APPROPRIATION ACCOUNT

For The Year Ended 31 December, 2005

PARTICULARS	2005 Taka	2004 Taka
Opening balance as on 01-01-2005	30,763	72,410
Net profit for the year transferred from profit & loss account	37,209,318	14,858,353
	37,240,081	14,930,763

The accompanying notes are an integral part of this financial statement.



Syed Badrul Alam
Chairman

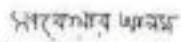


(A. Wahab & Co.)
Chartered Accountants

PARTICULARS	2005	2004
	Taka	Taka
Claims under policies less reinsurance	5,802,200	5,279,602
Paid during the year	(1,847,359)	1,212,933
Total estimated liability in respect of outstanding claims at the end of the year whether due or intimated	11,999,978	4,350,419
	10,152,619	5,563,352
Less: Outstanding at the end of previous year	4,350,419	283,750
Agency commission	243,639	-
Commission on reinsurance accepted	-	-
Expenses of management	14,852,422	15,407,779
Reserve for unexpired risks being 40% of the net premium income of the year	6,920,319	4,989,514
Profit/(Loss) transferred to profit and loss account	2,120,686	(138,580)
	29,939,266	25,538,315

Dated: Dhaka
April 25, 2006


A.B.M Nurul Haq
Managing Director


S.M. Sarwar Alam
Director


Tahsin Aman
Director

PARTICULARS	2005	2004
	Taka	Taka
Balance of account at the beginning of the year	4,989,514	3,723,928
Premium less reinsurance	17,300,798	12,473,786
Commission on reinsurance ceded	7,648,954	9,340,601
	29,939,266	25,538,315


The accompanying notes are an integral part of this financial statement.

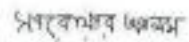

Syed Badrul Alam
 Chairman



(A. Wahab & Co.)
 Chartered Accountants

PARTICULARS	2005 Taka	2004 Taka
Claims under policies less reinsurance	1,930,156	4,286,465
Paid during the year	2,085,599	1,617,531
Total estimated liability in respect of outstanding claims at the end of the year whether due or intimated	2,573,020	2,728,463
	4,658,619	4,345,994
Less: Outstanding at the end of previous year	2,728,463	59,529
Agency commission	1,716,613	-
Commission on reinsurance accepted	-	-
Expenses of management	12,865,027	16,498,327
Reserve for unexpired risks being 40% of the net premium income of the year	12,136,959	11,993,101
Profit/(Loss) transferred to profit and loss account	16,381,076	10,402,319
	45,029,831	43,180,212

Dated: Dhaka
April 25, 2006


A.B.M Nurul Haq
Managing Director


S.M. Sarwar Alam
Director


Tahsin Aman
Director

PARTICULARS	2005 Taka	2004 Taka
Balance of account at the beginning of the year	11,993,101	11,308,072
Premium less reinsurance	30,342,397	29,982,753
Commission on reinsurance ceded	2,694,333	1,889,387
	45,029,831	43,180,212

The accompanying notes are an integral part of this financial statement.



Syed Badrul Alam
Chairman

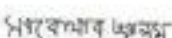


(A. Wahab & Co.)
Chartered Accountants

PARTICULARS	2005 Taka	2004 Taka
Claims under policies less reinsurance	4,414,998	3,249,864
Paid during the year	3,868,930	1,386,819
Total estimated liability in respect of outstanding claims at the end of the year whether due or intimated	2,631,485	2,085,417
	6,500,415	3,472,236
Less: Outstanding at the end of previous year	2,085,417	222,372
Agency commission	303,753	-
Commission on reinsurance accepted	-	-
Expenses of management	5,787,503	5,339,042
Reserve for unexpired risks being 40% of the net premium income of the year	5,694,902	3,287,633
Profit/(Loss) transferred to profit and loss account	2,225,972	888,827
	18,427,128	12,765,366

Dated: Dhaka
April 25, 2006


A.B.M Nurul Haq
Managing Director


S.M. Sarwar Alam
Director


Tahsin Aman
Director

PARTICULARS	2005	2004
	Taka	Taka
Balance of account at the beginning of the year	3,287,633	3,545,206
Premium less reinsurance	14,237,255	8,219,083
Commission on reinsurance ceded	902,240	1,001,077
	18,427,128	12,765,366

The accompanying notes are an integral part of this financial statement.


Syed Badrul Alam
 Chairman


(A. Wahab & Co.)
 Chartered Accountants

PARTICULARS	2005 Taka	2004 Taka
Claims under policies less reinsurance	105,363	73,816
Paid during the year	55,363	73,816
Total estimated liability In respect of outstanding claims at the end of the year whether due or intimated	50,000	-
	105,363	73,816
Less: Outstanding at the end of previous year	-	-
Agency commission	193,362	-
Commission on reinsurance accepted	-	-
Expenses of management	3,115,746	2,145,945
Reserve for unexpired risks being 40% of the net premium income of the year	2,567,847	1,072,653
Profit/(Loss) transferred to profit and loss account	2,224,089	687,746
	8,206,407	3,980,160

Dated: Dhaka
April 25, 2006


A.B.M Nurul Haq
Managing Director

সার্বমোহন আলম
S.M. Sarwar Alam
Director


Tahsin Aman
Director

PARTICULARS	2005 Taka	2004 Taka
Balance of account at the beginning of the year	1,072,653	689,436
Premium less reinsurance	6,419,617	2,681,632
Commission on reinsurance ceded	714,137	609,092
	8,206,407	3,980,160

The accompanying notes are an integral part of this financial statement.


Syed Badrul Alam
 Chairman

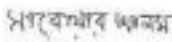

(A. Wahab & Co.)
 Chartered Accountants

	2005 Taka	2004 Taka
A. Cash Flows From Operating Activities:		
Net profit after provision for tax	21,032,415	9,658,353
Adjustment to reconcile net profit to net cash provided by Operating Activities:		
Increase in investment	(15,649,051)	(6,500)
Increase in depreciation	1,211,905	1,310,983
Reserve for unexpired risk	5,977,126	2,076,259
Decrease in stock of printing and stationery	35,180	(55,175)
Decrease/ (Increase) in stamps in hand	747	474
Increase in sundry debtors	(12,496,505)	(26,037,986)
Decrease/ (Increase) in interest dividend and rent outstanding	(6,955,254)	(2,164,417)
Decrease/ (Increase) in amount due from other persons or bodies carrying on Insurance business	(113,794,716)	(43,218,183)
Increase in sundry creditors (including tax provision)	120,088,947	47,456,476
(Decrease) / Increase in estimated liability in respect of outstanding claim whether due or intimated	8,090,184	8,598,648
Increase in amount due to other person or bodies carrying on Insurance business	8,980,553	8,384,822
(Decrease) / Increase in premium deposit	(12,608,185)	(2,810,538)
Dividend paid	(6,000,000)	(6,000,000)
Net Cash Flow From Operating Activities	(2,086,654)	(2,806,784)
B. Cash Flows From Investing Activities :		
Purchase of fixed assets	(964,934)	(2,093,787)
Increase in fixed deposit	(67,800,000)	(4,616,450)
Net Cash Flow From Investing Activities	(68,764,934)	(6,710,237)
C. Cash Flows From Financing Activities :		
Increase in issued, subscribed & paid up capital	90,000,000	-
Deferred expenses (IPO)	(4,955,026)	-
Net Cash Flow From Financing Activities	85,044,974	-
Increase in Cash and Bank Balance (A + B + C)	14,193,386	(9,517,021)
Cash and Bank balance at opening	8,029,541	17,546,562
Cash and Bank Balance at Closing	22,222,927	8,029,541

The accompanying notes are an integral part of this financial statement.

Note : The Cash Flow Statement has been prepared using indirect method.

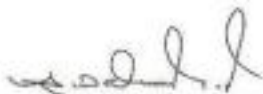

A.B.M Nurul Haq
 Managing Director


S.M. Sarwar Alam
 Director


Tahsin Aman
 Director


Syed Badrul Alam
 Chairman

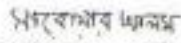
Dated: Dhaka
 April 25, 2006


(A. Wahab & Co.)
 Chartered Accountants

PARTICULARS	Share Capital	Reserve for Exceptional Loss	Income Tax Provision	Proposed Dividend	Profit & Loss Appropriation Account	Total
Opening Balance as on 01-01-2005	60,000,000	4,200,000	6,150,000	6,000,000	30,763	76,380,763
Dividend paid	-	-	-	(6,000,000)	-	(6,000,000)
Increased share capital during the year	90,000,000	-	-	-	-	90,000,000
Net profit during the year	-	-	-	-	37,209,318	37,209,318
Reserve for exceptional losses	-	6,000,000	-	-	(6,000,000)	-
Provision for Income Tax (including prior year short provision adjustment)	-	-	16,176,903	-	(16,176,903)	-
Proposed dividend	-	-	-	15,000,000	(15,000,000)	-
Tax adjustment during the year	-	-	(5,156,403)	-	-	(5,156,403)
Tax paid during the year	-	-	(600,000)	-	-	(600,000)
Closing balance as on 31-12-2005	150,000,000	10,200,000	16,570,500	15,000,000	63,178	191,833,678

The accompanying notes are an integral part of this financial statement.


A.B.M Nurul Haq
Managing Director


S.M. Sarwar Alam
Director


Tahsin Aman
Director


Syed Badrul Alam
Chairman

Dated: Dhaka
April 25, 2006


(A. Wahab & Co.)
Chartered Accountants

GENERAL :**a) Significant accounting policies and other relevant information**

- i) The company is a Public Limited company formed under the companies Act, 1994 and is engaged in general insurance business as per Insurance Act, 1938. It has adopted relevant International Accounting Standards as were adopted in Bangladesh under the title, Bangladesh Accounting Standards (BAS) particularly with regard to disclosure of accounting policies and relevant information in financial statements as well as accounting for property, plant & equipment and depreciation there on and the valuation of investments and other relevant matters.

ii) Basis of Accounting

The financial statements 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-1 of the First Schedule and the Revenue Account of each class of general insurance business has been prepared in accordance with the regulations as contained in part-1 of the third schedule and as per Form 'F' 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 earned on statutory investment lying with Bangladesh Bank in the form of NIBs as renewed has been accrued and accounted for. Accordingly Tk. 765,000 has duly been credited to the profit and loss account of the company. Interests on other investments in the form of STD and FDR have been credited to profit & loss account after deduction of tax at source on such income.

vi) Management Expenses

Management expenses as charged to Revenue Accounts, amounting to Tk. 36,620,698 represents approximately 30.65% of Gross premium of Tk. 119,494,996. Management expenses have been apportioned @ 40.56% to Fire, 35.13% to Marine, 15.81% to Motor and 8.50% to Miscellaneous business as per management decision.

vii) Surplus of Revenue Account & Provision for Unexpired Risks

Before arriving at the surplus of each class of business, necessary provision for unexpired risks have been created at the rate of 40% on all business except on Marine Hull business in which case 100% has been provided.

viii) Depreciation on Fixed Assets

Depreciation on Fixed Assets has been charged on cost from the date of procurement. Depreciation has been charged on diminishing balance method on the cost of individual assets at the following rates:

Category of Assets	Rate of Depreciation
Furniture & Fixture	10%
Telephone Set	10%
Air Conditioner	20%
Office Decoration	20%
Office Equipment	15%
Sign Board	10%
Motor Vehicles	20%
Electrical Installation	20%
Computer	20%

ix) Employees Benefits

Since the present business is not at the expected level the company could not afford the employees benefit as per BAS-19. But the management is very much committed to introduce such benefit plans in coming years.

x) Risk and Uncertainties

The preparation of financial statements in conformity with the Bangladesh Accounting Standards requires the management to make estimates and assumptions that affect the reported amounts of assets, liabilities and disclosures at Balance Sheet date and of the revenues and expenses during the year.

b) Operation

During the year under audit, through the operation of 19 offices (including Head Office) the gross premium income earned by the company amount to Tk. 119,494,996 including public sector business of Tk. 16,908,370. After ceding for re-insurance premium the net premium for the year amounted to Tk. 68,300,067 and after charging direct expenses therefrom the net underwriting profit/(loss) stood at Tk. 22,951,823.

c) Public Sector Business

Public Sector Business for four quarters up to June 2005 has been accounted for on the basis of statement received from SBC.

d) Income Tax

- i) Income Tax provision has been made for business profit in the amount of Tk. 11,970,500.

ii) Income Tax Assessment of the company has been completed upto assessment year 2004-2005 (Accounting year 31-12-2003) and the assessment 2005-2006 is under process.iii) The company could not comply with BAS-12 as regards the Deferred Tax during the year 2005 but has a plan to comply with the BAS in the coming years.

e) Reserve for Exceptional Loss

As per provision of Income Tax Ordinance 1984 the company is entitled to provide for reserve for exceptional loss up to 10% of premium income. But it has made a provision for exceptional loss to the extent of Tk. 6,000,000 on a lump sum basis.

f) Resumption of Agency Commission

Restriction on payment of agency commission has been withdrawn by the Chief Controller of Insurance vide circular no. প্রবীক্ষণ-১৫/১/৯৬-১২০৩ dated July 26, 2005. As such the company has resumed to pay agency commission to the licensed insurance agents with effect from September 2005.

g) Others

i) The margin of security of investments over liabilities of the company has been maintained as appeared from the Balance Sheet.

ii) Figures have been rounded off to the nearest Taka.

BALANCE SHEET**1.00 National Investment Bond : Tk. 9,000,000**

The amount represents 3 years National Investment Bond @ 8.5% simple interest which is statutory deposit under Insurance Act, 1938.

2.00 Investment in Shares: Tk. 15,655,551

The above balance made up as follows:

Name of the Company	Balance of Shares	Cost price per share (W.A)	Total Cost	Market Price as on 31-12-2005	Total Market price as on 31-12-2005
EXIM Bank BD. Ltd.	70	92.86	6,500	510.50	35,735
NCC Bank Ltd.	13,500	366.82	4,952,135	312.75	4,222,125
Mercantile Bank Ltd.	19,200	332.06	6,375,549	390.75	7,502,400
Prime Bank Ltd.	3,550	498.09	1,768,217	681.50	2,419,325
Southeast Bank Ltd.	3,900	432.92	1,688,384	560.25	2,184,975
Dhaka Bank Ltd.	1,650	524.10	864,766	469.00	773,850
			15,655,551		17,138,410

Value of shares have been shown at cost. No provision for fall in market price has been made in view of the fact that the aggregate market value of the shares as on December 31, 2005 stood at Tk. 17,138,410 as per price index prevailed at Dhaka Stock Exchange Ltd. as of December 29, 2005, which is higher than the total cost.

3.00 Interest, Dividend and Rents Outstanding :Tk. 11,298,754

The balance is made up as follows:

PARTICULARS	2005 Taka	2004 Taka
Interest on NIB	2,037,205	1,272,205
Interest on FDR	9,261,549	3,071,295
	11,298,754	4,343,500

4.00 Amount due from other persons or bodies carrying on insurance business: Tk. 158,121,720

The business wise break-up of the balance is given below:

PARTICULARS	2005 Taka	2004 Taka
Fire	154,153,746	23,065,272
Marine	1,708,073	19,955,837
Motor	2,259,901	1,305,895
	158,121,720	44,327,004

This amount is due from SBC against outstanding claims recovery, which will be adjusted against corresponding amount of Tk. 157,568,570 payable by SBC as per reinsurance agreement shown under sundry creditors.

5.00 Sundry Debtors: Tk. 79,067,016

The balance is made up as under:

PARTICULARS	Notes	2005 Taka	2004 Taka
I. T. deducted on Bank & FDR Interest	5.01	3,092,108	5,139,421
Advance against office rent		1,056,360	624,272
Deposit clearing	5.02	4,862,516	1,966,886
Security deposits		474,400	104,400
Short deposit premium	5.03	62,998,749	50,915,877
Advance against printing		100,000	152,400
Advance against salary		156,950	89,700
Advance against car on hire purchase		3,450,635	1,392,835
Advance against mobile		14,166	3,400
Advance against service charge		66,675	12,493
Advance against VAT payment	5.04	2,650,457	5,940,827
Advance against sign board		25,000	25,000
Advance against furniture & fixture		119,000	203,000
		79,067,016	66,570,511

- 5.01 Income tax deducted by bank from Interest income needs to be adjusted on finalization of Assessment.
- 5.02 Deposit clearing refers to checks received on or before December 31, 2005 but deposited to bank subsequently.
- 5.03 Short deposit premium refers to outstanding premium recoverable from different parties over the several years and not adjusted in full subsequently. Which the management is confident that the same will be realized within the shortest possible period.
- 5.04 Advance VAT payment also needs to be charged to account on issue of policy.

6.00 Deferred Expenses (IPO): Tk. 4,955,026

Total expenses relation to public issue (IPO) of shares of the company during the year 2005 was Tk. 49,55,026 has been shown as deferred expenses. During the year 2005, no amount out of this has been written off, but the Board of Director has recommended for writing this off within next 5 (five) years i. e. @ 20% in each year.

7.00 Fixed deposit with Banks: Tk. 129,175,000

The balance has been arrived at as under:

Name of the Bank	2005 Taka	2004 Taka
Al-Arafah Islami Bank Ltd.	1,450,000	950,000
Arab Bangladesh Bank Ltd.	3,700,000	3,250,000
Bangladesh Shilpa Bank	2,000,000	2,000,000
Bangladesh Commerce Bank Ltd.	750,000	750,000
Bangladesh Krishi Bank	1,000,000	1,000,000
Bank Asia Ltd.	2,800,000	2,300,000
Basic Bank Ltd.	2,200,000	2,000,000
BRAC Bank Ltd.	300,000	300,000
Dhaka Bank Ltd.	1,800,000	1,600,000
Dutch Bangla Bank Ltd.	1,250,000	250,000
Eastern Bank Ltd.	1,600,000	100,000
Exim Bank Ltd.	7,800,000	5,200,000
First Security Bank Ltd.	2,400,000	4,000,000
IFIC Bank Ltd.	3,150,000	3,050,000
Islami Bank (BD) Ltd.	4,000,000	2,100,000
Jamuna Bank Ltd.	4,450,000	2,300,000
Mercantile Bank Ltd.	3,600,000	3,800,000
Midas Financing (BD) Ltd.	500,000	500,000
Mutual Trust Bank Ltd	1,900,000	1,700,000
National Bank Ltd	2,850,000	2,350,000
NCC Bank Ltd	3,400,000	2,300,000
One Bank Ltd.	2,400,000	800,000
Premier Bank Ltd.	1,400,000	1,400,000
Premier Leasing International Ltd.	45,500,000	500,000
Prime Bank Ltd.	6,000,000	3,500,000
Pubali Bank Ltd.	1,400,000	500,000
Rajshahi Krishi Unnayan Bank	1,000,000	500,000
Shahjalal Bank Ltd.	2,250,000	750,000
Social Investment Bank Ltd.	2,200,000	1,400,000
Southeast Bank Ltd	3,200,000	2,300,000
Standard Bank Ltd	3,300,000	3,000,000
State Bank of India	800,000	300,000
The City Bank Ltd	2,000,000	2,000,000
The Oriental Bank Ltd.	2,700,000	1,100,000
United Commercial Bank	1,000,000	1,000,000
Uttara Bank Ltd.	1,125,000	525,000
	129,175,000	61,375,000

Out of the above balance a sum of Tk. 8,400,000 against loan limit of Tk. 58.50 lac, (balance repayable Tk. 215,623) and another sum of Tk. 5,000,000 against loan limit of Tk. 46.00 lac (balance repayable Tk. 3,708,520) have been put under Lien with Standard Bank Ltd. and IFIC Bank respectively for SOD.

8.00 Cash at Bank: Tk. 5,126,340

The balance is made up as follows:

PARTICULARSSTD, SND & SB A/C
Current Account

2005	2004
Taka	Taka
5,097,722	4,557,908
28,618	18,734
5,126,340	4,576,642

The above balance have been confirmed with the respective bank statement and reconciliation statements as applicable. However, as per Bank Statement, there has a balance of \$ 1,388.35 in dollar A/C # 311 and £ 601.64 in the sterling A/C # 68 with Mercantile Bank Ltd, Main Branch, Dhaka. Reconciliation of FC accounts are yet to be done.

9.00 Cash in hand: Tk. 17,096,587

The balance has been arrived at as under:

PARTICULARSHead Office
Branch

2005	2004
Taka	Taka
5,506,066	2,467,758
11,590,521	985,141
17,096,587	3,452,899

The management has furnished certificate confirming the position.

10.00 Issued, Subscribed and Paid up Capital Tk. 150,000,000

The balance represents 1,500,000 ordinary shares of Tk. 100 each fully paid up in cash.

SHAREHOLDING STRUCTURESponsors
Financial institution (including ICB)
General public

600,000	40%
420,950	28%
479,050	32%
1,500,000	100%

A distribution schedule of each class of equity setting out the number of holders and percentage of holding in the different categories as on 31.12.2005 is given as follows :

i) Group "A" Shareholders (Sponsors)

Class Interval	No. of Shares	No. of Shareholders	Total Holdings %	% of Total Paid up Capital
5001 – 10000	20,000	2	3.33%	1%
10001 – 15000	30,000	2	5.00%	2%
15001 – 20000	60,000	3	10.00%	4%
20001 – 25000	50,000	2	8.33%	3%
25001 – 30000	210,000	7	35.00%	14%
35001 – 40000	80,000	2	13.33%	5%
45001 – 50000	150,000	3	25.00%	10%
Total of (i)	600,000	21	100.00%	40%

ii) Group "B" Shareholders (Public)

Class Interval	No. of Shares	No. of Shareholders	Total Holdings %	% of Total Paid up Capital
01 - 500	269,500	4,331	29.94%	17.97%
501 - 5000	116,550	79	12.95%	7.77%
5001 - 10000	77,300	11	8.59%	5.15%
10001 - 15000	35,700	3	3.97%	2.38%
15001 - 20000	83,550	5	9.28%	5.57%
20001 - 25000	21,050	1	2.34%	1.40%
25001 - 30000	30,000	1	3.33%	2.00%
50001 - 100000	109,950	2	12.22%	7.33%
100001 - 200000	156,400	1	17.38%	10.43%
Total of (II)	900,000	4,434	100.00%	60.00%
GRAND TOTAL (I + II)	1,500,000	4,455	100.00%	100.00%

11.00 Premium Deposit: Tk. 5,051,306

The amount represents the adjusted balance of premium as received against cover notes over the years for which policies have not been issued within December 31, 2005.

12.00 Estimated Liabilities in respect of outstanding claims whether due or intimated: Tk. 17,254,483

The break-up of the amount is noted below:

PARTICULARS

	2005 Taka	2004 Taka
Fire	11,999,978	4,350,419
Marin	2,573,020	2,728,463
Motor	2,631,485	2,085,417
Miscellaneous	50,000	-
	17,254,483	9,164,299

13.00 Amount due to other persons or bodies carrying on Insurance Business: Tk. 25,656,228

The above balance is due to SBC. The break-up of the amount is given below:

PARTICULARS

	2005 Taka	2004 Taka
Opening balance	16,675,675	8,290,853
Add: Due to SBC for re-insurance net	16,815,575	16,720,172
	33,491,250	25,011,025
Less: Amount received against PSB net	2,835,022	2,535,350
	30,656,228	22,475,675
Less: Cash paid during the year	5,000,000	5,800,000
	25,656,228	16,675,675

14.00 Sundry Creditors: Tk. 185,340,404

The balance is made-up as follows:

PARTICULARS	Notes	2005 Taka	2004 Taka
Provision for office rent		885,384	929,200
Provision for audit fee		30,000	30,000
Vat deducted at source		(13,799)	1,350
Excess premium deposit	14.01	3,836,865	3,013,203
Salary income Tax payable		43,400	120,417
Provision for agency commission			755,331
Vendors account		65,000	210,000
Income Tax deduction (office rent)		12,834	2,438
SOD balance	14.02	3,924,143	9,468,594
Claim payable (outstanding claims SBC share)	14.03	157,568,570	43,773,854
Security deposit (open cover)		675,105	675,105
I.T. deduction at source		103,442	82,885
GIL foundation		5,000	5,000
Provision for income Tax (2005-06 & 2006-07)		16,570,500	6,150,000
Provision for office decoration		-	34,080
Share application money refundable		1,579,000	-
Income Tax payable (upto assessment year (2004-2005)		54,960	-
		185,340,404	65,251,457

14.01 Excess premium deposits will be adjusted after reconciliation.

14.02 SOD Balance: Tk. 3,924,143

This is made up as follows:

	2005 Taka	2004 Taka
Standard Bank Ltd., A/c. No.010238000654	215,623	7,003,139
IFIC Bank Ltd., A/c.No. 133086386	3,708,520	2,465,455
	3,924,143	9,468,594

The above has been confirmed with bank and reconciliation statement.

14.03 This refers to the amount of SBC portion of outstanding claims of the company.

15.00 Revenue Accounts:

The summarized position of net underwriting profit earned during the year 2005 is as follows:

Particulars	Notes	FIRE	MARINE	MOTOR	MISCELLANEOUS	TOTAL
A. Gross premium (including SBC & Govt. business)		44,808,887	42,265,342	17,444,964	14,975,803	119,494,996
B. Re-Insurance premium ceded		27,508,089	11,922,945	3,207,709	8,556,186	51,194,929
C. Net premium (A-B)		17,300,798	30,342,397	14,237,255	6,419,617	68,300,067
Direct Expenses:						
D. Commission (net)		(7,405,315)	(977,720)	(598,487)	(520,774)	(9,502,296)
E. Claim settled and provided (net)		5,802,200	1,930,156	4,414,998	105,363	12,252,717
F. Management expenses	15.1	14,852,422	12,865,027	5,787,503	3,115,746	36,620,698
G. Total direct expenses (D+E+F)		13,249,307	13,817,463	9,604,014	2,700,335	39,371,119
H. Adjusted fund balance for unexpired risk (opening balance less closing balance)		(1,930,805)	(143,858)	(2,407,269)	(1,495,193)	(5,977,125)
Net underwriting profit (C-G+H)		2,120,686	16,381,076	2,225,972	2,224,069	22,951,823
Commission (Net)						
Commission paid on direct business		243,639	1,716,613	303,753	193,362	2,457,367
Commission paid on re-insurance accepted		-	-	-	-	-
		243,639	1,716,613	303,753	193,362	2,457,367
Less: Commission earned on re-insurance ceded		7,648,954	2,694,333	902,240	714,136	11,959,663
Net commission		(7,405,315)	(977,720)	(598,487)	(520,774)	(9,502,296)
Claims Settled (Net)						
Gross claim		8,211,459	2,823,707	3,986,146	3,992,375	19,013,687
Less: Re-Insurance claim recovery		10,058,818	738,108	117,215	3,937,012	14,851,153
Paid during the year		(1,847,359)	2,085,599	3,868,931	55,363	4,162,534
Add: outstanding claim at the end of the year whether due or intimated		11,999,978	2,573,020	2,631,485	50,000	17,254,483
		10,152,619	4,658,619	6,500,416	105,363	21,417,017
Less: outstanding claim at the end of the previous year		4,350,419	2,728,463	2,085,418	-	9,164,300
Net Amount		5,802,200	1,930,156	4,414,998	105,363	12,252,717

15.1 Management Expenses: Tk. 36,620,698

The expenses have been charged to revenue accounts on product basis of gross premium earned or direct business as under:

Revenue Accounts

	Percentage	Amount
Fire	40.56%	14,852,422
Marine	35.13%	12,865,027
Motor	15.81%	5,787,503
Miscellaneous	8.50%	3,115,746
	100.00%	36,620,698