

"If you have any query about this document, you may consult issuer, issue managers and underwriters."

# PROSPECTUS OF ASIA INSURANCE LIMITED

For

PUBLIC OFFER OF 900,000 ORDINARY SHARES AT TK. 100.00 EACH AT PAR TOTALING TK. 90,000,000.00

OPENING DATE FOR SUBSCRIPTION: 19/04/2009

CLOSING DATE FOR SUBSCRIPTION: 23/04/ 2009

For Non-Resident Bangladeshi quota, subscription closes on: 02/05/2009

## Underwriters

<b>Southeast Bank Limited</b> Younus Tower (2 <sup>nd</sup> floor) 52-53, Dilkusha C.A. Dhaka-1000	<b>National Bank Limited</b> 18, Dilkusha C/A, (4 <sup>th</sup> Floor), Dhaka-1000
<b>Export Import Bank of Bangladesh Limited</b> Printers Building, 5, Rajuk Avenue, Dhaka-1000.	<b>Bay Leasing &amp; Investment Ltd.</b> Printers Building, 5, Rajuk Avenue, Dhaka-1000
<b>Fidelity Assets &amp; Securities Co. Ltd.</b> Suvastu Imam Square 65, Gulshan Avenue, Gulshan, Dhaka-1212	<b>Swadesh Investment Management Ltd.</b> Road#1/A, House#35, Banani, Dhaka-1212

## Credit Rating by

### CREDIT RATING INFORMATION AND SERVICES LIMITED

	Claim Paying Ability
Current Rating	BBB+
Date of Rating	April 24, 2008

Issue date of the Prospectus: 23/03/2009

The issue shall be placed in "N" category

## Managers to the Issue



Amin Court, 4th Floor, 62-63, Motijheel C/A., Dhaka-1000.  
Phone: +88029559602, +88029567726, Fax: 880-2-9558330  
Web-site: [www.aaawebed.com](http://www.aaawebed.com), e-mail: [info@aaawebed.com](mailto:info@aaawebed.com)

## Bay Leasing & Investment Ltd.

Printers building (7<sup>th</sup> floor), 5 rajuk Avenue  
Motijheel C/A, Dhaka-1000. Tel # 9565026, 9568599  
Fax # 880-2-9565027,

e-mail : [baylease@intechworld.net](mailto:baylease@intechworld.net)



# ASIA INSURANCE LIMITED

Head Office: T. K. Bhaban (7<sup>th</sup> floor), 13, Karwan Bazar, Dhaka-1215, Bangladesh

Phone: 8141033-4, 9137244, 9131222, Fax: 88-02-9137077

Website: [www.asiainsu.com](http://www.asiainsu.com), e-mail: [asiainsu@gmail.com](mailto:asiainsu@gmail.com)

"CONSENT OF THE SECURITIES AND EXCHANGE COMMISSION HAS BEEN OBTAINED TO THE ISSUE/OFFER OF THESE SECURITIES UNDER THE SECURITIES AND EXCHANGE ORDINANCE, 1969, AND THE SECURITIES AND EXCHANGE COMMISSION (PUBLIC ISSUE) RULES, 2006. IT MUST BE DISTINCTLY UNDERSTOOD THAT IN GIVING THIS CONSENT THE COMMISSION DOES NOT TAKE ANY RESPONSIBILITY FOR THE FINANCIAL SOUNDNESS OF THE ISSUER COMPANY, ANY OF ITS PROJECTS OR THE ISSUE PRICE OF ITS SECURITIES OR FOR THE CORRECTNESS OF ANY OF THE STATEMENTS MADE OR OPINION EXPRESSED WITH REGARD TO THEM. SUCH RESPONSIBILITY LIES WITH THE ISSUER, ITS DIRECTORS, CHIEF EXECUTIVE OFFICER/CHIEF FINANCIAL OFFICER, ISSUE MANAGER, UNDERWRITER AND/OR AUDITOR".

## AVAILABILITY OF PROSPECTUS

Prospectus of the Company will be available at the following addresses:

Name & Address		Contact Person Tel. No.
<b><u>Company</u></b>		
<b>Asia Insurance Limited</b> Head Office: T. K. Bhaban (7 <sup>th</sup> floor) 13, Karwan Bazar, Dhaka-1215, Bangladesh	<b>Md. Ezhar Hossain</b> Managing Director	9146398(D) 9137244 9131222
<b><u>Issue Manager</u></b>		
<b>AAA Consultants &amp; Financial Advisers Ltd.Ltd.</b> Suite # 404, Amin Court, 62-63, Motijheel C.A., Dhaka-1000.	<b>Khwaja Arif Ahmed</b> Managing Director & CEO	9559602 9567726
<b>Bay Leasing &amp; Investment Limited</b> Printers Building (7 <sup>th</sup> floor), 5, Rajuk Avenue Motijheel C.A., Dhaka-1000.	<b>Mahbubur Rashid</b> Managing Director	9565026 9568599
<b><u>Underwriters</u></b>		
<b>Southeast Bank Limited</b> 1, Dilkusha C/A, Dhaka-1000	<b>Muhammad Shahjahan</b> SEVP	9550081
<b>Export Import Bank of Bangladesh Limited</b> Merchant Banking Division, Head Office, 5, Rajuk Avenue, Dhaka-1000	<b>Abu Hena Md. Mohsin</b> SAVP	9565063 PABX: 9561604
<b>Fidelity Assets &amp; Securities Co. Ltd.</b> Suvastu Imam Square(4 <sup>th</sup> floor) 65, Gulshan Avenue, Gulshan, Dhaka-1212	<b>Md. Maniruzzaman Akan</b> AVP	8825949 9860273
<b>National Bank Limited</b> 18, Dilkusha C/A, (4 <sup>th</sup> Floor), Dhaka-1000	<b>Mohammad Hossain</b> Senior Vice President	9563081-85
<b>Bay Leasing &amp; Investment Ltd.</b> Printers Building, 5, Rajuk Avenue Dhaka-1000	<b>Md. Mofizul Islam</b> Executive Officer	9565026 9568599
<b>Swadesh Investment Management Ltd.</b> House#35, Road#1/A, Banani, Block-A Dhaka-1213	<b>Mr. Ziaul Quddus</b> Managing Director & CEO	01711522441
<b><u>Stock Exchanges</u></b>		
<b>Dhaka Stock Exchange Limited (DSE)</b> 9/F, Motijheel C.A., Dhaka-1000.	<b>DSE Library</b>	9564601-7 9666944-8
<b>Chittagong Stock Exchange Limited (CSE)</b> CSE Building, 1080, Sk. Mujib Road, Agrabad C.A., Chittagong.	<b>CSE Library</b>	714632-3 720871-3

Prospectus is also available on the web site [www.secbd.org](http://www.secbd.org), [www.asiainsu.com](http://www.asiainsu.com), [www.aqawebbd.com](http://www.aqawebbd.com), [www.dsebd.org](http://www.dsebd.org), [www.csebd.com](http://www.csebd.com) and Public Reference Room of the SEC for reading and study.

Name and Address of the Auditor
<p style="text-align: center;"><b>Pinaki &amp; Company</b> Chartered Accountants 2/4 Nawab Habibullah Road (2<sup>nd</sup> Floor) Shaghbag, Dhaka-1000. Phone: 9660944, 9665095.</p>

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**Definition and Elaboration of the abbreviated  
words and technical terms used in the Prospectus**

AAA	:	AAA Consultants & Financial Advisers Ltd.
AIL	:	Asia Insurance Limited
Allotment	:	Letter of allotment for shares
BB	:	Bangladesh Bank
BO A/C	:	Beneficial Owner Account or Depository Account
CCI	:	Chief Controller of Insurance
CDBL	:	Central Depository Bangladesh Limited
Certificate	:	Share Certificate
Commission	:	Securities and Exchange Commission
Companies Act	:	Companies Act, 1994 (Act. No. XVIII of 1994)
CSE	:	Chittagong Stock Exchange Limited
DSE	:	Dhaka Stock Exchange Limited
FC Account	:	Foreign Currency Account
IPO	:	Initial Public Offering
Issue	:	Public Issue
Market of the Securities	:	Share market
NAV	:	Net Asset Value of the Company
NBR	:	National Board of Revenue
NRB	:	Non Resident Bangladeshi
Offering Price	:	Price of the securities of AIL being offered
Registered Office	:	T. K. Bhaban (7 <sup>th</sup> floor), 13, Kawran Bazar, Dhaka-1215, Bangladesh.
RJSC	:	Registrar, Joint Stock Companies & Firms
SC	:	Share Certificate
SEC	:	Securities and Exchange Commission
Securities	:	Shares of Asia Insurance Limited
STD Account	:	Short Term Deposit Account
Stockholder	:	Shareholder
Subscription	:	Application money
The Company/Issuer	:	Asia Insurance Limited

## DISCLOSURE IN RESPECT OF ISSUANCE OF SECURITY IN DEMAT FORM

*"As per provisions of the Depository Act, 1999 and regulations made there under, share of the company will be issued in dematerialized form only and for this purpose the Asia Insurance Limited has signed an agreement with the Central Depository Bangladesh Ltd. (CDBL). Therefore, all transfer/ transmission, splitting or conversion will take place in the CDBL system and any further issuance of shares (including right/bonus) will also be issued in dematerialized form only."*

## CONDITIONS UNDER 2CC OF THE SECURITIES AND EXCHANGE ORDINANCE, 1969

### PART-A

1. The company shall go for Initial Public Offer (IPO) for 900,000 ordinary shares of Taka 100.00 each at par worth Taka 90,000,000.00 (Taka nine core) only following the Securities and Exchange Commission (Public Issue) Rules, 2006, the Depository Act, 1999 and regulations made there under.
2. The abridged version of the prospectus, as approved by the Commission, shall be published by the issuer in four national daily newspapers (in two Bengali and two English), within 03 (three) working days of issuance of this letter. The issuer shall post the full prospectus vetted by the Securities and Exchange Commission in the issuer's website and shall also put on the web sites of the Commission, stock exchanges, and the issue managers within 03 (three) working days from the date of issuance of this letter which shall remain posted till the closure of the subscription list. The issuer shall submit to SEC, the stock exchanges and the issue managers a diskette containing the text of the vetted Prospectus in "MS-Word" format.
3. Sufficient copies of prospectus shall be made available by the issuer so that any person requesting a copy may receive one. A notice shall be placed on the front of the application form distributed in connection with the offering, informing that interested persons are entitled to a prospectus, if they so desire, and that copies of prospectus may be obtained from the issuer and the issue managers. The subscription application shall indicate in bold type that no sale of securities shall be made, nor shall any money be taken from any person, in connection with such sale until twenty five days after the prospectus has been published.
4. The company shall submit 40 (forty) copies of the printed prospectus to the Securities and Exchange Commission for official record within **5 (Five)** working days from the date of publication of the abridged version of the prospectus in the newspaper.
5. The issuer company and the issue managers shall ensure transmission of the prospectus, abridged version of the prospectus and relevant application forms for NRBs through e-mail, simultaneously with publication of the abridged version of the prospectus, to the Bangladesh Embassies and Missions within five working days of the publication date by express service (EMS) of the postal department. A compliance report shall be submitted in this respect to the SEC jointly by the issuer and the issue manager within two working days from the date of said dispatch of the prospectus & the forms.
6. The paper clipping of the published abridged version of the prospectus, as mentioned at **condition 2 above**, shall be submitted to the Commission within 24 hours of the publication thereof.
7. The company shall maintain separate bank account(s) for collecting proceeds of the Initial Public Offering and shall also open FC account(s) to deposit the application money of the Non- Resident Bangladeshis (NRBs) for IPO purpose, and shall incorporate full particulars of said FC account(s) in the prospectus. The company shall open the abovementioned accounts for IPO purpose; and close these accounts after refund of over-subscription. Non-Resident Bangladeshi (NRB) means Bangladeshi citizens staying abroad including all those who have dual citizenship (provided they have a valid Bangladeshi passport) or those, whose foreign passport bear a stamp from the concerned Bangladesh Embassy to the effect that no visa is required to travel to Bangladesh.
8. The issuer company shall apply to all the stock exchanges in Bangladesh for listing within **07(seven) working days** from the date of issuance of this letter and shall simultaneously submit the vetted prospectus with all exhibits, as submitted to SEC, to the stock exchanges.
9. The following declaration shall be made by the company in the prospectus, namely:-

**" Declaration about Listing of Shares with the Stock Exchange(s):**

None of the stock exchange(s), if for any reason, grants listing within 75 days from the closure of subscription, any allotment in terms of this prospectus shall be void and the company shall refund the subscription money within fifteen days from the date of refusal for listing by the stock exchanges, or from the date of expiry of the said 75 (seventy five) days, as the case may be.

In case of non-refund of the subscription money within the aforesaid fifteen days, the company directors, in addition to the issuer company, shall be collectively and severally liable for refund of the subscription money, with interest at the rate of 2% (two percent) per month above the bank rate, to the subscribers concerned.

The issue managers, in addition to the issuer company, shall ensure due compliance of the above mentioned conditions and shall submit compliance report thereon to the Commission within seven days of expiry of the aforesaid fifteen days time period allowed for refund of the subscription money."

10. The subscription list shall be opened and the sale of securities commenced after 25 (twenty five) days of the publication of the abridged version of the prospectus and shall remain open for 5 (Five) consecutive banking days.
11. A non-resident Bangladeshi shall apply either directly by enclosing a foreign demand draft drawn on a bank payable at Dhaka, or through a nominee by paying out of foreign currency deposit account maintained in Bangladesh or in Taka, supported by foreign currency encashment certificate issued by the concerned bank, for the value of securities applied for through crossed bank cheque marking "Account Payee only". Application shall be sent by the NRB applicants to the issuer company within the closing date of the subscription so as to reach the same to the company by the closing date plus nine days. Applications received by the company after the above time period will not be considered for allotment purpose.
12. The company shall apply the spot buying rate (TT clean) in US Dollar, UK Pound Sterling and Euro of Sonali Bank, which shall be mentioned in the Prospectus, as prevailed on the date of opening of the subscription for the purpose of application of the NRBs and other non-Bangladeshi persons, where applicable.
13. The company and the issue managers shall ensure prompt collection/clearance of the foreign remittances of NRBs and other non-Bangladeshis, if applicable, for allotment of shares.
14. Upon completion of the period of subscription for securities the issuer and the issue managers shall jointly provide the Commission and the stock exchanges with the preliminary status of the subscription within 05 (five) working days, in respect of the following matters, namely: -
  - (a) Total number of securities for which subscription has been received;
  - (b) Amount received from the subscription; and
  - (c) Amount of commission paid to the banker to the issue.
15. The issuer and the issue manager shall jointly provide the Commission and the stock exchanges with the list of valid and invalid applicants in electronic form in 2 (two) CDs and final status of subscription to the Commission within 3 (three) weeks after the closure of the subscription along with bank statement (original), branch-wise subscription statement. The list of valid and invalid applicants shall be finalized after examination with the CDBL in respect of BO accounts and particulars thereof.
16. The IPO shall stand cancelled and the application money shall be refunded immediately (but not later than 5(five) weeks from the date of the subscription closure) if any of the following events occur:
  - (a) Upon closing of the subscription list it is found that the total number of valid applications (in case of under subscription including the number of the underwriter) is less than the minimum requirement as specified in the listing regulations of the stock exchange(s) concerned; or
  - (b) At least 50% of the IPO is not subscribed.
17. 10% of total public offering shall be reserved for non-resident Bangladeshi (NRB) and 10% for mutual funds and collective investment schemes registered with the Commission, and the remaining 80%

shall be open for subscription by the general public. In case of under-subscription under any of the 10% categories mentioned above, the unsubscribed portion shall be added to the general public category and, if after such addition, there is over subscription in the general public category, the issuer and the issue managers shall jointly conduct an open lottery of all the applicants added together.

18. All the applicants shall first be treated as applied for one minimum market lot of 50 shares worth Tk.5000/.If, on this basis, there is over subscription, then lottery shall be held amongst the applicants allocating one identification number for each application, irrespective of the application money. In case of over-subscription under any of the categories mentioned hereinabove, the issuer and the issue managers shall jointly conduct an open lottery of all the applications received under each category separately in presence of representatives from the issuer, the stock exchanges and the applicants, if there be any.
19. **An applicant can not submit more than two applications one in his/her own name another jointly with another person. In case an applicant makes more than two applications, all application will be treated as invalid and will not be considered for allotment purpose. In addition, whole or part of application money may be forfeited by Commission.**
20. Lottery (if applicable) shall be held within 4 (four) weeks from closure of the subscription date.
21. The company shall issue share allotment letters to all successful applicants within 5 (five) weeks from the date of the subscription closing date. Within the same time, Refund to the unsuccessful applicants shall be made in the currency in which the value of securities was paid for by the applicants without any interest, through Account Payee Cheque/ refund warrants with bank account number, bank's name and Branch as indicated in the securities application forms payable at Dhaka/ Chittagong/ Khulna/ Rajshahi/ Barisal/ Sylhet/ Bogra, as the case may be subject to condition 19 above.

**Refund money of the unsuccessful applicants shall be credited directly to their respective bank accounts within 5(five) weeks from the date of closing, who have mentioned in the IPO application forms, bank account number with the bankers to the issue and other bank as disclosed in prospectus. A Compliance reporting this regard shall be submitted to the commission within 6(six) weeks from the date closure of subscription.**

22. The company shall furnish the List of Allotees to the Commission and the stock exchange(s) simultaneously in which the shares will be listed, within 24 (twenty four) hours of allotment.
23. In the event of under-subscription of the public offering, the unsubscribed portion of securities shall be taken up by the underwriter(s) (subject to para -16 above). The issuer must notify the underwriter to take up the underwritten shares within **10 (ten) days** of the subscription closing date on full payment of the share money within **15(fifteen) days** of the issuer's notice. The underwriter shall not share any underwriting fee with the issue managers, other underwriters, issuer or the sponsor group.
24. All issued shares of the issuer at the time of according consent shall be subject to a lock- in of three years from the date of issuance of prospectus or commercial operation, whichever comes later.

Provided that the persons, other than directors and those who hold 5% or more, who have subscribed to the shares of the company within immediately preceding two years of according consent, shall be subject to a **lock-in of one year** from the date of issuance of prospectus or commercial operation, whichever comes later.

25. **In respect of shares of Sponsor/ Directors/ Promoters (if in paper format) shall be handed over to security custodian bank registered with SEC and shall remain till completion of lock in and the name and branch of the bank shall be furnished to the commission jointly by the issuer and the issue manager, along with a confirmation thereof from the custodian bank, within one week of listing of the shares with the stock exchanges(s). Or they (shares of Sponsor/ Directors/ Promoters) can be demated and will remain in lock-in under CDBL system and issuer will submit a dematerialization confirmation report generated by CDBL and attested by the Managing Director of the company along with lock-in confirmation to SEC within one week of listing of the shares with the stock exchanges(s). In respect of shares other than Sponsor/ Directors/ Promoters the issuer will ensure their lock-in of those shares and submit a statement to this effect to SEC.**

26. The company shall apply to the stock exchanges for listing within **7(seven) working days** of issuance of this letter and shall simultaneously submit to the commission attested copies filed with the stock the exchange.
27. The company shall not declare any benefit other than cash dividend based on the financial statement for the year ended May 31, 2008.

### **Part –B**

1. The issue managers (i.e. AAA Consultants & Financial Advisers Ltd. and Bay Leasing and Investment Ltd) shall ensure that the abridged version of the prospectus and the full prospectus is published correctly and in strict conformity without any error/omission, as vetted by the Securities and Exchange Commission.
2. The issue managers shall carefully examine and compare the published abridged version of prospectus on the date of publication with the copy vetted by SEC. If any discrepancy/ inconsistency is found, both the issuer and the issue managers shall jointly publish a corrigendum immediately in the same newspapers concerned, simultaneously endorsing copies thereof to SEC and the stock exchange(s) concerned, correcting the discrepancy/inconsistency as required under " Due Diligence Certificates" provided with SEC.
3. Both the issuer company and the issue manager shall, immediately after publication of the prospectus and its abridged version, jointly inform the Commission in writing that the published prospectus and its abridged version are verbatim copies of the same as vetted by the Commission.
4. The fund collected through IPO shall not be utilized prior to listing with stock exchange and that utilization of the said fund shall be effected through banking channel, i.e. through account payee cheque, pay order or bank drafts etc.
5. The company shall furnish report to the Commission on utilization of IPO proceeds **within 15 days** of the closing of each quarter until such fund is fully utilized, as mentioned in the schedule contained in the prospectus, and in the event of any irregularity or inconsistency, the Commission may employ or engage any person, at issuer's cost, to examine whether the issuer has utilized the proceeds for the purpose disclosed in the prospectus.
6. All transactions, excluding petty cash expenses, shall be effected through the company's bank account(s).
7. Proceeds of the IPO shall not be used for any purpose other than those specified in the prospectus. Any deviation in this respect must have prior approval of the shareholders in the EGM under intimation to SEC and stock exchange(s).

### **PART-C**

1. All the above conditions imposed under section 2CC of the Securities and Exchange Ordinance, 1969 shall be incorporated in the prospectus immediately after the page of the table of contents, with a reference in the table of contents, prior to its publication.
2. The Commission may impose further conditions/restrictions etc. from time to time as and when considered necessary which shall also be binding upon the issuer company.

### **PART-D**

1. As per provision of the Depository Act, 1999 and regulations made there under, shares will only be issued in dematerialized condition. All transfer/ transmission/ splitting will take place in the Central Depository Bangladesh Ltd. (CDBL) system and any further issuance of shares (right/bonus) will be issued in dematerialized form only.

An applicant (including NRB) shall not be able to apply for allotment of shares without beneficial owner account (BO account).

2. The issue managers shall also ensure due compliance of all above.



## **GENERAL INFORMATION**

AAA Consultants & Financial Advisers Ltd. and Bay Leasing & Investment Limited Have prepared this Prospectus from information supplied by **Asia Insurance Limited** (the Company) and also several discussions with Chairman, Managing Director and related executives of the Company. The Directors of both Asia Insurance Limited, AAA Consultants & Financial Advisers Ltd. and Bay Leasing & Investment Limited collectively and individually, having made all reasonable inquiries, confirm that to the best of their knowledge and belief, the information contained herein is true and correct in all material respect and that there are no other material facts, the omission of which, would make any statement herein misleading.

No person is authorized to give any information or to make any representation not contained in this Prospectus and if given or made, any such information or representation must not be relied upon as having been authorized by the Company or AAA Consultants & Financial Advisers Ltd. or Bay Leasing & Investment Limited.

The Issue as contemplated in this document is made in Bangladesh and is subject to the exclusive jurisdiction of the courts of Bangladesh. Forwarding this Prospectus to any person resident outside Bangladesh in no way implies that the Issue is made in accordance with the laws of that country or is subject to the jurisdiction of the laws of that country.

A copy of this Prospectus can be obtained from the Head Office of Asia Insurance Limited, AAA Consultants & Financial Advisers Ltd. , Bay Leasing & Investment Limited, the underwriters and the Stock Exchanges where the securities will be traded.

## **DECLARATION ABOUT THE RESPONSIBILITY OF THE DIRECTORS INCLUDING CEO OF THE COMPANY “ASIA INSURANCE LIMITED” IN RESPECT OF THE PROSPECTUS**

This Prospectus has been prepared, seen and approved by us, and we, individually and collectively, accept full responsibility for the authenticity and accuracy of the statements, information given in the Prospectus, documents, financial statements exhibits, annexes, papers submitted to the Commission in support thereof, and confirm, after making all reasonable inquiries that all conditions concerning this Public Issue and Prospectus have been met, and that there are no other information or documents the omission of which make any information or statements therein misleading for which the Commission may take any civil, criminal or administrative action against any or all of us as it may deem fit.

We also confirm that full and fair disclosure has been made in this Prospectus to enable the investors to make a well informed decision for investment.

Sd/-  
(Yussuf Abdullah Harun,FCA)  
Chairman

Sd/-  
(Mohammed Jamal Ullah )  
Vice-Chairman

Sd/-  
(Alamgir Kabir, FCA)  
Director

Sd/-  
(Md. Jahangir Alam)  
Director

Sd/-  
(Abul Bashar Chowdhury)  
Director

Sd/-  
(Mahbubul Alam Talukder)  
Director

Sd/-  
(Mrs. Khelada Begum)  
Director

Sd/-  
(Mrs. Farzana Afroze)  
Director

Sd/-  
(Mohammad Mustafa Haider)  
Director

Sd/-  
(Md. Ezhar Hossain,ABIA)  
Managing Director

## **CONSENT OF DIRECTOR(S) TO SERVE AS DIRECTOR(S)**

We hereby agree that we have been serving as Director(s) of Asia Insurance Limited and continue to act as a Director(s) of the Company:

Sd/-  
(Yussuf Abdullah Harun,FCA)  
Chairman

Sd/-  
(Mohammed Jamal Ullah )  
Vice Chairman

Sd/-  
(Alamgir Kabir, FCA)  
Director

Sd/-  
(Md. Jahangir Alam)  
Director

Sd/-  
(Abul Bashar Chowdhury)  
Director

Sd/-  
(Mahbubul Alam Talukder)  
Director

Sd/-  
(Mrs. Khelada Begum)  
Director

Sd/-  
(Ms. Farzana Afroze)  
Director

Sd/-  
(Mohammad Mustafa Haider)  
Director

Sd/-  
(Md. Ezhar Hossain,ABIA)  
Managing Director

**DECLARATION ABOUT FILING OF PROSPECTUS WITH  
THE REGISTRAR OF JOINT STOCK COMPANIES AND FIRMS**

A dated and signed copy of this Prospectus has been filed for registration with the Registrar of Joint Stock Companies and Firms, Bangladesh, at SL-48, as required by Section 138 (1) of the Companies Act, 1994 on or before Publication of the Prospectus.

**DECLARATION BY THE ISSUER ABOUT THE APPROVAL FROM SEC FOR ANY MATERIAL  
CHANGES REGARDING PROSPECTUS OF ASIA INSURANCE LIMITED.**

In case of any material changes in any agreement, contract, instrument, facts and figures, operational circumstances and statement made in the Prospectus subsequent to the preparation of the Prospectus and prior to its publication shall be incorporated in the Prospectus and the said Prospectus should be published with the approval of the Commission.

Sd/-  
Md. Ezhar Hossain,<sup>ABIA</sup>  
Managing Director  
Asia Insurance Limited

**DECLARATION BY THE ISSUE MANAGERS ABOUT THE APPROVAL FROM SEC FOR ANY  
MATERIAL CHANGES REGARDING PROSPECTUS OF ASIA INSURANCE LIMITED.**

In case of any material changes in any agreement, contract, instrument, facts and figures, operational circumstances and statement made in the Prospectus subsequent to the preparation of the Prospectus and prior to its publication shall be incorporated in the Prospectus and the said Prospectus should be published with the approval of the Commission.

Sd/-  
Khwaja Arif Ahmed  
Managing Director & CEO  
AAA Consultants & Financial Advisers Ltd.

Sd/-  
Mahbubur Rashid  
Managing Director  
Bay Leasing & Investment Limited

## **DUE DILIGENCE CERTIFICATE OF MANAGERS TO THE ISSUE**

**Sub: Public Offer of 900,000 Ordinary Shares of Tk.100.00 each at par totaling Tk. 90,000,000.00  
by Asia Insurance Limited**

We, the under-noted Managers Issue to the above mentioned forthcoming Issue, state as follows:

1. We, while finalizing the draft Prospectus pertaining to the said Issue, have examined various documents and other materials as relevant for adequate disclosures to the investors; and
2. On the basis of such examination and the discussions with the issuer company, its directors and officers, and other agencies, independent verification of the statements concerning objects of the Issue and the contents of the documents and other materials furnished by the issuer company;

### **WE CONFIRM THAT:**

- a) The draft Prospectus forwarded to the Commission is in conformity with the documents, materials and papers relevant to the Issue;
- b) All the legal requirements connected with the said Issue have been duly complied with; and
- c) The disclosures made in the draft Prospectus are true, fair and adequate to enable the investors to make a well-informed decision for investment in the proposed Issue.

For Managers to the Issue

Sd/-  
Khwaja Arif Ahmed  
Managing Director & CEO  
AAA Consultants & Financial Advisers Ltd.

Sd/-  
Mahbubur Rashid  
Managing Director  
Bay Leasing & Investment Limited

## **DUE DILIGENCE CERTIFICATE OF THE UNDERWRITER(S)**

**Sub: Public Offer of 900,000 Ordinary Shares of Tk.100.00 each at par totaling Tk. 90,000,000.00 by  
Asia Insurance Limited**

We, the under-noted Underwriter(s) to the abovementioned forthcoming Issue, state individually and collectively as follows:

1. We, while underwriting the abovementioned Issue on a firm commitment basis, have examined the draft Prospectus, other documents and materials as relevant to our underwriting decision; and
2. On the basis of such examination and the discussions with the issuer company, its directors and officers, and other agencies, independent verification of the statements concerning objects of the issue and the contents of the documents and other materials furnished by the issuer company;-

### **WE CONFIRM THAT:**

- a) All information relevant to our underwriting decision have been received by us and the draft Prospectus forwarded to the Commission has been approved by us;
- b) We shall subscribe and take up the un-subscribed securities against the abovementioned public Issue within 15 (fifteen) days of calling up thereof by the Issuer; and
- c) This underwriting commitment is unequivocal and irrevocable

For Underwriters

Sd/-

### **CEO/MD**

Southeast Bank Limited  
Export Import Bank of Bangladesh  
National Bank Ltd.  
Fidelity Assets & Securities Co. Ltd.  
Bay Leasing & Investment Ltd.  
Swadesh Investment Management Ltd.

## RISK FACTORS AND MANAGEMENT PERCEPTION REGARDING RISKS

The company is operating in a field involving a great deal of external/internal risk factors and the management of Asia Insurance Limited perceives the risk factors which are as follows simultaneously:-

### Interest rate risks:

Volatility of money market, which ultimately imposes upward pressure on interest rate structure, may erode Organization's profitability.

*The company has procured vehicles for its officers on bank financing, any adverse change in interest rates may decrease the profitability to negligible mount, on the other hand, any upward change in the rate of bank interest will increase the interest income earned on company's paid-up capital and fixed deposits.*

### Exchange rate risks:

Devaluation of local currency against major international currencies may affect company's marine insurance business adversely.

*The above effect will be overcome by the increased business on other areas*

### Industry risks:

I. Liberalization of permission to set up more insurance companies by the Government.

II. Natural calamities

Liberalization of permission to set up more insurance companies by government may result in severe competition amongst insurers resulting in reduction of premium income and profitability of the company.

*Though liberalization of permission to set up more insurance companies by government may be encouraging to new entrants resulting tough competition, AIL does not apprehend any loss of business due to its competent and highly experienced management team and expanding trend of insurance business in the country. AIL has already proved its leading role by its attractive earning performance.*

The coverage of natural calamities like cyclone, flood by insurance may severely weaken the financial strength of the company by accruing heavy claims on its own retained account.

*The estimated losses arising from natural calamities are covered by higher rates of premium and **reinsurance** coverage for such losses. Management has taken into consideration statistical assessment of occurrence of natural calamities in setting its rates of premium and reinsurance risks. Moreover, most of our trained portfolios (Fire including flood, cyclone risks) are protected under catastrophic Excess of Loss Treaty with S.B.C.*

### Market & Technology related-risks:

To be competitive in the market, insurance companies need to develop new products and offer excellent clientele services and also to expand the market by bringing more and more items under the purview of insurance otherwise the competitors may take away company's business.

*Insurance business globally is increasing. New items are coming under the cover of insurance as days pass by, the market is expanding as people are realizing the importance of insurance. Because of our excellent services and introduction of new products, the company does not envisage any market & technological related risks.*

### Potential or existing government regulations:

Government policy change in respect of rates of premium, underwriting commission, agent's commission, reinsurance commission, interest on deposits etc. may affect income and profitability.

*The government, who is the owner of Sadharan Bima Corporation, is not expected to change policies relating to insurance requirement affecting the income of the insurance companies without proper consequential relief for self-interest.*

**Potential changes in global or national policies:**

Any structural change in the international insurance business adversely affecting reinsurance operations may have negative impact on the profitability of the company.

*The history of insurance/re-insurance business for over two hundred years proves that any major structural change affecting our reinsurance business is unimaginable. Any such event would create a global destabilization which the major economies must not cause to happen.*

**History of non-operation, if any:**

Is there any chance for the company to become non-operative?

*No general insurance company has ever become non-operative in Bangladesh nor there is any chance to become non-operative in future.*

**Operational risks:**

Political and social condition may affect smooth operation of the business resulting in drastic fall to the value of its investment.

*Political unrest in the past could not reduce the premium income of the company as the shortfall overcome by increased income in subsequent period.*

## **USE OF PROCEEDS**

The Company offers its shares to the public as required by the Insurance Act, 1938 and Insurance Rules, 1958. The sponsors have already subscribed their portion of equity capital of Tk. 60.00 million as per the requirement of the Rules and the same has already been invested as reflected in the audited accounts. The proceeds of the present issue of 900,000 shares of Tk. 100.00 each at par totaling Tk.90,000,000.00 will strengthen the capital base of the Insurance and augment business expansion. The fund thus raised through public issue will be used for investment.

## **DESCRIPTION OF BUSINESS**

### **Background**

The company was incorporated on 30<sup>th</sup> April 2000 under the company Act 1994 as a public company Limited by shares for carrying out all kinds of general insurance activities and was granted certificate for commencement of Business on 30<sup>th</sup> April 2000 for general insurance business. The Authorized capital is Tk. 300 million consisting of 3,000,000 ordinary shares of Tk. 100 each. The sponsors/subscribers have already contributed to the paid up capital of Tk. 60.00 million as required by the Chief Controller of Insurance. In fulfillment of the conditions of license by the Chief Controller of Insurance, the company now proposes to raise the paid up capital to Tk. 150.00 million by issuing 900,000 ordinary shares of Tk. 100.00 each by way of initial public offering (IPO).

Since its establishment in 2000 as one of the leading general insurance companies in the private sector, the Company has within a short span of time established itself as one of the most reputed and trustworthy insurance companies in the country. Selective underwriting and prompt settlement of claims have contributed towards building up a very respectable image of the Company within the business community. The Company has 12 branches throughout the country.

### **Highlight of the Issue**

(a) The Company has a proven track record for over four years, during which time it has accumulated considerable goodwill, experience and know-how.

(b) The sponsor directors of the Company are engaged in various enterprises, which are a source of business for the Company.

(c) With the acceleration of growth in economic activities and the further opening up of the insurance business from the public to the private sector, the Company is expected to take its due share of the growth of the market.

**Business operation:**

**(1) The company is carrying out following types of insurance/reinsurance businesses:**

- (i) Fire Insurance Business
- (ii) Marine Insurance Business
- (iii) Motor Insurance Business
- (iv) Miscellaneous Insurance Business

The company's operations are operates through Dhaka , Narayangonj, Chittagong, Comilla, Barisal and are as follows:

<p><b>Head Office:</b> T.K Bhaban (7<sup>th</sup> floor) 13, Karwan Bazar, Dhaka-1215.</p> <p><b>Local Office:</b> T.K Bhaban (7<sup>th</sup> floor) 13, Karwan Bazar, Dhaka-1215.</p> <p><b>Motijheel &amp; Dilkusha Branch, Dhaka</b> 1/B.D.I.T. Avenue (8<sup>th</sup> Floor) Motijheel C/A, Dhaka-1000</p> <p><b>Palton Branch</b> Tropicana Tower (2<sup>nd</sup> Floor) 281, Sayed Nazrul Islam Sarak (Old 45 Topkhana Road), Dhaka-1000.</p> <p><b>Bangshal Branch- Dhaka</b> 61-63 Syed Nazrul Islam Sarini Dhaka-1100.</p> <p><b>Imamgonj Branch, Dhaka</b> 18, Ray Iswar chandra Shill Bahadur Street (3<sup>rd</sup> floor) Imamgonj, Dhaka-1100.</p> <p><b>Elephant Road Branch</b> Rajdhani Complex 237, New Elephant Road Dhaka-1205</p>	<p><b>Narayangong Branch</b> 34, S.M. Maleh Road, (2<sup>nd</sup> Floor) Tanbazar, Narayangonj-1400</p> <p><b>Khatungonj Branch</b> 56-56 Bitligonj, Khatungonj Chittagong.</p> <p><b>Agrabad Branch, Chittagong</b> Progressive Tower (2<sup>nd</sup> Floor) 1837, Sheikh Mojib Road, Agrabad C/A, Chittagong.</p> <p><b>Comilla Branch</b> Khan Mansion (1<sup>st</sup> Floor) Chatiptty, Rajgonj Road, Kotowali, Comilla</p> <p><b>Barisal Booth</b> Rashid Plaza (3<sup>rd</sup> Floor) 104 Sadar Road, Barishal.</p> <p><b>Norsingdi Booth</b> Mizan market C&amp; B Road,Norsindhi</p>
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**(2) Product or service that accounts for more than 10% of the company's total revenues:**

*As per audited accounts*

Description	2008 Jan. to May	Percentage	2007 Jan. to May	Percentage	31.12.2006	Percentage
Fire Revenue Account	26,552,851	37%	26,552,851	46.90%	22,158,240	27%
Marine Revenue Account	34,319,950	48%	24,016,746	42.42%	38,820,215	48%
Motor Revenue Account	5,940,279	8%	4,635,399	8.19%	10,908,621	13%
Misc. Revenue Account	4,844,124	7%	1,412,695	2.50%	9,265,459	11%
<b>Total</b>	<b>71,657,204</b>	<b>100%</b>	<b>56,617,691</b>	<b>100%</b>	<b>81,152,535</b>	<b>100%</b>



**(3) Associates, Subsidiary/ Related Holding Company:**

The company does not have any associate, subsidiary/related holding company.

**(4) Distribution of Products/Services:**

The Company conducts the business operations under the supervision of Board of Directors and the legal frame work of the Insurance Act 1938 and Insurance Rules 1958, as amended from time to time. The Company operates through the Head Office at Dhaka, Zonal Offices at Chittagong

**(5) Competitive conditions in the Business:**

Though, soon after liberation in 1971, the insurance industry was nationalized and was controlled by two state owned institutions namely Sadharan Bima Corporation for general insurance and Jiban Bima Corporation for life Insurance (with the exception of American Life Insurance Co. in the private sector), there are at present 43 general insurance in the private sector. Over the years general insurance business has grown very competitive. It is however need to mention that despite tough competition, the company's business operations show satisfactory performance.

**(6) Sources and availability of raw materials and the names of the principal suppliers:**

The Company, being a service provider, operates on the basis of professional expertise relevant to insurance industry. Its' product is a service and its' raw materials are human resources. The general insurance industry has since developed and expanded fast in order to meet the growing need of the economy. The company has procured the services of experienced professional personnel from the existing insurance industry operators including Sadharan Bima Corporation. The company has also set up training programs for training fresh graduates for development of its growing need of human resources.

**(7) Sources of, and requirement for, power, gas & water:**

The Company does not need any power, gas and water except for ordinary uses in office work.

**(8) Names of Customers providing 10% or more revenues:**

The Company's customer list does not include any one providing 10% or more of its revenues.

**(9) Description of Contract with Principal Suppliers/Customers:**

The Company has not entered into any contract with any customer or supplier.

**(10) Description of Material Patents, Trade Marks, Licenses or Royalty Agreements:**

The Company does not have any material patents, trademarks, licenses or royalty agreement.

**(11) Employees' position (as on 31.05.2008):**

The number of employees received salary up-to Tk. 3,000/- : 3 nos.

The number of employees received salary above Tk. 3,000/- :178 nos.

## DESCRIPTION OF PROPERTY

(a) The company, a provider of insurance service, operates through its Head Office at Dhaka, Branch Office at different district / city areas. The company owns the following fixed assets at the written down value as given below:

(As per Audited Accounts in Taka)				
SL. No.	Particulars	31. 05. 2008	31. 12. 2007	31. 12. 2006
01.	Vehicles	6,319,353	5,749,067	54,59,192
02.	Office Decoration	5,855,516	6,220,505	68,97,422
03.	Telephone installation and PABX system	261,888	276,286	3,15,658
04.	Furniture & Fixture	1,987,438	2,012,881	13,17,144
05.	Office Equipment	738,610	747,326	7,85,385
06.	Computer, Printer, Fax and Copier	835,895	911,886	8,80,770
07.	Air-Conditioner	1,286,715	1,296,007	16,20,009
	<b>Total Assets</b>	<b>17,285,415</b>	<b>17,213,958</b>	<b>17,275,581</b>

- (a) The entire property is owned by the Company and none is on lease or borrowed  
 (b) The properties of the company is not mortgaged with any one nor they're any lien on them.  
 (c) The properties are purchased in brand new condition  
 (d) Two vechiles is taken on lease basis from Bay Leasing and Investment Ltd. and the lease will be expired on October, 2008 and January 01, 2010 respectively.

## PLAN OF OPERATION AND DISCUSSION OF FINANCIAL CONDITION

### (1) Internal and External Sources of Cash:

(As per Audited Accounts amount in Tk.)				
<b>Internal sources of Cash:</b>	<b>31.05.2008</b>	<b>31.12.2007</b>	<b>31.12.2006</b>	<b>31.12.2005</b>
Share Capital	60,000,000	60,000,000	60,000,000	60,000,000
Reserves or Contingency account	85,250,580	53,953,169	39,684,327	30,256,305
Depreciation Reserve	11,673,618	10,173,645	8,404,606	6,043,712
<b>Total</b>	<b>156,924,198</b>	<b>124,126,814</b>	<b>108,088,933</b>	<b>96,300,017</b>
<b>External Sources of Cash:</b>				
Balance of Fund & Account	28,670,319	49,945,014	32,511,980	27,491,160
Deposit Premium	38,925,119	50,704,886	78,672,806	78,150,570
Liabilities & Provisions	183,706,549	167,607,118	134,335,504	137,147,333
Proposed Dividend	-	9,000,000	7,200,000	7,200,000
Sundry Creditors (Including Provision for Taxation)	57,826,070	29,637,930	24,541,398	19,015,172
<b>Total</b>	<b>309,128,057</b>	<b>306,894,948</b>	<b>277,261,680</b>	<b>269,004,235</b>
<b>Grand Total</b>	<b>466,052,255</b>	<b>431,021,762</b>	<b>385,350,621</b>	<b>365,304,252</b>

### (2) Material Commitment for Capital Expenditure:

The Company has not yet made any material commitment for capital expenditure except for those that are required in the course of carrying out of normal business operations.

### (3) Causes for Material Changes in Income, Expenses & Net-Income:

The company's revenue and other income as well as operating expenses and net income have continued to change or increase due to business promotion efforts of the Directors and Management staff.

**Income**

A comparative income position of the Company for the year ended May 2008, December 2007 & 2006 are as follows:

(Amount in Taka)				
<b>Description</b>	<b>31.05.2008</b>	<b>31.12.2007</b>	<b>31.12.2006</b>	<b>31.12.2005</b>
Interest, Dividend and Rents (not applicable to any particular fund or account)	7,119,547	7,643,364	14,227,673	10,931,657
Profit/(Loss) Transferred From:				
Fire Revenue Account	4,921,510	(282,264)	92,735	187,690
Marine Revenue Account	32,628,291	15,218,719	11,931,374	10,844,320
Motor Revenue Account	4,512,000	5,602,006	1,325,305	(78,574)
Misc. Revenue Account	2,145,510	3,933,911	1,976,988	2,209,513
Miscellaneous Income	3,378,700	-	-	2,524
Profit on sale of shares	-	-	-	2,052,862
Profit on sale of Vehicles	-	-	-	-
<b>Total Income</b>	<b>54,705,558</b>	<b>32,115,736</b>	<b>29,554,075</b>	<b>26,149,992</b>

**Operating Expenses**

A comparative operating expense position of the Company are as follows:

(As per Audited Accounts amount in Taka)				
<b>Description</b>	<b>31.05.2008</b>	<b>31.12.2007</b>	<b>31.12.2006</b>	<b>31.12.2005</b>
<b>Expenses of management (not applicable to any particular fund or account):</b>				
Promotional Expenses	851,415	347,944	1,106,178	915,961
Legal & other Expenses	95,000	23,000	45,900	1,247,120
Directors remuneration	90,000	197,500	201,250	175,000
Audit Fees	280,317	100,000	100,000	100,000
Meeting Expenses	181,124	112,292	157,460	59,363
Subscription	131,000	215,000	214,000	756,339
Depreciation	1,499,973	2,277,145	2,360,894	1,776,513
Lease Rental Installment	693,025	1,703,585	1,733,240	-
Advertisement & Publicity	56,410	189,730	531,157	153,771
Dividend Tax	-	-	-	600,000
Employees Contribution P.F	272,469	751,656	458,982	-
<b>Total Expenses</b>	<b>4,289,338</b>	<b>5,917,852</b>	<b>6,863,161</b>	<b>5,784,067</b>
<b>Profit before tax</b>	<b>50,554,825</b>	<b>32,102,390</b>	<b>22,690,914</b>	<b>20,365,925</b>

**(4) Seasonal Aspects:**

There is no seasonal aspect in insurance business in the country except some pressure in the post-budget import finance insurance.

**(5) Known Trends, Events or Uncertainties:**

There are no known trends ,events or uncertainty that may have an effect on company's operations. However, political unrest, hartal, and power crisis are the known events that may affect the company's future business.

**(6) Change in the Assets of the Company used to pay off any Liabilities:**

No asset of the Company has been used to pay off the liabilities.

**(7) Loans taken from or given to holding/parent/ Subsidiary or Associate Concern:**

The Company has no holding/parent/ Subsidiary or Associate concern. Therefore, taking loan from or given to such concerns does not arise.

**(8) Future / Contractual Liabilities:**

The company does not have any plan within next one year to contract any new liabilities except those that are required by way of insurance/reinsurance contract in the ordinary business operations.

**(9) Future capital expenditure:**

ALL has planned to open 4 (four) new branches in next 1 (one) year time. The following capital expenditure has been planned to be incurred for the purpose:

Sl. No	Items of Capital Expenditure	Estimated Tk
01.	Computers	2,00,000
02.	Office Equipment	1,50,000
03.	Furniture & Decoration	35,00,000
04.	Advance Rent	6,50,000
	<b>Total</b>	<b>45,00,000</b>

**(10) VAT, Income Tax, Customs Duty or other Tax Liability:**

**1) VAT:** The Company has VAT payable in amounting to Tk.2695991/- as on May' 2008 .The vat authority imposed a penalty, interest and other additional tax amounting to Tk. 1,72,79,778.00. The company filed a writ petition no. 6831 of 2003 against vat authority's demand. It was stayed primarily for 03 (Three) months and finally this period has been extended till disposal of the rule by the Honorable High Court Division on 9<sup>th</sup> day of June 2005.

**II) Income Tax:** Year wise Income tax status of the company is as under:

Assessment Year	Status
2001-2002	Assessment completed.
2002-2003	Assessment completed.
2003-2004	Assessment completed.
2004-2005	Return submitted on 14.07.2004 under self-assessment system. Tax authority issued notice of demand U/s 135 of Income tax ordinance 1984 against which the company made appeal to the appellate commissioner of taxes, accordingly revised notice of demand were issued to pay tax in amounting to Tk.1,81,195.00 including simple interest of Tk.83,296.00. Company duly paid the tax amount except simple interest for which filed an appeal to the appellate commissioner of taxes for wrong calculation of simple interest, no hearing has made yet.
2005-2006	Return which the Company has appeal to the appellate commissioner of taxes accordingly revised notice of demand were issued to pay tax in amounting to tk.4,36,114.00 and the Company has paid full tax amount.
2006-2007	Return submitted on 07.08.2006 under section 83AA.DCT issued Tax Clearance certificate mentioning the return has been accepted u/s 83AA(I) of the Income tax ordinance 1984.
2007-2008	Return submitted on 12.07.2007 under section 83AA. Income Tax authority issued notice of demand under section 135 of Income tax ordinance 1984, ordering to pay Tk.8026194 within section 158(2) of Income tax ordinance 1984. no hearing has made yet.
2008-2009	Return submitted on 14.07.2008 which is in process.

**(iii) Customs Duty:**

Custom duty is not applicable for the company.

**(11) Operating Lease during Last five years:**

The Company has purchased two motor vehicles by taking loan from leasing companies and has been maintained and prepared as per BAS-17 (Lease Financing) The Lease assets acquired under lease have not been capitalized. Lease rentals have been charged as expenses. Details of Operating Lease of the Company entered during last 5 years is as follows:

Particulars	Car No. 116706	Car No. 195180
Total Lease Amount	2737325	1100000
Lease Deposit	98280	40325
Monthly Installment	98280	40325
Total Number of installments	36	36
Number of installments Paid up to 31.05.2008	35	18
Amount Paid up to 31.05.2008	3439800	725850
Number of installments to be paid	1	18
Balance Amount to be paid	98280	725850

An amount of Tk. 693,025 is charged as lease rental installment under the head of Expenses of Management being calculated as follows:

Monthly Installment	(Tk.98280+Tk.40325)= Tk.138,605
Number of month	5
Total expenses	(Tk.138,605 X 5)= Tk.693,025

The Company has established its head office as well as branches on leased accommodation as below:

Sl.	Name of Office & Address	Area (Sft.)	Period of Lease	Rent Per Sft. (Tk.)	Monthly Amount
01.	Head Office T.K Bhaban (7 <sup>th</sup> Floor) 13, Karwan Bazar Dhaka-1215.	a) 4890 Sft.	01/06/2004 to 31/05/2007 36 Months	24/-	1,17,360.00
02.	Local Office T.K Bhaban (7 <sup>th</sup> Floor) 13, Karwan Bazar Dhaka-1215.	b) 3610 Sft.	01/11/2005 to 31/08/2008 36 Months	14/- (Rental) 10/- (Service)	50,540.00 36,100.00
03.	Dilkusha Branch & Motijheel Branch 1/B, D.I.T Avenue (8th floor), Motijheel C/A, Dhaka.	700 Sft.	24 Months	11/-	7,700.00
04.	Palton Branch Tropicana Tower (2nd floor), 281 Sayed Nazrul Islam Sarak (Old 45 Topkahana Road), Dhaka – 1000.	695 Sft.	36 Months	21.58/-	15,000.00
05.	Imamgonj Branch 18, Ray Isshar Chandra Shill Bahadur Street, Imamgonj, Dhaka.	480 Sft.	01/06/2004 to 31/05/2007 36 Months	-	7,600.00
06.	Bangshal Branch 61-63 Sayed Nazrul Islam Sarani, Bangshal, Dhaka	-	36 Months	-	7,000.00
07.	Khatungonj Branch 56/56, Bitliganj, Khatungonj, Chittagong.	1800 Sft.	01/01/2007 to 31/12/2009 36 Months	12/-	21,600.00
08.	Agrabad Branch Progressive Tower (2nd floor), 1837, Sheikh Mujib Road, Agrabad, Chittagong.	1350 Sft.	36 Months	13/-	17,550.00
09.	Comilla Branch Khan Mansion (1 <sup>st</sup> Floor) Chatipity, Rajgonj Road, Kotowali, Comilla	306 Sft.	01/04/2005 to 31/03/2008 36 Months	-	2,500.00
10.	Barishal Booth Rashid Plaza (3rd floor) 104, Sadar Road, Barishal	-	01/01/2006 to 31/12/2008 36 Months	-	2,500.00
11.	Narayangonj Branch 34, S.M. Maleh Road, Tanbazar, Narayangonj-1400.	-	01/04/2007 to 31/03/2012 60 Months	-	7,000.00

#### (12) Financial and lease commitment:

The Company has entered into no financial lease agreement with others.

#### (13) Personnel Related Scheme:

The Company considers its human resources as the most valuable assets of the company and has been continuing to train, equip and groom fresh recruits for building a strong foundation. In order to enhance and advance the professional ability and knowledge of the employees, regular training programs are organized at different professional institutions. The company's employment benefits to eligible employees comprise of Contributory Provident Fund. Assets of provident fund are held in a

separate trustee administered fund as per relevant rules and are funded by contributions from employees and the company at pre-determined rates. Employees are entitled to company's contribution to provident fund after completion of minimum five years service in the company. The company's contributions to Provident Fund are charged off as revenue expenditure in the period to which it relates.

**(14) Break Down of IPO Expenses:**

Detail of estimated Public Issue expenses are shown below:

Particulars	Basis of Calculation	Amount in Tk
Manager to the Issue Fee	AAA Consultants & Financial Advisers	300,000
	Bay Leasing & Investment Limited	300,000
Underwriting Commission	@ 0.50% on 50% of IPO amount	225,000
<b>SEC Fee:</b>		
Application Fee		10,000
Consent Fee	@ 0.15% on IPO amount	135,000
<b>Fees related to the Stock Exchanges:</b>		
Application Fee DSE		5,000
Annual Fee for DSE and CSE	@ Tk 50,000 Thousand each	100,000
Listing Fees for Stock Exchanges (DSE & CSE)	@ 0.25% on 100million and @0.15% on rest of paid up capital	650,000
<b>CDBL Fees and Expenses:</b>		
Security Deposit		300,000
Documentation Fee		2,500
Annual Fee	As per CDBL By-laws	50,000
Initial Public Offering Fee	@ Tk. 0.00025	22,500
Connection Fee		6,000
<b>Commission Expenses:</b>		
Bankers to the Issue Commission	@ 0.10% on collected amount (Estimated; to be paid at actual)	90,000
<b>Expenses related to Printing and Publications:</b>		
Abridged version of Prospectus and Notices	(Estimated; to be paid at actual)	350,000
Designs, Printing of Prospectus and Forms	(Estimated; to be paid at actual)	150,000
Distribution & Collection of forms and Data Processing	(Estimated; to be paid at actual)	800,000
Lottery related expenses including BUET fee	(Estimated; to be paid at actual)	200,000
Distribution of allotment letters and refund warrants	(Estimated; to be paid at Actual)	150,000
Other Expenses		50,000
<b>TOTAL</b>		<b>3,896,000</b>

**(15) Revaluation of Company's Assets & Summary Thereof:**

No revaluation has been made to the Company's assets.

**(16) Transaction between Holding/subsidiary/associate Company and the Issuer:**

AIL has no Holding/subsidiary/associate Company. Hence no such transaction of this type has taken place.

## DECLARATION FOR AN INSURANCE COMPANY

We hereby declare that all requirements have been made as specified in the Insurance Act, 1938 (Act No.IV of 1938) as amended have been adhered to.

Sd/-  
(Yussuf Abdullah Harun,FCA)  
Chairman

Sd/-  
(Mohammed Jamal Ullah )  
Vice Chairman

Sd/-  
(Alamgir Kabir,FCA)  
Director

Sd/-  
(Md. Jahangir Alam)  
Director

Sd/-  
(Abul Bashar Chowdhury)  
Director

Sd/-  
(Mahbubul Alam Talukder)  
Director

Sd/-  
(Mrs. Khaleda Begum)  
Director

Sd/-  
(Ms. Farzana Afroze)  
Director

Sd/-  
(Mohammad Mustafa Haider)  
Director

Sd/-  
(Md. Ezhar Hossain,ABIA)  
Managing Director

## AUDITORS' SPECIAL REPORT REGARDING ALLOTMENT OF SHARES TO PROMOTERS OF SPONSOR SHAREHOLDERS FOR CONSIDERATION OTHER THAN FOR CASH

This is to certify that the paid up capital of **Asia Insurance Limited** is Tk. 60,000,000 divided into 600,000 ordinary shares of Tk.100.00 each and the full amount has been subscribed in cash at the time of incorporation. The Company did not issue any shares otherwise than for cash.

Sd/-

Pinaki & Company  
Chartered Accountants  
Date: 07. 08. 2008

## DECLARATION REGARDING SUPPRESSION OF MATARIAL INFORMATION

This is to declare that to the best of our knowledge and belief no information, facts, circumstances, that are disclose-able have been suppressed that can change the terms and conditions under which the offer has been made to the public.

Sd/-  
Md. Ezhar Hossain  
Managing Director  
Asia Insurance Limited  
10 September 2008

## DIRECTORS AND OFFICERS

<b>Name of Directors</b>	<b>Age (yrs)</b>	<b>Position</b>	<b>Date of becoming first Director</b>	<b>Date of expiration of current term</b>
<b>Yussuf Abdullah Harun, FCA</b>	60+	Chairman	30.11. 2003	AGM in 2011
<b>Mohammed Jamal Ullah</b>	50+	Vice- Chairman	30.04. 2000	AGM in 2010
<b>Abul Bashar Chowdhury</b>	45+	Director	30.04. 2000	AGM in 2010
<b>Alamgir Kabir, FCA</b>	59+	Director	28.09. 2006	AGM in 2009
<b>Md. Jahangir Alam</b>	44+	Director	30.04. 2000	AGM in 2009
<b>Mahbubul Alam Talukder</b>	49+	Director	30.04. 2000	AGM in 2010
<b>Mrs. Khaleda Begum</b>	47+	Director	30.11. 2003	AGM in 2011
<b>Ms. Farzana Afroze</b>	27+	Director	30.11. 2003	AGM in 2011
<b>Mohammad Mustafa Haider</b>	28+	Director	30.11. 2003	AGM in 2009



## Involvement with other Organizations

Serial	Name and Address	Directorship/Sponsorship/Ownership with other companies
01.	<b>Yussuf Abdullah Harun</b> FCA Incotrad T.K. Bhaban (11 <sup>th</sup> Floor) 13, Karwan Bazar, Dhaka.	Incontrad, Managing Partner Insoft Systems Ltd. Chairman Insoft Ltd. Chairman
02.	<b>Mohammed Jamal Ullah</b> Bismillah Store 263, Khatungang, Chittagong.	Bismillah Store, Proprietor Silver Dal Mills Ltd., M.D. Ishfar Oil Mills Ltd., M.D. Rupali Soap & Chemical Ind.(Pvt.)Ltd., M.D. Silver Coconut Oil Mills Ltd., M.D.
03.	<b>Abul Bashar Chowdhury</b> Masud & Brother's Dhaka Building 34 Chand Miah Lane Khatungong, Chittagong.	Mashud & Brothers, Proprietor Modern Hatchery Ltd., Chairman Modern Poly Industry Ltd., Chairman Mutual Shipping Ltd., Chairman Ruby food Products Ltd., Chairman Modern Fabric Industries Ltd., Chairman Happy Enterprise, Proprietor
04.	<b>Alamgir Kabir</b> FCA 226 Dilu Road, New Eskaton, Dhaka.	Southeast Bank Ltd., Chairman
05.	<b>Md. Jahangir Alam</b> Jahingir & Others Ltd. 325 Asadgong, Chittagong.	M.I Cement Factory Ltd., Chairman Metal Marketing (Pvt.) Ltd., M. D. Indo Steel Re-Rolling Ind. Ltd., M. D. Chittagong Capital Ltd., M. D. Premier Cements Mills Ltd., Director Jahangir & Others Limited, M. D. GPH Ispat Ltd., M. D. GPH Power Generation Ltd., M. D. Crown Power Generation Ltd., Chairman Premier Power Generation Ltd., Director
06.	<b>Mahbubul Alam Talukder</b> Alam Trading Corporation 173 Badsha Market Khatungong Chittagong.	Alam Trading Corporation. Proprietor
07.	<b>Mrs. Khaleda Begum</b> 83 Khatungong, Chittagong.	<b>Director of the following companies:</b> Bengal Mines Development Corporation Rangapani Tea Estate N.R. Steel Galvanizing Plant Limited Samuda Containers Limited Progresive Containers Limited T.K. Gas & Gas Cylinder Limited Marshal Oil Limited Super Coconut Oil Limited T.K. Particle Board Mills (Pvt.) Limited Papaya Chemical Industries Ltd. Bengal Sack Corporation Ltd. Shabnam Vegetable Oil Industries Ltd. Riff Leather Ltd. T.K. Chemical Complex Ltd. Polytex Yarn Product Ltd. Ching Hung Fibers Ltd.
08.	<b>Mrs. Farzana Afroze</b> 427 Muradpur, Chittagong.	Samuda Chemical Complex Ltd., Chairperson & Director
09.	<b>Mohammad Mustafa Haider</b> 7 Paribagh, Dhaka.	Samuda Chemical Complex Ltd., Managing Director & Director.

### **Family Relationship Between Directors/Top five Officers**

There is no family relationship between Directors and top five Officers.

### **Family Relationship among the Directors**

Mrs. Khaleda Begum, Director of Asia Insurance Limited is Mother of Mrs. Farzana Afroze & Mohammad Mustafa Haider who are also Director of AIL. Mr. Abul Bashar Chowdhury is brother of Mrs. Khaleda Begum.

### **SHORT BIO-DATA OF THE DIRECTOR**

#### **MR. YUSSUF ABDULLAH HARUN, FCA, CHAIRMAN:**

Mr. Yussuf Abdullah Harun, son of Late Mr. Harun-ur-Rashid Chowdhury and Mrs. Nurjahan Rashid, was born in a respectable Muslim family of Muradnagar, Comilla on November 15, 1947. He has brilliant academic career. He obtained B.com. (Hons.) Degree from University of Dhaka in the year 1967 and Qualified as a Chartered Accountant (FCA) from the Institute of Chartered Accountants in England & Wales.

Mr. Yussuf Abdullah Harun started his business career as an entrepreneur just after completion of his education and became a prominent industrialist of the country. He was Chairman, Board of Directors of Southeast Bank Ltd., and former President of the FBCCI, Director of Infrastructure Development Company Limited and member, Board of Governors of North South University. Mr. Harun was also Vice President of SAARC Chamber of Commerce and Industry and Confederation of Asia Pacific Chamber of Commerce and Industry (CACCI).

Mr. Harun is the Chairman of Asia Insurance Ltd. and the advisor of SAARC Chamber of Commerce and Industry. He is associated with number of companies in the country in the field of shipping, IT Software Manufacturing, Cement, Edibl, PP Bag, Particle Board, and C.R Coils etc.

Besides Mr. Harun is actively associated with a number of Socio-Cultural organizations as donor and life member.

#### **MR. MOHAMMAD JAMAL ULLAH, VICE CHAIRMAN**

Mr. Mohammad Jamal Ullah was born in Chittagong on June 12, 1957. He started business career just after completion of his education and achieved remarkable success in business. Throughout the past 26 years he earned notable fame in business community for his integrity, devotion, and sincerity. His business affiliation includes mainly on food and chemical industries. Mr. Jamal Ullah is the Vice Chairman of Asia Insurance Ltd. Besides he is Managing Director of Silver Dal Mills Ltd., Ishfar Oil Mills Ltd., Rupali Soap & Chemical industries (Pvt.) Ltd., Silver Coconut oil Mills Ltd., and the proprietor of Bismillah Store, which all are established in Chittagong.

Furthermore, he has deep affinity and attachment with various socio-cultural organizations.

#### **MR. ABUL BASHAR CHOWDHURY, DIRECTOR**

Mr. Abul Bashar Chowdhury, son of Late Alhaj Abdus Salam Chowdhury and Mrs. Johra Khatun, was born on 2nd October 1961 at potiya, in Chittagong. He obtained B.A. (Hons) in Political Science from University of Chittagong in the year 1983.

Just after completion of education he started business career since 1987 and became successful businessman and entrepreneur. His business affiliation and keen perception in hatchery, poly industries, food products, shipping, and commodity trading makes him one of the most promising businessmen in the country. Mr. Abul Bashar was the former Chairman of Asia Insurance Ltd. and now he is the Chairman of Executive Committee of Asia Insurance Ltd. also. Besides he is the Chairman of Modern Hatchery Ltd., Modern Fiber Ind. Ltd., Modern Poly Ind. Ltd., Mutual Shipping Ltd., Ruby food products Ltd., and Proprietor of M/S. Mashud & Brother's and Happy Enterprise.

Mr. Bashar has deep affinity and also attached with number of socio cultural organizations and educational institutes. He is member of Chittagong Club & Lifetime Member of Batiary Golf & Country Club.

**MR. ALAMGIR KABIR, FCA, DIRECTOR:**

Mr. Alamgir Kabir, FCA, Son of Late Belayet Hossain and Late Rezia Begum, sponsor shareholder Director of Asia Insurance Ltd. was born on December 28, 1947. He has brilliant academic career and qualified Chartered Accountant(FCA) from Institute of Chartered Accountants of Bangladesh. Mr. Kabir is the Chairman of South East Bank Ltd. and involves taking ahead the economic growth of Bangladesh.

**MR. MD. JAHANGIR ALAM, DIRECTOR**

Mr. Md. Jahangir Alam, son of Late Md. Idris Ali Matbar and Late Mossammat Asmat ara Begum, was born on 1<sup>st</sup> September, 1962 in Islampur at Munshiganj district. Just after completion of his education he started business career and engaged in various types of business since last 25 years. His business affiliation includes Insurance, Cement, C.I Sheet, MS Road, Steel Re-rolling, Trade & Commerce etc. He is Chairman of M.I. Cement Factory Ltd, Crown Power Generation Ltd. former Vice – Chairman of Asia Insurance Ltd, Managing Directors of Metal Marketing (Pvt.) Ltd., Indo Steel Re-Rolling Mills Ltd., Jahangir & others Ltd, Chittagong Capital Ltd. and Director of Premier Cement Mills Ltd., Premier Power Generation Ltd.

His association with above-mentioned well-reputed business organizations makes him a forward looking and progressive businessman who has already reached an enviable height. Mr. Md. Jahangir Alam also visited number of countries for business trip. Further more, he has deep affinity and attachment with various Socio-cultural activities.

**MR. MAHBUBUL ALAM TALUKDER, DIRECTOR**

Mr. Mahbubul Alam Talukder was born in the year 1958 at Chittagong. He obtained B.A (Hons.) and Masters Degree from Chittagong University in the year 1978 and 1979 respectively. He started his career in business and industry just after completion of his education and established himself as successful entrepreneur. His business affiliation includes insurance, trade and commerce etc. Mr. Mahbubul Alam is the Vice President of Chittagong Chamber of Commerce and Industry.

Beside he is actively associated with number of socio-cultural organizations.

**MRS. KHALEDA BEGUM, DIRECTOR**

Mrs. Khaleda Begum, daughter of Late Alhaj Abdus Salam Chowdhury and Mrs. Johra Khatun, and wife of nationwide industrialist Alhaj Md. Abul Kalam, was born in the year 1960 in Chittagong district. She associated herself with her husband's business and built a reputation as an astute and efficient business entrepreneur and achieved remarkable success in business.

Mrs. Khaleda Begum is one of the Sponsor Directors of Asia Insurance Ltd. She is one of the founding shareholders of T.K. Group of Industries where she is the Sponsor Director of the following companies - Bengal Mines Development Corporation, Rangapani Tea Estate, N.R. Steel Galvanizing Plant Limited, Samuda Containers Limited, Progressive Containers Limited, T.K. Gas & Gas Cylinder Limited, Marshal Oil Limited, Super Coconut Oil Limited, T.K. Particle Board Mills (Pvt.) Limited, Papya Chemical Industries Ltd., Bengal Sack Corporation Ltd., Shabnam Vegetable Oil Industries Ltd., Riff Leather Ltd., T.K. Chemical Complex Ltd., Polytex Yarn Product Ltd., Ching Hung Fibers Ltd.

**MRS. FARZANA AFROZE, DIRECTOR**

Mrs. Farzana Afroze, daughter of Alhaj Md. Abul Kalam and Mrs. Khaleda Begum, wife of Mr. Asifur Rahman, was born in the year 1980 in Chittagong. She obtained her Bachelor of Science degree from the Marshall School of Business of University of Southern California, USA, majoring in Entrepreneurial Studies. Just after completion of her education she started her family business and participates in Asia Insurance Ltd. as one of the Sponsor Directors. Mrs. Farzana is also the Chairperson and shareholder of Samuda Chemical Complex Ltd.

**MR. MOHAMMAD MUSTAFA HIDER, DIRECTOR**

Mr. Mohammad Mustafa Hider, son of Alhaj Md. Abul Kalam and Mrs. Khaleda Begum was born on April 02, 1979 at Chittagong. He obtained his Bachelor's Degree in Business and Finance from Marshall School of Business of University of Southern California, USA. After the completion of his education Mr. Mustafa Haider started business career in one of the leading business conglomerates in Bangladesh, T.K Group of Industries. He is also a Sponsor Director of Asia Insurance Ltd. He is also the Managing Director and majority shareholder of Samuda Chemical Complex Ltd.

Mr. Mustafa Hider is young, driven, committed, and farsighted person with ambition to reach enviable height in business world.

**CIB STATUS:**

Neither Asia Insurance Limited nor any of its Sponsors or Directors or associates is defaulter with any Bank or Financial institution in terms of the report of Credit Information Bureau (CIB) of the Bangladesh Bank.

**DESCRIPTION OF TOP EXECUTIVES AND OFFICERS:**

<b>Name</b>	<b>Educational Qualification</b>	<b>Position</b>	<b>Date of joining in the company</b>	<b>Last five years experience</b>
Md. Ezhar Hossain	M.Com. ABIA	Managing Director	01/11/2000	Asia Insurance Ltd.
Mohd. Abul Kashem	MSS (Econ) ABIA	Deputy Managing Director	15/07/2000	Asia Insurance Ltd.
Md. Imam Shaheen	B.Com.(Hons) M. Com. ABIA	Sr. Executive Vice President And Head of Re-Insurance & Claims, Pre survey and Risk management, Market plane and Promotion, Human Resource Development and Training Department.	08/07/2004	Green Delta Insurance and Asia Insurance Ltd.
Md. Atique Ullah Majumder	LL.B.(Hons) LL.M	Company Secretary and <b>Head of</b> Board and legal Affairs, Administration, Personnel (Human Resource), Management & Public relation Department.	01/05/2000	Asia Insurance Ltd.
S.I.M. Ashraful Alam	B.A.(Hons) M.A.	Vice President and <b>Head of</b> Underwriting & Branch Control Department.	01/06/2000	Asia Insurance Ltd.
Ajay Kanti Barua	B.Com. (Hons) M.Com.	Sr. Asstt. Vice President and <b>Head of</b> Establishment, Motor Pool, Share & Investment Department.	01/06/2000	Asia Insurance Ltd.
Sakawat Hossain Sikder	MBA	Sr. Asstt. Vice President and <b>Head of</b> Finance & Accounts Department.	15/10/2000	Asia Insurance Ltd.

**INVOLVEMENT OF DIRECTORS AND OFFICERS IN CERTAIN LEGAL PROCEEDINGS**

No Officer or Director of the company was involved in any of the following types of legal proceedings in the past ten years:

- 1) Any bankruptcy petition filed by or against any company of which any Officer or Director of the company filling the prospectus was a Director, Officer or general partner at the time of the bankruptcy;
- 2) Any conviction of an Officer, Director in the criminal proceedings or any criminal proceedings pending against him;
- 3) Any order, judgment or decree of any Court of competent jurisdiction against Officer, Director permanently or temporarily enjoying, barring, suspending or otherwise limiting the involvement of any Officer or Director in any type of business, securities or banking activities.
- 4) Any order of the Securities and Exchange Commission or other regulatory authority or foreign financial regulatory authority suspending or otherwise limiting the involvement of any Officer or Director in any type of business securities or banking activities.

## CERTAIN RELATIONSHIP AND RELATED TRANSACTIONS

The Company does not have any Related transaction during the last 3 (three) years or any proposed transaction with any of the following person as under as mentioned in point 12 of additional disclosure by the auditor, which is enclosed in the prospectus:

- (a) Any Director or Executive officer of the Issuer
- (b) Any director or officer
- (c) Any person owning 5% or more of the outstanding share of the Issuer
- (d) Any member of the immediate family (including spouse, parents, brother, sister, children and in laws) of any of the above persons
- (e) any transaction or arrangement entered into by the Issuer or its subsidiary for a person who is currently a Director or in any way connected with a Director of either the Issuer company or any of its subsidiaries/Holding Company/associate concerns, or who was a Director or connected in any way with a Director at any time during the last three years prior to the issuance of the prospectus.
- (f) The Company did not take or give any loan from any Director or any person connected with any Director nor did any Director or any person connected with any Director.

### Directors' Facilities during Prospectus Publication

Facilities whether pecuniary or non-pecuniary enjoyed by the Directors will remain unchanged during the publication period of the Prospectus. Interest and facility is already disclosed in Executive Compensation of the Prospectus.

### Directors holding any position apart from the company

The information is already included in directors and officers part of the prospectus.

## EXECUTIVE COMPENSATION

### A. Remuneration paid to top five salaried officers in the last accounting year

(Amount in Taka)

SL.	Name	Designation (Present)	May 2008	December 2007
01.	<b>Md. Ezhar Hossain</b>	Managing Director	8,40,000.00	18,00,000.00
02.	<b>Mohd. Abul Kashem</b>	Deputy Managing Director	3,83,815.00	8,88,165.00
03.	<b>Ln. Md. Imam Shaheen</b>	Sr. Executive Vice President	3,11,474.00	6,22,146.00
04.	<b>A.K.M. Showkat Hossan Khan</b>	Executive Vice President	2,29,500.00	4,91,738.00
05.	<b>Mohammad Ali</b>	Executive Vice President	2,29,500.00	4,48,988.00

### B. Aggregate Amount of Remuneration paid to Directors & Officers as per audited account

(Amount in Taka)

SL.	Name	May 2008	December 2007
01.	Director's Remuneration	90,000.00	197,500.00
02.	Chief Executive's Salary and fees	8,40,000.00	18,00,000.00
03.	Salaries, wages and allowances including MD's salary	9,293,920.00	24,242,088.00

- No remuneration was paid to any director who was not an officer during the last accounting year.
- There is no contract with any director, officer for future compensation.

### Pay Increase Intention

Besides normal increment, additional salary increment has also been made. The Company has also no intention to substantially increase the remuneration paid to its officers and directors in the current year except normal increment.

## OPTION GRANTED TO OFFICERS, DIRECTORS AND EMPLOYEES

The Company has not granted any option to any directors, salaried officers and all other officers as a group.

## TRANSACTIONS WITH THE DIRECTORS AND SUBSCRIBERS TO THE MEMORANDUM

(a) The directors and subscribers to the memorandum have not received any benefits other than Dividend and Board Meeting attendance fees, and the Company also has not received anything from its director's subscribers except fund against allotment of Shares during the last 5 years

(b) Directors and subscribers to the memorandum have not transferred any asset to the Company but deposited share money as required. The Company acquired assets by investing its own funds.

## TANGIBLE ASSETS PER SHARE

(Amount In Taka)

Particulars	May, 2008
Investments (at actual)	77,061,879
Outstanding Premium	4,092,438
Interest, dividend & rent outstanding	7,753,217
Amount due from other persons or bodies carrying on insurance business	78,203,788
Sundry debtors	48,468,689
Advance, deposit and prepayments	22,542,466
Cash and cash equivalent	197,693,942
Stamps in hand	141,256
Other account	30,094,580
<b>Total Tangible Assets (A)</b>	<b>466,052,255</b>
Balance of fund and account	28,670,319
Depreciation reserve	11,673,618
Deposit premium	38,925,119
Liabilities & Provisions	183,706,549
Provision for dividend	-
Sundry creditors including provision for Taxation	57,826,070
<b>Total Liabilities (B)</b>	<b>320,801,675</b>
<b>Net Tangible Assets (A-B)</b>	<b>145,250,580</b>
<b>Number of shares (C)</b>	<b>6,00,000</b>
<b>Tangible Asset Per Share (A-B)/C</b>	<b>242.00</b>

The Net Tangible Asset baking per unit of share is Taka **242.00** excluding Redeemable Preference share capital.

## OWNERSHIP OF THE COMPANY'S SECURITIES

SI No.	Name	Address	Status	Nos. of Shares	Amount of Shares	Percentage
1.	Yussuf Abdullah Harun, FCA	Incontrad T.K. Bhaban(11 <sup>th</sup> floor) 3, Karwan Bazar, Dhaka	Chairman	24,000	2,400,000	4%
2.	Mohammed Jamal Ullah	Bismillah Store 263, Khatunganj, Chittagong	Vice-Chairman	60,000	6,000,000	10%
3.	Mr. Alamgir Kabir FCA	226,Dilu Road, New Elephant Road, Dhaka.	Director	96,000	9,600,000	16%
4.	Abul Bashar Chowdhury	Masud & Brother,s, Dhaka Building, 34 Chand Miah Lane, Khatunganj, Chittagong	Director	60,000	6,000,000	10%
5.	Md. Jahangir Alam	Jahangir & Others Ltd.325, Asadgonj, Chittagong	Director	60,000	6,000,000	10%
6.	Mahbubul Alam Talukder	Alam Trading Corporation, 173, Badsha Market, Khatunganj, Chittagong	Director	60,000	6,000,000	10%
7.	Mrs. Khaleda Begum	83, Khatunganj, Chittagong	Director	60,000	6,000,000	10%
8.	Mrs. Farzana Afroze	427, Muradpur Chittagong	Director	60,000	6,000,000	10%
9.	Mohammad Mustafa Haider	7, Paribagh, Dhaka.	Director	120,000	12,000,000	20%
<b>Total</b>				<b>600,000</b>	<b>60,000,000</b>	<b>100%</b>

❖ Top ten officers of the company hold no share.

## DETERMINATION OF OFFERING PRICE

The offering price of the common stock of Asia Insurance Company Ltd. has been determined by assessing the **Net Asset Value (NAV)**. The financial calculations presented below are from the audited accounts as of 31<sup>st</sup> May 2008.

Particulars	May, 2008	Dec, 2007	Dec, 2006
Investments (at actual)	77,061,879	73,683,179	27,086,534
Outstanding Premium	4,092,438	4,090,957	5,966,715
Interest, dividend & rent outstanding	7,753,217	7,752,684	6,676,515
Amount due from other persons or bodies carrying on insurance business	78,203,788	67,853,774	71,833,413
Sundry debtors	48,468,689	42,999,960	45,477,382
Advance, deposit and prepayments	22,542,466	19,191,739	17,922,069
Cash and cash equivalent	197,693,942	186,826,342	183,407,081
Stamps in hand	141,256	84,737	132,083
Other account	30,094,580	28,538,390	26,848,829
<b>Total Assets (A)</b>	<b>466,052,255</b>	<b>431,021,762</b>	<b>385,350,621</b>
Balance of fund and account	28,670,319	49,945,014	32,511,980
Depreciation reserve	11,673,618	10,173,645	8,404,606
Deposit premium	38,925,119	50,704,886	78,672,806
Liabilities & Provisions	183,706,549	167,607,118	134,335,504
Provision for dividend	-	9,000,000	7,200,000
Sundry creditors including provision for Taxation	57,826,070	29,637,930	24,541,398
<b>Total Liabilities (B)</b>	<b>320,801,675</b>	<b>317,068,593</b>	<b>285,666,294</b>
<b>Net Assets Value (A-B)</b>	<b>145,250,580</b>	<b>113,953,169</b>	<b>99,684,327</b>
<b>Number of shares (C)</b>	<b>6,00,000</b>	<b>6,00,000</b>	<b>6,00,000</b>
<b>Net Asset Value Per Share (A-B)/C</b>	<b>242.00</b>	<b>190.00</b>	<b>166.14</b>

We have examined the above calculation of Net Asset Value (NAV) of Asia Insurance Limited which appears to be correct.

Sd/-

**Pinaki & Company**

Chartered Accountants

Dated: 07. 08. 2008

Net asset Value per share of Tk. 100 each is Tk. 242 that is higher than the face value, but the company is offering its issue price at Tk. 100 each share at par.



## **MARKET FOR THE SECURITIES BEING OFFERED**

The issuer shall apply to all the stock exchanges in Bangladesh within seven working days from the date of consent accorded by the Commission to issue prospectus.

### **Dhaka Stock Exchange Limited (DSE)**

9/F, Motijheel C/A, Dhaka-1000

**And**

### **Chittagong Stock Exchange Limited (CSE)**

CSE Building, 1080, Sk. Mujib Road,  
Agrabad C/A, Chittagong

#### **“Declaration about Listing of Shares with the stock exchange (s):**

None of the stock exchange(s), if for any reason, grants listing within 75 days from the closure of subscription, any allotment in terms of this prospectus shall be void and the company shall refund the subscription money within fifteen days from the date of refusal for listing by the stock exchanges, or from the date of expiry of the said 75 (seventy five) days, as the case may be.

In case of non-refund of the subscription money within the aforesaid fifteen days, the company directors, in addition to the issuer company, shall be collectively and severally liable for refund of the subscription money, with interest at the rate of 2% (two percent) per month above the bank rate, to the subscribers concerned.

The issue manager, in addition to the issuer company, shall ensure due compliance of the above mentioned conditions and shall submit compliance report thereon to the Commission within seven days of expiry of the aforesaid fifteen days time period allowed for refund of the subscription money.”

**Trading and settlement regulation of the stock exchanges shall apply in respect of trading and settlement of the share of the company.**

## **DESCRIPTION OF SECURITIES OUTSTANDING OR BEING OFFERED**

### **Dividend, Voting, Preemption Right**

The share capital of the Company is divided into ordinary shares carrying equal rights to vote and receive dividend in terms of the relevant provisions of the Companies Act, 1994 and the Articles of Association of the Company. Shareholders shall have the usual voting right in person or by proxy in connection with, among others, selection of Directors & Auditors and other usual agenda of General Meeting – Ordinary or Extra Ordinary. On a show of hand every shareholder present and every duly authorized representative of a shareholder present at a General Meeting shall have one vote and on a poll every shareholder present in person or by proxy shall have one vote for every share held by him/her.

In case of any additional issue of shares for raising further capital the existing shareholders shall be entitled to Right Issue of shares in terms of the guidelines issued by the SEC from time to time.

### **Conversion & Liquidation Right**

If the company at any time issues convertible preference shares or Debenture with the consent of SEC, such holders of Securities shall be entitled to convert such securities into ordinary shares if it is so determined by the company.

Subject to the provisions of the Companies Act, 1994, Articles of Association of the Company and other relevant Rules in force, the Shares, if any, of the Company are freely transferable, the Company shall not charge any fee for registering transfer of shares. No transfer shall be made to firms, minors or persons of unsound mental health.

### Dividend Policy

- a) The profit of the company, subject to any special right relating thereto created or authorized to be created by the Memorandum of Association subject to the provision of the Articles of Association, shall be divisible among the members in proportion to the capital paid up on the Shares held by them respectively.
- b) No larger dividend shall be declared than is recommended by the Directors, but the Company in its General Meeting may declare a smaller dividend. The declaration of Directors as to the amount of net Profit of the Company shall be conclusive.
- c) No dividend shall be payable except out of profits of the Company or any other undistributed profits. Dividend shall not carry interest as against the Company.
- d) The Directors may, from time to time, pay the members such interim dividend as in their judgment the financial position of the Company may justify.
- e) A transfer of Shares shall not pass the right to any dividend declared thereon before the registration of transfer.
- f) There is no limitation on the payment of dividend.

### OTHER RIGHTS OF STOCK HOLDERS

The shareholders shall have the right to receive all periodical reports and statements, audited as well as un-audited, published by the company from time to time. The Directors shall present the financial statements as required under the Law and International Accounting standards. Financial Statements will be prepared in accordance with International Accounting Standards, consistently applied throughout the subsequent periods and present with the objective of providing maximum disclosure as per law and International Accounting Standard to the shareholders regarding the Financial and operational position of the Company.

In case of any declaration of stock dividend by issue of bonus shares, all shareholders shall be entitled to it in proportion to their shareholdings on the date of book closure for the purpose.

The shareholders holding not less than 10% of the issued/fully paid up capital of the company shall have the right to requisition Extra-Ordinary General Meeting of the Company as provided under Section 84 of the Companies Act, 1994.

### DEBT SECURITIES

Asia Insurance Limited has not issued any Debt Securities and has no plan to issue within next six months.

### FINANCIAL STRUCTURE

Particular	Capital in Taka
<b>Authorized Capital</b> 3,000,000 Shares @ Taka 100/- per share	300,000,000
<b>Issued &amp; Fully Paid up Capital</b>	
600,000 ordinary Shares @ Taka 100/- per share	60,000,000
<b>IPO (Initial Public Offering)</b>	
900,000 ordinary Shares @ Taka 100/- each at par	90,000,000
<b>After IPO</b>	<b>150,000,000</b>

## LOCK-IN ON SPONSOR'S CAPITAL

All issued shares of the issuer at the time of according consent to the public offering shall be subject to a lock-in period of three years from the date of issuance of prospectus or commercial operation, whichever comes later.

Provided that the persons, other than directors and those who hold 5% or more, who has subscribed to the shares of the Company within immediatepreceeding two years of according consent, shall be subject to a lock-in period of one year from the date of issuance of prospectus or commercial operation, whichever comes later.

SI No.	Name	Status	Nos. of Shares	Percentage of holding	Date of acquisition	Expiry date of lock-in
1.	Yussuf Abdullah Harun, FCA	Chairman	24,000	4%	30.11. 2003	22.03.12
2.	Mohammed Jamal Ullah	Vice-Chairman	60,000	10%	30.04.2000	22.03.12
3.	Mr. Alamgir Kabir FCA	Director	96,000	16%	27.04. 2008	22.03.12
4.	Abul Bashar Chowdhury	Director	60,000	10%	30.04.2000	22.03.12
5.	Md. Jahangir Alam	Director	60,000	10%	30.04.2000	22.03.12
6.	Mahbubul Alam Talukder	Director	60,000	10%	30.04.2000	22.03.12
7.	Mrs. Khaleda Begum	Director	60,000	10%	30.11. 2003	22.03.12
8.	Mrs. Farzana Afroze	Director	60,000	10%	30.11. 2003	22.03.12
9.	Mohammad Mustafa Haider	Director	120,000	20%	30.11. 2003	22.03.12

## AVAILABILITY OF SECURITIES

a)	10% of the Issue i.e 900,000 ordinary Shares @ Taka 100/- each shall be reserved for Non-resident Bangladeshis.	Tk. 9,000,000.00
b)	10% of the Issue i.e 900,000 ordinary Shares @ Taka 100/- each shall be reserved for Mutual Funds and collective investment schemes registered with the Commission.	Tk. 9,000,000.00
c)	The remaining 80% i.e. 7,200,000 Ordinary Shares @ Taka 100/- each shall be open for subscription by the general public.	Tk. 72,000,000.00
<b>Total</b>		<b>Tk.90,000,000.00</b>

- (1) 10% of total public offering shall be reserved for non-resident Bangladeshi **(NRB)** and 10% for **mutual funds** and collective investment schemes registered with the Commission, and the remaining 80% shall be open for subscription by the general public.
- (2) All securities as stated in sub-rule (1) shall be offered for subscription and subsequent allotment by the issuer, subject to any restriction which may be imposed, from time to time, by the Securities and Exchange Commission.
- (3) In case of over-subscription under any of the categories mentioned in sub-rule (1), the issue manager shall conduct an open lottery of all the applications received under each category separately in accordance with the letter of consent issued by the Securities and Exchange Commission.
- (4) In case of under-subscription under any of the 10% categories mentioned in sub-rule (1), the unsubscribed portion shall be added to the general public category and, if after such addition, there is over subscription in the general public category, the issuer and the issue manager shall jointly conduct an open lottery of all the applicants added together.
- (5) In case of under-subscription of the public offering, the unsubscribed portion of securities shall be taken up by the underwriter(s).
- (6) The lottery as stated in sub-rule (3) and (4) shall be conducted in presence of representatives from the issuer, the stock exchanges, and the applicants, if there be any.

## **APPLICATION FOR SUBSCRIPTION**

01. Application for shares may be made for a minimum lot of 50 (Fifty) ordinary shares to the value of **Tk. 5,000.00** and should be made on the Company's Printed Application forms. Application forms and the Prospectus May be obtained from the Registered Office of the Company, members of the Dhaka Stock Exchange Ltd., Chittagong Stock Exchange Ltd. or from the Bankers to the Issue. In case adequate forms are not available, applicants May use photocopied/cyclostyled/handwritten/ typed copies of the forms. Application must not be for less than 50 shares. Any application not meeting the criterion will not be considered for allotment purpose.
02. Joint application form for more than two persons will not be accepted. In the case of a joint application each party must sign the application form.
03. Application must be in full name of individuals or limited companies or trusts or societies and not in the name of firms, minors or persons of unsound mind. Applications from insurance, financial and market intermediary companies and Limited Companies must be accompanied by Memorandum and Articles of Association.
- 04. An applicant can NOT submit more than two applications, one in his/her own name and another jointly with another person. In case an applicant makes more than two applications, all applications will be treated as invalid and will not be considered for allotment purpose. In addition, whole or part of application money may be forfeited by the Commission.**
05. Bangladeshi nationals (including non resident Bangladeshis residing/working abroad) and Foreign nationals shall be entitled to apply for shares.
06. Payment for subscription by investor other than Non-Resident Bangladeshi may be made to the said branches/office of the bank mentioned below in cash /cheque/pay order /Bank Draft. The Cheque or Pay order or Bank Draft shall be made payable to the bank to which it is sent and be marked "**Asia Insurance Limited**" and shall bear the crossing "**Accounting Payee only**" and must be drawn on a Bank the same town of the bank to which application form is deposited.
07. All completed Application forms, together with remittance for the full amount payable on Application, shall be lodged by investors other than Non-Resident Bangladeshis with any of the branches of the Bankers to the Issue.
08. A Non-Resident Bangladeshi (NRB) shall apply against the IPO either directly by enclosing a foreign demand draft drawn on a Bank payable at Dhaka, or through a nominee (including a bank or a company) by paying out of foreign currency deposit account maintained in Bangladesh, for the value of Securities applied for. The value of Securities applied for may be paid in Taka, US Dollar or UK Pound Sterling at the rate of exchange mentioned in the Share Application Form. Refund against over subscription of Shares shall be made in the currency in which the value of Shares applied for was paid by the applicant. Share Application Form against the quota for NRB shall be sent by the applicant directly along with a draft or cheque to the Company at its Registered Office. Copies of Application Form and Prospectus shall be available with Bangladesh Embassy/High Commission in USA, UK, Saudi Arabia, UAE, Qatar, Kuwait, Oman, Bahrain, Malaysia and South Korea and web site of the company, Issue Manager, DSE, CSE and the SEC.
09. The IPO subscription money collected from investors (other than Non-Resident Bangladeshis) by the Bankers to the Issue will be remitted to the Company's STD Account No. **13100000350** with Southeast Bank Ltd. Kawran Bazar Branch Pragati RPR Centre (1<sup>st</sup> Floor), 20-21, Kawran Bazar, Dhaka-1215, for the purpose.
10. The subscription money collected from Non-Resident Bangladeshis in US Dollar or UK Pound Sterling or Euro shall be deposited to three FC Accounts opened by the Company for IPO purpose are as follows:

SL. No.	Name of the FC Accounts	Account No.	Bank & Branch
1.	USD	15100008051	Southeast Bank Limited, Principal Branch
2.	EURO	16300007717	Southeast Bank Limited, Principal Branch
3.	GBP	16200007513	Southeast Bank Limited, Principal Branch

The Company shall close these Accounts after refund of over subscription, if any.

APPLICATIONS NOT IN CONFORMITY WITH THE ABOVE REQUIREMENTS AND THE INSTRUCTIONS PRINTED  
ON THE APPLICATION FORM ARE LIABLE TO BE REJECTED.

## **Refund of subscription money**

In the case of non-allotment of securities, if the applicants' bank accounts as mentioned in their IPO Application Forms are maintained with the Bankers to the Issue as mentioned below, refund amount of those applicants will be directly credited into the respective bank accounts as mentioned in their IPO Application Forms.

- |   |   |
|---|---|
| • <b>National Credit &amp; Commerce Bank Ltd</b>  | • <b>Trust Bank Limited,</b>                  |
| • <b>Southeast Bank Limited</b>                   | • <b>Standard Bank Limited</b>                |
| • <b>Export Import Bank of Bangladesh Limited</b> | • <b>Investment Corporation Of Bangladesh</b> |
| • <b>National Bank Limited</b>                    |   |

Otherwise, refund will be made only through "Account Payee" cheque(s) with Bank account number name of Bank and branch as mentioned in the application payable at Dhaka or Chittagong, as the case may be.

For this purpose the number of the bank account along with name of bank and branch shall be indicated in the securities application form.

## **Subscription by and refund to non-resident Bangladeshi (NRB):**

1. A Non-Resident Bangladeshi shall apply either directly by enclosing a foreign demand draft drawn on a bank payable at Dhaka, or through a nominee by paying out of foreign currency deposit account maintained in Bangladesh or in Taka, supported by foreign currency encashment certificate issued by the concerned bank, for the value of securities applied for through crossed bank cheque marking "Account Payee only".
2. The value of securities applied for by such person may be paid in Taka or US dollar or UK pound sterling or EURO at the rate of exchange mentioned in the securities application form.
3. Refund against oversubscription shall be made in the currency in which the value of securities was paid for by the applicant through Account Payee bank cheque payable at Dhaka with bank account number, Bank's name and Branch as indicated in the securities application form. If the applicants' bank accounts as mentioned in their IPO Application Forms are maintained with the Bankers to the Issue and other banks as mentioned below, refund amount of those applicants will be directly credited into the respective bank accounts as mentioned in their IPO Application Forms.

## **ALLOTMENT**

The company shall issue share allotment letters to all successful applicants within 5 (five) weeks from the date of the subscription closing date. Within the same time, Refund to the unsuccessful applicants shall be made in the currency in which the value of securities was paid for by the applicants without any interest, through Account Payee Cheque/ refund warrants with bank account number, bank's name and Branch as indicated in the securities application forms payable at Dhaka/ Chittagong/ Khulna/ Rajshahi/ Barisal/ Sylhet/ Bogra, as the case may be. A compliance report in this regard shall be submitted to the Commission within 7(seven) weeks from the date of closure of subscription.

## UNDERWRITERS OBLIGATION

Public Offer of 900,000 ordinary Shares @ Taka 100/- each by Asia Insurance Limited as per SEC's guideline, 50% of the Public Offer viz. 450,000 ordinary shares of TK. Taka 100/- each are underwritten by the underwriters.

Sl. no.	Name and address of the underwriters	No. of Shares Underwritten	Underwriting Amount in Tk.
1.	Southeast Bank Ltd. 1, Dilkusha C.A. Dhaka-1000	75,000	7,500,000
2.	Export Import Bank of Bangladesh Printers Building(10 <sup>th</sup> floor) 5, Rajuk Avenue, Dhaka-1000	25,000	2,500,000
3.	National Bank Limited 18, Dilkusha C/A, 4 <sup>th</sup> Floor), Dhaka-1000	25,000	2,500,000
4.	Fidelity Assets & Securities Co. Ltd. Suvastu Imam Square, 65 Gulshan Avenue, Dhaka-1212	50,000	5,000,000
5.	Bay Leasing & Investment Ltd. Printers Building(5 <sup>th</sup> floor), 5, Rajuk Avenue, Dhaka-1000	250,000	25,000,000
6.	Swadesh Investment Management Ltd. Road#1/A, House#35, Block-1, Banani, Dhaka-1212	25,000	2,500,000
<b>Total</b>		<b>450,000</b>	<b>45,000,000</b>

If and to the extent that the Shares offered to the public through a Prospectus authorized hereunder shall not have been subscribed and paid for in cash in full by the closing date, the Company shall within 10 (ten) days of the closure of subscription call upon the underwriter in writing with a copy of the said writing to the Securities and Exchange Commission, to subscribe the Shares not so subscribed within the closing date and to pay for in cash in full, inclusive of any premium, if applicable, for such unsubscribed Shares within 15 (fifteen) days after being called upon to do so. If payment is made by Cheque/Bank Draft by the underwriter it will be deemed that the underwriter has not fulfilled his obligation towards underwriting commitment under this agreement, until such time as the Cheque/Bank Draft has been en-cashed and the Company's account credited. In any case within 7 (seven) days after expiry of the aforesaid 15 (fifteen) days, the Company shall send proof of subscription and payment by the underwriters, to the Commission. In the case of failure by the underwriter to pay for the Shares under the terms mentioned above, the said underwriter will not be eligible to underwrite any Issue, until such time as he fulfills his underwriting commitment under this Agreement and also other penalties as may be determined by the Commission.

## CORPORATE INFORMATION

<b>MANAGER TO THE ISSUE</b>	<b>AAA Consultants &amp; Financial Advisers</b> Amin Court, 4 <sup>th</sup> Floor (Suit#404) 62-63, Motijheel C/A, Dhaka-1000.  <b>Bay Leasing and Investment Ltd.</b> Printers building (7 <sup>th</sup> floor), 5, Rajuk Avenue, Motijheel C/A., Dhaka-1000.
<b>AUDITOR</b>	<b>Pinaki &amp; Company</b> Chartered Accountants
<b>TAX ADVISOR</b>	<b>Mr. Jashim Chowdhury</b> Rahman Mostafa Alam & Co. Chartered Accountants
<b>BANKER</b>	<b>Southeast Bank Limited</b>
<b>COMPANY'S COMPLIANCE OFFICER</b>	<b>Md. Atique Ullah Majumder</b> Company Secretary
<b>COMPLIANCE OFFICER OF MANAGER TO THE ISSUE</b>	<b>Mohammad Ferdous Mazid</b> Director AAA Consultants & Financial Advisers Ltd.

All investors are hereby informed by the Company that it has appointed a Compliance Officer who may be contacted in case of any Pre-Issue / Post Issue related problems such as, non-receipt of letters of allotment /Share Certificates/Refund warrants/Cancelled Stock Investors, etc.

## MATERIAL CONTRACTS

The following are material contracts in the ordinary course of business, which have been entered into by the Company.

- a) Underwriting Agreement between the Company and the Underwriters.
- b) Issue Management Agreement between the Company and the Managers to the Issue, AAA Consultants & Financial Advisers Ltd. and Bay Leasing and Investment Ltd.
- c) Contract between the company and the Central Depository Bangladesh Ltd. (CDBL).

Copies of the aforementioned contracts and documents and a copy of Memorandum and Articles of Association of the Company and the Consent Order from the Securities and Exchange Commission may be inspected on any working day during office hours at the Company's Registered Office.

## BANKERS TO THE ISSUE

<p><b>Southeast Bank Limited</b></p> <ol style="list-style-type: none"> <li>Principal Br, Dhaka</li> <li>Corporate Br., Dhaka</li> <li>Imamgonj Br., Dhaka</li> <li>Dhanmondi Br., Dhaka</li> <li>Uttara Br., Dhaka</li> <li>New Elephant Rd. Br, Dhaka</li> <li>Gulshan Br., Dhaka-1212.</li> <li>Kakrail Br., Dhaka</li> <li>Motijheel Br., Motijheel C/A, Dhaka</li> <li>Kawran Bazar Br., Dhaka</li> <li>Banani Branch, Banani, Dhaka</li> <li>Bangshal Br, North South Rd, Dhaka</li> <li>New Eskaton Br. Dhaka.</li> <li>Agargaon Br. PKSF Bhaban, Mohammadpur Dhaka. ,</li> <li>Aganagar Br., Dhaka</li> <li>Shymoli Br., Dhaka</li> <li>Madhabdi Br., Narshingdi</li> <li>Ashulia Br.( Rural), Dhaka</li> <li>Joypara Br. (Rural), Dohar, Dhaka</li> <li>Narayanganj Br., Narayanganj</li> <li>Khulna Br., Khulna</li> <li>Bandar Bazar Br. (Islami Banking), Shylet</li> <li>Moulivi Bazar Br., Moulivi Bazar</li> <li>Laldighirpar Br., New Market, Sylhet</li> <li>Hetimganj Br., Sylhet</li> <li>Chouhatta br. Choutatta, Sylhet</li> <li>Shahjahaj Upashahar Br. Main Road Sylhet.</li> <li>Kulaura Br.(Rural), Moulivi Bazar</li> <li>Pathantula Br., Sylhet</li> <li>Agrabad Br., Chittagong</li> <li>Jubilee Road Br., Chittagong</li> <li>Khatungonj Br., Chittagong</li> <li>Halishahar Br, Chittagong</li> <li>Pahartali Br, Chittagong</li> <li>Chowmuhuni Br.(Rural), Noakhali</li> <li>CDA Avenue Br., Pachlaish, Chittagong</li> <li>Cox's Bazar Br., Cox Bazar.</li> <li>Chagalnaya Br. (Islami Banking), Feni</li> <li>Feni Branch, Feni,</li> <li>Bashurhat Br.(Rural), Noakhali</li> <li>Rangpur Br., Rangpur</li> </ol> <p><b>Export Import Bank of Bangladesh</b></p> <ol style="list-style-type: none"> <li>Motijheel Br. Sharif Mansion Motijheel Dhaka.</li> <li>Panthapath Br, 19/2, West Panthapath Dhaka</li> <li>Gulshan Br. 75, Gulshan Avenue, Dhaka-1212</li> <li>Rajuk Avenue Br. 9, Rajuk Avenue, Motijheel , Dhaka.</li> <li>Uttara Br. H#61/A, R#7, Sector#4, Uttara Model Town, Uttara, Dhaka.</li> <li>Elephant Road Br. 218, Elephant Road, Dhaka</li> <li>Agrabad Branch, Mawla Chamber, Chittagong.</li> <li>Jubilee Road Br. 63-64, Jubilee Road, Chittagong.</li> <li>Sylhet Br. Al-Hamra Shopping City, Zinda Bazar, Sylhet.</li> <li>Bogra Br. Sheik Mansion, Borogola, Bogra.</li> <li>Jessore Br. 37, M.K Road, Jessore</li> <li>Malibagh Br. 484, DIT Road, Malibag, Dhaka.</li> <li>Ashulia Br. Rifat Square Plaza, Jamgara, Savar.</li> </ol>	<p><b>National Credit &amp; Commerce Bank Ltd.</b></p> <ol style="list-style-type: none"> <li>Motijheel Br., 6 Motijheel C.A. Dhaka</li> <li>Karwan Bazar Br, Dhaka</li> <li>Dilkusha Br. 43, Dilkusha C/A, Dhaka</li> <li>Mirpur Br. Road # 1, Section 10, Mirpur, Dhaka</li> <li>Dhanmondi Br., Dhanmondi R/A, Dhaka</li> <li>Mitford Br., Dhaka</li> <li>Foreign Exchange Br., Dhaka</li> <li>Gulshan Br. 85, Gulshan Avenue, Dhaka</li> <li>Banani nBr., Dhaka</li> <li>Malibagh Br., Dhaka</li> <li>Uttara Br., Dhaka</li> <li>Moghobazar Br., Dhaka</li> <li>Babubazar Br., Dhaka</li> <li>Bangshal Br, Dhaka</li> <li>Elephant Rd. Br, Dhaka</li> <li>Jatra bari Br, Dhaka</li> <li>Islampur Br, Dhaka</li> <li>Comilla Br., Comilla</li> <li>Agrabad Br., Chittagong</li> <li>Khatungonj Br., Chittagong</li> <li>O.R. Nizam Road Br., Chittagong</li> <li>Jubilee Road Br. 5, Jubilee Road, Chittagong</li> <li>Cox's Bazar Br., Cox Bazar</li> <li>Laldighirpar Br., Sylhet</li> <li>Khulna Br., Khulna</li> <li>Rajshahi Br., Rajshahi</li> <li>Feni Branch, Feni</li> </ol> <p><b>Investment Corporation Bank of Bangladesh (ICB)</b></p> <ol style="list-style-type: none"> <li>Head Office, Dhaka.</li> <li>Local Office, Nayapaltan, VIP Road, Dhaka.</li> <li>Chittagong Br. Agrabad C/A, Chittagong</li> <li>Rajshahi Br., Saheb Bazar, Rajshahi</li> <li>Khulna Br., Shilpa Bank Bhaban, Khulna</li> <li>Barishal Br., Hemayat Uddin Road, Barishal.</li> <li>Sylhet Br., Chamber Building, Jail Road, Sylhet</li> <li>Bogra Br., Baragola, Bogra</li> </ol> <p><b>Standard Bank Limited</b></p> <ol style="list-style-type: none"> <li>Principal Branch, Dhaka</li> <li>Foreign Exchange Br. Dhaka</li> <li>Topkhana Road Dhaka</li> <li>Imamgonj br, Dhaka</li> <li>Gulshan Br. Dhaka</li> <li>Dhanmondi Br, Dhaka</li> <li>Uttara Br. Dhaka</li> <li>Gulshan -I Br. Dhaka</li> <li>Panthapath Dhaka</li> <li>Banani Branch Dhaka</li> <li>Narayangong Br, Narayangong</li> <li>Munshikhula Br, Dhaka</li> <li>Jubilee Road Br. Dhaka</li> <li>Agrabad Road . Chittagong</li> <li>Khatungong Br, Chittagong</li> <li>CDA Avenue Br. Chittagong</li> <li>Sylhet Br, Sylhet</li> <li>Khulna Br, Khulna</li> <li>Rajshahi BR. Rajshahi</li> <li>Jessore Br, Jessore,</li> </ol>	<p><b>National Bank Ltd.</b></p> <ol style="list-style-type: none"> <li>Bangshal Road Br,Dhaka</li> <li>Babubazar Br, Dhaka</li> <li>Dilkusha Br. , Dhaka</li> <li>Elephant Road Br. Dhaka</li> <li>Foreign Exchange Br. Dhaka</li> <li>Gulshan Br. Dhaka</li> <li>Imamgonj Br, Dhaka</li> <li>Dhanmondi Br., Dhaka</li> <li>Kawran Bazar Br., Dhaka</li> <li>Motijheel Br., Dhaka</li> <li>Mohakhali Br. DHAKA</li> <li>Malibagh Br. Dhaka</li> <li>Mirpur Br. Dhaka</li> <li>Z.H .Sikder M. C. Br. Dhaka</li> <li>Islampur Br. Dhaka</li> <li>Uttara Br. Dhaka</li> <li>North brook Hall Br, Dhaka</li> <li>Lake Circus Br. Dhaka</li> <li>Mohammadpur Br. Dhaka</li> <li>Pragati Sarani Br. Dhaka</li> <li>Jatrabari Br. Dhaka</li> <li>Gazipur Br. Gazipur</li> <li>Savar Bazar Br. Savar</li> <li>Narayanganj Br. Narayanganj</li> <li>Pagla bazaar Br. Narayangong</li> <li>Sylhet Br. Sylhet</li> <li>Anderkillah Br. Narayangong</li> <li>Agrabad BR. Chittagong</li> <li>Katunganj BR. Chittagong</li> <li>Jubilee Road BR. Chittagong</li> <li>Sheikh Muzib Road BR. Chittagong</li> <li>Pahartoli BR. Chittagong</li> <li>Narsingdi Br, Narsingdi</li> <li>Tangail Br, Tangail</li> <li>Khulna Br, Khulna</li> <li>Rangpur Br, Rangpur</li> <li>Bogra Br, Bogra</li> <li>Rajshahi Br, Rajshahi</li> <li>Barishal Br, Barashal</li> <li>Comilla Br. Comilla</li> </ol> <p><b>Trust Bank Limited</b></p> <ol style="list-style-type: none"> <li>Principal Branch, Dhaka</li> <li>SKB Br., Dhaka-1000</li> <li>Agrabad Br., Chittagong</li> <li>Dhanmondi Br., Dhaka</li> <li>Gulshan Corporate Br., Dhaka</li> <li>Dilkusha Corporate Br. Dhaka</li> <li>CDA Avenue Br., Chittagong</li> <li>Sylhet corp. Br, Sylhet</li> <li>Millenium Corporate Br., Dhaka</li> <li>Uttara Corporate Br., Dhaka</li> <li>Mirpur Br. Dhaka</li> <li>Naval Base Br. Potenga, Chittagong</li> <li>Kawran Bazar Br. Dhaka</li> <li>Narayanganj Br. Narayangonj</li> <li>Radission Water Garden BR, Dhaka</li> </ol>
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"INTERESTED PERSONS ARE ENTITLED TO A PROSPECTUS, IF THEY SO DESIRE, AND THAT COPIES OF PROSPECTUS MAY BE OBTAINED FROM THE ISSUER AND THE ISSUE MANAGER"

## ASIA INSURANCE LIMITED

### APPLICATION FORM

#### APPLICATION FOR SHARES BY INVESTORS OTHER THAN NON-RESIDENT BANGLADESHIS

**WARNING:** Please read the instructions on the back of the form. Incorrectly filled applications may be rejected.

The Managing Director

**Asia Insurance Limited.**

T. K. Bhaban (7<sup>th</sup> floor), 13, Karwan Bazar, Dhaka-1215, Bangladesh.

Bankers SI No.

Dear Sir,

I/we apply for and request you to allot me/us the ..... number of Shares and I/we agree to accept the same or any smaller number that may be allotted to me/us upon terms of the Company's approved Prospectus and subject to the Memorandum and Articles of Association of the Company. Further, I/we authorize you to place my/our name(s) on the Register of Member(s) of the Company and deposit the said shares to my/our Depository (BO) Account and/or a crossed (A/C Payee Only) cheque in respect of any Application money refundable by post/courier at my/our risk to the first applicant's address stated below:

1. No. of Ordinary Shares ..... of Tk. 100.00 each at par
2. Amount Tk. (in figure) ....., Taka (in words) ..... only deposited vide Cash/  
Cheque/Draft/Pay Order No..... Date..... on..... Bank..... Branch

3. Depository (BO) Account Number 

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**(If you do not mention your valid Depository (BO) Account, your application will be treated invalid.)**

4. I/we agree to fully abide by the instructions given herein.

#### Particulars of Applicant(s) :

Sole/First Applicant : Mr./Mrs./Ms.	
Father's/Husband's Name :	
Mother's Name:	
Postal Address :	
Telephone :	
Occupation :	
Nationality :	
<b>For refund warrant (Application will not be treated as valid if anyone uses a non-scheduled bank. To avoid this complication, investors are requested not to use the name of any non-scheduled bank) Please write the correct and full name of bank and branch.</b>	
Applicant's Bank A/C No. :	Branch:
Name of the Bank :	

Second Applicant : Mr./Mrs./Ms.	
Father's/Husband's Name :	
Mother's Name:	
Postal Address :	
Occupation :	Nationality:
Contact no.	

5. I/we hereby declare that I/we have read the Prospectus of **Asia Insurance Limited.**, and have willingly subscribed for ..... No. of Shares of Tk. 100.00 each at par.

6. Specimen Signature(s) :

Name in Block Letters	Signature
(i)	
(ii)	

#### BANKER'S ACKNOWLEDGEMENT

Certified that this Bank has received Tk..... (in word.....) only from Mr./Mrs./Ms. .... being the Application money for ..... Nos. of Ordinary Shares of **Asia Insurance Limited.**

Banker's SL. No.

Seal & Date

Authorized Signature  
(Name & Designation)

## INSTRUCTIONS

1. As per provision of Depository Act, 1999 and regulations made there under shares will only be issued in dematerialized condition. Please mention your BO (Beneficiary Owner) Account number in the Application form. If you do not mention your valid BO (Beneficiary Owner) Account, your application will be treated invalid.
2. All information must be typed or written in full (in Block letters) in English or in Bengali and must NOT be abbreviated.
3. Application must be made on the Company's printed form/photocopy or typed copy/hand written form thereof.
4. Application must not be for less than 50 Ordinary Shares and must be for a multiple of 50 Ordinary Shares. Any Application not meeting this criterion will not be considered for allotment purpose.
5. Remittance for the full amount of the Shares must accompany each Application and must be forwarded to any of the Bankers to the Issue. Remittance should be in the form of Cash/Cheque/Bank Draft/Pay Order payable to one of the Bankers to the Issue A/C "**Asia Insurance Limited**" and crossed "**A/C Payee only**" and must be drawn on a Bank in the same town as the Bank to which the Application form has been sent.
6. In the case of Joint Application Form, the Allotment Letter will be dispatched to the person whose name appears first on this Application Form and where any amount is refundable in whole or in part the same will be refunded by Account Payee Cheque by post/courier service to the person named first on this Application Form in the manner prescribed in the Prospectus.
7. Joint Application form for more than two persons will not be accepted. In case of joint Application, each party must sign the Application Form.
8. Application must be in full name of individuals or companies or societies or trusts and not in the name of firms, minors or persons of unsound mind. Application from financial and market intermediary companies and Private Company must be accompanied by Memorandum and Articles of Association and Certificate of Incorporation.
9. **An applicant can not submit more than two applications, one in his/her own name and another jointly with another person. In case an applicant makes more than two applications, all applications will be treated as invalid and will not be considered for allotment purpose. In addition, whole or part of application money may be forfeited by the commission.**
10. No receipt will be issued for the payment made with Application, but the bankers will issue a provisional acknowledgment to the Issue for Application lodged with them.
11. In the case of non-allotment of securities, if the applicants' bank accounts as mentioned in their IPO Application Forms are maintained with the Bankers to the Issue, refund amount of those applicants will be directly credited into the respective bank accounts as mentioned in their IPO Application Forms. Otherwise, refund will be made only through "Account Payee" cheque(s) with bank account number and name of bank branch as mentioned in the application payable at Dhaka or Chittagong, as the case may be.
12. Allotment shall be made solely in accordance with the instructions of the Securities and Exchange Commission (SEC).
13. Making of any false statement in the application or supplying of incorrect information therein or suppressing any relevant information shall make the Application liable to rejection and subject to forfeiture of Application money. The said forfeited Application money will be deposited in account specified by the Securities and Exchange Commission (SEC). This may be in addition to any other penalties as may be provided for by law.
14. Applications, which do not meet the above requirements, or Applications, which are incomplete, shall NOT be considered for allotment purpose.
15. The Banker's to the Issue shall be obliged to receive the A/C Payee Cheque(s) on the closing day of the subscription of the IPO.
16. **No sale of securities shall be made, nor shall any money be taken from any person, in connection with such sale until 25 (twenty five) days after the prospectus has been published.**

"INTERESTED PERSONS ARE ENTITLED TO A PROSPECTUS, IF THEY SO DESIRE, AND THAT COPIES OF PROSPECTUS MAY BE OBTAINED FROM THE  
ISSUER AND THE ISSUE MANAGER"

## ASIA INSURANCE LIMITED

### APPLICATION FORM

APPLICATION FOR SHARES BY NON-RESIDENT BANGLADESHIS

(To be sent to the Company's Head Office)

**WARNING:** Please read the instructions at the back of this form. Incorrectly filled Applications or failing to comply with any instruction therein, application may be rejected.

The Managing Director

**Asia Insurance Limited.**

T. K. Bhaban (7<sup>th</sup> floor), 13, Karwan Bazar, Dhaka-1215, Bangladesh.

Dear Sir,

I/We apply for and request you to allot me/us the .....number of Shares and I/we agree to accept the same or any smaller number that may be allotted to me/us upon terms of the Company's approved Prospectus and subject to the Memorandum and Articles of Association of the Company. Further, I/we authorize you to place my/our name(s) on the Register of Members of the Company and deposit the said shares to my/our Depository (BO) Account and/or a crossed (A/C Payee only) Cheque in respect of any Application money refundable by post/courier at my/our risk to the first applicant's address stated below:

1. No. of Shares ..... of Tk. 100.00 each at par
  2. Amount of Tk. (in figure) ..... Tk. (in words) ..... only convertible into US Dollar 1.00 = Tk..... /UK Pound Sterling 1.00 = Tk...../Euro 1.00 = Tk.....
  3. Payment by Draft/pay order Cheque No..... date..... for US Dollar/UK Pound Sterling/ Euro/Tk..... drawn on..... Bank.....branch
  4. Depository (BO) Account Number 

--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--
- (If you do not mention your valid Depository (BO) Account, your application will be treated invalid.)**
5. I/we agree to fully abide by the instructions given herein.
  6. Particulars of Applicant(s)

<b>Sole/First Applicant :</b> Mr./Mrs./Ms.	
Father's/Husband's Name :	
Mother's Name:	
Mailing Address :	
Occupation :	Nationality :
Telephone (if any):	Date of Birth :
Passport No. :	Valid up to:
<b>For refund warrant (Application will not be treated as valid if anyone uses a non-scheduled bank. To avoid this complication, investors are requested not to use the name of any non-scheduled bank) Please write the correct and full name of bank and branch. Applicant's Bank A/C No. :</b>	
Name of the Bank :	Branch :

<b>Second Applicant :</b> Mr./Mrs./Ms.	
Father's/Husband's Name :	
Mother's Name:	
Mailing Address :	
Occupation :	Nationality :
Passport No. :	Valid up to :
Date of Birth :	
<b>Nominee</b>	
Name :	
Mailing Address:	

Specimen Signature(s):		
	Name in Block Letters	Signature
Sole/First Applicant :		
Second Applicant :		
Nominee :		

## INSTRUCTIONS:

1. As per provision of Depository Act, 1999 and regulations made there under shares will only be issued in dematerialized condition. Please mention your BO (Beneficiary Owner) Account number in the Application form. If you do not mention your valid BO (Beneficiary Owner) Account, your application will be treated invalid.
2. All information must be written or typed in Block Letters in English and must NOT be abbreviated.
3. Application must not be for less than 50 Ordinary Shares and must be for a multiple of 50 Ordinary Shares. Any Application not meeting this criterion will not be considered for allotment purpose.
4. Application must be accompanied by a foreign demand draft drawn on a bank payable at Dhaka or cheque drawn out of foreign currency deposit account maintained in Bangladesh for the full value of Shares favoring "Asia Insurance Limited" and crossed "**ACCOUNT PAYEE ONLY**".
5. Application shall be sent by the applicant directly to the Company within 23.04.09 so as to reach the Company within 02.05.09. No Application sent after 23.04.09 or received by the Company after 02.05.09 will be considered for allotment purpose.
6. Refund against over-subscription shall be made in the currency in which the value of Shares was paid for by the applicant through Account Payee Cheque payable at Dhaka with bank account number, Bank's name and Branch.
7. All the applicants shall first be treated as applied for one minimum lot. If, on this basis, there is over subscription, then lottery shall be held amongst the applicants allocating one identification number for each application, irrespective of the application money. On the other hand, if there is under subscription, then all the applicants shall first be distributed with a single lot and thereafter, for the balance amount, lottery, shall be held for the applicants who have applied for multiple lots on the basis of dividing the application money by amount of a market lot separately for both NRB and General Public.
8. Money receipt of clearance of draft or cheque, as the case may be, shall be sent by post to the applicant by the Company.
9. Joint Application by two persons will be acceptable. In such a case, allotment or refund shall be made by post to the first applicant.
10. Application must be made by an individual, a corporation or Company, a trust or a society and not by a firm, minor or persons of unsound mind.
11. In the case of non-allotment of securities, if the applicants' bank accounts as mentioned in their IPO Application Forms are maintained with the Bankers to the Issue, refund amount of those applicants will be directly credited into the respective bank accounts as mentioned in their IPO Application Forms. Otherwise, refund will be made only through "Account Payee" cheque(s) with bank account number and name of bank branch as mentioned in the application payable at Dhaka or Chittagong, as the case may be.
12. Making of any false statement in the application or supplying of incorrect information therein or suppressing any relevant information shall make the Application liable to rejection and subject to forfeiture of Application money.
13. The intending NRB applicants shall deposit share money by US \$/UK Pound Sterling/Euro draft drawn on and payable in Dhaka, Bangladesh, or through a nominee by paying out of foreign currency deposit account or in Taka, supported by foreign currency encashment certificate issued by the concerned Bank, so that the Issuer's collecting Bank can clear that proceeds and deposit the same into Issuer's Bank account in time.
14. Spot buying rate (TT Clean) in US Dollars and UK Pound Sterling of Sonali Bank as prevalent on the date of opening of subscription will be applicable for the Non-Resident Bangladeshi (NRB) applicants.
15. **The applicant shall furnish photocopies of relevant pages of valid passport(s) in support of his being a NRB, dual citizenship or of the foreign passport bearing an endorsement from the concerned Bangladeshi Embassy to the effect that no visa is required for him to travel to Bangladesh.**
16. In case of joint NRB application joint applicant shall also submit supporting papers/ documents in support of their being an NRB as mentioned in para-15 above.
17. **An applicant cannot submit more than two applications, one in his/her own name and another jointly with another person. In case an applicant makes more than two applications, all applications will be treated as invalid and will not be considered for allotment purpose. In addition, whole or part of application money may be forfeited by the commission.**
18. **No sale of securities shall be made, nor shall any money be taken from any person, in connection with such sale until 25 days after the prospectus has been published.**

**THE NRB APPLICATION ALONG WITH THE DRAFT, AS ABOVE, IS TO BE SUBMITTED TO THE COMPANY'S HEAD OFFICE DIRECTLY WITHIN THE STIPULATED TIME MENTIONED IN PARA 5.**

## **ASIA INSURANCE LIMITED**

### **Auditors' Report**

We have audited the accompanying Balance Sheet of **Asia Insurance Limited** as at **May 31, 2008** and the related **Revenue Accounts** as well as the **Profit and Loss Account** and **Profit and Loss Appropriation Account** and also **Cash Flow Statement** for the period then ended. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

### **Scope**

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.

### **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 at May 31, 2008 and of the results of its operations and its cash flows for the year then ended and comply with the applicable sections of Companies Act 1994, the Insurance (Amended) Act 2004, The Insurance Rules 1958, The Securities and Exchange rules 1987 and other applicable rules and regulations.

**ASIA INSURANCE LIMITED**

**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, Profit and Loss Account and Cash Flow Statement 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 40-C(2) of the Insurance (Amended) Act 2004, we certify that 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 and Loss Account of the Company ; and
- vi) as per Regulation 11 of Part-1 of the third schedule of the Insurance (Amended) Act 2004, we certify that to the best of our information and as shown by its books, 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.

**Sd/-**

**Date:** 06.11.2008

**Pinaki & Company**  
Chartered Accountants

**ASIA INSURANCE LIMITED**

**Balance Sheet**  
as at May 31, 2008

**CAPITAL & LIABILITIES**

	Notes	TAKA	
		2008 as at May'31	2007 as at Dec'31
AUTHORISED SHARE CAPITAL	15	300,000,000	300,000,000
3,000,000 ordinary shares of Tk. 100/- each			
ISSUED, SUBSCRIBED AND PAID UP CAPITAL	16	60,000,000	60,000,000
6,00,000 ordinary shares of Tk. 100/- each			
RESERVE OR CONTINGENCY ACCOUNT		85,250,580	53,953,169
Reserve for exceptional losses	17	56,383,258	49,217,538
General Reserve	18	3,771,100	3,771,100
Profit & loss appropriation account		25,096,222	964,531
BALANCE OF FUND & ACCOUNT		28,670,319	49,945,014
Fire insurance account		10,621,140	16,088,520
Marine insurance account		13,735,417	28,695,924
Motor insurance account		2,376,112	3,904,864
Miscellaneous insurance account		1,937,650	1,255,706
DEPRECIATION RESERVE	12	11,673,618	10,173,645
DEPOSIT PREMIUM	19	38,925,119	50,704,886
LIABILITIES & PROVISIONS		183,706,549	167,607,118
Estimated liability in respect of outstanding-claims whether due or intimated	20	80,422,794	63,398,511
Amount due to other persons or bodies-carrying on insurance business	21	103,283,755	104,208,607
PROPOSED DIVIDEND	22	-	9,000,000
SUNDRY CREDITORS-Including provision for taxation	23	56,732,747	29,637,930
Provision for deferred Tax	24	1,093,323	
<b>TOTAL</b>		<b>466,052,255</b>	<b>431,021,762</b>

Sd/-  
Md.Ezhar Hossain  
Managing Director

Sd/-  
Mohammed Mostafa Haider  
Director

Sd/-  
Alamgir Kabir FCA  
Director

Sd/-  
Yussuf Abdullah Harun FCA  
Chairman

Sd/-  
**Pinaki & Company**  
Chartered Accountants

## ASIA INSURANCE LIMITED

### Balance Sheet as at May 31, 2008

#### PROPERTY & ASSETS

	Notes	TAKA	
		2008 <i>as at May '31</i>	2007 <i>as at Dec '31</i>
INVESTMENT (At actual)		77,061,879	73,683,179
National investment bond	2	9,000,000	9,000,000
Investment in shares	3	68,061,879	64,683,179
OUTSTANDING PREMIUM	4	4,092,438	4,090,957
INTEREST, DIVIDEND & RENT OUTSTANDING	5	7,753,217	7,752,684
AMOUNT DUE FROM OTHER PERSONS OR BODIES CARRYING ON INSURANCE BUSINESS	6	78,203,788	67,853,774
SUNDRY DEBTORS	7	48,468,689	42,999,960
ADVANCE, DEPOSIT AND PREPAYMENTS	8	22,542,466	19,191,739
CASH AND CASH EQUIVALENT		197,693,942	186,826,342
Fixed deposit with Bank	9	149,604,364	143,104,364
Bank Balance	10.1 & 2	47,667,018	43,417,997
Cash in hand	10.3	422,560	303,981
STAMPS IN HAND	11	141,256	84,737
OTHER ACCOUNT		30,094,580	28,538,390
Fixed assets -at cost	12	28,959,033	27,387,603
Printing and stationery in hand	13	345,100	360,340
Security deposit	14	790,447	790,447
<b>TOTAL</b>		<b>466,052,255</b>	<b>431,021,762</b>

Signed in terms of our separate report of even date

Sd/-  
Md.Ezhar Hossain  
Managing Director

Sd/-  
Mohammed Mostafa Haider  
Director

Sd/-  
Alamgir Kabir FCA  
Director

Sd/-  
Yussuf Abdullah Harun FCA  
Chairman

Sd/-  
**Pinaki & Company**  
Chartered Accountants



**ASIA INSURANCE LIMITED**

**Profit and Loss Appropriation Account**  
for the period ended May 31, 2008

Particulars	Notes	2008 Janu to May	2007 Janu to May
Reserve for exception	17	7,165,720	5,134,356
General Reserve		-	
Provision for Taxation Deffered Tax	24	18,164,091 1,093,323	11,002,265 -
Proposed Dividend	22	-	
Balance transferred to Balance sheet		25,096,222	13,615,187
<b>Total</b>		<b>51,519,356</b>	<b>29,751,808</b>
Earning per share (after tax)		<b>52.16</b>	<b>30.97</b>

Particulars	Notes	2008 Janu to May	2007 Janu to May
Balance brought forward from last year		964,531	167,973
Net profit for the period ( Transferred from profit and loss account)		50,554,825	29,583,835
<b>Total</b>		<b>51,519,356</b>	<b>29,751,808</b>

Sd/-  
Md.Ezhar Hossain  
Managing Director

Sd/-  
Mohammed Mostafa Haik  
Director

Sd/-  
Alamgir Kabir FCA  
Director

Sd/-  
Yussuf Abdullah Harun FCA  
Chairman

Sd/-  
**Pinaki & Company**  
Chartered Accountants

**ASIA INSURANCE LIMITED**

**Profit And Loss Account**  
for the period ended May 31, 2008

Particulars	Notes	2008 Janu to May	2007 Janu to May
Expenses of management (Not Applicable to any particular fund or Account)		4,150,733	2,531,901
Promotional expenses		851,415	35,559
Legal Expenses		95,000	28,717
Directors remuneration		90,000	80,000
Audit fees		280,317	100,000
Meeting expenses		181,124	-
Subscription		131,000	115,000
Depreciation	12	1,499,973	1,177,550
Lease Rental Installment		693,025	871,955
Advertisement & Publicity		56,410	123,120
Employer's Contribution P.F		272,469	-
Profit for the year transferred to profit & Loss appropriation account		50,554,825	29,583,835
<b>Total</b>		<b>54,705,558</b>	<b>32,115,736</b>

Particulars	Notes	2008 Janu to May	2007 Janu to May
Interest, dividend and rents (Not Applicable to any particular fund or Account)		7,119,547	7,643,364
Interest accrued			
Profit or (loss) transferred from		44,207,311	24,472,372
Fire Revenue Account		4,921,510	(282,264)
Marine Revenue Account		32,628,291	15,218,719
Motor Revenue Account		4,512,000	5,602,006
Miscellaneous Revenue Account		2,145,510	3,933,911
Miscellaneous Income		3,378,700	-
Profit on Sale of share		-	-
Profit on Sale of Vehicles		-	-
<b>Total</b>		<b>54,705,558</b>	<b>32,115,736</b>

Sd/-  
Md.Ezhar Hossain  
Managing Director

Sd/-  
Mohammed Mostafa Hai  
Director

Sd/-  
Alamgir Kabir FCA  
Director

Sd/-  
Yussuf Abdullah Harun FCA  
Chairman

Sd/-  
**Pinaki & Company**  
Chartered Accountants

**ASIA INSURANCE LIMITED**

**Consolidated Revenue Account**

for the period ended May 31, 2008

Particulars	Notes	2008 Jan. to May	2007 Jan. to May
Claim under policies less re-insurance		23,454,817	21,833,074
Paid during the year		16,780,547	13,920,931
Total estimated liability in respect of outstanding claim at the end of the year whether due or intimated		24,937,265	18,262,995
Less : outstanding at the beginning of the year		18,262,995	10,350,852
Agency commission		15,171,322	10,629,825
Expenses of management	25	17,049,790	14,309,497
Commission on re-insurance accepted			
Balance of account at the end of the year as shown in the balance sheet		28,670,319	20,566,485
(Reserve for un-expired risk for the year)			
Profit / (loss) transferred to profit & loss account		44,207,311	24,472,372
Fire insurance		4,921,510	(282,264)
Marine insurance		32,628,291	15,218,719
Motor insurance		4,512,000	5,602,006
Miscellaneous insurance		2,145,510	3,933,911
<b>Total</b>		<b>128,553,559</b>	<b>91,811,253</b>

Sd/-  
Md.Ezhar Hossain  
Managing Director

Sd/-  
Mohammed Mostafa Haider  
Director

Sd/-  
Alamgir Kabir FCA  
Director

Particulars	Notes	2008 Jan. to May	2007 Jan. to May
Balance of account at the beginning of the year		49,945,014	32,511,980
Premium less re-insurance		71,657,204	51,343,559
Commission on re-insurance ceded		6,951,341	7,955,714
<b>Total</b>		<b>128,553,559</b>	<b>91,811,253</b>

Sd/-  
Yussuf Abdullah Harun FCA  
Chairman

Sd/-  
**Pinaki & Company**  
Chartered Accountants

**Pinaki & Company**

**Continuation Sheet.....**  
**ASIA INSURANCE LIMITED**

**Fire Insurance Revenue Account**  
for the period ended May 31, 2008

Particulars	Notes	2008 Jan. to May	2007 Jan. to May
Claim under policies less re-insurance		17,787,142	14,488,914
Paid during the year		14,129,803	13,484,780
Total estimated liability in respect of outstanding Claim- at the end of the year whether due or intimated		9,936,735	6,279,396
Less : outstanding at the beginning of the year		6,279,396	5,275,262
Agency commission		7,381,446	5,664,917
Expenses of management	25	6,999,810	7,625,912
Commission on re-insurance accepted			
Balance of account at the end of the year as shown in the balance sheet (Reserve for unexpired risk @ 40% of premium income of the year).		10,621,140	8,511,488
Profit / (loss) transferred to profit & loss account		4,921,510	(282,264)
<b>Total</b>		<b>47,711,048</b>	<b>36,008,967</b>

Sd/-  
Md.Ezhar Hossain  
Managing Director

Sd/-  
Mohammed Mostafa Haider  
Director

Sd/-  
Alamgir Kabir FCA  
Director

Particulars	Notes	2008 Jan. to May	2007 Jan. to May
Balance of account at the beginning of the year		16,088,520	8,863,296
Premium less re-insurance		26,552,851	21,278,719
Commission on re-insurance ceded		5,069,677	5,866,952
<b>Total</b>		<b>47,711,048</b>	<b>36,008,967</b>

Sd/-  
Yussuf Abdullah Harun FCA  
Chairman

Sd/-  
**Pinaki & Company**  
Chartered Accountants

## for the period ended May 31, 2008

Particulars	Notes	2008 Jan. to May	2007 Jan. to May
Claim under policies less re-insurance		5,044,090	7,310,287
Paid during the year		1,532,688	39,908
Total estimated liability in respect of outstanding Claim- at the end of the year whether due or intimated		14,770,530	11,259,128
Less : outstanding at the beginning of the year		11,259,128	3,988,749
Agency commission		5,498,756	3,825,075
Expenses of management	25	7,140,633	5,149,182
Commission on re-insurance accepted			
Balance of account at the end of the year as shown in the balance sheet (Reserve for unexpired risk @ 40% marine cargo and@100% marine hull income of the year).		13,735,417	9,635,760
Profit / (loss) transferred to profit & loss account		32,628,291	15,218,719
<b>Total</b>		<b>64,047,187</b>	<b>41,139,023</b>
Sd/-	Sd/-	Sd/-	Sd/-
Md.Ezhar Hossain	Mohammed Mostafa Haider	Alamgir Kabir FCA	Yussuf Abdullah Harun FCA
Managing Director	Director	Director	Chairman

Particulars	Notes	2008 Jan. to May	2007 Jan. to May
Balance of account at the beginning of the year		28,695,924	15,579,052
Premium less re-insurance		34,319,950	24,016,746
Commission on re-insurance ceded		1,031,313	1,543,225
<b>Total</b>		<b>64,047,187</b>	<b>41,139,023</b>
		Sd/-	Sd/-
		<b>Pinaki &amp; Company</b>	<b>Pinaki &amp; Company</b>
		Chartered Accountants	Chartered Accountants

## for the period ended May 31, 2008

sd/-	sd/-
Md.Ezhar Hossain	Mohammed Mostafa Haider
Managing Director	Director

sd/-  
Yussuf Abdullah Harun FCA  
Chairman

sd/-  
**Pinaki & Company**  
Chartered Accountants

## for the period ended May 31, 2008

Particulars	Notes	2008	2007
		Jan. to May	Jan. to May
Claim under policies less re-insurance		(86,761)	43,686
Paid during the year		53,150	269,616
Total estimated liability in respect of outstanding Claim- at the end of the year whether due or intimated		-	139,911
Less : outstanding at the beginning of the year		139,911	365,841
Agency commission		1,149,376	447,706
Expenses of management	25	1,804,406	602,685
Commission on re-insurance accepted			
Balance of account at the end of the year as shown in the balance sheet (Reserve for unexpired risk @ 40% of premium income of the year).		1,937,650	565,078
Profit / (loss) transferred to profit & loss account		2,145,510	3,933,911
	<b>Total</b>	<b>6,950,181</b>	<b>5,593,066</b>
sd/-	sd/-	sd/-	
Md.Ezhar Hossain	Mohammed Mostafa Haider	Alamgir Kabir FCA	
Managing Director	Director	Director	

[illegible]

**ASIA INSURANCE LIMITED**

**Statement of Changing in Shareholders Equity**  
for the period ended May 31' 2008

	Share Capital	Reserve for Exceptional Losses	General Reserve	Retained Earnings account	Total
Opening Balance as on 01.01.2008	60,000,000	49,217,538	3,771,100	964,531	113,953,169
Net Profit during the year	-	-	-	50,554,825	50,554,825
Reserve for Exceptional Losses	-	7,165,720	-	(7,165,720)	-
Provision for Taxation	-	-	-	(18,164,091)	(18,164,091)
Deferred Tax	-	-	-	(1,093,323)	(1,093,323)
Dividend	-	-	-	-	-
Closing Balance ason 31.05.2008	60,000,000	56,383,258	3,771,100	25,096,222	145,250,580

Sd/-  
Managing Director

Sd/-  
Director

Sd/-  
Director

Sd/-  
Chairman

Sd/-  
**Pinaki & Company**  
**Chartered Accountants**



# ASIA INSURANCE LIMITED

## Cash flows Statement

as at May 31, 2008

	2008	2007
<b>Cash flow from Operating Activities</b>		
<b>A</b> Net cash flow from operating activities	<b>12,439,030</b>	<b>28,289,922</b>
Collection from Premium Income & Other Income	85,728,092	66,942,637
Less: payment for cost and expenses	73,289,062	38,652,715
Management expenses	19,839,155	15,663,848
Claim paid	23,454,817	21,833,074
Commission paid	15,171,322	10,629,825
Others operating expenses	14,823,768	(9,474,032)
<b>B Cash flow from Investing Activities</b>		
Net Cash flow from investing activities	<b>(1,571,430)</b>	<b>(1,218,289)</b>
Investment purchase	-	-
Purchase of fixed assets	(1,571,430)	(1,218,289)
Sales of share	-	-
<b>C Net Cash flow from finance activities</b>		
Devidend paid	-	-
<b>Cash &amp; Cash Equivalent (A+B+C)</b>	<b>10,867,600</b>	<b>27,071,633</b>
Opening Cash & Cash Equivalent	186,826,342	183,407,081
Closing Cash & Cash Equivalent	<b>197,693,942</b>	<b>210,478,714</b>

**ASIA INSURANCE LIMITED**

**Notes to the Accounts**

for the period ended May 31, 2008

**1.1 Nature and Business of the Company**

The **Asia Insurance Limited** was incorporated as a Public Limited Company on April 30, 2000 under the Companies Act, 1994 to carry out General Insurance Business as per Insurance Act 1938.

**1.2 Basis of accounts and significant accounting policies**

**1.2.1 Basis of Accounting**

- (a) The accounts have been prepared on a going-concern basis under generally accepted accounting principles according to the historical cost convention.
- (b) International Accounting Standards as adopted in Bangladesh and as are applicable in case of Insurance Business have been adopted by the Company.
- (c) The Balance Sheet has been prepared in accordance with the regulations as contained in part 1 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-1 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

**1.2.2 Depreciation**

Depreciation on fixed assets is charged on reducing balance method at rates varying from 10% to 20%. Provision on depreciation on asset purchased during the year and on disposal of assets have been made for 6 (six) months on average.

**ASIA INSURANCE LIMITED**

**Notes to the Accounts**

for the period ended May 31, 2008

**1.2.3 Provision for tax**

Provision for income tax has been made in accordance with the best estimate of the management based on the prevailing Income Tax Law.

Income Tax Assessment has been completed up-to the assessment year 2003-2004 and assessment year 2006-2007. Income tax case for the assessment year 2004-2005 and 2005-2006 are yet to be finalized due to appeal and assessment for the year 2007-2008 is under consideration of DCT.

**1.2.4 Investment**

Investments are stated at their cost of acquisition.

**1.2.5 Accounting policies**

**i. Underwriting Business:**

Gross underwriting business as well as re-insurance thereof and claim settled etc have been recorded separate for each class of business and net underwriting results have been reflected in the revenue accounts after due consideration of re-insurance ceded.

**ii. Balance of fund accounts:**

These have been arrived at after making provision for un-expired risks @ 40% of net premium income on all businesses except marine hull and aviation insurance where provision has been made @ 100% on net premium income.

**iii. Valuation of assets:**

The value of all assets as at May 31, 2008 as shown in the balance sheet have been reviewed and the said assets have been set forth in the balance sheet on accounts at their respective book value.

**ASIA INSURANCE LIMITED**

**Notes to the Accounts**

for the period ended May 31, 2008

**iv. Earning per share:**

This has been calculated by dividing the basic earning i.e the net profit after tax for the period by the weighted average number of ordinary shares outstanding during the period.

**i. Benefit to Employees:**

The company operate a provident fund scheme, provision in respect of Which has been made in accompanying account covering all eligible Employees.

**1.2.7 General**

- i. No. of employees received salary up-to Tk. 3,000/- : 3 Nos.
- ii. No. of employees received salary above Tk. 3,000/- : 178 Nos.
- iii. During the year, 4 (Four) nos. of Board committee meeting were held.
- iv. Figures have been rounded-off to the nearest integer.
- v. Previous year's figures have been rearranged wherever necessary to confirm to current year's presentation.

## ASIA INSURANCE LIMITED

### Notes to the Accounts

as at May 31, 2008

#### SI Particulars

#### 2 National Investment Bond (NIB)

The amount represents 3 years National Investment Bond as Statutory deposit held by Bangladesh Bank in terms of Insurance Act 1938 (Act -IV of 1938) as adopted for Bangladesh with a simple interest of @ 8.50% originally effective from 22nd May' 2000, later renewed on 2nd August 2006.

Taka	
2008	2007
as at May 31	as at Dec' 31
9,000,000	9,000,000

Total	9,000,000	9,000,000
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#### 3 Investment in shares

Name of the company	Face value per share (Taka)	31.05.2008		31.12.2007	
		No. of shares	Acquisition cost (Taka)	No. of shares	Acquisition cost (Taka)
Southeast Bank Limited	100	113,550	51,657,319	113,550	51,657,319
Jamuna Bank Limited	100	13,000	5,059,600	13,000	5,059,600
NCC Bank Limited	100	18,000	7,966,260	18,000	7,966,260
<b>Bonus Share :</b>					
Southeast Bank Limited	100	28,387	2,838,700		
NCC Bank Limited	100	5,400	540,000	-	-
Total		178,337	68,061,879	144,550	64,683,179

#### 4 Outstanding Premium

The class-wise break up of business of the above amount is as follows;

Direct business (Fire class of business)	3,934,252	3,934,252
Outstanding premium PSB	158,186	156,705

Total	4,092,438	4,090,957
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**ASIA INSURANCE LIMITED****Notes to the Accounts**

as at May 31, 2008

**Sl Particulars**

	<b>Taka</b>	
	<b>2008</b>	<b>2007</b>
	<b>as at May 31</b>	<b>as at Dec' 31</b>
<b>5 Interest ,Dividend &amp; Rent Outstanding</b>		
the balance made up as follows :		
F.D.R. interest	5,904,467	6,222,684
Interest on N.I.B.	1,848,750	1,530,000
<b>Total</b>	<b>7,753,217</b>	<b>7,752,684</b>
<b>6 Amount due from other persons or bodies carrying on insurance business</b>		
Re-insurance claim receivable from SBC - Fire	41,206,363	41,440,631
Re-insurance claim receivable from SBC - Marine Cargo	13,929,166	3,344,885
Claim paid receivable from SBC- Marine Cargo	350,000	350,000
Claim paid receivable from SBC- Fire	19,098,693	19,098,693
Co-Insurance share of premium Recoverable	3,619,566	3,619,565
<b>Total</b>	<b>78,203,788</b>	<b>67,853,774</b>
<b>7 Sundry Debtors</b>		
This is as under :		
Deposit clearing	48,468,689	42,999,960
<b>Total</b>	<b>48,468,689</b>	<b>42,999,960</b>
* The deposit clearing represents the amount of cheques in hand received against cover notes against which no policies have been issued up to the end of the year .		
<b>8 Advance, deposit and prepayments</b>		
The break-up of the above is as under :		
Tax deducted at source	6,029,163	5,318,665
Advance salaries	345,404	614,906
Advance office rent	1,130,474	489,118
Deffered IPO expenses	535,000	535,000
Advance tax paid - 2003 & 2004	7,718,640	7,588,870
Advance tax paid - 2006	4,645,180	4,645,180
Advance tax paid - 2007	2,000,000	-
Advance paid to Lease Rental	138,605	-
<b>Total</b>	<b>22,542,466</b>	<b>19,191,739</b>

Advance tax of Tk.5031280 for the year 2005 assessment  
year 2006-07 has been adjusted .

**ASIA INSURANCE LIMITED****Notes to the Accounts**

as at May 31, 2008

**SI Particulars****9 Fixed deposit with banks**

The balance is made up as follows :

	Taka	
	2008 as at May 31	2007 as at Dec' 31
Agrani Bank	1,000,000	1,000,000
Arab Bangladesh Bank Ltd.	7,800,000	7,300,000
Al-Arafah Islami Bank Ltd.	3,053,450	2,053,450
Basic Bank Ltd.	3,500,000	3,500,000
Bangladesh Shilpa Bank	2,000,000	2,000,000
Bay Leasing & Invest. Ltd.	12,500,000	12,500,000
Bangladesh Commerce Bank Ltd.	500,000	500,000
Bangladesh Krishi Bank Ltd.	1,000,000	1,000,000
Bank Asia Ltd.	3,700,000	3,200,000
Bank Alfala limited	1,000,000	1,000,000
Dhaka Bank Ltd.	2,721,894	2,221,894
Dutch Bangla Bank Ltd.	2,907,193	2,907,193
Eastern Bank Ltd.	1,000,000	1,000,000
Exim Bank Ltd.	10,885,361	10,885,361
HSBC Limited	1,000,000	1,000,000
IFIC Bank Ltd.	6,000,000	4,000,000
Islami Bank Bangladesh Ltd.	4,019,000	4,019,000
International Leasing Ltd.	1,000,000	1,000,000
Jamuna Bank	1,000,000	-
Janata Bank	1,000,000	1,000,000
Mutual Trust Bank Ltd.	2,000,000	1,000,000
National Bank Ltd.	3,060,750	2,560,750
One Bank Ltd.	5,941,666	6,441,666
Prime Bank Ltd.	7,503,101	8,003,101
Pubali Bank Ltd.	1,000,000	1,000,000
Rupali Bank Ltd.	1,000,000	1,000,000
NCC Bank Ltd.	1,500,000	1,500,000
Oriental Bank Ltd.	4,100,000	4,100,000
Southeast Bank Ltd.	48,711,949	48,711,949
Standard Bank Ltd.	3,500,000	3,500,000
Social Investment Bank Ltd.	500,000	500,000
Shahjalal Bank Ltd.	500,000	500,000
Sonali Bank	500,000	500,000
Trust Bank Limited	1,000,000	500,000
United Commercial Bank Ltd.	1,200,000	1,200,000

<b>149,604,364</b>	<b>143,104,364</b>
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# ASIA INSURANCE LIMITED

## Notes to the Accounts

as at May 31, 2008

### SI Particulars

#### 10 Cash in hand and at bank

The balance is made up as follows :

Short Term Deposit

Note-10.1

43,271,877

41,763,576

Current Deposit

Note-10.2

4,395,142

1,654,421

Cash In Hand

Note-10.3

422,560

303,980

**Total**

**48,089,578**

**43,721,978**

#### 10.1 Short term deposit a/c.

The balance is made up as follows :

Al-Arafa Islami Bank Ltd, Barisal Branch

472,345

1,260,784

Al-Arafa Islami Bank Ltd, Comilla Branch

65,053

3,873,280

Bank Asia Ltd, Imamganj Branch, Dk.

2,214,189

8,335,236

Basic Bank Ltd.JRB

232,530

591,876

Dhaka Bank Limited, Imamgonj branch

695,823

202,946

Dutch Bangla Bank, Narsingdhi Br.

8,504

-

Eastern Bank Ltd, Khatungonj Branch

9,026

2,630,090

Exim Bank Ltd.-Jessore Branch

11,546

1,409,300

IFIC Bank Ltd, Khatungonj Branch

559,780

5,470,195

IFIC Bank Ltd, Sheikh Mujib Road Branch

11,626

3,270,346

Jamuna Bank Ltd, Dilkushal Branch

8,030

11,626

National Bank Ltd, Khulna Br.

16,062

9,026

One Bank Ltd,Principal Branch

489,145

41,137

Oriental Bank Ltd, Imamganj Branch, Dk.

55,540

33,698

Pubali Bank Ltd, Sadarghat Branch, Ctg.

33,698

1,280,502

Pubali Bank Ltd,Kawran Bazar Branch

41,137

465,193

Shajhalal Bank Ltd. Kawran Bazar Branch

2,402,236

110,358

Sonali Bank, Comilla Branch

2,693

8,030

Southeast Bank Ltd , Motijheel Branch

467,716

2,694

Southeast Bank Ltd, Bangshal Branch

668,135

353,845

Southeast Bank Ltd, Imamgonj Branch

243,846

6,106,811

Southeast Bank Ltd, JRB Branch, Ctg.

1,559,578

131,732

Southeast Bank Ltd, Khatungonj Branch

12,985,479

16,062

Southeast Bank Ltd, Principal Branch

9,255,408

1,518,919

Southeast Bank Ltd,Agrabad Branch

790,817

2,973,122

Southeast Bank Ltd,Kawran Bazar Branch

6,725,153

1,404,108

Standard Bank,Topkhana Branch

1,694,513

11,546

Standard Bank,Elephant Road Br Branch

26,705

-

Standard Chartered Bank

1,258,155

55,540

UCB Limited Naryangonj Branch

267,407

185,574

**Total**

**43,271,877**

**41,763,576**



## ASIA INSURANCE LIMITED

### Notes to the Accounts

as at May 31, 2008

#### SI Particulars

#### 10.2 Current deposit account

The balance is made up as follows :

	Taka	
	2008	2007
	as at May 31	as at Dec' 31
Southeast Bank Ltd. Principal Branch	3,824,183	1,054,976
Southeast Bank Ltd. Khatungonj Branch	19,240	43,394
Southeast Bank Ltd. Bangshal Branch	205	3,256
Southeast Bank Ltd. Agrabad Branch	16,802	3,962
Southeast Bank Ltd. Motijheel Branch	25,610	49,050
Standard Bank. Paltan Branch	1,163	437
Dhaka Bank .Imamgonj Branch	516	17
Oriental Bank Ltd.Imamgonj Branch	1,001	1,001
Standard Chartered Bank	464,885	465,385
Shajhalal Bank Limited,Kawran Bazar Br.	1,425	879
UCBL Naryangonj branch	40,112	32,065

Total

**4,395,142** **1,654,421**

#### 10.3 Cash in hand - as certified by the management

The balance is made up as follows :

Head Office	123,656	145,815
Local office	29,406	51,722
Bangshal Branch	9,000	11,506
Khatungonj Branch	6,021	2,197
Imamgonj Branch	27,654	28,144
Comilla Branch	10,643	9,000
Agrabad Branch	56,113	14,103
Motijheel Branch	148,950	25,510
Barishal office	10,000	10,000
Palton Branch	1,117	1,843
Naryangonj Branch	-	4,140

Total

**422,560** **303,980**

#### 11 Stamps in hand

The stamps in hand are lying in the following manner :

Opening balance	84,737	132,083
Add: stamps purchase	3,000,000	7,000,000
	<b>3,084,737</b>	<b>7,132,083</b>
Less : used by under-writing department	2,943,481	7,047,346
Total	<b>141,256</b>	<b>84,737</b>

**ASIA INSURANCE LIMITED**

**Notes to the Accounts**  
as at May 31'2008

**12** Schedule of Fixed Assets

Sl. No.	Particulars	Rate of deprn.	Cost				Depreciation					
			As at 01.01.08	Addition during the period	Disposal Assets	Total as at 31.05.08	As at 01.01.08	Adj. Dur. the period	during the period	Total as at 31.05.08	W.D.V. 31.05.08	W.D.V. 31.12.07
1	Vehicles	20%	9,229,500	1,095,000	-	10,324,500.00	3,480,433		524,714	4,005,147	6,319,353	5,749,067
2	Office Decoration	10%	8,871,914	160,056	-	9,031,970.00	2,651,409	-	525,044	3,176,454	5,855,516	6,220,505
3	Telephone Inst. & PABX System	20%	581,761	9,000	-	590,761.00	305,475	-	23,399	328,873	261,888	276,286
4	Furniture & Fixture	10%	2,931,132	148,484	-	3,079,616.00	918,251	-	173,927	1,092,178	1,987,438	2,012,881
5	Computer, Printer, Fax and Copier	20%	1,870,042	-	-	1,870,042.00	958,156	-	75,990	1,034,147	835,895	911,886
6	Office Equipment	15%	1,225,530	55,890	-	1,281,420.00	478,204	-	64,606	542,810	738,610	747,326
7	Air Conditioner	20%	2,677,724	103,000	-	2,780,724.00	1,381,717	-	112,292	1,494,009	1,286,715	1,296,007
	<b>Total</b>		<b>27,387,603</b>	<b>1,571,430</b>	<b>-</b>	<b>28,959,033.00</b>	<b>10,173,645</b>	<b>-</b>	<b>1,499,973</b>	<b>11,673,618</b>	<b>17,285,415</b>	<b>17,213,955</b>

## SI Particulars

Reserve for exceptional losses is appropriated out of current year profit about 10% of premium earned during the year. The above amount is eligible for tax relief under the 4th schedule.

## ASIA INSURANCE LIMITED

### Notes to the Accounts

as at May 31, 2008

Sl	Particulars	Taka	
		2008 as at May 31	2007 as at Dec' 31
<b>18</b>	<b>General reserve</b>	<b>3,771,100</b>	<b>3,771,100</b>
	<b>Total</b>		
<b>19</b>	<b>Deposit premium</b>		
	This represents the amount of premium deposited with Company against cover notes for which no policies have been issued upto the end of the year. And will be adjusted after issuance of policies.	38,925,119	50,704,886
	<b>Total</b>	<b>38,925,119</b>	<b>50,704,886</b>
<b>20</b>	<b>Estimated liability in respect of outstanding claim whether due or intimated</b>	<b>2008</b>	<b>2007</b>
	The above amount represents as per register of claim produced to us.		
	Fire - Claim intimated Co; portion	9,936,735	6,279,396
	Motor - Claim intimated Co; portion	230,000	584,560
	Marine cargo - Co; portion	14,770,530	11,259,128
	Miscellaneous Co's portion	-	139,911
	Claim intimated recoverable against Fire - SBC portion.	41,206,363	41,440,631
	Claim intimated recoverable against Marin cargo - SBC portion	13929166	3,344,885
	Motor claim intimated SBC portion	350,000	350,000
	<b>Total</b>	<b>80,422,794</b>	<b>63,398,511</b>
<b>21</b>	<b>Amount due to other persons or bodies carrying on insurance business</b>		
	The above amount consists of the following :		
	Amount of re-insurance premium payable to SBC	104,392,805	110,555,819
	Less : amount receivable from SBC on PSB	1,109,050	2,347,212
			108,208,607
	Less: re-insurance premium paid during the year		4,000,000
	<b>Total</b>	<b>103,283,755</b>	<b>104,208,607</b>
<b>22</b>	<b>Proposed Dividend</b>		
	The amount has been apportioned out of surplus available for distribution @ 15% on Paid-up Capital of Tk. 6,00,00,000/- as on 31st December 2007 as per recommendation of the Board. Income tax will be deducted from the proposed dividend when paid as per Income Tax Ordinance, 1984.	-	9,000,000
	<b>Total</b>	<b>-</b>	<b>9,000,000</b>

**ASIA INSURANCE LIMITED**

**Notes to the Accounts**

as at May 31, 2008

**SI Particulars**

	<b>Taka</b>	
	<b>2008</b>	<b>2007</b>
	<b>as at May 31</b>	<b>as at Dec' 31</b>
<b>23 Sundry Creditors</b>		
Dividend Payable	9000000	-
Liability for expenses - Audit fees	100,000	93,083
Taxation reserve	618,693	618,693
VAT payable	2,695,991	2,547,889
Tax deducted at source payable	249814	236,637
Provision for taxation-2003	4,968,780	4,968,780
Provision for taxation-2004	5,018,500	5,018,500
Provision for taxation-2006	6,538,392	6,538,392
Provision for taxation-2007	8,833,548	8,833,548
Provision for taxation-2008	18,164,091	-
Employees P.F Payable	272,469	391,204
Employer's Contribution P.F	272,469	391,204
	<b>56,732,747</b>	<b>29,637,930</b>

Income tax case for the year 2003 and 2004 are yet to be finalized due to appeal and assessment for the year 2007 is under consideration of DCT.

**Premium Income**

The Gross Premium Income from direct business and Govt. business as under:

<b>Class of business</b>	<b>Gross Premium</b>			
	<b>Direct</b>	<b>Govt.</b>	<b>Total 2008</b>	<b>Total 2007</b>
Fire	36,907,232	724,489	37,631,721	83,471,300
Marine cargo	36,658,373	1,671,741	38,330,114	86,300,043
Marine hall	-	114,604	114,604	519,562
Motor	5,708,719	231,560	5,940,279	10,835,568
Miscellaneous	5,746,878	3,953,798	9,700,676	15,488,172
<b>Total</b>	<b>85,021,202</b>	<b>6,696,192</b>	<b>91,717,394</b>	<b>196,614,645</b>

**\* Share of public sector business**

	<b>2008</b>	<b>2007</b>
<b>24 Deferred Tax</b>		
Carrying Value of Fixed Assets	17,285,415	-
Tax Base	14,855,809	-
Taxable Temporary difference	<b>2,429,606</b>	-
Tax Rate	45%	-
Deferred tax liability	<b>1,093,323</b>	-
Deferred tax liability as at 31.05.2008	1,093,322.00	-
Deferred tax liability as at 01.01. 2008	-	-
Deferred tax expenses for the period	<b>1,093,322</b>	-

## ASIA INSURANCE LIMITED

### Notes to the Accounts

for the period ended May 31, 2008

Sl	Particulars	Taka	
		2008 January - May	2007 January - May
<b>25</b>	<b>Expenses of Management</b>		
	Allocation of this expense is made up as follows :		
	Fire	6,999,810	7,625,912
	Marine	7,140,633	5,149,182
	Motor	1,104,941	931,717
	Miscellaneous	1,804,406	602,686
	<b>Total</b>	<b>17,049,790</b>	<b>14,309,497</b>

Management expenses has been charged on revenue account presents approximately @ 18.59% on Gross Premium of Tk.91717394.- (including Govt. business and Share from SBC).

#### Head wise management expenditure is as follows;

Printing & Stationery	208,742
Staff Tea & Refreshment	47,896
Entertainment	67,357
Postage, Stamp & Curier	48,547
Fuel & Lubricant	127,658
Car Maintenance & Fittings	70,390
Car Allowance	967,000
Garage Rent	30,000
Office Maintenance	75,503
Office Equipment Maintenance	130,462
Gas, Water & Electricity	225,906
Telephone Bill-Mobile	356,815
Fax ,E mail & Internet Expenses	14,450
Conveyance Allowance	63,267
Salary & Allowances and Wages	9,293,920
Festival Bonous	10,495
Incentive Bonous	245,621
Salary & Allowance development	1,021,568
TA/DA Allowance - Officials	17,250
Directors TA/DA	186,190
News Paper & Periodicals	12,502
Crocaries & Cutlaries	2,170
Bank Charge	106,662
Training Fee	4,000
Misc. Expenses	22,534
Electrical Maintenance	21,558
Office Rent	1,845,375
Insurance Premium (Office Vehicles)	3,164
Registration Renewal Fee	40,058
Penalty Expenses	920,000
CNG Conversion exp.	49,115
U/W-Insperation Fee	103,029
PSB- Expenses (Management & Business )	676,596
stamp duty consumed	33,990
	<b>17,049,790</b>

**ASIA INSURANCE LIMITED**

**FORM "AA"**

**Classified Summary of Assets**

as at May 31, 2008

**Book value**

**Class of assets**

	<b>Taka</b>	
	<b>2008</b>	<b>2007</b>
National Investment Bond	9,000,000	9,000,000
Investment in share	68,061,879	64,683,179
In Fixed Deposit with Bank	149,604,364	143,104,364
In STD A/c with Bank	43,271,877	41,763,576
In CD A/c with Bank	4,395,142	1,654,422
Cash in Hand	422,560	303,980
Accrued Interest	7,753,217	7,752,684
Outstanding Premium	4,092,438	4,090,957
Amount due from other persons or bodies carrying on insurance business	78,203,788	67,853,774
<b>Other assets</b>		
Fixed Assets	28,959,033	27,387,603
Sundry Debtors	48,468,689	42,999,960
Advance, deposit and pre payments	16,513,303	13,873,074
Security Deposit	790,447	790,447
Stock of Stationery	345,100	360,340
Stamps in Hand	141,256	84,737
Tax deducted at source	6,029,163	5,318,665
<b>Total</b>	<b>466,052,255</b>	<b>431,021,762</b>

**ASIA INSURANCE LIMITED**

**Statement of Ratio Analysis**

**for the year period ended May31, 2008 and year ended December 31, 2007,2006,2005,2004**

Particulars			2008		2007		2006		2005		2004	
			Amount	Ratio	Amount	Ratio	Amount	Ratio	Amount	Ratio	Amount	Ratio
Liquidity Ratio												
1	Current Raio	Current Assets	209,101,533	1.35	185,521,169	1.11	177,702,152	1.09	182,571,517	1.22	146,854,273	1.05
		Current Liability	154,527,148		166,998,708		163,725,976		149,354,634		139,291,292	
2	Quick Ratio	Current Assets -Inventory	208,756,432	1.35	185,160,829	1.11	177,316,644	1.08	181,700,929	1.22	138,237,899	0.99
		Current Liability	154,527,148		166,998,708		163,725,976		149,354,634		139,291,292	
Operating Ratio												
1	Accounts Receivable Turnover Ratio	Gross premium	91,717,394	0.72	196,614,645	1.77	138,814,509	1.18	113,713,246	0.80	90,126,871	0.73
		Receivable	126,672,477		110,853,734		117,310,795		141,648,008		123,031,322	
2	Assets Turnover Ratio	Gross premium	91,717,394	0.20	196,614,645	0.46	138,814,509	0.36	113,713,246	0.31	90,126,871	0.28
		Total Assets	466,052,255		431,021,762		385,350,621		365,304,252		322,164,511	
Profitability Ratio												
1	Gross Margin Ratio	Gross profit	44,207,311	0.48	11,962,505	0.06	15326402	0.11	13,162,949	0.78	10,506,810	0.09
		Gross premium	91,717,394		196,614,645		138,814,509		16825535		113,713,246	
2	Operating Income Ratio	Operating Profit	44,207,311	61.69	11,962,505	9.59	15,326,402	18.89	13,162,949	19.27	10,506,810	23.78
		Total Operating Revenue	71,657,204		124,722,844		81,152,535		68,307,095		44,184,811	
3	Net Income Ratio	Profit after Tax	31,297,411	43.68	23,268,842	18.66	16,106,622	19.85	15,190,775	22.24	12,133,042	27.46
		Total Operating Revenue	71,657,204		124,722,844		81,152,535		68,307,095		44,184,811	
4	Return on Assets Ratio	Profit after Tax	31,297,411	6.72	23,268,842	5.40	16,106,622	5.88	15,190,775	4.16	17,151,542	5.32
		Total Assets	466,052,255		431,021,762		385,350,621		365,304,252		322,164,511	
5	Return on Equity Ratio	Profit after Tax	31,297,411	21.55	23,268,842	20.42	16,106,622	16.16	15,190,775	16.83	12,133,042	14.8
		Share Holders Equity	145,250,580		113,953,169		99,684,327		90,256,305		82,015,830	
6	Earning per Share Ratio	Profit after Tax	31,297,411	52.16	23,268,842	38.78	16,106,622	26.84	15,190,775	25.32	12,133,042	20.22
		No of shares	600,000		600,000		600,000		600,000		600,000	

sd/-

Pinaki & Company  
Chartered Accountants



**AUDITOR'S REPORT IN PURSUANCE OF SECTION 135(1)  
UNDER PARA 24 (1) OF PART II OF THE THIRD SCHEDULE  
OF THE COMPANIES ACT 1994.  
OF  
ASIA INSURANCE LIMITED**

We have audited the financial statement of Asia Insurance Ltd. for the period ended May 31, 2008. We have also examined the statement of accounts of the company for the year ended on December 31, 2004 to December 31, 2007 audited by us in pursuance of section 135 (1) Paragraph 24 (1) of Part-II of the Third Schedule of the Companies Act, 1994 and we report that:

1. The company was incorporated on 30<sup>th</sup> April 2000.
2. The statement of operating result of the Company for the period ended December 31, 2004 to May 31, 2008 has been duly certified by us.
3. We also certify the statement of Assets and Liabilities of the company as of December 31, 2004, 2005, 2006, 2007 and May 31'2008.
4. The company has declared dividend for the year 2004, 2005, 2006 & 2007 at the rate of 10%, 12%, 12% & 15% respectively.
5. The company has no subsidiaries; and
6. No proceeds or part of proceeds of the issue of shares were applied directly by the Company in the purchase of any other business.

Sd/-

**Pinaki & Company**  
Chartered Accountants

ASIA INSURANCE LIMITED

Balance Sheet

as at May 31'2008 and December 31, 2007,2006,2005, 2004,2003 respectively

	2008	2007	2006	2005	2004	2003
	as at May31	as at Dec'31	as at Dec'31	as at Dec'31	as at Dec'31	as at Dec'31
<b>CAPITAL &amp; LIABILITIES</b>						
<b>Share Capital</b>						
Authorised						
30,00,000 ordinary shares						
of Tk. 100/- each	300,000,000	300,000,000	300,000,000	300,000,000	300,000,000	300,000,000
Issued, subscribed and paid-up						
6,00,000 ordinary shares of						
of Tk. 100/- each	60,000,000	60,000,000	60,000,000	60,000,000	60,000,000	60,000,000
<b>Reserve or Contingency account</b>	84,906,664	53,953,169	39,684,327	30,256,305	22,015,830	16,992,788
Reserve for exceptional losses	56,383,258	49,217,538	36,745,254	28,630,000	21,800,000	16,800,000
General Reserve	3,771,100	3,771,100	2,771,100	1,249,700		
Profit & loss appropriation account	24,752,306	964,531	167,973	376,605	215,830	192,788
<b>Balance of fund and account</b>	28,670,319	49,945,014	32,511,980	27,491,160	17,855,088	12,426,889
Fire insurance account	10,621,140	16,088,520	8,863,296	9,120,122	3,518,984	2,893,251
Marine insurance account	13,735,417	28,695,924	15,579,052	13,058,924	10,839,336	7,509,438
Motor insurance account	2,376,112	3,904,864	4,363,448	3,120,523	2,311,142	1,754,767
Miscellaneous insurance account	1,937,650	1,255,706	3,706,184	2,191,591	1,185,626	269,433
<b>Depreciation reserve</b>	11673618	10173645	8,404,606	6,043,712	4,267,199	3,394,834
<b>Deposit premium</b>	38925119	50704886	78,672,806	78,150,570	80,770,903	62,981,273
<b>Liabilities and provisions</b>	183,706,549	167,607,118	134,335,504	137,147,333	120,230,376	70,944,754
Estimated liability in respect of outstanding-claims whether due or intimated	80,422,794	63,398,511	57,802,895	74,420,559	72,735,102	46,823,676
Amount due to other persons or bodies-carrying on insurance business	103,283,755	104,208,607	76,532,609	62,726,774	47,495,274	24,121,078
<b>Proposed dividend</b>		9000000	7,200,000	7,200,000	6,000,000	6,000,000
<b>Sundry creditors</b>						
Including provision for taxation	58,031,381	29,637,930	24,541,398	19,015,172	11,025,115	6,265,556
<b>Total</b>	<b>465,913,650</b>	<b>431,021,762</b>	<b>385,350,621</b>	<b>365,304,252</b>	<b>322,164,511</b>	<b>239,006,094</b>

ASIA INSURANCE LIMITED

Balance Sheet

as at May 31'2008 December 31, 2007,2006,2005, 2004 respectively

	2008	2007	2006	2005	2004	2003
	as at May31	as at Dec'31	as at Dec'31	as at Dec'31	as at Dec'31	as at Dec'31
<b>PROPERTY &amp; ASSETS</b>						
<b>Investment (at actual)</b>	77,061,879	73,683,179	27,086,534	14,261,134	11,401,162	11,861,862
National investment bond	9,000,000	9,000,000	9,000,000	9,000,000	9,000,000	9,000,000
Investment in shares	68,061,879	64,683,179	18,086,534	5,261,134	2,401,162	2,861,162
<b>Outstanding premium</b>	4,092,438	4,090,957	5,966,715	4,530,759	9,458,613	8,493,855
<b>Interest, dividend &amp; rent outstanding</b>	7,753,217	7,752,684	6,676,515	8,959,993	5,513,813	3,851,765
<b>Amount due from other persons or bodies carrying on insurance business</b>	78,203,788	67,853,774	71,833,413	84,059,034	91,407,668	47,661,462
<b>Sundry debtors</b>	48,468,689	42,999,960	45,477,382	57,588,974	31,623,654	44,600,585
<b>Advance, deposit and prepayments</b>	22,403,861	19,191,739	17,922,069	12,956,537	13,636,584	8,870,990
<b>Fixed deposit with bank</b>	149,604,364	143,104,364	153,573,614	149,345,604	130,331,905	85,000,000
<b>Cash in hand and at bank</b>	48,089,578	43,721,978	29,833,467	14,040,975	12,739,183	14,349,193
<b>Stamps in hand</b>	141,256	84,737	132,083	89,657	32,621	1,868,633
<b>Other account</b>	30,094,580	28,538,390	26,848,829	19,471,585	16,019,308	12,448,449
Fixed assets -at cost	28,959,033	27,387,603	25,680,187	18,446,863	15,110,315	11,739,892
Printing and stationery in hand	345,100	360,340	385,508	345,588	201,530	192,507
Security deposit	790,447	790,447	783,134	679,134	407,463	516,050
Pre-operational expenses					300,000	
<b>Total</b>	465,913,650	431,021,762	385,350,621	365,304,252	322,164,511	239,006,094

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Pinaki & Company

Continuation Sheet.....

ASIA INSURANCE LIMITED

Profit and Loss Account

for the period ended May31'2008 and Decembe 31, 2007,2006,2005, 2004 ,2003 respectively

Particulars	2008	2007	2006	2005	2004	2003
	January-May	Jan.-Dec.	Jan.-Dec.	Jan.-Dec.	Jan.-Dec.	Jan.-Dec.
Expenses of management (not Applicable to any particular fund or account)	4,289,338	5,917,852	6,863,161	5,784,067	3,678,791	2,698,943
Promotional expenses	851,415	347,944	1,106,178	915,961	391,905	571,465
Legal and other expenses	95,000	23,000	1,733,240	1,247,120	318,910	286,500
Directors remuneration	90,000	197,500	201,250	175,000	372,250	212,000
Audit fees*	280,317	100,000	100,000	100,000	150,000	50,000
Meeting expenses	181,124	112,292	157,460	59,363	112,419	26,182
Subscription	131,000	215,000	214,000	756,339	275,289	190,000
Lease rental installment	831,630	1,703,585				143,150
Loss on sales of assets			-	-	533,191	-
Advertisement & Publicity	56,410	189,730	531,157	153,771		
Dividend tax			-	600,000		
Employer's contribution PF	272,469	751,656	458,982	-		
Depreciation	1,499,973	2,277,145	2,360,894	1,776,513	1,524,827	1,219,646
Profit for the year transferred to profit and loss appropriation account	50,416,220	32,102,390	22,690,914	20,365,925	17,151,542	15,841,750
	54,705,558	38,020,242	29,554,075	26,149,992	20,830,333	18,540,693

Particulars	2008	2007	2006	2005	2004	2003
	January-May	Jan.-Dec.	Jan.-Dec.	Jan.-Dec.	Jan.-Dec.	Jan.-Dec.
Interest, dividend and rents (not applicable to any particular fund or account)						
Interest received and accrued	7,119,547	20,925,382	14,227,673	10,931,657	9,822,665	10,456,084
Profit or (loss) transferred from	44,207,311	11,962,505	15,326,402	13,162,949	10,506,810	8,084,609
Fire Revenue Account	4,921,510	(18,783,124)	92,735	187,690	3,911,179	9,699,141
Marine Revenue Account	32,628,291	23,412,948	11,931,374	10,844,320	6,678,971	(1,709,948)
Motor Revenue Account	4,512,000	5,377,154	1,325,305	(78,574)	(869,030)	(537,464)
Miscellaneous Revenue Account	2,145,510	1,955,527	1,976,988	2,209,513	785,690	632,880
Miscellaneous Income	3,378,700	813,362	-	2,524	1,518	-
Profit on Sales of shares		4,049,887	-	2,052,862	576,840	-
Profit on Sales of Vehicle		269106				
Total	54,705,558	38,020,242	29,554,075	26,149,992	20,907,833	18,540,693

ASIA INSURANCE LIMITED  
Profit and Loss Appropriation Account  
for the period ended May31'2008 and Decembe 31, 2007,2006,2005, 2004 ,2003, respectively

Particulars	Note	2008	2007	2006	2005	2004	2003
		January-May	Jan.-Dec.	Jan.-Dec.	Jan.-Dec.	Jan.-Dec.	Jan.-Dec.
		7165720	12,472,284	8,115,254	6,830,000	5,000,000	4,800,000
		19462725	8,833,548	6,538,392	5,161,050	5,018,500	4,968,780
			1,000,000	1,000,000	1,000,000		
			-	-	-	1,110,000	-
			9,000,000	7,200,000	7,200,000	6,000,000	6,000,000
			-	-	-	-	-
		24752306	964,531	167,973	376,605	215,830	192,788
Total		51,380,751	32,270,363	23,021,619	20,567,655	17,344,330	15,961,568

Particulars	Note	2008	2007	2006	2005	2004	2003
		January-May	Jan.-Dec.	Jan.-Dec.	Jan.-Dec.	Jan.-Dec.	Jan.-Dec.
Balance brought forward from last year		964531	167973	376605	215,830	192,788	119,818
Net profit for the period ( Transferred from profit and loss account)		50416220	32102390	22645014	20,351,825	17,151,542	15,841,750
Total		51380751	32270363	23021619	20,567,655	17,344,330	15,961,568

**Pinaki & Company**

Continuation Sheet.....

**ASIA INSURANCE LIMITED**  
**Consolidated Revenue Account**

for the period ended May31'2008 and Decembe 31, 2007,2006,2005, 2004 ,2003, respectively

Particulars	Note:	2008	2007	2006	2005	2004	2003
		January-May	Jan.-Dec.	Jan.-Dec.	Jan.-Dec.	Jan.-Dec.	Jan.-Dec.
Claim under policies less re-insurance		23,454,817	36,254,610	11,799,859	13,180,274	7,727,850	(547,444)
Paid during the year		16,780,547	28,342,467	11,420,501	9,333,380	4,074,667	576,512
Total estimated liability in respect of outstanding claim at the end of the whether due or intimated		24,937,265	18,262,995	10,350,852	9,971,494	6,124,600	2,471,417
Less : outstanding at the beginning of the year		18,262,995	10,350,852	9,971,494	6,124,600	2,471,417	3,595,373
Agency commission		15,171,322	31,140,563	20,683,964	10,314,562	-	3,219,465
Expenses of management		17,049,790	43,517,547	41,668,862	30,953,881	29,523,528	30,077,184
Commission on re-insurance accepted			-	-	-	-	-
Balance of account at the end of the year as shown in the balance sheet							
(Reserve for un-expired risk for the year)		28,670,319	49,945,014	32,511,980	27,491,160	17,855,088	12,426,889
<b>Profit / (loss) transferred to profit &amp; loss account</b>		44,207,311	11,962,505	15,326,402	13,162,949	10,506,810	8,084,609
Fire insurance		4,921,510	(18,783,124)	92,735	187,690	3,911,179	9,699,141
Marine insurance		32,628,291	23,412,948	11,931,374	10,844,320	6,678,971	(1,709,948)
Motor insurance		4,512,000	5,377,154	1,325,305	(78,574)	(869,030)	(537,464)
Miscellaneous insurance		2,145,510	1,955,527	1,976,988	2,209,513	785,690	632,880
		128,553,559	172,820,239	###	95,102,826	65,613,276	53,260,703

Particulars	2008	2007	2006	2005	2004	2003
	<i>January-May</i>	<i>Jan.-Dec.</i>	<i>Jan.-Dec.</i>	<i>Jan.-Dec.</i>	<i>Jan.-Dec.</i>	<i>Jan.-Dec.</i>
Balance of account at the beginning of the year	49945014	32511980	27,491,160	17,855,088	12,426,889	14,128,535
Premium less re-insurance	71657204	124722844	81,152,535	68,307,095	44,184,811	30,629,297
Commission on re-insurance ceded	6951341	15585415	13,347,372	8,940,643	9,001,576	8,502,871
<b>Total</b>	128,553,559	172,820,239	###	95,102,826	65,613,276	53,260,703

ASIA INSURANCE LIMITED

Cash flows statement  
for the period ended May 31'2008 and December 31, 2007,2006,2005, 2004, 2003 respectively

Particulars

	Taka					
	2008	2007	2006	2005	2004	2003
	January-May	Jan.-Dec.	Jan.-Dec.	Jan.-Dec.	Jan.-Dec.	Jan.-Dec.
A. Cash flow from operating activities	70,904,324	169,665,862	46,757,826	30,209,449	53,539,613	49,388,524
Cash receipts from customers	78,608,545	140,308,259	94,499,907	77,247,738	70,011,259	32,675,093
Cash payment for business		813,362	(76,967,612)	(57,220,727)	11,161,547	-
Taxation	-	-	-	-	(4,718,792)	(7,013,927)
Interest received	7,119,547	20,925,382	14,227,673	10,931,657	9,822,665	10,418,767
(Increase)/Decrease in other current assets	(19,074,158)	1,020,901	20,032,857	(16,627,730)	(32,478,125)	(717,114)
Increase/ (Decrease) in other current liabilities	4,250,390	6,597,958	(3,301,759)	17,125,631	(258,941)	13,496,538
Lease rental			(1,733,240)	(1,247,120)	-	529,167
B. Cash flow from investing activities	(1,571,430)	(44,493,174)	(19,537,324)	(3,893,958)	(3,819,236)	(3,838,260)
Investment	(1,571,430)	(46,596,645)	(12,304,000)	(2,610,272)	-	(460,000)
Purchase of fixed assets	-	(2,372,416)	(7,233,324)	(3,336,548)	(5,104,076)	(3,340,260)
Deferred IPO expenses				-	(300,000)	-
Sale of fixed assets	-	426,000		-	548,000	-
Sale of shares	-	4,049,887		2,052,862	1,036,840	-
Printing and stationery in hand				-	-	(1,250)
Security deposits				-	-	(36,750)
C. Cash flow from financial activities	-	(7,200,000)	(7,200,000)	(6,000,000)	(5,998,482)	(5,100,000)
Share capital					-	-
Dividend paid	-	(7,200,000)	(7,200,000)	(6,000,000)	(6,000,000)	(5,100,000)
Miscellaneous income					1,518	-
D. Cash and cash equivalents (A+B+C)	69,332,894	117,972,688	20,020,502	20,315,491	43,721,895	40,450,264
E. Closing cash and cash equivalents	370,712,663	301,379,769	183,407,081	163,386,579	143,071,088	99,349,193
F. Opening cash and cash equivalents	301,379,769	183,407,081	163,386,579	143,071,088	99,349,193	93,412,281
	69,332,894	117,972,688	20,020,502	20,315,491	43,721,895	5,936,912

## **ADDITIONAL DISCLOSURE BY THE AUDITOR**

### **1) Deferred Tax**

Deferred Tax has been calculated for the period ended May 31, 2008 in compliance to BAS – 12.

### **2) Provision for Tax**

Provision for Income tax has been made in accordance with the best estimate of the Management based on the prevailing Income Tax Law.

#### **Basis of calculation:**

Net profit – exceptional loss- capital gain in share- lease rental+ depreciation  
 adjustment X tax rate =  $50554825 - 7165720 - 3378700 - 138605 + 492847 = 40364647 \times 45\%$   
 = 18164091

### **3) Investment in Shares**

Market price of investment in shares as per requirement Para 19 Of BAS – 25 have been shown as under.

Name of the Company	31.05.2008				Market Value as on 31-05-2008
	Face Value Per Share	No. Of Shares	Acquisition Cost	Market Rate	Market Price
	(Taka)		(Taka)	(Taka)	(Taka)
Southeast Bank Ltd.	100	113550	51657319.00	438.50	49791675.00
Jamuna Bank Ltd.	100	13000	5059600.00	294.75	3831750.00
NCC Bank Ltd.	100	18000	7966260.00	393.50	7083000.00
<b>Bonus</b>					
Southeast Bank Ltd.	100	28387	0	438.50	12447700.00
NCC Bank Ltd.	100	5400	0	393.50	2124900.00
<b>Total</b>		<b>178,337</b>	<b>64,683,179.00</b>		<b>75,279,025.00</b>

Book value has been taken into consideration in valuation of investment in shares.



**4) Section 3C of Insurance Act – 1938**

The Company complied with the section 3C of Insurance Act, 1938 as applicable.

**5) Section 27(A) of Insurance Act – 1938.**

Optimum investment of the Company for the period ended May 31, 2008 calculated by the management as per Section 27(A) of Insurance Act – 1938 are as follows: -

<u>Particulars</u>	<u>Amount (in Taka)</u>
<b>Liabilities (as per sub section – 2)</b>	
A. Net Claim Outstanding	8,04,22,794
B. 40% of Net Premium (Marine Cargo, Fire, Motor & Misc)	2,86,45,527
C. 100% of Net Premium (Marine Hull)	12,396
D. Due to other Insurance Company (Net)	2,50,79,967
E. Reserve for Taxation	4,52,35,327
F. Sundry Creditors (Excluding Share Capital General Reserve, Investment Reserves, Reserves For Bad & doubtful debts and Depreciation Fund)	1,25,90,743
<b>Total Liabilities (A to F)</b>	<b>19,19,86,754</b>
<b>10% of Net Premium</b>	<b>71,65,720</b>
<b>Higher one is optimum investment as per section 27A of Insurance Act 1938 (a)</b>	<b>19,19,86,754</b>
<b>Actual Investment as at December 31, 2007 {As per Section 27A (3) }</b>	
National Investment Bond (NIB)	90,00,000
FDR	14,96,04,364
Investment in Shares (at cost)	6,80,61,879
<b>Total Actual Investment (b)</b>	<b>22,66,66,243</b>
<b>Excess in Investment (b – a)</b>	<b>3,46,79,489</b>

**6) Section 27B of Insurance Act, 1938**

The Company has only invested against purchase of shares as disclosed under note 3 of the audited accounts, which is not related to any director or any members of the family of any of the director or has any Interest as proprietor, partner, Director, Manager or Managing Agent.

**7) Section 29 of the Insurance Act, 1938**

The Company did not grant any loan to any Director or any member of the family of any Director. Banking Company, Subsidiary Company and Auditor any loan or temporary advance either and hypothecation or property or a personal security or otherwise. The company has always complied with the Section 29 of Insurance Act, 1938 as applicable.

**8) Compliance to Security & Exchange Rules – 1987.**

In our opinion, the financial statements have been prepared and audited in adherence to the provision of the 'Securities and Exchange Rules 1987' for the year ended on 31, December 2007.

**9) Calculation of General Reserve**

<b>General Reserve</b>	<b><u>Taka</u></b> <i>As at May 31'2008</i>	<b><u>Taka</u></b> <i>As at Dec 31' 2008</i>
Opening Balance	37,71,100	27,71,100
Out of Profit		10,00,000
<b>Total</b>	<b><u>37,71,100</u></b>	<b><u>37,71,100</u></b>

**10) Contingent liability**

The company has no contingent liability as per information given by the management of all

**11) Calculation of Earning Per Share (EPS) as per IAS - 33**

Particulars	31-05-08	31-12-07	31-12-06
Earning attributable to the Ordinary Share Holders (Net profit after Tax as per Profit and Loss A/c Tk.)	3,12,97,411	23,268,842	16,106,622
Weighting average number of ordinary shares outstanding during the year.	600,000	600,000	600,000
<b>Earning Per Share (EPS)</b>	<b>52.16</b>	<b>38.78</b>	<b>26.84</b>

**12) Related Party Transaction (BAS – 24)**

During the period ended May 31'2008 the company did not carry out any related party transaction in accordance with BAS – 24. Related party disclosure is enclosed herewith.

**Name of the Directors and their interest in the company stated below:**

Sl.	Name of Sponsors	Status	Class of Share	No of Shares Subscribed	Percentage
1.	<b>Yussuf Abdullah Harun,FCA</b>	Chairman	Ordinary	24,000	4 %
2.	Mohammad Jamal Ullah	Vice-Chairman	Ordinary	60,000	10%
3.	Abdul Bashar Chowdhury	Director	Ordinary	60,000	10%
4.	<b>Alamgir Kabir,FCA</b>	Director	Ordinary	96,000	16%
5.	Md. Jahangir Alam	Director	Ordinary	60,000	10%
6.	Mahbubul Alam Talukder	Director	Ordinary	60,000	10%
7.	Mrs. Khaleda Begum	Director	Ordinary	60,000	10%
8.	Mrs. Farzana Afroze	Director	Ordinary	60,000	10%
9.	Mohammed Mustafa Haider	Director	Ordinary	120,000	20%
	<b>Total</b>			<b>600,000</b>	<b>100%</b>

**Name of the Directors and their position in different entities:**

Sl.	Name and Permanent address	Age	Rank in ALL	Name of the Company where he/she is also a Director or Partner	
1	Yussuf Abdullah Harun,FCA Incontrad T.K Bhaban 11th Floor 13, Karwan bazar,Dhaka-1215	60+ years	Chairman	Incontrad,	Managing Partner
				Insoft Systems Ltd.	Chairman
				Insoft Ltd.	Chairman
2	Mohammed Jamal Ullah Bismillah Store 263, Khatungang, Chittagong	51+ years	Vice-Chairman	Bismillah Store,	Proprietor
				Silver Dal Mills Ltd.,	M.D.
				Ishfar Oil Mills Ltd.,	M.D.
				Rupali Soap & Chemical Ind.(Pvt.)Ltd.,	MD
				Silver Coconat Oil Mills Ltd.,	M.D.
3	Abul Bashar Chowdhury Mashud & Brothers Dhaka Building 34 Chand Miah Lane Khatungonj ,Chittagong	46+ years	Director	Mashud & Brothers,	Proprietor
				Modern Hatchery Ltd.,	Chairman
				Modern Poly Industry Ltd.,	Chairman
				Mutual Shipping Ltd.,	Chairman
				Ruby food Products Ltd.,	Chairman
				Modern Fiber Industries Ltd.	Chairman
				Happy Enterprise,	Proprietor
4	Alamgir Kabir,FCA 226, Dilu Road, New Eskaton, Dhaka.	60+ years	Director	South East Bank Ltd.	Chairman
5	Md.Jahangir Alam Jahangir & Others Limited 325,Asadgonj Chittagong.	45+ years	Director	M.I Cement Factory Ltd.,	Chairman
				Metal Marketing (Pvt.) Ltd.,	M. D.
				Indo Steel Re-Rolling Ind. Ltd.	M. D.
				Chittagong Capital Ltd.	M.D
				Jahangir & Others Limited,	M.D
				GPH Ispat Ltd	M. D.
				GPH power Generation Ltd	M. D.
				Crown power Generation Ltd	Chairman
				Premier power Generation Ltd	Director
				Premier Cement Mills Ltd	Director
6	Mahbubul Alam Talukder Alam Trading Corporation 173,Badsha Market Khatungonj ,Chittagong	50+ years	Vice-Chairman	Alam Trading Corporation.	Proprietor

Sl.	Name and Permanent address	Age	Rank in All	Name of the Company where he/she is also a Director or Partner
7	Mrs. Khaleda Begum 83,Khatungonj , Chittagong	48+ years	Director	Director of the following companies  T.K Gas & Gas Cylinder Ltd. T.K particle Board Mills (pvt.)Ltd. T.K. Chemical Complex Ltd., N.R. Steel Galb Plant (Pvt.) Ltd., Polytex Yearn Product Ltd., Riff Lather Limited Marshal Oil Ltd., Bengle Mines development Corporation Ltd. Bengal Sack Corporation Ltd. Ching Hung Fibers Ltd. Papyea Chemicals Ind.Ltd., Samuda Containers Ltd., Progressive Containers Ltd., Ranga pani Tea State Shabnam Vegetable Oil Industry Ltd., Super Coconut Oil Products Ltd.,
8	Mrs. Farzana Afroze 427 Muradpur, Chittagong	28+ years	Director	Samuda Chemical Complex Ltd. Chairperson
9	Mohammad Mustafa Hider 7,Paribagh Dhaka.	29+ years	Director	Samuda Chemical Complex Ltd. Director

### 13) Operating Lease

The Company purchase two (02) motor vehicles by taking loan from leasing companies and have been maintained and prepared as per BAS-17 (lease financing) The lease assets acquired under lease have not capitalized. Lease rentals have been charged as expenses. Details of operating lease of vehicles are shown below:

Particulars	Car No <u>116706</u>	Car No <u>195180</u>
Total lease amount	2737325	1100000
Lease Deposit	98280	40325
Monthly Installments	98280	40325
Total Number of Installment	36	36
Nos.of Installments paid up to 31.05.08	35	18
Amount paid to 31.05.08	3439800	725850
Nos.of Installments to be paid	01	18
Balance amount to be paid	98280	725850

An amount of Tk. 693,025 is charged as lease rental installment under the head of **Expenses of Management** being calculated as follows:

Monthly Installment	(Tk.98280+Tk.40325)= Tk.138,605
Number of month	5
Total expenses	(Tk.138,605 X 5)= Tk.693,025

**14) Summary of cheques in hand is as under:**

**Summary of Cheques in Hand as on 31st May - 2008**

Sl. No	Name of the Client	Premium	Remarks
1	GPH Ispat Ltd.	1,422,565.00	
2	GPH Power Generation Ltd	1,485,264.00	
3	Karnafully Galvanizing Mills Ltd	1,954,617.00	
4	Musa & Sons	3,109,523.00	
5	Premier Cement Mills Ltd.	2,807,058.00	
6	Samuda Chemical Complex Ltd.	3,836,846.00	
7	Samuda Power Limited	1,269,482.00	
8	Shabnam Vegetable Oil Industries Limited	701,316.00	
9	Super Board Mills Ltd.	523,617.00	
10	Super Oil Refinery Ltd	3,091,636.00	
11	T.K. Chemical Complex Ltd	1,181,611.00	
	<b>Total</b>	<b>21,383,535.00</b>	

15) Detailed schedule of collection of outstanding premium is shown below:

**Collection of outstanding premium**

Sl. No.	Date	Document no.	Name of the Insured	Premium			
				Net	VAT	S.D.	Total
1	31.07.07	AIL/HO/IAR/P-06/07/07(CO-INS)	Metro Spinning Ltd.	949,640.00	142,446.00		1,092,086.00
2	05.06.07	AIL/HO/IAR/P-04/06/07(CO-INS)	Tele Barta Ltd	579,020.00	86,853.00		665,873.00
3	30.09.07	AIL/HO/FP-372/09/2007	The Padma Plastic Industries	24,210.00	3,631.50		27,841.50
4	01.10.07	AIL/HO/FP-386/10/2007	Southeast Bank Ltd	44,367.00	6,655.00		51,022.00
5	26.11.07	AIL/HO/FP-451/11/2007	Shahin Traders.	15,519.00	2,327.50	-	17,846.50
6	31.01.2007	AIL/HO/FP-040/01/2007	M/s. Mystic Pharmaceuticals Ltd.	374,464.00	56,170.00		430,634.00
7	29.07.2007	AIL/HO/FP-294/07/2007	M/s. Asha Readywear (Pvt.) Ltd.	113,400.00	-		113,400.00
8	18.11.2007	AIL/HO/FP-439/11/2007	M/s. Max Fabrics Ltd.	168,750.00	25,313.00		194,063.00
9	07.06.2007	AIL/HO/IAR/P-005/06/2007(Co-Ins.)	M/s. Maksons Spinning Mills Ltd.	1,488,237.00	-		1,488,237.00
10	30.12.2007	AIL/HO/FP-501/12/2007	M/s. Stampford University Bangladesh	176,645.00	26,497.00		203,142.00
<b>Total</b>				<b>3,934,252.00</b>	<b>349,893.00</b>	<b>-</b>	<b>4,284,145.00</b>
PSB				158,186.00	-		158,186.00
<b>Grand Total</b>				<b>4,092,438.00</b>	<b>349,893.00</b>	<b>-</b>	<b>4,442,331.00</b>

16) Statement of Co-insurance share of premium recoverable is shown below:

**Statement Showing Co-Insurance Share of Premium Recoverable as at 31st May-2008**

Name of the Leader	Leader's Document Number	Insured Name	AIL Doc. No.	% of AIL Share	Net Premium (AIL)	Deposited Position	M.R. No.	Remarks
Islami Insurance	IIBL/KTG/MC-084/04/2006	M/s. Abul Khair Ltd.	AIL/CTG/KTG/MC-133/04/2006	40%	67,414.00			
Green Delta Insurance Co. Ltd.	GDI/PBC/12/2006/MAR/Addn/0241	M/s. Shah Cement Industries Ltd.	AIL/CTG/KTG/M/Addn-152/12/2006 (MC-539/12/2006)	40%	4,034.00			
Green Delta Insurance Co. Ltd.	GDI/PBC/12/2006/MAR/C/1382	M/s. Star Syndicate	AIL/CTG/KTG/MC-564/12/2006	18%	92,922.00	10.02.08	30846 Dt. 10.02.08	
Green Delta Insurance Co. Ltd.	GDI/PBC/12/2006/MAR/C/1385	M/s. Star Syndicate	AIL/CTG/KTG/MC-565/12/2006	18%	85,774.00	10.02.08	30847 Dt. 10.02.08	
Green Delta Insurance Co. Ltd.	GDI/PBC/12/2006/MAR/C/1391	M/s. Smile Food Products	AIL/CTG/KTG/MC-571/12/2006	30%	240,129.00	13.02.08	30859 Dt. 13.02.08	
					<b>490,273.00</b>			
United Insurance Co. Ltd.	UIC/KTG/MC/AMDT-0229/12/2006	M/s. Bagdad Trading Company	AIL/CTG/AGB/MC-169/12/2006	30%	94,112.00	04.02.08	31683 Dt. 04.02.08	
					94,112.00			
					<b>584,385.00</b>			
PHOENIX INSURANCE CO. LTD	PH/NGJ/FP-036/05/07 (CO-INS)	M/S. TAMIJUDDIN TEXTILE MILLS LTD	AIL/HO/FP-0221/06/2007(CO-INS)	5%	19,028.00			
PHOENIX INSURANCE CO. LTD	PH/NGJ/FP-037/05/07 (CO-INS)	M/S. TAMIJUDDIN TEXTILE MILLS LTD	AIL/HO/FP-0222/06/2007(CO-INS)	5%	15,311.00			
PHOENIX INSURANCE CO. LTD	PH/NGJ/FP-038/05/07 (CO-INS)	M/S. TAMIJUDDIN TEXTILE MILLS LTD	AIL/HO/FP-0223/06/2007(CO-INS)	5%	7,387.00			
PRAGATI INSURANCE LTD	PIL/MRB/FP-0141/11/07(CO-INS)	M/S. PROCHESTA KNIT TEXTILE LTD	AIL/HO/FP-0486/12/2007(CO-INS)	49%	31,752.00	Recovery July-08		
					<b>73,478.00</b>			
Green Delta Ins.Co. Ltd	GDI/PBC/01/2007/MAR/C/0012	M/s. Mitali Agency	MC-29/01/07	30%	217,682.00	Outstanding		
Green Delta Ins.Co. Ltd	GDI/PBC/05/2007/MAR/C/0519	M/s. A. K. Corporation	MC-193/05/07	35%	127,549.00	Outstanding		
United Insurance Co. Ltd	UIC/KTG/MC-0072/05/07	M/s. A. K. Corporation	MC-232/05/07	30%	46,787.00	02.03.2008	30900 Dt. 02/03/08	
Green Delta Ins.Co. Ltd	GDI/PBC/01/2007/MAR/ADDEN/0005	M/s. Star Syndicate	MC/A-18/01/07	18%	8,578.00			
Green Delta Ins.Co. Ltd	GDI/PBC/01/2007/MAR/ADDEN/0006	M/s. Smile Food Products	MC/A-19/01/07	30%	16,249.00			
Green Delta Ins.Co. Ltd	GDI/PBC/01/2007/MAR/ADDEN/0004	M/s. Star Syndicate	MC/A-23/02/07	18%	9,293.00			
Green Delta Ins.Co. Ltd	GDI/PBC/01/2007/MAR/ADDEN/0013	M/s. Mitali Agency	MC/A-24/02/07	30%	21,768.00			
United Insurance Co. Ltd	UIC/KTG/MC/AMDT-0023/06/07	M/s. A. K. Corporation	MC/A-80/06/07	30%	4,678.00	02.03.2008	30900 Dt. 02/03/08	
Green Delta Ins.Co. Ltd	GDI/PBC/08/2007/MAR/ADDEN/0084	M/s. A. K. Corporation	MC/A-115/08/07	30%	9,056.00			
Green Delta Ins.Co. Ltd	GDI/PBC/10/2007/MAR/ADDEN/00113	M/s. A. K. Corporation	MC/A-129/10/07	30%	18,375.00			
Green Delta Ins.Co. Ltd	GDI/PBC/06/2007/MAR/ADDEN/0063	M/s. A. K. Corporation	MC/A-82/06/07	35%	12,755.00			
Green Delta Ins.Co. Ltd	GDI/PBC/07/2007/MAR/C/0794	M/s. A. K. Corporation	MC-310/07/07	30%	90,561.00			
Green Delta Ins.Co. Ltd	GDI/PBC/10/2007/MAR/C/1131	M/s. A. K. Corporation	MC-437/10/07	10%	2,166,370.00			
Phoenix Insurance Co. Ltd	PH/AGB/MC-436/11/07	M/s. Abul Khair Ltd.	MC-455/11/07	28%	57,796.00			
Pragati Insurance Ltd	PIL/KTJ/MC-0025/10/2007	M/s. Bangladesh Steel Re-Rolling Mills Ltd.	MC-467/11/07	15%	37,523.00	16.03.2008		
					<b>2,845,020.00</b>			
Green Delta Ins. Co. Ltd.	GDI/IMG/08/2007/FIR/P-0074 (C-i)	Prime Textile Spinning Mills		10%	45,300.00	Recovery on 18.02.2008		
					<b>45,300.00</b>			
Green Delta Ins.Co. Ltd	GDI/PBC/11/2007MAR/C/1253(Co-Ins)	M/s. Confidence Cement Ltd.	AIL/AGB/MC-349/11/2007(Co-ins)	25%	17,673.00	26.11.2007	29957	
Green Delta Ins.Co. Ltd	GDI/PBC/-07/2007/IAR/E/0009(Co-Ins)	M/s. Confidence Cement Ltd.	AIL/AGB/IAR/P/Endt-001/07/2007 (Co-In)	15%	8,777.00	28.07.2008	34809	
Green Delta Ins.Co. Ltd	GDI/PBC/12/2007MAR/C/1269(Co-Ins)	M/s. Confidence Cement Ltd.	AIL/AGB/MC-362/12/2007(Co-ins)	20%	43,483.00	05.12.2007	29975	
Green Delta Ins.Co. Ltd	GDI/PBC/12/2007MAR/ADDEN/0135(Co-Ins)	M/s. Confidence Cement Ltd.	AIL/AGB/MC/ADD-93/12/2007(Co-ins)	20%	1,449.00	17.12.2007	30006	
					<b>71,382.00</b>			
					<b>3,619,565.00</b>			

**17) Certificate regarding Sundry Debtors**

**TO WHOM IT MAY CONCERN**

This is to confirm that Sundry Debtors as appearing in the Balance Sheet of Asia Insurance Ltd. as at May 31, 2008 is fully secured. By this time Tk. 27,085,154/- has been realized and no amount is due from Directors and Officers of the Company in the said amount.

Dated: 06-11-2008

Sd/-  
Pinaki & Company  
**Chartered Accountants**

**18) Certificate regarding compliance of Section 3(C) of the Insurance Act 1938**

**TO WHOM IT MAY CONCERN**

This is to confirm that the advance cheques amounting to Tk. 4,84,68,689/- being taken as security from various parties under the Head Sundry Debtors shown in the accounts of Asia Insurance Limited for the period ending 31 - 05 - 08 has been found duly encashed and credited into the account at a subsequent period and also confirm that the above Company complied Section 3(C) of the Insurance Act 1938 with regard to collection of premium.

Dated: 22-01-2009

Sd/-  
Pinaki & Company  
**Chartered Accountants**



## **ADDITIONAL DISCLOSURE BY THE MANAGEMENT**

- 1) Statement of Fixed Deposit Receipt of different banks for deposit of Paid-Up- Capital of Tk.6.00 core is shown below:

### **Schedule of Capital Fixed Deposit Accounts with different Banks**

<b>SL. No</b>	<b>Name of bank</b>	<b>Unit</b>	<b>TK.</b>
1	Southeast Bank Ltd.	7	25,000,000
2	Exim Bank Ltd.	1	1,000,000
3	Prime Bank Ltd.	2	2,000,000
4	One Bank Ltd.	3	2,000,000
5	IFIC Bank Ltd.	2	1,000,000
6	Basic Bank Ltd.	1	1,000,000
7	Islami Bank Ltd.	3	2,000,000
8	Dutch Bangla Bank Ltd.	3	2,000,000
9	Eastren Bank Ltd.	2	1,000,000
10	Oriental Bank Ltd.	2	2,000,000
11	Bank Asia Ltd.	1	1,000,000
12	Dhaka Bank Ltd.	2	1,000,000
13	Sonali Bank Ltd.	1	500,000
14	Bangladesh Krishi Bank.	1	1,000,000
15	Agrani Bank Ltd.	1	1,000,000
16	Janata Bank Ltd.	2	1,000,000
17	Rupali Bank Ltd.	1	1,000,000
18	Pubali Bank Ltd.	1	1,000,000
19	Al-Arafa Islami Bank Ltd.	1	1,000,000
20	AB Bank Ltd.	1	1,000,000
21	NCC Bank Ltd.	1	1,500,000
22	National Bank Ltd.	2	1,000,000
23	Bangladesh Bank (NIB)	1	9,000,000
	<b>Total-</b>		<b>60,000,000</b>

2) In Jan-May-2008 consolidated revenue account, the balance of account transfer reserve for unexpired risk has been increased considerable by Tk.1,74,33,034/- from the previous year account. Thereby profit in appropriation account has also been increased by Tk.1,84,52,435 in May 2008 account. Moreover, no dividend has been proposed for five months account in 2008. This is the reason for increasing the balance of "Profit and Loss Appropriation account by Tk.2.41 crore.

3) Penalty amount imposed for non-compliance of going to Public Offering in time up to 30.11.2008 is Tk. 18,77,000.00(Eighteen lac and seventy seven thousand) have already been deposited to Bangladesh Bank.

4) Statement showing transfer of shares from beginning to till date has been shown below:

# ASIA INSURANCE LIMITED

Head Office: T.K. Bhaban (7<sup>th</sup> Floor), 13, Karwan Bazar, Dhaka-1215  
Share status of the Company from the beginning to till now

Sl No	Name of the Sponsor Share Holder Directors	Status of the formation of the Company	Number of Shares	Shares Transferred	Shares Receiver's	Number of Shares Received	Transfer approval of the Chief Controller	Present Share Holding position	Present Status	Page No.	Remarks
1	Mr. Md. Mir Hussain Chowdhury	Director	1,10,000	1,10,000	Mrs. Khaleda Begum	60,000	প্র:বী:নি: ৭০/৭/২০০২-১৬৮৯, তারিখ: ০৪.১১.২০০৩ইং	Nil	Nil		
					Mrs. Farzan Afroz	50,000	প্র:বী:নি: ৭০/৭/২০০২-১৬৮৯, তারিখ: ০৪.১১.২০০৩ইং				
2	Mr. A.F.M. Solaimam Chowdhry	Director	1,10,000	1,10,000	Mr. Mohammad Mustafa Haider	1,10,000	প্র:বী:নি: ৭০/৭/২০০২-১৬৮৯, তারিখ: ০৪.১১.২০০৩ইং	Nil	Nil		
3	Mrs. Ayesha Akhter	Director	1,10,000	50,000	Mr. Yussuf Abdullah Harun	50,000	প্র:বী:নি: ৭০/৭/২০০২-১২৬৬, তারিখ: ০৭.০৮.২০০৩ইং	Nil	Nil		
			60,000	60,000	Mr. Alamgir Kabir	60,000	প্র:বী:নি: ৭০/৭/২০০২-১০৯০, তারিখ: ২০.০৮.২০০৬ইং				
4	Mr. Md. Jahangir Alam	Director	60,000	-	-	-	-	60,000	Director		
5	Mr. Mahbubul Alam Talukder	Director	60,000	-	-	-	-	60,000	Director		
6	Mr. Abul Bashar Chowdhury	Director	90,000	30,000	Mrs. Farzan Afroz	10,000	প্র:বী:নি: ৭০/৭/২০০২-১৬৮৯, তারিখ: ০৪.১১.২০০৩ইং	60,000	Director		
					Mr. Mohammad Mustafa Haider	10,000	প্র:বী:নি: ৭০/৭/২০০২-১৬৮৯, তারিখ: ০৪.১১.২০০৩ইং				
					Mr. Yussuf Abdullah Harun	10,000	প্র:বী:নি: ৭০/৭/২০০২-১২৬৬, তারিখ: ০৭.০৮.২০০৩ইং				
7	Mr. Md. Jamal	Director	60,000	-	-	-	-	60,000	Director		
8	Mr. Yussuf Abdullah Harun		After share receiving 60,000	36,000	Mr. Alamgir Kabir	36,000	প্র:বী:নি: ৭০/৭/২০০২-৫৬৫, তারিখ: ২১.০৪.২০০৮ইং	24,000	Director		
9	Mrs. Farzan Afroz		After share receiving 60,000	-	-	-	-	60,000	Director		
10	Mr. Mohammad Mustafa Haider		After share receiving 1,20,000	-	-	-	-	1,20,000	Director		
11	Mrs. Khaleda Begum		After share receiving 60,000	-	-	-	-	60,000	Director		
12	Mr. Alamgir Kabir		After share receiving 96,000	-	-	-	-	96,000	Director		
					86						

# CREDIT RATING REPORT ON Asia Insurance Limited

**REPORT: RR/181/08**

**Address:**

CRISL  
Nakshi Homes  
(4<sup>th</sup> Floor),  
6/1A, Segunbagicha,  
Dhaka-1000  
Tel: 7173700-1  
Fax: 88-02-9565783  
Email:  
crisl@bdonline.com

*This is a credit rating report as per the provisions of the Credit Rating Companies Rules 1996. CRISL's Claim Paying Ability Rating for General insurance companies is valid for one year only. After the above period, this rating will not carry any validity unless the company goes for rating surveillance.*

	Claim Paying Ability
<b>Current Rating</b>	<b>BBB+</b>
<b>Previous Rating</b>	<b>BBB+</b>
<b>Date of Rating</b>	April 24, 2008
<b>Outlook</b>	Positive

**Analysts:**

Khaled M. Raihan  
Nikson Kanti De

**Claim Paying Ability  
Rating: BBB+**

**Outlook : Positive**

**Rating: Based on  
financials up to  
December 31, 2007**

**ASIA INSURANCE  
LIMITED**

**PRINCIPAL ACTIVITY**  
General Insurance

**INCORPORATED ON**  
April 30, 2000

**BOARD CHAIRMAN**  
Mr. Yussuf Abdullah  
Harun

**MANAGING DIRECTOR**  
Mr. Md. Ezhar Hossain  
(ABIA)

**GROSS PREMIUM**  
TK. 196.61 million

## 1.0 RATIONALE

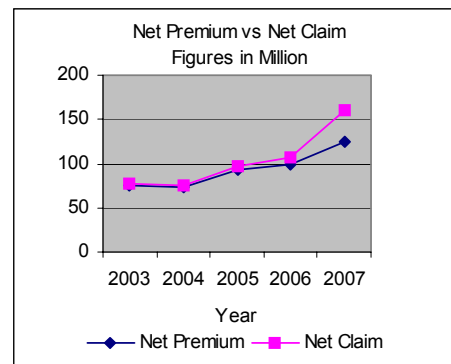
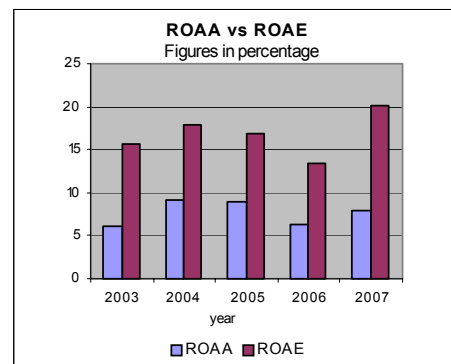
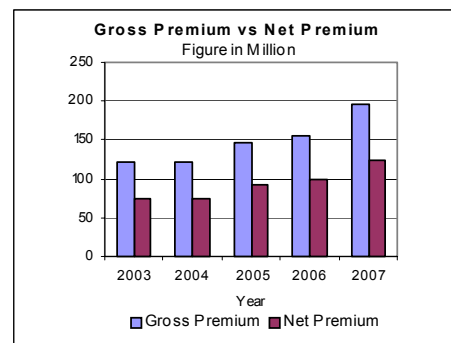
CRISL reaffirmed BBB+ (pronounced as "Triple B plus") Claim Paying Ability (CPA) rating to Asia Insurance Limited based on financials up to December 31, 2007 and other relevant qualitative information. The above rating has been done on the basis of its consistent fundamentals such as satisfactory solvency, good financial performance, considerable in-house business etc. The above factors are, however, moderated to some extent by downturn in underwriting profit, inadequate internal control tools, limited market exposure etc. CPA rating in this category is adjudged to offer good claim paying ability with good protection factors. However, changes in underwriting and/or economic conditions are likely to have impact on capacity to meet policyholder obligation than insurers in higher rated categories.

CRISL also viewed the company with "positive outlook" for its prospective business growth as well as initiative of off-loading shares in the market.

## 2.0 PREVIOUS RATING

CRISL earlier assigned BBB+ (pronounced as "Triple B plus") Claim Paying Ability (CPA) rating to Asia Insurance Limited on the basis of its good fundamentals such as sound liquidity position, satisfactory solvency, diversified business, etc. The above factors are, however, moderated to some extent by downturn in overall financial and operating performance, limited market exposure etc.

CRISL also viewed the company with stable outlook for its steady business growth as well as consistent fundamentals.



# CREDIT RATING REPORT ON Asia Insurance Limited

## 3.0 CORPORATE PROFILE

### 3.1 The Genesis

*Closely held public limited company*

AIL was incorporated on April 30, 2000 as a public limited company under the Companies Act 1994. The company was sponsored by some renowned local business personalities having exposed to diverse business sectors including financial institutions, garments, steel mills, cement, shipping and many other manufacturing arena. It obtained the Certificate of Registration for carrying on insurance business from the Chief Controller of Insurance on May 30, 2000 and started underwriting operation with a paid up capital of TK. 60 million against an authorized capital of TK. 300 million. As part of the regulatory requirement, the company is in the process of raising its paid up capital to the tune of TK. 150 million. The company is being supervised by all the sponsors as the members in the Board under the chairmanship of prominent industrialist Mr. Yussuf Abdullah Harun, FCA. The company underwrites all types of business as per Insurance Act. During the year 2007, the company earned gross premium of TK. 196.61 million and underwriting profit of TK. 11.96 million.

### 3.2 Ownership Pattern

*Concentrated ownership pattern*

AIL is still a closely held public limited company, owned by the 9 sponsor shareholders having 600,000 shares outstanding with a paid up capital of TK. 60 million. Except Mr. Mohammad Mustafa Haider, the remaining eight sponsors hold 10% share each under their individual capacity while Mr. Haider holds 20% share of the company. Three sponsors of T.K. Group jointly hold 40% shares of the company. T.K. Group is a well-known Industrial Group having substantial market share in Cement and Oil Refinery in the country. Being a closely held public limited company, the above shareholding pattern reveals concentrated ownership among the sponsors. However, the recent move of the company to go for Initial Public Offerings (IPOs) will dilute the ownership pattern to a great extent and comply with the minimum capital requirement.

### 3.3 Market Share

*Limited market share*

The general insurance industry of Bangladesh reported gross premium of TK. 9,020.24 million in 2006 which was being shared by 44 companies including the Government owned Sadharan Bima Corporation (SBC). The gross premium of AIL was TK. 138.81 million during the same period representing only 1.54% share of the market, compared to 1.42% in 2005. However, the company experienced an impressive growth in gross premium (41.64%) during 2007 which stood at TK. 196.61 million. Over last couple of years the growth in premium of AIL was found higher than that of industry. Without considering the gross premium of SBC, AIL occupies 1.74% market share of the premium being earned by the private sector general insurance companies during 2006. The above scenario represents limited market share.

## 4.0 INSURANCE INDUSTRY

*Too many companies in small market*

Insurance industry of Bangladesh has a long history of evolution. About a century back, couple of insurance companies started both general and life insurance business during the British regime in India. However, insurance business got the momentum during the East Pakistan regime. In the pre-liberation period, there were as many as 49 privately owned insurance companies underwriting general insurance business along with one central Govt. run-organization, namely, Pakistan Insurance Corporation. After liberation, the insurance industry was nationalized vide Presidential Order No. 95 of 1972. By virtue of nationalization order, 5 Corporations were set up to manage the insurance industry of which four were subsidiary corporation, two each for life and General and an apex body, viz., Jatiya Bima corporation as a controlling corporation. At a later stage, the above five corporations were replaced by two state owned corporations namely, Sadharan Bima Corporation for general business and Jiban Bima Corporation for life business under a restructuring plan made in 1973 in order to curtail excessive administrative expenses of the aforementioned corporations. Again, in the process of denationalization, the Insurance Corporations Act was amended in 1984 to allow insurance companies to operate in the private sector subject to certain restrictions regarding business operation and reinsurance. Subsequent to that, the Act was further amended for the relaxation of the existing regulation to promote the private sector insurance companies. Presently, 62 insurance companies are operating in the country, of which 44 are in general business and the remaining 18 are in life business, even though the two state-owned corporations, along with

# CREDIT RATING REPORT ON Asia Insurance Limited

couple of private sector companies, are dominating the market.

The gross premium of general and life insurance business stood respectively at TK. 9.02 billion and TK. 26.83 billion during 2006 with a combined growth rate of 26.10% compared to that of the previous year. On the other hand, claim settlement during the same period stood at TK. 4.20 billion for general and TK. 6.24 billion for life with an aggregate growth rate of 42.04% over the previous year. However, presence of large number of companies in a small market leads to tough market competition and unethical practices which has already created a significant number of sick insurance companies in the industry. Understanding the importance of revitalizing the sector in line with the international norms, the regulatory authorities have decided to introduce mandatory credit rating requirement in the industry. Under the above directives, all general insurance companies are directed to get credit rating with effect from 2007 with mandatory surveillance at the end of each year. However, the life insurance companies were directed to have the surveillance rating biannually.

*New regulation in process*

The Government is in the process of amending the existing regulations in order to bring more regulatory control and transparency in the operation of the sector. The Department of Insurance is proposed to be abolished by setting up the Independent Insurance Regulatory Authority Ordinance 2007. In addition, two Insurance Ordinances have been proposed which were titled as Insurance Ordinance 2007 and 'Takaful Ordinance 2007 while former for the general and life insurance and the later for the Takaful insurance companies operating under islami Shariah principles. The above two Ordinances will replace the age old Insurance Act 1938 and Insurance Rule 1958. CRISL expects paradigm shift in the operation of the insurance companies with the above changes in the regulatory regime.

## 5.0 CORPORATE GOVERNANCE

Corporate governance is the set of processes, customs, policies, laws and regulations affecting the way a corporation is directed, administered or controlled to perform efficiently and generates long term economic value for its shareholders while respecting the interest of its stakeholders and the society as a whole. The specific areas covered are transparency in disclosure of relevant reliable financial and operational information, information on ownership and control, information on internal processing of management. In pursuit of the above, CRISL evaluates the corporate governance of AIL under the following areas:

### 5.1 Board of Directors and Committees

The Board of AIL consists of ten directors including the Managing Director as ex-officio. All of sponsor shareholders are the members in the Board as individual directors. Mr. Yussuf Abdullah Harun, FCA, Chairman of Incontrad (Pvt.) Limited, Unichart Navigation Limited, Insoft Systems Limited and Insoft Limited, is the Chairman of the Board. He was also the Chairman of Southeast Bank Ltd. and former President of FBCCI. The other members of the Board are eminent personalities in financial, trading and manufacturing sectors. The Board held 8 and 7 meetings during 2007 and 2006 respectively. The Board mainly deals with policy and strategic aspects of the company.

Presently the company has Executive Committee, Claims and Re-insurance Committee, Human Resource Development Committee and Investment Committee. All the committees, except EC, is headed by the Chairman himself which is not in line with best corporate practice. AIL is yet to form an Audit Committee. Seven-member Executive Committee, chaired by Mr. Abul Bashir Chowdhury, is authorized to take decisions regarding administration, underwriting, re-insurance, claims and business development. The Claims and Re-insurance Committee, chaired by Mr. Yussuf Abdullah Harun, comprises of five members. This committee is authorized to take decisions on re-insurance and claim settlement. The committee held two meetings during 2007. The Human Resource Development Committee, chaired by Mr. Yussuf Abdullah Harun, comprises of five members is responsible for deciding on promotions and employee compensation package. The Investment Committee, chaired by Mr. Yussuf Abdullah Harun, comprises of three members is entitled to take decisions particularly regarding investment in stock market. It was formed in 2007 and yet no meeting was held. However, the committee members are allowed to take decisions regarding trading of stock, when quick decision is needed, through discussions over phone.

# CREDIT RATING REPORT ON Asia Insurance Limited

## 5.2 Management

*Experienced management team*

The operation of the company is being carried out by an experienced management team which is lead by Mr. Md. Ezhar Hossain. Mr. Hossain joined the company as Deputy Managing Director on November 1, 2000 with 32-years experience in the insurance business. Most of the time during his long career, he served Sadharan Bima Corporation under different capacities. He voluntarily retired from Shadharan Bima Corporation in 1997 as the in-charge, Chittagong Zone of Shadharan Bima Corporation and joined in Central Insurance Co. Ltd. as in-charge of its Chittagong Zone. In the management team, Mr. Hossain is aided by one DMD, three EVPs, two SVPs, two VPs, seven SAVPs and eight AVPs. The activities of the company are being carried out through different departments namely Underwriting & Branch Control, Claims, Reinsurance, Finance & Accounts, Human Resource & Administration & Public Relation, Human Resource Development & Training, Pre-Survey & Risk Management, Market Plan & Promotion, Share & Investment, Establishment & Motor Pool and Board Affairs department. Recently, the company opened a separate wing for IT. Internal audit and marketing related activities are directly looked after by the Managing Director while other departments are being looked after by five professionals. However, the company is in process of recruiting new professionals to fill that gap. Management has been given limited financial and sufficient administrative power. Management team appears to have the expertise to materialize the vision of the company. Very recently, the company has made a management committee incorporating all the departmental heads.

## 5.3 IT Infrastructure in MIS

*IT in the process of development*

Application of information technology in every phase of the insurance operation is vital for the general insurance companies. Integrated insurance software provides real time information to the management and technical personnel. Integrated software of underwriting, accounting, reinsurance, claim, etc. provides quick service to the related parties and also extends support for risk analysis, trend analysis of accident, claim behavior, that ultimately help management to take judicious decision. The IT infrastructure of AIL in the head office is equipped with sufficient PCs with Local Area Network. The company uses separate software for accounts, re-insurance, claims, human resource etc without having any integration. The recently formed IT wing is being looked after by Mr. Atiqur Rahman, Senior Principal Officer having required expertise in his area. Mr. Rahman is assisted by four other IT personnel. The branches are still operating on manually. The data thereof are sent to Head Office in regular intervals and put into the appropriate software. AIL has a plan to upgrade its IT infrastructure so that anyone can access any sort of customer service offered by the company through internet.

## 5.4 Human Resources Management

*Insignificant HR turnover but inadequate training*

AIL, as mentioned earlier, has an experienced management team with wide exposure in insurance industry. HR issues are dealt by the Human Resource & Administration department headed by the company secretary. The company has its documented service rule for the employees. Human resource strength of AIL stood at 182 as on December 31, 2007. Most of them are permanent employees except the Managing Director who is on contract basis. Different pay scales are followed for desk officers and development officers. Human resources turnover of the company has been found very insignificant. No top level executives left the company during last two years. AIL arranged few training programs for different level of its staffs. During 2006 and 2007, the company sent its different level executives in 4 training courses on different insurance related topics conducted by Bangladesh Insurance Association, Center for Tax Training and Research and CRISL. Still, the above HR development programs seem to be inadequate.

## 5.5 Marketing Strategy

*Increasing trend of other than in-house business*

Government regulation provides an unbeatable advantage to the general insurance companies and thus results in the emergence of as many as 44 companies in a small market. The private sector general insurance companies enjoy 50% of the public sector business (PSB). AIL earned 10.62% of its gross premium from government business during 2007 against 13.86% during 2006. The in-house business support of the company has been found in a declining trend which stood at 40% in 2007 against 45% in 2006. Over the years the company experienced 50% of its gross premium income from renewal business. The company has a good number of loyal clients including many renowned groups of companies which contributes a lucrative portion of the total premium income each year.

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AIL does not have any department exclusively for marketing. The marketing related functions of the company are presently being carried out by the branch in-charges. The in-house businesses directly come to the underwriting department. The company has 98 marketing officers who are commission based employees. Branch in-charges also contribute to marketing and are entitled to commission as well as a fixed remuneration. The company has been dealing with all the conventional product lines of general insurance business.

## 5.6 Branch Network

The company has been operating its business through twelve branches located at different strategically important areas around the country. The number of branches found lower compared to the companies of its contemporary. Its branch network is constituted with 6 branches in Dhaka including local office, 3 in Chittagong (1 of which is under process) and 1 branch each in Narayanganj and Comilla. Moreover, the company has one booth office each in Barisal and Narsingdi.

## 6.0 BUSINESS PROFILE

### 6.1 Business Mix

AIL carries out all types of general insurance business as per the Insurance Act which includes fire, marine, motor and miscellaneous business. Fire insurance business of the company covers fire insurance policy including flood, cyclone and earthquake coverage. Marine insurance includes marine cargo and marine hull while motor insurance covers comprehensive insurance. Miscellaneous insurance covers cash in safe policy, cash in transit policy, fidelity guarantee policy, burglary, overseas mediclaim coverage, all risk policy and many other policies covering engineering risks.

*Diversified business mix*

While analyzing the class-wise business concentration of AIL in 2007, it has been revealed that marine insurance policies contribute the highest 44.16% of the total gross premium followed by 42.45% from fire and 5.51% from motor policies; the remaining 7.88% has been contributed by miscellaneous policies. This pattern of concentration is little different compared to that of 2006 where fire policy contribution was the highest. The present mix has been contributed by TK. 30.00 billion sum insured from fire business followed by TK. 23.36 billion from marine business, TK. 0.24 billion from motor business and TK. 4.15 billion from miscellaneous business. The above business mix reveals the company's risk appetite towards fire and marine business segments. Again, most of the fire policies are concentrated at Dhaka and Chittagong which are highly vulnerable to risk compared to other areas.

### 6.2 Reinsurance

Reinsurance, broadly speaking, is the insurance of insurance where the original insurer gets the risks covered with another (re-insurer) for the same reason the original insured got protection for. The reinsurance policy of the company is to purchase maximum reinsurance protection at minimum cost. Based on the above philosophy, retention limit of different business segment of the company is being revised considering asset base, reserves, solvency, size of the portfolio, premium income, profitability, types of risks, pattern of loss, types of reinsurance and corporate strategy. Moreover, the retention of the company is protected by excess of loss treaty to minimize the retained loss under motor policies. In accordance with the present rule, 50% of the re-insurable general insurance business shall be reinsured with Sadharan Bima Corporation (SBC) and the remaining to be reinsured either with the corporation or any other insurer inside or outside Bangladesh. AIL, in line with the existing regulation, takes its 100% reinsurance coverage from Sadharan Bima Corporation. SBC, as mentioned earlier, is the only government owned company which is yet to be rated. The government of Bangladesh does not provide any claim paying guarantee to the policy holders of SBC. However, the financial strength of SBC was found good with huge asset base. The corporation reported net profit of TK. 420.39 million during 2006.

*100% reinsurance coverage with SBC*

AIL underwrote TK. 57.69 billion risk during 2007 of which gross re-insurance coverage was TK. 25.18 billion representing gross retained risk of TK. 32.51 billion against TK. 16.69 billion in 2006. Gross reinsurance coverage against sum insured has slightly been reduced to 43.60% during 2007 from 44.87% in 2006. However, outstanding re-insurance premium has further

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increased to TK. 104.21 million as on December 31, 2007 against TK. 76.53 million as on December 31, 2006.

### **6.3 Claim Settlement**

AIL, as per Insurance Act 1938, appoints a government licensed surveyor for the assessment of loss as soon as a claim exceeding TK. 5,000 is reported and asks the surveyor to submit a preliminary survey report within a week. An insurance company, as per law, is supposed to settle a claim within 90 days from the date of receipt of full documents; however, no explicit idea of 'full document' is given in law which gives rise to mystification between the insurer and the insured. Nonetheless, AIL requests the insured to submit the claim documents within a specified time to expedite the settlement of claim. On receipt of claim documents including the survey report, the claim department places the same to the Managing Director. After a further scrutiny, the MD forwards the proposal to the Executive Committee for approval. The claims department and finance & accounts department arranges post-approval proceedings.

During 2007, the company paid only six claims exceeding TK. 5 lac (all from fire business) amounting to TK. 32.41 million of which the share of AIL was only TK. 1.07 million. Outstanding claim as on December 31, 2007 stood at TK. 63.40 million against 36 claims (TK. 57.80 million as on December 31, 2006); of which 82.56% was encountered from fire business followed by 25.27% of marine, 1.62% of motor and 0.24% of miscellaneous business. Historically, a significant portion of its outstanding claim is recoverable from SBC; in 2007 it was 78.09% of total outstanding claim while in 2006 it was 82.09%. It is further noted that the company kept TK. 104.21 million outstanding with SBC as on December 31, 2007 of which three cheques amounting to TK. 80 million has been given in favor of SBC in respect of outstanding reinsurance premium. While analyzing the current status (March 31, 2008) of the outstanding claim as on December 31, 2007, it has been observed that only three claims were settled with an amount of TK. 13.65 million which constitutes 21.53% of the total outstanding claim.

### **6.4 Underwriting quality and expertise**

*Satisfactory underwriting  
quality*

Insurance industry in Bangladesh operates under the structured underwriting and tariff guidelines which gave rise to rivalry and unethical practices among the companies to some extent to raise the base of the policyholders. The Central Rating Committee modifies tariff rates after every specified period. The above committee may adjust the tariff rate according to the performance of the specific sector and the client. Couple of years ago, the Controller of Insurance (COI) abolished the agency commission system to stop the underhand transaction between the agent and the policy buyer. The above move was, however, not fruitful to eradicate the unethical practices and thus resulted to the reintroduction of commission system in the sector.

The overall underwriting quality of AIL was found satisfactory. The underwriting department of the company is being led by one Sr. VP (having over 20 years of experience in insurance business). The company underwrote high valued (more than TK. 1 billion sum insured) risk assignment of TK. 1.03 billion in 2007 under fire class of business.

### **6.5 Sectoral Business review**

AIL, as mentioned earlier, carries out all types of general insurance business. While analyzing the performance in terms of business class, CRISL reviews the following dimensions:

#### **6.5.1 Fire Business**

Like most of the general insurance companies in the industry, The underwriting performance of AIL in fire business was not found satisfactory in terms of underwriting profit. The gross premium stood at TK. 83.47 million during 2007 with 53.44% growth over previous year; while the sum insured in this segment increased by 93.31% (TK. 30 billion in 2007 against TK. 15.52 billion in 2006). The retention ratio of fire business decreased to 48.19% in 2007 from 40.73% in 2006.

The underwriting profit became negative in 2008 keeping intact the declining trend over last few years (loss of TK. 18.78 million in 2007 from profit of TK. 0.09 million in 2006) even after a 63.37% increase in adjusted net premium (TK. 50.89 million in 2007 from TK. 31.15 million in 2006). This good rise in revenue has mainly been faded out by a big leap in net claims



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(from TK. 9.38 million in 2006 to TK. 27.61 million in 2007 due to catastrophic losses), management expense (from TK. 11.38 million in 2006 to TK. 18.48 million in 2007) and agency commission (from TK. 10.56 million in 2006 to TK. 16.36 million in 2007).

Analyzing the risk appetite in case of fire insurance business; policies covering stock of readymade garments, furniture, paper, garments factory etc. are considered to be more risky compared to that of residential house, fish plants in urban area, stock of melamine in relatively less earthquake-prone zone area etc. In another way, industrial areas are more vulnerable than residential areas. AIL's fire policies of 2007 were found to be concentrated in relatively safe areas regarding both insured perils and locations indicating cautious risk taking attitude.

### 6.5.2 Marine Business

Underwriting performance of marine business was found good among the business segments in terms of underwriting profit. Gross premium from this segment has been increased to TK. 86.82 million during 2007 representing 70.27% escalation from the previous year. Sum insured in the business segment increased to TK. 23.36 billion in 2007 from TK. 10.27 billion in 2006 with 127.39% increase from the previous year. The retention ratio of the company during 2007 has been decreased to 82.47% from 76.13% in 2006.

Underwriting profit from this segment has significantly been increased to TK. 23.41 million during 2007 from TK. 11.93 million in 2006 representing 96.23% appreciation. This is mainly due to increased exposure in this class of business (most of the policies being within the retention limit) during 2007 which was able to cover the rises in claims (nearly 14 times) and agency commission (74.49%).

### 6.5.3 Motor Business

The gross premium during 2007 under this head stood at TK. 10.84 million with 4.97% decrease from the previous year, however, sum insured increased to TK. 242.16 million representing 5.92% growth over the previous year. The retention ratio of the company during 2007 reduced to 90.09% in 2007 from 95.67% in 2006. Underwriting profit from this segment stood at TK. 5.38 million in 2007 against TK. 5.60 million in 2006. This is the consequence of reduced management expenses and claim.

### 6.5.4 Miscellaneous Business

Underwriting performance of miscellaneous business was not satisfactory in terms of underwriting profit. Gross premium from this segment has decreased to TK. 15.49 million during 2007 representing 29.67% decline from the previous year; sum insured in the business segment decreased by 2.64%. The retention ratio of the segment during 2007 was 20.27% against 42.07% in 2006. The company reported underwriting profit of TK. 1.96 million in miscellaneous business during 2007, which was 1.09% lower than that of the previous year.

### 6.6 Retention Capacity

The retention limit of the private general insurance companies is being revised from time to time depending on the financial strength, underwriting expertise etc. Latest treaty retention of AIL with SBC reveals fire class retention of TK. 6 million in textile and TK. 4.50 million in non textile, marine cargo class of TK. 2 million without having any improvement from the previous year. Retention limit of motor and all types of miscellaneous (except engineering) class of business was 0.75 million each. Marine hull and engineering class were in facultative coverage. However, the retention limit of some other leading general insurance companies found to be higher than that of AIL.

### 6.7 Investment portfolio

The company is yet to develop any documented investment guideline. The investment portfolio of the company stood at TK. 216.79 million (excluding STD) as on December 31, 2007 of which 66.01% in fixed deposits (FDR) with different banks, 29.84% in equity securities while remaining in National Investment Bond (NIB) as regulatory requirement. While analyzing the performance of investment portfolio, it has been revealed that return from investment portfolio stood at TK. 19.07 million during 2007 of which 90.43% from interest on FDR, 5.56% from dividend income while remaining 4.01% from the National Investment Bond. It may also be noted that AIL maintains FDR with as many as 22 banks and financial institutions in a well diversified fashion. While analyzing the quality of equity portfolio, it has been observed that the company invested in three banks' share only which reveals its conservative approach of

*Improvement in retention  
limit in fire and  
miscellaneous business*

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investment in equity securities.

## 7.0 RISK MANAGEMENT

An insurance company, by virtue of its business nature, undertakes the risks of the policyholders. Management of risks is very crucial as the same is highly correlated with the long run sustainability and operating efficiency of the insurer. Principally, the higher the risk management practice, the lower the risk and the protection for the stakeholders is evident. The risk management primarily deals with the fortuitous events and their impacts which basically come from the core business activities of the insurance company. In addition, some operational risks are also associated with, which are also needed to be addressed. CRISL has reviewed the risk management of the company as delineated below:

### 7.1 Industry Risk

Too many insurance companies in a small market pose significant risk for all the companies. Although the government at this point of time is not contemplating to issue additional license, there is no guarantee of such non issuance in future as the same is dependent on the wishes of the political government. At present the Government has the active plan to bring significant changes in the regulation of the industry which may also raise the risk of merger or acquisition. Very recently the regulators made the credit rating mandatory for all insurance companies. CRISL foresees that continuous non investment grade rating of an insurance company might affect the business thus results in a threat to its survival.

### 7.2 Business Risk Management

AIL, like other general insurance companies, follows the underwriting guideline published by SBC. Branch in-charges are primarily authorized to take underwriting risks. However, in case of facultative re-insurance exceeding treaty limit, branches are directed to send the documents to Head Office immediately after undertaking such a risk. Besides, branches have to send all underwriting documents to head office within the first week of every month. When a policy sum insured exceeds TK. 50 million, a pre-underwriting inspection is done. The company also has a cash loss facility of TK. 3 million for urgent settlement of a fire loss.

### 7.3 Internal Control Risk Management

Internal control procedure is an integral part of financial and business processes which acts as the safeguard of the assets, promotes operating efficiency, and ensures compliance with applicable policies, regulations and adherence to the prescribed managerial policies. AIL, as mentioned earlier, is yet to form an Audit Committee. Moreover, it does not have any internal audit department. Still, branches are audited as and when required by two of the management personnel who directly reports to the Managing Director. The above internal control mechanism seems to be inadequate. However, the company is in the process of recruiting Internal Auditor and Audit Officers to set up an internal Audit Department. Regarding liquidity management, AIL has a long-practiced structure where each branch has to deposit all its collections to the nearby HO-nominated bank's STD account. After meeting the day to day expenses, the balance of branch-STD account is transferred to HO-STD account. A portion thereof is invested to FDR.

*Inadequate internal control tools*

### 7.4 Catastrophic Risk Management

The geographical location and topographical features of Bangladesh have exposed the country to almost all kinds of natural and human induced disasters. Over the last three decades, Bangladesh experienced more than 170 large-scale natural disasters, putting the country as one of frequently hit zone in the WHO South-East Asia Region. These catastrophes are estimated to have killed half a million people and affected more than 400 million. The study on the disaster profiles of the Least Developed Countries (LDCs) has shown that the observed annual frequency of large scale disaster in Bangladesh has been about 6 per year which is extremely high in comparison to other LDCs. The study on the incidence of natural disasters in South Asia conducted by ECHO shows that out of the combined natural disasters in South and South-East Asian Countries over the past 10 years, Bangladesh has witnessed nearly 90 percent of them while other countries in the region have lived through only 10 percent representing a high probability of catastrophic losses. While reviewing the 10 worst catastrophes in the globe (in terms of victims) from 1970-2004, it has been examined that

*TK. 3.80 million catastrophic loss in 2007*

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Bangladesh experienced two big ones causing 438,000 victims (dead or missing). Having said so, insurance penetration rates are still very low in the affected countries including Bangladesh.

AIL has catastrophe excess of loss re-insurance policy with SBC in fire class of business where the re-insurer will retain excess of TK. 3 million of each loss up to TK. 7 million. AIL experienced huge catastrophic losses amounting to TK. 3.80 million as assessed by the surveyors during 2007 due to cyclone-SIDR struck. Out of the above, TK. 0.80 million is recoverable from SBC in excess of TK. 3 million as per the treaty. The company has already sent the loss vouchers to the concerned bank branches for necessary formalities.

## 8.0 PERFORMANCE

### 8.1 Financial Performance

*Good financial performance*

The overall financial performance of the company was found good. The consolidated gross premium of the company stood at TK. 196.61 million during 2007 against TK.138.81 million during 2006 registering 41.64% growth over previous year. AIL's consolidated adjusted net premium has been increased by 48.47% in 2007 over the previous year which enhanced the basic earning power of the company. However, the same couldn't make any positive impact in underwriting profit due to increase in claim and agency commission. Consequently, gross underwriting margin has been reduced to 44.12% in 2007 from 50.62% in 2006. After considering the unexpired risk reserve the net underwriting margin also decreased to 8.53% in 2007 from 16.22% in 2006. However, pretax operating margin was not significantly affected (22.88% in 2007 from 23.96% in 2006) as the decline in underwriting profit was compensated by increase in interest, dividend and rent by 47.08% and some irregular income including capital gain on shares as well as reduction of management expenses. Return on average assets (ROAA) increased to 7.86% in 2007 from 6.03% in 2006. Return on average equity (ROAE) also increased to 20.04% in 2007 from 15.76% in 2006. Return on average investment (ROAI) significantly increased to 10.62% in 2007 from 7.34% in 2006.

### 8.2 Technical analysis

The overall technical performance of the company was found good as couple of indicators revealed improving signal during 2007. The retention ratio of the company increased to 63.44% in 2007 from 58.46% in 2006 indicating increased basic earning power. Expense ratio consequently decreased to 53.21% in 2007 from 65.98% in 2006. However, the company experienced a big jump in claim ratio which stood at 25.84% in 2007 from 12.49% in 2006 which were mainly encountered from fire and marine business segments. Above all, combined ratio slightly increased to 79.05% in 2007 from 78.47% in 2006.

## 9.0 BALANCE SHEET STRENGTH

### 9.1 Solvency Analysis

The revised Insurance Act 2001 increased the paid-up capital to TK. 150 million for the general insurance companies incorporated after 1994 as part of the minimum capital requirement. AIL, in line with the above, is in the process of raising its capital base through offering shares to the public. Shareholders equity of the company stood at TK. 124.13 million as on December 31, 2007 of which 48.33% is paid up capital, 39.65% is reserve for exceptional losses, 11.24% is general and other reserves and only 0.78% is retained earnings.

While reviewing solvency aspects of the company in relative measurement, the overall solvency position of the company was found good during the last two years. External liabilities ratio decreased to 1.56 times in 2007 from 1.73 times in 2006 indicating reduced external liabilities against equity. However, unexpired risk reserve fund to net claims ratio decreased to 1.38 times in 2007 from 2.76 times in 2006 due to increase in net claim by 2.07 times in 2007 than that of the previous year. Net worth to total assets slightly increased to 28.80% in 2007 from 28.05% in 2006 yet the same could arrive at an acceptable level. CRISL, however, expects that the position will improve to a great extent after IPO floatation. Internal capital generation of the company increased to 14.25% in 2007 from 11.03% in 2006 and the same

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was found higher than many companies in the industry. Unlike most of the companies in its peer, AIL maintains 10% reserve for exceptional losses against net premium which stood at TK. 49.22 million as on December 31, 2007 indicating good base of the company to address unforeseen events. Technical reserve ratio of the company, however, declined to 57.65% in 2007 from 65.06% in 2006. Insurance liabilities to total assets slightly increased to 38.89% in 2007 from 34.86% in 2006.

## 9.2 Liquidity and Funding

Liquidity position of general insurance industry in Bangladesh is sound; the position of AIL in this regard was found in line with the industry. Liquid assets to insurance reduced to stand at 5.19 times in 2007 against 6.40 times in 2006. However, liquid assets to total assets increased to 60.15% in 2007 from 54.02% in 2006 indicating improvement in liquid assets. Current ratio of the company remained almost the same over last two years (from 1.26 times in 2006 to 1.28 times in 2007). Liquid assets to net claim paid was 17.64 times in 2006 which has decreased to 7.15 times in 2007 due to increase in claim during the period. The maturity structure of fixed deposit revealed flexibility to support the liquidity requirement of the company to meet up the claims and other operational expenses in need, which ensures short term claim paying ability in a comfortable manner.

## 10.0 SUMMARY OBSERVATION

<b>Comforts:</b> <ul style="list-style-type: none"> <li><input type="checkbox"/> Good financial performance</li> <li><input type="checkbox"/> Diversified business mix</li> <li><input type="checkbox"/> Considerable in-house business</li> <li><input type="checkbox"/> Good liquidity position</li> <li><input type="checkbox"/> Satisfactory solvency indicators</li> <li><input type="checkbox"/> Satisfactory underwriting quality</li> </ul>	<b>Concerns:</b> <ul style="list-style-type: none"> <li><input type="checkbox"/> Down turn in underwriting profit</li> <li><input type="checkbox"/> Inadequate internal control tools</li> <li><input type="checkbox"/> Limited market share</li> <li><input type="checkbox"/> Moderate power delegation</li> <li><input type="checkbox"/> Inadequate expenses in training of human resources</li> </ul>
<b>Prospects:</b> <ul style="list-style-type: none"> <li><input type="checkbox"/> Expansion of branch network</li> <li><input type="checkbox"/> Further product diversification</li> <li><input type="checkbox"/> Deregulation may increase the business of private sector companies</li> </ul>	<b>Challenges:</b> <ul style="list-style-type: none"> <li><input type="checkbox"/> Too many companies in small market results to tough completion to retain market share</li> <li><input type="checkbox"/> Emergence of foreign companies</li> </ul>

## 11.0 PROSPECTS

The business prospects of the general insurance companies particularly depend on smooth and sound operation of trade and commerce which is positively correlated with the stable macroeconomic fundamentals of the country. Despite the impact of higher oil prices and the end of textile and clothing quotas, the development outlook remains broadly positive. Although the country had a favorable state of the economy, the Government and development partners very recently revised the original target of GDP growth 6% to 6.5% GDP growth in the fiscal year 2006-07 to 5.5% in view of recent economic slowdown. The growth in industrial sector has been fairly remained robust rising to 11% in FY 2006, however, slowed down to some extent in 2007 due to change in political scenario. Inflationary pressures will persist, as monetary policy is set to remain broadly accommodative so as to support strong credit demand and economic expansion. The trade deficit may remain more or less constant due to economic slowdown and it any continue till the elected government takes over after general election in 2008. The balance of payments is expected to remain at a manageable level, aided by strong remittance inflows. Major development challenges need to be tackled if investment is to be stepped up to move the country onto the higher growth path required for rapid poverty reduction including substantial improvements to infrastructure, public policy, and governance.

Based on the macroeconomic outlook, it is presumed to have growth potential of industry and service sectors which will offer AIL to explore potential business opportunities along with other

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insurance companies. However, existence of too many insurance companies operating in the industry will lead to tough and unhealthy competition that ultimately will press on a new challenge for AIL to retain its market share. However, successful implementation of three new Ordinances will make the country's insurance sector vibrant and operationally sound.

**END OF THE REPORT**

*Information used herein is obtained from sources believed to be accurate and reliable. However, CRISL does not guarantee the accuracy, adequacy or completeness of any information and is not responsible for any errors or omissions or for the results obtained from the use of such information. Rating is an opinion on credit quality only and is not a recommendation to buy or sell any securities. All rights of this report are reserved by CRISL. Contents may be used by news media and researchers with due acknowledgement.*

# CREDIT RATING REPORT ON Asia Insurance Limited

## 12.0 CORPORATE INFORMATION:

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**Date of Incorporation:** April 30, 2000

**Date of Functioning:** April 30, 2000

### Board of Directors:

Mr. Yussuf Abdullah Harun	Chairman
Mr. Mohammed Jamal Ullah	Vice-Chairman
Mr. Abdul Bashar Chowdhury	Director
Mr. Alamgir Kabir	Director
Mr. Md. Jahangir Alam	Director
Mr. Mahbubul Alam Talukder	Director
Mrs. Khaleda Begum	Director
Mrs. Farzana Afroze	Director
Mr. Mohammad Mustafa Haider	Director

### Management:

Mr. Md. Ezhar Hossain (ABIA)	Managing Director
Mr. Mohammad Abul Kashem (ABIA)	Deputy Managing Director
Mr. Md. Imam Shaheen (ABIA)	Executive Vice President
Mr. A.K.M. Showkat Hasan Khan	Executive Vice President
Mr. Mohammad Ali	Executive Vice President
Mr. Abdullah Al-Ziad-Musa	Senior Vice President
Mr. Md. Emdadul Haque	Senior Vice President
Mr. M. Mojibur Rahman	Vice President
Mr. Md. Atique Ullah Majumder	Company Secretary & Vice President
Mr. S.I.M. Ashraful Alam	Senior Assistant Vice President
Professor Nazir Ahmad, CSS	Senior Assistant Vice President
Mr. M. Ashraful Alam Chowdhury	Senior Assistant Vice President
Mr. Mohd. Nazrul Islam Chowdhury	Senior Assistant Vice President
Mr. Ajay Kanti Barua	Senior Assistant Vice President
Mr. Md. Mohiuddin Al-Hossain	Senior Assistant Vice President
Mr. Kazi Zakir Hossain	Senior Assistant Vice President
Mr. Sakawat Hossain Sikder	Assistant Vice President
Mr. Nurul Amin Chowdhury	Assistant Vice President
Mr. Md. Amirul Islam	Assistant Vice President
Mrs. Juthi Rahman	Assistant Vice President
Al-Haj Mrs. Laila Sharmin	Assistant Vice President
Mr. Mahabubur Rahaman	Assistant Vice President
Mr. Md. Abdul Hannan	Assistant Vice President
Mr. Emran Ahmed Khan	Assistant Vice President

# CREDIT RATING REPORT ON Asia Insurance Limited

## Financials:

### Balance Sheet (As on December 31)

TK. In Million taka

Particulars	2005	2006	2007
<b>ASSETS</b>			
Cash in Hand	0.22	0.28	0.30
Cash with Banks	163.16	183.12	186.52
<i>Cash and Bank Balance</i>	<i>163.39</i>	<i>183.41</i>	<i>186.83</i>
Stamps in Hand	0.09	0.13	0.08
Amount Due from insurance business	84.06	71.83	67.85
Sundry Debtors	57.59	45.48	43.00
Advance, deposit and prepayments	12.96	17.92	19.91
Outstanding Int., Dividend and Rent	8.96	6.68	7.75
Outstanding Premium	4.53	5.97	4.09
Investment in Shares	5.26	18.09	64.68
Investment in NIB	9.00	9.00	9.00
Fixed Assets	18.45	25.68	27.39
Stock of Stationary	0.35	0.39	0.36
Other Assets	0.68	0.78	0.79
<b>Total Assets</b>	<b>365.30</b>	<b>385.35</b>	<b>431.02</b>
Paid Up Capital	60.00	60.00	60.00
Reserve for Exceptional Loss	28.63	36.75	49.22
General Reserve	1.25	2.77	3.77
Retained Earning	0.38	0.17	0.96
Other Reserve	6.04	8.40	10.17
<i>Shareholders' Equity</i>	<i>96.30</i>	<i>108.09</i>	<i>124.13</i>
Fire Insurance	9.12	8.86	16.09
Marine Insurance	13.06	15.58	28.70
Motor Insurance	3.12	4.36	3.90
Miscellaneous Insurance	2.19	3.71	1.26
<i>Balance of Fund Account</i>	<i>27.49</i>	<i>32.51</i>	<i>49.95</i>
Estimated Liability in respect of Outstanding Claims	74.42	57.80	63.40
Deposit Premium	78.15	78.67	50.70
Amount Due to insurance business	62.73	76.53	104.21
Sundry Creditors	19.02	24.54	29.64
Proposed Dividend	7.20	7.20	9.00
<b>Total Liabilities &amp; Shareholders Equity</b>	<b>365.30</b>	<b>385.35</b>	<b>431.02</b>

# CREDIT RATING REPORT ON Asia Insurance Limited

## PROFIT & LOSS ACCOUNT (For the year ended 31 December)

Figures in million taka

<b>PARTICULARS</b>	<b>2005</b>	<b>2006</b>	<b>2007</b>
Net Underwriting P/L	13.16	15.33	11.96
Interest on FDR & STD	10.93	14.23	19.10
<i>Gross Investment and Other Interest Income</i>	<i>12.98</i>	<i>14.23</i>	<i>20.93</i>
<b>Total Income</b>	<b>26.15</b>	<b>29.55</b>	<b>38.02</b>
Management Expenses	5.80	6.91	5.92
<b>Profit before Tax</b>	<b>20.35</b>	<b>22.65</b>	<b>32.10</b>

## CONSOLIDATED REVENUE ACCOUNT (For the year ended 31 December)

Figures in million taka

<b>PARTICULARS</b>	<b>2005</b>	<b>2006</b>	<b>2007</b>
Gross Premium of the year	113.71	138.81	196.61
Re-insurance Premium	45.41	57.66	71.89
Net Premium	68.31	81.15	124.72
Commission on Re-Ins. ceded & others	8.94	13.35	15.59
Adjusted Net Premium	77.25	94.50	140.31
Opening Balance	17.86	27.49	32.51
Total	95.10	121.99	172.82
Net Claims Paid	13.18	11.80	36.25
Agency Commission paid	10.31	20.68	31.14
Expenses of Management	30.95	41.67	43.52
Profit Transferred to P/L A/C	13.16	15.23	11.96
Balance (C/F)	27.49	32.60	49.95



# CREDIT RATING REPORT ON Asia Insurance Limited

## CRISL RATING SCALES AND DEFINITIONS INSURANCE CLAIM PAYING ABILITY RATING

<b>RATING</b>	<b>DEFINITION</b>
<b>AAA</b> Triple A	Highest claims paying ability. Risk factors are negligible and almost risk free.
<b>AA+, AA, AA-</b> Double A	Very high claims paying ability. Protection factors are strong. Risk is modest, but may vary slightly over time due to underwriting and/or economic condition.
<b>A+, A, A-</b> Single A	High claims paying ability. Protection factors are good and there is an expectation of variability in risk over time due to economic and/or underwriting conditions.
<b>BBB+, BBB, BBB-</b> Triple B	Good claims paying ability. Protection factors are good. Changes in underwriting and/or economic conditions are likely to have impact on capacity to meet policyholder obligations than insurers in higher rated categories.
<b>BB+, BB, BB-</b> Double B	Average claim paying ability. Protection factors are average. The companies are deemed likely to meet these obligations when due. But changes in underwriting and/or economic conditions are more likely to weaken the capacity to meet policyholder obligations than insurers in higher rated categories.
<b>B+, B, B-</b> Single B	Inadequate Claim paying ability. Protection factors are weak. Changes in underwriting and/or economic conditions are very likely to further weaken the capacity to meet policyholder obligations than insurers in higher rated categories.
<b>CCC</b>	Uncertain claims paying ability. The companies may not meet these obligations when due. Protection factors are very weak and vary widely with changes in economic and/or underwriting conditions.
<b>CC</b>	Poor claims paying ability. Adverse underwriting or economic conditions would lead to lack of ability on part of insurer to meet policyholder obligations.
<b>C</b>	Very high risk that policyholders obligations will not be paid when due. Present factors cause claim paying ability to be vulnerable to default or very likely to be default. Timely payment of policyholder obligations possible only if favorable economic and underwriting conditions emerge.
<b>D</b>	Insurance companies rated in this category are adjudged to be currently in default.