



DIRECTORS' REPORT

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Dear respected Shareholders

It is my great pleasure to welcome you all on behalf of the Board of Directors to the 23rd Annual General Meeting of Asia Insurance Limited and to present before you the Directors' Report along with the audited financial statements as on 31st December 2022 for your kind consideration. I put on record my thanks and gratitude to you for your presence on this big shareholders' day. It is worthwhile to place before you the financial position of the bank on the backdrop of global economic scenario the changes that taken place around the world and how Bangladesh experienced the same and various functional and administrative aspects during the year 2022 including Bangladesh economy.

Global Economic Outlook

The following report provides a comprehensive overview of the world's economic performance in 2022. It analyzes key economic indicators and regional trends to present a holistic understanding of the global economy. This report aims to assist stakeholders in making informed decisions by highlighting emerging trends and challenges faced by the insurance industry.

Global growth has slowed to the extent that the global economy is perilously close to falling into recession—defined as a contraction in annual global per capita income—only three years after emerging from the pandemic-induced recession of 2020. Very high inflation has triggered unexpectedly rapid and synchronous monetary policy tightening around the world to contain it, including across major advanced economies. Although this tightening has been necessary for price stability, it has contributed to a significant worsening of global financial conditions,

Global inflation has been pushed higher by demand pressures, including those from the lagged effects of earlier policy support, and supply shocks, including disruptions to both global supply chains and the availability of key commodities. In some countries, inflation has also been spurred by large currency depreciations relative to the U.S. dollar, as well as tight labor market conditions. Inflation remains high worldwide and well above central bank targets in almost all inflation targeting economies.

Global economic activity is experiencing a broad-based and sharper-than-expected slowdown, with inflation higher than seen in several decades. The cost-of-living crisis, tightening financial conditions in most regions, Russia's invasion of Ukraine, and the lingering COVID-19 pandemic all weigh heavily on the outlook.

Global growth is forecast to slow from 6.0 percent in 2021 to 3.2 percent in 2022 and 2.7 percent in 2023. This is the weakest growth profile since 2001 except for the global financial crisis and the acute phase of the COVID-19 pandemic. Global inflation is forecast to rise from 4.7 percent in 2021 to 8.8 percent in 2022 but to decline to 6.5 percent in 2023 and to 4.1 percent by 2024.

The January 2023 World Economic Outlook Update projects that global growth will fall to 2.9 percent in 2023 but rise to 3.1 percent in 2024. The 2023 forecast is 0.2 percentage point higher than predicted in the October 2022 World Economic Outlook but below the historical average of 3.8 percent. Rising interest rates and the war in Ukraine continue to weigh on economic activity. China's recent reopening has paved the way for a faster-than-expected recovery. Global inflation is expected to fall to 6.6 percent in 2023 and 4.3 percent in 2024, still above pre-pandemic levels.

Emerging Trends and Challenges

- a. **Climate Change and ESG Considerations:** Climate change and ESG considerations continue to be important issues for the insurance industry. As extreme weather events become more frequent, insurers face greater risks and liabilities. To address this challenge, insurers must adapt their underwriting and risk management practices, as well as integrate ESG considerations into their investment strategies.
- b. **Digital Transformation:** The pandemic has accelerated the digital transformation of the insurance industry, with remote work and digital customer engagement becoming the norm. Insurers must continue to invest in technology to enhance their operations and meet changing customer expectations.
- c. **Regulatory Changes:** The insurance industry is subject to ongoing regulatory changes, such as new accounting standards and data protection regulations. Insurers must stay abreast of regulatory developments and ensure compliance to avoid penalties and reputational damage.
- d. **Conclusion:** In conclusion, the global economy showed signs of recovery in 2022, although challenges remain. The insurance industry must navigate emerging trends and challenges, including climate change, digital transformation, and regulatory changes, to ensure sustainable growth and profitability. By adopting a proactive approach and leveraging innovative solutions, insurers can capitalize on opportunities and mitigate risks in a rapidly evolving economic landscape.

Bangladesh Economic Review

The 'Bangladesh Economic Review' is a regular annual publication of the government. The Review is published during the budget session along with other budget documents. The Review contains the overall macroeconomic scenario of the country and the up to date progress in socio-economic sectors. While global economy was recovering strongly from the COVID-19 pandemic, the war in Ukraine posed a setback to the ongoing recovery.

This report provides an overview of Bangladesh's economic performance in 2022, highlighting key indicators and sector wise analysis. The report aims to provide insights into the country's economic landscape to assist stakeholders, including the insurance industry, in making informed decisions and identifying potential opportunities.

Introduction

Bangladesh continues to make significant strides in its economic growth and development. The year 2022 witnessed notable achievements and challenges for the country's economy. The 'Bangladesh Economic Review' report analyzes key economic indicators, sectoral performance, investment climate, and emerging trends in Bangladesh. Economic Performance of Bangladesh in 2022: Bangladesh's economy showcased resilience and demonstrated a steady recovery in 2022. Despite the disruptions caused by the COVID-19 pandemic, the country registered a positive growth trajectory. The gross domestic product (GDP) growth rate for the year is estimated at 6.94%, reflecting a commendable performance.

Key Economic Indicators

- A. GDP Growth: Bangladesh's economy witnessed a robust growth rate, driven by strong domestic demand, export growth, and continued investment in infrastructure development.
- b. Inflation: The country maintained moderate inflation levels, thanks to prudent monetary policy measures implemented by the central bank.
- c. Foreign Reserves: Bangladesh's foreign exchange reserves reached a record high in 2022, providing stability and confidence in the country's external sector.
- d. Remittances: Remittance inflows remained strong, contributing significantly to the country's foreign exchange reserves and supporting household consumption.

Sectoral Analysis

01. Agriculture:

Agriculture continued to play a vital role in Bangladesh's economy, employing a significant portion of the population and contributing to food security. The government's continued focus on modernizing agricultural practices, improving irrigation, and providing access to credit and technology helped boost productivity and output.

02. Manufacturing and Industry:

Bangladesh's manufacturing and industrial sector witnessed steady growth, with the ready-made garments (RMG) industry remaining a key driver of export earnings. The government's initiatives to diversify the industrial base, attract foreign direct investment (FDI), and enhance infrastructure created a favorable environment for industrial growth.

03. Services:

The services sector including banking, telecommunications, and tourism, showed resilience and contributed significantly to the economy. The expansion of digital services and the government's focus on fostering a digital economy contributed to the growth of the services sector.

04. Investment Climate:

Bangladesh continued to improve its investment climate in 2022, attracting both domestic and foreign investors. The government implemented various reforms to simplify business procedures, enhance ease of doing business, and provide incentives for investment in priority sectors such as infrastructure, energy, and manufacturing. The country's stable macroeconomic environment, skilled labor force, and strategic geographic location positioned it as an attractive investment destination.

Emerging Trends and Challenges

- a. Sustainable Development Goals (SDGs): Bangladesh made significant progress in achieving the SDGs, with continued efforts to promote sustainable development, reduce poverty, and address social and environmental challenges.
- b. Climate Change Resilience: As a low-lying delta country, Bangladesh faces significant risks from climate change and natural disasters. The government and various stakeholders are actively working on climate change adaptation and mitigation strategies to build resilience.

Conclusion: Bangladesh's economy demonstrated resilience and promising growth in 2022. The country's focus on key sectors such as agriculture, manufacturing, and services, coupled with ongoing reforms to improve the investment climate, provides opportunities for various industries, including the insurance sector. As Bangladesh continues on its growth trajectory, it is crucial for insurers to align their strategies with emerging trends, adapt to changing market dynamics, and contribute to the country's sustainable development goals.

Macro-economic growth

According to the provisional estimates of BBS, the GDP growth stood 7.25 percent in FY 2021-22, 0.05 percent higher than the target rate and 0.31 percent higher than the previous fiscal year. Per capita GDP and per capita national income stood respectively at US\$ 2,723 and US\$ 2,824 in FY 2021-22 compared to US\$ 2,462 and US\$ 2,591 respectively in FY 2020-21. Medium-term forecasts for GDP growth rates are 7.5 percent in FY 2022-23, 7.8 percent in FY 2023-24 and 8.0 percent in FY 2024-25.

According to the final estimate of BBS, the growth of agriculture sector increased to 3.17 percent in the FY 2020-21, slightly lower than 0.25 percentage point from FY 2019-20. During the same period, industry sector grew by 10.29 percent, which was 3.16 percent in the previous fiscal year. The service sector grew by 5.73 percent in FY 2020-21, 1.8 percentage point up from the previous fiscal year. According to the provisional estimate of BBS, the growth rate of agriculture sector stood 2.20 percent in FY 2021-22, 0.97 percentage points lower than the previous fiscal year.

According to provisional estimate of BBS, the consumption increased to 78.44 percent of GDP in FY 2021-22 from 74.66 percent in FY 2020-21. The gross investment stood at 31.68 percent of GDP in FY 2021-22, where public investment and private investment accounted for 7.62 percent and 24.06 percent of GDP respectively. Medium-term forecasts for GDP growth rates are 7.5 percent in FY 2022-23, 7.8 percent in FY 2023-24 and 8.0 percent in FY 2024-25.

Industrial sector is estimated to have 10.44 percent growth in FY 2021-22, 0.15 percentage point higher than the previous fiscal year. The contribution of industries to GDP became 37.07 percent, which is 1.06 percentage points higher than the previous fiscal year. Bangladesh economy was growing consistently high over a decade crossing 7.0 percent milestone in FY 2015-16 and 8.0 percent milestone in FY 2018-19. However, the COVID-19 pandemic reduced the growth rate to 3.45 percent in FY 2019-20. The economy grew by 6.94 percent in FY 2020-21.

Inflation

Inflation in FY 2020-21 stood 5.56 percent, 0.09 percentage point lower than FY 2019-20, which is slightly higher than the target rate of inflation. As the economic damages created by COVID-19 pandemic is triggered by war in Ukraine, like all other countries of the world an upward trend of price level is being observed in Bangladesh. The inflation rate is targeted to be 5.8 percent for the FY 2021-22.

According to BBS, The inflation rate for consumer prices in Bangladesh moved over the past 35 years between 2.0% and 11.4%. For 2022, an inflation rate of 7.7% was calculated. During the observation period from 1987 to 2022, the average inflation rate was 6.5% per year. Food Inflation in Bangladesh averaged 6.47 percent from 2013 until 2023, reaching an all time high of 9.94 percent in August of 2022 and a record low of 3.77 percent in February of 2016.

Remittance

The remittance in Bangladesh average 1,410.18 US\$ Million from 2012 until 2023, reaching an all time high of 2,598.21 US\$ Million of 2020 and a record low of 856.87 US\$ in September of 2017. According to the World Bank, Bangladesh is the 7th highest recipient of remittance in the world. Country's remittance earnings reached record high of \$22.01 billion in the year 2021. However, as per the global lenders projection remittance inflow to Bangladesh will see a drop of US\$ 1.00 billion from the \$22.01 billion the country received.

Stimulus Packages

In times of economic recession that is less devastating than the COVID-19 pandemic, a stimulus package typically includes a number of incentives and tax rebates offered by a government to boost spending in a bid to pull a country out of a recession or to prevent an economic slowdown.

According to a report published by the Ministry of Finance (MoF) The Government announced Tk.121,353 crore worth of stimulus packages, To combat the economic and social crisis and to ensure recovery of the economy, the government announced 19 stimulus packages accounting for around 3.7% of the GDP of the country. The stimulus measures, taken so far, are as follows:

- 1) BDT 50 billion for export-oriented industries to pay the wage bill for three months. This stimulus package comes as 2-year loans to factory owners at 2% interest.
- 2) BDT 300 billion for banks to provide working capital loan facilities to the affected industries. Loans, under this stimulus package, are at an interest rate of 9%. While half of the 9% is to be borne by the borrower, the other half will be borne by the government as a subsidy.

- 3) BDT 200 billion for banks to provide working capital loan facilities to small (cottage industries) and medium enterprises. However, these loans are at an interest rate of 9%, 4% to be borne by the borrower, and 5% by the government as a subsidy. (4) A refinance scheme of BDT 50 billion for the agriculture sector. The Bangladesh Bank will charge interest of 1% from banks, and banks will charge 4% from customers. The loan will be repayable within 18 months including the six month grace period.

Foreign Reserves

Bangladesh's foreign exchange reserves reached a record high in 2022, providing stability and confidence in the country's external sector. Foreign exchange reserves in Bangladesh's dropped to \$32.29 billion on January 26 due to a high import payment obligation against a low dollar supply. The reserves had come down to \$33.83 billion on December 28, 2022 from record \$48.6 billion in August 2021.

BD Economy Future Outlook

Bangladesh has a strong track record of growth and development, even in times of elevated global uncertainty. A robust demographic dividend, strong ready-made garment (RMG) exports, resilient remittance inflows, and stable macroeconomic conditions have supported rapid economic growth over the past two decades.

Bangladesh tells a remarkable story of poverty reduction and development. From being one of the poorest nations at birth in 1971, Bangladesh reached lower-middle income status in 2015. It is on track to graduate from the UN's Least Developed Countries (LDC) list in 2026. Poverty declined from 41.9 percent in 1991 to 13.5 percent in 2016, based on the international poverty line of \$ 2.15 a day (using 2017 Purchasing Power Parity exchange rate). Moreover, human development outcomes improved along many dimensions.

Challenges

Bangladesh made a rapid recovery from the COVID-19 pandemic supported by prudent macroeconomic policies. But, the economy now faces considerable challenges with global economic uncertainty, rising inflationary pressure, energy shortages, a balance-of-payments deficit, and a revenue shortfall. Rising commodity prices and a surge in imports in the second half of FY22 resulted in Balance of Payments (BoP) deficit and accelerating inflation.

Real GDP growth is expected to slow in FY23 as import suppression measures disrupt economic activity. Growth is expected to accelerate over the medium term, as inflationary pressure eases, external conditions improve, and reform implementation gains momentum. Over the

medium term, the balance of payments is projected to return to surplus as import growth moderates and remittance inflows rise with a high outflow of workers to the gulf region.

To achieve its vision of attaining upper middle-income status by 2031, Bangladesh needs to create jobs through a competitive business environment, increase human capital and build a skilled labor force, build efficient infrastructure, and establish a policy environment that attracts private investment.

Development priorities include diversifying exports beyond the RMG sector; deepening the financial sector; making urbanization more sustainable and strengthening public institutions, including fiscal reforms to generate more domestic revenue for development. Addressing infrastructure gaps would accelerate growth. Addressing vulnerability to climate change and natural disasters will help Bangladesh to continue to build resilience to future shocks. As most of the mega projects will be completed in the next couple of years, it is expected Bangladesh's economy is will qualifies for LDC graduation soon.

Capital Market

Capital market acts as a bridge of long term financing for the industrial development of a country through the sale and purchase of shares, debentures, bonds, mutual funds, treasury bills, certificates etc. and the turnover of capital market contributes to the GDP of the country. Capital market in Bangladesh consists of two full-fledged stock exchanges- the Dhaka Stock Exchange (DSE) and the Chittagong Stock Exchange (CSE). Bangladesh Securities and Exchange Commission (BSEC), as watchdog, regulates the stock exchanges of the country.

Capital market consists of two types i.e. Primary and Secondary.

- **Primary Market.** Primary market is the market for new shares or securities.
- **Secondary Market.** Secondary market deals with the exchange of prevailing or previously-issued securities among investors.
- **Function of Capital market In Bangladesh:**
- In capital markets across the globe, investors are faced with a variety of financial assets to invest in. As different securities have different associated risk factors, the basic instinct for the smart investor has been to diversify the investment portfolio across different instruments to minimize risk. In Bangladesh, this is not adequately possible as investment options are limited. Almost all of the general public's funds are channeled into an ailing banking sector wherein

interest rates often cannot trump inflation, thus generating little to no return for investors.

- This is not by choice—there exist few options for potential investors in Bangladesh seeking to put money into financial assets. The stock market in Bangladesh is highly volatile where stock prices have been manipulated in the past by so-called “Big Sharks” to lure in naive investors. On the other hand, the bond market never properly developed. At present, there is only one corporate bond being traded on the Dhaka Stock Exchange in addition to regularly traded government bonds.
- The total amount of market capitalization was BDT 5177.82 billion at the end of June 2022, which were BDT 5167.65 billion at the end of May 2022 and BDT 5142.82 billion at the end of June 2021.

Problems facing capital markets in Bangladesh:

- Many of the problems facing capital markets in Bangladesh are due to poor management, unethical practices, and under-capitalization. Any attempt to alleviate what appear to be perennial issues of the capital markets should incorporate effective measures to tackle the aforementioned factors.
- Strengthening the stock market is a key priority. Bangladesh's stock market is afflicted by extreme market volatility, stock price manipulation and insider-trading, all of which serve to encourage gambling and dissuade genuine investors from entering the market. The majority of people also do not know how capital markets function, and as a result, educated investors are in shortfall. These realities make the equities market an unviable investment option and means of financial intermediation. Greater oversight is required to make sure such practices are eliminated and strong punishments need to be instituted to deter their occurrences in the future.

Ref: Global Economic Prospects-2022: World Bank, Bangladesh Economic Review 2022 BBS.

Insurance Industry Outlook

Risk is one of its most challenging and constant aspects of the human experience. By providing financial backing in case of unexpected events, insurance attempts to reduce the impact of risk on our health, belongings, and businesses. The insurance industry is not only central to the creation of a stable business environment but also critical for the reduction of the financial burden on the government during natural and economic crises. The investment of insurance premiums into other financial assets also helps generate growth in the country.

Insurance companies were nationalized after the liberation of Bangladesh under the presidential order

no. 95 i.e. Bangladesh Insurance (Nationalization) Order 1972. This order was implemented through creation of five corporations i.e. the Jatiya Bima Corporation, Tista Bima Corporation, Karnafuli Bima Corporation, Rupsa Jiban Bima Corporation, and Surma Jiban Bima Corporation and later on these five corporations merged into two corporations called Sadharan Bima Corporation- to conduct general insurance business and Jiban Bima Corporation- to conduct life insurance business. Insurance Sector privatization took place in 1984 under the Insurance Corporation Ordinance 1984.

This sector is far behind to achieve the national target considering the size of the economy because of numerous reasons out of which absence of good corporate governance and inadequate policy support are remarkable. To sell the insurance products, regulatory bindings and patronization is required being people are reluctant to buy an insurance policy unless it is extremely necessary. However, autonomous regulator called IDRA (Insurance Development and Regulatory Authority) was formed in 2010 with the prime object to overall development of insurance Sector through addressing the short comings and to accept the challenges.

At present, 78 insurance companies are operating in Bangladesh out of which 46 are engaged in non-life insurance activities and 32 are in life insurance activities. Further, 42 non-life and 14 life insurance companies are listed in the capital market.

Following problems in Non-Life Insurance Sector are visible:

- Lack of good corporate governance;
- Unhealthy competitions;
- Insufficient insurance products;
- Lack of research and innovations;
- Shortage of skilled manpower and insurance professionals;
- Inadequate regulatory supervision;
- Excessive dependency on agent;
- High agency commission;
- Absence of countrywide awareness building program;
- Mistrust of the customers.

Regulatory Reforms

Insurance Development and Regulatory Authority (IDRA) is the sole entity to regulate the insurance business in Bangladesh. It was formed in 2010 under the Insurance Development and Regulatory Authority Act 2010. The supreme governing act for insurance companies of Bangladesh is the Insurance Act 2010. Any entity conducting insurance business in Bangladesh must follow this act and which has empowered IDRA to promulgate subsequent regulations whenever required. As per Insurance Act 2010 followings mandatory requirements are the steps towards the reformation process:

- minimum paid capital requirement for non-life insurance companies is BDT 400 million, of which 60% would be provided by the sponsor rest would be open for public subscription;
- All the local insurance entities must be enlisted in capital market through IPO to accumulate rest amount of paid-up capital within the three years from the incorporation. Two years may be extended with the prior permission of authority;
- Non-life insurance companies to invest in Bangladesh Government Treasury Bond (BGTB) minimum BDT 25 million;
- Ceiling of commission offering to the clients regarding premium payment
- Mutual Insurance companies are not allowed to conduct non-life insurance business.
- An Insurance Company cannot conduct both life and non-life insurance business.
- Highest agency commission is 15% of the Gross Premium of own business Restriction to enter in Public Sector business (PSB)
- 50% of PSB is equally divided among the private non-life companies by Sadharan Bima Corporation;

To overcome the problems of General Insurance Sector, IDRA took a number of initiatives in recent past. To stop undue and undisclosed expenses, IDRA promulgated a circular in 2nd July 2019 that includes number of instructions such as-

- Non-life insurance companies can operate maximum three bank accounts in three banks for premium collection. Extra bank accounts being closed within 31st July 2019 by keeping three bank accounts open;
- For preserving capital 1 bank account and for depositing other income 1 bank account being opened;
- For settling claim 1 bank account and for management expense another bank account being opened;
- Expenses more than ten thousand must be made through using non-negotiable cheques;
- All the instructions being implemented as before 12th August 2019.

Bangladesh Insurance Association organized a meeting among the chairman, CEOs of Non-life and IDRA where everyone agreed upon keeping agency commission within the prescribed regulatory limit of 15%.

Prior to this, on January 19, IDRA launched Uniform Messaging Platform (UMP) as a part of digitalization and modernization. Through UMP insurance customers will receive the premium information and payment

confirmation- introduce e-Money Receipt instead of manual Money Receipt under the supervision of IDRA. Previously, this information gap sourced myriad objection regarding claim from the policy holders.

According to data of BIA, the total premium of private sector life insurance companies decreased from Tk. 89,264 million in 2020 to Tk. 96,289million in 2021. The life fund of private life insurance companies has increased to Tk. 327,478 million in 2021 from 320,397 million in 2020 showing an increase of 2.21 per cent.

The total investment made by the private sector life & Non life insurance companies increased from Tk. 250,477 million in 2020 to Tk. 262,837 million in 2021 indexing an increase of 4.93 per cent. The total assets of the private sector life & Non life insurance companies is attributed to Tk. 454,766 million in 2021 as against Tk. 437,474 million in 2020 registering an increase of 3.95 per cent.

Prospects

Bangladesh observed the 'Insurance Day' on March 1, 2021 highlighting the role of insurance sector in the economy. The Honorable Prime Minister Sheikh Hasina was the chief guest in an event held on the occasion. It was also decided that Insurance Day will be observed on March 1 every year.

Despite various challenges, Bangladesh's insurance sector has tremendous potential for growth, especially given the country's favorable macroeconomic picture. Regulatory reforms and the introduction of bank assurance, health, expatriate, agriculture, education, coastal and public pension insurance products along with deep distribution channels can catalyze growth in the insurance sector. Regulations that focus on reducing the risk of insolvency can help build trust in the market at a global level, which in turn will increase the flow of funds into the economy. With adequate capital requirements in place, insurance companies will serve as a safeguard for investments in infrastructure bonds, thereby boosting infrastructure development. Strong regulations can also help strengthen the reinsurance market, which will ease the financial burden on the government arising from catastrophic events, thus directly contributing towards development opportunities for the country.

Further, well-defined regulations can drive competition, enabling companies to provide the best solutions and offer more options to customers. Regulatory frameworks, ideally framed with reference to international standards and principles, will go a long way towards creating a resilient insurance sector. A resilient insurance sector can, in turn, have far-reaching economic, commercial and social benefits for Bangladesh. Thriving against odds, it could also, in the long run, encourage entrepreneurship and innovation while facilitating risk transfer.

An Overview of Asia Insurance Limited

Asia Insurance Limited (AIL) is one of the leading non-life insurance Company in Bangladesh and was incorporated as Public Limited Company on 30 April 2000 under the Company Act, 1994 and obtained registration from the former Chief Controller of Insurance, Government of Bangladesh on 30 May 2000. Asia Insurance obtains renewal license from the Insurance Development & Regulatory Authority (IDRA) in 2011. It was listed with Dhaka and Chittagong Stock Exchange on 25 June 2009. The Company carries its insurance activities through Head Office along with 22 (twenty two) Branches under online support all over the country.

Asia Insurance Limited has an Authorized Capital of Tk. 1000 million and Paid up Capital of Tk. 470.70 million. Share of the Company are traded in both Dhaka and Chittagong Stock Exchange as 'A' category.

Asia Insurance Limited achieved **AA+** (Pronounced as double A Plus) credit rating valid up to 30 October 2023 as rated by the Alpha Credit Rating Limited which indicated good financial performance and sound solvency position of the Company having a strong financial backup with high claim paying ability.

Asia Insurance Limited is focused on providing professional services of the highest quality to its clientele which include many reputed large national and multinational conglomerates. Over the 22 (twenty two) years, Asia Insurance Limited has established its track record as a sound and dependable insurer, consistently able to meet its commitments and by providing insurance solution to the individual needs of its clients.

The Board of Directors of Asia Insurance Limited is exceptionally qualified and well reputed business leader of the country. Mr. Yussuf Abdullah Harun FCA, MP, Member of the parliament and former president of the FBCCI is leading the Company as Chairman of the Board of Directors.

The qualified and experienced management team is headed by Mr. Md. Imam Shaheen, who has long 33 years of versatile working experience and well reputation in the Insurance industry. Mr. Md. Imam Shaheen has been elected as the vice president of the Bangladesh Insurance Forum (only MD's organization) and EC member of the Bangladesh Insurance Association, an apex body of the insurance industry in Bangladesh.

Financial performance of the Company has been consistently positive, delivering both underwriting and investment income and by giving attractive returns to its shareholders from inception. The Company is maintaining strong corporate culture, corporate governance, ethical standards, corporate social responsibilities, superior underwriting skills and abilities and dynamic investment management.

Within the framework of existing tariff, this Company charges the most economic and competitive premium

rates ensuring maximum security at minimum cost. The Company has got necessary Re-insurance arrangement both at home and abroad under which it can underwrite any risk of any value.

This Company takes utmost care in handling and settling claims with due promptitude with a view to giving timely indemnity to the members of the clientele.

The future prospect of Asia Insurance Limited is not only to increase business volume but also to upgrade the ranking and service quality of the Company. Asia Insurance emphasize on internal and external training in different subject area for the human resource development of the Company.

Operating Result

During the year under report, AIL's gross premium income was Taka 793.46 million as against Taka 757.81 million in 2021 an increase of 4.70%, Net Premium income attained was Taka 432.99 million as against Taka 450.60 million in 2021 leaving an decrease compared to 3.91% in 2021. Apart from general slow growth in non-life insurance Company, Asia Insurance Limited achieved a modest growth in gross premium income account. Net profit (before tax) was decreased to Taka 137.12 million in 2022 compared to Taka 214.79 million in 2021 which is a negative growth of 36.16%.

Income Analysis

Income from revenue accounts

The Company has accumulated and transferred to comprehensive Income Account by Taka 142.81 million in 2022 from five revenue accounts i.e. Fire, Marine, Marine Hull, Motor & Miscellaneous Revenue Accounts compared to Taka 193.38 million in 2021 which is decrease of (26.15)% from the previous year. A comparative position on income received from revenue accounts in the year 2022 and 2021 is given below:

Figure in Million Taka

Class of business	2022	2021	Growth%
Fire Revenue Account	(86.45)	17.32	(599.13)
Marine Revenue Account	185.11	129.95	42.45
Marine Hull Revenue Account	0.57	0.05	1,040
Motor Revenue Account	24.25	4.05	498.76
Miscellaneous Revenue Account	19.32	42.00	(45.24)
Total	142.81	193.38	(26.15)

Income from Interest, dividend & rent A/C

Interest, Dividend & Rent Income was Taka 75.35 million in 2022 compared to Taka 66.42 million in 2021 which is a growth of 13.44 %. Income from other sources was Taka 2.18 million in 2022 compared to Taka 3.10 million in 2021.

Income from Investment in Shares & Securities

Throughout the year, the country observed the capital market as unsupported, fade and confidence less of the investors irrespective of corporate and individual. Asia Insurance Limited had an investment outstanding of Taka 530.77 million in Quoted Shares of which market value is Taka 452.39 million of 2022. Necessary provision for denomination of value in share has been provided by Taka 78.37 million as on date of report.

Capital Expenditure

During the year under review, the total capital expenditure on acquisition of fixed assets was Taka 20.19 million.

Capital Requirement

According to Insurance Act 2010, Asia Insurance Limited is complaint in maintaining of minimum required capital. As on date of report, the paid up capital of Company has stood at Taka 470.70 million as against required capital of Taka 400 million.

Dividend Declaration

In the year under review as per the instruction of the Board of Directors, the management of the Company is following a policy regarding dividend payments to the shareholders in a manner that shall be in line with and in consistent to the actual income as well as the practices of the insurance industry. The Board of Directors meeting held on 09th April 2023 has recommended a cash dividend @11.00% for the year 2022,

Interim Dividend

The Board stated that no Bonus share or Stock dividend has been or shall be declared as interim dividend and there was no effect of the company's financial position for the year-2022.

Loans or Advances to the Directors

Asia Insurance Limited has not made any loans or advances any balances (including guarantee or security in connection with loan) to any other Directors of the company under the head of Current Account with refer to the Commission notification vide No. BSEC/CMMRRCD/2006-159/Amin/02-10 Dated, 10 September 2006.

Disclosure on remuneration of the Directors

The Directors including independent Directors, all being Non-Executive Director, are given only Meeting Attendance Fee of BDT. 8,000 (Bangladeshi Taka Eight Thousand Only) per Meeting of the Board and Committees, During the year 2022, an amount of Taka 5,18,400/- was given to the Directors of Asia Insurance Limited as Director's remuneration including Independent Director;

Protection of Minority Shareholders

This is to certify that minority shareholders have been protected from abusive action by, or in the interest of, controlling shareholders acting either directly or indirectly and have effective means of redress.

Significant variance in operating results between Quarterly and Annually

Asia Insurance Limited maintained a positive growth in Premium, Investment and Operating Profit. The Net profit (before tax) of the year 2022 was Taka 137.13 million against Taka 214.79 million in 2021 which is a negative growth of 36.16%. While analyzing the operating results by quarter to quarter, no significant deviation was found. The operating results for the 4 quarter of the year 2022 are given below with remarks:

Figure in Million Taka

Sl No	Accounting Head	1 st quarter ended on 31.03.22	2 nd quarter ended on 30.06.22	3 rd quarter ended on 30.09.22	4 th quarter ended on 31.12.22	Remarks
1.	Total Income	194.01	398.36	567.67	575.16	No significant variance in quarterly result
2.	Total Expenditure	158.59	308.96	394.36	438.03	No significant variance in quarterly result
3.	Net Profit before Tax	35.42	89.39	173.31	137.13	No significant variance in quarterly result
4.	EPS	0.55	1.42	2.87	2.09	No significant variance in quarterly result

Segment Analysis

The purpose of segments reporting is to enable the users of the Annual Report to evaluate the nature and financial effects of the business activities in which it engages and the economic environments in which it operates. For management, segment reporting is used to evaluate each segment's income, expenses, Assets, Liabilities and so on in order to assess profitability and risk elements to the Company. Given below are the Company's premium income, claim settlement, and profitability by class of business:

Figure in Million Taka

Segment	Gross Premium		Claim Settlement (net)		Operating Profit /(loss)	
	2022	2021	2022	2021	2022	2021
Gross Premium	793.46	757.81	105.35	127.39	142.81	193.38
Fire	277.06	248.35	94.16	64.22	(86.47)	17.32
Marine	376.12	324.77	6.07	30.40	185.11	129.95
Marine Hull	18.95	16.22	0.04	0.45	0.57	0.06
Motor	40.12	52.02	4.88	32.27	24.25	4.05
Miscellaneous	81.20	116.45	0.18	0.05	19.32	42.00

Contribution to the National Exchequer

During the year under report, an amount of Taka 141.28 million was contributed to the national exchequer against Taka 148.76 million in the year 2022 which decrease of (5.03)% over the previous years.

Particulars	Year 2022	Year 2021
Corporate Income Tax	62,866,418	58,238,623
VAT (Premium)	64,905,057	79,922,401
VAT at Source	3,700,116	3,282,254
Tax Collection at Source	8,107,653	5,882,415
Excise Duty	1,698,950	1,432,195
Total	141,278,194	148,757,888

Credit Rating

Alpha Credit Rating Limited (ACRL) has affirmed AA+ (Pronounced as double A Plus) under claim paying ability of whose outlook is stable on the financials up to December 21, 2023 and other relevant qualitative and quantitative information up-to date of rating. The rating reflects ALL's good solvency, good liquidity, good FDR base, diversified investment portfolios, experienced top management, improving IT infrastructure etc.

CPA rated in this category is adjusted to 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 conditions

Date of Declaration	Valid till	Rating Action	CPA Rating Rating	Short Term Rating	Outlook Stable
October 31, 2022	October 30, 2023	Stable	Surveillance	AA+	ST-1
December 22, 2021	December 21, 2022	Stable	Surveillance	AA+	ST-1

Sustainable Report & Green Initiatives

As per Para 5 (iii) of corporate governance code 2018, Sustainable reporting and environmental issues have been described in **Annexure-I**

Risk Management

To meet the requirements of 5(iii) of Corporate Governance Code, risks and concerns including internal and external risk factors, threat to sustainability and negative impact on environment etc. has been described in the Disclosure on Risk Management annexed herewith in **"Annexure- II"**

Report on Internal Control System

Asia Insurance Limited is very keen to establish and maintain a sound and effective Internal Control System and good governance. During the year under review, the Board has reviewed the policies and procedures of various aspects of businesses in order to establish an effective internal control system, which the Board thinks, adequate and appropriate for achieving sustainable growth & protected from abusive actions, by or in the interest of, controlling shareholders acting either directly or indirectly and effective means of redress. A separate report shows under title **"Report on Internal Control System" at Annexure-III.**

Report on going concern

Asia Insurance Limited has made an annual assessment whether there exists a material uncertainty which may be an indicative of significant doubt about Company's ability to continue as going concern. In this regard, the Board of Directors has made appropriate inquiries, analysis, review and estimation in the backdrop of existing and future financial and operational strength of the Company.

The Board of Directors are convinced and provide a reasonable assurance to the stakeholders as to ALL's continuity as a going concern for the foreseeable future and accordingly the Company has been adopting the 'going concern' basis for preparing financial statements.

Management has reasonable ground to believe that there are no significant doubts upon the Company's ability to continue as a going concern. A report on going concern is enclosed in the **"Annexure no: IV"**

Report on Year-wise performance for the last five years

Year-wise performance for the last five years has been delimitate a separate statement under title " 5 YEARS SUMMARIZED KEY FINANCIAL DATA" at Annexure-V which shows steady growth in most of the parameters that matter, The statement in this report under segment wise performance also provide that information's regarding achievements for last five years.

Related Party Transaction

Related party refers to the controlling entity (either directly or commonly) or controlling individual or close group/family member of such entity or individuals who have substantial influencing power in management of a particular organization. Whereas related party transactions refer to those transactions with the entity / person as stated by way of transfer of resources, services regardless of whether a price is charged.

Disclosure on related party transactions with the Asia Insurance Limited has been provided in the Note No.35 of the audited financial statements for the year ended 31st December. During the year 2022 under review 1336 nos. of transactions were recorded under 'related party transaction' category of whose total transaction amount as on 31.12.2022 was Taka 81.66 million compared to Taka 171.94 million in 2021 against 2580 nos. of transactions.

Human Resource Development

Human Resource is the corner stone for accelerated and sustained development of any organization. Asia Insurance Limited recognizes the importance of skilled Human Resources for overall growth of the Company. The meritorious and talented human resources team is the key for continuous development of the organization. Superior human resources are an important source of competitive

advantage. To attract talented human resources team and to create brand image, the Company has formulated HR policies and Service Rules for the employees. Asia Insurance Limited has been trying to ensure maximum output with minimum resources. So quality manpower with good academic background is being recruited in all levels of the Company.

Asia Insurance Limited is an employee welfare-oriented organization. For this reason, the management of the Company always tries to sort out all possible ways it deems beneficial to promote its employees' professional skill and efficiency. During the year 2022 under review, Asia Insurance Limited conducted 08 nos. of training/ Workshop/Seminar for total 10 nos. of employees compared to 09 nos. of employees who attended in 15 nos. of training/workshop/Seminar in 2022..

Training conducted by Asia Insurance Limited in 2022

Sl No.	Title of Training/Workshop/Seminar	No. of Participants
1	Comprehensive Course on Non-life Insurance	3
2	Claims Management for Non-life Insurance	1
3	Anti-Money Laundering & Combating Financing of Terrorism	1
4	Practical aspect of Re- Insurance in the perspective of Bangladesh	3

In order to evaluate the level of efficiency, improve the healthy competition among the employees and to motivate the employees the Company uses 'Employees' Performance Evaluation" and "Key Performance Indicator (KPI)". Upon the evaluation, the employees are motivated and awarded with promotion, accelerated promotion and other benefits.

Human Capital/ Human Resource Accounting

Human resource Accounting is the process of identifying and reporting the Investments made in the Human Resources of an organization that are presently not accounted for in the conventional accounting practices. Asia Insurance Limited formally does not practice Human Resources Accounting but regularly works out and looks into some important areas for mathematical and co-relational understanding on the main business factors. Given below is the considerable index to the management on which human related decisions are taken:

Description	Yr-2022	Yr-2021	Yr-2020	Yr-2019	Yr-2018
Total number of employee	238	243	257	240	247
Total number of Branches	22	22	22	22	22
Employee in branches (nos.)	161	163	169	167	176
Premium per employee (Million Tk.)	3.34	3.12	2.73	2.63	2.50
Operating profit per employee (Million Tk.)	0.60	0.80	0.33	0.32	0.39
Salaries & Allowances per employee (Million Tk.)	0.41	0.39	0.37	0.40	0.34
Salaries & Allowances as percentage of Operating profit	69.76%	49.01%	112.00%	125.00%	87.00%

Employee Benefits

Asia Insurance Limited is very keen to establish and retain a very congenial working atmosphere. The Company has a competitive pay structure for its employees and always keep track on the necessity of revision on the passage of time that matches with the living standards of the employees in one hand and competitive with other Competitor Company on the other hand. Services of the employees are governed by the Employees Service Rules. Pay Scale is reviewed in timely fashion in-order to make competitive. Apart from salary & Allowances, Festival Bonus and yearly Incentives,

Asia Insurance Limited provide long term benefits to its employees like 10% contributory Provident Fund (both employee and employers), Gratuity (equivalent to 1 basic salary for the employees who has completed 7 years but not exceeded 10 years and equivalent to 1.50 basic salary those who has completed 10 years, Group insurance policy etc. We have settled No.20 of employees as retirement service benefit Tk.59,54,454.00 against provident fund No.09 employees as gratuity amounting to Tk.27,20,815.00 & No.05 employees as Leave encashment Tk.365,055.00 Total settled amount of Tk.90,40,325.00.

Safety Measures

Asia Insurance Limited provides world class office environment to its employees. Every branch of Asia Insurance Limited is well decorated with the provisions of air condition, most modern safety office equipment and machines and well structured office building facilitated by sewerage and electricity connection and security measures like 24/7 close circuit TV camera, well trained security guard, fire extinguishers etc. Design of Office / Branch is considered on the basis of sufficient free space, safe sewerage gas and electricity connections etc. All has the finest corporate Head Office at Rupayan Trade Centre (14th Floor) at 114-1145 Kazi Nazrul Islam Avenue, Bangla Motor, Dhaka-1000 measuring areas of 21,507sqft. featured by most modern equipments and facilities.

Information and Communication Technology

The Company has separate IT Department through which managing IT related matters. All department of Head office is connected through Local Area Network (LAN) supported by two servers i.e. Brand & Gateway. All the branches are well connected through Database system through Online.

Data Security

A group of young and highly IT professionals are working to protect the data resources of the Company and hopefully as on date of report, there is no single incident recorded which may cause the threat towards the data or computer resources of the Company.

Managing Information Technology Risk

IT risk is the business risk associated with the use, ownership, operation, involvement, influence and adoption of IT within an enterprise. Risks surrounding Information Technology, such as network failure, lack of skills, hacking and viruses and poor system integration have the potential to have a negative impact on an organization. To retrieve data in any crucial moment, Asia Insurance Limited has upgraded the server system from RAK-72 with auto Backup in 32U RAK. The Company ensures secured file sharing system, CUBE and SS Display etc. The Company is considering introducing Disaster Recovery Center (DRC) to protect the IT resources from any means of misshape.

Management discussion and analysis

Detailed discussion and analysis by the managing Director and CEO is appended on Titled "MANAGEMENT REPORT & ANALYSIS". A management's discussion and analysis signed by CEO presenting detailed analysis of the company's position and operation along with a brief discussion of changes in the financial statements and also in the statement to stakeholders from the Managing Director & CEO.

Declaration or Certification by the CEO & the CFO to the Board

As required by the condition 6 of the guidelines, the Chief Executive Officer (CEO) and the Chief Financial Officer (CFO) have jointly certified to the Board that:-

- i. They have reviewed the financial statements for the year ended on 31st December 2022 and that to the best of our knowledge and belief:
- ii. These statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
- iii. These statements collectively present true and fair view of the Company's affairs and are in compliance with existing accounting standards and applicable laws.
- iv. There are, to the best of knowledge and belief, no transactions entered into by the Company during the year which are fraudulent, illegal or in violation of the code of conduct for the Company's Board of Directors or its members

The details of discussion of deceleration by the CEO & the CFO is shown at Annexure-IX

Disclosure on preparation and presentation of Financial Statements

The Board of Directors places before you're the financial statements for the year ended December 31,2022 for their adoption ,The Directors of the confirm ,to the best to their knowledge , that:-

The financial statements prepared as on 31.12.2022 by the Asia Insurance Limited, presented fairly its state of affairs, the results of its operation, cash flows and changes in equity;

- (a) The financial statements prepared as on 31.12.2022 by the Company, presented fairly its state of affairs, the results of its operation, cash flows and changes in equity;
- (b) The Company has been maintained proper books of accounts;
- (c) Appropriate accounting policies have been consistently applied in preparation and presentation of the financial statements and that the accounting estimates are based on reasonable and prudent judgment;
- (d) International Accounting Standards (IAS)/ International Financial Reporting Standards (IFRS)/ Bangladesh Financial Reporting Standards (BFRS), as applicable in Bangladesh, have been followed in preparation of the financial statements and any departure there-from has been adequately disclosed;
- (f) There is a significant negative deviation occurred on 4th Qtr between quarterly financial performances and Annual Financial Performances of 2022;

Operating Result & Profit

Net Profit of the Company as on 31st December 2022 stood at Tk. 137.13 million against Tk. 214.79 million of the preceding year.

A summary of operating result of Asia Insurance Limited as on 31st December 2022 vis-à-vis the position as on 31st December 2021 is shown below:

(Taka in millions)

Particulars	2022	2021	Growth Rate
Profit & (Loss) from Revenue Accounts	142.81	193.38	(26.15)%
Income from Interest, dividend, Rent	75.35	66.42	13.44%
Others Income	2.18	3.10	(29.68)%
Total Operating Income	220.34	262.90	(16.19)%
Operating Expenses	44.22	62.76	(29.54)%
Profit before Provision	176.12	200.15	(12.01)%
Provision against Investment & Others	(38.99)	14.64	(366.33)%
Net Profit before Tax	137.13	214.79	(36.16)%
Return on Assets (ROA)	3.97%	6.81%	(41.70)%
Return on Equity (ROE)	9.02%	14.52%	(37.87)%
Gross Profit Ratio	17.28%	28.34%	(39.03)%
Earnings per Share	2.09	3.29	(36.47)%

- (a) During the period under report, there was no extra ordinary gain or loss has recorded;
- (b) 5 years key financial data has been summarized in **"Annexure-V"**;
- (c) The Board of Directors has recommended 11% cash dividend for the year 2022 in its 155th Board meeting held on 09th April, 2023.

Corporate Governance

In recent times, corporate governance has been considered as most essential aspect for efficient management of a business house. It is considered to be a set of internal rules and procedures that ensure the accountability of the Directors and Top Management towards the stakeholders. Asia Insurance Limited gives much emphasis on the corporate governance in promoting a sound management. The objective of the Company is to comply with all regulatory requirements, ensure equitable treatment of all stakeholders. It confirms full and fair disclosure of financial and other material information and show respect for norms of business ethics and social responsibility.

The Board of Directors, Executive Committee, Re-Insurance & Claim Committee, Human Resource Development Committee, Investment Committee, Audit Committee, Nomination & Remuneration Committee (NRC), MANCOM and other Committees of the management perform their respective tasks with accountability and transparency.

Besides, to support and enhance the practice of corporate governance, the Audit Committee of the Asia Insurance Limited was duly constituted by the Board of Directors with a view to evaluating the activities of the Company as per guidelines laid down in the Corporate Governance Code- 2018 issued by Bangladesh Securities & Exchange Commission (BSEC) vide notification no: BSEC/CMRRC/2006-158/207/ Admin/80 dated 3rd June 2018, to strengthen the corporate governance practice in corporate. One of the most important and interesting part of the corporate governance is inclusion of at least 1/5th Independent Director of the total number of Board of Directors in the listed companies who will be knowledgeable individual with integrity and is able to ensure compliance with financial, regulatory and corporate laws and can make meaningful contribution to business.

Asia Insurance Limited is always keen to comply with and focus highly the corporate governance issues and accordingly included 1/5th number of Independent Directors of its total number of Board of Directors.

Compliance Status of Corporate Governance Guidelines issued by Bangladesh Securities & Exchange Commission (BSEC) under notification no: BSEC/CMRRC/2006-158/207/ Admin/80 dated 3rd June 2018 under condition no: 1(5) (xix), (xxii), (xxiii a), (xxiii b), (xxiii c) & (xxiii d):

Compliance of condition 1(5) (xix)

Key operating and financial data for the last five years are summarized in the preface of this report.

Compliance of condition 1(5) (xxii)

Board Meeting Held during the year 2022 and attended by each Director

Sl. No.	Name of the Director	Board meetings in 2022		
		No of Board Meeting held	Attendant	Fees (Tk.) (Per Meeting)
1	Yussuf Abdullah Harun FCA, MP	4	4	8,000.00
2	Mahbubul Alam	4	3	8,000.00
3	Abul Bashar Chowdhury	4	3	8,000.00
4	Mohammed Jahangir Alam	4	3	8,000.00
5	Khaleda Begum	4	2	8,000.00
6	Mohammed Mustafa Haider	4	2	8,000.00
5	Farzana Afroze	4	2	8,000.00
8	Walid Mohammed Samuel	4	3	8,000.00
9	Md. Rashedul Islam, FCA	4	4	8,000.00
10	Tarik Sujat	4	2	8,000.00
11	Dr. Zaidi Sattar	4	4	8,000.00

Compliance of condition 1(5) (xxiii a): Pattern of shareholding

Statement in compliance with condition 1(5) (xxiii-a): Parent / Subsidiary/Associated Companies and other related parties: NIL

Statement in compliance with Condition 1(5) (xxiii b)

b (i): Shareholding Position of Directors of Asia Insurance Limited with their Spouse and Minor Children as on 31.12.2022

SL No.	Name	Position & Relation	Number of Share	Total	% of Share
1	Mr. Yussuf Abdullah Harun FCA, MP	Chairman	2,255,715	2,255,715	4.79%
	Mrs.	Wife			
	Mr./Miss	Son/daughter			
	Master	Minor Child			
2	Mr. Md.Jahangir Alam	Director	1,882,793	1,882,793	4.00%
	Mrs.	Wife			
	Mr./Miss	Son/daughter			
	Master	Minor Child			
3	Mr. Abul Bashar Chowdhury	Director	941,500	941,500	2.00%
	Mrs.	Wife			
	Mr./Miss	Son/daughter			
	Master	Minor Child			
4	Mrs. Khaleda Begum	Director	1,882,793	1,882,793	4.00%
	Mr. Mohammed Mustafa Haider	Son	2,715,588	2,715,588	5.77%
	Mrs. Farzana Afroze	Daughter	1,882,793	1,882,793	4.00%
	Master	Minor Child			
5	Mr. Mohammed Mustafa Haider	Director	2,715,588	2,715,588	5.77%
	Mrs.	Wife			
	Mr./Miss	Son/daughter			
	Master	Minor Child			

SL No.	Name	Position & Relation	Number of Share	Total	% of Share
6	Mrs. Farzana Afroze	Director	1,882,793	1,882,793	4.00%
	Mr.	Husband			
	Mr./Miss	Son/daughter			
	Master	Minor Child			
7	Mr. Mahbubul Alam	Vice Chairman	941,500	941,500	2.00%
	Mrs.	Wife			
	Mr./Miss Dr. Munal Mahhub	Son/daughter	941,500	941,500	2.00%
	Master	Minor Child			
8	Dr. Munal Mahbub	Director	941,543	941,543	2.00%
	Mrs.	Wife			
	Mr./Miss	Son/daughter			
	Master	Minor Child			
9	Mohammed Jamal Ullah	Sponsor Shareholder	941,500	941,500	2.00%
	Mrs.	Wife			
	Walid Mohammed Samuel	Son/daughter	943,793	943,793	2.01%
	Master	Minor Child			
10	Walid Mohammed Samuel	Director	943,793	943,793	2.01%
	Mrs.	Husband			
	Mr./Miss	Son/daughter			
	Master	Minor Child			
11	Southeast Bank Limited Represented by Mr. Rasedul Islam	Director	3,799,014	3,799,014	8.07%
	Mrs.	Wife			
	Mr./Miss	Son/daughter			
	Master	Minor Child			
12	Bay Leasing & Investment Limited Represented by Mr. Tarik Sujat	Director	956,898	956,898	2.03%
	Mrs.	Wife			
	Mr./Miss	Son			
	Master	Daughter			
	Master	Minor Child			
13	Dr. Zaidi Sattar	Independent Director	Nil	Nil	Nil

1(5) (xxiii b)(ii) Shares held by the Chief Executive Officer, Company Secretary, Chief Financial Officer, Head of Internal Audit and other top Executives of the Company and their spouse and minor children(Name wise Details)

SL No.	Name & Designation	Nos. of Share(s) held
1	Md. Imam Shaheen, Managing Director & CEO Including Wife, Son, Daughter, Minor Child	Nil
2	Md. Atique Ullah Majumder, DMD & Company Secretary Including Wife, Son, Daughter, Minor Child	Nil
3	Md. Rafiqul Islam, DMD & Chief Financial Officer Including Wife, Son, Daughter, Minor Child	Nil
4	Md, Saiful Amin Assistant Managing Director, Head of Branch, Elephant Road Br.Dhaka Including Wife, Son, Daughter, Minor Child	Nil

1.5 (xxiii c) Shares held by top five salaried Executive of the Company and their spouse and minor children;

SL No.	Name & Designation	Nos. of Share(s) held
1	Md. Imam Shaheen, Managing Director & CEO Including Wife, Son, Daughter, Minor Child	Nil
2	Md. Atique Ullah Majumder, DMD & Company Secretary Including Wife, Son, Daughter, Minor Child	Nil
3	Md. Rafiqul Islam, DMD & Chief Financial Officer Including Wife, Son, Daughter, Minor Child	Nil
4	Md, Saiful Amin. Assistant Managing Director, Head of Branch, Elephant Road Br.Dhaka.	Nil
5	Mohammed Omar Faroque, Executive Vice President, Head of Branch, Dilkusha Branch,Dhaka	Nil

1(5) (xxiii d) Shareholders holding ten percent or more voting interest in the Company: NIL

Responsibilities related information of Directors, Chairman, CEO, CS, CFO & HIAC

To meet the requirements of Paragraph 4(d) and 7 of the corporate governance code 2018, Information related to responsibilities, role, TOR, Code of Conduct of Directors, Chairman, CEO, Company Secretary, CFO and HIAC have been described in **Annexure-VI**

Information related to Board, Committee, Meetings & its Directors

Board of Directors

Asia Insurance Limited does not have its own policy on appointment of Directors rather it follows the directions and guidelines of regulatory authorities like Bangladesh Securities & Exchange Commission's (BSEC) Notification, Insurance Companies Act 2010, IDRA Guidelines. The Company has 12 (Twelve) directors in its Board and at least one-fifth is Independent Directors i.e. there are one independent director in the Board. At the time of appointment of new directors, the existing Board of Directors frequently assess the size and structure of the Board, evaluate the knowledge, skills, experience and perceptions that may be necessary to allow the Board to perform its functions.

The Directors are appointed by the Shareholders in the Annual General Meeting. Casual vacancy, if any, is filled up by the Board in accordance with the provisions of the Companies Act and Articles of Association of the Company. During the year under report, no casual vacancy was occurred. Total number of Directors of Asia Insurance Limited is 12 (Twelve) including 01 (one) Independent Directors as on 31.12.2022 which is within the compliance limit of the provision of the Corporate Governance Code 2018. According to Bangladesh Securities & Exchange Commission's (BSEC's) Notification Dated 22.11.2011 published in the Bangladesh Gazette on December 14, 2011 all the Directors of Asia Insurance Limited have their sufficient shareholdings i.e. minimum 2% of the total paid-up capital of the Company.

The Board members of Asia Insurance Limited are highly professional and competent. The board approves and reviews different policies and business plans with the ultimate objective to achieve the goals whereas the administrative and execution powers lie with the management team headed by the Managing Director. Managing Director of the Company is paid salaries and allowances as per approval of the Board of Directors of Asia Insurance Limited subject to approval of IDRA.

Directors are entitled and paid meeting attendance fees Taka 8000/- per attendance including actual travelling, food and lodging expenses for attending the Board of Directors Meeting, Executive Committee Meeting, Re-Insurance & Claims Committee Meeting, Human Resources Development Committee meeting, Investment Committee Meeting, Audit Committee Meeting & Nomination and Remuneration Committee (NRC) Meeting. During the year 2022, the total expenditure related to the Board meeting was Taka 0.51 million against Taka 0.45 million in 2021.

Board Meetings & Minutes

The Board meets to discuss and review business strategy, financial performance, compliance and governance, risk management issues etc. as well as reports on matters deliberated by the respective committees. Meetings of the Board are scheduled in advance for the Directors to plan their schedules. In addition, Special Board meetings are held when necessary, to deliberate on major transactions and ad-hoc matters that require the Board's urgent attention and decisions.

Meeting papers on the proposals and reports are delivered to the Directors prior to the meetings, giving them sufficient time to evaluate the proposals and if necessary, request additional information. This enables the Board to function and discharge their responsibilities effectively. The minimum information required for the Board to make an informed and effective decision includes background, objective, key issues, rationale, financial and non-financial impact of the proposal.

Directors who are unable to attend a meeting due to unavoidable circumstances are encouraged to provide feedback to the Chairman on matters to be deliberated for their views to be given due consideration at the meetings. Proceedings and resolutions are taken by the board are recorded as minutes of the meeting signed by the Chairman of the meeting. The decisions taken by the board are disseminated by the Company Secretary to whom such decision relates. Upon request of any member of the Board of Directors, copy of minutes of AGM is provided by the Company Secretary upon receipts of fees as per Articles of Association of the Company. As per Company Act 1991, every Company is required to hold minimum 4 (four) Board of Directors meeting in a year. During the year 2022 under report, total 4 nos. of Board meetings were held against 04 meetings in 2021 where 44 nos. of policy decision were taken out of which 44 nos. of decision so far been implemented.

All such meeting related papers, documents, memo, attendance & honorarium registers, minutes etc. are being maintained in good condition by the Board Secretariat of Asia Insurance Limited.

Retirement of Directors

At least one third of the total number of directors shall retire every year in the Annual General Meeting (AGM) in compliance with the provision of Companies Act, 1994 and Articles of Association of the Company. However, retiring Directors are also eligible for re-election in the same AGM they retire. In the last 22nd Annual General Meeting (AGM) held on 26th July 2022 the following directors were retired by rotation and they were also re-elected as per provision of the Articles of Association of the Company:

Sl. No. Name of the Directors

1. Mr. Yussuf Abdullah Harun FCA, MP
2. Mrs. Khaleda Begum.
3. Walid Mohammed Samuel

As per Section 91(2) of the Companies Act, 1994 and as per articles no: 112, 113, 114 of the Articles of Association of Asia Insurance Limited, the following directors will retire from the office in the next 23rd Annual General meeting being holding the office for the longest period.

Sl. No. Name of the Directors

1. Mohammed Jahangir Alam
2. Abul Bashar Chowdhury
3. Mrs. Farzana Afroze

As per provision of Article 114 of the Articles of Association of the Company, the retiring directors as mentioned above are eligible for re-election in the same meeting they retire.

Independent Director

Pursuant to Condition # 1.2 of the Corporate Governance Code 2018 issued by Bangladesh Securities and Exchange Commission (BSEC) vide its Notification No. BSEC/CMRRC/2006-158/207/ Admin/80 dated 3rd June 2018, Asia Insurance Limited appointed 1/5 Independent Directors to the Board of Directors. There is 1 (One) Independent Directors namely: Dr. Zaidi Sattar was appointed on 21.05.2017. The Independent Directors in the Board exerts independent views on the policy decisions and ensures that all decisions are unbiased and for the best interest of the Company. As per above corporate governance guidelines, no independent director of Asia Insurance Limited:-

- holds more than one percent shares of the total paid-up capital.
- is not a sponsor of Asia Insurance Limited and is connected with the Company's any sponsor or director or shareholder who holds one percent (1%) or more share of the total paid-up capital on the basis of family relationship.
- does not have any other relationship, whether pecuniary or otherwise, with the Company;
- is not a member, director or officer of any stock exchange.
- is not a shareholder, director or officer of any member of stock exchange or an intermediary of the capital market.
- is not a partner or an executive or was not a partner or an executive during preceding 3 (three) years of the Company's statutory audit firm.
- is not an Independent Director more than 3(three) listed companies.

- has not been convicted by a court of competent jurisdiction as defaulter in payment of any loan to a Bank or Non-Bank Financial Institute.
- has not been convicted for a criminal offence involving moral turpitude

Executive Committee

This is the subordinate committee to the Board. Members of the Executive Committee are elected by the Board of Directors of the Company. As Articles of Association, the Company has formed an Executive Committee. Duties and responsibilities of the Executive Committee are determined by the Board of Directors. The Executive Committee lies with the duties and responsibilities to ensure an efficient, competent, complied and secured structural approving system of business decision.

Audit Committee

In order to establish good corporate governance and a culture of adequate internal control system inside the Company and to evaluate the activities of the Company as per Corporate Governance Code of BSEC, the Audit Committee of the Board was duly constituted as per BSEC notification no. BSEC/CMRRC/2006-158/207/ Admin/80 dated 3rd June 2018.

The current Audit Committee is consisted of 7(Seven) members where Chairman is Independent Director. All members of the Audit Committee are non-executive directors. All members are financially literate and one of the members of the committee is from Finance and Accounting background. The head of internal audit always has direct access to the audit committee as well, and can express his issues in front of the committee.

The Audit Committee has a term of reference and is empowered to investigate/question employees and retain external counsel as required. During the year 2022, total 3 nos. of meetings were held. Audit Committee plays the following role in the Company:

- Oversee the financial reporting process.
- Monitor choice of accounting policies and principles.
- Monitor internal control risk management process.
- Oversee hiring and performance of external auditors.
- Review along with the management, the annual financial statements before submission to the board for approval.
- Review along with the management, the quarterly financial statements before submission to the board for approval.

- Review the adequacy of internal audit function.
- Review statement of significant related party transactions submitted by the management.
- Review Management Letters / Letter of Internal control weakness issued by the statutory auditors.

A report on the activities carried out by the Audit Committee duly signed by the Chairman of the Audit Committee under condition No. 5(6) (a) (ii) of the Corporate Governance Code for the year 2019 has been disclosed in this Annual Report in **"Annexure VII"** to meet the requirements of Paragraph 5(7) of the said Corporate Governance Code 2018.

Remuneration Committee

According to Paragraph 6 of the BSEC Notification No. BSEC/CMRRC/2006-158/207/ Admin/80 dated 3rd June 2018, the Board of Directors of Asia Insurance Limited has formed a Nomination and Remuneration Committee (NRC) in its 133rd meeting held on 28th January 2018. This committee has constituted with 3 members out of whom 02 members and 01 Independent Directors. Pursuant to the condition a 6(5) (c) of Corporate Governance Code 2018, a Report of the Nomination and Remuneration Committee (NRC) is enclosed in **"Annexure VIII"**

Statutory Declaration

To meet the requirements of paragraph 5 of XXVI of Corporate Governance Code 2018, statutory declaration is given by the CEO & CFO of Asia Insurance Limited as per **"Annexure IX"**

Corporate Governance Check list and Certification on Corporate Governance

To meet the requirements of paragraph 5 of XXVII of Corporate Governance Code 2018, Certificate on Corporate Governance is enclosed in **"Annexure- X"**.

Appointment of Auditors

M/s. Pinaki & Company, Chartered Accountants, Dhaka was appointed as External Auditors of Asia Insurance Limited by the Shareholders in its 22nd Annual General Meeting at a fees of Taka 2,50,000/- (Taka Two Lac Fifty Thousand) only for the year 2022. As per Securities and Exchange Commission Rules, is appointment as an External Auditors for the year 2022 and has expressed their interest to become auditors for the year 2023.

Information availability on website

The full text of the Annual Report 2022 including other financial reports is available in the Company's website

www.asiainsurancebd.com

Investor's Complain Desk

The Company has an Investor's Complain Desk to investigate any matters related to the Investors. Any aggrieved investor may submit his complain or query to the following address;


Company Secretary & Head of Investor Complain Desk

Asia Insurance Limited
Corporate Head Quarter
Rupayan Trade Centre (14th Floor)
114-115 Kazi Nazrul Islam Avenue,
Bangla Motor, Dhaka-1000
Phone: +88 02 55138581-84
Fax: +88 02 55138587
Email: asiainsu@gmail.com
info@asiainsurancebd.com
web: www.asiainsurancebd.com

Gratitude

The member of the Board of Directors of Asia Insurance Limited would like to place on record their gratitude to all the valued Shareholders, Clients, Patrons and Well-Wishers for their continued support and cooperation. We are also indebted to the Government of Bangladesh, IDRA, Securities & Exchange Commission (SEC), Stock Exchanges, Commercial Banks & Financial institutions, Office of the Registrar of Joint Stock Companies & Firms and all other concerned for their continued and kind support. Finally, the Board would like to place on record their deepest appreciation for the dedicated services rendered by all the employees of the Company.

On behalf of the Board of Directors



Yussuf Abdullah Harun FCA, MP

Chairman