



ANNUAL REPORT 2018



Republic Insurance Company Limited
রিপাবলিক ইনস্যুরেন্স কোম্পানী লিমিটেড



Founder Chairman
Late Hedayet Hossain Chowdhury
(1931-2014)



Republic Insurance Company Limited
রিপাবলিক ইনস্যুরেন্স কোম্পানী লিমিটেড





VISION

OUR VISION IS TO CREATE A MEANINGFUL ORGANIZATION WITH SUSTAINABLE GROWTH. WE AIM TO ACHIEVE NEW HEIGHTS IN THE WORLD OF COMPETITIVENESS IN INSURANCE. WE BELIEVE IN QUALITATIVE GROWTH BALANCED WITH MARKET PROFITABILITY. OUR CONSTANT ENDEAVOR IS TO ACHIEVE CUSTOMER SATISFACTION WITH CONSISTENT QUALITY SERVICE AND WITH EXEMPLARY RESPONSIBILITY.

MISSION

OUR MISSION IS TO MAXIMIZE LONG TERM SHAREHOLDERS' VALUE, THROUGH CLIENTS' CONTENTMENT AND EMPLOYEES' COMMITMENT TO EXCELLENCE.

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LETTER OF TRANSMITTAL

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

Subject: Annual Report for the year ended December 31, 2018.

Dear Sir(s):

Enclosed please find a copy of the Annual Report together with Audited Financial Statements which comprises of Statements of Financial Position as at December 31, 2018 and the related Fire, Marine Cargo, Marine Hull, Motor and Miscellaneous Insurance Revenue Accounts as well as Statement of Profit or Loss and other Comprehensive Income, Profit and Loss Appropriation Account, Statement of Cash Flows and Statement of Changes in Equity for the year ended December 31, 2018 along with notes there on of Republic Insurance Company Limited for kind information and record.

Best regards,

Yours sincerely,



Sajan Kumar Basak
DMD & Company Secretary

NOTICE OF THE 19TH ANNUAL GENERAL MEETING

Notice is hereby given that the 19th Annual General Meeting of Republic Insurance Company Limited will be held at IDEB Bhaban, 160/A, Kakrail, Dhaka-1000 on June 27, 2019 at 10:00 am to transact the following business:

1. To receive, consider and adopt the Directors' Report, the Audited Accounts for the year ended December 31, 2018 and the Auditors' Report thereon.
2. To declare Dividend for the year 2018 as recommended by the Board.
3. To elect Directors in place of retiring Directors from sponsors "Group-A", to elect Directors from the public shareholders "Group-B" and to approve appointment of Independent Directors.
4. To consider appointment of Auditors for the year 2019 and fix their remuneration.
5. To appoint Compliance Auditor for the year 2019 and fix their remuneration.
6. To transact any other business of the Company with the permission of the chair.

Dated, Dhaka
May 26, 2019

By order of the Board of Directors



Sajan Kumar Basak
DMD & Company Secretary

NOTES:

- i) The record date shall be on May 23, 2019 Shareholders whose names appear in the depository on the record date will be eligible to attend the Annual General Meeting and receive the dividend.
- ii) Any Shareholder entitled to attend and vote at the Annual General Meeting is entitled to appoint a proxy to attend the meeting and vote on his/her behalf. Proxy Form duly completed, must be affixed with a revenue stamp of Tk. 20 and submitted at the Registered Office of the Company at least 48 (forty eight) hours before the time of holding the meeting.
- iii) Entry to the Annual General Meeting is reserved only for shareholders or their Proxy.
- iv) Shareholders are requested to notify their changes of address, if any.

NB: No gift of benefit in cash or kind shall be paid/ offered to the Honorable Shareholders in the 19th Annual General Meeting of the Company as per Bangladesh Securities and Exchange Commission (BSEC) circular under reference no. SEC/CMRRCD/2009-103/154 dated 24.10.2013.

COMPANY'S INFORMATION

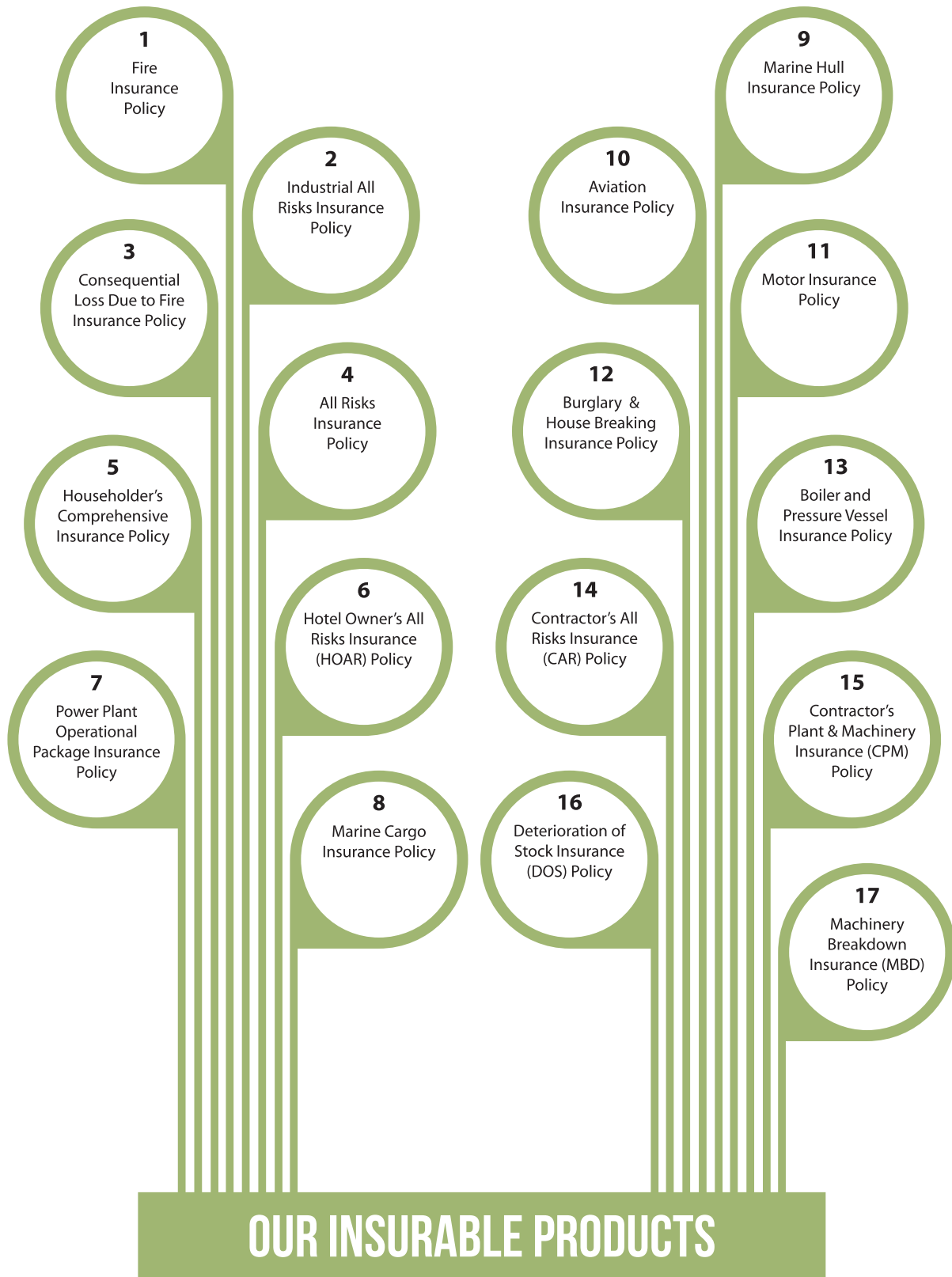
Republic Insurance Company Limited is a third generation private sector non-life insurance company. It is a well known, trusted and leading name in the general insurance sector of the country. Republic Insurance Company Limited was incorporated as a public limited company on May 18, 2000 under Companies Act, 1994. It obtained registration from Insurance Development & Regulatory Authority (IDRA) (The then Chief Controller of Insurance, Government of Peoples Republic of Bangladesh) on May 30, 2000.

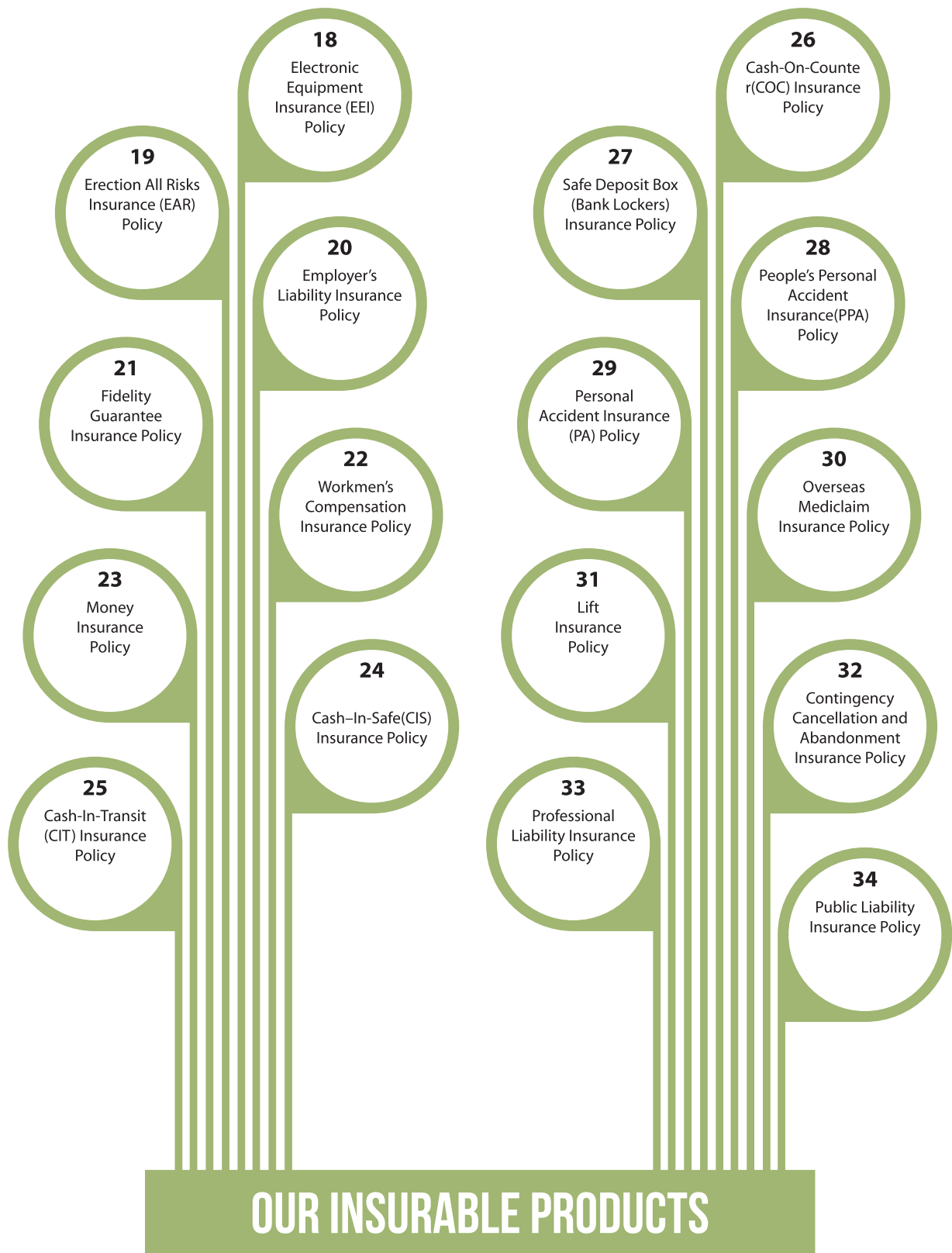
The Company is listed with Dhaka Stock Exchange Ltd. (DSE) and Chittagong Stock Exchange Ltd. (CSE) as a publicly traded company. The Company carries its insurance activities through 30 (thirty) online branches spread across the country.

Name of the Company	Republic Insurance Company Limited
Legal Form	Public Limited Company
Company's Registration Number	C-40290 (2258)/2000
Certificate of Incorporation	May 18, 2000
Obtained Certificate for Commencement of Business	May 18, 2000
Date of License Issued by the office of the Chief Controller of Insurance	May 31, 2000
Date of Publication of Prospectus (IPO)	August 4, 2008
Agreement Signed with CDBL	August 10, 2008
Listed with Chittagong Stock Exchange Ltd. (CSE)	January 7, 2009
Listed with Dhaka Stock Exchange Ltd. (DSE)	January 14, 2009
Trading of shares on DSE	January 18, 2009
Trading of shares on CSE	January 18, 2009
Issuance of First Bonus Share	July 27, 2010
Number of Branches	30
Authorized Capital	1,000,000,000
Paid up Capital	393,986,650
Earnings per Share (EPS) in 2018 (Restated)	1.55
Net Asset value per Share (NAV) in 2018	14.82
Stock dividend declared for 2018	10%
Credit Rating for the year 2018-2019	A+ (Long-term) & ST-2 (Short-term)

Registered Office

HR Bhaban (6th & 9th Floor), 26/1, Kakrail, Dhaka-1000, Bangladesh
 Phone: (+880-2) 9336619, 9361262 Fax: +880-2-9361860
 E-mail: info@riclbd.com, Web: www.riclbd.com





BRANCHES' INFORMATION

Head Office

HR Bhaban (6th & 9th Floor)
26/1, Kakrail, Dhaka-1000
PABX: +88-02-9336619, 9361262
Fax: +88-02-9361860, Web: www.riclbd.com

DHAKA ZONE

Principal Branch

Md. Ziaur Rahman (Miron)
Senior Executive Vice President
HR Bhaban (6th Floor),
26/1, Kakrail, Dhaka-1000
Ph: +88-02-8319108
Mobile: 01712674197

Hatkhola Branch

Md. Serajul Islam Bhuiyan
Deputy Managing Director
Rahman Mansion (2nd Floor),
161, Motijheel C/A, Dhaka-1000,
Ph: +88-02-9576198
Mobile: 01552475504

Farmgate Branch

Md. Rafiqul Islam
Senior Executive Vice President
99, Kazi Nazrul Islam Avenue,
Kawran Bazar, Dhaka
Ph: +88-02-55013244
Cell: 01715701346

Local Office

Md. Rukunu Zaman
Senior Executive Vice President
HR Bhaban (6th Floor),
26/1, Kakrail, Dhaka-1000
Ph: +88-02-9335153
Mobile: 01913392464

Dilkusha Branch

Md. Shaidul Islam
Deputy Managing Director
15, Dilkusha (8th Floor),
Dhaka, 1000,
Ph: +88-02-9554690
Mobile: 01911029217

Rampura Branch

Mamun Ahmed Muqtada
Executive Vice President
80/A, Siddeswari Circular Road,
Malibagh, Dhaka
Ph: +88-02-93344158
Mobile: 01819299945

Malibagh Branch

Mohsinuzzaman Chowdhury
Senior Executive Vice President
HR Bhaban (6th Floor),
26/1, Kakrail, Dhaka-1000
Ph: +88-02-9359073
Mobile: 01715145 277

Palton Branch

Md. Shamsuddin Swapon
Senior Executive Vice President
Ibrahim Mansion (4th Floor),
11, Purana Paltan, Dhaka-1000,
Ph: +88-02-9571487
Mobile: 01911385686

Imamgonj Branch

Md. Romen Ahmed
Vice President
AGI. Business Center, (4th Floor),
81/B-1, Chankharpool, Dhaka Medical
Road, Dhaka-1211,
Ph: 02-57300229,
Mobile: 01716-293916

Motijheel Branch

T.M. Mahabub Rashid
Senior Executive Vice President
Ali Bhaban (7th Floor), 9, Rajuk
Avenue, Motijheel C/A, Dhaka
Ph: +88-02-9570837
Mobile: 01711443308

Elephant Road Branch

Mr. Mahmud Hasan
Senior Executive Vice President
15, New Baily Road (3rd Floor),
Dhaka
Ph: +88-02-95333375
Mobile: 01819280143

VIP Road Branch

Md. Abdul Jabbar Mridha
Senior Executive Vice President
Alis Center (8th Floor), 40,
Bijoynagar, Paltan, Dhaka-1000
Ph: +88-02-9361249
Mobile: 01711221501

Motijheel Corporate Branch

Hafez Md. Nazmul Huda
Senior Executive Vice President
1/B, D.I.T Avenue (5th Floor),
Motijheel C/A, Dhaka-1000
Ph: +88-02-9585497
Mobile: 01817016417

BB Avenue Branch

Md. Ataullah Fakir (Manik)
Senior Executive Vice President
29, B.B. Avenue,
Dhaka-1000,
Ph: +88-02-9566686
Mobile: 01819271447

Gazipur Branch

Md. Noore Alam Siddique
Senior Vice President
Gazipur Bhaban (2nd Floor),
Tangail Road, Gazipur
Ph: +88-02-9294289
Mobile: 01720021783

BRANCHES' INFORMATION

CHITTAGONG ZONE

Agrabad Branch

Mohammed Nasir Uddin
Senior Executive Vice President
K.N. Tower (8th Floor),
Agrabad C/A, Chittagong.
Ph: +88-031-727734
Mobile: 01815926830

Khatungonj Branch

Mosharraf Hossain Chowdhury
Senior Executive Vice President
39, Ramjoy Mohajan Lane
(1st Fl.), Asadgonj, Chittagong
Ph: +88-031-639812
Mobile: 01819351116

O.R. Nizam Road Branch

Commarce View Complex (3rd
Floor), 119, CDA Avenue, East
Nasirabad, Chittagong
Ph: +88-031-2554801

Jubilee Road Branch

Yunus Khan Jasim
Deputy Managing Director
Well-Bing Ltd.,
263, Jubilee Road, Chittagong
Ph: +88-031-2852518
Mobile: 01778021210

Laldighi Branch

Md. Shafullah
Senior Executive Vice President
4, Shah Amanat Road (2nd
Floor), East Laldighi, Chittagong
Ph: +88-031-2865624
Mobile: 01715878524

Dewanhat Branch

Chittagong

OTHER BRANCHES

Satkhira Branch

Khan Mahfuzur Rahman
Assistant Vice President
Kaman Nagar, Itagacha Bazar
Mor, Satkhira
Ph: +88-0471-63131
Mobile: 01711228549

Sylhet Branch

Mahbubur Rahman Chowdhury
Vice President
Salim Mansion (1st Floor), Hotel
Al-salim Mendibagh, Sylhet
Ph: +88-0821-726702
Mobile: 01715860842

Bogra Branch

Mehedi Hasan
Deputy Manager
M.A. Khan Lane, Dr. Anisul Haque
Building (3rd Fl.), Sathmatha, Bogra,
Ph: +88-051-69341
Mobile: 01716303641

Kushtia Branch

Mohammad Rabiul Islam
Assistant Vice President
55/1, Lovely Tower (9th Floor),
N.S. Road, Kushtia.
Ph: +88-0717-3127
Mobile: 01715211525

Khulna Branch

Md. Shamsuddoha Khan
Deputy Managing Director
I.P.C Roy Road, Khulna.
Ph: +88-041-810847
Mobile: 01920-786 666

Naogaon Branch

Mahmuda Khatun
Executive Office
Shorma Shopping Center,
Vill- Tula Patti, Naogaon
Ph: +88-0741-62901
Cell: 01712142924

Rangpur Branch

Md. Ariful Islam
Manager
Karnaphuli Bhaban (1st Floor),
90, Station Road, Rangpur.
Ph: +88-0521-65986
Mobile: 01760882901

Jessore Branch

Assaduzzaman Liton
Vice President
M.S Orchid Center (6th Floor),
44, M.K. Road, Jessore
Ph: +88-0421-63179
Mobile: 01708568575

Chapai Nawabgonj Branch

Rafiqul Islam Tutul
Vice President
Boro Indra More,
Chapainawabgonj
Mobile: 01712822038,
01911072799

CREDIT RATING REPORT OF THE COMPANY



July 29, 2018

Managing Director
Republic Insurance Company Limited
HR Bhaban (6th Floor),
26/1, Kakrail, Dhaka-1000

Subject: **Credit Rating of Republic Insurance Company Limited.**

Dear Sir,

We are pleased to inform you that Alpha Credit Rating Limited (AlphaRating) has assigned the following rating to **Republic Insurance Company Limited**.

Date of Declaration	Valid Till	Rating Action	Long Term Rating	Short Term Rating	Outlook
July 29, 2018	July 28, 2019	Surveillance	A+	ST-2	Stable

The rating may be changed or revised prior to expiry, if warranted by extraordinary circumstance in the management, operations and/or performance of the entity rated.

We, Alpha Credit Rating Limited, while assigning this rating to **Republic Insurance Company Limited**, hereby solemnly declared that:

- (i) We, Alpha Credit Rating Limited as well as the analysts of the rating have examined, prepared, finalized and issued this report without compromising with the matters of our conflict of interest, if there be any; and
- (ii) We have complied with all the requirements, policy and procedures of these rules as prescribed by the Bangladesh Securities and Exchange Commission in respect of this rating.

We hope that rating will serve the intended purpose of your organization.

With kind regards,

Muhammed Asadullah
Managing Director & CEO



BOARD OF DIRECTORS

BOARD OF DIRECTORS

Mr. Mohd. Hanif Chowdhury

Chairman of the Board

Mrs. Hasina Gazi

Vice Chairman of the Board

Mr. Sadeque Hossain Chowdhury

Director of the Board

Mr. Saber Hossain Chowdhury, MP

Director of the Board

Mr. Feroz U. Haider

Director of the Board

Mrs. Khurshida Rahman

Director of the Board

Mr. S.M. Shafiul Hoque

Director of the Board &
Chairman Claims Committee

Mrs. Rehana Chowdhury

Director of the Board &
Chairman Executive Committee

Mrs. Shahin Haider

Director of the Board

Mr. Md. Mosaddake-Ul-Alam

Director of the Board
Nominated by ICB

Mr. Gazi Golam Ashria

Director of the Board

Mr. Mahboob-Ur-Rahman

Director of the Board

Mrs. Bilquis Afroza

Director of the Board

Mr. Alhaj Md. Abdus Sabur

Director of the Board

Mr. Ataul Haq

Independent Director of the Board &
Chairman Audit Committee

Mr. Md. Arshed

Independent Director of the Board

Mr. M. Salahuddin Chowdhury

Independent Director of the Board

Mr. Sahid-Ul-Hasan

Chief Executive Officer

PROFILE

OF THE BOARD OF DIRECTORS



Mohd. Hanif Chowdhury
Chairman

Mr. Mohd. Hanif Chowdhury is a renowned businessman of the country. He obtained his B.Sc degree from Chittgong University in 1976. He started his business career in 1980 in Garments sector. Then he explored his business in Textile sector. Presently he is the Group Chairman of Unitex Group. He is the Chairman of Unitex Spinning Mills Ltd., Padma Wears Ltd., Unitex Composite Mills Ltd., HS Composite Textile Ltd., Unitex LPG Ltd. and Unitex Synthetic Ltd. He is the Director of Bangladesh Commerce Bank Ltd. He was the Vice Chairman of NRB Global Bank Ltd. Mr. Chowdhury is involved in various social activities in the country. He is the founder of Al-Madrasatul Islamia Jamiatul Ulom Bhingrol.

PROFILE OF THE BOARD OF DIRECTORS



Hasina Gazi
Vice Chairman

Mrs. Hasina Gazi graduated from the University of Dhaka. She is a successful entrepreneur who after completion her education started business. She is also the Director of Gazi Rim, Gazi Fan, Gazi Plastic, Rubber Industries and Gazi Kitchenware. She is the proprietor of Pappa Traders. She is also Director of Gazi Group of Industries and wife of Mr. Golam Dastagir Gazi (Bir Protik) MP, Managing Director of Gazi Group of Industries. She is the president and donor member of different Schools and Colleges in Rupgonj, Narayangonj and Jamalpur. She is actively involved in social welfare of working women in different zones in Rupgonj, Narayangonj. She is the honorable Mayor at Rupgonj Poursava, Narayangonj.



Sadeque Hossain Chowdhury
Director

Mr. Sadeque Hossain Chowdhury is a successful businessman of the country. He obtained his B.Sc (Engineering) Degree from the University of London, UK and MBA Degree from the University of Aston, Birmingham, UK. He has been engaged in business in different sectors. He is the Managing Director of Multidrive Ltd., Multidrive Electronics Ltd., Multidrive Industries Ltd., Motodrive Ltd., Motodrive Industries Ltd., Medidrive Ltd., Travelscene Ltd. and he is also the Director of K & T Logistics Ltd., Regensea Lines Ltd., Container & Terminal Services Ltd., Finvest Services Ltd., Smart Ltd. and British Motors Bangladesh Ltd. He is the member of the Institute of Electrical Engineers (IEE), UK, American Management Association (AMA) and Kurmitola Golf Club, Dhaka.

PROFILE OF THE BOARD OF DIRECTORS



Saber Hossain Chowdhury, MP
Director

Mr. Saber Hossain Chowdhury is a Director of Republic Insurance Company Ltd. Mr. Chowdhury holds Bachelor degree of Political Science and Economics from London University and L.L.B in Westminster University, London. He is also the Vice Chairman of GSP Finance Company (Bangladesh) Limited representing Karnaphuli Industries Limited. He was elected as Member of 7th Jatio Sangsad (National Assembly), 9th Jatio Sangsad, 10th Jatio Sangsad and again he elected as Member of 11th Jatio Sangsad. He was Deputy Minister of Shipping of the Govt. of the People's Republic of Bangladesh from December 1996 to March 1998 and thereafter acted as Deputy Minister of Local Government & Rural Development (LGRD) till July 2001. He was also a Member of the Parliamentary Committee for the Ministry of Sports and Cultural Affairs for the term of 1996-2001. During his tenure as the Member of the Parliament and also as the Deputy Minister, he was widely acclaimed as having acted with honesty and integrity, thereby holding high image of his constitutional positions. He is also the Managing Director of Karnaphuli Group of Companies. He is also a Director of K&T Logistic Limited. He was the 28th President of Inter-Parliamentary Union (IPU). He has been elected to the position on October 16, 2014 for a term of 3 years. He has been awarded by Russian President Mr. Putin, 'The Order of Friendship' the highest award of Russia. He is the first Bangladeshi to have been elected to this highest office of global parliamentary leadership. At present Mr. Saber Hossain Chowdhury is the Honorary President of Inter-Parliamentary Union (IPU).



Feroz U. Haider
Director

Mr. Feroz U. Haider is a renowned international banker with experience in very senior positions in financial institutions in South East Asia. He started his banking career in 1967 with United Bank Limited (now Janata Bank) after his graduation and worked till 1975. From 1976 to 1978 he was the General Manager of Gulf Finance Company Limited, Hong Kong. In 1979 and 1980 he was the Manager, Operations of American Express Bank Limited, Bangladesh. From 1981, he was the Managing Director of GSP Finance Company Limited, Hong Kong and GSP International Limited, Vanuatu. From 1989 to 1996 he was the Chairman of GSP International Limited, Vanuatu and President of Thai Prasit Insurance Company Limited, Hong Kong (now Mittare Insurance Co. Ltd.). From the date of incorporation (October 29, 1995) of GSP Finance Company (Bangladesh) Limited, he served as Chairman and Managing Director of the Company and at present he is holding the position of Chairman.

PROFILE OF THE BOARD OF DIRECTORS



Khurshida Rahman

Director

Mrs. Khurshida Rahman is a renowned entrepreneur who after completion her education started business. She has been engaged in business since long. She is the Director of Business King Limited and owner of Kashfia Plaza. She is the Sponsor of the Company. She is involved in various social activities in the country.



S.M. Shafiqul Hoque

Director & Chairman Claims Committee

Mr. S.M. Shafiqul Hoque is a renowned businessman who after obtaining graduation started his business career. He has been engaged mostly in Garments & Textile business. He is the Chairman of Integral Apparels Ltd., Director of Combined Texwear Ltd. and Mission Apparels Industries Ltd. Mr. Hoque is the former Vice Chairman of Chittagong Chamber of Commerce.

PROFILE OF THE BOARD OF DIRECTORS



Rehana Chowdhury

Director & Chairman Executive Committee

Mrs. Rehana Chowdhury is the Director and Chairman Executive Committee of Republic Insurance Company Limited. She completed graduation from Dhaka University. She is the wife of Mr. Saber Hossain Chowdhury, MP. She is the Director of Karnaphuli Group of Companies. She is also the Director of Regensea Lines Ltd., Container & Terminal Services Ltd., Marco Shipping Company Ltd., Easy Fly Ltd., Voice Tel Ltd. and HR Holding Ltd. She is involved in various social activities in the country.



Shahin Haider

Director

Mrs. Shahin Haider obtained degree in Home Economics from Croydon Technical College, Croydon, London, UK and engaged in business different sectors. She is a Director of S.F. Haider Foundation Ltd. She is the wife of Mr. Feroz U. Haider, Chairman of GSP Finance Company (Bangladesh) Limited

PROFILE OF THE BOARD OF DIRECTORS



Md. Mosaddake-UI-Alam
Director (Nominated by ICB)

Mr. Md. Mosaddake-UI-Alam is the Deputy Managing Director of Investment Corporation of Bangladesh (ICB). He did his B.Com (Hon's) & M.Com. in Accounting from Dhaka University. Mr. Alam started his career as a Senior Officer in Janata Bank Limited. He served Janata Bank Ltd. in different capacities from August 1985 to July 2017. He joined in ICB as Deputy Managing Director on 11 July, 2017. Mr. Alam is the nominated Director of Islami Bank Bangladesh Ltd., ICB Securities Trading Company Ltd., Wata Chemicals Ltd., Golden Son Ltd., Credit Rating Agency of Bangladesh Ltd., Bangladesh Aroma Tea Ltd. and Energypac Power Generation Ltd.



Gazi Golam Ashria
Director

Mr. Gazi Golam Ashria was born in 1981. He completed his graduation in Economics from the University of Saskatchewan, Canada. He is the Managing Director of Gazi Tyres, Gazi Auto Tyres, Gazi Automobiles, Gazi Satellite Television Ltd., and Gazi Rubber Plantation etc. He is associated with Azad Sporting Club as Life Member and Vice President of Executive Committee and Prantic Crira Chakro as Councilor. Mr. Ashria elected as Director of the Federation of Bangladesh Chambers of Commerce & Industry (FBCCI) for the term of 2019-20 and 2020-21.

PROFILE OF THE BOARD OF DIRECTORS



Mahboob-Ur-Rahman

Director

Mr. Mahboob-Ur-Rahman is an innovative entrepreneur running four leading companies in entertainment, hospitality, construction and information technology sector in Bangladesh. Educated in the United States of America in Information Technology and trained as an Executive MBA from Helsinki School of Economics in Finland. Mr. Rahman is leading changes and creating values with innovative business ideas and technologies in Bangladesh. Mr. Rahman is the Founder Chairman of Show Motions Limited, the first modern multiplex cinema theater in Bangladesh under the STAR Cineplex brand. He is founder Member of BASE Ltd., a leading ITES firm render service to information technology solutions, consulting services in management and finance and technical training to enterprises and government in Bangladesh. In Finland Mr. Rahman co-founded IT Services Company and assisted the Finnish companies to set up an offshore development center in Bangladesh. Since 1999, in the capacity of Managing Director, Mr. Rahman has been leading GasMin Limited, one of the largest Gas Pipeline Construction firm in the country completing many large projects in Gas Pipeline, Drill Pad Development and Civil Structures. Mr. Rahman founded Sayeman Holding Limited with a vision to build, operate and own several destination resorts in Bangladesh. He is also the Managing Director of Sayeman Beach Resort Limited the most remarkable beachfront hotel in Cox's Bazar., Bangladesh.



Bilquis Afroza

Director

Mrs. Bilquis Afroza completed masters in history from Chittagong University. She is a renowned entrepreneur. She has been appointed in RICL as director from Public Shareholder group. She is also involved in various social activities in the country.

PROFILE OF THE BOARD OF DIRECTORS



Alhaj Md. Abdus Sabur
Director

Mr. Alhaj Md. Abdus Sabur is a renowned businessman in the south zone of the Country. He started his business career in 1975. He is the Managing Director of Alipur Fisheries Ltd. He is the proprietor of various businesses like Auto Bricks Industry, Rice Mill, Transport Business, Pump House etc. He is the President of Sathkhira Jila Chingri Chasi Samittee, Sathkhira Jila Rice Mill Malik Samittee, Sathkhira Jila Truck Malik Samittee, Sathkhira Jila Brick Field Malik Samittee, Sathkhira Jila Petrol Pump Malik Samittee and Sathkhira Jila Borof Kol Malik Samittee. He is the founder Chairman of Sathkhira Law College and Rashida Begum High School, Sathkhira.



Ataul Haq
Independent Director & Chairman Audit Committee

Mr. Ataul Haq is the Independent Director and Chairman Audit Committee of the Company. He was the former Cabinet Secretary of the Govt. of the Peoples of Republic of Bangladesh. He obtained Masters in English from Dhaka University and then he joined in the Govt. service as the then Civil Service of Pakistan. He joined as Independent Director of RICL in 2013.

PROFILE OF THE BOARD OF DIRECTORS



Md. Arshed
Independent Director

Mr. Md. Arshed was born in a respectable Muslim family in 1971 at Chittagong. He is a renowned businessman of the Country. After completed graduation he started his business career. He is the Chairman of C & A Dietary & Hospitality Ltd. and Director of Union Bank Ltd. He is the Managing Director of C & A Real Estate Ltd., C & A Energy Ltd., C & A Dairy Ltd., Khalid Enterprise Ltd., C & A Agro Ltd., C & A Court Yard., C & A Beverage Ltd., and nominee Director of Times Securities Ltd. He is also the Managing Director of Armada Spinning Mills Ltd. Mr. Arshed is involved in various social activities in the country.



M. Salahuddin Chowdhury
Independent Director

M. Salahuddin Chowdhury is the Sponsor Director of Jamuna Life Insurance Company Limited. Mr. Chowdhury is also the consultant (finance and operation) of different companies in the Country and associated with the Strategic Planning, Growth and Expansion of the Companies.

Before this, he was the COO of Access Telecom (BD) Ltd. and Alap Communication Limited for 12 years. He has a BBA and MBA in Marketing from the Institute of Business Administration (IBA) University of Dhaka, Bangladesh, the most prestigious educational institution in Bangladesh. Mr. Chowdhury is the present Organizing Secretary of the IBA Alumni Association and Old Laboratorians' Association which allows him close and regular contact with the top management professionals in the country. He is the councilor of Bangladesh Cricket Board (BCB) and is the Member Secretary of the Marketing and Commercial Committee of Bangladesh Cricket Board (BCB). Prior to joining Access Telecom he spent 5 years at TRIBE Computer System as co-founder and Managing Director. Mr. Chowdhury Participated in "The Training Program on Information Technology for Bangladesh [BAIT]" organized by Association for Overseas Technical Scholarship (AOTS), Yokohama Kenshu Center (YKC), Japan. He also joined different training programs in the country and outside the country.

PROFILE OF THE BOARD OF DIRECTORS



Sahid-Ul-Hasan
Chief Executive Officer

Mr. Sahid-Ul-Hasan is the Chief Executive Officer (CEO) of the Company. He obtained MBA degree major in Marketing in 2001. He attended various national and International Training and Workshop Program on Re-Insurance Management, Oil & Energy insurance, Technical Program in General Insurance, Marine Insurance organized by General Insurance Corporation of India (GIC), Insurance Institute of India and Bangladesh Insurance Academy. He started his career in insurance sector in 1997 and he has more than 20 years experience in this sector.

SPONSOR SHAREHOLDERS



Mr. Golam Dastogir Gazi, Bir Protik, MP



Mrs. Naheem Hossain Chowdhury



Mrs. Shahella Rashid



Mr. S.M. Fazlul Hoque



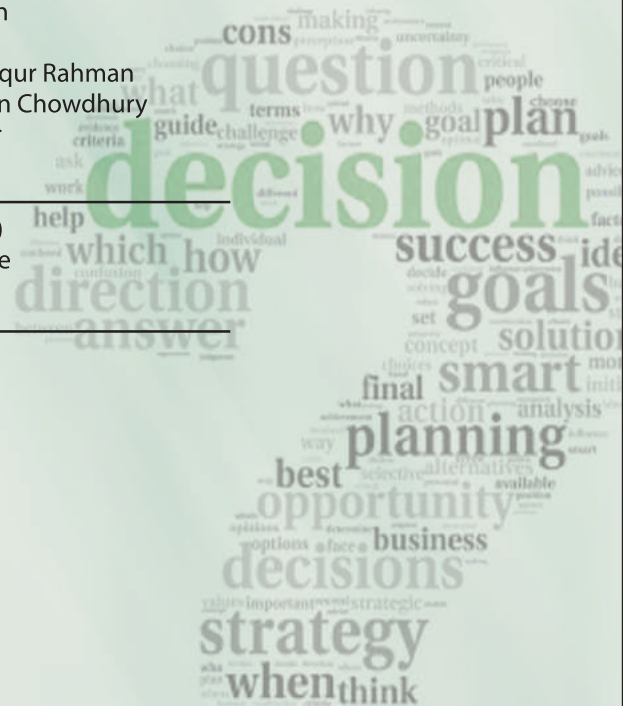
Mr. S.M. Akramul Hoque

PHOTOGRAPHS OF AGM-2018



MANAGEMENT TEAM

Chief Executive Officer	Mr. Sahid-UI-Hasan
Deputy Managing Directors	Mr. Sajan Kumar Basak (Company Secretary) Mr. Serajul Islam Bhuiyan Mr. Shaidul Islam (Salim) Mr. Shamsudduha Khan
Senior Executive Vice Presidents	Mr. Shamsuddin Ahmed Swapon Mr. Ataulah Fakir Mr. Mohammed Rukunu Zaman Mr. Ziaur Rahman (Miron) Mr. Md. Shafiullah Mr. Mohammad Nasir Uddin Mr. Abdul Jabbar Mridha Mr. Mosharraf Hossain Chowdhury Mr. Mohshinuzzaman Chowdhury Mr. T.M. Mahbub Rashid Mr. Mahmud Hasan Mr. Rafiqul Islam Mr. Abu Kawsar Bhuiyan Mr. Hafez Md. Nazmul Huda
Executive Vice President	Mr. Mamun Ahmed Muklada
Senior Vice President	Mr. Noore Alam Siddique
Vice Presidents	Mr. Assaduzzaman Liton Mr. Rafiqul Islam Tutul Mr. Mohammad Moshfiqur Rahman Mr. Mahbubbur Rahman Chowdhury Mr. Mansur Alam Sikder Mr. Md. Romen Ahmed
Assistant Vice Presidents	Mr. Rabiul Islam (Dolon) Mr. Sayed Enietul Hoque Mr. Numan Abedin



CORPORATE MANAGEMENT TEAM

Chief Executive Officer

Mr. Sahid-Ul-Hasan

Deputy Managing Director & Company Secretary

Mr. Sajan Kumar Basak

Vice Presidents

Mr. Mohammad Moshfiqur Rahman (Chief Financial Officer)

Mr. Mansur Alam Sikder (Head of U/W & BCD)

Assistant Vice Presidents

Mr. Sayed Eneitul Haque (Head of Admin)

Mr. Numan Abedin (Head of HR & MIS)

Mrs. Khurshida Yesmin (F/A)

Deputy Manager

Mr. Md. Jahidul Islam (Head of IT)

Assistant Manager

Mr. Prollad Rajbonshi (Audit)

Law Consultant

Barrister Tanjibul Alam

Advocate, Bangladesh Supreme Court

Company Law Adviser

Mr. Hasan Ur Rashid Tutul

P&H Associates

Property Plaza (Suite # 05), 66, New Circular Road

Mouchak, Dhaka-1217

Auditor

M/s. Rahman Mostafa Alam & Co.

Chartered Accountants,

Paramount Heights (7th Floor D2 & C1)

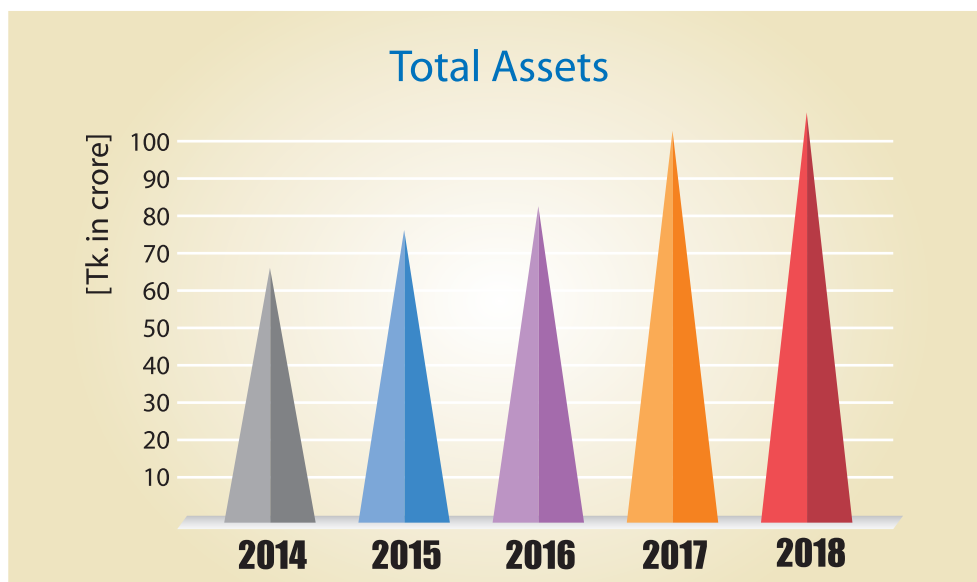
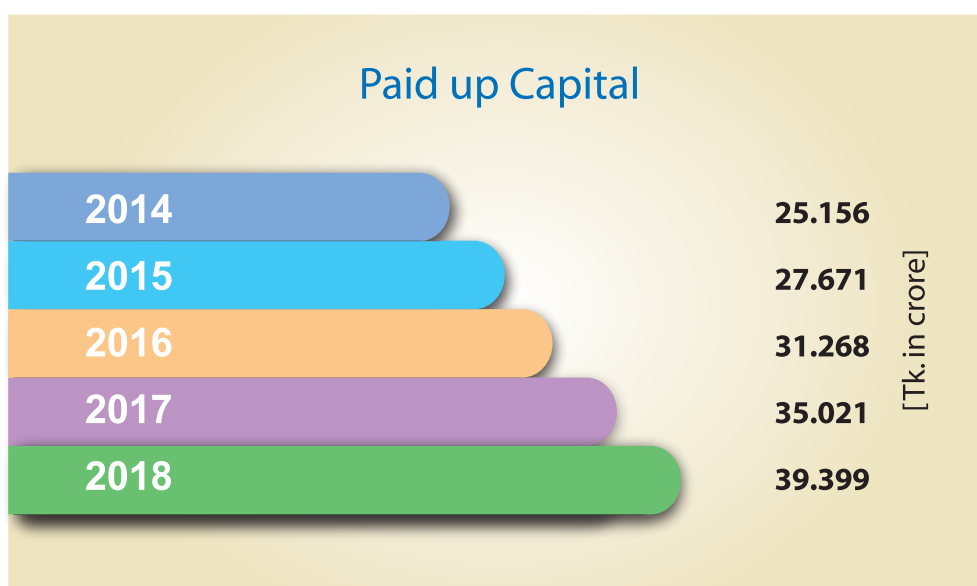
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Purana Paltan, Dhaka-1000

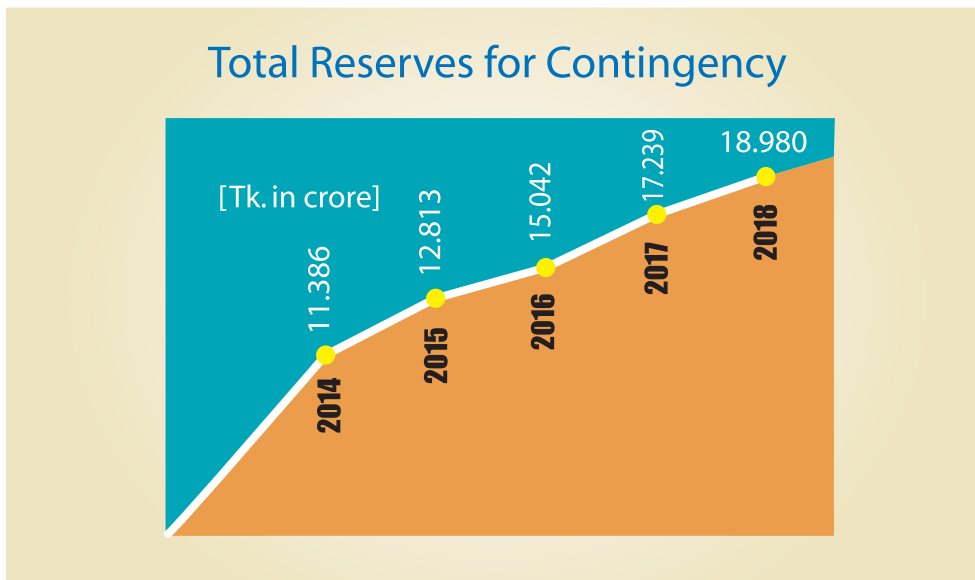
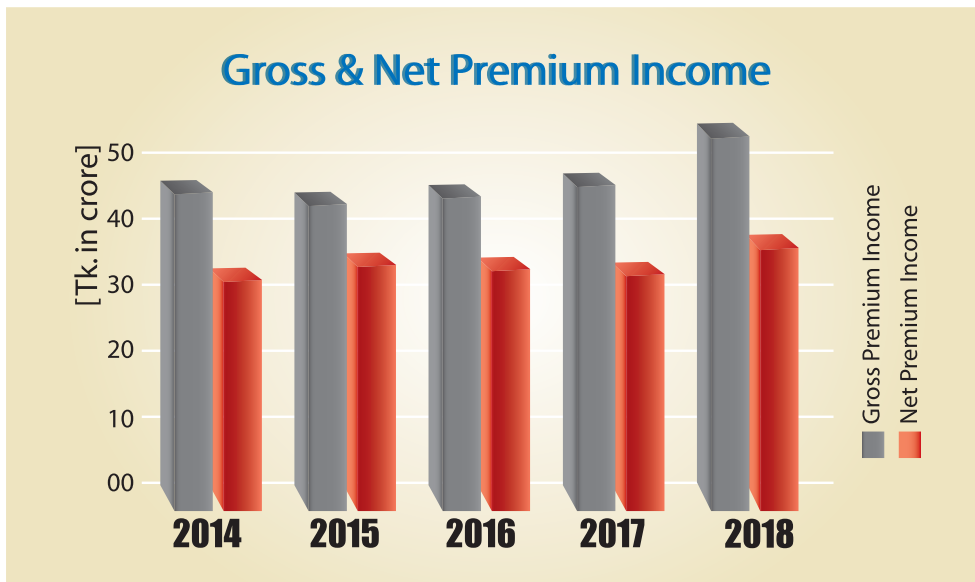
FINANCIAL HIGHLIGHTS

Particulars	Amount 2018	Amount 2017	Amount 2016	Amount 2015	Amount 2014
Paid up Capital	393,986,650	350,210,360	312,687,830	276,714,900	251,559,000
Gross Premium Income	534,379,668	478,241,306	458,191,929	436,668,252	430,911,899
Net Premium Income	354,995,209	330,503,062	332,523,596	334,017,405	342,868,302
Net Claims Paid	89,791,592	56,225,256	63,865,381	51,946,099	82,316,673
Interest & Other Income	26,769,959	32,807,177	42,066,142	40,767,089	45,500,458
Underwriting Profit	81,024,418	79,747,198	72,647,476	59,557,766	63,729,071
Net Profit before Tax	80,954,824	88,406,343	92,748,912	80,869,432	80,981,557
Total Assets	1,055,118,235	1,005,497,762	917,756,493	816,937,721	766,649,370
Total Reserves for Contingency	189,801,715	172,399,340	149,148,688	128,128,930	113,856,565
Cash & Bank Balances	29,853,149	43,435,735	44,539,872	51,624,337	50,480,081
Investments	435,025,602	466,276,135	450,255,987	433,001,666	415,591,882
Number of Shares	39,398,665	35,021,036	31,268,783	27,671,490	25,155,900
Net Asset value per Share (NAV)	14.82	14.92	14.81	14.63	14.53
Earnings per Share (EPS) (Restated)	1.55	1.51	1.67	1.92	1.71
Dividend	10% B	12.50%B	12%B	13%B	10%B
Shareholder's Equity	583,788,365	522,809,700	461,836,518	404,843,830	365,415,565
Number of Employees	663	585	727	609	621

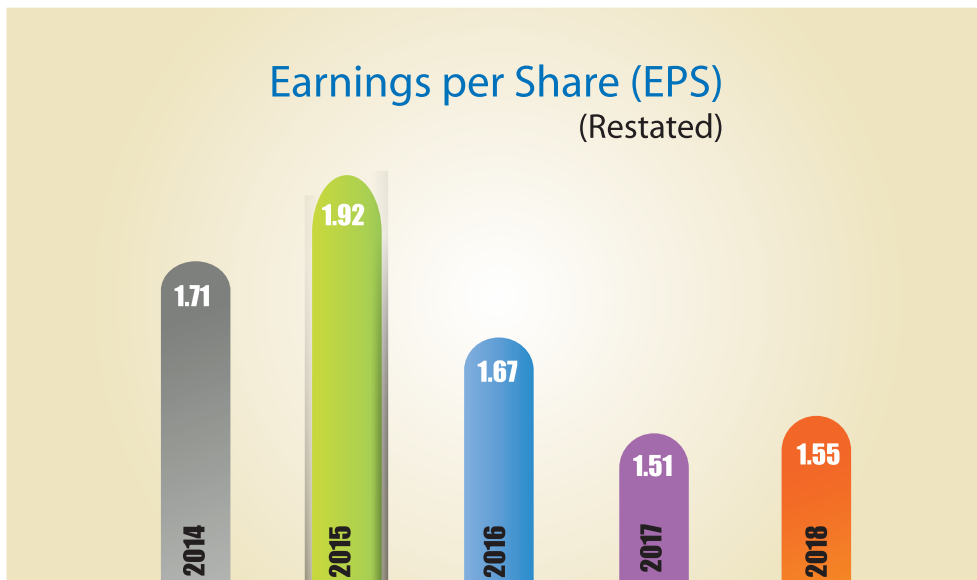
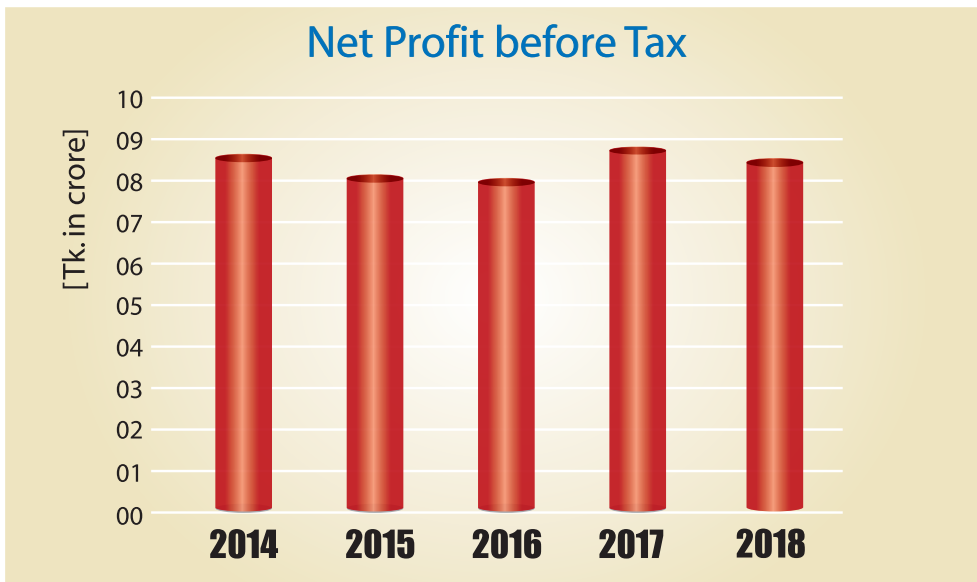
FINANCIAL HIGHLIGHTS IN GRAPHS



FINANCIAL HIGHLIGHTS IN GRAPHS



FINANCIAL HIGHLIGHTS IN GRAPHS



MESSAGE FROM THE CHAIRMAN



Bismillahir Rahmanir Rahim

Dear Shareholders,

Assalamu Alaikum,

It is with great pleasure that I welcome you to the 19th Annual General Meeting of Republic Insurance Company Limited. On behalf of the Board of Directors, I would like to express my heartfelt thanks and profound gratitude to all of you for your continued support and co-operation. I am extremely honored in having the opportunity to present the report of the Board of Directors and Audited Financial Statements for the year 2018.

You know that the insurance market of our country is highly competitive and facing economic challenges due to both internal and external economic factors. Besides this, outstanding support of the valued stakeholders, good guidance from the experienced Board of Directors and initiatives taken by the competent management team in time, the Company succeeded to maintain a sustainable and incremental growth during the year 2018. The Gross Premium figure increased at 12% over the last year, which stood at Tk. 53.44 crore at the end of the year. During the year, the net profit after tax stands at Tk. 6.12 crore. Considering this achievement it is indicating that the Company has maintaining a sustainable financial position with steady business growth in the insurance sector of our country. Based on business position of 2018, the Board proposed 10% stock dividend for the valued Shareholder.

As you know that we always give attention to our customer's interest and ensures them high quality service. Company's overall business activity and its business operations in 2018 are very encouraging in spite of the global economic downfall and a slower business position in the economic activities in the country. To face the globalization economic recession and protect the risk of the company, Management has been continuously reviewing the underwriting risks, risks related to asset management and reinsurance protection. We handle the business and other risk of the company properly in time by inspiring the employees as well as the valued customers through our best service. To cope with the challenges of the globalization and to achieve the shareholders interest, the company has appointed high Management personnel to lead the Company in a professional manner.

The Company's CSR policy is aimed to develop the most under privileged and poor people and to motivate to build-up them as self-reliant. During the year 2018, we spent a considerable amount for medical treatment to meet need of the employees of the Company and their parents. We have also been participating in contributing financial support to the Fund, formed by Bangladesh Insurance Association for sponsoring various state programs and for the help of victims affected by natural hazards.

Republic Insurance Company Ltd. is functioning their operation for the interest of the stakeholders. The Company allowed a reasonable dividend to its investors and the Board desires to keep it up. We want to give due attention to our shareholders comments to improve ourselves further in future.

Finally, I take this opportunity to record my sincere thanks and gratitude to the Govt. of Peoples Republic of Bangladesh including Insurance Development & Regulatory Authority, Bangladesh Securities and Exchange Commission, different Agencies, other Regulatory Bodies, Shareholders, Patrons, Valued Clients and members of the Board for their continued support, guidance and cooperation. I would also like to thank the Management of the Company for their services rendered to their best.

May Allah help us and shower His unending blessing upon us.

With warm personal regards

Sincerely yours,



(Mohd. Hanif Chowdhury)

MESSAGE FROM THE CEO



Bismillahir Rahmanir Rahim

Dear Shareholders,

Assalamu Alaikum,

It is my privilege to welcome you all to the 19th Annual General Meeting of the Company and I would like to extend my sincere appreciation to all members for their co-operation and support to the Company.

You know, we operate in a very competitive segment of Bangladesh Insurance market. Your cordial supports have inspired us enormously to do better our team for which I am really indebted to all of you. Now I would like to present you our business performance for the year 2018.

Our most premium generating business classes are Fire, Marine, Motor and Miscellaneous. RICL is trying its level best to enhance the underwriting capabilities so that we can generate significant premium. During the year, Company earned Gross Premium of Tk. 53.44 crore which is 12% higher than the last year. The net profit after tax stands at Tk. 6.12 crore in this year. Considering this achievement, it is indicating that the Company has maintaining a sustainable financial position with steady business growth in the insurance sector of our country.

We are trying to set up informational technology-based products such as Card Protection Insurance, Online Motor Insurance etc. in a way to settle every valid claim in a shorter span of time, we attempt to improve our core competency in claims management because we want to reflect in our every dealing that insurers must be the ones who are in the business of indemnifying policyholders when misfortunes do strike.

We understand that healthy employee is happy employee. In order to keep our employees healthy, we have employed an in-house Medical Consultant who sits at our Head Office on twice a week basis and provides free consultation. Furthermore, for ensuring peace of mind of our employees, we have provided Group Insurance Policy for our employees.

RICL generates valuable revenues for Government. We make significant contribution to Government each and every year by payment of tax, VAT, stamp duty etc.

Compliance to regulations introduced by IDRA is our top priority. It is our strength, which facilitates good corporate governance and adequate service levels substantially. We also abide by the regulatory changes made by Bangladesh Bank and Bangladesh Securities and Exchange Commission.

Our Credit Rating is A+ (pronounce as A plus) by Alpha Credit Rating Limited (AlphaRating) which reflects our financial strength and claim paying ability.

Right from its establishment, RICL has remained committed to its tagline “আপনার সম্পদের সর্বাধিক নিরাপত্তার প্রতীক”. This slogan announces the Company’s determination to serve its valued customers faithfully. RICL has not deviated from its goal and is determined to maintain it. For this, we need co-operation of our valued clients and our employees. We always welcome suggestions from our clients, partners and well wishers for improving the quality of our services. Quality is a never ending process and we will strive to achieve it.

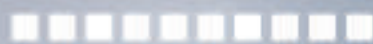
The Company maintains a periodic actions plan along with a mid-term and long term strategies to maintain the sustainability of its performance and position. It is expected that Bangladesh economy will maintain its current trend of growth in GDP. The Government is going ahead with implementation of various large size infrastructural development projects. These projects will drive the economy in the coming years. We hope to be the part of the growth and thereby increase our income.

Finally, we would like to thank our Board of Directors for their continued guidance, the Insurance Development and Regulatory Authorities for their co-operation, continued supports and facilitation, and our shareholders and other stakeholders and media for their continuing trust and support. More importantly, a special thanks to all our employees who have worked hard to create more value for our clients every day.



(Sahid-ul-Hasan)
Chief Executive Officer

DIRECTORS' REPORT



Bismillahir Rahmanir Rahim

Dear Shareholders

Assalamu Alaikum

The Board of Directors of Republic Insurance Company Limited (herein after ‘the Company’ or RICL) takes this opportunity to welcome you all to the 19th Annual General Meeting (AGM) of the Shareholders and present before you the Annual Report of the Company along with the Audited Financial Statements and Auditor’s Report for the year ended December 31, 2018 for consideration and approval of the same by you, our valued Shareholders. The Audited Financial Statement was approved by the Board of Directors in a Board Meeting held on April 28, 2019.

We prepared this Annual Report in compliance with the Companies Act 1994, Insurance Act 2010 and guidelines issued by the Bangladesh Securities and Exchange Commission (BSEC), Insurance Development & Regulatory Authority (IDRA) and other regulatory authorities from time to time.

WORLD ECONOMY:

Global growth for 2018-19 is projected to remain steady at its 2017 level of 3.7 percent, but its pace is less vigorous than projected in April and it has become less balanced. Downside risks to global growth have risen in the past six months and the potential for upside surprises has receded.

The downward revision reflects surprises that suppressed activity in early 2018 in some major advanced economies, the negative effects of the trade measures implemented or approved between April and mid-September as well as a weaker outlook for some key emerging market and developing economies arising from country-specific factors, tighter financial conditions, geopolitical tensions, and higher oil import bills. Beyond the next couple of years, as output gaps close and monetary policy settings begin to normalize, growth in most advanced economies is expected to decline to potential rates well below the averages reached before the global financial crisis of a decade ago. Medium-term prospects remain generally strong in emerging Asia but subpar in some emerging market and developing economies, especially for per capita growth, including in commodity exporters that continue to face substantial fiscal consolidation needs or are mired in war and conflict.

Among advanced economies, growth disappointed in the euro area and the United Kingdom. Slower export growth after a strong surge in the final quarter of 2017 contributed notably to the euro area slowdown. Higher energy prices helped dampen demand in energy importers, while some countries were also affected by political uncertainty or industrial actions.

Aggregate growth in the emerging market and developing economy group stabilized in the first half of 2018. Emerging Asia continued to register strong growth, supported by a domestic demand-led pickup in the Indian economy from a four-year-low pace of expansion in 2017, even as activity in China moderated in the second quarter in response to regulatory tightening of the property sector and nonbank financial intermediation.

Higher energy prices have lifted headline year-over-year inflation rates in advanced and emerging market and developing economies over the past six months. Core inflation—that is, excluding food and energy—remains below central banks’ targets in most advanced economies. Among emerging market and developing economies, excluding Venezuela’s hyperinflation, core inflation remains below the average of recent years but has inched up in recent months.

Among advanced economies, core annual consumer price inflation in the United States, where unemployment hovers around multi-decade lows, has exceeded 2 percent since March. Core inflation in the United

Kingdom averaged slightly more than 2 percent in the first half of 2018, lower than last year, as the effects of the large sterling depreciation of 2017–18 on domestic prices have gradually faded.

In the euro area and Japan, core inflation remains weak at about 1 percent in the euro area and 0.3 percent in Japan. In the emerging market and developing economy group, core inflation remains contained at about 2 percent in China, where domestic demand has slowed in response to financial regulatory tightening. In India, core inflation (excluding all food and energy items) has risen to about 6 percent as a result of a narrowing output gap and pass-through effects from higher energy prices and exchange rate depreciation.

BANGLADESH ECONOMY:

Bangladesh economy continued to grow rapidly and achieved a record growth of 7.86 percent in FY18, over-performing the Government's FY18 growth target of 7.4 percent. The growth momentum was supported by strong domestic and external demand.

According to the Bangladesh Bureau of Statistics (BBS), gross domestic product (GDP) grew by 7.86 percent during FY18, compared to 7.3 percent in FY17. Agriculture sector contributed 14.2 percent of GDP and grew by 4.2 percent in FY18, compared to 3.0 percent growth in FY17, mainly supported by the growth of fishing, forest related services and animal farming sub-sector along with other sub-sectors. Industry sector contributed 33.7 percent of GDP, and grew by 12.1 percent in FY18, up from 10.2 percent in FY17. This growth was supported by strong growth of manufacturing and construction sub-sectors. The services sector accounts for the largest share of GDP, although the share is slowly decreasing. In FY18, 52.1 percent of GDP came from this sector which was 52.9 percent in FY17. In FY18, service sector grew by 6.4 percent, down from 6.7 percent growth in FY17.

Robust economic growth of approximately 6 percent annually for two decades has been driven by a rapid increase in private consumption and fixed investment. Nevertheless, Bangladesh still grapples with poor infrastructure, endemic corruption, insufficient power supplies, and slow implementation of economic reforms. The fragile rule of law continues to undermine economic development. Corruption and weak enforcement of property rights force workers and small businesses into the informal economy. Entrepreneurial activity is also hampered by an uncertain regulatory environment.

Actually last couple of years Bangladesh maintained its steady growth. The Global Economist Forum (GEF) has said the Bangladesh economy will enjoy one of the happiest years in 2019 in respect to economic freedom, which will help achieve above 7.5 per cent GDP growth. According to the GEF prediction, Bangladesh exports will be significantly increased due to the US-China trade war. Bangladesh could be able to tap huge amount of foreign direct investment in their special economic zone. Therefore, it may be assumed that in the coming days, Bangladesh economy will be healthy as a result Insurance premium will also be increased simultaneously.

INSURANCE MARKET OUTLOOK:

The global insurance industry will grow more strongly than the global economy in 2019. This year and next, we expect global premium to grow more than previous years. This is equivalent to average annual premium growth of 5.3% (in real terms, i.e. adjusted for inflation: 3.7%), whereas global GDP is expected to grow by only 4.9% (3.3% in real terms). Property-casualty insurance is benefiting from the currently favorable economic environment. We are expecting annual growth rates of close to 5% (3.3% in real terms). Emerging countries are the primary growth drivers, but somewhat stronger growth rates in high-volume industrialized countries are also contributing to this positive development.

INSURANCE MARKET IN BANGLADESH:

Bangladesh is the most underinsured country in the non-life insurance category, standing to lose as much as 0.8 percent of GDP from natural disasters a year. The country is also one of the most exposed to risks such as climate change and the least able to fund recovery efforts. In the report, Lloyd's shed light on the

underinsurance or insurance gap, which depicts the value of assets at risk not covered fully by insurance policies? Among the 43 countries covered in the report, Bangladesh has the largest insurance gap, which stands at \$5.5 billion, or 2.1 percent of the country's gross domestic product. Insurance premium per capita in Bangladesh is just \$8, a statistic that masks the fact that most of the assets' or peoples have no insurance at all.

Aside from affordability, which is a major barrier to adoption in emerging economies, some of the reasons people choose not to take out insurance include little understanding about the value and a lack of trust in insurance companies.

Bangladesh is a small country and its non life insurance market is small comparing other developing countries but 45 non life insurance companies are functioning in the Bangladesh. The insurance penetration remained low just because of the unholy practice of the insurers to hide a big portion of premium collected as they have to share a percentage of their premium with the government. Some insurers give up to excess commission on the premiums collected by the agents to boost the company's income, which is unethical. The growth of non-life insurance premium income in 2017 was 32.80 percent which was 4.72 percentages in 2016. The combined premium income underwritten by public and private sectors stood at Tk. 36,688 million in 2017. GDP growth in Bangladesh has been hovering almost 7 per cent during the last few years. Although the insurance industry growth have been double digit during the years 2009 to 2012, though this somewhat slowed down during the last four years but last year the picture have changed especially government sector insurance business have boomed. We believe in near future it will change very fast due to economic growth is increasing in the country. The comparative premium position during the last few years has been as follows:

Growth of Non-life Insurance Premium of the Bangladesh:

Amount in Million Taka

Year	Non-life insurance	Increased	Growth (%)
2010	16,544	2,646	19.04
2011	19,249	2,705	16.35
2012	21,452	2,203	11.44
2013	22,947	1,495	6.97
2014	24,440	1,493	6.21
2015	26,381	1,941	7.94
2016	27,627	1,246	4.72
2017	36,688	9,061	32.80

COMPANY'S BUSINESS ACTIVITIES AND PERFORMANCE REVIEW

GROSS PREMIUM:

Private sector investment was slow during the last couple of years and due to this, private sector business of the Company has not enhanced properly. Globally, Bangladesh also faces some other challenges. To overcome all these, the Govt. has been trying to maintain improvement in all sectors of the economy of Bangladesh, especially in import, export & investment in the industrial sector. We know that general insurance business depends on import, export, investment in the industrial sector, and coverage of security of all kinds of assets. The year 2018 was not favourable for overall business, import, export, investment in industrialization were slow which had impacted the growth of insurance business in 2018. We know that a large number of insurance companies in Bangladesh at present are certainly not commensurate with the size of the market that has led to aggressive competition which has been detrimental to the industry as a whole.

Considering all difficulties, the competent management team of the company paid proper attention in time in professional manner and due to this attention the gross premium of the Company increased. In the year 2018, the Company was able to post a average business growth in comparison to the overall performance of the insurance industry. The gross premium increased by 12% at Tk.534,379,668 as compared to Tk. 478,241,306 in 2017.

The year-wise gross premium income of the Company for last five years are as under:

Year	Amount (Taka)
2018	534,379,668
2017	478,241,306
2016	458,191,929
2015	436,668,252
2014	430,911,899



PRODUCT PERFORMANCE ANALYSIS

FIRE INSURANCE:

The Fire Insurance business constitutes 43.14% of the total portfolio of the Company. During the year, the Company has underwritten a gross premium of Tk. 230,544,884 whereas it was Tk. 217,452,284 in 2017.

MARINE AND HULL:

This class of business constitutes 30.29% of the total portfolio. The Company has underwritten a gross premium of Tk. 161,894,779 in current year as compared to Tk. 138,945,503 in the previous year. The Company has maintained a 40.29% growth of the business in Marine and Marine Hull.

MOTOR:

This class of business constitutes 10.45% of the total portfolio. During the year, the Company has underwritten a gross premium of Tk. 55,855,894 as compared to Tk. 47,921,922 in the last year.

MISCELLANEOUS:

The Miscellaneous class of business constitutes 16.11% of the total portfolio. The gross premium showed an increase of 1.11% over the last year with a gross premium written of Tk. 86,084,111 whereas it was Tk. 73,921,597 in 2017.

The following table shows the segment-wise underwriting performance of the company in the last few years:

Class of Insurance	Amount (Taka)				
	2014	2015	2016	2017	2018
Fire	160,466,120	178,738,605	206,732,688	217,452,284	230,544,884
Marine & hull	200,362,414	179,241,009	157,646,382	138,945,503	161,894,779
Motor	34,009,217	41,685,920	48,406,968	47,921,922	55,855,894
Miscellaneous	36,074,148	37,002,718	45,405,891	73,921,597	86,084,111
Total	430,911,899	436,668,252	458,191,929	478,241,306	534,379,668

POSITION OF PAID-UP-CAPITAL & RESERVES

AUTHORIZED CAPITAL:

The authorized capital of the Company is Tk. 100 crore divided into 100,000,000 ordinary shares of Tk.10/- each.

PAID-UP-CAPITAL:

Republic Insurance Company Limited increases the business volume regularly. For this, it required increasing the paid-up capital size and accordingly, the Board of Directors decided to enhance the paid-up capital every year to fulfill the compliance of Insurance Development and Regulatory Authority's (IDRA).

The position of Paid-up Capital is under:

2009	IPO of Tk. 9 crore	Tk. 150,000,000
2010	10% stock dividend	Tk. 165,000,000
2011	10% stock dividend	Tk. 181,500,000
2012	10% stock dividend	Tk. 199,650,000
2013	12% stock dividend	Tk. 223,608,000
2014	12.50% stock dividend	Tk. 251,559,000
2015	10 % stock dividend	Tk. 276,714,900
2016	13% stock dividend	Tk. 312,687,830
2017	12% stock dividend	Tk. 350,210,370
2018	12.50% stock dividend	Tk. 393,986,650
2019	10% stock dividend (Proposed)	Tk. 433,385,315

RESERVE FUND:

Dear Shareholders, to protect the risk factors of the company it is essential to have a good amount of reserve fund of the Company. We have planned to build up a good amount of reserve fund, so that we could settle any financial requirements from the reserve fund.

The position of total Reserves is shown below:

2018	2017	2016	2015	2014
189,801,715	172,399,340	150,428,853	128,128,930	113,856,565

UNDERWRITING:

Since Insurance is a knowledge based technical profession and we are to take the risk of couple of thousand crore taka, the assessment and management of the risk is to undertake by way of prudent underwriting. Besides this, the proper claim settlement is also based on prudent underwriting. The Company has now been able to underwrite any value of sum insured by charging the most economic and competitive premium rate ensuring maximum security at minimum cost. We have been trying to remain with the insuring community in the time of need for the last decades, since our inception.

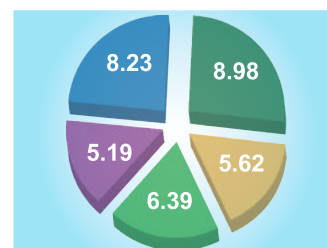
CLAIMS:

Republic Insurance Company Limited is always committed to settle the insurance claims appropriately in

time. We believe that our commitment is the satisfaction of our customer and their satisfaction are our Company's goodwill. The Board of Directors of the Company delegates the power to the Claims Committee for settling any amount of claim in the quickest time. During the year 2018, Company paid a net amount of Tk. 89,791,592 as claim which helped the customer to recover their losses.

The settlement of claim amount has increased from previous year due to settlement of huge losses during the year. The year wise breakup of net claim paid is enumerated below:

Year	Amount (Taka)
2018	89,791,592
2017	56,225,256
2016	63,865,381
2015	51,946,099
2014	82,316,673



RE-INSURANCE:

Dear Shareholders, Company underwrites large number policies with a wide range of risk for various classes of insurance, which involves billions of taka. Every insurance company has limited capital, which is not sufficient to pay a small percentage of catastrophic loss or in a single big loss. To protect the interest of the Company as well as the policyholders every company retains a small percentage of risk in their own share and shifts a major portion of risk to other re-insurer company.

Our Company has arranged sufficient protection through the reinsurance arrangement with state owned organization of Sadharan Bima Corporation (SBC). Republic Insurance Company Ltd. has full coverage of its customer's insurance risk and sufficient catastrophe cover to protect any national disaster. The Board of Directors is always aware of the customer's insurance risks and ensures the protection of its liability by reinsurance arrangement. During the year 2018, the Company has paid re-insurance premium at Tk. 179,384,459 to protect the risk covered by the Company.

Republic Insurance Company Ltd. is fully equipped with technical expertise. Our present reinsurance arrangement is well secured to protect the interest of the Company as well as the policyholders in any consequences.

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME :

Dear Shareholders, The Board of Directors is always careful about the shareholders' interest. Under the active guidance and supervision by the Board, the Management performs its responsibility for achieving the financial goal of the Company. The Company earned a net profit before tax of Tk. 88,406,343. Compared with the last year's balance it is determined that during the year Company paid huge amount of claims, which affected the profit of the Company. The breakup of the distribution is as follows:

Net Profit before Tax	Tk. 80,964,824
Less: Provision for Income Tax & Deferred Tax	Tk. (19,786,159)
Net Profit After Tax	Tk. 61,178,665
Less: Reserve for Exceptional Losses	Tk. 22,009,704
Add: Balance Brought forward of previous years' profit (Restated)	Tk. 46,169,074
Less: Issuance of Bonus Share 2018	Tk. 43,776,290
Less: General Reserve	Tk. 750,000
Profit available for distribution	Tk. 40,811,745

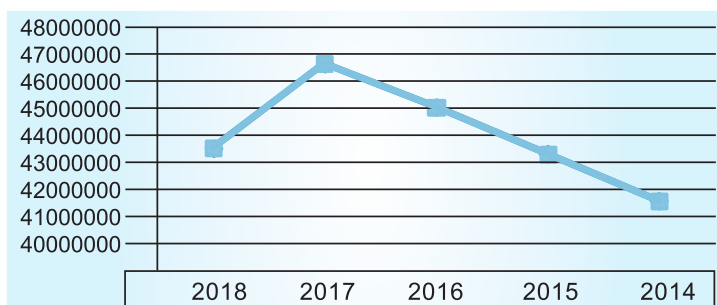
EARNINGS PER SHARE (EPS):

During the year 2018, the Company's EPS was Tk. 1.55 but it had been restated Tk. 1.51 in 2017. You know that we have, increased our capital on an average 3% for the last couple of years although we have been maintaining a steady increase of EPS compared with others.

INVESTMENT:

Insurance is a kind of risk management activities primarily used as hedge against the risk of a contingent or an uncertain loss. To meet the uncertain loss, the Company keeps the amount in the form of investment. In the other hand, good investment is also a major tool of the company's profit. Republic Insurance Company earns investment profits at large scale. Due to this, the Board expects to enlarge the investment figure of the company. Our wish is to earn more profit from the Company's investment amount. For the greater interest of the Company as well as shareholders, we ensure the maximum utilization of the fund and in this connection we have invested the fund properly. The year wise investment breakup of the Company is furnished below:

Year	Amount (Taka)
2018	435,025,602
2017	466,276,135
2016	450,255,987
2015	433,001,666
2014	415,591,882



DIVIDEND:

It is a great pleasure for the Board of Directors of the Company to recommend 10% stock dividend for each share @ Tk. 10 for the year ended on December 31, 2018 subject to approval of the Hon'ble Shareholders in the 19th Annual General Meeting. The Shareholders, whose names shall appear in the 'Depository Register' on the record date i.e. on the 23rd May 2019, shall be entitled to this stock dividend.

CORPORATE SOCIAL RESPONSIBILITY:

Dear Shareholders, during the year 2018 the Company spent a considerable amount for medical treatment for the needs employees of the Company and their parents. We have also been participating in contributing financial support to the Fund, formed by Bangladesh Insurance Association for sponsoring various state programs and for the help of victims affected by natural hazards. We have also been financial help for medical treatment of concerned person which recommended by Insurance Development and Regulatory Authority (IDRA). Besides these, Board of Directors of Republic Insurance Company Limited planned to create a fund to utilize the same exclusively for the education of multilevel poor students in the country. The Company's CSR policy is to develop the most under privileged people and to motivate them as self-reliant.

BOARD COMMITTEES:

Republic Insurance Company has several Sub committees under the Board. The Board Members in their meeting appoint the Members for the Sub committees including the Chairman of Committee. After fulfillment the tenure of the committee, the members of committees changed within the Board members. Every sub-committee has separate scope of work and the Board approve the terms of references. The Sub Committees are independent and responsible to provide their expertise opinion to the Board. At present, 3 (three) Committees namely Claims Committee, Audit Committee and Executive Committee are performing their duties on behalf of the Board.

DIRECTORS:

In terms of the provisions of clauses 96 & 97 of the Articles of Association of the Company, the following three Directors from the sponsor shareholders' group i.e. group "A" shareholders will retire in this AGM:

1. Mrs. Hasina Gazi
2. Mr. S.M. Shafiul Hoque
3. Mrs. Shahin Haider

Being eligible, all the above directors have offered themselves for re-election.

Mrs. Rehana Chowdhury and Mrs. Bilquis Afroza, Director from the public shareholders group i.e. group "B" will retire in this AGM. Being eligible, they offered themselves for re-election. A public notification with regard to election of Directors of the Company from the public shareholders was published in two national dailies namely "The Daily New Nation" and "The Daily Vhorer Pata" on April 25, 2019. We received only 1 (one) application from public shareholders to be elected as Directors from group- "B". But the applicant has withdrawn his application.

Accordingly, Mrs. Rehana Chowdhury and Mrs. Bilquis Afroza are eligible for re-election of Directors from group "B".

APPOINTMENT OF INDEPENDENT DIRECTORS:

In compliance with Bangladesh Securities and Exchange Commission Notification regarding "Corporate Governance" dated August 07, 2012 the Board in its 115th Meeting of the Board of Directors appointed Mr. Md. Arshed and Mr. M. Salahuddin Chowdhury as Independent Directors subject to approval of the shareholders.

According to the said notification this appointment requires shareholders approval and if it is approved then the appointment will be considered as effective from May 27, 2018 and the tenure of the Independent Directors will be as per BSEC notification. Mr. Ataul Haq, Independent Director of the Company has completed his 2nd term on 30th April 2019 and accordingly he has retired on that date. As per requirement of Corporate Guidelines of BSEC, another one Independent Director will be appointed soon.

REMUNERATION PAID TO DIRECTORS INCLUDING INDEPENDENT DIRECTORS:

This company has paid Tk. 1,141,250 to the directors for attending committee and Board meetings in 2018, which has been mentioned in company's profit and loss accounts.

CREDIT RATING:

Republic Insurance Company Limited has been awarded "A+" (Pronounced A Plus) in long term and "ST-2" in short term and rated by Alpha Credit Rating (AlphaRating). The rating reflects RICL's established track record, improved underwriting performance, GPW and net income. The rating also draws strength from the improved risk absorption capacity with improved equity base, financial base and premium solvency ratio. The rating is however; constrained by decline in ROA and reserve solvency ratio, moderate liquidity position, dependence on investment returns and moderate systems and processes.

INFORMATION TECHNOLOGY (IT):

We are updating regularly with the changes of IT world. Our branches have been brought under online networking. We are also getting 200 Plus system generated MIS report which helps management to take decisions properly and timely, controlling business procurement through Computer Integrated Insurance

System (CIIS) software and quick accessing the underwriting documents through CIIS for departmental integration with Underwriting, Claims & Re-Insurance and Accounts department. By this time, Company has implemented lot of IT facilities to our shareholders and customers.

We are trying to set up informational technology-based products such as Card Protection Insurance, Online Motor Insurance etc. in a way to settle every valid claim in a shorter span of time, we attempt to improve our core competency in claims management because we want to reflect in our every dealing that insurers must be the ones who are in the business of indemnifying policyholders when misfortunes do strike.

INTERNAL CONTROL:

The Board is responsible for ensuring that the Company has an adequate and effective control system in place. Although, no system of internal financial control can provide absolute assurance against material miss-statement or loss. The company's internal control system have been designed to provide the Directors with reasonable assurance that assets are safeguarded against unauthorized use by the employees or management and or third parties. Transactions are authorized and properly recorded and material error and irregularities are either prevented or detected within a reasonable period of time. Properly designed management structure, clearly defined responsibilities, delegation or authorities, establishment of accountability at each level and system of periodic reporting and monitoring performance are the key elements of the internal control framework employed in Republic Insurance Company Limited.

AUDITORS:

The Company's statutory auditors M/s. Rahman Mostafa Alam & Co., Chartered Accountants will retire in the 19th Annual General Meeting. Being eligible under section 212 of the Company's Act 1994, the Auditors have expressed their willingness to continue for the financial year 2019 and they also offered an audit fee Tk. 3,50,000/- as per new Audit Fee structure of ICAB. The Auditors have completed their 1st year of audit and hence are eligible for reappointment. The Board of Directors of the Company recommended for approval of the appointment of M/s. Rahman Mostafa Alam & Co, Chartered Accountants as Auditors of the Company for the year 2019 with a fee of Tk. 3,50,000/- subject to the approval of shareholders in the 19th Annual General Meeting.

CORPORATE GOVERNANCE:

Dear Shareholders, the Board of Directors firmly believes that the practice of Good Corporate Governance is absolutely essential for ensuring a disciplined and sustainable national economy. Thus, there is a full-fledged commitment of the Board, towards incorporating Corporate Governance and Transparency in all spheres of operations and management of the Company.

Status of compliance with the conditions imposed by Bangladesh Securities and Exchange Commission's Notification No.SEC/CMMRRCD/2009-193/119/Admin//34, dated November 22, 2018 along with a certificate from a practicing Chartered Accountant have been presented on page no. 49-57; in this annual report as Compliances on BSEC's Notification.

FUTURE PROSPECT:

We hope that the IDRA will be able to take effective measures to substantially reduce if not completely eliminate rebating, tariff violations and other malpractices prevalent in the insurance industry. Rules and regulations are being gradually prepared and action has been taken against a few companies in some cases for gross violations of the provisions of the Insurance Act. We are strengthening our marketing and other departments of the company to increase our gross premium income substantially by maintaining the rules and regulations of IDRA and we hope that we would be able to generate higher return for the shareholders' investment in the years to come.

CONCLUSION:

The Board of Directors of the Company takes the opportunity to express gratitude to the shareholders, valued clients, patrons and well wishers of the Company for their appreciation and continued support and co-operation.

The Company is indebted to its clients, shareholders, the Government Authorities, particularly the Ministry of Finance, the Ministry of Commerce, Insurance Development & Regulatory Authority , Registrar of Joint Stock Companies & Firms, Bangladesh Securities and Exchange Commission, Dhaka Stock Exchange Ltd., Chittagong Stock Exchange Ltd., Central Depository Bangladesh Limited (CDBL), Sadharan Bima Corporation, Bangladesh Bank, Commercial Banks, Bangladesh Insurance Association and Bangladesh Insurance Academy for their continued support towards the growth of the Company.

The Board of Directors also expresses deep appreciation to the management and all members of staff who were called upon to face some major challenges while at the same time maintaining the highest standards of service to our clients. We thank each and all of them for their performance.

Dear Shareholders, we always solicit your continued support, co-operation and valuable advice in the years to come.

May Allah bless us all

Allah Hafez

On behalf of the Board of Directors



(Mohd. Hanif Chowdhury)
Chairman

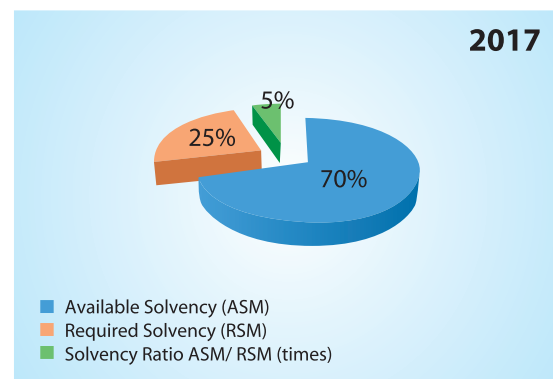
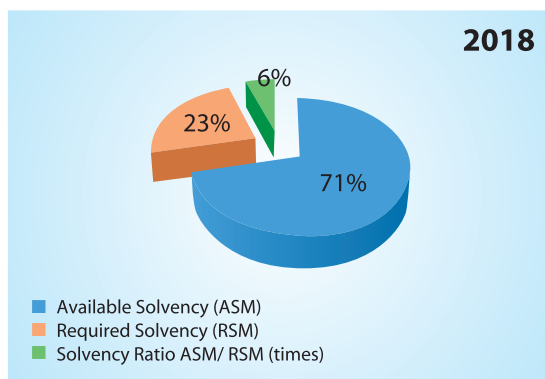
Solvency Margin

Solvency margin is the amount by which the assets of an insurer exceeds its liabilities, and will form part of the insurer's shareholder's fund. Methods of valuations of assets and liabilities of an insurer are prescribed in the insurance regulations. The regulations stipulate the minimum solvency margin, which an insurer must maintain at all times. The solvency of insurance company corresponds to its ability to pay claims. The solvency of insurance company or its financial strength depends chiefly on whether sufficient technical reserves have been set up for the obligations entered into and whether the Company has adequate capital as security.

Moreover solvency margin assists financial investment measures when making a decision on the risk of reward capability of a company to return dividends to stockholders. In Bangladesh regulation for solvency margin for non-life insurance Companies have been prepared by IDRA but not yet been approved by concerned ministry thereby not yet promulgated through official gazette.

During 2018, Republic Insurance Company Limited solvency margin remained above the required level. RICL's required solvency was **BDT 146,097,412** whereas the Company's available solvency margin was BDT **507,574,663** which means the value of assets had been more than the liabilities in that particular period. Therefore, the available solvency was **3.47** times of required solvency margin in 2018.

Description	2018 (Amount in taka)	2017 (Amount in taka)
Available Solvency (ASM)	507,574,663	448,783,278
Required Solvency (RSM)	146,097,412	136,871,655
Solvency ratio ASM/ RSM (times)	3.47	3.28



Compliance Report on BSEC's Notification

Republic Insurance Company Limited

Status of Compliance with the Corporate Governance Code (CGC) [As per condition No. 1(5) (xxvii)]
 Status of compliance with the conditions imposed by the Commission's Notification No. SEC/CMRRCD/2006-158/207/Admin/80 dated 3 June 2018 (Report under Condition No. 9)

Condition No.	Title	Status		Remarks
		Complied	Not Complied	
1	Board of Directors			
1(1)	Board Size (minimum - 5 and maximum - 20)	✓		
1(2)	Independent Director			
1(2)(a)	1/5th of total Board of Directors shall be Independent Director (ID)			Complied with the Insurance Act, 2010 but pending with BSEC
1(2)(b)(i)	Does not hold any share or less than 1% shares in the Company.			Independent Directors do not hold any shares of the company
1(2)(b)(ii)	Not a Sponsor of the Company.	✓		
1(2)(b)(iii)	Who has not been an executive of the company in immediately preceding 2 (two) financial years.	✓		
1(2)(b)(iv)	Does not have any other relationship with the company or its subsidiary or associated companies.	✓		
1(2)(b)(v)	Not a Member or TREC holder, director or officer of any stock exchange.	✓		
1(2)(b)(vi)	Not a Shareholder/Director/Officer of any Member / TREC holder of stock exchange or an intermediary of the capital market.	✓		
1(2)(b)(vii)	Not a partner or an Executive or was not a partner or an Executive during the Preceding 3 (Three) years of the concerned Company's statutory audit firm or audit firm engaged in internal audit or special audit or professional certifying compliance of this code.	✓		
1(2)(b)(viii)	Not an Independent Director in more than five listed Companies.	✓		
1(2)(b)(ix)	Not convicted by a court of competent jurisdiction as a defaulter in payment of any loan/advance to a Bank or a Non-Bank Financial Institution.	✓		
1(2)(b)(x)	Not convicted for a criminal offence involving moral turpitude.	✓		
1(2)(c)	Appointed by the Board and approved by the shareholders in AGM.	✓		
1(2)(d)	Post cannot remain vacant more than 90 days	✓		
1(2)(e)	Tenure of the Independent Director shall be for a period of 3 (three) years, which may be extended for 1 (one) tenure only.	✓		
1(3)	Qualification of Independent Director			
1(3)(a)	Independent Director shall be a knowledgeable individual with integrity.	✓		
1(3)(b)(i)	Business Leader who is or was a promoter or director of an unlisted company having minimum paid-up capital of Tk.100 million or any listed company.	✓		
1(3)(b)(ii)	Should be a Corporate Leader/Business Leader.	✓		
1(3)(b)(iii)	Former official of government or statutory or autonomous or regulatory body in the position not below 5th Grade of the national pay scale.	✓		
1(3)(b)(iv)	University Teacher who has educational background in Economics or Commerce or Business Studies or Law.			N/A

Condition No.	Title	Status		Remarks
		Complied	Not Complied	
1(3)(b)(v)	Professional who is or was an advocate practicing at least in the High Court Division of Bangladesh Supreme Court or a CA/ C & M A/CFA/CCA/CPA/ or CMA/ CS or equivalent qualification.			N/A
1(3)(c)	The independent director shall have at least 10 (ten) years of experiences.	✓		
1(3)(d)	Relaxation in special cases.			N/A
1(4)	Duality of Chairperson of the Board of Directors and Managing Director or Chief Executive Officer	✓		
1(4)(a)	The positions of Chairperson of the board and MD and/or CEO shall be different individuals.	✓		
1(4)(b)	MD and/or CEO of a listed Company shall not hold the same position in another listed Company.	✓		
1(4)(c)	The Chairperson shall be elected form among the non-executive directors of the company.	✓		
1(4)(d)	The Board shall clearly define respective roles and responsibilities of the Chairperson and the Managing Director and/or CEO.	✓		
1(4)(e)	In absence of Chairperson of the Board, the remaining members may elect one of themselves from nonexecutive directors as Chairperson for that particular Board's meeting.	✓		
1(5)	The Directors' Report to Shareholders			
1(5)(i)	Industry outlook and possible future developments in the industry.	✓		
1(5)(ii)	Segment-wise or product-wise performance.	✓		
1(5)(iii)	Risks and concerns including internal and external risk factor, threat to sustainability and negative impact on environment.	✓		
1(5)(iv)	Discussion on Cost of Goods sold, Gross profit Margin and Net Profit Margin.	✓		
1(5)(v)	Discussion on continuity of any extraordinary activities and their implications.	✓		
1(5)(vi)	Detailed discussion and statement on related party transactions.	✓		
1(5)(vii)	Utilization of proceeds from public, rights issues and/ or through any others instruments.			N/A
1(5)(viii)	Explanation if the financial results deteriorate after the company goes for IPO, RPO, Rights Offer, Direct Listing, etc.			N/A
1(5)(ix)	Explanation on any significant variance occurs between Quarterly Financial Performance and Annual Financial Statements.	✓		
1(5)(x)	Remuneration to Directors including Independent Director.	✓		
1(5)(xi)	Statement that financial statements prepared by the management of the issuer company present fairly its state of affairs, the result of its operations, cash flows and changes in equity.	✓		
1(5)(xii)	Proper books of account of the issuer company have been maintained.	✓		
1(5)(xiii)	Appropriate accounting policies have been consistently applied in preparation to the financial statements and that the accounting estimates are based on reasonable and prudent judgment.	✓		
1(5)(xiv)	International Accounting Standards (IAS) or International Financial Reporting Standards (IFRS), as applicable in Bangladesh, have been followed in preparation of the financial statements and any departure there from has been adequately disclosed.	✓		
1(5)(xv)	The system of internal control is sound in design and has been effectively	✓		

Condition No.	Title	Status		Remarks
		Complied	Not Complied	
	implemented and monitored.			
1(5)(xvi)	A statement that minority shareholders have been protected from abusive actions by, or in the interest of, controlling shareholders acting either directly or indirectly and have effective means of redress.			N/A
1(5)(xvii)	A statement that there is no significant doubt upon the issuer company's ability to continue as a going concern, if the issuer company is not considered to be a going concern, the fact along with reasons there of shall be disclosed.	✓		
1(5)(xviii)	Significant deviations from the last year's operation results of the issuer company shall be highlighted and the reasons there of should be explained.	✓		
1(5)(xix)	Key operating and financial data of at least preceding 5 (five) years shall be summarized.	✓		
1(5)(xx)	If the issuer company has not declared dividend (cash or stock) for the year, the reasons there of shall be given.			N/A
1(5)(xxi)	Board's statement to the effect that no bonus shares or stock dividend has been or shall be declared as interim dividend.			N/A
1(5)(xxii)	The number of Board meetings held during the year and attendance by each Director shall be disclosed.	✓		
1(5)(xxiii)	A report on the pattern of shareholding disclosing the aggregate number of shares (name wise details).	✓		
1(5)(xxiii)(a)	Parent/Subsidiary/Associated Companies and other related parties (name wise details).	✓		
1(5)(xxiii)(b)	Directors, CEO, Company Secretary, CFO, HIAC and their spouses and minor children (name wise details).	✓		
1(5)(xxiii)(c)	Executives			
1(5)(xxiii)(d)	Shareholders holding ten percent (10%) or more voting interest in the company (name wise details).	✓		
1(5)(xxiv)(a)	Shareholders holding ten percent (10%) or more voting interest in the company (name wise details).	✓		
1(5)(xxiv)(b)	A brief resume of the director in case of appointment or reappointment. Nature of his/her expertise in specific functional areas.	✓		
1(5)(xxiv)(c)	Names of the companies in which the person also holds the directorship and the membership of committees of the Board.	✓		
1(5)(xxv)	Management discussion and analysis signed by CEO/MD presenting detail analysis of the company's position and operations along with a brief discussion of changes in the financial statements, among others, focusing on:			
1(5)(xxv)(a)	Accounting policies and estimation for preparation of financial statements.	✓		
1(5)(xxv)(b)	Changes in accounting policies and estimation as well as cash flows on absolute figure for such changes.			
1(5)(xxv)(c)	Comparative analysis and financial position as well as cash flow for current financial year with immediate preceding five years explaining reasons thereof.	✓		
1(5)(xxv)(d)	Compare such financial performance or results and financial position as well as cash flows with the peer industry scenario.	✓		
1(5)(xxv)(e)	Briefly explain the financial and economic scenario of the country and the	✓		

Condition No.	Title	Status		Remarks
		Complied	Not Complied	
	global.			
1(5)(xxv)(f)	Risks and concerns issues related to the financial statements and concerns mitigation plan of the company.	✓		
1(5)(xxv)(g)	Future plan or projection or forecast for company's operation, performance and financial position shall be explained to the shareholders in the next AGM.	✓		
1(5)(xxvi)	Declaration or certification by the CEO and the CFO to the Board as required under condition No. 3(30) disclosed in page - 63	✓		
1(5)(xxvii)	The report as well as certificate regarding compliance of conditions of this Code as required under condition No. 9 disclosed in page - 59	✓		
1(6)	Meeting of the Board of Directors			
1(6)	Compliance under Bangladesh Secretarial Standards (BSS).	✓		
1(7)	Code of conduct for the Chairperson, other Board members and Chief Executive Officer			
1(7)(a)	The Board shall lay down a code of conduct, based on the recommendation of the Nomination and Remuneration Committee (NRC).	✓		
1(7)(b)	The code of conduct as determined by the NRC shall be posted on the website of the company including, among others, prudent conduct and behavior.....	✓		
2	Governance of Board of Directors of Subsidiary Company			
2(a)	Provisions relating to the composition of the Board of the holding company shall be made applicable to the composition of the Board of the subsidiary company.			N/A
2(b)	At least 1 (one) independent director on the Board of the holding company shall be a director on the Board of the subsidiary company.			N/A
2(c)	Minutes of subsidiary to be placed in the meeting of holding company.			N/A
2(d)	The minutes of the respective Board meeting of the holding company. The Minutes of the respective Board meeting of the holding company shall state that they have reviewed the affairs of the subsidiary company.			N/A
2(e)	The Audit Committee of the holding company shall also review the financial statements in particular the investments made by the subsidiary company.			N/A
3	Managing Director (MD) or Chief Executive Officer, Chief Financial Officer (CFO), Head of Internal Audit and Company Secretary (CS)			
3(1)	Appointment			
3(1)(a)	Board shall appoint a MD or CEO, Company Secretary, CFO and HIAC.	✓		
3(1)(b)	The positions of the MD, CEO, CS, CFO and HIAC shall be filled by different individuals.	✓		
3(1)(c)	The MD or CEO, CS, CFO and HIAC of a listed company shall not hold any executive position in any other company at the same time.	✓		
3(1)(d)	The Board shall clearly define respective roles, responsibilities and duties of the CFO, the HIAC and the CS.	✓		
3(1)(e)	MD or CEO, CS, CFO and HIAC shall not be removed from their position without approval of the Board and be disseminated to the Commission and stock exchange(s).			N/A
3(2)	Requirement to attend Board of Directors' Meetings			
3(2)	MD or CEO, CS, CFO and HIAC shall attend the meetings of the Board.	✓		

Condition No.	Title	Status		Remarks
		Complied	Not Complied	
3(3)	Duties of Managing Director (MD) or Chief Executive Officer (CEO) and Chief Financial Officer (CFO)			
3(3)(a)	The MD or CEO and CFO shall certify to the Board that they have reviewed financial statements for the year and that to the best of their knowledge and belief:	✓		
3(3)(a)(i)	The statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading.	✓		
3(3)(a)(ii)	The statements together present a true and fair view of the company's affairs and are in compliance with existing accounting standards and applicable laws.	✓		
3(3)(b)	The MD or CEO and CFO to certify that there are 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 or its members.	✓		
3(3)(c)	The certification of the MD/CEO and CFO shall be disclosed in the Annual Report.	✓		
4	Board of Directors' Committee			
4(i)	Audit Committee	✓		
4(ii)	Nomination and Remuneration Committee			Under Process
5	Audit Committee			
5(1)	Responsibility to the Board of Directors			
5(1)(a)	Company shall have an Audit Committee as a sub- committee of the Board.	✓		
5(1)(b)	Audit Committee shall assist the Board in ensuring that the financial statements reflect true and fair view of the state of affairs of the Company.	✓		
5(1)(c)	The Audit Committee shall be responsible to the Board; the duties of the Audit Committee shall be clearly set forth in writing.	✓		
5(2)	Constitution of the Audit committee			
5(2)(a)	The Audit Committee shall be composed of at least 3 (three) members.	✓		
5(2)(b)	Board shall appoint members of the Audit Committee who shall be non-executive director of the company excepting Chairperson of the Board and shall include at least 1 (one) independent director.	✓		
5(2)(c)	All members of the Audit Committee should be "financially literate" and at least 1 (one) member shall have accounting or related financial management background and 10 (ten) years of such experience.	✓		
5(2)(d)	When the term of service of the Committee members expires or there is any circumstance causing any Committee member to be unable to hold.			No such event occurred
5(2)(e)	The Company Secretary shall act as the Secretary of the Audit Committee	✓		
5(2)(f)	Quorum of Audit Committee meeting shall not constitute without at least 1(one) independent director.	✓		
5(3)	Chairperson of the Audit Committee			
5(3)(a)	The Board shall select Chairperson of the Audit Committee who will be Independent Director.	✓		
5(3)(b)	Absence of the Chairperson of the Audit Committee members to elect one and the reason of absence of the regular Chairperson shall be duly recorded in the minutes.	✓		
5(3)(c)	Chairperson of the Audit Committee shall remain present in the AGM.			Will be ensured by the Management

Condition No.	Title	Status		Remarks
		Complied	Not Complied	
5(4)	Meeting of the Audit Committee			
5(4)(a)	The Audit Committee shall conduct at least its four meetings in a financial year.	✓		
5(4)(b)	Quorum of Audit Committee, presence of 2 or 2/3 members whichever is higher where presence of an independent director is a must.	✓		
5(5)	Role of Audit Committee			
5(5)(a)	Oversee the financial reporting process.	✓		
5(5)(b)	Monitor choice of accounting policies and principles.	✓		
5(5)(c)	Internal Audit and Compliance process to ensure that it is adequately resourced.	✓		
5(5)(d)	Oversee hiring and performance of external auditors.	✓		
5(5)(e)	Hold meeting with the auditors, review the annual financial statements before submission to the Board for approval or adoption.	✓		
5(5)(f)	Review with the management, the annual financial statements before submission to the Board for approval.	✓		
5(5)(g)	Review with the management, the Quarterly and half yearly financial statements before submission to the Board for approval.	✓		
5(5)(h)	The review adequacy of internal audit function.	✓		
5(5)(i)	Review the management's discussion and analysis before disclosing in the Annual Report.	✓		
5(5)(j)	Review statement of all related party transactions submitted by the management.	✓		
5(5)(k)	Review management letters or letter of Internal Control weakness issued by statutory auditors.	✓		
5(5)(l)	Oversee determination of audit fees based on scope and magnitude and evaluate the performance of external auditor.	✓		
5(5)(m)	Oversee whether IPO or RPO or RSO proceeds utilized as per the published prospectus.			N/A
5(6)	Reporting of the Audit Committee			
5(6)(a)	Reporting to the Board of Directors			
5(6)(a)(i)	The Audit Committee shall report on its activities to the Board.	✓		
5(6)(a)(ii)(a)	Report on conflicts of interests.			No such event occurred
5(6)(a)(ii)(b)	Suspected or presumed fraud or irregularity or material defect identified in the internal audit and compliance process or in the financial statements.			No such event occurred
5(6)(a)(ii)(c)	Suspected infringement of laws, regulatory compliance including securities related laws, relies and regulation.			No such event occurred
5(6)(a)(ii)(d)	Any other matter which the Audit Committee deems necessary shall be disclosed to the Board immediately.			No such event occurred
5(6)(b)	Reporting to the Authorities			
5(7)	Reporting to the Shareholders and General Investors			
5(7)	Reporting to the Shareholders and General Investors			No such event occurred
6	Nomination and Remuneration Committee (NRC)			Under Process

Condition No.	Title	Status		Remarks
		Complied	Not Complied	
6(1)	Responsibility to the Board of Directors			
6(1)(a)	The company shall have a NRC as a sub-committee of the Board.			
6(1)(b)	NRC shall assist the Board in formulation of the nomination criteria or policy for determining qualifications.			
6(1)(c)	The Terms of Reference of the NRC shall be clearly set forth in writing.			
6(2)	Constitution of the NRC			
6(2)(a)	The Committee shall comprise of at least three members including an Independent Director.			
6(2)(b)	All members of the Committee shall be non-executive directors.			
6(2)(c)	Members of the Committee shall be nominated and appointed by the Board.			
6(2)(d)	Board shall have authority to remove and appoint any member of the committee.			
6(2)(e)	Board shall fill the vacancy within 180 days of such vacancy in the Committee.			
6(2)(f)	The Chairperson of the Committee may appoint/co-opt any external expert.			
6(2)(g)	The company secretary shall act as the secretary of the committee.			
6(2)(h)	The quorum of the NRC meeting shall not constitute without attendance of at least an independent director.			
6(2)(i)	No member of the NRC shall receive any remuneration/ advisory, other than Director's fees or honorarium form the company.			
6(3)	Chairperson of the NRC			
6(3)(a)	Board shall select 1(one) member of the NRC to be Chairperson of the Committee, who shall be an Independent Director.			
6(3)(b)	Absence of chairperson, the remaining members may elect one of them;			
6(3)(c)	the reason of absence of the regular Chairperson shall be duly recorded in the minutes.			
6(3)(d)	Chairperson of the NRC shall attend the AGM.			
6(4)	Meeting of the NRC			
6(4)(a)	The NRC shall conduct at least one meeting in financial year.			
6(4)(b)	The Chairperson of the NRC, may convene any emergency meeting upon request by any member of the NRC.			
6(4)(c)	Quorum of NRC meeting, presence of 2 or 2/3 members whichever is higher, where presence of an independent director is must.			
6(4)(d)	Proceedings of NRC meeting shall be recorded in the minutes and such minutes shall be confirmed in the next meeting.			
6(5)	Role of NRC			
6(5)(a)	NRC shall be independent and responsible or accountable to the Board and to the shareholders.			
6(5)(b)(i)(a)	Level and composition of remuneration is reasonable and sufficient to attract, retain and motivate suitable directors to run the company successfully.			
6(5)(b)(i)(b)	Relationship of remuneration to performance is clear and meets appropriate performance benchmarks.			
6(5)(b)(i)(c)	Remuneration to directors, top level executive involves a balance between fixed and incentive pay reflecting short and long term perfor			

Condition No.	Title	Status		Remarks
		Complied	Not Complied	
6(5)(b)(i)	mance objectives appropriate to the working of the company and its goals.			
6(5)(b)(ii)	Devising a policy on Board's diversity taking into consideration age, gender, experience, ethnicity, educational background and nationality.			
6(5)(b)(iii)	Identifying persons who are qualified to become directors and who may be appointed in top level executive position in accordance with the criteria laid down and recommend their appointment and removal to the Board.			
6(5)(b)(iv)	Formulating criteria for evaluation of performance of independent directors and the Board.			
6(5)(b)(v)	Identifying company's needs for employees at different levels and determine their selection, transfer or replacement and promotion criteria.			
6(5)(b)(vi)	Developing recommending and reviewing annually the company's human resources and training policies.			
6(5)(c)	The company shall disclose the nomination and remuneration policy and the evaluation criteria and activities of NRC at a glance in its annual report.			
7	External or Statutory Auditors			
7(1)	Issuer company shall not engage its external auditors to perform the following:	√		
7(1)(i)	Appraisal or valuation services or fairness opinions.	√		
7(1)(ii)	Financial information systems design and implementation.	√		
7(1)(iii)	Book keeping or other service related to the accounting records or financial statements.	√		
7(1)(iv)	Broker-dealer services	√		
7(1)(v)	Actuarial services	√		
7(1)(vi)	Internal or special audit services.	√		
7(1)(vii)	Any services that the Audit Committee may determine.	√		
7(1)(viii)	Audit or certification services on compliance of corporate governance.	√		
7(1)(ix)	Any other service that may create conflict of interest.	√		
7(2)	No partner or employees of the External/Statutory Auditors audit firms shall possess any share of the company they audit at least during the tenure.	√ √		
7(3)	Representative of external or statutory auditors shall remain present in the AGM.			Will be ensured by the Management
8	Maintaining a website by the company			
8(1)	The company shall have an official website linked with that of the stock exchange.	√		
8(2)	The company shall keep the website functional from the date of listing.	√		
8(3)	The company shall make available the detailed disclosures on its website as required under the listing regulations of the concerned stock exchange(s).	√		
9	Reporting and Compliance of Corporate Governance			
9(1)	The company shall obtain a certificate from a practicing Professional Accountant or Secretary on yearly basis regarding compliance of conditions of Corporate Governance Code of the Commission and shall such certificate shall be disclosed in the Annual Report.	√		

Condition No.	Title	Status		Remarks
		Complied	Not Complied	
9(2)	The professional who will provide the certificate on compliance of Corporate Governance shall be appointed by the Shareholders in the AGM.			Under Process
9(3)	The directors of the company shall state, in accordance with the Page. 37 whether the company has complied with these conditions or not.	√		

Compliance Report On BSEC's Notification

Compliance of condition no. 1.4 (k)

The pattern shareholder as at December 31, 2018

- i) Parent/Subsidiary/Associated companies and other related parties N/A
- ii) Directors, Chief Executive Officer, Company Secretary, Chief Financial Officer, Head of Internal Auditor and their spouses and minor children:

Sl. No.	Name of Directors & Executives	Status	No. of Share held	Share held by the Spouse/ Children	Remarks
(a)	Mr. Mohd. Hanif Chowdhury	Chairman	810,214	88,011	Spouse
	Mrs. Hasina Gazi	Vice Chairman	1,193,897	119,178	Spouse
	Mr. Sadeque Hossain Chowdhury	Director	803,254	789,739	Spouse
	Mrs. Shahin Haider	Director	1,193,897	-	-
	Mrs. Khurshida Rahman	Director	1,313,287	-	-
	Mr. S.M. Shafiul Hoque	Director	1,017,703	-	-
	Mr. Mahboob Ur Rahman	Director	1,199,322	-	-
	Mr. Gazi Golam Ashria	Director	1,074,508	-	-
	Mr. Alhaj Abdus Sabur	Director	56,938	-	-
	Mrs. Bilquis Afroza	Director	28,190	-	-
	Mr. Feroz U. Haider	Director	341,435	-	-
	Mrs. Rehana Chowdhury	Director	1,139,331	-	-
	Mr. Saber Hossain Chowdhury, MP	Director	787,968	-	-
	Mr. Md. Mosaddake-UI-Alam (Nominated by ICB)	Director	7,195,087	-	-
	Mr. Ataul Haq	Independent Director	Nil	-	-
	Mr. Md. Arshed	Independent Director	Nil	-	-
Mr. M. Salahuddin Chowdhury	Independent Director	Nil	-	-	
(b)	Mr. Sahid-UI-Hasan	MD & CEO	Nil	-	-
(c)	Mr. Sajan Kumar Basak	DMD & CS	Nil	-	-
(d)	Mr. Mansur Alam Sikder	VP (U/W)	Nil	-	-
(e)	Mr. Md. Moshfiqur Rahman	VP & CFO	Nil	-	-

- iii) Executive (top five Salaried Employees of the Company), other than the Directors, Chief Executive Officer, Company Secretary, Chief Financial Officer and Head of Internal Audit.

Name	Designation	Share
Mr. Sirajul Islam Bhuiyan	DMD & Branch Incharge, Hatkhola Branch, Dhaka	Nil
Mr. Mohammad Shaidul Islam	DMD & Branch Incharge, Dilkusha Branch, Dhaka	Nil
Mr. Shamsudduha Khan	DMD & Branch Incharge, Khulna Branch, Khulna	Nil
Mr. Shamsuddin Ahmed Swapon	SEVP & Branch Incharge, Paltan Branch, Dhaka	Nil
Mr. Mohammad Rukunu Zaman	SEVP & Branch Incharge, Local Office, Dhaka	Nil

- iv) Shareholders holding 10% or more voting interest in the Company.

Name	Designation	Share
Nil	Nil	Nil

**Report to the Shareholders of
Republic Insurance Company Limited
on
Compliance on the Corporate Governance Code**

We have examined the compliance status to the Corporate Governance Code by Republic Insurance Company Limited for the year ended on December 31, 2018. This Code relates to the Notification No. BSEC/CMRRCD/2006-158/207/Admin/80 dated June 03, 2018 of the Bangladesh Securities and Exchange Commission.


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

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

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

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

Place: Dhaka
Dated: May 09, 2019



Mohammad Abu Kawsar, FCA
Partner
T. Hussain & Co.
Chartered Accountants

Directors' Meeting Attendance 2018

Name of the Directors	Board of Directors Meeting				Executive Committee Meeting				Audit Committee Meeting				Claims Committee Meeting			
	Total BOD Meeting held year 2018	Meeting Attended	Attendance as % of total meeting held	Remuneration Paid for attuning the meeting	Total EC Meeting held year 2018	Meeting Attended	Attendance as % of total meeting held	Remuneration Paid for attuning the meeting	Total Audit Com. Meeting held year 2018	Meeting Attended	Attendance as % of total meeting held	Remuneration Paid for attuning the meeting	Total Claims Com. Meeting held year 2018	Meeting Attended	Attendance as % of total meeting held	Remuneration Paid for attuning the meeting
Mr. Mohd. Hanif Chowdhury	7	7	100		-	-	-		-	-	-		-	-	-	
Mrs. Hasina Gazi	7	5	71		-	-	-		-	-	-		-	-	-	
Mr. Saber Hossain Chowdhury, MP	7	3	43		-	-	-		-	-	-		-	-	-	
Mr. Sadeque Hossain Chowdhury	7	4	57		-	-	-		-	-	-		-	-	-	
Mrs. Khurshida Rahman	7	5	71		-	-	-		-	-	-		-	-	-	
Mr. Feroz-U-Haider	7	2	28		-	-	-		-	-	-		-	-	-	
Mrs. Rehana Chowdhury	7	5	71		-	-	-		-	-	-		-	-	-	
Mrs. Shahin Haider	7	1	14		-	-	-		-	-	-		-	-	-	
Mr. S.M. Shafiqul Haque	7	7	100		-	-	-	6	6	100		5	5	100		
Mr. Mahboob-ur-Rahman	7	3	43		-	-	-	6	-	-		-	-	-		
Mr. Gazi Golam Ashria	7	4	57		-	-	-	-	-	-		5	3	60		
Mr. Md. Mosaddake-ul-Alam	7	7	100		-	-	-	6	1	50		-	-	-		
Mr. Ataul Haq	7	7	100		-	-	-	6	6	100		-	-	-		
Mrs. Bilquis Afroza	7	7	100		-	-	-	-	-	-		-	-	-		
Mr. Alhaj Md. Abdus Sabur	7	6	86		-	-	-	6	1	50		-	-	-		
Mr. Md. Arshed	7	3	100		-	-	-	6	1	50		5	3	60		
Mr. M. Salahuddin Chowdhury	7	3	100		-	-	-	-	-	-		-	-	-		

Accounting Ratios Pertaining to Insurance Business

Details of various Accounting Ratios pertaining to Company's insurance business are given below:

Particulars	2018	Ratios 2018	2017	Ratios 2017	Growth (%)
Gross premium income	534,379,668	-	478,241,306	-	11.74
Net premium income	354,995,209	-	330,503,062	-	7.41
Re-insurance premium ceded as % of gross premium income	179,384,459	33.57	147,738,244	30.89	21
Net Re-insurance commission earned as % of gross premium income	38,956,949	7.29	28,641,596	5.99	36
Net Re-insurance commission earned as % of net premium income	38,956,949	10.97	28,641,596	8.67	36
Management Expenses allocated as % of gross premium income	165,885,058	31.04	159,738,399	33.40	3.85
Management Expenses allocated as % of net premium income	165,885,058	46.73	159,738,399	48.73	3.85
Gross Claims paid as % of gross premium income	100,339,408	18.78	71,721,972	15.00	40
Gross Claims paid as % of net premium income	100,339,408	28.27	71,721,972	21.70	40
Net Claims paid as % of gross premium income	89,791,592	16.80	56,225,256	11.76	60
Net Claims paid as % of net premium income	89,791,592	25.29	56,225,256	17.01	60
Operation income as % of gross premium income	81,024,418	15.16	79,747,698	16.67	1.60
Operation income as % of net premium income	81,024,418	22.82	79,747,698	24.13	1.60
Net profit before tax as % of gross premium income	80,964,824	15.15	88,406,343	18.49	(8)
Net profit after tax as % of gross premium income	61,169,479	11.45	59,493,017	12.44	3

Certificate of
Bangladesh Association of Public Listed Companies



CEO & CFO's Declaration of the Board of Directors

The Board of Directors
Republic Insurance Company Limited
HR Bhaban (6th & 9th Floor),
26/1 Kakrail, Dhaka-1000

Subject: **CEO & CFO's Declaration to the Board of Directors.**

Dear Sirs,

Pursuant to the condition No. 1(5)(xxvi) imposed vide the Commission's Notification No. BSEC/CMRRCD/2006-158/207/Admin/80 Dated June 03, 2018 under section 2CC of the Securities and Exchange Ordinance, 1969, we do hereby declare that:

1. The Financial Statements of Republic Insurance Company Limited for the year ended on December 31, 2018 have been prepared in compliance with International Accounting Standards (IAS) or International Financial Reporting Standards (IFRS), as applicable in the Bangladesh and any departure there from has been adequately disclosed;
2. The estimates and judgments related to the financial statements were made on a prudent and reasonable basis, in order for the financial statements to reveal a true and fair view;
3. The form and substance of transactions and the Company's state of affairs have been reasonably and fairly presented in its financial statements;
4. To ensure above, the Company has taken proper and adequate care in installing a system of internal control and maintenance of accounting records;
5. Our internal auditors have conducted periodic audits to provide reasonable assurance that the established policies and procedures of the Company were consistently followed; and
6. The management's use of the going concerns basis of accounting in preparing the financial statements is appropriate and there exists no material uncertainty related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern.

In this regard, we also certify that:-

- i. We have reviewed the financial statements for the year ended on December 31, 2018 and that to the best of our knowledge and belief:
 - a) these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
 - b) these statements collectively present true and fair view of the Company's affairs and are in compliance with existing accounting standards and applicable laws.
- ii. 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.


(Sahid-Ul-Hasan)
Chief Executive Officer (CEO)


(Mohammad Moshfiqur Rahman)
Chief Financial Officer (CFO)

Directors' Certificate

Republic Insurance Company Limited

As per regulations contained in the Schedule of Insurance Act, 2010 as per section 40-C of the said Act, certify that:

1. The value of all investment as shown in the Statement of Financial Position has been taken at the cost.
2. The value of all assets as shown in the Statement of Financial Position and as classified on form "AA" annexed have been duly reviewed as at December 31, 2018 and in our belief, the said assets have set forth in the amounts not exceeding their realizable or market value under the several headings as enumerated in the annexed form.
3. All expenses of management, wherever incurred directly or indirectly in respect of Fire, Marine, Marine Hull, Motor and Miscellaneous insurance business have been duly debited to the related Revenue Accounts and Statement of Profit or Loss and Other Comprehensive Income.



Chief Executive Officer



Director



Director



Chairman

Audit Committee's Report for the year 2018

Republic Insurance Company Ltd. established an audit committee as a sub-committee of the Board of Directors. The Committee supports the Board in fulfilling its oversight responsibilities.

The Audit Committee of Republic Insurance Company Ltd. Comprises of the following Board members:

Mr. Ataul Haq	Independent Director	: Chairman
Mr. S.M. Shafiul Hoque	Director	: Member
Mr. Md. Mosaddake-UI-Alam	Director	: Member
Mr. Md. Arshed	Independent Director	: Member



TERMS OF REFERENCE

The terms of reference of the Committee has been agreed upon as follows:

- To review all internal and external audit report.
- To recommend the statutory annual audited financial statements to the Board of Directors for approval.
- To review the finding of the internal and external auditors.
- To review and approve the Annual "Audit Plan of the Internal Audit Department.
- To monitor the implementation of the recommendations of the Internal and External auditors.
- To review the performance of the external auditors and make recommendations to the Board regarding their appointment and fees.
- To review the quarterly, half yearly and annual financial statements before submission to the Board for approval.
- To review the company's statement on internal control systems prior to endorsement by the Board.

Company secretary shall be the secretary of the audit committee.

ACTIVITIES

- The financial statements of the first quarter, half year, third quarter and the full year were reviewed by the committee and subsequently recommended to the Board for consideration and approval.
- The Committee also reviewed the work of the internal audit department and made suggestions for improvement.
- The Committee recognized the observation of the internal audit department regarding internal control and suggestions made to improve operational systems and procedures and their implementation.

RECOMMENDATION

The Audit Committee recommended to the Board of Directors that:

- 1) The Financial Statements for the year ended December 31, 2018 may be approved.
- 2) M/s. Rahman Mostafa Alam & Co., Chartered Accountants may be appointed as the auditor of the Company for the year ended December 31, 2019 at existing fees of Tk. 3,50,000.00 (including VAT & Tax) subject to the approval of the members at the 18th Annual General Meeting of the Company.

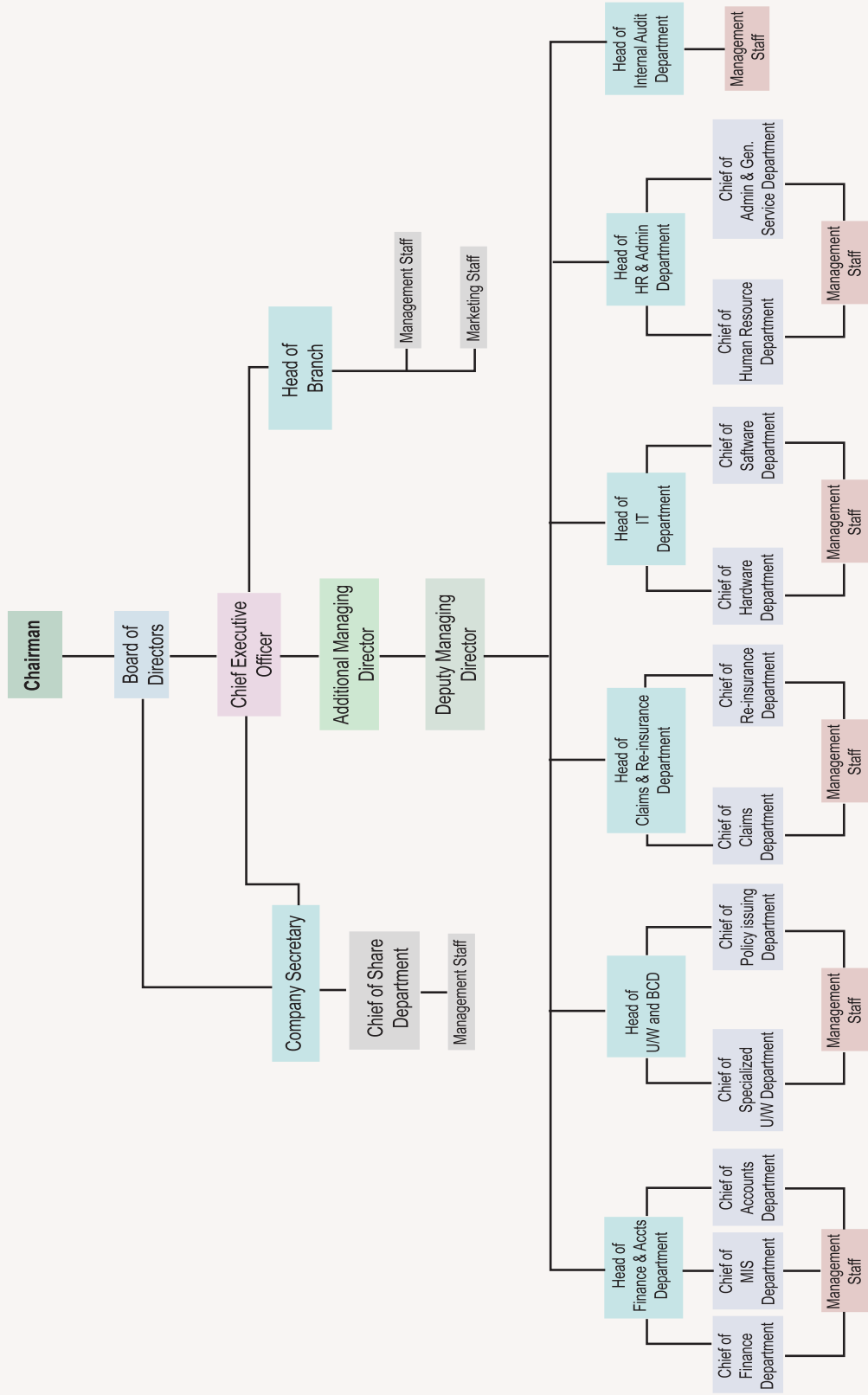
On behalf of the Audit Committee

Sd/-

(Ataul Haq)

Chairman of the Audit Committee

Organogram of Republic Insurance Company Limited





REPORT ON
**CORPORATE
GOVERNANCE
CODE [CGC]**

CODE OF CONDUCT



CORPORATE GOVERNANCE:

Bangladesh Securities and Exchange Commission (BSEC) rationalized the corporate governance code and repealed the existing corporate governance guideline on 3 June 2018 in order to enhance the corporate governance in the interest of the investors and the capital market. Listed Companies shall comply in accordance with the condition stipulated in the code.

Republic Insurance Company Limited (RICL) is the 3rd generation Non-life Insurance Companies in Bangladesh that complying full phase corporate governance code. The company is proactive in terms of quality business that helps for better future of the insurance industry in Bangladesh. RICL believe corporate governance for all i.e. investor, customers/clients, insured's, re-insurer, employees and staffs, suppliers and other stakeholders.

Corporate Governance refers to the system by which corporations are directed and controlled. Corporate governance structure specifies the distribution of rights and responsibilities among different participants such as the Board of Directors, managers, shareholders, creditors, regulators and other stakeholders and specifies the rules and procedures for making decisions in corporate affairs. Corporate governance provides structure through which corporations / Companies set and persue their objectives. Corporate governance is a mechanism for monitoring the actions, policies and decisions of Corporations/Companies. It involves alignment of interests among the shareholders.

Republic Insurance Company Limited has given the key priority over the corporate governance practice. Corporate governance is practiced in all levels of the management of the Company i.e. from Directors to the junior level employees. It is the Board of Directors' responsibilities to implement Corporate Governance system in the Company and the board of directors in Republic Insurance Company Limited is doing so applying their best knowledge and expertise complying with the rules laid down by the SEC notification NO.SEC/CMRRCD/2006-158/207/Admin/80, dated June 03, 2018.

BOARD OF DIRECTORS:

Board Size:

The Board comprises 18 directors out of which 17 are Non-Executive Directors and 1 is Executive Director who is the Chief Executive Officer (Managing Director) of the Company. Out of 16 Non-Executive Directors one is the Chairman who has been elected from the Board Members. The composition of the Board complies with the rules of IDRA & notification of BSEC. Directors of the Company have talent, required skills and well experience in providing prudent guidance in respect to the operation of the Insurance business. The Chairman and the Chief Executive Officer of the Company are different bodies with separate functions and responsibilities.

ROLES AND RESPOSIBILITIES OF THE BOARD:

The Articles of Association of the Company has given the Board of Directors' the extensive power including the day to day management of the Company. The Board is proactive in appropriate application of the corporate governance system and it puts its best effort to extract a positive result out of it that can make the Company well governed and well structured.

The Board of Directors has full control over the Company's day to day affairs and is also fully accountable to the shareholders. The Board also formulates the strategic objectives and policy framework for the Company. In discharging the above responsibilities the Board carries out, the following functions as per the charter of the Board:-

- Determine, monitor and evaluate strategies, policy, management performance criteria and business plan.

- Periodic and timely reporting to the shareholders on the affairs, progress and performance of the Company.
- Ensuring proper decision making and accountability structure throughout the Company so that the staff down the line is fully accountable to the corporate management.
- Approval of annual budget including major capital expenditure proposals.
- Critical evaluation of all proposals which requires Board's approval and directives.
- Regular review of financial performance and overdue situations.
- Appointment and evaluation of the performance of the top management positions.
- Ensuring that the senior management team has the necessary skill and experience to perform their function effectively in the best interest of the Company.
- Monitoring the adequacy, appropriateness and operation of internal control

CODE OF CONDUCT OF THE CHAIRPERSON, OTHER BOARD MEMBERS AND CHIEF EXECUTIVE OFFICER:

The Chairperson, other Board members and Chief Executive Officer of the Company shall act within the authority conferred upon them, in the best interest of the Company and observe the following:

Prudent conduct and behavior:

- The Chairperson, other Board members and Chief Executive Officer shall act honestly, ethically, in good faith and in the best interest of the Company.
- Whilst carrying out the duties, the Chairperson, other Board members and Chief Executive Officer shall ensure that it is executed in terms of the authorizations granted and within the limits prescribed under the relevant policies, codes, guidelines and other directives issued by the Board of Directors of the Company from time to time.
- The Chairperson, other Board members and Chief Executive Officer shall refrain from indulging in any discriminatory practice or behavior based on race, color, sex, age, religion, ethnic or national origin, disability or any other unlawful basis. The ethical conduct, performance and skills shall be the qualifying indicatives for an employee's performance.
- The Chairperson, other Board members and Chief Executive Officer shall conduct themselves in a professional, courteous and respectful manner and shall not take any improper advantage of their position.
- The Chairperson, other Board members and Chief Executive Officer shall use the Company's assets, property, proprietary information and intellectual rights for business purposes of the Company and not for any personal benefits or gains.

Confidentiality:

- The Chairperson, other Board members and Chief Executive Officer should conduct themselves so as to meet the expectations of operational transparency of the stakeholders while at the same time maintaining confidentiality of information in order to foster a culture conducive to good decision making. "Confidential information" includes, amongst others, all information of the Company not authorized by the management of the Company for public dissemination.

- All confidential information must be held in confidence, unless authorized by the Board or otherwise permissible in accordance with this Code; or the same is part of the public domain at the time of disclosure; or is required to be disclosed in accordance with applicable laws.

Conflict of interest:

- The Chairperson, other Board members and Chief Executive Officer shall not enter into any transaction which is or may likely to have a conflict with the interest of the Company.
- The Chairperson, other Board members and Chief Executive Officer should disclose to the board whether they directly, indirectly or on behalf of third parties have a material interest in any transaction or matter directly affecting the Company.
- All transactions having conflict of interest should be carried out in accordance with law and be fully disclosed to the Board of Directors.

Compliance with Laws, Rules and Regulations:

- The Chairperson, other Board members and Chief Executive Officer shall ensure compliance with the various legal/regulatory requirements as applicable to the business of the Company and endeavor that before any directions are given or decisions taken, relevant legal/regulatory requirements are taken into account.

Prohibition of Insider Trading:

- The Chairperson, other Board members and Chief Executive Officer shall comply with all laws, rules, and regulations governing trading in the shares of the Company and the Company's Code of Conduct for Prohibition of Insider Trading in dealing with the securities of the Company which, inter alia, prohibits buying or selling of the Company's securities on the basis of any unpublished price sensitive information and prohibits disclosure of such information to any other person (including relatives) where such information may be used by such person for his or her personal benefit or gain.
- The Chairperson, other Board members and Chief Executive Officer should comply with the provision of the Companies Act, 1994 and applicable rules and regulations issued by the Bangladesh Securities Exchange Commission, Dhaka Stock Exchange and Chittagong Stock Exchange, insofar as they relate to prohibitions on insider trading.

Relationship with Environment:

- The Chairperson, other Board members and Chief Executive Officer should cause the Company to strive to provide a safe and healthy working environment and comply, in the conduct of the business affairs of the Company, with all regulations regarding the preservation of the environment of the industry it operates in.
- The Company should be committed to prevent the wasteful use of natural resources and minimize any hazardous impact of the development, production, use and disposal of any of its products and services on the ecological environment in accordance with the applicable laws.

Relationship with Employees:

- The Chairperson, other Board members and Chief Executive Officer should strive for causing the Company to maintain cordial employee relations.
- The Chairperson, other Board members and Chief Executive Officer should cause the Company to

build competency based human resource systems and maintain human resource policies that have been directed at managing the growth of the organization efficiently.

- The Chairperson, other Board members and Chief Executive Officer should assist the Company in further aligning its human resource policies, processes and initiatives to meet its business needs.

Relationship with Customers:

- The Chairperson, other Board members and Chief Executive Officer should ensure that the Company is committed to supply products and services of the highest quality standards backed by efficient after sales service consistent with the requirements of the customers to ensure their total satisfaction.
- The Chairperson, other Board members and Chief Executive Officer should ensure that Company will properly engage in product advertising, publicity, and sales promotion activities to avoid misleading the customers.
- The Chairperson, other Board members and Chief Executive Officer should ensure that the Company will engage in free and open competition with competitors to maintain its stance as a company trusted by customers and society.

Relationship with Suppliers:

- This Code contains general requirements applicable to all suppliers to Company. Particular supplier contracts may contain more specific provisions addressing some of these same issues. Nothing in this Code is meant to supersede any specific provision in a particular contract, and to the extent there is any inconsistency between this Code and any other provision of a particular contract, the other provision will prevail.
- The Chairperson, other Board members and Chief Executive Officer should act in the best interest of the Company. Accordingly, the Chairperson, other Board members and Chief Executive Officer should have no relationship, financial or otherwise, with any supplier that might conflict, or appear to conflict, with the Chairperson, other Board members and Chief Executive Officer's obligation to act in the best interest of Company.

Independency:

- The Chairperson, other Board members and Chief Executive Officer should remain independent in all material respects.
- The Chairperson, other Board members and Chief Executive Officer should act impartial to the Employees, Customers, Suppliers, Shareholders and other Stakeholders.

INDEPENDENT DIRECTORS:

To comply with the requirements of corporate governance as per BSEC Notification, the Board of Directors appointed 3 (three) qualified and experienced persons as independent Directors of the Company. The Independent Directors have complied with the following criteria and ensured their duties and responsibilities in the Board as recommended by the BSEC notification:

Qualification of the Independent Directors:

- (i) Independent Directors are qualified and well experienced and able to ensure compliance with financial, regulatory and corporate laws and can make meaningful contribution to business.

(ii) Name of 3 (three) Independent Directors of the Company are stated below along with their qualification and background:

Name	Background Qualification	Experience
Mr. Ataul Haq	Former Cabinet Secretary of the Govt. of the People's Republic of Bangladesh	Above 12 years
Mr. Md. Arshed	Graduate	Above 12 Years
Mr. M. Salahuddin Chowdhury	Masters in Business Administration (Marketing) IBA, Dhaka University	Above 12 years

APPOINTMENT TO THE BOARD:

The appointment of any new Director is made with the consent and approval of the Board of Directors' Meeting and such new Director retires in the immediate next Annual General Meeting (AGM). A retired director may offer himself for the re-appointment. Any new appointment to the Board requires information to the Insurance Development & Regulatory Authority, the BSEC and Stock Exchanges.

Regarding appointment of Public Director a gazette was published on July 11, 1994. As per notification, eligible directors holding minimum qualifying shares as may be determined by the company which should be an amount exceeding ten thousand taka on account of public subscription to the paid up capital at least 6 months before the date of election under section 15A.

Under section 15B(3); the date, time, place and other particulars of election and the number of Directors to be elected shall be circulated sixty days before such election by advertisement in at least two national daily newspapers.

According to the notification nomination in the prescribed form is invited from the eligible shareholders expressing his/her willingness to contest the election of Directors from the public shareholders in the AGM. Elected Public Directors will be appointed for next term.

THE ROLE AND RESPONSIBILITY OF THE BOARD:

Republic Insurance Company Limited has developed an appropriate code of conduct for The Board of Directors. The Directors of the Board of Republic Insurance Company Limited follows the code strictly in every step in their behaviour. The Board of Directors maintains a good relationship with the employees, customers, members, shareholders, regulator and the public. They guide, supervise and advise the the employees in respect of business related works and extends their cooperative hands as and when required. They are conscious about the rights of the shareholders and customers and careful about preserving those rights. The Board of Directors ensures that the Management is using the Company's assets, property, information and resources for the interest of the Company remaining within law. They act in good faith and maintain the confidentiality of information entrusted with them.

Board set vision, mission and strategies of the company to guide and set the pace for its current operations and future development and

- reviewed and evaluated present and future opportunities, threats and risks in the external environment and current and future strengths, weaknesses and risks relating to the company.
- determined strategic choices select those of be pursued, and decide the means to implement and support them and ensured that the company's organizational structure and their capabilities are appropriate for implementing the chosen strategies.
- Board delegated the management to monitor and evaluate implementation of policies, strategies and business plans.

CHAIRPERSON OF THE BOARD OF DIRECTORS:

The main function of the Chairman is to preside at Meetings; The Chairman of the Republic Insurance Company Limited is not the Chief Executive of the Company. The Chairman's function is to supervise management and not to be part of it. The Chairman of the Company ensures the existence of an effective strategic planning system and the appropriate consideration of the future development possibilities and also acts as a counsellor, adviser and listener to the Chief Executive and, where necessary, other members of the Board.

Role played by the Chairperson:

- Determines board composition and organization;
- Clarifies board and management responsibilities;
- Manages board and board committee meetings;
- Develops the effectiveness of the board;
- Chairs the board and shareholders' meeting;
- Provides leadership to the board in all affairs of the board's function;
- Ensures effective operation and performance of the board and its committees in conformity with the highest standards of corporate governance;
- Works closely with and through the managing director and participates in the development of company's mission, vision, strategic objectives and business plans;
- Ensures link between the board and the management and
- Ensures corporate social responsibilities (CSR) activities of the company.

BOARD MEETING:

The Directors get together time to time to review the activities of the Company and decide the topics relating to policy and accordingly monitor the progress of the Company. The Companies Act 1994 and Articles of Association of the Company require of Board meeting of the Directors and accordingly Republic Insurance Company Limited holds the meeting in time.

Board meetings are normally held to discuss and decide on major corporate, strategic and operational issues as well as to evaluate major investment opportunities. At the meetings, chairperson of the board allocated sufficient time for the directors to consider each agenda in a prudent way and allowed them to freely discuss, enquire and express opinion on the items of interest so that they can fulfill their duties to the best of their abilities.

7 meetings of the board were held in 2018, wherein policies and major business and strategic decisions were taken, At the invitation of the board, members of senior management or portion thereof attended board meetings for the purpose of participating in discussions.

ROLE OF THE CHIEF EXECUTIVE OFFICER:

The Managing Director is responsible for the daily business of the Company. He is an Executive Director of the Board and also represents the Company. The Articles of Association of the Company and the guidelines of the IDRA refer his duties and responsibilities to the Company. He implements the Board's strategy and policy as per guidance of the Board of Directors. He looks after the day-to-day business and is accountable to the Board for the financial and operational activities of the Company.

ROLE OF THE COMPANY SECRETARY:

A Company Secretary is the chief administrative officer of the Company, responsible for the efficient administration of the Company, particularly with regard to ensuring compliance with statutory and regulatory requirements and for ensuring that decisions of the Board of Directors are implemented. The Corporate Governance Guidelines issued by the SEC also requires a full-fledged Company Secretary as distinct from other managers of the Company. The Company Secretary ensures that an organization complies with relevant legislation and regulation, and keeps board members informed of their legal responsibilities. The Company Secretary is the Company's named representative on legal documents and it is his responsibility that the Company and its shareholders operate within the law. It is also his responsibility to register and communicate with the shareholders, to ensure that dividends are paid and to maintain company records such as, lists of Directors and shareholders, and annual accounts.

BOARD COMMITTEES:

Republic Insurance Company Limited has several Sub committees under the Board. The Board members in their meeting appoint the members for the Sub committees including the Chairman of committee. After fulfillment of the tenure of the committee, the members of committees change within the Board members. Every subcommittee has separate scope of work and the Board approve the terms of references. The Sub Committees are independent and responsible to provide their expertise opinion to the Board. At present the following Committees are performing their duties on behalf of the Board:

The board of directors is assisted by the following 3 main committees:

- a) Executive committee
- b) Audit committee
- c) Claims Committee

EXECUTIVE COMMITTEE:

Executive Committee looks after the management reports of the branches performance with the proposal and recommendations of each employee's performance in the Company and also confirms the salary package, promotion, special increments, incentive bonus and other facilities. The Executive Committee also enhances the pay scale of the employees time to time with the support of the management requirements. The Committee consists of 5 Non executive Directors, who are appointed by the Board of the Company and the Managing Director too. At least, one Meeting is to be held in a year to confirm the facilities based on the performance of the Company.

Name of Director	Designation of the Board	Position in the Committee
Mrs. Rehana Chowdhury	Director	Chairman
Mr. Mahboob-Ur Rahman	Director	Member
Mrs. Bilquis Afroza	Director	Member
Mr. Alhaj Abdus Sabur	Director	Member
Mr. Gazi Golam Ashria	Director	Member

Chairman of the Executive Committee:

Mrs. Rehana Chowdhury, Chairman of the committee was appointed by the Board from amongst the directors. She has a vast knowledge in related field and is entrusted with the duty of monitoring the daily management performance with the support of the management.

AUDIT COMMITTEE:

Audit committee of Republic Insurance Company Limited is the Sub Committee of the Board of Directors. Audit Committee comprises four Directors nominated by the Board of Directors. The Committee is headed by a Director who is an Independent Director of the company. The Chief internal Audit & Control officer has direct access to the Committee and the Committee is directly reportable to the Board. It operates according to the Terms of Reference approved by the Board and in compliance with the Section 3 of the Securities and Exchange Commission's Notification NO.SEC/CMRRCD/2006-158/207/Admin/80, dated June 03, 2018. Functions and responsibilities of Audit Committee are:

- i) to review with the management and the external auditors the Company's annual financial statement and related footnotes including external auditors' reports on the financial statements and any significant changes required by the external auditors in the statements prepared by the Management.
- ii) to review legal and regulatory matters that may have a material impact on financial statements, compliance, security or operations of the Company.
- iii) to conduct or authorize investigations into any matters within the committee's scope of responsibilities.
- iv) to review the financial reporting process, the system of internal control and management of financial risk and the Company's processes for monitoring, compliance with laws and regulations and its own code of business conduct.
- v) to review the corrective measures taken by the management as regard to the reports relating to fraud and forgery, deficiency in internal control or other similar issues detected by internal and external auditors and inspectors of the regulatory authorities.
- vi) to review the activities and organizational structure of internal audit functions and ensure that no unjustified restriction or limitation were made.
- vii) To do any other functions as the Board may require from time to time.

Members of the Audit Committee:

Name of Director	Designation of the Board	Position in the Committee
Mr. Ataul Haq	Independent Director	Chairman
Mr. S.M. Shafiul Hoque	Director	Member
Mr. Md. Mosaddake-UI- Alam	Director	Member
Mr. Md. Arshed	Independent Director	Member

Chairman of the Audit Committee:

Mr. Ataul Haq, Chairman of the committee appointed by the Board from amongst the non-executive directors. Mr. Haq is the former Cabinet Secretary of the Government of the Peoples Republic of Bangladesh. Mr. Haq has a vast knowledge, good understanding power, experience in business and management with accounting or finance of the Company.

CLAIMS COMMITTEE:

Claims or loss handling is the materialized utility of insurance; it is the actual "product" paid for. Claims filed by insured directly and the managements classify the loss on the basis of the documents & papers with

their knowledge and experience. The surveyors of the Claim undertakes an investigation of each claim, usually in close cooperation with the insured, determines if coverage is available under the terms of the insurance contract, and if so, the reasonable monetary value of the claim, and thereafter with the advice/permission of the Managing Director or claim committee is approved.

The Committee looks after the customer's claims settlement procedure with the support of surveyor's report. The strengths of our claims settlement Executive lies in its promptness and efficiency of the executives. Claims settlements seek quickly and improve customer satisfaction. In this respect, we always take initiatives to upgrade claims settlement processes and adopt the claims settlement system. Claims Executives' aim is to provide the best customer services.

Members of the Claims Committee:

Name of Director	Designation of the Board	Position in the Committee
Mr. S.M. Shafiul Hoque	Director	Chairman
Mr. Gazi Golam Ashria	Director	Member
Mr. Md. Arshed	Independent Director	Member

The Chairman of the Claims Committee:

Mr. S.M. Shafiul Haque, Chairman of the committee has been appointed by the Board from amongst the Directors. He has a vast knowledge, good understanding about the business underwriting and claim settlement procedures.

MANAGEMENT COMMITTEE:

To look after the Management position and assist their performance with a proper guidance, the Managing Director calls different Management Meetings to assist the Managing Director in order to perform appropriately the activities of the Company. The Managing Director regularly discusses with high officials and concerned departmental Heads about the important issues before implementing the decisions.

The overall functions of the company are being carried out by the following 13 departments:

1. Administration
2. Human resources department
3. Establishment & logistic
4. Finance & Accounts
5. Branch control department
6. Claims
7. Re-Insurance
8. Audit & internal control
9. Specialized business & market development and health insurance
10. Share trade & investment
11. Information technology
12. Public relation & corporate affairs
13. Board affairs

The Meetings have been operating their activities to boost up the performance of employees. The branches also confirm the profitability by applying all the rules and regulations. The various activities of the above

mentioned Committees are presented to the Chairman for his consideration and confirmation.

COMMUNICATION WITH SHAREHOLDERS AND STAKEHOLDERS:

The company provides a balanced level of communication between the company and its stakeholders. The company has board affairs department to communicate with the stakeholders. Shareholders may communicate with this department at any time for any sort of information and query. The company provides updated information in its website for all the shareholders of the company. The company disseminates its all price sensitive information (PSI) within 30 minutes of the decision to the BSEC and the stock exchanges under the signature of Managing director or company secretary through fax/e-mail and by special messenger, and through courier services in special cases and immediately publishes the same in 2 widely circulated newspapers, one in Bangla and the other in English, and also in one online news portal. The shareholders are provided routine services by the company secretary in the matters of transfer of shares, replacement in case of damage of shares, payment of dividend, reissue of dividend warrant when warrants expires in the hand of shareholders, issue of certificates on tax deduction from dividend etc. The company also publishes its quarterly reports and annual reports within the time as stipulated in the listing rules of stock exchanges and also arranges necessary publications, and dispatches those accordingly. The annual report covers all the notes for current financial year, business performance, future plan, strategy and other key corporate information and disclosures. The board of directors regards the annual general meeting (AGM) and other general meetings as an important opportunity for direct communication with the honorable shareholders. To make the AGM more participatory, the company declares the date of AGM well ahead of time, circulates annual reports and other documents in time, manages AGM in a well-located place at convenient time, which allows the shareholders to attend and speak in the AGM freely. The company values their proposals and suggestions which are certainly pertinent and for the development and progress of the company. In the last AGM of RICL a large number of shareholders attended the meeting and participated in the discussions and made different queries and suggestions on different subjects. The company is fully committed to protect the interest of its shareholders. The directors and senior management also attend the annual general meeting (AGM) where they are available to respond to shareholders' questions. All shareholders have the right to vote at general meetings. The number of shareholders is increasing gradually which shows their constant faith on the company.

The Website of the company also contains corporate information, which is updated on a regular basis. The Website serves as a source of business, financial, and other relevant information on the company with easy access. Press releases, interim and annual reports and other information of interest to shareholders are regularly uploaded to company's Website. In addition, from time to time, the company publishes newsletters/information brochures which set out specific aspects of the company's operations for the general public/clients.

HUMAN CAPITAL:

Despite uncertainty in the market, organizations continue to look at global growth, mergers and acquisitions, evolving technology, regulatory change, and risk management. The landscape is also being shaped by trends including an aging workforce with multiple generations and the reality of distributed work in the cloud. Republic Insurance Company Limited, believes that organizations can do better jobs at getting their human capital to drive business growth by leveraging advanced analytics to develop talent in management and business driven HR strategies to deliver results today and prepare for tomorrow. Republic Insurance Company Limited views its employees as the most valuable capital of the organization with the potential to bring superior results if inspired, led, trained and tasked with the responsibilities in the right way. To achieve the long cherished objectives by following the principle of merit based recruitment, Republic Insurance Company Limited has formulated its HR policy manual for recruitment and Development of Human Resources duly approved by the Board which is being followed up meticulously to ensure right manpower for right position and developing them.

ENVIRONMENTAL POLICY OF REPUBLIC INSURANCE COMPANY LIMITED (RICL):

Human activities can have harmful effects on ecological system, climate and public health. Recognizing these, RICL fully supports the principles of its commitment to promoting good environmental practice and sustainability of its activities. We have the commitment to providing quality service in a manner that ensures a safe & healthy workplace for our employees protecting the environment, conserving energy and natural resources. With these policies in place, we believe that we can achieve a healthy and safe environment by taking the following measures:

- a) Integrate the consideration of environmental concerns and impacts into our decision making and activities.
- b) Develop and improve operations and technologies to minimize waste and other pollution, minimize health and safety risks, and dispose of waste safely and responsibly.
- c) Minimize energy and water use within our premises and processes in order to conserve supplies and minimize the consumption of natural resources.
- d) Try as far as possible to identify and purchase preferable products, supplies and services for all our daily operational needs that do the least damage to the environment.
- e) Complied with all applicable environmental regulations.
- f) Established procedures to ensure that all employees are knowledgeable in complying with all applicable environmental laws and regulations. Train all our employees on our environmental program and empower them to contribute and participate.
- g) Communicate our environmental commitment to our clients, contractors, suppliers and the community.
- h) Strive to continually improve RICL environmental management system and performance & implement corrective actions.

INTERNAL CONTROL:

The Board is responsible for ensuring that the Company has an adequate and effective control system in place. Although no system of internal financial control can provide absolute assurance against material misstatement or loss, The company's internal control system have been designed to provide the directors with reasonable assurance that assets are safeguarded against unauthorized use by the employees / or management and / or third parties, transactions are authorized and properly recorded and material error and irregularities are either prevented or detected with in a reasonable period of time. Properly designed management structure, clearly defined responsibilities, delegation or authorities, establishment of accountability at each level and system of periodic reporting and monitoring performance are the key elements of the internal control framework employed in RICL.

INDEPENDENT AUDITOR'S REPORT

To the Shareholders of
Republic Insurance Company Limited

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

Opinion

We have audited the financial statements of Republic Insurance Company Limited (the Company), which comprise the Statement of Financial Position as at December 31, 2018, Profit and Loss Appropriation Account, Statement of Profit or Loss and Other Comprehensive Income, Consolidated Revenue Account, Fire Insurance Revenue Account, Marine Cargo Insurance Revenue Account, Marine Hull Insurance Revenue Account, Motor Insurance Revenue Account, Miscellaneous Insurance Revenue Account, Statement of Changes in Equity and Statement of Cash Flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information disclosed in notes 1 to 33 & Annexure-A to C.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the company as at December 31, 2018, and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs), the Companies Act 1994, the Insurance Act 2010, the Insurance Rules 1958, the Securities and Exchange Rules 1987 and other applicable laws and regulations.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code) together with the ethical requirements that are relevant to our audit of the financial statements in Bangladesh, and we have fulfilled our other ethical responsibilities in accordance with the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Our key audit matters

Risk	Our response to the risk
Premium Income	
<p>Gross general insurance premiums comprise the total premiums received for the whole period of cover provided by contracts entered into during the accounting period.</p> <p>Given the important nature, connections to other items to the financial statements and sensitivity of the item we believe this area pose high level of risk.</p>	<p>With respect to Premium income in respect of various types of insurance we carried out the following procedures:</p> <ul style="list-style-type: none"> <input type="checkbox"/> The design and operating effectiveness of key controls around premium income recognition process. <input type="checkbox"/> Carried out analytical procedures and recalculated premium income for the period. <input type="checkbox"/> Carried out cut-off testing to ensure unearned premium income has not been included in the premium income. <input type="checkbox"/> On a sample basis reviewed policy to ensure appropriate policy stamp was affixed to the contract and the same has been reflected in the premium register. <input type="checkbox"/> Ensured on a sample basis that the premium income was being deposited in the designated bank account. <input type="checkbox"/> Tested on a sample basis to see that appropriate VAT was being collected and deposited to bank through Treasury Chalan. <input type="checkbox"/> For a sample of insurance contracts tested to see if appropriate level of reinsurance was done and whether that re insurance premium was deducted from the gross premium. <input type="checkbox"/> Applying specialist judgment ensured if there is any impairment of the reinsurer. <input type="checkbox"/> Finally assessed the appropriateness and presentation of disclosures against relevant accounting standards, Insurance Act 1938 (as amended in 2010), Insurance Rules, 1958 and other applicable rules and regulations and regulatory guidelines.
See note no 25 to the financial statements.	

Estimated liability in respect of outstanding claims whether due or intimated and claim payment	
<p>This account represents the claim due or intimated from the insured and involves significant management judgment and risk of understatement. In extreme scenario this item may have going concern implications for the company.</p>	<p>We tested the design and operating effectiveness of controls around the due and intimated claim recording process.</p> <p>We additionally carried out the following substantive testing's around this item:</p> <ul style="list-style-type: none"> <input type="checkbox"/> Obtained the claim register and tested for completeness of claims recorded in the register on a sample basis. <input type="checkbox"/> Obtained a sample of claimed policy copy and cross check it with claim. <input type="checkbox"/> Obtained a sample of survey reports Cross checked those against respective ledger balances and in case of discrepancy carried out further investigation. <input type="checkbox"/> Obtained and discussed with management about their basis for estimation and challenged their assumptions where appropriate. <input type="checkbox"/> Reviewed the claim committee meeting minutes about decision about impending claims. <input type="checkbox"/> Tested a sample of claims payments with intimation letter, survey report, bank statement, claim payment register and general ledger. <input type="checkbox"/> Finally assessed the appropriateness and presentation of disclosures against relevant accounting standards, Insurance Act 1938 (as amended in 2010), Insurance Rules, 1958 and other applicable rules and regulations and regulatory guidelines.
<p>See note no 7 to the financial statements</p>	

Other Information

Management is responsible for the other information. The other information comprises all of the information in the Annual report other than the financial statements and our auditors' report thereon. The directors are responsible for the other information.

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

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

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

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

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

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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

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

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

Report on other Legal and Regulatory Requirements

In accordance with the Companies Act 1994, the Insurance Act 2010, the Insurance Rules 1958, the Securities and Exchange Rules 1987 and relevant notifications issues by Bangladesh Securities and Exchange Commission, we also report that:

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

Dated: Dhaka
April 28, 2019



Rahman Mostafa Alam & Co.
Chartered Accountants



Republic Insurance Company Limited
 বিপাবলিক ইনস্যুরেন্স কোম্পানী লিমিটেড

Statement of Financial Position

As at December 31, 2018

Particulars	Notes	Amount in Taka	
		December 31, 2018	December 31, 2017
Shareholders Equity and Liabilities			
Share Capital			
Authorized Share Capital			
1,00,000,000 ordinary shares of Tk. 10 each	3.01	1,000,000,000	1,000,000,000
Issued, Subscribed and Paid up capital			
3,93,98,665 ordinary shares of Tk. 10 each	3.04	393,986,650	350,210,360
Reserve and Contingent Account			
Reserve for Exceptional Losses	4.00	189,801,715	172,399,340
General Reserve	4.01	140,739,970	118,730,266
Retained Earnings	4.02	8,250,000	7,500,000
	4.03	40,811,745	46,169,074
Shareholders' Equity			
		583,788,365	522,609,700
Balance of Funds and Accounts	5.00	148,730,136	138,598,668
Fire Insurance Revenue Account		54,661,271	59,500,961
Marine Cargo Insurance Revenue Account		50,706,920	41,964,985
Marine Hull Insurance Revenue Account		11,220,086	10,662,405
Motor Insurance Revenue Account		21,176,468	18,204,468
Misc. Insurance Revenue Account		10,965,391	8,265,849
Premium Deposits			
	6.00	20,427,182	20,963,359
Liabilities and Provisions			
Estimated liability in respect of outstanding claims whether due or intimated	7.00	34,123,457	54,175,367
Amount due to other persons or bodies carrying on insurance business	8.00	82,306,476	100,182,060
Provision for WPPF	9.00	17,905,586	13,857,345
Provision for Taxation	10.00	134,176,360	114,007,509
Sundry Creditors	11.00	33,660,673	41,103,754
Total Shareholder's Equity and Liabilities		1,055,118,235	1,005,497,762
Net Assets Value Per share (NAV)	31.00	14.82	14.92

The accompanying notes from 1 to 33 & Annexure-A to C form an integral part of the financial statements.

 Chairman
  Director
  Director
  Chief Executive Officer
  Company Secretary
  Chief Financial Officer

Signed in terms of our separate report of even date.

Place: Dhaka
 Dated: April 28, 2019


Rahman Mostafa Alam & Co.
 Chartered Accountants



Republic Insurance Company Limited
 রিপাবলিক ইনস্যুরেন্স কোম্পানী লিমিটেড

Statement of Financial Position

As at December 31, 2018

Particulars	Notes	Amount in Taka	
		December 31, 2018	December 31, 2017
Property and Assets			
Non-Current Assets		100,076,475	75,618,993
Property, Plant and Equipment	12.00	52,637,337	23,501,276
Intangible Asset	12.01	447,114	558,892
Lease Car	Annexure-A	1,482,123	1,646,803
Statutory Deposit with Bangladesh Bank (Government Treasury Bond)	13.00	25,000,000	25,000,000
Deferred Tax	24.00	3,850,149	3,459,948
Investment in Shares at Market Value	14.00	16,659,752	21,452,074
Current Assets		925,188,611	886,443,034
Stock of Printing & Stationery and Stamp in hand	15.00	1,762,301	1,161,991
Amount due from other person or bodies carrying on insurance business	16.00	219,331,388	207,803,151
Interest Accrued	17.00	21,988,049	20,128,674
Sundry Debtors (including advances, deposits and pre-payments)	18.00	288,741,023	237,525,157
Fixed Deposit with Banks	19.00	393,365,850	419,824,061
Cash and Cash Equivalents	20.00	29,853,149	43,435,735
Cash at Bank		27,367,834	38,462,907
Cash in hand		2,485,315	4,972,828
Total Assets		1,055,118,235	1,005,497,762

The accompanying notes from 1 to 33 & Annexure-A to C form an integral part of the financial statements.

 **Chairman**
  **Director**
  **Director**
  **Chief Executive Officer**
  **Company Secretary**
  **Chief Financial Officer**

Signed in terms of our separate report of even date.

Place: Dhaka
 Dated: April 28, 2019


Rahman Mostafa Alam & Co.
 Chartered Accountants

Profit and Loss Appropriation Account
 For the year ended December 31, 2018

Particulars	Notes	Amount in Taka	
		January 01, 2018 to December 31, 2018	January 01, 2017 to December 31, 2017
Balance brought forward from previous year		46,169,074	43,211,004
Profit after Tax		61,178,665	59,493,017
Total profit after Tax		107,347,739	102,704,021
Appropriation:			
Reserve for Exceptional Losses	4.01(a)	22,009,704	18,012,417
General Reserve	4.02	750,000	1,000,000
Issuance of Bonus share		43,776,290	37,522,530
Retained Earnings transferred to Statement of Financial Position		40,811,745	46,169,074
Total		107,347,739	102,704,021
 Earnings per share (Restated for 2017)	 30.00	 1.55	 1.51

The accompanying notes from 1 to 33 & Annexure-A to C form an integral part of the financial statements.








Chairman Director Director Chief Executive Officer Company Secretary Chief Financial Officer

Signed in terms of our separate report of even date.

Place: Dhaka
Dated: April 28, 2019


Rahman Mostafa Alam & Co.
 Chartered Accountants



Republic Insurance Company Limited
 বিপাবলিক ইনস্যুরেন্স কোম্পানী লিমিটেড

Statement of Profit or Loss and Other Comprehensive Income

For the year ended December 31, 2018

Particulars	Notes	Amount in Taka	
		January 01, 2018 to December 31, 2018	January 01, 2017 to December 31, 2017
Operating profit /(loss) transferred from		81,024,418	79,747,698
Fire Insurance Revenue Account		3,628,682	18,700,118
Marine Cargo Insurance Revenue Account		56,843,411	42,220,449
Marine Hull Insurance Revenue Account		5,159,026	5,623,951
Motor Insurance Revenue Account		17,913,103	20,464,749
Misc. Insurance Revenue Account		(2,519,804)	(7,261,569)
Non-Operating Income		26,769,959	32,807,177
Interest income	21.00	27,336,925	28,284,785
Share Investment and Dividend income	22.00	(4,187,040)	3,899,755
Other income	23.00	3,620,074	622,637
Total Income		107,794,377	112,554,875
Less: Expenses of Management (not applicable to any particular fund or account)		22,781,312	19,728,215
Advertisement		6,359,472	8,604,445
Audit fees		384,500	384,500
Directors fee		1,141,250	876,250
Donation and Subscriptions		315,000	341,000
Fees and Charges		4,795,035	2,661,761
Renewal and Registration fees		855,191	2,128,130
AGM expenses		254,634	264,113
Provision for Gratuity expenses	11.00(b)	1,500,000	1,500,000
Depreciation	Annexure-A	7,176,230	2,968,016
Net Profit before Tax & WPPF		85,013,065	92,826,660
Provision for WPPF		(4,048,241)	(4,420,317)
Profit before Tax		80,964,824	88,406,343
Income Tax Expenses:			
Provision for Income Tax	10.00	(20,176,360)	(26,507,509)
Deferred tax (expenses) / income	24.00	390,201	(2,405,817)
Profit after Tax		61,178,665	59,493,017
Other Comprehensive Income		-	-
Total Comprehensive Income		61,178,665	59,493,017
Earnings per share (Restated for 2017)	30.00	1.55	1.51
Weighted average number of outstanding shares		39,398,665	39,398,665

The accompanying notes from 1 to 33 & Annexure-A to C form an integral part of the financial statements.

 Chairman
  Director
  Director
  Chief Executive Officer
  Company Secretary
  Chief Financial Officer

Signed in terms of our separate report of even date.

Place: Dhaka
 Dated: April 28, 2019


Rahman Mostafa Alam & Co.
 Chartered Accountants



Republic Insurance Company Limited
 বিপাবলিক ইনস্যুরেন্স কোম্পানী লিমিটেড

Consolidated Revenue Account
 For the year ended December 31, 2018

Particulars	Notes	Amount in Taka	
		January 01, 2018 to December 31, 2018	January 01, 2017 to December 31, 2017
Claims under policies less re-insurance		69,739,682	48,409,954
Claims paid during the year		89,791,592	56,225,256
Add: Total estimated liability in respect of outstanding claims at the end of the year whether due or intimated		34,123,457	54,175,367
Less: Outstanding claims at the end of the previous year		54,175,367	61,990,669
Insurance stamps consumed		681,134	623,093
Agency Commission		70,129,594	73,346,445
Expenses of Management	28.00	165,885,058	159,738,399
Profit transferred to Statement of Profit or Loss and Other Comprehensive Income		81,024,418	79,747,698
Balance of account at the end of the year as shown in the Financial Position being reserve for unexpired risks		148,730,136	138,598,668
Total		536,190,022	500,464,257


Chairman


Director


Director

Signed in terms of our separate report of even date.

Place: Dhaka
 Dated: April 28, 2019



Republic Insurance Company Limited
রিপাবলিক ইন্স্যুরেন্স কোম্পানী লিমিটেড

Consolidated Revenue Account
For the year ended December 31, 2018

Particulars	Notes	Amount in Taka	
		January 01, 2018 to December 31, 2018	January 01, 2017 to December 31, 2017
Balance of fund account at the beginning of the year		138,598,668	139,754,740
Premium less re-insurance	25.00	354,995,209	330,503,062
Commission on re-insurance ceded	26.00	38,956,949	28,641,596
Profit commission	27.00	3,639,196	1,564,859
Total		536,190,022	500,464,257

Chief Executive Officer

Company Secretary

Chief Financial Officer

Rahman Mostafa Alam & Co.
Chartered Accountants

Fire Insurance Revenue Account
 For the year ended December 31, 2018

Particulars	Notes	Amount in Taka	
		January 01, 2018 to December 31, 2018	January 01, 2017 to December 31, 2017
Claims under policies less re-insurance		62,161,619	32,249,248
Claims paid during the year		82,466,338	38,276,208
Add: Total estimated liability in respect of outstanding claims at the end of the year whether due or intimated		26,827,561	47,132,280
Less: Outstanding claims at the end of the previous year		47,132,280	53,159,240
Insurance stamps consumed		380,096	409,613
Agency Commission		33,253,986	35,095,149
Expenses of Management	28.00	71,562,814	72,633,050
Profit/(loss) transferred to Statement of Profit or Loss and Other Comprehensive Income		3,628,682	18,700,118
Balance of account at the end of the year as shown in the Financial Position being reserve for unexpired risks @40% of premium income of the year		54,661,271	59,500,961
Total		225,648,468	218,588,139


Chairman


Director


Director

Signed in terms of our separate report of even date.

Place: Dhaka
Dated: April 28, 2019



Republic Insurance Company Limited
রিপাবলিক ইনস্যুরেন্স কোম্পানী লিমিটেড

Fire Insurance Revenue Account
For the year ended December 31, 2018

Particulars	Notes	Amount in Taka	
		January 01, 2018 to December 31, 2018	January 01, 2017 to December 31, 2017
Balance of fund account at the beginning of the year		59,500,961	51,865,704
Premium less re-insurance	25.00	136,653,177	148,752,403
Commission on re-insurance ceded	26.00	25,855,134	17,970,032
Profit commission	27.00	3,639,196	-
Total		225,648,468	218,588,139

Chief Executive Officer

Company Secretary

Chief Financial Officer

Rahman Mostafa Alam & Co.
Chartered Accountants

Marine Cargo Insurance Revenue Account
 For the year ended December 31, 2018

Particulars	Notes	Amount in Taka	
		January 01, 2018 to December 31, 2018	January 01, 2017 to December 31, 2017
Claims under policies less re-insurance		266,760	12,471,148
Claims paid during the year		2,225,113	12,363,307
Add: Total estimated liability in respect of outstanding claims at the end of the year whether due or intimated		4,280,270	6,238,623
Less: Outstanding claims at the end of the previous year		6,238,623	6,130,782
Agency Commission		20,057,954	21,761,952
Expenses of Management	28.00	46,398,051	42,330,676
Profit transferred to Statement of Profit or Loss and Other Comprehensive Income		56,843,411	42,220,449
Balance of account at the end of the year as shown in the Financial Position being reserve for unexpired risks @40% of premium income of the year		50,706,920	41,964,985
Total		174,273,096	160,749,210


Chairman


Director


Director

Signed in terms of our separate report of even date.


Place: Dhaka
Dated: April 28, 2019

Marine Cargo Insurance Revenue Account
 For the year ended December 31, 2018

Particulars	Notes	Amount in Taka	
		January 01, 2018 to December 31, 2018	January 01, 2017 to December 31, 2017
Balance of fund account at the beginning of the year		41,964,985	49,242,128
Premium less re-insurance	25.00	126,767,299	104,912,462
Commission on re-insurance ceded	26.00	5,540,812	5,029,761
Profit commission	27.00	-	1,564,859
Total		174,273,096	160,749,210


 Chief Executive Officer


 Company Secretary


 Chief Financial Officer

Rahman Mostafa Alam & Co.
 Chartered Accountants

Marine Hull Insurance Revenue Account
 For the year ended December 31, 2018

Particulars	Notes	Amount in Taka	
		January 01, 2018 to December 31, 2018	January 01, 2017 to December 31, 2017
Claims under policies less re-insurance:		22,109	621
Claims paid during the year		22,109	621
Add: Total estimated liabilities in respect of outstanding claims at the end of the year whether due or intimated		-	-
Less: Outstanding claims at the end of the previous year		-	-
Agency Commission		1,834,970	1,800,874
Expenses of Management	28.00	3,865,122	4,073,329
Profit/(loss) transferred to Statement of Profit or Loss and Other Comprehensive Income		5,159,026	5,623,951
Balance of account at the end of the year as shown in the Financial Position being reserve for unexpired risks @100% of premium income of the year		11,220,086	10,662,405
Total		22,101,313	22,161,180


Chairman


Director


Director

Signed in terms of our separate report of even date.



Place: Dhaka
Dated: April 28, 2019

Marine Hull Insurance Revenue Account
 For the year ended December 31, 2018

Particulars	Notes	Amount in Taka	
		January 01, 2018 to December 31, 2018	January 01, 2017 to December 31, 2017
Balance of fund account at the beginning of the year		10,662,405	11,242,170
Premium less re-insurance	25.00	11,220,086	10,662,405
Commission on re-insurance ceded	26.00	218,822	256,605
Total		22,101,313	22,161,180


 Chief Executive Officer


 Company Secretary


 Chief Financial Officer

Rahman Mostafa Alam & Co.
 Chartered Accountants



Republic Insurance Company Limited
 বিপাবলিক ইনস্যুরেন্স কোম্পানী লিমিটেড

Motor Insurance Revenue Account

For the year ended December 31, 2018

Particulars	Notes	Amount in Taka	
		January 01, 2018 to December 31, 2018	January 01, 2017 to December 31, 2017
Claims under policies less re-insurance:		7,130,368	2,450,901
Claims paid during the year		4,812,222	4,454,068
Add: Total estimated liabilities in respect of outstanding claims at the end of the year whether due or intimated		3,015,626	697,480
Less: Outstanding claims at the end of the previous year		697,480	2,700,647
Insurance stamps consumed		269,178	191,593
Agency Commission		8,003,061	7,536,794
Expenses of Management	28.00	17,334,989	16,005,788
Profit transferred to Statement of Profit or Loss and Other Comprehensive Income		17,913,103	20,464,749
Balance of account at the end of the year as shown in the Financial Position being reserve for unexpired risks @40% of premium income of the year		21,176,468	18,204,468
Total		71,827,167	64,854,293


Chairman


Director


Director

Signed in terms of our separate report of even date.



Place: Dhaka
 Dated: April 28, 2019

Motor Insurance Revenue Account
 For the year ended December 31, 2018

Particulars	Notes	Amount in Taka	
		January 01, 2018 to December 31, 2018	January 01, 2017 to December 31, 2017
Balance of fund account at the beginning of the year		18,204,468	18,861,563
Premium less re-insurance	25.00	52,941,170	45,511,169
Commission on re-insurance ceded	26.00	681,529	481,561
Total		71,827,167	64,854,293


 Chief Executive Officer


 Company Secretary


 Chief Financial Officer

Rahman Mostafa Alam & Co.
 Chartered Accountants

Miscellaneous Insurance Revenue Account

For the year ended December 31, 2018

Particulars	Notes	Amount in Taka	
		January 01, 2018 to December 31, 2018	January 01, 2017 to December 31, 2017
Claims under policies less re-insurance:		158,826	1,238,036
Claims paid during the year		265,810	1,131,052
Add: Total estimated liabilities in respect of outstanding claims at the end of the year whether due or intimated		-	106,984
Less: Outstanding claims at the end of the previous year		106,984	-
Insurance stamps consumed		31,860	21,887
Agency Commission		6,979,623	7,151,676
Expenses of Management	28.00	26,724,082	24,695,556
Profit/(loss) transferred to Statement of Profit or Loss and Other Comprehensive Income		(2,519,804)	(7,261,569)
Balance of account at the end of the year as shown in the Financial Position being reserve for unexpired risks @40% of premium income of the year		10,965,391	8,265,849
Total		42,339,978	34,111,435


Chairman


Director


Director

Signed in terms of our separate report of even date.



Place: Dhaka
Dated: April 28, 2019

Miscellaneous Insurance Revenue Account
 For the year ended December 31, 2018

Particulars	Notes	Amount in Taka	
		January 01, 2018 to December 31, 2018	January 01, 2017 to December 31, 2017
Balance of fund account at the beginning of the year		8,265,849	8,543,175
Premium less re-insurance	25.00	27,413,477	20,664,623
Commission on re-insurance ceded	26.00	6,660,652	4,903,637
Profit commission	27.00	-	-
Total		42,339,978	34,111,435


 Chief Executive Officer


 Company Secretary


 Chief Financial Officer

Rahman Mostafa Alam & Co.
 Chartered Accountants

Statement of Changes in Shareholders Equity

For the year ended December 31, 2018

Particulars	Share Capital	General Reserve	Reserve for Exceptional Losses	Retained Earnings	Total
Balance as at January 01, 2018	350,210,360	7,500,000	118,730,266	46,169,074	522,609,700
Issuance of Bonus share	43,776,290	-	-	(43,776,290)	-
Profit after tax during the year	-	-	-	61,178,665	61,178,665
Appropriation made during the year	-	750,000	22,009,704	(22,759,704)	-
Balance as at December 31, 2018	393,986,650	8,250,000	140,739,970	40,811,745	583,788,365

Statement of Changes in Shareholders Equity

For the year ended December 31, 2017

Particulars	Share Capital	General Reserve	Reserve for Exceptional Losses	Retained Earnings	Total
Balance as at January 01, 2017	312,687,830	6,500,000	100,717,849	43,211,004	463,116,683
Issuance of Bonus share	37,522,530	-	-	(37,522,530)	-
Profit after tax during the year	-	-	-	59,493,017	59,493,017
Appropriation made during the year	-	1,000,000	18,012,417	(19,012,417)	-
Balance as at December 31, 2017	350,210,360	7,500,000	118,730,266	46,169,074	522,609,700

The accompanying notes from 1 to 33 & Annexure-A to C form an integral part of the financial statements.

 **Chairman**
  **Director**
  **Director**
  **Chief Executive Officer**
  **Company Secretary**
  **Chief Financial Officer**



Republic Insurance Company Limited
 বিপাবলিক ইনস্যুরেন্স কোম্পানী লিমিটেড

Statements of Cash Flows
 For the year ended December 31, 2018

Particulars	Notes	Amount in Taka	
		January 01, 2018 to December 31, 2018	January 01, 2017 to December 31, 2017
A. CASH FLOWS FROM OPERATING ACTIVITIES			
Collection from premium and other income		603,050,219	528,503,164
Payment for management expenses, re-insurance and claims		(586,013,076)	(466,979,869)
Income tax paid		(27,917,042)	(39,093,151)
Net cash generated from operating activities		(10,879,899)	22,430,144
B. CASH FLOWS FROM INVESTING ACTIVITIES			
Acquisition of fixed Assets		(30,608,582)	(2,725,089)
Advance against vehicle purchase		-	(8,500,000)
Advance against Computer Software		(400,000)	-
Advance against Office Decoration		(450,200)	-
Sale proceeds of Vehicles		2,300,000	-
Investment of Fixed Deposit		(64,108,251)	(40,031,580)
Disposal of Fixed Deposit		90,566,462	27,656,870
Net cash used in investing activities		(2,700,571)	(23,599,799)
C. CASH FLOWS FROM FINANCING ACTIVITIES			
Net cash used in financing activities		-	-
D. Net increase/(decrease) in cash and cash equivalents (A+B+C)		(13,580,470)	(1,169,655)
E. Cash and cash equivalents at the beginning of the year		43,435,735	44,539,872
Cash and cash equivalents at the beginning of the year before adjusting of translation gain/(loss)		29,855,265	43,370,217
Foreign currency translation gain/(loss)		(2,116)	65,518
F. Cash and cash equivalents at the end of the year		29,853,149	43,435,735
Net operating cash flows per share (NOCFPS)	32.00	(0.28)	0.64

 Chairman
  Director
  Director
  Chief Executive Officer
  Company Secretary
  Chief Financial Officer



Form "AA"

Classified Summary of Assets As at December 31, 2018

Class of Assets	Book Value 2018 (Tk.)	Book Value 2017 (Tk.)	Remarks
A) Non-Current Assets:			
i) Property, Plant & Equipment	54,566,574	25,706,971	At cost less depreciation
Computer	1,978,803	725,550	
Furniture & Fixtures	8,622,428	3,668,818	
Office Equipments	2,852,435	719,567	
Vehicles	15,015,489	4,860,187	
Crockeries & Cutleries	108,629	24,531	
Air Conditioner	3,224,261	669,036	
Telephone	320,794	123,909	
Office Decoration	14,244,665	6,432,026	
Land and Land development	6,238,556	6,238,556	
Sundry Assets	31,277	39,096	
Computer Software	447,114	558,892	
Lease Car	1,482,123	1,646,803	
ii) Investment:	41,659,752	46,452,074	
a) 10-years Bangladesh Government Treasury Bond	25,000,000	25,000,000	Not quoted in Market
b) Investment in Shares at Market Value	16,659,752	21,452,074	At Market price
Total non-current assets (i+ii)	96,226,326	72,159,045	
B) Current Assets:	955,041,760	929,878,769	
a) Invstment in Fixed Deposits with Banks	393,365,850	419,824,061	Realizable value
b) Cash at Bank	27,367,834	38,462,907	Realizable value
c) Cash in hand	2,485,315	4,972,828	Realizable value
d) Interest Accrued	21,988,049	20,128,674	Realizable value
e) Sundry Debtors	288,741,023	237,525,157	Realizable value
f) Amount due from other persons or bodies carrying on insurance business	219,331,388	207,803,151	Realizable value
g) Stock of Printing & Stationery and Stamp in hand	1,762,301	1,161,991	At cost
C) Other Assets			
Deferred tax assets	3,850,149	3,459,948	Realizable value
Total Assets (A+B+C)	1,055,118,235	1,005,497,762	

 **Chairman**
  **Director**
  **Director**
  **Chief Executive Officer**
  **Company Secretary**
  **Chief Financial Officer**

Signed in terms of our separate report of even date.

Place: Dhaka
 Dated: April 28, 2019


Rahman Mostafa Alam & Co.
 Chartered Accountants

NOTES TO THE FINANCIAL STATEMENTS





Republic Insurance Company Limited
রিপাবলিক ইনস্যুরেন্স কোম্পানী লিমিটেড

Notes to the Financial Statements

For the year ended December 31, 2018

1.00 Legal form of the Company:

The Company was incorporated on the 18th of May, 2000 as a Public Limited Company under the Companies Act, 1994 having registered office in Bangladesh, with the object of carrying all kinds of insurance business other than life insurance and obtained permission to commence insurance business from the Chief Controller of Insurance, Directorate of Insurance, Government of the People's Republic of Bangladesh on May 31, 2000. The Company is registered with an authorized capital of Tk. 50(Fifty) Crore and had issued fully subscribed initial paid up capital of Tk. 6 (Six) Crore.

The Company with the permission of Securities and Exchange Commission had issued 900,000 Ordinary Shares of Tk. 100.00 each on December 1, 2008 and was listed with Dhaka Stock Exchange on 14.01.2009 & Chittagong Stock Exchange on 07.01.2009.

Pursuant to section 21 of Insurance Act-2010 (The first Schedule), and Rule 4A of Insurance Rules 1958 and the Memorandum & Articles of Association of the Company, The Company with the permission of Bangladesh Securities and Exchange Commission raised its Paid up Capital from Tk.6.00 Crore to Tk.15.00 Crore through Initial Public Offering (IPO) of 900,000 Ordinary Shares of Tk.100 each as per in October, 2008. Company issued 10% Stock dividend on 2009, 2010, 2011 & 12% on 2012, 12.50% Stock dividend on 2013, 10% Stock dividend on 2014, 13% Stock dividend on 2015, 12% Stock dividend on 2016 and 12.50% Stock dividend on 2017.

So total Paid up Capital increased from Tk.15.00 Crore to Tk.39.40 Crore. In the year 2011 the Company increased its authorized capital Tk.50.00 Crore to Tk.100.00 Crore and changed the per share value from Tk.100.00 to Tk.10.00 in the 3rd Extra Ordinary General Meeting held on 15th November 2011. The Company also got the necessary permission from Bangladesh Securities and Exchange Commission and maintained the all formalities required by the Register of Joint Stock Companies & Firm.

1.01 Address of Registered Office and Place of business of the Company:

The Head Office of the Company is located at HR Bhaban (3rd & 6th Floor), 26/1, Kakrail, Dhaka-1000, Bangladesh. The business operation of the company is being carried out through 30 (thirty) branches located in all over Bangladesh.

1.02 Principal Activities of the Company :

The principal activities of the company is to carry on all kinds of Insurance business, guarantee, and indemnity business other than life insurance business. There were no significant changes in the nature of the principal activities of the Company during the year 2018 under review.

1.03 Authorization date for issuing Financial Statements :

Financial Statements of the Company for the year ended December 31, 2018 were authorized for issue on April 28, 2019 in accordance with a resolution of the Board of Directors of the Company.

2.00 Basis of Presenting Accounts and Significant Accounting Policies:

2.01 Basis of Accounting Preparation:

The financial statements of the Company under reporting have been prepared under historical cost convention in going concern concept and on accrual basis in accordance with Generally Accepted Accounting Principles (GAAP) and practices in Bangladesh. Disclosures of financial information as

required by Insurance Act 2010 have been complied with while preparing statement of financial position, Statement of Profit or Loss and Other Comprehensive Income, and Revenue accounts for specific classes of insurance business in the form set forth in the first, second and third schedule of the Insurance Act and also in compliance with the Companies Act 1994.

2.02 Management Responsibility:

The management of the Company is responsible to reporting and preparation of financial statements true and fair view of the company's affairs in compliance with International Financial Reporting Standards (IFRS) and existing accounting standards and applicable laws.

2.03 Directors Responsibility:

The Board of Directors are also responsible for the preparation and Presentation of financial statements under section 183 of the Companies Act 1994, the Bangladesh Securities and Exchange Rules 1987, listing regulation of Dhaka Stock Exchange Limited and Chittagong Stock Exchange Limited and as per the provision of "The International Accounting Standards Committee" (IASC). According to the "International Accounting Standard (IAS-I)" as adopted by the Institute of Chartered Accountants of Bangladesh (ICAB). Presentation of Financial Statements the complete set of Financial Statements include the following components:

- i) Statement of Financial Position as at December 31, 2018
- ii) Statement of Profit and Loss Appropriation Account for the year ended December 31, 2018
- iii) Statement of Profit or Loss and Other Comprehensive Income for the year ended December 31, 2018
- iv) Statement of Consolidated Revenue Account for the year ended December 31, 2018
- v) Statement of Cash Flows for the year ended December 31, 2018
- vi) Statement of Changes in Equity for the year ended December 31, 2018
- vii) Notes, comprising a summary of significant accounting policies and other explanatory information to the Financial Statements for the year ended December 31, 2018

2.04 Basis of Presentation:

The Financial Position has been prepared in accordance with the regulations as contained in part-I of the First Schedule and as per Form "A" as set forth in part-II of that Schedule. Revenue Account of each class of general insurance business has been prepared in accordance with the regulations as contained in Part-I of the Third Schedule and as per Form 'F' as set forth in Part-II of that Schedule of Insurance Act, 1938 as amended and adopted Insurance Act 2010. The classified summary of the assets has been prepared in accordance with Form "AA" as set forth in Part-II of the aforesaid Act.

2.05 Regulatory Compliances:

The financial statements have been prepared and disclosures of information have been made in accordance with the requirements of insurance Act, 1938 (New Act, 2010), Insurance rules 1958, the companies Act 1994, the Securities and Exchange Rules 1987, the listing rules of Dhaka Stock Exchange and Chittagong Stock Exchange, Income Tax Ordinance 1984, Income Tax Rules 1984, The Value Added Tax Act 1991, The Value Added Tax Rules 1991 and time to time Guidelines from Insurance Development and Regulatory Authority rules and regulations.

To comply with the International Accounting Standards and International Financial Reporting Standards as adopted by the Institute of Chartered Accountants of Bangladesh (ICAB) and other applicable laws and regulations.

2.06 Comparative Information:

Comparative information have been disclosed in respect of the year ended December 31, 2018 for all

numerical information in the financial statements and also the narrative and descriptive information when it is relevant for understanding of the current year's financial statements. The comparative information or prior period information is restated, rearranged or revised when they necessary in accordance with IAS-8 Accounting Policies, Changes in Accounting Estimates and Errors.

2.07 Reporting Currency and Level of Precision:

The figures in the Financial Statements represent Bangladesh Currency (Taka), which have been rounded off to the nearest Taka except where indicates otherwise.

2.08 Going Concern Basis:

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

2.09 Reporting Period:

Financial Statements of the company consistently cover one calendar year from January 01, 2018 to December 31, 2018.

2.10 Interim Financial Reporting:

In accordance with International Accounting Standards (IAS-34) Interim Financial Reporting publicly traded entities encourages providing interim financial reports that confirm to the recognition, measurement and disclosure principles set out in this standard. Timely and reliable interim financial reporting improves the ability of investors, creditors, and others to understand an entity's capacity to generate earnings and cash flows and its financial condition and liquidity.

2.11 Branch Accounting:

The Company has 30 (Thirty) branches in Bangladesh. The accounts of the Branches are maintained at the head office level. Only Petty cash books are maintained at the branch level for maintaining its day to day office expenses.

2.12 Risk and Uncertainty for use of estimates in preparation of Financial Statements:

The preparation of Financial Statements is in conformity with the International Financial Reporting Standards (IFRS's) including the International Accounting Standards (IAS's) require management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets liabilities, income and for contingent assets and liabilities that require disclosure during and at the date of financial statements.

Actual results could differ from those estimates. Estimates and underlying assumptions are used for accounting of certain items such as long-term contract, provision for doubtful accounts, depreciation and amortization, taxes, reserves and contingencies.

2.13 Significant Accounting Policies and relevant information:

- a) Revenue from Contracts with Customers(IAS-18)
Revenue recognized in accordance with International Accounting Standard (IAS-18) revenue unless otherwise mentioned or otherwise guided by the separate IAS.
- b) Underwriting Premium Income:
Premium Income is recognized when insurance policies are issued and premium collected. The sum

of premium income as appeared in classified revenue accounts is net of the refund made, Re-insurance ceded and Re-insurance premium on PSB.

c) Public Sector Business (PSB) :

The premium in respect of Company's share of Public Sector Insurance Business (PSB) is accounted for in the year in which the relevant statement of accounts from Shadharan Bima Corporation is received. The statements of account for the period from July 2017 to June 2018 have been received from SBC and the Company's share of PSB for the aforesaid period has been recognized in these financial statements accordingly. Such method of account for the public Sector insurance Business (PSB) has been consistently followed.

d) Re-Insurance Ceded and Accepted :

1) Re-Insurance Ceded and Accepted with Sadharan Bima Corporation:

Necessary adjustment in respect of Re-insurance ceded and accepted in Bangladesh has duly been made in respective Revenue Account as per Treaty between the Company and Shadharan Bima Corporation (SBC) and Foreign Re-Insurer.

2) Re-Insurance with Foreign Re-insurer :

Fifty percent of the re-insurable general insurance business shall be re-insured with the Sadharan Bima Corporation and the remaining fifty percent of such business may be re-insured either with the Sadharan Bima Corporation and the remaining fifty percent of such business may be re-insured either with the Corporation or with any other insurer whether in or outside Bangladesh.

e) Cover Notes Converted into Policy (CCP) :

Amounts received against issue of cover notes that have not converted into policy are not recognized as income. The cover note which was previously issued is converted into insurance policy or at the expiry of nine months cover note as per circular of Shadharan Bima Corporation (SBC).

f) Premium Deposit:

Premium deposit represents amount of premium deposited with the company against cover notes for which policies are yet to be issued.

g) Investment in share:

Investments are initially recognized at cost including acquisition charges with the investments. After initial recognition investments in marketable ordinary shares have been valued at market price on an aggregate portfolio basis.

h) Investment in Bangladesh Government Treasury Bond (BGTB):

10 (Ten) years Bangladesh Government Treasury Bond (BGTB) / Securities are valued at cost price.

i) Investment Income:

i. Interest on Fixed Deposit and 10 (Ten) years Bangladesh Government Treasury Bond (BGTB) are accounted for on accrual basis after making provision for income tax deductible at source. Interest on STD account and other income are recognized on cash basis.

ii. Portfolio gain /loss on investment in shares are recognized in the Statement of Profit or Loss and Other Comprehensive Income on realization basis.

iii. Dividend income on share investments if any, are recognized on cash basis and shown in Statement of Profit or Loss and Other Comprehensive Income account. For stock dividend, received by the company against its investment, number of shares increased and average cost of investment

decreased.

j) Balance of Funds and Accounts:

These have been arrived at after making provision for unexpired Risks @ 40% of net premium income on all business except marine hull insurance where provision has been made at 100% on net premium income.

k) Reserves for exceptional losses:

As per Para 6 of 4th schedule of income tax ordinance, 1984 to meet the exceptional losses, company sets aside maximum ten percent of the net premium income of the year in which it is set aside from the balance of the profit to reserve for exceptional losses. As per Insurance law maximum 10% statutory reserve be maintained out of profit by the company to meet any possible future claims on net premium income. During the year under review of the company sets aside 6.20% of net premium income.

l) General Reserve:

The company creates a General Reserve Fund from the current year profit to avoid future contingency.

m) Statement of Cash Flows:

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

n) Cash and Cash Equivalents :

According to IAS-7 Statement of Cash Flows Cash comprises cash in hand and demand deposits and cash equivalents are short term , highly liquid investments that are readily convertible to amounts of cash and which are subject to an insignificant risk of changes in value. IAS-1 "Presentation of Financial Statements" provides that Cash and Cash Equivalents are not restricted in use. Considering the provisions of IAS-7 and IAS-1, Cash in hand and bank balances have been considered as cash and cash equivalents.

o) Foreign Currency transactions:

All foreign currency transactions are converted into equivalent taka at the ruling exchange rates on the respective date of such transactions as per International Accounting Standard (IAS-21):"The Effects of Changes in Foreign Exchanges Rates". Any gain/(loss) arisen on such transaction is shown In the Statement of Profit or Loss and Other Comprehensive Income.

p) Inventories:

In compliance with the requirement of IAS-2 Inventories are stated at the lower of cost and net realizable value. Net realizable value is based on estimated selling price less any further cost expected to be incurred to make the sale.

q) Segment Reporting:

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

2.14 : Taxation

Current Tax

The Company makes provision of current tax based on the taxable income as per the Income Tax Ordinance 1984. Taxable profits differs from profits as reported in the Statement of Profit or Loss and Other Comprehensive Income because it excludes items of income or expenses that are taxable or deductible in other year or are never taxable or deductible. Company's liability for current tax is calculated using tax rates that have been enacted the Statement of Financial Position date.

Deferred Tax

Deferred tax is recognized on differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit and are accounted for using the balance sheet liability method. Deferred tax liabilities are generally recognized for all taxable temporary difference. Deferred tax assets are generally recognized for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which such differences can be utilized. Deferred tax is charged or credited to the Statement of Profit or Loss and Other Comprehensive Income.

2.15 Allocation of Management Expenses:

As per section 40 (C-2) insurance Act 1938 as amended Insurance Act 2010 all relevant management expenses have been allocated amongst different Revenue Account in respect of Fire, Marine, Motor and Miscellaneous insurance business on pro-rata basis at their respective gross premium income. Management expenses as charged to Revenue Accounts amounting to Tk.16,58,85,058.00 represents approximately 31.04% of Tk.53,43,79,668.00 (Including public sector business of Tk.6,68,49,039.00).The expenses have been apportioned @43.14% to Fire, 27.97% to Marine Cargo, 2.33% to Marine Hull, 10.45% to Motor and 16.11% to miscellaneous business as per management decision.

2.16 Employees Benefit (IAS # 19)

Republic Insurance Company Limited offers a number of benefit plan for all permanent Employee's of the Company which includes Contributory Provident fund, Gratuity Fund, Earn Leave benefit ,Festival bonus which have been accounted for in accordance with the provision of International Accounting standard (IAS)-19, "Employees Benefit".

i) Contributory provident fund

The Company operates a Contributory Provident Fund for its permanent employees, provision for which are being made annually as per rules administered by a Board of Trustees in which eligible employees contribute @ 8% of Basic Salary. The Company also makes contribution of the same amount to the said provident fund.

ii) Provision for gratuity

The Company has made provision for employee's gratuity fund during the year as per provision of Service Rules of the Company under Sec 5.12. The Service Rules of Republic Insurance Company Limited was approved by the Board of Directors in January 03, 2013. As per the Sec 5.12 of the Service Rules gratuity shall be reckoned from July 1, 2004 & IAS-19 under employees retirement benefit schemes.

2.17 Workers Profit Participation Fund and Welfare Fund

As per Section 234 of Bangladesh Labour (Amendments) Act-2013 & requirement of Dhaka Stock Exchange Ltd vide letter No.DSE/CGFRC/LC-363/2014-5574 Dt.22 June 2014, Company made provision for WPPF @5% on Net profit before tax during the year.

2.18 Property, Plant & Equipment and Depreciation:

Fixed Assets are stated at cost less accumulated depreciation. Depreciation has been charged using reducing balance method at different rates as under:

Category of Assets	Rate of Depreciation
Computer	30%
Furniture & Fixtures	10%
Office Equipments	20%
Vehicles	20%
Crockeries & Cutleries	20%
Air Conditioner	20%
Telephone	10%
Decoration	10%
Sundry Assets	20%
Computer Software	20%
Lease Car	10%

Depreciation on newly acquired assets are charged for irrespective of the date of acquisition. The rate of depreciation on Computer has been charged as per Sec-3 of the Third Schedule of Income Tax Ordinance 1984 by the Finance Act, 2008.

2.19 Leased Assets:

The company's policy is to account for lease payment in accordance the requirement of IAS 17 Lease. The operating lease rental payment charged to the Statement of Profit or Loss and Other Comprehensive Income when they arise. No asset is recognized in the financial statements asset acquired under operating lease.

Asset acquired under finance lease agreement is included in non current asset of the financial statement and depreciated over the economic life of asset. Present value of minimum lease payment is recognized as finance lease liability at the inception of the lease. Financial expense is charged to the statement of Profit or Loss and Other Comprehensive Income at the lessor's interest rate charged to this finance lease agreement.

2.20 Sale of Fixed assets

Sale price of fixed assets are determined on the basis of fair value of assets, Gain or loss arising on the disposal of an item of property, plant and equipment is determined as the difference between sales proceeds and carrying amount of the assets and recognized on the Statement of Profit or Loss and Other Comprehensive Income as per provision of IAS-16 "Property, Plant and Equipment".

2.21 Earnings Per Share (EPS):

The company calculates Earnings Per Share (EPS) in accordance with IAS-33 "Earnings Per Share" which has been shown on the Statement of Profit or loss and Other Comprehensive Income in the Financial Statements.

2.22 Basic Earnings Per Share (BEPS):

This has been calculated by dividing the basic earnings by the weighted average number of ordinary shares outstanding during the year (Net profit after taxation).

2.23 Basic Earnings:

This represents earnings for the year attributable to ordinary shareholders. As there was no preference dividend, minority interest or extra ordinary items, the net profit after tax for the year has been considered as fully attributable to the ordinary shareholders.

2.24 Diluted Earnings per share:

Diluted earnings per share reflects the potential dilution that could occur if additional ordinary shares assumed to be issued under securities or contracts that entitle their holders to obtain ordinary shares in future, to the extents such entitlement is not subject unresolved contingencies.

At December 31, 2018 there was no scope for dilution and hence no dilution EPS is required to be calculated.

2.25 Related Party Disclosure:

As per International Accounting Standards (IAS) 24 "Related Party Disclosures" parties are considered to be related if one of the party has the ability to control the other party or exercise significant influence over the other party in making financial and operating decisions. The Company carried out transactions in the ordinary course of business on an arm's length basis at commercial rates with its related parties. Related party disclosures have been given in Notes: 33.00.

2.26 Events after the Reporting Period (Financial Position date):

The Board of Directors has recommended 10% (Ten percent) stock dividend on paid up capital for the year ended December 31, 2018 as per approval of Board Meeting held on April 28, 2019 as dividend on paid up capital of Tk.39,39,86,650 subject to the approval in the Annual General Meeting (AGM) to be held on June 27, 2019. Events after the reporting period, dividend declared should not be classified as a liability in the financial statements which is in compliance with the International Accounting Standard (IAS-10) Para 12.

2.27 General :

- Number of Employees received salary up to taka 3,000 per month are nil.
- Number of Employees received salary above taka 3,000 per month are 663.
- The Company has no contingent liability.
- The Board of Directors received no remuneration from the company other than fees for attending the Board meetings.
- During the year 07 (seven) numbers of Board Meeting were held.
- All shares have been fully called and paid up.
- There were no preference share issued by the company.
- There were no bank guarantees issued by the company on behalf of their directors or the company itself.



Notes to the Financial Statements

For the year ended December 31, 2018

Amount in Taka

**December 31,
2018**

**December 31,
2017**

3.00 Share Capital

3.01 Authorized Capital

100,000,000 ordinary shares of Tk.10 each

1,000,000,000

1,000,000,000

3.02 Issued, Subscribed and Paid up Capital

Issued, Subscribed and Paid up Capital consists of
 3,93,98,665 ordinary shares of Tk.10 each fully paid

393,986,650

350,210,360

393,986,650

350,210,360

3.03 Shareholdings

Pursuant to section 21 of Insurance Act. 2010 (The First Schedule), and Rule 4-A of Insurance Rules 1958 and the Memorandum and Articles of Association of the Company, The Company with the permission of Bangladesh Securities and Exchange Commission raised its Paid up Capital from Tk.6.00 Crore to Tk.15.00 Crore through Initial Public Offering (IPO) of 900,000 Ordinary Shares of Tk.100 each as per in October, 2008. Company issued 10% Stock dividend on 2009,2010,2011,12% on 2012, 12.5% on 2013, 10% on 2014, 13% on 2015, 12% on 2016 & 12.50% on 2017. So total paid capital increase from Tk.15.00 Crore to Tk.39.40 Crore. In the year 2011 the Company increased its authorized capital Tk.50.00 crore to Tk.100.00 crore and changed the per share value from Tk.100 to Tk.10 in the 3rd Extra Ordinary General Meeting held on 15th November 2011. The Company also got the necessary permission from Securities and Exchange Commission and maintained the all formalities required by the Register of Joint Stock Companies & Firms. The category-wise share holding position as on 31st December, 2018 is as under.

Particulars	2018		2017	
	No. of Shares	% of holding	No. of Shares	% of holding
1. Sponsors & Directors (Group-A)	19,799,888	50.26	21,976,112	62.75
2. General Public (Group-B)	19,598,777	49.74	13,044,924	37.25
Total	39,398,665	100.00	35,021,036	100.00

Group "A" Shareholders (Sponsors)

Class interval	No. of Shareholders	No. of Share	% Total holding	% of Total paid-up capital
1 to 500	-	-	-	-
501 to 5000	-	-	-	-
5001 to 10000	-	-	-	-
10001 to 20000	-	-	-	-
20001 to 30000	1	28,190	0.14	0.07
30001 to 40000	-	-	-	-
40001 to 50000	-	-	-	-
50001 to 100000	1	56,938	0.29	0.14
100001 to 1000000	6	4,387,728	22.16	11.14
1000001 to 10000000	8	15,327,032	77.41	38.90
Total	16	19,799,888	100.00	50.26

Amount in Taka

**December 31,
2018**

**December 31,
2017**

Group "B" Shareholders (Public)

Class interval	No. of Shareholders	No. of Share	% Total holding	% of Total paid-up capital
1 to 500	1341	228,186	1.16	0.58
501 to 5000	1697	3,115,966	15.90	7.91
5001 to 10000	219	1,666,815	8.50	4.23
10001 to 20000	139	2,120,376	10.82	5.38
20001 to 30000	48	1,225,186	6.25	3.11
30001 to 40000	17	619,529	3.16	1.57
40001 to 50000	18	820,072	4.18	2.08
50001 to 100000	20	1,488,095	7.59	3.78
100001 to 1000000	22	5,192,586	26.49	13.18
1000001 to 10000000	2	3,121,966	15.93	7.92
Total	3523	19,598,777	100.00	49.74

3.04 Share Capital (Paid up)

Opening balance	350,210,360	312,687,830
Add: Bonus share issued during the year	43,776,290	37,522,530
Total share capital (paid up)	393,986,650	350,210,360

4.00 Reserve and Contingent Account

The company has been made some exceptional reserves from net profit to meet any future contingencies like claims losses or any sudden future fund crisis. Details are as hereunder:

Particulars	Notes No.	Amount in Taka	
		31.12.2018	31.12.2017
Reserve for Exceptional losses	4.01	140,739,970	118,730,266
General Reserve	4.02	8,250,000	7,500,000
Retained Earnings	4.03	40,811,745	46,169,074
Total reserves & surplus		189,801,715	172,399,340

4.01 Reserve for Exceptional Losses

As per paragraph 6 of fourth schedule of Income Tax ordinance 1984. as earlier for the year 2017, 5.45% of the net premium income was transferred to reserve for exceptional losses. Details of calculation as hereunder:

Opening balance		118,730,266	100,717,849
Add: Reserve made during the year (tax exempted)	4.01(a)	22,009,704	18,012,417
Closing Balance as on December 31, 2018		140,739,970	118,730,266

4.01(a) Class wise reserve for Exceptional Losses

This represents profit set aside during the year under review at 6.20% of net premium allowed as expenses to meet exceptional losses. The aforesaid set aside of profit has been allowed as expenses by paragraph 6 of 4th schedule of the Income Tax Ordinance, 1984.

Amount in Taka

**December 31,
2018**

**December 31,
2017**

Particulars	Net Premium	% on Net Premium	Amount in Taka	
			31.12.2018	31.12.2017
01. Fire insurance business	136,653,177	6.20%	8,472,497	8,107,006
02. Marine cargo insurance business	126,767,299	6.20%	7,859,573	5,717,729
03. Marine hull insurance business	11,220,086	6.20%	695,645	581,101
04. Motor insurance business	52,941,170	6.20%	3,282,353	2,480,359
05. Miscellaneous insurance business	27,413,477	6.20%	1,699,636	1,126,222
Total	354,995,209		22,009,704	18,012,417

4.02 General Reserve

The company has created a general reserve fund for avoiding any sudden fund crisis and contingency in future.

Opening balance	7,500,000	6,500,000
Add: Reserve made during the year	750,000	1,000,000
Closing balance as on December 31, 2018	8,250,000	7,500,000

4.03 Retained Earnings

Opening balance of undistributed profit	46,169,074	43,211,004
Less: Issuance of Bonus share	43,776,290	37,522,530
Retained earnings from previous year	2,392,784	5,688,474
Add: Net profit during the year	61,178,665	59,493,017
Total undistributed profit	63,571,449	65,181,491

Appropriation

Less: Reserve for Exceptional Losses	22,009,704	18,012,417
Less: General Reserve	750,000	1,000,000
Closing balance of undistributed profit	40,811,745	46,169,074

5.00 Balance of funds and Accounts

As per para 27A (2)(b) Insurance Act, 1938 for the purpose of sub-section (1) the company has made necessary provision for un-expired risk reserve during the year @40% of net premium on Fire, Marine Cargo, Motor, Miscellaneous and 100% on Marine Hull business. Classwise un-expired risk reserve is as follows:

Class of business	Net Premium	Percentage	31.12.2018	31.12.2017
Fire	136,653,177	40%	54,661,271	59,500,961
Marine Cargo	126,767,299	40%	50,706,920	41,964,985
Marine Hull	11,220,086	100%	11,220,086	10,662,405
Motor	52,941,170	40%	21,176,468	18,204,468
Miscellaneous	27,413,477	40%	10,965,391	8,265,849
Total	354,995,209		148,730,136	138,598,668

Amount in Taka

**December 31,
2018**

**December 31,
2017**

6.00 Premium Deposits

The above mentioned amount includes premium received against cover notes for which policies have not been issued within December 31, 2018. While the risks against non-marine and marine hull have been assumed from the issuance of cover notes, risk against marine cargo have not been assumed until shipment advices are provided and accordingly policies are issued.

Fire	2,296,784	1,642,813
Marine Cargo	14,105,274	14,824,001
Marine Hull	-	26,250
Motor	-	-
Miscellaneous	-	234,375
Stamp duty	2,119,856	2,272,841
Excess deposit	1,905,268	1,963,079
Total	20,427,182	20,963,359

7.00 Estimated liability in respect of outstanding claims whether due or intimated

Fire	26,827,561	47,132,280
Marine Cargo	4,280,270	6,238,623
Marine Hull	-	-
Motor	3,015,626	697,480
Miscellaneous	-	106,984
Total	34,123,457	54,175,367

All the claims of which the company received intimations within December 31, 2018 have been taken into consideration while estimating the liability in respect of outstanding claims.

8.00 Amount due to other persons or bodies carrying on insurance business

This amount is payable to Shadharan Bima Corporation on account of re-insurance arrangements with them and to other local insurance companies under co-insurance premium. Break up of the amount is as under:

Payable to SBC	81,581,752	99,457,336
Pioneer insurance company limited	561,000	561,000
Others insurance company	163,724	163,724
Total	82,306,476	100,182,060

8.00(a) Others insurance company

Express insurance company limited	122,980	122,980
Reliance insurance company limited	40,744	40,744
Total	163,724	163,724

9.00 Provision for WPPF

Opening balance	13,857,345	9,437,028
Add: Provision made during the year	4,048,241	4,420,317
Total	17,905,586	13,857,345

Provision made 5% on net profit before tax during the year as per Sec-234 of Bangladesh Labour (amendment) Act-2013. The Company has not yet established a Trustee Board to administer the Fund. As such no payment was made since its establishment.

	Amount in Taka	
	December 31, 2018	December 31, 2017
10.00 Provision for Income Tax		
Opening balance	114,007,509	88,029,801
Add: Provision made during the year	19,712,194	26,500,000
Add: Provision for Income Tax on Capital gain-2018	464,166	7,509
	20,176,360	26,507,509
Total Tax Liability	134,183,869	114,537,310
Payment during the year :		
Income Tax on Capital gain-2017	7,509	54,008
	134,176,360	114,483,302
Adjusted during the year :		
Less:Adjusted Capital gain Tax Assessment year(2015-2016) with Advance Income Tax	-	155,406
Less:Adjusted Capital gain Tax Assessment year(2016-2017) with Advance Income Tax	-	320,387
Provision for Income Tax as at December 31, 2018	134,176,360	114,007,509

11.00 Sundry Creditors

Salaries and Allowances		8,851,213	8,877,195
Security deposit (Against Open Policy)		984,000	934,000
Audit fees payable (Rahman Mostafa Alam & Co.)		280,000	280,000
Audit fees payable (Special Audit)		295,500	295,500
Gazi Satellite Television Limited		1,500,000	1,500,000
Gratuity fund	11.00(b)	4,964,265	6,958,291
Insurance stamp		-	3,953,289
Income Tax (deduction at source)		340,911	207,903
Income Tax against agent commission		5,003,166	2,496,686
VAT (deduction at source)		956,110	603,774
Liability vat December, 2018		4,286,985	4,234,668
Provident Fund employees contribution		208,293	231,744
Provident Fund employers contribution		208,293	231,744
Provident Fund loan recovery		274,441	256,762
Loan from RICL Employees Provident Fund		-	1,000,000
HR Holdings Limited (Office maintenance & Electric Bill)		-	150,533
Continental Courier Service		-	41,000
Share Application Money (GP & NRB)	11.00(a)	3,371,353	3,371,353
Lease advance realization		2,073,287	5,386,456
M/s. Confidence software Limited		-	30,000
Office Rent & Service Charges		62,856	62,856
Total		33,660,673	41,103,754

11.00(a) As per rules of SEC for IPO issue, RICL issued all refund warrants to the unsuccessful application for the year 2008 out of which Tk.3,371,353 (General Public Tk.3,034,463 & Non-resident Bangladeshi (NRB) equivalent to BDT-336,890) have not been encashed prior to December 31, 2018.

Amount in Taka	
December 31, 2018	December 31, 2017

11.00(b) Provision for Gratuity Fund

Opening balance	6,958,291	7,276,283
Add: Provision made during the year	1,500,000	1,500,000
	8,458,291	8,776,283
Less: Paid during the year	3,494,026	1,817,992
Total provision for Gratuity Fund	4,964,265	6,958,291

The company has made provision for employees gratuity fund during the year "As per provision of service rules of the company under Sec.5.12 ".The service rules of Republic insurance company limited approved by the Board of Directors on January 03, 2013 as per service rules Sec 5.12 (Note-A) gratuity shall be recognized from 1st July, 2004) & IAS-19 under employees retirement benefit scheme. Balance of Tk.49,64,265 shown on Sundry Creditors Account.

12.00 Property, Plant & Equipment

A. Cost price:

Cost of Fixed Assets as on January 1, 2018	64,477,937	62,376,098
Add: Addition during the year	39,108,582	2,254,839
Less: Adjustment / Disposal during the year	(11,900,000)	(153,000)
Cost of Fixed Assets as on December 31, 2018	91,686,519	64,477,937

B. Accumulated Depreciation:

Accumulated Depreciation balance as on January 1, 2018	40,976,661	38,356,527
Add: Depreciation during the year	6,899,772	2,739,042
Less: Adjustment/ Disposal during the year	(8,827,251)	(118,908)
Accumulated Depreciation balance as on December 31, 2018	39,049,182	40,976,661
Written down value as on December 31, 2018(A-B)	52,637,337	23,501,276

A schedule of Property, Plant & Equipment has been given in Annexure-A.

12.01 Intangible Asset

Opening Balance as on January 01, 2018	1,226,010	755,760
Add: Addition during the year	-	470,250
	1,226,010	1,226,010
Less: Accumulated Amortization	778,896	667,118
Written down value as on December 31, 2018	447,114	558,892

13.00 Statutory Deposit with Bangladesh Bank

Sl. No.	Particulars of Investment	Cost Value
1	Govt.Treasury Bond (Deposit with Jamuna Bank Ltd)	25,000,000

A sum of Tk.25,000,000 was invested in Bangladesh Bank Govt. Treasury Bond at cost kept with Jamuna Bank Limited as statutory deposit as required under section 23 and 24 of the Insurance Act. 2010 (The First schedule item 2 (B). The details of the investment is as follows:

Nature of Security	ISIN No.	Interest Rate	Issue date	Maturity date	Amount (Tk.)
10YBGTB	BD09233301107	12%	13.02.2013	13.02.2023	2,50,00,000

Amount in Taka

**December 31,
2018**

**December 31,
2017**

14.00 Investment in Shares at Market Value

Name of the Company	No. of Shares as on 31.12.2018	Average cost as on 31.12.2018	Market price as on 31.12.2018	Value at cost as on 31.12.2018	Fair market value as on 31.12.2018	Profit / (Loss)
ACI Limited	1,491	26.81	326.20	39,980	486,364	446,384
Beximco Limited	6,491	24.67	23.50	160,152	152,539	(7,614)
DESCO	1,526	14.12	40.40	21,550	61,650	40,100
Exim Bank Limited	3,764	2.01	11.80	7,575	44,415	36,840
ICB Islamic Bank Limited	10,900	10.00	4.80	109,000	52,320	(56,680)
IFIC Bank Limited	36,740	21.08	10.90	774,590	400,466	(374,124)
Islami Bank (BD) Limited	996	12.08	24.20	12,030	24,103	12,073
Lafarge Surma Cement Limited	3,000	24.67	43.50	74,016	130,500	56,484
Mercantile Bank Limited	24,696	11.21	18.00	276,800	444,528	167,728
Mutual Trust Bank Limited	28,560	11.71	35.10	334,500	1,002,456	667,956
National Bank Limited	37,403	7.98	9.30	298,300	347,848	49,548
NCC Bank Limited	64,081	20.35	15.90	1,304,325	1,018,888	(285,437)
One Bank Limited	16,078	9.85	15.00	158,350	241,170	82,820
Phoenix Finance & Investment Limited	4,633	105.89	32.60	490,610	151,036	(339,574)
Premier Bank Limited	15,612	8.33	11.70	130,000	182,660	52,660
Pubali Bank Limited	6,027	38.70	26.00	233,268	156,702	(76,566)
South East Bank Limited	20,467	11.97	15.60	245,089	319,285	74,196
Standard Bank Limited	7,119	4.20	10.90	29,896	77,597	47,701
Summit Power Limited	922	3.04	39.40	2,800	36,327	33,527
United Commercial Bank Limited	16,222	24.94	17.60	404,500	285,507	(118,993)
The ACME Laboratories Limited	128,561	85.20	85.90	10,953,397	11,043,390	89,993
Total	435,289			16,060,728	16,659,752	599,024

14.00(a) Change in Fair value of Marketable Securities:

Fair value of investment in shares	16,659,752	21,452,074
Less: Cost price of the investment	16,060,728	16,060,728
Total unrealised profit/(loss) at the end of the year	599,024	5,391,346
Total unrealised profit/(loss) recognized at the beginning of the year	5,391,346	1,745,908
Fair value profit/(loss) made during the year (recognized in profit or loss statement)	(4,792,322)	3,645,438

15.00 Stock of Printing & Stationery and Stamp in hand

Printing	806,702	1,128,253
Stationery	122,858	33,738
Stamp in hand	832,741	-
Total	1,762,301	1,161,991

16.00 Amount due from other persons or bodies carrying on insurance business

This balance represents receivable from Sadharan Bima Corporation (SBC) and other insurance companies on account of claims recoverable, Public sector business, Engineering surplus treaty & Co-insurance business. Break up of the amount is as under:

Receivable from Sadharan Bima Corporation	217,457,136	205,928,899
Receivable from others insurance company against co-insurance business	16.00(a) 1,874,252	1,874,252
Total	219,331,388	207,803,151

Amount in Taka

December 31, 2018	December 31, 2017
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16.00(a) Details of receivable against Co-insurance business

City General Insurance Company Limited	806,711	806,711
Asia Pacific Insurance Company Limited	265,073	265,073
Karnaphuli Insurance Company Limited	14,926	14,926
Reliance Insurance Company Limited	39,195	39,195
Green Delta Insurance Company Limited	375,119	375,119
Progati Insurance Company Limited	120,579	120,579
Union Insurance Company Limited	210,499	210,499
Federal Insurance Company Limited	42,150	42,150
	1,874,252	1,874,252

17.00 Interest Accrued

Accrued interest on FDR Account

Opening balance	19,081,397	20,271,672
Add: Accrued during the year	23,965,636	24,653,662
Less: Received during the year	22,106,261	25,843,937

Total Accrued interest on FDR Account

	20,940,772	19,081,397
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Accrued interest on Treasury Bond

Opening balance	1,047,277	1,047,277
Add: Accrued during the year	2,770,500	2,770,500
Less: Received during the year	2,770,500	2,770,500

Total Accrued interest on Treasury Bond

	1,047,277	1,047,277
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Total	21,988,049	20,128,674
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The amount represents interest earned/accrued but not received during the year.

18.00 Sundry Debtors (including advances, deposits and pre-payments)

The following items are unsecured but considered as good and this consists of as follows:

Advance Office Rent (Branches)	1,922,080	2,657,519
Advance Office Rent (Head Office)	3,801,968	-
Advance CNG Conversion	5,250	5,250
Advance printing	580,000	300,000
Advance Income Tax	188,941,132	161,031,599
Advance for office space purchase	9,422,900	9,422,900
Advance against legal fees	210,000	210,000
Advance against salary	163,156	176,648
Advance against Computer Software	400,000	-
Advance against Office Decoration	450,200	-
Advance against Vehicle purchase	-	8,500,000
Advance against Agent commission and others	3,570,762	3,570,762
Collection Control Accounts	64,100,133	36,845,437
Deposit Clearing	6,601,197	6,601,197
Short deposit	6,562,645	6,562,645
Security deposit (Telephone)	75,600	75,600
Security deposit (Office Rent)	1,934,000	1,565,600
Total	288,741,023	237,525,157

		Amount in Taka	
		December 31, 2018	December 31, 2017
18.00(a) Advance Income Tax			
Opening balance		161,031,599	122,468,249
Add: Payment during the year			
Deduction at source during the year, 2018	18.00(b)	2,376,533	2,691,268
Advance payment against Assessment year (2013-2014)		-	11,892,875
Advance payment against Assessment year (2014-2015)		-	1,600,000
Advance payment against Assessment year (2015-2016)		4,328,000	-
Advance payment against Assessment year (2017-2018)		-	16,560,000
Advance payment against Assessment year (2018-2019)		14,800,000	6,000,000
Advance payment against Assessment year (2019-2020)		6,000,000	-
Advance Income Tax against Car registration	18.00(c)	405,000	295,000
Total Advance Income Tax Payment during the year		188,941,132	161,507,392
Less: Adjusted Capital gain Tax Assessment year(2015-2016) with Provision for Income Tax		-	155,406
Less: Adjusted Capital gain Tax Assessment year(2016-2017) with Provision for Income Tax		-	320,387
Balance as at December 31, 2018		188,941,132	161,031,599

18.00(b) Deduction at source during the year

FDR Account	2,319,583	2,597,851
STD Account	56,950	93,417
	2,376,533	2,691,268

18.00(c) Advance Income Tax (Car registration)

Advance Income Tax Car registration-2018	405,000	295,000
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18.00(d) The company paid as advance for purchase of 1289 sft floor space at IPL SF Tower at Agrabad C/A, Chittagong. Total Advance paid up to December 31, 2018 Tk.94,22,900.

19.00 Fixed deposit with Banks

Opening balance	419,824,061	407,449,351
Add: Addition during the year	64,108,251	40,031,580
Less: Encashment during the year	90,566,462	27,656,870
Total	393,365,850	419,824,061

Statement of Bank wise Fixed Deposit Account:

A B Bank Ltd	12,900,000	11,400,000
Al Arafah Islami Bank Ltd	29,700,000	31,200,000
Agrani Bank Ltd	1,000,000	1,000,000
Bangladesh Commerce Bank Ltd	6,800,000	6,800,000
Brac Bank Ltd	9,310,519	9,235,513
Bangladesh Krishi Bank	1,400,000	1,400,000
Bank Asia Ltd	13,800,000	17,300,000
The City Bank Ltd	1,700,000	700,000
Dhaka Bank Ltd	9,700,000	15,200,000
Dutch Bangla Bank Ltd	4,000,699	5,000,699
EXIM Bank Ltd	35,400,000	39,400,000
Eastern Bank Ltd	3,632,996	8,625,926
First Security Bank Ltd	4,700,000	11,700,000

	Amount in Taka	
	December 31, 2018	December 31, 2017
IFIC Bank Ltd	17,700,000	17,700,000
IIDFC Ltd	10,000,000	-
Islami Bank (BD) Ltd	17,500,000	15,000,000
Jamuna Bank Ltd	18,500,000	29,000,000
Mutual Trust Bank Ltd	6,300,000	9,800,000
Mercantile Bank Ltd	8,500,000	10,500,000
NCC Bank Ltd	9,500,000	11,500,000
National Bank Ltd	3,800,000	4,300,000
NRB Commercial Bank Limited	10,000,000	10,000,000
NRB Global Bank Limited	5,000,000	5,000,000
NRB Bank Limited	1,000,000	-
National Bank of Pakistan	3,000,000	3,000,000
One Bank Ltd	6,000,000	6,000,000
Prime Bank Ltd	5,921,636	5,961,923
Pubali Bank Ltd	11,100,000	22,100,000
The Premier Bank Ltd	8,600,000	8,600,000
Rupali Bank Ltd	-	1,000,000
Social Islami Bank Ltd	38,500,000	24,000,000
Standard Bank Ltd	18,500,000	14,000,000
Shahjalal Islami Bank Ltd	14,100,000	12,600,000
Southeast Bank Limited	13,100,000	19,100,000
The Trust Bank Ltd	4,000,000	4,000,000
Uttara Bank Ltd	200,000	200,000
Janata bank	500,000	500,000
Rajshai Krishi Unnayn Bank	4,000,000	3,000,000
State Bank of India	3,000,000	3,000,000
Bangladesh Development Bank (BDB)	500,000	500,000
UCB Limited	13,000,000	14,500,000
SBAC Bank Limited	2,500,000	2,000,000
Madhumoti Bank Ltd	2,000,000	2,000,000
Meghna Bank Ltd	3,000,000	2,000,000
Total	393,365,850	419,824,061

20.00 Cash and Cash Equivalents

Cash at Bank	Annexure-B	27,367,834	38,462,907
Cash in Hand	Annexure-C	2,485,315	4,972,828
Total		29,853,149	43,435,735

Cash at Bank is inclusive of Refund warrants of Tk.3,371,353 out of which issued to the unsuccessful applicants against IPO but not encashed prior to December 31, 2018 lying with STD Account of the The City Bank Ltd, Principal Branch, Dhaka.

21.00 Interest Income

Interest received on			
FDR Account		3,024,864	5,572,265
STD Account		600,789	860,623
Government Treasury Bond		1,723,223	1,723,223
		5,348,876	8,156,111
Accrued interest on			
FDR Account		20,940,772	19,081,397
Government Treasury Bond		1,047,277	1,047,277
		21,988,049	20,128,674
Total		27,336,925	28,284,785

		Amount in Taka	
		December 31, 2018	December 31, 2017
22.00 Share Investment and Dividend income			
Change in Fair value of Marketable securities	14.00(a)	(4,792,322)	3,645,438
Profit / (Loss) sale on share		1,536	-
Cash dividend		603,746	254,317
Total		(4,187,040)	3,899,755

23.00 Other Income

Profit / (loss) on sale of Fixed Assets	23.00(a)	3,094,439	50,058
Service charges (policy cancelled charges)		307,751	507,061
Foreign currency translation gain /(loss)		(2,116)	65,518
Other income		220,000	-
Total		3,620,074	622,637

23.00(a) Profit on sale of Fixed Assets

a. Sale of Vehicles:

Cost of Vehicles	4,800,000	-
Accumulated depreciation	3,766,092	-
Written down value	1,033,908	-
Disposal proceeds	2,300,000	-
Profit/ (Loss) on sale of Vehicles	1,266,092	-

b. Sale of lease Vehicles:

Cost of lease Vehicles	7,100,000	153,000
Accumulated depreciation	5,061,159	118,908
Written down value	2,038,841	34,092
Disposal proceeds /Lease advance realized	3,867,188	84,150
Profit / (loss) on sale of Lease Vehicles	1,828,347	50,058

c. Capital gain on Fixed Assets

Profit on sale of Vehicles	1,266,092	-
Profit on sale of lease Vehicles	1,828,347	50,058
Net Capital gain	3,094,439	50,058

24.00 Deferred Tax

The impact on account of changes in the deferred tax assets/liabilities for the year ended December 31, 2018 has been recognised in the statement of profit or loss and other comprehensive income and in the statement of financial position as per "IAS-12 Income Taxes".

Property, Plant and Equipment at Tax base(excluding land)	47,529,841	26,551,341
Property, Plant and Equipment at Accounting base(excluding land)	48,328,018	19,468,415
Taxable temporary difference	(798,177)	7,082,926
Permanent difference of vehicles	6,700,000	-
	5,901,823	7,082,926
Tax rate	37.50%	40.00%
Deferred Tax Assets/ (Liability)	2,213,184	2,833,170

	Amount in Taka	
	December 31, 2018	December 31, 2017
Gratuity Provision at Accounting base	4,964,265	6,958,291
Gratuity Provision at Tax base	-	-
Deductible temporary difference	4,964,265	6,958,291
Tax rate	37.50%	40.00%
Deferred Tax Assets/ (Liability)	1,861,599	2,783,316
Marketable security at Tax base	16,060,728	16,060,728
Marketable security at Accounting base	16,659,752	21,452,074
Deductible temporary difference	(599,024)	(5,391,346)
Tax rate	37.50%	40.00%
Deferred Tax Assets/ (Liability)	(224,634)	(2,156,538)
Deferred Tax Assets	3,850,149	3,459,948
Deferred Tax (expenses)/ income for the year	390,201	(2,405,817)

25.00 Premium less re-insurance

Class of business	Premium earned		Total Premium earned	Less: Re-insurance premium ceded			Amount in Taka	Amount in Taka
	Direct business	Public sector business		Direct business	Public sector business	Total	31.12.2018	31.12.2017
1	2	3	4=(2+3)	5	6	7=(5+6)	8=(4-7)	9
Fire	221,693,239	8,851,645	230,544,884	87,333,184	6,558,523	93,891,707	136,653,177	148,752,403
Marine Cargo	133,719,696	15,752,512	149,472,208	10,851,745	11,853,164	22,704,909	126,767,299	104,912,462
Marine Hull	12,233,138	189,433	12,422,571	1,053,000	149,485	1,202,485	11,220,086	10,662,405
Motor	53,353,738	2,502,156	55,855,894	2,726,117	188,607	2,914,724	52,941,170	45,511,169
Miscellaneous	46,530,818	39,553,293	86,084,111	19,853,912	38,816,722	58,670,634	27,413,477	19,943,520
Re-insurance Accepted	-	-	-	-	-	-	-	721,103
Total Taka	467,530,629	66,849,039	534,379,668	121,817,958	57,566,501	179,384,459	354,995,209	330,503,062

26.00 Commission on re-insurance ceded

Class of business	Commission on re-insurance ceded		Amount in Taka	
	Direct Business	Public Sector Business	31.12.2018	31.12.2017
Fire	25,103,500	751,634	25,855,134	17,970,032
Marine Cargo	3,255,524	2,285,288	5,540,812	5,029,761
Marine Hull	210,600	8,222	218,822	256,605
Motor	681,529	-	681,529	481,561
Miscellaneous	1,426,318	5,234,334	6,660,652	4,903,637
Total Taka	30,677,471	8,279,478	38,956,949	28,641,596

27.00 Profit commission

Class of business	Profit Commission		Amount in Taka	
	Direct Business	Public Sector Business	31.12.2018	31.12.2017
Fire	3,639,196	-	3,639,196	-
Marine Cargo	-	-	-	1,564,859
Marine Hull	-	-	-	-
Motor	-	-	-	-
Miscellaneous	-	-	-	-
Total Taka	3,639,196	-	3,639,196	1,564,859

Amount in Taka

**December 31,
2018**

**December 31,
2017**

28.00 Expenses of Management

Class of business

Fire	71,562,814	72,633,050
Marine Cargo	46,398,051	42,330,676
Marine Hull	3,865,122	4,073,329
Motor	17,334,989	16,005,788
Miscellaneous	26,724,082	24,695,556
Total	165,885,058	159,738,399

Allocation of Management Expenses:

Classes of Business	Gross Premium Income	Percentage (%) 2018	Amount in Taka	
			31.12.2018	31.12.2017
Fire	230,544,884	43.14	71,562,814	72,633,050
Marine Cargo	149,472,208	27.97	46,398,051	42,330,676
Marine Hull	12,422,571	2.33	3,865,122	4,073,329
Motor	55,855,894	10.45	17,334,989	16,005,788
Miscellaneous	86,084,111	16.11	26,724,082	24,695,556
Total	534,379,668	100.00	165,885,058	159,738,399

Expenses of Management

This Consists of the Following:

Salary & Allowances	101,537,920	103,555,694
Bonus (Eid-UI-Fitre, Eid-UI Azha'2018)	11,413,931	12,188,257
Photocopy bill	264,244	322,258
Procurement provider (printing)	3,889,518	2,734,432
Stationery	538,329	599,639
Postage	238,017	177,750
Revenue stamp	343,540	326,580
Entertainment	767,808	566,431
Conveyance	969,143	949,321
Electric bill	1,150,038	1,463,891
Electric expenses	184,906	125,952
Telephone expenses	40,522	13,350
Telephone bill	499,545	561,458
Computer expenses	707,855	749,258
Currier bill	55,624	133,841
Generator fuel	150,142	226,453
Wasa bill	304,852	353,646
Paper & periodicals	112,572	106,844
Car fuel	1,598,574	1,426,653
Repairs & maintenance (Car)	1,029,378	1,037,955
Office maintenance	1,630,066	1,062,911
Repairs & maintenance (others)	592,282	526,670
Gift item	10,000	-
Miscellaneous expenses	216,359	184,552
Travelling expenses	1,386,579	1,234,608
Service charges(co-insurance)	581,331	559,516
Uniform expenses	196,510	-

	Amount in Taka	
	December 31, 2018	December 31, 2017
Internet bill	502,420	-
Office Rent	22,470,104	17,527,970
Service charges (Rent)	115,032	80,111
Bank charges	980,340	902,021
Insurance premium	719,527	413,488
IT expenses	920,255	1,288,270
Washing allowance	69,550	-
Service benefit	1,255,646	1,714,478
Conference expenses	367,988	-
Management expenses (Govt. business)	5,013,768	3,665,842
Business expenses (Govt. business)	48,888	40,000
Provident Fund Employers Contribution	3,011,955	2,918,299
Total	165,885,058	159,738,399

29.00 Schedule of Vat payments: Tk.nil

Opening balance	-	-
Add:		
Vat payment to Govt. during the year 2018	46,260,425	47,452,760
Payment against outstanding vat (December, 2018)	4,286,985	4,234,668
	50,547,410	51,687,428
Less: Vat collected during the year 2018	50,547,410	51,687,428
Total	-	-

30.00 Earnings Per Share

30.01 Basic Earnings Per Share

Details calculations are as follows:

Earnings attributable to ordinary shareholders (Net profit after tax)	61,178,665	59,493,017
Ordinary Shares as at 1st January	35,021,036	31,268,783
Bonus shares issued	4,377,629	3,752,253
Weighted average number of ordinary shares outstanding during the year	39,398,665	35,021,036
Weighted average number of ordinary shares (Restated)	39,398,665	39,398,665
Basic Earnings Per Share (Restated)	1.55	1.51

31.00 Net Assets Value Per Share

Net Assets per share has been calculated based on weighted average number of 3,93,98,665 shares outstanding as at December 31, 2018 after giving the effect of 12.50% bonus shares declared for the year 2017. Details calculations are as follows :

Net Assets	583,788,365	522,609,700
Ordinary Shares as at 1st January	35,021,036	31,268,783
Bonus shares issued	4,377,629	3,752,253
Weighted average number of ordinary shares outstanding during the year	39,398,665	35,021,036
Weighted average number of ordinary shares	39,398,665	35,021,036
Net Assets Value Per Share	14.82	14.92

Amount in Taka

December 31, 2018	December 31, 2017
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32.00 Net Operating Cash Flows Per Share

Net Operating Cash Flows Per Share (NOCFPS) has been calculated based on weighted average number of 3,93,98,665 shares outstanding during the year.

Details calculations are as follows :

Net cash generated from operating activities	(10,879,899)	22,430,144
Weighted average number of ordinary shares	39,398,665	35,021,036
Net Operating Cash Flows Per Share	(0.28)	0.64

32.01 Reconciliation of profit before tax to operating cash flows:

Profit before tax	80,964,824	88,406,343
Adjustment :		
Depreciation	7,176,230	2,968,016
Profit on sale of fixed assets	(3,094,439)	(50,058)
Changes of fair value gain/(loss) of investment	4,792,322	(3,645,438)
Provision for WPPF	4,048,241	4,420,317
Foreign currency translation gain/(loss)	2,116	(65,518)
Changes in current assets/liabilities:		
(Increase)/decrease of accrued interest	(1,859,375)	1,190,275
Increase/(decrease) of premium deposit	(536,177)	490,463
Increase/(decrease) of sundry creditors	(3,575,893)	(4,629,544)
Increase/(decrease) of amount due to other persons or body	(17,875,584)	9,680,517
(Increase)/decrease of amount due from other persons or body	(11,528,237)	(10,671,498)
(Increase)/decrease of stock of stamps & others	(600,310)	86,448
Increase/(decrease) of estimated liability of claims	(20,051,910)	(7,815,302)
(Increase)/decrease of the balance of fund	10,131,468	1,156,072
(Increase)/decrease of sundry debtors	(30,956,133)	(19,997,798)
	17,037,143	61,523,295
Income tax paid	(27,917,042)	(39,093,151)
Net cash generated from operating activities	(10,879,899)	22,430,144

33.00 Related Party Disclosure

Details transactions with related parties and balances with them as at December 31, 2018 are as follows

Name of the Related Party	Relationship	Nature of Transaction	Premium earned during the year	Premium outstanding during the year	Claims paid during the year
Karnaphuli Group			42,991,106	-	1,080,619
Karnaphuli Limited Karnaphuli Industries Limited Karnaphuli Works Limited Holy Crescent Hospital Ltd. K & T Logistics	Common Director	Insurance business			
Unitex Textile Mills Ltd. Unitex Spinning Mills Ltd.	Chairman	Insurance business	31,291,024	-	1,107,113
Multidrive Limited	Common Director	Insurance business	28,565	-	-
Gazi Group			64,846,726	-	428,135
Gazi Tyres Gazi Tanks Gazi Pamps & Motors Gazi International Gazi Satellite Television	Common Director	Insurance business			
Gasmin Limited Show motion Limited	Common Director	Insurance business	5,881,794	-	15,000
During the year the company sold its old Vehicles to the following employees:					
Name	Designation	WDV of vehicle	Disposal proceeds		
1.Md. Ziaur Rahman	SEVP	453,133	825,000		
2.Mr. Nure Alam Siddique	SVP	449,765	715,000		
3. Md. Shafiullah	SEVP	259,109	787,188		
4. Mr. Shirajul Islam	SEVP	494,742	825,000		
5. Mr. Assaduzzaman Liton	VP	382,092	715,000		
Total		2,038,841	3,867,188		

Schedule of Property, Plant & Equipment

As at December 31, 2018

Annexure -A

Particulars	Cost				Depreciation				Written down Value as on 31.12.2018	
	Cost as on 01.01.2018	Addition during the year	Disposal during the year	Balance as on 31.12.2018	Rate Of Depreciation	Balance as on 01.01.2018	Disposal during the year	Charged during the year		Total as on 31.12.2018
1	2	3	4	5=(2+3-4)	6	7	8	9	10=(7-8+9)	11=(5-10)
Computer	4,440,824	1,765,523	-	6,206,347	30.00%	3,715,274	-	512,270	4,227,544	1,978,803
Furniture & Fixtures	9,221,447	5,752,466	-	14,973,913	10.00%	5,552,629	-	798,856	6,351,485	8,622,428
Office Equipments	3,385,402	2,678,496	-	6,063,898	20.00%	2,665,835	-	545,628	3,211,463	2,852,435
Vehicles	20,774,750	16,501,705	(11,900,000)	25,376,455	20.00%	15,914,563	(8,827,251)	3,273,654	10,360,966	15,015,489
Crockeries & Cutleries	213,754	101,845	-	315,599	20.00%	189,223	-	17,747	206,970	108,629
Air Conditioner	6,044,483	3,207,150	-	9,251,633	20.00%	5,375,447	-	651,925	6,027,372	3,224,261
Telephone	352,660	220,700	-	573,360	10.00%	228,751	-	23,815	252,566	320,794
Office Decoration	13,479,499	8,880,697	-	22,360,196	10.00%	7,047,473	-	1,068,058	8,115,531	14,244,665
Land and Land development	6,238,556	-	-	6,238,556	-	-	-	-	-	6,238,556
Sundry Assets	326,562	-	-	326,562	20.00%	287,466	-	7,819	295,285	31,277
Sub Total	64,477,937	39,108,582	(11,900,000)	91,686,519		40,976,661	(8,827,251)	6,899,772	39,049,182	52,637,337

Lease Car	3,350,000	-	-	3,350,000	10%	1,703,197	-	164,680	1,867,877	1,482,123
Sub Total	3,350,000	-	-	3,350,000		1,703,197	-	164,680	1,867,877	1,482,123

Schedule of Intangible Assets

As at December 31, 2018

Computer Software	1,226,010	-	-	1,226,010	20.00%	667,118	-	111,778	778,896	447,114
Sub Total	1,226,010	-	-	1,226,010		667,118	-	111,778	778,896	447,114

Grand Total	69,053,947	39,108,582	(11,900,000)	96,262,529	-	43,346,976	(8,827,251)	7,176,230	41,695,955	54,566,574
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Schedule of Cash at Bank

As at December 31, 2018

Annexure-B

SI No	Name of Bank	Account Number	Amount (Taka)
1	AB Bank Ltd. Kakrail Branch, CD A/C	4009-387959-000	1,020,284
2	AB Bank Ltd. Kakrail Branch, STD A/C	4009-380520-430	13,872
3	AB Bank Ltd. Kushtia Branch STD A/C	4216-763148-430	5,226
4	Agrani Bank Ltd. Bogra Branch, STD A/C	0200000693052	553,668
5	Al- Arafah Islmi Bank Ltd. Joydebpur Branch, STD A/C	0361220000508	52,923
6	Al- Arafah Islmi Bank Ltd. Jubilee Road Branch, STD A/C	0181220002282	117,476
7	Al- Arafah Islmi Bank Ltd. Motijheel Branch, STD A/C	0021220003516	278,617
8	Bangladesh Commerce Bank Ltd. Principal Br. SND A/C	00232000091	8,281
9	Bangladesh Commerce Bank Ltd. Naogaon Br. SND A/C	01832000093	22,569
10	Bank Asia Ltd. Agrabad Branch STD A/C	00536000704	219,592
11	Bank Asia Ltd. Mitford Branch STD A/C	01436000104	33,158
12	Bank Asia Ltd. Shantinagar Branch STD A/C	03536000013	70,533
13	BASIC Bank Ltd. Jessore Branch, STD A/C	1816-01-0000391	16,258
14	City Bank Ltd. Mouchak Branch, STD A/C	3101073999002	561,105
15	Dhaka Bank Ltd. N.gonj Branch, STD A/C	2311500000994	1,835
16	Dhaka Bank Ltd. Satkhira Branch, STD A/C	5011500000321	50,660
17	Dutch Bangla Bank Ltd., Shantinagar Branch, STD A/C	1081200003725	7,537
18	Eastern Bank Ltd. English Road Branch, STD A/C	1031220000162	48,472
19	Eastern Bank Ltd. Shantinagar Branch, STD A/C	1141280073422	36,856
20	EXIM Bank Ltd. Agrabad Branch, STD A/C	00313100042884	1,848,431
21	EXIM Bank Ltd. Kushtia Branch, STD A/C	03713100014081	84,052
22	EXIM Bank Ltd. Rajulk Avenue Branch, STD A/C	01313100035644	815,224
23	EXIM Bank Ltd. Sk.Mojib Road Branch, STD A/C	08313100040962	24,656
24	First Security Islami Bank Ltd. Dilkusha Branch, STD A/C	010113100001633	2,244,237
25	IFIC Bank Ltd. Motijheel Branch, STD A/C	1001121241041	265,634
26	Islami Bank (BD) Ltd. Chapai Nawabgonj Branch, SND A/C	20501320900005915	345,475
27	Islami Bank (BD) Ltd. Chowgacha Branch, SND A/C	20502750900002314	30,451
28	Islami Bank (BD) Ltd. Rangpur Branch, SND A/C	205011070900008801	735,162
29	Islami Bank (BD) Ltd. VIP Road Branch, SND A/C	20502230900003914	47,732
30	Islami Bank (BD) Ltd. Kushtia Branch, SND A/C	20501330900007918	236,772
31	Islami Bank (BD) Ltd. Farmgate Branch, SND A/C	20501360900007012	165,068
32	Islami Bank (BD) Ltd. Shibganj Br. CNG, SND A/C	20502110900003507	54,335
33	Jamuna Bank Ltd. Kushtia Branch, STD A/C	00340320000315	5,406
34	Jamuna Bank Ltd. Shantinagar Branch, STD A/C	00090320000236	230,238
35	Jamuna Bank Ltd. Shantinagar Branch, STD A/C	00090320000129	594,820
36	Jamuna Bank Ltd. Naogaon Branch, STD A/C	00140320001701	24,549
37	Mercantile Bank Ltd. Jessore Branch, STD A/C	014613100000071	142,464
38	Mercantile Bank Ltd. Naogaon Branch, STD A/C	110813112940738	295,108
39	Mercantile Bank Ltd. Main Branch, STD A/C	110113110196045	11,944



Schedule of Cash at Bank

As at December 31, 2018

Annexure-B

SI No	Name of Bank	Account Number	Amount (Taka)
40	Mercantile Bank Ltd. Kawranbazar Branch, STD A/C	110313124891225	68,565
41	Mutual Trust Bank Ltd. Kakrail Branch, STD A/C	0068-0320000011	(2,130,894)
42	National Bank Ltd. Rangpur Branch, STD A/C	000636001255	215,018
43	NCC Bank Ltd. Bijoy nagar Branch, CD A/C	057-0210004371	518,707
44	NCC Bank Ltd. Bijoy nagar Branch, STD A/C	0057-0325000112	781,410
45	NRB Commercial Bank Ltd., Sylhet Branch, STD A/C	011636000000017	475,928
46	One Bank Ltd. Bijoy Nagar Branch, STD A/C	0225180947002	1,036,334
47	Premier Bank Ltd. Kakrail Branch, STD A/C	0013100000060	4,285,097
48	Prime Bank Ltd. Laldighi Branch, STD A/C	2145313006428	493,028
49	Prime Bank Ltd. Khulna Branch, STD A/C	2107316004635	360,136
50	Pubali Bank Ltd. Chaktai Branch, STD A/C	0791102000124	9,041
51	Rajshahi Krishi Unnayon Bank Ltd, Bogra Branch, STD A/C	200006880	3,930
52	Shahjalal Islami Bank Ltd. Bijoy Nagar Branch, SND A/C	4101813100001690	1,371,754
53	Social Islami Bank Ltd. Principal Branch, STD A/C	0021330059994	820,235
54	Social Islami Bank Ltd. Kakrail Branch, STD A/C	1031360000588	2,698,705
55	Social Islami Bank Ltd. Gulshan Branch, STD A/C	0081360001101	292,175
56	Sonali Bank Ltd. Joydevpur Branch, STD A/C	0207240000191	161,404
57	Sonali Bank Ltd. Rajshahi Branch, STD A/C	461736000506	167,544
58	Southeast Bank Ltd. Kakrail Branch, CD A/C	0011100001411	32,965
59	Southeast Bank Ltd. Kakrail Branch, STD A/C	003413100000031	126,665
60	Southeast Bank Ltd. CDA Avenue Branch, STD A/C	13100000975	65,588
61	Standard Bank Ltd. Topkhana Road Branch, STD A/C	0053360000929	203,330
62	Standard Bank Ltd. Imamgonj Branch, STD A/C	00436000935	112,529
63	Standard Bank Ltd. Khatungonj Branch, STD A/C	00336000837	978,237
64	Standard Bank Ltd. Principal Branch, STD A/C	00236001035	245,105
65	State Bank of India, Chittagong Branch STD A/C	05220055020001	117,562
66	UCBL Shantinagor Branch, STD A/C	0242301000000154	1,287,635
67	Uttra Bank Ltd., B.B Avenue Branch, STD A/C	0014100004169	142,736
68	Uttra Bank Ltd., Kawranbazar Branch, STD A/C	153714100004126	21,202
69	The City Bank Ltd. Principal Branch NRB A/C	31010739999001	692,834
70	The City Bank Ltd. Principal Branch Dollar A/C	5121074165001	392,180
71	HR Securities & Investments Ltd.	1204350033155748	471
Total			27,367,834



Republic Insurance Company Limited
রিপাবলিক ইনস্যুরেন্স কোম্পানী লিমিটেড

Schedule of Cash in Hand

As at December 31, 2018

Annexure-C

SI No	Name of Branch	Amount (Taka)
1	Head Office	1,907,053
2	Agrabad Branch	20,599
3	B.B Avenue Branch	1,201
4	Bogra Branch	711
5	Chapai Nawabgonj Branch	6,335
6	Head Office Cell	2,187
7	Dilkusha Branch	28,288
8	Elephant Road Branch	25
9	Farmgate Branch	481
10	Gazipur Branch	4,190
11	Hatkhola Branch	18,456
12	Imamgonj Branch	48
13	Jessore Branch	10,583
14	Jubilee Road Branch	50,290
15	Khatungonj Branch	31,210
16	Khulna Branch	4,800
17	Kushtia Branch	4,825
18	Laldighi Branch	6,626
19	Local Office	19,876
20	Malibagh Branch	10,706
21	Motijheel Branch	30
22	Motijheel Corporate Branch	10,089
23	Naogaon Branch	2,043
24	O.R Nizam Road Branch	55,945
25	Paltan Branch	212
26	Principal Branch	3,643
27	Rampura Branch	86
28	Rangpur Branch	276,757
29	Satkhira Branch	626
30	Sylhet Branch	4,269
31	VIP Road Branch	3,125
Total		2,485,315

Net Assets Value:

The offering price of the common stock of the company has been determined on the basis of net assets value. The breakup is given below:

	Amount in Taka	
	December 31, 2018	December 31, 2017
A. Assets :		
a. Fixed Assets		
Non-Current Assets	53,084,451	24,060,168
Lease Car	1,482,123	1,646,803
Statutory Deposit with Bangladesh Bank (Government Treasury Bond)	25,000,000	25,000,000
Deferred Tax	3,850,149	3,459,948
Investment in Shares at market price	16,659,752	21,452,074
Total Fixed Assets	100,076,475	75,618,993
b. Current Assets:		
Stock of Printing & Stationery and stamps in hand	1,762,301	1,161,991
Amount due from other person or bodies carrying on insurance business	219,331,388	207,803,151
Interest Accrued	21,988,049	20,128,674
Sundry Debtors (including advances, deposits and pre-payments)	288,741,023	237,525,157
Fixed Deposit with Banks	393,365,850	419,824,061
Cash and Cash Equivalents	29,853,149	43,435,735
Total Current Assets	955,041,760	929,878,769
Total Assets A= (a+b)	1,055,118,235	1,005,497,762
B. Liabilities :		
a. Non Current Liabilities :		
Paid up Share Capital	393,986,650	350,210,360
Reserve and Contingent Account :		
Reserve for Exceptional Losses	140,739,970	118,730,266
General Reserve	8,250,000	7,500,000
Profit and Loss Appropriation Account	40,811,745	46,169,074
Total Non-Current Liabilities	583,788,365	522,609,700
b. Current Liabilities :		
Balance of Funds and Accounts	148,730,136	138,598,668
Premium Deposits	20,427,182	20,963,359
Estimated Liability in respect of outstanding Outstanding claims whether due or intimated	34,123,457	54,175,367
Amount due to other persons or bodies carrying on insurance business	82,306,476	100,182,060
Provision for Taxation	134,176,360	114,007,509
Provision for WPPF	17,905,586	13,857,345
Sundry Creditors	33,660,673	41,103,754
Total Current Liabilities	471,329,870	482,888,062
Total Liabilities B= (a+b)	1,055,118,235	1,005,497,762
Net Assets Value: (A-B.b)	583,788,365	522,609,700
Weighted average number of ordinary shares	39,398,665	35,021,036
Net Assets Value per share	14.82	14.92

FORM-SM
Statement of Solvency Margin
 For the year ended December 31, 2018

S.L. No.	Particulars	31 December 2018 Amount in taka	31 December 2017 Amount in taka
1	Adjusted Assets	830,174,397	793,072,672
2	Adjusted Liabilities	322,599,734	344,289,394
3	Available Solvency Margin (ASM) (1-2)	507,574,663	448,783,278
4	Required Solvency Margin (RSM)	146,097,412	136,871,655
5	Solvency Ratio (ASM) /(RSM) times	3.47	3.28



Republic Insurance Company Limited
 বিপাবলিক ইনস্যুরেন্স কোম্পানী লিমিটেড

PROXY FORM

I/We _____
 of _____
 being a member(s) of Republic Insurance Company Limited hereby appoint Mr./Ms. _____
 of _____
 as my/our proxy to attend and vote for me/us and on my/our behalf at the 19th Annual General Meeting
 of the Company to be held on Thursday, the June 27, 2019 and at any and or at any adjournment thereof.
 Signed this _____ day of _____ 2019.

Revenue
 Stamp
 20/=

Signature of Shareholder(s) _____ Signature of the Proxy: _____
 BO ID: _____
 No. of Shares held: _____

 Authorized Signature
 Republic Insurance Company Limited

 Signature verified

N.B. : Important

The Proxy Form, duly complete, signed and affixed with revenue stamp of Tk. 20/- must be deposited at least 48 hours before the time fixed for the meeting at the Company's Registered Office. Proxy will be invalid if not signed and stamped as explained above.

Signature of the Shareholder should match with the Specimen Signature registered with the Company



Republic Insurance Company Limited
 বিপাবলিক ইনস্যুরেন্স কোম্পানী লিমিটেড

ATTENDANCE SLIP

I hereby record my attendance at the 19th Annual General Meeting of the Company being held on
 Thursday, the June 27, 2019 at IDED Bhaban, 160/A, Kakrial, Dhaka-1000.

Signature of Shareholder(s) _____ Signature of the Proxy: _____
 Name of Shareholder(s) _____ Name of Proxy: _____
 BO ID: _____
 No. of Shares held: _____

 Authorized Signature
 Republic Insurance Company Limited

N. B.: Shareholders attending the meeting in person or by Proxy are requested to complete this
 Attendance Slips. Signature of Shareholder should confirm to the specimen signature record with the
 Company.

Please bring this Attendance Slip with you. Admission into the meeting room will not be allowed without it.



HR Bhaban (6th & 9th Floor), 26/1, Kakrail, Dhaka-1000, Bangladesh
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