

Annual Report

2021



**Republic Insurance Company Limited**  
রিপাবলিক ইনস্যুরেন্স কোম্পানী লিমিটেড



Founder Chairman  
Late Hedayet Hossain Chowdhury  
(1931-2014)

# VISION AND MISSION

# VISION AND MISSION

## Our Vision

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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 endeavour is to achieve customer satisfaction with consistent quality service and with exemplary responsibility.

## Our Mission

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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  
Chattogram Stock Exchange Limited (CSE)

Subject: Annual Report for the year ended on December 31, 2021.

Dear Sir(s):

Enclosed please find a copy of the Annual Report together with Audited Financial Statements which comprises of Statement of Financial Position as at December 31, 2021 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 Shareholders Equity for the year ended on December 31, 2021 along with notes thereon of Republic Insurance Company Limited for kind information and record.

Best regards,

Yours sincerely,



**Sajan Kumar Basak**  
DMD & Company Secretary

# NOTICE

## FOR THE 22<sup>nd</sup> ANNUAL GENERAL MEETING

Notice is hereby given that the 22<sup>nd</sup> Annual General Meeting (AGM) of Republic Insurance Company Limited will be held virtually by using digital platform through the link <https://republicinsurance.bdvirtualagm.com> on Monday, June 27, 2022 at 11:00 A.M. to transact the following business:

01. To receive, consider and adopt the Directors' Report, the Audited Accounts for the year ended on December 31, 2021 and the Auditors' Report thereon.
02. To declare Dividend for the year 2021 as recommended by the Board.
03. To elect Directors in place of retiring Directors from sponsors "Group-A" and public shareholders "Group-B" of the Company.
04. To elect new Directors from the public shareholders "Group-B" of the Company.
05. To appoint Statutory Auditors for the year 2022 and fix their remuneration.
06. To appoint Compliance Auditor for the year 2022 and fix their remuneration.

By Order of the Board of Directors



**Sajan Kumar Basak**  
DMD & Company Secretary

Dated: June 12, 2022

### NOTES:

- (i) The "Record Date" of Cash dividend is May 26, 2022. Members whose names appear in the Depository (CDBL) Register on Record Date will be eligible to attend/participate and vote in the Annual General Meeting.
- (ii) The Board of Directors has recommended 15% dividend comprising 10% Cash and 5% stock (Record Date for stock dividend will be disclosed later subject to approval of BSEC).
- (iii) Pursuant to the Bangladesh Securities & Exchange Commission's Order No. SEC/SRMIC/04-231/932 dated: March 24, 2020, the AGM will be virtual meeting and the Members will be conducted via live webcast by using zoom digital platform. The detailed procedures to attend the meeting will be communicated to the shareholder's E-mail ID in due course and it will also be available on the Company's website at [www.ricibd.com](http://www.ricibd.com).
- (iv) For login to the system, the Members need to put their 16-digit Beneficial Owners (BO) ID Number and other credentials as proof of their identity by visiting the link <https://republicinsurance.bdvirtualagm.com>. The Members will be able to submit their questions/comments electronically 24 hours before commencement of the AGM and during the AGM.
- (v) The Members are encouraged to login to the system prior to the meeting at 11:00 A.M. on Monday, June 27, 2022. The webcast will start at 11:00 A.M. and Members may contact Mobile no. +8801721047904 for any IT related guidance in accessing the virtual meeting and/or share related issue.
- (vi) Pursuant to the Bangladesh Securities and Exchange Commission (BSEC) Notification No. BSEC/CMRRCD /2006- 158/208/Admin/81 dated June 20, 2018, the soft copy of the Annual Report-2021 has already been sent to the E-mail address of the Members available in their Beneficial Owners (BO) accounts maintained with the depository. These are also available in the Company's website at [www.ricibd.com](http://www.ricibd.com).
- (vii) A member eligible to attend the Annual General Meeting may appoint a proxy to attend and vote on his/her behalf. No person shall act as proxy unless he/she is entitled to be present and vote in his/her own right. The "Proxy Form" duly filled, signed and stamped at BDT 20/- must be sent through E-mail to Republic Insurance Company Limited share department at [share@ricibd.com](mailto:share@ricibd.com) no later than 48 hours before commencement of the AGM.
- (viii) Members are requested to notify their changes of address, if any.

# COMPANY'S INFORMATION

Republic Insurance Company Limited is a third generation private sector in 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 the People's Republic of Bangladesh) on May 30, 2000.

The Company is listed with Dhaka Stock Exchange Ltd. (DSE) and Chattogram 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 Chattogram 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	496,182,830
Earnings per Share (EPS) in 2021 (Restated)	2.38
Net Asset value per Share (NAV) in 2021	16.85
Dividend declared for the year 2021	10% Cash and 5% Stock
Credit Rating for the year 2021-2022	AA- (Long term) & ST-2 (Short term)

## HEAD OFFICE:

HR Bhaban (6th & 9th Floor), 26/1, Kakrail, Dhaka-1000, Bangladesh  
 PABX : +88 02 58313334 - 8, Fax: +88-02-48318060  
 E-mail: [info@riclbd.com](mailto:info@riclbd.com), Web: [www.riclbd.com](http://www.riclbd.com)  
 Hotline: 09606 101101



# INSURABLE PRODUCTS

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<b>MOTOR INSURANCE</b>	Motor Insurance Commercial Vehicle Motor Insurance for Private Vehicle Motor Insurance for Cycle/Scooter Motor (Misc. & Special Types of Vehicles) Insurance Class "D"
<b>FIRE INSURANCE</b>	Fire Insurance (Including Allied Perils) Industrial All Risk (IAR) All Risk (AR) Insurance Property All Risk Insurance Hotel Owners All Risk Insurance Power Plant Insurance
<b>MARINE CARGO INSURANCE</b>	Marine Cargo Insurance transit by Steamer or Powered Vessel (Import/Export) Marine Cargo Insurance transit by Rail/Lorry/Truck (Import/Export) Marine Cargo Insurance transit by Air Cargo (Import/Export) Marine Cargo Insurance transit by Inland Rail or Road Conveyance Marine Cargo Insurance transit by Inland Cargoes (water borne)
<b>HULL INSURANCE</b>	Marine Hull (TLO) Insurance Marine Hull (TC) Insurance Aviation Hull Insurance Aircraft Liabilities Insurance
<b>ENGINEERING INSURANCE</b>	Machinery Breakdown Insurance (MBD) Deterioration of stock in cold storage (Dos) Boiler and Pressure Vessel (BPV) Electronic Equipment Insurance (EEI) Erection all Risk (EAR) Contractor's All Risk (CAR) Contractors Plant & Machinery Insurance (CMP)
<b>MISCELLANEOUS INSURANCE</b>	Burglary & House Breaking Insurance Cash in Safe (CIS) Cash in Transit (CIT) Cash on counter (COC) Cash in ATM Booth (CAB) People Personal Accident (PPA) Personal Accident Policy (PAP) Safe Deposit Box (Bank Lockers) Workmen's Compensation (WC) Business Interruption Fidelity Guarantee Insurance Employer's Liability Insurance Bangabandhu Surakha Bima Overseas Medclaim Insurance Public & Professional Indemnity Liability Professional Indemnity Liability Plate Glass Policy Automobile Liability Insurance Money Insurance Policy

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# BRANCHES' INFORMATION

## Head Office Cell

Md. Abu Kawsar Bhuiyan  
Senior Executive Vice President  
HR Bhaban (6th Floor), 26/1, Kakrail, Dhaka  
Ph: +88 02 22223331, Cell: 01552406359,  
E-mail: riclkawsar@gmail.com, hoc@riclbd.com

## Motijheel Corporate Branch

Hafez Md. Nazmul Huda  
Senior Executive Vice President  
1/B, D.I.T Avenue (5th Fl), Room # 504, Motijheel C/A,  
Dhaka, Ph: +88 02 223355497  
Cell: 01817016417, E-mail: mcb@riclbd.com

## Principal Branch

Md. Ziaur Rahman (Miron)  
Senior Executive Vice President  
HR Bhaban (6th Floor), 26/1, Kakrail, Dhaka  
Ph: +88 02 48319108, Cell: 01712674197  
E-mail: elephantroad4@gmail.com

## Dilkusha Branch

Khan Mukhlesur Rahman  
Deputy Managing Director  
15, Dilkusha C/A, Zahed Ali Tower (8th Fl), Dhaka  
Ph: +88 02 223358794, Cell: 01819272373  
E-mail: ricldilkusha123@gmail.com

## Local Office

Md. Rukunuzzaman  
Senior Executive Vice President  
HR Bhaban (6th Floor), 26/1, Kakrail, Dhaka  
Ph: +88 02 48315153, Cell: 01913392464  
E-mail: ricllocaloffice@gmail.com

## Hatkhola Branch

Md. Mobarak Hossain  
Senior Executive Vice President  
Rahman Mansion (2nd Fl.) 161, Motijheel C/A, Dhaka,  
Ph: +88 02 223356198, Cell: 01830122869  
E-mail: riclhkb@gmail.com

## Malibagh Branch

Md. Romen Ahammed  
Senior Executive Vice President  
HR Bhaban (6th Floor), 26/1, Kakrail, Dhaka  
Ph: +88 02 48316073, Cell: 01716293916  
E-mail: riclmalibagh@gmail.com

## Imamgonj Branch

Mrs. Selina Akhter  
Vice President  
AGI. Business Center, (4th Fl), 81/B-1, Chankharpool,  
Dhaka, +88 02 57300229,  
Cell: 01723044230  
E-mail: ricl.imamgonj@gmail.com

## VIP Road Branch

Md. Abdul Jabbar Mridha  
Senior Executive Vice President  
Ally's Center (8th Fl), 40, Bijoyagar, Dhaka  
Ph: +88 02 48312498, Cell: 01711221501  
E-mail: riclviproad@gmail.com

## Elephant Road Branch

Md. Nazim Uddin  
Senior Executive Vice President  
Iris Norjehan (3rd floor, A-3), 104 Kakrail, Dhaka  
Ph: +88 02 48313074-5, Cell: 01816048971  
E-mail: nazimuddin.ele@riclbd.com

## Palton Branch

Md. Shamsuddin  
Senior Executive Vice President  
Ibrahim Mansion (4th Fl), 11, Purana Palton, Dhaka  
Ph: +88 02 223390882, Cell: 01911385686  
E-mail: riclpalton@gmail.com

## Farmgate Branch

Chowdhury Nazmul Ahsan  
Senior Executive Vice President  
Dhaka Trade Center (5th Floor), 99, Kazi Nazrul Islam  
Avenue, Kawran Bazar, Dhaka, Cell: 01755630705, Ph:  
+88 02 55013244, E-mail: riclfarmgate@gmail.com

## BB Avenue Branch

Md. Ataullah Fakir  
Senior Executive Vice President  
Hamid Mansion (3rd Fl), 29, B.B. Avenue, Dhaka  
Ph: +88 02 223386686 Cell: 01819271447  
E-mail: bbavenue@riclbd.com

## Rampura Branch

Mamun Ahmed Muqtada  
Executive Vice President  
Shahjalal Bannijik Complex (4th Fl) 80/A, Siddeswari  
Circular Road, Dhaka  
Ph: +88 02 48319711, Cell: 01819299945  
E-mail: riclrampura@gmail.com

## Motijheel Branch

T.M. Mahabub Rashid  
Senior Executive Vice President  
Ali Bhaban (7th Fl), 9 Rajuk Avenue, Motijheel/CA,  
Dhaka Ph: +88 02 223390837, Cell: 01711443308  
E-mail: motijheel@riclbd.com

## Gazipur Branch

Gazipur Bhaban (2nd Fl), (near Padma Tower),  
Gazipur Chowrasta, Gazipur  
Ph: +88 02 9294289

# BRANCHES' INFORMATION

## Agrabad Branch

Mohammed Nasir Uddin  
Senior Executive Vice President  
K.N. Tower (3rd Fl), 18, Agrabad C/A, Badamtoli Mor,  
Chattogram, Ph: +88 02 333319319  
Cell: 01815926830, E-mail: riclagra@gmail.com

## Bogura Branch

Mir Md. Mehedi Hasan  
Deputy Manager  
M.A. Khan Lane, Dr. Anisul Haque Building (3rd Fl),  
Sathmatha, Bogura, Ph: +88 02 589905168, Cell:  
01716303641, E-mail: ricl.bogura.bd@gmail.com

## Jubilee Road Branch

Md. Salim Uddin  
Senior Executive Vice President  
Well-Bing Ltd., (6th Fl) 263, Jubilee Road,  
Chattogram, Ph: +88 02 333354838-52518  
Cell: 01818921350. E-mail: ricljbctg@yahoo.com

## Rangpur Branch

Md. Ariful Islam  
Vice President  
Karnaphuli Bhaban (1st Fl), 90, Station Road, Rangpur,  
Ph: +88 0521 65986, Cell: 01760882901  
E-mail: republicinsurance20@gmail.com

## Khatungonj Branch

Md. Mosharraf Hossain  
Senior Executive Vice President  
K.N. Tower (3rd Fl), 18, Agrabad C/A, Badamtoli More,  
Chattogram, Ph: +88 02 333316543, Cell:  
01819351116, E-mail: republicktg17@yahoo.com

## Naogaon Branch

Shorma Shopping Center, Vill- Tula Patti,  
Naogaon, Ph: +88 0741 62901,  
E-mail: riclnaogaon@gmail.com

## Satkhira Branch

Khan Mahfuzur Rahman  
Assistant Vice President  
Kaman Nagar, Itagacha Bazar Mor, Satkhira  
Ph: +88 02 77741557, Cell: 01711228549  
E-mail: riclsatkhira@gmail.com

## Chapai Nawabgonj Branch

Md. Rafiqul Islam (Tutul)  
Senior Vice President  
Smriti Plaza, Boro Indra Mor, Chapainawabgonj  
Ph: +88 02 588892938, Cell: 01712822038,  
E-mail: rafiqultutul@gmail.com

## Kushtia Branch

Md. Robiul Islam (Dolon)  
Vice President  
55/1, Lovely Tower (9th Floor), N.S. Road, Kushtia  
Ph: +88 02 477782396, Cell: 01715211525  
E-mail: kushtia22ricl@gmail.com

## Sylhet Branch

Md. Mahbubur Rahman Chowdhury  
Vice President  
Salim Mansion (1st Floor), Mendibagh, Sylhet  
Ph: +88 0821 726702, Cell: 01715860842  
E-mail: riclsylhet@gmail.com

## Khulna Branch

Md. Shamsuddoha Khan  
Deputy Managing Director  
1.P.C Roy Road, Khulna  
Ph: +88 024 4110847, Cell: 01920786666  
E-mail: riclkhulna@gmail.com

## Barishal Branch

86, Talukder Mansion (4th Floor), Sadar Road, Barishal  
Ph: +88 043 164327

## Jashore Branch

M.S Orchid Center (6th Fl),  
44, M.K. Road, Kotwali, Jashore  
Ph: +88 02477764469

## Rajshahi Branch

Md. Ziaul Islam  
Deputy Manager  
House # 595, Sheroeel Ghoramara-6100,  
Boalia, Rajshahi, Cell: 01727 226728  
E-mail: ziaulislam606@gmail.com



# BOARD OF DIRECTORS

## BOARD OF DIRECTORS

### **Sponsor Directors**

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Mr. Mohd. Hanif Chowdhury  
Chairman

Mr. S.M. Shafiul Hoque  
Vice Chairman

Mrs. Hasina Gazi  
Mrs. Khurshida Rahman

### **Directors**

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Mr. Sadeque Hossain Chowdhury  
Mr. Mahboob Ur Rahman  
Mrs. Shahin Haider  
Mr. Saber Hossain Chowdhury, MP

### **Directors from Public Shareholders**

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Mr. Feroz U. Haider  
Mrs. Rehana Chowdhury

### **Independent Director**

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Mr. Md. Abdur Rouf

### **Chief Executive Officer (CEO)**

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Mr. Dr. A K M Sarwar Jahan Zamil

# PROFILE

## OF THE BOARD OF DIRECTORS



**Mohd. Hanif Chowdhury**  
Chairman

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Mr. Mohd. Hanif Chowdhury is a renowned businessman of the country. He obtained his B.Sc degree under Chattogram 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 Ltd. (Unit-1, Unit-2 & Unit-3), Unitex Composite Mills Ltd., HS Composite Textile Ltd., Unitex LPG Ltd., Unitex Synthetic Ltd. Unitex Steel Mills Ltd., Unitex Petroleum Ltd., Unitex Pvt. Ltd. and Unitex Lubricant Ltd. He was 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.



**S.M. Shafiul Hoque**  
Vice Chairman &  
Chairman, Claims Committee

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Mr. S.M. Shafiul 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 President of Chattogram Chamber of Commerce & Industries (CCCI). Mr. Shafiul Hoque was the Chairman of Bangladesh Garments Manufacturers and Exporters Association (BGMEA) airport cell, Chattogram. He is carrying out duties as a Vice Chairman for Projonmo Chattogram regional board as well as active member of BSCIC Shilpo Malik Samity, Kalurghat, Chattogram, Bangladesh.

## PROFILE OF THE BOARD OF DIRECTORS



### **Hasina Gazi**

Director

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Mrs. Hasina Gazi is one of the Sponsors of the Company. She completed graduation from the University of Dhaka. She is a successful entrepreneur who on completion of her education started business. She is also the Director of Gazi Rim, Gazi Fan, Gazi Plastic, Gazi 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, Narayanganj and Jamalpur. She is actively involved in social welfare of working women in different zones in Rupgonj, Narayanganj. She is the Mayor at Tarabo Pourasava, Rupgonj Narayanganj.



### **Khurshida Rahman**

Director

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Mrs. Khurshida Rahman is a renowned entrepreneur who after completion of 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 one of the Sponsors of the Company. She is involved in various social activities in the Country.



## PROFILE OF THE BOARD OF DIRECTORS



**Sadeque Hossain Chowdhury**  
Director

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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.



**Mahboob Ur Rahman**  
Director

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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 a 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 is the founder of 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.

## PROFILE OF THE BOARD OF DIRECTORS



### **Shahin Haider**

Director

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Mrs. Shahin Haider obtained Degree in Home Economics from Croydon Technical College, Croydon, London, UK and is engaged in business in 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.



### **Saber Hossain Chowdhury, MP**

Director

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Mr. Saber Hossain Chowdhury is a Director of Republic Insurance Company Ltd. Mr. Chowdhury holds Bachelor degree in Political Science and Economics from London University and L.L.B from 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 has been elected as Member of 11th Jatio Sangsad. He is the Chairman of Standing Committee on Ministry of Environment, Forest and Climate Change of 11th Jatio Sangsad, Government of the People's Republic of Bangladesh. 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 and HR Lines Ltd., one of the ocean going vessels of Shipowners companies in Bangladesh. He is also a Director of K&T Logistic Limited. He was also a Director of Mercantile Bank Ltd. He was the 28th President of Inter-Parliamentary Union (IPU). He has again been elected to the same 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, MP is the Honorary President of Inter-Parliamentary Union (IPU).

## PROFILE OF THE BOARD OF DIRECTORS



**Feroz U. Haider**  
Director

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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 from University of Dhaka and worked till 1975. From 1976 to 1978 he was the General Manager of Gulf Finance Company Limited, Hong Kong. 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. And Since 2008 he is working as Chairman of the Company.



**Rehana Chowdhury**  
Director

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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 Regen Sea Lines Ltd., Container & Terminal Services Ltd., Marco Shipping Company Ltd., Easy Fly Ltd., Voice Tel Ltd., HR Holding Ltd. and HR Lines Ltd., one of the ocean going vessels of Shipowners companies in Bangladesh. She is involved in various social activities in the country.

## PROFILE OF THE BOARD OF DIRECTORS



### **Md. Abdur Rouf**

**Independent Director &  
Chairman, Nomination & Remuneration Committee and Audit Committee**

Mr. Md. Abdur Rouf is the Independent Director and Chairman, Nomination and Remuneration Committee (NRC) and Audit Committee of Republic Insurance Company Limited. He was born in 1958 at Barishal. He Completed M.Com (Management) in 1983 under University of Dhaka. He had served different Government Organizations. Mr. Rouf was the Managing Director of Karmasangsthan Bank and Chief Executive Officer (CEO) of BD Finance Securities Limited & ICB Capital Management Ltd. He was also the Deputy Managing Director of Sonali Bank Ltd. and General Manager of Investment Corporation of Bangladesh (ICB). Mr. Rouf was the Nominee Director of Standard Bank Securities Ltd., The Acme Laboratories Ltd., Golden Son Ltd., Navana CNG Ltd., Armit Ltd. and Energypac Ltd. He is the lifetime Member of the Institute of Bankers Bangladesh (IBB) and Barishal Zila Samity. He participated various seminars and training programs like Financial Management, Anti-Money Laundering and Human Behavior & Discipline in outside and inside the country. At present Mr. Rouf is the Chairman of the Governing Body of Khilgaon Model College. Mr. Rouf is involved in various social activities.



## PROFILE OF THE BOARD OF DIRECTORS



**Dr. A K M Sarwar Jahan Zamil**  
Chief Executive Officer (CEO)

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Mr. Dr. A K M Sarwar Jahan Zamil is the Chief Executive Officer (CEO) of Republic Insurance Company Limited. He was born in 1966 at Sandwip, Chattogram. He completed M.com in Accounting under University of Dhaka. He also completed LLB and LLM from Uttara University and Prime University respectively. Mr. Zamil awarded PhD Degree from California Southern University Atlanta, USA. He started his career with Karnaphuli Insurance Company Ltd. as Manager in 1988. He had served his service tenure mainly at Meghna Insurance Company Ltd. in senior positions. He was the Chief Executive Officer of Meghna Insurance Company Ltd. from July 2016 to January 2020. He obtained Insurance Diploma under Bangladesh Insurance Academy. He also participated in different training and workshops under Bangladesh Insurance Academy. He worked in various departments like Claims & Re-Insurance, Underwriting, Branch Control & Corporate Compliance, Business Development and Administrative Operations. Mr. Zamil is involved in various social activities. He is a Chartered Member of Lions Club International and a life member of Bangladesh Red Crescent Society and Dhaka University Alumni Association. He is a life registered Graduate, Dhaka University. He is also a member, Chartered Insurance Institute, (U/K) and Associate Bangladesh Insurance Academy. He was the Member of Executive Committee, Bangladesh Insurance Forum.

# REPORT OF THE CREDIT RATING



26 August, 2021

Managing Director & CEO  
Republic Insurance Company Limited  
HR Bhaban (6th & 9th 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
26 August, 2021	25 August, 2022	Surveillance	AA-	ST-2	Stable

The rating may be changed or revised prior to expiry, if warranted by extraordinary circumstances 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 declare 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 the rating will serve the intended purpose of your organization.

With kind regards,

Mainul Islam Chowdhury FCCA  
Chief Operating Officer

This letter forms an integral part of the credit rating report

# PHOTOGRAPHS OF VIRTUAL AGM 2021



[২০২১ সালে অনুষ্ঠিত এজিএম এর ভার্চুয়াল প্ল্যাটফর্ম]



[সম্মানিত চেয়ারম্যান শেয়ারহোল্ডারদের উদ্দেশ্যে বক্তব্য পেশ করছেন]

# MANAGEMENT TEAM

## MANAGEMENT TEAM

**Chief Executive Officer** Mr. Dr. A K M Sarwar Jahan Zamil

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**Additional Managing Director** Mr. Md. Sirajul Islam Bhuiyan

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**Deputy Managing Directors** Mr. Sajan Kumar Basak  
Mr. Khan Mukhlesur Rahman  
Mr. Md. Shamsuddoha Khan

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**Senior Executive Vice Presidents** Mr. Md. Shamsuddin  
Mr. Ataullah Fakir  
Mr. Md. Rukunuzzaman  
Mr. Md. Ziaur Rahman (Miron)  
Mr. Mohammed Nasir Uddin  
Mr. Md. Abdul Jabbar Mridha  
Mr. Md. Mosharaf Hossain  
Mr. T.M. Mahabub Rashid  
Mr. Abu Kawsar Bhuiyan  
Mr. Hafez Md. Nazmul Huda  
Mr. Md. Salim Uddin  
Mr. Md. Nazim Uddin  
Mr. Chowdhury Nazmul Ahsan  
Mr. Md. Romen Ahmed  
Mr. Md. Mobarak Hossain

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**Executive Vice President** Mr. Mamun Ahmed Muqtada

---

**Senior Vice Presidents** Mr. Mohammad Moshfiqur Rahman  
Mr. Md. Rafiqul Islam (Tutul)

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**Vice Presidents** Mr. Md. Mahbubur Rahman Chowdhury  
Mr. Md. Ariful Islam  
Mr. Mansur Alam Sikder  
Mr. Robiul Islam (Dolon)  
Mrs. Selina Akhter

---

**Assistant Vice Presidents** Mr. Khan Mahfuzur Rahman  
Mr. Sayed Enietul Haque  
Mr. Md. Numan Abedin  
Mrs. Khurshida Yasmin

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# CORPORATE MANAGEMENT TEAM

## CORPORATE MANAGEMENT TEAM

<b>Chief Executive Officer</b>	Mr. Dr. A K M Sarwar Jahan Zamil
<b>Additional Managing Director</b>	Mr. Md. Sirajul Islam Bhuiyan
<b>Deputy Managing Director &amp; Company Secretary</b>	Mr. Sajan Kumar Basak
<b>Senior Vice President &amp; Chief Financial Officer (CFO)</b>	Mr. Mohammad Moshfiqur Rahman
<b>Vice President &amp; Head of Underwriting</b>	Mr. Mansur Alam Sikder
<b>Assistant Vice President &amp; Head of Admin</b>	Mr. Sayed Enietul Haque
<b>Assistant Vice President &amp; Head of HR and MIS</b>	Mr. Md. Numan Abedin
<b>Assistant Vice President Accounts</b>	Mrs. Khurshida Yasmin
<b>Deputy Manager &amp; Head of IT</b>	Mr. Md. Jahidul Islam
<b>Deputy Manager Claims &amp; Re-insurance</b>	Mr. Md. Kamal Hossain
<b>Assistant Manager &amp; Head of Internal Audit</b>	Mr. Prollad Rajbongshi

**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

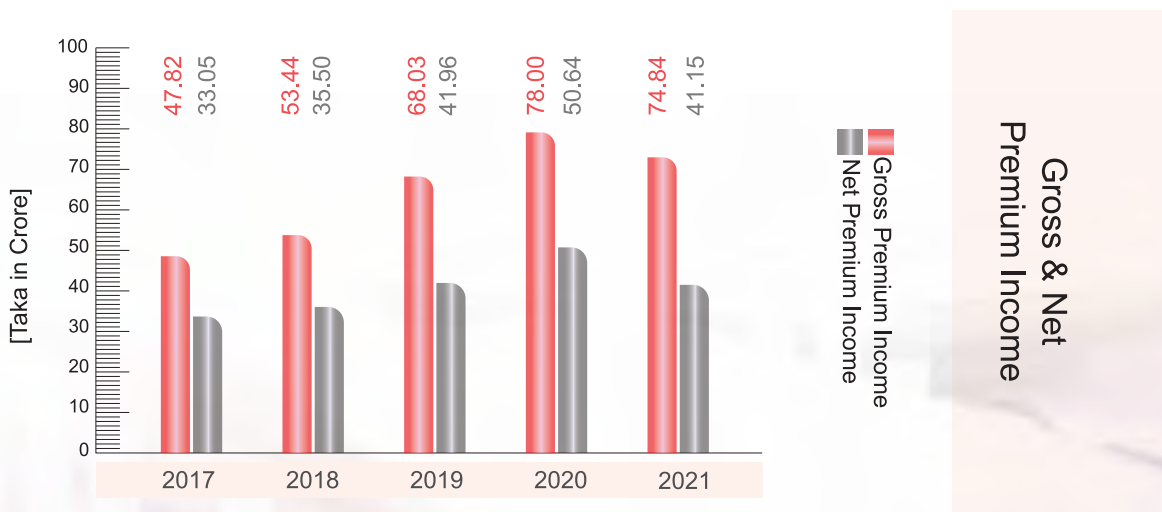
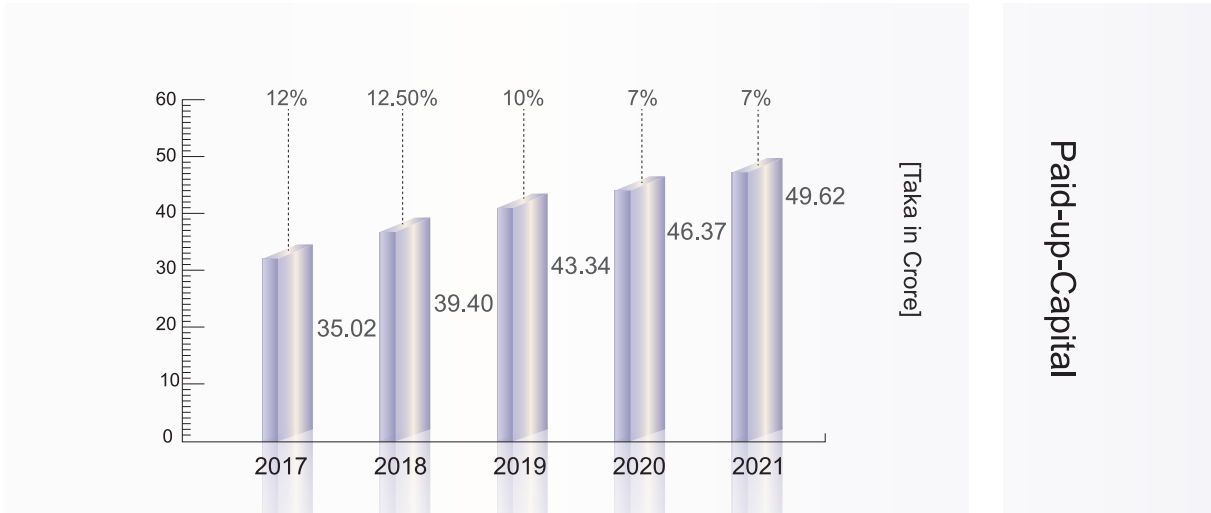
**Auditor**  
Malek Siddiqui Wali  
Chartered Accountants,  
9-G, Motijheel C/A (2nd Floor),  
Dhaka-1000

## FINANCIAL HIGHLIGHTS

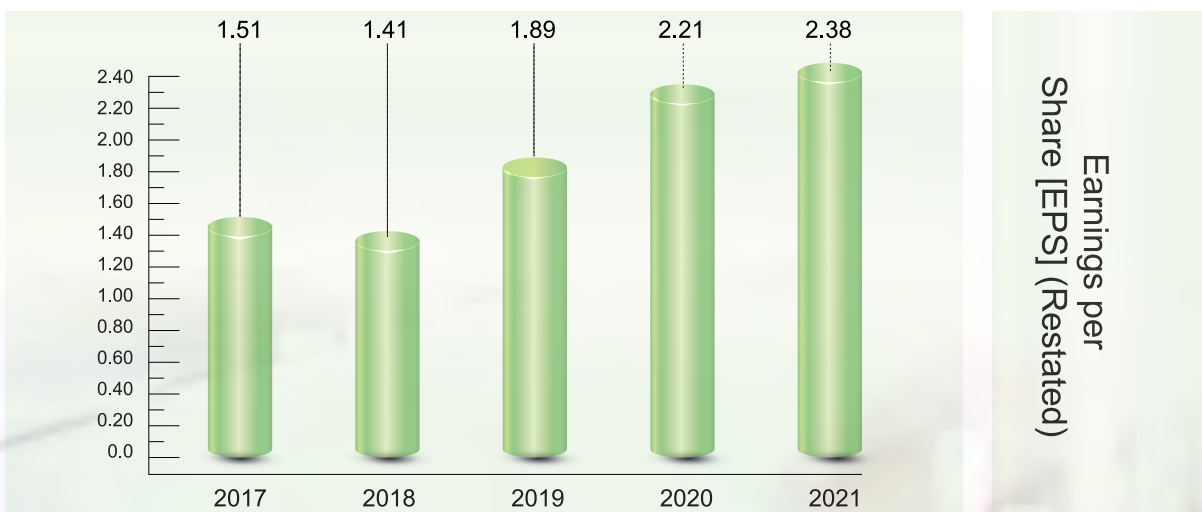
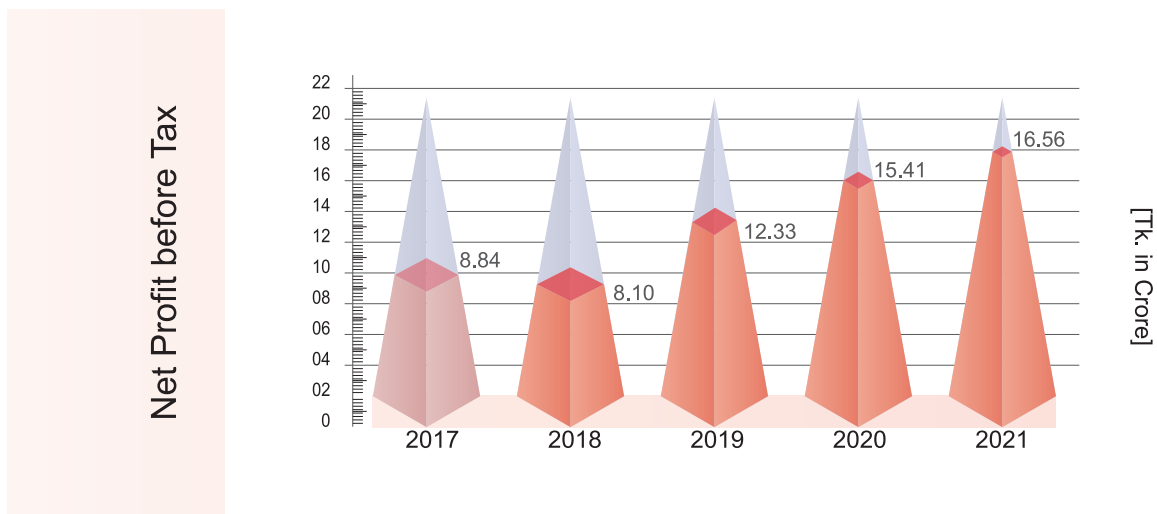
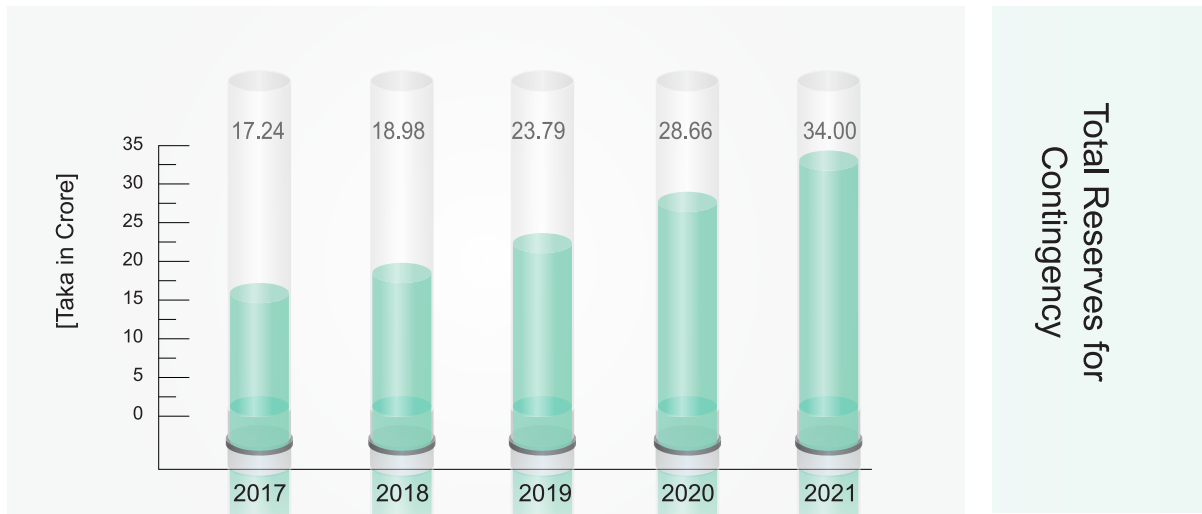
Particulars	Amount				
	2021	2020	2019	2018	2017
Paid up Capital	496,182,830	463,722,280	433,385,310	393,986,650	350,210,360
Gross Premium Income	748,447,578	780,016,220	680,288,526	534,379,668	478,241,306
Net Premium Income	411,488,446	506,389,584	419,573,041	354,995,209	330,503,062
Net Claims Paid	16,820,558	44,127,131	41,312,635	89,791,592	56,225,256
Interest & Other Income	40,666,662	44,937,234	31,464,309	26,769,959	32,807,177
Underwriting Profit	160,537,787	142,384,097	128,097,327	81,024,418	79,747,198
Net Profit before Tax	165,571,105	154,104,687	123,255,126	80,964,824	88,406,343
Total Assets	1,515,835,788	1,367,456,797	1,195,061,977	1,055,118,235	1,005,497,762
Total Reserves for Contingency	339,967,477	286,646,023	237,856,108	189,801,715	172,399,340
Cash & Bank Balances	86,582,397	112,485,665	64,038,033	29,853,149	43,435,735
Investments	586,298,292	527,203,401	474,107,897	435,025,602	466,276,135
Number of Shares	49,618,283	46,372,228	43,338,531	39,398,665	35,021,036
Net Asset value per Share (NAV)	16.85	16.18	15.49	14.82	14.92
Earnings per Share (EPS) (Restated)	2.38	2.21	1.89	1.41	1.51
Dividend	5%B	7%B	7% B	10%B	12.50%B
	10% Cash	7% Cash	7% Cash	-	-
Shareholder's Equity	836,150,307	750,368,303	671,241,418	583,788,365	522,609,700
Number of Employees	690	710	650	663	585

NB: All figures except dividend and number of employees are Bangladeshi Taka.

# FINANCIAL HIGHLIGHTS IN GRAPHS



## FINANCIAL HIGHLIGHTS IN GRAPHS





# ACCOUNTING RATIOS

## PERTAINING TO INSURANCE BUSINESS

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

Particulars	2021	Ratio 2021	2020	Ratio 2020	Growth %
Gross premium income	748,447,578	-	780,016,220	-	(4)
Net premium income	411,488,446	-	506,389,584	-	(19)
Re-insurance premium ceded as % of gross premium income	336,959,132	45.02	273,626,636	35.08	23%
Net Re-insurance commission earned as % of gross premium income	74,224,586	9.92	60,952,397	7.81	22%
Net Re-insurance commission earned as % of net premium income	74,224,586	18.04	60,952,397	12.04	22%
Management Expenses allocated as % of gross premium income	244,572,957	32.68	221,617,303	28.41	10%
Management Expenses allocated as % of net premium income	244,572,957	59.44	221,617,303	43.76	10%
Gross Claims paid as % of gross premium income	66,434,688	8.88	138,317,060	17.73	(52%)
Gross Claims paid as % of net premium income	66,434,688	16.14	138,317,060	27.31	(52%)
Net Claims paid as % of gross premium income	16,820,558	2.25	44,127,131	5.66	(62)%
Net Claims paid as % of net premium income	16,820,558	4.09	44,127,131	8.71	(62)%
Operation income as % of gross premium income	160,537,787	21.45	142,384,097	18.25	13
Operation income as % of net premium income	160,537,787	39.01	142,384,097	28.12	13
Net Profit before Tax as % of gross premium income	165,571,105	22.12	154,104,687	19.76	7%
Net Profit after Tax as % of gross premium income	118,242,573	15.80	109,463,857	14.03	8%



## MESSAGE FROM THE CHAIRMAN

**Bismillahir Rahmanir Rahim**

**Dear Shareholders,**

**As-salamu Alikum,**

It is a great pleasure to me to welcome you to the 22nd 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 continuous support and co-operation. I extremely honored in having the opportunity to present the report of the Board of Directors and Audited Financial Statements for the year 2021. I do hope that all of you have are safe and keeping well during the COVID-19 outbreak and I pray to almighty Allah for showering His blessings and also to protect all of us from pandemic situation.

**Dear Shareholders,** the year 2021 will be forever remembered as one when COVID-19 continued to change everything we define as everyday life. COVID-19 has brought disruption, strain, and sorrow for millions of people around the world, and my heart goes out to all who have lost a friend, family member, or loved one during the pandemic. This difficult period has reaffirmed RICL's vital role in an industry that safeguards families' financial futures, especially during times of deep uncertainty and fair loss. Throughout 2021, our operational and financial resilience was put to the test, and I am incredibly proud of how our employees and our business have responded by continuing to deliver on our promises to our clients, our investors and the communities in which we live and work.

**Dear Shareholders,** the insurance industry continues to evolve both worldwide, as well as in local setting, such as the Bangladesh insurance market. While the insurance sector is systemically important to the growth of a country's economy, it has been slow in gaining that recognition, particularly in developing nations. As governments become sensitive to the importance of the insurance industry's



## MESSAGE FROM THE CHAIRMAN

contribution to a nation's economic development and growth, increased focus is gaining traction in the necessity of modernizing its insurance supervisory framework and helps steer the market to reach underserved segments and reduce the protection gap.

**Dear Shareholders,** although the coronavirus continued in 2021 as in 2020, the global economy was able to overcome the recession in 2021. According to International Monetary Fund (IMF), Global growth is projected to rise from an estimated -3.5 percent 2020 to 5.5 percent in 2021 and 4.2 percent for 2022. The progress to get back to pre-pandemic level of Global economy is slow though recovery of China has been faster than expected.

**Dear Shareholders,** in spite of various adversities, the Company earn gross premium of Tk. 74.84 crore during the year. The net profit before Tax Stands at Tk. 16.56 crore and the total assets at Tk. 151.58 crore in the Accounts. If the motor insurance had not been stopped by the Government, the Gross premium would have gone up a lot more. However, this achievement indicates that the Company has maintained a sustainable financial position with steady business growth in the insurance sector of our country.

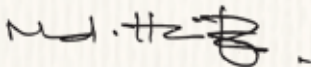
**Dear Shareholders,** the Company has been diversifying its business portfolio by increasing segments of medium and smaller clients and thus achieving a desirable spread of business which is fundamental to insurance sector. This is an on-going process and the Company will strive to develop a well balanced business portfolio which is not overly depended on any particular type of business or clients. We are very much confident that the Company will maintain its momentum in achieving growth in business and profitability in the year to come. We are greatly appreciative of the continued support and patronage received from our clients and shareholders and would look forward to continuation of the same.

**Dear Shareholders,** based on the operation profits for 2021, we have proposed 15% (5% stock dividend & 10% Cash) Dividend to the Shareholders of the Company and then the Paid up Capital of the Company will stand at Tk. 520,991,971 crore with the disbursement of stock dividend.

**Dear Shareholders,** I express my sincere gratitude to all our stakeholders and reiterate my deep appreciation for the continuous guidance and support extended to us by the Ministry of Finance, Insurance Development & Regulatory Authority (IDRA), Bangladesh Securities and Exchange Commission, Dhaka Stock Exchange Ltd, Chattogram Stock Exchange Ltd, Sadharan Bima Corporation, Bangladesh Insurance Association, local banks, insurance companies and other financial institutions and I also extend my sincere gratitude to the Chief Executive Officer and to all the employees of the Company for their tireless dedication, devotion and effort made to continually improve the Company's performance.

Finally, I would like to convey my sincere thanks to my fellow directors for their support and co-operation. I would also like to give thanks to Shareholders, Regulatory Bodies, Valued Clients and the Management Team and the staff for their moral support and hard worked to take the Company forward and in delivering excellent results. I would also like to recognize their dedicated and unflinching services and convey my appreciation and thanks to all of them.

May Allah keep us in peace and bless us all.



**(Mohd. Hanif Chowdhury)**

Chairman



## MESSAGE

### FROM THE CHIEF EXECUTIVE OFFICER [CEO]

**Bismillahir Rahmanir Rahim**

**Dear Honorable Shareholders,**

**As-salamu Alaikum,**

I convey my greetings to you and welcome you all to the 22nd Annual General Meeting. We are celebrating our 22nd anniversary this year, and today, I am delighted to inform you that Republic Insurance Company Limited (RICL) has been successful in fighting back the adverse impacts of the pandemic and returned to the course of recovery with satisfying profitability and resilient results. During the COVID-19 pandemic in 2021, RICL has made every effort to provide insurance services to ensure the safety and security of customers and other stakeholders.

**Dear Shareholders,** despite challenging conditions of COVID-19 pandemic situation, the Company has earned a remarkable gross premium during the year. As one of the 3rd generations non-life insurance companies in the national market, this achievement has been made possible by the hard work of Company's Management Team and your steady support towards the Company. RICL was successful to gain trust and goodwill among the customers and successfully provided the best insurance service to the customers and increased profitability by identifying and addressing risks efficiently. This success was a result of the strong forecasting of the market scenario by the Board and timely implementation of the decisions by the Management Team. Both internal and external risks were taken care of and the underwriting result began improving immediately. The hard work of the employees has enabled the Company to carefully assess, analyze the underlying risks and made the pricing balanced. As a result, Balance Sheet of the Company has been satisfactory, considering the ongoing economic challenges. RICL has also emphasized tech-based operations. The statistical analysis and strong decision making have endorsed the Company against all odds.



## MESSAGE FROM THE CEO

**Dear Shareholders,** as always, we maintain a healthy underwriting profit due to continuous striving for professionalism. Our most premium generating business classes are Fire, Marine, Motor and Miscellaneous. RICL is trying its level best in order to enhancing our underwriting capabilities so, that we can generate significant premium from other unexplored Market.

**Dear Shareholders,** we definitely believe that RICL, with its world class insurance services, will remain committed to overcome the challenges of the future and regain momentum for prudential business growth in years to come. The Government has been trying its best with appropriate steps to revive and rebuild the economy under the most challenging situations. Similarly, we are directing all our efforts in gearing up our business activities to the full potential, thereby recouping business lost during the conditions created by COVID-19 pandemic. We are confident and looking forward to the successful business operation of our company in 2022.

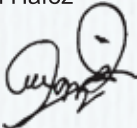
**Dear Shareholders,** we always comply with Rules & Regulation and guidelines of Insurance Development and Regulatory Authority (IDRA) time to time. To digitalize and improving Bangladesh insurance sector, IDRA has been implementing various steps. In continuation of this, to development, transparency and bringing confidence of insurer of insurance industry, IDRA had implemented Unified Messaging Platform (UMP). As a result, insurance related services are being provided to customer through UMP which including Digital Policy Repository/ Central Database, SMS and E-mail Notification System, E-Receipt, Policyholder Portal and Mobile App of insurance information. Moreover, IDRA had also implemented Agent Licensing Online (ALO) Module and Business Intelligence Tools (BI), and all service relating insurance agent are being provided through it. For implementation of the mentoined services, the Insurer is now receiving service through online at home and is constantly receiving information through mobile day by day.

**Dear Shareholders,** despite the rescheduling of insurance tariff rates and closed of motor insurance, with the cooperation of all, the company has been able to achieve a gross premium Tk. 74.84 crore in 2021. The net profit after Tax Tk. 11.42 crore and EPS Tk. 2.38 during the year. We hope that to back by strong performance of the Management, Branch Incharges and employees of RICL the Company will be able to increase premium in the forthcoming year.

I would like to convey thanks to our Honorable Chairman and Honorable Members of the Director for their wise counsel, which has been particularly valuable in these times of financial and social stress. I would also like to thank all our esteemed stakeholders, Ministry of Finance, Insurance Development & Regulatory Authority (IDRA), Sadharan Bima Corporation (SBC), Bangladesh Bank, Bangladesh Insurance Association (BIA), Bangladesh Insurance Academy, Bangladesh Securities & Exchange Commission (BSEC), Dhaka Stock Exchange Ltd., Chattogram Stock Exchange Ltd., Co-insurers and Re-insurers for their support to the Company. I am grateful to the Management Team for their valuable support from time to time.

Finally, I express my thanks to all Shareholders, Insurers, Branch Incharges and employees of all level for your continued support and co-operation.

Allah Hafez



**(Dr. A K M Sarwar Jahan Zamil)**  
Chief Executive Officer



**DIRECTORS' REPORT**  
**TO THE SHAREHOLDERS**

# DIRECTORS' REPORT

**Bismillahir Rahmanir Rahim**

**Dear Shareholders,**

**As-salamu 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 22nd 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 on December 31, 2021 for consideration and approval of the same by you, our valued Shareholders. The Audited Financial Statements was approved by 137th Meeting of the Board of Directors held on April 27, 2022.

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

## **Global Economy**

The global economy enters 2022 in a weaker position than previously expected. As the new Omicron COVID-19 variant spreads, countries have reimposed mobility restrictions. Rising energy prices and supply disruptions have resulted in higher and more broad-based inflation than anticipated, notably in the United States and many emerging markets and developing economies. The ongoing retrenchment of China's real estate sector and slower-than-expected recovery of private consumption also have limited growth prospects.

Global growth is expected to moderate from 5.9 in 2021 to 4.4 percent in 2022 half a percentage point lower for 2022 than in the October World Economic Outlook (WEO), largely reflecting forecast markdowns in the two largest economies. A revised assumption removing the Build Back Better fiscal policy package from the baseline, earlier withdrawal of monetary accommodation, and continued supply shortages produced a downward 1.2 percentage points revision for the United States. In China, pandemic-induced disruptions related to the zero tolerance COVID-19 policy and protracted financial stress among property developers have induced a 0.8 percentage-point downgrade. Global growth is expected to slow to 3.8 percent in 2023. Although this is 0.2 percentage point higher than in the previous forecast, the upgrade largely reflects a mechanical pickup after current drags on growth dissipate in the second half of 2022. The forecast is conditional on adverse health outcomes declining to low levels in most countries by end-2022, assuming vaccination rates improve worldwide and therapies become more effective.

Elevated inflation is expected to persist for longer than envisioned in the October WEO, with ongoing supply chain disruptions and high energy prices continuing in 2022. Assuming inflation expectations stay well anchored, inflation should gradually decrease as supply-demand imbalances wane in 2022 and monetary policy in major economies responds.

Risks to the global baseline are tilted to the downside. The emergence of new COVID-19 variants could prolong the pandemic and induce renewed economic disruptions. Moreover, supply chain disruptions, energy price volatility, and localized wage pressures mean uncertainty around inflation and policy paths is high. As advanced economies lift policy rates, risks to financial stability and emerging market and developing economies' capital flows, currencies, and fiscal positions especially with debt levels having increased significantly in the past two years may merge. Other global risks may crystallize as geopolitical tensions remain high, and the ongoing climate emergency means that the probability of major natural disasters remains elevated.

With the pandemic continuing to maintain its grip, the emphasis on an effective global health strategy is more salient than ever. Worldwide access to vaccines, tests, and treatments is essential to reduce the risk of further dangerous COVID-19 variants. This requires increased production of supplies, as well as better in-country delivery



## DIRECTORS' REPORT

systems and fairer international distribution. Monetary policy in many countries will need to continue on a tightening path to curb inflation pressures, while fiscal policy operating with more limited space than earlier in the pandemic will need to prioritize health and social spending while focusing support on the worst affected. In this context, international cooperation will be essential to preserve access to liquidity and expedite orderly debt restructurings where needed. Investing in climate policies remains imperative to reduce the risk of catastrophic climate change.

(Source: World Economic Outlook update January, 2022)

### Bangladesh Economy

Bangladesh economy has showed its resilience in 2021. With timely implementation of stimulus packages, continued fiscal and monetary policy supports, hefty remittance inflows, declining COVID-19 infection rate, and increasing coverage of vaccination helped country's economy to walk in the path of recovery from the COVID-19 fallout. As a result, country's economic growth recovered faster attaining 6.94% GDP growth in FY 2021 from 3.45% in FY 2020 largely driven by activities in the agriculture and industry sectors. To support investment and employment generating activities in the recovery process, Bangladesh Bank continued its efforts in line with expansionary monetary policy stance for FY 2022.

Following FY 2020, agriculture sector remained resilient and showed solid performance in FY 2021 growing by 3.17%. Industry sector strongly rebounded and grew by 10.29% in FY 2021 after a slower growth of 3.61% in previous fiscal year. To boost the production and generate employment, government and Bangladesh Bank continued to provide policy support, including sector specific stimulus packages and various refinance schemes, which resulted in higher growth performance. Service sector activities started rebounding in FY 2021 and continued gaining momentum in FY 2022.

COVID-19 had pushed down the credit growth in the FY 2021. However, private sector credit started to grow as the external trade started picking up since early FY 2022. As import of capital machinery increased along with vaccine payment started and international travels resumed, US dollar slightly appreciated against Bangladeshi taka. Between June-December of 2021, value of Taka depreciated by 1.16% in terms of US dollar and was quoted at Tk. 85.8 at the end of 2021.

Driven by non-food components, point to point CPI inflation exhibited an upward trend reaching at 6.05% in December 2021. Twelve month average CPI inflation was 5.55% in December 2021 which is slightly higher than the target of 5.30% for FY 2022. Country's gross foreign exchange reserves stood at USD 46.15 billion at the end of December 2021 compared to USD 43.17 billion of last year.

Even though the import and export grew substantially, the import growth was higher compared to export earnings which resulted in higher trade deficit of the country. Meanwhile, country's current account deficit deteriorated further in the first half of FY 2022 due to higher import payment obligations along with lower inflow of remittances. Current account deficit stood at USD 8.18 billion during July-December in FY 2022 against USD 3.52 billion surplus in July-December in FY 2021.

Bangladesh Securities and Exchange Commission (BSEC) and the Government of Bangladesh took a number of initiatives to boost investors' confidence in the capital market. Moreover, the central bank undertook several policy measures under the stimulus package which helped in amplifying liquidity in the market, building investors' confidence and stabilizing the capital market.

### Global Insurance Market

According to Swiss Re Institute report sigma No. 3/2021, Insurance industry worldwide was affected by COVID-19 pandemic. Global insurance premium overall had nominal growth of 0.04% in the year 2020 as against overall growth rate of 3% in 2019. Global Premium income is now USD 6.3 trillion which is 7.4% of global GDP. The global Life insurance market contracted by -3.1% in 2020 with premiums at US\$ 2.8 trillion. The highest contraction took place in life insurance business in developed countries. The non-life insurance market grew by 2.8% in 2020 with



premiums at US\$ 3.49 trillion. According to Swiss Re forecast, real premium globally will rise by 3.3% in 2021: life 3.8% and non-life 2.8%. The highest growths will come from emerging countries including China. Growth rates in advanced countries will be approximately half of emerging countries.

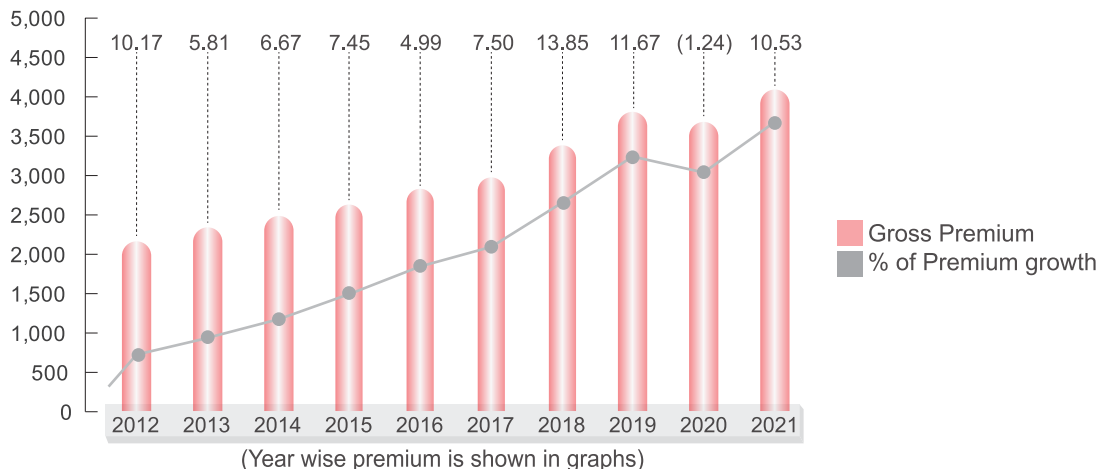
**Insurance Market in Bangladesh**

According to Bangladesh Bank Statistics, Bangladesh GDP was 5.2% in 2020 and is forecast to be 8.2% in 2021 and 8.3% in 2022. The country has already passed through 2 years' period of uncertainties and difficulties created by COVID-19 pandemic. However, people of this country have courageously faced the adverse situation, so created, by carrying on economic activities with inborn resilience, with which we have been blessed. Government's adoption of a policy of mass vaccination at the early stage of the pandemic has effectively contained a situation which otherwise could have been worse. This has put Bangladesh ahead of many developing countries. Exports continue to rise and there is expansion of economic activities in all spheres, the forecast of significant growth in the country's GDP in the coming years no doubt realistically reflects this optimistic situation. Bangladesh non-life insurance industry continues to operate as one of the smallest in the world (holding 86th position in the world ranking). It has been reported that in the year 2020 Bangladesh insurance market contracted: Life -0.898% and non-life 0.866%. the rate of insurance penetration has reduced to: Life 0.3% and non-life 0.1% from 0.4% and 0.2% respectively. The situation is particularly dismal for the non-life insurance sector where 45 private insurers and 1 state-owned corporation earned estimated TK 37,373.82 million in premium income. Our non-life insurance market continues to be extremely overcrowded when compared with developing countries including our neighbors. The situation has obviously given rise to intense and unhealthy competition among the existing players. At the same time, with deteriorating standard of clients' services, public trust on insurance continue to diminish. Much need to be done to remedy the situation. There is no reason why, in line with the country's impressive GDP growth, the insurance industry should also not grow by remedying its manifold problems and, most important, by tapping the hitherto untapped segments of the market.

According to Insurance Development and Regulatory Authority (IDRA) the total gross premium of life and non-life insurance grew 8.45% year-on-year to Tk. 14,392 crore in 2021. During the year gross premium income of Non-Life insurance was increased 10.53% from the previous year. The Comparative premium position during the last 10 years are as follows (Source: IDRA Souvenir of Bima Dibosh 2022):

Year	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
<b>Gross Premium</b>	2167	2293	2446	2643	2773	2981	3394	3790	3743	4137
<b>Growth%</b>	10.17	5.81	6.67	7.45	4.99	7.50	13.85	11.67	(1.24)	10.53

NB: All the of gross premium is in BDT Crore and Data of 2021 is unaudited, may differ with the audited data.



# DIRECTORS' REPORT

## COMPANY'S BUSINESS ACTIVITIES AND PERFORMANCE REVIEW

In 2021, under extremely challenging conditions, RICL has performed well in key areas of its business activities. Our balanced growth has generated positive returns for the stakeholders. This pandemic has taught us to be resilient, adaptive, innovative and positive in the face of adversity and we are confident to deliver performance in the coming days.

### Gross Premium

**Dear Shareholders,** 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 2021 was not favourable for overall business i.e import, export, investment in industrialization were slow due to COVID-19 as per previous year 2020. However, despite of these RICL has been able to achieve as per desired target. We know that at present a large number of insurance companies in Bangladesh 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 Management Team of the Company paid proper attention on time in professionally and due to the attention the Company earned gross premium of Tk. 748,447,578 in 2021.

**The last five years gross premium income of the Company are as under:**

(Amount in BDT)

2021	2020	2019	2018	2017
748,447,578	780,016,220	680,288,526	534,379,668	478,241,306

### Product Performance Analysis

#### Fire Insurance:

The Fire insurance business constitutes 38% of the total portfolio of the Company. During the year, the Company has underwritten a gross premium of Tk. 283,098,685 whereas it was Tk. 368,520,467 in 2020.

#### Marine and Marine Hull Insurance:

This class of business constitutes 46% of the total portfolio. The Company has underwritten a gross premium of Tk. 341,750,647 in the current year as compared to Tk. 295,537,325 in the previous year.

#### Motor Insurance:

This class of business constitutes 4% of the total portfolio. During the year, the Company has underwritten a gross premium of Tk. 33,448,303.

#### Miscellaneous Insurance:

The Miscellaneous class of business constitutes 12% of the total portfolio. During the year, the Company has underwritten a gross premium of Tk. 90,149,943.

## DIRECTORS' REPORT

The following table shows the segment-wise underwriting performance of the Company in the last five years:

(Amount in BDT)					
Class of insurance	2021	2020	2019	2018	2017
Fire	283,098,685	368,520,467	321,154,578	230,544,884	217,452,284
Marine & Hull	341,750,647	295,537,325	198,932,325	161,894,779	138,945,503
Motor	33,448,303	46,655,463	62,403,635	55,855,894	47,921,922
Miscellaneous	90,149,943	69,302,965	97,797,988	86,084,111	73,921,597
<b>Total</b>	<b>748,447,578</b>	<b>780,016,220</b>	<b>680,288,526</b>	<b>534,379,668</b>	<b>478,241,306</b>

### 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

Dear Shareholders, RICL has been increasing its business volume gradually. 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 as 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	Tk. 433,385,310
2020	7% stock dividend	Tk. 463,722,280
2021	7% stock dividend	Tk. 496,182,830
<b>2022</b>	<b>5% stock dividend (proposed)</b>	<b>Tk. 520,991,971</b>

#### 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 can settle any financial requirements from the reserve fund. The position of Reserves of last five years are shown below:

(Amount in BDT)				
2021	2020	2019	2018	2017
<b>339,967,477</b>	286,646,023	237,856,108	189,801,715	172,399,340

#### Claims

Dear Shareholders, Republic Insurance Company Limited is always committed to settle the insurance claims in time. We believe that our commitment is the satisfaction of our customers and their satisfaction is our Company's goodwill. The Board of Directors of the Company delegates the power to the Claims Committee for settling any

## DIRECTORS' REPORT

amount of claim in the quickest time. During the year 2021, the Company paid a net amount of Tk. 16,820,558 as claim which helped the customer to recover their losses. The last five years breakup of net claim paid is enumerated below:

(Amount in BDT)

2021	2020	2019	2018	2017
16,820,558	44,127,131	41,312,635	89,791,592	56,225,256

### Re-insurance

**Dear Shareholders,** the 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.

RICL has arranged sufficient protection through the reinsurance arrangement with state owned organization of Sadharan Bima Corporation (SBC). Republic Insurance 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 2021, the Company has paid re-insurance premium at Tk. 336,959,132 to protect the risk covered by the Company. Republic Insurance Company Limited 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 the event of any consequences.

### Statement of Profit & Loss and Other Comprehensive Income

**Dear Shareholders,** The Board of Directors is always careful about the honorable 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. 165,571,105 compared to the last year's balance. It is determined that during the year the Company paid huge amount of claims, which affected the profit of the Company. The breakup of the distribution is as follows:

Description	Amount (Taka)
Net Profit before Tax	165,571,105
Less: Provision for Income Tax & Deferred Tax	47,328,532
Net Profit After Tax	118,242,573
Add: Balance Brought forward of previous years retained earnings	74,695,254
Less: Reserve for Exceptional Losses	41,148,844
Less: Issuance of Bonus Share for the year 2020	32,460,550
Less: Cash dividend paid for the year 2020	32,460,569
Less: General Reserve	750,000
<b>Profit available for distribution</b>	<b>86,117,864</b>

### Earnings per Share (EPS)

**Dear Shareholders,** during the year 2021, the Company's EPS is Tk. 2.38 but it had been restated to Tk. 2.21 in 2020. As you know that we have, increased our capital on an average 8% for the last couple of years although we have been maintaining a steady increase of EPS compared to 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 increase the investment figure of the Company. Our wish is to earn more profit from the Company's investment. 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 last five years investment's breakup of the Company is furnished below:

(Amount in BDT)				
2021	2020	2019	2018	2017
<b>586,298,292</b>	527,203,401	474,107,897	435,025,602	466,276,135

## Dividend

**Dear Shareholders,** it is a great pleasure for the Board of Directors of the Company to recommend 5% stock dividend and 10% cash dividend for each share @ Tk. 10 for the year ended on December 31, 2021 subject to approval of the Shareholders in the 22nd Annual General Meeting. The Shareholders, whose names shall appear in the 'Depository Register' on the record date i.e. on the May 26, 2022 shall be entitled to this dividend.

## Corporate Social Responsibility (CSR)

**Dear Shareholders,** during the year 2021 the Company spent a considerable amount for medical treatment for the needs of 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 giving 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 has distributed 3500 blankets among the cold-stricken people in the year 2021. The Company's CSR policy is to develop the most under privileged people and to motivate them to self-reliant.

## Board Committees

Republic Insurance Company has several Sub-committee under the Board. The Board Members in their meeting appointed the Members for the sub-committee including the Chairman of Committee. After fulfillment the tenure of the committee, the members of committee changed within the Board members. Every sub-committee has separate scope of work and the Board approve the terms of references. The Sub-committee are independent and responsible to provide their expertise opinion to the Board. At present, there are 5 (five) sub-committees of the Company for performing their duties on behalf of the Board. The name of the committees are as under:

- (1) Executive Committee
- (2) Audit Committee
- (3) Nomination & Remuneration Committee (NRC)
- (4) Claims Committee
- (5) Investment Committee

# DIRECTORS' REPORT

## Retirement and election/re-election of Directors

### Retiring Directors (Group "A" and Group "B"):

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" and one Director from the public shareholders group i.e. group "B" will retire in this AGM:

#### Group "A":

- (1) Mrs. Hasina Gazi
- (2) Mr. S.M. Shafiqul Hoque
- (3) Mrs. Khurshida Rahman

#### Group "B":

- (1) Mr. Feroz U. Haider

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

### Public Shareholders Group "B":

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 Banijjya Protidin" on April 13, 2022 and 2 (two) applications received from public shareholders group "B" for appointment as Director. The matter was placed before the Nomination and Remuneration Committee (NRC). The NRC reviewed relevant papers and found eligible for election in the forthcoming AGM of the Company. The particulars of 2 (two) applicants are as under:

SL #	Name of applicants	BOLD #	No. of Shareholdings
01)	Mrs. Shahella Rashid Chowdhury (Nominated by Cove Investment Limited)	1203610073552397	2263973
02)	Mr. Mohammad Arif FCA, FCMA (Nominated by Unitex LP Gas Limited)	1203610073687831	1729758

## Appointment of Independent Directors

In Compliance with Bangladesh Securities and Exchange Commission (BSEC) Corporate Governance Notification No. SEC/CMRRCD/2006-158/207/Admin/80, dated: June 03, 2018, at present the Company has one Independent Director namely Mr. Md. Abdur Rouf. In compliance of the said notification the Board is searching competent and qualified person to appoint required Independent Directors of the Company.

## Remuneration paid to Directors including Independent Directors

The Company has paid Tk. 968,000 as directors' fee to the directors including Independent Directors for attending committee and Board meetings in 2021, which has been mentioned in company's profit and loss accounts. The Company has not paid any amount as remuneration to the directors in the year 2021.

## Credit Rating

Republic Insurance Company Limited has been awarded "AA-" (pronounced AA minus) 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 reports which help 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 a 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 adequate and effective control system. Although no system of internal financial control can provide absolute assurance against material misstatement or loss. The company's internal control systems 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.

## Appointment of Statutory Auditors

The Company's Statutory Auditors Malek Siddiqui Wali, Chartered Accountants will retire in the 22nd 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 2022 as per existing year fee. 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 Malek Siddiqui Wali, Chartered Accountants as Auditors of the Company for the year 2022 with a fee of Tk. 3,85,000.00 (including VAT & Tax) subject to approval of Shareholders in the 22nd Annual General Meeting.

## Appointment of Compliance Auditor

As per Corporate Governance Code No. BSEC/CMRRCD/2006-158/207/Admin/80 dated 3 June, 2018 the Board in its 137th meeting has re-appointed T. HUSSAIN & CO., Chartered Accountant for obtaining certificate of compliance of Corporate Governance for the year 2022 subject to approval in the 22nd Annual General Meeting.

## Corporate Governance

Dear Shareholders, the Board of Directors firmly believes that the practice of Good Corporate Governance is absolutely necessary 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/2006-158/207/Admin//80, dated June 03, 2018 along with a certificate from a practicing Chartered Accountant have been presented on page no. 51-65 in this report as Compliances on BSEC's Notification.

## Risk Reporting

The corporate disclosure of relevant information are very important for effective decision-making by investors and other stakeholders. Generally Companies provide information through various mandated and voluntary means. Mandated disclosures include financial reports and other regulatory filings, while voluntary disclosures are those made in addition to disclosures mandated by regulations, such as company presentations or profile and other adhoc disclosures.

## DIRECTORS' REPORT

Disclosure requirements for mandated financial reports are typically set out in country is legislation, stock exchange listing rules, national generally accepted accounting principles and the International Financial Reporting Standards (IFRS) The objectives of financial reporting are to provide financial information to equity and debt capital providers useful in decision making.

Pressure on companies to voluntarily provide more frequent disclosures, such as quarterly earnings guidance, has led to the view that companies have become too focused on delivering short-term results, potentially at the expense of their long-term viability. Investors demand for greater transparency includes increasing requests for the disclosure of non-financial information, such as environmental, social and governance data. Central to this demand is the argument that the disclosure of such data improves the ability of investors to evaluate and understand a company's long-term risks and that it is therefore relevant to investment-related decision making. Republic Insurance Company Limited endeavours to provide full disclosure information and meet all disclosure demands, mandated and non-mandated, as outlined above.

Disclosures relating to Risk reporting ensure proper identification of physical hazards based on risk factors, analysis on appropriate measures to control risks and the last but not the least, to decide on the extent of risk financing. Republic Insurance Company Limited, through their expert professionals time and again imparts awareness to the clients toward achieving the objectives of how to analyze the risk factors associated with different activities, observe how risks can affect decision making process, and how operational risks can be managed properly by arranging adequate insurance protection.

The basic risk specific information which need to be gathered and recorded are: (a) internal enquiry report which identify the possible cause of such incident, measures taken to control the loss, regular safety compliance and maintenance records (b) disclosure of risk in respect of date and time of occurrence of the incident along with its corresponding extent of loss, etc. all of which must be documented so that proactive measures for loss prevention can be prescribed.

Transparency is the key to the existing risk management system that Republic Insurance Company Limited always encourages its clients to maintain; Risk reporting disclosure ensures such transparency. It helps maintain records to aid in risk inspection properly and thus arrange for proper insurance protection and provide further advisory support for better risk management.

Republic Insurance Company Limited thus ensures/ encourages proper risk management of their clients that benefits them by saving resources. The clients' time, assets, property, income, and people - all are valuable resources that can be saved if fewer claims occur. Proper risk management also ensures protecting the reputation and public image of the clientele, preventing or reducing legal liability and increasing the stability of operations; it creates awareness in protecting people from harmful events, and thereby protecting the environment by enhancing competence and efficiency by reducing liabilities, and also assisting in clearly defining insurance needs.

Republic Insurance Company Limited though cannot entirely eliminate risks of its clientele, but through its experience of efficient risk management practice, endeavours to set forth its commitment to help its clients in loss minimization or provide advisory support for loss prevention and thus makes the client to manage a better risk to insure as well. Our concerted efforts thus help to control overall manufacturing and business environment. After all, following a loss while the economic consequences are made up through the mechanism of Insurance, we can never make up the effects of the loss on human beings, to the society, country and world at large.

### **Board Meeting**

The Board members sometimes review the activities of the Company and decide the topics relating to policy and accordingly, monitor the progress of the Company. As per the Companies Act 1994 and the Articles of Association the Board meetings are being held.

Board meetings are normally held to discuss and decide on major corporate, strategic and operational issues as



## DIRECTORS' REPORT

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. 6 (six) Meetings of the Board were held in 2021, wherein policies and major business and strategic decisions were taken, At the invitation of the Board Members, Senior Management person thereof attended Board Meetings for the purpose of participating in discussions.

### Related party transactions

As per International Accounting Standard (IAS) 19 "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: 35.00.

### Cost of Service and Profit Margin

The overall cost of services increased during the year, mainly due to reduce of premium rates and increase of Management expenses by 10% for COVID-19 to keep the services running according to the health guidelines recommended by the government. However, reduce Agent Commission expenses and Claims expenses by 53.09% and 61.88% respectively, RICL managed to increase the year-on-year net profit margin by 7% by taking various efficiency measures in controlling management cost and cost-saving initiatives across a wide array of spectrums.

### Entitlement of Dividend

Shareholders whose names shall appear in the Members Register of the Company or in the Depository Register of CDBL on the 'Record Date' of the respective year's AGM will receive entitled dividend.

### Process of Distribution of Cash Dividend

Cash dividend shall be paid directly to the bank account within 15 days and not more than 30 (thirty) days from the date of approval by the Shareholders in the AGM and the date of the Board's approval in case of interim Dividend subject to compliance of circulars/directives of BSEC or Bangladesh Bank or other regulatory authority from time to time.

### Procedure of stock dividend distribution

The stock dividend shall be credited within 30 (thirty) days of approval subject to the clearance of the regulatory requirement. Process for settling unpaid dividends unpaid or unclaimed cash dividend and stock dividend shall be settled as per instructions of the BSEC or other regulatory authority from time to time.

### Directors' declaration on the financial statements

The Directors are responsible for the governance of the Company and, as part of preparation and presentation of the financial statements for the year ended December 31, 2021 of Republic Insurance Company Limited, the Directors confirm, to the best of their knowledge that:

- ◆ The financial statements, prepared by the Management of the Company, which was duly scrutinised by the external auditors, present fairly its state of affairs, the result of its operations, cash flows and changes in equity;
- ◆ Proper books of account of the Company have been maintained;
- ◆ Appropriate accounting policies have been consistently applied in preparation of the Financial Statements and that the accounting estimates are based on reasonable and prudent judgments;
- ◆ The International Accounting Standards (IAS) and/or IFRS as applicable in Bangladesh, have been followed in preparation of the Financial Statements and any departure there from has been adequately disclosed;

## DIRECTORS' REPORT

- ◆ The system of internal control is sound in design and has been effectively implemented and monitored; and
- ◆ There is no doubt, whatsoever, upon the Company's ability to continue as a going concern.

As required under the BSEC Corporate Governance Codes, the Directors further confirm that:

- ◆ The CEO and CFO have certified to the Board that they have reviewed the financial statements and affirmed that these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading.
- ◆ The CEO and CFO have certified to the Board that they have reviewed the financial statements and affirmed that these statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards and applicable laws.
- ◆ The CEO and CFO have further certified to the Board that there are, to the best of their knowledge and belief, no transactions entered into by the Company during the year which are fraudulent, illegal or in violation of the Company's code of conduct. The CEO and CFO have further certified to the Board that there are, to the best of their knowledge and belief, no transactions entered into by the Company during the year which are fraudulent, illegal or in violation of the Company's code of conduct.

Declaration of CEO & CFO of the Board of Directors is shown in page 70 in this report.

### Other regulatory disclosures

Pursuant to the BSEC Notification on 'Code of Corporate Governance' (CGC) dated June 03, 2018, the Directors of RICL also report that:

- ◆ The Company is aware of its various risks and concerns. The financial risk management has been disclosed under Note 2.20 of the financial statements;
- ◆ All transactions with related parties have been made on a commercial basis and the details of related party and transactions have been disclosed under note 35 of the financial statements;
- ◆ Proper books of account of the Company have been maintained;
- ◆ Appropriate accounting policies have been followed in preparation of the financial statements and that the accounting estimates are based on reasonable and prudent judgment;
- ◆ The financial statements are prepared in accordance with IAS/IFRS and any departure there from has been adequately disclosed;
- ◆ The Company's IPO was made during inception. No further issue of any instrument was made during the year;
- ◆ From inception, the financial results of the Company have continued to grow as reflected in the yearly financial statements of the Company;
- ◆ No extraordinary gain or loss has been recognized in the financial statements of the Company;
- ◆ No significant variations have occurred between quarterly and final financial results of the Company during 2021;
- ◆ During the year, the Company has paid a total amount of Tk. 968,000 as Board meeting attendance fees;
- ◆ All significant deviations from the previous year in the operating results of the Company have been highlighted and reasons thereof have been explained;
- ◆ The key operating and financial data for the last five years have been disclosed in the Directors' Report;
- ◆ The Company has proposed cash dividend for the year 2021;

## DIRECTORS' REPORT

- ◆ During 2021, Six (6) Board Meetings were held, which met the regulatory requirements in this respect. The attendance records of the Directors are shown in page 67 in this report;
- ◆ Rights and interests of the minority Shareholders have been duly protected by means of transparent operations and proper disclosure of material information of the Company;
- ◆ No bonus or stock dividend has been declared as interim dividend during the year;
- ◆ A statement of 'Management Discussion and Analysis' has been presented on page 45-49 in this report;
- ◆ Shareholding pattern of the Company as on December 31, 2021 is shown in page 66 in this report; and
- ◆ Directors' profiles have been included in the Annual Report as per BSEC Guidelines.

### Financial statements

The Board of Directors of Republic Insurance Company Limited would like to inform that the Financial Statements containing the audited accounts for the year ended December 31, 2021 are in conformity with the requirements of the Companies Act, 1994, IAS and IFRS as adopted and applicable, Securities & Exchange Rules-1987 and the listing Regulations of the Dhaka and Chattogram Stock Exchanges, and believes that the Financial Statements reflect fairly the form and substance of all transactions carried out during the year under review and reasonably accurately present the Company's financial condition and results of its operations.

### Code of conduct for the chairperson, other Board members and Chief Executive Officer

The Company has prepared Code of conduct for the chairperson, other Board members and Chief Executive Officer and approved by the Board. The Code of conduct for the chairperson, other Board members and Chief Executive Officer is disclosed in page 86-90 in this report.

### Dividend distribution policy

The dividend policy outlines the amount of cash that will be distributed to the Shareholders every year as a dividend from the after-tax profit of the Company. The dividend policy is based on balancing the value expectations of Shareholders and ensuring funds availability for future expansion plans. The top line statement of the policy is that the Board of Directors proposes a remarkable dividend to the Shareholders of the Company's after-tax profit every year. The Board of Directors of the Company approved Dividend Distribution Policy as per applicable Acts and regulatory directives issued by the Bangladesh Securities and Exchange Commission. The Dividend Distribution Policy of the Company is shown in page 91-93 in this report.

### Future Prospect

It is a matter of optimism that Insurance Development and Regulatory Authority (IDRA) has rightly identified the obstacles in insurance industries and is trying to resolve those problems. Notable steps already taken are prohibition of undertaking risk with premium rate lower than tariff rate and stopping the tendency of issuing insurance documents without receiving premium. Insurance Companies and Bangladesh Insurance Association (BIA) have come forward in implementing the steps adopted by IDRA with sincerity. By this insurance companies are being benefited and they are advancing gradually toward prosperity. 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 for their appreciation and continued support and co-operation. The Company is

## DIRECTORS' REPORT

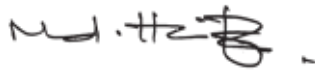
indebted to its clients, shareholders, the Government Authorities, particularly the Ministry of Finance, the Ministry of Commerce, Insurance Development & Regulatory Authority, Registrar of Joint Stock Companies & Firms, Bangladesh Securities and Exchange Commission, Dhaka Stock Exchange Ltd., Chittagong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

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



# MANAGEMENT DISCUSSION AND ANALYSIS

As per condition no. 1(5) (xxv) of the Corporate Governance Code 2018 issued by BSEC, the Management's Discussion and Analysis are as follows:

## (a) Accounting policies and estimation for preparation of Financial Statements

The Company follows International Accounting Standards (IAS) or International Financial Reporting Standards (IFRS) in preparing financial statements. Disclosure and rules as required by Insurance Act 2010 have been complied with while preparing financial statements and also in compliance with the Companies Act 1994. In addition, the Bangladesh Securities and Exchange Commission Rules 1987, Listing Regulations of Dhaka Stock Exchange Ltd. and Chattogram Stock Exchange Ltd. Detailed description of accounting policies and estimation used for preparation of the financial statements of the company are disclosed in the note 2 of the financial statements.

## (b) Changes in accounting policies and estimation

The Company has been following consistent policies and estimation in preparing its financial statements. However, IFRS 9 replaces IAS 39 previous year and any changes due to such replacement incorporated in the accounts accordingly.

## (c) Comparative analysis of financial performance or results and financial position as well as cash flows for current financial year with immediately preceding five years

The company consistently maintained attractive earnings growth for the last five years. The key operating and financial performances and financial position as well as cash flows for immediate preceding five years are as follows:

Figures are in million except ratios

Particulars	2021	2020	2019	2018	2017
Gross premium	748.44	780.01	680.29	534.38	478.24
Net premium	411.49	506.38	419.96	355.00	330.50
Underwriting profit	160.52	142.38	128.10	81.02	79.75
Investment & other income	40.67	44.93	31.46	26.77	32.81
Net profit before tax	165.57	154.10	123.26	80.96	88.40
Net profit after tax	118.24	109.46	87.45	61.17	59.49
EPS	2.38	2.21	1.89	1.41	1.51
NOCPs	1.78	2.95	2.24	(0.28)	0.64
Paid-up capital	496.18	463.72	433.39	393.99	350.21
Shareholders' equity	836.15	750.36	671.24	583.79	522.61
Total assets	1,515.84	1,367.45	1,195.06	1,055.12	1,005.50
NAVPS	16.85	16.18	15.49	14.82	14.92

Few figures of previous year have been restated after giving effect to declaration of stock dividend for the year 2020.

## MANAGEMENTDISCUSSION AND ANALYSIS

### (d) Comparison of such financial performance or results and financial position as well as cash flows with the peer industry scenario

Major areas of financial performances and financial position as well as cash flows with peer industry scenario for the year 2020 was as follows:

Figures are in million Taka

Particulars	Republic Insurance Co. Ltd.	Green Delta Insurance Co. Ltd.	Pioneer Insurance Co. Ltd.	Reliance Insurance Ltd.	Pragati Insurance Co. Ltd.
Gross premium	780.10	3,676.75	2,905.53	2,937.12	2,217.52
Net premium	506.39	1,609.36	1,585.49	1,062.50	980.00
Underwriting profit	160.54	956.40	656.24	470.98	320.21
Investment & other income	44.94	299.80	129.15	377.64	68.27
Net profit before tax	154.10	1,016.58	750.40	770.47	365.37
Net profit after tax	109.46	683.80	532.66	548.18	266.98
Paid Up Capital	463.722	931.98	699.81	1,051.61	655.90
Shareholder's equity	750.37	6,242.22	3,481.66	6,386.90	3,509.88
Total assets	1,367.46	11,304.98	5,338.77	10,277.80	5,144.46
NAVPS	16.18	66.98	49.75	60.73	53.51
Earning per Share (EPS)	2.21	7.34	7.61	5.21	4.07
NOCPS	2.95	8.22	5.82	6.50	8.53

Source: Published Annual Report 2020

### (e) Financial and economic scenario of the country and the globe

According to World Bank, after rebounding to an estimated 5.5 percent in 2021, global growth is expected to decelerate markedly to 4.1 percent in 2022, reflecting continued COVID-19 flare-ups, diminished fiscal support, and lingering supply bottlenecks. Global growth is projected to soften further to 3.2 percent in 2023.

According to Bangladesh Bank statistics, GDP growth forecast for Bangladesh are: FY2020 5.2%; FY2021 8.2%; FY2022 8.3% According to Swiss Re, Global insurance premium will grow at 3.3% in 2021 to a total of \$6.9 trillion in line with the global economic growth of 5.8% in 2021 and forecasts 3.9% insurance premium growth for 2022. This is in marked contrast with the figures for 2020 when Global Insurance Premium became stagnant at US\$6.28 trillion, with virtually no growth Insurance penetration in Bangladesh in GDP percentage declined to 0.40% (Life 0.3% & Non-life 0.1%) in 2020, from 0.49% a year ago. In Bangladesh, total insurance premium in 2020 fell by 3.1% in nominal terms and when it comes to inflation adjusted change, it was 8.2% lower than the previous year. Bangladesh is now 69th largest market in terms of the total insurance premium volume (Life + Non-life) in 2020.

Bangladesh non-life insurance industry continues to operate as one of the smallest in the world (holding 87th position in the world ranking). In the non-life insurance sector, 45 private insurers and 1 state-owned corporation have earned TK 37,373.82 million in 2020.

### (f) Risks and concerns issues related to the financial statements, explaining such risk and concerns mitigation plan of the company

The insurance industry in Bangladesh, particularly, Non-life Insurance Companies are increasingly facing new challenges of different nature over the years and to encounter such challenges, proper risk management is of

## MANAGEMENTDISCUSSION AND ANALYSIS

prime consideration. Increasing pressure is mounting up day by day on the insurers for implementation and professionalizing the existing risk management practices to cater to requirements arising under changing environment.

### **Risk Management:**

An organization needs to analyze and comprehend critically the risks to which it is exposed and the possible quantum of loss associated with such risks. After obtaining clear understanding of the risk and consequences thereof, the management of an Organization can make decisions about the acceptability or otherwise in relation to those exposures. Risk management thus enables a management to effectively deal with uncertainty and its associated risks along with the opportunity for capacity building. The fundamental objective of risk management is preservation of assets and earning power from potential loss or destruction.

The role of risk management in the operation of an insurance company, specially, in case of non-life insurance organizations, it is of immense importance. This is because enterprises prefer to transfer their risk on the insurer as a transfer mechanism which is part of their overall risk management and the insurer has to manage the acquired risks in such a competent way to operate their business with profitability even after adequately settling of claims to retain customer confidence as a trusted insurer. There lies the operational challenge for risk management on the part of a non-life insurance company, like Republic Insurance Company.

### **Underwriting Risk:**

The key insurance risks for general insurance contracts arise from uncertainty in the timing and amount of claims. The Company addresses these risks through its underwriting and reinsurance strategy. The Company also monitors and reacts to changes in the general economic and commercial environment in which it operates. The underwriting strategy of the Company is to seek diversity to ensure a balanced portfolio. The general insurance underwriting function's performance and adherence to the underwriting guidelines/authority limits are measured on a periodic basis.

Insurance underwriters evaluate the risk and exposures of the prospective clients. They decide how much coverage the client should receive, how much they should pay for it, or whether to even accept the risk and insure them. Underwriting involves measuring risk exposure and determining the premium that needs to be charged to insure that risk. The function of the underwriter is to acquire or to "write" business that will make the insurance company money, and to protect the company's book of business from risks that they feel will make a loss. In simple terms, it is the process involving decision making and processing culminating in issuing of insurance policies.

Underwriting decisions would typically be influenced by PML (Probable Maximum Loss) evaluations, and the amount of reinsurance ceded on a risk would normally be predicated on the PML valuation. PML is the anticipated value of the largest loss that could result from the destruction and the loss of use of property, given the normal functioning of protective features (firewalls, sprinklers, and a responsive fire department, among others, in the case of a fire loss). This number is usually smaller than the (MFL) maximum foreseeable loss, which assumes the failure of all protective features.

### **Reinsurance Risk:**

Ceded reinsurances contain credit risks, and such reinsurance recoverable is reported after impairment provisions as a result of occurred recognized asset. The Company monitors the financial condition of reinsurers on an on-going basis and reviews its reinsurance arrangements periodically.

## MANAGEMENTDISCUSSION AND ANALYSIS

### **Operational Risk:**

Operational risk is the risk of loss resulting from inadequate or failed internal processes, people and systems, or from external events. However, this definition includes legal risk but excludes systematic risk and reputational risk. During the early part of the decade, much of the focus was on techniques for measuring the managing market risk. As the decade progressed, this shifted to techniques of measuring and managing credit risk. By the end of the decade, firms and regulators were increasingly focusing on risks “other than market and credit risk.” These came to be collectively called operational risks. This catch-all category of risks was understood to include.

- (i) Employee errors
- (ii) Systems failures
- (iii) Fire, floods or other losses to physical assets
- (iv) Fraud or other criminal activity

Operational risk has primarily emerged from banking industry. In banking industry thousands of transactions are processed each day therefore the amount of data in respect of losses arising from operation failures is more abundant. This naturally lends itself to the development of frequency and severity models to evaluate the aggregate loss distribution and hence the capital requirement.

Operational risk has been recognized as an important risk for insurers as well as for banks. But a challenge for insurer’s in assessing operational risk is to separate this risk from the loss experience data typically collection for the other underwriting, credit and market risk. For example, insurer will need to examine the portion of their underwriting losses that are really due to ineffective or faulty underwriting processes or client management.

### **Credit Risk:**

Credit risk is the risk of financial loss to the Company if a customer or counterparty to financial instruments fails to meet its contractual obligations, and arises principally from cash and cash equivalents, time deposits, and trade accounts receivable.

The credit risk with trade and other receivable is limited, as the Company has numerous clients located in various geographical regions. The Company’s exposure to credit risk is influenced mainly by the individual characteristics of each customer. For risk control, the customers are as follows governmental organizations, listed public limited companies, and other customers.

The maximum exposure to credit risk is represented by the carrying amount of each financial asset, including derivative financial instruments, in the balance sheet. There are no commitments that could increase this exposure to more than the carrying amounts.

### **Market Risk:**

Market risk is the risk that changes in market prices, foreign exchange rates, and other prices will affect the Company’s result or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters while optimizing the return on risk.

### **Liquidity Risk:**

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due.



## MANAGEMENTDISCUSSION AND ANALYSIS

Accounts and Finance manages the Company's liquidity to ensure sufficient liquidity to meet all liabilities when due, under both normal and stressed conditions, without facing unacceptable losses or risking damage to the Company's reputation.

### **Risk Mitigation:**

When risks are evaluated, some risks are better not to avoid or accept. Risk mitigation refers to the processes and methods of controlling risk. When risk and its probability can be identified, one can allocate resources for its management.

### **Risk Mitigation and Transfer:**

Physical loss preventive measures include: compliance of a number of safety rules guided by Factories Act, Building Code, etc. Installation of proper fire-fighting equipment, checking performance of those equipment and apply improvements wherever required, conduct fire drill at regular intervals with proper record, Maintenance of clean, wholesome and apparently risk-free environment for the workers as well as for the overall workplace.

Risk financing tools include decisions regarding partial risk retention with acceptance limit and spreading / transfer of the remaining portion of risk. It is imperative for an insurer to take different steps to lessen the risk associated with its business. These include: purchase of adequate reinsurance protection, securitization of a portion of its asset or liability portfolio, hedging of financial guarantees using derivative instruments, use of product design to pass on the risk to policyholders as well for active risk management to the extent that these measures effectively reduce a company's risk. Appropriate attention and recognition should be given in the calculation of a company's required capital. The difficulty lies in properly assessing the actual degree of risk with regard to short term and long term economic, technical, and regulatory changes that has been transferred from the insurance company in these arrangements.

### **(g) Future plan or projection or forecast for company's operation, performance and financial position**

Although the year 2021 was exceedingly difficult for all of us, Republic Insurance Company Limited believe in its underlying strengths and resilience to deliver optimum service to its customers. The company finds new pathway of providing services. It will continuously take diversified business approach and invest in building capabilities for further entrenching the leadership position in the market and continuing with the successful operations of the company for foreseeable future.



**(Dr. A K M Sarwar Jahan Zamil)**  
Chief Executive Officer

# 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 shareholders 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 has been prepared by Insurance Development and Regulatory Authority (IDRA) but not yet been approved by concerned ministry thereby not yet promulgated through official gazette.

During 2021, Republic Insurance Company Limited solvency margin was above the required level. RICL's required solvency was Tk. 186,747,468 whereas the Company's available solvency margin was Tk. 741,838,533 which means the value of assets had been more than the liabilities in that particular period. Therefore, the available solvency was Tk. 3.97 times of required solvency margin.

Description	2021 (Amount in Taka)	2020 (Amount in Taka)
Available Solvency (ASM)	741,838,533	709,770,083
Required Solvency (RSM)	186,747,468	202,894,287
Solvency ratio ASM/ RSM (times)	<b>3.97</b>	<b>3.50</b>

# COMPLIANCE REPORT ON BSEC'S NOTIFICATION

[As per condition No. 1(5)(xxvii)]

Status of compliance with the conditions of Corporate Governance Code as imposed by Bangladesh Securities and Exchange Commission (BSEC) by the Notification no. BSEC/CMRRCD/2006-158/207/Admin/80 dated June 03, 2018 issued under section 2CC of The Bangladesh Securities and Exchange Ordinance, 1969:

(Report under Condition No.9.00)

Annexure-C

Condition No.	Title	Status		Remarks
		Complied	Not Complied	
<b>1.0</b>	<b>BOARD OF DIRECTORS</b>			
1(1)	Board's Size: The number of the Board members of the company shall not be less than 5 (five) and more than 20 (twenty).	√		The RICL Board is comprised of 12 Directors.
<b>1.2</b>	<b>Independent Directors</b>			
1(2)(a)	At least one fifth(1/5) of the total number of directors in the company's board shall be independent directors.	Partly Complied		Mr. Md. Rouf had been appointed as independent director on May 25, 2021 and approved in AGM. Recruitment of another two independent director is under process
1(2)(b)(i)	The independent director does not hold any share in the company or holds less than one percent (1%) shares of the total paid-up shares of the company;	√		The Independent directors have declared their compliances. Status of shareholding of independent directors:1. Mr. Md. Rouf 0.0%
1(2)(b)(ii)	The independent director is not a sponsor of the company and is not connected with the company's any sponsor or director or shareholder who holds one percent (1%) or more shares of the total paid-up shares of the company on the basis of family relationship. His/her family members also should not hold above mentioned shares in the company: Provided that spouse, son, daughter, father, mother, brother, sister, son-in-law and daughter-in-law shall be considered as family members.	√		Complied
1(2)(b)(iii)	Who has not been an executive of the company in immediately preceding 2 (two) financial years	√		
1(2)(b)(iv)	The independent director does not have any other relationship, whether pecuniary or other wise, with the company or its subsidiary/associated-companies.	√		
1(2)(b)(v)	Independent Directors are not the members or TREC holder, directors or officers of any stock exchange.	√		
1(2)(b)(vi)	Who is not the shareholder, directors excepting independent director or officer of any member or	√		

## COMPLIANCE REPORT ON BSEC'S NOTIFICATION

Condition No.	Title	Status		Remarks
		Complied	Not Complied	
	TREC ;holder of stock exchange or an intermediary of the capital market.			
1(2)(b)(vii)	The independent director is 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 services or audit firm conducting special audit or professional certifying compliance of this Code.	√		Complied
1(2)(b)(viii)	The independent director shall not be an independent director in more than 5 (five) listed companies.	√		
1(2)(b)(ix)	The independent director has not been convicted by a court of competent jurisdiction as a defaulter in payment of any loan to a bank or a Non-Bank Financial Institution (NBFI).			
1(2)(b)(x)	The independent director has not been convicted for a criminal offence involving moral turpitude.	√		
1(2)(c)	The independent director(s) shall be appointed by the board of directors and approved by the shareholders in the Annual General Meeting (AGM).	√		Mr. Md. Abdur Rouf has been appointed by the board to fulfill the vacancy and in AGM.
1(2)(d)	The post of independent director(s) cannot remain vacant for more than 90 (ninety) days.		√	Post of two independent directors' remains vacated more than 90 days.
1(2)(e)	The tenure of office of an independent director shall be for a period of 3 (three) years, which may be extended for 1 (one) term only.	√		Mr. Md. Abdur Rouf have been continuing his position for the first term
<b>1.3</b>	<b>Qualification of Independent Director (ID)</b>			
1(3)(a)	Independent Director shall be knowledgeable individual with integrity.	√		The qualification justify their abilities as such
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 or a member of any national or international chamber of commerce or business association.	N/A		
1(3)(b)(ii)	Corporate leader who is or was a top level executive not lower than CEO or MD or DMD or CFO or Head of Finance or Accounts or company secretary or head of internal audit and compliance or head of legal service or a candidate with equivalent position of an unlisted company having minimum paid up capital of 100 million or of a listed company.	√		Mr. Md. Abdur Rouf is a corporate leader holding position of CEO/COO/ Consultant of different organizations and having experience over 12 years.
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 (at least bachelor degree in economics or commerce or business or law).	N/A		



## COMPLIANCE REPORT ON BSEC'S NOTIFICATION

Condition No.	Title	Status		Remarks
		Complied	Not Complied	
1(3)(b)(iv)	University teacher who has an educational background in economics or commerce or business studies or law.	N/A		
1(3)(b)(v)	Professional or who is or was an advocate practicing at least in the high court division of supreme court or a CA or CMA or CFA or CCA or CPA or CMA or CS or equivalent position.	N/A		
1(3)(c)	The Independent Director shall have at least 10 years of experience in any field mentioned in clause (b).	√		Independent director is former business and corporate leader with more than 12 years of experience.
1(3)(d)	In special cases, the above qualifications or experiences may be relaxed subject to prior approval of the Commission.	N/A		
<b>1.4</b>	<b>Duality of Chairperson of the Board of Directors and Managing Director or Chief Executive Officer</b>			
1(4)(a)	The Chairman of the Board and the Managing Director (MD) and/or Chief Executive Officer (CEO) shall be different individuals.	√		Chairman of Board and Managing Director are different individuals.
1(4)(b)	The MD and/or CEO of a listed company shall not hold the same in another listed company.	√		The Managing Director does not hold the same position in any other listed company.
1(4)(c)	The Chairman of the board shall be elected from among the non-executive Directors of the company.	√		The chairman is elected from among non-executive directors.
1(4)(d)	The board shall clearly define respective roles & responsibilities of chairperson and MD or CEO.	√		The roles and responsibilities of the chairperson and MD are clearly defined.
1(4)(e)	In the absence of chairperson of the board, remaining members may elect one of themselves from non-executive directors as chairperson & the reason of absence shall be duly recorded in the minutes.	√		In practice
<b>1.5</b>	<b>The Director's Report to Shareholders</b>			
1(5)(i)	Industry outlook and possible future developments in the industry.	√		The Directors report complies with the guideline.
1(5)(ii)	Segment-wise or product-wise performance.	√		
1(5)(iii)	Risk and Concern including external & internal risk factors threat to sustainability & negative impact on environment, if any.	√		
1(5)(iv)	A discussion on Cost of Goods sold, Gross Profit Margin and Net Profit Margin.	√		
1(5)(v)	Discussion on continuity of any Extra-Ordinary gain or loss.	√		
1(5)(vi)	Basis for related party transactions- a statement of all related party transactions should be	√		Basis of Transactions and a statement of all

## COMPLIANCE REPORT ON BSEC'S NOTIFICATION

Condition No.	Title	Status		Remarks
		Complied	Not Complied	
	disclosed in the Annual Report.			related party transactions are disclosed under notes to the financial statements no.2.27 and Note 35
1(5)(vii)	Utilization of proceeds from public issues, rights issues and/or through any others instruments.	√		No such issue made in 2021.
1(5)(viii)	An explanation if the financial results deteriorate after the company goes for Initial Public Offering (IPO), Repeat Public Offering (RPO), Rights Offer, Direct Listing etc.	N/A		
1(5)(ix)	If significant variance occurs between Quarterly Financial Performance and Annual Financial Statements the management shall explain about the variance on their Annual Report.	N/A		
1(5)(x)	Remuneration to directors including independent directors.	√		Disclosed directors report & Statement of Profit & Loss and Other Comprehensive Income.
1(5)(xi)	The financial statements prepared by the management of the issuer company present fairly its state of affairs, the result of it operations, cash flows and changes inequity.	√		Discussed under Directors Report, CEO & CFO declaration & Notes to the Financial Statements Notes 2.00
1(5)(xii)	Proper books of accounts of the issuer company have been maintained.	√		
1(5)(xiii)	Appropriate accounting policies have been consistently applied in preparation of the financial statements and that the accounting estimates are based on reasonable and prudent judgment.	√		
1(5)(xiv)	International Accounting Standards (IAS)/ International Financial Reporting Standard (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 implemented and monitored.	√		
1(5)(xvi)	Minority shareholders have been protected.	√		
1(5)(xvii)	There are no significant doubts 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 thereof should be disclosed.	√		
1(5)(xviii)	Significant deviations from the last year's operating results of the issuer company shall be highlighted and the reasons thereof should be explained.	√		Discussed under Directors Report

## COMPLIANCE REPORT ON BSEC'S NOTIFICATION

Condition No.	Title	Status		Remarks
		Complied	Not Complied	
1(5)(xix)	Key operating and financial data of at least preceding 5 (five) years shall be summarized.	√		Discussed in Directors Report
1(5)(xx)	If the issuer company has not declared dividend (cash or stock) for the year, the reasons thereof shall be given.	N/A		The Board of RICL has recommended 5% stock & 10% cash dividend for the year.
1(5)(xxi)	Board's statement to the effect that no bonus share 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.	√		6 Board Meeting held during the year and discussed under Directors Meeting Attendance 2021
<b>1(5)(xxiii)</b>	<b>A report on the pattern of shareholding disclosing the aggregate number of shares (along with name wise details where stated below) held by:</b>			
1(5)(xxiii)(a)	Parent/Subsidiary/Associated Companies and other related parties (name wise details).	N/A		
1(5)(xxiii)(b)	Directors, Chief Executive Officer, Company Secretary, Chief Financial Officer, Head of Internal Audit and their spouses and minor children (name wise details).	√		Directors, Chief Executive Officer, Company Secretary, Chief Financial Officer, Head of Internal Audit and their spouses and minor children do not hold any shares of the company.
1(5)(xxiii)(c)	Executives.	√		Executives or managers do not hold any shares of the company.
1(5)(xxiii)(d)	Shareholders holding ten percent (10%) or more voting interest in the company (name wise details).	√		Stated in Notes to the Financial Statements no. 3.3
<b>1(5)(xxiv)</b>	<b>In case of appointment/re-appointment of a Director the company shall disclose the following information to the shareholders</b>			
1(5)(xxiv)(a)	a brief resume of the director;	√		Stated in the profile of directors in the annual report
1(5)(xxiv)(b)	Nature of his/her expertise in specific functional areas;	√		
1(5)(xxiv)(c)	Names of companies in which the person also holds the directorship and the membership of committees of the board.	√		
1(5)(xxv)	A management discussion and analysis signed by CEO or MD presenting detailed analysis of the company's position and operations along with a brief discussion of changes in the financial statement, among others focusing on:	√		Disclosed in the annual report under management discussion and analysis caption

## COMPLIANCE REPORT ON BSEC'S NOTIFICATION

Condition No.	Title	Status		Remarks
		Complied	Not Complied	
1(5)(xxv)(a)	Accounting policies & estimation for preparation of financial statements.	√		Stated under Directors Report, Management Discussion Analysis and Notes to the Financial Statements Notes 2.00
1(5)(xxv)(b)	Changes in accounting policies & estimation, if any clearly describing the effect on financial performance or results and financial position as well as cash flows in the absolute figures.	√		
1(5)(xxv)(c)	Comparative analysis (including effects of inflation) of financial performance or results and financial position as well as cash flows in the absolute figures.	√		
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 globe.	√		
1(5)(xxv)(f)	Risks & concerns issued related to the financial statements, explaining such risk 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, with jurisdiction thereof, i.e. actual 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(3) shall be disclosed as per Annexure-A.	√		Stated in annual report under CEO and CFO declaration
1(5)(xxvii)	The report as well as certificate regarding compliance of conditions of the code as required under condition No.9 shall be disclosed as per Annexure-B & Annexure-C.	√		The certificate regarding the compliance of conditions is disclosed in the annual report.
1(6)	The company shall conduct its Board meetings and record the minutes of the meetings as well as keep required books and records in line with Bangladesh Secretarial Standards as adopted by the Institute of Chartered Secretaries of Bangladesh.	√		Company maintains a minutes book for Board Meeting Minutes as per the provision of Bangladesh Secretarial Standards (BSS) as adopted by the Institute of Chartered Secretaries of Bangladesh (ICSB)
<b>1.7</b>	<b>Code of Conduct for the Chairperson, other Board Members and Chief Executive Officer (CEO)</b>			
1(7)(a)	The board shall lay down a code of conduct, based on the recommendation of the NRC at condition No.6 for the chairperson of the board, other board members & CEO of the company.	√		A code of conduct set for Chairman of the Board, other members of the Board and Chief Executive Officer of the company based on the



## COMPLIANCE REPORT ON BSEC'S NOTIFICATION

Condition No.	Title	Status		Remarks
		Complied	Not Complied	
				recommendation of the Nomination and Remuneration Committee (NRC)
1(7)(b)	The code of conduct as determined by the NRC shall be posted in the website of the company among others prudent conduct & behavior; confidentiality; conflict of interest; compliance with laws , rules & regulations; prohibition of insider trading; relationship with environment, employees, customers and suppliers; and independency.	√		Posted in the website and visible for all stakeholders.
<b>2.00</b>	<b>Governance of Board of Directors of Subsidiary Company</b>			
2(a)	Provisions relating to the composition of the Board of Directors of the holding company shall be made applicable to the composition of the Board of Directors of the subsidiary company.	N/A		RICL does not have any subsidiary company
2(b)	At least 1 (one) independent director on the Board of Directors of the holding company shall be a director on the Board of Directors of the subsidiary company.	N/A		
2(c)	The minutes of the Board meeting of the subsidiary company shall be placed for review at the following Board meeting of the holding company.	N/A		
2(d)	The minutes of the respective Board meeting of the holding company shall state that they have reviewed the affairs of the subsidiary company also.	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		
<b>3.0</b>	<b>Managing Director (MD) or Chief Executive Officer (CEO), Chief Financial Officer (CFO), Head Of Internal Audit And Compliance (HIAC) and Company Secretary (CS)</b>			
<b>3.1</b>	<b>Appointment</b>			
3(1)(a)	The Board shall appoint a Managing Director (MD) or Chief Executive Officer (CEO), a Company Secretary (CS), a Chief Financial Officer (CFO) and a Head of Internal Audit and Compliance (HIAC).	√		The Company has appointed MD, CFO, CS and Head of Internal Audit
3(1)(b)	The positions of the MD or CEO, CS, CFO and HIAC shall be filled by different individuals.	√		The MD, CFO, CS and Head of Internal Audit are four 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.	√		In practice

## COMPLIANCE REPORT ON BSEC'S NOTIFICATION

Condition No.	Title	Status		Remarks
		Complied	Not Complied	
3(1)(d)	The Board shall clearly define respective roles, responsibilities and duties of the CFO, the HIAC and the CS.	√		The roles, responsibilities and duties of MD, CFO, CS and HIAC are clearly defined which have been approved by the Board as per requirement of BSEC notification
3(1)(e)	The MD or CEO, CS, CFO and HIAC shall not be removed from their position without approval of the Board as well as immediate dissemination to the Commission and stock exchange(s).	√		In Practice
3(2)	The MD or CEO, CS, CFO and HIAC of the company shall attend the meetings of the Board. Provided that the CS, CFO and/or the HIAC shall not attend such part of a meeting of the Board which involves consideration of an agenda item relating to their personal matters.	√		
<b>3.3</b>	<b>Duties of Managing Director or Chief executive Officer and Chief Financial Officer</b>			
3(3)(a)	The MD or CEO and CFO shall certify to the board that they have reviewed financial statements.	√		In Practice
3(3)(a)(i)	These statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading.	√		
3(3)(a)(ii)	These 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 certification of the MD or CEO and CFO that 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 or CEO and CFO shall be disclosed in the annual report	√		Disclosed in Annual Report
<b>4.0</b>	<b>Board of Directors' Committee</b>			
4(i)	The Board shall have an Audit Committee as a sub-committee of the Board.	√		In Practice
4(ii)	The Board shall have a Nomination & Remuneration Committee as a sub-committee of the Board	√		
<b>5.0</b>	<b>Audit Committee</b>			
<b>5.1</b>	<b>Responsibility to the Board of Directors</b>			
5(1)(a)	Audit Committee shall be the sub-committee of the Board of Directors.	√		In Practice. TOR is available
5(1)(b)	The committee shall assist the Board of Directors in ensuring that the financial statements reflect true and fair view of the state of affairs of the	√		The audit committee duly discharged its responsibilities.

## COMPLIANCE REPORT ON BSEC'S NOTIFICATION

Condition No.	Title	Status		Remarks
		Complied	Not Complied	
	company and in ensuring a good monitoring system within the business.			
5(1)(c)	The Audit Committee shall be responsible to the Board of Directors. The duties of the Audit Committee shall be clearly set forth in writing.	√		In Practice
<b>5.2</b>	<b>Constitution of the Audit Committee</b>			
5(2)(a)	The Audit Committee shall be composed of at least three members.			The Audit Committee is comprised of 3 (Three) members
5(2)(b)	Board shall appoint members of Audit Committee from non-executive directors except chairperson including one independent director.	√		The members of the Audit Committee are appointed by the Board who are Non-Executive Directors and which includes one Independent Director
5(2)(c)	All members of the audit committee should be financially literate and at least one member shall have accounting or related financial management experience and ten years of such experience.	√		Based on the academic qualifications and professional experiences, the Board reviewed and considered that all the existing members of the Audit Committee are 'financially literate' and they have 'related financial management experience' as per codes of BSEC. The members have also given their declarations
5(2)(d)	When the terms of service of any committee member expires or there is any circumstances causing any committee member to be unable to hold before expiration of terms of service where number of Committee members falls short than the prescribed number the board shall fill the vacancy immediately or not later than 1 one month from the date of vacancy.	√		Such situation not arise during the year
5(2)(e)	The company secretary shall act as the secretary of the committee.	√		In Practice
5(2)(f)	The quorum of the Audit Committee meeting shall not constitute without at least one independent director.	√		
<b>5.3</b>	<b>Chairperson of the Audit Committee</b>			
5(3)(a)	Chairman of the Audit Committee shall be an Independent Director appointed by the Board.	√		Mr. Abdur Rouf has been appointed as Chairman of Audit Committee who is an Independent Director.

## COMPLIANCE REPORT ON BSEC'S NOTIFICATION

Condition No.	Title	Status		Remarks
		Complied	Not Complied	
5(3)(b)	In the absence of the chairperson of the audit committee remaining members may elect one of themselves as Chairperson for that particular meeting.	√		In Practice
5(3)(c)	Presence of Chairman of the Audit Committee in the Annual General Meeting.	√		
<b>5.4</b>	<b>Meeting of the Audit Committee</b>			
5(4)(a)	Frequency of Meeting of the Audit Committee.	√		In Practice
5(4)(b)	Quorum of the Audit Committee Meeting.	√		
<b>5.5</b>	<b>Role of Audit Committee shall include the following</b>			
5(5)(a)	Oversee the financial reporting process.	√		In Practice
5(5)(b)	Monitor choice of accounting policies and principles.	√		
5(5)(c)	Monitor internal audit and compliance process, approval of internal audit and compliance plan and review of these reports.	√		
5(5)(d)	Oversee hiring and performance of external auditors.	√		
5(5)(e)	Hold meeting with external auditors for review of annual financial statements before submission to the board.	√		
5(5)(f)	Review along with the management, the annual financial statements before submission to the board for approval.	√		
5(5)(g)	Review along with the management, the quarterly and half yearly financial statements before submission to the board for approval.	√		
5(5)(h)	Review the 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.	N/A		Statutory auditor did not issue a letter on internal control weakness other than emphasis of matter regarding shareholding in note no. 3.03 We go through their identified risks and their responses to reduce their risk.
5(5)(l)	Oversee the determination of audit fees and others for effective audit and evaluate performance of external auditors.	√		In Practice
5(5)(m)	When money is raised through Initial Public Offering(IPO)/Repeat Public Offering (RPO)/Rights Issue the company shall disclose to the Audit Committee about the uses/applications of funds by major category (capital expenditure, sales and	√		There was no IPO/ RPO/Rights Issue in 2021 or in recent past.

## COMPLIANCE REPORT ON BSEC'S NOTIFICATION

Condition No.	Title	Status		Remarks
		Complied	Not Complied	
	marketing expenses, working capital, etc.), on a quarterly basis and annual basis.			
<b>5.6</b>	<b>Reporting of the Audit Committee</b>			
<b>5(6)(a)</b>	<b>Reporting to the Board of Directors</b>			
5(6)(a)(i)	The Audit Committee shall report on its activities to the Board of Directors.	√		In Practice
<b>5(6)(a)(ii)</b>	<b>The Audit Committee shall immediately report to the Board of Directors on the followings, if any</b>			
5(6)(a)(ii)(a)	Report on conflicts of interests;	N/A		Such situation didn't occurred
5(6)(a)(ii)(b)	Suspected or presumed fraud or irregularity or material defect in the internal audit & compliance process or in the financial statement;	N/A		There was no such issue arise during the year
5(6)(a)(ii)(c)	Suspected infringement of laws, including securities related law, rules and regulations;	N/A		
5(6)(a)(ii)(d)	Any other matter which shall be disclosed to the Board of Directors immediately.	N/A		
<b>5(6)(b)</b>	<b>Reporting to the Authorities:</b> If the Audit Committee has reported to the Board of Directors about anything which has material impact on the financial condition and results of operation and has discussed with the Board of Directors and the management that any rectification is necessary and if the Audit Committee finds that such rectification has been unreasonably ignored, the Audit Committee shall report such finding to the Commission, upon reporting of such matters to the Board of Directors for three times or completion of the period of 6 (six) months from the date of first reporting to the Board of Directors, whichever is earlier.	N/A		
<b>5(7)</b>	<b>Reporting to the Shareholders and General Investors:</b> Report on activities carried out by the Audit Committee, including any report made to the Board of Directors under condition 5.6.a(ii) above during the year, shall be signed by the Chairman of the Audit Committee and disclosed in the annual report of the issuer company.	√		Activity of AC has disclosed in the Annual Report
<b>6.00</b>	<b>Nomination And Remuneration Committee (NRC)</b>			
<b>6.1</b>	<b>Responsibility to the board of directors</b>			
6(1)(a)	The company shall have a NRC as a sub-committee of the board.	√		Already in place. The TOR is available
6(1)(b)	NRC shall assist the board in formulation of the nomination criteria or policy for determining qualifications, positive attributes, experiences and independence of directors & top level execu-	√		The NRC duly discharged its responsibilities



## COMPLIANCE REPORT ON BSEC'S NOTIFICATION

Condition No.	Title	Status		Remarks
		Complied	Not Complied	
	tives as well as considering remuneration of directors, top level executive.			
6(1)(c)	The Terms of Reference (ToR) of the NRC shall be clearly set forth in writing.	√		In practice. The Terms of Reference is clearly set forth in writing covering all relevant areas as stated in the code.
<b>6.2</b>	<b>Constitution Of the NRC</b>			
6(2)(a)	The committee shall comprise of at least 3 members including an independent director.	√		The Committee is comprised of 4 members including an Independent Director
6(2)(b)	All members of the committee shall be non-executive directors.	√		In Practice
6(2)(c)	Members of the committee shall be nominated and appointed by the board.	√		The NRC members are appointed by the Board
6(2)(d)	The board shall have authority to remove and appoint any member of the committee.	√		In Practice
6(2)(e)	In case of death, resignation, disqualification, or removal of any member of the committee or any other cases of vacancies, the board shall fill the vacancy within 180 days (one hundred eighty) of occurring such vacancy.	N/A		Such situation not arise during the year
6(2)(f)	The chairperson of the committee may appoint or co-opt any external expert or members of staff to committee who shall be non-voting member.	N/A		The Committee didn't appoint or co-opt any external expert or member
6(2)(g)	Company secretary shall act as the secretary of the committee.	√		In Practice
6(2)(h)	Quorum of the NRC shall not constitute without attendance of at least an independent director.	√		
6(2)(i)	No member of the NRC shall receive any remuneration other than Directors' fees or honorarium from the company .	√		
<b>6.3</b>	<b>Chairperson of the NRC</b>			
6(3)(a)	The board shall select one member of the NRC to be chairperson of the committee who shall be an independent director.	√		Mr. Abdur Rouf has been appointed as chairman of NRC by the Board. He is an Independent Director
6(3)(b)	In the absence of chairperson of NRC, the remaining members may elect one of themselves as chairman of the meeting.	√		In Practice
6(3)(c)	The chairperson of NRC shall attend the AGM and in the absence of regular chairperson, any member from the NRC shall be selected to attend in AGM.	√		
<b>6.4</b>	<b>Meeting of the NRC</b>			
6(4)(a)	The NRC shall conduct at least one meeting in a financial year.	√		In Practice

## COMPLIANCE REPORT ON BSEC'S NOTIFICATION

Condition No.	Title	Status		Remarks	
		Complied	Not Complied		
6(4)(b)	The Chairperson of the NRC may convene any emergency meeting upon request by any member of the NRC.	√		To be complied if needed	
6(4)(c)	The quorum of the meeting of the NRC shall be constituted in presence of either two members or two third of the members of the Committee, whichever is higher, where presence of an independent director is must.	√		In Practice	
6(4)(d)	The proceedings of each meeting of the NRC shall duly be recorded in the minutes and such minutes shall be confirmed in the next meeting of the NRC.	√			
<b>6.5</b>	<b>Role of the NRC</b>				
6(5)(a)	NRC shall be independent and responsible or accountable to the board and shareholders	√		In Practice	
<b>6(5)(b)</b>	<b>NRC shall oversee among others, the following matters and make report with recommendation to the Board</b>				
6(5)(b)(i)	Formulating the criteria for determining qualifications, positive attributes and independence of a director and recommend a policy to the Board, relating to the remuneration of the directors, top level executive, considering the following-	√		In Practice	
6(5)(b)(i)(a)	The 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)	The 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 performance objectives appropriate to the working of company and its goals.	√			
6(5)(b)(ii)	A policy on boards diversity considering age, gender, experience, ethnicity, educational background & nationality.	√			
6(5)(b)(iii)	Identifying persons who are qualified to become directors and top level executive in accordance with the criteria laid down and recommend their appointment and removal to the board.	To be complied			No such list as yet
6(5)(b)(iv)	Formulating the criteria for evaluation of independent directors and the board.	√			In Practice
6(5)(b)(v)	Identifying the company's needs for employees at different levels and determine their selection, transfer or replacement or promotion criteria.	√			

## COMPLIANCE REPORT ON BSEC'S NOTIFICATION

Condition No.	Title	Status		Remarks
		Complied	Not Complied	
6(5)(b)(vi)	Developing, recommending and reviewing annually the company's human resources and training policies.	√		In Practice
6(5)(c)	The company shall disclose the nomination and remuneration policy and the evaluation criteria and activities of NRC during the year at a glance in its annual report.	√		The criteria, policy and activities of NRC has been prepared and disclosed in the Annual Report
<b>7.0</b>	<b>External or Statutory Auditors</b>			
7(1)(i)	Non-engagement in Appraisal or valuation services or fairness opinions.	√		In Practice
7(1)(ii)	Non-engagement in designing and implementation of Financial Information System.	√		
7(1)(iii)	Non-engagement in Book-keeping or other services related to the accounting records or financial statements.	√		
7(1)(iv)	Non-engagement Broker-dealer services.	√		
7(1)(v)	Non-engagement in Actuarial services.	√		
7(1)(vi)	Non-engagement in Internal audit or special audit services.	√		
7(1)(vii)	Non-engagement in any other service determined by the Audit Committee.	√		
7(1)(viii)	Non-engagement in audit or certification services on compliance of corporate governance as required under condition: 9(1)	√		
7(1)(ix)	Any other service that creates conflict of interest.	√		
7(2)	No partner or employees and family members of the external audit firms shall possess any share of the company they audit at least during the tenure of their audit assignment of that company.	√		
7(3)	Representative of external or statutory auditors shall remain present in the shareholders meeting (AGM or EGM) to answer the queries of the shareholders.	√		
<b>8.0</b>	<b>Maintaining Website by the Company</b>			
8(1)	The company shall have an official website linked with the websites of the stock exchange.	√		Website is there which is linked with those of the stock exchanges
8(2)	The company shall keep the website functional from the date of listing.	√		In Practice
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).	√		
<b>9.0</b>	<b>Reporting and Compliance of Corporate Governance</b>			
9(1)	Obtaining Certificate from a professional accountant/ Secretary other than its statutory auditors or	√		The company obtained the certificate from M/s. T. Hussain & Co.

## COMPLIANCE REPORT ON BSEC'S NOTIFICATION

Condition No.	Title	Status		Remarks
		Complied	Not Complied	
	audit firm on yearly basis regarding compliance of conditions of Corporate Governance Code of the Commission and disclose it in the Annual Report.			Chartered Accountants regarding compliance of conditions of Corporate Governance of the Commission and such certificate is disclosed in the Annual Report
9(2)	The professional who will provide the certificate on compliance of the Corporate Governance Code shall be appointed by the shareholders in AGM.	√		The compliance auditor T.Hussain & Co. Chartered Accountants to be re-appointed by the shareholders in the AGM
9(3)	The directors of the company shall state, in accordance with the annexure attached, in the directors' report whether the company has complied with these conditions.	√		Detailed status given at Annexure - C and published in the Report

## COMPLIANCE REPORT ON BSEC'S NOTIFICATION

### Compliance of condition no. 1(5)(xxiii)

The pattern of shareholding as at December 31, 2021

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

Annexure-D

Sl	Name of Directors & Executives	Status	No of Share held	Share held by the Spouse/Children	Remarks
(a)	Mr. Mohd. Hanif Chowdhury	Chairman	1020374	110839	Spouse
	Mr. S.M. Shafiul Hoque	Vice Chairman	1174684		
	Mrs. Hasina Gazi	Director	1503581	150000	Spouse
	Mr. Sadeque Hossain Chowdhury	Director	1011609	994587	Spouse
	Mr. Saber Hossain Chowdhury, MP	Director	992355	1434861	Spouse
	Mrs. Shahin Haider	Director	992365	992734	Spouse
	Mrs. Khurshida Rahman	Director	1653939	-	
	Mr. Mahboob Ur Rahman	Director	1510413	-	
	Mr. Feroz U. Haider	Director	992734	992365	Spouse
	Mrs. Rehana Chowdhury	Director	1434861	992355	Spouse
	Mr. Md. Abdur Rouf	Independent Director	Nil	-	
(b)	Mr. Dr. A K M Sarwar Jahan Zamil [**]	CEO	Nil	-	
(c)	Mr. Sajjan Kumar Basak	DMD & CS	Nil	-	
(d)	Mr. Md. Moshfiqur Rahman	SVP & CFO	Nil	-	
(e)	Mr. Prollad Rajbongshi	AM (IA)	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	Additional Managing Director, Head Office, Dhaka	Nil
Mr. Md. Shamsuddoha Khan	DMD & Branch Incharge, Khulna Branch, Dhaka	Nil
Mr. Md. Shamsuddin	SEVP & Branch Incharge, Paltan Branch, Dhaka	Nil
Mr. Mohammed Rukunuzzaman	SEVP & Branch Incharge, Local Office, Dhaka	Nil
Mr. Ziaur Rahman (Miron)	SEVP & Branch Incharge, Principal Branch, Dhaka	Nil

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

Name	Designation	Share
Nil	Nil	Nil

[\*\*] Mr. Sahid-UI-Hasan, CEO has been replaced by Mr. Dr. A K M Sarwar Jahan Jamil, CEO w.e.f February 22, 2022.



# DIRECTORS' MEETING AND ATTENDANCE 2021

## DIRECTORS' MEETING AND ATTENDANCE 2021

Name of Board Member	Board of Directors Meeting (BOD)		Executive Committee Meeting (EC)		Audit Committee Meeting (AC)		Claims Committee Meeting (CC)		NRC Meeting	
	Total BOD Meeting held 2021	Meeting Attended	Total EC Meeting held 2021	Meeting Attended	Total AC Meeting held 2021	Meeting Attended	Total CC Meeting held 2021	Meeting Attended	Total NRC Meeting held 2021	Meeting Attended
Mr. Mohd. Hanif Chowdhury Chairman	6	6								
Mr. S.M. Shafiqul Hoque Vice Chairman	6	6			4	4	4	4		
Mrs. Hasina Gazi Director	6	-								
Mr. Sadeque Hossain Chowdhury Director	6	5								
Mr. Saber Hossain Chowdhury, MP Director	6	5								
Mrs. Khurshida Rahman Director	6	6			4	4	4	3		
Mrs. Shahin Haider Director	6	4								
Mr. Mahboob Ur Rahman Director	6	3							5	2
Mr. Feroz U. Haider Director	6	4							5	4
Mrs. Rehana Chowdhury Director	6	5							5	1
Mr. Md. Abdur Rouf Independent Director	6	4			4	1	4	1	5	3
Mr. Md. Arshed Independent Director	6	2			4	1	4	1	5	2

NB: The tenure of Mr. Md. Arshed, Independent Director expired on May 26, 2021 and Mr. Md. Abdur Rouf, Independent Director was appointed on May 25, 2021 of the Company.

# COMPLIANCE CERTIFICATE



টি, হোসেন এন্ড কোং  
T. HUSSAIN & CO.  
Chartered Accountants

Independent member firm of Clarkson Hyde Global Limited

Report to the Shareholders of  
Republic Insurance Company Limited  
on

Compliance Certificate 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, 2021. This Code relates to the Notification No.BSEC/CMRRC-D/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:

- 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;
- 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;
- 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
- The Governance of the company is satisfactory.

Place: Dhaka  
Dated: May 22, 2022

Mohammad Abu Kawsar, FCA  
Partner  
T. Hussain & Co.  
Chartered Accountants,  
DVC: 2205221497CS779574

HB Tower (1st Floor) 23/G/1  
Free School Street (Panthapath)  
Dhaka-1205, Bangladesh

Phone: 9641123  
Cell 01707 043797, 01713 043791  
E-mail: mdkawsar1974@gmail.com



# CERTIFICATE OF BAPLC

## BANGLADESH ASSOCIATION OF PUBLICLY LISTED COMPANIES

Ref. No: CM-2021/051

Date of issue : January 27, 2021

**BAPLC**

### Renewed Certificate

*This is to certify that*

**REPUBLIC INSURANCE COMPANY LIMITED**

*is an Ordinary Member of Bangladesh Association of Publicly Listed Companies and is entitled to all the rights and privileges appertaining thereto.*

*This certificate remains current until 31<sup>st</sup> December 2021.*



  
Secretary-General

# 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,  
Bangladesh

Annexure-A

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

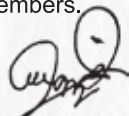
Dear Sirs,

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:

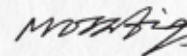
- (1) The Financial Statements of Republic Insurance Company Limited for the year ended on December 31, 2021 have been prepared in compliance with International Accounting Standards (IAS) or International Financial Reporting Standards (IFRS), as applicable in the Bangladesh and any departure there from 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:-**

- (a) We have reviewed the financial statements for the year ended on December 31, 2021 and that to the best of our knowledge and belief:
  - (i) these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading; and
  - (ii) these statements collectively present true and fair view of the Company's affairs and are in compliance with existing accounting standards and applicable laws.
- (b) 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.



**(Dr. A K M Sarwar Jahan Zamil)**  
Chief Executive Officer



**(Mohammad Moshfiqur Rahman)**  
Chief Financial Officer (CFO)



# REPORT OF THE AUDIT COMMITTEE

Republic Insurance Company Limited 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 Limited Comprises of the following Board members:

Name	Position of the Board	Position of the Committee
Mr. Md. Abdur Rouf	Independent Director	Chairman
Mr. S.M. Shafiul Hoque	Vice Chairman	Member
Mrs. Khurshida Rahman	Director	Member

## Terms of Reference:

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

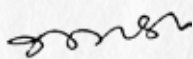
- ◆ To review all internal and external audit report;
- ◆ To recommend the statutory annual audited financial statements to the Board of Directors for approval;
- ◆ To review the finding of the internal and external auditors;
- ◆ To review and approve the Annual Audit Plan of the Internal Audit Department;
- ◆ 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; and
- ◆ 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:

- (i) The Financial Statements for the year ended December 31, 2021 may be approved.
- (ii) Malek Siddiqui Wali, Chartered Accountants may be appointed as the statutory auditor of the Company for the year ended December 31, 2022 at existing fees of Tk. 3,85,000.00 (including VAT & Tax) subject to approval of the Shareholders at the 22nd Annual General Meeting of the Company.
- (iii) T. Hussain & Co., Chartered Accountants may be appointed as the compliance auditor of the Company for the year ended December 31, 2022 at existing fees of Tk. 50,000.00 (including VAT & Tax) subject to approval of the Shareholders at the 22nd Annual General Meeting of the Company.



**(Md. Abdur Rouf)**  
Chairman  
Audit Committee



# REPORT OF THE NOMINATION AND REMUNERATION COMMITTEE

Republic Insurance Company Limited (RICL) has its Nomination and Remuneration Committee (NRC) in compliance with the Corporate Governance Code by Bangladesh Securities and Exchange Commission (BSEC) and the Chairman of the NRC is an Independent Director. Composition of the NRC is as following:

Name	Designation	Position of the Committee
Mr. Md. Abdur Rouf	Independent Director	Chairman
Mr. Feroz U. Haider	Director	Member
Mrs. Rehana Chowdhury	Director	Member
Mr. Mahboob Ur Rahman	Director	Member

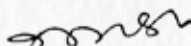
The Nomination and Remuneration Committee of RICL operates in accordance with the Terms of Reference in compliance with the Code-6 of the Securities and Exchange Commission's Corporate Governance Code Notification No. BSEC/CMRRCD/2006-158/207/Admin/80 dated June 03, 2018.

Nomination and Remuneration Committee of the Board of RICL had five meetings during the year 2021 and the following recommendations were adopted and placed before the Board:

- (i) Reviewed the earlier meeting decisions of the Nomination and Remuneration Committee.
- (ii) Reviewed and selection of Independent Directors and recommended to the Board for appointment of Independent Director of the Company.
- (iii) Discussed about increments and promotion of the employees of the Company for the period from 1st July 2020 to 31st December 2021 and suggested to check whether the employ's attendance, attitude, leave, habit, performance, training, accountability, experience, educational background and properly justified ACR.
- (iv) Discussed about recruitment of Officers to the rank of Deputy Managing Director of the Company, one for Accounts Department, one for Claims & Re-insurance Department and one for HR & MIS Department of the Company and reviewed & scrutinized the Bio Data of the candidates of the respective post.
- (v) Discussed about resignation of Existing Chief Executive Officer (CEO) and appointment of new Chief Executive Officer (CC) of the Company and recommended to the Board.
- (vi) Discussed about appointment of Auditor for conducting Audit during the tenure of existing CEO of the Company and recommended to the Board.
- (vii) Reviewed and discuss about Organogram of the Company.
- (viii) Discussed about Code of Conduct of the Chairman, Other Board Member and Chief Executive Officer in accordance with Corporate Governance Code of Bangladesh Securities and Exchange Commission and recommended to the Board.
- (ix) Took interview of three candidates for appointment as Chief Executive Officer of the Company and selected two candidates namely Mr. Dr. A K M Sarwar Jahan Zamil and Mr. Bayzid Muztaba Siddique and recommended to the Board.

The Nomination and Remuneration Committee focuses on the selection of individuals with suitable skills and experience to develop the human resources pool of the Company and recommend to the Board for the appointment.

The Chairman of Nomination and Remuneration Committee, on behalf of all the members of the Committee extends gratitude to all the Stakeholders, Management Team and especially the Board of Directors of Republic Insurance Company Limited for their continued support & guidance during the year 2021 and sought cooperation in the years to come.

  
(Md. Abdur Rouf)

Chairman, Nomination and Remuneration Committee

# REPORT ON CORPORATE GOVERNANCE CODE [CGC]

## Corporate Governance

Bangladesh Securities and Exchange Commission (BSEC) rationalized the Corporate Governance Code (CGC) and repealed the existing corporate governance guideline on June 3, 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 private sector 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, 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 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 RICL is doing so applying their best knowledge and expertise complying with the rules laid down by the BSEC notification NO.SEC/CMRRCD/2006-158/207/Admin/80, dated: June 3, 2018.

## Board of Directors

### Board Size

The Board comprising of 12 (twelve) Directors out of which 11 (eleven) are Non-Executive Directors and 1 (one) is Executive Director who is the Chief Executive Officer (CEO) of the Company. Out of 11 (eleven) 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 Insurance Development & Regulatory Authority (IDRA) & notification of Bangladesh Securities and Exchange Commission (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 of each.

## Independent Directors

To comply with the requirements of Corporate Governance as per BSEC Notification, the Board of Directors appointed 1 (one) qualified and experienced person as Independent Director of the Company. The Independent Director 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

Independent Director are qualified and well experienced and able to ensure compliance with financial, regulatory and corporate laws and can make meaningful contribution to business. At present the Company has 1 (one) Independent Director which name is stated below along with his qualification and background:

Name	Background quantification	Experience
Mr. Md. Abdur Rouf	M.Com (Management)	Above 35 years (banking, investment & Commercial)

## REPORT ON CORPORATE GOVERNANCE CODE [CGG]

### 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.

### 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 counselor, adviser and listener to the Chief Executive and, where necessary, other members of the Board. In particulars, he will:

- (a) Determines board composition and organization;
- (b) Clarifies board and management responsibilities;
- (c) Manages board and board committee meetings;
- (d) Develops the effectiveness of the Board;
- (e) Chairs the Board and Shareholders' Meeting;
- (f) Provides leadership to the board in all affairs of the Board's function;
- (g) Ensures effective operation and performance of the board and its committees in conformity with the highest standards of Corporate Governance;
- (h) Works closely with and through the managing director and participates in the development of company's mission, vision, strategic objectives and business plans;
- (i) Ensures link between the Board and the Management; and
- (j) 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.



## REPORT ON CORPORATE GOVERNANCE CODE [CGG]

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. 6 (six) Meetings of the Board were held in 2021, wherein policies and major business and strategic decisions were taken, At the invitation of the Board Members, Senior Management person thereof attended Board Meetings for the purpose of participating in discussions.

### 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 committee change 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, the following Committees are performing their duties on behalf of the Board:

- (i) Executive Committee
- (ii) Audit committee
- (iii) Nomination and Remuneration Committee (NRC)
- (iv) Claims Committee
- (v) Investment Committee

### Audit Committee

#### Composition of Audit Committee

Audit committee of Republic Insurance Company Limited is the Sub-Committee of the Board of Directors. Audit Committee comprises 3 (three) 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 5 of the Securities and Exchange Commission's Notification NO.SEC/CMRRC/2006-158/207/Admin/80, dated June 03, 2018.

#### Members of the Audit Committee:

Name of the Directors	Designation of the Board	Position in the Committee
Mr. Md. Abdur Rouf	Independent Director	Chairman
Mr. S.M. Shafiul Hoque	Vice Chairman	Member
Mrs. Khurshida Rahman	Director	Member

#### Responsibility to the Board of Directors

- (a) The Company has an Audit Committee as a Sub-committee of the Board;
- (b) The Audit Committee assist the Board in ensuring that the Financial Statements reflect true and fair view of the state of affairs of the company and in ensuring a good monitoring system within the business;
- (c) The Audit Committee is responsible to the Board;
- (d) The duties of the Audit Committee clearly set forth in writing.

#### Constitution of the Audit Committee

- (a) The Audit Committee comprise of 3 (three) members;

## REPORT ON CORPORATE GOVERNANCE CODE [CGG]

- (b) The Board appoint members of the Audit Committee who is non-executive directors of the company excepting Chairperson of the Board and also include (one) independent director;
- (c) All members of the Audit Committee are “financially literate” and Chairperson of the Committee are accounting financial management background more than 10 (ten) years;
- (d) When the term of service of any Committee member expires or there is any circumstance causing any Committee member to be unable to hold office before expiration of the term of service, thus making the number of the Committee members to be lower than the prescribed number of 3 (three) persons, the Board appoint the new Committee member to fill up the vacancy to ensure continuity of the performance of work of the Audit Committee;
- (e) The company secretary is act as the secretary of the Committee.

### **Chairperson of the Audit Committee**

- (a) The Board select 1 (one) member of the Audit Committee to be Chairperson of the Audit Committee, who is an independent director;
- (b) Chairperson of the Audit Committee remain present in the Annual General Meeting (AGM).

### **Role of Audit Committee**

According to the Terms of Reference in compliance with code 5(5) of the Bangladesh Securities and Exchange Commission Notification No. BSEC/CMRRCD/2006-158/207/Admin/80 dated 03 June 2018, the role of the Committee is as follows:

- (a) Oversee the financial reporting process;
- (b) Monitor choice of accounting policies and principles;
- (c) Monitor Internal Audit and Compliance process to ensure that it is adequately resourced, including approval of the Internal Audit and Compliance Plan and review of the Internal Audit and Compliance Report;
- (d) Oversee hiring and performance of external auditors;
- (e) Hold meeting with the external or statutory auditors for review of the annual financial statements before submission to the Board for approval or adoption;
- (f) Review along with the management, the annual financial statements before submission to the Board for approval;
- (g) Review along with the management, the quarterly and half yearly financial statements before submission to the Board for approval;
- (h) Review the adequacy of internal audit function;
- (i) Review the Management’s Discussion and Analysis before disclosing in the Annual Report;
- (j) Review statement of all related party transactions submitted by the management;
- (k) Review Management Letters or Letter of Internal Control weakness issued by statutory auditors;
- (l) Oversee the determination of audit fees based on scope and magnitude, level of expertise deployed and time required for effective audit and evaluate the performance of external auditors;
- (m) Oversee whether the proceeds raised through Initial Public Offering (IPO) or Repeat Public Offering (RPO) or Rights Share Offer have been utilized as per the purposes stated in relevant offer document or prospectus approved by the Commission;



## REPORT ON CORPORATE GOVERNANCE CODE [CGC]

- (o) When money is raised through Repeat Public Offering (RPO)/Rights Issue, the Company shall disclose to the Audit Committee about the uses/applications of funds by major category (capital expenditure, sales and marketing expenses, working capital, etc), on a quarterly basis, as a part of their quarterly declaration of financial results. Further, on an annual basis, the Company shall prepare a statement of funds utilized for the purposes other than those stated in the offer document/prospectus.

### Reporting of the Audit Committee

- (a) reporting to the Board of Directors;
- (i) The Audit Committee report on its activities to the Board.  
(ii) The Audit Committee immediately report to the Board on the following findings, if any.
- (b) report on conflicts of interests;
- (c) suspected or presumed fraud or irregularity or material defect identified in the internal audit and compliance process or in the financial statements;
- (d) suspected infringement of laws, regulatory compliances including securities related laws, rules and regulations;
- (e) any other matter which the Audit Committee deems necessary shall be disclosed to the Board immediately.

### Reporting to the Authorities

If the Audit Committee has reported to the Board about anything which has material impact on the financial condition and results of operation and has discussed with the Board and the Management that any rectification is necessary and if the Audit Committee finds that such rectification has been unreasonably ignored, the Audit Committee shall report such finding to the Commission, upon reporting of such matters to the Board for three times or completion of a period of 6 (six) months from the date of first reporting to the Board, whichever is earlier.

### Nomination and Remuneration Committee (NRC)

NRC Committee of Republic Insurance Company Limited comprises 4 (four) Non-Executive Directors. The committee is headed by a director who is an Independent Director of the Company. Members are NRC committee is as follows:

Name	Designation of the Board	Position in the Committee
Mr. Md. Abdur Rouf	Independent Director	Chairman
Mr. Feroz U. Haider	Director	Member
Mrs. Rehana Chowdhury	Director	Member
Mr. Mahboob Ur Rahman	Director	Member

The Nomination and Remuneration Committee is a Committee of the Board of Republic Insurance Company Limited from where it derives its authority and to which it regularly reports. The Committee assists the Board in formulation of the nomination criteria or policy for determining qualifications, positive attributes, experiences and independence of directors and top level executive as well as a policy for formal process of considering remuneration of directors, top level executive. The Committee has also delegated authority from the Board in respect of the functions and powers set out in these Terms of Reference.

### Responsibility to the Board of Directors

- (a) The Company has a Nomination and Remuneration Committee (NRC) as a Sub-committee of the Board;
- (b) The NRC assist the Board in formulation of the nomination criteria or policy for determining qualifications, positive attributes, experiences and independence of directors and top level executive as well as a policy for formal process of considering remuneration of directors, top level executive;

## REPORT ON CORPORATE GOVERNANCE CODE [CGG]

- (c) The Terms of Reference (ToR) of the NRC clearly set forth in writing covering the areas stated at the condition No. 6(5).

### Constitution of the NRC

- (a) The Committee comprise of three members including an independent director;
- (b) All members of the Committee are non-executive directors;
- (c) Members of the Committee is nominated and appointed by the Board;
- (d) The Board has authority to remove and appoint any member of the Committee;
- (e) In case of death, resignation, disqualification, or removal of any member of the Committee or in any other cases of vacancies, the board fill the vacancy within 180 (one hundred eighty) days of occurring such vacancy in the Committee;
- (f) The Chairperson of the Committee may appoint or co-opt any external expert and/or member(s) of staff to the Committee as advisor who shall be non-voting member, if the Chairperson feels that advice or suggestion from such external expert and/or member(s) of staff is required or valuable for the Committee;
- (g) The Company Secretary is act as the secretary of the Committee;
- (h) No member of the NRC receive, either directly or indirectly, any remuneration for any advisory or consultancy role or otherwise, other than Director's fees or honorarium from the company.

### Chairperson of the NRC

- (a) The Board select 1 (one) member of the NRC to be Chairperson of the Committee, who is an independent director;
- (b) In the absence of the Chairperson of the NRC, the remaining members elect one of themselves as Chairperson for that particular meeting, the reason of absence of the regular Chairperson shall be duly recorded in the minutes;
- (c) The Chairperson of the NRC attend the annual general meeting (AGM) to answer the queries of the Shareholders;

### Meeting of the NRC

- (a) The NRC was conducting 5 (five) meetings in the financial year 2021;
- (b) The Chairperson of the NRC convene emergency meeting upon request by any member of the NRC;
- (c) Fulfill the quorum of the meeting of the NRC under condition No. 6(2)(h);
- (d) Meeting of the NRC duly be recorded in the minutes and such minutes shall be confirmed in the next meeting of the NRC.

### Role of the NRC

- (a) NRC are independent and responsible or accountable to the Board and to the Shareholders;
- (b) NRC oversee, among others, the following matters and make report with recommendation to the Board:
  - i) formulating the criteria for determining qualifications, positive attributes and independence of a director and recommend a policy to the Board, relating to the remuneration of the directors, top level executive, considering the following:
    - (a) the level and composition of remuneration is reasonable and sufficient to attract, retain and motivate suitable directors to run the company successfully;

## REPORT ON CORPORATE GOVERNANCE CODE [CGC]

(b) the relationship of remuneration to performance is clear and meets appropriate performance benchmarks;

(c) remuneration to directors, top level executive involves a balance between fixed and incentive pay reflecting short and long-term performance objectives appropriate to the working of the company and its goals.

ii) devising a policy on Board's diversity taking into consideration age, gender, experience, ethnicity, educational background and nationality;

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;

iv) formulating the criteria for evaluation of performance of independent directors and the Board;

v) identifying the company's needs for employees at different levels and determine their selection, transfer or replacement and promotion criteria; and

vi) developing, recommending and reviewing annually the company's human resources and training policies;

(c) The company disclose the nomination and remuneration policy and the evaluation criteria and activities of NRC during the year at a glance in its annual report.

### Executive Committee

Executive Committee looks after the management reports of the branches performance with the proposals and recommendations of each employee's performance in the Company and also confirms appointment, 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. The members of Executive Committee are as under:

Name	Designation of the Board	Position in the Committee
Mrs. Rehana Chowdhury	Director	Chairman
Mr. S.M. Shafiul Hoque	Vice Chairman	Member
Mrs. Khurshida Rahman	Director	Member
Mr. Mahboob Ur Rahman	Director	Member
Mr. Feroz U. Haider	Director	Member

### Chairman of the Executive Committee

Mrs. Rehana Chowdhury, Director was appointed as Chairman of Executive Committee (CEC) by the Board. She has vast knowledge in related field and is entrusted with the duty of monitoring the daily management performance with the support of the management.

### Claims Committee

Claim or loss handling is one of the major functions of insurance, it is the actual "product" paid. 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 undertake an investigation of each claim, usually with close cooperation of the insured, determine coverage under the terms of the insurance contract, and if so, the surveyors submit reports on their survey to the Chief Executive Officer (CEO) along with their detailed comments. CEO on going through surveyors' reports and others relevant documents place the same with his opinion/advice for necessary decision before the claims committee. The members of Claims Committee are as under:

Name	Designation of the Board	Position in the Committee
Mr. S.M. Shafiul Hoque	Vice Chairman	Chairman
Mrs. Khurshida Rahman	Director	Member
Mr. Md. Abdur Rouf	Independent Director	Member

## REPORT ON CORPORATE GOVERNANCE CODE [CGG]

### Chairman of the Claims Committee

Mr. S.M. Shafiul Hoque, Vice Chairman was appointed as Chairman, Claims Committee by the Board. He has vast knowledge, good understanding about the business underwriting and claim settlement procedures.

### Investment Committee

The Investment Committee shall provide assistance to the Board of Directors in fulfilling their oversight responsibility to the shareholders, potential shareholders, the investment community, and others relating to the Company's contemplated investments and portfolio companies and investments. The members of Investment Committee are as under:

Name	Designation of the Board	Position in the Committee
Mr. S.M. Shafiul Hoque	Vice Chairman	Chairman
Mr. Mahboob Ur Rahman	Director	Member
Mr. Md. Abdur Rouf	Independent Director	Member

### Responsibilities

- (a) The primary responsibility of the Investment Committee is to oversee the Company's evaluation of contemplated investment and portfolio companies on behalf of the Board and report the results of their activities to the Board. The Committee is the final authority in approving investments and to make recommendations to the Board.
- (b) The Committee review all contemplated investments by examining the financial history of the company;
- (c) The Committee review and discuss with management the performance of portfolio companies and examine the results of operations, the anticipated additional capital requirements, the return on investment, the level of management support required, budgets, forecasts and variance reports.
- (d) The Committee review and discuss with management the diversity and risk of the Company's investment portfolio, and, where appropriate, make recommendations respecting the sale or addition of portfolio investments.
- (e) The Committee review, evaluate and discuss with management all solicited and unsolicited offers to purchase portfolio companies. The Committee shall have the final authority for approving the sale of portfolio investments.

### Management Committee

To look after the Management position and assist their performance with a proper guidance, the Chief Executive Officer (CEO) calls different Management Meetings to assist in order to perform appropriately the activities of the Company. The CEO 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 10 departments:

- (i) Board affairs
- (ii) Administration department
- (iii) Human resources department
- (iv) Branch control department
- (v) Claims & Re-Insurance department
- (vi) Internal Audit department
- (vii) Branch Control & MIS department
- (viii) Shares department
- (ix) Information technology department
- (x) Underwriting department

The Meetings have been operating their activities to boost up the performance of employees. The branch heads

## REPORT ON CORPORATE GOVERNANCE CODE [CGC]

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.

### **Responsibility of the Company Secretary, Chief Financial Officer (CFO) and Head of Internal Audit**

In accordance with Corporate Governance Code Notification No. SEC/CMRRCD/2006-158/207/Admin/80, dated: June 03, 2018 the Responsibility the Company Secretary, Chief Financial Officer [CFO] and Head of Internal Audit are as follows:

#### **Responsibilities 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 BSEC 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's records, such as, lists of Directors and shareholders, and annual accounts. The other major responsibilities of Company Secretary are:-

- (i) Serving the Notice, Conducting Board Meeting and Annual General Meeting (AGM) & EGM;
- (ii) Serving Notice, Conducting all Board Committees Meeting;
- (iii) Serving Notice, Conducting Branches conference;
- (iv) Preparation of Minutes & Directors Reports;
- (v) Coordinating with Regulatory Bodies-like SEC, DSE, CSE, RJSC, etc.;
- (vi) Controlling Share Department and maintaining all share related Registers;
- (vii) Submission of Annual Return and other necessary Forms & Statements to the Registrar of Joint Stock Companies & Firms;
- (viii) Maintaining all necessary formalities with SEC, DSE and CSE as required by Law;
- (ix) Liaison with CDBL, Bangladesh Bank and Investment Corporation of Bangladesh (ICB) and etc.;
- (x) Conduct AGM, EGM and maintain the relation with Public Shareholders.

#### **Responsibilities of the Chief Financial Officer (CFO)**

In accordance with Corporate Governance Code under condition no. 3(1)(d) the Responsibility of the Chief Financial Officer (CFO) are:

- (i) To prepare Monthly, Quarterly and Annual Accounts, finalize the payroll, business analysis, various bill checking, prepare Bank reconciliation statement, fund management, developing & implement the International Accounting Standard, Companies Act, Insurance Act, Income Tax Act, VAT Act, BSEC, DSE and CSE Rules and Regulations;
- (ii) To make statements for Insurance Development & Regulatory Authority (IDRA) asked by IDRA as per their requirements from time to time;
- (iii) To prepare, examine, and analyze accounting records, financial statements, and other financial reports to assess accuracy, completeness, and conformance to reporting and procedural standards;



## REPORT ON CORPORATE GOVERNANCE CODE [CGC]

- (iv) To analyze business operations, trends, costs, revenues, financial commitments, and obligations, to project future revenues and expenses or to provide advice;
- (v) To develop, maintain, and analyze budgets, preparing periodic reports that compare budgeted costs to actual costs;
- (vi) To develop, implement, modify, and document record keeping and accounting systems, making use of current computer technology;
- (vii) To prepare forms and manuals for accounting and book keeping personnel, and direct their work activities;
- (viii) To survey operations to ascertain accounting needs and to recommend, develop, and the maintain solutions to business and financial problems;
- (ix) To advise management about issues such as resource utilization, tax strategies, and the assumptions underlying Revenue budget forecasts;
- (x) To appraise, evaluate, and inventory real property and equipment, recording information such as the property's description, value, and location;
- (xi) To check and control branches accounts;
- (xii) To conduct the Internal, External, Special Audit, VAT Audit and Tax Audit of the Company.

### **Responsibilities of the Head of Internal Audit**

In accordance with Corporate Governance Code under condition no. 3(1)(d) the Responsibility of the Head of Internal Audit are:

- (i) To check Bill, Voucher, Petty Cash Book, Salary Statement, cancelation Cover Note & Refund premium, Bank Deposit Slip with Bank through Online Banking, Agent Commission, Stamp & Challan register, daily expenditures Vouchers, Requisition and daily transactions and to monitor day to day Business Collection;
- (ii) To Conduct Internal Audit of the Branches as per guidelines of the Management and prepare Report;
- (iii) To perform Audit Procedures according to ISA;
- (iv) To verify fixed assets and inventory and review purchase register;
- (v) To identify control gap and opportunities for improvement;
- (vi) Planning and conducting audit applying techniques tests and sampling method.

### **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 CEO 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

## REPORT ON CORPORATE GOVERNANCE CODE [CGC]

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 of 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)

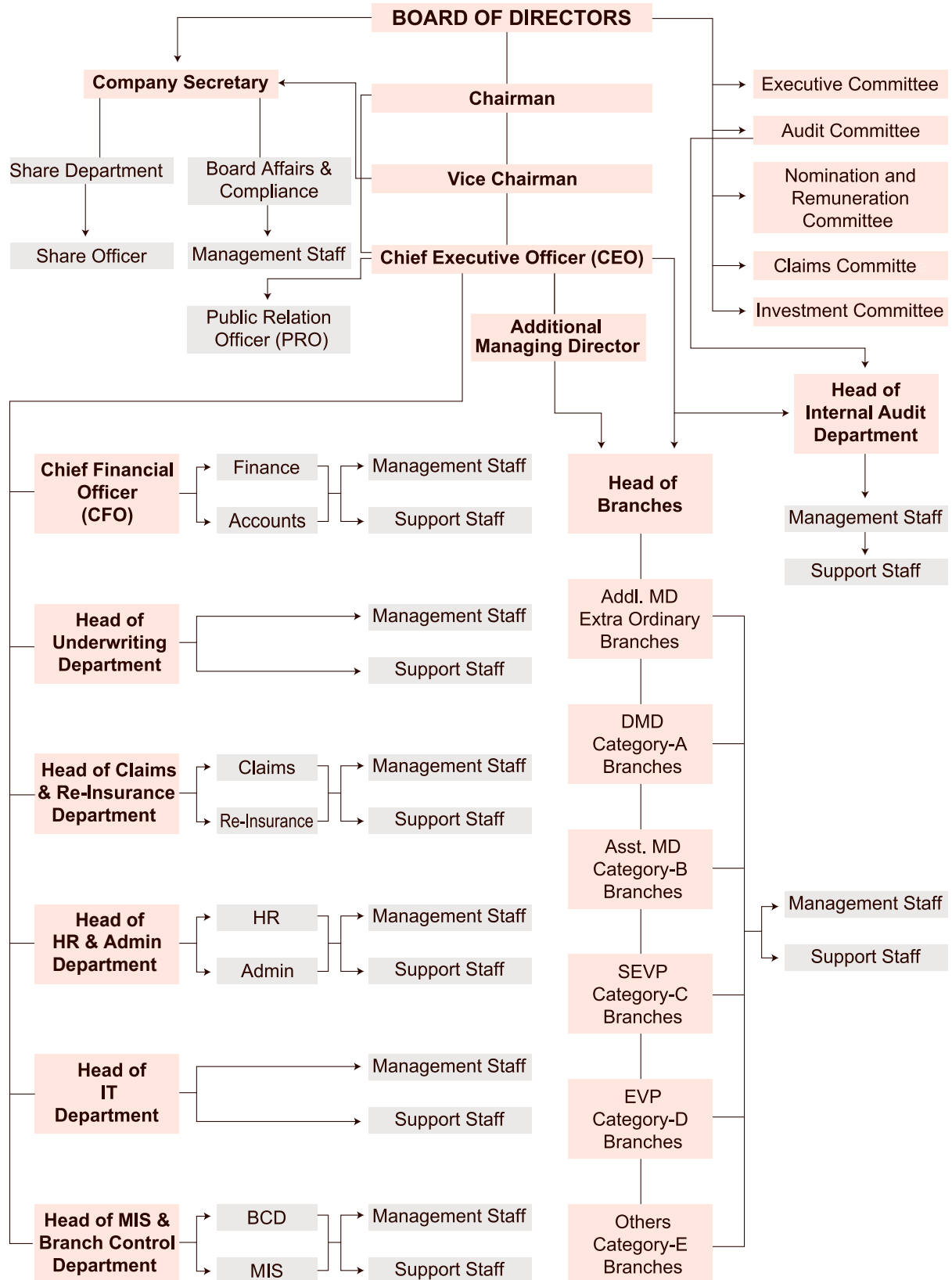
Human activities can have harmful effects on ecological system, climate and public health. Recognizing these, RICL fully supports the principles of its commitment for promoting good environmental practice and sustainability of its activities. We have the commitment to provide quality service in a manner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

- (i) Integrate the consideration of environmental concerns and impacts into our decision making and activities;
- (ii) Develop and improve operations and technologies to minimize waste and other pollution, minimize health and safety risks, and dispose of waste safely and responsibly;
- (iii) Minimize energy and water use within our premises and processes in order to conserve supplies and minimize the consumption of natural resources;

## REPORT ON CORPORATE GOVERNANCE CODE [CGG]

- (iv) 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;
- (v) Comply with all applicable environmental regulations;
- (vi) Established procedures to ensure that all employees are knowledgeable in coupling with all applicable environmental laws and regulations. Train all our employees on our environmental program and empower them to contribute and participate;
- (vii) Communicate our environmental commitment to our clients, contractors, suppliers and the community;
- (viii) Strive to continually improve RICL environmental management system and performance & implement corrective actions.

# ORGANOGRAM OF THE COMPANY



# **CODE OF CONDUCT**

## **OF THE CHAIRMAN, MEMBERS OF THE BOARD AND CHIEF EXECUTIVE OFFICER OF REPUBLIC INSURANCE COMPANY LIMITED**

### **1.1 Code of Conduct of the Chairman, Members of the Board and Chief Executive Officer (CEO)**

- 1.1.a) The Chairperson, other Board members and Chief Executive Officer of the Company shall act within the authority conferred upon them by the Board in the best interest of the Company and observe the following;
- 1.1.b) The Chairperson, other Board members and Chief Executive Officer shall act honestly, ethically, in good faith and in the best interest of the Company;
- 1.1.c) Whilst carrying out the duties, the Chairperson, other Board members and Chief Executive Officer shall ensure that it is executed in terms of the authorization 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;
- 1.1.d) Prudent conduct and behavior;
- 1.1.e) The Chairperson, other Board members and Chief Executive Officer shall refrain from indulging in any discriminatory practice or behavior based on race, colour, sex, age, religion, ethnic or national origin, disability or any other unlawful basis;
- 1.1.f) 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.
- 1.1.g) 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.

### **1.2 Conflict of Interest**

- 1.2.a) 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;
- 1.2.b) 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;
- 1.2.c) All transactions having conflict of interest should be carried out in accordance with law and disclosed to the Board of Directors in advance of any such transactions.

### **1.3 Confidentiality**

- 1.3.a) 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;
- 1.3.b) 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.



## 1.4 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.

## 1.5 Prohibition of Insider Trading

- 1.5.a) 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;
- 1.5.b) 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 and Exchange Commission, Dhaka Stock Exchange Ltd. and Chattogram Stock Exchange Ltd. in so far as they relate to prohibitions on insider trading.

## 1.6 Relationship with Employees

- 1.6.a) The Chairperson, other Board members and Chief Executive Officer should strive for causing the Company to maintain cordial employee relations;
- 1.6.b) 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;
- 1.6.c) 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.

## 1.7 Relationship with Environment

- 1.7.a) 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;
- 1.7.b) 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 any of its products and services on the ecological environment in accordance with the applicable laws.

## 1.8 Relationship with Customers

- 1.8.a) 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;
- 1.8.b) 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.

## 1.9 Relationship with Suppliers

- 1.9.a) 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

# CODE OF CONDUCT

inconsistency between this Code and any other provision of a particular contract, the other provision will prevail;

- 1.9.b) 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.

## 1.10 Independency

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

## 2. The Roles and Responsibilities of the Chairman

The primary function of the Chairman of the Company is Chairing the meeting of the Board of Directors and Shareholders of the Company. In particular, he will:

- 2.a) Establish good corporate governance practices and procedures and promotes the highest standards of integrity, probity and corporate governance throughout the Company and particularly at the Board level;
- 2.b) Ensure that all Board committees are properly established, composed and operated;
- 2.c) Ensures that there is effective communication with shareholders and that each Director develops and maintains an understanding of the shareholders' views;
- 2.d) Sets, in consultation with the Chief Executive Officer, the Board meeting schedule and agenda to take full account of the important issues facing the Company and ensures that adequate time is available for through discussion of critical and strategic issues;
- 2.e) Ensures that the Board is properly briefed on issues arising at Board meetings and receives, in a timely manner, adequate information which must be accurate, clear, complete and reliable, to fulfill its duties, such as reports on the Company's performance, the issues, challenges and opportunities facing the Company, and matters reserved to it for decision;
- 2.f) Ensures that the strategies and policies agreed by the Board are effectively implemented by the Chief Executive Officer and the management of the Company;
- 2.g) Support the Chief Executive Officer in the development of strategy and, more broadly, to support and advise the Chief Executive Officer;
- 2.h) In consult with the CEO, to determine the date, time and location of the annual meeting of shareholders and to develop the agenda for the meeting;
- 2.i) Review and sign minutes of Board meetings.

## 3. The Roles and Responsibilities of the Board

- 3.1) The Board is committed to the company seeking to achieve superior financial performance and long term prosperity, while meeting stakeholder's expectations of sound corporate governance practice. The Board determines the corporate governance arrangements for the company. As with all its business activities, the Board is proactive in respect of corporate governance and puts in all place those arrangements which it consider are in the best interest of the company and its shareholders, and consistent with its responsibilities to other stakeholders;

## CODE OF CONDUCT

- 3.2) The Board of Directors is in full control of the company's affairs and is also fully accountable to the shareholders. They firmly believe that the success of the company largely depends on the credible corporate governance practices adopted by the Company. Taking this into consideration, the Board of Directors of RICL set out its strategic focus and oversees the business and related affairs of the company. 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:
- 3.2.a) Determine, monitor and evaluate strategies, policy, management performance criteria and business plan;
  - 3.2.b) Periodic and timely reporting to the shareholders on the affairs, progress and performance of the company;
  - 3.2.c) Ensuring proper decision making and accountability structure throughout the Company so that the staff down the line is fully accountable to the corporate management;
  - 3.2.d) Delegation to Board Committees and management and approval of transactions in excess of delegated level;
  - 3.2.e) Approval of annual budgets including major capital expenditure proposals;
  - 3.2.f) Critical evaluation of all proposals which require Board's approval and/or directives;
  - 3.2.g) Regular review of financial performance and overdue situation;
  - 3.2.h) Appointment and evaluation of the performance of the top management positions;
  - 3.2.i) Ensuring that the senior management team has the necessary skill and experience to perform their function effectively, in the best interest of the Company;
  - 3.2.j) Monitoring the adequacy, appropriateness and operation of internal controls.

### **4. The Roles and Responsibilities of the Chief Executive Officer (CEO)**

Chief Executive Officer shall subject to direction, supervision and control of the Board of Directors, have the following roles and responsibilities in addition to the responsibilities defined in the Articles of Association of the Company:

- 4.a) Develop a strategic plan to advance the company's mission and vision and to promote revenue, profitability, and growth as an organization;
- 4.b) Conducts the affairs of the Company in accordance with the practices and procedures adopted by the Board and promotes the highest standards of integrity, probity and corporate governance within the Company;
- 4.c) Recommends yearly budget for Board approval and prudently manages organization's resources within those budget guidelines according to current laws and regulations;
- 4.d) Ensure that the Company conducts all of its business activities in compliance with legal, regulatory and Company policy, controls and standards;
- 4.e) Review activity reports and financial statements to determine progress and status in attaining objectives and revise objectives and plans in accordance with prevailing conditions;
- 4.f) Leads the management in the day-to-day running of the Company's business in accordance with the business plans and within the budgets;
- 4.g) Implements, with the support of the management, the strategies and policies as approved by the Board and its committees in pursuit of the Company's objectives;
- 4.h) Maintains regular dialogue with the Chairman on important and strategic issues facing the Company and ensures bringing these issues to the Board's attention;

## CODE OF CONDUCT

- 4.i) Ensures that the management gives appropriate priority to providing reports to the Board which contains relevant, accurate, timely and clear information necessary for the Board to fulfill its duties;
- 4.j) Leads the communication program with the shareholder;
- 4.k) The CEO shall along with CFO certify the Board that:
  - 4.l) They have reviewed financial statements for the year and that to the best of their knowledge and belief;
    - 4.l(a)(i) these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
    - 4.l(a)(ii) these statements together present a true and fair view of the company's affairs and are in compliance with existing accounting standards and applicable laws;
  - 4.l (b) There are, to the best of knowledge and belief, no transactions entered into by the company during the year which are fraudulent, illegal or violation of the company's code of conduct;
- 4.m) Evaluate performance of top executives of the Company for compliance with established policies and objectives of the company and contributions in attaining objectives;
- 4.n) Effectively manages the human resources of the organization according to authorized personnel policies and procedures that fully conform to current laws and regulations;
- 4.o) Putting in place adequate operational planning and financial control systems;
- 4.p) Representing the company to major customers and professional associations;
- 4.q) Promote the company to local and international communities;
- 4.r) Taking remedial action where necessary and informing the board of significant changes;
- 4.s) Other roles and responsibilities as assigned by the Board of Directors.

"The Primary duty and responsibilities of the Chairman, Members of the Board and Chief Executive Officer (CEO) is to ensure the perform the activities with sincerely and transferency in favour of the Company for ensuring the interest of the Shareholders".

### 5. Board Meetings

The meetings of the Board of Directors of RICL are normally held at the Registered and Corporate Head Office of the Company. The meetings are held frequently to discharge its responsibilities and functions as mentioned above. Meeting is scheduled well in advance and the notice of each Board Meeting is given, in writing, to each Director by the Company Secretary.

The Company Secretary prepares the detailed agenda for the meeting. The Board papers comprising the agenda, explanatory notes and proposed regulations are circulated to the directors in advance for their review. The Members of the Board have complete access of all information of the company enabling them to work efficiently. The Members of the Board are also free to recommend inclusion of any matter in the agenda for discussion. The Company Secretary and the Chief Financial Officer always attends the Board Meeting and other senior management is invited to attend Board Meeting to provide additional inputs to the items being discussed by the Board and make necessary presentations. 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.

# DIVIDEND

## DISTRIBUTION POLICY OF

### REPUBLIC INSURANCE COMPANY LIMITED

#### 1. Preliminary

This policy is introduced by Board of Directors (“the Board”) of Republic Insurance Company Limited (“the Company”) in respect of distribution to the shareholders in form of dividend in return of their investment to the company. To maintain this confidence, reduce shareholders expectation gap and same with transparency, the Board of the Company, has adopted the Dividend Distribution Policy (“the Policy”). This policy will ensure the adequate balance between dividend paid and profits retained in the business for various purposes. This dividend policy is just covered dividend payment for ordinary shareholders of the company.

This Policy has been prepared under the guideline of the Bangladesh Securities and Exchange Commission (BSEC) Directive No. BSEC/CMRRCD/2021-386/03, dated: 14th January 2021, the Companies Act, 1994& Income Tax Ordinance, 1984 and other applicable laws and regulations.

The Board may amend, abrogate, modify or revise any or all provisions of this Policy. However, amendments in the Act or in the Listing Regulations shall be binding even if not incorporated in this Policy.

#### 2. Definitions

- (a) “the Act” means the Companies Act, 1994
- (b) “the Ordinance” means Income Tax Ordinance, 1984.
- (c) “the ITO, 1984” means Income Tax Ordinance, 1984.
- (d) “the BSEC Rules” means Bangladesh Securities and Exchange Commission directive no. BSEC/CMRRCD/2021-386/03, dated: January 14, 2021.
- (e) “the Policy” means dividend policy.
- (f) “the Company” means Republic Insurance Company Limited.
- (g) “AGM” means Annual General Meeting of the Company.
- (h) “Board” means Board of Directors of Republic Insurance Company Limited.
- (i) “Shareholders” means Members whose name is registered in the Member Register of the Company.
- (j) “Directors” means the Board Directors of the Company.
- (k) “Shares” means Ordinary Equity Shares.
- (l) “Dividend” represents both Cash and Bonus (stock) dividend.
- (m) “the BEFTN” means Bangladesh Electronic Funds Transfer Network.
- (n) “the BO” means Beneficiary Owners Account.
- (o) “the CDBL” means Central Depository Bangladesh Limited.

#### 3. Purposes of the Policy

The prime objective of the Company is to maximize shareholders’ wealth in the Company through various means. The Company believes that driving growth creates maximum shareholder value. Thus, the Company would first utilize its profits for working capital requirements, capital expenditure to meet expansion needs, reducing debt at optimize level from its books of accounts, earmarking reserves for inorganic growth opportunities and thereafter declare and distribute profits in the form of Dividend to the shareholders.

#### 4. Considerations before Dividend Declaration

The Company’s dividend will be determined based on available financial resources, investment requirements, long term growth strategies, internal and external factors and taking into account optimal shareholder return.

Dividend shall be declared on per share basis on the Ordinary shares of the Company. Presently, the Authorized Share Capital of the Company is divided into equity/ordinary shares of face value BDT 10 each. The Board also consider the internal and external factored before declaring dividend, which are describe below.



# DIVIDEND DISTRIBUTION POLICY

## 4.01 Internal Consideration

- (a) Profits earned (Net profit after tax) during the financial year by the Company;
- (b) Availability and Liquidity of Funds;
- (c) Working capital requirements;
- (d) Capital Expenditure needs for the existing businesses;
- (e) Fund required for Expansion/Modernization of the business;
- (f) Resources required to fund acquisitions/ investment in new businesses, subsidiaries/associates of the Company;
- (g) Cost of raising funds from alternate sources for the Company;
- (h) Cost of servicing outstanding debts;
- (i) Cash flow required to meet contingencies;
- (j) Past Dividend Trends of the Company;

## 4.02 External Consideration

- (i) Adverse Economic environment;
- (ii) Market conditions and market outlook for the Company;
- (iii) Expected changes in government policy and regulation;
- (iv) Regulatory requirements or guidelines
- (v) Natural digester
- (vi) Market trend for the dividend payout.

## 4.03 Legal Consideration

- (a) The requirement of the companies act, 1994 in respect of dividend declaration;
- (b) The requirement of the Income Tax Ordinance, 1984 to reduce the tax burden both shareholders and the Company, hence maximize the shareholders wealth;
- (c) The requirement of the BSEC rules in respect of dividend declaration and payment or transfer to the designated fund as directed by BSEC issuing directive time to time;

## 5. Types of Dividends Declaration

In terms of timing of dividend declaration, the Company may be declared dividend (cash or bonus) in two types- Final and Interim.

### 5.01 Interim Dividend

The Interim Dividend is the dividend declared by the Board based on interim profit of the Company during a financial year. The Act authorizes the Board to declare interim dividend during any financial year out of the profits for the financial year in which the dividend is sought to be declared and/or out of the surplus in the profit and loss account. While declaring interim dividend, the Company must not declare any stock dividend, only cash dividend can be declared. The interim (quarterly) financial statements, on which dividend interim dividend shall be declared, shall be audited by the Company's auditor.

### 5.02 Final Dividend

The Final dividend is paid once in a financial year after the annual accounts are prepared and adopted by the shareholders of the Company. The Board of Directors of the Company has the power to recommend the payment of Final Dividend subject to the approval by the shareholders in the Company's Annual General Meeting. The dividend approval by the shareholders in the company's Annual General Meeting and subsequent payment dividend shall not exceeded dividend recommended by directors in board meeting. Before declaring bonus (stock) dividend, the Company must obtain regulatory approval, where applicable.

# DIVIDEND DISTRIBUTION POLICY

## 6. Procedure for Declaration of Dividend

In accordance with the guidelines of Bangladesh Securities and Exchange Commission, the Company shall distribute dividends in the following manner:

- (a) Pay-off interim/final dividends (cash/stock) to all shareholders within the statutory time after approval in the Annual General Meeting, subject to any additional permission of regulatory bodies as may be applicable.
- (b) Before recommending dividend by the directors in the Company's board meeting, the board of directors shall obtain recommendation in written from Chief Executive Officer regarding maximum fund available for declaring dividend.
- (c) The dividend recommendation, if possible, may not be less than 30% of concerned period profit and stock dividend may not exceed the cash dividend declaration.
- (d) The recommendation of dividend by the Board can be approved by the shareholders full or amend the recommendation in the AGM. The amendment shall not be exceeded the dividend recommended by the Board.

## 7. Payment/Distribution of Dividend

The declared dividend kept in separate and designated bank account and transfer (Bank Transfer) to the shareholders within Thirty days from the record date and stock dividend are transferred to the relevant BO account.

### 7.01 Cash Dividend

- (a) Within 10 days of recommendation of cash dividend by the Board, an amount equivalent to the declared cash dividend payable to the designated dividend payment bank account.
- (b) The dividend shall be pay-off directly to entitled shareholders bank account as available in the respective shareholder's BO account, or stock broker or portfolio manager or merchant banker bank account, through BEFTN.
- (c) Applicable tax shall be deducted as per Ordinance before paying out or transferring cash dividend to the respective shareholders bank account.
- (d) Inform the shareholders through SMS to the mobile numbers or email regarding payment of dividend.
- (e) Issuance of withholding Tax certificate, where applicable.
- (f) If someone couldn't get his/ her cash or stock dividend they can contract with Company's share department, they will assess the accuracy of the claim and disburse the dividend within 15 days.

### 7.02 Stock Dividend

The Company shall credit stock dividend directly to the beneficiary BO account within 30 days of declaration or approval or record date and CDBL.

## 8. Maintenance of Record

The Company must maintain detail record in respect of "to whom dividend is paid", "payment of tax deduction record", "to whom dividend is payable" and so on as applicable.

## 9. Unpaid or Unclaimed Dividend

Pursuant to the Directive No. BSEC/CMRRCD/2021-386/03 dated 14.01.2021, the Company shall maintain a Bank Account namely "Unclaimed Dividend Account", where unpaid or unclaimed Dividend shall be kept for a period of 3 (three) years from the date of declaration or approval date or record date. After elapse of the aforemen-

## DIVIDEND DISTRIBUTION POLICY

tioned period, if any Dividend remains unpaid or unclaimed or unsettled, such Dividend along with accrued interest shall be transferred to a Fund maintained by Bangladesh Securities Exchange Commission.

The Company maintains a record of unpaid or unclaimed Dividend. Summary of such record shall be available in the Annual Report and in the Quarterly Financial Statements. The Company shall also publish such record in its website in accordance with the Directive No. BSEC/CMRRCD/2021-386/03 dated 14.01.2021.

### **10. Compliance Report**

The Company shall submit a compliance report to the Commission and the Stock Exchanges in a specified format mentioned in BSEC Rules. This report shall also be published in the Company's website.

### **11. Publish**

This policy and yearly dividend declaration and distribution compliance report shall be published in the Company's website.

# NOMINATION AND REMUNERATION POLICY AND THE EVALUATION CRITERIA & ACTIVITIES OF NOMINATION AND REMUNERATION COMMITTEE (NRC)

## Introduction

For the Board of Republic Insurance Company Limited to be effective and efficient, it should comprise of individuals who have professional qualifications and proven experience in their respective fields of specialization. The Nomination and Remuneration committee evaluates the Directors and recommends the Board for their appointment and ensures optimum composition of Board. While recommending appointment of an Individual as a Director on the Board, the committee has to review the Diversity of the Board, Qualification and positive attributes, and Independence of Directors (in the case of Independent Directors).

## Regulatory Framework

Clause 6 (5) read with the applicable Clauses of Corporate Governance Code of Bangladesh Securities and Exchange Commission require the Nomination and Remuneration Committee of a company ("NRC") to recommend to the Board of Directors a policy, relating to the appointment, removal and remuneration of the directors, top level executives and to devise a policy on Board diversity. The said governance code condition no. 6(5) also require NRC to lay down the evaluation criteria for performance evaluation of Board, its Committees and individual directors. Further, the Board of Directors is responsible for monitoring and reviewing of the Board Evaluation framework. The Board of Directors is also required to satisfy itself that plans are in place for orderly succession for appointments to the Board and to senior management. This nomination policy is framed as per the requirements of the aforesaid governance code.

## NOMINATION AND REMUNERATION POLICY AND THE EVALUATION CRITERIA AND ITS ACTIVITIES

### General Criteria

- A person to be appointed as Director should possess adequate qualification, expertise and experience for the position he/ she is considered for the appointment by election, selection, appointment, co-option and such other process prescribed by the Companies Act 1994, Insurance Act 2010 and rules under insurance act are effective for the time being, rules and regulations imposed by the regulators from time to time for the purpose of appointment of directors and rules of Memorandum & Articles of Associations of the Company etc.
- Key Managerial Personnel (KMP) or Senior Management should possess adequate qualification, expertise and experience for the position he/ she is considered for appointment. The Committee has discretion to decide whether qualification, expertise and experience possessed by a person are sufficient / satisfactory for the concerned position. Further, person to be appointed/re-appointed as director should:
  - (a) Be an individual of the highest integrity and have an inquiring mind, a willingness to go into details and the ability to work well with others;
  - (b) Be free of any conflict of interest that would violate any applicable law or regulation or interfere with the proper performance of the responsibilities of a director;
  - (c) Be willing and able to devote sufficient time to the affairs of the Company and be diligent in fulfilling the responsibilities of a director and Board committees' member;
  - (d) Have the capacity and desire to represent the best interests of the stakeholders as a whole.
  - (e) Not be disqualified under the provisions of the Companies Act, 1994 and applicable rules and regulations.

# NRC POLICY

## Board of Directors

### Size of the Board of Directors

The total number of members of a company's Board of Directors shall not be less than 5 (five) and more than 20 (twenty). The total Members of the Board are 11 (eleven) including Independent Director of Republic Insurance Company Limited.

### Independent Directors (ID)

- (a) At present there are 1 (one) Independent Director of the Company of the Board. As per BSEC's Guidelines another 2 (two) Independent Directors will be appoint soon.
- (b) For the purpose of this clause "Independent Director" means a director
  - (i) ID either does not hold any share in the company or holds less than one percent (1%) shares of the total paid-up shares of the company;
  - (ii) ID is not a sponsor of the company or is not connected with the company's any sponsor or director or nominated director or shareholder of the company or any of its associates, sister concerns, subsidiaries and parents or holding entities who holds one percent (1%) or more shares of the total paid-up shares of the company on the basis of family relationship and his or her family members also shall not hold above mentioned shares in the company;
  - (iii) ID has not been an executive of the company in immediately preceding 2 (two) financial years;
  - (iv) ID does not have any other relationship, whether pecuniary or otherwise, with the company or its subsidiary or associated companies;
  - (v) ID is not a member or TREC (Trading Right Entitlement Certificate) holder, director or officer of any stock exchange;
  - (vi) ID is not a shareholder, director excepting independent director or officer of any member or TREC holder of stock exchange or an intermediary of the capital market;
  - (vii) ID is 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 services or audit firm conducting special audit or professional certifying compliance of this Code;
  - (viii) ID is not in more than 5 (five) listed companies; (ix) who has not been convicted by a court of competent jurisdiction as a defaulter in payment of any loan or any advance to a bank or a Non-Bank Financial Institution (NBFI); and
  - (ix) ID has not been convicted for a criminal offence involving moral turpitude;
  - (x) The Independent Director shall be appointed by the Board and approved by the shareholders in the Annual General Meeting (AGM);
  - (xi) The post of another 2 (two) Independent Directors remain vacant for more than 90 (ninety) days; and
  - (xii) The tenure of office of an Independent Director shall be for a period of 3 (three) years, which may be extended for 1 (one) tenure only.

### Qualification of Independent Director

- (a) Independent Director shall be a knowledgeable individual with integrity who is able to ensure compliance with financial laws, regulatory requirements and corporate laws and can make meaningful contribution to the business;



(b) Independent director shall have following qualifications:

- (i) Business Leader who is or was a promoter or director of an unlisted company having minimum paid-up capital of Tk. 100.00 million or any listed company or a member of any national or international chamber of commerce or business association; or
- (ii) Corporate Leader who is or was a top level executive not lower than Chief Executive Officer or Managing Director or Deputy Managing Director or Chief Financial Officer or Head of Finance or Accounts or Company Secretary or Head of Internal Audit and Compliance or Head of Legal Service or a candidate with equivalent position of an unlisted company having minimum paid-up capital of Tk. 100.00 million or of a listed company; or
- (iii) Former official of government or statutory or autonomous or regulatory body in the position not below 5th Grade of the national pay scale, who has at least educational background of bachelor degree in economics or commerce or business or Law; or
- (iv) University Teacher who has educational background in Economics or Commerce or Business Studies or Law;
- (v) Professional who is or was an advocate practicing at least in the High Court Division of Bangladesh Supreme Court or a Chartered Accountant or Cost and Management Accountant or Chartered Financial Analyst or Chartered Certified Accountant or Certified Public Accountant or Chartered Management Accountant or Chartered Secretary or equivalent qualification;
- (vi) The independent director shall have at least 10 (ten) years of experiences in any field mentioned in clause (b);
- (vii) In special cases, the above qualifications or experiences may be relaxed subject to prior approval of the Commission.

**Non-executive Directors Criteria**

- (a) As per Insurance Act-2010 section 76- (i) Where the insurer is a company incorporated under the Company Act, the maximum number of Directors of that company shall, notwithstanding anything contained in the Memorandum of Association or Articles of Association of the Company, not exceed 20 (twenty) and in that case 12 (twelve) shall be Sponsor Directors, 6 (six) shall be Directors holding public share and 2 (two) shall be Independent Directors; (ii) The Shareholders shall elect Directors in such manner as may be prescribed by Rules.

**The following persons are the Director of the Company:**

SI	Name	Position of the Board
01	Mr. Mohd. Hanif Chowdhury	Chairman
02	Mr. S.M. Shafiul Hoque	Vice Chairman
03	Mrs. Hasina Gazi	Director
04	Mrs. Khurshida Rahman	Director
05	Mr. Sadeque Hossain Chowdhury	Director
06	Mr. Mahboob Ur Rahman	Director
07	Mrs. Shahin Haider	Director
08	Mr. Saber Hossain Chowdhury, MP	Director
09	Mr. Feroz U. Haider	Director
10	Mrs. Rehana Chowdhury	Director
11	Mr. Md. Abdur Rouf	Independent Director

- (b) The Directors shall have power at any time and from time to time, to appoint any other qualified person as a Director, either to fill a casual vacancy or as an addition to the Board, but so that the total number of Directors shall not at any time exceed the maximum number fixed. But any Director so appointed shall hold office only until the next following Ordinary General Meeting of the Company and shall be eligible for re-election at such meeting.

## NRC POLICY

- (c) The Directors shall, at the request of any Director, who remains away from Bangladesh for a period exceeding three months, nominate a person who is not otherwise disqualified to be a Director, to represent such original Director and such appointment shall have effect from the date of appoint of the Nominated Director, by the original Director and the former shall, while he holds office as Nominated Director, be entitled to notice of meetings of Directors and in the absence of the original Director to attend and vote thereat. The Nominated Director shall ipso facto vacate office if and when the original Director vacates office or the Nominated Director is removed from office at the request of the Original Director, and appointment or removal under this Article of a Nominated Director shall be effected by Directors upon the request in writing to the Board under the hand of the original Director whom the Nominated Director is to represent or represents. Provided that all nomination under this articles shall be made with the prior intimation to the Insurance Development and Regulatory Authority (IDRA).
- (d) Whenever the directors deem expedient in the interest of the company may appoint an Adviser of the company who shall hold office in accordance with the terms and conditions of his appointment. But the number of adviser shall not be more than three. The Adviser is entitled to attend all Board Meeting without having voting right. Provided that no share holder or director of the Company or member of their families shall be an adviser under this articles.
- (e) All the Directors other then Independent Director have to be hold minimum 2% Shares individually to be the Director of the Company. And Sponsors/Directors have to be hold minimum 30% Shares of the Paid-up-Capital of the Company.
- (f) Each Director shall be entitled to a fee of Tk. 8,000/- (eight Thousand) only as per circulars of IDRA for every meeting of the Board attended by him or such other sum as may be from time to time fixed by the company in General Meeting.
- (g) The Directors may allow and pay to any Director who is not ordinarily a resident of the place where a meeting is held and who shall come to such place for the purpose of attending the meeting such sum as the Directors may consider fair compensation for traveling and living expenses in addition to his remuneration as above specified and the Directors may from time to time fix the remuneration to be paid to any member or members of their body constituting a committee appointed by the Directors in terms of these presents and may pay the same.
- (h) If any Director being willing is called upon to perform extra services or to make any special exertions in going out or residing at a particular place or otherwise for any of the purposes of the Company, the Company, may remunerate such Director and such remuneration may be either in addition to or in substitution for his remuneration above provided.

### **The office of the Director shall ipso facto be vacated if:**

- (i) He/She being a Director fails to obtain, within the time specified in sub-section (1) of Section 97 of the Companies Act or at any time thereafter ceases to hold, the share qualifications necessary for his appointment;
- (ii) He/She is found to be of unsound mind by a Court of competent jurisdiction;
- (iii) He/She is adjudged an insolvent;
- (iv) He/She fails to pay calls made on him in respect of shares held by him within six months from the date of such calls being made;
- (v) He/She or any firm of which he is a partner or any private company of which he is a Director, without the sanction of the Company in General Meeting accept or holds any office of profit under the Company other than of a Managing Director or Manager or a legal or technical adviser or banker;
- (vi) He/She absents himself from three consecutive meetings of the Directors or from all meetings of the
- (vii) Directors for a continuous period of three months, whichever is the longer, without leave of absence from the Board of Directors;
- (viii) He/She acts in contravention of section 103 of the companies Act;
- (ix) He/She acts in contravention of section 105 of the Companies Act;
- (x) He/She by notice in writing to the company resigns his office;
- (xi) He/She fails to posses any of the qualifications for becoming sponsor or director of an insurance company under the Insurance Act, 1938. The Insurance Rules, 1958 and all other related laws.

- (i) No Director shall be disqualified by his office from contracting with the Company either as Vendor, Purchaser, or otherwise, nor shall any contract or arrangement entered into by a Director with the Company, or any contract or arrangement entered into by or on behalf of the Company in which a Director shall be a member or otherwise interested be avoided, nor shall a Director also contracting or being so interested be liable to account to the Company for any profit realized by any such contract or arrangement by reason only of such Director holding office as Director of the Company or of the fiduciary relation thereby established, But a Director who is in any way, whether directly or indirectly, interested in a contract or proposed contract with the Company shall comply in regard to such contract or proposed contract with the Company requirements as to disclosure of interest contained in section 130 of the Companies Act and shall be subject to the provisions as to voting contained in section 131 of the said Act.
- (j) A Director of the Company may be or become a Director of any Company promoted by this Company or in which it may be interested as a vendor, shareholder or otherwise and no such Director shall be accountable for any benefits received as Director of member such Company.

#### Executive Director Criteria

- (a) The Chief Executive Officer (CEO) subject to approval of the Insurance Development and Regulatory Authority (IDRA) under the relevant provision of the Insurance Act, shall from time to time appoint any of their body or any other person with sufficient experience in the field of insurance to be the Managing Director of the Company, for a fixed term for which he is to hold such office (subject to the provision of any contract between him & the Company). The Directors may revoke such appointment & shall appoint another person.
- (b) If the CEO is appointed from other than a Director, he will not have the voting right, but may be entitled to sit and participate in Meeting of the Board as well as in other Committee Meetings.
- (c) The CEO shall not, while he continues to hold that office be subject to retirement by rotation and he shall not be reckoned as a Director for the purpose of determining the rotation of retirement or in fixing the number of Directors to retire but (subject to the provisions of any contract between him and the Company) he shall be subject to the same provisions as to resignation and removal as the other Directors of the Company and he shall ipso facto and immediately, cease to be a Managing Director if he having been appointed from the body of Directors ceases to hold the office of Director for any cause.
- (d) The CEO shall exercise such powers as may be given to him by the Board of Directors. He will be liable to run and carry out the business of the company in accordance with the provisions of the Insurance Act, 1938. The Insurance Rules, 1958 and any order made there under by the Chief Controller of Insurance.
- (e) The remuneration of the CEO shall (subject to the provisions of any contract between him and the Company) from time to time be fixed by the Directors and may be by way of fixed salary or allowance or commission or dividends or, profits of the Company or of any other Company in which the Company has equity and management interest or by any or all of these modes.
- (f) The CEO shall be the Chief Executive of the company and subject to the direction, supervision, control and approval of the Board of Directors he shall have the following powers subject to Articles 119 and 120 hereinafter provided:-
  - (i) To manage, conduct, transact and carry on the business of Company and whether within Bangladesh or outside Bangladesh.
  - (ii) To appoint officers and staff of all ranks and to remove or dismiss them and appoint others in their places and to pay to the person employed as aforesaid such salary or other remuneration as may be deemed proper.
  - (iii) To state, adjust and settle all accounts, reckoning, claims and demands whatsoever depending and which may hereafter depend between the Company and any other persons whomsoever and to pay or receive (as the case may be) the balance which shall be due on settlement of such accounts.
- (g) Upon receipt of any moneys which shall be paid to the Managing Director by virtue of the promises, to pay or deposit the same in the name of the Company subject to approval of Directors with any Banker, Broker or other

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- (h) Agent to draw out such moneys from time to time and to vary the Banking arrangements of the Company in and elsewhere where the Company has Banking accounts and to open fresh ones in the interest of the Company and to instruct the Bankers for the Company as to the manner in which cheques and other negotiable instruments are to be signed and also nominate and to vary from time to time the names of those officials of the Company authorized to sign and countersign such documents and to apply the said moneys for the use and benefit of the Company to invest the same or any part thereof upon such securities expressly including stocks, funds or securities of the Government of the Peoples Republic of Bangladesh and elsewhere at such interest and in such manner and upon such terms and conditions as may be most beneficial for the Company and from time to time to vary such securities and investment for like purpose.
- (i) To draw, make, accept, issue, sign, endorse, or otherwise realize or negotiate payment and discharge any Bill of Exchange, Bill of Lading, Letter of Credit, Circular Note, Policy of insurance, Cheque, Draft or order for payment of any money and to execute sign, enter into acknowledge, protect and do all such contracts, agreements discharges, receipts, endorsement, transfers negotiations or other dealings.
- (j) To demand, sue or enforce payment or receive and to give effectual receipts and discharges for all moneys debts, securities for money interest and bonuses either in the name of the Company or in the names of the Managing Director subject to approval of the Board which receipts and discharges shall exonerate the person or persons paying such moneys from seeing to the application thereof or being responsible for the loss or misapplication thereof and to take possession of goods, chattels and property or estate movable and immovable of every kin and or description whatsoever of or to which the company is now or may hereafter become possessed or entitled or which and or may become deliverable or transferable to the company from any person of persons whomsoever and on any account whatsoever.
- (k) To enter into contracts for all classes of insurance and re-insurances and to sign and issue policies, cover notes and other documents and to settle all claims in relation to such insurance upon such terms and conditions as may be deemed necessary or proper.
- (l) To adjust compromise or submit to arbitration any accounts debts, claims, demands, disputes and matters touching any matters which are now subsisting or may hereinafter arise between the company and any other person or persons of between the said attorney or any other person or persons.
- (m) To commence, prosecute or enforce and to defend, pose any suits or other legal proceedings whether civil or criminal in any court or Tribunal wheresoever or before any Government touching matters in which the Company is now may hereafter be interested of concerned and also if the said attorney shall so think fit to compromise, refer to arbitration, abandon, submit to judgment or become nonsuit in any such action or proceeding aforesaid.
- (n) To appoint and retain solicitors, Advocates, Vakils, pleaders, Mooktiars, accountants, tax advisers and to revoke such appointments and retainers from time to time as occasion shall require.
- (o) To make, sign, execute, present and file all applications, petitions, complaints, written statements, powers of attorney, Vakalatnamas, Mookhtiar namas or any other documents expedient or necessary to be made signed, executed, presented or filed in relation to any of the purposes aforesaid.
- (p) To pay and allow all fees, costs and expenses necessary to be paid or allowed.
- (q) To receive out of Court or from, any person or persons whomsoever liable to pay the same, all costs, fees or other moneys-whatsoever reliable by or payable to the company in connection with such accounts reckonings and demands and all suits or other proceedings adopted or taken in connection therewith and receipts and discharges to grant in respect of the same.
- (r) To give donations and subscriptions to or for any religious, charitable, benevolent and social institutions or cultural institutions or organizations or objects.

### Specific Criteria

In addition to the aforesaid, the Nomination & Remuneration Committee may, if it deems it advisable from time to



time, develop specific criteria outlining the qualification, skills, experience, expertise, backgrounds, and other characteristics that should be represented on the Board to enhance its effectiveness. Any such criteria should take into account the particular needs of the Company based on its business, size, ownership, growth objectives, community, customers and other characteristics and should be adjusted as these Company characteristics evolve.

### Remuneration Policy for Directors

The remuneration policy of the Company reflects the Company's objectives for good corporate governance as well as sustained long- term value creation for shareholders and guided by a common reward framework and set of principles and objectives as more fully and particularly envisaged under corporate governance code 2018, inter-alia principles pertaining to determining qualifications, positive attributes, integrity and independence etc. Remuneration policy of Republic Insurance Company Ltd will be based on general criteria of:

- (a) Levels of remuneration should be sufficient to attract, retain, and motivate the person constitution the Executives needed successfully to run the Company and its subsidiaries but not paying more than is necessary for this purpose;
- (b) The component parts of the remuneration packages and the benefit schemes for the executive should be designed to encourage the executive to meet the objectives of the Company and the group;
- (c) There should be established a formal and transparent procedures for developing policy on executive remuneration and for fixing the remuneration package of the individuals within the executives;
- (d) The Company's annual report should contain an annual remuneration report containing all information required to be disclosed under legislation, good corporate governance practices including details of the remuneration of each director of the Company;
- (e) Senior remuneration administration should operate on a best practice basis;
- (f) The Executives should be fairly rewarded for individual contributions to the overall performance of the Company.

### Independent Directors' Remuneration

Independent Directors are the Non-Executive Directors of the Company. Independent directors of the Board shall be entitled for sitting fees for attending the meetings of the Board or committees thereof. The sitting fee will be as fixed by the Insurance Development and Regulatory Authority (IDRA). Independent directors shall not be entitled to any fixed or monthly salary or other remuneration or office of the profit.

### Non-executive Directors' Remuneration

Non-executive directors of the Board shall be entitled for sitting fees for attending the meetings of the Board or committees thereof. The sitting fee will be as fixed by the Insurance Development and Regulatory Authority (IDRA). Non-Executive directors shall not be entitled to any fixed or monthly salary or other remuneration or office of the profit.

### Executive Directors' Remuneration

The remuneration of the Executive Director i.e. Chief Executive Officer shall (subject to the provisions of any contract between him and the Company) from time to time be fixed by the Board and may be by way of fixed salary or allowance or commission or dividends or, profit of the Company or of any other Company in which the Company equity and management interest or by any or all of these modes.

CEO however appointed and play the role of the Managing Director here is called as Executive Director of the Company, the NRC shall follow the regulation of IDRA enacted for the appointment and removal of the CEOs' of insurance companies. The CEO, if designated as the Managing Director of the Company shall follow the rules regarding companies Act 1994 and be ratified by the shareholder in the general meeting within stipulated time mentioned in the companies Act 1994.



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### Remuneration Policy for the Key Managerial Personnel, Senior Management Personnel and Executive/ Other Employees

The Key Management Personnel (KMP), Senior Management Personnel (SMP) and Executive/other employees (more fully defined in the interpretation clause) of the Company shall be paid monthly remuneration as per the Company's HR policies and/ or as may be approved by the Committee (NRC).

In determining the remuneration to Key Managerial Personnel, Senior Management Personnel and Executive/other employees the following shall be considered:

- (a) The relationship of remuneration and performance benchmark is clear;
- (b) The balance between fixed and increment pay reflecting short and long term performance objectives, appropriate to the working of the Company and its goals;
- (c) The Company shall follow a compensation mix of fixed component and variable component. Fixed Component comprises salaries, perquisites and retirement benefits and a variable component comprises performance bonus and may include;
- (d) Gratuity contributions, made in accordance with applicable laws and employment agreements;
- (e) Severance payments in accordance with termination clauses in employment agreements. Severance payments shall comply with local legal framework. The remuneration including annual increment and promotion is decided based on the criticality of the roles and responsibilities, the Company's performance vis-à-vis the annual budget achievement, individual's performance, industry benchmark and current compensation trends in the market. The Benchmark information is obtained from nationally recognized compensation service consultancies, insurance business regulators and other stakeholders, whenever required;
- (f) Levels of remuneration should be sufficient to attract retain and motivate the persons constitution the executive needed successfully to run the Company and its subsidiaries but not paying more than is necessary for this purpose;
- (g) The component parts of the remuneration packages and the benefit schemes for the executive should be designed to encourage the executive to meet the objectives of the Company;
- (h) There should be established a formal and transparent procedure for developing policy on executive remuneration and for fixing the remuneration packages of the individuals within the executives;
- (i) The Company's annual report should contain an annual remuneration report containing all information required to be disclosed under legislation good corporate governance practices including details of the remuneration of each director of the Company;
- (j) The executive should be fairly rewarded for their individual contributions to the overall performance of the Company;
- (k) The interest of the Company's shareholders and to the financial and commercial health and capability of the Company being taken into account in incentive packages.

### Employee selection practice

- (a) It is used to eliminate those candidates who do not meet the minimum eligibility criteria laid down by the organization. The skills, academic and family background, competencies and interests of the candidate are examined during preliminary interview;
- (b) The candidates who clear the preliminary interview are required to fill application blank. It contains data record of the candidates such as details about age, qualifications, reason for leaving previous job, experience, etc.;

- (c) Various written tests conducted during selection procedure are aptitude test, intelligence test, reasoning test, personality test, etc. These tests are used to objectively assess the potential candidate. They should not be biased;
- (d) It is a one to one interaction between the interviewer and the potential candidate. It is used to find whether the candidate is best suited for the required job or not. But such interviews consume time and money both. Moreover the competencies of the candidate cannot be judged. Such interviews may be biased at times. Such interviews should be conducted properly. No distractions should be there in room. There should be an honest communication between candidate and interviewer;
- (e) A reference check is made about the candidate selected and then finally he is appointed by giving a formal appointment letter.

### **Director selection process**

- (a) The Nomination and Remuneration Committee (NRC) will select nominees for directors pursuant to the following process:
- (b) The identification of Director candidates by the NRC based upon suggestions from current Directors and Senior Management, recommendations by Shareholders and possibly a Director search firm;
- (c) A review of the candidates' qualifications by the NRC to determine which candidates best meet the Board's required and desired criteria;
- (d) Interviews of interested candidates among those who best meet these criteria by the Chairperson of the NRC and one other Committee member, and by the Chief Executive Officer;
- (e) A report to the Board by the NRC on the selection process & recommendation of nominees to the Board;
- (f) Formal nomination by the Board for inclusion in the select of Directors for the Annual General Meeting of Shareholders of appointment by the Board to fill a vacancy during the intervals between Shareholder Meetings;
- (g) As per recommended and report by NRC the Board of Directors select the candidate for appointing Director and also recommended to submit in the AGM for final approval from Shareholders; and
- (h) After completion to appoint director, the Company collect certificate (Form-12) from RJSC.

### **Director selection criteria**

The Company's Directors must demonstrate high standards of ethics, integrity and professionalism, independence, sound judgment, community leadership and meaningful experience in business, law or finance of other appropriate endeavor. Shareholding position of the Directors must be as per IDRA Rules. The Company's Director committed to representing the long-term interests of the Company's Shareholders. In evaluating candidates for nomination as a Director, the NRC will consider the minimum qualifications set forth above in addition to other factors it deems appropriate based on the current needs and desires of the Board, including specific business and financial expertise currently desired on the Board, experience as a Director of a public company, geography, age, gender and ethnic diversity. The NRC will reassess the qualifications of a Director, including the Director's past contributions to the Board and the Director's attendance and contributions at Board and Committee Meetings, prior to recommending a Director for reelection to another term.

### **HR practice and Evaluation of Employees of RICL**

At RICL, we recognize that our employees are the key to our success and nothing can be achieved without their engagement. Our Human Resources Policy encompasses the guidelines which constitute a solid basis for effective Human Resources Management throughout the organization. It explains to all RICL employees the vision

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and mission of the Human Resources function and illustrates every aspect of our employees' lifecycle. The RICL Management inspire all the employees in their actions and in their dealings with others.

- (a) We believe, keeping employees motivated and engaged is not only about remuneration and benefits, it is also about the trust that our name brings to those who work in RICL, the relationships with our line managers and fellow workers, recognition and experiences enjoyed, and possibilities to learn and grow. These are as a whole, the Total Rewards our employees receive without any regard to age, sex, race, political belief and religion.
- (b) Republic Insurance, therefore, focuses on fixed pay, variable pay, benefits, personal growth and work life balance as the key elements that define Total Rewards.
- (c) At RICL we try to create a climate of trust, mutual respect and support within the company which encourage the employees to work well together as a team and at the same time, to encourage them to be innovative and creative in order to achieve company goals.
- (d) To maintain a congenial working environment which allows employees to work with maximum effectiveness and to ensure that safety rules and hygiene are strictly observed.
- (e) Provide information to employees regularly about different aspects of the operation and its progress which are relevant to them and involve them in matters which are of concern to their job and work situation.
- (f) To develop an effective internal communication and involvement mechanism which encourage employees to identify themselves with the company and its activities.
- (g) To adopt and institute a planned and systematic approach to anticipated changes and develop plans for preparing employees for technological and environmental changes.
- (h) To identify employees' training and development needs and provide them with necessary development opportunities for them to advance in their career.
- (i) To ensure that employment opportunities conform to the established and acceptable practices of the country.
- (j) To ensure that there are proper manpower planning and forecasting system in place to ensure that there will be enough people with the right skills and talents to meet company's current and future growths and needs.
- (k) To ensure that there are transparent processes in place for selection, promotion, appraisal and performance management, reward & recognition systems.
- (l) To put in place succession plans for all senior management positions in the company.
- (m) To ensure that people with high capabilities proven by track record reach key management position regardless of their sex, religion, caste, creed and more importantly age and seniority.

# DISCLOSURE OF RISK REPORTING

## Enterprise Risk Management Framework

Risk Management is critical for the sustainability of the Company and enhancement of shareholders value. Hence it is strongly enforced and incorporated in the Company's management system. The Risk Management Framework is aligned with RICL's operating model and is a combined approach upon the three lines of defense. The structure encourages the communication and escalation of risk and control related matters across the Company. RICL Board is responsible for strategy of the Company and thus also related for the risk appetite. The Risk Management Committee is accountable for operational directions of the business, taking responsibility of the risks and related internal control interventions. The core risk areas are Financial Risk, Regulatory Risk, Transformation Risk, Operational Risk and Policy Change Risk.

These are the core risks areas for the business. The IT function ensures successful and effective alignment of functional business plans as per company's strategy, with respective business unit and functional management being responsible for the delivery of operational performance and the management of the inherent risks. It is these management teams who are responsible for the achievement of Company's strategic objectives within the scope of Company's policies and standards and that we conduct business in compliance with our Codes of Conduct. The functional and divisional management structures is led by our Management Committee enabling a continuous process of identification, evaluation, management and mitigation of significant risks in those areas to the achievement of Company's business objectives. This enables effective and timely identification of actual and emerging risks and responses to mitigate impacts or realize opportunities.

## Risk Management Process

Company's Enterprise Risk Management Objectives are: (i) preserve the safety, security and health of its employees, (ii) ensure the continuity of its supply of products to consumers and insurer, (iii) protect its assets, investments and reputation, (iv) ensure that the Company's operations do not impact negatively on the community in which it operates and the environment, (v) protect the interests of all other stakeholders, (vi) promote an effective risk awareness culture where risk management is an integral aspect of the Company's management systems and (viii) ensure compliance with BSEC Codes of Corporate Governance and all applicable laws.

## Risk Management Team and Responsibilities

Management operates a Risk Management Team comprised of senior managers from all functions of the Company and led by the Finance Director. It meets formally at least twice a year to: Review and update the risk register; and Assess status of risk mitigation action plans. The Audit Committee is briefed by annually by the Enterprise Risk Manager on the Company's Risk Management Programmed and its activities in the Audit Committee meeting

### **The following are some of the responsibilities of the Risk Management Team:**

- (a) Steer the Company's enterprise risk management programme;
- (b) Promote a proactive risk awareness culture in the Company;
- (c) Conduct bi-annual review of the business risks;
- (d) Coordinate the development and implementation of risk mitigation action plans;
- (e) Develop and update business continuity plans (BCPs) for key business risks;
- (f) Plan and coordinate the testing of BCPs;
- (g) Organize training and education for employees on risk management;
- (h) Risk Identification and all probable events that could adversely impact the achievement of business objectives, including failure to capitalize on opportunities are identified;
- (i) Business risks are identified in terms of the impact the risks may have on business strategies, objectives and its probability of occurring;
- (j) Manage: While Completing the Risk Register, the Risk Owners are identified who are currently responsible for finding action plans in order to manage and alleviate the risks with a timeline for completion of action. It is typically seen that senior managers and part of the functional leadership team are the Risk Owners; and
- (k) Monitor: The Risk Management Team conducts an ongoing risk monitoring to assess if any conditions associated with risk has changed and to further ensure that action and risk mitigation plans have been implemented. Status of action/mitigation plans are communicated to the Audit Committee bi-annually.



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, which comprise the Statement of Financial Position as at December 31, 2021, the Statement of Profit or Loss and Other Comprehensive Income, Profit and Loss Appropriation Account, related Revenue Accounts, 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.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the company as at December 31, 2021, 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.

## Emphasis of Matter:

In reference to the Insurance Act 2010 Sponsors & Directors of non-life insurance Company should hold 60% of total paid up capital. But, the Sponsors & Directors of the Company have just hold 31.67% of total paid up capital. (Please see note number 3.03). Our report is not qualified in this respect.

## Key Audit Matters

Risk	Our response to the risk
<b>Premium Income</b>	
<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 audit 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"> <li>➤ The design and operating effectiveness of key controls around premium income recognition process.</li> <li>➤ Carried out analytical procedures and recalculated premium income for the period.</li> <li>➤ Carried out cut-off testing to ensure unearned premium income has not been included in the premium income.</li> <li>➤ 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.</li> <li>➤ Ensured on a sample basis that the premium income was being deposited in the designated bank account.</li> <li>➤ Tested on a sample basis to see that appropriate VAT was being collected and deposited to bank through Treasury Challan.</li> </ul>

	<ul style="list-style-type: none"> <li>➤ For a sample of insurance contracts tested to see if appropriate level of reinsurance was done and whether that reinsurance premium was deducted from the gross premium.</li> <li>➤ Applying specialist judgment ensured if there is any impairment of the reinsurer.</li> <li>➤ 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.</li> </ul>
<p><b>Fair value reserve on Investment of marketable securities:</b></p> <p>The company makes a number of investments in the listed securities in stock exchange. Income generated from the investments (realized gain and dividend received) is credited to the Profit &amp; Loss Account. Unrealized capital gain or loss is transferred to the fair value reserve as per the policy of the company and maintain adequate deferred tax on such reserve.</p> <p>This item has impact on net asset value of the company and equity balances might be prone to misreporting as large unreported fall in the value of any holding may wipe out the value of the portfolio and hamper the distribution capability of the company.</p>	<p>We tested the design and operating effectiveness of key controls around monitoring, valuation and updating of prices of the positions held by the company from trusted sources. Additionally, we performed the following:</p> <ul style="list-style-type: none"> <li>➤ Obtained year-end share holding positions from the company and through directional testing assessed the completeness of the report.</li> <li>➤ Ascertained the valuation of the holding as per IFRS 13.</li> <li>➤ Reviewed the assumptions used for the valuation models for any unquoted securities.</li> <li>➤ Recalculated unrealized gain or loss at the year end.</li> <li>➤ Carried out cut-off testing to ensure unrealized gain or loss was recognized in correct period.</li> <li>➤ Obtained the CDBL report and share portfolio and cross checked against each other to confirm unrealized gain or loss.</li> <li>➤ Check the subsequent positioning of this unrealized amount after the year end.</li> <li>➤ 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.</li> </ul>
<p>Please see the note 16.00 in this financial statements.</p>	
<p><b>Estimated liability in respect of outstanding claims whether due or intimated and claim payment:</b></p> <p>This account represents the claim due or intimated and related balance of recoverable from reinsurer, 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"> <li>➤ Obtained the claim register and tested for completeness of claims recorded in the register on a sample basis.</li> <li>➤ Obtained a sample of claimed policy copy and cross check it with claim.</li> <li>➤ Obtained a sample of survey reports cross checked those against respective ledger balances and in case of discrepancy carried out further investigation.</li> <li>➤ Obtained and discussed with management about their basis for estimation and challenged their assumptions where appropriate.</li> </ul>

	<ul style="list-style-type: none"> <li>➤ Reviewed the claim committee meeting minutes about decision about impending claims.</li> <li>➤ Tested a sample of claims payments with intimation letter, survey report, bank statement, claim payment register and general ledger.</li> <li>➤ 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.</li> </ul>
Please see the note 7.00 in this financial statements.	

### Other information:

The other information comprises all of the information in the Annual Report other than the financial statements and our auditor's report thereon. We have not been provided the Director's report and other information contained within the annual report except the financial statements to the date of our auditor's report. We expect to obtain the remaining reports of the Annual report after the date of our auditor's report. Management is responsible for the other information.

In connection with our audit of the financial statements, our responsibility is to read the other information identified above when it becomes available 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.

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

### 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 judgement and maintain professional scepticism 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 issued 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 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.

**Malek Siddiqui Wali**  
Chartered Accountants



Md. Waliullah, FCA  
Enrolment No: 0247

Dated, Dhaka  
April 27, 2022  
Data Verification Code (DVC) No: 2205100247AS832157

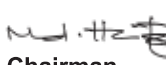
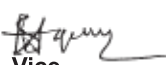
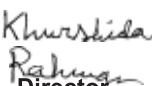
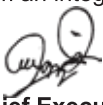

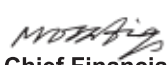




Statement of Financial Position  
As at December 31, 2021

Particulars	Notes	Amount in Taka	
		December 31, 2021	December 31, 2020
<b>Shareholders equity and liabilities</b>			
<b>Share capital</b>			
<b>Authorized share capital</b>			
10,000,000 ordinary shares of Tk.10 each	3.01	1,000,000,000	1,000,000,000
<b>Issued, subscribed and paid up capital</b>			
4,96,18,283 ordinary shares of Tk.10 each	3.04	<b>496,182,830</b>	<b>463,722,280</b>
<b>Reserve and contingent account</b>			
Reserve for exceptional losses	4.00	<b>339,967,477</b>	<b>286,646,023</b>
General reserve	4.01	243,349,613	202,200,769
Retained earnings	4.02	10,500,000	9,750,000
	4.03	86,117,864	74,695,254
<b>Total shareholders' equity</b>		<b>836,150,307</b>	<b>750,368,303</b>
<b>Balance of funds and accounts</b>			
Fire insurance revenue account	5.00	<b>169,056,357</b>	<b>211,444,231</b>
Marine cargo insurance revenue account		36,330,802	74,628,274
Marine hull insurance revenue account		99,818,630	86,824,927
Motor insurance revenue account		7,434,964	14,813,996
Misc. insurance revenue account		12,657,037	16,469,228
		12,814,924	18,707,806
<b>Premium deposits</b>		<b>22,700,595</b>	<b>18,915,055</b>
<b>Liabilities and provisions</b>			
Estimated liability in respect of outstanding claims whether due or intimated	6.00	487,928,529	386,729,208
Amount due to other persons or bodies carrying on insurance business	7.00	104,904,250	52,082,235
Lease liabilities (operating leases)	8.00	31,548,371	38,468,308
Payable for WPPF	9.00	11,130,066	9,470,896
Provision for taxation	10.00	40,052,131	31,773,576
Sundry creditors	11.00	261,887,429	215,031,507
Unclaimed dividend	12.00	37,385,897	39,445,530
	13.00	1,020,385	457,156
<b>Total liabilities</b>		<b>679,685,481</b>	<b>617,088,494</b>
<b>Total shareholder's equity and liabilities</b>		<b>1,515,835,788</b>	<b>1,367,456,797</b>
<b>Net Assets Value Per share (NAV)</b>	<b>33.00</b>	<b>16.85</b>	<b>16.18</b>

The accompanying notes 1 to 35 & Annexure-A to E form an integral part of the financial statements.

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

For separate report on the date.  
 Malek Siddiqui Wali, Chartered Accountants

Signature :   
 Auditors' Name : **Md. Waliullah**, FCA, Partner/Enr No.: 0247  
 Date : April 27, 2022  
 Place : Dhaka  
 DVC : 2205100247AS832157



**Republic Insurance Company Limited**  
 প্রি়াবলিক ইনসুরেন্স কোম্পানী লিমিটেড

**Statement of Financial Position**  
 As at December 31, 2021

Particulars	Notes	Amount in Taka	
		December 31, 2021	December 31, 2020
<b>Property and Assets</b>			
<b>Non-current assets</b>		<b>167,245,541</b>	<b>145,366,802</b>
Property, plant and equipment	14.00	52,337,159	57,041,066
Intangible assets	14.01	1,155,090	1,443,862
Right-of-use assets	14.02	11,573,817	10,136,204
Investment in government treasury bond and securities	15.00	79,300,000	57,300,000
Deferred tax	26.00	3,789,783	4,262,393
Investment in shares at market value	16.00	19,089,692	15,183,277
<b>Current assets</b>		<b>1,262,007,850</b>	<b>1,109,604,330</b>
Stock of printing & stationery and stamp in hand	17.00	3,597,535	3,289,163
Amount due from other person or bodies carrying on insurance business	18.00	255,980,813	244,490,895
Interest accrued	19.00	18,834,629	17,802,200
Sundry debtors (including advances, deposits and pre-payments)	20.00	495,686,273	389,301,948
Fixed deposit with banks	21.00	487,908,600	454,720,124
<b>Cash and cash equivalents</b>	22.00	<b>86,582,397</b>	<b>112,485,665</b>
Cash at bank		79,769,134	109,703,176
Cash in hand		6,813,263	2,782,489
<b>Total assets</b>		<b>1,515,835,788</b>	<b>1,367,456,797</b>

The accompanying notes 1 to 35 & Annexure-A to E form an integral part of the financial statements.

 Chairman  
 Vice Chairman  
 Khurshida Rahman Director  
 Chief Executive Officer  
 Company Secretary  
 Chief Financial Officer

Signed in terms of our separate report of even date.

Firm's Name : Malek Siddiqui Wali, Chartered Accountants

Signature :   
 Auditors' Name : **Md. Waliullah**, FCA, Partner/Enr No.: 0247  
 Date : April 27, 2022  
 Place : Dhaka  
 DVC : 2205100247AS832157

**Profit and Loss Appropriation Account**  
 For the year ended on December 31, 2021

Particulars	Notes	Amount in Taka	
		December 31, 2021	December 31, 2020
Balance brought forward from previous year		74,695,254	62,102,610
Profit after tax		118,242,573	109,463,857
<b>Total profit after tax</b>		<b>192,937,827</b>	<b>171,566,467</b>
<b>Appropriation:</b>			
Reserve for exceptional losses	4.01(a)	41,148,844	35,447,271
General reserve	4.02	750,000	750,000
Issuance of bonus share for the year 2020		32,460,550	30,336,970
Cash dividend paid for the year 2020		32,460,569	30,336,972
Retained earnings transferred to Statement of Financial Position		86,117,864	74,695,254
<b>Total</b>		<b>192,937,827</b>	<b>171,566,467</b>
<b>Earnings per share (Restated for 2020)</b>	<b>32.00</b>	<b>2.38</b>	<b>2.21</b>

The accompanying notes 1 to 35 & Annexure-A to E form an integral part of the financial statements.

 Chairman  
 Vice Chairman  
 Khurshida Rahman Director  
 Chief Executive Officer  
 Company Secretary  
 Chief Financial Officer

Signed in terms of our separate report of even date.

Firm's Name : Malek Siddiqui Wali, Chartered Accountants

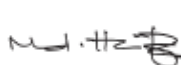

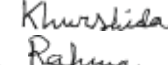


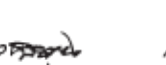
Signature :   
 Auditors' Name : **Md. Waliullah**, FCA, Partner/Enr No.: 0247  
 Date : April 27, 2022  
 Place : Dhaka  
 DVC : 2205100247AS832157

## Statement of Profit or Loss and Other Comprehensive Income

For the year ended on December 31, 2021

Particulars	Notes	Amount in Taka	
		December 31, 2021	December 31, 2020
<b>Operating profit / ( loss) transferred from</b>		<b>160,537,787</b>	<b>142,384,097</b>
Fire insurance revenue account		(2,088,855)	43,153,481
Marine cargo insurance revenue account		102,832,113	87,168,904
Marine hull insurance revenue account		31,259,382	(35,231,335)
Motor insurance revenue account		18,630,077	22,617,905
Misc. insurance revenue account		9,905,070	24,675,142
<b>Non-operating income</b>		<b>40,666,662</b>	<b>44,937,234</b>
Interest income	23.00	33,606,609	39,254,373
Share investment and dividend income	24.00	4,250,825	3,395,491
Other income	25.00	2,809,228	2,287,370
<b>Total Income</b>		<b>201,204,449</b>	<b>187,321,331</b>
<b>"Less: Expenses of management</b> (not applicable to any particular fund or account)"		<b>27,354,789</b>	<b>25,511,410</b>
Advertisement		2,199,906	7,373,455
Audit fees		1,209,000	467,250
Directors fees		968,000	556,800
Donation and subscriptions		798,000	755,000
Fees and charges		7,937,943	3,283,919
Renewal and registration fees		1,166,618	1,037,070
AGM expenses		314,487	435,000
Corporate social responsibility		1,563,000	-
Provision for gratuity expenses	12.00(b)	2,497,572	2,433,456
Depreciation		8,700,263	9,169,460
<b>Net Profit before tax &amp; WPPF</b>		<b>173,849,660</b>	<b>161,809,921</b>
Expenses for WPPF		(8,278,555)	(7,705,234)
<b>Profit before tax</b>		<b>165,571,105</b>	<b>154,104,687</b>
Income tax expenses:			
Provision for income tax	11.00	(46,855,922)	(45,118,957)
Deferred tax (expenses) / income	26.00	(472,610)	478,127
<b>Profit after tax</b>		<b>118,242,573</b>	<b>109,463,857</b>
Other comprehensive income		-	-
<b>Total comprehensive income</b>		<b>118,242,573</b>	<b>109,463,857</b>
<b>Earnings per share (Restated for 2020 )</b>	<b>32.00</b>	<b>2.38</b>	<b>2.21</b>
<b>Weighted average number of outstanding shares</b>		<b>49,618,283</b>	<b>49,618,283</b>

The accompanying notes 1 to 35 & Annexure-A to E form an integral part of the financial statements.

 Chairman	 Vice Chairman	 Director	 Chief Executive Officer	 Company Secretary	 Chief Financial Officer
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Signed in terms of our separate report of even date.

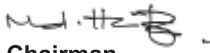
Firm's Name : Malek Siddiqui Wali, Chartered Accountants

Signature :   
 Auditors' Name : **Md. Waliullah**, FCA, Partner/Enr No.: 0247  
 Date : April 27, 2022  
 Place : Dhaka  
 DVC : 2205100247AS832157




**Consolidated Revenue Account**  
 For the year ended on December 31, 2021

Particulars	Notes	Amount in Taka	
		January 01, 2021 to December 31, 2021	January 01, 2020 to December 31, 2020
<b>Claims under policies less re-insurance</b>		69,642,573	55,657,460
Claims paid during the year		16,820,558	44,127,131
Add: Total estimated liability in respect of outstanding claims at the end of the year whether due or intimated		104,904,250	52,082,235
Less: Outstanding claims at the end of the previous year		52,082,235	40,551,906
Insurance stamps consumed		344,337	667,623
Agency commission		53,003,252	112,978,326
Expenses of management	30.00	244,572,957	221,617,303
Profit transferred to Statement of Profit or Loss and Other Comprehensive Income		160,537,787	142,384,097
Balance of account at the end of the year as shown in the Financial Position being reserve for unexpired risks		169,056,357	211,444,231
<b>Total</b>		<b>697,157,263</b>	<b>744,749,040</b>

  
**Chairman**

  
**Vice  
 Chairman**

  
**Director**

Signed in terms of our separate report of even date.  
 Firm's Name : Malek Siddiqui Wali, Chartered Accountants  
 Signature :   
 Auditors' Name : **Md. Waliullah**, FCA, Partner/Enr No.: 0247  
 Date : April 27, 2022  
 Place : Dhaka  
 DVC : 2205100247AS832157





**Consolidated Revenue Account**  
For the year ended on December 31, 2021

Particulars	Notes	Amount in Taka	
		January 01, 2021 to December 31, 2021	January 01, 2020 to December 31, 2020
Balance of fund account at the beginning of the year		211,444,231	177,407,059
Premium less re-insurance	27.00	411,488,446	506,389,584
Commission on re-insurance ceded	28.00	57,776,087	60,952,397
Profit commission	29.00	16,448,499	-
<b>Total</b>		<b>697,157,263</b>	<b>744,749,040</b>

  
Chief Executive  
Officer

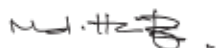
  
Company  
Secretary

  
Chief Financial  
Officer



**Fire Insurance Revenue Account**  
 For the year ended on December 31, 2021

Particulars	Notes	Amount in Taka	
		January 01, 2021 to December 31, 2021	January 01, 2020 to December 31, 2020
<b>Claims under policies less re-insurance</b>		71,200,903	12,575,584
Claims paid during the year		7,533,385	30,333,829
Add: Total estimated liability in respect of outstanding claims at the end of the year whether due or intimated		79,343,128	15,675,610
Less: Outstanding claims at the end of the previous year		15,675,610	33,433,855
Insurance stamps consumed		245,949	379,427
Agency commission		24,766,980	57,337,588
Expenses of management	30.00	92,497,492	104,714,176
Profit/(loss) transferred to Statement of Profit or Loss and Other Comprehensive Income		(2,088,855)	43,153,481
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		36,330,802	74,628,274
<b>Total</b>		<b>222,953,271</b>	<b>292,788,530</b>

  
 Chairman

  
 Vice  
 Chairman

  
 Director

Signed in terms of our separate report of even date.

Firm's Name : Malek Siddiqui Wali, Chartered Accountants

Signature :   
 Auditors' Name : **Md. Waliullah**, FCA, Partner/Enr No.: 0247  
 Date : April 27, 2022  
 Place : Dhaka  
 DVC : 2205100247AS832157



**Fire Insurance Revenue Account**  
For the year ended on December 31, 2021

Particulars	Notes	Amount in Taka	
		January 01, 2021 to December 31, 2021	January 01, 2020 to December 31, 2020
Balance of fund account at the beginning of the year		74,628,274	59,730,574
Premium less re-insurance	27.00	90,827,005	186,570,686
Commission on re-insurance ceded	28.00	42,420,960	46,487,270
Profit commission	29.00	15,077,032	-
<b>Total</b>		<b>222,953,271</b>	<b>292,788,530</b>

  
Chief Executive  
Officer

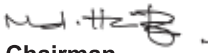
  
Company  
Secretary

  
Chief Financial  
Officer



**Marine Cargo Insurance Revenue Account**  
 For the year ended on December 31, 2021

Particulars	Notes	Amount in Taka	
		January 01, 2021 to December 31, 2021	January 01, 2020 to December 31, 2020
<b>Claims under policies less re-insurance</b>		28,402,515	1,149,103
Claims paid during the year		5,266,093	4,257,762
Add: Total estimated liability in respect of outstanding claims at the end of the year whether due or intimated		23,136,422	-
Less: Outstanding claims at the end of the previous year		-	3,108,659
Agency commission		22,602,700	36,855,468
Expenses of management	30.00	92,179,547	72,092,109
Profit/(loss) transferred to Statement of Profit or Loss and Other Comprehensive Income		102,832,113	87,168,904
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		99,818,630	86,824,927
<b>Total</b>		<b>345,835,505</b>	<b>284,090,511</b>

  
**Chairman**

  
**Vice  
 Chairman**

  
**Director**

Signed in terms of our separate report of even date.  
 Firm's Name : Malek Siddiqui Wali, Chartered Accountants

Signature :   
 Auditors' Name : **Md. Waliullah**, FCA, Partner/Enr No.: 0247  
 Date : April 27, 2022  
 Place : Dhaka  
 DVC : 2205100247AS832157



**Marine Cargo Insurance Revenue Account**  
For the year ended on December 31, 2021

Particulars	Notes	Amount in Taka	
		January 01, 2021 to December 31, 2021	January 01, 2020 to December 31, 2020
Balance of fund account at the beginning of the year		86,824,927	57,650,750
Premium less re-insurance	27.00	249,546,574	217,062,318
Commission on re-insurance ceded	28.00	8,092,537	9,377,443
Profit commission	29.00	1,371,467	-
<b>Total</b>		<b>345,835,505</b>	<b>284,090,511</b>

  
Chief Executive  
Officer

  
Company  
Secretary

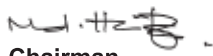
  
Chief Financial  
Officer





**Marine Hull Insurance Revenue Account**  
 For the year ended on December 31, 2021

Particulars	Notes	Amount in Taka	
		January 01, 2021 to December 31, 2021	January 01, 2020 to December 31, 2020
<b>Claims under policies less re-insurance</b>		(33,836,659)	35,445,300
Claims paid during the year		1,608,641	-
Add: Total estimated liability in respect of outstanding claims at the end of the year whether due or intimated		-	35,445,300
Less: Outstanding claims at the end of the previous year		35,445,300	-
Agency commission		759,675	5,345,041
Expenses of management	30.00	19,492,465	11,856,526
Profit/(loss) transferred to Statement of Profit or Loss and Other Comprehensive Income		31,259,382	(35,231,335)
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		7,434,964	14,813,996
<b>Total</b>		<b>25,109,827</b>	<b>32,229,528</b>

  
 Chairman

  
 Vice  
 Chairman

  
 Director

Signed in terms of our separate report of even date.  
 Firm's Name : Malek Siddiqui Wali, Chartered Accountants

Signature :   
 Auditors' Name : **Md. Waliullah**, FCA, Partner/Enr No.: 0247  
 Date : April 27, 2022  
 Place : Dhaka  
 DVC : 2205100247AS832157



**Marine Hull Insurance Revenue Account**  
For the year ended on December 31, 2021

Particulars	Notes	Amount in Taka	
		January 01, 2021 to December 31, 2021	January 01, 2020 to December 31, 2020
Balance of fund account at the beginning of the year		14,813,996	15,963,070
Premium less re-insurance	27.00	7,434,964	14,813,996
Commission on re-insurance ceded	28.00	2,860,867	1,452,462
<b>Total</b>		<b>25,109,827</b>	<b>32,229,528</b>

  
Chief Executive  
Officer

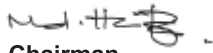
  
Company  
Secretary

  
Chief Financial  
Officer



**Motor Insurance Revenue Account**  
 For the year ended on December 31, 2021

Particulars	Notes	Amount in Taka	
		January 01, 2021 to December 31, 2021	January 01, 2020 to December 31, 2020
<b>Claims under policies less re-insurance</b>		3,637,856	7,006,508
Claims paid during the year		2,174,481	8,917,280
Add: Total estimated liability in respect of outstanding claims at the end of the year whether due or intimated		2,424,700	961,325
Less: Outstanding claims at the end of the previous year		961,325	2,872,097
Insurance stamps consumed		74,817,	259,975
Agency commission		2,582,641	7,234,074
Expenses of management	30.00	10,932,411	13,252,714
Profit/(loss) transferred to Statement of Profit or Loss and Other Comprehensive Income		18,630,077	22,617,905
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		12,657,037	16,469,228
<b>Total</b>		<b>48,514,839</b>	<b>66,840,404</b>

  
 Chairman

  
 Vice  
 Chairman

  
 Director

Signed in terms of our separate report of even date.  
 Firm's Name : Malek Siddiqui Wali, Chartered Accountants

Signature :   
 Auditors' Name : **Md. Waliullah**, FCA, Partner/Enr No.: 0247  
 Date : April 27, 2022  
 Place : Dhaka  
 DVC : 2205100247AS832157



**Motor Insurance Revenue Account**  
For the year ended on December 31, 2021

Particulars	Notes	Amount in Taka	
		January 01, 2021 to December 31, 2021	January 01, 2020 to December 31, 2020
Balance of fund account at the beginning of the year		16,469,228	24,296,735
Premium less re-insurance	27.00	31,642,593	41,173,070
Commission on re-insurance ceded	28.00	403,018	1,370,599
<b>Total</b>		<b>48,514,839</b>	<b>66,840,404</b>

  
Chief Executive  
Officer

  
Company  
Secretary

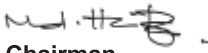
  
Chief Financial  
Officer



### Miscellaneous Insurance Revenue Account

For the year ended on December 31, 2021

Particulars	Notes	Amount in Taka	
		January 01, 2021 to December 31, 2021	January 01, 2020 to December 31, 2020
<b>Claims under policies less re-insurance</b>		237,958	(519,035)
Claims paid during the year		237,958	618,260
Add: Total estimated liability 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		-	1,137,295
Insurance stamps consumed		23,571	28,221
Agency commission		2,291,256	6,206,155
Expenses of management	30.00	29,471,042	19,701,778
Profit/(loss) transferred to Statement of Profit or Loss and Other Comprehensive Income		9,905,070	24,675,142
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		12,814,924	18,707,806
<b>Total</b>		<b>54,743,821</b>	<b>68,800,067</b>

  
Chairman

  
Vice  
Chairman

  
Khurshida  
Rahman  
Director

Signed in terms of our separate report of even date.  
Firm's Name : Malek Siddiqui Wali, Chartered Accountants

Signature :   
Auditors' Name : **Md. Waliullah**, FCA, Partner/Enr No.: 0247  
Date : April 27, 2022  
Place : Dhaka  
DVC : 2205100247AS832157





**Miscellaneous Insurance Revenue Account**  
For the year ended on December 31, 2021

Particulars	Notes	Amount in Taka	
		January 01, 2021 to December 31, 2021	January 01, 2020 to December 31, 2020
Balance of fund account at the beginning of the year		18,707,806	19,765,930
Premium less re-insurance	27.00	32,037,310	46,769,514
Commission on re-insurance ceded	28.00	3,998,705	2,264,623
<b>Total</b>		<b>54,743,821</b>	<b>68,800,067</b>

  
Chief Executive  
Officer

  
Company  
Secretary

  
Chief Financial  
Officer

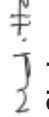
**Statement of Changes in Shareholders Equity**  
 For the year ended on December 31, 2021


Particulars	Share Capital	General Reserve	Reserve for Exceptional Losses	Retained Earnings	Total
Balance as at January 01, 2021	463,722,280	9,750,000	202,200,769	74,695,254	750,368,303
Issuance of bonus share for the year 2020	32,460,550	-	-	(32,460,550)	-
Cash dividend paid for the year 2020	-	-	-	(32,460,569)	(32,460,569)
Profit after tax during the year	-	-	-	118,242,573	118,242,573
Appropriation made during the year	-	750,000	41,148,844	(41,898,844)	-
<b>Balance as at December 31, 2021</b>	<b>496,182,830</b>	<b>10,500,000</b>	<b>243,349,613</b>	<b>86,117,864</b>	<b>836,150,307</b>

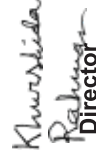
**Statement of Changes in Shareholders Equity**  
 For the year ended on December 31, 2020

Particulars	Share Capital	General Reserve	Reserve for Exceptional Losses	Retained Earnings	Total
Balance as at January 01, 2020	433,385,310	9,000,000	166,753,498	62,102,610	671,241,418
Issuance of bonus share for the year 2019	30,336,970	-	-	(30,336,970)	-
Cash dividend paid for the year 2019	-	-	-	(30,336,972)	(30,336,972)
Profit after tax during the year	-	-	-	109,463,857	109,463,857
Appropriation made during the year	-	750,000	35,447,271	(36,197,271)	-
<b>Balance as at December 31, 2020</b>	<b>463,722,280</b>	<b>9,750,000</b>	<b>202,200,769</b>	<b>74,695,254</b>	<b>750,368,303</b>

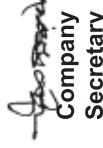
The accompanying notes 1 to 35 & Annexure-A to E form an integral part of the financial statements.

  
 Chairman

  
 Vice Chairman

  
 Director

  
 Chief Executive Officer

  
 Company Secretary

  
 Chief Financial Officer

Signed in terms of our separate report of even date.

Firm's Name : Malek Siddiqui Wali, Chartered Accountants

Signature : 

Auditors' Name : **Md. Waliullah**, FCA, Partner/Enr No.: 0247

Date : April 27, 2022

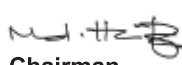
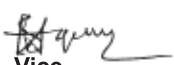
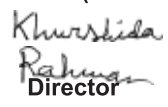



Place : Dhaka

DVC : 2205100247AS832157



**Statement of Cash Flows**  
 For the year ended on December 31, 2021

Particulars	Notes	Amount in Taka	
		January 01, 2021 to December 31, 2021	January 01, 2020 to December 31, 2020
<b>A. CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Collection from premium and other income		862,352,267	882,725,912
Payment for management expenses, re-insurance and claims		(732,205,472)	(697,808,041)
Income tax paid		(41,627,303)	(47,902,539)
<b>Net cash generated from operating activities</b>		<b>88,519,492</b>	<b>137,015,332</b>
<b>B. CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Acquisition of fixed assets		(3,707,584)	(7,287,510)
Advance against vehicle purchase		(1,678,675)	-
Advance against computer software		-	(390,000)
Advance against office decoration		-	(100,000)
Advance against office equipment		300,000	(300,000)
Advance against air conditioner		-	(200,000)
Advance against investment in shares		(22,037,500)	-
IPO shares receivable against union insurance company limited		(46,440)	-
Investment in shares		(3,229,301)	-
Sale proceeds of investment in shares		3,057,820	-
Investment of fixed deposit		(34,188,476)	(23,110,013)
Disposal of fixed deposit		1,000,000	5,000,000
Investment in govt. securities		(22,000,000)	(32,300,000)
<b>Net cash used in investing activities</b>		<b>(82,530,156)</b>	<b>(58,687,523)</b>
<b>C. CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Dividend paid		(32,034,366)	(29,928,509)
Sale proceeds on fraction shares issuance of bonus share for the year 2020		137,026	48,693
<b>Net cash used in financing activities</b>		<b>(31,897,340)</b>	<b>(29,879,816)</b>
<b>D. Net increase/(decrease) in cash and cash equivalents (A+B+C)</b>		<b>(25,908,004)</b>	<b>48,447,993</b>
<b>E. Cash and cash equivalents at the beginning of the year</b>		<b>112,485,665</b>	<b>64,038,033</b>
Cash and cash equivalents at the beginning of the year before adjusting of translation gain/(loss)		86,577,661	112,486,026
Foreign currency translation gain/(loss)		4,736	(361)
<b>F. Cash and cash equivalents at the end of the year</b>		<b>86,582,397</b>	<b>112,485,665</b>
<b>Net operating cash flows per share (NOCFPS)</b>	<b>34.00</b>	<b>1.78</b>	<b>2.95</b>

 Chairman  
 Vice Chairman  
 Khurshida Rahman Director  
 Chief Executive Officer  
 Company Secretary  
 Chief Financial Officer

Signed in terms of our separate report of even date.  
 Firm's Name : Malek Siddiqui Wali, Chartered Accountants

Signature :   
 Auditors' Name : **Md. Waliullah**, FCA, Partner/Enr No.: 0247  
 Date : April 27, 2022  
 Place : Dhaka  
 DVC : 2205100247AS832157



**Form "AA"**

**Classified Summary of Assets As at December 31, 2021**

SL. No.	Class of assets	Book Value 2021 (Tk.)	Book Value 2020 (Tk.)	
<b>A)</b>	<b>Non-current assets:</b>			
i)	<b>Property, plant &amp; equipment</b>	<b>65,066,066</b>	<b>68,621,132</b>	At cost less depreciation
	Computer	2,213,553	2,238,871	
	Furniture & fixtures	9,053,069	9,899,695	
	Office equipments	2,141,340	2,206,012	
	Vehicles	17,915,505	20,243,162	
	Crockeries & cutleries	71,717	76,138	
	Air conditioner	2,206,063	2,468,358	
	Telephone	243,037	270,041	
	Office decoration	12,238,305	13,380,215	
	Land and land development	62,238,556	6,238,556	
	Sundry assets	16,014	20,018	
	Computer software	1,155,090	1,443,862	
	Right-of-use assets	11,573,817	10,136,204	
ii)	<b>Investment:</b>	<b>98,389,692</b>	<b>72,483,277</b>	
	a) Investment in government treasury bond	25,000,000	25,000,000	Not quoted in Market
	b) Investment in government securities	54,300,000	32,300,000	Not quoted in Market
	c) Investment in shares at market value	19,089,692	15,183,277	At Market price
	<b>Total non-current assets ( i+ii)</b>	<b>163,455,758</b>	<b>141,104,409</b>	
<b>B)</b>	<b>Current assets:</b>	<b>1,348,590,247</b>	<b>1,222,089,995</b>	
	a) Invstment in fixed deposits with banks	487,908,600	454,720,124	Realizable value
	b) Cash at bank	79,769,134	109,703,176	Realizable value
	c) Cash in hand	6,813,263	2,782,489	Realizable value
	d) Interest accrued	18,834,629	17,802,200	Realizable value
	e) Sundry debtors	495,686,273	389,301,948	Realizable value
	f) Amount due from other persons or bodies carrying on insurance business	255,980,813	244,490,895	Realizable value
	g) Stock of printing & stationery and stamp in hand	3,597,535	3,289,163	At cost
<b>C)</b>	<b>Other assets:</b>			
	Deferred tax assets	3,789,783	4,262,393	Realizable value
	<b>Total assets (A+B+C)</b>	<b>1,515,835,788</b>	<b>1,367,456,797</b>	

 Chairman  
 Vice Chairman  
 Khurshida Rahman Director  
 Chief Executive Officer  
 Company Secretary  
 Chief Financial Officer

Signed in terms of our separate report of even date.  
 Firm's Name : Malek Siddiqui Wali, Chartered Accountants

Signature :   
 Auditors' Name : **Md. Waliullah**, FCA, Partner/Enr No.: 0247  
 Date : April 27, 2022  
 Place : Dhaka  
 DVC : 2205100247AS832157

# NOTES TO THE FINANCIAL STATEMENTS

Republic Insurance Company Limited  
For the year ended on December 31, 2021

## 1.00 Legal form of the Company

The Company was incorporated on the May 18, 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 01, 2008 and was listed with Dhaka Stock Exchange Ltd. on January 14, 2009 & Chattogram Stock Exchange Ltd. on January 07, 2009.

Pursuant to section 21 of Insurance Act-2010 (The first Schedule), and Rule 4(A) 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. The 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, 12.50% stock dividend on 2017, 10% stock dividend on 2018, 7% cash dividend & 7% stock dividend on 2019, 7% cash dividend & 7% stock dividend on 2020 and 10% cash dividend & 5% stock dividend on 2021.

So, the total paid up capital increased from Tk.15.00 crore to Tk. 49.62 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 November 15, 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 (6th & 9th 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 are 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 2021 under review.

## 1.03 Authorization date for issuing financial statements:

Financial statements of the Company for the year ended December 31, 2021 were authorized for issue on April 27, 2022 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. In addition, Bangladesh Securities and Exchange Commission Rules-1987, Listing Regulations of Dhaka Stock Exchange Ltd. (DSE) & Chattogram Stock Exchange Ltd. (CSE), International Accounting Standards(IAS) and International Financial Reporting Standards(IFRS) as adopted by the Institute of Chartered Accountants of Bangladesh (ICAB) and other applicable laws & regulations in Bangladesh.

## **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 Ltd. and Chattogram Stock Exchange Ltd. 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 includes the following components:

- i) Statement of financial position as at December 31, 2021;
- ii) Statement of profit or loss and other comprehensive income for the year ended on December 31, 2021;
- iii) Statement of consolidated revenue account for the year ended on December 31, 2021;
- iv) Statement of changes in equity for the year ended on December 31, 2021;
- v) Statement of cash flows for the year ended on December 31, 2021;
- vi) Notes, comprising a summary of significant accounting policies and other explanatory information to the financial statements for the year ended on December 31, 2021.

## **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 Ltd. and Chattogram Stock Exchange Ltd., Income Tax Ordinance-1984, Income Tax Rules-1984 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 on December 31, 2021 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 are 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, 2021 to December 31, 2021.

## **2.10 Interim financial reporting:**

In accordance with International Accounting Standard (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(IFRS-15):**

Revenue recognized in accordance with International Financial Reporting Standard (IFRS-15) 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 ShadharanBima Corporation is received. The statements of account for the period from July 2020 to June 2021 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 ShadharanBima 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 at the expiry of nine months from the date of issue of such cover notes as per circular of the then Chief Controller of Insurance.

**(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 shares:**

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 and securities:**

10 (Ten) years Bangladesh Government Treasury bond and securities are valued at cost price.

**(i) Investment income:**

i) Interest on fixed deposit and 10 (Ten) years Bangladesh government treasury bond and securities 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 10%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

statements 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 Exchange 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 differ 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.24,45,72,957 represents approximately 32.68% of Tk.74,84,47,578 (including public sector business of Tk.9,74,28,413). The expenses have been apportioned 37.82% to Fire, 37.69% to Marine Cargo, 7.97% to Marine Hull, 4.47% to Motor and 12.05% 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 employees 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 rule 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 01, 2004 & IAS-19 under employees' retirement benefit schemes.

## 2.17 Workers profit participation fund and welfare fund:

As per Section 234 of Bangladesh Labor (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's and depreciation:

All fixed assets are stated at cost less accumulated depreciation as per International Accounting Standard (IAS)-16, "Property, Plant and Equipment's". The cost of acquisition of an asset comprises its purchase price and any directly attributable cost of bringing the asset to its working condition for its intended use inclusive of inward freight, duties and nonrefundable taxes.

### Recognition of property, plant and equipment's:

The Company recognizes in the carrying amount of an item of property, plant and equipment the cost of replacing part of such an item when that cost is incurred if it is probable that the future economic benefits embodied with the item will flow to the company and the cost of the items can be measured reliably. Normal expenditure incurred after the assets have been put into operation such as repairs and maintenance other than major replacements, renewals and/or betterment of the assets are charged off as revenue expenditure in the period in the period in which it is incurre.

### Depreciation on property, plant & equipment's:

Property, plant & equipment's are depreciated following the reducing balance method on the basis of economic life expectancy of the assets in accordance with IAS-16. Depreciation on addition of fixed assets has been charged when it is available for use. The property, plant & equipment's are depreciated at the following rates:

Category of Assets	Rate of Depreciation
Computer	30%
Furniture & fixtures	10%
Office equipment's	20%
Vehicles	20%
Crockeries & cutleries	20%
Air conditioner	20%
Telephone	10%
Office decoration	10%
Sundry assets	20%
Computer software	20%
Lease car	10%



**De-recognition:**

An item of property, plant and equipment is de-recognized upon disposal or when no future economic benefits are expected from its use. Any gain or loss arising on de-recognition of the asset is included in the statement of profit or loss and other comprehensive income in the year the asset is de-recognized.

**Impairment of assets:**

As per IAS-36 Impairment of assets: The carrying amounts of the company's non-current assets, other than deferred tax assets are reviewed at each reporting date to determine whether there is any indication of impairment, if any such indication exists, then the asset's recoverable amount is estimated. An impairment loss is recognized if the carrying amount of an asset or its cash generating unit exceeds its estimated recoverable amount. Impairment losses are recognized in the statement of profit or loss and other comprehensive income. Considering the present conditions of the assets, management concludes that there is no such indication exists.

## 2.19 Leases

The Company applied IFRS-16 Leases for the first time with the date of initial application of 01 January 2019. As IFRS 16-supersedes IAS-17 Lease, the Company has made recognition, measurement and disclosure in the financial statements-2021 as per IFRS-16.

**Right-of-use assets (ROU):**

The Company recognizes the right-of-use assets (ROU) at the commencement date of the lease. ROU assets are measured at cost less any accumulated depreciation and impairment of losses and adjusted cost incurred, and lease payment made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight line basis over the lease term, or remaining period of the lease term. The Company assessed all lease contracts live in 2021 and recognized as ROU of assets of all leases. As leases under IFRS-16 first time adopted by the Company, the Company has followed modified retrospective approach of adoption with the date of initial application of January 01, 2019. Therefore, the Company considered a cut-off date beginning of the year 2019 and reassessed unadjusted advance payment and remaining lease period of each contract, and recognized those in the financial statements for the year ended on December 31, 2021 without giving retrospective impact in earlier presentation.

**Lease liabilities:**

At the commencement of the lease, the Company recognizes lease liabilities measured at the present value of lease payments initial payment, and amount is expected to be paid under residual value of guarantees. The lease payments also include the exercise price of purchase option reasonably certain to be exercised by the Company and payment of penalties for terminating the lease to be made over the lease term. The lease payments include fixed and variable lease payment (less any adjustment for terminating the lease term).

## 2.20 Financial risk management (IFRS-7):

### 2.20.1 Introduction:

The Company's activities expose it to a variety of financial risks: credit risk, market risk, and liquidity risk. The Company's risk management focuses on the unpredictability of financial markets and seeks to minimize potential adverse effects on the Company's financial performance.

Financial risk management is carried out by Accounts and Finance Department under policies approved by Board of Directors Accounts and Finance Department identifies, evaluates, and hedges financial risks in close co-operation with the Company's operating units.

This note presents information about the Company's exposure to each of the risks arising from financial instruments and the Company's objectives, policies, and processes for measuring and managing risk. Further quantitative disclosures are included throughout these financial statements.

## 2.20.2 Carrying amounts of financial instruments by category:

The following table shows the carrying amounts of financial instruments by category at the end of December:

	Maturity analysis				
	Current	>30 days	>90 days	>1 year	Total
Cash and cash equivalents, receivables and Advances, Deposits & Prepayments					
Cash and cash equivalents	8,65,82,397	-	-	-	8,65,82,397
Trade and other receivable	-	-	10,23,92,325	15,35,88,488	25,59,80,813
Advances, Deposits and Prepayments	-	9,91,37,255	14,87,05,882	24,78,43,136	49,56,86,273
Non-current financial assets	-	-	-	9,83,89,692	9,83,89,692
<b>Balance as at December 31, 2021</b>	<b>8,65,82,397</b>	<b>9,91,37,255</b>	<b>25,10,98,207</b>	<b>49,98,21,316</b>	<b>93,66,39,175</b>
<b>Financial liabilities measured as at amortized cost</b>					
Trade and Other Payable	-	47,32,256	78,87,093	1,89,29,022	3,15,48,371
Liability for expenses	-	1,72,82,827	1,15,21,885	96,01,570	3,84,06,282
<b>Balance as at December 31, 2021</b>	<b>-</b>	<b>2,20,15,083</b>	<b>1,94,08,978</b>	<b>2,85,30,592</b>	<b>6,99,54,653</b>

## 2.20.3 Credit risk:

Credit risk is the risk of financial loss to the Company if a customer or counterparty to financial instruments fails to meet its contractual obligations, and arises principally from cash and cash equivalents, time deposits, and trade accounts receivable.

The credit risk with trade and other receivable is limited, as the Company has numerous clients located in various geographical regions. The Company's exposure to credit risk is influenced mainly by the individual characteristics of each customer. For risk control, the customers are as follows governmental organizations, listed public limited companies, and other customers.

The maximum exposure to credit risk is represented by the carrying amount of each financial asset, including derivative financial instruments, in the balance sheet. There are no commitments that could increase this exposure to more than the carrying amounts.

## 2.20.4 Market risks:

Market risk is the risk that changes in market prices, foreign exchange rates, and other prices will affect the Company's result or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters while optimizing the return on risk.

## 2.20.5 Liquidity risk:

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. Accounts and Finance manages the Company's liquidity to ensure sufficient liquidity to meet all liabilities when due, under both normal and stressed conditions, without facing unacceptable losses or risking damage to the Company's reputation.

The following are the contractual maturities of financial liabilities:

BDT	Carrying amount	Contractual cash flows	Between 1 and 90 days	Between 91 and 360 days	Between 1 and 2 years	Over 2 years
Non-derivative financial liabilities						
Trade and Other Payable	3,15,48,371	-	1,10,41,930	78,87,093	1,26,19,348	-
Liability for expenses	3,84,06,282	-	1,34,42,199	96,01,571	1,53,62,512	-
<b>Balance as at December 31, 2021</b>	<b>6,99,54,653</b>	<b>-</b>	<b>2,44,84,129</b>	<b>1,74,88,664</b>	<b>2,79,81,860</b>	<b>-</b>

### 2.21 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".

### 2.22 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.

### 2.23 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).

### 2.24 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.

### 2.25 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, 2021 there was no scope for dilution and hence no dilution EPS is required to be calculated.

### 2.26 Key Management benefits:

The aggregate amount paid/provided during the year in respect of Directors and Executives of the Company is as follows:

Benefits	2021		2020	
	Directors	Executives	Directors	Executives
Salary	-	3,81,19,510	-	39,015,179
Festival bonus	-	28,63,962	-	2,791,434
Provident fund	-	10,76,967	-	1,066,163
Gratuity	-	-	-	-
Group insurance	-	3,59,640	-	-
Directors fee	9,68,000	-	556,800	-
<b>Total</b>	<b>9,68,000</b>	<b>4,24,20,079</b>	<b>556,800</b>	<b>42,872,776</b>

## 2.27 Related party disclosure:

As per International Accounting Standard (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: 35.00.

## 2.28 Events after the reporting period (financial position date):

The Board of Directors has recommended 15% dividend (5% stock dividend and 10% cash dividend) on paid up capital for the year ended on December 31, 2021 as per approval of Board Meeting held on April 27, 2022 as dividend on paid up capital of Tk. 496,182,830 subject to the approval in the Annual General Meeting (AGM) to be held on June 27, 2022. 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 Standards (IAS-10) Para 12.

## 2.29 General:

- Number of employees received salary up to Tk. 10,000 per month are nil;
- Number of employees received salary above Tk. 10,000 per month are 690;
- 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 6 (six) numbers of Board Meeting were held;
- All shares have been fully called and paid up;
- Statutory audit fee for the year ended December 31, 2021 is Tk. 385,000;
- There was 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 on December 31, 2021

	Amount in Taka	
	December 31, 2021	December 31, 2020
<b>3.00 Share capital</b>		
<b>3.01 Authorized capital</b>		
100,000,000 ordinary shares of Tk.10 each	1,000,000,000	1,000,000,000
<b>3.02 Issued, subscribed and paid up capital</b>		
Issued, subscribed and paid up capital consists of	496,182,830	463,722,280
4,96,18,283 ordinary shares of Tk.10 each fully paid	<b>496,182,830</b>	<b>463,722,280</b>
<b>3.03 Shareholdings</b>		

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, 10% on 2018, 7% stock & 7% cash dividend on 2019, 7% stock & 7% cash dividend on 2020 and 5% stock & 10% cash dividend on 2021. So total paid capital increase from Tk.15.00 crore to Tk.49.62 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, 2021 is as under.

Particulars	2021		2020	
	No. of shares	% of holding	No. of shares	% of holding
1. Sponsors & Directors (Group-A)	15,711,649	31.67	14,683,790	31.67
2. General Public (Group-B)	33,906,634	68.33	31,688,438	68.33
<b>Total</b>	<b>49,618,283</b>	<b>100.00</b>	<b>46,372,228</b>	<b>100.00</b>

The sponsors & directors are shareholding 31.67% against 60% as required by Insurance Act 2010 section 21(3) and Schedule 1. On the other hand the sponsors and directors of the company are holding more than the 30% shares of the paid up capital required under gazette notification no. BSEC/CMRRC-D/2009-193/217/Admin/90. Dated: 15 July 2019 of Bangladesh Securities and Exchange Commission.

**Group "A" Shareholders (Sponsors)**

Class interval	No. of shareholders	No. of share	% Total holding	% Total paid-up capital
1 to 500	-	-	-	-
501 to 5000	-	-	-	-
5001 to 10000	-	-	-	-
10001 to 20000	-	-	-	-
20001 to 30000	-	-	-	-
30001 to 40000	-	-	-	-
40001 to 50000	-	-	-	-
50001 to 100000	-	-	-	-
100001 to 1000000	4	3,972,041	25.28	8.01
1000001 to 10000000	7	11,739,608	74.72	23.66
<b>Total</b>	<b>11</b>	<b>15,711,649</b>	<b>100.00</b>	<b>31.67</b>



**Amount in Taka**

**December 31,  
2021**

**December 31,  
2020**

**Group "B" Shareholders (Public)**

Class interval	No. of shareholders	No. of share	% Total holding	% Total paid-up capital
1 to 500	3,095	602,462	1.78	1.21
501 to 5000	2,660	5,188,575	15.30	10.46
5001 to 10000	440	3,203,768	9.45	6.46
10001 to 20000	266	3,851,388	11.36	7.76
20001 to 30000	100	2,454,894	7.24	4.95
30001 to 40000	32	1,140,252	3.36	2.30
40001 to 50000	30	1,392,695	4.11	2.81
50001 to 100000	39	2,548,188	7.52	5.14
100001 to 1000000	29	6,311,751	18.62	12.72
1000001 to 10000000	5	7,212,661	21.27	14.54
<b>Total</b>	<b>6,696</b>	<b>33,906,634</b>	<b>100.00</b>	<b>68.33</b>

**3.04 Share capital (paid up)**

Opening balance	463,722,280	433,385,310
Add: bonus share issued during the year	32,460,550	30,336,970
<b>Total share capital (paid up)</b>	<b>496,182,830</b>	<b>463,722,280</b>

**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	
		31.12.2021	31.12.2020
Reserve for exceptional losses	4.01	243,349,613	202,200,769
General reserve	4.02	10,500,000	9,750,000
Retained earnings	4.03	86,117,864	74,695,254
<b>Total reserves &amp; surplus</b>		<b>339,967,477</b>	<b>286,646,023</b>

**4.01 Reserve for exceptional losses**

As per paragraph 6 of fourth schedule of Income Tax ordinance 1984. as earlier for the year 2020, 7% of the net premium income was transferred to reserve for exceptional losses. Details of calculation as hereunder:

Opening balance	202,200,769	166,753,498
Add: reserve made during the year (tax exempted) 4.1(a)	41,148,844	35,447,271
<b>Closing balance as on December 31, 2020</b>	<b>243,349,613</b>	<b>202,200,769</b>

**4.1(a) Class wise reserve for exceptional losses**

This represents profit set aside during the year under review at 10% 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,  
2021**

**December 31,  
2020**

Particulars	Net Premium	% on Net Premium	Amount in Taka	
			31.12.2021	31.12.2020
01. Fire insurance business	90,827,005	10.00%	9,082,701	13,059,948
02. Marine cargo insurance business	249,546,574	10.00%	24,954,657	15,194,362
03. Marine hull insurance business	7,434,964	10.00%	743,496	1,036,980
04. Motor insurance business	31,642,593	10.00%	3,164,259	2,882,115
05. Miscellaneous insurance business	32,037,310	10.00%	3,203,731	3,273,866
<b>Total</b>	<b>411,488,446</b>		<b>41,148,844</b>	<b>35,447,271</b>

#### 4.02 General reserve

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

Opening balance	9,750,000	9,000,000
Add: reserve made during the year	750,000	750,000
<b>Closing balance as on December 31, 2021</b>	<b>10,500,000</b>	<b>9,750,000</b>

#### 4.03 Retained earnings

Opening balance of undistributed profit	74,695,254	62,102,610
Less: issuance of bonus share for the year 2020	32,460,550	30,336,970
Less: cash dividend paid for the year 2020	32,460,569	30,336,972
Retained earnings from previous year	9,774,135	1,428,668
Add: net profit during the year	118,242,573	109,463,857
<b>Total undistributed profit</b>	<b>128,016,708</b>	<b>110,892,525</b>

Appropriation:		
Less: reserve for exceptional losses	41,148,844	35,447,271
Less: general reserve	750,000	750,000
<b>Closing balance of undistributed profit</b>	<b>86,117,864</b>	<b>74,695,254</b>

#### 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. Class wise un-expired risk reserve is as follows:

Class of business	Net Premium	Percentage	31.12.2021	31.12.2020
Fire	90,827,005	40%	36,330,802	74,628,274
Marine cargo	249,546,574	40%	99,818,630	86,824,927
Marine hull	7,434,964	100%	7,434,964	14,813,996
Motor	31,642,593	40%	12,657,037	16,469,228
Miscellaneous	32,037,310	40%	12,814,924	18,707,806
<b>Total</b>	<b>411,488,446</b>		<b>169,056,357</b>	<b>211,444,231</b>

**Amount in Taka**

**December 31, 2021**      **December 31, 2020**

**6.00 Premium deposits**

The under mentioned amount includes premium received against cover notes for which policies have not been issued within December 31,2021. 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	2,477,527	1,809,529
Marine cargo	17,473,710	15,024,530
Marine hull	-	-
Motor	-	-
Miscellaneous	-	-
Stamp duty	2,306,707	2,025,834
Excess deposit	442,651	55,162
<b>Total</b>	<b>22,700,595</b>	<b>18,915,055</b>

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

Fire	79,343,128	15,675,610
Marine cargo	23,136,422	-
Marine hull	-	35,445,300
Motor	2,424,700	961,325
Miscellaneous	-	-
<b>Total</b>	<b>104,904,250</b>	<b>52,082,235</b>

All the claims of which the company received intimations within December 31, 2021 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	30,864,391	37,743,584
Pioneer Insurance Company Limited	561,000	561,000
Others insurance company	122,980	163,724
<b>Total</b>	<b>31,548,371</b>	<b>38,468,308</b>

**8.00(a) Others insurance company**

Express insurance company limited	122,980	122,980
Reliance insurance company limited	-	40,744
	<b>122,980</b>	<b>163,724</b>

**9.00 Lease liabilities (operating leases)**

Break up of the amount is as under:

Opening balance	9,470,896	13,408,200
Add: addition during the year	9,076,563	4,343,830
Add: finance cost during the year	956,082	904,046
Less: payment during the year	8,373,475	9,185,180
<b>Closing balance as on December 31, 2021</b>	<b>11,130,066</b>	<b>9,470,896</b>

	Amount in Taka	
	December 31, 2021	December 31, 2020
<b>10.00 Payable for WPPF</b>		
Opening balance	31,773,576	24,068,342
Add: expenses for the year	8,278,555	7,705,234
<b>Total</b>	<b>40,052,131</b>	<b>31,773,576</b>

WPPF expenses 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 and as per Notification of Bangladesh Insurance Association (BIA-3(58)/2021-153 Dated: May 16, 2021) hence no payment was made during this year.

#### 11.00 Provision for income tax

Opening balance	215,031,507	169,912,550
Add: provision made during the year (Note:11.01)	46,855,922	45,118,957
Total tax liability	261,887,429	215,031,507
Less: adjustment made during the year	-	-
Closing balance as on December 31, 2021	261,887,429	215,031,507

#### 11.01 Calculation of provision for income tax made during the year:

	Amount in Taka December 31, 2021
<b>Particulars</b>	
<b>Net Profit before tax as per Statement of Profit or Loss and Other Comprehensive Income</b>	<b>165,571,105</b>
Less:reserve for exceptional losses	41,148,844
Add:accounting depreciation	8,700,263
Less:tax depreciation	8,316,049
Add:provision for gratuity fund	2,497,572
Less:employees gratuity fund paid	270,832
<b>Taxable income</b>	<b>127,033,215</b>

Computation of current tax provision	Taxable income	Tax rate	Current tax provision
<b>Particulars of income</b>			
Tax on dividend income	515,891	20%	103,178
Tax on capital gain on sale of shares	2,513,646	10%	251,365
Tax on business income and other income	124,003,678	37.50%	46,501,379
<b>Total Taka</b>	<b>127,033,215</b>		<b>46,855,922</b>

#### 12.00 Sundry creditors

Salaries and allowances	10,043,816	14,216,838
Security deposit (Against open policy)	969,000	969,000
Statutory Audit fees payable ( Malek Siddiqui Wali)	308,000	308,000
Compliance Audit fees payable ( T.Hussain & Co.)	40,000	40,000
Audit fees payable (Special Audit)	-	295,500
Gratuity fund	12.00(b) 8,185,828	5,959,088
Withholding tax deduction at source	776,878	652,967
Withholding tax against agent commission	1,046,967	756,171

	Amount in Taka	
	December 31, 2021	December 31, 2020
Withholding vat deduction at source	906,056	895,195
Liability vat December, 2021	7,022,367	8,315,443
Provident fund employees contribution	258,283	279,775
Provident fund employers contribution	258,283	279,775
Provident fund loan recovery	303,573	210,434
HR Holdings Limited ( Electric and wasa bill)	177,933	197,083
Share application money (GP & NRB) 12.00(a)	3,371,353	3,371,353
Lease advance realization	3,717,560	2,698,908
<b>Total</b>	<b>37,385,897</b>	<b>39,445,530</b>

**12.00(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, 2021.

**12.00(b) Provision for gratuity fund**

Opening balance	5,959,088	3,740,221
Add: provision made during the year	2,497,572	2,433,456
	8,456,660	6,173,677
Less: paid during the year	270,832	214,589
<b>Total provision for gratuity fund</b>	<b>8,185,828</b>	<b>5,959,088</b>

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.81,85,828 shown on Sundry Creditors Account.

**13.00 Unclaimed dividend**

Unclaimed dividend amounting to tk.10,20,385 payable to the Shareholders to whom dividend warrants were issued but not placed for collection up to date of Statement of Financial Position.

A) Unclaimed dividend for the year 2020	626,582	-
B) Unclaimed dividend for the year 2019	393,803	457,156
<b>Total unclaimed dividend</b>	<b>1,020,385</b>	<b>457,156</b>

**14.00 Property, plant & equipment**

**A. Cost price:**

Cost of Fixed Assets as on January 1, 2021	111,168,919	104,301,409
Add: addition during the year	3,707,584	6,867,510
Less: adjustment / disposal during the year	-	-
Cost of fixed assets as on December 31, 2021	114,876,503	111,168,919

**B. Accumulated depreciation:**

Accumulated depreciation balance as on January 1, 2021	54,127,853	45,227,268
Add: depreciation during the year	8,411,49	8,900,585
Less: adjustment/ disposal during the year	-	-
Accumulated depreciation balance as on December 31, 2021	62,539,344	54,127,853
<b>Written down value as on December 31, 2021 (A-B)</b>	<b>52,337,159</b>	<b>57,041,066</b>

A schedule of property, plant & equipment has been given in Annexure-A.



	Amount in Taka	
	December 31, 2021	December 31, 2020
<b>14.01 Intangible assets</b>		
Opening balance as on January 01, 2021	2,690,230	2,270,230
Add: addition during the year	-	420,000
	2,690,230	2,690,230
Less: accumulated amortization	1,535,140	1,246,368
<b>Written down value as on December 31, 2021</b>	<b>1,155,090</b>	<b>1,443,862</b>

A schedule of Intangible assets has been given in Annexure-B.

#### 14.02 Right-of-use assets

A. Cost	28,644,887	24,181,056
Add: addition during the year	9,682,563	4,463,831
Cost of right-of-use assets as on December 31, 2021	38,327,450	28,644,887
B. Accumulated depreciation:		
Accumulated depreciation balance as on January 01, 2021	18,508,683	9,278,463
Add: depreciation charged during the year	8,244,950	9,230,220
Accumulated depreciation as on December 31, 2021	26,753,633	18,508,683
<b>Written down value as on December 31, 2021 (A-B)</b>	<b>11,573,817</b>	<b>10,136,204</b>

A schedule of right-of-use assets has been given in Annexure-C.

#### 15.00 Investment in government treasury bond and securities

##### 15.01 Investment in government treasury bond:

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	BD0923301107	12%	13.02.2013	13.02.2023	16,000,000
10YBGTB	BD0929061101	9.27%	21.08.2019	21.08.2029	9,000,000
<b>Total (a)</b>					<b>25,000,000</b>

##### 15.02 Investment in government securities:

Nature of Security	ISIN No.	Interest Rate	Issue date	Maturity date	Amount (Tk.)
10YBGTB	BD0930261104	9.15%	22.01.2020	22.01.2030	5,000,000
10YBGTB	BD0929221101	9.23%	18.12.2019	18.12.2029	3,200,000
10YBGTB	BD0929221101	9.23%	18.12.2019	18.12.2029	2,100,000
10YBGTB	BD0930431103	8.66%	17.06.2020	17.06.2030	5,000,000
10YBGTB	BD0930031101	7.89%	22.07.2020	22.07.2030	5,000,000
10YBGTB	BD0930141108	5.63%	21.10.2020	21.10.2030	12,000,000
10YBGTB	BD0931401105	5.80%	19.05.2021	19.05.2031	22,000,000
<b>Total (b)</b>					<b>54,300,000</b>
<b>Grand Total (a+b)</b>					<b>79,300,000</b>

Above mentioned amount represent investment in Bangladesh Bank Govt. securities with Jamuna bank Limited as required under section 41 & 148 of the Insurance Act. 2010 and S.R.O.No.353-Act/2019.

**Amount in Taka**

**December 31,  
2021**

**December 31,  
2020**

**16.00 Investment in shares at market value**

Name of the Company	No. of Shares as on 31.12.2021	Average cost as on 31.12.2021	Market price as on 31.12.2021	Cost value as on 31.12.2021	Fair market value as on 31.12.2021	Profit / (Loss)
ACI Limited	282	-	285.40	-	80,483	80,483
Exim Bank Limited	3,858	1.96	12.70	7,575	48,997	41,422
ICB Islamic Bank Limited	10,900	10.00	5.20	109,000	56,680	(52,320)
IFIC Bank Limited	46,677	16.59	16.90	774,590	788,841	14,251
Mercantile Bank Limited	81,311	14.12	17.10	1,147,770	1,390,418	242,648
Mutual Trust Bank Limited	36,614	9.14	19.60	334,500	717,634	383,134
National Bank Limited	43,200	6.91	7.50	298,300	324,000	25,700
NCC Bank Limited	115,077	17.64	15.30	2,029,534	1,760,678	(268,856)
One Bank Limited	19,590	8.08	13.80	158,350	270,342	111,992
Phoenix Finance & Investment Limited	5,646	86.90	24.80	490,610	140,021	(350,589)
Premier Bank Limited	20,351	6.39	14.90	130,000	303,230	173,230
Pubali Bank Limited	30,207	31.45	26.80	949,880	809,548	(140,332)
Southeast Bank Limited	23,075	10.62	15.50	245,089	357,663	112,574
United Commercial Bank Limited	60,172	18.57	15.30	1,117,260	920,632	(196,628)
The ACME Laboratories Limited	128,561	85.20	86.50	10,953,397	11,120,527	167,130
<b>Total</b>	<b>625,521</b>			<b>18,745,855</b>	<b>19,089,692</b>	<b>343,837</b>

**16.00(a) Change in fair value of marketable securities**

Fair value of investment in shares	19,089,692	15,183,277
Less: cost price of the investment	18,745,855	16,060,728
Total unrealised profit/(loss) at the end of the year	343,837	(877,451)
Total unrealised profit/(loss) recognized at the beginning of the year	(877,451)	(3,562,942)
Fair value profit/(loss) made during the year (recognized in profit or loss statement)	<b>1,221,288</b>	<b>2,685,491</b>

**17.00 Stock of printing & stationery and stamp in hand**

Printing	889,333	776,166
Stationery	10,108	14,845
Stamp in hand	2,698,094	2,498,152
<b>Total</b>	<b>3,597,535</b>	<b>3,289,163</b>

**18.00 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	255,130,122	243,423,354
Receivable from others insurance company against co-insurance business	18.00(a) 850,691	1,067,541
<b>Total</b>	<b>255,980,813</b>	<b>244,490,895</b>

	Amount in Taka	
	December 31, 2021	December 31, 2020
<b>18.00(a) Details of receivable against co-insurance business</b>		
Asia Pacific Insurance Company Limited	265,073	265,073
Karnaphuli Insurance Company Limited	-	14,926
Reliance Insurance Company Limited	-	39,195
Green Delta Insurance Company Limited	375,119	375,119
Progati Insurance Company Limited	-	120,579
Union Insurance Company Limited	210,499	210,499
Federal Insurance Company Limited	-	42,150
	<b>850,691</b>	<b>1,067,541</b>
<b>19.00 Interest accrued</b>		
Opening balance	16,352,238	16,333,644
Add: accrued during the year	26,671,821	34,009,673
Less: received during the year	25,791,463	33,991,079
<b>Total accrued interest on FDR</b>	<b>17,232,596</b>	<b>16,352,238</b>
Accrued interest on treasury bond		
Opening balance	923,224	923,224
Add: accrued during the year	2,754,300	2,754,300
Less: received during the year	2,754,300	2,754,300
<b>Total accrued interest on treasury bond</b>	<b>923,224</b>	<b>923,224</b>
<b>Accrued interest on Govt. securities</b>		
Opening balance	526,738	-
Add: accrued during the year	3,239,861	1,461,178
Less: received during the year	3,087,790	934,440
<b>Total accrued interest on Govt. securities</b>	<b>678,809</b>	<b>526,738</b>
<b>Total</b>	<b>18,834,629</b>	<b>17,802,200</b>

The amount represents interest earned/accrued but not received during the year.

## 20.00 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)		138,344	508,340
Advance office rent (Head office)		-	-
Advance CNG conversion		-	5,250
Advance printing		1,385,000	1,800,000
Advance income tax	19.00(a)	308,494,106	266,866,803
Advance for office space purchase	20.00(d)	9,422,900	9,422,900
Advance against legal fees		210,000	210,000
Advance against salary		380,450	277,000
Advance against computer software		390,000	390,000
Advance against office equipment		-	300,000
Advance against air conditioner		200,000	200,000
Advance against office decoration		5,550,200	5,550,200

	Amount in Taka	
	December 31, 2021	December 31, 2020
Advance against vehicle purchase	1,802,675	124,000
Advance against agent commission and others	-	1,539,479
Advance against investment in shares	22,037,500	-
IPO shares receivable against Union Insurance Company Limited	46,440	-
Collection control accounts	131,889,452	88,279,770
Deposit clearing	5,548,632	5,548,632
Short deposit	5,636,974	5,636,974
Security deposit (Telephone)	75,600	75,600
Security deposit ( Office rent)	2,478,000	2,567,000
<b>Total</b>	<b>495,686,273</b>	<b>389,301,948</b>

<b>20.00(a)</b> Opening balance		266,866,803	218,964,264
Add: payment during the year			
Deduction at source during the year, 2021	20.00(b)	3,071,043	3,750,539
Advance payment against assessment year (2022-2023)		15,000,000	-
Advance payment against assessment year (2021-2022)		23,000,000	18,000,000
Advance payment against assessment year (2020-2021)		-	20,000,000
Advance payment against assessment year (2016-2017)		-	5,712,000
Advance income tax against car registration	20.00(c)	556,260	440,000
<b>Total advance income tax payment during the year</b>		<b>41,627,303</b>	<b>47,902,539</b>
<b>Balance as at December 31, 2021</b>		<b>308,494,106</b>	<b>266,866,803</b>

#### **20.00(b) Deduction at source during the year**

FDR interest	2,581,865	3,402,429
STD/SND account interest	94,063	102,907
Cash dividend income	103,010	141,852
Government treasury bond	137,715	68,858
Government securities	154,390	34,493
	<b>3,071,043</b>	<b>3,750,539</b>

#### **20.00(c) Advance income tax (car registration)**

Advance income tax car registration-2021	<b>556,260</b>	<b>440,000</b>
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**20.00(d)** The company paid as advance for purchase of 1289 sft floor space at IPL SF Tower at Agrabad C/A, Chattogram. Total Advance paid up to December 31, 2021 Tk.9,422,900. Which is not yet handed over for use.

#### **21.00 Fixed deposit with banks**

Opening balance	454,720,124	436,610,111
Add: addition during the year	34,188,476	23,110,013
Less: encashment during the year	1,000,000	5,000,000
<b>Total</b>	<b>487,908,600</b>	<b>454,720,124</b>

	Amount in Taka	
	December 31, 2021	December 31, 2020
<b>Statement of bank wise fixed deposit account:</b>		
A B Bank Ltd.	900,000	900,000
Al Arafah Islami Bank Ltd.	28,200,000	23,200,000
Agrani Bank Ltd.	1,000,000	1,000,000
Bangladesh Commerce Bank Ltd.	20,800,000	18,800,000
Brac Bank Ltd.	10,565,192	10,466,625
Bangladesh Krishi Bank	1,400,000	1,400,000
Bank Asia Ltd.	19,800,500	15,800,500
The City Bank Ltd.	1,700,000	1,700,000
Dhaka Bank Ltd.	2,200,000	3,200,000
Dutch Bangla Bank Ltd.	2,000,699	2,000,699
EXIM Bank Ltd.	40,600,000	39,600,000
Eastern Bank Ltd.	4,087,400	3,997,491
First Security Bank Ltd.	6,700,000	6,700,000
IFIC Bank Ltd.	12,700,000	11,700,000
Islami Bank (BD) Ltd.	20,000,000	20,000,000
Jamuna Bank Ltd.	35,000,000	32,000,000
Mutual Trust Bank Ltd.	6,300,000	6,300,000
Mercantile Bank Ltd.	12,500,000	10,500,000
NCC Bank Ltd.	10,500,000	10,500,000
National Bank Ltd.	6,300,000	6,300,000
NRB Commercial Bank Ltd.	16,000,000	14,000,000
NRB Global Bank Ltd.	19,000,000	19,000,000
NRB Bank Ltd.	1,000,000	1,000,000
One Bank Ltd.	7,000,000	7,000,000
Prime Bank Ltd.	5,854,809	5,854,809
Pubali Bank Ltd.	12,100,000	11,100,000
The Premier Bank Ltd.	12,600,000	10,600,000
GSP Finance Co.BD Limited	1,000,000	1,000,000
Lanka Bangla Finance Ltd.	3,000,000	3,000,000
Social Islami Bank Ltd.	66,200,000	62,200,000
Standard Bank Ltd.	29,500,000	27,500,000
Shahjalal Islami Bank Ltd.	20,100,000	19,100,000
Southeast Bank Ltd.	14,100,000	13,100,000
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	6,500,000	5,500,000
State Bank of India	3,000,000	3,000,000
Bangladesh Development Bank (BDB)	500,000	500,000
United Commercial Bank Ltd.	12,000,000	12,000,000
SBAC Bank Ltd.	4,500,000	3,500,000
Madhumoti Bank Ltd.	2,000,000	2,000,000
Meghna Bank Ltd.	3,000,000	3,000,000
Rupali Bank Ltd.	1,000,000	-
<b>Total</b>	<b>487,908,600</b>	<b>454,720,124</b>



		Amount in Taka	
		December 31, 2021	December 31, 2020
<b>22.00</b>	<b>Cash and cash equivalents</b>		
	Cash at bank	Annexure-D 79,769,134	109,703,176
	Cash in hand	Annexure-E 6,813,263	2,782,489
	<b>Total</b>	<b>86,582,397</b>	<b>112,485,665</b>

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, 2021 lying with STD Account of the The city bank Ltd, Principal Branch, Dhaka.

### 23.00 Interest income

#### Interest received:

FDR interest	9,439,225	17,657,435
STD/SND account interest	940,627	1,029,222
Government treasury bond	1,831,076	1,831,076
Government securities	2,561,052	934,440
	<b>14,771,980</b>	<b>21,452,173</b>

#### Accrued interest:

FDR interest	17,232,596	16,352,238
Government treasury bond	923,224	923,224
Government securities	678,809	526,738
	18,834,629	17,802,200
<b>Total</b>	<b>33,606,609</b>	<b>39,254,373</b>

### 24.00 Share investment and dividend income

Change in fair value of marketable securities	16.00(a)	1,221,288	2,685,491
Capital gain/(loss) on sale of shares		2,513,646	-
Cash dividend		515,891	710,000
<b>Total</b>		<b>4,250,825</b>	<b>3,395,491</b>

Cost value of ACI Limited	39,980	-
Cost value of Beximco Limited	160,152	-
Cost value of DESCO	21,550	-
Cost value of Islami Bank Limited	12,030	-
Cost value of Lafarge Surma Cement Limited	74,016	-
Cost value of Standard Bank Limited	29,896	-
Cost value of Summit Power Limited	2,800	-
Cost value of ACME Pesticides Limited	133,800	-
Cost value of Sena Kalyan Insurance Company Limited	69,950	-
<b>Total cost value of shares (a)</b>	<b>544,174</b>	<b>-</b>

Sale value of ACI Limited	565,116	-
Sale value of Beximco Limited	1,125,563	-
Sale value of DESCO	54,716	-
Sale value of Islami Bank Limited	32,637	-
Sale value of Lafarge Surma Cement Limited	246,310	-
Sale value of Standard Bank Limited	85,601	-
Sale value of Summit Power Limited	35,722	-
Sale value of ACME Pesticides Limited	458,564	-
Sale value of Sena Kalyan Insurance Company Limited	453,591	-
<b>Total sale value of shares (b)</b>	<b>3,057,820</b>	<b>-</b>
<b>Capital gain/(loss) on sale of shares (a-b)</b>	<b>2,513,646</b>	<b>-</b>

		Amount in Taka	
		December 31, 2021	December 31, 2020
<b>25.00</b>	<b>Other income</b>		
	Disposal gain /(loss) of fixed assets	25.00(a)	-
	Service charges (co-insurance)	690,624	1,050,524
	Policy cancelled charges	21,200	22,900
	Foreign currency translation gain /( loss)	4,736	(361)
	Other income	2,092,668	1,214,307
	<b>Total</b>	<b>2,809,228</b>	<b>2,287,370</b>

**25.00(a) Disposal gain/(loss) of fixed assets:**

**a. Sale of vehicle:**

Cost of vehicles	-	-
Accumulated depreciation	-	-
Written down value	-	-
Disposal proceeds	-	-
<b>Gain/ (loss) on sale of vehicle</b>	<b>-</b>	<b>-</b>

**b. Disposal/(transfer) of lease vehicles:**

Cost of lease vehicles	-	-
Accumulated depreciation	-	-
Written down value	-	-
Disposal proceeds /Lease advance realized	-	-
<b>Disposal gain /(loss) of lease vehicles</b>	<b>-</b>	<b>-</b>
<b>Total disposal gain /(loss) of fixed assets</b>	<b>-</b>	<b>-</b>

**26.00 Deferred tax**

The impact on account of changes in the deferred tax assets/liabilities for the year ended December 31,2021 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)	45,581,212	50,189,679
Property, plant and equipment at accounting base(excluding land)	47,253,693	52,246,372
Taxable temporary difference	(1,672,481)	(2,056,693)
Permanent difference of vehicles	3,015,680	7,230,000
Deductible temporary difference	1,343,199	5,173,307
Tax rate	37.50%	37.50%
Deferred tax assets/ (liability)	503,700	1,939,990
Gratuity provision at accounting base	8,185,828	5,959,088
Gratuity provision at tax base	-	-
Deductible temporary difference	8,185,828	5,959,088
Tax rate	37.50%	37.50%
Deferred tax assets/ (liability)	3,069,686	2,234,658
Lease at accounting base	12,242,567	-
Lease at tax base	11,573,817	-
Deductible temporary difference	668,750	-
Tax rate	37.50%	37.50%
Deferred tax assets/ (liability)	250,781	-

	Amount in Taka	
	December 31, 2021	December 31, 2020
Marketable securities at tax base	18,745,855	16,060,728
Marketable securities at accounting base	19,089,692	15,183,277
Deductible temporary difference	(343,837)	877,451
Tax rate	10.00%	10.00%
Deferred tax assets/ (liability)	(34,384)	87,745
<b>Deferred tax assets</b>	<b>3,789,783</b>	<b>4,262,393</b>
<b>Deferred tax (expenses)/ income for the year</b>	<b>(472,610)</b>	<b>478,127</b>

### 27.00 Premium less re-insurance

Class of business	Premium earned		Total Premium earned	Less: Re-insurance premium ceded			Amount in Tk. 31.12.2021	Amount in Tk. 31.12.2020
	Direct business	Public sector business		Direct business	Public sector business	Total	Net premium earned	Net premium earned
1	2	3	4=(2+3)	5	6	7=(5+6)	8=(4-7)	9
Fire	269,432,471	13,666,214	283,098,685	179,710,879	12,560,801	192,271,680	90,827,005	186,570,686
Marine cargo	260,855,366	21,206,676	282,062,042	16,990,811	15,524,657	32,515,468	249,546,574	217,062,318
Marine hull	58,331,166	1,357,439	59,688,605	50,932,502	1,321,139	52,253,641	7,434,964	14,813,996
Motor	30,388,867	3,059,436	33,448,303	1,612,074	193,636	1,805,710	31,642,593	41,173,070
Miscellaneous	32,011,295	58,138,648	90,149,943	1,294,894	56,817,739	58,112,633	32,037,310	46,769,514
<b>Total Taka</b>	<b>651,019,165</b>	<b>97,428,413</b>	<b>748,447,578</b>	<b>250,541,160</b>	<b>86,417,972</b>	<b>336,959,132</b>	<b>411,488,446</b>	<b>506,389,584</b>

### 28.00 Commission on re-insurance ceded

Class of business	Commission on re-insurance ceded		Amount in Taka	
	Direct business	Public sector business	31.12.2021	31.12.2020
Fire	40,646,309	1,774,651	42,420,960	46,487,270
Marine cargo	5,097,242	2,995,295	8,092,537	9,377,443
Marine hull	2,788,204	72,663	2,860,867	1,452,462
Motor	403,018	-	403,018	1,370,599
Miscellaneous	258,979	3,739,726	3,998,705	2,264,623
<b>Total Taka</b>	<b>49,193,752</b>	<b>8,582,335</b>	<b>57,776,087</b>	<b>60,952,397</b>

### 29.00 Profit Commission

Class of business	Profit Commission		Amount in Taka	
	Direct business	Public sector business	31.12.2021	31.12.2020
Fire	15,077,032	-	15,077,032	-
Marine cargo	1,371,467	-	1,371,467	-
Marine hull	-	-	-	-
Motor	-	-	-	-
Miscellaneous	-	-	-	-
<b>Total Taka</b>	<b>16,448,499</b>	<b>-</b>	<b>16,448,499</b>	<b>-</b>

### 30.00 Expenses of management

Class of business	Amount in Taka	
	December 31, 2021	December 31, 2020
Fire	92,497,492	104,714,176
Marine cargo	92,179,547	72,092,109
Marine hull	19,492,465	11,856,526
Motor	10,932,411	13,252,714
Miscellaneous	29,471,042	19,701,778
<b>Total</b>	<b>244,572,957</b>	<b>221,617,303</b>

#### Allocation of management expenses:

Class of business	Gross premium income	Percentage (%) 2021	Amount in Taka	
			31.12.2021	31.12.2020
Fire	283,098,685	37.82	92,497,492	104,714,176
Marine cargo	282,062,042	37.69	92,179,547	72,092,109
Marine hull	59,688,605	7.97	19,492,465	11,856,526
Motor	33,448,303	4.47	10,932,411	13,252,714
Miscellaneous	90,149,943	12.05	29,471,042	19,701,778
<b>Total</b>	<b>748,447,578</b>	<b>100.00</b>	<b>244,572,957</b>	<b>221,617,303</b>

#### Expenses of management

This consists of the following:

Salary & allowances	168,858,641	150,751,487
Bonus (Eid-ul-Fitre, Eid-ul -Azha'2021)	15,597,173	15,029,137
Photocopy bill	253,705	244,182
Procurement provider	4,955,279	3,884,413
Stationery	768,804	763,346
Postage	300,116	321,801
Revenue stamp	304,810	341,030
Entertainment	1,454,457	1,497,961
Conveyance	1,788,565	850,960
Electric bill	1,991,412	1,838,669
Electric expenses	121,135	108,007
Telephone expenses	26,375	5,350
Telephone bill	237,231	245,616
Computer expenses	686,081	607,120
Currier bill	45,028	12,065
Generator fuel	54,891	49,435
Wasa bill	526,579	457,966
Paper & periodicals	81,160	74,770
Car fuel	1,129,235	1,218,603
Repairs & maintenance (car)	470,971	560,766
Office maintenance	3,066,123	3,214,246
Repairs & maintenance (others)	660,376	473,969
Gift item	231,478	206,387
Miscellaneous expenses	923,352	833,830
Travelling expenses	256,745	1,605,042

	Amount in Taka	
	December 31, 2021	December 31, 2020
Service charges(co-insurance)	778,096	1,093,906
Uniform expenses	5,300	243,870
Internet bill	463,685	337,730
Office rent	13,154,580	10,248,303
Depreciation	8,244,950	9,230,220
Finance cost	956,082	904,046
Service charges (rent)	193,897	150,529
Bank charges	1,051,832	934,161
Insurance premium	689,302	788,794
IT expenses	646,302	794,038
Washing allowance	112,610	93,800
Service benefit	423,242	1,320,664
Amortization on premium on government securities	826,943	405,139
Business promotion expenses	340,000	-
Picnic expenses	-	1,811,622
Group insurance	1,295,003	-
Management expenses (Govt. business)	7,307,130	4,634,209
Business expenses (Govt. business)	48,890	48,888
Provident fund employers contribution	3,245,391	3,381,226
<b>Total</b>	<b>244,572,957</b>	<b>221,617,303</b>

### 30.00 Schedule of vat payments: Tk.nil

Opening balance	-	-
Add: Vat payment to Govt. during the year 2021	51,275,866	61,378,367
Payment against outstanding vat (December, 2021)	7,022,367	8,315,443
	58,298,233	69,693,810
Less: Vat collected during the year 2021	58,298,233	69,693,810
<b>Total</b>	<b>-</b>	<b>-</b>

### 32.00 Earnings per share

#### 32.01 Basic earnings per share

Details calculations are as follows:

Earnings attributable to ordinary shareholders (Net profit after tax)	118,242,573	109,463,857
Ordinary shares as at 1st January	46,372,228	43,338,531
Bonus shares issued	3,246,055	3,033,697
Weighted average number of ordinary shares outstanding during the year	49,618,283	46,372,228
Weighted average number of ordinary shares (Restated)	49,618,283	49,618,283
<b>Basic earnings per share (Restated)</b>	<b>2.38</b>	<b>2.21</b>

The comparative EPS was restated as per paragraph 26 of IAS 33, due to bonus issue during the year.

### 33.00 Net assets value per share

Net assets per share has been calculated based on weighted average number of 4,96,18,283 shares outstanding as at December 31, 2021 after giving the effect of 7.00% bonus shares declared for the year 2020. Details calculations are as follows :



	Amount in Taka	
	December 31, 2021	December 31, 2020
Net assets	836,150,307	750,368,303
Ordinary shares as at 1st January	46,372,228	43,338,531
Bonus shares issued	3,246,055	3,033,697
Weighted average number of ordinary shares outstanding during the year	49,618,283	46,372,228
Weighted average number of ordinary shares	49,618,283	46,372,228
<b>Net assets value per share</b>	<b>16.85</b>	<b>16.18</b>

### 34.00 Net operating cash flows per share

Net operating cash flows per share (NOCFPS) has been calculated based on weighted average number of 4,96,18,283 shares outstanding during the year.

#### Details calculations are as follows:

Net cash generated from operating activities	34.01	88,519,492	137,015,332
Weighted average number of ordinary shares		49,618,283	46,372,228
<b>Net operating cash flows per share</b>		<b>1.78</b>	<b>2.95</b>

### 34.01 Reconciliation of profit before tax to operating cash flows:

#### Reconciliation of profit before tax to operating cash flows:

<b>Profit before tax</b>	<b>165,571,105</b>	<b>154,104,687</b>
<b>Adjustment :</b>		
Depreciation	8,700,263	9,169,460
Capital gain on sale of shares	(2,513,646)	-
Changes of fair value gain/(loss) of share investment	(1,221,288)	(2,685,491)
Provision for WPPF	8,278,555	7,705,234
Foreign currency translation gain/(loss)	(4,736)	361
<b>Changes in current assets/liabilities:</b>		
Increase/(decrease) of lease liabilities	1,659,170	(3,937,304)
(Increase)/decrease of right-of-use assets	(1,437,613)	4,766,389
(Increase)/decrease of accrued interest	(1,032,429)	(545,332)
Increase/(decrease) of premium deposit	3,785,540	50,523
Increase/(decrease) of sundry creditors	(2,059,633)	1,300,508
Increase/(decrease) of amount due to other persons or body	(6,919,937)	(2,994,640)
(Increase)/decrease of amount due from other persons or body	(11,489,918)	(10,978,945)
(Increase)/decrease of stock of stamps & others	(308,372)	(57,449)
Increase/(decrease) of estimated liability of claims	52,822,015	11,530,329
Increase/(decrease) of the balance of fund	(42,387,874)	34,037,172
(Increase)/decrease of sundry debtors	(41,294,407)	(16,547,631)
	130,146,795	184,917,871
Income tax paid	(41,627,303)	(47,902,539)
<b>Net cash generated from operating activities</b>	<b>88,519,492</b>	<b>137,015,332</b>

### 35.00 Related Party Disclosure

Details transactions with related parties and balances with them as at December 31, 2021 are as follows:

Name of the Related Party	Nature of Relationship	Nature of Transaction	Premium earned during the year	Premium outstanding during the year	Claims paid during the year
<b>Karnaphuli Group</b>					
Karnaphuli Limited Karnaphuli Industries Limited Karnaphuli Works Limited Holy Crescent Hospital Limited K & T Logistics	Common Director	Insurance	68,971,006	-	781,718
<b>Unitex Group</b>					
Unitex Spinning Ltd. Unitex Composite Mills Ltd. Unitex Steel Mills Ltd. Unitex LPG Ltd. Unitex Petroleum Ltd. HS Composite Textile Ltd.	Chairman	Insurance	67,617,538	-	265,500
<b>Gazi Group</b>					
Gazi Tyres Gazi Tanks Gazi Pamps & Motors Gazi International Gazi Satellite Television	Common Director	Insurance	2,424	-	1,645,100
Gasmin Limited Show motion Limited	Common Director	Insurance	8,592,693	-	-
Multidrive Limited	Common Director	Insurance	6,125	-	-

Particulars	Cost				Depreciation				Written down value as at 31.12.2021	
	Opening balance as at 01.01.2021	Addition during the year	Disposal during the year	Balance as at 31.12.2021	Rate of depreciation	Opening balance as at 01.01.2021	Disposal during the year	Charged during the year		Total as at 31.12.2021
1	2	3	4	5=(2+3-4)	6	7	8	9	10=(7-8+9)	11=(5-10)
Computer	7,984,830	740,245	-	8,725,075	30.00%	5,745,959	-	765,563	6,511,522	2,213,553
Furniture & fixtures	18,451,771	153,587	-	18,605,358	10.00%	8,552,076	-	1,000,213	9,552,289	9,053,069
Office equipments	6,458,253	445,186	-	6,903,439	20.00%	4,252,241	-	509,858	4,762,099	2,141,340
Vehicles	36,610,203	1,890,281	-	38,500,484	20% & 10%	16,367,041	-	4,217,938	20,584,979	17,915,505
Crockeries & cutleries	325,059	11,720	-	336,779	20.00%	248,921	-	16,141	265,062	71,717
Air conditioner	9,681,519	254,570	-	9,936,089	20.00%	7,213,161	-	516,865	7,730,026	2,206,063
Telephone	584,860	-	-	584,860	10.00%	314,819	-	27,004	341,823	243,037
Office decoration	24,507,306	211,995	-	24,719,301	10.00%	11,127,091	-	1,353,905	12,480,996	12,238,305
Land and land development	6,238,556	-	-	6,238,556	-	-	-	-	-	6,238,556
Sundry assets	326,562	-	-	326,562	20.00%	306,544	-	4,004	310,548	16,014
<b>Total</b>	<b>111,168,919</b>	<b>3,707,584</b>	<b>-</b>	<b>114,876,503</b>		<b>54,127,853</b>	<b>-</b>	<b>8,411,491</b>	<b>62,539,344</b>	<b>52,337,159</b>

**Schedule of property, plant & equipment**  
 As at December 31, 2020

Particulars	Cost				Depreciation				Written down value as at 31.12.2020	
	Cost as on 01.01.2020	Addition during the year	Disposal during the year	Balance as on 31.12.2020	Rate of depreciation	Balance as on 01.01.2020	Disposal during the year	Charged during the year		Total as on 31.12.2020
1	2	3	4	5=(2+3-4)	6	7	8	9	10=(7-8+9)	11=(5-10)
Computer	7,140,623	844,207	-	7,984,830	30.00%	4,990,017	-	755,942	5,745,959	2,238,871
Furniture & Fixtures	18,306,312	145,459	-	18,451,771	10.00%	7,460,736	-	1,091,340	8,552,076	9,899,695
Office Equipments	6,071,488	386,765	-	6,458,253	20.00%	3,782,848	-	469,393	4,252,241	2,206,012
Vehicles	31,837,860	4,772,343	-	36,610,203	20% & 10%	11,847,319	-	4,519,722	16,367,041	20,243,162
Crockeries & Cutleries	325,059	-	-	325,059	20.00%	229,886	-	19,035	248,921	76,138
Air Conditioner	9,251,633	429,886	-	9,681,519	20.00%	6,672,224	-	540,937	7,213,161	2,468,358
Telephone	579,060	5,800	-	584,860	10.00%	284,854	-	29,965	314,819	270,041
Office Decoration	24,224,256	283,050	-	24,507,306	10.00%	9,657,844	-	1,469,247	11,127,091	13,380,215
Land and Land development	6,238,556	-	-	6,238,556	-	-	-	-	-	6,238,556
Sundry Assets	326,562	-	-	326,562	20.00%	301,540	-	5,004	306,544	20,018
<b>Total</b>	<b>104,301,409</b>	<b>6,867,510</b>	<b>-</b>	<b>111,168,919</b>		<b>45,227,268</b>	<b>-</b>	<b>8,900,585</b>	<b>54,127,853</b>	<b>57,041,066</b>

\* The lease cars with cost value of Taka 3,350,000 and WDV of taka 1,333,911 as of January 01, 2020 under property, plant and equipment is now being, as per management decision, shown as vehicle under the PPE with the effect in comparative period. It is also mentioned here that the related lease liability has already been paid off. However, as a result of this reclassification, the profit or EPS or NAV per share or NOCFPS in comparative period has not been changed in anyway.

**Schedule of intangible assets**  
**As at December 31, 2021**

Annexure -B

Particulars	Cost				Depreciation				Written down value as at 31.12.2021	
	Opening balance as at 01.01.2021	Addition during the year	Disposal during the year	Balance as at 31.12.2021	Rate of depreciation	Opening balance as at 01.01.2021	Disposal during the year	Charged during the year		Total as at 31.12.2021
1	2	3	4	5=(2+3-4)	6	7	8	9	10=(7-8+9)	11=(5-10)
Computer software	2,690,230	-	-	2,690,230	20.00%	1,246,368	-	268,875	1,535,140	1,155,090
<b>Total</b>	<b>2,690,230</b>	<b>-</b>	<b>-</b>	<b>2,690,230</b>	<b>20.00%</b>	<b>1,246,368</b>	<b>-</b>	<b>268,875</b>	<b>1,535,140</b>	<b>1,155,090</b>

**Schedule of intangible assets**  
**As at December 31, 2020**

Particulars	Cost				Depreciation				Written down value as on 31.12.2020	
	Opening balance as on 01.01.2020	Addition during the year	Disposal during the year	Balance as on 31.12.2020	Rate of depreciation	Opening balance as on 01.01.2020	Disposal during the year	Charged during the year		Total as on 31.12.2020
1	2	3	4	5=(2+3-4)	6	7	8	9	10=(7-8+9)	11=(5-10)
Computer software	2,270,230	420,000	-	2,690,230	20.00%	977,493	-	268,875	1,246,368	1,443,862
<b>Total</b>	<b>2,270,230</b>	<b>420,000</b>	<b>-</b>	<b>2,690,230</b>	<b>20.00%</b>	<b>977,493</b>	<b>-</b>	<b>268,875</b>	<b>1,246,368</b>	<b>1,443,862</b>

**Schedule of right -of-use assets**  
 As at December 31, 2021

Annexure- C

Particulars	Cost				Depreciation				Written down value as at 31.12.2021	
	Opening balance as at 01.01.2021	Addition during the year	Disposal during the year	Balance as at 31.12.2021	Rate of depreciation	Opening balance as at 01.01.2021	Disposal during the year	Charged during the year		Total as at 31.12.2021
1	2	3	4	5=(2+3-4)	6	7	8	9	10=(7-8+9)	11=(5-10)
Right-of-use assets	28,644,887	9,682,563	-	38,327,450	-	18,508,683	-	8,244,950	26,753,633	11,573,817
<b>Total</b>	<b>28,644,887</b>	<b>9,682,563</b>	<b>-</b>	<b>38,327,450</b>	<b>-</b>	<b>18,508,683</b>	<b>-</b>	<b>8,244,950</b>	<b>26,753,633</b>	<b>11,573,817</b>

**Schedule of right -of-use assets**  
 As at December 31, 2020

Particulars	Cost				Depreciation				Written down value as at 31.12.2020	
	Opening balance as at 01.01.2020	Addition during the year	Disposal during the year	Balance as at 31.12.2020	Rate of depreciation	Opening balance as at 01.01.2020	Disposal during the year	Charged during the year		Total as at 31.12.2020
1	2	3	4	5=(2+3-4)	6	7	8	9	10=(7-8+9)	11=(5-10)
Right-of-use assets	24,181,056	4,463,831	-	28,644,887	-	9,278,463	-	9,230,220	18,508,683	10,136,204
<b>Total</b>	<b>24,181,056</b>	<b>4,463,831</b>	<b>-</b>	<b>28,644,887</b>	<b>-</b>	<b>9,278,463</b>	<b>-</b>	<b>9,230,220</b>	<b>18,508,683</b>	<b>10,136,204</b>



**Republic Insurance Company Limited**

রিপাবলিক ইনস্যুরেন্স কোম্পানী লিমিটেড

**Schedule of cash at bank**

As at December 31, 2021

**Annexure-D**

SI No.	Name of Bank	Account Number	Amount in taka December 31, 2021	Amount in taka December 31, 2020
1	EXIM Bank Ltd. Rajuk Avenue Branch, MSND	01313100035644	2,338,019	15,372,602
2	Standard Bank Ltd. Topkhana Road Branch, SND	00536000929	6,012,351	8,255,495
3	Social Islami Bank Ltd. Kakrail Branch, MND	1031360000588	2,265,912	7,100,377
4	One Bank Ltd. Bijoy Nagar Branch, SND	0225180947002	11,143,962	12,529,355
5	AB Bank Ltd. Kakrail Branch, CD	4009-387959-000	479,423	11,212,141
6	Sonali Bank Ltd. Kakrail Branch, (Current Account General)	4412302001370	7,434,868	3,758,762
7	EXIM Bank Ltd. Shantinagar Branch, MSND	11313100045073	1,328,562	4,422,874
8	First Security Islami Bank Ltd. Dilkusha Branch, MSND	010113100001633	476,159	7,103,959
9	NCC Bank Ltd. Bijoy Nagar Branch, CD	057-0210004371	2,421,080	4,399,079
10	Jamuna Bank Ltd. Shantinagar Branch, SND	00090320000236	26,097,549	14,076,375
11	NCC Bank Ltd. Bijoy Nagar Branch, SND	0057-0325000112	2,247,412	1,716,133
12	Eastern Bank Ltd. English Road Branch, SND	1031220000162	151,859	133,778
13	Prime Bank Ltd. Laldighi Branch, SND	2145313003428	969,940	736,885
14	Jamuna Bank Ltd. Shantinagar Branch, SND	00090320000129	2,677,890	6,828,828
15	The City Bank Ltd. Principal Branch (NRB )SND	3101073999001	3,991,649	3,957,702
16	The City Bank Ltd. Principal Branch Dollar	5121074165001	404,938	401,584
17	UCBL Shantinagar Branch, STD	242301000000154	9,070,694	7,630,862
18	Jamuna Bank Ltd. Shantinagar Branch, CD	00090210012762	1,660	2,638
19	Premier Bank Ltd. Kakrail Branch, CD	012411100007710	462	497
20	Mutual Trust Bank Ltd. Kakrail Branch, SND	00680320000011	6,090	2,240
21	Southeast Bank Ltd. Kakrail Branch, CD	003411100002491	1,593	4,473
22	Standard Bank Ltd. Topkhana Road Branch, CD	00533011650	799	564
23	The City Bank Ltd. Mouchak Branch, CD	1101073999001	1,195	1,000
24	Bank Asia Ltd. Shantinagar Branch STD	03536000013	879	587
25	Mercantile Bank Ltd. Kawranbazar Branch, SND	110313124891225	902	1
26	EXIM Bank Ltd. Rajuk Avenue Branch, AWCD	01311100124775	1,174	1,082
27	Standard Bank Ltd. Principal Branch, CD	00233005798	2,814	106
28	Social Islami Bank Ltd. Principal Branch, AWCD	0021330059994	4,655	-
29	Al- Arafah Islmi Bank Ltd. Motijheel Branch, AWCD	0021020053707	1,744	12,606
30	Uttra Bank Ltd., B.B Avenue Branch, CD	104012200212266	1,627	1,692
31	Mutual Trust Bank Ltd. Fulbaria Branch, SND	00260320000968	-	1,625
32	Shahjalal Islami Bank Ltd. Bijoy Nagar Branch, SND	4101813100001690	8,441	-
33	Sonali Bank Ltd. Joydevpur Branch, SND	0207240000191	1,611	2,273
34	EXIM Bank Ltd. Agrabad Branch, AWCD	00311100000747	2,199	747
35	Standard Bank Ltd. Khatungonj Branch, CD	000333003264	4,388	189
36	Al- Arafah Islmi Bank Ltd. Jubilee Road Branch, AWCD	0181020011094	2,843	1,733

SI No.	Name of Bank	Account Number	Amount in taka December 31, 2021	Amount in taka December 31, 2020
37	Agrani Bank Ltd. Thana Road Br. Bogra, CD	0200000696349	747	1,050
38	EXIM Bank Ltd. Kushtia Branch, AWCD	03711100102085	715	1,005
39	Mercantile Bank Ltd. Naogaon Branch, SND	010813100001269	7	988
40	Jamuna Bank Ltd. Chapi Nawabgoni Branch, CD	00520210010565	2,669	3,359
41	National Bank Ltd. Rangpur Branch, SND	000636001255	18,770	18,849
42	Prime Bank Ltd. Khulna Branch, CD	2107115021337	610	-
43	Mercantile Bank Ltd. Jashore Branch, CD	114611106228697	912	637
44	Dhaka Bank Ltd. Satkhira Branch, CD	5011000005082	410	200
45	NRB Commercial Bank Ltd., Sylhet Branch, SND	36000000017	4,327	252
46	Meghna Bank Ltd. Barishal Branch SND	51011350000051	3,220	5,000
47	HR Securities & Investments Ltd	1204350033155748	41,891	71
48	HR Securities & Investments Ltd	1204350034157136	137,513	921
		<b>Total</b>	<b>79,769,134</b>	<b>109,703,176</b>

**Republic Insurance Company Limited**

রিপাবলিক ইনস্যুরেন্স কোম্পানী লিমিটেড

**Schedule of cash in hand**

As at December 31, 2021

**Annexure-E**

SI No.	Name of Branch	Amount in taka December 31, 2021	Amount in taka December 31, 2020
1	Head Office	6,383,830	2,275,836
2	Local Office	31,603	20,234
3	Principal Branch	5,925	583
4	Paltan Branch	771	619
5	Malibagh Branch	1,414	7,641
6	Dilkusha Branch	172	19,947
7	Head Office Cell	860	586
8	Motijheel Branch	3,768	9,396
9	Motijheel Corporate Branch	4,848	4,822
10	Elephant Road Branch	819	5,532
11	Farmgate Branch	1,207	1,274
12	B.B Avenue Branch	4,617	3,715
13	Rampura Branch	1,709	2,058
14	Imamgonj Branch	264	79
15	VIP Road Branch	12,452	7,879
16	Hatkhola Branch	401	2,697
17	Gazipur Branch	-	236
18	Agrabad Branch	14,385	12,784
19	Khatungonj Branch	6,311	2,164
20	Jubilee Road Branch	55,987	109,679
21	Khulna Branch	3,074	2,507
22	Satkhira Branch	964	581
23	Jashore Branch	18	19
24	Kushtia Branch	-	8,468
25	Naogaon Branch	835	4,515
26	Rangpur Branch	276,642	276,182
27	Chapai Nawabgonj Branch	219	1,265
28	Bogra Branch	110	565
29	Sylhet Branch	50	21
30	Barishal Branch	-	144
31	Rajshahi Branch	8	461
<b>Total</b>		<b>6,813,263</b>	<b>2,782,489</b>

## 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, 2021	December 31, 2020
<b>A. Assets:</b>		
<b>a. Fixed assets</b>		
Property, plant and equipment	52,337,159	57,041,066
Intangible assets	1,155,090	1,443,862
Right-of-use assets	11,573,817	10,136,204
Investment in government treasury bond and securities	79,300,000	57,300,000
Deferred tax	3,789,783	4,262,393
Investment in shares at market value	19,089,692	15,183,277
<b>Total fixed assets</b>	<b>167,245,541</b>	<b>145,366,802</b>
<b>b. Current assets:</b>		
Stock of printing & stationery and stamp in hand	3,597,535	3,289,163
Amount due from other person or bodies carrying on insurance business	255,980,813	244,490,895
Interest accrued	18,834,629	17,802,200
Sundry debtors (including advances, deposits and pre-payments)	495,686,273	389,301,948
Fixed deposit with banks	487,908,600	454,720,124
Cash & cash equivalents	86,582,397	112,485,665
<b>Total current assets</b>	<b>1,348,590,247</b>	<b>1,222,089,995</b>
<b>Total assets A= (a+b)</b>	<b>1,515,835,788</b>	<b>1,367,456,797</b>
<b>B. Liabilities:</b>		
<b>a. Non current liabilities:</b>		
Paid up share capital	496,182,830	463,722,280
<b>Reserve and contingent account :</b>		
Reserve for exceptional losses	243,349,613	202,200,769
General reserve	10,500,000	9,750,000
Profit and loss appropriation account	86,117,864	74,695,254
<b>Total non-current liabilities</b>	<b>836,150,307</b>	<b>750,368,303</b>
<b>b. Current liabilities:</b>		
Balance of Funds and Accounts	169,056,357	211,444,231
Premium deposits	22,700,595	18,915,055
Estimated liability in respect of Outstanding claims whether due or intimated	104,904,250	52,082,235
Amount due to other persons or bodies carrying on insurance business	31,548,371	38,468,308
Lease liabilities (operating lease)	11,130,066	9,470,896
Provision for taxation	261,887,429	215,031,507
Provision for WPPF	40,052,131	31,773,576
Sundry creditors	37,385,897	39,445,530
Unclaimed dividend	1,020,385	457,156
<b>Total current liabilities</b>	<b>679,685,481</b>	<b>617,088,494</b>
<b>Total liabilities B= (a+b)</b>	<b>1,515,835,788</b>	<b>1,367,456,797</b>
<b>Net asstes value: {A-B(b)}</b>	<b>836,150,307</b>	<b>750,368,303</b>
<b>Weighted average number of ordinary shares</b>	<b>49,618,283</b>	<b>46,372,228</b>
<b>Net assets value per share</b>	<b>16.85</b>	<b>16.18</b>

**FORM-SM**  
**Statement of Solvency Margin**  
 For the year ended on December 31, 2021

SI No.	Particulars	Amount in Taka December 31, 2021	Amount in Taka December 31, 2020
1	Adjusted Assets(A)	1,252,467,657	1,115,414,346
2	Adjusted Liabilities(B)	510,629,124	405,644,263
3	Available Solvency Margin (ASM) (A-B)	741,838,533	709,770,083
4	Required Solvency Margin (RSM)	186,747,468	202,894,287
5	Solvency Ratio (ASM) /(RSM) times	<b>3.97</b>	<b>3.50</b>





### PROXY FORM

I/We \_\_\_\_\_  
 of \_\_\_\_\_  
 being a member(s) of Republic Insurance Company Limited hereby appoint Mr./Mrs./Ms. \_\_\_\_\_  
 \_\_\_\_\_ of \_\_\_\_\_  
 as my/our proxy to attend and vote for me/us and on my/our behalf at the 22nd Annual General Meeting of the  
 Company to be held on Monday, the June 27, 2022 and at any and or at any adjustment thereof.  
 Signed this \_\_\_\_\_ day of \_\_\_\_\_ 2022.

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

#### **NB: Important**

This 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 through E-mail ID no. info@riclbd.com. 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.



### ATTENDANCE SLIP

I hereby record my attendance at the 22nd Annual General Meeting of the Company being held on Monday, the June 27, 2022 at 11:00 AM through digital platform.

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

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