

AUDITORS' REPORT TO THE SHAREHOLDERS OF GREEN DELTA INSURANCE COMPANY LIMITED

We have audited the accompanying Balance Sheet of **Green Delta Insurance Co. Ltd.** as at December 31, 2004 and the related Profit & loss account and cash flow statement for the year then ended. The preparation of these financial statements is the responsibility of the Company's management. Our responsibility is to express an independent opinion on these financial statements based on our audit.

We conducted our audit in accordance with Bangladesh Standards on Auditing (BSA). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statement prepared in accordance with Bangladesh Accounting Standards (BAS), give a true and fair view of the state of the Company's affairs as of December 31, 2004 and the results of its operations and its cash flows for the year then ended and comply with the Companies Act 1954, Insurance Rules 1958, the Securities and Exchange Rules 1987 and other applicable laws and regulation.

We also report that:

- i) we have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit and made due verification thereof;
- ii) in our opinion, proper books of account as required by law have been kept by the Company so far as it appeared from our examination of those books and (where applicable) proper returns adequate for the purpose of our audit have been received from branches not visited by us;
- iii) the Company's Balance Sheet and Profit & Loss Account and its Cash Flow dealt with by the report are in agreement with the books of accounts and returns;
- iv) the expenditure incurred was for the purpose of the Company's business;
- v) as per section 40-c(2) of the insurance Act, 1938 as amended, we certify that to the best of our knowledge and belief and according to the information and explanations given to us, all expenses of management wherever incurred and whether incurred directly or indirectly, in respect of Insurance Business of the Company transacted in Bangladesh during the year under report have been duly debited to the related Revenue Accounts and the Profit and Loss account of the Company; and
- vi) as per Regulation 11 of part 1 of the Third Schedule of the Insurance Act 1938 as amended, we certify that to the best of our information and as shown by its books, the Company during the year under report has not paid any person any commission in any form outside Bangladesh in respect of any of its business re-insured abroad.

Capital and Liabilities	Notes	Amount in Taka	
		2004	2003
Share Capital:	3.00		
Authorised	3.01	500,000,000	100,000,000
Issued, subscribed and paid up	3.02	60,000,000	60,000,000
Proposed issue of bonus share (3:10)	3.03	18,000,000	-
Reserve or Contingency Account	4.00	328,472,590	199,845,264
Reserve for exceptional losses	4.01	212,409,940	189,095,264
Foreign currency fluctuation reserve		4,751,189	-
Investment fluctuation fund		97,061,461	-
General reserve		3,750,000	2,250,000
Dividend equalisation fund		10,500,000	8,500,000
Proposed dividend		6,000,000	21,000,000
Profit and Loss Appropriation Account		4,182,274	3,616,621
Total shareholders' equity		416,654,864	284,461,885
Balance of Fund Accounts	5.00	116,849,573	95,780,828
Fire insurance business		30,135,475	27,872,622
Marine insurance business		65,298,044	47,909,144
Motor insurance business		15,552,403	12,709,239
Miscellaneous insurance business		5,863,651	7,289,823
Premium deposit	6.00	84,385,057	116,777,060
Liabilities and Provisions			
Estimated liability in respect of outstanding claims whether due or intimated	7.00	76,824,709	65,379,983
Amount due to other persons or bodies carrying on insurance business	8.00	105,446,144	62,025,321
Sundry Creditors (including outstanding expenses, taxes & provisions)	9.00	164,402,427	127,754,688
Total Shareholders' equity and liabilities		964,562,774	752,179,765

Property and Assets	Notes	Amount in Taka	
		2004	2003
Investment	10.00	305,352,460	173,987,964
Outstanding premium	11.00	20,524,967	19,978,085
Amount due from other persons or bodies carrying on Insurance Business	12.00	88,705,965	82,693,167
Sundry Debtors (Including advances and deposits)	13.00	106,407,877	62,838,076
Cash and Bank Balances	14.00	410,018,346	382,915,869
Fixed deposits		335,783,350	350,491,353
At banks on STD & Current account		73,690,779	31,787,089
Cash in hand		544,217	637,427
Other Accounts			
Land property	15.00	21,030,095	21,009,339
Investment in joint venture Building project	16.00	100,000	-
Fixed assets (at cost less depreciation)	17.00	11,162,379	7,881,183
Stock of printing, stationery and stamps	18.00	1,260,685	876,082
		964,562,774	752,179,765

PROFIT AND LOSS ACCOUNT

For the year ended December 31, 2004

	Notes	Amount in Taka	
		2004	2003
Expenses of management (Not applicable to any particular fund or account)		38,650,254	23,540,256
Directors' fees		2,473,650	2,852,870
Audit fees	19.00	162,700	188,325
Depreciation		3,472,280	2,993,773
Net profit for the year carried down to Profit and Loss Appropriation account		61,980,329	57,259,779
		106,739,213	86,835,003

PROFIT AND LOSS APPROPRIATION ACCOUNT

For the year ended December 31, 2004

	Notes	Amount in Taka	
		2004	2003
Reserve for exceptional losses	4.01	23,314,676	19,278,103
Provision for income tax		4,986,132	6,638,478
Advance tax paid		5,013,868	6,411,522
Proposed Dividend		6,000,000	21,000,000
Dividend distribution tax		600,000	2,100,000
General reserve		1,500,000	1,000,000
Dividend equalisation fund		2,000,000	500,000
Proposed issue of bonus share (3:10)		18,000,000	-
Balance transferred to Balance Sheet		4,182,274	3,616,621
		65,596,950	60,544,724

PROFIT AND LOSS ACCOUNT

For the year ended December 31, 2004

	Notes	Amount in Taka	
		2004	2003
Interest, Dividend & Rent	20.00	54,276,334	49,168,270
Profit and loss transferred from			
Fire insurance revenue account		30,522,302	29,594,794
Marine insurance revenue account		11,734,238	3,905,082
Motor insurance revenue account		1,526,745	(3,829,148)
Misc. insurance revenue account		8,679,594	7,996,005
		52,462,879	37,666,733
		106,739,213	86,835,003

PROFIT AND LOSS APPROPRIATION ACCOUNT

For the year ended December 31, 2004

	Notes	Amount in Taka	
		2004	2003
Balance brought forward from last year		3,616,621	3,284,945
Net profit for the year brought down		61,980,329	57,259,779
		65,596,950	60,544,724


 Nasir A. Choudhury
 Managing Director


 Zahrul Syed Bakht, CMA
 Finance Director
 &
 Company Secretary


 Masih Muhith Haque & Co.
 Chartered Accountants

CONSOLIDATED ALL BUSINESS REVENUE ACCOUNT

For the year ended December 31, 2004

	Notes	Amount in Taka	
		2004	2003
Claims under policies less re-insurance	21	51,710,664	51,920,603
Commission on re-insurance accepted		-	23,356
Expenses of management		165,856,302	131,090,656
Profit transferred to Profit and Loss account		52,462,879	37,666,733
Balance of accounts at the end of the year as shown in the Balance Sheet (Reserve for unexpired risks)	5	116,849,573	95,780,828
		<u>386,879,418</u>	<u>316,482,176</u>

CONSOLIDATED ALL BUSINESS REVENUE ACCOUNT

For the year ended December 31, 2004

	Notes	Amount in Taka	
		2004	2003
Balance of account at the beginning of the year		95,780,828	78,920,740
Gross premium		515,252,544	430,300,003
Re-insurance premium		(282,105,784)	(237,518,977)
Net Premium	22	233,146,760	192,781,026
Commission on re-insurance ceded		57,951,830	44,780,410
		386,879,418	316,482,176


Nasir A. Choudhury
Managing Director

Zahrul Syed Bakht, CMA
Finance Director
&
Company Secretary


Masih Muhith Haque & Co.
Chartered Accountants

FIRE INSURANCE REVENUE ACCOUNT

For the year ended December 31, 2004

	Notes	Amount in Taka	
		2004	2003
Claims under policies less re-insurance	21	28,965,276	17,423,085
Expenses of management		41,304,509	38,370,090
Profit transferred to Profit and Loss account		30,522,302	29,594,794
Balance of account at the end of the year as shown in the Balance Sheet (Reserve for unexpired risks)	5	30,135,475	27,872,622
		<u>130,927,562</u>	<u>113,260,591</u>

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 A.Q.M. Nurul Absar
 Chairman


 M. Muhibur Rahman
 Director


 Dr. Kabir H. Choudhury
 Director

FIRE INSURANCE REVENUE ACCOUNT

For the year ended December 31, 2004

	Notes	Amount in Taka	
		2004	2003
Balance of account at the beginning of the year		27,872,622	26,461,872
Premium less re-insurance	22	60,794,733	56,315,870
Commission on re-insurance ceded		42,260,207	30,482,849
		<u>130,927,562</u>	<u>113,260,591</u>



Nasir A. Choudhury
Managing Director



Zahrul Syed Bakht, CMA
Finance Director
&
Company Secretary

Masih Muhith Haque & Co.
Masih Muhith Haque & Co.
Chartered Accountants

MARINE INSURANCE REVENUE ACCOUNT

For the year ended December 31, 2004

	Notes	Amount in Taka	
		2004	2003
Claims under policies less re-insurance	21	10,330,154	19,302,604
Expenses of management		98,452,233	64,877,700
Profit transferred to Profit and Loss account		11,734,238	3,905,082
Balance of account at the end of the year as shown in the Balance Sheet (Reserve for unexpired risks)	5	65,298,044	47,909,144
		<u>185,814,669</u>	<u>135,994,530</u>

MARINE INSURANCE REVENUE ACCOUNT

For the year ended December 31, 2004

	Notes	Amount in Taka	
		2004	2003
Balance of account at the beginning of the year		47,909,144	33,211,398
Premium less re-insurance	22	128,495,570	95,382,425
Commission on re-insurance ceded		9,409,955	7,400,707
		<u>185,814,669</u>	<u>135,994,530</u>



Nasir A. Choudhury
Managing Director



Zahrul Syed Bakht, CMA
Finance Director
&
Company Secretary



Masih Muhiith Haque & Co.
Chartered Accountants

MOTOR INSURANCE REVENUE ACCOUNT

For the year ended December 31, 2004

	Notes	Amount in Taka	
		2004	2003
Claims under policies less re-insurance	21	10,025,909	12,965,932
Expenses of management		17,592,938	17,747,406
Profit transferred to Profit and Loss account		1,526,745	-
Balance of account at the end of the year as shown in the Balance Sheet (Reserve for unexpired risks)	5	15,552,403	12,709,239
		<u>44,697,995</u>	<u>43,422,577</u>

MOTOR INSURANCE REVENUE ACCOUNT

For the year ended December 31, 2004

	Notes	Amount in Taka	
		2004	2003
Balance of account at the beginning of the year		12,709,239	13,223,443
Premium less re-insurance	22	31,865,442	26,223,611
Commission on re-insurance ceded		123,314	146,375
Loss transferred to Profit and Loss account			3,829,148
		<u>44,697,995</u>	<u>43,422,577</u>


Nasir A. Choudhury
Managing Director

Zahrul Syed Bakht, CMA
Finance Director
&
Company Secretary

Masih Muhith Haque & Co.
Chartered Accountants

MISCELLANEOUS INSURANCE REVENUE ACCOUNT

For the year ended December 31, 2004

	Notes	Amount in Taka	
		2004	2003
Claims under policies less re-insurance	21	2,389,325	2,228,982
Commission on re-insurance accepted		-	23,356
Expenses of management		8,506,622	10,095,460
Profit transferred to Profit and Loss account		8,679,594	7,996,005
Balance of account at the end of the year as shown in the Balance Sheet (Reserve for unexpired risks)	5	5,863,651	7,289,823
		<u>25,439,192</u>	<u>27,633,626</u>

MISCELLANEOUS INSURANCE REVENUE ACCOUNT

For the year ended December 31, 2004

	Notes	Amount in Taka	
		2004	2003
Balance of account at the beginning of the year		7,289,823	6,024,027
Premium less re-insurance	22	11,991,015	14,859,120
Commission on re-insurance ceded		6,158,354	6,750,479
		<u>25,439,192</u>	<u>27,633,626</u>



Nasir A. Choudhury
Managing Director



Zahrul Syed Bakht, CMA
Finance Director
&
Company Secretary



Masih Muhith Haque & Co.
Chartered Accountants

CASH FLOW STATEMENT

For the year ended December 31, 2004

	Notes	Amount in Taka	
		2004	2003
Cash flows form operating activities			
Collections from premium and other income		674,447,659	485,825,738
Payments for management expenses, re-insurance and claims		(528,508,472)	(426,005,683)
Income tax paid		(13,553,598)	(16,616,325)
		<u>132,385,589</u>	<u>43,203,730</u>
Net cash provided by operating activities			
Cash flows from investing activities			
Investment in shares		(124,268,643)	(34,233,308)
Sale of investment (Debenture)		12,904,147	6,559,030
Proceeds from sales of share		10,038,342	-
Interest received		30,847,170	-
Investment in joint venture Building project		(100,000)	-
Land development		(20,756)	-
Dividend income		11,469,261	-
Purchase of fixed assets		(6,892,476)	(4,212,008)
Sales of fixed assets		1,390,000	-
Share money deposit (Investment in Jalalabad Telecom Ltd.)		(20,000,000)	-
		<u>(84,632,955)</u>	<u>(31,886,286)</u>
Net cash used in investing activities			
Cash flows from financing activities			
Dividend paid		(20,650,157)	(19,101,845)
		<u>(20,650,157)</u>	<u>(19,101,845)</u>
Net cash used in financing activities			
Net increase in cash & cash equivalents during the year		27,102,477	(7,784,401)
Cash & cash equivalents at the beginning of the year		382,915,869	390,700,270
Cash & cash equivalents at the end of the year	14.00	<u>410,018,346</u>	<u>382,915,869</u>

CLASSIFIED SUMMARY OF ASSETS

As at December 31, 2004

Sl no.	Class of Assets	Book Value (Tk.)
1	Investment in Government Bond	4,500,000
2	Investment in shares of listed securities	194,899,283
3	Investment in debentures	45,953,177
4	Investment in Delta Brac Housing Finance Ltd.	40,000,000
5	Investment in Jalalabad Telecom Ltd.	20,000,000
6	Fixed deposits	335,783,350
7	Cash at bank on STD and current account	73,690,779
8	Cash in hand	544,217
9	Outstanding premium	20,524,967
10	Amount due from other persons or bodies carrying on insurance business	88,705,965
11	Sundry debtors (including advance and deposits)	106,407,877
12	Land property	21,030,095
13	Investment in joint venture building project	100,000
14	Fixed assets (at cost less depreciation)	11,162,379
15	Stock of printing, stationery and stamps	1,260,685
		964,562,774


A.Q.M. Nurul Absar
Chairman


M. Muhibur Rahman
Director


Dr. Kabir H. Choudhury
Director


Nasir A. Choudhury
Managing Director


Zahrul Syed Bakht, CMA
Finance Director
&
Company Secretary


Masih Muhiith Haque & Co.
Chartered Accountants

STATEMENT OF CHANGES IN EQUITY


For the year ended December 31, 2004

Particulars	Share Capital	Reserve for exceptional losses	General reserve	Proposed dividend	Dividend equalisation fund	Foreign currency fluctuation reserve	Investment fluctuation fund	Profit & Loss A/C	Total
Balance at January 01, 2004	60,000,000	189,095,264	2,250,000	21,000,000	8,500,000	-	-	3,616,621	284,461,885
Profit after tax for the year	-	-	-	-	-	-	-	51,380,329	51,380,329
Dividend paid	-	-	-	(21,000,000)	-	-	-	-	(21,000,000)
Reserve during this year	-	-	-	-	-	4,751,189	97,061,461	-	101,812,650
Appropriation made during the year	18,000,000	23,314,676	1,500,000	6,000,000	2,000,000	-	-	(50,814,676)	-
Total	78,000,000	212,409,940	3,750,000	6,000,000	10,500,000	4,751,189	97,061,461	4,182,274	416,654,864


A.Q.M. Nurul Absar
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Finance Director
&
Company Secretary


Masih Muhiith Haque & Co.
Chartered Accountants

1.00 Introduction

Green Delta Insurance Company Limited was incorporated as a public limited company in Bangladesh under the Companies Act, 1913 on December 14, 1985 and commenced its operation on January 01, 1986.

The company is listed with both Dhaka & Chittagong Stock Exchange Ltd. as a Publicly traded Company.

Nature of Business

The primary objectives of the company are to carry on all kinds of insurance business other than Life.

2.00 Basis of Presenting Accounts and Significant Accounting Policies

2.01 Basis of Presenting Accounts

These accounts have been prepared on the basis of going concern concept under generally accepted accounting principles according to the historical cost convention. The Balance Sheet has been prepared in accordance with the regulations as contained in Part - I of the First Schedule. Revenue Account of each class of general insurance business has been prepared in accordance with the regulations as contained in Part - I of the Third Schedule and as per form 'F' as set forth in Part - II of Third Schedule of the Insurance Act, 1930 as amended from time to time.

2.02 Significant Accounting Policies

a) Depreciation on Fixed Assets

Depreciation on fixed assets has been calculated on all assets using straight line method at varying rates depending on the class of assets. Methods and rates of depreciation are consistently applied in relation to previous year.

Furniture & Fixtures	10%
Office & Electrical equipments	15%
Vehicles	20%

b) Revenue Recognition

The total amount of premium earned on various classes of insurance business during the year, the gross amount of premium earned against various policies, the amount of re-insurance premium due to Private and Public Sector, the amount of re-insurance commission earned and the amount of claims less re-insurance settled during the year have all been duly accounted for in the books of account of the Company and while preparing the final statement of accounts, the effect of re-insurance accepted and re-insurance ceded as well as the effect of total estimated liabilities in respect of outstanding claims at the end of the year, whether due or intimated have also been duly reflected in order to arrive at the net underwriting profit for the year.

c) Management Expenses

Management expenses is charged to Revenue Accounts amounting to Tk. 165,856,302 is approximately 32.19% of gross premium of Tk. 515,252,544. The expenses have been apportioned 24.90% to Fire, 59.36% to Marine, 10.61% to Motor and 5.13% to Miscellaneous business according to Management decision.

d) Public Sector Insurance Business

As of April 01, 1990 following a Government decision, Public Sector Insurance Business is being underwritten jointly by Sadharan Bima Corporation and 43 private sector insurance companies on co-insurance basis; 50% being underwritten by Sadharan Bima Corporation and the balance equally by 43 Private Sector Insurance Companies.

Company's share of Public Sector Business is accounted for in the year in which the complete statement of accounts from Sadharan Bima Corporation is received. Accordingly, the company has considered its share of Public Sector Insurance business this year, based on the Sadharan Bima Corporation's statement of the year 2003.

e) Interest on FDR & STD

Interest received from banks on STD Accounts and FDR Accounts have been duly credited to the Profit and Loss Account.

f) Reserve for un-expired risks

Before arriving at the surplus of each class of business necessary reserve for un-expired risk have been created at the rate of 50% on all business except on Marine Hull business for which the reserve was made @ 100% of the total premium for the year 2004.

g) Reserve for exceptional losses

Reserve for exceptional losses apportioned out of current year profit before tax amounts to Tk. 23,314,676 being 10% of the net premium earned during the year.

h) Use of Estimate

Preparation of Financial Statements in conformity with International Accounting Standards requires management to made estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities if any at the date of the financial statements and revenues and expenses during the year reported. Actual result could differ from those estimates. Estimates are used in accounting for certain items such as depreciation, outstanding claims, taxes, reserves etc.

i) Interest on national bond

Interest on national bond is recognized as revenue based on time proportion.

j) Interest on Debenture & Dividend

Interest on Debenture as well as dividend on Shares have been accounted for as income on Declaration basis.

k) Provision for Liabilities

Provision for liabilities are recognized when Green Delta Insurance Company Ltd. has a present obligation as a result of a past event and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate of the amount can be made.

l) Investment in different undertakings

Different undertakings refer to separately established undertakings in which Green Delta Insurance Company Limited has effective equity interest of 20%.

Green Delta's Investments in these undertaking are accounted for by the cost method. The income from those undertakings are recognized based on income only to the extent that it receives distributions from the accumulated net profits of those undertakings arising subsequent to the date of acquisition by the Green Delta Insurance Company Ltd.

m) Investment in Shares and debentures

All investments are initially recognized at cost, being fair value of the consideration given and including acquisition charges associated with the investment. After initial recognition, Investment in shares and debenture of listed companies are subsequently measured at fair value, with unrealized gain or losses recognized in equity under the head Investment fluctuation fund through the statement of changes in equity. These are all held and available for sale.

n) Sundry debtors

Sundry debtors are carried at anticipated realisable values.

o) Sundry creditors

Sundry creditors are stated at cost which is the fair value of the considerations to be paid in the future.

p) General

Previous year's figures have been rearranged wherever necessary to keep the consistency with current year's presentation.

Figures which are shown in the accounts have been rounded off to the nearest taka.

3.00 Share Capital

	2004 Amount (Tk.)	2003 Amount (Tk.)
3.01 Authorised		
5,000,000 Ordinary Shares of Tk. 100 each	<u>500,000,000</u>	<u>100,000,000</u>

The Insurance Company increased it's authorized capital from Tk. 100 million to Tk. 500 million by passing a special resolution in the Companies 4th Extra Ordinary General Meeting (EGM) held on 07th October, 2004 at 11.00 A.M at Hotel Purbani International Ltd., Dhaka, Bangladesh and Certified by the Registrar of Joint Stock Companies and Firms on April 11, 2005.

3.02 Issued, subscribed and paid up

	2004 Amount (Tk.)	2003 Amount (Tk.)
600,000 ordinary Shares of Tk. 100 each	<u>60,000,000</u>	<u>60,000,000</u>

This is made up as follows :

Category	No. of Shares	% of Total paid up Capital
Sponsor	300,000	50.00%
Financial Institution (Including ICB)	22,870	3.81%
General Public and others	277,130	46.19%
Total	600,000	100.00%

Classification of Shareholders by Holdings

Class Interval	No. of Shares	No. of Share holders	% of Total paid Up Capital
Less than 500 shares	50,680	1,164	8.45%
501-1,000	25,520	28	4.25%
1,001- 5,000	1,49,890	43	24.98%
5,001- 10,000	1,37,180	20	22.86%
10,001- 20,000	1,13,930	8	18.99%
20,001- 50,000	1,22,800	4	20.47%
	600,000	1,267	100.00%

3.03 Proposed issue of Bonus share (3 : 10) : Tk. 18,000, 000

The company has issued 180,000 bonus share of Tk. 100 each i.e Tk. 18,000,000.

4.00 Reserve or Contingency Account: Tk. 328,472,590

	2004 Amount (Tk.)	2003 Amount (Tk.)
This is made up as follows :		
Reserve for exceptional losses (4.01)	212,409,940	189,095,264
Foreign currency fluctuation reserve	4,751,189	-
Investment fluctuation fund	97,061,461	-
General reserve	3,750,000	2,250,000
Dividend equalisation fund	10,500,000	8,500,000
	<u>328,472,590</u>	<u>199,845,264</u>

4.01 Reserve for exceptional losses : Tk. 212,409,940	2004	2003
	Amount (Tk.)	Amount (Tk.)
This is made up as follows :		
Opening balance	189,095,264	169,817,161
Addition during the year (10% of net premium income)	23,314,676	19,278,103
Closing balance	<u>212,409,940</u>	<u>189,095,264</u>

5.00 Balance of fund accounts : Tk. 116,849,573	2004	2003
	Amount (Tk.)	Amount (Tk.)
This is made up as follows :		
Fire Insurance business	30,135,475	27,872,622
Marine Insurance business	65,298,044	47,909,144
Motor Insurance business	15,552,403	12,709,239
Miscellaneous Insurance business	5,863,651	7,289,823
	<u>116,849,573</u>	<u>95,780,828</u>

Balance of fund accounts/ reserve for unexpired risks has been made on premium income excluding public sector business at the following rates :

Fire	50%
Marine cargo	50%
Marine hull	100%
Motor & miscellaneous	50%

6.00 Premium Deposit : Tk. 84,385,057	2004	2003
	Amount (Tk.)	Amount (Tk.)
This is made up as follows :		
Marine Cargo	84,385,057	116,777,060
	<u>84,385,057</u>	<u>116,777,060</u>

This is the amount of premium deposited with the company received against cover notes for which no policy has been issued upto the end of the year.

7.00 Estimated liability in respect of outstanding claims whether due or intimated : Tk. 76,824,709	2004	2003
	Amount (Tk.)	Amount (Tk.)
This is made up as follows :		
Fire	34,512,310	21,931,107
Marine cargo	31,885,310	28,674,554
Marine hull	1,391,368	999,558
Motor	5,154,646	7,893,355
Miscellaneous	3,881,075	5,881,409
	<u>76,824,709</u>	<u>65,379,983</u>

**8.00 Amount due to the other Persons or bodies carrying on insurance business :
 Tk. 105,446,144**

This represents the amount payable to Sadharan Bima Corporation and other re-insurers and private sector insurance companies on account of re-insurance and co-insurance premium at December 31, 2004.

This is made up as follows :	2004 Amount (Tk.)	2003 Amount (Tk.)
Co-insurance payable		
Payable against co-insurance premium	52,868,283	48,471,568
Re-Insurance payable	52,577,861	13,553,753
Sadharan Bima Corporation (SBC)	26,686,966	-
Overseas Re-insurer	25,890,895	13,553,753
	<u>105,446,144</u>	<u>62,025,321</u>

**9.00 Sundry Creditors (including outstanding expenses, taxes & provisions) :
 Tk. 164,402,427**

This is made up as follows :

Liability for expenses	22,217,070	13,733,308
Provision for income tax & other payables	139,353,813	111,539,679
Unclaimed dividend	2,831,544	2,481,701
	<u>164,402,427</u>	<u>127,754,688</u>

10.00 Investment : Tk. 305,352,460

This is made up as follows :

	2004		2003
	Market Price	At cost	Market Price
A) Investment in shares of listed securities	194,899,283	70,630,640	76,105,514
Investment in debentures	45,953,177	58,857,324	58,857,324
	<u>240,852,460</u>	<u>129,487,964</u>	<u>134,962,838</u>
B) Investment in Government bond	4,500,000	4,500,000	4,500,000
	<u>4,500,000</u>	<u>4,500,000</u>	<u>4,500,000</u>
C) Investment in defferent undertakings			
Investment in Delta Brac Housing Finance Ltd. (20%)	40,000,000	40,000,000	40,000,000
Investment in Jalalabad Teleccm Ltd.	20,000,000	-	-
	<u>60,000,000</u>	<u>40,000,000</u>	<u>40,000,000</u>
Total (A+B+C)	<u>305,352,460</u>	<u>173,987,964</u>	<u>179,462,838</u>

Investment in Jalalabad Telecom Limited is in the form of share money deposit as on 31.12.2004 and subsequently allotted as paid up capital on 08.02.2005.

11.00 Outstanding Premium : Tk. 20,524,967

Outstanding premium represents installments not due to Balance Sheet date on account of Marine & Aviation Hull business.

	2004 Amount (Tk.)	2003 Amount (Tk.)
This is made up as follows :		
Marine Hull	7,868,009	6,640,007
Aviation Hull	12,656,958	13,338,078
	<u>20,524,967</u>	<u>19,978,085</u>

Out of which Tk. 3,674,743 & Tk. 9,352,243 has been realised from Marine & Aviation Hull respectively upto March 31, 2005.

**12.00 Amount due from other persons or bodies carrying on Insurance Business :
Tk. 88,705,965**

This represents the amount receivable from private sector insurance companies on account of co-insurance premium and claim at December 31, 2004.

	2004 Amount (Tk.)	2003 Amount (Tk.)
This is made up as follows :		
Amount due from SBC	-	3,679,565
Co-Insurance Premium receivable	69,613,992	65,311,738
Co-Insurance Claim recoverable	9,555,044	10,071,082
Amount due from Overseas Re-Insurer	9,536,929	3,630,782
	<u>88,705,965</u>	<u>82,693,167</u>

13.00 Sundry Debtors (including advances and deposits) : Tk. 106,407,877

	2004 Amount (Tk.)	2003 Amount (Tk.)
This is made up as follows :		
Advance rent	3,297,607	3,603,004
Advance salary	376,099	254,195
Car lease for employees	3,725,506	4,209,731
Other advances	96,863,884	53,019,326
Accrued interest	1,142,260	759,760
Security deposit	1,002,521	992,060
	<u>106,407,877</u>	<u>62,838,076</u>

14.00 Cash & bank balances : Tk. 410,018,346

	2004 Amount (Tk.)	2003 Amount (Tk.)
This is made up as follows :		
Fixed deposits	335,783,350	350,491,353
At banks on STD & current A/c	73,690,779	31,787,089
Cash in hand	544,217	637,427
	<u>410,018,346</u>	<u>382,915,869</u>

15.00 Land Property : Tk. 21,030,095

	2004 Amount (Tk.)	2003 Amount (Tk.)
This is made up as follows :		
Opening balance	21,009,339	21,009,339
Add : Mutation fee	10,756	-
Land survey fee	10,000	-
	<u>21,030,095</u>	<u>21,009,339</u>

Land property is stated at cost including development of land measuring 6 (six) Katha & 4(four) Chataks situated at 51, Mohakhali C/A, Dhaka-1212.

16.00 Investments in joint venture Building project : Tk. 100,000

	2004 Amount (Tk.)	2003 Amount (Tk.)
Construction of a building	100,000	-
	<u>100,000</u>	<u>-</u>

Joint Venture Building is yet to be registered in the name of a company.

17.00 Fixed Assets (at cost less depreciation) : Tk. 11,162,379

	Furniture & Fixture (Tk.)	Office & Electrical Equipment (Tk.)	Vehicles (Tk.)	Total (Tk.)
Cost				
As at January 01, 2004	13,240,974	20,199,529	4,273,640	37,714,143
Addition during the year	3,095,591	2,077,885	1,719,000	6,892,476
Disposal during the year	-	(65,000)	(1,325,000)	(1,390,000)
As at December 31, 2004	<u>16,336,565</u>	<u>22,212,414</u>	<u>4,667,640</u>	<u>43,216,619</u>
Fully depreciated amount	<u>(7,053,088)</u>	<u>(10,373,394)</u>	<u>(827,245)</u>	<u>(18,253,727)</u>
Depreciation chargeable amount	9,283,477	11,839,020	3,840,395	24,962,892
Depreciation				
As at January 01, 2004	10,119,592	16,972,115	2,741,253	29,832,960
Charge during the year	928,348	1,775,853	768,079	3,472,280
Disposal during the year	-	(39,000)	(1,212,000)	(1,251,000)
As at December 31, 2004	<u>11,047,940</u>	<u>18,708,968</u>	<u>2,297,332</u>	<u>32,054,240</u>
Written down value				
as at December 31, 2004	<u>5,288,625</u>	<u>3,503,446</u>	<u>2,370,308</u>	<u>11,162,379</u>
as at December 31, 2003	<u>3,121,382</u>	<u>3,227,414</u>	<u>1,532,387</u>	<u>7,881,183</u>

18.00 Stock of Printing, Stationery and Stamps : Tk. 1,260,685

	2004 Amount (Tk.)	2003 Amount (Tk.)
This is made up as follows :		
Printing & stationery	523,308	408,065
Insurance policy stamps	737,377	468,017
	<u>1,260,685</u>	<u>876,082</u>

19.00 Audit Fees : Tk. 162,700

	2004 Amount (Tk.)	2003 Amount (Tk.)
This is made up as follows :		
Statutory audit	60,000	68,325
Special audit	102,700	120,000
	<u>162,700</u>	<u>188,325</u>

20.00 Interest, Dividend & Rent : Tk. 54,276,334

	2004 Amount (Tk.)	2003 Amount (Tk.)
This is made up as follows :		
A) Interest received & Accrued	26,115,904	30,891,089
Interest on FDR & STD	<u>26,115,904</u>	<u>30,891,089</u>

B) Dividend and Debenture Interest	17,373,638	12,734,524
Interest on debenture	6,386,534	3,639,400
Interest on National bond	382,500	382,500
Dividend income	10,604,604	8,712,624
C) Other Income	10,786,792	5,542,657
Net profit from sale of shares	10,038,342	3,440,940
Underwriting commission	34,125	858,125
Co- insurance service charges	155,736	1,241,492
Sundry income	558,589	2,100
Total (A+B+C)	54,276,334	49,168,270

21.00 Claims under policies less Re-insurance : Tk. 51,710,664

	Fire (Tk.)	Marine Cargo (Tk.)	Marine Hull (Tk.)	Motor (Tk.)	Misc (Tk.)	Total (Tk.)
Claims paid during the year	16,384,073	6,121,372	606,216	12,764,618	4,389,659	40,265,938
Claims outstanding at the end of year	34,512,310	31,885,310	1,391,368	5,154,646	3,881,075	76,824,709
Claims outstanding at the beginning of the year	(21,931,107)	(28,674,554)	(999,558)	(7,893,355)	(5,881,409)	(65,379,983)
Total amount	28,965,276	9,332,128	998,026	10,025,909	2,389,325	51,710,664
Total amount (Year 2003)	17,423,085	18,878,965	423,639	12,965,932	2,228,982	51,920,603

22.00 Premium less Re- insurance : Tk. 233,146,760

Class of Business	On direct Business (Tk.)	On Re- insurance Accepted (Tk.)	On Re- insurance Ceded (Tk.)	Total (Tk.)
Fire	237,452,544	-	(176,657,811)	60,794,733
Marine Cargo	146,471,451	-	(21,854,318)	124,617,133
Marine Hull	20,935,341	739,873	(17,796,777)	3,878,437
Motor	33,448,807	-	(1,583,365)	31,865,442
Miscellaneous	76,204,528	-	(64,213,513)	11,991,015
Total amount	514,512,671	739,873	(282,105,784)	233,146,760
Total amount (Year 2003)	429,432,787	867,216	(237,518,977)	192,781,026

23.00 Right Share Issue

The Company has decided in its 209th Board Meeting held on September 08, 2004 and approved in 4th Extra ordinary General Meeting held on October 07, 2004 to issue Right Shares to its shareholders at a rate of 1 (R) : 2 with Tk. 300 per share (including Tk.200 as premium). The Company has been accorded the approval from SEC to float Right Shares on April 03, 2005.