

BANGLADESH GENERAL INSURANCE COMPANY LTD.
NOTES TO THE ACCOUNTS
FOR THE 1st QUARTER ENDED 31st MARCH - 2018

1.00 INTRODUCTION:

"Bangladesh General Insurance Company Limited was incorporated as a public limited company in Bangladesh on November 01, 1984 under the Companies Act, 1913 and commenced its operation on July 29, 1985."

The Company is listed in both Dhaka and Chittagong Stock Exchange as a Publicly Traded Company.

2.00 NATURE OF BUSINESS:

The main objectives of the company are to carry on all kinds of insurance, guarantee and indemnity business other than life insurance business.

3.00 LONG TERM INVESTMENTS AT COST :

Bangladesh Govt. Treasury Bond (BGTB) Tk. 25,000,000

4.00 STOCK OF STATIONERY & STAMP:

| | | | |
|-------------------------------------|-----------|-----------|---------------|
| Stationery in hand as at 31/03/2018 | Tk. | 1,761,237 | |
| Stamp in hand as at 31/03/2018 | Tk. | 1,828,531 | |
| | Total Tk. | 3,589,768 | Tk. 3,589,768 |

5.00 SUNDRY DEBTORS & OTHERS COMPANIES:

| | | | |
|---|-----------|-------------|-----------------|
| a) Interest, Rent outstanding | Tk. | 89,428,659 | |
| b) Amount due from others persons or bodies carrying on Insurance business. | Tk. | 203,859,902 | |
| c) Sundry Debtors (Including Advances Deposits & Payments) | Tk. | 36,743,218 | |
| | Total Tk. | 330,031,779 | Tk. 330,031,779 |

6.00 SHARE :

| | | | |
|---|-----------|-------------|-----------------|
| a) Investment in various listed companies share | Tk. | 210,592,569 | |
| b) Fair Value Changes Amount | Tk. | 7,673,948 | |
| Share's Market Price- | Total Tk. | 218,266,517 | Tk. 218,266,517 |

7.00 Provision for Unexpired Risks:

Before arriving at the surplus of each class of business necessary provision for un-expired risk have been created at the rate of 40% on all business except on Marine Hull business for which the provision was made @ 100% of the total for the 31 ST March 2018.

8.00 ISSUED, SUBSCRIBED AND PAID UP CAPITAL :

Tk. 540,272,550

This is made up as follows :

| | 31st March-2018 |
|--|------------------------|
| 600,000 Ordinary shares of Tk. 100/- each called and paid up in full. | 60,000,000 |
| 120,000 Ordinary shares of Tk. 100/- each fully paid up as bonus shares issued during the year 1997. | 12,000,000 |
| 144,000 Ordinary shares of Tk. 100/- each fully paid up as bonus shares issued during the year 2005. | 14,400,000 |
| 183,600 Ordinary shares of Tk. 100/- each fully paid up as bonus shares issued during the year 2006. | 18,360,000 |
| 98,532 Ordinary shares of Tk. 100/- each fully paid up as bonus shares issued for the year 2007. | 9,853,200 |
| 263,573 Ordinary shares of Tk. 100/- each fully paid up as bonus shares issued for the year 2008. | 26,357,300 |
| 318,547 Ordinary shares of Tk. 100/- each fully paid up as bonus shares issued for the year 2009. | 31,854,700 |
| 41,76,504 Ordinary shares of Tk. 10/- each fully paid up as bonus shares issued for the year 2010. | 41,765,040 |
| 55,12,985 Ordinary shares of Tk. 10/- each fully paid up as bonus shares issued for the year 2011. | 55,129,850 |
| 25,72,726 Ordinary shares of Tk. 10/- each fully paid up as bonus shares issued for the year 2012. | 25,727,260 |
| RIGHT SHARES : | |
| 360,000 Ordinary Shares of Tk. 100/- each as Right Shares issued during the year 2005. | 36,000,000 |
| 2,088,252 Ordinary Shares of Tk. 100/- each as Right Shares issued during the year 2009. | 208,825,200 |
| Total | 540,272,550 |

9.00 CASH AND BANK BALANCES INCLUDINGS FDR :

Tk. 960,048,694

This is made up as follows:

| | |
|---------------------------|--------------------|
| a) FDR Amount | 613,729,011 |
| b) STD & Current Accounts | 317,354,982 |
| c) Cash & Cheques in hand | 28,964,701 |
| | 960,048,694 |

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10.00 CREDITORS & ACCRUALS: Tk. 364,081,073

This is made up as follows:

| | |
|---|---------------------------|
| a) Amount due to other persons or bodies carrying on insurance business | 26,743,249 |
| b) Sundry creditors | 48,576,342 |
| c) Bank Loan (Secured) | 211,505,817 |
| d) Provision for Taxation | 77,255,665 |
| Total | <u>364,081,073</u> |

11.00 RESERVE & CONTIGENCE ACCOUNT: Tk. 218,442,649

The break up of the above amount is as under.

| | |
|---|---------------------------|
| a) Reserve for exceptional losses | 193,068,701 |
| b) General reserve | 5,000,000 |
| c) Share value fluctuation reserve | 11,000,000 |
| d) Investment Fluctuation Fund (Fair Value Changes) | 7,673,948 |
| e) Dividend equalisation reserve | 1,700,000 |
| Total | <u>218,442,649</u> |

12.00 EARNING PER SHARE (EPS) : Tk. 0.90

This is made up as follows:

| | Amount in Taka | |
|--|---|-------------------------------------|
| | 1st January -18 to 31st March- 18 | 1st January -17 to 31st March-17 |
| Retained Earnings as on 31/03/2018 | 104,191,205 | 108,084,483 |
| Less: Last year retained earnings 31/12/2017 | 55,486,122 | 59,996,300 |
| | 48,705,083 | 48,088,183 |
| Number of Shares | 54,027,255 | 54,027,255 |
| Earning Per Share | 0.90 | 0.89 |

13.00 NET ASSETS VALUE: Tk. 20.50

The break up is given below:

| | |
|--|-----------------------------|
| A. Assets: | |
| Total Fixed Assets | 130,365,654 |
| Total Current Assets | 1,511,936,758 |
| Total Assets | <u>1,642,302,412</u> |
| B. Liabilities: | |
| Total Current Liabilities | 453,236,722 |
| Reserve for Un expired risk | 50,615,927 |
| Deposit Premium | 26,824,159 |
| Provision For Employees G F & C S R Fund | 3,894,000 |
| Total Liabilities | <u>534,570,808</u> |
| Net Assets Value (A-B) | 1,107,731,604 |
| Number of Shares as on 31/03/2018 | 54,027,255 |
| Net Asset Value Per Share | 20.50 |

14.00 Workers Profit Participation Fund (WPPF)

The company refers the mater of provision for Worker Profit Participation Fund (WPPF) and like to clarify that as per provision of para (A to G) of section 233 Bangladesh Labour Amendments Act 2013, functions of Non life Insurance Companies are not similar to the functions of Industrial Relating Works as mentioned in the aforesaid section.

Therefore, provision for Workers Profit Participation and Welfare Fund (WPPF) is not applicable for the Company. It may be mentioned here that Bangladesh General Insurance Company Ltd. Has been maintaining a Recognized Employees Provident Fund, Gratuity Scheme, Group Life Scheme (GLS), Group Medical Benefits plan, House Building Loan Scheme and Car/Motor Cycle Loan Scheme subject to fulfillment of certain terms and conditions.

15.00 DEPRECIATION

Depreciation on Trangible Fixed Asstes is charged on diminishing balance method depending on the estimated useful live of the Assets. No depreciation has been charged on Land. Depreciation on additions to Fixed assets is charged of the date of acquisition irrespective of the full year and depreciation has also been charged for the date of disposal of Assets.