

# ANNUAL REPORT 2020



**NITOL**  
INSURANCE

**NITOL INSURANCE COMPANY LIMITED**  
Your Security is our responsibility



*A new day.  
new ways to save*





**NITOL**  
INSURANCE

ANNUAL REPORT  
**2020**

*A new day.  
new ways to save*

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# Letter of Transmittal

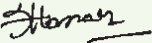
All Shareholders,  
Bangladesh Securities and Exchange Commission,  
Insurance Development and Regulatory Authority,  
Registrar of Joint Stock Companies & Firms,  
Dhaka Stock Exchange Limited &  
Chittagong Stock Exchange Limited.

**Subject: Annual Report for the year ended December 31, 2020.**

Dear Sir(s)/Madam(s):

We are pleased to present before you a copy of the Company's Annual Report 2020 along with the Audited Financial Statements for the year ended December 31, 2020 for your kind information.

Yours Sincerely,

  
Md. Shakhawat Hossain  
Company Secretary



# Notice of the 22nd Annual General Meeting (virtual) through digital platform

Notice is hereby given that the 22nd Annual General Meeting of Nitol Insurance Company Limited will be held virtually by using of digital platform on Sunday, June 20, 2021 at 11:00 A.M. to transact the following businesses:

## Agenda:

1. To receive & adopt the Directors' Report and Audited Financial Statements of the Company for the year ended December 31, 2020 together with the Auditors' Report thereon;
2. To declare Dividend for the year 2020;
3. To elect / re-elect Directors;
4. To approve the appointment of new Directors;
5. To approve the appointment of New Independent Directors;
6. To approve the appointment of Statuary Auditors for the year 2021 and fix their remuneration;
7. To approve
  - i) The post facto appointment of Compliance Auditors for the year 2020;
  - ii) The appointment / re-appointment of Compliance Auditors for the year 2021 and fix their remuneration;
8. Miscellaneous, if any;

By order of the Board of Directors

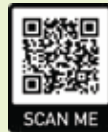


Md. Shakhawat Hossain  
Company Secretary

Dated: May 25, 2021  
Dhaka

## Notes:

1. May 24, 2021 was scheduled as Record Date. Shareholders, whose name were appeared on the Register of Members on the Record Date i.e. will be eligible to participate in the 22nd Annual General Meeting and receive dividend.
2. Pursuant to the Bangladesh Securities and Exchange Commission's Order No. SEC/SRMRC/04-231/25 dated July 08, 2020, the AGM will be virtual meeting of the Shareholders, which will be conducted via live webcast by using digital platform. The detailed procedures to attend the meeting will be communicated to the shareholder's e-mail ID and SMS in due course and it will also be available on the Company's website at [www.nitolinsurance.com](http://www.nitolinsurance.com)
3. For login to the system, the Shareholders need to put their 16-digit BO ID number and other credentials as proof of their identity by visiting the link: <https://nitolins22ndagm.virtualagm2021.com> The Shareholders will be able to submit their question/comments electronically 24 hours before commencement of the AGM and during the AGM.
4. The Shareholders are encouraged to login to the system prior to the meeting at 11:00 a.m. on June 20, 2021. The webcast will start 11:00 a.m. Shareholders may contact Mobile No. 01713142776 for any IT related guidance in accessing the virtual meeting and Mobile No. 01611107414 for share related issue.
5. Pursuant to the Bangladesh Securities and Exchange Commission (BSEC) Notification No. BSEC/CMRRCD/2006-158/208/Admin/81 dated 20th June 2018, the soft copy of Annual Report 2020 has already sent to the e-mail addresses of the Shareholders available in their BO accounts maintained with the Depository. These are also available in the Company's website at: [www.nitolinsurance.com](http://www.nitolinsurance.com)
6. A Shareholder 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 Nitol Insurance Company Limited Share Office at [shakhawat\\_cs@nitolinsurance.com](mailto:shakhawat_cs@nitolinsurance.com) no later than 72 hours before commencement of the AGM.



**N.B.:** As per Bangladesh Securities and Exchange Commission (BSEC) Notification # SEC/CMRRCD/2009-193/154 dated October 24, 2013 "No benefit in Cash or kind other than in the form of Cash Dividend or Stock Dividend, shall be paid to the holders of the equity security".



## Corporate Information

Certificate of Incorporation	: October 4, 1999
Certificate of Commencement of Business	: October 4, 1999
Certificate No. of Registration	: C-38743(701)/99
Certificate of Registration from CCI	: November 18, 1999
Authorized Capital	: Tk. 50 Crore
Total Paid-up Capital	: Tk. 402,076,390
Total Paid-up Number of Share	: 40,207,639 @ Tk. 10 each
Initial Paid-up Capital on October 04, 1999	: Tk. 6 Crore
Paid-up Capital from IPO	: Tk. 9 Crore
Date of approval of raising of capital of Tk. 9 Crore from SEC	: June 23, 2005
Date of Listing of Dhaka Stock Exchange Ltd. (DSE)	: November 29, 2005
Date of Listing of Chittagong Stock Exchange Ltd. (CSE)	: October 10, 2005
First Trading in DSE & CSE	: November 29, 2005

# Company Profile

## Registered Office and Head Office

Nitol Insurance Company Limited  
Police Plaza Concord, Tower - 2  
(6th Floor), Plot - 2, Road - 144  
Gulshan - 1, Dhaka - 1212  
Tel: 88-02-55045202-05  
Fax: 88-02-55045206  
e-mail: [info@nitolinsurance.com](mailto:info@nitolinsurance.com)  
[www.nitolinsurance.com](http://www.nitolinsurance.com)

Hotline  
+88 01755660331

## Nature of Business

All kinds of Non-Life Insurance

## Credit Rating

Rated 'AA' for the year 2019 and Half Year of 2020 by Credit Rating Information and Services Limited (CRISL)

## Auditor

Mahfel Huq & Co.  
Chartered Accountants  
Corporate Office  
BGIC Tower (4th Floor)  
34, Topkhana Road  
Dhaka 1000

## Compliance Auditor

J U Ahmed & Co.  
Chartered Accountants  
Corporate Office  
Bananta Villa, Suite No. B6  
House No. 105, Road No. 4  
Bolck - B, Banani C/A, Dhaka-1213

## Tax Advisor

Mr. Nil Ratan Saha  
Income Tax Practitioner  
Confidence Tower, Flat # 15-D,  
5/Kha Satmasjid Road, Dhaka-1207

## Overseas Claim Settling Agent

W. E. Cox Claims Group (Europe) Limited  
Gravesend, Kent, United Kingdom

## Banker

Jamuna Bank Limited  
Dutch-Bangla Bank Limited  
The City Bank Limited  
Mutual Trast Bank Limited  
Shahjalal Islami Bank Limited  
Sonali Bank Limited

## Re-Insurer

Sadharan Bima Corporation, Bangladesh  
National Insurance Company Limited, Kolkata, India  
Asian Reinsurance Corporation, Bangkok, Thailand  
GIC Re, Bhutan  
Kenya Reinsurance Corporation, Nairobi, Kenya  
CICA-Re, Africa  
The New India Assurance Co. Ltd., India  
WAICA Re, Freetown, Sierr Leone  
KLAPTON Re, Kenya  
EMARLAD International, Africa (Dubai REP Office)

## Reinsurance Broker

J.B. Boda Insurance & Reinsurance Brokers Pvt. Ltd., India  
Protection Reinsurance Services, W.L.L., Bahrain  
Risk Care Insurance Broking Service Pvt. Ltd., India  
Salasar Services (Insurance Broker) Pvt. Ltd., India  
Alliance Insurance Brokers Pvt. Ltd., India  
Unison Insurance Broking Services Pvt. Ltd., India  
Heritage Insurance Brokers Pvt. Ltd., India  
Marsh India Insurance Brokers Pvt. Ltd.  
K.M. Dastur Reinsuracne Brokers Pvt. Ltd.  
NASCO KAROGLAN, France  
Indo Arab, Dubai

## Membership

Bangladesh Insurance Association (BIA)  
Bangladesh Association of Publicly Listed Company (BAPLC)  
Metropolitan Chamber of Commerce & Industry (MCCI)  
Dhaka Chamber of Commerce and Industry (DCCI)  
Bangladesh Malaysia Chamber of Commerce & Industry (BMCCI)  
India-Bangladesh Chamber of Commerce & Industry (IBCCI)  
Bangladesh China Chamber of Commerce & Industry (BCCCI)





# About Us



## Our Vision

Our vision is the Apex of Success. We have to reach to that goal by our modern thinking, hard labour, time-worthy decision, sincerity and unparalleled service. We are committed to our slogan *"Your Security is our Responsibility"*

## Our Mission

- To provide the financial security to our clients, with utmost good faith, sincerity and dedications.
- To provide service to the insuring community, according to their need and expectation.
- To conduct business fairly, honestly and with transparency.

## Our Objectives

- To follow utmost good faith & other principles of insurance strictly
- Best services to our clients
- Protection of investment of our Shareholders
- Welfare of our Employees
- Revenue collection for the Government
- Ethical and moral social order
- Good governance for us and all around us
- Transparency in disclosures



# Products & Services



## Property Insurance

Fire Insurance Including Allied Perils  
Hotel Owner's All Risks Insurance  
Property Damage All Risks (PDAR) Insurance  
Power Plant Operational Package Insurance  
Householders Comprehensive Insurance  
Industrial All Risks (IAR) Insurance including  
Machinery Breakdown & Business Interruption



## Motor Insurance

Private Vehicle Insurance  
Nirapod Comprehensive Private Car Insurance  
Commercial Vehicle Insurance  
Motor Cycle Insurance  
Motor Trade Insurance



## Miscellaneous (Financial) Insurance

Cash-in-Safe (CIS) Insurance  
Cash-on-Counter (COC) Insurance  
Cash-in-Transit (CIT) Insurance  
Safe Deposit Box (Bank Locker's) Insurance  
Money Insurance (MI) for Bank only



## Miscellaneous (Health) Insurance

The Health Plan Insurance Contract (Hospitalization)  
Hajj and Umrah Insurance



## Miscellaneous (Personal Accident) Insurance

Personal Accident (PA) Insurance  
People's Personal Accident (PPA) Insurance  
Personal Accident (Air) Insurance  
Bangabandhu Suroksha Bima



## Miscellaneous (Liability) Insurance

Burglary and House Breaking (BG) Insurance  
Workmen's Compensation (WC) Insurance  
Fidelity Guarantee (FG) Insurance  
All Risks (AR) Insurance  
Camera Insurance  
Public Liability Insurance  
Product Liability Insurance  
Commercial General Liability including  
Automobile & Employer's Liability



## Marine Insurance

All types of Marine Cargo Import and Export Insurance  
All types of Marine Hull Insurance  
Goods-in-Transit Insurance



## Aviation Insurance

Aviation Hull Insurance



## Engineering Insurance

Contractor's All Risks (CAR) Insurance  
Erection All Risks (EAR) Insurance  
Boiler and Pressure Vessel (BPV) Insurance  
Machinery Breakdown (MBD) Insurance  
Deterioration of Stock (DOS) Insurance  
Lift, Hoist and Crane Insurance  
Electronic Equipment Insurance (EEI)  
Contractors Plant and Machinery (CPM) Insurance



## Overseas Medclaim Insurance

Business and Holiday Tour  
Corporate Frequent Travel  
Employment and Studies



BOARD OF  
DIRECTORS

# Composition of Board of Directors & it's Committees

## Board of Directors

### Chairman

**A K M Monirul Hoque**

### Vice Chairman

**Zobair Humayun Khandaker**

### Directors

Mahmudul Hoque Shamim

Mrs. Naeema Hoque

Md. Murad Hossain

Mrs. Nazme Ara Husain

### Independent Directors

Md. Abdul Aziz, FCMA

Dr. Ranjan Kumar Mitra, FCMA

### Chief Executive Officer

S.M. Mahbulul Karim

## Committee

### Audit Committee

Chairman

Md. Abdul Aziz, FCMA

Members

Zobair Humayun Khandaker

Mahmudul Hoque Shamim

Dr. Ranjan Kumar Mitra, FCMA

### Nomination and Remuneration Committee

Chairman

Dr. Ranjan Kumar Mitra, FCMA

Members

Zobair Humayun Khandaker

Mrs. Naeema Hoque

Mahmudul Hoque Shamim

### Executive Committee

Chairman

Mrs. Naeema Hoque

Members

Zobair Humayun Khandaker

Mahmudul Hoque Shamim

### Claims Committee

Chairman

A K M Monirul Hoque

Members

Zobair Humayun Khandaker

S.M. Mahbulul Karim



# Letter from the **CHAIRMAN TO OWNERS**



“

IT HAS BEEN A TOUGH EXPERIENCE IN RECENT TIME IN WHICH WE ARE FIGHTING IN EVERY SINGLE MOMENT. WE HAVE STARTED TO FIGHT AGAINST THIS DISASTER TO SAVE OURSELVES AND TO SAVE OUR ECONOMY. THOUGH IT IS HARD BUT WE ARE EXTREMELY HOPEFUL. IN SHA ALLAH, THE BETTER DAYS WILL COME.

”

## Letter from the Chairman to the Owners



A new day.  
new ways to save



Bismillahi-r-Rahmani-r-Rahim

Assalamu Alaikum Wa Rahmatullahi Wa Barakatuh

*Dear Valued Shareholders,*

On behalf of the Board of Directors and as a Chairman of the Nitol Insurance Company Limited (NICL) this is my pleasure to welcome you all to this "22nd Annual General Meeting of Nitol Insurance Company Limited". Also, I must take the opportunity to express my gratitude to everybody for your amazing support and faith on us, which elicits an inspiration in my mind.

I am really happy and delighted being here today with you. But at the same time, a chilling psychological state of mind is crumpling me round the clock. Like some other people, I am also frightened for the 2nd phase pandemic that has struck again, which seems to be more aggressive than the earlier one.

This deadly outbreak causes thousands of death,

makes the economy fragile, and turns many sectors into a collapsing stage. As a result, several businesses are being grounded by its catastrophic effect.

According to the statement of International Labour Organization (ILO), the global unemployment has crossed 190 millions. Even the most developed countries are confessing their helplessness against this deadly Covid-19 disease.

In Bangladesh, death toll from Covid-19 has exceeded 12,000 of which 7500 were in last year. Mostly, the private sectors are suffering badly; cutting off employees, and or lowering wages. According to a press release by the Asian Development Bank, this pandemic force down the GDP to 5.2%, which was 8.2% in earlier.

To prevent spreading of virus, country wide lock down has been imposed till May 30, 2020. In this critical situation, it would be difficult for us to exert our efforts with satisfaction or to support our employees otherwise. Yet, we are doing our best with efficient mode. Simultaneously, we are

trying to protect our employees by following the guide lines of the government.

We have started our online services before Covid-19 outbreak. In that sense, we are pioneer in this field having a strong and sophisticated IT infrastructure.

We have build up online services so that an insurer can easily follow every step of online banking, credit/debit cards services; and even can grasp mobile payment services through Bikash, Rocket, etc.

During lockdown, we have virtually carried out our affairs. Through this platform, we organized our every day meetings, communications and client dealings.

Instead of having Covid-19 struck, our Gross Premium Income comes to BDT. 682,728,676 which was BDT. 730,372,687 in 2019; made an Underwriting Profit of amount BDT. 105,150,108 which was BDT. 135,710,213 in the previous year. Investments and other Income were BDT. 80,037,398 in 2020 compared to BDT. 77,643,107 in 2019 and the amount of Claim Settlement in 2020 was BDT. 189,843,342 in contrast to the figure achieved in 2019 which amounted BDT. 212,740,047. Although, there is certain degree of fall down in compared to the figures accomplished in 2019, yet the achievement of 2020 is significant enough bearing in mind of what the entire world went through.

As a custodian of the company, I must say that the staffs of NICL have been found very much sincere and devoted even in this Covid attack situation. They were not frightened about it but faced the challenge and trying to overcome it. I do not have any reservation to express my gratitude, love and respect to my staffs for their immense commitment and dedication.

It has been a tough experience in recent time in which we are fighting in every single moment. We have started to fight against this disaster to save ourselves and to save our economy. Though it is hard but we are extremely hopeful. In Sha Allah, the better days will come.

Towards the end, I must memorize the horrible

scenario of Covid-19 outbreak that has badly struck our neighbor country. So, we must follow every single measure to protect ourselves.

My request to you to be careful, to wear mask, to sanitize hands; avoid crowd and maintain physical distancing.

May Allah Subhanata'ala Protect Us.

Thank you all.

Warm regards,



A K M Monirul Hoque  
Chairman



# Profile of the **Directors**

## **A K M Monirul Hoque (CIP)**

Chairman

Mr. A K M Monirul Hoque started his business career in 1982 when he established a partnership vocational training center, Swift Engineering and Technological Training Center (SETTC), to develop the skills of people in diverse fields such as driving, computer proficiency, tailoring along with shorthand, and so on. He founded this institution when he was just 20 years old, while pursuing a Bachelor of Commerce (B.COM) Degree under Dhaka University. Mr. Hoque, additionally, has a Masters in Commerce Degree (M.COM) under Dhaka University with a concentration in Management.

In 1984, Mr. Hoque joined Nitol Motors Limited (NML)-the sole distributor of the distinguished Indian company called TATA Motors LTD (TML); he was the Executive Director there. Mr. Hoque was the Head of the Marketing of the NML vehicles and directly involved in the sales and promotion of products for 21 years i.e. till 31st December 2005. Mr. Hoque is also the Founder Chairman of Nitol Insurance Company Limited (NICL), a Non-life Public Limited Insurance Company, established in 1999.

Mrs. Naeema Hoque, wife of Mr. Hoque, completed her B.A. (Honors) and M.A. in Philosophy from Dhaka University. Mrs. Hoque is also the Chairman of the Executive Committee of NICL and conducts the day to day work with management. She is the Life Member of Baridhara Cosmopolitan Club Limited (BCCL), Uttara Club Limited (UCL), Baridhara Society (BS), Gulshan Society (GS), and also involved in many social and charitable organizations.

The couple is blessed with two daughters who are studying in USA.





Mr. Hoque loves exploring new countries and has travelled all over the world. He enjoys engaging with diverse cultures and gathering knowledge from around the globe. He attended many seminars and symposiums worldwide. Apart from that, Mr. Hoque enjoys playing golf and snooker regularly. He loves to watch various sports such as football, tennis, Formula1 and so on; cricket is his favorite sport. Mr. Hoque is an active and social person.

**The Federation of Bangladesh Chambers of Commerce and Industry (FBCCI):**

Director (2021-2023)

**Bangladesh Insurance Association (BIA):**

Executive Committee (EC) Member: since 2011

Vice President: 2017-2018, 2019-2020, 2021-2022

**General Body Member:**

India Bangladesh Chamber of Commerce and Industry (IBCCI)

Bangladesh Malaysia Chamber of Commerce and Industry (BMCCI)

Metropolitan Chamber of Commerce and Industry (MCCI)

Dhaka Chamber of Commerce & Industry (DCCI)

Bangladesh Association of Publicly Listed Companies (BAPLC)

Bangladesh China Chamber of Commerce and Industry (BCCCI)

SAARC Chamber of Commerce and Industry

**Club Members:**

Dhaka Club Limited (DCL)

Gulshan Club Limited (GCL)

Uttara Club Limited (UCL)

Narayanganj Club Limited (NCL)

Baridhara Cosmopolitan Club Limited (BCCL)

Fu-Wang Bowling Club Ltd. (FWBCL)

Sheikh Jamal Dhanmondi Club limited (SJDCL)

Dhaka Boat Club Limited (DBCL)

Kurmitola Golf Club

Savar Golf Club

Narayanganj Rifle Club

Gulshan Shooting Club

Baridhara Society

Gulshan Society.



## Profile of the **Directors**



**Zobair Humayun Khandaker**  
Vice Chairman

Mr. Zobair Humayun Khandaker was born in September 21st 1970. His father late Humayun Kabir Khandaker was a successful Industrialist & past Sponser Shareholder/Director of the Company. Mr. Zobair did his BBA from University of California, Los Angles & MBA From Indiana University, USA. He is now engaged with various National & Multinational Organization as well as he is a Proprietor of Bangle Pipe & Serenity Industries, Vice-President of Wave Tektronic Llc. (USA), CEO of Trilink Exports (USA), Chairman of E-Cash Ltd. & Decorous Event and Amusement Ltd. and Director of Wahyd Group Inc. (USA).



**Mahmudul Hoque Shamim**  
Director

Mr. Mahmudul Hoque Shamim is a renowned businessman. He is a Sponsor Shareholder Director of the Company. He has completed M.Com & C.A. (Course completed) and also Fellow of Institute of Management Consultant Bangladesh (IMCB). He is a Director of Alight Real Estate Ltd. & L-Tech Bd. Ltd. He is a member of Army Golf Club.

The spouse of Mr. Mahmudul Hoque Shamim is Mrs. Amena Hossain Lucky (B.Sc., Hons., M.Sc.). They have two children; they are Mr. Ahnaf Shahriar Hoque (Son) & Arisha Hoque (Daughter).

## Profile of the **Directors**



**Mrs. Naeema Hoque**  
Director

Mrs. Naeema Hoque, wife of Mr. A K M Monirul Hoque, completed her BA (Honors) and Masters of Arts (MA) in Philosophy from Dhaka University. Mrs. Hoque doing boutique business since 1992. Moreover, Mrs. Hoque was the Executive Member (EC) of Bangladesh Handicraft Association (Banglacraft) from 1998-2000. She was the key and significant member in organizing the first Banglacraft All Members Showcase, which was inaugurated by the Prime Minister, at the time, Sheikh Hasina. She was the EC member and Treasurer of Banglacraft for 2013-2015. Mrs. Hoque is, furthermore, the Life member of Baridhara Cosmopolitan Club Limited (BCCL), Baridhara Society, Gulshan Society (GS) and involved in many social and charitable organizations.



**Mrs. Nazme Ara Husain**  
Director

Mrs. Nazme Ara Husain, wife of Late Mr. Md. Anowar Husain, FCMA, has completed her Master's Degree in Psychology Dhaka University and Bachelor's Degree from Collage of Home Economics in. She was a Director of Nita Company Ltd. form 28/09/1991 to 10/02/2020. She is also Treasurer of Bangladesh Women Chamber of Commerce & Industries and also active member of some non-political, social, cultural and religious organizations.

Mrs. Nazme Ara Husain blessed with two daughters Natasha Husain, Radiologist (USA) & Bipasha Husain, MBA (USA) both are married now are living in USA. She traveled most of the European countries, USA, Middle East and some Southeast Asian countries.

## Profile of the **Directors**



**Md. Murad Hossain**  
Director

Mr. Md. Murad Hossain completed his Bachelor Degree in the year of 1993 under National University. He has over 28 years of working experience in different fields. He is an active member of some non-political, social, cultural and religious organizations.



**Md. Abdul Aziz, FCMA**  
Independent Director

Md. Abdul Aziz, FCMA is a Fellow Member and Former President of Institute of Cost and Management Accountants of Bangladesh (ICMAB). He has completed a short course Residential MBA program in IBA, University of Dhaka. He also has completed a course on "Advanced Financial Management Techniques for Developing Countries" from The Strathclyde Business School, University of Strathclyde, Glasgow U.K. He has completed many courses on Corporate Management program, Market Economy, Strategic Financial Management, Leadership Program, Strategic Management, and on many issues of Trade & Commerce at home and abroad.

Presently Mr. Aziz is an entrepreneur, has now been working as Managing Director, Western Agro Industries Ltd, (Rice Bran Oil Manufacturing Company). He is the Chairman of WASO Credit Rating Company Ltd and a founder Director of the company.

He also served as Controller of Accounts in Bangladesh Chemical Industries Corporation. He was a Founder Director of Rural Power Company Ltd, Shambhuganj, Mymensing which is sponsored by Asian Development Bank. He also worked as Director Karnaphully Paper and Rayon Mills, Khulna Shipyard, Paksey Paper Mills, Ghorasal Urea Fertilizer Factory, Khulna Hardboard Mills etc. Mr. Aziz worked as Director in Opex & Sinha Textile Group of Companies. He was also a Director of Zeal Bangla Sugar Mills Ltd. and Renwick and Jajneswar Mills Ltd. under BSFIC (Bangladesh Sugar & Food Industries Corporation).

Ha has earned over 30 years of experiences in the Financial, Commercial and in Operational areas in Trade, Commerce, Business and in Industrial Management.

## Profile of the Directors



**Dr. Ranjan Kumar Mitra, FCMA**  
Independent Director

Dr. Ranjan Kumar Mitra, FCMA, Associate Professor Department of Accounting and Information Systems Faculty of Business Studies University of Dhaka, obtained his undergraduate degree in Bachelors of Business Administration (BBA) in the year 2005 and post Graduate degree in Masters of Business Administration (MBA) in the year 2007, under University of Dhaka. He has completed his Doctor of Philosophy (PhD) degree in the year 2016 under Kobe University. He is serving as Associate Professor Department of Accounting & Information Systems, Faculty of Business Studies, University of Dhaka.

He is an international researcher and he has 16 articles which are published in popular journals. He served as Research Assistant to Professor Kazuhisa Otagawa, Kobe University, Research Assistant in a project titled "Accounting for Capital Market Development in Bangladesh" administered under the HEQEP of the UGC of Bangladesh and the World Bank and Audit Assistant KPMG Rahman Rahman Huq Chartered Accountancy Firm (A member firm of KMPG International)

Dr. Ranjan Kumar Mitra is a Fellow Member (Membership No: F-0937) of The Institute of Cost and Management Accountants of Bangladesh. He was an Associate Editor The Cost & Management, A Bi-monthly Journal of the Institute of Cost and Management Accountants of Bangladesh (ICMAB)



**S. M. Mahbul Karim**  
Chief Executive Officer

Mr. Karim did his Masters Degree (MSS) in Public Administration from the University of Dhaka in the year 1985. He has started his insurance career with United Insurance Co. Ltd. in 1986. He worked there till 2000 and held the responsibility of Re-insurance and Specialized Underwriting as the Department Incharge. In July 2000 he joined Nitol Insurance Co. Ltd. and held responsibility of Underwriting, Reinsurance & Claims Department as in-charge. In 2006, he took the responsibility of "Company Secretary". He became the Managing Director & CEO of Nitol Insurance Co. Ltd. on 1st January, 2012. He has long 35 (Thirty Five) years of practical job experience in leading private non-life insurance companies having wide experience in Underwriting, Reinsurance, Claims, HRD and Secretarial & Corporate Affairs. He attended various training programmers on insurance & re-insurance at home & abroad i.e. Management of Reinsurance Portfolio at National Insurance Academy (NIA), Pune, India, Risk Underwriting & Re-insurance conducted jointly by ACR Retakafu, Malaysia & J.B. Boda Brokerage Agencies, Malaysia, attended training programmers organized by Bangladesh Insurance Academy, jointly with Asian Re and Munich Re on Reinsurance and Specialized Underwriting, attended training programs on Corporate Governance organized by Dhaka Stock Exchange Ltd. and also attended various insurance related courses and seminars organized by Bangladesh Insurance Academy and Bangladesh Insurance Association. He has been selected by the Bangladesh Insurance Association (BIA) as a resource person to provide lecture at the training program of Insurance Officials of Private Insurance Companies conducted by Bangladesh Insurance Association (BIA). He is also a member of the Technical Sub-Committee of the Bangladesh Insurance Association (BIA). He is a member of Bangladesh Insurance Forum (BIF).

# We Mourn



**Md. Anowar Husain, FCMA**  
Ex-Vice Chairman & Sponsor Director

**Md. Nazrul Islam, ABIA**  
Ex-Assistant General Manager &  
Head of Re-Insurance Dept.





# Corporate Management

# Message from **CHIEF EXECUTIVE OFFICER**



“

**OUR IMMEDIATE RESPONSE WAS FOCUSED ON ENSURING THE SAFETY OF OUR EMPLOYEES, MAKING EVERY EFFORT TO GUARANTEE THEIR WELLBEING IN A DISTRESSING ENVIRONMENT, CONTINUING TO SERVE OUR CUSTOMERS, AND CONTRIBUTING TO SOLIDARITY EFFORTS ACROSS THE COUNTRY.**

”





## Message from CEO

Bismillahi-r-Rahmani-r-Rahim

Dear Shareholders, valued clients and well wishers,

Assalamu Alaikum

In 2020, the world faced one of its deepest, most unexpected and most complex challenge since World War II. The quick outbreak of the COVID-19 pandemic resulted in uncertainty for all, adversity for many and sorrow for some. Individuals, organisations and communities were affected to varying extents, but without exception. In the pandemic situation the business environment of insurance industry has changed.

In this profoundly troubling crisis and changed business environment, the full consequences of which are yet to be fully grasped, Nitol Insurance Company Limited (NICL) held firm to its purpose: “service to the clients by protecting what matters”. This renewed statement, unveiled mid-2020, at the heart of the crisis, enshrines the spirit that lies at the heart of what we do, support our clients digitally and bring all the branches and head office in digital platform, and which makes me proud to lead NICL.

With the Management Committee and all the NICL teams, we steered the company through the crisis with one core principle: living up to the immense responsibilities we have towards all our stakeholders – our customers, our employees, our shareholders, and society at large.

Our immediate response was focused on ensuring the safety of our employees, making every effort to guarantee their wellbeing in a distressing environment, continuing to serve our customers, and contributing to solidarity efforts across the country. Our unwavering commitment being a force for good was once more demonstrated in the impressive solidarity wave we make sure that in the most critical of all times, we were present for our customers, whom I sincerely thank for their confidence.

At the same time, we took measures to ensure the solidity of NICL in the long run, because our capacity to protect people, communities and businesses fundamentally relies on our financial strength.

In 2020, the NICL demonstrated its capacity to sustain

extreme shocks while maintaining a solid performance our gross premium only decreased by 6.52% to Tk. 682.73 million. With underlying earnings standing at TK. 114.34 million, solvency margin increased to 11.82 times from 9.47 time in 2019, NICL confirmed its resilience.

The NICL’s 2020 financial results are the result of its successful transformation, which also translates into an improved customer satisfaction. Our company is now reshaped to a simpler and more focused organization, closer to its customers and with the right scale across the country and preferred segments, Motor, Marine, Fire and Miscellaneous.

Building on our vision, we presented a new strategic plan for “Digital Insurance” focusing on the objectives of serving customers more promptly insuring quality. With clear priorities set out, NICL is very well positioned to continue serving its clients and bring its contribution to building a better, greener and more inclusive world and to cater to the new insurance needs of customers and society.

Before concluding, I would like to commend the work accomplished by the NICL teams, agents, and partners who went above and beyond in a year like no other. In 2020, NICL illustrated how to work in a pandemic situation. This was only possible thanks to the passion and professionalism of NICL employees. I am incredibly honoured to lead a company filled with such committed people.

While the initial phase of the crisis is now behind us, much adversity and affliction remain, and with it, the temptation to perceive reality on the gloomier side. But 2020 revealed the extent of our individual and collective resources, and proved that there is always reason for optimism. More than ever, I am confident in NICL’s bright future.

Besides, we manage our operation with timely initiatives and by abiding the rules and regulation of the Insurance Development and Regulatory Authority (IDRA), Bangladesh Securities and Exchange Commission (BSEC), Registrar of Joint Stock Companies & Firms (RJSC), Dhaka Stock Exchange Limited (DSE), Chittagong Stock Exchange Limited (CSE) as well as other relevant authorities.

Our credit rating is AA (pronounced as Double A) by Credit Rating Information & Services Ltd. (CRISL) which reflects our financial strength and claim paying ability.

As always, we would like to thank our Board of Directors for their continued guidance, the Government and regulators for their co-operation and facilitation, and our shareholders & other stakeholders and media for their continuing trust and support.

We sincerely look forward to welcoming you at our 22nd Annual General Meeting (AGM).

**S. M. Mahbulul Karim**  
Chief Executive Officer

# Executive **MANAGEMENT**

(Head Office)





## Executive Management (Head Office)



**S.M. Mahbulul Karim**  
Chief Executive Officer (CEO)



**Tapas Kumar Podder**  
Additional Managing Director &  
Head of Operation Division



**Mohammad Monirul Islam**  
Deputy Managing Director &  
Head of Re-Insurance &  
Specialized Underwriting



**Mahbub Alam**  
Assistant Managing Director &  
Head of Claims Department



**Md. Altaf Hossain**  
Assistant Managing Director &  
Chief Financial Officer (CFO)



**Md. Shakhawat Hossain**  
Assistant Managing Director &  
Company Secretary  
and Head of Admin & HR



**Md. Liakat Hossen, FCMA**  
Assistant Managing Director &  
Head of Internal Audit and Compliance



**Md. Abdul Wahab**  
General Manager &  
Head of Underwriting Dept.



**Abdullah Al Mamun Tazu**  
General Manager &  
Head of Branch Monitoring and  
Business Development Dept.



**Md. Abu Ahmed Suman**  
Deputy General Manager &  
Head of IT and Digital Insurance Dept.



## Executive Management

### Head of Branch



**Mominul Islam**  
Additional Managing Director & Head of Branch  
Bijoy Nagar Branch



**Haditul Islam (Hedayet)**  
Senior Deputy Managing Director & Head of Branch  
Gulshan Branch



**Md. Ashraf Ullah**  
Deputy Managing Director & Head of Branch  
Chattogram Zonal Office



**Saker Ahmed**  
Deputy Managing Director & Head of Branch  
Karwan Bazar Branch



**Tariq Mahmud**  
Assistant Managing Director & Head of Branch  
Joydevpur Branch



**Md. Wahidur Rahman**  
Assistant Managing Director & Head of Branch  
Dhanmondi Branch



**G.M. Alimuddin**  
Assistant Managing Director & Head of Branch  
Dilkusha Branch



**Md. Altaf Hossain**  
Assistant Managing Director & Head of Branch  
Mohakhali Branch



**Md. Atiqur Rahman**  
General Manager & Head of Branch  
Rajshahi Branch



**M. Muzammel Hoque**  
General Manager & Head of Branch  
Cumilla Branch



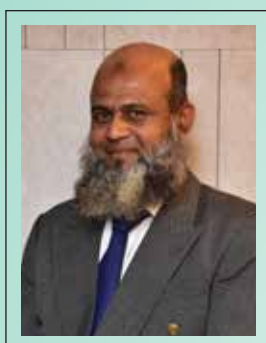
**Kabir Uddin Ahmed**  
Deputy General Manager & Head of Branch  
Uttara Branch



**Prodip Kumar Ghosh**  
Deputy General Manager & Head of Branch  
Rangpur Branch



**Md. Nozmul Hoque Chowdhury**  
Deputy General Manager & Head of Branch  
Sylhet Branch



**Md. Mokarrom Mustafa Khan Milon**  
Assistant General Manager & Head of Branch  
Jashore Branch



**Md. Nazrul Islam**  
Assistant General Manager & Head of Branch  
Kushtia Branch



**Md. Shamim Kabir**  
Assistant General Manager & Head of Branch  
Dinajpur Branch



**Md. Borhan Uddin Chowdhury**  
Assistant General Manager & Head of Branch  
Narayangonj Branch



**Md. Hossain Mahamood Apolo**  
Assistant General Manager & Head of Branch  
Mirpur Branch



**Dewan Jahid Hossain**  
Manager & Head of Branch  
Barishal Branch



**Md. Mahbubur Rahman**  
Head of Branch  
Jamalpur Branch



**Md. Shahidul Haque**  
Head of Branch (Current Charge)  
Khulna Branch



**Md. Firoj Ahmed Dalim**  
Head of Branch  
Amtali Branch, Barguna

# SHAREHOLDER INFORMATION



# Information

## REGISTERED/HEAD OFFICE

Police Plaza Concord, Tower - 2  
(6th Floor), Plot - 2, Road - 144  
Gulshan - 1, Dhaka - 1212.  
Tel: 88-02-55045202-05  
Fax: 88-02-55045206  
e-mail: info@nitolinsurance.com  
www.nitolinsurance.com

## LISTING ON STOCK EXCHANGES

Nitol Insurance Company Limited was listed on 29 November 2005 at Dhaka Stock Exchange Ltd. and on 10th October 2005 at Chittagong Stock Exchange Ltd.

## LISTING FEES

The annual listing fee for the year 2021 has been paid to the stock exchanges within the prescribed time limit.

## STOCK CODE

The stock code for trading in equity shares of Dhaka Stock Exchange at NITOLINS and Chittagong Stock Exchange at NITOLINS.

## STATUTORY COMPLIANCE

During the year the Company has complied with all applicable provisions, filed all returns/forms and furnished all relevant information as required under the Companies Act, 1994 and allied laws and rules, the Bangladesh Securities and Exchange Commission (BSEC) Regulations and the Stock Exchanges Listing Regulations 2015.

## RECORD DATE

The register of Member and share transfer books of the Company shall remain closed on **May 24, 2021**

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

Date: **June 20, 2021**  
Time: 11:00 AM  
Venue: Virtual Platform

## WEBSITE OF THE COMPANY

A website of the Company has been developed which allows the users to get the Company related information about its financial, history, types of insurance available with the Company and list of reinsures etc. Annual, half yearly and quarterly financial statements of the Company are available at **www.nitolinsurance.com**

## GENERAL MEETINGS AND VOTING RIGHTS

Pursuant to section 81 of the Companies Act, 1994, NITOL holds general meeting of shareholders at least once a year. Every shareholder has a right to attend the general meeting; the notice of such meeting is sent to all the shareholders at least Twenty one days before the meeting and also advertised in English and one Bangla newspaper having circulation in Bangladesh. All shares issued by the Company carry equal voting rights. Generally, such a right is endowed to them by section 82(1). On a pool votes may be given either personally or by proxy.

## PROXIES

Pursuant to Section 85 of the Companies Act, 1994 and according to the MoA and AoA of the Company, every shareholder who is entitled to attend and vote at a general meeting, can appoint another person as his/her proxy to attend and vote instead of himself/herself. Every notice calling a general meeting contains a statement that shareholder entitled to attend and vote is entitled to appoint a proxy who needs to be a member of the Company. The instrument appointing proxy, duly signed by the shareholder appointing the proxy should be deposited with the Company not less than 72 (seventy-two) hours before the meeting.

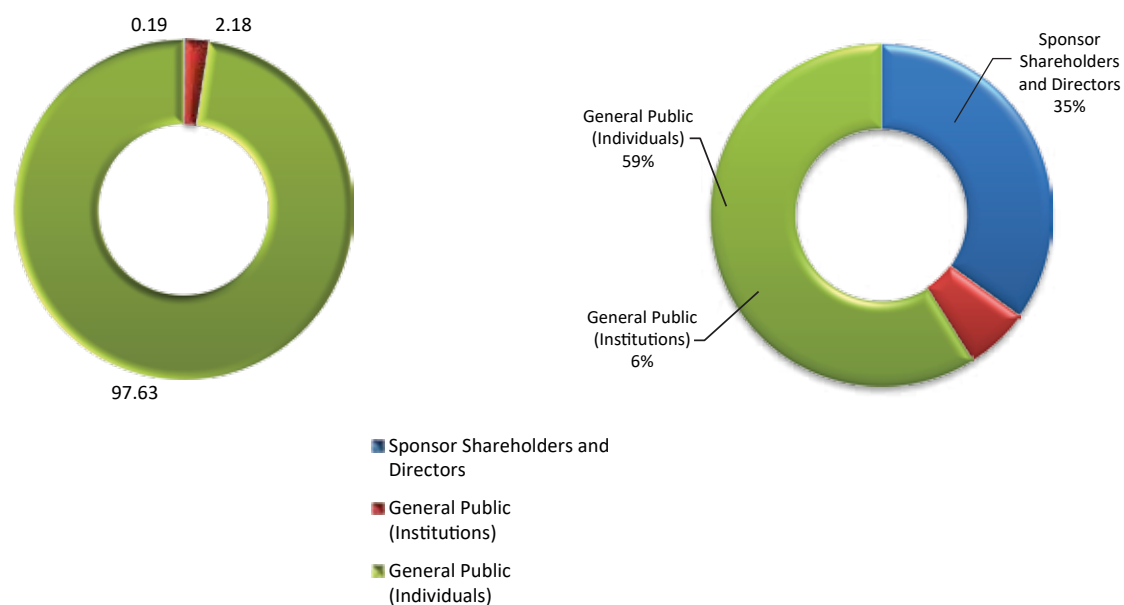
# Shareholding Structure

As at December 31, 2020

	2020 Taka	2019 Taka
<b>Authorized Capital:</b> 50,000,000 ordinary share of Tk. 10 each	500,000,000/-	500,000,000/-
<b>Issued, Subscribed and Paid up Capital:</b> 40,207,639 ordinary shares of Tk. 10 each	402,076,390/-	402,076,390/-

## COMPOSITION OF SHAREHOLDINGS AS ON 31ST DECEMBER 2020

Shareholdings	No. of Shareholders	No. of Shares	% of paid up capital
Sponsor Shareholder & Director	07	14,074,353	35.00%
Foreign Investors	Nil	Nil	Nil
Government	Nil	Nil	Nil
General Public (Institutions)	79	2,426,828	6.04%
General Public (Individuals)	3,541	23,706,458	58.96%
<b>Total</b>	<b>3,627</b>	<b>40,207,639</b>	<b>100%</b>





## Access To **Reports And Enquiries**

<b>Annual Report -</b>	Annual report of the Company is available in the Share Department of the Company and Company's website <a href="http://www.nitolinsurance.com">www.nitolinsurance.com</a> . Any requirements, Investors or Stakeholders can look after the annual report or printed copies obtained by writing to Company Secretary.
<b>Quarterly Reports -</b>	The Company publishes interim reports, at end of first, second and third quarters of the financial year. The interim reports can be accessed from the Company's website <a href="http://www.nitolinsurance.com">www.nitolinsurance.com</a> or printed copies obtained by writing to Company Secretary.
<b>Shareholders' enquiries -  proposals and suggestions.</b>	<p>Nitol Insurance Company Limited has a separate Share Department to communicate with Shareholders, Stakeholders and Investors may contact at any time to Share Department for any sort of information and query. To make the Annual General Meeting more participatory, arranging AGM in well-known place &amp; convenient time allowing shareholders to speak in the AGM freely and making their valuable</p> <p>Quarries relating to shareholders holdings or interest and payment of dividends or share certificates can be sent or shareholders might be communicated to the following address.</p> <p><b>Share Department -</b></p> <p><b>Md. Shakhawat Hossain</b> Assistant Managing Director &amp; Company Secretary</p> <p><b>A. A. M. Rajibul Hassan</b> Senior Officer Police Plaza Concord, Tower - 2 (6th Floor), Plot - 2, Road - 144 Gulshan - 1, Dhaka - 1212. Tel: 88-02-55045202-05 Fax: 88-02-55045206 e-mail: <a href="mailto:info@nitolinsurance.com">info@nitolinsurance.com</a> <a href="http://www.nitolinsurance.com">www.nitolinsurance.com</a></p>

# FINANCIAL HIGHLIGHTS



# ACHIEVEMENT 2020

Gross Premium	682,728,676
Underwriting Profit	105,150,108
Net Profit after Tax	114,339,302
Total Assets	1,878,224,981
Total Reserve Fund	887,341,081
Earnings Per Share	2.84
Net Assets Value	1,094,971,813
Net Assets Value Per share	27.23
Net Operating Cash Flow Per share	1.21
Shareholders' equity	1,094,971,813
Equity per share	27.23
Book Value per share	10



## Disclosure on Evaluation of Quarterly Report

Figure BDT in Million

PARTICULAR	2020					2019				
	Q1	Q2	Q3	Q4	TOTAL	Q1	Q2	Q3	Q4	TOTAL
Gross Premium Income	207.87	145.52	172.97	156.36	682.73	182.90	167.12	177.73	202.63	730.38
Net Premium Income	163.31	97.19	129.20	87.52	477.22	124.98	110.08	142.99	154.63	532.68
Net R/I Commission Earned	11.40	2.76	10.66	18.37	43.19	20.75	12.54	8.01	10.49	51.79
Investment and Other Income	19.24	21.81	21.47	17.51	80.03	18.01	19.61	20.70	19.32	77.64
Claim	68.41	22.59	-7.10	119.73	203.63	57.22	53.02	60.64	41.87	212.75
Agency Commission	27.90	18.78	24.13	22.32	93.14	24.67	21.99	24.71	26.77	98.14
Management Expenses	40.37	34.47	44.06	33.09	151.99	36.93	34.54	45.16	34.56	151.19
Management Expenses With Claim & Agency Commission	136.68	75.84	61.09	175.14	448.76	118.82	109.55	130.51	103.20	462.08
Opening Reserve for Unexpired Risk	221.10	208.37	209.05	214.15	852.67	227.37	221.10	208.37	209.05	865.89
Closing Reserve for Unexpired Risk	226.61	211.74	210.55	194.44	843.34	221.10	208.37	209.05	214.15	852.60
Net Profit Before TAX	45.23	42.38	30.41	39.76	157.78	43.81	38.83	33.98	66.71	183.33
Provision for Income TAX	12.25	12.80	8.36	10.03	43.44	11.52	10.48	10.61	21.19	53.80
Net profit after tax	32.63	29.72	21.55	30.47	114.34	32.30	28.36	23.36	45.52	129.54
EPS	0.81	0.74	0.54	0.76	2.84	0.80	0.71	0.58	1.13	3.22

# Financial Highlights

(5 Years at a glance)

Figure in BDT

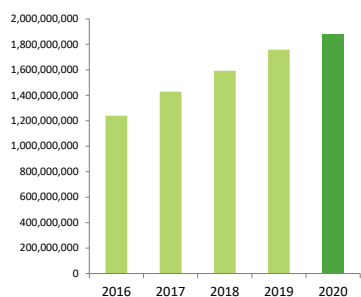
PARTICULARS	2020	2019	2018	2017	2016
<b>OPERATIONAL POSITION</b>					
Gross Premium Income	682,728,676	730,372,687	722,230,151	671,940,037	613,873,160
Re-Insurance Premium	205,509,810	197,697,016	157,439,127	127,898,211	122,988,418
Net Premium Income	477,218,866	532,675,671	564,791,024	544,041,826	490,884,742
Underwriting Profit	105,150,108	135,710,213	123,258,528	106,828,047	84,350,915
Investment & Other Income	80,037,398	77,643,107	61,672,465	43,765,160	42,078,157
Claim Paid	189,843,342	212,740,047	236,439,071	242,280,671	237,193,737
Net Profit Before Tax	157,779,448	183,335,956	156,114,027	126,488,155	105,964,470
Tax Provision	35,784,183	42,165,341	37,119,794	27,184,867	19,462,872
Net Profit After Tax	114,339,302	129,542,872	118,994,233	97,923,109	86,501,598
Net Operating Cash Flow	1.21	3.13	3.24	2.98	4.05
<b>FINANCIAL POSITION</b>					
Total Assets	1,878,224,981	1,758,354,262	1,592,360,873	1,428,076,595	1,239,080,412
Fixed Assets	251,678,729	263,274,420	282,729,452	295,370,641	196,396,501
Total Reserve & Surplus	887,341,081	853,016,189	797,007,481	719,675,066	641,090,630
Advance for Office Space	239,220,170	114,880,350	114,880,350	114,880,350	183,005,350
FDR & BGTB	920,000,000	974,200,000	843,700,000	660,000,000	526,600,000
Cash & Cash Equivalents	38,191,083	27,737,137	19,593,608	33,465,019	42,545,862
Net Asset Value	1,094,971,813	1,040,943,970	971,712,560	852,718,327	754,795,218
Net Asset Value (PS)	27.23	25.89	24.17	24.18	24.18
<b>FINANCIAL RATIO</b>					
Earnings Per Share (EPS)	2.84	3.22	2.96	2.78	2.77
<b>EQUITY POSITION</b>					
Paid-up Capital	402,076,390	402,076,390	402,076,390	352,698,590	312,122,650

# Graphical Appearance

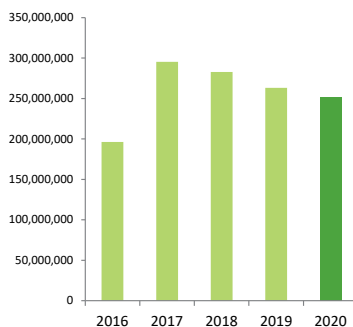


# Graphical Appearance

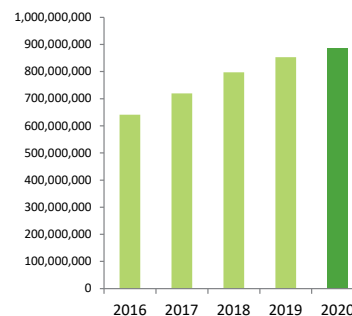
**Total Assets**



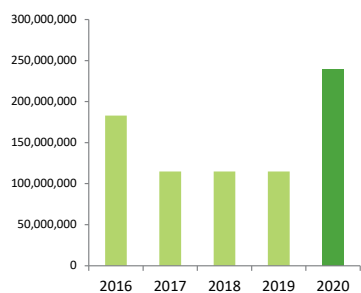
**Fixed Assets**



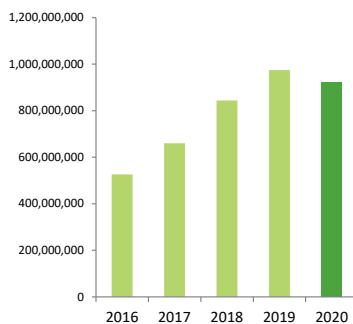
**Total Reserve & Surplus**



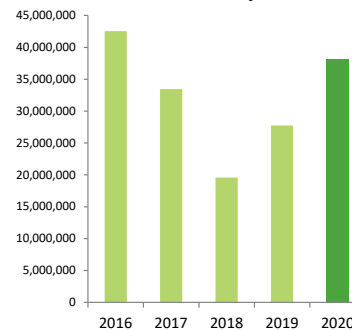
**Advance for Office Space**



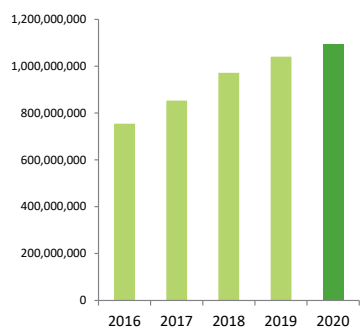
**FDR & BGTB**



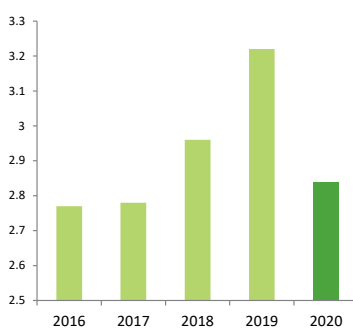
**Cash & Cash Equivalents**



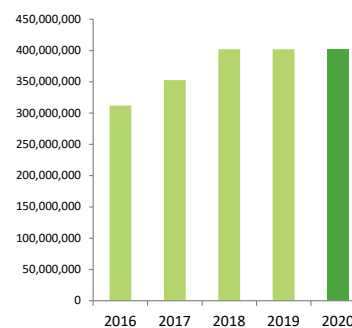
**Net Asset Value**



**Earnings Per Share (EPS)**



**Paid-up Capital**

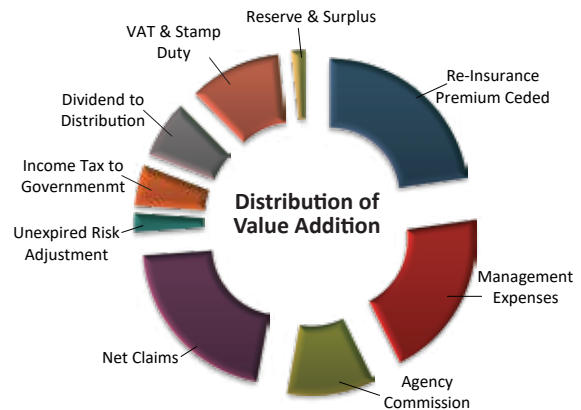
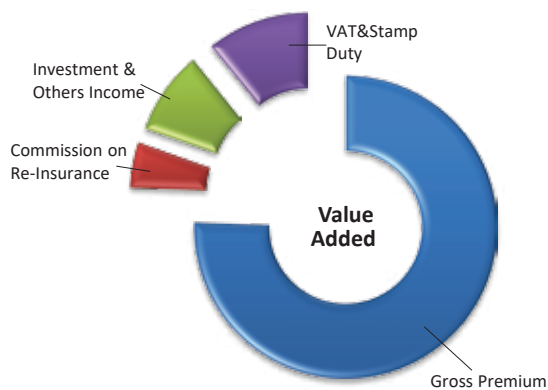


# Value Added Statement

For the year ended 31 December, 2020

Value Added	Taka in Million
Gross Premium	682.73
Commission on Re-Insurance	43.20
Investment & Others Income	80.04
VAT & Stamp Duty	97.84
<b>Total</b>	<b>903.81</b>

Distribution of Value Addition	Taka in Million
Re-Insurance Premium Ceded	205.51
Management Expenses	179.39
Agency Commission	93.14
Net Claims	189.84
Unexpired Risk Adjustment	19.70
Income Tax	43.44
Dividend Paid	60.31
VAT & Stamp Duty	97.84
Reserve & Surplus	14.64
<b>Total</b>	<b>903.81</b>





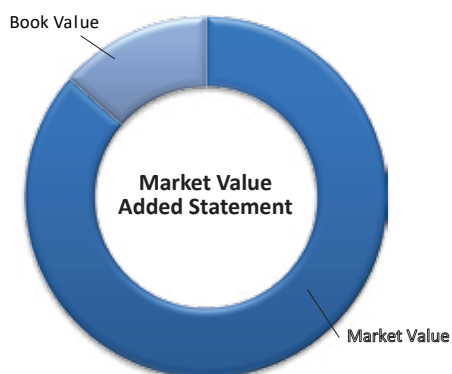
## Market Value **Added Statement**

This statement Shows the difference between the market value of a company and the capital contributed by the investors.

A positive MVA indicates that the company could add the value to the shareholders wealth. The following statement indicates the MVA at the year ended on 31st December 2020.

### Market Value Added Statement

Particulars	Number of Share	Rate	Total Value (in Taka)
Market Value	40,207,639	63.80	2,565,247,368.20
Book Value	40,207,639	10.00	402,076,390.00
<b>Market Value Added</b>			<b>2,163,170,978.20</b>

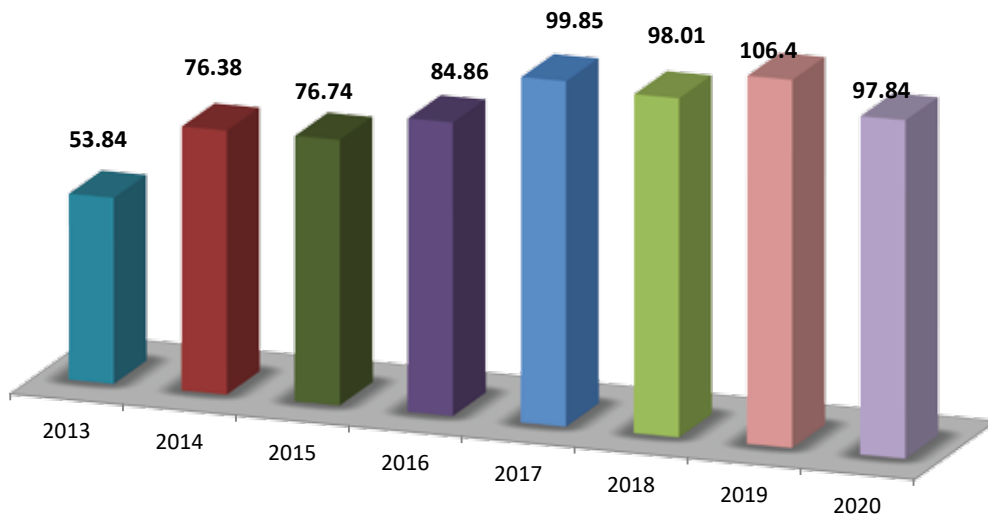


## Contribution to the **National Economy**

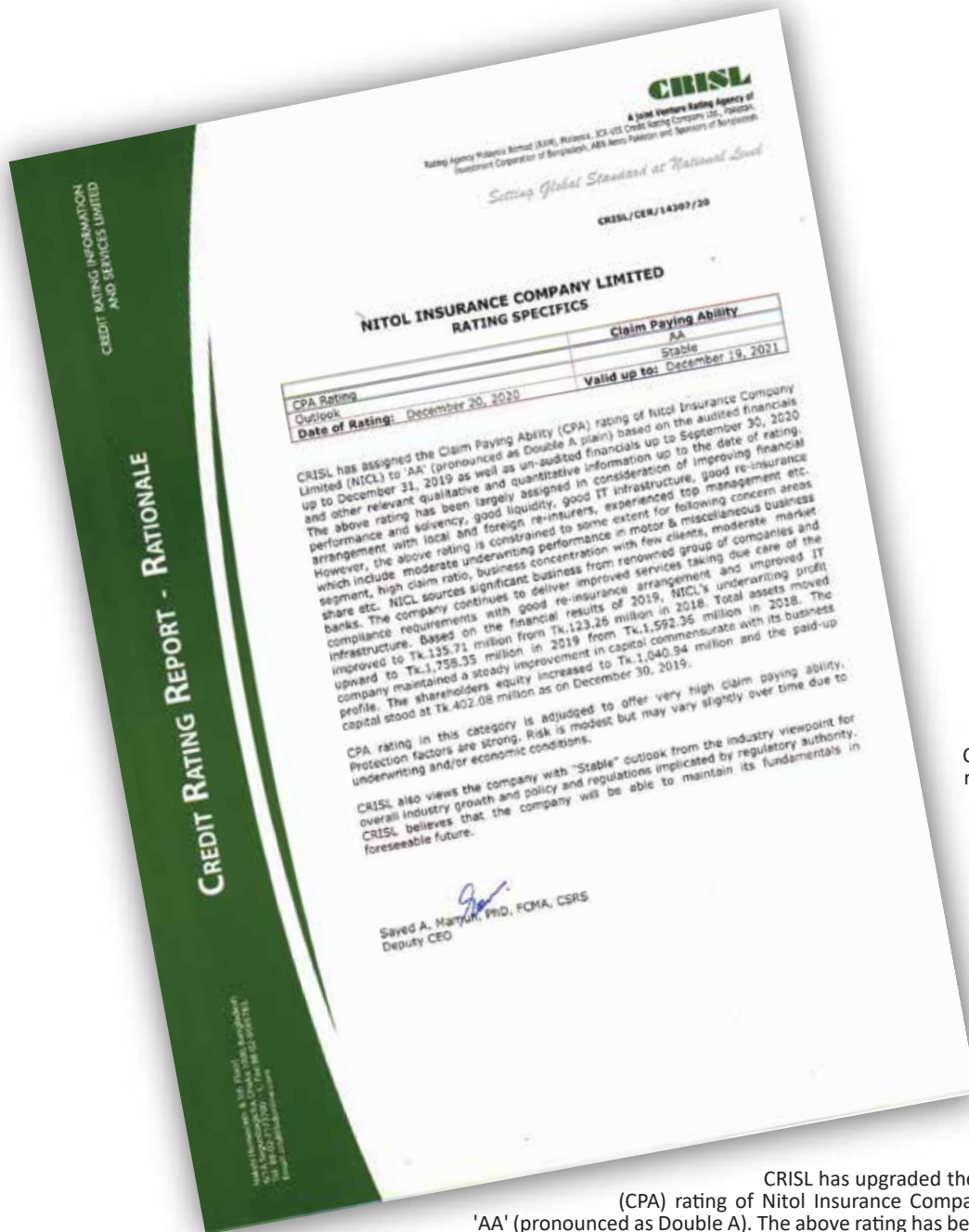
Nitol Insurance Company Limited recognizes that the Company has the responsibilities of the national economic development and in this connection; the management has the pleasure as they have contributed to the National Exchequer is higher than previous years. For this Company paid VAT & Tax by complying country's relevant laws, rules & regulations. The Company deducts Income Tax on Various Account, like Agency Commission, Salary, Supplier and VAT on various Account likes VAT deducted on Survey Fee, Clients and suppliers and deposited the same to the National Exchequer on time. As the recognition of timely submission of Tax return, the Company received an appreciation letter from LTU.

Nitol Insurance Company Limited also made an economic impact by creating employment and trained them to serve the country. In 2012 the company has been awarded by Bangladesh Govt. as best VAT payer Insurance Company in Bangladesh. NITOL is paying satisfactory dividend to its shareholders.

## VAT & Stamp Duty **Payment**



# Credit Rating Report



Nitol Insurance Company Limited was rated by Credit Rating Information and Services Limited (CRISL) on the based on the audited financials up to December 31, 2019 as well as un-audited financials up to June 30, 2020 and other relevant qualitative and quantitative information up to the date of rating.

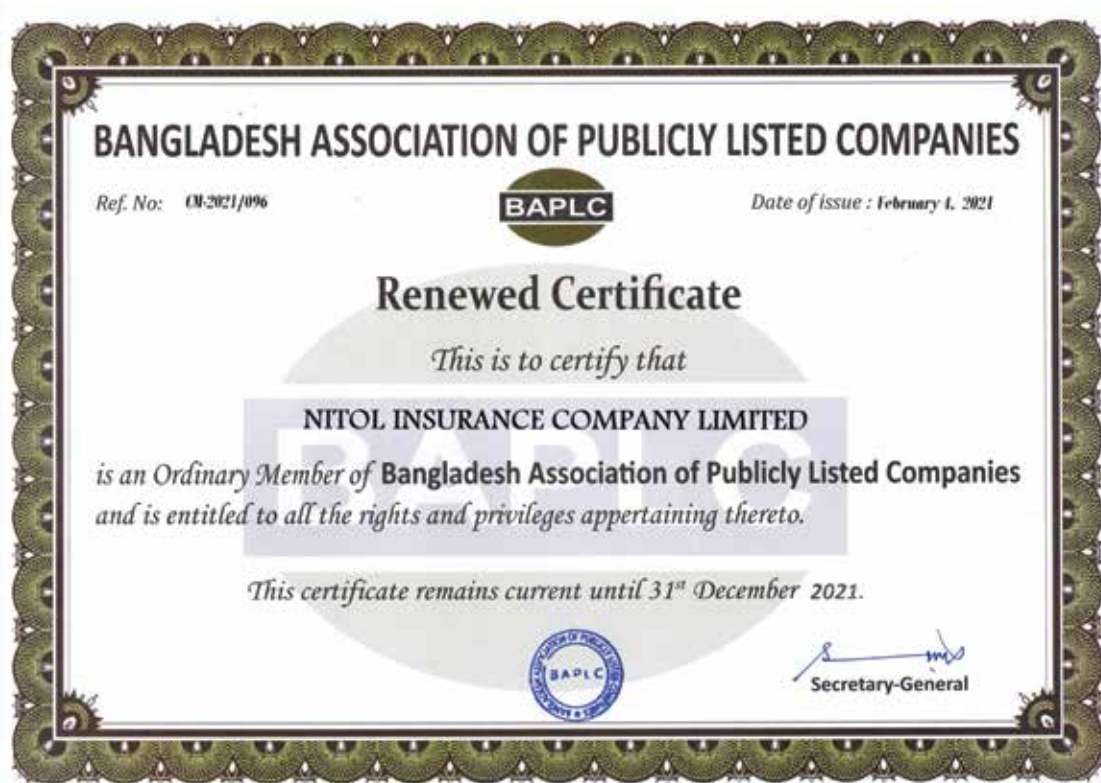
CRISL has upgraded the Claim Paying Ability (CPA) rating of Nitol Insurance Company Limited (NICTL) to 'AA' (pronounced as Double A). The above rating has been largely assigned in consideration of improved financial performance and solvency, good re-insurance arrangement with local and foreign re-insurers, experienced top management etc.

CPA rating in this category is adjudged to offer very high claim paying ability. Protection factors are strong, Risk is modest but may vary slightly over time due to underwriting and/or economic conditions.

CRISL also views the company with "Stable" outlook from the industry viewpoint for overall industry growth and policy and regulations implicated by regulatory authority. CRISL believes that the company will be able to maintain its fundamentals in foreseeable future.

## BAPLC Membership Certificate

As per SEC Notification # SEC/CMRRCD/2006-161/324 dated April 11, 2010, we present the below Membership Certificate given by Bangladesh Association of Publicly Listed Companies (BAPLC) :



# DISCLOSURE & COMPLIANCE



# Compliance Disclosure

## Re-Election of Directors

Company's Articles of Association require that one-third director shall retire from the office by rotation each year except Chief Executive Officer (Managing Director) and Independent Director of the Company. If they are eligible for the re-appointment, they could be re-elected by the shareholders in the next Annual General Meeting.

## Appointment of Independent Directors

Previous Independent Directors Mr. Md. Mamunur Rashid FCMA and Dr. Md. Akram Hossain have completed their two terms as an Independent Directors of the Company. As per Notification of Corporate Governance of Bangladesh Securities and Exchange Commission (BSEC), "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". Therefore, compliance of Securities and Exchange Commission (SEC) Notification the Board of Directors in its 153rd Board Meeting held on October 28, 2020 appointed Mr. Md. Abdul Aziz FCMA and Dr. Ranjan Kumar Mitra, FCMA as an Independent Directors of the Company for next three year term which will be placed in the 22nd Annual General Meeting for shareholders approval.

## Appointment of New Directors

The Board of Directors in its 154th Board Meeting held on December 24, 2020 appointed Mr. Murad Hossain Ripon as Nominee Director of M/s. Ukhtane Enterprise Limited (hold 2% Shares of total paid-up Capital) and it will be placed in 22nd Annual General Meeting for Shareholders approval.

The Board of Directors in its 156th Board Meeting held on March 18, 2021 also appointed Ms. Nazme Ara Husain, (wife of Late Mr. Md. Anowar Husain, Ex Vice-Chairman & Sponsor Shareholder Director) as Director of the Company (hold 8% Shares of total paid-up Capital) and it will be placed in 22nd Annual General Meeting for Shareholders approval.

## Removal and Appointment of the Chief Executive Officer (CEO)

Insurance Act- 2010 defined the appointment and removal of the Chief Executive Officer (CEO) from his office of the Company with the consent of Insurance Development & Regulatory Authority (IDRA), the Board of Directors may remove the Chief Executive Officer (CEO) from his office and accordingly with prior approval of IDRA, the board may appoint any qualified person as a new Chief Executive Officer (CEO) instead of the removed Chief Executive Officer (CEO). Mr. S.M. Mahbubul Karim, Chief Executive Officer (CEO) has been reappointed in the Company with the approval of IDRA effective from 1st January 2021 for next 03 (three) years.

## Disclosure of Directors Remuneration

Board of Directors of the Company is non-executive director except CEO (Managing Director). They don't get any incentive or bonus for the performance of the board. The non-executive directors get only meeting fees for attending the Board and Committee meetings at Tk. 8,000 per meeting. CEO (Managing Director) remuneration package determine by the Board, which requires approval from the IDRA. As per corporate governance requirement we publish our non-executive director meeting fees in the annual report. During the year, the meeting fees of the Director were Tk. 349,600/-.

## Disclosure of Related Party Transactions

Company's related parties transactions are made for ordinary business purpose. A statement of related party transaction presented in the notes to the Financial Statements No. 32 of the report and the transactions of related parties were checked and verified by the external auditor.

## Disclosure on The Financial Performance of The Company

Nitol Insurance Company Limited is always aware about the disclosure of the financial performance for the requirement of regulatory authority. In this connection, the Company published the quarterly, half yearly and annual reports in the daily newspaper and Company's website in time. The Management also informed the Price Sensitive Information (PSI) to the regulatory in time and accordingly published in the daily newspapers and also electronic media. The Company's Financial Statements have been prepared and published according to the

International Accounting Standards (IAS) / International Financial Reporting Standards (IFRS) The Companies Act 1994, the Insurance Act 2010, the Insurance Rules, the Securities and Exchange Rules 1987 and Institute of Chartered Accountant of Bangladesh (ICAB) guidelines. Other operational information was also published on the basis of the related rules and regulations requirements.

## Appointment of External Auditors

The External Auditor completed the annual audit about the accounts after appointment by the shareholders in the Annual General Meeting. With the recommendation of the Board of Directors, the shareholders confirmed the appointment of the external auditor in the annual general meeting specify remuneration of its service. As per Finance Act. 1993 and BSEC Notification dated June 03, 2018, an Auditor cannot be appointed for more than three consecutive years. Therefore, need new appointment in the 22nd AGM will be held on June 20, 2021, for the year of 2021.

## Disclosure of The External/statutory Auditors Engagement

The new Auditors will not be engaged with the following services of the Company:

- Appraisal or valuation services or fairness opinion
- Financial Information System design and implementation
- Book Keeping or other service related to the accounting records or financial statements
- Broker-dealer services
- Actuarial services
- Internal Audit Services
- Any other service that the Audit Committee determines
- Tax Consultancy
- No partner or employees of the external audit firms shall possess share of the Company, they audit at least during the tenure of the audit assignment of the Company.

#### **COMPLIANCE AUDITOR**

M/s. Mumlook Mustaque & Co., Chartered Accountants was appointed as Compliance Auditor for the year 2020 on 21st Annual general Meeting held on July 27, 2020. In this connection, Mr. Md. Mumlook Hossain FCA FCMA, present Compliance Auditors, sent us a letter regarding process of merging 'Mumlook Mustaque & Co. Chartered Accountants' was closed on August 31, 2020 and he along with his team (Students & Staff) have joined 'J U Ahmed & Co. Chartered Accountants' on September 01, 2020. J U Ahmed & Co., Chartered Accountants' is a renowned audit firm in Bangladesh having 24 years of professional experience.

As a result of the above change, he express his interest to conduct the above assignment and would therefore, requested to continue him as Compliance Auditor of the Company for the year 2020 as the partner of 'J U Ahmed & Co., Chartered Accountants' in lieu of 'Mumlook Mustaque & Co., Chartered Accounts.'

Therefore, the Board of Directors in its 153rd Board Meeting held on October 28, 2020 decided to continue 'J U Ahmed & Co., Chartered Accountants' in lieu of 'Mumlook Mustaque & Co., Chartered Accountants' as Compliance Auditor of the Company for the year 2020 subject to the approval of next Annual Genral Meeting."

#### **FULLFILL THE MINIMUM SHARE HOLDING:**

According to the notification of BSEC, the Directors jointly hold minimum 30% (thirty percent) of share of the paid-up capital of the Company and each Director other than Independent/ Nominated Director(s) of the Company's minimum holding should be 2% (two percent) shares. Currently, the Directors of the Company have jointly maintained 35% and also each Director hold 2% Shares of paid-up capital of the Company.

#### **REPORT ON THE COMPLIANCE OF THE CONDITIONS OF BSEC'S NOTIFICATION:**

In accordance with the Bangladesh Securities and Exchange Commission's Notification No. BSEC/CMRRCD/2006-158/207/Admin/80, dated June 03, 2018 to report on the Compliance of certain conditions. The notification was issued to fulfill the good corporate governance practice in the listed Companies for the interest of the investors' and the capital market. The Company has followed the notifications in the Company and the implementation status of the corporate governance is given in the annual report. And also we have achieved the compliance certificate from M/s.Mumlook Mustaque & Co., Chartered Accountants. The Board of the Nitol Insurance Company Limited has approved the guidance notes of Bangladesh Bank on And Money Laundering (AML) & Combating Terrorist Financing (CFT) and advised the Management to follow the recommendations of AML & CFT.

NICL has established Central Compliance Unit consisting of 18 (eighteen) members headed by Mr. Tapas Kumar Podder, Additional Managing Director of the Company as the Chief And Money Laundering Compliance Officer (CAMLCO) under advice of the Board of Directors.

#### **FULLFILL THE ANTI MONEY LAUNDERING RULES :**

All the concerned Branches/Departments such as Underwriting, Re-Insurance, Accounts and Claims Department have been instructed to remain alert from the motive of Money Launderer's in connection of insurance underwriting & claims settlement. And it was also advised all Branches/Departments to inform immediately the Chief And Money Laundering Compliance Officer if any suspicious activity of any insured/clients are found in connection of insurance documentation.

#### **REINSURANCE RISK**

The Board of Directors annually approves the Reinsurance principles and the Maximum Risk retained for own account. In practice, this Risk is kept lower if this is justifiable considering the price of Reinsurance. Retention in risk specific Reinsurance is a Maximum of BDT. 10,000,000/- for Fire Risk, BDT. 3,000,000/-for Marine Cargo, BDT. 3,000,000/- for Marine Hull, BDT. 1,000,000/- for Miscellaneous & Engineering, BDT. 300,000/- for Motor Loss. Under Fire Catastrophe Reinsurance Risk is BDT 30 Lac under 1st layer, BDT 1.00 Crore under 2nd layer & BDT 2.50 Crore under 3rd layer, the level of Reinsurance protection has an impact on the need of solvency capital. Only Companies with a sufficiently high Insurance financial strength rating are accepted as Reinsurers. Moreover, maximum limits have been confirmed for the amounts of risk that can be ceded to anyone Reinsurer. These limits depend on the nature of the risk involved and on the Company's solvency. Nitol Insurance Company Limited has mainly placed its Reinsurance agreements with the Companies at least 'A' rating affirmed. Companys treaty

Reinsurers are (i) Sadharan Bima Corporation, Bangladesh, (ii) National Insurance Company Limited, Kolkata, India (iii) Asian Reinsurance Corporation, Bangkok, Thailand, (iv) GIC Re Bhutan, (v) Kenya Reinsurance Corporation, Nairobi, Kenya, (vi) CICA-Re, Africa.

# Dividend and Dividend **Distribution Policy**

This policy will be applicable to Nitol Insurance Company Limited (NICTL). This policy is for payment of dividend to shareholders of the company.

The Company pays dividends in BDT. Future dividends will depend on a variety of factors including NICTL's earnings, financial condition, applicable capital and solvency requirements, prevailing financial market conditions and the general economic environment. Proposals for dividend payments are made at the discretion of the Board of Directors and are submitted for approval to the Shareholders' Meeting (AGM). The dividend proposed by the Board of Directors in any particular year may vary considerably depending on a variety of factors (as noted above) which may have an impact on this target from one year to another. In assessing the dividend to be paid in any given year, Management tries to strike the appropriate balance between (i) prudent capital management, (ii) reinvestment of previous results to support business development and (iii) an attractive dividend for shareholders.

The Board of Directors recommend/declare and distribute dividend as per the provisions of Companies Act, 1994, Articles of Association of the Company and BSEC's guidelines/ notifications.

- (i) Interim dividend will be paid to the entitled shareholder within 30 days of record date.
- (ii) Final dividend will be paid within 30 days of approval of shareholders at the Annual General Meeting.
- (iii) The Company shall ensure that the amount of cash dividend shall be deposited in a scheduled bank in a separate account within stipulated time specified by the regulators and pay directly to the bank account of entitled shareholder as available in BO account maintained with Depository Participant (DP) or provided by shareholder in paper form through Bangladesh Electronic Funds Transfer Network (BEFTN). In case of margin loan, cash dividend will be pay off to Consolidated Customers' Bank Account (CCBA) as provided by the merchant banker or portfolio manager within stipulated time prescribed by the Company.
- (iv) Undistributed/unclaimed cash dividend shall be deposited in a scheduled bank in a separate account and dividend including interest thereon for a period of 3 years from the date of declaration or approval shall be transferred to the fund as directed or prescribed by BSEC.
- (v) The Company shall credit stock dividend or bonus shares directly to the BO account or issue bonus share certificate of the entitled shareholder, as applicable, within 30 days of declaration or approval, as the case may be, subject to clearance of the Dhaka Stock Exchange Ltd and Central Depository Bangladesh Ltd (CDBL).
- (vi) Undistributed bonus shares shall be held in a Suspense BO account under Block Module with CDBL and unclaimed bonus shares for a period of 3 years from the date of declaration or approval shall be transferred in dematerialized form to the BO account as directed or prescribed by BSEC.
- (vii) The company shall submit a compliance report to the Bangladesh Securities and Exchange Commission (BSEC) in a specific format, within 7 (seven) working days of completion of dividend distribution: Provided that the company will also publish the compliance report in its website.
- (viii) The company shall not forfeit any unclaimed cash dividend or stock dividend till the claim becomes barred by the law of land in force.

The Board shall review this policy on annual basis or as and when required by the law. The Board is authorized to change/amend this policy from time to time at its sole discretion and/or in pursuance of any amendments made in the Companies Act, 1994 and BSEC's Regulations/Notification or Guidelines etc.. In the event of any conflict between the provisions of this Policy and of the Companies Act, 1994 or Listing Regulations or BSEC's guidelines or any other statutory enactments, rules, the provisions of such Act or Listing Regulations or statutory enactments, or rules shall prevail over this Policy. Any subsequent amendment / modification in the Listing Regulations, Act and/or applicable laws in this regard shall automatically apply to this Policy. The Company shall make appropriate disclosures as required under the BSEC's guideline/directive dated 14 January 2021



## Solvency Margin Position

Solvency margin is the amount by which the assets of an insurer exceeds its liabilities, and will form part of the insurer's funds. Under section 43 of Insurance Act 2010 the Insurance Company required to maintain adequate Solvency Margin. The solvency of an 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.

In Bangladesh regulations for Solvency Margin for non-life insurance Company have been prepared by IDRA but not yet been approved by the Finance Ministry thereby not yet promulgated through official gazette.

During the year 2020, Nitol Insurance Company Limited has achieved solvency margin 11.82 times of required level. The details as follows:

### Year 2020

#### SOLVENCY MARGIN BASED ON PREMIUM INCOME: Amount in Million Taka

Class of Business	Net Premium	Gross Premium	Factors	G.P. after application of Factor	20% of GPF	20% of NP	20% of (NP & GPF) which is higher
Fire	27.96	138.58	0.50	69.29	13.86	5.59	13.86
Marine Cargo	128.09	176.26	0.70	123.38	24.68	25.62	25.62
Marine Hull	5.93	13.70	0.50	6.85	1.37	1.19	1.37
Motor	307.23	314.38	0.85	267.22	53.44	61.45	61.45
Miscellaneous	8.01	39.81	0.70	27.87	5.57	1.60	5.57
<b>Total</b>	<b>477.22</b>	<b>682.73</b>					<b>107.87</b>

#### SOLVENCY MARGIN BASED ON ASSETS & LIABILITIES:

Amount in Million Taka

Particulars	Amount	Particulars	Amount
Total Assets as per Balance Sheet	1,878.22	Total Liabilities	1,878.22
Less: Amount due from Others	(18.63)	Sundry Creditors	(49.42)
Outstanding Premium	(0.57)	Amount Due to Others	(129.60)
Furniture & Fixture	(2.05)	Provision for Income Tax	(310.12)
		Deposit Premium	(69.16)
		Reserve for Unexpired Risk	(194.45)
		Reserve for exceptional loss	(543.49)
<b>(A) TOTAL ASSETS</b>	<b>1,856.97</b>	<b>(B) TOTAL LIABILITIES</b>	<b>581.98</b>

Solvency Margin Available (A-B)

**1,274.99**

#### SOLVENCY RATIO (Times)

Particulars	2020
Solvency Margin Available (A-B)	1,274.99
Required Solvency Margin	107.87
<b>Solvency Ratio (Times)</b>	<b>11.82</b>

# Compliance Report on BSEC's Notification

Status of compliance with the conditions imposed by the Bangladesh Securities and Exchange Commission's Notification No. BSEC/CMRRCD/2006-158/207/Admin/80, dated June 03, 2018 issued under section 2CC of the Securities and Exchange Ordinance, 1969 is presented below:

Condition No.	Title	Compliance Status		Remarks (if any)
1.	<b>Board of Directors:</b>			
1 (1)	<b>Size of the Board of Directors</b> The total number of members of a company's Board of Directors (hereinafter referred to as "Board") shall not be less than 5 (five) and more than 20 (twenty).	-	Complied	
1 (2)	<b>Independent Directors</b> All companies shall have effective representation of independent directors on their Boards, so that the Board, as a group, includes core competencies considered relevant in the context of each company; for this purpose, the companies shall comply with the following			
1 (2) (a)	At least one-fifth (1/5) of the total number of directors in the company's Board shall be independent directors; any fraction shall be considered to the next integer or whole number for calculating number of independent director(s);	-	Complied	
1 (2) (b)	<b>For the purpose of this clause "independent director" means a director-</b>			
1 (2) (b) (i)	who 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;	-	-	Not holding any share of the company
1 (2) (b) (ii)	who 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: 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;	-	Complied	
1 (2) (b) (iv)	who does not have any other relationship, whether pecuniary or otherwise, with the company or its subsidiary or associated	-	Complied	
1 (2) (b) (v)	who is not a member or TREC (Trading Right Entitlement Certificate) holder, director or officer of any stock exchange;	-	Complied	
1 (2) (b) (vi)	who 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	-	Complied	
1 (2) (b) (vii)	who 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)	who is not independent director in more than 5 (five) listed companies;	-	Complied	
1 (2) (b) (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	-	Complied	
1 (2) (b) (x)	who has not been convicted for a criminal offence involving moral turpitude;	-	Complied	
1 (2) (c)	The independent director(s) shall be appointed by the Board and approved by the shareholders in the Annual General Meeting (AGM);	-	Complied	
1 (2) (d)	The post of independent director(s) cannot remain vacant for more than 90 (ninety) days; and			
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) tenure only: Provided that a former independent director may be considered for reappointment for another tenure after a time gap of one tenure, i.e., three years from his or her completion of consecutive two tenures [i.e. six years];	-	Complied	
1 (3)	<b>Qualification of Independent Director-</b>			
1 (3) (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;	-	Complied	
1 (3) (b)	<b>Independent director shall have following qualifications:</b>			
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. 100.00 million or any listed company or a member of any national or international chamber of commerce or business association; or	-	Complied	
1 (3) (b) (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	-	Complied	
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, who has at least educational background of bachelor degree in economics or commerce or business or law; or	-	Complied	
1 (3) (b) (iv)	University Teacher who has educational background in Economics or Commerce or Business Studies or Law; or			
1 (3) (b) (v)	Professional who is or was an advocate practicing at least in the High Court Division of Bangladesh Supreme Court or a 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;	-	Complied	
1 (3) (c)	The independent director shall have at least 10 (ten) years of experiences in any field mentioned in clause (b);			
1 (3) (d)	In special cases, the above qualifications or experiences may be relaxed subject to prior approval of the Commission.			Not Applicable (No Special Case arose)

Condition No.	Title	Compliance Status		Remarks (if any)
<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 positions of the Chairperson of the Board and the Managing Director (MD) and/or Chief Executive Officer(CEO) of the company shall be filled by different individuals;	-	Complied	
1 (4) (b)	The Managing Director (MD) and/or Chief Executive Officer (CEO) of a listed company shall not hold the same position in another listed company;	-	Complied	
1 (4) (c)	The Chairperson of the Board shall be elected from among the non-executive directors of the company;	-	Complied	
1 (4) (d)	The Board shall clearly define respective roles and responsibilities of the Chairperson and the Managing Director and/or Chief Executive Officer;	-	Complied	
1 (4) (e)	In the absence of the Chairperson of the Board, the remaining members may elect one of themselves from non-executive directors as Chairperson for that particular Board's meeting; the reason of absence of the regular Chairperson shall be duly recorded in the minutes.	-	Complied	
<b>1 (5)</b>	<b>The Directors' Report to Shareholders the Board of the company shall include the following additional statements or disclosures in the Directors' Report prepared under section 184 of the Companies Act, 1994 (Act No. XVIII of 1994): -</b>			
1 (5) (i)	An industry outlook and possible future developments in the industry;	-	Complied	
1 (5) (ii)	The segment-wise or product-wise performance;	-	Complied	
1 (5) (iii)	Risks and concerns including internal and external risk factors, threat to sustainability and negative impact on environment, if any;	-	Complied	
1 (5) (iv)	A discussion on Cost of Goods sold, Gross Profit Margin and Net Profit Margin, where applicable;	-	Complied	
1 (5) (v)	A discussion on continuity of any extraordinary activities and their implications (gain or loss);	-	Complied	
1 (5) (vi)	A detailed discussion on related party transactions along with a statement showing amount, nature of related party, nature of transactions and basis of transactions of all related party transactions	-	Complied	
1 (5) (vii)	A statement of utilization of proceeds raised through public issues, rights issues and/or any other instruments	-	Complied	
1 (5) (viii)	An explanation if the financial results deteriorate after the company goes for Initial Public Offering (IPO), Repeat Public Offering (RPO), Rights Share Offer, Direct Listing, etc.;	-	Complied	Not Applicable
1 (5) (ix)	An explanation on any significant variance that occurs between Quarterly Financial performances and Annual Financial Statements;	-	Complied	
1 (5) (x)	A statement of remuneration paid to the directors including independent directors;	-	Complied	
1 (5) (xi)	A statement that the financial statements prepared by the management of the issuer company present fairly its state of affairs, the result of its operations, cash flows and changes in equity;	-	Complied	
1 (5) (xii)	A statement that proper books of account of the issuer company have been maintained	-	Complied	
1 (5) (xiii)	A statement that 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	-	Complied	
1 (5) (xiv)	A statement that International Accounting Standards (IAS) or International Financial Reporting Standards (IFRS), as applicable in Bangladesh, have been followed in preparation of the financial statements and any departure there from has been adequately disclosed;	-	Complied	
1 (5) (xv)	A statement that the system of internal control is sound in design and has been effectively implemented and monitored;	-	Complied	
1 (5) (xvi)	A statement that minority shareholders have been protected from abusive actions by, or in the interest of, controlling shareholders acting either directly or indirectly and have effective means of redress;	-	-	Not Applicable
1 (5) (xvii)	A statement that there is no significant doubt upon the issuer company's ability to continue as a going concern, if the issuer company is not considered to be a going concern, the fact along with reasons there of shall be disclosed;	-	Complied	
1 (5) (xviii)	An explanation that significant deviations from the last year's operating results of the issuer company shall be highlighted and the reasons thereof shall be explained;	-	Complied	
1 (5) (xix)	A statement where key operating and financial data of at least preceding 5 (five) years shall be summarized;	-	Complied	
1 (5) (xx)	An explanation on the reasons if the issuer company has not declared dividend (cash or stock) for the year;	-	-	Not Applicable (10% Cash Dividend was Proposed)
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;	-	-	Not Applicable
1 (5) (xxii)	The total number of Board meetings held during the year and attendance by each director;	-	Complied	
1 (5)(xxiii)	A report on the pattern of shareholding disclosing the aggregate number of shares (along with name-wise details where stated below) held by: -	-	Complied	
1 (5)(xxiii) (a)	Parent or Subsidiary or Associated Companies and other related parties (name-wise details);			Not Applicable (Nitol Insurance Company Limited does not have parent/Subsidiary/Associated company)
1 (5)(xxiii) (b)	Directors, Chief Executive Officer, Company Secretary, Chief Financial Officer, Head of Internal Audit and Compliance and their spouses and minor children (name-wise details)	-	Complied	
1 (5) (xxiii)(c)	Executives; and			
1 (5) (xxiii)(d)	Shareholders holding ten percent (10%) or more voting interest in the company (name-wise details);	-	-	Not Applicable
1(5)(xxiv)	In case of the appointment or reappointment of a director, a disclosure on the following information to the shareholders: -			
1(5)(xxiv)(a)	a brief resume of the director	-	Complied	
1(5)(xxiv)(b)	nature of his or her expertise in specific functional areas; and	-	Complied	
1(5)(xxiv)(c)	names of companies in which the person also holds the directorship and the membership of committees of the Board;	-	Complied	
<b>1(5)(xxv)</b>	<b>A Management's 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 statements, among others, focusing on:</b>			
1(5)(xxv)(a)	accounting policies and estimation for preparation of financial statements;	-	Complied	
1(5)(xxv)(b)	changes in accounting policies and estimation, if any, clearly describing the effect on financial performance or results and financial position as well as cash flows in absolute figure for such changes;	-	Complied	
1(5)(xxv)(c)	comparative analysis (including effects of inflation) of financial performance or results and financial position as well as cash flows for current financial year with immediate preceding five years explaining reasons thereof;	-	Complied	
1(5)(xxv)(d)	compare such financial performance or results and financial position as well as cash flows with the peer industry scenario;	-	Complied	

Condition No.	Title	Compliance Status		Remarks (if any)
1(5)(xxv)(e)	briefly explain the financial and economic scenario of the country and the globe;	-	Complied	
1(5)(xxv)(f)	risks and concerns issues related to the financial statements, explaining such risk and concerns mitigation plan of the company; and	-	Complied	
1(5)(xxv)(g)	future plan or projection or forecast for company's operation, performance and financial position, with justification thereof, i.e., actual position shall be explained to the shareholders in the next AGM;	-	Complied	
1(5)(xxvi)	Declaration or certification by the CEO and the CFO to the Board as required under condition No. 3(3) disclosed in page - 87	-	Complied	
1(5)(xxvii)	The report as well as certificate regarding compliance of conditions of this Code as required under condition No. 9 disclosed in page - 48_ and 54_	-	Complied	
<b>1(6)</b>	<b>Meetings of the Board of Directors</b> 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 the provisions of the relevant Bangladesh Secretarial Standards (BSS) as adopted by the Institute of Chartered Secretaries of Bangladesh (ICSB) in so far as those standards are not inconsistent with any condition of this Code.	-	Complied	
<b>1(7)</b>	<b>Code of Conduct for the Chairperson, other Board members and Chief Executive Officer</b>			
1(7) (a)	The Board shall lay down a code of conduct, based on the recommendation of the Nomination and Remuneration Committee (NRC) at condition No. 6, for the Chairperson of the Board, other board members and Chief Executive Officer of the company;	-	Complied	
1(7) (b)	The code of conduct as determined by the NRC shall be posted on the website of the company including, among others, prudent conduct and behavior; confidentiality; conflict of interest; compliance with laws, rules and regulations; prohibition of insider trading; relationship with environment, employees, customers and suppliers; and independency.	-	-	Under process
<b>2</b>	<b>Governance of Board of Directors of Subsidiary Company. -</b>			
2 (a)	Provisions relating to the composition of the Board of the holding company shall be made applicable to the composition of the Board of the subsidiary company	-	-	Not Applicable
2 (b)	At least 1 (one) independent director on the Board of the holding company shall be a director on the Board of the subsidiary company;	-	-	Not Applicable
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;	-	-	Not Applicable
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;	-	-	Not Applicable
2 (e)	The Audit Committee of the holding company shall also review the financial statements, in particular the investments made by the subsidiary company.	-	-	Not Applicable
<b>3</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);	-	Complied	
3 (1) (b)	The positions of the Managing Director (MD) or Chief Executive Officer (CEO), Company Secretary (CS), Chief Financial Officer (CFO) and Head of Internal Audit and Compliance (HIAC) shall be filled by different individuals;	-	Complied	
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;	-	Complied	
3 (1) (d)	The Board shall clearly define respective roles, responsibilities and duties of the CFO, the HIAC and the CS;	-	Complied	
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).	-	-	Not Applicable
3 (2)	<b>Requirement to attend Board of Directors' Meetings</b> 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.	-	Complied	
<b>3 (3)</b>	<b>Duties of Managing Director (MD) or Chief Executive Officer (CEO) and Chief Financial Officer (CFO)</b>			
3 (3) (a)	The MD or CEO and CFO shall certify to the Board that they have reviewed financial statements for the year and that to the best of their knowledge and belief:	-	Complied	
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; and	-	Complied	
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;	-	Complied	
3 (3) (b)	The MD or CEO and CFO shall also certify that 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 or its members;	-	Complied	
3 (3) (c)	The certification of the MD or CEO and CFO shall be disclosed in the Annual Report.			
<b>4</b>	<b>Board of Directors' Committee. - For ensuring good governance in the company, the Board shall have at least following subcommittees:</b>			
4 (i)	(i) Audit Committee; and			
4 (ii)	(ii) Nomination and Remuneration Committee.	-	Complied	
<b>5</b>	<b>Audit Committee. -</b>			
<b>5(1)</b>	<b>Responsibility to the Board of Directors.</b>			
5 (1) (a)	The company shall have an Audit Committee as a sub-committee of the Board;	-	Complied	
5 (1) (b)	The Audit Committee shall assist the Board in ensuring that the financial statements reflect true and fair view of the state of affairs of the company and in ensuring a good monitoring system within the business;	-	Complied	
5 (1) (c)	The Audit Committee shall be responsible to the Board; the duties of the Audit Committee shall be clearly set forth in writing.	-	Complied	
<b>5 (2)</b>	<b>Constitution of the Audit Committee</b>			
5 (2) (a)	The Audit Committee shall be composed of at least 3(three) members;	-	Complied	

Condition No.	Title	Compliance Status		Remarks (if any)
5 (2) (b)	The Board shall appoint members of the Audit Committee who shall be nonexecutive directors of the company excepting Chairperson of the Board and shall include at least 1 (one) independent director;	-	Complied	
5 (2) (c)	All members of the audit committee should be "financially literate" and at least 1 (one) member shall have accounting or related financial management background and 10 (ten) years of such experience;	-	Complied	
5 (2) (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 shall appoint the new Committee member to fill up the vacancy immediately or not later than 1 (one) month from the date of vacancy in the Committee to ensure continuity of the performance of work of the Audit Committee;	-	-	No such event occurred
5 (2) (e)	The company secretary shall act as the secretary of the Committee;	-	Complied	
5 (2) (f)	The quorum of the Audit Committee meeting shall not constitute without at least 1 (one) independent director.			
<b>5 (3)</b>	<b>Chairperson of the Audit Committee</b>			
5 (3) (a)	The Board shall select 1 (one) member of the Audit Committee to be Chairperson of the Audit Committee, who shall be an independent director;	-	Complied	
5 (3) (b)	In the absence of the Chairperson of the Audit Committee, the remaining members may elect one of themselves as Chairperson for that particular meeting, in that case there shall be no problem of constituting a quorum as required under condition No. 5(4)(b) and the reason of absence of the regular Chairperson shall be duly recorded in the minutes.	-	Complied	
5 (3) (c)	Chairperson of the Audit Committee shall remain present in the Annual General Meeting (AGM): Provided that in absence of Chairperson of the Audit Committee, any other member from the Audit Committee shall be selected to be present in the annual general meeting (AGM) and reason for absence of the Chairperson of the Audit Committee shall be recorded in the minutes of the AGM.	-	Complied	
<b>5 (4)</b>	<b>Meeting of the Audit Committee</b>			
5 (4) (a)	The Audit Committee shall conduct at least its four meetings in a financial year: Provided that any emergency meeting in addition to regular meeting may be convened at the request of any one of the members of the Committee;	-	Complied	
5 (4) (b)	The quorum of the meeting of the Audit Committee shall be constituted in presence of either two members or two third of the members of the Audit Committee, whichever is higher, where presence of an independent director is a must.	-	Complied	
<b>5 (5)</b>	<b>Role of Audit Committee the Audit Committee shall: -</b>			
5 (5) (a)	Oversee the financial reporting process;	-	Complied	
5 (5) (b)	monitor choice of accounting policies and principles;	-	Complied	
5 (5) (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;-	-	Complied	
5 (5) (d)	oversee hiring and performance of external auditors;	-	Complied	
5 (5) (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;	-	Complied	
5 (5) (f)	review along with the management, the annual financial statements before submission to the Board for approval;	-	Complied	
5 (5) (g)	review along with the management, the quarterly and half yearly financial statements before submission to the Board for approval;	-	Complied	
5 (5) (h)	review the adequacy of internal audit function;	-	Complied	
5 (5) (i)	review the Management's Discussion and Analysis before disclosing in the Annual Report;	-	Complied	
5 (5) (j)	review statement of all related party transactions submitted by the management;	-	Complied	
5 (5) (k)	review Management Letters or Letter of Internal Control weakness issued by statutory auditors;	-	Complied	
5 (5) (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; and	-	Complied	
5 (5) (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: Provided that the management shall disclose to the Audit Committee about the uses or applications of the proceeds 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: Provided further that on an annual basis, the company shall prepare a statement of the proceeds utilized for the purposes other than those stated in the offer document or prospectus for publication in the Annual Report along with the comments of the Audit Committee.	-	-	Not Applicable
<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.	-	Complied	
<b>5 (6) (a) (ii)</b>	<b>The Audit Committee shall immediately report to the Board on the following findings, if any: -</b>			
<b>5 (6) (a) (ii) (a)</b>	<b>Report on conflicts of interests;</b>	-	-	No such event occurred
5 (6) (a) (ii) (b)	suspected or presumed fraud or irregularity or material defect identified in the internal audit and compliance process or in the financial statements;	-	-	No such event occurred
5 (6) (a) (ii) (c)	suspected infringement of laws, regulatory compliances including securities related laws, rules and regulations; and	-	-	No such event occurred
5 (6) (a) (ii) (d)	any other matter which the Audit Committee deems necessary shall be disclosed to the Board immediately;			
<b>5 (6) (b)</b>	<b>Reporting to the Authorities</b>			
	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.	-	-	No such event occurred
<b>5 (6) (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 under condition No. 5(6)(a)(ii) above during the year, shall be signed by the Chairperson of the Audit Committee and disclosed in the annual report of the issuer company.	-	-	No such event occurred

Condition No.	Title	Compliance Status		Remarks (if any)
<b>6</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 Nomination and Remuneration Committee (NRC) as a subcommittee of the Board;	-	Complied	
6 (1) (b)	The NRC shall 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;	-	Complied	
6 (1) (c)	The Terms of Reference (ToR) of the NRC shall be clearly set forth in writing covering the areas stated at the condition No. 6(5)(b).	-	Complied	
<b>6 (2)</b>	<b>Constitution of the NRC</b>			
6 (2) (a)	The Committee shall comprise of at least three members including an independent director;	-	Complied	
6 (2) (b)	All members of the Committee shall be non-executive directors;	-	Complied	
6 (2) (c)	Members of the Committee shall be nominated and appointed by the Board;	-	Complied	
6 (2) (d)	The Board shall have authority to remove and appoint any member of the Committee;			
6 (2) (e)	In case of death, resignation, disqualification, or removal of any member of the Committee or in any other cases of vacancies, the board shall fill the vacancy within 180 (one hundred eighty) days of occurring such vacancy in the Committee;	-	-	No such event occurred
6 (2) (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 shall be required or valuable for the Committee;	-	-	No such event occurred
6 (2) (g)	The company secretary shall act as the secretary of the Committee;	-	Complied	
6 (2) (h)	The quorum of the NRC meeting shall not constitute without attendance of at least an independent director;	-	Complied	
6 (2) (i)	No member of the NRC shall 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.	-	Complied	
<b>6 (3)</b>	<b>Chairperson of the NRC</b>			
6 (3) (a)	The Board shall select 1 (one) member of the NRC to be Chairperson of the Committee, who shall be an independent director;	-	Complied	
6 (3) (b)	In the absence of the Chairperson of the NRC, the remaining members may 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;	-	-	No such event occurred
6 (3) (c)	The Chairperson of the NRC shall attend the annual general meeting (AGM) to answer the queries of the shareholders: Provided that in absence of Chairperson of the NRC, any other member from the NRC shall be selected to be present in the annual general meeting (AGM) for answering the shareholder's queries and reason for absence of the Chairperson of the NRC shall be recorded in the minutes of the AGM.	-	Complied	
<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;	-	Complied	
6 (4) (b)	The Chairperson of the NRC may convene any emergency meeting upon request by any member of the NRC;	-	-	Not Applicable
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 as required under condition No. 6 (2) (h);	-	-	Not Applicable
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.	-	-	Not Applicable
<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 to the shareholders;	-	Complied	
6 (5) (b)	NRC shall oversee, among others, the following matters and make report with recommendation to the Board:	-	Complied	
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 13 the remuneration of the directors, top level executive, considering the following:	-	Complied	
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;	-	Complied	
6 (5) (b) (i) (b)	the relationship of remuneration to performance is clear and meets appropriate performance benchmarks; and	-	Complied	
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 the company and its goals;	-	Complied	
6 (5) (b) (ii)	devising a policy on Board's diversity taking into consideration age, gender, experience, ethnicity, educational background and nationality;	-	Complied	
6 (5) (b) (iii)	identifying persons who are qualified to become directors and who may be appointed in top level executive position in accordance with the criteria laid down, and recommend their appointment and removal to the Board;	-	Complied	
6 (5) (b) (iv)	formulating the criteria for evaluation of performance of independent directors and the Board;	-	Complied	
6 (5) (b) (v)	identifying the company's needs for employees at different levels and determine their selection, transfer or replacement and promotion criteria; and	-	Complied	
6 (5) (b) (vi)	developing, recommending and reviewing annually the company's human resources and training policies;	-	Complied	
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.	-	Complied	
<b>7</b>	<b>External or Statutory Auditors. -</b>			
<b>7 (1)</b>	<b>The issuer company shall not engage its external or statutory auditors to perform the following services of the company, namely: -</b>			
7 (1) (i)	appraisal or valuation services or fairness opinions;			
7 (1) (ii)	financial information systems design and implementation;	-	Complied	

Condition No.	Title	Compliance Status		Remarks (if any)
7 (1) (iii)	book-keeping or other services related to the accounting records or financial statements;	-	Complied	
7 (1) (iv)	broker-dealer services;	-	Complied	
7 (1) (v)	actuarial services;	-	Complied	
7 (1) (vi)	internal audit services or special audit services;	-	Complied	
7 (1) (vii)	any service that the Audit Committee determines;	-	Complied	
7 (1) (viii)	audit or certification services on compliance of corporate governance as required under condition No. 9(1); and	-	Complied	
7 (1) (ix)	any other service that creates conflict of interest.	-	Complied	
7 (2)	No partner or employees 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; his or her family members also shall not hold any shares in the said company:	-	Complied	
Provided that spouse, son, daughter, father, mother, brother, sister, son-in-law and daughter-in-law shall be considered as family members.		-	Complied	
7 (3)	Representative of external or statutory auditors shall remain present in the Shareholders' Meeting (Annual General Meeting or Extraordinary General Meeting) to answer the queries of the shareholders.	-	Complied	
<b>8</b>	<b>Maintaining a website by the Company: -</b>			
8 (1)	The company shall have an official website linked with the website of the stock exchange.	-	Complied	
8 (2)	The company shall keep the website functional from the date of listing.	-	Complied	
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).	-	Complied	
<b>9</b>	<b>Reporting and Compliance of Corporate Governance: -</b>			
9 (1)	The company shall obtain a certificate from a practicing Professional Accountant or Secretary (Chartered Accountant or Cost and Management Accountant or Chartered Secretary) other than its statutory auditors or audit firm on yearly basis regarding compliance of conditions of Corporate Governance Code of the Commission and shall such certificate shall be disclosed in the Annual Report.	-	Complied	
9 (2)	The professional who will provide the certificate on compliance of this Corporate Governance Code shall be appointed by the shareholders in the annual general meeting.	-	Complied	
9 (3)	The directors of the company shall state, in accordance with the Annexure-C attached, in the directors' report whether the company has complied with these conditions or not.	-	Complied	

# Certificate of Compliance

**J. U. Ahmed & Co.**

Chartered Accountants



**Report to the Shareholders  
Of  
Nitol Insurance Company Limited  
On  
Compliance on the Corporate Governance Code**

We have examined the compliance status to the Corporate Governance Code by Nitol Insurance Company Limited for the year ended December 31, 2020. This Code relates to the Notification No. BSEC/CMRRCD/2006-158/207/Admin/80, dated June 03, 2018 of the Bangladesh Securities and Exchange Commission.

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

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

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

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

Dhaka  
Dated: May 18, 2021

**J. U. Ahmed & Co.**  
J U Ahmed & Co.  
Chartered Accountants  
Signed by:  
Md. Mumlook Hossain FCA  
Partner  
Enrollment No: 0751



# CORPORATE GOVERNANCE



# Statement of Corporate Governance

## 1.0 Conceptual Framework

The corporate governance philosophy of the Company is aimed at assisting the top management in efficient conduct of its affairs as well as in meeting obligations to all the stakeholders and is guided by strong emphasis on transparency, accountability and integrity. It provides the Company with strategic guidance as to how the objectives are set and achieved, how risk is monitored and assessed and how the performance is maximized. Keeping in view the size, complexity and operations, the governance framework of the Company is based on the following principles:

- That the Board is appropriate in size and members are committed to their respective duties and responsibilities
- That timely flow of information to the Board and its Committees are ensured to enable them discharge their functions effectively
- That a sound system of risk management and internal control is in place.
- That timely and balanced disclosure of all material information concerning the Company is made to all Stakeholders.
- That all transactions of the Company are transparent and accountability for the same is well established.
- That we are compliant with all regulatory and statutory rules and regulations.

## 2.0 The Responsibilities of the Board

To ensure effective maintenance of corporate governance, the Board of NITOL formulates strategic objectives and policies for the Company, provides leadership in implementing those objectives as well as supervises management of the Company's affairs. In NITOL, Board of Directors is in full control of the company's affairs and is also accountable to the shareholders. The Board firmly believes that the success of the company depends largely on the prevalence of a credible corporate governance practice. In discharging its responsibilities, the Board fulfills certain key functions, including:

- Reviewing and guiding corporate strategy, major plans of action, risk policy, annual budgets and business plans; setting performance objectives; monitoring implementation and corporate performance.
- Ensuring the integrity of the Company's accounting

& financial reporting systems are in place, in particular, systems for risk management, financial and operational control, and compliance with the law and relevant standards.

- Reviewing Company's Financial Statements and oversee its compliance with applicable audit, accounting and reporting requirement.
- Monitoring implementation and effectiveness of the approved strategic and operating plans.
- Establish Company's value.
- Oversee the corporate governance of the Company

## 2.01 Composition of the Board

The Company's policy is to maintain optimum combination of Directors from both Sponsors and general public. The Board of Directors of the Company comprises of 06 Directors from the Sponsors & General Investors and 02 as Independent Director. The short introduction of the Directors has been described in page No. 14 to 19. The Board ensures that the activities of the Company are always conducted with adherence to high ethical standard and in the best interest of the shareholders.

## 2.02 Board Meeting

The Directors meet together time to time review the activities of the Company and decide the topics relating to policy and accordingly monitoring the progress of the Company. The Company's Act and Articles of Association requires the Board Meeting and accordingly Nitol Insurance Company Limited doing the meeting in time. The aspects of Board meeting are discussed in details at the chapter for the meetings. During the year 2020 a total 05 Board Meetings were held. A detail of the Board Meeting and attendance in the meeting are given on the page No.74 of this Annual Report

## 2.03 Independent Directors

To comply the requirement of corporate governance, the highly professional, qualified and experienced person(s) need to appoint independent directors in the Board. In this connection the board already appointed Mr. Md. Abdul Aziz FCMA, and Dr. Ranjan Kumar Mitra, FCMA as Independent Directors of the Company.

## 2.04 Separate role of the Chairman and Chief Executive Officer (CEO)

The Chairman and Managing Director & CEO of the Company are different bodies and their duties & responsibilities are separated as mentioned in the Articles of Association of the Company. The Chairman is the Non Executive Director and

Managing Director is Executive Director. The Chairman ensures to comply the policy of the company through the Board and the Managing Director & CEO confirmed to the Board about the implementation of the policy with the support of the management team.

#### 2.05 Responsibilities of the Chairman

The Chairman serves as the primary link between the Board and Management, and works with the Managing Director & CEO and Company Secretary to set the agenda of the Board Meetings. He provides leadership to the Board and ensures that the Board works effectively and discharges its responsibilities efficiently. The overall responsibilities of the chairman are to:

- Ensure that the Board set and implements objective and strategy effectively;
- Act as the Company's lead representative, explaining aims and policies to the shareholder;
- Determine the composition and organization of the board;
- Clarifying the board with its management and responsibilities;
- Plan and manage the board and all board committee meetings;
- Facilitates the effective contribution of the non-executive Directors;
- Chair all Board Meeting and AGM or other shareholder's meeting;
- Signs on the Board resolution with the discussion of the Board;

#### 2.06 Responsibilities of the Chief Executive Officer (CEO)

The Managing Director & CEO is the Executive Director of the Board. The Articles of Association of the Company refer his duties and responsibilities in the Company. Generally, he is responsible for running the business and implementing the Board strategy and policy. He looks after the day-to-day business and accountable to the Board for the financial and operational activities of the Company.

#### 2.07 Role of the Company Secretary

A Company Secretary is the main key to the application of the best practice in the corporate governance. The responsibility of the Company Secretary is to ensure that the Company with its directors operate within the parameters of their roles, providing guidance to enable compliance with the relevant legislation. It is also his responsibility to communicate with shareholders and other third party stakeholders transacting with the Company and confirm the compliance of disclosure, guideline, notification, directives or orders of BSEC/Stock Exchanges. Under the direction of the Chairman, the Company Secretary ensuring good information flows within the board and its committees, between Senior Management and Non-executive Directors, as well as facilitating

induction and assisting with professional development.

#### 2.08 Board Committees

There are four committees constituted by the Board Members to assist the Board in discharging its responsibilities – the Audit Committee, the Nomination & Remuneration Committee, the Executive Committee and the Claim Committee. The Board at the time of constitution of each committee fixes the terms of reference for each committee and also delegates power from time to time. The minutes of the meetings of all the committees are circulated to the Board for its information. The Committees are performing their duties on behalf of the Board.

#### 2.09 Executive Committee

The primary role of the committee is look after the Company's business policy, human resource management & implementation of budgetary control. The Executive Committee is comprised of Ms. Naeema Hoque as the Chairman and the members are Mr. Zobair Humayun Khandaker and Mr. Mahmudul Hoque Shamim.

#### 2.10 Claims Committee

The Claims Committee is authorized to review all the proposals of claims. The authority delegated to the Managing Director. The Claim Committee is comprised of Mr. A.K.M. Monirul Hoque as the Chairman and Mr. Zobair Humayun Khandaker and Mr. S.M. Mahbulul Karim as its members.

#### 2.11 Audit Committee

The primary role of the Audit Committee is overseeing the financial reporting process and disclosure of financial information, reviewing the financial statements before submission to the Board.

#### 2.12 Members of the Audit Committee

Name of the Members	Position in the Committee
Mr. Md. Abdul Aziz, FCMA	Chairman
Mr. Zobair Humayun Khandaker	Member
Mr. Mahmudul Hoque Shamim	Member
Dr. Ranjan Kumar Mirta, FCMA	Member

#### 2.13 Chairman of the Audit Committee

Md. Abdul Aziz, FCMA, Chairman of the Committee appointed by the Board from amongst the directors. Mr. Abdul Aziz is a qualified Cost & Management Accountant having 30 years of corporate experience in the related field. He has vast knowledge, good understanding, experienced in business and management with accounting or finance of the Company.

#### 2.14 Activities of the Committee

- To review the internal audit program to ensure that the internal audit function is adequately resourced and has an accurate standing in the Company;

- To consider the response of the management to any major external or internal audit recommendations;
- To review the internal auditor's reports about the effectiveness of systems for the internal financial control, financial reporting and risk management;
- To ensure the implementation of the internal control measures.
- To discuss with the internal auditors about any significant findings and to follow up there on.
- To review and examine interim and annual financial statements before the submission to the board.

### 2.15 Report of the Audit Committee

The Committee reviewed the function of the above areas and found that

- The adequate internal control system with management appropriate response have been running in the all areas of the Company;
- The Management follows the related laws, including SEC regulation and guidelines, Stock Exchanges requirements and others;
- The Management handling the operation and the financial activities of the company as per Insurance Act and with the advice of the Board.

### 2.16 Nomination and Remuneration Committee (NRC).

NRC Committee of Nitol Insurance Company Limited comprises four members. The committee is headed by a director who is an Independent Director of the Company. Members are NRC committee are as follows -

NRC Committee Members

Chairman

1. Dr. Ranjan Kumar Mitra, Independent Director
2. Mr. Zobair Humayun Khandaker, Vice-Chairman
3. Mrs. Naeema Hoque, Director
4. Mr. Mahmudul Hoque Shamim, Director

Terms of Reference (ToR) of NRC committee in line with the corporate governance Condition no.6 (1) and other compliance as per 6(2) to 6 (5) of BSEC notification no. BSEC/CMRRCD/2006-158/207/Ad min/80 dated 03 June 2018 are as follows Terms of Reference

#### Purpose

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.

#### Authority

1.0 The Nomination and Remuneration Committee is a

Committee of the Board of Nitol Insurance Company Limited from which it derives its authority and to which it regularly reports.

2.2 The Committee has delegated authority from the Board in respect of the functions and powers set out in these Terms of Reference.

#### Constitution

##### 1.0 Chairperson

- a. One member of the NRC to be Chairperson of the Committee appointed by the Board, who shall be an independent director;
- b. In the absence of the Chairperson of the NRC, the remaining members may 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 shall attend the annual general meeting (AGM) to answer the queries of the shareholders: Provided that in absence of Chairperson of the NRC, any other member from the NRC shall be selected to be present in the annual general meeting (AGM) for answering the shareholder's queries and reason for absence of the Chairperson of the NRC shall be recorded in the minutes of the AGM.

##### 2.0 Membership

- a. The Committee shall comprise of at least three members including an independent director;
- b. All members of the Committee shall be non executive directors;
- c. Members of the Committee shall be nominated and appointed by the Board;
- d. The Board shall have 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 shall 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 shall be required or valuable for the Committee;

##### 3.0 Secretary

- a. The company secretary shall act as the secretary of the Committee;

##### 4.0 Proceedings of Meetings

###### 1 Frequency of Meetings

- a. The NRC shall conduct at least one meeting in a financial year;
- b. The Chairperson of the NRC may convene any

emergency meeting upon request by any member of the NRC;

## 2 Quorum

- a. 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, which ever is higher,
- b. The quorum of the NRC meeting shall not constitute without attendance of at least an independent director;

## 3 Meeting Fees

No member of the NRC shall 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.

## 4 Minutes of Meeting

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.

## 5.0 Role of NRC

- 5.1 NRC shall be independent and responsible or accountable to the Board and to the shareholders;
- 5.2 NRC shall oversee, among others, the following matters and make report with recommendation to the Board:
  - a. 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.(1) the level and composition of remuneration is reasonable and sufficient to attract, retain and motivate suitable directors to run the company successfully;
    - a.(2) the relationship of remuneration to performance is clear and meets appropriate performance benchmarks; and
    - a.(3) 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;
  - b. devising a policy on Board's diversity taking into consideration age, gender, experience, ethnicity, educational background and nationality;
  - c. 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;
  - d. formulating the criteria for evaluation of performance of independent directors and the Board;
  - e. identifying the company's needs for employees at different levels and determine their selection, transfer or replacement and promotion criteria; and
  - f. developing, recommending and reviewing annually

the company's human resources and training policies;

- 5.3 The Committee shall report to the Board and disclose the nomination and remuneration policy and the evaluation criteria and activities of NRC during the year at a glance in its annual report

## 2.17 Appointment of Chief Financial Officer, Head of the Internal Audit and Company Secretary and Attended in the Board Meeting

- The Company has a Chief Financial Officer, a Head of Internal Audit & Compliance and a Company Secretary. Their duties & responsibilities are separated and the Board of Directors of the Company determined it clearly.
- The Company Secretary attends the meeting regularly and note down the matter of the meeting for preparing the minutes.
- The Chief Financial Officer and Head of Internal Audit attend the meeting of the Board of Directors as and when required and presents the agenda item relating to their departments.
- Nitol Insurance Company Limited running their operation with applying transparency and maintain good corporate governance. To fulfill the long-term strategic goal of the stakeholder, Nitol Insurance Company will consider and take care for the interests of employees and will continue to maintain an excellent relationship with customers and to maintain a proper compliance with the entire applicable legal and regulatory requirement under which the company carries out its activities.

## 3.0 Internal Control Framework

The Management recognizes its responsibilities to present a balanced and understandable assessment of the Company's position and prospect. The management has accountability for reviewing and approving the effectiveness of internal controls operated by the Company, including financial, operational and Compliance

## 4.0 Controls and Risk Management.

The Company has adequate system of internal control in place. The well defined organization structure, predefined authority levels, documented policy guidelines and an extensive system of internal controls ensure optimal utilization and protection of resources, reporting of financial transactions and compliance with applicable laws and regulations. The system also ensures that assets are safeguarded against loss from unauthorized use or disposition.

## 5.0 Delegation of Authority

There is clearly spelled out delegation of authority in sanctioning loan as well as the operational and capital expenditure with specific task authority relationship. The board has empowered responsible persons to implement its broad policies and guidelines and has set up adequate review processes.

# STATEMENTS



# Statement on **Internal Control**

Company's internal control system consists of all the procedures, methods and measures instituted by the Board of Directors and the Executive Management ensures that operational activities progress in a proper way. It is a set of continuous processes to provide reasonable assurance by the Board of Directors of the Nitol Insurance Company Limited, the Management and all personnel to look after the following measures:

- Effectiveness and efficiency of operations;
- Reliability of financial and non-financial information;
- An adequate control of risks;
- A prudent approach to business;
- Compliance with the laws and regulations and internal policies and procedures;
- Protection of business assets;
- Consistent of the financial reporting in time.

**The Board of Nitol Insurance Company Limited is attentive of the internal control system and ensures that:**

- Management Comply with the related and regulations;
- The instructions and guidelines fixed by the Board of Directors and the Executive Management applied it accordingly;
- The Company's internal processes are functioning correctly, particularly, those implicating the security of its assets;
- The internal control system plays a key role in conducting and monitoring its various activities.

The Board of Directors of Nitol Insurance Company Limited monitors the Company's systems of internal control and Management confirms the system is functioning effectively. It supervises the efficiency of operations, reliability of internal and external reporting and compliance with the applicable laws and regulations. Company's internal Audit Department looks after at every corner and put their observation to the senior Management. Under the guidance of Audit Committee Senior Management and Internal Audit Team of the Company visiting the branches regularly and doing the needful as advised by the Audit Committee. To develop the system of the Company with modern concept, the senior Management reviewed the existing policies time to time with the support of the Board and recommends their views in respect of accounting and financial information, Investments, human resources, business development and others.

## Related Party Transactions

The Company in normal course of business carried out a number of transactions with other entities that fall within the definition of related party transaction. Under the condition No. 1.5(vi) of the Corporate Governance Guidelines of the BSEC basis for the related party transactions, a statement of all related party transactions should be disclosed in the annual report. In this connection, details of transactions with related parties and balances of them as on December 31st, 2020 presented below. The external auditor have checked the transaction and found that all transactions involving related parties arising in normal course of business are conducted on an arm's length basis at commercial rates on the same terms and conditions as applicable to the third parties.

### Transactions with Related Parties

Nitol Insurance, in normal course of business, carried out a number of transactions with others entities that fall within the definition of related party contained in IAS 24 "Related Party Disclosures". All transactions involving related parties arising in normal course of business are conducted in an arm's length basis at commercial rates on the same terms and conditions as applicable to the valued client.

Name of Related Party	Relationship	Nature of Transaction	Premium Received in 2020	Premium Received in 2019
Nita Company Ltd.	Common Director	Insurance	-	15,482,588
FAS Finance & Investment Ltd.	Common Director	Insurance	-	81,840
Md. Anowar Husain	Director	Insurance	-	26,882
Naeema Hoque	Director	Insurance	-	18,809
Zobair H. Khandaker	Director	Insurance	118,112	155,832





# Statement of Risk Management

## Statement of Risk Management

Risk is the effect of uncertainty on objectives and an effect is a positive or negative deviation from what is expected. We try to achieve objective, there's always the chance that things will not go according to the plan. There's always the chance that we not achieve what we

expect to achieve. Every step we take to achieve an objective involves uncertainty. Every step has an element of risk needs to be managed. Risk is the chance that there will be a positive or negative deviation from the objectives we expect to achieve.

## Risks of Insurance Operations

The insurance business principal is taking and managing the risks. The largest risks pertain to risk selection and pricing, the acquisition of reinsurance cover, and the adequacy of technical provisions. Within Non-Life Insurance, the risk inherent in technical provisions lies mainly in insurance line characterized by a long claims settlement period. In addition to underwriting risks, a major insurance business risk consists of the investment risk related to the assets covering technical provisions.

## Risk Management Plan

The management of Nitol Insurance Company Limited coordinated to set the activities and methods that are used to an organization and to control the risks that can affect its ability to achieve the objectives. The management makes the plan that is used to manage the risk. The Company's risk management of components, the approach, and the resources that will be used to manage the risk. Typical management components include procedures, practices, responsibilities, and activities (including their sequence and timing). The Company's risk management plans applied to products, or to an entire company or to any part of it.

## Risk Concentrations

The Nitol Insurance Company Limited takes the risk concentration in EML (Estimated Maximum Loss) estimates for property risk and through EML break through cover include in reinsurance cover. Our operating region has no major risk of earthquakes. With respect to risks associated with other natural disasters, such as storms and floods. However, the company has protected against catastrophe accumulation losses through an extensive catastrophe reinsurance cover whose size has been dimensioned to correspond to the

calculated size of a catastrophe loss occurring once every 200 years. The catastrophe accumulation cover applies to property damage and personal injuries.

## Risk Analysis

Risk analysis is a process that is used to understand the nature, sources, and causes of the risks that we have identified and to estimate the level of risk. It is also used to study impacts and consequences and to examine the controls that currently exist. The management of Nitol Insurance always of the probability of the Insurance items risk factors. Before issuing any Insurance policy the concerned employee consult with the underwriting

departments about the risk involvement of the insured items. If it is found reasonable and capable for the company to have the facility of reinsurance then with the consent of the Managing Director the concerned authority issued the policy for taking the risk.

## Underwriting Risks

By taking out an insurance policy, the policyholder transfers his insurance risk to the insurer. The underwriting risk associated with an individual general insurance contract. Our Company's portfolio comprises a very large number of general insurance contracts. Because of this large size of the insurance portfolio, the expected number of claims is also great. An accumulation of loss due to natural catastrophes or large catastrophes caused by human activity constitutes a specific risk type. In such a case, one catastrophic event may in practice give to simultaneously payable claims for a large number of insured risks at high amounts. The resulting total claims expenditure may be extremely large. However, this risk can be diversified, since the company operates in the region with a perceived relatively low risk of natural catastrophes, enabling the company to protect against the risk through reinsurance.

## Underwriting Risk Management

The most important tasks within underwriting risk management relate to risk selection and pricing, the acquisition of reinsurance cover, the monitoring of claims expenditure and the analysis of technical provisions. The Underwriting Executives act as the highest decision-making body with the support of Managing Director to takes the underwriting risks. The Underwriting Executives make underwriting decisions

within the framework of powers confirmed by the Management/Boards of Directors of the Company, and report its decisions to the Board. The risks cost are made according to the Underwriting Guidelines governing each line of insurance in case the risk involved is below the amount set for the Underwriting Executives. Greater and more severe risks require decisions made jointly by senior underwriters or managers. For basic insurance lines, decisions are made on a system-supported basis and customers and the objects of insurance are selected within the powers allowed by instructions specifically approved.

## Risk Selection and Pricing

Operating models highlight the role of risk selection and pricing. The Company has set limits for the size and extent of risk for each insurance line and risk concentration. The Company has a centralized the data in the head office and analysis the applications in place to support of the risk selection and pricing. Insurance terms and conditions serve as a vital tool in mitigating risks. In addition, risk analyses are performed on a customer or insurance line specific basis to mitigate risks.

## Reinsurance Risk

The Board of Directors annually approves the Reinsurance principles and the Maximum Risk retained for own account. In practice, this Risk is kept tower if this is justifiable

considering the price of Reinsurance. Retention in risk specific Reinsurance is a Maximum of BDT. 10,000,000/- for Fire Risk, BDT. 3,000,000/-for Marine Cargo, BDT. 3,000,000/- for Marine Hull, BDT.

1,000,000/- for Miscellaneous & Engineering, BDT. 300,000/- for Motor Loss. Under Fire Catastrophe Reinsurance Risk is BDT 30 Lac under 1st layer, BDT 1.00 Crore under 2nd layer & BDT 2.50 Crore under 3rd layer, the level of Reinsurance protection has an impact on the need of solvency capital. Only Companies with a sufficiently high Insurance financial strength rating are accepted as Reinsurers. Moreover, maximum limits have been confirmed for the amounts of risk that can be ceded to anyone Reinsurer. These limits depend on the nature of the risk involved and on the Company's solvency. The Nitol Insurance Company Limited has mainly placed its Reinsurance agreements with the Companies at least 'A' rating affirmed. Company's Treaty Re-Insurers are (i) Sadharan Bima Corporation, Bangladesh, (ii) National Insurance Company Limited, India, (iii) Asian Reinsurance Corporation, Bangkok, Thailand, (iv) GIC Re Bhutan, (v) Kenya Reinsurance Corporation, Nairobi, Kenya, (vi) CICA-Re, Africa.

#### **Comprehensive Motor Insurance Risk**

Comprehensive Insurance policies cover the loss or damage to Insured Motor Vehicles. The Comprehensive Insurance portfolio consist mainly Motor Vehicle policies taken out by private individuals and Companies. The rating of Motor Vehicle Insurance employs a no-claims bonus system, under which the occurrence of a loss event raises the premium. In addition, the Insurance Company has the right to alter the premium annually. The majority of the Motor vehicle Insurance portfolio comprises private individuals' policies. In other respects, the Insurance risk in this class consists mainly the Insurance taken out by Companies. The Nitol Insurance Company Limited has Reinsurance protection in excess of BDT. 300,000/- only for Comprehensive Motor Insurance for each and every loss.

#### **Risk of Cargo Insurance**

Cargo Insurance applies mainly to Companies transport risks, transport risks, covering loss of or damage to goods in transit. This line of Insurance also contains luggage and boat/yacht Insurance whose policyholder is mainly a private individual. In addition, weather conditions may involve accumulation risks covering a geographically large region, such as storms and floods, and the risk of snow and icy roads during the winter pertains to comprehensive Insurance.

The Nitol Insurance Company Limited has taken out Reinsurance coverage against major loss of or damage to cargoes, with the retention under Reinsurance amounting to BDT. 30,00,000/-

#### **Market Risk**

Instability and disruption of overall economies of local and abroad can expose the Company's business income including the financial and capital markets position and also changes the annual premium income position, which may adversely impact on the Company's financial condition. This risk can have a significant effect on investment returns and market values of securities positions, which in turn may affect both the Company's results of operations and financial condition.

The Nitol Insurance Company Limited has trying to reduce the risk of the portfolio by relocation the service of the portfolio and , as a result, profitability would-be increased, unless there is no impact on underwriting returns.

#### **Investment Risks**

In insurance business, investments comprise assets covering technical provisions and shareholder's equity. Through controlled investment risks, Nitol Insurance Company Limited aims is to achieve the best possible return on the investment portfolio at an acceptable risk level while taking account of the structure of technical provisions and the solvency targets.

In our Company, investment operations are based on investment plans and investment authorizations, confirmed by the Board of Directors, which specify the basic allocation and range of investments by asset class, the organization of investment, risk limits as well as decision making powers and authority. The Company applies the Asset/Liability Management (ALM) model used to determine the basic allocation. As a result of fluctuations in asset values and active and investing, the company occasionally deviates from the basic allocation within defined limits.

The Company's investment operation presented in the monthly Board of Directors Meeting. The Risk Management function monitors daily risk limits set in the investment plan, key risk limits including allocation limits, interest rate, counter party credit-rating limits and diversification limits.

#### **Interest Rate Risk**

We know that general insurance have huge amount of liquid investment and the investment kept in the form of FDR. The FDR interest is one of the main incomes of the Company. The interest rate of fixed income portfolios is account for the certain period. If the interest rate is fluctuating or decrease from the previous years then income portfolio may be downward. So, determining the interest rate risk, the Company regularly monitors the FDR and if required communicate with the banks for maintaining the fixed rate to confirm the interest income properly.

#### **Legal Compliance Risks**

The Company could be subject to risks arising from alleged or actual violations of any of the foregoing, and could also be subject to risks arising from potential employee, misconduct, including non-compliance with internal policies and procedures. Substantial legal liability could materially adversely affect the Company's business, financial condition or results of operations or could cause significant reputation damage, which could seriously harm the business of the Company.

The Management of Nitol Insurance Company Limited has already been taken necessary steps to confirm the regulatory works based on the guidelines of the authority. The Board of Director & regularly motivated the management to maintain the rules and regulation and do the business as prescribed by the Insurance Development and Regulatory Authority (IDRA). The Management always about the legal compliance and ensured the Risk management to safe the Company.

# Statement of Social Responsibility

The Nitol Insurance Company Limited (NICL) voluntarily contributes to different socio-economics activities for the development of the countrymen's life style. NICL always stands beside government with its helping hands to combat against any natural disasters. Corporate Social Responsibility (CSR) is a process in which all companies come together as one and take part in the welfare of the society. We distributed some profits linked with CSR on the immediate and long-term social and environmental activities. We have the CSR program through Bangladesh Insurance Association (BIA) and Insurance Development and Regulatory Authority (IDRA). Nitol Insurance Company Limited also takes some initiatives to help the poor peoples and employees of the Company for their medical treatment and education purpose. The Board separates a fund to help the poor students around the country to build up their career. The Board always feels Social Responsibility is a part of businesses activities considering that we are not only responsible to create the wealth but also for social and environmental well-being.



## Statement of Human Resources

Human Resource Management is a strategic approach to the employment, development and wellbeing of the people working in an organization. It involves all management decisions and actions that affect the relationship between the organization and its employees. It is responsible for recruit, development and retains a high performing and diverse workforce and fosters a healthy, safe, and productive work environment for employees, their families to maximize individual and organizational potential and ensuring compliance with employment and labor laws.

In Nitol Insurance Company Limited it is an inherent part of the management, which is concerned with the human resources and maintenance of better human relation by acquire, develop, and retain talent, align the workforce with the business and be an excellent contributor. As a service provider organization Nitol Insurance Company Limited ensures better service by developing the human resources. You all know that there is acute shortage of professionally qualified manpower in the insurance industry.

The management has been equipped by a group of technically qualified experienced professionals to look after various departments in appropriate manner for efficiently handling the future challenges to face the risk of competent qualified manpower and challenge of business development of the Company. It's a tool used to try to make optimum use of human resources, to foster individual development, and to comply with government mandates. In this connection in-house and out-doors training for all level employees have been started on priority basis. We are adopting adequate measure for implementing the guidelines of the Insurance Development & Regulatory Authority (IDRA) and other related bodies. Every year we try to upgrade our HR policy in a benefiting manner for facing the challenges of our industry.

We believe service is our product and human resource is our raw materials. So we are continued to implement appropriate human resource management policies and practices to develop its employees and ensure their optimum contribution towards the achievement of corporate goals. The human resources mission is best achieved by continuously researching, learning, developing, and delivering innovative results oriented service, policies, and systems for and with faculty, administrators, staff, applicants, and external stakeholders.

Nitol Insurance Company Limited is equipped enough by a group of technically qualified personnel at all level to raise its position higher in the changing environment of the Insurance industry rendering more effective and transparent services as a whole. In 2020, a good number of officers & senior executives have been trained up through participating in professional training in home and abroad for facing the challenges in the days to come.

### Main human resource strategy:

- Recruitment and hiring diverse and talented employees
- Attractive compensation package for deserving personnel.
- Providing need based internal and external training in both home and abroad to cope with challenges in the days to come.
- Following attracting Company's Service Rules which is introduced from July 01, 2012.
- Pay Scale is updated in need based.
- Human Resources Information Systems Management
- Create a strong Management Team.
- Organizational Development
- Align the Interests of employees with the Interests of the Company.
- Hiring Developing, Succession Planning and maintaining the right workforce in right place.
- Employing professionals who create success for customers.
- Aligning incentives and staff rewards with performance for serving the best

### Staff Strength of the Company:

#### Manpower Strength in 2020

Senior Level Management	24
Mid Level Management	23
Junior Level Management	84
Support Staff	56
<b>Total</b>	<b>187</b>



## Statement on Going Concern and Liquidity Management

Financial Statements are normally prepared on the assumption that an enterprise is a going concern and will continue in operation for the foreseeable future. The significance of this principle becomes apparent when the value of a running business is compared with the value of one being liquidated.

The moment a business is declared liquidated, all debts become immediately due in full, tangible assets are worth only what they will be sold for in an auction or force-sale, and the intangible assets (such as goodwill) become worthless. In the financial statements we have presented the position and it is ensured that all reasonable steps have been taken to continuing the company as a going concern and also continuity of business unit principle. Accounts have been prepared based on the going concern concept to present a realistic financial reports. Without the 'going concern' concept, financial statements would have to be prepared on break-up basis.

As a Non-life insurance Company, our core business generates liquidity primarily through premium income. NICL's exposure is to liquidity risk steps mainly from two sources: the need to cover potential extreme loss events and regulatory constraints that limit the flow of funds within the Company.

The Company is maintaining an overall assets liquidity profile that exceeds requirements to fund potential liabilities under adverse scenarios. NICL also actively manages and monitors the matching of asset positions against its commitments, together with the diversification and credit quality of its investments against established targets.

Nitol Insurance Company's primary source of funds is cash provided by operating activities, including premiums and net investment income. These funds are used primarily to pay claims, commissions, operating expenses and shareholder dividends. Cash flows generated from operating activities are generally invested to support future payment requirements, including the payment of dividends to shareholders.

NICL has actively managed the liquidity risks to ensure that we can satisfy the financial obligation of the Company. Company's most of the amount invested in the form of FDR, purchase office space and also a huge cash balances. The NICL liquidity stress test are reviewed regularly and the Company's Audit Committee approve their main assumptions in the time successfully.

The Company's liquidity remained strong with to total cash inflows of Tk. 610,542,237/- in 2020 against Tk. 700,553,260/- in 2019. The Total cash and cash equivalents as at the end of 2020 is Tk. 27,737,137/- against Tk. 19,593,608/- in 2019.

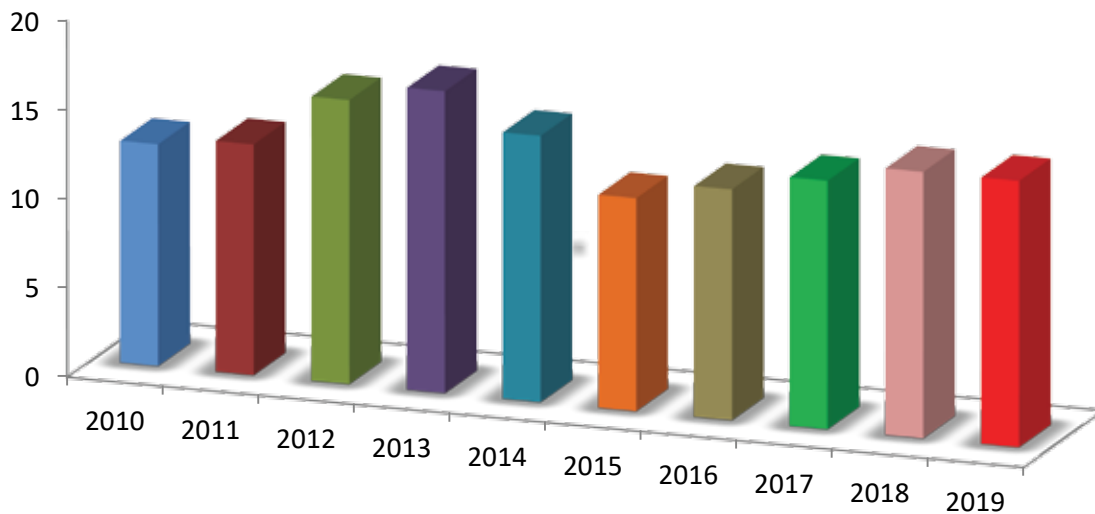


# Dividend

Nitol Insurance Company Ltd. is always aware about the demand of shareholder regarding dividends. Shareholders demand maximum returns on their investment and the Board of Directors want to pay dividends from generated income. The Company has been paying preminent dividend consistently since inception of the Company to fulfill the shareholders' interest. The Board of Directors in its meeting held on April 18, 2021 recommended 10% Cash dividend for the year 2020. The Management tries to maintain the confidence of Shareholders, due to this; the Board of Directors recommend adequate dividend. As per law the said dividend will be transferred among the shareholders account within the stipulated time.

A schedule of Dividend paid in last ten years is given below:

Year	Dividend Rate (%)
2010	12.5
2011	13
2012	16
2013	17
2014	15
2015	12
2016	13
2017	14
2018	15
2019	15



# DIRECTORS' REPORT



# Directors' Report

## DEAR SHAREHOLDERS

ASSALAMUALAIKUM

On behalf of my colleagues in the Board of Directors of Nitol Insurance Company Limited, I take this opportunity to welcome you all to the 22nd Annual General Meeting of the Company and take the privilege of presenting the Annual Report together with the Audited Financial Statements that is Statement of Financial Position (Balance Sheet as at 31st December, 2020), Statement of Profit or Loss and Comprehensive Income (Profit and Loss Accounts), Consolidated Revenue Accounts, Statement of Changes in Equity for the year ended 31st December, 2020 and Statement of Cash Flow Statement for the year ended 31st December, 2020 and the Auditors' Report thereon.

## REFERRAL

In compliance to the provisions of Section 184 of the Companies Act 1994, Rule 12 (and the schedule there under) of the Securities and Exchange Rules 1987 and IAS-1 "Presentation of Financial Statements" codes as adopted by the Institute of Chartered Accountants of Bangladesh (ICAB), the Annual Report of the Directors containing the Audited Financial Statements are submitted.

## ECONOMY & INSURANCE BUSINESS

### Global Perspective

The Global growth is projected at 6% in 2021 and will be 4.4% in 2022. WEO forecast this projections for 2021 and 2022, which are stronger than 2020. Global GDP growth is now projected to be 5.6% this year. The latest compilation puts world economic growth at 5.2% in 2021 and 4.1% next year.

Although global economic output is recovering from the collapse triggered by COVID-19, it will remain below pre-pandemic trends for a prolonged period. The pandemic has exacerbated the risks associated with a decade-long wave of global debt accumulation. It is also likely to steepen the long-expected slowdown in potential growth over the next decade.

The COVID-19 pandemic has caused major disruptions in the global economy. Uncertainty about the post-pandemic economic landscape and policies has discouraged investment and trade; education disruptions have slowed human capital accumulation.

Following 2.9 percent real growth in 2019, Swiss Re estimates total global insurance premiums would fall 3 percent in 2020 due to the COVID-19 pandemic and forecasts 3 percent rebound growth in 2021, resulting in no growth over the forecast period, 2019 to 2021. Non-life premiums 3.5 percent real growth in 2019, premiums are estimated to be flat in 2020 and to rebound with 3 percent growth in 2021. From 2019 to 2021, non-life premiums are predicted to grow 2 percent.

### Bangladesh Perspective

Bangladesh will become the 28th largest economy in the world by 2030 and 25th largest economy by 2035, according to the UK's Centre for Economics and Business Research (CEBR).

By 2025, it will be the 34th largest economy in the world and will continue with the 2nd place in South Asia. Between 2020 and 2035, the CEBR forecasts that Bangladesh's position in the World Economic League Table will improve considerably, with its ranking rising from 41st to 25th by 2035. With a purchasing power parity adjusted GDP per capita of \$5,139 in 2020, Bangladesh is a lower-middle-income country. In 2025, the size of Bangladesh's economy will be \$488 billion at the current price.

Between 2021 and 2025, the CEBR forecasts that the annual GDP growth rate will accelerate to an average of 6.8%.

Bangladesh has achieved GDP growth at more than 6 percent on an average during the last decade. GDP growth in Bangladesh is accelerating gradually. But the COVID-19 pandemic severely affected the economy. According to the provisional estimate of Bangladesh Bureau of Statistics BBS, the GDP growth stood at 5.24 percent in FY2019-20, which was 8.15 percent in previous fiscal year.

Among the 3 broad sectors, growth of agriculture sector increased to 3.11 percent, which was 3.92 percent in previous fiscal year. According to the provisional data, growth of broad industry sector increased to 6.48 percent in FY2019-20; which was 12.67 percent in preceding fiscal year. Growth of broad service sector moderated to 5.32 percent in FY2019-20 from 6.78 percent in FY2018-19. According to the provisional data sectoral share of broad agriculture, industry and service stood at 12.35 percent, 35.36 percent and 51.30 percent respectively; which were 13.65 percent, 35.00 percent and 51.35 percent respectively in previous fiscal year.



According to the provisional data of BBS, GDP at current market prices is Tk. 2,79,63782 crore in FY2019-20, up by 9.99 percent of the previous fiscal year. The per capita GDP increased to Tk. 1,66,888 in FY2019-20 which was Tk. 1,53,578 in previous fiscal year. In US dollar, per capita GNI and GDP stood at US\$ 2,064 and US\$ 1,970 respectively in FY2019-20 compared to US\$ 1,909 and US\$ 1,828 respectively in FY2018-19. On the basis of Purchasing Power Parity (PPP), calculated by UNDP, the per capita GNI stood at US\$ 4,057.

In Bangladesh, the Insurance business, after an early stage of dislocation, adventure and experimentation through last 41 years has now being established as a promising Industry distributed between the public and private sectors. At present in private sector there are 45 non-life insurance companies running in Bangladesh. The growth of Bangladeshi Non-life insurance companies' premium income in 2020 was -6.71% percent (approx.), which was 10.81% in 2019. The non-life insurance sector earned approx. TK. 4402.06 million in 2020 and it was TK. 4718.84 in 2019.

Honorable Shareholders, as per last year our countries political and industry situations, we achieved our business targets. As you are concerned our targets were to combine the whole branches under the umbrella through real time online branch network, to maintain Good Governance, to expand businesses through 22 branches. As a result Covid-19, in the year 2020, Nitol Insurance Company Limited's Gross Premium Income decrease 6.52%, Net Premium Income decrease 10.41%. Net Asset Value stand is Tk. 1,095 million from Tk. 1,041 million in 2019. In 2019, the Net Asset Value per share stand is 27.23 and Earnings per Share (EPS) after Tax is 2.84 as against 3.22 of the last year 2019. The Board of Directors assures that we are always with you. Stay with us in every aspect, you can feel safe, every single day.

#### 1. Gross Turnover (Premium):

During the year 2020 the Company earned a premium of Tk. 682,728,676 in compared to Tk. 730,372,687 of 2019.

- Fire Insurance: During the year 2020 Gross Premium under Fire Insurance Business is Tk. 138,580,564 as against Tk. 108,690,165 in 2019.
- Marine Insurance: In the year 2020 Gross Premium Income from Marine Cargo & Hull Insurance business is Tk. 189,958,703 in compared to Tk. 182,070,516 in the previous year 2019.
- Motor Insurance: In the year 2020 Motor Insurance Gross Premium income is Tk.314,384,003 against Premium Income of Tk. 367,721,275 in 2019.
- From Miscellaneous Insurance: business the Company earned Gross Premium Tk. 39,805,406 in the year 2020. The figure of the same was Tk. 71,890,731 in the previous year 2019.

#### 2. Profit:

The Underwriting Profit of the company stood at Tk. 105,150,108 for the year 2020. In 2019 Underwriting Profit was Tk. 135,710,213. Company's Profit before Tax is fixed at Tk. 157,779,448 in 2020 as against Tk. 183,335,956 in 2019.

#### 3. Earnings Per Share:

In the year 2020 Company's Net Profit after Tax stood at Tk. 114,339,302 which calculates earnings per share Tk. 2.84 (@Tk. 10 per share) as compared to Tk. 3.22 (@Tk. 10 per share) on Tk. 129,542,870 in the previous year 2019.

#### 4. Appropriation Of Profit

The Board of Directors have proposed and recommended for appropriation as follows:

a) The Un-appropriated Profit carry forwarded from previous year 2020	:	74,153,466
b) The Un-appropriated Profit for Current year 2020	:	157,779,448
c) Total fund Available for Appropriation	:	231,932,914
i) Reserve for Exceptional Losses	:	68,272,867
ii) Provision for Taxes	:	35,784,183
iii) Deferred Tax	:	7,655,963
iv) General Reserve	:	2,00,000
v) Dividend Paid	:	60,311,459
d) Net Un-appropriated Profit	:	59,708,442

(Balance to be transferred to next year's Balance sheet)

The Company's operating performance under the title "NITOL PERFORMANCE AT A GLANCE" is summarized below:

PARTICULARS	2020	2019	2018	2017	2016
<b>OPERATIONAL POSITION</b>					
Gross Premium Income	682,728,676	730,372,687	722,230,151	671,940,037	613,873,160
Re-Insurance Premium	205,509,810	197,697,016	157,439,127	127,898,211	122,988,418
Net Premium Income	477,218,866	532,675,671	564,791,024	544,041,826	490,884,742
Underwriting Profit	105,150,108	135,710,213	123,258,528	107,358,303	84,350,915
Investment & Other Income	80,037,398	77,643,107	61,672,465	43,765,160	42,078,157
Claim Paid	189,843,342	212,740,047	236,439,071	242,280,671	237,193,737
Net Profit Before Tax	157,779,448	183,335,956	156,114,027	126,488,155	105,964,470
Tax Provision	35,784,183	42,165,341	37,119,794	27,184,867	19,462,872
Net Profit After Tax	114,339,302	129,542,872	118,994,233	97,923,109	86,501,598
Net Operating Cash Flow	1.21	3.13	3.24	2.98	4.05
<b>FINANCIAL POSITION</b>					
Total Assets	1,878,224,981	1,758,354,262	1,592,360,873	1,428,076,595	1,239,080,412
Fixed Assets	251,678,729	263,274,420	282,729,452	295,370,641	196,396,501
Total Reserve & Surplus	887,341,081	853,016,189	797,007,481	719,675,066	641,090,630
FDR & Other Investment	923,587,546	977,535,542	847,546,982	664,265,596	527,854,500
Cash & Cash Equivalents	38,191,083	27,737,137	19,593,608	33,465,019	42,545,862
Net Asset Value	1,094,971,813	1,040,943,970	971,712,560	852,718,327	754,795,218
Net Asset Value (PS)	27.23	25.89	24.17	24.18	24.18
<b>FINANCIAL RATIO</b>					
Earnings Per Share (EPS)	2.84	3.22	2.96	2.78	2.77
<b>EQUITY POSITION</b>					
Paid-up Capital	402,076,390	402,076,390	402,076,390	352,698,590	312,122,650

#### DIVIDEND

The Board of Directors of the Company after making necessary reserves and provisions as mentioned in the Appropriation of Profit, proposes and recommends for declaration of 10% Cash Dividend for all shareholders of the Company for the year 2020. No bonus share or stock dividend has been or shall be declared as interim dividend.

#### RESERVE

To maintain strong financial position, the Company has increased its Exceptional Loss Reserve to Tk. 543,492,088 in the year 2020.

#### INVESTMENT

Our Company has a total investment of Tk. 1,162,807,716 consisting of 'Bangladesh Govt. Treasury Bond (BGTB)', 'Fixed Deposit' with different Banks, 'Shares' and 'Advance against Office Space' as follows:

	Taka in Million
1. Bangladesh Govt. Treasury Bond (BGTB)	25.00
2. Fixed Deposit with Banks	895.00
3. Shares	3.59
4. Advance against office space	239.22
<b>Total</b>	<b>1,162.81</b>

**HUMAN RESOURCES**

We believe that only a quality & practically skilled hand can produce a quality work. Mere academic qualification cannot bring good performance unless there is a mix of educational & practical knowledge and training thereby. Keeping this in mind, Nitol Insurance Company Limited, since its inception, put emphasis “On-Job Training”. Officers on selective basis, have sent to various training Institutions. To maintain our standard and efficiency we will continue to follow the above policy for keeping our Human Resources well trained for all purposes.

**CREDIT RATING**

The Credit Rating of the Company comes out very satisfactory for the Nine time since it has been made mandatory by the Chief Controller of Insurance in 2007. In 2019, the Company has been rated “AA” (pronounced as double A). The above gradation was done in consideration of its satisfactory financial performance, sound solvency, good liquidity position and sound IT platform etc. The Credit Rating for the year 2020 is under process.

**ON LINE OPERATION**

Since inception of the company we are operating in computerized environment in our Head Office. Now we have established real time online connectivity with our all branches. In the mean time we have plan to cope up new technology i.e. internet telephone, video conferencing etc. to facilitate all our offices as well as our valued clients. In the meantime, we have already setup our own email server to assist of email service of all Executives of the Company for smooth and prompt communication. We have opened online payment system for better client service.

**BRANCH NETWORK**

In the year 2020 we have operated total 22 branches network all over the Bangladesh and setup proper manpower in the branch. We are looking forward to open new branches at prospective locations. Opening of new branches will ensure our active presence in the market and our insurance service available to the customer.

**CORPORATE GOVERNANCE**

Nitol Insurance Company Limited always looks at the development of good governance, both in the spheres of Public Service and Corporate Sector. It is the crying need of the day. This includes, among others, not being limited to accountability, disclosures, transparency, justice and uprightness. We stand for all these virtues of good governance and expect the same from our competitors, customers, patrons, and regulators.

**We report that:**

- The Financial Statements of the Company present a true and fair view of the Company’s state of affairs, result of its operations, cash flows and changes in equity.
- Proper books of accounts as required by law are being maintained.
- Appropriate accounting policies have been followed in formulating the Financial Statements and Accounting estimates were reasonable and prudent.
- The Financial Statements were prepared in accordance with International Accounting Standard (IAS) as applicable in Bangladesh
- The Internal Control System is sound in design and effectively Implemented and monitored.
- There is no significant deviation from the operating result of last year.
- Bangladesh Securities and Exchange Commission’s Compliance Report is shown in page no 48 to 53.
- Key operating and financial data of last five years have been presented in summarized form in this report under the head “FINANCIAL HIGHLIGHTS (5 years at a glance)” in page 35
- There is no significant variance between Quarterly Financial performances and Annual Financial Statements.

- 04 Audit Committee Meetings were held during 2020 and the attendance by each Director were as follows:

Name of Audit Committee Members	Position	No. of Attendance
i) Mr. Md. Mamunur Rashid FCMA , Independent Director	Chairman	04
ii) Mr. Md. Anowar Husain FCMA , Vice-Chairman	Member	01
iii) Mr. Zobair Humayun Khandaker, Director	Member	04
iv) Mr. Mahmudul Hoque Shamim, Director	Member	04

- 05 Board of Directors Meetings were held during 2020 and the attendance by each Director were as follows:

Name of Directors	No. of Attendance
Mr. A K M Monirul Hoque	05
Mr. Md. Anowar Husain, FCMA	01
Mr. Zobair Humayun Khandaker	05
Mr. Mahmudul Hoque Shamim	05
Mrs. Naeema Hoque	05
Mr. Md. Mamunur Rashid, FCMA	04
Dr. Md. Akram Hossain	04
Mr. Md. Abdul Aziz	01
Dr. Ranjan Kumar Mitra, FCMA	01

- Pattern of Shareholding as at December 31, 2020 is as follows

(i) Parent/Subsidiary Associated Companies and other relate parties	Nil
(ii) Directors, Chief Executive Officer, CFO, Company Secretary and Head of Internal Audit and their Spouse and minor children	
<b>Chairman</b> - Mr. A K M Monirul Hoque	3,216,607
<b>Vice-Chairman</b> - Mr. Zobair Humayun Khandaker	2,814,531
<b>Directors</b> - Mr. Md. Anowar Husain - Mr. Mahmudul Hoque Shamim - Mrs. Naeema Hoque - M/s. Ukhtane Enterprise Ltd. - Mr. Md. Murad Hossain (Nominated Director of Ukhtane Enterprise Ltd.) - Mr. Md. Abdul Aziz, FCMA (Non-Shareholder Independent Director) - Dr. Ranjan Kumar Mitra, FCMA (Non-Shareholder Independent Director)	3,216,608 2,412,455 804,152 805,000 Nil Nil Nil
<b>Chief Executive Officer</b> - Mr. S.M. Mahbubul Karim	Nil
<b>Chief Financial Officer</b> - Mr. Md. Altaf Hossain	Nil
<b>Company Secretary</b> - Mr. Md. Shakhawat Hossain	927
<b>Head of Internal Audit &amp; Compliance</b> - Mr. Md. Liakat Hossen, FCMA	Nil
(iii) Executives	2,668

\*\* All the figures of Shareholding position by the Directors and the Executives by his own. There is no such shareholding by their Spouse and Minor.

- 5% or more shareholdings in the Company as at December 31, 2020:

Name of the Shareholder	No. of Shares	% of total Shares
Mr. Abdul Matlub Ahmad	3,645,488	9.07%

#### EXTRA ORDINARY GAIN OR LOSS

There are no such activities on continuity of any Extra Ordinary gain or loss occurred in the Company during the year.

**RELATED PARTY TRANSACTION**

The significant related party transactions (as per IAS 24) submitted by the management and it has been presented in the Financial Statement Page# 62.

**UTILIZATION OF PROCEEDS FROM PUBLIC ISSUES, RIGHT ISSUES AND/OR THROUGH ANY OTHER INSTRUMENT**

Nitol Insurance floated its Ordinary Shares initially in 2005 through IPO. The net proceeds of IPO used for Company's operation activities.

**VARIANCE BETWEEN QUARTERLY FINANCIAL PERFORMANCE AND ANNUAL FINANCIAL PERFORMANCE**

There were some variances in the financial results from quarter to quarter. But they are not a very significant ones.

**REMUNERATION OF THE DIRECTORS**

The remuneration of the directors called Director Fees has been shown in the Statement of Comprehensive Income.

**GOING CONCERN**

Statement of on Going Concern and Liquidity Management has been declared in the Annual Report Page 67.

**ACKNOWLEDGEMENT**

The Board of Directors expresses and records its deep appreciation to the Managing Director, Company Secretary & all Department In-charges for their dynamic leadership and also for the Management Team for their meritorious and relentless services towards the steady growth of the Company.

**RETIREMENT OF DIRECTORS****A) From Group A**

In accordance with the provision of section No. 112, 113 & 114 of the Articles of Association, Mr. A K M Monirul Hoque, retired and being eligible, offered himself for re-election.

**B) From Group B**

In accordance with the section referred above, the Director Mr. Zobair Humayun Khandaker from Group-B retired and being eligible, offered himself for re-election.

As required by Insurance Act. and Rules, Election of Director from Public Shareholders (from Group-B Shareholders) will be held in the 22nd Annual General Meeting. A notification for Election was published in the two National Dailies.

**Appointment of New Directors**

The Board of Directors in its 154th Board Meeting held on December 24, 2020 appointed Mr. Murad Hossain Ripon as Nominee Director of M/s. Ukhtane Enterprise Limited (hold 2% Shares of total paid-up Capital) and it will be placed in 22nd Annual General Meeting for Shareholders approval.

The Board of Directors in its 156th Board Meeting held on March 18, 2021 also appointed Mrs. Nazme Ara Husain, (wife of Late Mr. Md. Anowar Husain, FCMA, Ex-Vice Chairman & Sponsor Shareholder Director) as Director of the Company (hold 8% Shares of total paid-up Capital) and it will be placed in 22nd Annual General Meeting for Shareholders approval.

**Appointment of Independent Directors**

Previous Independent Directors Mr. Md. Mamunur Rashid FCMA and Dr. Md. Akram Hossain have completed their two terms as an Independent Directors of the Company. As per Notification of Corporate Governance of Bangladesh Securities and Exchange Commission (BSEC), "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. Therefore, compliance of Securities and Exchange Commission (SEC) Notification the Board of Directors in its 153rd Board Meeting held on October 28, 2020 appointed Mr. Md. Abdul Aziz FCMA and Dr. Ranjan Kumar Mitra, FCMA as an Independent Directors of the Company for next three year term which will be placed in the 22nd Annual General Meeting for shareholders approval.

**AUDITORS**

As per Order No. SEC/CMRRCD/2009-193/104/Admin/ dated July 27, 2011 of Bangladesh Securities and Exchange Commission, the existing auditor of the company retire and being are ineligible since they have continued for last three years. The auditor has to be appointed at the 22nd Annual General Meeting scheduled to be held on June 20, 2021 for the year 2021. In this connection a notification for appointment of Auditors for the year 2021 was published in the National Daily.

**COMPLIANCE AUDITOR**

M/s. Mumlook Mustaque & Co., Chartered Accountants was appointed as Compliance Auditor for the year 2020 on 21st Annual general Meeting held on July 27, 2020. In this connection, Mr. Md. Mumlook Hossain FCA FCMA, present Compliance Auditors, sent us a letter regarding process of merging 'Mumlook Mustaque & Co. Chartered Accountants' was closed on August 31, 2020 and he along with his team (Students & Staff) have joined 'J U Ahmed & Co. Chartered Accountants' on September 01, 2020. J U Ahmed & Co., Chartered Accountants' is a renowned audit firm in Bangladesh having 24 years of professional experience.

As a result of the above change, he express his interest to conduct the above assignment and would therefore,

requested to continue him as Compliance Auditor of the Company for the year 2020 as the partner of 'J U Ahmed & Co., Chartered Accountants' in lieu of 'Mumlook Mustaque & Co., Chartered Accounts.'

Therefore, the Board of Directors in its 153rd Board Meeting held on October 28, 2020 decided to continue 'J U Ahmed & Co., Chartered Accountants' in lieu of 'Mumlook Mustaque & Co., Chartered Accountants' as Compliance Auditor of the Company for the year 2020 subject to the approval of next Annual General Meeting."

The Compliance Auditor has to be appointed/re-appointed at the 22nd Annual General Meeting scheduled to be held on June 20, 2021 for the year 2021.

#### **PROFILE OF THE DIRECTORS**

Brief resume of the Directors as per clause 1.5 (xxii) of the BSEC Notification BSEC/CMRRCD/2006-158/207/Admin/ 80, dated June 03, 2018 is shown in Page No 14 to 19.

#### **REPORT ON THE ACTIVITIES OF THE AUDIT COMMITTEE**

Pursuant to the clause 3.5 of the BSEC Notification BSEC/CMRRCD/2006-158/207/Admin/ 80, dated June 03, 2018 the activities of the Audit Committee have been shown in Page No. 92.

#### **CORPORATE GOVERNANCE COMPLIANCE REPORT**

Pursuant to the clause 7(ii) of the BSEC Notification BSEC/CMRRCD/2006-158/207/Admin/ 80, dated June 03, 2018 we attach the Company's compliance status shown in Page 48 to 53.

#### **CERTIFICATION ON COMPLIANCE OF CORPORATE GOVERNANCE**

Certificate from professional accountants on compliance with the conditions as per clause 7(i) of the BSEC notification BSEC/CMRRCD/2006-158/207/Admin/ 80, dated June 03, 2018 has been shown in Page No. 54.

#### **RISK AND CONCERNS**

The Company's well defined organization structure, predefined authority levels, documented policy guidelines and an extensive system of Internal controls ensure optimal utilization and protection of resources, reporting of financial transactions and compliance with applicable laws and regulations. The Company has adequate systems of international control in place. This is to ensure that our assets are safeguarded against loss from unauthorized use of disposition. We have set very high standards to protect our people and operate our business.

#### **PROSPECTS**

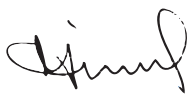
Right from its establishment, Nitol Insurance Company Limited has remained committed to its tagline, "Your Security Is Our Responsibility". This slogan shows the Company's determination to serve its valued customers faithfully. Nitol Insurance Company Limited has not deviated from its goal and is determined to maintain it. For this, we need the co-operation of our valued clients and our employees.

We will always welcome suggestions from our clients, partners and well wishers for improving the quality of our services. Quality is a never-ending process and we will strive to achieve it.

#### **APPRECIATION**

On behalf of the Board, I take this opportunity to express my sincere appreciation to the valued Clients whose continuous supports have helped Nitol Insurance Company Limited to achieve this remarkable position. I also express gratitude to the Insurance Development & Regulatory Authority, Ministry of Finance, Bangladesh Bank, Registrar of Joint Stock Companies & Firms, Bangladesh Securities and Exchange Commission, Dhaka Stock Exchange Ltd., Chittagong Stock Exchange Ltd., all Commercial Banks and Financial Institutions, Bangladesh Insurance Association, Central Rating Committee, Central Depository Bangladesh Ltd., Bangladesh Insurance Academy, Sadharan Bima Corporation, National Insurance Company Limited, Kolkata, India, Asian Reinsurance Corporation, Bangkok, Thailand, GIC Re, Bhutan, Kenya Reinsurance Corporation, Nairobi, Kenya, CICA-Re, Africa. J.B. Boda Insurance & Reinsurance Brokers Pvt. Ltd., India, Protection Reinsurance Services, W.L.L. Bahrain, and all related professional association for their co-operation extended to us throughout the year. I would like to thank and appreciate to all.

On behalf of the Board



**A K M Monirul Hoque**  
Chairman

## পরিচালক পর্ষদের প্রতিবেদন

আসসালামু আলাইকুম

নিটল ইন্স্যুরেন্স কোম্পানী লিমিটেড এর পরিচালনা পর্ষদ ও আমার পক্ষ থেকে কোম্পানীর ২২তম বার্ষিক সাধারণ সভায় উপস্থিত শেয়ারহোল্ডারবৃন্দকে আন্তরিক শুভেচ্ছা জানিয়ে কোম্পানীর বার্ষিক প্রতিবেদন- ২০২০ এবং ৩১শে ডিসেম্বর ২০২০ ইং তারিখ পর্যন্ত নিরীক্ষিত হিসাব, রাজস্ব হিসাব, নগদ তহবিল প্রবাহ আপনাদের সামনে উপস্থাপন করছি।

### রেফারেল

পরিচালনা পর্ষদের প্রতিবেদন প্রদানের ক্ষেত্রে ১৯৯৪ সনের কোম্পানী আইনের ১৮৪ ধারা, সিকিউরিটিজ এড একটেক্স কমিশন বিধি ১৯৮৭ ধারা ১২ এবং ইন্সটিটিউট অব চার্টার্ড একাউন্টেন্টস অব বাংলাদেশ কর্তৃক স্বীকৃত আইএএস- 1 (IAS-1) International Accounting Standard-1 অনুসরণ করা হয়েছে।

### অর্থনীতি এবং বীমাখাত

#### বৈশ্বিক দৃষ্টিকোণ

বিশ্বব্যাপী প্রবৃদ্ধি ২০২১ সালে ৬% হওয়ার পূর্বাভাস দেওয়া হয়েছে, আর ২০২২ সালে এটি ৪.৪% হতে পারে। WEO এর মতানুসারে ২০২১ এবং ২০২২ সালের পূর্বাভাস ২০২০ সালের চেয়ে আশাব্যঞ্জক। বৈশ্বিক জিডিপি প্রবৃদ্ধি এই বছর ৫.৬% হতে পারে বলে ধারণা করা হচ্ছে। সর্বশেষ সংকলনে বিশ্ব অর্থনৈতিক প্রবৃদ্ধি ২০২১ সালে ৫.২% এবং পরের বছর ৪.৯% প্রত্যাশিত রাখা হয়েছে।

যদিও ক্রমেই কোভিড-১৯ দ্বারা বিপর্যস্ত বিশ্বব্যাপী অর্থনৈতিক মন্দা তার পতন থেকে পুনরুদ্ধার হচ্ছে, তথাপিও, বিশ্ব অর্থনীতিবিদদের মতে মহামারীর পরেও এর প্রভাব দীর্ঘকাল ধরে বিদ্যমান থাকবে। বিশ্বব্যাপী এর বিভিন্ন ডায়ালিসিস, পরবর্তী এক দশক ধরে এই ঝুঁকিকে আরও বাড়িয়ে তুলবে বলে ধারণা করা হচ্ছে। ফলে এটি পরবর্তী দশকের সম্ভাব্য প্রবৃদ্ধিতে প্রত্যাশিত মন্দাকে আরও বাড়িয়ে তুলবে।

কোভিড-১৯ মহামারী বিশ্ব অর্থনীতিতে বড় বিঘ্ন সৃষ্টি করেছে এবং করবে। মহামারী পরবর্তী অর্থনৈতিক অনিশ্চয়তা, বিনিয়োগ ও বাণিজ্যকে নিরুৎসাহিত করবে, সেই সাথে শিক্ষার বাধাগুলো মানুষকে আরো পিছিয়ে দেবে বলে মনে হয়।

২.৯ শতাংশ আসল প্রবৃদ্ধি অনুসরণ করে সুইস-রি অনুমান করেছে যে কোভিড -১৯ মহামারীর কারণে ২০২০ সালে বিশ্বব্যাপী মোট বীমা প্রিমিয়াম তিন শতাংশ হ্রাস পাবে এবং ২০২১ সালে তিন শতাংশ প্রবৃদ্ধির পুনরুদ্ধারের পূর্বাভাস দেয়। ফলে এই সময়কালে, প্রবৃদ্ধির কোন বৃদ্ধি ঘটবে না। নন-লাইফ প্রিমিয়ামগুলির প্রকৃত প্রবৃদ্ধি ২০১৯ সালে ৩.৫ শতাংশ, ২০২০ সালে সমতল এবং ২০২১ সালে ৩ শতাংশ প্রবৃদ্ধির সাথে পুনরুদ্ধারের পূর্বাভাস দেয়। ২০১৯ থেকে ২০২১ পর্যন্ত নন-লাইফ প্রিমিয়াম ২ শতাংশ বৃদ্ধি হতে পারে।

#### বাংলাদেশ পরিস্রেক্ষিত

যুক্তরাজ্যভিত্তিক অর্থনীতি ও ব্যবসা গবেষণা কেন্দ্রের (CEBR) মতামত অনুযায়ী ২০৩০ সালের মধ্যে বাংলাদেশ বিশ্বের ২৮তম বৃহত্তম অর্থনীতির দেশে পরিণত হবে এবং ২০৩৫ সালের মধ্যে ২৫তম বৃহত্তম অর্থনীতির দেশে পরিণত হবে।

২০২৫ সালের মধ্যে, এটি বিশ্বের ৩৪তম বৃহত্তম অর্থনীতির দেশ হয়ে উঠবে এবং দক্ষিণ এশিয়ার ২য় স্থান অর্জন করবে। ২০২০ থেকে ২০৩৫ সালের মধ্যে CEBR পূর্বাভাস দিয়েছে যে, ওয়ার্ল্ড ইকোনমিক লিগের টেবিলে বাংলাদেশের অবস্থান উল্লেখযোগ্যভাবে উন্নতি করবে, ২০২৫ সালের মধ্যে দেশটির ব্যাঙ্কিং ৪৯তম থেকে ২৫তম স্থানে উন্নীত হবে। ২০২০ সালে মাথাপিছু ৫,১৩৯ ডলারে ক্রয় ক্ষমতা হিসাবে জিডিপি সহ বাংলাদেশ কম মধ্যম-আয়ের দেশ। ২০২৫ সালে, বাংলাদেশের অর্থনীতির আকার বর্তমান দামে ৪৮৮ বিলিয়ন ডলার হবে। ২০২১ এবং ২০২৫ এর মধ্যে, CEBR পূর্বাভাস দিয়েছে যে বাংলাদেশের বার্ষিক জিডিপি বৃদ্ধির হার গড়ে ৬.৮% হওয়ার তীব্র সম্ভাবনা আছে।

গত এক দশকে বাংলাদেশ জিডিপি প্রবৃদ্ধি গড়ে ৬ শতাংশেরও বেশি অর্জন করেছে। বাংলাদেশের জিডিপি প্রবৃদ্ধি ধীরে ধীরে ত্বরান্বিত হচ্ছিল। কিন্তু কোভিড-১৯ মহামারীর কারণে দেশের অর্থনীতি মারাত্মকভাবে ক্ষতিগ্রস্ত হয়েছে। বাংলাদেশ পরিসংখ্যান ব্যুরো বিবিএসের অস্থায়ী হিসাব অনুযায়ী, ২০১৯-২০ অর্থবছরে জিডিপি প্রবৃদ্ধি দাঁড়িয়ে ছিল ৫.২৪ শতাংশ, যা আগের অর্থবছরে ৮.৯৫ শতাংশ ছিল।

বৃহত্তর তিনটি খাতের মধ্যে কৃষি খাতের প্রবৃদ্ধি বেড়েছে ৩.৯৯ শতাংশ, যা আগের অর্থবছরে ছিল ৩.৯২ শতাংশ। অস্থায়ী তথ্য অনুসারে, অর্থবছর ২০১৯-২০১৮ সালে বৃহত্তর শিল্প খাতের প্রবৃদ্ধি ৬.৪৮ শতাংশে উন্নীত হয়েছে; যা আগের অর্থবছরে ছিল ৯২.৬৭ শতাংশ। বৃহত্তর খাতে এ প্রবৃদ্ধি ২০১৯-২০ অর্থবছরে ৫.৩২ শতাংশ থেকে ২০১৮-১৯ অর্থবছরে ৬.৭৮ শতাংশে সুসংহত হয়েছিল। অস্থায়ী তথ্য অনুসারে বৃহত্তর খাত অর্থাৎ কৃষি, শিল্প ও সেবার আঞ্চলিক অংশ যথাক্রমে ১২.৩৫ শতাংশ, ৩৫.৩৬ শতাংশ এবং ৫৯.৩০ শতাংশ দাঁড়িয়েছে; যা আগের অর্থবছরে যথাক্রমে ১৩.৬৫ শতাংশ, ৩৫.০০ শতাংশ এবং ৫৯.৩৫ শতাংশ ছিল।

বিবিএসের অস্থায়ী তথ্য অনুসারে, বর্তমান বাজার দরে ২০১৯-২০ অর্থবছরে জিডিপি ২,৭৯,৬৩,৭৮২ কোটি টাকা যা আগের অর্থ বছর থেকে ৯.৯৯ শতাংশ বেড়েছে। মাথাপিছু জিডিপি ২০১৯-২০ অর্থবছরে ১,৬৬,৮৮৮ টাকা ছিল যা আগের অর্থ বছরে ১,৫৩,৫৭৮ টাকা ছিল। ২০১৯-২০ অর্থবছরে মাথাপিছু জাতীয় আয় এবং জিডিপি দাঁড়িয়েছে ২.০৬৪ ডলার এবং ১,৯৭০ ডলার। আগের অর্থবছরে মার্কিন ডলারে, মাথাপিছু জিএনআই এবং জিডিপি দাঁড়িয়েছিল যথাক্রমে ১,৯০৯ মার্কিন ডলার এবং ১,৮২৮ মার্কিন ডলার। ইউএনডিপি দ্বারা গণনা করা পারচেজিং পাওয়ার প্যারিটির (পিপিপি) ভিত্তিতে মাথাপিছু জিএনআই দাঁড়িয়েছে ৪,০৫৫ মার্কিন ডলার।

গত ৪৯ বছরে বাংলাদেশে বীমা ব্যবসা এখন সরকারী ও বেসরকারী খাতের মধ্যে বিতরণ যোগ্য প্রতিশ্রুতিবদ্ধ শিল্প হিসাবে প্রতিষ্ঠিত হয়েছে। ২০২০ সালে বাংলাদেশী সাধারণ বীমা সংস্থাপ্রতির প্রিমিয়াম হ্রাস পেয়েছে -৬.৭% শতাংশ (আনুমানিক) যা ২০১৯ সালে ১০.৮১% ছিল। আর বেসরকারী বীমাকারীর প্রিমিয়াম আয় ২০২০ সালে হয়েছে প্রায় ৪৪০২.০৬ মিলিয়ন।

মাননীয় শেয়ারহোল্ডারগণ, গত বছর হিসাবে আমাদের মত দেশগুলি রাজনৈতিক এবং বিভিন্ন শিল্প পরিস্থিতিতে, সর্বোপরি কোভিড-১৯ এর মহামারিতেও আমরা আমাদের ব্যবসায়ের লক্ষ্য অর্জন করতে সর্বাত্মক স্বচেষ্টা হয়েছি। আমাদের লক্ষ্যগুলি ছিল রিয়েল টাইম অনলাইন ব্রাঞ্চ নেটওয়ার্কের মাধ্যমে এক ছাতার নিচে পুরো শাখাগুলি একত্রিত করা, সুশাসন বজায় রাখা, ২২ টি শাখার মাধ্যমে ব্যবসায়ের প্রসার ঘটানো। ফলস্বরূপ কোভিড -১৯, ২০২০ সালে, নিটল বীমা এর মোট প্রিমিয়াম আয় নিয়ন্ত্রিতভাবে হ্রাস পেয়েছে মাত্র ৫.৫২%, নেট প্রিমিয়াম আয় কমেছে ১০.৪১% আর নেট সম্পত্তির মূল্য ১,০৯৯ মিলিয়ন টাকা হয়েছে যা ২০১৯ সালে ১,০৪৯ মিলিয়ন ছিল। প্রতিটি ক্ষেত্রে আমাদের সাথে থাকুন, আমাদের প্রতিটি কার্যক্রমে নিরাপদ বোধ করুন, কেননা নিটল ইন্স্যুরেন্স কোম্পানি লিমিটেড, ইন্স্যুরেন্স ইন্ডাস্ট্রির সকল নিয়ম কানুন সহ দেশের প্রচলিত আইন মেনে চলতে বদ্ধপরিকর, আপনার সম্পদের নিরাপত্তার স্বার্থে।

### কর্পোরেট কার্যক্রমঃ

#### ১. প্রিমিয়াম আয়:

২০২০ সালে কোম্পানীর মোট প্রিমিয়াম আয় ৬৮২,৭২৮,৬৭৬ টাকা, বিগত ২০১৯ সালে প্রিমিয়াম আয় ছিল ৭৩০,৩৭২,৬৮৭ টাকা।

#### ক) অগ্নি বীমা:

২০২০ সালে অগ্নি বীমাখাতে প্রিমিয়াম আয় হয়েছে ১৩৮,৫৮০,৫৬৪ টাকা, যা বিগত ২০১৯ সালে ছিল ১০৮,৬৯০,৯৬৫ টাকা।

#### খ) নৌ বীমা:

২০২০ সালে নৌ কার্গো ও নৌ হাল বীমাখাতে প্রিমিয়াম আয় হয়েছে ১৮৯,৯৫৮,৭০৩ টাকা, এর বিপরীতে ২০১৯ সালের আয় ছিল ১৮২,০৭০,৫৯৬ টাকা।

#### গ) মটর বীমা:

মটর খাতে ২০২০ সালে প্রিমিয়াম আয় হয়েছে ৩১৪,৩৮৪,০০৩ টাকা যা ২০১৯ সালে ছিল ৩৬৭,৭২৯,২৭৫ টাকা।

#### ঘ) বিবিধ বীমা:

২০২০ সালে বিবিধ বীমা খাতে আয় হয়েছে ৩৯,৮০৫,৪০৬ টাকা যা ২০১৯ সালে ছিল ৭৯,৮৯০,৭৩৯ টাকা।

#### ২. মুনাফা:

২০২০ সালে কোম্পানীর অবলিখন মুনাফা ১০৫,৯৫০,৯০৮ টাকা হয়েছে যা ২০১৯ সালে ছিল ১৩৫,৭১০,২৯৩ টাকা। করপূর্ব মুনাফা ২০২০ সালে ১৫৭,৭৭৯,৪৪৮ টাকায় দাড়িয়েছে, যা ২০১৯ সালে ছিল ১৮৩,৩৩৫,৯৫৬ টাকা।

#### ৩. শেয়ার প্রতি আয়:

২০২০ সালে কোম্পানীর কর পরবর্তী মুনাফা দাড়িয়েছে ১১৪,৩৩৯,৩০২ টাকা যার শেয়ার প্রতি আয় দাড়িয়েছে ২.৮৪ টাকা (প্রতি শেয়ার ১০ টাকা)। বিগত ২০১৯ সালে কোম্পানীর কর পরবর্তী মুনাফা ছিল ১২৯,৫৪২,৮৭২ টাকা যার শেয়ার প্রতি আয় ছিল ৩.২২ টাকা (প্রতি শেয়ার ১০ টাকা)।

#### ৪. বন্টনযোগ্য মুনাফা:

পরিচালনা পরিষদ নিম্নরূপভাবে মুনাফা বন্টনের সুপারিশ করেছে:

ক) বিগত ২০২০ সালের অ-বন্টনযোগ্য মুনাফা	৭৪,৯৫৩,৪৬৬ টাকা
খ) করপূর্ব মুনাফা ২০২০	১৫৭,৭৭৯,৪৪৮ টাকা
গ) বন্টনের জন্য প্রাপ্য মোট তহবিল	২৩১,৯৩২,৯১৪ টাকা
১) অপ্রত্যাশিত ক্ষতির সঞ্চিতি	৬৮,২৭২,৮৬৭ টাকা
২) কর প্রতিশন	৩৫,৭৮৪,৯৮৩ টাকা
৩) ডেফার্ড কর (বিলম্বিত কর)	৭,৬৫৫,৯৬৩ টাকা
৪) সাধারণ সঞ্চিতি	২,০০,০০০ টাকা
৫) লভ্যাংশ বন্টন	৬০,৩৯৯,৪৫৯ টাকা
ঘ) নীট অ-বন্টনকৃত মুনাফা	৫৯,৭০৮,৪৪২ টাকা

(পরবর্তী বছরের স্থিতিপত্রে স্থানান্তর)



নিটল ইন্স্যুরেন্স কোম্পানী লিমিটেড এর বিগত ৫ বছরের পারফরমেন্স:

(টাকা মিলিয়ন)

বিবরণ	২০২০	২০১৯	২০১৮	২০১৭	২০১৬
পরিচালনগত অবস্থান					
গ্রস প্রিমিয়াম	৬৮২,৭২৮,৬৭৬	৭৩০,৩৭২,৬৮৭	৭২২,২৩০,১৫৯	৬৭৯,৯৪০,০৩৭	৬৯৩,৮৭৩,৯৬০
পুনঃ বীমা প্রিমিয়াম	২০৫,৫০৯,৮১০	১৯৭,৬৯৭,০১৬	১৫৭,৪৩৯,৯২৭	১২৭,৮৯৮,২৯৯	১২২,৯৮৮,৪৯৮
নীট প্রিমিয়াম	৪৭৭,২১৮,৮৬৬	৫৩২,৬৭৫,৬৭১	৫৬৪,৭৯১,০২৪	৫৫২,০৪১,৭৩৮	৫৭০,৮৮৫,৪৬২
অবলিখন মুনাফা	১০৫,১৫০,৯০৮	১৩৫,৭১০,২১৩	১২৩,২৫৮,৫২৮	১০৭,৩৫৮,৩০৩	৮৪,৩৫০,৯৯৫
বিনিয়োগ ও অন্যান্য খাত থেকে আয়	৮০,০৩৭,৩৯৮	৭৭,৬৪৩,৯০৭	৬৯,৬৭২,৪৬৫	৪৩,৭৬৫,৯৬০	৪২,০৭৮,৯৫৭
দাবী পরিশোধ	১৮৯,৮৪৩,৩৪২	২১২,৭৪০,০৪৭	২৩৬,৪৩৯,০৭৯	২৪২,২৮০,৬৭৯	২৩৭,৯৯৩,৭৩৭
কর পূর্ব মুনাফা	১৫৭,৭৭৯,৪৪৮	১৮৩,৩৩৫,৯৫৬	১৫৬,৯৯৯,০২৭	১২৬,৪৮৮,৯৫৫	১০৫,৯৬৪,৪৭০
কর প্রতিশন	৩৫,৭৮৪,৯৮৩	৪২,৯৬৫,৩৪৯	৩৭,৯৯৯,৭৯৪	২৭,৯৮৪,৮৬৭	১৯,৪৬২,৮৭২
কর পরবর্তী মুনাফা	১১৯,৩৩৯,৩০২	১৪০,৩৭০,৬০৭	১১৮,৯৯৯,২৩৩	৯৮,৫০৪,০৮৮	৮৬,৫০১,৫৯৮
শেয়ার প্রতি নীট ক্যাশ ফ্লো	১.২৯	৩.১৩	৩.২৪	২.৯৮	৪.০৫
আর্থিক অবস্থান					
মোট সম্পদ	১,৮৭৮,২২৪,৯৮৯	১,৭৫৮,৩৫৪,২৬২	১,৬৯২,৩৬০,৮৭৩	১,৪২৮,০৭৬,৫৯৫	১,২৩৯,০৮০,৪৯২
স্থায়ী সম্পদ	২৫৯,৬৭৮,৭২৯	২৬৩,২৭৪,৪২০	২৮২,৭২৯,৪৫২	২৯৫,৩৭০,৬৪৯	১৯৬,৩৯৬,৫০৯
মোট রিজার্ভ ও সার্ভিস	৮৮৭,৩৪৯,০৮৯	৮৫৩,০৯৬,৯৮৯	৭৯৭,০০৭,৪৮৯	৭৯৬,৬৭৫,০৬৬	৬৪৯,০৯০,৬৩০
ব্যাংকে স্থায়ী আমানত (এফডিআর) ও অন্যান্য বিনিয়োগ	৯২৩,৫৮৭,৫৪৬	৯৭৭,৫৩৫,৫৪২	৮৪৭,৫৪৬,৯৮২	৬৬৪,২৬৫,৫৯৬	৫২৭,৮৫৪,৫০০
নগদ ও নগদ সমপরিমান	৩৮,৯৯৯,০৮৩	২৭,৭৩৭,৯৩৭	১৯,৫৯৩,৬০৮	৩৩,৪৬৫,০৯৯	৪২,৫৪৫,৮৬২
নীট সম্পদ মূল্য	১,০৯৪,৯৭৯,৮৯৩	১,০৪০,৯৪৩,৯৭০	৯৭৯,৭৯২,৫৬০	৮৫২,৭৯৮,০২৭	৭৫৪,৭৯৫,২৯৮
শেয়ার প্রতি নীট সম্পদ মূল্য	২৭.২৩	২৫.৮৯	২৪.৯৭	২৪.৯৮	২৪.৯৮
আর্থিক অনুপাত					
শেয়ার প্রতি আয় (ইপিএস)	২.৮৪	৩.২২	২.৯৬	২.৭৮	২.৭৭
ইকুইটি অবস্থান					
পরিশোধিত মূলধন	৪০২,০৭৬,৩৯০	৪০২,০৭৬,৩৯০	৪০২,০৭৬,৩৯০	৩৫২,৬৯৮,৫৯০	৩৯২,৯২২,৬৫০

লভ্যাংশ:

পরিচালনা পর্ষদ প্রয়োজনীয় মুনাফা বন্টন, সঞ্চিতি রিজার্ভ সংরক্ষণ করে কোম্পানীর সকল শেয়ারহোল্ডারদের ২০২০ সালের জন্য ১০% নগদ লভ্যাংশ প্রস্তাব করেছে। মধ্যবর্তী লভ্যাংশ হিসাবে কোন বোনাস শেয়ার বা স্টক লভ্যাংশ ঘোষণা করা হয় নাই বা হবে না।

সঞ্চিতি:

কোম্পানীর অর্থনৈতিক অবস্থা সুদৃঢ় করার লক্ষ্যে ২০২০ সালে অপ্রত্যাশিত ঝুঁকি সঞ্চিতি ৫৪৩,৪৯২,০৮৮ টাকায় উন্নীত করা হয়েছে।

বিনিয়োগ:

নিটল ইন্স্যুরেন্স কোম্পানী লিমিটেড ২০২০ সালের ৩৯ শে ডিসেম্বর পর্যন্ত মোট ১,৯৬২,৮০৭,৭৯৬ টাকা বিনিয়োগ করেছে যা নিম্নরূপ:

টাকা মিলিয়ন

১. বাংলাদেশ গর্ভঃ ট্রেজারী বন্ড	২৫.০০
২. ব্যাংকে স্থায়ী আমানত	৮৯৫.০০
৩. শেয়ার	৩.৫৯
৪. অফিস স্পেস ক্রয়ে আগাম পরিশোধ	২৩৯.২২
<b>মোট</b>	<b>১,৯৬২.৮৯</b>

### মানব সম্পদ

আমরা বিশ্বাস করি ব্যবহারিক দক্ষতা ও গুণাবলী হচ্ছে গুণগত মানসম্পন্ন কাজের অন্যতম শর্ত। শুধুমাত্র শিক্ষাগত যোগ্যতা দ্বারা ভাল কাজ পাওয়া যায় না। ভাল কাজের জন্য শিক্ষাগত যোগ্যতার সাথে পেশাগত শিক্ষা ও ব্যবহারিক প্রশিক্ষণ অত্যন্ত গুরুত্বপূর্ণ। এই লক্ষ্যে নিটল ইন্স্যুরেন্স কোম্পানী লিমিটেড তার কর্মীদের “কর্মকালীন প্রশিক্ষণ” এর উপর গুরুত্ব আরোপ করে। আমরা আমাদের কর্মীদের গুণগত মান উন্নয়ন ও পেশাগত দক্ষতা অর্জনের জন্য বিভিন্ন প্রশিক্ষণ কেন্দ্রে পাঠিয়ে থাকি যাতে করে তারা ভবিষ্যতে দক্ষতার সাথে কোম্পানীর কার্যাবলী সম্পাদন করতে পারে।

### ক্রেডিট রেটিং

২০০৭ সালে প্রধান বীমা নিয়ন্ত্রক কর্তৃক ক্রেডিট রেটিং বাধ্যতামূলক করার পর নবম বারের মত আমরা সন্তোষজনক রেটিং অর্জন করেছি। ২০১৯ সাল এবং ২০২০ এর অর্ধবার্ষিক আর্থিক বিবরণির জন্য কোম্পানী “এএ” রেটিং পেয়েছে। এই রেটিং কোম্পানীর সন্তোষজনক আর্থিক ব্যবস্থাপনা, আর্থিক স্বচ্ছলতা, তারল্য প্রবাহ এবং আইটি ব্যবস্থাপনার ফসল। ২০২০ সালের পূর্নাঙ্গ ক্রেডিট রেটিং বর্তমানে প্রক্রিয়াধীন রয়েছে।

### অনলাইন কার্যক্রম

নিটল ইন্স্যুরেন্স কোম্পানী লিমিটেড প্রতিষ্ঠার পরপরই প্রধান কার্যালয়ে সম্পূর্ণ কম্পিউটার পদ্ধতিতে কাজ করছে। বর্তমানে আমরা আমাদের সকল শাখা সমূহকে অনলাইন সংযোগের আওতায় এনেছি। ইতিমধ্যে আমরা নতুন প্রযুক্তি ব্যবহার করে যেমন ইন্টারনেট টেলিফোন, ডিডিও কনফারেন্সিং ইত্যাদির মাধ্যমে আমরা আমাদের শাখা ও ক্লায়েন্টদের সর্বোচ্চ সেবা দেওয়ার চেষ্টা করছি এবং কোম্পানীর সকল কর্মকর্তাদের ই-মেইলের মাধ্যমে সার্বজনিক, দ্রুত ও নির্ভুল যোগাযোগের লক্ষ্যে ইতিমধ্যেই কোম্পানীর নিজস্ব ই-মেইল সার্ভার স্থাপন করা হয়েছে। গ্রাহক সেবা বৃদ্ধির লক্ষ্যে আমরা অনলাইন পেয়েট সিস্টেম চালু করেছি।

### শাখা নেটওয়ার্ক

আমরা সারা দেশব্যাপী সর্বমোট ২২টি শাখার মাধ্যমে ব্যবসা পরিচালনা করছি এবং প্রয়োজনীয় জনবল প্রদান করেছি। আমরা ভালো স্থানে আরো নতুন শাখা খোলার জন্য চেষ্টা চালাচ্ছি। নতুন শাখা খোলার মাধ্যমে আমরা বাজারে আমাদের সক্রিয় উপস্থিতির মাধ্যমে আমাদের বীমা সেবা জনগণের জন্য সহজলভ্য করতে চাই।

### কর্পোরেট সুশাসন

নিটল ইন্স্যুরেন্স কোম্পানী লিমিটেড কর্পোরেট সুশাসনের ব্যাপারে অত্যন্ত সজাগ ও যত্নশীল। বর্তমানে কর্পোরেট সুশাসন একটি সময়ের দাবী। এরমধ্যে দায়বদ্ধতা, তথ্য প্রকাশ, স্বচ্ছতা, ন্যায়বিচার ও সঠিকতা অন্তর্ভুক্ত। আমরা সর্বদা কর্পোরেট সুশাসনের এই বৈশিষ্ট্যগুলি ধারণ করি এবং আমাদের প্রতিযোগী, গ্রাহক ও নীতিনির্ধারকদের নিকট অনুরূপ প্রত্যাশা করি।

### আমরা জানাচ্ছি যে,

- \* আর্থিক প্রতিবেদন কোম্পানীর পরিচালনাগত ফলাফল, নগদ তহবিল প্রবাহ পরিবর্তনসহ কোম্পানীর কার্যক্রম সঠিক।
- \* আইনের বিধি নিষেধ সাপেক্ষে হিসাব-নিকাশ সঠিকভাবে সংরক্ষণ করা হয়েছে।
- \* আর্থিক প্রতিবেদন তৈরীর ব্যাপারে সঠিক নীতিমালা অনুসরণ করা হয়েছে এবং আর্থিক হিসাব বিচক্ষণতার সাথে সম্পন্ন করা হয়েছে।
- \* আর্থিক প্রতিবেদন তৈরীর ব্যাপারে আন্তর্জাতিক হিসাব মানদণ্ড (আইএএস) অনুসরণ করা হয়েছে।
- \* আন্তর্ভরণীয় নিয়ন্ত্রণ ব্যবস্থা সঠিক এবং কার্যকরী ভাবে বাস্তবায়িত এবং পর্যবেক্ষণ করা হয়েছে।
- \* বিগত বছরের পরিচালনাগত ফলাফলের সাথে কোন উল্লেখযোগ্য বিচ্যুতি নাই।
- \* বাংলাদেশ সিকিউরিটিস এন্ড একচেঞ্জ কমিশন অনুশাসন রিপোর্ট পৃষ্ঠা নং ৪৮ থেকে ৫৩ সংযোজিত হয়েছে।
- \* বিগত ৫ বছরের প্রধান আর্থিক উপাত্ত সংযুক্ত করা হয়েছে যা পৃষ্ঠা নং ৩৫ এ দেওয়া হয়েছে।
- \* কোয়ার্টারলি ফাইন্যান্সিয়াল পারফরম্যান্স এবং বার্ষিক আর্থিক বিবৃতিগুলির মধ্যে কোন উল্লেখযোগ্য বৈকল্য নেই।

২০২০ সনে ০৪ টি অডিট কমিটি সভা অনুষ্ঠিত হয় যাহাতে পরিচালকমণ্ডলীর উপস্থিতি নিশ্চয় দেওয়া হল:

পরিচালকমণ্ডলীর নাম	অডিট কমিটির পদবি	উপস্থিতির সংখ্যা
১) জনাব মোঃ মামুনুর রশিদ এফসিএমএ, স্বতন্ত্র পরিচালক	চেয়ারম্যান	০৪
২) জনাব আনোয়ার হুসেন, এফসিএমএ,	ভাইস-চেয়ারম্যান সদস্য	০১
৩) জনাব যোবায়ের হুমায়ুন খন্দকার,	পরিচালক সদস্য	০৪
৪) জনাব মাহমুদুল হক শামীম,	পরিচালক সদস্য	০৪

২০২০ সনে ০৫ টি বোর্ড সভা অনুষ্ঠিত হয় যাহাতে পরিচালকমণ্ডলীর উপস্থিতি নিশ্চয় দেওয়া হল:

পরিচালকমণ্ডলীর নাম	উপস্থিতির সংখ্যা
জনাব এ কে এম মনিরুল হক	০৫
জনাব আনোয়ার হোসেন, এফসিএমএ	০৯
জনাব জোবায়ের হুমায়ন খন্দকার	০৫
জনাব মাহমুদুল হক শামীম	০৫
জনাব নার্দিমা হক	০৫
জনাব মোঃ মামুনুর রশিদ, এফসিএমএ	০৪
প্রফেসর ডঃ মোঃ আকরাম হোসেন	০৪
জনাব মোঃ আব্দুল আজিজ, এফসিএমএ	০৯
ডঃ রঞ্জন কুমার মিত্র, এফসিএমএ	০৯

০৯/১২/২০২০ সনের শেয়ার ধারণকারীগণের বিবরণ

ক্রমিক নং	শেয়ার ধারণকারী	মোট শেয়ার
(ক)	অভিভাবক/সাবসিডিয়ারী/সহযোগী কোম্পানী এবং অন্যান্য প্রতিষ্ঠান	নাই
(খ)	পরিচালক, প্রধান নির্বাহী কর্মকর্তা, কোম্পানী সচিব, প্রধান অর্থ কর্মকর্তা, হেড অব ইন্টারন্যাশনাল অডিট এবং তাদের স্ত্রী/স্বামী ও অপ্রাপ্ত বয়স্ক সন্তানগণ	
<b>চেয়ারম্যান</b>		
	জনাব এ কে এম মনিরুল হক	৩,২৯৬,৬০৭
<b>ডাইস-চেয়ারম্যান</b>		
	জনাব জোবায়ের হুমায়ন খন্দকার	২,৮৯৪,৬৩৯
<b>পরিচালকবৃন্দ</b>		
	জনাব আনোয়ার হোসেন	৩,২৯৬,৬০৮
	জনাব মাহমুদুল হক শামীম	২,৪৯২,৪৫৫
	জনাব নার্দিমা হক	৮০৪,৯৫২
	মেসার্স উখতানে এন্টারপ্রাইজ লিঃ	৮০৫,০০০
	জনাব মোঃ মুরাদ হোসেন (প্রতিনিধি পরিচালক - উখতানে এন্টারপ্রাইজ লিঃ)	নাই
	জনাব মোঃ আব্দুল আজিজ, এফসিএমএ (নন-শেয়ারহোল্ডার স্বতন্ত্র পরিচালক)	নাই
	জনাব ডঃ রঞ্জন কুমার মিত্র, এফসিএমএ (নন-শেয়ারহোল্ডার স্বতন্ত্র পরিচালক)	নাই
<b>প্রধান নির্বাহী কর্মকর্তা</b>		
	জনাব এস.এম. মাহবুবুল করিম	নাই
<b>প্রধান অর্থ কর্মকর্তা</b>		
	জনাব মোঃ আলতাফ হোসেন	নাই
<b>কোম্পানী সচিব</b>		
	জনাব মোঃ শাখাওয়াৎ হোসেন	৯২৭
<b>হেড অব ইন্টারন্যাশনাল অডিট এন্ড কম্প্লায়েন্স</b>		
	জনাব মোঃ লিয়াকত হোসেন, এফসিএমএ	নাই
(গ)	নির্বাহীবৃন্দ	২,৬৬৮

\*\* উপরে উল্লিখিত শেয়ারধারন পরিচালক ও কর্মকর্তাবৃন্দের নিজস্ব নামে শেয়ারধারন। এখানে তাদের স্পাউস বা মাইনরের নামে কোন শেয়ারধারন নেই।

\* ০৯/১২/২০২০ সনের ৫% এবং এর অধিক শেয়ারধারনকারী প্রতিষ্ঠান/ব্যক্তি

শেয়ার হোল্ডার এর নাম	শেয়ার সংখ্যা	সর্বমোট শেয়ারের %
জনাব আব্দুল মাতলুব আহমাদ	৩,৬৪৬,৪৮৮	৯.০৭%

ব্যতিক্রমধর্মী সাধারণ লাভ বা ক্ষতি

এই বছরের মধ্যে কোম্পানীতে কোন ব্যতিক্রমধর্মী সাধারণ লাভ বা ক্ষতির কোন ধরনের কার্যক্রম ঘটেনি।

রিলেটেড পার্টি লেনদেন

(আইএএস ২৪) ব্যবস্থাপনা কর্তৃক নির্দিষ্ট রিলেটেড পার্টি লেনদেন জমা করা হয়েছে যা আর্থিক বিবৃতির পৃষ্ঠা নং ৬২ তে পেশ করা হয়েছে।

পাবলিক ইস্যু, রাইট ইস্যু বা অন্য কোন দলিল মাধ্যমে থেকে আয়ের ব্যবহার

নিটল ইন্স্যুরেন্স ২০০৫ সালে আইপিও এর মাধ্যমে সাধারণ শেয়ার সংখ্যা বাড়ায়। আইপিওর নিট আয় কোম্পানীর অপারেশন কার্যকলাপের জন্য ব্যবহৃত হয়।

**ত্রৈমাসিক আর্থিক কর্মক্ষমতা এবং বার্ষিক আর্থিক কর্মক্ষমতার মধ্যে পার্থক্য**

ত্রৈমাসিক থেকে ত্রৈমাসিক আর্থিক ফলাফলে কিছু ভ্যারিয়েন্স ছিল, কিন্তু এটি তেমন গুরুত্বপূর্ণ নয়।

**পরিচালক ফি**

পরিচালকবৃন্দের পারিশ্রমিক বা পরিচালক ফি সর্বাঙ্গিক আয়ের বিবৃতিতে (Statement of Comprehensive Income) দেখানো হয়েছে

**চলমান জের**

চলমান জের ও তারল্য ব্যবস্থাপনার উপর বিবৃতি বার্ষিক রিপোর্টের পাতা নং ৬৭ তে দেখানো হয়েছে

**কৃতজ্ঞতা স্বীকার**

পরিচালকমণ্ডলী কোম্পানীর উত্তরোত্তর উন্নতি ও সমৃদ্ধির জন্য নিরলস প্রচেষ্টা চালানোর এবং গতিশীল নেতৃত্ব ও ব্যবস্থাপনায় উৎকর্ষ সাধনের জন্য কোম্পানীর ব্যবস্থাপনা পরিচালক, কোম্পানী সচিব এবং বিভাগীয় প্রধানদের প্রতি আন্তরিক কৃতজ্ঞতা জ্ঞাপন করছে।

**পরিচালকগণের অবসর****ক) গ্রুপ এ**

কোম্পানীর আর্টিকেল অব এসোসিয়েশন এর ১১২, ১১৩ এবং ১১৪ ধারা অনুযায়ী জনাব এ কে এম মনিরুল হক অবসর গ্রহন করেছেন এবং যোগ্য বিধায় পুনঃনির্বাচনের জন্য ইচ্ছা প্রকাশ করেছেন।

**খ) গ্রুপ বি**

উপরোল্লিখিত ধারা মোতাবেক 'বি' গ্রুপ পরিচালকগণের মধ্যে হতে জনাব যোবায়ের হুমায়ুন খন্দকার অবসর গ্রহন করেছেন এবং যোগ্য বিধায় পুনঃনির্বাচনের জন্য ইচ্ছা প্রকাশ করেছেন।

বীমা আইন ও বীমা বিধি মোতাবেক জনগণের অংশের শেয়ারহোল্ডারদের মধ্য থেকে (গ্রুপ 'বি' শেয়ারহোল্ডার) কোম্পানীর ২২তম বার্ষিকসাধারণ সভায় পরিচালক নির্বাচন করা হবে। উক্ত নির্বাচনের বিজ্ঞপ্তি দুইটি দৈনিক পত্রিকায় প্রকাশ করা হয়েছে।

**নতুন পরিচালক নিয়োগ**

২০২০ সালের ২৪ ডিসেম্বর পরিচালনা পর্ষদের ১৫৪তম বোর্ড সভায় জনাব মুরাদ হোসেন রিপনকে মেসার্স উখতানে এন্টারপ্রাইজ লিমিটেড এর মনোনীত পরিচালক নিযুক্ত করেন (উখতানে এন্টারপ্রাইজ লিমিটেড, মোট পরিশোধিত মূলধনের ২% শেয়ার ধারণ করেন) এবং শেয়ারহোল্ডারদের অনুমোদনের জন্য ২২তম বার্ষিক সাধারণ সভার এজেডায় অর্ন্তভুক্ত করা হয়েছে।

এছাড়া ২০২১ সালের ১৮ মার্চ অনুষ্ঠিত পরিচালনা পর্ষদের ১৫৬তম বোর্ড সভায় জনাব নাজমে আরা হোসেন কে, (প্রয়াত প্রাক্তন ভাইস চেয়ারম্যান ও স্পনসর শেয়ারহোল্ডার পরিচালক জনাব মোঃ আনোয়ার হুসেনের স্ত্রী) কোম্পানীর পরিচালক পদে নিযুক্ত করেছিলেন (জনাব নাজমে আরা হোসেন মোট পরিশোধিত মূলধনের ৮% শেয়ার ধারণ করেন) এবং শেয়ারহোল্ডারদের অনুমোদনের জন্য ২২তম বার্ষিক সাধারণ সভার এজেডায় অর্ন্তভুক্ত করা হয়েছে।

**স্বতন্ত্র পরিচালক নিয়োগ**

পূর্ববর্তী স্বতন্ত্র পরিচালক জনাব মোঃ মামুনুর রশিদ এফসিএমএ এবং ডঃ মোঃ আকরাম হোসেন কোম্পানীর স্বতন্ত্র পরিচালক হিসাবে তাদের দুটি মেয়াদ সমাপ্ত করেছেন। বাংলাদেশ সিকিউরিটিজ অ্যান্ড এক্সচেঞ্জ কমিশনের (এসইসি) বিজ্ঞপ্তি অনুসরণ করে ২০২০ সালের ২৮ শে অক্টোবর অনুষ্ঠিত বোর্ডের ১৫৩ তম বোর্ড সভায় জনাব মোঃ আবদুল আজিজ এফসিএমএ এবং ডঃ রঞ্জন কুমার মিত্র, এফসিএমএকে কোম্পানীর স্বতন্ত্র পরিচালক হিসাবে পরবর্তী মেয়াদের (তিন বছর) জন্য নিয়োগ দেওয়া হয়েছে, যা শেয়ারহোল্ডারদের অনুমোদনের জন্য ২২তম বার্ষিক সাধারণ সভার এজেডায় অর্ন্তভুক্ত করা হয়েছে।

**অডিটর নিয়োগ**

বাংলাদেশ সিকিউরিটিজ এন্ড এক্সচেঞ্জ কমিশন এর আদেশ SEC/CMRRCD/2009-193/104/Admin/.. dated July 27, 2011 মোতাবেক কোম্পানীর বর্তমান নিরীক্ষক অবসর গ্রহন করেছেন। বর্তমান নিরীক্ষক তিন বছর অতিক্রান্ত করায় ২০২১ সালের জন্য নতুন নিরীক্ষক নিয়োগ করতে হবে। উক্ত নিরীক্ষক, নিয়োগ ২০ই জুন, ২০২১ তারিখে অনুষ্ঠিতব্য কোম্পানীর ২২তম বার্ষিক সাধারণ সভায় নিয়োগ করা হবে। এই সংক্রান্ত বিজ্ঞপ্তি দৈনিক পত্রিকায় প্রকাশ করা হয়েছে।

**কম্প্রায়েস অডিটর নিয়োগ**

২০২০ সালের ২৭শে জুলাই, ২০২০ইং অনুষ্ঠিত ২১তম বার্ষিক সাধারণ সভায় মেসার্স মামলুক মুস্তাক এড কোং, চার্টার্ড অ্যাকাউন্ট্যান্টসকে কম্প্রায়েস অডিটর হিসাবে নিয়োগ দেওয়া হয়েছিল। এই প্রসঙ্গে নিয়োগকৃত কম্প্রায়েস অডিটর জনাব মোঃ মামলুক হোসেন এফসিএ, একটি চিঠি প্রেরণ করেছেন যে মেসার্স মামলুক মুস্তাক এড কোং, চার্টার্ড অ্যাকাউন্ট্যান্টস মার্জ করার প্রক্রিয়ার মাধ্যমে বন্ধ হয়ে গিয়েছে এবং তিনি ও তার দল (শিক্ষার্থী ও কর্মীরা) সেপ্টেম্বর, ২০২০ এ মেসার্স জে ইউ আহমেদ অ্যান্ড কোং, চার্টার্ড অ্যাকাউন্ট্যান্টস'-এ যোগদান করেছেন। উল্লেখ্য জে ইউ আহমেদ অ্যান্ড কোং, চার্টার্ড অ্যাকাউন্ট্যান্টস ২৪ বছরের শেখাদার অভিজ্ঞতার সাথে বাংলাদেশের একটি নামী নিরীক্ষা সংস্থা। উপরোক্ত পরিবর্তনের ফলস্বরূপ, তিনি ২০২০ সালের জন্য জে ইউ আহমেদ অ্যান্ড কোং, চার্টার্ড অ্যাকাউন্ট্যান্টস-এর অংশীদার হিসাবে মেসার্স মামলুক মুস্তাক এড কোং, চার্টার্ড অ্যাকাউন্ট্যান্টস চার্টার্ড অ্যাকাউন্টস' এর পরিবর্তে কম্প্রায়েস অডিটর হিসাবে কার্য সম্পাদনের জন্য ইচ্ছা প্রকাশ করেছেন।

২০২০ সালের ২৮ শে অক্টোবর অনুষ্ঠিত পরিচালনা পর্ষদের ১৫৩তম বোর্ড সভায় মেসার্স মামলুক মুস্তাক এড কোং, চার্টার্ড অ্যাকাউন্ট্যান্টস এর পরিবর্তে জে ইউ আহমেদ অ্যান্ড কোং, চার্টার্ড অ্যাকাউন্ট্যান্টস' নিয়োগ দেওয়া হয় এবং এই নিয়োগ অনুমোদনের জন্য ২২তম বার্ষিক সাধারণ সভার এজেডায় অর্ন্তভুক্ত করা হয়েছে।

এখানে আরো উল্লেখ্য ২০২১ সালের ২০ শে জুন, তারিখে অনুষ্ঠিতব্য ২২তম বার্ষিক সাধারণ সভায় ২০২১ সালের জন্য কম্প্রায়েস অডিটর নিয়োগ/পুনঃনিয়োগ করা হবে।

**অডিটর নিয়োগ**

বাংলাদেশ সিকিউরিটিজ এন্ড একচেঞ্জ কমিশন এর আদেশ SEC/CMRRCD/2009-193/104/Admin/.. dated July 27, 2011 মোতাবেক কোম্পানীর বর্তমান নিরীক্ষক অবসর গ্রহন করেছেন এবং যোগ্য বিধায় পুনঃ নিয়োগের আগ্রহ প্রকাশ করেছেন। ২০২১ সালের জন্য নিরীক্ষককারী ২০ জুন, ২০২১ তারিখে অনুষ্ঠিতব্য কোম্পানীর ২২ তম বার্ষিক সাধারণ সভায় নিয়োগ করা হবে।

**পরিচালকদের সংক্ষিপ্ত জীবনী**

বি.এসইসি নোটিফিকেশন নং বি.এসইসি / সি.এমআরআরসিডি / ২০০৬-১৫৮ / ২০৭ / অ্যাডমিন / ৮০, তারিখ ০৩ জুন ২০১৮ এর নিরীক্ষা ১.৫ (xxii) অনুযায়ী কোম্পানীর পরিচালকদের সংক্ষিপ্ত জীবনী ১৪ থেকে ১৯ নং পৃষ্ঠায় সংযুক্ত করা হয়েছে।

**নিরীক্ষা কমিটির কার্যক্রমের উপর প্রতিবেদন :**

বি.এসইসি নোটিফিকেশন নং বি.এসইসি / সি.এমআরআরসিডি / ২০০৬-১৫৮ / ২০৭ / অ্যাডমিন / ৮০, তারিখ ০৩ জুন ২০১৮ এর নিরীক্ষা ৩.৫ অনুযায়ী কোম্পানীর নিরীক্ষা কমিটির কার্যক্রমের উপর প্রতিবেদন ৯২ নং পৃষ্ঠায় সংযুক্ত করা হয়েছে।

**কর্পোরেট গভর্নেন্স পরিপালন প্রতিবেদন :**

বি.এসইসি নোটিফিকেশন নং বি.এসইসি / সি.এমআরআরসিডি / ২০০৬-১৫৮ / ২০৭ / অ্যাডমিন / ৮০, তারিখ ০৩ জুন ২০১৮ এর নিরীক্ষা ৭(র) অনুযায়ী কোম্পানীর পরিপালন অবস্থা ৪৮ থেকে ৫৩ নং পৃষ্ঠায় সংযুক্ত করা হলো।

**কর্পোরেট গভর্নেন্স পরিপালন এর সনদ :**

বি.এসইসি নোটিফিকেশন নং বি.এসইসি / সি.এমআরআরসিডি / ২০০৬-১৫৮ / ২০৭ / অ্যাডমিন / ৮০, তারিখ ০৩ জুন ২০১৮ এর নিরীক্ষা ৭(র) অনুযায়ী কোম্পানীর কর্পোরেট গভর্নেন্স পরিপালন এর সনদ ৫৪ নং পৃষ্ঠায় সংযুক্ত করা হলো।

**ঝুঁকি ও উদ্বেগ :**

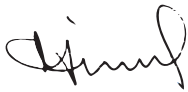
কোম্পানীর সুনির্দিষ্ট সংস্থা গঠন, পূর্বনির্ধারিত কর্তৃপক্ষ মাত্রা, নথিভুক্ত নীতিমালা এবং একটি ব্যাপক আভ্যন্তরিন নিয়ন্ত্রন সিস্টেম, প্রযোজ্য আইন ও নিয়মকানুন এর সঙ্গে সর্বোচ্চ সঙ্গতিবাহারের মাধ্যমে সম্পদ রক্ষা ও আর্থিক লেনদেন রিপোর্টিং এর সম্মতি (Compliance) নিশ্চিত করে। কোম্পানীর সুনির্দিষ্ট আন্তর্জাতিক নিয়ন্ত্রন পদ্ধতি আছে। এটি আপনাদের সম্পদ স্বভাব অননুমোদিত ব্যবহার বা ক্ষতির বিরুদ্ধে সুরক্ষা নিশ্চিত করে। আমরা আমাদের লোকবল এবং ব্যবসা পরিচালনার জন্য খুবই উচ্চ মান সেট করেছি।

**সম্ভাবনা :**

নিটল ইন্স্যুরেন্স কোম্পানী লিমিটেড তাঁর প্রতিষ্ঠা লগডব থেকে কোম্পানীর শ্লোগান “Your Security is Our Responsibility” এর প্রতি অবিচল যা সম্মানিত গ্রাহকদের প্রতি কোম্পানীর সেবাদানের অঙ্গীকারের বহিঃপ্রকাশ। কোম্পানী তাঁর এই লক্ষ্যে অবিচল এবং ভবিষ্যতে এই প্রজ্ঞা সম্মুখীন রাখতে প্রতিজ্ঞাবদ্ধ। এই লক্ষ্য অর্জনের জন্য সম্মানিত গ্রাহক ও কর্মকর্তাদের সহযোগিতা একান্তভাবে কাম্য। আমরা সর্বদাই আমাদের গ্রাহক, পৃষ্ঠপোষক এবং শুভাকাঙ্খীদের নিকট হতে তাঁদের সুচিনিশ্চিত মতামত ও সুপারিশ আশা করি। উনডুবয়ন একটি চলমান প্রক্রিয়া এবং আমরা এটা ধরে রাখতে চাই।

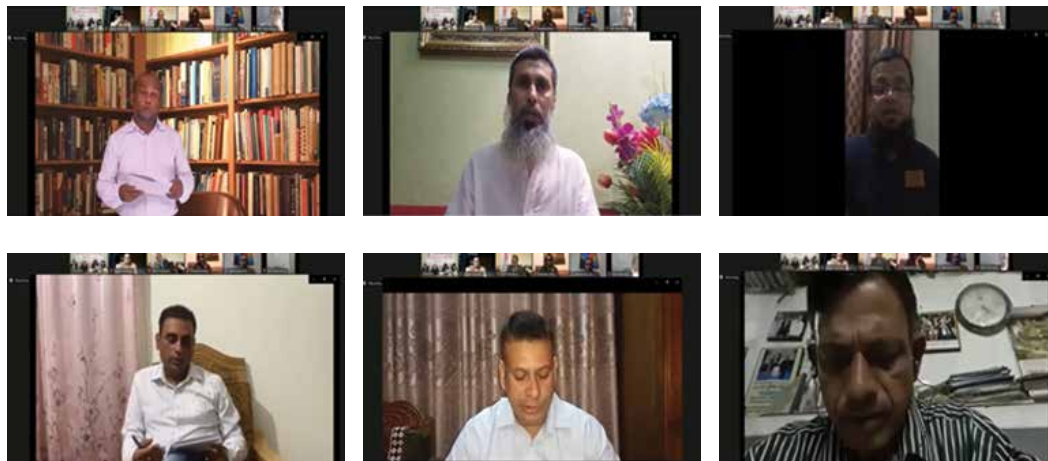
**শুভেচ্ছা :**

আমি নিটল ইন্স্যুরেন্স কোম্পানী লিমিটেড এর পরিচালক পর্ষদের পক্ষ থেকে কোম্পানীর সকল গ্রাহকদের তাদের ধারাবাহিক সহযোগিতার জন্য আন্তরিক শুভেচ্ছা জানাচ্ছি। আমি আরও কৃতজ্ঞতা প্রকাশ করছি, বীমা উন্নয়ন ও নিয়ন্ত্রন কর্তৃপক্ষ, অর্থ মন্ত্রণালয়, বাংলাদেশ ব্যাংক, রেজিস্টার অব জয়েন্ট স্টক কোম্পানীজ, বাংলাদেশ সিকিউরিটিজ এন্ড একচেঞ্জ কমিশন, ঢাকা স্টক একচেঞ্জ লিঃ, চট্টগ্রাম স্টক একচেঞ্জ লিঃ, সকল বাণিজ্যিক ব্যাংক, আর্থিক প্রতিষ্ঠান, বাংলাদেশ ইন্স্যুরেন্স এসোসিয়েশন, সেন্ট্রাল রেটিং কমিটি, সেন্ট্রাল ডিস্পোজিটরী বাংলাদেশ লিমিটেড, বাংলাদেশ ইন্স্যুরেন্স একাডেমী, সাধারণ বীমা কর্পোরেশন, ন্যাশনাল ইন্স্যুরেন্স কোম্পানী লিমিটেড কোলকাতা ভারত, এশিয়ান রি-ইন্স্যুরেন্স কর্পোরেশন ব্যাংকক থাইল্যান্ড, জিআইসি রি ভুটান, কেনিয়া রি-ইন্স্যুরেন্স কর্পোরেশন নাইরোবি কেনিয়া, সিকা-রি আফরিকা, জে. বি বদা ইন্স্যুরেন্স ও রি-ইন্স্যুরেন্স ব্রুকারেজ প্রাঃ লিঃ ভারত, প্রটেকশান রি-ইন্স্যুরেন্স সার্ভিসেস বাহরাইন এবং সকল পেশাজীবী সংগঠনকে তাদের সহযোগিতার জন্য আন্তরিক ধন্যবাদ জ্ঞাপন করছি। কোম্পানীর প্রতি আস্থা ও বিশ্বাস স্থাপন করায় আমি আপনাদের সকলকে গভীর কৃতজ্ঞতা জানাচ্ছি।

**পরিচালক পর্ষদের পক্ষে**


এ কে এম মনিরুল হক  
চেয়ারম্যান

# 21st Annual General Meeting 2020



# FINANCIAL INDICATION



## Accounting Ratios of 2020 & 2019

Particulars	Year 2020		Year 2019		Growth (%)
	Amount	Ratio (%)	Amount	Ratio (%)	
Gross Premium Income	682,728,676	-	730,372,687	-	-6.52
Net Premium Income	477,218,866	-	532,675,671	-	-10.41
Re-insurance Premium Ceded as % of Gross Premium Income	205,509,810	30.10	197,697,016	27.07	3.95
RI Commission earn as % of Gross Premium Income	43,196,724	6.33	51,797,392	7.09	-16.60
RI Commission earn as % of Net Premium Income	43,196,724	9.05	51,797,392	9.72	-16.60
Agent Commission Paid as % of Gross Premium Income	93,140,884	13.64	98,055,845	13.43	-5.01
Management Expenses allocated as % of Gross Premium Income	151,984,208	22.26	151,189,661	20.70	0.53
Net Claim paid as % of Gross premium Income	203,628,797	29.83	213,836,203	29.28	-4.77
Net Claim paid as % of Net Premium Income	203,628,797	42.67	213,836,203	40.14	-4.77
Operating (Under writing) Profit as Gross Premium Income	105,150,108	15.40	135,710,213	18.58	-22.52
Operating (Under writing) Profit as Net Premium Income	105,150,108	22.03	135,710,213	25.48	-22.52
Earnings per share (EPS)	<b>2.84</b>			<b>3.22</b>	
Net Assets Value (NAV)	<b>27.23</b>			<b>25.89</b>	
Net Cash Provided by Operating Activities Per share	<b>1.21</b>			<b>3.13</b>	



# Declaration by CEO and CFO

April 18, 2021

The Board of Directors  
Nitol Insurance Company Limited  
Police Plaza Concord, Tower - 2 (6th Floor)  
Plot - 2, Road - 144, Gulshan-1, Dhaka-1212.

**Subject: Declaration on Financial Statements for the year ended December 31, 2020.**

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 Nitol Insurance Company Limited for the year ended on December 31, 2020 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 concern basis of accounting in preparing the financial statements is appropriate and there exists no material uncertainty related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern.

In this regard, we also certify that:

- i. We have reviewed the financial statements for the year ended on December 31, 2020 and that to the best of our knowledge and belief:
  - (a) these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
  - (b) these statements collectively present true and fair view of the Company's affairs and are in compliance with existing accounting standards and applicable laws.
- ii. There are, to the best of knowledge and belief, no transactions entered into by the Company during the year which are fraudulent, illegal or in violation of the code of conduct for the company's Board of Directors or its members.

Sincerely yours,



**S.M. Mahbulul Karim**  
Chief Executive Officer (CEO)



**Md. Altaf Hossain**  
Chief Financial Officer (CFO)

## Directors Responsibilities for Financial Statements

The Directors are responsible for preparing the Annual Report and the financial statement in accordance with the Companies Act, 1994. International Accounting Standard (IAS) and International Financial Reporting Standards (IFRS) as adopted by the Institute of Chartered Accountants of Bangladesh (ICAB), Bangladesh Securities and Exchange Rules 1987 and Listing Regulation of the Dhaka Stock Exchange Limited and Chitiagong Stock Exchange Limited.

In compliance with the requirements of the BSEC's Notification, the Directors are also required to declare certain matters in their report which inter alia as under:

the Financial Statements, prepared by the Management of the Company, present fairly its state of affairs, the result of its operations, cash flows and change 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 judgment;

the International Accounting Standards (IAS), as applicable in Bangladesh, have been followed in preparation of the Financial Statements and any departure therefore has been adequately disclosed;

the system of internal control is sound in design and has been effectively implemented and mentioned;

there are no significant doubts upon the Company's ability to continue as a going concern;

any significant deviations from the last year in 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 are annexed

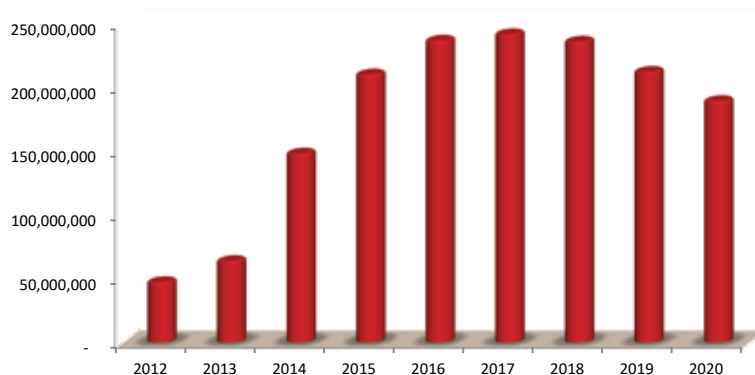
## Claims Management

Nitol Insurance Company Limited believes that prompt settlement of insurance claims is the best way to earn confidence of the insuring community. NITOL has been giving top priority for settlement of the insurance claims in due course. NITOL always stands beside the Insured in the event of any loss of their properties. Consequently we have been able to create a cemented relationship with the valued client's over the last 21 years of operation. As a part of best client services, the responsible officer rushes to the place of reported loss along with the reputed surveyor as soon as receive the intimation of the loss.

In special cases, the top executives are visiting the place of incident to ease and relax the clients at the moment. Even in case of big losses. Nitol Insurance Company Limited also tries to make advance payment before official approval of a claim to enable the insured for resuming business operation very shortly.

The position of last Nine years Net Claims is enumerated below:

Particulars	Net Claim
2012	47,810,702/-
2013	64,324,909/-
2014	148,625,672/-
2015	210,640,886/-
2016	237,193,737/-
2017	242,280,671/-
2018	236,439,071/-
2019	212,740,047/-
2020	189,843,342/-



## Clients Complains and Consultancy

Nitol Insurance Company Limited is very much concern of the Stakeholders' interest and the professional services to the insured. We are committed to our slogan *"Your security is our responsibility"*.

Accordingly, the Company has been equipped with a team of technically sound and highly experienced professionals for rendering best possible services to its customers. Because, we do believe Customers are first and Customers are last. Customers delight is our delight. Consequently, we have been able to earn the confidence of the clients from starting our journey excels in 1999.

Our valued clients may contact for complains and/or consultancy, specially in connection of Risk Assessment, Economic price of Insurance, Re-Insurance & Claims payment status to the concern department of the Company's Head Office. Company provides its clients with technical assistance, consultancy and advice free of cost whenever called for. Any query and consultancy in respect of insurance service shall be addressed with due respect and pleasure.



## Market Share

Nitol Insurance Company Limited enhancing the market shares of Insurance Business in the Country day by day. The high profile management team of the Company has been taken proper attention in time with professional manner and the Company's performance has been increased in respect of business collection. We have maintained the growth rate of our business for last five years with our discipline and talented services. The gross premium income of private non-life insurance companies around the country stood at Tk. 44,020 million in 2020 compared to Tk. 47,188 million in 2019 and average growth rate of insurance business in the country was almost -6.71%.

We have been increasing our Market Share of Insurance Business in the country slowly. In the year 2020 we have contributed 1.55% business in the total market of Bangladesh private non-life insurance business and it is expecting that next year it will be increased accordingly. A chart of our market share position in comparison of the total market of Bangladesh Non-Life Insurance Business is shown below:

Amount in million			
Year	Private Non-life Insurance business (BDT)	NICL's Business (BDT)	% of our Company's share in the country
2008	11,164	143.52	1.27
2009	12,284	215.28	1.75
2010	14,883	336.53	2.26
2011	17,274	348.12	2.02
2012	19,263	294.61	1.53
2013	22,947	425.99	1.85
2014	22,679	604.56	2.67
2015	23,908	608.32	2.54
2016	25,477	613.87	2.41
2017	29,814	671.94	2.25
2018	33,820	722.23	2.14
2019	47,188	730.37	1.55
2020	44,020	682.73	1.55

## Report on Audit Committee

The Audit Committee of the Nitol Insurance Company Limited constituted by the four Directors of the Board of Directors. The Board authorizes the committee to follow up or investigate any activities within its terms of reference and accordingly recommend for reporting to the Board. The Audit Committee looks after the Financial Statements reflect true and fair view of the state of affairs and ensuring a good monitoring system within the business of the company. The committee performs their responsibilities as per guidelines adopted by the Board and in compliance with the section 3.00 of the Bangladesh Securities and Exchange Commission Notification No. BSEC/CMRRC-D/2006-158/207/Admin/ 80, dated June 03, 2018 , which have mentioned in the Audit Committees functions. The Audit Committee comprises of the following members of the Board of Directors:



Mr. Md. Abdul Aziz, FCMA	Independent Director	Chairman of Audit Committee
Mr. Zobair Humayun Khandaker	Vice Chairman	Member of Audit Committee
Mr. Mahmudul Hoque Shamim	Director	Member of Audit Committee
Dr. Ranjan Kumar Mirta, FCMA	Independent Director	Member of Audit Committee

The Committee reviewed and examined the actions of management, in relation with the interim and annual Financial Statements before the submission to the board and confirmed that:

- The Management has published the necessary of disclosures of the Financial Statements.
- The Financial Statements of the company prepared on the assumption of going concern,
- The Financial Statements of the company are prepared in accordance with International Accounting Standard (IAS), The Insurance Act 2010 and Security and Exchange Rules 1987 etc. International Financial Reporting Standard (IFRS)
- The Management has ensured the compliance with laws and regulations of the stock exchange and follows the related laws & regulations of BSEC, the guidelines of Stock Exchanges and fulfilled the legal requirements of the company.

The Audit Committee also reviewed the function of the above areas and found that:

- The adequacy of the internal control and risk management undertaken by the company through the appropriate Management Information are present.
- The company's system of internal control and its reporting process are in place towards creation of a compliance culture in the Insurance.
- The Management is handling the operation and the financial activities of the company as per guidelines of the IDRA and with the advice of the Board.
- The related party transaction of the company is disclosed in the Financial Statements as per (IAS 24).
- There is no such management letters/letter of internal control weakness issues by statutory auditors.

The above matters are important recommendations for the improvement of the company and therefore duly noted.

Mr. Md. Abdul Aziz, FCMA  
Chairman of Audit Committee

# Independent Auditors' Report to the Shareholders of Nitol Insurance Company Limited

## Report on the Audit of the Financial Statements

### Opinion

We have audited the financial statements of Nitol Insurance Company Limited (the "Company"), which comprise the Statement of Financial Position (Balance Sheet) as at December 31, 2020, the Statement of Profit or Loss and Other Comprehensive Income (Profit and Loss Accounts), Profit and Loss Appropriation Account, related Revenue Accounts, Statement of Changes in Equity and Statement of Cash Flows for the year ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the company as at 31 December 2020, and of its financial performance and its cash flows for the year 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), Bangladesh Securities and Exchange Commission (BSEC) and we have fulfilled our other ethical responsibilities in accordance with the IESBA Code and the Institute of Chartered Accountants of Bangladesh (ICAB) Bye Laws. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated and separate financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Risk	Our response to the risk
<b>Premium Income</b>	
<p>Gross premium income comprises the total premium received for the whole period of cover provided by contracts entered into during the accounting period.</p> <p>Given the important nature, connections to other items to the financial statements and sensitivity of the item we believe this area pose high level of risk.</p> <p>At the year end 2020, the total gross premium income of BDT 682,728,676 (2019: BDT 730,372,687)</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>▶ Assessed 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 re-insurance was done and whether that re-insurance premium was deducted from the gross premium.</li> <li>▶ Applying specialist judgments 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>
See Consolidated Revenue Account to the financial statements	

<b>Deferred Tax Liability</b>	
<p>Significant judgment is required in relation to deferred tax liability as their liability is dependent on forecasts of future profitability over a number of years.</p> <p>At the year end 2020, the reported total balance under the head of Deferred tax liability was BDT 25,741,547 (2019: BDT 18,085,584)</p>	<p>Our audit procedures to assess the carrying value of Deferred Tax liability included the following:</p> <ul style="list-style-type: none"> <li>▶ We obtained an understanding, evaluated the design and tested the operational effectiveness of the Company's key controls over the recognition and measurement of Deferred Tax Assets and Liabilities and the assumptions used in estimating the future taxable expense of the company.</li> <li>▶ We also assessed the completeness and accuracy of the data used for the estimations of future taxable expense.</li> <li>▶ We tested the mathematical accuracy in calculation of deferred tax.</li> <li>▶ We evaluated the reasonableness of key assumptions, timing of reversal of temporary differences and expiration of tax loss carry forwards, recognition and measurement of Deferred Tax Liability.</li> <li>▶ We obtained an understanding, evaluated the design and tested the operational effectiveness of the Company's key controls over the recognition and measurement of Deferred Tax Assets and Liabilities and the assumptions used in estimating the future taxable expense of the company.</li> <li>▶ We also assessed the completeness and accuracy of the data used for the estimations of future taxable expense.</li> <li>▶ We tested the mathematical accuracy in calculation of deferred tax.</li> <li>▶ We evaluated the reasonableness of key assumptions, timing of reversal of</li> </ul>
See note no. 12.00 to the financial statements	



<b>Estimated liability in respect of outstanding claims whether due or intimated and claim payment</b>	
<p>This account represents the claim due or intimated from the insured and involves significant management judgments and risk of understatement. In extreme scenario this item may have going concern implications for the company.</p> <p>At the year end 2020, the reported total balance under the head of estimated liability in respect of outstanding claims weather due or intimated and claim payment of BDT 30,503,800 (2019: BDT 44,289,255)</p>	<p>We tested the design and operating effectiveness of controls around the due and intimated claim recording process. 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> <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>
<p>See note no. 9.00 to the financial statements</p>	

### Other Information

Management is responsible for the other information. The other information comprises all of the information in the Annual Report but does not include the financial statements and our auditor's report thereon. The directors are responsible for the other information.

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

In connection with our audit of the financial statements, our responsibility is to read the other information 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. When we read the annual report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance of the company.

### 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 the audit in accordance with ISAs, we exercise professional judgments and maintain professional skepticism throughout the audit. We also:

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

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

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the company's financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditors' 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 and 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 Revenue Accounts and Profit or Loss Accounts 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 commission in any form to any persons outside Bangladesh in respect of its any business re-insured abroad;
- f) The Statement of Financial Position (Balance Sheet), Statement of Profit or Loss and Other Comprehensive Income (Profit and Loss Account), Profit and Loss Appropriation Account, related Revenue Accounts, Statement of Changes in Equity and Statement of Cash Flows of the Company 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.



Md. Abdus Satter Sarkar, FCA (1522)  
Mahfel Huq & Co.  
Chartered Accountants  
firm Registration No. P-46323  
DVC: 2104291522AS175798

Dhaka, 18 April 2021

## Nitol Insurance Company Limited

### Statement of Financial Position (Balance Sheet)

As at 31 December 2020

Particulars	Notes	Amount in Taka		
		2020	2019	2018
<b>Shareholder's Equity</b>		<b>1,094,971,813</b>	<b>1,040,943,970</b>	<b>971,712,559</b>
Issued, Subscribed and Paid-up Capital	4.00	402,076,390	402,076,390	402,076,390
<b>Reserve &amp; Contingency Accounts</b>	5.00	<b>692,895,423</b>	<b>638,867,580</b>	<b>569,636,169</b>
Reserve for Exceptional Losses	5.01	543,492,087	475,219,220	402,181,952
General Reserve	5.02	9,730,000	9,530,000	9,330,000
Retained Earnings	5.03	63,644,681	74,153,466	74,032,939
Revaluation reserve	5.04	76,028,655	79,964,894	84,091,278
<b>Liabilities &amp; Provision</b>		<b>757,511,621</b>	<b>699,324,708</b>	<b>614,190,473</b>
Balance of Funds & Account	6.00	194,445,657	214,148,609	227,371,312
Fire Insurance Business		11,184,744	10,964,444	10,904,609
Marine Insurance Business		57,166,180	52,480,571	76,505,455
Motor Insurance Business		122,890,528	144,693,978	137,707,003
Miscellaneous Insurance Business		3,204,205	6,009,616	2,254,245
Premium Deposit	7.00	69,159,549	70,505,705	22,138,931
Estimated liability in respect of outstanding claims, whether due or intimated	9.00	30,503,800	44,289,255	45,385,411
Amount due to other persons or bodies carrying on Insurance Business	10.00	129,599,034	71,059,628	68,905,498
Sundry Creditors	11.00	333,803,581	299,321,511	250,389,321
<b>Deferred Tax Liability</b>	12.00	<b>25,741,547</b>	<b>18,085,584</b>	<b>6,457,841</b>
		<b><u>1,878,224,981</u></b>	<b><u>1,758,354,262</u></b>	<b><u>1,592,360,873</u></b>
<b>NET ASSETS VALUE PER SHARE</b>	31.00	<b>27.23</b>	<b>25.89</b>	<b>24.17</b>

\* The accounting policies and other notes from 1 to 35 form an integral part of these Financial Statements.

  
**Md. Shakhawat Hossain**  
Company Secretary

  
**Md. Altaf Hossain**  
Chief Financial Officer

  
**S. M. Mahbubul Karim**  
Chief Executive Officer

Signed in terms of our separate report of even date annexed


**Dhaka, 18 April 2021**

Particulars	Notes	Amount in Taka		
		2020	2019	2018
<b>Non-Current Assets</b>		<b>280,266,275</b>	<b>291,609,962</b>	<b>311,576,434</b>
Property, Plant & Equipment	19.00	251,678,729	263,274,420	282,729,452
<b>Investment</b>	13.00	<b>28,587,546</b>	<b>28,335,542</b>	<b>28,846,982</b>
Bangladesh Govt. Treasury Bond		25,000,000	25,000,000	25,000,000
Investment in Shares	13.01	3,587,546	3,335,542	3,846,982
<b>Current Assets</b>		<b>1,597,958,706</b>	<b>1,466,744,300</b>	<b>1,280,784,439</b>
Inventories		2,885,628	2,194,846	1,789,616
Stock of Printing		465,060	505,920	426,850
Insurance Stamps		2,420,568	1,688,926	1,362,766
Advance against Office Space	14.00	239,220,170	114,880,350	114,880,350
Sundry Debtors	17.00	376,701,050	328,271,386	274,344,635
Interest receivable	15.00	27,331,479	34,993,768	31,275,159
Amount due from other persons or bodies carrying on insurance business	16.00	18,629,296	9,466,813	20,201,071
<b>Cash &amp; Cash Equivalents</b>	18.00	<b>933,191,083</b>	<b>976,937,137</b>	<b>838,293,608</b>
Fixed Deposit with Banks	18.01	895,000,000	949,200,000	818,700,000
Cash at Bank		37,645,744	27,298,457	19,316,869
Cash in Hand		545,339	438,680	276,739
		<b>1,878,224,981</b>	<b>1,758,354,262</b>	<b>1,592,360,873</b>

  
**Mahmudul Hoque Shamim**  
Director

  
**Zebair Humayun Khandaker**  
Vice Chairman

  
**A K M Monirul Hoque**  
Chairman

  
Md. Abdus Satter Sarkar, FCA (1522)  
Mahfel Huq & Co.  
Chartered Accountants  
Firm Registration No. P-46323  
DVC: 2104291522AS175798

## Nitol Insurance Company Limited

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

For the year ended 31 December 2020

Particulars	Notes	Amount in Taka		
		2020	2019	2018
<b>Expenses of Management: (Not applicable particular Fund or Account)</b>		<b>27,408,058</b>	<b>30,017,364</b>	<b>28,816,966</b>
Audit fees		172,500	138,000	146,000
Advertisement and Publicity		4,355,232	4,583,289	3,881,304
Subscription and Donation		2,588,279	2,963,916	1,214,662
Legal & Professional Fees		556,243	869,031	1,062,473
Depreciation Expenses	19.00	19,386,204	20,439,688	21,728,913
Director Fees		349,600	512,000	365,000
Unrealised loss on Investment in Shares		-	511,440	418,614
Balance for the year carried to Profit and Loss Appropriation Account		157,779,448	183,335,956	156,114,027
		<b>185,187,506</b>	<b>213,353,320</b>	<b>184,930,993</b>

## Profit and Loss Appropriation Account


For the Year Ended 31 December, 2020

Particulars	Notes	Amount in Taka		
		2020	2019	2018
Provision for Current Tax	11.01	35,784,183	42,165,341	38,300,785
Deferred Tax Expenses/(Income)	12.00	7,655,963	11,627,743	(1,180,990)
Reserve for Exceptional Losses	20.00	68,272,867	73,037,268	56,479,102
General Reserve	5.02	200,000	200,000	200,000
Dividend Paid	8.00	60,311,459	60,311,459	49,377,800
Balance transferred to statement of Financial Position		59,708,442	70,027,084	69,693,622
		<b>231,932,914</b>	<b>257,368,895</b>	<b>212,870,319</b>
<b>Earning Per Share (EPS) After Tax</b>	24.00	<b>2.84</b>	<b>3.22</b>	<b>2.96</b>
<b>Re-stated EPS (After Tax)</b>		<b>-</b>	<b>3.22</b>	<b>2.96</b>
<b>Weighted Average No. of Outstanding Share</b>		<b>40,207,639</b>	<b>40,207,639</b>	<b>40,207,639</b>

\* The accounting policies and other notes from 1 to 35 form an integral part of these Financial Statements.

  
Md. Shakhawat Hossain  
Company Secretary

  
Md. Altaf Hossain  
Chief Financial Officer

  
S. M. Mahbubul Karim  
Chief Executive Officer

Signed in terms of our separate report of even date annexed

Dated: Dhaka, 18 April 2021


Particulars	Notes	Amount in Taka		
		2020	2019	2018
<b>Operating Profit/(Loss) Transferred from:</b>		<b>105,150,108</b>	<b>135,710,213</b>	<b>123,258,528</b>
Fire Ins. Revenue Account		17,535	18,440,270	18,255,158
Marine Ins. Revenue Account		78,224,946	114,422,565	95,273,587
Motor Ins. Revenue Account		21,916,340	135,280	3,585,273
Miscellaneous Ins. Revenue Account		4,991,287	2,712,098	6,144,510
<b>Non Operating Income</b>		<b>80,037,398</b>	<b>77,643,107</b>	<b>61,672,465</b>
Interest received & accrued	26.00	74,938,384	74,521,402	57,820,024
Dividend & Shares Income	27.00	1,377,371	1,386,105	1,390,308
Unrealised gain on Investment in Shares		252,004	-	-
Office Space Rent	28.00	1,644,285	1,732,200	1,732,200
Others Income	29.00	1,825,354	3,400	729,933
		<b>185,187,506</b>	<b>213,353,320</b>	<b>184,930,993</b>

Particulars	Notes	Amount in Taka		
		2020	2019	2018
Opening Balance of Profit and Loss Appropriation Account		74,153,466	74,032,939	56,756,292
<b>Profit for the year brought down</b>		<b>157,779,448</b>	<b>183,335,956</b>	<b>156,114,027</b>
		<b>231,932,914</b>	<b>257,368,895</b>	<b>212,870,319</b>

  
**Mahmudul Hoque Shamim**  
Director

  
**Zohair Humayun Khan**  
Vice Chairman

  
**A K M Monirul Hoque**  
Chairman

  
Md. Abdus Satter Sarkar, FCA (1522)  
Mahfel Huq & Co.  
Chartered Accountants  
Firm Registration No. P-46323  
DVC: 2104291522AS175798

## Nitol Insurance Company Limited

### Consolidated Revenue Account

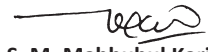
For the year ended 31 December 2020

Particulars	Notes	Amount in Taka		
		2020	2019	2018
<b>Claims under Policies, Less Re-insurance</b>		<b>189,843,342</b>	<b>212,740,047</b>	<b>236,439,071</b>
Claims paid during the year		203,628,797	213,836,203	227,278,538
Outstanding Claims at the year end		30,503,800	44,289,255	45,385,411
Less: Outstanding claims at the end of the previous year		(44,289,255)	(45,385,411)	(36,224,878)
Agent Commission		93,140,884	98,055,845	98,306,985
Expenses of Management	21.00	151,984,208	151,189,661	144,024,707
Profit/(Loss) transferred to Statement of Profit or Loss and Other Comprehensive Income (Profit and Loss Account)		105,150,108	135,710,213	123,258,528
<b>Balance of account at the end of the year as shown in the Statement of Financial Position: Reserve for Unexpired Risks being 100% on Hull &amp; 40% on all other Premium Income of the year</b>		<b>194,445,657</b>	<b>214,148,609</b>	<b>227,371,312</b>
		<b>734,564,199</b>	<b>811,844,375</b>	<b>829,400,603</b>

\* The accounting policies and other notes from 1 to 35 form an integral part of these Financial Statements.

  
Md. Shakhawat Hossain  
Company Secretary

  
Md. Altaf Hossain  
Chief Financial Officer


  
S. M. Mahbubul Karim  
Chief Executive Officer

Signed in terms of our separate report of even date annexed  
Dhaka, 18 April 2021



Particulars	Notes	Amount in Taka		
		2020	2019	2018
<b>Balance of Funds &amp; Account at the beginning of the year</b>	6.00	214,148,609	227,371,312	219,655,329
Premium Less Re-insurance		477,218,866	532,675,671	564,791,024
Commission on Re-insurance Ceded		52,556,062	44,011,234	36,702,576
Profit Commission		(9,359,338)	7,786,158	8,251,674
		<b>734,564,199</b>	<b>811,844,375</b>	<b>829,400,603</b>

  
**Mahmudul Hoque Shamim**  
Director

  
**Zobair Humayun Khandaker**  
Vice Chairman

  
**A K M Monirul Hoque**  
Chairman

  
Md. Abdus Satter Sarkar, FCA (1522)  
Mahfel Huq & Co.  
Chartered Accountants  
firm Registration No. P-46323  
DVC: 2104291522AS175798

## Nitol Insurance Company Limited

### Fire Insurance Revenue Account


For the Year Ended 31 December 2020

Particulars	Notes	Amount in Taka		
		2020	2019	2018
<b>Claims under Policies, Less Re-insurance</b>		<b>(1,407,252)</b>	<b>(1,823,319)</b>	<b>1,343,356</b>
Claims paid during the year		3,486,523	(9,315,150)	901,747
Outstanding Claims at the year end		6,798,382	11,692,157	4,200,326
Less :Outstanding claims at the end of the previous year		(11,692,157)	(4,200,326)	(3,758,717)
Agent Commission		18,841,086	14,416,993	11,852,634
Expenses of Management	21.00	30,468,108	22,157,967	17,370,086
Profit/(Loss) transferred to Statement of Profit or Loss and Other Comprehensive Income (Profit and Loss Account)		17,535	18,440,270	18,255,158
<b>Balance of account at the end of the year as shown in the Statement of Financial Position: Reserve for Unexpired Risks being 40% of Premium Income of the year</b>		<b>11,184,744</b>	<b>10,964,444</b>	<b>10,904,609</b>
		<b>59,104,221</b>	<b>64,156,355</b>	<b>59,725,843</b>

\* The accounting policies and other notes from 1 to 35 form an integral part of these Financial Statements.

  
Md. Shakhawat Hossain  
Company Secretary

  
Md. Altaf Hossain  
Chief Financial Officer

  
S. M. Mahbulul Karim  
Chief Executive Officer

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Dhaka, 18 April 2021

Particulars	Notes	Amount in Taka		
		2020	2019	2018
<b>Balance of Funds &amp; Account at the beginning of the year</b>	6.00	10,964,444	10,904,609	9,983,720
Premium Less Re-insurance		27,961,860	27,411,109	27,261,522
Commission on Re-insurance Ceded		32,113,959	21,846,338	16,197,983
Profit Commission		(11,936,042)	3,994,299	6,282,618
		<b>59,104,221</b>	<b>64,156,355</b>	<b>59,725,843</b>




**Mahmudul Hoque Shamim**  
Director



**Zobair Humayun Khandaker**  
Vice Chairman



**A K M Monirul Hoque**  
Chairman



Md. Abdus Satter Sarkar, FCA (1522)  
Mahfel Huq & Co.  
Chartered Accountants  
firm Registration No. P-46323  
DVC: 2104291522AS175798


Nitol Insurance Company Limited  
Marine Insurance Revenue Account  
For the Year Ended 31 December 2020

Particulars	Notes	Amount in Taka		
		2020	2019	2018
<b>Claims under Policies, Less Re-insurance</b>		<b>3,490,322</b>	<b>(3,919,543)</b>	<b>8,579,522</b>
Claims paid during the year		6,205,620	(1,173,611)	14,566,654
Outstanding Claims at the year end		838,081	3,553,379	6,299,311
Less :Outstanding claims at the end of the previous year		(3,553,379)	(6,299,311)	(12,286,443)
Agent Commission		25,081,957	24,000,703	32,953,725
Expenses of Management	21.00	41,132,359	36,778,419	47,356,798
Profit/(Loss) transferred to Statement of Profit or Loss and Other Comprehensive Income (Profit and Loss Account)		78,224,946	114,422,565	95,273,587
<b>Balance of account at the end of the year as shown in the Statement of Financial Position: Reserve for Unexpired Risks being 100% on Hull &amp; 40% on Cargo</b>				
Premium Income of the year		57,166,180	52,480,571	76,505,455
		<b>205,095,764</b>	<b>223,762,715</b>	<b>260,669,087</b>

\* The accounting policies and other notes from 1 to 35 form an integral part of these Financial Statements.

  
Md. Shakhawat Hossain  
Company Secretary

  
Md. Altaf Hossain  
Chief Financial Officer

  
S. M. Mahbubul Karim  
Chief Executive Officer



Signed in terms of our separate report of even date annexed

Dhaka, 18 April 2021

Particulars	Notes	Amount in Taka		
		2020	2019	2018
<b>Balance of Funds &amp; Account at the beginning of the year</b>	6.00	52,480,571	76,505,455	57,005,431
Premium Less Re-insurance		134,020,174	128,505,579	187,626,382
Commission on Re-insurance Ceded		16,516,056	15,285,504	14,369,327
Profit Commission		2,078,963	3,466,177	1,667,947
		<u><u>205,095,764</u></u>	<u><u>223,762,715</u></u>	<u><u>260,669,087</u></u>

  
**Mahmudul Hoque Shamim**  
Director

  
**Zebair Humayun Khandaker**  
Vice Chairman

  
**A K M Monirul Hoque**  
Chairman  
  
Md. Abdus Satter Sarkar, FCA (1522)  
Mahfel Huq & Co.  
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firm Registration No. P-46323  
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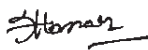
## Nitol Insurance Company Limited

### Motor Insurance Revenue Account

For the Year Ended 31 December 2020

Particulars	Notes	Amount in Taka		
		2020	2019	2018
<b>Claims under Policies, Less Re-insurance</b>		<b>185,731,317</b>	<b>218,143,024</b>	<b>226,344,330</b>
Claims paid during the year		192,173,980	224,268,798	211,638,274
Outstanding Claims at the year end		22,317,337	28,760,000	34,885,774
Less: Outstanding claims at the end of the previous year		(28,760,000)	(34,885,774)	(20,179,718)
Agent Commission		46,729,711	54,761,734	52,224,566
Expenses of Management	21.00	74,716,097	81,953,403	74,517,165
Profit/(Loss) transferred to Statement of Profit or Loss and Other Comprehensive Income (Profit and Loss Account)		21,916,340	135,280	3,585,273
<b>Balance of account at the end of the year as shown in the Statement of Financial Position:</b>				
Reserve for Unexpired Risks being 40% of Premium Income of the year		122,890,528	144,693,978	137,707,003
		<b>451,983,993</b>	<b>499,687,419</b>	<b>494,378,337</b>

\* The accounting policies and other notes from 1 to 35 form an integral part of these Financial Statements.



**Md. Shakhawat Hossain**  
Company Secretary



**Md. Altaf Hossain**  
Chief Financial Officer



**S. M. Mahbulul Karim**  
Chief Executive Officer

Signed in terms of our separate report of even date annexed

Dhaka, 18 April 2021

Particulars	Notes	Amount in Taka		
		2020	2019	2018
<b>Balance of Funds &amp; Account at the beginning of the year</b>	6.00	144,693,978	137,707,003	150,110,830
Premium Less Re-insurance		307,226,320	361,734,944	344,267,507
Commission on Re-insurance Ceded		63,695	245,472	-
		<u>451,983,993</u>	<u>499,687,419</u>	<u>494,378,337</u>



**Mahmudul Hoque Shamim**  
Director



**Zobair Humayun Khândaker**  
Vice Chairman



**A K M Monirul Hoque**  
Chairman



Md. Abdus Satter Sarkar, FCA (1522)  
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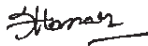
## Nitol Insurance Company Limited

### Miscellaneous Insurance Revenue Account

For the Year Ended 31 December 2020

Particulars	Notes	Amount in Taka		
		2020	2019	2018
<b>Claims under Policies, Less Re-insurance</b>		<b>2,028,955</b>	<b>339,885</b>	<b>171,863</b>
Claims paid during the year		1,762,674	56,166	171,863
Outstanding Claims at the year end		550,000	283,719	-
Less: Outstanding claims at the end of the previous year		(283,719)	-	-
Agent Commission		2,488,130	4,876,415	1,276,060
Expenses of Management	21.00	5,667,644	10,299,872	4,780,658
Profit/(Loss) transferred to Statement of Profit or Loss and Other Comprehensive Income (Profit and Loss Account)		4,991,287	2,712,098	6,144,510
<b>Balance of account at the end of the year as shown in the Statement of Financial Position: Reserve for Unexpired Risks being 40% of Premium Income of the year</b>		<b>3,204,205</b>	<b>6,009,616</b>	<b>2,254,245</b>
		<b>18,380,221</b>	<b>24,237,886</b>	<b>14,627,336</b>

\* The accounting policies and other notes from 1 to 35 form an integral part of these Financial Statements.



**Md. Shakhawat Hossain**  
Company Secretary



**Md. Altaf Hossain**  
Chief Financial Officer



**S. M. Mahbubul Karim**  
Chief Executive Officer

Signed in terms of our separate report of even date annexed

**Dhaka, 18 April 2021**



Particulars	Notes	Amount in Taka		
		2020	2019	2018
<b>Balance of Funds &amp; Account at the beginning of the year</b>	6.00	<b>6,009,616</b>	<b>2,254,245</b>	<b>2,555,348</b>
Premium Less Re-insurance		8,010,512	15,024,039	5,635,613
Commission on Re-insurance Ceded		3,862,352	6,633,920	6,135,266
Profit Commission		497,741	325,682	301,109
		<b>18,380,221</b>	<b>24,237,886</b>	<b>14,627,336</b>



**Mahmudul Hoque Shamim**  
Director



**Zobair Humayun Khandaker**  
Vice Chairman



**A K M Monirul Hoque**  
Chairman



Md. Abdus Satter Sarkar, FCA (1522)  
Mahfel Huq & Co.  
Chartered Accountants  
firm Registration No. P-46323  
DVC: 2104291522AS175798

## Nitol Insurance Company Limited

### Statement of Changes in Equity

For the Year Ended 31 December 2020

Amount in Taka

Particulars	Share Capital	General Reserve	Reserve for Exceptional Losses	Revaluation Reserve	Retained Earnings	Total
Balance at 01 January 2020	402,076,390	9,530,000	475,219,220	79,964,894	74,153,466	1,040,943,970
Cash Dividend Paid for the year 2019	-	-	-	-	(60,311,459)	(60,311,459)
Net Profit after Tax	-	-	-	-	114,339,302	114,339,302
Appropriation made during the year	-	200,000	68,272,867	-	(68,472,867)	-
Depreciation on Revaluation Reserve	-	-	-	(3,936,239)	3,936,239	-
<b>Balance at 31 December 2020</b>	<b>402,076,390</b>	<b>9,730,000</b>	<b>543,492,087</b>	<b>76,028,655</b>	<b>63,644,681</b>	<b>1,094,971,813</b>


#### For the Year Ended 31 December 2019

Particulars	Share Capital	General Reserve	Reserve for Exceptional Losses	Revaluation Reserve	Retained Earnings	Total
Balance at 01 January 2019	402,076,390	9,330,000	402,181,952	84,091,278	74,032,939	971,712,559
Cash Dividend Paid for the year 2018	-	-	-	-	(60,311,459)	(60,311,459)
Net Profit after Tax	-	-	-	-	129,542,870	129,542,870
Appropriation made during the year	-	200,000	73,037,268	-	(73,237,268)	-
Revaluation Reserve	-	-	-	(4,126,384)	4,126,384	-
<b>Balance at 31 December 2019</b>	<b>402,076,390</b>	<b>9,530,000</b>	<b>475,219,220</b>	<b>79,964,894</b>	<b>74,153,466</b>	<b>1,040,943,970</b>

#### For the Year Ended 31 December 2018

Particulars	Share Capital	General Reserve	Reserve for Exceptional Losses	Revaluation Reserve	Retained Earnings	Total
Balance at 01 January 2018	352,698,590	9,130,000	345,702,850	88,430,595	56,756,292	852,718,327
Issuance of Bonus Share	49,377,800	-	-	-	(49,377,800)	-
Net Profit after Tax	-	-	-	-	118,994,232	118,994,232
Appropriation made during the year	-	200,000	56,479,102	-	(56,679,102)	-
Revaluation Reserve	-	-	-	(4,339,317)	4,339,317	-
<b>Balance at 31 December 2018</b>	<b>402,076,390</b>	<b>9,330,000</b>	<b>402,181,952</b>	<b>84,091,278</b>	<b>74,032,939</b>	<b>971,712,559</b>

\* The accounting policies and other notes from 1 to 35 form an integral part of these Financial Statements.

  
**Md. Shakawat Hossain**  
Company Secretary


  
**Mahmudul Hoque Shamim**  
Director

  
**Md. Altaf Hossain**  
Chief Financial Officer

  
**Zobair Humayun Khandaker**  
Vice Chairman

  
**S. M. Mahbulul Karim**  
Chief Executive Officer

  
**A K M Monirul Hoque**  
Chairman

  
**Md. Abdus Satter Sarkar**, FCA (1522)  
Chartered Accountants  
Firm Registration No. P-46323  
DVC: 210429132A5175798

Signed in terms of our separate report of even date annexed  
**Dhaka, 18 April 2021**

# Nitol Insurance Company Limited

## Statement of Cash Flows


For the Year Ended 31 December 2020

Particulars	Amount in Taka		
	2020	2019	2018
<b>A) Cash flows from Operating Activities:</b>			
Cash receipts from Premium and Others Income	610,542,237	700,553,260	627,357,402
Cash payment for Management Exp., Re-Insurance, Claim & Other Exp.	(507,713,877)	(527,643,913)	(463,966,310)
Income Tax Paid	(54,170,461)	(46,894,201)	(33,167,087)
<b>Net cash inflow from operating activities</b>	<b>48,657,899</b>	<b>126,015,146</b>	<b>130,224,005</b>
<b>B) Cash flows from Investing activities:</b>			
Interest, Dividend and Rent Received	87,856,472	73,924,498	49,265,749
Advance and Prepayment	(118,690,808)	-	(926,439)
Investment in Fixed Deposit	54,200,000	(130,500,000)	(183,700,000)
Changes in Fixed Assets	(7,790,513)	(984,656)	(8,734,726)
<b>Net Cash used by investing activities</b>	<b>15,575,151</b>	<b>(57,560,158)</b>	<b>(144,095,416)</b>
<b>C) Cash flows from Financing Activities:</b>			
Cash dividend paid	(53,779,104)	(60,311,459)	-
<b>Net cash used by financing activities</b>	<b>(53,779,104)</b>	<b>(60,311,459)</b>	<b>-</b>
<b>D) Net inflows/(out flows) for the year (A+B+C)</b>	<b>10,453,946</b>	<b>8,143,529</b>	<b>(13,871,411)</b>
<b>E) Opening Cash &amp; Cash Equivalents</b>	<b>27,737,137</b>	<b>19,593,608</b>	<b>33,465,019</b>
<b>F) Closing cash &amp; Cash Equivalents (D+E)</b>	<b>38,191,083</b>	<b>27,737,137</b>	<b>19,593,608</b>
<b>Net Operating cash flow per share (Note-31)</b>	<b>1.21</b>	<b>3.13</b>	<b>3.24</b>


\* The accounting policies and other notes from 1 to 35 form an integral part of these Financial Statements.

  
Md. Shakhawat Hossain  
Company Secretary

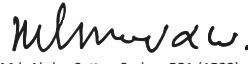
  
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Md. Abdus Satter Sarkar, FCA (1522)  
Mahfel Huq & Co.  
Chartered Accountants  
firm Registration No. P-46323  
DVC: 2104291522AS175798

Signed in terms of our separate report of even date annexed

Dhaka, 18 April 2021

# Nitol Insurance Company Limited

## Form-"AA"

### Classified Summary of Assets

As at 31 December 2020


Sl. No.	Particulars	Amount in Taka		
		2020	2019	2018
<b>A</b>	<b>Non-Current Assets</b>	<b>280,266,275</b>	<b>291,609,962</b>	<b>311,576,434</b>
	Property, Plant & Equipment	251,678,729	263,274,420	282,729,452
	Investment	28,587,546	28,335,542	28,846,982
	Bangladesh Govt. Treasury Bond	25,000,000	25,000,000	25,000,000
	Investment in Shares	3,587,546	3,335,542	3,846,982
<b>B</b>	<b>Current Assets</b>	<b>1,597,958,706</b>	<b>1,466,744,300</b>	<b>1,280,784,439</b>
	Inventories	2,885,628	2,194,846	1,789,616
	Stock of Printing	465,060	505,920	426,850
	Insurance Stamps	2,420,568	1,688,926	1,362,766
	Advance against Office Space	239,220,170	114,880,350	114,880,350
	Sundry Debtors	376,701,050	328,271,386	274,344,635
	Interest receivable	27,331,479	34,993,768	31,275,159
	Amount due from Other Persons or Bodies			
	Carrying on Insurance Business	18,629,296	9,466,813	20,201,071
	Cash & Cash Equivalents	933,191,083	976,937,137	838,293,608
	Cash at Bank	37,645,744	27,298,457	19,316,869
	Fixed Deposit with Banks	895,000,000	949,200,000	818,700,000
	Cash in Hand	545,339	438,680	276,739
	<b>TOTAL ASSETS (A+B)</b>	<b>1,878,224,981</b>	<b>1,758,354,262</b>	<b>1,592,360,873</b>

Certificate under regulation 7 (a) & (b) of Part 1 of the first Schedule of the Insurance Act 1938.


Certified that the values of all assets have been reviewed, that the said assets except the shares in listed companies, have been set forth in balance sheet at amounts not exceeding their realizable of market value.

  
**Md. Shakhawat Hossain**  
Company Secretary

  
**Md. Altaf Hossain**  
Chief Financial Officer

  
**S. M. Mahbubul Karim**  
Chief Executive Officer

  
**Mahmudul Hoque Shamim**  
Director

  
**Zobair Humayun Khandaker**  
Vice Chairman

  
**A K M Monirul Hoque**  
Chairman

Signed in terms of our separate report of even date annexed

Dhaka, 18 April 2021

  
Md. Abdus Satter Sarkar, FCA (1522)  
Mahfel Hug & Co.  
Chartered Accountants  
firm Registration No. P-46323  
DVC: 2104291522AS175798

# Nitol Insurance Company Limited

## Notes to the Financial Statements

As at and for the Year Ended 31 December 2020

### **1.00 Legal status and Nature of the Company**

#### **1.01 Domicile, Legal Form, Country of Incorporation**

The Company was incorporated vide incorporation certificate number C-38743(701)/99 on 4th October 1999 as a Public Limited Company under the Companies Act, 1994 and obtained the Certificate of Commencement of business from the Registrar of Joint Stock Companies and Firms, Bangladesh with effect from the same date. However, the Registration Certificate for carrying on insurance business from the Chief Controller of Insurance, Government of Bangladesh, was obtained with effect from 18th November, 1999. The Company was listed with both Dhaka Stock Exchange Ltd. & Chittagong Stock Exchange Ltd. as a publicly traded company on 29.11.2005 and 10.10.2005 respectively.

#### **1.02 Principal Activities**

The principal object of the company is to offer all kinds of insurance other than life insurance. These insurance policies offer to compensate the policyholder's for uncertain future events which adversely affects the policyholder's interest. The consideration under the above activities is insurance premium which is the revenue of the business.

#### **1.03 Address of Registered Office and Principal Place of Business**

The registered office of the Company is at Police Plaza Concord, Tower-2 (6th Floor), Plot-2, Road-144, Gulshan-1, Dhaka-1212, Bangladesh and the address of operational head quarter is also at the said Police Plaza Concord, Tower-2 (6th Floor), Plot-2, Road-144, Gulshan-1, Dhaka-1212, Bangladesh.

### **2.00 Summary of Significant Accounting Policies and Basis of Preparation:**

#### **2.01 Basis of Accounting**

The Financial Reporting Act, 2015 (FRA) was enacted in 2015. The Financial Reporting Council (FRC) under the FRA has been formed in 2017 but the Financial Reporting Standard (FRS) under this council is yet to be issued for public interested entities such as general insurance companies. As the FRS is yet to be issued as per the provision of FRA, the financial statements have been prepared in accordance with International Financial Reporting Standards (IFRSs) and the requirements of the Insurance Act 1938 (as amended in 2010), The Insurance Rules 1958 and conformity the Companies Act 1994, The Securities and Exchange Rules 1987, the Listing rules of Dhaka stock Exchange Ltd. (DSE) and Chittagong Stock Exchange Ltd. (CSE) and other applicable laws and regulation in Bangladesh.

The financial Statements have been prepared on going concern and accrual basis under the historical cost convention

#### **2.02 Basis of Preparation**

The Statement of 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 same schedule of the Insurance Act 1938. The Revenue Account of each class of non-life insurance business is prepared in accordance with the regulations contained in PART II of the third schedule and as per form "F" set forth in PART II of that schedule of the Insurance Act, 1938 (as amended in Insurance Act 2010). The classified summary of the assets are prepared in accordance with form "AA" as set forth in PART II of the first schedule of the said Act.

#### **2.03 Branch Accounting**

The Company has 22 (Twenty Two) branches under its umbrella without having any overseas branch during the year ended 31 December 2020. The accounts of the branches are maintained and consolidated at the

head office level. Only petty cash books are being maintained at the respective branches for meeting day to day expenses.

#### **2.04 Revenue Recognition**

Revenue is recognized in accordance with International Financial Reporting Standards (IFRS-15) unless otherwise mentioned or otherwise guided by the separate IAS/IFRS or by Directives of the Regulatory Authority.

##### **Premium Income**

Premium income is recognized when insurance policies are issued. Amount received against issue of the cover notes that have not yet been converted into policy are not recognized as income. The cover notes which were previously issued are converted into insurance policy at the expiry of nine months as per circular of the Chief Controller of Insurance.

Gross underwriting business as well as re-insurance thereof and claim settled etc. have been reflected separately for each class of business and net underwriting result thereof have been reflected in the revenue accounts after due consideration of re-insurance ceded.

Necessary adjustment in respect of re-insurance ceded & accepted in Bangladesh has duly been made in the respective Revenue Account as per treaty between the company & Shadharan Bima Corporation (SBC) & foreign re-insurers.

Fifty percent of the re-insurable non-life insurance business shall be re-insured with SBC & the remaining fifty percent of such business may be re-insured either with SBC or with any other insurer whether inside or outside Bangladesh.

##### **Public Sector Business (PSB)**

As per Government decision effective from April 1990, 100% Public Sector Insurance Business is being underwritten by SBC, 50% being retained by SBC & the balance is equally distributed to 47 private sector insurance companies. The premium in respect of the Company's share of Public Sector Insurance Business (PSB) is accounted for the year in which the relevant statements of account from SBC is received. The statement of accounts for the period from July 2019 to June 2020 have been received from SBC & the Company's share of PSB for the aforesaid period has been recognized in these financial statements accordingly. Such method of account for the PSB has been consistently followed.

##### **Interest Income**

Interest on FDRs & Bangladesh Government Treasury Bond ( BGTB ) are recognized on accrual basis. Interest on STD/SND account & other income are recognized as and when the amount are credited to our account.

##### **Cash Dividend Income & Stock dividend from Investment**

Dividend income on investment in shares , if any are recognized as cash & shown in Profit & Loss Accounts. For stock dividend received by the company against its investment, number of shares increased effecting decrease in average cost of investment.

#### **2.05 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.

#### **2.06 Foreign Currency Transactions**

Transactions denominated in foreign currencies are translated into Bangladeshi Taka and recorded at rates of exchange ruling on the date of transaction in accordance with IAS 21: "The Effects of Changes in Foreign Exchange Rates".

#### **2.07 Use of Estimates and Judgments**

The preparation of the Financial Statements in Conformity with IAS-8: "Accounting policies, Changes in Accounting Estimates and Errors" requires management to make judgements, estimates and assumptions that affect the application of accounting policies and reported amounts of assets, liabilities, income and expenses. Actual result may differ from these estimates.

Estimates and underlying assumption are reviewed on an ongoing basis. Revision of accounting estimates are recognized in the period in which the estimate is revised and in any future period affected. The most significant areas where estimates and judgments have been made are on provision for outstanding claim, income tax and deferred tax.

## 2.08 Property, Plant & Equipment

### Valuation of Property, Plant & Equipment

Property, Plant & Equipment's are stated as per IAS 16 "Property, Plant & Equipment". The cost of acquisition of an assets comprises its purchase price and directly attributable cost of bringing the asset to test working condition for its intended use inclusive of inward freight, duties and non refundable taxes.

### Recognition of Property, Plant & Equipment

The Company recognizes in the carrying amount of an item of property, plant and Equipment the cost replacing part of such an item when the 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 item can be measured reliably. Normal expenditure incurred after the assets have been put into operation such as repair and maintenance other than major replacement, renewals and betterment of the assets are charged off as revenue expenditure in the period in which it is incurred.

### De-recognition of Property, Plant & Equipment

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.

### Depreciation

Property, Plant & Equipments are depreciated quarterly on reducing balance method. Depreciation has been charged in addition of Property, Plant & Equipment when it has began to use/ available for use and depreciation is charged on disposal of assets when it is retired during the year. The rates of depreciation have been shown in note 19.

### Impairment of Assets

In each year the management assess whether there is any indication that the assets may be impaired in accordance with IAS 36. "Impairment of Assets" considering the current economic situation. Management concludes that there is no such indication exists.

### Revaluation of Assets

Property , Plant & Equipment (Office spaces, Skylark point, Bijoy Nagar, Dhaka & Younusco City Centre, CDA Avenue Chittagong) have been revalued by the company as on December 31, 2014 which have been conducted by ACNABIN, Chartered Accountants in order to reflect the fair picture of the company in the present market condition on the basis of market availability and physical condition of those fixed assets and the gain for such revaluation are transferred to the revaluation reserve account as per IAS 16. "Property, Plant and Equipment"

### Intangible Assets

Intangible Assets are recorded at historical cost less accumulated amortization. These are amortized on straight line method using the rate @25%.

## 2.09 Reserve or Contingencies Accounts

### Reserve for exceptional losses

As per Para 2 of the 4th schedule of Income Tax Ordinance 1984, to meet the exceptional losses, Company sets aside 10% of the premium income of the year which it is set aside from the balance of the profit to the Reserve for exceptional losses.

### Revaluation Reserve

Revaluation surplus is transferred to revaluation reserve after restating the assets at the revalued amount.

**Provision for Unexpired Risks**

Before arriving at the surplus of each class of business, necessary provision for unexpired risk has been made @ 40% on all businesses except Marine Hull business for which 100% provision has been made.

**General Reserve**

The company creates a general reserve from the current year profit to avoid future contingency.

**2.10 Employee Benefit**

The Company offers a number of benefit plans for all permanent employees which include Contributory Provident Fund, Gratuity Scheme, Health and Group Insurance Policy which have been accounted for in accordance with the provision of International Accounting Standards (IAS)-19, "Employee's Benefit" the basis of remuneration the above benefits schemes operated by the company are outlined below:

**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 @ 10% of basic salary. The Company also makes equal contribution to the said Provident Fund. These contributions are invested separately.

**Gratuity Scheme**

The Company has introduced a funded gratuity scheme for all eligible employees who complete minimum 10 years of service with the Company. The Gratuity is calculated on the last Basic Pay and is payable at the rate of one month Basic Pay for every completed years of service. The Gratuity Trust Rules got recognized from National Board of Revenue in effect from 11.02.2018 under section 2,3 and 4 of PART-C of First Schedule of Income Tax Ordinance 1984.

**Home Loan Scheme**

To secure long term commitment of deserving employees, Nitol Insurance Company Limited. has introduced Employees Home Loan Policy. An employee in service with the company for a continuous period of eight years is entitled to avail the loan to purchase residential apartment, land and construction of house thereon.

**Car Loan Scheme**

To provide transport facility to employees, the company introduced Employees Car Loan Policy. An employee served in the company for a continuous period of two years six months is entitled to avail the loan to purchase car.

**Insurance Policy**

The permanent employees of the Company are covered under a Personal Accident Scheme, a Group Insurance Scheme etc. premium for which has been charged as Management Expenses.

**2.11 Management Expenses**

Management expenses have been allocated to the respective business on the basis of proportionate gross premium earned.

**2.12 Cash and Cash Equivalents**

According to IAS 7 "Statement of Cash Flows" cash comprises cash in hand, demand deposits, cash equivalents on short term, highly liquid investments that are readily convertible to know amounts of cash and those which are subject to an insignificant risk of changes in value. Cash and cash equivalents are not restricted in use and accordingly cash in hand and bank balances have been considered as cash and cash equivalents. The company does not held any foreign currency in cash and cash equivalents during the period.

**2.13 Debtors and other Receivables**

These are carried at bill amount, unsecured and considered good and collectible.

**2.14 Inventories (Stock of Stationery, Forms and Insurance Stamp)**

Inventories has been valued as per IAS 2 "Inventories" which has been held for use to provide insurance



service. Inventories include stock of stationery, forms and insurance stamp which have no realisable value but bearing cost value and have are bought for giving services to client.

#### 2.15 Provision for Income Tax

The Company has made the income tax provision on the basis of IAS 12 "Income Taxes" and Income Tax Ordinance, 1984 as amended from time to time. Provision for income tax represents the sum of the current tax on profit and defer red tax.

##### Provision for Current Tax

The tax currently payable is based on taxable profits for the year. Taxable profit differs from profit as reported in the profit & loss account because it excludes items of income or expenses that are taxable or deductible in succeeding years & it further excludes items that are never taxable or deductible. The Company's liability for the current tax is calculated using tax rates that have been effective on the balance sheet date.

##### Deferred Taxes

Deferred tax is recognized on differences between the carrying amount of assets & liabilities in the financial statements & the corresponding tax bases used in the computation of taxable profit & are accounted for using the financial position liability method. Deferred tax liabilities are generally recognized for all taxable temporary differences. 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 utilised. Adequate provision has been made for deferred tax as reported in the Statement of Profit and Loss Appropriation Account.

#### 2.16 Creditors & Accruals

Liabilities are recognized for amounts to be paid in the future for products and services received, whether or not billed by the suppliers.

#### 2.17 Investments

Investments are initially recognized at cost, including acquisition charge associate with the investment.

##### Bangladesh Govt. Treasury Bond

Bangladesh Govt. Treasury Bond are classified as held to maturity. Any gain or loss on such investment is recognized in the Statement of Profit or Loss and Other Comprehensive Income when the investments are derecognized as per IAS 39 and IFRS 9

##### Investment in Listed Shares and Securities

These securities are bought and held primarily for the purpose of selling them in future or hold for dividend income. These are reported at fair value. Unrealized gain/(loss) are recognized as per IFRS 9 "Financial Instruments."

##### Investment in Unquoted Shares and Securities

Investment in Unquoted Shares and Securities is reported at cost under cost method.

#### 2.18 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 face of the Statement of Profit or Loss and Other Comprehensive Income.

#### 2.19 Basic Earnings Per Share

This has been calculated by dividing the basic earnings by the weighted average of ordinary shares outstanding during the year. In accordance with IAS 33 "Earnings per Share" which has been shown on the face of Statement of Profit or Loss and Other Comprehensive Income.

#### 2.20 Basic Earnings

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

**2.21 Diluted earning per share**

Diluted EPS is calculated for any commitment of issuance of equity share which are assumed to be issued under securities or contract that entitle their holders to obtain ordinary shares in foreseeable future.

There was no such commitment during the year and hence no diluted EPS is required to be calculated.

**2.22 Related Party Disclosure**

As per IAS 24, Related 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 normal course of business are conducted in an arm's length basis at commercial rates on the same terms and conditions as applicable to the valued client. Related party disclosure have been given in note 33 & 34.

**2.23 Statement of Cash Flows**

Cash Flow Statements is prepared principally in accordance with IAS 7 "Statement of Cash Flows" and the cash flow from the operating activities has been presented under direct method as prescribed by the Securities and Exchange Rules 1987. The company has recognised the effect of change in foreign currency exchange rates on cash and cash equivalent which are held or due in foreign currency in separate line of Statement of Cash Flows as per paragraph 28 of IAS 7.

A reconciliation of net income or net profit with cash flows from operating activities making adjustment for non- cash items, non-operating items and net changes in operating accruals are disclosed in the note no 31.

The Covid-19 induced economic crisis has affected the business of Bangladesh by large margins. The economic crisis has been exacerbated by the closure or limited operation of businesses during the lockdown since March 2020. The company boosted up online business during this pandemics period to maintain consistent cash flows, but still the operating cash flows has fallen down by 61.34 percentage in 2020 from 2019.

**2.24 Segment Information**

Nitol Insurance Co. Ltd. essentially provides all kinds of non-life insurance services to the customers across the country which have different risk profile and returns and are different from those of other business segments. The company accounts for segment reporting of operating result of four primary business segment namely Fire, Marine, Motor and Miscellaneous as per IFRS 8 .

**2.25 Date of Financial Statements Authorized for Issue:**

Financial Statements of the Company for the year ended December 31, 2020 were authorized for issue on April 18, 2021 in accordance with a resolution of the Board of Directors of the Company.

**2.26 Events after the balance sheet date:**

There is no material adjusting or non adjusting events after the balance sheet date.

## 2.27 Compliance with Financial Reporting Standards as applicable in Bangladesh

The Institute of Chartered Accountants of Bangladesh (ICAB) is the sole authority for adoption of International Accounting Standards (IASs) and International Financial Reporting Standards (IFRSs). While reporting the financial statements, the company applied all the applicable IASs and IFRSs as adopted by ICAB. Details are given below:

SI No	IAS No	IAS Title	Compliance Status
01	1	Presentation of Financial Statements	Complied*
02	2	Inventories	Complied
03	7	Statement of Cash Flows	Complied
04	8	Accounting Policies, Changes in Accounting Estimates and Errors	Complied
05	10	Events after the Reporting Period	Complied
06	12	Income Taxes	Complied
07	16	Property, Plant & Equipment	Complied
08	19	Employee Benefits	Complied
09	20	Accounting for Government Grants and Discloser of Government Assistance	Not Applicable
10	21	The Effects of Changes in Foreign Exchange Rates	Complied
11	23	Borrowing Costs	Complied
12	24	Related Party Disclosures	Complied
13	26	Accounting and Reporting by Retirement Benefit Plans	Complied
14	28	Investment in Associates and Joint Ventures	Not Applicable
15	32	Financial Instruments: Presentation	Complied
16	33	Earnings per Share	Complied
17	34	Interim Financial Reporting	Complied
18	36	Impairment of Assets	Complied
19	37	Provisions, Contingent Liabilities and Contingent Assets	Complied
20	38	Intangible Assets	Not Applicable
21	40	Investment Property	Complied
22	41	Agriculture	Not Applicable

SI No.	IFRS No.	IFRS Title	Compliance Status
01	1	Frist-time Adoption of International Financial Reporting Standards	Complied
02	2	Share-based Payment	Not Applicable
03	3	Business Combinations	Not Applicable
04	4	Insruance Contracts	Complied
05	5	Non-current Assets Held for Sale and Discontinued Operations	Complied
06	6	Exploration for and Evaluation of Mineral Assets	Not Applicable
07	7	Financial Instruments: Disclosures	Complied
08	8	Operating Segments	Complied
09	9	Financial Instruments	Complied
10	10	Consolidated Financial Statements	Not Applicable
11	11	Joint Arrangements	Not Applicable
12	12	Disclosure of Interests in other Entities	Not Applicable
13	13	Fair Value Measurement	Complied
14	14	Regulatory Deferral Accounts	Not Applicable
15	15	Revenue from Contracts with Customers	Complied
16	16	Leases	Complied

\* In order to comply with certain specific rules and regulations of the IDRA which are different from IAS/IFRSs, some of the requirements specified in these IAS/IFRSs are not applied.

### 3.00 Additional Information of Financial Statements

#### Responsibility for Preparation and Presentation of Financial Statements

The Board of Directors is responsible for the preparation of financial statements under section 183 of the Companies Act 1994 and as per the provision of "The International Accounting Standards Committee" (IASC) and "The International Accounting Standards Board" (IASB).

#### Components of the Financial Statements

According to IAS 1 "Presentation of Financial Statements" and Insurance Act 1938 (as amended in Insurance Act 2010), the complete set of Financial Statements include the following components :

- i) Statement of Financial Position (Balance Sheet) as at 31 December 2020;
- ii) Statement of Profit or Loss and Other Comprehensive Income (Profit and Loss Account) for the year ended 31 December 2020;
- iii) Profit and Loss Appropriation Account for the year ended 31 December 2020;
- iv) Statement of Changes in Equity for the year ended 31 December 2020;
- v) Statement of cash Flows for the year ended 31 December 2020;
- vi) Consolidated all Business Revenue Account for the year ended 31 December 2020;
- vii) Fire Insurance Revenue Account for the year ended 31 December 2020;
- viii) Motor Insurance Revenue Account for the year ended 31 December 2020;
- ix) Marine Insurance revenue Account for the year ended 31 December 2020;
- x) Miscellaneous Insurance Revenue Account for the year ended 31 December 2020; and
- xi) Notes comprising a summary of significant accounting policies and other explanatory information to the accounts for the year ended 31 December 2020.

#### Comparative Information :

Comparative information has been disclosed in respect of the year 2018 & 2019 for all numerical information in the financial statements.

Figures of the year 2018 & 2019 have been rearranged whenever considered necessary to ensure comparability with the current period.

#### Reporting Period :

Financial Statements of the Company cover one calendar year from 01 January 2020 to 31 December 2020

Notes	Particulars	Amount in Taka 31 December 2020	Amount in Taka 31 December 2019	Amount in Taka 31 December 2018
4.00	<b>Disclosure of Company's Authorized, Issued, Subscribed and paid up capital:</b>			
	<b>Authorized Capital:</b>			
	50,000,000 Ordinary Shares of Tk. 10 each	500,000,000	500,000,000	500,000,000
	<b>Issued, Subscribed and Paid-up Capital</b>			
	15,000,000 Ordinary share of Tk. 10 each	150,000,000	150,000,000	150,000,000
	<b>Bonus Share Issued Till Date</b>			
	25,207,639 Bonus Share of Tk. 10 each	252,076,390	252,076,390	252,076,390
	<b>Paid-up Capital</b>	<b>402,076,390</b>	<b>402,076,390</b>	<b>402,076,390</b>

Pursuant to section 6(b) of Insurance Act, 1938 (The Seventh Schedule), and Section 4(A) of Insurance Rules, 1958 and Article 6(D) of Association of the Company, the Company raised its Paid-up Capital from Tk. 6.00 Core to Tk. 15.00 Core through Initial Offering.

Particulars	2020			2019			2018		
	No. of Shares	% of Holding	Taka	No. of Shares	% of Holding	Taka	No. of Shares	% of Holding	Taka
1. Sponsors & Directors (Group-A)"	14,074,353	35.00%	140,743,530	15,551,597	38.68%	155,515,970	18,613,450	46.29%	186,134,500
2. General (Group-B)	26,133,286	65.00%	261,332,860	24,656,042	61.32%	246,560,420	21,594,189	53.71%	215,941,890
<b>TOTAL</b>	<b>40,207,639</b>	<b>100%</b>	<b>402,076,390</b>	<b>40,207,639</b>	<b>100%</b>	<b>402,076,390</b>	<b>40,207,639</b>	<b>100%</b>	<b>402,076,390</b>

Classification of shareholder as per their share holding as on December 31, 2020.

**GROUP- "A": Sponsors & Directors**

Class Interval	No. of shares	No. of shares Holders	% of Holding	% of Total Paid up capital
00000001 - 0005000	-	-	-	-
00005001 - 0010000	-	-	-	-
00010001 - 0050000	-	-	-	-
00050001 - 0100000	-	-	-	-
00100001 - 0300000	-	-	-	-
00300001 - 0600000	-	-	-	-
00600001 - 1500000	2,414,152	3	17.15	6.00
15000001 - 5000000	11,660,201	4	82.85	29.00
<b>Total</b>	<b>14,074,353</b>	<b>7</b>	<b>100</b>	<b>35.00</b>

**GROUP- "B": General**

Class Interval	No. of shares	No. of shares Holders	% of Holding	% of Total Paid up capital
00000001 - 0005000	3,580,583	2,868	13.70	8.91
00005001 - 0010000	2,609,724	339	9.99	6.49
00010001 - 0050000	7,468,925	339	28.58	18.58
00050001 - 0100000	3,836,401	51	14.68	9.54
00100001 - 0300000	3,125,157	19	11.96	7.77
00300001 - 0600000	560,409	1	2.14	1.39
00600001 - 1500000	1,306,599	2	5.00	3.25
15000001 - 5000000	3,645,488	1	13.95	9.07
<b>Total</b>	<b>26,133,286</b>	<b>3,620</b>	<b>100</b>	<b>65.00</b>
<b>Grand Total (A+B)</b>	<b>40,207,639</b>	<b>3,627</b>	<b>100</b>	<b>100</b>

Notes	Particulars	Amount in Taka 31 December 2020	Amount in Taka 31 December 2019	Amount in Taka 31 December 2018
<b>5.00</b>	<b>Reserve &amp; Contingency Accounts</b>			
	Reserve for Exceptional Losses	543,492,087	475,219,220	402,181,952
	General Reserve	9,730,000	9,530,000	9,330,000
	Retained Earnings	63,644,681	74,153,466	74,032,939
	Revaluation Reserve	76,028,655	79,964,894	84,091,278
	<b>Closing Balance</b>	<b>692,895,423</b>	<b>638,867,580</b>	<b>569,636,169</b>
<b>5.01</b>	<b>Reserve for Exceptional Losses</b>			
	Opening Balance	475,219,220	402,181,952	345,702,850
	Add: Addition during the year	68,272,867	73,037,268	56,479,102
	<b>Closing Balance</b>	<b>543,492,087</b>	<b>475,219,220</b>	<b>402,181,952</b>
<b>5.02</b>	<b>General Reserve</b>			
	Opening Balance	9,530,000	9,330,000	9,130,000
	Add: Addition during the year	200,000	200,000	200,000
	<b>Closing Balance</b>	<b>9,730,000</b>	<b>9,530,000</b>	<b>9,330,000</b>
<b>5.03</b>	<b>Retained Earnings</b>			
	Opening Balance	74,153,466	74,032,939	56,756,292
	Net profit after taxation	114,339,302	129,542,872	118,994,232
	Transfer to general reserve	(200,000)	(200,000)	(200,000)
	Reserve for exceptional losses	(68,272,867)	(73,037,270)	(56,479,102)
	Cash Dividend/Issuance of Bonus Shares	(60,311,459)	(60,311,459)	(49,377,800)
	Depreciation on increased value due to revaluation	3,936,239	4,126,384	4,339,317
	<b>Closing Balance</b>	<b>63,644,681</b>	<b>74,153,466</b>	<b>74,032,939</b>
<b>5.04</b>	<b>Revaluation Reserve</b>			
	Fixed Assets (Office spaces, Skylark Point, Bijoy Nagar, Dhaka & Younusco City Centre, CDA Avenue Chittagong) has been revalued by the company as on August 20, 2014 which have conducted by ACNABIN, Chartered Accountants in order to reflect the fair picture of the company in the present market condition on the basis of market availability and physical condition of those fixed assets and the gain arise due to the revaluation are transferred to the revaluation reserve account as per IAS 16. "Property, Plant and Equipment". The Revaluation Reserve amount is Tk. 79,964,894 has been depreciated of Tk.3,936,239 @ 5% and the written down value as at 31 December 2020 of Tk. 76,028,655. It has been depreciated of Tk.4,126,384 @ 5% and the written down value as at 31 December 2019 of Tk. 79,964,894.			
<b>6.00</b>	<b>Balance of Funds &amp; Accounts</b>			
	Fire Insurance Business	11,184,744	10,964,444	10,904,609
	Marine Insurance Business	57,166,180	52,480,571	76,505,455
	Motor Insurance Business	122,890,528	144,693,978	137,707,003
	Miscellaneous Insurance Business	3,204,205	6,009,616	2,254,245
	<b>Total</b>	<b>194,445,657</b>	<b>214,148,609</b>	<b>227,371,312</b>

100% reserve has been made only for Marine Hull and 40% reserve has been made for rest of the Classes.

Notes	Particulars	Amount in Taka 31 December 2020	Amount in Taka 31 December 2019	Amount in Taka 31 December 2018
<b>7.00</b>	<b>Premium Deposits</b>			
	Marine Insurance Business	69,159,549	70,505,705	22,138,931
	<b>Total</b>	<b>69,159,549</b>	<b>70,505,705</b>	<b>22,138,931</b>

The amount includes premium received against cover notes for which policies have not been issued within 31 December 2020.

**8.00 Dividend Paid**

Cash/Stock Dividend	60,311,459	60,311,459	49,377,800
<b>Total</b>	<b>60,311,459</b>	<b>60,311,459</b>	<b>49,377,800</b>

**9.00 Estimated Liability in Respect of Outstanding Claims**

Fire Insurance Business	6,798,382	11,692,157	4,200,326
Marine Insurance Business	838,081	3,553,379	6,299,311
Motor Insurance Business	22,317,337	28,760,000	34,885,774
Misc. Insurance Business	550,000	283,719	-
<b>Total</b>	<b>30,503,800</b>	<b>44,289,255</b>	<b>45,385,411</b>

This is in respect of Motor Insurance Business, Marine Insurance Business, Fire Insurance Business & Misc. Business. All claims of which intimations were received by the company within 31 December 2020, and have been taken into consideration while estimating the liability in respect of outstanding claims.

**10.00 Amount Due to Other Persons or Bodies Carrying on Insurance Business**

Sadharan Bima Corporation		89,314,685	43,171,485	50,313,780
Foreign Re-insurer	10.01	40,284,349	27,888,143	18,591,718
<b>Total</b>		<b>129,599,034</b>	<b>71,059,628</b>	<b>68,905,498</b>

**10.01 Foreign Re-insurer**

Asian Re Thailand		3,173,710	5,483,027	3,519,209
J.B.Boda Insurance Service		21,402,716	16,539,132	9,778,854
Protection Bahrain		15,707,923	5,594,541	5,293,655
Risk Care Insurance Brokers		-	271,443	-
<b>Total</b>		<b>40,284,349</b>	<b>27,888,143</b>	<b>18,591,718</b>

**11.00 Sundry Creditors**

Provision for Audit Fee		155,250	138,000	138,000
Provision for Income Tax	11.01	284,377,586	248,593,403	206,428,062
Provision for Office Rent		74,777	75,518	75,641
Provision for Gratuity		8,036,506	8,036,506	5,671,045
Short/Excess Premium		1,681,261	1,516,259	1,510,429
Advance premium received		9,386,535	19,040,269	15,841,970
VAT Payable		6,935,541	7,841,566	7,620,068
Advance Office Rent		366,963	544,500	853,200
Unclaimed Dividend	11.02	6,532,355	-	-
Salary & Allowance Payable		5,781,048	5,717,560	5,356,853
Provident Fund Payable		930,038	1,226,855	969,813
Bills Payable		9,545,721	6,591,075	5,924,240
<b>Total</b>		<b>333,803,581</b>	<b>299,321,511</b>	<b>250,389,321</b>

Notes	Particulars	Amount in Taka 31 December 2020	Amount in Taka 31 December 2019	Amount in Taka 31 December 2018
<b>11.01</b>	<b>Provision for Income Tax</b>			
	Opening Balance	248,593,403	206,428,062	168,127,277
	Add: Provision made during the year	35,784,183	42,165,341	38,300,785
	Less: Adjustment with Advance Income Tax	-	-	-
	<b>Closing Balance</b>	<b>284,377,586</b>	<b>248,593,403</b>	<b>206,428,062</b>

**11.02 Unclaimed Dividend**

Cash Dividend and Stock Dividend as approved by the shareholders in respective Annual General Meeting, Cash and Fractional Dividend was transferred to the Bank account of shareholder as mentioned in their BO ID through BFTN. In some cases, dividend returned due to non update of bank information of shareholders in their BO ID. The returned/unclaimed dividend of TK.6,532,355 at the year end 31st December, 2020.

**12.00 Deferred Tax**

Opening Balance	18,085,584	6,457,841	7,638,831
Add: Adjustment made during the year	7,655,963	11,627,743	(1,180,990)
<b>Closing Balance</b>	<b>25,741,547</b>	<b>18,085,584</b>	<b>6,457,841</b>
Carrying amount	251,678,729	263,274,421	282,729,452
Less: Tax base	183,034,609	215,046,198	265,508,545
Taxable/deductible temporary difference	68,644,120	48,228,223	17,220,907
Effective Tax Rate	37.50%	37.50%	37.50%
Deferred Tax Liability	25,741,547	18,085,584	6,457,841

Deferred tax assets and liability have been recognised and measured in accordance with the provision of IAS 12 "Income Taxes".

**13.00 Investment**

Bangladesh Govt. Treasury Bond (BGTB)	25,000,000	25,000,000	25,000,000
Investment in Shares 13.01	3,587,546	3,335,542	3,846,982
<b>Closing Balance</b>	<b>28,587,546</b>	<b>28,335,542</b>	<b>28,846,982</b>

**13.01 Investment in Shares**

Name of Entity	No. of Shares	Book Value Taka	Market Value Taka	Net Realisable Value
Share of CDBL	531,250	1,250,000	1,250,000	1,250,000
Modern Cement	30,000	438,000	4,200	4,200
BRAC Bank Ltd.	8,653	589,837	383,328	383,328
CITY Bank Ltd.	11,025	491,060	273,420	273,420
Grameenphone Ltd.	2,000	805,532	694,200	694,200
Olympic Industries Ltd.	1,000	283,853	191,100	191,100
Square Pharma Ltd.	3,605	841,155	791,298	791,298
<b>Total</b>	<b>587,533</b>	<b>4,699,437</b>	<b>3,587,546</b>	<b>3,587,546</b>

**14.00 Advance against Office Space**

Opening Balance	114,880,350	114,880,350	114,880,350
Addition/(Transferred to PPE)	124,339,820	-	-
<b>Closing Balance</b>	<b>239,220,170</b>	<b>114,880,350</b>	<b>114,880,350</b>



Notes	Particulars	Amount in Taka 31 December 2020	Amount in Taka 31 December 2019	Amount in Taka 31 December 2018
<b>15.00</b>	<b>Interest Receivable Account</b>			
	Accrued Interest on Fixed Deposit	26,439,228	34,101,517	30,382,908
	Interest Accrued on BGTB	892,251	892,251	892,251
	<b>Total</b>	<b>27,331,479</b>	<b>34,993,768</b>	<b>31,275,159</b>
<b>16.00</b>	<b>Amount Due from Other Persons or Bodies Carrying on Insurance Business</b>			
	Sadharan Bima Corporation	18,549,637	7,123,386	20,201,071
	Progati Insurance Ltd.	12,425		
	Foreign Re-insurer 16.01	67,234	2,343,427	-
	<b>Total</b>	<b>18,629,296</b>	<b>9,466,813</b>	<b>20,201,071</b>
<b>16.01</b>	<b>Foreign Re-insurer</b>			
	Asian Re Thailand	2,407	468,685	-
	J.B.Boda Insurance Service	54,249	1,406,057	
	Risk Care Insurance Brokers	10,578	468,685	-
	<b>Total</b>	<b>67,234</b>	<b>2,343,427</b>	<b>-</b>
<b>17.00</b>	<b>Sundry Debtors</b>			
	Advance against Office Rent	2,920,889	2,865,299	3,431,897
	Advance against House Loan	5,487,426	6,238,123	5,401,091
	Advance against Agent Commission	1,140,446	6,705,104	3,194,095
	Advance against Income Tax 17.01	361,616,429	307,445,968	260,551,767
	Security Deposit	424,020	359,020	348,563
	Car Loan	2,894,827	3,054,425	356,992
	Premium Receivable	569,720	661,662	12,833
	Office Rent Receivable	55,187	211,972	211,972
	Bills Receivable	44,977	45,966	69,064
	Forfeited Fund Receivable from PF	950,871	-	-
	Premium on Bond Purchase	596,258	683,847	766,361
	<b>Total</b>	<b>376,701,050</b>	<b>328,271,386</b>	<b>274,344,635</b>
<b>17.01</b>	<b>Advance against Income Tax</b>			
	Advance against Taxes (Co.)	318,357,085	272,511,950	232,791,247
	Tax deduct at Source	43,259,344	34,934,018	27,760,520
	<b>Total</b>	<b>361,616,429</b>	<b>307,445,968</b>	<b>260,551,767</b>
<b>18.00</b>	<b>Cash &amp; Cash Equivalents</b>			
	Fixed Deposits 18.01	895,000,000	949,200,000	818,700,000
	Cash at Bank	37,645,744	27,298,457	19,316,869
	Cash in Hand	545,339	438,680	276,739
	<b>Total</b>	<b>933,191,083</b>	<b>976,937,137</b>	<b>838,293,608</b>
<b>18.01</b>	<b>Fixed Deposits</b>			
	Opening Balance	949,200,000	818,700,000	635,000,000
	Add: Addition During the Year	(54,200,000)	130,500,000	183,700,000
	<b>Closing Balance</b>	<b>895,000,000</b>	<b>949,200,000</b>	<b>818,700,000</b>

**Note 19.00 Property, Plant and Equipment**

Amount in Taka

Particulars	Cost			Rate	Depreciation			Balance as on 31 December 2020	Written Down Value as on 31 December 2020	Written Down Value as on 31 December 2019	Written Down Value as on 31 December 2018
	Balance as on 01 January 2020	Addition during the year	Adj./disposal during the year		Balance as on 31 December 2020	Addition during the year	Adj./disposal during the year				
Furniture & Fixture	5,580,311	90,907	-	10%	5,671,218	216,154	-	3,618,736	2,052,482	2,177,729	2,390,441
Office Equipment	6,485,085	1,322,906	-	20%	7,807,991	664,805	-	4,581,591	3,226,400	2,568,299	2,790,850
Computer	15,208,333	1,113,830	-	25%	16,322,163	835,737	-	13,016,659	3,305,504	3,027,411	3,314,851
Software Installation	1,384,625	-	-	25%	1,384,625	102,116	-	1,037,928	346,697	448,813	581,006
Air Conditioner	9,181,597	-	-	20%	9,181,597	719,063	-	6,024,184	3,157,413	3,876,476	4,759,296
Refrigerator	135,750	-	-	20%	135,750	9,192	-	95,390	40,360	49,552	60,837
Telephone Installation	1,185,238	-	-	10%	1,185,238	26,678	-	934,919	250,319	276,997	306,519
Office Car	52,491,495	5,168,754	-	20%	57,660,249	3,517,458	-	40,087,634	17,572,615	15,921,319	19,410,662
Office Decoration	57,113,197	-	-	10%	57,113,197	3,282,417	-	26,314,572	30,798,625	34,081,042	37,713,288
Electrical Equipment	2,346,097	94,116	-	25%	2,440,213	195,500	-	1,756,468	683,745	785,129	1,016,379
Office Space	244,811,996	-	-	5%	244,811,996	9,817,084	-	54,567,427	190,244,569	200,061,653	210,385,323
<b>Total</b>	<b>395,923,724</b>	<b>7,790,513</b>	<b>-</b>		<b>403,714,237</b>	<b>19,386,204</b>	<b>-</b>	<b>152,035,508</b>	<b>251,678,729</b>	<b>263,274,420</b>	<b>282,729,452</b>
<b>Revaluation Reserve</b>											
Office Space	102,939,515			5%	102,939,515	3,936,239	-	26,910,860	76,028,655	79,964,894	84,091,278
<b>Total</b>	<b>102,939,515</b>	<b>-</b>	<b>-</b>		<b>102,939,515</b>	<b>3,936,239</b>	<b>-</b>	<b>26,910,860</b>	<b>76,028,655</b>	<b>79,964,894</b>	<b>84,091,278</b>

Notes	Particulars	Amount in Taka 31 December 2020	Amount in Taka 31 December 2019	Amount in Taka 31 December 2018
<b>20.00</b>	<b>Reserve for Exceptional Losses</b>			
	Fire Insurance Business	13,858,056	10,869,017	2,726,152
	Marine Insurance Business	18,995,870	18,207,052	18,762,638
	Motor Insurance Business	31,438,400	36,772,128	34,426,751
	Misc. Insurance Business	3,980,541	7,189,073	563,561
	<b>Total</b>	<b>68,272,867</b>	<b>73,037,270</b>	<b>56,479,102</b>

This represents profit set-aside during the year under review @ 10% of premium which is allowed as expenses as detailed below, to meet Exceptional Losses. The aforesaid set-aside of profit has been allowed as expenses by paragraph 6(2) of 4th Schedule of the Income Tax Ordinance, 1984.

**21.00 Allocation of Management Expenses**

Fire Insurance Business	30,468,108	22,157,967	17,370,086
Marine Insurance Business	41,132,359	36,778,419	47,356,798
Motor Insurance Business	74,716,097	81,953,403	74,517,165
Miscellaneous Insurance Business	5,667,644	10,299,872	4,780,658
<b>Total</b>	<b>151,984,208</b>	<b>151,189,661</b>	<b>144,024,707</b>

All expenses of management wherever incurred directly or indirectly in represent of Fire, Marine, Motor and Miscellaneous Insurance Business of the company transacted in Bangladesh has been fully debited to respective Revenue Accounts and those which do not relate to any particular business have been debited to the Statement of Profit or Loss and Other Comprehensive Income.

**22.00 General**

**a) Contingent Liability**

The Company has no sum for which the company was contingently liable as on December 31, 2020.

**b) Capital Expenditure Commitment**

There was no un -provided commitment of Capital Expenditure as on December 31, 2020.

**23.00 Claim not Acknowledged**

There was no claim against the company which is not acknowledged as on December 31, 2020

**24.00 Earning per share (EPS)**

Net profit	157,779,448	183,335,956	156,114,027
Less: Provision for Current Tax	35,784,183	42,165,341	38,300,785
Less: Deferred Tax Expenses/(Income)	7,655,963	11,627,743	(1,180,990)
Net profit after Tax	114,339,302	129,542,872	118,994,232
Weighted Average No. of outstanding Share	40,207,639	40,207,639	40,207,639
EPS after Tax	<b>2.84</b>	<b>3.22</b>	<b>2.96</b>
<b>Restated EPS after Tax</b>			
Net profit after Tax	-	129,542,872	118,994,232
Weighted Average No. of outstanding Share	-	40,207,639	40,207,639
<b>Restated EPS after Tax</b>		<b>3.22</b>	<b>2.96</b>

Notes	Particulars	Amount in Taka 31 December 2020	Amount in Taka 31 December 2019	Amount in Taka 31 December 2018
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**25.00 Audit Fee**

Statutory Audit	138,000	138,000	138,000
PF Audit	17,250	-	-

As per decision of the Annual General Meeting held on July 27, 2020 the Auditor's remuneration of Tk.1,38,000/- (one lac thirty eight thousand only) including VAT has been provided in the accounts which is the only sum to be paid to Auditors as remuneration.

As per Section 258 as contained in chapter sixteen under heading of Provident Fund of Bangladesh Labour Rules 2015, Operating costs of Provident Fund will bear by the NICL i.e. Audit Fees of TK.17,250/- (Seventeen thousand two hundred fifty only) including VAT has been provided in the accounts which is the only sum to be paid to Auditors as remuneration.

**26.00 Interest Received and Accrued**

Interest on FDR	72,002,581	71,517,423	54,674,808
Interest on BGTB	2,531,511	2,536,586	2,548,212
Interest on STD	404,292	467,393	597,004
<b>Total</b>	<b>74,938,384</b>	<b>74,521,402</b>	<b>57,820,024</b>

**27.00 Dividend & Shares Income**

Dividend	1,377,371	1,386,105	1,390,308
<b>Total</b>	<b>1,377,371</b>	<b>1,386,105</b>	<b>1,390,308</b>

**28.00 Office Space Rent**

Office Rent	1,644,285	1,732,200	1,732,200
<b>Total</b>	<b>1,644,285</b>	<b>1,732,200</b>	<b>1,732,200</b>

**29.00 Others Income**

Gain from Car Sale	-	-	352,998
Interest on EHLS	867,683	-	-
Forfeited Fund of PF	950,871	-	-
Others Income	6,800	3,400	376,935
<b>Total</b>	<b>1,825,354</b>	<b>3,400</b>	<b>729,933</b>

**30.00 Net Asset Value per Share (NAV)**

Net Assets Value	1,094,971,813	1,040,943,970	971,712,559
Weighted Average No. of outstanding Share	40,207,639	40,207,639	40,207,639
	<b>27.23</b>	<b>25.89</b>	<b>24.17</b>

Notes	Particulars	Amount in Taka 31 December 2020	Amount in Taka 31 December 2019	Amount in Taka 31 December 2018
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### 31.00 Reconciliation of Net Operating Cash Flow under Indirect method:

Reconciliation of Net Operating Cash Flow under Indirect method prepared under clause No. 5 (2e) of notification number BSEC/CMRRCD/2006-158/208/Admin/81 dated 20th June 2018 by Bangladesh Securities and Exchange Commission.

Net profit before tax	157,779,448	183,335,956	156,114,027
Depreciation Expenses	19,386,204	20,439,688	21,728,913
Unrealised loss/gain on Shares Investment	(252,004)	511440	418614
Increase/Decrease of Balance of Fund, Deposit Premium, Amount due to and from	(64,047,734)	(29,610,650)	(1,691,547)
Increase/Decrease of Outstanding claims	(13,785,455)	(1,096,156)	9,160,533
Increase/Decrease of Sundry Creditors	(1,302,113)	6,766,849	(21,512,343)
Increase/Decrease of Inventories	(690,782)	(405,230)	99,334
Increase/Decrease of Sundry Debtors	(48,429,664)	(53,926,751)	(34,093,526)
Net cash inflow from operating activities	48,657,900	126,015,146	130,224,005
Weighted Average No. of outstanding Share	40,207,639	40,207,639	40,207,639
Net Operating Cash Flow Per Share (NOCF)	1.21	3.13	3.24

### 32.00 Employee details:

During the year, 187 Employees are employed for the full time. As per schedule XI, Part –II of the Companies Act 1994 the employees remuneration slab is given below:

Slab	Number of Employee		
No. of employees received salary below Tk. 3000 per month	-	-	-
No. of employees received salary Above Tk. 3000 per month	187	189	181
Total Number of employees			

Notes	Particulars	Amount in Taka 31 December 2020	Amount in Taka 31 December 2019	Amount in Taka 31 December 2018
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### 33.00 Key Management Personnel Compensation

The Compensation of Key management personnel are as follows:

Name of employee	Short term employee benefit	Post/ Termination employment benefits	Other long term benefits	Share based payment
S. M. Mahbubul Karim Chief Executive Officer	Salary Tk.3,600,000	P.F, Gratuity & Group insurance coverage	No	No
	Bonus Tk.300,000			
Tapas Kumar Podder Additional Managing Director	Salary Tk.1,863,600	Group insurance coverage	No	No
	Bonus Tk.155,300			
Mominul Islam Additional Managing Director	Salary Tk.2,378,400	Group insurance coverage	No	No
	Bonus Tk. 198,200			
Mohammad Monirul Islam Deputy Managing Director	Salary Tk.525,000	P.F, Gratuity & Group insurance coverage	No	No
	Bonus Tk. Nil			
Haditul Islam Deputy Managing Director	Salary Tk.2,478,000	P.F, Gratuity & Group insurance coverage	No	No
	Bonus Tk.206,500			
Md. Altaf Hossain Chief Financial Officer	Salary Tk.1,527,312	P.F, Gratuity & Group insurance coverage	No	No
	Bonus Tk.126,422			
Md. Shakhawat Hossain Company Secretary	Salary Tk.1,233,912	P.F, Gratuity & Group insurance coverage	No	No
	Bonus Tk.102,26			
Md. Liakat Hossen, FCMA Head of Internal Audit and Compliance Department	Salary Tk.1,779,012	P.F, Gratuity & Group insurance coverage	No	No
	Bonus Tk.148,722			

### 34.00 Transactions with Related Parties

Nitol Insurance, in normal course of business, carried out a number of transactions with other entities that fall within the definition of related party contained in IAS 24 "Related Party Disclosures". All transactions involving related parties arising in normal course of business are conducted in an arm's length basis at commercial rates on the same terms and conditions as applicable to the valued client.

Name of Related Party	Relationship	Nature of Transaction	Premium Received in 2020	Premium Received in 2019
Nita Company Ltd.	Common Director	Insurance	-	15,482,588
Fas Finance & Investment	Common Director	Insurance	-	81,840
Md. Anowar Husain	Director	Insurance	-	26,882
Ms. Naeema Hoque	Director	Insurance	-	18,809
Zobair H. Khandaker	Director	Insurance	118,112	155,832

### 35.00 Post Balance Sheet Events

There was no significant event that has occurred between the balance sheet date and the date when the financial statements are authorized for issue by the Board of Directors except that the Board of Directors of Nitol Insurance Company Limited in its 157th Board Meeting held on 18th April has recommended Cash Dividend @10% subject to approval of Shareholders in the 22nd Annual General Meeting (AGM).

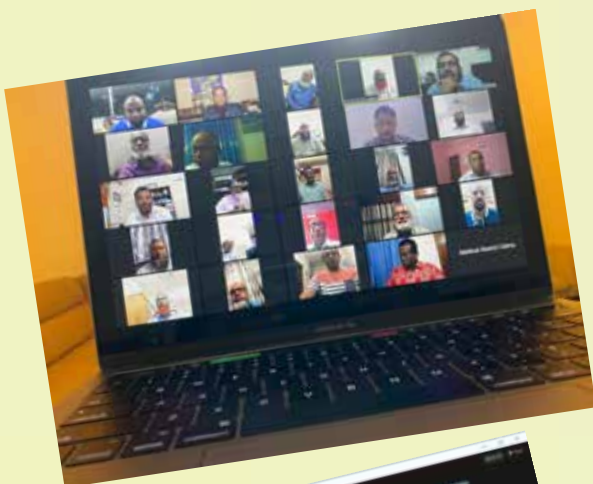
**Statement showing Business Underwritten, Re-Insurance Ceded & Accepted  
As on 31st December 2020**

	Fire	Marine	Motor	Misc	Total
<b>Business</b>					
Private	125,607,240	167,213,046	311,531,404	16,587,535	620,939,225
Public	12,973,324	22,745,657	2,852,599	23,217,871	61,789,451
	<u>138,580,564</u>	<u>189,958,703</u>	<u>314,384,003</u>	<u>39,805,406</u>	<u>682,728,676</u>
<b>R/I Accepted</b>					
Private	-	-	-	-	-
Public	-	-	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>R/I Ceded</b>					
Private	99,349,106	38,367,526	7,157,683	9,261,443	154,135,758
Public	11,269,598	17,571,003	-	22,533,451	51,374,052
	<u>110,618,704</u>	<u>55,938,529</u>	<u>7,157,683</u>	<u>31,794,894</u>	<u>205,509,810</u>
<b>Net Business</b>					
Private	26,258,134	128,845,520	304,373,721	7,326,092	466,803,467
Public	1,703,726	5,174,654	2,852,599	684,420	10,415,399
	<u>27,961,860</u>	<u>134,020,174</u>	<u>307,226,320</u>	<u>8,010,512</u>	<u>477,218,866</u>
<b>Commission</b>					
Private	18,841,086	25,081,957	46,729,711	2,488,130	93,140,884
Public	-	-	-	-	-
	<u>18,841,086</u>	<u>25,081,957</u>	<u>46,729,711</u>	<u>2,488,130</u>	<u>93,140,884</u>
<b>R/I Ceded</b>					
Private	18,916,657	15,255,029	63,695	2,095,469	36,330,850
Public	1,261,260	3,339,990	-	2,264,624	6,865,874
	<u>20,177,917</u>	<u>18,595,019</u>	<u>63,695</u>	<u>4,360,093</u>	<u>43,196,724</u>
<b>Net Amount</b>					
Private	(75,571)	9,826,928	46,666,016	392,661	56,810,034
Public	(1,261,260)	(3,339,990)	-	(2,264,624)	(6,865,874)
	<u>(1,336,831)</u>	<u>6,486,938</u>	<u>46,666,016</u>	<u>(1,871,963)</u>	<u>49,944,160</u>
<b>Claim</b>					
Private	47,646,264	16,965,272	192,105,088	1,288,608	258,005,232
Public	170,846	765,489	68,892	14,377,837	15,383,064
	<u>47,817,110</u>	<u>17,730,761</u>	<u>192,173,980</u>	<u>15,666,445</u>	<u>273,388,296</u>
<b>R/I Ceded</b>					
Private	44,240,930	10,928,007	-	16,783	55,185,720
Public	89,657	597,134	-	13,886,988	14,573,779
	<u>44,330,587</u>	<u>11,525,141</u>	<u>-</u>	<u>13,903,771</u>	<u>69,759,499</u>
<b>Net Claim</b>					
Private	3,405,334	6,037,265	192,105,088	1,271,825	202,819,512
Public	81,189	168,355	68,892	490,849	809,285
	<u>3,486,523</u>	<u>6,205,620</u>	<u>192,173,980</u>	<u>1,762,674</u>	<u>203,628,797</u>

# BOARD MEETING 2020



# WEEKLY MEETING





## HEARTIEST CONGRATULATIONS



*Congratulations..*

**MAN OF THE YEAR  
2020**



**HADITUL ISLAM HEDAYET**  
Deputy Managing Director  
and  
Head of Gulshan Branch



**Md. Abdul Wahab**  
General Manager &  
Head of Underwriting Department



**Abdullah Al Mamun Tazu**  
General Manager &  
Head of BMBD Department

**BEST EMPLOYEE  
2020**



**Md. Mozaffar Bhuiyan Titu**  
Deputy Manager  
Underwriting Department



**Md. Mizanur Rahman**  
Deputy Manager  
Accounts Department



**NITOL INSURANCE COMPANY LIMITED**

## BRANCH VISIT



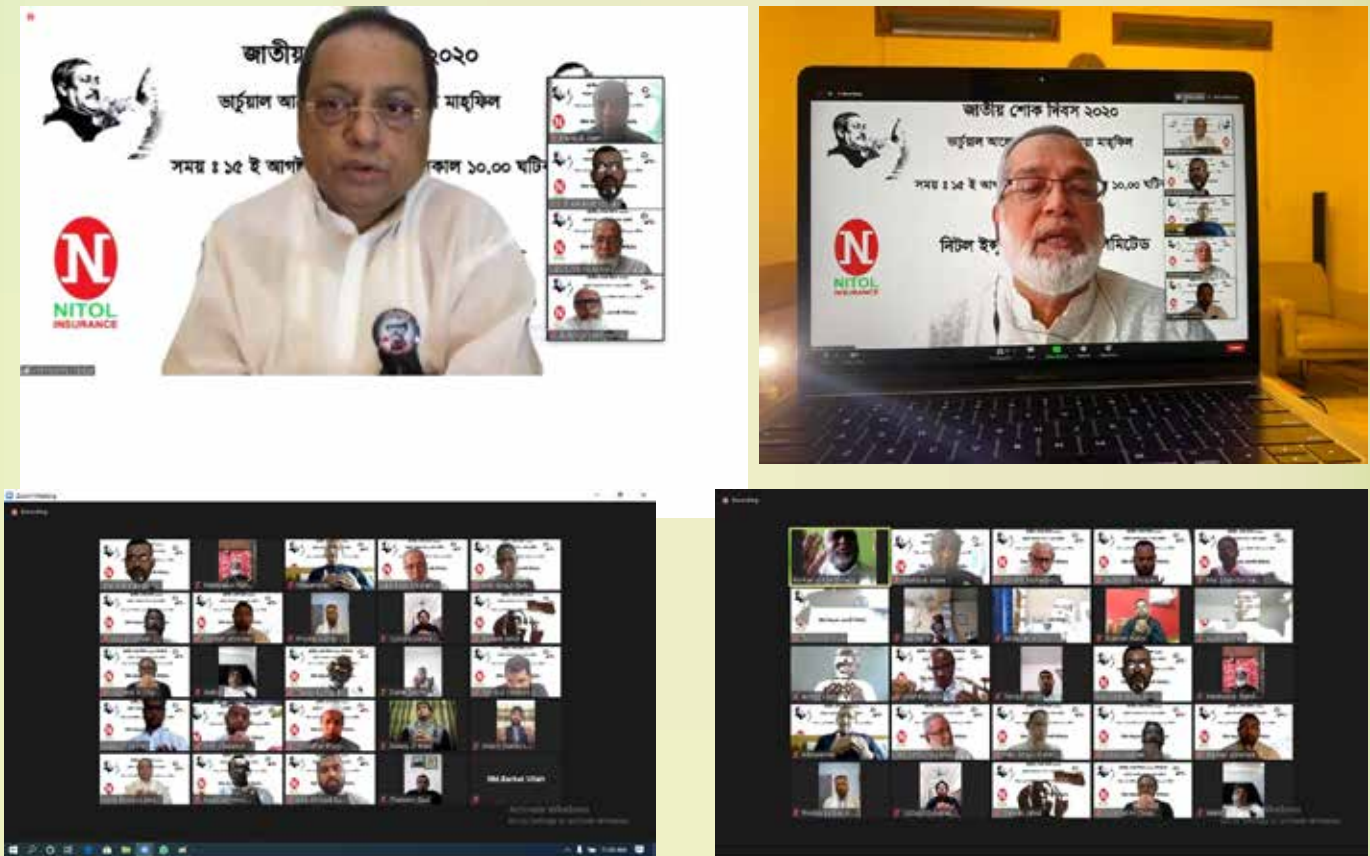
## SELL OF NIRAPOD PRODUCT



# PICTURES OF CLAIMS SETTLEMENT



## PICTURES OF NATIONAL MOURN DAY 2020



## PICTURES OF ANTI MONEY LAUNDERING PROGRAM



# PICTURES OF NATIONAL INSURANCE DAY 2021



# AWARDS

ICMAB Best Corporate Award 2019



7th ICSB National Award 2019



# COMPANY'S ASSETS



**Barbhuiya Siddiq Plaza**  
Zindabazar, Sylhet  
944 Sft. office Space at 2<sup>nd</sup> floor



**City Centre**  
Motijheel C/A, Dhaka  
3322 Sft. office space at 18<sup>th</sup> floor



**Bagdad Tanzia Tower**  
Joydevpur Chowrasta, Joydevpur, Gazipur  
2150 Sft. office Space at 3<sup>rd</sup> floor



**Rupayan Centre**  
Mohakhali, Dhaka  
1345 Sft. office Space at 5th floor



**Skylark Point**  
Bijoynagar, Dhaka  
1571 Sft. office Space at 5th floor



**Yunusco City Centre**  
GEC More, Chittagong  
9852 Sft office space at 10<sup>th</sup> floor

**Police Plaza Concord**  
Gulshan 1, Dhaka  
13000 Sft Office space at 5th and 6th floor (Duplex)



## BRANCH NETWORK

### Amtali Branch

Faria Complex, 1st Floor, Hospital Road,  
Amtali Chowrasta, Barguna.  
Mobile: 01721534462  
Email: dalim@nitolinsurance.com

### Barishal Branch

160/139 Parera Road (2nd Floor)  
Bibir Pukur, Barisal  
Phone : 0431-64221  
Email : jahid\_barisal@nitolinsurance.com

### Bijoy Nagar Branch

Skylark Point (5th Floor)  
24/A Bijoy Nagar, Dhaka 1000  
Phone : 88-02-8318166  
Fax : 88-02-8318716  
Email : momeen@nitolinsurance.com

### Chattogram Zonal Office

Yunusco City Centre (10th Floor)  
809 CDA Avenue, GEC More,  
Chattogram  
Phone : 031 -2858171 -2  
Fax : 031-2858173  
Email : ashraf@nitolinsurance.com

### Cumilla Branch

Sattar Khan Complex (4th Floor)  
Kandir Par, Cumilla-3500  
Phone: 88-02-081-73680  
Fax : 88-02-081-73680  
Email : muzammel@nitolinsurance.com

### Dhanmondi Branch

CNS Tower (2nd Floor), 43/R/5-A  
West Panthapath, Dhaka 1205  
Phone : 9101089, Fax : 02-58150863  
Email : wahid@nitolinsurance.com

### Dilkusha Branch

90/1 City Centre (18th Floor)  
Dhaka 1000  
Phone : 9570600, 9515287  
Fax : 02-9570266  
Email : alimuddin@nitolinsurance.com

### Dinajpur Branch

Hotel Shetal Plaza  
Station Road, Dinajpur  
Phone : 0531 -63685, Fax : 0531-63068  
Email : shamim\_kabir@nitolinsurance.com

### Gulshan Branch

Sheba House (5th Floor)  
House 34, Road 46, Gulshan 2,  
Dhaka 1212  
Phone : 8812849, 8825547  
Fax : 02-8825547  
Email : haditul@nitolinsurance.com

### Jamalpur Branch

Jibon Mansion (2nd floor)  
Station Road, Jamalpur  
Phone : 01778097315  
Tel: 88-098-162997, Fax: 88-098-162997  
Email : mukataruzzaman@nitolinsurance.com

### Jashore Branch

Jess Tower (3rd Floor),  
39, M.K. Road, Jashore.  
Phone : 0421-71795, Fax : 0421-71795  
Email : milonkhan@nitolinsurance.com

### Joydevpur Branch

Bagdad Tanzia Tower (3rd Floor)  
Tangail Road, Chandana Chowrasta,  
Gazipur  
Phone : 9262620, Fax : 02-9263795  
Email : tariq@nitolinsurance.com

### Kawran Bazar Branch

Hafiz Mansion (1st Floor),  
33 Kazi Nazrul Islam Sarak  
Karwan Bazar, Dhaka 1215  
Phone : 9104337, Fax : 02-9126539  
Email : sakerahmed15@nitolinsurance.com

### Mohakhali Branch

72 Rupayan Center (5th Floor),  
Mohakhali, Dhaka-1212  
Phone : 88-02-9881756  
Fax: 88-02-9881751  
Email : altafhossain@nitolinsurance.com

### Mirpur Branch

Haji Goni Market (3rd Floor South), 98,  
Senpara Parbata, Mirpur - 10, Dhaka  
Mobile: 01671435839  
Email: apolo@nitolinsurance.com

### Narayangonj Branch

127 (Old), 194 (New)  
BB Road (1st Floor), Narayangonj  
Phone : 7643953, Fax : 02-7643754  
Email : borhanuddin@nitolinsurance.com

### Khulna Branch

Chamber Mansion (2nd Floor)  
5, K.D.A. Commercial Area,  
Jashore Road, Khulna.  
Phone : 041-2831177, Fax : 041-723352  
Email : raju@nitolinsurance.com

### Kushtia Branch

Lovely Tower (6th Floor)  
55/1 Shirajuddowla Road, Kushtia  
Phone : 071 -71675, Fax : 071 -71675  
Email : nazrul\_kst@nitolinsurance.com

### Rajshahi Branch

Jamal Super Market (2nd Floor)  
96 Mia Bari, Word No 12,  
Boalia, Rajshahi  
Phone : 072-1772980  
Fax : 072-1772980  
Email : atiqur@nitolinsurance.com

### Rangpur Branch

Shorif Building/Asir Building (1st Floor)  
Station Road, Rangpur  
Phone : 0521-56211, Fax : 0521-56211  
Email : prodip@nitolinsurance.com

### Sylhet Branch

Barbhuiya Siddique Plaza (2nd Floor),  
Zindabazar, Sylhet.  
Phone : 0821-727884  
Fax : 0821-727885  
Email : nozmul@nitolinsurance.com

### Uttara Branch

A. B. Super Market (2nd Floor)  
Plot 60, Road 2, Sector 3,  
Uttara C/A, Dhaka 1230  
Phone : 8952833, Fax : 02-8958944  
Email : kabiruddin@nitolinsurance.com



## PROXY FORM

I/We, ..... of .....  
 ..... being a member of  
**Nitol Insurance Company Limited** and a holder of..... ( Number of shares ) ordinary shares do hereby  
 appoint Mr./Mrs. .... of .....  
 ..... as my Proxy, to  
 vote for me/us and on my behalf at the **22<sup>nd</sup> Annual General Meeting** of the Company to be held virtually by using digital platform on Sunday, June  
 20, 2021 and at any adjournment thereof,.

Signed this ..... day of ..... 2021.

.....  
 Signature of the Shareholder (s)

.....  
 Signature of the Proxy

Number of Shares held .....

BO ID NO.																				
-----------	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--

BO ID NO.																				
-----------	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--

**Note :**

This Proxy Form must be signed across Twenty Taka Revenue Stamp and it should be deposited at the registered office of the Company not later than 72 hours before the time of holding the meeting (As per Articles of Association, Proxy will be a member of the Company )



Signature Verified

.....  
 Authorised Signatory

## SHAREHOLDERS' ATTENDANCE

I hereby record my attendance at the **22<sup>nd</sup> Annual General Meeting** of the Company will be held on Sunday, June 20, 2021 at 11:00 AM through online digital platform at link: <https://nitolins22ndagm.virtualagm2021.com> and any adjournment thereof.

Name of the Member/ Proxy .....

Register BO No ..... holding ..... share(s)

Signature ..... Date .....



.....  
 Signature

N.B.: Signature of the Shareholders should agree with the Specimen signature registered with the Depository Register







**NITOL INSURANCE COMPANY LIMITED**

Police Plaza Concord, Tower - 2, (6th Floor), Plot - 2, Road - 144, Gulshan - 1, Dhaka - 1212.

Tel: 88-02-55045202-05, Fax: 88-02-55045206, e-mail: [info@nitolinsurance.com](mailto:info@nitolinsurance.com)

[www.nitolinsurance.com](http://www.nitolinsurance.com)