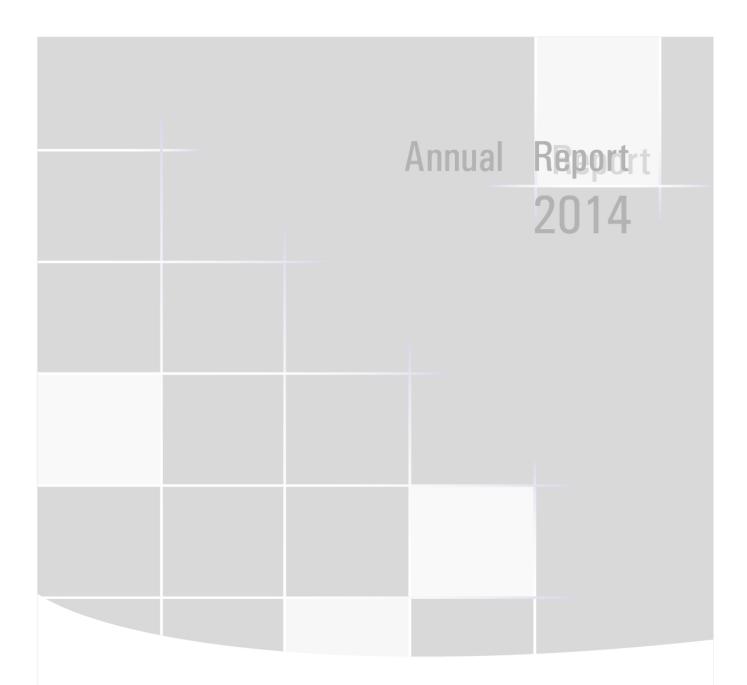
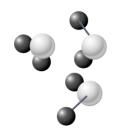


Chartered Life Insurance Co. Ltd.



Chartered Life Insurance Co. Ltd.

# Contents



### - Corporate Objectives Values & Structure

| Vision and Mission Statement  | Ub |
|---|----|
| Overall Strategy  | 06 |
| Core values   | 07 |
| Letter of Transmittal   | 09 |
| Notice of Annual General Meeting and Extra-ordinary General Meeting | 10 |
| Our Code of Conduct and Ethics                                      | 11 |
| Profile of the Company &  | 14 |
| Directors' profiles   | 18 |
| Director's representation in other companies Board within the Group | 23 |
|   |    |
| - Management Reports  |    |
| Chairman's Review   | 24 |
| Managing Director's Message   | 28 |
| Directors' Report   | 33 |
| Five years Financial Review (Annexure-1)                            | 44 |
| Ratio Analysis  | 45 |
| - Stakeholders Information  |    |
| Distribution of shareholding  | 46 |
| Redressal of investors complaints                                   | 47 |
| - Enterprise Risk Management  |    |
| Risk Management Framework   | 48 |
| Risk Control and Mitigation Methodology                             | 50 |
| Disclosure of Risk Reporting  | 51 |

### **Letter of Transmittal**

03 June 2015

Letter of Transmittal

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

Dear Sir (s),

ANNUAL REPORT FOR THE YEAR ENDED DECEMBER 31, 2014.

The undersigned has the privilege of forwarding a copy of the Annual Report 2014 of Chartered Life Insurance Company Limited together with Directors' Report, Audited Financial Statements including Balance Sheet as at December 31, 2014 and the related Life Revenue Account and Cash Flow Statement for the year ended December 31, 2014 along with notes thereon for kind information and record.

Sincerely yours,

### Hossain Suman

Company Secretary

### Notice Of The Second Annual General Meeting

Notice is hereby given that the 2nd Annual General Meeting of the Shareholders of Chartered Life Insurance Company Limited will be held on Tuesday the 27th October 2015 at 5:00 PM at the Head Office of the Company at SANARC Complex, 76, Shahid Tajuddin Ahmed Sharani, Tejgaon, Dhaka-1208, Bangladesh to transact the following agenda.

#### Agenda:

- 01. To receive and approve the report of the Board of Directors regarding the affairs of the company for the year ended 31st December 2014
- 02. To receive, consider and adopt the Accounts for the year ended 31st December, 2014 together with the Auditor's Report
- 03. To appoint Auditors for the year 2015 and to fix their remuneration
- 04. To elect Directors as per Articles of Association of the Company

By Order of the Board

Date: October 01, 2015

**Hossain Suman**Company Secretary

#### Note:

- A member entitled to attend and vote at the General Meeting may appoint a proxy to attend and vote in his/her stead. Such proxy shall be a member of the company. The proxy form duly stamped should be deposited at the registered office of the Company not later than 48 hours before the time fixed for the meeting.
- 2. For the sake of convenience, shareholders are requested to submit their queries if any, on the Directors' Report/Audited Accounts for the year 2014 at the Registered Office of the Company preferably 72 hours before the day of the Annual General Meeting.





To become the best life insurance company in Bangladesh as well as in South East Asia by ensuring economic freedom of the people and establishing utmost integrity, accountability and transparency.



- \* Build dynamic, sound and professional management team
- \* Conduct business in responsible manner
- \* Develop innovative products
- \* Enhance good governance
- \* Faster quality management system



- \* Creativity
- \* Happiness
- \* Accountability
- \* Respect
- \* Transparency
- \* Excellence
- \* Responsibility
- \* Ethics
- \* Development
- \* Leadership
- \* Integrity
- \* Faith
- \* Economic Freedom

# **Corporate Directory**

01. Name of Company : Chartered Life Insurance Company Ltd.

02. Date of Incorporation : 30th July, 201303. Commencement of Business : 30th July, 2013

**04. Authorised Capital** : 250 Crore (Two hundred and Fifty Crore)

**05. Paid up Capital** : 18 Crore (Eighteen Crore)

**06. Nature of Business** : Life Insurance

07. Registered Office : Unique Trade Center (UTC), Level-5, 8 Panthapath, Dhaka-1215, Bangladesh.

**08. Auditors** : Haque Shahalamm Mansur & Co. Chartered Accountants

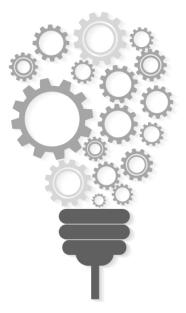
27, Bijoy Nagar, Shaj Bhaban, 6th Floor, B-11, Dhaka-1000, Bangladesh

09. Actuary : Mohammad Sohrab Uddin PhD, AIA House: 8, 2nd Floor, Road: 12, Sector:13,

Uttara Model Town, Dhaka-1230, Bangladesh

10. Reinsurer

11. Bankers : Brac Bank Ltd, Eastern Bank Ltd, City Bank Ltd,





- 1. Vice Principal Md. Abdus Shahid
- 2. Shykh Seraj
- 3. Mohd. Noor Ali
- 4. Faridur Reza Sagar
- 5. Md. Rabiul Alam
- 6. Md. Jahangir Alam
- 7. Kamrul Noor
- 8. Md. Rezaul Karim
- 9. Ghulam Mustafa
- 10. Niaz Ahmed
- 11. Durjay Khan Majlish
- 12. Mohammad Nazim Uddin Khan
- 13. Shamshed Ali

- Chairman
- Vice-Chairman
- Independent Director
- Independent Director
- Director



Vice Principal **Md. Abdus Shahid** Chairman



**Shykh Seraj** Vice-Chairman



Mohd. Noor Ali ndependent Director



Faridur Reza Sagar Independent Director



Md. Rabiul Alam Director



Md. Jahangir Alam Director



Kamrul Noor Director



Md. Rezaul Karim Director



Ghulam Mustafa







Niaz Ahmed Director



**Durjay Khan Majlish** Director



Mohammad Nazim Uddin Khan Director



**Shamshed Ali** Director

### HAQUE SHAHALAM MANSUR & CO. CHARTERED ACCOUNTANTS

**Qur Reference:** 

Your Reference:

Date: 1 0 JUL 2015

### Auditors' Report to the Shareholders of Chartered Life Insurance Company Limited

We have audited the accompanying Balance Sheet of Chartered Life Insurance Company Limited as of 31 December, 2014 and the related Life Revenue Account and Statement of Cash Flows together with the notes thereto for the year then ended. These financial statement are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statement based on our audit.

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

In our opinion, the financial statements, prepared in accordance with BSA, give a true and fair view of the state of the Company's affairs as of 31 December 2014 and of the results of its operations and its cash flows for the year then ended and comply with the Companies Act, 1994, the insurance Act, 1993 and Rules, 1958, the Securities and Exchange Rules, 1987 and other applicable laws and regulations.

#### We report that:

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

HAQUE SHAHALAM MANSUR & CO.

Chartered Accountants

### CHARTERED LIFE INSURANCE COMPANY LIMITED BALANCE SHEET

AS AT 31ST DECEMBER 2014

| Particulars CAPITAL AND LIABILITIES   | Notes          | 2014<br><u>TK.</u>   | 2013<br><u>TK.</u>                             |
|---|----------------|--|--|
| SHAREHOLDERS CAPITAL Authorised 25,00,00,000 Ordinary Shares of Tk. 10 each   |                | 2,500,000,000.00   | 2,500,000,000.00                               |
| Issued, Subscribed and Paid - up 18,000,000 shares of Tk.10 each fully paid up BALANCE OF FUNDS AND ACCOUNTS Life Insurance Fund AMOUNT DUE TO OTHER PERSONS OR BODIES CARRYING ON INSURANCE BUSINESS | 04<br>05<br>06 | 180,000,000.00<br>(20,563,814.00)<br>(20,563,814.00)<br>205,269.00 | 180,000,000.00<br>8,446,573.00<br>8,446,573.00 |
| Estimated liabilities in respect of outstanding claims due or intimated Loan from Director Sundry Creditors Premium Deposit   | 07<br>08<br>09 | 61,820,371.00<br>24,303,801.00<br>1,055,617.00                     | 28,820,371.00<br>1,618,680.00                  |
| Total PROPERTY AND ASSETS   |                | 246,821,244.00   | 218,885,624.00                                 |
| LOAN On Insurer's Policies within their surrender value INVESTMENTS - AT COST   |                | -  | -  |
| Statutory Deposit with Bangladesh Bank Interest, Dividends and Rents Accuring but not due ADVANCE DEPOSIT AND SUNDRY DEBTORS  | 10<br>11       | 15,000,000.00<br>-<br>14,137,078.00                                | 15,000,000.00<br>-<br>4,321,024.00             |
| CASH, BANK AND OTHER BALANCES On STD and Current Account with Banks Cash in Hand OTHER ASSETS   | 12<br>13       | 190,391,260.00<br>18,458.00  | 197,181,130.00<br>1,145.00                     |
| Fixed Assets (At Cost Less Accumulated Depreciation) Preliminary Expenses Stamps & Printing materials in Hand   | FAS. 1<br>14   | 24,153,547.00<br>2,382,325.00<br>738,576.00                        | 2,382,325.00                                   |
| Total   |                | 246,821,244.00   | 218,885,624.00                                 |

The accompanying notes form an integral part of the financial statements.

## CHARTERED LIFE INSURANCE COMPANY LIMITED BALANCE SHEET

AS AT 31ST DECEMBER 2014

| ASSETS   | <u>Taka</u><br>2014 | <u>Taka</u><br>2013 |
|--|---------------------|---------------------|
| 7.100=10   |                     |                     |
| Investments  | 15,000,000.00       | 15,000,000.00       |
| Advance Deposit and Sundry Debtor                    | 14,137,078.00       | 4,321,024.00        |
| Cash, Bank and Other Balances                        | 190,409,718.00      | 197,182,275.00      |
| Fixed Assets (At Cost Less Accumulated Depreciation) | 24,153,547.00       | -                   |
| Preliminary Expenses                                 | 2,382,325.00        | 2,382,325.00        |
| Stock of Stamp                                       | 738,576.00          |                     |
|  | 246,821,244.00      | 218,885,624.00      |
| LESS: LIABILITIES                                    |                     |                     |
| Sundry Creditor                                      | 24,303,801.00       | 1,618,680.00        |
| Loan from Director                                   | 61,820,371.00       | 28,820,371.00       |
| Re-insurance Premium Payable                         | 205,269.00          | -                   |
| Premium Deposits                                     | 1,055,617.00        | -                   |
|  | 87,385,058.00       | 30,439,051.00       |
|  |                     |                     |
| Gross Fund (Assets-Liabilities)                      | 159,436,186.00      | 188,446,573.00      |
| LESS: Shareholders' Capital (Paid-up Capital)        | 180,000,000.00      | 180,000,000.00      |
| Life Insurance Fund as at 31 December 2014           | (20,563,814.00)     | 8,446,573.00        |

### CHARTERED LIFE INSURANCE COMPANY LIMITED LIFE REVENUE ACCOUNT

FOR THE YEAR ENDED 31ST DECEMBER, 2014

| Particulars  | Notes | Amount (In Taka) |            |  |  |
|--|-------|------------------|------------|--|--|
| raniculais   | Notes | 2014             | 2013       |  |  |
| BALANCE OF FUND AT THE BEGINNING OF THE YEAR                           |       | 8,446,573        | -          |  |  |
| PREMIUM LESS REINSURANCE:  |       |                  |            |  |  |
| First Year Premium (Ekok Bima)   |       | 23,392,769       | -,,        |  |  |
| Group Insurance Premium  |       | 4,146,663        | -          |  |  |
|  |       | 27,539,432       | - 7        |  |  |
| Gross Premium  | _     | 27,539,432       | - 1        |  |  |
| Less: Re-Insurance   |       | 260,454          | -          |  |  |
| Net Premium  |       | 27,278,978       | -          |  |  |
| Interest, Dividend and Rent  | 15    | 14,020,598       | 10,921,219 |  |  |
| Total  |       | 49,746,149       | 10,921,219 |  |  |
| First Year Premium, where the maximum Premium paying period is: Single |       | 4 154 256        |            |  |  |
| Single   |       | 4,154,256        | -          |  |  |
| Two years  |       | -                | -          |  |  |
| Three years  |       | -                | -          |  |  |
| Four years   |       | 1 107 000        | -          |  |  |
| Five years   |       | 1,107,800        | -          |  |  |
| Six years  |       | 54,100<br>2,000  | -          |  |  |
| Seven years  |       |                  | -          |  |  |
| Eight years  |       | 3,000            | -          |  |  |
| Nine years Ton years   |       | 2,671,854        | -          |  |  |
| Ten years  |       | 42,239           | -          |  |  |
| Eleven years or over   |       | 15,357,520       | -          |  |  |
| Twelve years or over   | -     | 23,392,769       | -          |  |  |

### CHARTERED LIFE INSURANCE COMPANY LIMITED LIFE REVENUE ACCOUNT

FOR THE YEAR ENDED 31ST DECEMBER, 2014

| Particulars  | N-4   | Amount (In Taka)              |         |
|--|-------|-------------------------------|---------|
| ramiculars   | Notes | 2014                          | 2013    |
| Expenses of Management                                       |       |                               |         |
| Commission:  |       |                               |         |
| a. Commission to Insurance Agents (less that on reinsurance) |       | 5,890,869                     | -       |
| b. Allowances and Commissions (other than commission         |       | 0.475.004                     |         |
| including in sub-item (a) preceding)                         | l     | 3,675,806<br><b>9,566,675</b> | -       |
| C. I   |       | 7,300,073                     | -       |
| Salaries etc. (other than to agents and those                | 1     | 00.011.000                    | 175,000 |
| contained in the allowance and commission)                   |       | 23,311,228                    | 175,000 |
| Actuary Fees   |       | 96,000                        | 1-      |
| Advertisement and Publicity                                  |       | 43,324                        | -       |
| Auditors' Fees   |       | 55,000                        | 20,000  |
| Bank Charges   |       | 36,351                        | 725,490 |
| Car Maintenance  |       | 286,523                       | -       |
| Cayrring Charge  |       | 19,500                        | -       |
| Computer Maintenance   |       | 104,528                       | -       |
| Crokaries & Cutteries  |       | 12,859                        | -       |
| Company Trade Licence  |       | 41,555                        | -       |
| Conveyance Expenses  |       | 75,299                        | -       |
| Development Expenses   |       | 408,201                       | -       |
| Electricity Expenses   |       | 351,836                       | -       |
| Entertainment  |       | 40,000                        | -       |
| E-Mail & Internet  |       | 45,345                        | 1-5     |
| Festival Bonus   |       | 1,516,300                     | -       |
| Fees, Subscription & Donation                                |       | 50,000                        | -       |
| Forms & Stamps   |       | 61,650                        | -       |
| Fuel Cost  |       | 260,286                       | -       |
| House Maintenance  |       | 1,117,737                     | -       |
| Insurance Policy Stamp                                       |       | 523,760                       | 12      |
| Interest on Directors Loan                                   |       | 5,921,764                     | _       |

| License Fee   | _            | 100,000    |
|---|--------------|------------|
| Medical Expenses  | 160,588      |            |
| Meeting Expenses  | 45,933       | 26,705     |
| Newspaper & Peiodicals  | 5,515        |            |
| Office Expenses   | 293,400      |            |
| Office Rent   | 18,099,512   | 1,423,680  |
| Postage, Telephone and Fax  | 186,247      | -          |
| Printing Expenses   | 1,451,042    | -          |
| Registration and Renewal Fees   | 309,000      | -          |
| Stationery Expenses   | 338,432      | 3,771      |
| Training Expenses   | 49,226       | -          |
| Travelling Expenses   | 1,172,960    | -          |
| Website Development Exp.  | 15,000       | -          |
| Utilities Expenses  | 125,876      |            |
| Uniforms and Liveries   | 8,150        | -          |
| Total   | 56,639,927   | 2,474,646  |
| Total Expenses of Management  | 66,206,602   | 2,474,646  |
| Other Expenses  |              |            |
| Depreciation on Fixed Assets  | 4,103,361    | _          |
|   |              |            |
| BALANCE OF THE FUND AT THE END OF THE YEAR  AS CARRIED OVER STATEMENT OF FINANCIAL POSITION | (20,563,814) | 8,446,573  |
| Total   | 49,746,149   | 10,921,219 |

The accompanying notes form an integral part of these financial statements.

### CHARTERED LIFE INSURANCE COMPANY LIMITED

## (FORM "AA") Classified Summary of the Assets in Bangladesh

As at 31st December, 2014

| SL.<br>No. | Class of Assets                                      | Book Value<br>Taka | Market Value<br>Taka | Remarks          |
|------------|--|--------------------|----------------------|------------------|
| 1          | Treasury Bond  | 15,000,000         | 15,000,000           | At Cost          |
| 2          | Cash in Hand and STD & Current Accounts              | 190,409,718        | 190,409,718          | Realisable Value |
| 3          | Advances & Deposits                                  | 14,137,078         | 14,137,078           | Realisable Value |
| 4          | Fixed Assets (at cost less accumulated depreciation) | 24,153,547         | 24,153,547           | WDV              |
| 5          | Preliminary Expenses                                 | 2,382,325          | 2,382,325            | At Cost          |
| 6          | Stamps & Printing materials in Hand                  | 738,576            | 738,576              | At Cost          |
|            | Total  | 246,821,244        | 246,821,244          |                  |

### CHARTERED LIFE INSURANCE COMPANY LIMITED

STATEMENT OF CHANGES IN STOCKHOLDERS EQUITY AS AT 31 DECEMBER, 2014

| Particulars                       | Share Capital | Share<br>Premium | General<br>Reserve | Retained<br>Earnings | Other<br>Reserve | Total       |
|-----------------------------------|---------------|------------------|--------------------|----------------------|------------------|-------------|
| Balance as on 01<br>January 2014  | 180,000,000   | -                | -                  | -                    | 1                | 180,000,000 |
| Balance as on 31<br>December 2014 | 180,000,000   |                  | 1                  | ī                    | 1                | 180,000,000 |

| Tho | annov | notos | form. | an in | toaral | nart | of those | financia | I statements |
|-----|-------|-------|-------|-------|--------|------|----------|----------|--------------|
|     |       |       |       |       |        |      |          |          |              |

Signed as per annex report on even date

Managing Director Director Vice - Chairman Chairman

2014 2013 TAKA TAKA

04. SHARE CAPITAL: TK. 180,000,000

**Authorised Capital** 

25,00,00,000 Ordinary Shares of Tk. 10 each **2,500,000,000 2,500,000,000** 

Issued, Subscribed and Paid-up Capital

180,000,000 180,000,000

| SL. No | Name of the shareholders                        | Number of Shares | Face Value | Amount     |  |  |  |
|--------|---|------------------|------------|------------|--|--|--|
| 1      | Vice Principal Md. Abdus Shahid                 | 900,000          | 10         | 9,000,000  |  |  |  |
| 2      | Shykh Seraj                                     | 1,800,000        | 10         | 18,000,000 |  |  |  |
| 3      | Mohammad Nazim Uddin Khan                       | 1,800,000        | 10         | 18,000,000 |  |  |  |
| 4      | Md. Rezaul Karim                                | 1,800,000        | 10         | 18,000,000 |  |  |  |
| 5      | Unique Hotel & Resort Ltd(Md. Kamrul Noor)      | 1,800,000        | 10         | 18,000,000 |  |  |  |
| 6      | Ghulam Mustafa                                  | 900,000          | 10         | 9,000,000  |  |  |  |
| 7      | Golden Oil Mills Ltd(Niaz Ahmed)                | 900,000          | 10         | 9,000,000  |  |  |  |
| 8      | Shamshed Ali                                    | 1,116,000        | 10         | 11,160,000 |  |  |  |
| 9      | GPH Power Generation Ltd(Md. Jahangir Alam)     | 1,800,000        | 10         | 18,000,000 |  |  |  |
| 10     | Energypac Power generation Ltd(Md. Rabiul Alam) | 1,800,000        | 10         | 18,000,000 |  |  |  |
| 11     | Mohd. Imtiaz Ahmed                              | 360,000          | 10         | 3,600,000  |  |  |  |
| 12     | Durjay Khan Majlish                             | 1,800,000        | 10         | 18,000,000 |  |  |  |
| 13     | Zillur Rahman Jilu                              | 612,000          | 10         | 6,120,000  |  |  |  |
| 14     | Munayam Khan Babul                              | 612,000          | 10         | 6,120,000  |  |  |  |
|        | Total   |                  |            |            |  |  |  |

### 05. LIFE INSURANCE FUND: TK. (2,05,63,814)

### This amount consists of:

 Opening balance
 8,446,573

 Decrease in Life Revenue A/C during the year
 (29,010,387)
 8,446,573

 Total
 (20,563,814)
 8,446,573

06. Amount due to other person or bodies carrying on insurance business: TK. 2,05,269

The amount payable to Re-Insurer(Score globle life SE) for life reinsured

### 07. LOAN FROM DIRECTOR: TK. 6,18,20,371

The Company had taken a short term loan of an amount of BDT 6,18,20,371 from Directors of the Company according to the decision of the Board of Directors for meeting up expenses.

|         | The above balance is made up as follows:        | 2014<br><u>TAKA</u> | 2013<br><u>TAKA</u> |
|---------|---|---------------------|---------------------|
| SL. No. | Name of the shareholders                        | Total loan          | Total loan          |
| 1       | Shykh Seraj                                     | 8,831,482           | 2,331,482           |
| 2       | Md. Rezaul Karim                                | 8,831,482           | 2,331,482           |
| 3       | Unique Hotel & Resort Ltd(Md. Kamrul Noor)      | 8,831,482           | 4,831,482           |
| 4       | Ghulam Mustafa                                  | 4,415,740           | 2,415,740           |
| 5       | Golden Oil Mills Ltd(Niaz Ahmed)                | 4,415,740           | 2,415,740           |
| 6       | GPH Power Generation Ltd(Md. Jahangir Alam)     | 8,831,482           | 4,831,482           |
| 7       | Energypac Power generation Ltd(Md. Rabiul Alam) | 8,831,482           | 4,831,482           |
| 8       | Durjay Khan Majlish                             | 8,831,481           | 4,831,481           |
|         | Total   | 61.820.371          | 28.820.371          |

| 08. SUNDRY CREDITORS: TK. 2,43,03,801 |      |              |              |
|---------------------------------------|------|--------------|--------------|
| The amount is made up as follows:     |      | 2014<br>TAKA | 2013<br>TAKA |
| Audit Fees                            |      | 75,000       | 20,000       |
| Agent Licence Fee                     | 8.01 | 134,940      | -            |
| Electricity Expenses                  | 8.02 | 242,063      | -            |
| FA-BM Commission                      | 8.03 | 1,185,174    | -            |
| House Maintenance                     | 8.04 | 616,080      | -            |
| Office Decoration & Design            |      | 1,423,583    | -            |
| Office Rent                           | 8.05 | 7,270,312    | 1,423,680    |
| Postage,Tel. & Telegram               | 8.06 | 5,109        | -            |
| Printing Expenses                     | 8.07 | 677,413      | -            |
| Salary & Allowance                    | 8.08 | 2,562,670    | 175,000      |
| Interest on Directors Loan            |      | 5,921,764    | -            |
| Tax & Vat deducted at source          | 8.09 | 4,078,280    | -            |
| Utilities Expenses                    | 8.10 | 111,413      | -            |
| Total                                 |      | 24,303,801   | 1,618,680    |

### 8.01. Agent Licence Fee TK-1,34,940

This represents amounts received from various development staff for agents licenses fees which were under process and deposited gradully to the IDRA.

### 8.02. Electricity Expenses TK-2,42,063

The above amount have been subsequently paid in full.

### 8.03. FA-BM Commission TK-11,85,174

The above amount have been subsequently paid in full.

### 8.04. House Maintenance TK-6,16,080

The above amount have been subsequently paid in full.

### 8.05. Office Rent TK-72,70,312

The above amount have been subsequently paid in full.

### 8.06. Postage,Tel. & Telegram TK-5,109

The above amount have been subsequently paid in full.

### 8.07. Printing Expenses TK-6,77,413

The above amount have been subsequently paid in full.

### 8.08. Salary & Allowance TK-25,62,670

The above amount have been subsequently paid in full.

### 8.09. Tax & VAT deducted at source: TK. 40,78,280

The above balance is made up as follows:

| i. TDS- Employees salaries          | 413,868   |
|-------------------------------------|-----------|
| ii. TDS- Rent                       | 718,617   |
| iii.TDS- Commission                 | 477,771   |
| iv. TDS- Suppliers                  | 441,779   |
| vi. Vat deducted at source-Supplers | 453,833   |
| vii. VAT deducted at source- Rent   | 1,572,412 |
|                                     | 4,078,280 |

IT & VAT deducted at source has been deposited to Bangladesh Bank through treasury challan subsequently.

#### 8.10. Utilities Expenses TK-1,11,413

The above amount have been subsequently paid in full.

### 09. Premium Deposits TK. 10,55,617

Premium deposit represents premium received but risk has not yet been accepted because of pending underwriting decision as on 31 December 2014.

### 10 INVESTMENT IN STATUTORY DEPOSIT WITH BANGLADESH BANK: TK. 15,000,000

In compliance with section 23 & 24 of Insurance Act, 2010, the amount has been deposited into Banglades Bank for which the Bangladesh Bank has issued 5 years Bangladesh Governmen Treasury Bond (BGTB) in favour of the company. Interest earned and received during the year has been duly accounted for.

| 11 ADVANCES, DEPOSITS & SUNDRY DEBTORS: TK.1       | ,41,37,078        |             |             |
|--|-------------------|-------------|-------------|
|  |                   | 2014        | 2013        |
| The above is comprised as follows:                 |                   | IAKA_       | IAKA_       |
|  |                   |             |             |
| Advance against office Rent to Borak Real Est      | tate(PVT) Ltd     | 11,389,440  | 700,000     |
| Advance against office renovation & Decora         |                   | -           | 2,500,000   |
| Advance against Motor Cycle                        |                   | 396,750     | _,,         |
| Advance Tax  |                   | 2,350,888   | 1,121,024   |
| Total  |                   | 14,137,078  | 4,321,024   |
| 12 CASH AT BANK: TK. 19,03,91,260                  |                   | 11,101,010  | .,,,,,,,,   |
| The above balance is made up as follows:           |                   |             |             |
| The above balance is made up as follows.           |                   |             |             |
| Eastern Bank Ltd. Banani Branch                    | 1161360079794     | 185,192,588 | 187,171,600 |
| Eastern Bank Ltd. Banani Branch                    | 1161360099270     | 22,642      | 10,009,530  |
| Brac Bank Ltd. Kawran Bazar Branch                 | 1540102863178001  | 1,413,063   | 10,007,330  |
| Brac Bank Ltd. Kawran Bazar Branch                 | 1540202863178001  | 933,038     | -           |
|  |                   |             | -           |
| City Bank Ltd. Kawran Bazar Branch                 | 1101493774001     | 611,916     | -           |
| City Bank Ltd. Kawran Bazar Branch                 | 3101493774001     | 2,218,013   | 107 101 120 |
| Total  |                   | 190,391,260 | 197,181,130 |
| 13 CASH IN HAND: TK. 18,458                        |                   |             |             |
| The above balance is made up as follows:           |                   |             |             |
| The above balance is made up as follows.           |                   |             |             |
| Head Office  |                   | 18,458      | 1,145       |
| Total  |                   | 18,458      | 1,145       |
| 14 PRELIMINARY EXPENSES Tk. 23,82,325              |                   |             |             |
|  |                   |             |             |
| The above balance is made up as follows:           | 0.1               | 5.000       | F 000       |
| Application Fees for Paid up Capital raising, Po   | •                 | 5,000       | 5,000       |
| Consent Fee (BSEC) Pay Order (Paid up Capit        | •                 | 76,000      | 76,000      |
| RJSC, Registration fees, Registration filling fee, | Certified copy of | 1,326,325   | 1,326,325   |
| Memorandum Making and Actuary fees                 |                   | 375,000     | 375,000     |
| Submission fees                                    |                   | 100,000     | 100,000     |
| IDRA Pay Order for Application                     |                   | 500,000     | 500,000     |
|  |                   | 2,382,325   | 2,382,325   |
| 15 PROFIT/INTEREST, DIVIDEND AND RENT: TK          | . 1,40,20,598     |             |             |
| The above balance is made up as follows:           |                   |             |             |
| Eastern Bank Ltd. Banani Branch                    | 11/10/007075      | 12.024.087  | 10.007./:-  |
|  | 1161360079794     | 12,024,087  | 10,007,641  |
| Eastern Bank Ltd. Banani Branch                    | 1161360099270     | 204,782     | 42,078      |
| Brac Bank Ltd. Kawran Bazar Branch                 | 1540102863178001  | 19,632      | -           |
| City Bank Ltd. Kawran Bazar Branch                 | 3101493774001     | 29,097      | - 071 500   |
| Statutory Deposit (Bangladesh Bank)                |                   | 1,743,000   | 871,500     |
|  |                   | 14,020,598  | 10,921,219  |

### 16 EVENTS AFTER THE REPORTING PERIOD:

There was no major event that has occurred subsequent to the balancesheet date and affecting the operating esults significantly.

## CHARTERED LIFE INSURANCE COMPANY LIMITED CASH FLOW STATEMENT

AS AT 31 DECEMBER, 2014

|   | 2014            | 2013         |
|---|-----------------|--------------|
|   | otes <u>TK.</u> | <u>TK.</u>   |
| A. CASH FLOW FROM OPERATING ACTIVITIES:                   |                 |              |
| Collection of Premium                                     | 27,539,432      | 2            |
| Premium Deposit   | 27,539,432      | -            |
| Agency License Fees                                       | 27,539,432      | -            |
| Payment for Re-insurance                                  | 27,539,432      | -            |
| Payment for management Expenses                           | 27,539,432      | (855,966)    |
| Purchase of forms, stamp                                  | 27,539,432      | -            |
| Source tax(Income tax) deducted                           | 27,539,432      | (1,121,024)  |
| Net Cash Flow from operating activities                   | 27,539,432      | (1,976,990)  |
| B. CASH FLOW FROM INVESTING ACTIVITIES :                  |                 |              |
| Acquisition of Fixed Assets                               | (23,459,376)    | -            |
| Interest Received   | 14,020,598      | 10,921,219   |
| Purchase of Bangladesh Govt. Treasury Bond (BGTB)         | -               | (15,000,000) |
| Proceed from Prelimainary Expenses                        | -               | (2,382,325)  |
| Net Cash Flow from investing activities                   | (9,438,778)     | (6,461,106)  |
| C. CASH FLOW FROM FINANCING ACTIVITIES :                  |                 |              |
| Loan from Directors                                       | 33,000,000      | 28,820,371   |
| Advance, deposit & Sundry Debtors                         | 33,000,000      | (3,200,000)  |
| Paid-UP-Capital   | 55,000,000      | 180,000,000  |
| Net Cash Flow from financing activities                   | 21,896,560      | 205,620,371  |
| D. Net increase/(Decrease) in cash and cash Equivalents   |                 | 197,182,275  |
| E. Cash and Cash Equivalents at the beginning of the year |                 | 1//,102,2/3  |
| F. Cash and Cash Equivalents at the end of the year (D+E) | · · ·           | 197,182,275  |

The annex notes form an integral part of these financial statements.

Accountants

SCHEDULE-A

CHARTERED LIFE INSURANCE COMPANY LIMITED
FIXED ASSETS SCHEDULE
AS AT 31ST DECEMBER, 2014

|                              |                        | Ü   | COST                          |  |         |                            | DEPRE                      | DEPRECIATION                  |   |   |
|------------------------------|------------------------|---|-------------------------------|--|---------|----------------------------|----------------------------|-------------------------------|---|---|
| SI.<br>No                    | Balance as a 01.01.201 | Balance as on Addition duri Adjustment Balance as on 01.01.2014 the year during the year 31.12.2013 | Adjustment<br>during the year | Balance as on Addition duri Adjustment Balance as on Rate 01.01.2014 the year during the year 31.12.2013 | Rate Br | alance as on<br>11.01.2014 | Charged during<br>the year | Adjustment<br>during the year | Balance as on Charged during Adjustment Balance as on Value as at 01.01.2014 the year during the year 31.12.2014 31.12.2014 | Written Down<br>Value as at<br>31.12.2014 |
| 1 Firmiture & Fixture        |                        | 6.696.981   |                               | 6.696.98110%   |         |                            | 00'869'699                 |                               | 869.699   | 6.027.283                                 |
| 2 Office Decoration & Design | & Design               | 6,967,432   | . 23                          | 6,967,43210%   |         |                            | 696,743.00                 | ,                             | 696,743   | 6,270,689                                 |
| 3 Office Equipment           |                        | 3,631,565   |                               | 3,631,56515%   |         |                            | 544,734.00                 | -                             | 544,734   | 3,086,831                                 |
| 4 Motor Car & Vehicle        | <u>•</u>               | 10,960,930  | 30 -                          | 10,960,93020%  |         |                            | 2,192,186.00               | C                             | 2,192,186   | 8,768,744                                 |
| Sub-Total                    |                        | 28,256,908  | . 80                          | 28,256,908   |         |                            | 4,103,361                  | .<br> <br> -                  | 4,103,361   | 4,103,361 24,153,547                      |
| Total Total                  |                        | 000 730 000   | 90                            | 900 750 80   |         |                            | 176 801 7                  |                               | 4 103 341   | A 102 241 24 162 647                      |

### CHARTERED LIFE INSURANCE COMPANY LIMITED NOTES ON THE FINANCIAL STATEMENT

FOR THE YEAR ENDED 31 DECEMBER, 2014

#### 1.0 LEGAL STATUS AND NATURE OF BUSINESS

#### 1.01 Status

Chartered Life Insurance Company Limited is a public limited company incorporated on 29th July 2013 under the Companies Act 1994. The registered office of the Company is situated at Unique Trade Center (UTC), Level-5, 8 Panthapath, Dhaka-1215, Bangladesh.

### 1.02 Nature of Business

The Company is a life insurer licensed by Insurance Development & Regulatory Authority (IDRA) operating business in Bangladesh. The Company sell Individual Life Insurance Policy and Group Life Insurance Policy. The Company offers a wide variety of insurance products which fulfils the requirements of our present and prospective policyholders. The product portfolio of the Company feeds the following insurance lines:

Chartered-Three Payment Plan (C-3PP)

Chartered-Five Payment Plan (C-5PP)

Chartered-Endowment Plan- 1 (CEP-1)

Chartered-Endowment Plan- 2 (CEP-2)

Chartered-Money Back Plan (CMBP)

Chartered-Group Endowment Plan (CGEP)

Chartered-Group Term Plan (CGTP)

Chartered-Single Premium Plan (CSP)

Chartered-Pension Plan (CPP)

Chartered-Child Protection Plan (CCP)

Chartered-Child Education Plan (CEP)

Chartered-Monthly Savings Plan (CMSP)

Chartered-Manpower Export Plan (CMP)

Chartered-Hajj Bima (CHB)

Chartered-Denmohar Bima (CDB)

### 2.00 BASIS OF PRESENTATION AND STATEMENT OF COMPLIANCE

### 2.01 Statement of compliance

These financial statements have been prepared on the historical cost basis and the following underlying assumption, measurement base, laws, rules, regulation and accounting pronouncements have been considered in preparing and presenting the financial statements:

- \* Going concern
- \* Accrual unless stated otherwise except for cash flow statement
- \* Historical cost convention
- \* The Insurance Act 2010
- \* Insurance Rules 1958
- \* The Companies Act 1994
- \* Income tax ordinance 1984
- \* The Securities and Exchange Rules 1987
- \* Comply with the relevant Bangladesh accounting standard (BAS) which is related to the financial statement
- as adopted by the Institute of Chartered Accountants of Bangladesh(ICAB)
- \* Where the requirements of the companies Act 1994, The insurance act 2010, The Securities and Exchange Rules 1987 differ with the requirements of these standards, the requirements of the companies Act 1994, The insurance act 2010, The Securities and Exchange Rules 1987 take procedure.
- \* These financial statements have been prepared on the format of financial statements prescribed in the Insurance rules 1958 and SE rules 1987.

### 2.02 Reporting currency and level of precision

The financial statements are prepared in Bangladeshi Taka, which is the Company's functional currency. All financial information presented has been rounded off to the nearest taka. Figures in brackets indicate deduction.

### 2.03 Use of estimates and judgment

The preparation of financial statements in conformity with the accepted accounting principles and standards requires that the company's management make estimates and assumptions that affect the reported amounts of income and expenses for the year end and reported balances of assets and liabilities. The estimates and assumptions used in the accompanying financial statements are based upon management evaluation of the relevant facts and circumstances of the date of financial statements. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimates are revised.

However, assumptions and judgment made by Management in the application of accounting policies that have significant effect on the financial statement are not expected to result in material adjustment to the carrying amount of assets and liabilities in the next year.

#### 2.04 Reporting Period

The financial period of the Company covers from 1st January, 2014 to December 31, 2014 of the calendar year.

#### 2.05 Components of the financial statements

The Financial Statements include the following components:

- \* Balance Sheet
- \* Life Revenue Account
- \* Cash Flow statement
- \* Statement of Life Insurance Fund
- \* Statement of Changes in Stockholders' Equity
- \* Classified summary of assets(Form AA) and
- \* Accounting policies and Explanatory Notes.

### 3.00 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies set out below have been applied consistently in these financial statements.

### 3.01 Revenue Recognitions

### 3.1.1 Premium

### 3.1.1.1 Individual life policies

First year premium is recognized when premium is received and the relevant policy is issued. Subsequent premium falling due under the policy is recognized as Renewal premium.

### 3.1.1.2 Group policies

The premiums of Group policies are recorded after receipt of the premiums.

### 3.1.2 Investments-Interest and Dividends

Interest are accounted at gross value (before deduction of Income tax)

Investments in Government securities- Bangladesh Government Treasury Bond (BGTB) are stated at face values.

Interest incomes on investments are recognized on accrual basis for the number of days these are held taking into account effective yield on the instruments.

#### 2.02 Re-insurance

The Company maintains reinsurance arrangement with SCOR GLOBAL LIFE SE SINGAPORE BRANCH since its inception. The net retention of the company for individual life is Tk. 3(Three) lac per policy and for Group life Tk. 5(Five) lac per person of risk. Reinsurance premium is recorded as an expense evenly over the period of the reinsurance contact and off-set against the premium income of respective year.

The claim recoveries arising out of reinsurance contracts are off-set against the claims expenses of respective year.

#### 3.03 Recognition of fixed Assets-Tangible

These are capitalized at cost of acquisition and subsequently stated at cost less accumulated depreciation and impairment losses.

#### 3.04 Depreciation on fixed Assets-Tangible

Depreciation is calculated on straight-line method to write off the assets over their expected useful lives.

Depreciation on additions made during the year is charged from the following month in which the new assets are acquired.

Depreciation on disposal of assets is made up to the month prior to the disposal.

Gains and losses on disposal of Fixed Assets are included in current year's income and expenses respectively.

Major repairs and renewals are capitalized in the year in which these are incurred.

Methods and rates of computing depreciations are consistently applied.

### The annual depreciation rates applied to the principal categories of assets are as follows:

| Category of Assets         | Rate of Depreciation |
|----------------------------|----------------------|
| Furniture & Fixture        | 10%                  |
| Office Decoration & Design | 10%                  |
| Office Equipment           | 15%                  |
| Motor car & Vehicle        | 20%                  |

### 3.05 Stamps and Printing materials in hand

Stocks of stamps & printing materials etc in hand are valued at cost.

### 3.06 Taxation

i) The Company is engaged in life insurance business and its taxation is based on taxable income determined under the fourth schedule of the income Tax ordinance, 1984.

ii) As the profits and gains of the insurance business from all sources are to be computed in accordance with the provision in the fourth schedule of the income Tax Ordinance and not under different heads of income, the Management feels it is not necessary to make estimate of deferred tax assets/liabilities at this stage as per the provision of BAS-12.

#### 3.07 Commission

These are direct cost incurred in acquiring and maintaining insurance policies.

Commission to insurance agents (less that on re-insurance) is classified under first year commission, Renewal commission and Group Insurance commission.

Allowance and commission (other than commission to insurance agents) represent all forms of remuneration and incentives paid to certain development officers, field force staff and insurance agents.

### 3.08 Premium Deposits

Premium deposit represents premium received but risk has not yet been accepted because of pending underwriting decision as on 31 December 2014.

### 3.09 Cash flow statement

Cash flow statement has been prepared on direct method in accordance with BAS-7.

Cash flows from operating activities have been presented under direct method as outlined in the Securities and Exchange Rules 1987. For the purpose of cash flow statements cash and cash equivalents include in the following:

- \* Cash in hand
- \* Cash at Bank in current and STD accounts

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

The board of directors is responsible for preparation and presentation of financial statements U/S 183 of the Companies Act 1994 and as per the provision of "the framework for the preparation and presentation of financial statements "issued by the International Accounting Standards Committee (IASC) as adopted by ICAB.

### **Chartered Life**

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