



## Director's Report

Bismillahir Rahmanir Rahim

**Dear Shareholders,**

Assalamu Alaikum,

The Board of Directors of your company Purabi General Insurance Company Limited welcomes you to the 34<sup>th</sup> Annual General Meeting and would like to thank you for your continued patronage and support over the 34 years. We are very delighted to present before you the Annual Report along with the Audited Financial Statements for the year ended 31st December 2021 and the Auditor's Report thereon for kind consideration and adoption.

This report of the Directors have made relevant disclosures and explanations pertaining to the issues to ensure compliance, transparency and good corporate governance practices along with the details of the business performance, operations and achievements of the company for the year ended 31st December 2021.

In fact the year 2021 is very significant in the life of the Company in terms of performance and achievements not only within the industry but also in the entire economy.

### **Industry Outlook and Possible Future Development**

The insurance industry of Bangladesh is highly competitive. Key factors affecting the performance of the industry during the review period included fierce competition in the non-life segment, the rising market shares of private insurance companies, and the increasing level of risk being retained by insurers. The insurance regulatory reform is not just an aid for a catastrophic outcome; it can also be a driver of exponential economic growth. By streamlining the regulatory infrastructure in terms of data warehousing, governance, systems, resources, and processes in adjustment with international insurance standards such as the International Association of Insurance Supervisors (IAIS); Bangladesh can exhibit a reliable and well-balanced insurance platform. In short, rehabilitation of insurance regulations promulgated by IDRA could result in multifold positive impacts on the economy of Bangladesh.

### **Risk and Concern**

Both life and non-life Insurance Business involves assumption of risk many types-Physical as well as moral. Physical risks are identified as those caused by natural catastrophes, accidental losses and man-made disasters. The key to proper management of insurance business risks to ensure proper management of insurance business risks is to make sure proper selection of risks as well as of the client through a vetting process known as underwriting. Non-life insurance business also closely follows the country's economic development and any slowdown in the economic activities also has adverse impact on the insurance industry's growth. Purabi, being aware of these business risks practices the following to protect its interests; (a) selection of risks which have the potential of making underwriting profit. (b) Diversification into many segments of business-product wise, as well as client wise so that the company is not over reliant on any particular segment (c) the company arranges adequate reinsurance back up of risks assumed by it with good quality securities. (d) The company maintains a conservative reserving policy and its various technical reserves have been created to adequately cater to unforeseen developments in the future.

### **Extra Ordinary Activities & their implications**

The activities of PGIC has a steadily growth from the beginning. No extra ordinary activities occurred during the year and have no implications in the financial statements.



### Variance between Quarterly and Annual Financial Statements

Purabi General Insurance Company Limited disclosed quarterly financial performance for the 3rd quarter in 2021. No significant deviation in operational results of these quarterly and year-end operational result is noticed as a whole.

### Directors Remuneration

Directors are not eligible for any remuneration other than attendance fee for the Board Meeting. As per IDRA Reference letter No. 53.03.0000.009.18.014.18.123 dated 31st May 2018 directors are eligible for remuneration for attending each meeting.

### Maintaining Proper Books of Accounts

The director's responsibilities also include overseeing whether adequate accounting records are being maintained with vouchers relevant to any entry in good order. The books of accounts kept at the registered office of the Purabi General Insurance Company Limited.

### Appropriate Accounting Policy Followed

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.

### Effective Internal Control System

An effective internal control system also requires that an appropriate control structure is set up with control activities defined at every business level. Board of directors has the responsibility for approving the review of overall business strategies and significant policies of the internal control system.

### Deviations from the Last Year Operating Results

There were no significant deviations from the last years operating results of the Company

### Five Years Operating and Financial Data

The Key operating and financial data for the last five years have been shown at below:

Particulars	2017	2018	2019	2020	2021
Authorized Capital	1,000,000,000	1,000,000,000	1,000,000,000	1,000,000,000	1,000,000,000
Paid up Capital	493,795,880	553,051,380	553,051,380	553,051,380	580,703,949
Total Asset	965,666,176	1,021,837,222	1,070,425,730	1,087,862,072	1,248,863,616
Investment	114,267,386	39,643,065	29,005,330	41,786,117	41,110,326
Premium less Re-Insurance	18,933,616	16,900,161	20,976,336	24,023,598	81,846,669
Net Profit	104,903,324	83,313,065	84,842,925	99,734,483	115,289,587
Dividend	12% (Stock)	12% (Cash)	10% (Cash)	5 % Cash 5% Stock	10% Cash (Proposed)

### Dividend Declaration Policy

In the year under review as per the instruction of the Board of Directors of the company, the management is following a policy regarding dividends to be paid to the shareholders in a manner that shall be in the line with and in consistent to the actual income as well as the practices of the insurance industry. Board of Directors Meeting held on 14th June 2022 has recommended a Cash dividend at 10% (percent) for the year 2021.

### Disclosure on Dividend Distribution

Purabi General Insurance Company plan to pay the dividend to the securities holder within 30 (thirty) days of declaration or approval and submit a compliance report to the Exchange and to the Commission in respect of dividend payment within 7 (seven) working days.

### Interim Dividend

No bonus share or stock dividend has been declared by the Board as interim dividend and there was no effect of the company's financial position.

### Board Meetings and Attendance

During the year, the Board of Directors Meeting and their attendance records are shown at below:

The Board of Directors' meetings held regularly and with due manner. A total of four (04) Board of Directors' meeting was held during the year 2021.

S.L	Name of Directors	Position	Attendance
01	Mr. Mojibul Islam	Chairman	04
02	Mrs. Golam Fatema Tahera Khanam (Representative of Sandhani Life Insurance Co. Ltd.)	Vice- Chairman	04
03	Mr. Faisal Kabir Chowdhury	Sponsor Director	04
04	Mr. Khalid Hossain	Sponsor Director	04
05	Mrs. Naziba Begum	Sponsor Director	04
06	Mr. Saleh Ahmed (Representative of Mona FCS Limited)	Director	04
07	Mr. Nazrul Islam Chowdhury	Sponsor Director	04
08	Mr. Mohammad Iqbal	Sponsor Director	04
09	Mr. Col. Wais Huda (Retd.)	Independent Director	04
10	Mr. Mojibar Rahman Miah	Independent Director	04
11	Mr. A.F.M Rezaul Hasan	Independent Director	04

N.B: CEO (Chief Executive Officer); CS (Company Secretary) & CFO (Chief Financial Officer) were also present in all Board of Directors meeting during the year 2021.



## Pattern of Shareholding

A report on the pattern of shareholding disclosing the aggregate number of shares along with name-wise details as on 31st December 2021 are stated at below:

### Shareholding pattern of the Company as on 31st December 2021.

Directors and Sponsors	Position	Shareholding Status	% of Shareholdings
Mr. Mojibul Islam	Chairman	11,61,539	2.00%
Mrs. Golam Fatema Tahera Khanam (Representative of Sandhani Life Insurance Company Limited)	Vice-Chairman	28,44,627	4.90%
Mr. Faisal Kabir Chowdhury	Sponsor Director	16,45,283	2.83%
Mr. Khalid Hossain	Sponsor Director	13,34,904	2.29%
Mrs. Naziba Begum	Sponsor Director	16,42,160	2.83%
Mr. Saleh Ahmed (Representative of Mona FCS Limited)	Director	13,04,608	2.25%
Mr. Nazrul Islam Chowdhury	Sponsor Director	11,61,430	2.00%
Mr. Mohammad Iqbal	Sponsor Director	8,21,260	1.41%
Mrs. Golam Fatema Tahera Khanam	Nominated Vice -Chairman	32,891	0.05%
Mr. Col. Wais Huda (Retd.)	Independent Director	-	-
Mr. Mojibar Rahman Miah	Independent Director	-	-
Mr. A.F.M Rezaul Hasan	Independent Director	-	-

## Retirement and Re-election of Directors

As per Companies Act, 1994, each year one-third of the Directors (except Independent Director) retire from office at the Annual General Meeting (AGM) and if eligible, may offer themselves for re-election by share-holders at the Annual General Meeting. In line with the requirement of Company Act, 1994, the following Directors will retire at the 34th AGM:

1. Mr. Md. Iqbal
2. Mr. Md. Khalid Hossain

The above directors are eligible for re election for their next term.

## **Management's Discussion and Analysis of the Company's Position**

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 are stated at in this Annual Report.

## **Loans or Advances to Directors**

In the year 2021, PGICL has not allow any loans or advances or any debit balances (including guarantee or security in connection with a loan) to any other Directors of the company with refer to the Commissions Notification no. SEC/CMMRR/CD/2006-159/Admin/02-10 dated 10 September 2006.

## **Shareholders' Value**

PGICL remains fully committed to delivery of higher standard of shareholders' value. The higher profitability underpins the value the shareholders derived from investing in the shares of PGICL.

## **Annual General Meeting**

34th Annual General Meeting (AGM) of the company will be held on 06<sup>th</sup> September, 2022 at 12.00 noon. (Virtually). In this connection, financial statements were adopted in the 183<sup>rd</sup> Board Meeting held on 14<sup>th</sup> June, 2022 and the financial statements will be approve in the 34<sup>th</sup> AGM.

## **Corporate Governance**

Good Corporate Governance is the system through which the company is directed, guided and controlled by the Board, keeping in view its accountability to the Shareholders. The Board has complied with the requirements set out by BSEC.

## **Appointment of Auditors and fixation of their Remuneration.**

Statutory Auditors: Shafiq Basak & Co., Chartered Accountants was appointed as the Statutory Auditor of the Company at the 33<sup>rd</sup> AGM held on 30<sup>th</sup> September, 2021. Which will expire in the 34<sup>th</sup> AGM and they are not eligible for re-appointment for the year 2022. So Board Recommended Khan Wahab Shafique Rahman & Co., Chartered Accountants as the Statutory Auditor of the Company for the year 2022.

## **Compliance Auditors:**

Appointment of auditors/practicing professional for issuing certificate on compliance of conditions of corporate governance code and fixation of their remuneration.

**Mollah Quadir Yusuf & Co.,** Chartered Accountants was appointed as the Compliance Auditor of the Company at the 33<sup>rd</sup> AGM held on 30<sup>th</sup> September, 2021. Which will expire in the 34<sup>th</sup> AGM and they are eligible for re-appointment for the year 2022.

## **Transparency and Accountability**

Purabi General Insurance Company Ltd. always maintains transparency and accountability at all levels in doing business. To provide sustainable profitability, minimizing risks and establishing good governance in all spheres of Company's operation, the company ensures the segregation of duties and responsibilities between the Board & Management.

## **Acknowledgement**

The members of the Board of Director of Purabi General Insurance Company Limited like to express gratitude to all honorable shareholders, valued clients for their patronage and support. The Directors also express their thanks and profound appreciation for the immense support and co-operation received from office of the Chairman, Insurance Development & Regulatory Authority (IDRA), all concerned Government



Offices including Ministry of Finance, Ministry of Commerce, Sadharan Bima Corporation, Bangladesh Bank, all Nationalized Bank, Commercial Bank and Financial Institution, Registrar of Joint Stock Companies & Firms (RJSC), Bangladesh Securities and Exchange Commission (BSEC), Dhaka Stock Exchange Ltd. (DSE), Central Depository Bangladesh Limited (CDBL), National Board of Revenue (NBR), Bangladesh Insurance Association (BIA), and Bangladesh Association of Publicly listed companies (BAPLC). The Board Members also pleased to put on record their appreciation for the commitment and dedication extended by the management of the Company.

On behalf of the Board of Directors.



**Mojibul Islam**  
Chairman.