

"If you have any query about this document, you may consult issuer, issue manager (s) and underwriter (s)"

PROSPECTUS

PUBLIC OFFER OF 900,000 ORDINARY SHARES
AT TK. 100.00 EACH (AT PAR) TOTALLING TK.90,000,000

Opening date for subscription: 26.10.2008

Closing date for subscription: 30.10.2008

Subscription closes for Non-Resident Bangladeshi (NRB) quota on : 08.11.2008

Underwriters

ICB Capital Management Ltd.

8, DIT Avenue, BSB Building (14th Floor), Dhaka-1000

Capital Market Services Limited

Suite # 702(7th Floor) 28, Dilkusha C/A, Dhaka.

GSP Finance Company (Bangladesh) Limited

1, Paribagh, Mymensingh Road, Ramna, Dhaka

Issue date of the Prospectus: 31.07.2008

The issue shall be placed in "N" category

ICML

Manager(s) to the Issue ICB CAPITAL MANAGEMENT LTD. (A SUBSIDIARY OF ICB)

8, DIT Avenue, BSB Building (14th Floor), Dhaka-1000
Web-site: www.icml.com.bd Email: ceocmcl@accessstel.net



CAPITAL MARKET SERVICES LIMITED

Suite #702 (7th Floor), 28 Dilkusha C/A, Dhaka-1000
Web-site: www.cmslbd.com Email: cmsl@aitlbd.net

Credit Rating by Credit Rating Agency Of Bangladesh Ltd.

Entity Rating	Long Term	Short Term
	BBB ₃	ST-3

Credit Rating assigned on the basis of audited accounts as of December 31, 2006

"CONSENT OF THE SECURITIES AND EXCHANGE COMMISSION HAS BEEN OBTAINED TO THE ISSUE/OFFER OF THESE SECURITIES UNDER THE SECURITIES AND EXCHANGE ORDINANCE, 1969, AND THE SECURITIES AND EXCHANGE COMMISSION (PUBLIC ISSUE) RULES, 2006. IT MUST BE DISTINCTLY UNDERSTOOD THAT IN GIVING THIS CONSENT THE COMMISSION DOES NOT TAKE ANY RESPONSIBILITY FOR THE FINANCIAL SOUNDNESS OF THE ISSUER COMPANY, ANY OF ITS PROJECTS OR THE ISSUE PRICE OF ITS SECURITIES OR FOR THE CORRECTNESS OF ANY OF THE STATEMENTS MADE OR OPINION EXPRESSED WITH REGARD TO THEM. SUCH RESPONSIBILITY LIES WITH THE ISSUER, ITS DIRECTORS, CHIEF EXECUTIVE OFFICER/CHIEF FINANCIAL OFFICER, ISSUE MANAGER, UNDERWRITER AND/OR AUDITOR".

Issuer



Republic Insurance Company Limited

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Head Office: HR Bhaban (3rd Floor), 26/1, Kakrail, Dhaka-1000, Bangladesh

Telephone: 9336619, 9332685, 9360585 Web site: www.riclbd.com , Email: ricl@bijoy.net Fax-880-02-9361860

AVAILABILITY OF PROSPECTUS

The Prospectus of **Republic Insurance Company Limited** may be available at the following addresses:

ISSUER COMPANY	CONTACT PERSON	TELEPHONE NO.
Republic Insurance Company Limited HR Bhaban (3rd Floor), 26/1, Kakrail, Dhaka-1000, Bangladesh	Mr. Md. Harun-AI-Rashid Deputy Secretary & Md.Rafiqul Islam Deputy Controller of Accounts	9336619, 9332685, 9360585

ISSUE MANAGER (S)	CONTACT PERSON	TELEPHONE NO.
ICB Capital Management Ltd. 8, DIT Avenue, BSB Building (14th Floor), Dhaka-1000	Mr. Iftikhar-uz-Zaman Chief Executive Officer	7160422,7160326- 27(PABX)
Capital Market Services Limited Suite # 702(7 th Floor) 28, Dilkusha C/A, Dhaka.	Mr. AI Maruf Khan FCA Managing Director	9562715, 7168652

UNDERWRITER (S)	CONTACT PERSON	TELEPHONE NO.
Capital Market Services Limited Suite # 702 (7 th Floor) 28, Dilkusha C/A, Dhaka.	Mr. AI Maruf Khan FCA Managing Director	9562715, 7168652
ICB Capital Management Ltd. 8, DIT Avenue, BSB Building (14th Floor), Dhaka-1000	Mr. Iftikhar-uz-Zaman Chief Executive Officer	7160422,7160326- 27(PABX)
GSP Finance Company (Bangladesh) Limited 1, Paribagh, Mymensingh Road, Ramna, Dhaka	Mr. Md. Helal Uddin Executive Director	9674306

STOCK EXCHANGES		
Dhaka Stock Exchange Ltd. (DSE) 9/F Motijheel C/A, Dhaka – 1000	DSE Library	9564601-7
Chittagong Stock Exchange Ltd. (CSE) CSE Building, 1080, Sheikh Mujib Road Chittagong – 4100	CSE Library	(031) 714632-3 (031) 720871-3

The prospectus is also available on the web sites www.secdb.org, www.dsebd.org, www.csebd.com, www.cmslbd.com and www.riclbd.com, www.icml.com.bd public reference room of the SEC for reading and study.

Corporate directory

Registered Office	Republic Insurance Company Limited HR Bhaban (3rd Floor), 26/1, Kakrail, Dhaka-1000 Telephone: 9336619, 9332685, 9360585
Auditor	Nasir Mohammad & Co. Chittagong: CDA Building (5 th floor) Court road, Chittagong. Tel: 631435 Dhaka: Elahi Chamber (Ground floor) 21, Motijheel C/A, Dhaka-1000. Tel: 9564309
Legal Advisor	Md. Samiul Karim Alamgir, M. S. S., LLB, Advocate, 6, Court House Street, Dhaka Bar Association Building, 4th Floor, Room No. 19, Dhaka.
Issue Manager (s)	ICB CAPITAL MANAGEMENT LTD. 8, DIT Avenue, BSB Building (14th Floor), Dhaka-1000 CAPITAL MARKET SERVICES LIMITED Suite #702 (7 th floor), 28, Dilkusha C/A, Dhaka-1000 Tel: 9562715, 7168652
Company Secretary	Md. Harun-AI-Rashid, Deputy Secretary
Compliance Officer	Md. Harun-AI-Rashid, Deputy Secretary & Md.Rafiqul Islam. Deputy Controller of Accounts

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**Definition and elaboration of the abbreviated words
And technical terms used in the Prospectus**

Allotment	: Letter of Allotment for Shares
BB	: Bangladesh Bank
BO A/C	: Beneficiary Owner Account or Depository Account
Certificate	: Share Certificate
RICL	: Republic Insurance Company Limited
CMSL	: Capital Market Services Limited
Commission	: Securities and Exchange Commission
Companies Act	: Companies Act, 1994 (Act. No. XVIII of 1994)
CSE	: Chittagong Stock Exchange Limited
DSE	: Dhaka Stock Exchange Limited
FC Account	: Foreign Currency Account
ICML	: ICB Capital Management Limited
FI	: Financial Institution
GOB	: The Government of People's Republic of Bangladesh
IPO	: Initial Public Offering
Issue	: Public Issue
Issuer	: Republic Insurance Company Limited
NAV	: Net Asset Value
NBR	: National Board of Revenue
NRB	: Non Resident Bangladeshi
Offering Price	: Price of the Securities of Republic Insurance Company Limited being offered
Registered Office	: Head Office of the Company
RJSC	: Registrar of Joint Stock Companies & Firms
SC	: Share Certificate
SEC	: Securities and Exchange Commission
Securities	: Shares of Republic Insurance Company Limited
Share Market	: Market of the Securities
Sponsors	: The Sponsor Shareholders of Republic Insurance Company Limited
STD Account	: Short Term Deposit Account
Stockholders	: Shareholders
Subscription	: Application money
CCI	: Chief Controller of Insurance
SBC	: Sadharan Bima Corporation
The Company	: Republic Insurance Company Limited
FDR	: Fixed Deposit Receipt
NIB	: National Investment Bond

DISCLOSURE IN RESPECT OF ISSUANCE OF SECURITY IN DEMAT FORM

“As per provisions of the Depository Act, 1999 and regulations made there under, share of the company will be issued in dematerialized form only and for this purpose the Republic Insurance Company Limited has signed an agreement with the Central Depository Bangladesh Ltd. (CDBL). Therefore, all transfer/ transmission, splitting or conversion will take place in the CDBL system and any further issuance of shares (including right/bonus) will also be issued in dematerialized form only.”

CONDITIONS UNDER 2CC OF THE SECURITIES AND EXCHANGE ORDINANCE, 1969

PART-A

1. The company shall go for Initial Public Offer (IPO) for 900,000 ordinary shares of TK 100.00 (Taka.One hundred) each at per worth Taka 90,000,000.00 (Taka.Nine crore) only following the Securities and Exchange Commission (Public Issue) Rules, 2006, the Depository Act, 1999 and regulations made there under.
2. The abridged version of the prospectus, as approved by the Commission, shall be published by the issuer in four national daily newspapers (in two Bengali and two English), within 03 (three) working days of issuance of this letter. The issuer shall post the full prospectus vetted by the Securities and Exchange Commission in the issuer's website and shall also put on the web sites of the Commission, stock exchanges, and the issue manager (s) within 03 (three) working days from the date of issuance of this letter which shall remain posted till the closure of the subscription list. The issuer shall submit to SEC, the stock exchanges and the issue manager (s) a diskette containing the text of the vetted Prospectus in "MS-Word" format.
3. Sufficient copies of prospectus shall be made available by the issuer so that any person requesting a copy may receive one. A notice shall be placed on the front of the application form distributed in connection with the offering, informing that interested persons are entitled to a prospectus, if they so desire, and that copies of prospectus may be obtained from the issuer and the issue manager (s). The subscription application shall indicate in bold type that no sale of securities shall be made, nor shall any money be taken from any person, in connection with such sale **until 25 (twenty five) days** after the prospectus has been published.
4. The company shall submit **40 (forty)** copies of the printed prospectus to the Securities and Exchange Commission for official record **within 5 (Five) working days** from the date of publication of the abridged version of the prospectus in the newspaper.
5. The issuer company and the issue manager (s) shall ensure transmission of the prospectus, abridged version of the prospectus and relevant application forms for NRBs through e-mail, simultaneously with publication of the abridged version of the prospectus, to the Bangladesh Embassies and Missions abroad and shall also ensure sending of the printed copies of abridged version of the prospectus and application forms to the said Embassies and Missions **within 5 (five) working days** of the publication date by express mail service (EMS) of the postal department. A compliance report shall be submitted in this respect to the SEC jointly by the issuer and the issue manger within two working days from the date of said dispatch of the prospectus & the forms.
6. The paper clipping of the published abridged version of the prospectus, as mentioned at **condition 2 above**, shall be submitted to the Commission within 24 hours of the publication thereof.
7. The company shall maintain separate bank account(s) for collecting proceeds of the Initial Public Offering and shall also open FC account(s) to deposit the application money of the Non- Resident Bangladeshis (NRBs) for IPO purpose, and shall incorporate full particulars of said FC account(s) in the prospectus. The company shall open the abovementioned accounts for IPO purpose; and close these accounts after refund of over subscription. Non-Resident Bangladeshi (NRB) means Bangladeshi citizens staying abroad including all those who have dual citizenship (provided they have a valid Bangladeshi passport) or those, whose foreign passport bear a stamp from the concerned Bangladesh Embassy to the effect that no visa is required to travel to Bangladesh.
8. The issuer company shall apply to all the stock exchanges in Bangladesh for listing **within 7 (seven) working days** from the date of issuance of this letter and shall simultaneously submit the vetted prospectus with all exhibits, as submitted to SEC, to the stock exchanges.
9. The following declaration shall be made by the company in the prospectus, namely:-

“Declaration about Listing of Shares with the Stock Exchange(s):

None of the stock exchange(s), if for any reason, grants listing **within 75 days** from the closure of subscription, any allotment in terms of this prospectus shall be void and the company shall refund the subscription money within fifteen days from the date of refusal for listing by the stock exchanges, or from the date of expiry of the said 75 (seventy five) days, as the case may be.

In case of non-refund of the subscription money within the aforesaid **15 (fifteen) days**, the company directors, in addition to the issuer company, shall be collectively and severally liable for refund of the subscription money, with interest at the rate of 2% (two percent) per month above the bank rate, to the subscribers concerned.

The issue manager (s), in addition to the issuer company, shall ensure due compliance of the above mentioned conditions and shall submit compliance report thereon to the Commission within seven days of expiry of the aforesaid **15 (fifteen) days** time period allowed for refund of the subscription money.”

10. The subscription list shall be opened and the sale of securities commenced **after 25 (twenty five) days** of the publication of the abridged version of the prospectus and shall remain open for **5 (Five) consecutive banking days**.
11. A non-resident Bangladeshi shall apply either directly by enclosing a foreign demand draft drawn on a bank payable at Dhaka, or through a nominee by paying out of foreign currency deposit account maintained in Bangladesh or in Taka, supported by foreign currency encashment certificate issued by the concerned bank, for the value of securities applied for through crossed bank cheque marking “Account Payee only”. The NRB applicants shall sent applications to the issuer company within the closing date of the subscription so as to reach the same to the company by the closing date plus nine days. Applications received by the company after the above time period will not be considered for allotment purpose.
12. The company shall apply the spot buying rate (TT clean) in US Dollar, UK Pound Sterling and Euro of Sonali Bank, which shall be mentioned in the Prospectus, as prevailed on the date of opening of the subscription for the purpose of application of the NRBs and other non-Bangladeshi persons, where applicable.
13. The Company and the issue manager (s) shall ensure prompt collection/clearance of the foreign remittances of NRBs and other non-Bangladeshis, if applicable, for allotment of shares.
14. Upon completion of the period of subscription for securities the issuer and the issue manager (s) shall jointly provide the Commission and the stock exchanges with the preliminary status of the subscription **within 05 (five) working days**, in respect of the following matters, namely: -
 - (a) Total number of securities for which subscription has been received;
 - (b) Amount received from the subscription; and
 - (c) Amount of commission paid to the banker to the issue.
15. The issuer and the issue manager (s) shall jointly provide the Commission and the stock exchanges with the list of valid and invalid applicants (i.e. final status of subscription) to the Commission **within 3 (three) weeks** after the closure of the subscription along with bank statement (original), branch-wise subscription statement, NRB application forms (photocopy attested by the CEOs of the issuer company and the issue manager). The list of valid and invalid applicants shall be finalized after examination with the CDBL in respect of BO accounts and particulars thereof.
16. The IPO shall stand cancelled and the application money shall be refunded immediately (but **not later than 6(six) weeks** from the date of the subscription closure) if any of the following events occur:
 - (a) Upon closing of the subscription list it is found that the total number of valid applications (in case of under subscription including the number of the underwriter) is less than the minimum requirement as specified in the listing regulations of the stock exchange(s) concerned; or
 - (b) At least 50% of the IPO is not subscribed.
17. **10%** of total public offering shall be reserved for non-resident Bangladeshi (NRB) and **10%** for mutual funds and collective investment schemes registered with the Commission, and the remaining **80%** shall be open for subscription by the general public. In case of under-subscription under any of the 10% categories mentioned above, the unsubscribed portion shall be added to the general public category and, if after such addition, there is over subscription in the general public category, the issuer and the issue manager (s) shall jointly conduct an open lottery of all the applicants added together.
18. All the applicants shall first be treated as applied for one minimum market lot of 50 shares worth Tk. 5,000/-. If, on this basis, there is over subscription, then lottery shall be held amongst the applicants allocating one identification number for each application, irrespective of the application money. In case of over-subscription under any of the categories mentioned hereinabove, the issuer and the issue manager (s) shall jointly conduct an open lottery of all the applications received under each category separately in presence of representatives from the issuer, the stock exchanges and the applicants, if there be any.
19. **An applicants cannot submit more than two applications, one in his / her own name and another jointly with another person. In case an applicant makes more than two applications, all applications will be treated as invalid and will not be considered for allotment purpose. In addition, whole or part of application money may be forfeited by the Commission.**
20. **The primary shares allotted to an applicant through IPO may be forfeited by SEC, if the BO account of the said applicant is found closed at the time of allotment of shares. All IPO applicants are required to keep their BO accounts operational till allotment of IPO shares.**
21. Lottery (if applicable) shall be held **within 5 (five) weeks** from closure of the subscription date.

22. The Company shall issue share allotment letters to all successful applicants **within 6 (six) weeks** from the date of the subscription closing date. Within the same time, Refund to the unsuccessful applicants shall be made in the currency in which the value of securities was paid for by the applicants without any interest, through Account Payee Cheque/ refund warrants with bank account number, bank's name and Branch as indicated in the securities application forms payable at Dhaka/ Chittagong/ Khulna/ Rajshahi/ Barisal/ Sylhet/ Bogra, as the case may be.
subject to condition 19 above.
Refund money of the unsuccessful applicants shall be credited directly to their respective bank accounts, who have mentioned in the IPO application forms, bank account numbers with the bankers to the issue and other banks as disclosed in the prospectus.
A compliance report regarding the refund shall be submitted to the Commission within **7(seven) weeks** from the date of closure of subscription.
23. The Company shall furnish the List of Allotees to the Commission and the stock exchange(s) simultaneously in which the shares will be listed, **within 24 (twenty four) hours** of allotment.
24. In the event of under-subscription of the public offering, the unsubscribed portion of securities shall be taken up by the underwriter(s) (subject to para -16 above).The issuer must notify the underwriter to take up the underwritten shares within 10 (ten) days of the subscription closing date on full payment of the share money **within 15(fifteen) days** of the issuer's notice. The underwriter shall not share any underwriting fee with the issue manager (s), other underwriters, issuer or the sponsor group.
25. All issued shares of the issuer at the time of according this consent shall be subject to a lock- in period of three years from the date of issuance of prospectus or commercial operation, whichever comes later.
Provided that the persons, other than directors and those who hold 5% or more shares, who have subscribed to the shares of the company within immediately preceding two years of according consent, shall be subject to a **lock-in period of one year** from the date of issuance of prospectus or commercial operation, whichever comes later.
26. Either a Jumbo Share (one for each of the existing Sponsors/ Directors/ Shareholders) in respect of the shares already issued shall be issued covering together respective total holding, which shall contain the expiry date of lock-in period or Sponsors/Directors/ Promoters/Shareholders shareholding shall be converted into demat form but shall be locked- in as per the condition at para-25 above.
27. In case of Jumbo Share Certificate issued to the existing Sponsors/ Directors/ Shareholders, the said share certificates shall be kept under custody of a security custodian bank registered with SEC during the lock-in period. The name and branch of the bank shall be furnished to the Commission jointly by the issuer and the issue manager (s), along with a confirmation thereof from the custodian bank, within **one week** of listing of the shares with the stock exchange(s).
28. In case of dematerialization of shares held by the existing Sponsors/ Directors/ Shareholders, the copy of dematerialization confirmation report generated by CDBL and attested by the managing director of the company along with lock-in confirmation shall be submitted to SEC within **one week** of listing of the shares with the stock exchange(s).
29. The company shall apply to the stock exchanges for listing within **7(seven) working days** of issuance of this letter and shall simultaneously submit to the Commission attested copies of the application filed with the stock exchanges.
30. The company shall not declare any benefit other than cash dividend based on the financial statement for the Year ended December 31, 2007.

PART -B

1. The issue manager (s) (i.e. ICB Capital Management Ltd. and Capital Market Services Limited) shall ensure that the abridged version of the prospectus and the full prospectus is published correctly and in strict conformity without any error/omission, as vetted by the Securities and Exchange Commission.
2. The issue manager (s) shall carefully examine and compare the published abridged version of prospectus on the date of publication with the copy vetted by SEC. If any discrepancy/ inconsistency is found, both the issuer and the issue manager (s) shall jointly publish a corrigendum immediately in the same newspapers concerned, simultaneously endorsing copies thereof to SEC and the stock exchange(s) concerned, correcting the discrepancy/inconsistency as required under 'Due Diligence Certificates provided with SEC.
3. Both the issuer company and the issue manager (S) shall, immediately after publication of the prospectus and its abridged version, jointly inform the Commission in writing that the published prospectus and its abridged version are verbatim copies of the same as vetted by the Commission.
4. The fund collected through IPO shall not be utilized prior to listing with stock exchange and that utilization of the said fund shall be effected through banking channel, i.e. through account payee cheque, pay order or bank drafts etc.
5. The Company shall furnish report to the Commission on utilization of IPO proceeds with in 15 days of the closing of each quarter until such fund is fully utilized, as mentioned in the schedule contained in the prospectus, and in the event of any irregularity or inconsistency, the commission may employ or engage any person, at issuers cost, to examine whether the issuer has utilized the proceeds for the purpose disclosed in the prospectus.

6. All transactions, excluding petty cash expenses, shall be effected through the company's bank account(s).
7. Proceeds of the IPO shall not be used for any purpose other than those specified in the prospectus. Any deviation in this respect must have prior approval of the shareholders in the general meeting under intimation to SEC and stock exchange(s).
8. Directors on the company's Board will be in accordance with the applicable laws, rules and regulations.

PART-C

1. All the above conditions imposed under section 2CC of the Securities and Exchange Ordinance, 1969 shall be incorporated in the prospectus immediately after the page of the table of contents, with a reference in the table of contents, prior to its publication.
2. The Commission may impose further conditions/restrictions etc. from time to time as and when considered necessary which shall also be binding upon the issuer company.

PART-D

1. As per provision of the Depository Act, 1999 and regulations made there under, shares will only be issued in dematerialized condition. All transfer/ transmission/ splitting will take place in the Central Depository Bangladesh Ltd. (CDBL) system and any further issuance of shares (right/bonus) will be issued in dematerialized form only.

An applicant (including NRB) shall not be able to apply for allotment of shares without beneficiary owner account (BO account).

2. The issue manager (s) shall also ensure due compliance of all above.

GENERAL INFORMATION

ICB Capital Management Ltd. (a subsidiary of ICB) and Capital Market Services Limited have prepared this Prospectus from information supplied by Republic Insurance Company Limited (the Company) and also several discussions with Chairman, Managing Director and related executives of the Company. The Directors of both Republic Insurance Company Limited and ICB Capital Management Ltd. along with Capital Market Services Limited collectively and individually, having made all reasonable inquiries, confirm that to the best of their knowledge and belief, the information contained herein is true and correct in all material respect and that there are no other material facts, the omission of which, would make any statement herein misleading.

No person is authorized to give any information or to make any representation not contained in this Prospectus and if given or made, any such information or representation must not be relied upon as having been authorized by the Company or ICB Capital Management Ltd. and Capital Market Services Limited.

The Issue as contemplated in this document is made in Bangladesh and is subject to the exclusive jurisdiction of the courts of Bangladesh. Forwarding this Prospectus to any person resident outside Bangladesh in no way implies that the Issue is made in accordance with the laws of that country or is subject to the jurisdiction of the laws of that country.

A copy of this Prospectus may be obtained from the Head Office of Republic Insurance Company Limited, ICB Capital Management Ltd., Capital Market Services Limited, the underwriters and the Stock Exchanges where the securities will be traded.

DECLARATION ABOUT THE RESPONSIBILITY OF THE DIRECTORS INCLUDING CEO OF THE COMPANY "REPUBLIC INSURANCE COMPANY LIMITED" IN RESPECT OF THE PROSPECTUS

This prospectus has been prepared, seen and approved by us, and we, individually and collectively, accept full responsibility for the authenticity and accuracy of the statements made, information given in the prospectus, documents, financial statements, exhibits, annexes, papers submitted to the Commission in support thereof, and confirm, after making all reasonable inquiries that all conditions concerning this public issue and prospectus have been met and that there are no other information or documents the omission of which make any information or statements there in misleading for which the Commission may take any civil, criminal or administrative action against any or all of us as it may deem fit. We also confirm that full and fair disclosure has been made in this prospectus to enable the investors to make a well-informed decision for investment.

Sd/- (Hedayet Hossain Chowdhury) Chairman	Sd/- (Mohd. Hanif Chowdhury) Vice Chairman	Sd/- (A. S. M. Nayeem) Director
Sd/- (Nurul Mostafa) Director	Sd/- (Hasina Gazi) Director	Sd/- (S. M. Shafiul Haque) Director
Sd/- (Khurshida Rahman) Director	Sd/- (Sadeque Hossain Chowdhury) Director	Sd/- (Golam Dastagir Gazi Bir Protik) Director
Sd/- (S. M. Fazlul Hoque) Director	Sd/- (Shahin Haider) Director	Sd/- (Mahboob Ur Rahman) Director
	Sd/- (Obaidul Kabir Khan) Managing Director	

CONSENT OF DIRECTOR (S) TO SERVE AS DIRECTOR (S)

We hereby agree that we have been serving as Director(s) of Republic Insurance Company Limited and continue to act as a Director of the Company.

Sd/- (Hedayet Hossain Chowdhury) Chairman	Sd/- (Mohd. Hanif Chowdhury) Vice Chairman	Sd/- (A. S. M. Nayeem) Director
Sd/- (Nurul Mostafa) Director	Sd/- (Hasina Gazi) Director	Sd/- (S. M. Shafiul Haque) Director
Sd/- (Khurshida Rahman) Director	Sd/- (Sadeque Hossain Chowdhury) Director	Sd/- (Golam Dastagir Gazi Bir Protik) Director
Sd/- (S. M. Fazlul Hoque) Director	Sd/- (Shahin Haider) Director	Sd/- (Mahboob Ur Rahman) Director
	Sd/- (Obaidul Kabir Khan) Managing Director	

**DECLARATION ABOUT FILING OF PROSPECTUS WITH THE REGISTRAR OF JOINT STOCK
COMPANIES AND FIRMS**

A dated and signed copy of this Prospectus has been filed for registration with the Registrar of Joint Stock Companies and Firms, Bangladesh, as required under Section 138(1) of the Companies Act, 1994 on or before the date of publication of this prospectus in the newspaper.

**DECLARATION BY THE ISSUER ABOUT THE APPROVAL FROM THE SECURITIES AND EXCHANGE
COMMISSION FOR ANY MATERIAL CHANGES**

IN CASE OF ANY MATERIAL CHANGES IN ANY AGREEMENT, CONTRACT, INSTRUMENT, FACTS AND FIGURES, OPERATIONAL CIRCUMSTANCES AND STATEMENT MADE IN THE PROSPECTUS SUBSEQUENT TO THE PREPARATION OF THE PROSPECTUS AND PRIOR TO ITS PUBLICATION SHALL BE INCORPORATED IN THE PROSPECTUS AND THE SAID PROSPECTUS SHOULD BE PUBLISHED WITH THE APPROVAL OF THE COMMISSION.

For: Issuer Company
Sd/-
(Obaidul Kabir Khan)
Managing Director
Republic Insurance Company Limited

**DECLARATION BY THE ISSUE MANAGER (S) ABOUT THE APPROVAL FROM SECURITIES AND
EEXCHANGE COMMISSION FOR ANY MATERIAL CHANGES REGARDING PROSPECTUS OF
REPUBLIC INSURANCE COMPANY LIMITED**

In case of any material changes in any agreement, contract, instrument, facts and figures, operational circumstances and statement made in the Prospectus subsequent to the preparation of the Prospectus and prior to its publication shall be incorporated in the Prospectus and the said Prospectus should be published with the approval of the Commission.

For Manager to the Issue

Sd/-
Iftikhar-uz-Zaman
Chief Executive Officer
ICB Capital Management Ltd.

Sd/-
AI Maruf Khan FCA
Managing Director
Capital Market Services Limited

DUE DILIGENCE CERTIFICATE OF MANAGER (S) TO THE ISSUE

Sub: Public Issue of 900,000 Ordinary Shares of Taka 100.00 each at par of Republic Insurance Company Limited.

We, the under-noted Manager to the Issue to the above-mentioned forthcoming Issue, state as follows:

1. We, while finalizing the draft Prospectus pertaining to the said Issue, have examined various documents and other materials as relevant for adequate disclosures to the investors; and
2. On the basis of such examination and discussion with the issuer Company, its directors and officers and other agencies, independent verification of the statements concerning objects of the Issue and the contents of the documents and other materials furnished by the issuer Company;

WE CONFIRM THAT:

- a. The draft Prospectus forwarded to the Commission is in conformity with the documents, materials and papers relevant to the Issue;
- b. All the legal requirements connected with the said Issue have been duly complied with; and
- c. The disclosures made in the draft Prospectus are true, fair and adequate to enable the investors to make a well-informed decision for investment in the proposed Issue.

For Manager to the Issue

Sd/-
Iftikhar-uz-Zaman
 Chief Executive Officer
 ICB Capital Management Ltd.

Sd/-
Al Maruf Khan FCA
 Managing Director
 Capital Market Services Limited

DUE DILIGENCE CERTIFICATE OF THE UNDERWRITERS

Sub: Public Offer of 900,000 Ordinary Shares of Taka 100.00 each at par of Republic Insurance Company Limited

We, the under-noted Underwriter(s) to the above-mentioned forthcoming Issue, state individually and collectively as follows:

1. We, while underwriting the above mentioned Issue on a firm commitment basis, have examined the draft Prospectus, other documents and materials as relevant to our underwriting decision; and
2. On the basis of such examination, and the discussion with the Issuer Company; its directors and other officers, and other agencies; independent verification of the statements concerning objects of the Issue and the contents of the documents and other materials furnished by the Issuer Company;

WE CONFIRM THAT:

- a. All information as are relevant to our underwriting decision have been received by us and the draft Prospectus forwarded to the Commission has been approved by us;
- b. We shall subscribe and take up the under-subscribed Securities against the above-mentioned Public Issue within 15 (fifteen) days of calling up thereof by the Issuer; and
- c. This underwriting commitment is unequivocal and irrevocable

For: Underwriter (s)

Sd/-
 Managing Director/Chief Executive officer
ICB Capital Management Ltd.
Capital Market Services Limited
GSP Finance Company (Bangladesh) Limited

RISK FACTORS AND MANAGEMENT PERCEPTION REGARDING RISKS

The company is operating in a field involving a great deal of external/internal risk factors and the management of Standard Insurance Limited perceives the risk factors which are as follows:

a) Interest rate risks:

Volatility of money market, which ultimately imposes upward pressure on interest rate structure, may erode Organization's profitability. The company earned a net profit of Tk. 9,165,049 from interest on FDR & NIB; which is 75.78% of total net profit before tax. The income on fixed deposit may fall with the reduction of FDR rate of commercial banks as per current trend.

If the income on fixed deposit falls, the company will take alternative windows for investment of its existing FDR's as well as surplus fund.

b) Exchange rate risks:

Devaluation of local currency against major international currencies may affect company's marine insurance business adversely.

The Company is always in search of new business and in attempt of business expansion by which will be able to overcome by the above stated risk.

c) Industry risks:

- I. Liberalization of permission to set up more insurance companies by the Government.
- II. Natural calamities

Liberalization of permission to set up more insurance companies by the Government may result in severe competition amongst insurers consequential in reduction of premium income and profitability of the company.

Though liberalization of permission to set up more insurance companies by Government may be encouraging to new entrants resulting tough competition, RICL does not apprehend any loss of business due to its competent and highly experienced management team and expanding trend of insurance business in the country. RICL has already proved its leading role by its attractive earning performance.

The coverage of natural calamities, like cyclone, flood, may severely weaken the financial strength of the company by accruing heavy claims on its own retained account.

The estimated losses arising from natural calamities are covered by higher rates of premium and re-insurance Coverage for such losses. Management has taken into consideration statistical assessment of occurrence of natural calamities in setting its rates of premium and re-insurance risks. Moreover, most of our retained portfolios (Fire including flood, cyclone risks) are protected under catastrophic Excess of Loss Treaty with S.B.C.

d) Market & Technology related-risks:

To be competitive in the market, insurance companies need to develop new products and offer excellent clientele services and also to expand the market by bringing more and more items under the purview of insurance otherwise the competitors may take away company's business.

Insurance business globally is increasing. New items are coming under the cover of insurance as days pass by the market is expanding as people are realizing the importance of insurance. Because of our excellent services and introduction of new products, the company does not envisage any market & technological related risk.

e) Potential or existing government regulations:

Government policy change in respect of rates of premium, underwriting commission, Agents' commission, reinsurance commission, interest on deposits, etc. may affect income and profitability.

The Government, who is owner of Sadharan Bima Corporation, is not expected to change policies relating to insurance requirement affecting the income of the insurance companies without proper consequential relief for self interest.

f) Potential change in global or national policies:

Any structural change in the international or national insurance business policy adversely effecting reinsurance operations may have negative impact on the profitability of the company.

The history of insurance / re-insurance business for over two hundred years proves that any major structural change affecting our re-insurance business is unimaginable. Any such event creates a global destabilization which the major economies must not allow to happen.

g) History of non-operation, if any:

Is there any chance for the company to become non-operative?

- No general insurance company has ever become non-operative in Bangladesh nor there do any chance to become non-operative in future.

h) Operational risks:

According to letter bs-c«textwbt-72/11/2003-2015 dated 22.11.2007 of the Chief Controller of Insurance, a penalty was imposed for failing to float shares to the public from 30.11.2003 till 30.06.2007. A total fine of Tk.13,58,000 till 30.06.2007 was imposed. Any future penalty imposed after 30/06/2007 by the CCI may affect the profitability of the company adversely.

- The company has paid the full amount of Tk.13,58,000 till 30.06.2007. Details are shown below:

Sl. no.	Payment Date	Chalan no.	Amount (Tk.)
1	14.03.2006	145	62,800
2	22.01.2007	34	526,600
3	27.12.2007	75	384,300
4	16.01.2008	111	384,300
Total			1,358,000

If any amount of penalty is imposed for the remaining period after 30/06/2007 will not significantly affect the profitability of the Company.

USE OF PROCEEDS

The Company offers its shares to the public as required by the Insurance Act, 1938 and Insurance Rules, 1958. The sponsors have already subscribed their portion of equity capital of Tk. 60 million as per the requirement of the Rules and the same has already been invested as reflected in the audited accounts. The proceeds of the present issue of 900,000 shares of Tk. 100 each at Tk. 90,000,000 will strengthen the capital base of the Insurance and augment business expansion. The fund thus raised through public issue will be used for investment to share & term deposit with different schedule Banks.

DESCRIPTION OF BUSINESS
Company background:

The Company was incorporated on 18th May, 2000 as a public limited company under the Companies Act 1994 with the object of carrying out all kinds of general insurance business other than life insurance and obtained the certificate commencement of business from the Registrar of Joint Stock Companies, Bangladesh with effect from the same date. Certificate of registration from the Chief Controller of Insurance, Government of the Peoples' Republic of Bangladesh was obtained with effect from 31 May, 2000. As on 31-12-2007 authorized capital of the company is Taka 50 crore and has issued and paid up capital of Tk. 6 crore subscribed by 19 subscribers.

Insurance is a highly technical and risk bearing business. Before taking an insurance policy clients usually assess the quality of the management and financial soundness of the Company. If the management is dependable and the financial condition of the company is sound, the business is bound to grow fast which will ultimately generate profit for building up Company's reserve as well as declaring dividend for the shareholders.

Important dates:

Incorporation of Business : 18th May 2000
 Commencement of Business : 18th May 2000
 Consent from the Controller of Insurance : 31 May, 2000

(1) Principal product or services:

The Company is carrying out following types of insurance/reinsurance services/ businesses:

- (i) Fire Insurance Business
- (ii) Marine Insurance Business
- (iii) Marine Hull Insurance Business
- (iv) Motor Insurance Business
- (v) Miscellaneous Insurance Business

(2) Product-wise net premium as per Audited Accounts.

Description	31.12.2007	%	31.12.2006	%
Fire Insurance Revenue A/C	20,320,622	23.31	15,934,087	19.41
Marine Cargo Insurance Revenue A/C	52,040,175	59.68	53,385,082	65.04
Marine Hull Insurance Revenue A/C	56,532	0.06	(110,186)	(0.13)
Motor Insurance Revenue A/C	13,161,665	15.10	11,391,761	13.88
Misc. Insurance Revenue A/C	1,611,324	1.85	1,480,338	1.80
Total	87,190,318	100.00	82,081,082	100.00

(3) Associates, Subsidiary/ Related Holding Company

The Company does not have any associate, subsidiary/ related holding Company.

(4) Distribution of Products/Services:

The Company conducts the business operations under the supervision of Board of Directors and the legal frame work of the Insurance Act 1938 and Insurance Rules 1958, as amended from time to time. The Company operates through the Head Office at Dhaka, and the branches through out the country. Network of professional staff and commission agents promote and conduct business.

The Company has 20 branches all over Bangladesh and its head office is located at 26/1, Kakrail, Dhaka-1000. The name of the Branches is as follows:

List of Branches with addresses of the Company:

1	Principal Branch	HR Bhaban (3 rd Floor), 26/1, Kakrail, Dhaka-1000
2	Local Office	HR Bhaban (Ground Floor), 26/1, Kakrail, Dhaka-1000
3	Head Office Cell	HR Bhaban (3 rd Floor), 26/1, Kakrail, Dhaka-1000
4	Dilkusha Branch	15, Dilkusha C/A(7 th floor), Dhaka-1000
5	Motijheel Branch	Ali Bhaban (7 th floor), 9, Rajuk Avenue, Dhaka
6	Motijheel Corporate Branch	1/B, DIT Avenue (5 th Floor), Motijheel C/A, Dhaka
7	BB Avenue Branch	29, B.B. Avenue (3 rd Floor) Dhaka-1000
8	Farmgate Branch	43, Kazi Nazrul Islam Avenue, Kawran Bazar, Dhaka
9	Elephant Road Branch	28/B, VIP Road (3 rd Floor), Kakrail, Dhaka-1000.
10	Imamgonj Branch	139/1, Chowk Moghultully (3 rd floor), Imamgonj, Dhaka
11	Agrabad Branch	Osman Court(3 rd floor), 70, Agrabad C/A., Chittagong
12	Khatungonj Branch	117, Amir Market(2 nd floor), Khatungonj, Chittagong.
13	Khulna Branch	1, P.C. Roy Road, Khulna
14	Bogra Branch	M.A. Khan Lane, Dr. Anisul Hoque Building(3 rd floor), Sathmatha, Bogra
15	Narayangonj Branch	27/1, Shayesta Khan Road, Narayangonj.
16	Hatkhola Branch	HR Bhaban (3 rd Floor), 26/1, Kakrail, Dhaka-1000.
17	Malibagh Branch	Halimunnesa's Court (8 th Floor), 23, Kakrail, Dhaka
18	Jubilee Road Branch	Kader Plaza, 221, Jubilee Road (3 rd Floor), Chittagong.
19	Naogaon Branch	Par Naogaon, Naogaon.
20	Rangpur Branch	90, Station Road, Rangpur

(5) Competitive conditions in the Business:

At present, there are 43 General Insurance Companies in operation in the private sector. These are controlled by Controller of Insurance. The state owned institution namely, Sadharan Bima Corporation plays a pivotal role for emitting uneven competition in insurance business. Over the years general insurance business has grown very competitive as the economic growth, especially the private sector industrial growth, has not been as expected. It is however need to mention that despite tough competition, the company shows satisfactory performance in their business operations.

(6) Sources of raw materials and name of the principal suppliers:

The Company, being a service provider, operates on the basis of professional expertise relevant to insurance industry. Its' product is a service and its' raw materials are human resources. The general insurance industry has since developed and expanded fast in order to meet the growing need of the economy. The company has procured the services of experienced professional personnel from the existing insurance industry including Sadharan Bima Corporation and also developing the direct recruited personnel through existing experienced personnel.

(7) Sources of, and requirement for, power, gas & water:

The Company does not need any power, gas and water except for ordinary uses in office work.

(8) Customers providing 10% or more revenues:

The Company's customer list does not include any one providing 10% or more of its revenues.

(9) Contract with Principal Suppliers/Customers:

The Company has not entered into any contract with any customer or supplier.

(10) Material Patents, Trade Marks, Licenses or Royalty Agreements:

The Company does not have any material patents, trademarks or royalty agreement except license from controller of insurance.

(11) Employees' Position:

During the year under review 355 employees are employed for the full time. Information of the employees are as follows:

No of employees received salary below taka 3,000 per month	15
No of employees received salary above taka 3,000 per month	340
Total no. of employees	355

There is no part time employee in the company.

DESCRIPTION OF PROPERTY

The Company, a provider of general insurance service, operates through its Head Office at Dhaka, Zonal offices Chittagong/ Rajshahi/ Khulna and branch offices at different district / city areas. The company owns the following Fixed Assets at its head office and branch offices. The written down value of assets are given below:

(As per Audited Accounts)

(Amount in Taka.)

SL. No.	Particulars	31.12.07 (W. D. V.)	31.12.06 (W. D. V.)
1.	Computer	138,590	99,238
2.	Furniture & Fixers	2,151,159	1,950,232
3.	Office equipment	543,646	481,994
4.	Vehicles	4,899,813	4,914,766
5.	Cookeries & Cutleries	39,045	22,211
6.	Air conditioner	999,165	742,406
7.	Telephone	77,900	86,555
8.	Decoration	2,086,879	1,770,715
9.	Sundry assets (Sign Board)	89,702	85,127
	Total assets	11,025,898	10,153,244

1. The entire property is owned by the Company and none is on lease except 2 Motor Cars with Premier Bank Ltd, Gulshan Branch, Dhaka.
2. The property of the Company is neither mortgaged with any one nor lien on them.
3. There is no Leased Assets in the Fixed Assets schedule.

PLAN OF OPERATION AND DISCUSSION OF FINANCIAL CONDITION
--

(1) Internal and External Sources of Cash

(As per Audited Accounts in BDT)

Internal sources of cash	31.12.07	31.12.06	31.12.05
Share capital	60,000,000	60,000,000	60,000,000
Reserves or contingency account	9,259,962	3,438,316	2,929,024
Total	69,259,962	63,438,316	62,929,024
External sources of cash			
Deposit premium	6,055,453	6,743,894	1,915,774
Total	75,315,415	70,182,210	64,844,798

(2) Material Commitment for Capital Expenditure:

The Company has not yet made any material commitment for capital expenditure except for those that are required in the course of carrying out normal business operations.

(3) Causes for Material Changes in Income, Expenses & Net-Income:

The Company's gross premium and other income as well as operating expenses and net income have continued to change or increase due to business promotion efforts of the directors and management staff.

Operating Income:

The Company's gross premium and other income as well as operating expenses and net income have continued to change or increase due to business promotion efforts of the directors and management staff. Comparative income positions of the Company are as follows:

(As per Audited Accounts Amount in BDT)

Particulars	31.12.07	31.12.06	31.12.05
Interest, dividend and rates	7,932,020	6,543,251	5,819,237
Profit/ (Loss) transferred from (operating income):			
Fire revenue account	1,977,188	(1,746,038)	(5,371,687)
Marine Cargo revenue account	7,887,079	7,372,696	8,161,149
Marine Hull revenue account	(167,020)	109449	(16,650)
Motor revenue account	109,396	(3,054,538)	(1,506,359)
Misc. revenue account	915,940	1,183,726	1,036,562
Total Income	18,654,603	10,408,546	8,122,252

Operating Expenses

Comparative operating expenses positions of the company are as follows:

Particulars	31.12.07	31.12.06	31.12.05
Advertisement	32,350	541,790	98,134
Audit Fee	200,000	170,000	101,350
Bima Fee	200,000	110,000	30,000
Directors Fee.	77,625	54,375	72,375
Donation & Subscription	310,000	193,000	191,389
Fees & Charges	28,590	76,093	149,850
Renewal & Registration Fee	1,562,844	789,629	297,173
Legal fee	-	65,930	121,681
Loss on sale of Share	-	15,224	-
Loss on sale of office equipment	-	-	28,704
Inspection Fee	-	32,100	-
Commission on Share purchases	1,229	3,970	-
Depreciation	2120319	1975904	1,473,302
Total expenses	4,532,957	4,028,015	2,563,958
Net profit before tax	14,121,646	63,80,531	5,558,294

(4) Seasonal Aspects:

There is no seasonal aspect in insurance business in the country.

(5) Known Trends, Events or Uncertainties

There are no known trends in customer preferences that may affect Company's operations. However, political unrest strike, and power crisis are the known events that may affect the Company's business.

(6) Change in the Assets of the Company used to pay off any Liabilities:

No asset of the Company has been used to pay off the liabilities.

(7) Loans taken from or given to its holding/parent Company or Subsidiary Company:

The Company has no subsidiary or associate concern. Therefore, taking loan from or given to such concerns does not arise.

(8) Future Contractual Liabilities:

The Company does not have any plan within next one year to contract any new liabilities except those that are required by way of insurance/reinsurance contract in the ordinary business operations.

(9) Future capital expenditure:

The following capital expenditure has been planned to be incurred during the period, 2008.

SL. No.	Items of capital expenditure	Estimated (Taka)
01	Computer	500,000
02	Vehicle	2,400,000
03	Office Equipment	500,000
04	Furniture & Fixture	500,000
05	Office Decoration	300,000
06	Sundry Assets	200,000
	Total	4,400,000

(10) VAT, Income Tax, Customs Duty or other Tax Liability:**(i) VAT:**

Republic Insurance Company is being paid collected VAT on monthly basis after consolidated by Head Office as per VAT payment rule. The Company has no VAT outstanding except Tk. 10,44,982 for the month of December, 2007 which has been paid subsequently.

However, the Asstt Commissioner (Customs Excise & VAT) Motijheel Division Dhaka demanded an amount of Tk. 19,92,758.00 (as penalty Tk. 16,58,608.00 and an additional tax of Tk. 3,18,150.00) on 02.04.2003 which is not acceptable to the Company. Company submitted appeal to the Commissioner Appeal office against an acceptable demand by the Asstt Commissioner. This is to mention that the Company has already paid Tk. 38,80,375.00 as advance.

In this respect, the Company also lodged a case in the honorable High Court vide Writ Petition No. 551 of 2005 and court issued a Stay Order against the demand.

Mr. Borhanuddin & Mr. Syed Qamrul Hossain, Advocate of Republic Insurance Company Limited. on 29.05.2007 has informed the Managing Director of the Company that the case (Write Petition No. 7425 of 2003 filed by Republic Insurance Company Limited against Commissioner (Appeal) of Customs, Excise and VAT and others before the High Court Division of the Supreme Court of Bangladesh) is pending hearing of the rule, let the operation of the Order No. 203/Mushak/Appeal/2004 dated 04.11.2004 passed by the respondent No. 2 communicated under Nothi No. 4-A(9) 232/Mushak/Appeal/2003/2378 dated 06.11.04 and adjudication Order No 163/Mushak/03 dated 30.08.2003 in Nothi No. 4/VAT/Rev-hisab/Republic/Insurance/242/2003/4723(4) dated 31.08.2003 be stayed.

The Company has VAT outstanding of Tk. 1,127,312 only for the month of 31st December 2006, which has subsequently been deposited with Bangladesh Bank in the month of January-2007.

Dated: March 02, 2008

Sd/-
Nasir Mohammad & Co.
Chartered Accountants

ii. Income Tax:

TIN : 282-200-0051

Republic Insurance Company Limited submitted their Income Tax return regularly as Income Tax Ordinance 1984. The present status of Income Tax are as follows:

Accounting year	Assessment year	Total income as per return	Assessed tax	Provision for taxation	Refundable tax	Remarks
2000	2000-2001	(1,696,482)	(879,514)	-	26,353	Assessment completed & Tax Refunded
2001	2001-2002	(2,608,346)	(289,691)	-	289,691	Assessment completed & Tax Refunded
2002	2002-2003	4,084,306	(144,153)	-	144,153	Assessment completed & Tax Refunded
2003	2003-2004	4,183,051	1,948,014	2,250,000	-	Assessment completed & Tax Paid in full
2004	2004-2005	4,808,202	2,760,608	2,150,000	-	Assessment completed & Tax Paid in full
2005	2005-2006	5,558,295	-	2,500,000	-	Return submitted, assessment not completed
2006	2006-2007	6,380,534	-	2,871,240	-	Return submitted, assessment not completed
2007	2007-2008	14121646	-	3,800,000	-	Return will be submitted within 15 th July, 2008

Dated: March 02, 2008

Sd/-
Nasir Mohammad & Co.
Chartered Accountants.

iii. Custom duty is not applicable for the company.

iv. **Contingent liability:**

There is no contingent liability of the Company except for two sub-judice marine claims which the Company refutes on the ground that suit was bad for mis-joinder of necessary parties, hit by principles of estoppel, waiver, acquiescence, plaintiff had no insurable interest at the time of loss, import of goods was in question and the seaworthy of the chartered vessel carried for the import of goods was in question.

11) Operating Lease

The Company has established its head office as well as branches on leased accommodation as follows:

SL NO	NAME OF THE BRANCH & ADDRESS	Area (Sft)	Period of lease	Rent per sft	TOTAL RENT per Month
1	HEAD OFFICE HR Bhaban, 26/1, Kakrail, Dhaka	3905	01.01.06 to 31.12.07 deed continued on mutually agreed upon basis	30.00	117,150.00
2	HEAD OFFICE CELL HR Bhaban, 26/1, Kakrail, Dhaka	755.18	01.07.07 to 30.06.09	32.00	24,166.00
3	MALIBAGH BRANCH 23 Kakrail, Dhaka	1500	01.09.06 to 31.08.08	17.33	26,000.00
4	PRINCIPAL BRANCH HR Bhaban, 26/1, Kakrail, Dhaka	690	16.09.05 to 15.09.07 deed continued on mutually agreed upon basis	31.00	21,390.00
5	LOCAL OFFICE HR Bhaban, 26/1, Kakrail, Dhaka	377	01.12.03 to 30.11.05 deed continued on mutually agreed upon basis	consolidated	18,850.00
6	MOTIJHEEL Ali Bhaban (7th floor), 9, Rajuk Avenue, Dhaka	1140	01.10.06 to 30.09.09	22.00	25,080.00
7	FARMGATE Dhaka Trade Center 99, Kazi Nazrul Islam Avenue, Kawran Bazar, Dhaka	610.52	01.12.07 to 30.11.10	30.00	18,315.00

8	DILKUSHA 15, Dilkusha C/A(7th floor), Dhaka-1000	810	21.16		17,139.00
9	BB AVENUE 29, B.B. Avenue (3rd Floor) Dhaka-1000	853	01.06.07 to 31.05.09	consolidated	13,283.00
10	IMAMGONJ 139/1, Chowk Moghultully (3rd floor), Imamgonj, Dhaka	280	01.07.06 to 30.06.09	consolidated	7,000.00
11	AGRABAD KN Tower, (5th floor), 18, Agrabad C/A., Chittagong	1250	01.12.06 to 30.11.10	20.00	26,875.00
12	KHATUNGONJ 117, Amir Market(2nd floor), Khatungonj, Chittagong.	1050	01.11.04 to 31.10.08	8.58	9,000.00
13	JUBILEE ROAD Kader Plaza, 221, Jubilee Road (3rd Floor), Chittagong.	600	01.07.06 to 30.06.09	consolidated	7,600.00
14	KHULNA 1, P.C. Roy Road, Khuln	905	01.11.03 to 30.10.06 deed continued on mutually agreed upon basis	consolidated	5,835.00
15	BOGRA M.A. Khan Lane, Dr. Anisul Hoque Building(3rd floor), Sathmatha, Bogra	3rd floor (Full)	01.09.07 to 31.08.10	consolidated	4,000.00
16	NARAYANGONJ 27/1, Shayesta Khan Road, Narayangonj.	800	16.10.04 to 15.10.09	consolidated	6,000.00
17	ELEPHANT ROAD 28/B, VIP Road (3rd Floor), Kakrail, Dhaka-1000.	450	01.08.07 to 31.07.08	17.00	7,650.00
18	MOTIJHEEL CORP. 1/B, DIT Avenue (5th Floor), Motijheel C/A, Dhaka	950	01.09.07 to 31.08.09	24	22,800.00
19	HATKHOLA Rahman Mainsaion , 161, Motijheel C/A, Dhaka-1000.	700	01.03.07 to 28.02.10	consolidated	21,000.00
20	NAOGAON Belal Plaza, Par Naogaon, Naogaon.	237	01.01.06 to 31.12.09	consolidated	3,000.00
21	Rangpur 90, Station Road, Rangpur	850	01.07.07 to 30.06.10	consolidated	4,000.00
	Total:				406,133.00

(12) Financial Lease commitment:

Republic Insurance Company Limited purchased 3 (three) Motor vehicles from 2003 to 2007 by taking loan from Leasing Companies under lease finance. These assets were not shown in the Fixed Assets of the Company, since the ownership, that is, registration of the vehicles was made in the name of the Leasing Company. Leasing Company maintains the list of cars in their Books of Accounts and charges depreciation regularly. Purchasing Company only enjoys the benefit of utilization of the vehicle and installments paid to the Leasing Company are charged to Revenue Account as "Lease rent". So, properties acquired under lease finance are not assets of the Company, these vehicles were not shown in the Balance sheet

The Company has obtained the following lease facilities last five years:

SL. No.	Name of NBFi	Lease period	Outstanding balance as on 31.12.2007
1	GSP Finance Company (Bangladesh) Limited	30.06.03-30.06.07	Nil
2	Premier Bank Ltd., Gulshan Branch, Dhaka	22.06.06-22.06.09	379,800.00
3	Premier Bank Ltd., Gulshan Branch, Dhaka	22.06.06-22.06.09	379,800.00

(13) Personnel Related Scheme:

RICL has a well-designed compensation plan for its employees. The Company has already set up a contributory provident fund at a equal rate of 8% of the basic pay by the employees and the Company equally. The Company also has been continuing training program with highly skilled professionals and required supporting.

(14) Break Down of Expenses for Issue Manager (s) and Underwriters:

Following is the amount to be paid to the Issue Manager (s) and Underwriters:

- a. Issue management fee Tk. 700,000.
- b. Underwriting commission is 1.00% on Tk. 45,000,000 (i. e. 50% of the IPO) aggregating Tk. 450,000.

Public Issue related expenses:

Following expenses will be incurred in relation to the public issue:

Following expenses will be incurred in relation to the public issue:

Particulars	Rate	Amount in Tk.
Manager to the Issue Fees	@ 0.67% on Tk.9,00,00,000.00	700,000.00

Regulatory Expenses

Listing related expenses		
Service Charge for DSE	Fixed	5,000.00
Listing Fees for Stock Exchange (DSE & CSE)	@ 0.15% on paid up capital	450,000.00
SEC Fees		
Application Fee	Fixed	10,000.00
Consent Fee	@ 0.15% on entire offer	135,000.00

IPO Commission

Underwriting Commission	@ 1.00% on Tk. 9,00,00,000.00	450,000.00
Bankers to the Issue Commission (at actual)	@ 0.1% on collected amount (Approx ten times over subscribed)	900,000.00

Printing, Publication & Post IPO Expenses (Estimated):

Publication of abridged version of Prospectus and Noticed	Estimated	500,000.00
Printing of Prospectus and Forms	Estimated	200,000.00
Post issue Expenses	Estimated	1,000,000.00
Arrangement of Lottery		209,000.00

CDBL Fees and Expenses

Security Deposit of Eligible Securities	As actual	300,000.00
Documentation Fee	As actual	2,500.00
Annual Fee	As actual	50,000.00
Issue Fee	As actual	22,500.00
Connection Fee	As actual	6,000.00
Total		4,940,000.00

(15) Revaluation of Company's Assets & Summary Thereof

No revaluation has been made to the Company's assets and liabilities.

(16) Transaction between Holding Company and the subsidiary

RICL has no subsidiary/holding Company. Hence no transaction has taken place.

(17) Declaration for Insurance Company

We hereby declare that all requirements as specified in the Insurance Act, 1938(Act No. IV of 1938) have been adhered to:

Sd/-
(Hedayet Hossain Chowdhury)
Chairman

Sd/-
(Mohd. Hanif Chowdhury)
Vice Chairman

Sd/-
(A. S. M. Nayeem)
Director

Sd/-
(Nurul Mostafa)
Director

Sd/-
(Hasina Gazi)
Director

Sd/-
(S. M. Shafiqul Haque)
Director

Sd/-
(Khurshida Rahman)
Director

Sd/-
(Sadeque Hossain Chowdhury)
Director

Sd/-
(Golam Dastagir Gazi Bir
Protik)
Director

Sd/-
(S. M. Fazlul Hoque)
Director

Sd/-
(Shahin Haider)
Director

Sd/-
(Mahboob Ur Rahman)
Director

Sd/-
(Obaidul Kabir Khan)
Managing Director

AUDITORS' CERTIFICATE ON ALLOTMENT OF SHARES TO PROMOTERS OR SPONSOR SHAREHOLDERS FOR ANY CONSIDERATION OTHERWISE THAN FOR CASH

This is to certify that Republic Insurance Company Limited has not allotted any shares for consideration other than cash to any shareholders, including the promoters or sponsor shareholders up to 31 December 2007.

Sd/-

Nasir Mohammad & Co.

Chartered Accountants

Date: Dhaka

March 02, 2008

DECLARATION FOR SUPPRESSION OF MATERIAL INFORMATION

This is to declare that to the best of our knowledge and belief no information, facts, circumstances have been suppressed that can change the terms and conditions under which the offer is made to the public.

Sd/-

Obaidul Kabir Khan

Managing Director

DIRECTORS & OFFICERS

a. DIRECTORS:

SL. No.	Name of Directors	Age	Position	Date of becoming first Director	Date of expiry of current term
1	Mr. Hedayet Hossain Chowdhury	77 years	Chairman	18.05.2000	2008
2	Mr. Mohd. Hanif Chowdhury	52 years	Vice Chairman	18.05.2000	2008
3	Mr. A. S. M. Nayeem	60 years	Director	18.05.2000	2008
4	Mr. Nurul Mostafa	60 years	Director	18.05.2000	2010
5	Mrs. Hasina Gazi	52 years	Director	18.05.2000	2008
6	Mr. S. M. Shafiul Hoque	42 years	Director	18.05.2000	2010
7	Mrs. Khurshida Rahman	56 years	Director	18.05.2000	2009
8	Mr. Sadeque Hossain Chowdhury	49 years	Director	04.06.2006	2009
9	Mr. Golam Dastagir Gazi Bir Protik	60 years	Director	04.06.2006	2010
10	Mr. S. M. Fazlul Hoque	58 years	Director	04.06.2006	2010
11	Mrs. Shahin Haider	61 years	Director	04.06.2006	2009
12	Mr. Mahboob Ur Rahman	38 years	Director	04.06.2006	2009

Director's involvement with other organization

Sl. No.	Name of Director.	Position at RICL	Age	Name of the Organization	Position holds
01	Mr. Hedayet Hossain Chowdhury	Chairman	77 Years	Karnaphuli Limited	Chairman
				Karnaphuli Industries Ltd.	Chairman
				K&T Logistics Ltd.	Chairman
				Karnaphuli Works Ltd.	Chairman
				Karnaphuli Farms Ltd.	Chairman
				Karnaphuli Export Import Ltd.	Chairman
				Karnaphuli National Associates Ltd.	Chairman
				Reliable Automobiles Ltd.	Chairman
				HR Holdings Ltd.	Chairman
				Karnaphuli Farming & Fishing Ltd.	Chairman
				Karnaphuli Texport Ltd.	Chairman
				Karnaphuli Engineering Co. Ltd.	Chairman
				Asia Container Lines Limited	Chairman
				Karnaphuli Automobiles Ltd.	Chairman
				Marco Shipping Co. (BD) Ltd.	Chairman
				Karnaphuli Leasing Services Ltd.	Chairman
				Karnaphuli Links Ltd.	Chairman
				Karnaphuli Foundries Limited	Chairman
				Karnaphuli Holdings Ltd.	Chairman
				Holy Crescent Hospital Ltd.	Chairman

				Motodrive Limited Motodrive Industries Limited Medidrive Limited Travel Scene Limited K&T Logistics Limited Regensea Lines Limited Container & Terminal Services Limited Finvest Services Limited Smart Limited British Motors Bangladesh Ltd.	Managing Director Managing Director Managing Director Managing Director Director Director Director Director Director Director
06	Mr. S.M. Fazlul Hoque	Director	58 Years	Fashion Apparel Industries Lushai Apparels Combined Texwear Ltd. Choice Washing Ltd. New Morning Apparels Ltd. Winwear Limited Choice Garments Ltd. Mission Apparels Industries Ltd. Madinatun Nur Industries Ltd. Nandan Apparels Ltd. Bangladesh Sportswear & Hats Ltd.	Proprietor Proprietor Chairman Chairman Chairman Chairman Managing Director Managing Director Managing Director Managing Director Director
07	Mr. S.M. Shafiul Hoque	Director	42 Years	Integral Apparels Ltd. Combined Texwear Ltd. Mission Apparels Industries Ltd.	Chairman Director Director
08	Mrs. Khurshida Rahman	Director	56 Years	Business King Ltd.	Director
09	Mr. Mahboob Ur Rahman	Director	38 Years	ShowMotion Limited GasMin Limited BASE Limited Rahman Enterprise Limited Hotel Sayeman BASE International Voyager Bangladesh Limited	Chairman Managing Director Managing Director Director Director Director Director
10	Mrs. Hasina Gazi	Director	52 Years	Pappa Traders Gazi Group of Industries	Proprietor Director
11	Mr. Golam Dastagir Gazi Bir Protik	Director	60 Years	Gazi Tanks Gazi Tyres Gazi Pumps Jamuna Bank Limited	Managing Director Managing Director Managing Director Director
12	Mrs. Shahin Haider	Director	61 Years	S. F. Haider Foundation Ltd.	Director

Family Relation between Directors&Officers:

There is no family relationship between directors and officers.

Family Relationship among Directors and Shareholders:

Mr. Hedayet Hossain Chowdhury is the Chairman of the Company. Mrs. Rashida Hossain Chowdhury, shareholder (jointly with the Chairman), is the wife of the Chairman. Mr. Sadeque Hossain Chowdhury, Director and Mr. Saber Hossain Chowdhury, shareholder are the sons and Mrs. Naheem Hossain Chowdhury, shareholder, wife of Mr. Sadeque Hossain Chowdhury, is the daughter-in-law and Mr. A. S. M. Nayeem, Director, is the nephew of the Chairman.

Mr. Mohd. Hanif Chowdhury is the Vice Chairman of the Company. Mrs. Shahella Rashid, shareholder is the wife of Mr. Mohd. Hanif Chowdhury.

Mr. Golam Dastagir Gazi Bir Protik is the Director of the Company. Mrs. Hasina Gazi, Director, is the wife of Mr. Golam Dastagir Gazi Bir Protik, Mr. Gazi Golam Ashria is the son of Mr. Golam Dastagir Gazi Bir Protik and Mrs. Hasina Gazi.

Mr. S. M. Fazlul Hoque is the Director of the Company. Mr. S. M. Shafiul Hoque, Director and Mr. S. M. Akramul Hoque, Shareholder are the younger brothers of Mr. S. M. Fazlul Hoque.

Mr. Mahboob Ur Rahman is the Director of the Company. Mrs. Ayesha Sultana, shareholder is the mother of Mr. Mahboob Ur Rahman.

Short BIO-DATA of the Directors1. Hedayet Hossain Chowdhury, Chairman

Mr. Hedayet Hossain Chowdhury is a renowned businessman of the Country. He obtained his B. A. (Hons) and M. A. in Political Science from the Dhaka University in 1952 having placed in the First Class. He was the General Secretary of the Salimullah Muslim Hall Students Union and he played an active role in the Language Movement in 1952. He was the founder General Secretary of the then East Pakistan Chamber of Commerce and Industries in 1954 which was the first of its kind in the whole of Pakistan. He was also the founder General Secretary of Chittagong Chamber of Commerce and Industry after merging of 5 Chambers at Chittagong in 1959. His business affiliation is versatile and diversified. He has been engaged in business since 1952 in different sectors like export and import, shipping agency, off-dock, real estate, C&F, manufacturing, hospital, share brokerage house, media, etc. He is the founding Chairman of Karnaphuli Group of Companies comprising of 20 enterprises including three Joint Venture Companies.

2. Mohd. Hanif Chowdhury, Vice Chairman

Mr. Mohd. Hanif Chowdhury is a renowned businessman of the Country. He obtained his B. Sc. Degree. After completion his education he has been engaged in garments and food sectors business. He is the Managing Director of ALIF Embroidery Ltd.

3. Abu Sayed Mohammed Nayeem, Director and Chairman, Executive Committee

Mr. Nayeem obtained his M. Com from Dhaka University and M. Sc. from Aston University of U. K. He is a Fellow Member of The Institute of Chartered Accountants of Bangladesh (ICAB). He is also an Associate Member of The Institute of Chartered Accountants in England & Wales and a Fellow Member of The Association of Chartered Certified Accountants (UK). Mr. Nayeem has held many important positions throughout his career. He was the Chairman of Bangladesh Shipping Agents Association, Chairman of Port Users Forum, Vice President of Chittagong Stock Exchange and President of ICAB. He was the Controller of Accounts of Bangladesh Biman Corporation, a UNDP National Expert in a UNDP Project, Director of Technical Services of ICAB, Managing Director of K&T Logistics Limited and Finvest Services Ltd., and as Group Additional Managing Director of Karnaphuli Group of Companies. Mr. Nayeem has been engaged in business for over a decade. Currently he is a partner of ACNABIN, Chartered Accountants and Chairman, Executive Committee of Republic Insurance Company Limited.

4. Nurul Mostafa, Director

Mr. Nurul Mostafa is a successful businessman who after completion his education engaged in different business in Bangladesh and presently plays an important role in trade and commerce of the Country.

5. Hasina Gazi, Director
Mrs. Hasina Gazi is a successful entrepreneur who after completion her education started business. She is the proprietor of Pappa Traders. She is also Director of Gazi Group of Industries and wife of Mr. Golam Dastagir Gazi Bir Protik, Managing Director of Gazi Group of Industries.
6. S. M. Shafiu Hoque, Director
Mr. S. M. Shafiu Hoque is a renowned businessman who after obtaining B. A. Degree started business. He has been engaged in Garments Sector Business. He is the Chairman of Integral Apparels Ltd. and Director of Combined Texwear Ltd. and Mission Apparels Industries Ltd.
7. Khurshida Rahman, Director
Mrs. Khurshida Rahman is a renowned entrepreneur who after completion her education started business. She has been engaged in business since long. She is the Director of Business King Limited and owner of Kashfia Plaza.
8. Sadeque Hossain Chowdhury, Director
Mr. Sadeque Hossain Chowdhury is a successful businessman of the country. He obtained his B. Sc (Engineering) Degree from the University of London, UK and MBA Degree from the University of Aston, Birmingham, UK. He has been engaged in business in different Sectors and he is the Managing Director of Multidrive Ltd., Multidrive Electronics Limited, Multidrive Industries Limited, Motodrive Limited, Motodrive Industries Limited, Medidrive Limited, Travelscene Limited and he is also the Director of K & T Logistics Limited, Regensea Lines Limited, Container & Terminal Services Limited, Finvest Services Limited, Smart Limited and British Motors Bangladesh Ltd. He is the member of the Institute of Electrical Engineers (IEE), UK, American Management Association (AMA) and Kurmitola Golf Club, Dhaka.
9. Golam Dastagir Gazi Bir Protik, Director
Mr. Golam Dastagir Gazi Bir Protik is a renowned industrialist and businessman of the country graduated in Science from the University of Dhaka in 1968. In recognition of his heroic role in the war of liberation of Bangladesh, the Government of the People's Republic of Bangladesh conferred on him the title of "Bir Protik". He was awarded with 'Atish Dipankar' Medal for his extraordinary social works. In the industrial and business Area he has earned name and fame as a successful entrepreneur. He is the Managing Director of Gazi Tanks, Gazi Tyres and Gazi Pumps.

He was the Chairman of Jamuna Bank Limited. He is the president of Gazipur Chamber of Commerce and Industries, Gazi Tank Cricketers' Club, Kakrail Boys' Club and Amor Jyoti Club. He was the Director of Federation of Bangladesh Chamber of Commerce and Industries (FBCCI) and Vice President of Bangladesh Cricket Control Board (BCCB).

10. S. M. Fazlul Hoque, Director
Mr. S. M. Fazlul Hoque is a renowned industrialist and businessman of the country. He obtained his Master Degree in History from the University of Chittagong. He has been engaged in garment sector business. He is the Chairman of combined Texwear Limited, Winwear Limited, Choice Washing Limited and New Morning Apparels Ltd. He is the Managing Director of Choice Garments Ltd., Mission Apparels Industries Ltd. and Bangladesh Sportwear & Hats Ltd. He is the proprietor of Fashion Apparel Industries and Lushai Apparels. He was the president of Bangladesh Garment Manufacturers & Exporters Association (BGMEA).
11. Shahin Haider, Director
Mrs. Shahin Haider obtained Degree in Home Economics from Croydon Technical College, Croydon, London, UK and engaged in business in different Sectors. She is a Director of S. F. Haider Foundation Ltd. She is the wife of Mr. Feroz U. Haider, Managing Director of GSP Finance Company (Bangladesh) Limited.
12. Mahboob Ur Rahman, Director
Mr. Mahboob Ur Rahman is a successful businessman of the country. He obtained his higher education i. e. Bachelor in Interdisciplinary Studies in Computer Science and MIS from the University of Texas at Alington, Texas, USA and MBA from the University of Dallas, Irving, Texas, USA. He has been engaged in business in different Sectors. He is the Managing Director of GasMin Limited, Dhaka, Bangladesh, a leading Engineering & Construction Company and BASE Limited, Dhaka, Bangladesh a leading IT Services Company. He is the Chairman of ShowMotion Limited, Dhaka, Bangladesh, Media and Entertainment Company owning and operating the first ever Multiplex Movie Theatre in Dhaka. He is also the Director of Rahman Enterprises Limited, a trading company and Hotel Sayeman, First private Resort Hotel in Cox's Bazar.
13. Mr. Obaidul Kabir Khan, Managing Director & CEO
Mr. Obaidul Kabir Khan has been in Insurance Professional for nearly 38 years. Mr. Kabir obtained B. Com. degree from Dhaka University in 1967. He started his career in Insurance with the then National Insurance Co. of Pakistan Ltd. After nationalization of Insurance he joined the then Jatiya Bima Corporation in 1972. Before retirement in 2004 he was a General Manager, Dhaka Zonal Office of Sadharan Bima Corporation. He has received higher training from London in Insurance. Mr. Obaidul Kabir Khan joined with Republic Insurance Company Limited as a Managing Director and Chief Executive Officer on 1st July 2004.

CIB REPORT:

Neither Republic Insurance Company Limited nor any of its Sponsors or Directors or shareholders who hold 5% or more shares in paid-up capital of the issuer is loan defaulter in terms of the CIB Report of the Bangladesh Bank.

Particulars of top Executives/Officers:

SL No.	Name	Position	Educational qualification	Date of joining	Last 5 years experience
1	Mr. Obaidul Kabir Khan	MD	B. Com.	01.07.04	Sadharan Bima Corporation
2	Mr. Mosharaf Hossain Majumder	DMD	M. A. (Philosophy)	01.06.05	Private Insurance
3	Mr. Dewan Mustafizur Rahman	DMD	M. Com.	06.10.03	Central/ Northern/ Dhaka Insurance
4	Mr. AMM Mohiuddin Chowdhury	DMD	MBA	02.02.06	Dhaka Insurance
5	Mr.Md.Nasiruddin	SEVP	B. A	30.06.05	Central Insurance
6	Mr.Sirazul Islam Bhuiyan	SEVP	MSS	01.08.05	Federal Insurance
7	Mr. Md. Harun-Al-Rashid	VP	B. A.	23.07.00	Bangladesh Co-Operative Insurance Ltd.
8	Mr. Rafiqul Islam	Deputy Controller (Finance & Accounts)	B. Com (Hons) M. Com (Accounting)	23.06.00	Eastern Insurance
9	Mr. Anwarul Islam	Senior Manager	M. Com.	08.05.05	Eastern/ Dhaka & Purabi Insurance

INVOLVEMENT OF OFFICERS AND DIRECTORS IN CERTAIN LEGAL PROCEEDINGS

No Director or officer of the Company was involved in any of the following types of legal proceedings in the past ten years:

1. Any bankruptcy petition filed by or against any company of which any director or officer of the company filling the prospectus was a director, officer, partner at the time of bankruptcy;
2. Any conviction of director, officer in a criminal proceeding or any criminal proceedings pending against him;
3. Any order judgment or decree of any court of competent jurisdiction against any director, officer permanently or temporarily enjoying, barring, suspending or otherwise limiting the involvement of any director or officer in any type of business, securities or banking activities.
4. Any order of the Securities and Exchange Commission or other regulatory authority or foreign financial regulatory authority suspending or otherwise limiting the involvement of any director or officer in any type of business, securities or banking activities.

CERTAIN RELATIONSHIP AND RELATED TRANSACTION

Transaction between the Directors & Company :

The transaction between the Directors & Company are disclosed in the Auditors additional disclosure part of the prospectus. Neither proposed any transaction nor had any transaction during the last three years with following related parties:

- (a) Any Executive Officer of the Company,
- (b) Any nominee or Director or Officer,
- (c) Any person owning 5% or more of the outstanding share capital of the Company,
- (d) Any member of the immediate family (including spouse, parents, brothers, sisters, children, and in-laws) of any of the above persons.

Special arrangement of Directors with the Company:

- (e) The Company does not have any special arrangement/commitment with its Directors and there was no such transaction during the last 3(Three) years prior to the issuance of the prospectus.

Loan status

The Company did not take or give any loan from any Director or any person neither connected with any Director nor did any Director or any person connected with any Director.

Directors holding any position apart from the company

The information is already included in "Directors and officers' part of the prospectus.

Director's Facilities during Prospectus Publication

Facilities whether pecuniary or non-pecuniary enjoyed by the Directors will remain unchanged during the publication period of the Prospectus. The Directors only take the fees against their attendance in the Board Meeting. Interest and facility is already disclosed in "Executive Compensation" part of the Prospectus.

EXECUTIVE COMPENSATION

A. Remuneration paid to top five salaried Executives in the last accounting year (2007):

(Amount in Taka)

SL #	Name	Designation	Duration	Amount
1	Mr. Obaidul Kabir Khan	Managing Director	Jan-Dec.'07	7,20,000
2	Mr.A.M.M.Mohiuddin Chowdhury	Deputy Managing Director	Jan-Dec.'07	10,20,000
3	Mr. Mosharaf Hossain	Deputy Managing Director	Jan-Dec.'07	600,000
4	Mr. Dewan Mostafijur Rahman	Deputy Managing Director	Jan-Dec.'07	600,000
5	Mr. Md.Nasir Uddin	Senior Executive Vice President	Jan-Dec.'07	5,40,000
Total				3,480,000

B. Aggregate Amount of Remuneration paid to Directors & Officers as per Audited Accounts:

Aggregate amount of remuneration paid to officers and directors from January to December 2007 is as follows:

Group	Numbers	Amount paid (Tk.)	Nature of payment
Directors	12	77,625	Meeting attendance fees
Officers	340	30,600,541	Salary and allowance

* The Company did not pay any remuneration to any director who was not an officer during the last accounting year.

* There is no contract with any director/officer for future compensation.

Pay Increase Intention

Besides normal increment, additional salary increment has also been made.

OPTION GRANTED TO OFFICERS, DIRECTORS AND EMPLOYEES
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The Company has not offered any option for issue of shares to any of the officers, directors and employees or to any outsiders.

TRANSACTION WITH THE DIRECTORS AND SUBSCRIBERS TO THE MEMORENDUM

Benefit from the Company

The promoters of the company have not received any benefits other than Board meeting attendance fees and the Company also has not received anything from its promoters except fund against allotment of shares.

Promoter's Asset to Company

Promoters have not transferred any asset to the Company but deposited share money as required. The Company acquired assets by investing its own funds.

TANGIBLE ASSETS PER SHARE

The financial calculation of tangible assets per share of Republic Insurance Company Limited from the audited accounts as of December 31, 2007 is as under:

(As per Audited Accounts as at 31st December 2007)

Particulars	Amount in Taka
Total Tangible Assets	173,566,809
Less Total Liabilities	99,806,847
Net Tangible Assets	73,759,962
Number of Ordinary Shares	600,000
Net Tangible Assets Per Share	122.93

Dated: March 02, 2008

Sd/-
Nasir Mohammad & Co.
Chartered Accountants

OWNERSHIP OF THE COMPANY'S SECURITIES (As Per Schedule X)
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Following are the details of the existing shareholders:

Sl. No.	Name of the shareholders	Address	Position	Shareholdings as on 31.12.2007	Percentage
1	Mr. Hedayet Hossain Chowdhury	5, Paribagh, Dhaka-1000	Chairman	10,000	1.67%
2	Mr. Mohd. Hanif Chowdhury	House # 7, Road # 2, Khulshi R/A, Chittagong	Vice Chairman	45,000	7.50%
3	Mr. A. S. M. Nayeem	Regensea Lines Ltd., Ispahani Building (2 nd Floor), Bangabandhu Road, Agrabad C/A, Chittagong	Director & Chairman, Executive Committee	25,000	4.17%
4	Mrs. Naheem Hossain Chowdhury	House No. 6, Road No. 48, Gulshan, Dhaka	Sponsor Share Holder	30,000	5.00%
5	Mr. Nurul Mostafa	HR Bhaban, 26/1, Kakrail, Dhaka-1000	Director	15,000	2.50%
6	Mrs. Hasina Gazi	4, Siddeswari Lane, Ramna, Dhaka-1217	Director	50,000	8.33%
7	Mr. Gazi Golam Ashria	4, Siddeswari Lane, Ramna, Dhaka-1217	Sponsor Share Holder	45,000	7.50%
8	Mr. S. M. Shafiul Haque	51, Rahamatgonj, Chittagong	Director	50,000	8.33%
9	Mr. S. M. Akramul Hoque	51, Rahamatgonj, Chittagong	Sponsor Share Holder	40,000	6.67%
10	Mrs. Khurshida Rahman	144, Shantinagar Road, Dhaka-1217	Director	50,000	8.33%
11	Mrs. Ayesha Sultana	8A, Suvastu Tower, 69/1, Green Road, Panthapath Dhaka-1205	Sponsor Share Holder	25,000	4.17%
12	Mr. Hedayet Hossain Chowdhury and other jointly	5, Paribagh, Dhaka-1000	Chairman	90,000	15.00%
13	Mr. Sadeque Hossain Chowdhury	SANARC Complex, 76, Shaheed Tajuddin Ahmed Sarani, Tejgaon I/A, Dhaka.	Director	25,000	4.17%
14	Mrs. Shahin Haider	1/C, Paribagh, Mymensingh Road, Dhaka-1000	Director	50,000	8.33%

15	Mr. Golam Dastagir Gazi Bir Protik	4, Siddeswari Lane, Ramna, Dhaka	Director	5,000	0.83%
16	Mr. S. M. Fazlul Hoque	51, K. B. Abdus Sattar Road, Rahmatgonj, Chittagong	Director	10,000	1.67%
17	Mr. Mahboob Ur Rahman	8A, Suvastu Tower, 69/1, Green Road, Panthapath Dhaka-1205	Director	25,000	4.17%
18	Mrs. Shahella Rashid	House No. 07, Road No. 02, Khulshi R/A, Chittagong	Sponsor Share Holder	5,000	0.83%
19	Mr. Saber Hossain Chowdhury	5, Paribagh, Ramna, Dhaka-1000	Sponsor Share Holder	5,000	0.83%
Total				600,000	100%

- * No Officers owned any shares of the Company.
- * 9 (Nine) Directors/ shareholders hold more than 5% shares of the Company. 10 (Ten) Director/ shareholders hold shares below 5%.
- * The status is as per form filed on 13/02/2008 to RJSC. There is no change in shareholding since then till the date of submission of prospectus.

List of shareholders who owns 5% or more shares of the Company

Sl. No.	Name of the shareholders	Address	Position	Shareholdings as on 31.12.2007	Percentage
1	Mr. Mohd. Hanif Chowdhury	House # 7, Road # 2, Khulshi R/A, Chittagong	Vice Chairman	45,000	7.50%
2	Mrs. Naheem Hossain Chowdhury	House No. 6, Road No. 48, Gulshan, Dhaka	Sponsor Share Holder	30,000	5.00%
3	Mrs. Hasina Gazi	4, Siddeswari Lane, Ramna, Dhaka-1217	Director	50,000	8.33%
4	Mr. Gazi Golam Ashria	4, Siddeswari Lane, Ramna, Dhaka-1217	Sponsor Share Holder	45,000	7.50%
5	Mr. S. M. Shafiul Hoque	51, Rahamatgonj, Chittagong	Director	50,000	8.33%
6	Mr. S. M. Akramul Hoque	51, Rahamatgonj, Chittagong	Sponsor Share Holder	40,000	6.67%
7	Mrs. Khurshida Rahman	144, Shantinagar Road, Dhaka-1217	Director	50,000	8.33%
8	Mr. Hedayet Hossain Chowdhury and other jointly	5, Paribagh, Dhaka-1000	Chairman	90,000	15.00%
9	Mrs. Shahin Haider	1/C, Paribagh, Mymensingh Road, Dhaka-1000	Director	50,000	8.33%

DETERMINATION OF OFFERING PRICE
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The offering price of the common stock of Republic Insurance Company Limited has been determined by assessing the **Net Assets Value (NAV)**. The financial calculation presented below is from the Audited Accounts as of 31 December 2007.

	SL No.	Particulars	Amount in Taka
A.	1	Current Assets (Cash, Bank Balance & Investment)	94,648,849
	2	Interest, Dividend & Rent outstanding	4,687,338
	3	Amount due from other persons or bodies carrying on insurance business	30,130,777
	4	Other Accounts	44,099,845
		Total Assets:	173,566,809
B.	1	Deposit Premium	6,055,453
	2	Liabilities & Provision	22,126,520
	3	Balance of Funds and Accounts.	34,910,047
	4	Sundry Creditors	5,726,992
	5	Amount due to other persons or bodies carrying on insurance business	30,987,835
		Total Liabilities	99,806,847
		Net Assets(A-B)	73,759,962
		Number of Shares	600,000
		Net Assets Value per share	122.93

We have examined the above calculation of Net Assets Value (NAV) Republic Insurance Company Limited and it appears to be correct.

Dated: March 02, 2008

Sd/-
Nasir Mohammed & Co.
Chartered Accountants

Net asset value per share of Tk. 100 each is Tk. 122.93 that is higher than the face value, but the Company is offering its issue price at Tk. 100 per share (at par).

MARKET FOR THE SECURITIES BEING OFFERED
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The issuer shall apply to the all the stock exchanges in Bangladesh within 7 (seven) working days from the date of consent accorded by the Commission to issue prospectus.

Dhaka Stock Exchange Limited (DSE)	:	9/F, Motijheel C/A, Dhaka-1000
And		
Chittagong Stock Exchange Limited (CSE)	:	CSE Building, 1080 Sk. Mujib Road, Agrabad C/A, Chittagong

Declaration about Listing of Shares with the Stock Exchange(s):

None of the stock exchange(s), if for any reason, grants listing within 75 days from the closure of subscription, any allotment in terms of this prospectus shall be void and the Company shall refund the subscription money within 15 days from the date of refusal for listing by the stock exchanges, or from the date of expiry of the said 75 (seventy five) days, as the case may be.

In case of non-refund of the subscription money within the aforesaid 15 days, the Company Directors, in addition to the issuer Company, shall be collectively and severally liable for refund of the subscription money, with interest at the rate of 2% (two percent) per month above the bank rate, to the subscribers concerned. The issue manager (s), in addition to the issuer Company, shall ensure due compliance of the above mentioned conditions and shall submit compliance report thereon to the Commission within 7 days of expiry of the aforesaid 15 days time period allowed for refund of the subscription money."

Trading and settlement regulation of the stock exchanges shall apply in respect of trading and settlement of the share of the Company.

DESCRIPTION OF SECURITIES OUTSTANDING OR BEING OFFERED

Dividend, Voting, Preemption Right

The share capital of the Company is divided into ordinary shares carrying equal rights to vote and receive dividend in terms of the relevant provisions of the Companies Act, 1994 and the Articles of Association of the Company. Shareholders shall have the usual voting right in person or by proxy in connection with, among others, selection of Directors & Auditors and other usual agenda of General Meeting – Ordinary or Extra Ordinary. On a show of hand every shareholder present and every duly authorized representative of a shareholder present at a General Meeting shall have one vote and on a poll every shareholder present in person or by proxy shall have one vote for every share held by him/her.

In case of any additional issue of rights shares for raising further capital the existing shareholders shall be entitled in terms of the guidelines issued by the SEC from time to time.

Conversion & Liquidation Right

If the Company at any time issues convertible preference shares or Debenture with the consent of SEC, such holders of Securities shall be entitled to convert such securities into ordinary shares if it is so determined by the company. Subject to the provisions of the Companies Act, 1994, Articles of Association of the Company and other relevant Rules in force, the Shares, if any, of the Company are freely transferable, the Company shall not charge any fee for registering transfer of shares. No transfer shall be made to firms, minors or persons of unsound mental health.

Dividend Policy:

- a) The profit of the Company, subject to any special right relating thereto created or authorized to be created by the Memorandum of Association subject to the provision of the Articles of Association, shall be divisible among the members in proportion to the capital paid up on the Shares held by them respectively.
- b) No larger dividend shall be declared than is recommended by the Directors, but the Company in its General Meeting may declare a smaller dividend. The declaration of Directors as to the amount of net Profit of the Company shall be conclusive.
- c) No dividend shall be payable except out of profits of the Company or any other undistributed profits. Dividend shall not carry interest as against the Company.
- d) The Directors may, from time to time, pay the members such interim dividend as in their judgment the financial position of the Company may justify.
- e) A transfer of Shares shall not pass the right to any dividend declared thereon before the registration of transfer.
- f) There is no limitation on the payment of dividend.

OTHER RIGHTS OF STOCK HOLDERS

The shareholders shall have the right to receive all periodical reports and statements, audited as well as unaudited, published by the company from time to time. The Directors shall present the financial statements as required under the Law and International Accounting standards. Financial Statements will be prepared in accordance with International Accounting Standards, consistently applied throughout the subsequent periods and present with the objective of providing maximum disclosure as per law and International Accounting Standard to the shareholders regarding the Financial and operational position of the Company.

In case of any declaration of stock dividend by issue of bonus shares, all shareholders shall be entitled to it in proportion to their shareholdings on the date of book closure for the purpose.

The shareholders holding not less than 10% of the issued/fully paid up capital of the Company shall have the right to requisition Extra-Ordinary General Meeting of the Company as provided under Section 84 of the Companies Act 1994.

FINANCIAL STRUCTURE

Description	Amount in Taka
Authorized Capital	500,000,000
Issued & Fully Paid up Capital	60,000,000
IPO (Initial Public Offering)	90,000,000
Total Capital Structure after IPO	150,000,000

DEBT SECURITIES

Republic Insurance Company Limited has not issued any Debt Securities and has no plan to issue within next six months.

LOCK-IN PROVISION OF SHARE

All issued shares of the issuer at the time of according consent to public offering shall be subject to a lock-in period of 3 (three) years from the date of issuance of prospectus or commercial operation, whichever comes later. Provided that the persons, other than directors and those who hold 5% or more, who has subscribed to the shares of the Company within immediately preceding 2 (two) years of according consent, shall be subject to a lock-in period of one year from the date of issuance of prospectus or commercial operation, whichever comes later.

Sl. No	Name of the shareholders	Status	No. of shares hold	Amount Taka	Percentage	Date of acquisition	Expire date of Lock- in
1	Mr. Hedayet Hossain Chowdhury and other jointly	Chairman	90,000	9,000,000	15.00%	04.06.2006	30.07.2011
2	Mr. Mohd. Hanif Chowdhury	Vice Chairman	45,000	4,500,000	7.50%	18.05.2000	30.07.2011
3	Mrs. Naheem Hossain Chowdhury	Sponsor Share Holder	30,000	3,000,000	5.00%	18.05.2000	30.07.2011
4	Mrs. Hasina Gazi	Director	50,000	5,000,000	8.33%	18.05.2000	30.07.2011
5	Mr. Gazi Golam Ashria	Sponsor Share Holder	45,000	4,500,000	7.50%	18.05.2000	30.07.2011
6	Mr. S. M. Shafiul Hoque	Director	50,000	5,000,000	8.33%	18.05.2000	30.07.2011
7	Mr. S. M. Akramul Hoque	Sponsor Share Holder	40,000	4,000,000	6.67%	18.05.2000	30.07.2011
8	Mrs. Khurshida Rahman	Director	50,000	5,000,000	8.33%	18.05.2000	30.07.2011
9	Mrs. Shahin Haider	Director	50,000	5,000,000	8.33%	04.06.2006	30.07.2011
10	Mr. Hedayet Hossain Chowdhury	Chairman	10,000	1,000,000	1.67%	18.05.2000	30.07.2011
11	Mr. A. S. M. Nayeem	Director	25,000	2,500,000	4.17%	18.05.2000	30.07.2011
12	Mr. Nurul Mostafa	Director	15,000	1,500,000	2.50%	18.05.2000	30.07.2011
13	Mrs. Ayesha Sultana	Sponsor Share Holder	25,000	2,500,000	4.17%	18.05.2000	30.07.2011
14	Mr. Sadeque Hossain Chowdhury	Director	25,000	2,500,000	4.17%	04.06.2006	30.07.2011
15	Mr. Golam Dastagir Gazi Bir Protik	Director	5,000	500,000	0.83%	04.06.2006	30.07.2011
16	Mr. S. M. Fazlul Hoque	Director	10,000	1,000,000	1.67%	04.06.2006	30.07.2011
17	Mr. Mahboob Ur Rahman	Director	25,000	2,500,000	4.17%	04.06.2006	30.07.2011
18	Mrs. Shahella Rashid	Sponsor Share Holder	5,000	500,000	0.83%	04.06.2006	30.07.2011
19	Mr. Saber Hossain Chowdhury	Sponsor Share Holder	5,000	500,000	0.83%	04.06.2006	30.07.2011

AVAILBLITY OF SECURITIES

a)	10% of the Issue i.e 90,000 ordinary shares @Tk. 100 each shall be reserved for Non-resident Bangladeshis.	Tk. 9,000,000
b)	10% of the Issue i.e. 90,000 ordinary shares @Tk. 100 each shall be reserved for Mutual Funds and collective investment schemes registered with the Commission.	Tk. 9,000,000
c)	The remaining 80% i.e. 7,20,000 Ordinary Shares @Tk. 100 each shall be open for subscription by the general public.	Tk. 72,000,000
Total		Tk.90,000,000

- (1) 10% of total public offering shall be reserved for non-resident Bangladeshi (NRB) and 10% for mutual funds and collective investment schemes registered with the Commission, and the remaining 80% shall be open for subscription by the general public.
- (2) All securities as stated in sub-rule (1) shall be offered for subscription and subsequent allotment by the issuer, subject to any restriction which may be imposed, from time to time, by the Securities and Exchange Commission.
- (3) In case of over-subscription under any of the categories mentioned in sub-rule (1), the issue manager (s) shall conduct an open lottery of all the applications received under each category separately in accordance with the letter of consent issued by the Securities and Exchange Commission.
- (4) In case of under-subscription under any of the 10% categories mentioned in sub-rule (1), the unsubscribe portion shall be added to the general public category and, if after such addition, there is over subscription in the general public category, the issuer and the issue manager (s) shall jointly conduct an open lottery of all the applicants added together.
- (5) In case of under-subscription of the public offering, the unsubscribe portion of securities shall be taken up by the underwriter(s).
- (6) The lottery as stated in sub-rule (3) and (4) shall be conducted in presence of representatives from the issuer, the stock exchanges, and the applicants, if there be any.

APPLICATION FOR SUBSCRIPTION

01. Application for Shares may be made for a minimum lot of 50 (Fifty) Ordinary Shares to the value of Tk. 5,000.00 and should be made on the Company's Printed Application forms. Application forms and the Prospectus may be obtained from the Registered Office of the Company, members of the Dhaka Stock Exchange Ltd., Chittagong Stock Exchange Ltd. or from the Bankers to the Issue. In case adequate forms are not available, applicants may use photocopied/cyclostyled/ typed/handwritten copies of the forms. Application must not be for less than 50 Shares. Any application not meeting the criterion will not be considered for allotment purpose.
02. Joint Application form for more than two persons will not be accepted. In the case of a joint Application each party must sign the Application form.
03. Application must be in full name of individuals or limited companies or trusts or societies and not in the name of firms, minors or persons of unsound mind. Applications from insurance, financial and market intermediary companies must be accompanied by Memorandum and Articles of Association.
04. Bangladeshi Nationals (including Non-Resident Bangladeshis residing/working abroad) and Foreign Nationals shall be entitled to apply for Shares.
05. Payment for subscription by investors other than Non-Resident Bangladeshi may be made to the said branches/office of the Banks mentioned below in Cash/Cheque/Pay Order/Bank Draft. The Cheque or Pay Order or Bank Draft shall be made payable to the Bank to which it is sent and be marked "**Republic Insurance Company Limited**" And shall bear the crossing "**Account Payee only**" and must be drawn on a Bank in the same town of the Bank to which application form is deposited.
06. All completed application forms, together with remittance for the full amount payable on application, shall be lodged by investors other than Non-Resident Bangladeshis with any of the branches of the Bankers to the Issue
07. A Non-Resident Bangladeshi (NRB) shall apply against the IPO either directly by enclosing a foreign demand draft drawn on a Bank payable at Dhaka, or through a nominee (including a bank or a company) by paying out of foreign currency deposit account maintained in Bangladesh, for the value of Securities applied for. The value of Securities applied for may be paid in Taka, US Dollar or UK Pound Sterling at the rate of exchange mentioned in the Share Application Form. Refund against over subscription of Shares shall be made in the currency in which the value of Shares applied for was paid by the applicant. Share Application Form against the quota for NRB shall be sent by the applicant directly along with a draft or cheque to the Company at its Registered Office. Copies of Application Form and Prospectus shall be available with Bangladesh Embassy/High Commission in USA, UK, Saudi Arabia, UAE, Qatar, Kuwait, Oman, Bahrain, Malaysia and South Korea and web site of the issuer, issue manager (s), DSE, CSE and the SEC.
08. The IPO subscription money collected from investors (other than Non-Resident Bangladeshis) by the Bankers to the Issue will be remitted to the Company's **STD Account No. 33014173** with **The City Bank Limited, Principal Office, Dhaka**.
09. The subscription money collected from Non-Resident Bangladeshis in US Dollar or UK Pound Sterling, Euro shall be deposited to "FC Account(s) for IPO. In case of over subscription, refund shall be made by the Company out of the "FC Account(s) for IPO". The Company has open "**FC Account for IPO**" in **US Dollar A/C No. 51117512, in UK Pound Sterling A/C No. 51117500, in EURO A/C No. 51117493** with **The City Bank Limited**, these accounts will close after refund of over subscription, if any.

APPLICATIONS NOT IN CONFORMITY WITH THE ABOVE REQUIREMENTS AND THE INSTRUCTIONS PRINTED ON THE APPLICATION FORM ARE LIABLE TO BE REJECTED.

REFUND OF SUBSCRIPTION MONEY

In the case of non-allotment of securities, if the applicants' bank accounts as mentioned in their IPO Application Forms are maintained with the Bankers to the Issue as mentioned below, refund amount of those applicants will be directly credited into the respective bank accounts as mentioned in their IPO Application Forms.

National Bank Limited	EXIM Bank Limited
The City Bank Limited	Trust Bank Limited
Jamuna Bank Limited	Investment Corporation of Bangladesh
Southeast Bank Limited	

Otherwise, refund will be made only through "Account Payee" cheque(s) with bank account number and name of bank branch as mentioned in the application payable at Dhaka or Chittagong, as the case may be.

For this purpose the number of the bank account along with name of bank and branch shall be indicated in the securities application form.

SUBSCRIPTION BY AND REFUND TO NON-RESIDENT BANGLADESHI (NRB)

(1) A non-resident Bangladeshi shall apply either directly by enclosing a foreign demand draft drawn on a bank payable at Dhaka, or through a nominee by paying out of foreign currency deposit account maintained in Bangladesh or in Taka, supported by foreign currency encashment certificate issued by the concerned bank, for the value of securities applied for through crossed bank cheque marking "Account Payee only".

(2) The value of securities applied for by such person may be paid in Taka or US Dollar or UK Pound Sterling or Euro at the rate of exchange mentioned in the securities application form.

(3) Refund against over subscription shall be made in the currency in which the value of securities was paid for by the applicant through Account Payee bank cheque payable at Dhaka with bank account number, Bank's name and Branch as indicated in the securities application form. If the applicants' bank accounts as mentioned in their IPO Application Forms are maintained with the Bankers to the Issue as mentioned above, refund amount of those applicants will be directly credited into the respective bank accounts as mentioned in their IPO Application Forms.

National Bank Limited	EXIM Bank Limited
The City Bank Limited	Trust Bank Limited
Jamuna Bank Limited	Investment Corporation of Bangladesh
Southeast Bank Limited	

Otherwise, refund will be made only through "Account Payee" cheque(s) with bank account number and name of bank branch as mentioned in the application payable at Dhaka or Chittagong, as the case may be.

For this purpose the number of the bank account along with name of bank and branch shall be indicated in the securities application form.

UNDERWRITERS OBLIGATION

The Public Offer of 900,000 Ordinary Shares of Tk. 100 each has been underwritten by the Issue Manager (s) i.e. ICB Capital Management Ltd., Capital Market Services Limited & GSP Finance Company (Bangladesh) Limited.

Underwriting for 50% of the Public Offer:

Sl. no.	Name and Address of the underwriters	No. of Shares Underwritten	Underwriting Amount in Tk.
01	Capital Market Services Limited	2,25,000	2,25,00,000
02	ICB Capital Management Ltd.	75,000	75,00,000
03	GSP Finance Company (Bangladesh) Limited	1,50,000	1,50,00,000
Total		450,000	4,50,00,000

If and to the extent that the Shares offered to the public through a Prospectus authorized hereunder shall not have been subscribed and paid for in cash in full by the closing date, the Company shall within 10 (ten) days of the closure of subscription call upon the underwriter in writing with a copy of the said writing to the Securities and Exchange Commission, to subscribe the Shares not so subscribed within the closing date and to pay for in cash in full, inclusive of any premium, if applicable, for such unsubscribed Shares within 15 (fifteen) days after being called upon to do so. If payment is made by Cheque/Bank Draft by the underwriter it will be deemed that the underwriter has not fulfilled his obligation towards underwriting commitment under this agreement, until such time as the Cheque/Bank Draft has been encashed and the Company's account credited. In any case within 7 (seven) days after expiry of the aforesaid 15 (fifteen) days, the Company shall send proof of subscription and payment by the underwriters, to the Commission. In the case of failure by the underwriter to pay for the Shares under the terms mentioned above, the said underwriter will not be eligible to underwrite any Issue, until such time as he fulfills his underwriting commitment under this agreement and also other penalties as may be determined by the Commission.

MISCELLANEOUS INFORMATION	
ISSUE MANAGER (S)	ICB Capital Management Ltd. 8, DIT Avenue, BSB Building (14th Floor), Dhaka-1000. & Capital Market Services Limited Suite #702 (7 th Floor), 28 Dilkusha C/A, Dhaka-1000.
AUDITOR	Nasir Mohammad & Co. Chittagong Office: CDA Building (5 th floor) Court Road, Chittagong. Tel: 631435 Dhaka Office: Elahi Chamber (Ground floor) 21, Motijheel C/A, Dhaka-1000. Tel: 9564309
BANKER	The City Bank Limited, Principal Office, Dhaka.
COMPANY'S COMPLIANCE OFFICER	Md. Harun-Al-Rashid, Deputy Secretary & Md.Rafiqul Islam, Deputy Controller of Accounts

All investors are hereby informed by the Company that it has appointed a Compliance Officer who may be contacted in case of any Pre-Issue / Post Issue related problems such as, non-receipt of letters of allotment /Share Certificates/Refund warrants/Cancelled Stock Investors, etc.

MATERIAL CONTRACTS

The following are material contracts in the ordinary course of business, which have been entered into by the Company.

- a) Underwriting Agreement between the Company and the Underwriters.
- b) Issue Management Agreement between the Company and the Manager to the Issue (s), ICB Capital Management Ltd. and Capital Market Services Limited.
- c) Contract between the Company and the Central Depository Bangladesh Ltd. (CDBL).
- d) The Company does not have any contract or agreement for which the proceeds of sale of securities will be used.

Copies of the aforementioned contracts and documents and a copy of Memorandum and Articles of Association of the Company and the Consent Order from the Securities and Exchange Commission may be inspected on any working day during office hours at the Company's Registered Office.

BANKERS TO THE ISSUE

<p>Investment Corporation of Bangladesh</p> <p>Head Office, Dhaka Local Office, Nayapaltan, Dhaka Chittagong Branch, Chittagong Rajshahi Branch, Rajshahi Sylhet Branch, Sylhet Bogra Branch, Bogra Khulna Branch, Khulna Barishal Branch, Barishal</p> <p>The City Bank Limited Principal Office, Dhaka B.B. Avenue Branch, Dhaka Foreign Exchange Br, Dhaka Dhaka Chamber Branch, Dhaka Mouchak Branch, Dhaka Johnson Road Branch, Dhaka Imamgonj Branch, Dhaka New Market Branch, Dhaka Dhanmondi Branch, Dhaka Gulshan Branch, Dhaka Kawranbazar Branch, Dhaka Mirpur Branch, Dhaka VIP Road Branch, Dhaka Uttara Branch, Dhaka Shaymoli Branch, Dhaka DSE Nikunja Branch, Dhaka. Islami Banking Branch, Dhaka. Tanbazar Branch, Narayanganj Tongi Branch, Gazipur Agrabad Branch, Chittagong Jubilee Road Branch, Chittagong Khatungonj Branch, Chittagong O. R. Nizam Road Branch, Chittagong. Bandar Bazar Branch, Sylhet Zinda Bazar Branch, Sylhet. Comilla Branch, Comilla Bogra Branch, Bogra Barishal Branch, Barishal Rajshahi Branch, Rajshahi Khulna Branch, Khulna</p> <p>Jamuna Bank Limited. Mohakhali Branch, Dhaka Sonargaon Road Branch, Dhaka Moulvibazar Branch, Dhaka Dilkusha Branch, Dhaka</p>	<p>Motijheel Branch, Dhaka Shantinagar Branch, Dhaka Gulshan Branch, Dhaka Dhanmondi Branch, Dhaka Naya Bazar Branch, Dhaka Chistia Market Branch, Dhaka Dholaikhal Branch, Dhaka Banani Branch, Dhaka Mawna Branch, Gazipur Agrabad Branch, Chittagong Khatungonj Branch, Chittagong Jubilee Road Branch, Chittagong Bahaddarhat Branch, Chittagong Kadamtali Branch, Chittagong Sylhet Branch, Sylhet Naogaon Branch, Naogaon Bogra Branch, Bogra Narayanganj Br, Narayanganj Rajshahi Branch, Rajshahi Bashurhat Branch, Noakhali Sirajganj Branch, Sirajganj Dinajpur Branch, Dinajpur Kushtia Branch, Kushtia</p> <p>National Bank Limited Bangshal Road Branch, Dhaka Babubazar Branch, Dhaka Dilkusha Branch, Dhaka Elephant Road Branch, Dhaka Foreign Exchange Br, Dhaka Gulshan Branch, Dhaka Imamganj Branch, Dhaka Dhanmondi Branch, Dhaka Kawran Bazar Branch, Dhaka Motijheel Branch, Dhaka Mohakhali Branch, Dhaka Malibagh Branch, Dhaka Mirpur Branch, Dhaka ZH Sikder M.C. Branch, Dhaka Islampur Branch, Dhaka Uttara Branch, Dhaka North Brook Hall Br, Dhaka Lake Circus Branch, Kalabagan, Dhaka Mohammadpur Branch, Dhaka Pragati Sarani Branch, Dhaka Jatrabari Branch, Dhaka Savar Bazar Branch, Dhaka Narayanganj Br, Narayanganj Pagla Bazar Branch, Narayanganj Gazipur Branch, Gazipur Sylhet Branch, Sylhet Anderkillah Branch, Chittagong Agrabad Branch, Chittagong Khatungong Br, Chittagong Jubilee Road Br, Chittagong Sheikh Mujib Rd Br, Chittagong</p>	<p>Pahartali Branch, Chittagong Narsingdi Branch, Narsingdi Tangail Branch, Tangail Khulna Branch, Khulna Rangpur Branch, Rangpur Bogra Branch, Bogra Rajshahi Branch, Rajshahi Barishal Branch, Barishal Comilla Branch, Comilla</p> <p>Southeast Bank Ltd. Principal Branch, Dhaka Corporate Branch, Dhaka Imamganj Branch, Dhaka Dhanmondi Branch, Dhaka Uttara Branch, Dhaka New Elephant Road Br., Dhaka Gulshan Branch, Dhaka Kakrail Branch, Dhaka Motijheel Branch, Dhaka Karwan Bazar Branch, Dhaka Banani Branch, Dhaka Bangshal Branch, Dhaka New Eskaton Branch, Dhaka Agargaon Branch, Dhaka Aganagar Branch, Dhaka Shaymoli Branch, Dhaka Ashulia Branch, Dhaka Joypara Branch, Dohar, Dhaka Narayanganj Br, Narayanganj Madhabdi Branch, Narsingdi Khulna Branch, Khulna Bandar Bazar Branch, Sylhet Laldighirpar Branch, Sylhet Hetimgong Branch, Sylhet Chouhatta Branch, Sylhet Shahjalal Uposhahar Br., Sylhet Pathantula Branch, Sylhet Kulaura Branch, Moulvi Bazar Moulvi bazar Br, Moulvibazar Agrabad Branch, Chittagong Jubilee Road Br, Chittagong Khatunganj Br, Chittagong Halishahar Branch, Chittagong Pahartali Branch, Chittagong CDA Avenue Br, Chittagong Chowmuhani Branch, Noakhali Bashurhat Branch, Noakhali Cox's Bazar Br, Cox's Bazar Feni Branch, Feni Rangpur Branch, Rangpur</p>	<p>EXIM Bank Limited Pantha Path Branch, Dhaka Moulvibazar Branch, Dhaka Kawranbazar Branch, Dhaka Imamgonj Branch, Dhaka Gulshan Branch, Dhaka Nawabpur Branch, Dhaka Rajuk Avenue Branch, Dhaka New Eskaton Branch, Dhaka Uttara Branch, Dhaka Mirpur Branch, Dhaka Elephant Road Branch, Dhaka Malibagh Branch, Dhaka Satmasjid Road Branch, Dhaka Bashundhara Road Br, Badda, Dhaka Gazipur Br., Gazipur Mawna Chowrasta Br, Sreepur, Gazipur Narayanganj Br., Narayanganj Shimrail Branch, Narayanganj Agrabad Branch, Chittagong Khatunganj Branch, Chittagong Jubilee Road Br., Chittagong CDA Avenue Branch, Chittagong Sylhet Branch, Sylhet Bogra Branch, Bogra Jessore Branch, Jessore Comilla Branch, Comilla Rangpur Branch, Rangpur</p> <p>Trust Bank Limited. Principal Branch, Dhaka SKB Branch, Motijheel, Dhaka Gulshan Corporate Br. Dhaka Dilkusha Corporate Br. Dhaka Dhanmondi Branch, Dhaka Millenium Corporate Branch, Dhaka Uttara Corporate Branch, Dhaka Mirpur Branch, Dhaka Karwan Bazar Branch, Dhaka Narayanganj Branch, Narayanganj Agrabad Branch, Chittagong Khatunjong Branch, Chittagong CDA avenue Branch, Chittagong Naval Base Branch, Chittagong Chittagong Cantt .Br. Chittagong Rangpur Cantt. Br. Rangpur Jessore Cantt. Branch, Jessore Sylhet Corporate Branch, Sylhet Commilla Branch, Comilla</p>
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RATING REPORT

Republic Insurance Company Ltd.

Ratings

Long Term	: BBB₃
Short Term	: ST-3
Date of Rating	: 30 December 2007
Validity	: 1 (One) Year

Analyst:

Nur Elahee Molla

Financial Analyst

RATIONALE

Credit Rating Agency of Bangladesh Limited (CRAB) has assigned **BBB₃** (pronounced triple B three) rating in the long run and **ST-3** rating in the short term to the Republic Insurance Company Limited (RICL).

General Insurance Companies rated in the long term "**BBB₃**" category are adjudged to have average financials, adequate claims paying ability, valuable and defensible business franchises and stable operating environment. General Insurance Companies rated in the short term "**ST-3**" category, are considered to have satisfactory capacity for timely repayment of obligations, although such capacity may impair by adverse changes in business, economic or financial conditions.

CRAB performed the present rating assignment based on the audited financial statements of 31 December 2006 and other relative information. In 2006 net premium of RICL increased at 83 % registering a low claim ratio of 13.71 %. RICL's low expense level, which compares favorably with that of other private sector general insurance companies in the country, is an effective cushion available with the company to absorb claim losses. Therefore the company reported improved combined ratio over the year (91.44 % in 2006), which reveals the RICL's attempt to keep its management expense under control. However the management expense as the actual expense is still 122 % of allowable expense in 2006.

Although the contribution to the total revenue from underwriting profit is increasing gradually (48 % over the last three year and 111 % in 2006), the major portion of the revenue is still coming from investment income. Reduction in contribution of investment income to total income from 100 % in 2000 to 55.11 % in 2006 reveals strong growth of income from insurance business.

RICL maintained sustained overall business growth registering stable escalation in both underwriting profit and net profit. In 2006 the company maintained growth of 15% in net profit, specially, due to 110% growth in underwriting profit. The return on average equity of RICL increased at a consistent manner over the year. In 2006 the ROAE was 10.10% and ROAA was 4.45%.

Key Financial Indicators	BDT in Million		
	2004	2005	2006
Gross Premium	56.11	78.95	135.55
Net Premium	33.26	44.85	82.08
Underwriting Profit	2.36	2.30	4.85
Net Profit	4.81	5.56	6.38
Paid-up-capital	60	60.00	60.00
Shareholder's equity	64.37	62.93	63.44
Investment	60.80	62.40	69.32
Investment yield	8.64%	9.09%	9.30%
Combined ratio	94.82%	101.76%	91.44%
Return on average assets	5.33%	4.92%	4.45%
Current ratio (times)	4.66	2.46	2.46
Risk retention ratio	59.27%	56.80%	60.55%
Proprietary ratio	68.35%	47.67%	41.02%

RICL has experienced and skilled professionals at the narrow top management level. However, an efficient and competent mid management is still missing at RICL, due to relatively small size of the organization and profit. Due to the same reasons, there has been lack of standardized internal control and management information system. The IT infrastructure of the company is in the primary stage and RICL is yet to adopt a computerized system and professional software for accounts, underwriting, claims and reinsurance.

The rating also takes into account the sponsor support of the company. Mr. Hedayet H. Chowdhury is the founder and chairman of RICL, who is also the chairman of the Karnaphuli Group. The rest of the Board members are highly educated and have immense exposure to diversified industrial sectors. However to support increase in RICL's underwriting capacity, the sponsors should infuse more capital. Here it should also be mentioned that the company is yet to go for public offering to raise the paid up capital to BDT 15 million.

The rating also takes into account the investment portfolio (BDT 69.32 million), mainly in the form of bank deposits and government bonds, which enabled the company to increase the return on revenue. The investments in these relatively low return instruments has been maintained to ensure regulatory requirement, business procurement from Banks, and means for risk aversion by avoiding capital market.

The current assets of RICL stood at 136.22 million in 2006 registering a growth rate of 19 %. Although the company's current liquidity position declined from 8.28 times in 2002 to 2.46 times in 2006, its position still remains at satisfactory level. The solvency position declined from 9.94 times in 2002 to 2.57 in 2005. This massive reduction was due to large increase in amounts due from SBC. In 2006 solvency position declined to 1.25 times due to increase in liabilities from BDT 69.07 million in 2005 to BDT 91.22 million in 2006 at a rate of 32 %.

The Company's stable retention capability over the last five year except 2003 (49 %) helped to maintain sustainable underwriting performance. Over the last five years RICL maintained required technical reserve as per insurance company act 1938. In excess of this reserve the company maintained BDT 3.00 million as exceptional losses which was cumulated over the years.

The Insurance industry in Bangladesh experienced a major structural transformation over the years since independence. The government of Bangladesh nationalized insurance industry in 1972 and through the Bangladesh Insurance (Nationalization) Order 1972, except postal life insurance and foreign life insurance companies, all insurance companies were placed in the public sector under five corporations. In 1973 the 'Insurance Corporations Act 1973' was enacted and a restructuring was made in the insurance industry

by forming two corporations, Sadharan Bima Corporation and Jibon Bima Corporation. Later the Insurance Corporations Act 1973 amended in 1984 allowed insurance companies in the private sector to operate side by side with Sadharan Bima Corporation and Jibon Bima Corporation. At present a total of 43 general insurance companies and 17 life insurance companies are operating in the private sector. Though the number of General Insurance Company is more than two times of Life Insurance Company their contribution to the industry is only around 25% considering assets, premium and investment.

Market Capitalization

As a regulatory requirement, insurance companies are required to float shares within 3 and half years of operation. Upto 2006, only 31 companies (8 life insurance companies and 23 general insurance companies) have been listed in the stock market. In 2006, share capital and market capitalization stood at BDT 3,395 million and BDT 8939 million (3.30% of the total DSE capitalization) respectively. Market capitalization trends of insurance companies are reflected in the following exhibit:

Exhibit 1: Market Capitalization Trend of Insurance Companies

Year	Number of Listed Company		Share Capital	Market Capitalization
	Life	Non-Life		
1997	3	15	1015.20	3214.66
1998	3	15	1015.20	2492.58
1999	3	15	1015.20	2632.55
2000	3	15	1015.20	2553.00
2001	3	17	1315.00	2882.00
2002	3	17	1337.00	3317.00
2003	3	17	1370.00	5040.00
2004	3	17	1370.00	5246.00
2005	6	21	2549.00	8507.00
2006	8	23	3395.00	8939.00

Source: Financial Sector Review, Volume-II, Bangladesh Bank

Insurance penetration of Bangladesh measured by premium revenue as a %age of GDP was 0.61, which was the lowest among the South Asian countries (India: 3.14; Pakistan: 0.67; Srilanka: 1.46). Similarly, insurance density, which is premium per capita, is very low compared to other South Asian countries (Bangladesh: US\$2.5; India: US\$22.7; Pakistan: US\$4.6 and Sri Lanka: US\$ 16.3).

Composition of Premiums

Premiums are considered to be the main indicator of an insurance company's business growth. Usually, higher premium accumulation results not only increase in underwriting income but also lead to an addition in the investment stock and reserves of the company.

Exhibit 2: Gross Premium of General Insurance Companies

Year	Gross Premium BDT in million	Figure in percent			
		Share Private sector	SBC	Growth	
				Private sector	SBC
2001	4861.07	84.63	15.37	12.52	22.95
2002	5325.49	84.63	15.37	9.87	7.84
2003	5878.17	86.96	13.04	13.42	-6.36
2004	6781.37	88.52	11.48	17.43	1.57
2005	8015.53	88.94	11.06	18.77	13.80

Source: Insurance Year Book – 2005, BIA.

The table highlighting the composition of gross premium of the general insurance industry shows that the private sector insurance companies are earning more premiums than state-owned company. Besides,

the average growth of premium over a five-year period ended 2005 in the private sector is two times of the average growth of premium in public sector

Asset Structure

The asset structure of insurance companies shows that the total assets of insurance companies have maintained a consistent improvement during 2001-2005. But the share of state owned SBC has been declining over the years. In fact, the composition of assets shows a gradual shift in the ownership structure from state controlled sector to the private sector.

Exhibit 3: Asset Structure of General Insurance Companies

Year	Total Assets BDT in million	Figure in percent			
		Share		Growth	
		Private sector	SBC	Private sector	SBC
2001	15540.22	63.49	36.51	7.52	7.66
2002	15990.06	64.58	35.42	4.65	-0.15
2003	17087.71	65.23	34.77	7.93	4.92
2004	17564.95	63.79	36.21	0.53	7.03
2005	20257.16	70.12	29.88	26.77	-4.84

Source: Insurance Year Book – 2005, BIA.

In 2001 SBC had a share of 36.51% in total asset of the general insurance industry, which declined to 29.88% in 2005 registering an average rate of 4.54%. While the asset of private general insurance companies have increased at an average rate of 9.48%. So the majority shares are now controlled by the private sector insurance companies.

Investment by General Insurance

Investments are generally the largest asset of an insurance company. The investment portfolio of insurance companies usually consists of listed shares, corporate debt and money market instruments.

Exhibit 4: Investment of General Insurance Companies

Year	Investment BDT in million	Figure in percent			
		Share		Growth	
		Private sector	SBC	Private sector	SBC
2001	7031.94	51.98	48.02	14.41	2.17
2002	7555.65	59.41	40.59	22.79	-9.16
2003	8021.84	63.58	36.42	13.63	4.75
2004	10407.03	66.05	33.95	34.78	20.93
2005	10443.82	63.43	36.57	-3.63	8.11

Source: Insurance Year Book – 2005, BIA.

In case of general insurance companies there was a high growth in investment by the private sector, which resulted in the steady rise of the share of private sector in total investment. In fact, investment income has increased, indicating higher returns from diversified investment in both government securities and equities.

Competition enhances efficiency of the market and leads to product diversification and fair pricing of insurance products. However 10 companies among 43 private companies control the general insurance industry as they contribute 50% of net premium, 64% of net profit, 75% of investment and 66% of total assets to the industry.

Operational Review of Republic Insurance Company Ltd. (RICL)

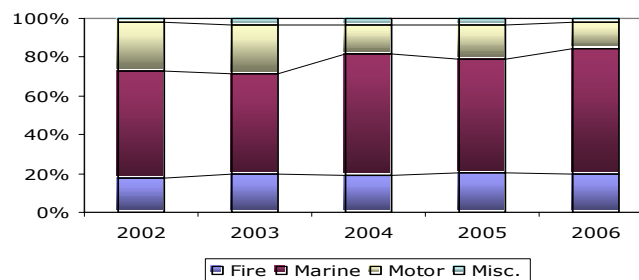
Background of the Company

The company was incorporated in 2000 as a public limited company with the object of carrying all kinds of insurance business other than life insurance and obtained the certificate of commencement in the same year. The company is registered with an authorized capital of 500 million divided into 5 million shares of BDT 100 each. The company has a paid up capital of BDT 60.00 million subscribed by 11 sponsor subscribers. In the year 2006 the company increased the shareholders to 19 by transferring the shares to 8 new shareholders as per approval of the Board of Directors. The company has not yet floated its public offer of shares.

Classes of Business and changes

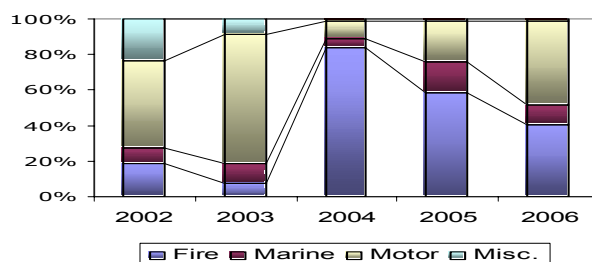
In line with general practices, the underwriting business of Republic Insurance covers Fire Insurance, Marine Insurance, Motor Insurance and Miscellaneous Insurance. The net premium in fire class of Republic Insurance stood at BDT 15.93 million in 2006, which was BDT 9.06 million in 2005, registering a growth of 76%. The net premium in marine (marine hull and marine cargo) business stood at BDT 53.27 million in 2006, which was BDT 26.35 million in 2005, registering a growth of 102%. The net premium in motor insurance stood at BDT 11.39 million in 2006, which was BDT 7.89 million in 2005, registering a growth of 44%. Miscellaneous class experienced a negative growth of 4%.

Exhibit 5: Class wise net premium



The net claim in fire class of business stood at BDT 4.56 million in 2006 which was BDT 9.85 million in 2005 registering a negative growth of 54%. The net claim in marine class of business stood at BDT 1.22 million in 2006 which was BDT 2.90 million in 2005 registering a negative growth of 58%. The net claim in motor insurance increased by 37% and net claim in miscellaneous class of business decreased by 19% in 2006.

Exhibit 6: Class wise net claim



In 2006 only 11% net claim was incurred from the marine business and 65% of total net premium was earned from that class compared to 17% net claim and 59% net premium in 2005. The average claim ratio for marine business was 3.53% over five-year period till 2006, which is the lowest value among other class of business. Motor insurance business is more profitable than fire insurance business considering both net premium and net claim. The participation of miscellaneous business is negligible in terms of net premium and net claim. Performance of Republic Insurance Company in marine business is better compared to other class of business.

Growth Analysis

The net premium of all classes of Republic Insurance stood at BDT 82.08 million in 2006, which was BDT 44.85 million in 2005, registering a growth of 83.03%. RICL's net premium income increased at an average growth rate of 29.79% over the three-year period till 2005 which was two times higher than that of industry although it is slightly lower than that of the peer average. The net claim of RICL declined to BDT 11.25 million in 2006 from BDT 16.81 million in 2005 with 33.08% fall. RICL's net claim increased at an average annual growth rate of 168.06% over the three-year period ending 2005 which is significantly higher than that of industry and other general insurance companies of same age group.

Exhibit 7: Growth Comparison of RICL with Industry

		2003	2004	2005	2006	2003-05
Net Premium						
Industry	%	5.14	20.74	13.03	N/A	12.97
Peer group	%		32.48	30.06		31.27
RICL	%	0.82	53.71	34.84	83.03	29.79
Net Claim						
Industry	%	1.91	40.74	20.43	N/A	21.03
Peer group	%		48.32	94.91		71.61
RICL	%	-53.67	336.10	221.76	-33.08	168.06
Underwriting Profit						
Industry	%	32.57	16.46	38.76		29.26
Peer group	%	-23.84	25.20	34.25		11.87
RICL	%	7583.83	35.37	-2.47	110.67	16.45
Investment (& FDR)						
Industry	%	13.63	11.13	16.64		13.80
Peer group	%	8.16	3.62	18.88		10.22
RICL	%	1.71	2.36	2.63	11.10	2.23
Total Assets						
Industry	%	7.93	13.65	12.10		11.23
Peer group	%	10.15	20.18	24.99		18.44
RICL	%	13.38	9.21	40.17	17.16	20.92

Industry – Private Sector (excluding SBC) ; Peer – Third Generation Companies

The underwriting profit of Republic Insurance stood at BDT 4.85 million in 2006, which was BDT 2.30 million in 2005, registering a growth of 110.67%. For the three-year period ending 2005 (excluding 2003) RICL reported an average growth of 16.45% which is lower than that of industry (29.26%) and higher than the average of companies of similar age group (11.87%). The average growth rate of assets of RICL is 20.92% which is slightly higher than that of peer group average and about two times higher than that of industry.

Market Position

As RICL was incorporated in 2000, its position in the industry is insignificant. RICL's position in the industry (excluding SCB) was 39th in term of gross premium (24th in 2006). Its industry position in term of total assets and underwriting profit were 34th and 35th respectively in 2005. Considering the volume of investment RICL's position was 35th in the industry in 2005.

Exhibit 8: Market Share of RICL in 2005

Particulars	BDT in Million				
	Market Share of RICL				
	RICL	Peer Average	Industry	Industry	Peer Group
Net premium	44.85	61.23	3874.61	1.16	4.13
Net claim	16.81	9.96	807.23	2.08	9.03
Total Management expense	28.83	48.24	2973.43	0.97	3.28
Underwriting profit	2.30	9.66	689.72	0.33	1.36
Net profit	5.56	12.73	879.09	0.63	2.44
Investment	62.40	110.45	6611.11	0.94	3.12
Total asset	132.00	190.97	14199.97	0.93	3.76

Industry – Private Sector (excluding SBC)

Branch Network

At present RICL has 22 branches of which 14 are in Dhaka and others in Rajshahi, Khulna and Chittagong. Two branches situated in Rangpur and Kushtia have two desk personnel and other branches have average 5 desk personnel. The co-ordination among the different divisions and branches are made through the different departments of head office. The branches submit their regular reports and returns to the head office. The branches are not authorized to accomplish any capital expenditure, to advertise and to issue any policy in arrear.

Corporate Governance

Shareholding Pattern

RICL was incorporated in 2000 as a public limited company with an authorized capital of BDT 500 million divided into 5 million shares of 100 BDT each. In 2006 the company had paid up capital of BDT 60.00 million subscribed by 19 subscribers where 11 are sponsor subscribers. The company has not yet gone to public offering to raise sixty% of required paid up capital.

A list of shareholding pattern is given in the annexure – I

The Board

The present Board of Directors of the company consists of 12 members. The members of the Board have sufficient exposure to diversified industrial sectors like textile, fabrics, hospitals, fashions, automobiles and engineering, fishing and shipping etc. Mr. Hedayet Hossain Chowdhury, the Chairman of RICL is also the chairman of another 19 companies. Mr. Mohammad Hanif Chowdhury is the Vice Chairman of the Board. There is no nominated director as there is no public share holding. The company is yet to

incorporate an independent director in the committee in accordance with the notification of the Securities and Exchange Commission. The Executive Committee of RICL, headed by Mr. A.S.M. Nayeem, comprises of five members. RICL has not yet formed any Board Audit Committee.

Internal Audit Department

The Internal Audit Department of RICL comprises only of two members - Mr. Shahidullah, senior internal auditor and Mr. Mohammad Shaidul Islam, deputy manager, internal audit department. The department used to audit the departments and branches of the company as per management requirement. This department is responsible for submitting the reports to the chairman and managing director of the company.

Compliance of the SEC directives

SEC has mandated Corporate Governance guidelines for all listed company. As Republic Insurance Company has not yet been listed it is not complying with several issues which reflected in the quality of financial reporting and disclosures; vigor of internal control system and internal audit function, independent non-executive Directors on Corporate Board; formation of Audit Committee, etc. In compliance of Corporate Governance, RICL has partially addressed the issues of corporate governance for strengthening organizational strength and they have been trying to comply most of the directives of SEC.

Delegation of Power

All powers are vested with the Board of Directors. The branches are allowed to do only day to day activities. They are not allowed to accomplish capital expenditure, advertisement and even not to issue any policy in arrear. All the branches are not allowed to issue marine policy. In case of any kind of expenditure bureaucratic procedure is followed. The Chief Executive Officer usually approves the claims alone but sometimes he calls for a meeting of the Claims Committee to make decisions. The claim committee includes 3 members and is headed by Mr. Sadeque Hossain who is also one of the directors of RICL.

Management Review

Senior Management

RICL has stepped into its seven years of operation as the third generation insurance company in Bangladesh. In course of time, RICL is striving to establish its position at a satisfactory level, especially among third generation companies. In terms of low management expense, RICL maintained its 7th position in the industry and 4th position among the third generation companies in 2005. Its management team comprises of some experienced and professional personnel and the team is headed by Mr. Obaidul Kabir Khan who is the Managing Director & CEO of the company. He has been in insurance profession for 38 years. He started his career in insurance with the National Insurance Co. of Pakistan. After the formation of Sadharan Bima Corporation, Mr. Khan joined there as Deputy Chief, Public Relations Department. Before retirement in 2004 he worked as General Manager, Dhaka Zonal Office of Sadharan Bima Corporation. In the top tier of management team of RICL, there is one Deputy Managing Director and one Executive Vice President.

Exhibit 9: Key indicators of Management soundness

		2002	2003	2004	2005	2006
Gross premium/number of employee	mill	0.20	0.23	0.30	0.35	0.40
Assets per employee	mill	0.40	0.46	0.50	0.58	0.46
Management expense to net premium	%	100.21	115.33	79.11	64.28	77.74

Human Resources Department

At present the company has 336 officers and staff which was 226 in 2005. The company has 22 branches of which 14 are operating in Dhaka division. There are seven departments in the head office to administer the activities of the company where four departments have collectively only six personnel. RICL follows a structured service rules and pay scale for its workforce in all tiers. Usually promotion from one level to another level takes place with usual time interval of four years. But promotions may transpire earlier considering the performance of any employee. Although RICL practices to send their executives to training and orientation courses organized by BIA and other professional organization to enhance their professional skills but the company did not send anyone in 2006 for such training. But the company arranged internal training programs in the office. The overall quality of the human resources of RICL is of average standard though there are experienced and skilled executives in the narrow top tier of management.

Management Information System

Application of information technology in every phase of insurance operation is vital for any insurance company. RICL set MIS and IT Department very recently with limited resource and with only one employee in each department. The company does not use any customized software in any department even in accounting and underwriting department.

Financial Review

Underwriting Process and Quality

The underwriting process usually starts with contacts and meetings with prospective clients. In its first step the potential client is required to fill up a form which covers all the relevant information related to insured party and the type of business the concerned party is carrying. After proper evaluation of that proposal form, RICL determines the premium for that respective client as per tariff manual. The premium varies from client to client based on warranty and risk in related areas. The overall process of this underwriting system is based on the fact that all the information disclosed by the insured are deemed to be true and correct.

Huge management expenses aggravate underwriting performance of the general insurance industry of Bangladesh. The combined ratio is mainly dominated by the expense ratio instead of claim ratio. Over the last five years RICL maintained quite low loss ratio, except 2005 (37.48%), where the net claim was very high compared to net premium. RICL posted a net loss ratio of 19.58% Over the three-year period ended 2005, which is almost same to that of industry but slightly higher than that of peer group during that period. RICL incurred a loss ratio of 13.71% in 2006 which indicating good performance of the company during that period compare to that of previous year.

Exhibit 10: Underwriting Performance of RICL

Particulars		RICL		Peer	Industry
		2006	2003-05	2003-05	2003-05
Loss Ratio	%	13.71	19.58	18.91	19.06
Expense ratio (Allocated mgt expense)	%	75.30	81.55	85.62	80.69
Expense ratio (Total mgt expense)	%	77.74	86.24	90.67	NA
Combined ratio	%	91.44	105.81	109.58	99.75
Operating Ratio	%	83.59	87.90	89.88	NA

Over the three-year period 2003-2005 RICL posted expense ratio (considering allocated expense and commission) 81.55% which is almost similar to that of industry (80.69%) but lower than that of peer group (85.62%). RICL posted an average expense ratio (total mgt expense and commission) of 86.24% over the three year period ended 2005 and the ratio is 77.74% in 2006, which reveals that the company has been able to keep its management expense under control. The combined ratio of 91.44% in 2006 indicates that the company has reported an underwriting profit in that year though the average ratio is 105.81% because of high management expense in the initial years. RICL posted operating ratio of 87.90% over the three year period ended 2005 and 83.59% in 2006 which indicates the company's increasing potentiality to generate profit from its core operations. Therefore RICL posted better underwriting performance in 2006 compare to its previous performance.

Management Expense

The total management expense (expense and commission) of RICL stood at BDT 63.81 million in 2006, which was BDT 28.83 million in 2005, registering a growth of 121%. The growth rate for management expense was 10% and 5% for the respective year 2005 and 2004. The major portion of this management expense includes commission, salary and bonus of the staff, office rent and service charge. The high growth of management expense in 2006 did not extremely affect the company's performance because of high growth in net premium which was 83% in 2006, 35% in 2005 and 54% in 2004. The expense ratio (considering only allocated expense) for different class of business was equal, which was 90% in 2002, 107% in 2003, 76% in 2004 and 51% for both 2005 and 2006.

Exhibit 11: Class wise Management Expense

	BDT in Million				
	2002	2003	2004	2005	2006
Fire	3.43	4.53	4.77	5.19	8.10
Marine	10.71	11.98	15.68	13.11	27.08
Motor	4.80	5.78	3.88	3.93	5.79
Miscellaneous	0.43	0.84	0.81	0.77	0.75
	19.37	23.13	25.14	22.98	41.73
Agency Commission	1.68	0.07	0.00	4.75	20.08
Others (P & L Account)	0.46	1.75	1.18	1.09	2.00
Grand Total	21.51	24.96	26.31	28.83	63.81
Growth		16.04%	5.43%	9.56%	121.36%

According to the Insurance Company Rule 1958, rule - 40, RICL was allowed to incur management expense of BDT 16.32 million in 2002. But it incurred BDT 21.51 million which was 132% of allowable expense. The rate increased to 152% in 2003 and 179% in 2004. After that the rate sharply declined to 116% in 2005 and 122% in 2006 which reveals the company's management efficiency.

Exhibit 12: Allowable Management Expense

	BDT in Million				
	2002	2003	2004	2005	2006
Actual Expense	21.51	24.96	26.31	28.83	63.81
Allowable Expense	16.32	16.38	14.73	24.96	52.41
Excess Expense	5.19	8.58	11.58	3.87	11.40
Actual Expense as % of Allowable Expense	132%	152%	179%	116%	122%

However to compete in the highly competitive industry the company needs to pay more alteration to trim down the management expense of the company, although its management expense is low compared to its peer group.

Claim Settlement

Republic Insurance Company has separate claim settlement department to monitor and settle the claims incurred from different classes of business. When a claim is intimated to the company by the insured, the department appoints a survey firm with a provision in the appointment letter to conduct the survey of the alleged damaged properties and submit preliminary report within 7 days and final report within 15 days from the date of receipt of the appointment letter. After thorough scrutiny of the relevant papers submitted by the survey firm and the insured, the department processes the claim file for final approval of the Chief Executive of the company. The Chief Executive Officer usually approves the claim alone but sometimes he calls for a meeting of the Claims Committee to settle the claim. The claim committee is comprised of 3 members and headed by Mr. Sadeque Hossain who is one of the directors of RICL.

In 2006 total claims of RICL stood at BDT 31.43 million of which BDT 20.79 million was settled registering a claim settlement ratio of 66.15%. Composition of total claim includes BDT 23.10 million in Fire class (claim settlement ratio 76.68%), BDT 4.00 million in Marine class (claim settlement ratio 47.37%), BDT 4.27 million in Motor class (claim settlement ratio 27.67%), BDT 0.06 million in Miscellaneous class (claim settlement ratio 0.00%).

Exhibit 13: Claim Settlement Ratio for all classes of business

		2002	2003	2004	2005	2006
Fire						
Total Claims	mill	0.10	0.94	10.20	22.25	23.10
Claims Settled	mill	0.10	0.92	6.68	7.59	17.71
Claims Settlement Ratio	%	100.00	98.50	65.50	34.12	76.68
Marine						
Total Claims	mill	1.01	0.03	0.99	0.56	4.00
Claims Settled	mill	1.01	0.001	0.34	0.28	1.90
Claims Settlement Ratio	%	99.88	2.63	34.21	48.94	47.37
Motor						
Total Claims	mill	0.71	1.13	0.65	2.84	4.27
Claims Settled	mill	0.61	1.11	0.64	1.00	1.18
Claims Settlement Ratio	%	84.84	97.74	99.10	35.28	27.67
Miscellaneous						
Total Claims	mill	0.01	0.02	-	-	0.06
Claims Settled	mill	0.00	0.00	-	-	0.00
Claims Settlement Ratio	%	0.00	0.00	-	-	0.00
Total						
Total Claims	mill	1.83	2.12	11.84	25.66	31.43
Claims Settled	mill	1.71	2.03	7.66	8.87	20.79
Claims Settlement Ratio	%	93.54	95.81	64.72	34.58	66.15

In the above exhibit claim settlement position from year 2002 to 2006 indicates a mixed trend. RICL maintained an average claim settlement ratio of 70.96% over the five year period ended 2006 where the settlement position in fire business (74.96%) was best among other classes of business.

Exhibit 14: Details of Pending Claim

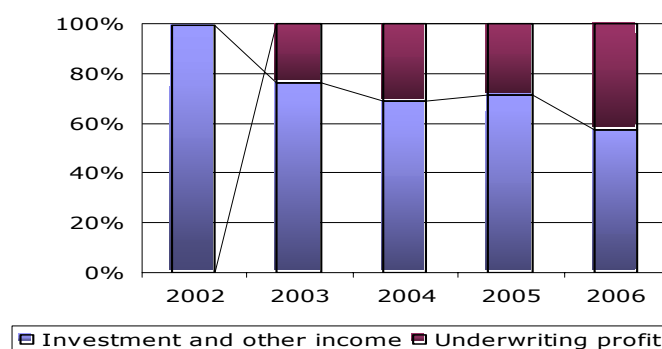
Business Class	Number of Claims	BDT in Million	
		Claim Amount	% of Total
Fire	29	5.39	50.62%
Marine	8	2.11	19.79%
Motor	31	3.09	28.99%
Miscellaneous	2	0.06	0.60%
Total	70	10.64	100.00%

As per December 2006, 29 claims of BDT 5.39 million (50.62% of total claim) were pending in fire class of business which was BDT 14.66 million in 2005. In 2006, 8 claims of BDT 2.11 million (19.79% of total claim) were pending in marine (cargo) class of business which was BDT 0.29 million in 2005. In 2006, 31 claims of BDT 3.09 million (28.99% of total claim) were pending in motor class of business which was BDT 1.84 million in 2005 and only 2 claims of BDT 0.06 million (0.60% of total claim) were pending in miscellaneous class of business which was BDT 14.66 million in 2005.

Profitability

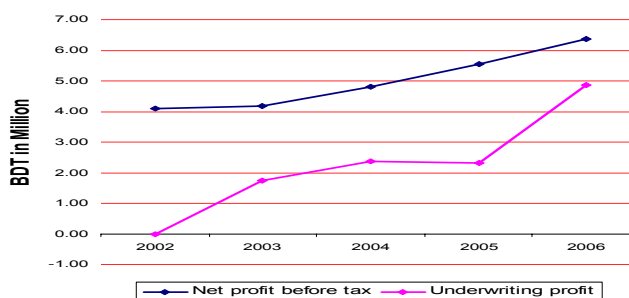
The major sources of revenue of RICL are revenue transferred from fire, marine, motor and miscellaneous accounts and interest income from investment. Although the contribution to the total revenue from underwriting profit is increasing gradually the major portion of the revenue is still coming from investment income. The RICL's revenue generated from investment and other income was 55.11% of total revenues in 2006 which was 100% in 2002. It indicates that the dependency of RICL on investment income is decreasing and profit from the core business is increasing which is a good sign for its insurance business.

Exhibit 15: Segregation of total income



RICL's net profit before tax stood at BDT 6.38 million in 2006, which was BDT 5.56 million in 2005, registering a growth of 14.79%. After a slight increase in net profit in 2003 it sharply increased year by year. The major reason of this growth rate was the increase of underwriting profit which is 110% in 2006.

Exhibit 16: Profitability Ratios



As the business volume of RICL increased in 2006, the profitability ratios of the company are demonstrating positive indication, though the pretax ROR and net profit ratio were lower than the average as well peer group and industry average.

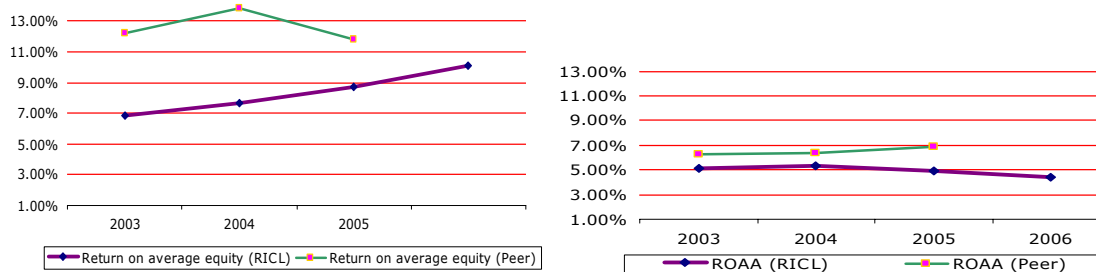
Exhibit 17: Profitability Ratio

Particulars		RICL		Peer	Industry
		2006	2003-05	2003-05	2003-05
Return on Average Equity	%	10.10	7.75	13.63	na
Return on Average Asset	%	4.45	5.13	6.50	5.86
Pretax ROR	%	7.77	15.39	18.01	21.16
Net Profit Ratio	%	4.71	8.38	10.60	11.79

Return on average asset of RICL reported 4.45% in 2006 which was 4.92% in 2005. The return on average equity of RICL was 10.10% in 2006 which was 8.73% in 2005.

The pretax ROR and net profit ratio are declining over the year as growth of gross and net premium are higher than that of pretax operating profit.

Exhibit 18: Comparative Profitability Ratio of RICL with Peer Group



In 2003 the return on average assets of RICL was lower than that of its peer group and the gap increased over the year. The return on average equity of RICL increases at a consistent manner while that of peer group sharply declined in 2005.

Investment Profile

RICL follows a conservative investment policy. It has invested mainly in FDR that are fairly well diversified among various public sector and large private sector banks. RICL has clearly specified norms for exposure to individual institutions, which ensures that it has a well diversified and low risk investment portfolio. Total amount of investment of RICL stood at BDT 69.32 million in 2006, which was BDT 62.40 million in 2005, registering a growth of 11.10%. Its investment portfolio comprised BDT 9.00 million (12.98%) of national investment bonds, BDT 0.32 million (0.47%) in Share and BDT 60.00 million (86.55%) as fixed deposits in different maturity where about 85% of FDR had maturity of 1 year. The company has built a diversified portfolio by investing in shares of 9 well performed companies. Therefore the investment has been generating a return without having any specific risk.

Exhibit 19: Investment Performance

	unit	2002	2003	2004	2005	2006	Average
Investment income to net premium	%	25.65	25.29	15.79	12.65	7.85	17.45
Yield on invested assets	%	9.43	9.21	8.64	9.09	9.30	9.13
Investment income to total income	%	99.95	75.50	68.71	69.86	54.29	73.66

The ratio of total investment income in proportion to net premium declined from 25.65% in 2002 to 7.85% in 2006 which is significantly lower than that of peer average because of increasing trend in net premium especially over the last three years. The yield on invested assets remains almost stable as most of its investments are as FDR. RICL posted on an average of 4.45% growth in investment over the four year period ended 2006 where that of investment income was 4.26% during the same period. Therefore contribution of income from core business in total income is increasing while that of investment income is declining.

Capital Adequacy

The company was registered with an authorized capital of 500 million divided into 5 million shares of BDT 100 each. The company has paid up capital of BDT 60.00 million subscribed by 11 sponsor subscribers. In the year 2006 the company transferred shares to 8 new shareholders as per approval of the Board of Directors. At present the company has 19 shareholders and paid up capital is 60.00 million, which is 90.04% of the total shareholders' equity. The company is yet to issue public portion of share and hence not listed with the Stock Exchanges although it has already passed seven years of its operation. So it could not fulfill the provision of BDT 15 crore paid up capital by issuing shares to the public (60% of total paid up capital). Reserve for contingency account comprises of 4.80% of shareholders equity in 2006 which was 3.67% in 2005. The company's retained profit was only 0.66% in 2006 which was 0.63% in 2005.

Exhibit 20: Leverage Ratio

		RICL				Peer	
	unit	2003	2004	2005	2006	2003-05	2003-05
Operating leverage	%	35.06	51.67	71.26	129.39	52.66	85.77
Proprietary Ratio	%	71.57	68.35	47.67	41.02	62.53	50.40

The ratios showing capital adequacy of RICL reveal competitive scenario with its peer average. In 2006 RICL's net premium was 129.39% of its shareholder's equity which is 81.57% higher than the previous year. The equity portion of RICL declined from 71.57% in 2003 to 41.02 in 2006 registering an average rate of 62.53% which reveals conversion of RICL from an equity based into leveraged corporation.

Solvency Margin

A sound solvency margin is essential for the protection of policyholders. The solvency margin should take into account not only the sufficiency of technical provisions to cover all expected and some unexpected claims and expense but also the sufficiency of capital to absorb significant unexpected losses - to the extent not recovered by the technical provisions. In Bangladesh there is no specific law related to required solvency margin. After reviewing the law related to solvency issue practicing in different countries, a methodology has been set to assess the trend of solvency margin of general insurance company.

Exhibit 21: Trend of Solvency Margin

		2002	2003	2004	2005	2006
Actual Solvency Margin	mill	52.39	51.16	51.21	27.10	24.11
Required Solvency Margin	mill	5.27	5.80	7.74	10.55	19.30
ASM / RSM	times	9.94	8.81	6.61	2.57	1.25

The exhibit represents RICL's solvency position calculated based on set methodology. RICL maintained a strong solvency position in three year period ended 2005 from the angle the estimation. The solvency position declined from 9.94 times in 2002 to 2.57 in 2005. This massive reduction was due to large increase in amounts due from SBC. In 2006 solvency position declined to 1.25 times due to increase in liabilities from BDT 69.07 million in 2005 to BDT 91.22 million in 2006 at a rate of 32 %. However a close monitoring and examination is necessary in this regard to keep the confidence of the policyholder.

Liquidity Position

In general insurance a claim can occur at any time, and therefore it is essential for general insurance companies to keep their money in the form of liquid assets and marketable securities. A company's liquidity depends upon the degree to which it can satisfy its financial obligations by holding cash and liquid investments or through operating cash flow. RICL reported total current assets of BDT 136.22 million in 2006 which was 114.82 million in 2005 registering a growth of 19%. RICL's current assets include sundry debtors 33%, cash and bank balance 66% and stock of stationary and stamps 1%.

Exhibit 22: Liquidity Position

		2002	2003	2004	2005	2006
Current assets to current liabilities	Times	8.28	4.33	4.66	2.46	2.46
Current assets to total assets	%	82.99	79.44	81.41	86.98	88.08
Current liabilities to total assets	%	10.02	18.35	17.47	35.31	35.85
Cash and bank balance to total assets	%	70.18	64.81	65.63	56.70	58.32
Current assets to net claim	Times	24.41	57.18	14.67	6.83	12.11

The company's current liquidity position declined from 8.28 times in 2002 to 2.46 times in 2006, but its position still remains at satisfactory level. RICL's current asset is 88.08% of total asset which is very high. The overall liquidity position of RICL was good as its current liabilities were only 35.85% of total asset. The current assets of RICL were good enough to meet its net claim as the proportion of current asset to net claim was 12.11 times in 2006 compared to 6.83 times in 2005.

Re-insurance Utilization

Each year Sadharan Bima Corporation (SBC) revises the treaty retention capability of all Private General Insurance Company. At present RICL has Re-insurance Treaty Agreement with SBC against all classes of general insurance business and the company has 100% re-insurance with SBC against the agreement. In 2006 the premium received by RICL was BDT 113.43 million from all classes of direct business, BDT 1.42 million from reinsurance accepted and BDT 20.70 million from share of government business. On the other hand, RICL paid to SBC BDT 36.45 million and BDT 17.03 million for public sector as reinsurance ceded. Total net premium received by RICL was BDT 82.08 million in 2006 which was BDT 44.85 million registering a growth of 83%.

Exhibit 23: Premium Income and Share of Reinsurance for 2006

Classes of Business	BDT in Million						
	Direct Business		Reinsurance Accepted	Total	Paid on Re-Insurance Ceded		Net
	Own Business	Govt. Business	Own Business		Own Business	Govt. Business	
Fire	38.37	1.54	1.42	41.34	24.31	1.09	15.93
Marine Cargo	59.01	5.83	-	64.85	7.73	3.73	53.39
Marine Hull	0.53	0.51	-	1.043	0.74	0.41	-0.11
Motor	13.35	0.69	-	14.05	2.64	0.01	11.39
Miscellaneous	2.16	12.12	-	14.28	1.02	11.78	1.48
Total	113.43	20.70	1.42	135.56	36.45	17.03	82.08

The retention capability of RICL was almost stable since last five years except 2003. The analysis of retention capacity of RICL during last five years reveals that the risk retention ratio was high in case of marine and motor class of business which indicates the company usually takes more risks in marine and motor business. The average of the retention ratio for RICL is in line with peer average (55.21%) and industry (55.75%).

Exhibit 24: Risk Retention Ratio

		2002	2003	2004	2005	2006	Average
Fire	%	44.45	33.14	49.34	43.69	38.55	41.83
Marine	%	77.48	67.18	73.55	67.56	80.86	73.32
Motor	%	85.13	84.15	85.50	89.32	81.10	85.04
Miscellaneous	%	6.86	9.82	11.73	14.89	10.37	10.73
Total	%	57.92	49.29	59.27	56.80	60.55	56.77

Ideally an insurer's own retention should be between 40% and 60% of gross premium. Usually high retention level could signal inadequate reinsurance protection while low retention level could hamper profitability. From this perspective RICL's retention ratio is almost at the higher end level and the company should be aware of it and should maintain a sustainable retention ratio closed to its average retention rate.

Reserve Adequacy

The company maintains two types of reserve for unforeseen future which includes reserve for exceptional losses and reserve for unexpired risk. The exceptional loss reserve maintained by the company was BDT 3.00 million in 2006 which was cumulated over the years to meet any exceptional losses.

Exhibit 25: Reserve Requirement for Unexpired Risk for 2006

	Net Premium	Required Reserve	Actual Reserve	Actual Reserve as % of required reserve
Fire	15.93	6.37	6.37	1.00
Marine Cargo	53.39	21.35	21.35	1.00
Marine Hull	-0.11	-0.11	-0.11	1.00
Motor	11.39	4.56	4.56	1.00
Miscellaneous	1.48	0.59	0.59	1.00

In addition to this the balance for funds and accounts is compulsorily maintained by all general insurance company. The reserve for unexpired risk for RICL stood at BDT 32.77 million in 2006 which was BDT 17.97 million in 2005 registering a growth of 82.40%. From the analysis of last five years annual reports of RICL we find that the company maintained required amount for technical reserve as per insurance company act 1938.

Annexure - I

Shareholding Pattern of RICL

Name of the Directors	Status	Number of Shares	% of holding
Mr. Hedayet Hossain Chowdhury and Mrs. Rashida Hossain Chowdhury (Joint-holders)	Chairman	90,000	15.00
Mr. Mohammad Hanif Chowdhury	Vice Chairman	45,000	7.50
Mrs. Hasina Gazi	Director	50,000	8.33
Mr. S.M. Shafiul Hoque	Director	50,000	8.33
Mrs. Khurshida Rahman	Director	50,000	8.33
Mrs. Shahin Haider	Director	50,000	8.33
Mr. Gazi Golam Ashria	Sponsor Shareholder	45,000	7.50
Mr. S.M. Akramul Hoque	Sponsor Shareholder	40,000	6.67
Mrs. Naheem Hossain Chowdhury	Sponsor Shareholder	30,000	5.00
Mr. A.S.M. Nayeem	Director	25,000	4.17
Mr. Sadeque Hossain Chowdhury	Director	25,000	4.17
Mr. Mahboob Ur Rahman	Director	25,000	4.17
Mrs. Ayesha Sultana	Sponsor Shareholder	25,000	4.17
Mr. Nurul Mostofa	Director	15,000	2.50
Mr. S.M. Fazlul Hoque	Director	10,000	1.67
Mr. Hedayet Hossain Chowdhury	Chairman	10,000	1.67
Mr. Saber Hossain Chowdhury	Sponsor Shareholder	5,000	0.83
Mr. Golam Dastagir Gazi Bir Protik	Director	5,000	0.83
Mrs. Shahella Rashid	Sponsor Shareholder	5,000	0.83

Annexure - II

**Republic Insurance Company
Balance Sheet**

	2002	2003	2004	2005	2006
Capital and Liabilities					
Authorized Capital	500.00	500.00	500.00	500.00	500.00
Issued, Subscribed and paid-up capital	60.00	60.00	60.00	60.00	60.00
Reserve for Exceptional Losses	0.00	0.50	1.50	2.50	3.00
Proposed Dividend	-	-	0.00	4.50	3.00
Profit and Loss appropriation account	-0.22	1.21	2.87	0.43	0.44
Reserve or Contingency account	-0.22	1.71	4.37	7.43	6.44
Marine Cargo Insurance Revenue Account	4.70	4.46	8.27	10.52	21.35
Marine Hull Insurance Revenue Account	0.11	0.07	0.08	0.04	-0.11
Fire Insurance Revenue Account	1.52	1.70	2.53	3.62	6.37
Motor Insurance Revenue Account	2.13	2.16	2.05	3.16	4.56
Misc Insurance Revenue Account	0.19	0.31	0.43	0.62	0.59
Balance of funds &Accounts	8.65	8.70	13.35	17.97	32.77
Premium Deposits	1.68	2.39	2.58	1.92	6.74
Estimated Liability in respect of outstanding claims whether due or intimated	0.12	0.09	4.18	16.78	10.64
Amounts due to other persons or bodies carrying on insurance business	3.29	6.15	4.85	20.00	31.45
Sundry Creditors	2.53	4.94	2.69	5.41	3.75
Provision for taxation		2.24	2.15	2.50	2.87
TOTAL Capital & Liabilities	76.05	86.23	94.17	132.00	154.66

Property And assets					
National Investment Bond	9.00	9.00	9.00	9.00	9.00
Share	0.00	0.00	0.00	0.20	0.32
Investment at cost	9.00	9.00	9.00	9.20	9.32
Accrued Interest	4.30	4.87	4.70	5.79	3.31
Amount due from other persons or bodies carrying on insurance business	2.82	1.34	3.98	27.50	28.77
Advance Deposit and Prepaid	1.99	5.80	5.51	6.34	12.51
Fixed deposit accounts	49.40	50.40	51.80	53.20	60.00
STD and Current account	3.80	0.00	0.00	5.50	7.18
Cash and cheques in hand	0.17	5.48	10.01	16.15	23.01
Total Cash and bank balances	53.37	55.88	61.81	74.85	90.19
Fixed Assets	3.94	8.73	8.51	7.98	9.12
Stock of Stationary and stamps	0.38	0.49	0.67	0.34	1.44
Preliminary Expenses	0.25	0.13	-	-	-
Others Account	4.57	9.34	9.18	8.33	10.55
TOTAL Assets	76.05	86.23	94.17	132.00	154.66

Republic Insurance Company

Profit and Loss Account

	2002	2003	2004	2005	2006
Expenses of Management					
Advertisement	0.19	0.96	0.19	0.10	0.54
Audit Fee	0.03	0.08	0.08	0.10	0.12
Bima Fee	-	-	-	0.03	0.11
Directors Fee	-	-	0.16	0.07	0.05
Donation & Subscription	0.08	0.09	0.23	0.19	0.19
Fee & Charges	0.07	0.17	0.02	0.15	0.08
Renewal & Registration Fee	0.08	0.46	0.35	0.30	0.79
Legal Fee	-	-	0.15	0.12	0.07
Loss on Sale of office equipment	-	-	-	0.03	-
Loss on Sale o Share	-	-	-	-	0.02
Inspection Fee	-	-	-	-	0.03
Commission on share purchase	-	-	-	-	0.00
Description	0.84	1.19	1.53	1.47	3.01
Amortization of preliminary expense	0.13	0.13	0.13	-	-
Loss transferred from:					
Fire Revenue Account	-	-	1.87	5.37	0.76
Marine Cargo Revenue Account	-	-	-	-	-
Marine Hull Revenue Account	-	-	-	0.02	-
Motor Revenue Account	1.14	1.11	-	1.51	3.05
Miscellaneous Revenue Account	0.39		-	-	-
Net Profit (Transferred to Profit & Loss A/C)	4.08	4.18	4.81	5.56	6.38
Total	7.03	8.36	9.51	15.02	15.21
Interest income	5.51	5.47	5.25	5.67	6.45
Other income	0.03	0.03	0.00	0.01	0.10
Profit on sales of vehicle	-	-	0.03	0.13	-
Profit transferred from:	-	-	-	-	-
Fire Revenue Account	0.62	2.13	-	-	-
Marine Cargo Revenue Account	0.85	0.47	2.50	8.16	7.37
Marine Hull Revenue Account	0.03	0.04	0.02	-	0.11
Motor Revenue Account	-	-	1.00	-	-
Miscellaneous Revenue Account	-	0.21	0.72	1.04	1.18
Total	7.03	8.36	9.51	15.02	15.21

CRAB RATING SCALES AND DEFINITIONS
LONGTERM - GENERAL INSURANCE COMPANIES

RATING	DEFINITION
AAA Triple A (Highest Safety)	Insurance Companies rated in this category are adjudged to be the strongest, characterized by excellent financials, highest claims paying capability, healthy and sustainable franchises, and a first rate operating environment. The level, growth and quality of earnings over the medium term are of the highest grade and changes in business/economic circumstances, as may be envisaged, are unlikely to significantly impair the underlying fundamentals.
AA1, AA2, AA3* (Double A) (Very High Safety)	Insurance Companies rated in this category are adjudged to be very strong, characterized by very good financials, very high claims paying ability, healthy and sustainable franchises, and a first rate operating environment. The level, growth and quality of earnings over the medium term are of very high grade and changes in business/economic circumstances, as may be envisaged, may very slightly impair the underlying fundamentals.
A1, A2, A3 Single A (High Safety)	Insurance Companies rated in this category are adjudged to be strong, characterized by good financials, high claims paying ability, healthy and sustainable franchises, and a first rate operating environment. The level, growth and quality of earnings over the medium term are of high grade and changes in business/economic circumstances, as may be envisaged, may slightly impair the underlying fundamentals.
BBB1, BBB2, BBB3 Triple B (Above Average Safety)	Insurance Companies rated in this category are adjudged to be very solid, characterized by above average financials, adequate claims paying ability, valuable and defensible business franchises, and an attractive and stable operating environment. The level, growth and quality of earnings over the medium term are of above average grade and changes in business/economic circumstances, may impair the underlying fundamentals.
BB1, BB2, BB3 Double B (Average Safety)	Insurance Companies rated in this category are adjudged to be solid, characterized by average financials, moderate claims paying ability, valuable and defensible business franchises, and a stable operating environment. The level, growth and quality of earnings over the medium term are of average grade and changes in business/economic circumstances, as may be envisaged, may significantly impair the underlying fundamentals.
B1, B2, B3 Single B (Below Average Safety)	Insurance Companies rated in this category are adjudged to be almost solid, characterized by nearly average financials, below average claims paying ability, valuable and defensible business franchises, and a stable operating environment. The level, growth and quality of earnings over the medium term are of nearly average grade and changes in business/economic circumstances, as may be envisaged, may greatly impair the underlying fundamentals.
C (Inadequate Safety)	Insurance Companies rated in this category are adjudged to have weak financial strength and are limited by one or more of the factors as: a vulnerable or developing business franchise; weak claims paying ability, weak financial fundamentals; or an unstable operating environment. The level, growth and quality of earnings over the medium term are of poor grade and changes in business/economic circumstances, as may be envisaged, may highly impair the underlying fundamentals.
D (Extremely Speculative)	Insurance Companies rated in this category possess very weak intrinsic financial strength, requiring periodic outside support or suggesting an eventual need for outside assistance. The level, growth and quality of earnings over the medium term are of speculative grade and changes in business/economic circumstances, as may be envisaged, may highly impair the underlying fundamentals.

* 1, 2,3 refers to positive, average, and below average outlook in the short-term

SHORT TERM - INSURANCE COMPANIES

ST-1	<p>Highest Grade Insurance Companies rated in this category are considered to have the highest capacity for timely repayment of obligations. Companies rated in this category are characterised with excellent position in terms of liquidity, internal fund generation, and access to alternative sources of funds is outstanding.</p>
ST-2	<p>High Grade Insurance Companies rated in this category are considered to have strong capacity for timely repayment of obligations. Companies rated in this category are characterised with commendable position in terms of liquidity, internal fund generation, and access to alternative sources of funds is outstanding.</p>
ST-3	<p>Satisfactory Grade Insurance Companies rated in this category are considered to have satisfactory capacity for timely repayment of obligations, although such capacity may impair by adverse changes in business, economic, or financial conditions. Companies rated in this category are characterised with satisfactory level of liquidity, internal fund generation, and access to alternative sources of funds is outstanding.</p>
ST-4	<p>Adequate Grade Insurance Companies rated in this category are considered to have adequate capacity for timely repayment of obligations. Such capacity is more susceptible to adverse changes in business, economic, or financial conditions than for obligations in higher categories. Companies rated in this category are characterised with average liquidity, internal fund generation, and access to alternative sources of funds is outstanding.</p>
ST-5	<p>Below Average Grade Insurance Companies rated in this category are considered to have capacity for timely repayment of obligations susceptible to adverse changes in business, economic, or financial conditions. Companies rated in this category are characterised with risky position in terms of liquidity, internal fund generation, and access to alternative sources of funds is outstanding.</p>
ST-6	<p>Lowest Grade Insurance Companies rated in this category are considered to have Obligations which have a high risk of default or which are currently in default. Companies rated in this category are characterised with risky position in terms of liquidity, internal fund generation, and access to alternative sources of funds is outstanding.</p>

Disclaimer: Information used in this rating evaluation has been obtained from sources assumed to be correct and reliable. CRAB does not guarantee the accuracy, completeness or reliability of any information and is not responsible for any errors or omissions or from the effects resulting from the use of any such information. Rating is an opinion on the credit quality of the entity and is not a recommendation to buy, sell or otherwise transact in any securities. All rights of this rating report are reserved by CRAB. The contents may be used by news media and researchers with due reference

AUDITORS' REPORT
TO THE SHARE HOLDERS OF REPUBLIC INSURANCE COMPANY LIMITED

We have audited the accompanying Balance Sheet of Republic Insurance Company Limited as at 31 December, 2007 and the related Revenue Accounts as well as the Profit & Loss Account, Profit and Loss Appropriation Account, Cash Flow Statement and Statement of changes in shareholders equity for the year then ended. The preparation of these Financial Statements is the responsibility of the Management of the Company. Our responsibility is to express an independent opinion on those Financial Statements based on our audit.

Scope:

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

Opinion:

In our opinion, the Financial Statements prepared in accordance with Bangladesh Accounting Standards (BAS), gives a true and fair view of the state of the Company's affairs as of 31 December, 2007 and of the result of its operations and its cash flows for the year then ended comply with the applicable sections of the Companies Act 1994, the Insurance Act 1938 and Insurance Rules 1958, the Securities and Exchange Rules 1987 and other applicable laws and regulations.

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 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 branches not visited by us;
- c) the Company's Balance Sheet, Profit and Loss Account and Cash Flow Statement dealt with by the Report are in agreement with the books of account and returns;
- d) the expenditure incurred was for the purposes of the Company's business.
- e) as per sec. 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 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 title related Revenue Accounts and Profit & Loss Account of the Company; and
- f) as per regulation 11 of part I of the Third Schedule of the Insurance Act, 1938 as amended, we certify that to the best of our information and as shown by its books, during the year under report the company has not paid any commission in any form outside Bangladesh in respect of any of its business re-insured aboard.

Dated: 02 March, 2008

Sd/-
NASIR MOHAMMAD & CO.
Chartered Accountants

Republic Insurance Company Limited.

Balance Sheet

As at December 31, 2007

Capital and Liabilities	Notes	Amount 2007	Amount 2006	Property and Assets	Notes	Amount 2007	Amount 2006
Share Capital:				Investment: (At cost)			
Authorized:				National Investment Bond		9,000,000	9,000,000
50,00,000 ordinary share of Tk.100.00 each		500,000,000	500,000,000	Share		254,379	323,890
Issued, Subscribed & Paid Up:	3	60,000,000	60,000,000	Amount due from other person or bodies carrying on insurance business	10	30,130,777	28,771,870
6,00,000 ordinary share of Tk. 100.00 each				Interest Dividends & Rent			
Reserve for Contingency Account:	4	9,259,962	3,438,316	Outstanding:			
Reserve for exceptional losses		9,000,000	3,000,000	Accrued Interest	11	4,687,338	3,305,944
Profit & Loss Appropriation Account		259,962	438,316				
Balance of Fund Account:	5	34,910,047	32,766,321	Advance, Deposit and Prepaid	12	31,247,846	11,770,894
Marine Cargo Insurance Revenue Account		20,816,070	21,354,033	Cash in Hand & Cash at Bank	13	85,394,470	90,194,140
Marine Hull Insurance Revenue Account		56,532	(110,186)	Other Accounts			
Fire Insurance Revenue Account		8,128,249	6,373,635	Fixed Assets:	14	11,025,898	10,153,244
Motor Insurance Revenue Account		5,264,666	4,556,704	(At cost less depreciation)			
Misc. Insurance Revenue Account		644,530	592,135	Stock of Printing, Stationery & Stamp.	15	1,826,101	1,435,886
Deposit Premium	6	6,055,453	6,743,894				
Liabilities & Provisions							
Estimated Liabilities in respect of - outstanding claims	7	17,869,649	11,626,756				
Amount due to other persons or - bodies carrying on insurance business	8	30,987,835	31,449,043				
Provision for Taxation	8(b)	4,256,871	2,134,939				
Sundry Creditors	9	5,726,992	3,796,599				
Proposed Dividend		4,500,000	3,000,000				
Total	Taka	173,566,809	154,955,868	Total	Taka	173,566,809	154,955,868

The annexed notes form an integral part of the Balance Sheet

Sd/-
Obaidul Kabir Khan
Managing Director

Sd/-
Nurul Mostafa
Director

Sd/-
Mrs. Hasina Gazi
Director

Sd/-
Hedayet Hossain Chowdhury
Chairman

Sd/-
Nasir Mohammed & Co.
Chartered Accountants

Dated: March 02, 2008

Republic Insurance Company Limited.
Profit and Loss Appropriation Account
For the Year ended December 31, 2007

Particulars	Notes	Amount 2007	Amount 2006	Particulars	Notes	Amount 2007	Amount 2006
Provision for Taxation		3,800,000	2,871,239	Balance brought forward from last year		438,316	429,024
Reserve for Exceptional Losses		6,000,000	500,000				
Proposed Dividend		4,500,000	3,000,000	Net Profit for the year (Brought forward from Profit & Loss Account)		14,121,646	6,380,531
Balance transferred to Balance Sheet		259,962	438,316				
Total		14,559,962	6,809,555	Total		14,559,962	6,809,555

Sd/-
Obaidul Kabir Khan
Managing Director

Sd/-
Nurul Mostafa
Director

Sd/-
Mrs. Hasina Gazi
Director

Sd/-
Hedayet Hossain Chowdhury
Chairman

Sd/-
Nasir Mohammed & Co.
Chartered Accountants

Dated: March 02, 2008

Republic Insurance Company Limited.
Consolidated Revenue Account
For the Year ended December 31, 2007

Particulars	Notes	Amount 2007	Amount 2006	Particulars	Notes	Amount 2007	Amount 2006
Claims under policies		7,335,224	12,236,871	Balance of Account at the beginning of the year		32,766,321	17,965,279
Less. Re-Insurance							
Paid during the year		1,092,341	17,349,603	Premium - Less- Re-Insurance	19	87,190,318	82,081,082
Add: Total Estimated Liabilities in respect of outstanding claim at the end of the year either due or intimated		13,405,173	9,455,518	Commission on Re-Insurance Ceded	20	9,406,915	10,746,433
Less: Outstanding claims at the end of the previous year		7,162,290	14,568,250	Profit Commission.	21	66,604	178,209
Insurance Stamp Consumed		202,816	153,647				
Commission		24,021,432	20,075,274				
Commission on Re-Insurance Accepted		-	143,973				
Expenses of Management	18	52,238,056	41,729,621				
Profit. Transferred to Profit & Loss Account		10,722,583	3,865,296				
Balance of Fund Account at the end of the year							
Reserve for unexpired risks being 40% Fire, Marine Cargo, Motor & Misce, & 100 % of Marine Hull Premium income of the year transferred to Balance Sheet		34,910,047	32,766,321				
Total		129,430,158	110,971,003	Total		129,430,158	110,971,003

The annexed notes form an integral part of the Consolidated Revenue Account.

Sd/-
Obaidul Kabir Khan
Managing Director

Sd/-
Nurul Mostafa
Director

Sd/-
Mrs. Hasina Gazi
Director

Sd/-
Hedayet Hossain Chowdhury
Chairman

Sd/-
Nasir Mohammed & Co.
Chartered Accountants

Dated: March 02, 2008

Republic Insurance Company Limited.
Fire Insurance Revenue Account
For the Year ended December 31, 2007

Particulars	Notes	Amount 2007	Amount 2006	Particulars	Notes	Amount 2007	Amount 2006
Claims under policies		178,698	5,542,200	Balance of Account at the beginning of the year		6,373,635	3,624,704
Less. Re-Insurance:							
Paid during the year		(2,734,861)	13,826,796	Premium Less- Re-Insurance	19	20,320,622	15,934,087
Add: Total Estimated Liabilities in respect of outstanding claim at the end of the year either due or intimated		7,296,917	4,654,109	Profit Commission		-	-
Less: Outstanding claims at the end of the previous year		4,383,358	12,938,705	Commission on Re-Insurance Ceded.	20	6,152,975	6,211,513
Commission on Re-Insurance Accepted		-	143,973	Loss Transferred to Profit & Loss Account		-	1,746,038
Commission		10,259,653	7,267,103				
Expenses of Management	18	12,174,629	8,100,812				
Insurance Stamp Consumed		128,815	88,619				
Profit Transferred to Profit & Loss Account		1,977,188	-				
Balance of Fund Account at the end of the year							
Reserve for unexpired risks being 40% of Premium income of the year transferred to Balance Sheet		8,128,249	6,373,635				
Total		32,847,232	27,516,342	Total		32,847,232	27,516,342

The annexed notes form an integral part of the Fire Insurance Revenue Account

Sd/-
Obaidul Kabir Khan
Managing Director

Sd/-
Nurul Mostafa
Director

Sd/-
Mrs. Hasina Gazi
Director

Sd/-
Hedayet Hossain Chowdhury
Chairman

Sd/-
Nasir Mohammed & Co.
Chartered Accountants

Dated: March 02, 2008

Republic Insurance Company Limited.
Marine Cargo Insurance Revenue Account
For the Year ended December 31, 2007

Particulars	Notes	Amount 2007	Amount 2006	Particulars	Notes	Amount 2007	Amount 2006
Claims under policies		5,075,009	1,223,502	Balance of Account at the beginning of the year		21,354,033	10,521,281
Less. Re-Insurance							
Paid during the year		(753,945)	(593,877)				
Add: Total Estimated Liabilities in respect of outstanding claim at the end of the year either due or intimated		5,828,954	1,826,809	Premium - Less- Re-Insurance	19	52,040,175	53,385,082
Less: Outstanding claims at the end of the previous year		-	9,430	Profit Commission.		-	127,870
Commission		10,675,364	9,765,441	Commission on Re-Insurance Ceded.	20	2,237,977	2,822,154
Expenses of Management	18	31,178,663	27,140,715				
Profit. Transferred to Profit & Loss Account		7,887,079	7,372,696				
Balance of Fund Account at the end of the year							
Reserve for unexpired risks being 40% of Premium income of the year transferred to Balance Sheet		20,816,070	21,354,033				
Total		75,632,185	66,856,387	Total		75,632,185	66,856,387

The annexed notes form an integral part of the Marine Cargo Insurance Revenue Account

Sd/-
Obaidul Kabir Khan
Managing Director

Sd/-
Nurul Mostafa
Director

Sd/-
Mrs. Hasina Gazi
Director

Sd/-
Hedayet Hossain Chowdhury
Chairman

Sd/-
Nasir Mohammed & Co.
Chartered Accountants

Dated: March 02, 2008

Republic Insurance Company Limited.
Marine Hull Insurance Revenue Account
For the Year ended December 31, 2007

Particulars	Notes	Amount 2007	Amount 2006	Particulars	Notes	Amount 2007	Amount 2006
Claims under policies		32,484	351	Balance of Account at the beginning of the year		(110,186)	44,934
Less. Re-Insurance				Premium Less: Re-Insurance	19	56,532	(110,186)
Paid during the year		32,484	351	Commission on Re-Insurance Ceded	20	9,520	97,818
Add: Total Estimated Liabilities in respect of outstanding claim at the end of the year either due or intimated		-	-	Loss. Transferred to Profit & Loss Account		167,020	-
Less: Outstanding claims at the end of the previous year		-	-				
Commission		-	88,970				
Expenses of Management	18	33,870	(56,018)				
Profit. Transferred to Profit & Loss Account		-	109,449				
Balance of Fund Account at the end of the year							
Reserve for unexpired risks being 100% of Premium income of the year transferred to Balance Sheet		56,532	(110,186)				
Total		122,886	142,752	Total		122,886	142,752

The annexed notes form an integral part of the Marine Hull Insurance Revenue Account.

Sd/-
Obaidul Kabir Khan
Managing Director

Sd/-
Nurul Mostafa
Director

Sd/-
Mrs. Hasina Gazi
Director

Sd/-
Hedayet Hossain Chowdhury
Chairman

Sd/-
Nasir Mohammed & Co.
Chartered Accountants

Dated: March 02, 2008

Republic Insurance Company Limited.
Motor Insurance Revenue Account
For the Year ended December 31, 2007

Particulars	Notes	Amount 2007	Amount 2006	Particulars	Notes	Amount 2007	Amount 2006
Claims under policies		1,936,972	5,311,478	Balance of Account at the beginning of the year		4,556,704	3,156,468
Less. Re-Insurance				Premium Less- Re-Insurance	19	13,161,665	11,391,761
Paid during the year		4,443,039	4,020,562	Commission on Re-Insurance Ceded	20	310,490	649,369
Add: Total Estimated Liabilities in respect of outstanding claim at the end of the year either due or intimated		235,697	2,911,031	Loss Transferred to Profit & Loss Account		-	3,054,538
Less: Outstanding claims at the end of the previous year		2,741,764	1,620,115				
Commission		2,772,013	2,537,254				
Expenses of Management	18	7,885,506	5,791,516				
Insurance Stamp Consumed		60,306	55,184				
Profit. Transferred to Profit & Loss Account		109,396	-				
Balance of Fund Account at the end of the year							
Reserve for unexpired risks being 40% of Premium income of the year transferred to Balance Sheet		5,264,666	4,556,704				
Total		18,028,859	18,252,136	Total		18,028,859	18,252,136

The annexed notes form an integral part of the Motor Insurance Revenue Account

Sd/-
Obaidul Kabir Khan
Managing Director

Sd/-
Nurul Mostafa
Director

Sd/-
Mrs. Hasina Gazi
Director

Sd/-
Hedayet Hossain Chowdhury
Chairman

Sd/-
Nasir Mohammed & Co.
Chartered Accountants

Dated: March 02, 2008

Republic Insurance Company Limited.
Miscellaneous Insurance Revenue Account
For the Year ended December 31, 2007

Particulars	Notes	Amount 2007	Amount 2006	Particulars	Notes	Amount 2007	Amount 2006
Claims under policies.		112,061	159,340	Balance of Account at the beginning of the year		592,135	617,892
Less. Re-Insurance							
Paid during the year		105,624	95,771				
Add.: Total Estimated Liabilities in respect of outstanding claim at the end of the year either due or intimated		43,605	63,569	Premium-Less- Re-Insurance	19	1,611,324	1,480,338
Less: Outstanding claims at the end of the previous year		37,168	-	Profit Commission. Commission on Re-Insurance Ceded	20	66,604	50,339
Commission		314,402	416,506			695,953	965,579
Expenses of Management	18	965,388	752,597				
Insurance Stamp Consumed		13,695	9,844				
Profit. Transferred to Profit & Loss Account		915,940	1,183,726				
Balance of Fund Account at the end of the year		644,530	592,135				
Reserve for unexpired risks being 40% of Premium income of the year transferred to Balance Sheet							
Total		2,966,016	3,114,148	Total		2,966,016	3,114,148

The annexed notes form an integral part of the Miscellaneous Insurance Revenue Account

Sd/-
Obaidul Kabir Khan
Managing Director

Sd/-
Nurul Mostafa
Director

Sd/-
Mrs. Hasina Gazi
Director

Sd/-
Hedayet Hossain Chowdhury
Chairman

Sd/-
Nasir Mohammed & Co.
Chartered Accountants

Dated: March 02, 2008

Republic Insurance Company Limited.

Statement of Cash Flow

As on December 31, 2007

	2007 Taka	2006 Taka
A. CASH FLOW FROM OPERATING ACTIVITIES		
Collection from Premium	113,253,215	113,427,099
Received from SBC	-	2,827,652
Interest & Other Income	5,904,317	7,901,374
Total Collection	119,157,532	124,156,125
Less: Payment for Cost & Expenses.		
Management Expenses	51,229,459	42,190,920
Claim	18,941,006	16,268,451
Agency Commission.	21,155,847	18,836,312
VAT	12,712,233	12,243,345
Income Tax.	1,031,760	2,168,229
Re Insurance Premium.	2,203,699	440,345
Insurance stamp.	8,234,021	6,265,000
Advance payment.	2,525,716	1,625,130
Total Payment	118,033,741	100,037,732
Net cash flow from operating activities	1,123,791	24,118,393

B. CASH FLOW FROM INVESTMENT ACTIVITIES

Acquisition of fixed assets	(2,992,973)	(4,147,442)
Disposal of Fixed Assets	-	-
Sale/(Purchases) of Share	69,511	(123,867)
Net cash flow from investing activities.	(2,923,462)	(4,271,309)
C. CASH FLOW FROM FINANCING ACTIVITIES		
Dividend Paid	(3,000,000)	(4,500,000)
Net cash flow from financing activities.	(3,000,000)	(4,500,000)
D. Net increase in cash and bank balance (A+B+C)	(4,799,671)	15,347,084
E. Cash and bank balance at beginning of the year	90,194,141	74,847,056
F. Cash and bank balance at end of the year.	85,394,470	90,194,140

Sd/-
Obaidul Kabir Khan
Managing Director

Sd/-
Nurul Mostafa
Director

Sd/-
Mrs. Hasina Gazi
Director

Sd/-
Hedayet Hossain Chowdhury
Chairman

Sd/-
Nasir Mohammed & Co.
Chartered Accountants

Dated: March 02, 2008

Republic Insurance Company Limited.
Statement of Changes in Shareholder's Equity
For the year ended December,2007

Particulars	Share capital	Reserve for exceptional losses	Proposed dividend	Profit & Loss appropriation account	Total Taka
Balance at 1 January, 2007	60,000,000	3,000,000	3,000,000	438,316	66,438,316
Profit after tax for the year 2007	-	-	-	10,321,646	10,321,646
Dividend paid	-	-	(3,000,000)	-	(3,000,000)
Appropriation made during the year	-	6,000,000	4,500,000	(10,500,000)	-
Balance at 31 December, 2007	60,000,000	9,000,000	4,500,000	259,962	73,759,962

Statement of Changes in Shareholder's Equity
For the year ended December , 2006

Particulars	Share capital	Reserve for exceptional losses	Proposed dividend	Profit & Loss appropriation account	Total Taka
Balance at 1 January, 2006	60,000,000	2,500,000	4,500,000	429,024	67,429,024
Profit after tax for the year 2006	-	-	-	3,509,292	3,509,292
Dividend paid	-	-	(4,500,000)	-	(4,500,000)
Appropriation made during the year	-	500,000	3,000,000	(3,500,000)	-
Balance at 31 December, 2006	60,000,000	3,000,000	3,000,000	438,316	66,438,316

Notes form the integral part of these financial statements

Sd/-
Obaidul Kabir Khan
Managing Director

Sd/-
Nurul Mostafa
Director

Sd/-
Mrs. Hasina Gazi
Director

Sd/-
Hedayet Hossain Chowdhury
Chairman

Sd/-
Nasir Mohammed & Co.
Chartered Accountants

Dated: March 02, 2008

Republic Insurance Company Limited.

Form "AA"

Classified Summary of Assets

As at December 31, 2007

SL No.	Class of assets	Taka 2007	Remarks
1	NIB Deposit with Bangladesh bank	9,000,000	Realizable value
2	Share	254,379	Realizable value
3	Cash in hand and at bank	85,394,470	Cash
4	Interest, Dividend and rent outstanding: Accrued interest	4,687,338	Realizable value
5	Advance deposit and prepayment	31,247,846	Realizable value
6	Fixed assets	11,025,898	Cost less depreciation
7	Stock of Printing, Stationery and Insurance stamp	1,826,101	Realizable value
8	Amount due from other person or bodies carrying on Insurance business	30,130,777	Realizable value
	Total:	173,566,809	

Sd/-
Obaidul Kabir Khan
Managing Director

Sd/-
Nurul Mostafa
Director

Sd/-
Mrs. Hasina Gazi
Director

Sd/-
Hedayet Hossain Chowdhury
Chairman

Sd/-
Nasir Mohammed &
Co.
Chartered Accountants

Dated: March 02, 2008

Republic Insurance Company Limited.
Notes to the Accounts
For the year ended 31 December, 2007

1. Background of the company

The Company was incorporated on 18th May, 2000 as a public limited company under the Companies Act, 1994 having registered office in Bangladesh, with the object of carrying all kinds of insurance business other than life insurance and obtained permission to commence insurance business from the Chief Controller of Insurance, Directorate of insurance, Government of the Peoples' Republic of Bangladesh on 31 May 2000. The company is registered with an authorized capital of 50 Crore and has issued and fully subscribed paid up capital of Tk. 6.00 Crore. The head Office of the company is at HR Bhaban (3rd Floor), 26/1, Kakrail, Dhaka-1000, Bangladesh which is also the registered office of the company. The company is engaged in General Insurance business within the meaning of Insurance Act 1938.

2. SIGNIFICANT ACCOUNTING POLICIES & RELEVANT INFORMATION:

2.1 Basis of preparation of financial statements:

i) The financial statements have been prepared under historical cost convention on a going concern basis in accordance with the requirements of the schedule to the Securities and Exchange rules 1987 and the Companies Act 1994 and the Insurance Act 1938 and Insurance Rules 1958 and the International Accounting Standards as adopted by the Institute of Chartered Accountants of Bangladesh particularly with regard to disclosure of accounting policies and relevant information in financial statements as well as accounting for property and depreciation thereon and the valuation of investments.

ii) The Insurance Act 1938 has prescribed formats for presenting accounts, accordingly the Balance sheet has been prepared in format [Form - A] set out in part- II of the First Schedule, the Revenue account of each class of business is prepared in accordance with the regulations contained in format [Form - A] in part- II of the Third schedule. Profit & Loss Account and Profit & Loss Appropriation Account has been prepared in form "B"&"C" prescribed in part-II of the Second schedule, other disclosure requirements are fully followed the Insurance Act, 1938.

iii) The Accounts have been prepared on accrual basis of accounting.

iv) The cash flow statement has been prepared under direct method as per requirement of securities and exchange rules 1987.

2.2 Last years figures have been rearranged wherever necessary for comparison purposes.

2.3 Public Sector Insurance Business:

Insurance premium relating to the Public sector Business have been incorporated into Accounts for the 3rd & 4th Quarter 2006 and 1st & 2nd Quarter 2007.

2.4 Re- Insurance Accounts:

While preparing the Revenue Accounts adjustments in respect of re-insurance ceded in Bangladesh have been duly given.

2.5 Reporting Currency:

The financial Statements are presented in Bangladesh currency (Taka), which has been rounded off to the nearest Taka.

Dated: 02 March, 2008

2.6 Fixed Assets & Depreciation:

Fixed Assets are stated at cost less accumulated depreciation. Depreciation has been charged using reducing balance method at different rates as under:

Assets	Rate of Depreciation
Computer	20%
Furniture & fixture	10%
Office equipment	15%
Vehicles	20%
Crockeries & Cutleries	25%
Air conditioner	20%
Telephone	10%
Decoration	10%
Sundry assets	20%

Depreciation for the addition to fixed assets has been charged for the whole year irrespective of the date of acquisition have been made Major replacements, renewals and betterments are capitalized; whereas maintenance and repair expense are charged against revenue.

2.7 Investment:

(I) Investments are stated at cost and their market or intrinsic value is not considered for periodical adjustment in the accounts.

(ii) During the year interest on investments in FDR and National Investment Bond, have been accounted for as income on Cash & accrual basis.

2.8 Stock:

Stocks of printing materials, stationery and Insurance stamp have been valued at cost or realizable value whichever is lower.

2.9 Classified Summary of Assets:

The value of all assets at December 31, 2007 has been shown in the Balance Sheet and in the classified summary of assets on Form – AA annexed have been reviewed by the Directors and the said assets have been set forth in the Balance Sheet at amount not exceeding their realizable or market value in aggregate.

2.10 Income Tax:

(i) Income Tax has been deducted at source and payment was made required by law.

(ii) Income Tax Assessment of the company has been completed up to assessment year 2005-2006 (Accounts 2004). The return for the Assessment year 2006-2007 & 2007-2008 has been filed in due time. Details Break up has been shown in the Annexure-C

2.11 Earnings per Share (EPS): 2007

The Company calculates Earnings per Share (EPS) in accordance with the International Accounting Standards. Calculation of EPS is shown below:

	2007	2006
Net Profit before Tax	14,121,646	6,380,531
Less. Provision for Taxation	3,800,000	2,871,239
Net Profit after Tax	10,321,646	3,509,292
EPS = $\frac{\text{Earnings attributable to ordinary shareholders}}{\text{Weighted average No. of Shares during the year}}$	 10,365,822 600,000 shares	 3,509,292 600,000 shares
	 = Tk. 17.20	 = Tk. 5.85

Dated: 02 March, 2008

2.12 Reserves for Exceptional Losses:

Reserves for exceptional loss has been made Tk. 60,00,000.00 @ 6.88% of net premium during the year to cover the liabilities for insurance claim & other unforeseen losses. Total reserve on December 31,2007 Tk.90,00,000.00 as per Paragraph 6(4) of 4th schedule of the Income Tax Ordinance, 1984.

2.13 Revenue recognition

The total amount of premium earned on various class of insurance business underwritten during the year, the gross amount of premium earned against various policies, the amount of re-insurance premium due to Sadharan Bima Corporation and the amount of claim less re-insurance recovery during the year have been duly accounted for in the books of accounts of the Company. While preparing financial statements the effect of re-insurance ceded as well as the effect of total estimated liabilities in respect of outstanding claims at the end of the year whether due or intimated, have also been duly reflected in order to arrive at the net underwriting result for the year.

2.14 Reserve for unexpired risk:

Before arriving at the surplus of each class of insurance business viz. Fire, Marine, Motor and Miscellaneous, necessary reserve for unexpired risk has been created @ 40% of all classes of business premium income except on Marine Hull Insurance premium for which the provision were made @100% of the total premium for the year under audit.

2.15 Benefit to Employees:

The Company operates a contributory Provident Fund for its permanent employees, provision for which are being made annually as rules administered by a Board of Trustee in which eligible employee contribute @ 8% on Basic Salary. The Company also makes equal contribution to the said Provident fund.

2.16 Employees details:

During the year under review 355 employees are employed for the full time. As per schedule- XI part –II of the company Act 1994 the employees remuneration slab is given below:

<u>Slab</u>	<u>Number of Employees</u>
No of employees received salary below taka 3,000 per month	15
No of employees received salary above taka 3,000 per month	340
Total no. of employees	355

2.17 Deposit Premium Account:

Premium deposit account represents amount of premium deposited with the company against cover notes for which policies are yet to be issued up to the end of the year.

2.18 Consolidation procedure:

Accounts of all branches have been consolidated at the Central Accounts of the Head Office at Dhaka.

2.19 Management expenses

Management expenses charged to revenue accounts amounting to Tk. 5,22,38,056.00 represents approximately 40.32% of gross premium of Tk.12,95,74,225.00 (including Public sector business of Tk..1,63,37,339.00) The expenses have been apportioned @ 23.31% to Fire, 59.59% to Marine Cargo, 0.06% to Marine Hull, 15.10% to Motor and 1.85% to Miscellaneous business as per management decision. Management expenses charged to revenue accounts as net premium after charging re - insurance premium ceded.

Dated: 02 March, 2008

2.20 Dividend:

The Company has declared and paid dividend as stated below:

Year	Cash	Bonus	Total
2003	-	-	-
2004	-	-	-
2005	4,500,000	-	4,500,000
2006	3,000,000	-	3,000,000

The management of the Company has proposed to pay dividend @ 7.5% on paid up share capital of Tk. 60,000,000 amounting Tk. 4,500,000 based on the audited accounts of 2007. The dividend will be paid to the existing shareholders after holding of the AGM.

2.21 Cash & Cash Equivalent:

Cash comprises cash in hand, demand deposit, 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 & cash equivalents are not restricted in use and accordingly cash in hand and bank balances have been considered as cash and cash equivalents.

2.22 Reporting period:

Financial statements of the Company cover one calendar year from 01 January 2007 to December 31, 2007.

Dated: 02 March, 2008

Nasir Mohammed & Co.
Chartered Accountants

Notes of the Accounts
For the year ended 31 December, 2007

	Amount Taka 2007	Amount Taka 2006
3.00 Share Capital:		
3.01 Authorized Capital:		
50,00,000 Ordinary share of Tk.100.00	500,000,000	500,000,000
3.02 Issued, Subscribed and Paid up Capital	60,000,000	60,000,000
Issued, Subscribed and Paid up Capital consist of 6,00,000 Ordinary Share of Tk.100/- each fully paid.		
3.03 Shareholdings.		
The following table shows the shareholdings of the Company.		
	Share holdings	Percentage
1 Mr.Hedayet Hossain Chowdhury & Mrs. Rashida Hossain Chowdhury (Joint Holders)	90,000	15.00%
2 Mr.Hedayet Hossain Chowdhury	10,000	1.67%
3 Mr.Mohd.Hanif Chowdhury	45,000	7.50%
4 Mr.Abu Sayed Mohammad Nayeem	25,000	4.17%
	Chairman Executive Committee	
5 Mrs. Hasina Gazi	50,000	8.33%
6 Mr.S.M. Shafiul Haque	50,000	8.33%
7 Mrs.Khursida Rahman	50,000	8.33%
8 Mrs.Shahin Haider	50,000	8.33%
9 Mr. Sadeque Hossain Chowdhury	25,000	4.17%
10 Golam Dastagir Gazi.Bir Protik	5,000	0.83%
11 Mr. Mahboob Ur Rahman	25,000	4.17%
12 Mr.Nurul Mostafa	15,000	2.50%
13 Mr.S.M. Fazlul Haque	10,000	1.67%
14 Mr.Saber Hossain Chowdhury	5,000	0.83%
15 Mr. Gazi Golam Ashria	45,000	7.50%
16 Mr.S.M. Akramul Haque	40,000	6.67%
17 Mrs. Naheem Hossain Chowdhury	30,000	5.00%
18 Mrs. Ayesha Sultana	25,000	4.17%
19 Mrs. Shahela Rashid	5,000	0.83%
	600,000	100.00%
04. Reserve for Contingency Account:	9,259,962	3,438,316
This has been made as follows:		
A. Profit & Loss Appropriation Account:		
Undistributed profit up to Balance Sheet date.	259,962	438,316
B. Reserve for Exceptional Loss.	9,000,000	3,000,000
Balance as on January 01,2007	3,000,000	2,500,000
Add: Reserve made during the year .	6,000,000	500,000

Dated: 02 March, 2008

Nasir Mohammed & Co.
Chartered Accountants

Notes of the Accounts
For the year ended 31 December, 2007

	Amount Taka 2007	Amount Taka 2006
05. Balance of Fund Account.		
This has been made up as under:		
Marine Cargo Insurance Revenue Account	20,816,070	21,354,033
Marine Hull Insurance Revenue Account	56,532	(110,186)
Fire Insurance Revenue Account	8,128,249	6,373,635
Motor Insurance Revenue Account	5,264,666	4,553,704
Misc. Insurance Revenue Account	644,530	592,135
	34,910,047	32,763,321
06. Deposit Premium		
Marine	2,774,207	3,794,563
Marine hull	180,502	142,502
Fire	-	199,126
Motor	-	(461,823)
Miscellaneous	627,330	466,798
Stamp duty	2,473,414	2,407,494
Excess deposit	-	195,234
	6,055,453	6,743,894
** The amount was received against cover notes over the years for which policies have not been issued within 31December, 2007.		
07. Estimated liabilities in respect of outstanding claim:		
Marine.	7,934,569	2,105,615
Fire.	9,286,111	6,372,552
Motor.	578,963	3,085,020
Miscellaneous	70,006	63,569
	17,869,649	11,626,756
** The amount mentioned above includes all claims which are most likely to be payable by the Company, and is thus is a sum total of all the current & future claims, except for two which are "Sub Judice"-Marine claims which the company refutes on the ground that suit was bad for mis-joinder of necessary parties, hit by principles of estoppel, waiver, acquiescence, plaintiff had no insurable interest at the time of loss, import of goods was in question and the seaworthiness of the chartered vessel carried for the import of goods was in question.		
08. Amount due to other persons or bodies carrying on insurance business:		
Payable to SBC	30,987,835	31,449,043
Re Insurance Accounts year.07	-	-
**This is payable to Sahdaran Bima Corporation. (SBC)	30,987,835	31,449,043
08(b) Provision for Income Tax :		
Opening Balance:	2,134,939	286,079
Add. New Provision on Net Profit 2005	-	2,500,000
Add. New Provision on Net Profit 2006	-	2,871,240
Add. New Provision on Net Profit 2007	3,800,000	-
Less: Deducted at Source	5,934,939	5,657,319
FDR Interest/STD A/c/Dividend	646,308	1,124,651
National Investment Bond	-	229,500
Payment during the year.		
Payment against. Provision for Taxation 2005-2006	873,998	2,168,229
Payment against. Provision for Taxation 2006-2007	157,762	-
Total payment	1,678,068	3,522,380
Provision for Income Tax as at December 31, 2007.	4,256,871	2,134,939

Dated: 02 March, 2008

Nasir Mohammed & Co.
Chartered Accountants

Notes to the Accounts
For the year ended 31 December, 2007

	Amount Taka 2007	Amount Taka 2006
09. Sundry Creditors		
Salaries and allowance	2,294,498	1,002,688
Security deposit (Against Open Policy)	279,000	279,000
Audit fee payable (M/s. Nasir Mohammad & Co.)	50,000	50,000
Audit fee payable (special audit)	150,000	100,000
Continental Courier Service	-	3,190
Telephone Bill	28,587	23,531
Insurance stamp	1,391,082	1,913,508
Income tax (deduction at source)	1,939,789	259,261
VAT (deduction at source)	12,454	-
Provident fund employees contribution	635,675	-
Provident fund employees contribution	635,675	-
Electric Bill	14,463	47,271
WASA Bill	18,559	27,224
HR Holdings (Office Maintenance)	23,021	-
Visual Sign	-	25,300
VAT (deduction at source)	-	2,347
M/s. Craft World	-	48,279
Share transfer fee	-	15,000
	5,726,992	3,796,599
10. Amount due from other persons or bodies carrying on insurance business		
Opening balance	28,771,870	28,771,870
Receivable from Sadharan Bima Corporation against Public Sector Business, 4th Qtr, 2006 & 1st 2nd Qtr-07	1,358,907	-
** 3rd Qtr'07 of PSB Accounts could not completed by Sadharan Bima Corp.		
	30,130,777	28,771,870
11. Accrued Interest		
Accrued interest of FDR A/c	3,542,982	2,926,588
Accrued interest of National Investment Bond	1,144,356	379,356
	4,687,338	3,305,944

The amount represent interest earn/ accrued but not received during the year.

Dated: 02 March, 2008

Nasir Mohammed & Co.
Chartered Accountants

Notes to the Accounts
For the year ended 31 December, 2007

	Amount Taka 2007	Amount Taka 2006
12. Advance, Deposit and Prepayments:		
Office Rent (Branches)	2,293,122	1,357,005
Service Charge	-	83,600
Advance Income Tax (Note-22)	3,900,000	1,600,000
Deposit Clearing Note 12(a)	7,464,487	-
Advance Commission	-	2,865,585
Audit Fee	-	20,000
Advance Claim	400,000	-
Advance printing (Calendar)	878,000	296,350
Advance Salary (Branches)	249,254	87,267
Security deposit (Telephone)	68,000	64,000
Short deposit Note 12(b)	9,029,878	-
Advance VAT (Note-23)	3,880,375	3,585,997
Finvest Securities Ltd	137,404	14,617
Land Note 12(c)	1,905,726	650,526
Credit Rating Fee(CRAB)	100,000	-
Office Decoration	-	69,623
Advance against Lease Rent	641,600	776,324
Advance against Legal Fee	200,000	200,000
Advance to Capital Market Services Ltd.	100,000	100,000
	31,247,846	11,770,894

12(a) Deposit clearing refers to cheques received on or before 31 December, 2007 but deposited to Bank subsequently.

12(b) Short Deposit premium refers to outstanding premium which was receivable from different parties.

12(c) Company has made payments as advance for purchase of 8(eight) khatahs of Land at Bashundhra, Baridhara Project, Dhaka.

13. Cash in Hand, Cash in Transit & Bank:	85,394,470	90,194,140
Cash in Hand	6,793,453	18,616,972
Cash in Transit	2,100,045	4,396,905
Cash At Bank STD & CD Account	4,200,222	7,180,263
At Bank on Fixed Deposit	72,300,750	60,000,000

** Cash in hand is inclusive of expenses incurred at branch level but which are yet to be booked to the expenses.

** Cash in transit transferred to branches for payment of Salary & Allowances for the month of December, 2007 before 31 December, 2007 but branches could not credit the same within 31 December, 2007.

Dated: 02 March, 2008

Nasir Mohammed & Co.
Chartered Accountants

Notes to the Accounts
For the year ended 31 December, 2007

	Amount Taka 2007	Amount Taka 2006
14. Fixed Assets:		
Cost		
Opening balance	17,945,782	13,798,340
Additional during the year	2,992,973	4,147,442
	20,938,755	17,945,782
Disposal during the year	-	-
	20,938,755	17,945,782
Less: accumulated depreciation		
Opening balance	7,792,538	5,816,634
Charge for the year	2,120,319	1,975,904
Adjustments for disposal	-	-
	9,912,857	7,792,538
Written down value	11,025,898	10,153,244
A schedule of fixed assets has been given in Annexure-A		
15. Stock of Printing, Stationery- and Insurance Stamp:		
Printing	334,276	690,424
Stationery	30,419	139,720
Insurance stamp	1,461,406	605,742
	1,826,101	1,435,886
16. Interest Income:		
Interest received on:		
FDR Account	3,161,154	2,496,957
STD Account	359,323	274,404
National Investment Bond	-	368,877
	3,520,477	3,140,238
Accrued interest on:		
FDR Account	3,542,982	2,926,588
National Investment Bond	765,000	379,356
	4,307,982	3,305,944
	7,828,459	6,446,182
17. Others Income:		
Stock Dividend	843	6,600
Service charge (Policy Cancelled charge)	1,400	850
Dividend	14,612	3,800
Profit on Sale of Share	49,106	29,669
Underwriting Commission	-	54,400
Sale of Old Goods	37,600	1,750
	103,561	97,069
18. Expenses of Management:		
Fire	12,174,629	8,100,812
Marine	31,178,663	27,140,715
Marine Hull	33,870	(56,019)
Motor	7,885,506	5,791,516
Miscellaneous	965,388	752,597
	52,238,056	41,729,621

Dated: 02 March, 2008

Nasir Mohammed & Co.
Chartered Accountants

Notes to the Accounts
For the year ended 31 December, 2007

19. Premium less Re-Insurance

Particulars	January to December, 2007					Amount (Tk)	Amount (Tk)
	Fire	Marine Cargo	Marine Hull	Motor	Miscellaneous	Total 2007	Total 2006
Premium earned:							
Own	39,921,230	57,741,849	-	13,877,071	1,696,736	113,236,886	113,427,099
Re-Insurance Accepted	-	-	-	-	-	-	1,424,014
Government	1,095,666	3,855,127	373,892	507,060	10,505,594	16,337,339	20,701,444
	41,016,896	61,596,976	373,892	14,384,131	12,202,330	129,574,225	135,552,557
Less: Re-insurance							
Own	20,012,383	6,282,687	-	1,222,466	409,477	27,927,013	36,445,681
Government	683,891	3,274,114	317,360	-	10,181,529	14,456,894	17,025,794
	20,696,274	9,556,801	317,360	1,222,466	10,591,006	42,383,907	53,471,475
Net premium earned	20,320,622	52,040,175	56,532	13,161,665	1,611,324	87,190,318	82,081,082

20. Commission on Re-insurance ceded

Particulars.	January to December.2007		Amount (Tk)	Amount (Tk)
	Own	PSB	Total 2007	Total 2006
Fire	6,023,644	129,331	6,152,975	6,211,513
Marine	1,603,240	634,737	2,237,977	2,822,154
Marine Hull	-	9,520	9,520	97,818
Motor	310,490	-	310,490	649,369
Miscellaneous	156,849	539,104	695,953	965,579
Taka.	8,094,223	1,312,692	9,406,915	10,746,433

21 Profit Commission

Particulars.	January to December.2007		Amount (Tk)	Amount (Tk)
	Own	PSB	Total 2007	Total 2006
Marine	-	-	-	127,870
Miscellaneous	66,604	-	66,604	50,339
Taka.	66,604	-	66,604	178,209

Dated: 02 March, 2008

Nasir Mohammed & Co.
Chartered Accountants

Notes to the Accounts
For the year ended 31 December, 2007

	Amount Taka 2007	Amount Taka 2006
22 Schedule of Advance Income Tax Payment.		
Opening Advance payment.	1,600,000	-
Advance payment.2006-2007	2,300,000	1,600,000
Balance as on December 31, 2007	3,900,000	1,600,000
23 Schedule of Advance Vat Payment.		
Opening Advance payment.	3,585,997	3,653,426
Add: Deposited to GOVT. during the year,2007	13,757,215	13,370,657
	17,343,212	17,024,083
Less: Collected during the year,2007	12,417,855	13,438,086
	4,925,357	3,585,997
Liability for VAT December,2007	1,044,982	-
Advance VAT as at December 31, 2007	3,880,375	3,585,997
24 Management Expenses.		
This consists of the following:		
Salary & Allowance	30,600,541	23,823,606
Bonus (Eid-UI-Fitre & Azha)	3,252,557	3,557,808
Printing	1,409,228	732,477
Stationery	469,554	214,867
Postage & Revenue Stamp	130,408	107,491
Bank Charge	87,482	67,264
Conveyance	1,115,450	747,502
Entertainment	292,367	221,271
Electrical Expenses	593,813	522,109
Fuel	1,115,845	960,861
Office Rent	3,865,289	2,998,580
Service Charge (Rent)	1,031,955	1,030,224
Insurance Premium	234,332	180,859
Miscellaneous Expenses	95,077	445,239
Office Maintenance	625,141	318,583
Paper & Periodicals	57,064	50,303
Traveling Expenses	45,248	52,901
Telephone Expenses	11,575	30,300
Telephone Bill	2,186,089	1,501,257
WASA Bill	119,362	96,555
Repairs & Maintenance (Car)	1,285,235	957,458
Repair & Maintenance (Others)	124,007	73,217
Service Charge (Co-insurance)	275,555	80,999
Management Expenses(Govt Business.)	1,635,425	2,067,954
Business Expenses(Govt Business)	20,930	27,907
Board Meeting Expenses.	7,046	4,108
Branch Manager Conference	2,667	-
Gift Item	2,930	9,100
Garaze Rent	900	5,100
Excise Duty.	33,660	33,270
Provident Fund Employers Contribution	635,675	-
Service benefit	-	6,842
Lease Rent	875,648	803,609
	52,238,055	41,729,621

Dated: 02 March, 2008

Nasir Mohammed & Co.
Chartered Accountants

Notes to the Accounts
For the year ended 31 December, 2007

	Amount Taka 2007	Amount Taka 2006
Break up of office rent & service charge:		
Office Rent	3,865,289	2,998,580
Service Charge (Rent)	1,031,955	1,030,224
	4,897,244	4,028,804

Branch wise of office rent & service charge is given below:

Name of Branch		
Head Office .	1,405,800	1,405,800
Head Office Cell	289,992	271,860
Principal Branch.	256,680	226,200
Local Office.	312,000	256,680
Motijheel Branch.	300,960	212,000
Motijheel Corp. Branch	273,600	239,400
Dilkusha Branch.	205,668	92,400
B.B.Avenue Branch.	159,396	190,023
Malibug Branch.	226,200	151,800
Elephant Road Branch.	175,448	70,560
Farmgate Branch.	219,780	215,661
Imamgonj Branch	84,000	108,000
Hatkhola Branch.	252,000	51,600
Narayangonj Branch.	72,000	70,020
Agrabad Branch.	322,500	36,000
Khatungonj branch	108,000	72,000
Jubilee Road Branch.	91,200	90,000
Khulna Branch.	70,020	250,800
Bogra Branch.	36,000	-
Naugaon Branch.	36,000	18,000
	4,897,244	4,028,804

25 Allocation of Management Expenses

Class of Business.	2007%	2006%	2007 Amount Tk.	2006 Amount Tk.
Fire	23.31	19.41	12,174,629	8,100,812
Marine Cargo	59.69	65.04	31,178,663	27,140,715
Marine Hull	0.06	(0.13)	33,870	(56,018)
Motor	15.10	13.88	7,885,506	5,791,516
Miscellaneous	1.85	1.80	965,387	752,596
	100.00	100.00	52,238,055	41,729,621

26 **Penalty for delaying IPO:** Renewal & Registration fee includes penalty for delaying IPO amount Tk. 910,900 (out of total penalty Tk. 13,58,000) till 30.06.2007.

Dated: 02 March, 2008

Nasir Mohammed & Co.
Chartered Accountants

Notes to the Accounts
For the year ended 31 December, 2007

		Amount Taka 2007	Amount Taka 2006
27 Statement of Bank wise Fixed Deposit Receipt at December 31, 2007			
SL No.	Name of Bank		
1	Southeast Bank Limited	4,700,000	3,200,000
2	The Oriental Bank (BD) Ltd.	3,500,000	3,500,000
3	Islami Bank (BD) Ltd.	4,000,000	4,000,000
4	Standard Bank Ltd.	2,500,000	1,500,000
5	Prime Bank Ltd.	5,000,000	4,900,000
6	Social Investment Bank	1,500,000	3,500,000
7	Arab Bangladesh Bank Ltd.	2,100,000	1,100,000
8	Pubali Bank Ltd.	3,100,000	1,100,000
9	IFIC Bank Ltd.	1,400,000	1,200,000
10	National Bank Limited	5,000,000	1,000,000
11	N.C.C.Bank Ltd.	1,700,000	1,200,000
12	Dhaka Bank Ltd	2,200,000	1,200,000
13	Janata bank	700,000	700,000
14	Mercantile Bank Ltd.	3,000,000	5,000,000
15	Jamuna Bank.	5,700,000	7,200,000
16	The City Bank Ltd.	700,000	700,000
17	Premier Bank Ltd.	2,600,000	2,100,000
18	Shahjalal Bank Ltd	2,500,000	2,500,000
19	Export Import Bank Ltd.	5,000,000	3,200,000
20	Al Arafah Islami Bank Ltd	1,000,000	300,000
21	Mutul Trust Bank	2,800,000	1,500,000
22	First Security Bank Ltd.	500,000	2,000,000
23	Bangladesh Commerce Bank	500,000	500,000
24	Brac Bank Ltd.	2,200,750	1,000,000
25	Dutch Bangla Bank Ltd.	700,000	200,000
26	Bank Asia Ltd.	800,000	300,000
27	Rajshai Krishi Unnayan Bank.	1,000,000	1,000,000
28	Bangladesh Krishi Bank	1,000,000	1,000,000
29	Bangladesh Shilpha Bank	2,000,000	2,000,000
30	Uttara Bank Ltd.	200,000	200,000
31	The Trust Bank Ltd	1,000,000	1,000,000
32	Eastern Bank Ltd.	700,000	200,000
33	One Bank Ltd.	1,000,000	-
Total:		72,300,750	60,000,000

Dated: 02 March, 2008

Nasir Mohammed & Co.
Chartered Accountants

REPUBLIC INSURANCE COMPANY LIMITED
HEAD OFFICE , DHAKA

SCHEDULE OF FIXED ASSETS
For the period ended December 31, 2007

Annexure-A

PARTICULARS	Cost				Rate Of depreciation	Depreciation.				Written down value 31.12.2007	
	Cost as on 01.01.2007	Addition during the year	Disposal during the year	Balance as on 31.12.2007		Balance as on 01.01.2007	Disposal during the year	Charged during the year	Total as on 31.12.2007		
1	2	3	4	5(2+3-4)	6	7	8	9	10(7-8+9)	11(5-10)	
Computer	278,000	74,000		352,000	20%	178,762		173,238	34,648	213,410	138,590
Furniture & Fixture	2,767,571	439,945		3,207,516	10%	817,339		2,390,177	239,018	1,056,357	2,151,159
Office Equipment	879,684	157,590		1,037,274	15%	397,690		639,584	95,938	493,628	543,646
Vehicles	9,268,500	1,210,000		10,478,500	20%	4,353,734		6,124,766	1,224,953	5,578,687	4,899,813
Crockeries & Cutleries	59,983	29,849		89,832	25%	37,772		52,060	13,015	50,787	39,045
Air Condition	1,939,500	506,550		2,446,050	20%	1,197,094		1,248,956	249,791	1,446,885	999,165
Telephone	142,660			142,660	10%	56,105		86,555	8,656	64,761	77,900
Office Decoration	2,443,757	548,039		2,991,796	10%	673,042		2,318,754	231,875	904,917	2,086,879
Sundry Assets.	166,127	27,000		193,127	20%	81,000		112,127	22,425	103,425	89,702
TOTAL	17,945,782	2,992,973		20,938,755		7,792,538			2,120,319	9,912,857	11,025,8980

Dated: 02 March, 2008

Nasir Mohammed & Co.
Chartered Accountants

REPUBLIC INSURANCE COMPANY LIMITED
Statement of Claim Settlement (Net Claim)

Annexure-B

Particulars	Fire	Marine Cargo	Marine Hull	Motor	Misc.	Total
Gross Claim	11,227,972	3,309,453	1,165,947	4,443,039	6,219,701	26,366,112
Less: Re-insurance Claim recovery claim paid during the year	13,962,833	4,063,398	1,133,463	-	6,114,077	25,273,771
Add. Outstanding Claim at the end-of the year whether due of intimate	7,296,917	5,828,954	-	235,697	43,605	13,405,173
Less. Outstanding claim at the- end of the previous year	4,383,358	-	-	2,741,764	37,168	7,162,290
Net Claim	178,698	5,075,009	32,484	1,936,972	112,061	7,335,224

Dated: 02 March, 2008

Nasir Mohammed & Co.
Chartered Accountants

REPUBLIC INSURANCE COMPANY LIMITED.
HEAD OFFICE, DHAKA
Income Tax Assessment Position as at 31.12.2007

Annexure -C

Accounting Year	Assessment year	Profit as per return	Assessment of Tax	Tax Payment	Provision for Taxation	Refundable Tax	Remarks
2000	2000-2001	(1,696,482)	(879,514)			26,353	Assessment completed & Tax refunded.
2001	2001-2002	(2,608,346)	(289,691)			289,691	Assessment completed & Tax refunded.
2002	2002-2003	4,084,306	(144,153)			144,153	Assessment completed & Tax refunded.
2003	2003-2004	4,183,051	1,948,014	1,948,014	2,250,000	-	Assessment completed & Tax paid in Full
						-	
2004	2005-2006	4,808,202	2,760,608	2,760,608	2,150,000	-	Assessment completed & Tax paid in Full
2005	2006-2007	5,558,295	-	-	2,500,000	-	Return Submitted but Assessment not yet completed
			-	-		-	
2006	2007-2008	6,380,534	-	-	2,871,240	-	Return Submitted but Assessment not yet completed
2007	2008-2009	14,121,646	-	-	3,800,000	-	Return will be submitted within 15th July,2008

Dated: March 02.2008

Nasir Mohammed & Co.
Chartered Accountants

REPUBLIC INSURANCE COMPANY LIMITED.
SCHEDULE OF INVESTMENT OF SHARE
As at December 31, 2007

Annexure - D

SL No.	Name of Company	Cost			Market Price. As at December, 2007	
		No.of Share	Value Per Share (Tk)	Amount (Tk)	Value Per Share (Tk)	Amount (Tk)
1	Lafarge Surma Cement	150	393.44	59,016.00	480.75	72,113.00
2	Sumit Power Ltd	10	100.00	1,000.00	1,441.50	14,415.00
3	Desco	50	431.00	21,550.00	1,069.25	53,463.00
4	ACI Ltd	500	79.96	39,980.00	181.70	90,850.00
5	Beximco Ltd	410	38.54	15,801.00	37.40	15,334.00
6	Exim Bank Ltd	47	100.00	4,700.00	391.00	18,377.00
7	Standard Bank Ltd	144	187.78	27,040.00	337.75	48,636.00
8	Mutual Trust Bank Ltd	55	409.35	22,514.00	596.50	32,806.00
9	South East Bank Ltd	170	298.52	50,748.00	573.25	97,453.00
10	Islami Bank (BD) Ltd.	3	4,010.00	12,030.00	6,632.00	19,896.00
	TOTAL	1,539		254,379.00		463,343.00

Dated: March 02, 2008

**Nasir Mohammed & Co.
Chartered Accountants**

**REPUBLIC INSURANCE COMPANY LIMITED
Schedule of advance claim with explanation:**

Annexure - E

Claims No.	Date of loss	Name of Insured	Sum insured Tk.	Subject matter of insured	Nature of loss	Estimated amount of loss	Advance amount Tk.	Payment date
NAU-13/12/2007	22.07.2007	M/s. Moon Enterprise	4,220,370.00	2520 bags of caron black grade N330 in 7 pallets	Water affected	1,055,092.50	400,000.00	13.12.07

Comments:

The insured informed us that they were having financial constraint and requested us to make advance payment on the basis of Preliminary Survey Report. Accordingly the management placed the file to the Chairman, Claims Committee for decision. The Chairman, Claims Committee had given approval to make payment for an advance at Tk. 400,000.00 to the insured, which will be adjusted, in the final settlement of the claim.

Dated: March 02,2008

Nasir Mohammed & Co.
Chartered Accountants

Republic Insurance Company Limited
Head Office
Auditors certificate regarding calculation of Ratio

1. CALCULATION OF EARNING PER SHARE			
(Based on financial statement for the year ended December 31,2007)			
Net profit available for ordinary shareholders	(Taka)		10,321,646.00
Weighted average No. of shares outstanding during the year	(Nos.)		600,000
Face value of Share	(Taka)		100.00
Earning per Share	(Taka)		17.20

2. CALCULATION OF NET ASSETS VALUE PER SHARE
(Based on financial statement for the year ended December 31,2007)

Total Assets	(Taka)		173,266,809.00
Total Liabilities	(Taka)		99,806,847.00
Net Assets	(Taka)		73,759,962.00
No. of Share	(Nos.)		600,000
Net Assets Value per Share	(Taka)		122.93

Dated: March 02, 2008

Nasir Mohammed & Co.
Chartered Accountants

Republic Insurance Company Limited
Head Office

DETERMINATION OF OFFERING PRICE

The offering price of the common stock of Republic Insurance Co.Ltd. has been determined by assessing the Net Assets Value (NAV)

The financial calculation presented below is from the audited accounts as at December 31, 2007

SL. No.	Particulars	Amount in Taka
A. 1	Current Assets (Cash, Bank Balance & Investment	94,648,849
2	Interest, Dividend & Rent outstanding	4,687,338
3	Amount due from other persons or bodies carrying on insurance business	30,130,777
4	Other Accounts	44,099,845
	Total Assets:	173,566,809
B. 1	Deposit Premium	6,055,453
2	Liabilities & Provision	22,126,520
3	Balance of Funds and Accounts.	34,910,047
4	Sundry Creditors	5,726,992
5	Amount due to other persons or bodies- carrying on insurance business	30,987,835
	Total Liabilities:	99,806,847
	Net Assets(A-B)	73,759,962
	Number of Shares	600,000
	Net Assets Value per share:	122.93

We have examined the above calculation of Net Assets Value (NAV) Republic Insurance Co. Ltd. and it appears to be correct.

Dated: 02March, 2008

Nasir Mohammed & Co.
Chartered Accountants

Republic Insurance Company Limited.
Revenue Accounts for the year ended December 31, 2005, 2006 & 2007

SL. No.	Particulars	Fire	Marine Cargo	Marine Hull	Motor	Misc.	Total (2007)	Total (2006)	Total (2005)
1	Premium income								
	A Gross premium	41,016,896	61,596,976	373,892	14,384,131	12,202,330	129,574,225	135,552,557	78,952,438
	B R/I Premium	20,696,274	9,556,801	317,360	1,222,466	10,591,006	42,383,907	53,471,475	34,106,643
	C Net premium	20,320,622	52,040,175	56,532	13,161,665	1,611,324	87,190,318	82,081,082	44,845,795
2	Commission on re-insurance ceded (Note 20.01)	6,152,975	2,237,977	9,520	310,490	762,557	9,473,519	10,924,642	6,870,789
3	Opening balance of unexpired risks reserve	6,373,635	21,354,033	(110,186)	4,556,704	592,135	32,766,321	17,965,279	13,350,307
4	Total revenue income (1C+2+3)	32,847,232	75,632,185	(44,134)	18,028,859	2,966,016	129,430,158	110,971,003	65,066,891
5	Direct expenses								
	A Claims settled & provided (net)	178,698	5,075,009	32,484	1,936,972	112,061	7,335,224	12,236,871	16,810,167
	B Expenses of management	12,303,444	31,178,663	33,870	7,945,812	979,083	52,440,872	42,027,241	23,077,345
	C Agency commission	10,259,653	10,675,364	-	2,772,013	314,402	24,021,432	20,075,274	4,911,085
6	Total direct expenses	22,741,795	46,929,036	66,354	12,654,797	1,405,546	83,797,528	74,339,386	44,798,597
7	Reserve of un-expired risks during the year	8,128,249	20,816,070	56,532	5,264,666	644,530	34,910,047	32,766,321	17,965,279
8	Total revenue expenses (6+7)	30,870,044	67,745,106	122,886	17,919,463	2,050,076	118,707,575	107,105,707	62,763,876
9	Underwriting profit (4-8)	1,977,188	7,887,079	(167,020)	109,396	915,940	10,722,583	3,865,296	2,303,015
18.01	Commission of re-insurance ceded								
	Commission earned on cedence	6,023,644	1,603,240	-	310,490	156,849	8,160,827	9,405,464	5,436,622
	Commission on PSB	129,331	634,737	9,520	-	539,104	1,312,692	1,519,178	1,434,167
	Total commission on re-insurance ceded	6,152,975	2,237,977	9,520	310,490	695,953	9,473,519	10,924,642	6,870,789
18.02	Claims settled & provided (Net)								
	A Gross claims								
	1 Claims paid direct business	11,214,341	3,282,796	-	4,406,701	37,168	18,941,006	32,221,567	23,734,522
	Paid on PSB	13,631	26,657	1,165,947	36,328	6,182,533	7,425,096	17,133,152	28,911,262
	Total gross claims paid	11,227,972	3,309,453	1,165,947	4,443,029	6,219,701	26,366,102	49,354,719	52,645,784
	B Re-insurance claims recovery								
	1 Recovered / (adjusted) on R/I ceded	13,961,396	4,062,299				18,023,695	15,149,713	20,175,152
	2 Recovered/ (adjusted) on R/I PSB	1,437	1,099	1,133,463	-	6,114,077	7,250,076	16,855,403	28,412,843
	Total re-insurance claims recovery	13,962,833	4,063,398	1,133,463	-	6,114,077	25,273,771	32,005,116	48,587,995
	C Claims after re-insurance recover (A-B)	(2,734,861)	(753,945)	32,484	4,443,029	105,624	1,092,331	17,349,603	4,057,789
	D Outstanding claims:								
	Claims outstanding at the end of the year	4,383,358	-	-	2,741,754	37,168	7,162,280	14,568,250	4,032,225
	Claims outstanding at the end of the last year	7,296,917	5,828,954	-	235,697	43,605	13,405,173	9,455,518	16,784,603
E	Net claims for the year (C+D1+D2)	178,698	5,075,009	32,484	1,936,972	112,061	7,335,224	12,236,871	16,810,167

Dated: 02 March, 2008

**Nasir Mohammed & Co.
Chartered Accountants**

**AUDIT REPORT IN PURSUANCE OF SECTION 135 (1) UNDER PARA 24 (1) OF PART –II OF
THE THIRD SCHEDULE OF THE COMPANIES ACT-1994**

We have examined the financial statement of Republic Insurance Co. Ltd. for the year ended 31December, 2003 to 2007 audited by us in pursuance of section 135(1) under Para 24(1) of part –II of the Third Schedule of the Companies Act-1994 and we report that:

01. The Company was incorporated on 18th May 2000 as a public limited Company under the Companies Act 1994 with the object of carrying all kinds of insurance business other than life insurance.
02. The Statement of Assets and Liabilities (Balance Sheet) of the Company for the year ended 31December, 2003 to 2007.
03. The Statement of operating result of the Company (Profit & Loss Account) for the year ended 31December, 2003 to 2007 is enclosed herewith duly certified by us.
04. The Cash Flow Statements of the Company for the year ended 31December, 2003 to 2007 are also enclosed herewith duly certified by us.
05. The Company has declared dividends @ 7.5% based on the 2005 audited Accounts and @ 5% based on the 2006 audited Accounts, which were subsequently paid in the year 2006 & 2007 respectively. The company has declared 7.5% dividend for the year 2007. The dividend will be paid to the existing shareholders after holding of the AGM. Shareholders from IPO shall not be entitled to this dividend.
06. The Company has no subsidiaries.
07. No proceeds or part of proceeds of the issue of shares were applied directly by the Company for the purchase of any other business.

Sd/-
Nasir Mohammad & Co.
Chartered Accountants

Date: March 02, 2008

Nasir Mohammed & Co.
Chartered Accountants

Republic Insurance Co Limited
Balance Sheet as a December 31, 2003, 2004, 2005, 2006 & 2007

Property & Assets	2007	2006	2005	2004	2003
1 Investment at Cost	9,000,000	9,000,000	9,000,000	9,000,000	9,000,000
2 Share	254,379	323,890	200,023		
3 Interest Dividends & Rent Outstanding	4,687,338	3,305,944	5,788,719	4,701,345	4,865,126
4 Amount Due from other person or Bodies Carrying on Insurance Business	30,130,777	28,771,870	27,500,641	3,977,575	1,335,127
5 Advance Deposit and Prepayments	31,247,846	11,770,894	6,340,862	5,507,738	5,804,270
6 Cash in Hand & Cash at Bank	85,394,470	90,194,140	74,847,056	61,807,141	55,881,933
7 Fixed Assets	11,025,898	10,153,244	7,981,707	8,510,415	8,728,441
8 Stock of Printing, Stationery & Stamp	1,826,101	1,435,886	344,818	667,848	489,702
9 Preliminary Expenses	-	-	-	-	125,101
Total:	173,566,809	154,955,868	132,003,826	94,172,062	86,229,700

Capital & Liabilities	2007	2006	2005	2004	2003
1 Share Capital: (Paid up)	60,000,000	60,000,000	60,000,000	60,000,000	60,000,000
2 Profit & Loss Appropriation Account	259,962	438,316	429,024	2,870,729	1,212,527
3 Reserve for Contingency Account	9,000,000	3,000,000	2,500,000	1,500,000	500,000
4 Balance of Fund & Accounts	34,910,047	32,766,321	17,965,279	13,350,306	8,697,991
5 Deposit Premium	6,055,453	6,743,894	1,915,774	2,581,964	2,390,894
6 Estimated Liabilities in respect- of outstanding claims	17,869,649	11,626,756	16,784,603	4,176,073	88,684
7 Amount due to other persons or bodies Carrying on Insurance Business	30,987,835	31,449,043	19,998,884	4,849,313	6,147,617
8 Sundry Creditors	5,726,992	3,796,599	5,410,262	2,693,677	4,941,987
9 Provision for Taxation	4,256,871	2,134,939	2,500,000	2,150,000	2,250,000
10 Proposed Dividend	4,500,000	3,000,000	4,500,000	-	-
Total:	173,566,809	154,955,868	132,003,826	94,172,062	86,229,700

Dated. March 02, 2008

Nasir Mohammed & Co.
Chartered Accountants

Republic Insurance Co Limited.
Profit & Loss Account
For the year ended December 31, 2003, 2004, 2005, 2006, 2007

Particulars	2007	2006	2005	2004	2003
Revenue Income	10,722,583	3,865,296	2,303,015	2,361,404	1,744,409
Investment Income	7,828,459	6,446,182	5,674,144	5,250,856	5,472,915
Others Income	103,561	97,069	14,993	759	31,737
Profit on Sale of Vehicle	-	-	130,100	29,069	-
Total Income	18,654,603	10,408,547	8,122,252	7,642,088	7,249,061
Operating Expenses (Not applicable to any particulars Fund or Accounts)	2,412,638	2,052,112	1,061,951	1,300,237	1,752,722
Amortization of Preliminary Expenses	-	-	-	-	125,102
Loss on sale of photocopy machine	-	-	28,704	-	-
Depreciation	2,120,319	1,975,904	1,473,302	1,533,649	1,188,187
Total Expenses	4,532,957	4,028,016	2,563,957	2,833,886	3,066,011
Balance transferred to P/L App. A/c.	14,121,646	6,380,531	5,558,295	4,808,202	4,183,050

Profit & Loss Appropriation Account
For the year ended December 31, 2003, 2004, 2005, 2006, 2007

Particulars	2007	2006	2005	2004	2003
Balance B/F from last year	438,316	429,024	2,870,729	1,212,527	(220,523)
Net profit B/F from P & L Account	14,121,646	6,380,531	5,558,295	4,808,202	4,183,050
Total	14,559,962	6,809,555	8,429,024	6,020,729	3,962,527
Reserve for exceptional Loss	6,000,000	500,000	1,000,000	1,000,000	500,000
Provision for Income Tax	3,800,000	2,871,239	2,500,000	2,150,000	2,250,000
Dividend	4,500,000	3,000,000	4,500,000	-	-
Balance Transferred to B/S	259,962	438,316	429,024	2,870,729	1,212,527
Total	14,559,962	6,809,555	8,429,024	6,020,729	3,962,527

Dated. March 02, 2008

Nasir Mohammed & Co.
Chartered Accountants

Republic Insurance Company Ltd.
Consolidated Revenue Account
For the Year ended December 31, 2003,2004,2005,2006,2007

Particulars	Notes	Amount					Particulars	Notes	Amount				
		2007	2006	2005	2004	2003			2007	2006	2005	2004	2003
Claims under policies		7,335,224	12,236,871	16,810,167	5,224,373	1,197,987	Balance of Account at the beginning of the year		32,766,321	17,965,279	13,350,307	8,697,991	8,649,885
Less: Re-insurance Paid during the year.		1,092,341	17,349,603	4,057,789	1,122,915	1,227,372							
Add: Total Estimated Liabilities in respect of outstanding claim at the end of the year either due or intimated		13,405,173	9,455,518	16,784,603	4,170,271	74,593	Premium - Less- Re-insurance	19	87,190,318	82,081,082	44,845,795	33,259,040	21,637,699
Less: Outstanding claims at the end of the previous year		7,162,290	14,568,250	4,032,225	68,813	103,978	Profit Commission.		66,604	178,209	108,487	143,331	273,331
Insurance Stamp Consumed		202,816	153,647	92,796	59,325	66,954	Commission on Re-insurance Ceded .	20	9,406,915	10,746,433	6,762,302	4,030,412	4,348,760
Commission		24,021,432	20,075,274	4,749,848	-	69,296							
Commission on Re-insurance Accepted .		-	143,973	161,237	-	-							
Expenses of Management	18	52,238,056	41,729,621	22,984,549	25,135,365	23,133,039							
Profit. Transferred to Profit & Loss A/C		10,722,583	3,865,296	2,303,015	2,361,404	1,744,407							
Balance of Fund Account at the end of the year. Reserve for unexpired risks being 40% Fire, Marine Cargo, Motor & Misce. & 100 % of Marine Hull Premium income of the year transferred to Balance Sheet		34,910,047	32,766,321	17,965,279	13,350,307	8,697,992							
		129,430,158	110,971,003	65,066,891	46,130,774	34,909,675			129,430,158	110,971,003	65,066,891	46,130,774	34,909,675

The annexed notes form an integral part of the Consolidated Revenue Account.

Dated. March 02, 2008

Nasir Mohammed & Co.
Chartered Accountants

Republic Insurance Company Limited
Cash Flow Statement

For the year ended December 31 , 2003, 2004, 2005, 2006, 2007

	Amount Taka 2007	Amount Taka 2006	Amount Taka 2005	Amount Taka 2004	Amount Taka 2003
A. Cash flow from operating activities					
Net profit after Tax	10,321,646	3,509,293	3,058,295	2,658,202	1,933,050
Depreciation	2,120,319	1,975,904	1,473,302	1,533,649	1,188,187
Preliminary expenses written off	-	-	-	125,102	125,102
Profit on sale of vehicle	-	-	(130,100)	(29,069)	-
Loss on Sale of Office Equipment	-	-	28,704	-	-
Provision for unexpired risk	2,143,726	14,801,042	4,614,973	4,652,316	48,106
Increase(decrease) Provision for Taxation	2,121,932	(365,061)	350,000	(100,000)	2,250,000
(Increase) decrease in advance deposits and pre-payments	(19,476,952)	(5,430,032)	(833,124)	296,532	(3,813,908)
(Increase) accrued interest.	(1,381,394)	2,482,775	(1,087,374)	163,781	(562,843)
(Increase) in stock of printing and insurance stamp	(390,215)	(1,091,068)	323,030	(178,146)	(109,965)
(Increase) decrease in amount due from other persons or					
bodies carrying on insurance business	(1,358,907)	(1,271,229)	(23,523,066)	(2,642,448)	1,481,091
Increase (decrease) in deposit premium	(688,441)	4,828,120	(666,190)	191,070	713,266
Increase (decrease) in estimated liabilities -					
in respect of outstanding claims	6,242,893	(5,157,847)	12,608,530		
Increase (decrease) in amount due to other persons or	(461,208)	11,450,159	15,149,571	(1,298,305)	2,855,130
bodies carrying on insurance business					
Increase (decrease) in sundry creditors	1,930,393	(1,613,663)	2,716,585	(2,248,311)	2,407,596
Net cash flow from operating activities	1,123,792	24,118,393	14,083,136	7,211,762	8,485,427
B. Cash flow from Investing activities					
Acquisition of fixed assets	(2,992,973)	(4,147,442)	(2,079,249)	(1,487,655)	(5,976,881)
Disposal of Fixed Assets.	-	-	1,236,050	201,101	
Purchases of Share	69,511	(123,867)	(200,022)		-
Net cash used in investing activities	(2,923,462)	(4,271,309)	(1,043,221)	(1,286,554)	(5,976,881)
C. Cash flow from financing activities					
Dividend paid	(3,000,000)	(4,500,000)	-	-	-
Net increase in cash and bank balance (A+B+C)	(4,799,670)	15,347,084	13,039,915	5,925,208	2,508,546
Cash and bank balance at beginning of the year	90,194,140	74,847,056	61,807,141	55,881,933	53,373,387
Cash and bank balance at end of the year.	85,394,470	90,194,140	74,847,056	61,807,141	55,881,933

Dated. March 02, 2008

Nasir Mohammed & Co.
Chartered Accountants

Republic Insurance Company Ltd.

Form "AA"

Classified Summary of Assets

As at December,31 2007,2006,2005,2004 & 2003.

SL No.	Class of assets	Taka 2007	Taka 2006	Taka 2005	Taka 2004	Taka 2003	Remarks
1	NIB Deposit with Bangladesh bank	9,000,000	9,000,000	9,000,000	9,000,000	9,000,000	Realizable value
2	Share	254,379	323,890	200,023			Realizable value
3	Cash in hand and at bank	85,394,470	90,194,140	74,847,056	61,807,141	55,881,933	Cash
4	Interest, Dividend and rent outstanding: Accrued interest	4,687,338	3,305,944	5,788,719	4,701,345	4,865,126	Realizable value
5	Advance deposit and prepayment	31,247,846	11,770,894	6,340,862	5,507,738	5,804,270	Realizable value
6	Fixed assets	11,025,898	10,153,244	7,981,707	8,510,415	8,728,443	Cost less depreciation
7	Stock of Printing, Stationery and Insurance stamp	1,826,101	1,435,886	344,818	667,848	489,702	Realizable value
8	Amount due from other person or bodies carrying on Insurance business	30,130,777	28,771,870	27,500,641	3,977,575	1,335,127	Realizable value
	Total:	173,566,809	154,955,868	132,003,826	94,172,062	86,104,601	

Dated: March 02.2008

Nasir Mohammed & Co.
Chartered Accountants

Republic Insurance Company Ltd.
Statement of Ratio Analysis

Particulars		2007	2006	2005	2004	2003
PROFITABILITY:						
1 Gross Margin- Ratio = %	Gross Profit/ Sales. * 100 =	8.28%	2.85%	2.92%	4.21%	3.97%
2 Net Income- Ratio = %	Operating Net profit/ Sales. * 100 =	10.90%	4.71%	7.04%	8.57%	9.53%
3 Return on Equity - Ratio = %	Net Profit before Tax/ Capital employed. * 100 =	20.39%	10.06%	8.63%	7.47%	6.78%
4 Return on - Investment.=	Net Profit after Tax/ Owners Equity * 100 =	14.90%	5.53%	4.75%	4.46%	1.96%
5 Earning per share - Ratio(EPS).=	Net Profit after Tax/ No.of Share Holders *	17.20	5.85	5.10	4.78	2.0
EFFICIENCY:						
1 Turn over to Capital Employed =	Sales / Capital employed.	1.87	2.14	1.17	0.87	0.71
2 Turn over to Working Capital =	Sales / Working Capital	1.54	1.80	1.16	0.93	0.85
3 Turn over to Growth =	Current year Net Sales/ Previous year Net Sales	1.06	1.83	1.35	1.54	1.01
SHORT TERM SOLVENCY:						
1 Current Ratio =	Current Assets/ Current liabilities.	2.21	2.31	2.46	4.66	4.33
2 Acid Test Ratio =	Current Assets - Inventory/ Current liabilities.	2.18	1.78	2.46	4.62	3.99
3 Times Interest Earned Ratio =	Income from Operation+ Finance Cost/Finance Cost	N/A	N/A	N/A	N/A	N/A
4 Debt to Equity Ratio	Long Terms Debts/ Owners Equity	N/A	N/A	N/A	N/A	N/A
OPERATING RATIO;						
1 Accounts Receivable Turn Over Ratio =	Sales/ Receivable	N/A	N/A	N/A	N/A	N/A
2 Inventory Turn Over Ratio	Cost of Goods Sold/ Inventory	N/A	N/A	N/A	N/A	N/A
3 Assets Turnover Ratio	Sales/Total Assets	N/A	N/A	N/A	N/A	N/A
CAPITAL STRUCTURE:						
1 Fixed Assets to- Capital employed =	Fixed Assets / Capital employed.	0.16	0.14	0.12	0.13	0.14
2 Proprietary. Ratio =	Shareholders Fund. Total assets	0.40	0.41	0.51	0.68	0.72

Notes on Ratio Analysis:

Current assets = Property & Assets - (Fixed Assets + Investment)

Current Liabilities = Capital & Liabilities - (Reserve or Contingency Fund + Insurance Fund + Paid up Capital)

Total outside Liability = Capital & Liabilities - (Reserve or Contingency Fund + Paid up Capital)

Capital Employed / Owners equity = Share Capital + Reserve or Contingency Fund.

Working Capital = Current Assets - Current Liabilities.

Dated, March 02, 2008

**Nasir Mohammed & Co.
Chartered Accountants**

Additional disclosures by the Auditor.

A. Compliance of the Section 3C, 27, 27A, 27B, 29, 40, & 40C of the Insurance Act-1938 and rule 40 of the Insurance Rule-1958.

1. Insurance Act.1938 (Sec-3C)

The Company has been complied with the section 3C of Insurance Act.1938 as applicable.

2. Insurance Act.1938 (Sec-27)

The Section under the Insurance Act-1938 is not applicable for the general Insurance Company.

3. Insurance Act.1938 (Sec-27-A)

Optimum investment of the Company for the year ended December 31.2007 are as follows:

Particulars		Amount (Tk.)
Liabilities as per Section .02		
A	Net Claim outstanding.	17,869,649
B	40% of Net Premium (Fire.Marine Cargo.Motor. Misce)	34,853,515
C	100% of Net Premium (Marine Hull)	56,532
D	Amount due to other person or bodies caring on Insurance Business After adjustment of (Payable to SBC-Receivable from SBC)	857,058
E	Unpaid Dividend	4,500,000
F	Reserve for Taxation.	4,256,871
G	Sundry Creditors.(Share Capital, General reserve, Reserve for exceptional loss & Depreciation fund)	5,726,992
Total Liabilities. A- G)		68,120,617
10% of the Net Premium.		8,719,032
Higher one is optimum investment as per section 27A - of the insurance Act.1938 (a)		68,120,617
Actual Investment as at December31.2007 as per section 27A -		
	National investment bond	9,000,000
	Fixed deposit Account	72,300,750
	Share	254,379
	Total actual investment	81,555,129
	Excess investment	13,434,512

4. Insurance Act.1938 (Sec-27-B)

There is no Investment of the Company in or hold any shares or debentures of any company, Farms or other business concern in which any of its Directors or any members of the family of such directors has any interest as Proprietor, Partner Director, Manager & Managing Agent.

5. Insurance Act.1938 (Sec-29)

The Company has no investment against any loan to any Director or any member of the family, Banking company, Subsidiary Company And auditor, any loan or temporary advance either and hypothecation property or personal security or otherwise except advance for Tk.2,49,254.00 against their officers with the prior approval of the competent authorizes, Management confirm that said advance will be realised with in 31.03.2008.

Dated. March 02, 2008

Nasir Mohammed & Co.
Chartered Accountants

6. Disclosure of Management expenses [Sec 40 C of Insurance Act 1938 and Insurance rule 1958:

Disclosures as per Section 40C of the Insurance Act 1938 and Rule 40 of the Insurance rules, 1958 with regard to the Management Expenses of the company is as follows:

Level of Premium		Allowable expenses as per Insurance rule	Actual Expenses	Variance	Remarks
		(Tk)	(Tk)	(Tk)	
1.Fire, Motor & Misc.					
a) First 10,000,000 @ 30%		3,000,000			
b) Next 10,000,000 @ 25%		2,500,000			
c) Next 100,00,000 @ 24%		2,400,000			
d) Next 100,00,000 @ 24%		2,400,000			
e) Next 100,00,000 @ 23%		2,300,000			
f) Next 100,00,000 @ 22%		2,300,000			
f) Next 76,03,357 @ 22%		1,368,604			
Total:	6,76,03,357	16,268,604	21,025,523	(4,756,919)	Adverse
2.Marine Cargo & Marine Hull					
a) First 10,000,000 @ 18%		1,800,000			
b) Next 10,000,000 @ 15%		1,500,000			
c) Next 10,000,000 @ 15%		1,500,000			
c) Next 10,000,000 @ 13%		1,300,000			
c) Next 10,000,000 @ 13%		1,300,000			
c) Next 10,000,000 @ 13%		1,300,000			
d) Next 19,70,868 @ 11%		216,795			
Total:	6,19,70,868	8,916,795	13,504,054	(4,587,259)	Adverse
3.Commission.		24,021,432	24,021,432	-	
4.Additional amount the interest earned on the - Paid up Capital in the year of accounts or 5% of the Gross Premium Income of TK. 12,95,74,225 whichever is less		6,478,711		6,478,711	
Interest earned	7,828,459				
5% on Gross Premium Income.	6,478,711				
Grand Total (1+2+3+4)		55,685,542	58,551,009	(2,865,467)	Adverse

The Company could not comply with the provisions of Insurance Act and the related Rules as noted above.

7. Lease periods of assets have not matured as yet so those have not been shown in the Balance Sheet. However, the monthly dues of lease rent has been paid out of the resources of the Company as per terms and condition of the lease contracts.

Republic Insurance Co. Ltd purchased 3 (three) Motor vehicles from 2003 to 2007 by taking loan from leasing companies under lease finance. These assets were not shown in the Fixed Assets of the company, since the ownership, that is, registration of the vehicles was made in the name of the leasing company. Leasing company maintains the list of cars in their books of Accounts and charges depreciation regularly. Purchasing company only enjoys the benefit of utilization of the vehicle and installments paid to the leasing company are charged to Revenue Account as "Lease rent". So, properties acquired under lease finance are not assets of the Company, these vehicles were not shown in the Balance sheet.

8. Reserve for exceptional loss has been made as per 4th Schedule of the Income Tax Ordinance.

Dated. March 02.2008

**Nasir Mohammed & Co.
Chartered Accountants**

9. Deposit Clearing:

Whether in line with section 3c(4) of Insurance Act-1938

It is in the line with section 3 C (4) of the Insurance Act-1938 It represents the cheques in hand as at 31.12.2007 as were received against premium income of the company. The cheques were subsequently deposited into Banks and were duly honored.

10. Short Deposit Premium:

Whether in line with section 3c(4) of Insurance Act-1938

The company received lump sum amount of premium against various cover notes. In course of issuing policy against cover notes some times it happens that the aggregate amount receive is less then the actual amount and the short fall is shown as short deposit of premium, which is in due course realized from the concerned parties.

11. Cash in hand is inclusive of expenses incurred at branch level but which are yet to be booked to the expenses. Cash in Hand has been confirmed through cash custody certificate obtained form the branch management.

12. Cash in transit transferred to branches for payment of Salary & Allowances for the month of December, 2007 before 31 December, 2007 but branches could not credit the same within 31 December.2007.

Dated: March 2, 2008

Discloser regarding Notes of Accounts No.07

As per auditors notes No: 07

" The amount mentioned above includes all claims which are most likely to be payable by the Company and is thus is a sum total of all the current & future claims, except for two which are "Sub Judice"-Marine claims which the company refutes on the ground that suit was bad for mis-joinder of necessary parties, hit by principles of estoppel, waiver, acquiescence, plaintiff had no insurable interest at the time of loss, import of goods was in question and the seaworthiness of the chartered vessel carried for the import of goods was in question."

Explanation of RICL on the above matter is as follows:

a. Sub-Judice Marine Claim 1:

The plaintiff filed a suit against the carrier defendant No. 1 i.e Bangladesh Shipping Corporation for compensation of shortage of their imported goods where in the insurer, Republic Insurance Company Ltd. (RICL) was also defendant No. 3 out of 7 (Seven) Defendant No. 2 is Bangladesh represented by and through the Deputy Commissioner. Court Building, Chittagong Defendant No. 4 Standard Chartered Bank, Motijheel Dhaka. Defendant No. 5 M/S. Noor Land Surveyor 'Defendant No.6 Commodity Inspection Service (BD) Ltd, Ctg & Defendant No.7 is M/S. Shiny Shipping Lines. Ctg The plaintiff had taken Marine Risks from RICL covering the risk of Institute Cargo Clause "C" The risk ICC' C' covers as under:

- i. Fire of Explosion.
- ii. Vessel or craft being stranded, grounded, sunk or capsized,
- iii. Over turning or derailment of land conveyance,
- iv. Collision or contact of vessel craft or conveyance with any external object other than water,.
- v. Discharge of cargo at a port of distress,
- vi. Loss of or damage to the subject matter insured caused by (a) General average sacrifice (b) Jettison.

As per joint Survey Report and the respective Cover Note the loss does not come under the respective Covers i. e. non-delivery or shortage of Cargo (es) underwritten by the insurer i. e. Republic Insurance Company Ltd.

The matter is pending with in the Court of 3rd Assistant Judge, Chittagong. The sub-Judice Marine Claims are to be heard and our Lawyers have been conducting the sub-Judice Marine Claims and "Issue" has not been framed as yet by the Hon'ble Court.

b. Sub-Judice Marine Claim 2:

The Company refutes the Marine Claim "sub-judice" on the ground that suit was barred for mis-joinder of necessary parties, hit by principles of estoppel, waiver, acquiescence; plaintiff had no insurable interest at the time of loss:

Under the Marine Insurance Act 1906, the insured is required to have insurable interest at a time of Loss i.e that the plaintiff had financial involvement in the cargo of the vessel & that their financial interest had been prejudiced in view of the loss of the cargo. In other words the plaintiff will have to prove the actual amount of money they paid for the import and the extent of financial Loss they have sustained for the loss of the cargo.

Import of goods was in question as under:

The plaintiff originally planned on importing 100MT of TSP At US\$208 per Metric Tons but then in about seven days switched to 12500 Metric Tons at US\$200 per Metric Tons this represents a 125 times increase in the quantity and 120 times increase in value. A change of business plans of such proportion in 7 (Seven) days is extremely unusual.

The seaworthiness of the chartered vessel carried for the import of goods was in question as under:

The chartered vessel MVAN LU JING/BOLEChina it was first delivered on 01.12.1978 and has gross tonnage of 9182 and net tonnage of 6152. As on 01.05.2004 the aforesaid vessel was 25 years and 5 months old in-as-much as neither the loading of 12500 Metric Tons of TSP is possible in one day by the vessel nor the ship is a seaworthy and a liner one which is a violation of the L/C terms and did not conform to the Marine policy

The matter is also pending with in the court of Joint District Judge, 1st court Dhaka. The sub-Judice Marine Claims are to be heard and our Lawyers have been conducting the sub-Judice Marine Claims and "Issue" has not been framed as yet by the Hon'ble Lower Court. Our Lawyers opined that the defendants (RICL) have a good defense for dismissal of the aforesaid suits.

For the above mentioned reasons RICL does not consider the sub-judice claims as contingent liability and is confident to get favourable judgements on the matters which will not make the Company liable for the said claims.

Nasir Mohammed & Co.
Chartered Accountants

Additional Discloser by Auditor for related party transaction

The Company has entered into transaction with other entities in normal course of business that fall within the definition of related party as per Bangladesh Accounting Standard -24 "Related party disclosers" the terms of related party transaction are not significantly from those that could have been obtained from third parties the significant related party transition are as follows:

Sl.No	Name of Director.	Related Transaction.	Nature of transition	Amount of Premium
1	Mr. Hedayet Hossain Chowdhury Mr. Abu Sayed Mohammad Nayeem (FCA) Mr. Nurul Mostafa	Karnaphuli Group: Karnaphuli Limited Karnaphuli Industries Ltd. Karnaphuli Works Ltd. HR Holdings Ltd. Holy Crescent Hospital Ltd. K&T Logistics Ltd	Insurance Premium	9,749,655
2	Mr.Sadeque Hossain Chowdhury.	Motodrive Group : Multidrive Limited Multidrive Electronics Limited Motodrive Limited	Insurance Premium	498,103
3	Mr.Golam Dastagir Gazi (Bir Protik) Mrs. Hasina Gazi	Gazi Group: Gazi Tanks Gazi Tyre Gazi Kitchen wear Gazi International	Insurance Premium	3,466,696
4	Mr.Mahoob –Ur- Rahman.	Gasmin Ltd.	Insurance Premium	863
	Total: Transaction through Insurance Premium			13,715,317

Dated: March 02. 2008

Sd/-
Nasir Mohammad & Co
Chartered Accountants.

Nasir Mohammed & Co.
Chartered Accountants

AUDITORS' CERTIFICATE ON ALLOTMENT OF SHARES TO PROMOTERS OR SPONSOR SHAREHOLDERS FOR ANY CONSIDERATION OTHERWISE THAN FOR CASH

This is to certify that Republic Insurance Company Limited has not allotted any shares for consideration other than cash to any shareholders, including the promoters or sponsor shareholders up to 31 December 2007.

Sd/-
Nasir Mohammad & Co.
Chartered Accountants.

Dated: March 02, 2008

Auditors Certificate regarding Paid up Capital received from sponsor Shareholders:

As on June, 29, 2000

SL. No.	Name of Director.	No of Share	Amount (Tk)
01	Mr. Hedayet Hossain Chowdhury, 5,Paribag,PS. Ramna, Dhaka.	100,000 Shares	10,000,000.00
02	Mrs. Naheem Hossain Chowdhury. House No.6, Road No.48.Gulshan, Dhaka.	55,000 Shares	5,500,000.00
03	Mr. A. S. M. Nayeem. 1328/A O.R.Nizam Road, Chittagong	70,000 Shares	7,000,000.00
04	Mr. Nurul Mostafa 94,Agrabad C/A, Chittagong	25,000 Shares	2,500,000.00
05	Mrs. Hasina Gazi. 4 Siddeswari Road, PS.Ramna, Dhaka	50,000 Shares	5,000,000.00
06	Mr. Gazi Golam Ashria, 4 Siddeswari Road, PS.Ramna, Dhaka	50,000 Shares	5,000,000.00
07	Mr. S.M. Akramul Hoque, 51, Rahmatgonj, Chittagong	50,000 Shares	5,000,000.00
08	Mr. S.M. Shafiul Hoque. 51, Rahmatgonj, Chittagong	50,000 Shares	5,000,000.00
09	Mrs. Khurshida Rahman. 144, Shantinagar, Dhaka.	50,000 Shares	5,000,000.00
10	Mrs. Ayesha Sultana, Dhansiri Aptt, 35,Indra Road, Dhaka.	50,000 Shares	5,000,000.00
11	Mr. Mohd. Hanif Chowdhry,House No.7 ,Khulshi R/A, Chittagong	50,000 Shares	5,000,000.00
	Total No of Share / Amount of Taka.	600,000 Shares	60,000,000.00

As per statement of Dhaka Bank Ltd, Local Office,Dhaka. Current Account No. 15019450 Dt.29.05.2000

Sd/-
Nasir Mohammad & Co.
Chartered Accountants

Dated: 18.May, 2008

Banker's Sl. No.

Seal and Date

Authorized Signature
(Name & Designation)**INSTRUCTIONS**

1. As per provision of Depository Act, 1999 and regulations made thereunder shares will only be issued in dematerialized condition. Please mention your BO (Beneficiary Owner) Account number in the Application form. If you do not mention your valid BO (Beneficiary Owner) Account, your application will be treated invalid.
2. All information must be typed or written in full (in Block letters) in English or in Bengali and must NOT be abbreviated.
3. Application must be made on the Company's printed form/photocopy or typed copy/hand written form thereof.
4. Application must not be for less than 50 Ordinary Shares and must be for a multiple of 50 Ordinary Shares. Any Application not meeting this criterion will not be considered for allotment purpose.
5. Remittance for the full amount of the Shares must accompany each Application and must be forwarded to any of the Bankers to the Issue. Remittance should be in the form of Cash/Cheque/Bank Draft/Pay Order payable to one of the Bankers to the Issue A/C "**Republic Insurance Company Limited**" and crossed "**A/C Payee only**" and must be drawn on a Bank in the same town as the Bank to which the Application form has been sent.
6. In the case of Joint Application Form, the Allotment Letter will be dispatched to the person whose name appears first on this Application Form and where any amount is refundable in whole or in part the same will be refunded by Account Payee Cheque by post/courier service to the person named first on this Application Form in the manner prescribed in the Prospectus.
7. Joint Application form for more than two persons will not be accepted. In case of joint Application, each party must sign the Application Form.
8. Application must be in full name of individuals or companies or societies or trusts and not in the name of firms, minors or persons of unsound mind. Application from financial and market intermediary companies and Private Company must be accompanied by Memorandum and Articles of Association and Certificate of Incorporation.
9. **An applicant can not submit more than two applications, one in his/her own name and another jointly with another person. In case an applicant makes more than two applications, all applications will be treated as invalid and will not be considered for allotment purpose. In addition, whole or part of application money may be forfeited by the commission.**
10. **The Securities and Exchange Commission has decided that the primary shares allotted to an applicant through IPO may be forfeited by SEC, if the BO account of the said applicant is found closed at the time of allotment of shares. So, all IPO applicants are required to keep their BO accounts operational till allotment of IPO shares.**
11. No receipt will be issued for the payment made with Application, but the bankers will issue a provisional acknowledgment to the Issue for Application lodged with them.
12. In the case of non-allotment of securities, if the applicants' bank accounts as mentioned in their IPO Application Forms are maintained with the Bankers to the Issue, refund amount of those applicants will be directly credited into the respective bank accounts as mentioned in their IPO Application Forms.
Otherwise, refund will be made only through "Account Payee" cheque(s) with bank account number and name of bank branch as mentioned in the application payable at Dhaka or Chittagong, as the case may be.
13. Allotment shall be made solely in accordance with the instructions of the Securities and Exchange Commission (SEC).
14. Making of any false statement in the application or supplying of incorrect information therein or suppressing any relevant information shall make the Application liable to rejection and subject to forfeiture of Application money. The said forfeited Application money will be deposited in account specified by the Securities and Exchange Commission (SEC). This may be in addition to any other penalties as may be provided for by law.
15. Applications, which do not meet the above requirements, or Applications, which are incomplete, shall NOT be considered for allotment purpose.
16. The Banker's to the Issue shall be obliged to receive the A/C Payee Cheque(s) on the closing day of the subscription of the IPO.
17. **No sale of securities shall be made, nor shall any money be taken from any person, in connection with such sale until 25 (twenty five) days after the prospectus has been published.**

INSTRUCTIONS

1. As per provision of Depository Act, 1999 and regulations made there under shares will only be issued in dematerialized condition. Please mention your BO (Beneficiary Owner) Account number in the Application form. If you do not mention your valid BO (Beneficiary Owner) Account, your application will be treated invalid.
2. All information must be written or typed in Block Letters in English and must NOT be abbreviated.
3. Application must not be for less than 50 Ordinary Shares and must be for a multiple of 50 Ordinary Shares. Any Application not meeting this criterion will not be considered for allotment purpose.
4. Application must be accompanied by a foreign demand draft drawn on a bank payable at Dhaka or cheque drawn out of foreign currency deposit account maintained in Bangladesh for the full value of Shares favoring "**Republic Insurance Company Limited**" and crossed "**ACCOUNT PAYEE ONLY**".
5. Application shall be sent by the applicant directly to the Company within so as to reach the Company within No Application sent after or received by the Company after will be considered for allotment purpose.
6. Refund against over-subscription shall be made in the currency in which the value of Shares was paid for by the applicant through Account Payee Cheque payable at Dhaka with bank account number, Bank's name and Branch.
7. All the applicants shall first be treated as applied for one minimum lot. If, on this basis, there is over subscription, then lottery shall be held amongst the applicants allocating one identification number for each application, irrespective of the application money. On the other hand, if there is under subscription, then all the applicants shall first be distributed with a single lot and thereafter, for the balance amount, lottery, shall be held for the applicants who have applied for multiple lots on the basis of dividing the application money by amount of a market lot separately for both NRB and General Public.
8. Money receipt of clearance of draft or cheque, as the case may be, shall be sent by post to the applicant by the Company.
9. Joint Application by two persons will be acceptable. In such a case, allotment or refund shall be made by post to the first applicant.
10. Application must be made by an individual, a corporation or Company, a trust or a society and not by a firm, minor or persons of unsound mind.
11. In the case of non-allotment of securities, if the applicants' bank accounts as mentioned in their IPO Application Forms are maintained with the Bankers to the Issue, refund amount of those applicants will be directly credited into the respective bank accounts as mentioned in their IPO Application Forms.

Otherwise, refund will be made only through "Account Payee" cheque(s) with bank account number and name of bank branch as mentioned in the application payable at Dhaka or Chittagong, as the case may be.
12. Making of any false statement in the application or supplying of incorrect information therein or suppressing any relevant information shall make the Application liable to rejection and subject to forfeiture of Application money.
13. The intending NRB applicants shall deposit share money by US \$/UK Pound Sterling/Euro draft drawn on and payable in Dhaka, Bangladesh, or through a nominee by paying out of foreign currency deposit account or in taka, supported by foreign currency encashment certificate issued by the concerned Bank, so that the Issuer's collecting Bank can clear that proceeds and deposit the same into Issuer's Bank account in time.
14. Spot buying rate (TT Clean) in US Dollars and UK Pound Sterling of Sonali Bank as prevalent on the date of opening of subscription will be applicable for the Non-Resident Bangladeshi (NRB) applicants.
15. **The applicant shall furnish photocopies of relevant pages of valid passport(s) in support of his being a NRB, dual citizenship or of the foreign passport bearing an endorsement from the concerned Bangladeshi Embassy to the effect that no visa is required for him to travel to Bangladesh.**
16. In case of joint NRB application joint applicant shall also submit supporting papers/ documents in support of their being an NRB as mentioned in para-15 above.
17. **An applicant can not submit more than two applications, one in his/her own name and another jointly with another person. In case an applicant makes more than two applications, all applications will be treated as invalid and will not be considered for allotment purpose. In addition, whole or part of application money may be forfeited by the commission.**
18. **The Securities and Exchange Commission has decided that the primary shares allotted to an applicant through IPO may be forfeited by SEC, if the BO account of the said applicant is found closed at the time of allotment of shares. So, all IPO applicants are required to keep their BO accounts operational till allotment of IPO shares.**
19. **No sale of securities shall be made, nor shall any money be taken from any person, in connection with such sale until 25 days after the prospectus has been published.**

THE NRB APPLICATION ALONG WITH THE DRAFT, AS ABOVE, IS TO BE SUBMITTED TO THE COMPANY'S HEAD OFFICE DIRECTLY WITHIN THE STIPULATED TIME MENTIONED IN PARA 5.