

RIGHTS SHARE OFFER DOCUMENT

November 22, 2011

Rights Offer of 19,744,812 Ordinary Shares of Tk.10.00 each at an issue price of Tk.20.00 each including a premium of Tk.10.00 per share totaling Tk. 394,896,240 offered on the basis of 1 (one) rights share for 1 (one) share held on the record date.

RECORD DATE 20.12.2011

SUBSCRIPTION
Opens on: 15.03.2012
Closes on: 10.04.2012
(Within banking hours, both days inclusive)

MANAGER TO THE ISSUE



Amin Court, 4th Floor (Suit#404)
31, Bir Uttam Shahid Ashfaqueus Samad Road
(Previous 62-63, Motijheel C/A), Dhaka-1000
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CREDIT RATING STATUS

	Claim Paying Ability (CPA)
CPA Rating	AA-
Outlook	Stable
Date of Declaration	July 06, 2011
RATING ASSIGNED BY: Credit Rating Information and Services Limited (CRISL)	

FULLY UNDERWRITTEN BY

SBL Capital Management Ltd. Metropolitan Chamber Building, 122-124, Motijheel C/A, Dhaka-1000	FAS Capital Management Ltd. Suvastu Imam Square(4 th floor) 65, Gulshan Avenue, Gulshan, Dhaka-1212
Swadesh Investment Management Limited Suite # 01, Level-11, Unique Trade Center, 8, Panthapath, Karwan Bazar, Dhaka-1215	Banco Finance and Investment Limited Ispahani Building(3 rd Floor), 14-15, Motijheel C/A, Dhaka-1000
AAA Consultants & Financial Advisers Ltd. Amin Court, 4th Floor (Suit#404), 31, Bir Uttam Shahid Ashfaqueus Samad Road Dhaka-1000	



রূপালী ইন্স্যুরেন্স কোম্পানী লিমিটেড
Rupali Insurance Company Limited

7, Rajuk Avenue, Dhaka-1000, Bangladesh. Tell # 88-02-9565625/6, 88-02-9567238.

As per provision of the Depository Act, 1999 and regulation made there under, rights share shall only be issued in dematerialized condition. An applicant must apply for allotment of rights shares mentioning his/her Beneficiary Owner (BO) Account number in the application form.

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DEFINITION AND ELABORATION OF THE ABBREVIATED WORDS AND TECHNICAL TERMS USED IN THE RIGHTS SHARE OFFER DOCUMENT
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AAA	: AAA Consultants & Financial Advisers Ltd.
Allotment	: Allotment of Share
BB	: Bangladesh Bank
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
Issue	: Rights Issue
Issue Manager	: AAA Consultants & Financial Advisers Limited
Issuer Company	: Rupali Insurance Company Limited
NAV	: Net Assets Value
Offering Price	: Price of the Securities of Rupali Insurance Company Limited
Registered Office	: Head Office of the Company
RI	: Rights Issue
RICL	: Rupali Insurance Company Limited
Rights Issue Rule	: Securities and Exchange Commission (Rights Issue) Rules, 2006
RJSC	: Registrar of Joint Stock Companies & Firms
SEC	: Securities and Exchange Commission
Securities	: Shares of Rupali Insurance Company Limited
Securities Market	: The Share Market of Bangladesh
Sponsor	: The Sponsor Shareholders of Rupali Insurance Company Limited
Stockholder	: Shareholder
Subscription	: Application Money



রূপালী ইন্স্যুরেন্স কোম্পানী লিমিটেড
Rupali Insurance Company Limited
7, Rajuk Avenue, Dhaka-1000, Bangladesh. Tell # 88-02-9565625/6, 88-02-9567238.

RIGHTS ISSUE OF SHARES

20 December, 2011

Dear Shareholder(s)

We are pleased to inform you that the shareholders of the Company in the Extra-Ordinary General Meeting held on December 22, 2010 approved Rights issue of 19,744,812 ordinary shares @Tk.10.00 each at an issue price of Tk.20.00 each including a premium of Tk.10.00 per share offered on the basis of 1(one) new share for every 1 (one) share held on record date. The purpose of issuance of Rights Issue is to strengthen capital base of the Company and adaptation with capital structure of Insurance Act 2010.

Due to satisfactory activities and services, the Company has earned Net Income before Tax of Tk.139,790,317.00 for the period ended December 31, 2010. This success has been achieved due to strong support from our customers and efficient direction of the Board of Directors as well as patronization and active participation of all our valued shareholders.

To maintain further growth and increase the capital base of our Company, we hope you would come forward with your full support and assistance to make the offer a success.

A self-explanatory Rights Share Offer Document prepared in the light of the Securities and Exchange Commission (Rights Issue) Rules, 2006 of the Securities and Exchange Commission is enclosed herewith for your kind information and evaluation.

On behalf of the Board of Directors

Sd/-

P.K. ROY, FCA
Managing Director

THE RIGHTS OFFER

The Company Profile

Rupali insurance company limited is a prominent general insurance company in Bangladesh. The Company is a public listed Company which incorporated as a Public Limited Company under the Companies Act 1994 on 13th may 1988. In 1995 company raised capital through IPO and now the Company conducts its business operations according to Securities and Exchange Rules 1987, the Insurance Act, 2010 and the Insurance Rules, 1958 as amended from time to time. Under the supervision of regulatory bodies the company established itself as one of the leading general insurance company of the country. The Company earned Net Profit after Tax of Tk. 121,590,317 of the period ended December 31, 2010 and EPS was Tk.7.39 (Considering per share at Tk.10.00). From the inception of its operation, it established a brand image as a prominent general insurance company of the country through product diversification and superior service quality.

The Rights Issue

The Board of Directors of the Company in its Board Meeting held on November 08, 2010 recommended to raise paid up capital by Rights Issue of Tk.10.00 each at an issue price at Tk.20.00 each including a premium of Tk.10.00 per share at a ratio of 1:1 {1(one) rights share for 1(one) existing share held} on the record date for entitlement of Rights Share.

Issue Price

In the Extra-Ordinary General Meeting held on December 22, 2010 honorable shareholders approved Rights Offer of Ordinary Shares of Tk.10.00 each at an issue price of Tk.20.00 each including a premium of Tk.10.00 per share on the basis of 1 (one) rights share for 1 (one) existing share held on the record date.

RISK FACTORS AND MANAGEMENT'S PLAN FOR REDUCTION OF SUCH RISKS

Any investment always associates with some internal/ external risk factors and among the factors some can be averted, other are beyond control. The management of RUPALI INSURANCE COMPANY LIMITED considers some risk factors involving their business which are described as under:

Interest rate risks:

Volatility of money market, which ultimate influences the interest rate structure of fund. The Income from fixed & other deposits may fall with the reduction of Interest rate of commercial bank as per current trend.

Management Perception:

The Management of the Company is always aware of interest rate. If the interest rate increases the cost of credit fund will increase as well as income from fixed & other deposits also be increased. On the other hand, if the interest rate decreases the Company will go for the alternative investment such as investment in shares and debentures instead of investing in FDR & NIB.

Exchange rate risks:

Devaluation of local currency against major international currencies i.e. USD, GBP and Euro may affect company's marine insurance business.

Management Perception:

Devaluation of local currency not only affects RICL but also affect the total industry. Besides generally devaluation of local currency against international currencies increases premium income that will ultimately extend Net profit of the Company.

Industry risks:

I. Liberalization of permission

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

Management Perception:

As per proposed Insurance Act 2010 every general insurance company's paid up capital must be 40 crore in which 60% will be sponsors capital and 40% open for general people so it not so easy to come new company and established in this industry. Besides insurance business largely depends on faith and reputation which already achieved RICL by more than twenty two years successful operations. Now RICL is a reputed brand in insurance sector. Moreover RICL continuously try to develop product diversification according to changeable market and demand which increase revenue as well as customer satisfaction.

II. Natural calamities

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

Management Perception:

The estimated losses arising from natural calamities are covered by higher rates of premium and reinsurance coverage for such losses. Management has taken into consideration statistical assessment of occurrence of natural calamities in setting its rates of premium and reinsurance risks. Moreover, most of our trained portfolios (Fire including flood, cyclone risks) are protected under Catastrophic Excess of Loss Treaty with Shadharan Bima Corporation. Besides company always maintain a reserve for exceptional losses as per paragraph 6(2) of the 4th schedule of Income Tax Ordinance 1984 for meeting unexpected future claims.

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 capture existing company's market share.

Management Perception:

Insurance business is increasing globally. New items are coming under the cover of various insurance as days pass by; the market is expanding as people are realizing the importance of insurance. RICL provides excellent services and plan to introduce new products giving importance on Research and Development (R&D) by considering market & technology related risks.

Potential or existing government regulations:

Government policy change in respect of rates of premium, underwriting commission, agent's commission, reinsurance commission, interest on deposits etc. These factors may affect the income and profitability of the Company.

Management Perception:

The government is not expected to change policies relating to insurance requirement for the interest of economy, as when insurance business is affected industrialization, trade and commerce of the country will be also affected. Moreover, considering the Insurance Act 2010 and regulations the company is raising its capital through issuing rights share to existing shareholders which also strengthen company's financial structure as well as earned more revenue by smooth operation of business.

Potential Changes in Global or National Policies:

Any structural change in the international insurance business adversely affecting reinsurance operations may have negative impact on the profitability of the Company.

Management Perception:

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

History of non-operation, if any:

Is there any History of non-operation of RUPALI INSURANCE COMPANY LIMITED?

Management Perception:

RUPALI INSURANCE COMPANY LIMITED is one of the general insurance companies in Bangladesh which established in 1988 and already passed 22 successful years of business operation and the company does not have any history of non-operation of business.

Operational risks:

Any Political and social unrest/unstable situation may affect smooth operation of the business resulting in drastic fall to the value of its investment.

Management Perception:

Political unrest may reduce the premium income of the Company for a short span of time. The shortfall can be overcome by increased income in subsequent period.

DATE OF OPENING AND CLOSING OF SUBSCRIPTION LISTS

Subscription opens for the rights share offer on **15.03.2012** and subscription closes for the rights share offer on **10.04.2012**.

UTILIZATION OF PREVIOUS IPO FUND

Rupali Insurance Company Limited went for public issue in the year 1995 by issuing 300,000 Ordinary Shares of Tk.100.00 each at an issue price of Tk.150.00 each including a premium of Tk.50.00 per share totaling Tk.45.00 million with the objective to strengthen the capital base and expansion of business of the Company. The Company has fully utilized the entire fund thus raised by investing in FDR which has already been reflected in the audited accounts of the subsequent years of public issue.

Sd/-
P. K. Roy, FCA
Managing Director

STATEMENT OF DATE OF ANNUAL GENERAL MEETING HELD AND DIVIDEND DECLARED

Year of Accounts	Date of AGM	Rate of Dividend
2010	07.07.2011	20% (Stock)
2009	15.07.2010	20% (Stock)
2008	16.07.2009	20% (Stock)
2007	16.07.2008	20% (Stock)
2006	25.07.2007	20% (Stock)

HIGHLIGHTS OF THE COMPANY

01. The Company was incorporated on May 13, 1988.
02. The Company commenced its business on June 25, 1988 and has already completed 22 (Twenty two) years of successful operation.
03. The Company went for public issue in the year 1995 by issuing 300,000 Ordinary Shares of Tk.150.00 each (Including premium of Tk.50.00 totaling Tk.45,000,000).
04. The Company was listed with the Dhaka Stock Exchange Limited and Chittagong Stock Exchange Limited on 20th March 1995 and 10th October 1995 respectively.
05. The authorized capital of the Company is Tk.100.00 Crore and paid up capital is Tk.19.47 Crore. (After Crediting 20% bonus shares for the year ended December 31, 2010.
06. The Company has a network of 43 branches all over the country.
07. The Company has been paying reasonable dividend to its shareholders.

Total Equity Structure of the Company as on June 30, 2011 is Shown Below:-

Particulars	Amount (BDT)
Issued, Subscribed & Paid up Capital as Per Audited Accounts June 30, 2011	164,540,100
Share Premium	15,000,000
Reserve for Exceptional Losses	235,873,550
Reserve for Revaluation Of Land and Building	322,370,162
Dividend Equalization Fund	40,000,000
Profit & Loss Appropriation Account	70,411,148
Total Shareholders' Equity(As on June 30, 2011)	848,194,960
Total Number of Share (Considering 20% Stock Dividend of 2010)	19,744,812
Equity Based Value Per Share	42.96

Additional Information

(Source: DSE monthly review)

Particulars	Face Value	Price
Market Price per Share as on 31 October, 2011	10.00	97.30
Market Price per Share as on 29 September 2011	10.00	129.30
Market Price per Share as on 25 August, 2011	10.00	136.80
Market Price per Share as on 31 July 2011	10.00	158.80
Market Price per Share as on 30 June 2011	10.00	127.30
Market Price per Share as on 31 May 2011	10.00	119.60
Average Market Price Per Share	10.00	128.18

PURPOSE OF RIGHTS ISSUE

Rupali Insurance Company Limited is one of the first generation General Insurance Company in the private sector of Bangladesh which provides diversified General Insurance service. The Paid-up capital of the Company is Tk.197.44 million against Authorized Capital of Tk.1000.00 million.

As per Insurance Act 2010 (Schedule -1) paid-up capital of General Insurance Company should be raised up to Tk.400.00 million. Furthermore, to enhance the financial strength and to expand the activities of our Company we would like to increase our capital to Tk.394.89 million.

Accordingly Rupali Insurance Company Limited is going for issuance of Rights Share of 19,744,812 ordinary shares of Tk.10.00 each and an issue price of Tk.20.00 each including a premium of Tk.10.00 per share totaling Tk. 394,896,240

The rights issue fund will be deposited with schedule Banks as FDR, guided by Insurance Act 2010 and & invested in Capital Market to enhance the net worth of the Company for the benefit of the shareholders.

Sd/-
P. K. Roy, FCA
Managing Director

EXISTING SERVICES RENDERED BY THE COMPANY

Marine Insurance: The policies primarily aim at providing protection in respect of loss, damage or destruction to the subject matter of insurance i.e. Hull, Cargo and freight caused by perils of the seas or maritime perils like fire, theft, jettison, collision, contact, heavy weather, stranding/ foundering sinking, war perils and other perils.

a)Hull: This refers to the ship, that is to say, hull and machinery of the vessel. The ship is always at the risk of the perils of the seas and, therefore, the ship owner can insure it against probable loss as such.

b)Cargo: This refers to goods or merchandise that are being carried from one place to another or are being imported or exported. Such goods or merchandise may be lost, damaged or destroyed by perils of the seas whilst in course of transit and therefore, the owner of goods can always insure against the probable losses.

c)Freight: This is the consideration payable to the ship owner in respect of carriage of goods by owner's ship. Some times the freight is prepaid when it is at the risk of the cargo owner and sometimes the freight is after-paid when it is at the risk of ship owner. Therefore, depending on circumstances either the cargo owner or the ship owner will stand to lose the freight if the goods can not reach destination safe and sound because of the operation of maritime perils. Insurance can be taken by party having insurable interest i.e. by the party at whose risk it would be at the material time.

Non-Marine: Non Marine Insurance can be classified into three parts viz., **a) Fire, b) Motor & c) Miscellaneous.**

a) Fire Insurance: All policies issued under the heading of Fire Insurance primarily aim at providing protection against financial losses arising out of the operation of fire or certain other specified perils. The subject matters of insurance are usually:

**Building, Furniture, Fixture and Fittings, Plant and Machinery,
Goods and Merchandise, Stocks of all kinds**

The policies provide cover in respect of material loss or damage. However, policies are issued in the fire department in respect of consequential losses or loss of profits arising out of material loss. These policies are known as consequential loss insurance or loss of profit insurance. Thus the scope of fire insurance may be considered under two broad headings viz., i) Material loss insurance and ii) Consequential loss insurance

b) Motor Insurance: Different types of policies may be issued for different types of motor vehicles. Motor vehicles are usually classified in the following manner:

Private Cars, Commercial Vehicles, Agricultural Vehicles, Motor traders' vehicles

Policies issued are usually of the following types irrespective of the class of vehicle:

i) Comprehensive Policy: This policy provides protection in respect of:

1. Own damage or loss of the Vehicle
2. Liability of the insured in respect of death or bodily injury to the third party and damage caused to the property of third party arising out of the use of motor vehicle on the road.
3. Act liability only policy i.e. legal liability of the insured in respect of death and bodily injury to third party arising out of the motor vehicles use on a public road.

ii) Third party only policy: This policy provides cover only in respect of the legal liability of the insured arising out of the death and bodily injury to third party and damage to the property of third party in connection with the use of motor vehicle.

iii) Act Liability only Policy: This policy provides cover only in respect of the legal liability of the insured arising out of the death and bodily injury to third party in connection with the use of the motor vehicle.

LIST OF DIRECTORS OF THE COMPANY MENTIONING THEIR ADDRESS AND POSITION OF THE BOARD

SI	Name	Address	Position
01	Mr. Mostafa Golam Quddus	69/B, 70/B, Malibagh Chowdhury Para, Dhaka-1219	Chairman
02	Mr. Md. Shamsul Huda	8, P. K. Roy lane, Babu Bazar, Dhaka	Director
03	Mr. Mujubir Rahman	House #14, Road # 06, Sector # 06, Uttara Dhaka-1230	Director
04	Mr. Md. Nazim Uddin	Joyakonjo Apartment, House #85, Flat #6/B Road# Old-15, New 8/A, Dhanmondi, Dhaka.	Director
05	Mr. Md. Ali Ahmed	Vill. Chandansree, P.o. Mia Bazar, P.s. Chowdhugran, Dist. Comilla	Director
06	Mr. Md. Younus	327, Bara Pukur Par EPZ, South Chardha Comilla-3500	Director
07	Mr. K. M. Farookh	Dream Castle Road#4 House #07, Gulsha-1 Dhaka-1212	Director
08	Mr. Md. Mizanur Rahman	213, Army Society Road, Moshair, Azampur, Dakhinkhan, Dhaka	Director
09	Mr. Abu Hena	House Kha-200 Middel Badda, Dhaka	Director
10	Mr. Kazi Maniruzzaman	Road #36, House #20 Gulshan-2, Dhaka-1212	Director
11	Mr. Jinnat Ali Mian	House #08, Road #17 Sector-7, Uttara Model Town, Dhaka	Director
12	Mrs. Runa Haider	14, South Avenue Gulsha-1, Dhaka.	Director
13	Mrs. Fazlutun Nessa	69-B, Malibagh Chowdhury Para Dhaka-1219	Director
14	Mr. Mostafa Quamrus Sobhan	69-B, Malibagh Chowdhury Para Dhaka-1219	Director
15	Mr. Mostafa Golam Amran	25/2, DIT Road Malibagh, Chowdhury Para, Dhaka-1219	Director
16	Mr. Mostafa Golam Sarwar	House #41, Road # 21Banani, Dhaka	Independent Director
17	Mr. Aftab Ahmed	196, Jagannat Saha Road, Dhaka	Director
18	Mr. Md. Sirajul Huq	7/1/A, North Dhanmondi, Kalabaghan, Dhaka	Director
19	Mrs. Fauzia Quamrun Tania	69-B, Malibagh Chowdhury Para Dhaka-1219	Independent Director
20	Mr. Shaon Ahmed	House #19, Road # 04 Block # F, Banani Dhaka-1213	Director

LIST OF TOP EXECUTIVES OF THE COMPANY

Sl. No.	Name	Designation	Qualification	Age
01	Mr. P. K. Roy, FCA	Managing Director	B.Com (Hons) M.Com, FCA, FCS	55 Years
02	Mr. Mohd. Alamgir	Additional Managing Director	H. S. C	62 Years
03	Mr. Md. Zahirul Islam	Assistant Managing Director	B. A	48 Years
04	Mr. Md. Shamim Khan	Assistant Managing Director	M.Sc	46 years
05	Mr. Md. Golam Morshed	Assistant Managing Director	B. A. (Hons)	50 Years
06	Mr. A. H. M. Abul Khair	Assistant Managing Director	M.S.S	50 Years

Sd/-
P. K. Roy, FCA
Managing Director

CORPORATE INFORMATION

REGISTERED OFFICE

RUPALI BIMA BHABAN 7, RAJUK AVENUE, MOTIJHEEL C/A,
DHAKA-1000, BANGLADESH

Date of Incorporation	:	May 13,1988
Commencement of Business	:	June 25, 1988
Listing with Dhaka Stock Exchange Limited	:	March 20, 1995
Listing with Chittagong Stock Exchange Limited	:	October 10, 1995
Authorized Capital	:	TK. 100 Crore
Paid-up-Capital	:	Tk.19.74 Crore
Shareholders' Equity	:	Tk.84.81 Crore
Net Profit after tax on June 30, 2011	:	Tk. 4.28 Crore
Number of Employees	:	535
Number of Branches	:	43

MANAGING DIRECTOR

Mr. P.K. ROY, FCA

AUDITOR

A. WAHAB & CO.

Chartered Accountants
Hotel Purbani, Annex-2 (4th Floor), 1, Dilkusha C/A, Dhaka-1000

LEGAL ADVISER

Rokanuddin Mahmud & Associates
Delta Dahlia (8th floor), 36, Kemal Ataturk Avenue, Banani, Dhaka-1213

**BANKERS TO THE ISSUE FOR RIGHTS ISSUE OF
RUPALI INSURANCE COMPANY LIMITED**

INVESTMENT CORPORATION OF BANGLADESH (ICB)	EASTERN BANK LTD.	SOUTHEAST BANK LTD.
<ol style="list-style-type: none"> 1. Head Office, Dhaka 2. Chittagong Branch, Chittagong 3. Rajshahi Branch, Rajshahi 4. Khulna Branch, Khulna 5. Barisal Branch, Barisal 6. Sylhet Branch, Sylhet 7. Bogra Branch, Bogra 8. Local Office Branch, Dhaka 	<ol style="list-style-type: none"> 1. Principal Branch. Dilkusha Dhaka 2. Motijheel Branch, Dhaka 3. Mirpur Branch 4. Bashundhara Branch, Dhaka 5. Shyamoli Branch, Dhaka 6. Narayanganj Br., Narayanganj 7. Jessore Branch 8. Choumuhoni Branch 9. Agrabad Branch, Chittagong 10. Khatunganj Branch, Chittagong 11. Bogra Branch, Bogra 12. Khulna Br. Khulna 13. Rajshahi Branch 14. Saver Branch 15. Moulvi Bazar Branch 	<ol style="list-style-type: none"> 1. Principal Branch ,Dhaka 2. Corporate Branch, Dhaka 3. Mohammadpur Branch, Dhaka 4. Dhanmondi Branch, Dhaka 5. Shyamoli Branch, Dhaka 6. Bashundhara Branch, Dhaka 7. Mouchak branch, Dhaka 8. Kakrail Branch, Dhaka 9. Banani branch , Dhaka 10. Pragati sarani Branch, Dhaka 11. Sat Moshjid road Branch, Dhaka 12. CDA Avenue Branch, Chittagong 13. Laldighirpaar Branch, Sylhet 14. Halishahar Branch, Chittagong 15. Chouhatta Branch, Sylhet

JUSTIFICATION OF THE ISSUE PRICE OF RIGHTS SHARES

Particulars		Amount (Tk.)
Method 1:	Equity Based Value Per Share	42.96
Method 2:	Historical Earnings Based Value Per Share	40.57
Method 3:	Average Market Price Per Share	128.18

Method 1: Equity Based Value Per Share

Sl. No.	Particulars	Amount (BDT)
A	Issued, Subscribed & Paid up Capital as Per Audited Accounts June 30, 2011	164,540,100
	Share Premium	15,000,000
	Reserve for exceptional losses	235,873,550
	Reserve for revaluation of land and building	322,370,162
	Dividend equalization fund	40,000,000
	Profit & Loss Appropriation Account	70,411,148
	Total Shareholders' Equity(As on June 30, 2011)	848,194,960
B	Total Number of Share (Considering 20% Stock Dividend of 2010)	19,744,812
C	Equity Based Value Per Share (A/B)	42.96

Method 2: Historical Earnings Based Value Per Share

Year	No. of Share	Net Profit after tax	Weight of No. of Shares	Weighted Average of Net Profit after tax
2010	16,454,010	121,590,317	0.2786	33881102.86
2009	13,711,680	41,312,417	0.2322	9593079.96
2008	11,426,400	33,065,767	0.1935	6398450.51
2007	9,522,000	27,002,003	0.1613	4354225.82
2006	7,935,000	27,541,434	0.1344	3701010.11
	59,049,090	250,511,938	1.0000	49,872,633.33
Total Number of Share (Considering 20% Stock Dividend of 2010)				19,744,812
EPS based on Weighted Average of Net Profit after tax				2.53
Present Market PE of RICL (As per DSE Review October 31, 2011)				16.06
Earnings Based Value per Share (2.53x16.06)				40.57

Method 3: Average Market Price Per Share

Particulars	Face Value	Price
Market Price per Share as on 31 October, 2011	10.00	97.30
Market Price per Share as on 29 September 2011	10.00	129.30
Market Price per Share as on 25 August, 2011	10.00	136.80
Market Price per Share as on 31 July 2011	10.00	158.80
Market Price per Share as on 30 June 2011	10.00	127.30
Market Price per Share as on 31 May 2011	10.00	119.60
Average Market Price Per Share	10.00	128.18

LENGTH OF TIME DURING WHICH THE ISSUER HAS CARRIED ON BUSINESS [RULE-8(J)]

Rupali Insurance Company Limited is a public company categorized in private sector incorporated under the Companies Act, 1994 as a public company limited by shares on May 13, 1988 and engage in general insurance business as per Insurance Act 1938. The Company already completed 23 (Twenty three) successful years from the date of commercial operation. Now Rupali Insurance Company Limited is one of the established general insurance companies of Bangladesh.

IMPLEMENTATION SCHEDULE [RULE-8 (K)]

The rights issue fund will be deposited with schedule Banks as FDR, guided by Insurance Act 2010 and & invested in Capital Market to enhance the net worth of the Company for the benefit of the shareholders.

Description	Amount	Date of Completion	Date of Commercial Operation
Bank Deposit (FDR)	374,772,796	Within one month after getting the fund.	N/A
Invested in Capital Market	10,000,000	Within three months after getting the fund.	N/A
Issue Cost	3,200,000	Issue cost will be born from company's other fund which will be adjusted with the fund later on.	N/A
3% AIT on Share Premium	6,923,444	Within seven days after getting the fund.	N/A
Total	394,896,240		

Sd/-
P. K. Roy, FCA
Managing Director

QUANTITY OF SHARES HELD BY EACH DIRECTOR ON THE DATE OF THE RIGHTS SHARE OFFER DOCUMENT

Sl. No.	Name of Directors	Position	Number of Shares	Percentage (%)
1	Mr. Mostafa Golam Quddus	Chairman	1645572	8.34%
2	Mr. Ali Ahmed	Director	762684	3.86%
3	Mr. Mohammad Yonus	Director	658152	3.33%
4	Mr. Quazi Moniruzzaman	Director	164496	0.83%
5	Mr. Mujibar Rahman	Director	822684	4.17%
6	Mr. Md. Nazim Uddin	Director	1151748	5.83%
7	Mr. Md. Shamsul Huda	Director	822684	4.17%
8	Mr. Mizanur Rahman	Director	5076	0.03%
9	Mr. Abu Hena	Director	329076	1.67%
10	Mr. Jinnat Ali Mian	Director	164496	0.83%
11	Mr. K. M. Farookh	Director	493596	2.50%
12	Ms. Runa Haider	Director	329076	1.67%
13	Mr. Shaon Ahmed	Director	1036800	5.25%
14	Mr. Aftab Ahmed	Director	6528	0.03%
15	Mrs. Fazlutun Nessa	Director	681396	3.45%
16	Mrs. Fauzia Quamrun Tania	Independent Director	152556	0.77%
17	Mr. Sirajul Huq	Director	27732	0.14%
18	Mr. Mostafa Quamrus Sobhan	Director	1544664	7.82%
19	Mr. Mostafa Golam Amran	Director	676548	3.43%
20	Mr. Mostafa Golam Sarwar	Independent Director	6528	0.03%
TOTAL			11482092	58.15%

Sd/-
P. K. Roy, FCA
 Managing Director

COMPOSITION OF SHAREHOLDING POSITION OF THE COMPANY

Sl. No.	Shareholders	Number of Shares Held	Percentage (%)
01	Directors and Sponsors	12,584,280	63.73%
02	General Public	4,191,111	21.23%
03	Institution	2,964,489	15.01%
04	NRB	4,932	0.03%
Total		19,744,812	100.00%

BENEFICIAL OWNERS HOLDING SHARES 5% OR ABOVE

As per [Rule-8(l)] of the Securities and Exchange Commission (Rights Issue) Rules, 2006; the following beneficial owners are holding shares 5% or above as on 31st August, 2011.

Sl. No.	Name of the Shareholders	Position	Percentage (%)
1	Mr. Mostafa Golam Quddus	Chairman	8.34%
2	Mr. Mostafa Quamrus Sobhan	Director	7.82%
3	Mr. Md. Nazim Uddin	Director	5.83%
4	Mr. Shaon Ahmed	Director	5.25%

Sd/-
P. K. Roy, FCA
Managing Director

PUBLIC LISTED COMPANY UNDER COMMON MANAGEMENT

As per [Rule-8(n)] of the Securities and Exchange Commission (Rights Issue) Rules-2006, there is no public listed company under the common management of the company.

CLASSIFIED INFORMATION & UNDERWRITERS [RULE-8(O)]

Issue Manager	AAA Consultants & Financial Advisers Limited Amin Court, 4th Floor (Suit#404), 31, Bir Uttam Shahid Ashfaqueus Samad Road (Previous 62-63, Motijheel C/A), Dhaka-1000
Auditor	A. WAHAB & CO. Chartered Accountants Hotel Purbani, Annex-2 (4 th Floor), 1, Dilkusha C/A, Dhaka-1000
Bankers to the Issue	1) Investment Corporation of Bangladesh NSC Tower (12th -13th Floor), 62/3 Purana Paltan, Dhaka 2) Eastern Bank Limited Jiban Bima Bhaban (2nd Floor), 10. Dilkusha C.A. Dhaka-1000. Bangladesh 3) Southeast Bank Limited Eunoos Trade Center, 52-53, Dilkusha C/A, (Level #2,3 & 16), Dhaka -1000
Underwriters	1) SBL Capital Management Ltd. Metropolitan Chamber Building, 122-124, Motijheel C/A, Dhaka-1000 2) FAS Capital Management Ltd. Suvastu Imam Square(4th floor) 65, Gulshan Avenue, Gulshan, Dhaka-1212 3) Swadesh Investment Management Limited Suite # 01, Level-11, Unique Trade Center, 8, Panthapath, Karwan Bazar, Dhaka-1215 4) Banco Finance and Investment Limited Ispahani Building(3rd Floor), 14-15, Motijheel C/A, Dhaka-1000 5) AAA Consultants & Financial Advisers Ltd. Amin Court, 4th Floor (Suit#404), 31, Bir Uttam Shahid Ashfaqueus Samad Road Dhaka-1000

RUPALI INSURANCE COMPANY LIMITED is going to offer rights share of 19,744,812 Ordinary Shares of Tk.10.00 each issuing at Tk.20.00 each, including premium of Tk.10.00 each share, totaling Tk.394,896,240 As per Securities and Exchange Commission's guideline The issuer of a listed security making rights issue shall appoint one or more underwriters licensed under সিকিউরিটিজ ও এক্সচেঞ্জ কমিশন (মার্কেট ব্যাংকার ও পোর্টফোলিও ম্যানেজার) বিধিমালা, 1996 to fully underwrite the rights issue on a firm commitment basis. Underwriting commission will be @ 0.10% on the underwritten amount and there will no additional commission for take-up unsubscribe portion of shares if any.

UNDERWRITERS' OBLIGATION

If and to the extent that the shares offered to the existing shareholders by the Rights Share Offer Document 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 underwriters (**for full unsubscribe amount**) in writing with a copy of said writing to the Securities and Exchange Commission, to subscribe for shares not subscribed by 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 his commitment under this Agreement, until such time as the Cheque/Bank Draft has been encased and the Company's account has been credited. In any case, within **7 (seven)** days after the expiry of the aforesaid **15 (fifteen) days**, the Company shall send proof of subscription and payment by the underwriters, to the Commission.

SL. No.	Name of Underwriter	Number of Shares	Underwriting Amount
1.	SBL Capital Management Ltd.	4,800,000	96,000,000
2.	FAS Capital Management Ltd.	4,800,000	96,000,000
3.	Swadesh Investment Management Limited	1,200,000	24,000,000
4.	Banco Finance and Investment Limited	1,200,000	24,000,000
5.	AAA Consultants & Financial Advisers Ltd.	7,744,812	154,896,240
Total		19,744,812	394,896,240

DIRECTORS' TAKE-UP IN THE RIGHTS OFFER [RULE-8(Q)]

Directors are expected to exercise in full their portion of Rights Offer.

Sl. No.	Name of Directors	Position	Number of Shares	Renounce from entitlement
1	Mr. Mostafa Golam Quddus	Chairman	1,645,572	Nil
2	Mr. Ali Ahmed	Director	762,684	Nil
3	Mr. Mohammad Yonus	Director	658,152	Nil
4	Mr. Quazi Moniruzzaman	Director	164,496	Nil
5	Mr. Mujibar Rahman	Director	822,684	Nil
6	Mr. Md. Nazim Uddin	Director	1,151,748	Nil
7	Mr. Md. Shamsul Huda	Director	822,684	Nil
8	Mr. Mizanur Rahman	Director	5,076	Nil
9	Mr. Abu Hena	Director	329,076	Nil
10	Mr. Jinnat Ali Mian	Director	164,496	Nil
11	Mr. K. M. Farookh	Director	493,596	Nil
12	Ms. Runa Haider	Director	329,076	Nil
13	Mr. Shaon Ahmed	Director	1,036,800	Nil
14	Mr. Aftab Ahmed	Director	6,528	Nil
15	Mrs. Fazlutun Nessa	Director	681,396	Nil
16	Mrs. Fauzia Quamrun Tania	Independent Director	152,556	Nil
17	Mr. Sirajul Huq	Director	27,732	Nil
18	Mr. Mostafa Quamrus Sobhan	Director	1,544,664	Nil
19	Mr. Mostafa Golam Amran	Director	676,548	Nil
20	Mr. Mostafa Golam Sarwar	Independent Director	6,528	Nil
TOTAL			11,482,092	

Sd/-
P. K. Roy, FCA
Managing Director

TERMS AND CONDITIONS OF THE RIGHTS ISSUE

BASIS OF THE OFFER

The Company records its share register of members on **20.12.2011** for determining the shareholders who are eligible to receive this offer of shares on rights basis. The ordinary shares are now being offered on a rights basis to the shareholders holding shares on the book closure in the ratio of 1:1 i.e. one right shares for 1 (one) existing share held.

ENTITLEMENT

As a shareholder of the Company on the record date on **20.12.2011**, the shareholders are entitled to this Rights Offer. Only the holder(s) of a minimum of one fully paid ordinary share is entitled to receive the Rights Offer.

ACCEPTANCE OF THE OFFER

A shareholder may accept and apply for the shares hereby offered, wholly or in part by filling in Application - Form A and submitting the same along with the application money to the Bankers to the Issue on or before the Closing Date of subscription of **April 10, 2012**.

RENUNCIATION

A shareholder may renounce all or part of the shares he/she is entitled to in favor of any other person(s) other than an infant or person of unsound mind. He/she can renounce his/her rights/entitlement of shares by signing Renunciation Form-B. Renouncee(s) shall fill in Form-C appropriately.

GENERAL

All applications should be made on the printed form provided by the Company in this Rights Share Offer Documents only and should be completed in all respects. Applications, which are not completed in all respects or are made otherwise than as herein provided or are not accompanied by the proper application amount of deposit, are liable to be rejected and the application money received in respect thereof shall be refunded. All communications in connection with the application for the Rights Share should be addressed to the Company quoting the registered folio number/BO ID number in the form.

CONDITION OF SUBSCRIPTION

One Rights shares of Tk.20.00 each including a premium of Tk.10.00 per share is offered against 1 (one) existing share held by existing Shareholder(s) whose name(s) appeared in the Company's Share Register at the record date as on **20.12.2011**.

PAYMENT OF SHARE PRICE

Payments for the full value of Shares applied for shall be made with designated branches of Bankers to the issue by Cash/Pay Order/Demand Draft payable to "RUPALI INSURANCE COMPANY LIMITED" and crossed. The Pay Order/Demand Draft for payment of share price must be drawn on a bank in the same town to which the application form has been submitted. It is to be noted that all transaction above TK.1 (One) lac must be affected through demand draft/ crossed cheque/pay orders.

SUBSCRIPTION
Opens on: 15.03.2012
Closes on: 10.04.2012
(Within banking hours, both days inclusive)

Any change or extension regarding subscription period will be notified through national dailies.

LOCK-IN ON RIGHTS SHARE

The rights share of directors and other shareholders holding 5% or more shares shall be subject to lock-in for a period of three years from the date of closure of the rights share subscription. In the event of renunciation of rights share by aforesaid persons, the renounced shares shall also be subject to lock-in for the same period.

OTHERS

The application not properly filled in shall be treated as cancelled and deposited money will be refunded. For any reason, no profit/compensation will be paid on the refunded amount. The offer will be deemed to have been declined if completed Application Form-A with necessary payments have not been received by **10.04.2012** or by such later date as may be notified through national dailies to that effect.

MATERIAL CONTRACTS

Agreement to the vendors

The company currently has no vendor's agreement with any person or any other organization

Bankers to the Issue

Investment Corporation of Bangladesh, Standard Bank Limited, Southeast Bank Limited and are the Bankers to the Issue who will collect the subscription money of the Rights Offer. Commission @ 0.10% of the amount collected will be paid to the Bankers to the issue for their services to be rendered by them. The Rights Issue subscription money collected from the shareholders by the Bankers to the Issue will be remitted to the Company's **STD Account No. 04436000017, Bank Asia, Maghbazar Branch.**

Underwriters

There are four underwriters have underwritten the full amount of Rights Offer of RICL as shown in the classified information part of ROD. Each underwriter will be paid underwriting commission @ 0.10 % of the underwritten amount. Simultaneously, with the calling upon an underwriter to subscribe or procure subscriber and pay for any number of shares, the company will pay no additional commission to that underwriter on the nominal value of shares required to be subscribed by them.

Manager to the Issue

AAA Consultants & Financial Advisers Limited is appointed as Manager to the Issue of the Right Issue of the Company. Accordingly, an agreement was made between the Issue Manager and the Company. The Company will pay an issue management fee @ 0.40% on the total issue amount i.e. Tk.1,316,321.60 only to the Issue Manager.

Acquisition of property, plant and equipment

There is no acquisition of property, plant and equipment by the Company after the Balance sheet date 31.12.2010.

FORM A

[RULE 5 AND RULE 8(T)]

DECLARATION (DUE DILIGENCE CERTIFICATE) ABOUT RESPONSIBILITY OF THE ISSUE MANAGER IN RESPECT OF THE RIGHTS SHARE OFFER DOCUMENT OF RUPALI INSURANCE COMPANY LIMITED

This rights share offer document has been reviewed by us and we confirm after due examination that the rights share offer document constitutes full and fair disclosures about the rights issue and the issuer and complies with the requirements of the Securities and Exchange Commission (Rights Issue) Rules, 2006; and that the issue price is justified under the provisions of the Securities and Exchange Commission (Rights Issue) Rules, 2006.

For AAA Consultants & Financial Advisers Ltd.

Sd/-

Khwaja Arif Ahmed
Managing Director & CEO

Place: Dhaka
Dated: December 30, 2010

FORM-B

[RULE 6 AND RULE 8(T)]

DECLARATION (DUE DILIGENCE CERTIFICATE) ABOUT RESPONSIBILITY OF THE UNDERWRITER(S) IN RESPECT OF THE RIGHTS SHARE OFFER DOCUMENT OF RUPALI INSURANCE COMPANY LIMITED

This rights share offer document has been reviewed by us and we confirm after due examination that the issue price is justified under the provisions of the Securities and Exchange Commission (Rights Issue) Rules, 2006, and also that we shall subscribe for the under-subscribed rights shares within fifteen days of calling thereof by the issuer. The issuer shall call upon us for such subscription within ten days of closure of the subscription lists for the rights issue.

For

SBL Capital Management Ltd.
FAS Capital Management Ltd.
Banco Finance and Investment Ltd.
Swadesh Investment Management Limited
AAA Consultants & Financial Advisers Ltd.

Place: Dhaka
Dated: December 30, 2010

Sd/-
Managing Director(s)/CEO(s)

FORM-C

[SEE RULE 8(H), 8(I) AND 8 (T)]

AUDITORS' REPORT TO THE SHAREHOLDERS

We have reviewed the accompanying financial information of **Rupali Insurance Company Limited** audited by different auditors for the years 2006, 2007, 2008, 2009 and 2010 in accordance with the International Standards on auditing, as applicable in Bangladesh.

The respective Auditors expressed their opinion on the financial statements of the Company as follows:

- a) These financial statements have been drawn up in accordance with the requirements of the Securities and Exchange Rules, 1987, as amended, the Companies Act, 1994 and other relevant laws where applicable, and the International Accounting Standards, as applicable in Bangladesh.
- b) These financial statements which are in agreement with the books of account of the issuer company give a true and fair view of the state of its affairs and result of operations and cash flows for the period mentioned in the respective audit reports.
- c) Proper books of account have been kept by the issuer company as required by the relevant laws.
- d) The expenditure incurred was for the purposes of the issuer company's business.

Based on the audited financial statements we report as follows:

That the above issuer company has declared the following dividend for each of the following five years immediately preceding the issue of rights share offer document under the Securities and Exchange Commission (Rights Issue) Rules, 2006, and that the company has duly paid off the following amounts of the declared dividend mentioned against respective years:

Financial Years	Date of Dividend Declaration	Declared Dividend		
		Rate (%) (Stock)	Total Amount (Tk.)	Total Cash Dividend Paid (Tk.)
2006	14.05.2007	20% Stock	15,870,000	N/A
2007	11.05.2008	20% Stock	19,044,000	N/A
2008	29.04.2009	20% Stock	22,852,800	N/A
2009	29.04.2010	20% Stock	27,423,300	N/A
2010	28.04.2011	20% Stock	32,908,020	N/A

Place: Dhaka
Date: December 04, 2011

Sd/-
(A. WAHAB & CO.)
CHARTERED ACCOUNTANTS

FORM-D

[SEE RULE 8 (1) (T)]

DUE DILIGENCE CERTIFICATE BY THE DIRECTORS ABOUT THEIR PERSONAL RESPONSIBILITY IN RESPECT OF THE RIGHTS SHARE OFFER DOCUMENT OF RUPALI INSURANCE COMPANY LIMITED.

This rights share offer document has been prepared, seen, reviewed and approved by us; and we collectively and individually accept full responsibility for the accuracy of the information given in the rights share offer document; relevant documents and financial statements submitted to the Commission and others concerned under the Securities and Exchange Commission (Rights Issue) Rules, 2006.

We confirm, after making all reasonable enquiries, that all conditions concerning this rights issue and rights share offer document have been met. We further confirm that we have not concealed any information or statement which might have any bearing on the information already made.

In case of any default or failure on our part, civil, criminal or administrative action may be taken against us.

Sd/-
Mostafa Golam Quddus
Chairman

Sd/-
P. K. Roy, FCA
Managing Director

Sd/-
Md. Shamsul Huda
Director

Sd/-
Mujibur Rahman
Director

Sd/-
Md. Nazim Uddin
Director

Sd/-
Md. Ali Ahmed
Director

Sd/-
Md. Yunus
Director

Sd/-
K. M. Farookh
Director

Sd/-
Md. Mizanur Rahman
Director

Sd/-
Abu Hena
Director

Sd/-
Kazi Maniruzzaman
Director

Sd/-
Jinnat Ali Mian
Director

Sd/-
Runa Haider
Director

Sd/-
Fazlutun Nessa
Director

Sd/-
Mostafa Golam Amran
Director

Sd/-
Mostafa Quamrus Sobhan
Director

Sd/-
Mostafa Golam Sarwar
Director

Sd/-
Aftab Ahmed
Director

Sd/-
Md. Sirajul Huq
Director

Sd/-
Fauzia Quamrun Tania
Director

Sd/-
Shaon Ahmed
Director

Place : Dhaka
Dated :26.12.2010

AUDITOR'S REPORT TO THE SHAREHOLDERS OF
RUPALI INSURANCE COMPANY LIMITED

We have audited the accompanying Balance Sheet of Rupali Insurance Company Limited as of June 30, 2011 and the related Profit and Loss Account and Statement of Cash Flows for the period then ended. The preparation of these financial statements is the responsibility of the Company's management. Our responsibility is to express an independent opinion on these financial statements based on our audit.

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 of 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 management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements prepared in accordance with Bangladesh Accounting Standards (BAS), give a true and fair view of the state of the company's affairs as of June 30, 2011 and of the results of its operations and its Cash Flows for the period then ended and comply with the Companies Act, 1994, Insurance Act 1938 and Insurance Rules 1958, Securities Exchange Rules 1987 and other applicable laws and regulations.

We report that:

- i) We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit and made due verification thereof;
- ii) In our opinion, proper books of account as required by law have been kept by the company;
- iii) The company's Balance Sheet and Profit and Loss Account and its Cash Flows dealt with by the report are in agreement with the books of account and returns;
- iv) The expenditure incurred was for the purposes of the company's business;
- v) As per Section 40c(2) of the Insurance Act 1938 as amended, we certify that to the best of our knowledge and belief and according to the information and explanations given to us, all expenses of management wherever incurred and whether incurred directly or indirectly, in respect of insurance business of the company transacted in Bangladesh during the period under report have been duly debited to the related Revenue Accounts and the Profit & Loss Account of the Company; and
- vi) 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, the Company during the period under report has not paid any person any commission in any form outside Bangladesh in respect of any of its business re-insured abroad.

Dated: Dhaka, December 04, 2011

Sd/-
(A. WAHAB & CO.)
CHARTERED ACCOUNTANTS

Rupali Insurance Company Limited
Balance Sheet as on June 30, 2011

A. WAHAB && CO.
Chartered Accountants

CAPITAL AND LIABILITIES	Notes	30-Jun 2011	31-Dec 2010	Property and Assets	Notes	30-Jun 2011	31-Dec 2010
Authorized capital :				Investment (At cost):	1	66,524,891	57,471,636
20,00,000 ordinary shares of Taka 100 each		200,000,000	200,000,000	Outstanding Premium	2	58,410,282	55,193,991
Issued, Subscribed & Paid up Capital :				Accrued Interest	3	8,483,328	10,230,823
16,454,010 ordinary shares of Taka 10 each	7	164,540,100	164,540,100	Amount due from other persons or bodies carrying on insurance business	4	36,421,001	35,422,448
Share Premium	8	15,000,000	15,000,000	Sundry debtors (including deposits and prepaym	5	62,986,206	59,573,601
Reserve, surplus & contingency accounts :				Cash and bank balances	6	450,521,048	423,016,048
Reserve for exceptional losses	9	235,873,550	221,873,550				
Reserve for revaluation of land and building		322,370,162	332,804,162				
Dividend equalisation fund		40,000,000	40,000,000				
Profit & Loss Appropriation Account		70,411,148	41,551,814				
Balance of funds and accounts :				Other Accounts:			
Fire insurance business		44,808,921	37,949,118	Fixed assets at cost less depreciation (Annexure-		451,047,304	448,755,214
Marine insurance business		62,339,740	60,886,363	Stock of printing materials (At cost)		657,120	550,782
Miscellaneous insurance business		70,884,526	66,162,322	Advance income tax (Note-13(I))		134,370,043	125,866,131
		178,033,187	164,997,803			586,074,467	575,172,127
Premium deposit	10	8,439,000	10,004,941				
Estimated liabilities in respect of outstanding claims whether due or intimated	11	45,668,259	50,691,237				
Amount due to other persons or bodies carrying on insurance business	12	28,928,980	25,657,980				
Sundry creditors (including provision for expenses and taxes)	13	160,156,837	148,959,087				
Taka:		1,269,421,223	1,216,080,674			Taka: 1,269,421,223	1,216,080,674

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

Subject to our separate report of even date.

Sd/-
P. K. Roy. FCA, FCS
Managing Director

Sd/-
Mostafa Quamrus Sobhan
Director

Sd/-
Kazi Maniruzzaman
Director

Sd/-
M. G. Quddus
Chairman

Sd/-
(A. WAHAB & CO.)
CHARTERED ACCOUNTANTS

Dhaka, December 04 , 2011

Rupali Insurance Company Limited
Profit and Loss Account

For the period ended June 30, 2011

A. WAHAB & CO.
Chartered Accountants

Particulars	Notes		Particulars	Notes	
Provision for tax		15,000,000	13,000,000		41,551,814
Provision for Deffered taxation		-	10,000,000	Related to the year ended previous year	29,384,797
Balance transferred to Balance Sheet		14,000,000		from Profit & Loss Account	64,922,290
Reserve for exceptional losses		70,411,148	48,779,215		48,779,215
		64,922,290	50,687,923		44,303,126
	Taka	99,411,148	44,303,126		
		<u>57,850,334</u>			
Profit & Loss Appropriation Account			Profit And Loss Appropriation Account		
			For the year ended 30th June, 2011		
Profit for the year transferred to					Taka
					<u>99,411,148</u>
			<u>463,536</u>		<u>73,687,923</u>
Earnings per share (EPS) after tax (Restated)		2.60	2.28		
		555,601			
The attached notes form an integral part of these financial statements.					
AGM Expenses					Subject to our separate report of even date.
					30-Jun-10
Sd/- P. K. Roy, FCA, FCS Managing Director	Sd/- Mostafa Quamrus Sobhan Director		Sd/- Kazi Maniruzzaman 359,443 Director	Sd/- M. G. Quddus Chairman	Sd/- (A. WAHAB & CO.) CHARTERED ACCOUNTANTS

Rupali Insurance Company Limited
Fire Insurance Revenue Account
For the period ended June 30, 2011

A. WAHAB && CO.
Chartered Accountants

	30-Jun	30-Jun-10		30-Jun	30-Jun-10
P A R T I C U L A R S	2011	Unaudited	P A R T I C U L A R S	2011	Unaudited
Claims under policies			Balance of account at the beginning		
Less re-insurance :			of the period:		
Paid during the year	15,995,328	8,510,830	Reserve for Unexpired Risk	18,974,559	15,906,376
			Premium less re-insurance	64,585,905	53,112,588
Total estimated liability in respect			Commission on re-insurance ceded	22,676,075	16,222,437
of outstanding claims at the end of					
the year whether due or intimated	8,160,352	4,719,176			
	24,155,680	13,230,006			

Less: Outstanding claims at the end

Rupali Insurance Company Limited
Marine Insurance Revenue Account

For the period ended June 30, 2011

A. WAHAB && CO.
Chartered Accountants

P A R T I C U L A R S	Marine cargo	Marine Hull	30-Jun 2011	30-Jun-10 Unaudited	P A R T I C U L A R S	Marine cargo	Marine Hull	30-Jun 2011	30-Jun-10 Unaudited
Claims under policies					Balance of account at the beginning of the period :				
Less re-insurance :					Reserve for Unexpired Risk	30,022,758	420,424	30,443,182	22,902,172
Paid during the year	28,675,427	51,322	28,726,749	23,497,856	Premium less re-insurance	76,345,060	1,358,535	77,703,595	67,983,509
Total estimated liability in respect of outstanding claims at the end of the year whether due or intimated	12,500,250	-	12,500,250	5,627,678	Commission on re-insurance ceded	9,831,841	805,573	10,637,414	9,910,558
	41,175,677	51,322	41,226,999	29,125,533					
Less: Outstanding claims at the end of the previous year	11,255,355	-	11,255,355	4,525,069					
	29,920,322	51,322	29,971,644	24,600,465					
Agency commission	16,054,465	927,620	16,982,085	14,238,274					
Management expenses	16,803,301	742,443	17,545,744	23,703,422					
Profit/(Loss) for the year transferred to Profit and Loss Account	22,883,547	(495,388)	22,388,159	10,924,709					
Balance of account at the end of the Period as shown in Balance Sheet :									
Reserve for Unexpired Risk being 40% of Marine cargo premium and 100% of Marine Hull premium income of the period	30,538,024	1,358,535	31,896,559	27,329,370					
	116,199,659	2,584,532	118,784,191	100,796,239		116,199,659	2,584,532	118,784,191	100,796,239

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

Subject to our separate report of even date.

Sd/-
P. K. Roy, FCA, FCS
Managing Director

Sd/-
Mostafa Quamrus Sobhan
Director

Sd/-
Kazi Maniruzzaman
Director

Sd/-
M. G. Quddus
Chairman

Sd/-
(A. WAHAB & CO.)
CHARTERED ACCOUNTANTS

Dhaka, December 04, 2011

Rupali Insurance Company Limited
Miscellaneous Insurance Revenue Account
For the period ended June 30, 2011

A. WAHAB && CO.
Chartered Accountants

P A R T I C U L A R S	Motor	Others	30-Jun 2011	30-Jun-10 Unaudited	P A R T I C U L A R S	Motor	Others	30-Jun 2011	30-Jun-10 Unaudited
Claims under policies					Balance of account at the beginning				
Less re-insurance :					of the period :				
Paid during the year	42,480,604	649,649	43,130,253	23,468,923	Reserve for Unexpired Risk	30,501,363	2,579,798	33,081,161	26,145,819
					Premium less re-insurance	86,447,114	8,061,298	94,508,412	69,702,903
Total estimated liability in respect					Commission on re-insurance cede	382,661	2,092,334	2,474,995	2,633,763
of outstanding claims at the end of									
the year whether due or intimated	<u>23,505,367</u>	<u>1,502,290</u>	<u>25,007,657</u>	<u>14,998,765</u>					
	65,985,971	2,151,939	68,137,910	38,467,688					
Less: Outstanding claims at the end									
of the previous year	<u>28,569,320</u>	<u>1,428,210</u>	<u>29,997,530</u>	<u>11,427,666</u>					
	37,416,651	723,729	38,140,380	27,040,022					
Commission on re-insurance accepted		-	-	38,400					
Agency Commission	21,841,403	3,128,641	24,970,044	21,867,991					
Management expenses	13,471,432	3,017,798	16,489,230	11,146,139					
Profit/(Loss) for the year transferred									
to Profit and Loss Account	10,022,806	2,638,743	12,661,549	10,508,772					
Balance of account at the end of the									
Period as shown in Balance Sheet :									
Reserve for Unexpired Risk being									
40% of Motor & Misc premium income	34,578,846	3,224,519	37,803,365	27,881,161					
Taka	<u>117,331,138</u>	<u>12,733,430</u>	<u>130,064,568</u>	<u>98,482,484</u>	Taka	<u>117,331,138</u>	<u>12,733,430</u>	<u>130,064,568</u>	<u>98,482,484</u>

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

Subject to our separate report of even date.

Sd/-
P. K. Roy, FCA, FCS
Managing Director

Sd/-
Mostafa Quamrus Sobhan
Director

Sd/-
Kazi Maniruzzaman
Director

Sd/-
M. G. Quddus
Chairman

Sd/-
(A. WAHAB & CO.)
CHARTERED ACCOUNTANTS

Dhaka, December 04, 2011

Rupali Insurance Company Limited
Statement of changes in Equity
For the period ended June 30, 2011

A. WAHAB & CO.
Chartered Accountants

Particulars	Share Capital	Share Premium	Reserve for Exceptional Losses	Dividend Equalization Fund	Reserve for Revaluation of Land & Building	Retained Earning	Total
December 31, 2010	164,540,100	15,000,000	221,873,550	40,000,000	332,804,162	41,551,814	815,769,626
Surplus/Addition during the period	-		14,000,000	-	-	28,859,334	42,859,334
Revaluation Amortization on building					(10,434,000)		(10,434,000)
Total:	164,540,100	15,000,000	235,873,550	40,000,000	322,370,162	70,411,148	848,194,960
June 30, 2010	137,116,800	15,000,000	191,873,550	-	360,437,958	50,687,814	755,116,122

Subject to our separate report of even date.

Sd/-
P. K. Roy, FCA, FCS
Managing Director

Sd/-
Mostafa Quamrus Sobhan
Director

Sd/-
Kazi Maniruzzaman
Director

Sd/-
M. G. Quddus
Chairman

Sd/-
(A. WAHAB & CO.)
CHARTERED ACCOUNTANTS

Dhaka, December 04, 2011

Rupali Insurance Company Limited
Cash Flow Statement
For the period ended June 30, 2011

A. WAHAB & CO.
Chartered Accountants

Particulars	30-Jun 2011	30-Jun-10 Unaudited
A Cash Flows from Operating Activities:		
Collections from premium and other income	406,656,478	304,248,810
Payments for management expenses, re-insurance, claims & commission etc.	(346,415,316)	(270,672,182)
Income tax paid	(10,303,912)	(4,327,267)
Net cash provided by operating activities	49,937,250	29,249,361
B Cash Flows from Investing Activities:		
Purchase of fixed assets	(15,689,960)	(11,235,137)
Purchase of Shares	(15,553,724)	(4,454,411)
Sale of Shares	8,780,636	-
Dividend Income	30,798	-
Net cash used in investing activities	(22,432,250)	(15,689,548)
C Cash Flows from Financing Activities:		
Dividend paid	-	-
D Increase/Decrease in Cash Flow: (A+B+C)	27,505,000	13,559,813
Cash & cash equivalents at the beginning of the year (01.01.2011)	423,016,048	282,744,740
Cash & cash equivalents at the ended of the year	450,521,048	296,304,553
Net Operating Cash Flow Per Share (NOCFPS)(Restated)	3.03	2.13

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

Subject to our separate report of even date.

Sd/-	Sd/-	Sd/-	Sd/-	Sd/-
P. K. Roy, FCA, FCS	Mostafa Quamrus Sobhan	Kazi Maniruzzaman	M. G. Quddus	(A. WAHAB & CO.)
Managing Director	Director	Director	Chairman	CHARTERED ACCOUNTANTS

Dhaka, December 04, 2011

Rupali Insurance Company Limited
Form AA

A. WAHAB & CO.
Chartered Accountants

Classified Summary of Assets as on June 30, 2011

CLASS OF ASSETS	Amount	Book Value		
<u>Investment :</u>				
Investment in shares of listed securities	62,024,891	Book Value		
Deposit with Bangladesh Bank (3 years Investment Bond)	4,500,000	Realize Value		
Cash on fixed deposits, STD and Current Account	431,542,321	Realize Value		
Cash in hand & stamp	18,978,727	Realize Value		
Outstanding premium and dues from others carrying on insurance bu	94,831,283	Book Value		
Interest accrued but not received	8,483,328	Realize Value		
Sundry debtors, advances, deposits and Advance Income tax	197,356,249	Book Value		
Fixed assets (at cost less depreciation)	451,047,304	Book Value		
	Taka: <u>1,268,764,103</u>			
<p>Note: The amount of Fixed assets is inclusive of Tk. 3,931,777 being W. D. V. of Furniture and Fixture and Revaluation of Land & Building amounting to Tk. 322,370,162.</p> <p align="center">Subject to our separate report of even date.</p>				
Sd/- P. K. Roy, FCA, FCS Managing Director	Sd/- Mostafa Quamrus Sobhan Director	Sd/- Kazi Maniruzzaman Director	Sd/- M.G. Quddus Chairman	Sd/- (A. WAHAB & CO.) CHARTERED ACCOUNTANTS
Dhaka, December 04, 2011				

Rupali Insurance Company Limited
Schedule of Fixed Assets as on June 30, 2011
and Depreciation/Amortization thereon

Annexure - 1

SL. NO.	PARTICULARS	COST				RATE %	DEPRECIATION			Revaluation	TOTAL AS ON 30.06.11	W.D.V AS ON 30.06.11
		AS ON 01.01.11	ADDITION DURING THE YEAR	DISPOSAL DURING THE YEAR	TOTAL AS ON 30.06.11		AS ON 01.01.11	ADJUSTMENT DURING THE YEAR	DURING THE YEAR			
1	FURNITURE & FIXTURE	24,270,269	345,274	-	24,615,543	10	20,316,352	-	367,414		20,683,766	3,931,777
2	NEON SIGN	2,397,014	53,380	-	2,450,394	10	2,088,296	-	33,770		2,122,066	328,328
3	VEHICLE	41,321,870	8,941,708	-	50,263,578	20	25,012,359	-	1,747,186		26,759,545	23,504,033
4	ELECTRIC EQUIPMENT	3,079,777	43,290	-	3,123,067	15	2,600,246	-	61,189		2,661,435	461,632
5	OFFICE EQUIPMENT	2,627,532	50,000	-	2,677,532	15	2,146,036	-	61,530		2,207,566	469,966
6	AIR CONDITIONER	7,871,489	658,550	-	8,530,039	15	7,165,260	-	124,146		7,289,406	1,240,633
7	TELEPHONE INSTALLATION	4,138,352	27,850	-	4,166,202	10	4,041,026	-	52,979		4,094,005	72,197
8	BY CYCLE	73,296		-	73,296	20	69,911	-	423		70,334	2,962
9	COMPUTER	3,710,933	321,208	-	4,032,141	20	2,984,271	-	270,064		3,254,335	777,806
10	LIFT	5,432,802		-	5,432,802	15	5,432,801	-			5,432,801	1
11	TELEVISION	155,690	15,000	-	170,690	20	82,670	-	16,499		99,169	71,521
12	LAND	35,000,000		-	35,000,000	-	-	-			-	35,000,000
13	BUILDING	77,240,020	5,233,700	-	82,473,720	10	19,525,406	-	220,143		19,745,549	62,728,171
14	GENERATOR	900,183		-	900,183	15	803,541	-	8,527		812,068	88,115
	TOTAL TAKA	208,219,227	15,689,960	-	223,909,187		92,268,175	-	2,963,870		95,232,045	128,677,142

Revaluation of Land & Building

1	LAND	84,100,000		-	84,100,000		-	-	-	-	-	84,100,000
2	BUILDING	248,704,162		-	248,704,162		-	-	-	10,434,000	-	238,270,162
	TOTAL TAKA	332,804,162		-	332,804,162		-	-	-	-	-	322,370,162
	GRAND TOTAL	541,023,389	15,689,960	-	556,713,349		92,268,175	-	2,963,870	10,434,000	95,232,045	451,047,304
	2010	560,705,525	12,492,360	4,540,700	568,657,185		86,972,593	4,540,700	9,836,282	27,633,795	92,268,175	448,755,214

Note: Depreciation and amortization on revaluation of assets has been charged on lump sum basis disregarding depreciation on additions during the period. Full year's depreciation will be charged on additions during the year at the end of financial year of the company using straight line method in conformity with usual practice.

Rupali Insurance Company Limited
Notes to the Financial Statements
For the period ended June 30, 2011

A. Legal form of the Company:

The company is a public limited company under the Companies Act, 1994 and is engaged in general insurance business as per Insurance Act, 1938.

B. Significant Accounting Policies and Other Relevant Information:

i. Basis of Presentation of Financial Statements:

- a. The financial statements have been prepared under historical cost convention and in accordance with the requirements of the schedule to the Securities and Exchange Rules, 1987 and Insurance Act, 1938 as amended 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 and other relevant matters.
- b. The Insurance Act, 1938 has prescribed formalities for presenting accounts. Accordingly the balance sheet has been prepared in the format (Form-A), set out in part I of the First Schedule; the Revenue Account of each class of business has been prepared in the format (Form-F) given in part II of the Third Schedule; and Profit and Loss Account and Profit and Loss Appropriation Account has been prepared as per format (Form-B and C) prescribed in the Second Schedule part II. Other disclosure requirements of the Act are fully followed.
- c. The accounts have been drawn up on accrual basis.
- d. Wherever considered necessary, figures of previous year have been rearranged for comparison purposes.
- e. Figures appearing in these accounts have been rounded off to the nearest taka.
- f. Financial statements of the company cover the position for the period of 1st January to 30th June 2011.

ii. Premium Income:

The total amount of premium earned on various classes 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, the amount of re-insurance commission earned and the amount of claims less reinsurance settled during the year have all been duly accounted for in the books of accounts of the Company and while preparing the final statements of accounts, the effect of re-insurance accepted and 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 period.

iii. Interest on Statutory and Other Investments:

Interest earned on 3 years National Investment Bond held with Bangladesh Bank as statutory investment has been accounted for and interest received from various banks after deduction of charges has been duly credited to the Profit and Loss Account.

iv. Management Expenses:

Management expenses of Tk. 55,922,589 directly related to business represent approximately 15.34% of gross premium of Tk. 364,436,260 and 23.62% of net premium of Tk. 236,797,912 earned during the year. The above amount of management expenses has been charged @ 39.14% to Fire, 31.38% to Marine and 29.48% to Miscellaneous Business Revenue Account at a ratio of the gross premium earned during the period.

v. Surplus of Revenue Account & Provision for Unexpired Risk:

Surplus of Revenue Accounts has been arrived at after accounting for company's share of claims settled and estimation of outstanding claims as well as after providing for unexpired risk @ 40% on all business except Marine Hull on which provision for unexpired risks has been made @ 100%. Management of the company brought forward reserve for unexpired risk as of December 31, 2010 to current period's revenue account on pro-rated basis.

- vi. **Reserve for Exceptional Loss:**
Provision has been made on account of Reserve for Exceptional Losses out of profit before tax in the amount of Tk. 14,000,000 on lump sum basis.
- vii. **Depreciation/Amortization on Fixed Assets:**
Depreciation/Amortization on fixed assets/revalued assets has been charged on lump sum basis in the interim financial statements. Straight line method as usual practice will be used in computation of depreciation/amortization in the year-end accounts
- viii. **Income Tax:**
Provision for Income Tax has been made in accordance with the best estimates of the management based on the prevailing Income Tax law without considering the admissible and inadmissible expenses. Assessments for the assessment year 2011-2012 is under process. Details of Tax provision, Tax paid, Balance Payable and Advance Tax Paid in respect of different assessment years is given under note 13 (i).
- ix. **Others:**
 - a) The margin of security investments over liabilities of the company has been maintained as appeared from the Balance Sheet.
 - b) Figures have been rounded off to the nearest taka and previous year's figures have been re-arranged for comparison purpose where felt necessary.

C. OPERATION

During the year under audit through the operation of 43 branches the gross premium income earned by the company amounting to Tk. 364,436,260 including public sector business of Tk. 13,400,125. After ceding for re-insurance premium the net premium for the year amounted to Tk. 236,797,912 and after charging direct expenses therefrom the net underwriting profit stood at Tk. 48,587,971 as against Tk. 190,799,000 and Tk. 33,190,705 (unaudited) respectively in the preceding year.

D. PUBLIC SECTOR BUSINESS:

Public sector business for two quarters up to December, 2010 has been accounted for on the basis of statement received from SBC.

E. EMPLOYEE BENEFIT PLAN (BAS 19):

Company maintains accounts of Provident Fund, Gratuity and Group Insurance in compliance with BAS-19.

F. USE OF ESTIMATES IN PREPARATION OF THE FINANCIAL STATEMENTS:

Preparation of financial statements in conformity with Bangladesh Accounting Standards (BAS) requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities if any at the date of the financial statements, and revenues and expenses during the year reported. Actual result could differ from those estimates. Estimates are used in accounting for certain items such as depreciation, outstanding claims, taxes, interest accrued, reserves etc.

BALANCE SHEET

1.00 **Investment at cost: Tk. 66,524,891**

The break-up-of the above balance is as under:

Particulars	30-Jun	31-Dec-10
	2011	
i) 3 years National Investment Bond	4,500,000	4,500,000
ii) Investment in shares of listed securities	62,024,891	52,971,636
Taka:	66,524,891	57,471,636

i) 3 years National Investment Bond of Tk. 4,500,000 is lying with Bangladesh Bank as statutory deposit and the investment is renewed from time to time.

ii) Investment in shares of listed securities:

Particulars	Quantity	Cost Price	Market Price
Lanka Bangla Finance	24,900	6,435,716	3,792,820
Premier Bank Ltd.	66,300	3,019,967	2,066,770
BSRM Steels Limited	1,960	3,275,053	1,932,070
OCL	98	8,988	6,272
Olympic	3,050	8,133,687	5,398,500
Continental Insurance Co Ltd.	4,710	3,613,676	1,742,700
SIBL	400	11,590	9,960
AIMS ISTMF	150,000	1,754,045	774,000
Mercantile Insurance Co. Ltd.	5,300	3,455,899	2,494,710
City General Insurance Co. Ltd.	129,320	9,791,190	4,860,948
Sonargaon	2,200	677,867	686,950
ACI	3,000	1,231,767	712,200
UCBL	50,000	4,832,305	2,535,000
Uttara Finance	14,200	3,013,964	1,620,220
ICB I Bank	200	-	2,020
KPCL	60	8,580	3,804
R.A.K. Ceramic BD Ltd.	17,054	1,529,267	1,420,942
GP	46,000	3,404,000	7,254,200
Aftab Auto	5,000	1,408,811	880,500
BEXIMCO	11,687	2,130,555	1,343,383
Jamuna Bank Ltd.	617	11,748	21,076
Rupali Insurance Co. Ltd.	73	-	7,723
Sumit Power	274	21,100	20,413
ATLASBANG	2,666	686,197	685,695
Dhaka Bank Ltd.	13,500	744,095	603,450
Lafarge Surma Cement Limited.	500	314,973	244,500
IFIC Bank Ltd.	206	143,884	164,489
Square Pharmaceuticals Ltd.	400	1,470,326	1,416,900
Crown Cement	7,206	595,721	750,865
MJL Bangladesh Limited	2,999	299,920	287,904
Total:		62,024,891	43,740,984

Provision has not been made on account of the difference between the cost and market value of shares since the difference is not of permanent nature.

2.00 **Outstanding Premium: Tk. 58,410,282**

The above balance is made up as follows:

Particulars	30-Jun 2011	31-Dec-10
Fire	12,136,695	10,024,745
Marine	28,086,204	27,785,246
Motor	18,187,383	17,384,000
Taka:	58,410,282	55,193,991

3.00 **Accrued Interest: Tk. 84,83,328**

The above balance is made up as follows:

Particulars	30-Jun 2011	31-Dec-10
Opening balance	10,230,823	10,672,205
Add: Amount accrued during the year:		
Interest on FDR	7,488,776	9,408,396
Interest on Investment Bond	172,125	344,250
	17,891,724	20,424,851
Less: Received during the year	9,408,396	10,194,028
Taka:	8,483,328	10,230,823

4.00 **Amount due from other persons or bodies carrying on insurance business: Tk. 36,421,001**

The amount represents premium received from co-insurers against co-insurance business underwritten jointly.

The above balance is made up as follows:

Particulars	30-Jun 2011	31-Dec-10
Fire	15,842,021	14,480,002
Marine	16,239,250	15,768,825
Miscellaneous	4,339,730	5,173,621
Taka:	36,421,001	35,422,448

5.00 **Sundry Debtors: Tk.62,986,206**

The above balance is made up as follows:

Particulars	30-Jun 2011	31-Dec-10
Agent Balance	29,815,757	26,213,973
Other Advance	3,733,046	3,325,230
Other Receivable	6,831,597	7,428,592
R/I Port folio premium & losses	21,391,130	21,391,130
Security Deposit	1,214,676	1,214,676
Taka:	62,986,206	59,573,601

6.00 **Cash and Bank balance: Tk. 450,521,048**

The above balance is made up as follows:

Particulars	30-Jun 2011	31-Dec-10
A. On Hand		
Cash	18,466,726	17,845,522
Stamps	512,001	571,237
	18,978,727	18,416,759
B. At Bank		
Fixed Deposits	336,602,994	311,513,149
STD and Current Accounts	94,939,327	93,086,140
	431,542,321	404,599,289
Taka:	450,521,048	423,016,048

7.00 **Issued, Subscribed & Paid up Capital: Tk. 164,540,100**

This balance represents 16,454,010 ordinary shares of Tk. 10.00 each fully paid-up to Tk. 164,540,100, which is made up of as follows:

Particulars	30-Jun 2011	31-Dec-10
Opening Balance (1,645,401 Shares)	164,540,100	137,116,800
Add: Bonus share issued during the year (274,233 shares Tk. 100 each)	-	27,423,300
Taka:	164,540,100	164,540,100

Denomination of shares has been changed during the year from Tk. 100 per share to Tk. 10 per share as per directives of the Securities and Exchange Commission.

7.01 **The category wise shareholdings as on 30.06.2011 is noted below :**

Category of Shareholders	No of Share	% of Holdings	Amount
1. Sponsors & Directors of Group 'A' (Note: 7.3)	10,486,900	63.73	104,869,000
2. General Public (Group 'B')	3,594,720	21.85	35,947,200
3. Financial Institutions (Including ICB) (Note: 7.2)	2,359,630	14.34	23,596,300
4. NRB	12,760	0.08	127,600
	16,454,010	100	164,540,100

7.02 **Classification of Shareholders by holdings:**

i) **Group 'A'**

Class Inverter	No. of Share	No. of Share Holders	% of Group Total holding	% of total Paid up Capital
01-10000	4,230	1	0.05	0.02
10001-20000	274,160	2	3.47	1.67
20001-50000	1,371,120	4	17.34	8.33
Over 50000	6,257,430	8	79.14	38.03
Total of (i)	7,906,940	15	100.00	48.05

ii) **Group 'B'**

Class Inverter	No. of Share	No. of Share Holders	% of Group Total holding	% of total Paid up Capital
1-100	80,581	1,307	0.94	0.49
101-200	154,090	822	1.80	0.94
201-500	350,875	941	4.11	2.13
501-1000	671,810	939	7.86	4.08
Over 1000	7,289,714	723	85.29	44.31
Total of (ii)	8,547,070	4,732	100.00	51.95
Grand Total (i + ii)	16,454,010	4,747	100.00	100.00

8.00 **Share Premium Tk. 15,000,000**

The amount represents premium received @ Tk. 50 per share against issue of 300,000 ordinary share (Face value of Tk. 100 each) to the public.

9.00 **Reserve for Exceptional Loss : Tk. 235,873,550**

The above balance is made up as follows:

Particulars	30-Jun 2011	31-Dec-10
Opening balance	221,873,550	181,873,550
Provision during the period	14,000,000	40,000,000
Taka:	235,873,550	221,873,550

10.00 **Premium Deposit : Tk. 84,39,000**

The balance represents amount received against cover notes for which policies were not issued till 30th June, 2011.

11.00 **Estimated liabilities in respect of outstanding claims whether due or intimated : Tk. 45,668,259**

The above balance is made up as follows:

Particulars	30-Jun 2011	31-Dec-10
Fire	8,160,352	9,438,352
Marine	12,500,250	11,255,355
Motor	23,505,367	28,569,320
Miscellaneous	1,502,290	1,428,210
Taka:	45,668,259	50,691,237

12.00 Amount due to other persons or bodies carrying on insurance business : Tk. 28,928,980

The above balance is made up as follows:

Particulars	30-Jun 2011	31-Dec-10
Amount due to SBC	17,899,735	15,195,638
Other insurance companies	11,029,245	10,462,342
Taka:	28,928,980	25,657,980

13.00 Sundry Creditors : Tk. 160,156,837

The above balance is made up as follows:

Particulars	30-Jun 2011	31-Dec-10
Liabilities for expenses	2,783,679	3,783,679
Value added tax and other Govt. dues	1,662,105	1,947,826
Provision for Deferred Tax	6,000,000	6,000,000
Provision for Income Tax (Assessment year 2012-2013) (Note-13.01)	15,000,000	18,200,000
Income Tax provided (Assessment year 1991-92 to 2011-2012)	121,571,037	105,171,037
Share application money	30,200	30,200
Advance rent received	4,437,461	5,859,989
Others payable	8,672,355	7,966,356
Taka:	160,156,837	148,959,087

- 13.01 As against tax payable on account of provision upto assessment year 2010-2011 noted above there is a balance of advance tax of Tk. 134,370,043 paid upto the accounting period June 30,2011.

The liability for Income Tax and corresponding payment of tax there against is noted below :

Accounting Year	Assessment year	Tax provision	Tax paid	Balance payable	Advance Tax
31.12.1990	1991-1992	4,031,000	2,508,910	1,522,090	893,944
31.12.1991	1992-1993	1,800,000	500,000	1,300,000	718,831
31.12.1992	1993-1994	4,000,000	3,500,000	500,000	1,701,620
31.12.1993	1994-1995	5,000,000	5,486,074	(486,074)	3,141,886
31.12.1994	1995-1996	8,700,000	7,000,000	1,700,000	4,665,043
31.12.1995	1996-1997	11,300,000	1,000,000	10,300,000	4,021,654
31.12.1996	1997-1998	12,000,000	557,537	11,442,463	5,427,736
31.12.1997	1998-1999	4,200,000	7,800,000	(3,600,000)	579,159
31.12.1998	1999-2000	2,600,000	5,400,000	(2,800,000)	2,050,000
31.12.1999	2000-2001	2,500,000	500,000	2,000,000	911,828
31.12.2000	2001-2002	3,300,000	147,340	3,152,660	1,767,560
31.12.2001	2002-2003	3,500,000	-	3,500,000	1,226,175
31.12.2002	2003-2004	4,500,000	-	4,500,000	5,763,369
31.12.2003	2004-2005	6,000,000	1,458,000	4,542,000	3,793,136
31.12.2004	2005-2006	6,000,000	1,077,602	4,922,398	7,171,772
31.12.2005	2006-2007	7,000,000	-	7,000,000	7,557,344
31.12.2006	2007-2008	9,000,000	3,000,000	6,000,000	7,561,590
31.12.2007	2008-2009	10,000,000	2,400,000	7,600,000	14,375,530
31.12.2008	2009-2010	20,500,000	-	20,500,000	11,781,933
31.12.2009	2010-2011	22,000,000	424,500	21,575,500	19,118,667
31.12.2010	2011-2012	18,200,000	1,800,000	16,400,000	21,637,354
Total Taka		166,131,000	44,559,963	121,571,037	125,866,131
Period 30.06.2011		15,000,000	-	-	8,503,912
					134,370,043

- 13.02 The year wise Tax provision, assessed tax and the advance tax for the assessments completed up to 2001-2002 (A/C's 31-12-2000) will be adjusted in due course after disposal of pending appeal cases with different appeal authorities including Honourable High Court.

14 **Revenue Account**

i) The summarized position of net underwriting profit earned during the half year 2011 is as follows:

Particulars	Fire	Marine	Motors & Others	30-Jun 2011	30-Jun-10 Unaudited
Revenue:					
a) Gross Premium (including SBC & Govt. Business)	142,637,186	114,342,079	107,456,995	364,436,260	293,536,011
b) Re- Insurance Premium	78,051,281	36,638,484	12,948,583	127,638,348	102,737,010
c) Net Premium (a-b)	64,585,905	77,703,595	94,508,412	236,797,912	190,799,001
Direct Expenses					
d) Commission (Net)	7,582,896	6,344,671	22,495,049	36,422,616	34,245,859
e) Claim settle and provided (Net)	14,717,328	29,971,644	38,140,380	82,829,352	59,451,845
f) Management Expenses	21,887,615	17,545,744	16,489,230	55,922,589	52,409,393
g) Total Direct Expenses (d+e+f)	44,187,839	53,862,059	77,124,659	175,174,557	146,107,097
h) Adjusted Fund Balance for Unexpired Risk (Opening Balance less Closing Balance)	(6,859,803)	(1,453,377)	(4,722,204)	(13,035,384)	(11,501,199)
Net Underwriting Profit (c-g+h)	13,538,263	22,388,159	12,661,549	48,587,971	33,190,705

ii) **Commission (Net) : Tk. 36,422,616**

Particulars	Fire	Marine	Motors & Others	30-Jun 2011	30-Jun-10 Unaudited
Commission paid on Direct Business	30,258,971	16,982,085	24,970,044	72,211,100	62,974,217
Commission paid on Re- Insurance accepted	-	-	-	-	38,400
Total	30,258,971	16,982,085	24,970,044	72,211,100	63,012,617
Less: Commission earned on reinsurance	22,676,075	10,637,414	2,474,995	35,788,484	28,766,758
Net Commission	7,582,896	6,344,671	22,495,049	36,422,616	34,245,859

iii) **Claims Settled (Net) : Tk. 82,829,352**

Particulars	Fire	Marine	Motors & Others	30-Jun 2011	30-Jun-10 Unaudited
Gross Claim	23,560,950	31,150,400	43,664,821	98,376,171	64,476,218
Less : Re-Insurance Claim Recovery paid during the period	7,565,622	2,423,651	534,568	10,523,841	8,998,609
	15,995,328	28,726,749	43,130,253	87,852,330	55,477,609
Add: Outstanding Claim at the end of the period whether due or intimated	8,160,352	12,500,250	25,007,657	45,668,259	25,345,619
	24,155,680	41,226,999	68,137,910	133,520,589	80,823,228
Less: Outstanding Claim at the end of the previous year	9,438,352	11,255,355	29,997,530	50,691,237	21,371,383
Net Amount	14,717,328	29,971,644	38,140,380	82,829,352	59,451,845

iv) **Management Expenses: Tk. 55,922,589**

The expenses have been charged to Revenue Accounts on portfolio basis of Gross Premium earned on direct business as under:

Revenue Account	Jan. to June, 2011		Jan. to June, 2010	
	Percentage	Taka	Percentage	Taka
Fire	39.14%	21,887,615	33.51%	17,559,832
Marine	31.38%	17,545,744	21.27%	23,703,422
Motor & Misc.	29.48%	16,489,230	45.22%	11,146,139
	100.00	55,922,589	100.00	52,409,393

15.00 **Profit and Loss Account :**

i) **Interest, Dividend and Rental Income: Tk. 13,158,507**

The above balance is made up as follows:

Particulars	30-Jun 2011	30-Jun-10 Unaudited
On fixed deposit	8,875,180	7,771,205
On STD Accounts	1,271,954	871,672
On Investment Bond	172,125	172,125
	10,319,259	8,815,002
Dividend income	30,798	353,000
Rental Income	2,808,450	1,920,258
	2,839,248	2,273,258
Taka:	13,158,507	11,088,260

ii) **Other Income : Tk.3,175,812**

The above balance is made up as follows:

Particulars	30-Jun 2011	30-Jun-10 Unaudited
Miscellaneous Income	1,200	5,000
Profit on sale of Assets	123,600	1,275,298
Profit on sale of shares	3,051,012	3,219,952
Taka:	3,175,812	4,500,250

iii) **Audit fee: Tk. 264,750**

The above balance is made up as follows:

Particulars	30-Jun 2011	30-Jun-10 Unaudited
Statutory Audit	60,000	60,000
Interim Audit	74,750	-
Special Audit	130,000	60,000
Taka:	264,750	120,000

iv) **Donation & Subscription: Tk. 509,818**

The amount of Tk. 509,818 was spent for the purpose of Donation & Subscription.

v) **Registration and Renewals Tk. 152,062**

The amount of Tk. 152,062 was spent for the purpose of Registration & Renewals.

vi) **Share Expense Tk. 973,360**

The amount of Tk. 973,360 was spent for share department related matters during the half year ended June 30, 2011.

vii) **Net Profit for the year and its Appropriation:**

The above balance is made up as follows:

Particulars	30-Jun 2011	30-Jun-10 Unaudited
Underwriting Profit as per Revenue Accounts	48,587,971	33,190,705
Interest Income	10,319,259	8,815,002
Rental Income	2,808,450	1,920,258
Dividend Income	30,798	353,000
Other Income	3,175,812	4,500,250
	<u>64,922,290</u>	<u>48,779,215</u>
Less: Expenses of Management	7,062,956	4,476,089
(Not applicable to any Fund or account)	57,859,334	44,303,126
Surplus		
Less: Reserve for Exceptional loss (lump Sum)	14,000,000	10,000,000
	<u>43,859,334</u>	<u>34,303,126</u>
Less: Dividend equalisation fund	-	-
	<u>43,859,334</u>	<u>34,303,126</u>
Add: Surplus brought forward	41,551,814	29,384,797
	<u>85,411,148</u>	<u>63,687,923</u>
Less: Tax Provision	15,000,000	13,000,000
Less: Deferred Taxation	-	-
Surplus Carried Forward	<u>70,411,148</u>	<u>50,687,923</u>

16.00 **Number of employees:**

The number of permanent employees engaged for the whole year who received a total annual remuneration Tk. 36,000 and above was 430.

17.00 **Other relevant information :**

- During the year under review an amount of Tk.76,000 was paid to the Directors of company as board meeting attendance fee @ Tk. 4,000.00 per meeting.
- During the year under review no compensation was allowed by the company to the Chief Executive and officers of the company except their regular remuneration.
- No amount money was spent by the company for compensating any member of board for special service
- There was no other credit Facility of general nature as on Balance Sheet date except the Bank overdraft as shown in the account.
- No amount was due by the directors (including Managing Director) and officers of the company or by associated Undertaking and by any of them severally or jointly with any other person.
- There was no contract for capital expenditure to be executed and not provided for.
- General Expenses did not include any individual head of expenditure as exceeded 1% of total revenue expenditure or Tk. 5,000 which ever is the higher.

18.00 **Contingent Liabilities :**

There have been no liabilities of contingent nature of the company as of June 30, 2011.

RUPALI INSURANCE COMPANY LIMITED

Last Five years Balance Sheet.

	2010	2009	2008	2007	2006
Investment(At cost)	57,471,636	36,585,987	29,567,290	19,660,987	18,625,379
Outstanding Premium	55,193,991	45,104,994	37,612,609	20,660,293	771,578
Accrued Interest	10,230,823	10,672,205	9,477,794	8,420,290	7,259,569
Amount due from other persons or bodies					
Carrying on insurance business	35,422,448	29,081,380	8,865,071	7,878,705	6,147,734
Sundry debtors(including deposits and prepayments)	59,573,601	70,218,827	82,630,376	111,448,491	112,251,432
Cash and bank balances	423,016,048	282,743,711	257,059,740	218,908,498	190,286,512
OTHER ACCOUNTS :	575,172,127	578,467,051	190,280,326	172,387,581	149,710,782
Fixed assets at cost less depreciation	448,755,214	473,732,932	104,385,468	98,192,642	90,047,465
Stock of printing materials(At cost)	550,782	505,342	784,748	866,762	710,670
Advance income tax	125,866,131	104,228,777	85,110,110	73,328,177	58,952,647
TOTAL	1,216,080,674	1,052,874,155	615,493,206	559,364,845	485,052,986
Authorised capital :					
2,000,000 ordinary shares of Taka 100 each	200,000,000	200,000,000	200,000,000	200,000,000	200,000,000
Issued, Subscribed & Paid up Capital :					
1,645,401 ordinary shares of Taka 100 each	164,540,100	137,116,800	114,264,000	95,220,000	79,350,000
Share Premium	15,000,000	15,000,000	15,000,000	15,000,000	15,000,000
Reserve, Surplus & contingency accounts :					
Reserve for exceptional losses	221,873,550	181,873,550	168,873,550	160,873,550	145,873,550
Reserve for revaluation of land building	332,804,162	360,437,958			
Dividend equalization fund	40,000,000				
Profit & Loss Appropriation Account	41,551,814	29,384,797	24,925,179	19,903,412	25,771,409
Balance of funds and accounts :	164,997,803	129,908,732	121,876,138	108,131,254	70,056,529
Fire insurance business	37,949,118	31,812,751	26,277,806	26,592,858	20,385,289
Marine insurance business	60,886,363	45,804,344	45,553,620	38,976,788	29,834,792
Miscellaneous insurance business	66,162,322	52,291,637	50,044,712	42,561,608	19,836,448
Premium deposit	10,004,941	11,643,858	9,252,477	11,581,935	11,942,552
Estimated liabilities in respect of outstanding claims whether due or intimated	50,691,237	38,742,764	31,510,103	30,323,071	21,481,266
Amount due from other persons or bodies					
Carrying on insurance business	25,657,980	25,012,476	30,680,409	36,871,681	34,969,941
Sundry creditors(including provision for expenses and taxes)	148,959,087	123,753,220	99,111,350	81,459,942	80,607,739
TOTAL	1,216,080,674	1,052,874,155	615,493,206	559,364,845	485,052,986

Dated: December 4, 2011

Sd/-
A. WAHAB & CO.
Chartered Accountants

RUPALI INSURANCE COMPANY LIMITED
The Comperative Statements of operating results
For the Year/Period Ended on

Particulars	Year 2010	Year 2009	Year 2008	Year 2007	Year 2006
Premium Income	617,946,826	502,137,344	455,297,350	390,914,648	299,563,005
Less: Re- Insurance Premium Ceded	206,713,592	179,667,287	152,614,245	122,296,493	124,951,197
Net Premium Retaines	411,233,234	322,470,057	302,683,105	268,618,155	174,611,808
Add: Commission. On R/I Ceded	48,533,513	48,609,162	31,491,749	26,484,836	29,950,031
Total Income (A)	459,766,747	371,079,219	334,174,854	295,102,991	204,561,839
Net Claims Paid	136,235,756	118,961,236	94,217,307	71,711,095	51,081,218
Agency Commission	136,608,434	111,415,088	99,370,724	84,147,789	50,430,938
R/I Commission(inward)	78,400	100,520	212,174	351,249	446,010
Allocated Management Expenses	95,762,473	80,466,210	83,214,764	71,499,160	59,988,488
Unexpired risk reserve	35,089,071	8,032,594	13,744,884	38,074,725	11,381,075
Total Expenses (B)	403,774,134	318,975,648	290,759,853	265,784,018	173,327,729
Underwriting Profit/(Loss) (A-B)	55,992,613	52,103,571	43,415,001	29,318,973	31,234,110
Investment Income	25,176,519	26,072,213	22,815,778	20,330,497	17,390,057
Other Income	77,036,610	1,513,581	1,067,405	1,418,033	228,324
Unallocated Management Expenses	(18,415,425)	(16,376,948)	(13,732,417)	(14,065,500)	(12,311,057)
Net Profit before Tax	139,790,317	63,312,417	53,565,767	37,002,003	36,541,434
Corporate Tax	(18,200,000)	(22,000,000)	(20,500,000)	(10,000,000)	(9,000,000)
Net Profit after Tax	121,590,317	41,312,417	33,065,767	27,002,003	27,541,434
Reserve for exceptional loss	(40,000,000)	(13,000,000)	(8,000,000)	(15,000,000)	(8,000,000)
Dividend equilization fund	(40,000,000)				
Profit from previous year	1,961,497	2,072,380	859,412	9,901,409	6,229,975
Deferred Taxation	(2,000,000)	(1,000,000)	(1,000,000)	(2,000,000)	-
Profit available	41,551,814	29,384,797	24,925,179	19,903,412	25,771,409
Dividend	-	(27,423,300)	(22,852,800)	(19,044,000)	(15,870,000)
Profit Carried forward	41,551,814	1,961,497	2,072,379	859,412	9,901,409
No. of share	1,645,401	1,371,168	1,142,640	952,200	793,500
Dividend %	20%	20%	20%	20%	20%
Earning per Share (EPS)at per value of Tk.100/-	73.90	33.50	31.37	28.36	34.71
Earning per Share (EPS)at per value of Tk.10/-	7.39	3.35	3.14	2.84	3.47

Sd/-

A. WAHAB & CO.
Chartered Accountants

Dated: December 4, 2011

RUPALI INSURANCE COMPANY LIMITED
Comperative Statement of Cash Flow
For the Year/Period Ended on

Particulars	Year 2010	Year 2009	Year 2008	Year 2007	Year 2006
A Cash flows from operating activities:					
Collections from premium and other income	689,814,964	559,753,410	509,974,967	409,226,029	332,870,742
Payments for management expenses, re-insurance, claims & commission etc.	(572,200,919)	(490,337,182)	(433,646,620)	(345,756,191)	(289,130,196)
Income tax paid	(21,637,355)	(19,118,667)	(14,181,933)	(17,375,530)	(8,639,192)
Net cash provided by operating activities	95,976,690	50,297,561	62,146,414	46,094,308	35,101,354
B Cash flows from investing activities:					
Purchase of fixed assets including Land	(12,492,360)	(18,091,137)	(14,714,630)	(17,423,310)	(4,899,052)
Disposal of fixed assets	2,750,598	810,700	1,442,869	1,273,880	116,831
Purchase of Shares	(181,793,550)	(26,062,411)	(11,387,869)	(1,761,783)	-
Sale of Shares	235,124,170	19,043,715	1,481,566	726,175	365,454
Dividend Income	706,789	8,000	7,892	23,224	33,150
Net cash used in investing activities	44,295,647	(24,291,133)	(23,170,172)	(17,161,814)	(4,383,617)
C Cash flows from financing activities:					
Dividend paid	-	(322,457)	(825,000)	(310,508)	(697,350)
Net cash flow from financing activities	-	(322,457)	(825,000)	(310,508)	(697,350)
D Increase/Decrease in Cash Flow: (A+B+C)	140,272,337	25,683,971	38,151,242	28,621,986	30,020,387
Cash & cash equivalents at the beginning of the year	282,743,711	257,059,740	218,908,498	190,286,512	160,266,125
Cash & cash equivalents at the ended of the year	423,016,048	282,743,711	257,059,740	218,908,498	190,286,512

Dated: December 4, 2011

Sd/-
A. WAHAB & CO.
Chartered Accountants

CREDIT RATING REPORT ON RUPALI INSURANCE COMPANY LIMITED

REPORT: RR/851/11

This is a credit rating report as per the provisions of the Credit Rating Companies Rules 1996. CRISL's Claim Paying Ability Rating is valid for only one year. After the above period, the rating will not carry any validity unless the company goes for rating surveillance. CRISL followed Insurance Rating Methodology published in CRISL website www.crislbd.com

<p>Address: CRISL Nakshi Homes (4th & 5th Floor) 6/1A, Segunbagicha, Dhaka-1000 Tel: 7173700-1 Fax: 88-02-9565783 Email: crisldhk@crislbd.com</p> <p>Analysts: Md. Asiful Huq asif@crislbd.com Mohammad Golam Kibria, ACMA golamkibria@crislbd.com</p> <p>CPA Rating: AA- Outlook: Stable Rating Base: Financials up to Dec 31, 2010</p> <p>RUPALI INSURANCE COMPANY LIMITED</p> <p>ACTIVITY General Insurance</p> <p>INCORPORATED ON May 13, 1988 COMMENCEMENT OF BUSINESS June 25, 1988 CHAIRMAN Mr. Mostafa Kamal Quddus MANAGING DIRECTOR Mr. P.K. Roy, FCA, FCS TOTAL EQUITY Tk.815.77 million TOTAL ASSETS Tk.1,216.08 million</p> <p>A first generation company</p>	<table border="1" style="width: 100%; border-collapse: collapse; margin-bottom: 10px;"> <thead> <tr> <th style="width: 60%;"></th> <th style="text-align: center;">Claim Paying Ability</th> </tr> </thead> <tbody> <tr> <td>CPA Rating</td> <td style="text-align: center;">AA-</td> </tr> <tr> <td>Outlook</td> <td style="text-align: center;">Stable</td> </tr> <tr> <td>Date of Rating</td> <td style="text-align: center;">July 6, 2011</td> </tr> </tbody> </table> <p>1.0 RATIONALE</p> <p>CRISL has upgraded the Claim Paying Ability (CPA) rating of Rupali Insurance Company Limited (hereinafter referred to as 'RICL') to AA- (pronounced as double A minus) from A+ (pronounced as 'Single A Plus'). The above has been done on the basis of audited financials upto December 31, 2010 and other relevant qualitative and quantitative information up to the date of rating. The above rating has been assigned in consideration of its good fundamentals such as good financial and technical performance, good solvency and liquidity, good renewal business, diversified investment portfolio, experienced management team etc. The above rating is, however, constrained to some extent by noticeable outstanding claims and premium, limited delegation of power, exposed to equity market investment risk, dependence on capital market operation etc. While assigning the rating CRISL also considered RICL's forthcoming Rights share offer which is expected to strengthen and enhance its capital base and availability of fund to diversify its investment portfolio.</p> <p>CPA rating in this category is adjudged to offer very high claims paying ability. Protection factors are strong. Risk is modest but may vary slightly over time due to underwriting and/or economic condition.</p> <p>CRISL also views the company with 'Stable outlook' for its steady business growth and consistent fundamentals and believes that the company will be able to maintain its fundamentals with the same trend in foreseeable future.</p> <p>2.0 CORPORATE PROFILE</p> <p>2.1 The Genesis Rupali Insurance Company Limited, a first generation general insurance company, was incorporated on May 13, 1988 as a public limited company under the Companies Act, 1913 as amended in 1994. The company started the business with the vision "to meet the challenge of national advancement in the years to come". RICL started its commercial operations on June 25, 1988. The company started its business with a paid-up capital of TK.30.0 million against an authorized capital of TK.200.0 million being sponsored by a group of renowned business personalities and reputed industrialists of the country having involvement in diversified business. As on December 31, 2010 total paid up capital of the company stood at Tk.164.54 million. RICL went into initial public offering in 1995 and shares of the company are traded as 'A' category issue with both the bourses of the country. The company has been operating its business with a network of 43 branches in different districts of the country. The company earned gross premium of TK.617.95 million in FY2010 and made an underwriting profit of TK.55.99 million during the same period. Mr. Mostafa Golam Quddus is the Chairman of the Board while management team consists of a group of experienced professionals and Mr. P.K. Roy, FCA, FCS is currently leading the management team as its Managing Director. The Company has been operating its business from its Head Office located at Rupali Bima Bhaban, 7 RAJUK Avenue, Dhaka -1000.</p> <p>2.2 Ownership Pattern Shareholding pattern of RICL is diversified. Shareholding pattern as on May 31, 2011 reveals that total outstanding shares of the company stood at 1.65 million held by 3350 shareholders consisting of 13 sponsors, 143 Institutions & 3194 general investors. Out of the above outstanding shares, 63.74% shares are held by the sponsors, 12.71% shares are held by institutions while rest</p>		Claim Paying Ability	CPA Rating	AA-	Outlook	Stable	Date of Rating	July 6, 2011
	Claim Paying Ability								
CPA Rating	AA-								
Outlook	Stable								
Date of Rating	July 6, 2011								

CREDIT RATING REPORT ON RUPALI INSURANCE COMPANY LIMITED

Diversified shareholding pattern

23.55% shares held by the general public. While analyzing the shareholding pattern of the sponsor shareholders, it has been revealed that Chairman of the Board Mr. Mostafa Golam Quddus is holding the highest 8.33% shares whereas Mr. Mostafa Quamrus Sobhan holds 7.82% shares of the company and Mr. Md. Nizam Uddin holds 5.83% shares of the company.

Increasing market share

2.3 Market Share

The general insurance industry of Bangladesh reported a gross premium of TK.16.05 billion (provisional) in FY2010 and Tk.13.90 billion in FY2009 which was shared by 44 general insurance companies including the state owned Sadharan Bima Corporation (SBC). The gross premium of RICL stood at TK.617.95 million in FY2010 against Tk.502.14 million in FY2009 representing 3.85% market share in 2010 against 3.61% of the previous year. In case of gross premium earning the company registered 23.06% growth in FY2010 while industry growth was 15.47% during the same period.

Wide branch network

2.4 Branch Network

RICL has been presently operating its business with a wide branch network of 43 branches at different parts of the country having concentration in Dhaka. Out of the above 43 branches, 20 branches are in Dhaka division, 9 branches are in Chittagong and Rajshahi division respectively, 4 branches are in Khulna division and 1 branch in Barisahal division. CRISL believes that the above branch network has been found high compared to many first generation companies which might put the company in the comfort zone to enhance business volume if proper marketing strategies are formulated

Moderate growth in the industry

3.0 INSURANCE INDUSTRY

Insurance industry of Bangladesh has a long history of evolution. About a century back, couple of insurance companies started both general and life insurance business during the British regime in India. However, insurance business got the momentum during the East Pakistan regime. In the pre-liberation period, there were as many as 49 privately owned insurance companies underwriting general insurance business along with one central Govt. run-organization, namely, Pakistan Insurance Corporation. After liberation, the insurance industry was nationalized vide Presidential Order No. 95 of 1972. By virtue of nationalization order, 5 Corporations were set up to manage the insurance industry of which four were subsidiary corporation, two each for life and General and an apex body, viz., Jatiya Bima corporation as a controlling corporation. At a later stage, the above five corporations were replaced by two state owned corporations namely, Sadharan Bima Corporation (SBC) for general business and Jiban Bima Corporation (JBC) for life business under a restructuring plan made in 1973 in order to curtail excessive administrative expenses of the aforementioned corporations. Sadharan Bima Corporation (SBC) emerged on 14th May, 1973 under the Insurance Corporation Act (Act No. VI) of 1973 as the only state owned organization to deal with all classes of general insurance & re-insurance business emanated in Bangladesh. Again, in the process of denationalization, the Insurance Corporations Act was amended in 1984 to allow insurance companies to operate in the private sector subject to certain restrictions regarding business operation and reinsurance. Subsequent to that, the Act was further amended for the relaxation of the existing regulation to promote the private sector insurance companies. The Insurance Market in Bangladesh now consists of two state-owned corporations along with forty three private sector general and seventeen life insurance companies. Thus the insurance sector in Bangladesh has grown up substantially and deepened remarkably with number of companies in both life and general segments. With the expansion of size of the insurance market, the volume of assets of the industry has also increased substantially.

The gross premium of private sector general insurance business has been increasing at a standard rate over the years. However, presence of large number of companies in a small market leads to tough market competition and unethical practices which has already created a significant number of sick insurance companies in the industry. Understanding the importance of revitalizing the sector in line with the international norms, the regulatory authority made mandatory credit rating

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in the industry. Under the above directives, all general insurance companies get credit rating report with mandatory surveillance at the end of each year.

Insurance industry of Bangladesh has suffered from undue political interference, fraudulent claims, inadequate risk assessments and limited poor quality private sector participation. In order to reduce risk of insurance business the parliament has enacted two Acts namely Insurance Development and Controlling Regulatory Act, 2010 and Insurance Act, 2010 to replace the age old insurance laws. The Department of Insurance will be abolished by the five-member Insurance Regulatory Authority headed by the Chairman not below the rank of Government Secretary. For further enhancing the solvency position, the paid up capital for general and life insurance companies have been raised to TK. 400 million and TK. 300 million respectively. The number of directors in the company has been fixed to 20 including 2 independent directors and debarred the directors of an insurance company to be a director of a bank simultaneously. The new law also introduced mandatory solvency margin for the insurance companies. Besides, the insurance companies will be required to ensure international accounting standard, separate Islamic insurance from conventional ones and put a limit on commission expenses. The law also allowed foreign investment in general insurance sector. With the promulgation of the Acts, the insurance industry will be under the Ministry of Finance from the Ministry of Commerce. After 10 months of enacting a law in the parliament, the government formed a six-member body to regulate the insurance sector. Mr. Shafeque Ahmed, former Managing Director of Progoti Life Insurance Company Limited will head the Insurance Development and Regulatory Authority. The authority has been formed in line with the section 3, 5 (1) and 6 of the Insurance Development and Regulatory Act-2010. The authority was aimed at proper control and supervision of the insurance sector to protect the interest of insurance policy holders besides strengthening the financial base. Insurers hoped that the law will bring significant changes in the industry.

Introduction of new Act to bring discipline in the industry

4.0 CORPORATE GOVERNANCE

4.1 Board of Directors and its committees

The Board of RICL has been constituted with 20 directors including two independent directors as on May 31, 2011. Five public shareholder directors and two independent directors are inducted into the Board to work along with thirteen sponsor directors. The Board is currently chaired by Mr. Mostafa Golam Quddus, an eminent business person having diversified business exposure. The Board mainly deals with policy matters and strategic aspects of the company and also evaluates operational and business performance of the company and gives directives to the management. The Board held 5 meetings each in 2010 and 2009. The Board has two committees namely Executive Committee (EC) and Audit Committee (AC). The EC consists of five members and is chaired by Mr. Mostafa Golam Quddus and the Committee is responsible to determine policies and implement decisions about all matters relating to Administration, Accounts and Finance of the company. EC held 3 meetings each in 2010 and 2009. RICL has a three members Audit Committee chaired by Mr. Jinnat Ali Mian. AC is responsible to the Board for its observation and overall activities relating to internal audit & external audit reports, statement of financial position, finding out suspected infringement of laws, rules & regulations along with other functions. AC held 4 meetings in 2010 and 3 meetings in 2009.

20 members Board

4.2 Management Team

The management team of RICL is led by Managing Director Mr. P.K. Roy, FCA, FCS. Mr. Roy joined the company as Deputy Managing Director in 1999 and he has long business experience in insurance industry. Conduct of all business operation Mr. Roy is aided by an Additional Managing Director, six Assistant Managing Directors, four Senior General Managers, eleven General Managers, fourteen Deputy General Managers and thirty one Assistant General Managers. The activities of the company are being carried out through nine departments namely Finance & Accounts, Development, Establishment, Internal Audit, Administration, Underwriting, Reinsurance, Claims and Share department. In order to run the company's functions smoothly MD has formulate five management committees namely Recruitment committee, Promotion committee, Vigilance committee, Investment committee and claims settlement committee with different sorts of financial delegation and power. Recruitment committee deals with interview, selection and recommendation for appointment. Promotion committee bears the responsibility of verifying and

Experienced management team

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justifying the performance of the employees for recommendation of promotion. Vigilance committee is entrusted with the responsibility of close monitoring performance of all the branches. Investment committee deals with investment in shares considering situation, probability of profit and risk involvement. Claim Settlement committee is responsible for settling the claims considering the gravity, verifying the facts and justifying the situation in all respects as early as possible.

4.3 IT Infrastructure and MIS

The IT infrastructure of RICL is at initial stage. The company has no separate IT department. Presently, RICL has only 33 computers in use in Head Office and few in branches. RICL is yet to be connected with Local Area Network (LAN) and Wide Area Network (WAN) facilities. The company uses tally software for different MIS requirements. The company is yet to develop integrated software for MIS and other business requirements. Data from the branches are collected through hard copy and incorporated in the head office. The company has the plan to develop insurance software, to appoint computer expert and to connect all the branches under network in future.

Initial stage of IT infrastructure

4.4 Human Resources Management

RICL has been carrying out its business with total staff strength of 535 as on May 31, 2011 while the same was 589 in 2009. The company recruited 64 & 81 employees while promoted 43 & 41 employees in FY2010 and FY2009 respectively. No top level executives left the company during 2010 and 2009 respectively. The company has documented service rules and pay scales approved by the Board. The company provides some long-term benefits to their employees like provident fund, gratuity, group insurance facilities etc. The company has in house training wing and the company is currently developing its human resource base through arranging necessary training program, conducting different motivational program, ensuring sound working environment and continuous job evaluation process. Moreover, newly recruited officials get on-the job training before they are designated for a particular office of responsibility. RICL sent one top level employee for taking training program during 2010.

4.5 Marketing Strategy

RICL has been operating with other 42 general insurance companies (except the state-owned SBC) signifying stiff competition in the market through its traditional product lines. In line with the above, RICL also follows traditional marketing policy to procure business especially in garments, textiles, pharmaceuticals, telecommunication and power generation. The company has marketing department consist of 391 personnel as on May 31, 2011. Out of the above, 358 Permanent and 33 contractual employees. Marketing related functions of the company are being carried out by marketing executives & officers under the direct supervision of Mr. Md. Hafizur Rahman who is a Sr. General Manager of the company. RICL earned 1.80% of its gross premium from in-house business (business support from the directors) in 2010 while it was 1.73% in 2009. RICL earned around 4.48% of its gross premium from the government business in 2010 against 4.53% in 2009. Out of total private business (excluding marine cargo) TK.372.00 million the company earned 40% new business against 60% from renewal business in terms of gross premium in 2010. While analyzing the business composition, it has been revealed that 28.48% gross premium of the company was earned in 2010 from the top twenty clients.

Good renewal business

5.0 BUSINESS PROFILE

5.1 Business Mix

RICL carries out all types General Insurance business as per the Insurance Act. The company underwrote total sum insured of Tk.216.51 billion in 2010 against TK.131.00 billion in 2009. The above underwriting risk was constituted of TK.128.07 billion (TK.57.23 billion in 2009) in fire business, TK.47.73 billion (TK.57.46 billion in 2009) in marine business, TK.13.31 billion (TK.10.59 billion in 2009) in motor business and TK.27.40 billion (TK.5.7 billion in 2009) in

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miscellaneous business category. The income mix against the above underwriting risk of the business classes revealed that marine business contributed the highest 35.34% of total gross premium, followed by 33.96% from fire, 25.06% from motor and 5.64% from miscellaneous business category during 2010. While analyzing the zonal breakdown of policies, it was found that the business portfolio is highly concentrated towards capital city Dhaka like other industry having 87.15% sum insured during 2010. After Dhaka zone, the company has considerable exposure in Chittagong zone of 7.02% sum insured while other zone has exposure with 5.83% total sum insured.

Diversified business mix

5.2 Reinsurance

In accordance with the present rule, 50% of the re-insurable general insurance business shall be reinsured with Sadharan Bima Corporation (SBC) and the remaining to be reinsured either with the corporation or any other insurer inside or outside Bangladesh. RICL, in line with the existing regulation, has 100% reinsurance arrangement with Sadharan Bima Corporation. The Re-insurance Department of the company is headed by Mr. Md. Shafiqul Alam who has been serving the RICL as Assistant General Manager and has experience in re-insurance. RICL has surplus treaty and facultative arrangement for all class of business except motor business, for which the company has excess of loss treaty. In addition to the above, fire business of the company is protected by CAT XL treaty with SBC. RICL underwrote total risk of Tk.216.51 billion during 2010 against which reinsurance coverage of TK.88.96 billion representing 41.09% gross reinsurance coverage.

100% re-insurance arrangement with SBC

5.3 Claim Settlement

An insurance company, as per law is supposed to settle a claim within 90 days from the date of receipt of full documents; however, no explicit idea of 'full document' is given in law which gives rise to mystification between the insurer and insured. RICL has prescribed claim settlement procedure which starts with receiving a letter from the client. Subsequent to the letter, RICL appoints a government licensed surveyor for the assessment of loss if the claim amount is above TK.5000. On receipt of required documents from the clients and the survey report from the surveyor, the documents and the survey report are scrutinized and placed before the authority for approval of the claim. The claim department is headed by Mr. A. Z. M. Sadeque, who has been serving the company as Senior General Manager having wide experience in claim settlement. The MD is empowered to approve the claim upto TK.2.0 lac for all business claims. Any claims beyond the above limits are placed to claim committee which can approve claim up to Tk.2.5 million and after the above limit file are placed to Board. As on May 31, 2011 total outstanding claims of RICL stood at Tk.68.45 million of which RICL's portion was Tk.36.02 million and reinsurance coverage was Tk.32.43 million. The above outstanding claim was constituted of 46.34% fire, 26.95% motor, 22.74% Marine, and rest 3.97% misc. business. Total top 20 claims stood at TK.56.50 million of which retained loss of the company was Tk.24.50 million and reinsurance recovery was Tk.32.00 million. RICL paid claims for TK.18.75 million in fire policy, for TK.48.40 million in marine policy and TK.54.61 million in motor policy and Tk.2.53 million in misc. business policy during 2010. RICL settled significant number of big claims (claim worth more than TK.5 lac) amounting to Tk.41.56 million during 2010; of which reinsurance recovery and RICL portion was 64.68% and 35.32% respectively. Out of the above claim, the company settled Tk.30.24 million against fire policy, Tk.4.36 million against marine, Tk.1.04 million in motor and Tk.5.91 million against misc. policies during 2010.

Limited delegation of power

5.4 Underwriting Quality and Expertise

Overall underwriting quality as well as underwriting performance (measured in terms of underwriting profit) of RICL is good. Underwriting profit of RICL increased to TK.55.99 million in FY2010 against TK.52.10 million in FY2009 due to increase of net premium earnings. Like all other general insurance company in Bangladesh EICL also follows Central Rating Committee manual

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named as Bangladesh Fire Tariff and Bangladesh Motor tariff whereas for marine, the company follows Institute of Cargo Clause (ICC) manual. The underwriting department of RICL is functioning moderately to undertake any risk under the leadership of long professional expertise. The overall underwriting activities are being carried out under the direct supervision of Mr. Md. Alamgir who is serving the company as Additional Managing Director (AMD) having 44 years experience in insurance industry. RICL has underwriting department comprises of 1 Deputy General Manager, 1 Assistant General Manager, 6 Managers and 7 Officers. The company made underwrite of Tk.216.51 billion risk in 2010. RICL underwrote 33 high valued risk (TK. more than one billion) assignments during 2010. Out of them, top three high valued risks were TK.30 billion against Grameen Phone and TK.1.0 billion against Bangla Link.

5.5 Sectoral Business Review

RICL, as mentioned earlier, carries out all types of general insurance business. While analyzing the performance in terms of business class, CRISL reviews the following areas:

5.5.1 Fire Business

Underwriting performance of fire business (measured in terms of underwriting profit) increased in 2010 compared to previous year. Fire business of RICL reported an underwriting profit of TK.8.51 million during 2010 against TK.8.35 million in 2009. Increase of underwriting profit has mainly been contributed by substantial increase of gross premium earning. The company underwrote total risk of Tk.128.07 billion in fire business against reinsurance coverage of Tk.57.63 billion representing 45.00% coverage during 2010. The gross premium of fire business increased to TK.209.85 million in 2010 from TK.179.60 million in 2009 registering 16.84% growth over previous year. Net premium of the segment increased to stand at TK.94.87 million in 2010 from TK.79.53 million in 2009. The retention ratio of the company is increased to 45.21% in 2010 from 44.28% in 2009 which flourished the basic earning power of the company. Claim ratio in this segment decreased to 17.75% in 2010 from 21.1% in 2009 due to decrease of claim expense during 2010. Management expenses to gross premium ratio of the company decreased 15.52% in 2010 against 16.02% in 2009 while agency commission to gross premium ratio of the company is increased to 24.66% in 2010 against 24.65% in 2009. Expense ratio of the company is increased to 70.08% in 2010 from 66.30% in 2009.

TK.8.51 million underwriting profit in fire business

5.5.2 Marine Business

Underwriting performance of marine business was found good among the other business segments in terms of underwriting profit in 2009. Underwriting profit of the company increased to Tk.29.21 million in 2010 compared to Tk.25.86 million in 2009. Increase in underwriting profit in this segment was due to substantial increase of net premium earnings. The total sum insured in this business segment during 2010 was Tk.47.73 billion while it was Tk.57.46 billion in 2009 against reinsurance coverage of Tk.16.84 billion in 2010 indicating 29.31% re-insurance coverage. The gross premium earning from this segment increased to TK.218.36 million in 2010 from TK.177.28 million in 2009 representing 23.17% increase from the previous year; while net premium is increased to TK.150.95 million in 2010 from TK.112.21 million in 2009. Retention ratio of the company is increased to 69.13% in 2010 from 63.29% in 2009. Claim ratio in the segment decreased to 29.8% in 2010 from 31.37% in 2009 due to comparative increase of adjusted net premium against net claim expenses. Management expenses to gross premium ratio of the company decreased 15.30% in 2010 against 15.79% in 2009 while agency commission to gross premium ratio of the company is increased to 19.00% in 2010 against 18.86% in 2009. Expense ratio of the company is decreased to 44.11% in 2010 from 48.16% in 2009 due to comparative increase in adjusted net premium.

TK.29.21 million underwriting profit in marine business

5.5.3 Motor Business

The overall underwriting performance of motor business has been found good. The company made an underwriting profit of TK.17.5 million in 2010 against TK.20.24 million in 2009. Despite the increase of gross premium earnings underwriting profit in this segment decreased due to comparative higher increase of net claim, agency commission and management expenses. The total sum insured in the segment increased to TK.13.31 billion during 2010 while it was TK.10.59 billion in 2009. The gross premium earning from this segment increased to Tk.154.89 million in 2010 from TK.125.64 million in 2009. Net premium earnings in this segment also increased to Tk.152.51 million in 2010 from TK.123.5 million in 2009. Retention ratio is slightly increased to 98.46% in 2010 from 98.3% in 2009. Claim ratio in the segment is slightly increased to 39.92%

TK.17.5 million underwriting profit in motor business

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in 2010 from 39.07% in 2009 due to comparative increase of net claims paid against adjusted net premium. Management expenses to gross premium ratio of the company decreased 15.76% in 2010 against 16.36% in 2009 while agency commission to gross premium ratio of the company is increased to 24.86% in 2010 against 24.82% in 2009. Expense ratio of the company is slightly decreased to 41.08% in 2010 from 41.69% in 2009 due to comparative increase in adjusted net premium.

5.5.4 Miscellaneous Business

The underwriting performance of RICL in miscellaneous business is improving as the company has come out from underwriting losses. RICL achieved an underwriting profit of Tk.0.76 million in 2010 against loss Tk.2.35 million in 2009. Underwriting profit in this segment was caused by mainly increase of net premium earnings and decrease of net claims paid. The total sum insured in the segment increased to TK.27.40 billion during 2010 from TK.5.71 billion during 2009. The gross premium earning from this segment increased to Tk.34.85 million in 2010 from TK.19.63 million in 2009. Net premium earnings in this segment also increased to Tk.12.90 million in 2010 from Tk.7.23 million in 2009. Retention ratio in miscellaneous business is slightly increased to 37.01% in 2010 from 36.84% in 2009. Claim ratio significantly decreased to 18.96% in 2010 from 78.18% due to decrease of net claim paid. Management expenses to gross premium ratio of the company decreased 15.41% in 2010 against 15.89% in 2009 while agency commission to gross premium ratio of the company is increased to 14.00% in 2010 against 12.84% in 2009. Expense ratio of the company is slightly increased to 62.66% in 2010 from 62.34% in 2009 due to comparative increase in agency commission against adjusted net premium.

TK.0.76 million underwriting profit in miscellaneous business

5.6 Retention Capacity

Retention limit of private sector general insurance companies are revised from time to time depending on the financial strength, underwriting expertise etc. As per latest treaty (for the period April 1, 2011 to March 31, 2012), retention limit of RICL has been fixed at Tk.7 million in fire business, TK.4.00 million in marine (cargo), TK.2.00 million in marine (hull), Tk.1.00 million for engineering and Tk.1.0 million for miscellaneous business category. Moreover, fire business is being protected by CAT XL treaty where retained loss of the company is TK.3.0 million while maximum amount of Tk.7.0 million in excess of the above is protected by SBC. The company can underwrite a policy with sum insured beyond the treaty limit under facultative arrangement. However, RICL has no treaty arrangement for motor business.

Good retention capacity

5.7 Investment Portfolio

RICL's investment portfolio has increased to TK.461.57 million in 2010 against TK.308.25 million in 2009 registering 49.74% growth. Out of the above investment Tk.311.51 million are (TK.208.91 million in 2009) in FDR followed by Tk.93.09 million (TK.62.76 million in 2009) in STD and Current Accounts, Tk.52.47 million (Tk.32.08 million in 2009) has been invested in shares and TK.4.50 million in National Investment Bond. RICL does not have any documented investment guideline or policy approved by board. However, RICL has an investment committee which is coordinated by Mr. A. A. Nasir Uddin Ahmed, General Manager (F&A). The committee is responsible for investing in shares by considering situation, probability of profit and risk. The company has considerable investment in capital market with a trading intent. As capital market is highly volatile and market prices of securities fluctuate very frequently, RICL is exposed to equity risk. To avoid such risk RICL not yet made any investment fluctuation fund. Total unrealized loss arisen from stock market investment stood at Tk.5.50 million as on June 26, 2011. However, the company reported profit of TK.74.22 million from sale of shares during 2010. The company maintained FDR with 49 banks & FI's and earned interest of Tk.17.83 million in 2010 compared to Tk.20.64 million in 2009. Income earned from STD and Bond was Tk.1.52 million while income earned from dividend was TK.0.70 million in 2010.

Diversified investment portfolio

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6.0 RISK MANAGEMENT

6.1 Industry Risk

Too many insurance companies in a small market pose significant risk for all the companies. The parliament has already passed two bills namely Insurance Development and Controlling Authority Bill, 2010 and Insurance Bill, 2010 to replace the age old insurance laws which are likely to bring significant changes in the regulation of the industry and thus will raise the risk of merger or acquisition. For further enhancing the solvency position, the paid up capital for general and life insurance companies have been raised to TK.400 million and TK.300 million respectively. Moreover, mandatory credit rating for the insurance companies creates a positive vibration in the industry as the institutional insured ask for good credit rating to safeguard their interest. The same will confront the underperforming (non investment grade) insurance companies to retain their market share.

6.2 Business Risk Management

RICL adopted underwriting guideline to mitigate the business risk. In case of policy underwriting, the company enquires all required information before issuing any policy. In some case, the company used to send expertise to the spot to enquire and verify the case. In case of big policies, RICL inspect the case by the approved govt. surveyors before underwriting the policies to the insured. Moreover, underwriting professionals at branch level are given specific instruction and guidelines time to time from Head Office regarding underwriting of different types of policies. Without approval of the underwriting department of head office, branches are not allowed to underwrite policies against any inflammable item. Risks involved with policies are assessed by 3 experienced underwriting executives of Head office and respective branch for different types of policies involving specific limit of sum insured. Among the different class of businesses, RICL underwrote more in fire business during 2010 which is 59.15% of total sum insured followed by marine business (22.05%), miscellaneous (12.66%) and motor (6.14%). Besides, the zonal concentration of the company remained same in Dhaka region indicating significant business risk.

6.3 Internal Control Risk Management

Internal control is the process of ensuring transparency and accountability which can enhance the operating efficiency in the organization. Internal control risk arises from non compliance of rules and regulation of an organization which keeps an impact on business performance. RICL has separate Audit Department besides the Board Audit Committee to ensure proper internal control of the company. Audit department is composed of five members and is headed by Mr. Md. Gias Uddin who has been serving as General Manager to look into the insight of branches and Head Office with the main purpose of looking at the compliance issues as per the provisions of the Insurance Act and submit the report to Managing Director. Audit & Inspection department verify all business records procured by the branch and examines all documents, registers, books maintained by the branches. All expenses related to business developments, collections and deposits are also checked by the Audit & inspection department. During the year 2010, the audit department conducted audits of 23 branches.

6.4 Catastrophic Risk Management

Bangladesh is vulnerable to natural disaster which exposes catastrophic risk for RICL. The company has CAT excess of loss treaty with SBC to protect the risk in fire business where it can recover loss upto TK.3.0 million in excess of TK.7.0 million for fire business. However, RICL did not encounter any catastrophic loss in 2010.

6.5 Financial Risk

The applicable income tax rate for insurance companies has presently been fixed at 42.50% on the taxable net profit. The management expenses beyond the allowable limit are not recognized as taxable expense while calculating the tax liabilities as per existing NBR Circular. In three subsequent accounting years 2008, 2009 and 2010 the company kept provision for income tax of TK.21.5 million, TK.22.0 million and Tk.18.2 million respectively. Assessment of the accounting year 2008 was made and RICL paid TK.17.42 million as tax liability. However, an appeal has been

High industry risk

23 branches audited

No catastrophic loss during 2010

Exposed to financial risk

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lodged to the Appellate Tribunal in this connection. Assessment of the accounting year 2009 & 2010 is yet to be finalized.

7.0 PERFORMANCE

7.1 Financial Performance

The overall financial performance of the company has been found good and improving. Improvement of RICL's financial performance was largely contributed by company's earnings from investment in stock market. Moreover, underwriting profit also contributed towards improvement of performance indicators of the company. The company's underwriting profit slightly increased to Tk.55.99 million in 2010 from Tk.52.1 million in 2009 while its pre-tax profit increased to Tk.139.79 million in 2010 from Tk.63.31 million in 2009 registering of 120.80% increase. CRISL is of the opinion that such abnormal jump in profit (mainly boosted by capital gain from stock market operation) is not likely to sustain in the long run due to volatile situation in country's capital as well as in money market. Consolidated gross premium earnings of the company increased to TK.617.95 million in 2010 against TK.502.14 million in 2009 registering an increase of 23.06%. Net premium earning also increased to TK.411.23 million in 2010 from TK.322.47 million in 2009. Both gross and net underwriting margin declined due to comparatively less underwriting income compared to adjusted net premium growth. Gross underwriting margin decreased to 48.07% in 2010 from 49.05% in 2009 while net underwriting margin also fell to 12.18% in 2010 from 14.04% in 2009 mainly due to increase of adjusted net premium. However, pre-tax operating margin increased to 30.4% in 2010 from 17.06% in 2009 due to significant increase in pre-tax profit. Consequently, Return on Average Asset (ROAA) increased to 12.32% in 2010 from 7.59% in 2009 due to comparative increase of pre tax profit than average asset. Return on Average Equity (ROAE) increased to 15.8% in 2010 from 7.89% in 2009. While Return on average investment (ROAI) substantially increased to 24.48% in 2010 from 7.97% in 2009 due to profit from sale of shares of Tk.74.22 million in 2010.

Good financial performance

7.2 Technical analysis

The overall technical performance (measured by retention ratio, expense ratio and claim ratio) of the company has been found good as it registered slight improvement during 2010 compared to previous year. The retention ratio of the company increased to 66.55% in 2010 from 64.22% in 2009. Expense ratio of the company slightly improved to 50.56% in 2010 from 51.74% in 2009 due to comparative increase of adjusted net premium. Claim ratio of the company reduced to 29.63% in 2010 from 32.06% in 2009 due to comparative increase of net premium earnings against claim paid in 2010. Total management expenses (respective business classes and other non related business) stood at TK.250.79 million in 2010 against the allowable limit of Tk.246.10 million indicating 1.90% higher than allowable limit. The same was 3.37% higher in year 2009. The outstanding premium of the company stood at TK.55.19 million in 2010 against Tk.45.10 million in 2009 indicating the company need improvement in the premium collection.

Good technical performance

8.0 BALANCE SHEET STRENGTH

8.1 Solvency Analysis

As per revised Insurance Act 2010, the paid up capital is re-fixed at Tk.400 million as minimum capital requirement for all general insurance companies, whereas paid up capital of the company stood at Tk.164.54 million as on June 25, 2011. However, paid-up capital of the company is expected to increase as RICL has recently proposed 1: 1 Rights share at an issue price of Tk.20 per share (including premium of Tk.10 per share). Total equity base of the company rose to TK.815.77 million in 2010 from Tk.723.81 million in 2009 registering 12.70% growth. The equity consists of 20.17% paid-up capital, 27.20% reserve for exceptional losses, 4.90% dividend equalization reserve, 1.84% share premium, 5.09% retained earnings while remaining 40.80% as reserve for revaluation of land and building. While analyzing overall solvency position of the company it was found good in terms of relative measurement as maximum solvency indicators

Good solvency position

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improved during 2010. External liabilities to equity ratio increased to 0.23 times in 2010 from 0.22 times in 2009 due to increase in equity. Unexpired risk reserve to net claim ratio increased to 1.21 times in 2010 from 1.09 times in 2009 due to comparative increase of risk reserve during the period. However, net worth to total assets of the company decreased to 67.08% in 2010 from 68.75% in 2009 due to comparative increase in total assets. Internal capital generation ratio of RICL increased to 17.07% in 2010 from 9.65% in 2009. Again, exceptional loss reserve to net premium increased to 9.73% in 2010 from 4.03% in 2009. Technical reserve ratio of RICL increased to 34.90% in 2010 from 33.59% in 2009 due to comparatively higher increase of gross premium earning. The underwriting leverage of the company decreased to 40.47% in 2010 from 47.50 % in 2009 indicating decreased back up of fund against risk underwritten.

8.2 Liquidity and Funding

The overall liquidity position of the company was found good. The Liquid assets to insurance fund ratio slightly increased to 2.94 times in 2010 against 2.5 times in 2009. The above increase was due to comparative increase of liquid assets against balance of insurance fund. Liquid assets to total assets are increased to 39.94% in 2010 against 30.87% in 2009. Current ratio of the company increased to 1.59 times in 2010 from 1.43 times in 2009 due to increase in current asset. Liquid assets to net claim ratio increased to 3.56 times in 2010 from 2.73 times in 2009 due to increase of liquid assets. Again, liquid asset to total current liability ratio increased to 1.21 times in 2010 from 0.99 times in 2009.

Good liquidity

9.0 OBSERVATION SUMMARY

<p>Rating Comfort:</p> <ul style="list-style-type: none"> • Good financial performance • Good technical performance • Good solvency position • Good liquidity position • Good renewal business • Wide branch network • Diversified investment portfolio • Experienced top management 	<p>Rating Concerns:</p> <ul style="list-style-type: none"> • Noticeable outstanding claims • Substantial outstanding premium • Negligible underwriting profit in fire business • Profitability largely depends on capital market operation • Limited delegation of power • Exposed to financial risk • Exposed to capital market investment risk • Initial stage of IT infrastructure
<p>Business Prospects:</p> <ul style="list-style-type: none"> • Product diversification • New investments and economic growth creating new business opportunities • Deregulation may increase the business of private sector companies 	<p>Business Challenges:</p> <ul style="list-style-type: none"> • Too many companies in small market • Emergence of new companies • Compliance with new Act

CREDIT RATING REPORT ON RUPALI INSURANCE COMPANY LIMITED

10.0 PROSPECT

The business prospects of the general insurance companies particularly depend on smooth and sound operation of trade and commerce which is positively correlated with the stable macroeconomic fundamentals of the country. The global financial crisis and economic slowdown was in 2009 was improving at the end of year 2010. In Bangladesh, financial crisis and economic slowdown was not take effect due to efficient handling in macro and micro level of economy and maintained steady growth almost in all parameters of our economy. Macro economic performance of the country has negatively been affected in the last fiscal due to internal and external shocks such as price hike of many imported commodities in international market. During FY2010, global economic recovery proceeded broadly as expected on two track pace, with generally high robust output growth in emerging and developing economies and lower, rather jittery growth in many of the mature developed western economies beset by lingering financial sector weakness impending lending (particularly to small business) and job creation, slow demand recovery in households deliberating debt burdens. This was compounded further by concerns of markets about high public debt levels of some of then western developed economies. Successive issues of IMF's World Economic Outlook (WEO) have reiterated the near term forecast of two track recovery, but with heightening caveats about downside risk. In spite of the global economic meltdown during the last few years, the economy of Bangladesh continues to demonstrate considerable resilience during FY2010. Amidst the risk of export earnings and remittance inflows, the economic growth demonstrated satisfactory performance buoyed by domestic demand. According to the revised estimates of Bangladesh Bureau of Statistics real GDP grew by 5.8 percent in FY2010, 0.1 percentage point higher than 5.7 percent growth recorded in FY2009. Measured at current market prices, the GDP of Bangladesh in FY2010 stood at Tk.6923.8 billion representing a nominal growth of 12.6 percent in FY 2010 which is same as the growth rate recorded in FY 2009. In FY2010 the country's per capita GDP increased by about 4.5 percent in real terms and about 11.2 percent in nominal terms. Despite of slow signs of recovery of global financial markets and institutions, effects of the global slowdown are widely viewed as likely FY2010 i.e. throughout the whole of FY2010, affecting the growth momentum in our export, manufacturing and investment activities. Finally, recent changes in insurance industry (Insurance Development & Regulatory Act 2010 and Insurance Act 2010) are likely to bring positive changes in the insurance sector to make it vibrant and operationally sound. Based on the overall global, macroeconomic and industry outlook, insurance industry is presumed to encounter tough time for which all the market players including RICL should take cautious plans to adopt itself with the local and global changes. To keep away from unhealthy competition, RICL has emphasized to run new & innovative policy.

END OF THE REPORT

(Information used herein is obtained from sources believed to be accurate and reliable. However, CRISL does not guarantee the accuracy, adequacy or completeness of any information and is not responsible for any errors or omissions or for the results obtained from the use of such information. Rating is an opinion on credit quality only and is not a recommendation to buy or sell any securities. All rights of this report are reserved by CRISL. Contents may be used by news media and researchers with due acknowledgement)

[We have examined, prepared, finalized and issued this report without compromising with the matters of any conflict of interest. We have also complied with all the requirements, policy procedures of the SEC rules as prescribed by the Securities and Exchange Commission.]

CREDIT RATING REPORT ON RUPALI INSURANCE COMPANY LIMITED

11.0 CORPORATE INFORMATION

Date of Incorporation: May 13, 1988

Date of Commencement of Business: June 25, 1988

Board of Directors:

Name of the Directors	Designation
Mr. Mostafa Golam Quddus	Chairman
Mr. Md. Shamsul Huda	Director
Mr. Mujibur Rahman	Director
Mr. Md. Nazim Uddin	Director
Mr. Md. Ali Ahmed	Director
Mr. Md. Younus	Director
Mr. K. M. Farookh	Director
Mr. Md. Mizanur Rahman	Director
Mr. Abu Hena	Director
Mr. Kazi Maniruzzaman	Director
Mr. Jinnat Ali Mian	Director
Ms. Runa Haider	Director
Ms. Fazlutun Nessa	Director
Mr. Mostafa Quamrus Sobhan	Director
Mr. Mostafa Golam Amran	Director
Mr. Mostafa Golam Sarwar	Director
Mr. Aftab Ahmed	Director
Mr. Md. Sirajul Huq	Director
Mr. Shaon Ahmed	Director
Ms. Fauzia Quamrun Tania	Director

Key Management:

Name of the Directors	Designation
Mr. Mostafa Golam Quddus	Chairman
Mr. Md. Shamsul Huda	Director
Mr. Mujibur Rahman	Director
Mr. Md. Nazim Uddin	Director
Mr. Md. Ali Ahmed	Director
Mr. Md. Younus	Director
Mr. K. M. Farookh	Director
Mr. Md. Mizanur Rahman	Director
Mr. Abu Hena	Director
Mr. Kazi Maniruzzaman	Director
Mr. Jinnat Ali Mian	Director
Ms. Runa Haider	Director
Ms. Fazlutun Nessa	Director
Mr. Mostafa Quamrus Sobhan	Director
Mr. Mostafa Golam Amran	Director
Mr. Mostafa Golam Sarwar	Director
Mr. Aftab Ahmed	Director
Mr. Md. Sirajul Huq	Director
Mr. Shaon Ahmed	Director
Ms. Fauzia Quamrun Tania	Director

CREDIT RATING REPORT ON RUPALI INSURANCE COMPANY LIMITED

12.0 Financials:

12.1 Balance Sheet as on December 31

12.2

(Figures in million Tk.)

Particulars	FY2010	FY2009	FY2008
Assets			
Cash in Hand	17.85	10.62	8.48
Cash with Banks	404.6	271.68	248.58
Stamps in Hand	0.57	0.45	0.00
Amount Due from other person/bodies carrying insurance business	35.42	29.08	8.87
Adv., Deposit & Pre Pmt. (Sundry Debtors)	59.57	70.22	82.63
Outstanding Premium	55.19	45.1	37.51
Outstanding Int./Dividend/Rent	10.23	10.67	9.48
Investment in Securities (ST)	52.97	32.09	25.07
Other Current Assets	0.00	0.00	85.11
Investment in Securities(LT)	4.50	4.50	4.50
Fixed Assets	448.76	473.73	104.39
Stock of Stationary	0.55	0.51	0.78
Other Assets	125.87	104.23	0.00
Total Assets	1216.08	1052.87	615.49
Paid Up Capital	164.54	137.12	114.26
Reserve for Exceptional Loss	221.87	181.87	168.87
Dividend Equalization Reserve	40.00	0.00	0.00
Share Premium	15.00	15.00	15.00
Other Reserve	332.8	360.44	0.00
Retained Earning	41.55	29.38	24.93
Shareholders' Equity	815.77	723.81	323.06
Fire Insurance Fund	37.95	31.81	26.28
Marine Insurance Fund	60.89	45.80	45.55
Motor Insurance Fund	61.00	49.40	0.00
Miscellaneous Insurance Fund	5.16	2.89	50.04
Estimated Liability of Outstanding Claims	50.69	38.74	31.51
Premium Deposit	10.00	11.64	9.25
Amount Due to other person/bodies carrying insurance business	25.66	25.01	30.68
Sundry Creditors	148.96	123.75	99.11
Total Liability and Shareholders' Equity	1216.08	1052.87	615.49

CREDIT RATING REPORT ON RUPALI INSURANCE COMPANY LIMITED

12.2 Profit & Loss Accounts for the year ended on December 31

(Figures in million Tk.)

Particulars	FY2010	FY2009	FY2008
Net Underwriting P/L	55.99	52.1	43.42
Interest on FDR & STD	19.01	22.18	18.83
P/L from Sale of Shares	74.22	0.84	0.17
Interest on PSP & Bonds	0.34	0.34	0.46
Dividend Income	0.71	0.01	0.01
Other Income	7.93	4.21	4.41
Total Income	158.21	79.69	67.3
Management Expenses (P/L A/c)	8.58	7.20	5.21
Depreciation Expenses	9.84	9.18	8.52
Total Management Expenses	18.42	16.38	13.73
Profit before Tax	139.79	63.31	53.57

12.3 Consolidated Revenue Accounts for the year ended on December 31

(Figures in million Tk.)

Particulars	FY2010	FY2009	FY2008
Gross Premium	617.95	502.14	455.3
Re-insurance Premium	206.71	179.67	152.61
Net Premium	411.23	322.47	302.68
Commission on Re-Insurance ceded & others	48.53	48.61	31.49
Adjusted Net Premium	459.77	371.08	334.17
Opening Balance	129.91	121.88	108.13
Total	589.68	492.96	442.31
Net Claims Paid	136.24	118.96	94.22
Agency Commission paid	136.61	111.42	99.37
Commission on Re-Insurance paid	0.08	0.10	0.21
Expenses of Management	95.76	80.47	83.21
Unexpired Risk Reserve	165.00	129.91	121.88
Profit Transferred to P/L A/C	55.99	52.1	43.42

**CREDIT RATING REPORT
ON
RUPALI INSURANCE COMPANY LIMITED**

**CRISL RATING SCALES AND DEFINITIONS
INSURANCE CLAIM PAYING ABILITY RATING**

RATING	DEFINITION
AAA Triple A	Highest claims paying ability. Risk factors are negligible and almost risk free.
AA+, AA, AA- Double A	Very high claims paying ability. Protection factors are strong. Risk is modest but may vary slightly over time due to underwriting and/or economic condition.
A+, A, A- Single A	High claims paying ability. Protection factors are good and there is an expectation of variability in risk over time due to economic and/or underwriting conditions.
BBB+, BBB, BBB- Triple B	Good claims paying ability. Protection factors are good. Changes in underwriting and/or economic conditions are likely to have impact on capacity to meet policyholder obligations than insurers in higher rated categories.
BB+, BB, BB- Double B	Average claim paying ability. Protection factors are average. The companies are deemed likely to meet these obligations when due. But changes in underwriting and/or economic conditions are more likely to weaken the capacity to meet policyholder obligations than insurers in higher rated categories.
B+, B, B- Single B	Inadequate Claim paying ability. Protection factors are weak. Changes in underwriting and/or economic conditions are very likely to further weaken the capacity to meet policyholder obligations than insurers in higher rated categories.
CCC	Uncertain claims paying ability. The companies may not meet these obligations when due. Protection factors are very weak and vary widely with changes in economic and/or underwriting conditions.
CC	Poor claims paying ability. Adverse underwriting or economic conditions would lead to lack of ability on part of insurer to meet policyholder obligations.
C	Very high risk that policyholders obligations will not be paid when due. Present factors cause claim paying ability to be vulnerable to default or very likely to be default. Timely payment of policyholder obligations possible only if favorable economic and underwriting conditions emerge.
D	Insurance companies rated in this category are adjudged to be currently in default.



রূপালী ইন্স্যুরেন্স কোম্পানী লিমিটেড
Rupali Insurance Company Limited
7, Rajuk Avenue, Dhaka-1000, Bangladesh. Tell # 88-02-9565625/6, 88-02-9567238.

Folio/BO Account No :
Name :
Address :

Letter of Offer for Rights Issue

Dear Shareholder(s),

We are pleased to inform you that the Board of Directors at its Board meeting held on November 8, 2010, recommended to issue Rights Shares in the ratio of 1:1 i.e., 1(one) rights share for 1 (one) existing share held which was approved by the Shareholders in the Extra Ordinary General Meeting held on December 22, 2010. As a registered Shareholder of ordinary shares as on the record date you are entitled to exercise your rights for ordinary share of Tk.10.00 each at an issue price of Tk.20.00 each including a premium of Tk.10.00 per share.

If you wish to accept the above Rights Share in full or in part, you are required to submit completed Application Form-A annexed hereto with necessary payments.

You may, however, renounce your rights in respect of all or part of your entitlement in favor of others in which case the Renunciation Form-B and Form-C annexed here to be submitted duly filled in by you and the renouncee(s) along with necessary payments.

The rights cannot be exercised for fraction of a share i.e. below full unit of share.

All the payments for accepted shares are to be made in cash or by P.O/DD/Cheque @ Tk.20.00 each including a premium of Tk.10.00 per share and to be deposited with any of the branches of Bankers to the Issue during Banking hours from **15.03.2012 to 10.04.2012** (both days inclusive). Any extension of time will be notified through national dailies. Payments through P.O/DD/Cheque payable to **"Rupali Insurance Company Limited"** and must be drawn on a Bank in the same town where the Branch of Bankers to the Issue in which the application form has been submitted is situated. It is to be noted that all transaction above TK.1 (One) lac must be affected through demand draft/ crossed cheque/pay orders.

The offer will be deemed to have been declined if completed Application Form-A and/or Renunciation Form-B and Form-C with necessary payments have not been received by **10.04.2012** or by such later date as may be notified through national dailies to that effect.

A self-explanatory Rights Share Offer Documents is attached for your kind information and evaluation.

By order of the Board

Sd/-
Mr. P.K. ROY, FCA
Managing Director

Application Form-A



রূপালী ইন্স্যুরেন্স কোম্পানী লিমিটেড
Rupali Insurance Company Limited

7, Rajuk Avenue, Dhaka-1000, Bangladesh. Tell # 88-02-9565625/6, 88-02-9567238.

Rights Offer of 19,744,812 Ordinary Shares of Tk.10.00 each at an issue price of Tk.20.00 each including a premium of Tk.10.00 per share offered to the Shareholders whose name appeared in the share register at the close of business on 20. 12. 2011.

Last Date of Acceptance and Application: 10.04.2012

FORM OF ACCEPTANCE AND APPLICATION FOR SHARES

The Managing Director
Rupali Insurance Company Limited
RUPALI BIMA BHABAN 7, RAJUK AVENUE, MOTIJHEEL C/A, DHAKA-1000, BANGLADESH

Dated:/...../2012

Dear Sir,

I/We apply for allotment of ordinary shares indicated below in response to your letter of Rights Offer and Subject to the Memorandum and Articles of Association of the Company. I/We hereby agree to accept the shares as may be allotted to me/us on the terms laid down in the letter of offer and enclose the necessary remittance @Tk.20.00 each including a premium of Tk.10.00 per share in cash or by Draft/Pay order/Cheque no..... dated..... drawn on..... Bank Branch.

Table with 5 columns: Folio/BO Account No., No. of Shares held at the close of business on 20. 12. 2011, No. of Shares offered, No. of Shares Accepted, Total Amount Paid

Yours faithfully,
1. Name (in block)..... Signature
Address:.....

2. Name (in block).....Signature
Address:.....

BO Account No.

Grid for BO Account No.

As per provision of the Depository Act, 1999 and regulations made there under, rights share shall only be issued in dematerialized condition. An applicant must apply for allotment of rights shares mentioning his/her Beneficiary Owner (BO) Account number in the application form.

Note: Signature must be the same as was furnished to the Company earlier.

ACKNOWLEDGEMENT RECEIPT OF SHARE MONEY

Received Tk.....(Taka.....)only from Mr./Ms.....Folio/BO Account No..... for.....no.(s) of Rights Share of RUPALI INSURANCE COMPANY LIMITED in Cash/Draft/Pay Order/Cheque no..... dated..... of BankBranch.

Application Sl. No.

(Bank's Seal)

Signature of Receiving Office

Date:

Renunciation Form-B



রূপালী ইস্যুরেন্স কোম্পানী লিমিটেড
Rupali Insurance Company Limited

7, Rajuk Avenue, Dhaka-1000, Bangladesh. Tell # 88-02-9565625/6, 88-02-9567238.

Rights Offer of 19,744,812 Ordinary Shares of Tk.10.00 each at an issue price of Tk.20.00 each including a premium of Tk.10.00 per share offered to the Shareholders whose name appeared in the share register at the close of business on 20. 12. 2011.

Last Date of Acceptance and Application: 10.04.2012

FORM OF RENUNCIATION

The Managing Director
Rupali Insurance Company Limited
RUPALI BIMA BHABAN 7, RAJUK AVENUE, MOTIJHEEL C/A, DHAKA-1000, BANGLADESH

Dated:/...../2012

Dear Sir,

I/We hereby renounce my/our rights to the shares offered to me/us as noted below in favor of person(s) accepting the same and signing in Application by Renouncee(s) and apply for allotment in his/her/their name(s).

Folio/BO Account No.	No. of Shares held at the close of business on 20.12.2011	No. of Shares offered	No. of Shares renounced

Yours faithfully,

- 1. Name (in block)Signature.....
Address:
- 2. Name (in block)Signature.....
Address:.....

Name(s) of Renouncee (s)

BO A/C No.

- 1. Name.....

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- 2. Name.....

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N.B. use photocopy in case of renouncement favoring more than 2 (two) persons

As per provision of the Depository Act, 1999 and regulations made thereunder, rights share shall only be issued in dematerialized condition. An applicant must apply for allotment of rights shares mentioning his/her Beneficiary Owner (BO) Account number in the application form.

Note: Signature must be the same as was furnished to the Company earlier



রূপালী ইস্যুরেন্স কোম্পানী লিমিটেড
Rupali Insurance Company Limited
 7, Rajuk Avenue, Dhaka-1000, Bangladesh. Tell # 88-02-9565625/6, 88-02-9567238.

APPLICATION BY RENOUNCEE(S)

The Managing Director

Dated:/...../2012

RUPALI INSURANCE COMPANY LIMITED

RUPALI BIMA BHABAN 7, RAJUK AVENUE, MOTIJHEEL C/A, DHAKA-1000, BANGLADESH.

Dear Sir,

As the shareholder(s) at pre-page has/have renounced his/her/their rights to the shares offered, in my/our favor, I/We do hereby apply for the number of share noted above as renounced, by making payment of Tk. being the value ofShares @ Tk. 20.00 each including a premium of Tk. 10.00 per share.

Yours faithfully,

1. Signature

2. Signature

Name (in block).....

Name (in block).....

S/O. D/O. W/O.

S/O. D/O. W/O.

Address:.....

Address:.....

BO No.

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BO No.

--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--

N.B. use photocopy in case of renouncement favoring more than 2 (two) persons

Signature of the Renouncer (s) 1. 2.

As per provision of the Depository Act, 1999 and regulations made thereunder, rights share shall only be issued in dematerialized condition. An applicant must apply for allotment of rights shares mentioning his/her Beneficiary Owner (BO) Account number in the application form.

Note: Folio No. is to be mentioned only in case of existing shareholder(s)

ACKNOWLEDGEMENT RECEIPT OF SHARE MONEY

Received Tk.(Taka.....)only From
 Mr./Ms..... Folio/BO Account No..... for.....no. of
 Rights Share of RUPALI INSURANCE COMPANY LIMITED in Cash/Draft/Pay Order/Cheque
 No.....dated..... of BankBranch.

Application Sl. No.

(Bank's Seal)

Signature of Receiving Officer

Date: