



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

PROSPECTUS

FOR
PUBLIC OFFERING OF 450,000 ORDINARY SHARES OF **RUPALI LIFE INSURANCE COMPANY LIMITED**
TK. 100.00 EACH (AT PAR) **TOTALING TK. 45,000,000.00**

OPENING DATE FOR SUBSCRIPTION: 03.05.2009
CLOSING DATE FOR SUBSCRIPTION: 07.05.2009
FOR NON-RESIDENT BANGLADESHI (NRBs) QUOTA SUBSCRIPTION CLOSING ON: 16.05.2009

MANAGER TO THE ISSUE



LANKABANGLA FINANCE LIMITED

Safura Tower (Level 11)
20, Kemal Ataturk Avenue, Banani, Dhaka- 1213

UNDERWRITERS

LankaBangla Finance Limited	: Safura Tower (level-11), 20, Kemal Ataturk Avenue, Dhaka
Uttara Finance & Investments Ltd.	: Jiban Bima Tower (6 th floor) 10 Dilkusha C/A, Dhaka-1000

Credit Rating Report by CRISL

Rating Surveillance: BBB & Outlook: Stable

Issue Date of the Prospectus: 30.03.2009

The Issue shall be placed in "N" Category

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



RUPALI LIFE INSURANCE COMPANY LIMITED

Head Office: Rupali Bima Bhaban (9th floor),
7, Rajuk Avenue, Motijheel C/A, Dhaka-1000
Tel 9571355, 9566541, 9566527



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AVAILABILITY OF PROSPECTUS

Prospectus of the Rupali Life Insurance Company Limited may be obtained from the Issuer Company, the Manager to the Issue, the Underwriters and the Stock Exchanges as follows:

Name and Address	Contact person	Tel. No.
Rupali Life Insurance Company Limited Rupali Bima Bhaban (9 th floor), 7, Rajuk Avenue, Motijheel C/A, Dhaka-1000	Mr. Biswajit Kumar Mondal MBA, FIAT Asstt. Managing Director (F&A) & Company Secretary	9571355 9566541 9566527 7120081
The Issue Manager:		
LankaBangla Finance Limited Safura Tower (Level 11) 20, Kemal Ataturk Avenue, Banani, Dhaka- 1213	Mafizuddin Sarker Managing Director	9883701-10 9561238
The Underwriters:		
LankaBangla Finance Limited Safura Tower (level-11), 20, Kemal Ataturk Avenue, Dhaka-1213	M. Shakil Islam Bhuiyan Asst. Vice President Merchant Banking Division, Motijheel	9561238
Uttara Finance & Investments Ltd. Jiban Bima Tower (6th floor) 10 Dilkusha C/A, Dhaka-1000	Md. Kamrul Islam In-charge Merchant Banking Unit	9568207 (Hunting)
The Stock Exchanges:		
Dhaka Stock Exchange Ltd. 9/F Motijheel C/A, Dhaka-1000.	DSE Library	7175705-9
Chaittagong Stock Exchange Ltd. CSE Building, 1080, Sheikh Mujib Road, Chittagong-4100.	CSE Library	031-714632-3, 031-720871-3

Prospectus is also available on the web site www.rupalilifebd.com, www.secbd.org., www.lankabangla.com, www.dsebd.org, www.csebd.com and Public Reference room of the Securities and Exchange Commission (SEC) for reading and study.

CORPORATE DIRECTORY

Registered Office	RUPALI LIFE INSURANCE COMPANY LIMITED Rupali Bima Bhaban (9th floor), 7, Rajuk Avenue, Motijheel C/A, Dhaka-1000
Auditor	B ALAM & CO Chartered Accountants 78/E, Purana Paltan Line (2nd Floor) Bijoynagar, Dhgaka-1000 Tel: 9335627, 9358712
Legal Advisor	Mr. Abu Sayeed Sagor 1/1 Rajar Dewry,Room no-10 Kotwali Dhaka-1100. Tel: 7163418
Tax Consultant	Mr. M. Moniruzzaman Khandakar Khandakar & Associates 73, Kakrail, Dhaka-1000 Tel: 8319917
Issue Manager	LankaBangla Finance Limited Safura Tower (level-11), 20, Kemal Ataturk Avenue, Dhaka Tel: 956123, 9563701-10, Fax: 9561107
Company Secretary	Mr. Biswajit Kumar Mondal MBA, FIAT
Compliance Officer	Mr. Prantosh Chandra Saha Asstt. Company Secretary



ABBREVIATED WORDS AND TECHNICAL TERMS USED IN PROSPECTUS

IPO	:	Initial Public Offering
Commission	:	Securities and Exchange Commission
SEC	:	Securities and Exchange Commission
RLICL	:	Rupali Life Insurance Company Limited
The Company / Issuer	:	Rupali Life Insurance Company Limited
Issue	:	Public Issue
DSE	:	Dhaka Stock Exchange Limited
CSE	:	Chittagong Stock Exchange Limited
RJSC	:	Registrar of Joint Stock Companies and Firms
Stockholder	:	Shareholders
NBR	:	National Board of Revenue
CIB	:	Credit Information Bureau
NRB	:	Non Resident Bangladeshi
Allotment	:	Letter of Allotment of Shares
FC Account	:	Foreign Currency Account
STD Account	:	Short Term Deposit Account
Securities	:	Shares of Rupali Life Insurance Company Limited
Market of the Securities	:	Share Market
Offering Price	:	Price of the securities of Rupali Life Insurance Company Limited
Subscription	:	Application Money
CDBL	:	Central Depository Bangladesh Limited
NAV	:	Net Asset Value
EPS	:	Earning Per Shares
Sponsors	:	The Sponsor Shareholders of Rupali Life Insurance Company Limited
Rules	:	Securities and Exchange Commission (Public Issue) Rules, 2006
Depository Act	:	Depository Act, 1999
Ordinance	:	Securities and exchange Ordinance, 1969
Companies Act	:	Companies Act, 1994 (Act. No. XVIII of 1994)
Corporate Office	:	Head office of the Company
Registered Office	:	Rupali Bima Bhaban (9th floor), 7, Rajuk Avenue, Motijheel C/A, Dhaka-1000
BO A/C	:	Beneficiary Owner Account or Depository Account



DISCLOSURE IN RESPECT OF ISSUANCE OF SECURITY IN DEMAT FORM

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

CONDITION UNDER SECTION 2CC OF THE SECURITIES AND EXCHANGE ORDINANCE, 1969

PART-A

1. The company shall go for Initial Public Offer (IPO) for 4,50,000 ordinary shares of Tk.100.00 each at par worth Tk. 4,50,00,000 (Taka Four crore fifty lac) only following the Securities and Exchange Commission (Public Issue) Rules, 2006, the Depository Act, 1999 and regulations made there under.
2. The abridged version of the prospectus, as approved by the Commission, shall be published by the issuer in four national daily newspapers (in two Bangla and two English), within 03 (three) working days of issuance of this letter. The issuer shall post the full prospectus vetted by the Securities and Exchange Commission in the issuer's website and shall also put on the web sites of the Commission, stock exchanges, and the issue manager within 03 (three) working days from the date of issuance of this letter which shall remain posted till the closure of the subscription list. The issuer shall submit to SEC, the stock exchanges and the issue manager a diskette containing the text of the vetted Prospectus in "MS-Word" format.
3. Sufficient copies of prospectus shall be made available by the issuer so that any person requesting a copy may receive one. A notice shall be placed on the front of the application form distributed in connection with the offering, informing that interested persons are entitled to a prospectus, if they so desire, and that copies of prospectus may be obtained from the issuer and the issue manager. The subscription application shall indicate in bold type that no sale of securities shall be made, nor shall any money be taken from any person, in connection with such sale until twenty five days after the prospectus has been published.
4. The company shall submit 40 (forty) copies of the printed prospectus to the Securities and Exchange Commission for official record within **5 (Five)** working days from the date of publication of the abridged version of the prospectus in the newspaper.
5. The issuer company and the issue manager shall ensure transmission of the prospectus, abridged version of the prospectus and relevant application forms for NRBs through e-mail, simultaneously with publication of the abridged version of the prospectus, to the Bangladesh Embassies and Missions abroad and shall also ensure sending of the printed copies of abridged version of the prospectus and application forms to the said Embassies and Missions within five working days of the publication date by express mail service (EMS) of the postal department. A compliance report shall be submitted in this respect to the SEC jointly by the issuer and the issue manger within two working days from the date of said dispatch of the prospectus & the forms.
6. The paper clipping of the published abridged version of the prospectus, as mentioned at **condition 2 above**, shall be submitted to the Commission within 24 hours of the publication thereof.
7. The company shall maintain separate bank account(s) for collecting proceeds of the Initial Public Offering and shall also open FC account(s) to deposit the application money of the Non- Resident Bangladeshis (NRBs) for IPO purpose, and shall incorporate full particulars of said FC account(s) in the prospectus. The company shall open the abovementioned accounts for IPO purpose; and close these accounts after refund of over-subscription. Non-Resident Bangladeshi (NRB) means Bangladeshi citizens staying abroad including all those who have dual citizenship (provided they have a valid Bangladeshi passport) or those, whose foreign passport bear a stamp from the concerned Bangladesh Embassy to the effect that no visa is required to travel to Bangladesh.
8. The issuer company shall apply to all the stock exchanges in Bangladesh for listing within **07(seven) working days** from the date of issuance of this letter and shall simultaneously submit the vetted prospectus with all exhibits, as submitted to SEC, to the stock exchanges.
9. The following declaration shall be made by the company in the prospectus, namely:-



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

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

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

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

10. The subscription list shall be opened and the sale of securities commenced **after 25 (twenty five)** days of the publication of the abridged version of the prospectus and shall remain open for **5 (Five) consecutive banking days**.
11. A non-resident Bangladeshi shall apply either directly by enclosing a foreign demand draft drawn on a bank payable at Dhaka, or through a nominee by paying out of foreign currency deposit account maintained in Bangladesh or in Taka, supported by foreign currency encashment certificate issued by the concerned bank, for the value of securities applied for through crossed bank cheque marking “Account Payee only”. The NRB applicants shall send applications to the issuer company within the closing date of the subscription so as to reach the same to the company by the closing date plus nine days. Applications received by the company after the above time period will not be considered for allotment purpose.
12. The company shall apply the spot buying rate (TT clean) in US Dollar, UK Pound Sterling and Euro of Sonali Bank, which shall be mentioned in the Prospectus, as prevailed on the date of opening of the subscription for the purpose of application of the NRBs and other non-Bangladeshi persons, where applicable.
13. The company and the issue manager shall ensure prompt collection/clearance of the foreign remittances of NRBs and other non-Bangladeshis, if applicable, for allotment of shares.
14. Upon completion of the period of subscription for securities the issuer and the issue manager shall jointly provide the Commission and the stock exchanges with the preliminary status of the subscription within 05 (five) working days, in respect of the following matters, namely: -
 - (a) Total number of securities for which subscription has been received;
 - (b) Amount received from the subscription; and
 - (c) Amount of commission paid to the banker to the issue.
15. The issuer and the issue manager shall jointly provide the Commission and the stock exchanges the list of valid and invalid applicants in 2 (two) CDs and final status of subscription to the Commission within 3 (three) weeks after the closure of the subscription along with bank statement (original), branch-wise subscription statement. The list of valid and invalid applicants shall be finalized after examination with the CDBL in respect of BO accounts and particulars thereof.
16. The IPO shall stand cancelled and application money shall be refunded immediately (but not later than **5(five) weeks** from the date of the subscription closure) if any of the following events occur:
 - (a) Upon closing of the subscription list it is found that the total number of valid applications (in case of under subscription including the number of the underwriter) is less than the minimum requirement as specified in the listing regulations of the stock exchange(s) concerned; or
 - (b) At least 50% of the IPO is not subscribed.
17. 10% of total public offering shall be reserved for non-resident Bangladeshi (NRB) and 10% for mutual funds and collective investment schemes registered with the Commission, and the remaining 80% shall be open for subscription by the general public. In case of under-subscription under any of the 10% categories mentioned above, the unsubscribed portion shall be added to the general public category and, if after such addition, there is over subscription in the general public category, the issuer and the issue manager shall jointly conduct an open lottery of all the applicants added together.
18. All the applicants shall first be treated as applied for one minimum market lot of **50 shares worth Tk.5,000/-**. If, on this basis, there is over subscription, then lottery shall be held amongst the applicants allocating one identification number for each application, irrespective of the application money. In case of over-subscription under any of the categories mentioned hereinabove, the issuer and the issue manager shall jointly conduct an open lottery of all the applications



received under each category separately in presence of representatives from the issuer, the stock exchanges and the applicants, if there be any.

19. **An applicant cannot submit more than two applications, one in his/her own name and another jointly with another person. In case an applicant makes more than two applications, all applications will be treated as invalid and will not be considered for allotment purpose. In addition, whole or part of application money may be forfeited by the Commission.**
20. Lottery (if applicable) shall be held within **4(four) weeks** from closure of the subscription date.
21. The company shall issue share allotment letters to all successful applicants within **5(five) weeks** from the date of the subscription closing date. Within the same time, refund to the unsuccessful applicants shall be made in the currency in which the value of securities was paid for by the applicants without any interest through Account Payee Cheque/ refund warrants with bank account number, bank's name and Branch as indicated in the securities application forms payable at Dhaka/ Chittagong/ Khulna/ Rajshahi/ Barisal/ Sylhet/ Bogra, as the case may be, subject to condition 19 above.
Refund money of the unsuccessful applicants shall be credited directly to their respective bank accounts within 5(five) weeks from the date of the subscription closing, who have mentioned in the IPO application forms, bank account numbers with the bankers to the issue and other banks as disclosed in the prospectus. A compliance report in this regard shall be submitted to the Commission within **6(six) weeks** from the date of closure of subscription.
22. The company shall furnish the List of Allotees to the Commission and the stock exchange(s) simultaneously in which the shares will be listed, within **24 (twenty four) hours** of allotment.
23. In the event of under-subscription of the public offering, the unsubscribed portion of securities shall be taken up by the underwriter(s) (subject to para -16 above). The issuer must notify the underwriter to take up the underwritten shares within **10 (ten) days** of the subscription closing date on full payment of the share money within **15(fifteen) days** of the issuer's notice. The underwriter shall not share any underwriting fee with the issue manager, other underwriters, issuer or the sponsor group.
24. All issued shares of the issuer at the time of according this consent shall be subject to a **lock- in of three years** from the date of issuance of prospectus or commercial operation, whichever comes later;
Provided that the persons, other than directors and those who hold 5% or more shares, who have subscribed to the shares of the company within immediately preceding two years of according consent, shall be subject to a **lock-in of one year** from the date of issuance of prospectus or commercial operation, whichever comes later.
25. **In respect of shares of Sponsors/Directors/Promoters (if in paper format) shall be handed over to security custodian bank registered with SEC and shall remain till completion of lock in and the name and branch of the bank shall be furnished to the Commission jointly by the issuer and the issue manager, along with a confirmation thereof from the custodian bank, within one week of listing of the shares with the stock exchange(s). Or they (shares of Sponsors/Directors/Promoters) can be demated and will remain in lock-in under CDBL system and issuer will submit a dematerialization confirmation report generated by CDBL and attested by the managing director of the company along with lock-in confirmation to SEC within one week of listing of the shares with the stock exchange(s).In respect of shares other than Sponsors/Directors/Promoters the issuer will ensure their lock-in of those shares and submit a statement to this effect to SEC.**
26. The company shall apply to the stock exchanges for listing within **7(seven) working days** of issuance of this letter and shall simultaneously submit to the Commission attested copies of the application filed with the stock exchanges.
27. The company shall not declare any benefit other than cash dividend based on the financial statements for the period ended on June 30, 2008.

Part –B

1. The issue manager (i.e. LankaBangla Finance Limited) shall ensure that the abridged version of the prospectus and the full prospectus is published correctly and in strict conformity without any error/omission, as vetted by the Securities and Exchange Commission.
2. The issue manager shall carefully examine and compare the published abridged version of prospectus on the date of publication with the copy vetted by SEC. If any discrepancy/ inconsistency is found, both the issuer and the issue manager shall jointly publish a corrigendum immediately in the same newspapers concerned, simultaneously endorsing copies thereof to SEC and the stock exchange(s) concerned, correcting the discrepancy/inconsistency as required under 'Due Diligence Certificates' provided with SEC.



3. Both the issuer company and the issue manager shall, immediately after publication of the prospectus and its abridged version, jointly inform the Commission in writing that the published prospectus and its abridged version are verbatim copies of the same as vetted by the Commission.
4. The fund collected through IPO shall not be utilized prior to listing with stock exchange and that utilization of the said fund shall be effected through banking channel, i.e. through account payee cheque, pay order or bank drafts etc.
5. The company shall furnish report to the Commission on utilization of IPO proceeds **within 15 days** of the closing of each quarter until such fund is fully utilized, as mentioned in the schedule contained in the prospectus, and in the event of any irregularity or inconsistency, the Commission may employ or engage any person, at issuer's cost, to examine whether the issuer has utilized the proceeds for the purpose disclosed in the prospectus.
6. All transactions, excluding petty cash expenses, shall be effected through the company's bank account(s).
7. Proceeds of the IPO shall not be used for any purpose other than those specified in the prospectus. Any deviation in this respect must have prior approval of the shareholders in the General Meeting under intimation to SEC and stock exchange(s).

PART-C

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

PART-D

1. As per provision of the Depository Act, 1999 and regulations made there under, shares will only be issued in dematerialized condition. All transfer/ transmission/ splitting will take place in the Central Depository Bangladesh Ltd. (CDBL) system and any further issuance of shares (including rights/bonus) will be made in dematerialized form only. An applicant (including NRB) shall not be able to apply for allotment of shares without beneficial owner account (BO account).
2. The issue manager shall also ensure due compliance of all above.



GENERAL INFORMATION

LankaBangla Finance Limited has prepared this prospectus from information supplied by **Rupali Life Insurance Company Ltd. (the company)** and also several discussions with Chairman, Managing Director, Directors and concerned executives of the Company which is publicly available. The Board of Directors of Rupali Life Insurance Co. Ltd. hereby confirm that to the best of their knowledge and belief, the information contained herein is true and correct in all material respects and that there are no other material facts, the omission of which, would make any statement herein misleading.

No person is authorized to give any information or to make any representation not contained in this Prospectus and if given or made, any such information or representation must not be relied upon as having been authorized by the Company or the Issue Manager.

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

A copy of this prospectus may be obtained from the Head Office of Rupali Life Insurance Co. Ltd., LankaBangla Finance Ltd. the underwriters and the Stock Exchanges where the securities will be traded.



DECLARATIONS AND DUE DILIGENCE CERTIFICATES

Declaration about the Responsibility of the Directors, including the CEO of the Issuer Company in respect of the Prospectus

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

We also confirm that full and fair disclosure has been made in this prospectus to enable the investors to make a well informed decision for investment.

Sd/- Mahfuzur Rahman Chairman	Sd/- Abdul Matin Alternate Director of Mr. Abdul Azim	Sd/- Sazia Sultana Sony Director
Sd/- Abdullah Jamil Matin Director	Sd/- Ben Afroz Director	Sd/- Md. Monirul Hasan Khan Director
Sd/- Mahmuda Mahfuz Director	Sd/- Md. Alomgir Director	Sd/- Md. Helal Uddin Director
Sd/- Kamrunnessa Jharna Director	Sd/- Md. Zillur Rahman Director	Sd/- Mohammed Amirul Islam Director
Sd/- Engr. Dewan Nuruzzaman Director	Sd/- Pankaj Kumar Sarker Director	Sd/- Noor Mohammed Bhuiyan Managing Director

Consent of Director (S) To Serve As Director

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

Sd/- Mahfuzur Rahman Chairman	Sd/- Abdul Matin Alternate Director of Mr. Abdul Azim	Sd/- Sazia Sultana Sony Director
Sd/- Abdullah Jamil Matin Director	Sd/- Ben Afroz Director	Sd/- Md. Monirul Hasan Khan Director
Sd/- Mahmuda Mahfuz Director	Sd/- Md. Alomgir Director	Sd/- Md. Helal Uddin Director
Sd/- Kamrunnessa Jharna Director	Sd/- Md. Zillur Rahman Director	Sd/- Mohammed Amirul Islam Director
Sd/- Engr. Dewan Nuruzzaman Director	Sd/- Pankaj Kumar Sarker Director	Sd/- Noor Mohammed Bhuiyan Managing Director



Due Diligence Certificate of Manager to The Issue

Sub: Public offer of 450,000 Ordinary Shares of Tk. 100 each of Rupali Life Insurance Company Limited.

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

1. We, while finalizing the draft prospectus pertaining to the said issue, have examined various documents and other materials as relevant for adequate disclosures to the investors; and
2. On the basis of such examination and the discussions with the issuer company, it's directors and officers, and other agencies; independent verification of the statements concerning objects of the issue and the contents of the documents and other materials furnished by the issuer company;-

WE CONFIRM THAT:

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

For Manager to the Issue

Sd/-
Mafizuddin Sarker
Managing Director
LankaBangla Finance Limited

October 22, 2008

Due Diligence Certificate of The Underwriter (S)

Sub: Public offer of 450,000 Ordinary Shares of Tk. 100 each of Rupali Life Insurance Company Limited.

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

1. We, while underwriting the abovementioned issue on a firm commitment basis, have examined the draft prospectus, other documents and materials as relevant to our underwriting decision; and
2. On the basis of such examination and the discussions with the issuer company, it's directors and officers, and other agencies; independent verification of the statements concerning objects of the issue and the contents of the documents and other materials furnished by the issuer company;-

WE CONFIRM THAT:

- a) all information as are relevant to our underwriting decisions have been received by us and the draft prospectus forwarded to the Commission has been approved by us;
- b) we shall subscribe and take up the un-subscription securities against the above-mentioned public issue within 15 (fifteen) days of calling up thereof by the issuer; and
- c) this underwriting commitment is unequivocal and irrevocable.

For Underwriters

Sd/-
Managing Director

LankaBangla Finance Limited
Uttara Finance & Investments Ltd.



Declaration by the Issuer about the approval from SEC for any Material Changes

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

For Rupali Life Insurance Company Ltd.

Sd/-

Noor Mohammed Bhuiyan

Managing Director

October 22, 2008

Declaration by the Issue Managers about the approval from SEC for any Material Changes

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

For Manager to the Issue

Sd/-

Mafizuddin Sarker

Managing Director

LankaBangla Finance Limited

October 22, 2008

Declaration about filling of Prospectus with the Registrar of Joint Stock Companies and Firms

A dated and signed copy of this Prospectus has been filed for registration with the Registrar of Joint Stock Companies and Firms, Bangladesh, as required under section 138(1) of the companies Act, 1994.



RISK FACTORS AND MANAGEMENT'S PERCEPTION ABOUT THE RISKS

Investors should be aware of the risk factors for the investment in the capital of the company and the management perception about the risks. These risks may result in loss of the capital investment. The following are the external and internal risk factors and the management's perception thereon: -

Sl.	External and internal risk factors	Management perception about the risks
(a)	General investment risks: Investors should keep in mind that there is a difference between equity securities and debt securities. As a residual owner, the claim of an equity shareholder comes last and in an extreme situation he/she may lose his/her entire investment.	The management does aware about the equity shareholders position of getting their respective claims and believes that this kind of extreme situation would not arise.
(b)	Interest rate risks: Changes in interest rates may negatively affect its financial results in case of interest rate increase by lenders and also interest decrease on deposits by RLICL.	The company has so far, not had to depend on debt financing. The management of RLICL will reduce these negligible risks by investing the fund in land and building according to Insurance Act, 1938 and Insurance Rules, 1958.
(c)	Exchange rate risks: The change in currency exchange rates may influence the result of operations, in case of the companies who are involved in foreign currency transaction.	Rupali Life Insurance Company Ltd. does not have any foreign currency transaction. Therefore no such risk would arise.
(d)	Industry risks: Liberalization of permission to set up more insurance companies by government may result in severe competition amongst insurers reducing premium income and profitability.	Though liberalization of insurance policy by government may be encouraging to new entrants resulting tough competition, Rupali Life Insurance Co. Ltd. does not apprehend any loss of business due to its competent management team for quality services and expanding trend of insurance business in the country. The Company has already proved its leading role by its attractive earning performance.
(e)	Technology related risks: Although life insurance business is a relatively low tech industry, any sophisticated integrated software by other competitors may give them competitive edge on RLICL as far as MIS and quality service is concerned.	RLICL is continuously upgrading its technological levels and making it comparable to that of the other competitors in line with the insurance business.
(f)	Potential or existing government regulations: Government policy change in respect of imposing new tax, VAT, stamp duty and limitation of investment may also affect smooth functioning of life insurance business.	Like all democratically elected governments, the government of Bangladesh also holds commitment for freedom from economic emancipation of the nation, which can be achieved through maintaining sustainable industrial growth. The government, which is the owner of Jiban Bima Corporation is not expected to change policies relating to insurance requirements, affecting the income of the insurance companies.
(g)	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.	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.
(h)	Operational risks: The company may face poor financial conditions due to failure in future expansion of business or inefficient management capability.	From the inception, the Company has a good reputation in the insurance business and progressing smoothly. The management of the Company has also proven its efficiency, which is clear from the previous positive track record of the Company's financial statements.
(i)	Political risk: Political and social condition may affect the smooth functioning as well as drastic fall to the value of its investments.	The management has been very selective in its investment decisions that have already produced positive results. It feels government will not create any situation leading to abrupt losses of investments, especially when industrial output is showing signs of growth.
(j)	Natural risks The coverage of natural calamities like cyclone, flood and tremors by insurance may severely weaken the financial strength of the company by accruing heavy claims on account of loss of huge human life.	Risk is an important consideration for premium calculation of any insurance policy. 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 risk.



(K)	As per the latest valuation report as at 31 st December, 2007 the surplus was not adequate for allocation of bonus to policy holders or dividend to shareholders.	Valuation were made based on the financial statement on December 2007 and at that time RLICL just come to surplus but that was not adequate for allocation of bonus; however RLICL has good business track and profitability trend and Management anticipating that RLICL would be able to achieve adequate surplus for allocation of bonus to policy holders or dividend to shareholders from years ahead.
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CAPITAL STRUCTURE

The capital structure of Rupali Life Insurance Company Limited before and after IPO will be as under:

(Amount in Taka)

1	Capital structure prior to IPO	
	Issued, subscribed and paid up capital	30,000,000
2	IPO	
	a) Initial Public Offer (Non Resident Bangladeshi)	4,500,000
	b) Initial Public Offer (Mutual Fund)	4,500,000
	c) Initial Public Offer (General Public)	36,000,000
	Total IPO	45,000,000
	Total capital after IPO	75,000,000

USE OF PROCEEDS

Net proceeding of the offerings

The Company offers its shares to the public as required by the Insurance Act 1938 and Insurance Rules 1958. The proceeds of the present issue of 450,000 shares of Tk. 100.00 at par totaling Tk. 45,000,000.00 will strengthen the capital base of the company and would be utilized in business expansion of the company. The fund through public issue will be used for investment.

DESCRIPTION OF BUSINESS

Corporate Status

- (a) The Company was incorporated on 28th December 1999 under the Companies Act 1994 as a public company limited by shares for carrying out life insurance business and was granted Certificate of Commencement of business on 28th December 1999. The Company obtained the Certificate of Registration from the Chief Controller of Insurance, Insurance department on 29th December 1999 with the authorized capital of Tk 100,000,000 (Ten Crore) consisting of 1,000,000 ordinary shares of Tk 100 each. The sponsors/subscribers have already contributed to the paid up capital of Tk 30,000,000 (Three Crore) as required by the Insurance Act, 1938 and Rules 1958. In fulfillment of the conditions of the license issued by the Chief Controller of Insurance, now the Company proposes to raise the paid up capital to Tk 75,000,000 (Seven Crore Fifty Lac) only by issuing 450,000 ordinary shares of Tk 100 each to the general public. The company is engaged in life insurance business and has no subsidiary.
- (b) The information in respect of its business operation: Since its establishment on 28th December 1999 as one of the leading life insurance companies in the private sector, the company has within a short span of time established itself as one of the most reputed and trustworthy life insurance companies in the country. Selective customer service, underwriting of liabilities and prompt settlement of claims have contributed towards building up a very respectable image of the company within the business community.

(1) Principal product /services

- Individual Life
- Islami Bima (Takaful)
- Samajik Bima (Micro Insurance)
- Rupali DPS (Micro Insurance)
- Takaful DPS (Micro Insurance)
- Rupali Khudra Bima Takaful (Micro Insurance)
- Shariah Deposit Pension Scheme (Micro Insurance)
- Al-Amanat Bima



(2) Relative contribution to sales and income of each product or service that accounts for more than 10% of the company’s total revenues

(As per Audited Accounts-Amount in Tk.)

Particulars	30-06-08	%	31-12-07	%	31-12-06	%	31-12-05	%	31-12-04	%
First year Premium	152,306,758	43.38	337,134,002	47.06	271,250,659	49.00	195,736,045	54.15	131,603,307	53.90
Renewal Premium	198,789,021	56.62	379,090,741	52.92	282,196,756	50.98	164,841,596	45.69	112,158,127	45.94
Group Insurance Premium	-	-	135,916	0.02	109,181	0.02	192,156	0.06	365,414	0.15
Total	351,095,779	100	716,360,659	100	553,556,596	100	360,769,797	100	244,126,848	100

(3) Associated, subsidiary/related holding company

Rupali Life Insurance Co. Limited does not have any associates, subsidiary/related holding company.

(4) Distribution of products/services

The Company operates its business through Dhaka head office and distributes its service through agencies and organizational offices throughout the country.

(5) Competitive condition in the business

The competitive environment in the insurance industry in Bangladesh is quite complex. There are 16 private, 1 nationalized and 1 foreign life insurance companies, having extensive branch networks, holding huge premium deposit and enjoying certain prerogatives. There are the first generation private sector insurance company having comparative large branch networks, reasonable access to technology and market. Therefore, competition is increasing day by day. Although there is much competition in the insurance sector the Rupali Life Insurance Company Ltd. has earned a notable position in this market through its performance, reliabilities, efficient management, experience and acceptance by its clients.

(6) Sources and availability of raw materials

The Company, being a service provider, operates on the basis of professional expertise relevant to insurance industry. Its’ product is a service and its’ raw materials are human resources. The company has been providing the services by experienced professionals recruited from the existing insurance industry operators. The company has also initiated training programs for training fresh graduates for development of its growing need of human resources.

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

The Company does not require such utilities except the ordinary use of the normal office functions.

(8) Customers providing 10% or more revenues

The company has no customer who purchases 10% or more of the company’s products/services.

(9) Contract with principal suppliers/customers

There is no specific contract with any concern excepting normal business contracts with borrowers / customers under the provisions of the Insurance Act 1938 and Insurance Rules 1958.

(10) Material patents, trademarks, licenses or royalty agreements

The Company has not entered into any such Agreements.

(11) Total number of employees

Total number of Employees as on 30.06.2008 is 1,114 persons. All employees are full-time.



DESCRIPTION OF PROPERTY

- (a) The company, provider of life insurance business operates its Head Office at Dhaka and service cells all over the Bangladesh on rented premises. However, the company owns the following operating assets (except land) at written down located at Head Office, zonal offices and service cells.

Description of land

(As per Audited Accounts 30-06-2008 -Amount in Tk.)				
SL. No.	Description	Value	Quantity	Location
1	Property at Swandip Khatian no. BS 1403, Dag no. 10, 144 and 10, 145	2,076,552	10 Decimals	Swandip, Chittagong
2	Plot at Khulna Development Authority Khatian no. 56/1, Dag no. 29, Plot no.18, Batiaghata, Khulna.	6,525,000	05 Kathas	Khulna Development Authority, Khulna

Until 31st December 2007 the lands at Hirajheel Property Development Ltd.(Basumoti Abashik Prakalpa) Plot no. – 17,18,43 & 44 and East West Property Development (Pvt.) Ltd.(Basundhara Group) Plot no. – 1029, Block – I was accounted for as land purchased and shown as fixed assets. But as the said land has not yet been registered in the name of the Company the whole amount during the period under audit has been transferred and shown under the head 'Advance for purchase of Land' at note 13.4 of Audited Financial Statements of the Company.

Subsequent to the date of signing the accounts for the period ended on 30 June, 2008 the Company purchased 9.12 decimals of land with a three stored old building in Dhaka Metropolitan area amounting to Tk. 85,771,360.

Value of Assets

(As per Audited Accounts-Amount in Tk.)		
SL. No.	Description	30-06-2008
1	Land	8,601,552
2	Furniture & Fixtures	19,451,212
3	Sign Board	294,054
4	Motor Vehicles	51,479,859
5	Computer	2,834,044
6	Air Cooler	1,112,792
7	Office Equipment	188,377
8	Photocopy Machine	195,567
9	Electric Equipment	894,675
10	Multimedia Projector	96,200
Total:		85,148,332

- (b) The insurance company itself owns the above entire fixed assets and there is no lease.
- (c) There is no mortgage or other types of lien on the property.
- (d) In respect of land auditor has provided a calculation which may be seen in Additional Disclosure part of the Prospectus.

PLAN OF OPERATION AND DISCUSSION OF FINANCIAL CONDITION

The issuer's financial position, result of operation for each of last 3 years may be seen in "Auditor's Report Under Section 135 (1) of Para 24(1) of Part II of Third Schedule of The Companies Act, 1994", part of the Prospectus.

(1) Internal and external source of cash

(As per Audited Accounts-Amount in Tk.)					
Internal Source of Cash	30-06-08	31-12-07	31-12-06	31-12-05	31-12-04
Share Capital	30,000,000	30,000,000	30,000,000	30,000,000	30,000,000
Balance of Fund & Accounts	829,014,494	744,915,622	460,708,692	279,224,938	178,949,015
Total	859,014,494	774,915,622	490,708,692	309,224,938	208,949,015
External source of cash					
Premium Deposit	-	-	106,978	440,697	1,808,933
Grand Total	859,014,494	774,915,622	490,815,670	309,665,635	210,757,948



(2) Material commitments for capital expenditure

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

(3) Causes for any material changes from period to period

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

(a) Income: (As per Audited Accounts-Amount in Tk.)

PARTICULARS	30-06-08	31-12-07	31-12-06	31-12-05	31-12-04
First Year Premium	152,306,758	337,134,002	271,250,659	195,736,045	131,603,307
Renewal Premium	198,789,021	379,090,741	282,196,756	164,841,596	112,158,127
Group Premium	-	135,916	109,181	192,156	365,414
Gross Premium	351,095,779	716,360,659	553,556,596	360,769,797	244,126,848
Less Reinsurance Premium	-	(19,128)	-	-	(145,389)
Net Premium	351,095,779	716,341,531	553,556,596	360,769,797	243,981,459
Interest, Dividends And Rent	27,090,801	43,790,911	23,941,088	11,635,302	4,531,586
Other Income	964,230	124,827	29,527	151,168	156,135
Total Income	379,150,810	760,257,269	577,527,211	372,556,267	248,669,180

(b) Operating Expenses: (As per Audited Accounts-Amount in Tk.)

PARTICULARS	30-06-08	31-12-07	31-12-06	31-12-05	31-12-04
Claims Under Policies (Including Provision For Claims Due Or Intimated) Less Re-Insurance					
By Death	5,085,174	6,499,639	3,293,951	3,336,157	1,294,728
By Survival	60,437,477	72,887,271	64,538,171	31,061,443	18,239,007
By Surrender	1,034,077	2,102,038	991,157	140,940	188,359
By Others	-	-	-	-	-
Expenses Of Management					
Commission	163,021,410	269,073,742	223,472,519	158,592,841	108,720,026
Salary and administrative expenses					
(a) Salaries etc. (Other than to agents and those contained in the allowance and commission)	19,558,507	40,271,749	33,511,459	24,063,894	19,284,613
(b) Administrative Expenses	37,581,507	63,922,659	56,656,747	42,962,878	35,260,546
Other Expenses	8,333,786	21,293,241	13,579,453	12,122,191	4,200,909
Total Expenses	295,051,938	476,050,339	396,043,457	272,280,344	187,188,188
Balance of life insurance fund for the period	84,098,872	284,206,930	181,483,754	100,275,923	61,480,992
Balance of life insurance fund at the beginning of the year	744,915,622	460,708,692	279,224,938	178,949,015	117,468,023
Balance of life insurance fund at the end of the year	829,014,494	744,915,622	460,708,692	279,224,938	178,949,015

(4) Seasonal aspects of the company's business

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

(5) Known trends, events or uncertainties

Political unrest, hartal, flood, natural calamities and power crisis are the known events that may affect the company's future business.

(6) Change in the assets of the company used to pay off any liabilities

No asset of the Rupali Life Insurance Co. Limited has been used to pay off the liabilities.

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

The company has no holding / parent company and did not take or given any loan to or from the aforesaid Companies.



(8) Future contractual liabilities

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

(9) Future capital expenditure

The company does not have any plan at the moment for future capital expenditure.

(10) VAT, income tax, custom duty or other tax liability

(a) VAT:

The Company does not have to pay VAT on its regular life insurance business. However, it has outstanding VAT amounting to Tk. 7,520, which has arisen due to deduction made from various suppliers’ bills, and full amount has subsequently been deposited to the government treasury after the balance sheet date.

(b) Tax:

The company's Income Tax related information is as follows:

Accounting Year	Assessment Year	Status
2000	2001-2002	Assessment Completed with nil Tax
2001	2002-2003	Assessment Completed with nil Tax
2002	2003-2004	Assessment Completed with nil Tax
2003	2004-2005	Assessment Completed with nil Tax
2004	2005-2006	Assessment Completed with nil Tax
2005	2006-2007	On 02.07.2008 appeal was made to the Tax Appellate Tribunal against the decision of the Tax Commissioner (Appeal), and is yet to get a decision on that.
2006	2007-2008	Appeal was made to the Tax Commissioner (Appeal) on 14.10.2008 and the latest hearing was made on 19.01.2009. Yet to get a decision.
2007	2008-2009	Return filed on 15.07.2008 and assessment is under process

(11) Operating lease agreements

The company runs its business from Head office and Zonal office, Service Cell and all office space are rented premises and related information is given below:

Sl.	Name of Office	Address	Area	Monthly Rent	Date of Expiry
1.	Head office	9 th Floor	2252 SFT	45,040	31.12.2010
		11 th Floor	2252 SFT	45,040	30.06.2011
		8 th Floor	2252 SFT	45,040	30.04.2009
		6 th Floor	2252 SFT	47,292	31.12.2009
		7, Rajuk Avenue, Motijheel C/A, Dhaka.			
2.	Dhaka Service Cell	Gauche Pak Bhaban, 28/G/1, Toyanbee Circular Road, Motijheel C/A, Dhaka.	6000 SFT	144,000	31.08.2013
3.	Munshiganj Service Cell	Sipahipara, Newmarket, Rampal, Munshigonj	729 SFT	4,000	31.07.2012
4.	Tongi Service Cell	Charag Ali Ceramic Market, Tongi, Gazipur.	Fixed	6,100	31.07.2012
5.	Comilla Service Cell	Jahangir Mansion (1 st Floor), Rajganj, Comilla	2500 SFT	15,000	31.03.2010
6.	Feni Zonal Office	159, Haque Plaza (2 nd Floor) Shahidullah Kaisar Sarak Feni.	Fixed	8,000	31.12.2008
7.	Sandwip Zonal Office	Guptachara Road, Mouza Haramia Sandwip, Chittagong	1003 SFT	3,500	31.10.2008
8.	Homna Servicing Cell	Sohel Super Market (1 st Floor), Homna Bazar, Comilla.	2300 SFT	3,200	30.12.2009
9.	Chittagong Service Cell	Aziz Couart (3 rd Floor) 88-89, Agrabad C/A, Chittagong.	1890 SFT	25,900	30.10.2010
10.	Barisal Service Cell	Arjalami Bhaban 99, Sadar Road, Barishal.	Fixed	12,000	31.12.2010

Sl.	Name of Office	Address	Area	Monthly Rent	Date of Expiry
11.	Chuadanga Sevice Cell	Post office para, Chuadanga Sadar Chuadanga.	665 SFT	1,500	30.06.2011
12.	Sylhet Service Cell	Asia market (3 rd Floor) Jallarpar, Zindabazar, Sylhet.	1000 SFT	7,700	28.02.2010
13.	Tangail Service Cell	21, Victoria Road (1 st Floor), Tangail	672 SFT	4,500	30.10.2008
14.	Jessore Service Cell	Jess Tower, M.K Road,Jessore.	1600 SFT	13,600	30.04.2009
15.	Bohaddarhat Zonal Office	East Solosahar, Chandgaon, Ctg.	1000 SFT	5,000	30.04.2009
16.	Khulna Service Cell	70 Lower Jessore Road,Khulna	700 SFT	4,000	31.12.2008

(12) Financial commitment including lease commitment

The company availed lease finance from the following financial institutions for purchasing motor vehicles, which has already been fully paid off from the regular business cash flow of the company. The details description of the lease commitments for the last 5(five) years is as follows:

Description	Agreement Number & Date	Acquisition Cost/Finance Amount	Monthly Rental/ Installment	Name of the Institutions	Term/ Duration	Date of Final Settlement
Lease Finance (Motor Vehicle)	23.04.2000	831,000	30,900	Bangladesh Industrial Finance Co. Ltd.	36	23-04-2003
Lease Finance (Motor Vehicle)	01.06.2000	840,000	30,311	LankaBangla Finance Ltd. (former Vanik Bd. Ltd.)	36	30-05-2003
Lease Finance (Motor Vehicle)	14.09.2000	486,500	17,555	LankaBangla Finance Ltd. (former Vanik Bd. Ltd.)	36	13-09-2003
Lease Finance (Motor Vehicle)	28.07.2000	495,000	17,862	LankaBangla Finance Ltd. (former Vanik Bd. Ltd.)	36	27-07-2003
Lease Finance (Micro Bus-02 nos)	26.09.2000	1,116,000	40,140	Union Capital Ltd.	36	25-09-2003
Lease Finance (Motor Vehicle)	10.07.2001	564,500	20,310	Union Capital Ltd.	36	09.07.2004
Lease Finance (Micro Bus-02 nos)	09.07.2001	1,101,600	39,620	Union Capital Ltd.	36	08.07.2004

(13) Personal related scheme

The company has appointed recently instructor for training and development of its human resources.

(14) Break Down of Expenses for Issue Manager, Underwriters and other costs etc.

a) The total Public Issue Expenses are estimated as follows:

Particulars	Nature of expenditure	Amount in Taka
Manager to the Issue	@ 1.00% on Tk. 4.50 crore	450,000
Underwriting Commission	1.00 %	225,000
SEC Fee:		
Application Fee		10,000
Consent Fee	@ 0.15% on entire offer	67,500
Fee related to the Stock Exchanges		
Application Fee for DSE		5,000
Annual Fee for DSE and CSE		70,000
Listing Fees for Stock Exchange (DSE & CSE)	@ 0.25% on paid up capital	375,000
CDBL Fees and Expenses:		
Documentation Fee		2,500
Annual Fee		100,000
Initial Public Offering Fee		11,250
IPO Commission:		
Bankers to the Issue Commission	@ 0.10% on collected amount (Approx.)	225,000
IPO Expenses (Estimated):		
Abridged version of Prospectus and Notice	4 (four) national dailies	200,000
Notice for Prospectus, Lottery, Refund etc.		30,000



Particulars	Nature of expenditure	Amount in Taka
Printing of Prospectus and Forms		200,000
Distribution and Collection of forms and data processing		300,000
Lottery related expenses including BUET fee		175,000
Distribution of allotment letters and refund warrants		100,000
Other expenses		28,750
Total		2,575,000

(15) Revaluation of company’s assets

The company has not revalued its assets / investment any time since inception.

(16) Transaction with Subsidiary/ Holding Company or Associate companies

The company has no subsidiary or associate company or itself is not a subsidiary under any holding company.

(17) Declaration for an insurance company:

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

Sd/- Mahfuzur Rahman Chairman	Sd/- Abdul Matin Alternate Director of Mr. Abdul Azim	Sd/- Sazia Sultana Sony Director
Sd/- Abdullah Jamil Matin Director	Sd/- Ben Afroz Director	Sd/- Md. Monirul Hasan Khan Director
Sd/- Mahmuda Mahfuz Director	Sd/- Md. Alomgir Director	Sd/- Md. Helal Uddin Director
Sd/- Kamrunnessa Jharna Director	Sd/- Md. Zillur Rahman Director	Sd/- Mohammed Amirul Islam Director
Sd/- Engr. Dewan Nuruzzaman Director	Sd/- Pankaj Kumar Sarker Director	Sd/- Noor Mohammed Bhuiyan Managing Director

(18) Report of the auditors regarding any allotment of shares to promoters or sponsor shareholders for any consideration otherwise than in cash

This is to certify that the capital structure of Rupali Life Insurance Company Ltd. 7 Rajuk Avenue (9th Floor), Rupali Bima Bhaban, Dhaka 1000 Bangladesh as on 30 June 2008 is as follows:

Authorized Capital	
1,000,000 ordinary shares of Tk. 100 each	Tk. <u>100,000,000</u>
Issued, subscribed and paid up capital	
300,000 ordinary shares of Tk. 100 each fully paid up in cash by the sponsors	Tk. <u>30,000,000</u>

We also certify that Rupali Life Insurance Co Ltd. has not allotted any share for any consideration otherwise than for cash to any shareholders including the promoters or sponsors.

Dhaka 7 October 2008

Sd/-
B Alam & Co.
Chartered Accountants

(19) Material information which is likely to have an impact

There is no other material information, which is likely to have an impact on the offering or change the terms and conditions under which the offer has been made to the public.

DIRECTORS AND OFFICERS

Particulars of Directors:

Sl no.	Name of Directors	Age (years)	Experience (Years)	Position	Date of becoming director for the first time	Date expiry of current term
1	Mr. Mahfuzur Rahman	37	11	Chairman	28-12-99	2009
2	Mr. Abdul Matin (Alternate director of Mr. Abdul Azim)	63	21	Alternate Director of Mr. Abdul Azim	28-12-99	2010
3	Ms. Sazia Sultana Sony	30	6	Director	28-12-99	2009
4	Mr. Abdullah Jamil Matin	27	6	Director (Vice Chairman)	28-12-99	2010
5	Mrs. Ben Afroz	44	11	Director	28-12-99	2009
6	Mr. Md. Monirul Hasan Khan	39	8	Director	24-06-01	2009
7	Mrs. Mahmuda Mahfuz	33	6	Director	10-12-05	2010
8	Mr. Md. Alomgir	58	11	Policyholder Director (Policy no-101004785-1)	30-05-06	2009
9	Mr. Md. Helal Uddin	50	11	Policyholder Director (Policy no-101000158-8)	30-05-06	2009
10	Mrs. Kamrunnessa Jharna	46	11	Policyholder Director (Policy no-101004436-3)	30-05-06	2009
11	Md. Zillur Rahman	31	6	Policyholder Director (Policy no-201001874-7)	30-05-06	2009
12	Mohammed Amirul Islam	52	7	Policyholder Director (Policy no-101004626-3)	30-05-06	2009
13	Engr. Dewan Nuruzzaman	53	11	Policyholder Director (Policy no-101000400-3)	30-05-06	2009
14	Mr. Pankaj Kumar Sarker	45	9	Policyholder Director (Policy no-101004836-9)	30-05-06	2009

Directors’ ownership in another company or involvement as owner or partner of any other concern:

Sl. No.	Name of the Directors	Name of other organizations	Position
1.	Mr. Mahfuzur Rahman	Rupkatha Advertising (Pvt.) Ltd. Naz Colour Process and Print Ltd. Communication Express. Smart Express	Managing Director Director Proprietor Proprietor
2.	Mr. Abdul Matin (Alternate Director of Mr. Abdul Azim)	Modern Dying & Screen Printing Ltd. Northern General Insurance Co. Ltd. Metropolitan Medical Center Ltd Norsigndi Hatchery and Fisheries Ltd. Global Investment Co operative Society Ltd. Modern Textile Mills	Managing Director Director Chairman Chairman Director Proprietor
3.	Ms. Sazia Sultana Sony	Nil	Nil
4.	Mr. Abdullah Jamil Matin	Modern Dying and Screen Printing Ltd. Future Thread Ltd Global Investment Co operative Society Ltd. Norsingdi Hatchery and Fisheries Ltd.	Director Chairman Director Managing Director

Sl. No.	Name of the Directors	Name of other organizations	Position
5.	Mrs. Ben Afroz	Orient Tailors and Fabrics	Proprietor
6.	Mr. Md. Monirul Hasan Khan	Global Investment Co operative Society Ltd.	Director
7.	Mrs. Mahmuda Mahfuz	Rupkatha Advertising (Pvt.) Ltd.	Chairman
8.	Mr. Md. Alomgir	Nil	Nil
9	Mr. Md. Helal Uddin	Future Thread Ltd. Global Investment Co operative Society Ltd. Apparel Aid Ltd.	Director Director Managing Director
10	Mrs. Kamrunnessa Jharna	Nil	Nil
11	Md. Zillur Rahman	J & J Enterprise	Proprietor
12	Mr. Mohammed Amirul Islam	Bonanzatex Ltd. Reliance Trade International Mithu Carpets	Chairman Proprietor Proprietor
13	Engr. Dewan Nuruzzaman	Global Investment Co-operative Society Ltd. Modern Dying and Screen Printing Ltd.	Director Director
14	Mr. Pankaj Kumar Sarker	Nil	Nil

Family relationship among directors and top five officers:
No family relationship exists between the members of the board of directors and top five officers of the Rupali Life Insurance Co. Limited.

Family Relationship among the Directors:

Name of Directors	Relationship
Mr. Mahfuzur Rahman	Husband of Mrs Mahmuda Mahfuz
Mr. Abdul Matin (Alternate director of Mr. Abdul Azim)	Father of Mr. Abdullah Jamil Matin
Mr. Abdullah Jamil Matin	Son of Mr. Abdul Matin
Mr. Abdul Matin (Alternate director)	Brother of Mr. Abdul Azim
Mrs. Mahmuda Mahfuz	Wife of Mr Mahfuzur Rahman
Mr. Mohammed Amirul Islam	Sister in law of Mr Mahfuzur Rahman
Mr. Md Zillur Rahman	Brother of Mr Mahfuzur Rahman

Short bio-data of each director:
The short bio-data of 14(Fourteen) Directors including one Chairman and one Vice Chairman is appended below:

1. Mr. Mahfuzur Rahman, Chairman

Mr Mahfuzur Rahman, son of late Md. Mustafizur Rahman(Former Member of Parliament and eminent Banker) was born in a very respectable Muslim Family of Sandwip, Chittagong in 1970. He obtained M.Com (Marketing) degree from Dhaka University. Mr. Mahfuzur Rahman is associated with Rupali Life Insurance Company Limited as one of the founder Directors since its inception and at present he is the Chairman of the Company. He is also a renowned journalist. His business firms include Rupkatha Advertising(Pvt.) Ltd, Naz Colour Process and Print Ltd, Communication Express and Smart Express.

Mr. Mahfuzur Rahman has also associated himself with many social organizations. He is the founder Chairman of Dwipbandhu Mustafizur Rahman Welfare Trust, Chief Patron of Sandwip Young Association. He has been awarded the best Chairman among the Life Insurance Companies by Rafiqul Islam Foundation. He traveled Australia, Malaysia, Singapore, Bangkok, Indonesia, India, Nepal, America, Great Britain for business purposes.

**2. Mr. Abdul Azim, Director**

Mr. Abdul Azim, son of late Abdul Muktader was born in a respectable Muslim family of Sandwip, Chittagong in 1954. He obtained B.Sc Engineering degree from BUET. After completion his education he started business career and has established himself as a renowned business personality. He is the sponsor director of Rupali Life Insurance Co. Ltd. Now he is staying in Australia.

3. Ms. Sazia Sultana Sony, Director

Sazia Sultana Sony daughter of late Ahamed Ali was born in a very respectable Muslim family of Dhaka in 1977. Sazia Sultana Sony is associated with Rupali Life Insurance Co. Ltd as one of the founder Directors since its inception.

4. Mr. Abdullah Jamil Matin, Vice Chairman

Mr. Abdullah Jamil Matin MBA, son of Mr. Abdul Matin was born in a very respectable family of Sandwip, Chittagong in 1980. After completion his education he started business career and has established himself as a renowned business personality. Mr. Abdullah Jamil Matin is associated with Rupali Life Insurance Company Limited as one of the founder Directors since its inception and at present he is the Vice Chairman of the Company. His business firm includes Modern Dying and Screen Printing Ltd, Future Thread Ltd, Global Investment Cooperative Society Ltd, Norsingdi Hatchery and Fisheries Ltd. He traveled many countries for business purposes.

5. Mrs. Ben Afroz, Director

Mrs. Ben Afroz, wife of Mr. Sirajul Islam was born in a respectable Muslim family of Laxmipur in 1963. Mrs. Ben Afroz obtained M.A in Political Science from University of Dhaka. She is associated with the Rupali Life Insurance Co. Ltd as one of the Sponsor Directors since its inception. Her business firm includes Orient Tailors and Fabrics.

6. Mr. Md. Monirul Hasan Khan, Director

Mr. Md. Monirul Hasan Khan, son of late Mozammel Hossain Khan was born in a respectable Muslim family of Sandwip, Chittagong in 1968. He obtained M.Sc in Fisheries. He is a renowned businessman and social worker. He is a Sponsor Director of Rupali Life Insurance Company Ltd. He is a Director of Global Investment Cooperative Society Ltd.

7. Mrs. Mahmuda Mahfuz, Director

Mrs. Mahmuda Mahfuz wife of Mr. Mahfuzur Rahman was born in a respectable Muslim family of Dhaka in 1974. She obtained M.A in Economics from Dhaka University. Mrs. Mahmuda Mahfuz is associated with Rupali Life Insurance Company Ltd as one of the Sponsor Directors. She is the Chairman of Rupkatha Advertising (Pvt.) Ltd.

8. Mr. Md. Alomgir, Policy holder Director

Mr. Md. Alomgir, son of late Abdul Monaf was born in a reputed Muslim family in Sandwip, Chittagong in the year 1949. Mr. Md. Alomgir is a service holder. After completion his education Md. Alomgir joined in Rupali Insurance Co, Ltd and at present he is the Deputy Managing Director of Rupali Insurance Co. Ltd. He is also a great potential personality of insurance sector.

9. Mr. Md. Helal Uddin, Policy holder Director

Mr. Md. Helal Uddin, son of late Dr. Kamal Uddin was born in a reputed Muslim family in Sandwip, Chittagong in the year 1957. Mr. Helal Uddin started his business after completion of his education. He is a Director of Future Thread Ltd, Director of Global Investment Co operative Society Ltd and the Managing Director of Apparel Aid Ltd.

**10. Ms. Kamrunnessa Jharna, Policy holder Director**

Mrs. Kamrunnessa Jharna, wife of Mr. Aminur Rahman Khan was born in a reputed Muslim family at Dhaka in 1961. Mrs. Jharna is a house wife. She is also involved in different socio cultural activities.

11. Mr. Md. Zillur Rahman, Policy holder Director

Md. Zillur Rahman comes from an aristocrat Muslim family. He was born at Sandwip, Chittagong in 1976. His father late Alhaj Mustafizur Rahman was a renowned industrialist and was a former Member of Parliament. Md. Zillur Rahman started his business after completion of his education. He is the Proprietor of J & J Enterprise.

12. Mr. Mohammed Amirul Islam, Policy holder Director

Mr. Mohammed Amirul Islam, son of Rahim Baksh Howlader comes from an aristocrat Muslim family. He was born at Bhola, Barisal in 1956. He completed his M.A degree from Dhaka University and started his business. His business firms include Bonanzatex Ltd., Reliance Trade International and Mithu Carpets.

13. Engr. Dewan Nuruzzaman, Policy holder Director

Engr. Dewan Nuruzzaman, son of late Dewan Saforuddin was born in a reputed Muslim family at Narayanganj. He has completed his education from BUET and obtained B.Sc in Engineering. After completion of education he started his job in Private sector. He is the Director of Modern Dying and Screen Printing Ltd. and Director of Global Investment Co operative Society Ltd.

14. Mr. Pankaj Kumar Sarker, Policy holder Director

Mr. Pankaj Kumar Sarker son of late Sharat Chandra Sarker was born in a reputed family at Perojpur in 1962. He completed his B.Com degree and started business.

Short bio-data of Alternate Director**Mr. Abdul Matin, Alternate Director of Mr. Abdul Azim**

Mr. Abdul Matin, son of late Abdul Muktedir was born in a very respectable Muslim family of Sandwip, Chittagong in 1944. He obtained Diploma in Textile Chemistry and B.Sc in Textile from USA. After completion his education he started his business career and has established as a renowned business personality. The Board of Directors of Rupali Life Insurance Co. Ltd. appointed him as an Alternate Director for Mr. Abdul Azim, elder brother of Mr. Abdul Matin.

His business firm includes Northern General Insurance Co. Ltd, Modern Dying and Screen printing Ltd, Metropolitan Medical Centre Ltd, Modern Textile Mills, Norsingdi Hatchery and Fisheries Ltd, Global Investment Co operative Society Ltd. Mr. Abdul Matin has associated himself with many social organizations. He traveled Australia, Malaysia, Singapore, Bangkok, India, USA for business purposes.

CIB Status:

Neither Rupali Life Insurance Co. Limited nor any of its directors or shareholders who hold 5% or more shares in the paid up capital of the issuer company is loan defaulter in terms of the CIB of the Bangladesh Bank.



Particulars of senior executives of the company:

Particulars of the officers of the company as under:

Name	Position	Educational Qualification	Head of the Department	Date of Joining	Name(s) of Organization(s) where worked during the last five years
Mr. Noor Mohammed Bhuiyan	Managing Director	MBA	-	18.07.2002	Sandhani Life Insurance Co. Ltd.
Mr. Md. Golam Kibria	Asstt. Managing Director (Admn)	MSS	Administration	06.02.2000	Sandhani Life Insurance Co. Ltd.
Mr. Biswajit Kumar Mondal, FIAT	Asstt. Managing Director (F & A) & Company Sectary	M. COM CA (Inter), MBA, ABIA	Finance & Board affairs	05.06.2005	Delta Life Insurance Co. Ltd. Sunlife Insurance Co. Ltd.
Mr. Md. Mojammel Hossain	General Manager	M. Com	Development Admin	06.07.2002	Sandhani Life Insurance Co. Ltd.
Mr. Md. Apel Mahmood	General Manager	M Sc, ACII	Training & Technical affairs	24.07.07	Bangladesh Insurance Academy
Mr. Md. Younus Ali Biswas	Senior Dy. General Manager	HSC	Policy Service	04.05.2003	Sandhani Life Insurance Co. Ltd.

INVOLVEMENT OF OFFICERS AND DIRECTORS IN CERTAIN LEGAL PROCEEDINGS

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

- (a) Any bankruptcy petition filed by or against any company of which any officer or director or of the company filing the prospectus was a director, officer or partner at the time of the bankruptcy.
- (b) Any conviction of director, officer in a criminal proceeding or any criminal proceeding pending against him;
- (c) Any order, judgment or decree of any court of competent jurisdiction against any director, officer permanently or temporarily enjoining, barring, suspending or otherwise limiting the involvement of any director or officer in any type of business, securities or banking activities;
- (d) Any order of the Securities and Exchange Commission, or other regulatory authority or foreign financial regulatory authority, suspending or otherwise limiting the involvement of any director or officer in any type of business, securities or banking activities.

CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS

Transaction with related parties

There was no transaction or proposed transaction during the last two years between the issuer and the following party/parties:

- a) Any director or executive officer of the company.
- b) Any director or officer.
- c) Any person owing 5% or more of the outstanding shares capital of the company.
- d) Any member of the immediate family (including spouse, parents, brothers, sisters, children and in-laws) of any of the above persons.
- e) Any transaction or arrangement entered into by the company or its subsidiary for a person who is currently a director or in any way connected with a director of either the company or any of its subsidiaries/holding company or associate concerns, or who was a director or connected in any way with a director at any time during the last three years prior to the issuance of the prospectus.
- f) No loan either taken or given from or to any director or any person connected with the director.
- g) Mentionable here that related party disclosure as per IAS 24 has been disclosed by the auditor in note 2.9 of audited accounts.
- h) All interests and facilities whether pecuniary or non-pecuniary enjoyed by the directors will remain unchanged during the publication period of the prospectus. Interest and facility is already disclosed in executive compensation of the prospectus.



EXECUTIVE COMPENSATION

a. Remuneration paid to the top 6(Six) salaried officers of the company

(Amount in Taka)

Sl	Name	Position	Remuneration paid for the period ended 30 June 2008
1	Mr. Noor Mohammed Bhuiyan	Managing Director	510,000
2	Mr. Md. Golam Kibria	Asstt. Managing Director (Admn)	286,740
3	Mr. Biswajit Kumar Mondal, FIAT	Asstt. Managing Director (F & A) & Company Secretary	277,560
4	Mr. Md. Mojammel Hossain	General Manager	141,600
5	Mr. Md. Apel Mahmood	General Manager	180,000
6	Mr. Md. Yunus Ali Biswas	Senior Dy. General Manager	125,400
Total			1,521,300

b. Aggregate amount of remuneration paid to all directors and officers as a group:

(Amount in Taka)

Group	Nature of payment	Amount paid for the period ended 30 June 2008
Directors	Board meeting fee	285,000
Officers	Basic salary & other allowances	19,558,507

c. Remuneration paid to any director who was not an officer during the last accounting year:

- No such remuneration was paid.

d. Any contract with any director or officer providing for the payment of future compensation:

- There is no such contract.

e. Company’s plan to increase substantially remuneration to officers and directors:

- The company does not have any plan to substantially increase the remuneration paid to its directors and officers in the current year; except normal and additional annual increments/awards of salaries/allowance as per service regulations / articles of association of the company.

OPTIONS GRANTED TO OFFICERS, DIRECTORS AND EMPLOYEES.

No such option is granted.

TRANSACTION WITH THE DIRECTORS AND SUBSCRIBERS TO THE MEMORANDUM

a) Value received by the company during last five years

The Directors and Subscribers of the Company have not received any benefits other than board meeting fees and the company has not received anything from its Directors and Subscribers except fund against allotment of shares during last five years.

b) Assets acquired or are to be acquired from the Directors and Subscribers to the Memorandum

The Company did not acquire any assets from the Directors or the Subscribes to the memorandum.



TANGIBLE ASSETS PER SHARE

The net tangible asset baking per unit of Rupali Life Insurance Company Ltd. is **Tk. 129.68 on 31st December 2007** based on the actuarial valuation report as at 31.12.2007, calculation of which shown below:

SL. No.	Particulars	Amount in Taka
A.	Total Realizable Assets	785,773,820
B.	Less Total Liabilities	746,870,187
C.	Net Tangible Assets (A-B)	38,903,633
D.	Number of Ordinary Shares	300,000
E.	Net Tangible Assets Per Share (C/D)	129.68

Total realizable Assets = Property and Assets – deferred expenses

Total Liabilities = (Capital and Liabilities + Net Policy Liabilities) – (Paid up Capital + Life Insurance Fund)

In the calculation the following values taken from the balance sheet as at 31.12.2007

Property and Assets	Tk. 788,605,809
Deferred Expenses	Tk. 2,831,989
Capital and Liabilities	Tk. 788,605,809
Paid up Capital	Tk. 30,000,000
Life Insurance Fund	Tk. 744,915,622

Net Policy Liabilities taken from the valuation report as at 31.12.2007 i.e. Tk. 733,180,000

Note: No actuarial valuation is made after 31 December 2007. According to section 13 (1) of Insurance Act 1938, valuation report of life insurance business is valid up to two years. Therefore, value per share has been calculated on the basis of valuation report as on 31 December 2007.

The offering price for the ordinary shares of Rupali Life Insurance Company Limited has been determined at per value of Tk. 100 each.

OWNERSHIP OF THE COMPANY'S SECURITIES

List of Shareholders

Sl. No.	Name of the Sponsor Shareholders	Status	Address	No. of Shares subscribed	Subscribed Amount	Percentage
1	Mr. Mahfuzur Rahman	Chairman	Flat # 505, Plot # 29 Road # 43, Gulshan-2, Dhaka.	45,000	4,500,000	15.00
2	Mr. Abdul Matin (Alternate Director of Mr. Abdul Azim)	Director	CWS (B)-73, Road No- 25 Gulshan, Dhaka.	40,000	4,000,000	13.33
3	Sazia Sultana Sony	Director	House # 19, Road # 4 Block # F, Banani, Dhaka- 1213	25,000	2,500,000	8.33
4	Mr. Abdullah Jamil Matin	Director	CWS (B)-73, Road No- 25 Gulshan, Dhaka.	23,000	2,300,000	7.67
5	Mrs. Ben Afroz	Director	345 Segunbagicha Dom-Inno Altura, Flat-A-16 ,Dhaka.	22,000	2,200,000	7.67
6	Mrs. Kamrunnessa Jharna	Sponsor & Policy holder Director	Vill:- Matuail, P.O:- Matuail P.s- Demra, Dhaka.	11,000	1,100,000	3.67
7	Mr. Md. Zillur Rahman	Sponsor & Policy holder Director	Vill- Kuchia Mora P.O:- Moulavi Bazar, P.S:- Sandwip, Dist:- Chittagong – 4301	5,000	500,000	1.67

Sl. No.	Name of the Sponsor Shareholders	Status	Address	No. of Shares subscribed	Subscribed Amount	Percentage
8	Mohammed Amirul Islam	Sponsor & Policy holder Director	325/4 West Dhanmondi, Road no. 7/A Dhanmondi R/A, Dhaka	10,000	1,000,000	3.33
9	Mr. Md. Alomgir	Sponsor & Policy holder Director	8/6. Block # C Lalmatia, Shahjalal Rose Flat # A-2 (2 nd Floor), Dhaka.	18,000	1,800,000	6.00
10	Mr. Md. Monirul Hasan Khan	Director	House # 18, Road # 02 Sector # 7, Uttara Model Town Dhaka-1230	25,000	2,500,000	8.33
11	Engr. Dewan Nuruzzaman	Sponsor & Policy holder Director	43-M/B, Indira Road West Raja Bazar, Dhaka.	20,000	2,000,000	6.67
12	Mr. Md. Helal Uddin	Sponsor & Policy holder Director	426 Saheen Bag (3 rd floor) Old Airport Road, Teajgaon, Dhaka.	13,000	1,300,000	4.33
13	Mrs. Mahmuda Mahfuz	Director	Flat # 505, Plot # 29 Road # 43, Gulshan-2, Dhaka.	15,000	1,500,000	5.00
14	Mrs. Parvez Akhter Khanom	Sponsor	CWS (B)-73, Road No- 25 Gulshan, Dhaka.	2,000	200,000	0.67
15	Mr. Pankaj Kumar Sarker	Sponsor & Policy holder Director	28/A-3, Toyenbee Circular Road, Motijheel C/A, Dhaka	26,000	2,600,000	8.67
Total:				300,000	30,000,000	100.00

Mr. Abdul Matin is the alternate Director of Mr. Abdul Azim.

List of Share holders who owns 5% or more share of the Company

Sl. No.	Name of the Sponsor Shareholders	Status	Address	No. of Shares subscribed	Subscribed Amount	Percentage
1	Mrs. Mahfuzur Rahman	Chairman	Flat # 505, Plot # 29 Road # 43, Gulshan-2, Dhaka.	45,000	4,500,000	15.00
2	Mr. Abdul Azim	Director	302/A Tally Office Road, Rayer Bazar, Dhaka	40,000	4,000,000	13.33
3	Sazia Sultana Sony	Director	House # 19, Road # 4 Block # F, Banani, Dhaka- 1213	25,000	2,500,000	8.33
4	Mr. Abdullah Jamil Matin	Director	CWS (B)-73, Road No- 25 Gulshan, Dhaka.	23,000	2,300,000	7.67
5	Mrs. Ben Afroz	Director	345 Segunbagicha Dom-Inno Altura, Flat-A-16 ,Dhaka.	22,000	2,200,000	7.67
6	Mr. Md. Monirul Hasan Khan	Director	House # 18, Road # 02 Sector # 7, Uttara Model Town Dhaka-1230	25,000	2,500,000	8.33
7	Mrs. Mahmuda Mahfuz	Director	Flat # 505, Plot # 29 Road # 43, Gulshan-2, Dhaka.	15,000	1,500,000	5.00
8	Mr. Md. Alomgir	Sponsor & Policy holder Director	8/6. Block # C Lalmatia, Shahjalal Rose Flat # A-2 (2 nd Floor), Dhaka.	18,000	1,800,000	6.00
9	Engr. Dewan Nuruzzaman	Sponsor & Policy holder Director	43-M/B, Indira Road West Raja Bazar, Dhaka.	20,000	2,000,000	6.67
10	Mr. Pankaj Kumar Sarker	Sponsor & Policy holder Director	28/A-3, Toyenbee Circular Road, Motijheel C/A, Dhaka	26,000	2.600.000	8.67

Share ownership of top ten salaried officers:

No officer of the company is holding any share of the company.

Share ownership by all other officers as a group:

Officers are not holding any share of the company.



DETERMINATION OF OFFERING PRICE

This is to certify that the value per ordinary share of Rupali Life Insurance Co Ltd as on 31 December 2007 based on Net Assets Value (NAV) is Tk. 129.68 as worked out below:

Particulars	Amount in Tk.
Total realizable assets	785,773,820
Total liabilities	746,870,187
Net assets	38,903,633
Number of ordinary shares issued	300,000
Value per ordinary share	129.68

Net Asset Value per ordinary share of Tk. 100 each is Tk. 129.68 which is higher than the face value, but the Company intends to keep the initial public offered (IPO) price at Tk 100 per ordinary share which is at per value.

Total realizable assets = Property and assets – preliminary expenses - deferred expenses
Total liabilities = (Capital and liabilities + net policy liabilities) – (paid up capital + life insurance fund)

Note: No actuarial valuation is made after 31 December 2007. According to section 13 (1) of Insurance Act 1938, valuation report of life insurance business is valid up to two years. Therefore, value per share has been calculated on the basis of valuation report as on 31 December 2007.

Dhaka 7 October 2008

Sd/-
B Alam & CO
Chartered Accountants

In the calculation of NAV, value of property & assets, preliminary expenses, differed expenses, capital & liabilities, paid up capital, life insurance fund are taken from the Balance Sheet as at 31.12.2007 and Net Policy Liability is taken from Valuation report 31.12.2007 since no valuation report is made after 31.12.2007.

The offering price for the ordinary shares of Rupali Life Insurance Company Limited has been determined at per value of Tk. 100 each.

MARKET FOR THE SECURITIES BEING OFFERED

The Issuer shall apply to:

Dhaka Stock Exchange Limited Stock Exchange Building 9/F Motijheel C/A, Dhaka- 1000	And	Chittagong Stock Exchange Limited CSE Building, 1080 Sk. Mujib Road, Agrabad C/A, Chittagong-4100
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Within 7 (seven) working days from the date of consent accorded by the Commission to issue prospectus.

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

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

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

The issue manager, in addition to the issuer company, shall ensure due compliance of the above mentioned conditions and submit compliance report thereon to the Commission within 7(seven) days of expiry of the aforesaid 15 (fifteen days) time period allowed for refund of the subscription money.

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



DESCRIPTION OF SECURITIES OUTSTANDING OR BEING OFFERED

(a) Dividend, voting, pre-emption rights:

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

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

(b) Conversion and Liquidation Right:

If the company at any time issues convertible preference shares or debenture with the consent of the Securities and Exchange Commission (SEC) such holders of securities shall be entitled to convert such securities into ordinary shares if it is so determined by the company.

Subject to the provisions of the Companies Act, 1994, Articles of Association of the Company and other relevant Rules in force, the Shares, if any, of the Company are freely transferable, the Company shall not charge any fee for registering transfer of shares. No transfer shall be made to firms, minors or persons of unsound mental health.

(c) Dividend Policy:

- 1) The profit of the company, subject to any special right relating thereto created or authorized to be created by the Memorandum of Association subject to the provision of the Articles of Association, shall be divisible among the members in proportion to the capital paid up on the shares held by them respectively.
- 2) No larger dividend shall be declared than is recommended by the Directors, but the Company in its General Meeting may declare a smaller dividend. The declaration of Directors as to the amount of net profit of the Company shall be conclusive.
- 3) No dividend shall be payable except out of profits of the company or any other undistributed profits. Dividend shall not carry interest as against the Company.
- 4) The Directors may, from time to time, pay the members such interim dividend as in their judgment the financial position of the Company may justify.
- 5) A transfer of shares shall not pass the right to any dividend declared thereon before the registration of transfer.
- 6) As per Insurance Act 1938 and Rules 1958 only 10% of surplus is divisible among the shareholders. Other than there is no limitation on the payment of dividend.
- 7) The surplus was not adequate for allocation of bonus to policy holders or dividend to shareholders.

(d) Other Rights of stock Holders:

In terms of the provisions of the Companies Act, 1994, Articles of Association of the company and other relevant rules in force, the shares of the company are transferable. The company shall not charge any fee, other than government duties for registering transfer of shares. No transfer shall be made to firms or a minor or person of unsound mind.

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

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

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



DEBT SECURITIES

The company does not have any debt securities at present and is not planning to issue any debt securities with in 6 (six) months.

LOCK-IN PROVISION ON SPONSORS’ SHARES

All issued shares of the issuer at the time of according consent to public offering shall be subject to a lock-in period of three years, from the date of issuance of prospectus or commercial operation, whichever comes later.

Provided that the persons, other than directors and those who hold 5% or more, who have subscribed to the shares of the company within immediately preceding two years of according consent, shall subject to lock-in period of one year from the date of issuance of prospectus or commercial operation, whichever comes later.

Sl. No.	Name of the Sponsor Shareholders	Status	No. of Shares subscribed	Subscribed Amount	Percentage	Date of Acquisition	Expiry date of lock-in
1	Mr. Mahfuzur Rahman	Chairman	45,000	4,500,000	15.00	28.12.0999	29.03.2012
2	Mr. Abdul Matin (Alternate Director of Mr. Abdul Azim)	Director	40,000	4,000,000	13.33	28.12.1999	29.03.2012
3	Sazia Sultana Sony	Director	25,000	2,500,000	8.33	28.12.1999	29.03.2012
4	Mr. Abdullah Jamil Matin	Director	23,000	2,300,000	7.67	28.12.1999	29.03.2012
5	Mrs. Ben Afroz	Director	22,000	2,200,000	7.67	28.12.1999	29.03.2012
6	Mrs. Kamrunnessa Jharna	Sponsor & Policy holder Director	11,000	1,100,000	3.67	28.12.1999	29.03.2012
7	Mr. Md. Zillur Rahman	Sponsor & Policy holder Director	5,000	500,000	1.67	24.06.2001	29.03.2012
8	Mohammed Amirul Islam	Sponsor & Policy holder Director	10,000	1,000,000	3.33	12.12.2006	29.03.2012
9	Mr. Md. Alomgir	Sponsor & Policy holder Director	18,000	1,800,000	6.00	24.06.2001	29.03.2012
10	Mr. Md. Monirul Hasan Khan	Director	25,000	2,500,000	8.33	24.06.2001	29.03.2012
11	Engr. Dewan Nuruzzaman	Sponsor & Policy holder Director	20,000	2,000,000	6.67	24.06.2001	29.03.2012
12	Mr. Md. Helal Uddin	Sponsor & Policy holder Director	13,000	1,300,000	4.33	24.06.2001	29.03.2012
13	Mrs. Mahmuda Mahfuz	Director	15,000	1,500,000	5.00	10.12.2005	29.03.2012
14	Mrs. Parvez Akhter Khanom	Sponsor	2,000	200,000	0.67	23.09.2006	29.03.2012
15	Mr. Pankaj Kumar Sarker	Sponsor & Policy holder Director	26,000	2,600,000	8.67	23.09.2006	29.03.2012
Total:			300,000	30,000,000	100.00		

REFUND OF SUBSCRIPTION MONEY

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

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



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

- 1. A Non-Resident Bangladeshi shall apply either directly by enclosing a foreign demand draft drawn on a bank payable at Dhaka, or through a nominee by paying out of foreign currency deposit account maintained in Bangladesh or in Taka supported by foreign currency encashment certificate issued by the concerned bank, for the value of securities applied for through crossed bank cheque marking "Account Payee only".
- 2. The value of securities applied for by such person may be paid in Taka or US dollar or UK pound sterling or EURO at the rate of exchange mentioned in the securities application form.
- 3. Refund against oversubscription shall be made in the currency in which the value of securities was paid for by the applicant through Account Payee bank cheque payable at Dhaka with bank account number, Bank's name and Branch as indicated in the securities application form. If the applicants' bank accounts as mentioned in their IPO Application Forms are maintained with the Bankers to the Issue under "Refund of Subscription Money", refund amount of those applicants will be directly credited into the respective bank accounts as mentioned in their IPO Application Forms.

AVAILABILITY OF SECURITIES

Disclosure in respect of issuance of security in demat form

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

Conditions of offer, subscription and allotment of shares

- 1. Ordinary Shares
IPO will be 450,000 ordinary shares @ Tk. 100 each totaling Tk. 45,000,000. As per the Securities and Exchange Commission (Public Issue) Rules 2006, 10% of total public offering shall be reserved for non-resident Bangladeshi (NRB) and 10% for mutual funds and collective investment schemes registered with the Commission and the remaining 80% shall be open for subscription by the general public as under:

Sl. No.	Particulars	Number of shares	Total amount (Tk.)
1.	10% of IPO i.e. 45,000 shares kept for Non-Resident Bangladeshis are being offered for subscription in cash in full on application	45,000	4,500,000
2.	10% of IPO i.e. 45,000 shares kept for mutual funds and collective investment schemes registered with the Commission in cash in full on application	45,000	4,500,000
3.	80% of IPO i.e. 360,000 shares are hereby offered to the general public for subscription in cash in full	360,000	36,000,000
Total IPO		450,000	45,000,000

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



7. Application for subscription

- a) Application for shares may be made for a minimum lot of **50** ordinary shares to the value of Tk. **5,000** or multiple thereof and should be made on the company's printed application form. Application forms and prospectus may be obtained from the registered office of the Company and members of Dhaka Stock Exchange Ltd., Chittagong Stock Exchange Ltd., or from the bankers to the issue. In case adequate forms are not available, applicants may use photocopied/ cyclostyled /hand written/typed copies of the forms. Applications must not be for less than **50** shares. Any application not meeting the criterion will not be considered for allotment purpose.
- b) Joint application form for more than two persons will not be accepted. In the case of joint application each party must sign the application form.
- c) Application must be in full name of individuals or limited companies or trusts or societies and not in the name of firms, minors or persons of unsound mind. Applications from insurance, financial and market intermediary companies must be accompanied by Memorandum and Articles of Association.
- d) **An applicant can submit NOT more than two Applications, one in his/her name and another jointly with another person. In case an applicant makes more than two Applications, all applications will be treated as invalid and will not be considered for allotment purpose. In addition, whole or part of application money may be forfeited by the Commission.**
- e) Bangladeshi Nationals (including non-resident Bangladeshi Nationals residing/working abroad) and Foreign Nationals shall be entitled to apply for shares.
- f) Payment for subscription by investors other than Non-Resident Bangladeshi may be made to the said branches /office of the banks mentioned below in Cash/Cheque/Pay Order/Bank Draft. The Cheque or Pay Order or Bank Draft shall be made payable to the bank to which it is sent and be marked "**Rupali Life Insurance Co. Ltd.**" and shall bear the crossing "**A/C Payee Only**" and must be drawn on a bank in the same town of the bank to which application form is deposited.
- g) All completed application forms together with remittances for the full amount payable on application shall be lodged by investors other than Non-Resident Bangladeshis with any of the branches of the Bankers to the Issue.
- h) An applicant cannot submit more than two applications, one in his/her own name and another jointly with other person by one cheque / DD / PO. More than two applications by one cheque / DD / PO will not be allowed.
- i) A Non-Resident Bangladeshi (NRB) shall apply against the IPO either directly by enclosing a foreign demand draft drawn on a bank payable at Dhaka, or through a nominee (including a Bank or a Company) by paying out of foreign currency deposit account maintained in Bangladesh, for the value of securities applied for. The value of securities applied for may be paid in Taka, US Dollar or Euro or UK Pound Sterling at the Spot Buying (TT Clean) rate of exchange prevailing on the date of opening of subscription. Refund against over-subscription of shares shall be made in the currency in which the value of shares applied for was paid by the applicant. Share Application Form against the quota for NRB shall be sent by the applicant directly along with a draft or cheque to Rupali Life Insurance Company Limited at its corporate office. Copies of application Form and Prospectus shall be available with Bangladesh Embassy/High Commission in USA, UK, Saudi Arabia, U.A.E. Qatar, Kuwait, Oman, Bahrain, Malaysia and South Korea and web site of the SEC, Issuer Company, Issue manager, DSE and CSE.



8. Bankers to the Issue

Investment Corporation of Bangladesh

Head Office, Dhaka
Local Office, Nayapaltan, Dhaka
Chittagong Branch, Chittagong
Rajshahi Branch, Rajshahi
Sylhet Branch, Jail Road, Sylhet
Bogra Branch, Station Road, Bogra
Khulna Branch, Khulna
Barishal Branch, Barishal

Trust Bank Limited

Principal Branch, Dhaka
Sena Kallyan Bhaban Branch, Dhaka
Dhanmondi Branch, Dhaka
Gulshan Corporate Branch, Dhaka
Dilkusha Corporate Branch, Dhaka

Standard Bank Limited

Principal Branch, Dhaka
Foreign Exchange Branch, Dhaka
Tophkana Road Branch, Dhaka
Imamgonj Branch, Dhaka
Gulshan Branch, Dhaka
Dhanmondi Branch, Dhaka
Uttara Branch, Dhaka
Gulshan-1, Branch, Dhaka
Pantha Path Branch, Dhaka
Jubilee Road Branch, Chittagong
Agrabad Branch, Chittagong
Khatungonj Branch, Chittagong
Sylhet Branch, Sylhet
Khulna Branch, Khulna
Rajshahi Branch, Rajshahi

First Security Islami Bank Ltd.

Dilkusha Branch, Dhaka
Mohakhali Branch, Dhaka
Bangshal Branch, Dhaka
Dhanmondi Branch, Dhaka
Gulshan Branch, Dhaka
Banani Branch, Dhaka
Mirpur Branch, Dhaka
Jubilee Road Branch, Chittagong
Agrabad Branch, Chittagong

National Bank Limited

Motijheel Branch, Dhaka
Dilkusha Branch, Dhaka
Foreign Exchange Branch, Dhaka
Bangshal Road Branch, Dhaka
Babubazar Branch, Dhaka
Elephant Road Branch, Dhaka
Gulshan Branch, Dhaka
Imamganj Branch, Dhaka
Dhanmondi Branch, Dhaka
Kawran Bazar Branch, Dhaka
Mohakhali Branch, Dhaka
Malibagh Branch, Dhaka
Mirpur Branch, Dhaka
ZH Sikder M.C. Branch, Dhaka
Islampur Branch, Dhaka
Uttara Branch, Dhaka
North Brook Hall Branch, Dhaka
Lake Circus Branch, Kalabagan, Dhaka
Mohammadpur Branch, Dhaka
Gazipur Branch, Gazipur
Savar Bazar Branch, Dhaka
Narayanganj Branch, Narayanganj
Sylhet Branch, Sylhet
Agrabad Branch, Chittagong
Khatungonj Branch, Chittagong
Jubilee Road Branch, Chittagong
Sheikh Mujib Road Branch, Chittagong
Khulna Branch, Khulna

Rangpur Branch, Rangpur
Bogra Branch, Bogra
Rajshahi Branch, Rajshahi
Barishal Branch, Barishal
Comilla Branch, Comilla

Shahjalal Islami Bank Ltd.

Dhaka Main Branch, Dhaka
Mitford Branch, Dhaka
Dhanmondi Branch, Dhaka
Foreign Exchange Branch, Dhaka, Gulshan Branch, Dhaka
Kawran Bazar Branch, Dhaka
Banani Branch, Dhaka
Uttara Branch, Dhaka
Bangshal Branch, Dhaka
Baipail (Dhaka EPZ) Branch
Satmasjid Road Branch, Dhaka
Joydevpur Chowrasta Branch, Gazipur
Agrabad Branch, Chittagong
Jubilee Road Branch, Chittagong
Khatunganj Branch, Chittagong
Beani Bazar Branch, Sylhet
Sylhet Branch, Sylhet
Dargah Gate Branch, Sylhet
Moulvibazar Branch, Moulvibazar
Narayanganj Branch, Narayanganj

The City Bank Limited

Principal Office, Dhaka
B.B. Avenue Branch, Dhaka
Foreign Exchange Branch, Dhaka
Dhaka Chamber Branch, Dhaka
Mouchak Branch, Dhaka
Islami Banking Branch, Dhaka
Johnson Road Branch, Dhaka
Imamagonj Branch, Dhaka
New Market Branch, Dhaka
Dhanmondi Branch, Dhaka
Gulshan Branch, Dhaka

Kawranbazar Branch, Dhaka
Mirpur Branch, Dhaka
VIP Road Branch, Dhaka
Uttara Branch, Dhaka
Shaymoli Branch, Dhaka
Tanbazar Branch, Narayanganj
Tongi Branch, Gazipur
Agrabad Branch, Chittagong
Khatungonj Branch, Chittagong
Bandar Bazar Branch, Sylhet
Comilla Branch, Comilla
Barishal Branch, Barishal
Rajshahi Branch, Rajshahi
Khulna Branch, Khulna
Cox's Bazar Branch, Chittagong

EXIM Bank Limited

Pantha Path Branch, Dhaka
Gulshan Branch, Dhaka
Nawabpur Branch, Dhaka
Rajuk Avenue Branch, Dhaka
New Eskaton Branch, Dhaka
Uttara Branch, Dhaka
Mirpur Branch, Dhaka
Elephant Road Branch, Dhaka
Malibagh Branch, Dhaka
Satmasjid Road Branch, Dhaka
Imamgonj Branch, Imamgonj, Dhaka
CDA Avenue Branch, Chittagong
Agrabad Branch, Chittagong
Jubilee Road Branch, Chittagong
Khatunganj Branch, Khatungonj
Sylhet Branch, Sylhet
Narayanganj Branch, Narayanganj
Shimrail Branch, Narayanganj

9. The IPO subscription money collected from investors (other than Non-Resident Bangladeshis in US Dollar or UK Pound sterling or EURO) by the bankers to the issue will be remitted to the Company's **STD account # 1015710033014388** with **The City Bank Limited, Principal, Dhaka, Bangladesh** for this purpose.
10. The subscription money collected from Non-Resident Bangladeshis in US Dollar or UK Pound Sterling or EURO shall be deposited to following FC accounts of the Company for IPO purpose:

Sl. No.	Name of the FC Accounts	Account No.	Bank & Branch
1	US Dollar	101 591 505 111 8659	The City Bank Limited, Principal Branch
2	UK Pound Sterling	101 592 005 111 8660	The City Bank Limited, Principal Branch
3	EURO	101 593 505 111 8647	The City Bank Limited, Principal Branch

11. The Company shall open FC Accounts on approval of Prospectus by SEC; and close these accounts after refund of over-subscription, if any.

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



Allotment

The Company shall issue share allotment letters to all successful applicants within 5 (five) weeks from the date of the subscription closing date. Within the same time, Refund to the unsuccessful applicants shall be made in the currency in which the value of securities was paid for by the applicants without any interest, through Account Payee Cheque/refund warrants with bank account number, bank’s name and Branch as indicated in the securities application forms payable at Dhaka/ Chittagong/ Khulna/ Rajshahi/ Barisal/ Sylhet/ Bogra, as the case may be. A compliance report in this regard shall be submitted to the Commission within 7 (seven) weeks form the date of closure of subscription.

MANAGER TO THE ISSUE

Rupali Life Insurance Co. Ltd. has appointed LankaBangla Finance Limited, Safura Tower (Level 11), 20, Kemal Ataturk Avenue, Banani, Dhaka- 1213 as the Manager to the Issue. The company shall pay a fee @ 1.00 % on Tk. 4.50 crore i.e. Tk. 450,000 (four lac fifty thousand) only as issue management services.

UNDERWRITING OF SHARES

Public Offering (IPO) of 450,000 ordinary shares of Tk. 100 each amounting to Tk. 45,000,000.00. As per the SEC’s guideline, 50% of the public offers i.e. 225,000 ordinary shares amounting to Tk. 22,500,000.00 have been fully underwritten by the underwriters:

SL No.	Names and addresses of underwriters	No. of share underwritten	Per value (Tk.)	Total amount
1.	LankaBangla Finance Limited Safura Tower (Level-11) 20, Kemal Ataturk Avenue, Banani, Dhaka-1213 Tel.- 9883701-10, 9561107, 9561238	125,000	100.00	12,500,000
2.	Uttara Finance & Investments Ltd Jiban Bima Tower (6th floor) 10 Dilkusha C/A, Dhaka-1000 Tel: 9568207-9	100,000	100.00	10,000,000
Total:		225,000		22,500,000

Principal terms and conditions of underwriting agreements

01.
- If and to the extent that the shares offered to the public through a prospectus authorized hereunder shall not have been subscribed and paid for in cash in full by the closing date, the company shall within 10 (ten) days of the closure of subscription call upon the underwriters in writing to subscribe the shares not so subscribed and ask the underwriters to pay for them in cash in full within 15 (fifteen) days of the date of the said notice and the said amount shall have to be credited into shares subscription account within the said period.
02.
- If payment is made by Cheque/Bank Draft by the underwriter it will be deemed that the underwriter has not fulfilled his obligation toward his underwriting commitment under his agreement, until such time as the Cheque/Bank Draft has been encashed and the company’s account credited.
03.
- In any case within 7 (seven) days after the expiry of the aforesaid 15 (fifteen) days, the company shall send proof of subscription and deposit of shares money by the underwriters to the Commission.
04.
- In the case of failure by the underwriters to pay for the shares under the terms mentioned above, the said underwriter will not be eligible for underwriting of any issue until such time as they fulfill their underwriting commitment under his agreement and also other penalties as may be determined by the Commission.
05.
- In case of failure by any underwriter to pay for the shares within the stipulated time, the company/issuer will be under no obligation to pay any underwriting commission under his agreement.
06.
- In case of failure by the company to call up on the underwriter for the aforementioned purpose within the stipulated time, the company and its directors shall individually and collectively be held responsible for the consequence and / or penalties as determined by the Securities and Exchange Commission under the law.

Commission for the underwriters

The underwriter(s) shall be paid an underwriting commission @ 1.00% of the value of shares underwritten by them out of the public issue.



Underwriters’ rights to represent In Company’s Board

The underwriters shall not have any right to have any representative in the Company’s Board of Directors.

Relationship of officer or director of the underwriter with the member of the Board of Directors

No officer or Director of the underwriters is presently engaged as the Director of the Company.

Bankers to the issue commission

Bankers to the issue commission maximum 0.10% on the amount collected against public offering applications for the services to be rendered by them.

MATERIAL CONTRACTS

The Company has not entered into any material contract from the date of incorporation to the date of this issue, other than contracts entered into in the ordinary course of business of the Company and the contracts to manage the issue, which are as follow:

- a) Underwriting Agreements between the Company and the Underwriters.
- b) Issue Management Agreement between the Company and LankaBangla Finance Limited (LBFL).
- c) Contract between the company and the Central Depository Bangladesh Ltd. (CDBL).

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



Interested Persons are entitled to a prospectus, if they so desire, and that copies of prospectus may be obtained from the issuer and the issue manger.

APPLICATION FORM



RUPALI LIFE INSURANCE CO. LTD.

APPLICATION FOR SHARES BY INVESTORS OTHER THAN NON-RESIDENT BANGLADESHI (S)

Warning: Please read the instructions at the back of this form. Incorrectly filled applications may be rejected.

The Managing Director

Rupali Life Insurance Co. Ltd.
Rupali Bima Bhaban (9th floor),
7, Rajuk Avenue, Motijheel C/A, Dhaka-1000

Banker's Sl. No.
Broker's Sl. No.

Dear Sir,

I/we apply for and request you to allot me/us the number of Shares and I/we agree to accept the same or any smaller number that may be allotted to me/us upon the terms of the Company's approved Prospectus and subject to the Memorandum and Articles of Association of the Company. Further, I/we authorize you to place my/our name(s) on the Register of Members of the Company and deposit the said shares to my BO (Beneficiary Owner) Account and/or a Crossed (Account Payee only) Cheque in respect of any application money refundable by post/courier at my/our risk to the first applicant's address stated below:

1. No. of Ordinary Shares of Tk 100 each at par.
2. Amount of Tk (*in figure*).....Taka (*in words*).....only deposited vide
- Cash/Cheque/Draft/Pay Order No..... dated.....
- On..... BankBranch.

[illegible]

(If you do not mention your valid BO (Beneficiary Owners) account, your application will be treated as invalid)

4. I/We agree to fully abide by the instruction given herein.
5. Particulars of Applicant(s):

a) Sole/First Applicant

Name			
Father's/Husband's name			
Mother's name			
Postal address			
Occupation		Nationality	
For refund warrant (Application will not be treated as valid if anyone use a non-schedule bank. To avoid this complication, investors are requested not to use the name of any non-schedule bank) Please write the correct and full name of bank and branch;			
For refund warrant: Applicant's Bank A/C No.:			
Name of the Bank		Branch	

b) Second Applicant

Name			
Father's/Husband's name			
Mother's name			
Postal address			
Occupation		Nationality	

6. I/we hereby declare that I/we have read the Prospectus of **Rupali life Insurance Company Ltd.** and have willingly subscribed for no. of shares of Tk 100 each on this form.

7. **Specimen Signature(s):**

Name in Block Letters		Signature
Sole / First Applicant		
Second Applicant		

BANKER'S ACKNOWLEDGEMENT

Certified that this bank has received Tk.....(in word) only from Mr./Mrs./Ms. being the application money for Nos. of Ordinary Shares of **Rupali Life Insurance Company Ltd.**

Banker's Sl. No.

Seal and Date

**Authorized Signature
(Name & Designation)**



INSTRUCTIONS

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



BANKERS TO THE ISSUE

Investment Corporation of Bangladesh

Head Office, Dhaka
Local Office, Nayapaltan, Dhaka
Chittagong Branch, Chittagong
Rajshahi Branch, Rajshahi
Sylhet Branch, Jail Road, Sylhet
Bogra Branch, Station Road, Bogra
Khulna Branch, Khulna
Barishal Branch, Barishal

Trust Bank Limited

Principal Branch, Dhaka
Sena Kallyan Bhaban Branch, Dhaka
Dhanmondi Branch, Dhaka
Gulshan Corporate Branch, Dhaka
Dilkusha Corporate Branch, Dhaka

Standard Bank Limited

Principal Branch, Dhaka
Foreign Exchange Branch, Dhaka
Topkhana Road Branch, Dhaka
Imamgonj Branch, Dhaka
Gulshan Branch, Dhaka
Dhanmondi Branch, Dhaka
Uttara Branch, Dhaka
Gulshan-1, Branch, Dhaka
Pantha Path Branch, Dhaka
Jubilee Road Branch, Chittagong
Agrabad Branch, Chittagong
Khatungonj Branch, Chittagong
Sylhet Branch, Sylhet

Khulna Branch, Khulna
Rajshahi Branch, Rajshahi

First Security Islami Bank Ltd.

Dilkusha Branch, Dhaka
Mohakhali Branch, Dhaka
Bangshal Branch, Dhaka
Dhanmondi Branch, Dhaka
Gulshan Branch, Dhaka
Banani Branch, Dhaka
Mirpur Branch, Dhaka
Jubilee Road Branch, Chittagong
Agrabad Branch, Chittagong

National Bank Limited

Motijheel Branch, Dhaka
Dilkusha Branch, Dhaka
Foreign Exchange Branch, Dhaka
Bangshal Road Branch, Dhaka
Babubazar Branch, Dhaka
Elephant Road Branch, Dhaka
Gulshan Branch, Dhaka
Imamganj Branch, Dhaka
Dhanmondi Branch, Dhaka
Kawran Bazar Branch, Dhaka
Mohakahli Branch, Dhaka
Malibagh Branch, Dhaka
Mirpur Branch, Dhaka
ZH Sikder M.C. Branch, Dhaka
Islampur Branch, Dhaka
Uttara Branch, Dhaka
North Brook Hall Branch, Dhaka
Lake Circus Branch, Kalabagan, Dhaka
Mohammadpur Branch, Dhaka
Gazipur Branch, Gazipur
Savar Bazar Branch, Dhaka
Narayanganj Branch, Narayanganj
Sylhet Branch, Sylhet
Agrabad Branch, Chittagong
Khatungonj Branch, Chittagong
Jubilee Road Branch, Chittagong
Sheikh Mujib Road Branch, Chittagong

Khulna Branch, Khulna
Rangpur Branch, Rangpur
Bogra Branch, Bogra
Rajshahi Branch, Rajshahi
Barishal Branch, Barishal
Comilla Branch, Comilla

Shahjalal Islami Bank Ltd.

Dhaka Main Branch, Dhaka
Mitford Branch, Dhaka
Dhanmondi Branch, Dhaka
Foreign Exchange Branch, Dhaka,
Gulshan Branch, Dhaka
Kawran Bazar Branch, Dhaka
Banani Branch, Dhaka
Uttara Branch, Dhaka
Bangshal Branch, Dhaka
Baipail (Dhaka EPZ) Branch
Satmasjid Road Branch, Dhaka
Joydevpur Chowrasta Branch, Gazipur
Agrabad Branch, Chittagong
Jubilee Road Branch, Chittagong
Khatunganj Branch, Chittagong
Beani Bazar Branch, Sylhet
Sylhet Branch, Sylhet
Dargah Gate Branch, Sylhet
Moulvibazar Branch, Moulvibazar
Narayanganj Branch, Narayanganj

The City Bank Limited

Principal Office, Dhaka
B.B. Avenue Branch, Dhaka
Foreign Exchange Branch, Dhaka
Dhaka Chamber Branch, Dhaka
Islami Banking Branch, Dhaka
Mouchak Branch, Dhaka

Johnson Road Branch, Dhaka
Imamagonj Branch, Dhaka
New Market Branch, Dhaka
Dhanmondi Branch, Dhaka
Gulshan Branch, Dhaka
Kawranbazar Branch, Dhaka
Mirpur Branch, Dhaka
VIP Road Branch, Dhaka
Uttara Branch, Dhaka
Shaymoli Branch, Dhaka
Tanbazar Branch, Narayanganj
Tongi Branch, Gazipur
Agrabad Branch, Chittagong
Khatungonj Branch, Chittagong
Bandar Bazar Branch, Sylhet
Comilla Branch, Comilla
Barishal Branch, Barishal
Rajshahi Branch, Rajshahi
Khulna Branch, Khulna
Cox's Bazar branch, Chittagong

EXIM Bank Limited

Pantha Path Branch, Dhaka
Gulshan Branch, Dhaka
Nawabpur Branch, Dhaka
Rajuk Avenue Branch, Dhaka
New Eskaton Branch, Dhaka
Uttara Branch, Dhaka
Mirpur Branch, Dhaka
Elephant Road Branch, Dhaka
Malibagh Branch, Dhaka
Satmasjid Road Branch, Dhaka
Imamgonj Branch, Imamgonj, Dhaka
CDA Avenue Branch, Chittagong
Agrabad Branch, Chittagong
Jubilee Road Branch, Chittagong
Khatunganj Branch, Khatungonj
Sylhet Branch, Sylhet
Narayanganj Branch, Narayanganj
Shimrail Branch, Narayanganj

Interested Persons are entitled to a prospectus, if they so desire, and that copies of prospectus may be obtained from the issuer and the issue manger.

APPLICATION FORM



RUPALI LIFE INSURANCE CO. LTD.

APPLICATION FOR SHARES BY NON-RESIDENT BANGLADESHI(S)

(TO BE SENT DIRECTLY TO THE COMPANY'S CORPORATE OFFICE)

Warning: Please read the instructions at the back of this form. Incorrectly filled applications or failing to comply with any of the instructions in there, applications may be rejected.

The Managing Director

Rupali Life Insurance Co. Ltd.
Rupali Bima Bhaban (9th floor),
7, Rajuk Avenue, Motijheel C/A, Dhaka-1000

Dear Sir,

I/we apply for and request you to allot me/us the number of Shares and I/we agree to accept the same or any smaller number that may be allotted to me/us upon the terms of the Company's approved Prospectus and subject to the Memorandum and Articles of Association of the Company. Further, I/we authorize you to place my/our name(s) on the Register of Members of the Company and deposit the said shares to my BO (Beneficiary Owner) Account and/or a Crossed (Account Payee only) Cheque in respect of any application money refundable by post/courier at my/our risk to the first applicant's address stated below:

1. No. of Ordinary Shares of Tk 100 each at par.
2. Amount of Tk (*in figure*)....., (*in words*)only Convertible into US Dollar
1.00 = Tk, UK Pound Sterling 1.00 = Tk, and Euro 1.00 = Tk
3. Payment by cheque/draft no. dated..... for US Dollar or UK Pound Sterling or Euro or TK
..... drawn onBank Branch.

4. Depository (B/O) Account Number

[illegible]

(If you do not mention your valid BO (Beneficiary Owners) account, your application will be treated as invalid)

5. I/we fully agree to abide by the instructions given herein.
6. Particulars of Applicant(s):

a) Sole/First Applicant

Name			
Father's/Husband's name			
Mother's name			
Postal address			
Occupation			Nationality
Passport No.			Valid up to
Date of Birth			

For refund warrant (Application will not be treated as valid if anyone use a non-schedule bank. To avoid this complication, investors are requested not to use the name of any non-schedule bank) Please write the correct and full name of bank and branch;

For refund warrant: Applicant's Bank A/C No.:

Name of the Bank		Branch	
------------------	--	--------	--

b) Second Applicant

Name	
Father's/Husband's name	
Mother's name	
Postal address	
Occupation	Nationality
Passport No.	Valid up to
Date of Birth	

Nominee:

Name	
Mailing Address	

7. I/we hereby declare that I/we have read the Prospectus of **Rupali Life Insurance Company Ltd.**, and have willingly subscribed for
no. of shares of Tk 100 each on this form.

8. **Specimen Signature(s):**

Specimen Signature(s):		
	Name in Block Letters	Signature
Sole/First Applicant		
Second Applicant		
Nominee		



INSTRUCTIONS

1. As per provision of Depository Act, 1999 and regulations made there under shares will only be issued in dematerialized condition. Please mention your BO (Beneficiary Owner) Account number in the Application form. If you do not mention your valid BO (Beneficiary Owner) Account, your application will be treated as invalid.
2. All information must be written or typed in block letters in English and must not be abbreviated.
3. Application must not be for less than **50** Ordinary shares and must be for a multiple of **50** ordinary shares. Any application not meeting this criterion will not be considered for allotment purpose.
4. An application must be accompanied by a foreign demand draft drawn on a bank payable at Dhaka or cheque drawn out of foreign currency deposit account maintained in Bangladesh for the full value of shares favoring **"Rupali Life Insurance Company Ltd."** and crossed **"Account payee only"**.
5. An application shall be sent by the applicant directly to the Company by **16/05/2009** so as to reach the Company by **16/05/2009** Applications sent after **16/05/2009** or received by the Company after **16/05/2009** will not be considered for allotment purpose.
6. Refund against over-subscription shall be made in the currency in which the value of shares was paid for by the applicant at the same rate as stated on the application form through Account Payee cheque payable at Dhaka with bank account number, Bank's name and Branch as indicated in the securities application form.
7. In case of over-subscription, allotment shall be made by lottery solely in accordance with the instruction by SEC.
8. Money receipt on clearance of draft or cheque as the case may be, shall be sent by post to the applicant by the Company.
9. Joint application by two persons will be acceptable. In such a case, allotment or refund shall be made by post to the first applicant.
10. Application must be made by an individual, a corporation or company, a trust or a society and not by a firm, minor or persons of unsound mind.
11. Making of any false statement in the application or supplying of incorrect information therein or suppressing any relevant information shall make the Application liable to rejection and subject to forfeiture of application money and/or forfeiture of share (unit) before or after issuance of the same by the issuer. The said forfeited application money or share (unit) will be deposited in account specified by the Securities and Exchange Commission (SEC). This may be in addition to any other penalties as may be provided for by the law.
12. The intending NRB applicants shall deposit share money by US\$ / UK Pound Sterling / Euro draft drawn on any Bank and payable in Dhaka, Bangladesh, or through a nominee by paying out of foreign currency deposit account maintained in Bangladesh or in Taka, supported by foreign currency encashment certificate issued by the concerned bank, for the value of securities applied for through crossed bank cheque marking **"Account Payee only"**. So that the issuer's collecting bank can clear the proceeds and deposit the same into issuer bank's account in time.
13. The spot buying rate (TT Clean) in US\$, UK Pound Sterling and Euro of Sonali Bank at the day of subscription opening will be applicable for the Non Resident Bangladeshi (NRB) applicants.
14. **The applicant shall furnish photocopies of relevant pages of valid passports in support of his being a NRB, dual citizenship or of the foreign passport bearing a endorsement from the concerned Bangladeshi Embassy to the effect that no visa is required for him to travel to Bangladesh.**
15. In case of Joint NRB application shall also submit supporting papers/documents in supported of their being an NRB as mentioned in the para-14 above.
16. **An applicant can submit NOT more than two Applications, one in his/her name and another jointly with another person. In case an applicant makes more than two Applications, all applications will be treated as invalid and will not be considered for allotment purpose. In addition, whole or part of application money may be forfeited by the Commission.**
17. **No sale of securities shall be made nor shall any money be taken from any person, in connection with such sale until twenty five days after the prospectus have been published.**
18. **In the case of non allotment of securities, if the applicants' bank accounts as mentioned in their IPO Application Forms are maintained with the Bankers to the Issue, refund amount of those applicants will be directly credited into the respective bank accounts as mentioned in their IPO Application Forms. Otherwise, refund will be made only through "Account Payee" cheque(s) with the bank account number and name of bank branch as mentioned in their application payable at Dhaka or Chittagong, as the case may be.**

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



Financial Statements



78/E Purana Paltan line (2nd Floor)
Bijoynagar, Dhaka 1000
Bangladesh

B ALAM & CO
Chartered Accountants

Telephone : 9335627, 9358712
Tele fax : 88 02 9335627
Email : nalam@bangla.net

Auditors' Report to the Shareholders

We have audited the accompanying Financial Statements of Rupali Life Insurance Company Limited consisting of the Balance Sheet as of 30 June 2008 and the related Life Revenue Account and Statement of Cash Flow together with Notes thereto which form an integral part of these financial statements for the half year then ended. These financial statements are 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). These 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, these 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 30 June 2008 and of the results of its operations and its cash flow for the half year then ended and comply with the Companies Act 1994, the Insurance Act 1938, the Insurance Rules 1958, the Securities and Exchange Rules 1987 and other applicable laws and regulations.

We also 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 so far as it appeared from our examination of those books; and (where applicable) proper returns adequate for the purpose of our audit have been received from branches not visited by us;
- iii the Company's Balance Sheet and Life Revenue Account and its Cash Flow 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 40B (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 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 in any form outside Bangladesh from any person and commission in any form in respect of any of its business reinsured abroad.

Dhaka 7 October 2008

B Alam & Co
Chartered Accountants



RUPALI LIFE INSURANCE COMPANY LIMITED
Balance Sheet as at 30 June 2008

Capital and Liabilities	Note	30.06.08 Taka	31.12.07 Taka
Share capital			
Authorized capital			
1,000,000 ordinary shares of Tk 100 each		<u>100,000,000</u>	<u>100,000,000</u>
Issued, subscribed and paid up capital	3		
300,000 ordinary shares of Tk 100 each			
fully paid up in cash		30,000,000	30,000,000
Balance of funds and accounts			
Life insurance fund	4	829,014,494	744,915,622
Amount due to other persons or bodies carrying on insurance business	5	(10,992)	(10,992)
Liabilities and provisions		17,422,876	13,701,179
Estimated liabilities in respect of outstanding claims whether due or intimated	6	2,521,982	1,825,850
Sundry creditors	7	11,935,277	8,909,712
Provision for diminution in the value of shares		1,500,000	1,500,000
Provision for bad and doubtful debts	8	1,465,617	1,465,617
		<u>876,426,378</u>	<u>788,605,809</u>
Property and Assets			
Loan	9	4,382,330	3,615,069
On Insurer's policies within their surrender value			
Investment at cost	10	207,252,387	162,475,546
Statutory deposit with Bangladesh Bank (NIB)		4,000,000	4,000,000
Jatiya Biniyog Bond (NIB)		112,900,000	123,900,000
Treasury bond		65,000,000	15,000,000
Shares of companies		25,352,387	19,575,546
Sundry debtors	11	1,465,617	1,465,617
Interest, dividend and rent accrued but not due	12	69,005,452	50,419,496
Advance and deposits	13	45,298,476	27,847,856
Cash and bank balances	14	456,741,689	458,152,994
Fixed deposit in banks		257,031,368	198,531,368
STD account with banks		122,734,062	167,811,500
Current account with banks		34,212,895	30,501,865
Cash in hand		21,620,929	29,915,993
Collections in hand		21,142,435	31,392,268
Other assets			
Fixed assets at cost less depreciation	15	85,148,332	78,116,774
Deferred expenses	16	2,364,673	2,831,989
Stock of stamp, printing and stationery		4,767,422	3,680,468
		<u>876,426,378</u>	<u>788,605,809</u>

Accompanying notes 1 to 28 form an integral part of these financial statements.

Sd/- Biswajit Kumar Mondal Asst Managing Director (F&A)	Sd/- Noor Mohammed Bhuiyan Managing Director	Sd/- Abdul Matin Director	Sd/- Abdullah Jamil Matin Vice Chairman	Sd/- Mahfuzur Rahman Chairman
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Signed as per our annexed report of similar date.

Dhaka 7 October 2008	Sd/- B Alam & Co Chartered Accountants
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RUPALI LIFE INSURANCE COMPANY LIMITED
Life Revenue Account
For the half year ended 30 June 2008

Income	Note	Jan/08 to June/08 Taka	Jan/07 to June/07 Taka
Balance of life fund at the beginning of the year		744,915,622	460,708,692
Premium less reinsurances	17		
First year premium		152,306,758	123,956,143
Ekok bima		35,095,424	37,691,754
Samajik bima		21,074,603	18,339,490
Islami bima		44,390,900	36,739,710
Takaful DPS bima		30,852,200	14,651,000
Rupali DPS bima		10,268,100	10,332,300
Rupali Khudra bima		7,575,775	5,939,600
Shariah DPS bima		894,168	262,289
Al Amanat Bima		2,155,588	-
Renewal premium		198,789,021	138,738,647
Ekok bima		72,369,083	54,374,260
Samajik bima		49,207,098	38,027,031
Islami bima		39,559,749	25,765,636
Takaful DPS bima		14,863,100	7,573,800
Rupali DPS bima		14,024,500	9,024,420
Rupali Khudra bima		8,612,500	3,956,600
Shariah DPS bima		150,600	16,900
Al Amanat Bima		2,391	-
Group insurance premium		-	1,013
Ekok bima		-	-
Islami bima		-	1,013
Rupali Khudra bima		-	-
Gross premium		351,095,779	262,695,803
Less: reinsurances premium		-	-
Net premium		351,095,779	262,695,803
Interest, dividend and rent	18	27,090,801	16,940,184
Other income	19	964,230	62,167
		1,124,066,432	740,406,846

First year premium where the maximum premium paying year is:		
First year	-	-
Two years	-	-
Three years	-	-
Four years	-	-
Five years	-	-
Six years	-	-
Seven years	-	-
Eight years	-	-
Nine years	-	-
Ten years	-	21,661,395
Eleven years	-	-
Twelve years or over (including throughout life)	152,306,758	102,294,748
	<u>152,306,758</u>	<u>123,956,143</u>



RUPALI LIFE INSURANCE COMPANY LIMITED
Life Revenue Account
For the half year ended 30 June 2008

Expenditure	Note	Jan/08 to June/08 Taka	Jan/07 to June/07 Taka
Claims under policies (including provision for claims due or intimated) less reinsurances	20	66,556,728	31,316,485
By death		5,085,174	3,284,401
By survival		60,437,477	27,074,573
By surrender		1,034,077	957,511
 Expenses of management			
Commission:		163,021,410	116,771,652
(a) Commission to insurance agents (less reinsurances)		72,013,809	58,072,931
(b) Allowances and commission (other than commission in sub item (a) above		91,007,601	58,698,721
 Salaries, etc (other than to agents and those contained in the allowances and commission)		19,558,507	16,301,817
Travelling and conveyance		1,876,894	1,481,441
Directors' fees		285,000	244,000
Audit fee		55,000	150,000
Medical fee		463,260	387,268
Insurance policy stamps		2,457,028	1,394,875
Advertisement and publicity		4,023,359	2,529,617
Printing and stationery		3,385,777	3,799,452
Lease rent		-	53,140
Legal and professional fees		303,860	54,000
Office rent		9,669,544	7,386,831
Bank charges		908,244	391,270
General repairs and maintenance		1,034,587	1,231,448
Car fuel, repair and maintenance		4,733,392	3,799,042
Paper and periodicals		86,367	63,693
Telephone, telex, fax, etc		1,363,184	1,431,522
Electricity, gas and WASA		817,138	601,090
Training and recruitment expenses		18,000	27,400
Fees, subscription and donation		682,750	764,500
Entertainment		710,735	623,060
Insurance premium (general)		519,092	349,677
Postage and telegram		581,288	341,420
Business development expenses		3,223,353	3,101,023
Prize and awards		-	193,080
Conference expenses		-	-
Company registration fee		-	-
Revenue stamps		242,175	410,448
Annual general meeting expenses		-	-
Actuarial fees		41,800	313,500
Credit rating fees		-	-
Shariah board meeting expenses		99,680	71,750
Rates & Taxes		-	-
Picnic expenses		-	-
IPO expenses		-	15,036
		57,140,014	47,511,400



RUPALI LIFE INSURANCE COMPANY LIMITED
Life Revenue Account
For the half year ended 30 June 2008

Expenditure (contd)	Jan/08 to June/08 Taka	Jan/07 to June/07 Taka
Other expenses		
Depreciation on fixed assets	7,866,470	5,040,117
Amortization of deferred expenses	467,316	467,316
Provision for bad and doubtful debts	-	895,669
Provision for diminution in the value of shares	-	-
Loss on sale of car	-	221,486
	8,333,786	6,624,588
	295,051,938	202,224,125
Balance of life insurance fund at the end of the period as shown in the balance sheet	829,014,494	538,182,721
	1,124,066,432	740,406,846

Accompanying notes 1 to 28 form an integral part of these financial statements.

Sd/-	Sd/-	Sd/-	Sd/-	Sd/-
Biswajit Kumar Mondal	Noor Mohammed Bhuiyan	Abdul Matin	Abdullah Jamil Matin	Mahfuzur Rahman
Asst Managing Director (F&A)	Managing Director	Director	Vice Chairman	Chairman

Signed as per our annexed report of similar date.

Dhaka 7 October 2008

Sd/-
B Alam & Co
Chartered Accountants



RUPALI LIFE INSURANCE COMPANY LIMITED
Statement of Life Insurance Fund
For the half year ended 30 June 2008

Assets	30.06.08	30.06.07
	Taka	Taka
Loan on insurer's policies within their surrender value	4,382,330	2,853,256
Investment	464,283,755	113,529,078
Agents' balance	-	-
Sundry debtors	1,465,617	1,465,617
Interest, dividends and rents accruing but not due	69,005,452	35,250,590
Advance and deposits	45,298,476	28,266,115
Cash and bank balances	199,710,321	333,054,722
Fixed assets (at cost less depreciation)	85,148,332	62,451,817
Deferred expenses	2,364,673	3,299,304
Stamps, printing and stationery in hand	4,767,422	2,773,932
	876,426,378	582,944,431
Liabilities		
Estimated liabilities in respect of outstanding claims whether due or intimated	2,521,982	1,874,450
Amount due to other persons of bodies carrying on insurance business	(10,992)	67,253
Sundry creditors	11,935,277	9,312,335
Provision for diminution in the value of shares	1,500,000	-
Provision for bad and doubtful debts	1,465,617	3,507,672
	17,411,884	14,761,710
Gross fund (assets minus liabilities)	859,014,494	568,182,721
Less: shareholders' capital (paid up capital)	30,000,000	30,000,000
Life insurance fund at the end of the period	829,014,494	538,182,721

Sd/-	Sd/-	Sd/-	Sd/-	Sd/-
Biswajit Kumar Mondal	Noor Mohammed Bhuiyan	Abdul Matin	Abdullah Jamil Matin	Mahfuzur Rahman
Asst Managing Director (F&A)	Managing Director	Director	Vice Chairman	Chairman

Signed as per our annexed report of similar date.

Dhaka 7 October 2008

Sd/-
B Alam & Co
Chartered Accountants



RUPALI LIFE INSURANCE COMPANY LIMITED
FORM AA
Classified Summary of the Assets in Bangladesh
As at 30 June 2008

SI No	Class of assets	Book value (Tk)	Market value (Tk)	Remarks
1	Statutory deposit with Bangladesh Bank	4,000,000	4,000,000	At cost
2	Loan on Insurer's policies	4,382,330	4,382,330	Realizable value
3	Investment in shares of company	25,352,387	28,386,768	Market value
4	Jatiyo Biniyog Bond (NIB)	112,900,000	112,900,000	ditto
5	Government treasury bond	65,000,000	65,000,000	ditto
6	Fixed deposits with bank	257,031,368	257,031,368	Book value
7	Cash in hand, STD and current accounts	178,567,886	178,567,886	Realizable value
8	Collection in hand	21,142,435	21,142,435	ditto
9	Interest, dividend and rent accrued but not due	69,005,452	69,005,452	ditto
10	Sundry debtors	1,465,617	1,465,617	Full provision held
11	Advance and deposit	45,298,476	45,298,476	Realizable value
12	Fixed assets (at cost less depreciation)	85,148,332	85,148,332	WDV
13	Stock of forms, stamp and stationery	4,767,422	4,767,422	At cost
14	Deferred expenses	2,364,673	2,364,673	Amortizable asset
		876,426,378	879,460,759	

Sd/-	Sd/-	Sd/-	Sd/-	Sd/-
Biswajit Kumar Mondal	Noor Mohammed Bhuiyan	Abdul Matin	Abdullah Jamil Matin	Mahfuzur Rahman
Asst Managing Director (F&A)	Managing Director	Director	Vice Chairman	Chairman

Signed as per our annexed report of similar date.

Dhaka 7 October 2008

Sd/-
B Alam & Co
Chartered Accountants



RUPALI LIFE INSURANCE COMPANY LIMITED
Cash Flow Statement
For the half year ended 30 June 2008

	Jan/08 to June/08 Taka	Jan/07 to June/07 Taka
a Cash flow from operating activities		
Collection from premium	351,095,779	262,588,825
Other income received	964,230	62,167
Payment for claims	(65,860,596)	(31,064,302)
Payment for reinsurances, management expenses and others	(218,222,812)	(163,667,354)
Net cash received from operating activities	67,976,601	67,919,336
b Cash flow from investing activities		
Investments	(44,776,841)	(50,366,337)
Acquisition of fixed assets	(27,326,807)	(15,339,191)
Disposal of fixed assets	12,428,778	551,486
Advance income tax paid	(1,195,390)	(2,312,991)
(Loss)/Profit on sale of cars	-	(221,486)
Deferred expenses	-	(28,100)
Loan against policies paid	(1,314,993)	(982,790)
Loan against policies realized	547,732	424,976
Other loans and advance paid	(19,684,778)	(4,103,240)
Other loans and advance realized	3,429,548	2,774,636
Interest, dividend and rent received	8,504,845	8,271,928
Net cash used in investing activities	(69,387,906)	(61,331,109)
c Cash flow from financing activities	-	-
Net cash used in financing activities	-	-
d Net increase in cash and cash equivalents (a+b+c)	(1,411,305)	6,588,227
e Cash and cash equivalents at beginning of the year	458,152,994	326,466,495
f Cash and cash equivalents at end of the year	456,741,689	333,054,722

Sd/- Biswajit Kumar Mondal Asst Managing Director(F&A)	Sd/- Noor Mohammed Bhuiyan Managing Director	Sd/- Abdul Matin Director	Sd/- Abdullah Jamil Matin Vice Chairman	Sd/- Mahfuzur Rahman Chairman
--	--	---------------------------------	---	-------------------------------------

Dhaka 7 October 2008

Sd/-
B Alam & Co
Chartered Accountants



RUPALI LIFE INSURANCE COMPANY LIMITED
Notes on the Financial Statements
For the half year ended 30 June 2008

1 Legal status and nature of business of the Company

Rupali Life Insurance Company Limited (the Company) was incorporated as a public limited company in Bangladesh under the Companies Act 1994 on 28 December 1999 and commenced operation from the same date. The Company is engaged in life insurance business mainly in individual life and Islamic individual life insurance business. It also operates in non traditional micro life insurance under the name (1) Ekok Bima, (2) Samajik Bima, (3) Islami Bima, (4) Takaful DPS Bima, (5) Rupali DPS Bima, (6) Rupali Khudra Bima, (7) Shariah DPS Bima and (8) Al Amanat Bima.

2 Significant accounting policies and related matters

2.1 Basis of accounting

The financial statements have been prepared on a going concern basis on historical cost convention. Requirements as to the disclosures of financial information warranted by the Insurance Act, 1938 as well as International Accounting Standards as adopted in Bangladesh so far as those are applicable to accounting for life insurance business, have been adhered to in presenting the financial statements. The financial statements comprise of the Balance Sheet and the Life Revenue Account as per format set forth in the First and Third Schedules of the Insurance Act, 1938 as well as Statement of Life Insurance Fund, Cash Flow Statement and the enclosed Notes on the financial statements.

2.2 Depreciation on fixed assets

Depreciation on fixed assets has been calculated adopting reducing balance method on all assets at varying rates depending on the class and their estimated useful life as stated below. Method and rate of providing depreciation are consistently applied in relation to the previous year.

Furniture and fixtures	15%	Air cooler	20%
Signboard	10%	Office equipment	15%
Motor vehicle	20%	Photocopy machine	15%
Computer	20%	Electric equipment	15%
		Multimedia equipment	15%

2.3 Investment

Investments are stated in the financial statements at their cost in line with the BAS 25. Interest on investment is calculated on accrual basis. Any shortfall in the market value over the cost price is provided for in the financial statements.

2.4 Taxation

The Company has made an actuarial valuation based on the accounts as at 31 December 2007 and a surplus of Tk 11,736,000 ascertained. Since a cumulative loss has been assessed by the taxes authority up to the assessment year 2007-2008 no provision for taxation has been made.

2.5 Defererrrd tax

The company has not yet started making calculation of deferred tax as it is still running with cumulative loss based on assessment made up to the assessment year 2007-2008.

2.6 Commission

Commission to insurance agents (less that on reinsurances) represents first year commission and renewal commission.

Allowances and commission (other than commission to insurance agents less that on reinsurances) represent field officers salary and allowances including bonus.

2.7 Stock of stamp, printing and stationery

Stock of stationery, stamps and printed materials have been valued at cost and such valuation has been certified by the management.

2.8 Reinsurances premium

The Company has reinsurances arrangement with Malayasian Retakaful International (L) Ltd.

2.9 Related party transaction

The Company has no related party transaction as described in IAS 24 with any person who can exercise significant influence in making financial and operating decision.

2.10 General

Previous year's figures have been rearranged, where necessary, to conform to the current year's presentation. Monetary figures in these financial statements have been rounded off to the nearest Bangladesh Taka currency.



3	Share capital	30.06.08	31.12.07
		Taka	Taka
	Authorized	<u>100,000,000</u>	<u>100,000,000</u>
	10,00,000 ordinary shares of Tk 100 each		
	Issued, subscribed and paid up	<u>30,000,000</u>	<u>30,000,000</u>
	3,00,000 ordinary shares of Tk 100 each		
	fully paid up in cash by the sponsors		
4	Life insurance fund		
	Balance as on 1 January	744,915,622	460,708,692
	Add:surplus in Life Revenue A/C of the period	<u>84,098,872</u>	<u>284,206,930</u>
	Balance as on 30 June	<u>829,014,494</u>	<u>744,915,622</u>
5	Amount due to other persons or bodies carrying on insurance business		
	Payable to Jiban Bima Corporation	(10,992)	67,253
	Add: provision made during the period	<u>-</u>	<u>19,128</u>
		(10,992)	86,381
	Less: payment/adjustment during the period	<u>-</u>	<u>97,373</u>
	Excess payment/adjustment	<u>(10,992)</u>	<u>(10,992)</u>
6	Estimated liabilities in respect of claims whether due or intimated		
	Death claim:		
	Ekok bima	1,175,554	202,500
	Islami bima	-	-
	Samajik bima	1,346,428	1,580,350
	TDPS bima	<u>-</u>	<u>43,000</u>
		<u>2,521,982</u>	<u>1,825,850</u>
7	Sundry creditors		
	Commission payable (Note 7.1)	-	701,602
	Auditors' fees (Note 7.2)	95,000	85,000
	Licence fees payable (Note 7.3)	559,179	913,064
	Income tax payable on salary (Note 7.4)	-	37,050
	VAT payable on bills (Note 7.5)	9,795	71,076
	Income tax deduction on bills (Note 7.6)	172,820	82,634
	Security money (Note 7.7)	360,930	336,172
	Income tax payable on office rent (Note 7.8)	-	17,468
	Outstanding expenses (Note 7.9)	-	32,175
	Other creditors (Note 7.10)	9,934,372	6,633,471
	Employees' provident fund (Note 7.11)	399,520	-
	Income tax deduction on commission (Note 7.12)	91,661	-
	Liabilities for share of ICBI Bank Ltd (Note 7.13)	312,000	-
		<u>11,935,277</u>	<u>8,909,712</u>



		30.06.08	31.12.07
		Taka	Taka
7.1	Commission payable		
	Agents' commission	-	275,138
	Overriding commission	-	426,464
	Renewal commission	-	-
		<u>-</u>	<u>701,602</u>
		<u><u>-</u></u>	<u><u>701,602</u></u>
7.2	Auditors' fees		
	Special audit fees	50,000	50,000
	Statutory audit fees	-	35,000
	Audit fees for IPO	45,000	-
		<u>95,000</u>	<u>85,000</u>
		<u><u>95,000</u></u>	<u><u>85,000</u></u>
7.3	Licence fee payable		
	Agents' licence fee	433,429	762,354
	Certificate fee	125,750	150,700
		<u>559,179</u>	<u>913,054</u>
		<u><u>559,179</u></u>	<u><u>913,054</u></u>
Agents licence fee payable Tk 433,429 and certificate fee payable Tk 125,750 as disclosed under "sundry creditors" are in line with the provision of section 42 of the Insurance Act 1938.			
7.4	Income tax payable on salary	<u>-</u>	<u>37,050</u>
		<u><u>-</u></u>	<u><u>37,050</u></u>
7.5	VAT payable on bills	<u>9,795</u>	<u>71,076</u>
		<u><u>9,795</u></u>	<u><u>71,076</u></u>
The above amount has subsequently been paid to the government treasury after the balance sheet date.			
7.6	Income tax deducted on bills	<u>172,820</u>	<u>82,634</u>
		<u><u>172,820</u></u>	<u><u>82,634</u></u>
The above amount has been subsequently deposited to government treasury after the balance sheet date.			
7.7	Security money		
	Balance as on 1 January	336,172	365,000
	Add: received during the period	39,758	64,269
		<u>375,930</u>	<u>429,269</u>
	Less: adjusted during the period	15,000	93,097
		<u>360,930</u>	<u>336,172</u>
	Balance as on 30 June	<u><u>360,930</u></u>	<u><u>336,172</u></u>
7.8	Income tax payable on office rent	<u>-</u>	<u>17,468</u>
		<u><u>-</u></u>	<u><u>17,468</u></u>
7.9	Outstanding expenses		
	Office rent	<u>-</u>	<u>32,175</u>
		<u><u>-</u></u>	<u><u>32,175</u></u>



7.10 Other creditors	30.06.08 Taka	31.12.07 Taka
Loan from Exim Bank Ltd (overdraft)	1,312,893	3,341,315
Uttara Finance and Investment Ltd	8,621,479	3,292,156
	<u>9,934,372</u>	<u>6,633,471</u>

The above overdraft was obtained from Exim Bank Ltd, Motijheel Branch through a lien of 3 FDRs for Tk 6,000,000. Tk 8,621,479 is payable to Uttara Finance and Investment Ltd (merchant banker) for portfolio account of share trading.

7.11 Employees' provident fund	<u>399,520</u>	<u>-</u>
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The above amount is payable to CPF Trustee on account of employees' contributory provident fund.

7.12 Income tax deducted on commission	<u>91,661</u>	<u>-</u>
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The above amount has been subsequently deposited to government treasury after the balance sheet date.

7.13 Liabilities for shares of ICBI Bank Ltd	<u>312,000</u>	<u>-</u>
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The amount represents the liabilities for allotment of 312 shares @ Tk. 1,000 each in favour of Rupali Life Insurance Co Ltd against deposit of money to ICBI Bank Ltd (former The Oriental Bank Ltd).

8 Provision for bad and doubtful debts	<u>1,465,617</u>	<u>1,465,617</u>
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The above amount represents full provision on account of equivalent amount receivable from 5 ex-employees of the Company. This refers to Note 11 appearing subsequently.

9 Policy loan		
Balance as on 1 January	3,615,069	2,295,442
Add: paid during the period	1,314,993	2,571,017
	<u>4,930,062</u>	<u>4,866,459</u>
Less: realized during the period	547,732	1,251,390
Balance as on 30 June	<u>4,382,330</u>	<u>3,615,069</u>

The above balance represents loan paid to policy holders within the surrender value of the respective policies as per provision of the Insurance Act 1938.

10 Investment (at cost)	<u>207,252,387</u>	<u>162,475,546</u>
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10.1 Statutory deposit with Bangladesh Bank	<u>4,000,000</u>	<u>4,000,000</u>
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This represents the amount kept with Bangladesh Bank as statutory deposit as per provision of the Insurance Act 1938.

10.2 Jatiya Biniyog Bond	<u>112,900,000</u>	<u>123,900,000</u>
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This represents investment made in 3 year National Investment Bond as per provision of section 27 (2)(i) of the Insurance Act 1938.



	30.06.08	31.12.07
	Taka	Taka
10.3 Government Treasury Bond		
5 year term bond (yield rate 10.60%)	50,000,000	-
10 year term bond (yield rate 11.74%)	15,000,000	15,000,000
	<u>65,000,000</u>	<u>15,000,000</u>

This represents investment made in government treasury bond as per provision of section 27 (2)(i) of the Insurance Act 1938.

10.4 Investment in shares of companies	No of share	30.06.08 Book value	Market value	31.12.07 Taka
One Bank Ltd	691	40,000	318,378	40,000
Central Depository Bangladesh Ltd	1	1,000,000	1,000,000	1,000,000
United Commercial Bank Ltd	2,565	11,925,877	14,391,574	-
Grameen Mutual Fund 1	10,000	1,722,773	1,277,000	-
Fareast Islami Life Insurance Co Ltd	950	3,702,714	4,341,737	-
Prime Islami Life Insurance Co. Ltd	250	561,662	550,750	-
Dutchbangla Bank Ltd	1,500	5,702,067	5,397,375	-
AIMS 1st Mutual Fund	17,500	385,294	268,100	-
AB Bank Ltd	-	-	-	2,933,754
The City Bank Ltd	-	-	-	1,983,303
Brac Bank Ltd	-	-	-	1,524,585
IPDC	-	-	-	367,682
Phoenix Finance and Investment Ltd	-	-	-	3,979,080
Trust Bank Ltd	-	-	-	7,747,142
ICBI Bank Ltd	312	312,000	841,854	-
		<u>25,352,387</u>	<u>28,386,768</u>	<u>19,575,546</u>

Investments are stated in the financial statements at cost in line with the BAS 25. Market value of the shares on the balance sheet date was Tk 28,386,768.

11 Sundry debtors

Balance as on 1 January	1,465,617	2,902,010
Addition during the period	-	-
	<u>1,465,617</u>	<u>2,902,010</u>
Less: adjusted during the period	-	1,436,393
Balance as on 30 June	<u>1,465,617</u>	<u>1,465,617</u>
Project wise break up is stated below:		
Ekok bima	-	-
Samajik bima	1,465,617	1,465,617
Islami bima	-	-
Rupali DPS bima	-	-
	<u>1,465,617</u>	<u>1,465,617</u>
Year wise break up of the above is as under:		
2002	-	-
2003	1,465,617	1,465,617
2004	-	-
2005	-	-
2006	-	-
	<u>1,465,617</u>	<u>1,465,617</u>

Money suit has been filed against 5 ex employees for realization of the above. The entire amount has been provided in the accounts. See Note 8.



	30.06.08	31.12.07
	Taka	Taka
12 Interest, dividend and rent accruing but not due		
Interest on National Investment Bond (Note 12.1)	14,263,181	11,952,166
Interest on fixed deposit with banks (Note 12.2)	52,602,753	38,341,246
Interest on treasury bond (Note 12.3)	2,139,518	126,084
	<u>69,005,452</u>	<u>50,419,496</u>
12.1 Interest on National Investment Bond		
Balance as on 1 January	11,952,166	6,802,149
Add: provision made during the period	4,938,563	8,123,250
	<u>16,890,729</u>	<u>14,925,399</u>
Less: received/adjusted during the period	2,627,548	2,973,233
Balance as on 30 June	<u>14,263,181</u>	<u>11,952,166</u>
12.2 Interest on fixed deposit with banks		
Balance as on 1 January	38,341,246	19,780,185
Add: provision made during the period	18,028,971	26,104,320
	<u>56,370,217</u>	<u>45,884,505</u>
Less: received during the period	3,767,464	7,543,259
Balance as on 30 June	<u>52,602,753</u>	<u>38,341,246</u>
12.3 Interest on government treasury bond		
Balance as on 1 January	126,084	126,084
Add: provision made during the period	2,543,502	-
	<u>2,669,586</u>	<u>126,084</u>
Less: received during the period	530,068	-
Balance as on 30 June	<u>2,139,518</u>	<u>126,084</u>
13 Advances and deposits		
Loans and advances	3,337,746	3,202,773
Advance office rent	14,976,052	12,973,098
Advance corporate tax	8,997,690	7,802,300
Advance against expenses	99,300	76,300
Advance against salary	6,484,631	3,793,385
Advance for purchase of land	11,403,057	-
	<u>45,298,476</u>	<u>27,847,856</u>
13.1 Loans and advances		
Motor cycle loan	2,319,103	2,186,740
Bicycle loan	343,189	344,879
Mobile phone loan	675,454	671,154
	<u>3,337,746</u>	<u>3,202,773</u>
13.2 Advance office rent		
Balance as on 1 January	12,973,098	10,800,600
Add: paid during the period	3,930,388	4,679,190
	<u>16,903,486</u>	<u>15,479,790</u>
Less: adjusted during the period	1,927,434	2,506,692
Balance as on 30 June	<u>14,976,052</u>	<u>12,973,098</u>



	30.06.08 Taka	31.12.07 Taka
13.3 Advance corporate tax		
Balance as on 1 January	7,802,300	4,081,172
Add: paid during the period	1,195,390	3,985,248
	<u>8,997,690</u>	<u>8,066,420</u>
Less: adjusted during the period	-	264,120
Balance as on 30 June	<u><u>8,997,690</u></u>	<u><u>7,802,300</u></u>
Year wise breakup of the above balance is as under :		
2001	190,659	190,659
2002	195,859	195,859
2003	22,016	22,016
2004	840,108	840,108
2005	855,117	855,117
2006	1,713,293	1,713,293
2007	3,985,248	3,985,248
2008 (Up to 30.06.08)	1,195,390	-
	<u><u>8,997,690</u></u>	<u><u>7,802,300</u></u>

13.4 Advance for purchase of land (see Note 15.1 b and c)

Plot at Hirajheel Property Development (Pvt) Co Ltd

The Company has booked 20 kathas land from Hirajheel Property Development (Pvt) Ltd at Basumati Abasik Prakaipa, plot # 17, 18, 43, and 44, Block # G, Dhaka on instalment payment system. Details of payments for the plots are stated below:

Plot # 17 and 18

Booking money paid	700,000	-
Instalment paid (35 instalments @ Tk 43, 055 each)	1,506,925	-

Plot # 43 and 44

Booking money paid	525,000	-
Instalment paid (39 instalments @ Tk 38,888 each)	<u>1,516,632</u>	<u>-</u>
	<u>4,248,557</u>	<u>-</u>

Plot at East West Property Development (Pvt) Ltd

The Company has booked 10 kathas land from East West Property Development (Pvt) Ltd, plot # 1029, Block # I at Bashundhara, Dhaka on intstalment payment system. Details of payments for the plot are stated below:

Plot # 1029, Block I

Booking money payment.	25,000	-
Instalment paid (49 instalments @ Tk 1,45,500 each)	<u>7,129,500</u>	<u>-</u>
	<u>7,154,500</u>	<u>-</u>
	<u>11,403,057</u>	<u>-</u>



14 Cash and bank balances	30.06.08	31.12.07
	Taka	Taka
14.1 Fixed deposit in banks and financial institutions		
(a) Banks		
National Bank of Pakistan, Motijheel	25,000,000	25,000,000
National Bank of Pakistan, Gulshan	4,000,000	-
Exim Bank Ltd, Rajuk Avenue Branch, Dhaka	21,000,000	12,000,000
Exim Bank Ltd, Motijheel Branch	53,500,000	26,500,000
Premier Bank Ltd, Motijheel Branch	5,000,000	5,000,000
Premier Bank Ltd, Savar Branch	6,000,000	6,000,000
Premier Bank Ltd, Meghnaghat Branch	3,000,000	3,000,000
First Security Bank Ltd, Dilkusha Branch	12,000,000	1,000,000
First Security Bank Ltd, Bangshal Branch	9,000,000	5,000,000
Mercantile Bank Ltd, Main Branch, Dhaka	12,350,000	14,350,000
Mercantile Bank Ltd, Naya Bazar Branch, Dhaka	500,000	500,000
Oriental Bank Ltd, Babubazar Branch	1,159,318	1,159,318
Oriental Bank Ltd, Principal Branch	1,722,050	1,722,050
Southeast Bank Ltd, Bangshal Branch	10,000,000	10,000,000
Southeast Bank Ltd, Motijheel Branch	4,000,000	4,000,000
Social Investment Bank Ltd, Foreign Exchange Branch	1,500,000	1,500,000
Social Investment Bank Ltd, Panthapath Branch	12,000,000	12,000,000
Social Investment Bank Ltd, Moulvibazar Br, Dhaka	-	1,500,000
Jamuna Bank Ltd, Foreign Exchange Branch	4,000,000	4,000,000
Jamuna Bank Ltd, Sonargaon Road Branch, Dhaka	4,000,000	4,000,000
Jamuna Bank Ltd, Moulvibazar Branch, Dhaka	2,200,000	2,200,000
Jamuna Bank Ltd, Shantinagar Branch	3,300,000	3,300,000
Jamuna Bank Ltd, Motijheel Branch	3,500,000	3,500,000
Shahjalal Islami Bank Ltd, Bangshal Branch	2,000,000	2,000,000
Shahjalal Islami Bank Ltd, Foreign Exchange Branch	3,000,000	3,000,000
Prime Bank Ltd, Sylhet Branch	1,500,000	1,500,000
Prime Bank Ltd, Gulshan Branch	1,000,000	1,000,000
Prime Bank Ltd, Tongi Branch	1,000,000	1,000,000
Prime Bank Ltd, Foreign Exchange Branch	8,300,000	8,300,000
Dhaka Bank Ltd, Local Office	5,000,000	5,000,000
Dhaka Bank Ltd, Islampur Branch	2,000,000	2,000,000
Dutchbangla Bank Ltd, Mohakhali Br	5,000,000	-
Islami Bank Bangladesh Ltd, Mouchak Br, Dhaka	3,000,000	-
Al Arafah Islami Bank Ltd, New Elephant Rd Br	10,500,000	12,500,000
Al Arafah Islami Bank Ltd, Motijheel Branch	6,000,000	6,000,000
Al Arafah Islami Bank Ltd, Corporate Branch	5,000,000	5,000,000
	<u>252,031,368</u>	<u>194,531,368</u>
(b) Financial institutions		
Union Capital Ltd, Sonargaon Road, Dhaka	-	1,500,000
Phoenix Finance and Investment Ltd, Motijheel	5,000,000	2,500,000
	<u>5,000,000</u>	<u>4,000,000</u>
Cash in hand	21,620,929	29,915,993
STD account with banks	122,734,062	167,811,500
Current account with banks	34,212,895	30,501,865
Collections in hand	21,142,435	31,392,268
	<u>199,710,321</u>	<u>259,621,626</u>
	<u>456,741,689</u>	<u>458,152,994</u>
14.2 Fixed deposits		
We have physically verified the FDR instruments physically and found in order.		
14.3 Cash at bank		
We have checked the bank reconciliation statements and found the balances are in agreement with the bank book balances.		
14.4 Cash in hand		
Cash in hand has not been physically verified by us as on 30 June 2008. However, we have obtained a management certificate in respect of the cash in hand as on 30.06.08.		



14.5 Collections in hand

Collections in hand include life insurance premium collected and deposited up to 31.8.2008 through various marketing offices by issuing premium receipts within 30 June 2008 but the amount has subsequently been deposited into the bank. Dates of deposits, name of bank branch, account number and amount are shown below:

Name of bank and branch	Date of deposit	Bank A/C No	Amount (Tk)
Ekok bima			
Exim Bank Ltd, Rajuk, Dhaka	12.08.08	STD # 416	50,000
United Commercial Bank Ltd, Fatikchari	14.07.08 to 14.08.08	STD # 65	639,084
Mutual Trust Bank Ltd, Agrabad	16.07.08 to 18.08.08	STD # 383	1,977,246
Janata Bank Ltd, Uttara	09.07.08 to 10.08.08	STD # 12	84,210
Islami Bank Bangladesh Ltd, Dakkhin Khan	05.08.08 to 19.08.08	SND # 17	374,036
Bangladesh Krishi Bank, Muradnagar, Comilla	02.07.08 to 24.07.08	STD # 09	441,237
Bangladesh Krishi Bank, Muradnagar, Comilla	07.08.08 to 12.08.08	STD # 10	334,301
First Security Bank Ltd, Agrabad	14.08.08 to 20.08.08	STD # 92/4	1,029,513
Al Arafa Islami Bank Ltd, Motijheel	31.07.08 to 05.08.08	SND # 1093	437,530
Al Arafa Islami Bank Ltd, Motijheel	27.07.08 to 31.07.08	SND # 995	140,775
Social Investment Bank Ltd, Bogra	22.07.08 to 19.08.08	STD # 581	412,811
Social Investment Bank Ltd, Bogra	11.08.08 to 31.08.08	STD # 344	627,898
Mutual Trust Bank Ltd, Agrabad	29.07.08 to 07.08.08	STD # 392	490,000
United Commercial Bank Ltd, Nazirhat	15.07.08 to 31.07.08	STD # 60	197,000
IFIC Bank Ltd, Chawkbazar, Chittagong	15.07.08 to 30.07.08	STD # 451	221,307
NCC Bank Ltd, Jessore	06.07.08 to 30.07.08	STD # 188	121,800
AB Bank Ltd, Jessore	03.07.08 to 31.07.08	STD #430	377,951
Pubali Bank Ltd, Tongi	19.06.08 to 19.08.08	STD # 51	94,000
IFIC Bank Ltd, Comilla	06.07.08 to31.07.08	STD # 211	753,639
Bangladesh Krishi Bank, Borura, Comilla	03.07.08 to 29.07.08	STD# 10	45,826
IFIC Bank Ltd, Comilla	22.07.08 to 25.08.08	STD # 203	702,594
Uttara Bank Ltd, Munshiganj	10.09.08	STD#15	11,542
Agrani Bank Ltd, Homna	23.07.08 to 04.08.08	STD # 20/7	614,579
Agrani Bank Ltd, Homna	06.07.08 to 31.07.08	STD # 21/5	330,053
The City Bank Ltd, Jagannathpur	05.05.08 to 26.06.08	STD#63	213,946
Rupali Bank Ltd, Barisal	07.07.08 to 14.08.08	STD # 30201	290,982
Rupali Bank Ltd, Barisal	15.07.08 to 29.07.08	STD# 30158	160,000
Islami Bank Bangladesh Ltd, Barisal	26.07.08	SND # 10	9,604
Rupali Bank Ltd, Barisal	25.06.08 to 09.07.08	STD# 08	6,440
			11,189,904
Islami bima			
Social Investment Bank Ltd, Agrabad	04.08.08 to 28.08.08	SND # 579	1,352,209
Social Investment Bank Ltd, Agrabad	11.08.08 to 28.08.08	SND # 585	374,322
Islami Bank Bangladesh Ltd, Cox's Bazar	28.07.08 to 20.08.08	SND#34	46,000
Islami Bank Bangladesh Ltd, Ciringa Bazar	10.07.08 to 06.08.08	SND#78	179,100
Bangladesh Krishi Bank, Anwara	14.07.08 to 04.08.08	STD # 12	255,000
Islami Bank Bangladesh Ltd, Hathazari	21.07.08 to 12.08.08	SND # 1037	236,000
Islami Bank Bangladesh Ltd, Patiya	09.07.08 to 21.07.08	SND # 16	92,000
Islami Bank Bangladesh Ltd, Fatikchari	10.07.08 to 27.07.08	SND # 06	230,100
Islami Bank Bangladesh Ltd, Madaripur	15.06.08 to 06.08.08	CA-5300	263,256
Islami Bank Bangladesh Ltd, Bhola	11.06.08 to 06.08.08	SND # 567/8	649,550
Islami Bank Bangladesh Ltd, Barisal	07.07.08 to 31.08.08	SND # 57/3	757,762
Al Arafa Islami Bank Ltd, Barisal	21.07.08 to 31.08.08	SND # 301	641,486
Pubali Bank Ltd, Mehendiganj	16.07.08 to 30.07.08	STD # 18	8,500
Bangladesh Krishi Bank, Mathbaria	22.06.08 to 10.08.08	STD # 12	174,624
Islami Bank Bangladesh Ltd, Jessore	21.07.08 to 30.07.08	SND # 45	336,000
Islami Bank Bangladesh Ltd, Jessore	06.07.08 to 31.07.08	SND # 51	686,796
Exim Bank Ltd, Shimrail	03.07.08 to 04.08.08	STD # 369	484,640
Islami Bank Bangladesh Ltd, Bogra	11.08.08 to 27.08.08	SND # 56/4	718,362
Social Investment Bank Ltd, Bogra	14.07.08 to 18.08.08	SND# 788	622,922
Al Arafa Islami Bank Ltd, Comilla	03.07.08 to 14.07.08	SND# 267	618,000
Islami Bank Bangladesh Ltd, Comilla	31.07.08 to 06.08.08	SND#26	174,281
The City Bank Ltd, Hajiganj	08.07.08 to 24.07.08	STD# 499	155,000
Rupali Bank Ltd, Mudaffarganj	01.07.08 to 04.08.08	STD# 08	255,220
			9,311,130
Al Amanat bima			
Uttara Bank Ltd, Paltan	01.07.08 to 31.08.08	STD# 75	430,080
			430,080
Shariah DPS bima			
Al Arafa Islami Bank Ltd, Motijheel	01.07.08 to 31.08.08	STD# 1469	211,321
			211,321
			21,142,435

15 Fixed assets

Particulars	C o s t				D e p r e c i a t i o n					Written down value as on 30.06.08
	Balance at 1.1.2008	Addition during the period	Adjustment	Total at 30.06.08	Rate	Balance at 1.1.2008	Charge for the period	Adjustment	Total at 30.06.08	
Land	18,605,230	-	10,003,678	8,601,552	-	-	-	-	-	8,601,552
Furniture and fixtures	31,253,277	2,864,584	-	34,117,861	15%	13,089,524	1,577,125	-	14,666,649	19,451,212
Signboard	477,749	26,859	-	504,608	10%	195,078	15,476	-	210,554	294,054
Motor vehicle	56,361,962	23,353,875	5,644,000	74,071,837	20%	20,090,893	5,719,985	3,218,900	22,591,978	51,479,859
Computer	4,733,739	593,505	-	5,327,244	20%	2,174,431	318,769	-	2,493,200	2,834,044
Air cooler	2,185,768	247,174	-	2,432,942	20%	1,196,506	123,644	-	1,320,150	1,112,792
Office equipment	443,801	10,790	-	454,591	15%	250,940	15,274	-	266,214	188,377
Photocopying machine	392,700	-	-	392,700	15%	181,276	15,857	-	197,133	195,567
Electric equipment	1,377,031	126,020	-	1,503,051	15%	535,836	72,540	-	608,376	894,675
Multimedia projector	-	104,000	-	104,000	15%	-	7,800	-	7,800	96,200
Total 30.06.08	115,831,257	27,326,807	15,647,678	127,510,386		37,714,484	7,866,470	3,218,900	42,362,054	85,148,332
Total 31.12.2007	78,880,983	39,098,275	2,148,000	115,831,258		26,176,754	13,036,727	1,498,997	37,714,484	78,116,774



15.1	Land	30.06.08 Taka	31.12.07 Taka
a)	Property at Sandwip 10 decimals land at Mouza-haramia, Sandwip, Chittagong Khatian No BS 1403, Dag No 10144 and 10145. Value of land is arrived at as under: Purchase price of land Stamp duty (5% of deed value) Gain tax (5% of deed value) Registration fees Property transfer tax (municipality) Incidental expenses Land development cost	450,000 22,500 22,500 32,600 9,000 8,010 <u>1,531,942</u> <u>2,076,552</u>	450,000 22,500 22,500 32,600 9,000 8,010 <u>1,531,942</u> <u>2,076,552</u>
b)	Plot at Hirajheel Property Development (Pvt) Co Ltd Plot # 17 and 18 Booking money paid Instalment paid (30 instalments @ Tk 43, 055 each) Plot # 43 and 44 Booking money paid Instalment paid (31 instalments @ Tk 38,888 each)	- - - - - - <u>-</u>	700,000 1,291,650 525,000 1,205,528 <u>3,722,178</u>
c)	Plot at East West Property Development (Pvt) Ltd Plot # 1029, Block I Booking money payment. Instalment paid (43 instalments @ Tk. 1,45,500 each)	- - - <u>-</u>	25,000 6,256,500 <u>6,281,500</u>
Until 31 December 2007 the above amounts shown at 15.1(b) and (c) was accounted for as land purchase and shown as fixed assets. But as the said land has not yet been registered in the name of the Company the whole amount during the period under audit has been transferred and shown under the head "Advance for purchase of Land" at Note 13.4.			
d)	Plot at Khulna Development Authority 5 (five) kathas land at Mouza Denarabad, Batiaghata, Khulna No 56/1 Dag No 29, Plot No 18 Value of land is arrived at as under: Purchase price of land Stamp duty (5% of deed value) Gain tax (5% of deed value) Registration fees Property transfer fees Total (a+b+c+d)	5,000,000 250,000 250,000 275,000 750,000 <u>6,525,000</u> <u>8,601,552</u>	5,000,000 250,000 250,000 275,000 750,000 <u>6,525,000</u> <u>18,605,230</u>
16	Deferred expenses Balance as on 1 January Add: expenses incurred during the period Less: amortization made during the period	2,831,989 - <u>2,831,989</u> 467,316 <u>2,364,673</u>	3,738,520 28,101 <u>3,766,621</u> 934,632 <u>2,831,989</u>

Deferred expenses are on account of office decoration. 1/5th is being amortized annually commencing from 2006. Proportionate amortization, i.e. for six months has been made in the accounts.



17 Premium less reinsurances

Type of premium	30.06.08			30.06.07 Net premium (Tk)
	Gross premium (Tk)	RI premium (Tk)	Net premium (Tk)	
First year premium				
Ekok bima	35,095,424		35,095,424	37,691,754
Samajik bima	21,074,603	-	21,074,603	18,339,490
Islami bima	44,390,900		44,390,900	36,739,710
Takaful DPS bima	30,852,200	-	30,852,200	14,651,000
Rupali DPS bima	10,268,100	-	10,268,100	10,332,300
Rupali khudra bima	7,575,775	-	7,575,775	5,939,600
Shariah DPS bima	894,168	-	894,168	262,289
Al Amanat bima	2,155,588	-	2,155,588	-
	152,306,758	-	152,306,758	123,956,143
Renewal premium:				
Ekok bima	72,369,083	-	72,369,083	54,374,260
Samajik bima	49,207,098	-	49,207,098	38,027,031
Islami bima	39,559,749	-	39,559,749	25,765,636
Takaful DPS bima	14,863,100	-	14,863,100	7,573,800
Rupali DPS bima	14,024,500	-	14,024,500	9,024,420
Rupali khudra bima	8,612,500	-	8,612,500	3,956,600
Shariah DPS bima	150,600		150,600	16,900
Al Amanat bima	2,391		2,391	-
	198,789,021	-	198,789,021	138,738,647
Group insurance premium:				
Ekok Bima	-	-	-	-
Rupali khudra bima	-		-	-
Islami bima	-	-	-	1,013
	-	-	-	1,013
	351,095,779	-	351,095,779	262,695,803

18 Interest, dividend and rent

	30.06.08 Taka	30.06.07 Taka
Interest realized		
Jatiya biniyog bond (NIB)	176,952	213,663
Fixed deposit	474,754	1,263,046
Interest on Treasury Bond	660,526	
Short term deposit	1,238,366	690,615
Interest on policy loan	56,291	5,505
Interest on motorcycle loan	18,940	-
	2,625,829	2,172,829
Add interest accrued		
Fixed deposit	18,028,972	11,472,541
Jatiya biniyog bond (NIB)	4,938,561	3,194,504
Interest on Treasury Bond	2,099,787	
	25,067,320	14,667,045
Dividend on shares (One Bank Ltd)	-	5,023
Profit on investment in shares	(602,348)	95,287
	27,090,801	16,940,184

19 Other income

Service charges	30,969	12,238
Alteration fee	6,906	235
Proposal form	5,062	4,585
Duplicate policy issue fee	5,671	14,099
Sale of scrap	22,112	31,010
Diary, calendar, etc	2,200	-
Calender sale	7,200	-
Rate chart sale	210	-
Profit on sale of car	883,900	-
	964,230	62,167



20 Claims under policies including provision for due or Intimated less reinsurances

Particulars	By death	Survival	Surrender	Others	30.06.08 Taka	30.06.07 Taka
Ekok bima	2,507,917	40,553,127	616,332	-	43,677,376	21,436,359
Samajik bima	929,182	-	16,404	-	945,586	1,470,216
Islami bima	1,229,975	19,884,350	98,703	-	21,213,028	7,989,702
TDPS bima	208,600	-	144,410	-	353,010	273,176
RDPS bima	51,100	-	158,228	-	209,328	118,432
Rupali Khudra bima	158,400	-	-	-	158,400	28,600
Sharah DPS bima	-	-	-	-	-	-
	5,085,174	60,437,477	1,034,077	-	66,556,728	31,316,485

21 Capital expenditure commitment

There was no capital expenditure commitment entered into by the Company as on 30 June 2008.

22 Contingent liability

There was no claim against the Company not acknowledged as debt as on 30 June 2008.

23 Credit facility available to the Company

There was no credit facility available to the Company under any contract as on 30 June 2008 other than trade credit available in the ordinary course of business.

24 Expenses incurred in foreign currency

The Company has neither incurred any expenses nor earned any income in foreign currency on account of royalty, technical expert and professional advisory fee, etc apart from those out of reinsurance treaties.

25 Payments to directors/officers

The aggregate amount paid/provided during the year in respect of directors and officers of the Company as defined in the Securities and Exchange Rules, 1987 is disclosed below:

Particulars	Amount in Taka			
	30.06.08		30.06.07	
	Directors	Officers	Directors	Officers
Board meeting fee	285,000	-	244,000	-
Basic salary	-	8,018,950	-	8,850,256
Other allowances	-	11,539,557	-	7,451,561
	285,000	19,558,507	244,000	16,301,817

26 Disclosure as per Schedule XI, Part II of the Companies Act 1994

i) Number of employees drawing salary above Tk 3,000 per month	204	185
ii) Number of employees drawing salary below Tk 3,000 per month	910	722
	1,114	907



27 Name of directors and their interest in different entities

Sl No	Name of directors	Name of entity	Position held	Percentage of interest
1	Mr Mahfuzur Rahman	1 Rupkatha Advertising (Pvt) Ltd 2 Naz Colour Process and Print Ltd 3 Communication Express 4 Smart Express	Managing Director Director Proprietor Proprietor	50% 30% 100% 100%
2	Mr Abdul Matin (Alternate director of Mr Abdul Azim)	1 Modern Dyeing & Screen Printing Ltd 2 Northern General Insurance Co Ltd 3 Metropolitan Medical Centre Ltd 4 Narshingdi Hatchery and Fisheries Ltd 5 Global Investment Cooperative Society Ltd 6 Modern Textile Mills	Managing Director Director Chairman Chairman Director Proprietor	32% 5.33% 3.59% 40% 4.76% 100%
3	Mrs Sazia Sultana Sony	Nil	Nil	Nil
4	Mr Abdullah Jamil Matin	1 Modern Dyeing & Screen Printing Ltd 2 Future Thread Ltd 3 Global Investment Cooperative Society Ltd 4 Narshingdi Hatchery and Fisheries Ltd	Director Chairman Director Managing Director	2.08% 20% 4.76% 30%
5	Mrs Ben Afroz	1 Orient Tailors and Fabrics	Proprietor	100%
6	Md Monirul Hasan Khan	1 Global Investment Cooperative Society Ltd	Director	4.76%
7	Mrs Mahmuda Mahfuz	1 Rupkatha Advertising (Pvt) Ltd	Chairman	37.50%
8	Mr Md Alamgir	Nil	Nil	Nil
9	Mr Md Helaluddin	1 Future Thread Ltd 2 Global Investment Cooperative Society Ltd 3 Apparel Aid Ltd	Director Director Managing Director	20% 4.76% 22.22%
10	Mrs Kamrunnessa Jharna	Nil	Nil	Nil
11	Mr Md Zillur Rahman	1 J & J Enterprise	Proprietor	100%
12	Mr Mohammed Amirul Islam	1 Bonanzatex Ltd 2 Reliance Trade International 3 Mithu Carpets	Chairman Proprietor Proprietor	50% 100% 100%
13	Engr Dewan Nuruzzaman	1 Global Investment Cooperative Society Ltd 2 Modern Dyeing & Screen Printing Ltd	Director Director	4.76% 0.16%
14	Mr Pankaj Kumar Sarker	Nil	Nil	Nil



28 The provisions of the Section 27, 27B, 29, 40, 40A, 40B and 102 of Insurance Act, 1938 and Rule 39 of the Insurance Rules 1958

Section 27

Provisions of Section 27 for investment of assets have been duly complied with by the Company.

Section 27B

Provisions of section 27 B regarding restrictions on certain investment have been strictly followed by the Company.

Section 29

The Company has complied with the provisions of Section 29 regarding loans.

Section 40A

The Company has not paid any commission except to an insurance agent or an employer of agent and thus provisions under section 40A has been complied with by the Company.

Section 40B

The total management expenses for life business comes to Tk 182,461,339 as per section 40B of Insurance Act 1938 and Rules 39 of Insurance Rules 1958, but the actual amount of management expenses was Tk 220,161,424 i.e. An excess of Tk 37,700,085 which is 1.59% over the allowable limit. Management reported that the excess expenditure was incurred for expansion of business and it would be reduced at the end of the year by earning premium.

Section 102

Penalty of Tk 1,510,000 has been imposed by the Chief Controller of Insurance for not issuing shares to the public through IPO timely. The Company has deposited full amount to the government treasury.

Sd/-	Sd/-	Sd/-	Sd/-	Sd/-
Biswajit Kumar Mondal	Noor Mohammed Bhuiyan	Abdul Matin	Abdullah Jamil Matin	Mahfuzur Rahman
Asst Managing Director (F&A)	Managing Director	Director	Vice Chairman	Chairman



CERTIFICATE UNDER THE INSURANCE ACT 1938

As per regulations contained in the First Schedule of the Insurance Act 1938, as amended, and 40B of the said Act, we certify that:

- 1 The value of investment in shares and debentures have been taken at cost with adequate provision for fluctuation in share price, if any.
- 2 The values of all assets as shown in the Balance Sheet and as classified on Form "AA" annexed have been duly reviewed as on 30 June 2008 and in our belief, the said assets have been set forth in the Balance Sheet at amounts not exceeding their realizable or market values under the several headings as enumerated in the annexed form.
- 3 All expenses of management in respect of life insurance business transacted by the Company in Bangladesh have been fully debited to the Life Revenue Account as expenses.

Sd/-	Sd/-	Sd/-	Sd/-
Mahfuzur Rahman Chairman	Abdullah Jamil Matin Vice Chairman	Abdul Matin Director	Noor Mohammed Bhuiyan Managing Director



**Auditors' Report Under Section 135 (1) of Para 24(1) of
Part II of Third Schedule of the Companies Act, 1994**

Pursuant to para 24 (1) of part II of Third Schedule under section 135 (1) of the Companies Act 1994, we report that, the operating results of Rupali Life Insurance Co Ltd as disclosed in the audited financial statements of last five years are as follows:

1 Operational results	30.06.08 Taka	31.12.2007 Taka	31.12.2006 Taka	31.12.2005 Taka	31.12.2004 Taka	31.12.2003 Taka
a Gross premium Income	351,095,779	716,360,659	553,556,596	360,769,797	244,126,848	197,618,328
Less: Reinsurance premium	-	19,128	-	-	145,389	102,610
	351,095,779	716,341,531	553,556,596	360,769,797	243,981,459	197,515,718
Add:						
i) Interest, dividend and rent	27,090,801	43,790,911	23,941,088	11,635,302	4,531,586	6,152,241
ii) Other income	964,230	124,827	29,527	151,168	156,135	341,210
Total (a)	379,150,810	760,257,269	577,527,211	372,556,267	248,669,180	204,009,169
b Claims and surrenders	66,556,728	81,488,948	68,823,279	34,538,540	19,722,094	17,948,909
Management expenses	220,161,424	373,268,150	313,640,725	225,619,613	163,265,185	122,011,710
Other expenses	8,333,786	21,293,241	13,579,453	12,122,191	4,200,909	2,995,768
Total (b)	295,051,938	476,050,339	396,043,457	272,280,344	187,188,188	142,956,387
Increase in life fund (a-b)	84,098,872	284,206,930	181,483,754	100,275,923	61,480,992	61,052,782

2 Statement of assets and liabilities	30.06.08 Taka	31.12.2007 Taka	31.12.2006 Taka	31.12.2005 Taka	31.12.2004 Taka	31.12.2003 Taka
Investment	468,666,085	364,621,983	230,608,183	151,388,935	92,632,620	52,903,115
Fixed assets	85,148,332	78,116,774	52,704,229	33,867,689	23,436,747	15,199,118
Deferred expenses	2,364,673	2,831,989	3,738,520	3,288,184	2,099,150	1,866,203
Preliminary expenses	-	-	-	-	-	80,200
Current assets	320,247,288	343,035,063	224,397,032	154,039,902	121,732,967	109,374,666
	876,426,378	788,605,809	511,447,964	342,584,710	239,901,484	179,423,302
Less: current liabilities	17,411,884	13,690,187	20,739,272	33,359,772	30,952,469	31,955,279
	859,014,494	774,915,622	490,708,692	309,224,938	208,949,015	147,468,023
Financed by						
Share capital	30,000,000	30,000,000	30,000,000	30,000,000	30,000,000	30,000,000
Life insurance fund	829,014,494	744,915,622	460,708,692	279,224,938	178,949,015	117,468,023
	859,014,494	774,915,622	490,708,692	309,224,938	208,949,015	147,468,023

- 3 The Company has not declared any dividend for the years 2003, 2004, 2005, 2006 and 2007.
- 4 The company has no subsidiaries.
- 5 No proceeds or part of the proceeds of the issue of shares have been applied directly by the Company in the purchase of any business.

- 6 The company has not prepared any accounts in respect of any period subsequent to 30 June 2008.

Investment includes fixed deposits with banks, loans on insurer's policies, statutory deposits with Bangladesh Bank, investment in shares of companies, jatiyo biniyog bond, treasury bond and project loans.

Dhaka 7 October 2008

Sd/-
B Alam & Co
Chartered Accountants



RUPALI LIFE INSURANCE COMPANY LIMITED
BALANCE SHEET

CAPITAL AND LIABILITIES	30.06.08	31.12.2007	31.12.2006	31.12.2005	31.12.2004	31.12.2003
Share capital	30,000,000	30,000,000	30,000,000	30,000,000	30,000,000	30,000,000
Balance of fund and accounts	-	-	-			
Life insurance fund	829,014,494	744,915,622	460,708,692	279,224,938	178,949,015	117,468,023
Amount due to other persons or bodies carrying on insurance business	(10,992)	(10,992)	67,253	228,440	326,125	246,271
Liabilities and provisions						
Estimated liabilities in respect of						
outstanding claims whether due or intimated	2,521,982	1,825,850	1,622,267	2,000,071	2,765,715	3,230,606
Premium deposits	-	-	106,978	440,697	1,808,933	734,487
Sundry creditors	11,935,277	8,909,712	9,440,093	24,344,669	26,051,696	27,743,915
Provision for diminution in the value of shares	1,500,000	1,500,000	-	-	-	-
Provision for doubtful debts	1,465,617	1,465,617	9,502,681	6,345,895	-	-
	876,426,378	788,605,809	511,447,964	342,584,710	239,901,484	179,423,302
PROPERTY AND ASSETS	30.06.08	31.12.07	31.12.2006	31.12.2005	31.12.2004	31.12.2003
Loan						
On insurer's policies within their						
Surrender value	4,382,330	3,615,069	2,295,442	1,299,844	380,929	56,400
Investments (at cost)						
Statutory deposit with Bangladesh Bank	4,000,000	4,000,000	4,000,000	4,000,000	4,000,000	4,000,000
Jatiya Biniyog Bond (NIB)	112,900,000	123,900,000	55,400,000	38,400,000	12,900,000	-
Treasury bond	65,000,000	15,000,000	-	-	-	-
Investment in shares of companies	25,352,387	19,575,546	1,040,000	1,040,000	40,000	40,000
Project loan	-	-	2,722,741	2,739,091	2,751,691	2,806,715
	207,252,387	162,475,546	63,162,741	46,179,091	19,691,691	6,846,715
Agents' balance	-	-	5,464,751	5,464,751	5,464,751	8,612,002
Sundry debtors	1,465,617	1,465,617	2,902,010	3,618,437	2,236,998	2,393,776
Interest, dividend and rent						
Accruing but not due	69,005,452	50,419,496	26,582,334	13,610,046	7,717,681	6,809,050
Advance and deposit	45,298,476	27,847,856	24,614,054	17,169,493	11,296,548	10,354,205
Cash and bank balances						
On fixed deposit with banks	257,031,368	198,531,368	165,150,000	103,910,000	72,560,000	46,000,000
On STD account with banks	122,734,062	167,811,500	64,943,879	49,348,986	25,657,126	15,111,662
On Current account with banks	34,212,895	30,501,865	31,672,933	10,033,338	9,707,440	4,500,231
Cash in hand	21,620,929	29,915,993	8,366,686	10,376,535	2,623,670	1,213,063
Collection in hand	21,142,435	31,392,268	56,332,997	42,101,726	55,441,628	59,453,116
	456,741,689	458,152,994	326,466,495	215,770,585	165,989,864	126,278,072
Other assets						
Fixed assets at cost less depreciation	85,148,332	78,116,774	52,704,229	33,867,689	23,436,747	15,199,118
Deferred expenses	2,364,673	2,831,989	3,738,520	3,288,184	2,099,150	1,866,203
Preliminary expenses	-	-	-	-	-	80,200
Stamps, printing and stationery	4,767,422	3,680,468	3,517,388	2,316,590	1,587,125	927,561
	876,426,378	788,605,809	511,447,964	342,584,710	239,901,484	179,423,302

Sd/-
Biswajit Kumar Mondal
Asst Managing Director (F&A)

Sd/-
Noor Mohammed Bhuiyan
Managing Director

Sd/-
Abdul Matin
Director

Sd/-
Abdullah Jamil Matin
Vice Chairman

Sd/-
Mahfuzur Rahman
Chairman

Dhaka 7 October 2008

Sd/-
B Alam & Co
Chartered Accountants



RUPALI LIFE INSURANCE COMPANY LIMITED
LIFE REVENUE ACCOUNT

PARTICULARS	30.06.08	31.12.2007	31.12.2006	31.12.2005	31.12.2004	31.12.2003
Balance of fund at the beginning of the year	744,915,622	460,708,692	279,224,938	178,949,015	117,468,023	56,415,241
Premium less reinsurances						
First year Premium (Ekok bima)	35,095,424	90,213,628	92,639,657	71,273,826	51,112,845	47,943,293
First year Premium (Samajik bima)	21,074,603	47,222,570	47,593,193	36,736,716	27,988,536	27,418,326
First year Premium (Islami bima)	44,390,900	118,361,664	62,618,429	46,774,149	36,796,884	29,034,839
First year Premium (Takaful DPS bima)	30,852,200	34,763,220	20,291,000	12,524,100	7,450,068	2,131,735
First year Premium (Rupali DPS bima)	10,268,100	21,017,450	22,602,600	14,515,369	7,225,474	2,196,500
First year Premium (Rupali Khudra bima)	7,575,775	19,849,074	24,820,880	13,708,285	1,029,500	-
First year Premium (Shariah DPS bima)	894,168	1,565,483	684,900	203,600	-	-
First year Premium (Al-Amanat bima)	2,155,588	4,140,913	-	-	-	-
	152,306,758	337,134,002	271,250,659	195,736,045	131,603,307	108,724,693
Renewal Premium (Ekok bima)	72,369,083	147,199,806	121,692,353	71,659,567	53,612,672	50,459,518
Renewal Premium (Samajik bima)	49,207,098	103,596,359	75,863,574	53,545,330	37,386,008	27,641,728
Renewal Premium (Islami bima)	39,559,749	72,823,796	58,147,629	30,954,651	19,797,797	10,667,627
Renewal Premium (Takaful DPS bima)	14,863,100	18,496,300	9,624,100	4,041,144	700,800	-
Renewal Premium (Rupali DPS bima)	14,024,500	21,023,500	11,274,550	4,265,804	660,850	-
Renewal Premium (Rupali Khudra bima)	8,612,500	15,760,080	5,594,550	375,100	-	-
Renewal Premium (Shariah DPS bima)	150,600	190,900	-	-	-	-
Renewal Premium (Al-Amanat bima)	2,391	-	-	-	-	-
	198,789,021	379,090,741	282,196,756	164,841,596	112,158,127	88,768,873
Group insurance premium						
Group insurance premium (Ekok bima)	-	81,903	93,376	181,203	280,442	120,787
Group insurance premium (RKBTD)	-	41,113	-	-	-	-
Group insurance premium (Islami bima)	-	12,900	15,805	10,953	84,972	3,975
	-	135,916	109,181	192,156	365,414	124,762
Gross Premium	351,095,779	716,360,659	553,556,596	360,769,797	244,126,848	197,618,328
Less reinsurances premium	-	(19,128)			(145,389)	(102,610)
Net premium	351,095,779	716,341,531	553,556,596	360,769,797	243,981,459	197,515,718
Interest, dividend and rent	27,090,801	43,790,911	23,941,088	11,635,302	4,531,586	6,152,241
Other income	964,230	124,827	29,527	151,168	156,135	341,210
	1,124,066,432	1,220,965,961	856,752,149	551,505,282	366,137,203	260,424,410

First year premium, where the maximum premium paying year is :						
Single						
Two years						
Three years						
Four years						
Five years						
Six years						
Seven years						
Eight years						
Nine years						
Ten years	-	65,030,550	57,570,150	23,211,366	47,088,436	50,039,405
Twelve years or over (including throughout life)	152,306,758	272,103,452	213,680,509	172,524,679	84,514,871	58,685,288
	152,306,758	337,134,002	271,250,659	195,736,045	131,603,307	108,724,693

Sd/-
Biswajit Kumar Mondal
Asst Managing Director (F&A)

Sd/-
Noor Mohammed Bhuiyan
Managing Director

Sd/-
Abdul Matin
Director

Sd/-
Abdullah Jamil Matin
Vice Chairman

Sd/-
Mahfuzur Rahman
Chairman

Dhaka 7 October 2008

Sd/-
B Alam & Co
Chartered Accountants



PARTICULARS	30.06.08	31.12.2007	31.12.2006	31.12.2005	31.12.2004	31.12.2003
Claims under policies (including provision for claims due or intimated) less reinsurances						
By death	5,085,174	6,499,639	3,293,951	3,336,157	1,294,728	1,309,095
By survival	60,437,477	72,887,271	64,538,171	31,061,443	18,239,007	16,617,589
By surrender	1,034,077	2,102,038	991,157	140,940	188,359	22,225
By others	-	-	-	-	-	-
	66,556,728	81,488,948	68,823,279	34,538,540	19,722,094	17,948,909
Expenses of management						
Commission						
a) Commission to insurance agents (Less that on reinsurance)	72,013,809	129,982,722	90,254,539	74,475,979	29,175,896	18,564,433
b) Allowances and commission	91,007,601	139,091,020	133,217,980	84,116,862	79,544,130	57,469,844
	163,021,410	269,073,742	223,472,519	158,592,841	108,720,026	76,034,277
Salaries etc. (Other than to agents and those contained in the allowance and commission)	19,558,507	40,271,749	33,511,459	24,063,894	19,284,613	18,125,679
Travelling and conveyance	1,876,894	3,719,562	2,876,551	1,649,160	1,538,889	1,186,969
Directors' fees	285,000	766,500	731,000	617,660	455,765	329,452
Auditors' fee	55,000	185,000	102,500	132,963	26,718	179,348
Medical fee	463,260	776,944	668,059	526,115	288,374	214,398
Insurance policy stamps	2,457,028	3,397,359	2,636,775	2,044,918	1,114,773	1,834,604
Advertisement and publicity	4,023,359	3,107,852	2,492,177	1,299,058	2,157,971	849,421
Printing and stationery	3,385,777	6,586,740	8,461,418	8,454,771	3,813,684	3,828,792
Lease rent	-	80,910	166,620	-	627,260	2,248,603
Legal and professional fees	303,860	106,000	40,003	386,450	138,151	33,000
Office rent	9,669,544	18,141,848	15,526,422	10,383,522	9,955,719	6,228,213
Bank charge	908,244	1,297,427	1,162,048	378,462	335,398	113,542
General repairs and maintenance	1,034,587	1,376,945	884,101	473,314	473,586	298,875
Car fuel, repair and maintenance	4,733,392	9,184,928	6,535,323	4,842,424	3,831,328	3,309,851
Papers and periodicals	86,367	157,385	122,628	89,041	77,492	74,387
Telephone, telex and fax	1,363,184	3,072,466	2,374,838	1,569,975	1,246,455	768,337
Electricity, wasa and gas	817,138	1,464,839	1,318,350	1,039,453	1,028,382	453,370
Training and recruitment expenses	18,000	53,852	-	-	267,710	246,200
Fees, subscription and donation	682,750	141,000	121,908	223,834	135,500	62,500
Penalty paid to Controller of Insurance	-	854,450	-	-	-	-
Entertainment	710,735	1,183,029	885,632	644,773	992,824	1,528,571
Insurance premium (general)	519,092	911,003	680,843	425,183	419,312	-
Postage and telegram	581,288	794,856	729,818	612,872	417,689	285,507
Development expenses	3,223,353	2,986,845	5,949,253	4,695,500	3,812,268	2,532,358
Prize and awards	-	593,080	123,500	1,111,013	760,105	503,578
Conference expenses	-	-	224,585	-	179,723	227,000
Renewal and registration fee	-	1,937,448	1,262,694	854,444	691,665	201,633
Revenue stamp	242,175	401,082	329,002	201,387	153,872	130,323
AGM expenses	-	17,963	52,280	99,950	68,975	76,328
Actuarial fee	41,800	332,310	-	-	118,750	-
Credit rating fees	-	150,000	-	-	-	-
Shariah board meeting expenses	99,680	126,000	59,500	106,636	2,000	-
Rates and taxes	-	2,000	9,200	-	1,600	10,510
Relief expenses	-	-	-	100,000	128,608	-
IPO expenses	-	15,036	100,000	-	-	-
Picnic expenses	-	-	29,719	-	-	96,084
	57,140,014	104,194,408	90,168,206	67,026,772	54,545,159	45,977,433



PARTICULARS	30.06.08	31.12.2007	31.12.2006	31.12.2005	31.12.2004	31.12.2003
Other expenses						
Depreciation of fixed assets	7,866,470	13,036,727	9,488,037	5,776,296	4,120,709	2,995,768
Preliminary expenses written off	-	-	-	-	80,200	-
Amortization of deferred expenses	467,316	934,632	934,630	-	-	-
Doubtful debts	-	5,720,879	3,156,786	6,345,895	-	-
Provision for diminution in value of shares	-	1,500,000				
Loss on sale of car	-	101,003	-	-	-	-
	8,333,786	21,293,241	13,579,453	12,122,191	4,200,909	2,995,768
	295,051,938	476,050,339	396,043,457	272,280,344	187,188,188	142,956,387
Balance of fund at the end of the year	829,014,494	744,915,622	460,708,692	279,224,938	178,949,015	117,468,023
	1,124,066,432	1,220,965,961	856,752,149	551,505,282	366,137,203	260,424,410

Sd/-
Biswajit Kumar Mondal
Asst. Managing Director (F&A)

Sd/-
Noor Mohammed Bhuiyan
Managing Director

Sd/-
Abdul Matin
Director

Sd/-
Abdullah Jamil Matin
Vice Chairman

Sd/-
Mahfuzur Rahman
Chairman

Dhaka 7 October 2008

Sd/-
B Alam & Co
Chartered Accountants



Statement of Ratio Analysis as specified in Rule 8B(20) (c) Annexure B of the Securities and Exchange Commission Rules (Public Issue) 2006

I Liquidity ratio (In thousand Taka)

Sl	Particulars		30.06.08	31.12.2007	31.12.2006	31.12.2005	31.12.2004	31.12.2003
			Taka	Taka	Taka	Taka	Taka	Taka
1	Current ratio	Current assets	320,247	343,035	224,397	154,040	121,733	109,374
		Current liabilities	17,412	13,690	20,739	33,360	30,952	31,955
		Current assets to current liabilities	18,39:1	25.06:1	10.82 : 1	4.62 : 1	3.93:1	3.42:1
2	Quick ratio	Current assets	320,247	343,035	224,397	154,040	121,733	109,374
		Less prepaid expenses	33,895	27,848	30,079	22,634	16,761	18,966
		Quick assets	286,352	315,187	194,318	131,406	104,972	90,408
		Current liabilities	17,412	13,690	20,739	33,360	30,952	31,955
		Less bank overdraft	1,313	3,341	3,858	2,749	1,748	-
		Quick liabilities	16,099	10,349	16,881	30,611	29,204	31,955
		Quick assets to quick liabilities	17.79:1	30.46:1	11.51:1	4.29:1	3.59:1	2.83:1
3	Time interest earned ratio	Profit before interest and tax	N/A	N/A	N/A	N/A	N/A	N/A
		Interest	N/A	N/A	N/A	N/A	N/A	N/A
		Time interest earned ratio	N/A	N/A	N/A	N/A	N/A	N/A
4	Debt equity ratio	Long term debt + short term debt	9,934	6,633	3,858	2,744	1,743	-
		Shareholders' equity	N/A	31,174	N/A	N/A	N/A	26,211
		Debt equity ratio	N/A	21.28:78.72	N/A	N/A	N/A	0:100

II Operating ratio

5	Accounts receivable turnover ratio	Credit sales	N/A	N/A	N/A	N/A	N/A	N/A
		Average debtors	N/A	N/A	N/A	N/A	N/A	N/A
		Accounts receivable turnover ratio	N/A	N/A	N/A	N/A	N/A	N/A
6	Inventory turnover ratio	Cost of sales	N/A	N/A	N/A	N/A	N/A	N/A
		Average inventory	N/A	N/A	N/A	N/A	N/A	N/A
		Inventory turnover ratio	N/A	N/A	N/A	N/A	N/A	N/A
7	Assets turnover ratio	Assets	N/A	N/A	N/A	N/A	N/A	N/A
		Sales	N/A	N/A	N/A	N/A	N/A	N/A
		Assets turnover ratio	N/A	N/A	N/A	N/A	N/A	N/A



III Profitability ratio

8	Gross margin ratio	Gross profit	N/A	N/A	N/A	N/A	N/A	N/A
		Sales	N/A	N/A	N/A	N/A	N/A	N/A
		Gross margin ratio	N/A	N/A	N/A	N/A	N/A	N/A
9	Operating income ratio	Sales	N/A	N/A	N/A	N/A	N/A	N/A
		Less operating expenses	N/A	N/A	N/A	N/A	N/A	N/A
		Operating income	N/A	N/A	N/A	N/A	N/A	N/A
		Operating income ratio	N/A	N/A	N/A	N/A	N/A	N/A
10	Net income ratio	Net income	N/A	N/A	N/A	N/A	N/A	N/A
		Sales	N/A	N/A	N/A	N/A	N/A	N/A
		Net income ratio	N/A	N/A	N/A	N/A	N/A	N/A
11	Return on asset ratio	Profit after tax	N/A	N/A	N/A	N/A	N/A	N/A
		Assets	N/A	N/A	N/A	N/A	N/A	N/A
		Return on assets ratio	N/A	N/A	N/A	N/A	N/A	N/A
12	Return on equity	Profit available for equity shareholder	N/A	1,174	N/A	N/A	N/A	(3,789)
		Shareholders' equity	N/A	31,174	N/A	N/A	N/A	26,211
		Return on equity	N/A	3.76	N/A	N/A	N/A	(14.45)
13	Earning per share (EPS)	Profit as per actuarial valuation	N/A	11,736	N/A	N/A	N/A	(37,889)
		Shareholders portion of surplus with in 10% of divisible surplus.	N/A	1,174	N/A	N/A	N/A	(3,789)
		Earning per share	N/A	3.91	N/A	N/A	N/A	(12.63)

Notes on ratio analysis form an integral part of the ratio analysis)

- 1 Current assets = (property and assets) - (fixed assets +investments + fixed deposit+loan on insurer's policies + deferred expenses)
- 2 Current liabilities = (capital and liabilities) - (life fund + paid up capital)
- 3 Prepaid expenses = agents' balances + advance and deposits.
- 4 Shareholders' equity = share capital + Shareholders portion of surplus with in 10% of divisible surplus.
- 5 Quick ratio = current assets - inventory + prepaid expenses)/ current liabilities - bank overdraft.

The Company has made last actuarial valuation as on 31 December 2007. No other valuation has been made after 31 December 2007. According to section 13 (1) of Insurance Act, 1938, valuation report of life insurance business is valid up to two years. Necessary calculations have, therefore, been made by the Company on the basis of valuation of 31 December 2007.

Dhaka 7 October 2008

Sd/-
B Alam & Co
Chartered Accountants



Report of the auditors regarding any allotment of shares to promoters or sponsor shareholders for any consideration otherwise than in cash.

This is to certify that the capital structure of Rupali Life Insurance Company Ltd, 7 Rajuk Avenue (9th floor), Rupali Bima Bhaban, Dhaka 1000 Bangladesh as on 30 June 2008 is as follows:

	Taka
Authorized capital	
1,000,000 ordinary shares of Tk 100 each.	<u><u>100,000,000</u></u>

Issued, subscribed and paid up capital

300,000 ordinary shares of Tk 100 each fully paid up in cash by the sponsors	<u><u>30,000,000</u></u>
--	--------------------------

We also certify that Rupali Life Insurance Co Ltd has not allotted any share for any consideration otherwise than for cash to any shareholders including the promoters or sponsors.

Dhaka 7 October 2008

Sd/-
B Alam & Co
Chartered Accountants

Determination of Offering Price

This is to certify that the value per ordinary share of Rupali Life Insurance Co Ltd as on 31 December 2007 based on Net Assets Value (NAV) is Tk 129.68 as worked out below:

Particulars	Amount in Tk.
Total realizable assets	785,773,820
Total liabilities	<u>746,870,187</u>
Net assets	38,903,633
Number of ordinary shares issued	300,000
Value per ordinary share	129.68

Net Assets Value per ordinary share of Tk 100 each is Tk 129.68 which is higher than the face value, but the Company intends to keep the initial public offered (IPO) price at Tk 100 per ordinary share which is at par value.

Total realizable assets = property and assets - preliminary expenses- deferred expenses

Total liabilities = (capital and liabilities + net policy liabilities) - (paid up capital + life insurance fund).

Dhaka 7 October 2008

Sd/-
B Alam & Co
Chartered Accountants

Note: No actuarial valuation has been made after 31 December 2007. According to section 13 (1) of Insurance Act 1938, valuation report of life insurance business is valid up to two years. Therefore, value per share has been calculated on the basis of valuation report as on 31 December 2007.



VALUATION REPORT

Confidential

Board of Directors
Rupali Life Insurance Company Limited
Rupali Bima Bhaban (9th floor)
7 Rajuk Avenue, Motijheel C/A
Dhaka

Rupali Life Insurance Company Limited
Valuation of the liabilities as at 31 December 2007

I have completed the valuation of the liabilities of Rupali Life Insurance Company Limited and now have pleasure in submitting my report in paragraphs and schedules as follows:

- 1. The Valuation Date was 31 December 2007. The previous valuation was carried out as at 30 June 2006.
This report was prepared in accordance with the guidelines contained in the Fourth Schedule of the Insurance Act 1938.
- 2ai. The valuation basis was laid down by the Chief Controller of Insurance of the Government of the Peoples’ Republic of Bangladesh under sub-section 7 of section 13 of the Insurance Act 1938. This basis was intimated to Rupali Life Insurance Company Limited by the Chief Controller of Insurance in a letter dated 7 August 2008.
- 2aii. The liabilities under all classes of assurance were arrived at by deducting from the present value of sums assured and bonuses (if any) the present value of the net premiums.
- 2bi. Net premiums were initially calculated on the basis set out in paragraph 3 below. These were adjusted to allow for recovery of initial expenses by adding to the net premium the equivalent value of an additional fixed amount per thousand taka sum assured spread over the term of the policy.
- 2bii. The age at entry was taken as nearest age at entry of the policyholder.
- 2biii. The actual premium paying term and the exact maturity date were used.
- 2biv. Group Term Assurances were valued by reserving 40% of Office Premiums less reinsurance premiums.
- 2ci. The valuation age was taken as the age at entry plus nearest duration of the policy to the valuation date.
- 2cii. The period from the valuation date to the maturity date had been calculated by deducting from the original term of the policy the period for which the policy had been enforced.
- 2d. No specific reserve was made for future bonuses.
- 2ei. All premiums were assumed to be paid annually.
- 2eii. Where premiums were paid more frequently than annually the net premiums in respect of outstanding installments of premium were deducted from the liabilities.
- 2fi. No specific provision was made for future expenses on paid-up policies and for immediate payment of claims.
- 2g. Policies were valued according to the type of assurance, risk year and term. Calculations were carried out on a computer which was programmed to ignore negative values arising as a result of the valuation method adopted. This was the method adopted in the valuation.
- 2h. Extra premiums for additional risks and supplementary riders were valued by reserving 40% of the supplementary premiums.
- 2i. No policy in any foreign currency was issued.



3. The bases of valuation used were:
- Mortality : A 1967-70 Ultimate Tables
- Rate of interest : 3.5% p.a. for with profit policies
8.0% p.a. for without profit policies
4. The proportion of future office premiums for future expenses (and profits) was 18%.
5. The investment yield of the Life Fund for the year 2007 was 7.5%.
6. According to Form I, there was a small surplus of Tk. 11,736 thousand.
- 7-8. The surplus was not adequate for allocation of bonuses to policyholders or dividend to shareholders.
9. The Company did not transact any sickness benefit scheme, therefore no provision for disability benefits was made.

Sd/-
Zafar Halim, AIA (UK)
Actuary
10 August 2008



FORM G
LIFE REVENUE ACCOUNT OF RUPALI LIFE INSURANCE CO. LTD

Particulars	31.12.07	01.07.06 to 31.12.06	Particulars	31.12.07	01.07.06 to 31.12.06
	[Taka]	[Taka]		[Taka]	[Taka]
Claims under policies (including provision for claims due or intimated)less re-insurances			Balance of life fund at the beginning of the period/ year	460,708,692	343,259,611
By death	6,499,639	1,126,377	Premiums less re-insurances		
By survival	72,887,271	36,997,584	First year Premium	337,134,002	159,402,334
By surrender	2,102,038	494,127	Renewal Premium	379,090,741	165,866,644
			Group Insurance Premium	135,916	109,181
Expenses of Management			Less: re-insurances	(19,128)	-
Commission:			Interest, Dividends and Rents	43,790,911	13,381,359
(a) Commission to insurance agents	129,982,722	44,557,600	Other Income	124,827	(88,919)
(b) Allowances and commission (other than commission in sub item (a) above	139,091,020	79,801,347			
Salaries etc (other than to agents and those contained in the allowances and commission)	40,271,749	18,519,140			
Travelling and conveyance	3,719,562	1,912,000			
Directors fees	766,500	716,000			
Audit fee	185,000	82,500			
Medical fee	776,944	368,052			
Insurance policy stamps	3,397,359	1,336,538			
Advertisement and publicity	3,107,852	537,096			
Printing and stationery	6,586,740	3,435,107			
Lease Rent	80,910	166,620			
Legal and professional fees	106,000	10,003			
Office rent	18,141,848	8,526,670			
Bank charges	1,297,427	613,662			
General repairs and maintenance	1,376,945	486,235			
Car fuel, repair and maintenance	9,184,928	3,159,422			
Paper and periodicals	157,385	68,319			
	439,719,839	202,914,399		1,220,965,961	681,930,210

FORM G Continued

Particulars	31.12.07	01.07.06 to 31.12.06	Particulars	31.12.07	01.07.06 to 31.12.06
	[Taka]	[Taka]		[Taka]	[Taka]
Balance b/f	439,719,839	202,914,399	Balance b/f	1,220,965,961	681,930,210
Telephone, telex and fax etc	3,072,466	1,300,146			
Electricity, gas and WASA	1,464,839	765,546			
Training and recruitment expenses	53,852	-			
Fees, subscription and donation	141,000	59,000			
Penalty	854,450	-			
Entertainment	1,183,029	421,854			
Insurance premium (general)	911,003	312,952			
Postage and telegram	794,856	360,777			
Business development expenses	2,986,845	3,359,424			
Prize and awards	593,080	6,300			
Conference expenses	-	224,585			
Renewal & registration fee	1,937,448	1,262,694			
Revenue Stamps	401,082	176,810			
Annual general meeting expenses	17,963	52,280			
Actuarial fees	332,310	-			
Credit rating fees	150,000	-			
Shariah board meeting expenses	126,000	59,500			
Rates & taxes	2,000	9,200			
IPO expenses	15,036	100,000			
Other Expenses					
Depreciation on fixed assets	13,036,727	5,744,635			
Amortisation of deferred Expenses.	934,632	934,630			
Provision for doubtful debts	5,720,879	3,156,786			
Transfer to share value fluctuation account	1,500,000	-			
Loss on sale of car	101,003	-			
	476,050,339	221,221,518			
Balance of life insurance fund at the end of the period as shown in the balance sheet	744,915,622	460,708,692			
Total	1,220,965,961	681,930,210	Total	1,220,965,961	681,930,210



Form H
Summary and Valuation of the Policies of Rupali Life Insurance Company Ltd as at 31 December 2007

Description of Transactions	Particulars of the Policies for Valuation				Valuation			
	Number of Poilcies	Sum Assured/ pension/ Annuities (Tk 000)	Office Yearly premiums (Tk 000)	Net yearly premiums (Tk 000)	Sum Assured/ pension/ Annuities (Tk 000)	Office Yearly premiums (Tk 000)	Net yearly premiums (Tk 000)	Net Liabilities (Tk 000)

Division 1 - Insurances

Group A - With immediate participation in profits

Four Payment Endowment Assurance (Table # 01)	20,653	1,158,200	117,065	95,673	891,015	1,055,740	862,342	48,626
Endowment Assurance (Table # 02)	325	30,508	2,906	2,461	22,843	19,461	16,349	6,810
Three Payment Endowment Assurance (Table # 03)	3,848	247,221	22,667	18,994	182,340	197,779	165,502	20,514

Form H (Continued)

Description of Transactions	Particulars of the Policies for Valuation				Valuation			
	Number of Poilcies	Sum Assured/ pension/ Annuities (Tk 000)	Office Yearly premiums (Tk 000)	Net yearly premiums (Tk 000)	Sum Assured/ pension/ Annuities (Tk 000)	Office Yearly premiums (Tk 000)	Net yearly premiums (Tk 000)	Net Liabilities (Tk 000)

Five Payment Endowment Assurance (Table # 04)	4,347	234,534	26,567	22,064	144,478	123,293	101,745	43,354
Child Welfare Assurance (Table # 08)	77	8,160	700	514	5,654	6,528	4,727	980
Rupali Deposit Pension (Table # 09)	4,771	138,108	13,811	11,677	102,370	105,465	89,168	13,307
Three Payment Endowment (Takaful) (Table # 11)	7,146	500,003	45,863	38,322	368,774	440,580	367,243	17,344

Form H (Continued)

Description of Transactions	Particulars of the Policies for Valuation				Valuation			
	Number of Poilcies	Sum Assured/ pension/ Annuities (Tk 000)	Office Yearly premiums (Tk 000)	Net yearly premiums (Tk 000)	Sum Assured/ pension/ Annuities (Tk 000)	Office Yearly premiums (Tk 000)	Net yearly premiums (Tk 000)	Net Liabilities (Tk 000)
Five Payment Endowment Assurance (Takaful) (Table # 12)	2,672	140,546	13,955	11,689	96,656	104,807	86,572	13,162
Islami Mohrana Bima (Table # 13)	32	1,969	191	149	1,402	1,507	1,151	314
Takaful Deposit Pension (Table # 15)	4,269	116,618	11,644	9,844	85,619	91,295	77,177	8,584

Form H (Continued)

Description of Transactions	Particulars of the Policies for Valuation				Valuation			
	Number of Poilcies	Sum Assured/ pension/ Annuities (Tk 000)	Office Yearly premiums (Tk 000)	Net yearly premiums (Tk 000)	Sum Assured/ pension/ Annuities (Tk 000)	Office Yearly premiums (Tk 000)	Net yearly premiums (Tk 000)	Net Liabilities (Tk 000)
Four Payment Endowment Assurance (Takaful) (Table # 16)	18,791	973,910	97,350	79,474	744,965	915,423	746,722	26,312
Samajik Bima (Table # 17)	51,710	877,555	85,581	71,919	676,898	571,103	478,882	198,276
Child Welfare Assurance (Takaful) (Table # 21)	157	11,635	959	810	7,640	10,202	8,604	86
Endowment Assurance (Haj Bima)- (Table #22)	2	200	22	13	145	167	141	4

Form H (Continued)

Description of Transactions	Particulars of the Policies for Valuation				Valuation			
	Number of Poilcies	Sum Assured/ pension/ Annuities (Tk 000)	Office Yearly premiums (Tk 000)	Net yearly premiums (Tk 000)	Sum Assured/ pension/ Annuities (Tk 000)	Office Yearly premiums (Tk 000)	Net yearly premiums (Tk 000)	Net Liabilities (Tk 000)
Hajj Bima (Takaful) (Table # 23)	30	2,937	286	233	2,061	2,415	1,963	168
Khudra Bima (Takaful) (Table # 24)	2,707	65,845	5,945	3,904	30,397	42,583	27,813	2,860
Child Protection (Table #27)	3,631	54,269	5,878	3,962	37,042	54,999	37,061	982
Group A (Total)	125,168	4,562,218	451,390	371,702	3,400,299	3,743,347	3,073,162	401,683

Group B- With deferred participation in profits- Nil

Group C- Under discounted bonus systems – Nil

Form H (Continued)

Description of Transactions	Particulars of the Policies for Valuation				Valuation			
	Number of Policies	Sum Assured/ pension/ Annuities (Tk 000)	Office Yearly premiums (Tk 000)	Net yearly premiums (Tk 000)	Sum Assured/ pension/ Annuities (Tk 000)	Office Yearly premiums (Tk 000)	Net yearly premiums (Tk 000)	Net Liabilities (Tk 000)
Money Back Term Insurance (Table # 05)	55	8,570	116	75	799	970	612	194
Money Back Term Insurance (With Guaranteed Profits) (Table # 06)	35	7,500	305	252	2,387	2,340	1,918	498
Pension Assurance (Table # 07)	1	60	26	19	218	210	154	64
Single Premium (Table #18)	2	30	0	0	25	0	0	25

Form H (Continued)

Description of Transactions	Particulars of the Policies for Valuation				Valuation			
	Number of Poilcies	Sum Assured/ pension/ Annuities (Tk 000)	Office Yearly premiums (Tk 000)	Net yearly premiums (Tk 000)	Sum Assured/ pension/ Annuities (Tk 000)	Office Yearly premiums (Tk 000)	Net yearly premiums (Tk 000)	Net Liabilities (Tk 000)
Single Premium (Takatful) (Table #20)	1	13	0	0	10	0	0	10
Money back Term Insurance (Takaful) (Table #24)	42	4,924	184	151	1,370	1,481	1,207	174
Money back Term Insurance (With Guaranteed Profits) (Takaful) (Table # 25)	9	2,000	24	15	142	203	128	15

Form H (Continued)

Description of Transactions	Particulars of the Policies for Valuation				Valuation			
	Number of Policies	Sum Assured/ pension/ Annuities (Tk 000)	Office Yearly premiums (Tk 000)	Net yearly premiums (Tk 000)	Sum Assured/ pension/ Annuities (Tk 000)	Office Yearly premiums (Tk 000)	Net yearly premiums (Tk 000)	Net Liabilities (Tk 000)
Group Insurance								54
Group D (Total)	145	23,097	655	512	4,951	5,204	4,019	1,034
Supplementary Rider								1,644
Paidup Policies	82,906	1,872,304	0	0	328,819	0	0	328,819
Grand Total	208,219	6,457,619	452,045	372,214	3,734,069	3,748,551	3,077,181	733,180



Form I
Valuation Balance Sheet as at 31 December 2007

Rupali Life Insurance Company Ltd

	(Tk 000)		(Tk 000)
Net liability as shown in Form H	733,180	Balance of Life Insurance Fund as shown in the Balance Sheet	744,916
Surplus	11,736		
	744,916		744,916

Sd/-
Z. HALIM & ASSOCIATES
Actuarial & Pension Consultants

Certificate under section 13(4) in conformity with the requirements of
part I & II of the Fifth Schedule to the Insurance Act, 1938

I do hereby certify that, the abstract for the period ended 31 December 2007 has been prepared in conformity with the requirements of part I & II of the Fifth Schedule to the Insurance Act, 1938.

Sd/-
Z. HALIM & ASSOCIATES
Actuarial & Pension Consultants

Dated 09 August 2008

Declaration by the Managing Director of Rupali Life Insurance Company Limited
as required under section 13(3) of the insurance Act, 1938

I certify that full and accurate particulars of every policy under which there is a liability either actual or contingent have been included in the valuation due on the said date (as on 31.12.07).

Sd/-
Noor Mohammed Bhuiyan
Managing Director

Form J

Specimen Policy reserve values and minimum surrender values under an Anticipated Endowment Assurance Policy for Taka 1000

Number of annual premiums paid up to the valuation	Age at entry 20		Age at entry 30		Age at entry 40		Age at entry 50	
	Reserve value	Minimum surrender value	Reserve value	Minimum surrender value	Reserve value	Minimum surrender value	Reserve value	Minimum surrender value
1			Nil	Nil	Nil	Nil		
2					61	51		
3					134	81		
4								
5								
6								
7								
8								
9								
10								
15								
20								

Note: (1) The reserve values shown in this Form for Anticipated Endowment (Five Payment) Assurance Plan- With Profit.
(2) The reserve values shown in this Form on the basis of in-force policy data which were available as on the valuation data.

Sd/-
In Charge
Claims Department

Sd/-
In Charge
Policy Servicing



Form DDD

Additions to and deductions from policies of Rupali Life Insurance Co. Ltd
for the period ending 01.07.06 to 31.12.07.

	Ordinary life insurance policies insuring money to be paid on death or survival			Annuities	
	No.	Sum assured	Reversionary bonus additions	No.	Annuity per annum
		(1) Taka	(1) Taka		(1) Taka
1) Policy at beginning of period 01.07.06	107,222	3,183,656,661			
2) New policies issued up to 31.12.07	177,935	5,283,280,931			
3) Old policies revived up to 31.12.07	74	2,197,223			
4) Old policies changed and increased.....	9	267,229			
5) Bonus additions allotted.....					
Total	285,240	8,469,402,044			
6) By death.....	450	13,567,500			
7) By survival or the happening of the contingencies insured against other than death					
8) By expiry of term under temporary insurance.....	52	339,400			
9) By surrender of policy.....					
10) By surrender of bonus.....	76,519	1,997,875,894			
11) By forfeiture or lapse.....					
12) By change and decrease.....					
13) By not taken up.....					
Total discontinued	77,021	2,011,782,794			
Total existing end of period.....	208,219	6,457,619,250			

Sd/-
In Charge
Claims Department

Sd/-
In Charge
Policy Servicing



Credit Rating report

CREDIT RATING REPORT
ON
Rupali Life Insurance Company Limited

REPORT: RR/217/08

This is a credit rating report as per the provisions of the Credit Rating Companies Rules 1996. CRISL's Claim Paying Ability Rating for life insurance companies is valid for only one year. After the above period, the rating will not carry any validity unless the company goes for rating surveillance.

Address:
CRISL
Nakshi Homes
(4th & 5th Floor),
6/1A, Segunbagicha,
Dhaka-1000
Tel: 7173700-1
Fax: 88-02-9565783
Email:
crisl@bdonline.com

Analyst:

Md. Asiful Huq
asif@crislbd.org

CPA Rating: BBB
(TripleB)

Outlook: Stable

Rating Base:
Financials upto 2007

**RUPALI LIFE
INSURANCE
COMPANY LIMITED**

ACTIVITY
Life Insurance

INCORPORATED ON
December 28, 1999

CHAIRMAN
Mr. Mahfuzur Rahman

**MANAGING
DIRECTOR**
Mr. Noor Mohammed
Bhuiyan

GROSS PREMIUM
TK.716.36 million

**LIFE INSURANCE
FUND**
TK. 744.92 million

Page 1 of 17

	Claim Paying Ability
Rating Surveillance 2007	BBB
Previous Rating 2006	BBB-
Outlook	Stable
Date of Rating	October 19, 2008

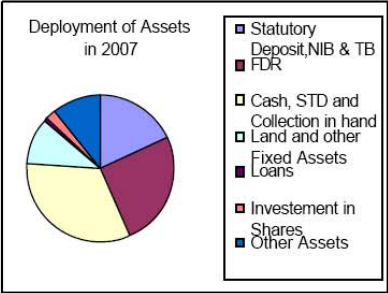
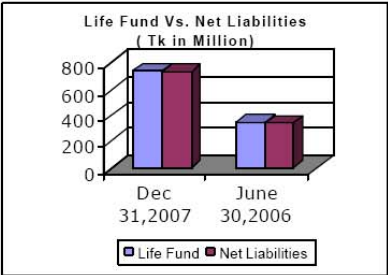
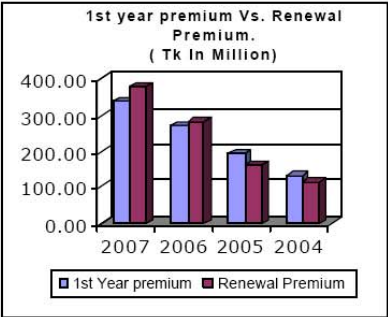
1.0 RATIONALE

Credit Rating Information and Services Limited (CRISL) upgrades the Claim Paying Ability (CPA) rating of Rupali Life Insurance Company Limited (hereinafter called RLICL) to BBB (pronounced as triple be) from BBB- (pronounced as triple be minus) based on the financials up to December 31, 2007 and other relevant quantitative and qualitative information. The above upgradation was done on the basis of its good fundamentals such as sound liquidity position, within limit management expenses, approved underwriting manual, diversified product line & service network and ensuing IPO floatation. However, the above factors are constrained, to some extent, by below average financial performance, moderate technical performance, high policy lapse in micro insurance, poor corporate governance, moderate solvency & efficiency etc. Life insurance company rated in this category has good claim paying ability with good protection factors. However, changes in underwriting and/or economic conditions are likely to have impact on capacity to meet policyholders' obligations than insurers rated in higher categories.

CRISL also viewed the company with 'stable' outlook for its steady business growth as well as its consistent fundamentals.

2.0 RECENT DEVELOPMENTS

- Set to offload shares in the capital market
- Adoption of Service Rules for officer and employee as a part of HRD development program
- Adoption of Written Underwriting Manual as a part of corporate strategy



CREDIT RATING REPORT

ON

Rupali Life Insurance Company Limited

- Business network expanded
- Formation of two Management Committees
- Policy lapse ratio increased with the expansion of business
- Improvement in IT infrastructure

3.0 CORPORATE PROFILE

3.1 The Genesis

Rupali Life Insurance Company Limited (RLICL), a third generation life insurance company, was incorporated on December 28, 1999 under the Companies Act 1994 with authorized capital of TK. 100.00 million and obtained license under the Insurance Act, 1938 for carrying out life insurance business. The company obtained the certificate of registration from the Chief Controller of Insurance, Insurance Department on December 29, 1999. The company was sponsored by a group of individuals exposed to different businesses sectors namely textile, general insurance, fisheries, cooperative society, hospitals and advertising firms. The board is headed by its Chairman Mr. Mahfuzur Rahman while Mr. Noor Mohammed Bhuiyan, looks after the company as Managing Director who heads the management team. Total paid-up capital of the company stood at Tk 30.00 million as on December 31, 2007. The company is in the process of raising TK. 45.00 million from the capital market through issuing 450,000 ordinary shares of TK. 100 each to fulfill the conditions of the license issued by the Chief Controller of Insurance. Though the company is mainly engaged in individual life and Islamic individual life insurance business, it also operates non-traditional micro life insurance. RLICL is providing services to its policyholders through its divisional offices and head office in Dhaka. The RLICL earned a gross premium of TK. 716.36 million in 2007 against TK. 553.56 million in 2006. Life insurance fund of the company rose to Tk. 744.92 million in 2007 from TK. 460.71 million in 2006. The company is being managed through its Head Office at 7, Rajuk Avenue, Motijheel C/A, Dhaka-1000. Total number of employees of the company stood at 1,114 as on September 30, 2008.

3.2 Ownership Pattern

Rupali Life insurance is a closely held public limited company having fifteen sponsors. The company has a total paid-up capital of TK. 30.00 million consisting of 300,000 shares of TK. 100.00 each as on August 31, 2008. Mr. Mahfuzur Rahman, Chairman of the company, is holding the highest share of 15% while Mr. Abdul Azim, another sponsor of the company, holds 13.33% share. However, none of the other sponsors hold more than 10% share of the company. The above shareholding pattern reveals high concentration of ownership among few investors. The existing shareholding pattern of the company will be diluted to a great extent with the flotation of 450,000 shares of TK. 100.00 each to the public.

3.3 Market Share

The life insurance industry of Bangladesh reported a gross premium of TK. 26,828.13 million in 2006 which was shared by 18 companies including the state-owned Jiban Bima Corporation (JBC). The gross premium of RLICL in 2006 stood at TK. 553.56 million with a market share of 2.06 %. Without considering the gross premium of JBC, RLICL held 2.25% of the market share of the premium earned by the private sector life insurance companies during 2006. Gross premium income of the company rose to Tk. 716.36 million in 2007 registering a growth of 29.41 % against previous year's growth of 53.44% in 2006 and industry growth of 31.20%. RLICL's earnings from First Year Premium in 2007 stood at Tk. 337.13 million which was 47.06% in terms of gross premium. Earnings from Renewal Premium rose to Tk 379.09 million in 2007 from Tk. 282.19 million in 2006.

3.4 Service Network

The company has been operating its business through 70 service cells and 951 agency/ organization offices located at Dhaka, Chittagong, Rajshahi, Khulna, Barishal and Sylhet divisions. Out of 70 service cells, 21 are in Dhaka, 22 in Chittagong, 6 in Rajshahi, 13 in

A third generation company

Concentrated ownership pattern

Declining trend of premium earnings

Diversified service network



CREDIT RATING REPORT
ON
Rupali Life Insurance Company Limited

Khulna, 4 in Barishal and 4 in Sylhet division. Out of 951 organization offices 233 are in Dhaka, 260 in Chittagong, 136 in Rajshahi, 237 in Khulna, 46 in Barishal and 39 in Sylhet division. The above service network reveals wide coverage around the district level of the country.

3.5 Capital Market Perception

The company is in the process to raise capital worth of TK. 45.00 million from the country's capital market following the Securities and Exchange Commission (Public issue) Rules 2006, Depository Act 1999 and regulations there under through issuing 450,000 ordinary shares of TK. 100 each to fulfill the conditions of the license issued by the Chief Controller of Insurance. Soon after the raising of capital, the share of the life insurance company will be traded as 'N' category in country's both the bourses- Dhaka Stock Exchange (DSE) and Chittagong Stock Exchange (CSE). RLICL has already signed an agreement with Central Depository Bangladesh Limited (CDBL) as shares of the company will be issued only in dematerialized form as per provision of the Depository Act 1999 and regulations made there under. Therefore, all transfer/ transmission, splitting or conversion will take place in the CDBL system and any further issuance of shares (including rights/ bonus) will also be issued in dematerialized form only.

4.0 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 alongwith one central government-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 for general business and Jiban Bima Corporation for life business under a restructuring plan made in 1973 in order to curtail excessive administrative expenses of the aforementioned corporations. 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. Presently, 62 insurance companies are operating in the country, of which 44 are in general business and the remaining 18 are in life business, even though only couple of insurance companies dominates the market.

The gross premium of general and life insurance business stood respectively at Tk. 9.02 billion and Tk. 26.83 billion during 2006 with a combined growth rate of 26.10% compared to that of the previous year. On the other hand, claim settlement during the same period stood at Tk. 4.20 billion for general and Tk. 6.24 billion for life with an aggregate growth rate of 42.04% over the previous year. 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 authorities have decided to introduce mandatory credit rating requirement in the industry. Under the above directives, all general insurance companies are directed to get credit rating with effect from 2007 with mandatory surveillance at the end of each year. However, the life insurance companies were directed to have the surveillance rating biannually.

The insurance industry is now at the final stage of transition. It has been decided to replace the age old insurance laws with Insurance Regulatory Authority (IRA) Ordinance 2008 and Insurance Ordinance (IO) 2008. The Department of Insurance will be abolished by the five-

Ensuing IPO floatation

Too many companies
in small market



CREDIT RATING REPORT
ON
Rupali Life Insurance Company Limited

Industry is at final stage of transition

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 also been reduced to 15 from 20 with the participation from the policyholder directors. 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. Moreover, the life insurance companies will be required to make the valuation of liabilities on yearly basis to reveal the real strength of the company. The law also allowed foreign investment in general insurance sector. With the promulgation of the ordinances, the insurance industry will be under the Ministry of Finance which is now with the Ministry of Commerce. With the above changes, CRISL anticipates a paradigm shift in the operation of the insurance companies in the regulatory regime.

5.0 CORPORATE GOVERNANCE

Poor corporate governance

5.1 Best Practice Guideline of Corporate Governance

RLICL is still a closely held public limited company. The composition of the Board, formation of management structure, style of management, disclosures etc are all based on ownership criterion. However, after flotation of IPO, the company will be required to follow the minimum requirements of Securities & Exchange Commission (SEC) corporate governance guidelines. The company needs to have at least one Independent Director in the Board and a Board Audit Committee with at least three directors including one Independent Director. Moreover, the company will be required to have a Chief Finance Officer in addition to existing Internal Auditor and Company Secretary. The company Secretary is to work as the Compliance Officer. Since RLICL is going for public offering of shares, these minimum corporate governance guidelines, along with others, will be required to be followed by "comply or explain" basis. However, the company has already appointed a Company Secretary cum CFO and an Internal Auditor.

Policyholder directors are holding sponsor shares

5.2 Board of Directors & Its Committees

The Board of RLICL consists of fourteen directors and is headed by Mr. Mahfuzur Rahman as its Chairman. Mr. Rahman, son of former parliamentarian Md. Mustafizur Rahman, has 10 years business experience. The other members of the Board have experience in different business sectors. Among the directors, six are sponsor directors; seven are policyholder directors and one is alternate director of Mr. Abdul Azim, who is a sponsor director of the company. It is worth mentionable here that all policyholder directors of the company are also the sponsor shareholders having 34.33% shares, which is against the best corporate practice guideline. The Board mainly deals with policy and strategic aspects of the company. The Board held 9 and 8 meetings in 2007 and 2006 respectively. The life insurance company has two Board Committees namely Executive Committee and Claim Committee to give the policy guidelines and run its business operations efficiently. RLICL formed a seven members Executive Committee headed by Chairman Mr. Mahfuzur Rahman to assist the management in performing day to day affairs of the company. Company Secretary acts as the secretary of the committee. Chairman of the company can call emergency meeting of Executive Committee through a notice of 24 hours in case of urgency; otherwise meeting is usually called by three days notice earlier. The Executive Committee held 14 and 15 meetings respectively in 2007 and 2006. The Board of RLICL has formed a Claim Committee consisting of 12 members including the Managing Director under the Chairmanship of Mr. Mahfuzur Rahman who is also the Chairman of the Board and the Executive Committee. In an ideal corporate management, the Chairman should not hold the Chairman position of a Board Committee in order to maintain the upward reporting system. Main responsibilities of the Claim Committee include examining and establishing whether claims are being settled as per Insurance Act 1938 and Insurance Rules, 1958, approval and settlement of claims above TK. 12,000, settling the disputes arisen at the time of settlement of claims. A total of 12 meetings of Claim Committee were held in 2007 while 8 meetings in 2006.



CREDIT RATING REPORT
ON
Rupali Life Insurance Company Limited

Twelve members
Shariah Board to run
the business as per
Islamic shariah

5.3 Shariah based Life Insurance Operation

RLICL’s Islamic insurance operation is run on the Shariah principles. The plans/products sold under the Islamic wing are calculated on Islamic actuarial principle of mutual sharing. The premium income generated from selling policies of Islamic insurance is kept in Tabaru fund and Mudarabah fund while former is used for settlement of claims and later is used for investments for profit sharing among participating policyholders. The funds generated from the operation are invested in avenues permitted under Islamic insurance laws, which are also approved by the Shariah Board. The avenues where investments have been made at present are deposits and FDRs in Islamic banks. However, the company has the future plan to diversify its investment portfolio such as investments in stocks of Islamic companies and purchase of real estate. Rupali Life Insurance Company formed twelve members Shariah Board to look after the matters related to Islamic Shariah in running insurance business. Members of the Shariah Board include Islamic scholar (Fakih), Islamic Researcher, Journalist, Banker, and Lawyer. Mawlana Mohiuddin Khan, Editor of the Monthly Madina, is the Chairman of the Shariah Board while Mawlana Mohammad Khalid Saifullah is acting as member secretary to the Board. Besides the regular member, Chairman of RLICL, one Technical Director, Managing Director and one Assistant Managing Director act as observer member. The Shariah Board gives the policy guidelines to carry out the insurance business as per Islamic shariah. A total of 4 meetings of Shariah Board were held in 2007 and 3 meetings in 2006.

Management team
supported by five
management
committee

5.4 Management

The management of Rupali Life Insurance Company Limited (RLICL) is headed by its Managing Director Mr. Noor Mohammad Bhuiyan, who has about 22 years experience in insurance business. In the management team Mr. Bhuiyan is aided by two Assistant Managing Directors (AMD), two General Managers, one Senior Deputy General Manager, one Senior Manager and one Manager. Most of the above professionals have good experience in insurance business. Five management committees namely Tender Committee, Purchase Committee, Disciplinary Committee, Recruitment Committee and Human Development Committee are now in operation for smooth functioning of day to day activities of the insurance company. RLICL has formed five- member Tender Committee headed by Mr. Md. Golam Kibria, Assistant Managing Director of the company. Main functions of the committee are inviting quotations for any type of purchase exceeding TK. 10,000, scrutinizing the dropped quotations, preparation of comparative statement, according approval up to TK. 25,000 on the basis of the lowest bidder and making recommendations for approval of the authority. Tender committee sits in the meeting as it requires. Purchase Committee of RLICL consists of six members and is headed by Mr. Biswajit Kumar Mondal, Assistant Managing Director (F & A). Main responsibilities of the Purchase Committee include purchasing all types of store and establishment materials up to TK. 10,000, collecting spot quotations for procurement of office stationery & other store materials and ensuring purchase as well as ensuring quality of purchased materials. A seven member Disciplinary Committee, headed by the Assistant Managing Director Mr. Md. Golam Kibria has been formed to ensure proper practice of official discipline at different levels in the company. Other responsibilities of the Committee include minimizing all sorts of unethical practice, investigating any type of irregularities including financial and administrative, helping the management for any type of legal steps taken against any indiscipline and to get rid of all types of illegal practice related to office decorum. A six members Recruitment Committee headed by Mr. Mahfuzur Rahman has been formed to bring change in the overall recruitment process in the company. Moreover, RLICL formed a six members Human Development Committee to take decision related to corporate social responsibility.

IT in MIS at developing
stage

5.5 IT Infrastructure in MIS

The IT infrastructure in MIS of RLICL is at developing stage. The head office of the company is equipped with computer and is connected with server through Local Area Network (LAN). Servicing cell in remote areas is connected in the same areas server with Virtual Private Network (VPN). Data is transferred with Code Division Multiple Access (CDMA) modem. As a result the remote servicing cell can access to the main server. RLICL is presently using three integrated software namely Policy Management System (PMS), Micro Insurance Management system (MIMS) and Human Resource Management (HRM). Moreover, the company recently introduced SMS (Push-pull) service for providing customers with policy related information.



CREDIT RATING REPORT
ON
Rupali Life Insurance Company Limited

RLICL has also hosted a web page of its own to take a place in the World Wide Wave. The life insurance company has a future plan to develop a web enabled automated system to connect all the agency office. Total staff strength in the IT Department of the company stood at 79 as on September 30, 2008 which includes one manager, one deputy manager, two programmer, one senior officer, seven junior officers and 67 computer operators.

5.6 Human Resources Management

Formulation of
structured service rules

Quality of human resources makes the difference in today's competitive insurance business in the country. RLICL has recently formulated and developed structured and documented service rules for its employees, which is yet to be approved by the Board. The company is, however, offering moderate compensation package for its workforce at different levels which is appeared to be in the lower side compared to Peer. Total staff strength of the company stood at 1,114 as on September 30, 2008. Total number of employee of the company was 1057 in 2007 while it was 889 in 2006. RLICL recruited 237 employees at different levels in 2007 while it recruited 339 employees in 2006. Though overall employee turnover of the company decreased to 10.01 % in the YE 2007 from 13.50 % in 2006, it is still too high compared to its peer. RLICL has set up a training department with an objective to provide the best services to its policyholders in a competitive business environment through imparting training and creating skilled workforce. Headed by Mr. Md. Apel Mahmud, consultant (training & technical affairs) the training department started functioning from June 2007. Training Department of RLICL has conducted 45 workshops on different aspects of Marketing Strategy and Customer Service. Moreover, 10 employees of the company took part in the workshop on " basic course on life insurance " organized by Insurance Association while 12 employees of RLICL participated a fifteen days workshop on " basic course on underwriting" organized by Insurance Academy.

5.7 Marketing Strategy

Door-to-door service
campaign

Life insurance business, in Bangladesh, is based on marketing where door to door campaign strategy is used for collection of new policies as well as for renewal of existing policies. Bangladesh being a village and agro based economy carries huge potential of rural based insurance. Keeping the above in view RLICL, like other life insurance companies, carries out its marketing operation through the above marketing policy by engaging marketing personnel. Rupali Life Insurance Company carries out its business operations through different types of marketing executives. The marketing related functions of the company are being supervised by the Managing Director. Total marketing executives of the company stood at 17,990 of which 10,038 are on commission basis while the rest 7,952 are on contract basis. Total licensed agent of the company stood at 3,347 in 2007. Major business of the company comes from Ekok Bima, Samajik Bima and Islamic Bima. The company has been dealing with both the traditional and non-traditional/ Islami insurance products. RLICL continued its efforts to meet various demands of people from different class to increase the market share through offering innovative and varied insurance products. The company recently introduced four new products namely Rupali Shanchayi Bima Prokalpo with profit, Rupali Deposit Pension Scheme with profit ,Takaful Deposit Pension scheme with profit and Rupali -Al Amanat Bima Prokalpo with profit. Total number of policies as sold by RLICL decreased 112,428 in 2007 from 113,507 in 2006.

6.0 BUSINESS PROFILE

6.1 Business Mix

Diversified product line

RLICL carries out life insurance business as per the Insurance Act 1938 and Insurance Rules 1958. The company is offering various types of policies to cater to various demands of people from different strata. Different life policies as being offered by RLICL now are endowment assurance (with profit), three payment endowment assurance (with profit), five payment endowment assurance (with profit), money-back term assurance (without profit), money-back term assurance (with guaranteed profit), pension assurance (without profit),child welfare assurance (with profit), samajik bima, shariya bima, Rupali DPS, group insurance, hajj insurance, rupali khudra bima(takaful), shariah deposit pension scheme, single payment endowment assurance plan- with profits(takaful), three payment endowment assurance (with profit), five payment endowment assurance(with profit), child education



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assurance plan with profits (takaful), child welfare assurance (takaful)with profit. Moreover, RLICL recently got permission from the Office of Chief Controller of Insurance to introduce four more new policies namely Rupali Shanchayi Bima Prokalpo with profit, Rupali Deposit Pension Scheme with profit, Takaful Deposit Pension scheme with profit and Rupali –Al Amanat Bima Prokalpo with profit. Premium earned by the company during the year 2007 constitutes of 33.15% from Ekok Bima, 21.05% from Samajik Bima, 26.69% from Islamic Bima etc. While analyzing the maximum premium paying period of the 1st year policies, it has been found that all the policies of RLICL were found long –term of which 80.71% policies were of twelve years and above while 19.29% policies were of ten years duration.

6.2 Reinsurance

Reinsurance treaty with
Asean Retakaful
International Ltd.

As per section 23A of Insurance Corporation Act, 1973 every insurer registered and carrying on insurance business in Bangladesh shall reinsure, on generally acceptable terms and conditions, such portion of his insurance business as he cannot retain on his own account. The whole or any portion of the reinsurable life insurance business may be reinsured with any insurer outside Bangladesh as per Section 23A of Insurance Corporation Act, 1973. In compliance of the above law, Rupali Life Insurance Company had executed an agreement of reinsurance with Jiban Bima Corporation (JBC) on 18th April 2000. JBC also made a reinsurance agreement with Munich-re, Germany. As Munich-re cancelled their treaty with JBC, JBC also consequently terminated the reinsurance agreement with RLICL. The life insurance company later signed reinsurance agreement with Asean Retakaful International Ltd. of Malaysia on February 8, 2007 with effect from 1st January 2005. The insurance company can underwrite the risk of a particular policy up-to TK. 200,000 beyond of which the policy must be reinsured for exceeding the retention limit. The company gets automatic reinsurance coverage upto Tk 1.00 million for a single policy beyond of which (sum insured), it has to go for facultative treaty for getting reinsurance coverage. The company went for reinsurance agreement for an amount of Tk 115.18 million of 553 policies during the year 2007. Rupali Life faced no litigation so far with its reinsurer (Asean Retakaful International Ltd.)

6.3 Claim Settlement

Limited delegation of
power to management
regarding claim
settlement

Claim settlement in the life insurance company is different from that of general insurance company. Two types of claims normally arise from the policyholders: death claim and maturity claim. After receiving the intimation of death claim, a condolence letter is sent to the bereaved family and a letter for collection of all supporting papers in favor of claim. The claim is investigated by the company's internal audit department/ company's trained officers. Investigation is made for all the first year's claims and all the claims above TK. 12,000. The claim department takes the decision whether claims are payable or not after scrutinizing the papers received and investigation reports along with the comments of the physicians. With the recommendation of claim department, claims upto TK. 12,000 is approved by the management while claims above TK. 12,000 is placed in the claim committee for approval. Regarding the settlement of maturity claim, claim department of the company issues a letter along with a discharge voucher to the policyholder intimating him/ her about the maturity of the policy. After receiving the required papers and scrutinizing the documents maturity claim is settled. Total claim expenses of RLICL rose to Tk. 81.49 million in 2007 from Tk. 68.82 million in 2006 registering an increase of 18.41%. Claim expenses in 2007 included death claim of Tk. 6.49 million, survival benefit Tk. 72.89 million and surrender value Tk. 2.10 million. Against the death claim of TK. 14.11 million under 468 policies in 2007, the company settled claims amounting to TK. 5.71 million of 242 policies, declined 4 policies amounting to TK. 0.04 million while unsettled claims of 222 policies stood at TK.8.36 million. However, RLICL settled 164 outstanding claims amounting to Tk. 4.01 million upto June 30, 2008. Under the maturity claim (survival benefit) the insurance company paid TK. 72.89 million against 8,541 policies while surrender value as paid by the company stood at TK. 2.10 million against 151 policies in 2007. The Company doesn't have any litigation regarding settlement of claims.

6.4 Underwriting Expertise and Physician

Moderate underwriting
quality

RLICL has formulated an underwriting manual, which has been approved by the Board. Detailed underwriting guidelines and medical requirements for both male and female have been delineated in the manual. Man (up-to 40 years) enjoys taking policy up-to TK. 150,000



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without any special medical test while woman (up-to 35 years) can enjoy taking policy up-to TK. 100,000 without having done such medical test. However, the company fixes up different requirements for both male and female to take policies for different amount of sum insured. The underwriting activities are being carried out under the direct supervision of Managing Director having 21 years experience in insurance business. The company has two more underwriting experts: one Assistant Managing Director and one Manager. Besides, the insurance official, RLICL has two medical consultants who help the management in underwriting different life policies. Underwriting delegation of power in RLICL is well defined: Managing Director as specialist, can underwrite a policy of TK. 500,000 and above, Assistant Managing Director upto TK. 500,000, manager upto TK. 300,000.00, deputy manager upto TK. 200,000.00 assistant manager upto TK. 150,000 senior officer upto TK. 100,000 and officer upto TK. 100,000. First year death claim of RLICL rose to 205 in 2007 from 164 in 2006 against total issued policies of 112,428 and 113,507 in 2007 and 2006 respectively.

6.5 Composition of Investment

Life insurance business is a long-tail liability bearing business and as such it needs to protect the fund from various perils such as inflation, fund depletion due to low earning of investment, non-investment of fund, market value reduction etc. Therefore, the investment planning plays a very important role in maintaining long term financial health. Under the above backdrop, the Insurance Act specifies the approved mode of investment. In line with the above, the life insurance companies are required to submit a quarterly return to the Chief Controller of Insurance (CCI) showing all the particulars required to establish that the requirements of section 27 are complied with according to Sub-section 1 of Section 28 of Insurance Act 1938. According to the Act, 30% of the total liability (as on the date of return) is to be invested in government securities while remaining to be invested in other approved investment including capital market securities. Total liabilities of the company as reported on the return as on December 31, 2007 was TK. 503.91 million where at least the same amount is to be invested in Government and other approved securities. However, while analyzing the investment return of December 31, 2007 as submitted to CCI, it has been revealed that against the requirement of 30% investment in government securities of TK. 151.17 million, RLICL's total investment in government securities stood at TK. 142.90 million where as total investment of the company stood at Tk. 439.12 million against the regulatory requirement of Tk. 503.91 million as on December 31, 2007 with a overall shortfall of Tk. 64.79 million.

Shortfall of investment
in securities in time

6.6 Quality of Investment Portfolio

RLICL is yet to develop a documented investment policy or guideline to make risk based investment decision. The investment portfolio of the company stood at TK. 539.43 million as on December 31, 2007 representing 36.80% in FDR with different banks and financial institutions, 31.11% in STD, 26.49% in government securities (including NIB and Treasury bonds), 5.60% in equity securities, loan & advances and loans on insurer's within their surrender value. The company kept TK. 4.00 million with Bangladesh Bank as statutory deposit as per provisions of the Insurance Act 1938 while it made an investment of TK. 138.90 million in National Investment Bond and Government treasury Bond as per provision of Section 27(2)(i) of the Insurance Act 1938. The company had an investment of TK. 198.53 million in different banks and financial institutions as FDR for different terms at different rates in 2007 which was TK. 165.15 million in 2006. While analyzing the nature and size of FDR, it has been revealed that RLICL maintained FDR and MTDR with 17 different banks and 2 financial institutions. RLICL's investment in capital market significantly rose to TK. 19.58 million in 2007 from Tk. 1.04 million in 2006. While analyzing the performance of investment portfolio, it has been revealed that return from investment of the insurance company increased to Tk. 43.79 million in 2007 from TK. 23.94 million in 2006 registering a growth of 82.92%. Out of total return of TK. 43.79 million in 2007, 64.47% was generated from FDR, 19.27 % from the National Investment Bond, 6.86% from STD and 9.40% from investment in equity securities and others.

Major investment
return comes from FDR
with banks and financial
institutions

6.7 Revenue Strength

The contribution of renewal premium in total revenue mix indicates the revenue strength of a life insurance company. Third generation life insurance companies are experiencing the dominance of 1st year premium in the revenue composition due to their greater pace of



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Moderate premium
strength

expansion of business network and discontinuation of policies. Major revenue of RLICL comes from first year premium, renewal premium, group insurance premium and others sources. While analyzing the revenue, it has been revealed that total revenue of the company augmented to Tk. 760.26 million in 2007 from TK. 577.53 million in 2006 with a growth of 31.64% over the previous year. Total revenue of the company in 2007 included TK. 337.13 million from first year premium, TK. 379.09 million from renewal premium, TK. 0.14 million from group insurance premium and TK. 43.90 million from interest, dividend, rent and others. RLICL's maximum revenue in 2007 came from renewal premium which stood at TK. 379.09 million which was 49.86% of total revenue. While analyzing the strength of premium, CRISL identified that cumulative 1st year premium (since inception) of the company stood at TK. 942.65 million up-to 2006 against which renewal premium during 2007 stood at TK. 379.09 million representing 40.22% conversion of the cumulative 1st year premium into renewal premium, which is considered as stable source of revenue. CRISL, however, observed that the above indicator is yet to reach at a satisfactory level.

6.8 Management Expenses

management expenses
within allowable limit

Total management expenses of the company rose to Tk. 373.26 million in 2007 from TK. 313.64 million in 2006 registering an increase of 19.01%. Management expenses which stood 79.62% of total expenses of RLICL in 2007 included TK. 269.07 million as commission expenses while expenses for other than commission and allowance stood at TK. 104.19 million. Maximum permissible amount of management expenses of RLICL for carrying out life insurance business in 2007 was TK. 382.58 million as set by Section 40B of Insurance Act 1938 and Rule 39 of Insurance Rules 1958 while the actual amount stood at TK. 373.26 million which is Tk. 9.35 million lower than permissible amount. CRISL believes that controlled management expenses will further boost overall profitability of the company through its management efficiency.

7.0 RISK MANAGEMENT

7.1 Business Risk Management

Formulation of
underwriting manual

RLICL recently formulated an underwriting manual which consists of detailed underwriting procedures and guidelines. The underwriting requirements (for new policies and revival of lapse policies) are based on age and sum assured and are consistent with the reinsurer's underwriting requirements. The life insurance company has separate underwriting guidelines and medical requirements for both male and female. Man (upto 40 years) enjoys taking policy upto TK. 150,000 without any special medical test while woman (upto 35 years) can enjoy taking policy upto TK. 100,000 without having done such medical test. However, the company fixes up different requirements for both male and female to take policies for different amount of sum insured. The underwriting activities are being carried out under the direct supervision of Managing Director who has 21 years experience in insurance business. The life insurance company has two more underwriting experts: one Assistant Managing Director and one Manager. Besides the insurance officials, RLICL has two medical consultants who help the management in underwriting different life policies. The underwriting quality of the company has been found moderate compared to its peer companies. It has been revealed that the company experienced 205 and 164 1st year death claims respectively in the year 2007 and 2006 against 112,428 and 113,507 sold policies during the year 2007 and 2006. Claim amount against 1st year death claim rose to Tk. 7.06 million in 2007 from 5.07 million in 2006. The above scenario reveals increasing trend of 1st year claim against total policies sold.

7.2 Internal Control Risk Management

Internal control procedure is an integral part of financial and business processes which acts as the safeguard of the assets, promotes operating efficiency, ensures compliance with applicable policies and regulations and adherence to the prescribed managerial policies. In line with the internal control system, RLICL has established an Internal Audit Department under the direct supervision of the Chairman of the Board of Directors. Main responsibilities of Internal Audit Department include detecting errors and frauds of any types of transactions, protecting and minimizing errors and irregularities, ensuring the accuracy and reliability of records of financial transactions, enhancing the individual skill and efficiency of



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the accountant, ensuring and establishing financial transparency, investigating the death claim, ensuring the genuinity of hiring the offices for business purposes, ensuring the genuinity of procurement of fixed assets and any other investigation as assigned time to time by the management. Mr. Md. Shafiqur Rahman who is an M. Com (Management) from Dhaka University is now discharging the duties as Head of Internal Audit Department. In order to ensure internal control regarding purchase and procurement, tender is to be floated by purchase department for purchasing any goods in excess of TK. 5000 and prior approval from Executive Committee is required for procurement in excess of TK. 100,000 while approval is required from the Board of Directors for any kind of purchase in excess of TK. 500,000. Moreover, a tender Committee consisting of 5 members has been working for purchase and procurement. In case of internal check, all the bills and vouchers are verified by the Internal Audit Department and recommendation from respective department-in charge is required for approval of any bill. Moreover, financial transactions of each and every servicing office is audited by Internal Audit Department at least once in a year. As part of the servicing office control mechanism, the life insurance company has separate guidelines and instructions regarding distribution of PR & MR books, preparing daily collection statement, maintaining petty cash book, requisition of fund, procedures of internal payment and commission bill.

8.0 ANALYSIS OF ACTUARIAL VALUATION

Tk. 11.74 million
surplus

According to the existing Insurance Act, actuarial valuation of liabilities is to be made at least in every two years. However, couple of companies makes the actuarial valuation in every year which is considered as the best practice, as the relative strength of life fund against the future liabilities of the company can be known. The last valuation was completed on December 31, 2007 by Z. Halim & Associates, Actuarial & Pension Consultants. The basis for valuation was based on 3.50% discounting factor for with profit plan and 8.0% for without profit plan which was accepted by the Controller of Insurance under section 13 (sub-section-7) of the Insurance Act, 1938. Different mortality tables and rates of interest were used while conducting the valuation. According to the latest valuation report, total net liability of the company stood at TK. 733.18 million while life insurance fund stood at TK. 744.92 million as on December 31, 2007 representing a surplus of TK. 11.74 million. The rate of interest generally used in the valuation for with-profit policies (which contributes major share of policies) varies from 3.5% to 4.5% in Bangladesh. Mathematically, the higher the rate of interest used in the valuation, the lower will be the unadjusted net liabilities indicating inflated reported surplus and adequate backup of life fund against liabilities. According to the actuarial basis of RLICL, the rate of interest for with-profit policies used in the valuation was 3.50% per annum which has been found lower compared to couple of companies in its peer. As the surplus was not adequate enough for allocation of bonuses to policyholders or dividend to shareholders, the actuary, based on the last valuation report, did not recommend bonus for the policyholders and dividend for the shareholders.

9.0 PERFORMANCE

9.1 Profitability Analysis

Below average financial
performance

As the last actuarial valuation of liabilities of RLICL was done on December 31, 2007 after June 30, 2006, ratios used for analyzing the overall performance of the company have been calculated based on the data of last valuation report of life fund. However, other analysis has been made as usual based on ratios and information on year to year basis. Despite slight improvement in indicators, the overall profitability performance of the company is yet to come upto satisfactory level compared to the industry. The reported surplus of the company (based on the actuarial valuation) as on December 31, 2007 rose to Tk. 11.74 million from Tk. 5.41 million on June 30, 2006. Policyholders’ surplus to net premium fell to 1.47% in 2007 from 2.13% in 2006 while Surplus on assets rose to 1.49% in 2007 from 1.34% in 2006 and both the above indicators were found lower in comparison to industry. Shareholders’ surplus on equity increased to 3.91% in 2007 from 1.80% in 2006 while return on investment slightly rose to 8.12% in 2007 from 7.85% in 2006 against 5.80% in 2005. Surplus to life fund of the company slightly rose to 1.58% in 2007 from 1.57% in



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2006 while surplus to total revenue decreased to 1.54% in 2007 from 2.26% in 2006. Incremental surplus to incremental life fund of the company stood at 1.58% in 2007 and was found lower compared to industry.

9.2 Technical Analysis

9.2.1 General Dimension

Moderate technical performance

The overall technical performance of the company has been found moderate compared to industry average. The retention ratio of the company narrowly came down to 99.99% in 2007 from 100.00% in 2006 and 2005 each. Loss ratio of the company improved to 11.38% in 2007 from 12.43% in 2006 against 9.57% in 2005. Death loss ratio of RLICL, however, rose to 0.91% in 2007 from 0.60% in 2006 against 0.92% in 2005. Though RLICL, along with other third generation companies, enjoys less Loss ratio compared to 1st and 2nd generation company in view of non-existent/small amount of maturity claim, RLICL has to encounter substantial amount of survival claim which contributed 89.45% of the total claim related expenses during 2007. Loss ratio as percentage of renewal premium decreased to 21.50% in 2007 from 24.39% in 2006 against 20.95 % in 2005. Being a third generation company, the dominance of 1st year premium in the premium mix is still evident. First year premium to total premium of the company, however, decreased to 47.06% in 2007 from 49.00% in 2006.

9.2.2 Policy Lapse

High policy lapse in micro insurance

Unlike most of the life insurance companies in the developed countries, policy lapse is a common phenomenon in the life insurance business of Bangladesh. The main reason behind it is that most of the companies use selling concept of marketing where policies are not bought but sold which ultimately result in discontinuation of policies. RLICL is not an exception. While analyzing the policy status of RLICL, it has been divulged that out of 569,597 policies sold upto December 31, 2007 only 183,067 policies have been found in-force leaving 354,927 policies lapsed with a overall policy lapse ratio of 62.31%. While analyzing the project-wise distribution, it has been revealed that Rupali Khudra Bima Takaful has the highest lapse ratio of 83.51%, followed by 72.44% in Rupali Deposit Pension Scheme (RDPS), 68.49% in TDPS, 62.07% in Ekok Bima. Lapse ratio in Samajic Bima and Islami Bima stood at 56.69% and 54.99% respectively in 2007.

9.3 Efficiency

Moderate efficiency

Despite slight improvement in the efficiency indicators overall efficiency of the company has been found moderate. Commission expense to net premium of RLICL fell to 37.56% in 2007 from 40.37% in 2006 against 43.96% in 2005. Commission expense as percentage of management expenses, however, rose to 72.09% in 2007 from 71.25% in 2006. Management expenses to net premium of RLICL improved to 52.11% in 2007 from 56.66% in 2006 against 62.54% in 2005. Expense ratio of the company fell to 65.45% in 2007 from 70.97% in 2006. Incremental life fund to net premium of the company increased to 39.67% in 2007 from 32.79% in 2006 while incremental life fund to total income rose to 37.38% in 2007 from 31.42% in 2006. Earning assets to life fund of RLICL increased to 71.48% in 2007 from 64.15% in 2006 against 71.89% in 2005.

9.4 Solvency

Moderate solvency

The Insurance Act 1938 as amended in 2001 revised the minimum capital requirement to Tk. 75.00 million for life Insurance companies. Nevertheless, this absolute indication does not give any relative strength of capital as the companies, by virtue of their business nature, absorb additional liabilities against which no additional equity backups are made. While reviewing the solvency aspects, CRISL assesses long term sustainability which is measured by the ability of the company to meet its policyholders' obligation in timely manner. RLICL, as part of the regulatory requirement, is in the process to raise TK. 45.00 million from the country's capital market following the Securities and Exchange Commission (Public issue) Rules 2006, Depository Act 1999 and regulations there under through issuing 450,000 ordinary shares of TK. 100 each. While analyzing the solvency dimension in relative measurement, the position of the company was found moderate. Total net liabilities of RLICL as per the last valuation as on December 31, 2007 stood at TK. 733.18 million against



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which the company could generate life fund of TK. 744.92 million in 2007. The above life fund together with the share capital of the company stood at TK. 774.92 million creating a surplus of 5.69 % over the net liability in 2007 which was 10.47% in 2006. Total net liabilities to life fund of the company marginally improved to 98.42% in 2007 from 98.43% in 2006 against 132.25% in 2003. Internal life fund generation of RLICL fell to 61.69% in 2007 from 65.00% in 2006 against 56.04% in 2005. Incremental net liability to incremental life fund jumped to 98.42% in 2007 from 80.83% in 2006 indicating higher growth of unadjusted liability against the life fund. On the other hand, policyholders’ surplus to net premium fell to 1.47% in 2007 from 2.13% in 2006. Shareholders’ fund to total assets of the company declined to 3.80% in 2007 from 5.87% in 2006 against 8.76% in 2005.

9.5 Liquidity

Liquidity position of life insurance industry in Bangladesh, by and large, is strong and the position of RLICL was also found sound. Both current and quick liquidity ratio increased respectively to 40.65 times and 34.82 times in 2007 from 18.62 times and 15.74 times in 2006. Liquid assets to total assets of the company, however, fell to 60.45% in 2007 from 63.87% in 2006 against 62.99% in 2005. Liquid assets to net claim ratio of RLICL, however, rose to 5.85 times in 2007 from 4.74 times in 2006. Liquid assets to unadjusted net liabilities, on the other hand, fell to 0.65 times in 2007 from 0.73 times in 2006. Moreover, the maturity structure of fixed deposits revealed flexibility to support the liquidity requirement of the company to meet up the claims and other operating expenses in case of need, which put the short term claim paying ability in a more comfortable manner.

Sound liquidity position

10.0 OBSERVATION SUMMARY

Comforts: <ul style="list-style-type: none">• Sound liquidity position• Formulation of underwriting manual• Ensuing IPO floatation• Management expenses within allowable limit• Diversified product line• Diversified service network	Concerns: <ul style="list-style-type: none">• Moderate technical performance• Yet to achieve industry average financial performance• Concentrated ownership pattern• Policyholder directors are holding sponsor shares• High policy lapse in micro insurance• Moderate premium strength• Moderate underwriting quality• Moderate solvency• Moderate efficiency• Poor corporate governance• Shortfall of investment in securities in time
Prospects: <ul style="list-style-type: none">• Expansion of service cell• Further product diversification• Deregulation may increase the business of private sector companies	Challenges: <ul style="list-style-type: none">• Comply with new ordinance• Too many companies in small market• Emergence of foreign companies



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11.0 PROSPECTS

Life insurance companies of the country experienced immense competition and challenges to come up-to this stage. Having the largest network all over the country, and having a high operational cost, the JBC is facing a stiff competition in the insurance market from the private sector companies. Options for fresh investment in the money and capital market is facing a set back mainly due to mounting inflation in recent days. Many private sector insurance companies are also offering newer and competitive products in the market. However, the business prospects of life insurance companies particularly depend on the income level as well as the perception and attitude of the people towards the benefits derived from a policy. Common people of Bangladesh are yet to be aware of the benefits derived from a policy. Therefore, selling concept of marketing is used in this business where policies are sold through persuasion that results in policies lapse which is considered to be one of the major hazard of this business. Bangladesh life insurance business is still with traditional products. Diversified products such as unit linked products are yet to appear in the market that needs regulatory support and promotion. Income level of the people, as a whole, depend on smooth and sound operation of trade and commerce which is positively correlated with the stable macroeconomic fundamentals of the country. Macro economic performance of the country has negatively been affected in the last fiscal (2007-08) due to internal and external shocks such as price hike of many imported commodities (doubled, in some cases trebled) in international market as well as damages caused by two successive devastating floods and the cataclysmic cyclone 'SIDR'. Despite the above setback in the economy, the country registered a 6.2% of GDP in the last fiscal, which is expected to be 6.5% in the current fiscal (2008-09). However, tremendous inflationary pressure in the commodity market reduces the real income of the people which will act as an additional burden for prospective and existing policyholders. Moreover, the reform initiative of the Caretaker Government creates panic among the entrepreneurs that also make the business sector stagnant. These setbacks will have negative impact on the business of the life insurance business. The life insurance business has been opened to private sector companies side by side with the Jiban Bima Corporation. Government organizations are not appropriately tuned to expand at the village level through appropriate marketing initiative and therefore the private sector life companies has tremendous prospect to mobilize the savings from the mofassal and village areas in the form of premium with high growth potential. CRISL believes that the RLICL has all the potentials to grow at an accelerated rate by improving its corporate governance practice and management efficiency.

END

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12.0 CORPORATE INFORMATION:

Date of Incorporation:	December 28, 1999
Date of Commencement of Business:	December 28, 1999
Date of Obtaining License from CCI:	December 29, 1999

Board of Directors:

Mr. Mahfuzur Rahman	Chairman
Mr. Abdul Matin	Alternate Director of Mr. Abdul Azim
Ms. Sazia sultana sony	Sponsor Director
Mr. Abdullah Jamil Matin	Sponsor Director
Mrs. Ben Afroz	Sponsor Director
Mr. Monirul Hasan Khan	Sponsor Director
Mrs. Mahmuda Mahfuz	Sponsor Director
Mr. Md. Alamgir	Policyholder Director
Mr. Md. Helal uddin	Policyholder Director
Mrs. Kamrun Nesa Jharna	Policyholder Director
Mr. Md. Zillur Rahman	Policyholder Director
Mr. Mohammed Amirul Islam	Policyholder Director
Mr. Engr. Dewan Nuruzzaman	Policyholder Director
Mr. Pankaj kumar Sarkar	Policyholder Director

Management:

Mr. Noor Mohammed Bhuiyan	Managing Director
Mr. Biswajit Kumar Mondal	Asst. Managing Director (F & A) & Company Secretary
Mr. Md. Golam Kibria	Asst. Managing Director (Admn.)
Mr. Md. Mojammel Hossain	General Manager (Dev. - Admn.)
Mr. Md. Apel Mahmood	General Manager (Training & T/A)



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Financials:

Balance Sheets as on December 31

	Tk. in Million		
Property & Assets	2007	2006	2005
Loans (on insurers' policies within their surrender value)	3.62	2.30	1.30
Investment (at cost)	162.48	63.16	46.18
Statutory deposit with Bangladesh Bank	4.00	4.00	4.00
National Investment Bond	123.90	55.40	38.40
Treasury Bond	15.00	-	-
Shares and Debentures	19.58	0.04	0.04
Other Mode of investment	-	3.72	3.74
Agents Balance	-	5.46	5.46
Interest, dividend and rent accruing but not due	50.42	26.58	13.61
Advance and deposits	27.85	24.61	17.17
Sundry debtors	1.47	2.90	3.62
Cash & Bank Balance	458.15	326.47	215.77
Cash in hand	29.92	8.37	10.38
Collection in hand	31.39	56.33	42.10
Current Account with Bank	30.50	31.67	10.03
STD Account with Bank	167.81	64.94	49.35
Fixed deposit receipts (FDR)	198.53	165.15	103.91
Forms, stamps and stationary in hand	3.68	3.52	2.32
Deferred Expenses	2.83	3.74	3.29
Fixed assets at cost less depreciation	78.12	52.70	33.87
Total Assets	788.61	511.45	342.58
Capital & Liabilities			
Paid up capital	30.00	30.00	30.00
Balance of funds & Accounts:			
Life Insurance Funds	744.92	460.71	279.22
Liabilities and provisions	13.69	20.74	33.36
Estimated liabilities in respect of outstanding claims	1.83	1.62	2.00
Amount due to others carrying on Insurance Business	(0.01)	0.07	0.23
Premium Deposits	-	0.11	0.44
Sundry creditors	8.91	9.44	24.34
Provision for bad and doubtful debts	1.47	9.50	6.35
Provision for diminution in value of shares	1.50	-	-
Total liabilities and shareholders' equity	788.61	511.45	342.58



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Life Revenue Accounts for the year ended on December 31

Tk. in Million			
Particulars	2007	2006	2005
Gross Premium:			
First Year Premium	337.13	271.25	195.74
Renewal Premium	379.09	282.20	164.84
Group Insurance Premium	0.14	0.11	0.19
Gross Premium	716.36	553.56	360.77
Less Re-insurance Premium	0.02	-	-
Net Premium	716.34	553.56	360.77
Interest, Dividend and Rents	43.79	23.94	11.64
Other Income	0.12	0.03	0.15
Total revenue of the year	760.26	577.53	372.56
Claim Under Policies less Re-insurance:	81.49	68.82	34.54
By Death	6.49	3.29	3.34
By Survival Benefit	72.89	64.54	31.06
By Surrender	2.10	0.99	0.14
Expense of Management:			
Commission:	269.07	223.47	158.59
Commission to Insurance agents	129.98	90.25	74.48
Allowance and Commission(other than insurance agents)	139.09	133.22	84.12
Salaries and Allowances	40.27	33.51	24.06
Other Management Expenses	63.93	56.66	42.96
Management Expenses other than C and A	104.19	90.17	67.03
Total Management Expenses	373.27	313.64	225.62
Other Expenses	14.07	10.42	5.78
Total Expenses	468.83	392.89	265.93
Balance of Fund at the Beginning of the Year	460.71	279.22	178.95
Total	752.14	463.87	285.57
Provisions for bad and doubtful debt	5.72	3.16	6.35
Provision for diminution in value of shares	1.50	-	-
Loss on sale of car	0.10	-	-
Balance of Fund at the End of the Year	744.92	460.71	279.22



CREDIT RATING REPORT
ON
Rupali Life 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+, CCC, 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+, CC, 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+, C, 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.

When the Credit Rating Report was prepared the latest annual Financial Statement was available for the year ended 31.12.2007. Therefore, the Credit Rating Report was prepared based on that basis. Further it was mentioned in the circular of the Department of Insurance that the Credit Rating should be prepared by two years interval resulting the report is valid up to 31.12.2009. Therefore, the rating report on the financial statement for the year ended 31.12.2007 was included in the Prospectus.



BAC 1705.646

30 November 2008

The Managing Director
Rupali Life Insurance Co. Ltd
Head Office, Rupali Bhaban(9th floor)
7 Rajuk Avenue,
Motijheel Commercial Area
Dhaka-1000

Dear Sir,

Re: Additional disclosures on the audited accounts for the half year ended 30 June 2008 as required by the Securities and Exchange Commission.

With reference to your letter numbered RLI/HO/Accounts/IPO/ 4639/2008 of 23 November 2008 in respect of the above matter, we furnish the additional information as desired by Securities and Exchange Commission as under:

1. Land

a Housing plot at Hirajheel Property Development (Pvt.) Co. Ltd

Plot No 17 and 18, Block # G

Total of 72 instalments are to be paid, out of which 35 instalments have been paid totalling Tk 2,206,925 (including booking money Tk 700,000) @ Tk. 43,055 each up to 30.06.08.

Plot No 43 and 44 Block # G

Total of 72 instalments are to be paid, out of which 39 instalments have been paid totalling Tk 2,041,632 (including booking money Tk 525,000) @ Tk. 38,888 each up to 30.06.08.

b Plot at East West Property Development (Pvt.) Ltd

Plot No 1029, Block # I, Bashundhara Baridhara Project

Total of 50 instalments are to be paid, out of which 49 instalments have been paid totalling Tk 7,154,500 (including booking money Tk 25,000) @ Tk. 145,500 each up to 30.06.08.

Subsequent to the date of signing the accounts for the period ended on 30 June 2008 the Company purchased 9.12 decimals of freehold land with a three storied old building in Dhaka metropolitan area at Mouza: Baje Kakrail, Khatian No: Mohanagar DP 795, Plot No: 5969 The land has been registered in the name of Rupali Life Insurance Co. Ltd on 9 November 2008. Particulars of the cost of the land and building are stated below:

	Taka
Purchase price of land	71,600,000
Cost of the existing old three storied building	1,500,000
Stamp duty(5% of deed value)	3,655,050
Gain tax(5% of deed value)	3,655,000
Government fees(2.5% of deed value)	1,827,640
Property transfer tax (2 % of deed value)	1,462,000
Legal expenses deed writer fees and brokerage	2,051,170
Incidental expenses	<u>20,500</u>
	<u>85,771,360</u>



2 Provision for diminution in the value of shares

The above balance was arrived at the year end 31 December 2007. The market value of the investment in shares of companies on that date was Tk. 18,124,472 against which book value (cost price) was Tk. 19,575,546. The shortfall amount in the market value over the cost price was Tk. 1,451,074. Therefore, a lump sum amount of Tk.1,500,000 was provided in the accounts for the year 2007 as per BAS 25. Detailed break up of the same is as under:

Name of securities	No of shares	Book value at 31.12.2007 Taka	Market value at 31.12.2007 Taka	(Shortfall)/ Excess Taka
One Bank Ltd	691	40,000	395,597	355,597
CDBL	01	1,000,000	1,000,000	-
AB Bank Ltd	1,000	2,933,754	2,561,250	(372,504)
The City Bank Ltd	2,500	1,983,303	1,813,125	(170,178)
Brac Bank Ltd	1,000	1,524,585	1,612,000	87,415
IPDC	1,000	367,682	325,750	(288,988)
Phoenix Finance & Investment Ltd	8,700	3,979,080	3,447,375	(531,705)
Trust Bank Ltd	7,500	7,747,142	6,969,375	(105,339)
Total		19,575,546	18,124,472	(1,451,074)

3 S T D Account with Bank

A schedule of STD account with bank is shown in Annexure A.

4 Shareholders’ equity

The figure of shareholders’ equity in the ratio analysis has been corrected to show in thousand Taka.

5 Calculation of Shareholders’ equity

The formula for calculation of shareholders’ equity in ratio analysis has been stated in completeness.

Thanking you.

Sd/-
B Alam & Co.
Chartered Accountants



Annexure A

Rupali Life Insurance Co. Ltd
STD Accounts Balance as at 30 June 2008

Sl. No	Particulars	Account Number	Amount (Taka)
	Ekok Bima		
1	Al-Arafah Islami Bank Ltd, Khulna Branch	STD # 604	(38,575)
2	Al-Arafah Islami Bank Ltd, Khulna Branch	STD # 884	107,775
3	Al-Arafah Islami Bank Ltd, Motijheel Branch, Dhaka	STD # 995	528,922
4	Al-Arafah Islami Bank Ltd, Motijheel Branch, Dhaka	STD # 1093	1,471,110
5	AB Bank Ltd, Jessore Branch, Jessore	STD # 388/430	479,857
6	AB Bank Ltd , Motijheel Branch, Dhaka	STD # 430 (H/O)	6,777
7	AB Bank Ltd , Motijheel Branch, Dhaka	STD # 000	1,912
8	AB Bank Ltd, Jessore Branch, Jessore	STD # 529/972430 (SB)	594,992
9	Agrani Bank Ltd, Mirjapur Branch, Tangail	STD # 192909	1,095,416
10	Agrani Bank Ltd, Homna Branch, Comilla	STD # 20	(520,981)
11	Agrani Bank Ltd, Homna Branch, Comilla	STD # 21	798,421
12	Agrani Bank Ltd, Homna Branch, Comilla	STD # 25/0	352,531
13	Bangladesh Krishi Bank,Muradnagar Branch, Comilla	STD # 09	997,398
14	Bangladesh Krishi Bank, Muradnagar Branch ,Comilla	STD # 10	792,008
15	Bangladesh Krishi Bank, Tongibari Branch, Munshi Gonj	STD # 04	7,106
16	Bangladesh Krishi Bank, Taltoli Branch, Barisal	STD # 03	53,976
17	Bangladesh Krishi Bank, Borura Branch, Comilla	STD # 10	417,008
18	BASIC Bank Ltd, Solosahar Branch, Chittagong	STD # 154	299
19	BASIC Bank Ltd, Solosahar Branch, Chittagong	STD # 234	631
20	Bangladesh Shilpa Bank Ltd, Khulna Branch	STD # 15	585
21	Eastern Bank Ltd, Bogra Branch	STD # 367/407	10,889
22	Janata Bank Ltd , Rajuk Bhaban Corporate Branch, Dhaka	STD # 436	122,205
23	Janata Bank Ltd, Dakshin Khan Branch, Tongi, Gazipur	STD # 12	171,489
24	Janata Bank Ltd, Bhuapur Branch, Tangail	STD # 664	538,108
25	Dutch-Bangla Bank Ltd, Khulna Branch	STD # 511	403,317
26	IFIC Bank Ltd, Comilla Branch	STD # 203/207	(859,591)
27	IFIC Bank Ltd, Comilla Branch	STD # 211/216	2,283,859
28	IFIC Bank Ltd, Comilla Branch	STD # 261/269	883,499
29	IFIC Bank Ltd, Chakbazar Branch, Chittagong	STD # 451	399,776
30	Prime Bank Ltd, Sylhet Branch	STD # 532	767,281
31	Prime Bank Ltd, Sylhet Branch	STD # 950	293,119
32	Islami Bank Bangladesh Ltd, Rangpur Branch	STD # 37	4,722
33	Islami Bank Bangladesh Ltd, Sonagazi Branch, Feni	SND # 24/212	579,314
34	Islami Bank Bangladesh Ltd, Borguna Branch, Borguna	SND # 06	223,571
35	Islami Bank Bangladesh Ltd, Bhola Branch, Bhola	SND # 105	380,403
36	Islami Bank Bangladesh Ltd, Tongi Branch	SND # 17	314,795
37	Mutual Trust Bank Ltd, Agrabad Branch, Chittagong	STD # 392	(188,452)
38	Mutual Trust Bank Ltd, Agrabad Branch, Chittagong	STD # 383	2,553,725
39	Mutual Trust Bank Ltd, Agrabad Branch, Chittagong	STD # 1122	140,794
40	National Credit and Commerce Bank Ltd, Jessore Branch	STD # 188	(284,342)
41	National Credit and Commerce Bank Ltd,Chowhatta Branch, Sylhet	STD # 78	9,964
42	Pubali Bank Ltd, Tangail Branch	STD # 22	86,903
43	Pubali Bank Ltd, Zillasarak Branch, Tangail	STD # 23	576,389
44	Pubali Bank Ltd, Zillasarak Branch, Tangail	STD # 32	352,404
45	Pubali Bank Ltd, Tongi Branch, Gazipur	STD # 48	179,294
46	Pubali Bank Ltd, Park Road Branch, Gaibanda	STD # 21	447,778
47	Pubali Bank Ltd, Tongi Branch, Gazipur	STD # 51	134,245
48	Rupali Bank Ltd, Bandura Branch, Keranigonj, Dhaka	STD # 09	289,215

Sl. No	Particulars	Account Number	Amount (Taka)
49	Rupali Bank Ltd,Kutuba Branch, Borhanuddin, Bhola	STD # 08	16,789
50	Rupali Bank Ltd, Sadar Road Branch, Barisal	STD # 30201	166,735
51	Rupali Bank Ltd, Feni Branch	STD # 31/01	86,128
52	Rupali Bank Ltd, Lauhagong Branch, Munshigonj	STD # 11	248,758
53	Rupali Bank LtdSadar Road Branch, Barisal	STD # 30158	184,417
54	Rupali Bank Ltd, Iswardi Branch, Pabna	STD # 30/01	5,656
55	Rupali Bank Ltd, Feni Branch	STD # 33/01	564,743
56	Rupali Bank Ltd, Binodpur Branch, Munshi Gonj	STD # 06	794,851
57	Rupali Bank Ltd, Chotobazar Branch, Munshigonj	STD # 29/01	21,377
58	Rupali Bank Ltd, Dilkusha Branch, Dhaka	STD # 161	1,000
59	Rupali Bank Ltd, Sadar Road Branch, Barisal	STD # 30262	529,474
60	Social Investment Bank Ltd, Bogra Branch	STD # 344	(8,394)
61	Social Investment Bank Ltd,Principal Branch, Dhaka	STD # 335	9,722
62	Social Investment Bank Ltd, Agrabad Branch, Chittagong	STD # 185	174
63	Social Investment Bank Ltd, Bogra Branch	STD # 581	776,361
64	Social Investment Bank Ltd, Bogra Branch	STD # 598	205,845
65	Social Investment Bank Ltd, Principal Branch, Dilkusha, Dhaka	STD # 376	2,477
66	The City Bank Ltd, Principal Branch, Dilkusha, Dhaka	STD # 13205	721,934
67	The City Bank Ltd, Zindabazar Branch, Sylhet	STD # 242	(60,748)
68	The City Bank Ltd, Feni Branch	STD # 811	387,728
69	The City Bank Ltd, Sunamgonj Branch	STD # 63	406,873
70	United Commercial Bank Ltd, Nazirhat Branch, Chittagong	STD # 60	1,046,952
71	United Commercial Bank Ltd, Fatikchari Branch, Chittagong	STD # 65	1,260,046
72	United Commercial Bank Ltd, Tongi Branch, Gazipur	STD # 83	30,268
73	United Commercial Bank Ltd, Laxmipur Branch	STD # 23	9,251
74	United Commercial Bank Ltd, Bohaddarhat Branch, Chittagong	STD # 355	4,731,114
75	United Commercial Bank Ltd, Bohaddarhat Branch, Chittagong	STD # 367	2,443,760
76	Uttara Bank Ltd, Sandwip Branch, Chittagong	STD # 41/01	370,453
77	Uttara Bank Ltd, Sandwip Branch, Chittagong	STD # 41/02	755,150
78	Uttara Bank Ltd, Chandpur Branch	STD # 16	1,822,974
79	Uttara Bank Ltd, Munshigonj Branch	STD # 15	983,909
80	Uttara Bank Ltd, Sylhet Branch	STD # 41/53	664
81	Uttara Bank Ltd, Daulatkhan Branch, Bhola	STD # 41/24	42,989
82	Uttara Bank Ltd, Sandwip Branch, Chittagong	STD # 41/11	674,462
83	Uttara Bank Ltd, Rikabibazar Branch, Munshigonj	STD # 41/47	256,972
84	Sonali Bank Ltd, Sakhipur Branch, Tangail	STD # 31	700,127
85	Sonali Bank Ltd, Sukhabaspur Branch, Munshigonj	STD # 06	372,368
86	First Security Bank Ltd, Agrabad Branch, Chittagong	STD # 92/04	3,753,081
87	First Security Bank Ltd, Agrabad Branch, Chittagong	STD # 93/06	2,746,183
88	Exim Bank Ltd, Rajuk Avenue Branch, Dhaka	STD # 416	(614,427)
89	Exim Bank Ltd, Rajuk Avenue Branch, Dhaka	STD # 101/5	3,743,077
90	Bangladesh Krishi Bank, Gazipur Branch	STD # 13,	252,019
91	Shahajalal Islami Bank Ltd, Joydevpur Branch, Gazipur	STD # 111	679,747
92	Sonali Bank Ltd, Sundargonj Branch, Bogra	STD # 36	80,066
93	Exim Bank Ltd, Motijheel Branch, Dhaka	STD # 960	(1,312,893)
	Sub-total		47,852,051
	AI Amanat		
94	Uttara Bank Ltd, Ramna Branch, Dhaka	STD # 75	75,485
95	Shahajalal Islami Bank Ltd, Khulna Branch	STD # 84	10,000
	Sub-total		85,485



Sl. No	Particulars	Account Number	Amount (Taka)
	SDPS		
96	Al-Arafah Islami Bank Ltd, Corporate Branch, Motijheel, Dhaka	STD # 1469	12,192
97	Social Investment Bank Ltd, Foreign Exchange Branch, Dhaka	STD # 0424	(88,611)
98	Bangladesh Krishi Bank,Goalanda Branch, Rajbari	STD # 06	20,615
99	Rupali Bank Ltd, Monoharpur Branch, Comilla	STD # 36/01	(64,880)
	Sub-total		(120,684)
	TDPS		
100	Exim BankLtd, Rajuk Avenue Branch, Dhaka	STD # 13100000385	3,722,113
101	Social Investment Bank Ltd, Foreign Exchange Branch, Dhaka	STD # 13600000361	608,868
102	Social Investment Bank Ltd, Foreign Exchange Branch, Dhaka	STD # 13600000666	2,356,984
103	Social Investment Bank Ltd,Mirpur Branch, Dhaka	STD # 13600000193	2,106,335
104	Agrani Bank Ltd, Jatrabari Branch, Dhaka	STD # 36000313	823,482
105	Exim Bank Ltd,Shimrail Branch	STD # 13100000375	162,410
106	Shahajalal Islami Bank Ltd, Agrabad Branch , Chittagong	STD # 13100000297	550,805
107	Al-Arafah Islami Bank Ltd, Barisal Branch	STD # 36000201	188,298
108	Mercantile Bank Ltd, Comilla Branch	STD # 13913100000017	289,110
109	Rupali Bank Ltd, Muradnagar Branch, Comilla	STD # 09	503,747
110	Uttara Bank Ltd, Sandwip Branch, Chittagong	STD # 07	140,932
111	Bangladesh Krishi Bank, Muradnagar Branch, Comilla	STD # 11	121,538
112	Islami Bank Bangladesh Ltd, Maijdee Court, Noakhali	STD # 3001106	(3,510)
113	Social Investment Bank Ltd, Khulna Branch	STD # 13600000346	149,601
114	Islami Bank Bangladesh Ltd, Jessore Branch	STD # 54	103,650
115	Islami Bank Bangladesh Ltd, Narail Branch	STD # 05	106,436
116	Al-Arafah Islami Bank Ltd, Bogra Branch, Bogra	STD # 36000512	445,174
117	Al-Arafah Islami Bank Ltd, Barisal Branch	STD # 36000284	10,245
118	Social Investment Bank Ltd, Sylhet Branch	STD # 13600000188	62,712
119	Rupali Bank Ltd,Gunbaha Branch, Faridpur	STD # 20	5,781
120	Sonail Bank Ltd , Kalatia Branch, Kerani Gonj, Dhaka	STD # 05	1,360
	Sub-total		12,456,071
	RDPS		
121	Exim Bank Ltd, Rajuk Avenue Branch, Dhaka	STD # 13100000385	4,101,146
122	Jamuna Bank Ltd, Foreign Exchange Branch, Motijheel, Dhaka	STD # 0320000173	882,441
123	Islami Bank Bangladesh Ltd, Tongi Branch, Gazipur	STD # 13	151,299
124	Shahajalal Islami Bank Ltd, Joydevpur Chowrasta Branch, Gazipur	STD # 13100000126	103,601
125	Rupali Bank Ltd, Louhajong Branch, Munshigonj	STD # 14	295,270
126	The City Bank, Rekabi Bazar Branch, Munshigonj	STD # 31000376	104,752
127	Prime Bank Ltd, Khulna Branch	STD # 31000778	(110,914)
128	Uttara Bank Ltd, Barisal Branch	STD # 41-80	116,428
129	Mutual Trust Bank Ltd, Agrabad Branch, Chittagong	STD # 0320000507	1,138,796
130	United Commercial Bank Ltd, Bahaddarhat Branch, Chittagong	STD # 31000392	775,366
131	First Security Bank Ltd, Agrabad Branch , Chittagong	STD # 3300094-8	790,219
132	Uttara Bank Ltd, Sandwip Branch, Chittagong	STD # 05	146,570
133	National Bank Ltd, Feni Branch, Feni	STD # 47	530,538
134	The City Bank Ltd, Zindabazar Branch, Sylhet	STD # 31000266	178,016
135	United Commercial Bank Ltd, Comilla Branch	STD # 13100000285	296,982
136	Bangladesh Krishi Bank, Muradnagar Branch, Comilla	STD # 08	119,657
137	Agrani Bank Ltd,Homna Branch, Comilla	STD # 22/3	65,146
138	Rupali Bank Ltd, Borogola Branch, Bogra	STD # 32/01	414,070
139	Pubali Bank Ltd, Park Road Branch, Gaibanda	STD # 22	72,288
140	Agrani Bank Ltd, Dhunot Branch, Bogra	STD # 18	177,659
141	Pubali Bank Ltd, Zilla Sarak Branch, Tangail	STD # 25	229,287
142	Sonali Bank Ltd, Shukhabaspur Branch, Munshigong	STD # 07	30,490
143	NCC Bank Ltd, Jessore Branch	STD # 04000246	(7,826)
	Sub-total		10,601,281

Sl. No	Particulars	Account Number	Amount (Taka)
	Rupali Khudra Bima		
144	The City Bank, Laxmipur Road Branch, Laxmipur	STD # 560	377,349
145	Bangladesh Krishi Bank, Baghaichari Branch, Chittagong	STD # 25	81,400
146	Rupali Bank Ltd, Islampur Road Branch, Feni	STD # 34	1,200,301
147	Exim Bank Ltd, Jessore Branch	STD # 294	1,606,978
148	Al-Arafah Islami Bank Ltd, Satrkhira Branch	STD # 213	1,483,200
149	Exim Bank Ltd, Rajuk Avenue Branch, Dhaka	STD # 637	(171,839)
150	Social Investment Bank Ltd, Bogra Branch	STD # 615	1,044,396
151	Trust Bank Ltd, Agrabad Branch , Chittagong	STD # 517/515	489,681
152	Premier Bank Ltd, Elephant Road Branch, Dhaka	STD # 170	422,316
153	Rupali Bank Ltd, Basurhat Branch, Noakhali	STD # 18	227,561
154	Uttara Bank Ltd, Rangamati Branch, Rangamati	STD # 81	272,272
155	IFIC Bank Ltd , Kushtia Branch	STD # 1276/72	89,784
156	Pubali Bank Ltd, Town Masjid Road Branch, Hobigonj	STD # 21	331,483
	Sub-total		7,454,882
	Samajik Bima		
157	Bangladesh Krishi Bank, Local Principal Office,Dhaka	STD # 140	(10,643,688)
158	Social Investment Bank Ltd, Forign Exchange Branch, Dhaka	STD # 0311	(17,868)
159	Rupali Bank Ltd Faridpur Branch,Faridpur	STD # 73	803,076
160	Agrani Bank Ltd, Baka Bazar Branch,Satkhira	STD # 1143	398,942
161	National Bank Ltd,Agrabad Branch, Chittagong	STD # 133	799,730
162	The City Bank Ltd, Comilla Branch	STD # 28-3	1,189,701
163	AB Bank Ltd, Shitakundo Branch, Chittagong	STD # 872	53,524
164	AB Bank Ltd, Satkhira Branch, Satkhira	STD # 881	1,165,875
165	Rupali Bank Ltd, KDA New Market Branch, Khulna	STD # 32	43,151
166	Premier Bank Ltd, Khulna Branch	STD # 36-8	360,980
167	Uttara Bank Ltd,Bogra Branch	STD # 91	1,583
168	Rupali Bank Ltd, Chawlia bus stand Branch, Magura	STD # 203-01	559,892
169	Rupali Bank Ltd, H M M Road Branch, Jessore	STD # 30	7,266
170	Pubali Bank Ltd, Mirpur Branch, Dhaka	STD # 29	45,302
171	Rupali Bank Ltd, Melando Branch, Jamalpur	STD # 15	38,250
172	Uttara Bank Ltd, Rajshahi Branch	STD # 51	1,127,564
173	NCC Bank Ltd, Foreign Exchange Branch, Motijheel	STD # 194	2,909,425
174	Rupali Bank Ltd, Feni Branch	STD # 32-03	1,236,134
175	BASIC Bank Ltd, Jessore Branch	STD # 358	2,197,235
176	Prime Bank Ltd, Fatik Chari Branch, Chittagong	STD # 70	220,567
177	Dutch Bangla Bank Ltd, Hat Hazari Branch, Chittagong	STD # 92	826,977
178	The City Bank Ltd, Barisal Branch	STD # 613	422,209
179	Islami Bank Bangladesh Ltd, Natore Branch	STD # 294	1,723,382
180	Islami Bank Bangladesh Ltd, Gouripur Branch, Comilla	STD # 04	947,166
181	Uttara Bank Ltd, Nawgaon Branch	STD # 99	1,205,690
182	The City Bank Ltd, Zindabazar Branch, Sylhet	STD # 371	1,348,061
183	Exim Bank Ltd, Rajuk Avenue Branch, Dhaka	STD # 991	9,223,806
	Sub-total		18,193,932
	Islami Bima (Takaful)		
184	Islami Bank Bangladesh Ltd, H O Complex Branch, Dhaka	SND # 06	1,173,745
185	Uttara Bank Ltd, Sandwip Branch, Chittagong	SND # 06	472,300
186	Bangladesh Krishi Bank, Muradnagar Branch, Comilla	SND # 12	81,136
187	ICB Islami Bank Ltd, Agrabad Branch, Chittagong	SND # 1290	428,914
188	Bangladesh Krishi Bank, Muradnagar Branch, Comilla	SND # 13	184,276
189	ICB Islami Bank Ltd, Agrabad Branch, Chittagong	SND # 1337	1,024
190	Islami Bank Bangladesh Ltd, Paltan Branch, Dhaka	SND # 20/4	2,480
191	Islami Bank Bangladesh Ltd, Natore Branch	SND # 21	40,065
192	Islami Bank Bangladesh Ltd, CDA Avenue Branch, Chittagong	SND # 22/2	(260,343)

Sl. No	Particulars	Account Number	Amount (Taka)
193	Islami Bank Bangladesh Ltd, Comilla Branch, Comilla	SND # 24	102,559
194	Islami Bank Bangladesh Ltd, H O Complex Branch, Dhaka	SND # 24/0	9,649
195	Islami Bank Bangladesh Ltd, Comilla Branch, Comilla	SND # 26	148,924
196	Al-Arafah Islami Bank Ltd, Barisal Branch	SND # 301	(97,182)
197	Islami Bank Bangladesh Ltd, Faridpur Branch	SND # 35	86,365
198	Islami Bank Bangladesh Ltd, Gopalgonj Branch	SND # 4/2	(4,761)
199	Exim Bank Ltd, Rajuk Avenue Branch, Dhaka	STD # 404	491,228
200	Islami Bank Bangladesh Ltd, Jessore Branch	SND # 45	170,992
201	Islami Bank Bangladesh Ltd, Jessore Branch	SND # 51	471,400
202	Islami Bank Bangladesh Ltd,Kustia Branch, Kustia	SND # 54	9,775
203	Islami Bank Bangladesh Ltd, Bogra Branch	SND # 56/4	1,043,797
204	Islami Bank Bangladesh Ltd, Barisal Branch	SND # 57/3	252,699
205	Exim Bank Ltd , Rajuk Avenue Branch, Dhaka	SND # 62/0	2,895,297
206	Islami Bank Bangladesh Ltd, Chiringa Branch, Chittagong	SND # 78	328,196
207	Social Investment Bank Ltd, Sylhet Branch	SND # 79	748,251
208	Islami Bank Bangladesh Ltd,Khulna Branch	SND # 861	665,801
209	Islami Bank Bangladesh Ltd, Maijdee Court, Noakhali	SND # 87	396,723
210	Social Investment Bank Ltd, Foreign Exchange Branch, Dhaka	SND # 355	827,700
211	Al-Arafah Islami Bank Ltd, Comilla Branch	SND # 267	(15,106)
212	Islami Bank Bangladesh Ltd, Bandartila Branch, Chittagong	SND # 08	11,447
213	Islami Bank Bangladesh Ltd, Patia Branch, Chittagong	SND # 16	300,140
214	Islami Bank Bangladesh Ltd, Jatrabari Branch, Dhaka	SND # 31	2,713,913
215	Islami Bank Bangladesh Ltd, Morelgonj , Bagerhat	SND # 406	269,768
216	Social Investment Bank Ltd, Khulna Branch	SND # 421	(186,026)
217	The City Bank Ltd, Hazigonj Branch, Chandpur	SND # 499	495,857
218	Social Investment Bank Ltd, Bogra Branch	SND # 609	601,986
219	Islami Bank Bangladesh Ltd, Patuakhali Branch	SND # 18/6	93,517
220	Rupali Bank Ltd, Khepupara, Barisal	SND # 34/11	22,400
221	Islami Bank Bangladesh Ltd, Cox's Bazar Branch	SND # 34	191,646
222	Rupali Bank Ltd, Baherchar Branch, Noakhali	SND # 15	2,000
223	Islami Bank Bangladesh Ltd, Amin Bazar Branch, Savar, Dhaka	SND # 19	1,766
224	Al-Arafah Islami Bank Ltd, Jessore Branch	SND # 488	(153,345)
225	Bangladesh Krishi Bank, Anwara Branch, Chittagong	SND # 12	937,852
226	Social Investment Bank Ltd, Foreign Exchange Branch, Dhaka	SND # 608	285,170
227	Exim Bank Ltd, Shimrail Branch	STD # 369	559,153
228	Prime Bank Ltd,Sylhet Branch	STD # 962	84,639
229	Al-Arafah Islami Bank Ltd, Khulna Branch	SND # 835	49,840
230	Al-Arafah Islami Bank Ltd, Barisal Branch	SND # 499	115,925
231	Social Investment Bank Ltd, Agrabad Branch, Chittagong	SND # 579	202,694
232	Social Investment Bank Ltd, Agrabad Branch, Chittagong	SND # 585	849,243
233	Social Investment Bank Ltd, Foreign Exchange Branch, Dhaka	SND # 672	3,396,505
234	Islami Bank Bangladesh Ltd, Hathazari Branch, Chittagong	SND # 1037	468,357
235	Rupali Bank Ltd, Mudaffar Gonj Branch, Laksham, Comilla	SND # 08	662,530
236	BRAC Bank Ltd, Comilla Branch	SND # 7001	236,354
237	Dhaka Bank Ltd, Ilami Banking Branch, Agrabad, Chittagong	STD # 310	206,815
238	Islami Bank Bangladesh Ltd, Faatik Chari Branch, Chittagong	SND # 06	301,336
239	Janata Bank Ltd, Suchipara Branch, Comilla	SND # 10	680,574
240	Social Investment Bank Ltd, Mirpur Branch	SND # 241	1,059,417
241	Bangladesh Krishi Bank, Mothbaria Branch, Bagerhat	STD # 12 (M)	154,279
242	Social Investment Bank Ltd, Bogra Branch	SND # 788	939,386
	Sub-total		26,211,044
	Grand Total		122,734,062