

# **Annual Report**

---

# **2018**



**Crystal Insurance Company Limited**

# CONTENTS

01	Notice of the 19th Annual General Meeting	03
02	Letter of Transmittal	04
03	Overview of Crystal Insurance Company Limited	05
04	Products of Crystal Insurance Company Limited	06
05	Forward Looking Statement	07
06	Our Mission, Vision & Objectives	08
07	Our Core Values & Goal	09
08	Profile of the Company	10
09	Senior Executives	11
10	Various Board Committees of Crystal Insurance Company Limited	12
11	Future Prospect	13
12	Branch Offices of Crystal Insurance Company Limited	14-15
13	Financial Highlights	16
14	Graphical Representation of Financial Highlights	17-19
15	Chairman's Address	20-21
16	CEO's Round Up	22-25
17	Profile of the Chairman of the Board	26-27
18	Profile of the Directors of the Board	28-32
19	Profile of the CEO, CS & CFO	33-34
20	Profile of the Departmental Heads	34-36
21	Branch In-charges and Senior Development Personnel	37-40
22	Strategic Review	41-44
23	Directors' Report to Shareholders	45-51
24	Directors' Report Annexure	52-74
25	Audit committee Report	75-76



26 Pictorial Views 77-83

27 Auditors' Report and Financial Statements 84-87

28 Statement of Financial Position 88-89

29 Statement of Profit or Loss and other Comprehensive Income 90

30 Profit and Loss Appropriation Account 91

31 Statement of Cash Flows 92

32 Statement Of Changes In Shareholders' Equity 93



33 Consolidated Revenue Account 94-95

34 Fire Insurance Revenue Account 96-97

35 Marine Insurance Revenue Account 98-99

36 Motor Insurance Revenue Account 100-101

37 Miscellaneous Insurance Revenue Account 102-103

38 Notes to the Financial Statements 104-122

39 Statement showing details of re-insurance (Form - XL) 123

40 Classified summary of assets (FORM "A A") 124

41 Property, Plant and equipments 125

42 Income Tax Assessment Position 126

43 Net Assets Value (NAV) per Share 127

44 Crystal Branch Numbers in Various Districts 128

45 Proxy Form 129








Date: June 16, 2019



**Crystal Insurance Company Limited**  
ক্রিস্টাল ইন্স্যুরেন্স কোম্পানী লিমিটেড

### Notice of the 19<sup>th</sup> Annual General Meeting.

Notice is hereby given to all concerned of Crystal Insurance Company Limited that the **19<sup>th</sup> Annual General Meeting (AGM)** of the Company will be held on **Tuesday, 9<sup>th</sup> July 2019 at 11:30 a.m.** in the Board Room of Company's Corporate Office at DR Tower (14th Floor), 65/2/2, Purana Paltan, Box Culvert Road. Dhaka-1000, for transaction of the following business:

- Agenda-01: To receive, consider and adopt the audited Financial Statements of the Company for the year ended 31st December 2018 and the Reports of the Directors and the Auditors thereon.
- Agenda-02: To declare Dividend for the year ended 31st December 2018.
- Agenda-03: To elect Directors in terms of the relevant provision of Articles of Association.
- Agenda-04: To appoint the Statutory Auditors for the year 2019 and to fix their remuneration.
- Agenda-05: To appoint Compliance Auditor/Professional for the year 2019 in order to issue the Certificate on Compliance of Corporate governance.

BY ORDER OF THE BOARD OF DIRECTORS  
CRYSTAL INSURANCE COMPANY LIMITED

**S. M. Shahidullah, Cert CII (UK)**  
Company Secretary

#### Notes:-

- The Shareholders whose names appear of the Members/Depository Register on the Record Date i.e. 15 May 2019 shall be eligible to attend the AGM of the Company and to receive the Dividend.
- A Shareholder wishing to appoint a Proxy must deposit the Proxy Form, duly stamped, at the Company's Registered Office of the company not less than 48 hours before the time fixed for the meeting.
- Only Shareholders' or their properly appointed proxies will be allowed to attend the meeting.
- Admission into the Board Room will be allowed strictly on submission of the attendance Slip sent with the Annual Report.

## Letter of Transmittal

To

Esteemed Members;  
The Bangladesh Securities and Exchanges Commission;  
The Registrar of Joint Stock Companies & Firms;  
The Dhaka Stock Exchange Limited;  
The Chittagong Stock Exchange Limited;  
Insurance Development and Regulatory Authority (IDRA)

**Subject: Annual Report for the year ended 31st December 2018 of Crystal Insurance Company Ltd.**

Dear Sir/Madam (s),

We are very pleased to enclose herewith a copy of the Annual Report containing Directors' Report, Auditors' Report along with Audited Financial Statements for the year ended 31st December, 2018 along with notes for your kind record.

Thank you

Faithfully yours,  
On behalf of Crystal Insurance Company Limited



**S. M. Shahidullah, Cert CII (UK)**  
Company Secretary

# Overview Of

## **Crystal Insurance Company Limited**

Crystal Insurance Company Limited (CICL) is one of the leading insurance companies of Bangladesh and was incorporated as a Public Limited Company on November 11, 1999 under the Companies Act, 1994 and licensed under the insurance Act, 1938 in order to run all types of General Insurance business other than life insurance business. It obtained certificate of Commencement of business on November 11, 1999. It got registration from Controller of Insurance on June 12, 2000. Presently Company has been operating its business through 31 branches including Local office. The branches are located in different strategically important areas of the Country. The Company head quarters located at DR Tower (14th Floor), 65/2/2, Purana Paltan, Box Culvert Road, Dhaka-1000. The Company started its business operation in most parts of the country after obtaining certificate and being registered with the department of insurance on June 12, 2000. Mr. Abdullah Al-Mahmud, the Chairman of Crystal Insurance in association with Mr. Md. Tajul Islam; Mr. A.H.M. Mozammel Hoque, Mr. Abdullah Hasan along with some other distinguished entrepreneur's with a paid up capital of Tk. 6.00 crore. The Company's Authorized Share Capital was raised from Tk. 20.00 crore to Tk. 100.00 crore on September 22, 2011. The face value of share was also changed from Tk. 100.00 to Tk. 10.00.

### Credit Rating

The Company has been rated as grade "A+ (Pronounced as Single A+) Grade" in long term and retained Short term rating at "ST-2" by the government approved NATIONAL CREDIT RATINGS LTD. (NCR) which is Valid upto 25th July,2019. NCR Performed the rating surveillance based on audited financial statements up to 31st December 2017 and other relevent information. We hope, it would be improved a good step during the year 2019 compaing to last year 2018.



## Products of Crystal Insurance:

### 1. Accidental Damage on Property Insurance

- Fire & Allied Perils Insurance
- Industrial All Risks Insurance

### 2. Marine Cargo Insurance

### 3. Marine Hull Insurance

### 4. Motor Insurance

### 5. Miscellaneous Insurance

- Burglary Insurance (BUG)
- Cash-in Safe Insurance (CIS)
- Cash-in Transit Insurance (CIT)
- Cash on Counter Insurance (COC)
- Personal Accident Insurance (PA)
- Peoples Personal Accident Insurance (PPA)
- Workman's Compensation Insurance (WP)

### 6. Liability Insurance

- Employers' Liability Insurance (EL)
- Product Liability Insurance (PDL)
- Public Liability Insurance (PL)

### 7. Engineering Insurance

- Contractors' All Risks Insurance (CAR)
- Erection All Risks Insurance (EAR)
- Machinery Break-down Insurance (MBD)
- Deterioration of Stock Insurance (DOS)
- Boiler & Pressure Vessel Insurance (BPV)
- Contractors' Plant & Machinery Insurance (CPM)

### Capital Structure:

Authorized Capital of the Company is Tk. 1000 (one thousand) million divided into 100 (one hundred) million shares of Tk. 10 (ten) each.

Paid up Capital of the Company is Tk. 400 (Four hundred) million out of which 240 (Two hundred forty) million has been fully paid by the sponsor

The remaining Tk. 160 (One hundred Sixty) million will be raised by Public issue of shares very soon.

### Financial Control:

CICL, synonymous to and worthy of its name CRYSTAL is committed to transparency in its business operations, financial control and monitoring. The Chairman of the Company, apart from presiding over Board's Policy meetings, meets the higher management from time to time to keep himself abreast of the Company's operations. An Audit Committee regularly monitors the financial performance of the Company.

# Forward *Looking* STATEMENT

Since its inception, Crystal is always looking forward to establishing its mission and vision. Therefore, forward looking statement and information is considered as one of the most important factors of Annual Report.

The forward-looking statement made is based on our beliefs, assumptions and expectations of future performance, taking into account all information currently available to us. Actual results could differ materially from the forward-looking statements made during this presentation.

Although we believe that the expectations reflected in the forward-looking statements are reasonable based on the current market conditions, we can provide no assurance that our forward-looking statements will accurately reflect actual result.

We may acknowledge these statements by words such as look forward to, onward, advancing, frontward, accelerative, presumptions or words of similar meaning. These statements are based on the current activities and consequences of that future expectations and what strategies will be taken by the Management of Crystal through the guidelines of its Board of Directors.

Crystal's foot step is very optimistic. Although Crystal's turnover is not very

big compared to other non-life insurance companies, however, Crystal is moving fast to accelerate its growth and turnover.

But if we look all the factors of Crystals such as professionally qualified resources, Ethical business practices, innovative product design, good IT structures, quality service provided to its business partners and valued clients and excellent as well as prompt services for claims settlement. In this area Crystal is different from other insurance companies. With these views, Crystal is continuously focusing to improve its standards.

Some of the factors that may affect the business environment including the following but not limited to:

- Changes in Economic and market conditions of Bangladesh as these may directly and indirectly impact the company's insurance business procession.
- New regulatory circular from IDRA and policies from the government of Bangladesh.
- Increase of area of corporate tax and VAT which may impact on insurance services.
- Changes of political environment of the Country.
- Changes caused due to natural calamities like Flood, Cyclone etc.
- Changes of credit rating system of the non-life insurance companies.
- Implementation and up -gradation of latest information technology.
- Innovation and launching of new insurance products in the market.
- Fresh and young employee recruitment policy for the betterment of the company.
- Changes in legal and Regulatory Framework of insurance business in Bangladesh.



## MISSION



- ✔ To provide prompt, efficient and personalized services for maximum risk coverage of the insured.
- ✔ To provide insurance coverage at the most competitive premium rates ensuring maximum security.
- ✔ To promote Human Resource development and professionalism in insurance business.
- ✔ To settle insurance claims promptly. CICL believes in the quality of the deals struck rather than the quantity of it.
- ✔ With our knowledge and expertise it is our commitment to the insuring community to deliver them the highest standard of security and professionalism.

## OBJECTIVES



- ✔ To provide the customer services of highest standard and to become thereby, a role model for others in terms of Security, Reliability and Professionalism in general insurance industry.
- ✔ To remain innovative and flexible in our services at all time.
- ✔ To remain at the top in terms of knowledgeable resource persons by updating insurance policy changes, if any.
- ✔ To increase value added services.
- ✔ To maximize profit of the Company.

## VISION



Our Vision is to reach at zenith point of providing the most economic and competitive services and hence achieving highest corporate goal and Customer Satisfaction.

## Our Core Values



### Customers

- We always think about the impact on our customer
- We offer the best quality and service
- We provide innovative solutions



### People

- We treat everyone equally, fairly and with respect
- We communicate openly, honestly and promptly
- we prioritise safety



### Quality

- We strive for quality in everything we do
- We continuously improve



### Integrity

- We maintain the highest standards of integrity
- We always try to do the right thing

## Our Goal

Our goal is to be the top insurer in the Non-life insurance sector of the country.

To achieve the goal we aim at:

1. Maximizing Insurance Coverage at a Minimum Cost.
2. Assessing and managing our business risk carefully.
3. Establishing a long term relationship with our clients and business partners built on our personalized service, professional and trust.
4. Maintaining strong relationship with a wide variety of partners, like re-insurers, insurance brokers and so on.
5. Responding quickly to new opportunities.



## *Profile of the Company*

Crystal Insurance Company Limited is a third generation private sector non-life insurance company which has established itself as one of the leading non-life insurance companies in Bangladesh with its dynamic leadership in Management with specialized and significant expertise in serving unparalleled insurance services for traditional and non-traditional risk underwriting. With a portfolio of broad range of products, Crystal Insurance always works hard for the clients to deliver innovative products and services while maintaining a commitment to safety, security and sustainability.

Crystal Insurance Company Limited (CICL) was incorporated in Bangladesh as a Public Limited Company on 11 November 1999 under the Companies Act, 1994 and licensed under the Insurance Act, 1938 in order to run all types of general insurance business other than life insurance business. CICL obtained certificate of commencement of business on 11 November 1999. CICL got registration from Controller of Insurance on 12th June 2000. Presently the Company has been operating the business through 31 branches including Local Office at Dhaka. The branches are located in different strategically important areas of the country.

Crystal Insurance Company Limited is a fastest growing general Insurance in the private Insurance sector of Bangladesh. The Company started its business operation in June, 2000. The authorized capital of the Company is tk. 100, 00, 00,000 and Paid-up Capital is tk. 40, 00, 00,000 out of which tk. 24, 00, 00,000 already have paid by the Sponsor Shareholders of the Company and the remaining tk. 16, 00, 00,000 will be raised as soon as possible by floating initial Public Offering (IPO) by Sponsor Shareholders' (60% i.e. Tk. 24.00 crore) and Public Shareholders' (40% i.e. Tk. 16.00 crore).

## Senior Executives

<b>Managing Director &amp; Chief Executive Officer</b>	<b>Senior Executive Vice President</b>
Mia Fazle Karim, FCA	Mr. Md. Anwar Hossen
<b>Senior Additional Managing Directors</b>	Mr. A.S.M. Nurus Sobhan Chowdhury
Mr. Abul Kalam Azad	Mr. Syed Md. Khairul Basher
Mr. S.A.M. Shafiqul Hasan	Mr. Md. Shah Alam Sheikh
<b>Additional Managing Director &amp; Company Secretary</b>	<b>Executive Vice President</b>
Mr. S. M. Shahidullah	Mr. Md. Abdus Sobur
<b>Additional Managing Directors</b>	Mr. Md. Shanaul Islam Shoez
Ms. Minu Rahman	Mr. Md. Kabir Hossain
Mr. Dewan Mostafizur Rahman (Golap)	Mr. Md. Shafiqul Alam
Mrs. Ferdaus Ara Chowdhury (Nimmi)	Mr. Md. Saydul Islam
Mr. K.M.N. Abu Omar	Mr. Md. Abul Fazol (Tomal)
Mr. Hamidur Rahman Haider	Mr. Pranesh Chandra Bardan
Mr. Gour Hari Saha	<b>Senior Vice President</b>
Mr. Mizanur Rahman	Mr. Md. Mokhlesur Rahman
<b>Deputy Managing Director &amp; Chief Financial Officer</b>	Mr. Bipul Ananda Halder
Mr. M. Mahfuzur Rahman, ACA	<b>Vice President</b>
<b>Deputy Managing Directors</b>	Mr. Md. Habibur Rahman
Mr. Md. Moshfiqur Rahman	Mr. Khandaker Shaheen
Mr. Md. Sohrab Ali	Mr. Raiyan Muntasir Monim
Mr. Md. Shahadat Hossain	Mr. Md. Joaher Ali
Mr. Md. Mizanur Rahman	<b>Assistant Vice President</b>
Mr. Mohammed Showkat Ali	Mr. Md. Nur Islam
Mrs. Hasina Akter	Mr. Syed Md. Shamiur Rahman
Mr. Md. Abdul Hai Sarder	<b>Senior Principal Officer/Manager</b>
Mrs. Nazma Akhter	Mr. Md. Sohoraf Hossain
Mr. Abdullah Al-Mamun	<b>Principal Officer</b>
	Mr. Md. Robiul Aowal
	<b>Senior Executive Officer-I</b>
	Mr. Md. Mahfuzul Haque

## Various Board Committees of CICL

### EXECUTIVE COMMITTEE

1.	Mr. Md. Tajul Islam, Director	: Chairman
2.	Mr. A.H.M. Mozammel Hoque, Director	: Member
3.	Ms. Farhana Danesh, Director	: Member
4.	Ms. Soera Zahir, Director	: Member
5.	Mr. Arafat Rashid, Director	: Member
6.	Mr. Mia Fazle Karim, FCA & Chief executive officer	: Member

### AUDIT COMMITTEE

1.	Dr. M. Walluzzaman, Independent Director	: Chairman
2.	Mr. Kazi Nasim Uddin Ahmed, Independent Director	: Member
3.	Mr. A.H.M. Mozammel Hoque, Director	: Member
4.	Mr. Md. Tajul Islam, Director	: Member
5.	Ms. Farhana Danesh, Director	: Member
6.	Ms. Soera Zahir, Director	: Member

### CLAIMS COMMITTEE

1.	Mr. Md. Tajul Islam, Director	: Chairman
2.	Mr. A.H.M. Mozammel Hoque, Director	: Member
3.	Ms. Shahzadi Begum, Director	: Member
4.	Ms. Farhana Danesh, Director	: Member
5.	Ms. Soera Zahir, Director	: Member
6.	Mr. Mia Fazle Karim, FCA, Chief Executive Officer	: Member

### EMPLOYEES' CONTRIBUTORY PROVIDENT FUND COMMITTEE

1.	Ms. Shahzadi Begum, Director	: Chairman
2.	Mr. Mia Fazle Karim, FCA, Chief Executive Officer	: Vice- Chairman
3.	Mr. S.M. Shahidullah, Addl. MD & Company Secretary	: Member
4.	Mr. M. Mahfuzur Rahman, DMD & CFO	: Member Secretary
5.	Mr. Abdullah Al-Mamun, DMD, Audit, MIS & BCCD	: Member as Representative of Officer
6.	Mr. Md. Kabir Hossain, EVP, Underwriting Deptt.	: Member as Representative of Staff

## Future Prospect



Bangladesh is one of the fastest growing developing countries. In last five years, the Country has steadily progressed in terms of its GDP rates due to development and growth of different product and service oriented industries contributing immensely to the growth of GDP. During this period, there were significant improvements in other sectors as well, such as: RMG, Power & Gas, Financial Institutions, Agriculture and information Technology. Moreover, foreign direct investment also increases which helped to create new job opportunities and contributed towards development of overall economy of the country. Like other industries, insurance sector also developed contributing to economic growth and creation of employment opportunities for unemployed youth of the country. At present, about 77 private insurance companies as well as two government insurance corporations are rendering insurance services and helping the country to grow its economy. However, still insurance industry is still recognized as a neglected sector due to the nature of the market risk. Crystal Insurance Company analyses the strategic position of this industry risk to apply diversified business plans.

Crystal Insurance Company, as a quality business entertainer, is trying to cover underwriting business by introducing newer insurance products including non-insurance related services to the financial sector.

The company is maintaining traditional and contemporary portfolio of products as per industry needs and meeting opportunities as and when required.

Strategic planning of the company is not only focused on product development but also heavily depends on developing its human Resources.

On the job and off the job training to the employees and using motivational tools to improve their efficiency is no longer an old idea but a perpetual strategy of development.

Crystal has a plan to hold in-house seminar and workshops for the compliance and challenges of the insurance sector in cooperation with other stakeholders. Therefore we are trying to build relationship with escalating agent's i.e. Association, Forum, Ministry, Regulatory body and so on.

In conclusion, the management and the Board of Crystal insurance Company believe in cooperation and proactive strategic planning. Therefore, Crystal is hopeful to actualize almost all its commitment to achieve its goal.

## Our Branches'

S.I	Branch Name and Location	Head of Branch/In-charge	Contact Number
01	<b>Local Office,</b> Lal Bhaban (10 <sup>th</sup> Floor), 18, Rajuk Avenue, Dhaka-1000.	<b>Mr. Abul Kalam Azad,</b> Sr. Addl. M.D. & In-Charge	Mob: 01711-526819, Tel. 9567941, 9564771, 9571718, 9564654.
02	<b>Corporate Branch,</b> DR Tower (14 <sup>th</sup> Floor), 65/2/2, Purana Paltan, Box Culvert Road, Dhaka-1000.	<b>Mr. S. A. M. Shafiqul Hasan,</b> Sr. Addl. M.D. & In-Charge	Mob: 01715-749327, Tel. 9587581, 47117066.
03	<b>Dilkusha Branch,</b> Fazlur Rahman Centre (Flat-6/C), 72, Dilkusha C/A, Dhaka-1000.	<b>Ms. Minu Rahman,</b> Addl. M.D & In-Charge	Mob: 01713-044147, Tel. 9566906, 57165738.
04	<b>Principal Branch,</b> Lal Bhaban (10 <sup>th</sup> Floor), 18, Rajuk Avenue, Dhaka-1000.	<b>Mr. Dewan M. Rahman (Golap),</b> Addl. M.D & In-Charge	Mob. 01713-032889, Tel. 47119270, 9564748.
05	<b>Bangshal Branch,</b> 4 No. Haji Majed Sardar Sarak,(Bangshal), Dhaka-1100.	<b>Mr. Md. Moshfiqur Rahman,</b> DMD & In-Charge	Mob. 01713-014344, Tel. 79514204, 57165738.
06	<b>VIP Road Branch,</b> 36, Purana Paltan, Dhaka-1000.	<b>Mr. Md. Shahadat Hossain,</b> DMD & In-Charge	Mob. 01711-639141, Tel. 8315558, 8332436.
07	<b>Sadarghat Branch,</b> 45, Johnson Road, Dhaka.	<b>Mr. Md. Sohrab Ali,</b> DMD & In-charge	Mob. 01819 - 245901, Tel. 57164386, 47118474.
08	<b>Imamgonj Branch,</b> 139, Chawk Mogoltuly, Imamgonj, Dhaka.	<b>Mr. Md. Mizanur Rahman,</b> DMD & In-Charge	Mob. 01819-245904, Tel. 57319397.
09	<b>Babu Bazar Branch,</b> Mona Complex, 21, Armenian Street, Babu Bazar, Dhaka.	<b>Mr. Md. Showkat Ali,</b> DMD & In-charge	Mob. 01711-321638, Tel. 57317372,7341322.
10	<b>Malibagh Branch,</b> Al-haz Samsuddin Mansion, 17 (6 <sup>th</sup> Floor) New Eskaton, Moghbazar, Dhaka.	<b>Mrs. Nazma Akter,</b> DMD & In-Charge	Mob. 01787-658832, Tel. 9339844.
11	<b>B.B. Avenue Branch,</b> 21, B.B. Avenue, Dhaka-1000.	<b>Mr. Md. Anwar Hossen,</b> SEVP & In-Charge	Mob. 01716-412320, Tel. 9571725,9571693.
12	<b>Rajuk Avenue Branch,</b> Lal Bhaban (10 <sup>th</sup> Floor), 18, Rajuk Avenue, Dhaka-1000.	<b>Mr. Md. Robiul Aowal</b> Principal Officer & In-Charge	Mob. 01767-432716 Tel. 9564752, 9564768.
13	<b>Naya Bazar Branch,</b> 85, Shahid Nazrul Islam Sarani English Road, Dhaka.	<b>Mr. Md. Shah Alam Sheikh,</b> SEVP & In-Charge	Mob. 01720-064029, Tel. 9567706, 9589475.
14	<b>Uttara Branch,</b> A.H. Tower (13 <sup>th</sup> Floor) Plot No.56, Road No # 02, Sector # 03 Uttara, Dhaka.	<b>Mr. Khandaker Shaheen,</b> VP & In-Charge	Mob. 01712-070444, Tel. 58951105.
15	<b>Elephant Road Branch,</b> Khan Plaza (6 <sup>th</sup> Floor) 32/1, Mirpur Road, Dhaka.	<b>Mr. Syed Moshfiqur Rahman,</b> DMD In-Charge	Mob. 01711-570850 Tel. 58610787, 9677293.

16	<b>Pragati Sharani Branch,</b> J.M. Tower (4 <sup>th</sup> Floor) Kha- 190/1, Progoti Sarani, Middle Badda, Dhaka-1212.	<b>Mr. Md. Joaher Ali,</b> VP & In-Charge	Mob. 01819 – 489034, Tel. 55055189.
17	<b>Paltan Branch,</b> Darus Salam Arcade (6th Floor), Room No.07 14, Purana Paltan, Dhaka.	<b>Mr. Md. Sohoraf Hossain,</b> SPO & Acting In-Charge	Mob: 01711-148698, Tel. 9578210.
18	<b>Mirpur Branch,</b> <b>Room No. 225, Holding No.</b> 259/KA, Karmaichel Road Mirpur, Dhaka-1216.	<b>Mr. Md. Mahfuzul Haque,</b> SEO-I & Acting In-Charge	Mob. 01712 – 494020, Tel. 9005174.
19	<b>Agrabad Branch,</b> Makka Modina Trade Center (10 <sup>th</sup> Floor), 78, Agrabad, Chittagong.	<b>Mr. A.S.M. Nurus Sobhan Chow. SEVP &amp; In-Charge</b>	Mob. 01199-709295, Tel. 031- 2511401, 031- 2524883, 031-2529083.
20	<b>Khatungonj Branch,</b> S.W. Tower (2 <sup>nd</sup> Floor) 304, Khatungonj Chittagong.	<b>Mr. Syed Md. Khairul Basher,</b> SEVP & In-Charge	Mob. 01199-742822, Tel. 031 – 2855907, 031- 2853418.
21	<b>Jubilee Road Branch,</b> Kamal Chamber (5 <sup>th</sup> Floor), 61, Jubilee Road, Chittagong.	<b>Mr. Md. Shafiqul Alam,</b> EVP & In-Charge	Mob. 01711 – 360275, Tel. 031 – 630828.
22	<b>Sylhet Branch,</b> West World Shopping City (6 <sup>th</sup> Floor), Room No.709, West Zindabaha, Sylhet.	<b>Mr. Shanul Islam Shoez,</b> EVP & In-Charge	Mob. 01712-893107, Tel. 0821-723344.
23	<b>Moulvi Bazar Branch,</b> Court Road, Moulvibazar.	<b>Mr. Pranesh Chandra Bardan,</b> EVP & In-Charge	Mob. 01712-536736, Tel. 0861-54012.
24	<b>Jessore Branch,</b> Jess Tower (3rd Floor) 39, M.K. Road, Jessore.	<b>Mr. Bipul Ananda Halder, SVP &amp; In-Charge</b>	Mob. 01716-257045, Tel. 0421 – 67034.
25	<b>Rangpur Branch,</b> Shajahan Super Market (3 <sup>rd</sup> Floor) Station Road, Rangpur.	<b>Mr. Md. Abdus Sobur,</b> EVP & In-Charge	Mob. 01761-565652, Tel. 0521 – 33362.
26	<b>Bogra Branch,</b> <b>Boragola</b> Traffic Mor, Shahjalal Islami Bank Ltd. ATM Booth Building (2 <sup>nd</sup> Floor), Boroghola, Bogra.	<b>Mr. Md. Abdul Hai Sarder,</b> DMD & In-Charge	Mob. 01725-494848, Tel. 051 – 64510.
27	<b>Narsingdi Branch,</b> Janata Bank Building (4th Floor) Suta Patti, Narsingdi.	<b>Mr. Md. Mokhlesur Rahman,</b> SVP & In-Charge	Mob. 01727-373025, Tel. 9452329.
28	<b>Tangail Branch,</b> Fatema Manjil (1 <sup>st</sup> Floor), Purbo Adalat Para, Dhaka Road, Tangail.	<b>Mr. Md. Habibur Rahman,</b> Vice President & In-Charge	Mob. 017189457790, Tel. 0921-62836.
29	<b>Dinajpur Branch,</b> M/S. Greater Bengal Construction (2 <sup>nd</sup> Floor), Hasan Plaza, Munshi Para (Lilir Moor), Dinajpur.	<b>Mr. Md. Nur Islam,</b> AVP & In-Charge	Mob. 01724-393382, Tel. 0531-66981.
30	<b>Cumilla Branch,</b> Prosna Bitan Bhaban 693/623, Jhautala, Cumilla.		Tel. 081-73670.
31	<b>Mymensingh Branch,</b> 25/A, Sadeshi Bazar (3 <sup>rd</sup> Floor) Mymensingh.	<b>Mr. Syed Md. Shamiur Rahman, AVP &amp; In-Charge</b>	Mob. : 01718-232853, Tel. 091-63587



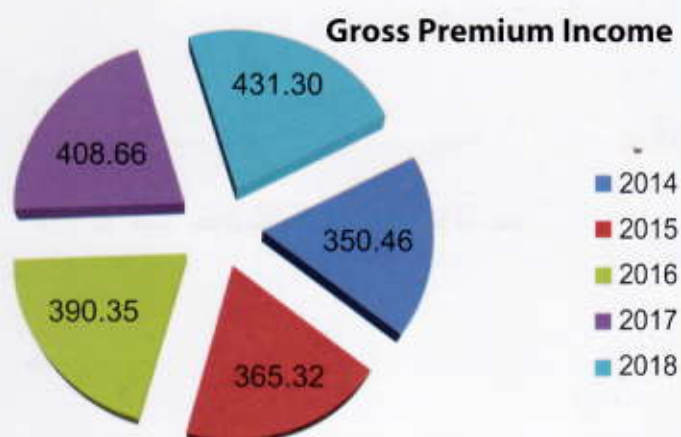
Major financial information of Crystal Insurance Company Limited is as follows:

Particulars	2018 Taka	2017 Taka	2016 Taka	2015 Taka	2014 Taka
Gross Premium	431,301,165	408,661,693	390,354,116	365,324,258	350,464,503
Re-Insurance ceded	128,652,309	111,148,731	97,760,260	89,585,493	85,808,759
Net Premium	302,648,856	297,512,962	292,593,856	275,738,765	264,655,744
Net Claim	87,561,612	68,891,236	87,222,129	48,695,639	69,574,775
Underwriting Profit	65,000,849	73,221,973	52,485,536	48,719,764	46,890,959
Net Profit Before Tax	74,305,954	54,567,640	50,499,862	44,224,550	43,427,841
Net Profit After Tax	67,986,676	49,772,471	45,228,031	40,970,036	39,398,900
Total Asset	940,017,523	879,724,941	754,229,506	656,349,855	551,710,404
Share capital	240,000,000	240,000,000	60,000,000	60,000,000	60,000,000
Total Reserve & Surplus	308,326,761	263,101,198	334,681,937	252,266,684	169,946,648
Retained earnings	21,977,321	11,765,050	40,558,748	41,866,129	44,928,519
Share Money Deposit	-	-	88,000,000	47,350,000	-
No. of shares	24,000,000	24,000,000	6,000,000	6,000,000	6,000,000
Face value	10.00	10.00	10.00	10.00	10.00
NAV per share	22.74	20.96	51.11	44.15	38.33
Earnings per share (Basic)	2.83	2.07	2.54	6.83	6.67

# Graphical Representation Of Financial Highlights

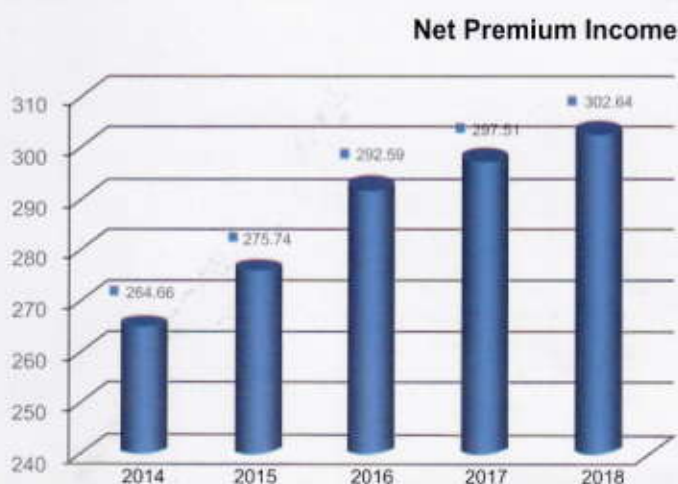
## Gross Premium Income

Indicate	Year	Gross Premium Income (Million)
1	2014	350.20
2	2015	365.32
3	2016	390.35
4	2017	408.66
5	2018	431.30



## Net Premium Income

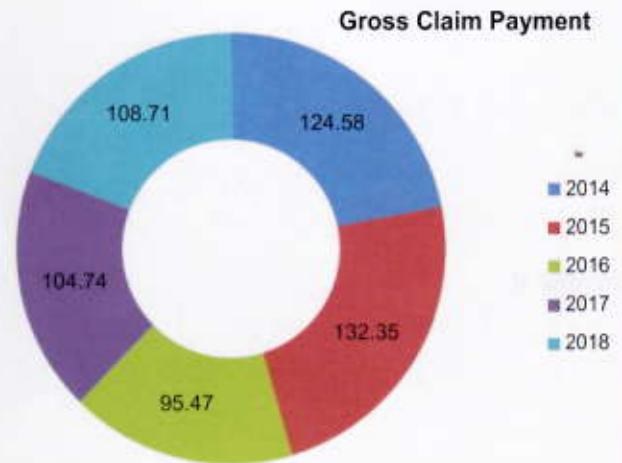
Indicate	Year	Net Premium Income (Million)
1	2014	264.66
2	2015	275.74
3	2016	292.59
4	2017	297.51
5	2018	302.64



# Graphical Representation Of Financial Highlights

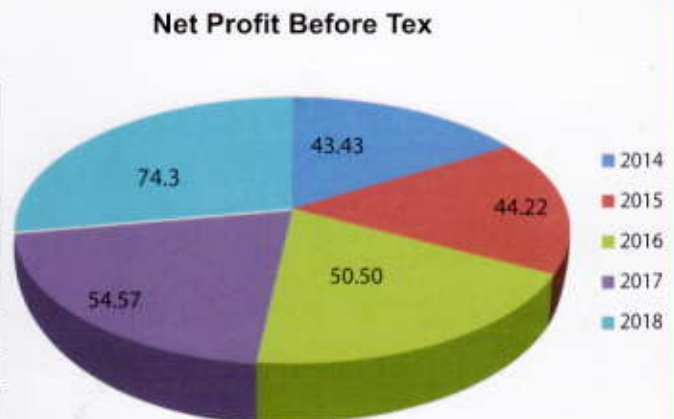
## Gross Claim Payment

Indicate	Year	Gross Claim(Million)
1	2014	124.58
2	2015	132.35
3	2016	95.47
4	2017	104.74
5	2018	108.71



## Net Profit Before Tax

Indicate	Year	Net Profit Before Tax (Million)
1	2014	43.43
2	2015	44.22
3	2016	50.50
4	2017	54.57
5	2018	74.30



# Graphical Representation Of Financial Highlights

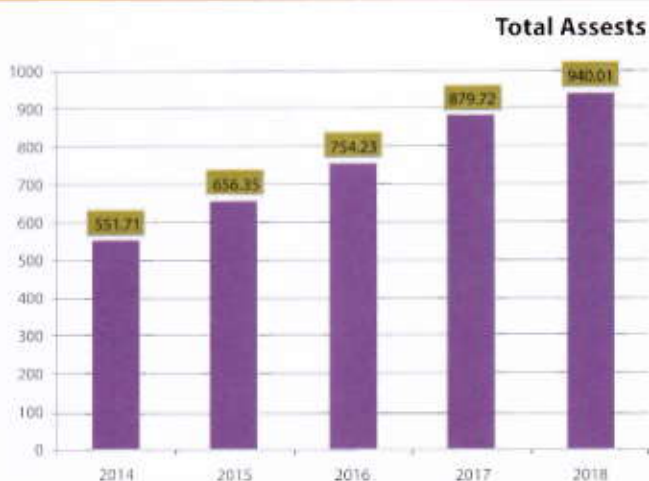
## Shareholders Equity

Indicate	Year	Shareholders Equity (Million)
1	2014	229.95
2	2015	312.27
3	2016	394.68
4	2017	503.10
5	2018	548.33



## Total Assets

Indicate	Year	Total Assets
1	2014	551.71
2	2015	656.35
3	2016	754.23
4	2017	879.72
5	2018	940.01





## *Distinguished Shareholders,*

Assalamu Aalaikum!

It is a great pleasure for me to extend a warm welcome to all of you at the 19th AGM of Crystal Insurance Company Ltd and to present the performance and achievements of the Company for the year ended December 2018.

To begin with, on behalf of the Board of Directors and on my personal behalf, let me express my heartfelt gratitude for your continued support, cooperation and trust on the Board. It is because of your kind patronage and persistent support that we are growing.

On the occasion of the 19th AGM of the shareholders of Crystal Insurance Company Ltd., I would like to draw your kind attention to the principal achievements of the Company in 2018. The main focus of the Company in 2018 was enhancement of the revenue growth, ensuring quality business, complying with corporate governance and building of image of the Company.

The Company regularly evaluates the efficiency of the management team and thus maximized the performances of the Executives. The Overall achievement of the company comes from the enthusiastic and relentless efforts of employees, support of respected clients & the shareholders and above all, the valuable guidance, inputs and monitoring of the Board.

I am pleased to say that our Company is now a benchmark for other of the insurance sector in Bangladesh. I am pleased to announce that the Company has achieved desired level of profitability.

We undertake measure for protecting our clients, thus we are trying to provide security and safety for them. We also try to assist our clients to know about the products and services along with adequate regulatory requirements so that they can feel the insurance policy undertaken as their financial security rather than a financial burden.

Crystal insurance Company Ltd has introduced broad range of traditional and contemporary products for the clients as per their demand and contributing for strengthening the social security.

Crystal Insurance Company Ltd. continuously analyze client's needs in detail and provides them high-value-added services. Through our efforts towards sound business management, we assess and pay insurance claims and benefits for satisfaction of our clients.

Crystal Insurance Company Limited continuously analyze the market and its challenges. Crystal Insurance Company Limited emphasizes the clients and potential insureds' to do business in a transparent way. The Board and the Management of the Company are always advising and overseeing the executives to maintain transparency in business to earn the clients' confidence.

Crystal Insurance Company Limited is committed to protect the interest of all its business partner, clients and stakeholders. I am convinced that our competent management, dedicated hardworking employees, our well-built IT and online support, existing and new innovative products and quality customer services are our strength.

In conclusion, I want to acknowledge my heartfelt thanks to the management and the employees of Crystal Insurance Company Limited for their hard work and dedication in delivering outstanding result. I also extend my sincere appreciation to the Board of Directors for their guidance, counseling and valuable support for the success of the Company during the period under report.

Finally, I'm grateful to all the shareholders of the Company for their trust and support.

Thank You.



**Abdullah Al-Mahmud**  
Chairman



## *In the name of Allah, the most merciful, the most Graceful!*

Honorable Shareholders',

A leader is the one in the charge, the person who convinces other people to follow. A great leader inspires confidence in other people and moves them to action. Leaders are essential elements of a great group although it is not only the leaders that make the group great, rather teamwork of all the people in the group makes the group great. Even than a strong leadership is very much essential for the steady growth and sustainability of the economy depends on a prudent teamwork. Sustainability is an integral component of the business model. Crystal believes this issue and at the beginning of the year we aim our plans how to progress our business growth economically, what to accomplish for socially responsible work, how to green the environment with our technology.

Our business plan is "slow and steady wins the race". We do not go for aggressive business. We do quality business.

Our footsteps are always through market research and need for the people. Therefore, as per research work we have diversified our products, ethical business and ensured accountability in all segments. We are committed to maintain our business as per the rules of IDRA.

By this time Crystal has been able to create goodwill in the industry. The confidence level of our business partners and clients is very high on the operations of the Company.

Education, training, professionalism and good service track indicate a persons' confidence in the brand image of the Company. We have 31 branches and we can underwrite the insurance policy from any of the districts/subdivision as because of our technology permits us for this wider facility.

Our business growth is positive compared to previous year. All of you know how severe the competition is in a small market like ours. Due to our market research, effective business model, sincerity, hard work, transparency, corporate governance culture and accountability, we have been able to bring an outstanding brand image in the market. This year has, therefore, been recognized as a great successful year of Crystal Insurance Company Ltd. in this happy moment, I express my heartfelt thanks and gratefulness to all our valued clients, business partners, all our regulatory bodies, honorable Members of the Board of Crystal Insurance for giving me the opportunity to lead the operations of Crystal Insurance with their outstanding support.

### Our Business Model:

At first, we restructured our people, technology, products, facilities, equipment and brand required to deliver the value proposition to our target clients. You know that the clients are the key factors for a business organization. As the chief Executive officer of your Company, I worked hard to improve our position and growth, to increase the client base of your Company as well as to set a remarkable growth for the Company with an excellent improvement in its profit earning.

### Crystals 'Achievement:

I would like to thank all the team members and members of the Board especially the Chairman to encourage us always for moving forward, without which our Company would not be able to hold this top position.

Particulars	2018	2017	Growth
Gross Premium	431.30 Million	408.66 Million	5.54%
Net Premium	302.65 Million	297.51 Million	1.73%
Other Income	11.02 Million	3.71 Million	197.03%
Interest Income	24.57 Million	18.06 Million	36.05%
Dividend (recommended) for the year	10%	7%	42.86%

### Strategy

Our success and achievements depend on satisfying the clients and meeting market demands. A variety of diversified and unique products is superior in the market in terms of risk management mechanism. Our approach towards taking risk was calculative and we thought out of the basket.



We continue to evaluate market demands and approached towards inventing new and socially acceptable products. We research for improvement of existing products and try to get contemporary insurance solutions' through our research team. It is obvious that there is no alternative to market survey and investigation into clients' demand. Our efficient management team meets frequently to identify problem and focus on using problem tools. Our dynamic Board guides us evaluating employees' efficiency and facilities continuous training to develop the professional and technical skills of the employees.

It is not possible to change overnight, the macroeconomic variable that exists in our Country, i.e. political atmosphere, organized crime and continuous breaking of commitment prevailing in the corporate culture. But we share ethical business practice and integrity strategy imposed by the Government. Our strategy is to grow slowly and make profit with client satisfaction.

### **Our Strength**

Our main strength is our human resources and experienced and qualified Management Team including dynamic members on the Board. Crystals' corporate ethics are based on good governance, statutory compliance and transparency.

From the commencement, Crystal has embarked on a journey to grow its capabilities and become larger and better-through launching notified technology, new products, experience sales teams, new sales channels, new policies, strategic planning and its implementation and so on. All the success comes through our valued business partners clients. Prompt settlement of claims support brings us to improve our position in the market.

### **Our Products:**

An enriched diversified product portfolio has made Crystal Insurance Company Ltd. distinctive from other insurance companies in the industry. The company already enhanced its regular products-i.e, Marine, Fire, Burglary, Motor, Engineering & Various types of miscellaneous accidental insurance.

I believe, we have taken up the right strategy in delivering the products and services which are required by the client and at the same time making the Company profitable.

### **How to contribute to the GDP growth through insurance business:**

The insurance industry of Bangladesh is lagging far behind in contributing to the GDP of Bangladesh. Presently, it has an overall contribution of around 0.70 to the GDP which is very insignificant to be considered. But there are ample opportunities to increase this contribution to bring it to a considerable percentage. The government may take few strong decisions for increasing the scope of insurance industry making mandatory of some insurance coverage, such as Health Insurance, Hajj & Umrah insurance, Crop insurance etc and making mandatory of taking policy from the local insurers regarding the capital machineries used in the projects under Public Private Partnership (PPP), and also obtaining Personal Accident policy for the workers working those projects.

## **Commitment & Deliveries towards Clients through different approach:**

As our goal is to shape the Company into an institution of excellence, we are always moving forward with our commitment delivering diversified but exclusive products and faster services to our valuable clients engaging different approaches keeping in mind that clients' happiness is our ultimate aspiration.

To maintain Company's focus on improving response time in customer services, the Company realizes the necessity of using updated technology in every possible area of service and accordingly, developed IT infrastructure, including efficient software solution based on entirely online system which are designed to offer excellent customer services as well as prompt settlement of claims.

In conclusion, we sincerely hope that our nation and the global economy stand at stable position. In the coming year, with the best wishes from all of you, and sincere efforts put in by our colleagues, we are confident to do better than before.

I express my heartiest gratitude once again towards our respected business partner clients, the regulatory authority (IDRA), other regulatory bodies, and everyone of the Crystal family.

Finally, my special thanks goes to our Hon'ble Chairman and the Members of the Board for their pragmatic vision, valuable input, patronage and the prudent Management team for the commitment in expediting and implementing our strategy; over and above, building the Company in a tougher time.

Crystal insurance Company limited has a fantastic heritage of negotiating in challenging time and situation and has the insight to anticipate the difficult environment in the foreseeable future. We are confident to execute our long-term strategy successfully and meet our goals with the continued dedication and commitment of our staff.

Because, we believe, together as Crystal Family, we will flourish and sustain successfully.

Thanking You All



**Mia Fazle Karim, FCA**  
Chief Executive Officer

## Profile of the Chairman of the Board



### Mr. Abdullah Al-Mahmud Chairman

Mr. Abdullah Al-Mahmud, is the founder Chairman of Crystal Insurance Company Limited and Country's one of the well-known enthusiastic and dynamic entrepreneurs. He is also the founder and major shareholder of Mahin Group, one of the vertically integrated leader in export of apparels and textiles in Bangladesh.

Upon completion of his education in the USA, Mr. Mahmud returned to Bangladesh and embarked upon as an entrepreneur. Within a span of only more than a decade, with his dedication and vision Mr. Mahmud has made a conglomerate namely Mahin Group of Companies. The modest journey began with pursuing a RMG business related Washing Plant and forward himself by setting up a specialized button making RMG unit named Mahin Apparels Ltd. in 1993, acknowledging the need for backward linkage in the industry, he eventually set up Hamid Fabrics Ltd. in 1995, The Weaving Unit in 1996 and subsequently the Dyeing and Finishing unit in 2003 at Shilmandi, Narsingdi. The Journey continues with two more weaving units adopting cutting age technology under name of Hamid Weaving Mills Ltd. And Tazrian Weaving Mills Ltd. in 2008 and 2014. The senses to abide by compliance for the development of textiles industry of the Country, another Weaving unit and Yarn Dyeing facilities added in the group's wing in 2016. Towards the total composite set up, the group presently in process to set up its own spinning facilities. With diversification of business idea, henceforth, he also has made investment in IT Sector Company like Grameen Solutions Ltd., and Real Estate business named Millennium Holdings Ltd.

Mr. Mahmud, presently, is holding chair of Vice President of BTMA (Bangladesh Textile Mills Association) for the two consecutive periods since 2015 and was Member of Executive Committee of BTMA in earlier years. He is also acting as executive committee member of BAPILC (Bangladesh Association of Publicly Listed Companies) in addition to that; he is also performing as an Executive Committee Member of BIA (Bangladesh Insurance Association) since long time.

Mr. Mahmud remains Member of Governing Body for NITER (National Institute of Textile Engineering and Research) since 2015 and member of General Body of FBCCI (Federation of Bangladesh Chambers of Commerce and Industry). He had been elected as Director of BGMEA (Bangladesh Garment Manufacturers & Exporters Association) for the year of 2013-15 & 2007-09. Apart from those, he is also involved in various business forums and social causes.

Mr. Mahmud had been awarded with various national recognitions as highest exporter awards from Bangladesh Government and various business associations. He has been considered as a Commercially Important Person (CIP) in Bangladesh for many years and presently also holds 'Kor Bahadur' recognition from National Board of Revenue for year 2016-17. The group has experienced a rapid, yet steady, growth in last 25 years under his leadership and vision; this trend is expected to continue in the foreseeable future.

## Profile of the Directors of the Board



### Mr. Md. Tajul Islam, Director

Mr. Md. Tajul Islam, Director of Crystal Insurance Company Limited comes of a respectable Muslim family of Chandpur. He is an MBA from Karachi University (1968). He is also an associate of the Institute of Chartered Secretaries and Managers of Bangladesh. He has in his credit more than 45 years of experience in different sectors of business.

### Mr. A.H.M. Mozammel Hoque, Director

Mr. A.H.M. Mozammel Hoque, is one of the Directors of Crystal Insurance Company Limited. He completed his Bachelor of Commerce degree from Jagannath College in 1960. He has been actively involved in the textile sector for more than 16 years. He was the Deputy Chief Accountant in Bangladesh Jute Mills Corporation (BJMC) for 22 years after which he entered the RMG business in 1993. Apart from being a founder director of CICL, Mr. Hoque is also a founder Director of Hamid Weaving Mills Ltd. and Hamid Fabrics Limited. Mr. Mozammel also has got in his credit more than 45 years' experience in different business areas. Since his involvement in business, he dedicated himself towards control and maintenance of accounts and finance. He oversees total management operations for all companies he is involved with. His guidance and supervision is one of the main reasons behind Mahin Group's success





## Mr. Abdullah Hassan, Director

Abdullah Hassan, is a founder Director of Crystal Insurance Company Ltd., has been working in the RMG and Textile sector for more than 32 years. Prior to CICL, he was the Head of operations in Atlantic Garments in 1985, and eventually Mahin Apparels in 1993. He is a vibrant entrepreneur. His expertise and experience have been vital for the enhancement and eventual growth of the textile and garment division of Mahin Group. Mr. Hassan is also a founder Director of Hamid Weaving Mills Ltd. and Hamid Fabrics Ltd.

## Mr. Abdullah Al-Mamun, Director

Mr. Abdullah Al-Mamun is a founder Director of Crystal Insurance Company Limited comes of a respectable Muslim family of Cumilla. He is a graduate in Business Administration (BBA) from Richmond International College, U.K. He is an energetic and established business man. Mr. Mamun is also a Director of Atlantic Apparels Limited and Virginia Washing Plant.



## Mrs. Shahzadi Begum, Director

Mrs. Shahzadi Begum, one of the Directors of Crystal Insurance Company Limited comes of a respectable Muslim family of Jhalkathi. She is an M. A. (Social Welfare) from Dhaka University. She is engaged in various Social activities viz Family Planning Programme, Primary Education Programme. Currently she is the Chair Person of "Serve the People" an established NGO working with BRAC, FPMD & Adarsha Gram Project in the field of Primary Education, Family Planning & Income Generating Programme to the poor people of the remote areas mainly female for the last 20 years. Her late husband Mr. Syed Md.

Habibul Haque was Founding Managing Director and a Sponsor Director of the Company. In family relation, she is related with the family of Sher-E-Bangla A.K. Fazlul Huq.



### **Mrs. Farhana Danesh, Director**

Mrs. Farhana Danesh, is a founder Director of Crystal Insurance Company Limited comes of a respectable Muslim family of Comilla. She is an energetic and established business woman. She is one of the Directors of Hamid Fabrics Ltd and Proprietor of Crystal Packaging.

### **Mrs. Farzana Munny, Director**

Mrs. Farzana Munny is the Director of Crystal Insurance Company Limited hailed from a respectable Muslim Family of Cumilla. She has been actively playing a vital role in Crystal Insurance Company limited. Apart from being a director of Crystal Insurance Company limited she is also a Chairperson of Gaan Bangla TV Channel and Proprietor of Qubella Beauty Parlour. The family legacy and her own inherent qualities gave him a great sense of value direction. In her personal life, she is a person of pleasant personality.



### **Mrs. Nusrat Mahmud, Director**

Mrs. Nusrat Mahmud is the Director of Crystal Insurance Company Limited. She obtained Post Graduate from City University, London and Graduation from Bentley College and has significant contributions towards establishment and development of Crystal Insurance Company Limited. Apart from being a director of Crystal Insurance Company limited she is also the Director of Hamid Fabrics Limited and Hamid Weaving Mills Limited.



### Mrs. Soera Zahir, Director

Mrs. Soera Zahir is one of the Director of Crystal Insurance Company Limited. She played a pivotal role in Crystal Insurance Company Limited. She has obtaining Association of Chartered Certified Accountants (ACCA) Degree from London.

### Ms. Nabila Mahmud, Director

Nabila Mahmud holds Masters of Science degree from Northeastern University College of Professional Studies, Boston, Massachusetts, USA. She has specialization in Corporate & Organizational Communications with concentration in Human Resources Management. Before that she gathered knowledge in Human Resources, Organization behavior, Human Rights, Small Business Management from Regent Business School in UK. And she attended Suffolk University Sawyer Business School, Boston, Massachusetts, USA to do her Bachelors of Science and studied global business and management.

Before going abroad for academic purpose, Ms. Nabila gathered experience through jobs with International School, Dhaka and Jago Foundation (an NGO). She served in the accounts department of Hamid Fabrics Ltd (HFL) and practically contributed in reducing labour costs of the HFL through developing smooth expense tracking system. She is also the Director of Hamid Fabrics Limited.



### Mr. Arafat Rashid, Director

Mr. Arafat Rashid, Undergraduate from Brunel University, Uxbridge, London is Director of Crystal Insurance Company Limited. He is Managing Director of Home Textiles Limited and Apex IT Solution Limited. He is also Director of Apex Green Foods Agro-based Limited. Besides, he is Shareholder of Apex Accessories Limited and Apex Trade & Commerce Limited.



## Dr. M. Waliuzzaman, Independent Director



Dr. M. Waliuzzaman, has obtained his Ph. D. in Chemical Engineering from University of Manchester, UK, is an Independent Director of Crystal Insurance Company Limited. He is a visiting professor in the Department of Chemical Engineering, BUET. In his elaborate career, he adorned many Board of Directors as Chairman at national level, namely, BPC, Eastern Lubricants Blenders Limited etc. He represented Bangladesh in many seminars and workshops abroad. He has experience in negotiating multimillion US Dollar deals. He has done many researches.

## Mr. Kazi Nasim Uddin Ahmed, Independent Director

Mr. Kazi Nasim Uddin Ahmed, obtained Bachelor of Commerce degree from University of Dhaka is an Independent Director of Crystal Insurance Company Limited. He, is currently engaged with Hamid Weaving Mills Limited as Company Secretary, has 41 years of experience in his credit. He was an athlete in his youth and currently participates in many social activities.



## Profile of the Chief Executive Officer (CEO)



**Mr. Mia Fazle Karim, FCA**  
Chief Executive Officer

**Mr. Mia Fazle Karim, FCA** is the "Chief Executive Officer" of Crystal Insurance Company Limited Joined on 27.10.2015. Prior to joining this Company, he was "Partner" of Mahfel Huq & Company, Chartered Accountants from 01.02.2012 to 31.07.2015. Before joining the Partner of Mahfel Huq & Company, he served in Eastland Insurance Company Limited as "Deputy Managing Director & Chief Financial Officer" from 01.02.1999 to 31.01.2012 and City General Insurance Company Limited as "Chief Financial Officer" from 01.11.1995 to 31.01.1999.

He is a fellow member of the institute of Chartered Accountants of Bangladesh (ICAB).

## Profile of the Company Secretary



**Mr. S. M. Shahidullah, Cert CII (UK)**  
Addl.M.D & Company Secretary

**Mr. S. M. Shahidullah, B. Sc. (Hons.) & M. Sc (Geography), ABIA** is the Addl.M.D & Company Secretary. He is Head of Company's Secretariat, HR & Administration, Establishment and Motor Pool Departments. He has been serving this Company since 14.03.2005. He started his career in Eastland Insurance Company Limited on 01.07.1989 and served there up to 05.12.1996. Thereafter; he worked in Northern General insurance Company Ltd. as SVP & in Charge of Claims & Reinsurance from 6.12.1996 to 31.12.2002. He also worked with the Sonar Bangla Insurance Ltd. as Deputy General Manager & in-Charge of Claims, Re-insurance & Branch Control Department from 15.07.2003 to 13.3.2005. He is an Associate Member of Bangladesh Insurance Academy (BIA). He is Lecturer of Bangladesh insurance Academy and Bangladesh insurance Association. He is a member of Chartered insurance institute (CII), London, U.K. and currently studying in the course of ACII & awarded 115 credits out of 290 credits.

## Profile of the Chief Financial Officer (CFO)



**M. Mahfuzur Rahman ACA, Cert CII (UK)**  
Deputy Managing Director &  
Chief Financial Officer (CFO)

**Mr. M. Mahfuzur Rahman** joined Crystal Insurance Company Limited in September 2007. Prior to joining Crystal Insurance Company Limited he worked as Manager (Finance & Accounts) at Naziat Sweaters and T.S.R. Fashion & Design Limited. He completed his Master degree obtained 1st class and 1st division in B.Com securing 7th place in order of merit from Dhaka City College. Professionally he is an Associate Member of The Institute of Chartered Accountants of Bangladesh (ICAB) and also Associate Member of Bangladesh Insurance Academy, Dhaka. Apart from this he is a Member of the Chartered Insurance Institute, United Kingdom.

Mr. Mahfuz has received various trainings on financial managements, financial reporting, corporate governance, secretarial practices and tax & VAT. He is presently discharging his responsibility as Deputy Managing Director & Chief Financial Officer of Crystal Insurance Company Limited.

## Profile of the Departmental Heads



**Mr. Abdullah Al-Mamun**  
DMD & Head of Audit, MIS  
& BCC Department

**Mr. Abdullah Al-Mamun**, B.Com. (Hons.) & M.Com (Accounting), DMD & Head of Audit, MIS & Branch Control & Coordination Department has been serving this Company since 14.03.2005. Prior to joining this Company he worked with Republic Insurance Company Ltd. from May, 2003 to 2005 as Vice President (Head of MIS & Fund Management). He also worked in Dhaka insurance Company Limited as Senior Assistant General Manager (Head of Finance, Accounts, Audit & MIS Department) from April, 2002 to May, 2003. He started his Career with Peoples insurance Company Limited as Manager (internal Audit & Accounts) where Served from May, 1995 to March, 2002.



**Mr. Md. Kabir Hossain**  
EVP & Head of Underwriting Department

**Mr. Md. Kabir Hossain**, B.Sc (Hons.), M.Sc. (Statistics), ABIA Executive Vice President & Head of Underwriting Department. Prior to joining CIKL in 2014 he worked as Executive Vice President & in-Charge of Branch Control & Underwriting Department for 12 years in Continental Insurance Limited and previously also served as a Lecturer in Statistics at Matlab Degree College, Chandpur for about 9 years. He is an Associate Member of Bangladesh Insurance Academy (BIA).



**Mr. Md. Saydul Islam**  
EVP Finance &  
Accounts Department

**Mr. Md. Saydul Islam**, M.Com. (Management), Executive Vice President, Finance & Accounts Department joined in CIKL on 29.11.2007. Prior to joining this Company he worked as Deputy Manager (F&A) in Dosh General insurance Company Ltd. From 15.08.2004 to 28.11.2007, Senior Executive Officer (F&A) in Republic insurance Company Ltd. From 01.07.2000 to 14.08.2004 and Officer (F&A) in Eastern Insurance Co. Ltd. From 15.03.1995 to 30.06.2000.



**Mr. Md. Abul Fazol**  
EVP & Head of Claims  
& Reinsurance

**Mr. Md. Abul Fazol**, M. Com (Accounting) is Executive Vice President & Head of Claims & Reinsurance Department has been serving this Company since 31st December 2015. Prior to joining this Company he worked in Provati insurance Company Limited as Assistant General Manager; Claims & Reinsurance Department from January 2013 to 30th December, 2015, Sonar Bangla insurance Limited as Manager in Claims & Reinsurance Department from January, 2010 to December 2012 and Dhaka insurance limited in the Claims & Reinsurance Department from 16.01.2004 to December, 2009.



**Mr. Raiyan Muntasir Monim**  
VP & Head of IT Department

**Mr. Raiyan Muntasir Monim**, B.Sc. (Engg.) in Computer Science & Engineering, Vice President & Head of Information Technology Department has been serving in this company since December 11, 2018. Prior to joining this company he has served in Standard Group as Assistant Manager of Information Technology & Services Department for 1 year and First Assistant Vice President & Database Administrator of IT Department in Fareast Islami Life Insurance Company Limited for 4 years. He is also an Associate Member of Bangladesh Computer Society (BCS).

## Branch In-Charges and Senior Development Personnel



**Mr. Abul Kalam Azad**  
Senior Addl. Managing Director  
& In-Charge, Local Office



**Mr. S.A.M. Shafiqul Hasan**  
Senior Addl. Managing Director & In-Charge  
Corporate Branch



**Ms. Minu Rahman**  
Addl. Managing Director & In-Charge  
Dilkusha Branch



**Mr. Dewan Mostafizur Rahman**  
Addl. Managing Director  
& In-Charge, Principal Branch



**Mrs. Ferdous Ara Chowdhury (Nimmi)**  
Addl. Managing Director  
Corporate Office



**Mr. K.M.N. Abu Omar**  
Addl. Managing Director  
Corporate Office



**Mr. Hamidur Rahman Haider**  
Addl. Managing Director  
Corporate Office



**Mr. Gour Hari Saha**  
Addl. Managing Director  
Corporate Office



**Mr. Mizanur Rahman**  
Addl. Managing Director  
Local Office



**Mr. Md. Moshfiqur Rahman**  
Deputy Managing Director & In-Charge  
Bangshal Branch



**Mr. Md. Sohrab Ali**  
Deputy Managing Director & In-Charge  
Sadarghat Branch



**Mr. Md. Shahadat Hossain (Musa)**  
Deputy Managing Director & In-Charge  
VIP Road Branch



**Mr. Md. Abdul Hai Sarder**  
Deputy Managing Director & In-Charge  
Bogra Branch



**Mr. Md. Mizanur Rahman**  
Deputy Managing Director & In-Charge  
Imamgonj Branch



**Mr. Md. Showkat Ali**  
Deputy Managing Director & In-Charge  
Babubazar Branch



**Ms. Nazma Akter**  
Deputy Managing Director & In-Charge  
Mallbagh Branch



**Mr. Syed Mosfiqur Rahman**  
Deputy Managing Directors & In-Charge  
Elephant Road Branch



**Mr. Md. Anwar Hossen**  
Sr. Executive Vice President & In-Charge  
B.B. Avenue Branch



**Mr. A.S.M. Nurus Sobhan Chowdhury**  
Sr. Executive Vice President & In-Charge  
Agrabad Branch



**Mr. Syed Md. Khairul Basher**  
Sr. Executive Vice President & In-Charge  
Khatingonj Branch, Chittagong



**Mr. Md. Shah Alam Sheikh**  
Sr. Executive Vice President & In-Charge  
Nayabazar Branch



**Mr. Md. Abdus Sobur**  
Executive Vice President & In-Charge  
Rangpur Branch



**Mr. Md. Shafiqul Alam**  
Executive Vice President & In-Charge  
Jubilee Road Branch



**Mr. Md. Shanaul Islam Shoez**  
Executive Vice President & In-Charge  
Sylhet Branch



**Mr. Pranesh Chandra Bardan**  
Executive Vice President & In-Charge  
Moulvi Bazar Branch



**Mr. Md. Mokhlesur Rahman**  
Sr. Vice President & In-Charge  
Narshingdi Branch



**Mr. Bipul Ananda Halder**  
Sr. Vice President & In-Charge  
Jessore Branch





**Mr. Md. Habibur Rahman**  
Vice President & In-Charge  
Tangail Branch



**Mr. Khandaker Shaheen**  
Vice President & Acting In-Charge  
Uttara Branch



**Mr. Md. Joaher Ali**  
Vice President & In-Charge  
Pragati Sarani Branch



**Mr. Md. Nur Islam**  
Assistant Vice President & In-Charge  
Dinajpur Branch



**Mr. Syed Md. Shamiur Rahman**  
AVP & In-Charge  
Mymensingh Branch



**Mr. Md. Shohoraf Hossain**  
Sr. Principal Officer & In-Charge  
Paltan Branch



**Mr. Md. Robiul Aowal**  
Principal Officer & In-Charge  
Rajuk Avenue Branch



**Mr. Md. Mahfuzul Haque**  
Sr. Executive Officer-I & Acting  
In-Charge, Mirpur Branch

## Future Strategy

Key challenges in 2018 include competition and thin profit margins. To effectively manage these challenges, we continue to invest in technological solutions and enhance backend operational efficiency. Our strategy for 2018 is designed to deliver sustainable, profitable growth in a changing and competitive business environment in order to maintain leading position in the industry. It builds on our strengths. It places customers and their needs at the center of our business. To take CIPL to the greater height, we are focusing more closely on the markets and customers' segments where we have competitive edge, where we can offer superior value proposition to our customers. We continue to invest in our people and systems and processes to better understand our customers' needs, serve them in the way they require, increase Collaboration and improve efficiency. To act the honesty and integrity of the dealings a transparent rule is maintained in the Company.

## Code of Conduct

### STANDARD OF CONDUCT

We conduct our operations with honesty, integrity and openness, and with respect for the human rights and interests of all stake holders including employees.

### OBEYING THE LAW

Company is committed to comply with all the legal requirements, laws and regulations of Bangladesh.

### EMPLOYEES

Company is committed to create the working environment where there is mutual trust and respect and everyone feels the responsibility for the improved performance and reputation of the Company.

It recruits, employs and rewards employees purely on merit and on the basis of the qualification, experience and abilities needed for the work to be performed. It is committed to provide safe, healthy and pleasant working environment to all employees. Company will not use any form of forced, compulsory or child labor. It is committed to work with employees to develop and enhance each individual's skills and capabilities, provide training to groom them on the basis of their Training Needs Assessment analysis. It respects the dignity of employees and the right of individual to express freely. Company maintains good communication link with employees through Company based information and consultation procedures.

### INSURED

It's committed to provide prompt and efficient Services to its clients by properly insuring their risk, doing risk assessment and by issuing insurance policies to meet various requirements of the clients. It endeavors to provide peace of mind and security to its clients pursuing ethical and professional practices.

### SHAREHOLDERS

Company will conduct its operations in accordance with principles of good corporate governance. It will provide timely, regular and reliable information on its activities, structure, financial situation and performance to all the shareholders.

### BUSINESS PARTNERS

Company is committed to establish mutually Beneficial relations with its insured, reinsurers and business partners. In the business dealingsthe Company expects its partners to adhere to business principles and ethical practices consistent with its own.

## **COMMUNITY INVOLVEMENT**

Company strives to be a trusted corporate citizen and, as integral part of society, to fulfill its responsibilities to society and communities where it operates.

## **PUBLIC ACTIVITIES**

Company will promote and defend its legitimate Business interests. It will cooperate with the government and other organizations, both directly and through bodies such as Insurance Association of Bangladesh, in the development of proposed legislation and other regulations that may affect legitimate business interests. Company neither supports any political group or party nor contributes to the funds of any group whose activities are aimed at, directly or indirectly, to promote party interests.

## **THE ENVIRONMENT**

Company is committed to making continuous Improvement in the management of environmental impact and to the long term goal of developing a sustainable business. Company will work in partnership with others to promote environmental care, increase understanding of environmental issues and disseminate good practice.

## **COMPETITION**

Company and its employees will conduct their Operations in accordance with the principles of fair competition and all applicable regulations without compromising on ethical practices.

## **BUSINESS INTEGRITY**

Company does not give or receive, whether directly or indirectly, bribe or other improper advantages for business or financial gains. No employee may offer, give or receive any gift or payment, which is, or may be construed as being, a bribe.

Any demand for, or offer of, a bribe must be rejected immediately and reported to the management. Its accounting records and supporting documents must accurately describe and reflect the nature of the underlying transactions transparently. No undisclosed or unrecorded account, fund or asset will be established or maintained.

## **CONFLICT OF INTERESTS**

Company's employees are expected to avoid personal activities and financial interests that could conflict with their responsibilities to the Company. They must not seek gain for themselves or for others through misuse of their positions.

## **COMPLIANCE MONITORING REPORTING**

Compliance with these principles is an essential Element in our business success. The Company's Board of Directors (the Board) is responsible for Ensuring that these principles are communicated to, and understood and observed by, all employees. Responsibilities are properly delegated to the senior management. They are responsible for implementing these principles, if necessary through more detailed guidance tailored to local needs. Assurance of compliance is given and monitored each year. Compliance with the Code is subject to review by the Board and supported by the Audit Committee of the Board. Any breaches of the Code must be reported in accordance with the procedure specified by the management.

The Board of the Company expects employees to bring to their attention, or to that of senior management, any breach or suspected breach of these principles. Provision has been made for employees to be able to report in confidence and no employee will suffer as a consequence of doing so.

## Our Principles

To act the honesty and integrity of the dealings a transparent rule is maintained in the Company. Put the customer at the center of all our actions. Utilize consumer insights, data and technology to Serve customers and generate growth and attractive economic returns. Execute well considered decisions with precision and speed. Execute well considered decisions with precision and speed. Focus relentlessly on those few things that provide the greatest impact. Be a learning organization that leverages successes, learns from failures and continuously improves. Provide employees and agencies fulfilling work, personal growth and performance based rewards. Take an enterprise view of our people and processes and work as a single team to advance all state rather than our individual interests.

## Companies Products & Services

### Service details

**The record says we take a personal interest in what you value most**

Crystal Insurance Company Ltd., which plays the best role at general insurance sector in Bangladesh, offers you a varied list of services in accordance with the popular requirements at the insurance sector. The products and services of the Crystal Insurance are as follows:

### Fire Insurance:

A fire incident may cause severe property Damage of an individual or organization. Consequently an individual may suffers serious financial hardship and an organization may become sick and could be unable to resume their business. Under this situation a Fire Insurance protection becomes meaningful to the insuring public.

An insurance company ensures the property owner to protect them from the financial losses arising out of the unforeseen fire incident. A dwelling house, Shops, Offices, Godowns, Factories and various Manufacturing Industries and its contents may be covered under Fire Insurance protection.

A fire incident may cause severe property Damage of an individual or organization.

The following types of policies are issued under Fire department:

- Standard Fire Insurance Policy
- Fire and allied perils Policy
- House hold policy
- Industrial All Risk Policy
- Power Plant Operational Package Insurance.

### Marine Insurance:

The following types of Marine policies are Normally issued under Marine insurance Department:

**Marine Cargo Policy:** Marine cargo policy Provides financial protection from the Losses/damages of imported goods caused by Maritime perils during its transportation by Ocean vessel/Lorry/Aircraft. It also provides Coverage for the carriage of goods by Inland Transport/vessels within the territorial limit of the country.

**Marine Hull Policy:** Marine Hull policy provides the coverage for loss and damage to the hull and machinery of the ship.

The following types of Marine Hull Policies are issued on the basis of risks coverage

- Comprehensive Risks
- Total Loss only (TLO)

## Motor Insurance:

Motor Insurance protects the insured from the cost and expenses of the damages of vehicle as well as their liability to third parties property damage, bodily injury or death due to an unexpected accident.

The following types of policies are issued under Motor department:

- Comprehensive Risk Policy
- Act Liability Policy

### Comprehensive Risk Policy:

This policy provides coverage for the vehicle's own damages and Third party's loss such as property damages and bodily injury or death.

### Act liability Policy:

This policy covers liability of the insured for Third party's property damages and bodily injury or death only arising out of the use of insured vehicles.

### Engineering Insurance:

- Machinery Breakdown Insurance (MBD) Contractors
- All Risks Insurance (CAR)
- Erection All Risks Insurance (EAR)
- Contractors Plant & Machinery Insurance (CPM)
- Deterioration of Stock Insurance (DOS)
- Electronic Equipment Insurance (EEI)
- Boiler and Pressure Vessels Insurance (BPV)

### Miscellaneous Insurance:

- Cash in Transit Insurance
- Cash/Property in Premises
- Personal Accident Insurance
- Peoples Personal Accident Insurance
- All Risks Insurance
- Public Liability Insurance
- Burglary Insurance policy
- Comprehensive General Liability Insurance
- Fidelity Guarantee Insurance
- Safe Deposit Box (Bank Lockers)
- Hotel Owners All Risks Insurance
- Workmen's Compensation Insurance
- Money Insurance Policy
- Cattle Insurance

## DIRECTOR'S REPORT

*Bismillahir Rahmanir Rahim*

**Dear Shareholders,**

*Assalamu Alaikum,*

On behalf of the Board of Directors, I welcome you all to the 19th Annual General Meeting (AGM) of Crystal Insurance Company Limited. We have great pleasures in presenting the 19th Annual report to the members with the Audited Financial Statements along with the Auditors' Report thereon for the year ended 31 December 2018 for approval and adoption.

This report covers global and national economic outlook to comprehend the overall outlook and position of the insurance business in Bangladesh,

### Global Economic Outlook

Global economic growth in 2018 is estimated to be 3.7 percent, as registered in last fall, but signs of a slowdown in the second half of 2018 have led to downward revisions for several economies. Weakness in the second half of 2018 will be carried over to following quarters, with global growth projected to decline to 3.5 percent in 2019 before worsening business confidence and market sentiment picking up slightly to 3.6 percent in 2020. This growth pattern reflects a persistent decline in the growth rate of advanced economies from above-trend levels-occurring more rapidly than previously anticipated-together with a temporary decline in the growth rate for emerging market and developing economies in 2019, reflecting contractions in Argentina and Turkey, as well as the impact of trade actions on China and other Asian economies. Specifically, growth in advanced economies is projected to slow from an estimated 2.3 percent in 2018 to 2.0 percent in 2019 and 1.7 percent in 2020.

World economy will further face debacle/risks upon some of the important changes, i.e. trade war, Brexit, downturn of China economy, depending most of country on central bank and also emerging market emergencies etc.

USA-China tariffs conflicts has raised uncertainty in world economy as the top two economic powers could not yet reached on a solution. It will hit the two countries economy as well as other countries pushing trade war. However, in February-March'19, the two countries show a positive business relation in future which will be a green signal to economic growth in coming days.

"After accounting for higher tariff revenue and gains to domestic producers from higher prices, the aggregate welfare loss was \$7.8 billion," or 0.04 percent of GDP, the researchers said.

## Bangladesh Economy in 2018

Bangladesh economy continued to grow rapidly and achieved a record GDP growth of 7.86 percent in FY18, over-performing the Government's FY18 growth target of 7.4 percent. The growth momentum was supported by strong domestic and external demand. A Surge in remittance inflows at 17.3 percent, along with strong private sector credit growth pepped up the consumption demand. At the same time, higher growth in investment-related imports reflected robust investment demand. Export growth also maintained its momentum during this period. On the supply side, the growth impulse largely came from the industry and agricultural sectors. Bangladesh bank projects GDP growth to range from 7.5-7.7 percent for FY19, assuming continuation of a calm political situation and less possibility of further escalation of global trade-related conflicts.

Bangladesh Bank's projection shows average inflation for H1FY19 to be around 5.4-5.8 percent assuming no large domestic and external shocks.

## Capital Market Overview

The capital market passed a gloomy year in 2018 as the core index of the Dhaka Stock Exchange (DSE) suffered a 14 percent loss amid lack of investor confidence.

People familiar with the capital market said fear about political turmoil, lower participation of institutional investors due to liquidity crunch and shrinking foreign investment caused consternation among the investors.

They said sentiment of both the domestic and foreign investors were severely dented throughout the year. In general, stocks yielded a 14 percent loss for investors in 2018 in contrast to a 22 percent gain in 2017.

The outgoing fiscal year has been an eventful year for the stock market with national elections right around the corner. Several significant landmarks have been achieved throughout the year followed by many other macroeconomic changes that gripped investors' confidence.

Dhaka Stock Exchange (DSE) made a strategic partnership with Chinese consortium by making an agreement to sell 25% of its shares to Shenzhen Stock Exchange (SZSE) and the Shanghai Stock Exchange (SSE). This was one of the most awaited events of the year, strengthening confidence among investors. The agreement was signed in May 2018.

Stock market performed poorly this fiscal year as it was followed by a year with strong gains in FY 2016-17. The benchmark index, DSEX closed at 5,405.5 points at the end of FY 2017-18 after booking a loss of 4.4% during the year. Average turnover stood at BDT 645 crore in each session in FY 2017-18, which was lower than the previous fiscal year by 11.9%. One fifth of the turnover was generated by the engineering stocks, showed data obtained from Dhaka Stock Exchange.

## Insurance Industry Scenario

According to Bangladesh Insurance Association, the total premium income of private sector life insurance companies increased from Tk. 70,954 million in 2016 to Tk. 77,318 million in 2017. The total assets of the private sector life insurance companies stood at Tk. 370,565 million in 2017 as against Tk. 327,676 million in 2016.

The gross premium income of non-life private sector insurance companies increased from Tk. 25,393 million in 2016 to Tk. 26,694 million in 2017 registering a growth rate of 5.12%. The total assets stood at Tk. 75,495 million in 2017 whereas it was Tk. 67,847 million in 2016. The total investment stood at Tk. 38,635 million in 2017 whereas Tk. 34,017 million in 2016.

Healthy economic growth and rising disposable income will continue to boost demand for insurance products in many markets, such as China, India, Hongkong, Singapore, Malaysia, Indonesia and Thailand.

However, it is difficult to forecast the performance of the insurance industry of Bangladesh due to lack of proper data in proper time. The market forecast requiring a dedicated, transparent and accountable independent insurance research centre.

Insurance Development and Regulatory Authority (IDRA) has been formed under the provision of Insurance Development and Regulatory Authority Act 2010 on 26th January in 2011. Government of Bangladesh has enacted the Insurance Act 2010 to develop and regulate the insurance business. IDRA has been established for the purpose of supervising the private insurance business and safeguarding the interest of policy holders. The authority is working for the systematic development and regulation of insurance industry with a view to implement the 'The National Insurance Policy 2014.

The Authority successfully arranged a Divisional Insurance Fair. The main focus of this fair was to create awareness about the necessity of undertaking insurance and create trust among the business people of Bangladesh. The number of individual participant was more compared to the institutional participants. Therefore, non-life insurance companies did not receive the desired responses.

Against appeals from the insurers of non-life insurance sector, IDRA published an official gazette on July 18, 2016 on allowable management expenses which failed to satisfy the insurers demanding the replacement of insurance Rules 1958. The then Chairman of IDRA stated that the gazetted regulations was not the desired one and he assured the insurers that the regulations would undergo necessary revision.

Insurance Development and Regulatory Authority (IDRA) and Ministry of Finance have concern about the overall development of insurance Sector. In practice, sector professionals and students hoping for better career are not inclined to consider insurance as a lucrative career.

The authority is thinking about implementation of an integrated common insurance software among all the insurers which will enable them to monitor and control the entire insurance system of Bangladesh.



If implemented, the non-life insurance sector will be benefited in reporting to the Authority, to the stakeholders, the business-partner clients with transparent information about their insurance business. The insurance companies will then be more accountable to the Regulatory Authority automatically. As a result, gross premium of the insurance sector would tremendously be increased and the stakeholders would certainly get better return against their investment. Government would get a handsome amount of revenue in the form of VAT, Corporate taxes and Insurance stamps and the insurance industry would be able to provide significant contribution to the GDP of the country. This would give rise to the insurance industry of Bangladesh and the industry will open huge employment opportunities for potential, skilled people with talent from all over the country.

### Prospects for 2019

A National insurance policy and Guideline (Bima Niti 2014) gazette published in 2014 to guide the insurance experts with a vision to develop the insurance industry. Ministry of finance and IDRA along with insurance Companies, Association and Forum are also interested to strengthen the insurance industry of Bangladesh. The Ministry and the Regulator are focusing on the development of the insurance industry and they have given priority to develop the insurance sector. They are going to implement the integrated software solution for this industry.

Crystal Insurance Company Limited have not only achieved the business growth but also been active about building image of the company. Strategic choice of the company is to innovate new products as per market demand. Global re-insurance companies are also eager to keep relationship with our company due to its quality business, proper claim settlement and transparent financial transactions. Executives and Management of the company are working effectively under the able leadership of the CEO of the Company.

We hope our success will continue unabated and enable us reaching the top most position in the insurance sector in Bangladesh in terms of quality business.

### Operational Review

During the Calendar year 2018 Crystal Insurance Company Limited (CICL) earned gross premium of BDT 431.30 million, of which 84.50% (BDT 364.45 million) was from direct business and 15.50% (BDT 66.85 million) was from Govt business. After reinsurance of BDT 128.65 million ceded the retained premium of the Company was BDT 302.64 million. Marine and Fire business dominated net premium earnings shared 42.91% and 40.90% respectively followed by motor 11.69% and Miscellaneous 4.50%.

### Insurance Business in 2018

Crystal insurance Company has taken a diversified business policy with innovative products of insurance in addition to selective underwriting of insurance business; even though it is very difficult to increase the amount of gross premium at a significant level. Amidst all adversities you will be happy to learn that by dint of dynamic leadership of our Chief Executive Officer and his team. The company was able to earn a gross premium of Tk. 431.30 million this year against Tk. 408.66 million last year, with a growth of 5.54%.

As you are already aware that Crystal Insurance maintains appropriate reinsurance arrangement with the remarkable reinsurers and pays due reinsurance premium for the safety of insured. After making of cession for reinsurance the net premium of the company stood at Tk.302.65 million in 2018 against Tk. 297.51 million in 2017.

### **Fire Insurance Business**

The Company under wrote fire insurance business with a gross premium income of Tk. 168.25 million in 2018 against Tk. 162.22 million in 2017. After ceding of the re-insurance premium, the net premium earned from fire insurance business stood at Tk. 123.78 million.

### **Marine Insurance Business**

The gross premium income from marine insurance business increased to Tk. 172.98 million in 2018 against Tk.172.01 million in 2017, yielding a net premium of Tk. 129.87 million,after re-insurance cession.

### **Motor Insurance Business**

In Motor, the gross premium income was slightly decreased to Tk. 36.30 million from Tk. 38.38 million in 2017.After ceding of re-insurance premium,the net premium of the Motor Department amounted to Tk. 35.37 million.

### **Miscellaneous Insurance Business**

Premium income from miscellaneous insurance business increased to Tk. 53.76 million against Tk. 36.04 Million in 2017.

### **Dividend**

From the retained earnings of 2018, the Board of Directors was pleased to recommended 10% Cash dividend for its shareholders for 2018 against 7% cash dividend for 2017.

## **Directors' Appointment and Re-Appointment**

With regard to the appointment, retirement and re-appointment of directors, the company is governed by its Articles of Association, the Companies Act.1994 and other related legislations. Accordingly, the following Directors of the Board were retired at the forthcoming Annual General Meeting.

1. Mr. Abdullah Al-Mamun
2. Mrs. Shahzadi Begum
3. Mrs. Soera Zahir
4. Mrs. Nabila Mahmud

They are however eligible for re-appointment and have expressed their desire and given respective consent for re-election.

## Appointment of Auditors and fixation of their Remuneration.

### Statutory Auditors:

Mahfel Huq & Co, Chartered Accountants was appointed as the Statutory Auditor of the Company at the 18th AGM held on 10th April, 2018. They have completed their appointment and eligible for reappointment.

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

For issuing certificate on compliance of conditions of corporate governance code, Ahmed Zaker & Co. Chartered Accountants to be appointed as a new Compliance auditor for the company, who will provide the certificate on compliance of Corporate Governance Code for the year 2019.

## Initial Public Offering (IPO)

As per Insurance Act-2010, the Board of Directors of the Company have decided to go for Initial Public Offering (IPO) after completing formalities of raising paid up Capital to Tk. 40,00,00,000/- from Tk. 6,00,00,000/-. The portion of Sponsor Directors and public shall be 60% and 40% i.e. Shares' amount Tk. 24,00,00,000/-and Tk.16,00,00,000/- respectively. Though Crystal Insurance Company (CICL) has been operating insurance business since June, 2000 as one of the General Insurance Companies of third generation, it has already strengthened its financial position and established a good & reputation in the insurance market as well as the in country.

As per the preceding year's planning the Crystal Insurance Company Limited prepared its Draft Prospectus accompanied by detailed information and supporting documents and applied for initial public offering (IPO) to Bangladesh Securities and Exchange Commission (BSEC), Dhaka Stock Exchanges (DSE), and Chittagong Stock Exchanges (CSE) in April 23, 2018 as per requirement of the Bangladesh Securities and Exchange Commission (BSEC) Public Issue Rules, 2015.

On examination of the aforesaid application, draft prospectus and other relevant documents, Bangladesh Securities and Exchange Commission (BSEC) issued a letter on 18th December, 2018 asking to provide our explanations, replies or necessary amendedments to the deficiencies observed. We responded to Queries on Initial public Offering on the 29th January, 2019.

Prior to that Dhaka Stock Exchange issued a letter on May 24, 2018 to Crystal Insurance Company limited queries on the draft prospectus and we responded to the queries accordingly on June 7, 2018.

Moreover, Chittagong Stock Exchange issued letter on September 25, 2018 on our deficiencies and we responded the same on October 15, and December 23, 2018.

We are now waiting for consent of BSEC for issuance of 16,00,000 ordinary shares of Tk.10 each at an issue price of Tk.10 per share totaling Tk. 16.00 crore through Initial Public Offering.

## Transparency and Accountability

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

## Corporate Responsibility

Since inception, Crystal Insurance Company Ltd. tried to enrich economic & social support to the nation through contribution towards financing in Education and Scholarship, Poverty elevations, Healthcare Support & Motivation of people for Green Environment.

CICL offers scholarship to Employees' children contributing to national academic program of human resource development.

## Contribution to National Exchequer

Crystal Insurance Company Ltd. pays Tax and levies to the National Exchequer contributing to economic development.

## Acknowledgement

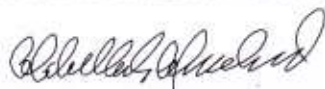
We gratefully acknowledge the trust of the shareholders of the Company including our clients for their brand loyalty. We deeply value the generous and complete support and cooperation of our business partners and we assure them that it will be our constant effort to prove worthy of the trust they have reposed on us.

We are thankful and appreciate the help and cooperation that we have been receiving from the relevant Ministries, Sadharan Bima Corporation and its staff, Bangladesh Bank and scheduled banks, financial institutions, local and foreign Chamber Bodies, Registrar of Joint stock Companies and Firms (RJSC), Dhaka Stock Exchange Ltd. (DSE), Chittagong Stock Exchange Ltd. (CSE) and Bangladesh Securities & Exchange Commission (BSEC).

We are particularly, thankful for the help and co operation of the Chairman and Members of Insurance Development and Regulatory Authority (IDRA) and its other employees who have always been very helpful in oftening advice and guidance to run the affairs of the Crystal Insurance Company Ltd smoothly.

We also proudly acknowledge the loyalty and commitment of our staff and officers without whose enthusiasm, contribution and help the Company could not have attained its present position.

For and on behalf of the Board of Directors



**Abdullah Al-Mahmud**  
Chairman

## Directors' Report Annexure

- Delaration by CEO and CFO.  
**Annexure-A**
- Compliance Certificate on the corporate governance code.  
**Annexure-B**
- Reports on corporate governance code.  
**Annexure-C**
- Directors' involvement in other organization.  
**Annexure-D**
- Board Structure.  
**Annexure-E**
- During the year,2018 a total of 05 (Five) Board meetings were held,which met the regulatory requirements in this respect.the attendance records of the Directors are shown in  
**Annexure-F**
- Statutory functions of external Auditors.  
**Annexure-G**
- Shaeholding pattern of the Company as on 31st December 2018 is shown in  
**Annexure-H**

## Crystal Insurance Company Limited

### Declaration by CEO and CFO

The Board of Directors  
Crystal Insurance Company Limited  
DR Tower (14th floor), 65/2/2  
Purana Paltan, Box Culvert Road,  
Dhaka-1000.

#### Subject: Declaration on Financial Statements for the year ended on 31st December 2018.

Dear Sirs,

Pursuant to the condition No. 1(5) (xxvi) imposed vide the Commission's Notification No.SEC/CMRRCD/2006/158/207/Admin/80 Dated 3rd June, 2018 under section 2CC of the Securities and Exchange Ordinance, 1969, we do hereby declare that:

1. The Financial Statements of Crystal Insurance Company Limited for the year ended on 31st December 2018 have been prepared in compliance with International Accounting Standards (IAS) or International Financial Reporting Standards (IFRS), as applicable in the Bangladesh and any departure there from has been adequately disclosed;
2. The estimates and judgments related to the financial statements were made on a prudent and reasonable basis, in order for the financial statements to reveal a true and fair view;
3. The form and substance of transactions and the Company's state of affairs have been reasonably and fairly presented in its financial statements;
4. To ensure above, the Company has taken proper and adequate care in installing a system of internal control and maintenance of accounting records;
5. Our internal auditors have conducted periodic audits to provide reasonable assurance that the established policies and procedures of the Company were consistently followed; and
6. The management's use of the going concern basis of accounting in preparing the financial statements is appropriate and there exists no material uncertainty related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern.

In this regard, we also certify that:

- (i) We have reviewed the financial statements for the year ended on 31st December 2018 and that to the best of our knowledge and belief:
  - (a) these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
  - (b) these statements collectively present true and fair view of the Company's affairs and are in compliance with existing accounting standards and applicable laws.
- (ii) There are, to the best of knowledge and belief, no transactions entered into by the Company during the year which are fraudulent, illegal or in violation of the code of conduct for the company's Board of Directors or its members.



**Mia Fazle Karim, FCA**  
Chief Executive Officer



**M. Mahfuzur Rahman, ACA**  
Chief Financial Officer

Report to the Shareholders  
Of  
**Crystal Insurance Company Limited**  
**On Compliance on the Corporate Governance Code**

We have examined the compliance status to the Corporate Governance Code by **Crystal Insurance Company Limited** for the year ended on 31ST December 2018. This Code relates to the Notification No. BSEC/CMRRCD/2006- 158/207/Admin/80 dated 03 June 2018 of the Bangladesh Securities and Exchange Commission.

Such compliance with the Corporate Governance Code is the responsibility of the company. Our Examination was limited to the procedures and implementation thereof as adopted by the Management in ensuring compliance to the conditions of the Corporate Governance Code.

This is a scrutiny and verification and an independent audit on compliance of the conditions of the Corporate Governance Code as well as the provisions of relevant Bangladesh Secretarial Standards (BSS) as adopted by Institute of Chartered Secretaries of Bangladesh (ICSB) in so far as those standards are not inconsistent with any condition of this Corporate Governance Code.

We state that we have obtained all the information and explanations, which we have required, and after due scrutiny and verification thereof, we report that, in our opinion:

- (a) The Company has complied with the conditions of the Corporate Governance Code as stipulated in the above mentioned Corporate Governance Code issued by the Commission;
- (b) The Company has complied with the provisions of the relevant Bangladesh Secretarial Standards (BSS) as adopted by the Institute of Chartered Secretaries of Bangladesh (ICSB) as required by this Code;
- (c) Proper books and records have been kept by the company as required under the Companies Act, 1994, the securities laws and other relevant laws; and
- d) The Governance of the company is satisfactory.

**Sd/-**  
**Ahmed Zaker FCA**  
Managing Partner  
Ahmed Zaker & Co.  
Chartered Accountants

[As per condition No. 1(5) (xxvi)]

## Crystal Insurance Company Limited

### Declaration by CEO and CFO

The Board of Directors  
Crystal Insurance Company Limited  
DR Tower (14th floor), 65/2/2  
Purana Paltan, Box Culvert Road,  
Dhaka-1000.

#### Subject: Declaration on Financial Statements for the year ended on 31st December 2018.

Dear Sirs,

Pursuant to the condition No. 1(5) (xxvi) imposed vide the Commission's Notification No.SEC/CMRRCD/2006/158/207/Admin/80 Dated 3rd June, 2018 under section 2CC of the Securities and Exchange Ordinance, 1969, we do hereby declare that:

1. The Financial Statements of Crystal Insurance Company Limited for the year ended on 31st December 2018 have been prepared in compliance with International Accounting Standards (IAS) or International Financial Reporting Standards (IFRS), as applicable in the Bangladesh and any departure there from has been adequately disclosed;
2. The estimates and judgments related to the financial statements were made on a prudent and reasonable basis, in order for the financial statements to reveal a true and fair view;
3. The form and substance of transactions and the Company's state of affairs have been reasonably and fairly presented in its financial statements;
4. To ensure above, the Company has taken proper and adequate care in installing a system of internal control and maintenance of accounting records;
5. Our internal auditors have conducted periodic audits to provide reasonable assurance that the established policies and procedures of the Company were consistently followed; and
6. The management's use of the going concern basis of accounting in preparing the financial statements is appropriate and there exists no material uncertainty related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern.

In this regard, we also certify that:

- (i) We have reviewed the financial statements for the year ended on 31st December 2018 and that to the best of our knowledge and belief:
  - (a) these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
  - (b) these statements collectively present true and fair view of the Company's affairs and are in compliance with existing accounting standards and applicable laws.
- (ii) There are, to the best of knowledge and belief, no transactions entered into by the Company during the year which are fraudulent, illegal or in violation of the code of conduct for the company's Board of Directors or its members.



**Mia Fazle Karim, FCA**  
Chief Executive Officer



**M. Mahfuzur Rahman, ACA**  
Chief Financial Officer



[As per condition No. 1(5) (xxvii)]

## Corporate Governance Compliance Report

Status of compliance with the conditions imposed by the Commission's Notification No. SEC/CMRRCD/2006-158/207/Admin/80 dated 3 June 2018 issued under section 2CC of the Securities and Exchange Ordinance, 1969:

(Report under Condition No. 9)

Condition No.	Title	Compliance Status (Put $\checkmark$ in the appropriate column)		Remarks (if any)
		Complied	Not Complied	
<b>1</b>	<b>Board of Directors</b>			
1(1)	Size of the Board of Directors: The total number of members of a Company's Board of Directors (hereinafter referred to as "Board") shall not be less than 5 (five) and more than 20 (twenty).	$\checkmark$		
<b>1(2)</b>	<b>Independent Directors</b>			
1(2)(a)	At least one-fifth (1/5) of the total number of directors in the Company's Board shall be Independent Directors; any fraction shall be considered to the next integer or whole number for calculating number of Independent Director(s);			2 Independent Directors have been appointed as per Insurance Act, 2010
1(2)(b)(i)	Who either does not hold any share in the Company or holds less than one percent (1%) shares of the total paid-up shares of the Company;	$\checkmark$		
1(2)(b)(ii)	Who is not a sponsor of the Company or is not connected with the Company's any sponsor or director or nominated director or shareholder of the Company or any of its associates, sister concerns, subsidiaries and parents or holding entities who holds one percent (1%) or more shares of the total paid-up shares of the Company on the basis of family relationship and his or her family also shall not hold above mentioned shares in the Company.	$\checkmark$		
1(2)(b)(iii)	Who has not been an executive of the Company in immediately preceding 2 (two) financial years;	$\checkmark$		
1(2)(b)(iv)	Who does not have any other relationship, whether pecuniary or otherwise, with the Company or its subsidiary or associated Companies;	$\checkmark$		
1(2)(b)(v)	Who is not a member or TREC (Trading Right Entitlement Certificate) holder, director or officer of any stock Exchange.	$\checkmark$		
1(2)(b)(vi)	Who is not a shareholder, director excepting independent director or officer of any member or TREC holder of Stock Exchange or an intermediary of the capital market;	$\checkmark$		

1(2)(b)(vii)	Who is not a partner or an executive or was not a partner or an executive during the preceding 3(three) years of the concerned company's statutory audit firm or audit firm engaged in internal audit services or audit firm conducting special audit or professional certifying compliance of this Code;	√		
1(2)(b)(viii)	Who is not independent director in more than 5(five) listed companies;	√		
1(2)(b)(ix)	Who has not been convicted by a court of competent jurisdiction as a defaulter in payment of any loan or any advance to a bank or a Non- Bank financial Institution (NBFI); and	√		
1(2)(b)(x)	Who has not been convicted for a criminal offence involving moral turpitude;	√		
1(2)(c)	The independent director(s) shall be appointed by the Board and approved by the shareholders in the Annual General Meeting(AGM);	√		
1(2)(d)	The post of independent director(s) cannot remain vacant for more than 90 (ninety) days; and	√		There was no such vacancy
1(2)(e)	The tenure of office of an independent director shall be for a period of 3 (three) years which may be extended for 1(one) tenure only;	√		
<b>1(3)</b>	<b>Qualification of Independent Director</b>			
1(3)(a)	Independent director shall be a knowledgeable individual with integrity who is able to ensure compliance with financial laws, regularity requirements and corporate laws and can make meaningful contribution to the business;	√		
1(3)(b)(i)	Business Leader who is or was a promoter or director of an unlisted Company having minimum paid-up-capital of Tk. 100.00 million or any listed Company or a member of any national or international chamber of commerce or business association; or	√		
1(3)(b)(ii)	Corporate Leader who is or was a top level executive not lower than Chief Executive Officer or Managing Director or Deputy Managing Director or Chief Financial Officer or Head of Finance or Accounts or Company Secretary or Head of Internal Audit and Compliance or Head of Legal Service or a candidate with equivalent position of an unlisted Company having minimum paid-up-capital of Tk. 100.00 million or of a listed Company; or	√		

1(3)(b)(iii)	Former official of government or statutory or autonomous or regulatory body in the position not below 5 <sup>th</sup> Grade of the national pay scale, who has at least educational background of bachelor degree in economics or commerce or business or Law; or	√		
1(3)(b)(iv)	University Teacher who has educational background in Economics or Commerce or Business Studies or Law; or	√		
1(3)(b)(v)	Professional who is or was an advocate practicing at least in the High Court Division of Bangladesh Supreme Court or a Chartered Accountant or Cost and Management Accountant or Chartered Financial Analyst or Chartered Certified Accountant or Certified Public Accountant or Chartered Management Accountant or Chartered Secretary or equivalent qualification;	√		
1(3)(c)	The independent director shall have at least 10 (ten) years of experiences in any field mentioned in clause (b);	√		
1(3)(d)	In special cases, the above qualifications or experiences may be relaxed subject to prior approval of the Commission.	N/A		
<b>1(4)</b>	<b>Duality of Chairpersons of the Board of Directors and Managing Director or Chief Executive Officer:</b>			
1(4)(a)	The positions of the Chairpersons of the Board and the Managing Director (MD) and /or Chief Executive Officer (CEO) of the Company shall be filled by different individuals;	√		
1(4)(b)	The Managing Director (MD) and / or Chief Executive Officer (CEO) of a listed Company shall not hold the same position in another listed Company;	√		
1(4)(c)	The Chairperson of the Board shall be elected from among the non-executive directors of the Company;	√		
1(4)(d)	The Board shall clearly define respective roles and responsibilities of the Chairperson and the Managing Director and / or Chief Executive Officer;	√		
1(4)(e)	In the absence of the Chairperson of the Board, the remaining members may elect one of themselves from non-executive directors as Chairperson for that particular Board's meeting; the reason of absence of the regular Chairperson shall be duly recorded in the minutes.	√		
<b>1(5)</b>	<b>The Directors' Report to Shareholders</b>			
1(5)(i)	An industry outlook and possible future developments in the industry;	√		

1(5)(ii)	The segment-wise or product-wise performance;	√		
1(5)(iii)	Risks and concerns including internal and external risk factors, threat to sustainability and negative impact on environment, if any;	√		
1(5)(iv)	A discussion on Cost of Goods Sold, Gross Profit Margin and Net Profit Margin, where applicable;	√		
1(5)(v)	A discussion on continuity of any extraordinary activities and their implications(gain or loss);	N/A		The Company has no such gain/loss;
1(5)(vi)	A detailed discussion on related party transactions along with a statement showing amount, nature of related party, nature of transactions and basis of transactions of all related party transactions;	√		
1(5)(vii)	A statement of utilization of proceeds raised through public issues, rights issues and / or any other instruments;	N/A		
1(5)(viii)	An explanation if the financial results deteriorate after the Company goes for initial Public Offering(IPO), Repeat Public Offering (RPO), Rights Share Offer, Direct Listing, etc;	N/A		
1(5)(ix)	An explanation on any significant variance that occurs between Quarterly Financial performances and Annual Financial Statements;	N/A		
1(5)(x)	A statement of remuneration paid to the directors including independent directors;	√		
1(5)(xi)	A statement that the financial statements prepared by the management of the issuer Company present fairly its state of affairs, the result of its operations, cash flows and changes in equity;	√		
1(5)(xii)	A statement that proper books of account of the issuer Company have been maintained;	√		
1(5)(xiii)	A statement that appropriate accounting policies have been consistently applied in preparation of the financial statements and that the accounting estimates are based on reasonable and prudent judgment;	√		
1(5)(xiv)	A statement that International Accounting Standards(IAS) or International Financial Reporting Standards(IFRS), as applicable in Bangladesh, have been followed in preparation of the financial statements and any departure there from has been adequately disclosed;	√		

1(5)(xv)	A statement that the system of internal control is sound in design and has been effectively implemented and monitored;	√		
1(5)(xvi)	A statement that minority shareholders have been protected from abusive actions by, or in the interest of, controlling shareholders acting either directly or indirectly and have effective means of redress;	√		
1(5)(xvii)	A statement that there is no significant doubt upon the issuer Company's ability to continue as a going concern, if the issuer Company is not considered to be a going concern, the fact along with reasons there of shall be disclosed;	√		No doubt regarding going concern issue.
1(5)(xviii)	An explanation that significant deviations from the last year's operating results of the issuer Company shall be highlighted and the reasons thereof shall be explained;	√		-
1(5)(xix)	A statement where key operating and financial data of at least preceding 5(five) years shall be summarized;	√		
1(5)(xx)	An explanation on the reasons if the issuer Company has not declared dividend (cash or stock) for the year;	√		
1(5)(xxi)	Board's statement to the effect that no bonus share or stock dividend has been or shall be declared as interim dividend;	√		
1(5)(xxii)	The total number of Board meeting held during the year and attendance by each director;	√		
1(5)(xxiii)	A report on the pattern of shareholding disclosing the aggregate number of shares(along with name-wise details where stated below) held by:			
1(5)(xxiii)(a)	Parent or Subsidiary or Associated Companies and other related parties(name-wise details);	√		
1(5)(xxiii)(b)	Directors, Chief Executive Officer, Company Secretary, Chief Financial Officer, Head of Internal Audit and Compliance and their spouses and minor children(name-wise details);	√		
1(5)(xxiii)(c)	Executives; and	√		
1(5)(xxiii)(d)	Shareholders holding ten percent (10%) or more voting interest in the Company (name-wise details);	N/A		
1(5)(xxiv)	In case of the appointment or reappointment of a director, a disclosure on the following information to the shareholders:			
1(5)(xxiv)(a)	A brief resume of the director;	√		
1(5)(xxiv)(b)	Nature of his her expertise in specific functional areas; and	√		

1(5)(xxiv)(c)	Names of companies in which the person also holds the directorship and the membership of committees of the Board;	√		
1(5)(xxv)	A Management's Discussion and Analysis signed by CEO or MD presenting detailed analysis of the Company's position and operations along with a brief discussion of changes in the financial statements, among others, focusing on:			
1(5)(xxv)(a)	Accounting policies and estimation for preparation of financial statements;	√		
1(5)(xxv)(b)	Changes in accounting policies and estimation, if any, clearly describing the effect on financial performance or results and financial position as well as cash flows in absolute figure for such changes;	√		
1(5)(xxv)(c)	Comparative analysis(including effects of inflation) of financial performance or results and financial position as well as cash flows for current financial year with immediate preceding five years explaining reasons thereof;	√		
1(5)(xxv)(d)	Compare such financial performance or results and financial position as well as cash flows with the peer industry scenario;	√		
1(5)(xxv)(e)	Briefly explain the financial and economic scenario of the Country and the globe;	√		
1(5)(xxv)(f)	Risks and concerns issues related to the financial statements, explaining such risk and concerns mitigation plan of the Company; and	√		
1(5)(xxv)(g)	Future plan or projection or forecast for Company's operation, performance and financial position, with justification thereof, i.e., actual position shall be explained to the shareholders in the next AGM;	√		
1(5)(xxvi)	Declaration or certification by the CEO and the CFO to the Board as required under condition No. 3(3) shall be disclosed as per Annexure-A; and	√		
1(5)(xxvii)	The report as well as certificate regarding compliance of conditions of this Code as required under condition No. 9 shall be disclosed as per Annexure-B and Annexure-C.	√		
<b>1(6)</b>	<b>Meetings of the Board of Directors</b>			
	The Company shall conduct its Board Meetings and record the minutes of the meetings as well as keep required books and records in line with the provisions of the relevant Bangladesh Secretarial Standards (BSS) as adopted by the Institute of Chartered Secretaries of Bangladesh (ICSB) in so far as those standards are not inconsistent with any condition of this Code.	√		

<b>1(7)</b>	<b>Code of Conduct for the Chairperson, other Board members and Chief Executive Officer</b>			
1(7)(a)	The Board shall lay down a code of conduct, based on the recommendation of the Nomination and Remuneration Committee(NRC) at condition No. 6, for the Chairperson of the Board, other Board members and Chief Executive Officer of the Company;	√		
1(7)(b)	The code of conduct as determined by the NRC shall be posted on the website of the Company including, among others, prudent conduct and behavior; confidentiality; conflict of interest, compliance with laws, rules and regulations; prohibition of insider trading; relationship with environment, employees, customers and suppliers; and independency.	√		
<b>2</b>	<b>Governance of Board of Directors of Subsidiary Company:</b>			
2(a)	Provisions relating to the composition of the Board of the holding Company shall be made applicable to the composition of the Board of the subsidiary Company;	N/A		CICL has no Subsidiary Company
2(b)	At least 1 (one) independent director on the Board of the holding Company shall be a director on the Board of the subsidiary Company;	N/A		CICL has no Subsidiary Company
2(c)	The minutes of the Board meeting of the subsidiary Company shall be placed for review at the following Board meeting of the holding Company;	N/A		CICL has no Subsidiary Company
2(d)	The minutes of the respective Board meeting of the holding Company shall state that they have reviewed the affairs of the subsidiary Company also;	N/A		CICL has no Subsidiary Company
2(e)	The Audit Committee of the holding Company shall also review the financial statements, in particular the investments made by the subsidiary Company.	N/A		CICL has no Subsidiary Company
<b>3</b>	<b>Managing Director (MD) or Chief Executive Officer (CEO), Chief Financial Officer (CFO), Head of Internal Audit and Compliance (HIAC) and Company Secretary.-</b>			
<b>3(1)</b>	<b>Appointment</b>			
3(1)(a)	The Board shall appoint a Managing Director (MD) or Chief Executive Officer (CEO), a Company Secretary (CS), a Chief Financial Officer (CFO), and a Head of Internal Audit and Compliance (HIAC);	√		

3(1)(b)	The position of the managing Director (MD) or Chief Executive Officer (CEO), Company Secretary (CS), Chief Financial Officer (CFO), and Head of Internal Audit and Compliance (HIAC) shall be filed by different individuals;	√		
3(1)(c)	The MD or CEO, CS, CFO and HIAC of a listed Company shall not hold any executive position in any other Company at the same time;	√		
3(1)(d)	The Board shall clearly define respective roles, responsibilities and duties of the CFO, the HIAC and the CS;	√		
3(1)(e)	The MD or CEO, CS, CFO and HIAC shall not be removed from their position without approval of the Board as well as immediate dissemination to the Commission and stock exchange(s).	√		
<b>3(2)</b>	<b>Requirement to attend Board of Directors' Meetings</b>			
3(3)(a)(i)	these statement do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading; and	√		
3(3)(a)(ii)	these statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards and applicable laws;	√		
3(3)(b)	The MD or CEO and CFO shall also certify that there are, to the best of knowledge and belief, no transactions entered into by the Company during the year which are fraudulent, illegal or in violation of the code of conduct for the Company's Board or its members;	√		
3(3)(c)	The certification of the MD or CEO and CFO shall be disclosed in the Annual Report.	√		
<b>4</b>	<b>Board of Directors' Committee:</b>			
	For ensuring good governance in the Company, The Board shall have at least following sub - committees:			
4(i)	Audit Committee; and	√		
4(ii)	Nomination and Remuneration Committee.	√		
<b>5</b>	<b>Audit Committee:</b>			
<b>5(1)</b>	<b>Responsibility to the Board of Directors</b>			
5(1)(a)	The Company shall have an Audit Committee as a sub-committee of the Board;	√		
5(1)(b)	The Audit committee shall assist the Board in ensuring that the financial statements reflect true and fair view of the state of affairs of the Company and in ensuring a good monitoring system within the business;	√		
5(1)(c)	The Audit Committee shall be responsible to the Board; the duties of the Audit Committee shall be clearly set forth in writing.	√		



<b>5(2)</b>	<b>Constitution of the Audit Committee</b>			
5(2)(a)	The Audit Committee shall be composed of at least 3(three) members;	√		
5(2)(b)	The Board shall appoint members of the Audit Committee who shall be non-executive directors of the Company excepting Chairpersons of the Board and shall include at least 1(one) independent director;	√		
5(2)(c)	All members of the audit committee should be "financially literate" and at least 1(one) member shall have accounting or related financial management background and 10 (ten) years of such experience;	√		
5(2)(d)	When the term of service of any Committee member expires or there is any circumstance causing any committee member to be unable to hold office before expiration of the term of service, thus making the number of the committee members to be lower than the prescribed number of 3(three) persons, the Board shall appoint the new Committee member to fill up the vacancy immediately or not later than 1(one) month from the date of vacancy in the Committee to ensure continuity of the performance of work of the Audit Committee;	√		
5(2)(e)	The Company secretary shall act as the secretary of the Committee;	√		
5(2)(f)	The quorum of the Audit Committee meeting shall not constitute without at least 1(one) independent director.	√		
<b>5(3)</b>	<b>Chairperson of Audit Committee</b>			
5(3)(a)	The Board shall select 1(one) member of the Audit Committee to be Chairperson of the Audit Committee, who shall be an independent director;	√		
5(3)(b)	In the absence of the Chairperson of the Audit Committee, the remaining members may elect one of themselves as Chairperson for that particular meeting, in that case there shall be no problem of constituting a quorum as required under condition No. 5(4)(b) and the reason of absence of the regular Chairperson shall be duly recorded in the minutes.	√		
5(3)(c)	Chairperson of the Audit Committee shall remain present in the Annual General Meeting(AGM);	√		
<b>5(4)</b>	<b>Meeting of the Audit Committee</b>			
5(4)(a)	The Audit Committee shall conduct at least its four meetings in a financial year;	√		

5(4)(b)	The quorum of the meeting of the Audit Committee shall be constituted in presence of either two members or two-third of the members of the Audit Committee, whichever is higher, where presence of an independent director is a must.	√		
<b>5(5)</b>	<b>Role of Audit Committee</b>			
	The Audit Committee shall:			
5(5)(a)	Oversee the financial reporting process;	√		
5(5)(b)	Monitor choice of accounting policies and principles;	√		
5(5)(c)	Monitor Internal Audit and Compliance process to ensure that it is adequately resourced, including approval of the Internal Audit and Compliance Plan and review of the Internal Audit and Compliance Report;	√		
5(5)(d)	Oversee hiring and performance of external auditors;	√		
5(5)(e)	Hold meeting with the external or statutory auditors for review of the annual financial statements before submission to the Board for approval or adoption;	√		
5(5)(f)	Review along with the management, the annual financial statements before submission to the Board for approval;	√		
5(5)(g)	Review along with the management, the quarterly and half yearly financial statements before submission to the Board for approval;	N/A		
5(5)(h)	Review the adequacy of internal audit function;	√		
5(5)(i)	Review the Management's Discussion and Analysis before disclosing in the Annual Report;	√		
5(5)(j)	Review statement of all related party transactions submitted by the management;	√		
5(5)(k)	Review Management Letters or Letter of Internal Control weakness issued by the statutory auditors;	√		
5(5)(l)	Oversee the determination of audit fees based on scope and magnitude, level of expertise deployed and time required for effective audit and evaluate the performance of external auditors; and	√		
5(5)(m)	Oversee whether the proceeds raised through Internal Public Offering (IPO) or Repeat Public Offering(RPO) or Rights Share Offer have been utilized as per the purpose stated in relevant offer document or prospectus approved by the Commission.	N/A		
<b>5(6)</b>	<b>Reporting of the Audit Committee</b>			
5(6)(a)(i)	The Audit Committee shall report on its activities to the Board.	√		

5(6)(a)(ii)(a)	Report on conflicts of interests;	N/A		
5(6)(a)(ii)(b)	Suspected or presumed fraud or irregularity or material defect identified in the internal audit and compliance process or in the financial statements;	N/A		
5(6)(a)(ii)(c)	Suspected infringement of laws, regulatory compliances including securities related laws, rules and regulations; and	N/A		
5(6)(a)(ii)(d)	Any other matter which the Audit Committee deems necessary shall be disclosed to the Board immediately;	√		
<b>5(6)(b)</b>	<b>Reporting to the Authorities</b>			
	If the Audit Committee has reported to the Board about anything which has material impact on the financial condition and results of operation and has discussed with the Board and the management that any rectification is necessary and if the Audit Committee finds that such rectification has been unreasonable ignored, the Audit Committee shall report such finding to the Commission, upon reporting of such matters to the Board for three times or completion of a period 6(six) months from the date of first reporting to the Board, whichever is earlier.	N/A		
<b>5(7)</b>	<b>Reporting to the Shareholders and General Investors</b>			
	Report on activities carried out by the Audit Committee, including any report made to the Board under condition No. 5(6)(a)(ii) above during the year, shall be signed by the Chairperson of the Audit Committee and disclosed in the annual report of the issuer Company.	N/A		
<b>6</b>	<b>Nomination and Remuneration Committee (NRC):</b>			
<b>6(1)</b>	<b>Responsibility to the Board of Directors</b>			
6(1)(a)	The Company shall have a Nomination and Remuneration Committee (NRC) as a sub-committee of the Board;	√		
6(1)(b)	The NRC shall assist the Board in formulation of the nomination criteria or policy for determining qualifications, positive attributes, experiences and independence of directors and top level executive as well as a policy for formal process of considering remuneration of directors, top level executive;	√		
6(1)(c)	The Terms of Reference (TOR) of the NRC shall be clearly set forth in writing covering the areas stated at the condition No. 6(5) (b).	√		

<b>6(2)</b>	<b>Constitution of NRC</b>			
6(2)(a)	The Committee shall comprise of at least three members including an independent director;	√		
6(2)(b)	All members of the Committee shall be non-executive directors;	√		
6(2)(c)	Members of the Committee shall be nominated and appointed by the Board;	√		
6(2)(d)	The Board shall have authority to remove and appoint any member of the Committee;	√		
6(2)(e)	In case of death, resignation, disqualification, or removal of any member of the Committee or in any other cases of vacancies, the board shall fill the vacancy within 180(one hundred eighty) days of occurring such vacancy in the Committee;	√		
6(2)(f)	The Chairperson of the Committee may appoint or co-opt any external expert and/ or member(s) of staff to the Committee as advisor who shall be non-voting member, if the Chairperson feels that advice or suggestion from such external expert and / or member(s) of staff shall be required or valuable for the Committee;	√		
6(2)(g)	The Company secretary shall act as the secretary of the Committee;	√		
6(2)(h)	The quorum of the NRC meeting shall not constitute without attendance of at least an independent director;	√		
6(2)(i)	No member of the NRC shall receive, either directly or indirectly, any remuneration for any advisory or consultancy role or otherwise, other than Director's fees or honorarium from the Company.	√		
<b>6(3)</b>	<b>Chairperson of the NRC</b>			
6(3)(a)	The Board shall select 1 (one) member of the NRC to be Chairperson of the Committee, who shall be an independent director;	√		
6(3)(b)	In the absence of the Chairperson of the NRC, the remaining members may elect one of themselves as Chairperson for that particular meeting, the reason of absence of the regular Chairperson shall be duly recorded in the minutes;	√		
6(3)(c)	The Chairperson of the NRC shall attend the annual general meeting (AGM) to answer the queries of the shareholders;	√		
<b>6(4)</b>	<b>Meeting of NRC</b>			
6(4)(a)	The NRC shall conduct at least one meeting in a financial year;	√		

6(4)(b)	The Chairperson of the NRC may convey any emergency meeting upon request by any member of the NRC;	√		
6(4)(c)	The quorum of the meeting of the NRC shall be constituted in presence of either two members or two third of the members of the Committee, whichever is higher, where presence of an independent director is must as required under condition No. 6(2) (h);	√		
6(4)(d)	The proceedings of each meeting of the NRC shall duly be recorded in the minutes and such minutes shall be confirmed in the next meeting of the NRC.	√		
<b>6(5)</b>	<b>Role of the NRC</b>	√		
6(5)(a)	NRC shall be independent and responsible or accountable to the Board and to the shareholders;	√		
6(5)(b)	NRC shall oversee, among others, the following matters and make report with recommendation to the Board:	√		
6(5)(b)(i)	Formulating the criteria for determining qualifications, positive attributes and independence of a director and recommend a policy to the Board, relating to the remuneration of the directors, top level executive, considering the following:	√		
6(5)(b)(i)(a)	The level and composition of remuneration is reasonable and sufficient to attract, retain and motivate suitable directors to run the Company successfully;	√		
6(5)(b)(i)(b)	The relationship of remuneration to performance is clear and meets appropriate performance benchmarks; and	√		
6(5)(b)(i)(c)	Remuneration to directors, top level executive involves a balance between fixed and incentive pay reflection short and long-term performance objectives appropriate to the working of the Company and its goal;	√		
6(5)(b)(ii)	Devising a policy on Board's diversity taking into consideration age, gender, experience, ethnicity, educational background and nationality;	√		
6(5)(b)(iii)	Identification persons who are qualified to become directors and who may be appointed in top level executive position in accordance with the criteria laid down, and recommended their appointment and removal to the Board;	√		
6(5)(b)(iv)	Formulating the criteria for evaluation of performance of independent directors and the Board;	√		

6(5)(b)(v)	Identification the Company's needs for employees at different levels and determine their selection, transfer or replacement and promotion criteria; and	√		
6(5)(b)(vi)	Developing, recommending and reviewing annually the Company's human resource and training policies;	√		
6(5)(c)	The Company shall disclose the nomination and remuneration police and the evaluation criteria and activities of NRC during the year at a glance in its annual report.	√		
<b>7</b>	<b>External or Statutory Auditors:</b>			
7(1)	The issuer Company shall not engage its external or statutory auditors to perform the following services of the Company, namely:	√		
7(1)(i)	Appraisal or valuation service or fairness opinions;	√		
7(1)(ii)	Financial information systems design and implementation;	√		
7(1)(iii)	Book-keeping or other services related to the accounting records or financial statements;	√		
7(1)(iv)	Broker-dealer services;	√		
7(1)(v)	Actuarial services;	√		
7(1)(vi)	Internal audit services or special audit services;	√		
7(1)(vii)	Any services that the Audit Committee determines;	√		
7(1)(viii)	Audit or certification services on compliance of corporate governance as required under condition No. 9(1); and	√		
7(1)(ix)	Any other service that creates conflicts of interest.	√		
7(2)	No partner or employees of the external audit firms shall possess any share of the Company they audit at least during the tenure of their audit assignment of that Company; his or her family members also shall not hold any shares in the said Company;	√		
7(3)	Representative of external or statutory auditors shall remain present in the Shareholders' Meeting (Annual general Meeting or Extraordinary General Meeting) to ensure the queries of the shareholders.	√		
<b>8</b>	<b>Maintaining a website by the Company:</b>			
8(1)	The Company shall have an official website linked with the website of the stock exchange.	√		

8(2)	The Company shall keep the website functional from the date of listing.	√		
8(3)	The Company shall make available the detailed disclosures on its website as required under the listing regulations of the concerned stock exchange(s).	√		
<b>9</b>	<b>Reporting and Compliance of Corporation Governance:</b>			
9(1)	The Company shall obtain a certificate from a practicing Professional Accountant or Secretary ( Chartered Accountant or Cost and Management Accountant or Chartered Secretary) other than its statutory auditors or audit firm on yearly basis regarding compliance of conditions of Corporate Governance Code of the Commission and shall such certificate shall be disclosed in the Annual Report.	√		
9(2)	The professional who will provide the certificate on compliance of this Corporate Governance Code shall be appointed by the shareholders in the annual general meeting.	√		
9(3)	The directors of the Company shall state, in accordance with the <b>Annexure-C</b> attached, in the directors' report whether the Company has complied with these condition or not.	√		

**Directors' Involvement in other organization**

Sl	Name	Directorship/Sponsorship/ Ownership	Position in Crystal Insurance Company Ltd.	Position in the organization
1	Abdullah Al-Mahmud	Hamid Fabrics Ltd.	Chairman	Managing Director
		Mahin Apparels Ltd.		Managing Director
		Hamid Weaving Mills Ltd.		Managing Director
		Tazrian Weaving Mills Ltd.		Managing Director
		Tazrian Spinning Mills Ltd.		Managing Director
		Grameen Solution Ltd.		Director
2	Md. Tajul Islam	Partex Properties Ltd.	Director	Chief Executive Officer
		Partex Holdings Ltd.		Chief Executive Officer
		Anwar Landmark Ltd.		Managing Director
		Asset Development & Holdings Ltd.		Managing Director
		Amin Mohammad Group		Director
		BRAC- Aarong		Director
3	A.H.M. Mozammel Hoque	Hamid Fabrics Ltd.	Director	Director
		Mahin Apparels Ltd.		Director
		Weaving Mills Ltd.		Director
		Tazrian Weaving Mills Ltd.		Director
4	Abdullah Hasan	Atlantic Garments Ltd.	Director	Managing Director
5	Abdullah Al-Mamun	Virginia Washing Plant	Director	Director
		Atlantic Apparels Ltd.		Director
6	Shahzadi Begum	Serve the People	Director	Chairperson
7	Farhana Danesh	Hamid Fabrics Ltd.	Director	Director
		Crystal Packaging Ltd.		Director
8	Mrs. Farzana Munny	Gaan Bangla TV Channel	Director	Chairperson
		Qubella Beauty Parlour		Proprietor
9	Nusrat Mahmud	Hamid Fabrics Ltd	Director	Director
10	Soera Zahir	None	Director	None
11	Nabila Mahmud	Hamid Fabrics Ltd.	Director	Director
12	Arafat Rashid	Home Textiles Ltd.	Director	Managing Director
		Apex Weaving Mills Ltd.		Director
13	Dr. M. Waliuzzaman	Bangladesh University of Engineering and Technology	Independent Director	Visiting Professor
14	Mr. Kazi Nasim Uddin Ahmed	Hamid Weaving Mills Ltd	Independent Director	Company Secretary



**Board of Directors of the company comprises with 14 (Fourteen) Directors including 2 (Two) Independent Directors.**

Sl	Sponsors/Directors	Position
1	Mr. Abdullah Al-Mahmud	Chairman
2	Mr. Md. Tajul Islam	Director
3	Mr. A.H.M. Mozammel Hoque	Director
4	Mr. Abdullah Hasan	Director
5	Mr. Abdullah Al-Mamun	Director
6	Mrs. Shahzadi Begum	Director
7	Mrs. Farhana Danesh	Director
8	Mrs. Farzana Munny	Director
9	Mrs. Nusrat Mahmud	Director
10	Ms. Soera Zahir	Director
11	Ms. Nabila Mahmud	Director
12	Mr. Arafat Rashid	Director
13	Dr. M. Waliuzzaman	Independent Director
14	Mr. Kazi Nasim Uddin Ahmed	Independent Director

**The total number of Board Meetings held and attendance of each Director:**

The Board of Directors' meetings held regularly and with due manner.  
A total of five (05) Board of Directors' meeting was held during the year 2018.

S.L	Name of Directors	Position	Attendance
01	Mr. Abdullah Al-Mahmud	Chairman	05
02	Mr. Md. Tajul Islam	Director	05
03	Mr. A.H.M. Mozammel Hoque	Director	05
04	Mr. Abdullah Hasan	Director	03
05	Mr. Abdullah Al-Mamun	Director	02
06	Mrs. Shahzadi Begum	Director	05
07	Mrs. Farhana Danesh	Director	05
08	Mrs. Farzana Munny	Director	03
09	Mrs. Nusrat Mahmud	Director	02
10	Ms. Soera Zahir	Director	04
11	Ms. Nabila Mahmud	Director	02
12	Mr. Arafat Rashid	Director	02
13	Dr. M. Waliuzzaman	Independent Director	03
14	Mr. Kazi Nasim Uddin Ahmed	Independent Director	03

N.B: CEO (Chief Executive Officer); CS (Company Secretary) & CFO (Chief Financial Officer) were also present in all Board of Directors meeting during the year 2018.

**The BSEC guidelines are being strictly followed in engaging statutory Auditors. The company did not engage its external/stutory auditors to perform the following services of the company.**

1. Book keeping or other services related to the accounting records or financial statements.
2. Actuarial Services.
3. Financial Information systems design and implementation.
4. Appraisal or Valuation services or fairness opinions.
5. Broker-dealer services.
6. Internal audit services or special audit services.
7. Any other services that the audit committee determines.
8. Audit or certification services on compliance of corporate governance as required under condition No.9(1);and
9. Any other service that creates conflict of interest.

No partner or employees of the external audit firms shall possess any share of the company they audit at least during the tenure of their audit assignment of that company;his or her family members also shall not hold any shares in the said company.

**Shareholding pattern of the Company as on 31st December 2018.**

Directors and Sponsors	Position	Shareholding Status
Mr. Abdullah Al-Mahmud	Chairman	4000000
Mr. Md. Tajul Islam	Director	900000
Mr. A.H.M. Mozammel Hoque	Director	800000
Mr. Abdullah Hasan	Director	4000000
Mr. Abdullah Al-Mamun	Director	800000
Mrs. Shahzadi Begum	Director	800000
Mrs. Farhana Danesh	Director	955000
Mrs. Farzana Munny	Director	800000
Mrs. Nusrat Mahmud	Director	4000000
Ms. Soera Zahir	Director	2000000
Ms. Nabila Mahmud	Director	2000000
Mr. Arafat Rashid	Director	800000
Mr. Asoke Ranjan Kapuria	Shareholder	1200000
Mr. Iqbal Hasan Mahmood	Shareholder	375000
Mrs. Sarah Hasein Mahmood	Shareholder	300000
Mr. Rubayat Tanveer Huda	Shareholder	270000

Spouses and Minor Children (Sponsor and Directors), Company Secretary (CS), Chief Financial officer (CFO), Head of Internal Audit & Compliance (HIAC)	Position	Shareholding Status
Mr. S.M Shahidullah	Company Secretary	Nil
Mr. M. Mahfuzur Rahman	Chief Financial Officer	Nil
Mr. Abdullah Al-Mamun	Head of Internal Audit and Compliance	Nil
Spouses and Minor Children		Nil

Top 5 Salaried executives other than those executives mention above	Position	Shareholding Status
Mia Fazle Karim ,FCA	CEO	Nil
Abul Kalam Azad	Sr. Addl. M.D	Nil
S.A.M Shafiqul Hassan	Sr. Addl. M.D	Nil
Ferdous Ara Chowdhury	Addl. M.D	Nil
KMN Abu Omar	Addl. M.D	Nil

## Audit Committee Report

### For the year 2018

Audit committee is the sub-committee of the Board. The Committee assists the Board of Directors in ensuring that the financial statements reflect true and fair view of the state of affairs of the Company and in ensuring a good monitoring system within the business.

#### *The audit committee consists of the following persons:*

Dr.M.Waliuzzaman, Independent Director	: Chairman of the Committee
Mr.Kazi Nasim Uddin Ahmed, Independent Director	: Member of the Committee
Mr.A.H.M.Mozammel Hoque, Director	: Member of the Committee
Mr.Md.Tajul Islam, Director	: Member of the Committee
Ms.Farhana Danesh, Director	: Member of the Committee
Ms.Soera Zahir, Director	: Member of the Committee
Mr.S.M.Shahidullah, Company Secretary	: Secretary of the Committee

#### *The Scope of Audit Committee was defined as under:*

- i. Oversee the financial reporting process;
- ii. Monitor choice of accounting policies and principles;
- iii. Oversee hiring and performance of external auditors;
- iv. Hold meeting with the external or statutory auditors for review of the annual financial statements before submission to the Board for approval or adoption;
- v. Review along with the management, the annual financial statements before submission to the Board for approval;
- vi. Review along with the management, the quarterly and half yearly financial statements before submission to the Board for approval;
- vii. Review the adequacy of internal audit function;
- viii. Review statement of all related party transactions submitted by the management;
- ix. Review Management Letters or Letter of Internal Control weakness issued by statutory auditors;
- x. Oversee the determination of audit fees based on scope and magnitude, level of expertise deployed and time required for effective audit and evaluate the performance of external auditors; and
- xi. Oversee whether the proceeds raised through Initial Public Offering (IPO) or Repeat Public Offering (RPO) or Rights Share Offer have been utilized as per the purposes stated in relevant offer document or prospectus approved by the Commission.
- xii. The audit committee meetings held regularly and with due manner. A total of three (03) meetings were held during the year.

**The Chairman**

Board of Directors

Crystal Insurance Company Limited.

Dhaka-1000.

**Subject: Audit Committee Report.**

**Dear Sir,**

We hereby submit to you the following report on our activities:

1. We have discharge the audit activities of Crystal Insurance Company Limited throughout the year 2018 and we found that the financial reporting process, accounting policies and principles, internal control risk management process, the hiring and performance external auditors, etc. are in line with the requirement of the company.
2. We reviewed the annual financial statements of Crystal Insurance Company Limited for the year ended December 31, 2018 before submission to the Board of Directors for approval and we found those in order.
3. We also reviewed the internal audit functions, monitoring system prevailing within the business.
4. During the discharge of our responsibilities we neither found any weakness in the internal control system nor any irregularity or any other matter which should be reported to the Board of Directors.

Thanking You,  
Sincerely Yours,

**Sd/-**

**Dr. M. Waliuzzaman**

Chairman  
Audit Committee

## PICTORIAL VIEWS

Settlement of Claim in 2018 to the claimant of Khatungonj Branch of the Company.



Settlement of Claim in 2018 to the claimant of Imamgonj Branch of the Company.

Settlement of Claim in 2018 to the claimant of Corporate Branch of the Company.









19<sup>th</sup> Annual Conference held on 16.02.2019





Awardess of CICAL scholarship-2018 with honorable Chairman,  
Directors & CEO of the Company





18th Annual General Meeting-2018

# AUDITORS' REPORT



# FINANCIAL STATEMENTS





## Mahfel Huq & Co.

Chartered Accountants

The first registered accounting firm in independent Bangladesh



An independent member firm of AGN International

BGIC Tower (4th Floor)  
34, Topkhana Road  
Dhaka-1000, Bangladesh  
Tel: +88-02-9553143, 9581786  
Fax: +88-02-9571005  
E-mail : [mh@mahfelhuq.com](mailto:mh@mahfelhuq.com)  
Web: [www.mahfelhuq.com](http://www.mahfelhuq.com)

## INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF CRYSTAL INSURANCE COMPANY LIMITED

### Opinion

We have audited the financial statements of **Crystal Insurance Company Limited**, which comprise the Statement of Financial Position as at 31 December 2018, Statement of Comprehensive Income, Profit and Loss Appropriation account, related Revenue Account, Statement of Changes in Equity and Statement of Cash Flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the companies at 31 December 2018, and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs), the Companies Act 1994, the Insurance Act 2010, the Insurance Rules 1958, the Securities and Exchange Rules 1987 and other applicable laws and regulations.

### Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code) together with the ethical requirements that are relevant to our audit of the financial statements in Bangladesh, and we have fulfilled our other ethical responsibilities in accordance with the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### Reporting on other information

Management is responsible for the other information. The other information comprises all of the information in the Annual report other than the financial statements and our auditors' report there on. The directors are responsible for the other information.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

## ***Responsibilities of Management and Those Charged with Governance for the Financial Statements and Internal Controls***

Management of Crystal Insurance Company Limited is responsible for the preparation and fair presentation of the financial statements in accordance with International Financial Reporting Standards (IFRSs), the Companies Act 1994, the Insurance Act 2010, the Insurance Rules 1958, the Securities and Exchange Rules 1987 and other applicable laws and regulations issued by the Insurance Development Regulatory Authority (IDRA), and other applicable laws and regulations and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's financial reporting process.

## ***Auditor's Responsibilities for the Audit of the Financial Statements***

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.



We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

### **Report on other Legal and Regulatory Requirements**

In accordance with the Companies Act 1994, the Insurance Act 2010, the Insurance Rules 1958, the Securities and Exchange Rules 1987 and relevant notifications issued by Bangladesh Securities and Exchange Commission, we also report that:

- a) We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit and made due verification thereof;
- b) In our opinion, proper books of accounts, records and other statutory books as required by law have been kept by the Company so far as it appeared from our examination of those books;
- c) The Company management has followed relevant provisions of laws and rules in managing the affairs of the Company and proper books of accounts, records and other statutory books have been properly maintained and (where applicable) proper returns adequate for the purposes of our audit have been received from branches not visited by us;
- d) As per section 63(2) of the Insurance Act 2010, in our opinion to the best of our knowledge and belief according to the information and explanation given to us, all expenses of management wherever incurred and whether incurred directly or indirectly, in respect of insurance business of the company transacted in Bangladesh during the year under report have been duly debited to the related Revenue Accounts and the Statement of Comprehensive Income of the Company;
- e) We report that to the best of our information and as shown by its books, the company during the year under report has not paid any person any commission in any form, outside Bangladesh in respect of any its business re-insured abroad;
- f) The Statement of Financial Position, Statement of Comprehensive Income, Profit and Loss Appropriation Account, related Revenue Accounts, Statement of Changes in Equity and Statement of Cash Flows of the Company together with the annexed notes dealt with by the report are in agreement with the books of account and returns; and
- g) The expenditure was incurred for the purpose of the Company's business.

Dated, Dhaka  
21st April, 2019

  
Mahfel Huq & Co.  
Chartered Accountants

## Statement of Financial Position (Balance Sheet)

As at December 31, 2018

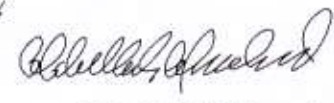
Particulars	Notes	Amount in Taka 2018	Amount in Taka 2017
<b>Shareholders' Equity &amp; Liabilities</b>			
<b>Shareholders' Equity</b>			
<b>Authorised Capital</b>		1,000,000,000	1,000,000,000
100,000,000 Ordinary shares of Tk.10 each			
<b>Issued, Subscribed &amp; Paid up Capital</b>	3.00	240,000,000	240,000,000
24,000,000 Ordinary share of Tk. 10 each fully paid up			
<b>Reserves and Surplus</b>	4.00	308,326,761	263,101,198
Reserve for Exceptional Losses		277,082,253	233,952,136
Profit & Loss Appropriation Account		24,550,196	11,765,050
Investment Fluctuation Fund		1,194,312	6,384,012
General Reserve		5,500,000	11,000,000
<b>Total Shareholders Equity</b>		<b>548,326,761</b>	<b>503,101,198</b>
<b>Liabilities and Provisions</b>			
<b>Balance of Funds and Accounts</b>	5.00	122,231,476	120,581,415
Fire Insurance Revenue Account		49,513,474	49,202,775
Marine Insurance Revenue Account		53,121,683	51,539,800
Motor Insurance Revenue Account		14,147,495	15,258,639
Misc. Insurance Revenue Account		5,448,824	4,580,201
Deposit Premium	6.00	21,621,653	13,496,717
Estimated liabilities in respect of outstanding claims whether due or intimated	7.00	99,321,911	75,124,182
Amounts due to other persons or bodies carrying on insurance business	8.00	110,926,278	128,537,541
Sundry Creditors	9.00	37,589,444	38,883,888
<b>Total Liability</b>		<b>391,690,762</b>	<b>376,623,743</b>
<b>Total Shareholders' Equity &amp; Liabilities</b>		<b>940,017,523</b>	<b>879,724,94</b>

The annexed notes 1 to 31 form an integral part of these financial statements

  
**Mia Fazle Karim FCA**  
Chief Executive Officer

  
**A.H.M. Mozammel Hoque**  
Director

  
**Farhana Danesh**  
Director

  
**Abdullah-Al-Mahmud**  
Chairman

Signed as per our separate report of same date

Dated: Dhaka, 21st April, 2019

  
**Mahfel Huq & Co**  
Chartered Accountants

## Statement of Financial Position (Balance Sheet)

As at December 31, 2018

Particulars	Notes	Amount in Taka 2018	Amount in Taka 2017
<b>Property and Assets</b>			
<b>Non-Current assets</b>		<b>427,047,584</b>	<b>430,473,470</b>
Property, plant & equipments	10.00	295,497,012	51,838,407
Advance against land & office space	11.00	12,000,000	275,926,900
Investments	12.00	84,886,202	76,578,148
Investment (owner- occupied Property)	12.03	34,664,370	26,130,015
<b>Current assets</b>		<b>123,140,640</b>	<b>107,032,887</b>
Inventories	13.00	1,173,391	1,361,593
Sundry Debtors (including advances, deposits and prepayments)	14.00	25,680,557	25,010,970
Interest Accrued but not due	15.00	10,292,328	6,194,197
Amount due from other persons or bodies carrying on insurance business	16.00	85,994,364	74,466,127
<b>Cash and Cash Equivalent</b>		<b>389,829,299</b>	<b>342,218,584</b>
Cash in hand		2,818,141	2,723,455
Cash at Banks on STD accounts	17.00	25,164,988	23,387,680
Cash at Banks on CD accounts		3,246,170	4,707,449
Fixed Deposit Receipt (FDR) with Banks	18.00	358,600,000	311,400,000
<b>Total assets</b>		<b>940,017,523</b>	<b>879,724,941</b>
<b>Net Asset Value (NAV) Per Share</b>		<b>22.85</b>	<b>20.96</b>

The annexed notes 1 to 31 form an integral part of these financial statements

**Mia Fazle Karim FCA**  
Chief Executive Officer

**A.H.M. Mozammel Hoque**  
Director

**Farhana Danesh**  
Director

**Abdullah-Al-Mahmud**  
Chairman

Signed as per our separate report of same date

Dhaka, 21st April, 2019

**Mahfel Huq & Co**  
Chartered Accountants

**Statement of Profit or Loss and other Comprehensive Income**  
**Profit and Loss Account**  
For the year ended December 31, 2018

Particulars	Notes	Amount in Taka 2018	Amount in Taka 2017
<b>Expenses of management</b> (Not applicable to any particular fund or account)		<b>36,576,429</b>	<b>40,425,419</b>
Advertisement & Publicity		170,350	129,066
Audit fees		400,000	300,000
Bank Charges		351,130	387,755
Credit Rating Fee		150,000	-
Exise Duty		402,321	266,300
Depreciation	19	33,368,866	25,761,818
Director's meeting attendance fees		310,500	150,000
Donation & Subscription		230,500	146,500
Fees and Charges		-	122,500
Bangladesh Insurance Association		100,000	300,000
Business Development Expenses (SBC)		48,889	42,222
Renewal & Registration and Others paid to IDRA		1,043,873	12,819,258
		-	-
Profit transferred to profit & loss appropriation account		<b>74,305,954</b>	<b>54,567,640</b>
<b>Total</b>		<b>110,882,383</b>	<b>94,993,059</b>
<b>Profit/(Loss) transferred from:</b>		<b>65,000,849</b>	<b>73,221,973</b>
Fire		(8,048,702)	(13,373,328)
Marine Cargo & Hull		47,895,618	61,878,146
Motor		15,769,106	14,322,865
Miscellaneous		9,384,827	10,394,290
Interest Income	20.00	24,570,974	18,061,968
Other Income	21.00	11,019,060	3,709,118
Capital Gain from sale of Assets	22.00	10,291,500	-
<b>Total</b>		<b>110,882,383</b>	<b>94,993,059</b>
<b>Other comprehensive income</b>			
Changes in fare value the shares available for sale (Investment Fluctuation Fund)		(5,189,700)	3,846,790
<b>Total</b>		<b>(5,189,700)</b>	<b>3,846,790</b>

The annexed notes 1 to 31 form an integral part of these financial statements

  
**Mia Fazle Karim FCA**  
Chief Executive Officer

  
**A.H.M. Mozammel Hoque**  
Director

  
**Farhana Danesh**  
Director

  
**Abdullah-Al-Mahmud**  
Chairman

Signed as per our separate report of same date

Dated: Dhaka, 21st April, 2019

  
**Mahfel Huq & Co**  
Chartered Accountants

## Profit and Loss Appropriation Account

For the year ended December 31,2018


Particulars	Notes	Amount in Taka 2018	Amount in Taka 2017
Opening balance of Appropriation Account		10,993,637	40,558,748
Net Profit for the year brought down		74,305,954	54,567,640
Transfer from General Reserve		6,000,000	
<b>Total</b>		<b>91,299,591</b>	<b>95,126,388</b>
		<b>66,749,395</b>	<b>83,361,338</b>
Reserve for Exceptional Losses	4.02	43,130,117	40,866,169
Provision for Companies Income Tax	9.02	6,319,278	4,795,169
General Reserve	4.03	500,000	500,000
Dividend (Bonus Share)		-	30,000,000
Dividend paid from last year profit		16,800,000	7,200,000
Prior year adjustment for under charge of depreciation (Annexure "D" )		-	771,413
<b>Balance transferred to balance sheet</b>		<b>24,550,196</b>	<b>10,993,637</b>
<b>Total</b>		<b>91,299,591</b>	<b>94,354,975</b>
Earning Per Share (EPS) (Tk.10 each)		2.83	2.07

The annexed notes 1 to 31 form an integral part of these financial statements

  
**Mia Fazle Karim FCA**  
Chief Executive Officer

  
**A.H.M. Mozammel Hoque**  
Director

  
**Farhana Danesh**  
Director

  
**Abdullah-Al-Mahmud**  
Chairman

Signed as per our separate report of same date.

Dated: Dhaka, 21st April, 2019

  
**Mahtel Huq & Co**  
Chartered Accountants

## Statement of Cash Flows

For the year ended 31 December, 2018

	Amount in Taka 2018	Amount in Taka 2017
<b>A. Cash Flow from Operating Activities:</b>		
Collection from premium (Restated)	372,577,063	361,648,739
Other Income (Restated)	1,776,919	2,739,364
Management Expenses, Re-Insurance ,Claim & Agency Commission (Restated)	(303,457,709)	(292,025,000)
Advance Expenses	(6,002,890)	(4,203,800)
Income Tax paid including TDS	(4,774,059)	(4,218,783)
<b>Net Cash Flow from Operating Activities</b>	<b>60,119,324</b>	<b>63,940,520</b>
<b>B. Cash Flow from Investing Activities:</b>		
Acquisition of Fixed Assets	(22,406,339)	(12,039,819)
Advance for Property (Fixed Assets)	-	(14,098,900)
Sale of Fixed Assets (Capital Gain)	10,291,500	
Interest Income	20,472,843	16,964,285
Dividend from listed companies share	1,178,212	969,754
Realised gain from listed companies share	8,063,929	
Investment on BGTB	-	(16,000,000)
Investment in listed companies share	(13,497,754)	(34,318,061)
<b>Net Cash Flow from Operating Activities</b>	<b>4,102,391</b>	<b>(58,522,741)</b>
<b>C. Cash Flow from Financing Activities:</b>		
Share Money Deposit	-	62,000,000
Dividend Paid	(16,611,000)	(6,489,600)
<b>Net Cash Flow from Financing Activities</b>	<b>(16,611,000)</b>	<b>55,510,400</b>
<b>Increase in Cash and Cash Equivalents (A+B+C)</b>	<b>47,610,715</b>	<b>60,928,179</b>
Add: Cash and Cash Equivalents at the beginning	342,218,584	281,290,405
<b>Cash and Cash Equivalents at the end of the year</b>	<b>389,829,299</b>	<b>342,218,584</b>
<b>Net Operating Cash Flows per share</b>	<b>2.50</b>	<b>2.66</b>

The annexed notes 1 to 31 form an integral part of these financial statements

  
**Mia Fazle Karim FCA**  
Chief Executive Officer

  
**A.H.M. Mozammel Hoque**  
Director

  
**Farhana Danesh**  
Director

  
**Abdullah-Al-Mahmud**  
Chairman

Dated: Dhaka, 21st April, 2019





  
**Mahfel Huq & Co**  
Chartered Accountants

## STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY

For the year ended December 31, 2018

Particulars	Paid-up Capital	Reserve for Exceptional Losses	General Reserve	Investment Fluctuation Fund	P&L Appropriation a/c	Share Money Deposit	Total
Balance on 1st January, 2018	240,000,000	233,952,136	11,000,000	6,384,012	11,765,050	-	503,101,198
Prior Year's under charges depreciation	-	-	-	-	(7,71,413)	-	(7,71,413)
Changes in fair value	-	-	-	(5,189,700)	-	-	(5,189,700)
Cash Dividend paid for 2018	-	-	-	-	(16,800,000)	-	(16,800,000)
Profit after tax	-	-	-	-	65,413,801	-	65,413,801
Reserve transfer to Profit & Loss	-	-	(6,000,000)	-	6,000,000	-	-
Reserve for Exceptional Losses	-	43,130,117	-	-	(43,130,117)	-	-
General Reserve	-	-	500,000	-	(500,000)	-	-
Balance on 31st December, 2018	240,000,000	277,082,253	5,500,000	1,194,312	21,977,321	-	545,753,886

The annexed notes 1 to 31 form an integral part of these financial statements

 <b>Mia Fazle Karim FCA</b> Chief Executive Officer	 <b>A.H.M. Mozammel Hoque</b> Director	 <b>Farhana Danesh</b> Director	 <b>Abdullah-Al-Mahmud</b> Chairman
--	---	---	--

  
**Mahfel Huq & Co**  
 Chartered Accountants

Dated: Dhaka, 21st April, 2019

Signed as per our separate report of same date

## Consolidated Revenue Account

For the year ended December 31,208

Particulars	Notes	Amount in Taka 2018	Amount in Taka 2017
<b>Claims under policies less re-insurances:</b>		<b>111,759,341</b>	<b>91,180,269</b>
Claims paid during the year		98,825,680	87,930,392
Paid/Adjusted on PSB		9,887,514	16,810,307
Recovered/Adjusted on PSB		(8,920,262)	(15,496,716)
Recovered/Adjusted on reinsurance ceded		(12,231,320)	(20,352,747)
Claims outstanding at the end of the year		99,321,911	75,124,182
Claims outstanding at the end of the previous year		(75,124,182)	(52,835,149)
Agent Commission		56,257,734	54,066,290
Management Expenses	23.00	99,875,095	101,772,281
Stamp Duty		3,867	4,433
<b>Balance of account at the end of the year</b>		<b>122,231,476</b>	<b>120,581,415</b>
as shown in the Statement of financial position being reserve for unexpired risks @ 40% of premium income of the year (Fire, Marine Cargo, Motor & Misc)		120,278,253	117,954,365
@ 100% of premium income of the year (Marine Hull)		1,953,223	2,627,050
<b>Profit transferred to Statement of Comprehensive Income</b>		<b>65,000,849</b>	<b>73,221,973</b>
<b>Total</b>		<b>455,128,362</b>	<b>440,826,661</b>

The annexed notes 1 to 31 form an integral part of these financial statements



**Mia Fazle Karim FCA**  
Chief Executive Officer



**A.H.M. Mozammel Hoque**  
Director



**Farhana Danesh**  
Director



**Abdullah-Al-Mahmud**  
Chairman

Signed as per our separate report of same date

Dated: Dhaka, 21st April, 2019



**Mahfel Huq & Co**  
Chartered Accountants



## Consolidated Revenue Account

For the year ended December 31, 2018

Particulars	Notes	Amount in Taka 2018	Amount in Taka 2017
Balance of Account at the beginning of the year		120,581,415	118,233,490
Premium less reinsurances:		302,648,856	297,512,962
Premium underwritten		364,452,127	359,687,970
Premium on PSB		66,849,038	48,973,723
Reinsurance premium on PSB		(57,566,501)	(40,102,748)
Reinsurance premium ceded		(71,085,808)	(71,045,983)
Commission on reinsurances:		31,898,091	25,080,209
Commission earned on re-insurance ceded		23,618,614	18,974,700
Commission earned on PSB		8,279,477	6,105,509
<b>Total</b>		<b>455,128,362</b>	<b>440,826,661</b>

The annexed notes 1 to 31 form an integral part of these financial statements



**Mia Fazle Karim FCA**  
Chief Executive Officer



**A.H.M. Mozammel Hoque**  
Director



**Farhana Danesh**  
Director



**Abdullah-Al-Mahmud**  
Chairman

Signed as per our separate report of same date

Dated: Dhaka, 21st April, 2019



**Mahfel Huq & Co**  
Chartered Accountants

## Fire Insurance Revenue Account

For the year ended December 31,2018

Particulars	Notes	Amount in Taka 2018	Amount in Taka 2017
<b>Claims under policies less re-insurances:</b>		<b>78,350,264</b>	<b>77,619,901</b>
Claims paid during the year		73,248,832	65,877,754
Paid/Adjusted on PSB		1,392,160	172,095
Recovered/Adjusted on PSB		(1,021,261)	-
Recovered/Adjusted on reinsurance ceded		(5,510,816)	(7,124,257)
Claims outstanding at the end of the year		61,202,349	50,961,000
Claims outstanding at the end of the previous year		(50,961,000)	(32,266,691)
Agent Commission		24,604,945	23,554,033
Management Expenses	23.00	42,152,527	43,220,913
Stamp Duty		3,867.00	213
<b>Balance of account at the end of the year</b>			
as shown in the Statement of financial position being reserve for unexpired risks @ 40% of premium income of the year		49,513,474	49,202,775
<b>Profit/(Loss) transferred to Statement of Comprehensive Income</b>		<b>(8,048,702)</b>	<b>(13,373,328)</b>
<b>Total</b>		<b>186,576,375</b>	<b>180,224,507</b>

The annexed notes 1 to 31 form an integral part of these financial statements

  
**Mia Fazle Karim FCA**  
Chief Executive Officer

  
**A.H.M. Mozammel Hoque**  
Director

  
**Farhana Danesh**  
Director

  
**Abdullah-Al-Mahmud**  
Chairman

Signed as per our separate report of same date

Dated: Dhaka, 21st April, 2019

  
**Mahfel Huq & Co**  
Chartered Accountants

## Fire Insurance Revenue Account

For the year ended December 31,2018

Particulars	Notes	Amount in Taka 2018	Amount in Taka 2017
Balance of Account at the beginning of the year		49,202,775	47,415,832
<b>Premium less reinsurances:</b>		<b>123,783,684</b>	<b>123,006,936</b>
Premium underwritten		159,397,184	157,030,225
Premium on PSB		8,851,645	5,191,636
Reinsurance premium on PSB		(6,558,522)	(4,174,412)
Reinsurance premium ceded		(37,906,623)	(35,040,513)
<b>Commission on reinsurances:</b>		<b>13,589,916</b>	<b>9,801,739</b>
Commission earned on re-insurance ceded		12,838,282	9,256,510
Commission earned on PSB		751,634	545,229
<b>Total</b>		<b><u>186,576,375</u></b>	<b><u>180,224,507</u></b>

The annexed notes 1 to 31 form an integral part of these financial statements



**Mia Fazle Karim FCA**  
Chief Executive Officer



**A.H.M. Mozammel Hoque**  
Director



**Farhana Danesh**  
Director



**Abdullah-Al-Mahmud**  
Chairman

Signed as per our separate report of same date

Dated: Dhaka, 21st April, 2019



**Mahfel Huq & Co**  
Chartered Accountants

## Marine Insurance Revenue Account

For the year ended December 31,2018

Particulars	Notes	Amount in Taka 2018	Amount in Taka 2017
<b>Claims under policies less re-insurances:</b>		<b>26,679,365</b>	<b>4,222,734</b>
Claims paid during the year		18,487,782	12,456,851
Paid/Adjusted on PSB		496,731	5,768,164
Recovered/Adjusted on PSB		(195,551)	(4,831,421)
Recovered/Adjusted on reinsurance ceded		(6,720,504)	(13,228,490)
Claims outstanding at the end of the year		33,126,733	18,515,826
Claims outstanding at the end of the previous year		(18,515,826)	(14,458,196)
Agent Commission		24,241,772	23,227,654
Management Expenses	23.00	42,071,922	43,365,178
Stamp Duty		-	1,068
<b>Balance of account at the end of the year</b>		<b>53,121,683</b>	<b>51,539,800</b>
as shown in the Statement of financial position being reserve for unexpired risks @ 40% of premium income of the year (Marine Cargo)		51,168,460	48,912,750
@ 100% of premium income of the year (Marine Hull)		1,953,223	2,627,050
<b>Profit/(Loss) transferred to Statement of Comprehensive Income</b>		<b>47,895,618</b>	<b>61,878,146</b>
<b>Total</b>		<b>194,010,360</b>	<b>184,234,580</b>

The annexed notes 1 to 31 form an integral part of these financial statements



**Mia Fazle Karim FCA**  
Chief Executive Officer



**A.H.M. Mozammel Hoque**  
Director



**Farhana Danesh**  
Director



**Abdullah-Al-Mahmud**  
Chairman

Signed as per our separate report of same date

Dated: Dhaka, 21st April, 2019



**Mahfel Huq & Co**  
Chartered Accountants

## Marine Insurance Revenue Account

For the year ended December 31, 2018


Particulars	Notes	Amount in Taka 2018	Amount in Taka 2017
Balance of Account at the beginning of the year		51,539,800	47,110,302
<b>Premium less reinsurances:</b>		<b>129,874,374</b>	<b>124,908,925</b>
Premium underwritten		157,044,459	154,090,384
Premium on PSB		15,940,740	17,925,641
Reinsurance premium on PSB		(12,002,649)	(13,633,918)
Reinsurance premium ceded		(31,108,176)	(33,473,182)
<b>Commission on reinsurances:</b>		<b>12,596,186</b>	<b>12,215,353</b>
Commission earned on re-insurance ceded		10,302,677	9,536,764
Commission earned on PSB		2,293,509	2,678,589
<b>Total</b>		<b>194,010,360</b>	<b>184,234,580</b>

The annexed notes 1 to 31 form an integral part of these financial statements

  
**Mia Fazle Karim FCA**  
Chief Executive Officer

  
**A.H.M. Mozammel Hoque**  
Director

  
**Farhana Danesh**  
Director

  
**Abdullah-Al-Mahmud**  
Chairman

Signed as per our separate report of same date

Dated: Dhaka, 21st April, 2019

  
**Mahfel Huq & Co**  
Chartered Accountants

## Motor Insurance Revenue Account

For the year ended December 31,2018

Particulars	Notes	Amount in Taka 2018	Amount in Taka 2017
<b>Claims under policies less re-insurances:</b>		<b>6,580,606</b>	<b>6,860,761</b>
Claims paid during the year		7,089,066	8,557,205
Paid/Adjusted on PSB		130,347	125,451
Claims outstanding at the end of the year		3,544,607	4,183,414
Claims outstanding at the end of the previous year		(4,183,414)	6,005,309
			-
Agent Commission		5,217,751	5,373,545
Management Expenses	23.00	8,985,792	10,431,445
Stamp Duty		-	2,973
<b>Balance of account at the end of the year</b>			
as shown in the Statement of financial position being reserve for unexpired risks @ 40% of premium income of the year		14,147,495	15,258,639
<b>Profit/(Loss) transferred to Statement of Comprehensive Income</b>		<b>15,769,106</b>	<b>14,322,865</b>
<b>Total</b>		<b>50,700,750</b>	<b>52,250,228</b>

The annexed notes 1 to 31 form an integral part of these financial statements



**Mia Fazle Karim FCA**  
Chief Executive Officer



**A.H.M. Mozammel Hoque**  
Director



**Farhana Danesh**  
Director



**Abdullah-Al-Mahmud**  
Chairman

Signed as per our separate report of same date

Dhaka, 21st April, 2019



**Mahfel Huq & Co**  
Chartered Accountants

## Motor Insurance Revenue Account

For the year ended December 31, 2018

Particulars	Notes	Amount in Taka 2018	Amount in Taka 2017
Balance of Account at the beginning of the year		15,258,639	14,103,630
<b>Premium less reinsurances:</b>		<b>35,368,737</b>	<b>38,146,598</b>
Premium underwritten		33,801,942	35,825,638
Premium on PSB		2,502,156	2,552,342
Reinsurance premium on PSB		(188,607)	(62,632)
Reinsurance premium ceded		(746,754)	(168,750)
<b>Commission on reinsurances:</b>		<b>73,374</b>	-
Commission earned on re-insurance ceded		73,374	-
Commission earned on PSB		-	-
<b>Total</b>		<b>52,250,228</b>	<b>50,435,620</b>

The annexed notes 1 to 31 form an integral part of these financial statements

  
**Mia Fazle Karim FCA**  
Chief Executive Officer

  
**A.H.M. Mozammel Hoque**  
Director

  
**Farhana Danesh**  
Director

  
**Abdullah-Al-Mahmud**  
Chairman

Signed as per our separate report of same date

Dhaka, 21st April, 2019

  
**Mahfel Huq & Co**  
Chartered Accountants

## Miscellaneous Insurance Revenue Account

For the year ended December 31, 2018

Particulars	Notes	Amount in Taka 2018	Amount in Taka 2017
<b>Claims under policies less re-insurances:</b>		<b>149,106</b>	<b>2,476,873</b>
Claims paid during the year		-	1,038,582
Paid/Adjusted on PSB		7,868,276	10,744,597
Recovered/Adjusted on PSB		(7,703,450)	(10,665,295)
Claims outstanding at the end of the year		1,448,222	1,463,942
Claims outstanding at the end of the previous year		(1,463,942)	(104,953)
AAgent Commission		2,193,266	1,911,058
Management Expenses	23.00	6,664,854	4,754,745
Stamp Duty		-	179
<b>Balance of account at the end of the year</b>			
as shown in the Statement of financial position being reserve for unexpired risks @ 40% of premium income of the year		5,448,824	4,580,201
<b>Profit/(Loss) transferred to Statement of Comprehensive Income</b>		<b>9,384,827</b>	<b>10,394,290</b>
<b>Total</b>		<b>23,840,877</b>	<b>24,117,346</b>

The annexed notes 1 to 31 form an integral part of these financial statements

  
**Mia Fazle Karim FCA**  
 Chief Executive Officer

  
**A.H.M. Mozammel Hoque**  
 Director

  
**Farhana Danesh**  
 Director

  
**Abdullah-Al-Mahmud**  
 Chairman

Signed as per our separate report of same date

Dhaka, 21st April, 2019

  
**Mahfel Huq & Co**  
 Chartered Accountants



## Miscellaneous Insurance Revenue Account

For the year ended December 31,2018

Particulars	Notes	Amount in Taka 2018	Amount in Taka 2017
Balance of Account at the beginning of the year		4,580,201	9,603,726
<b>Premium less reinsurances:</b>		<b>13,622,061</b>	<b>11,450,503</b>
Premium underwritten		14,208,542	12,741,723
Premium on PSB		39,554,497	23,304,104
Reinsurance premium on PSB		(38,816,723)	(22,231,786)
Reinsurance premium ceded		(1,324,255)	(2,363,538)
<b>Commission on reinsurances:</b>		<b>5,638,615</b>	<b>3,063,117</b>
Commission earned on re-insurance ceded		404,281	181,426
Commission earned on PSB		5,234,334	2,881,691
<b>Total</b>		<b>23,840,877</b>	<b>24,117,346</b>

The annexed notes 1 to 31 form an integral part of these financial statements



**Mia Fazle Karim FCA**  
Chief Executive Officer



**A.H.M. Mozammel Hoque**  
Director



**Farhana Danesh**  
Director



**Abdullah-Al-Mahmud**  
Chairman

Signed as per our separate report of same date

Dhaka, 21st April, 2019



**Mahtel Huq & Co**  
Chartered Accountants

## Notes to the Financial Statements

For the year ended December 31,2018

### 1.00 General Information

#### 1.01 Legal form of the Company

Crystal Insurance Company Limited (CICL) was incorporated as a Public Limited Company on 11th November, 1999 under the Companies Act, 1994 having registered office in Bangladesh. CICL obtained permission to commence Insurance business from Chief Controller of Insurance, Directorate of Insurance, and Government of the Peoples Republic of Bangladesh on 23rd December, 1999. The Principal place of business of the Company is at DR Tower (14th Floor), 65/2/2, Box Culvert Road, Purana Paltan, Dhaka-1000, Bangladesh which is also the registered office of the company. CICL is engaged in Non-Life Insurance business within the meaning of Insurance Act, 2010.

#### 1.02 Principal Activities and Nature of Operations

The Principal activity of the company continues to be carrying on non-life insurance businesses. There was no significant change in the nature of the Principal activities of the company during the year 2018 under review.

#### 1.03 Reporting period

The financial statements of the Company consistently cover one calendar year starting from 1st January to 31st December.

#### 1.04 Date of Financial Statements authorized for issue

Financial Statements of the company for the year ended December 31, 2018 were authorized for issue on 21st April, 2019 in accordance with a resolution of the Board of Directors.

### 2.00 Summary of Significant Accounting and Related Policies

#### 2.01 Basis of Preparation

The financial Statements of the Company under reporting have been prepared under historical cost convention in a going concern concept and on accrual basis in accordance with Generally Accepted Accounting Principles and practice in Bangladesh. Disclosure of financial information as required by Insurance Act 2010 have been complied with while preparing statement of financial position, statement of comprehensive income and revenue accounts for specific classes of insurance business in the form set forth in the first, second and third schedule of the Insurance Act and also in compliance with the Companies Act 1994. In addition the Securities and Exchange rules 1987 International Accounting Standards (IAS) as adopted by the Institute of Chartered Accounts of Bangladesh (ICAB), have also been complied with.

#### 2.02 Application of Bangladesh Financial Reporting Standards (IAS/IFRS)

The Accounting and Financial Reporting Standards that are applicable for the financial statements for the year under review, include the following:

IAS 1	Presentation of Financial Statements	Applied
IAS 2	Inventories	Applied
IAS 7	Statement of Cash Flows	Applied
IAS 8	Accounting Policies, Changes in Accounting Estimates and Errors	Applied
IAS 10	Events after the Reporting Period	Applied
IAS 11	Construction Contracts	N/A
IAS 12	Income Taxes	N/A
IAS 16	Property, Plant and Equipment	Applied
IAS 17	Leases	N/A
IAS 18	Revenue	Applied
IAS 19	Employee Benefits	Applied
IAS 20	Accounting of Government Grants and Disclosure of Government Assistance	N/A
IAS 21	The Effects of Changes in Foreign Exchange Rates	Applicable
IAS 23	Borrowing Costs	Applicable
IAS 24	Related Party Disclosures	Applied
IAS 26	Accounting and Reporting by Retirement Benefit Plans	Applicable
IAS 27	Separate Financial Statements	N/A
IAS 28	Investments in Associates and Joint Ventures	N/A
IAS 29	Financial Reporting in Hyperinflationary Economics	N/A
IAS 32	Financial Instruments: Presentation	Applied
IAS 33	Earning per Share	Applied
IAS 34	Interim Financial Reporting	Applicable
IAS 36	Impairment of Assets	Applicable
IAS 37	Provisions, Contingent Liabilities and Contingent Assets	Applied
IAS 38	Intangible Assets	Applicable
IAS 39	Financial Instruments: Recognition and Measurement	Applied
IAS 40	Investment Property	Applied
IAS 41	Agriculture	N/A
IFRS 1	First-time adoption of International financial Reporting Standards	N/A
IFRS 2	Share-based Payment	N/A
IFRS 3	Business Combinations	N/A
IFRS 4	Insurance Contracts	Applicable
IFRS 5	Non-current Assets Held for Sale and Discontinued Operations	N/A
IFRS 6	Exploration for and Evaluation of Mineral Resources	N/A
IFRS 7	Financial Instruments: Disclosures	Applicable
IFRS 8	Operating Segments	Applicable
IFRS 9	Financial Instruments	Applicable
IFRS 10	Consolidated Financial Statements	N/A
IFRS 11	Joint Arrangements	N/A
IFRS 12	Disclosure of Interests in other Entities	N/A
IFRS 13	Fair Value Measurement	Applicable
IFRS 14	Regulatory Deferral Accounts	N/A
IFRS 15	Revenue from Contracts with Customers	N/A

### 2.03 Components of the Financial Statements

Following the Insurance Act, 2010 and IAS-1 "Presentation of Financial Statements", the Company's complete set of financial statements include the following components:

- Statement of Financial Position as at December 31, 2018.
- Statement of Profit or Loss and other Comprehensive Income (Profit and Loss Account) for the year ended December 31 2018.
- Profit and Loss Appropriation Account for the year ended December 31, 2018.

- d) Consolidated Revenue Account for the year ended December 31, 2018.
- e) Fire Insurance Revenue Account for the year ended December 31, 2018.
- f) Marine Insurance Revenue Account for the year ended December 31, 2018.
- g) Motor Insurance Revenue Account for the year ended December 31, 2018.
- h) Miscellaneous Insurance Revenue Account for the year ended December 31, 2018.
- i) Statement of Changes in Equity for the year ended December 31, 2018.
- j) Statement of Cash Flows for the year ended December 31, 2018.
- k) Notes to the Financial Statements .

#### **2.04 Going Concern:**

The accompanying financial statements has been prepared on a Going Concern basis which indicates that the realization of assets and discharge of liabilities will be done in the normal case of business and the management believes the entity is able to continue its operator for foreseeable future.

#### **2.05 Premium Recognition**

Premium is recognized when insurance policies are issued, but the premium of company's share of public sector insurance business (PSB) is accounted for in the year in which the statement of account from Sadharan Bima Corporation is received. Up to 31 December 2018 statement of account for the period 3rd & 4th Quarter-2017 and 1st & 2nd Quarter-2018 have been received and, accordingly, the company's share of PSB for that period has been recognized in these financial statements.

#### **2.06 Accounting Estimates**

Preparation of financial statements requires management to make judgments, estimates and assumptions that affect the application of policies and reported amount of assets and liabilities, Income and expenses. The estimates and underlying assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstance, the results of which form the basis of making the judgments amount carrying values of assets and liabilities that are not readily apparent from other sources. While management believes that the amount included in the financial statement reflect the company's best estimates and assumptions, actual result could differ from estimates.

Significant areas requiring the use of management estimates in these financial statements relate to the useful life of depreciable assets and provisions for loans. However, assumptions and judgments made by management in the application of accounting policies that have significant effect on the financial statements are not expected the result in material adjustment to the carrying amount of assets and liabilities in the next year.

#### **2.07 Functional and presentation currency**

The financial Statements are presented in Bangladeshi Taka which is the company's functional currency except indicated otherwise.

#### **2.08 Materiality and aggregation**

Each material class of similar items is presented separately in the financial Statements. Item of dissimilar nature as function are presented separately unless they are immaterial.

#### **2.09 Property, plant and equipment**

##### **i) Recognition and measurement**

Property, plant and equipment are recognized if it is probable that future economic benefit associated with the asset will flow to the Company and cost of the asset can be measured reliably and the asset is available for use. Items of property, plant and equipment are measured at cost less accumulated depreciation and accumulated impairment losses.

Cost includes expenditure that is directly attributable to the acquisition of the asset. The cost self-constructed assets includes the cost of material and direct labour, any other costs directly attributable to bringing the asset to a working condition for its intended use and the cost of dismantling and removing the items and restoring the site on which they are located.

Gains and losses on disposal of items of property, plant and equipment are determined by comparing the proceeds from disposal with the carrying amount of property, plant and equipment. When revalued assets are sold, the relevant amount included in the revaluation reserve is transferred to retained earnings.

### ii) Subsequent cost

The cost of replacing a component of an items of property, plant and equipment is recognized in the carrying amount of the item if it is probable that the future economic benefits associated with the part will flow to the company and its cost can be measured reliably. The carrying amount of the replaced component is de-recognised.

### iii) Depreciation

Depreciation on property, plant and equipments has been charged on straight line method at the rates varying from 10% to 20% depending on the estimated useful lives of the Assets consistent with the past practice. Depreciation on additions to property, plant and equipments during the year has been charged from the date of acquisition and the asset is available for use. The rates of depreciation are furnished below;

<u>Category of Assets</u>	<u>Rate of Depreciation</u>
Furniture & Fixtures	10%
Office Equipments	15%
Office Decoration	10%
Sundry Assets	20%
Motor Vehicles	20%
Office Space	5%

### iv) De-recognition

An item of property, plant and equipment is de-recognised upon disposal or when no future economic benefits are expected from its use. Any gain or loss arising on de-recognition of the asset is included in the statement of comprehensive income in the year the asset is de-recognised.

### v) Impairment of assets

The carrying amounts of the company's non financial assets other than deferred tax assets are reviewed at regular interval to determine when there is any indication.

An impairment loss is recognized if the carrying amount of an asset or its cash generating unit exceeds its estimated recoverable amount. Impairment losses are recognized in the statement of comprehensive income. Considering the present conditions of the assets, management concludes that there is no such indication exists.

## 2.10 Investment in shares and securities:

All investments of Crystal Insurance Company limited are initially recognized at cost, which include transaction cost and these are classified into the following categories:

- \*Held to Maturity
- \*Available for Sale
- \*Investment property under IAS-40

### i) Held to Maturity

Investment with fixed maturity that the management has the intent and ability to hold to maturity are classified as held to maturity and are initially measured at cost.

### ii) Available for Sale

Available for sale investments are those non-derivative investment that are designated as available for sale or are not classified in any other category.

These are primarily those investments that are intended to be held for an undefined period of time or may be sold in response to the need for liquidity are classified as available for sale. The Company follows trade date accounting for regular way purchase and sales of investment.

## 2.11 Employee Benefits

### 2.11.01 Defined contribution plan

Company operates a provident fund, recognized by the Income Tax Authorities. Confirm employees of the Company are eligible for the said provident fund. Employees of the Company will contribute 10% (ten percent) of their basic salary and the employer will make a matching contribution. The provident fund is wholly administered by a Board of Trustees and no part of the fund is included in the assets of the Company.

### 2.11.02 Defined benefit plan

The Company also initiates a funded gratuity scheme w.e.f from 1st January 2018 in accordance with the provisions specified in IAS 19. The fund is on process for approval by the National Board of Revenue (NBR), and will be administered by the Board of Trustees. Employees are entitled to benefit at a graduated scale based on the length of service that completed 5 years on the 1st January 2018. Calculation of gratuity is made on the basis of last drawn basic salary. An employee will receive one month's basic salary for each completed year of service if he/she completed five years & above. Gratuity will be payable only on their separation from the company.

### 2.11.03 Other benefits

The Board of Directors of Crystal Insurance Company Limited in its 81th meeting held on 05 December, 2018 decided to introduce Workers' Profit Participation and Welfare Fund (WPPF) w.e. f 1st January, 2019.

### 2.11.04 Other benefits

In addition to the above, Crystal Insurance Company limited providing other benefits to its employees like Incentive Bonus, Group Life Scheme (GLS), Car/Motor Cycle Loan Scheme subject to fulfillment of certain terms and conditions.

## 2.12 Investment Income Recognition

### i) Interest and dividend

Interest on debentures, Bangladesh Government Treasury Bond and FDRs are recognized on accrual basis. Interest on STD/SND account, cash dividend on investment in shares and other income are recognized as and when amount credited to our account. For stock dividend that received by the company against its investment, number of shares increased and average cost of investment decreased

### ii) Other Income

Other income is recognized in the Statement of Comprehensive Income on the basis of a direct association of properly, plant & equipment and other non-current assets including investment have been accounted for in the statement of comprehensive income, having deducted from the proceeds on disposal, the carrying amount of the assets and related selling expenses.

## 2.13 Expenses and Taxes

### i) Recognition of expenses

Expenses are recognized in the Statement of Profit or Loss and other Comprehensive Income on the basis of a direct association between the cost incurred and the earning of specific heads of income. All expenditure incurred has been charged to the Statement of Profit or Loss and other Comprehensive Income in the running of the business and in maintaining the property, plant and equipment in a state of efficiency.

### ii) Borrowing Costs

Borrowing costs that are directly attributable to the acquisition and construction of a qualifying asset form part of the cost of that asset and, therefore, should be capitalized. Other borrowing costs are recognized as expenses.

## 2.14 Income tax

Income tax expense is recognized in the statement of Statement of Profit or Loss and other Comprehensive Income

### i) Current Tax

The tax currently payable is based on taxable profits for the year. Taxable profits differs from profits as reported in the Statement of Profit or Loss and other Comprehensive Income because it excludes items of income or expenses that are taxable or deductible in other year or are never taxable or deductible. Company's liability for current tax is calculated using tax rates that have been enacted the financial position date.

### ii) Deferred tax assets / liabilities

Crystal Insurance Company Limited is engaged in General Insurance Business and its taxation is calculated based on the taxable income as per the Fourth Schedule of the Income Tax Ordinance, 1984. The company does not provide for deferred taxation as current tax is based on the profits disclosed as per accounts prepared (including management judgments and estimates) complying with the provisions of the Insurance Act, 2010 and as per 4th Schedule of the ITO, 1984 and not under different heads of income. As such management believes there is no effect of deductible/taxable temporary differences leading to recognition of deferred tax expense (income) and consequential deferred liabilities (assets) as per IAS - 12.

## 2.15 Reserve or contingencies Accounts

### i) Reserve for exceptional losses

In line with Para 6, 4th Schedule of the Income Tax Ordinance 1984, to meet the exceptional losses, CICL sets aside 10% of the Gross Premium Income of the year in which it is set aside from the balance of the profit to the reserve for exceptional losses.

### ii) General Reserve

Transfer to to General Resurve from profits is done on a lump sum basis as management deems fit.

## 2.16 Segment Reporting

A business segment is a distinguishable component of the company that in providing services that are subject to risks and returns that are different from those of other business segments. The company accounts for segment reporting of operating results using the classes of business. The performance of segments is evaluated on the basis of underwriting results of each segment. The company has four primary business segments for reporting purposes namely fire, marine, motor and miscellaneous.

## 2.17 Earning per share

The Company presents its basic earning per share (EPS) data for its ordinary shares. Basic EPS is calculated by dividing the profit or loss attributable to ordinary shareholders of the Company by the number of ordinary shares outstanding during the period.

$$\text{EPS} = \frac{\text{Earning attributable to Ordinary shareholders}}{\text{Number of ordinary share outstanding during the year}}$$

	<u>2018</u>	<u>2017</u>
<b>Net Profit After Tax</b>	67,986,676	49,772,471
Number of Ordinary Shares outstanding during the year	24,000,000	24,000,000
<b>Earning per share (EPS)</b>	<b>2.83</b>	<b>2.07</b>

## 2.18 Related party disclosurea

Crystal Insurance Company Limited, in normal course of business, carried out a number of transactions with other entities that fall within the definition of related party contained in International Accounting standard 24: "Related party Disclosures. All transactions involving relating parties arising in normal course of business are conductive on an arm's length basis a commercial rates on the same terms and conditions as Publicable to the third parties. Details of the related party transaction have been given in note 26.

## 2.19 Statement of Cash Flows

The statement of cash flows has been prepared in accordance with IAS-7 and the cash from the operating activities has been presented using direct method.

## 2.20 Branch Accounting

Crystal Insurance Company Limited now has (32) thirty two branches with no overseas branch as of December 31, 2018. Accounts of the branches are maintained at the head office from which these accounts are drawn up.

## 2.21 Employees Details:

During the year under review 266 employees are employed for the full time. Information of the employees is given below:

No of employees' received salary more than Tk. 3000/= per month	266
No of employees' received salary less than Tk. 3000/= per month	Nil
No part time employees are employed in the company.	

## 2.22 Event after the reporting period

### Proposed Dividend

The proposed dividend is not recognized as a liability in the Financial Position in accordance with the IAS 10: Events after the Financial Position. Dividend payable to the company's shareholders are recognized as a liability only when disclosed and deducted from shareholders equity in the period in which the shareholders right to receive payment is established. International Accounting Standard (IAS) 1: Presentation of Financial Statements also requires the dividend proposed after the balance sheet date but before the financial statement are authorized for issue, be disclosed in the notes to the financial statement. Accordingly, the company has disclosed the same in the notes to the financial statements.

All material events occurring after the balance sheet date has been considered and where necessary, adjusted for or disclosed in the note 24.

## 2.23 Disclosure of departure:

- Premium is not recognised as per IFRS 4 / IFRS 15
- IAS 1 requirements are not followed for the preparation of Balance Sheet, Profit & Loss Account and revenue accounts as Insurance Act, 2010 is followed.
- No deferred tax has been calculated or provided for as the income tax charge has been calculated as per fourth schedule of ITO, 1984.

## 2.24 Deposit Premium Account:

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

3.00 Share Capital	Amount in Taka 2018	Amount in Taka 2017
<b>Authorised Capital:</b>		
100,000,000 Ordinary shares of Tk.10.00 each	<u>1,000,000,000</u>	<u>1,000,000,000</u>
<b>Issued, Subscribed and Paid up Capital</b>	<u>240,000,000</u>	<u>240,000,000</u>
Issued, Subscribed and Paid up Capital consist of 24,000,000 Ordinary shares of Tk.10/- each fully paidup in cash.		



## Share Holdings.

The following table shows the shareholdings of the Company.

Sl.No	Name	Position	No. of share	Amount in Tk.	Percentage
1	Abdullah Al-Mahmud	Chairman	4,000,000	40,000,000	
2	Abdullah Hasan	Director	4,000,000	40,000,000	
3	A.H.M. Mozammel Hoque	Director	800,000	8,000,000	
4	Tajul Islam	Director	900,000	9,000,000	
5	Shahzadi Begum	Director	800,000	8,000,000	
6	Farhana Danesh	Director	955,000	9,550,000	
7	Abdullah Al-Mamun	Director	800,000	8,000,000	
8	Farzana Munny	Director	800,000	8,000,000	
9	Arafat Rashid	Director	800,000	8,000,000	
10	Nusrat Mahmud	Director	4,000,000	40,000,000	
11	Soera Zahir	Director	2,000,000	20,000,000	
12	Nabila Mahmud	Director	2,000,000	20,000,000	
13	Asoke Ranjan kapuria	Share Holder	1,200,000	12,000,000	
14	Iqbal Hasan Mahmood	Share Holder	375,000	3,750,000	
15	Sarah Hasien Mahmud	Share Holder	300,000	3,000,000	
16	Rubayet Tanvir Huda	Share Holder	270,000	2,700,000	
			<b>24,000,000</b>	<b>240,000,000</b>	

### 4.00 Reserve & Surplus

Reserve for exceptional Losses (Notes 4.01)  
Retained earnings (P&L App. A/C)  
Other Comprehensive Income  
General Reserve (Notes 4.03)

**Total**

	Amount in Taka 2018	Amount in Taka 2017
Reserve for exceptional Losses (Notes 4.01)	277,082,253	233,952,136
Retained earnings (P&L App. A/C)	24,550,196	11,765,050
Other Comprehensive Income	1,194,312	6,384,012
General Reserve (Notes 4.03)	5,500,000	11,000,000
<b>Total</b>	<b>308,326,761</b>	<b>263,101,198</b>

### 4.01 Reserve for Exceptional Losses:

As per paragraph 6 of the Fourth Schedule of Income Tax Ordinance 1984, @10% of the gross premium transferred to reserve for exceptional losses. Detailed calculation is given below:

Balance as on January 01, 2018

Add. Reserve made during the year (Notes 4.02)

**Total**

Balance as on January 01, 2018	233,952,136	193,085,967
Add. Reserve made during the year (Notes 4.02)	43,130,117	40,866,169
<b>Total</b>	<b>277,082,253</b>	<b>233,952,136</b>

### 4.02 Reserve for exceptional losses made during the year @10% on Gross Premium Tk. 43,130,117.00

Particulars	Gross Premium	%	Amount (Tk.)	Amount (Tk.)
Fire	168,248,829	10%	16,824,883	16,222,186
Marine Cargo & Hull	172,985,199	10%	17,298,520	17,201,602
Motor	36,304,098	10%	3,630,410	3,837,798
Misc	53,763,039	10%	5,376,304	3,604,583
<b>Total</b>	<b>431,301,165</b>		<b>43,130,117</b>	<b>40,866,169</b>

#### 4.03 General Reserve

Balance as on January 01,2018  
 Less: Transfer to Profit & Loss Appropriation Account  
 Add: Reserve made during the Year  
 Balance as on December 31,2018

11,000,000	10,500,000
(6,000,000)	-
500,000	500,000
<b>5,500,000</b>	<b>11,000,000</b>

#### 5.00 Balance of fund and accounts :

Balance of fund and accounts consists of as follows:

Fire Insurance Revenue Account  
 Marine Insurance Revenue Account  
 Motor Insurance Revenue Account  
 Misc. Insurance Revenue Account

Total

49,513,474	49,202,775
53,121,683	51,539,800
14,147,495	15,258,639
5,448,824	4,580,201
<b>122,231,476</b>	<b>120,581,415</b>

#### 6.00 Deposit Premium:

The below mentioned amount includes premium received against cover notes for which policies have not been issued within December 31, 2018. While the risks against non-marine and marine hull have been assumed from the issuance of cover notes, risks against marine cargo have not been assumed until shipment advices are provided and accordingly, policies are issued.

Fire.  
 Marine.  
 Marine Hull  
 Misc

Total

2,081,202	1,826,576
17,735,567	11,670,141
1,436,000	-
368,884	-
<b>21,621,653</b>	<b>13,496,717</b>
<b>Amount in Taka 2018</b>	<b>Amount in Taka 2017</b>

#### 6.01 Deposit Premium

Opening Balance as on 01.01.2018  
 Add: Premium Deposited/Collection during the year  
 Less: Refund premium during the year  
 Less: Premium Income as per policy during the year  
 Closing Balance as on 31.12.2018

13,496,717
375,051,560
(2,474,497)
(364,452,127)
<b>21,621,653</b>

#### 7.00 Estimated liability in respect of Outstanding claims whether due or intimated

Fire.  
 Marine.  
 Marine hull  
 Motor.  
 Misc.

Total

61,202,349	50,961,000
32,390,950	18,515,826
735,783	-
3,544,607	4,183,414
1,448,222	1,463,942
<b>99,321,911</b>	<b>75,124,182</b>

All the claims against which the Company received intimations within 31st December 2018 have been taken into consideration while estimating the liability of outstanding claims.

## 8.00 Amount due to other persons or bodies carrying on Insurance business:

We have obtained balance conformation from quarterly accounts of SBC regarding amount due to other persons or bodies carrying on insurance business:

Sadharan Bima Corp. reinsurance ceded	110,926,278	128,537,541
<b>Total</b>	<b>110,926,278</b>	<b>128,537,541</b>

This is made up of the balance due to Sadharan Bima Corporation (SBC) on account of re insurance arrangement.

## 9.00 Sundry Creditors

This is made up as follows :

Audit fees	350,000	300,000
Advertisement Bill	-	10,000
Advance Deposit (Office Premises)	560,490	283,920
Bangladesh Insurance Association	-	300,000
Dividend	688,500	518,400
Fuel & Lubricant	9,961	21,933
Office Rent	432,447	246,585
Office Equipment	59,000	-
Office Decoration	-	52,000
Press Release	178,500	18,000
Provident Fund	434,150	1,565,740
Postage & Revenue	21,360	-
Professional Fee	100,000	100,000
Provision for Income Tax (Notes 9.01)	20,963,514	22,572,029
Salary & Allowances	6,051,068	6,028,215
Stamp Duty	3,722,475	3,113,127
Security Deposit (Open Policy)	80,000	80,000
Software Maintenance	60,480	76,800
VAT at source	569,660	268,695
Tax at source	829,431	1,185,254
Telephone Bill(Office)	22,142	16,228
Telephone Bill (Mobile & Res)	68,145	50,390
VAT (December-2018) paid in January-2019	2,308,101	2,013,022
VAT on Office Rent	80,020	63,550
<b>Total</b>	<b>37,589,444</b>	<b>38,883,888</b>

Amount in Taka  
2018

Amount in Taka  
2017

## 9.01 Provision for Income Tax:

This is made up as follows:

Opening Balance	22,572,029	27,022,054
Add: Provision for the year (Notes 9.02)	6,319,278	4,795,169
Less: Tax paid against assesment year 2018-2019	(2,219,894)	-
Less: Adjustment previous year unadjustment balance	(5,707,899)	(9,245,194)
<b>Total</b>	<b>20,963,514</b>	<b>22,572,029</b>

## 9.02 Provision of Income Tax for the year made up as follows :

Profit before tax as per Profit and Loss account	74,305,954.00	54,567,640
Less: Reserve for Exceptional Loss	(43,130,117.00)	(40,866,169)
Less: Interest on National Investment Bond (Tax Free)	(2,308,400.00)	(949,350)
Less: Realised Gain on Investment in Shares	(8,063,929.00)	(1,477,409)
Less: Dividend Income	(1,178,212.00)	(969,754)
Less: Capital Gain on sale of fixed Assets	(10,291,500)	-
<b>Business Income (Taxable @ 40.00%)</b>	<b>9,333,796.00</b>	<b>10,304,958</b>
Add: Profit on dividend Income	1,178,212.00	969,754
Add: Realised Gain on Investment in Shares	8,063,929.00	1,477,409
Add: Interest on National Investment Bond (Tax Free)	2,308,400.00	949,350
<b>Total Income</b>	<b>20,884,337.00</b>	<b>13,701,471</b>
a) Tax on Business Income @40.00%	3,733,518.00	4,379,607.00
b) Tax on Realised Gain on Share @ 10%	806,393.00	221,611
c) Tax on Dividend income @ 20%	235,642.00	193,951
d) Tax on Capital Gain on sale of fixed Assets @ 15%	1,543,725.00	-
<b>Tax provision for the year</b>	<b>6,319,278.00</b>	<b>4,795,169.00</b>

## 10.00 Property, plant and equipment at Cost :

### Cost or valuation:

Balance at the beginning of the year	179,931,495	173,394,551
Addition during the year	270,738,339	12,039,819
Sales/Disposal during the year	(44,377,429)	
Balance at the year end	<b>406,292,405</b>	<b>185,434,370</b>
<b>Accumulated Depreciation</b>		
Balance at the beginning of the year	128,864,501	109,209,409
Addition during the year	26,308,321	25,166,380
Sales/Adjustment during the year	(44,377,429)	(779,826)
Balance at the year end	<b>110,795,393</b>	<b>133,595,963</b>
<b>Written down value at the year end</b>	<b>295,497,012</b>	<b>51,838,407</b>

### aValue of Land & Office Space:

i) Value of land at cost with registration	7,892,036
ii) Value of Office Space at cost with registration	53,564,614
	<b>61,456,650</b>
Less: Transfer to Investment Property in 2016 (IAS 40) ( Note 12.03)	27,505,279
	<b>33,951,371</b>

The Company has recognised an assets of office space of 14,000 Sft with proportionate portion of land at DR Tower (14th Floor) at 65/2/2,Culvert Road, Purana Paltan, Dkaka-1000, along with 8 (eight) Car parking space as per agreement. Since the Assets is being used as Corporate Office of the Company and thats why management is decided to charge of depreciation from 1st January-2018.

Schedule for the detail of property, plant equipment may be seen in Annexure A (Fixed Assets Schedule)

Amount in Taka  
2018

Amount in Taka  
2017

## 11.00 Advanced against land & office Space

Balance at the beginning of the year	275,926,900	261,828,000
Addition during the year (Notes 11.01)	-	14,098,900
Less: Transfer to Investment Property (Office Space of Jessore )	(15,594,900)	-
Less: Transfer to Land (Property, Plant & Equipment) Note#11.02	(43,980,000)	-
Less: Transfer to Office Space (Property, Plant & Equipments)	(204,352,000)	-
<b>Total</b>	<b>12,000,000</b>	<b>275,926,900</b>

### 11.01 Break up of addition for the year

i) Office Space Dhaka (DR. Tower)	-	10,000,000
ii) Office Space Jessore	-	2,194,900
iii) Land in Bashundhara	-	1,904,000
<b>Total</b>	<b>-</b>	<b>14,098,900</b>

### 11.02 Break up of transfer to land Tk. 43,980,000.00

i) Office Space Dhaka (DR. Tower)	41,580,000	
ii) Office Space Jessore	2,400,000	
<b>Total</b>	<b>43,980,000</b>	

#### ii) Land at Bashundhara: Tk.12,000,000.00

During the year-2012 the Company has booked a plot of land of 10 katha in the project of Basundhara Reversion Green Town at a total cost of Tk.12,000,000. The Company has paid the total mamount of Tk.12,000,000. The registration process the land is yet to be completed.

## 12.00 Investments

The amounts have been arrived at as under:

Held to maturity ( Note-12.01)	25,000,000	25,000,000
Available for sale of financial Assets(Note -12.02)	59,886,202	51,578,148
<b>Total</b>	<b>84,886,202</b>	<b>76,578,148</b>

### 12.01 Held to maturity:

Investments with Fixed maturity that the management has the intent and ability to hold to maturity are classified as held to maturity. During the year 2018 the Company hold Tk.25,000,000.00 as Bangladesh Government Treasury Bond.

### 12.02 Available for sale of Financial Assets:

Available for sale of investments are those non-derivative investments that are designated as available for sale or are not classified in any other category. These are primarily those investments that are intended to be held for an undefined period of time or may be sold in response to the need for liquidity are classified as available for sale. The Company follows trade date accounting for regular way purchase and sales of investments. As of December 31, 2018 Company designated the following shares as available for sale.

Details are as follows:

#### Changes in Fair value the shares available for sale:

Opening Balance on 01.01.2018		51,578,148
Add: Investment during the year		5,433,825
Add: Realised Gain	8,063,929	
Less: Unrealised Loss	(5,189,700)	
Balance as on 31-12-2018		<b>59,886,202</b>

Name of the company	No. of share as on 31.12.18	Avg. Cost on 31.12.2018	Value at costs as on 31.12.2018	Fair Marke as on 31.12.2018
ACTIVE FINE CERAMICS	120000	37.85	4,542,254	3,384,000
BRACK BANK LTD	64000	71.41	4,570,270	4,652,800
HAMID FABRICS LIMITED	7000000	23.86	16,703,820	16,240,000
IBP	294	9.09	2,673	9,143
INTRACO	266	9.52	2,534	7,129
KTL	11070	9.09	100,640	280,071
ML DYEING	4229	8.33	35,242	125,601
PTL	2000	61.68	123,369	131,800
SILVA PHL	9194	10	91,940	276,739
SINGER BD	1000	216.05	216,046	221,200
SK TRIMS	5546	9.09	50,420	256,780
SS STEEL	13492	10	134,920	134,920
SUMIT POWER	15000	38.87	583,117	591,000
UPGDCL	35000	344.85	12,069,756	10,174,500
VFSTDCL	4222	9.09	38,386	244,032
HAMID FABRICS LIMITED	496100	28.93	14,352,883	11,509,520
OMIEX Electrode limited	729	8.08	5,891	27,410
QUEEN SOUTH TEXTILE MILLS LTD	2954	9.09	26,860	112,547
Bashundhara Paper Mills Ltd	21613	80	1,729,040	1,811,169
ESQUIRE KNITE	41781	45	1,880,145	1,880,145
RUNNER AUTOMOBILES	14412	75	1,080,900	1,080,900
ADNTEL	18968	30	569,040	569,040
GENTEXIL	10467	10	104,670	104,670
			<b>53,651,020</b>	<b>53,825,117</b>

Add: Balance/Cash in hand

6,061,085

**Total Value as on 31.12.2018**

**59,886,202**

### 12.03 Investment Property

34,664,370

26,130,015

As per decision of the management the portion of Building 2,705.17 SFT is recognised as investment property under IAS 40, initially recognised at cost plus directly attributable cost to the asset.

**Balance as on 01.01.2018**

26,130,015

27,505,279

Add: Office Space (Jessore Branch)

15,594,900

-

Less: Depreciation during the year

7,060,545

1,375,264

**Balance as on 31.12.2018**

**34,664,370**

**26,130,015**

### 13.00 Inventories

Insurance Stamps

1,173,391

1,361,593

**Total**

**1,173,391**

**1,361,593**

**14.00 Sundry Debtors (including advances, deposits and prepayments):**

This is made up as follows :

Advance against office rent	10,846,851	11,379,030
Advance against office salary	7,206,500	3,151,000
Advance against IPO expenses	1,530,116	1,230,116
Advance deposit for land (Rajuk)	1,500,000	1,500,000
Advance against Income Tax (14.01)	4,597,090	7,750,824
<b>Total</b>	<b>25,680,557</b>	<b>25,010,970</b>

 Amount in Taka  
2018

 Amount in Taka  
2017

**14.01 Advance Income Tax :**

Balance at the beginning of the year

Deduction against Interest on FDR's &amp; STD A/C

Advance Deposited against vehicle

Deduction against Dividend on Share Investment

Adjustment during the year

**Total**

7,750,824	12,777,235
1,843,523	1,638,701
475,000	275,000
235,642	193,950
<b>(5,707,899)</b>	<b>(7,134,062)</b>
<b>4,597,090</b>	<b>7,750,824</b>

Detail break up of closing balance of Advance Income Tax are given below:

Particulars	Income Year	Assessment Year	Amount (Tk)
AIT for Tax appeal (Appeal pending with High Court)	2007	2008-2009	1,067,925.00
AIT for Tax appeal	2010	2011-2012	975,000.00
<b>Deduction at source:</b>			
Deduction against Interest on FDR's & STD A/C			1,843,523
Advance Deposited against Vehicle			475,000
Deduction against Dividend on Share Investment			235,642
			<b>4,597,090.00</b>

**15.00 Interest receivable account**
**Accrued but not due:**

Accrued interest of FDR account

Accrued interest of National Investment Bond

**Total**

10,044,685	5,946,554
247,643	247,643
<b>10,292,328</b>	<b>6,194,197</b>

The amounts represent interest accrued but not received during the year.

**16.00 Amount due from other persons or bodies carrying on insurance business:**

We have obtained balance conformation from quarterly accounts of SBC regarding amount due from other persons or bodies carrying on insurance business:

The balance is made up as follows :

**Receivable from SBC**
**Total**

85,994,364	74,466,127
<b>85,994,364</b>	<b>74,466,127</b>

**17.00 Cash and Bank Balances**
31,229,299
30,818,584

Cash in Hand	2,818,141	2,723,455
Cash at Banks on STD Accounts	25,164,988	23,387,680
Cash at Banks on CD Accounts	3,246,170	4,707,449
<b>Total</b>	<b>31,229,299</b>	<b>30,818,584</b>

We have duly verified cash in hand by cash count and cash at bank balances have been confirmed with the respective bank statements and reconciliation statement as applicable has been made with the bank statements.

**18.00 Fixed Deposit Receipt (FDR) with Banks:**
358,600,000
311,400,000

Investment in FDR consists of FDR investment in Banks total Taka, 35.86 million, which is readily convertible to cash at a short notice.

**19.00 Depreciation:**

As per Fixed Assets Schedule	26,308,321	24,386,554
Depreciation of Investment Property (Note 12.03)	7,060,545	1,375,264
<b>Total</b>	<b>33,368,866</b>	<b>25,761,818</b>

**20.00 Interest Income:**
**Interest received on:**

	Amount in Taka 2018	Amount in Taka 2017
FDR Accounts	17,852,358	9,624,731
STD Accounts	312,085	6,608,751
Govt. Treasury Bond	2,308,400	730,803
<b>Total</b>	<b>20,472,843</b>	<b>16,964,285</b>

**Less: Opening Accrued interest on:**

FDR Accounts	5,946,554	5,067,418
Govt. Treasury Bond	247,643	29,096
<b>Total</b>	<b>6,194,197</b>	<b>5,096,514</b>

**Add: Closing Accrued interest on:**

FDR Accounts	10,044,685	5,946,554
Govt. Treasury Bond	247,643	247,643
<b>Total</b>	<b>10,292,328</b>	<b>6,194,197</b>
<b>Total</b>	<b>24,570,974</b>	<b>18,061,968</b>

**21.00 Other Income:**

Miscellaneous Income	20,431	218,369
Office Rent	1,678,644	1,043,586
Garage Rent	54,000	
Service Charge	23,844	
Realised Gain from sale of listed companies share	8,063,929	1,477,409
Dividend Income from listed companies share	1,178,212	969,754
<b>Total</b>	<b>11,019,060</b>	<b>3,709,118</b>



**22.00 Capital Gain from sale of Assets**
10,291,500

This income derived as follows:

Particulars	Sale Amount	Carring Amount	Capital Gain
<b>A. Vehicle:</b>			
Dhaka Metro GA-14-2155	250,000	Nil	250,000
Dhaka Metro GA-33-7776	700,000	Nil	700,000
Dhaka Metro GHA-11-6586	600,000	Nil	600,000
Dhaka Metro GHA-13-8233	3,000,000	Nil	3,000,000
Dhaka Metro GA-35-8750	1,000,000	Nil	1,000,000
Dhaka Metro KHA-12-0875	300,000	Nil	300,000
Dhaka Metro GA-23-3615	600,000	Nil	600,000
Dhaka Metro GA-27-5300	750,000	Nil	750,000
Dhaka Metro GA-33-4241	850,000	Nil	850,000
Dhaka Metro GA-19-2484	500,000	Nil	500,000
Dhaka Metro GA-35-6394	700,000	Nil	700,000
Dhaka Metro GA-35-8672	1,000,000	Nil	1,000,000
<b>B. Air Condition</b>	41,500	Nil	41,500
<b>Total</b>			<u>10,291,500</u>

 Amount in Taka  
2018

 Amount in Taka  
2017

**23.00 Management Expenses (Notes 21.01)**

The Management expenses have been made during the year 2018. Details are as follows:

**23.01 Schedule of Management Expenses:**

This consists of the following :

Annual Conference	519,200	64,320
Cable & Internate Bill	183,857	184,242
Car Allowance	3,405,000	4,536,650
Car Maintanance	461,122	386,360
Conveyance	647,461	511,099
Earned Leave	176,439	408,788
Entertainment	692,781	634,578
Festival Bonus	5,574,226	6,150,626
Fuel & Lubc.	294,115	424,391
Garage Rent	47,500	39,400
Tax at Source	-	22,963
Inspection Fee	-	180,200
Insurance Premium	95,943	93,902
IPO Expenses	198,000	-
Legal Expenses	233,800	36,740
Medical Allowance	50,112	-
Meeting Exp.	547,000	415,000
Misc. Expenses	6,963	38,004
Office Maintanance	221,604	217,045
Office Rent	6,850,635	6,546,767
Paper & Perodical Expences	101,972	92,813
Employer's Contribution to PF	2,417,075	1,932,870

Postage & Revenue	331,619	308,863
Printing & Stationary	1,010,791	1,020,574
Professional Fee	118,500	449,127
Press Release	223,062	48,225
Software Maintenance	460,781	586,590
Scholarship	535,500	572,500
Water, Gas & Electrical Expenses	678,154	698,445
Salary & Allowance	64,683,228	67,066,337
Service Serge( Co-Ins)	179,609	260,684
Telephone (Mobile & Res)	814,428	1,069,960
Telephone (Office )	255,204	518,650
Tranning Fee	46,000	99,080
Travelling Allowance	298,799	236,053
VAT Paid (Office Rent)	960,240	762,600
Utility Bill	1,336,973	1,302,173
Wages	203,634	189,820
<b>Management Expenses except PSB</b>	<b>94,861,327</b>	<b>98,106,439</b>
<b>Management Expenses (PSB)</b>	<b>5,013,768</b>	<b>3,665,842</b>
<b>Total</b>	<b>99,875,095</b>	<b>101,772,281</b>

#### Class wise allocation of Management Expenses

Class of Business.	Management Expenses		2018	2017
	Expenses against Direct Business	PSB Business as per Statements shown by SBC	Total Management Expenses	Amount (Tk)
Fire	41,488,654	663,873	42,152,527	43,220,913
Marine & Marine Hull	40,876,276	1,195,646	42,071,922	43,365,178
Motor	8,798,130	187,662	8,985,792	10,431,445
Miscellaneous	3,698,267	2,966,587	6,664,854	4,754,745
<b>Total</b>	<b>94,861,327</b>	<b>5,013,768</b>	<b>99,875,095</b>	<b>101,772,281</b>

#### Basis of allocation of Management Expenses

Particulars	Premium Income (Direct)	Expenses Ratio	Management Expenses
Fire	168,248,829	39%	37,005,017.56
Marine & Marine Hull	172,985,199	40%	38,046,745.20
Motor	36,304,098	8%	7,984,803.18
Misc	53,763,039	12%	11,824,761.06
<b>Total</b>	<b>431,301,165</b>	<b>100%</b>	<b>94,861,327</b>

#### 24.00 Earnings Per Share

The Company calculates Earnings per Share (EPS) in accordance with IAS 33: Earnings Per Share, which has been shown on the face of the income statement and has been calculated by dividing the basic earnings by the number of ordinary shares outstanding for the year. Detailed calculations were as follows:

Earnings attributable to ordinary shareholders (Net profit after taxation and Provision)	67,986,676	49,772,471
Number of Ordinary Shares	24,000,000	24,000,000
<b>Basic earnings Per share (Taka)</b>	<b>2.83</b>	<b>2.07</b>

## 25.00 Events after the reporting period

There is no significant event that has occurred between the Balance Sheet date and the date when except 10% cash dividend as proposed by the Board of Directors in its meeting held on 21st April, 2019 for the year ended 31st December 2018.

Financial Statements were authorised for issue by the Board of Directors.

## 26.00 Directors Involvements/Interest in other companies (Related party disclosures: IAS-24)

Crystal Insurance Company Ltd., in normal course of business, carried out of number of transactions contained in International Accounting Standard 24: Related Party Disclosures. All transactions involving related parties arising in normal course of business are conducted on an arm's length basis at commercial rates on the same terms and conditions as applicable to the third parties.

Details of transaction with related parties and balances with them were as follows:

Name of The related party	Relationship	Nature of Transaction	Premium Earned in 2018	Claim Paid in 2018
Mahin Apparels Ltd. Hamid Fabrics Ltd, Unit-I Hamid Fabrics Ltd, Unit-II Hamid Weaving Mills Ltd Tazrian Weaving Mills Ltd	Common Director	Insurance Premium	18,267,419	589,931.00
RG Traders N.K. Motors Eagle Paribahan (pvt) Ltd.	Common Director	Insurance Premium	1,051,807	2,219,475
<b>Total</b>			<b>19,319,226.00</b>	<b>2,809,406.00</b>

## 27.00 Liability for VAT:

The Liabilities of VAT amounting to Tk. 23,08,101.00 only for the month of December-2018 which has subsequently been deposited with Bangladesh Bank in the month of January-2019

## 28.00 Tax Assessment Position:

Details have been shown in the Annexure -B.

## 29.00 CEO'S Remuneration:

The Company paid during the year under Audit the following Remuneration & allowances to CEO of the company .

	2018	2017
i). Remuneration & Festival Bonus	2,940,000	2,640,000
ii). Driver Salary & Bonus	192,000	192,000
iii). Mobile Bill	24,000	24,000
ii). Fuel & Garage rent	122,796	104,148
	<b>3,278,796</b>	<b>2,960,148</b>

### 30.00 Contingement Asset/Liability:

There is no contingent Asset or Liability of the Company as at 31-12.2018 except the followings:

#### Liability for VAT:

The Commissioner of Customs Excise & VAT Commissionerate, Dhaka (South), Dhaka vide their letter No. ৪/মুসক/৮(২০৭)/কর ফাকি/বিচার/১৭, তারিখ: ২৪/০৯/২০১৭ইং demanded an amount of VAT Tk.2,933,948.00 for the year 2016. The Company has submitted necessary papers and documents vide letter No. সিআইসিএল/সিও/হিসাব/২০১৭/৩৫৭২ তারিখ: ১৯/১০/২০১৭ against such unacceptable demand of the Commissioner of Customs, Excise & VAT Commissionerate, Dhaka (South), Dhaka . Subsequently management of CICL also appealed to the Appellate Tribunal of Customs, Excise & VAT and the Authority has not given any decision till to date.

**Liability for Tax:** Details break up have been shown in the annexure "B"

### 31.00 Other Relevent Information:

- 31.01** The Company has paid Tk. 310,500 including VAT of Tk.40,500.00 to the Directors as Board Meeting attendance fee during the year 2018. Other than this, no amount of money or any other benefits have been given by the company for compensating member of the Board for special services rendered.
- 31.02** There was no credit facility for the year ended 31.12.2018 availed by the company under any contract other than trade credit available in course of business.
- 31.03** The Company did not incur any expenses nor did it earn any income in foreign currency on account of royalty, technical expert & professional advisory fees, interest etc.
- 31.04** Previous years figures have been reorganised wherever necessary to conform to current years' presentation.

## Crystal Insurance Company Limited

### Form - XL

**Statement showing details of re-insurance ceded and accepted by the CICL during the period ended 31st, December - 2018**



Class of Business	Premium						Net Premium
	Received on			Paid on			
	Premium			Reinsurance Ceded Premium			
	Direct	PSB	Gross Premium	Own	PSB	Total	
Fire	159,397,184	8,851,645	168,248,829	37,906,623	6,558,522	44,465,145	123,783,684
Marine Cargo	154,356,684	15,751,307	170,107,991	30,333,676	11,853,164	42,186,840	127,921,151
Marine Hull	2,687,775	189,433	2,877,208	774,500	149,485	923,985	1,953,223
Motor	33,801,942	2,502,156	36,304,098	746,754	188,607	935,361	35,368,737
Misc.	14,208,542	39,554,497	53,763,039	1,324,255	38,816,723	40,140,978	13,622,061
<b>Total</b>	<b>364,452,127</b>	<b>66,849,038</b>	<b>431,301,165</b>	<b>71,085,808</b>	<b>57,566,501</b>	<b>128,652,309</b>	<b>302,648,856</b>

Class of Business	Commission						Net Commission
	Paid on			Received on			
	Agent Commission			Re-insurance Ceded Commission			
	Direct	PSB	Total	Own	PSB	Total	
Fire	24,604,945	-	24,604,945	9,12,838,282	751,634	13,589,916	11,015,029
Marine Cargo	23,826,880	-	23,826,880	10,079,090	2,285,287	12,364,377	11,462,503
Marine Hull	414,892	-	414,892	223,587	8,222	231,809	183,083
Motor	5,217,751	-	5,217,751	73,374	-	73,374	5,144,377
Misc.	2,193,266	-	2,193,266	404,281	5,234,334	5,638,615	(3,445,349)
<b>Total</b>	<b>56,257,734</b>	<b>-</b>	<b>56,257,734</b>	<b>23,618,614</b>	<b>8,279,477</b>	<b>31,898,091</b>	<b>24,359,643</b>

Class of Business	Claim Paid						Net Claim
	Paid on			Received on			
	Claim			Re-insurance Ceded			
	Direct	PSB	Total	Own	PSB	Total	
Fire	73,248,832	1,392,160	74,640,992	5,510,816	1,021,261	6,532,077	68,108,915
Marine Cargo	18,187,782	323,312	18,511,094	6,720,504	44,241	6,764,745	11,746,349
Marine Hull	300,000	173,419	473,419	-	151,310	151,310	322,109
Motor	7,089,066	130,347	7,219,413	-	-	-	7,219,413
Misc.	-	7,868,276	7,868,276	-	7,703,450	7,703,450	164,826
<b>Total</b>	<b>98,825,680</b>	<b>9,887,514</b>	<b>108,713,194</b>	<b>12,231,320</b>	<b>8,920,262</b>	<b>21,151,582</b>	<b>87,561,612</b>

  
**Mia Fazle Karim FCA**  
 Chief Executive Officer

  
**A.H.M. Mozammel Hoque**  
 Director

   
**Farhana Danesh** **Abdullah-Al-Mahmud**  
 Director Chairman

  
**Mahfel Huq & Co**  
 Chartered Accountants

Dated: Dhaka, 13th February, 2018

## Crystal Insurance Company Limited

### FORM "A A"


Classified summary of assets as at 31st December, 2018

Sl. No.	Class Of Assets	Amount (Tk)		Remarks
		2018	2017	
1	Investment	119,550,572	102,708,163	Realisable value
2	Inventories	1,173,391	1,361,593	Realisable value
3	Fixed Deposit with Banks	358,600,000	311,400,000	Realisable value
4	Cash at Bank Balance	31,229,299	30,818,584	Realisable value
5	Interest Receivable Account	10,292,328	6,194,197	Realisable value
6	Amount Due from other person or bodies Carrying on Insurance Business	85,994,364	74,466,127	Realisable value
7	Sundry Debtors (Including Advance deposit & Prements)	25,680,557	25,010,970	Realisable value
8	Property, plant & equipments	295,497,012	51,838,407	Realisable value
9	Advance against land & office Space	12,000,000	275,926,900	At Cost
		<b>940,017,523</b>	<b>879,724,941</b>	

  
**Mia Fazle Karim FCA**  
 Chief Executive Officer

  
**A.H.M. Mozammel Hoque**  
 Director

  
**Farhana Danesh**  
 Director

  
**Abdullah-Al-Mahmud**  
 Chairman

Dated: Dhaka, 21st April, 2019

  
**Mahfel Huq & Co**  
 Chartered Accountants

**CRYSTAL INSURANCE COMPANY LIMITED**  
Property, Plant and equipments

For the year ended December 31, 2018

Annexure-A

Sl. NO.	PARTICULARS	COST			Rate of Dep.	DEPRECIATION			WRITTEN DOWN	
		Balance as on '01-01-2018	Addition during the year	Disposal during the year		Total as on '31-12-2018	Depreciation during the year	Adjustment during the year	Total as on '31-12-2018	VALUE AS ON '31-12-2018
1	Furniture & Fixtures	8,180,892	187,744		10%	477,147		6,645,222	1,723,414	2,012,817
2	Office Equipments	12,723,680	818,330		15%	1,178,661		10,936,244	2,605,766	2,966,097
3	Office Decoration	40,872,592	1,690,200		10%	3,583,004		25,769,023	16,793,769	18,686,573
4	Sundry Assets	5,759,531	400,065		20%	593,758		5,224,228	935,368	1,129,061
5	Motor Vehicles	78,443,429	19,310,000	44,377,429	20%	8,955,184	44,377,429	25,053,042	28,322,958	17,968,142
6	Office Space	26,059,335	204,352,000		5%	11,520,567		37,167,634	193,243,701	412,268
7	Land	7,892,036	43,980,000						51,872,036	7,892,036
	<b>TOTAL</b>	<b>179,931,495</b>	<b>270,738,339</b>	<b>44,377,429</b>		<b>26,308,321</b>	<b>44,377,429</b>	<b>110,795,393</b>	<b>295,497,012</b>	<b>51,066,994</b>



**Mia Fazle Karim FCA**  
Chief Executive Officer



**A.H.M. Mozammel Hoque**  
Director



**Farhana Danesh**  
Director\*



**Abdullah-Al-Mahmud**  
Chairman

## CRYSTAL INSURANCE COMPANY LIMITED

### Income Tax Assessment Position (UP TO 31.12.2018)

Annexure-B

Accounting Year	Asst. Year	Status
2007	2008-09	The tax authority assessed tax tk. 133,66,504 with simple interest Tk. 18,55,449/-as per demand notice U/S 135 dated 07.06.2012 and an appeal has been made against the learned CT (LTU) order to High Court Division and the decision is pending before High Court Division.
2008	2009-10	The Income Tax Return was submitted to Deputy commissioner of Taxes, Circle -Large Taxpayer Unit (LTU), Zone-LTU Dhaka U/S 82BB. As per demand notice U/S 135 Dated 30.09.2013 present tax demand is Tk. 28,437/- but an application has been made by CICL U/S 173 for refund adjustment of Tk. 5,06,471/-.
2009	2010-11	The Income Tax Return was submitted to Deputy commissioner of Taxes, Circle -Large Taxpayer Unit (LTU), Zone-LTU Dhaka U/S 82BB. As per demand notice U/S 135 Dated 30.09.2013 present tax demand is nil but an application has been made by CICL U/S 173 for refund Tk. 17,22,097/- as DCT charged excess tax .
2010	2011-12	The tax authority assessed tax tk.98,66,812 with simple interest Tk. 14,88,007/-as per demand notice U/S 135 dated 19.09.2013 but appeal has been made against the learned CT (LTU) order to Taxes Appellate Tribunal Division. The status que order has been given by the Appellate Tribunal Division
2011	2012-13	The tax authority assessed tax tk.2,25,64,173 with simple interest Tk. 29,93,477/-as per demand notice U/S 135 dated 23.04.2015 and an appeal has been made against the learned CT (LTU) order to Taxes Appellate Division and the decision is pending before Taxes Appellate Division.
2012	2013-14	The tax authority assessed tax tk.2,35,11,328 with simple interest Tk. 33,17,280/-as per demand notice U/S 135 dated 15.03.2017 and an appeal has been made against the learned CT (LTU) order to Taxes Appellate Division and the decision is pending before Taxes Appellate Division.
2013	2014-15	The tax authority assessed tax tk 2,70,81,097 with simple interest Tk. 41,19,111/-as per demand notice U/S 135 dated 15.03.2017 and an appeal has been made against the learned CT (LTU) order to Taxes Appellate Division and the decision is pending before Taxes Appellate Division.
2014	2015-16	The Income Tax Return was submitted to Deputy commissioner of Taxes, Circle -Large Taxpayer Unit (LTU), Zone-LTU Dhaka U/S 82BB. The DCT Certify that " Assessment has been completed for the assessment year 2015-2016"
2015	2016-17	The Income Tax Return was submitted to Deputy commissioner of Taxes, Circle -Large Taxpayer Unit (LTU), Zone-LTU Dhaka U/S 82BB. The DCT Certify that " Assessment has been completed for the assessment year 2016-2017"
2016	2017-18	The Income Tax Return was submitted to Deputy commissioner of Taxes, Circle -Large Taxpayer Unit (LTU), Zone-LTU Dhaka U/S 82BB. The DCT Certify that "Assessment has been completed for the assessment year 2017-2018"
2017	2018-19	The Income Tax Return was submitted to Deputy commissioner of Taxes, Circle -Large Taxpayer Unit (LTU), Zone-LTU Dhaka U/S 82BB. The DCT Certify that " Assessment has been completed for the assessment year 2018-2019"



## Crystal Insurance Company Limited

### Net Assets Value (NAV) per Share

Net Asset Value (NAV) per share of Crystal Insurance Company Limited as on December 31, 2018 is as follows:


Sl. No.	Particulars	Amount in Taka
<b>A</b>	<b>Assets</b>	
	Investments (at cost)	119,550,572
	Property, Plants & Equipments	295,497,012
	Advance against land & Office Space	12,000,000
	Amount due from other persons or bodies carrying on Insurance Business	85,994,364
	Interest accrued but not due	10,292,328
	Sundry Debtors	25,680,557
	Cash in hand & Bank Balances with FDR	389,829,299
	Other Accounts	1,173,391
	<b>Total Assets</b>	<b>940,017,523</b>
<b>B</b>	<b>Liabilities</b>	
	Balance of Funds & Accounts	122,231,476
	Deposit Premium	21,621,653
	Estimated liability in respect of outstanding claim whether due or intimated	99,321,911
	Amount due to other persons or bodies carrying on Insurance Business	110,926,278
	Sundry Creditors	37,589,444
	<b>Total Liabilities</b>	<b>391,690,762</b>
<b>C</b>	<b>Net Assets value (A-B)</b>	<b>548,326,761</b>
<b>D</b>	<b>Weighted average Number of Shares</b>	<b>24,000,000</b>
<b>E</b>	<b>Net Assets value per share(C/D)</b>	<b>22.85</b>

We have examined the above calculation of Net Asset Value (NAV) per share of Crystal Insurance Company Limited which appears to be correct.

  
**Mia Fazle Karim FCA**  
 Chief Executive Officer

  
**A.H.M. Mozammel Hoque**  
 Director

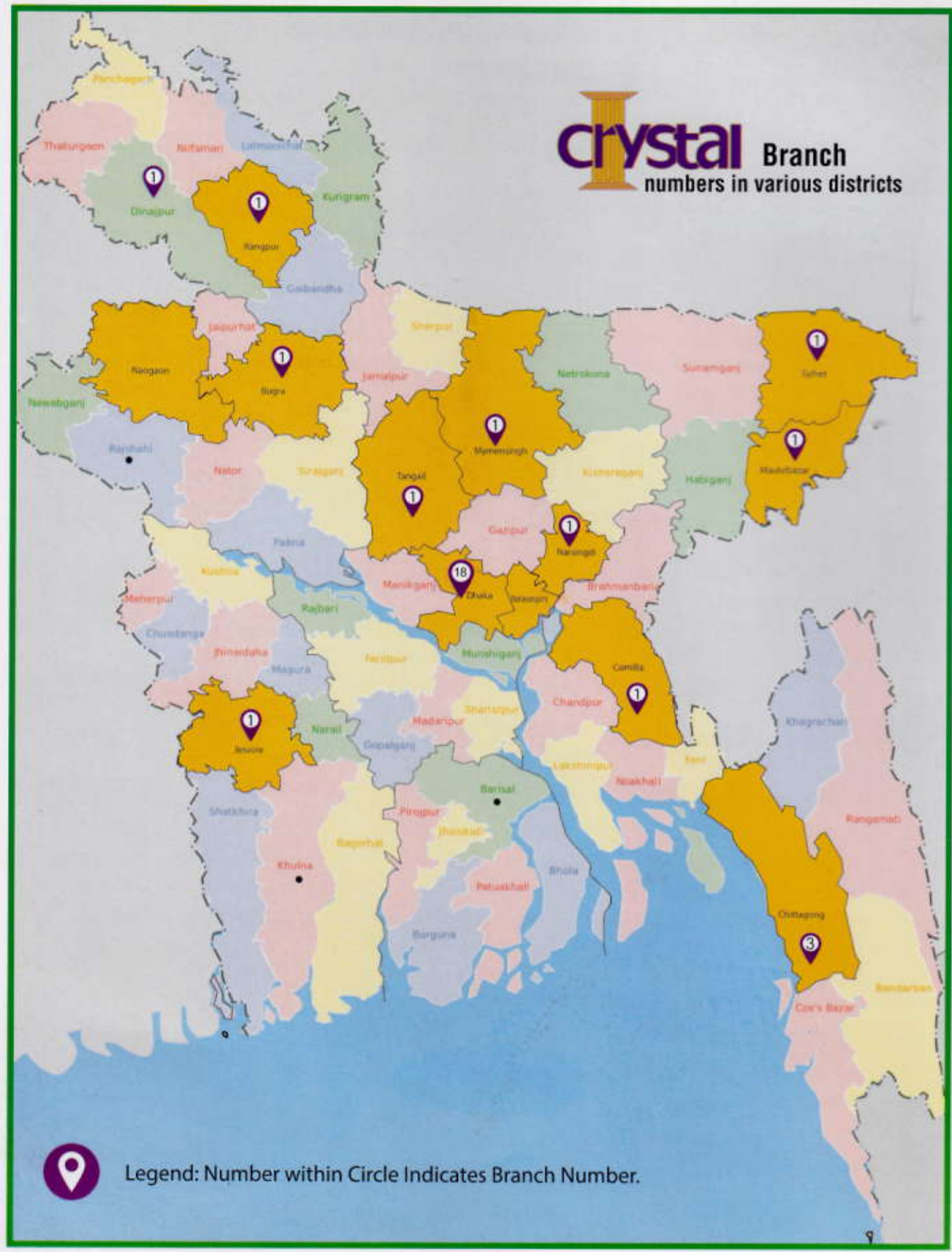
  
**Farhana Danesh**  
 Director


  
**Abdullah-Al-Mahmud**  
 Chairman

Dated: Dhaka, 21st April, 2019

  
**Mahfel Huq & Co**  
 Chartered Accountants

**Crystal** Branch numbers in various districts



 Legend: Number within Circle Indicates Branch Number.



**Crystal Insurance Company Limited**

ক্রিস্টাল ইন্স্যুরেন্স কোম্পানী লিমিটেড

*We've got you covered*

**Registered Office & Corporate Office:**

DR Tower (14th floor), 65/2/2, Box Culvert Road, Purana Paltan, Dhaka-1000  
Tel: 9571715 (Hunting), Fax: 9567205, E-mail: info@ciclb.com, Web: www.ciclb.com

### PROXY FORM

I, ..... of  
..... being  
a member of Crystal Insurance Company Limited do hereby appoint Mr./Ms. .... of  
..... as my proxy to vote for me and on my behalf  
at the **19th Annual General Meeting** of the Company to be held on ..... and at any adjournment  
thereof or at any ballot to be taken in consequence thereof.  
Signed this ..... day of ..... 2019.

Signature of Proxy.....



Signature of Shareholder

Folio No. ....

No. of Shares.....

**N.B. : IMPORTANT**

- 1) This form of Proxy, duly completed, must be deposited at least 48 hours before the meeting at the Company's Registered Office. Proxy is invalid if not signed and stamped as explained above.
- 2) Signature of the Shareholder should agree with the specimen signature registered with the Company.



**Crystal Insurance Company Limited**

ক্রিস্টাল ইন্স্যুরেন্স কোম্পানী লিমিটেড

*We've got you covered*

**Registered Office & Corporate Office:**

DR Tower (14th floor), 65/2/2, Box Culvert Road, Purana Paltan, Dhaka-1000  
Tel: 9571715 (Hunting), Fax: 9567205, E-mail: info@ciclb.com, Web: www.ciclb.com

### ATTENDANCE SLIP

I hereby record my attendance at the **19th Annual General Meeting** of the Company being held on Tuesday the 9th July, 2019 at 11-30 a.m. in the Board Room of Company's Corporate Office at DR Tower (14th Floor), 65/2/2, Purana Paltan, Dhaka-1000.

Name of Shareholder/Proxy.....

Signature of Shareholder

Folio No. ....

No. of Shares.....

**N.B.** Shareholder attending meeting in person or by Proxy are requested to complete the attendance slip and hand it over at the entrance of the meeting hall.



We've got you covered



**Crystal Insurance Company Limited**  
ক্রিস্টাল ইন্স্যুরেন্স কোম্পানী লিমিটেড

Registered Office & Corporate Office:  
DR Tower (14th floor), 65/2/2, Box Culvert Road, Purana Paltan, Dhaka-1000, Tel: 9571715 (Hunting), Fax: 9567205  
E-mail: info@ciclbd.com, www.ciclbd.com