

ANNUAL REPORT 2023

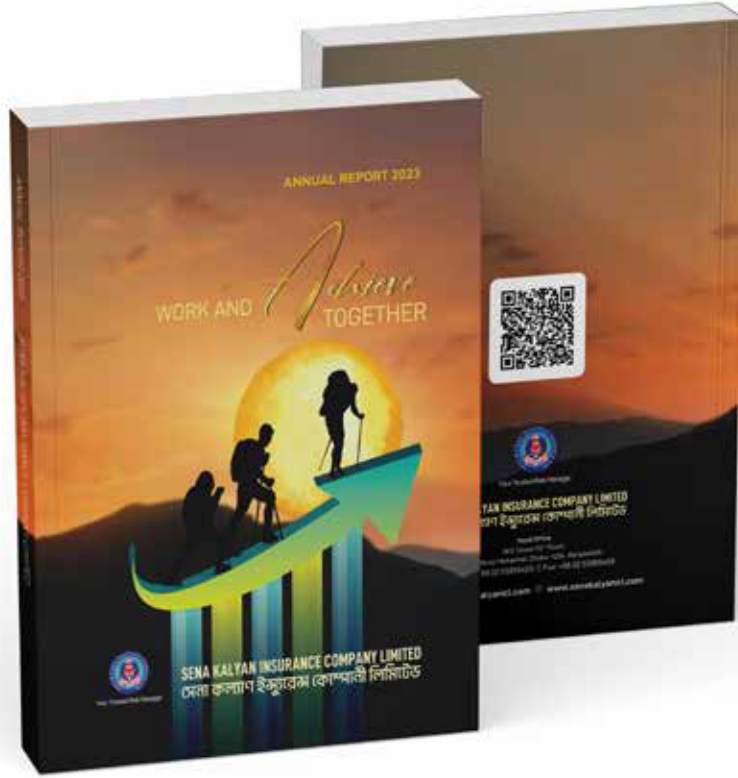
WORK AND *Achieve*  
TOGETHER



Your Trusted Risk Manager

**SENA KALYAN INSURANCE COMPANY LIMITED**  
**সেনা কল্যাণ ইন্স্যুরেন্স কোম্পানী লিমিটেড**





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# WORK AND ACHIEVE TOGETHER

“Coming together is a beginning.  
Keeping together is progress. Working  
together is success.” - Henry Ford



# WORK AND **ACHIEVE** TOGETHER

**Teamwork is a synonym of success. Alone we might be small, but together we can do miracles. Talent may get lucky, but teamwork is built to win. A team that dreams together and works together, can achieve greatness together.**

At SKICL, our team is focused on delivering value for our partners and this is our biggest asset and major differentiator. It is truly the diligence, creativity, commitment and hard work of this team that enable us to succeed. Team's contribution is vital and it is the responsibility of our executive management to consider their team's interests in every decision they make.

Despite being the youngest company in this context, the Company has been listed in the stock market at the stipulated time due to its competency and financial discipline.

Sena Kalyan Insurance Company Limited (SKICL) has won the prestigious "23rd ICAB National Award" for the best presented annual reports-2022 and "13th ICMAB Best Corporate Award-2022" for the best performance of the organization in 2022. SKICL had also won the "9th ICSB National Award for Corporate Governance Excellence, 2021" for its outstanding corporate governance practices as well as transparency and accountability in overall management, under the General Insurance Category.

The effectiveness of an insurance company is put to test in the event of a claim. As a sincere and disciplined armed forces owned organization, we always believe that prompt settlement of claims are very important strategy to procure insurance business as well as making confidence in our partners. As an example, an aircraft of US-Bangla Airlines carrying 67 passengers and 4 air crews crashed at Tribhuban Airport of Nepal on 12 March 2018 killing 51 and injuring 21 personnel on the spot. SKICL handled the situation very professionally and earned a very good reputation in the industry. As per the international survey, the Company settled the US-Bangla claim worth of 1,300 million taka among the claimants within shortest possible time.

As a young 11 years old company, we are the delighted to achieve this success by providing insurance services as a noble initiative. As an organization that is driven by its people – both those it supports and those it provides care – achieving together never stands still. Achieving together exercises its knowledge, expertise, wisdom and trusted partnerships and networks to continually adapt, evolve and innovate so that it can maintain the best possible standards of expert support. Achieve together helps to be a leader in the sector and is at the forefront of efforts to drive up quality and standards for people who need, and deserve it most.

Through the SKICL's dedicated and inspiring team, we would like to provide specialist support to 18 crores people across Bangladesh – helping them to live happy, healthy and meaningful lives.

**“23<sup>rd</sup> ICAB  
National  
Award for Best  
Presented  
Annual  
Reports- 2022”  
Presented by  
ICAB**

**“9<sup>th</sup> ICSB  
National Award  
for Corporate  
Governance  
Excellence-2021”  
Presented by  
ICSB**

**“13<sup>th</sup> ICMAB  
Best Corporate  
Award- 2022”  
Presented by  
ICMAB**



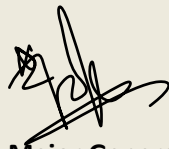
# WELCOME TO OUR INTEGRATED ANNUAL REPORT FOR THE YEAR 2023

Greetings on behalf of Sena Kalyan Insurance Company Limited. We extend a cordial welcome to you to our integrated annual report for the year ended 31 December 2023.

At SKICL, we have always believed that an important aspect of our integrated reporting journey has been our focus on providing both a detailed update on our business strategies, as well as a transparent and candid narration on our outlook. As part of our integrated reporting framework, throughout this report, we have also explained the challenges and uncertainties the organisation is likely to face in pursuing its growth strategy. We have focused on being balanced and transparent.

We are proud to adhere to the guiding principles and content elements of the International <IR> Framework and, in doing so, sustained a reporting practice that only fosters greater levels of trust with our stakeholder communities.

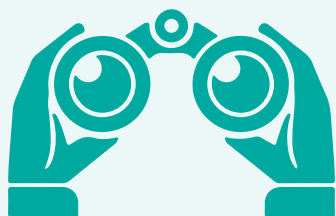
Thank you for your interest in our integrated annual report 2023.



**Major General Md Habib Ullah, SGP, SPP, ndc, afwc, psc, M Phil**  
Chairman



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# About Our Integrated Report

## Basis and Adoption of Integrated Reporting

### Our Approach

We are pleased to present our shareholders with the Annual Report-2023 in the form of an 'Integrated Report' for Sena Kalyan Insurance Company Limited (SKICL).

At SKICL, transparency is key to strengthening the bond of trust with all our stakeholders. We are committed to offering them a holistic and comprehensive view of our value creation process. We do this through Integrated Reporting (IR), a framework crafted by the International Integrated Reporting Council (IIRC) that is today recognised as a global best practice for corporate reporting. We have aligned ourselves to this trend and it is our third year of such reporting.

Our IR framework is a blend of qualitative and quantitative information. It covers financial and non-financial resources. It offers insights into our strategy and matters that are material to us. It also covers the challenges and associated risks in achieving our long-term objectives in context to the external operating environment. Note: Some of the IR related data in this Integrated Annual Report may be management estimates.

### Reporting Principle

The financial and statutory data presented in this report comply with the requirements of the Bangladesh Securities and Exchange Commission (BSEC), the Insurance Development and Regulatory Authority's (IDRA) the International Financial Reporting Standards

(IFRS) and other applicable laws & regulations in Bangladesh. The Report is also guided by the Value Reporting Foundation's (VRF's) integrated reporting framework.

The report follows the guiding principles and content element requirements of IIRC's <IR> framework. The financial and statutory data presented in this report also comply with the requirements of:

- The Companies Act, 1994 (and the Rules made thereunder).
- Rules & regulations of Insurance Development and Regulatory Authority (IDRA) (Preparation of Financial Statements and Auditor's Report of Insurance Companies).
- Rules & regulations of Bangladesh Securities and Exchange Commission (BSEC).
- Rules & regulations of Stock Exchanges.
- The International Financial Reporting Standards (IFRSs).
- Secretarial Standards.
- And other applicable laws & regulations in Bangladesh.

The Report is also guided by the Value Reporting Foundation's (VRF's) integrated reporting framework.



### Availability of the Annual Report

This report can be downloaded/viewed by scanning the below QR code. You may also visit

<https://www.senakalyanicl.com/>  
to read the report online.

### Feedback

For any questions or feedback regarding this Integrated Annual Report or its content, please write to:  
[secretary@senakalyanicl.com](mailto:secretary@senakalyanicl.com)



### The Sustainable Development Goals (SDGs)

We believe this Report shows that we are creating sustainable value and prosperity for our stakeholders. The Global Goals are more relevant now than ever before and integrating these into our reporting suite is a prioritised endeavour at SKICL.

### Reporting Period, Scope and Boundary

The Report covers the key statutory financial information and activities of the Company for the year 2023. All material events during the period, have been included. Comparative figures and notable events of past years have been reported to provide a holistic view to stakeholders.

### Approach to Materiality

We have identified imminent issues that are material to our operations, along with their possible impact on our value creation, to enable investors and other stakeholders to take decisions on their engagement with the Company.

### Board Approval

The Board, supported by the leadership team, accepts responsibility for the integrity and completeness of this Integrated Reporting (IR). The Board and the executive

management in assistance with a dedicated reporting team have put in their collective minds in the preparation, presentation and validation of information of this Report. The Board assures that this Report provides a fair and balanced view of our performance and prospects within the IR framework.

### Forward-looking Statements

The report contains statements that relate to the Company's future operations and performance. These statements can be identified by the usage of words such as 'believe', 'estimate', 'anticipate', 'expect', 'intend', 'may', 'will', 'plan', 'outlook' and other words of similar meaning in connection with a discussion of future operating or financial performance.

These forward-looking statements are dependent on assumptions, data or methods that may be inaccurate or imprecise and hence are not guarantees of future operating, financial and other results. The Company's actual results could materially differ from those projected in any forward-looking statements due to various future events, risks, and uncertainties some of which are beyond our control. The Company does not assume any obligation to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise.



# Responsibility Statement of Our Integrated Reporting

This integrated report is our concise message about how the strategy, governance, performance and prospects of Sena Kalyan Insurance Company Limited (SKICL) leads to the value creation process over the short, medium and long term from the perspective of its external environment.

## Acknowledgement of Our Responsibility for Integrated Report- 2023

- i). We acknowledge our responsibility to ensure the integrity of the Integrated Report- 2023;
- ii). We acknowledge that we have applied our collective mind in preparation and presentation of this integrated report;
- iii). This integrated report is presented in accordance with the International Framework;
- iv). Our management and those charged with governance were directly involved in the process of preparation and presentation of this integrated report; and
- v). We are constantly on the lookout for further development of our integrated report in future.

## Matters under Consideration

Considering the limited uptake of the Integrated Reporting Framework, following factors have been superseded (as and where applicable) in this integrated report:

- Conflict with local rules & regulations (e.g. IDRA's rules & regulations, Securities Laws, Companies Act, Tax & VAT rules etc.);
- Directors' liability concerns;
- Inconsistency with the prevailing reporting approaches;
- Sign-off fatigue and additional reporting burden;
- Skepticism about the benefits provided by the statement;
- Contradiction with principles-based approach; and
- Limited understanding of the term 'collective mind'.

We are very pleased to publish the Integrated Report-2023 for better understanding of our business and to provide improved information to the users of this report. We also believe that our integrated reporting enhances the way we think, plan and report.

Sincerely yours,

**Brig Gen Md Shafique Shamim, psc (Retd)**  
Managing Director & CEO  
Sena Kalyan Insurance Company Limited





## Letter of Transmittal

All the Shareholders;  
Insurance Development and Regulatory Authority (IDRA);  
Registrar of Joint Stock Companies & Firms;  
Bangladesh Securities & Exchange Commission;  
Dhaka Stock Exchange PLC.;  
Chittagong Stock Exchange PLC.;  
FAMES & R, Chartered Accountants;  
Chairman, Audit Committee

### Re: Annual Report for the year ended 31 December 2023.

Dear Sir/Madam,

We are pleased to enclose a copy of the Annual Report along with the Auditors Report and Audited Financial Statements as at 31 December 2023 including Statement of Financial Position, Revenue Account, Statement of Profit or Loss and other Comprehensive Income, Statement of Cash Flows, Statement of Changes in Equity for the year ended 31 December 2023 along with notes thereon of Sena Kalyan Insurance Company Limited and all related statements for your kind record and necessary measures.

Information given in our Annual Report-2023 is complete, accurate and in line with the Bangladesh Securities and Exchange Commission (BSEC) and the Insurance Development and Regulatory Authority's (IDRA) regulations and the International Financial Reporting Standards (IFRS). We hope that the report will be of use to you today and tomorrow.

Thank you.

Yours sincerely,

**M. M. Sajedul Islam, FCS**  
Company Secretary, Sena kalyan Insurance Company Limited

### General Shareholders' Information

<b>AGM–Date, Time &amp; Venue</b>	: 12:00 p.m., Sunday, 31 March 2024 Hybrid system: physical presence and by using digital platform. i) Meeting Venue: Sena Gourab Hall, SKS Tower (9 <sup>th</sup> Floor), 7 VIP Road, Mohakhali, Dhaka-1206, ii) Web-link for joining AGM through digital platform: <a href="https://skicl.bdvirtualagm.com">https://skicl.bdvirtualagm.com</a>
<b>Financial Year</b>	: 01 January 2023 – 31 December 2023
<b>Record Date</b>	: 03 March 2024
<b>Dividend Recommended</b>	: 13.50% Cash dividend
<b>Dividend Payment Date</b>	: As per BSEC Guideline (within 30 days of approval)
<b>Listing on Stock Exchanges</b>	: Both DSE & CSE
<b>Trading Code</b>	: SKICL
<b>Category</b>	: A
<b>Investors' Enquiry</b>	: Phone: +88-02-55058455–57 Email: <a href="mailto:share@senakalyanicl.com">share@senakalyanicl.com</a> , <a href="mailto:secretary@senakalyanicl.com">secretary@senakalyanicl.com</a>
<b>Special Attention</b>	: AGM invitation will be sent to all shareholders through- <ul style="list-style-type: none"> <li>■ Electronic Mail (Email)</li> <li>■ Two Daily Newspaper (English and Bengal), one online news portal and</li> <li>■ Company website <a href="https://www.senakalyanicl.com/">https://www.senakalyanicl.com/</a></li> </ul>



## Notice of the 11<sup>th</sup> Annual General Meeting (Hybrid System)

Notice is hereby given that the **11<sup>th</sup> Annual General Meeting (AGM)** of Sena Kalyan Insurance Company Limited will be held on **Sunday, 31 March 2024, at 12:00 P.M.** (Dhaka Time) by using hybrid system: i.e. combination of physical presence (Meeting Venue: Sena Gourab Hall, SKS Tower (9<sup>th</sup> Floor), 7 VIP Road, Mohakhali, Dhaka-1206) and by using digital platform (through the link <https://skicl.bdvirtualagm.com>) (in compliance with BSEC directive no. BSEC/ CMRRCD/2009-193/08, dated 10 March 2021) to transact the following ordinary businesses:

AGM 2024 11-01	: To receive, consider and adopt the audited financial statements of the Company for the year ended 31 December 2023, together with the Directors' Report and the Auditors' Report thereon.
AGM 2024 11-02	: To declare 13.50% cash dividend for all the shareholders of the Company for the year ended 31 December 2023 as recommended by the Board.
AGM 2024 11-03	: To elect/re-elect Directors under rotation and appointment/re-appointment of Independent Directors.
AGM 2024 11-04	: To approve the appointment of statutory auditors of the Company for the year 2024 and to fix their remuneration.
AGM 2024 11-05	: To appoint a professional for issuing two certificates for CG Code of BSEC and CG Guidelines of IDRA for the year 2024 of the Company and to fix their remuneration.

By order of the Board

**M. M. Sajedul Islam, FCS**  
Company Secretary

05 March 2024

### Notes:

- The Shareholders, whose names appeared on the Shareholders/Depository Register of the Company as on the **"Record Date" i.e. 03 March 2024**, will be entitled to attend/participate and vote in the 11th Annual General Meeting (AGM) and to receive the dividend.
- A member entitled to attend and vote at the AGM may appoint a proxy to attend the meeting and take part in the proceedings thereof on his/her behalf. The scanned copy of "Proxy Form" duly signed and affixed with BDT 100 revenue stamp must be sent through email to SKICL's Share Office at [share@senakalyanicl.com](mailto:share@senakalyanicl.com) /deposited at the Registered Office of the Company not later than 72 hours before commencement of the AGM.
- The shareholders may join the virtual AGM through the link <https://skicl.bdvirtualagm.com>, which will be conducted via live webcast by using digital platform. In order to login into the system, the shareholders need to put their 16-digit Beneficial Owner (BO) Number and other credentials as a proof of their identity. The shareholders will be able to submit their questions/comments electronically before 24(twenty-four) hours of commencement of the AGM through above link and also during the Annual General Meeting. Link of the meeting and login details will be notified to the respective Member's email address or by SMS. Full login/participation process for the Digital Platform meeting will also be available in the SKICL's website: [www.senakalyanicl.com](http://www.senakalyanicl.com).
- In compliance with the Clause No. 22(1) of the Listing Regulations, 2015, of the Stock Exchanges and condition No. 9(2) of gazette notification No. SEC/CMRRCD/2006-158/208/Admin/81, dated 20 June 2018, on Financial Reporting and Disclosures of Bangladesh Securities and Exchange Commission (BSEC), soft copies of the Annual Report along with the Attendance Slip, Proxy Form and the Notice of the AGM, will be forwarded to all the Members at their respective email address available with us as per CDBL record. The Members may also collect the Proxy Form from the Registered Office of the Company. These are also available in the website of the Company: [www.senakalyanicl.com](http://www.senakalyanicl.com). The printed annual report may be available if any Member requires in writing beforehand.
- For physical attendance of the shareholders/Attorney/Proxy shall be recorded at the entrance of the venue. Attendance slip has to be submitted duly signed at the Registration counter. The signature must agree with the recorded one. The registration counters shall remain open from 11:00 A.M. to 12:00 P.M.
- The concerned brokerage houses are requested to provide us with a statement with the details (shareholders name, BO ID number, e-TIN number, gross dividend receivable, applicable tax rate, and net dividend receivable) of their margin loan holders who hold shares of the Company as on the Record Date, along with the name of the contact person in this connection. The brokerage houses are also requested to provide us with their bank account name, number, routing number etc. on or before 27 March 2024.
- As per Bangladesh Securities and Exchange Commission's Circular No. SEC/CMRRCD/2009-193/154 dated October 24, 2013, **"no benefit in cash or kind, other than in the form of Dividend (i.e. No Food/Box/Gift Coupon etc.)"** to be distributed at the AGM.



# Explanatory Notes to the Agenda for the AGM of Shareholders

## Ordinary Business:

### Agenda - AGM 2024 11-01

To receive, consider and adopt the audited financial statements of the Company for the year ended 31 December 2023, together with the Directors' Report and the Auditors' Report thereon.

In terms of the Companies Act-1994, the Directors are required to present the audited financial statements of the Company for the year ended 31 December 2023, together with the Directors' Report and the Auditors' Report thereon to the Shareholders at the Annual General Meeting for their approval.

Accordingly, the audited financial statements of the Company for the year ended 31 December 2023, together with the Directors' Report and the Auditors' Report thereon are given in the Annual Report-2023 from page no. 95 to 116 and page no. 221 to 267 respectively.

### Agenda - AGM 2024 11-02

To declare 13.50% cash dividend for all the shareholders of the Company for the year ended 31 December 2023 as recommended by the Board.

The Board of Directors in its meeting-1/2024 held on Wednesday, 07 February 2024 recommended 13.50% cash dividend i.e. Tk. 1.35 per share from the distributable profits of the Company, which will be placed before the shareholders in the forthcoming AGM for approval.

The Shareholders, whose names appeared on the Shareholders/Depository Register of the Company as on the "Record Date" i.e. 03 March 2024, will be entitled to receive the dividend.

### Agenda - AGM 2024 11-03

To elect/re-elect of Directors under rotation and appointment/re-appointment of Independent Directors.

As per the Companies Act, any Director appointed by the Board to fill the casual vacancies since last Annual General Meeting shall retire in the next Annual General Meeting. Accordingly, the following Directors shall retire in the forthcoming Annual General Meeting and being eligible, they are seeking re-election to the Board.

(i)	Major General Md Habib Ullah, SGP, SPP, ndc, afwc, psc, M Phil
(ii)	Cdre A.F.M Rafiqul Islam (L), ndu, psc, BN
(iii)	Brig Gen Md Rezwan, ndc, psc
(iv)	Brig Gen Md Abdur Rahim, BGBM, G+
(v)	Brig Gen Md Humayun Kabir, psc

As per BSEC's Corporate Governance Code-2018 and IDRA's CG Guideline, the following independent directors have been appointed/re-appointed by the Board as well as consented by the Commission, which will be confirmed by the shareholders at the 11th AGM of the Company.

(i) Mr. M. M. Mostafa Bilal

(ii) Mr. Kazi Ahmad Pervez

#### Agenda - AGM 2024 11-04

To approve the appointment of statutory auditors of the Company for the year 2024 and fixation of their remuneration.

FAMES & R., Chartered Accountants, have been serving the Company as the statutory auditors for the last one year (2023). Recently, our primary regulator, Insurance Development and Regulatory Authority (IDRA) disclosed the panel of Auditors' list for Insurance Companies. FAMES & R., Chartered Accountants, our statutory auditors are not on this panel list. As a result, we cannot re-appoint FAMES & R., Chartered Accountants, as the statutory auditors of the Company for the year 2024.

Accordingly, the Board of Directors considered the EOI of Mahfel Huq & Co., Chartered Accountants, an eligible audit firm for auditing the insurance companies as well as

listed companies (panel auditors of IDRA, BSEC & enlisted audit firm of BFRC) and recommended for appointment of Mahfel Huq & Co., Chartered Accountants, as statutory auditors of the Company for the year 2024 with a remuneration of Tk. 2,00,000/- plus VAT, subject to the approval from the shareholders in the forthcoming AGM.

#### Agenda - AGM 2024 11-05

To appoint a professional for issuing two certificates for CG Code of BSEC and CG Guidelines of IDRA for the year 2024 of the Company and to fix their remuneration.

Pursuant to the Corporate Governance Code- 2018 of Bangladesh Securities and Exchange Commission (BSEC) and Corporate Governance Guidelines of Insurance Development and Regulatory Authority (IDRA), we need to obtain two certificates from a practicing Chartered Accountant or Chartered Secretary other than its statutory auditors on yearly basis.

Accordingly, the Board of Directors recommended for appointment of MNA Associates, a CG Compliance Auditor to obtain two certificates for CG Code of BSEC and CG Guidelines of IDRA for the year 2024 with a remuneration of Taka 50,000/- plus VAT, subject to the approval from the shareholders in the forthcoming AGM.



I am not worried  
I have  
Sena Kalyan  
Insurance



Your Trusted Risk Manager

**SENA KALYAN INSURANCE COMPANY LIMITED**  
সেনা কল্যাণ ইন্স্যুরেন্স কোম্পানী লিমিটেড

Head Office

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# COMPANY OVERVIEW





## Country's Leading Private General Insurer

### Corporate Profile

Sena Kalyan Insurance Company Limited was incorporated as a Public Limited Company under the Companies Act, 1994 having registered office in Bangladesh on 3rd September 2013 and obtained permission for commencement of insurance business from the Insurance Development & Regulatory Authority (IDRA), Government of the Peoples Republic of Bangladesh, with effect from 10th September 2013 for carrying out general insurance business and subsequently was listed with the Dhaka & Chittagong Stock Exchanges in 2021.

Sena Kalyan Insurance Company Limited (SKICL) is a concern of Sena Kalyan Sangstha of Bangladesh Armed Forces. It is absolutely a welfare oriented organization what is designed to undertake various welfare projects dedicated to the humanity and particularly for the distressed members of retired Armed Forces. Hence, you may be encouraged to be a part of this noble initiative. Sena Kalyan Sangstha has already emerged as one of the most viable business outfits of Bangladesh and such sponsor provides this Company with a very sound financial capacity. The shareholding structure of the Company is institutional, which is unique in nature in our industry.

Despite being the youngest general insurance company in the country, SKICL

has a continuous process of screening the business and short-listing risk-based products and services. In this regard, the numbers of customers have been increasing day by day in the last 11 years since its inception due to timely payment of insurance claims and remaining compliant with existing rules. We cherish the credible image of our beloved Armed Forces and do justice to it through our services.

**SKICL will remain your trusted risk manager at all times and at the same time add value to your investments as a sustainable financial institution. We hope that our respected shareholders, valued clients & other stakeholders will always be with us in our steady and successful journey ahead.**

SKICL is one of the leading and established private sector general insurance companies in Bangladesh. We offer our customers a comprehensive and well-diversified range of products and risk management solutions through multiple distribution channels, with a constant focus on value enhancement.

# OUR PHILOSOPHIES



## Vision

Sena Kalyan Insurance Company Limited aspires to be the most compliant and trusted risk manager in Bangladesh.



## Mission

To become a leading insurance company by providing innovative products and customer friendly services through highly motivated team of dedicated professionals and ensure profit for the sponsors and shareholders.

## Core Values



TRUST



INTEGRITY



PROFESSIONALISM





## Our Strategic Objectives

### To ensure that we:

- Act as a financially sound corporate entity with high business ethics;
- Implement best human resource development practices to build a highly efficient, dedicated and motivated workforce with high morale and moral values;
- Speedy and hassle-free settlement of claims;
- Provide our Clients and Business partners with the best quality of faster service;
- Run the business profitably through prudent underwriting and efficient & proper claim management;
- Effectively manage our reinsurance operations;
- Effectively manage our investments for optimising yield;
- Improve the penetration of non-life insurance by proper underwriting, innovation & marketing;
- To evolve as a vibrant & dynamic leading non-life insurer



## Our Strengths

- Upholding the clean image of the Armed Forces of Bangladesh;
- Transforming to a service-oriented technology driven profit-earning company;
- Attract, motivate and retain high quality human resources;
- Providing integrated insurance service in the non-life sector;
- Maintaining customers' satisfaction through services;
- Upholding corporate governance practices;
- Steady and sustainable growth strategy;
- Settlement of claims in the appropriate manner;
- Maintain transparency in disclosures;
- Contribute to the National Exchequer;
- Create new job as a growing concern of Sena Kalyan Sangstha;
- Adopting the green initiative and facilitate it.



## Our Corporate Culture

- SKICL has created a platform for human capital with diversified backgrounds and developed a culture of mutual respect with a slogan 'Respect your teammates'.
- Our main strength is innovation & creativity of our human capital. SKICL has a strong creative team who owns their job and work for development.
- SKICL encourages its employees to feel others' emotion to build a humanistic & mature human capital.
- We always believe in positivity and encourage our human resources to be optimistic & progressive and avoid to be creepers.
- SKICL embraces a robust corporate social responsibility culture to improve surrounding communities, environment & stakeholders as well as benefits its own employees.
- SKICL offers a very employee-friendly work environment. They are very responsible and loyal to the Company. Their contribution is well-counted which is the spunk to our value creation process.



## Corporate Responsibility

Equipped with a team of experienced professionals, this Company is always ready to cater for all your insurance needs. SKICL provides protection to your property and cover unfortunate losses. We look forward to reaching you through our personalized care and assure you of quality services at the most competitive price.



## Our Code of Conduct and Ethical Principles

**In accordance with the approved and agreed Code of Conduct, SKICL employees shall:**

- Act with integrity, competence, dignity and in an ethical manner when dealing with customers, prospects, colleagues, agencies and public.
- Act and encourage others to behave in a professional and ethical manner that will reflect positively on SKICL employees, their profession and on SKICL at large.
- Strive to maintain and improve the competence of all in the business.
- Use reasonable care and exercise independent professional judgment.
- Not restrain others from performing their professional obligations.
- Maintain knowledge of and comply with all applicable laws, rules and regulations.
- Disclose all conflicts of interest.
- Deliver professional services in accordance with SKICL policies and relevant technical and professional standards.
- Respect the confidentiality and privacy of customers, people and others with whom they do business.
- Not engage in any professional conduct involving dishonesty, fraud, deceit or misrepresentation or commit any act that reflects adversely on honesty, trustworthiness or professional competence.



## Our Ethical Principles

Despite being the youngest general insurance company in the country, SKICL has a continuous process of screening the business and short-listing risk-based products and services. In this regard, the numbers of customers have been increasing day by day in the last 11 years since its inception due to timely payment of insurance claims and remaining compliant with existing rules. We cherish the credible image of our beloved Armed Forces and do justice to it through our services.

# SKICL AT A GLANCE

Sena Kalyan Insurance Company Limited was incorporated as a Public Limited Company under the Companies Act, 1994 having registered office in Bangladesh on 3rd September 2013 and obtained permission for commencement of insurance business from the Insurance Development & Regulatory Authority (IDRA), Government of the Peoples Republic of Bangladesh, with effect from 10th September 2013 for carrying out general insurance business and subsequently was listed with the Dhaka & Chittagong Stock Exchanges in 2021.

Sena Kalyan Insurance Company Limited (SKICL) is a concern of Sena Kalyan Sangstha of Bangladesh Armed Forces. It is absolutely a welfare-oriented organization what is designed to undertake various welfare projects dedicated to the humanity and particularly for the distressed members of retired

Armed Forces. SKICL consists of 9 (nine) Board of Directors, out of which two are Independent Directors and seven are Nominee Directors who are represented by SKS and are serving in the Bangladesh Armed Forces.

At SKICL, we are delivering what our customers want and beyond. Our presence, physical or virtual, wherever needed and on the channel of their choice. As one of the leading general insurers in Bangladesh, we undertake to continuously develop and improve, so that every citizen can avail the benefits of insurance without hindrance. We offer our customers a comprehensive and well-diversified range of products and risk management solutions through multiple distribution channels, with a constant focus on customer service and value enhancement.

## Our key differentiators for the year 2023

Consistent market leadership and growth	We are one of the leading private sector non-life insurance companies in Bangladesh on the basis of Gross (Premium) Growth (%) in the last 5 Years. <b>73.50%</b>	
Diverse products and multi-channel distribution	We have a comprehensive and diverse products portfolio and an expanding distribution network with the aim of increasing penetration in Bangladesh.	
Excellence in customer service and technology	We have a dedicated and digital arm focused on improving the speed of delivery.	
Risk management	We target profitable growth by using risk selection and data analytics, maintaining robust reserves and prudent investment management.	
Capital conservation	We maintain a high level of solvency as against the minimum regulatory requirement. A high solvency ratio means your business is in a strong financial position. <b>4.70X Solvency as on 31 December 2023</b>	
Ownership structure (As at 31 December 2023)	Paid Up Capital BDT 400 MN	<b>60%</b> Sponsor shareholding <b>40%</b> Public shareholding
Network	<b>9 Branches</b>	
Contribution through payment of Tax, VAT and Excise Duty	<b>BDT 78.14 MN</b>	
Policies Issued	<b>999.55 MN</b>	
Claims Honoured	<b>133.31 MN</b>	

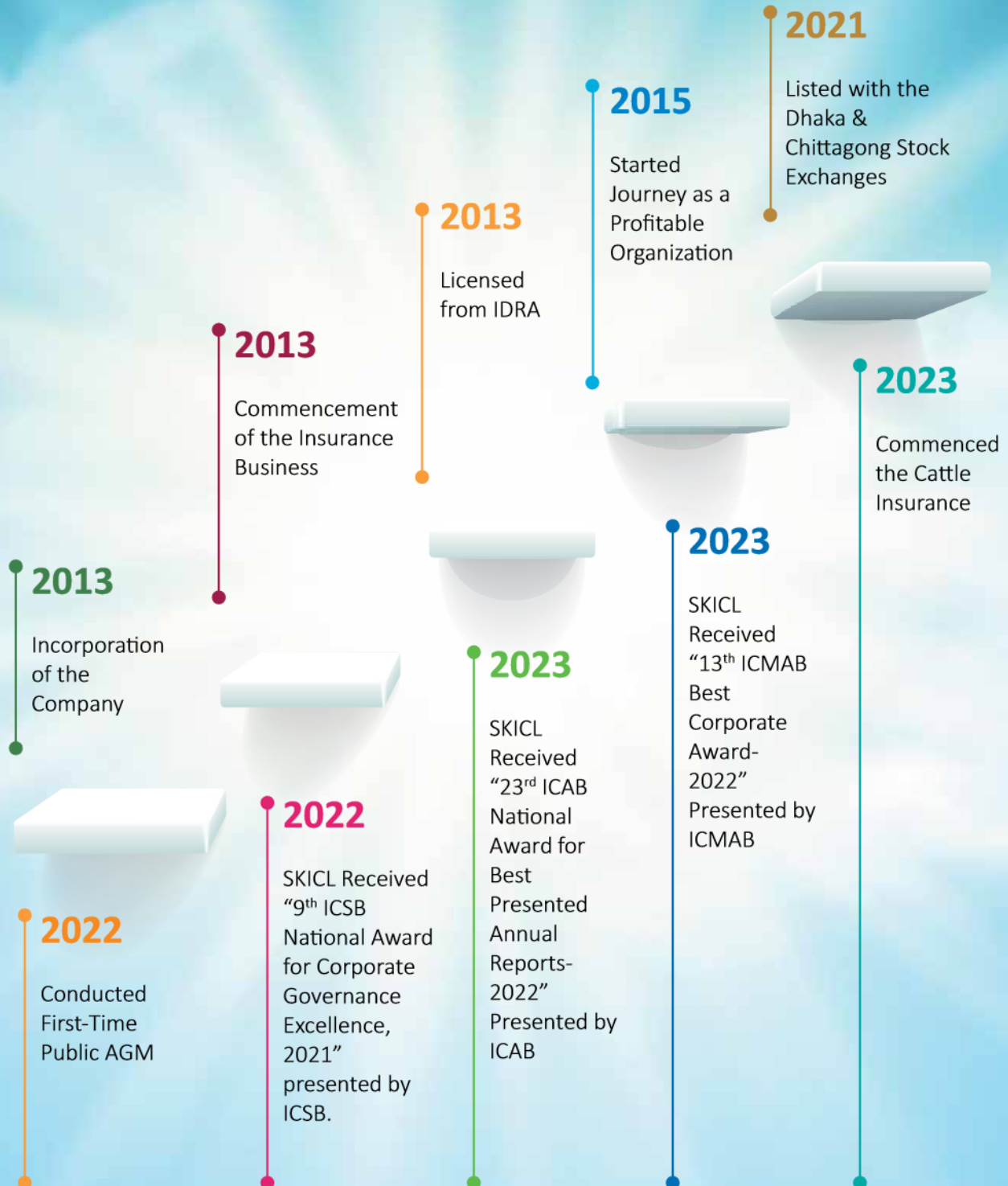


## Key Highlights 2023

GROSS PREMIUM <b>999.55 MN</b>	UNDERWRITING RESULT <b>89.85 MN</b>	PROFIT FOR THE YEAR <b>136.66 MN</b>
TOTAL ASSET <b>1600.54 MN</b>	REVENUE GROWTH <b>8.99 %</b>	UNDERWRITING MARGIN <b>15.03 %</b>
NET PROFIT MARGIN <b>13.67 %</b>	NET ASSET <b>897.06 MN</b>	RETURN ON EQUITY <b>15.23 %</b>
DIVIDEND <b>13.50 %</b>	PE <b>15.40</b>	MORE THAN <b>309.24 BILLION</b> RISK COVERED
SOLVENCY MARGIN <b>4.70 TIMES</b>	EPS <b>3.42</b>	NAVPS <b>22.43</b>
SHAREHOLDERS' EQUITY <b>897.06 MN</b>	COMBINED RATIO <b>71.87%</b>	NOCFPS <b>5.82</b>



## Corporate Milestones





# Corporate Directory

## General information of Sena Kalyan Insurance Company Limited (SKICL)

### 1. Legal Information

- Nature of Business: Non-life Insurance/ General Insurance
- Date of Incorporation & Commencement of Business: 03 September, 2013
- RJSC's Registration Number: C-111100/13
- Date of getting permission of Insurance Business & Starts operation: 10 September, 2013
- IDRA's Registration Number: Non-Life 02/2013 (IDRA)
- BIN Number: 001108614-0101
- E-TIN Number: 833679619109
- Date of Listing in DSE & CSE: 07 November 2021
- Registered Office: SKS Tower (12th Floor), 7 VIP Road, Mohakhali, Dhaka-1206.  
PABX: +88-02-55058455, +88-02-55058456, +88-02-55058457, Fax: +88-02-55058458  
E-mail: info@senakalyanicl.com  
Website: www.senakalyanicl.com

### 2. Share Capital

- Authorized Capital: Tk. 100,00,00,000
- Paid up Capital: Tk. 40,00,00,000
- Shareholding Structure (as on 31 December 2023):

Category of Shareholders	Number of Shareholders	Number of Shares	Percentage (%)
Sponsor (Sena Kalyan Sangstha)	1	2,40,00,000	60.00
General Public	58,035	1,60,00,000	40.00
<b>Total</b>	<b>58,036</b>	<b>400,00,000</b>	<b>100.00</b>

### 3. Other Details:

- Credit Rating Company & Rating Status: Alpha Credit Rating Limited

Date of Declaration	Valid Till	Long Term Rating	Short Term Rating	Outlook
05 July 2023	04 July 2024	AA+	ST-1	Stable

- Statutory Auditors:  
FAMES & R  
Chartered Accountants  
Hossain Tower (11<sup>th</sup> Floor), 116 Naya Paltan, Box, Culvert Road, Dhaka-1000.
- Corporate Governance Compliance Auditor:  
Mahfel Huq & Co., Chartered Accountants  
BGIC Tower (4th Floor), 34 Topkhana Road, Dhaka-1000.
- Managing Director & CEO: Brig Gen Md Shafique Shamim, psc (Retd)
- Chief Investment Officer: Col Md Abue Masud, PBGM (Retd)
- Chief Financial Officer: Mr. Maloy Kumar Saha
- Chief Risk Officer: Mr. Tajul Islam
- Company Secretary: Mr. M. M. Sajedul Islam, FCS
- Head of Internal Audit & Compliance: Ms. Lasmin Akter





**Spirited & Motivated SKICL Team**



**Top Management of SKICL**



## Market Development Executives



**Col Md Aulad Hossain,  
psc, G (Retd)**  
Deputy Managing Director  
Market Development



**Gp Capt Md Atiar Rahman,  
psc (Retd)**  
Deputy Managing Director  
Market Development



**Lt Col AKM Nazimul Islam,  
psc (Retd)**  
Assistant Managing Director  
Market Development



**Lt Col Kazi Halimur Rashid  
(Retd)**  
Senior Executive Vice President  
Market Development

## Branches Address



**MOTIJHEEL BRANCH**  
**Mr. Syed Rezaul Karim**  
VP-Marketing & Branch Head  
Sena Kalyan Bhaban, 20<sup>th</sup> Floor, Room No.2004  
195, Motijheel C/A, Dhaka – 1000  
Tel: +88-223352985, Mob: 01671-815677,  
01305-235114, 01889-990539  
E-mail: skicl.motijheel@gmail.com



**MIRPUR BRANCH**  
**Lt Col Muhammad Ershad Hossain, G (Retd)**  
SVP-Marketing & Branch Head  
Cultural Centre Building, Level-7(Eastern Corner),  
Road-9, Mirpur DOHS, Pallabi, Dhaka-1216.  
Tel: +88-44806163, Mob: 01711-360076  
E-mail: skiclmirpur@gmail.com



**DHAKA CANTONMENT BRANCH**  
**Major Khondker Helaluzzaman (Retd), MBA,  
PGDHRM**  
SEVP-Marketing & Branch Head  
House # 413, Road # 30, New DOHS,  
Mohakhali, Dhaka-1206, Tel: +88-0222262067  
Mob: 01713-095080  
E-mail: cantt.skicl@gmail.com



**KARWAN BAZAR BRANCH**  
**Capt M Majedul Haque, (N), BCGM, PCGM,  
psc, BN (Retd)**  
Branch In-charge  
93, Kazi Nazrul Islam Avenue, 4<sup>th</sup> Floor,  
Room No-403, Karwan Bazar, Dhaka-1215  
Mob: 01717916081, E-mail: kb.skicl@gmail.com



**CHITTAGONG BRANCH**  
**Cdr Iftekhar Hassan (C), psc, BN (Retd)**  
SEVP-Marketing & Branch Head  
Sena kalyan Trade Center(SKTC), Level-4  
29, Agrabad C/A, Chittagong.  
Tel: +88-02333320049, Mob: 01777-784623  
E-mail: ctg.skicl@gmail.com



**KHULNA BRANCH**  
**Maj Shahiduzzaman Chowdhury (Retd)**  
VP-Marketing & Branch Head  
Tayamun Centre, 181/1, Jessore Road,  
Shibbari More, Khulna-9100  
Tel: +88-02477721230, Mob: 01713-424150  
E-mail: skiclkhulna@gmail.com



**SYLHET BRANCH**  
**Ms. Nazia Ferdows**  
Head of Sylhet Branch  
Ignite Education Building (2<sup>nd</sup> Floor)  
Kazitula, Masjid Market, Sylhet-3100, Bangladesh  
Mob: 01742-981318, 01785-047214  
E-mail: skiclsylhet@gmail.com



**MOHAKHALI BRANCH**  
**Lt Col AKM Nazimul Islam, psc (Retd)**  
AMD -Marketing & Branch Head  
SKS Tower (Floor-02), Office space no-106,  
Block-B, 7 VIP Road, Mohakhali, Dhaka-1206.  
Mob: 01755512467  
E-mail: mohakhali.skicl@gmail.com



**DINAJPUR BRANCH**  
**Cdr Md Badruddoza Chowdhury, (C), psc (Retd)**  
Branch Head  
House/Holding No - 1173, Ward No-3,  
Munshipara (Lilirmore), P/S: Kotwali,  
Sadar, Dinajpur. Mob: 01322-870464,  
E-mail: skiclsylhet@gmail.com



## Our Products & Services

(Organizational Structure and Solutions)

As a future-facing organization, we continue to explore long-term growth opportunities, including solutions to improve insurance affordability and accessibility and products and services to commercialize our expertise in the identification and management of risk.

As a Company with a longstanding reputation, we deliver our products and services and cater to our stakeholders through four main business clusters:

Corporate Solutions Group	National & Rural Business Group	Retail Group	Individual
<p><b>What we do:</b> Provide integrated solutions to body corporates, small, micro and medium enterprises</p>	<p><b>What we do:</b> Provide insurance solutions to the national enterprises and rural customers</p>	<p><b>What we do:</b> Provide insurance solutions to individuals and small enterprises through multiple channels such as Agents, Brokers, Bancassurance, Tele-Sales, Direct Alliances, Motor Insurance Service Providers (MISPs) and Online Platforms</p>	<p><b>What we do:</b> Provide insurance solutions to individuals through multiple channels such as Agents, Brokers, Bancassurance, Tele-Sales, Direct Alliances, Motor Insurance Service Providers (MISPs) and Online Platforms</p>

### Our Products (solutions):



#### Fire Insurance

- Fire and its allied perils Insurance [ Riot Strike & Damage, Flood, Cyclone, Earthquake)
- Industrial All Risks Insurance
- Property All Risks (PAR) Insurance
- Hotel Owners' All Risks Insurance (HOAR)
- House Hold Insurance (Fire & Earthquake)



#### Motor Insurance (Comprehensive)

- Private Vehicle
- Commercial Vehicle

#### Travel Insurance

- Comprehensive Travel Insurance





### Marine Insurance

- Marine Cargo (Transit by Steamer/Powered Vessel, Rail/Lorry/Truck, Air)
- Inland Transit Insurance (Rail/Road , Water Borne)
- Marine Hull (Total Loss Only/TLO, Sue & Labour)



### Engineering Insurance

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



### Aviation Insurance

- Hull Insurance
- Liability Insurance
- War Insurance
- Personal Accident to Crew of Aircraft



### Miscellaneous Accident Insurance

- Overseas Medclaim (Holiday, Study & Employment)
- Health Plan Scheme (Hospitalization)
- Crop
- Cattle
- Burglary & House breaking Insurance
- Cash in safe
- Cash in Transit
- Cash on counter
- Personal Accident Insurance
- Fidelity Guarantee Insurance
- Product / Public Liability
- Workmen's Compensation Insurance

## Shared Services

#### What we do:

Leverage support functions across the organisation to improve customer service and drive business efficiency

#### Our services:

- |   |   |
|---|---|
| <ul style="list-style-type: none"> <li>■ Underwriting and Claims</li> <li>■ Customer Relationship</li> <li>■ Technology</li> <li>■ Operations</li> <li>■ Reinsurance</li> <li>■ Finance and Accounts</li> </ul> | <ul style="list-style-type: none"> <li>■ Human Resources</li> <li>■ Legal and Compliance</li> <li>■ Marketing</li> <li>■ Business Analytics</li> <li>■ Administration</li> <li>■ Fraud Control</li> </ul> |
|---|---|



## Our Re-Insurers

Sena Kalyan Insurance Company is engaged with the following worldwide Re-insurer Companies/ Corporations:

	SADHARAN BIMA CORPORATION (SBC), BANGLADESH		Axa XL Insurance Company UK Ltd
	XL CATLIN (UK)		GLOBAL REINSURANCE CO. LTD., LONDON
	HDI Global Specialty Se		GENERAL INSURANCE CORPORATION OF INDIA
	UNITED INDIA INSURANCE CO. LTD., INDIA		THE NEW INDIA ASSURANCE CO. LTD., INDIA
	BEST RE		TRANSSIBRE Overseas Ltd
	MANDARIN RE		MALAYSIAN REINSURANCE BERHAD, MALAYSIA
	SEN-RE-SOCIETE SENEGALAISE DE REASSURANCES		KENYA REINSURANCE CORPORATION LTD, KENYA
	Himalayan Reinsurance		NEPAL REINSURANCE COMPANY LIMITED, NEPAL
	GIC Bhutan Re		ROYAL INSURANCE CORPORATION OF BHUTAN LTD.
	WAICA REINSURANCE CORPORATION PLC, AFRICA		KLAPTON REINSURANCE LIMITED, ZAMBIA
	ION INSURANCE COMPANY, COSTARICA		SWISS RE LTD., SWITZERLAND
	KLPP Insurance & Reinsurance		SOUTHERN PACIFIC INSURANCE CORPORATION, AMERICAN SAMOA
	CICA RE, TOGO		MISR INS. CO., EGYPT
	Saudi Re		AL AHLEIA
	Best Meridian International Ins. Com (BMIIC)		Lancashire Insurance Company (UK) Limited



## Our Wealth Our Clients



### Aviation

- Us-Bangla Airlines Ltd
- Sky Capital Airlines Ltd
- NXT Air Ltd
- Beximco Aviation Ltd
- Galaxy Flying Academy Ltd
- South Asian Airlines Ltd
- Astra Airlines Ltd



### Others

- Sena Filling Station
- SKS LPG
- Energypac Fashions Ltd
- Sweet Agrovet Ltd
- Ingen Technology Ltd
- International Convention Centre
- Ispahani Agro Ltd
- Ispahani Marshall Ltd
- Lark International
- Lyric Industries Ltd
- Micro Fibre Group
- Momen Real Estates Ltd
- Trust Bank Ltd
- Shimanto Bank Ltd



### Hotels

- Le Meridian Dhaka
- Hotel Radisson Blue Water Garden Dhaka
- Hotel Radisson Blue Bay View Chittagong
- Alliance Hotel & resorts Ltd
- Best Western plus Maple Leaf
- Hotel Sarina



### Marine Hull

- Bangladesh Project and Marine Development Ltd
- MHC Trading Ltd
- UNI-GLOBAL BUSINESS LTD
- Bashundhara LP GAS Ltd.
- Bashundhara Industrial Complex Ltd.
- United Mymensingh Power Limited
- Deshbandhu Shipping Limited
- Deshbandhu Parcel & Logistics Ltd
- Elite Trading Ltd
- K. N. Traders
- Blue Anchor Line Ltd.
- MV THE RIVER CRUISE of Holicays Shipping Lines,
- Friendship Hospital-Bangladesh



### Pharmaceuticals

- Beximco Pharmaceuticals Ltd
- Radiant International



### Industrial Units

- Bangladesh Steel Re-Rolling Mills Ltd
- Bashundhara Multi Paper Industries Ltd
- Bashundhara Oil & Gas Co. Ltd
- Bashundhara LP Gas Ltd
- Goldtex Ltd
- Blue Planet Knit Co. Ltd
- BSRM Wires Ltd
- BSRM Steel Mills Ltd
- Petromax Refinery Ltd
- Baizid Steel Ind. Ltd
- CSS Corporation (BD) Ltd
- Designtex Knitwear Ltd
- Diamond Food Ind.
- Elite Aquaculture Ltd
- Fauji Flour Mill
- Global Attire Ltd
- Hamko Ind. Ltd
- Mongla Cement Factory
- Sena Edible Oil Ind.
- Sena kalyan Electronic Ind.
- Amanat Shah Fabrics Ltd
- Amanat Shah Weaving Processing Ltd
- Hazrat Amanat Shah Spinning Mills Ltd
- Liberty Knitwear Ltd
- Pahartali Textile & Hosiery Mills
- South China Bleaching & Dyeing Factory Ltd
- United LPG Ltd
- United Enterprises and co. Ltd
- United Engineering & Power Services Ltd
- United Lube Oil Ltd
- United Sulpho - Chemicals
- Leviathan global BD Ltd
- Unimart Ltd
- Deshbandhu Cement Mills Ltd



### Power Plants

- Energypac Power Venture Ltd
- Desh Energy Chandpur Power Co. Ltd
- Desh Cambridge Kumargaon Power Co. Ltd
- Summit Power Ltd
- United Anwara Power Ltd
- United Ashuganj Energy Ltd
- United Energy Ltd (Sylhet Plant)
- United Jamalpur Power Ltd
- United Mymensingh Power Ltd
- United Payra Power
- United Power Generation & Distribution Co. Ltd
- Shajahanullah Power Generation Co. Ltd
- Midland East Power
- Desh Energy Hatiya
- Shahjibazar Power Company Ltd





# AWARDS AND ACCOLADES



Sena Kalyan Insurance Company Limited has been awarded the prestigious ICAB 23rd National Award for the Best Presented Annual Reports-2022 under the Insurance (General) category. The Company won the Certificate of Merit. Air Cdre Md Shaharul Huda, BSP, ndc, psc, Director, Brig Gen Md Shafique Shamim, psc (Retd), Managing Director & CEO and Mr. M. M. Sajedul Islam, FCS, Company Secretary of SKICL received the award from the special guest Dr. Shamsul Alam, Hon'ble Minister of State, Ministry of Planning. The Institute of Chartered Accountants of Bangladesh (ICAB) has organized the award ceremony.



Sena Kalyan Insurance Company Limited has been awarded the prestigious 13th ICMAB Best Corporate Award-2022 for the best performance of the organization under the General Insurance category. The Company won the Bronze Trophy. Brig Gen Md Shafique Shamim, psc (Retd), Managing Director & CEO, Col Md Abue Masud, PBGM (Retd), Head of Corporate Affairs and Mr. M. M. Sajedul Islam, FCS, Company Secretary of SKICL received the award from the chief guest Mr. Tipu Munshi, MP, Hon'ble Minister, Ministry of Commerce. The Institute of Cost and Management Accountants of Bangladesh (ICMAB) has organized the award ceremony.



Sena Kalyan Insurance Company Limited has been awarded the “9th ICSB National Award for Corporate Governance Excellence, 2021” under the General Insurance Companies Category, for its outstanding corporate governance practices as well as transparency and accountability in overall management. The Company won the Bronze Trophy. Brig Gen Mohd Muinul Haq Mamun, psc, Director, Brig Gen Md Shafique Shamim, psc (Retd), Managing Director & CEO and Mr. M. M. Sajedul Islam, FCS, Company Secretary received the award from Salman F Rahman, Private Industry & Investment Adviser to the Prime Minister, and M. A. Mannan, Minister, Ministry of Planning. The Institute of Chartered Secretaries of Bangladesh (ICSB) has organized the award ceremony.



# Our Organogram







## Board of Directors

<b>Chairman</b>	: <b>Major General Md Habib Ullah, SGP, SPP, ndc, afwc, psc, M Phil</b> Chairman, Sena Kalyan Sangstha
<b>Vice Chairman</b>	: <b>Cdre A.F.M Rafiqul Islam (L), ndu, psc, BN</b> Nominated by SKS
<b>Directors</b>	: <b>Air Cdre Md Shaharul Huda, BSP, ndc, psc</b> Nominated by SKS <b>Brig Gen Mohd Muinul Haq Mamun, psc</b> Nominated by SKS <b>Brig Gen Rezwan, ndc, psc</b> Nominated by SKS <b>Brig Gen Md Abdur Rahim, BGBM,G+</b> Nominated by SKS <b>Brig Gen Md Humayun Kabir, psc</b> Nominated by SKS
<b>Independent Directors</b>	: <b>Mr. M. M. Mostafa Bilal</b> <b>Mr. Kazi Ahmad Pervez</b>
<b>Managing Director &amp; CEO</b>	: <b>Brig Gen Md Shafique Shamim, psc (Retd)</b>





## Board Committees



### Executive Committee

Name	Status in the Board	Position in the Committee
Cdre A.F.M Rafiqul Islam (L), ndu,psc, BN	Nominated Director	Chairman
Brig Gen Mohd Muinul Haq Mamun, psc	Nominated Director	Member
Brig Gen Shafique Shamim, psc (Retd.)	Managing Director & CEO	Member



### Risk Management Committee/Claims Committee

Name	Status in the Board	Position in the Committee
Air Cdre Md Shaharul Huda, BSP, ndc, psc	Nominated Director	Chairman
Brig Gen Md Rezwan, ndc, psc	Nominated Director	Member
Mr. M. M. Mostafa Bilal	Independent Director	Member



### Audit Committee

Name	Status in the Board	Position in the Committee
Mr. M. M. Mostafa Bilal	Independent Director	Chairman
Air Cdre Md Shaharul Huda, BSP, ndc, psc	Nominated Director	Member
Brig Gen Md Humayun Kabir, psc	Nominated Director	Member
Mr. Kazi Ahmad Pervez	Independent Director	Member



## Nomination & Remuneration Committee

Name	Status in the Board	Position in the Committee
Mr. Kazi Ahmad Pervez	Independent Director	Chairman
Mr. M. M. Mostafa Bilal	Independent Director	Member
Brig Gen Mohd Muinul Haq Mamun, psc	Nominated Director	Member
Brig Gen Md Rezwan, ndc, psc	Nominated Director	Member



## Investment Committee

Name	Status in the Board	Position in the Committee
Mr. Kazi Ahmad Pervez	Independent Director	Chairman
Air Cdre Md Shaharul Huda, BSP, ndc, psc	Nominated Director	Member
Brig Gen Mohd Muinul Haq Mamun, psc	Nominated Director	Member
Brig Gen Md Rezwan, ndc, psc	Nominated Director	Member
Brig Gen Shafique Shamim, psc (Retd.)	Managing Director & CEO	Member



## Policyholder Protection & Compliance Committee

Name	Status in the Board	Position in the Committee
Cdre A.F.M Rafiqul Islam (L), ndu,psc, BN	Nominated Director	Chairman
Mr. M. M. Mostafa Bilal	Independent Director	Member
Brig Gen Md Abdur Rahim, BGBM, G+	Nominated Director	Member



# Code of Conduct for the Chairperson, Other Board Members and CEO

## Introduction

The Code of Conduct (the “Code”) has been formulated by the Board of Directors of Sena Kalyan Insurance Company Limited (SKICL) to set forth principles and ethical standards for the Chairperson of the Board, other Board Members and Chief Executive Officer in accordance with the Code No. 1(7)(a) of the Bangladesh Securities and Exchange Commission’s (BSEC) Corporate Governance Code-2018 & Serial No. 6.5 of Insurer Corporate Governance Guideline, 2023 issued by Insurance Development and Regulatory Authority (IDRA).

## Applicability

This Code Shall be applicable and binding upon the Chairperson of the Board, other Board Members and the Managing Director & CEO of the Company.

## General Standard of Conduct

The Code of Conduct for the Chairman, other Board Members and Chief Executive Officer of an insurance company are more important than those of other companies; because it is a legally binding agreement between two parties. A contract is entered into by one party promising to indemnify the other party. The other party enters into a contract promising to pay a premium at a fixed rate to receive compensation. The Board of Directors shall also have to strive to protect the interests of its insured as well as of the Shareholders.

The Directors are required to act in accordance with the highest standards of professional integrity, honesty, ethical and legal conduct, when acting on behalf of the Company or in connection with the Company’s business or operations. Consequently, a director uncertain of his or her duties in any particular circumstance should raise this concern with the Chair of the

Board in order to obtain appropriate guidance and advice.

## Statutory Compliances, Rules and Regulations

The Members shall adhere to and comply with the provisions of all applicable laws, rules and regulations as well as the Company’s internal guidelines and policies framed from time to time. The members shall also endeavor to ensure that the employees of the Company are complying with the various statutory compliances, rules and regulations efficiently and effectively and proper procedures are being followed in this regard.

## Honest and Ethical Conduct

The Members shall act honestly, objectively and effectively in a fair and transparent manner for advancing the interest of the Company. They must adhere to policies and procedures formulated and adopted by the Company and must respect and adhere to ethical and fair business practices.

The Members shall use due care and diligence in performing their duties and responsibilities attached to their respective office and exercise their powers in good faith for fulfilling their obligations towards the Company and its Stakeholders.

## Prudent Conduct and Behavior

The Chairman of the Board, other Board Members and the Managing Director & CEO should seek to use due care in the performance of his/her duties, be loyal to the Company, act in good faith and in a manner such board member reasonably believes that they will not conflict with the interests of the Company. The Chairman of the Board, other Board Members and the Managing Director & CEO should seek also:-

- i. make reasonable efforts to attend Board and Committee meetings;
- ii. dedicate time and attention to the Company;
- iii. seek to comply with all applicable laws, regulations, confidentiality, obligations and corporate policies of the Company;
- iv. act in the best interests of the Company's shareholders and fulfill their fiduciary obligations;
- v. use due care and diligence in performing their duties of office and in exercising their powers attached to that office.

#### **Working Environment with Employees, Customers, Suppliers and Stakeholders**

The Chairman of the Board, Other Board Members and the Managing Director & CEO are expected to monitor that the Company complies with the applicable laws, rules and regulations of the Country related to the environment, employees, customers, suppliers and stakeholders. They shall deal fairly with competitors, employees, customers, suppliers and stakeholders' accordance with the law.

#### **Conflict of Interest**

The Members shall avoid any situation that would lead to or tend to lead to any conflict of interest. Conflict of interest is a situation where personal interest may, in any way, interfere with the interests or benefits of the Company impacting the exercise of independent judgment while discharging one's duties and responsibilities. In case of a situation that involves or appears to involve conflict of interest, the Members are expected to make a suitable disclosure to the Board of Directors of the Company and shall abstain from participating in any discussion for such transaction. The Members are expected not to derive any improper personal benefit or a benefit to any of their relatives from the Company, including by making or influencing decision relating to any transaction of the Company or its subsidiary. Each director must exercise

his or her powers in the interest of the Company and its shareholders and not in his or her own interest or in the interest of another person or organization. However, transactions involving director conflicts of interest are not inherently improper if they are disclosed to and approved by Company's Board of Directors or shareholders, or if they are "just and reasonable" to the Company at the time authorized, approved, or ratified.

#### **Confidentiality of Information**

"Confidentiality of information" includes all information of the Company not authorized for public dissemination. This includes information on trade, trade secrets, confidential and privileged information regarding customers, employees, information relating to mergers and acquisitions, stock splits and divestitures; non-public information about discussions and deliberations relating to business issues and decisions, between and among employees, officers and Directors in formal meetings or otherwise, and will include all such information which is not available in the public domain at that point of time.

The Company believes that protection of all confidential information is essential and is committed to protecting business and personal information of confidential nature obtained from clients, associates and employees. Directors/Senior Management shall ensure that no confidential information is disclosed inadvertently or otherwise.

Directors shall ensure that all confidential information available to them by virtue of the office including Board Meeting papers including Agenda and Minutes etc. that they may hold or peruse is never directly or indirectly released or disclosed to any person or entity, or made public.

Furthermore, a director may not use confidential information to make personal profit or gain or for other personal advantage. The duty to maintain information in confidence continues after the Director ceases to be a Director of the Company.



### Prohibition of Insider Trading

The Chairman of the Board, other Board Members and the Managing Director & CEO shall observe all applicable insider Trading Legislation and Regulation, including the duties of the confidentiality and prohibitions against Trading, and shall comply with the Insider Trading Manual of the Company, as amended from time to time. This includes the prohibition to purchase or sell the Company's securities on the basis of any undisclosed price sensitive information and also the prohibition to disclose such information to any other person (including relatives).

### Protection & Proper Use of Company's Resources

The Members shall ensure that the assets and resources of the Company are properly, judiciously and efficiently used for its business purposes and are properly safeguarded. Any unauthorized use of the Company's assets should not be allowed and appropriate steps should be taken for the same.

### Accounting Complaints

The Audit Committees of the Board are responsible for establishing procedures for the receipt, retention, and treatment of complaints regarding accounting, internal accounting controls, or auditing matters. Directors who have concerns or complaints regarding such matters are expected to promptly submit those concerns or complaints to the Audit Committee.

### Public Company Reporting

As a public limited and listed Company, it is of critical importance that the Company's filings with the Bangladesh Securities and Exchange Commission be, fair, accurate, timely, and understandable. Directors may be asked to provide information necessary to assure that the Company's public reports meet those requirements. The Company expects directors to take this responsibility very seriously and to provide prompt and accurate answers to inquiries related to the Company's public disclosure requirements.

### Reporting any Illegal or Unethical Behavior

Directors should promptly communicate any suspected violations of the Code, including any violation of law or government rule or regulation, to the Chairman of the Board or the Compliance Officer. Suspected violations will be investigated by the Board, the Audit Committee, or persons designated by the Board or the Audit Committee. Appropriate actions will be taken in the event when a violation is confirmed.

### Independency

The Chairperson of the Board, other Board Members and the Managing Director & CEO shall exhibit high standards of integrity, commitment and independence in regard to discharge of their respective duties and responsibilities entrusted upon them, within the jurisdiction of the law and the best interest of the Company.

### Disclosures

This Code of Conduct lays down guidelines for the conduct of the Chairperson of the Board, other Board Members and the Managing Directors & CEO. The Board Member shall affirm the compliance with the Code on annual basis. Board Members will annually sign a confirmation that they have read and complied with this Code. The Annual Report of the Company shall carry a declaration to this effect.

### Amendment, Modification and Waiver

The Code may be amended, modified or waived from time to time by the Board of Directors of the Company subject to the recommendation of the Nomination and Remuneration Committee (NRC).



**Major General Md Habib Ullah,**  
**SGP, SPP, ndc, afwc, psc, M Phil**  
Chairman

Sena Kalyan Insurance Company Limited



## Profile of the Chairman, Board of Trustees Sena Kalyan Sangstha

**General S M Shafiuddin Ahmed,  
SBP (BAR), OSP, ndu, psc, PhD**

**Chief of Army Staff  
Bangladesh Army**



General S M Shafiuddin Ahmed, SBP (BAR), OSP, ndu, psc, PhD, Chief of Army Staff, Bangladesh Army has taken over as the Chairman of Board of Trustees of Sena Kalyan Sangstha on 24 June 2021.

The General was born on 01 December 1963 in a reputed Muslim and Freedom Fighter's family in Khulna. He was commissioned in Bangladesh Army on 23 December 1983 in the Corps of Infantry. He has been maintaining a phenomenal military career having the blend of Command, Staff and Instructional experiences at different levels of Armed Forces at home and abroad.

His diversified command credential at higher level includes commanding Army Training and Doctrine Command (ARTDOC), Infantry Division and Brigade. He also commanded the only Logistics Formation of Bangladesh Army. He also has an iconic experience of commanding multinational peace keeping forces as the pioneer Deputy Force Commander in the United Nations Mission in the Central African Republic (MINUSCA).

General Shafiuddin has attended several military courses both at home and abroad. He is a graduate of Defence Services Command and Staff College (DSCSC), Mirpur, Bangladesh. He attended International Symposium Course in National Defence University (NDU), China and Defence and Strategic Studies Course at the same University. He is also a NESA graduate from NDU, Washington DC.

General Shafiuddin attained three Master Degrees on varied disciplines. He obtained Masters in Defence Studies (MDS) from National University, Bangladesh. He has also obtained Masters of Business Administration (MBA) from Dhaka University where he secured the 1<sup>st</sup> position. He obtained a Doctor of Philosophy from Bangladesh University of Professionals (BUP) through his research on Development and Security Studies.

General Shafiuddin is a widely travelled person who has visited many countries around the globe. Happily married to Noorjahan Ahmed, the General is a proud father of two daughters, Dr. Sheikh Rubaiya Ahmed and Sheikh Rufaida Fatima.



## Profile of the Board of Directors



**Major General Md Habib Ullah, SGP, SPP, ndc, afwc, psc, M Phil**

### Chairman

Major General Md Habib Ullah, SGP, SPP, ndc, afwc, psc, M Phil is the Chairman of the Board of Directors of Sena Kalyan Insurance Company Limited representing Sena Kalyan Sangstha (SKS) as its Chairman since September 2023.

Major General Habib completed his secondary and higher secondary from Rajshahi Cadet Collage. He successfully earned his Bachelor Degree from Chittagong University, Masters in Defence Studies from National University and M Phil in Development and Strategic Studies from Bangladesh University of Professionals with commendable results.

He was commissioned in Bangladesh Army's prestigious Armoured Corps on 20 December 1991 with 25 BMA Long Course. In his colorful military career, the General held various important Command, Staff and Instructional appointments at different tiers of Bangladesh Armed Forces. He commanded Armoured Unit, Station Headquarters and Security outfits. He was Principal of Rajshahi Cadet College and Commandant of the School of Military Intelligence and Armoured Corps Center and School. Major General Habib served as Director of important directorates at the Army Headquarters. He also has in his credit to serve as an instructor in the School of Infantry and Tactics, Sylhet.

He attended number of training courses at home and abroad and achieved outstanding results. Beside completing all the mandatory and professional development courses at home, the General also attended VIP/Dignitaries Protection Course in Thailand, Operation and Maintenance of T-69(II) M tanks and Company Command Course in China. He has graduated from the prestigious National Defence College and Defences Service Command & Staff College, Mirpur.

In his carrier, Major General Habib received prestigious peace time award "Sena Parodorshita Podok (SPP)" and "Sena Gourab Podok (SGP)" in recognition of his brilliant service for the Army.

He participated in UN Mission as Military Observer and Military Liaison Officer at East Timor twice and received United Nation's Prestigious Peace Support Medals for his dedicated services for world peace.

In his personal life, Major General Habib enjoys playing basketball, football and golf. He is happily married to Mrs Sarker Humaira Khanom and he is a proud father of one daughter & three sons.





**Cdre A. F. M Rafiqul Islam,  
(L), ndu, psc, BN**

**Vice Chairman**

Cdre A. F. M Rafiqul Islam, (L), ndu, psc, BN is a Nominated Director of Sena Kalyan Insurance Company Limited and also the Director General of Business Division-4 of Sena Kalyan Sangstha.

He studied in Azimuddin High School and Gurudoyal Govt. College. He did B. Sc from Bangladesh University of Engineering and Technology (BUET) and MDS from National Defence College, China.

He started his service on July 1988. He attended numbers of courses at home & abroad and achieved some glorious results. He attended Counter Intelligence Course from NSI Training School, 9th Junior Staff Course from Bangladesh Naval Academy, Monteurs Baudouin Engine Course in France, Electrical Specialization Course from India and 23<sup>rd</sup> Naval Staff Course from DSCSC. He also took part in International Shipyard Management Course from

USA, 81<sup>st</sup> Senior Staff Course from BPATC, Ship Design Construction & Shipyard Management Course and Defence & Strategic Studies Course from China.

In command appointments, Cdre A. F. M Rafiq served BNS UMAR FAROOQ (Old) as Ag Sub Lt and Lt Cdr, 61 PCS as Lt, COMKHUL as Lt, BNS Tista as Ag Lt Cdr, BNS Haji Mohsin as Lt Cdr and Ag Cdr, ELECT SEC KSY as Ag Cdr, NHQ/NS as Ag Cdr, NHQ/BNW&EE as Ag Cdr, BNS Nirmul as Cdr, COMBAN as Cdr, COMKHUL as Capt.

He participated in the United Nations Mission at Sudan with the Bangladesh Naval Force Riverine Unit-1 (BANFRU-1).

He is happily married to Mrs. Shirin Akter Khatun and blessed with a daughter.



## Air Cdre Md Shaharul Huda, BSP, ndc, psc, GD(P)

### Director

Air Cdre Md Shaharul Huda, BSP, ndc, psc, GD(P) is a Nominated Director of Sena Kalyan Insurance Company Limited and also the Director General of Business Division-7 of Sena Kalyan Sangstha.

He is distinguished air officer of Bangladesh Air force with varied experience in command, instruction and staff appointments.

He holds a strong academic attainment. In his early education, he was in Sylhet Cadet College. He did his B.Sc (Aeronautics) from BAF Academy, MDS from DSCSC Mirpur and M.Sc from DSSC, India and obtained first class in all endeavors. He also completed his M Phil (part-1) from Bangladesh University of Professionals.

Air Cdre Md Shaharul Huda started his Air Force career in General Duty (Pilot) branch. He attended many professional

courses both at home and abroad which includes India, USA, UK, Pakistan, Turkey and Spain. He participated in UN Peace Keeping Mission in Congo twice and led BAF helicopter contingent to UN Peace Keeping Mission in Haiti.

He was awarded as Four Star Green Endorsement and Aircrew Efficiency Badge as recognition to his professional excellence. He was also awarded with Chief of Air staff's Commendation certificate for four times. In 2018, he further received Biman Seba Padak (BSP) for his glorious and distinguished service in Bangladesh Air force.

Air Cdre Md Shaharul Huda is happily married to Mrs. Rahana Nafiz and blessed with two daughters.



## Brig Gen Mohd Muinul Haq Mamun, psc

### Director

Brig Gen Mohd Muinul Haq Mamun, psc is a Nominated Director of Sena Kalyan Insurance Company Limited and also the Director General of Business Division-5 of Sena Kalyan Sangstha.

He possesses strong academic attainment and completed his M.Sc (Engr). Brig Gen Mamun started his military carrier on 21 December 1990 with 23 BMA Long Course. In his carrier, he attended number of courses at home and abroad and achieved

outstanding results. He attended OWC-37, BCC-6 and JCSC-19 from SI&T, Sylhet. He was also took part in YOBC-13, ORC-6, GOBE-11, MSC-22 from EMEC&S and Army Staff Course-31 from DSCSC.

He participated in UN Mission as PI Comd, BANBAT1/11 at Ivory Coast.

In his family life Brig Gen Mamun happily married with Col Farzana Kalam, AMC. Both of them are blessed with a son and a daughter.



## Brig Gen Rezwan, ndc, psc

### Director

Brig Gen Rezwan, ndc, psc is a nominated Director of Sena Kalyan Insurance Company Limited and also the Director General of Business Division-6 of Sena Kalyan Sangstha.

He possesses strong academic attainment and completed his MDS.

Brig Gen Rezwan started his military carrier on 20 December 1991 with 25 BMA Long Course. In his carrier, he attended number of courses at home and abroad and achieved outstanding results. He attended OW-39, BCC-8 and JCSC-11 from SI&T, OBC-17 from ASCC&S and BI-30 from SMI. He also took part in Advance Intelligence Course in USA, PPCC-25 from BMA, MSC-20 from EMEC&S, Staff Course-29 from DSCSC, DPC-20 from ISSB and NDC-2021 from NDC.

In his carrier, Brig Gen Rezwan achieved many awards like Ghurnijhar- 91, Election Padak-91, Silver Jubilee, Election Padak-96, Election Padak-2021, Jesthota Padok-1, Independence Medal, Jesthota Padok-2, Jesthota Padok-3.

Brig Gen Rezwan participated in UN Mission as Observer in 2000 and DCOSSPT in 2017 and he was honored with UN Medal (UNTEAT), UN Medal (UNMISS) and UN Medal (MINUSMA).

In his family life, Brig Gen Rezwan is happily married and blessed with a son.



**Brig Gen Md Abdur Rahim,  
BGBM, G+**

**Director**

Brigadier General Md Abdur Rahim, BGBM, G+ is a Nominated Director of Sena Kalyan Insurance Company Limited and also the Director General of Business Divison-8 (Real Estate Division) of Sena Kalyan Sangstha.

Brig Gen Md Abdur Rahim possesses strong academic attainment and completed MSc. He started his military carrier on 9<sup>th</sup> June 1992 with 26 BMA Long Course. During his wide range of military carrier, he

held various command and staff appointments. He participated in UN Mission in Kuwait and Liberia. He was also a director of Trust Bank Limited.

In his carrier, he attended number of courses at home and abroad and achieved outstanding results. He has been awarded with BGBM.

In his family life, Brig Gen Md Abdur Rahim is happily married and blessed with a daughter and a son.





## Brig Gen Md Humayun Kabir, psc

### Director

Brig Gen Md Humayun Kabir, psc is a Nominated Director of Sena Kalyan Insurance Company Limited and also the Director General of Business Division-2 of Sena Kalyan Sangstha.

He was commissioned in the Corp of Infantry on 18th June 1993. He served in several infantry units at various staff and command appointments. He commanded one infantry regiment. In staff assignments, he served as GSO-2 (Operation) of 11 Infantry Division, AA&QMG of 55 Infantry Division, GSO-1 (Training) of School of Infantry and Tactics and Colonel Admin of Sylhet Area. Besides he has the experience of serving in Border Guard of Bangladesh (BGB) and Rapid Action Battalion Forces (RAB) in different appointments.

He holds a strong academic attainment. In his early education, he was in Rangpur Cadet College. He is a

graduate of Defense Services Command and Staff College, Mirpur. In his professional tour of duty he attended number of courses and seminars at home and abroad.

Brig Gen Kabir participated in United Nations mission in Sierra Leone (UNAMSIL) and Liberia (UNMIL). The General has visited many countries. Among those United Kingdom, Canada, Saudi Arabia, United Arab Emirates, Indonesia, Malaysia, Sierra Leone, Liberia, Ivory Coast are mentionable.

In his family life, Brig Gen Humayun Kabir is happily married to Mrs Mst Mahbooba Tanzina Bithi and blessed with one daughter and two sons.



## Mr. M. M. Mostafa Bilal

### Independent Director

Mr. M. M. Mostafa Bilal is an Independent Director of the Company and also the Managing Director (Current Charge) of the UAE-Bangladesh Investment Company Ltd. (UBICO). He completed his Master's in Business Administration (Major in Finance) from the Institute of Business Administration (IBA), Dhaka University. He has 25 years of working experience mainly in Banking and Finance Sector. Previously he worked as CEO/ Managing Director of Jamuna Bank Securities Ltd., Jamuna Bank Capital Management Ltd., Bengal

Investments Ltd. and BIFC. He also worked in Bangladesh Bank, Grameen Fund, Bank Asia Ltd., ONE Bank Ltd., Jamuna Bank Ltd., at different capacities. He has completed training on Branch Management, Credit Risk Management, Venture Financing & Factoring, and Lending Risk Analysis. Apart from these, M. M. Mostafa Bilal has obtained the membership of IBA Alumni Association, MBA Club, JEXCA (Jhenidah Ex-cadet's Association).



**Mr. Kazi Ahmad Pervez**  
**Independent Director**

Mr. Kazi Ahmad Pervez is an Independent Director of the Company. Presently he is an Adjunct Faculty Member in a number of Business Schools that includes BUP, and BAUST. Before that he worked as a full-time Faculty member of Business Administration in MIST, SUB, and EU for more than 15 years.

He completed his MBA (major in Management Science) from the Institute of Business Administration (IBA), Dhaka University in 1996. He has working experience in the Bangladesh Army for 18 years in different capacities. He is the key person to design and launch MBA Program in the

Armed Forces run educational institutions since 1999. He worked as a Faculty Member and Program Coordinator of MBA Program in Military Institute of Science and Technology (MIST), State University of Bangladesh (SUB) and Eastern University (EU). Now, he is working as a Adjunct Faculty Member and Research Consultant in different Business Schools and organizations.





## Interest of the Board (SKICL) in other Business Concerns

Name	Position	Involvement in other organization
<b>Major General Md Habib Ullah, SGP, SPP, ndc, afwc, psc, M Phil</b>	Chairman & Nominated Director	Sena Kalyan Sangstha Chairman
<b>Cdre A.F.M Rafiqul Islam (L), ndu, psc, BN</b>	Vice-Chairman & Nominated Director	Sena Kalyan Sangstha Director General, Business Division-4
<b>Air Cdre Md Shahrul Huda, BSP, ndc, psc</b>	Nominated Director	Sena Kalyan Sangstha Director General, Business Division-7
<b>Brig Gen Mohd Muinul Haq Mamun, psc</b>	Nominated Director	Sena Kalyan Sangstha Director General, Business Division-5
<b>Brig Gen Rezwan, ndc, psc</b>	Nominated Director	Sena Kalyan Sangstha Director General, Business Division-6
<b>Brig Gen Md Abdur Rahim, BGBM,G+</b>	Nominated Director	Sena Kalyan Sangstha Director General, Business Division-8 (RED)
<b>Brig Gen Md Humayun Kabir, psc</b>	Nominated Director	Sena Kalyan Sangstha Director General, Business Division-2
<b>Mr. M. M. Mostafa Bilal</b>	Independent Director	The UAE-Bangladesh Investment Company Limited- Managing Director (CC)
<b>Mr. Kazi Ahmad Pervez</b>	Independent Director	Adjunct Faculty Member- BUP & BAUST

## Leadership Team (Top Management)

Name	Position
<b>Brig Gen Shafique Shamim, psc (Retd)</b>	Managing Director & CEO
<b>Col Md Aulad Hossain, psc, G (Retd)</b>	Head of Market Development
<b>Col Md Abue Masud, PBGM (Retd)</b>	Head of Corporate Affairs
<b>Squadron Leader Md. Mostafa Zaman (Retd)</b>	Head of Admin
<b>Mr. Pronab Kumar Saha</b>	Head of Underwriting
<b>Mr. Maloy Kumar Saha</b>	Chief Financial Officer
<b>Mr. Tajul Islam</b>	Head of Claims & Re-Insurance
<b>Mr. M. M. Sajedul Islam, FCS</b>	Company Secretary
<b>Engr Mohammad Shakhawat Hossain</b>	Head of IT
<b>Ms. Khadiza Khanom Mili</b>	Head of HR
<b>Ms. Lasmin Akter</b>	Head of Internal Audit & Compliance



## Code of Etiquette of Management Team

The Company's Code of Etiquette for Management Team outlines the rules on conduct and decorum, established operations and procedures, honesty, integrity and ethics. It serves as a reference for the members of Management Team in maintaining their sense of responsibility and commitment to honesty, integrity and establishes measures and standards to organizational discipline.

The members of Management Team are prohibited from engaging themselves in transactions for the Company, which are conflict of interest. No one acquires personal gain in exercising the authority or employment of the Company.

<b>HONESTY AND INTEGRITY</b> Management team acts with honesty, integrity and fairness.	<b>FAIR AND TRANSPARENT CONDUCT</b> The management are expected to act in accordance with the highest standards of personal and professional integrity, independence, honesty and ethical conduct including use of utmost care and sound judgment in good faith in the business decision making.	<b>DEALING WITH THE CLIENTS</b> It treats the clients with respect and reciprocity.
<b>CONFLICT OF INTEREST</b> It does not engage in act that conflicts with the interests of the Company.	<b>PROTECTION OF ASSETS</b> It protects Company's assets from being damaged, pilfered or stolen.	<b>CONFIDENTIALITY OF INFORMATION</b> It maintains secrecy of the Company and its clients.



## Leadership Team Profile



**Brig Gen Md Shafique Shamim,  
psc (retd), CII (cert), ABIA**

### **Managing Director and CEO**

Brig Gen Shafique Shamim, psc (retd), CII (cert), ABIA is the Managing Director and CEO of Sena Kalyan Insurance Co Ltd. After having 27 years of commissioned service in the Army, he retired as a Brigadier General. Brig Shamim Commanded an Infantry Brigade and an Infantry battalion and held important staff appointments at Army and Division Headquarters. He held instructional assignments in significant training and research institutions of the Army including Defence Services Command and Staff College, Mirpur. He has 3 years of experience with the United Nation in Mozambique, Liberia and West Africa including the appointment of Senior Military Advisor in West Africa.

He joined Sena Kalyan Insurance Company Limited as the Deputy Managing Director and Head of Operations on 01 August 2013 and took over the responsibility of the Managing Director and CEO on 10

March 2017. He has acquired essential qualifications on Non-Life Insurance including Certificate and Post Graduate Diploma from Bangladesh Insurance Academy and certificate from Chartered Insurance Institute of UK.

He has learnt the application of modern leadership methods through staff motivation and involvement in both decision-making and target-setting. He has special qualification on Bancassurance and Aviation insurance from Malaysia. He has achieved success with his impressive strategies and outlook towards insurance sector. He is a member of Kurmitola Golf Club, Army Golf Club, Savar and Maynamoti Golf and Country Club, Dhaka Club, Cadet College Club and RAOWA.

He is happily married to Mrs. Elora Sharmin and father of a daughter and a son.



### **Col Md Abue Masud, PBGM (Retd)**

Head of Corporate Affairs

Mr. Md. Abue Masud, PBGM, joined Sena Kalyan Insurance Company Limited in March 2020 and has more than 36 years of professional exposure in vast areas of Leadership, Security, Risk, Policy and Management.

He was commissioned in the Bangladesh Army in 1986. He held various command and staff appointments both at home and abroad. Notably, He was posted as Deputy Director General (DDG) of SKS, Sector Commander, Commanding Officer of BGB, COL GS and Chief Instructor in DGFI. He participated in UN Peace Keeping Operation as a Security Officer in Forces Headquarters of UNIKOM and also participated as a Contingent Second in Command (2IC) in UNMIL.

His diverse experiences in the implementation of any assigned task and long time management/ administrative experiences in the Military profession, BGB, DGFI with Civil Administration e.g. and significantly contributed to be a competent candidate for undertaking HR Management, Project Management, Administrative responsibilities and security aspect of any Organization.

In his professional exposure, he was awarded with a number of prestigious awards and commendations like the President Border Guard Medal (PBG), Force Commander's Certificate of Appreciation and UN medals.

He was born on 23 October 1966 in a reputed Muslim Family in Sirajgonj. He is a graduate of Chittagong University. He attended number of courses at home and abroad.

The Colonel is also involved with different socio-cultural organizations.



### **Col Md Aulad Hossain, psc, G (Retd)**

Head of Market Development

Col Md Aulad Hossain, psc, G joined Sena Kalyan Insurance Company Limited in November 2013 and he has more than 46 years of commendable services in various organizations.

He was commissioned in the Bangladesh Army in 1975 in the Corps of Artillery. In his career, he held various appointments including command and staffs both at home and abroad. He worked in the Senior Management positions in different areas like Colonel Administration in Rangpur Area Head Quarters, Sector Commander in erstwhile Bangladesh Rifles (BDR), Col. General Staff in Directorate General of Forces Intelligence, Commanding Officer (CO) in Bangladesh Army, Labour Counsellor in Bangladesh Embassy, Oman. He also held the position of Managing Director (CEO) of Swanirvar Bangladesh, a National NGO. He participated in UN Peace Keeping Operation in Liberia (UNMIL) as Chief, Integrated Mission Training Cell.

In a long career, Col Aulad has attended a good number of Courses at home and abroad on Military/Non Military subjects including several courses on international humanitarian and security matters under UN Sponsorship at different Countries.

Col Aulad has meritorious academic qualifications, which include MBA from Trinity University and College, MDS from National University and Bachelor in Social Science from the University of Dhaka.

Col Md Aulad Hossain is a proud member of prestigious clubs like Kurmitola Golf Club, Army Golf Club, Bhatiary Golf and Country Club, Chittagong Club, Army Officers Club and Retired Armed Forces Officers Welfare Association (RAOWA). He is happily married and has two daughters.



**Pronab Kumar Saha**  
Head of Underwriting

Mr. Pronab Kumar Saha, SEVP & Head of Underwriting Department, joined in this Company on the 22nd Oct. 2013 as Vice President & Head of Underwriting Department. There after he was promoted to the rank of SVP & Head of Underwriting Dept within 3 three months from the date of joining for his outstanding performance. Finally he was again promoted in the rank of EVP & Head of Underwriting Dept in the month of February 2019 for his honesty, loyalty, and dedication & grooming up with the knowledge & competency in new product designing, underwriting of non tariff risk including Aviation insurance, broking, corporate and securities law. He has been acting as compliance officer as trustee for bonds registered by Bangladesh Securities & Exchange Commission since 2016 as approved by the Board of Directors successfully.

He obtained MBA, majoring in Finance from IBA, Dhaka University in 1985. There after he was awarded CeMAP [Certificate of Mortgage Advice & Practice] by ifs School of Finance, UK & cert CII from Chartered Insurance Institute, UK. He attended seminars in Multimodal Transport Management, Hazard Evolution in Process Management, Re-Insurance & Property Risk management, the changing Pattern & Associated risks in int'l trade and role of arbitration etc at home and abroad including Lloyds in London in 2016 organized by Tysers, London. He has more than 36 years' experience in the field of Insurance, Corporate & Securities laws, Marketing, Supply Chain Management etc.

He is a proactive, adaptable, innovative, hard working insurance professional. He faced challenges through a tenacious, analytical approach and positive attitude with enhancement of capacity of team members through their onsite training & motivation since the inception of the Company. He is in the process of deliver Overseas Medical Insurance & Livestock insurance using tech insures company as our ADC/ Alternative Distribution Channel.



**Maloy Kumar Saha**  
Chief Financial Officer

Mr. Maloy Kumar Saha, Executive Vice President & Chief Financial Officer joined in this Company on the 15<sup>th</sup> Dec 2013 as Chief Financial Officer (CFO). He shows an outstanding performance as CFO from the joining. With his honesty, loyalty, dedication & grooming up with the knowledge & competency, he made himself as one of the key persons of the Company. He has been acting as Chief Anti Money Laundering Compliance Officer (CAMLCO) of SKICL.

He obtained his M.Com major in Accounting. He completed his Chartered Accountancy course from AK Datta & Co. Chartered Accountants. He is an Income Tax Practitioner. In his early career he was the Head of Accounts and Finance in South Asia Insurance Co. Ltd. He attended some international summit and conference like Insurance India Summit & Awards 2017 at Mumbai, India & Aviation Conference offshore 2018 at Kualalampur, Malaysia. He is a member of Dhaka Taxes Bar Association, Narayanganj Taxes Bar Association and Bangladesh Moitree Kar Ainjibi Society. He is also a life member of Mohanagar Sarbajaneen Puja Committee.

He is a proactive and hardworking insurance professional and he has an excellent capacity of enhancement of his team members through their onsite training & motivation since the inception of the Company.





### Tajul Islam

Head of Claims & R/I.

Mr. Tajul Islam has been involved in the insurance sector since 2001 following his joining the industry as a Trainee Executive officer. He has experience in both claim and reinsurance. He has joined armed forced owned prestigious organization Sena Kalyan Insurance Company Limited 1<sup>st</sup> January, 2014. He is bearing a bright career in the insurance industry. Before joining Sena Kalyan Insurance Company, he served as Sr. Principal Officer, Claims & Reinsurance department at Agrani Insurance Company Ltd. Besides, he previously worked various department of Bangladesh National Insurance Company Ltd i.e. Claims & Reinsurance, Admin & Board Affairs, BCD in different positions.

During his career, he completed Basic Certificate course on General Insurance conducted by Bangladesh Insurance Association. He attend workshop on reinsurance treaty conducted by K.M Dastur Company, India. Successfully completed training on advanced reinsurance course jointly conducted by Asia Re, Thailand & Bangladesh Insurance Academy. He attend seminar on Technical Aspects on Reinsurance and Accounting conducted by J. B. Boda, Malaysia. Recently he participated a seminar on Risk Management in reinsurance at Maldives organized by the Protection Reinsurance Brokers.

He holds a Master of Social Science degree from Dhaka University. He has happily married and has one son and two daughters.



### Sqn Ldr Md. Mostafa Zaman (Retd)

Head of Admin

Sqn Ldr M Mostafa Zaman (Retd) joined in Sena Kalyan Insurance Company Limited on the 1st March 2017 as Senior Vice President & Head of Admin Dept. Mr M Mostafa Zaman has long 24 years working experience of Bangladesh Air Force (BAF), He served BAF as a mid level professional in different capacities and gathered experience in human resource management, business process, security and logistics in both tactical and operational level. He also has exposure in business projects and organizations with working experience as a DGM HR in Regent Airlines, GM, Head of Security & Workshop Automobile in BEXIMCO Ltd and GM of the Group, Lockpur Group of Industries, Dhaka. He also worked as Military Observer in South Sudan under Sector-II (Wau) on deputation.

Mr. Zaman achieved a Bachelor of Science from Rajshahi University and Masters in Business Administration (Major in HR) from the American International University Bangladesh. Apart from the above, he attended and successfully completed a number of seminars, workshops and trainings both at home and abroad.



### **M. M. Sajedul Islam, FCS**

Company Secretary

Mr. M. M. Sajedul Islam, FCS, joined Sena Kalyan Insurance Company Limited in March 2022 and has more than 19 years of professional exposure in Corporate Affairs both in local and multinational companies in various capacities.

Prior joining in Sena Kalyan Insurance Company Limited, he also worked in DBH Finance PLC and Uttara Finance & Investments Limited in different capacities in the field of Board & Shareholders related works (BM, AGM, Rights Issue, & IPO), corporate laws and rules & regulations of Insurance Development and Regulatory Authority (IDRA), Bangladesh Bank, Bangladesh Securities & Exchange Commission, Stock Exchanges and RJSC related works.

In a long career, he attended different meetings and trainings at home and abroad. He is also a Fellow Member of the Institute of Chartered Secretaries of Bangladesh (ICSB). He holds Bachelor of Business Administration (BBA) and Master of Business Administration (MBA) degrees from a reputed University of the country.

He is also involved with different socio-cultural organizations.



### **Engr Mohammad Shakhawat Hossain**

Head of IT

Engr Mohammad Sakhawat Hossain has been working in the IT sector for over 21 years with a very good reputation. Since the inception of Sena Kalyan Insurance Company Ltd, he has been successfully performing the duties as the head of IT department in the Company. He has specialized skills in network, hardware and web technology. For the past three years, Mohammad Sakhawat Hossain has been working as a resource person in the A2i, which is a very important part of the Prime Minister's Office.

Due to his planned initiatives under the guidance and leadership of the Company's board of directors, the IT department of Sena Kalyan Insurance Company has reached a strong position.

Engr Mohammad Sakhawat Hossain completed his MSc From National University and Computer Engineering degree from Daffodil Institute of IT (DIIT) with special training from ICT Department of Dhaka University.



### **Khadiza Khanom Mili**

Head of HR

Ms. Khadiza Khanam Mili joined in Sena Kalyan Insurance Company Limited on the 08 Dec 2013 and she is bearing a bright career of more than 17 years of valuable experience in the insurance industry & multinational companies.

Prior join in Sena Kalyan Insurance Company Limited, she served as Deputy Manager, HR & Compliance department in Hop Lun Multinational Company. Besides, she previously worked in Hypoyed Group Limited and Development Consultant Global Complacence Initiative (DCGCI).

Today, She is focusing on coordinate & develop the sector with planning, leading and Implementing all areas of human resources that includes restructuring of the organization, performance Management, recruiting and retaining resources , employee relationship, compensation and benefits, policy and procedures, learning and professional development of the employees.

Khadiza Khanam Mili completed her MA from National University and MBA (major in HRM) from Bangladesh University. In her carrier, she attended number of courses and achieved outstanding results. She completed Training on Worldwide Responsible Apparel Production (WRAP) and International Standard Organization (ISO).



### **Lasmin Akter**

Head of Internal Audit and Compliance

Ms. Lasmin Akter, Head of Internal Audit and Compliance, has completed her MBA from University of Dhaka & having 11 years of illustrious career in Finance, she has been the driving force in ensuring proper compliance to internal and external regulation and coordinate analysis of risk in different area of operations. She started her career through a multinational corporation called ABDA (Australia Bangladesh Development Association). In May 2014 she joined Sena Kalyan Insurance Company Limited and within 10 years of time, she worked in different capacities including the field of Finance and Accounts, Board and Shareholders related works like Board Meeting and IPO, Anti Money Laundering issues.

During her short and magnificent career she participated in various workshops, seminars and important conference on Reimagining Paradigm Shift in Bangladesh Insurance Industry-Bridging the Protection Gap arranged by BIMTECH- Birla Institute of Management Technology and Bangladesh Insurance Association, Bancassurance arranged by BIPD, Leadership Summit organized by Bangladesh Brand Forum, Micro Credit, Corporate branding etc. She got training from BFIU on Money Laundering and Terrorist Financing.

Currently she is studying at ICMAB. She is committed to continuous improvement through learning and innovation. As a young professional, she believes in achieving goal with team playing approach.





## Management & Executives

### Managing Director & CEO

**Brig General Shafique Shamim, psc (Retd), CII (cert), ABIA**

### Deputy Managing Director

**Col Md Aulad Hossain, psc (Retd)**

Market Development

**Gp Capt Md Atiar Rahman, psc (Retd)**

Market Development

### Assistant Managing Director

**Lt Col AKM Nazimul Islam, psc (Retd)**

Market Development

### Senior Executive Vice President

**Lt Col Kazi Halimur Rashid (Retd)**

Market Development

**Col Md Abue Masud, PBGM (Retd)**

Marketing & Head of Corporate Affairs

**Major Khondker Helaluzzaman (Retd)**

Marketing

**Cdr Iftekhar Hassan, C, psc, BN (Retd)**

Marketing

**Mr. Pronab Kumar Saha**

Head of Underwriting

### Executive Vice President

**Cdr Md Badruddoza Chowdhury, (c), psc (Retd)**

Market Development

**Mr. Maloy Kumar Saha**

Chief Financial Officer

**Mr. Tajul Islam**

Head of Re-Insurance & Claims

### Senior Vice President

**Capt M Majedul Haque, (N), BCGM, PCGM, psc, BN (Retd)**

Marketing

**Lt Col Muhammad Ershad Hossain**

Marketing

**Squadron Leader Md Mostafa Zaman, (Retd)**

Head of Admin

### Vice President

**Major Md Aman-Ullah Khan (Retd)**

Market Development

**Major Shahiduzzaman Chowdhury (Retd)**

Marketing

**Mr. M. M. Sajedul Islam, FCS**

Company Secretary

**Mr. Syed Rezaul Karim**

Marketing

### Deputy Vice President

**Engr Mohammad Shakhawat Hossain**

Head of Information Technology

**Ms. Khadiza Khanom Mili**

Head of HR

**Mr. Belal Hossain**

Underwriting

### Assistant Vice President

**Mr. Morshed Alam**

Underwriting

**Mr. Md Mehedi Hasan**

Underwriting

**Mr. Md Abu Noman**

Underwriting



## Our Capitals Performance across Six Capitals

### FINANCIAL CAPITAL

Represents the funds utilised for investment and employed in the business to create value for the shareholders. We also generate funds from surplus arising out of business operations and financing activities in the form of Equity and Debt.	Key Metrics	
	<b>BDT 999.55 Million</b>	<b>BDT 136.66 Million</b>
	Revenue (Gross Direct Premium Income)	Profit After Tax (PAT)
	<b>15.23%</b>	<b>71.87%</b>
	Return on Average Equity (RoAE)	Combined Ratio

### MANUFACTURED CAPITAL

SKICL's integrated operations utilise modern workplaces for conducting business. Further, our operations are conducted in our head office in Dhaka and via 9 branches located around Bangladesh. We continually invest in these assets to enhance customer experience and achieve higher operational efficiency.	Key Metrics	
	9	
	Branches	

### INTELLECTUAL CAPITAL

Represents the collective knowledge of organisation and our people, including specialised manpower like in house claims managers and underwriting team. We leverage this knowledge to strengthen our competitive advantage and ensure alignment of resources to our strategic direction. It also represents our knowledge-based assets, digital capabilities, data and analytics and automation that helps in product development, enhancing operational efficiency, improving customer experience and empowering the employees.	Key Metrics	
	2	11
	<b>New Products Approved</b>	<b>Specialised Manpower</b>

### HUMAN CAPITAL

<p>Represents the collective knowledge, expertise, engagement, motivation and experience of our workforce that facilitates value creation. This enables us to better serve our customers and fulfil stakeholders' expectations. We invest in employees' skill building, engagement, welfare and providing a safe and healthy work environment.</p>	<b>Key Metrics</b>		
	<b>127</b>	<b>600 Hrs</b>	
	Total Headcount (Permanent Employees)		Training imparted to employees
	<b>84%</b>	<b>16%</b>	<b>BDT 67.60K</b>
	Gender Diversity		
	Male	Female	<b>Investment in training</b>

### SOCIAL AND RELATIONSHIP CAPITAL

<p>Represents our engagement with communities and investment made in their progress. It also represents our focus on building long-term and trust-based relationships with business partners, customers and the society. Their collective interest drives our growth, competitiveness and goodwill, and makes us commercially viable and socially relevant.</p>	<b>Key Metrics</b>	
	<b>BDT 7.90 Lac</b>	<b>BDT 133.31 Cr.</b>
	CSR Spends	Claims Honoured

### NATURAL CAPITAL

<p>As a part of the insurance sector, we strive to eliminate the environmental impact of our business, though limited as we are in the service industry, through the sustainable use of natural resources and responsible resource management. We make investments to ensure that our operations remain sustainable.</p>	<b>Key Metrics</b>	
	<b>630,957 Taka</b>	
	Energy Consumption at Head Office & Branches	



## Value Proposition Delivering Value to Our Stakeholders

SKICL aims to contribute to its safe, secure and sustainable future by keeping technology at the core of all its strategies. We deliver sustainable value to all our stakeholders by compounding equitable growth for them and creating an environment for them to thrive. Through our insurance products and services, we also support climate change mitigation and adaptation efforts of our customers, including the spread of renewable energies.

### Our Value Chain Model

#### VALUE CREATION APPROACH

- Principal activities
- Strong and revenue sustainable streams

#### SUSTAINING VALUE

- Our vision, Mission and ethos policy
- Governance framework and policies
- Risk management and mitigation
- Stakeholder engagement and material issue management
- Focus on ESG and Sustainability, Business Responsibility and Corporate Social Responsibility
- Employee-friendly practices
- Responsible underwriting and investment activities

#### DELIVERING VALUE

- Customised and tech-enabled solutions
- Engaging with customers and supporting them in need
- Continuous upskilling and motivated employees
- Consistent financial performance and creating long-term wealth for investors by:
  - o Regularly contributing to national and state exchequer
  - o Making responsible use of environment and natural resources

## Our Principal Business Activities

### INSURANCE ACTIVITIES



Business  
Groups



Service  
Groups



Support  
Groups

### INVESTMENT ACTIVITIES



Fixed Income  
Investments



Equity  
Investments



Alternative  
Asset Investments

## Our Value Creation Model



We apply value driven approach in our inputs, outputs and overall business structure. Each process has a job to do and each process is measured on how effective it is in achieving the desired outcomes.



## Supply Chain Management Policy of SKICL

As a general insurance company, Sena Kalyan Insurance Company Limited operates its business such as fire, marine, motor & miscellaneous insurance in the following manner:

<p>Prospective clients fill know your customer (KYC) form. Then SKICL verifies the KYC form and assesses the risk before underwriting.</p>	<p>If the KYC form of the prospective clients is found to be correct and in order and filled in absolute faith with all material information, then SKICL first of all issues cover notes.</p>
<p>Insured mode of payment like cheque, payment order, draft and bank guarantee will be deposited (except Bank Guarantee) to Company's specific Bank Account.</p>	<p>After detailed verification/checking of adequate information provided by the insured in support of cover note and KYC form, SKICL issues insurance policy in favor of insured.</p>

The Management of SKICL rigorously follows up its internal procurement policy and upgrades the policy regularly to ensure strong control and fair treatment of suppliers.





# Integrated Business Model

## A Value–Accretive Business Model

### INPUT

#### Financial Capital

- Funds from shareholders & insurance business and provider of Capital

#### Human Capital

- Knowledge, Skills and Attitudes of employees
- Skilled and committed co-worker motivated by mission of the Company
- Expertise in social, cultural and environmental sectors
- Supported by training and development activities
- Specialist expertise and track record in delivering, assessing and communicating sustainable insurance services

#### Intellectual capital

- Brand Image and reputation
- Company Culture
- Expertise knowledge
- Systems and Processes

#### Manufactured Capital

- Premises
- IT infrastructure

#### Social and Relationship Capital

- Customers
- Cross-functional departments
- Other business stakeholders and partners
- Community
- Networks, within and between the insurance sector

#### Natural Capital

- Utilities
- Policy Incentives from regulators
- Green Initiatives

### Business Context

#### Our Material Risks

- Volatility in interest rates affecting investment income, liability valuations, and customer preference for savings over insurance
- High inflation and falling disposable incomes affecting demand for insurance
- Severe price competition and substitutes for insurance solutions offered by other financial institutions
- Increasing the risk of man-made and act of God
- Performance in equity mark and Exchange rate volatilities affecting investment income
- Sophisticated customer expectations with technological developments changing demographics affecting nature of products offered

### Value Out



### Value In

#### OUR PROFIT FORMULA

##### Revenues

- Insurance premiums
- Investment income
- Reinsurance commission and
- Other income

##### Costs

- Reinsurance Premiums
- Business acquisition cost
- Staff Costs
- Administration Costs
- Marketing and business development costs
- Finance costs
- Taxes

### OUR VALUE PROPOSITIONS

#### Customer

Providing superior protection to all customers by meeting their insurance needs professionally with a spirit of caring.

#### Shareholders

Consistently delivering superior returns to shareholders through well-managed business operations and investment management

### External Environment

### External Variables Impacting Value

- Monetary and Fiscal Policy changes
- Fluctuation in trade deficit
- Political instabilities
- Regulatory changes
- Global economic changes
- Change in demographics
- IDRA's Monitoring
- BIA's Support
- Other company's policies and market share



### OUR PRODUCTS AND OUTPUTS

Fire Insurance, Motor Insurance (Comprehensive), Travel Insurance, Marine Insurance, Engineering Insurance, Aviation Insurance, Miscellaneous Accident Insurance

#### Employees

Ensure superior work-life balance and personal development through inculcating a culture of learning and growth to achieve personal and professional development

#### Society

Delivering sustainable value to all stakeholders through superior corporate stewardship

## OUT COMES

### Financial Capital

1. Delivering attractive shareholder returns
2. Ensuring financial stability and growth
3. Ensuring growth with better claim paying ability

### Human Capital

1. Ensuring employee satisfaction and motivation
2. Ensuring a rewarding and progressive careers
3. Fair treatment and provision of equal opportunities
4. Safe working environments

### Intellectual Capital

1. Building the right organizational and governance structure
2. Inculcating values promoting a performance culture
3. Enhancing knowledge and building internal capabilities
4. Investing in systems and refining process

### Manufactured Capital

- Creating long term value through investments in building premises, IT infrastructure and other equipments

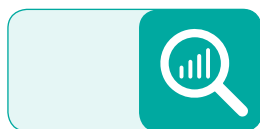
### Social and Relationship Capital for people and planet

1. Delighting our customers
2. Creating win-win partner ships
3. Creating employment opportunities.
4. Developing communities around us through CSR and other activities
5. Aware community about Social change
6. Respond to societal challenges with innovative products.
7. Maintain transparent finances
8. Enabling value-driven enterprise
9. Products for Sustainable enterprise and Economy
10. Communication with stakeholder
11. Sustainable reinsurance

### Natural Capital

1. Increased Green Insurance Portfolio
2. Tree plantation initiatives
3. Controlled Carbon Footprint

SDG Relevance



# Swot Matrix of SKICL

## Situational Assessment

<b>S</b> <b>W</b> <b>O</b> <b>T</b>	<p><b>Strengths</b></p> <ul style="list-style-type: none"> <li>■ Sena Kalyan Insurance Company Limited (SKICL) is a concern of Sena Kalyan Sangstha of Bangladesh Armed Forces, which has already emerged as one of the most viable business outfits of Bangladesh. It has great reputation and well known to insurance industry. It provides excellent and consistent quality service in each and every sector of its operations to the clients and makes the client satisfied.</li> <li>■ The Board of directors and the top management of SKICL are very experienced and well-known in the Insurance sector of Bangladesh. They are contributing heavily towards the growth and development of the Company. The higher management is formed by the experienced corporate personnel and professional staffs with sufficient employee.</li> <li>■ It's Claims Paying Ability is higher than other companies. Solvency Margin of the Company is stronger than others.</li> <li>■ A range of new products have been introduced for different market segments.</li> <li>■ The Company has its own highly valued commercial spaces, which contribute a lot in Company's profit margin.</li> <li>■ Employee turnover ratio is very low than other company.</li> </ul>
	<p><b>Weaknesses</b></p> <ul style="list-style-type: none"> <li>■ Like any other business, the goal and objective of the insurance industry are also to make a profit. Insurance companies don't include everything and everyone in their plan like vulnerable businesses. However, if they do cater to such businesses, then their insurance plan is very expensive.</li> <li>■ Maintaining administrative expenses and accounting challenges as per IDRA's guidelines.</li> <li>■ Lack of implementation of the Company's diversified products and services.</li> <li>■ The financial benefit of SKICL is not high enough related with other Financial Institutions operating in Bangladesh.</li> <li>■ Insurance awareness is poor and agents are not skilled enough.</li> </ul>
	<p><b>Opportunities</b></p> <ul style="list-style-type: none"> <li>■ Elderly people aren't tech-savvy. But the younger people and new businesses are very cautious about data protection and encryption. However, we are operating their businesses digitally. It is an excellent opportunity for insurance companies to offer protection insurance of digital data.</li> <li>■ Demand for insurance protection against property against earthquake and fire, crop loans, livestock loans, fisheries loans and equipment loans is increasing day by day. Various agricultural insurance services are becoming common these days.</li> <li>■ Bangladesh is a medium income generating country and its economy is expanding rapidly, so the need of Insurance sector is growing up.</li> <li>■ IDRA is going to implementing a number of new insurance scheme/products relating to Comprehensive Motor Insurance, Health Insurance, Crop and Cattle Insurance, Shiksha Bima, Suraksha Bima etc. These are all the income-generating opportunities for the Insurance sector.</li> </ul>
	<p><b>Threats</b></p> <ul style="list-style-type: none"> <li>■ The insurance industry has become very important in today's market because many insurance companies are offering their services. They all offer almost the same types of insurance plans, so it's difficult for them to differentiate their services from their competitors. Firstly, it's difficult for them to attract customers. Secondly, it's even more difficult to retain them over time, because they would buy insurance from some other companies with a better offer. As a result, the threat of new entrants is reasonably high, with so many new companies entering the market.</li> <li>■ Clients possess a higher bargaining power because of a relatively higher commission offer due to the number of Insurance Companies in the Industry.</li> <li>■ Some insurance companies create harassment on the policyholders and the people of our country are not much motivated by the company to take insurance policy for safeguarding themselves against any kind of business.</li> <li>■ The insurance industry is on of the most susceptible and vulnerable to fraud activities. In most cases, customers try to collect maximum claims against their policies through fraud. Accordingly, some fraudulent activities create an environment of distrust in the market.</li> </ul>

## Our Actionable Strategies:

SKICL creates actionable strategies to convert its Weakness into Strengths and Threats into Opportunities. Before strategies setting, we consider SWOT analysis as shortly given below:

	<b>Opportunities (External, Positive)</b>	<b>Threats (External, Negative)</b>
<b>Strengths (Internal, Positive)</b>	<p><b>Strength- Opportunity Strategies</b></p> <p>Which of the Company’s strengths can be used to maximize the opportunities we identified?</p>	<p><b>Strength-Threat Strategies</b></p> <p>How can we use the Company’s strengths to minimize the threats we identified?</p>
<b>Weaknesses (Internal, Negative)</b>	<p><b>Weakness-Opportunity Strategies</b></p> <p>What actions can be taken to minimize the Company’s weaknesses using the opportunities we identified?</p>	<p><b>Weakness-Threat Strategies</b></p> <p>How can we minimize the Company’s weaknesses to avoid the threats we identified?</p>



## Our Ethos

### Going above and beyond for Customers

We do everything with a customer-first approach. With our relentless focus on innovation, we are continually conceptualising unique products and services that are powered by newer technologies to deliver exceptional experience. With our dedicated teams for service quality, customer relations and customer experiences, we are continuously setting new benchmarks in service excellence.

### Pioneering with cutting-edge technology

We ensure being at the forefront of technology adoption across all facets of business with a reputation of several industry first initiatives. This gives us a distinctive edge in terms of operational and customer excellence. Our robust technology infrastructure is further geared to handle growing volumes without compromising on service quality.

### Commitment to promote health and well-being

We have a reputation of being one of the most approachable and accessible General Insurers driven by our sustained commitment to the betterment of customers. Right from product development to policy advisory to renewals to settling claims, we always maintain transparency and integrity.

### Passionate and dedicated people

We employ some of the best minds having unwavering passion towards achieving our vision and goals and delivering on our promises. This differentiates us in the industry and powers our leadership.

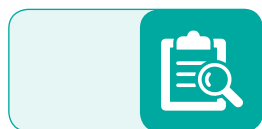




## SKICL's Strategic Approach

As a leading private sector non-life insurance company in Bangladesh, our Company's success has been built on a strategy that is grounded in five key pillars:

1. Consistent Market Leadership:	2. Multi-channel Distribution:	3. Excellence in Customer Service and Technology:
<p>Since 2013, we have consistently maintained our position as one of the Fastest growing General Insurance companies in Bangladesh. This achievement is a testament of our unwavering commitment to providing our customers with superior products and services.</p> <p>Through a strict focus on innovation, we have been able to sustain 11 years of compound annual growth.</p>	<p>Our comprehensive product portfolio is made available through a wide-ranging distribution network that includes a growing presence in major cities in Bangladesh. We have a vast network of 9 branch offices for providing our customers with easy access to our products and services.</p>	<p>Our focus on excellence in customer service and technology is at the heart of our success. We have also established a dedicated digital arm to ensure that our digital businesses operate at lightning speed, delivering a seamless customer experience.</p>
4. Risk Management:		5. Capital Conservation:
<p>Our rigorous focus on risk selection and data analytics, coupled with prudent investment management, has enabled us to achieve sustained and profitable growth. We maintain robust reserves and a deep understanding of risk management best practices, enabling us to identify and mitigate risks effectively. Our risk management approach is founded on a deep understanding of our customers and their needs, allowing us to design and deliver products and services that meet their needs while minimising risks.</p> <p>Further, we have strengthened our ERM framework by including ESG as a separate risk group with appropriate weightage. We have implemented Key Risk Indicators to monitor our ESG performance, which measures core aspects related to our ESG profile. Moreover, the Board through its Board Risk Committee oversees the risk direction on sustainability.</p>		<p>We have identified capital conservation as an essential pillar of our strategy. We maintain a high level of solvency for giving our customers peace of mind that they are always protected. At the close of the year 2023, our solvency ratio stood at an impressive 4.70x, signaling our resolve to maintain a robust and healthy financial position.</p>



## Pestel Analysis

A sound insurance industry is important for a proper economic system, economic growth and promoting higher employment amongst other factors. Should such a system be uneven, especially in the non-life business sector of insurance, it may lead to higher risks in the economic decisions taken by companies and individuals. Hence, the insurance industry is beneficial for the economic system as a whole since it provides the ability to transfer, pool and mutualise risks, which helps to keep a country economically stable

A PESTEL Analysis (also termed as PESTLE) looks at the macro trends in the surrounding environment of a certain business or organization. At SKICL, we have analysed the significant external factors through PESTEL Analysis, which includes political, environmental, social, technological, economic, and legal & regulatory that impact our business and our response against those risks.

### PASTEL FRAMEWORK

POLITICAL	ECONOMIC	SOCIAL
<ul style="list-style-type: none"> <li>Stable political environment;</li> <li>Proactive govt. policies to stabilise economy;</li> <li>Public sector investment in large infra projects;</li> <li>Predictable or unpredictable regulations;</li> <li>Russia-Ukrain war, Middle east war;</li> <li>IMF Loan; etc.</li> </ul>	<ul style="list-style-type: none"> <li>Higher Inflation;</li> <li>Challenges on external trade front;</li> <li>Volatility in currency exchange rates;</li> <li>Rising interest rate regime with revision in policy rates;</li> <li>Supply chain disruptions impelling inflationary pressures; etc.</li> </ul>	<ul style="list-style-type: none"> <li>Contribution towards meeting the SDGs;</li> <li>Increased awareness around health and wellbeing;</li> <li>Rising urbanization; etc.</li> </ul>
Our response		
<b>Moderate</b>	<b>High</b>	<b>Moderate</b>
TECHNOLOGICAL	ENVIRONMENTAL	SOCIAL
<ul style="list-style-type: none"> <li>Dependency on technological innovation and adaption;</li> <li>Emergence of Fintech and digital-first insurance companies;</li> <li>Growing cyber threats;</li> <li>UMP to bring Discipline in Insurance Sector; etc.</li> </ul>	<ul style="list-style-type: none"> <li>Growing focus on greener insurance and green workplace and influence to invest green industry;</li> <li>Contribution towards meeting the SDGs;</li> <li>Climate change Intensifies; etc.</li> </ul>	<ul style="list-style-type: none"> <li>SKICL considered whether there are any legal compliance requirements;</li> <li>Licenses and permits, including for product launch;</li> <li>Stringent laws regarding customer privacy and data protection;</li> <li>Legal and regulatory authorities have been proactive in taking various regulatory actions; etc.</li> </ul>
Our response		
<b>Moderate</b>	<b>Moderate</b>	<b>High</b>



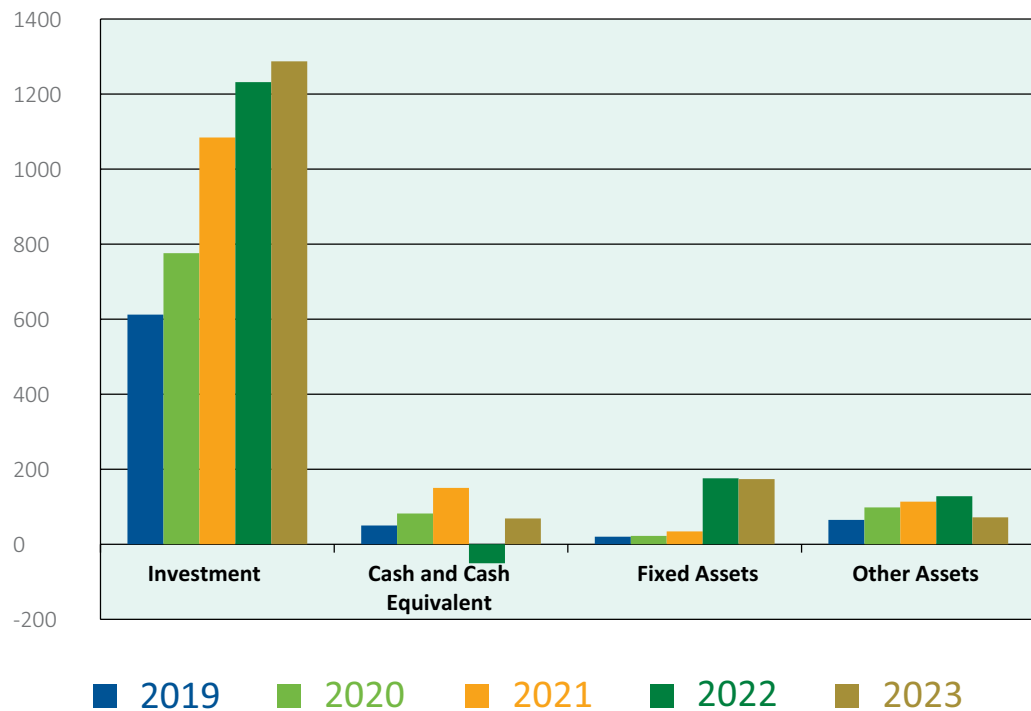


## Review of Assets Quality

Sena Kalyan Insurance Company Limited always focuses on the superior assets quality so that these will bring highest value to the Company, ensure satisfactory return to the stakeholders and ensure sustainable development. To perform the said objectives, Company has the policy to review of its assets periodically and as a result of continuous monitoring and development of the assets quality, Company achieved the hefty growth for the past years. Following figures showing five years growth of the assets may demonstrate how the Company maintains its assets quality to increase value to the Company.

BDT in Million

Assets	2019	2020	2021	2022	2023
Investment	612.05	775.91	1,084.25	1,231.44	1,287.02
Cash and Cash Equivalent	49.80	81.86	150.10	(50.91)	68.51
Fixed Assets	20.17	22.32	34.02	175.64	173.53
Other Assets	64.98	98.21	113.44	127.75	71.48
<b>Total</b>	<b>747.00</b>	<b>978.29</b>	<b>1,381.81</b>	<b>1,483.71</b>	<b>1,600.54</b>





## SKICL's Performance at a Glance

### Operational and Financial Highlights

Taka in Million (Except Sl. No. 14-28)

Particulars	2023	2022	2021	2020	2019
Gross Premium Income	999.55	800.57	780.23	580.52	576.09
Re-Insurance Premium Ceded	578.65	456.12	503.77	282.84	322.70
Net Premium Income	420.90	344.45	276.46	297.68	253.39
Gross Claims	133.31	210.49	23.36	37.52	15.56
Investment and Other Income	86.64	67.93	54.34	58.22	47.24
Underwriting Profit or Loss	89.85	82.29	80.99	66.82	75.49
Net Profit Before Tax	150.22	129.75	115.98	114.23	118.58
Net Profit After Tax	136.66	114.33	106.15	94.28	98.28
Paid-up Capital	400.00	400.00	400.00	240.00	240.00
Shareholders' Equity	897.06	806.67	748.37	506.20	431.44
Total Long Term Investments	143.72	146.57	105.44	64.27	30.56
Total Assets	1,600.54	1,483.71	1,381.81	978.29	747.00
Total Reserve Fund	455.83	355.87	275.82	197.79	139.74
Rate of Dividend Cash (%)	13.50%	12%	12%	10%	10%
Face Value Per Share	10.00	10.00	10.00	10.00	10.00
Earnings Per Share (EPS)	3.42	2.86	3.83	3.93	4.10
Net Asset Value Per Share (NAV)	22.43	20.17	26.99	21.09	18.10
Return on Shareholders Equity (%)	15.23%	14.17%	14.18%	18.62%	22.78%
Dividend Payout Ratio (%)	39.51%	41.98%	45.22%	25.46%	24.42%
Price Earning Ratio (Times)	15.40	20.15	20.19	-	-
NOCFPS	5.82	4.45	8.89	9.24	9.69
Net Underwriting Margin (%)	21.00	-	-	-	-
Return on Average Assets (ROAA) (%)	9.00	-	-	-	-
Return on Average Equity (ROAE) (%)	8.00	-	-	-	-
Claim /Loss Ratio (%)	25.00	-	-	-	-
Expense Ratio (%)	39.00	-	-	-	-
Liquid Asset to Total Assets (%)	76.00	-	-	-	-
Net Worth to Total Assets (%)	56.00	-	-	-	-
Size of FDR (Taka in Crore)	114.33	-	-	-	-
Adjusted Net Premium (Taka in Crore)	43.14	-	-	-	-

## Ratio Analysis

Name of the Ratio	2023	2022	2021	2020	2019
<b>A. Liquidity Ratio</b>					
Current Ratio	1.88	1.78	1.96	1.86	2.43
Quick Ratio	1.88	1.78	1.96	1.86	2.42
Debt to Equity Ratio	N/A	N/A	0.037	0.054	0.061
<b>B. Operating Ratio</b>					
Accounts Receivable Turnover Ratio	1,206.72	966.50	N/A	N/A	N/A
Inventory Turnover Ratio	N/A	N/A	N/A	N/A	N/A
Assets Turnover Ratio (Times)	0.65	0.56	0.66	0.67	0.77
<b>C. Profitability Ratio</b>					
Gross Margin Ratio(%)	8.99%	10.28%	10.38%	11.51%	13.10%
Operating Income Ratio (%)	15.03%	16.21%	15.61%	19.68%	20.58%
Net Income Ratio (%)	13.67%	14.28%	13.61%	16.24%	17.06%
EBITDA Margin (Profit before interest, depreciation & tax)	16.45%	17.41%	16.26%	20.22%	20.11%
Return on Assets Ratio (%)	8.54%	7.71%	7.68%	9.64%	13.16%
Return on Equity Ratio (%)	15.23%	14.17%	14.18%	18.73%	22.78%
Earning Per Share (EPS)	3.42	2.86	3.83	3.93	4.10
Dividend Payout Ratio (%)	39.51%	41.98%	45.22%	25.46%	24.42%
Price Earning Ratio (Times)	15.40	20.15	20.19	N/A	N/A
Retention Ratio	0.60	0.58	-	-	-
<b>D. Coverage/Solvency Ratio</b>					
Dedt to total Assets Ratio	N/A	N/A	0.02	0.03	0.23
Dedt Service Coverage Ratio	N/A	N/A	4.44	4.29	N/A
Cash Debt Coverage Ratio	N/A	N/A	9.00	8.15	8.77
Times Interest Earned Ratio	N/A	N/A	N/A	N/A	N/A
Long Term Debt to Assets Ratio	N/A	N/A	0.020	0.03	0.04
Net Assets Value Per Share (NAV)	22.43	20.17	26.99	21.09	18.10
<b>E. Cash Flow</b>					
Net operating Cash Flows Per Share	5.82	4.45	8.89	9.24	9.69
Net operating Cash Flows Per Share/EPS	1.70	1.56	2.32	2.35	2.37

## Vertical Analysis

### For the Latest 5 Years Audited Financial Statements

Capital and Liabilities	Amount in Taka		Amount in Taka		Amount in Taka		Amount in Taka		Amount in Taka	
	31 December, 2023	Percentage	31 December, 2022	Percentage	31 December, 2021	Percentage	31 December, 2020	Percentage	31 December, 2019	Percentage
<b>Reserve or Contingency Accounts</b>							28.95%		0.00%	
Paid up Capital	400,000,000	24.99%	400,000,000	26.96%	400,000,000	28.95%	240,000,000	24.53%	240,000,000	32.13%
Reserve for Exceptional Losses	455,826,937	28.48%	355,872,215	23.99%	275,815,487	19.96%	197,792,882	20.22%	139,740,659	18.71%
Investment Fluctuation Fund	(7,002,347)	-0.44%	(7,603,013)	-0.51%	428,468	0.03%	408,894	0.04%	(1,104,091)	-0.15%
Profit and Loss Appropriation Account	48,230,790	3.01%	58,403,363	3.94%	72,129,358	5.22%	68,001,646	6.95%	55,778,209	7.47%
<b>Total shareholders equity</b>	<b>897,055,380</b>	<b>56.05%</b>	<b>806,672,565</b>	<b>54.37%</b>	<b>748,373,312</b>	<b>54.16%</b>	<b>506,203,422</b>	<b>51.74%</b>	<b>434,414,777</b>	<b>58.15%</b>
<b>Balance of Funds and Accounts</b>	<b>232,122,613</b>	<b>14.50%</b>	<b>158,381,271</b>	<b>10.67%</b>	<b>125,965,289</b>	<b>9.12%</b>	<b>175,201,461</b>	<b>17.91%</b>	<b>137,058,034</b>	<b>18.35%</b>
Fire insurance business	59,828,469	3.74%	40,036,138	2.70%	34,612,677	2.50%	22,189,660	2.27%	23,155,738	3.10%
Marine insurance business	55,197,028	3.45%	69,849,228	4.71%	50,103,565	3.63%	31,863,664	3.26%	16,992,399	2.27%
Motor insurance business	4,665,097	0.29%	6,178,490	0.42%	10,384,170	0.75%	21,173,428	2.16%	22,537,114	3.02%
Miscellaneous insurance business	112,432,018	7.02%	42,317,416	2.85%	30,864,877	2.23%	99,974,709	10.22%	74,372,783	9.96%
Premium Deposits	45,672,085	2.85%	113,681,296	7.66%	2,036,478	0.15%	31,531,973	3.22%	56,051,451	7.50%
<b>Liabilities and Provisions</b>	<b>425,689,198</b>	<b>26.60%</b>	<b>404,973,403</b>	<b>27.29%</b>	<b>505,923,011</b>	<b>36.61%</b>	<b>265,355,282</b>	<b>27.12%</b>	<b>119,478,063</b>	<b>15.99%</b>
Estimated liabilities in respect of outstanding claims whether due or intimated	231,624,156	14.47%	183,122,508	12.34%	270,985,114	19.61%	121,385,581	12.41%	39,786,514	5.33%
Amounts due to other persons or bodies carrying on insurance business	105,384,730	6.58%	71,997,413	4.85%	91,454,050	6.62%	18,366,339	1.88%	2,723,643	0.36%
Provision for Income tax	16,102,870	1.01%	89,454,375	6.03%	74,267,974	5.37%	63,550,084	6.50%	42,712,673	5.72%
Deferred Tax Liability	2,499,282	0.16%	3,284,288	0.22%	1,508,516	0.11%	1,008,328	0.10%	717,193	0.10%
Lease Liability	9,758,926	0.61%	3,952,285	0.27%	14,426,582	1.04%	21,057,835	2.15%	-	0.00%
Unclaimed Dividend Account	1,001,052	0.06%	574,998	0.04%	-	-	-	-	-	0.00%
Provision for WPPF	7,510,829	0.47%	6,487,556	0.44%	5,799,060	0.42%	5,711,282	0.58%	-	0.00%
Sundry Creditors	51,807,354	3.24%	46,099,979	3.11%	46,995,870	3.40%	34,275,835	3.50%	33,538,040	4.49%
<b>Total liabilities</b>	<b>703,483,896</b>	<b>43.95%</b>	<b>677,035,970</b>	<b>45.63%</b>	<b>633,438,931</b>	<b>45.84%</b>	<b>472,088,716</b>	<b>48.26%</b>	<b>312,587,548</b>	<b>41.85%</b>
<b>Total Shareholders Equity and Liabilities</b>	<b>1,600,539,276</b>	<b>100.00%</b>	<b>1,483,708,535</b>	<b>100.00%</b>	<b>1,381,812,243</b>	<b>100.00%</b>	<b>978,292,139</b>	<b>100.00%</b>	<b>747,002,325</b>	<b>100.00%</b>

## Vertical Analysis

for the latest 5 Years audited financial statements

Assets and Properties	Amount in Taka	Percentage	Amount in Taka	Percentage	Amount in Taka	Percentage	Amount in Taka	Percentage	Amount in Taka	Percentage
	31 December, 2023		31 December, 2022		31 December, 2021		31 December, 2020		31 December, 2019	
<b>Non-Current Assets</b>	<b>279,896,994</b>	<b>17.49%</b>	<b>277,402,088</b>	<b>18.70%</b>	<b>139,205,667</b>	<b>10.07%</b>	<b>102,810,901</b>	<b>10.51%</b>	<b>53,197,118</b>	<b>7.12%</b>
Property, Plant and Equipment	173,526,857	10.84%	175,635,979	11.84%	34,018,492	2.46%	22,316,641	2.28%	20,170,446	2.70%
Investment in BGTB	84,203,453	5.26%	87,140,494	5.87%	81,091,675	5.87%	51,217,510	5.24%	26,500,000	3.55%
Right of Use (RoU) Assets	9,770,426	0.61%	3,991,385	0.27%	15,003,062	1.09%	21,571,514	2.21%	-	0.00%
Deferred Tax Assets	12,396,257	0.77%	10,634,230	0.72%	9,092,438	0.66%	7,705,236	0.79%	6,526,672	0.87%
<b>Current Assets</b>	<b>108,835,345</b>	<b>6.80%</b>	<b>172,353,173</b>	<b>11.62%</b>	<b>113,690,912</b>	<b>8.23%</b>	<b>81,984,278</b>	<b>8.38%</b>	<b>62,504,387</b>	<b>8.37%</b>
Investment in Shares	59,521,396	3.72%	59,431,602	4.01%	24,346,241	1.76%	13,049,137	1.33%	4,055,654	0.54%
Accrued Interest	28,701,635	1.79%	25,163,765	1.70%	18,636,906	1.35%	19,249,869	1.97%	20,581,051	2.76%
Amount due from other persons or bodies carrying on insurance business	828,315	0.05%	828,315	0.06%	-	0.00%	-	0.00%	-	0.00%
Sundry Debtors (Including advances, deposits and prepayments)	17,712,901	1.11%	86,307,221	5.82%	70,238,658	5.08%	49,352,695	5.04%	37,604,980	5.03%
Stationary and forms in hand	185,150	0.01%	356,420	0.02%	265,943	0.02%	206,358	0.02%	234,672	0.03%
Stamps in hand	1,885,947	0.12%	265,850	0.02%	203,165	0.01%	126,219	0.01%	28,030	0.00%
<b>Cash and Cash Equivalents</b>	<b>1,211,806,937</b>	<b>75.71%</b>	<b>1,033,953,274</b>	<b>69.69%</b>	<b>1,128,915,663</b>	<b>81.70%</b>	<b>793,496,960</b>	<b>81.11%</b>	<b>631,300,820</b>	<b>84.51%</b>
Fixed Deposits: (FDR's)	1,143,297,189	71.43%	1,084,866,866	73.12%	978,813,739	70.84%	711,640,471	72.74%	581,500,000	77.84%
SND Accounts	59,288,930	3.70%	48,189,764	3.25%	72,024,082	5.21%	66,989,559	6.85%	43,587,764	5.84%
Current Accounts	6,712,782	0.42%	(100,891,264)	-6.80%	75,626,347	5.47%	14,844,176	1.52%	6,006,329	0.80%
Cash in hand	203,725	0.01%	55,788	0.00%	66,391	0.00%	20,252	0.00%	47,418	0.01%
Brokerage Balance	2,304,312	0.14%	1,732,120	0.12%	2,385,104	0.17%	2,502	0.00%	159,309	0.02%
Cheques in hand	-	0.00%	-	0.00%	-	0.00%	-	0.00%	15,007,999	2.88%
<b>Total Assets and Properties</b>	<b>1,600,539,276</b>	<b>100.00%</b>	<b>1,483,708,535</b>	<b>100.00%</b>	<b>1,381,812,243</b>	<b>100.00%</b>	<b>978,292,139</b>	<b>100.00%</b>	<b>747,002,325</b>	<b>100.00%</b>

## Horizontal Analysis

for the latest 5 Years audited financial statements

Capital and Liabilities	2023		2022		2021		2020		2019	
	Amount in Taka	% Change	Amount in Taka	% Change	Amount in Taka	% Change	Amount in Taka	% Change	Amount in Taka	% Change
Paid-up Capital	400,000,000	0.00%	400,000,000	0.00%	400,000,000	66.67%	240,000,000	0.00%	240,000,000	0.00%
Reserve for Exceptional Losses	455,826,937	28.09%	355,872,215	946.11%	275,815,487	39.45%	197,792,882	41.54%	139,740,659	70.14%
Investment Fluctuation Fund (difference of market value and cost value)	(7,002,347)	-7.90%	(7,603,013)	-109.38%	428,468	4.79%	408,894	-137.03%	(1,104,091)	
Profit and Loss Appropriation Account	48,230,790	-17.42%	58,403,363	289.28%	72,129,358	6.07%	68,001,646	21.91%	55,778,209	105.80%
<b>Total shareholders equity</b>	<b>897,055,380</b>	<b>11.20%</b>	<b>806,672,565</b>	<b>52.17%</b>	<b>748,373,312</b>	<b>47.84%</b>	<b>506,203,422</b>	<b>16.53%</b>	<b>434,414,777</b>	<b>24.39%</b>
<b>Balance of Funds and Accounts</b>	<b>232,122,613</b>	<b>46.56%</b>	<b>158,381,271</b>	<b>25.73%</b>	<b>125,965,289</b>	<b>-28.10%</b>	<b>175,201,461</b>	<b>27.83%</b>	<b>137,058,034</b>	<b>107.35%</b>
Fire insurance business	59,828,469	49.44%	40,036,138	15.67%	34,612,677	55.99%	22,189,660	-4.17%	23,155,738	40.48%
Marine insurance business	55,197,028	-20.98%	69,849,228	39.41%	50,103,565	57.24%	31,863,664	87.52%	16,992,399	-29.23%
Motor insurance business	4,665,097	-24.49%	6,178,490	-40.50%	10,384,170	-50.96%	21,173,428	-6.05%	22,537,114	162.41%
Miscellaneous insurance business	112,432,018	165.69%	42,317,416	37.11%	30,864,877	-69.13%	99,974,709	34.42%	74,372,783	337.08%
<b>Premium Deposits</b>	<b>45,672,085</b>	<b>-59.82%</b>	<b>113,681,296</b>	<b>5482.25%</b>	<b>2,036,478</b>	<b>-93.54%</b>	<b>31,531,973</b>	<b>-43.74%</b>	<b>56,051,451</b>	<b>116.88%</b>
<b>Liabilities and Provisions</b>	<b>425,689,198</b>	<b>5.12%</b>	<b>404,973,403</b>	<b>-19.88%</b>	<b>505,437,164</b>	<b>90.48%</b>	<b>265,355,282</b>	<b>122.10%</b>	<b>119,478,063</b>	<b>50.48%</b>
Estimated liabilities in respect of outstanding claims whether due or intimated	231,624,156	26.49%	183,122,508	-32.42%	270,985,114	123.24%	121,385,581	205.09%	39,786,514	55.22%
Amounts due to other persons or bodies carrying on insurance business	105,384,730	46.37%	71,997,413	-21.27%	91,454,050	397.94%	18,366,339	574.33%	2,723,643	
Provision for Income tax	16,102,870	-82.00%	89,454,375	20.45%	74,267,974	16.87%	63,550,084	48.79%	42,712,673	101.38%
Deferred Tax	2,499,282	-23.90%	3,284,288	117.72%	1,508,516	49.61%	1,008,328	40.59%	717,193	5.42%
Lease Liability	9,758,926	146.92%	3,952,285	-72.60%	14,426,582	-31.49%	21,057,835		-	
Unclaimed Dividend Account	1,001,052		574,998							
Provision for WPPF	7,510,829	15.77%	6,487,556	11.87%	5,799,060	1.54%	5,711,282		-	
Sundry Creditors	51,807,354	12.38%	46,099,979	-1.91%	46,995,870	37.11%	34,275,835	2.20%	33,538,040	5.21%
<b>Total liabilities</b>	<b>703,483,896</b>	<b>3.91%</b>	<b>677,035,970</b>	<b>6.88%</b>	<b>633,438,931</b>	<b>34.18%</b>	<b>472,088,716</b>	<b>51.03%</b>	<b>312,587,548</b>	<b>82.43%</b>
<b>Total Shareholders Equity and Liabilities</b>	<b>1,600,539,276</b>	<b>7.87%</b>	<b>1,483,708,535</b>	<b>7.37%</b>	<b>1,381,812,243</b>	<b>41.25%</b>	<b>978,292,139</b>	<b>30.96%</b>	<b>747,002,325</b>	<b>43.49%</b>



## Horizontal Analysis

for the latest 5 Years audited financial statements

Assets and Properties	2023		2022		2021		2020		2019	
	Amount in Taka	% Change	Amount in Taka	% Change	Amount in Taka	% Change	Amount in Taka	% Change	Amount in Taka	% Change
<b>Non-Current Assets</b>	<b>279,896,994</b>	<b>0.90%</b>	<b>277,402,088</b>	<b>99.27%</b>	<b>139,205,667</b>	<b>35.85%</b>	<b>102,472,972</b>	<b>92.63%</b>	<b>53,197,118</b>	<b>9.13%</b>
Property, Plant and Equipment	173,526,857	-1.20%	175,635,979	416.30%	34,018,492	52.44%	22,316,641	10.64%	20,170,446	18.90%
Investment in BGTB	84,203,453	-3.37%	87,140,494	7.46%	81,091,675	58.33%	51,217,510	93.27%	26,500,000	0.00%
Right of Use (RoU) Assets	9,770,426	144.79%	3,991,385	-73.40%	15,003,062	-29.34%	21,233,585	-	-	-
Deferred Tax Assets	12,396,257	16.57%	10,634,230	16.96%	9,092,438	18.00%	7,705,236	18.06%	6,526,672	23.59%
<b>Current Assets</b>	<b>108,835,345</b>	<b>-36.85%</b>	<b>172,353,173</b>	<b>51.60%</b>	<b>113,690,912</b>	<b>38.10%</b>	<b>82,322,207</b>	<b>31.71%</b>	<b>62,504,387</b>	<b>16.61%</b>
Investment in Shares	59,521,396	0.15%	59,431,602	144.11%	24,346,241	86.57%	13,049,137	221.75%	4,055,654	9.32%
Accrued Interest	28,701,635	14.06%	25,163,765	35.02%	18,636,906	-3.18%	19,249,869	-6.47%	20,581,051	49.47%
Amount due from other persons or bodies carrying on insurance business	828,315	-	828,315	-	-	-	-	-	-	-100.00%
Sundry Debtors (including Advances, Deposits and Prepayments)	17,712,901	-79.48%	86,307,221	22.88%	70,238,658	41.35%	49,690,624	32.14%	37,604,980	7.50%
Stationary and forms in hand	185,150	-48.05%	356,420	34.02%	265,943	28.87%	206,358	-12.07%	234,672	-26.02%
Stamps in hand	1,885,947	609.40%	265,850	30.85%	203,165	60.96%	126,219	350.30%	28,030	-80.87%
<b>Cash and cash equivalents</b>	<b>1,211,806,937</b>	<b>17.20%</b>	<b>1,033,953,274</b>	<b>-8.41%</b>	<b>1,128,915,663</b>	<b>42.27%</b>	<b>793,496,960</b>	<b>25.69%</b>	<b>631,300,820</b>	<b>50.94%</b>
Fixed Deposits: (FDR's)	1,143,297,189	5.39%	1,084,866,866	10.83%	978,813,739	37.54%	711,640,471	22.38%	581,500,000	56.99%
SND Accounts	59,288,930	23.03%	48,189,764	-33.09%	72,024,082	7.52%	66,989,559	53.69%	43,587,764	106.65%
Current Accounts	6,712,782	0.00%	(100,891,264)	0.00%	75,626,347	0.00%	14,844,176	0.00%	6,006,329	0.00%
Cash in hand	203,725	0.00%	55,788	0.00%	66,391	0.00%	20,252	0.00%	47,418	0.00%
Brokerage Balance	2,304,312	33.03%	1,732,120	-27.38%	2,385,104	95227.90%	2,502	-98.43%	159,309	6936.62%
<b>Total Assets and Properties</b>	<b>1,600,539,276</b>	<b>7.87%</b>	<b>1,483,708,535</b>	<b>7.37%</b>	<b>1,381,812,243</b>	<b>41.25%</b>	<b>978,292,139</b>	<b>30.96%</b>	<b>747,002,325</b>	<b>43.49%</b>

## Horizontal Analysis

### Profit and Loss Account for the latest 2 Years

Profit and Loss Account	2023		2022	
	Amount in Taka	% Change	Amount in Taka	% Change
<b>Profit / (loss) Transferred from</b>	<b>89,848,591</b>	<b>9.18%</b>	<b>82,294,297</b>	<b>1.62%</b>
Fire Insurance Revenue Account	4,119,025	-69.81%	13,642,303	17.25%
Marine Insurance Revenue Account	80,227,144	74.81%	45,893,570	13.80%
Motor Insurance Revenue Account	10,351,515	-28.77%	14,531,629	-9.99%
Misc. Insurance Revenue Account	(4,849,094)	-158.94%	8,226,795	-36.11%
<b>Interest, Dividend and Rents (Not applicable to any fund or account)</b>	<b>86,635,467</b>	<b>27.53%</b>	<b>67,931,825</b>	<b>25.01%</b>
Interest received and Dividend Income	76,397,317	25.96%	60,649,963	34.33%
Other Income	10,238,150	40.60%	7,281,862	-20.78%
<b>Total</b>	<b>176,484,057</b>	<b>17.48%</b>	<b>150,226,122</b>	<b>11.01%</b>
<b>Expenses of management (Not applicable to any particular fund or account)</b>				
Advertisement and Publicity	343,363	-47.27%	651,188	342.76%
Directors fees	327,556	25.82%	260,332	93.61%
Donation, Levy and Subscription	1,017,778	5.47%	965,000	60.83%
Audit fees	123,195	-72.55%	448,805	-44.89%
Legal, Professional and Rating Fees	400,556	193.03%	136,694	14.44%
Registration and Renewal Fees	2,126,953	13.85%	1,868,226	138.08%
Holding Tax / IPO Exp.	240,451	34176.69%	702	-99.99%
Depreciation	14,176,792	46.81%	9,656,504	89.80%
	<b>18,756,644</b>	<b>34.10%</b>	<b>13,987,450</b>	<b>3.25%</b>
<b>Profit Before WPPF &amp; Tax</b>	<b>157,727,414</b>	<b>15.77%</b>	<b>136,238,672</b>	<b>11.87%</b>
WPPF Expense	7,510,829	15.77%	6,487,556	11.87%
<b>Profit Before Tax</b>	<b>150,216,584</b>	<b>15.77%</b>	<b>129,751,116</b>	<b>11.87%</b>
	<b>13,555,837</b>	<b>-12.09%</b>	<b>15,420,383</b>	<b>56.86%</b>
Income Tax Expenses	16,102,871	6.03%	15,186,402	41.69%
Deferred Tax (Income)/Expense	(2,547,034)	-1188.56%	233,981	-126.38%
<b>Balance for the year carried to profit and loss appropriation account</b>	<b>136,660,747</b>	<b>19.53%</b>	<b>114,330,734</b>	<b>7.71%</b>
<b>Total</b>	<b>176,484,057</b>	<b>17.48%</b>	<b>150,226,122</b>	<b>11.01%</b>
<b>Other Comprehensive Income</b>				
Gain/(loss) from Fair Value Changes of Investment in Shares	600,666	-107.48%	(8,031,481)	-1974.47%



**Customer's delight for receiving the claim on time.**

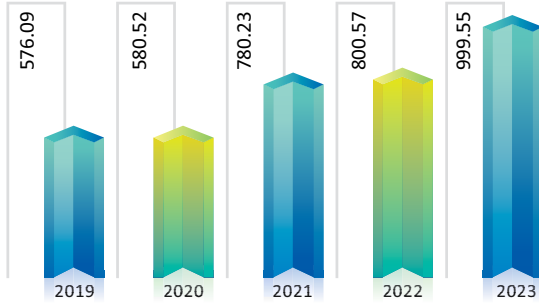


**Agreement signing ceremony between Sena Kalyan Insurance Company Limited and adorsho praniSheba to mitigate risk in cattle rearing and improve socio-economic conditions of farmers.**

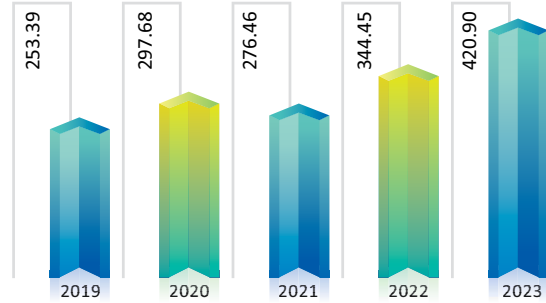


# Graphical Presentation of Financial Performances

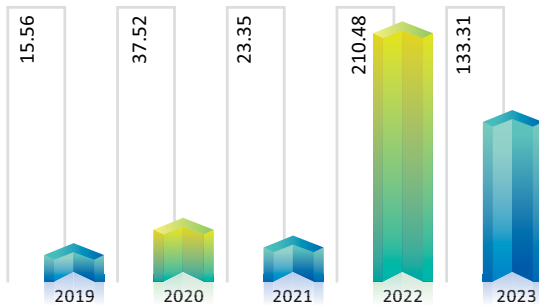
**Gross Premium Income**  
Taka in million



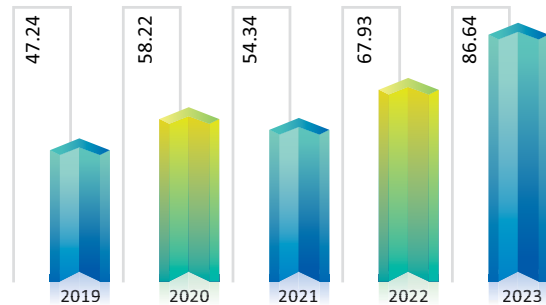
**Net Premium Income**  
Taka in million



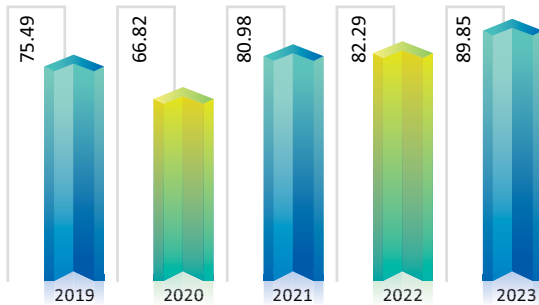
**Gross Claims**  
Taka in million



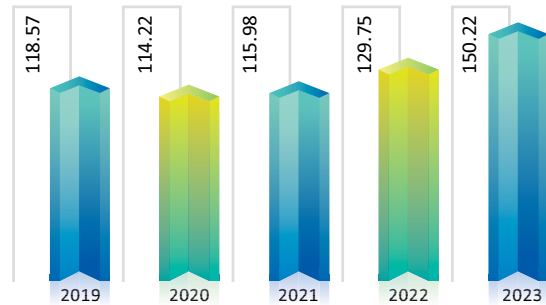
**Investment and Other Income**  
Taka in million



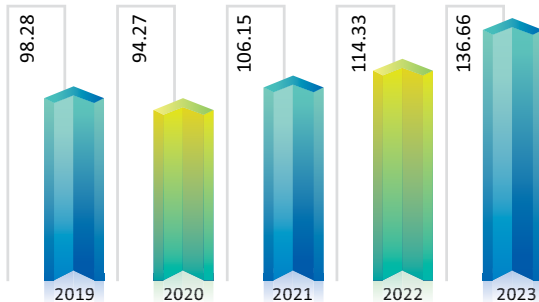
**Underwriting Profit or Loss**  
Taka in million



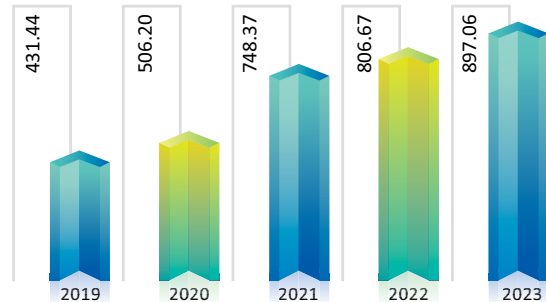
**Net Profit Before Tax**  
Taka in million



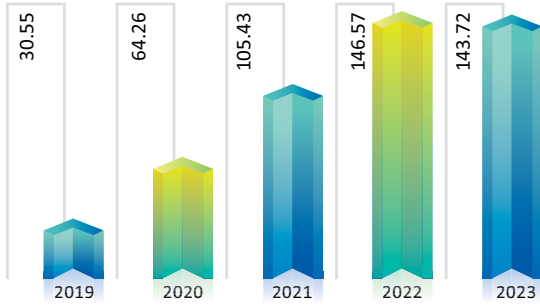
**Net Profit After Tax**  
Taka in million



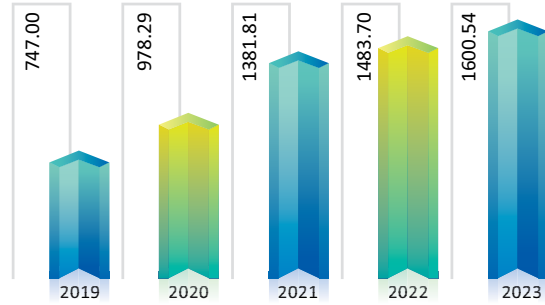
**Shareholders' Equity**  
Taka in million



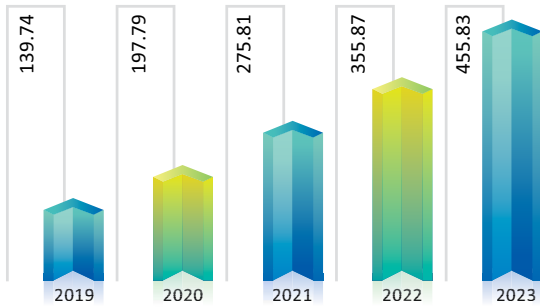
**Total Long Term Investments**  
Taka in million



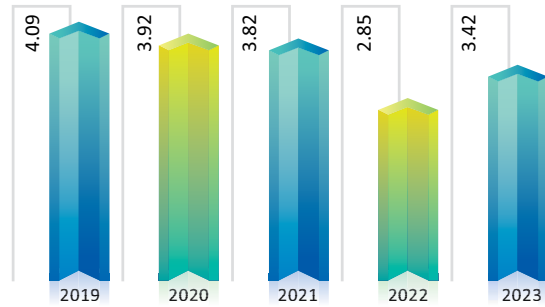
**Total Assets**  
Taka in million



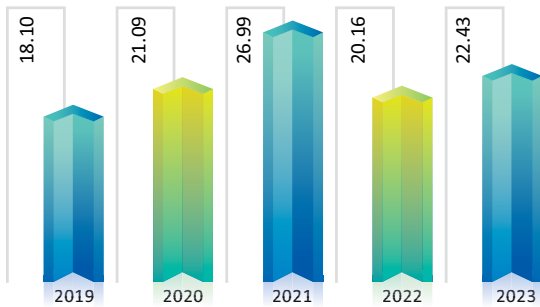
**Total Reserve Fund**  
Taka in million



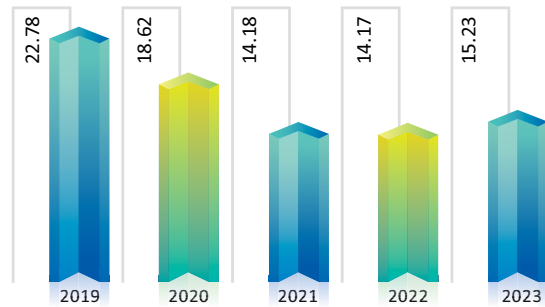
**Earnings Per Share (EPS)**



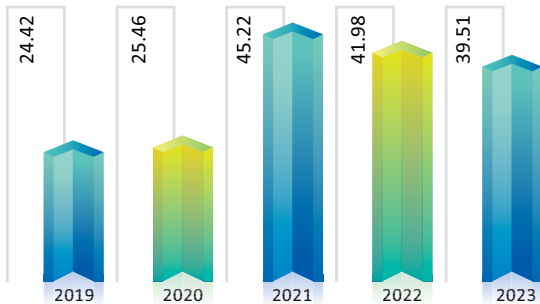
**Net Asset Value Per Share (NAV)**



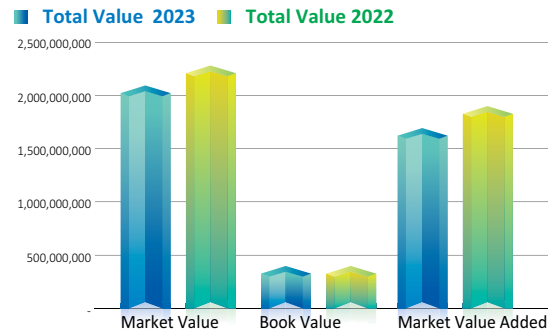
**Return on Shareholders Equity**  
Percentage



**Dividend Payout Ratio**  
Percentage



**Market Value Added Statement**





## Disclosures Pertaining to Solvency Margin

### Available, Required Solvency Margin and Solvency Ratio

Available solvency margin of Sena Kalyan Insurance Company Limited is BDT 1,010,033,039 against Required solvency margin NDT 215,105,243 and Solvency ratio is 4.62 times.

As per available IDRA draft Non-life Insurance Solvency Margin provisions, 2023 required solvency margin, available solvency margin and solvency ratio are shown below:

#### 1. Assets after adjustment

Total Assets and Properties		1,600,539,276
Less:		
Furniture and Fixtures	2,566,966	
Other	24,237,780	
		26,804,746
<b>Total</b>		<b>1,573,734,530</b>

#### 2. Liabilities after adjustment

Estimated liabilities in respect of outstanding claims whether due or intimated	231,624,156	
Balance of Funds and Accounts	232,122,613	
Reserve for exceptional losses	99,954,722	
<b>Total</b>		<b>563,701,491</b>

<b>3. Solvency margin available (1-2)</b>	<b>1,010,033,039</b>
<b>4. Solvency margin required (higher of RSM-1 or RSM-2)</b>	<b>215,105,243</b>
<b>5. Solvency ratio (3/4) (times)</b>	<b>4.70</b>

### Required Solvency Margin Based on Premium & Claim

Class of Business	Gross Premium	Net Premium	Gross Claim	Net Claim	RSM-1	RSM-2	RSM
Fire	248,219,839	149,571,172	74,834,892	74,599,823	59,828,469	37,299,911	59,828,469
Marine Cargo	133,410,989	109,033,798	11,591,033	11,024,964	43,613,519	5,512,482	43,613,519
Marine Hull	21,347,154	11,583,509	27,012,941	267,599	4,633,404	4,727,265	4,727,265
Motor	12,164,137	11,662,743	997,752	997,752	4,665,097	498,876	4,665,097
Miscellaneous	584,405,101	139,049,986	18,871,789	16,846,124	102,270,893	8,423,062	102,270,893
<b>Total</b>	<b>999,547,221</b>	<b>420,901,209</b>	<b>133,308,407</b>	<b>103,736,262</b>	<b>215,011,382</b>	<b>56,461,596</b>	<b>215,105,243</b>





## Value Added Statement

For the year ended 31 December 2023

The value added statement shows the total worth created and how it was distributed to meet certain obligation and the portion retained for the continued operation and expansion of the company.

Particulars	31 Dec. 2023	31 Dec. 2022	31 Dec. 2023	31 Dec. 2022
	(BDT in million)	(BDT in million)	%	%
Operating revenue	186,201,770	169,724,629	71%	75%
Other income	86,635,467	67,931,825	33%	30%
Operating expenses excluding staff costs and depreciation	(12,090,681)	(10,818,502)	-5%	-5%
<b>Value added</b>	<b>260,746,556</b>	<b>226,837,952</b>	<b>100%</b>	<b>100%</b>
To employees as remuneration	82,512,171	73,704,337	32%	32%
To Government as taxes	16,102,871	15,420,383	6%	7%
To Shareholders as dividend	48,000,000	48,000,000	18%	21%
<b>Retained in the business</b>	<b>114,131,514</b>	<b>89,713,232</b>	<b>44%</b>	<b>40%</b>
as capital & revenue reserve	99,954,722	80,056,729	38%	35%
as depreciation	14,176,792	9,656,504	5%	4%
	<b>260,746,556</b>	<b>226,837,952</b>	<b>100%</b>	<b>100%</b>



## Market Value Added Statement

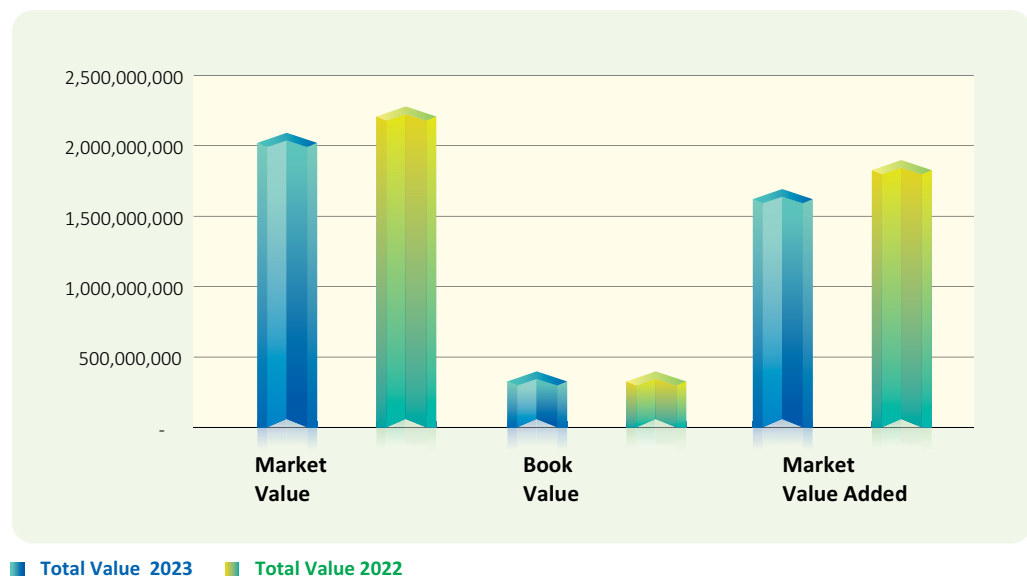
Market value added statement gives a picture of the Company's performance evaluated by the capital market investors through the share price of the Company. This statement depicts the difference between the market value of a company and the capital contributed by the investors.

Higher MVA is better for the company. A high MVA indicates that company has created substantial wealth for the shareholders. A negative MVA means that the value of management's actions and investments are less than the value contributed to the company by the capital market.

The following statement shows how MVA has been arrived at for the year ended December 31, 2023.

Market Value Added	Total Value 2023	Total Value 2022
Market Value	2,104,000,000	2,304,000,000
Book Value	400,000,000	400,000,000
<b>Market Value Added</b>	<b>1,704,000,000</b>	<b>1,904,000,000</b>

Value Added Statement





## Economic Value Added Statement

Economic Value-Added is the surplus generated by an entity after meeting an equitable charge towards providers of capital. It is the post-tax return on capital employed (adjusted for the tax shield on debt) less the cost of capital employed. Companies which earn higher returns than cost of capital create value, and companies which earn lower returns than cost of capital are deemed harmful for shareholder value.

The aim of EVA is to provide management with a measure of their success in increasing shareholder's wealth: a better measure than profit of how much the company had made for shareholders.

Particulars	Amount in Taka Million	
	2023	2022
Net operating profit	150.22	129.75
Provision for taxes	13.56	15.42
<b>Net operating profit after tax (NOPAT)</b>	<b>136.66</b>	<b>114.33</b>
<b>Charges for capital</b>		
Average shareholders' equity	851.86	777.52
Cost of equity (%)	15.23%	14.17%
Capital charge	129.78	110.20
<b>Economic value added</b>	<b>6.88</b>	<b>4.13</b>



## Historical Record of Dividend Payments

The Company started its journey in early 2013 and was able to pay the dividend to its shareholders since 2015. The historical record of payment of dividends is given hereunder as general disclosure to the stakeholders of the Company.

Year	Paid-up Capital (Tk.)	Dividend (%)
2013	240,000,000.00	-
2014	240,000,000.00	-
2015	240,000,000.00	3.00% (cash)
2016	240,000,000.00	5.00% (cash)
2017	240,000,000.00	7.50% (cash)
2018	240,000,000.00	5.00% (cash)
2019	240,000,000.00	10.00% (cash)
2020	240,000,000.00	10.00% (cash)
2021	400,000,000.00	New Issue of Tk. 160,000,000.00 (IPO)
2021	400,000,000.00	12.00% (cash)
2022	400,000,000.00	12.00% (cash)



## Contribution to the National Exchequer

SKICL is considered to be one of the major contributors in the economy of Bangladesh both in monetary and non-monetary terms. Being a legitimate and ethical company, SKICL continues to remain transparent in adherence with the local direct and indirect tax requirements and has contributed BDT 78.14 million to the national exchequer as Value Added Tax (VAT), Supplementary Duty (SD) & Income Tax. Some of our specific contributions to the national economy are highlighted below:

Amount in BDT

Particulars	31 December 2023	31 December 2022
Income Tax paid on Company's income	21,533,660	14,129,209
Tax collected at source on behalf of Government	12,338,155	10,950,516
VAT collected at source on behalf of Government	3,056,554	2,999,327
Value Added Tax (VAT)	39,622,041	17,914,850
Excise Duty	1,592,616	986,482
<b>Total</b>	<b>78,143,026</b>	<b>46,980,384</b>



## Share Performance of SKICL

Sena Kalyan Insurance Company Limited has been listed at both Dhaka Stock Exchange (DSE) and Chittagong Stock Exchange (CSE) on 7 November 2021. SKICL's market information snapshot is given below:

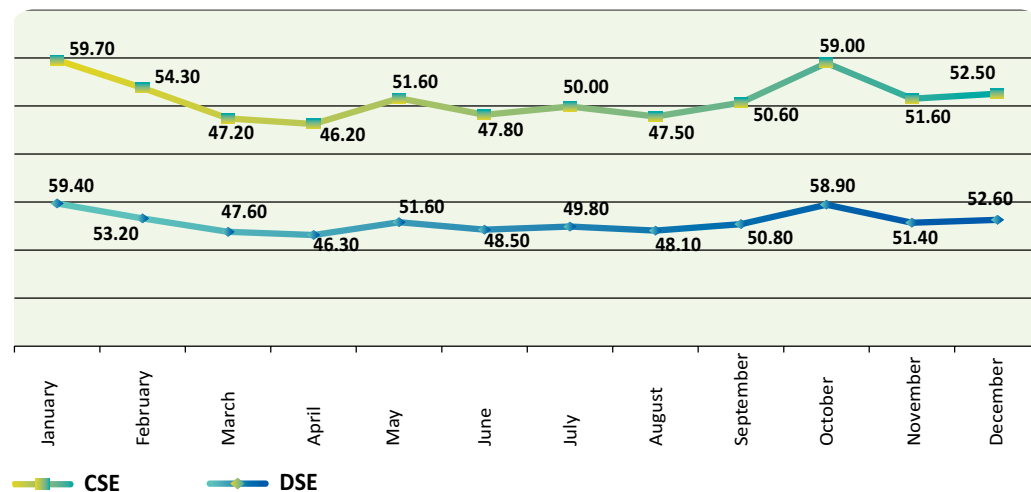
Amount in BDT

Particulars	DSE	CSE
Trading Code	SKICL	SKICL
Sector	Insurance	General Insurance
Scrip Code	25752	11044
First Trading Date	07 November, 2021	07 November, 2021
Electronic Share	Yes	Yes

### Stock Market Performance

Particulars	31 December 2023	31 December 2022
Market capitalization–DSE (BDT)	2,104,000,000	2,304,000,000
Market capitalization–CSE (BDT)	2,100,000,000	2,292,000,000
No. of Shares	40,000,000	40,000,000
EPS (BDT)	3.42	2.86
Price earnings ratio (times)	15.40	20.15
NAV per share	22.43	20.17
Dividend payout ratio (%)	39.51	41.98
Share price – DSE (BDT)	52.60	57.60
Share price – CSE (BDT)	52.50	57.30

### Month end Share prices (DSE & CSE) from January to December 2023





## Message from the Chairman



**Major General Md Habib Ullah, SGP, SPP, ndc, afwc, psc, M Phil  
Chairman**

**Bismillahir Rahmanir Rahim**

**Dear Shareholders,**

I welcome you all to this auspicious occasion of the 11th Annual General Meeting of the Company. Though it is the 11th Annual General Meeting, but actually the third one with our respected general shareholders since the Company entered into the capital market in November 2021. Alhamdulillah my gratitude to Almighty Allah the most Beneficent and Merciful for granting me this honour of being the Chairman of Sena Kalyan Sangstha. I also take the opportunity to thank my authority, who entrusted me with the noble responsibilities of serving you. It is indeed a great honour and pleasure to convey my felicitations to you and all

members of your esteemed organizations as the Chairman of the Board of Directors of Sena Kalyan Insurance Company Limited (SKICL).

On behalf of the Board of Directors, I express my heartfelt thanks and gratitude to you all for your continued support and co-operation. I would like to mention here that your confidence and trust on us have helped Sena Kalyan Insurance Company Ltd to become the country's fastest growing insurance company in the insurance sector.

The global insurance industry is facing significant challenges due to the economic consequences for geopolitical conflicts, rising inflation, interest rate pressure, climate change, and unpredictable market disruptions. To thrive, insurers must



implement agile talent, technological strategies and improve operational efficiency to meet the ever-changing customer expectations. This will pave the way for insurers to unlock invaluable insights, reduce costs, mitigate risks, and create an innovation-driven and customer-focused ecosystem. Besides technology, there are other pressing issues like environment and climate change and it is becoming increasingly important for insurers to differentiate themselves through their environmental, social, and governance (ESG) initiatives. The success will be measured by how effectively organisations are able to mitigate environmental risks, reduce carbon emissions, promote diversity in workforce, improve inclusivity and increase transparency and accountability in their governance structures.

The year 2023 was a good year for the non-life insurance industry in Bangladesh in general. In the January to September period, the overall general insurance business grew around 20% from the last year. Usually, general insurers provide services to their clients in fire, marine, engineering, motor, aviation insurance, overseas mediclaim and miscellaneous areas. The Insurance Development and Regulatory Authority (IDRA) has introduced several reforms during this financial year, to expand the insurance market and increase insurance penetration, such as mandating KYCs, encouraging rollout of innovative and customized products, modification in sandbox, endorsement of Bancassurance and issued Corporate Governance Guideline for Insurance companies. These initiatives are truly transformative and will certainly help to improve insurance penetration, thus benefitting the entire insurance ecosystem.

SKICL has always emphasized on professionalism and relied on the dynamic leadership. We believe that our skilled manpower is dedicated to responding to customers' requirements with utmost sincerity, transparency and efficiency. Therefore, fostering appropriate human resources remains one of our key priorities to be able to serve customers in a better way and establish a competitive edge over our competitors. We used equal attention in launching our latest IT infrastructure and stretched network coverage to its optimum capacity.

I'm pleased to report that despite a tangible economic crisis that hit the country in the second quarter of the year, Sena Kalyan Insurance Company was able to sustain their positive trend of growth in business, with the unwavering dedication of the staff members. In 2023, our net profit grew by 20% and stands at Tk.136.66 mn, which was Tk. 114.33 mn in 2022. Our recurring revenue model proved resilient, producing record highs in annual net premium income of Tk. 420.90 mn and gross premium income of

Tk. 999.50 mn. There was an impressive increase of 9.19% in underwriting profit to Tk. 89.85 mn as opposed to Tk. 82.29 mn in 2022. Despite the challenges and complying with all the instructions of our regulators, the financial strength of our Company gradually increased having the total assets standing at Tk. 1,600.54 mn against Tk. 1,483.71 mn in 2022.

Sena Kalyan Insurance Company Limited has been maintaining a good track record in payment of its dividends. Accordingly, based on the profits for 2023, we have recommended 13.5% cash dividend amounting to Tk. 54 million for declaration in the AGM by the respected shareholders.

Since 2013, we have consistently maintained our position as one of the most compliant and trusted general insurance companies in Bangladesh. This achievement is a testament of our unwavering commitment to providing our customers with superior products and services. Our comprehensive product portfolio is made available through a wide-ranging distribution network in the country. We have a vast network to give our customers easy access to our products and services.

As a trusted brand with a growing footprint in Bangladesh, I believe our Company is in a well position to build on the positive and sustainable impact it has already made. Indeed, we look forward with energy, enthusiasm, and positivity to continue delivering on our mission to use our insurance expertise to do good for individuals, businesses and society as well. Though much has changed, what remains unchanged is our emphasis on creating sustainability for all our stakeholders.

I again, thank all our shareholders and my colleagues in the Board of Directors for their guidance and support. I also convey my sincere appreciation to the management and staff of SKICL. I am also thankful to the Insurance Development and Regulatory Authority, Bangladesh Bank, Bangladesh Securities & Exchange Commission (BSEC), Registrar of Joint Stock Companies and Firms, the DSE & CSE and other stakeholders for their support. We look forward to another successful year with hope and confidence.

Thank you,



**Major General Md Habib Ullah, SGP, SPP, ndc, afwc, psc, M Phil**  
Chairman  
Sena Kalyan Insurance Company Limited



## Message from the Managing Director & CEO



**Brig Gen Md Shafique Shamim, psc (Retd)**  
**Managing Director & CEO**

### **Dear Shareholders,**

Hope this letter finds you and your family in good health and spirit.

I would like to express my humble gratitude to Almighty Allah for keeping us safe and closing the year 2023 as a successful business year despite all odds and challenges. I am honored and humbled to be able to lead our great team at Sena Kalyan Insurance Company Limited (SKICL). SKICL has a strong 11 years of legacy and I am proud to be associated in this journey since inception to see the Company starting from the scratch and now it is considered as one of the most promising insurance companies in the country. This has become possible

only by the grace of Allah and with the continuous support of the respected Chairman & other members of the Board, respected stakeholders, valued partners, distinguished patrons and well wishers. I would make a special mention of IDRA and BIA for their relentless support for this Company in growing as a vibrant and compliant insurance company in the country.

As I connect with you today through my annual shareholder letter, I would like to start with a brief overview of the current economic condition, performance and strategy of our Company. In 2023, SKICL stepped into various business operations with its commitment to maintaining superior corporate governance practices and balancing of growth, profitability and risk.

### Insurance as a Protection

Insurance is vital for a developing country like Bangladesh since it not only ensures policyholders' protection against exigent situations, but also helps to direct long-term finance for public expenditure, thus ensuring a good social imprint. Moreover, there are a number of measures supported by industry and regulators that have resulted in increased penetration although it remains very low both as a percentage of the population covered and in premiums as a proportion of GDP. This company is thus pushing for fostering greater insurance involvement in Bangladesh by making insurance more inclusive, accessible and affordable in order to contribute to closing the protection gap. This corresponds with our objective of creating a longstanding insurance institution that sensitively fulfils clients' security and long-term requirements. We want to do this by improving our understanding of the needs of our clients by delivering appropriate services, and assuring continual interaction with care, compassion, and attentiveness.

### Global Insurance Scenario

Global economies have faced daunting headwinds during the fiscal year 2023 owing to geopolitical uncertainties, trade tensions, volatile commodity prices, tightening interest rates and liquidity. While advanced economies have experienced modest growth or stagnation, India and China have emerged as a resilient and are one of the fastest-growing economies worldwide. This can be attributed to robust investment activity, supported by the Government's enhanced capital expenditure for infrastructure and thriving private consumption.

Geopolitical tension generates uncertainty and risks for the insurance industry, what usually put short-term pressure on marine, aviation, travel and property insurance losses, depending on its duration and breadth. Even if the conflict remains localised, continued geopolitical risk may lead to tighter underwriting terms and conditions, particularly in lines such as cargo, hull, war, piracy, terrorism and construction. In some cases, war exclusions have already been widened.

Despite the progress on economic disinflation, claims development dynamics are major concern for the general insurance sector. Claims have risen significantly across lines of business in virtually all major non-life insurance markets over the past five years. The impact of economic inflation on claims growth is easing in 2023 from the highs of 2022, but it remains elevated. The shift of inflation to wages and health care costs this year is seen in rising claims costs on the casualty line. We expect the impact of economic inflation on claims to ease between 2024 and 2025. However, these times are difficult for the insurance companies, so they will need to stay abreast

of tackling inflation and utilizing economic growth. The insurance industry faces pressure from high inflation this year, but higher interest rates will be a positive aspect from 2024, reports Swiss Re.

### Bangladesh Market and our Position

The country's insurance sector has several specific challenges. The main challenge is the crisis of confidence. The crisis has begun to ease somewhat due to the recent move by the Insurance Development and Regulatory Authority (IDRA). The second challenge is that insurance services are also important like banks, but the general public is not aware of that. The third challenge is the various commissions and other trends. However, at present, this problem has diminished to a great extent.

In spite of the hurdles, Sena Kalyan Insurance Company Limited was able to sustain their positive trend of growth in business, with the unwavering dedication of the staff & board of directors. In 2023, SKICL earned a gross premium income of Tk 999.55 million, registering a growth of 25% compared to the previous year. The net premium income was Tk 420.90 million, which is a 22% increase over the previous year, mainly due to our prudent underwriting.

Our Company is little different than others. 60% of the sponsored shares are owned by Sena Kalyan Sangstha (SKS). Such viable sponsor helps us to abide by the rules of the government and IDRA. You may know that we commenced our business in the later part of 2013 and reached break-even within a year. We started paying dividends since 2015 and successfully reached out to our valued clients. Within a short span of 11 years, we have acquired sizeable assets and grown 536 times with a continuous ascending graph.

### Business Strategy

We are the youngest insurance Company in the country. SKICL continuously screened the business and shortlisted the risk-based products and services. In this regard, the number of customers have been increasing day by day in the 11 years since its inception due to timely payment of insurance claims and abiding by existing rules. We cherish the credible image of our beloved Armed Forces and do justice to it through our services. Our Company's expertise in the General Insurance industry is driven by our comprehensive & customer-centric products portfolio coupled with a multichannel distribution strategy that is dynamically reviewed to adapt to the changing market demand. We continue to make investment in strengthening our distribution, digital capabilities and growing in retail health and corporate lines of business. Through our focus on growth levers such as innovation, digital advancements, launching new products, strengthening our distribution engine,



rationalising cost while scaling up our preferred lines of business.

### Human Capital

Our teams are focused on delivering value for our customers and this is our biggest asset and major differentiator. It is truly the diligence, creativity, commitment and hard work of these teams that enable us to succeed. Their contribution is vital and it is the responsibility of our executive management to consider their team's interests in every decision they make.

Thus, we arrange congenial environment to our staff members for ensuring self-motivation in discharging responsibilities in the most professional manner. Apart from providing in-house training at our Head Office, we also provide training to our employees in the local and international arena.

### ESG Focus

As a responsible corporate citizen, your Company understands its responsibility towards environment conservation and has taken proactive steps towards ensuring sustainable operations. Your Company has a 'Environmental, Social & Governance (ESG) Committee' of the Board comprising members with diverse skills and expertise to oversee all ESG initiatives. Your Company has also implemented a robust Enterprise Risk Management (ERM) framework that integrates Environmental, Social and Governance (ESG) risks allowing us to take better decisions with a long-term, sustainable outlook.

### Future Optimistic

Every year our income and profit have been steadily increasing. We pay the insurance claims to the customers on time, and that's why customers trust us. We want to reach people's doorsteps through new services. Promulgation of Bancassurance could be a good opening in this regard. This channel, leveraging the existing banking infrastructure, has the potential to revolutionize access to insurance amongst the masses. The opening up of bancassurance has led to the government's emphasis on generalizing insurance, which is very important for the insurance sector.

However, we have all witnessed that the power of togetherness, intellect and resilience can help human to navigate even in the most challenging circumstances. We at SKICL are proactively drafting our strategies to stay ahead of the curve and are mapping out solutions for the challenges of the present and the future. We intend to expand across distribution, digital, technology & claims services and in order to provide insurance services to the majority of people in the country; we intend to focus

significantly in the agriculture sector, livestock and public transports to provide insurance services.

Progressive plan of this Company has following highlights:

- a. Already established 9 (nine) branches by 2023.
- b. Plans to have networks in all divisional headquarters by 2025.
- c. We are in a process to engage in cattle and crop insurance at moderately larger scale.
- d. We have launched a special App to reach out to all sectors of people.
- e. We plan to ensure our growth by 10% each year through innovative products.

Since our Company is owned by the Armed Forces, all our profits are spent on supporting humanitarian cases, hence, anyone can be encouraged to be a part of this noble initiative. Sena Kalyan Insurance Company cordially invites all to be our valued partners through availing the best possible risk management schemes for your business and affiliated facilities.

We got listed with Dhaka and Chittagong Stock exchanges in 2021 and within only 2 (two) years time achieved the following prestigious awards for our performance, good governance and compliance:

- a. 23<sup>rd</sup> ICAB National Award for the Best Presented Annual Reports-2022.
- b. 13<sup>th</sup> ICMAB Best Corporate Award-2022.
- c. 9<sup>th</sup> ICSB National Award for Corporate Governance Excellence-2021.

We will remain a trusted risk manager at all times for our partners and at the same time add value to their investments as a sustainable financial institution. We hope that our respected shareholders, valued clients & other stakeholders will always be with us in our steady and successful journey ahead.

Thank you for keeping us in your trust.

**Brig Gen Md Shafique Shamim, psc (Retd)**  
Managing Director & CEO



# Directors' Report

**To  
The Members,  
Sena Kalyan Insurance Company Limited,**

The Board of Directors of Sena Kalyan Insurance Company Limited are pleased to welcome you to the 11th Annual General Meeting of the Company and to place before you the Directors' Report along with the Audited Financial Statements and the Auditors' Report for the year ended 31st December 2023 for your kind perusal and approval.

## Industry Outlook and Possible Future Development

According to the Sigma Research Publication (no.6/2023) on world insurance by the Swiss Re Institute, slowing economic growth and heightened geopolitical uncertainty are dampening the outlook for the primary insurance industry. We forecast total global real premium growth at only 2.2% annually on average for the next two years, below the pre-pandemic trend (2018–2019: 2.8%) but higher than the average of the past five years (2018–2022: 1.6%). Profitability is recovering and underwriting gaps are closing as investment returns increase with high interest rates, but we estimate the industry will not earn its cost of capital in 2024 or 2025 in major markets. Events such as the Middle East war may hurt insurers' capital positions through channels such as inflation and market volatility.

In non-life insurance, claims development is the top concern as claims frequency and severity rises despite the recent decline in economic inflation. The pace of growth in liability claims challenges the insurability of those risks. We expect insured losses from natural catastrophes to reach USD 100 billion in 2023 for the fourth consecutive year. These claims trends imply further hard market conditions for commercial and personal lines in 2024 at least.

Geographically Bangladesh is located in the South Asia where insurance sector is emerging due to modest GDP growth rate and high density of population in the 'SAARC' region. In the last decade, the insurance sector of the South Asian market has been rapidly emerging, particularly in Sri Lanka and in India. There is a significant insurance penetration rate i.e. 3.69% in India despite the fact that the Indian growth has been occasioned by agriculture and health insurance. However, their highest premium generating premium portfolio, is automobile insurance. So, human capital development at CRC can smooth the way for tariff revisions/adjustment that would contribute to market development. They would be determining premium based on pricing components that includes risk premium, expenses, profit and commission. In comparison with Sri Lankan market, Bangladesh insurance has a lot of scopes to expand. The market premium in Sri Lanka is higher than that of Bangladesh though Sri Lankan population is about one-third of Bangladesh. The penetration ratio in Bangladesh, currently at only 0.50 percent, which is very low compared to the global standards. Lack of awareness about insurance is often stated as the reason behind the meagre penetration ratio, but there are many other addressable issues in the sector.

In spite of the stable growth rate (around 4%) of Bangladesh insurance industry in the last few years, the expansion of the insurance business, particularly in the non-life sector, has experienced a downward trend in the year 2023 because of poor investment and slowdown of economic activities led by the political unrest. Experts fear what the state of the industry will be in 2024.

The Economy of Bangladesh has rapidly been shifting from agricultural to the services sector. The role played by the service sector is burgeoning as well. Insurance is one of the ingredients of the financial services industry, which has a lot to play if it is promoted properly. In this comprehensive and ultimate guide on the insurance sector of Bangladesh, we will walk you through the itineraries of the market. Let's delve into the insurance market of Bangladesh.

In Bangladesh, the marine insurance is considered to be the lifeguard for the non-life insurance business. Marine insurance completely depends on imports which has continuously being disturbed by the political unrest but the market is expected to improve in 2024.

Our non-life insurance market continues to be extremely overcrowded when compared with developing countries including our neighbors. The situation has obviously given rise to intense and unhealthy competition among the existing players. At the same time, with the deteriorating standard of clients' services, public trust on insurance continues to diminish. A lot needs to be done to remedy the situation.

The general insurance industry has undergone significant changes during the year 2023. The pandemic has accelerated the industry's digital transformation, which has resulted in increased demand for new insurance products and services. The Insurance Development and Regulatory Authority (IDRA) has introduced several reforms during this financial year, to expand the insurance market and increase insurance penetration, such as endorsement of Bancassurance and issued Corporate Governance Guideline for Insurance companies.

### Our Company

Sena Kalyan Insurance Company Limited, entered the insurance industry in late 2013, when the global economy was slowly recovering from the shock of recession. Hence, our journey into the industry didn't have an easy start. However, our Company is very different from other non-life companies in the industry with its unique shareholding structure and purposes of business. It makes our journey easier to reach our valued partners with the "Sena Kalyan" brand, which has already earned considerable respect in the business community of Bangladesh. However, non-life insurance business in the present context faces many challenges and impediments, what posed serious difficulties in our business development. In spite of such constraints, we have been able to increase our business at a steady pace due to our hard work, vigilance, strict financial discipline, good management and improved customer services. Sena Kalyan Insurance Company Limited has already established itself firmly in the industry through its potential dealings, organizational supremacy and sound claim paying ability.

### Segment-wise or product-wise performance

#### Gross Premium Income

In the period from 03 September 2013 to 31 December 2023, the Company has earned a gross premium income of Tk. 4,826,725,988 (including public sector business). Since our incorporation in the insurance industry of Bangladesh, we were very careful to select business partners, what has given us a slow but steady build up.

Year	Gross premium (in Million Taka)	Growth ( % )
2023	999.55	24.85%
2022	800.57	2.61%
2021	780.23	34.40%
2020	580.52	0.77%
2019	576.09	58.32%

#### Business Segment-wise Gross Premium Income (in Million Taka):

Business Segments	2023	2022	Growth ( % )
Fire Insurance	248.22	194.51	27.61%
Marine Insurance	154.76	182.25	-15.08%
Motor Insurance	12.16	16.39	-25.79%
Miscellaneous Insurance	584.41	407.42	43.44%



**Segregation of Net Premium:**

Business Segments	2023		2022		Growth (%)
	Amount (in Million Taka)	Business Mix of Net Premium (%)	Amount (in Million Taka)	% of Total Net Premium	
Fire Insurance	149.57	35.54%	100.09	29.06%	49.44%
Marine Insurance	120.62	28.66%	154.52	44.86%	-21.94%
Motor Insurance	11.66	2.77%	15.45	4.48%	-24.49%
Miscellaneous Insurance	139.05	33.04%	74.39	21.60%	86.92%
<b>Total</b>	<b>420.90</b>	<b>100.00%</b>	<b>344.45</b>	<b>100.00%</b>	<b>22.20%</b>

**Claims**

We are very prompt and sincere in respect of settlement of claims. We have been providing satisfactory customer services and continuously trying to improve it further. During the period of reporting, the Company has settled the claim of Tk. 133,308,407 while Tk. 231,624,156 is already provisioned for settlement of intimated claims at the earliest.

**Claim and Loss Ratio:**

Year	Claim (in Million Taka)	Change (%)
2023	133.31	-36.67%
2022	210.49	801.20%
2021	23.36	-37.75%
2020	37.52	141.08%
2019	15.56	-75.31%

**Segregation of Net Claim:**

Business Segments	2023		2022		2023 Growth (%)
	Amount (in Million Taka)	Business Mix of Net Premium (%)	Amount (in Million Taka)	Business Mix of Net Premium (%)	
Fire Insurance	74.83	56.14%	56.19	26.70%	33.17%
Marine Insurance	38.60	28.96%	25.97	12.34%	48.66%
Motor Insurance	1.00	0.75%	26.66	12.66%	-96.26%
Miscellaneous Insurance	18.87	14.16%	101.67	48.30%	-81.44%
<b>Total</b>	<b>133.31</b>	<b>100.00%</b>	<b>210.49</b>	<b>100.00%</b>	<b>-36.67%</b>

**Financial Performance**

Performance of the Company in terms of key performance indicators have been shown in a separate statement under title “Five Years Financial Highlights” in page no. 74 of this annual report. Moreover, some highlights are given in items below:

**Capital Adequacy:**

The following table shows a gradual increase in the shareholders’ equity.

Year	Shareholder’s Equity (in Million Taka)	Change (%)
2023	897.06	11.20%
2022	806.67	7.79%
2021	748.37	47.84%
2020	506.20	17.33%
2019	431.44	24.60%

### Solvency Margin:

The following table shows that the solvency margin of the Company is above the required level.

(Figures in BDT million)

Particulars	For the year 2023	For the year 2022
Available Solvency [ AS]	1,010.03	1,041.92
Required Solvency [ RS]	215.11	186.47
Solvency Margin [AS/RS] (Times)	4.70	5.59

### Reserve Adequacy:

As Sena Kalyan Insurance Company Limited embarked into the business at the end of 2013, the Company was not in a position to cater for expected amount of reserve fund in 2014. However, we took all steps to ensure the appropriate quantity of reserve fund and successfully created a reserved fund of Tk. 455,826,937 by the end of 2023.

The following table shows reserve adequacy of the Company.

Year	Amount of Reserve (in Million Taka)	Change (%)	2023 Growth (%)
2023	455.83	28.09%	27.61%
2022	355.87	29.03%	-15.08%
2021	275.82	39.45%	-25.79%
2020	197.79	41.54%	43.44%
2019	139.74	70.14%	70.14%

### Profitability:

Since the source of revenue of the Company is premium income from underwriting business under fire insurance, marine insurance, motor insurance and miscellaneous insurance businesses and other income like income from investments, its profitability depends upon these sources.

We have earned an underwriting profit of Tk. 89,848,590 in 2023 compared to profit of Tk. 82,294,297.39 in 2022. Our efforts to increase more premium income and to increase our market share have proved to be efficient with overwhelming support from our partners. Our expenditure on management has decreased by (11.16%) but on the other hand gross premium income has increased by 24.85%. After providing for agency commission, management expenses and depreciation, the net profit before tax & WPPF stood at Tk. 157,727,414 in 2023, compared to profit of Tk. 136,238,672.14 in the previous year.

The following table shows the contributions of different business segments in the underwriting profit (loss):

Business Segments	Contribution to Underwriting Profit (%)				
	2023	2022	2021	2020	2019
Fire Insurance	4.58%	16.58%	14.37%	-18.61%	36.54%
Marine Insurance	89.29%	55.77%	49.80%	40.93%	30.82%
Motor Insurance	11.52%	17.66%	19.94%	56.69%	32.58%
Miscellaneous Insurance	-5.40%	10.00%	15.90%	20.99%	0.06%
<b>Total</b>	<b>100.00%</b>	<b>100.00%</b>	<b>100.00%</b>	<b>100.00%</b>	<b>100.00%</b>

### Re-insurance Utilization and Risk Retention Ratio:

Presently the Company has Re-insurance Surplus Treaty agreement 50% with Shadharan Bima Corporation (SBC) and the rest 50% with Prudent Insurance Brokers Pvt. Ltd. (India). Besides, we deal with the Facultative Reinsurance coverage to Sadharan Bima Corporation (Bangladesh) as well as overseas such as AXA XL (UK), XL CATLIN (UK), GIC (INDIA), New India (INDIA), WACIA Re (AFRICA), MANDARIN RE(MALAYSIA), KLAPTON RE (UK), The New India Assurance Co. (Gift City, India), Saudi Re (SAUDI ARABIA), AL AHLEIA(KUWAIT), MISR(EGYPT), BEST RE(MALAYSIA), HDI Global Specialty SE (London), Elesco (UK), IQUW (UK), HCC (USA), Lancashire (UK), Liberty (USA) & Beazley (UK) through K. M. Dastur & Co. Pvt. Ltd., Prudent Insurance Brokers Pvt. Ltd., Protection Re and others Broker against all classes of General Insurance Business.

You may be aware that usually high-risk retention level signals inadequate reinsurance protection while low risk retention level hampers profitability. Segment-wise Risk Retention Ratios of the Company for the last few years are shown in the table below:

Particulars	Year-wise Risk Retention Ratio (%)				
	2023	2022	2021	2020	2019
Fire Insurance	60.26%	51.46%	53.07%	44.28%	49.74%
Marine Insurance	77.94%	84.79%	83.16%	74.57%	59.39%
Motor Insurance	95.88%	94.23%	97.20%	100.00%	99.84%
Miscellaneous Insurance	23.79%	18.26%	11.46%	38.65%	30.17%
<b>Total</b>	<b>42.11%</b>	<b>43.03%</b>	<b>35.43%</b>	<b>51.28%</b>	<b>43.98%</b>

### Underwriting Performance/Quality:

Underwriting is the process of evaluating prudent financial modeling, feasible risk pricing and acceptance of the risk based on the material facts disclosed by the prospect.

Underwriting process starts with the receipt of material facts/ proposal form. The concerned underwriter analyzes all the information and takes decision whether he/she accepts the risk or not. If accepted then he/she has to offer/quote the prospect with premium, relevant terms, conditions & exclusions.

In SKICL, we started our journey of underwriting management wef. the 5th day of November'2013 under the visionary leadership of Brig Gen Shafique Shamim, psc ( Retd). It is worth noted here that Sena Kalyan Insurance Company Limited is one of the 4th Generation/youngest insurance companies in Bangladesh. At the very beginning, we started to underwrite mostly tariff driven risk /business viz. Fire, Marine, Motor & Miscellaneous, which is approximately 70% of the share of Bangladesh Non-life insurance market.

Since we had vision to position our Company as one of the lead insurers with planned company growth level. We started to assess & accepted the risk of non tariff business e.g. Aviation, 5 star hotels, Power Plant, Spinning, Composite Textile Mills ,all kinds of liability business, viz. Professional Indemnity, Third Party Liability/Public Liability, Employers' Liability, Comprehensive General Liability & Workmen's Compensation etc.

In the light of above, corporate business entities recognized us as prudent & competent underwriter/insurer in regard to all non-tariff business portfolio & risks exceeding Bangladesh Country Limit. Currently we are the lead insurer for Aviation All Risks with its allied perils (Crew Personal Accident, Passenger legal, Baggage legal liability, War etc) in Bangladesh based on our prudent underwriting competency & facultative support from the world class reinsurer(s) through Lloyds reinsurance broker house. However, we already started to issue Livestock insurance fostering small holders/ business-oriented livestock keepers of Bangladesh using local NGO's as our alternative distribution channel. Livestock are becoming agriculture's most economically important sub sector, with demand in Bangladesh for animal foods projected to double over the next 20 years with huge export potential. In addition to this, we have designed Medical Evacuation Insurance to cover medical expenses with air transportation facility in a level 3 hospital in designated mission area in abroad.

We are also planning to tap stand alone Health insurance compensating medical expenses for both in patients & out patients of corporate insureds. We have also plan to underwrite Freight Forwarders' Liability Insurance, Payment/Loan Protection Insurance, Bankers' Blanket Bond Insurance etc to widen our non-life insurance market share in Bangladesh.

The following table shows the segment-wise underwriting performance of the Company in the last few years:

Business Segments	Year-wise Underwriting performance (million)				
	2023	2022	2021	2020	2019
Fire Insurance	4.12	13.64	11.64	(12.43)	27.58
Marine Insurance	80.23	45.89	40.33	27.35	23.27
Motor Insurance	10.35	14.53	16.14	37.88	24.60
Miscellaneous Insurance	(4.85)	8.23	12.88	14.02	0.05

### Investment Profile

The size of investment portfolio of the Company as on 31 December 2023 stood at Tk. 1,287,022,038. The investment portfolio comprises of 10-years Bangladesh Government Treasury Bonds, Fixed Deposits & Shares with various commercial banks and financial institutions.

The following table shows the status of the investment portfolio of the Company in the present year comparing with those of the previous year.

Components of Investment	2023		2022	
	Amount (in Million Taka)	% of Total Investment	Amount (in Million Taka)	% of Total Investment
Fixed Deposit	1,143.30	88.83%	1,084.87	88.53%
Shares Investment	59.52	4.62%	59.43	4.83%
BGTB & Zero Coupon Bond	84.20	6.54%	87.14	7.07%
<b>Total</b>	<b>1,287.02</b>	<b>100%</b>	<b>1,231.44</b>	<b>100%</b>

### Segregation of Investment Income and Other Income:

The following table shows the status of the contributions of different sources in the investment income and other income in the last year comparing with those of the previous year.

Heads of Income	2023		2022	
	Amount (in Million Taka)	% of Total Investment Income & Other Income	Amount (in Million Taka)	% of Total Investment Income & Other Income
Investment Income FDR & BGTB	73.25	84.54%	57.12	84.08%
Bank Interest Income	1.12	1.29%	0.78	1.14%
Dividend	2.03	2.35%	2.76	4.06%
Profit from Sale of Shares	0.06	0.07%	2.03	2.99%
Other Income	10.18	11.74%	5.25	7.73%
<b>Total</b>	<b>86.64</b>	<b>100.00%</b>	<b>67.93</b>	<b>100.00%</b>

## Human Resources

At SKICL, our people are our greatest asset. It is one of our utmost priorities that the employees are taken care of. We try to provide our people a congenial work environment, opportunity to hone their skills, and apt compensation and rewards that drive their motivation and work performance- one of the key reasons for our continued success.

The Company believes that its Human Resources (HR) gives it a significant competitive edge in terms of knowledge and experience. It has continued its policy of recruiting the best people and implementing programs to develop and retain high quality human resources in its various divisions/departments. In line with this Policy, the need-based internal and external training at both home and abroad, is regularly and systematically arranged. The Company also ensures attractive compensation packages, rewards including employee's safety and health to some extent to assure their retention and provide job satisfaction.

A separate report on human resources has been presented on page no. 213 of this report.

## Information Technology

Sena Kalyan Insurance Company Ltd. has a most flexible & Secure IT department with some experienced, energetic and intelligent IT specialist. In this modern world IT departments have traditionally been the sole proprietor of technology within organizations with responsibility to ensure all technological aspects of an organization are running smoothly. In order to deliver on such responsibility.

### SKICL IT department's main responsibilities are -

- Managing and protecting the information technology.
- Managing and protecting the data resource.
- Managing and protecting the system applications.

Strictly involved in providing the infrastructure for automation, the governance for the use of the network and operating systems, and assistance in providing the operational units the functionality we need.

The information technology department in an organization also responsible for the architecture, hardware, software, and networking of computers of the company. IT professionals working in this department perform a number of duties to ensure that employees have full access to the computer systems. Professionals working in the department may be responsible for one area of IT for the company.

SKICL IT department have typically been organized and staffed in accordance with the framework, which can be seen as framework describing a traditional IT department.

### Present Condition

The IT department of Sena Kalyan Insurance Company is moving forward with time. Sena Kalyan Insurance Company has been using ERP software Enterprise resource planning (ERP) since its inception as per the guidelines of company management and insurance regulatory authority. As a result, the work of the company has become much easier. Also, Sena Kalyan Insurance Company is providing e-money receipts through UMP software managed by Insurance Regulatory Authority, so customers can print money receipts online very quickly and easily.

Recently Sena Kalyan Insurance Company has almost completed the development of its own apps. With the app fully launched, any customer can easily get insurance from anywhere in the world. And if he falls into an accident, he can inform the company much faster than before and raise the claim for compensation. As a result, people's confidence in the insurance sector will increase.

### Our Future Plan:

Sena Kalyan Insurance Company has been working with the time for the development of the insurance sector along with itself. Sena Kalyan Insurance Company is working with a group of young people to build an online infrastructure to provide online basic services. As a result, the day is not far away when insurance services will reach the doorstep of

people. Everyone will be able to take any insurance related services including taking insurance and raising insurance claims very easily.

In this growing up insurance industry, we have some future plan to make our business more secure and user friendly. That's why we take some initiatives. The main purpose of the MIS is to give managers feedback about their own performance; top management can monitor the organization as a whole. Information displayed by the MIS typically shows "actual" data over against "planned" results and results from a year before; thus, it measures progress against goals.

- At First, We recognize the major resource of our organization like capital, time and capacity.
- We design apps to make a smooth root between the clients, employees and the management. That's why we make some update plan so that it is possible to recognize information as a valuable resource like money and capacity.
- It is necessary to link its acquisition, storage, usage and disposal as per the business needs for meeting the business objectives. So we need MIS flexible enough to deal with the changing information, needs of the organization. It should be open system. The designing of such an open system is a complex task. It can be achieved keeping in view the plan of the business management of the organization.

### **Strategy for the Plan achievement**

- Development Strategy: An online, a batch, a real time. Technology platform.
- System development strategy: Structured Systems Analysis and Design Method (SSADM) SSAD or Object-oriented technology (OOT) OOT. Database VS conventional etc.
- Resources for system development: In house VS external, customized development VS the use of packages.
- Manpower composition: Analyst, programmer skills and know-how.
- The architecture of the Management Information Systems MIS–It provides a system structure and their input, output and linkages. It also provides handling of systems & subsystems by way of simplification, coupling and decoupling of subsystems.
- The system development schedule–A schedule is made for the development of the system. Unless the systems are fully developed, their integration is not possible.

### **Hardware and software plan**

- Giving due regard to the technical and operational feasibility, the economics if investment is worked out. Then the plan of procurement is made after selecting the hardware and software.
- The selection of the architecture, the approach to the development and choice of hardware and software are the strategic decisions and it is needed to be taken very carefully.
- Following points to consider.
- The organization's strategic plan should be the basis for the MIS strategic plan.
- The IS development schedule should match with the implementation schedule of the business plan.
- The choice of information technology is a strategic business decision and not a financial decision.

### **Functional Managerial Information**

- The functional information is defined as a set of information required by the functional head in conducting the administration and management of the function.
- Functional information is largely factual, statistical and detailed in multi-dimensions of the function. Such information is used for planning, budgeting and controlling the operations of the function.
- E.g. If you take sales information, it can be processed in several ways such as product, product groups, market segment, geographic zone, locations etc.
- The functional information can be accessed on the following three parameters:
  - The work design
  - The responsibility
  - The functional objectives



### Effective Internal Control System

The Board takes the responsibility for the oversight of SKICL's business and management, including risk management and putting up effective internal controls. The Directors state that the systems of internal control are sound and have been implemented and monitored effectively. Details of the Internal Control System of the Company have been reported on page no. 186.

### Motor Vehicle of the Company

The management of the Company is always very careful about full compliance of relevant instructions from IDRA about provision and procurement of equipment. As such, we are procuring motor vehicles for the head office and branches gradually as per the IDRA circular on this matter. As on 31 December 2023, the Company has 16 motor vehicles for its head office and branches.

### Risks and Concerns

As Sena Kalyan Insurance continues to invest in new ways to gain a better understanding of the dynamic and constantly changing risk environment, it remains at the forefront of risk and resilience, enhancing risk mitigation strategies for businesses, governments and the civil society as well as informing the public policy agenda at large.

A detailed report on the risk management framework has been made separately on page no. 195.

### Cost of Goods Sold, Gross Profit Margin & Net Profit Margin

SKICL is not a manufacturing company. It is a non-life insurance company in Bangladesh. Cost of Goods Sold, Gross Profit Margin & Net Profit Margin is not considered to prepare financial statements. Therefore, comparative analysis of financial performance is elaborately discussed on the presentation on financial indicators on page no. 74.

### Disclosure Regarding Extra-ordinary Gain or Loss

During the year there were no such events of extraordinary nature and the Company did not suffer or gain any loss or profit from such activities.

### Management Expenses

Management expenses amounted to Tk. 115,523,791.00 in 2023. The expenses have been apportioned @ 24.83% to Fire, 15.48% to Marine Cargo & Hull, 1.22% Motor & 58.47% to miscellaneous revenue accounts. Even after providing with our share in the Sena Kalyan Sangstha's commitment to help the distressed families of freedom fighters and retired armed forces' personnel of Bangladesh, (which is a major part of our Corporate Social Responsibility), we have successfully brought down the management expenses within appreciable limit.

### Disclosure Regarding Related Party Transaction

In the ordinary course of business, related party transactions take place with other entities that fall within the term related party as defined in IAS 24: Related Party Disclosure. A statement on the related party transactions has been disclosed under item no. 34 of the notes of the financial statements.

### Disclosure Regarding Utilization of Proceeds from Public Issues, Rights Issues and/or any other Instruments

After completing the IPO formalities, trading of shares of our Company commenced on 07 November 2021 on both Dhaka Stock Exchange and Chittagong Stock Exchange.

The Company's IPO proceeds were fully utilized in 2022. The detailed report regarding utilization of proceeds of IPO of the Company is also available in the Company's website.

### Deterioration of Financial Results

No other indicator of financial performance deteriorated after the Company went for the Initial Public Offering (IPO).

### Disclosure Regarding Variance in the Annual Financial Statements

There was no significant difference in financial performance during the year 2023. The financial performances of the Company for the last two years are given below:

#### Financial performance analysis:

BDT in crore & per share item

Particulars	2023	2022	Growth (%)
Gross premium	99.55	80.05	24.36
Net premium	42.09	34.44	22.21
Underwriting profit	8.98	8.23	9.11
Investment & other income	8.66	6.79	27.54
Net profit before tax	15.02	12.96	15.90
Net profit after tax	13.67	11.43	19.60
Paid-up capital	40.00	40.00	0.00
Shareholders' equity	89.71	80.67	11.21
Total assets	160.05	148.37	7.87
Total liability	70.34	67.70	3.90
No. of Shares	4.00	4.00	0.00
Earnings per share	3.42	2.86	19.58
NOCFPS	5.82	4.45	30.79

#### Directors' Remuneration

Directors are not eligible for any other remuneration other than the attendance fee for the Board and its committee Meetings. During the year 2023, a total amount of Tk. 3,27,556/= (included VAT & Tax) was paid to the Directors as Remuneration/ Meeting Attendance Fees and travel expenses.

Details of the Directors' attendance record are shown in Annexure-II.

#### Disclosure on Preparation and Presentation of Financial Statements

The Directors of SKICL, in conformance with the BSEC Notification No. BSEC/CMRRCD/2006-158/207/Admin/80 dated 3 June 2018, confirm compliance with the financial reporting framework for the following:

- The financial statements, prepared by the management of SKICL make a fair presentation of its activities, operational details and results, cash flow information and changes in equity structure;
- Proper books and accounts of the Company have been maintained;
- Appropriate accounting policies, including International Accounting Standards (IAS)/International Financial Reporting Standards (IFRS)/ as applicable/adopted in Bangladesh, have been consistently applied in preparation of the financial statements. Any change or deviation has been adequately disclosed;
- Accounting estimates are based on reasonable and prudent judgment;
- Internal control processes have been properly designed and effectively implemented and monitored;
- Minority shareholders have been duly protected as have effective means of redress;
- No significant doubt exists upon the Company's ability to continue as a going concern;
- Comparative analysis of significant deviations have been highlighted and the reasons have been explained in the sections above.

### Credit Rating

Alfa Credit Rating Limited has rated the Company in 2023 with “AA+” in the long term and ST-1 for the Short Term based on audited financial statements and other available information up to the date of rating declaration. The outlook on the rating is Stable. The rating reflects the strengths of the Company which is backed by a strong team of management.

### Contribution to National Economy

SKICL contributes to the national exchequer in the form of income tax, VAT & Excise duty. The Company’s contribution to the national exchequer is given below:

Particulars	31 December 2023	31 December 2022
Income Tax paid on Company’s income	21,533,660	14,129,209
Tax collected at source on behalf of Government	12,338,155	10,950,516
VAT collected at source on behalf of Government	3,056,554	2,999,327
Value Added Tax (VAT)	39,622,041	17,914,850
Excise Duty	1,592,616	986,482
<b>Total</b>	<b>78,143,026</b>	<b>46,980,384</b>

### Protection of Minority Shareholders

In compliance with Corporate Governance Code/Guideline of BSEC & IDRA, SKICL strives to establish accountability, transparency as well as protect the interest of minority shareholders. The shareholders have voting rights in proportion to the number of shares. The shareholders are entitled to dividend and paid if declared.

SKICL protects the interest of minority shareholders by providing flow of information towards and keep them updated through necessary means. The Code of Compliance followed by the Company ensures the affairs of Company being conducted or the power of directors are being exercised in a manner that is not prejudicial to any of the shareholders visa- vis minority shareholders.

### Going Concern

The accompanying financial statements have been prepared on a going concern basis, which contemplates the realization of assets and the satisfaction of liabilities in the normal course of business without significant fluctuation in value. The accompanying financial statements do not include any adjustments, which indicate that Sena Kalyan Insurance Company Limited is unable to continue as a going concern.

### Deviations from the Last Year’s Operating Results

There were no significant deviations from the last year’s operating results of the Company.

### Key Operating and Financial Data of Preceding Five Years

The key operating and financial data of last preceding 5 (five) years have been disclosed on page no. 74 of this annual report.

### Proposed Dividend

The Board of Directors at the time of considering the financial statements for the year ending 31st December 2023 recommended 13.50% cash dividend [i.e., Tk. 1.35 per share] from the distributable profits of the Company, which will be placed before the shareholders in the forthcoming AGM for approval.

The Members of the Board agreed in principle and declared that pursuant to the Regulators' rules, the Board shall not declare bonus share or stock dividend as interim dividend.

### Board Meetings

The Directors of SKICL meet on a regular basis. A detail statement showing Attendance of the Directors in the Board Meetings has been shown on page no. 108.

### Pattern of Shareholding

Shareholding patterns of the Company as at the end of 2023 have been shown in Annexure-iii of this report.

### Directors' Appointment & Re-appointment

As per the Articles of Association of Sena Kalyan Insurance Company Limited, except the Independent Directors, all Directors will be nominated by Sena Kalyan Sangstha and the Ex-officio of SKS.

As per the Companies Act, any Director appointed by the Board to fill the casual vacancies since last Annual General Meeting shall retire in the next Annual General Meeting. Accordingly, the following Directors shall retire in the forthcoming Annual General Meeting and for being eligible, they are seeking re-election to the Board, subject to the approval of the shareholders in the next AGM:

Major General Md Habib Ullah, SGP, SPP, ndc, afwc, psc, M Phil (representing SKS)
---

Cdre A.F.M Rafiqul Islam (L), ndu,psc, BN (representing SKS)
--

Brig Gen Md Rezwan, ndc,psc(representing SKS)
---

Brig Gen Md Abdur Rahim, BGBM, G+ (representing SKS)
--

Brig Gen Md Humayun Kabir, psc (representing SKS)
---

According to the BSEC's Corporate Governance Code -2018 and IDRA's Corporate Governance Guideline-2023, the following appointed/re-appointed Independent Directors will be approved by the Shareholders in the next AGM of the Company:

Mr. M. M. Mostafa Bilal
-------------------------

Mr. Kazi Ahmad Pervez
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The profiles of Directors of the Company have been presented on page nos. 41 to 50 of the Annual Report.

### Appointment of Auditors

FAMES & R., Chartered Accountants, have been serving the Company as the statutory auditors for the last one year (2023). Recently, our primary regulator, Insurance Development and Regulatory Authority (IDRA) disclosed the panel of Auditors' list for Insurance Companies. FAMES & R., Chartered Accountants, our statutory auditors are not on this panel list. As a result, we cannot re-appoint FAMES & R., Chartered Accountants, as the statutory auditors of the Company for the year 2024. Accordingly, as per the regulator's guidelines, our Company is required to appoint a new firm of chartered accountants as statutory auditors for the financial year 2024.

Accordingly, the Audit Committee has recommended to appoint Mahfel Huq & Co., Chartered Accountants (the panel chartered accountants firm of IDRA, BSEC & BFRC), as the statutory auditors of the Company at a remuneration of BDT 2.00 lac excluding VAT and the Board of Directors have endorsed the same.

Hence, the agenda for the appointment of Statutory Auditors (Mahfel Huq & Co., Chartered Accountants) will be placed before the shareholders for their approval.

### Appointment of Compliance Auditors

Pursuant to the Corporate Governance Code- 2018 of Bangladesh Securities and Exchange Commission (BSEC) and Corporate Governance Guidelines of Insurance Development and Regulatory Authority (IDRA), we need to obtain two

certificates from a practicing Chartered Accountant or Chartered Secretary other than its statutory auditors on yearly basis. These certificates shall be published in the annual report.

In this regard, MNA Associates, a Chartered Secretaries Firm, has expressed interest for issuing two certificates for CG Code of BSEC and CG Guidelines of IDRA for the year 2024 with a remuneration of Tk. 50,000/- plus VAT. Accordingly, the Audit Committee has recommended to appoint MNA Associates, Chartered Secretary, a practicing firm, as the Corporate Governance Compliance Auditor for issuance two certificates for CG Code of BSEC and CG Guidelines of IDRA for the year 2024 with a remuneration of Tk. 50,000/- plus VAT and the Board of Directors have endorsed the same.

Hence, the agenda for the appointment of Corporate Governance Compliance Auditor (MNA Associates, a Chartered Secretaries Firm) will be placed before the shareholders for their approval.

### Management Discussion and Analysis

Management Discussion and Analysis signed by Managing Director & CEO presenting detailed analysis of the Company's position and operations along with a brief discussion of changes in the financial statements are stated at page no. 111.

### Corporate Governance

The Directors of SKICL are committed in adopting the highest governance standard and implementing them in protecting the interests of shareholders, policy holders and all other stakeholders. A detailed report on corporate governance has been presented on page nos. 117 to 185 of the Annual Report.

### Acknowledgment

The Directors take this opportunity to express their sincere gratitude to all the valued shareholders, clients and well-wishers at home and abroad for their wholehearted cooperation and active support in the discharge of the duties assigned to the Board during the year under review.

The Directors express sincere gratitude to the Insurance Development and Regulatory Authority, Registrar of Joint Stock Companies and Firms, Bangladesh Securities and Exchange Commission, Government and Non-Government organizations, Sadharan Bima Corporation, Dhaka and Chittagong Stock Exchanges, Bangladesh Insurance Association and all the Scheduled Banks and Leasing Companies for their sincere support and whole hearted cooperation.

The Directors express deep appreciation for the services and loyalty of the executives, officers and employees of the Company at all levels without which results could have not been achieved.

The Directors like to thank and express gratitude to Managing Director & CEO, Brig Gen Md Shafique Shamim, psc (Retd) for his hard work, commitment and dedication to the development of the Company.

At the last but not the least certainly, the Directors express their sincerest gratitude to all clients for their loyalty and patronage over the period.

With our very best regards to all our valuable shareholders, we promise to continue the growth with your support.

Thank you all.

On behalf of the Board



**Major General Md Habib Ullah, SGP, SPP, ndc, afwc, psc, M Phil**  
Chairman



## Directors' Meeting & Attendance

### Annexure-i

During the financial year under reporting total five (5) Board Meetings were held and the attendance of the Directors are noted below:

Name of Directors	Nominated by	Total Meetings	Meetings Attended	Changes During 2023 with the date of Board Acceptance	
				Date of Board Acceptance	
				Joining	Leaving
<b>Maj Gen Md. Habib Ullah, SGP, SPP, ndc, afwc, psc, M phil</b>	Chairman (Nominated by SKS)	2	2	20 September 2023	-
<b>Cdre A.F.M Rafiqul Islam (L), ndu, Psc, BN</b>	Vice-Chairman (Nominated by SKS)	3	3	10 May 2023	-
<b>Air Cdre Md Shaharul Huda, BSP, ndc, psc</b>	Director (Nominated by SKS)	5	4	-	-
<b>Brig Gen Mohd Muinul Haq Mamun, psc</b>	Director (Nominated by SKS)	5	5	-	-
<b>Brig Gen Rezwan, ndc, psc</b>	Director (Nominated by SKS)	2	2	20 September 2023	-
<b>Brig Gen Abdur Rahim, BGBM,G+</b>	Director (Nominated by SKS)	1	1	18 December 2023	-
<b>Brig Gen Humayun Kabir, psc</b>	Director (Nominated by SKS)	0	0	18 December 2023	-
<b>Mr. M. M. Mostafa Bilal</b>	Independent Director	5	5	-	-
<b>Mr. Kazi Ahmad Pervez</b>	Independent Director	0	0	18 December 2023	-
<b>Maj Gen Iftekhar Anis, BSP, awc, afwc, psc, PEng</b>	Immediate past Director (Nominated by SKS)	3	3	-	20 September 2023
<b>Cdre Mahmud Hossain, (ND), NPP, BCGMS, ndc, psc</b>	Immediate past Director (Nominated by SKS)	1	1	-	10 May 2023
<b>Brig Gen Md Rashidul Alam, BGBMS, PBGMS</b>	Immediate past Director (Nominated by SKS)	1	1	-	10 May 2023
<b>Brig Gen AKM Asif Iqbal, BVM, BAMS, ndc</b>	Immediate past Director (Nominated by SKS)	3	3	-	20 September 2023
<b>Brig Gen Md Hasan Jahangir, SUP, ndc, psc</b>	Immediate past Director (Nominated by SKS)	1	1	10 May 2023	20 September 2023
<b>Brig Gen Md Shakhawat Hossain, ndu, psc</b>	Immediate past Director (Nominated by SKS)	5	3	-	18 December 2023
<b>Brig Gen Md. Abu Bakar Siddique Khan, ndc, afwc, psc, G+</b>	Immediate past Director (Nominated by SKS)	1	1	20 September 2023	18 December 2023
<b>Barrister Ahamed Ihteyaz Thamid</b>	Immediate past Independent Director	5	4	-	18 December 2023



# Directors' Remuneration

## Annexure-ii

The statements of remuneration paid to the Directors during the financial year under reporting are noted below:

Name of Directors	Board		Executive Committee		Risk Management Committee/Claims Committee		Audit Committee		Nomination & Remuneration Committee		Investment Committee		Policyholder Protection & Compliance Committee		Total Fees Paid (Tk.)
	Meetings Attended	Meetings Fees (TK)	Meetings Attended	Meetings Fees (TK)	Meetings Attended	Meetings Fees (TK)	Meetings Attended	Meetings Fees (TK)	Meetings Attended	Meetings Fees (TK)	Meetings Attended	Meetings Fees (TK)	Meetings Attended	Meetings Fees (TK)	
<b>Maj Gen Md. Habib Ullah, SGP, SPP, ndc, afwc, psc, M phil</b> (Joined as on 20 September 2023)	2	17,112													17,112
<b>Cdre A.F.M Rafiqul Islam (L), ndu, Psc, BN</b> (Joined as on 10 May 2023)	3	25,668													25,668
<b>Air Cdre Md Shahrul Huda, BSP, ndc, psc</b> (Joined as on 26 June 2022)	4	25,668			3	12,220									37,888*
<b>Brig Gen Mohd Muinul Haq Mamun, psc</b> (Joined as on 26 June 2022)	5	31,780							2	8,554					40,334*
<b>Brig Gen Rezwan, ndc, psc</b> (Joined as on 20 September 2023)	2	17,112							1	4,888					22,000
<b>Brig Gen Abdur Rahim, BGBM, G+</b> (Joined as on 18 December 2023)	1	8,556													8,556
<b>Brig Gen Humayun Kabir, psc</b> (Joined as on 18 December 2023)	0	0													0
<b>Mr. M. M. Mostafa Bilal</b> (Joined as on 09 September 2020)	5	31,780					4	15,886	1	4,888					52,554*
<b>Mr. Kazi Ahmad Pervez</b> (Joined as on 18 December 2023)	0	0													0
<b>Maj Gen Iftekhar Anis, BSP, awc, afwc, psc, PENG</b> (Resigned on 20 September 2023)	3	14,668													14,668*
<b>Cdre Mahmud Hossain, (ND), NPP, BCGMS, ndc, psc</b> (Resigned on 10 May 2023)	1	6,112													6,112
<b>Brig Gen Md Rashidul Alam, BGBMS, PBGMS</b> (Resigned on 10 May 2023)	1	6,112													6,112
<b>Brig Gen Md Shakhawat Hossain, ndu, psc</b> (Resigned on 18 December 2023)	3	14,668			2	7,332									22,000*
<b>Brig Gen Md Hasan Jahangir, SUP, ndc, psc</b> (Resigned on 20 September 2023)	1	8,556													8,556
<b>Brig Gen AKM Asif Iqbal, BVM, BAMS, ndc ndc, afwc, psc, G+</b> (Resigned on 20 September 2023)	3	14,668							1	3,666					18,334*
<b>Brig Gen Md. Abu Bakar Siddique Khan, ndc, afwc, psc, G+</b> (Resigned on 18 December 2023)	1	8,556													8,556
<b>Barrister Ahamed Ihteyaz Thamid</b> (Resigned on 18 December 2023)	4	23,224			4	15,886			1	0					39,110*
<b>Total</b>		<b>254,236</b>					<b>51,324</b>			<b>21,996</b>					<b>327,556.00**</b>

\* Due to the short duration of the meetings, the directors did not take their remunerations for a few meetings.

\*\* Including VAT & Tax.





## Pattern of Shareholdings

As on 31<sup>st</sup> December 2023

Annexure-iii

i. Shareholding position of Sponsors:

Name	No of Share	Percent (%)
Sena Kalyan Sangstha	24,000,000	60.00%
<b>Total</b>	<b>24,000,000</b>	<b>60.00%</b>

ii. Shareholding status of Directors/CEO/CS/CFO/HIAC & their spouses & minor children:

Name of the Directors	Nominated by	No. of Share(s) held	Percent (%)
Major General Md Habib Ullah, SGP, SPP, ndc, afwc, psc, M Phil	Sena Kalyan Sangstha	0	0.00%
Cdre A.F.M Rafiqul Islam (L), ndu,psc, BN	Sena Kalyan Sangstha	0	0.00%
Air Cdre Md Shahrul Huda, BSP, ndc, psc	Sena Kalyan Sangstha	0	0.00%
Brig Gen Mohd Muinul Haq Mamun, psc	Sena Kalyan Sangstha	0	0.00%
Brig Gen Rezwan, ndc, psc	Sena Kalyan Sangstha	0	0.00%
Brig Gen Abdur Rahim, BGBM,G+	Sena Kalyan Sangstha	0	0.00%
Brig Gen Humayun Kabir, psc	Sena Kalyan Sangstha	0	0.00%
Mr. M. M. Mostafa Bilal	Independent Director	0	0.00%
Mr. Kazi Ahmad Pervez	Independent Director	0	0.00%

Name of the Executives	Status	No. of Share(s) held	Percent (%)
Brig Gen Md Shafique Shamim, psc (Retd)	Managing Director & CEO	0	0.00%
Mr. Maloy Kumar Saha	Chief Financial Officer	0	0.00%
Mr. M. M. Sajedul Islam, FCS	Company Secretary	0	0.00%
Ms. Lasmin Akter	Head of Internal Audit & Compliance	0	0.00%

iii. Top five salaried persons other than the Directors, CEO, CS, CFO & HIAC

Name of the Executives	Status	No. of Share(s) held	Percent (%)
Col Md Aulad Hossain, psc, G (Retd)	DMD, Market Development	19	0.00%
Gp Capt Md Atiar Rahman, psc (Retd)	DMD, Market Development	1	0.00%
Lt Col AKM Nazimul Islam, psc (Retd)	AMD, Market Development	0	0.00%
Maj. Khandaker Helaluzzaman (Retd)	SEVP, Marketing	0	0.00%
Cdr Iftekhar Hassan, C, psc, BN (Retd)	SEVP, Marketing	0	0.00%

iv. Shareholders holding 10 % or more voting interest in the Company:

Name of the Shareholders	No. of Share(s) held	Percent (%)
Sena Kalyan Sangstha	24,000,000	60.00%



## Management's Discussion and Analysis

As per condition no. 1(5) (xxv) of the Corporate Governance Code-2018 issued by BSEC, the Management's Discussion and Analysis of Sena Kalyan Insurance Company Limited are as follows:

### A. Accounting Policies and Estimation for Preparation of Financial Statements

We have applied accounting policies regularly for all periods while preparing the financial statements. International Financial Reporting Standard (IFRS), International Accounting Standards (IAS) in preparing Financial Statements have been applied to transactions, other events or conditions to their full extent as applicable. Disclosure and rules as required by Insurance Act 2010 and the Companies Act 1994 have been complied with the preparing of Financial Statements. On the other hand, Bangladesh Securities & Exchange Commission (BSEC) Rules 1987, Listing Regulations 2015 of Dhaka Stock Exchange PLC. & Chittagong Stock Exchange PLC. are complied. In the absence of International Financial Reporting Standards (IFRS) on a particular transaction, other event or condition, we have exercised our judgment in developing and applying accounting policies that are relevant and reliable to our economic decision-making needs.

### B. Changes in Accounting Policies and Estimation

We usually change an accounting policy when the change is required by International Financial Reporting Standard (IFRS)/International Accounting Standards (IAS) or results in the financial statements providing more reliable and relevant information about the effect of transactions, other events or conditions on the financial position, financial performance and cash flows.

The Company has been following consistent policies and estimations in preparing its financial statements. There was no change to the accounting policies adopted by the Company during the year 2023.

### C. Comparative Analysis of Financial Performance or Results and Financial Position as well as Cash Flows for Current Financial year and Immediately Preceding five years

The key operating and financial position and cash flows for the preceding 05 (Five) years of Sena Kalyan Insurance Company Limited are furnished below:

*BDT in million except ratios & per share item*

Particulars	2023	2022	2021	2020	2019
Gross premium	999.55	800.57	780.23	580.52	576.09
Net premium	420.90	344.45	276.46	297.68	253.39
Underwriting profit	89.85	82.29	80.99	66.82	75.49
Investment & other income	86.63	67.93	54.34	58.22	47.24
Net profit before tax	150.22	129.75	115.98	114.23	118.58
Net profit after tax	136.66	114.33	106.15	94.28	98.28
Earnings per share	3.42	2.86	3.83	3.93	4.10
NOCFPS	5.82	4.45	8.89	9.24	9.69
Paid-up capital	400.00	400.00	400.00	240.00	240.00
Shareholders' equity	897.06	806.67	748.37	506.20	431.44
Total assets	1,600.54	1,483.71	1,381.81	978.29	747.00
Total liability	703.48	677.04	633.44	472.09	312.59
NAVPS	22.43	20.17	26.99	21.09	18.10

The financial year 2023 has been challenging with an operating environment, due to the country's political current situation, Russia's war in Ukraine, Middle East's war and dollar crisis related uncertainties. Nonetheless, we have managed to end the year with satisfactory results.

Considering our management excellence in understanding the insurance business and specialization in human capital, we are pleased with the progress of the Company.

#### D. Comparison of such Financial Performance or Results and Financial Position, as well as Cash Flows with the Peer Industry Scenario

The insurance industry is marked by high levels of competition with 46 non-life insurance companies operating in the space. Though few insurance companies were struggling throughout the year, there are good and

established players in the industry that have earned good reputations and customers' trust.

However, in this section, we'll mention comparative financial performances and financial position, as well as cash flows with peer industry scenario through the unaudited third quarter (Q3) ending in 2023, with four other established general insurance companies, are as follows:

*BDT in million except ratios & per share item*

Particulars	Sena Kalyan Insurance Co. Ltd.	Peoples Insurance Ltd.	Green Delta Insurance Co. Ltd.	City General Insurance Co. Ltd.	Reliance Insurance Co. Ltd.
Gross premium	659.46	442.40	3500.28	592.79	3025.90
Net premium	204.45	290.27	1331.94	341.67	1027.00
Underwriting profit	83.18	15.27	691.48	147.09	558.87
Investment & other income	63.92	41.41	379.71	70.39	311.67
Net profit before tax	127.58	101.55	630.99	207.88	870.54
Net profit after tax	100.05	81.92	415.20	144.48	595.11
Earnings per share	2.50	1.77	4.14	2.12	5.66
NOCFPS	6.37	0.30	6.68	1.84	4.58
Paid-up capital	400.00	462	1001.88	681.66	1051.61
Shareholders' equity	859.28	1486.14	7080.96	1392.10	6920.19
Total assets	1712.52	2755.10	14828.59	2061.88	12426.35
Total liability	853.24	1268.96	7747.63	669.77	5506.16
NAVPS	21.48	32.17	70.68	20.42	65.81

Source: Companies' website

#### E. Financial and Economic Scenario of the Country and the Globe

##### Bangladesh Economy

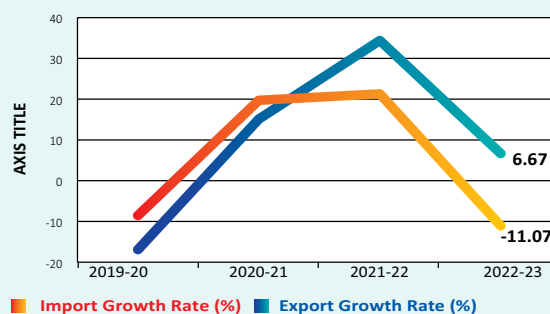
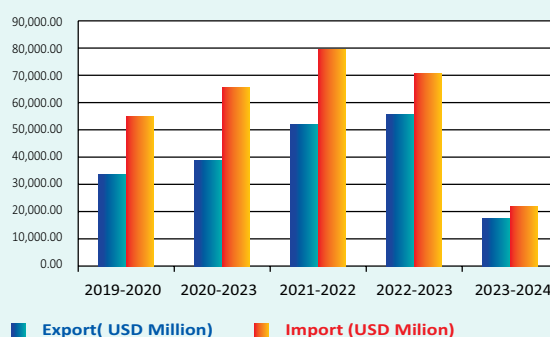
##### Export:

Like many other third-world countries, Bangladesh relies heavily on exports to fulfill the needs of its densely populated nation. The country's export earnings witnessed 13.65 percent increase in October 2023 as compared to same period in the previous year, mainly driven by increased exports of agricultural products, chemical products, specialized textile, plastic products, woven garments, knitwear and frozen & live fish. On the other hand, total export earnings decreased by 12.72 percent in October 2023 (USD million 3,762.03) from the export earnings (USD million 4,310.33) of previous month September 2023.

##### Import:

Generally, in developed countries, exports are greater than or closer to import payments. But in Bangladesh Exports always fall short of Import payments at a good margin. However, import payments during the month of October 2023 in the FY 2023-24 stand lower by 10.40 percent to USD 5,962.7 million, against USD 6,654.7 million during the same month of FY 2022-23.

##### EXPORT & IMPORT GROWTH (YEARLY % CHANGES)

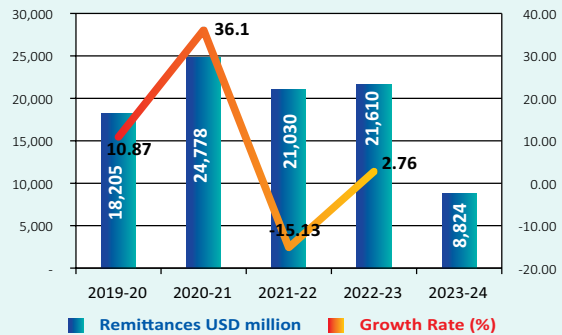


### Workers' Remittance:

Workers' remittance is the key foreign earning source of Bangladesh to fill-up the huge gap between foreign exchange earnings and expenditure. Total remittances receipts during the month of November 2023 in the FY 2023-24 increased by 20.99 percent to USD 1,930.04 million against USD 1,595.17 million of the same month from the previous year.

Source: Bangladesh Bank,  
Up to November 2023, Growth rate represents same period of the previous year.

Remittances of Bangladesh

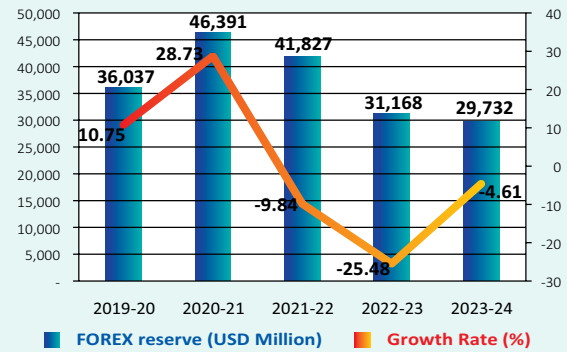


### Foreign Exchange Reserves:

In November, 2023 the gross foreign exchange reserves decreased by 5.99 percent to USD 24,894.58 million against USD 26,480.86 million in October 2023.

Source: Bangladesh Bank,  
As of November 2023

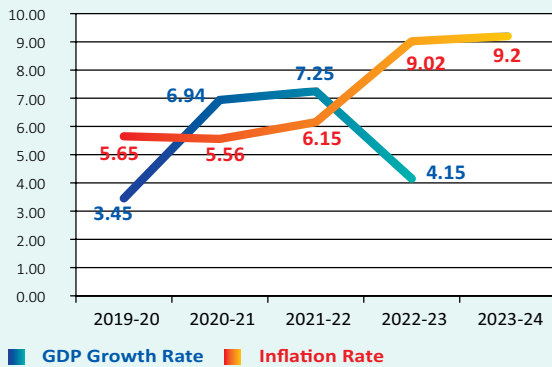
Forex Reserve of Bangladesh



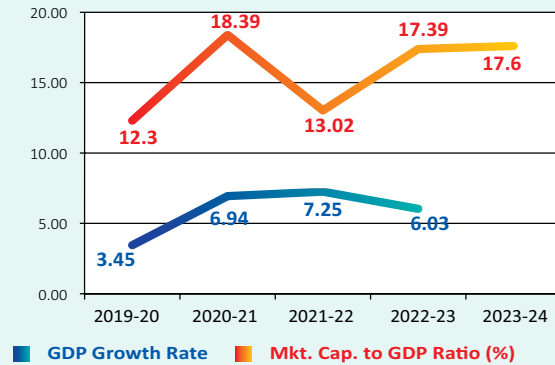
### Inflation:

The average inflation in November 2023 stood at 9.42 percent as 9.37 percent in October 2023. Although, Bangladesh has never experienced a negative economic growth during the last 47 years since its independence and maintained around 6% GDP growth rate for last one and half decade, the high rate of inflation always lessened the benefit of good GDP rate.

GDP Growth Rate and Inflation Rate



GDP Growth Rate and Market Capitalization to GDP:



Source: Bangladesh Bank and budget speech FY 2021-22,  
Mkt. cap to GDP ratio as on December 2023. For ratio calculation, we considered the GDP of FY 2022-23(P). Mkt. cap to GDP ratio has been increased from October 2022 since market capital increased due to trading of Government Securities.

## Economic Outlook

Item	UoM*	FY 2019-2020	FY 2020-2021	FY 2021-2022	FY 2022-2023	FY 2023-2024
GDP at Current Market Price	BDT Crore	3,170,469	3,530,184	3,971,716	4,439,273(P)	No Data Available from Authentic Source
Annual Per Capita GDP	USD	2,234	2,462	2,687	2,657(P)	
Annual Per Capita GNI	USD	2,326	2,591	2,793	2,765(P)	
Domestic Savings Rate (% of GDP)	Percent	27.08	25.34	25.22	26.02(P)	
National Savings Rate (% of GDP)	Percent	31.42	30.79	29.35	30.22(P)	
Agricultural Growth Rate of GDP	Percent	3.42	3.17	3.05	2.61(P)	
Services (% of GDP)	Percent	52.54	51.92	51.48	51.24(P)	
Total Financing (% of GDP)	Percent	4.44	3.72	4.08	3.06(July May)	
FDI Inflow	USD Million	2,370.45	2,507.31	2,179.00	1,611(P)	550.00 (July to October)
Portfolio Investment (Net)	USD Million	44.00	(269.00)	(158.00)	(18)(P)	(39) July to October)
Domestic Credit	BDT Crore	1,307,633.80	1,439,899.00	1,671,748.80	1,926,769.30(R)	1,944,439.90 (October)
Revenue Collection (NBR)	BDT Crore	218,406.05	259,881.80	301,312.41	331,454.88(up to June)	103,976.36(Up to October)
Reserve Money	BDT Crore	284,483.40	348,071.80	347,162.10	383,585.2 (June)	339,958.40 (October)
Deposit Rate (weighted average)	Percent	5.06	4.13	3.97	4.38(June)	4.55 (October)
Inflation Rate (weighted average)	Percent	5.65	5.56	6.15	9.02 (June)	9.42(November)
Value of Import	USD Million	48,518.00	54,332.10	89,162.30	75,061.60 (Up to June)	21,872.10 (up to October)
Value of Export	USD Million	33,674.12	38,758.31	52,082.66	55,558.77 (Up to June)	17,447.47 (up to October)
Balance of Trade	USD Million	(14,843.88)	(15,573.79)	(37,079.64)	(19,502.83)	(4,424.63)
Foreign Exchange Reserve	USD Million	36,037.03	46,391.40	41,826.70	31,202.98 (June)	24,894.58 (November)
Remittances	USD Million	18,205.01	24,777.71	21,031.68	21,610.70	8,814.55(Up to November)

Source: DSE Monthly Review, December 2023  
Economic Trends, Annual Report of Bangladesh Bank & Website  
Economic Review, MCCI, Ministry of Finance & Website  
Bureau of Statistics Website (Base 2015-16)

## World/Global Economy

Global growth is projected at 3.1 percent in 2024 and 3.2 percent in 2025, with the 2024 forecast 0.2 percentage point higher than that in the October 2023 World Economic Outlook (WEO) on account of greater-than-expected resilience in the United States and several large emerging market and developing economies, as well as fiscal support in China. The forecast for 2024–25 is, however, below the historical (2000–19) average of 3.8 percent, with elevated central bank policy rates to fight inflation, a withdrawal of fiscal support amid high debt weighing on economic activity, and low underlying productivity growth. Inflation is falling faster than expected in most regions, in the midst of unwinding supply-side issues and restrictive monetary policy. Global headline inflation is expected to fall to 5.8 percent in 2024 and to 4.4 percent in 2025, with the 2025 forecast revised down.

With disinflation and steady growth, the likelihood of a hard landing has receded, and risks to global growth are broadly balanced. On the upside, faster disinflation could lead to further easing of financial conditions.

Looser fiscal policy than necessary and then assumed in the projections could imply temporarily higher growth, but at the risk of a more costly adjustment later on. Stronger structural reform momentum could bolster productivity with positive cross-border spillovers. On the downside, new commodity price spikes from geopolitical shocks—including continued attacks in the Red Sea—and supply disruptions or more persistent underlying inflation could prolong tight monetary conditions. Deepening property sector woes in China or, elsewhere, a disruptive turn to tax hikes and spending cuts could also cause growth disappointments.

Policymakers' near-term challenge is to successfully manage the final descent of inflation to target, calibrating monetary policy in response to underlying inflation dynamics and—where wage and price pressures are clearly dissipating—adjusting to a less restrictive stance. At the same time, in many cases, with inflation declining and economies better able to absorb effects of fiscal tightening, a renewed focus on fiscal consolidation to rebuild budgetary capacity to deal with future shocks, raise revenue for new spending priorities, and curb the rise of public debt is

needed. Targeted and carefully sequenced structural reforms would reinforce productivity growth and debt sustainability and accelerate convergence toward higher income levels. More efficient multilateral

coordination is needed for, among other things, debt resolution, to avoid debt distress and create space for necessary investments, as well as to mitigate the effects of climate change.

### Latest World Economic Outlook Growth Projections (real GDP, annual percent change)

	Year over Year				Difference from October 2023		Q4 over Q4		
		Estimate	Projections				Estimate	Projections	
	2022	2023	2024	2025	2024	2025	2023	2024	2025
<b>World Output</b>	3.5	3.1	3.1	3.2	0.2	0.0	3.1	3.1	3.1
<b>Advanced Economies</b>	2.6	1.6	1.5	1.8	0.1	0.0	1.6	1.6	1.7
United States	1.9	2.5	2.1	1.7	0.6	-0.1	2.9	1.5	1.9
Euro Area	3.4	0.5	0.9	1.7	-0.3	-0.1	0.2	1.5	1.6
Germany	1.8	-0.3	0.5	1.6	-0.4	-0.4	-0.1	1.1	1.9
France	2.5	0.8	1.0	1.7	-0.3	-0.1	0.6	1.4	1.8
Italy	3.7	0.7	0.7	1.1	0.0	0.1	0.2	1.3	1.0
Spain	5.8	2.4	1.5	2.1	-0.2	0.0	1.5	1.8	2.1
Japan	1.0	1.9	0.9	0.8	-0.1	0.2	1.4	1.6	0.5
United Kingdom	4.3	0.5	0.6	1.6	0.0	-0.4	0.9	0.6	1.8
Canada	3.8	1.1	1.4	2.3	-0.2	-0.1	1.1	1.9	2.2
Other Advanced Economies	2.7	1.7	2.1	2.5	-0.1	0.2	1.5	2.6	2.0
<b>Emerging Market and Developing Economies</b>	4.1	4.1	4.1	4.2	0.1	0.1	4.3	4.3	4.1
Emerging and Developing Asia	4.5	5.4	5.2	4.8	0.4	-0.1	5.2	5.5	4.7
China	3.0	5.2	4.6	4.1	0.4	0.0	5.4	4.4	4.0
India	7.2	6.7	6.5	6.5	0.2	0.2	5.0	7.8	6.7
Emerging and Developing Europe	1.2	2.7	2.8	2.5	0.6	0.0	4.1	7.8	2.9
Russia	-1.2	3.0	2.6	1.1	1.5	0.1	4.4	7.8	1.0
Latin America and the Caribbean	4.2	2.5	1.9	2.5	-0.4	0.1	2.2	7.8	2.6
Brazil	3.0	3.1	1.7	1.9	0.2	0.0	2.3	7.8	1.4
Mexico	3.9	3.4	2.7	1.5	0.6	0.0	3.4	7.8	1.4
Middle East and Central Asia	5.5	2.0	2.9	4.2	-0.5	0.3	...	7.8	...
Saudi Arabia	8.7	-1.1	2.7	5.5	-1.3	1.3	-4.5	7.8	5.4
Sub-Saharan Africa	4.0	3.3	3.8	4.1	-0.2	0.0	...	7.8	...
Nigeria	3.3	2.8	3.0	3.1	-0.1	0.0	2.7	7.8	2.9
South Africa	1.9	0.6	1.0	1.3	-0.8	-0.3	1.0	7.8	1.3
<i>Memorandum</i>									
World Growth Based on Market Exchange Rates	3.0	2.7	2.6	2.7	0.2	0.0	2.7	2.5	2.6
European Union	3.6	0.6	1.2	1.9	-0.3	-0.2	0.7	1.4	2.3
ASEAN	5.5	4.2	4.7	4.4	0.2	-0.1	4.1	5.2	3.5
Middle East and North Africa	5.6	2.0	2.9	4.2	-0.5	0.3	...	...	...
Emerging Market and Middle-Income Economies	4.0	4.2	4.0	4.0	0.1	0.0	4.3	4.3	4.1
Low-Income Developing Countries	5.2	4.0	5.0	5.6	-0.1	0.0	...	...	...
<b>World Trade Volume (goods and services)</b>	5.2	0.4	3.3	3.6	-0.2	-0.1	...	...	...
Advanced Economies	6.1	0.3	2.6	3.2	-0.4	-0.1	...	...	...
Emerging Market and Developing Economies	3.7	0.6	4.5	4.4	0.2	0.0	...	...	...
<b>Commodity Prices</b>									
Oil	39.2	-16.0	-2.3	-4.8	-1.6	0.1	-2.8	-6.1	-4.9
Nonfuel (average based on world commodity import weights)	7.9	-6.1	-0.9	-0.4	1.8	-0.3	-2.0	1.5	0.2
<b>World Consumer Prices</b>	8.7	6.8	5.8	4.4	0.0	-0.2	6.0	5.3	3.8
Advanced Economies	7.3	4.6	2.6	2.0	-0.4	-0.2	3.1	2.3	2.0
Emerging Market and Developing Economies	9.8	8.4	8.1	6.0	0.3	-0.2	8.4	7.7	5.2

Source: IMF, World Economic Outlook Update, January 2024

Note: For India, data and forecasts are presented on a fiscal year basis, with FY 2022/23 (starting in April 2022) shown in the 2022 column India's growth projections are 5.4 percent in 2023 and 6.8 percent in 2024 based on calendar year.

#### **F. Risks and Concerns Issues Related to the Financial Statements, Explaining Such Risk and Concerns Mitigation Plan of the Company**

As Sena Kalyan Insurance continues to invest in new ways to gain a better understanding of the dynamic and constantly changing risk environment, it remains at the forefront of risk and resilience, enhancing risk mitigation strategies for businesses, governments and the civil society as well as informing the public policy agenda at large.

To face the ongoing challenges of increased competition and expansion of diversified business of SKICL, it has undertaken some principles on risk management. The risk mitigation areas are liquidity risk, market risk, operational risk, strategic risk, anti money laundering risk (ALM), environmental risk, etc. Mitigating all risks, the Company maximizes wealth in Financial Statements. The risk identification and mitigation process are elaborately discussed on page no. 195.

#### **G. Future Plan or Projection or Forecast for Company's Operation, Performance and Financial Position**

Sena Kalyan Insurance believes in its strength and dynamism to provide optimum service to its clients. The Company finds new pathways for providing services. It has continuously taken diversification opportunities and is continuing with successful operations, thus securing the Company's future.

**Like last year, keeping those intentions in mind, our focus will also remain on:**

- Striving for making clients (policyholders) permanent;

- Growing sale of our products increasing our revenues by providing quality services to the insured;
- Engaging more in skills development and capacity building among our terms to enable strong functional expertise and productivity levels and also focusing on capacity building;
- Optimizing our cost base through the identification of functional opportunities (downsizing costs);
- To be a trusted insurer in the insurance business;
- Quick claims settlement;
- To acquire a large market share in the insurance business;
- Good practices of Corporate Governance.

Though growth potential seems to be high, we intend to focus more on sustainability and we believe, our well-grounded management principles and our commitment to strong governance will aid us to achieve it.



**Brig Gen Md Shafique Shamim, psc (Retd)**  
Managing Director & CEO





## Letter from the Board of Directors Presented by the Company Secretary

**Dear Respected Shareholders,**

We are delighted to present you the Annual Corporate Governance Report 2023 of Sena Kalyan Insurance Company Limited (SKICL) for the year ended 31 December 2023.

This report will provide insights into SKICL's corporate governance activities throughout the year and explain how the company is directed and governed in order to uplift the corporate governance culture.

The year highlighted the value of our diverse and long-term business approach. The framework and policies are reviewed at regular intervals to maintain alignment with the Company's strategy, regulatory requirements, dynamic business environment, and technological advancements.

The principal corporate governance rules applying to SKICL are not only contained to the Corporate Governance Code (CGC) issued by Bangladesh Securities and Exchange Commission (BSEC) and Corporate Governance Guidelines issued by Insurance Development and Regulatory Authority (IDRA), but also covers the global best practices applicable for us. The report along with the compliance status are enclosed with our annual report- 2023 on page no. 118.

With the continuing pandemic crisis, SKICL was well prepared with a wide range of measures to keep its people safe and support its communities. By continuing to be creative, flexible, and adaptive in our approaches, we carried on with our mission to generate strong financial results for our shareholders, our people, and partners.

Emphasizing on the commitment to remain compliant with all the regulations, SKICL will continue to uphold the high standards in governance and sustainable development of our country.

Yours faithfully,

On behalf of the board

**M. M. Sajedul Islam FCS**  
Company Secretary



# Statement of Corporate Governance

Corporate Governance is about commitment to values and ethical business conduct. It is also about how an organization is managed vis-à-vis the corporate and business structures, its culture, policies and the manner in which it deals with various stakeholders. Timely and accurate disclosure of information about the Company's financial position, performance and ownership is part of effective corporate governance.

The organization conducts business in a fair, transparent and ethical manner which is the bedrock of good Corporate Governance. The Company is fully committed to follow sound Corporate Governance practices and uphold the highest business standards in conducting its business. The Company's governance framework encompasses not only regulatory and legal requirements but also several voluntary practices aimed at maximizing the stakeholders' value ethically and on a sustainable basis. The Company's Corporate Governance architecture has been strengthened through various policies, frameworks and codes adopted by the Company. The Company is committed to conduct business with the highest standards of compliance, integrity, honesty, fairness and responsible business practices with zero tolerance for fraud or illegal acts.

## 1. COMPANY'S PHILOSOPHY ON CORPORATE GOVERNANCE

The Company's philosophy on Corporate Governance has been influenced by its Promoters, Sena Kalyan Sangstha (SKS) of Bangladesh Armed Forces, which has already emerged as one of the most viable business outfits of Bangladesh. The Company endeavors to adhere to the well-established and proven practices of SKS in maintaining corporate culture and the spirit in managing the business. Corporate Governance at the Company is not just adherence to legal statutes, mandatory rules and guidelines; it is the Company's philosophy to observe the spirit behind the effort.

The Company believes in nurturing its long-term commitment and sustainable relationships with Policyholders, Shareholders and other stakeholders and views Corporate Governance as a continuous journey towards sustainable value creation for all the stakeholders and is driven by its values of People, Empathy, Passion, Integrity, Performance and Customer First.

The Company endeavors to abide by its value system guided by the principles of accountability, honesty, transparency, quality of service, anticipating customer priorities and exceeding

their expectations and timely disclosure of matters of interest to the stakeholders and ensuring thorough compliance with the applicable laws and conducting business in the best ethical manner. Strong leadership and effective corporate governance practices have been the Company's hallmark inherited from the SKS.

The Company is not only committed to follow the Corporate Governance practices embodied in various regulatory provisions, but is constantly striving to adopt and adhere to the emerging best practices and benchmarking itself against such practices.

The Board of Directors has taken cognizance of various regulatory changes in the overall governance framework and remains committed to ensure that the spirit of governance permeates to all spheres of the Company's business. The Company has complied with the applicable provisions of the Companies Act, 1994, Rules, Regulations & Corporate Governance Guidelines of IDRA, BSEC's Corporate Governance Code- 2018, Listing Regulations- 2015 of Stock Exchanges, Articles of Association of the Company and in accordance with good governance practices.

## 2. GOVERNANCE STRUCTURE

The Company has a multi-tier governance structure, comprising of Board of Directors (either through full Board or through various Board constituted Committees) at the apex followed by personnel/executives at the top management, senior management, middle management and operating management positions. The core roles of the stakeholders of the Company follow this structure. These roles, in turn, determine the core responsibilities of each stakeholder in view of strengthening effective management of the Company.

### Key elements of said Governance structure in the Company include the following:

- Seeking to conform to applicable laws, at all times;
- Number of Board meetings more than the statutory requirement, including a meeting dedicated to discussing strategy and operating plan;
- Board is composed of directors from military services with substantial experience, who are able to provide appropriate guidance to the executive management as required;

- Independent directors from diverse backgrounds with outstanding track record and reputation;
- Pre-Audit Committee meetings of Chairperson of Audit Committee with Statutory auditors, Internal auditor and members of executive management who are the process owners;
- Separate meeting of independent directors without presence of non-independent directors or executive management;
- Confidential Board evaluation process where each Board member evaluates the performance of every other Directors, Committees of the Board, the Chairman of the Board and the Board;
- Complete and detail information provided to Board members, sufficiently before the meetings, to enable them to evaluate matters brought to the Board carefully so that discussions are meaningful;
- Adoption of governance policies by the Board which are in line with the best practice;

It is the Company's belief that all stakeholders should have access to complete information regarding its position to enable them to accurately assess its future potential. The Company disseminates information on its operations and initiatives on a regular basis. The Company's website linked with the website of the Regulators & Exchanges ([www.senakalyanicl.com](http://www.senakalyanicl.com)) serves as a key awareness facility for all its stakeholders, allowing them to access information at their convenience. It provides comprehensive information on the Company's strategy, financial performance, operational performance and the latest press releases.

### 3. BOARD INDEPENDENCE & GOVERNANCE

Good Governance not only depends upon laws but also upon the personal qualities of those who govern. The Board of Directors of the Company are responsible for ensuring fairness, transparency and accountability of the Company's business operations and they provide appropriate directions, with regard to leadership, vision, strategies, policies, monitoring, supervision, accountability to shareholders and to achieve greater levels of performance on a sustained basis as well as adherence to the best practices of Corporate Governance. The Board plays a pivotal role in creation of

stakeholders' value and ensures that the Company adopts sound and ethical business practices and that the resources of the Company are optimally used. The Board periodically reviews and approves the strategy and oversees the decisions of the Management.

SKICL's Board makes independent judgments and decisions, with directors appointed through a transparent and regulatory-compliant procedure. To enhance the independence of our Board, we have ensured that our Board is adequately represented by Independent Directors—every four Non-Executive Directors are represented by one Independent Director, which makes a total of two Independent Directors on our Board. In the spirit of transparency and compliance, this meets the requirements prescribed under IDRA's & BSEC's corporate governance guidelines.

The Board plays a key role in setting the strategic direction of the Company. The Board acts as an independent check and balance to the executive management team, providing continuous oversight of material matters whose primary responsibility is the conduct of the business. The Directors of the Company are eminent personalities having diverse experience and, significant expertise in the fields of insurance, marketing, technology, accounting & auditing, investment, risk management, consumer insights, corporate planning, strategy, law & governance, banking, finance, alternate dispute resolution business advisor and economics. This diversity encourages robust debate and dialogue at Board and committee-level meetings to ensure that appropriate and effective judgment and supervisory guidance are provided to the management in facilitating the delivery of the Company's strategic objectives.

#### a) Composition/ Size of the Board and Category

The Company's Board is constituted in compliance with the provisions of the Act and Rules made thereunder, Companies Act-1994, Guidelines of IDRA and BSEC, Listing Regulations, Articles of Association of the Company and in accordance with good governance practices. The Board has an optimum combination of Non-Executive and Independent Directors. The Board consists of a total of nine (9) directors, including seven (7) directors nominated by SKS and two (2) independent directors. All directors are non-executive directors.

### Board Diversity and Expertise

**The Board has identified following skills/expertise/competencies for the effective functioning of the Company.**

 Insurance	 Banking	 Finance	 Accounting & Auditing	 Risk Management	 Investment	 Strategy
 Corporate Planning	 Consumer Insights	 Marketing	 Law & Governance	 Economics	 Alternate Dispute Resolution	 Technology

The Composition of the Board of Directors of the Company with their qualification, field of specialization/core skills/expertise is as set out in the below table:

Name	Position	Qualification	Field of Specialization/ Involvement in other organization
<b>Major General Md Habib Ullah, SGP, SPP, ndc, afwc, psc, M Phil</b>	Chairman & Nominated Director	B. Sc, MDS, M phil	Sena Kalyan Sangstha- Chairman
<b>Cdre A.F.M Rafiqul Islam(L), ndu,psc,BN</b>	Vice-Chairman & Nominated Director	B. Sc (EEE) & Masters of Defense Studies (MDS)	Sena Kalyan Sangstha- Director General, Business Division-7
<b>Air Cdre Md Shaharul Huda, BSP, ndc, psc</b>	Nominated Director	Masters of Defense Studies (MDS), MSc, M phil (part-1)	Sena Kalyan Sangstha- Director General, Business Division-7
<b>Brig Gen Mohd Muinul Haq Mamun, psc</b>	Nominated Director	MSc (Engr)	Sena Kalyan Sangstha- Director General, Business Division-5
<b>Brig Gen Rezwan, ndc, psc</b>	Nominated Director	Masters of Defense Studies (MDS)	Sena Kalyan Sangstha- Director General, Business Division-6
<b>Brig Gen Md Abudur Rahim, BGBM,G+</b>	Nominated Director	MSc	Sena Kalyan Sangstha- Director General, Business Division-8 (RED)
<b>Brig Gen Md Humayun Kabir, psc</b>	Nominated Director	Masters of Defense Studies (MDS)	Sena Kalyan Sangstha- Director General, Business Division-2
<b>Mr. M. M. Mostafa Bilal</b>	Independent Director	MBA- Major in Finance, IBA, University of Dhaka	The UAE-Bangladesh Investment Company Limited- Managing Director (CC)
<b>Mr. Kazi Ahmad Pervez</b>	Independent Director	MBA- Major in Finance, IBA, University of Dhaka	Adjunct Faculty Member- BUP & BAUST

The Brief Profile of Directors is hosted on the website of the Company and can be viewed at <https://www.senakalyanicl.com/board-of-directors/> .

#### Diversity of Board Committees:

Name	Position in the Board	Executive Committee	Risk Management/ Claims Committee	Audit Committee	Nomination & Remuneration Committee	Investment Committee	Policyholder protection & Compliance Committee
<b>Major General Md Habib Ullah, SGP, SPP, ndc, afwc, psc, M Phil</b>	Chairman & Nominated Director						
<b>Cdre A.F.M Rafiqul Islam(L), ndu,psc,BN</b>	Vice-Chairman & Nominated Director	Chairman					Chairman
<b>Air Cdre Md Shaharul Huda, BSP, ndc, psc</b>	Nominated Director		Chairman	Member		Member	
<b>Brig Gen Mohd Muinul Haq Mamun, psc</b>	Nominated Director	Member			Member	Member	
<b>Brig Gen Rezwan, ndc, psc</b>	Nominated Director		Member		Member	Member	
<b>Brig Gen Md Abudur Rahim, BGBM,G+</b>	Nominated Director						Member
<b>Brig Gen Md Humayun Kabir, psc</b>	Nominated Director			Member			
<b>Mr. M. M. Mostafa Bilal</b>	Independent Director		Member	Chairman	Member		Member
<b>Mr. Kazi Ahmad Pervez</b>	Independent Director			Member	Chairman	Chairman	
<b>Brig Gen Shafique Shamim, psc (Retd.)</b>	Managing Director & CEO	Member				Member	

**b) Board Nomination and Election Process**

In relation to the selection and appointment of new Director, SKICL follows the Articles of Associations of the Company. The Board of Directors of the Company shall be composed of 7 (seven) Nominated Directors; 4 (four) members from the Board of Sena kalyan Sangstha and 3 (three) members from the Management of Sena Kalyan Sangstha as nominated by Sena Kalyan Sangstha for so long as they hold their positions in the Sena Kalyan Sangstha and upon ceasing for any reason to hold that position they will automatically cease to be directors of the Company.

Major General Md Habib Ullah, SGP, SPP, ndc, afwc, psc, M Phil
Cdre A.F.M Rafiqul Islam(L), ndu,psc,BN
Air Cdre Md Shaharul Huda, BSP, ndc, psc
Brig Gen Mohd Muinul Haq Mamun, psc
Brig Gen Rezwan, ndc, psc
Brig Gen Md Abudur Rahim, BGBM,G+
Brig Gen Md Humayun Kabir, psc

**SKICL’s Independent Directors (Non-Executive):**

The Board received recommendations from various sources for highly capable and seasoned professionals, and they are appointed by the board, subject to prior consent of the Commission, after due consideration of recommendation of the Nomination and Remuneration Committee (NRC) of the Company and finally approved by the shareholders in the AGM.

Mr. M. M. Mostafa Bilal
Mr. Kazi Ahmad Pervez

**The Directors are appointed/re-appointed by the shareholders in the Annual General Meeting (AGM). Casual vacancies, if any, are filled by the Board as nominated by SKS in accordance with the stipulations of the Articles of SKICL. Minimum shareholding of the Directors’ would be as per the Articles of Associations of the Company.**

**c) Policy on Removal of Directors**

Although all the directors of the Company except the independent director are nominated by the SKS, if any director needs to be removed, it can be done through

the Articles of Association of the Company. However, no such incident has happened in the company since its establishment.

**d) SKICL’s Policy for Induction of Directors**

All new Directors appointed to the Board attend a formal induction programme to familiarize themselves with the Company’s strategy and aspiration, understanding of the line of businesses and corporate functions, key financial highlights, audit, compliance and risk management.

The programme is conducted by the Managing Directors & CEO/Company Secretary and also provides the new Directors with an information kit regarding disclosure obligations of a Director, Board Charter, Code of Ethics, and the Constitution of the Company, Board Committees’ Terms of Reference, and Schedule of Matters Reserved for the Board, amongst others.

Changes to the Board of Directors must be reported to Insurance Development and Regulatory Authority (IDRA), Bangladesh Securities and Exchange Commission (BSEC), the Stock Exchanges and all Insurance Companies.

**e) Board’s Effectiveness Policy**

Directors possess a wide range of skills and experience over an array of professions, businesses and services. All the Non-Executive Directors are nominated by Sena Kalyan Sangstha except for the Independent Directors. All the Directors bring forth independent judgment and considerable knowledge to perform their roles effectively. The Board of Directors ensures that the Company’s activities are always conducted with adherence to stringent and the highest possible ethical standards and in the best interests of all stakeholders.

None of the Directors of the Board, except the Managing Director & CEO, are involved in the day-to-day operations of the Company; rather, they provide their valuable insights and guidance to the management in the meeting of the Board and its committees.

**Broadly, the responsibilities of Board leadership include the followings:**

- Reviewing and approving overall business strategy, as well as organization structure, developed and recommended by management;
- Ensuring that decisions and investments are consistent with long-term strategic goals;

- Ensuring that SKICL is operated to preserve its financial integrity and in accordance with policies approved by the Board;
- Overseeing, through the Audit Committee, the quality and integrity of the accounting and financial reporting systems, disclosure, controls & procedures and internal controls;
- Providing oversight in ensuring that SKICL's risk appetite and activities are consistent with the strategic intent, operating environment, effective internal controls, capital sufficiency and regulatory standards;
- Overseeing, through the internal Risk Management Committee, the establishment and operation of an independent risk management system for managing risks on an enterprise-wide basis, the adequacy of the risk management function (including ensuring that it is sufficiently resourced to monitor risk by the various risk categories and that it has appropriate independent reporting lines) and the quality of the risk management processes and systems;
- Reviewing any transaction for the acquisition or disposal of material assets;
- Ensuring that the necessary human resources are in place to meet its objectives, as well as appointing and removing executive officers, as deemed necessary;
- Reviewing management performance and ensuring that management formulates policies and processes to promote fair practices and high standards of business conduct by staff;
- Establishing corporate values and standards, emphasizing integrity, honesty and proper conduct at all times with respect to internal dealings and external transactions, including situations where there are potential conflicts of interest;
- Providing a balanced and understandable assessment of SKICL's performance, position and prospects, and this extends to interim and other price-sensitive public reports, and reports to regulators;
- Ensuring that obligations to shareholders and others are understood and met; and
- Maintaining records of all meetings of the Board and Board Committees, in particular records of discussion on key deliberations and decisions taken.

#### **f) Chairman**

The Chairman of the Board of Sena Kalyan Sangstha will become the Chairman of the Board of the Company. He is a Non-executive Director, the Board considers that the Chairman works independently.

The Chairman serves as the primary link between the Board and Management, and works with the CEO and Company Secretary to set the agenda of the Board Meeting. He provides leadership to the Board and ensures that the Board works effectively and discharges its responsibilities efficiently.

#### **Roles and Responsibilities of the Chairman**

The primary role of the Chairman is to ensure that the Board is effective in its task of setting and implementing the Company's direction and policy. The principal structures of the role of the Chairman comprise the following:

- Providing leadership to the Board;
- Taking responsibility for the Board's composition and development;
- Ensuring proper information for the Board;
- Planning and conducting Board meetings effectively;
- Getting all Directors involved in the Board's work;
- Ensuring the Board's focus on key tasks;
- Engaging the Board in assessing and improving its performance;
- Overseeing the induction and development of Directors; and
- Supporting the Managing Director & CEO.

The Chairman of the Board shall be responsible for the management, development and effective performance of the Board of Directors and provides leadership to the Board for all aspects of the Board's functions. The Chairman is responsible for leadership of the Board. In particular, he will:

- Ensure effective operations of the Board and its committees in conformance with the highest standards of corporate governance;
- Ensure effective communication with shareholders, governments and other relevant constituencies and ensure that the views of these groups are understood by the Board;

- Set the agenda, style and tone of Board discussions to promote constructive debate and effective decision making;
- Ensure that all Board Committees are properly established, composed and operated;
- Support the Managing Director & CEO in strategy formulation and more broadly, provide support and give advice;
- Ensure an effective relationship among Directors, acting as the principal conduit for communication and issues relating to business strategy, plan acquisitions and corporate governance;
- Establish a harmonious and open relationship with the Managing Director & CEO;
- Ensure that Board Committees are properly structured and all corporate governance matters are fully addressed; and
- Encourage active engagement by all members of the Board.

**g) Criteria for Appointment of Independent Directors**

As per the Corporate Governance Code of Bangladesh Securities and Exchange Commission (BSEC), at least two or one-fifth of the total directors of the Board and as per the Corporate Governance Guidelines of Insurance Development & Regulatory Authority (IDRA), two directors shall be Independent Directors.

In the opinion of the Board, all the Independent Directors of the Company fulfill the conditions specified in the IDRA'S Guideline and BSEC's Code. Thus, in compliance with these Guidelines/Codes, two (2) Directors out of the total nine (9) Directors are independent, having no share or interest in SKICL. The independence of the respective Independent Directors is confirmed during selection and appointment and they remain committed to continue with such independence throughout their tenure.

The Company complies with all regulations of BSEC and IDRA in obtaining approval for the appointment or re-appointment of Independent Directors.

**Role of Independent Directors**

The Independent Directors bring an independent judgment to bear on the Board's deliberation and objectivity in the Board's decision making process. The Independent Directors participate constructively and

actively in the Committees of the Board in which they are members. The Independent Directors are committed to acting in what they believe is in the best interest of the Company and its stakeholders.

The Independent Directors bring a wide range of experience, knowledge and judgment as they draw on their varied proficiency in economics, finance, management, law and public policy. This wide knowledge of both, their field of expertise and boardroom practices help foster varied, unbiased, independent and experienced perspectives. The Company benefits immensely from their inputs in achieving its strategic direction.

**h) Written Code of Conduct for the Chairperson, other Board members and CEO**

The Board of Directors of SKICL is committed to the highest standards of conduct in their relationship with SKICL's employees, customers, members, shareholders, regulators and public. The Code provides a set of guiding principles to help us make the right decisions. This refers to conducting our business in accordance with all applicable laws and regulations and also represents our commitment to the spirit of the law. Our actions should reflect SKICL's values, demonstrate ethical leadership and promote a work environment that upholds SKICL's reputation for integrity, ethical conduct and trust. This Code is intended to provide a statement of the fundamental principles applicable to our Directors.

Our Directors are encouraged to bring forth questions about particular circumstances that may involve one or more of the provisions of this Code to the Chairman of the Board.

**Ethics and Compliance**

The Board is committed to establish the highest levels of ethics and compliance. This commitment is reflected in its Code of Conduct that covers, among other issues, the following areas:

- Their relationship with and responsibilities to SKICL;
- Their relationship with and responsibilities to customers;
- Compliance with laws and regulations;
- Acting in a professional and ethical manner;
- Protection of business assets;
- Disclosure of conflicts of interest;



- Prohibition of any conduct involving dishonesty, fraud, deceit or misrepresentation including insider trading.

In compliance with the Corporate Governance Guidelines/ Codes of IDRA and BSEC, the Board has prescribed a Code of Conduct for the Chairman, other members of the Board, and the CEO of the Company.

The complete Code of Conducts are available in the Company's website, link of which are: <https://www.senakalyanicl.com/wp-content/uploads/2024/01/SKICL-Code-of-Conducts-for-BOD.pdf>.

#### **i) Annual Appraisal/Performance Evaluation of the Board, its Committees, Chairperson and Individual Directors**

The Company has in place a Board approved performance evaluation framework which lays down Guidelines for annual performance evaluation of the Board, its committee(s), Chairperson and individual Directors.

Pursuant to the provisions of the BSEC's corporate governance codes and IDRA's corporate governance guidelines, the Company with the approval of its Board of Directors on the basis of Board Nomination and Remuneration Committee has put in place an evaluation framework for evaluation of the Board, its Committees, Chairperson and individual Directors.

#### **Some of the key factors against which the Board's performance is assessed:**

- Discharge of responsibilities and obligations
- Effectiveness in overseeing the material issues
- Providing strategic supervision
- Quality and timeliness of information flow between the management and the Board for decision-making

The evaluation of the Board, Board Committees, Chairperson and the Directors is carried out through circulation of different questionnaires, for each group through the survey.

#### **Evaluation of Board**

The performance of the Board is assessed based on its roles, responsibilities and obligations, relevance of Board discussions, attention to strategic issues, performance on key areas, providing feedback to executive management, and assessing the quality, quantity and timeliness of the

flow of information between the management and the Board to effectively and reasonably perform their duties.

#### **Evaluation of Board Committee(s)**

Board committees are evaluated based on an assessment of the clarity with which their mandate is defined, the effective fulfillment of terms of reference and the effectiveness of their deliberations/recommendations in contributing to the functioning/decisions of the Board.

#### **Evaluation of Chairperson**

The evaluation criteria for the Chairperson of the Board besides the criteria for assessment of all Directors, focuses incrementally on leadership abilities, effective management of meetings, preservation of interest of stakeholders, ability to guide the Company in key matters and knowledge & understanding of relevant areas.

#### **Evaluation of Directors**

The evaluation of Directors is assessed on the basis of their participation, contribution and guidance to Board and understanding of areas in their capacity as its members.

#### **Results of Evaluation**

The Board Nomination and Remuneration Committee evaluated performance of the Board as a whole and individual director including chairperson of the Board. In a separate meeting of Independent Directors, performance of Non-independent Directors and of the Board as a whole was evaluated. Performance of the Chairperson was evaluated taking into account the views of Non-executive Directors.

At the Board meeting held on 18 December 2023, the results of the performance evaluation for the year 2023 was discussed and the Board determined that the performance evaluation of Board, its Committees, Chairperson and individual Directors was satisfactory.

The Board suggested special discussions on some business and performance-related matters. The outcome of the Board evaluation is discussed with the members of the Board Nomination & Remuneration Committee and the Board of Directors of the Company. In addition, the requisite actionable(s) arising from the outcome of Board evaluation are communicated to the respective stakeholders within the Company.

**j) Training and Continuing Development Program of Directors (including Independent Directors)**

A formal letter of appointment is given to Independent Directors at the time of appointment which lays the role and duties of Independent Director.

As part of general practice of SKICL, all new Directors (including Independent Directors) are inducted to the Board with a formal orientation. The Directors are encouraged to interact with the members of Senior Management as part of their induction program. The Managing Director/Company Secretary presents an overview of the Company's strategy, operations, products, markets, board composition and guidelines, matters reserved for the board and our key risks and risk management strategies. This enables the Directors to get a thorough understanding of the Company, its people, values and culture which facilitate their active participation in overseeing the performance of the Management. The Managing Director & CEO also outline the Director's role, powers, duties and responsibilities, including the Company's code of conduct, compliance obligations of Companies Act, IDRA's & BSEC's regulations, and other relevant applicable regulations. The Board also attends offsite strategic meetings to gain a deeper understanding and continuous engagement with management regarding the company's strategic direction.

In addition, the Directors are constantly updated on information relating to the Company's development and industry development through discussion at Board meetings with the Senior Management team.

The Board ensures that it has a structured director learning and education program for its members. This programme shall ensure members have access to an appropriate continuing education programme and are kept up to date with current business, industry, regulatory and legislative developments and trends that will affect the Company's business operations.

Every member of the Board has access to the Managing Director & Company Secretary's advice or services about Board processes and any clarification on applicable rules and regulations. The MD & CS cover a multitude of tasks and responsibilities acting as a mediator and providing advice on economic and social sustainability matters as well.

**k) Financial and accounting knowledge and expertise of Directors**

All the directors except the independent directors of the Company are currently serving in the Bangladesh Armed

Forces, so they have various knowledge and experience in finance, economy, management, business administration, marketing and law matters. This ensures that together, they formulate the right policy for the development of the business while having the specialized skills and the ability to foresee developments across a larger perspective and with enough independence to audit the management in a balanced manner.

Among others, Mr. M. M. Mostafa Bilal, Independent Director & Chairman of Audit Committee of SKICL, who is serving in UAE as Managing Director (CC) and holds Master's Degree in Finance from IBA, University of Dhaka and Mr. Kazi Ahmad Pervez, Independent Director of SKICL, who is serving as a Adjunct Faculty Member in different Business Schools including BUP & BAUST. They provide guidance in matters applicable to accounting, audit and law related issues to ensure compliance and reliable financial reporting.

Respective qualifications of the Directors are appended in Directors' profile on page nos. 41-50 of this annual report.

**l) Chairman & Managing Director/CEO of the Company are different persons**

The Chairman of the Board is not the Chief Executive of the Company. The Chairman and the Managing Director & CEO are different individuals. The Chairman is a Non-executive Director while the Managing Director is an Executive, ex-officio of the Company. The role of the Chairman and the Managing Director & CEO are independent and separate, however, they have a very positive and constructive working relationship between them.

**m) Criteria for Appointment of Managing Director & CEO**

The Managing Director & CEO is appointed by the Board subject to the approval of IDRA and the consent of the shareholders in the Annual General Meeting. The Managing Director & CEO does not hold the same position in another listed company.

The Managing Director & CEO is the key person and is responsible for running the business of the Company. He is also responsible for formulating as well as implementing Board strategy and policy. The Managing Director is responsible for establishing and executing the Company's operating plan that is necessary to achieve the Company's objectives. He has overall control on the Company's day-to-day affairs and is accountable to the Board for the financial and operational performance of the Company.

### Background of the Managing Director & CEO of SKICL

Brig Gen Shafique Shamim, psc (retd), CII (cert), ABIA is the Managing Director and CEO of Sena Kalyan Insurance Company Limited. After having 27 years of commissioned service in the Army, he retired as a Brigadier General. Brig Shamim Commanded an Infantry Brigade and an Infantry battalion and held important staff appointments at Army and Division Headquarters. He held instructional assignments in significant training and research institutions of the Army including Defence Services Command and Staff College, Mirpur. He has 3 years of experience with the United Nations Organization (UN) in Mozambique, Liberia and West Africa including the appointment of Senior Military Advisor in West Africa.

He joined Sena Kalyan Insurance Company Limited as the Deputy Managing Director and Head of Operations on 01 August 2013 and took over the responsibility of the Managing Director & CEO on 10 March 2017. He has acquired essential qualifications on Non-Life Insurance including Certificate and Post Graduate Diploma from Bangladesh Insurance Academy and certificate from Chartered Insurance Institute of UK. He has been awarded by Tyser & Co, UK twice for his outstanding results in the Insurance Certificate Course and Insurance Diploma Course (ABIA) of Bangladesh Insurance Academy (BIA).

### The Major Roles & Responsibilities of the Managing Director & CEO



**Ensures compliance with related regulatory guidelines and circulars**



**Fulfills duties as delegated by the board**



**Plans, executes and achieves targets set by the board**



**Appointment and appraisal of the employees**

### The other roles and responsibilities of the Managing Director & CEO are:

- To act as the Chief Executive Officer reporting to the Board of Directors;
- To remain accountable to the Board for the overall performance of the Company;

- To develop annual business plan;
- To implement the Board's policies, decisions and strategies in effective manner;
- To report to the Board on progress against the strategic and annual business plan on a regular basis;
- To coordinate the overall management, corporate planning and business development;
- To ensure the compliances of law, rules and regulations for good corporate governance;
- To ensure appropriate internal audit and internal audit control process;
- To develop and implement a risk management plan for underwriting insurance business;
- Comply with the activities of Articles Association of the Company;
- Above all to concentrate towards Transparency, Accountability, Reliability, value enhancement and Reputation.
- The Managing Director & CEO acts as a direct liaison between the Board and the Management of the company, and communicates to the Board on behalf of the Management; and
- The Managing Director & CEO also communicates on behalf of the Company to the employees, Government authorities and other stakeholders including shareholders, IDRA, BSEC & regulatory bodies.

### n) Annual evaluation of Managing Director & CEO by the Board

The Board of Directors evaluates the Managing Director & CEO's performance based on the goals set for him, considering the company's vision and mission at the beginning of each year. The annual financial budget and other job objectives are discussed, reviewed and finalized by the Board at the start of the financial year. The Board considers financial and non- financial goals during the appraisal.

### Evaluation based on financial performance

At the end of each quarter, the Managing Director & CEO is evaluated based on the financial targets. The evaluation is done based on both:

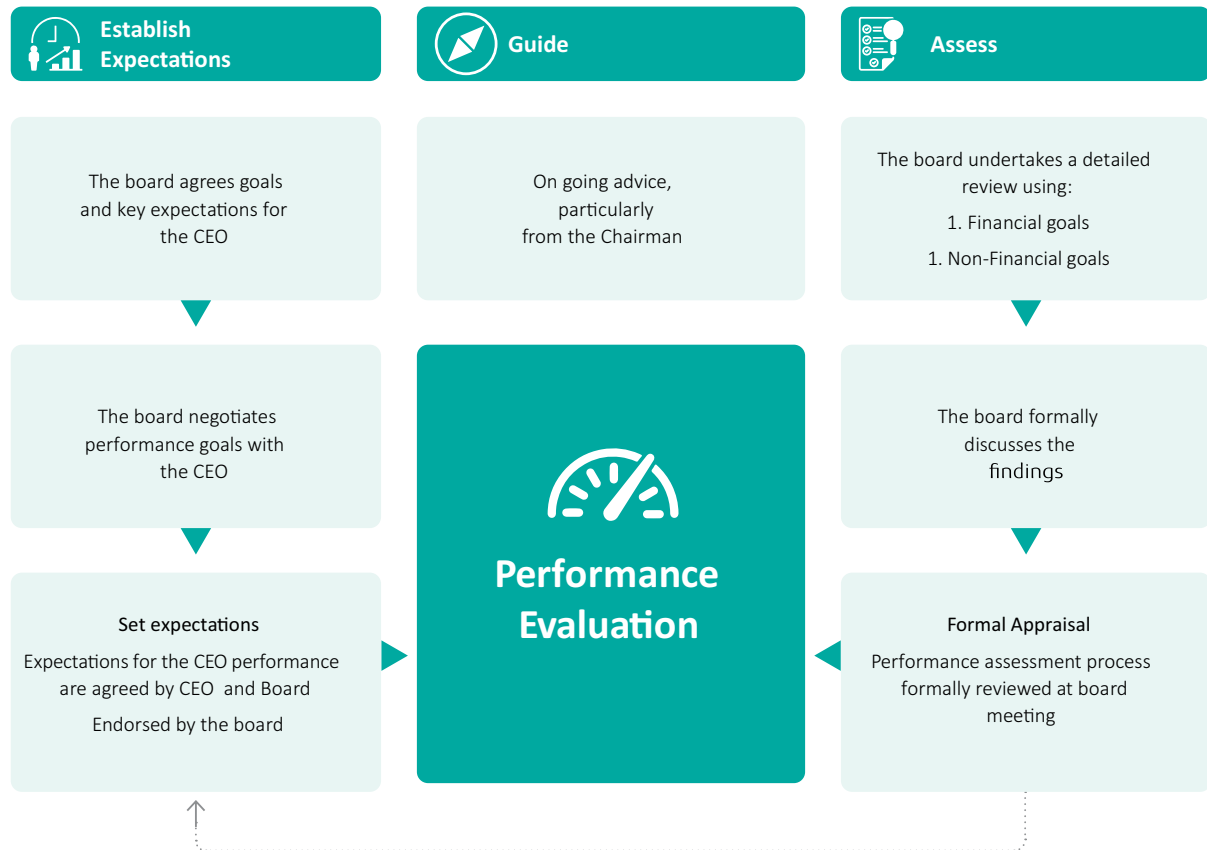
- Achievement of targets against budget;
- Achievement of targets against the achievement of those targets in the previous year.

**Evaluation based on non-financial goals**

The Managing Director & CEO is also evaluated based on non-financial goals in an ongoing basis. The non-financial

criteria includes, but are not constricted to things such as:

- The confidence of the shareholders in the CEO, as reflected in the stock price of the Company;
- The relationship of the Company with the regulators;



**o) Company Secretary- Bridge between Board and Management**

The primary link between the Board and the Management is served by the Company Secretary (CS). The CS is responsible for ensuring that good governance standards are implemented by the Company at all times. CS, sets the agenda for board meetings and ensures that the board works effectively. Every member of the Board has access to the CS’s advice or services about Board processes and any clarification on applicable rules and regulations. CS covers a multitude of tasks and responsibilities acting as a mediator and providing advice on economic and social sustainability matters as well. He is also acting as bridge

between the regulators/stakeholders and the Company.

**Background of the Company Secretary of SKICL**

Mr. M. M. Sajedul Islam, FCS holds the position of Company Secretary of Sena Kalyan Insurance Company Limited. He joined the Company in March 2022. As a Professional Chartered Secretary, he possesses wide knowledge in the area of corporate affairs and holds the Fellow Membership of the Institute of Chartered Secretaries of Bangladesh (ICSB). Prior to joining at SKICL, he served two different public listed Financial Institutions in various capacities and is experienced with managing IPO & Rights of those FIs.

**p) Key Roles and Responsibilities of CS, CFO and HIAC**

Key roles and responsibilities of Company Secretary (CS), Chief Financial Officer (CFO) and Head of Internal Audit & Compliance (HIAC) are highlighted below:

Roles and Responsibilities of the Company Secretary (CS)	Roles and Responsibilities of the Chief Financial Officer (CFO)	Roles and Responsibilities of the Head of Internal Audit & Compliance (HIAC)
Ensures compliance & manages the corporate governance framework	Responsible for overall financial management	Ensures proper internal control system
Oversees, conducts induction trainings for newly elected directors	Regulates, supervises and implements accounting & audit requirements	Checks compliance to internal and external regulation
Statutory reporting to Bangladesh Bank and other regulatory bodies	Ensures overall accuracy of budgetary & financial control system	Coordinates analysis of risk in different area of operations
Conscience of the company	Alerts of any irregularity concerning financial system	Prepares annual audit plans based on the result of the risk analysis
Liaison with outside Stakeholders for company affairs	Ensures proper tax management and compliance system	Prepares audit programs and approaches that meet the objectives of audit
Manages and administers board meetings	Liaison with external auditor & oversee the audit procedure	Prepares draft audit report and conduct exit meetings
Ensures compliance with legal requirements	Prepares and circulates statutory annual report to stakeholders	Prepares final audit reports and circulate the reports
Mediator between board and management	Assists in corporate tax planning & ensures effective tax management	Conducts special investigation on the megaton of fraud
Liaison with external regulators and advisers	Statutory reporting to IDRA, Bangladesh Bank and others regulatory bodies	Works on special projects as assigned by CEO or Audit Committee

**q) Key Roles and Responsibilities of CIO and CRO**

As per the IDRA's Corporate Governance Guidelines, the Board of Directors determined the roles and responsibilities of Chief Investment Officer (CIO) and Chief Risk Officer (CRO), which are highlighted below:

Roles and Responsibilities of the Chief Investment Officer (CIO)	Roles and Responsibilities of the Chief Risk Officer (CRO)
Oversees the implementation of the investment policy	Assists the Company in effective operation of the risk management programme by performing specialized analysis and quality reviews.
Periodically updating the Board on the Company's investment activities.	Reports to the Managing Director details on the risk exposures and the actions taken to manage the exposures.
Reviews the investment strategies adopted from time to time and giving suitable directions as needed in the best interest of the Company.	Advises to the Company with regard to risk management decisions in relation to strategic and operational matters.
Supervises the asset allocation strategy to ensure financial liquidity, security and diversification through liquidity contingency plan and asset liability management policy.	Reviews of the Company's risk management and operational risk related policies/frameworks and identification of internal and external risk, in particular including financial, operational, sectoral, sustainability (particularly, ESG related risks), information, cyber security risk or any other risk as may be determined by the Committee.
Overseeing the assessment, measurement and accounting for other than temporary impairment in investments in accordance with the policy adopted by the Company.	To review the solvency position of the Company on a regular basis.
Reviews the broker policy and making suitable amendments from time to time.	To monitor and review regular updates on business continuity.
Reviewing counter party/ intermediary exposure norms.	To maintain a group-wide and aggregated view on the risk profile of the Company in addition to the solo and individual risk profile for all categories of risk including insurance risk, market risk, credit risk, liquidity risk, operational risk, compliance risk, legal risk, reputation risk, etc.
Mediator between board and management	Conducts special investigation on the megaton of fraud
Liaison with external regulators and advisers	Works on special projects as assigned by CEO or Audit Committee

**(q) CEO, CFO, CS, HIAC, CIO & CRO will not hold executive positions in any other company at the same time**

The CEO, CFO, CS, HIAC, CIO & CRO of Sena Kalyan Insurance Company Limited are not simultaneously holding executive positions in any other company.

**4. BOARD SYSTEMS, PROCEDURES AND COMMITTEES**

**(a) Process of holding Board meetings**

The Board meets at least four (4) times a year, once in every 3 (three) months, inter-alia, to discuss and review the financial results, business policies, strategies etc. The maximum interval between two Board meetings is not more than 3 months. Additional Board Meetings are held

by the Company as and when the Company needs Board’s instruction and guidance. However, in case of business exigency or an urgent matter, approval of the Board is sought through resolution by circulation, which is noted in the subsequent Board Meeting.

The Company circulates the Board/Committee Meeting agenda and related notes/documents well in advance which provides for quick and easy accessibility. As a practice, the Company Secretary reports the compliance status of all the laws applicable to the Board of Directors on quarterly basis. All significant decisions taken by the Board/ Committee Members are communicated to the functional heads of the concerned departments. The Board/Committee Members are apprised of the action taken or proposed to be taken by the Company on the observations/directions given in the previous meeting.



**(b) Board Meetings held and Minutes kept as per Bangladesh Secretarial Standards**

The meetings of the Board of Directors are held on a regular basis at Sena Kalyan Insurance Company Limited. Management provides information, references and agenda wise working papers to all Directors for consideration within stipulated time. The Chairman of the Board of Directors allows sufficient time for the Directors to consider each agenda prudent and freely discuss and express opinions to adopt accurate decisions for the interest of the shareholders.

Resolutions taken by the Board are recorded. Minutes

of a Board meeting is signed by the Chairman of the meeting and copy of minutes is submitted to Insurance Development & Regulatory Authority (IDRA) within 30 (Thirty) days from the date of meeting. The decisions taken in the Board meeting are disseminated by the Company Secretary to whom such decision relates.

All Board meetings such as Convening of a Meeting, Frequency of Meetings, Quorum, Attendance at Meetings, Chairman, Passing of Resolution by Circulation, Minutes and Disclosure are being maintained in accordance with the requirements under Bangladesh Secretarial Standards-1 (BSS-1) as adopted by Institute of Chartered Secretaries of Bangladesh (ICSB).

**(c) Attendance in Board of Directors and Committee Meetings**

During the financial year under reporting total five (5) Board Meetings, four (4) Audit Committee Meetings and one (2) Nomination & Remuneration Committee Meetings were held and the attendance of the Directors are noted below:

Name of Directors	Attendance at 10th AGM	Board		Executive Committee		Risk Management Committee/Claims Committee		Audit Committee		Nomination & Remuneration Committee		Investment Committee		Policyholder Protection & Compliance Committee		Changes During 2023 with the date of Board Acceptance	
		Total Meetings	Meetings Attended	Total Meetings	Meetings Attended	Total Meetings	Meetings Attended	Total Meetings	Meetings Attended	Total Meetings	Meetings Attended	Total Meetings	Meetings Attended	Total Meetings	Meetings Attended	Joining	Leaving
Maj Gen Md. Habib Ullah, SGP, SPP, ndc, afwc, psc, M phil	x	2	2	...	...	...	...	...	...	...	...	...	...	...	20/Sep/23	-	
Cdre A.F.M Rafiqul Islam (L), ndu, Psc, BN	x	3	3	...	...	...	...	...	...	...	...	...	...	...	10/May/23	-	
Air Cdre Md Shaharul Huda, BSP, ndc, psc	v	5	4	...	...	...	...	4	3	...	...	...	...	...	-	-	
Brig Gen Mohd Muinul Haq Mamun, psc	v	5	5	...	...	...	...	...	...	2	2	...	...	...	-	-	
Brig Gen Rezwan, ndc, psc	x	2	2	...	...	...	...	...	...	1	1	...	...	...	20/Sep/23	-	
Brig Gen Abdur Rahim, BGBM, G+	x	1	1	...	...	...	...	...	...	...	...	...	...	...	18/Dec/23	-	
Brig Gen Humayun Kabir, psc	x	0	0	...	...	...	...	...	...	...	...	...	...	...	18/Dec/23	-	
Mr. M. M. Mostafa Bilal	v	5	5	...	...	...	...	4	4	1	1	...	...	...	-	-	
Mr. Kazi Ahmad Pervez	x	0	0	...	...	...	...	...	...	...	...	...	...	...	18/Dec/23	-	
Maj Gen Iftekhar Anis, BSP, awc, afwc, psc, PEng	v	3	3	...	...	...	...	...	...	...	...	...	...	...	-	20/Sep/23	
Cdre Mahmud Hossain, (ND), NPP, BCGMS, ndc, psc	v	1	1	...	...	...	...	...	...	...	...	...	...	...	-	10/May/23	
Brig Gen Md Rashidul Alam, BGBMS, PBGMS	v	1	1	...	...	...	...	...	...	...	...	...	...	...	-	10/May/23	
Brig Gen Md Shakhawat Hossain, ndu, psc	v	3	3	...	...	...	...	4	2	...	...	...	...	...	-	20/Sep/23	
Brig Gen AKM Asif Iqbal, BVM, BAMS, ndc	v	1	1	...	...	...	...	...	...	1	1	...	...	...	10/May/23	20/Sep/23	
Brig Gen Md Hasan Jahangir, SUP, ndc, psc	x	5	3	...	...	...	...	...	...	...	...	...	...	...	-	18/Dec/23	
Brig Gen Md. Abu Bakar Siddique Khan, ndc, afwc, psc, G+	x	1	1	...	...	...	...	...	...	...	...	...	...	...	20/Sep/23	18/Dec/23	
Barrister Ahamed Ihteyaz Thamid	v	5	4	...	...	...	...	4	4	2	1	...	...	...	-	18/Dec/23	



**(d) Key Policies with regard to Remuneration of Directors, Senior Management and Employees**

The Board of Directors, on the recommendation of the Nomination and Remuneration Committee (NRC) of the Board, evaluates the remuneration of the Directors, Senior Management and all officers and decides the same in accordance with the remuneration policy of the Company. The overall objective of the Company’s remuneration policy is to establish a framework for attracting, retaining and motivating employees, and creating incentives for delivering long term performance within established risk limits. Accordingly, performance of each incumbent is judged, not on what is achieved, but also on how it is achieved as well as alignment to Company’s value. The quality and commitment of our human capital is fundamental of Company’s success and protecting general shareholders’ interest. The overall objective of the Company’s remuneration policy is to establish framework for attracting, retaining and motivating employees, and crating incentives for delivering long-term performance within established risk limits. The Board of Directors time to time reviews and evaluates the remuneration paid to all level of employees, directors and others.

**(e) Directors’ Remuneration**

Directors are not eligible for any other remuneration other than the attendance fee for the Board and its committee Meetings. During the year 2023, a total amount of Tk. 3,27,556/= (included VAT & Tax) was paid to the Directors as Remuneration/ Meeting Attendance Fees. Details of the Directors’ attendance record are shown in page no. 109.

**(f) Remuneration of Managing Director and CEO**

The Managing Director & Chief Executive Officer of the Company received the annual remuneration as per the guideline IDRA.

Managing Director & CEO’s remuneration has been presented on page no. 259 of this Annual Report.

**(g) Attendance of CS, CFO and HIAC in Board Meeting**

As per the IDRA’s Corporate Governance Guidelines and BSEC’s Corporate Governance Code, the CS and CFO of the Company attended the meetings of the Board.

However, as per the IDRA’s Corporate Governance Guidelines, the Head of Internal Audit and Compliance (HIAC), Chief Investment Officer (CIO) and Chief Risk Officer (CRO) attend

the meeting if any matter related to their activities are included in the agenda or agenda of the meeting.

The above concerned officers shall not attend the said board meeting if there is an agenda or agenda related to their personal matter of any of the said officers.

**(h) Key Activities of the Board in 2023**

The following table shows a breakdown of the matters considered by the Board in 2023, in addition to business agenda.

**Quarterly-wise overview of the Board’s main activities in 2023**

January – March	<ul style="list-style-type: none"> <li>• Authorization of Financial Statements and Annual Report 2022</li> <li>• Adoption of Directors’ Report of 2022</li> <li>• Dividend declaration for 2022</li> <li>• Appointment of Statutory and Corporate Governance Auditors and determination of Audit Fees</li> <li>• Holding Annual General Meeting</li> </ul>
April – June	<ul style="list-style-type: none"> <li>• Endorsement of First Quarter Financial Statements 2023 (January – March)</li> </ul>
July – September	<ul style="list-style-type: none"> <li>• Endorsement of Second Quarter Financial Statements 2023 (April – June)</li> <li>• Opening Mohakhali Branch at SKS Shopping Complex Level 2 Mohakhali Dhaka 1206</li> </ul>
October – December	<ul style="list-style-type: none"> <li>• Endorsement of Third Quarter Financial Statements 2023 (July – September)</li> <li>• Opening Dinajpur Branch</li> <li>• Approval of Budget for the year 2024</li> <li>• Revised the Rules of the Provident Fund of SKICL</li> <li>• Approved various policies of the Company as per Insurer Corporate Governance Guideline, 2023 issued by IDRA.</li> </ul>

**(i) Directors’ Report on Preparation and Presentation of Financial Statements and Corporate Governance**

The Companies Act, 1994, requires the Directors to prepare financial statements for each accounting year.

The Board of Directors accepts the responsibility for the preparation of the financial statements (as well as the quarterly financial statements), maintaining adequate records for safeguarding the assets of the Company, preventing and detecting fraud and/or other irregularities, selecting suitable accounting policies and applying those policies consistently and making reasonable and prudent judgments and estimates where necessary.

The Board of Directors are also responsible for the implementation of the best and the most suitable corporate governance practices. A separate statement of the Directors' responsibility for financial reporting and corporate governance has been presented on page no. 199 of this Annual Report.

#### (j) Information Applied to the Board

Sena Kalyan Insurance Company Limited has incorporated its Governance Framework pursuant to the guidelines prescribed in the Code of Best Practices on Corporate Governance issued by the Insurance Development and Regulatory Authority (IDRA) and Bangladesh Securities and Exchange Commission (BSEC).

SKICL has adopted all applicable laws, policies, rules and regulations in our Corporate Governance System and maintains a zero-tolerance policy in compliance. A list of such external and internal regulations/ policies are outlined below:

Internal Framework	Internal Framework
The Companies Act, 1994;	Articles of Association;
The Insurance Act 2010;	Code of Conduct for the employees & the Board;
The Insurance Rules 1958;	Board and Board Sub Committee Charters;
Securities & Exchange Ordinance-1969 and Securities & Exchange Rules- 1987;	Relevant approved Manual of the Company.
Corporate Governance Guideline-2018 issued by the Bangladesh Securities and Exchange Commission (BSEC);	-
Corporate Governance Code-2018 issued by the Insurance Development and Regulatory Authority (IDRA);	-
Policies, Procedures, Directives of IDRA & BSEC;	-
Listing regulations 2015 of Stock Exchanges.	-
Relevant instructions of RJSC	-
Income Tax Ordinance, 1984	-
Income Tax Rules, 1984	-
The Value Added Tax and Supplementary Duty Act, 2012	-
The Value Added Tax and Supplementary Duty Rules, 2016	-

Additionally, we have engaged experienced professionals in positions of Company Secretary, Chief Financial Officer and Head of Internal Audit & Compliance who play vital roles in our Corporate Governance System.

#### (k) Disclosure of Board Committees

As per the Corporate Governance Guidelines of IDRA and Corporate Governance Code of BSEC, the Board of Directors have constituted Six committees namely – Executive Committee, Risk Management /Claims Committee, Audit Committee, Nomination & Remuneration Committee, Investment Committee, Policyholder Protection & Compliance Committee which enables the Board to deal with specific areas / activities that need a closer review and to have an appropriate structure to assist in the discharge of their duties and responsibilities.

The Committees of the Board meet at regular intervals and have the requisite subject expertise to handle and resolve matters expediently. Minutes of the Committee Meetings are circulated and placed before the Board of Directors in the subsequent Board Meeting for their noting. The Company Secretary acts as a secretary to all the Committees of the Board.

Detailed composition, meetings and other information of all the Committees of the Board are herein below:

#### Executive Committee

The Board of Directors does the strategic planning and decision-making for their organizations according to the mission, vision and values of the organization. The executive committee of the Company is a smaller group with close ties through leadership who can get together, often within short notice, to address pressing issues that affect the organization substantially, such as an emerging crisis. The executive committee has the power to act on behalf of the full board.

The Board Executive Committee was last reconstituted on 18 December 2023 and the members of Executive Committee are:

Name	Status in the Board	Position in the Committee
Cdre A.F.M Rafiqul Islam (L), ndu,psc, BN	Nominated Director	Chairman
Brig Gen Mohd Muinul Haq Mamun, psc	Nominated Director	Member
Brig Gen Shafique Shamim, psc (Retd.)	Managing Director & CEO	Member

**The Roles and Responsibilities of Executive Committee:**

- Executive committee provides organizational direction for the CEO and on behalf of the Board. It is responsible for overseeing the regular implementation of board policies and making sure that the management is establishing and maintaining good governance practices.
- Tracks and considers financial positions, performance, set goals, make strategic plans, and provides with operational directives to the CEO and senior management.
- Holds meetings regularly and recommends on issues to be forwarded for Board’s decisions.

**Risk Management Committee/Claims Committee:**

Risk Management Committee/Claims Committee handling is the process by which an insurance company processes and pays claims in accordance to the terms and conditions specified in the insurance contracts. The process generally comprises registering new claims, selecting the surveyor, setting and revising reserves, obtaining essential information to assess, manage and settle the claim, making reinsurance and other recoveries, and reviewing and closing claim files.

The Risk Management Committee/Claims Committee was last reconstituted on 18 December 2023 and the members of the Committee are:

Name	Status in the Board	Position in the Committee
Air Cdre Md Shaharul Huda, BSP, ndc, psc	Nominated Director	Chairman
Brig Gen Md Rezwan, ndc, psc	Nominated Director	Member
Mr. M. M. Mostafa Bilal	Independent Director	Member

**The Roles and Responsibilities of Risk Management Committee/Claims Committee:**

- Claims Committee ensures that effective management of claim handlings and governance is fully integrated and effectively implemented.
- Develops, recommends and implements policies with respect to the management of claims with particular reference to the need to try to minimise losses.
- Ensures that the claims reporting phase proceeds as smoothly as possible. Provide and ensure a

swift, efficient and technically knowledgeable claim service.

- Monitors the outstanding claims, class wise and their ageing on a monthly basis.
- Investigates into and accordingly make timely recommendations to the Board on:
  - (a) Major claims solicitation decisions and the amounts involved.
  - (b) Any unforeseen trends in claims settlement emanating from a class of risks and/or an individual risk.
- With respect to payment of claims:
  - (a) Ensure that only valid claims are paid.
- Other responsibilities as delegated by the Board.

**Audit Committee**

The primary role of the Audit Committee is overseeing the financial reporting process and disclosure of financial information, reviewing the financial statements before submission to the Board, reviewing adequacy of internal control systems and reviewing findings of internal investigations and recommending appointment/ removal of statutory auditors & compliance auditors and fixing their remuneration.

The Audit Committee of the Board was last reconstituted on 18 December 2023 in compliance with the condition of the BSEC’s Corporate Governance Code-2018 and IDRA’s Corporate Governance Guidelines-2023. All the Members of the Audit Committee have the required qualifications and expertise to be a member of the Committee and possess requisite knowledge of accounting and financial management.

**The Major Roles and Responsibilities of Audit Committee:**

- Oversees the financial reporting process.
- Monitors choice of accounting policies and principles.
- Monitors Internal Control Risk Management process.
- Oversees hiring and performance of external auditors.
- Reviews along with the management, the annual financial statements before submission to the board for approval.

- Reviews along with the management, the quarterly and half yearly financial statements before submission to the board for approval.
- Reviews the adequacy of internal audit function.
- Reviews statement of significant related party transactions submitted by the management.
- Reviews Management Letters/Letter of internal Control weakness issued by statutory auditors.

**(i) Financial Expert in the Audit Committee**

All the Members of the Audit Committee have the required qualifications and expertise for appointment in the Committee and possess requisite knowledge of accounting, financial management and laws.

**(ii) Proportion of Independent Directors in the Audit Committee**

The Audit Committee of SKICL has been formed pursuant to the BSEC’s Corporate Governance Code- 2018 and IDRA’s Corporate Governance Guidelines-2023.

The Board of Directors have been very meticulous in the formation of the Audit Committee, which consist of 4 (four) members. All the members are financially literate and possess the required qualifications in keeping with the spirit & objectives as laid down in the regulatory directives.

The present members of the Audit Committee are:

Name	Position in the Committee
Mr. M. M. Mostafa Bilal	Chairman
Air Cdre Md Shaharul Huda, BSP, ndc, psc	Member
Brig Gen Md Humayun Kabir, psc	Member
Mr. Kazi Ahmad Pervez	Member

Mr. M. M. Sajedul Islam, FCS, Company Secretary is also the Secretary of the Audit Committee. The Head of Internal Audit concurrently reports to the Managing Director & CEO as well as to the Audit Committee.

**(iii) Reporting of Internal Auditor to the Audit Committee**

The Company’s internal control system was commensurate with its size and business nature. The system minimized operational risks through effective control, systemic review and ongoing audit. The internal

auditors undertook a comprehensive audit of all functional areas and operations, their findings referred to the Audit Committee of the Board.

The Company internalized its legal and technical appraisal functions to ensure optimum control. The Company’s multi-level authorization structure ensured that higher exposure levels were duly authorized by personnel and committees with requisite experience and authority. Training programs and guidelines helped to implement linkage between goals and operations.

The Board has ultimate responsibility for establishing an effective system of internal control. The internal control system holds all business risks, including financial, operational and strategic risks. To mitigate all the risks as well as to establish control environment, the board holds its meeting regularly with comprehensive agenda dealing with all major aspects of business. There is an internal control and compliance department directly reporting to the Board Audit Committee, which looks after compliance with the organizational policies by different departments.

A separate report on Internal Control has been given on page nos. 186 and 187 of this report.

**(iv) Report by the Audit Committee to the Board about the matters related to Conflict of Interest**

The Audit Committee reports directly to the Board of Directors and under certain circumstances, can also report to the IDRA & BSEC.

The Audit Committee shall immediately report to the Board of Directors in the following cases:

- On conflict of interest;
- Suspected and presumed fraud or irregularity or material defect in the internal control system;
- Suspected infringement of laws, including securities-related laws, rules and regulations and
- Any other matter which should be disclosed to the Board of Directors immediately

No such issues arose at SKICL during the year ended on 31 December 2023.

**(v) Presence of the Chairman of the Audit Committee at the AGM**

The Chairman of the Audit Committee is an Independent Director and was present at the last (10th) Annual General Meeting of the Company.

A separate report on the activities of the Audit Committee has been presented on the page no. 188 of this annual report.

#### Nomination and Remuneration Committee (NRC)

Pursuant to the Corporate Governance Code of BSEC & Corporate Governance Guidelines of IDRA, the Board of Directors of Sena Kalyan Insurance Company Ltd. have duly constituted a Nomination and Remuneration Committee (NRC). The NRC assists the Board in formulating the nomination criteria or policy for determining qualifications, positive attributes, experiences and independence of Directors and other top-level executives. The NRC also assists the Board to formulate policy for the formal and continued process of considering remuneration/ honorarium for Directors and top-level executives. A separate report on the activities of the Nomination and Remuneration Committee (NRC) has been presented on the page no. 191 of this annual report.

#### The members of Nomination and Remuneration Committee (NRC) are:

Name	Status in the Board	Position in the Committee
Kazi Ahmad Pervez	Independent Director	Chairman
M. M. Mostafa Bilal	Independent Director	Member
Brig Gen Mohd Muinul Haq Mamun, psc	Nominated Director	Member
Brig Gen Md Rezwan, ndc, psc	Nominated Director	Member

#### The Major Roles and Responsibilities of Nomination and Remuneration Committee (NRC):

- To assist the Board in developing and administering a fair and transparent procedure for setting policies on the remuneration of the senior management of the company.
- Determining the remuneration packages.
- Review the Performance Evaluation Reports (PER) of senior management of the company.
- Review and oversee the Company's overall human resources strategy.

#### Investment Committee

As per Corporate Governance Guidelines issued by IDRA, the Sena Kalyan Insurance Company Limited (SKICL) has

an Investment committee. The committee consists of five (05) members including one independent director, who is the Chairman of the Committee. The Chief Executive Officer (CEO) is an ex-officio member of the Committee.

#### Investment committee (IC) are:

Name	Status in the Board	Position in the Committee
Mr. Kazi Ahmad Pervez	Independent Director	Chairman
Air Cdre Md Shaharul Huda, BSP, ndc, psc	Nominated Director	Member
Brig Gen Md Rezwan, ndu, psc	Nominated Director	Member
Brig Gen Mohd Muinul Haq Mamun, psc	Nominated Director	Member
Brig Gen Shafique Shamim, psc (Retd.)	Managing Director & CEO	Member

#### Roles and Responsibilities of Investment committee:

- The Investment Committee should prepare an effective Investment Policy in due compliance with investment related provisions of Insurance Act 2010 and recommend to the Board of Directors for approval.
- The Committee should have the access to all information, data, documents, reports etc. relating to the investment of the Company.
- The Committee should monitor and report to the Board of Directors including review of investment and return on investment on a monthly basis.
- The investment risk will be taken into consideration before making the investment to ensure the suitability of the investment.
- The Committee will ensure that SKICL should invest in appropriate portfolios and review the investment risk and performance on a quarterly basis with a view to ensuring timely and proper repayment of company's liabilities.
- The Committee ensures that necessary measures are taken to reduce investment risk.
- The Committee may take appropriate expert advice if necessary before making the investment.
- The Committee will ensure maintenance of required solvency and advise the Board of Directors in this regard.

- The Investment Committee will make sure that the funds of the insurance company are not invested for the benefit of any member of the Board of Directors.
- The Committee ensures that capital losses on investments are properly accounted for in the financial statements.
- The committee will oversee the rental income account for the use of fixed assets and the payment of rent.
- The Committee will ensure the proper safeguard of assets of the company through supervision.
- The Committee shall carry out any other investment related responsibilities as assigned by the Board of Directors.

#### Policyholder Protection & Compliance Committee

The Policyholders Protection Committee has been constituted in line with provisions of IDRA's CG Guidelines.

#### The Members of the Policyholders Protection Committee are:

Name	Status in the Board	Position in the Committee
Cdre A.F.M Rafiqul Islam (L), ndu,psc, BN	Nominated Director	Chairman
Mr. M. M. Mostafa Bilal	Independent Director	Member
Brig Gen Md Abdur Rahim, BGBM, G+	Nominated Director	Member

#### Roles and Responsibilities of Policyholders Protection committee:

- Putting in place proper procedures and effective mechanism to address complaints and grievances of policyholders including mis-selling by intermediaries.
- Ensuring compliance with the statutory requirements as laid down in the regulatory framework.
- Reviewing the mechanism at periodic intervals.
- Ensuring adequacy of "material information" to the policyholders to comply with the requirements laid down by the authority both at the point of sale and periodic intervals.

- Reviewing the status of complaints at periodic intervals.
- Details of grievance at periodic intervals in such formats as may be prescribed by the authority.
- Providing details of insurance ombudsman to the policyholders.
- Monitoring of payments of dues to the policyholders and disclosure of unclaimed amount thereof.
- Review of regulatory reports to be submitted to various authorities.
- To review the standard operating procedures for treating the customer fairly including timeframes for policy and claims servicing parameters and monitoring implementation thereof.
- To review the framework for awards given by Insurance Ombudsman/Consumer Forums. Analyze the root cause of customer complaints, identify market conduct issues and advise the management appropriately about rectifying systemic issues, if any.
- To review all the awards given by Insurance Ombudsman/ Consumer Forums remaining unimplemented for more than three (3) months with reasons therefore and report the same to the Board for initiating remedial action, where necessary.
- To review claim report including status of outstanding claims with ageing of outstanding claims.
- To review repudiated claims with analysis of reasons.
- Monitoring of the implementation of the approved proposals under IDRA's Sandbox Regulation.

#### (I) Independence of the Chairman of all Board Committee

All the Non-Executive Directors are nominated by SKS except for the Independent Directors. All the Directors bring forth independent judgment and considerable knowledge to perform their roles effectively. The Board of Directors ensures that the Company's activities are always conducted with adherence to stringent and the highest possible ethical standards and in the best interests of all stakeholders. The Chairmen of the Committees are selected by the Board. The Board considers that the Chairmen of the committees are independent. None of the directors of the Board, are involved in the day-to-day

operations of the Company, rather they provide their valuable insights and guidance to the management in the meeting of the Board and its committees.

**(m) Board Meeting on Strategy**

As a part of annual strategy planning process, the Board Strategy Meeting is held to deliberate on various subject matters related to strategic planning. This serves the purpose of providing a platform for the Board Members to bring their expertise to various strategic initiatives, while also providing an opportunity for them to understand detailed aspects of execution and challenges relating to the specific theme. The Board of Directors usually meet once in a year to discuss the above.

The Board of Directors are also updated periodically on the implementation of strategic initiatives and business plans. The Board Strategy Meeting was held on 31 December 2023, in Sena Kalyan Sangstha at SKS Tower (10th Floor) to review the business strategy of the Company including regulatory reforms and digital initiatives undertaken by the Company.

The Board Strategy Meeting is attended by the Management Committee Members and respective Senior Management Personnel of the Company. All the Directors of the Company were present in the Board Strategy Meeting.

**5. MANAGEMENT COMMITTEE AND ITS SUB-COMMITTEES**

To ensure that the Company’s vision and mission are adhered to, we have our Management Committee, depicted below, who are entrusted to set objectives and lead from the front. On the back of the Board’s exemplary guidance, the Management and its various sub-committees determines SKICL’s strategic objectives such as areas of business focus; policies, monitoring and process improvements.

**(a) Management Committee (MANCOM)**

**Members of the Management Committee are:**










Name & Designation	Management Committee (MANCOM)	Corporate Social Responsibility (CSR) Committee	Environmental, Social & Governance (ESG) Committee	Integrity & Ethics Committee	Reinsurance & Retrocession Committee	Asset Liability Management (ALM) Committee
<b>Brig Gen Shafique Shamim, psc (Retd.)</b> Managing Director & CEO	Chairman	Chairman				
<b>Col Md Abue Masud, PBGM (Retd)</b> Head of Corporate Affairs	Member	Member	Chairman	Chairman		
<b>Sqn Ldr Md. Mostafa Zaman (Retd)</b> Head of Admin	Member		Member			
<b>Mr. Pronab Kumar Saha</b> Head of Underwriting	Member					
<b>Mr. Maloy Kumar Saha</b> Chief Financial Officer	Member	Member			Member	Chairman
<b>Mr. Tajul Islam</b> Head of Claims & Re-Insurance	Member				Chairman	
<b>Mr. M. M. Sajedul Islam, FCS</b> Company Secretary	Member	Member	Member	Member		
<b>Mr. Md Shakhawat Hossain</b> Head of IT	Member					Member
<b>Ms. Khadiza Khanom Mili</b> Head of HR	Member			Member		
<b>Mr. Belal Hossain</b> DVP-Underwriting	Member				Member	Member
<b>Ms. Lasmin Akter</b> Head of Internal Audit & Compliance	Member					Member



**(b) Management Review And Responsibilities**

**Responsibilities /Activities of the Management Committee**

The Company has a multi-tier management structure, comprising at the apex followed by personnel/ executives at the top management, senior management, middle management and junior management positions to ensure the following activities:

 <p>Strategic supervision is provided by the Board;</p>	 <p>Control and implementation of Company's strategy is achieved effectively;</p>	 <p>Operational management remains focused on implementation;</p>
 <p>Information regarding the Company's operations and financial performance is made available to the stakeholders;</p>	 <p>Delegation of decision making with accountability is achieved;</p>	 <p>Financial and operating control and integrity are maintained at an optimal level;</p>
 <p>Risk is suitably evaluated and dealt with;</p>	 <p>Compliance with applicable acts and regulations is achieved;</p>	 <p>Corporate culture that recognizes and rewards adherence to ethical standards is developed.</p>

This multi-tier management structure, besides ensuring greater management accountability and credibility, also facilitates increased autonomy of businesses, performance discipline and development of business leaders, leading to enhance public confidence.

**Other Committees of SKICL**

As per the Corporate Governance Guidelines of IDRA, to achieve the objectives and requirements of the Company, the Company has constituted the following committees and the Board of Directors have clearly

defined the responsibilities of the committees.

- Asset Liability Management (ALM) Committee
- Reinsurance and Retrocession Committee
- Integrity and Ethics Committee
- ESG (Environmental, Social, and Governance) Committee
- Corporate Social Responsibility (CSR) Committee

## Asset Liability Management Committee (ALCO)



### Risks Managed

  
**Interest Rate Risk**

  
**Liquidity Risk**

  
**Credit Risk**


  
**Operational Risk**

  
**Regulatory Compliance**




### Achievement Highlights

- Implemented a robust asset allocation strategy that maximizes returns while aligning with the company's risk tolerance
- Successfully identified and mitigated potential risks through comprehensive stress testing and scenario analysis.
- Instituted effective liability management practices, aligning policyholder obligations with investment returns. This has not only strengthened our ability to meet future obligations but has also improved the overall efficiency of our liability structure
- Maintained a steadfast commitment to regulatory compliance, ensuring that the ALM practices align with industry standards and regulatory requirements. This has resulted in positive feedback from regulatory bodies and underscores our commitment to transparency and sound financial governance.



### Notable Activities of 2023

- Monitoring and managing interest rate risks to ensure that the company's assets and liabilities are appropriately matched.
- Adjusting the duration of the investment portfolio based on interest rate expectations
- Regularly evaluating the credit quality of the investment portfolio to ensure it aligns with the company's risk tolerance and investment policy.
- Analyzing the company's insurance liabilities and managing risks associated with changing policyholder behavior and market conditions.
- Ensuring effective communication with key stakeholders, including regulators, executives, and board members.
- Periodically reviewing and updating the investment policy to reflect changes in market conditions, regulations, and the company's risk appetite.



### Functions

- To evaluate various types of risks, including interest rate risk, credit risk, liquidity risk, and market risk.
- To quantify the impact of these risks on the company's financial position and solvency.
- To develop and review the company's ALM strategy, taking into account the company's financial goals, risk tolerance, and regulatory requirements.
- To establish policies and guidelines for managing assets and liabilities in line with the company's risk appetite and regulatory requirements.
- To analyze the company's liabilities, including insurance liabilities and other obligations.
- To develop strategies to manage and match the duration and cash flow characteristics of assets with liabilities.

## Reinsurance & Retrocession Committee



### Risks Managed



Risk  
Identification



Underwriting  
Standards



Contractual  
Terms and  
Conditions



Risk Monitoring  
and Reporting



### Achievement Highlights

- Successfully analyzed and optimized the reinsurance portfolio to enhance risk management strategies, resulting in improved financial stability and resilience against catastrophic events.
- Implemented innovative retrocession strategies to minimize costs while maintaining comprehensive coverage, leading to significant cost savings for the company.
- Implemented proactive claims management strategies in collaboration with reinsurers, resulting in streamlined claims processes, faster settlements, and an improved overall claims experience for policyholders.
- Established a proactive approach to market monitoring, staying abreast of emerging trends, and adjusting reinsurance and retrocession strategies accordingly to maintain a competitive edge in the industry.



### Notable Activities of 2023

- Develop and review reinsurance and retrocession policies and strategies aligned with the company's overall risk management objectives.
- Establish risk tolerance levels and guidelines for reinsurance placements.
- Evaluate the company's risk exposure and identify areas where reinsurance or retrocession may be necessary.
- Conduct thorough risk analysis for various lines of business and geographical regions.
- Review and negotiate reinsurance and retrocession contracts to ensure they align with the company's objectives and risk appetite.
- Evaluate contract terms, pricing, and coverage to optimize value.



### Functions

- To develop reinsurance and retrocession policies aligned with the company's risk appetite and business objectives.
- To formulate strategic plans for reinsurance and retrocession activities.
- To evaluate the company's risk exposure and identify areas where reinsurance and retrocession can be effective in mitigating risks.
- To analyze the current insurance portfolio to determine the adequacy of coverage and identify potential gaps.
- To market research and identify potential reinsurance and retrocession partners.
- To maintain strong relationships with reinsurers.

## Integrity & Ethics Committee



### Risks Managed



### Achievement Highlights

- Successfully developed and implemented a comprehensive code of conduct tailored to the insurance industry, outlining ethical standards and guidelines for employees, agents, and other stakeholders.
- Established a robust whistleblower protection program, ensuring confidentiality and protection for individuals reporting unethical practices, thereby encouraging a transparent and accountable work environment.
- Introduced a structured ethical decision-making framework to guide employees and stakeholders in navigating complex ethical dilemmas, promoting consistent and principled decision-making.
- Instituted a recognition and rewards program to acknowledge individuals and teams that demonstrated exemplary ethical behavior and compliance, reinforcing a positive ethical culture.



### Notable Activities of 2023

- Establish and maintain a confidential reporting mechanism for employees to report unethical behavior or concerns without fear of retaliation.
- Ensure the protection of whistleblowers and investigate reported concerns promptly.
- Organize workshops or seminars that focus on ethical decision-making processes, including case studies and real-world scenarios.
- Develop and enforce policies to manage and disclose potential conflicts of interest among employees.
- Conduct regular reviews to identify and address conflicts of interest within the organization.
- Hold regular meetings to discuss and address ethical issues within the organization.
- Keep members informed about industry trends and regulatory changes affecting ethics.
- Recognize and reward employees who consistently uphold the company's ethical standards.
- Link ethical behavior to performance evaluations and promotions.



### Functions

- To establish and maintain a confidential reporting mechanism for employees to report unethical behavior or concerns without fear of retaliation.
- To ensure the protection of whistleblowers and investigate reported concerns promptly.
- To organize workshops or seminars that focus on ethical decision-making processes, including case studies and real-world scenarios.
- To develop and enforce policies to manage and disclose potential conflicts of interest among employees.
- To conduct regular reviews to identify and address conflicts of interest within the organization.
- To hold regular meetings to discuss and address ethical issues within the organization.
- To keep members informed about industry trends and regulatory changes affecting ethics.
- To recognize and reward employees who consistently uphold the company's ethical standards.
- To link ethical behavior to performance evaluations and promotions.

## Environmental, Social & Governance (ESG) Committee



### Risks Managed



Risk  
Identification



ESG  
Integration



Scenario  
Analysis



Continuous  
Monitoring



### Achievement Highlights

- Launched and supported various community-focused initiatives, including volunteer programs, donations, and partnerships with local organizations, positively impacting the social fabric of the communities in which the company operates.
- Instituted inclusive hiring practices, diverse training programs, and mentorship initiatives to foster a workplace culture that values diversity and promotes equal opportunities for all employees.
- Implemented initiatives to engage employees in ESG efforts, foster a sense of responsibility and pride in contributing to the company's sustainability goals, and encourage innovative ideas from the workforce.



### Notable Activities of 2023

- Drafting, reviewing, and updating the company's ESG policies to ensure alignment with industry's best practices and evolving standards.
- Engaging in community outreach programs and philanthropic initiatives that contribute to environmental conservation, social development, and community well-being.
- Establishing partnerships with organizations, NGOs, or industry groups to share best practices, collaborate on sustainability initiatives, and collectively address industry's-wide challenges.
- Staying informed about evolving ESG regulations and ensuring the company's compliance with relevant standards and requirements.



### Functions

- To implement risk management strategies to mitigate ESG-related risks.
- To identify opportunities for the company to contribute positively to the communities it serves.
- To implement initiatives that address societal needs and promote social responsibility.
- To regularly review and update ESG policies and practices to reflect evolving industry standards and best practices.
- To seek opportunities for continuous improvement in the company's ESG performance.

## Corporate Social Responsibility (CSR) Committee



### Risks Managed



### Achievement Highlights

- Successfully executed community outreach programs, contributing to the improvement of local communities where the company operates.
- Established partnerships with non-profit organizations to address social issues such as education, healthcare, and poverty alleviation.
- Implemented diversity and inclusion programs to foster a workplace culture that values and embraces differences.
- Conducted training sessions and workshops to promote awareness and sensitivity towards diversity issues among employees.
- Established and enforced a comprehensive code of ethics, ensuring that the company conducts its business with integrity and transparency.
- Developed and implemented measures to prevent corruption, bribery, and unethical business conduct.
- Successfully integrated CSR considerations into the company's overall business strategy and decision-making processes.
- Demonstrated the positive impact of CSR initiatives on the company's reputation, customer loyalty, and long-term sustainability.



### Notable Activities of 2023

- Identify and support community projects and initiatives that align with the company's values and priorities.
- Develop and manage philanthropic programs, including donations, grants, and sponsorships, focusing on areas such as education, healthcare, and poverty alleviation.
- Develop and implement diversity and inclusion initiatives within the company.
- Support organizations and programs that promote diversity and equal opportunities.
- Integrate ethical considerations into the company's investment portfolio.
- Invest in projects and companies that align with social and environmental responsibility.
- Ensure that the company's business practices adhere to ethical standards and principles.
- Conduct regular audits to assess and improve ethical compliance.
- Develop and implement plans for managing corporate crises and communicating transparently with stakeholders during challenging times.



### Functions

- To develop a comprehensive CSR strategy aligned with the company's values, business objectives, and stakeholder expectations.
- To engage with internal and external stakeholders, including employees, customers, communities, and regulatory bodies, to understand their expectations and concerns regarding CSR.
- To identify and support community projects and initiatives that address social needs and contribute to sustainable development.
- To establish partnerships with non-profit organizations and community groups.
- Facilitate and encourage employee involvement in volunteer programs and community service.
- Recognize and reward employees for their CSR contributions.

## Performance Review

The Managing Director & CEO is responsible for setting financial targets as well as operational and management goals for the members of the ManCom. Both short-term and long-term goals form part of the performance management of all senior executives. Long-term goals are directly linked with the Company's vision. Short-term goals are generally directly linked to the objectives of the Company. The Managing Director & CEO and the Evaluation Committee conduct a detailed review of the performance of senior executives against these goals on an annual basis at the end of each year.

### (c) Appointment and Remuneration of the Senior Management/Officials

Employees at the rank of Deputy Vice President and above are considered senior management and all their appointments and benefits are approved by the Board.

## 6. TRANSPARENCY AND INTERNAL AUDIT FUNCTIONS

### (a) Establishment of Internal Audit Department in the Company

The Board takes responsibility for the oversight of SKICL's business and management, including risk management and putting up internal controls. The Directors state that the systems of internal control are sound and have been implemented and monitored effectively.

The system minimized operational risks through effective control, systemic review and on-going audit. There is an internal control and compliance department directly reporting to the Board Audit Committee, which looks after compliance with the organizational policies by different departments.

The internal auditors undertook a comprehensive audit of all functional areas and operations, their findings referred to the Audit Committee of the Board.

### (b) Written Role and Responsibility of the Head of Internal Audit

The Head of Internal Audit (HIA) is the key person who is responsible for ensuring the appropriate level of assurance in relation to the operation of internal controls, risk management and governance. Hence, appropriate governance arrangements would include the HIA having direct, unrestricted access to the accountable officer;

a service level agreement (or similar) in place; and a strong audit committee in operation. The duties and responsibilities will also include oversee the following functions:

1.	Financial reporting including disclosures
2.	Internal control
3.	Internal audit
4.	Compliance with relevant ethical requirements, in particular independence and objectivity
5.	The statutory audit or external audit
6.	Remedial actions

### (c) Statement of Directors' Responsibility to Establish Appropriate System on Internal Controls

The Company has taken proper steps and sufficient care in building a system of internal control, which is reviewed, evaluated and updated regularly. The internal audit department of the Company conducts periodic audit to provide reasonable assurance that the established policies and procedures of the Company were consistently followed. However, a Statement of Directors' responsibility to establish appropriate system on internal controls has been presented on page no. 199 of this report.

### (d) Review of the Adequacy of Internal Control System

SKICL has an adequate system of internal controls for business processes, with regard to operations, financial reporting, fraud control, compliance with applicable laws and regulations, etc. These internal controls and measures are developed as a part of the principles of good governance and are accordingly implemented within a framework of appropriate checks and balances.

Your Company ensures that a reasonably effective internal control framework operates throughout the organization, which provides assurance with regard to safeguarding the assets, reliability of financial and operational information, compliance with applicable statutes, execution of the transactions as per the authorization and compliance with the internal policies of the Company.

The internal audit adopts a risk-based audit approach and conducts regular audits of all the branches/offices of the Company and evaluates on a continuous basis, the adequacy and effectiveness of the internal control



mechanism, adherence to the policies and procedures of the Company as well as the regulatory and legal requirements. The internal audit department places its findings before the Audit Committee of the Board of Directors at regular intervals. The Audit Committee of the Board of Directors actively reviews the adequacy and effectiveness of internal control systems and suggests improvement for strengthening the control systems according to the changing business needs from time to time.

**(e) Report of the Internal Audit to the Audit Committee**

The internal auditors undertook a comprehensive audit of all functional areas and operations, their findings/reports referred to the Audit Committee of the Board for appropriate actions/review.

**7. TRANSPARENCY & DISCLOSURE COMPLIANCES**

**(a) Particulars of Purchase/ Sale of Goods/ Materials/ or Services by the Company for/ to Directors and/ or their Relatives etc.**

No such issues arose at SKICL during the year ended 31 December 2023.

**(b) Disclosure in the Annual Report about Related Party Transaction**

In the ordinary course of business, related party transactions take place with other entities that fall within the term related party as defined in IAS 24: Related Party Disclosure. A statement on the related party transactions has been disclosed under item no. 34 of the notes of the financial statements.

**(c) Disclosure regarding Compliance of International Financial Reporting Standard (IFRS)**

In accordance with the Bangladesh Securities & Exchange Commission's Corporate Governance Code- 2018, the management of Sena Kalyan Insurance Company Limited has followed the principles of IFRS consistently in preparation of the financial statements to that extent as applicable to the Company. Some requirements of Insurance Act 2010 and Insurance Rules 1958 and regulations contradict with those of financial instruments and general provision standards of IFRS. As such, the SKICL has departed from those contradictory requirements of IFRS in order to comply with the rules and regulations of IDRA.

**(d) Disclosure regarding Compliance of ICSB Secretarial Standards**

The Company has complied with the applicable Secretarial Standards adopted by the 'Institute of Chartered Secretaries of Bangladesh (ICSB)'.

**(e) Adverse Remarks in the Auditors' Report**

The audit report 2023 contained no adverse observations of the activities by the Statutory Auditors of the Company.

**(f) Certification of Annual Financial Statements by the CEO & CFO**

The Managing Director & CEO and Chief Financial Officer provide a certification on annual basis to the Board of Directors under Condition No.3 (3) (C) of the Corporate Governance Code- 2018 of BSEC. The CEO and CFO's declaration to the Board is appended on page no. 155.

**(g) Presentation of Financial Statements on the Website**

The Company's financial results and official news releases have been displayed on the Company's website and also on the websites of the Dhaka Stock Exchange and Chittagong Stock Exchange.

**(h) Information relating to Compliance Certificate**

Mahfel Huq & Co., Chartered Accountants have certified that the Company has complied with the conditions/guidelines of Corporate Governance as stipulated under BSEC's Corporate Governance Code- 2018 and IDRA's Corporate Governance Guideline-2023. The said certificate forms part of this Annual Report as an annexure to the Corporate Governance Report of the Board of Directors.

**(i) Disclosure made to the prospective foreign/ local investors**

SKICL made relevant mandatory disclosure in its financial statements and all price sensitive information under the regulatory framework, including compliance with the provisions of International Financial Reporting Standards (IFRS) as adopted in Bangladesh, besides that it submits all the reports/statements regularly, which are required to submit to the regulators as well as the other stakeholders of the Company and also displayed on the Company's website and on the websites of the Dhaka and Chittagong Stock Exchanges for the prospective foreign/ local investors.

**(j) Disclosure Pertaining to the Remuneration Package of Directors in the Annual Report**

The remuneration for the Non-executive, Independent Directors of the Company would be a sitting fee for attending each meeting of the Board/Committee as approved by the Board from time to time within the limits as provided under the Act and related rules.

Directors including independent directors are paid a fee of Tk. 7,000/- plus VAT & Tax only for attending board meetings and Tk. 4,000/- plus VAT & tax per committee meeting.

The details of attendance along with the amount of remuneration of Directors in the meeting of the Board and its committees have been presented in Annexure-II of the Directors' Report. The amount of remuneration paid to the Directors is also disclosed in Note No. 29.04 of the audited financial statements.

**8. SHAREHOLDERS INFORMATION & VALUE ENHANCEMENT**

**Pattern of shareholdings as on 31st December 2023 are given below:**

**On the basis of Shareholders types:**

Group Name	No. of shareholders	No. of Shares	Percent (%)
Sponsor	1	24,000,000	60.00
General Public	57,752	12,524,562	31.31
Financial Institutions & other Companies	283	3,475,438	8.69
Foreign	0	0	00.00
<b>Total:</b>	<b>58,036</b>	<b>40,000,000</b>	<b>100.00</b>

**(a) Number of Shareholdings (Parent/ Subsidiary/ Associated Companies and Other Related Parties)**

The shareholding position of each Sponsor of the Company has been presented in Annexure-iii on page no. 110 of this annual report.

**(b) Shares held by Directors/ Executives and Relatives of Directors/ Executives**

Shares held by the Directors/ Executives and relatives of Directors/ Executives of the Company have been shown in Annexure-iii on page no. 110 of this annual report.

**(c) Shares held by Ten Percent (10%) or more Voting Interests in the Company**

The shareholding position of ten percent (10%) or more voting interests in the Company has been shown in Annexure-iii on page no. 110 of this annual report.

**(d) Redressal of Investors Complaints**

SKICL has a formal complaint and recommendation management process that is open to all stakeholders including both investors and customers. A dedicated complaints cell are headed by a senior member of the management for dealing with complaints and recommendations. These can be dropped in the complaint box kept at all SKICL branches or sent to SKICL's email address: info@senakalyanicl.com.

Company Secretariat Department of SKICL is engaged to redress the complaints of the Shareholders and Investors' related to dividends and other share related matters.

The department also observes the monthly status of the number of shares in the dematerialized form. The policy of redressal of clients' complaint has been presented on the page no. 153 of this annual report.

**(e) Growth/ Net Worth of the Company during the last 5 years**

Key operating and financial data of last preceding 5 (five) years have been shown under the heading of Operational and Financial Highlights on page no. 74 of this annual report.

**(f) Cash/ Stock Dividend Paid for the last 5 years**

The Company started its journey in early 2013 and commenced to pay the dividend to its shareholders since 2015, thereafter the Company has been paying dividends regularly. The historical record of payment of dividend has been given on page no. 88 of this annual report as general disclosure to the stakeholders of the Company.

**(g) EPS of the Company for the last 5 years**

The Earnings per Share (EPS) for the year 2023 stood at Tk. 3.42 in place of Tk. 2.86 in the previous year.

The last preceding 5 (five) years EPS have been shown under the heading of Operational and Financial Highlights on page no. 74 of this annual report.

**(h) Periodic Reminders to Shareholding who have not encashed their dividend**

In case of unpaid/unclaimed dividend, we serve our shareholders from our share department throughout the year on the working days. We also try to communicate with them with the addresses available to send the dividend properly.

**(i) To view the level of Shareholders' Satisfaction and Confidence toward the Company**

Market value added statement gives a picture of the Company's performance evaluated by the capital market investors through the share price of the Company. This statement depicts the difference between the market value of a company and the capital contributed by the investors.

The level of Shareholders satisfaction and confidence toward the Company has been shown under the heading of Market value added (MVA) statement which has been included on page no. 86 of this annual report.

**(j) Means of Communication with the Shareholders**

As the owners of SKICL, our shareholders are one of our main Stakeholders. In order to accommodate shareholders information, we regularly communicate with them across various channels – Stock Exchanges, face-to-face meetings, Website, Print Media etc.

**9. STAKEHOLDERS' VALUE ENHANCEMENT**

Identification of stakeholders is the key to understanding the expectations from the Company and as such helps pave the pathway towards delivering value and fulfilling those expectations. While shareholders, customers, developers, depositors, suppliers, employees and the government are the prime stakeholders; the regulators, local community, and the environmentally interested groups complete the stakeholder circle of SKICL.

**(a) Policy to Encourage Employee's Participation in Management**

Employees are considered SKICL's most valuable asset and key to SKICL's continued success. Employees are deemed key stakeholders as they drive SKICL's business forward. They want to grow with the company and build their career as the company progresses.

The employees (officers/ executives/ management personnel) are the main participant in the management

decision and they are guided by the principle of individual opportunity, responsibility and reward based on merit.

**(b) Payment to Vendors on Time**

SKICL pays its vendors on time and the procurement policy is to maintain a good business relationship with all its service providers and material suppliers.

**(c) Payment of Taxes to the Govt. / Authorities on time**

As a responsible corporate body, SKICL continues to remain transparent in adherence with the local direct and indirect tax requirements and has contributed BDT 45.70 million to the national exchequer as Value Added Tax (VAT), Supplementary Duty (SD) & Income Tax. Also, SKICL maintains timely submission of VAT return, withholding tax return, income tax return & related all others required return in due time.

The Company's contribution to the national exchequer has been given on page no. 88 of this annual report.

**(d) Dispute/ Default in Respect of Payment of Govt. Taxes**

As a Bangladesh Armed Forces Company, there were no Dispute/ Default in Respect of Payment of Govt. Taxes issues in Sena Kalyan Insurance Company Limited.

**(e) Policy of Supply Chain Management**

The Management of SKICL rigorously follows up its internal procurement policy and upgrades the policy regularly to ensure strong control and fair treatment of suppliers. Details has been given on page no. 65 of this annual report.

**(f) Timely Reporting with Adequate Disclosures**

The Management of SKICL is very sincere about timely regulatory reporting. It has a central reporting cell to ensure sending of various reports to Insurance Development & Regulatory Authority, Bangladesh Securities and Exchange Commission, Stock Exchanges, NBR and other regulatory authorities.

The Company disseminates all the Price Sensitive Information (PSI) along with quarterly and annual Financial Statements very promptly with adequate disclosures to protect the minority interest and to remain one of the country's best-complied companies.

## 10. CORPORATE SOCIAL RESPONSIBILITY (CSR)

### (a) Policy of CSR

Sena Kalyan Insurance Company is a concern of Sena Kalyan Sangstha. The Company is building an image in the insurance sector of Bangladesh. Although the youngest Company, the Company continues to expand its CSR / welfare activities throughout the year and continuously follows its CSR policy. The depth of the Company's dedication to the service of humanity is far-reaching and unbelievable, but the ultimate truth.

To confirm Transparency and accountability, this Company of the present generation is completely unrivaled and irresistible. This Company is always ready and determined to win the hearts of people to provide insurance services. The report of Corporate Social Responsibility has been given on page no. 211 of this annual report.

### (b) Particulars of the Forestation and Plantation of Trees

At SKICL, we have been relentlessly promoting green insurance for such businesses. As a prudent, forward-looking practice, we take up only those projects that are environmentally-compliant and sustainable. We are also pursuing paper-less operations, even as we firmly believe that saving on and optimizing the use of resources are a key towards achieving a sustainable environment, both internally and externally. That's why, we promote the use of emails, meetings through video conferencing and the intranet for internal communication.



### (c) Policy to Prevent Employment of Child Labour in Company's Plants

The Company always prevented from appointing child employees. There is no scope for the employment of child labor as per service rules of the Company.

### (d) Whether Employees and their Immediate Family Members take part in the Community Welfare Initiative of the Company

At SKICL, we earnestly believe that it's the responsibility of the privileged to help the deprived community of the society in order to help them get a better life. We believe that our people are our core assets. In this context, we reinforce our human resource capacities and capabilities in ensuring a motivated and loyal workforce, while also simultaneously providing them with dependable career progression benefits. For our other key stakeholders, we maintain an ongoing dialogue with them, informing them of key developments, while also disseminating information on material developments.

### (e) Scheme Maintain under CSR Programs

Sena Kalyan Insurance has always been a very supportive organization towards the deprived and struggling community of the society. At SKICL, we earnestly believe that it's the responsibility of the privileged to help the deprived community of the society in order to help them getting a better life. As Corporate Social Responsibility (CSR) activities, SKICL has been introduced like PROYASH Schools for Autistic children of Retired Armed Forces Personnel, Cancer Centre at CMH Dhaka and other institutions related to defense services are providing financial support from CSR fund. Besides, all types of humanitarian helps are also given from CSR fund through SKS.

## 11. CORPORATE OBJECTIVES, GOVERNANCE INITIATIVES/ RECOGNITIONS

### (a) Vision and Mission Statement of the Company in the Annual Report

The Vision and Mission statement of the Company has been given on page no. 18 of this annual report.

### (b) Overall Strategic Objectives

The strategic objectives of the Company have been given on page no. 19 of this annual report.

### (c) Core Values and Code of Conduct/ Ethical Principles

The core values and code of conduct/ ethical principles of the Company have been given on page nos. 18 & 21 of this annual report.

**(d) Directors’ Profiles and their Representation on the Board of other Companies & Organization**

The brief resume of the Directors have been included on page nos. 41 to 50 of this Annual Report and as well as their representation on Board of other Companies & organization has also been given in the page no. 51 of the report.

**(e) Award**

Since its inception in 2013, Sena Kalyan Insurance Company Limited has been leading the winds of change in the insurance industry of Bangladesh in terms of service standard, innovative products and legislative restructuring. Being the pioneer has enabled SKICL to achieve many milestones, many of which are first of its kind in the insurance industry of Bangladesh. For the good corporate governance practices in the Company, it has been receiving various awards from the beginning.

Sena Kalyan Insurance Company Limited has been awarded the prestigious ICAB 23rd National Award for the Best Presented Annual Reports-2022 under the Insurance (General) category. The Institute of Chartered Accountants of Bangladesh (ICAB) has organized the award ceremony.

Sena Kalyan Insurance Company Limited has been awarded the prestigious 13th ICMAB Best Corporate Award-2022 for the best performance of the organization under the General Insurance category. The Institute of Cost and Management Accountants of Bangladesh (ICMAB) has organized the award ceremony.

Sena Kalyan Insurance Company Limited (SKICL) has won the prestigious “9th ICSB National Award for Corporate Governance Excellence, 2021” under the General Insurance Category, for its outstanding corporate governance practices as well as transparency and accountability in overall management. The Institute of Chartered Secretaries of Bangladesh (ICSB) has organized the award ceremony.

**12. TIMELINESS IN ISSUING FINANCIAL STATEMENTS AND HOLDING AGMs**

SKICL conducts an Annual General Meeting once in a year as per IDRA & BSEC guidelines and time allowed under Companies Act-1994. The Company ensures effective interaction with the members at the Annual General Meeting. The Directors pay special attention in answering

the various queries raised by the members at the Annual General Meeting.

As required under “Bangladesh Secretarial Standard-2” issued by ICSB, particulars of last three Annual General Meetings are disclosed hereunder:

**10<sup>th</sup> Annual General Meeting:**

<b>Date &amp; Time:</b>	09 May 2023 at 11:00 AM.
<b>Venue:</b>	The AGM was held on virtually by using digital platform.
<b>Participants:</b>	79 Shareholders which represent 2,41,88,892 shares being 60.47% of paid-up shares of the Company.

**Resolutions were passed by the shareholders on the following:**

**a) Ordinary Resolutions:**

- i. Consideration and adoption of Directors’ Report, Audited Financial Statements for the year ended December 31, 2022 and the Auditors’ Report thereon;
- ii. Dividend @ 12% cash;
- iii. Appointment/re-appointment of Directors;
- iv. Appointment of FAMES & R, Chartered Accountants as statutory auditors and appointment of Mahfel Huq & Co., Chartered Accountants as a professional to provide the certificate on compliance on the BSEC’s Corporate Governance Code- 2018.

**b) Special Resolution:**

- i. Approved the asset purchase transactions between Sena Kalyan Insurance Company Limited and Sena Kalyan Sangstha.

**9<sup>th</sup> Annual General Meeting:**

<b>Date &amp; Time:</b>	June 20, 2022 at 11:00 AM.
<b>Venue:</b>	The AGM was held on virtually by using digital platform.
<b>Participants:</b>	114 Shareholders which represent 24,010,091 shares being 60.03% of paid-up shares of the Company.

**Resolutions were passed by the shareholders on the following:**

**a) Ordinary Resolutions:**

- i. Consideration and adoption of Directors’ Report, Audited Financial Statements for the year ended December 31, 2021 and the Auditors’ Report thereon;
- ii. Dividend @ 12% cash;
- iii. Appointment/re-appointment of Directors;
- iv. Re-Appointment of Mahfel Huq & Co., Chartered Accountants as statutory auditors and appointment of ARTISAN, Chartered Accountants as a professional to provide the certificate on compliance on the BSEC’s Corporate Governance Code- 2018.

**b) Special Resolution:**

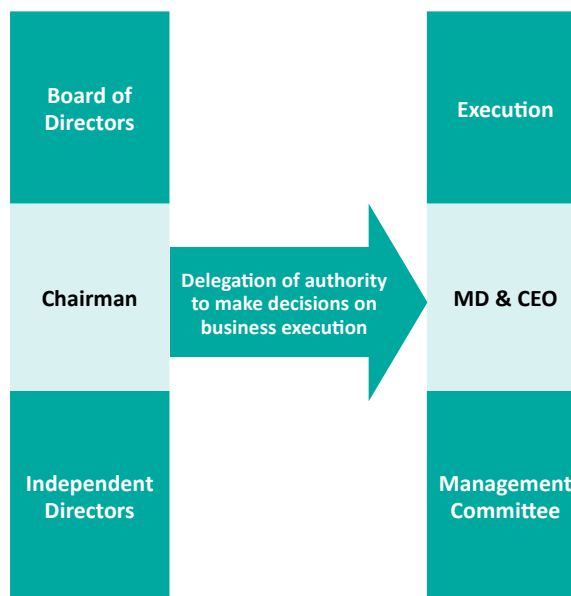
- i. To amend Article no. 89 of the Articles of Association of the Company.

**8<sup>th</sup> Annual General Meeting:**

<b>Date &amp; Time:</b>	June 24, 2021 at 11:00 AM.
<b>Venue:</b>	SKS Tower (12 <sup>th</sup> Floor), Dhaka-1206.
<b>Participants:</b>	7 Nominated Directors of SKS which represent 24,000,000 shares being 100% of paid-up shares of the Company.

**Resolutions were passed by the shareholders on the following:**

- i). Consideration and adoption of Directors’ Report, Audited Financial Statements for the year ended December 31, 2020 and the Auditors’ Report thereon;
- ii). Dividend @ 10% cash;
- iii). Re-Appointment of Mahfel Huq & Co., Chartered Accountants as statutory auditors and re-appointment of Ahmed Zaker & Co., Chartered Accountants as a professional to provide the certificate on compliance on the BSEC’s Corporate Governance Code- 2018.



**13. DELEGATION OF AUTHORITY**

This separation of duties strengthens the oversight functions of the Board of Directors and delegation of authority regarding business execution to the Managing Director & CEO’s with the aim to accelerate the SKICL’s decision-making process.

**14. AUDITORS CERTIFICATE ON CORPORATE GOVERNANCE**

As a listed Company, SKICL must comply with the IDRA’s Corporate Governance Guidelines and BSEC’s Corporate Governance Code (CGC), which requires the Company to provide a statement in the Annual Report disclosing the extent to which it has complied with these Guidelines/ Codes. The status of compliance shall be certified by a practicing Professional Accountant/Secretary. The tables summarizing SKICL’s compliances are provided in Annexure-C of this report. Mahfel Huq & Co., Chartered Accountants have certified that the Company complied with the guidelines/conditions of Corporate Governance as stipulated under the Corporate Governance Guidelines/ Codes of IDRA & BSEC, which have been annexed on page nos. 156 & 169 of this report.

**15. RISK MANAGEMENT**

As Sena Kalyan Insurance continues to invest in new ways to gain a better understanding of the dynamic and constantly changing risk environment, it remains at the forefront of risk and resilience, enhancing risk mitigation



strategies for businesses, governments and the civil society as well as informing the public policy agenda at large. A detailed report on risk management framework has been described on page no. 195 and notes 2.40 of the Financial Statements on page no. 246 of this report.

## 16. GOING CONCERN

The accompanying financial statements have been prepared on a going concern basis, which contemplates the realization of assets and the satisfaction of liabilities in the normal course of business without significant fluctuation in value. The accompanying financial statements do not include any adjustments, which indicate that Sena Kalyan Insurance Company Limited is unable to continue as a going concern.

## 17. DIVIDEND DISTRIBUTION POLICY

SKICL is devoted to driving superior value creation for all its stakeholders through an appropriate capital strategy, the focus will continue to be on sustainable returns for long-term value creation ensuring the immediate, as well as long-term needs of the business.

Accordingly, we have formulated a dividend distribution policy in line with the Directive of Bangladesh Securities and Exchange Commission's (BSEC) No. BSEC/CMRRC/2021-386/03, dated on 14 January 2021. This policy seeks to lay down a broad framework for the distribution of dividend by the Company to its shareholders.

The detail dividend distribution policy of the Company has been disclosed on page no. 200 of this annual report and available in the Company's website, link of which is: <https://www.senakalyanicl.com/wp-content/uploads/2022/04/Dividend-Distribution-Policy-of-SKICL.pdf>.



The Managing Director & CEO of Sena Kalyan Insurance Company Limited handed over the Sponsor's dividend cheque to the Respected Chairman of the Board of the Company.

## 18. SUMMARY OF UNPAID OR UNCLAIMED DIVIDEND

Unclaimed dividends are kept in a separate bank account and disbursed to the shareholder upon a legitimate claim. Now additionally in pursuant to the directive on "Dividend Distribution and management of Unpaid and Unclaimed Dividend" of Bangladesh Securities and Exchange Commission's, notification no. BSEC/CMRRC/2021-386/03, dated 14 January 2021, SKICL will continue to maintain a Separate Bank Account to keep an unclaimed dividend for a period of 3 (three) years from the date of approval in AGM. After elapse of the aforementioned period, if any Dividend remains unclaimed will be transferred to Capital Market Stabilization Fund (CMSF) established by Bangladesh Securities Exchange Commission. Later on, in case of any claim, SKICL will verify and arrange to collect the unclaimed dividend and handover to the respective shareholders.

Since SKICL was listed on the stock exchanges in 2021, we will transfer unclaimed dividends including the undistributed IPO shares of the Company beyond 3 (three) years to CMS Fund in due course.

Summary of unclaimed dividends and undistributed IPO shares of the Company are given hereunder (As of December 2023):

Period	Undistributed IPO Shares		Unclaimed Cash Dividends		
	Group Name	No. of Shareholders	No. of Shares	No. of Shareholders	Amounts in Taka
Up to 1 year (for the year 2021)		3	58	15,549	6,33,709.02
Up to 2 years (for the year 2022)		-	-	8,356	461,826.60
<b>Total</b>		<b>3</b>	<b>58</b>	<b>23,905</b>	<b>1,095,535.62*</b>

\*Excluding bank charges

We always try our level best to complete the dividend distribution process within the time schedule. At first, we distribute all the dividends through BEFTN and within 3 to 4 working days, we receive the returned BEFTN report from the respective Bank. Then, we sort out the data and issue dividend warrants and request the shareholders through DSE & CSE to collect the physical



dividend warrants within a specified time. Thereafter, for those who fail to collect their dividend physically, we send the warrants to their respective addresses through courier. But finally, some of the warrants return as the shareholders do not correctly mention their addresses in the BO set up. As a result, last year a portion of dividends remain undistributed. We have also failed to distribute the IPO's shares against 3 shareholders due to close BO accounts.

## 19. ANTI-MONEY LAUNDERING COMPLIANCE

In order to ensure the proper execution of Anti Money Laundering compliance, we have a Central Compliance Unit (CCU) and nominated officers in each Branch for analysis and control purpose. Central Compliance Unit (CCU) works directly under the Chief Executing Officer (CEO) of the Organization. CCU issues the instructions to be followed by the Head Office and the Branches. These instructions are prepared combining the issues related to monitoring of transactions, internal control, self-assessment report, policies and procedures from the point of preventing money laundering and terrorist financing. As per the instructions of Bangladesh Financial Intelligence Unit (BFIU), the Central Compliance Unit (CCU) of SKICL is comprised of the following Personnel:

- Maloy Kumar Saha—Chief Anti Money Laundering Compliance Officer (CAMLCO) and Chief of CCU.
- Pronab Kumar Saha—Member of CCU & Head of Underwriting Department.
- Tajul Islam—Member of CCU & Head of Claim & Re-Insurance Department.
- Md Shakhawat Hossain—Member of CCU & Head of IT Department.

Mr. Maloy Kumar Saha, CFO has been appointed as a Chief Anti Money Laundering Compliance Officer (CAMLCO) in our company. Similarly the senior underwriting officers of the branches have been appointed as a Branch Anti Money Laundering Compliance Officer (BAMLCO). CCU addresses the prevention of money laundering & terrorist financing activities under the Money Laundering Prevention Act-2012 and the Anti Terrorism Act-2013 (Amended). This includes an AML/CFT risk assessment and practices, procedures and controls for establishing business relationship, KYC procedures and ongoing transaction monitoring for detecting suspicious transactions/policy activity, regularly monitors and ensures reporting to BFIU. Each BAMLCO has to prepare Self Assessment Report annually on the basis of BFIU's Master Circular 27 section 7.1 and as per section 1.4 has to organize semiannual

meeting and training for all the employees on AML and CFT. CCU has to analyze all the Self Assessment Report and provide the recommendations to the Managing Director and the Board of Directors of SKICL.

## 20. CORPORATE POLICIES

The Company has formulated and implemented the following policies supporting good governance under the requirements of IDRA and other regulatory bodies:

### (a) Particulars of Whistle Blowing Policy

The Company is committed to high standards of conduct for its employees. The Company has in place Whistle Blowing Policy ("the Policy") to encourage employees to report matters without the risk of subsequent victimization, discrimination or disadvantage. The Policy provide a formal mechanism to its employees for communicating instances of breach of any statute, actual or suspected fraud on the accounting policies and procedures adopted for any area or item, acts resulting in financial loss or loss of reputation, leakage of information in the nature of Unpublished Price Sensitive Information (UPS), misuse of office, suspected/actual fraud and criminal offences. Such complaints are investigated and addressed through a formalized procedure.

The Policy provides for a mechanism to report such concerns to the Chairperson of the Executive Committee of the Company or to the Chief of Whistle Blowing committee of the Company through specified channels.

The Executive Committee of the Board on a quarterly basis reviews the Policy and cases reported thereunder. The Policy complies with the requirements of IDRA and others regulatory bodies.

**During the year under review, no employee of the Company had to take a grievance to the Executive Committee. All complaints were duly investigated and disposed of by the Chief Whistle Blowing Committee.**

The Policy is periodically communicated to the employees through email communications. The Policy is also hosted on the website of the Company and can be viewed at <https://www.senakalyanicl.com/wp-content/uploads/2024/01/Whistle-Blowing-Policy-of-SKICL.pdf>

### (b) Employees Code of Conduct

The Company is committed to conduct its business with highest standards of compliance and ethical conduct. The Company has in place the Employees Code of Conduct

("the Code") to summarize the standards of business conduct that must guide the actions of the employees at all times. The Code aims that all employees of the Company observe highest standard of integrity, honesty, fairness, discipline, decorum and ethical conduct while working for the Company as well as while representing the Company.

For the best practices of corporate governance in the

Company and to comply with the Corporate Governance Guidelines of IDRA, the Board has prescribed a Code of Conduct for the employees of the Company.

The complete Code of Conducts for the employees are available in the Company's website, link of which is: <https://www.senakalyanicl.com/wp-content/uploads/2024/01/SKICL-Code-of-Conduct.pdf>

**(c) Policy of Redressal**

Insurance being a service industry, clients' satisfaction is one of the foremost importance issue in maintaining existing client base and for new business thereby to achieve satisfactory business growth in the long run. Sena Kalyan Insurance Company Limited (SKICL) always attends to its clients complaints whether related to its services or claim statement.

At SKICL, the Company encourages its clients to come forward with any complaint they may have and the top management is completely accessible to all of them. Complaints can be lodged with the management in writing, over telephone, by e-mail. During regular meetings with its clients of various types, the management actively solicits the clients' views on the Company's services, shortcomings, if any, and their suggestions. Clients views and complaints are discussed at the management committee meeting held at Head Office and also with concerned Branch Managers.

**Process of Redressal of SKICL**

Shareholder's Perspective	Customers' Perspective	Employees' Perspective
<p><b>SKICL redressal system covers the following issues:</b></p> <ul style="list-style-type: none"> <li>(i) Receiving the complaints about non-receipt of dividend warrant, dividend intimation letter, cash dividend; transfer of shares from suspense account to the shareholders BO account; clarification of any price-sensitive information over telephone;</li> <li>(ii) Grievance for not receiving of Annual Report, queries about and clarification on recent or upcoming price-sensitive information over telephone, etc.</li> <li>(iii) Any investors may lodge their complaint related to their investment in the Company through formal letter, our official e-mail ID i.e. share@senakalyanicl.com or phone call to the Company Secretary and/ or Share Department. We focus in addressing those complaints within the shortest possible time.</li> </ul>	<p>Customers are one of the key stakeholders of our organization. We are very much conscious about customers' demand and always ready to serve them our best as per our Customers Service Policy. We also address up our customers' queries and complaints through our corresponding department.</p> <p>All the complaints are centrally handled by the Secretary Department.</p> <p>In 2023, we received 04 complaints from customers of various branches and all the problems were solved successfully through proper investigation and remedial action. Those problems were solved within same day.</p>	<p>Employees are the main resource of the Company. We are committed to provide comfortable work environment to our employees for enriching their productivity. To resolve undesirable issues in the workplace and create a conducive and gender sensitive working environment. We have separate Grievance Handling Policy and Anti- Harassment Policy. Our Human Resources Department takes necessary measures to redress if any adverse situation arises.</p> <p>In 2023, we didn't receive any significant complain related to our employees.</p>

### Internal Committee for redressal of complaints

The Company has constituted a Committee for redressal and timely management of any harassment complaints. The Internal Committee has a minimum 50% women representatives. The Internal Committee has a senior woman leader as the presiding officer of the Committee.

#### (c) Other Policies:

The Company has formulated and implemented the following policies supporting good governance under the requirements of IDRA and other regulatory bodies:

 Asset and Liability Management Policies	 Underwriting Policy, Reinsurance Policy	 Insurance Claims Payment Related Policy	 Corporate Social Responsibility (CSR) Policy
 Integrity Strategy, Gender Equality Policy	 Human Resource Management Policy	 Policy on Induction of Directors and Professional Development	 Board's Performance Evaluation Policy
 Selection of New Directors and Board Membership Criteria/ Policy	 Risk Management Policy	 Accounting Policies	 Anti-Corruption Policy
 Anti-Discrimination Policy	 Information Technology Policy.		

The Company continues to focus on building trust with shareholders, regulators, policyholders, employees, customers, suppliers, statutory authorities and other stakeholders based on the principles of good corporate governance viz. integrity, environment, equity, transparency, fairness, sound disclosure practices, accountability and commitment to values.

**Annexure-A**

**[As per condition No. 1(5) (xxvi) of BSEC's CG Code]  
Sena Kalyan Insurance Company Limited  
Declaration by CEO and CFO**

Date: 07 February 2024

The Board of Directors  
Sena Kalyan Insurance Company Ltd.  
SKS Tower (12<sup>th</sup> Floor)  
7 VIP Road, Mohakhali, Dhaka-1206

**Subject: Declaration on Financial Statements for the year ended on 31<sup>st</sup> December, 2023.**

Dear Sir(s),

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

- (1) The Financial Statements of Sena Kalyan Insurance Company Ltd. for the year ended on 31st December, 2023 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, 2023 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.

Sincerely yours,



**Brig Gen Md Shafique Shamim, psc (Retd)**  
Managing Director & CEO



**Maloy Kumar Saha**  
Chief Financial Officer



**Mahfel Huq & Co.**  
Chartered Accountants  
The first registered accounting firm in independent Bangladesh



An independent member firm of AGN International

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### Annexure-B

[Certificate as per condition No. 1(5)(xxvii)]

**REPORT TO THE SHAREHOLDERS  
OF  
SENA KALYAN INSURANCE COMPANY LIMITED  
ON COMPLIANCE ON THE CORPORATE GOVERNANCE CODE**

We have examined the compliance status to the Corporate Governance Code of **SENA KALYAN INSURANCE COMPANY LTD.** for the year ended on 31<sup>st</sup> December 2023. This Code relates to the Notification No. BSEC/CMRRCD/2006-158/207/Admin/80 dated 3rd 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.

Dhaka, 11 February, 2024

**Howlader Mahfel Huq, FCA**  
For and on behalf of **Mahfel Huq & Co.**  
Chartered Accountants

### Annexure-C

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

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

#### (Report under Condition No. 9)

Condition No.	Title	Compliance Status (Put ✓ 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 the company's Board of Directors shall not be less than 5 (five) and more than 20 (twenty)	✓		Board comprises 9 Members including 2 Independent Directors
<b>1(2)</b>	<b>Independent Directors:</b>			
1(2) (a)	At least 2 (two) or one fifth (1/5) of the total number of Directors in the Company's Board, whichever is higher, shall be Independent Directors;	✓		2 (two) Independent Directors namely: (1). Mr. M.M. Mostafa Bilal and (2). Mr. Kazi Ahmad Pervez
<b>1(2)(b)</b>	<b>Independent Director means a Director:</b>			
1(2)(b)(i)	Who either does not hold share in the company or holds less than one (1%) shares of the total paid-up shares of the company;	✓		Followed
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 members also shall not hold above mentioned shares in the company;	✓		Followed
1(2)(b)(iii)	who has not been an executive of the company in immediately preceding 2 (two) financial years;	✓		Followed
1(2)(b)(iv)	who does not have any other relationship, whether pecuniary or otherwise, with the company or its subsidiary or associated companies;	✓		Followed
1(2)(b)(v)	who is not a member or TREC (Trading Right Entitlement Certificate) holder, director or officer of any stock exchange;	✓		Followed
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;	✓		Followed
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;	✓		Followed
1(2)(b)(viii)	who is not independent director in more than 5 (five) listed companies;	✓		Followed
1(2)(b)(ix)	who has not been reported as a defaulter in the latest Credit Information Bureau (CIB) report of Bangladesh Bank for nonpayment of any loan or advance or obligation to a bank or a financial institution; and"	✓		Followed

Condition No.	Title	Compliance Status (Put ✓ in the appropriate column)		Remarks (if any)
		Complied	Not Complied	
1(2)(b)(x)	Who has not been convicted for a criminal offence involving moral turpitude;	✓		Followed
1(2)(c)	The independent director(s) shall be appointed by the Board and approved by the shareholders in the Annual General Meeting (AGM):  Provided that the Board shall appoint the independent director, subject to prior consent of the Commission, after due consideration of recommendation of the Nomination and Remuneration Committee (NRC) of the company;	✓		Mr. M.M Mostafa Bilal has been reappointed and Mr. Kazi Ahmad Pervez has been appointed by the Board and will be approved by the shareholders in the next Annual General Meeting (AGM).
1(2)(d)	The post of independent director(s) cannot remain vacant for more than 90 (ninety) days; and	✓		Followed
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.	✓		Followed
<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, regulatory requirements and corporate laws and can make meaningful contribution to the business;	✓		Followed
<b>1(3)(b)</b>	<b>Independent director shall have following qualifications:</b>			
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 registered business association; or			N/A
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	✓		Mr. M.M. Mostafa Bilal is a Managing Director (CC) of UAE-Bangladesh Investment Company Limited.
1(3)(b)(iii)	Former or existing official of government or statutory or autonomous or regulatory body in the position not below 5th Grade of the national pay scale, who has at least educational background of bachelor degree in economics or commerce or business or Law:  Provided that in case of appointment of existing official as independent director, it requires clearance from the organization where he or she is in service; or”			N/A
1(3)(b)(iv)	University Teacher who has educational background in Economics or Commerce or Business Studies or Law; or			Mr. Kazi Ahmad Pervez has been working as a University Teacher for the last 24 years.
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;	✓		N/A



Condition No.	Title	Compliance Status (Put ✓ in the appropriate column)		Remarks (if any)
		Complied	Not Complied	
1(3)(c)	The independent director shall have at least 10 (ten) years of experiences in any field mentioned in clause (b);	✓		Mr. M. M. Mostafa Bilal has 17 years of working experience mainly in Banking and Finance Sector and Mr. Kazi Ahmad Pervez has 24 years of working experience as a University Teacher.
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 Chairperson of the Board of Directors and Managing Director or Chief Executive Officer:</b>			
1(4)(a)	The positions of the Chairperson of the Board and the Managing Director (MD) and/or Chief Executive Officer (CEO) of the company shall be filled by different individuals;	✓		Followed
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;	✓		Followed
1(4)(c)	The Chairperson of the Board shall be elected from among the non-executive directors of the company;	✓		Followed
1(4)(d)	The Board shall clearly define respective roles and responsibilities of the Chairperson and the Managing Director and/or Chief Executive Officer;	✓		Followed
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.			N/A
<b>1(5)</b>	<b>The Directors' Report to Shareholders:</b>			
1(5)(i)	An industry outlook and possible future developments in the industry;	✓		Followed
1(5)(ii)	The segment-wise or product-wise performance;	✓		Followed
1(5)(iii)	Risks and concerns including internal and external risk factors, threat to sustainability and negative impact on environment, if any;	✓		Followed
1(5)(iv)	A discussion on Cost of Goods sold, Gross Profit Margin and Net Profit Margin, where applicable;	✓		Followed
1(5)(v)	A discussion on continuity of any extraordinary activities and their implications (gain or loss);	✓		Followed
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;	✓		Followed
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

Condition No.	Title	Compliance Status (Put ✓ in the appropriate column)		Remarks (if any)
		Complied	Not Complied	
1(5)(x)	A statement of remuneration paid to the directors including independent directors;	✓		Followed
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;	✓		Followed
1(5)(xii)	A statement that proper books of account of the issuer company have been maintained;	✓		Followed
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;	✓		Followed
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;	✓		Followed
1(5)(xv)	A statement that the system of internal control is sound in design and has been effectively implemented and monitored;	✓		Followed
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;	✓		Followed
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;	✓		Followed
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;			N/A
1(5)(xix)	A statement where key operating and financial data of at least preceding 5 (five) years shall be summarized;	✓		Followed
1(5)(xx)	An explanation on the reasons, if the issuer company has not declared dividend (cash or stock) for the year;			N/A
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;	✓		Followed
1(5)(xxii)	The total number of Board meetings held during the year and attendance by each director;	✓		Followed
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 :-	✓		Annex # iii, page no. 110
1(5)(xxiii)(a)	Parent or Subsidiary or Associated Companies and other related parties (name-wise details);			N/A
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);	✓		page no. 110
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);	✓		

Condition No.	Title	Compliance Status (Put ✓ in the appropriate column)		Remarks (if any)
		Complied	Not Complied	
<b>1(5)(xxiv)</b>	<b>In case of the appointment or reappointment of a director, a disclosure on the following information to the shareholders:-</b>			
1(5)(xxiv)(a)	A brief resume of the director;	✓		Followed
1(5)(xxiv)(b)	Nature of his or her expertise in specific functional areas; and	✓		Followed
1(5)(xxiv)(c)	Names of companies in which the person also holds the directorship and the membership of committees of the Board;*	✓		N/A
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 :-	✓		Page no. 111
1(5)(xxv)(a)	Accounting policies and estimation for preparation of financial statements;	✓		Followed
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;			N/A
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;	✓		Followed
1(5)(xxv)(d)	Compare such financial performance or results and financial position as well as cash flows with the peer industry scenario;	✓		Followed
1(5)(xxv)(e)	Briefly explain the financial and economic scenario of the country and the globe;	✓		Followed
1(5)(xxv)(f)	Risks and concerns issues related to the financial statements, explaining such risk and concerns mitigation plan of the company; and	✓		Followed
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;	✓		Followed
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;	✓		Page no.155
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;	✓		Page no. 156,157
1(5)(xxviii)	The Directors' report to the shareholders does not require to include the business strategy or technical specification related to products or services, which have business confidentiality.	✓		Followed
<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.	✓		Followed

Condition No.	Title	Compliance Status (Put ✓ in the appropriate column)		Remarks (if any)
		Complied	Not Complied	
<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;	✓		Followed
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.	✓		Followed
<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
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
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
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
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
<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 (CS):</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);	✓		Followed
3(1)(b)	The positions 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 filled by different individuals;	✓		Followed
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; Provided that CFO or CS of any listed company may be appointed for the same position in any other listed or non-listed company under the same group for reduction of cost or for technical expertise, with prior approval of the Commission:  Provided further that the remuneration and perquisites of the said CFO or CS shall be shared by appointing companies proportionately;	✓		Followed
3(1)(d)	The Board shall clearly define respective roles, responsibilities and duties of the CFO, the HIAC and the CS;	✓		Followed

Condition No.	Title	Compliance Status (Put ✓ in the appropriate column)		Remarks (if any)
		Complied	Not Complied	
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).			N/A
<b>3(2)</b>	<b>Requirement to attend Board of Directors' Meetings:</b> The MD or CEO, CS, CFO and HIAC of the company shall attend the meetings of the Board: Provided that the CS, CFO and/or the HIAC shall not attend such part of a meeting of the Board which involves consideration of an agenda item relating to their personal matters.	✓		Followed
<b>3(3)</b>	<b>Duties of Managing Director (MD) or Chief Executive Officer (CEO) and Chief Financial Officer (CFO):</b>			
3(3)(a)	The MD or CEO and CFO shall certify to the Board that they have reviewed financial statements for the year and that to the best of their knowledge and belief :			
3(3)(a)(i)	these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading; and	✓		Followed
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;	✓		Followed
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;	✓		Followed
3(3)(c)	The certification of the MD or CEO and CFO shall be disclosed in the Annual Report.	✓		Followed
<b>4.</b>	<b>BOARD OF DIRECTORS' COMMITTEE:</b>			
4(i)	Audit Committee; and	✓		page no. 133
4(ii)	Nomination and Remuneration Committee.	✓		page no. 135
<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;	✓		Formulated
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;	✓		Followed
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.	✓		Followed
<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;	✓		Formulated
5(2)(b)	The Board shall appoint members of the Audit Committee who shall be nonexecutive directors of the company excepting Chairperson of the Board and shall include at least 1 (one) independent director;	✓		Followed
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;	✓		Followed

Condition No.	Title	Compliance Status (Put ✓ in the appropriate column)		Remarks (if any)
		Complied	Not Complied	
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 60 (sixty) days from the date of vacancy in the Committee to ensure continuity of the performance of work of the Audit Committee;	✓		Followed
5(2)(e)	The company secretary shall act as the secretary of the Committee;	✓		Followed
5(2)(f)	The quorum of the Audit Committee meeting shall not constitute without at least 1 (one) independent director.	✓		Followed
<b>5(3)</b>	<b>Chairperson of the 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;	✓		Followed
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.	✓		No such event occurred
5(3)(c)	Chairperson of the Audit Committee shall remain present in the Annual General Meeting (AGM)	✓		Followed
<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	✓		Followed
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.	✓		Followed
<b>5(5)</b>	<b>Role of Audit Committee:</b>			
5(5)(a)	Oversee the financial reporting process;	✓		Followed
5(5)(b)	Monitor choice of accounting policies and principles;	✓		Followed
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;	✓		Followed
5(5)(d)	Oversee hiring and performance of external auditors;	✓		Followed
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;	✓		Followed
5(5)(f)	Review along with the management, the annual financial statements before submission to the Board for approval;	✓		Followed
5(5)(g)	Review along with the management, the quarterly and half yearly financial statements before submission to the Board for approval;	✓		Followed

Condition No.	Title	Compliance Status (Put ✓ in the appropriate column)		Remarks (if any)
		Complied	Not Complied	
5(5)(h)	Review the adequacy of internal audit function;	✓		Followed
5(5)(i)	Review the Management's Discussion and Analysis before disclosing in the Annual Report;	✓		Followed
5(5)(j)	Review statement of all related party transactions submitted by the management;	✓		Followed
5(5)(k)	Review Management Letters or Letter of Internal Control weakness issued by statutory auditors;	✓		Followed
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	✓		Followed
5(5)(m)	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	✓		Followed
<b>5(6)</b>	<b>Reporting of the Audit Committee:</b>			
<b>5(6)(a)</b>	<b>Reporting to the Board of Directors:</b>			
5(6)(a)(i)	The Audit Committee shall report on its activities to the Board.	✓		Followed
<b>5(6)(a)(ii)</b>	<b>The Audit Committee shall immediately report to the Board on the following findings, if any:-</b>			
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;			N/A
<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 unreasonably 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 of 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.	✓		Followed



Condition No.	Title	Compliance Status (Put ✓ in the appropriate column)		Remarks (if any)
		Complied	Not Complied	
<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 subcommittee of the Board;	✓		Followed
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;	✓		Followed
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).	✓		Followed
<b>6(2)</b>	<b>Constitution of the NRC:</b>			
6(2)(a)	The Committee shall comprise of at least three members including an independent director;	✓		Followed
6(2)(b)	At least 02 (two) members of the Committee shall be non-executive directors;	✓		Followed
6(2)(c)	Members of the Committee shall be nominated and appointed by the Board;	✓		Followed
6(2)(d)	The Board shall have authority to remove and appoint any member of the Committee;	✓		Followed
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;			Independent Director Barrister Ahamed Ihteyaz Thamid resigned from the Company on 10 <sup>th</sup> December, 2023 and Mr. Kazi Ahmad Pervez was appointed by the Board as an Independent Director on 18 <sup>th</sup> December 2023.
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;	✓		No such event occurred
6(2)(g)	The company secretary shall act as the secretary of the Committee;	✓		Followed
6(2)(h)	The quorum of the NRC meeting shall not constitute without attendance of at least an independent director;	✓		Followed
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.	✓		Followed
<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;	✓		Followed
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;	✓		No such event occurred

Condition No.	Title	Compliance Status (Put ✓ in the appropriate column)		Remarks (if any)
		Complied	Not Complied	
6(3)(c)	The Chairperson of the NRC shall attend the annual general meeting (AGM) to answer the queries of the shareholders	✓		Followed
<b>6(4)</b>	<b>Meeting of the NRC:</b>			
6(4)(a)	The NRC shall conduct at least one meeting in a financial year;	✓		Followed
6(4)(b)	The Chairperson of the NRC may convene any emergency meeting upon request by any member of the NRC;	✓		No such event occurred.
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);	✓		Followed
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.	✓		Followed
<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;	✓		Followed
<b>6(5)(b)</b>	<b>NRC shall oversee, among others, the following matters and make report with recommendation to the Board:</b>			
<b>6(5)(b)(i)</b>	<b>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:</b>			
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;	✓		Followed
6(5)(b)(i)(b)	The relationship of remuneration to performance is clear and meets appropriate performance benchmarks; and	✓		Followed
6(5)(b)(i)(c)	Remuneration to directors, top level executive involves a balance between fixed and incentive pay reflecting short and long-term performance objectives appropriate to the working of the company and its goals;	✓		Followed
6(5)(b)(ii)	Devising a policy on Board's diversity taking into consideration age, gender, experience, ethnicity, educational background and nationality;	✓		Followed
6(5)(b)(iii)	Identifying 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 recommend their appointment and removal to the Board;	✓		Followed
6(5)(b)(iv)	Formulating the criteria for evaluation of performance of independent directors and the Board;	✓		Formulated
6(5)(b)(v)	Identifying the Company's needs for employees at different levels and determine their selection, transfer or replacement and promotion criteria; and	✓		Identified
6(5)(b)(vi)	Developing, recommending and reviewing annually the company's human resources and training policies;	✓		Followed
6(5)(c)	The company shall disclose the nomination and remuneration policy and the evaluation criteria and activities of NRC during the year at a glance in its annual report.	✓		Followed

Condition No.	Title	Compliance Status (Put ✓ in the appropriate column)		Remarks (if any)
		Complied	Not Complied	
<b>7.</b>	<b>EXTERNAL OR STATUTORY AUDITORS:</b>			
<b>7(1)</b>	<b>The issuer Company shall not engage its external or statutory auditors to perform the following services of the Company, namely:</b>			
7(1)(i)	Appraisal or valuation services or fairness opinions;	✓		Followed
7(1)(ii)	Financial information systems design and implementation;	✓		Followed
7(1)(iii)	Book-keeping or other services related to the accounting records or financial statements;	✓		Followed
7(1)(iv)	Broker-dealer services;	✓		Followed
7(1)(v)	Actuarial services;	✓		N/A
7(1)(vi)	Internal audit services or special audit services;	✓		Followed
7(1)(vii)	Any service that the Audit Committee determines;	✓		Followed
7(1)(viii)	Audit or certification services on compliance of corporate governance as required under condition No. 9(1); and	✓		Followed
7(1)(ix)	Any other service that creates conflict of interest.	✓		Followed
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	✓		Followed
7(3)	Representative of external or statutory auditors shall remain present in the Shareholders' Meeting (Annual General Meeting or Extraordinary General Meeting) to answer the queries of the shareholders.	✓		Followed
<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.	✓		Followed
8(2)	The Company shall keep the website functional from the date of listing.	✓		Followed
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).	✓		Followed
<b>9.</b>	<b>REPORTING AND COMPLIANCE OF CORPORATE 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.	✓		Followed
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.	✓		The professional who provided the certificate for the year 2023 was appointed in the last AGM (10 <sup>th</sup> AGM)
9(3)	The directors of the Company shall state, in accordance with the Annexure-C attached, in the directors' report whether the Company has complied with these conditions or not.	✓		Followed



**Mahfel Huq & Co.**  
Chartered Accountants  
The first registered accounting firm in independent Bangladesh



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### Annexure-D

[Certificate as per Serial No. 19(2) of Insurer Corporate Governance Guideline, 2023]

**REPORT TO THE REGULATOR AND SHAREHOLDERS**  
**OF**  
**SENA KALYAN INSURANCE COMPANY LIMITED**  
**ON COMPLIANCE ON THE CORPORATE GOVERNANCE GUIDELINE ISSUED BY IDRA**

We have examined the compliance status to the Corporate Governance Guideline of **SENA KALYAN INSURANCE COMPANY LTD.** for the year ended on 31<sup>st</sup> December 2023. This Guideline relates to the Circular No. 53.03.000.075.22.025.2020.230 dated 19 October 2023 of the Insurance Development and Regulatory Authority (IDRA).

Such compliance with the Corporate Governance Guideline 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 instructions of the Corporate Governance Guideline.

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 instructions of the Corporate Governance Guideline as stipulated in the above mentioned Corporate Governance Guideline issued by IDRA;
- b) The Company has complied with the provisions of the relevant Act, Rules and Regulations of the Country as required by this Guideline;
- 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.

Dhaka, 18 February, 2024

**Howlader Mahfel Huq, FCA**  
For and on behalf of **Mahfel Huq & Co.**  
Chartered Accountants

**Annexure-E**

[As per serial No. 12.1 of IDRA's CG Guidelines]

Sena Kalyan Insurance Company Limited

Declaration by CEO

**CEO'S CERTIFICATE FOR COMPLIANCE OF THE CORPORATE GOVERNANCE GUIDELINES OF IDRA**

I, Brig Gen Md Shafique Shamim, psc (Retd), Managing Director & CEO of Sena Kalyan Insurance Company Limited, hereby certify, to the best of my ability, knowledge and belief that no transactions have been made during the year 2023 by the Company which are fraudulent, illegal or in violation of the Company's code of conduct.

Sincerely yours,

7 February 2024  
Dhaka

A handwritten signature in black ink, appearing to be 'Shamim', written in a cursive style.

**Brig Gen Md Shafique Shamim, psc (Retd)**  
Managing Director & CEO

### Annexure-F

Status of compliance regarding the guidelines imposed by the Insurance Development and Regulatory Authority's (IDRA) Circular No. 53.03.000.075.22.025.2020.230 dated 19 October 2023.

#### (Report under Serial No. 19 of IDRA's CGG)

Serial No.	Title	Compliance Status (Put ✓ in the appropriate column)		Remarks (if any)
		Complied	Not Complied	
6.	<b>BOARD OF DIRECTORS:</b>			
6.1	<b>Formation of Board of Directors:</b> The maximum number of Directors of that company shall, Notwithstanding anything contained in the memorandum of association or articles of association of the company, not exceed 20 (twenty) and in that case 12 (twelve) shall be sponsor Directors, 6(six) shall be Directors holding public share and 2 (two) shall be independent Directors.	✓		Board comprises 9 Members including 2 Independent Directors
6.2	<b>Board of Directors:</b> The Company shall have procedures for the appointment and re-appointment of directors.	✓		This procedure is mentioned in the Articles of Association of the Company.
6.2.(a)	<b>Qualifications of Directors: A Director,</b>			
6.2(a)(1)	Who has not been declared insolvent by a competent court and 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 financial institution in Bangladesh or elsewhere.	✓		No such event occurred
6.2(a)(1)(2)	Who has not been convicted in any criminal offence or involved in any fraud, financial crime or any other illegal activity.	✓		No such event occurred
6.2(a)(1)(3)	Who has not been found guilty of violating the rules, regulations or	✓		No such event occurred
6.2(a)(1)(4)	discipline of Bangladesh or any other regulatory body Who has not been found guilty on any legal proceedings.	✓		No such event occurred
6.2(a)(1)(5)	Who has not been found to be insurance agent, intermediary, salaried agent, auditor, consultant or actuary in Bangladesh or elsewhere.	✓		No such event occurred
6(2)(b)(1)	The Chairman and the Vice-Chairman of the Board or Directors of the Company shall be elected by following clause no. 79 of Insurance Act-2010.	✓		Followed
6(2)(b)(2)	In absence of Chairman, Vice Chairman will be the Chairman.			No such event occurred
6(2)(b)(3)	In case of absence of both Chairman and Vice-Chairman in the meeting, the Board of Directors shall elect one Non-Executive Director who will act as the Chairman.			No such event occurred
6(2)(b)(4)	In the case of serial no. (2) & (3), it must be mentioned in the minutes of the meeting.			No such event occurred
6(3)	<b>Independent Directors:</b>			
6(3)(a)	<b>Independent Director is a Director,</b>			
6(3)(a)(1)	who is not hold any share of the Company.	✓		Followed
6(3)(a)(2)	who or whose family members are not sponsors or directors or nominee directors or shareholders of the company.	✓		No such event occurred

Serial No.	Title	Compliance Status (Put ✓ in the appropriate column)		Remarks (if any)
		Complied	Not Complied	
6(3)(a)(3)	who or whose family members are not sponsors, Directors, Shareholder Director or Nominated Director of any Associate, Sister Concern Institute, Subsidiary Institute or Parent Company.	✓		No such event occurred
6(3)(a)(4)	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 director of the company or any of its associates, sister concerns, subsidiaries and parents or holding entities who does not hold any share of the total paid-up shares of the company on the basis of family relationship and his or her family members also shall not hold above mentioned shares in the company.	✓		No such event occurred
6(3)(a)(5)	who has not been an executive or advisor of the company in immediately preceding 2 (two) financial years.	✓		No such event occurred
6(3)(a)(6)	who does not have any financial or other relationship, whether pecuniary or otherwise, with the Insurance company or its subsidiary or associated companies.	✓		No such event occurred
6(3)(a)(7)	who is not a partner or an executive or was not a partner or an executive during the preceding 3 (three) years as an Independent Director of the concerned company's statutory audit firm or audit firm engaged in internal audit services or audit firm conducting special audit.	✓		No such event occurred
6(3)(a)(8)	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)	✓		No such event occurred
6(3)(a)(9)	who has not been convicted for a criminal offence involving moral turpitude	✓		No such event occurred
6 (3)(b)(1)	The independent director(s) shall be appointed by the Board and approved by the shareholders in the Annual General Meeting (AGM)	✓		The re-appointment of Mr. M. M. Mostafa Bilal and appointment of Mr. Kazi Ahmad Pervez will be approved by the Shareholders in the next AGM.
6(3)(b)(2)	The post of independent director(s) cannot remain vacant for more than 90 (ninety) days	✓		No such event occurred
6(3)(b)(3)	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: Provided that a former independent director may be considered for reappointment for another tenure after a time gap of one tenure, i.e., three years from his or her completion of consecutive two tenures [i.e. six years]: Provided further that the independent director shall not be subject to retirement by rotation as per the Company's act, 1994 (18 no act of the year of 1994), Explanation: For the purpose of counting tenure or term of independent director, any partial term of tenure shall be deemed to be a full tenure.	✓		Mr. Mostafa Bilal has been re-appointed by the Board as well as has been given consent by BSEC.  And Mr. Kazi Ahmad Pervez has been appointed by the Board as well as has been given consent by BSEC.
6(3)(c)	<b>Qualification of Independent Director:</b> Independent director shall be a knowledgeable individual with integrity who is able to ensure compliance with financial laws, regulatory requirements and corporate laws and can make meaningful contribution to the business. Qualifications and experience in the following matters will be considered as the qualifications of an impartial director-			
6(3)(c)(1)	Former official of government or statutory or autonomous or regulatory body in the position not below 5th Grade of the national pay scale-2015, who has at least educational background of bachelor degree in economics or commerce or business or Law; or			N/A



Serial No.	Title	Compliance Status (Put ✓ in the appropriate column)		Remarks (if any)
		Complied	Not Complied	
6(3)(c)(2)	University Teacher who has at least educational background of bachelor degree in economics or commerce or business or Law; or	✓		Mr. Kazi Ahmad Pervez studied in business administration from IBA.
6(3)(c)(3)	Professional who- <ul style="list-style-type: none"> <li>■ An Advocate who is or was practicing at least in the High Court Division of Bangladesh Supreme Court</li> <li>■ CA or CPA</li> <li>■ ICMA or CMA/CIMA</li> <li>■ CFA</li> <li>■ Actuary</li> <li>■ Chartered Secretary or equivalent qualification</li> <li>■ Professional Accreditation in Insurance (Example FCII,ACII,FLMIL,ABIA)</li> </ul> Any other Professional qualification which is determined by Authority; or			N/A
6(3)(c)(4)	Actuarial science or finance and accounts or management or economics or Authority prescribed any other educational qualification. [Note: The independent director shall have at least 10 (ten) years of experiences in any field mentioned in clause (2),(3),(4)]	✓		Mr. Kazi Ahmad Pervez has been working as a University teacher for the last 24 years.
6(3)(c)(5)	Any person who has 15 years of experience in senior management position in private or multinational company, but in this case he has to take prior approval from the Authority.	✓		Mr. M. M. Mostafa Bilal is a Managing Director (CC) of UAE-Bangladesh Investment Company Ltd. (UBICO) and he has 17 years' experience in the higher management position at different organizations.
6(3)(c)(6)	Any person who was a CEO or MD of an approved bank or insurance or financial institution and retired at least three years from that position.			N/A
6(4)	<b>Role of the Board of Directors:</b> <ul style="list-style-type: none"> <li>■ Formulating and implementing institutional business material direction, policies, strategies and risk management policies;</li> <li>■ Taking action accordingly considering capital requirements, income and expenditure, insurer and shareholder expectations and potential profit and loss;</li> <li>■ To confirm that all circulars, policies and acts should be followed strictly;</li> <li>■ Formulating and controlling various structures to identify the problem and take the necessary action for solving;</li> <li>■ Encouraging employees to report any violation of circular, policy or law by implementing whistle blowing policy and various other policies;</li> <li>■ Identifying, monitoring and resolving conflicts of interest of directors, employees and shareholders;</li> <li>■ Related party transaction and any other transaction should be monitored and controlled;</li> <li>■ Ethics and good governance practices should be encouraged and related issues should be identified and addressed.</li> </ul>	✓		Implementing and following

Serial No.	Title	Compliance Status (Put ✓ in the appropriate column)		Remarks (if any)
		Complied	Not Complied	
6(5)	<b>Code of Conduct of Board of Directors:</b>			
6(5)(a)	The Board shall lay down a code of conduct, based on the recommendation of the Nomination and Remuneration Committee (NRC) for the Chairperson of the Board, other board members and Chief Executive Officer of the company and it includes prudent conduct and behavior; confidentiality of information; conflict of interest; compliance with laws, rules and regulations; working environment with employees, customers, suppliers and stakeholders;	✓		Formulated
6(5)(b)	All board members and senior executives must ensure compliance with the Code of Conduct on an annual basis by providing a signed declaration. All Boards should maintain standards of code of conduct and impose obligations on all officers/employees of the company to uphold those standards.	✓		Ensured and imposed
7	<b>BOARD OF DIRECTORS' COMMITTEES:</b>			
7(1)	For ensuring good governance in the company, the Board shall have at least following sub-committees: (1) Audit Committee; (2) NRC; (3) Investment Committee; (4) Risk Management Committee; (5) Policyholder protection & Compliance Committee.	✓		Formulated
7(2)	<b>Audit Committee:</b>			
7(2)(a)	The company shall have an Audit Committee as a subcommittee of the Board and it 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.	✓		Formulated
7(2)(b)	<b>Constitution of the Audit Committee:</b>			
7(2)(b)(1)	The Audit Committee shall be composed of at least 3 (three) members;	✓		Composed
7(2)(b)(2)	The Board shall appoint members of the Audit Committee who shall be non- executive directors of the company excepting Chairperson of the Board and shall include at least 1 (one) independent director;	✓		Followed
7(2)(b)(3)	All members of the audit committee should be "financially literate" and at least 1 (one) member shall have accounting or related financial management background with 10 (ten) years of such experience;	✓		Followed
7(2)(b)(4)	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, 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;	✓		No such event occurred
7(2)(b)(5)	The company secretary shall act as the secretary of the Committee.	✓		Followed
7(2)(c)	<b>Chairperson of the Audit Committee:</b>			
7(2)(c)(1)	The Board shall select 1 (one) member of the Audit Committee to be Chairperson of the Audit Committee, who shall be an independent director;	✓		Followed

Serial No.	Title	Compliance Status (Put ✓ in the appropriate column)		Remarks (if any)
		Complied	Not Complied	
7(2)(c)(2)	In the absence of the Chairperson of the Audit Committee, 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. There should be at least one Independent Director present in the meeting;	✓		Followed
7(2)(c)(3)	Chairperson of the Audit Committee shall remain present in the Annual General Meeting (AGM); Provided that in absence of Chairperson of the Audit Committee, any other member from the Audit Committee shall be selected to be present in the annual general meeting (AGM) and reason for absence of the Chairperson of the Audit Committee shall be recorded in the minutes of the AGM.	✓		Followed
7(2)(d)	<b>Meeting of the Audit Committee:</b>			
7(2)(d)(1)	The Audit Committee shall conduct at least its four meetings in a financial year; Provided that any emergency meeting in addition to regular meeting may be convened at the request of any one of the members of the Committee;	✓		Followed
7(2)(d)(2)	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.	✓		Followed
7(2)(e)	<b>Role of the Audit Committee:</b>			
7(2)(e)(1)	Ensuring appropriate internal control over financial reporting, including evaluating the insurer's accounting policy, practices and reviewing financial reporting and disclosures therein.	✓		Followed
7(2)(e)(2)	Audit committee shall evaluate the whole financial statements and check, if the statements are being prepared in accordance to the rules, acts, policies and standard accounting;	✓		Followed
7(2)(e)(3)	Oversee hiring and performance of external auditors	✓		Followed
7(2)(e)(4)	Determine the audit fee based on the audit plan, scope and scope of work, efficiency and time required for an effective audit	✓		Followed
7(2)(e)(5)	Review the results of external audits and evaluate the impact of audits on financial reporting and internal controls, take necessary corrective actions and review the performance of external auditors;	✓		Followed
7(2)(e)(6)	Assess the efficiency and effectiveness of the internal audit structure and review the internal audit plan report prepared by the internal audit team and take necessary corrective action;	✓		Followed
7(2)(e)(7)	To check whether the findings and recommendations of internal audit are properly considered by the management;	✓		Followed
7(2)(e)(8)	Evaluate of internal control, risk management, employee awareness of responsibility, regular communication and assess if the complaint is addressed or not;	✓		Followed
7(2)(e)(9)	To review and present to the Board the necessary actions taken/to be taken by the management in consideration of reports relating to fraud, deficiencies in internal control or problems identified by the internal and external auditors and inspector(s) of the regulatory authority;	✓		Followed

Serial No.	Title	Compliance Status (Put ✓ in the appropriate column)		Remarks (if any)
		Complied	Not Complied	
7(2)(e)(10)	To review whether the laws, regulations and instructions made by the authorities and other bodies and the internal rules and policies approved by the board are being followed;	✓		Followed
7(2)(e)(11)	Carry out the objectives and functions set by the Board of Directors and evaluate the committee's own performance regularly.	✓		Followed
7(2)(f)	<b>Rights of Audit Committee:</b> The Audit Committee shall have unfettered access to all relevant data, reports, documents and information along with the Chief Executive, Internal Audit Committee / Head of Structure, Actuary and all concerned officers.	✓		Ensured
<b>7(2)(g)</b>	<b>Reporting of the Audit Committee:</b>			
7(2)(g)(1)	The Audit Committee shall report on its activities to the Board.	✓		Followed
7(2)(g)(2)	The Audit Committee shall immediately report to the Board of Directors, if the situation is- > Report on conflicts of interests; > Suspected or presumed fraud or irregularity or material defect identified in the internal audit and compliance process or in the financial statements; > Suspected infringement of laws, regulatory compliances including securities related laws, rules and regulations or business losses ; > Any other matter which the Audit Committee deems necessary shall be disclosed to the Board immediately.	✓		Followed
7(2)(g)(3)	<b>Reporting to the Authorities:</b> If the Audit Committee has reported to the Board and the Management 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 unreasonably ignored, the Audit Committee shall report such finding to the Commission, upon reporting of such matters to the Board for two times or completion of a period of 6 (six) months from the date of first reporting to the Board, whichever is earlier.	✓		No such event occurred
7(2)(g)(4)	<b>Reporting to Shareholders and General Investors:</b> Report on activities carried out by the Audit Committee, including any report of the Audit Committee submitted to the Board of Directors to be published in the annual report of the said financial year.	✓		Followed
<b>8</b>	<b>NOMINATION &amp; REMUNERATION COMMITTEE (NRC):</b>			
8(a)	The company shall have a Nomination and Remuneration Committee (NRC) as a sub-committee of the Board and 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 (wherever applicable); of directors, top level executive;	✓		Followed
<b>8(b)</b>	<b>Constitution of the NRC:</b>			
8(b)(1)	Members of the Committee shall be nominated and appointed by the Board;	✓		Followed
8(b)(2)	The Committee shall comprise of at least four members including an independent director. All members shall be non-executive directors;	✓		Followed

Serial No.	Title	Compliance Status (Put ✓ in the appropriate column)		Remarks (if any)
		Complied	Not Complied	
8(b)(3)	The Chairperson of the Board of Directors may be included in this committee. But he shall not hold the post of Chairperson of this Committee;	✓		Followed
8(b)(4)	The Board of Directors shall have power to appoint and remove any member from the Committee. However, the reason for removal shall be clearly recorded in the minutes of the meeting of the Board of Directors;	✓		Followed
8(b)(5)	In case of death, resignation, disqualification or removal of any member of the Committee or in case of any vacancy, the Board of Directors shall fill up the vacancy within 180 (one hundred and eighty) days from the date of vacancy of the Committee.	✓		Mr. Kazi Ahmad Pervez has been appointed by the Board in place of Barrister Ahmed Ihteyaz Thamid within the stimulated time.
8(b)(6)	The company secretary shall act as the secretary of the Committee;	✓		Followed
8(b)(7)	The chairperson of the committee may appoint or co-opt as advisors among the external experts and/or staff members who are not affiliated with the said company or cannot vote on the committee, as necessary or in the evaluation of personnel or relevant matters.	✓		Followed
<b>8(c)</b>	<b>Chairperson of the NRC:</b>			
8(c)(1)	The Board shall elect a Director as Chairperson of the Committee;	✓		Followed
8(c)(2)	In the absence of the Chairperson, the remaining members shall elect one person from among themselves as Chairperson for that meeting. However, the reason for the absence of the regular Chairperson shall be duly recorded in the minutes;	✓		Followed
8(c)(3)	The Chairperson of the NRC shall attend the annual general meeting (AGM) to answer the queries of the shareholders: Provided that in absence of Chairperson of the NRC, any other member from the NRC shall be selected to be present in the annual general meeting (AGM) for answering the shareholder's queries and reason for absence of the Chairperson of the NRC shall be recorded in the minutes of the AGM.	✓		Followed
<b>8(d)</b>	<b>Meeting of the NRC:</b>			
8(d)(1)	The NRC shall conduct at least two meetings in a financial year;	✓		Followed
8(d)(2)	The Chairperson of the NRC may convene any emergency meeting upon request by any member of the NRC;	✓		Followed
8(d)(3)	The quorum of the meeting shall be the presence of two members of the committee or two thirds of the members, whichever is higher. Provided that the said meeting must be attended by an independent director;	✓		Followed
8(d)(4)	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;	✓		Followed
8(d)(5)	NRC members shall not directly or indirectly receive any honorarium/ remuneration other than director's fee or honorarium from the Company except in an advisory or consulting role.	✓		Followed
<b>8(e)</b>	<b>Role of the NRC:</b>			
8(e)(1)	The NRC shall perform its duties in accordance with the terms of reference prescribed by the Board of Directors. NRC is accountable to the Board of Directors and shareholders;	✓		Followed

Serial No.	Title	Compliance Status (Put ✓ in the appropriate column)		Remarks (if any)
		Complied	Not Complied	
<b>8(e)(2)</b>	<b>The NRC shall monitor the following matters and submit a report/ recommendation to the Board of Directors:</b>			
8(e)(2)(a)	To propose to the Board of Directors a policy regarding the remuneration/remuneration of Directors, Senior Management considering the following matters:			
8(e)(2)(a)(1)	The remuneration/remuneration structure should be reasonable which will help in recruiting and retaining competent employees in the company;	✓		Followed
8(e)(2)(a)(2)	The Remuneration policy will be transparent and it will be sufficient to increase the performance of the employees;	✓		Followed
8(e)(2)(a)(3)	The structure of remuneration will be uncomplicated and the rationale and administration of the structure will be straightforward;	✓		Followed
8(e)(2)(a)(4)	Determinants of rewards, potential value of rewards and identification and elimination of risks, identification of efficient officers and employees in the success of the company and strategy of awarding etc. should be clearly mentioned in the policy.	✓		Followed
8(e)(2)(b)	To recommend to the Board of Directors by identifying those who are eligible to be appointed in the top executive positions according to the prescribed criteria;	✓		Followed
8(e)(2)(c)	Formulation the criteria for evaluating of performance of independent directors and board of directors;	✓		Followed
8(e)(2)(d)	Identifying the needs of the company and determining the criteria for selection, transfer, replacement and promotion of employees in various departments; and	✓		Followed
8(e)(2)(e)	Annual review of the company's human resources and training policies, including recommendations for improvement;	✓		Followed
8(e)(3)	The company shall disclose the nomination and remuneration policy and the evaluation criteria and activities of NRC during the year at a glance in its annual report.	✓		Followed
<b>9</b>	<b>INVESTMENT COMMITTEE :</b>			
9(a)	There will be an Investment Committee as a sub-committee of the Board of Directors for supervision of the Company's investment portfolio in the interest of customers, shareholders and stakeholders.	✓		Followed
9(b)	<b>Constitution of the Investment Committee and its meetings:</b>			
9(b)(1)	Board of Directors consisting of at least 5 (five) members of Investment Committee and the committee members shall appoint one director as chairman;	✓		Followed
9(b)(2)	The quorum of the meeting of the Committee shall be constituted in presence of three members. The Chief Executive Officer will be an ex-officio member of the Committee. However, he shall have no voting power at the meeting. Company Chief Finance Officer, Chief Investment Officer and Chief Risk Officer shall invited to attend the meeting to assist the committee.	✓		Followed
9(b)(3)	The company secretary shall act as the secretary of the Committee and the proceedings of each meeting of the Committee shall duly be recorded in the minutes.	✓		Followed
<b>9(c)</b>	<b>Role of Investment Committee:</b>			
9(c)(1)	Prepare an effective investment policy in due compliance with the investment related provisions of the Insurance Act, 2010 and recommend to the Board of Directors for its approval;	✓		Followed
9(c)(2)	Investment committee shall have right to all types of information, documents, reports etc related to the investment of the insurer.	✓		Followed

Serial No.	Title	Compliance Status (Put ✓ in the appropriate column)		Remarks (if any)
		Complied	Not Complied	
9(c)(3)	The committee will monitor and review the investment and investment related income on monthly basis and will inform it to the Board of Directors;	✓		Followed
9(c)(4)	Before investing, considering the investment risk will ensure the suitability of the investment;	✓		Followed
9(c)(5)	Ensure investment with a view to timely and properly repayment to the insurer and review the investment related risk and performance on a quarterly basis,	✓		Followed
9(c)(6)	Ensure that necessary measures shall be taken to reduce the investment risks;	✓		Followed
9(c)(7)	The Committee may, if necessary, take the advice of suitable experts;	✓		No such event required
9(c)(8)	Ensure maintenance of necessary solvency and advise the Board of Directors in this regard;	✓		Followed
9(c)(9)	Ensure that funds of the insurer shall not invest for the benefit of any member of the Board of Directors,	✓		Followed
9(c)(10)	Ensure that capital losses on investments shall disclose in the financial statements.	✓		Followed
9(c)(11)	Oversee the use of fixed assets and the accounting of rental income if any;	✓		Followed
9(c)(12)	Supervise the protection of assets of the insurer;	✓		Followed
9(c)(13)	Perform any other investment related duties as may be assigned by the Board of Directors.	✓		Followed
<b>10</b>	<b>RISK MANAGEMENT COMMITTEE:</b>			
10(a)	The Risk Management Committee shall be a sub-committee of the Board of Directors to play an effective role in implementing the strategies and action plans formulated by the Board of Directors to mitigate the cited and potential risks and to properly discharge the responsibilities of the Board of Directors in this regard.	✓		Followed
10(b)	<b>Constitution of the Risk Management Committee and its meetings:</b>			
10(b)(1)	The Board of Directors shall consist of 3 (three) directors including at least 1 independent director. The members of the Committee shall appoint 1 Director as Chairman. At least 1 (one) member of the Risk Management Committee shall be selected from among the members of the Audit Committee. In the absence of the Chairperson of the Risk Management Committee, the remaining members may elect one person from among themselves as the Chairperson of the meeting. But in that case, the reason of the absence of the regular Chairperson shall be duly recorded in the minutes of the meeting;	✓		Followed
10(b)(2)	The quorum of the meeting of the Committee shall be constituted in presence of two members. However, the Committee may call upon the Chief Executive Officer, Chief Financial Officer, Chief Investment Officer and Chief Risk Officer to assist the Committee;	✓		Followed
10(b)(3)	The Company Secretary shall act as the secretary of the Committee;	✓		Followed
10(b)(4)	The members of the committee shall have proper understanding and knowledge about the insurer's business, management, risks and related matters and responsibilities and duties as the committee members. The Committee members may invite risk management experts to Committee meetings from time to time. However, in that case, the experts shall not have voting rights.	✓		Followed



Serial No.	Title	Compliance Status (Put ✓ in the appropriate column)		Remarks (if any)
		Complied	Not Complied	
10(c)	<b>Role of the Risk Management Committee:</b>			
10(c)(1)	It is the responsibility of the Risk Management Committee to determine the risks of various activities of the organization and to formulate and ensure proper implementation of appropriate strategies for controlling them. The risk management committee will review the risk management policies and procedures of the organization and take measures to revise them if necessary. The Risk Management Committee shall take the effective prevention and control risk management procedure. <b>Risk management policies and procedures:</b> There should be a clear and well-documented policy for risk management. The definition and classification of the risks to which the company is exposed and the procedure for determining the risk limits for each risk shall be included in the insurer's written policy. Processes should be in place for risk identification, assessment, monitoring and reporting including internal models.	✓		Followed
10(c)(2)	Determining risk thresholds and evaluating cost-benefit comparisons and qualitative reviews of identified risks and reporting to the Board.	✓		Followed
10(c)(3)	Conducting overall supervision including determination of institutional risk for all risks such as insurance risk, current context risk, liquidity risk, business risk, compliance risk, legal risk etc.	✓		Followed
10(c)(4)	To provide necessary advice to the Board on corporate strategy, mergers and acquisitions and business risk mitigation decisions.	✓		Followed
10(c)(5)	Monitoring and reviewing updated information on relevant matters including business continuity.	✓		Followed
10(c)(6)	Adoption/preparation of appropriate action plans in existing systems to mitigate risks.	✓		Followed
10(c)(7)	Assisting the company in doing the required solvency margin provided by the authorities by reviewing the solvency margin of the company and knowing how to resolve the same with details of the risks identified and submitting reports to the Board.	✓		Followed
<b>11</b>	<b>POLICYHOLDER PROTECTION &amp; COMPLIANCE COMMITTEE:</b>			
11(a)	There shall be a Policyholder Protection & Compliance Committee as a sub-committee of the Board of Directors to review the grievances of the Insurers for quick settlement and protection of interests and to carry out the duties assigned by the Board of Directors in this regard.	✓		Followed
11(b)	<b>Constitution of Policyholder Protection &amp; Compliance Committee and its meetings:</b>			
11(b)(1)	The Committee shall consist of 3 (three) directors including at least 1 independent director and the committee members will appoint 1 director as Chairman.	✓		Followed
11(b)(2)	The quorum of the meeting of the Committee shall be constituted in presence of two members. In the absence of the chairperson of the committee, the remaining members may elect one person from among themselves as the chairperson of the meeting. However, in that case the reason for the absence of the regular Chairperson shall be duly recorded in the minutes of the meeting;	✓		Followed
11(b)(3)	The Company Secretary shall act as the secretary of the Committee;	✓		Followed
11(c)	<b>Role of the Policyholder Protection &amp; Compliance Committee:</b>			
11(c)(1)	To review customer complaints and providing recommendations to the Board of Directors for the purpose of speedy resolution of complaints and overseeing the implementation of complaint resolution activities in accordance with the policy;	✓		Followed

Serial No.	Title	Compliance Status (Put ✓ in the appropriate column)		Remarks (if any)
		Complied	Not Complied	
11(c)(2)	To submit regular reports to the Board of Directors regarding the number, nature, time of settlement and details of the complaints of the insured;	✓		Followed
11(c)(3)	Defining service level agreements, clear claim servicing parameters, standard operating procedures etc;	✓		Followed
11(c)(4)	Method of escalating the settlement of insurance complaints, including outstanding ones with details of complaints, matters to be done in the case of insurance claims, implementation of laws, regulations and authority decisions related to customer service and taking necessary measures to ensure the commitment given by the Company;	✓		Followed
11(c)(5)	To oversee the implementation of various initiatives undertaken by the company to inform customer awareness and insurance related knowledge.	✓		Followed
<b>12</b>	<b>SENIOR MANAGEMENT AND KEY PERSONNEL :</b>			
12(a)	The Board of Directors should have a policy of recruiting qualified and competent senior management/key personnel for the day-to-day management of the insurance company and retaining them in the company;	✓		These are included in the in the Company's Service Rule
12(b)	<b>Recruitment of Senior Management and Key Personnel:</b>			
12(b)(1)	The company will have senior management/key personnel positions such as: Chief Executive Officer (CEO), Chief Financial Officer (CFO), Company Secretary (CS), Chief Investment Officer (CIO), Chief Risk Officer (CRO), Head of Internal Audit and Compliance (HIAC) etc. ;	✓		Followed
12(b)(2)	Chief Executive Officer (CEO), Chief Financial Officer (CFO), Company Secretary (CS), Chief Investment Officer (CIO), Chief Risk Officer (CRO) and Head of Internal Audit and Compliance (HIAC) – these posts shall be filled by various qualified persons;	✓		Followed
12(b)(3)	Board of Directors shall determine the roles, responsibilities and duties of Chief Executive Officer (CEO), Chief Financial Officer (CFO), Company Secretary (CS), Chief Investment Officer (CIO), Chief Risk Officer (CRO), Head of Internal Audit and Compliance (HIAC) etc;	✓		Followed
12(b)(4)	The Chief Executive Officer (CEO), Chief Financial Officer (CFO), Company Secretary (CS), Chief Investment Officer (CIO), Chief Risk Officer (CRO) and Head of Internal Audit and Compliance (HIAC) will not hold executive positions in any other company at the same time.	✓		Followed
12(c)	<b>Requirements to attend the Board of Directors Meetings:</b> The Chief Executive Officer (CEO), Chief Financial Officer (CFO), Company Secretary (CS) of the Company shall attend the Board meetings; Provided that the Head of Internal Audit and Compliance (HIAC), Chief Investment Officer (CIO) and Chief Risk Officer (CRO) will attend the meeting if any matter related to their activities is included in the agenda or agenda of the meeting. Provided further that the concerned officer shall not attend the said board meeting if there is an agenda or agenda related to his personal matter of any of the said officers.	✓		Followed
12.1	<b>Managing Director/Chief Executive Officer (CEO):</b>			
12(1)(a)	The Board of directors shall appoint the Chief Executive Officer of the insurer in accordance with the "Insurance Companies (Appointment and Removal of Chief Executive Officers) Rules, 2012;	✓		Followed
12(1)(b)	The Chief Executive Officer shall regularly provide reports to the Board of Directors containing clear, understandable, accurate, timely and relevant information. The Chief Executive Officer shall inform the Board of Directors as soon as possible if any matter requiring the consideration, decision or approval of the Board of Directors comes to his attention;	✓		Followed

Serial No.	Title	Compliance Status (Put ✓ in the appropriate column)		Remarks (if any)
		Complied	Not Complied	
12(1)(c)	The Chief Executive Officer shall be accountable to the Board of Directors for his performance and his direction, management and performance of the Company;	✓		Followed
12(1)(d)	In addition to the above, the following matters shall be included in the role and responsibilities of the Chief Executive Officer-			
12(1)(d)(1)	To assist the Board of Directors in formulating and promoting a clear vision and direction of the Company.	✓		Followed
12(1)(d)(2)	To provide leadership in achieving the vision and goals set by the Board of Directors,	✓		Followed
12(1)(d)(3)	To ensure compliance with legal and regulatory frameworks to the day-to-day professional and administrative activities of the insurer in addition to the framework set by the Board of Directors;	✓		Followed
12(1)(d)(4)	To ensure development and implementation of all functions and strategies including risk management and internal controls;	✓		Followed
12(1)(d)(5)	To assist the Board of Directors in developing policies, procedures and governance to ensure effective implementation of the Company's strategy;	✓		Followed
12(1)(d)(6)	To evaluate the performance of other executive leadership including department heads of the company;	✓		Followed
12(1)(d)(7)	The Chief Executive Officer shall certify that, to the best of his ability, knowledge and belief that no transactions have been made during the year by the Company which are fraudulent, illegal or in violation of the company's code of conduct and this certification will be disclosed in the annual report.	✓		Followed
12(2)	<b>Responsibilities of Senior Management and Key Personnel:</b> The Board of Directors shall determine and ensure adherence to the Charter of Duties for each position, clarifying and defining the roles, responsibilities and duties of the Chief Executive Officer (CEO), Company Secretary (CS), Chief Financial Officer (CFO), Chief Investment Officer (CIO), Chief Risk Officer (CRO), Head of Internal Audit and Compliance (HIAC) and Senior Management & Key Personnel.	✓		Followed
12(3)	<b>Appointed Actuaries:</b>			
12(3)(a)	To appoint an Actuary in accordance with the Insurance Act 2010 and the rules made there under;			N/A
12(3)(b)	Actuarial valuations of financial matters arising from the insurance scheme shall be carried out by the appointed actuary, as applicable, in accordance with the rules and regulations of the authorities;			N/A
12(3)(c)	The appointed actuary should not hold any position within or outside the insurer which may create a conflict of interest or compromise professional impartiality;			N/A
12(3)(d)	If the appointed Actuary is not a salaried employee of the company, the Board must determine whether there is a potential conflict of interest from the outside actuary (such as whether the employing firm provides audits or other services to the insurer). If any potential conflict of interest exists, Board should take appropriate measures to control it;			N/A
12(3)(e)	The appointed actuary should be able to report to the external auditor on important matters;			N/A
<b>12(3)(f)</b>	<b>The role and responsibilities of the appointed actuary should include the following:</b>			
12(3)(f)(1)	Determining or relating to proper actuarial valuation and appropriate technical provisions and providing feedback;			N/A

Serial No.	Title	Compliance Status (Put ✓ in the appropriate column)		Remarks (if any)
		Complied	Not Complied	
12(3)(f)(2)	To provide professional advice or certification to the Board on the following matters: <ul style="list-style-type: none"> <li>&gt; To measure whether technical provisions are in compliance with valuation framework or not.</li> <li>&gt; To identify and quantify the organizational risks and taking appropriate risk mitigation measures.</li> <li>&gt; To check the financial position.</li> <li>&gt; Required Solvency Margin.</li> <li>&gt; Accuracy of Premium and surrender Values.</li> <li>&gt; Management of Participating Funds including impact analysis of conditions arising from strategies and policies.</li> <li>&gt; Other regulations related to product development/innovation, reinsurance including risk mitigation and risk management.</li> </ul>			N/A
<b>13.</b>	<b>OTHER COMMITTEES OF INSURANCE COMPANIES:</b> To achieve the objectives and requirements of the insurance company, the Company may constitute the following committees and the Board of Directors shall clearly define the responsibilities of the committees. <ul style="list-style-type: none"> <li>&gt; Corporate Social Responsibility (CSR) Committee</li> <li>&gt; ESG (Environmental, Social, and Governance) Committee</li> <li>&gt; Integrity and Ethics Committee</li> <li>&gt; Reinsurance and Retrocession Committee</li> <li>&gt; Asset Liability Management (ALM) Committee</li> </ul>	✓		Followed
<b>14</b>	<b>DISCLOSURE OF INFORMATION REGARDING BOARD OF DIRECTORS AND COMMITTEE MEETINGS:</b>			
14(1)	<b>Meeting of the Board of Directors:</b> The company shall record, preserve and disclose the minutes of its meetings where applicable;	✓		Followed
14(2)	The Code of Conduct of all Employees including Chairman of the Board, Members of the Board and Chief Executive Officer will be disclosed on the Company's website.	✓		Followed
<b>14(3)</b>	<b>The Board of Directors/Board shall disclose the following matters in conducting their meetings:</b>			
14(3)(a)	Number of meetings of the Board of Directors and Committees in a financial year;	✓		Disclosed
14(3)(b)	Details of the composition of the Board of Directors and the names of the mandatory committees, qualifications, competencies and areas of specialization (if any), status of directors etc.	✓		Disclosed
14(3)(c)	Particulars of remuneration paid to all directors (including independent directors), if any;	✓		Disclosed
14(3)(d)	Other relevant information.	✓		Disclosed
<b>15</b>	<b>RELATED PARTY TRANSACTIONS:</b>			
15(a)	To ensure proper management of insurers and protection of interests of insurers and stakeholders, to approve and conduct related party transactions in a specified manner, to identify related party transactions and to formulate necessary policies on the following matters:			
15(a)(1)	Definition of transactions and specific procedures for transactions in insurance business;	✓		Followed
15(a)(2)	Method of pricing;	✓		Followed
15(a)(3)	List of matters requiring approval from the Authority, any other policy-making body (where applicable), the insurer's audit committee, board/board of directors, shareholders;	✓		Followed
15(a)(4)	Related party transactions related matters;	✓		Followed
15(b)	Avoid related party transactions as far as possible;	✓		Followed

Serial No.	Title	Compliance Status (Put ✓ in the appropriate column)		Remarks (if any)
		Complied	Not Complied	
15(c)	If it is not possible to avoid related party transactions, the management authority should ensure that the transaction is an arms length transaction and the documents related to the transaction must be recorded;	✓		Followed
15(d)	The Board of Directors shall review the related party transactions to ensure that no irregularities are committed or any stakeholder is harmed by the related party transactions;	✓		Followed
15(e)	In the case of transactions involving assets, services, transfers, etc among related party transitions, the financial statements must disclose the nature of the relationship, the details of the transactions (dues, matters specified in the contract, etc)	✓		Followed
15(f)	In the case of related party transactions, the authorities can verify the same and provide necessary instructions in applicable cases with the aim of controlling misuse, fraud and prevention of financial losses.	✓		No such event required
15(g)	Group companies shall ensure overall review, compliance and proper safeguarding of insurance cover provided by the insurance company, financial disclosures payable to the group of insurers from policyholders' funds and related party transactions.	✓		N/A
<b>16</b>	<b>CORPORATE SOCIAL RESPONSIBILITY (CSR):</b> All insurance companies shall ensure corporate social responsibility in order to comply with the laws and regulations of the authorities. The insurer's annual report shall compulsorily disclose the extent of corporate social responsibility along with the audited financial statements.	✓		Followed
<b>17</b>	<b>INSURER'S POLICIES:</b> Apart from the aforementioned policies, formulation and implementation of the following policies by the insurer will be helpful for corporate governance:			
17(1)	<b>Whistle Blowing Policy:</b> Insurers should formulate a whistle-blowing policy so that any employees, their representative bodies, external stakeholders, stakeholders within the organization can inform the Board about misconduct/activities, which may include the following procedures-	✓		Formulated
17(1)(1)	The Board should assign responsibility to a board committee for implementing and reviewing the company's whistle blowing system.	✓		Assigned
17(1)(2)	The Board should establish an internal unit and provide regular training to those responsible for overseeing whistle blowing reports, including any appeals filed by persons involved in the investigation of complaints.	✓		Followed
17(1)(3)	The committee responsible for the whistle blowing system shall ensure that the employees are aware of the report/submission of reports and the procedure for settling the reports submitted by them as well as the said system.	✓		Followed
17(1)(4)	The chartered actuary and external auditor should be empowered to perform the core duties of the whistle blowing structure. Insurer fails to take proper action in relation to the interests of the insured and suffers financially. If so, they can submit a timely report to the board of directors and authorities.	✓		The Whistle Blowing Committee members of the Company consist of officers from HR, Internal Audit and other key departments and they regularly report to the Board through the Executive Committee as well as the External Auditors.

Serial No.	Title	Compliance Status (Put ✓ in the appropriate column)		Remarks (if any)
		Complied	Not Complied	
17(2)(a)	<b>Other Policies:</b> (a). The Company may formulate and implement the following policies supporting good governance under this clause- Asset and Liability Management Policies, Underwriting Policy, Reinsurance Policy, Insurance Claims Payment Related Policy, Employee's Conduct of Conduct, Corporate Social Responsibility (CSR) Policy, Integrity Strategy, Gender Equality Policy, Human Resource Management Policy, Accounting Policies, Anti-Corruption Policy, Anti-Discrimination Policy, Information Technology Policy.	✓		Formulated
17(2)(b)	In addition, the Company may formulate such other policies as may be deemed necessary to be conducive to corporate governance.	✓		Formulated
18	<b>INSURER'S DISCLOSE ABLE INFORMATION PROCEDURES: WEBSITE MAINTENANCE BY THE COMPANY:</b>			
18(a)	The company should have an official linked website registered with the authorities;	✓		Followed
18(b)	The Company shall disclose necessary information on its website and keep it updated. The following content shall be regularly updated and uploaded on the Insurer's website for the benefit of the insurance customers:			
18(b)(1)	Insurer's annual report including audited financial statements and actuarial valuation;	✓		Updated
18(b)(2)	Summary of the valuation report;	✓		Updated
18(b)(3)	Chairman of the Insurer, Chairman of all sub-Committees of the Board of Directors, Directors, Chief Executive Officer, Advisors, Consultants, Head Office and Branch Office List of all officers (including mobile number and department); And	✓		Updated
18(b)(4)	Any other information prescribed by the Authority from time to time for disclosure.	✓		Updated
19	<b>ANNUAL REVIEW REPORT ON CORPORATE GOVERNANCE:</b>			
19(1)	The self-assessment report prepared on an annual basis by the management regarding compliance with the corporate governance described in this guideline shall be submitted to the authority within 31st January of the following year and the main points of this report shall be included in the annual report of the company.	✓		Followed
19(2)	A certificate of compliance with the provisions of the Corporate Governance Guidelines shall be obtained by the insurer on an annual basis from the external auditor or statutory auditor or a chartered accountant or cost and management accountant or chartered secretary other than the statutory auditor or audit firm and shall disclose the same in the annual report.	✓		Followed
19(3)	The issuer of the certificate of compliance with the conditions of corporate governance mentioned in Serial- 19(2) shall be appointed at the annual general meeting of the shareholders.	✓		Appointed
20	<b>AUTHORITY'S POWER TO ISSUE DIRECTIONS AND ENFORCEMENT THEREOF:</b> The Authority may issue necessary directions to the Insurer regarding compliance with these guidelines for ensuring corporate governance and the Insurer shall comply with such directions.	✓		Complied



## Statement on Internal Control

Internal control is the process designed and affected by those charged with governance, management and other personnel to provide reasonable assurance about the achievement of the entity's objectives with regard to reliability of financial reporting, effectiveness and efficiency of operations and compliance with applicable laws and regulations.

The main objectives of the internal control process can be categorized as follows:

- Efficiency and effectiveness of operation;
- Reliability, completeness and timeliness of financial and management information; and
- Compliance with applicable laws and regulations.

Key features of the Internal Control System are as follows:





### Management oversight and the control culture


An essential element of an effective system of internal control is a strong control culture. It is the responsibility of the board of directors and senior management to emphasize the importance of internal control through their actions and words. This includes the ethical values that management displays in their business dealings, both inside and outside the Company.


### Risk recognition and assessment


An effective internal control system requires that the material risks that could adversely affect the achievement of the Company's goals are being recognized and continually assessed. This assessment should cover all risks facing the insurance (which are fire risk, marine, motor risk, insurable risk, uninsurable risk, market risk, liquidity risk, operational risk, legal risk and reputational risk). Internal controls may need to be revised to appropriately address any new or previously uncontrolled risks.


### Monitoring activities and correcting deficiencies

The Board of Directors of SKICL performs the following activities to monitor the Internal Control System:

- 

Periodic discussions with management concerning the effectiveness of the internal control system.
- 

Timely review of evaluations of internal controls made by management, internal auditors, and external auditors.
- 

Periodic efforts to ensure that management has promptly followed up on recommendations and concerns expressed by auditors and supervisory authorities on internal control weaknesses.
- 

Periodic review of the appropriateness of SKICL's strategy and risk limits.

Through the establishment of the Audit Committee, the Board of Directors monitor the effectiveness of internal control system. The Audit Committee evaluates whether management is setting the appropriate compliance culture by communicating the importance of internal control among the employees. They also review the corrective measures taken by the management relating to operational lapses.

### Control activities and segregation of duties

Control activities should be an integral part of the daily activities of a company. An effective internal control system requires that an appropriate control structure has set up, with control activities defined at every business level. These should include; top-level reviews; appropriate activity controls for different departments or divisions; physical controls; checking for compliance with exposure limits and follow-up on non-compliance; a system of approvals and authorizations and, a system of verification and reconciliation.

### Information and communication

An effective internal control system requires that there are adequate and comprehensive internal financial, operational and compliance data, as well as external market information about events and conditions that are relevant to decision making. Information should be reliable, timely, accessible, and provided in a consistent format.



# Report of the Audit Committee

## Scope of work of Audit Committee

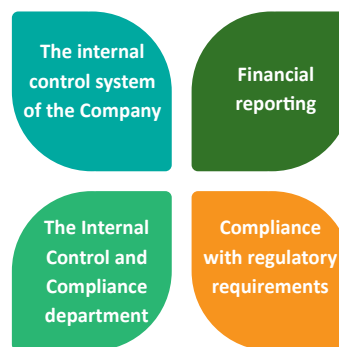
An Audit Committee is a standing committee of the Board of Directors charged with oversight of financial reporting and disclosure. It assists the Board of Directors in ensuring that the financial statements reflect true and fair view of the state of affairs of the company and in ensuring a good monitoring system within the business.

Bangladesh Securities and Exchange Commission (BSEC) and Insurance Development and Regulatory Authority (IDRA) have issued circulars regarding corporate governance guidelines/codes. The conditions/guidelines of these are imposed on 'comply' basis aiming to enhance corporate governance in the interest of investors and the capital market. The role of the Audit Committee is to monitor the integrity of the financial statements of the Company and review and, when appropriate, make recommendations to the Board on business risks, internal controls, compliance and audit. The Committee satisfies itself by means of suitable steps and appropriate information, that proper and satisfactory internal control systems are in place to identify and contain business risks and that the Company's business is conducted in a proper and financially sound manner. The Audit Committee assists the Board of Directors to ensure that the financial statements reflect a true and fair view of the state of affairs of the Company and ensures a sound monitoring system within the business. The Audit Committee is accountable to the Board of Directors. The duties of the Audit Committee are clearly set forth in writing.

## Terms of Reference (ToR)

In view of the above, the Board of Directors of SKICL have approved the Terms of Reference (ToR) which, in turn, are shaped by directives from its principal regulators, the Insurance Development and Regulatory Authority (IDRA) and the Bangladesh Securities and Exchange Commission (BSEC).

These include, but are not limited to, exercising oversight over:



## Composition of the Committee

The Board of Directors have been very meticulous in the formation of the Audit Committee, which consists of 4 (four) members. All the members are financially literate and possess the required qualifications in keeping with the spirit & objectives as laid down in the regulatory directives.

The current Audit Committee was last reconstituted on 18 December 2023 and the present members of the Committee are:

Name	Position in the Committee	Status in the Board
Mr. M. M. Mostafa Bilal	Chairman	Independent Director
Air Cdre Md Shaharul Huda, BSP, ndc, psc	Member	Nominated Director
Brig Gen Md Humayun Kabir, psc	Member	Nominated Director
Mr. Kazi Ahmad Pervez	Member	Independent Director

Mr. M. M. Sajedul Islam, Company Secretary is also the Secretary of the Audit Committee. The Head of Internal Audit reports to the Audit Committee as well as keeps the Managing Director & CEO apprised about it.

The Committee is authorized to investigate any matter within its terms of reference, access all documents and information of the Company, seek information from any director or employee of the Company and co-opt any resource (including external professional assistance) it sees fit in order to fulfill its duties. However, the Committee has no executive function and its primary objective is to review and challenge, rather than assume responsibility for any matters within its remit.

The Committee presents a summary of its activities to shareholders and other interested parties by means of this report, and the committee Chairman attends all general meetings of the Company's shareholders to answer any questions on the committee's activities.

#### Activities of the Audit Committee during the year

The Committee normally meets quarterly, but an emergency meeting of the Committee may be called if required. However, during the period under review, 4 (four) meetings of the Committee were held. The Committee reviewed the financial reporting process, the system of internal control, management of financial & operational risks through the audit process, report of management discussion & analysis prior to its publication in the Annual Report, report of the Audit Committee for publication in the Annual Report. The committee evaluated all the quarterly and annual accounts before being placed in the respective Board Meetings. It also recommended the appointment of Statutory Auditors for the year 2024 and the appointment of auditors for certification on compliance with the conditions of Corporate Governance Codes/Guidelines of BSEC & IDRA for the year 2024.

Based on the review, the Audit Committee is of the view that the internal control and compliance procedures are adequate to present a true and fair view of the activities and financial status of the Company and to ensure that its assets are safeguarded properly.

#### Roles and Responsibilities of the Committee

As set out by Bangladesh Securities & Exchange Commission and Insurance Development & Regulatory Authority, in addition to any other responsibility, which may be assigned

from time to time by the Board, the audit committee is responsible for the following matters:

#### (a) Internal Control

- i. Evaluate whether management is setting the appropriate compliance culture by communicating the importance of internal control and the management of risk and ensuring that all employees have an understanding of their roles and responsibilities;
- ii. Review the arrangements made by the management for building a suitable Management Information System (MIS) including computerization system and its applications;
- iii. Consider whether internal control strategies recommended by internal and external auditors have been implemented by the management;
- iv. Review the existing risk management procedures for ensuring an effective internal check and control system;
- v. Review the corrective measures taken by the management as regards the reports relating to fraud-forgery, deficiencies in internal control, or other similar issues detected by internal and external auditors and inspectors of the regulatory authority and inform the board on a regular basis.

#### (b) Financial Reporting

- i. Review the quarterly and annual financial statements and determine whether they are complete and consistent with the accounting standards set by the regulatory authority;
- ii. Meet management and the external auditors to review the financial statements before their finalization;
- iii. The chairman of the audit committee shall be present in the annual general meeting and answer the queries related to the accounts and audit;
- iv. Recommend to the Board about the requirement

of any changes to be incorporated in the accounting policies.

**(c) Internal Audit**

- i. Review the activities and organizational structure of the internal audit function.
- ii. Review the efficiency and effectiveness of internal audit function;
- iii. Review and ensure that the findings and recommendations made by the internal auditors are duly considered by the management.

**(d) External Audit**

- i. Review the auditing performance of the statutory auditors and their audit reports;
- ii. Review the findings and recommendations made by the statutory auditors for compliance of the management;
- iii. Make recommendations to the Board regarding the appointment of the statutory auditors.

**(e) Compliance with existing Laws and Regulations**

Review whether the laws and regulations framed by the regulatory authorities (IDRA, BSEC and other bodies) and internal regulations approved by the Board have been complied with.

**(f) Other Responsibilities**

- i. Place reports before the Board periodically regarding findings, recommendations,

regularization of the errors & omissions, fraud and forgeries, and other irregularities as detected by the internal and statutory auditors and inspectors of regulatory authorities;

- ii. Perform other functions as may be required by the Board and evaluate the Committee's own performance on a regular basis.

**Reporting to the Board and the Shareholders**

The Committee reports to the Board following each meeting. In addition, the Committee also provides:

- Copies of minutes of the meeting to the Board;
- A report annually to the Board/ Shareholders;

**Acknowledgment**

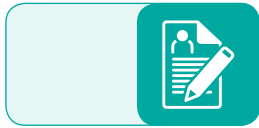
Based on its reviews and above mentioned discussions, the Audit Committee is of the view that the internal control and compliance system of the Company is adequate for the purposes of presenting a true and fair view of the activities and financial status of the Company and for ensuring that its assets are safeguarded properly against business and operational risks.

The Audit Committee expressed its sincere thanks to the members of the Board, management, and the statutory auditors for their support in carrying out its duties and responsibilities effectively.



**M. M. Mostafa Bilal**  
Chairman  
Audit Committee





## Reports of the Nomination and Remuneration Committee (NRC)

Pursuant to the Corporate Governance Code of Bangladesh Securities and Exchange Commission (BSEC) and Corporate Governance Guidelines of Insurance Development and Regulatory Authority (IDRA), the Board of Directors of Sena Kalyan Insurance Company Limited have duly constituted a Nomination and Remuneration Committee (NRC). The NRC assists the Board in formulating the nomination criteria or policy for determining qualifications, positive attributes, experiences and independence of Directors and other top-level executives. The NRC also assists the Board to formulate policy for the formal and continued process of considering remuneration/ honorarium for Directors and top-level executives.

### Nomination and Remuneration Committee (NRC):

The Nomination and Remuneration Committee (NRC) of Sena Kalyan Insurance Company Limited has been formed pursuant to the BSEC's Corporate Governance Code- 2018 and IDRA's Corporate Governance Guideline-2023. The current NRC was last constituted on 18 December 2023 and the present members of the Committee are:

Name	Position in the Committee	Status in the Board
Mr. Kazi Ahmad Pervez	Chairman	Independent Director
Mr. M. M. Mostafa Bilal	Member	Independent Director
Brig Gen Mohd Muinul Haq Mamun, psc	Member	Nominated Director
Brig Gen Rezwan, ndc, psc	Member	Nominated Director

### Role and Responsibilities:

- Identify persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down, recommend to the Board their appointment and removal and shall carry out evaluation of every director's performance.

- Review the framework for the remuneration and terms and conditions of employment of the chairman of the board and the directors;
- Monitor the level and structure of the remuneration of senior managers;
- Set detailed remuneration of the directors and chairman;
- Ensure that directors are fairly rewarded for their contribution to the performance of the Company;
- Ensure transparency to shareholders that remuneration of the directors is set by individuals with no personal interest in the outcome of the committee decisions.

### Nomination and Remuneration Policy/ Criteria:

The objective of the remuneration policy is to enable the Company to attract, motivate, and retain qualified industry professionals for the Board, Management and other executive levels in order to achieve the Company's strategic goals. The remuneration policy acknowledges the internal and external context as well as the business needs and long-term strategy. The policy is designed to encourage behavior that is focused on long term value creation, while adopting the highest standards of good corporate governance. The policy is built on the following principles:

#### A) The Nomination Criteria:

- The company policies as well as guidelines and applicable laws/ regulations for the Company;
- A prescribed selection process that is transparent in all respects;
- Follow a process which is compatible with the recognized standards and the best practices;
- Distinguish the core competencies of the respective personnel for the different levels of management and employees of the Company;
- Follow diversity in age, maturity, gender experience, qualification, educational background, expertise, ethnicity and nationality.

## B) Recruitment and Selection Standards:

The recruitment and selection of Directors and Top-level Executives of the Company are made according to the following core guiding principles:

### Directors and Top-Level Executives:

- i. At first, identifying Company's needs for employees at different levels and determine their selection, transfer or replacement and promotion criteria;
- ii. Then, identifying persons who are qualified to become directors and who may be appointed in the top-level executive position in accordance with the criteria laid down and recommend their appointment and removal to the Board of directors;
- iii. The Board of Directors appoint Directors' and top-level executives, upon nomination recommendation of the NRC.

### Independent Director:

- i. The Independent Directors shall be knowledgeable individuals with integrity who are able to ensure compliance with financial laws, regulatory requirements and corporate laws that can make meaningful contribution to the business;
- ii. The Independent Directors should have competence of the relevant sector in which Company operates and should have the qualifications as required by the Code of BSEC;
- iii. The Board of Directors appoint Independent Director upon nomination and recommendation of the NRC accordingly take the consent of the BSEC which is then approved by shareholders at the Annual General Meeting of the Company.

## C) Remuneration Criteria:

The key features of the Remuneration criteria recommended by the NRC are as follows:

- i. The structure, scale and composition of remuneration/honorarium are reasonably considered based on the Company's policies and guidelines set by the Board of Directors to attract, retain and motivate the top-level executives to run the Company efficiently and successfully;
- ii. The context of packages, including remunerations/benefits are categorically laid down which meets the appropriate performance benchmarks as per the Company policies and guidelines ratified by the Board as and when required.;
- iii. The remuneration to directors, top-level executives involve a balance between fixed and incentive pay reflecting short and long term performance objectives appropriate to the working of the Company and its goals;
- iv. The NRC will recommend the Board meeting attendance fees, honorarium including incidental expenses, if any; and
- v. No member of NRC will be allowed to receive, either directly or indirectly, any remuneration for any advisory or consultancy role or otherwise, other than Board meetings and Board's sub-committee meetings' attendance fees from the Company.

## D) Evaluation Criteria:

### Board of Directors/ Top-Level Executives:

The respective authority of the Directors and Top-Level Executives sets the performance measurement criteria based on the respective role profile and responsibilities through the Company's annual appraisal policy/process at a certain time of each calendar year.

### Independent Director:

The evaluation of the performance of the Independent Directors is to be carried out according to the criteria of attendance and participation in the Board meetings and committee meetings and contribution to the improvement of the corporate governance practices of the Company.

## E) Conflict in Policy:

In the event of a conflict between this policy and the extant regulations, the regulations shall prevail.

## F) Amendments / Modifications:

To the extent of any change/amendment is required in terms of any applicable law or change in regulations, the regulations would prevail over the policy and the provisions in the policy would be modified in due course to make it consistent with law. Such amended policy shall be placed before the Board for noting and necessary ratification.

## G) Review of Policy:

The Board of Directors of the Company may review the policy, if the Board proposes on the basis of criteria in addition to those specified in the policy, or proposes to modify the criteria, it shall disclose such changes along with the rationale for the same on the Company's Annual Report.

## H) Disclosure of Policy:

The policy will be disclosed in the Company's Annual Report.

The activity of the Nomination and Remuneration Committee during the year:

**In 2023, the Committee held 2 (two) meetings. The activities of the NRC during the year were as follows:**

- i. Followed the Terms of Reference (ToR) of NRC, as approved by the Board of directors;
- ii. Appointment and Re-appointment of Independent directors;
- iii. Evaluated the annual performance of the Board and its committees, chairpersons, and directors;
- iv. Discussed the policy relating to the remuneration of the retiring and contract renewal to the top-level executives of the Company;
- v. Developed, recommended and reviewed the Company's annual human resource capital and training policies as well as the involvement of financial matters regarding the increment and promotion.



**Kazi Ahmad Pervez**

Chairman

Nomination and Remuneration Committee



## Claims Management and Details of Outstanding Claims (IBNR & IBNER) with Ageing Thereof

Excellence in claims handling is the vital competitive edge for an insurance company and it is a service that clients greatly value. Payment of legitimate insurance claims for losses that the insured have reasonably suffered is the primary reason for buying insurance. Claims management is one of the most crucial functions of an insurance company as it is the ultimate test of a responsible and efficient insurer. A client obtains an insurance policy by paying premium reposing the trust that upon occurrence of any incident caused by named perils to the subject matter of insurance, the financial losses would be indemnified by the insurer. Hence, by entering into any insurance contract, the client has the following expectations from the insurer:

- (a) Adequate insurance coverage, which does not leave him high and dry in time of need, with right pricing.
- (b) Timely delivery of defect-free policy documents with relevant guidelines endorsements/warranties/conditions.
- (c) In the event of a claim, speedy settlement to the satisfaction of the insured.

Claims management includes services and/or advisory assistance in relation to claims for compensation, recovery, reimbursement or any other remedy for loss or damage.

Underwriting and claims settlement are the two vital aspects of operation of an insurance company. The basis of insurance is risk pooling, which carries the obligation to pay losses.

Sena Kalyan Insurance Company Limited has a corporate philosophy on claims management that lays down a comprehensive approach aimed at providing high quality services and speedy settlement of claims. It specifies the nature of claim services and the IT enabled interactive process for monitoring claim status.

SKICL prefers rather to manage the claims than merely handling them. The claim handling process starts with the notification of loss to Company and the Company appoints a licensed loss adjuster (such as McLarens, Charles Taylor Adjusting, Schlimme of Partner GMBH, Baltic Control (BD) Ltd, Janata Surveyors Ltd, Capital Surveyors, Onward Inspection

Services Ltd, The Engineers Inspection etc.) immediately upon receipt of the intimation. In order to ensure speedy disposal of claims, the insured and/or their agent are always requested to submit all available supporting documents without delay.

A list of minimum requirement of supporting documents/papers for claims arising under each class of business is maintained at the Head Office. The Company undertakes all necessary steps expeditiously in an orderly sequence: contact the insured, arrange to inspect the loss through a loss adjuster, as certain quantum of loss and Company's liability etc. SKICL advises their clients to take preventive measures to avoid/minimize losses and take steps to protect salvage.

As soon as the Company receives all necessary papers along with survey report from the loss adjuster, the Company quickly scrutinizes all documents against its check list of requirements, verifies the loss adjustment made by the surveyor and if in order, proceeds with the settlement of claim without any loss of time. Besides settlement of claims that are possible to dispose off during the accounting period, adequate provision for outstanding claims, if any, are also maintained against unsettled claims.

In recognition to the claims services, Sena Kalyan Insurance Company Limited has been awarded a Credit Rating of AA+ in claims pay ability by the Credit Rating company.

### Outstanding Claims (IBNR and IBNER) with ageing thereof:

Apart from claims settled in an accounting period, outstanding liabilities against insurance claims may exist or arise in respect of claims, which have been reported but not yet settled (IBNER) or against which have been incurred but not yet reported (IBNR).

In general, there might be delay in settlement of the claims on the part of the insurer, typical reasons of which are: (i) delay in reporting (time gap between claims occurrence and claims reporting by the insured at the insurance company); and (ii) delay in settlement due to the fact that it usually takes time to evaluate the whole size of the claim in case of claims of complicated nature or claim of big volume. The time gap between claims occurrence and claims closing (final settlement) may take days (e.g., in case



of property insurances) but it may also take years (typically in case of liability insurances). Provisions are made by setting aside a portion of the net premium to enable the insurer to settle all outstanding claims due to perils estimated to fall within the scope of the insurance contract.

**The following formula is usually applied to calculate the provision for such outstanding claims:**

Total IBNR = "Pure IBNR" + "IBNER"

For the sake of proper accounting practice, reserve for each outstanding claims are maintained in respect of the financial years. Reserve for claims incurred but not reported (IBNR) and Reserve for claims incurred but not enough reported (IBNER) are the two terms that can be regarded as of identical meaning.

In some types of work, especially in reinsurance and in the London market, IBNR provisions include any IBNER provisions. Sometimes, the provision for claims incurred on or before the valuation date is referred to as the True IBNR or the pure IBNR.

The liability for outstanding claims in the Balance Sheet of a non-life insurance company includes a provision for both IBNR and IBNER. Technically, there is a practice of creating reserve against future liability arising out of claims which have occurred but have not yet been settled.

**Incurred but not reported (IBNR) losses reserve**

IBNR refers to the losses that are not filed with the insurer or re-insurer until years after the insurance policy is sold. It is a reserve to provide for claims in respect of claim events that have occurred before the accounting date but have still to be reported to the insurer by that date. In case of a re-insurer, the reserve needs also to provide for claims that, although known to the ceding party or cedent, have not yet been reported to the reinsurers being liable to involve the re-insurer.

IBNR reflects the total amount owed by the insurer to all valid claimants who have had a covered loss but have not yet reported it. Since the insurer knows neither how many of these losses (the frequency) have occurred, nor the severity of each loss, IBNR is necessarily an estimate. The quality of this estimation is often used as a tool in assessing the financial accounting skills of a given insurer. Insurers track IBNR by policy periods (when incepted), along with other categorizations.

The characteristics of IBNR makes it look more like a reserve or provision for the particular types of losses not reported, hence gives a better estimation of profits for the insurer's current business period.

**Incurred but not enough reported (IBNER) loss reserve**

IBNER refers to a reserve reflecting expected changes (increases and decreases) in estimates for reported claims

only. The abbreviation is sometimes stated as applying to "incurred but not enough reserved".

Some liability claims may be filed long after the event that caused the injury/financial loss. Asbestos related diseases, for instance, do not show up until decades after the exposure. Directors' & Officers' Liability claims may also arise long after expiry of the policy period if they found liable for compensation upon court order. General Average claims in case of marine cargo and/or hull losses may be assessed long after occurrence of the incident. Reserve for such outstanding claims also has to be created adequately against IBNER losses. IBNER also refers to assumptions made about claims that have already been reported but where the full extent of the injury is not yet known, e.g., worker's compensation claims where work-related injuries prevent the worker from earning what he or she could have earned before the injury occurred over time. SKICL regularly adjusts reserves for such losses as and when such new information becomes available.

As per the existing directives of our local Insurance Regulatory body, i.e., IDRA (Insurance Development and Regulatory Authority), quarterly reporting of all outstanding claims with ageing thereof including their specific reasons for delay in settlement of such respective outstanding claims is mandatory. SKICL maintains an adequate provision against each of such outstanding with respective aging thereof.

**Disclosures pertaining to solvency margin**

Solvency margin is the amount by which the assets of an insurer exceed its liabilities, and will form part of the insurer's shareholder's funds. Method of valuations of assets and liabilities of an insurer are prescribed in the insurance regulations. The regulations stipulate the minimum solvency margin, which an insurer must maintain at all times. The solvency of Insurance Company corresponds to its ability to pay claims. The solvency of the insurance company or its financial strength largely depends on whether adequate technical reserves are set up for liabilities and whether the Company has adequate capital security or not. The solvency margin functions as the Company's safeguard particularly against the risks related to investment activities. At Sena Kalyan Insurance Company Limited, the management is aware of maintaining its solvency up to a standard level. The solvency ratio of an insurance company is the size of its capital relative to all risks it has taken. The solvency ratio is often defined as: Net Assets is divided by Net Written Premium to arrive at the solvency ratio of a particular insurance company.

**Certificate of actuary giving details of the liabilities on account of live policies and estimates/ assumptions made for the same**

Certificate of actuary at present is not applicable since it is not a requirement under the Insurance Act 2010 due to non-life insurance company.



# Risk Management Report

## Overview

In general terms, risk management is the assessment and quantification of the likelihood and financial impact of events that may occur in the customer’s world that require settlement by the insurance company; and the ability to spread the risk of these events occurring across other insurance underwriters in the market. Risk management involves managing to achieve appropriate balance between realizing opportunities for gains while minimizing losses. Risk management works typically by involving the application of mathematical and statistical modeling to determine appropriate premium cover and the value of insurance risk. Sena Kalyan Insurance Company Limited has overall corporate governance framework and effective systems of risk management. This guideline has been prepared taking into consideration the rules and guidance of Insurance Development and Regulatory Authority (IDRA).

## Objectives

The objective of this guideline is to ensure that Sena Kalyan Insurance Company Limited is managed in a sound and prudent manner by having systems for identifying, assessing, monitoring, and mitigating the risks that can affect their ability to meet their obligations to policyholders.

### The objectives of issuing these guidelines are:

- To ensure that Company is run and managed in sound and prudent manner.
- To ensure that Company has the system for identifying, assessing, monitoring and mitigating risks.
- To ensure that Company has in place the policy and procedures for managing risks.
- To ensure that the board and top level management are responsible for managing risks.

The Company has a robust Customer Relationship Management (CRM) policy. The policy defines a Governance structure as well as the roles and responsibilities at each level. To comply with the authorities requirement this year, the Company has created risk management department, which is headed by the Chief Risk Officer (CRO). Chief Risk Officer generate reports on the Company’s risks and risk management initiatives and are tasked with distributing them to employees, executives and stakeholders.

### The Chief Risk Officer performs the following duties:

- Evaluate company’s risk by monitoring regulatory, technical and competitive factors
- Implement policies and procedures to ensure that management operational risks are minimised
- Determine and evaluate a company’s risk tolerance
- Create strategic plans to mitigate risk
- Ensure that the organisation complies with regulations and laws
- Generate reports on a company’s risks and risk management initiatives
- Distribute reports to employees, executives and stakeholders
- Quantify risk limits
- Monitor the progress of risk mitigation activities
- Oversee funding and budgeting of risk management and mitigation projects

The Chief Risk Officer reports to the Board Risk Management Committee through the Chief Executive Officer (CEO). RM department conducts risk assessment with the assistance of the

underwriting department, where new risks are brought for discussion and thereafter the entire risk universe is recalibrated with the objective of prioritization for mitigation. An Anti-Money laundering Policy framed by SKICL, which covers prevention, identification, investigation and reporting of frauds is reviewed every year. The Company has declared 'Zero Tolerance' to any non-compliance to the terms and conditions of the Anti-Money laundering policy.

### The Dimension of Risk Management

Importance of Risk Management is an integral part of financial intermediation and insurance business. However, failure to adequately assess and manage risks may lead to losses endangering the soundness of company and affecting the stability of the overall financial system. Weak risk management is often identified along with weak internal governance as an underlying cause of insurance company's failure. There is a strong link between good corporate governance and sound risk management. It is an essential part of helping the Company to grow and promote sustainability and resilience. The setting of an appropriate risk strategy and risk appetite/ tolerance levels, a holistic risk management approach and effective reporting lines to the management and supervisory functions, enable company to take risks and treat risks where it is appropriate.

### Risk Culture

The key element of effective risk management of Sena Kalyan Insurance Company Limited is sound and consistent risk culture. We develop an integrated and institution-wide risk culture, based on a full understanding of the risks it faces and how are managed, considering risk appetite and tolerance. In this regard, we develop through policies, communication, and training of staff regarding their responsibilities for risk.

### Risk Capacity

Sena Kalyan Insurance considers that Risk Appetite, Risk Tolerance and Risk capacity are the maximum amount of risk an insurance company is able or not to bear considering its available financial resources. Risk appetite describes the absolute risks an insurance company is open to take considering its exposures and business activities, its business objectives and its obligations to stakeholders. Risk tolerance relates to the maximum amount of risks an insurance company is ready to tolerate above its risk appetite. Risk tolerance shall be based on the use of series of risk limits and indicators that serve as early warning mechanisms to alert management of threats to strategy and objectives.

### Risk Assessment

Risk assessment is the overall process of risk identification,

analysis, and evaluation. Risk identification is the starting point for identifying the nature, sources and cost of risk, areas of impacts, events, causes, and potential consequences. Attention should be given not only to existing risks but also to those arising from new activities. Risk analysis involves developing and understanding of the risk that will help to make the most appropriate decisions for risk treatment. Risk analysis involves measuring risk by considering consequences of an unfavorable event and likelihood of such event. Factors that affect consequences and likelihood shall also be identified. Risk evaluation helps in making decisions, based on the outcomes of the risk and it should be inform to senior management. It mainly involves comparing the level of risk found during the analysis process with the Company's risk appetite.

### Reinsurance

Reinsurance is an arrangement where a portion of the risks assumed by a direct insurance entity is ceded to other insurance entities. The mechanisms to transfer risks include traditional reinsurance and other alternative risk transfer approaches. The insurer must specifically demonstrate that material and catastrophic risks are appropriately covered by reinsurance treaties and facultative arrangements. This forms part of insurance risk. For this Sena Kalyan Insurance Company Limited takes step in risk management as well as in home and abroad considering the followings:

#### 1. Risk Identification and Measurement

The Company analyzes risk profile to decide what and how much risks are to be retained, taking into consideration it's risk appetite and the availability and cost of reinsurance. Departments need to be aware of potential loopholes in the reinsurance program, which may result in higher than intended exposures. Another potential material risk is the risk that the reinsurance contract wording does not accurately reflect the intent for the reinsurance cover, or the contract is not legally enforceable. Insurance company may also face credit risk arising from potential defaults by its reinsurers. In addition, they are exposed to liquidity risk in the event of large losses whereby they may have to pay the claims prior to receiving all the reinsurance recoverable.

#### 2. Risk Control and Mitigation

In designing the reinsurance program, Sena Kalyan Insurance Company Limited takes into account relevant factors including business plans and strategies; underwriting philosophy and capabilities; size and profile of each line of business; frequency and size of loss by line of business; geographical distribution of the business; and financial strength. The Company ensures that reinsurance contracts cover all applicable lines of business and the limits of cover

are adequate. The reinsurance management policy and procedures should spell out clear criteria for the selection of reinsurers and outline the information that is required to assess the financial soundness of a reinsurer.

### 3. Risk Monitoring and Review

The Company monitors that only reinsurers are used as per the reinsurance guidelines issued by IDRA and tracks the aggregate exposure of individual reinsurers or groups of related reinsurers against established exposure limits. We monitor the outstanding balances from our reinsurance counterparties and the credit standing of the reinsurers on their panel on an ongoing basis. The Company reviews its reinsurance program, which has supported their business objectives and strategies over time and helped reduce their losses within their risk tolerance levels.

The Company had to face many challenges due to outbreak of COVID-19 Pandemic. By invoking Business continuity plan in lockdown period, critical users along with other users were able to work from home. This led to smooth functioning of the core activities as well as reinsurance coverage from home and abroad of the valued clients of the company.

#### Insurance Claims

An insurance claim is a formal request to an insurance company asking for a payment based on the terms of the insurance policy. The Company reviews the claim for its validity and then pays out to the insured or requesting party (on behalf of the insured) once approved.

Sena Kalyan Insurance Company believes that in a highly competitive insurance market, differentiation through new and more effective claims management practices are one of the most important and effective ways to maintain market share and profitability. The Company earns premium by selling policies/cover note but the largest outflow of money goes through settling claim. So, smooth and swift claim settlement play vital role in the development of the Company.

#### In our Company, the claim process is built on:

- Claim document & content management tool
- Mobile based & smart phone based technology solutions
- STP processing to minimize delay
- The claims department is efficient and staffed by competent and professional claims personnel.

#### In our website, we clearly mentioned to provide all relevant information relating how to intimate a claim:

- How to lodge a claim
- What documents to be kept in possession
- Whom to be contacted to lodge a claim
- What information needs to be provided in lodging a claim
- Claim process adopted by the insurer
- How to follow up on claims lodged
- Help desk details to support customer service

#### This information is also included as part of policy document in every sales brochure or communication.

#### Claim Settlement process followed by the Company:

- At first, an insured or the claimant shall give notice to the Company in any loss arising under contract of insurance at the earliest or within such extended time as may be allowed by the Company.
- On receipt of such a communication, we respond immediately and give clear indication to the insured on the procedures that he should follow.
- In cases where a surveyor has to be appointed for assessing a loss/ claim, we appoint surveyor immediately or within 72 hours of the receipt of intimation.
- Where the insured is unable to furnish all the particulars required by the surveyor or where the surveyor does not receive the full cooperation of the insured, we inform in writing the insured about the delay that may result in the assessment of the claim.
- Our claim department also follows whether the surveyor complies with the code of conduct laid down by Insurance Development and Regulatory Authority while assessing the loss.

**The following steps are also followed by the Claims Department:**

- After checking the policy, a claim is registered and a claim number is allocated to the Insured. This claim number is used in all future correspondences for easy reference.
- A claim form is issued to the Insured for completion and with some relevant papers/documents in support of the loss.
- Maintain close relationship with reinsurers for recovery.
- On scrutiny received documents & final survey report, we place the claim before the management for approval.
- A loss voucher is issued against approved amount in favour of the insured.
- After getting duly signed and sealed loss voucher, our accounts department issue the cheque immediately as per voucher.

**Risk Management/Claims Committee:**

The Risk Management Committee/Claims Committee was last reconstituted on 18 December 2023 and the members of the Committee are:

Name	Status in the Board	Position in the Committee
<b>Air Cdre Md Shaharul Huda, BSP, ndc, psc</b>	Nominated Director	Chairman
<b>Brig Gen Md Rezwan, ndc, psc</b>	Nominated Director	Member
<b>Mr. M. M. Mostafa Bilal</b>	Independent Director	Member

**Our Core Services**



**Our Centers of Excellent**





## Statement of Directors' Responsibilities

### Responsibility for financial statements

The Directors are responsible for ensuring that the Company keeps proper books of accounts of all the transactions and prepare financial statements, which give a true and fair view of the state of its affairs and profit/ loss for the year.

The Board of Directors accept responsibility for the integrity and objectivity of the financial statements. It ensures that the estimates and judgments relating to the financial statements were made on a prudent and reasonable basis so that they reflect in a true and fair manner, the form and substance of transactions and reasonably present the Company's true state of affairs.

The Board of Directors confirm that the International Financial Reporting Standard (IFRS) and International Accounting Standards, as adopted in Bangladesh by the Institute of Chartered Accountants of Bangladesh, have been adhered to, subject to any material departure being disclosed and explained in the notes to the accounts.

The Board also confirms that the Company keeps accounting records, which discloses with reasonable accuracy, the financial position of the Company, and which enables it to ensure that the financial statements comply with the requirements of the Companies Act, 1994, Securities and Exchange Rules, 1987, the requirements of the Insurance Act 1938 (as amended in 2010), the Insurance Rules 1958, and Listing Regulations of Dhaka Stock Exchange Limited and Chittagong Stock Exchange Limited and amendments thereto.

### Responsibility for internal control systems

To ensure this, the Company has taken proper and sufficient care in installing a system of internal control, which is

reviewed, evaluated and updated on an ongoing basis. The internal control and compliance department of the Company conducts periodic audits to provide reasonable assurance that the established policies and procedures of the Company were consistently followed.

### Responsibility for Corporate Governance

At SKICL, we view the governance and oversight of our distinctive business model and prudent strategy as key to the ongoing creation and delivery of value to our stakeholders, particularly in an economic environment that remains both uncertain and challenging.

At our Company, the Board's primary role is to provide leadership, ensure that it is appropriately managed and deliver long-term shareholder value. It also sets the Company's strategic objectives and provides direction as a whole. A number of key decisions are reserved for and may only be made by the Board, which enables it and the executive management to operate within a clear governance framework.

At SKICL, we have also established and embraced - both in letter and spirit - our Code of Conduct, signed by each and every member as an acceptance to adhere to the principles of the Code during all business dealings. The Code also sets out guidance on best practices in the form of principles and provisions on how we should adopt and follow good governance practices. It has been the Board's view that the Company's governance regime has been fully compliant with the best practices set out in the Code during the year under review.

### Opinion of External Auditors

The statutory auditors of the Company, FAMES & R., Chartered Accountants, have carried out annual audit to review the system of internal controls, as they consider appropriate and necessary, for expressing their opinion on the financial statements. They have also examined the financial statements made available by the management together with all the financial records, related data, minutes of shareholders and Board meetings, relevant policies and expressed their opinion.

Moreover, in compliance with the conditions of the revised Corporate Governance Code (CGC)-2018 issued by Bangladesh Securities and Exchange Commission (BSEC) and Corporate Governance Guideline-2023 for Insurance Companies issued by IDRA, Mahfel Huq & Co., Chartered Accountants, have examined the compliance with the said conditions/guidelines of Corporate Governance and certified that Sena Kalyan Insurance Company Limited has complied with the conditions of Corporate Governance Code/Guideline stipulated in the above mentioned notification.

The auditors have also followed the notifications issued by the Bangladesh Securities and Exchange Commission (BSEC) and other regulatory bodies in relation to the Company's financial reports and disclosures.



# Dividend Distribution Policy of Sena Kalyan Insurance Company Limited

## OBJECTIVE

The objective of this policy is to lay down the criteria to be considered by the Board of Directors of the Company before recommending dividend to its shareholders for a financial year. The policy is framed in compliance with the Bangladesh Securities and Exchange Commission's Directive dated on January 14, 2021.

## CRITERIA TO BE CONSIDERED BEFORE RECOMMENDING DIVIDEND

The Board will consider the following factors before recommending dividend:

### Statutory and Regulatory Compliance

The Company shall declare dividend only after ensuring compliance with the regulatory guidelines on dividend declaration e.g. in line with the directives of the Finance Act- 2019 and/or by fulfilling other restrictions, if there is any, from the regulators like Insurance Development and Regulatory Authority of Bangladesh, Bangladesh Bank and Bangladesh Securities Exchange Commission (BSEC) etc.

### Financial Criteria

- Financial performance of the Company for the year for which dividend is recommended
- Internal capital planning framework/policy;
- Dividend payout trends (the dividend payout ratio will be calculated as a percentage of dividend (including dividend tax) recommended for the year on the net profit of the Company);

- Tax implications if any, on distribution of dividends;
- Cost of raising funds from alternate sources of capital;
- Corporate actions including mergers/demergers, acquisitions and additional investments including expansion plans and investment in subsidiaries/associates of the Company;
- Such other factors and/or material events which the Company's Board may consider

### External Factors

- Shareholders' expectations including individual shareholders
- Macro-economic environment

## CIRCUMSTANCES UNDER WHICH SHAREHOLDERS MAY OR MAY NOT EXPECT DIVIDEND

The Board of the Company may not recommend any dividend if the eligibility criteria for recommendation of dividend has not been met by the Company, including any regulatory restriction placed on the Company on declaration of dividend or if the Board strongly believes that the need to conserve capital for growth or other exigencies which will be spelled.

### Dividend Distribution

- Company shall pay off the dividend (cash/stock) to the shareholders within 30 days of declaration or approval or record date as the case may be;



- Company shall pay off the cash dividend to the bank account of the entitled shareholder as available in the BO account maintained with the depository participant (DP), or the bank account as provided by the shareholder in paper form, through Bangladesh Electronic Funds Transfer Network (BEFTN) or through bank transfer or any electronic payment system as recognized by the Bangladesh Bank, if not possible through BEFTN;
- Dividend of the margin client of stock broker or merchant banker shall pay off to the Consolidated Customer's Bank Account (CCBA) of the stock broker or to the separate bank account of the merchant banker or portfolio manager through BEFTN;
- In case of non-availability of bank account information or not possible to distribute cash dividend through BEFTN or any electronic payment system, shall issue cash dividend warrant and shall send it by post to the shareholder;
- Company shall credit the stock dividend to the BO account or issue the bonus share certificate of the entitled shareholder;
- Company shall follow the directives/circulars in force of the securities regulator, related to dividend distribution from time to time.

#### UTILISATION OF RETAINED EARNINGS

The Company would utilize the retained earnings of the Company in a manner which is beneficial to the interest of the Company and its stakeholders, including, but not limited to ensuring maintenance of a healthy level of minimum capital adequacy ratios, meeting the Company's future business growth/expansion and strategic plans or such other purpose, the Board may deem fit from time to

time in the interest of the Company and its stakeholders.

#### PARAMETERS FOR VARIOUS CLASSES OF SHARES

Currently, the Company does not have any other class of shares (including shares with differential voting rights/preference shares) other than equity shares. In the absence of any other class of shares and/or shares with differential voting rights, the entire distributable profit for the purpose of declaration of dividend is considered for the equity shareholders.

#### CONFLICT IN POLICY

In the event of a conflict between this policy and the extant regulations, the regulations shall prevail.

#### AMENDMENTS / MODIFICATIONS

To the extent any change/amendment is required in terms of any applicable law or change in regulations, the regulations would prevail over the policy and the provisions in the policy would be modified in due course to make it consistent with law. Such amended policy shall be placed before the Board for noting and necessary ratification.

#### REVIEW OF POLICY

The Board of Directors of the Company may review the policy, if the Board proposes to declare dividend on the basis of criteria in addition to those specified in the policy, or proposes to modify the criteria, it shall disclose such changes along with the rationale for the same on the Company's website and in the Annual Report.

#### DISCLOSURE OF POLICY

The policy will be available on the Company's website and will also be disclosed in the Company's Annual Report.



# Stakeholder Perspectives

## (STAKEHOLDERS IDENTIFICATION & ENGAGEMENT)

Stakeholder identification is the first step in stakeholder management. Identifying and understanding stakeholders is important because it allows us to recruit them as part of our effort to succeed. It encourages us to think about others rather than being confined to a bubble. As we address each of the stakeholders' expectations, we gain their wholehearted support. This lends us credibility as an organization as well as raises the chances of our success as our success becomes their success. At SKICL, we identify and analyze stakeholders under three sustainability dimensions - economic, social and environmental.

At SKICL, we balance stakeholder needs from short and long-term perspective. Our aim is to deliver stakeholder value through sustainable performance.

### Customer Engagement



#### How we engage with customers

- Engagement at every stage of the product lifecycle through multiple direct contact avenues
- Trained customer relationship managers and toll-free numbers
- Measuring customer satisfaction
- Executing sales, service and claims processes on the digital platform

#### Fulfil their needs and meet their expectations

- Innovative products
- Customised solutions
- Value-added, technology-enabled services
- Customer service and experience
- Competitive pricing
- Simplified processes
- Efficient claim settlement

### Business Partner Engagement



#### How we engage with business partners

- Conducting one-to-one meetings
- Reaching out through phone and e-mail
- Organising channel partner events such as meets and conferences, setting up portals and forums

#### Fulfil their needs and meet their expectations

- Defining the product and value proposition
- Quick and efficient settlement of sourcing costs
- Speedy response to queries

### Employee Engagement



#### How we engage with employees

- Through workshops, training interventions, learning and development initiatives
- Intranet, mobile platforms
- Employee satisfaction survey
- Townhall meetings
- Wellness initiatives

#### Fulfil their needs and meet their expectations

- Assuring them of an inclusive Company culture
- Creating a safe and secure work environment
- Offering quality training and mentoring
- Providing opportunities for career development

## Shareholder and Investor Engagement

How we engage with shareholders & investors

- Corporate earnings – annual and quarterly
- Annual reports
- Investor presentations
- Annual General Meeting
- Investor/Analyst meet

Fulfil their needs and meet their expectations

- Strong governance, ethics and transparency
- Consistent financial performance
- Long-term business value
- Clear business strategy



## Regulators Engagement

How we engage with Regulators

- Business associations
- Industry workshops
- Presentations
- Written communication
- One-to-one meetings

Fulfil their needs and meet their expectations

- Responsible development of insurance players
- Efficient management of regulatory change
- Full disclosure of business activities
- Statutory and legal compliance
- Inclusion in insurance



## Rating Agencies Engagement

How we engage with rating agencies

- Written communication
- Presentations

Fulfil their needs and meet their expectations

- Robust risk management and risk mitigation
- Adequacy in solvency
- Conservatively managed and stable balance sheet



## Community Engagement

How we engage with communities

- CSR initiatives
- Community welfare
- Awareness workshops
- Employee volunteerism

Fulfil their needs and meet their expectations

- Proactive engagement
- Safety and health matters
- Community welfare





## Addressing Material Issues

### Material matters

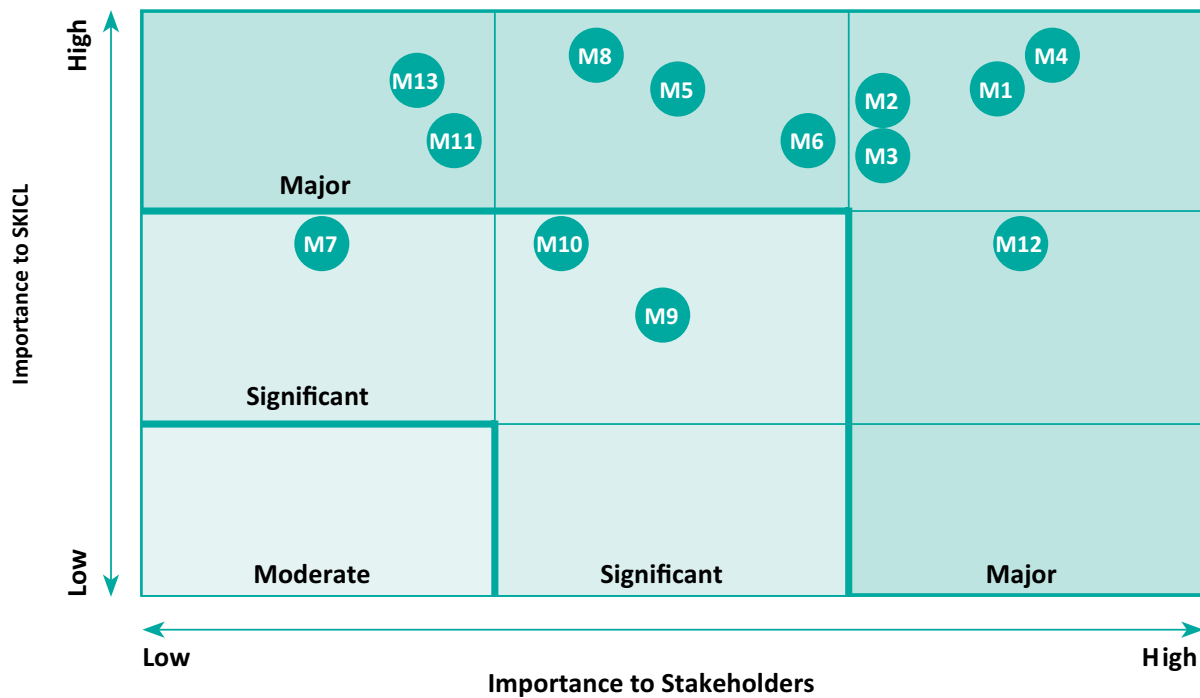
What matters to our stakeholders	Why it matters	How we are addressing these issues
<b>Product pricing</b>	Attractive product pricing is the key to engage with more customers in a competitive market scenario	<ul style="list-style-type: none"> <li>Continuous evaluation and effecting relevant changes</li> <li>Risk-based pricing with a balance in protecting shareholder and policy-holder</li> <li>Robust actuarial division</li> </ul>
<b>Risk modeling</b>	Determining and better managing risk levels based on statistical methods and tools	<ul style="list-style-type: none"> <li>Prudent underwriting and benchmarking against best practices</li> <li>Using technology, data and analytics</li> <li>Supervising emerging risks and strategizing risk mitigation</li> </ul>
<b>Responsible underwriting, finance and investment policies</b>	Helps reduce environment footprint, enhance reputation and meet sustainability goals	<ul style="list-style-type: none"> <li>Improving risk selection through predictive model and managing risk retention through reinsurance</li> <li>Well-diversified portfolio across products and regions across the country</li> <li>Alfa Rating has assigned the company long-term issuer rating of AA with a Stable Outlook. Issuers with this rating are considered to have the safety regarding timely servicing of financial obligations.</li> </ul>
<b>Reserving</b>	An accurate reserving process increases credibility and enables in determining the value of claim and assists in decisions on better planning and underwriting	<ul style="list-style-type: none"> <li>Compliance with reserving and solvency guidelines</li> <li>Maintaining robust reserves</li> </ul>
<b>Financial performance</b>	Shareholders expect us to deliver increased returns on investment and maximise shareholder value	<ul style="list-style-type: none"> <li>Enabling higher profitability through prudent risk selection and data analytics</li> <li>Prudent investment practices</li> <li>Aligning business model and strategy in line with the external environment</li> </ul>
<b>Ethical practices, anti-bribery and corruption</b>	Focusing on enhancing market reputation through responsible practices, high ethical standards and pro-activeness in managing risks and emphasising on interests of stakeholders	<ul style="list-style-type: none"> <li>Code of conduct</li> <li>Anti-bribery and corruption policies</li> <li>Robust corporate governance</li> <li>Keeping up with industry rules and regulations</li> <li>Encouraging a culture of ethics and fair practices</li> </ul>

What matters to our stakeholders	Why it matters	How we are addressing these issues
<b>Transparency</b>	Maintaining transparent business practices to enhance credibility and instill confidence among stakeholders	<ul style="list-style-type: none"> <li>■ Demonstrating accountability and transparency through reporting standards</li> <li>■ Best disclosure practices</li> <li>■ Through &lt;IR&gt; and ESG reporting</li> <li>■ Increased use of technology</li> </ul>
<b>Advancing sustainability</b>	Sustainability is a key evaluation criteria for global investors and impacts market credibility	<ul style="list-style-type: none"> <li>■ Maintaining an over-arching policy on environment management</li> </ul>
<b>Employee engagement</b>	Effective employee engagement helps realise strategic objectives	<ul style="list-style-type: none"> <li>■ Improving employee engagement activities</li> <li>■ Conducting training and development programs</li> <li>■ Ensuring employee recognition and rewarding excellence</li> <li>■ Motivating employees through incentive schemes</li> </ul>
<b>Innovation and IT deployment</b>	Enables operational excellence and helps deliver better customer experience	<ul style="list-style-type: none"> <li>■ Investing in latest technologies including artificial intelligence, machine learning and chatbots</li> <li>■ Augmenting knowledge-based resources</li> </ul>
<b>Stability of systems and processes</b>	Helps ensure smooth, efficient and uninterrupted operations	<ul style="list-style-type: none"> <li>■ Continuously evaluating and upgrading internal control systems</li> </ul>
<b>Customer privacy and data protection</b>	Inability to protect customer data saved on cloud can lead to litigation issues and may lead to lack of reputation	<ul style="list-style-type: none"> <li>■ Implementing good practices for cyber security and fraud prevention</li> <li>■ Maintaining controls for confidentiality, integrity and availability</li> <li>■ Implementing control mechanism for information assurance</li> </ul>
<b>Customer service and claim settlement</b>	Increases reputation as a customer-friendly insurance player meeting adequate customer needs	<ul style="list-style-type: none"> <li>■ Using advanced technologies</li> <li>■ Empowering employees</li> <li>■ Offering value-added services and customized solutions</li> <li>■ Simplifying customer interactions</li> </ul>

### Materiality Matrix

At SKICL, there is continuous evaluation of the operating environment and engagement with stakeholders to identify and respond to existing and emerging material ESG issues. This internal listing and assessment of material topics is done through a year-round engagement of internal teams with various stakeholders, peer analysis and on our own domain expertise and analysis.

The findings of our materiality analysis are presented in the matrix below. This reflects the significance of each topic in terms of stakeholder interest and its potential impact on the business.



- M1** Product pricing
- M2** Risk modelling
- M3** Reserving
- M4** Financial performance
- M5** Ethical practices, anti-bribery and corruption
- M6** Transparency
- M7** Advancing sustainability
- M8** Responsible underwriting, finance and investment policies
- M9** Employee engagement
- M10** Innovation and IT deployment
- M11** Stability of systems and processes
- M12** Customer privacy and data protection
- M13** Customer service and claim settlement



## Report on Going Concern

Going concern is a fundamental accounting concept that underlies the preparation of financial statements of companies. Under the going concern concept, it is assumed that a Company will continue in operation and that there is neither the intent nor the need to either liquidate it or to cease trading.

The purpose of this going concern statement is to bring together the requirements of Company law, accounting standards and Listing Rules on going concern.

The management of Sena Kalyan Insurance Company Limited (SKICL) has made this assessment based on the accounting period ended on or after December 31, 2023. The management's assessment of whether the Company is a going concern involves making appropriate inquiries including review of budgets and future outcome of inherent risks involved in the business.

Considering the following major indicators, SKICL's management has reached the conclusion that the financial statements for the year 2023 is prepared based on going concern assumption:

### Financial Indications:

- Positive Net Current Assets
  - Speedy settlement of Claims
  - Fixed term debt with realistic renewal or repayment
  - Less reliance on short term borrowing / current liabilities
  - Continuous financial support by lenders/ valued investors
  - Positive/Negative operating cash flows
  - Positive key financial ratios
  - Consistent payment of dividends
  - Credibility in payment of obligations
  - Performance growth
  - Positive underwriting results and trends
- Operating Indications:
- Strengthening of Human Capital
  - No key Management turnover

- Good business expansion
- Quickly claims and settlement to the clients
- Good market reputation and clients satisfaction
- Good corporate environment and employees satisfaction

### Other Indications:

- Strong equity base
- Strong claim paying ability (CPA)
- Anticipates no significant change in legislation or government policy
- Maintenance of sufficient capital base as required by law.

Based on the above indications, the Management of the Company strongly believes that there is no need to pre measure the impairment of non-financial assets, fair value of assets and liabilities, potential decrease in the net realizable value of inventories, deficiency in cash flows from working capital, any adverse impact on employee benefits or any potential obligations and the entity's ability to continue as going concern. In addition, the Company does not have any plan to defer any capital expenditures, dividends and other distributions or require seeking any financial support from shareholders or taking financial stimulus of government. Overall, there is no mentionable impact of the present pandemic on the business for the year ended 31 December 2023 rather than general market impacts.

As per our Auditors Review, the accompanying financial statements have been prepared on a going concern basis, which contemplates the realization of assets and the satisfaction of liabilities in the normal course of business without significant fluctuation in value. The accompanying financial statements do not include any adjustments, which indicate that Sena Kalyan Insurance Company Limited is unable to continue as a going concern.

There are no significant and/or material orders passed by the Regulators or Courts or Tribunals impacting the going concern status and future operations of the Company.





## Our Approach to ESG

### Smartly and sustainably fulfilling our commitments

In times of uncertainty, customers and investors alike are focused on companies that are resilient and actions centered on environmental, social and ethical norms. At SKICL, we are actively adopting a holistic approach towards ESG and building a better future for all.

Environmental, social and governance (ESG) reporting is no longer just a buzzword nowadays. The focal areas include limitation of harm to environment, greening of market offers and the supply chain that delivers it, the health and safety of employees, community development and the overall sustainability of the economy. The corporate sector in the past ten years has witnessed a sharp acceleration in the trend toward sustainability in investment management and the embrace of ESG factors in financial analysis. The World Economic Forum's ESG metrics say that it is not only the right thing to do, it is the right business thing to do. As the pandemic made clear, business can only thrive if society thrives. Here the requirement for the companies is to disclose their climate risks.

We have since long understood the importance of Environmental, Social and Governance (ESG) related non-financial factors to identify material risks and growth opportunities. Global Reporting Initiative (GRI) is working to form standards and define materiality to facilitate incorporation of these factors into the investment process.

SKICL feels that the transition from CSR to ESG enabled it to widen the scope of initiatives. Today's business agenda for any responsible company is definitely compliance, eco-efficiency, corporate social responsibility, socially responsible investing, green, clean, sustainability, regenerative, net zero, net positive, and many more. Among those the ESG has been the language used to distinguish investment funds that screen companies for a high level of sustainability performance.

Our ESG Report highlights our initiatives, efforts and practices as we progress towards becoming a truly sustainable corporate citizen. The starting point of our ESG actions is a comprehensive stakeholder analysis exercise to priorities actions according to their impact and influences on our business. The

framework enables us to continually and closely collaborate with all our stakeholders to address challenges in ESG to ensure meaningful impact. Our approach to ESG is also aligned to the principle of materiality as described in the GRI standards.

Our actions in these regards are:

### Environment

Our environmental initiatives are continually focused on making our operations green and sustainable to tackle environmental challenges and facilitate our progress towards a low carbon economy. The Company has been measuring its carbon emissions for last years with an objective of reducing its overall carbon emissions.



Our actions towards reducing carbon emissions include using technology to minimize energy consumption, carving our exclusion list towards responsible investment and engaging with the management of investee companies in order to help to drive positive changes including careful evaluation of stakeholders' proposals on various kinds of climate issues. The Company is also actively promoting sustainable underwriting by products and providing value-added services to customers that help them mitigate risks while achieving climate sustainability.

### ESG factors are accounted for in our core operations as we adopt:

- Sustainable practices by leveraging technology, efficient use of resources by reducing energy emissions, reducing water consumption, reduce waste eliminating plastic, higher adoption of renewable energy sources and offsetting mechanisms.
- Influence positive environment friendly product choices and practices amongst our stakeholders
- Facilitate our corporate customers through value-added services that help them mitigate risks while achieving climate sustainability.



## Employee Practices

## Customer-Centric Initiatives

## Empower communities

### Social

At SKICL, we are committed to empowering people and ensuring their welfare. We recognise that we have an obligation to be a sustainable business for the benefit of all our stakeholders. People are at the heart of our business and their well-being is paramount to us. For customers, we strive to offer the best customer experience while continuing to innovate on products, platforms and services to be the preferred general insurance provider. For the community, all our initiatives are focused on creating opportunities that offer meaningful development around healthcare, road safety and wellness. We also continue to partner with our sponsor, SKS on various skill development, sustainable development programmes.

Our employee practices are aimed at building resilience, agility and flexibility while we strive to achieve more diversity and inclusiveness in our journey to being regarded as one of India's top employers. We are focused on "Future of Work" and creating new and empowered methods of working to increase productivity and be seen as a more compelling and differentiated employer brand.

#### We are doing this by:

- Building a responsible work culture
- Making our Diversity, Equity and Inclusion (DEI) approach more contemporary and focused to promote higher representation of diversity in the areas of gender, generation and people with disabilities. We are taking specific efforts on increasing the representation of women at work.
- Focusing on initiatives for all round employee well-being and safety
- Ensuring fair performance reviews and recognition
- Talent management – from hiring to learning, leadership development and succession planning.

Our business model is centered around customer-centricity. Our customer first

approach is aimed at using pioneering technologies while prioritising their long-term interests. Our sustained efforts have resulted in deep customer relationships, satisfaction and loyalty.

#### Our customer-centric initiatives are based on:

- A robust CRM framework building, renewing and enhancing our customer relationships
- Redressing customer grievances
- Focusing on customer satisfaction
- Financial inclusion
- Delivering superior experiences through a digital first approach
- Ensuring we leverage technology for speedy claim settlements
- Advising customers on opting for sustainable product solutions
- Educating customers on ESG

Business growth and community development are interlined at SKICL. It is our endeavour to make prosperity scalable so that every citizen can lead a healthy life with equal rights and opportunities. We are making responsible investments in the community to drive inclusive development and social harmony alongside fostering a culture of mutual trust and care. In our pursuit of advancing human development, we have adopted a unified and strategic approach across SKICL to ensure maximum impact from our CSR interventions.

#### We are committed to empower communities through well-devised actions and programmes aimed at:

- Providing access to preventive healthcare
- Promoting sensible road safety behaviour
- Facilitating health and hygiene with clean drinking water and improved sanitation
- Inspiring healthy living and wellness



## Governance

SKICL remains committed to following sound corporate governance practices and upholding the highest governance standards. Our actions on corporate governance are driven through a robust governance framework and a deep focus on doing business with integrity, ethics and transparency. It ensures that we conduct business responsibly while effectively managing social and environmental impact. Our regulatory framework ensures transparency, protects stakeholders' interests and maximises stakeholder's value.

Our policies, frameworks and codes make our corporate governance architecture robust. We aim to build trust with stakeholders through:



All our policies, frameworks and codes are actively monitored and reviewed annually or half-yearly or as and when required as per regulatory guidelines. The Company benchmarks the best practices in peer groups in order to implement more effective corporate governance towards all stakeholders and be an ideal corporate citizen that leads by example.

We are actively working towards achieving our goal of creating a better tomorrow, together with and for all our stakeholders. We are confident our ESG actions will trigger positive, long-lasting changes in our business and the communities we serve. At SKICL, ESG is about making an impact through action.



## Corporate Social Responsibility (CSR) at SKICL

Corporate Social Responsibility (CSR) is the practice of integrating social and environmental goals into business operations. The key idea behind CSR is for organizations to pursue other pro-social objectives, in addition to maximizing profits. CSR also aims to embrace responsibility for the Company's actions and encourage a positive impact through its activities on the environment, consumers, employees, communities, stakeholders and all other members of the public sphere who may also be considered as stakeholders.

Sena Kalyan Insurance Company Limited (SKICL) is a concern of Sena Kalyan Sangstha (SKS) of Bangladesh Armed Forces. Born through the Great War of Liberation, Bangladesh Armed Forces have earned a time tested confidence of the people of the country and with that sky high image, Sena Kalyan Insurance Company Limited is serving all sections of the people by upholding the principles of transparent perception and corporate practices in the field of insurance.

As part of the CSR initiatives, Sena Kalyan Insurance Company Limited (SKICL) focuses primarily on underprivileged children and physically challenged people of the society for their physical, mental and educational improvement.

To achieve the said purpose, SKICL worked with the following social development organizations for the last few years:

The Company pays dividends to its sponsor (Sena Kalyan Sangstha), which the sponsor spends directly on the various CSR sectors. As per the Scheme of Admin of SKS, retired Armed Forces Personnel and their dependents are entitled to get various types of welfare from Sena Kalyan Sangstha. The Corporate Social Responsibility (CSR)

activities have been helping by providing financial support from the CSR fund to the organizations like PROYASH Schools for Autistic children of Retired Armed Forces Personnel, Cancer Centre at CMH Dhaka and other institutions related to defense services. Besides, all types of humanitarian helps are also given from CSR fund. In 2023, Sena Kalyan Insurance Company Limited (SKICL) spent Tk. 7.90 lac on its CSR sector.

The Company is building an image in the insurance sector of Bangladesh. Although the youngest Company, the Company continues to expand its CSR / welfare activities throughout the year. SKICL is recognized as a responsible corporate body for its continuous effort to its employees to provide contemporary insurance knowledge to the officers & employees of the Company. SKICL expects its employees to become familiar with the Company's mission and contribute to its achievement by living the organizational values, and observing their duty as well as sharing joint responsibility with the Company for their individual growth and development and avail themselves of the opportunities that SKICL offers to keep their expertise up-to-date. Accordingly, every year 2 officers will get an opportunity to take admission in insurance diploma degree and post graduate courses at Public Universities, where 60% of the cost of this course will be borne under the CSR fund of the Company.

The depth of the Company's dedication to the service of humanity is far-reaching and unbelievable, but the ultimate truth. To confirm Transparency and accountability, this Company of the present generation is completely unrivaled and irresistible. This Company is always ready and determined to win the hearts of people by providing insurance services.



## Statement on Ethics and Compliance

The Board of Sena Kalyan Insurance Company Limited (SKICL) is committed to upholding the highest standards of ethics and compliance by its employees through due diligence. The Code of Conduct reflects the commitment. It majorly addresses all the issues relating to conduct and apart from law and regulations touches on prime issues such as Conflict of Interest, Insider Trading, and Other general obligations.

### Our corporate culture is rooted in ethical conduct

At Sena Kalyan Insurance, our code of conduct for business ethics and compliance and the internal compliance policies and guidelines as its outgrowth provide all employees, managers and Board members with clear and practical guidance, enabling them to act in line with the values espoused by our Company. The rules of conduct established by the code are binding for all employees and build the basis for our compliance programs.

Our strong reputation as Bangladesh's most respected general insurance company is built on the trust of our customers, shareholders, employees and the general public. This trust originates on the quality of our products and services, the sustainable impact we create through insurance, the way we inform and advise our customers, the way our policies are transparently worded, the way we approach claims settlement, and the personal conduct and capability of our employees and representatives.

We have a compliance program that articulates standardized processes and controls for communication, monitoring and review. The program is directly supervised by our senior leadership team. Some of the ways by which we further trust through ethical conduct is by engaging in the enhancement of product governance principles, in building the skills and capabilities

of our employees and in continually testing the robustness of our risk framework, etc.

### Our un-deviated approach to compliance fulfillment

At SKICL, integrity is at the core of our compliance programs and management systems and the basis for the trust of our customers, shareholders, business partners and employees. The compliance function fosters a corporate culture of individual and collective responsibility and ownership for ethical conduct and adherence to the rules by several ways, including:



**Advising the Board, managers and employees on business conduct that is lawful, ethical and within the perimeter of the prescribed rules and guidelines.**



**Identifying and assessing material compliance risks and overseeing the implementation of adequate and effective internal controls to mitigate them**



**Providing facility where employees and third- parties can speak confidentially to address any irregularities or misdemeanors**



**Communicating transparently and trustfully with supervisory authorities, including IDRA**

As a Company with nationalistic interests at heart, we focus on ensuring exchequer value through compliance and ethical conduct that is expected from us. As the leader in the general insurance business, we view it as our responsibility to ensure that we comprehensively embrace the principles of insurance excellence. Further, with a customer first philosophy, we always ensure that we keep the best interest of our customers at heart in all our dealings with them. This sense of culture has emerged as a natural and authentic way to ensure compliance with all regulatory rules and guidelines – in both letter and spirit.



# Report on Human Capital & Human Resource Accounting

## An Important Pillar to Achieve Organizational Goals

At SKICL, we believe that our employees are the driving force behind our success which they enable through their collective knowledge, skills, experience and abilities. Hence, our people practices are constantly evolving to the rapidly changing business environment.

Impetus is placed on building robust talent management processes across the entire landscape right from hiring the right fit, developing talent for higher productivity to creating an overall engaged workforce. This is a dynamic, on-going process comprising multiple sub-processes and systems with digitisation at the core. To adapt to the changing work norms, agile methodologies were leveraged to enable smooth transition to flexible, virtual working so as to ensure high performance. Our organization's value further acts as compass for employees across level to deliver their responsibilities towards internal and external customers effectively. As an outcome, our talent management processes empower employees to realize their full potential, while enabling the organization to achieve its goals.

At SKICL, our people are our greatest asset. It is one of our utmost priorities that the employees are taken care of. We try to provide our people a congenial work environment, opportunity to hone their skills, and apt compensation and rewards that drive their motivation and work performance- one of the key reasons for our continued success and 11 years of existence.

## Talent Development Plan

Our key learning philosophy focuses on grooming and developing employees for better performance on the job and building their readiness for higher responsibilities for future. Thus, the HR department always tries to play a pivotal role in driving strength from diversity and inclusion of SKICL's core values and leadership behaviors within our talents.

## Major focus areas of personnel training and development:

- Increasing employee motivation through assigning realistic goals, empowerment and industry standard compensation & benefits;
- Improving retention rates through managing expectations and delivering what was promised to the employees;
- Developing employee engagement through events and activities throughout the year;
- Improving Return on Investment (ROI) through proper performance management;
- Improving organizational communication by allowing two-way communication and idea sharing;
- Recruitment and Selection keeping Equal Employment Opportunities, hiring biases, necessary & additional skill set and development prospect into account.
- Foster Performance Based Culture to increase in house competitiveness.

## Succession Planning

Our integrated talent management strategy to identify our talent requirements, hire the right talent, provide need-based development and career growth opportunities and reward for high performance, has been a critical enabler for business performance and long-term growth. The current talent management framework, systems and processes have been operational for several years now and have helped to build a robust talent pipeline which continues to be our enduring strength.

A comprehensive review of the existing Talent Management processes and the interlinked HR systems and processes were carried out during the year to understand if it continues to reflect the

overall talent and leadership philosophy, its alignment with the business needs, and the state of readiness for the future.

The succession planning process too has been accordingly refreshed to give us a visibility on talent available in the short & long term, identify existing and emerging talent for roles and also agree on the specific need-based developmental interventions to improve their readiness.

### Merit Based Recruitment

As SKICL focuses on hiring the right person for the right position and also concentrates on the proper development and motivation of the personnel, HR Professionals are allowed to track every detail which is related to hiring and recruiting processes. In order to maintain protocols, SKICL forms a board composed of the Managing Director & CEO, concerned department head and head of HR for interview. So, the selection process can determine which job-seeker has the skills, abilities and knowledge deemed to be most suitable for the job. In our recruitment and selection process, the Company places importance on equal employment opportunity for all applicants, irrespective of race, religion, ethnicity, gender, sexual orientation, veteran status, age, disability or political affiliation/influence. The recruitment and selection process are consistently applied, is nondiscriminatory and promotes fairness, diversity and integrity, in compliance with the State's labor laws. Across our recruitment system, applicants effectively compete for a job. Besides this, the Company places high emphasis on strategy for retention of good performers as well.

SKICL's organizational chart outlines the internal structure of the Company. It emphasizes on the roles, responsibilities and relationships between individuals within the Company. It is used to depict the structure of SKICL as a whole as well as the Company segregated by divisions and departments.

In the year under review, total 11 (eleven) new regular employees were hired of which number of male employees were 09 (nine) and female employees were 02 (two). During the year 2023, 05 (five) regular employees were separated from the services of the Company.

### Yearly Performance Appraisal (YPA)

Sena Kalyan Insurance Company Limited Annual Performance Appraisal comprises a systematic framework in which weightage is assigned in areas like Efficiency, Productive, Operational, Individual Development, Values and others. Employees' KPIs or Key Performance Indicators are evaluated with respect to their assigned activities, performance and

also their overall contribution to the Company as individual or a team player. This appraisal system helps our management to place the right employees in the right jobs depending on their skills, output and growth. Additionally it also helps us to identify any skill gap and subsequent training development plan for them.

### Promotion, Reward and Motivation

Our employees are integral to the ongoing success of our organization. So, our HR department works to encourage and optimize employee productivity on a continual basis. Performances appraisals are the process by which we evaluate productivity of the employees in the organization. In this process, the key elements such as absenteeism, overtime, training costs, performances improvement, career planning and development, external challenges relating to the personnel matters of the organization and overall employee productivity rates help to ensure the proper performance evolution. In turn, this employee management sample provides a perfect storm of information for keeping our business as productive as humanly possible.

To make effective reward management, we have prepared an appropriate reward system. Attractive and transparent reward system that has the quality to motivate and empower the dedicated and reliable employees. This reward management also assists in planning the long-term financial management.

### Training and Development

The ultimate goal of SKICL's HR planning & development is to increase the organization's competitiveness in order to create a business environment that wins in the marketplace by supporting to build and develop the corporate culture. Sena Kalyan Insurance Company Limited is continuously investing to create on smarter solutions for performance management, talent management, diversity, employee wellness, and so on. The company offering a strong platform for employees to grow in the careers, HR provides training and development support to not only foster a competitive culture, but also ensure that the organization remains on its defined strategic path. Thus, HR designs and develops training programs to meet the Company's overall goals while keeping business goals in focus to ensure that all training and development efforts are aligned with the Company's overall business strategy and strategic road map.

During the year 2023, 65 in-house and 13 external training programs were conducted where employees participated in both categories of training programs.



### Higher Education Policy for Employees of SKICL

Since its beginning in 2013, Sena Kalyan Insurance Company Limited (SKICL) has embraced values that have helped the Company grow into what it is today. This policy presents the foundations that have served as both our inspiration and our guidance. To consolidate and strengthen our identity, we must ensure that our Company's values and principles guide our activities and the way in which we operate.

This policy applies to all Officials of SKICL, hereinafter referred to as 'Employees' whether permanent or on contractual/probation but not sub staff. The policy supplements but does not mandatory and does not exclude, limit or replace the employee's rights, duties & obligations under the employee's terms of employment and/or any other legal/regulatory requirements applicable to SKICL.

As our vision is, within a very short time we want to be one of the top five companies in the premier general insurance sector of the country, this policy is to lay down the criteria to be considered to develop technical insurance education, training & research, and continuous professional development in the organization.

SKICL is recognized as a responsible corporate body for its continuous effort to its employees to provide contemporary insurance knowledge to the officers & employees of the Company.

SKICL expects its employees to become familiar with the Company's mission and contribute to its achievement by living the organizational values, and observing their duty as well as sharing joint responsibility with the Company for their individual growth and development and avail themselves of the opportunities that SKICL offers to keep their expertise up-to-date.

Accordingly, every year 2-3 officers will get an opportunity to take admission in insurance diploma degree and post graduate courses at Public Universities, where 60% of the cost of this course will be borne under the CSR fund of the Company.

### National Integrity Strategy (NIS)

The Government of Bangladesh believes that the issue of integrity should not stop at the top level of institutions. Rather, each institution is expected to find mechanisms to implement institution specific strategies at different tiers. The idea is to let the obligations of integrity reach down to each individual of the institutions. In that respect, every citizen will be part of the NIS.

To support the total activities of the Government of Bangladesh in establishing NIS, Insurance Development and Regulatory Authority (IDRA) has formed a National Integrity Implementation Cell and under which all insurance companies have come together to implement the NIS within the organization. Accordingly, SKICL has formed a 4 (four) members committee called "Ethics Committee of SKICL" headed by Managing Director & CEO of the Company and Head of HR is Focal Point of the committee. The committee has undertaken the responsibilities to work closely with the IDRA to implement the NIS and in this regards finalizes the annual work plans as per their guidelines for every year.

Each year our Company nominates two to four individuals for the Integrity Award.

### Ethics & Culture

Corporate culture sets the direction for our teams. We follow the highest ethical values and make it a key business priority to do so. We expect our employees to fully uphold statutory compliances. As a result, it is compulsory for all our employees to read and sign the Code of Conduct every year as a sign of recurrence to the values enshrined in it. Additionally, SKICL encourages employees to act with honesty and spread the message of social responsibility to the community. Furthermore, SKICL puts effort in creating an organizational environment through the implementation of policies and programs that help individuals and teams to grow and sustain. In order to achieve these, a safe, supportive environment for employees is ensured. For proper engagement and motivation, our focus is to help employees maintain work-life balance. It is only possible because we exercise objective-based performance appraisal system that enables employees to maintain standard operating time for different job roles and improve efficiency.

### Equal Opportunity, Grievances and Counseling

At SKICL, overall work environment may get affected by any employee's behavior or sometimes an employee may be aggrieved about his/her personal employment position. Hence, the Company encourages employees to speak out under the grievance procedure. Employees also receive periodic counseling for their particular functions and roles in the Company. Human Resources Management Department quickly address the grievance and response that through proper counseling. A zero-tolerance policy is maintained across the Company against any sort of discrimination. Further, all employees, irrespective of their gender, are presented with equal opportunities in the spirit of meritocracy and not subjected to any deprivation of work opportunities.

### Gender Equality and Women's Empowerment

At SKICL, equality means making sure each employee has been given an equal opportunity, equal pay (as per function) and is accepted for their differences. Our goal is to create an inclusive and conducive work environment where our employees feel secure and content. We have strived to ensure removal of any discrimination in

the workplace, thus fostering diversity and inclusivity, which represents a key facet of our preferred employer proposition. To us, diversity is like understanding, accepting and valuing differences. We believe that, it's critical to be aware of diversity to acquire differing approaches to business innovation and gain competitive assets. Establishing the culture of equality was one of our top focus areas.

**SKICL promotes professionalism irrespective of gender.**



### Health, Safety and Employee Well-being

SKICL is always concerned regarding the health and well-being of its employees. We are aware of the rising medical expenses and hence ensure that all in our regular cadre are under health insurance coverage. This not only helps employees financially, but also encourages them to undergo regular medical check-ups without worrying about the cost. Currently we are working on the matter with some hospitals for health care facilities where employees and their families will get discounts from there.

The Company maintains a clean and hygienic office environment to ensure a healthy workplace for employees. Further, we have a well-equipped cleaning staff as well. In order to further maintain safety within the office premises, we are willing to take all the necessary steps as early as possible.

The office building itself was built through keen inspection, ensuring resistance to natural disasters or any threats like robbery. Within the building we have installed fire alarms, smoke detectors, water sprinklers, fire extinguishers, etc.,

too in every corner. We also have a sufficient security apparatus that properly check visitors and their vehicles before they are allowed inside the premises. Further, 24x7 security cameras offer a sweeping protective cover over the office premises for the detection on any irregular activities. Scheduled maintenance of office premises, especially elevators, is conducted to ensure user safety.

Sena Kalyan Insurance remains engaged in developing employees' living standards. We already offer industry standard remuneration packages, yet at times it is not sufficient motivation for them. Most importantly we provide commodity items at subsidy to our employees. To fulfill their needs holistically, we are providing many extra facilities and benefits, like Provident and Gratuity fund depending upon their service period. Employees can also avail loans from their Provident Fund during any financial crisis.

All our employees enjoy earned leave of 30 days (maximum) as require with gross pay and they enjoy mandatory Govt. leave (Festival leave) of 22 days. Our female employees are entitled to get maternity leave of six months with gross pay.

### Fringe Benefits

SKICL's employees are provided with the following fringe benefits:

Promotion	Increment and Pay Fixation	Festival Bonus
Provident Fund	Gratuity	Annual Incentive Bonus based on performance
Boishakhi Vata	Commodity items at subsidy for the employees	Integrity Award
Travels/Tour Allowance	Mobile/Telephone Allowance	Vehicles Support (individual and pool)
Employee loan facilities (personal loan)	Group insurance and health insurance coverage	Farewell/Donation/stipend
Higher education opportunity	SKICL bears the cost of Higher education	Reward and recognition for employees' hard work, dedication, Virtue and Ethics to the Company

### Human Resource Accounting

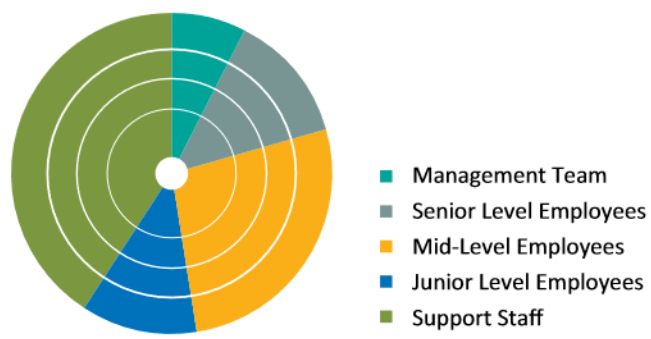
Human Resources Accounting, also known as Human Asset Accounting, involved identifying, measuring, capturing, tracking and analyzing the potential of the human resources of a company and communicating the resultant information

to the stakeholders of the company. Human Resource Accounting reflects the potential of the human resources of an organization in monetary terms, in its financial statements, i.e.:

Sl No.	Particulars	Amount (in Million)
a.	Operating Income per employee	4.92
b.	Operating Cost per employee	4.21
c.	Operating Profit per employee	0.71
d.	Profit Before Tax per employee	1.18
e.	Profit After Tax per employee	1.08

### Manpower Spread

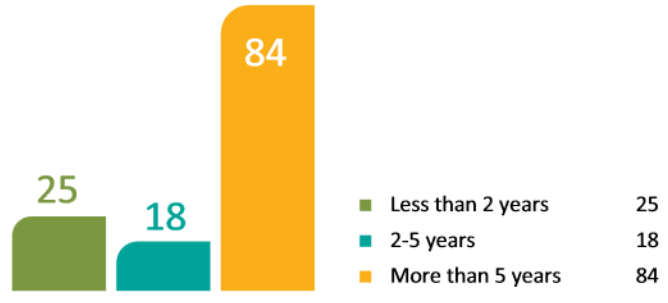
Category	No of Employee
Management Team	10
Senior Level Employees	16
Mid-Level Employees	35
Junior Level Employees	15
Support Staff	51



### Employee Service Analysis

We have a high retention rate. Even though employee turnover has increased over the years, the Company has managed to secure employee loyalty. The Company ensures that all its employees are satisfied with their job. The average service period at our Company is 6.62 years out of 10 years, which only means that job satisfaction is very high.

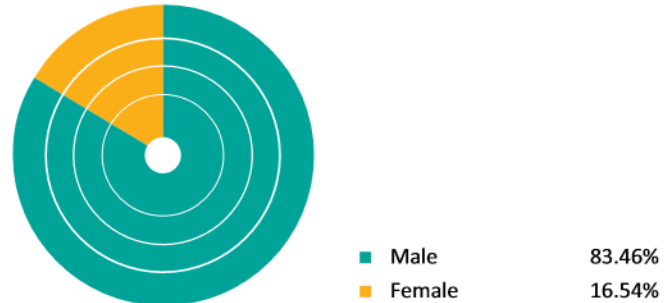
Category	No of Employee
Less than 2 years	25
2-5 years	18
More than 5 years	84



### Gender Diversity

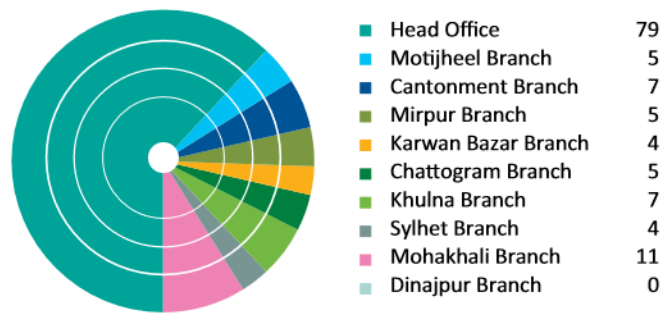
Currently SKICL have a total of 127 employees. Out of this, 21 employees are female and 106 are male. The Company has been endeavored to seek a balance between male and female employees, which is not only our Board's top priority, but also a key focus area for the management. We give opportunities to everyone according to their skills, experience and performance, without any differentiation against gender, thus fostering a balanced and gender-friendly culture.

Category	No Of Employee	Percentage
Male	106	83.46%
Female	21	16.54%



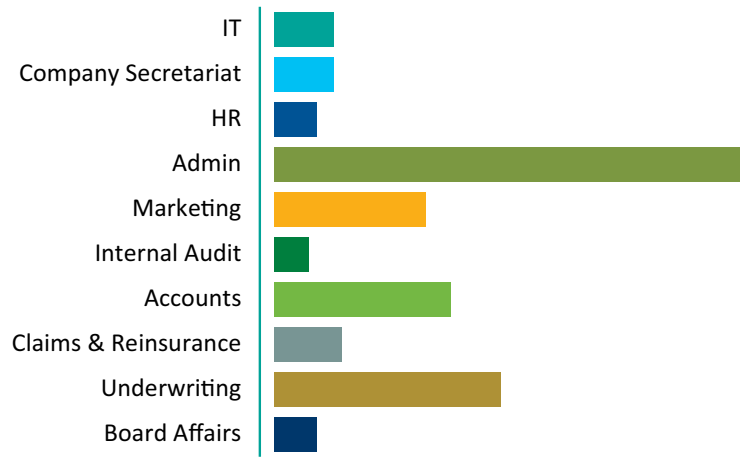
### Branch Employee Distribution

Category	No of Employee
Head Office	79
Motijheel Branch	5
Cantonment Branch	7
Mirpur Branch	5
Karwan Bazar Branch	4
Chattogram Branch	5
Khulna Branch	7
Sylhet Branch	4
Mohakhali Branch	11
Dinajpur Branch	0



### Departmental Breakdown

	No Of Employee
Board Affairs	2
Underwriting	24
Claims & Reinsurance	5
Accounts	18
Internal Audit	1
Marketing	14
Admin	53
HR	2
Company Secretariat	4
IT	4



### Analysis of Key Metrics

Sl No	Particulars	Outcome
01.	Total Employees in Beginning of 2023	121 employees
02.	Total Employees in ending of 2023	127 employees
03.	Total New Recruits in 2023	11 employees
04.	Total New Male Recruits in 2023	9 employees
05.	Total New Female Recruits in 2023	2 employees
06.	Male-Female Ratio	5:1
07.	Total Permanent Employees	114 employees
08.	Total Probationary/Contractual Employees	13 employees
09.	Average Length of Service	6.62 year
10.	Total Training	78 trainings
11.	Internal Training	65 trainings
12.	External Training	13 trainings
13.	Total Employees Received Training	58 employees
14.	Average Training Hours / Employee	3 Hours
15.	Average Working Hours / Employee	13.3 Hours



**AUDITOR'S  
REPORT &  
FINANCIAL  
STATEMENTS  
of**

**SENA KALYAN INSURANCE  
COMPANY LIMITED**

For the year ended  
**31 December, 2023**





# Independent Auditor's Report

To the shareholders of

**Sena Kalyan Insurance Company Limited**

**Report on the Audit of the Financial Statements**

## **Opinion**

We have audited the financial statements of **Sena Kalyan Insurance Company Limited** (the "Company"), which comprise the Statement of Balance Sheet as at December 31, 2023, Profit and Loss Account, Profit and Loss Appropriation Account, Consolidated Insurance 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 give a true and fair view of the financial position of the company as at December 31, 2023, and of 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, 2020 and other applicable laws and regulations.

## **Basis for Opinion**

We conducted our audit in accordance with International Standards on Auditing (ISA). Our responsibilities under those standards are further described in the Auditor's 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 consolidated financial statements in Bangladesh, and we have fulfilled our other ethical responsibilities in accordance with these ethical requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our Opinion.

## **Key Audit Matters**

Key audit matters are those matters that, in our professional judgments, were of most significance in our audit of the financial statements of the current period. These matters were addressed in



the context of our audit of the financial statements as a whole and in forming our opinion thereon and we do not provide a separate opinion on these matters.

Key Audit Matter	How our audit addressed the key audit matters
<p><b>Premium Income</b></p> <p>Premium income is the most financially significant item in the statement of profit and loss account &amp; profit and loss appropriation account. The company has reported Net premium income of Tk. 420,901,209 for the year ended December 31, 2023.</p> <p>Gross general insurance premium comprises the total premium received during the accounting period for the entire period of cover for which insurance policy has been issued by contracts with <b>Sena Kalyan Insurance Company Limited</b>. As the premium income recognition, due to the significance of the balance to the financial statements as a whole, we regard this as a key audit matter.</p>	<p>Our procedures included obtaining an understanding of management’s premium income recognition process. We tested a sample of transactions to verify whether the revenue was accounted for in accordance with the revenue recognition policy as disclosed in Note3.01 and Form XL of the financial statements. In addition, we assessed whether the disclosed revenue recognition policy was in accordance with relevant Insurance Act &amp; Rules.</p> <p>For the revenue recognized throughout the year, we tested selected key controls, including results reviews by management, for their operating effectiveness and performed procedures to gain sufficient audit evidence on the accuracy of the accounting for customer contracts and related financial statement captions.</p> <p>With respect to Premium income in respect of various types of insurance we carried out the following procedures:</p> <ul style="list-style-type: none"> <li>■ The design and operating effectiveness of key controls around premium income recognition process.</li> <li>■ Carried out analytical procedures and recalculated premium income for the period.</li> <li>■ Carried out cut-off testing to ensure unearned premium income has not been included in the premium income.</li> <li>■ On a sample basis reviewed policy to ensure appropriate policy stamp was affixed to the contract and the same has been reflected in the premium register.</li> <li>■ Ensured on a sample basis that the premium income was being deposited in the designated bank account.</li> <li>■ Tested on a sample basis to see that appropriate VAT was being collected and deposited to bank through Treasury Challan.</li> <li>■ For a sample of insurance contracts tested to see if appropriate level of reinsurance was done and whether that re insurance premium was deducted from the gross premium.</li> <li>■ Applying specialist judgment ensured if there is any impairment of the reinsurer.</li> <li>■ Finally assessed the appropriateness and presentation of disclosures against relevant accounting standards, Insurance Act 1938 (as amended in 2010), Insurance Rules, 1958 and other applicable rules and regulations and regulatory guidelines.</li> </ul>
<p>See Form XL to the financial statements</p>	

Key Audit Matter	How our audit addressed the key audit matters
<b>Estimated liability in respect of outstanding claims whether due or intimated and claim payment</b>	
<p><b>SenaKalyan Insurance Company Limited</b> has represented the amount related with the claim due or intimated from the insured which involves management judgment &amp; risk of over &amp; understatement of the value.</p> <p>As a result, financial statements may show distorted amount which may also concern going concern issue for the company.</p> <p>At year end the 2023, the Company reported total balance under the head of estimated liability in respect of outstanding claims whether due or intimated and claim payment of BDT 231,624,156</p>	<p>We tested the design and operating effectiveness of controls around the due and intimated claim recording process.</p> <p>We additionally carried out the following substantive testing around this item:</p> <ul style="list-style-type: none"> <li>■ Obtained the claim register and tested for completeness of claims recorded in the register on a sample basis.</li> <li>■ Obtained a sample of claimed policy copy and cross check it with claim.</li> <li>■ Obtained a sample of survey reports cross checked those against respective ledger balances and in case of discrepancy carried out further investigation.</li> <li>■ Obtained and discussed with management about their basis for estimation and challenged their assumptions where appropriate.</li> <li>■ Reviewed the claim committee meeting minutes about decision about impending claims.</li> <li>■ Tested a sample of claims payments with intimation letter, survey report, bank statement, claim payment register and general ledger.</li> <li>■ Finally assessed the appropriateness and presentation of disclosures against relevant accounting standards, Insurance Act 1938 (as amended in 2010), Insurance Rules, 1958 and other applicable rules and regulations and regulatory guidelines.</li> </ul>
See note 16 to the financial statements	
<b>Property, Plant &amp; Equipment</b>	
<p>The carrying value of property, plant &amp; equipment amounts to Taka 173,526,857 This represents a significant amount in the company's statement of financial position as at December 31, 2023.</p> <p>There is a risk of:</p> <ul style="list-style-type: none"> <li>■ determining which costs meet the criteria for capitalization;</li> <li>■ determining the date on which the assets is recognized to property, plant and equipment and depreciation commences;</li> <li>■ the estimation of economic useful lives and residual values assigned to Fixed asset.</li> </ul> <p>We identified the carrying value of property, plant and equipment as a key audit matter because of the high level of management judgment involved and because of its significance to the financial statements.</p>	<p>Our audit procedures to assess the carrying value of property, plant &amp; equipment included the following:</p> <p>Our audit procedures included controls testing and substantive procedures covering, in particular:</p> <ul style="list-style-type: none"> <li>■ Assessing the design, implementation and operating effectiveness of key internal controls over the completeness, existence and accuracy of property, plant and equipment including the key internal controls over the estimation of useful economic lives and residual values;</li> <li>■ Assessing, on a sample basis, costs capitalized during the year by comparing the costs capitalized with the relevant underlying documentation, which included purchase agreements and invoices, and assessing whether the costs capitalized met the relevant criteria for capitalization.</li> <li>■ Testing the key controls over the management's judgment in relation to the accounting estimates of the depreciable lives and residual values of property, plant and equipment.</li> <li>■ Reconcile on a sample basis the additional capitalized costs for the year to the underlying invoices and supporting documents.</li> <li>■ We reviewed minutes of board meetings for approval of the total capitalization cost.</li> <li>■ We assessed the company's capitalizations policy for compliance with IAS 16 and tested the expenditure capitalized against the capitalizations policy.</li> <li>■ We traced payments to supporting documents.</li> <li>■ We assessed the adequacy of the disclosures of the financial statements.</li> </ul>
See note no 17.00 to the financial statements.	

Key Audit Matter	How our audit addressed the key audit matters
<b>Deferred tax liability</b>	
<p>Company reported net deferred tax liability totaling Taka 2,499,282 as at December 31, 2023.</p> <p>Significant judgment is required in relation to deferred tax liability as their liability is dependent on forecasts of future profitability over a number of years.</p>	<p>Our audit procedures to assess the carrying value of Deferred Tax liability included the following:</p> <ul style="list-style-type: none"> <li>■ We obtained an understanding, evaluated the design and tested the operational effectiveness of the Company’s key controls over the recognition and measurement of Deferred Tax Assets and Liabilities and the assumptions used in estimating the future taxable expense of the Company.</li> <li>■ We also assessed the completeness and accuracy of the data used for the estimations of future taxable expense.</li> <li>■ We tested the mathematical accuracy in calculation of deferred tax.</li> <li>■ We evaluated the reasonableness of key assumptions, timing of reversal of temporary differences and expiration of tax loss carry forwards, recognition and measurement of Deferred Tax Liability.</li> <li>■ We assessed the adequacy of the Company’s disclosures setting out the basis of deferred tax liability balances and the level of estimation involved.</li> <li>■ We also assisted in evaluating the tax implications, the reasonableness of estimations and calculations determined by management.</li> <li>■ We also involved our internal experts from the tax area in the analysis of the reasonableness of the tax assumptions on the basis of the applicable legislation.</li> <li>■ Finally assessed the appropriateness and presentation of disclosures against IAS 12 Income Taxes.</li> </ul>
<b>See note no. 12to the financial statements</b>	
<p>We have drawn the attention of the stakeholders to Note # 2.34(c) to the statements regarding “Worker’s Profit Participation Fund (WPPF)” which states that the profit of the participation fund is yet to be distributed among the workers. According to the letter from Finance Ministry on dated June 29, 2023, mentioned issues has not yet been finalized except persuasion for accepting the recommendation from Bangladesh Insurance Association.</p>	

**Other Information**

Management is responsible for the other information. The other information comprises all the information in the Annual Report other than the financial statements and our auditor’s report thereon. The Annual Report is expected to be made available to us after the date of this auditor’s report.

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 identified above when it becomes available 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.

After going through the Annual Report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to the board of directors of the company.

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

Management is responsible for the preparation of financial statements that give a true and fair view 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 as explained in note 2 and for such internal control as management determines is necessary to enable the preparation of consolidated and separate 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 consolidated and separate 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 consolidated and separate 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, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- 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 consolidated and separate 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 consolidated and separate financial statements, including the disclosures, and whether financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Company to express an opinion on the consolidated and separate financial statements. We are responsible for the direction, supervision and performance of the Company audit. We remain solely responsible for our audit opinion.

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.

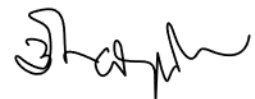
From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor report unless law or regulation 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:

- 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;
- In our opinion, proper books of account as required by law have been kept by the Company so far as appears from our examinations of those books;
- The company's balance sheet and profit and loss account dealt with by the report are in agreement with the books of account and returns;
- As per section 63(2) of the Insurance Act 2010, in our opinion to the best of our knowledge and belief and according to the information and explanation given to us, all expenses of management wherever incurred and whether incurred directly or indirectly, in respect of insurance business of the company transacted in Bangladesh during the year under report have been duly debited to the related Revenue Accounts and the profit & loss account of the Company;
- 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; and
- The expenditure was incurred for the purpose of the Company's business.

Dated : 08 February, 2024  
Place : Dhaka



**Fouzia Haque, FCA**  
ICAB Enrollment No. 1032  
Partner  
**FAMES & R**  
Chartered Accountants  
DVC: 2402081032AS356630



**Sena Kalyan Insurance Company Limited**  
**Balance Sheet**  
**(Statement of Financial Position)**  
**As at 31 December, 2023**

Capital and Liabilities	Notes	Amount in Taka	
		31 December, 2023	31 December, 2022
<b>Authorised Capital</b>			
100,000,000 Ordinary shares of Tk.10/- each		<b>1,000,000,000</b>	<b>1,000,000,000</b>
<b>Issued, Subscribed and Paid-up Capital</b>		<b>400,000,000</b>	<b>400,000,000</b>
40,000,000 Ordinary share of Tk. 10/- each fully paid up	3.00	400,000,000	400,000,000
<b>Reserve or Contingency Accounts</b>		<b>497,055,380</b>	<b>406,672,565</b>
Reserve for Exceptional Losses	4.00	455,826,937	355,872,215
Investment Fluctuation Fund	5.00	(7,002,347)	(7,603,013)
Profit and Loss Appropriation Account	6.00	48,230,790	58,403,363
<b>Total shareholders equity</b>		<b>897,055,380</b>	<b>806,672,565</b>
<b>Balance of Funds and Accounts</b>	7.00	<b>232,122,613</b>	<b>158,381,271</b>
Fire insurance business		59,828,469	40,036,138
Marine insurance business		55,197,028	69,849,228
Motor insurance business		4,665,097	6,178,490
Miscellaneous insurance business		112,432,018	42,317,416
Premium Deposits	8.00	45,672,085	113,681,296
<b>Liabilities and Provisions</b>		<b>425,689,198</b>	<b>404,973,403</b>
Estimated liabilities in respect of outstanding claims whether due or intimated	9.00	231,624,156	183,122,508
Amounts due to other persons or bodies carrying on insurance business	10.00	105,384,730	71,997,413
Provision for Income tax	11.00	16,102,870	89,454,375
Deferred Tax Liability	12.00	2,499,282	3,284,288
Lease Liability	13.00	9,758,926	3,952,285
Unclaimed Dividend Account	14.00	1,001,052	574,998
Provision for WPPF	15.00	7,510,829	6,487,556
Sundry Creditors	16.00	51,807,354	46,099,979
<b>Total liabilities</b>		<b>703,483,896</b>	<b>677,035,970</b>
<b>Total Shareholders Equity and Liabilities</b>		<b>1,600,539,276</b>	<b>1,483,708,535</b>

## Sena Kalyan Insurance Company Limited

### Balance Sheet

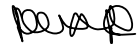
#### (Statement of Financial Position)

As at 31 December, 2023

Assets and Properties	Notes	Amount in Taka	
		31 December, 2023	31 December, 2022
<b>Non-Current Assets</b>		<b>279,896,994</b>	<b>277,402,088</b>
Property, Plant and Equipment	17.00	173,526,857	175,635,979
Investment	18.00	84,203,453	87,140,494
Right of Use (RoU) Assets	19.00	9,770,426	3,991,385
Deferred Tax Assets	20.00	12,396,257	10,634,230
<b>Current Assets</b>		<b>108,835,345</b>	<b>172,353,173</b>
Investment in Shares	21.00	59,521,396	59,431,602
Accrued Interest	22.00	28,701,635	25,163,765
Amount due from other persons or bodies carrying on insurance business	23.00	828,315	828,315
Sundry Debtors (Including advances, deposits and prepayments)	24.00	17,712,901	86,307,221
Stationary and forms in hand		185,150	356,420
Stamps in hand		1,885,947	265,850
<b>Cash and Cash Equivalents</b>	<b>25.00</b>	<b>1,211,806,937</b>	<b>1,033,953,274</b>
Fixed Deposits: (FDR's)		1,143,297,189	1,084,866,866
SND Accounts		59,288,930	48,189,764
Current Accounts		6,712,782	(100,891,264)
Cash in hand		203,725	55,788
Brokerage Balance		2,304,312	1,732,120
<b>Total Assets and Properties</b>		<b>1,600,539,276</b>	<b>1,483,708,535</b>
<b>Net Asset Value Per Share (NAVPS)</b>	<b>30.01</b>	<b>22.43</b>	<b>20.17</b>

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

  
Company Secretary

  
Chief Financial Officer

  
Chief Executive Officer

  
Director

  
Director

  
Chairman

Signed as per our annexed report of even date.



**Fuzia Haque, FCA**  
ICAB Enrollment No. 1032  
Partner  
**FAMES & R**  
Chartered Accountants  
DVC: 2402081032AS356630

Dhaka, 08 February, 2024

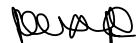


**Sena Kalyan Insurance Company Limited**  
**Profit and Loss Account**  
**(Statement of Profit or Loss and other Comprehensive Income)**  
**For the year ended 31 December, 2023**

Particulars	Notes	Amount in Taka	
		31 December, 2023	31 December, 2022
<b>Profit / (loss) Transferred from</b>		<b>89,848,591</b>	<b>82,294,297</b>
Fire Insurance Revenue Account		4,119,025	13,642,303
Marine Insurance Revenue Account		80,227,144	45,893,570
Motor Insurance Revenue Account		10,351,515	14,531,629
Misc. Insurance Revenue Account		(4,849,094)	8,226,795
<b>Interest, Dividend and Rents</b> (Not applicable to any fund or account)		<b>86,635,467</b>	<b>67,931,825</b>
Interest received and Dividend Income	26.00	76,397,317	60,649,963
Other Income	27.00	10,238,150	7,281,862
<b>Total</b>		<b>176,484,057</b>	<b>150,226,122</b>
<b>Expenses of management</b> (Not applicable to any particular fund or account)			
Advertisement and Publicity		343,363	651,188
Directors fees		327,556	260,332
Donation, Levy and Subscription		1,017,778	965,000
Audit fees		123,195	448,805
Legal, Professional and Rating Fees		400,556	136,694
Registration and Renewal Fees		2,126,953	1,868,226
Holding Tax / IPO Exp.		240,451	702
Depreciation		14,176,792	9,656,504
		<b>18,756,644</b>	<b>13,987,450</b>
<b>Profit Before WPPF &amp; Tax</b>		<b>157,727,414</b>	<b>136,238,672</b>
WPPF Expense		7,510,829	6,487,556
<b>Profit Before Tax</b>		<b>150,216,584</b>	<b>129,751,116</b>
		<b>13,555,837</b>	<b>15,420,383</b>
Income Tax Expenses	11.01	16,102,871	15,186,402
Deferred Tax (Income)/Expense	12.01	(2,547,034)	233,981
<b>Balance for the year carried to profit and loss appropriation account</b>		<b>136,660,747</b>	<b>114,330,734</b>
<b>Total</b>		<b>176,484,057</b>	<b>150,226,122</b>
<b>Other Comprehensive Income</b>			
Gain/(loss) from Fair Value Changes of Investment in Shares	5.00	600,666	(8,031,481)

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

  
**Company Secretary**

  
**Chief Financial Officer**

  
**Chief Executive Officer**

  
**Director**

  
**Director**

  
**Chairman**

Signed as per our annexed report of even date.

  
**Fuzia Haque, FCA**  
 ICAB Enrollment No. 1032  
 Partner  
**FAMES & R**  
 Chartered Accountants  
 DVC: 2402081032AS356630

Dhaka, 08 February, 2024

## Sena Kalyan Insurance Company Limited Profit and Loss Appropriation Account

For the year ended 31 December, 2023

Particulars	Notes	Amount in Taka	
		31 December, 2023	31 December, 2022
Balance Brought Forward from previous year		59,524,765	72,129,358
Balance transferred from profit and loss account		136,660,747	114,330,734
<b>Total</b>		<b>196,185,512</b>	<b>186,460,091</b>
		<b>147,954,722</b>	<b>128,056,729</b>
Reserve for Exceptional losses	4.01	99,954,722	80,056,729
Cash dividend paid 2022		48,000,000	48,000,000
<b>Balance transferred to balance sheet</b>		<b>48,230,790</b>	<b>58,403,363</b>
<b>Total</b>		<b>196,185,512</b>	<b>186,460,091</b>
<b>Earnings Per Share (EPS)</b>	31.00	<b>3.42</b>	<b>2.86</b>

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

  
Company Secretary

  
Chief Financial Officer

  
Chief Executive Officer


  
Director

  
Director

  
Chairman

Signed as per our annexed report of even date.

Dhaka, 08 February, 2024

  
**Fuzia Haque, FCA**  
ICAB Enrollment No. 1032  
Partner  
**FAMES & R**  
Chartered Accountants  
DVC: 2402081032AS356630

**Sena Kalyan Insurance Company Limited**  
**Statement of Changes in Equity**  
**For the year ended 31 December, 2023**

Particulars	Share Capital	Reserve for Exceptional Losses	Investment Fluctuation Fund	Retained Earnings	Total
<b>Balance As at 1 January, 2023</b>	400,000,000	355,872,215	(7,603,013)	58,403,363	806,672,565
Net Profit after tax for the year	-	-	-	136,660,747	136,660,747
Reserve for Exceptional losses	-	99,954,722	-	(99,954,722)	-
Cash Dividend paid	-	-	-	(48,000,000)	(48,000,000)
Fluctuation Fund Adjustment	-	-	600,666	-	600,666
Previous Year Excess Tax Provision	-	-	-	1,121,402	1,121,402
<b>Balance As at 31 December, 2023</b>	<b>400,000,000</b>	<b>455,826,937</b>	<b>(7,002,347)</b>	<b>48,230,790</b>	<b>897,055,380</b>

Board of Directors proposed 13.50% cash dividend for the year 2023 subject to approval of shareholders of the company in its forthcoming 11<sup>th</sup> Annual General Meeting.

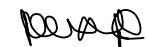
**For the year ended 31 December, 2022**

Particulars	Share Capital	Reserve for Exceptional Losses	Investment Fluctuation Fund	Retained Earnings	Total
Balance As at 1 January, 2022	400,000,000	275,815,487	428,468	72,129,358	748,373,312
Net Profit after tax for the year	-	-	-	114,330,734	114,330,734
Reserve for Exceptional losses	-	80,056,729	-	(80,056,729)	-
Cash Dividend paid	-	-	-	(48,000,000)	(48,000,000)
Fluctuation Fund Adjustment	-	-	(8,031,481)	-	(8,031,481)
<b>Balance As at 31 December, 2022</b>	<b>400,000,000</b>	<b>355,872,215</b>	<b>(7,603,013)</b>	<b>58,403,363</b>	<b>806,672,565</b>


Board of Directors proposed 12% cash dividend for the year 2022 subject to approval of shareholders of the company in its forthcoming 10<sup>th</sup> Annual General Meeting.

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

  
**Company Secretary**


  
**Chief Financial Officer**

  
**Chief Executive Officer**

  
**Director**

  
**Director**  
 Signed as per our annexed report of even date.

  
**Chairman**

  
**Fuzia Haque, FCA**  
 ICAB Enrollment No. 1032  
 Partner  
**FAMES & R**  
 Chartered Accountants  
 DVC: 2402081032AS356630

Dhaka, 08 February, 2024

## Sena Kalyan Insurance Company Limited

### Statement of Cash Flows

For the year ended 31 December, 2023

Particulars	Notes	Amount in Taka	
		31 December, 2023	31 December, 2022
<b>Cash flows from operating activities</b>			
Collection from premium & Sundry Income	33.01	1,053,988,446	1,020,322,643
Payment for management expenses, Re-insurance & Claims	33.02	(799,854,050)	(828,083,367)
Income tax paid	24.01	(21,533,660)	(14,129,209)
<b>Net cash flows from operating activities</b>		<b>232,600,736</b>	<b>178,110,068</b>
<b>Cash flows from investing activities</b>			
Acquisition of fixed assets	17.00	(12,514,984)	(152,068,383)
Sales of Fixed Assets	27.01	2,320,000	3,562,990
Investment made in Share & Treasury bond	33.03	3,447,912	(49,165,659)
<b>Net cash used in investing activities</b>		<b>(6,747,072)</b>	<b>(197,671,052)</b>
<b>Cash flows from financing activities</b>			
Cash dividend paid		(48,000,000)	(48,000,000)
Loan from Sena Kalyan Sangstha		-	(27,401,405)
<b>Total cash flows from financing activities</b>		<b>(48,000,000)</b>	<b>(75,401,405)</b>
<b>Net increase in cash &amp; Cash equivalents during the year</b>		<b>177,853,663</b>	<b>(94,962,389)</b>
Opening cash & Cash equivalents at beginning of the year		1,033,953,274	1,128,915,663
<b>Closing cash &amp; Cash equivalents at end of the year</b>		<b>1,211,806,937</b>	<b>1,033,953,274</b>
<b>Net Operating Cash Flows Per Share (NOCFPS)</b>	32.00	<b>5.82</b>	<b>4.45</b>

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

  
Company Secretary

  
Chief Financial Officer

  
Chief Executive Officer

  
Director

  
Director

  
Chairman

Signed as per our annexed report of even date.

  
**Fuzia Haque, FCA**  
ICAB Enrollment No. 1032  
Partner  
**FAMES & R**  
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DVC: 2402081032AS356630

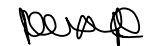
Dhaka, 08 February, 2024

**Sena Kalyan Insurance Company Limited**  
**Consolidated Revenue Account**  
**For the year ended 31 December, 2023**


Particulars	Notes	Amount in Taka	
		31 December, 2023	31 December, 2022
Balance of account at the beginning of the year Reserve for Unexpired risk		158,381,271	125,965,289
Premium, Less Re insurance		420,901,209	344,448,309
Commission on Re insurance		45,209,562	41,230,164
<b>Total</b>		<b>624,492,041</b>	<b>511,643,763</b>
<b>Claim under policies less Re-Insurance</b>		<b>152,237,910</b>	<b>101,807,944</b>
Paid during the year		103,736,262	189,670,550
Total estimated liability in respect of outstanding claims at the end of the year whether due or intimated	9.00	231,624,156	183,122,508
Less: Outstanding at the end of the previous year		(183,122,508)	(270,985,114)
		<b>382,405,540</b>	<b>327,541,522</b>
Agency Commission	28.00	34,759,136	57,214,530
Expense for management	29.01	115,523,791	111,945,721
Reserve for unexpired risk being 40% of fire, Marine Cargo, Motor & Misc. and 100% of Marine Hull & Aviation Premium Income of the year	7.00	232,122,613	158,381,271
<b>Profit Transferred to Profit &amp; Loss account</b>		<b>89,848,591</b>	<b>82,294,297</b>
<b>Total</b>		<b>624,492,041</b>	<b>511,643,763</b>

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

  
**Company Secretary**

  
**Chief Financial Officer**

  
**Chief Executive Officer**

  
**Director**

  
**Director**

  
**Chairman**

Signed as per our annexed report of even date.



**Fozia Haque, FCA**  
 ICAB Enrollment No. 1032  
 Partner  
**FAMES & R**  
 Chartered Accountants  
 DVC: 2402081032AS356630

Dhaka, 08 February, 2024

## Sena Kalyan Insurance Company Limited

### Fire Insurance Revenue Account

For the year ended 31 December, 2023

Particulars	Notes	Amount in Taka	
		31 December, 2023	31 December, 2022
Balance of account at the beginning of the year		40,036,138	34,612,677
Reserve for Unexpired risk			
Premium, Less Re insurance		149,571,172	100,090,344
Commission on Re insurance		21,876,569	20,282,379
<b>Total</b>		<b>211,483,878</b>	<b>154,985,400</b>
<b>Claim under policies less Re-Insurance</b>		<b>98,981,089</b>	<b>48,464,091</b>
Paid during the year		74,599,823	56,194,947
Total estimated liability in respect of outstanding claims at the end of the year whether due or intimated	9.00	143,524,147	119,142,881
Less: Outstanding at the end of the previous year		(119,142,881)	(126,873,737)
		<b>108,383,764</b>	<b>92,879,006</b>
Agency Commission	28.00	19,866,691	25,644,868
Expense for management	29.01	28,688,604	27,198,000
Reserve for unexpired risk being 40% of fire Premium Income of the year	7.00	59,828,469	40,036,138
<b>Profit Transferred to Profit and Loss account</b>		<b>4,119,025</b>	<b>13,642,303</b>
<b>Total</b>		<b>211,483,878</b>	<b>154,985,400</b>

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

  
Company Secretary

  
Chief Financial Officer

  
Chief Executive Officer

  
Director

  
Director

  
Chairman

Signed as per our annexed report of even date.

  
Fuzia Haque, FCA  
ICAB Enrollment No. 1032  
Partner  
FAMES & R  
Chartered Accountants  
DVC: 2402081032AS356630

Dhaka, 08 February, 2024

**Sena Kalyan Insurance Company Limited**  
**Marine Insurance Revenue Account**  
**For the year ended 31 December, 2023**

Particulars	Notes	Amount in Taka	
		31 December, 2023	31 December, 2022
Balance of account at the beginning of the year Reserve for Unexpired risk		69,849,228	50,103,565
Premium, Less Re insurance		120,617,307	154,521,585
Commission on Re insurance		5,627,694	5,469,021
<b>Total</b>		<b>196,094,228</b>	<b>210,094,172</b>
<b>Claim under policies less Re-Insurance</b>		<b>33,301,425</b>	<b>49,469,149</b>
Paid during the year		11,292,563	25,739,054
Total estimated liability in respect of outstanding claims at the end of the year whether due or intimated	9.00	81,401,446	59,392,584
Less: Outstanding at the end of the previous year		(59,392,584)	(35,662,489)
		<b>82,565,660</b>	<b>114,731,452</b>
Agency Commission	28.00	9,482,987	19,398,754
Expense for management	29.01	17,885,645	25,483,471
Reserve for unexpired risk being 40% of Marine Cargo and 100% of Marine Hull Premium Income of the year	7.00	55,197,028	69,849,228
<b>Profit Transferred to Profit and Loss account</b>		<b>80,227,144</b>	<b>45,893,570</b>
<b>Total</b>		<b>196,094,228</b>	<b>210,094,172</b>

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

  
**Company Secretary**

  
**Chief Financial Officer**

  
**Chief Executive Officer**

  
**Director**

  
**Director**

  
**Chairman**

Signed as per our annexed report of even date.



**Fuzia Haque, FCA**  
 ICAB Enrollment No. 1032  
 Partner  
**FAMES & R**  
 Chartered Accountants  
 DVC: 2402081032AS356630

Dhaka, 08 February, 2024



## Sena Kalyan Insurance Company Limited

### Motor Insurance Revenue Account

For the year ended 31 December, 2023

Particulars	Notes	Amount in Taka	
		31 December, 2023	31 December, 2022
Balance of account at the beginning of the year		6,178,490	10,384,170
Reserve for Unexpired risk		11,662,743	15,446,224
Premium, Less Re insurance		219,784	-
Commission on Re insurance			
<b>Total</b>		<b>18,061,017</b>	<b>25,830,394</b>
<b>Claim under policies less Re-Insurance</b>		<b>767,672</b>	<b>1,554,164</b>
Paid during the year		997,752	26,656,964
Total estimated liability in respect of outstanding claims at the end of the year whether due or intimated	9.00	259,420	489,500
Less: Outstanding at the end of the previous year		(489,500)	(25,592,300)
		<b>6,941,829</b>	<b>9,744,601</b>
Agency Commission	28.00	868,333	1,271,346
Expense for management	29.01	1,408,399	2,294,766
Reserve for unexpired risk being 40% of Motor Premium Income of the year	7.00	4,665,097	6,178,490
<b>Profit Transferred to Profit &amp; Loss account</b>		<b>10,351,515</b>	<b>14,531,629</b>
<b>Total</b>		<b>18,061,017</b>	<b>25,830,394</b>

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

  
Company Secretary

  
Chief Financial Officer

  
Chief Executive Officer

  
Director

  
Director

  
Chairman

Signed as per our annexed report of even date.

  
Fuzia Haque, FCA  
ICAB Enrollment No. 1032  
Partner  
FAMES & R  
Chartered Accountants  
DVC: 2402081032AS356630

Dhaka, 08 February, 2024

**Sena Kalyan Insurance Company Limited**  
**Miscellaneous Insurance Revenue Account**  
**For the year ended 31 December, 2023**

Particulars	Notes	Amount in Taka	
		31 December, 2023	31 December, 2022
Balance of account at the beginning of the year Reserve for Unexpired risk		42,317,416	30,864,877
Premium, Less Re insurance		139,049,986	74,390,156
Commission on Re insurance		17,485,515	15,478,764
<b>Total</b>		<b>198,852,917</b>	<b>120,733,797</b>
<b>Claim under policies less Re-Insurance</b>		<b>19,187,724</b>	<b>2,320,540</b>
Paid during the year		16,846,124	81,079,585
Total estimated liability in respect of outstanding claims at the end of the year whether due or intimated	9.00	6,439,143	4,097,543
Less: Outstanding at the end of the previous year		(4,097,543)	(82,856,588)
		<b>184,514,287</b>	<b>110,186,462</b>
Agency Commission	28.00	4,541,125	10,899,562
Expense for management	29.01	67,541,144	56,969,484
Reserve for unexpired risk being 40% of Misc. and 100% of Aviation Premium Income of the year	7.00	112,432,018	42,317,416
<b>Profit Transferred to Profit &amp; Loss account</b>		<b>(4,849,094)</b>	<b>8,226,795</b>
<b>Total</b>		<b>198,852,917</b>	<b>120,733,797</b>

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

  
**Company Secretary**

  
**Chief Financial Officer**


  
**Chief Executive Officer**

  
**Director**

  
**Director**

  
**Chairman**

Signed as per our annexed report of even date.



**Fuzia Haque, FCA**  
 ICAB Enrollment No. 1032  
 Partner  
**FAMES & R**  
 Chartered Accountants  
 DVC: 2402081032AS356630

Dhaka, 08 February, 2024

## Sena Kalyan Insurance Company Limited

### Form AA

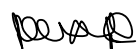
#### Classified Summary of Assets

As at 31 December, 2023

Sl. No.	Class of Assets	2023		Remarks
		Book value	Market Value	
1	Property, Plant & Equipment at cost less depreciation	173,526,857	173,526,857	Cost Less depreciation
2	Statutory Deposit with Bangladesh Bank (10 years period Bangladesh Government Treasury Bonds)	84,203,453	84,203,453	Not quoted in Market
3	Right of Use (RoU) Assets	9,770,426	9,770,426	Realizable value
4	Deferred Tax Assets	12,396,257	12,396,257	Realizable value
5	Investment in Shares	66,523,744	59,521,396	Market Value
6	Interest Accrued but not due	28,701,635	28,701,635	Realizable value
7	Amount due from other persons	828,315	828,315	Realizable value
8	Sundry Debtors including advance deposit & prepayments	17,712,901	17,712,901	Realizable value
10	Stationary and forms in hand	185,150	185,150	Cost
9	Stamp in Hand	1,885,947	1,885,947	Cost
11	Fixed Deposit, SND Account and other Bank Balances	1,211,603,212	1,211,603,212	Realizable value
12	Cash in hand	203,725	203,725	Realizable value
<b>Total</b>		<b>1,607,541,623</b>	<b>1,600,539,276</b>	

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

  
Company Secretary

  
Chief Financial Officer

  
Chief Executive Officer


  
Director

  
Director

  
Chairman

Signed as per our annexed report of even date.

Dhaka, 08 February, 2024

  
**Fuzia Haque, FCA**  
ICAB Enrollment No. 1032  
Partner  
**FAMES & R**  
Chartered Accountants  
DVC: 2402081032AS356630

## Sena Kalyan Insurance Company Limited

### Notes to The Financial Statements

As at and for the year ended 31 December, 2023

#### 1.00 Background of the company

Sena Kalyan Insurance Company Limited ('the company') was incorporated as a Public Limited Company by shares under the Companies Act, 1994 on 3rd September, 2013 and obtained permission for commencement of insurance business from the Insurance Development & Regulatory Authority (IDRA), Government of the Peoples Republic of Bangladesh, with effect from 10th September, 2013 for carrying out non-life insurance business. The company went for public issue in 2021 and shares of the company is listed on both Dhaka Stock Exchange (DSE) and Chittagong Stock Exchange (CSE).

Sena Kalyan Insurance Company Limited is a subsidiary Company of Sena Kalyan Sangstha (SKS) that holds 24,000,000 shares out of 40,000,000 shares of the Company and the balance 16,000,000 shares are held by Public and Institution of taka 10 each fully paid up.

#### 1.01 Address of registered office and place of business of the company

The Head office of the Company is at SKS Tower (12th Floor), 7, VIP Road, Mohakhali, Dhaka-1206, Bangladesh which is also the registered office of the Company. The operation of the company is being carried out through its 8 branches located in different divisions of Bangladesh.

#### 1.02 Principal activities of the company

The Principal activity of the Company is to offer general insurance products that include fire insurance, marine hull and cargo insurance, aviation insurance, motor insurance and miscellaneous insurance. These insurances provide protection against damage to policy holder's assets if damage occurs from risk covered by policy. Premium income is primary source of revenue for this insurance business.

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

Financial Statement of the company for the year ended December 31, 2023 were authorized by the Board for issue on 07 February, 2024 in accordance with a resolution of the Board of Directors of the company.

#### 1.04 Geographical area of operation

The Company carries its insurance business activities through six branches, throughout the Bangladesh.

#### 2.00 Basis of Preparation and Summary of Significant Accounting Policies

##### 2.01 Basis of preparation

"The Financial Reporting Act, 2015 (FRA) was enacted in 2015. The Financial Reporting Council (FRC) under the FRA has been formed in 2017 but the Financial Reporting Standards (FRS) under this council is yet to be issued for public interest entities such as general insurance companies. As the FRS is yet to be issued as per the provisions of the FRA, The Financial Statements have been prepared on going concern and accrual basis under the historical cost convention. The preparation and presentation of the financial statements and the disclosure of information have been made in accordance with International Financial Reporting Standards (IFRSs) and the requirements of the Insurance Act 1938 (as amended in 2010), the Insurance Rules 1958 and in conformity the Companies Act 1994, the Securities and Exchange Rules 1987, and other applicable laws & regulations in Bangladesh.

The Statement of financial position has been prepared in accordance with the regulations as contained in Part-I of the First Schedule and as per Form "A" as set forth in Part-II of that Schedule. Statement of Profit or Loss and other Comprehensive Income and Profit and Loss Appropriation Account has been prepared in accordance with the regulations contained in Part-I of the second schedule and as per Form "B" & "C" as set forth in Part-II of that Schedule respectively of Insurance Act, 1938. Revenue Account of each class of general insurance business has been prepared in accordance with the regulations as contained in Part-I of the Third Schedule and as per form "F" as set forth in Part-II of that Schedule of the Insurance Act, 1938 (as amended in 2010). The classified summary of the assets has been prepared in accordance with Form "AA" as set forth in Part-II of the aforesaid Act. The cash Flow Statement has been included as per requirements of the Securities and Exchange Commissions Rules 1987 as well as per guideline of IAS-7.

##### 2.02 Reporting Period

Financial statements of the Company cover one calendar year from 01 January 2023 to December 31, 2023.

##### 2.03 Going Concern

The accompanying financial statements have been prepared on a going concern basis, which contemplates the realization of assets and the satisfaction of liabilities in the normal course of business without significant fluctuation in value. The accompanying financial statements do not include any adjustments, which indicate that Sena Kalyan Insurance Company Limited will be unable to continue as a going concern.

#### 2.04 Structure, content and presentation of financial statements

Being the general purpose financial statements, the presentation of these financial statements is in accordance with the guidelines provided by Insurance Act 1938 (as amended 2010) and International Accounting Standard 1: Presentation of Financial Statements. A complete set of financial statements comprise:

a)	Balance sheet as at 31 December 2023;
b)	Profit and Loss Account for the year ended 31 December 2023;
c)	Profit and Loss Appropriation Account for the year ended 31 December 2023;
d)	Statement of Changes in Equity for the year ended 31 December 2023;
e)	Statement of cash flows for the year ended 31 December 2023;
f)	Consolidated Revenue Account for the year ended 31 December 2023;
g)	Fire Insurance Revenue Account for the year ended 31 December 2023;
h)	Marine Insurance revenue Account for the year ended 31 December 2023;
i)	Motor Insurance Revenue Account for the year ended 31 December 2023;
j)	Miscellaneous Insurance Revenue Account for the year ended 31 December 2023; and
k)	Notes to the Financial Statements

The Board of Directors is responsible for preparing and presentation the financial statements, who has approved and authorized the issue of the financial statements.

#### 2.05 Application of International Financial Reporting Standards (IAS/IFRS)

The Accounting and Financial Reporting Standards that are applicable/not applicable for the financial statements for the year under review, include the following:

IAS 1 Presentation of Financial Statements	*
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 12 Income Taxes	Applied
IAS 16 Property, Plant and Equipment	Applied
IAS 19 Employee Benefits	Applied
IAS 24 Related Party Disclosures	Applied
IAS 26 Accounting and Reporting by Retirement Benefit Plans	Applied
IAS 32 Financial Instruments: Presentation	*
IAS 33 Earning per Share	Applied
IAS 34 Interim Financial Reporting	Applied
IAS 36 Impairment of Assets	Applied
IAS 37 Provisions, Contingent Liabilities and Contingent Assets	Applied
IAS 38 Intangible Assets	Applied
IAS 40 Investment Property	Applied
IFRS 4 Insurance Contracts	*
IFRS 5 Non-currents assets held for sale and discontinued operation	Applied
IFRS 7 Financial Instruments: Disclosure	*
IFRS 8 Operating Segment	Applied
IFRS 9 Financial Instruments	*
IFRS 13 Fair Value Measurement	Applied
IFRS 16 Lease	Applied

\* The management of Sena Kalyan Insurance Company Limited has followed the principles of IAS & IFRS consistently in the preparation of the financial statements to that extent as applicable to Insurance Company. Some of the standards have not been complied with, about which IDRA has special guideline.

## 2.06 Functional and presentation currency

The financial statements are expressed in Bangladesh Currency (Taka/ Tk.), which is both functional and reporting currency of the Company.

## 2.07 Use of estimates and judgements

Preparation of financial statement requires management to make judgement, estimates and assumptions that affect the application of accounting policies and reported amounts of asset, liabilities, income and expenses. Actual results may differ from these estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimates are revised and in any future period affected.

## 2.08 Materiality and Agregation

Each material item considered by management significant has been presented separately in the financial statement. No amount has been set off unless Sena Kalyan Insurance Company Ltd. has legal right to set off the amounts and intends to settle on a net basis. Income and Expenses are presented on a net basis only when permitted by relevant accounting standards.

## 2.09 Comparative information

Comparative information has been disclosed in respect of the period ended 31 December 2022 for all numerical data in the financial statements and also for the narrative and descriptive information when it is relevant for better understanding of the current year's financial statements. Prior year figures have been restated, reclassified and rearranged whenever considered necessary to ensure comparability with the current period.

## 2.10 Property, Plant and Equipment

### a. Recognition and measurement

Property, Plant and Equipment are recognized if it is probable that future economic benefits associated with the asset will flow to the Company and cost of the asset can be measured reliably. 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 of self constructed assets includes the cost of materials 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 an item of property, plant and equipment are determined by comparing the proceeds from disposal with the carrying amount of property, plant and equipment. If sale of any revalued assets, the relevant amount included in the revaluation reserve will be transferred to retained earnings.

### b. Subsequent cost

The cost of enhancement of an item of property, plant and equipment is recognized as separate asset 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. All other expenditures are charges to profit and loss account during the year in which they incur.

### c. Depreciation

Depreciation has been charged on Property, Plant and Equipment of the Company on the basis of reducing balance method at rates varying from 5% to 20% depending on the estimated useful life of the assets. Depreciation on newly acquired Assets during the year has been charged of the date of acquisition of fixed assets. The annual depreciation at different rates as under:

Category of Assets	Rate of Depreciation
1. Land & Building	5%
2. Furniture and Fixtures	10%
3. Motor Vehicles	20%
4. Office Equipment's	15%
5. Cookeries and Cutleries	15%
6. Office Decoration	10%
7. Computer and IT Equipment	10%
8. Mobile and Telephone Set	10%
9. Air Conditioner	20%

#### **d. Sale price of fixed assets**

Sale price of fixed assets are determined on the basis of fair value of the assets. Gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between sales proceeds and carrying amount of the asset and is recognized in profit or loss account as per provision of IAS 16.

#### **2.11 Intangible assets**

Intangible assets (Software) acquired separately are measured on initial recognition at cost and are carried at cost less accumulated amortization and accumulated impairment losses, if any. These are amortized on reducing balance method at 10%. Subsequent expenditure on software assets is capitalized only when it increases the future economic benefits in the specifications to which it relates. All other expenditure is treated as expense as incurred.

#### **2.12 Impairment of assets**

If recoverable amount is less than carrying amount, the carrying amount of asset is reduced to its recoverable amount. This reduction is an impairment loss. An impairment loss is recognized as an expense in financial statement.

#### **2.13 Valuation of Assets**

The value of all assets as at 31 December 2023 has been shown in the Balance Sheet and in the classified summary of assets on "Form AA" annexed, which has been reviewed and the said assets have been set forth in the Balance Sheet on amounts at their respective book value which in the aggregate do not exceed their aggregate market value.

#### **2.14 Investment**

Company has several financial assets such as share, FDR, Government securities & Bond etc. Initially shares are recorded at fair value plus transaction cost. A separate Fund called Investment Fluctuation fund, which consists of unrealized gain/ loss is shown in the liability side of Balance Sheet. Dividend Income on such share is recognized in Profit and Loss Account (Statement of Profit and Loss and other comprehensive income) when right to receive the dividend is established. On the other hand, securities are initially recorded at cost. Interest income on such securities is recognised using effective interest rate as per IFRS 9.

#### **2.15 Investments of Assets**

The Section 41 of Insurance Act, 2010 has always been complied by the company.

#### **2.16 Restriction on certain investment**

There is no investment by Sena Kalyan insurance company limited or the company does not hold any shares or debentures of any Company, firms or other business concern in which any director or any members of the family of such directors has any interest as Proprietor, Partner, Director and Managing Director as per Section 41(1) of Insurance Act, 2010.

#### **2.17 IFRS-16: Leases**

Sena Kalyan Insurance applies IFRS 16 for rented office space. Sena Kalyan recognises lease liabilities calculated by determining present values of remaining rent payable as per rent agreement using effective cost of capital. Same amount is recognised as right of use asset after considering advance rent. Every year throughout of agreement period right of use asset/leased asset is depreciated on straight line basis and interest expense on lease liabilities is recognised using effective interest rate.

#### **2.18 Cash and Cash Equivalents**

Cash comprises cash in hand, demand deposit, cash equivalents on short term, highly liquid investments that are readily convertible to know amounts of cash and those which are what to an insignificant risk of changes in value. Cash and cash equivalents are not restricted in use and accordingly cash in hand and bank balances have been considered as cash and cash equivalents.

#### **2.19 Cash Flow Statements**

Statement of Cash Flows has been prepared in accordance with IAS-7 and the cash flow from the operating activities has been presented under the direct method.

#### **2.20 Provisions relating to collection of premium**

The company has always complied with the Section 18 of the Insurance Act, 2010 as applicable in regard to provision of collection of premium.



### 2.21 Revenue Recognition

1. Premium is recognized when insurance policies are issued. The sum of premium income as appeared in classified Revenue Accounts is net of the refund made, Re-insurance ceded and Reinsurance premium on PSB. Amount received against issue of marine cover notes are not recognized as income during the year unless issuance of policy. The said amount is recognized as income as and when policy is issued or after one year from the date of expiry of the cover note.
2. The premium in respect of Company's share of Public Sector Insurance Business (PSB) is accounted for in the period in which the relevant statement is received from Shadharan Bima Corporation (SBC). The Company's share of public sector business (PSB) for the period of 3rd and 4th quarter of 2022 and 1st & 2nd quarters of 2023 received from Sadharan Bima Corporation (SBC) has been incorporated in the company's accounts for the year ended 31 December 2023. This system of accounting of public sector business is being followed consistently.
3. Amounts received against issue of Cover Notes, which have not been converted into Policy are recognized as income at the earlier of Cover Notes converted into Policy or after expiry of two years of Cover Notes in accordance with SBC's circular.
4. Interest on Fixed Deposit Receipt (FDR), SND account and bonds are recognized as revenue on accrual basis.
5. Interest Income from government securities is accounted for using effective interest rate as per IFRS-9.

### 2.22 Consolidation Procedure

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

### 2.23 Re-insurance Accounts

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

### 2.24 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.

### 2.25 Management Expenses

The management expenses charged to Revenue Accounts amounting to 115,523,791 represents approximately 11.56% of Gross Premium of Tk. 999,547,221 (Including public sector business) and 27.45% of Net Premium of Tk 420,901,209 earned during the year. The said management expenses have been apportioned to various classes of business of the company taking into account the gross premium income.

### 2.26 Current Taxation:

Provision for current year income tax has been made at the rate of 37.50% as per Finance Acts 2023. The return of company's income tax for the assessment year 2023-2024 shall be filed in due time.

### 2.27 Deferred Tax

Since temporary differences arise between accounting profit and tax profit, deferred tax is recognised as per IAS 12. Since depreciation rates used by the Sena Kalyan Insurance Company Limited is different from those used by tax authorities, this gives rise to temporary difference between accounting and tax profit. On the other hand, Sena Kalyan Insurance Company Limited recognises expense when contribution is made to gratuity fund or provision is created. But tax authority recognises gratuity as expense only when employee receives gratuity payment. So this gives rise to temporary difference between accounting and tax profit. Sena Kalyan Insurance Company Limited applies IAS 12 retrospectively, restating comparative figures for previous period as per IAS 8.

### 2.28 Earnings per share

Earnings per share have been calculated in accordance with International Accounting Standard 33: Earnings Per Share, and shown on the face of profit and loss account and computation shown in note no. 31.

### 2.29 Loans and Borrowing

The company has no loans and borrowing as at 31 December 2023.

### 2.30 Estimated Liability in respect of outstanding claim

An amount of Tk. 183,122,508 only which is adjusted during the year from Estimated Liability in respect of outstanding claim in the Statement of Financial Position as at 31 December 2022.

### 2.31 Provision for Liabilities

According to IAS 37: "Provision, Contingent Liabilities and Contingent Assets" the Company recognizes the provision in the balance sheet when the Company has a legal or constructive obligation as a result of past event and it is probable that an outflow of economic benefit will be required to settle the obligations.

### 2.32 Reserve or contingencies Accounts

#### a. Reserve for exceptional losses

In line with Para 6, 4th schedule of the Income Tax Act 2023, to meet the exceptional losses, Sena kalyan Insurance Company Limited set aside 10% of Premium Income of the year in which it is set aside from the balance of the profit to the reserve for exceptional losses. Detail calculations have been given in note 4.

#### b. Provision for unexpired risk

Surplus/(deficit) on Revenue Accounts has been arrived after making necessary provision for un-expired risk @ 40% of net premium on all business except Marine Hull & Aviation Insurance for which provision has been made @ 100% on premium income as per section 27A (2B & 2C) of Insurance Act 1938 (as ammended in 2010).

### 2.33 Employees Details

During the year under review 127 employees were employed full time. As per schedule-XI part-II of the Companies Act 1994 the employees remuneration slab is given below:

Slab	Number of Employees
No. of employees received salary below Tk. 3,000 per month	Nil
No. of employees received salary above Tk. 3,000 per month	127
<b>Total no. of employees</b>	<b>127</b>

There is no part time employee employed at the Company.

### 2.34 Employees Benefit

Sena Kalyan Insurance Company Limited provides a number of benefits plan for it's employees which includes Contributory Provident Fund, Worker's Profit Participation Fund, Gratuity Fund, Incentive bonus, Group Insurance Scheme and Festival Bonus etc.

#### a. Contributory Provident Fund

The Company operates a provident fund, recognized by the income Tax Authorities. Confirmed employees of the Company are eligible for the said provident fund. Employees of the Company contribute ten percent of their basic salary and the employer make similar contribution to the fund. The provident fund is wholly administered by a Board of Trustees and no part of the fund is included with the assets of the Company.

#### b. Gratuity Fund

The Company operates a gratuity fund scheme under which a regular confirmed employee is entitled to benefit at a graduated scale based on the length of service. The length of service for the purpose of gratuity shall be reckoned from the date of joining in the regular service of the Company. Calculation of gratuity is made on the basis of last drawn basic salary. An employee will receive two month's basic salary for each completed year of service if he/she complete five years. Gratuity will be payable only on their separation from the company.

#### c. Worker's Profit Participation Fund

In accordance with the section 234(1)(b) of Bangladesh Labor Act 2006 (Amendment in 2013) and Bangladesh Labor Rules (Amendment in 2015), Within 9 (Nine) months of the close of every accounting year, 5% of profit before tax of the accounting year/period shall be transferred to Worker's Profit Participation Fund established under section 14 of the Bangladesh Workers Welfare Foundation Act 2006 at the proportion of 80:10:10 respectively. Sena Kalyan has made provision for workers profit participation fund at 5% on profit before tax, but did not distribut designated portion to workers welfare foundation as the process of releasing insurance companies from the said act is under process by ministry of finance vide their letter 53.00.0000.441.99.006.19.174 dated 29 June 2023.

#### **d. Other Benefits**

In addition to the above, Sena Kalyan Insurance Company Limited is providing other benefits to its employees like performance based incentive bonus, Boishakhi festival allowance and Car/Motor Cycle loan scheme subject to fulfillment of certain terms and conditions.

#### **2.35 Related party disclosures**

The company 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 Standards 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 the related party disclosures have been given in Note 34.

#### **2.36 Prohibition of loans**

As per Section 44 of Insurance Act 2010, the Company has not granted any loan to any Director or any member of their family, banking company, subsidiary company and auditor, any loan or temporary advance either and hypothecation property or personal security or otherwise.

#### **2.37 Others**

Figures have been rounded off to the nearest taka and previous year's figures have been re-arranged, wherever necessary, for the purpose of comparison.

#### **2.38 Disclosure of departure from IFRS due to mandatory compliance with insurance act's requirements:**

The Sena Kalyan Insurance Company Limited management has followed the principles of IFRS in preparation of the financial statements to that extent as applicable to the Sena kalyan insurance company limited. Some requirements of Insurance Act 1938 (as amended in 2010) and Insurance Rules 1958 and regulations contradict with those of financial instruments and general provision standards of IFRS. As such the Sena Kalyan Insurance Company limited has departed from those requirements of IFRS in order to comply with the rules and regulations of IDRA which are disclosed below along with financial impact where applicable:

- a) As per Insurance Act 1938 (as amended in 2010), investments in quoted shares and unquoted shares are revalued at the year end at market price and as per book value of last audited balance sheet respectively. Provisions has been made by netting off any unrealized gain/(loss) arising at the Balance sheet date. However as per requirements of IFRS 9 investment in shares, all equity instruments are to be measured at fair value with changes reflected in either profit or loss or other comprehensive income.
- b) General provision on insurance premium and re-insurance premium are followed as per Insurance Act 1938 (as amended 2010). However such general provision cannot satisfy the conditions of provision as per IAS 37. At the year end the Sena kalyan insurance company limited has recognized provision of BDT. 232,122,613 as balance of fund and liabilities in the balance sheet.
- c) As per IDRA guidelines, financial instruments are categorized, recognized and measured differently from those prescribed in IFRS 9. As such some disclosure and presentation requirements of IFRS 7 and IAS 32 have not been made in the accounts.
- d) Insurance Act 1938 has issued templates for financial statements which will strictly be followed by all general and life insurance company. The templates of financial statements issued by Insurance Act does not include Other Comprehensive Income (OCI) nor are the elements of other comprehensive income allowed to include in a single Comprehensive Income (OCI) Statement. As such Sena Kalyan Insurance company limited does not prepare the other comprehensive income statement. However Sena Kalyan Insurance company limited does not have any elements of OCI to be presented.

#### **2.39 Anti- Money Laundering Committee**

In order to ensure the proper execution of Anti Money Laundering compliance, we have a Central Compliance Unit (CCU) and nominated officers in each Branch for analysis and control purpose. Central Compliance Unit (CCU) works directly under the Chief Executing Officer (CEO) of the Organization. CCU issues the instructions to be followed by the branches. These instructions are prepared combining the issues related to monitoring of transactions, internal control, self-assessment report, policies and procedures from the point of preventing money laundering and terrorist financing. As per the instructions of Bangladesh Financial Intelligence Unit (BFIU), the Central Compliance Unit (CCU) of SKICL is comprised of the following Personnel:

- Maloy Kumar Saha—Chief Anti Money Laundering Compliance Officer (CAMLCO) and Chief of CCU
- Pronab Kumar Saha—Member of CCU & Head of Underwriting Department
- Tajul Islam—Member of CCU & Head of Claim & Re-Insurance Department
- Md Shakhawat Hossain—Member of CCU & Head of IT Department.

Mr. Maloy Kumar Saha, CFO has been appointed as a Chief Anti Money Laundering Compliance Officer (CAMLCO) in our company. CCU addresses the prevention of money laundering & terrorist financing activities under the Money Laundering Prevention Act-2012 and the Anti Terrorism Act-2013 (Amended). This includes an AML/CFT risk assessment and practices, procedures and controls for establishing business relationship, KYC procedures and ongoing transaction monitoring for detecting suspicious transactions/policy activity, regularly monitors and ensures reporting to BFIU. CCU has to prepare Self Assessment Report semiannually on the basis of BFIU's Master Circular 16 section 8.1. CCU organizes quarterly meeting and training for all the employees on AML and CFT.

#### **2.40 Risk factors Relating to the company**

##### **(a) Credit Risks**

Credit risk is measured as the potential economic loss in the value of our portfolio that would result from either changes in the credit quality of our counter parties or the inability or unwillingness of a counter party to fulfil its contractual obligations. Credit risks may arise from our inability to meet our claims payment obligations, or our inability to indemnify the loss to the policyholder. We focus on mitigating this risk through proper capital planning and allocation that enables us to meet our liabilities on time and maintain solvency. Credit risk may also arise from potential losses from non recoverability of reinsurance receivables. We select our reinsurance partners carefully and also possess strong long term relationships with them, which enables us to mitigate exposure to reinsurance risks.

##### **(b) Underwriting Risks**

Underwriting risk consists of premium and reserve risks in the property-casualty business segments. As part of our property-casualty business operations, we receive premiums from our customers and provide insurance protection in return. Premium risk is the risk that actual claims for the business in the current year develop adversely relative to expected claims ratios. We mitigate premium risk by reinsurance, as well as by focusing on excellence in underwriting. Assessing risks as part of the underwriting process is a key element of our risk management framework, which is governed by clear underwriting limits and restrictions, as per our enterprise-wide risk management framework.

##### **(c) Operational Risks**

Operational risks represent losses resulting from inadequate or failed internal processes, human errors, system failures and other external events, and can originate from a wide variety of sources, including potential losses due to a failure to meet the professional obligations or from the design of our products or from misspelling or from non-compliance with internal / external requirements related to our products. Though these losses tend to be of a lower frequency, they have a potentially high financial impact. Other operational risks include fraud, financial risk or a cyber security incident causing business interruption or disruption. We focus on minimising the occurrence of operational risks as much as possible through engaging in extensive employee training, through creating redundancies across our technology network and through ensuring regulatory compliance – in both letter and spirit.

##### **(d) Liquidity Risks**

Liquidity risk is defined as the risk that current or future payment obligations cannot be met or can only be met on the basis of compromised conditions. The company manages its liquidity risks by balancing cash inflows and outflows, and by embracing the time-tested principles of maximising cash inflows and optimising cash outflows.

##### **(e) Strategic Risks**

Strategic risks are risks that enforce depletion in the company's value, arising from adverse management decisions on business strategies and their implementation. Strategic risks are identified and discussed in various forums both at the executive and management levels. We also monitor market and competitive conditions, capital market requirements, regulatory alignment, etc., to decide if strategic adjustments are necessary. We also focus on mitigating strategic risks through realising our aspirations of customer-centricity, going digital, technical excellence, spirit of innovation and inclusivity focus.

### 3.00 Share Capital

#### Authorized:

100,000,000 ordinary shares of Tk.10 each

#### Issued, Subscribed and Paid up:

40,000,000 ordinary shares of Tk.10 each

Amounts in Taka	
31 December, 2023	31 December, 2022
<b>1,000,000,000</b>	<b>1,000,000,000</b>
<b>400,000,000</b>	<b>400,000,000</b>

### 3.01 Shareholding Patterns

#### Classification of Shareholders as per their share holdings

Sl. No.	Category of Shareholder	No. of Shares	% of Holding	Amount (Tk.) 2022	Amount (Tk.) 2021
01	Sponsors/Directors	24,000,000	60.00%	240,000,000	240,000,000
02	General Public	12,524,562	31.31%	125,245,620	132,896,360
03	Institution	3,475,438	8.69%	34,754,380	27,103,640
<b>Total</b>		<b>40,000,000</b>	<b>100.00%</b>	<b>400,000,000</b>	<b>400,000,000</b>

#### Classification of Shareholders

Sl. No	Range of share holding	No. of Shareholders	No. of Shares	Share par value	Value of Share in Taka 2023	Value of Share in Taka 2022
1	00001-10000	57,783	7,225,015	10	72,250,150	76,928,270
2	10001-20000	141	1,980,174	10	19,801,740	19,056,700
3	20001-30000	44	1,068,696	10	10,686,960	10,415,430
4	30001-40000	21	739,149	10	7,391,490	9,367,180
5	40001-50000	9	408,913	10	4,089,130	4,443,110
6	50001-60000	5	270,186	10	2,701,860	3,225,130
7	60001-70000	8	531,438	10	5,314,380	4,080,320
8	70001-80000	1	72,588	10	725,880	2,201,500
9	80001-90000	3	253,185	10	2,531,850	1,691,000
10	90001-1000000000	21	27,450,656	10	274,506,560	268,591,360
<b>Total</b>		<b>58,036</b>	<b>40,000,000</b>		<b>400,000,000</b>	<b>400,000,000</b>

#### Shareholders (Sponsors)

Sl. No.	Name of the Shareholders	Position	No. of Shares	Value of Share in Taka 31 December, 2023
1	Sena Kalyan Sangstha	Sponsor	24,000,000	240,000,000
2	Major General Md Habib Ullah,SPP, ndc, afwc, psc, M Phil	Chairman & Nominated Director	-	-
3	Cdre A.F.M Rafiqul Islam (L), ndu,psc, BN	Vice-Chairman & Nominated Director	-	-
4	Air Cdre Md Shaharul Huda, BSP, ndc, psc	Nominated Director	-	-
5	Brig Gen Md Abdur Rahman, BGBM, G+	Nominated Director	-	-
6	Brig Gen Mohd Muinul Haq Mamun, psc	Nominated Director	-	-
7	Brig Gen Md Humayun Kabir, psc	Nominated Director	-	-
8	Brig Gen Rezwan, ndc, psc	Nominated Director	-	-
9	M. M. Mostafa Bilal	Independent Director	-	-
10	Kazi Ahmad Pervez	Independent Director	-	-
<b>Total</b>			<b>24,000,000</b>	<b>240,000,000</b>

All nominated directors are nominated by Sena Kalyan Sangstha.

#### Share holding of CEO, Company Secretary, CFO & Executives

Sl. No	Name	Designation	Share Holding (Nos)	Percentage (%)
01	Brig Gen Shafique Shamim (Retd)	Managing Director & CEO	Nil	Nil
02	Col Md Aulad Hossain, psc, G (Retd)	Deputy Managing Director (Development Officer)	19	0.00%
03	Gp Capt Md Atiar Rahman, psc (Retd)	Deputy Managing Director (Development Officer)	1	0.00%
04	Lt. COL AKM Nazimul Islam, Psc, (Retd.)	Head of Marketing	Nil	Nil
05	Mr. Pranab Kumar Saha	Head of Underwriting	Nil	Nil
06	Maloy Kumar Saha	Chief Financial Officer (CFO)	Nil	Nil
07	Squardon Leader Md. Mostafa Zaman (Retd.)	Head of Admin	Nil	Nil
08	Mr. Tajul Islam	Head of Ciam and Re-insurance	Nil	Nil
09	Md. Shakhawat Hossain	Head of IT	Nil	Nil
10	M.M. Sajedul Islam, FCS	Company Secretary	Nil	Nil
11	Khadiza Kanom Mili	Head of HR	Nil	Nil
12	Lasmin Akter	Head of Internal Audit & Compliance	Nil	Nil

Amounts in Taka

**31 December, 2023**      **31 December, 2022**

#### 4.00 Reserve for exceptional losses

Reserve for exceptional losses for tk. 99,954,722 has been taken to be current year's profit before tax equivalent to 10% of premium earned during the year as per provision of Para 6 of 4th schedule of Income Tax Ordinance 1984.

The amount has been arrived at as under:

Balance as at 01 January 2023		355,872,215	275,815,487
Addition made during the year	4.01	99,954,722	80,056,729
<b>Total</b>		<b>455,826,937</b>	<b>355,872,215</b>

#### 4.01 Reserve for Exceptional losses (addition during the year)

Particulars	Gross Premium	Percentage (%)	31 December, 2023	31 December, 2022
Fire	248,219,839	10%	24,821,984	19,450,814
Marine Cargo	133,410,989	10%	13,341,099	16,496,873
Marine Hull	21,347,154	10%	2,134,715	1,727,908
Motor	12,164,137	10%	1,216,414	1,639,140
Miscellaneous	584,405,101	10%	58,440,510	40,741,993
<b>Total</b>	<b>999,547,221</b>		<b>99,954,722</b>	<b>80,056,729</b>

#### 5.00 Investment Fluctuation Fund (difference of market value and cost value)

Market Price of Shares	59,521,396	59,431,602
Cost Price of Shares	(66,523,744)	(67,034,615)
<b>Closing Balance</b>	<b>(7,002,347)</b>	<b>(7,603,013)</b>

#### 0.01 Gain/(loss) from Fair Value Changes of Investment in Shares

Opening Investment Fluctuation Fund	7,603,013	(428,468)
Investment Fluctuation Fund	7,002,347	7,603,013
<b>Total</b>	<b>600,666</b>	<b>(8,031,481)</b>

#### 6.00 Profit and Loss Appropriation Account

Opening Balance	58,403,363	72,129,358
Add: Previous year Excess Tax Provision	1,121,402	-
	59,524,765	72,129,358
Add : Profit during the year	136,660,747	114,330,734
<b>Total</b>	<b>196,185,512</b>	<b>186,460,091</b>
Less : Reserve for Exceptional Losses.	(99,954,722)	(80,056,729)
Less: Dividend distributed from last year profit	(48,000,000)	(48,000,000)
<b>Closing Balance</b>	<b>48,230,790</b>	<b>58,403,363</b>

#### 7.00 Balance of funds and accounts

Fire Insurance Revenue Account	59,828,469	40,036,138
Marine Insurance Revenue Account	55,197,028	69,849,228
Motor Insurance Revenue Account	4,665,097	6,178,490
Miscellaneous Insurance Revenue Account	112,432,018	42,317,416
<b>Total</b>	<b>232,122,613</b>	<b>158,381,271</b>

The amount represents reserve for unexpired risks @40% of net premium income on Fire, Marine Cargo, Motor and Misc. and 100% of Marine Hull and Aviation.

	Amounts in Taka	
	31 December, 2023	31 December, 2022
<b>8.00 Premium Deposits</b>		
Marine Insurance Account	44,172,955	113,605,509
Stamp Collection	1,499,130	75,787.53
<b>Total</b>	<b>45,672,085</b>	<b>113,681,296</b>

The above amount received against cover notes for which risks have not been initiated and such amount will be adjusted upon initiation of risk and issuance of policy in due course.

**9.00 Estimated liabilities in respect of Outstanding claims whether due or intimated**

Fire	143,524,147	119,142,881
Marine	81,401,446	59,392,584
Motor	259,420	489,500
Miscellaneous	6,439,143	4,097,543
<b>Total</b>	<b>231,624,156</b>	<b>183,122,508</b>

All the claims against which the Company received intimations within 31 December 2023 have been taken into consideration while estimating the liability in respect of outstanding claims.

**10.00 Amounts due to other persons or bodies carrying on insurance business**

Sadharan Bima Corporation (SBC)	68,829,360	55,710,252
Overseas Re-insurer	36,555,370	16,287,161
<b>Total</b>	<b>105,384,730</b>	<b>71,997,413</b>

The above balance refers to amount due to of re-insurance by Sadharan Bima Corporation and Overseas.

**11.00 Provision for Income Tax**

Opening Balance	89,454,375	74,267,974
Add: Provision during the year- 11.01	16,102,871	15,186,402
	105,557,246	89,454,375
Less: Paid Adjustment during the year- 24.01	(5,643,515)	-
Less: Paid Adjustment Adjustment Previous year- 24.01	(82,689,460)	-
Less: Adjustment Previous year Excess Provision	(1,121,402)	-
<b>Closing Balance</b>	<b>16,102,870</b>	<b>89,454,375</b>

\*Income Tax Provision Presentation and Recognition as per IAS 12

**11.01 Calculation of Provision for Income Tax**

Net Profit (as per Profit and Loss Account)	150,216,584	129,751,116
Less: Exceptional Losses Reserve	(99,954,722)	(80,056,729)
	<b>50,261,862</b>	<b>49,694,388</b>
Less: Income from Bangladesh Govt. Treasury Bond (Tax Free)	(5,696,204)	(6,421,537)
Less: Dividend Income	(2,033,912)	(2,758,759)
Less: Income from House Rent	(1,296,250)	-
Less: Realised Gain on Sales of Share	(62,978)	(2,029,581)
<b>Business Income</b>	<b>41,172,518</b>	<b>38,484,511</b>
Provision on Business Income	15,439,694	14,431,692
Income from House Rent	250,097	-
Provision on Dividend Income	406,782	551,752
Realised Gain on sales of Shares	6,298	202,958
<b>Total</b>	<b>16,102,871</b>	<b>15,186,402</b>



	Amounts in Taka	
	31 December, 2023	31 December, 2022
<b>12.00 Deferred Tax (IAS-12)</b>		
Company recognizes deferred tax as per IAS-12. Temporary differences arise in respect of depreciation. Company has calculated deferred tax as on 31 December 2023. Deferred tax has also been included in current year accounts.		
<b>Deferred Tax Liability/(Assets)</b>		
Written Down Value as per financial statements	173,526,857	175,635,979
Written Down Value as per Tax Base	166,862,107	166,877,877
<b>Taxable Temporary Difference</b>	<b>6,664,751</b>	<b>8,758,102</b>
Tax Rate	37.50%	37.50%
	<b>2,499,282</b>	<b>3,284,288</b>
<b>Deferred Tax Liability</b>		
Opening Balance	3,284,288	1,508,516
Deferred Tax (Income)/Expense	(785,007)	1,775,773
<b>Closing Balance</b>	<b>2,499,282</b>	<b>3,284,288</b>
<b>12.01 Deferred Tax (Income)/Expense</b>		
Deferred Tax Income- Note No. 20	(1,762,028)	(1,541,792)
Deferred Tax Expense- Note No. 12	(785,007)	1,775,773
	<b>(2,547,034)</b>	<b>233,981</b>
<b>13.00 Lease Liability</b>		
<b>Opening Balance</b>	<b>3,952,285</b>	<b>14,426,582</b>
Addition During the Year	7,965,524	3,785,221
Adjustment During the Year	(2,158,883)	(14,259,518)
<b>Closing Balance</b>	<b>9,758,926</b>	<b>3,952,285</b>
<b>14.00 Unclaimed Dividend Account</b>		
For 2021	539,226	574,998
For 2022	461,827	-
	<b>1,001,052</b>	<b>574,998</b>
This amount represents unclaimed dividend for the year ended 2021 & 2022 up to 31 December, 2023.		
<b>15.00 Provision for WPPF</b>		
<b>Opening Balance</b>	<b>6,487,556</b>	<b>5,799,060</b>
Addition During the Year	7,510,829	6,487,556
Adjustment During the Year	(6,487,556)	(5,799,060)
<b>Closing Balance</b>	<b>7,510,829</b>	<b>6,487,556</b>

	Amounts in Taka	
	31 December, 2023	31 December, 2022
<b>16.00 Sundry Creditors</b>		
Provision for Audit Fees	7,750	250,000
Provision for Office Rent	118,100	12,065
VAT on Premium*	2,741,298	1,049,994
Tax and VAT at Source Payable	942,689	513,119
Claim Payable	39,379,289	39,390,597
Survey fee Payable	-	702,760
Securities Deposit for Rental (Business Mart)	3,111,000	-
Provision for PF & GF Expenses	40,000	70,000
Provision for Gratuity fund expenses	5,467,228	4,111,444
<b>Total</b>	<b>51,807,354</b>	<b>46,099,979</b>

Sundry creditors are current liabilities and provisions that the company has to pay in due course. It also includes Company's liability for current tax which is calculated using tax rates that have been enacted at the balance sheet date.

\*VAT payable for the month of December- 2023 for tk.27,41,298/-only which was subsequently paid on January 14, 2023 vide Sonali Bank Limited Challan No.2324-00236573311, 2324-00236579781, 2324-00236585091 dated 14/01/2024.

#### 17.00 Property, Plant and Equipment

Tangible Assets	170,490,217	173,188,723
Intangible Assets	3,036,640	2,447,256
<b>Written down value at 31 December, 2023</b>	<b>173,526,857</b>	<b>175,635,979</b>

#### 17.01 Tangible Assets

Opening Balance at Cost	201,619,134	56,159,395
Addition during the year	11,614,984	150,502,729
	<b>213,234,118</b>	<b>206,662,124</b>
Less: Disposal during the year	(3,586,500)	(5,042,990)
<b>Closing Balance</b>	<b>209,647,618</b>	<b>201,619,134</b>
Less: Accumulated Depreciation	(39,157,401)	(28,430,411)
<b>Written down value</b>	<b>170,490,217</b>	<b>173,188,723</b>

#### 17.02 Intangible Assets

<b>Opening Balance at Cost</b>	<b>3,163,904</b>	<b>1,598,250</b>
Addition during the year	900,000	1,565,654
<b>Closing Balance</b>	<b>4,063,904</b>	<b>3,163,904</b>
Less: Accumulated Depreciation	(1,027,264)	(716,648)
<b>Written down value</b>	<b>3,036,640</b>	<b>2,447,256</b>

For details schedule for the detail of property, plant and equipment may be seen in Annexure- A

#### 18.00 Investment

Investment in BGTB	Note- 18.01	80,012,373	81,091,675
Zero Coupon Bond	Note- 18.02	4,191,080	6,048,818
<b>Total</b>		<b>84,203,453</b>	<b>87,140,494</b>

The amount represents the investment in 10 years period Bangladesh Government Treasury Bonds which is held with Bangladesh Bank as Statutory Deposit under the Insurance Act, 2010, under section 23 & 24 and as per direction of Insurance Development Regulatory Authority (IDRA).

	Amounts in Taka	
	31 December, 2023	31 December, 2022
<b>18.01 Investment in BGTB</b>		
Face Value of 05-Years BD0925021059	22,500,000	22,500,000
Face Value of 05-Years 2021005951	27,500,000	27,500,000
Face Value of 10-Years BD0923341103	26,000,000	26,500,000
Face Value of 10-Years BD0931561106	2,300,000	2,300,000
Premium value for Bangladesh Govt. Treasury Bonds	2,356,903	2,356,903
Discount value for Bangladesh Govt. Treasury Bonds	(644,530)	(65,228)
<b>Total</b>	<b>80,012,373</b>	<b>81,091,675</b>
<p>The amount represents the investment in Bangladesh Government Treasury Bonds for 05-10 years period. To comply with the direction of Insurance Development Regulatory Authority (IDRA) instrument no. BD0923341103 amounting BDT. 2.60 crore is held as Statutory Deposit as per section 23 &amp; 24 of the Insurance Act, 2010.</p>		
<b>18.02 Zero Coupon Bond</b>		
Zero Coupon Bond (DBH)	6,048,818	7,019,692
Less: Adjustment	(1,857,738)	970,874
<b>Closing Balance</b>	<b>4,191,080</b>	<b>6,048,818</b>
<b>19.00 Right of Use (RoU) Assets</b>		
<b>Opening Balance</b>	3,991,385	15,003,062
Addition During the Year	7,965,524	3,785,221
Amortisation and Adjustment	(2,186,483)	(14,796,898)
<b>Closing Balance</b>	<b>9,770,426</b>	<b>3,991,385</b>
<b>20.00 Deferred Tax Assets</b>		
Opening Balance	10,634,230	9,092,438
Add: Deferred Tax Income	1,762,028	1,541,792
<b>Closing Balance</b>	<b>12,396,257</b>	<b>10,634,230</b>
<b>20.01 Deferred Tax Income</b>		
Gratuity Provision	5,467,228	4,111,444
Gratuity Payment	(768,488)	-
	4,698,740	4,111,444
Tax Rate	37.50%	37.50%
	<b>1,762,028</b>	<b>1,541,792</b>

Amounts in Taka

31 December,  
2023

31 December,  
2022

**21.00 Investment in Shares**

Sl. No.	Name of Company	No. of Shares	Average rate	Cost Price	Market Price 31 December, 2023	Market Price 31 December, 2022
1	Ifad Autos	42,000	54.48	2,288,040	1,852,200	1,852,200
2	Singer BD	20,000	176.89	3,537,861	3,038,000	3,038,000
3	Square Pharma	45,000	221.52	9,968,463	9,463,500	9,441,000
4	Ring Shine	-	-	-	-	1,764
5	DBH	11,220	69.12	775,548	636,174	635,800
6	BERGERPBL	3,000	1,778.26	5,334,772	5,322,000	5,167,800
7	BATBC	38,550	590.89	22,778,689	19,995,885	19,062,225
8	GP	48,200	325.58	15,693,092	13,814,120	12,897,000
9	Olympic	-	-	-	-	1,860,000
10	BRACBANK	17,334	48.75	844,962	620,557	620,813
11	MJLBD	14,000	94.45	1,322,318	1,213,800	1,213,800
12	BEXGSUKUK	20,000	100.00	2,000,000	1,700,000	1,780,000
13	PBLPBOND	396	5,000.00	1,980,000	1,865,160	1,861,200
<b>Total</b>				<b>66,523,744</b>	<b>59,521,396</b>	<b>59,431,602</b>

The Company has made investment in capital market this year and unrealized gain is transferred to investment subsequently. Investment in shares that do not have any quoted market price in the active market and whose fair value cannot be measured reliably, where recognized at cost.

**22.00 Accrued Interest**

Fixed Deposit Receipt (FDR's) Opening	23,247,791	16,766,355
Add: During the period	67,356,045	50,694,613
Less: Cash Receipts	63,684,164	44,213,177
<b>Total Accrued Interest During the period</b>	<b>26,919,672</b>	<b>23,247,791</b>
Interest on Bangladesh Govt. Treasury Bonds Opening	1,862,344	1,870,551
Add: During the period	5,696,204	6,421,537
Less: Cash Receipts	5,881,071	6,429,744
<b>Total Accrued Interest During the period</b>	<b>1,677,477</b>	<b>1,862,344</b>
Zero Coupon Bond Opening	53,630	-
Add: During the period	193,119	82,756
Less: Cash Receipts	142,262	29,126
<b>Total Accrued Interest During the period</b>	<b>104,486</b>	<b>53,630</b>
<b>Total</b>	<b>28,701,635</b>	<b>25,163,765</b>

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

Sadharan Bima Corporation (SBC)	828,315	828,315
<b>Total</b>	<b>828,315</b>	<b>828,315</b>

#### 24.00 Sundry Debtors (Including advance, deposits and prepayments)

	Amounts in Taka	
	31 December, 2023	31 December, 2022
Security Deposit	790,115	734,195
Advance Income Tax (Note- 24.01)	15,890,145	82,689,460
Dividend Receivable	573,050	578,800
Advance to Supplier	217,014	1,500,000
Advance to Office Staff	242,578	804,767
<b>Total</b>	<b>17,712,901</b>	<b>86,307,221</b>

#### 24.01 Advance Income Tax

Income Tax from Financial year 2015 to 2023 (Assessment Year 2016-2017 to 2024-2025) of Sena Kalyan Insurance Limited not yet finalized by the Income Tax Authority. Advance Tax pays U/S-154, Tax paid U/S-173, Tax (TDS) in particular years where showing Advance Tax payments are given below:

Opening Balance	82,689,460	68,560,251
Add: Paid during the year	21,533,660	14,129,209
<b>Closing Balance</b>	<b>104,223,119</b>	<b>82,689,460</b>

Sl No.	Financial Year	Assessment Year	Advance Tax	Tax Payment with return	Total Tax Paid 31 December, 2023	Total Tax Paid 31 December, 2022
1	2013	2014-2015	45,000	-	45,000	45,000
2	2014	2015-2016	1,668,008	-	1,668,008	1,668,008
3	2015	2016-2017	2,284,088	1,613,000	2,284,088	2,284,088
4	2016	2017-2018	1,602,286	6,058,389	3,215,286	3,215,286
5	2017	2018-2019	2,687,600	6,913,024	8,745,989	8,745,989
6	2018	2019-2020	2,933,213	-	9,846,237	9,846,237
7	2019	2020-2021	3,394,610	18,002,149	3,394,610	3,394,610
8	2020	2021-2022	7,254,196	13,583,215	25,256,345	25,256,345
9	2021	2022-2023	6,131,569	4,586,322	19,714,784	19,714,784
10	2022	2023-2024	9,542,887	5,643,515	14,129,209	14,129,209
11	2023	2024-2025	15,890,145	-	21,533,660	21,533,660

#### 25.00 Cash and cash equivalents

##### Cash at banks

Fixed Deposits: (FDR's) (Note-25.01)	1,143,297,189	1,084,866,866
SND Accounts (Note- 25.02)	59,288,930	48,189,764
Current Accounts (Note- 25.02)	6,712,782	(100,891,264)
	<b>1,209,298,900</b>	<b>1,032,165,366</b>
Cash in hand (Note- 25.03)	203,725	55,788
Brokerage Balance	2,304,312	1,732,120
<b>Total</b>	<b>1,211,806,937</b>	<b>1,033,953,274</b>

#### 25.01 Fixed Deposit Receipt (FDR)

Balance at the beginning of the year	1,084,866,866	978,813,739
Add: Placed during the year	259,513,000	286,000,000
Less: Encashed during the year	(201,082,678)	(179,946,873)
<b>Balance at the end of the year</b>	<b>1,143,297,189</b>	<b>1,084,866,866</b>

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**Statement of bank wise Fixed Deposit Receipt (FDR) as at 31 December, 2023**

Sl. No.	Name of bank	31 December, 2023	31 December, 2022
1	Trust Bank Ltd.	484,900,000	423,900,000
2	IDLC Finance Ltd.	27,000,000	32,000,000
3	AB Bank Ltd.	1,000,000	11,000,000
4	Standard Bank Ltd.	40,000,000	40,000,000
5	National Bank Ltd.	2,000,000	-
6	Bank Asia Ltd.	9,500,000	9,000,000
7	Delta Brac Housing Ltd. (DBH)	75,000,000	54,000,000
8	Premier Bank	2,000,000	2,000,000
9	First Security Islami bank Ltd.	-	10,000,000
10	NRB Bank Ltd.	17,500,000	3,000,000
11	Shimanto Bank Ltd.	122,000,000	100,000,000
12	Lanka Bangla Finance Ltd.	25,000,000	17,000,000
13	People Leasing & Financial Services Ltd.	3,100,000	3,100,000
14	Meghna Bank Ltd.	73,000,000	57,500,000
15	Mutual Trust Bank Ltd.	15,000,000	10,000,000
16	United Commercial Bank Ltd.	24,500,000	24,500,000
17	Eastern Bank Ltd.	50,000,000	11,000,000
18	Exim Bank Ltd.	89,297,189	114,366,866
19	IFIC Bank Ltd.	17,000,000	20,000,000
20	Islami Bank Bangladesh Ltd.	-	11,000,000
21	IPDC Finance Ltd.	11,500,000	2,000,000
22	Community Bank Ltd.	10,000,000	35,000,000
23	United Finance Ltd.	11,000,000	8,500,000
24	Bengal Commercial Bank Ltd.	-	60,000,000
25	Bank Al-Falah Ltd.	25,000,000	26,000,000
26	National Finance Ltd.	1,000,000	-
27	Commercial Bank of Ceylon PLC	2,000,000	-
28	SBAC Bank Limited	2,500,000	-
29	Mercantile Bank Limited	2,500,000	-
<b>Total</b>		<b>1,143,297,189</b>	<b>1,084,866,866</b>

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**25.02 Statement of Bank wise Short Notice Deposit and Current Deposit with Banks as at 31 December, 2023**

Sl. No.	Name of bank	SND Account	CD Account	Total 31 December, 2023	Total 31 December, 2022
01	Trust Bank Ltd. Kawran Bazar Branch, Dhaka. A/C- 0030-0320000337	17,921,383	-	17,921,383	41,334,850
02	EXIM Bank Ltd. DOHS Branch, Dhaka. A/C- 1241-3100005298	40,334,652	-	40,334,652	6,850,283
03	Trust Bank Ltd. Kawran Bazar Branch, Dhaka. A/C- 0030-0210005719	-	1,337,083	1,337,083	884,703
04	Trust Bank Ltd. SKB Branch, Dhaka. A/C- 0003-0210013123	-	1,113,514	1,113,514	1,099,600
05	Trust Bank Ltd. Kawran Bazar Branch, Dhaka. A/C- 0030-0210005004	-	1,579,416	1,579,416	201,067
06	Trust Bank Ltd. Kawran Bazar Branch, Dhaka. A/C- 0030-0210008850	-	632,303	632,303	(105,243,356)
07	Trust Bank Ltd. Kawran Bazar Branch, Dhaka. A/C- 0030-0210009082	-	1,539,182	1,539,182	1,232,579
08	Sonali Bank Ltd. Farmgate Branch, Dhaka. A/C- 011-4902000884	-	478,188	478,188	345,066
09	Trust Bank Ltd. Kawran Bazar Branch, Dhaka. A/C- 7030-0322000053	474,260	-	474,260	574,998
10	Trust Bank Ltd. Kawran Bazar Branch, Dhaka. A/C- 0030-0320000935	552,947	-	552,947	-
11	Trust Bank Ltd. Motijheel Branch, Dhaka. A/C- 0003-0210013534	-	1,260	1,260	2,229
12	Trust Bank Ltd. Millennium Branch, Dhaka. A/C- 0022-0210012612	-	667	667	4,623
13	Trust Bank Ltd. Agrabad Branch, Chittagong. A/C- 0012-0210009600	-	3,336	3,336	4,540
14	Trust Bank Ltd. Khulna Branch, Khulna. A/C- 00400-320000451	4,075	-	4,075	4,151
15	Trust Bank Ltd. Millennium Branch, Dhaka. A/C- 0022-0210013684	-	26,362	26,362	1,070
16	Trust Bank Ltd. Kawran Bazar Branch, Dhaka. A/C- 0044-0210003135	-	1,471	1,471	1,617
17	Trust Bank Ltd. Chowhatta Branch, Sylhet. A/C- 0021-0320000794	1,613	-	1,613	480
<b>Total</b>		<b>59,288,930</b>	<b>6,712,782</b>	<b>66,001,712</b>	<b>(52,701,500)</b>

**25.03 Cash in hand**

Head Office	44,941	52,629
Branches	158,784	3,159
<b>Total</b>	<b>203,725</b>	<b>55,788</b>

**26.00 Interest and Dividend Income**

Bangladesh Government Treasury Bond	5,696,204	6,421,537
Fixed Deposit Receipt (FDR)	67,356,045	50,694,613
Zero Coupon Bond	193,119	82,756
Short Notice Deposit (SND) Accounts	1,118,036	692,299
Dividend on Share received during the year	2,033,912	2,758,759
<b>Total</b>	<b>76,397,317</b>	<b>60,649,963</b>

Dividend Income represents the amount received from investment in share of public limited company.



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**27.00 Other Income**

The other income comprises of receipt during the year from co-insurance service charge sale of paper, wastage goods, service charges and trustee fees.

Trustees Fees	2,325,000	2,250,000
Income from House Rent	1,296,250	-
Sales of Paper and Wastage Goods	7,650	24,100
Service Charges (Co-Insurance)	814,697	209,583
Foreign Exchange Gain or Loss	1,496,589	-
Fees & Charges and Others	2,189,249	-
Received from SKICLPF Capital Reserve Fund (PF-forfeited amount)	173,051	-
Profit of sale of Fixed Assets	1,872,686	2,768,598
Profit of sale of shares	62,978	2,029,581
<b>Total</b>	<b>10,238,150</b>	<b>7,281,862</b>

Notes- 27.01

**27.01 Profit or Loss on Sales of Assets**

Cost Price	3,586,500	4,910,000
Less: Accumulated Depreciation	3,139,186	4,241,411
Less: Adjdtment Accumulated Depreciation	-	7,188
Less: Sales Price	2,320,000	3,430,000
<b>Gain on Sales of Assets</b>	<b>1,872,686</b>	<b>2,768,598</b>

**28.00 Agency Commission**

As per Insurance Development & Regulatory Authority's (IDRA) circular No. non life-84/2021 date: 24 October 2021 the agency commission for non life insurance business were fixed up @ 15% for all classes of non life insurance business. The agency commission for different classes of business are furnished as under:

**Class wise segregation of agency commission**

Fire	19,866,691	25,644,868
Marine Cargo	7,449,927	17,534,113
Marine Hull	2,033,060	1,864,641
Motor	868,333	1,271,346
Miscellaneous	4,541,125	10,899,562
<b>Total</b>	<b>34,759,136</b>	<b>57,214,530</b>

**29.00 Management Expenses: Allocation of management expenses as per follows:**

	Amounts in Taka	
	31 December, 2023	31 December, 2022
Salary and Allowances	63,012,456	57,880,365
Festival Bonus	6,014,685	5,429,992
Telephone, Mobile	546,623	531,434
Car Fuel	2,245,259	2,119,712
Entertainment, Annual Picnic and Lunch Expenses	937,595	483,056
Conveyance, TA/DA and Vehicle Allowance	1,357,980	1,531,869
Utility Bill	630,957	449,515
Postage, Courier	40,034	33,099
Books, Papers and Periodicals	28,368	46,877
Office Rent, Garage Rent and Service Charges	3,019,519	2,955,915
Amortisation of RoU Assets	2,186,483	3,323,136
Finance Cost	250,417	321,424
Bank Charges	1,642,034	1,221,080
Co-Insurance Service Charges	297,175	677,473
Miscellaneous and General Expenses	103,231	2,249,578
Repairs and Maintenance (Office)	207,689	196,762
Fees and Charges	166,861	22,115
Incentive Bonus	5,073,399	3,664,608
Medical Expenses	6,654	2,596
Staff Training fee	67,595	7,667
Printing, Packaging & Expenses	666,304	1,069,032
Repair, Maintenance and Renew. (Vehicle)	1,374,249	705,982
Office Stationary, Cleaning and Up-Keep-Supplier	1,282,689	1,221,078
Office Staff Tea and Water Bill	214,275	317,684
Revenue Stamp	1,116,239	123,745
Uniform & Liveries	314,215	7,425
Gratuity Expenses	5,467,228	4,111,444
Gardening Supplier	29,362	26,568
Contribution to Provident Fund	2,616,847	2,357,596
Internet and Software Bill	620,714	644,641
Unified Messaging Platform (UMP)	85,246	82,033
Bima Mela / Business Procurement Expenses	-	233,844
Survey fee & Pre-Inspection	2,112,101	1,362,207
Event Management Board Meeting and AGM Expenses	858,867	1,113,727
Expenses for PF & GF	275,951	33,000
PSB Management & Business Expense	7,807,809	7,260,007
Re-Insurance Expenses	2,846,682	8,123,982
<b>Total</b>	<b>115,523,791</b>	<b>111,942,268</b>

**29.01 Appropriation of management expenses**

Class of Business	Gross premium	Stamp	Mgt. Exp.	31 December, 2023	31 December, 2022
Fire	248,219,839	1,443	28,687,161	28,688,604	27,198,000
Marine Cargo	133,410,989	-	15,418,520	15,418,520	23,067,360
Marine Hull	21,347,154	-	2,467,125	2,467,125	2,416,111
Motor	12,164,137	2,570	1,405,829	1,408,399	2,294,766
Miscellaneous	584,405,101	518	67,540,626	67,541,144	56,969,484
<b>Total</b>	<b>999,547,221</b>	<b>4,531</b>	<b>115,519,260</b>	<b>115,523,791</b>	<b>111,945,721</b>

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**29.02 Key Management Personnel Compensation**

The Compensation of Key management personnel of Sena Kalyan Insurance Company Limited are as follows

Name of employee	Short employee benefits	Post employment benefits	Other long term benefits	Termination benefits	Share based payment
<b>Brig Gen Shafique Shamim (Retd) Managing Director &amp; CEO</b>	Salary Bonus	P.F @ 10% of Basic Salary.	NO	P.F, Gratuity & Group insurance coverage	NO
<b>Col Md Aulad Hossain, psc, G (Retd) Deputy Managing Director, (Development Officer)</b>	Salary Bonus	NO	NO	NO	NO
<b>Gp Capt Md Atiar Rahman, psc (Retd) Assistant Managing Director (Development Officer)</b>	Salary Bonus	NO	NO	NO	NO
<b>Lt. Col AKM Nazimul Islam, Psc, (Retd.) Head of Marketing</b>	Salary Bonus	P.F @ 10% of Basic Salary.	NO	P.F, Gratuity & Group insurance coverage	NO
<b>Mr. Pranab Kumar Saha Head of Underwriting</b>	Salary Bonus	P.F @ 10% of Basic Salary.	NO	P.F, Gratuity & Group insurance coverage	NO
<b>Maloy Kumar Saha Chief Financial Officer (CFO)</b>	Salary Bonus	P.F @ 10% of Basic Salary.	NO	P.F, Gratuity & Group insurance coverage	NO
<b>Squadron Leader Md. Mostafa Zaman (Retd.) Head of Admin</b>	Salary Bonus	P.F @ 10% of Basic Salary.	NO	P.F, Gratuity & Group insurance coverage	NO
<b>Mr. Tajul Islam Head of Claim and Reinsurance</b>	Salary Bonus	P.F @ 10% of Basic Salary.	NO	P.F, Gratuity & Group insurance coverage	NO
<b>Md. Shakhawat Hossain Head of IT</b>	Salary Bonus	P.F @ 10% of Basic Salary.	NO	P.F, Gratuity & Group insurance coverage	NO
<b>M.M. Sajedul Islam, FCS Company Secretary</b>	Salary Bonus	P.F @ 10% of Basic Salary.	NO	P.F, Gratuity & Group insurance coverage	NO
<b>Khadiza Kanom Mili Head of HR</b>	Salary Bonus	P.F @ 10% of Basic Salary.	NO	P.F, Gratuity & Group insurance coverage	Salary Bonus
<b>Lasmin Akter Head of Internal Audit &amp; Compliance</b>	Salary Bonus	P.F @ 10% of Basic Salary.	NO	P.F, Gratuity & Group insurance coverage	NO

Key Management Personnel Compensation included in management expenses and no other remuneration or special payment except as mentioned above was made to the key Management Personnel during the year 2023.

**29.03 Aggregate amount of remuneration paid to all Directors and officers during the accounting year is as follows**

Particulars	Nature of Payment	Amounts in Taka	
		2023	2022
1. Directors	Board Meeting fee/Remuneration	327,556	260,332
2. Chief Executive Officer, Executive & Officers	Salary, Bonus and other Allowances	82,184,615	73,444,005
<b>Total</b>		<b>82,512,171</b>	<b>73,704,337</b>

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#### 29.04 Directors Remuneration

The company pays fees to its Directors for attending the Board meeting and its Committee meetings as permitted by Insurance Development and Regulatory Authority. As per IDRA circular no-Pro:Bi:Ni:-15/01/96/Part-1 dated 26-08-2010, a Director may be paid fees for attending Board meeting or its Committee meetings which shall not exceed Tk. 5,000 (five thousand) per attending each meeting since 2010. This year, IDRA has issued new circular No-53.03.0000.009.014.18.123 dated 31-05-2018 to be paid Director's fees per attending Tk. 8,000 (Eight thousand) only effected from May 31, 2018. Details are as given below:

Sl. No.	Name of Directors	Position	Number of Meeting	Total Fees 2023	Total Fees 2022
1	Board Meeting	5	39	231,111	183,333
2	Audit Committee meeting	4	13	46,667	53,331
3	NRC Meeting	2	6	20,000	-
<b>Total</b>				<b>297,778</b>	<b>236,664</b>
Add: VAT				29,778	23,668
<b>Grand Total</b>				<b>327,556</b>	<b>260,332</b>

#### 30.00 Net Asset Value per share

Property, Plant and Equipment's	173,526,857	175,635,979
Investment in BGTB	84,203,453	87,140,494
Right of Use (RoU) Assets	9,770,426	3,991,385
Deferred Tax Assets	12,396,257	10,634,230
Investment in Shares	59,521,396	59,431,602
Accrued Interest	28,701,635	25,163,765
Amount due from other persons or bodies carrying on insurance business	828,315	828,315
Sundry Debtors	17,712,901	86,307,221
Cash and Bank Balances	1,211,806,937	1,033,953,274
Stationary and forms in hand	185,150	356,420
Stamp in Hand	1,885,947	265,850
<b>Total Assets (A)</b>	<b>1,600,539,276</b>	<b>1,483,708,535</b>
Balance of Funds and Accounts	232,122,613	158,381,271
Premium Deposits	45,672,085	113,681,296
Estimated liabilities in respect of outstanding claims	231,624,156	183,122,508
Amounts due to other persons	105,384,730	71,997,413
Provision For Income tax	16,102,870	89,454,375
Deferred Tax Liability	2,499,282	3,284,288
Lease Liability	9,758,926	3,952,285
Unclaimed Dividend Account	1,001,052	574,998
Provision for WPPF	7,510,829	6,487,556
Sundry Creditors	51,807,354	46,099,979
<b>Total Liabilities (B)</b>	<b>703,483,896</b>	<b>677,035,970</b>
<b>Net Assets(A-B)</b>	<b>897,055,380</b>	<b>806,672,565</b>

#### 30.01 Net Assets Value Per Share (NAVPS)

Net Assets	897,055,380	806,672,565
Number of Ordinary Shares	40,000,000	40,000,000
<b>Net Assets Value Per Share (NAVPS)</b>	<b>22.43</b>	<b>20.17</b>

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### 31.00 Earnings Per Share (EPS)

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 this has been calculated by dividing the basic earnings by the number of ordinary shares outstanding for the year. Details calculations were as follows

#### Earnings Per Share (EPS)

Net Profit after Taxation	136,660,747	114,330,734
Number of Ordinary Shares	40,000,000	40,000,000
<b>Basic Earnings Per Share (EPS)</b>	<b>3.42</b>	<b>2.86</b>

### 32.00 Net Operating Cash Flow Per Share (NOCFPS)

Net Operating Cash Flows Per Share (NOCFPS) has been calculated based on net cash generated from operating activities and number of shares outstanding during the period as at 31 December, 2023. Details calculations are as follows

Net Cash Generated From Operating Activities	232,600,736	178,110,068
Number of Ordinary Shares	40,000,000	40,000,000
<b>Net Operating Cash Flow Per Share (NOCFPS)</b>	<b>5.82</b>	<b>4.45</b>

### 33.00 Disclosures on reconciliation between Net Profit & Net operating cash flows

#### Net Profit after Tax

Depreciation	14,176,792	9,656,504
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#### Changes in Current assets/liabilities

Increase of Balance of Funds & Accounts	73,741,342	32,415,981
Increase of Premium Deposits	(68,009,211)	111,644,819
Increase of Estimated liabilities in respect of outstanding claims whether due or intimated	48,501,648	(87,862,606)
Increase of Amount due to other persons or bodies carrying on insurance business	33,387,317	(19,456,637)
Increase/ (Decrease) of Provision for Income Tax	(72,230,104)	15,186,402
Increase/ (Decrease) of Lease Liability	5,806,640	(10,474,296)
Increase/ (Decrease) of Unclaimed Dividend Account	426,054	574,998
Increase/ (Decrease) of Provision for WPPF	1,023,273	688,496
Increase/ (Decrease) of Deferred Tax Liability	(785,007)	1,775,773
Increase/ (Decrease) of Sundry Creditors	5,707,375	26,505,514
Increase/ (Decrease) of Deferred Tax Assets	(1,762,028)	(1,541,792)
Increase of Accrued Interest	(3,537,870)	(6,526,859)
Decrease of Amount Due from Other Persons or Bodies Carrying on Insurance Business	-	(828,315)
Decrease/ (Increase) of Sundry Debtors	68,594,320	(16,068,564)
Decrease/ (Increase) of Right of Use (RoU) Assets	(5,779,040)	11,011,676
Decrease/ (Increase) of Stationary and forms in hand	171,270	(90,477)
Decrease/ (Increase) of Stamps in hand	(1,620,097)	(62,685)
Loss on Sale of Assets	(1,872,686)	(2,768,598)
<b>Net cash generated from operating activities</b>	<b>232,600,736</b>	<b>178,110,068</b>

### 33.01 Collection from premium and other income

Gross Premium Income	999,547,221	800,567,286
Comission on Re-Insurance	45,209,562	41,230,164
Sundry Income	8,365,464	4,513,264
Interest and Dividend Income & Rent outstanding (interest/profit Accrued but not due)	72,286,397	53,544,304
Amount Due from Other Persons or Bodies Carrying on Insurance Business	-	(828,315)
Right of Use (RoU) Assets	(5,779,040)	11,011,676
Sundry Debtors	2,368,055	(1,360,555)
Premium Deposits	(68,009,211)	111,644,819
<b>Total</b>	<b>1,053,988,446</b>	<b>1,020,322,643</b>

	Amounts in Taka	
	31 December, 2023	31 December, 2022
<b>33.02 Payment for management expenses, Re-insurance, Claims and commission</b>		
Expenses of management : (Not Applicable to any particular fund or Account)	12,090,681	10,818,502
Expenses of management (with stamp used)	115,523,791	111,945,721
Agency commission	34,759,136	57,214,530
Paid on Re- Insurance Ceded	578,646,012	456,118,977
Claim paid during the year	103,736,262	189,670,550
Stationary and forms in hand	(171,270)	90,477
Stamps in hand	1,620,097	62,685
Lease Liability	(5,806,640)	10,474,296
Unclaimed Dividend Account	(426,054)	(574,998)
Provision for WPPF	(1,023,273)	(688,496)
Amount due to other persons or bodies carrying on insurance business	(33,387,317)	19,456,637
Sundry Creditors (Including provision for expenses)	(5,707,375)	(26,505,514)
<b>Total</b>	<b>799,854,050</b>	<b>828,083,367</b>
<b>33.03 Investment</b>		
Investment in BGTB	(2,937,041)	6,048,818
Investment in Shares	89,795	35,085,360
Investment Fluctuation Fund	(600,666)	8,031,481
<b>Total</b>	<b>(3,447,912)</b>	<b>49,165,659</b>

#### 34.00 Related Party disclosure

Sena Kalyan Insurance Company Ltd. In normal course of business carried out 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 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 transactions with related parties and balance with them are as follows

Name of the related party	Nature of Transactions	Nature of Relationship	Amounts in Taka	
			2023	2022
Sena Kalyan Sangstha	Insurance	Common Director	1,186,203	1,250,226
	Purchase of Office Space		-	127,200,000
Mongla Cement Factory	Insurance	Common Director	3,817,831	3,435,808
Sena Hotel Developments	Insurance	Common Director	-	4,051,684
Sena Kalyan Construction and Developments	Insurance	Common Director	112,596	21,124
Annanya Shopping Complex	Insurance	Common Director	79,751	77,970
Chittagong Flour Mills	Insurance	Common Director	-	354,989
Sena Flour Mills	Insurance	Common Director	578,074	181,649
Fauji Flour Mills	Insurance	Common Director	613	-
Sena Kalyan Electric Industry	Insurance	Common Director	285,538	104,600
Diamond Food Industries	Insurance	Common Director	-	454,489
Amin Mohiuddin Foundation	Insurance	Common Director	42,497	50,304
Sena kalyan Bhaban	Insurance	Common Director	232,791	260,201
SKS Trading House	Insurance	Common Director	-	45,224
Eastern Hosiery Mills	Insurance	Common Director	264,289	158,685
SKS LPG	Insurance	Common Director	7,689,757	7,075,993
SKS Ready Mix Concrete	Insurance	Common Director	-	-
Sena Edible Oil Industries	Insurance	Common Director	10,098,050	6,672,609
SKS Sales Promotion Office	Insurance	Common Director	-	12,245
Sena Kalyan Commercial Complex	Insurance	Common Director	46,151	51,269
Sena Filling Station (C.N.G)	Insurance	Common Director	13,864	418,060
Fecto Yamagen Electronics (SKS)	Insurance	Common Director	-	-
Sainik Lamps Distribution & SKS Display Centre	Insurance	Common Director	-	2,933
Sena Kalyan Business Mart	Insurance	Common Director	367,026	213,330
Sena Kalyan Trade Centre	Insurance	Common Director	-	200,521
Sena Tent & Textile Mills	Insurance	Common Director	149,446	-
Sena Kalyan Sangstha Real Estate Division	Insurance	Common Director	-	-
<b>Total</b>			<b>24,964,477</b>	<b>152,293,913</b>

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### 35.00 Credit Rating

Year	Validity Date	Date of Rating	Long Term	Short Term
2023	July 05, 23 to July 04, 24	5-Jul-23	AA+	ST-1
2022	Aug 22, 22 to Aug 21, 23	22-Aug-22	AA	ST-1
2021	Aug 18, 21 to Aug 17, 22	18-Aug-21	AA-	ST-2
2020	Aug 05, 20 to Aug 04, 21	5-Aug-20	A+	ST-2
2019	May 06, 19 to May 06, 20	6-May-19	A	ST-2
2018	May 06, 18 to May 06, 19	6-May-18	A	ST-3
2017	May 06, 18 to May 06, 19	4-May-17	A-	ST-4

### 36.00 Capital Expenditure Commitment

There was no commitment for capital expenditure at the end the year.

### 37.00 Claims not acknowledged as debt

There was no claim against the company nor acknowledged as debt by the company at the end the year.

### 38.00 Financial Risk Management

The company's financial risk management is governed by direct monitoring of Finance and Monitoring Section. Company's financial assets include other receivables, cash and short-term deposits that arise directly from its operations and financial liabilities include provision, accruals and loans. The main purpose of these financial liabilities is to finance the company's operations.

The Company's activities are mainly exposed to the following risks from its use of financial instruments:

- Credit Risks;
- Market Risks; and
- Liquidity risks.

#### Risk Management Framework

The management is responsible for the establishment and oversight of the company's risk management policies that are established to identify and analyze the risks faced by the company, to set appropriate risks limits and controls, and to monitor risks and adherence to limits. Management discloses the exposures to risk and how they arise as well as its objectives, policies and processes for managing the risk and the methods used to measure the risk. The company has exposures to the following risks from its use of financial instruments.

#### 38.01 Credit Risks

Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation. The company has allowed to debtors with the terms & conditions and the exposure to credit risk is monitored on an ongoing basis to ensure collection within stipulated time. Debtors are categorized according to their risk profile-i.e. frequency of payment, legal status, financial condition etc. The maximum exposure to credit risk is represented by the carrying amount of each financial asset in the statement of financial position.

#### Exposure to Credit Risk

The carrying amount of financial assets represents the maximum credit exposure. The maximum exposure to credit risk at the reporting date is as follows:

#### Other Receivables

Accrued Interest on FDR

26,919,672

23,247,791

Dividend Receivable

573,050

578,800

**Total**

**27,492,722**

**23,826,591**

#### Cash and Cash Equivalents

Cash in hand

203,725

55,788

Brokerage Balance

2,304,312

1,732,120

Cash at Bank

66,001,712

(52,701,500)

Investment in FDR

1,143,297,189

1,084,866,866

**Total**

**1,211,806,937**

**1,033,953,274**



Amounts in Taka

31 December,  
2023

31 December,  
2022

### 38.02 Market Risks:

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimizing the return.

### 38.03 Interest risk:

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates.

At the reporting date, the financial assets and financial liabilities are as follows:

#### Financial Instruments:

##### Financial Assets:

Investment in FDR

1,143,297,189

1,084,866,866

Cash at Bank

66,001,712

(52,701,500)

##### Total

**1,209,298,900**

**1,032,165,366**

##### Financial Liabilities:

Long Term Loan (Current and Non-Current Portion)

-

-

Short Term Loan

-

-

##### Total

-

-

### 38.04 Liquidity Risks:

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when become due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation.

The Company ensures that it has sufficient cash and cash equivalents to meet expected operational expenses, including financial obligations through preparation of the cash flow forecast, prepared based on timeline of payment of the financial obligation and accordingly arrange for sufficient liquidity/fund to make the expected payment within due date.

Relevant non-derivative financial liabilities at the reporting date are as follows:

Long Term Loan

-

-

Provision and Accruals

48,696,354

6,006,622

##### Total

**48,696,354**

**6,006,622**

### 39.00 Guarantee

There was no insurance guarantee made during the period.

### 40.00 Contingent Liabilities

Custom Excise & VAT Commissioner as per audit report of director of audit intelligence and investigation demanded BDT 10,762,320. (১). . গণপ্রজাতন্ত্রী বাংলাদেশ সরকার, আভ্যন্তরীণ সম্পদ বিভাগ, ঢাকা কর্তৃক জারিকৃত মূল্য সংযোজন কর, প্রজ্ঞাপন -তারিখ ২৮ জৈষ্ঠ্য, ১৪২৭ বঙ্গাব্দ/১১ জুন ২০২০ খ্রীষ্টাব্দ, এস.আর.ও.নং-১৪৪-আইন/২০২০/১০৫-মুসক এ প্রদত্ত ক্ষমতাবলে বীমা কোম্পানী কর্তৃক এজেন্সি কমিশন বাবদ পরিশোধিত অর্থের বিপরীতে মূল্য সংযোজন কর কর্তন বিষয়ে অব্যাহতি দেয়া হয়েছে। যার সেবার কোড - ৯০২৭.০০। (২). পুনঃবীমা কমিশনের বিপরীতে ১৫% উৎসে মূল্য সংযোজন কর আদায় বা কর্তন সম্পর্কিত আইনের একটি লিখিত ব্যাখ্যা গত জুন ২, ২০২০ ইং তারিখে বাংলাদেশ ইন্সুরেন্স এসোসিয়েশনের প্রেসিডেন্ট কর্তৃক চেয়ারম্যান, জাতীয় রাজস্ব বোর্ড বরাবর প্রদান করা হয়। However, SKICL has not settled which is pending for the decision of the Commissioner of Custom Excise & VAT (South)

### 41.00 Receivables to/from directors

Nothing was due to/from any of the Directors of the company as on the date of statement of financial position.

### 42.00 Events after the Balance Sheet

Board of Directors in its meeting held on 07 February, 2024 proposed 13.50% cash dividend for the year 2023 subject to approval of shareholders of the company in its forthcoming 11th Annual General Meeting.

**Sena Kalyan Insurance Company Limited**  
**XL-Form**

Statement Showing the details of Classwise Premium Income, Accepted & Ceded, Commission Earned & Paid Claim Paid, Losses Recovered & Recoverable For the year ended 31 December, 2023

**Direct Business**

Class of Business	Premium Income		Commission		Claims			
	Gross Premium	Re-Insurance Ceded	Net Premium	Received on Re-Insurance Ceded	Net Commission	Paid on Direct Business	Received on Re-Insurance Ceded	Net Claim
Fire	233,016,409	84,502,291	148,514,119	19,866,691	20,257,683	74,661,394	223,833	74,437,561
Marine Cargo	106,924,403	3,752,904	103,171,499	7,449,927	1,068,208	10,981,220	565,833	10,415,387
Marine Hull	12,269,986	946,359	11,323,627	2,033,060	227,814	83,000	-	83,000
Motor	9,761,572	393,750	9,367,822	868,333	-	895,900	-	895,900
Miscellaneous	534,183,000	396,226,280	137,956,720	4,541,125	13,582,738	16,788,149	-	16,788,149
<b>Sub Total</b>	<b>896,155,370</b>	<b>485,821,584</b>	<b>410,333,786</b>	<b>34,759,136</b>	<b>35,136,442</b>	<b>103,409,663</b>	<b>789,666</b>	<b>102,619,997</b>

**Public Sector Business**

Fire	15,203,430	14,146,377	1,057,053	-	1,618,887	173,498	11,236	162,262
Marine Cargo	26,486,586	20,624,288	5,862,299	-	2,868,984	609,813	236	609,577
Marine Hull	9,077,168	8,817,286	259,882	-	1,462,688	26,929,941	26,745,342	184,599
Motor	2,402,565	107,643	2,294,921	-	219,784	101,852	-	101,852
Miscellaneous	50,222,101	49,128,835	1,093,266	-	3,902,777	2,083,640	2,025,665	57,975
<b>Sub Total</b>	<b>103,391,851</b>	<b>92,824,428</b>	<b>10,567,422</b>	<b>-</b>	<b>10,073,119</b>	<b>29,898,744</b>	<b>28,782,479</b>	<b>1,116,265</b>

**Direct business & public sector Business**


Fire	248,219,839	98,648,667	149,571,172	19,866,691	21,876,569	74,834,892	235,069	74,599,823
Marine Cargo	133,410,989	24,377,192	109,033,798	7,449,927	3,937,191	11,591,033	566,069	11,024,964
Marine Hull	21,347,154	9,763,645	11,583,509	2,033,060	1,690,502	27,012,941	26,745,342	267,599
Motor	12,164,137	501,393	11,662,743	868,333	219,784	997,752	-	997,752
Miscellaneous	584,405,101	445,355,115	139,049,986	4,541,125	17,485,515	18,871,789	2,025,665	16,846,124
<b>Grand Total</b>	<b>999,547,221</b>	<b>578,646,012</b>	<b>420,901,209</b>	<b>34,759,136</b>	<b>45,209,562</b>	<b>133,308,407</b>	<b>29,572,145</b>	<b>103,736,262</b>
<b>Total 31 December, 2022</b>	<b>800,567,286</b>	<b>456,118,977</b>	<b>344,448,309</b>	<b>57,214,530</b>	<b>41,230,164</b>	<b>210,488,276</b>	<b>20,817,726</b>	<b>189,670,550</b>

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

  
**Company Secretary**

  
**Chief Financial Officer**

  
**Chief Executive Officer**

  
**Director**

  
**Director**

  
**Chairman**

Signed as per our annexed report of even date.

Dhaka, 08 February, 2024

**Sena Kalyan Insurance Company Limited**  
**Schedule of Property, Plant and Equipment**  
As at 31 December, 2023

**A. Tangible Assets**

Annexure-"A"

Particulars	COST			Rate	DEPRECIATION			Written Down Value as at 31.12.2023	
	Balance as at 01.01.2023	Addition during the year	Sold/Adj. during the year		Total as at 31.12.2023	Charged during the year	Sold/Adj. during the year		Totals at 31.12.2023
Land & Building	140,118,000	-	-	140,118,000	5%	2,846,965	6,863,552	9,710,517	130,407,483
Furniture and Fixtures	4,976,546	3,166,590	-	8,143,136	10%	2,409,580	445,518	2,855,098	5,288,038
Motor Vehicle	38,981,798	5,661,106	3,586,500	41,056,404	20%	14,827,295	5,308,609	16,996,718	24,059,686
Office Equipments	202,496	14,484	-	216,980	15%	118,944	13,083	132,026	84,954
Cookeries and Cutleries	123,796	35,354	-	159,150	15%	57,094	14,956	72,050	87,100
Office Decoration	11,993,318	1,997,002	-	13,990,320	10%	5,375,816	856,613	6,232,430	7,757,890
Computer and IT Equipment	3,430,441	304,130	-	3,734,571	10%	1,398,205	215,393	1,613,597	2,120,974
Mobile and Telephone Set	358,448	3,769	-	362,217	10%	201,411	15,763	217,174	145,043
Air Conditioner	1,434,291	432,549	-	1,866,840	20%	1,195,101	132,689	1,327,790	539,050
<b>Total</b>	<b>201,619,134</b>	<b>11,614,984</b>	<b>3,586,500</b>	<b>209,647,618</b>		<b>28,430,411</b>	<b>13,866,176</b>	<b>3,139,186</b>	<b>39,157,401</b>

**B. Intangible Assets**

Particulars	COST			Rate	AMORTIZATION			Written Down Value as at 31.12.2023	
	Balance as at 01.01.2023	Addition during the year	Sold/Adj. during the year		Total as at 31.12.2023	Charged during the year	Sold/Adj. during the year		Totals at 31.12.2023
Software Installation	3,163,904	900,000	-	4,063,904	10%	716,648	310,616	1,027,264	3,036,640
<b>Total</b>	<b>3,163,904</b>	<b>900,000</b>	<b>-</b>	<b>4,063,904</b>		<b>716,648</b>	<b>310,616</b>	<b>-</b>	<b>3,036,640</b>
<b>As at 31 December, 2023</b>	<b>204,783,038</b>	<b>12,514,984</b>	<b>3,586,500</b>	<b>213,711,522</b>		<b>29,147,059</b>	<b>14,176,792</b>	<b>3,139,186</b>	<b>40,184,665</b>
<b>As at 31 December, 2022</b>	<b>57,757,645</b>	<b>152,068,383</b>	<b>5,042,990</b>	<b>204,783,038</b>		<b>23,739,153</b>	<b>9,656,504</b>	<b>4,248,598</b>	<b>29,147,059</b>

Tax Base

Particulars	COST			Rate	DEPRECIATION/ AMORTIZATION			Written Down Value as at 31.12.2023	
	Balance as at 01.01.2023	Addition during the year	Sold/Adj. during the year		Total as at 31.12.2023	Charged during the year	Sold/Adj. during the year		Totals at 31.12.2023
Land & Building	140,118,000	-	-	140,118,000	5%	7,005,900	6,655,605	13,661,505	126,456,495
Furniture and Fixtures	4,976,546	3,166,590	-	8,143,136	10%	2,521,711	562,143	3,083,853	5,059,283
Motor Vehicle	38,749,016	5,661,106	3,586,500	40,823,622	10%	16,981,311	2,694,744	16,570,927	24,252,695
Office Equipments	202,496	14,484	-	216,980	10%	96,459	12,052	108,511	108,469
Cookeries and Cutleries	123,796	35,354	-	159,150	10%	47,098	11,205	58,303	100,847
Office Decoration	11,993,318	1,997,002	-	13,990,320	10%	5,712,409	827,791	6,540,200	7,450,120
Computer and IT Equipment	3,563,431	304,130	-	3,867,561	25%	2,700,954	291,652	2,992,606	874,955
Mobile and Telephone Set	358,448	3,769	-	362,217	10%	207,362	15,485	222,848	139,369
Air Conditioner	1,434,291	432,549	-	1,866,840	10%	856,738	101,010	957,748	909,092
Software Installation	3,163,904	400,000	-	3,563,904	20%	1,675,427	377,695	2,053,122	1,510,782
<b>As at 31 December, 2023</b>	<b>204,683,246</b>	<b>12,014,984</b>	<b>3,586,500</b>	<b>213,111,730</b>		<b>37,805,369</b>	<b>11,549,383</b>	<b>3,105,128</b>	<b>46,249,623</b>
<b>As at 31 December, 2022</b>	<b>57,524,863</b>	<b>152,068,383</b>	<b>4,910,000</b>	<b>204,683,246</b>		<b>27,529,080</b>	<b>14,527,280</b>	<b>4,250,991</b>	<b>37,805,369</b>



## Directors' Certificate

As per Regulations contained in the first Schedule of the Insurance Act 2010 (previously 1938) as per Section 40-C of the said Act, we certify that:

The values of investment in shares & debentures have been taken at market price

The values of all assets as shown in the Financial Statement and as classified on Form "AA" annexed have been duly reviewed as at December 31, 2023 and in our belief, the said assets have been set forth in the Financial Statement at amounts not exceeding their realizable or market values under the several headings as enumerated in the annexed form.

All expenses of management, wherever incurred and whether incurred directly or indirectly in respect of Fire, Marine, Motor and Miscellaneous Insurance business have been duly debited to the related Revenue Accounts and Profit & Loss Account.

**Company Secretary**

**Chief Financial Officer**

**Chief Executive Officer**

**Director**

**Director**

**Chairman**

Dhaka, 08 February, 2024



# Disclosures

## Annual Report Review Checklist

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Particulars	Page No.
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Quality of the Report/ Layout of Contents	Qualitative
Cover and printing including the theme on the cover page	Qualitative
Appropriateness and effectiveness of photographs and their relevance	Qualitative
Effectiveness of Charts and Graphs	Qualitative
Clarity, simplicity and lucidity in presentation of Financial Statements	Qualitative
<b>Timeliness in issuing Financial Statements and holding AGMs</b>	
3 months time to produce the Annual Report and hold AGM are considered reasonable for full marks (Yes, the AGM is scheduled to be held on 31 March 2024)	12
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# Checklist Regarding Integrated Reporting

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<b>A. Organizational overview and external environment</b>	
<b>Organizational overview</b>	16-89
An integrated report identifies the organization’s purpose, mission and vision, and provides essential context by identifying matters such as: The organization’s: <ul style="list-style-type: none"> <li>• Culture, ethics and values</li> <li>• Ownership and operating structure</li> <li>• Principal activities and markets</li> <li>• Competitive landscape and market</li> <li>• Positioning Position within the value chain</li> </ul>	
<b>External environment</b>	
Significant factors affecting the external environment include aspects of the legal, commercial, social, environmental and political context that affect the organization’s ability to create value in the short, medium or long term. They can affect the organization directly or indirectly	95-116
These factors occur in the context of the particular organization, in the context of its industry or region, and in the wider social or planetary context. They may include, for example: <ul style="list-style-type: none"> <li>• The legitimate needs and interests of key stakeholders</li> <li>• Macro and micro economic conditions, such as economic stability, globalization, and industry trends</li> <li>• Market forces, such as the relative strengths and weaknesses of competitors and customer demand</li> <li>• The speed and effect of technological change</li> <li>• Societal issues, such as population and demographic changes, human rights, health, poverty, collective values and educational systems</li> <li>• Environmental challenges, such as climate change, the loss of ecosystems, and resource shortages as planetary limits are approached</li> <li>• The legislative and regulatory environment in which the organization operates</li> <li>• The political environment in countries where the organization operates and other countries that may affect the ability of the organization to implement its strategy.</li> </ul>	
<b>B. Governance</b>	117-185
An integrated report provides insight about how such matters as the following are linked to its ability to create value: <ul style="list-style-type: none"> <li>• The organization’s leadership structure, including the skills and diversity (e.g. range of backgrounds, gender, competence and experience) of those charged with governance and whether regulatory requirements influence the design of the governance structure</li> <li>• Specific processes used to make strategic decisions and to establish and monitor the culture of the organization, including its attitude to risk and mechanisms for addressing integrity and ethical issues</li> <li>• Particular actions those charged with governance have taken to influence and monitor the strategic direction of the organization and its approach to risk management</li> <li>• How the organization’s culture, ethics and values are reflected in its use of and effects on the capitals, including its relationships with key stakeholders</li> <li>• Whether the organization is implementing governance practices that exceed legal requirements</li> <li>• The responsibility those charged with governance take for promoting and enabling innovation</li> <li>• How remuneration and incentives are linked to value creation in the short, medium and long term, including how they are linked to the organization’s use of and effects on the capitals.</li> </ul>	
<b>C. Business model</b>	62-69
An organization’s business model is its system of transforming inputs, through its business activities, into outputs and outcomes that aims to fulfill the organization’s strategic purposes and create value over the short, medium and long term.	

Reporting Framework	Page No.
<b>Inputs</b>	66
An integrated report shows how key inputs relate to the capitals on which the organization depends, or that provide a source of differentiation for the organization, to the extent they are material to understanding the robustness and resilience of the business model.	
The focus is on those that have a material bearing on the ability to create value in the short, medium and long term, whether or not the capitals from which they are derived are owned by the organization.	
<b>Business activities</b>	63-67
An integrated report describes key business activities. This can include: <ul style="list-style-type: none"> <li>• How the organization differentiates itself in the market place (e.g. through product differentiation, market segmentation, delivery channels and marketing)</li> <li>• The extent to which the business model relies on revenue generation after the initial point of sale (e.g. extended warranty arrangements or network usage charges)</li> <li>• How the organization approaches the need to innovate</li> <li>• How the business model has been designed to adapt to change.</li> </ul>	
When material, an integrated report discusses the contribution made to the organization's long-term success by initiatives such as process improvement, employee training and relationships management.	
<b>Outputs</b>	67
An integrated report identifies an organization's key products and services. There might be other outputs, such as by-products and waste (including emissions), that need to be discussed within the business model disclosure depending on their materiality.	
<b>Outcomes</b>	67
An integrated report describes key outcomes. Outcomes are the internal and external consequences (positive and negative) for the capitals as a result of an organization's business activities and outputs. The description of outcomes includes: <ul style="list-style-type: none"> <li>• Both internal outcomes (e.g. employee morale, organizational reputation, revenue and cash flows) and external outcomes (e.g. customer satisfaction, tax payments, brand loyalty, and social and environmental effects)</li> <li>• Both positive outcomes (i.e. those that result in a net increase in the capitals and thereby create value) and negative outcomes (i.e. those that result in a net decrease in the capitals and thereby erode value).</li> </ul>	
<b>D. Risks and opportunities</b>	195-198
An integrated report identifies the key risks and opportunities that are specific to the organization, including those that relate to the organization's effects on, and the continued availability, quality and affordability of, relevant capitals in the short, medium and long term.	
The specific steps being taken to mitigate or manage key risks or to create value from key opportunities, including the identification of the associated strategic objectives, strategies, policies, targets and key performance indicators.	
The organization's approach to any real risks (whether they be in the short, medium or long term) that are fundamental to the ongoing ability of the organization to create value and that could have extreme consequences is ordinarily included in an integrated report, even when the probability of their occurrence might be considered quite small.	
<b>E. Strategy and resource allocation</b>	8, 71, 93, 102
An integrated report ordinarily identifies: <ul style="list-style-type: none"> <li>• The organization's short-, medium and long-term strategic objectives</li> <li>• The strategies it has in place, or intends to implement, to achieve those strategic objectives</li> <li>• The resource allocation plans it has to implement its strategy</li> <li>• How it will measure achievements and target outcomes for the short, medium and long term.</li> </ul>	
What differentiates the organization to give it competitive advantage and enable it to create value, such as: <ul style="list-style-type: none"> <li>• The role of innovation</li> <li>• How the organization develops and exploits intellectual capital</li> <li>• The extent to which environmental and social considerations have been embedded into the organization's strategy to give it a competitive advantage</li> <li>• Key features and findings of stakeholder engagement that were used in formulating its strategy and resource allocation plans.</li> </ul>	

Reporting Framework	Page No.
<p><b>F. Performance</b></p> <p>An integrated report contains qualitative and quantitative information about performance that may include matters such as:</p> <ul style="list-style-type: none"> <li>Quantitative indicators with respect to targets, risks and opportunities, explaining their significance, their implications, and the methods and assumptions used in compiling them</li> <li>The organization’s effects (both positive and negative) on the capitals, including material effects on capitals up and down the value chain</li> <li>The state of key stakeholder relationships and how the organization has responded to key stakeholders’ legitimate needs and interests</li> <li>The linkages between past and current performance, and between current performance and the organization’s outlook.</li> </ul>	74-89
<p><b>G. Outlook</b></p> <p>An integrated report ordinarily highlights anticipated changes over time and provides information, built on sound and transparent analysis, about:</p> <ul style="list-style-type: none"> <li>The organization’s expectations about the external environment the organization is likely to face in the short, medium and long term</li> <li>How that will affect the organization</li> <li>How the organization is currently equipped to respond to the critical challenges and uncertainties that are likely to arise.</li> </ul> <p>The discussion of the potential implications, including implications for future financial performance, ordinarily includes discussion of:</p> <ul style="list-style-type: none"> <li>The external environment, and risks and opportunities, with an analysis of how these could affect the achievement of strategic objectives</li> <li>The availability, quality and affordability of capitals the organization uses or affects (e.g. the continued availability of skilled labour or natural resources), including how key relationships are managed and why they are important to the organization’s ability to create value over time.</li> </ul>	93-94
<p><b>H. Basis of preparation and presentation</b></p>	8-10, 202-206
<p><b>Summary of materiality determination process</b></p>	
<p>An integrated report includes a summary of the organization’s materiality determination process and key judgments. This may include:</p> <ul style="list-style-type: none"> <li>Brief description of the process used to identify relevant matters, evaluate their importance and narrow them down to material matters</li> <li>Identification of the role of those charged with governance and key personnel in the identification and prioritization of material matters</li> </ul>	
<p><b>Reporting boundary</b></p>	
<p>An integrated report identifies its reporting boundary and explains how it has been determined.</p>	
<p>Material risks, opportunities and outcomes attributable to or associated with entities that are included in the financial reporting entity, are reported on in the organization’s integrated report.</p>	
<p>Risks, opportunities and outcomes attributable to or associated with other entities/ stakeholders are reported on in an integrated report to the extent they materially affect the ability of the financial reporting entity to create value.</p>	
<p>Practical issues might limit the nature and extent of information that can be presented in an integrated report. For example:</p> <ul style="list-style-type: none"> <li>The availability of reliable data with respect to entities the financial reporting entity does not control</li> <li>The inherent inability to identify all risks, opportunities and outcomes that will materially affect the ability of the financial reporting entity to create value, particularly in the long term.</li> </ul>	
<p><b>Summary of significant frameworks and methods</b></p>	
<p>An integrated report includes a summary of the significant frameworks and methods used to quantify or evaluate material matters included in the report.</p>	
<p>When information in an integrated report is similar to or based on other information published by the organization, it is prepared on the same basis as, or is easily reconcilable with, that other information.</p>	



## Checklist Regarding Corporate Governance

Title	Page No.
<b>Board of Directors, Chairman and CEO</b>	
• Company's policy on appointment of directors disclosed.	121
• Adequate representation of non-executive directors i.e. one third of the board, subject to a minimum of two	121
• At least one independent director on the board and disclosure/ affirmation of the board on such director's independence.	121
• Chairman to be independent of CEO	122
• Responsibilities of the Chairman of the Board appropriately defined and disclosed.	122
• Disclosure of independence of Non-Executive Directors	121
• Existence of a scheme for annual appraisal of the board's performance and disclosure of the same.	123
• Disclosure of policy on annual evaluation of the CEO by the Board.	125
• Disclosure of policy on training (including details of the continuing training program) of directors and type and nature of training courses organized for directors during the year	124
• Existence of a scheme for annual appraisal of the boards performance	123
• At least one director having thorough knowledge and expertise in finance and accounting to provide guidance in the matters applicable to accounting and auditing standards to ensure reliable financial reporting.	125
• Disclosure of number of meetings of the board and participation of each director (at least 4 meetings are required to be held)	130
• Directors issue a report on compliance with best practices on Corporate Governance that is reviewed by the external auditors	156
<b>Vision / Mission and Strategy</b>	
• Company's vision / mission statements are approved by the board and disclosed in the annual report.	18
• Identification of business objectives and areas of business focus disclosed	19
• General description of strategies to achieve the company's business objectives	19
<b>Audit Committees</b>	
• Appointment and Composition	134
• Whether the Audit Committee Chairman is an independent Non- Executive Director and Professionally Qualified	134
• Whether it has specific terms of reference and whether it is empowered to investigate / question employees and retain external counsel	134
• More than two thirds of the members are to be Non Executive Directors	134
• All members of the audit committee to be suitably qualified and at least one member to have expert knowledge of finance and accounting.	134
• Head of internal audit to have direct access to audit committee	134
• The committee to meet at least four times a year and the number of meetings and attendance by individual members disclosed in the annual report.	188
<b>Objectives &amp; Activities</b>	188-190
• Statement on Audit Committee's review to ensure that internal controls are well conceived properly administered and satisfactorily monitored	
• Statement to indicate audit committees role in ensuring compliance — with Laws, Regulations and timely settlements of Statutory dues	
• Statement of Audit committee involvement in the review of the external audit function	
• Ensure effective coordination of external audit function	

Title	Page No.
• Ensure independence of external auditors	
• To review the external auditors findings in order to be satisfied that appropriate action is being taken	
• Review and approve any non-audit work assigned to the external auditor and ensure that such work does not compromise the independence of the external auditors.	
• Recommend external auditor for appointment/ reappointment	
• Statement on Audit committee involvement in selection of appropriate accounting policies that are in line with applicable accounting standards and annual review.	
• Statement of Audit Committee involvement in the review and recommend to the board of directors, annual and interim financial releases	
• Reliability of the management information used for such computation	
<b>Internal Control &amp; Risk Management</b>	144-145, 186-187
• Statement of Director's responsibility to establish appropriate system of internal control	
• Narrative description of key features of the internal control system and the manner in which the system is monitored by the Board, Audit Committee or Senior Management	
• Statement that the Director's have reviewed the adequacy of the system of internal controls	
• Disclosure of the identification of risks the company is exposed to both internally & externally	
• Disclosure of the strategies adopted to manage and mitigate the risks	
<b>Ethics and Compliance</b>	212
• Disclosure of statement of ethics and values, covering basic principles such as integrity, conflict of interest, compliance with laws and regulations etc.	
• Dissemination / communication of the statement of ethics & business practices to all directors and employees and their acknowledgement of the same	
• Board's statement on its commitment to establishing high level of ethics and compliance within the organization	
• Establishing effective anti-fraud programs and controls, including effective protection of whistle blowers, establishing a net line reporting of irregularities etc.	
<b>Remuneration Committee</b>	135, 191
• Disclosure of the charter (role and responsibilities) of the committee	
• Disclosure of the composition of the committee (majority of the committee should be non-executive directors, but should also include some executive directors)	
• Disclosure of key policies with regard to remuneration of directors, senior management and employees	
• Disclosure of number of meetings and work performed	
• Disclosure of Remuneration of directors, chairman, chief executive and senior executives.	
<b>Human Capital</b>	213-219
• Disclosure of general description of the policies and practices codified and adopted by the company with respect to Human Resource Development and Management, including succession planning, merit based recruitment, performance appraisal system, promotion and reward and motivation, training and development, grievance management and counseling.	
• Organizational Chart	
<b>Communication to Shareholders &amp; Stakeholders</b>	146-147
• Disclosure of the Company's policy/strategy to facilitate effective communication with shareholders and other stake holders	
• Disclosure of company's policy on ensuring participation of shareholders in the Annual General Meeting and providing reasonable opportunity for the shareholder participation in the AGM.	
<b>Environmental and Social Obligations</b>	208
• Disclosure of general description of the company's policies and practices relating to social and environmental responsibility of the entity	
• Disclosure of specific activities undertaken by the entity in pursuance of these policies and practices	



## Checklist Regarding International Standard

Particulars	Page No.
<b>Corporate Objectives, Values &amp; Structure</b>	
• Clarity and presentation	6
• Vision and Mission	18
• Overall strategic objectives	18
• Core values and code of conduct/ethical principles	18, 21
• Profile of the Company	17
• Director's profiles and their representation on Board of other companies & Organization Chart	35-51
<b>Management Report/Commentary and analysis including Director's Reports/ Chairman's Review/CEO's Review etc.</b>	
• A general review of the performance of the company	76
• Description of the performance of the various activities /products/segments of the company and its group companies during the period under review. (Weightage to be given for pictorial/graphical/tabular presentations used for this purpose)	95
• A brief summary of the Business and other Risks facing the organization and steps taken to effectively manage such risks	177
• A general review of the future prospects/outlook.	94, 95
• Information on how the company contributed to its responsibilities towards the staff (including health & safety)	216
• Information on company's contribution to the national exchequer & to the economy	88
<b>Sustainability Reporting</b>	
• Social Responsibility Initiatives (CSR)	211
• Environment related Initiatives	208
• Environmental & Social Obligations	209
• Integrated Reporting	8
<b>Appropriateness of Disclosure of Accounting policies and General Disclosure</b>	
• Disclosure of adequate and properly worded accounting policies relevant to assets, liabilities, Income and expenditure in line with best reporting standards.	240
• Any Specific accounting policies	239
• Impairment of Assets	243
• Changes in accounting policies/Changes in accounting estimates	111
• Accounting policy on subsidiaries (if there is no any subsidiary, full marks should be granted)	N/A
<b>Segment Information</b>	
• Comprehensive segment related information bifurcating Segment revenue, segment results and segment capital employed	96, 233-237
• Availability of information regarding different segments and units of the entity as well as non- segmental entities/units	233-237
• Segment analysis of	233-237
• Segment Revenue	
• Segment Results	
• Turnover	

Particulars	Page No.
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• Carrying amount of Net Segment assets	
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• Disclosures of all contingencies and commitments	186
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• Disclosures of Remuneration & Facilities provided to Directors & CEO	109, 259
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• Disclosure of Types of Share Capital	247
• Statement of Cash Flow	232
• Consolidated Financial Statement (CFS)	233
• Extent of compliance with the core IAS/IFRS or equivalent National Standards	240
• Disclosures / Contents of Notes to Accounts	239
<b>Information about Corporate Governance</b>	
• Board Of Directors, Chairman And CEO	35
• Audit Committee (Composition, role, meetings, attendance, etc) Internal Control & Risk Management	188
• Ethics And Compliance	212
• Remuneration and other Committees of Board	36-37
• Human Capital	213
• Communication to Shareholders & Stakeholders	147
• Information available on website	
• Other information	
• Management Review and Responsibility	138
• Disclosure by Board of Directors or Audit Committee on evaluation of quarterly reports	133-134
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<b>Risk Management &amp; Control Environment</b>	
• Description of the Risk Management Framework	195
• Risk Mitigation Methodology	196
• Disclosure of Risk Reporting	195
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• Distribution of shareholding (Number of shares as well as category wise, e.g Promoter group, FII etc)	110
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• Profit After Tax	
• EPS	
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• Property Plant & Equipment	
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• Earnings before Interest, Depreciation and Tax	
• Price earnings ratio	
• Solvency Ratio	
• Return on Capital Employed	
Debt Equity Ratio	
<b>Statement of Value Added and Its Distribution</b>	85
• Government as Taxes	
• Shareholders as dividend	
• Employees as bonus/remuneration	
• Retained by the entity	
• Market share information of the Company's product/services	
• Economic value added	
<b>Additional Disclosures</b>	
For Example	
• Human Resource Accounting	216
• Any other good additional disclosures (Independence certification Eg. GNV, GRI)	N/A
<b>Specific Areas for Insurance Sector</b>	
• Claims management and details of outstanding claims (IBNR & IBNER) with ageing thereof	97, 195
• Disclosures pertaining to Solvency Margin	84
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## Checklist as Per ICMAB Evaluation Criteria

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• Internal Capital Generation Ratio	
• Exceptional Loss Reserve to Net Premium	
• Capital & Fund to Total Asset	
<b>Technical</b>	75, 97-99
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• Claim Ratio	
• Premium to Equity	
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• Gross Underwriting Margin Return	
• Return on Average Assets (ROAA)	
• Return on Average Equity (ROAE)	
• Available Solvency Margin	
• Management Expense to Net premium	
• Agency Commission to Net Premium	
• Underwriting Profit on Gross premium	
<b>Liquidity &amp; Funding</b>	75
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• Liquid Assets to Total Insurance Fund	
• Total Liquid Assets to Total Assets	
<b>External Credit Rating (ECA)</b>	
• Short Term	25
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<b>Corporate Governance</b>	
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• Audit Committee Led by Independent Directors	134
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<b>Performance with respect to shareholders</b>	74
• Dividend yield	
• Net Asset Value (NAV) Growth	
• Capital Appreciation	
<b>Human Resources Management</b>	217
• No. of Employee	
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• Gender Diversity	
• Training Cost per Employee	
<b>Corporate Social Responsibility (CSR)</b>	211
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Your Trusted Risk Manager

**SENA KALYAN INSURANCE COMPANY LIMITED**  
সেনা কল্যাণ ইন্স্যুরেন্স কোম্পানী লিমিটেড

**HEAD OFFICE**

SKS Tower (12<sup>th</sup> Floor)  
7, VIP Road, Mohakhali, Dhaka-1206.  
PABX : + 88 02 5505855  
+88 02 5505856 +88 02 5505857  
FAX : + 88 02 5505858

**Proxy Form**

I/We .....  
of ..... being a member of **Sena Kalyan Insurance Company Limited** and a holder of ..... shares do hereby appoint Mr./Ms ..... of ..... as my/our proxy to vote for me/us and on my/our behalf at the **11<sup>th</sup> Annual General Meeting (Hybrid System)** of the Company to be held on **Sunday, 31 March 2024** and any adjournment thereof.

Signed this ..... day of ..... 2024.

Signature .....

Signature .....

Name .....

Name .....

Folio/BO ID No. ....

Folio/BO ID No. ....

Member

Revenue  
Stamp

Proxy

**NOTES:**

- 1) This form of proxy, duly completed, must be deposited at least 48 hours before the meeting at the registered office. Proxy is invalid if not duly signed and stamped.
- 2) Signature of the Shareholders should agree with the Specimen Signature registered with the Company and Depository Register.



Your Trusted Risk Manager

**SENA KALYAN INSURANCE COMPANY LIMITED**  
সেনা কল্যাণ ইন্স্যুরেন্স কোম্পানী লিমিটেড

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+88 02 5505856 +88 02 5505857  
FAX : + 88 02 5505858

**Attendance Slip**

I/We hereby record my/our attendance at the **11<sup>th</sup> Annual General Meeting (Hybrid System)** of **Sena Kalyan Insurance Company Limited** on **Sunday, 31 March 2024** at 12.00 p.m. by using online digital platform as a holder of ..... shares of the Company.

Signature .....

Name .....

(Member/Proxy)

Folio/BO ID No. ....







Your Trusted Risk Manager

**SENA KALYAN INSURANCE COMPANY LIMITED**  
**সেনা কল্যাণ ইন্স্যুরেন্স কোম্পানী লিমিটেড**

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