



ANNUAL
REPORT
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PIONEER INSURANCE COMPANY LIMITED
পাইওনিয়ার ইন্স্যুরেন্স কোম্পানী লিমিটেড

PIONEER
INSURANCE
COMPANY
LIMITED



caring for you, forever...

annual
report | 2011

Registered & Head Office

Symphony (5th Floor), Plot # SE(F) 9, Road # 142
South Avenue, Gulshan-1, Dhaka 1212, Bangladesh
Tel: 8817512 (Hunt.), Fax: +88-02-8817234, 8817264
Email: piclho@pioneerinsurance.com.bd, piclho@gmail.com
www.pioneerinsurance.com.bd

Auditors

Malek Siddiqui Wall
Chartered Accountants
9-G, Motijheel C/A, Dhaka-1000

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Letter of Transmittal

All Shareholders
Securities and Exchange Commission
Insurance Development and Regulatory Authority
Registrar of Joint Stock Companies & Firms
Dhaka Stock Exchange Limited and
Chittagong Stock Exchange Limited

Dear Sir (s),

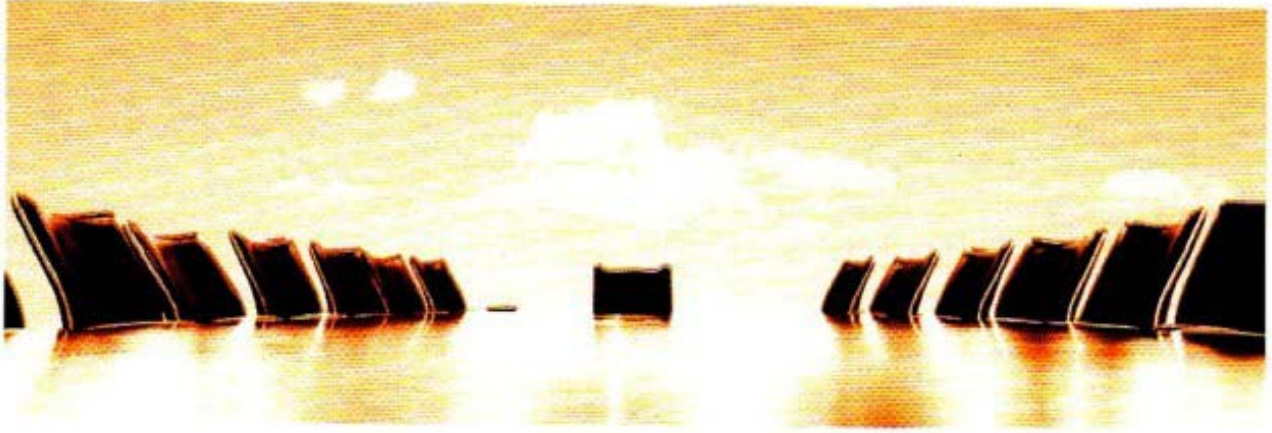
ANNUAL REPORT FOR THE YEAR ENDED DECEMBER 31, 2011

The undersigned has the privilege of forwarding a copy of the Annual Report of Pioneer Insurance Company Limited together with the Auditors' Report & Audited Statement of Financial Position (Balance Sheet) as at December 31, 2011, Statement of Comprehensive Income (Profit and Loss Account), Cash Flow Statement and Changes in Equity for the year ended December 31, 2011 along with notes thereon for kind information and record.

Sincerely yours,



S.M. Mizanur Rahman
Company Secretary



Notice of the 16th Annual General Meeting

Notice is hereby given to all Shareholders of Pioneer Insurance Company Limited whose names appear in the Share Register on Monday, May 21, 2012 that the 16th Annual General Meeting of Pioneer Insurance Company Limited will be held on Wednesday, June 13, 2012 at 11 A.M. at Officers Club, 26 Bally Road, Dhaka-1000 to transact the following Special and Ordinary businesses:

AGENDA

A. As Special Business:

To consider and if deemed fit to pass, with or without modifications, the Special Resolution for amendment of clause No. ৩। of Memorandum of Association and the Articles No. ৬। (ক), ১০৪ এবং ১০৭ of Articles of Association of the Company. The proposed Special Resolutions are as follows:

(i) To amend the clause No. ৩। of Memorandum of Association to increase the Authorised Capital of the Company from Tk. 50 Crore to Tk. 100 Crore:

*Resolved that the existing clause No. ৩। of Memorandum of Association of Pioneer Insurance Company Limited be and are hereby substituted by the following amended version:

সংঘ স্মারক নং ৩।

Existing

৩। কোম্পানীর অনুমোদিত শেয়ার মূলধন ৫০,০০,০০,০০০/- (পঞ্চাশ কোটি) টাকা মাত্র যাহা প্রতিটি ১০/- (দশ) টাকা মূল্যের ৫,০০,০০,০০০ (পাঁচ কোটি) টি সাধারণ শেয়ারে বিভাজ্য। উক্ত মূলধন বৃদ্ধি করা বা হ্রাস করা অথবা মূল মূলধন বা বৃদ্ধিকৃত কোন মূলধন বিভিন্ন প্রকারের শেয়ারে বিভক্ত করা এবং তৎসঙ্গে কোন অগ্রাধিকারযোগ্য বিলম্বকৃত অথবা অন্যান্য বিশেষ স্বত্বাদি, শর্তাবলী ও নিষেধাজ্ঞাদি সংযুক্ত করার ক্ষমতা কোম্পানীর থাকিবে।

Proposed

৩। কোম্পানীর অনুমোদিত শেয়ার মূলধন ১০০,০০,০০,০০০/- (একশত কোটি) টাকা যাহা প্রতিটি ১০/- (দশ) টাকা মূল্যের ১০,০০,০০,০০০ (দশ কোটি) টি সাধারণ শেয়ারে বিভাজ্য। উক্ত মূলধন বৃদ্ধি করা বা হ্রাস করা অথবা মূল মূলধন বা বৃদ্ধিকৃত কোন মূলধন বিভিন্ন প্রকারের শেয়ারে বিভক্ত করা এবং তৎসঙ্গে কোন অগ্রাধিকারযোগ্য বিলম্বকৃত অথবা অন্যান্য বিশেষ স্বত্বাদি, শর্তাবলী ও নিষেধাজ্ঞাদি সংযুক্ত করার ক্ষমতা কোম্পানীর থাকিবে।

(ii) To amend the Articles No. ৬। (ক), ১০৪ এবং ১০৭ of Articles of Association

*Resolved that the existing articles No. ৬। (ক), ১০৪ এবং ১০৭ of Articles of Association of Pioneer Insurance Company Limited be and are hereby substituted by the following amended version :

সংঘবিধি নং ৬। (ক) শেয়ার মূলধন

Existing

৬। (ক) কোম্পানীর অনুমোদিত শেয়ার মূলধন ৫০,০০,০০,০০০/- (পঞ্চাশ কোটি) টাকা মাত্র যাহা প্রতিটি ১০/- (দশ) টাকা মূল্যের ৫,০০,০০,০০০ (পাঁচ কোটি) টি সাধারণ শেয়ার সমূহে বিভাজ্য। কোম্পানীর সাধারণ সভায় নির্ধারিত ক্ষমতা বলে উক্ত মূলধন বৃদ্ধি বা হ্রাস করা এবং মৌলিক বা বৃদ্ধিকৃত কোন মূলধনের শেয়ার বিভিন্ন শ্রেণীতে বিভক্ত করা ও তৎসঙ্গে অগ্রাধিকার সূচক নিষেধাজ্ঞা জারী সংযুক্ত করার ক্ষমতা সংরক্ষিত রহিল। তবে এইরূপ মূলধন বৃদ্ধি বীমা উন্নয়ন ও নিয়ন্ত্রন কর্তৃপক্ষ এর অনুমোদনক্রমে বীমা আইন এবং/অথবা বীমা বিধিমালার বিধান অনুযায়ী হইতে হইবে।

Proposed

৬। (ক) কোম্পানীর অনুমোদিত শেয়ার মূলধন ১০০,০০,০০,০০০/- (একশত কোটি) টাকা মাত্র যাহা প্রতিটি ১০/- (দশ) টাকা মূল্যের ১০,০০,০০,০০০ (দশ কোটি) টি সাধারণ শেয়ারসমূহে বিভাজ্য। কোম্পানীর সাধারণ সভায় নির্ধারিত ক্ষমতা বলে উক্ত মূলধন বৃদ্ধি বা হ্রাস করা এবং মৌলিক বা বৃদ্ধিকৃত কোন মূলধনের শেয়ার বিভিন্ন শ্রেণীতে বিভক্ত করা ও তৎসঙ্গে অগ্রাধিকার সূচক নিষেধাজ্ঞা জারী সংযুক্ত করার ক্ষমতা সংরক্ষিত রহিল। তবে এইরূপ মূলধন বৃদ্ধি বীমা উন্নয়ন ও নিয়ন্ত্রন কর্তৃপক্ষ এর অনুমোদনক্রমে বীমা আইন এবং/অথবা বীমা বিধিমালার বিধান অনুযায়ী হইতে হইবে।

সংঘ বিধি নং ১০৪। পরিচালকের সংখ্যা

Existing

১০৪। নিম্নরূপে কোম্পানীর পরিচালকের সংখ্যা সর্বোচ্চ ২১ (একুশ) জনের অধিক এবং সর্বনিম্ন ৭ (সাত) জনের কম হইবে না:
(০১) ক-শ্রেণীভুক্ত শেয়ার সদস্যদের মধ্য হইতে দুই-তৃতীয়াংশ পরিচালক থাকিবেন।
(০২) খ-শ্রেণীভুক্ত সদস্যদের মধ্য হইতে এক-তৃতীয়াংশ পরিচালক বীমা বিধিমালায় নির্ধারিত পদ্ধতি অনুযায়ী নির্বাচিত হইবেন।
(০৩) উভয় শ্রেণীভুক্ত শেয়ার সদস্যদের পরিচালক অত্র আর্টিকেলের (০১) এবং (০২) উপ-আর্টিকলে বর্ণিত আনুপাতিক হারে থাকার পর কোন ক্ষেত্রে যদি ভগ্নাংশ সংখ্যা উদ্ভূত হয় তবে ঐরূপ সংখ্যা খ-শ্রেণীভুক্ত শেয়ার সদস্যদের পরিচালক অংশে যাইবে।

Proposed

১০৪। কোম্পানীর ক ও খ শ্রেণীভুক্ত শেয়ার সদস্যদের মধ্য হইতে পরিচালকের সংখ্যা বীমা আইন ২০১০ অথবা পরবর্তীতে উক্ত সংশোধনী (যদি হয়) অনুযায়ী নির্ধারিত হইবে।

সংঘ বিধি নং ১০৭। পরিচালকগণের শেয়ার যোগ্যতা

Existing

১০৭। (ক) কোম্পানীর পরিচালক হওয়ার যোগ্য হইতে হইলে তাহাকে বীমা আইন ও বীমা বিধিমালায় বিধান অনুযায়ী উদ্যোক্তা ও পরিচালক হওয়ার যোগ্যতা সম্পন্ন হইতে হইবে।
(খ) ক-শ্রেণীভুক্ত শেয়ারের পরিচালক হওয়ার ক্ষেত্রে তাহার নিজ নাম বা তিনি যে প্রতিষ্ঠানের পক্ষে প্রতিনিধিত্ব করিবেন উহার নামে সর্বসাকুল্যে কমপক্ষে ২৫,০০,০০০/- (পঁচিশ লক্ষ) টাকা নামমাত্র মূল্যে অক্ষণগ্রহ শেয়ারের মালিকানা অত্র কোম্পানীতে থাকিতে হইবে।
(গ) খ-শ্রেণীভুক্ত শেয়ারের পরিচালক হওয়ার ক্ষেত্রে তাহার নিজ নামে বা তিনি যে প্রতিষ্ঠানের পক্ষে প্রতিনিধিত্ব করিবেন উহার নামে বীমা বিধিমালা অনুযায়ী নির্ধারিত সর্বনিম্ন অঙ্কের যোগ্যতামূলক শেয়ার অত্র কোম্পানীতে থাকিতে হইবে এবং ঐরূপ শেয়ার পরিচালক নির্বাচন তারিখের অন্তত:পক্ষে ৬(ছয়) মাস পূর্ব হইতে ধারন করিতে হইবে।

Proposed

১০৭। (ক) কোম্পানীর পরিচালক হওয়ার যোগ্য হইতে হইলে তাহাকে বীমা আইন ও বীমা বিধিমালায় বিধান অনুযায়ী উদ্যোক্তা ও পরিচালক হওয়ার যোগ্যতা সম্পন্ন হইতে হইবে।
(খ) ক ও খ শ্রেণীভুক্ত শেয়ারের পরিচালক হওয়ার ক্ষেত্রে তাহার নিজ নাম বা তিনি যে প্রতিষ্ঠানের পক্ষে প্রতিনিধিত্ব করিবেন উহার নামে সর্বসাকুল্যে বীমা আইন/বীমা বিধি/সিকিউরিটিজ ও এক্সচেঞ্জ কমিশন কর্তৃক নির্ধারিত অঙ্কের অক্ষণগ্রহ শেয়ারের মালিকানা থাকিতে হইবে।

"Further resolved that the Company Secretary be and is hereby instructed to complete filing procedures with the Registrar of Joint Stock Companies and Firms, the Securities and Exchange Commission and the Insurance Regulator as required by relevant laws."

B. As Ordinary Businesses:

01. To receive and approve the report of the Board of Directors regarding the affairs of the company for the year ended 31st December, 2011.
02. To receive, consider and adopt the Statement of Comprehensive Income (Profit and Loss Account) of the Company for the year ending 31st December, 2011 and the Statement of Financial Position (Balance Sheet) as of that date together with the Auditor's Report.
03. To declare Dividend for the year ended 31st December 2011.
04. To appoint Auditors for the year 2012 and fix their remuneration.
05. To elect Directors (from Group A & Group B) as per Articles of Association of the Company.
06. To ratify the decision of the Board of Directors for renewal of the agreement for employment of the Managing Director Mr. Q.A.F.M. Serajul Islam for 05 (five) years with effect from January 14, 2012 (Section 110 of The Companies Act, 1994).

BY ORDER OF THE BOARD OF DIRECTORS



S.M. Mizanur Rahman
Company Secretary

May 22, 2012

Notes:

01. The "Record Date" is Monday, May 21, 2012. Shareholders, whose names are found recorded in the share register on the "Record Date", shall be entitled to attend the meeting and to receive the dividend.
02. A member entitled to attend and vote at the above meeting may appoint a proxy (as per Article of Association, proxy shall be a member of the Company) on his/her behalf. The Proxy form duly stamped and signed shall be submitted at the registered office of the company at least 72 hours before the meeting.
03. Entry to the Annual General Meeting is reserved only for the Shareholder or his / her proxy on production of the Attendance Slip printed with the Annual Report. No Guests and Children shall be allowed entrance in the meeting.

Our Vision

To be the leading non-life insurance company of Bangladesh by delivering its promise to all its patrons, employees, shareholders and Bangladesh.



A person is seen rappelling down a steep, dark rock face. The person is silhouetted against a hazy, orange-tinted sky. The rock face is dark and textured, and the person is holding onto ropes. The overall scene is dramatic and emphasizes the challenge of the task.

Our Mission

To optimize the retention of non-life insurance business and thereby saving hard-earned foreign currency for Bangladesh.

To use Risk Management Technologies to minimize the amount of national loss.

To protect the interest of the shareholders by delivering best returns against their investment.

To maximize profit and to ensure the welfare of the employees.

To establish good governance for the company and the insurance industry as a whole.

To introduce non-traditional social insurance products for mass people, to bring them under the insurance umbrella for enhanced social security.

Our Focus

Timely and optimally efficient service delivery through every operation and from all echelons of the management.



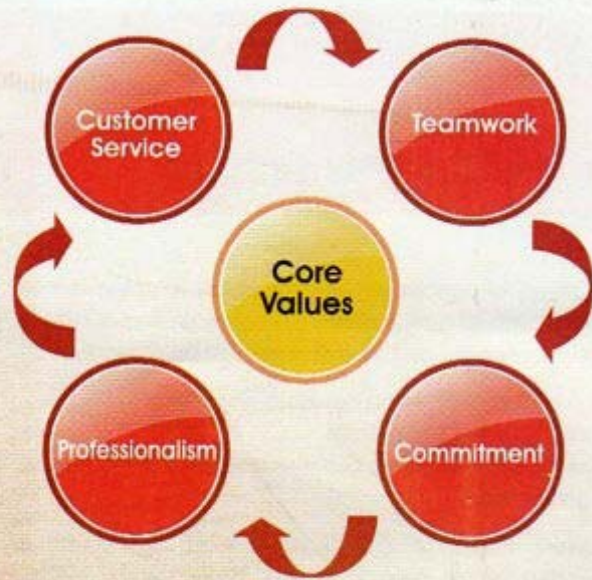
Our Proposition

We know your life can go on without Pioneer, and therefore if you give us a chance, we will prove it to you that we at Pioneer try harder to make your life a little more secure, a little more enjoyable every day.



Core Values

Our core values are the guiding beacons for the process of organizational development and growth:



Customer Service

Our customers are our partners. They deserve our responsive, proactive, customized services along with a smile on our faces.



Teamwork

We must respect each other and the difference in our opinions to reach our common goal.



Professionalism

We value learning, feedback, coaching and mentoring so that we can be the most efficient, responsible and caring professionals.



Commitment

We are honor-bound to perform each individual and corporate action with utmost sincerity, honesty and integrity at all times.

Company Profile

A group of renowned and celebrated entrepreneurs established Pioneer Insurance Company Limited in 1996 to carry out non-life insurance business with an object to:

- move forward to bring a positive change
- work as a team to prosper
- join forces to create a better environment for the next generation.

Pioneer Insurance Company Limited, sponsored & founded as a publicly traded company by having authorized capital of Tk.50 million & paid up capital of Tk.271.87 million. The Company is enlisted with Dhaka Stock Exchange and Chittagong Stock Exchange and has been declaring dividend every year since inception. The Company has been assigned "AA-" by Credit Rating Information and Services Limited (CRISL), where AA- stands for very high claim paying ability.

Pioneer Insurance Company Limited has always had the advantage of visionary leadership. Our current Chairman Mr. Tapan Chowdhury, is also the Managing Director of Square Group and was Adviser to the Care Taker

Government of the People's Republic of Bangladesh. Our immediate past Chairman Mr. M Anis Ud Dowla is the Chairman of ACI Limited. Our founder Chairman Syed Manzur Elahi is Chairman of Apex Group also was twice selected an Adviser to the Care Taker Government of the People's Republic of Bangladesh. Our former Chairman Mr. A.K.M. Rahmatullah is an honorable Member of Parliament and Managing Director of Apex Tannery Ltd. They are amongst the most successful and most respected business entrepreneurs of the country.

The company has a good number of dedicated and highly professional employees supported by qualified, experienced & technically sound executives. The Managing Director of the company, Mr. Q.A.F.M. Serajul Islam has a post-graduate degree in science and also is a holder of Diploma in General Insurance from Bangladesh Insurance Academy. He has extensive experience and expertise in Insurance and Reinsurance. Prior to joining Pioneer Insurance Company, he was Deputy Managing Director of Pragati Insurance Ltd and Deputy General Manager of Sadharan Bima Corporation.



Products of Pioneer Insurance

The Company underwrites all types of General Insurance Business such as:



Marine Insurance

Cargo Insurance
Hull Insurance
Freight Insurance

Fire Insurance

Fire and Allied Perils Insurance
Insurance of Consequential Loss due to Fire
Household Insurance
Hotel Owners All Risks Insurance
Industrial All Risks Insurance

Motor Insurance

Comprehensive Insurance
Act Only Liability Insurance
Increased Liability Insurance

Aviation Insurance

Hull Insurance, Liability Insurance
Deductible Insurance WAR Insurance, Crew Personal
Accident Insurance

Engineering Insurance

Contractors All Risks Insurance (CAR)
Contractors Plant & Machinery Insurance (CPM)
Erection All Risks Insurance (EAR)
Machinery Insurance (MB)
Machinery loss of profit Insurance (BIMB)
Electronic Equipment Insurance (EEI)
Deterioration of Stock Insurance (DOS)
Energy Risks Insurance (Offshore & Onshore)
Power Plant Insurance
Boiler and pressure Vessels Insurance
Lift, Escalator and Hoisting Equipment Insurance

Miscellaneous Insurance

All Risks Insurance
Cash/Property in Premises Insurance
Money/cash in Transit Insurance
General/Public Liability Insurance
Comprehensive General Liability Insurance
Employers Liability Insurance
Products Liability Insurance.
Professional Indemnity Insurance
Directors and Officers Liability Insurance
Personal Accident Insurance
Peoples Personal Accident Insurance
Overseas Mediclaim Insurance
Cellular mobile Phone Insurance
Fidelity Guarantee Insurance
Hole in One Golf Tournament Insurance
Neon Sign Insurance
Plate Glass Insurance
Rubber Plantation Insurance
Lockers Insurance
Group Hospitalization Plan Insurance

The Recognitions



Sharing Pioneer's recognition with Valued Clients

Pioneer feels honoured to share its recognition with its valued clients for being awarded:



the Best Corporate Award 2011 by Institute of Cost and Management Accountants of Bangladesh



Crest as the Best Insurance Company of Bangladesh in 2011 by Bank Bima Arthanilthy

as their confidence and inspiration

Composition of Board

Chairman

Tapan Chowdhury

Directors

M Anis Ud Dowla

A. K. M. Rahmatullah, MP

Syed Nasim Manzur

Alamgir Shamsul Alamin

Yasmeen Rahman

Sylvana Sikder

M. Naseemul Hye, FCS

Shusmita Anis

Fahama Khan

M. A. Majed

Parveen Akhter

Rozina Afroze

Abdul-Muyeed Chowdhury

Managing Director

Q. A. F. M. Serajul Islam

Profiles of the Current Directors



Tapan Chowdhury, Chairman

Managing Director:

Square Pharmaceuticals Ltd.
Square Textiles Ltd.
Square Hospitals Ltd.
Square Knit Fabrics Ltd.
Square Fashions Ltd.

Director:

Square Toiletries Ltd.
Square Cephalosporins Ltd.
Square Informatics Ltd.
Square Yarns Ltd.
Square Consumer Products Ltd.
Square Health & Hygiene Products Ltd.
Square Securities Management Ltd.
Square Agro Development and Processing Ltd.
Square Herbal and Nutraceuticals Ltd.
Square Air Ltd.,
Astras Ltd.
Sabazpur Tea Company Ltd.
Maasranga Communications Ltd.

**Former Adviser of the Caretaker
Government of Bangladesh**

Former President

Metropolitan Chamber of Commerce &
Industry, Dhaka.
Bangladesh YMCA
Bangladesh Baptist Church Fellowship (BBCF)

Chairman

Bangladesh Association of Publicly Listed
Companies (BAPLC)
National Christian Fellowship of Bangladesh (NCFB)
Bangladesh Baptist Church Fellowship Trust
(BBCFT), Koinonia

Director

Dhaka Stock Exchange

Executive Committee Member

Board of Governors of Bangladesh Enterprise
Institute (BEI)
Board of Directors of Bangladesh Textile Mills
Association
Bangladesh Association of Pharmaceutical
Industries (BAPI)



M Anis Ud Dowla, Director

Chairman

Advanced Chemical Industries Ltd.
ACI Salt Limited
ACI Pure Flour Ltd.
ACI Foods Ltd.
Premialflex Plastic Ltd.
Creative Communication Ltd.,
ACI Motors Ltd.
ACI Godrej Agrovet Private Ltd.
ACI Logistics Ltd.
Bangladesh Crop Protection Association

Managing Director

ACI Formulations Ltd.
Consolidated Chemicals Ltd.

Director

ACI Agro Chemicals Ltd.
Credit Rating Agency of Bangladesh Ltd.
Apex Leather Craft Ltd.
Flyban Insecticides Ltd.
Stochastic Logic Ltd.

Director of non-profit organization

ACI Foundation

Committee Member

Bangladesh Employers' Federation

Former President

Metropolitan Chamber of Commerce &
Industry, Dhaka



A.K.M. Rahmatullah, MP, Director

Member of Parliament

(1986-1988, 1996-2001 & 2008-2013)

Chairman

F B Footwear Ltd.
Food bed Foot wear Ltd.

Managing Director

Apex Tannery Ltd.
Daichipex Textile Mills Ltd.
Apex Property Ltd.

**Chairman Standing Committee on Ministry
of Information**

**Member of Parliamentary Standing
Committee on Ministry of Liberation War
Affairs**

**Member of Parliamentary Public Accounts
Committee- Bangladesh Jatiya Sangshad**

Chief Adviser

Bangladesh Finished Leather
Leathergoods and Footwear Exporters'
Association (BFLL & FEA),
Dhaka Mahanagar Samity (Dhaka Samity)

Senate member Dhaka University



Syed Nasim Manzur, Director

Managing Director

Apex Adeltchi Footwear Ltd.
Apex Enterprises Ltd.

Director

Apex Tannery Ltd.
Apex Pharma Ltd.
Apex Investments Ltd.
Grey Advertising Bangladesh Ltd.
Adeltchi Footwear Bangladesh Ltd.
Quantum Consumer Solutions Ltd.
Blue Ocean Footwear Ltd.



Alamgir Shamsul Alamin, Director

Managing Director

Paramount Properties Ltd.
Shoppers World Ltd.

Director

Shamsul Alamin Cotton Mills Ltd.
Fuad Spinning Mills Ltd.
SA Spinning Mills Ltd.
Shamsul Alamin Real Estate Ltd.
Shamsul Alamin Pharmaceuticals Ltd.



Yasmeen Rahman, Director



Sylvana Sikder, Director

Managing Director

MK Dresses Ltd.
Palmal Packaging Ltd.
Floral Accessories Ltd.
MK Importers Ltd.

Director

Palmal Garments Ltd.
Palmal Knitwear Factory Ltd.
Palmal Garments Washing Ltd.
Pragati Fashionwear Ltd.
N.K.K. Knitwear Ltd.
The Dacca Dyeing Garments Ltd.
Palmal Garments Hosiery Ltd.
Palmal Styles



M. Naseemul Hye, fcs, Director

Executive Director

Bashundhora Group



Shusmita Anis, Director

Shareholding Director

Advanced Chemical Industries Ltd.
Stochastic Logic Ltd.
ACI Formulations Ltd.
Consolidated Chemicals Ltd.
ACI Formulation Ltd.

Nominee Director

ACI Pure Flour Ltd.
ACI Salt Ltd.



Fahama Khan, Director

Director

Hedayetullah Securities Ltd.
Apex Leathercraft Fashion & Accessories Ltd.
Apex Property Ltd.
Foot Bed Footwear Ltd.

Former Sponsor Director

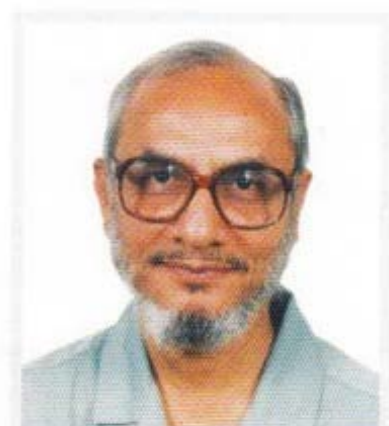
Mutual Trust Bank Ltd.



Parveen Akhter, Director

Managing Director

Parvin Properties & Technologies Ltd.



Abdul-Muyeed Chowdhury, Director

Former

Adviser in the Caretaker Government of Bangladesh, 2001
Secretary to the Govt. of Bangladesh (1994-2000)
Chairman- NBR
Managing Director- Biman Bangladesh Airlines
President- National Shooting Federation of Bangladesh
SME Foundation
Vice President, Bangladesh Olympic Association

Executive Director

BRAC

Chairperson

BRACNET Ltd.
Tiger Tours Ltd.
Bangladesh Youth Enterprise Advice and Help Center (B'Yeah)
Society for Assistance to Hearing Impaired Children (SAHC)

Member

BRAC University Governing Board

Director:

MJLL Bangladesh Ltd.
Omara Fuels Ltd.
Omara Petroleum Ltd.

Independent Director

Summit Alliance Port Ltd.
Ocean Containers Ltd.



Rozina Afroze, Director

Director

Baridhara Corporation Ltd.



M. A. Majed, Director

Executive Director

Apex Tannery Ltd.



Q.A.F.M. Serajul Islam, Managing Director

Executive Roster



Executives

Managing Director

Q.A.F.M. Serajul Islam

Adviser

M. Nazim Uddin Al Azad

Deputy Managing Director & Company Secretary

S.M. Mizanur Rahman

Deputy Managing Director

Dipak kumar Chakraborty
Al Moeiz Lalwala
Salimur Reza Chowdhury
Shamima Fatzy
Showkat Hossain Siddiki

Shariful Islam Chowdhury
Mohd. Abu Taiyab
Abdul Momen
Md. Zakir Hossain

Assistant Managing Director

A.K.M. Jashim Uddin Ahmed
Md. Abidul Haque
Tarik Ur Rahman
Shabbir Ahmedullah Sinha
Monjurul Hoque

Executive Director

Salim Sajjad Haque
Nazrul Islam Talukder
Md. Mahabbatur Rahman Khan
Md. Nurunnabi Siddique
Sk. Rahat Ahmed
Ava Dutta
Md. Shahidul Islam
Gazi Shawkat Hossain (Munim)

General Manager

Md. Maqsoodul Haq
Benu Lal Sarkar
Shamsur Rahaman Khan
Ahmed Tazdiqul Mowla
Md. Rafiqul Hoque

A.S.M. Salahuddin
Md. Musa Reza Siddiqui
Md. Abdul Mannan
Md. Mustafa Sarwar
Kazi Mizanur Rahman

Chief Financial Officer

Dhruba Kumar Guha

Senior Deputy General Manager

Md. Saldur Rahman
Biswa Nath Bhattacharjee
Kazi Shorab Hossain
Chandan Bikash Chowdhury
Syed Mohammed Shafi Ullah
S.M. Jasim Uddin

Md. Aman Ullah Aman
Mosharaf Hossain Majumder
Md. Shahanur Rahman
Shamsun Nahar
Md. Zakir Hossain
Azaz Mohammad Nazmul Huda Chowdhury

Deputy General Manager

Mohammad Gholam Jilani
Kamrul Alam
S.M. Nazmul Islam Bhulyan
Amirul Hoque
Abdul Hannan Chowdhury
M. Nazib Iqbal
Nasima Rahman
S.M.A. Ahsan Tuhin

Utpal Barua
Mohammad Babul Hossain
Habibur Rahman Chowdhury
A.K.M. Abdul Alim
Md. Yeakub Hossain (Kabul)
Akbar Hossain
Md. Abdulkah Al-Noman

Assistant General Manager

Md. Shahnoaz Chowdhury
Md. Rejaul Haque
Aslam Mostafa
Md. Moniruzzaman
Abdullah Khaled Muhammad
Syed Moynuddin Baharam
Mohammad Al-Amin
Md. Tofayel Ahmed
Md. Abul Kashem
Syed Shamim Hossain
Md. Zahidul Islam
Lutfur Rahman
Bipul Majumder
Anwarul Azim
Md. Shafiqul Islam Chowdhury
Khondaker Shah Jalal
A.K.M. Dewan Ali Akbar
Md. Badrul Alam

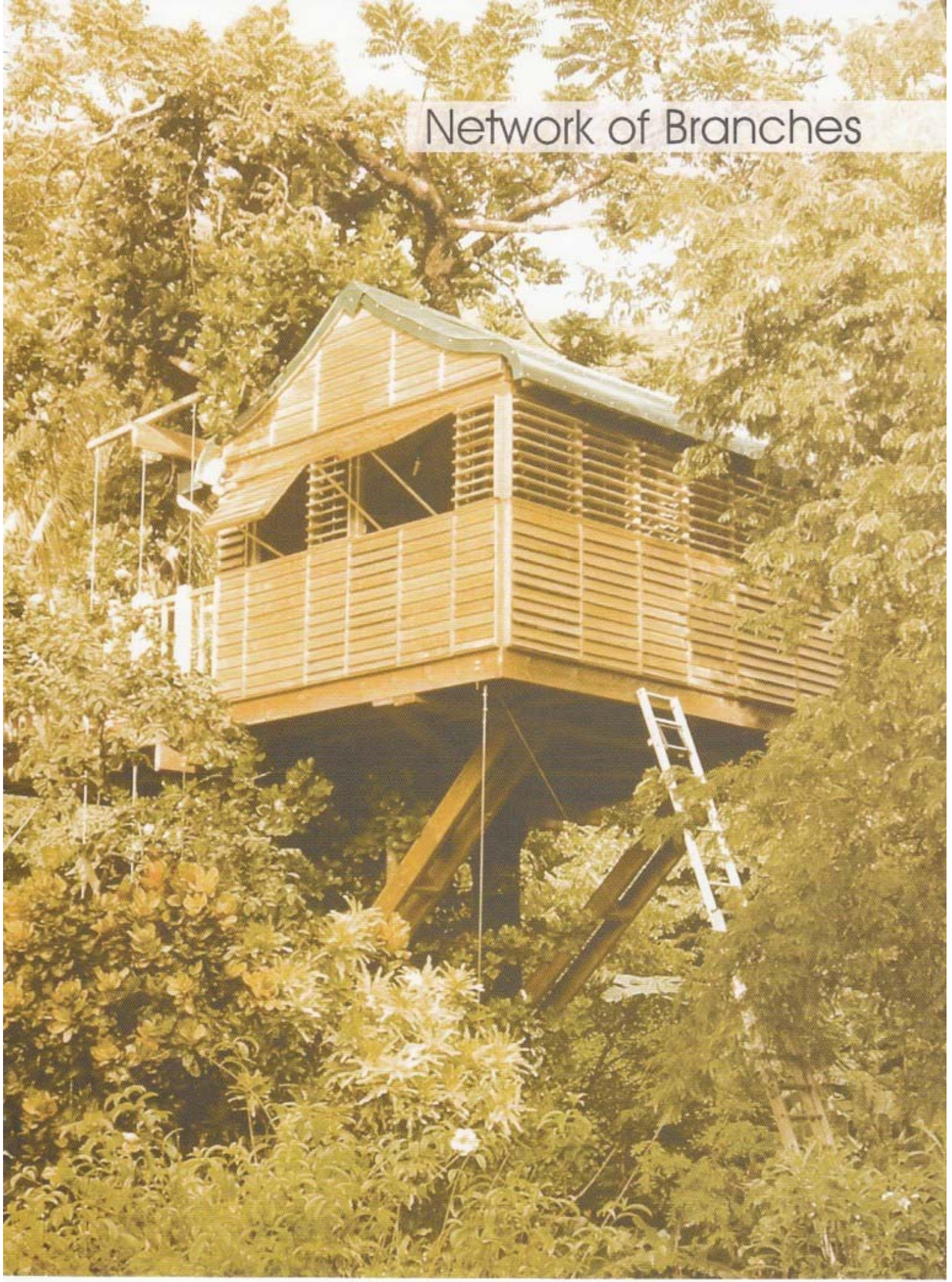
Chandan Kanti Dhar
Md. Abu Baker Siddique
Abdullah Al Mamun
Md. Mafiz Uddin Sikder
Rafiqul Islam
Md. Ali Abbas
Sharwar Hasan
Zulfiker Hossain Chowdhury
Ajit Chandra Bhowmick
Md. Mahtuzur Rahman
S.M. Fakhul Islam
Mridul Kanti Basak
Md. Abdul Mannan
A.T.M. Khalequzzman
Md. Mizanur Rahman
Fazle Ghani Quader (Farid)
Md. Obydur Rahman Khan

Manager

Md. Nazrul Islam
Md. Aminul Islam
Md. Abdus Salam
Md. Mahabub Alam
Yasmin Akther
Md. Shamsul Arefin
Farhana Yasmine
Hafez Mofazzal Hossain
Md. Shahjahan Khan
Md. Masudur Rashid
Redwanul Haque
Md. Hekmot Ali Munshi
Farzana Amin
Md. Shahdat Hossain Patwary
Moshir Rahman
Iffekharul Huq

Haji Md. Ghausul Islam
Rezwanul Karim
Md. Sayedul Haque
Md. Jasim Uddin
Pijush Kumar Dutta
Khandaker Nasir Uddin
Kazi Md. Mizanur Rahman
Md. Abu Taher Mollah
Kazi Siratul Haque
Abu Naser Md. Shakawath Hossain
S.M. Kamal
Muhammad Abdur Rakib
Rabeya Akter (Shimu)
Md. Zahurul Islam
Ratna Barua

Network of Branches



Branch Offices and In-charges

Local Office

Mr. Salimur Reza Chowdhury

Deputy Managing Director
Address: Symphony (5th Floor)
Plot# SE (F) 9, Road# 142
South Avenue, Gulshan-1, Dhaka-1212
Phone: 9885785, 8817512 (Hunt) Ex.-104
Fax: 8802-8817234, 8802-8817264
Mobile: 01711543332
e-mail: local@pioneerinsurance.com.bd

Gulshan Branch

Mr. Showkat Hossain Siddiki

Deputy Managing Director
Address: Rupayan Golden Age (4th Floor)
Plot # 06, Block # CWN(C)
99 Gulshan Avenue, Dhaka-1212
Phone: 8833543, Fax: 88-02-9895509
Mobile: 01713431372, 01817518887
e-mail: gulshan@pioneerinsurance.com.bd

V.I.P. Road Branch

Mr. Shariful Islam Chowdhury

Deputy Managing Director
Address: City Heart (9th Floor)
Suit No. 10/2, 67, Naya Pallan
V.I.P. Road, Dhaka-1000
Phone: 9359951, 8319117, 8322827
Fax: 9343268, Mobile: 01713431388
e-mail: vip@pioneerinsurance.com.bd

Shantinagar Branch

Mr. Monjurul Hoque

Assistant Managing Director
Address: Novel House (1st Floor)
137 Shantinagar, Dhaka-1217
Phone: 9347338, Fax: 9347337
Mobile: 01730323537
e-mail: shantinagar@pioneerinsurance.com.bd

Dilkusha Branch

Mr. Shabbir Ahmedullah Sinha

Assistant Managing Director
Address: Jiban Bima Bhaban
10 Dilkusha C/A, Dhaka-1000
Phone: 9564717, 9564663
Fax: 8802-9553430
Mobile: 01713-033441
e-mail: dilkusha@pioneerinsurance.com.bd

B.B. Avenue Branch

Mr. Md. Abidul Haque

Assistant Managing Director
Address: 26 B.B. Avenue (3rd Floor), Dhaka-1000
Phone/Fax: 9557872
Mobile: 01713431352
e-mail: bba@pioneerinsurance.com.bd

Kawran Bazar Branch

Mr. Md. Mahabbatur Rahman Khan

Executive Director
Address: Latif Tower (10th Floor)
47 Kawran Bazar, Dhaka-1215
Phone: 9130534
Fax: 9130535
Mobile: 01713431381
e-mail: kawranbazar@pioneerinsurance.com.bd

Uttara Branch

Mr. Md. Nazrul Islam Talukder

Executive Director
Address: House # 18 (5th Floor)
Sonargaon Janapath Road
Sector # 9, Uttara, Dhaka-1230
Phone: 8957881
Fax: 8802-8957841
Mobile: 01730-315982
e-mail: utara@pioneerinsurance.com.bd

Motijheel Branch

Mr. Shamsur Rahman Khan

General Manager
Address: Malek Mansion (2nd Floor)
128, Motijheel C/A, Dhaka-1000
Phone: 9561281
Fax: 9558563
Mobile: 01713431389
e-mail: motijheel@pioneerinsurance.com.bd

Imamgonj Branch

Mr. Biswa Nath Bhattachargee

Sr. Deputy General Manager
Address: Tajmahal Tower Ltd. (3rd Floor)
66 Moulavi Bazar, Dhaka- 1100
Phone: 7318028
Fax: 7341091
Mobile: 01714114993
e-mail: imamgonj@pioneerinsurance.com.bd

Moghbazar Branch

Mr. Mosharaf Hossain Majumder

Sr. Deputy General Manager
Address: Gulfasha Plaza, 69, Outer Circular Road
Office space No. D-4, 4th Floor
Near Moghbazar Chourasta, Dhaka-1217
Phone: 8333951, 833923
Fax: 8333467
Mobile: 01730013436
e-mail: mghb@pioneerinsurance.com.bd

New Market Branch

Mr. Abu Baker Siddiqui

Assistant General Manager
Address: Rajdhani Complex (6th Floor)
237/2, New Elephant Road, Dhaka-1205
Phone: 9672608
Fax: 8631072
Mobile: 01713431353
e-mail: newmarket@pioneerinsurance.com.bd

Narayangonj Branch

Mr. M.G. Jilani

Deputy General Manager
Address: 81/D, 8.B. Avenue
2 No., Rail Gate, Narayangonj 1400
Phone/Fax: 7640892
Mobile: 01713431355
e-mail: ngjb@pioneerinsurance.com.bd

Tangail Branch

Mr. Md. Abdul Mannan

Assistant General Manager
Address: Victoria Road, Tangail
Phone: 0921-62732
Mobile: 01713431385
e-mail: picltangail@gmail.com

Faridpur Branch

Mr. S.M.A Ahsan Tuhin

Deputy General Manager
Address: Arzu Super Market (2nd Floor)
124 Mujib Sarak, Faridpur
Phone/Fax: 0631-66755
Mobile: 01713423497
e-mail: piclfrdb@gmail.com

Agrabad Branch

Mr. D.K. Chakraborty

Deputy Managing Director & Zonal-in-charge
Address: Suraiya Mansion (2nd Floor)
30, Agrabad C/A, Chittagong 4100
Phone: 031-718526-7, 2517630-1, 2511182
Fax: 723507
Mobile: 01713431387
e-mail: piclctgzo@gmail.com

Sheikh Mujib Road Branch

Mr. Md. Musa Reza Siddiqui

General Manager
Address: Lokman Tower (3rd Floor)
1646 Sk. Mujib Road, Agrabad, Chittagong 4100
Phone: 031-723791, 031-716397, Fax: 718806
Mobile: 01713431376
e-mail: piclctag@gmail.com

Khatungonj Branch

Mr. Chandan Bikash Chowdhury

Sr. Deputy General Manager
Address: 80, Khatungonj (2nd Floor)
Chittagong 4100
Phone: 031-630154, Fax: 031-630156
Mobile: 01713431377
e-mail: piclktjb@gmail.com

Jubilee Road Branch

Mr. Md. Aman Ullah (Aman)

Sr. Deputy General Manager
Address: 175 Jubilee Road, Chittagong
Phone: 031-2856514
Fax: 031-2854252
Mobile: 01713431392
e-mail: picljb@gmail.com

Cox's Bazar Branch

Mr. S.M. Fakhru'l Islam

Assistant General Manager
Address: Mallicka Complex (2nd Floor)
Burmese Market, Main Road, Cox's Bazar
Phone/Fax: 0341-51214
Mobile: 01730061742
e-mail : piclcox@gmail.com

G.E.C.'S More Branch

Mr. Amirul Hoque

Deputy General Manager
Address: M.M. Tower (1st Floor)
(Opposite of Nasirabad Govt. Boys High School)
1105 CDA Avenue, East Nasirabad, Chittagong
Phone: 031-2554296
Fax: 031-2554297
Mobile: 01730315981
e-mail: piclgec@gmail.com

Kadamtali Branch

Mr. Abdul Hannan Chowdhury

Deputy General Manager
Address: 3rd Floor, 669/695 Alam Mansion
D.T. Road, Dewanhat, Kadamtali
P.S.: Double Mooring, Chittagong
Phone: 2528145-46, Fax: 03125377
Mobile: 01730332185
e-mail: kdm@pioneerinsurance.com.bd

Khulna Branch**Mr. Sk. Rahat Ahmed**

Executive Director

Address: Noorjahan Plaza (1st Floor)
 Holding # 155, Sir Iqbal Road, Khulna 9100
 Phone: 041-731015
 Fax: 041-733726
 Mobile: 01730312751
 e-mail: piclknb@gmail.com

Jessore Branch**Mr. Md. Abul Kashem**

Assistant General Manager

Address: 1, Municipal Market (1st Floor)
 Jessore 7400
 Phone/Fax: 0421-68793
 Mobile: 01713431361

Jhenaidah Branch**Mr. S.M. Kamal**

Manager

Address: Mallick Bhaban
 2, Shahid Moshir Rahman Sarak, Jhenaidah
 Phone: 0451-61464
 Mobile: 01713431394

Rangpur Branch**Mr Kazi Shorab Hossain**

Sr. Deputy General Manager

Address: Keramat Bhaban (1st Floor)
 Holding # 2681, Payra Chattar, Rangpur
 Phone: 0521-62147
 Mobile: 01730323539
 e-mail: piclrb@gmail.com

Madaripur Branch**Mr. Md. Rejaul Haque**

Assistant General Manager

Address: Howlader Harun Plaza (2nd Floor)
 Pura Bazar, Madaripur
 Phone: 0661-62578
 Mobile: 01713431371

Barisal Branch**Mr. Md. Shahidul Islam**

Executive Director

Address: S.S.Tower (4th Floor)
 109 Sadar Road, Barisal
 Phone/Fax: 0431-61293
 Mobile: 01730312754
 e-mail: picl.barisalbranch@gmail.com

Gaibandha Branch**Mr. Udayan Sarker**

Assistant Manager

Address: Aainjibi Super Market (1st Floor)
 Kachari Bazar, Station Road, Gaibandha
 Mobile: 01713-431368

Comilla Branch**Mr. Mohammad Al-Amin**

Assistant General Manager

Address: "Gani Bhuiyan Mansion"
 New Building (1st Floor), Manoharpur, Comilla
 Phone: 081-63803
 Fax: 081-61936
 Mobile: 01713-431374
 e-mail: piclcomiliabr@gmail.com

Sylhet Branch**Mr. Ahmed Tazdiquil Mowla**

General Manager

Address: Lalalighir Par, Sylhet.
 Phone: 0821-2832122, 2832099
 Mobile: 01730-332188
 e-mail: sylbranch@gmail.com

Kurigram Branch**Mr. A.K.M. Dewan Ali Akbar**

Assistant General Manager

Address: 2nd floor, Dadamar, Kurigram
 Phone: 0581-51042
 Mobile: 01730-312753
 e-mail: piclkrmb@gmail.com

Narsingdi Branch**Mr. Md. Badrul Alam**

Assistant General Manager

Address: Bhuiyan Shopping Mall (3rd Floor)
 Hamandra Sahar More, Sadar Road, Narsingdi
 Phone: 9452130
 Mobile: 01730703586
 e-mail: picl.narsingdi@gmail.com

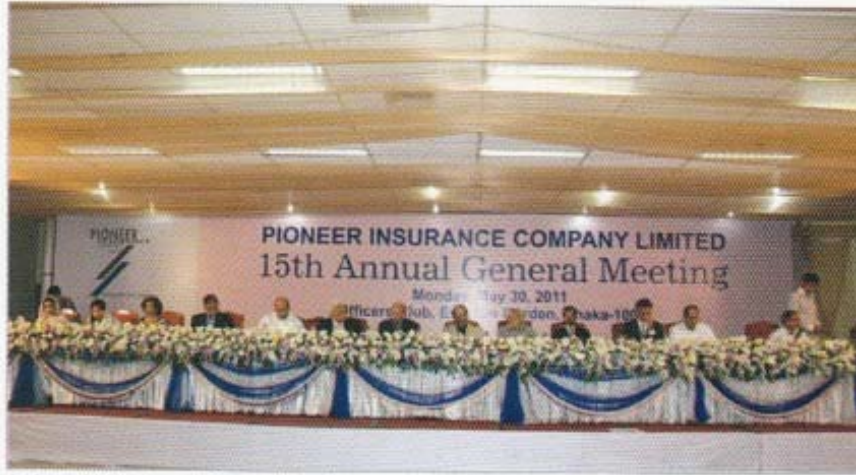
Pabna Branch**Mr. Md. Ali Abbas**

Assistant General Manager

Address: 3rd Floor, Kashem Plaza
 A. Hamid Road, Pabna
 Phone: 0731-66629
 Mobile: 01730703581

Pictorial Views





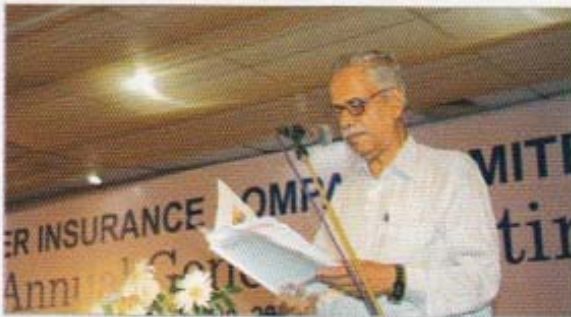
A view of 15th Annual General Meeting



A partial view of Shareholders present at 15th Annual General Meeting



Shareholder delivering speech at 15th Annual General Meeting



Shareholder delivering speech at 15th Annual General Meeting



Shareholder delivering speech at 15th Annual General Meeting



A partial view of Extraordinary General Meeting held in Dhaka



A partial view of Branch Conference held in Dhaka



A partial view of Branch Conference held in Dhaka

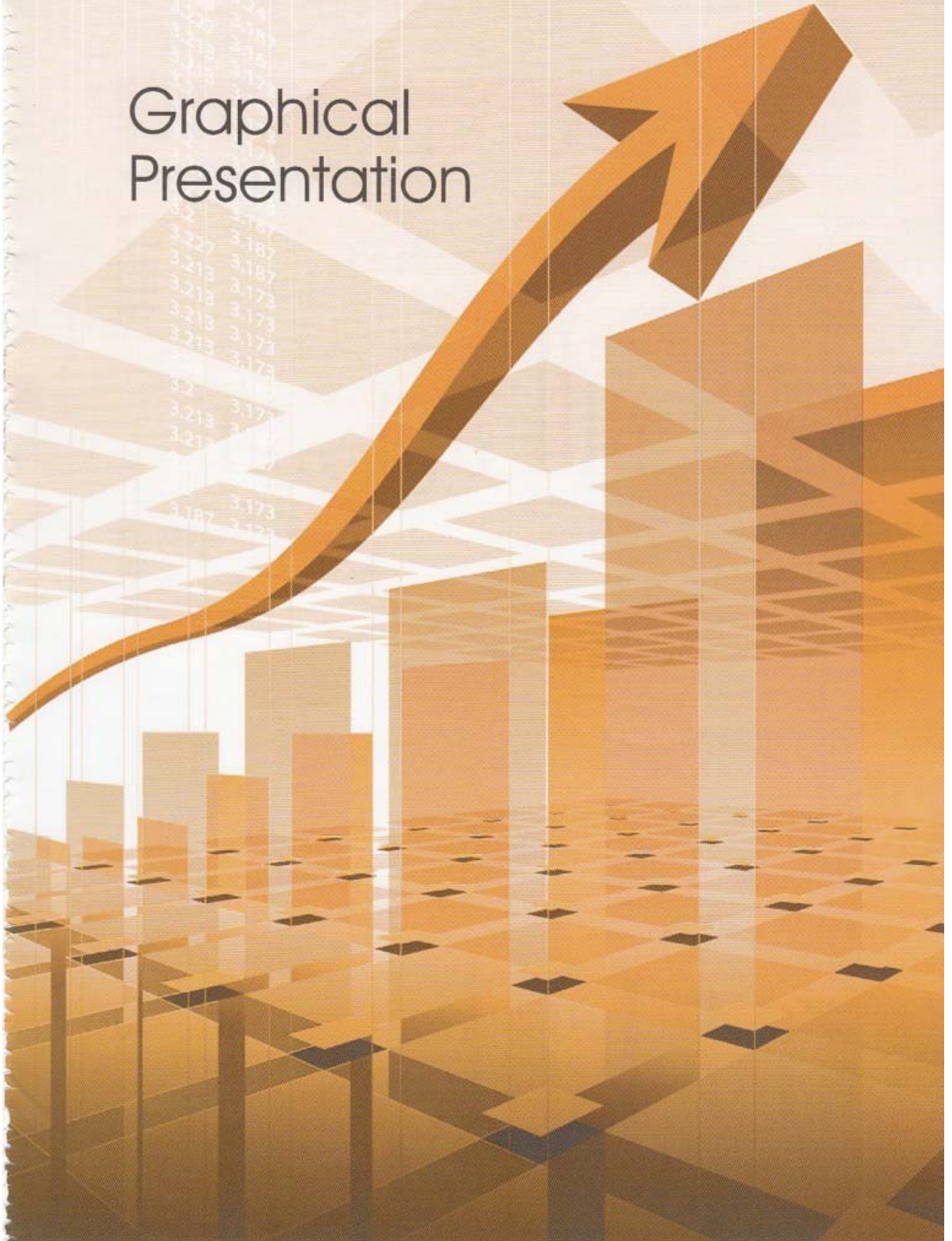


A partial view of Board Meeting held in Head Office



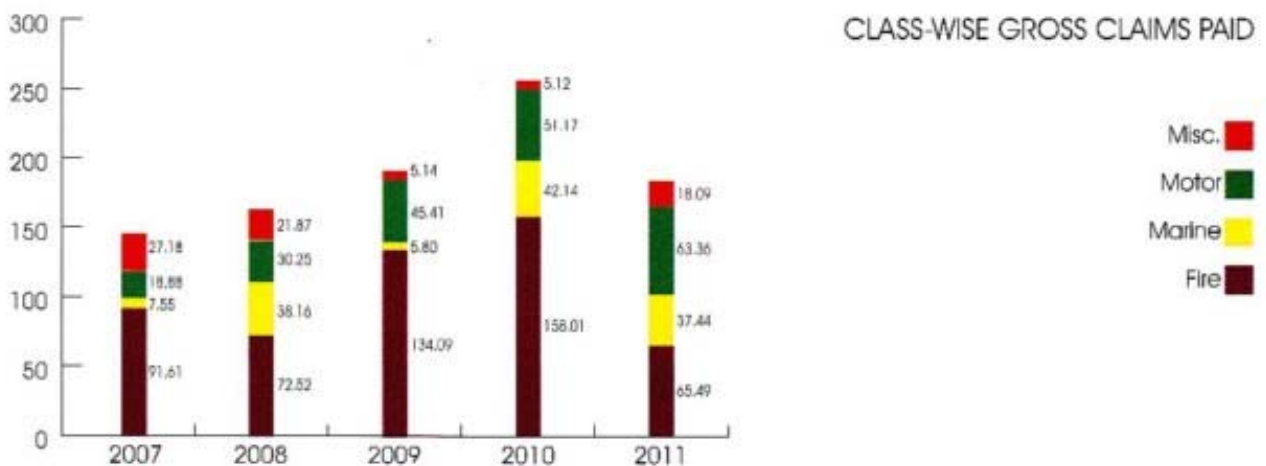
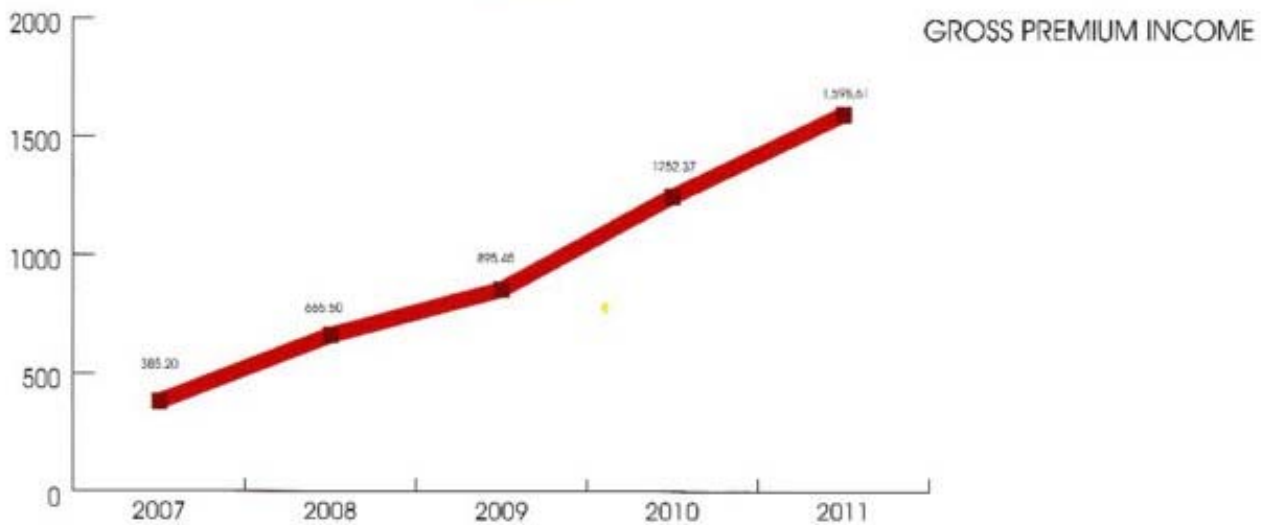
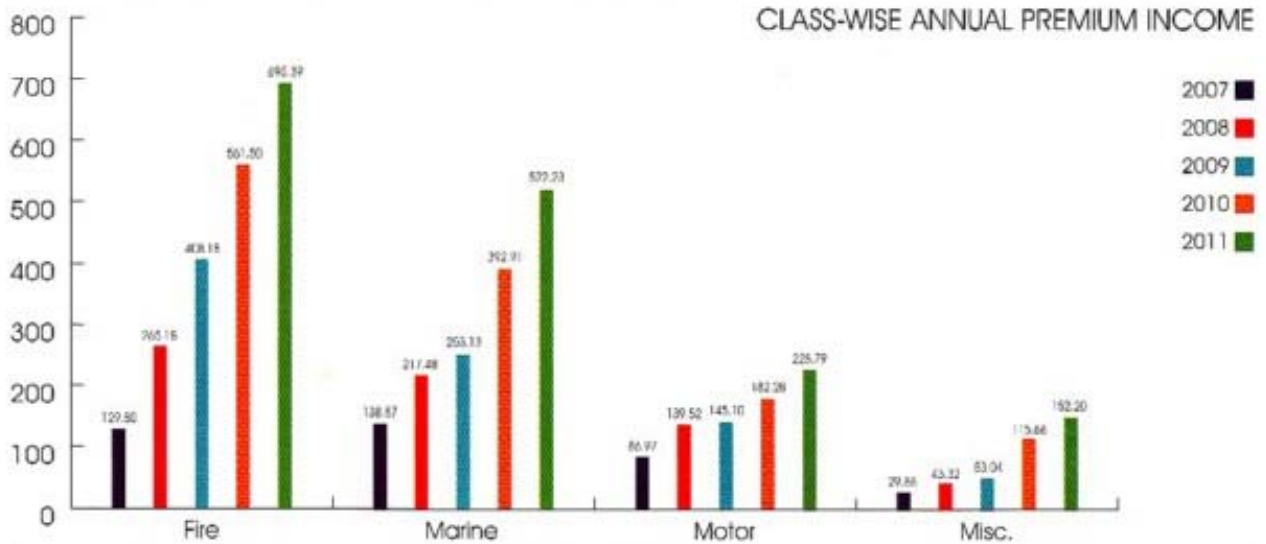
Mr. Hashim Harun, President & CEO, Malaysian Reinsurance Berhad recently visited our Head Office

Graphical Presentation

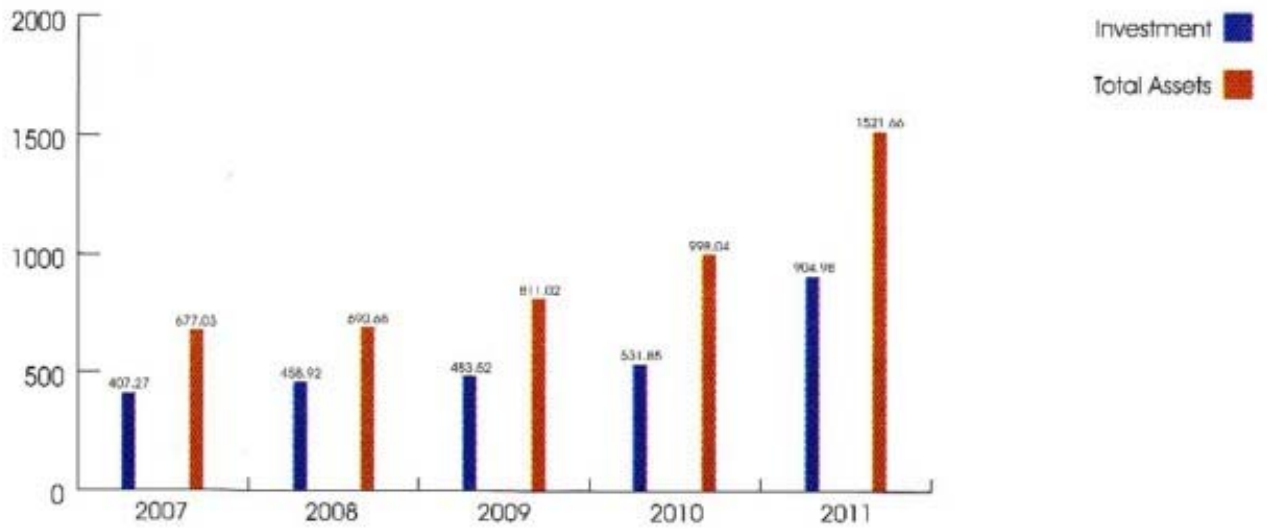


Company's Performance at a glance

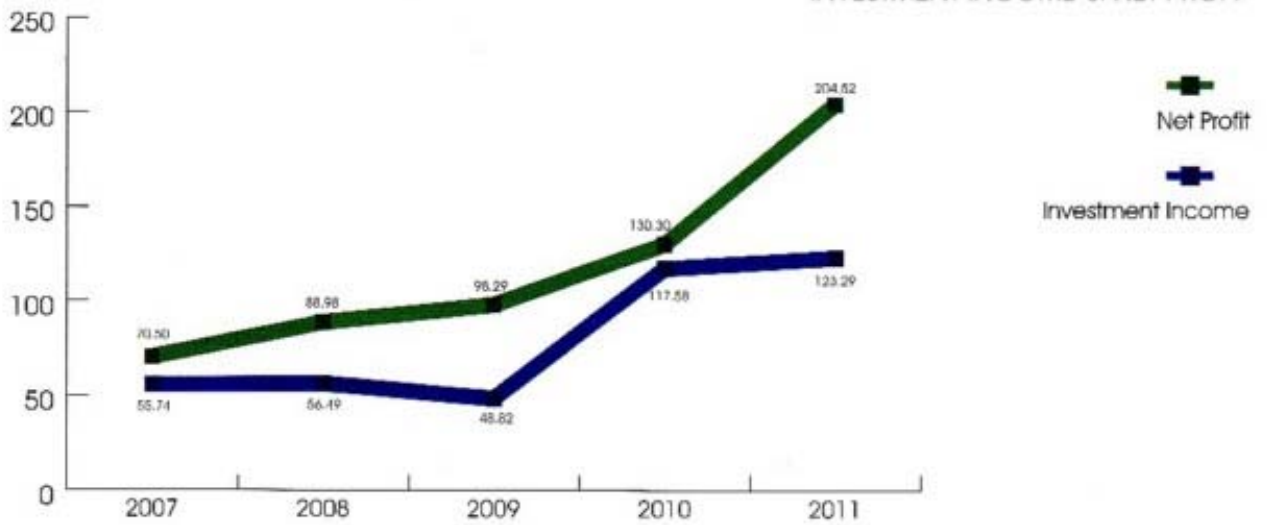
(Taka in Million)



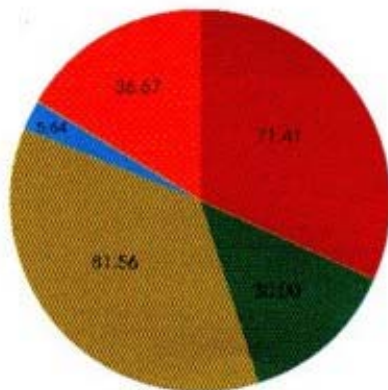
INVESTMENT & TOTAL ASSETS



INVESTMENT INCOME & NET PROFIT



APPROPRIATION OF PROFIT



- Reserve for Exceptional Losses
- Provision for Tax
- Proposed Dividend
- Provision for Diminution in Investment Value
- Balance after Appropriation

Chairman's Testimonial

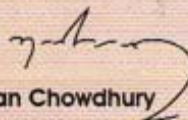


I consider it as an immense privilege to welcome you all to the 16th Annual General Meeting of Pioneer Insurance Company Limited. The Annual General Meeting may be treated as a corporate parliament where the shareholders exchange views, passes valuable opinion & future guidelines for the continued growth of the company. The company has always benefited as we could get fresh, new ideas from each and every AGM. That is why we always give utmost importance in arranging AGM.

In the year 2011, we, the Board of Directors, were pragmatic to the duties incumbent upon it in accordance with the law and the Statutes. We allowed the management of the company to work independently, playing the role of top supervisors and advised them concerning the running of the business. We were also involved in the policy making decisions of fundamental importance to the company.

We all are aware that 2011 was not a smooth year for the economy, especially for the capital markets and the financial services industry. Despite all the troubles, Pioneer Insurance Company has achieved a growth of 28% which is outstanding and one of the best in the industry.

The stellar performance of 2011 was possible because of the hard work, commitment and dedication of all the employees of Pioneer Insurance Company Limited, and on behalf of the Board of Directors, I would like to extend my heartfelt gratitude to each and everyone for a job well done and to all the shareholders, customers and business associates for their continued support to the company. While we are encouraged by the results achieved, there is still much work to be done as we confront the challenges and opportunities ahead to scale new heights. We remain committed to the relentless pursuit of providing value-added products and services to our stakeholders, and delivering sustainable profit to our shareholders in the coming years.



Tapan Chowdhury

Managing Director & CEO'S note



Recently published AM Best's Special Report highlighted the Reinsurers Resilient Against Waves of Catastrophes, Economic Uncertainty.

In a word, "resilient" might best describe the financial position of global reinsurers, considering the volatile economic conditions and the frequent and severe loss events of 2011 like Japan earthquake & tsunamis, New Zealand earthquake, Thailand flood, tornadoes across the USA etc. The only year that produced larger cumulative insured catastrophe losses than 2011 was 2005, when hurricanes Katrina, Rita and Wilma (KRW), in combination with other, smaller events, produced about \$125 billion in industry losses.

The numerous loss events of 2011 came very close to that tally with approximately \$110 billion of losses. Still the world market responded without any significant dislocation or squeeze on capacity. The January and April 2012 renewals for the most part were orderly & timely. Capacity and pricing generally remained flat.

It is pertinent to ask why the market did not turn more broadly, considering all that 2011 significant catastrophe losses, record low investment yields, uncertain financial markets and the downgrade of U.S. sovereign debt. The simple answer is that reinsurance capacity remained ample despite the magnitude of losses and unrelenting headwinds.

In spite of the world market scenario some of the South East Asian countries badly affected by the onslaught of unprecedented flood during 2011. Country wise economic losses during 2011 estimated as:

Country	Economic loss in US \$
Thailand	45 billion
Cambodia	100-161 million
Vietnam	135 million
Laos	174 million

As a result the insurance market has become hard in the region. Bangladesh also felt the heat. The re-insurers have imposed event limit for all catastrophic reinsurance cover, thereby limiting the re-insurers liability to any one

catastrophic event. However, Pioneer Insurance succeeded to renew its treaties 2012-13 at better terms due to its reputation & relationship with the overseas market.

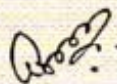
Intense competition, liquidity problem in the financial market, downtrend in capital market have created a challenging environment for non-life insurers. Notwithstanding these challenges, Pioneer Insurance Company draws upon its strengths- innovative products offerings, diversified distribution partners, shareholders synergies, financial strength and dedicated workforce, to strive for sustainable profitable growth and success in 2012 and beyond.

As a prove of our heartfelt effort company has been awarded "ICMAB Best Corporate Award-2011" by The Institute of Cost and Management Accounts of Bangladesh and also awarded "Best Insurance Company on Sound Management" by Bank-Bima Arthanithi.

Our long term plan is to boost insurance culture in Bangladesh as a social security. We have already started implementation of our goal by arranging training program on varies aspects of insurance for our colleagues and valued customers in our own training centre. We also arranged multimedia presentation on insurance for bankers and our customers at Chittagong, Dhaka, Faridpur, Barishal, Khulna & Sylhet. A large number of participants attended and highly appreciated our efforts.

We are dedicated to maintain the highest standards of integrity and sound dealing in our relationships with all stakeholders, customers, reinsurers, intermediaries, employees, shareholders and business partners. In every action we search for a positive contribution towards community activities and are committed to perform in a socially responsible manner. With technical expertise in the field of non-life insurance, Pioneer Insurance Company offers unequalled advice and personalized services in all classes: marine, fire, motor, engineering, aviation, liability, travel and all other miscellaneous insurance.

As CEO "I have miles to go before I sleep"



Q.A.F.M. Serajul Islam

Directors' Report 2011



Directors' Report 2011

To the Shareholders,

On behalf of the Board of Directors I would like to welcome the shareholders to the 16th Annual General Meeting of Pioneer Insurance Company Limited and present the Annual Report of the company for the year ended December 31, 2011 along with the Audited Accounts containing Statement of Financial Position (Balance Sheet), Statement of Comprehensive Income (Profit and Loss Account), Revenue Accounts, and the Audited Financial Statement for the year 2011.

Referral:

In compliance with the provisions of Section 184 of the Companies Act 1994, Rule 12 (and the schedule there under) of the Securities and Exchange Rules 1987 and IAS-1 (International Accounting Standards – 1) codes as adopted by the Institute of Chartered Accountants of Bangladesh (ICAB), the Annual Report of the Directors containing the Audited Financial Statements are submitted.

World Economic Scenario

Department of Economic and Social Affairs, United Nations, admitted the fact that economies of the developed countries of Euro zone and North America are teetering on the brink of another meltdown. Some European countries have already been shattered by the internal debts. The average GDP growth rate in developed countries went down from 3% in 2006 to 4% in 2009 and then bounced back to 2% in 2011 and economists forecast that it will continue to maintain an average of 2% or slightly below 2% in 2012 and 2013.

The global job crises, recovery of world trade, volatility of commodity prices, fragilities in the international financial markets and financing for development, uncertainties and risks are the major challenges for the global policy makers. Although inflation is not a major problem for the developed countries, it is a major concern for the developing countries like Bangladesh.

In spite of the adverse economic situation of the globe, some of the countries of the developing world are having rapid strides in the economic development and GDP is increasing at a high rate. China is in the leading role having more than 8-9% GDP growth. Brazil, Russia, India, China and South Africa form the BRICS group. Some economists are demanding that there should be another 'I' in the BRICS for Indonesia as it is a rapidly growing economy. China is projected to slow down the growth rate below 9% while India is expected to grow between 7.7% and 7.9%.

Bangladesh Economy:

Among the least-developed countries (LDCs) Bangladesh is maintaining a high growth rate over 6% and is expected to maintain its high growth rate in 2012 despite the global slow down. It has a rising trend of economic growth and fiscal discipline, maintaining the growth rate between 5-6% since 1996 despite political instability turbulence, poor infrastructure, inadequate power supplies and slow implementation of economic reforms. Bangladesh is still a poor, over populated and insufficiently governed nation. Although more than half of GDP is generated through the service sector, 45% of the people are employed in agriculture. However, Bangladesh can be proud of its achievement during 2008-2009. During that global financial crisis and recession Bangladesh exported garments totaling \$12.3 billion and remittance from non-resident Bangladeshis stood at \$11 billion which account for 25% of the GDP. But export growth slowed sharply to 13% in the 1st eight months of the current fiscal year, from 40.3% in the previous year. Higher interest rate, expected increase in fuel and electricity prices, volatile capital market, pressure on balance of payment, poor infrastructure and continuous political instability may slow down the economic growth of Bangladesh unless serious efforts are made by the Government of Bangladesh to improve the situation. That said, it is expected that Bangladesh will be able to overcome those impediments and include its name in the list of middle income group countries of the world within a decade as the giant economies of our two neighbors namely China and India will have positive effect on us.

There is no denying the fact that the absence of minimum political consensus has been creating political turmoil, thereby affecting the national economy. So many economic and infrastructure problem continue to exist. These can't be solved overnight. But the minimum political consensus between two major political parties could ensure a higher growth (between 7% - 8%) despite the other macro-economic constraints.

The business community in particular and the people in general earnestly expect and demand politicians to sit and solve some of the problems across the table. Is it unpatriotic to sacrifice the economic development of the country at the altar of the narrow party policies? We are laying emphasis on this as we foresee severe political bickering ahead. In that case it will not be possible to maintain the present growth rate, let alone further rise. Bangladesh economy is a developing one. In such a situation the general insurance business has a greater chance to grow rapidly.

Digitalization

Transparency, speed and perfection can not be ensured without digitalization. We are in the process of computerization at all levels of our activities. All the branches within Dhaka city are connected through our IT network. Network linking with Chittagong and other parts of the country is in process. We have a dynamic website containing comprehensive information, annual report, types of insurance available, proposal forms, specimen policy copies to facilitate our valued customers. Moreover, we are planning to utilize more information and communication technology so that our valued customers may have necessary information and documents without coming to our office and may communicate with us through Information and Communication Technology.

On Going Concern

Accounting is based on generally accepted accounting principles (GAAP). These principles summarize the assumptions, practices and concepts that provide the basis for measuring financial values and reporting on the results of business activities. Accounting principles and assumptions greatly influence the reported financial position and performance of a business. One fundamental concept of GAAP is the 'going concern' which is also known as the 'going concern' assumption.

The going concern principle is the assumption that an entity will remain in business for the foreseeable future. Conversely, this means the entity will not be forced to halt operations and liquidate its assets in the near term. By making this assumption, the accountant is justified in deferring the recognition of some expenses until a later period, when the entity will presumably still be in business and using its assets. The Board of Directors of Pioneer Insurance Company Limited has made annual assessment and considers such items as negative trends in operating results, loan defaults, denial of trade credit from suppliers, uneconomical long-term commitments, and legal proceedings and it is convinced beyond any doubt as to the company's ability to continue as a going concern for the near future.

Corporate Social Responsibility (CSR)

CSR is now considered as one of the core responsibilities of every corporate citizen. The general perspective on CSR is changing rapidly. Activities of CSR today involve the welfare of the people working and living around the concerned organization. Environment protection is now an integral part of most CSR activities. Funding or financing of the high profile event does not come within the preview of CSR any more. Any function which is to be financed under CSR must be a pro-people one. Patronization of the golf game can not be considered as a CSR activity. A huge donation by a Director at his whim and caprice can not be treated as a CSR activity if it is paid from the company's exchequer. Our Company is always conscious of this and spends CSR fund for the greater benefit of the people.

Insurance Industry

The insurance industry in Bangladesh has enjoyed super growth in the recent years. Private non-life insurance companies in Bangladesh are playing a major role in the economy. Prior to privatization, the yearly gross non-life premium of Bangladesh was approximately Tk. 900 million which increased to Tk. 16,544 million in 2010. Non-life insurance sector marked a robust growth by around 19% in 2010 over the preceding year (Tk. 13,853 million in 2009).

However, taking the market size into account, number of companies seems to be too many. A comparative statement among Pakistan, India & Bangladesh will bear testimony to the fact:

Name of the Country	Pakistan (million Rupees)	
	2009	2010
Number of Company	32	32
Gross Premium	34,720	38,030
Growth		9.53%

Name of the Country	India (million IRS)	
	2009-10	2010-11
Number of Company	21	24
Gross Premium	384,961	482,090
Growth	15%	25%

Name of the Country	Bangladesh (million Taka)	
	2009	2010
Number of Company	44	44
Gross Premium	13,897	16,544
Growth	10%	19%

An analysis of the operations and performance of private non life insurance companies reveal following position in 2010 (Excluding BD. Co-operative insurance).

Gross Premium

above 100 million	-	up to 200 million	12 Nos.
above 200 million	-	up to 300 million	18 Nos.
above 300 million	-	up to 500 million	7 Nos.
above 500 million	-	up to 1000 million	1 No.
above 1000 million	-		4 Nos.

Net Profit

up to 10 million	2 Nos.
above 10 million to 50 million	17 Nos.
above 50 million to 100 million	10 Nos.
above 100 million	13 Nos.

Re-insurance

Company follows the policy of optimizing retention of a risk through a carefully designed and balanced re-insurance program with Sacharan Bima Corporation and as well overseas reinsurers led by BEST Re, Malaysia. The focus of re-insurance treaty program has been on transferring company's liability as far as possible to safe guard the balance sheet at the most competitive cost of reinsurance.

Regulatory and Supervisory Authority:

Insurance Development & Regulatory Authority (IDRA) was formed in January, 2011 to replace the Chief Controller office set after liberation as per Insurance Act 1938.

The authority is assigned the responsibility of development of Bangladesh insurance industry as well as to regulate the industry within the per view of the Insurance Act, 2010 so as to ensure a level playing field for all companies. Within a short span of time the authority has succeeded in taking the industry to a different height. The credit business is almost eliminated. Curbing unethical feedback of premium to the insured and other agencies has resulted in immense improvement of cash flow of the non-life companies. The overall discipline & development may be anticipated in future too if the IDRA is allowed to work as an independent authority.

Resignation of Directors

In order to comply with the Section 75 of Insurance Act 2010, the following members of the Board of Directors resigned

1. Mr. Syed Manzur Elahi
2. Mr. Mohammad Wakiluddin
3. Mr. Mohammed Nasirullah
4. Mr. M.N.H. Bulu
5. Mr. Anjan Chowdhury

The Board highly appreciates and recognizes the contribution rendered by the respective Directors to the Company since its establishment.

Appointment of Directors

Mrs. Parveen Akhter and Mrs. Rozina Afroze were appointed as Director of the company in the 161st and 162nd Board meetings held on 20-12-2011 and 07-02-2012 respectively.

Risk Management

Insurers as a whole accept that a responsibility rests upon them to mitigate and as far as possible prevent loss in every field of their operations. This responsibility is not only to themselves, their shareholders and insured, but also to the nation. Besides maintaining skilled fire, theft and engineering surveyors for effective assessment of physical and moral hazards of risks, insurers also collaborate closely with the Government, various organizations for fire and accident

prevention in an effort to prevent or minimize loss. It cannot be denied that the role of the insurer in risk improvement and loss prevention can be of considerable importance. Every endeavor must be made to ensure that insured take all adequate steps to prevent wastage, and it is apparent that in all sections of the market insurers look to the prospect of preventing losses for a lasting solution of the problem of adverse underwriting results rather than raising premium rates. It is perhaps most convenient to consider risk improvement and loss prevention departmentally. Pioneer Insurance Company's Risk Management approach is proficient in qualitative evaluation of risk, providing safety consultancy for loss reduction and suggesting measures for risk mitigation to the client. Company's strive to develop expertise in areas like risk pricing, business continuity planning and consequence analysis helps in offering value added services to the insureds which not only develops the confidence level of the insured for remaining profitable by virtue of its core operations but also improve the quality of risk the company is exposed to.

International Exposure

Insurers and reinsurers through out the world speaks the same language. Insurance business is globally interrelated. Risk of a particular area is usually shared among global insurers/reinsurers. Hence relationship with insurers and reinsurers of the global market is of utmost importance for an insurance company.

In view of the above Pioneer Insurance Company Limited became a member of the Federation of Afro-Asian Insurers & Re-insurers (FAIR). It is a professional business association, dedicated to the cause of regional co-operation and the development of the insurance industry in Afro-Asian countries. In 2011 delegates of Pioneer Insurance attended "Liability Insurance Awareness Seminar" arranged by FAIR in Maldives, 21st FAIR Conference in Cairo, Egypt, "Singapore Insurers and Reinsurers Conference" in Singapore. All these international get-togethers provided the opportunity to introduce Pioneer Insurance of Bangladesh to almost all renowned & reputed insurers, reinsurers & brokers of the world.

Corporate Performance:

2011 was a relatively calm year for Bangladesh insurance market in terms of physical hazard i.e. major political, natural or geo-political events or disasters. There was no major upsurge in political or labor unrest except for some isolated incidents in the garment sector. Pioneer Insurance Company Ltd has successfully continued its path of growth through focused marketing, judicious cost control and product innovation.

Gross Premium Income

In 2011 Pioneer Insurance Company achieved another milestone earning gross premium Tk. 1.59 billion. Gross premium income increased by Tk.350 million registering a growth of 28% compared to that of previous year.

CLASSWISE PREMIUM

Fire:

In the year 2011 Gross premium income increased from fire insurance alone by 24% from Tk. 561.51 million in 2010 to Tk. 695.39 million in 2011. After ceding reinsurance of Tk. 553.73 million, the net premium income from Fire insurance business stood at the Tk. 141.66 million. The average growth rate of gross premium earned under this class during the last 04 (four) years was 55%.

Marine:

In the year 2011 Gross premium income increased in Marine insurance business by 33% from Tk. 392.92 million in 2010 to Tk. 522.23 million in 2011. After ceding the reinsurance of Tk. 233.16 million, the net premium stood at Tk. 289.07 million. The average growth rate of gross premium earned under this class during the last 04 (four) years was 40%.

Motor:

The Gross premium income from Motor insurance business was increased by 26% from Tk. 182.28 million in 2010 to Tk. 228.79 million in 2011. After ceding the reinsurance premium of Tk. 4.23 million the net premium stood at Tk. 224.56 million. The average growth rate of gross premium earned under this class during the 04(four) years was 29%.

Miscellaneous:

Gross premium income increased from Miscellaneous insurance business by 32% from Tk. 115.67 million in 2010 to Tk. 152.20 million in 2011 and after ceding the reinsurance premium of Tk. 88.97 million the net premium income from miscellaneous business stood at Tk. 63.23 million. The average growth rate of gross premium earned under this class during the last 04 (four) years was 54%.

2. Profit

Company earned a net profit before tax Tk. 204.52 million in 2011 as against Tk. 130.30 million in 2010, which is 57% increase over the last year.

3. Earning per share

	2011	2010
Earning per share after tax	6.42	5.88
Earning per share after tax & reserve for exceptional losses	3.79	3.11

4. Appropriation of Profit

The Board of Directors have proposed and recommended for appropriation as follows:

a) The un-appropriated profit from previous year	Tk.	20.76	Million
b) Net profit for the year 2011	Tk.	204.52	"
c) Total fund available for appropriation	Tk.	225.28	"
(i) Reserve for exceptional losses	Tk.	71.41	"
(ii) Provision for Taxes	Tk.	30.00	"
(iii) Provision for diminution in investment value	Tk.	5.64	"
d) Net un - appropriated Profit	Tk.	118.23	"

The Company's Operating Performance is summarized below:

FIVE YEAR PERFORMANCE SUMMARY

(Taka in million)

	2011	2010	2009	2008	2007
Gross Premium	1,598.60	1,252.37	859.45	665.50	385.20
Net Premium	716.61	531.30	393.35	323.08	195.37
Commission Earned	172.45	148.12	110.29	84.10	50.28
Underwriting Profit	123.61	61.95	73.99	45.86	24.66
Investment Income	123.22	117.58	48.82	56.49	55.74
Pre Tax Profit	204.52	130.30	98.29	88.98	70.50
Tax Provision	30.00	20.00	17.00	26.00	21.00
Fixed Deposit	619.35	274.12	227.31	270.65	259.47
Fixed Assets	100.30	80.05	49.83	38.24	27.34
Total Assets	1,521.66	998.04	811.02	690.67	677.03

Proposed Dividend

The Board of Directors of Pioneer Insurance Company Ltd. recommended declaration of stock dividend at the rate of 30% for the year ended December 2011 amounting to Tk. 81.56 million subject to approval in the 16th Annual General Meeting.

Reserve

Reserve is a key indicator of the financial strength of a company. Accordingly, an exceptional loss reserve of Tk. 71.41 million has been proposed for the year out of the profit earned. Thus at the end of 2011, the total reserve amount will be Tk. 267.78 million as against Tk. 196.38 million at the end of 2010 which is a growth of 36%.

Investment

Total investment of the Company during the year 2011 amounted to Tk. 904.98 million as against Tk. 531.85 million in the previous year, which includes Tk. 276.63 million invested in Shares. The market price of these shares as at 29-12-2011 stood at Tk. 757.45 million.

Human Resources Development (HRD)

We believe that human resources of an insurance company play the key role for expansion and promotion. To ensure timely and effective services for the valued customers, there is no alternative to knowledgeable, experienced team of service-providers. To maintain the standard and strength of the company, we must continue recruiting well-educated officers. For improvement of knowledge and efficiency of existing employees, Pioneer Insurance Company set up a training institute in 2008. Company also sends participants in the training courses arranged by Bangladesh Insurance Academy and Insurance Association. Moreover, every year employees are

sent abroad for higher professional training courses. We arrange various cultural and recreational functions like the Annual picnic and celebration of Bengali New Year. We also invest to ensure the personal welfare of our employees. For their financial security, Pioneer Insurance has made Health Insurance and personal accident insurance mandatory for all employees.

However, we are not complacent and we know that we shall have to continue to grow and motivate all members of the Pioneer family so that they are better prepared to take on the challenges in this highly competitive industry.

Good Corporate Governance

Good Corporate Governance requires that a transparent, efficient and effective system of decision-making is in place. It aims for a high level of transparency in the company's operation and will create a balance in the company where no single group is able to dominate policy or management of the company. It has always been the Company's endeavor to excel through better governance. The management strictly adheres to two basic principles of corporate governance i.e. transparency and disclosure. The Board Meetings are held regularly where policy decisions are taken on the basis of open discussions and consensus, keeping the interests of all shareholders and stakeholders of the company. Our Board of Directors has been fully committed since its inception to building a strong and empowered management team. This has helped us in maintaining good corporate governance. Listed below are our specific positions with respect to specific compliance requirements:

- The Financial Statements of the company present a true and fair view of the company's state of affairs, result of its operations, cash flows and changes in equity.
- Proper books of accounts as required by law are being maintained.
- Appropriate accounting policies have been followed in formulating the Financial Statements and accounting estimates are reasonable and prudent.
- The Financial Statements are prepared in accordance with International Accounting Standard (IAS) as applicable in Bangladesh.
- The Internal Control System is sound in design and effectively implemented and monitored.
- There is no significant deviation from the operating result of last year.
- Securities & Exchange Commission's Compliance Report is enclosed herewith as Annexure - 1.
- Key operating and financial data of last five years have been presented in summarized form in this report under the head "Five Year Performance Summary".

- The Audit Committee of the Board of Directors consisting of three non-executive directors has been in compliance with the guidelines of SEC's Notification dated February 20, 2006.

- Eight Board Meetings were held during the year 2011 and attendance by each Director as follows:

Name of Directors	No. of Attendance
Mr. Tapan Chowdhury	7
Mr. M Anis Ud Dowla	5
Mr. Syed Manzur Elahi	5
Mr A.K.M. Rahmatullah	3
Mr. M. N. H. Bulu	6
Mr. Mohammed Nasrullah	8
Mr. Mohammad Wakiluddin	5
Mr. Alamgir Shamsul Alamir	8
Mr. Syed Nasim Manzur	4
Mr. Anjan Chowdhury	2
Mr. M. A Majed	7
Mr. M. Naseemul Hye	8
Mrs. Shusmita Anis	8
Ms. Silvana Sikder	6
Ms. Yasmeen Rahman	8
Ms. Fahama Khan (Alternate Director)	7
Ms. Munsura Rahmatullah (Alternate Director)	1
Mr. Abdul Muxyed Chowdhury (Independent Director)	6
Mr. M Sekander Ali (Independent Director)	1

Retirement of Directors

From Group A

In accordance with the provision of section No. 112, 113 & 114 of the Articles of Association the following Directors retire and being eligible, offer themselves for re-election:

1. Mr. A. K. M. Rahmatullah
2. Ms. Silvana Sikder
3. Mr. M. Naseemul Hye (Alternate Director)

From Group B

In accordance with the Sections referred above, the following 02 (two) Directors from Group-B shareholders retire from office and being eligible, offer themselves for re-election:

1. Ms. Shusmita Anis
2. Ms. Fahama Khan

As required by Insurance Act and Rules, election of Directors from public shareholders (from Group-B shareholders) will be held in the said Annual General Meeting. A notification for election of the same was published in two national dailies namely "The Samakal" and "The Financial Express" on 22-03-2012 and 29-04-2012.

Auditors

Malek Siddiqui Wall, Chartered Accountants, 9G Motijheel C/A, Dhaka, Auditors of the Company retire and being eligible, offer themselves for re-appointment.

Future Outlook

Insurance penetration in Bangladesh is low compared to the global standards and those of regional countries. Bangladesh is also low in terms of insurance density (ratio of premium to total population). Growth of insurance business is directly related to economic activities in the country but in case of Bangladesh we believe that regulatory framework can provide the stimulus to the industry growth.

We cherish no illusions about the magnitudes of challenges ahead. While competition is increasing in all business segments, the phenomenal strength of the company and the strategies pursued by Pioneer Insurance Company Limited makes us feel confident about achieving our targets in the future. By applying prudent policies and discipline in business operations and using cost effective methods, we are positive that we will reach our targets.

Providing superior customer service through fair and efficient claim settlement is the key to achieving success in a competitive market. Our aim is to ensure that our performance exceeds expectation of our shareholders, not only during the current year but beyond.

Appreciation.

We thank Insurance Development and Regulatory Authority, Joint Stock Companies and firms, Sadharan Bima Corporation, General Insurance Corporation of India, Best Re, Malaysia, Malaysian Re, Malaysia, Labuan Re, Malaysia, ACR Retakaful, Malaysia, ICICI Lombard, India, National Insurance Company Limited, India, Oman Re, Oman, Trust Re, Bahrain, Asian Reinsurance Corporation, Thailand, Sampo Japan Reinsurance Company Ltd., Malaysia, Arab Union Re, Syria, Sen Re, Senegal, Allianz, London, Aveni Re, Cotedivoire, SEC, DSE, CSE, CDBL, Credit Rating Agency of Bangladesh and Bangladesh Insurance Academy for their kind co-operation extended to us throughout the year. Very special thanks to the management and all our employees whose untiring efforts have helped us in reaching our goal.

On behalf of the Board


Tapan Chawdhury
Chairman

Status of compliance with the conditions imposed by the Commission's Notification No. SEC/CMRRCD/2006-158/Admin/02-08 dated 20th February, 2006 issued under section 2CC of the Securities and Exchange Ordinance, 1969:

Condition No.	Title	Compliance status		Explanation for non-compliance with the condition
		Complied	Not Complied	
1.1	Board's Size: Board members should not be less than 5 (five) and more than 20 (twenty)	Complied		
1.2 (i)	Independent Directors : At least 1/10th	Complied		
1.2 (ii)	Appointment of Independent Director by Elected Directors	Complied		
1.3	Chairman of the Board and Chief Executive and their responsibilities	Complied		
1.4	The Directors' Report to Shareholders on:-			
1.4 (a)	Fairness of Financial Statement	Complied		
1.4 (b)	Maintenance of Proper books of Accounts	Complied		
1.4 (c)	Adoption of appropriate Accounting policies and estimates	Complied		
1.4 (d)	Compliance with International Accounting Standards (IAS).	Complied		
1.4 (e)	Soundness of Internal control system	Complied		
1.4 (f)	Ability to continue as a Going Concern	Complied		
1.4 (g)	Significant deviations from last year	Complied		
1.4 (h)	Key operating and financial data	Complied		
1.4 (i)	Dividend declaration	Complied		
1.4 (j)	Details of Board meeting	Complied		
1.4 (k)	Pattern of Share holding	Complied		
2.1	Appointment of Company Secretary, CFO, Head of Internal Audit and defining their respective roles, responsibilities and duties.	Complied		
2.2	Attendance of Company Secretary, CFO at Board of Directors' meeting	Complied		
3	Audit Committee	Complied		
3.1 (i)	No. of Members of Audit Committee	Complied		
3.1 (ii)	Constitution of Committee with Board members including one Independent Director	Complied		
3.1 (iii)	Filling of Casual vacancy in Committee			Not Applicable
3.2 (i)	Chairman of the Committee	Complied		
3.2 (ii)	Professional qualification and experience of the Chairman of the Committee	Complied		
3.3.1 (i)	Reporting to the Board of Directors	Complied		
3.3.1 (ii) (a)	Reporting of Conflicts of interest to the Board of Directors			Not Applicable
3.3.1 (ii) (b)	Reporting of any fraud or irregularity to the Board of Directors			Not Applicable
3.3.1 (ii) (c)	Reporting of violation of laws to the Board of Directors			Not Applicable
3.3.1 (ii) (d)	Reporting any other matter to the Board of Directors			Not Applicable
3.3.2	Reporting of Qualified point to Commission			Not Applicable
3.4	Reporting of activities to the Shareholders and General Investors			Not Applicable
4	External/ Statutory Auditors			
4.00 (i)	Non-engagement in appraisal or valuation	Complied		
4.00 (ii)	Non-engagement in designing of Financial Information System	Complied		
4.00 (iii)	Non-engagement in Book keeping	Complied		
4.00 (iv)	Non-engagement in Broker-dealer services	Complied		
4.00 (v)	Non-engagement in Actuarial services	Complied		
4.00 (vi)	Non-engagement in Internal Audit	Complied		
4.00 (vii)	Non-engagement in any other service	Complied		

Pattern of Shareholding

Sl. No.	Shares held by	Total Share as at 30. 04. 12
(i)	Parent/ Subsidiary/ Associated companies and other related parties.	Nil
(ii)	Directors, Chief Executive Officer, Company Secretary, Chief Financial Officer, Head of Internal Audit and their spouses and minor children	
	Chairman Astras Limited (Represented by Mr. Tapan Chowdhury)	9,96,870
	Directors :	
	A.K.M Rahmatullah	1178120
	Consolidated Chemicals Ltd (Represented by Mr. M Anis Ud Dowla)	996870
	Mr. Alamgir Shamsul Alamin	557330
	Mr. Syed Nasim Manzur	906250
	Mr. Shafiq Sobhan	313120
	Palman Garments Hosiery Ltd. (Represented by Ms. Silvana Sikder)	815620
	Mrs. Yasmeen Rahman	371500
	Ms. Shahana Rahmatullah (Alternate Director Ms. Fahama Khan)	906250
	ACI Foundation (Represented by Ms. Shusmita Anis)	906250
	Mrs. Parveen Akhter	725000
	Mrs. Rozina Afroze	453120
	M.A. Majed	906250
	Chief Executive Officer: Mr. Q.A.F.M. Serajul Islam	Nil
	Company Secretary: Mr. S.M Mizanur Rahman	Nil
	Chief Financial Officer: Mr. Dhruva Kumar Guha	Nil
	Head of Internal Audit: Mr. S.M. Najmul Islam Bhuiyan	Nil
	Spouses and minor children:	
	Mrs. Halima Rahmatullah	18120
	Mr. Mohammad Wakiluddin	453120
	Abu Sufian	181250
(iii)	Executives	Nil
(iv)	Share holding ten percent (10%) or more voting interest in the company	
	Square Pharmaceuticals Ltd.	2718750

Corporate Memoir

Incorporation	25-03-1996
Certificate of Commencement of Business	25-03-1996
Signing of First Insurance business	13-05-1996
Consent from SEC for issuance of public share of BDT 90 million	28-03-2001
Publication of prospectus	29-03-2001
Subscription Opened	16-04-2001
Subscription Closed	30-04-2001
Listed with Dhaka Stock Exchange Limited	23-07-2001
First Trading of Shares on Dhaka Stock Exchange Limited	23-07-2001
Listed with Chittagong Stock Exchange Limited	23-07-2001
First Trading of Shares on Chittagong Stock Exchange Limited	23-07-2001
First Dividend Declared in the AGM	24-08-1998
Agreement sign with CDBL	12-04-2004
First Trading by CDBL System	16-05-2004
Issuance of first Bonus Share (For the year 2009) 25% Stock	03-06-2010
Issuance of first Rights Share	17-08-2011
Purchase of Office space for the Company City Heart (9th floor), Suit # 10/2 & 10/7 67, Naya Paltan, VIP Road, Dhaka-1000	29-06-2000 25-11-2009
Tajmahal Tower (3rd Floor), 66 Moulavi Bazar, Dhaka-1100	29-09-2010
Gulfesha Plaza 69, Outer Circular Road, Office Space # D-4 (4th Floor) Near Moghbazar Chowrasta, Dhaka-1217	14-07-2011
Change in the denomination of Face Value (BDT Tk. 10/-) and Market Lot (from 50 to 500)	26-11-2011
Shifting Registered Office: Symphony (5th Floor), Plot # SE(F)9, Road # 142, South Avenue, Gulshan-1, Dhaka-1212	31-01-2010
ICMAB Best Corporate Award-2011	12-12-2011
Federation of Afro-Asian Insurers and Reinsurers "F.A.I.R." Membership	27-10-2010

Paid Up Share Capital's Memoir

Year	Particulars	Paid up capital in Taka	Cumulative Paid-up capital
1996	As per MOA & AOA	60,000,000	60,000,000
2001	Initial Public Offering	90,000,000	150,000,000
2009	25% Bonus	37,500,000	187,500,000
	20% Rights	37,500,000	225,000,000
2010	25% Bonus	46,875,000	271,875,000
2011 (Proposed)	30% Bonus	81,562,500	353,437,500

Auditors' Report & Financial Statements

Auditors' Report &
Financial Statements



Auditors' Report to the Shareholders

We have audited the accompanying Statement of Financial Position of "Pioneer Insurance Company Limited" as of December 31, 2011 and the related revenue accounts as well as Statement of Comprehensive Income and Profit and Loss Appropriation Account and statement of Cash Flows for the year then ended. The preparation of these financial Positions is the responsibility of the company's management. Our responsibility is to express an opinion on these financial Positions based on our audit.

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

In our opinion, the financial Positions, prepared in accordance with Bangladesh Accounting Standards (BAS) give a true and fair view of the state of the company's affairs as of December 31, 2011 and of the results of its operations and its cash flows for the year then ended and comply with the Companies Act 1994, the Insurance Act 1938, the Insurance Rules 1958, the Securities & Exchange Rules - 1987 and other applicable laws and regulations.

We also report that :

i) We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit and made due verification thereof:

ii) In our opinion, proper books of account as required by law have been kept by the company so far as it appeared from our examination of those books and proper returns adequate for the purposes of our audit have been received from branches not visited by us;

iii) The company's Financial Position and Comprehensive Income Statement and its Cash Flow dealt with by the report are in agreement with the books of account and returns;

iv) The expenditure incurred was for the purposes of the company's business.

v) As per section 40-c (2) of the Insurance Act, 1938 as amended, we certify that to the best of our knowledge and belief and according to the information and explanations given to us, all expenses of management wherever incurred and whether incurred directly or indirectly, in respect of insurance business of the company transacted in Bangladesh during the year under report have been duly debited to the related Revenue Accounts and the Comprehensive Income Statement of the company and,

vi) As per regulation 11 of part 1 of the third schedule of the Insurance Act, 1938 as amended, we certify that to the best of our information and as shown by its books, the company during the year under report has not paid any person any commission in any form outside Bangladesh in respect of any of its business re-insured abroad.

Dhaka, April 30, 2012



MALEK SIDDIQUI WALI
Chartered Accountant
Md. Waliullah (FCA)

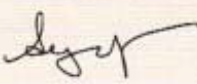
STATEMENT OF FINANCIAL POSITION (Balance Sheet)

Particulars	Note	2011	2010
		Taka	Taka
CAPITAL & LIABILITIES			
AUTHORISED CAPITAL		500,000,000	500,000,000
50,000,000 Ordinary Shares of Tk. 10.00 each			
ISSUED, SUBSCRIBED & PAID-UP CAPITAL	03	271,875,000	187,500,000
27,187,500 Ordinary Shares of Tk. 10 each			
SHARE PREMIUM	04	144,000,000	31,500,000
RESERVE OR CONTINGENCY ACCOUNTS			
Reserve for Exceptional Losses	05	267,780,923	196,375,095
General Reserve		4,500,000	4,500,000
Profit & Loss Appropriation Account		118,233,213	67,632,703
		390,514,136	268,507,798
BALANCE OF FUNDS & ACCOUNTS			
Fire Insurance Business Account	06	56,664,832	29,340,328
Marine Insurance Business Account		117,727,775	97,555,111
Motor Insurance Business Account		89,820,180	71,843,137
Misc. Insurance Business Account		25,863,410	20,685,784
		290,076,197	219,424,360
PREMIUM DEPOSIT	09	29,335,445	58,560,479
LIABILITIES & PROVISIONS			
Estimated liabilities in respect of outstanding claims whether due or intimated	07	78,305,602	54,334,588
Amount due to other persons or bodies carrying on insurance business	08	28,252,186	37,657,200
SUNDRY CREDITORS	10	289,304,683	140,560,604
	Tk.	1,521,663,249	998,045,029

Net Assets Value per Share	Tk.	29.66	Restated '10 17.93	Actual '10 26.00
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Dhaka, April 30, 2012

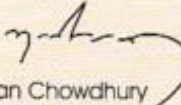

 Q.A.F.M Serajul Islam
 Managing Director


 Syed Nasim Manzur
 Director

as at December 31, 2011

Particulars	Note	2011	2010
		Taka	Taka
PROPERTY AND ASSETS			
INVESTMENT (AT COST):			
Statutory Deposit with Bangladesh Bank (National Investment Bond)	11	9,000,000	9,000,000
Investment with Shares	12	276,630,753	248,723,652
		285,630,753	257,723,652
INTEREST, DIVIDENDS & RENTS ACCRUED BUT NOT RECEIVED			
	13	93,484,911	51,535,995
SUNDRY DEBTORS			
(Including advance, deposit & pre-payment)	14	229,385,866	257,865,824
CASH & BANK BALANCES			
	15		
Fixed Deposit with Banks		619,350,016	274,129,317
Cash at Bank		187,247,414	69,177,988
Cash in hand		2,035,581	1,724,030
		808,633,011	345,031,335
OTHER ACCOUNTS			
Fixed Assets (At cost less dep.)	16	100,295,736	80,050,641
Stock of printing		1,526,263	1,837,125
Insurance stamps in hand		2,706,709	4,000,457
		104,528,708	85,888,223
	Tk.	1,521,663,249	998,045,029


Abdul-Muyeed Chowdhury
Independent Director


Tapan Chowdhury
Chairman


MALEK SIDDIQUI WALI
Chartered Accountant

STATEMENT OF COMPREHENSIVE INCOME (Profit & Loss Account)

Particulars	Note	2011	2010
		Taka	Taka
EXPENSES			
(Not applicable to any particular fund or account)			
Advertisement & Publicity		19,160,833	25,400,200
Directors' Fee		428,000	404,000
Registration & Other Fees		7,704,192	4,885,505
Legal Expenses		384,875	400,205
Audit fees		170,000	200,000
Subscription		602,993	60,200
Depreciation		13,922,642	17,887,875
		42,373,535	49,237,985
PROFIT TRANSFERRED TO PROFIT & LOSS APPROPRIATION ACCOUNT		204,522,120	130,298,473
	Tk.	246,895,655	179,536,458

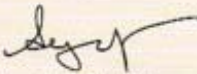
PROFIT & LOSS APPROPRIATION ACCOUNT

Particulars	Note	2011	2010
		Taka	Taka
Reserve for exceptional losses 10%		71,405,828	51,980,317
Provision for Income Tax		30,000,000	20,000,000
Provision for Diminution in Investment Value		5,640,782	-
Balance transferred to Statement of Financial Position		118,233,213	67,632,703
	Tk.	225,279,823	139,613,020

			Restated '10	Actual '10
Earning per share after Tax	Tk.	6.42	4.05	5.88
Earning per share after Tax & reserve for exceptional losses	Tk.	3.79	2.14	3.11

Dhaka, April 30, 2012


Q.A.F.M Serajul Islam
Managing Director

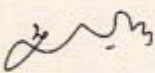

Syed Nasim Manzur
Director

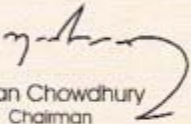
for the year ended December 31, 2011

Particulars	Note	2011	2010
		Taka	Taka
INVESTMENT INCOME (Not applicable to any particular fund or account)	17	123,221,165	117,343,021
MISCELLANEOUS INCOME		69,166	246,146
PROFIT/(LOSS) TRANSFERRED FROM			
Fire Insurance Revenue Account		(8,466,646)	(24,321,553)
Marine Insurance Revenue Account		78,728,945	52,055,145
Motor Insurance Revenue Account		46,069,448	27,524,130
Misc. Insurance Revenue Account		7,273,577	6,689,568
		123,605,324	61,947,291
	Tk.	246,895,655	179,536,458

for the year ended December 31, 2011

Particulars	Note	2011	2010
		Taka	Taka
Balance brought forward from previous year		20,757,703	9,314,547
Profit for the year transferred from Statement of Comprehensive Income (Profit & Loss Account)		204,522,120	130,298,473
	Tk.	225,279,823	139,613,020


Abdul-Muyeed Chowdhury
Independent Director


Tapan Chowdhury
Chairman

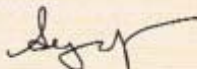

MALEK SIDDIQUI WALI
Chartered Accountant

CONSOLIDATED REVENUE ACCOUNT

Particulars	2011	2010
	Taka	Taka
CLAIMS UNDER POLICIES LESS REINSURANCE:		
Paid during the year	161,984,195	146,422,188
Total estimated liability in respect of outstanding claims at the end of the period whether due or intimated	78,305,602	54,334,588
	240,289,797	200,756,776
Less : Outstanding at the end of previous year	54,334,588	31,224,945
	185,955,209	169,531,831
COMMISSION	306,783,782	236,731,788
EXPENSES OF MANAGEMENT (Notes - 18)	203,962,781	152,503,177
PROFIT & LOSS ACCOUNT	123,605,324	61,947,291
BALANCE OF ACCOUNTS AT THE END OF THE YEAR AS SHOWN IN FINANCIAL POSITION		
Reserve for unexpired risks being 40% of the Net Premium income of the year (100% of Hull & Aviation)	290,076,197	219,424,360
Tk.	1,110,383,293	840,138,447

Dhaka, April 30, 2012


 Q.A.F.M Serajul Islam
 Managing Director

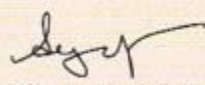

 Syed Nasim Manzur
 Director

FIRE INSURANCE REVENUE ACCOUNT

Particulars	2011	2010
	Taka	Taka
CLAIMS UNDER POLICIES LESS REINSURANCE:		
Paid during the year	55,705,911	57,653,638
Total estimated liability in respect of outstanding claims at the end of the year whether due or intimated	9,708,373	11,682,440
	65,414,284	69,336,078
Less : Outstanding at the end of previous year	11,682,440	4,843,529
	53,731,844	64,492,549
COMMISSION	144,828,717	108,120,716
EXPENSES OF MANAGEMENT	65,909,119	63,676,239
PROFIT & LOSS ACCOUNT	(8,466,646)	(24,321,553)
BALANCE OF ACCOUNT AT THE END OF THE YEAR AS SHOWN IN FINANCIAL POSITION		
Reserve for unexpired risks being 40% of the Net Premium Income of the year	56,664,832	29,340,328
Tk.	312,667,866	241,308,279

Dhaka, April 30, 2012

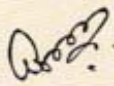

 Q.A.F.M Serajul Islam
 Managing Director

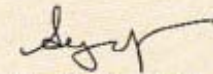

 Syed Nasim Manzur
 Director

MARINE INSURANCE REVENUE ACCOUNT

Particulars	2011	2010
	Taka	Taka
CLAIMS UNDER POLICIES LESS REINSURANCE:		
Paid during the year	30,300,727	33,295,428
Total estimated liability in respect of outstanding claims at the end of the year whether due or intimated	40,539,091	10,368,391
Less : Outstanding at the end of previous year	70,839,818	43,663,819
	10,368,391	6,845,332
	60,471,427	36,818,487
COMMISSION	86,893,153	74,320,188
EXPENSES OF MANAGEMENT	70,063,772	30,983,459
PROFIT & LOSS ACCOUNT	78,728,945	52,055,145
BALANCE OF ACCOUNT AT THE END OF THE YEAR AS SHOWN IN FINANCIAL POSITION		
Reserve for unexpired risks being 40% of the Net Premium income of the year (100% of Hull)	117,727,775	97,555,111
Tk.	413,885,072	291,732,390

Dhaka, April 30, 2012


Q.A.F.M Serajul Islam
Managing Director

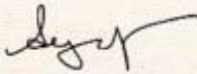

Syed Nasim Manzur
Director

MISCELLANEOUS INSURANCE REVENUE ACCOUNT

Particulars	MOTOR	MISC.	2011	2010
			Taka	Taka
CLAIMS UNDER POLICIES LESS REINSURANCE:				
Paid during the year	60,030,544	15,947,013	75,977,557	55,473,122
Total estimated liability in respect of outstanding claims at the end of the year whether due or intimated	22,142,336	5,915,802	28,058,138	32,283,757
	82,172,880	21,862,815	104,035,695	87,756,879
Less : Outstanding at the end of previous year	24,452,139	7,831,618	32,283,757	19,536,084
	57,720,741	14,031,197	71,751,938	68,220,795
COMMISSION	50,805,174	24,256,738	75,061,912	54,290,884
EXPENSES OF MANAGEMENT	51,978,042	16,011,848	67,989,890	57,843,479
PROFIT & LOSS ACCOUNT	46,069,448	7,273,577	53,343,025	34,213,699
BALANCE OF ACCOUNTS AT THE END OF THE YEAR AS SHOWN IN FINANCIAL POSITION				
Reserve for unexpired risks being 40% of the Net Premium Income of the year (100% of Aviation)	89,820,180	25,863,410	115,683,590	92,528,921
Tk.	296,393,585	87,436,770	383,830,355	307,097,778

Dhaka, April 30, 2012


Q.A.F.M Serajul Islam
Managing Director


Syed Nasim Manzur
Director

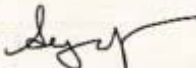
CASH FLOW STATEMENT

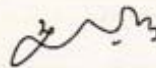
for the year ended December 31, 2011

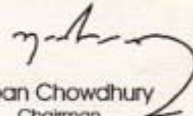
Particulars	2011	2010
	Taka	Taka
Cash flows from operating activities:		
Collection from Premium & Other Income	1,962,843,783	1,410,724,757
Management Expenses, Commission, Reinsurance & Claims	(1,579,667,269)	(1,288,073,865)
Income-tax paid	(7,500,000)	(4,500,000)
	375,676,514	118,150,892
Cash flows from investing activities:		
Purchase of Fixed Assets	(34,167,737)	(48,106,140)
Investment in Share	(27,907,101)	(1,519,322)
	(62,074,838)	(49,625,462)
Cash flows from financing activities:		
Proceed of Rights Share	150,000,000	-
Net cash inflows/ (outflows) for the year	463,601,676	68,525,430
Opening cash and bank balance	345,031,335	276,505,905
Closing cash and bank balance	808,633,011	345,031,335

Dhaka, April 30, 2012


Q.A.F.M Serajul Islam
Managing Director


Syed Nasim Manzur
Director


Abdul-Muyeed Chowdhury
Independent Director


Tapan Chowdhury
Chairman


MALEK SIDDIQUI WALI
Chartered Accountant

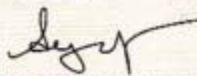
STATEMENT OF CHANGES IN EQUITY

for the year ended December 31, 2011

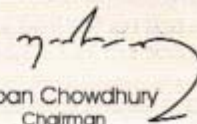
Particulars	Share Capital	Share Premium	General Reserve	Reserve for exceptional losses	Retained Earnings	Total
Equity as at January 01, 2011	187,500,000	31,500,000	4,500,000	196,375,095	67,632,703	487,507,798
Net Profit for this year (after adjustment of tax and provision for diminution in investment value)					168,881,338	168,881,338
Transfer to Reserve for exceptional losses				71,405,828	(71,405,828)	
Share Premium		112,500,000				112,500,000
Stock Dividend	46,875,000				(46,875,000)	
Right Share	37,500,000					37,500,000
Equity as at December 31, 2011	271,875,000	144,000,000	4,500,000	267,780,923	118,233,213	806,389,136

Dhaka, April 30, 2012


Q.A.F.M Serajul Islam
Managing Director


Syed Nasim Manzur
Director


Abdul-Muyeed Chowdhury
Independent Director


Tapan Chowdhury
Chairman


MALEK SIDDIQUI WALI
Chartered Accountant

Auditors' Report

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED DECEMBER 31, 2011

01. BACKGROUND:

The Company was incorporated on March 25, 1996 and obtained the Certificate of commencement of business on May 6, 1996 from the Registrar of Joint Stock Companies, Bangladesh and the certificate of commencement of Insurance Business from the Chief Controller of Insurance, Government of the People's Republic of Bangladesh on May 11, 1996.

With the permission of Securities and Exchange Commission the Company issued 900,000 ordinary shares at Tk.135/= each including premium of Tk.35/= to public in 2001 and was listed with Dhaka Stock Exchange and Chittagong Stock Exchange.

02. BASIS OF PRESENTING ACCOUNTS AND SIGNIFICANT ACCOUNTING POLICIES:

02.1 Basis of presenting Accounts:

a) These accounts have been prepared on a going-concern basis under Generally Accepted Accounting Principles according to the historical cost convention.

b) International Accounting Standards as adopted in Bangladesh and as are applicable in case of Insurance Business have been adopted by the Company.

c) The Financial Position has been prepared in accordance with the regulation contained in part I of the First schedule and as per Form "A" as set forth in part II of that schedule, Comprehensive Income Statements and Profit & Loss Appropriation Account has been prepared in accordance with the regulation contained in part I of the second schedule and as per Form "B" & "C" as set forth in part II of that schedule respectively and the Revenue Accounts of each class of General Insurance business has been prepared in accordance with the regulation 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.

02.2 Significant Accounting Policies :

a) Underwriting Business:

Gross underwriting business as well as Re-insurance thereof and claim settled etc. have been recorded separately for each class of business and the net underwriting results thereof have been reflected in the revenue accounts after due consideration of re-insurance ceded.

b) Balance of Funds & Accounts :

These have been arrived at after making provision for Unexpired Risks @ 40% of net premium income on all business except marine hull & aviation insurance where provision has been made at 100% on net premium income.

c) Recognition of Fixed Assets and Depreciation:

Fixed Assets are stated at cost less accumulated depreciation in accordance with IAS 16 "Property, Plant & Equipments." Cost represents cost of purchase price and other directly attributable cost of bringing the assets to working conditions for its intended use, but do not include any capitalized borrowing cost. Half year's depreciation has been charged on addition of assets, irrespective of date when the related assets are put into use. Depreciation on all fixed asset are computed using the reducing balance method in amounts sufficient to write off depreciable assets over their estimated useful life. Expenditure for maintenance and repairs are expensed; major replacements, renewals and betterment are capitalized. The cost and accumulated depreciation of depreciable assets retired or otherwise disposed off are eliminated from the assets and accumulated depreciation and any gain or loss on such disposal is reflected in operations for the year.

The annual depreciation rates applicable to the principal categories are:

Office Machineries	15%
Furniture & Fixture	10%
Motor vehicles	20%
Office Decoration	20%

d) Debtors and other receivables:

These are carried at billed amount, unsecured and considered good and collectible.

e) Cash and Cash Equivalents:

According to IAS 7 "Cash Flow Statement" cash comprises cash in hand and demand deposits and cash equivalents are short term, highly liquid investments that are readily convertible to know amounts of cash and which are subject to an insignificant risk of changes in value. IAS 1 "Presentation of Financial Statements" provides that Cash and Cash Equivalents are not restricted in use. Considering the provisions of IAS 7 and IAS 1, Cash in hand and bank balances have been considered as cash and cash equivalents.

f) Creditors and Accruals:

Liabilities are recognized for amounts to be paid in the future for services received, whether or not billed by the supplier.

g) Stock of stationery & Form:

Stock of stationery & forms have been valued at cost.

h) Public Sector Business:

Company's share of public sector business is accounted for the year in which the statement of accounts from the Sadharan Bima Corporation are received. Upto 31 December, 2011 statements of accounts for the period from 1st July, 2010 to 30th June, 2011 have been received from the Sadharan Bima Corporation and accordingly, the company's share of public sector business for that period has been accounted for in the accompanying accounts. This practice is being followed consistently.

i) Provision for Income Tax:

Provision for income tax has been made on the basis of Finance Act, 2011.

j) Benefit to Employees:

The company operate a gratuity scheme & provident fund, provision in respect of which has been made in the accompanying account covering all of its eligible employees.

k) Valuation of Assets:

The value of all assets at December 31, 2011 as shown in the Balance Sheet have 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.

l) Earning Per Share (EPS):

The company calculates Earnings Per Share (EPS) in accordance with IAS 33 which has been shown on the notes to the accounts.

m) Basic Earning Per Share:

This has been calculated by dividing the basic earnings by the weighted average number of ordinary shares outstanding during the year.

n) Basic Earnings:

This represents earnings for the year attributable to ordinary shareholders. As there was no preference dividend, minority interest or extra ordinary items, the net profit of the year after tax has been considered as fully attributable to the ordinary shareholders.

o) Diluted Earnings Per Share:

No diluted EPS is required to be calculated for the year as there was no scope for dilution during the year under review.

p) Cash Flow Statement:

Cash Flow Statement is prepared principally in accordance with IAS 7 "Cash Flow Statement" and the cash flow from the operating activities have been presented under direct method as prescribed by the Securities and Exchange Rules 1987.

02.3 Additional Information on Financial Statement:**a) Responsibility for Preparation and presentation of Financial Statements:**

The Board of Directors is responsible for the preparation and

presentation of financial statements under section 183 of the Companies Act 1994 and as per the provision of "The International Accounting Standards Committee" (IASC).

b) Components of the Financial Statements:

According to the International Accounting Standard (IAS) 1 "Presentation of Financial Statements" the complete set of Financial Statements includes the following components:

- (i) Statement of Financial Position as at December 31, 2011.
- (ii) Statement of Comprehensive Income for the year ended December 31, 2011.
- (iii) Related Revenue Accounts for the year ended December 31, 2011.
- (iv) Cash Flow Statement for the year ended December 31, 2011.
- (v) Statement of Change in Equity for the year ended December 31, 2011.
- (vi) Accounting Policies and Explanatory Notes.

c) Risk and Uncertainties for use of estimates in preparation of Financial Statements:

The preparation of Financial Statements in conformity with the International Accounting Standards requires management to make estimates and assumption that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the affect financial statements and revenue and expenses during the period reported. Actual results could differ from those estimates. Estimates are used for accounting of certain items such as long term contracts, provision for doubtful accounts, depreciation and amortization, employees benefit plans, taxes, reserves and contingencies.

d) Reporting period:

Financial Statement of the Company cover on calendar year from 1st January 2011 to 31st December 2011.

e) Reporting Currency and Level of Precision:

The figures in the Financial Statements represent Bangladesh Currency (Taka), which have been rounded off to the nearest Taka except where indicates otherwise.

f) Comparative Information:

Comparative information have been disclosed in respect of the year 2010 for all numerical information in the Financial Statements and also the narrative and descriptive information when it is relevant for understanding of the current period's financial statements.

Figures of the year 2010 have been rearranged whenever considered necessary to ensure comparability with the current period.

03. SHARE CAPITAL:

	2011	2010
Authorised Capital 50,000,000 Ordinary Shares of Tk. 10 each	Tk. 500,000,000	500,000,000
Issued, subscribed & paid up capital 27,187,500 Ordinary Shares of Tk. 10 each	Tk. 271,875,000	187,500,000

04. SHARE PREMIUM: TK. 144,000,000

The amount represents premium received for issuance of ordinary shares as detailed:

Premium for 900,000 Ordinary Shares @ 35/- per share	Tk.	31,500,000
Premium for 375,000 Right Shares @ 300/- per share	Tk.	112,500,000
	Total Tk.	144,000,000

05. RESERVE FOR EXCEPTIONAL LOSSES: TK. 267,780,923

This includes a sum of Tk. 71,405,828 provided as reserve for exceptional losses and represents 10% of net premium income of the year excluding Marine Hull & Aviation since 100% reserve their against have been made for unexpired risks.

06. BALANCE OF FUND & ACCOUNTS: TK.290,076,197

	2011	2010
Fire Insurance Business Account	56,664,832	29,340,328
Marine Insurance Business Account	117,727,775	97,555,111
Motor Insurance Business Account	89,820,180	71,843,137
Misc. Insurance Business Account	25,863,410	20,685,784
	290,076,197	219,424,360

The Company has provided the above fund for risk cover as per Insurance Act.

07. ESTIMATED LIABILITIES IN RESPECT OF OUTSTANDING CLAIMS WHETHER DUE OR INTIMATED: TK. 78,305,602

	2011	2010
Fire Insurance Business	9,708,373	11,682,440
Marine Insurance Business	40,539,091	10,368,391
Motor Insurance Business	22,142,336	24,452,139
Misc. Insurance Business	5,915,802	7,831,618
	78,305,602	54,334,588

All the claims of which the management is aware of as per intimation upto the year end have been taken into consideration. There is no other disputed claim.

08. AMOUNT DUE TO OTHER PERSONS OR BODIES CARRYING ON INSURANCE BUSINESS: TK. 28,252,186

This represents amount due to Sadharan Birna Corporation and other overseas re-insures.

09. PREMIUM DEPOSIT: TK. 29,335,445

This represents amount received against Marine (Cargo) cover notes, shipment of which is yet to be made and will be adjusted after issuance of policies. If shipment is not made, the amount to be refunded.

10. SUNDRY CREDITORS: TK. 289,304,683

	2011	2010
This is made-up as under:		
Provision for Income Tax	115,728,296	85,728,296
VAT	10,954,436	7,540,380
Deposit Premium (Open Cover Notes)	2,286,872	2,916,642
Earnest Money	-	59,085
Bills Payable	-	796,483
Excess premium received and deposited into Bank	3,539,723	1,426,559
Provision for Profit Bonus	19,000,000	15,480,798
Amount due to other Insurance Companies on Co-insurance scheme	44,121,236	-
Provision for Audit fees (10A)	390,000	350,000
Provision for Commission	56,500,000	12,227,770
Benevolent Fund	102,813	27,272
Security agt. Enlistment of Printing	35,000	35,000
Provident Fund	118,888	-
Security Deposit- Car	-	25,000
Received agt. Vehicle Scheme	4,396,312	3,474,031
Provision for Leave pay & Gratuity	9,946,006	9,793,328
Provision for diminution in Investment Value	5,640,782	-
I.T. Deducted at source-Commission	15,000,000	-
I.T. Deducted at source	1,014,221	318,433
VAT Deducted at source	530,098	361,527
	289,304,683	140,560,604

Income Tax Provision is made as per Finance Act, 2011.

Deposit premium (open cover notes) represent amount received from Insured against Marine (Cargo) Open Cover Notes / Open Policies.

Provision for Profit Bonus is made for the employees of the Company.

10A. PROVISION FOR AUDIT FEES: TK. 390,000

This is made-up as follows:	2011
Annual Audit fees, 2011	70,000
Special Audit fees, 2011	100,000
Special Audit fees, 2010	80,000
Special Audit fees, 2009	70,000
Special Audit fees, 2008	70,000
	390,000

11. NATIONAL INVESTMENT BOND: Tk.9,000,000

This amount represents 3 years National Investment Bond with Bangladesh Bank as statutory deposit under Insurance Act.

12. INVESTMENT IN SHARES: TK. 276,630,753

The balance is made-up as follows:

Company	No. of Share	Book value	Market value as at 29.12.2011	Provision for Diminution in investment value
Mutual Trust Bank Ltd.	14,915,720	185,116,152	514,592,340	
EXIM Bank Ltd.	298	3,063	8,284	
ACI Formulation	5,900	977,571	525,100	(452,471)
Grameemphone	586,700	48,349,035	95,925,450	
Bangladesh General Insurance Co	36	2,159	1,775	(384)
Green Delta Insurance Co. Ltd.	160	25,694	24,384	(1,310)
United Insurance Co. Ltd	100	6,124	4,470	(1,654)
Peoples Insurance Co. Ltd.	570	16,346	22,230	
Eastern Insurance Co. Ltd.	200	5,822	18,340	
Janata Insurance Co. Ltd.	200	2,761	74,000	
Phoenix Insurance Co. Ltd.	112	6,938	9,184	
Eastland Insurance Co. Ltd.	200	15,119	13,600	(1,519)
Central Insurance Co. Ltd.	200	3,916	10,000	
Kharnaphuli Insurance Co. Ltd.	200	3,193	10,600	
Rupali Insurance Co. Ltd.	200	4,598	19,000	
Federal Insurance Co. Ltd.	500	7,028	20,000	
Reliance Insurance Ltd.	170	2,905	17,357	
Progati Insurance Ltd.	190	5,273	14,972	
Prime Insurance Co. Ltd.	220	1,720	11,858	
Mercantile Insurance Co. Ltd.	160	5,619	7,168	
Agrani Insurance Co. Ltd.	600	5,734	24,780	
Global Insurance Co. Ltd.	600	6,223	27,600	
BD Finance	4,000	863,404	251,200	(612,204)
Jamuna Oil Ltd.	5,000	2,211,647	896,000	(1,315,647)
Peoples Leasing	12,500	2,099,715	866,250	(1,233,465)
Malek Spinning Mills Ltd.	1,052,000	29,372,742	34,190,000	
Summit Port	15,000	1,735,388	868,500	(866,888)
ICB AMCL 2nd	227,000	3,175,540	2,020,300	(1,155,240)
Beacon Pharma	1,000	29,874	31,000	
Central Depository Bangladesh Ltd.	256,945	2,569,450	-	
Mutual Trust Bank Ltd.	2,976,230	-	102,679,935	
Malek Spinning Mills Ltd.	105,200	-	3,419,000	
Summit Port	1,250	-	72,375	
Prime Insurance Co. Ltd.	66	-	3,557	
Peoples Leasing	3,000	-	207,900	
BD Finance	880	-	55,264	
Agrani Insurance Co. Ltd.	60	-	2,478	
Peoples Insurance Co. Ltd.	28	-	1,092	
Global Insurance Co. Ltd.	60	-	2,760	
Jamuna Oil Ltd.	2,800	-	501,760	
Total		276,630,753	757,451,863	(5,640,782)

13. INTEREST, DIVIDENDS & RENTS ACCRUED BUT NOT**RECEIVED: TK. 93,484,911**

	2011	2010
FDR Interest	65,589,915	49,601,489
NIB Interest	2,699,506	1,934,506
Dividend	25,195,490	-
	93,484,911	51,535,995

- The above amount represents interest & Dividend earned but not received during the year.

14. SUNDRY DEBTORS: TK. 229,385,866

This is made-up as under:

	2011	2010
Deposit Clearing	81,433,208	127,922,887
Security Deposit against :		
Office Rent	3,721,948	3,664,744
Telephone	130,352	130,352
Advance against :		
Office Rent	9,902,117	11,016,458
Salary	162,834	387,810
General Average	2,487,083	2,487,083
Decorations	1,500,000	1,700,000
Internet	3,000	3,000
House Building Loan to Employees	7,191,320	-
VAT agt. O/R		2,878,048
Provident Fund		461,599
Balance with MTBL (DP House)	4,208	46,334,575
Amount due from other Insurance Companies on Co-Insurance scheme	46,500,874	(3,616,437)
Advance VAT	15,772,104	19,811,583
Advance Tax	49,896,888	42,498,499
Advance Tax on Bank Interest	3,862,579	2,185,623
Advance Tax on Dividend Income	6,817,351	-
	229,385,866	257,865,824

- The deposit clearing represents the amount of outstanding premium having received by the company within 31st March, 2012.

- Regular adjustments have been made on advance against office rent.

15. CASH & BANK BALANCES: TK. 808,633,011

The balance is made-up as follows:

	2011	2010
a) In hand:		
Cash	2,035,581	1,724,030
b) At Banks:		
Fixed Deposit Account	619,350,016	274,129,317
STD & Current Account	187,247,414	69,177,988
	806,597,430	343,307,305
Tk. (a + b):	808,633,011	345,031,335

16. FIXED ASSETS: TK. 100,295,736

The above amount is as per schedule: A-1.

- Addition to fixed assets Furniture, Computer, Motor Vehicle, Telephone etc. which shown in the schedule A-1.

17. INVESTMENT INCOME: Tk. 123,221,165

This balance is made up as under:

	2011	2010
Interest on F.D.R.	46,118,503	29,292,905
Interest on S.T.D	6,060,488	1,253,717
Interest on N.I.B	765,000	765,000
Dividend Income	42,408,518	1,067,279
Profit on Sale of Share	27,868,656	84,964,120
	123,221,165	117,343,021

18. EXPENSES OF MANAGEMENT: TK. 203,962,781

Expenses of Management represents salary, office rent, telephone bill, printing & stationery, electric bill, public sector business expenses and other revenue expenses.

19. EARNING PER SHARE:

	2011	2010	
		Restated	Actual
After Tax	6.42	4.05	5.88
After Tax & Reserve for Exceptional Losses	3.79	2.14	3.11

20. CLAIMS PAYMENT: TK. 184,370,827

During the year, the company paid the following Gross Claims including public sector:

	2011	2010
Fire Insurance Business	65,490,599	158,017,352
Marine Insurance Business	37,435,475	42,147,968
Motor Insurance Business	63,355,726	51,171,184
Misc. Insurance Business	18,089,027	5,128,119
	184,370,827	256,464,623

All the company's claims have been settled after proper scrutiny.

21. SUBSEQUENT EVENT :

There was no significant event that has occurred between the Financial Position date and the date when the financial statements are authorized for issue by the Board of Directors.

22. RELATED PARTY DISCLOSURE: Tk. 311,506,685

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 Bangladesh Accounting Standard 24: Related Party Disclosures. The Company opines that the terms of related transactions do not significantly related party transactions at the end of the year 2011.

Name of the Related Party	Relationship	Nature of Transaction	Taka
Apex Adelchi Footwear Ltd	Common Director	Insurance Business	42,345,711
Apex Tannery Ltd.	Common Director	Insurance Business	12,091,635
ACI Group	Common Director	Insurance Business	65,907,894
Softech	Common Director	Insurance Business	62,484
Square Group	Common Director	Insurance Business	97,510,970
Bashundhara Group	Common Director	Insurance Business	78,704,906
BNS Group	Common Director	Insurance Business	2,075,305
Palmal Group	Common Director	Insurance Business	11,795,891
Shamsul Alamin Group	Common Director	Insurance Business	1,011,889
Total			311,506,685

23 GENERAL :

1. No. of Employees received salary upto Tk. 3,000: Nil
2. No. of Employees received salary above Tk. 3,000: 447 Nos.
3. The Company has no contingent liability.
4. The Board of Directors received no remuneration from the company other than fees for attending the Board meetings.
5. During the year,08 Nos. of Board Meetings were held.
6. All shares have been fully called and paid up.
7. There was no preference shares issued by the company.
8. There was no bank guarantee issued by the company on behalf of their directors or the company itself.

Dhaka, April 30, 2012


MALEK SIDDIQUI WALI
Chartered Accountant

SCHEDULE OF FIXED ASSETS

as at December 31, 2011

Schedule A-1

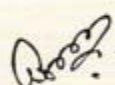
PARTICULARS	COST				Rate	DEPRECIATION				WRITTEN DOWN VALUE	
	As on 01.01.2011	Adjustment	Addition During the year	Total 31.12.2011		As on 01.01.2011	Adjustment	During the year	Total 31.12.2011	As on 31.12.2011	As on 01.01.2011
Furniture & Fixtures	7,195,571		979,186	8,174,757	10%	3,089,539		459,562	3,549,101	4,625,656	4,106,032
Office Machineries	2,769,128		110,911	2,880,039	15%	1,429,291		209,294	1,638,585	1,241,454	1,339,837
Air Conditioner	6,564,098		772,832	7,336,930	15%	2,568,777		657,261	3,226,038	4,110,892	3,995,321
Computer	5,508,509		586,909	6,095,418	15%	2,810,581		448,707	3,259,288	2,836,130	2,697,928
Telephone Installation	2,383,620		38,770	2,422,390	15%	1,626,275		116,510	1,742,785	679,605	757,345
Electric Equipment	1,663,487		150,000	1,813,487	15%	911,011		124,121	1,035,132	778,355	752,476
Motor Vehicle	57,610,851		16,092,624	73,703,475	20%	25,675,597		7,996,313	33,671,910	40,031,565	31,935,254
Signboard	1,326,826		60,190	1,387,016	20%	904,053		90,574	994,627	392,389	422,773
Croceries	314,475		20,933	335,408	20%	291,507		6,687	298,194	37,214	22,968
Office Decoration	28,471,769		4,761,942	33,233,711	20%	11,784,676		3,813,613	15,598,289	17,635,422	16,687,093
Fiat	17,333,614		10,593,440	27,927,054						27,927,054	17,333,614
Grand Total	131,141,948	0	34,167,737	165,309,685		51,091,307	0	13,922,642	65,013,949	100,295,736	80,050,641

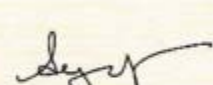
FORM- AA

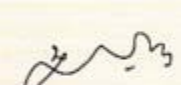
Classified Summary of the Assets in Bangladesh as at December 31, 2011

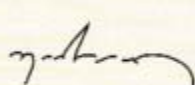
Assets	2011 (Book Value)	2010 (Book Value)
	Taka	Taka
Statutory Deposit with Bangladesh Bank (National Investment Bond)	9,000,000	9,000,000
Investment with Shares	276,630,753	248,723,652
Fixed Deposit with Banks	619,350,016	274,129,317
STD A/C with Banks	181,385,499	62,121,390
Current A/C with Banks	5,861,915	7,056,598
Cash in hand	2,035,581	1,724,030
Stamp in hand	2,706,709	4,000,457
Interest, dividend and rents accrued but not received	93,484,911	51,535,995
Other Assets:		
Sundry Debtors	229,385,866	257,865,824
Printing & Stationery	1,526,263	1,837,125
Fixed Assets	100,295,736	80,050,641
Total	1,521,663,249	998,045,029

Dhaka, April 30, 2012


Q.A.F.M Serajul Islam
Managing Director


Syed Nasim Manzur
Director


Abd-Muyeed Chowdhury
Independent Director


Tapan Chowdhury
Chairman


MALEK SIDDIQUI WALI
Chartered Accountant