



বার্ষিক প্রতিবেদন  
২০২৬



সাধারণ বীমা কর্পোরেশন  
SADHARAN BIMA CORPORATION  
(রাষ্ট্রীয় খাতে একমাত্র নন-লাইফ বীমা ও পুনঃবীমা প্রতিষ্ঠান)

ANNUAL REPORT 2023

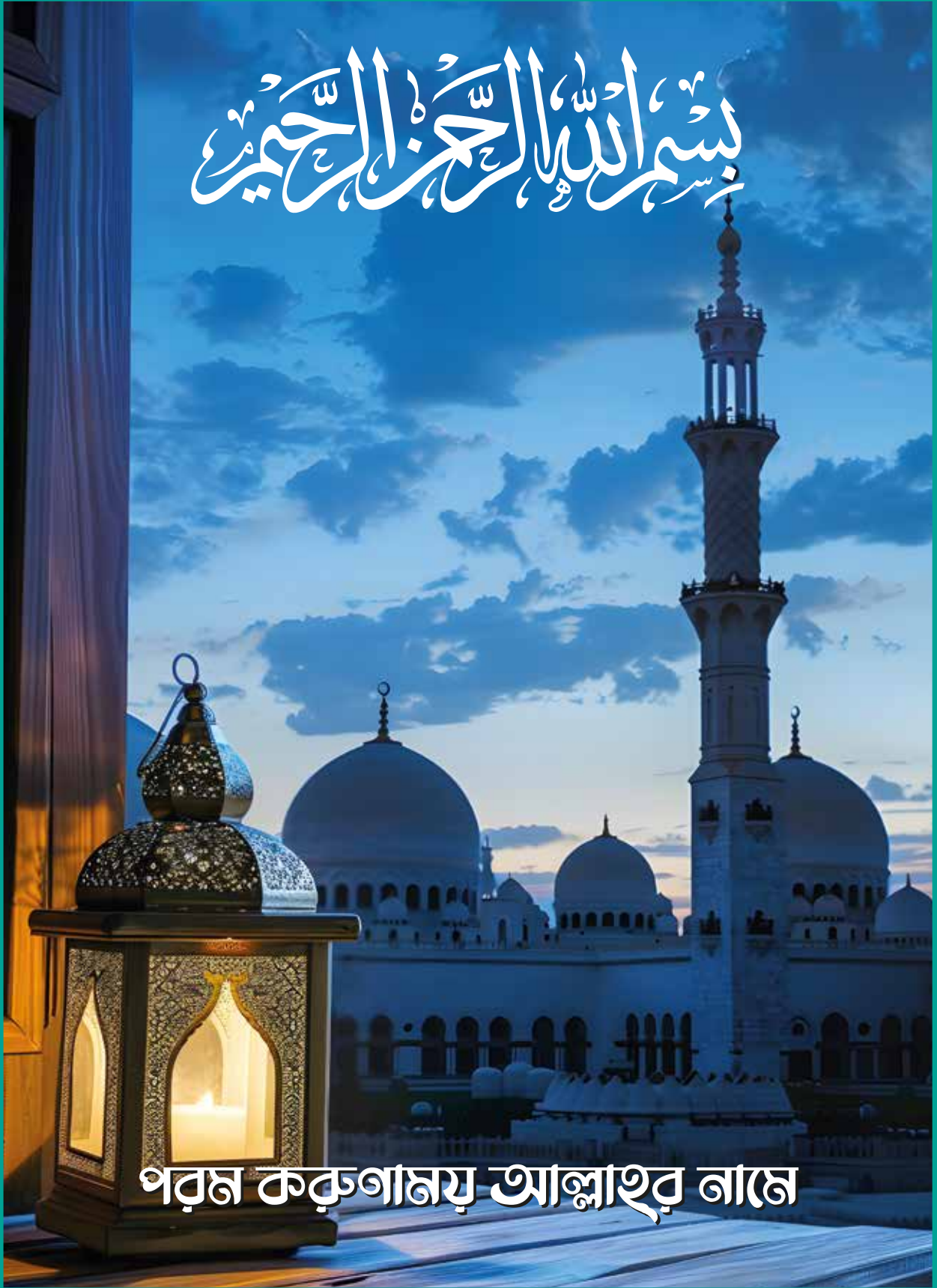
SECURITY AND PROGRESS

ANNUAL  
REPORT  
2023



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بِسْمِ اللَّهِ الرَّحْمَنِ الرَّحِيمِ



ପଠନ କଢ଼ଗାୟ ଆଲ୍ଲାହ୍‌ର ନାମେ



# বার্ষিক প্রতিবেদন ২০২৬



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SADHARAN BIMA CORPORATION



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# ABOUT US

## SADHARAN BIMA CORPORATION

Sadharan Bima Corporation (SBC) is only state-owned Non-Life Insurance Corporation operating under the direct control and supervision of the Ministry of Finance, Financial Institutions Division, and the Government of the People's Republic of Bangladesh. It emerged on 14th May, 1973 under the Insurance Corporations Act (Act No. VI) of 1973 subsequently repealed by the Insurance Corporation Act 2019 to deal with all classes of general insurance & re-insurance business emanating in Bangladesh.

Thereafter, SBC was acting as the sole insurer of general Insurance in Bangladesh till 1984. In the year 1984 Bangladesh Government allowed insurance companies in the private sector and to that effect promulgated the insurance corporations (Amendment) Ordinance 1984.

Sadharan Bima Corporation has a very strong financial base. It has a market share of over 20 % of the total non-life premium income of the insurance market of Bangladesh. As the largest non-life insurance enterprise in the country, SBC's authorized capital is Tk. 10 billion and paid up capital of Tk. 5 billion only as per regulatory provision in the country.





## PROFILE OF THE CORPORATION

With the emergence of Bangladesh as an independent nation, banking and other major industrial sector was nationalized along with insurance sector. At the initial stage of the nationalization of insurance industry, five Government owned insurance corporations (two in life sector and two in non-life sector) including one controlling corporation were established by the government. Due to operational difficulties, the insurance industry was further reconstructed in 1973 by passing the Insurance Corporations Act VI of 1973 and establishing two corporations -one for general insurance in the name of Sadharan Bima Corporation and one for life insurance in the name of Jiban Bima Corporation. By virtue of the Insurance Corporations Act VI of 1973, Sadharan Bima Corporation was privileged as the sole insurer for the non-life insurance business in Bangladesh. SBC enjoyed this monopoly till 1984. Then the Government amended the Insurance Corporations Act, 1973 by Ordinances No Land LI of 1984 allowing the formation of Private Insurance Companies to underwrite general insurance business for the private sector insurance business only. In the Year 1990, the Insurance Corporations Act, 1973 was further amended by the Insurance Corporation

(Amendment) Act, 1990 wherein it was provided that Sadharan Bima Corporation will underwrite 50% of all Government properties and the rest 50% of the government property will be underwritten by the private insurance companies.

Thereafter, in pursuance of the decision of the Government a Memorandum of Agreement (MOA) was signed between SBC and the non-life insurance companies where it was agreed that Sadharan Bima Corporation's business relating to public property will be distributed to the Private non-life Insurance Companies on equal basis after retaining 50%. The above change resulted in adverse impact on the direct premium income of the Corporation.

The Insurance Corporation Act. 1973 has been repealed and the Insurance Corporation Act. 2019 has been promulgated on 09 may, 2019 where in it is provided that Sadharan Bima Corporation will underwrite 100% of all Public properties and distribute 50% of the same to all the private Non-Life Insurance Companies transacting in Bangladesh on equal basis keeping 50% in its own account.

# SERVICE

## PRODUCTS AND SERVICES

### (a) Property Insurance

- ❖ Fire Insurance Policy with allied perils
- ❖ Industrial All Risks Policy
- ❖ Business Interruption Policy
- ❖ Household All Risks Policy
- ❖ Power Plant Operational Package Insurance Policy
- ❖ Hotel Owners All Risks Insurance Policy

### (b) Marine Insurance

- ❖ All Types of Marine Cargo Policy
- ❖ All Types of Marine Hull Policy

### (c) Motor Insurance

- ❖ Automobile Comprehensive Policy
- ❖ Automobile Act Liability Policy

### (d) Engineering Insurance

- ❖ Machinery Insurance Policy
- ❖ Comprehensive Machinery Insurance Policy
- ❖ Contractor's All Risks Policy including TPL
- ❖ Erection All Risks Policy including TPL
- ❖ Electronic Equipment Policy
- ❖ Deterioration of Stock Policy
- ❖ Boiler & Pressure Vessel Policy
- ❖ Contractor's Plant & Machinery Policy (CPM)

### (e) Aviation Insurance

- ❖ Aviation Hull All Risks including War Risks Policy
- ❖ Aviation Primary Legal Liability Policy
- ❖ Loss of License Policy
- ❖ Airport Liability Policy
- ❖ Aviation Personal Accident Policy

### (f) Miscellaneous Insurance

- ❖ Public Liability Policy
- ❖ Burglary & House Breaking Policy
- ❖ Money Insurance Policy
- ❖ Cash in Transit Policy
- ❖ Cash in Safe Policy
- ❖ Cash on Counter Policy
- ❖ Fidelity Guarantee Policy
- ❖ Employer's Liability / Workmen's Policy
- ❖ Compensation Policy
- ❖ Personal Accident Policy
- ❖ People's Personal Accident Policy
- ❖ Personal Accident Policy for Air Travel only
- ❖ Comprehensive Air Travel Policy
- ❖ Traveler's Baggage Policy
- ❖ Professional Indemnity Policy
- ❖ Product Liability Policy
- ❖ Dread Disease Policy
- ❖ Overseas Mediclaim Policy for Business/ Holiday Tour/ Study/ Employment
- ❖ Livestock/Cattle Insurance Policy
- ❖ Export Credit Pre-shipment Policy
- ❖ Export Credit Post-shipment Policy
- ❖ Export Credit Comprehensive Policy
- ❖ BBB (Banker's Blanket Bond) Policy
- ❖ Bangabandhu Suraksha Bima
- ❖ Satellite Insurance



# VALUES

## VALUES WE DELIVER TO OUR STAKEHOLDER

We believe our first responsibility is to the customer, society, our people and country as a large. We highly admit that we have core responsibility to our different stakeholders group. We deliver values to our stakeholder's at best possible ways. Our value delivery system for different stakeholders are as follows:

### Our Customer

We always try our best to serve our Customers' demands promptly and accurately. We ensure better customer service through:

- Understand well what we can deliver
- Understand our customer needs
- Respond quickly
- Respects our customer
- Never forget to say thanks to our customer
- Expects feedback from our customer and we response.

### Our Society

SBC admits the responsibility to the communities in which it operates and work as well as to the world community as well. We support good works and charities and bear our fair share of contribution to the society. We must maintain in good order the property. We are privileged to use, protecting the environment and natural resources.

### Our People

We are responsible to our employees. We must respect their dignity and recognize their merit. They must have a sense of security in their jobs. We highly appreciate the creativity of our employees and people. Employees feel free to make suggestions and complaints. There are equal opportunity for employment, development and advancement for those qualified.

### Our Stakeholder

We are finally responsible to our stakeholders. We always ready to make a sound profit. We must experiment with new ideas. We encourage innovative programs so that our ability to serve customer improved as a result our shareholder (Government) gets fair returns. We try to introduce new services in line with global needs. Each year we maintain a sound reserve to provide for adverse times. Principle of fair return is always keep in utmost importance at SBC.



# BOARD OF DIRECTOS



**Dulal Krishna Saha**  
Chairman



**Badre Munir Firdaus**  
Director



**Md. Abdus Samad Al Azad**  
Director



**Md. Firoz Ahmed**  
Director



**Professor Abdullah Al Mahmud**  
Director



**Ms. Fouzia Haque, FCA**  
Director



**Md. Jahid Hossain**  
Director



**Md. Harun-Or-Rashid**  
Managing Director



## PROFILE OF THE BOARD OF DIRECTOR

**Dulal Krishna Saha**  
Chairman,  
Board of Directors  
Sadharan Bima Corporation

Mr. Dulal Krishna Saha, Chairman, Sadharan Bima Corporation, accomplished his career in Bangladesh Civil Service as the Secretary to the Government of Bangladesh. He served in the National Skills Development Authority (NSDA) as Executive Chairman (Secretary) for almost two years. Before that, he served more than two years as an Additional Secretary in the Ministry of Public Administration. He also served as Law Officer and Secretary in Dhaka North City Corporation, Director, Rajuk and Deputy Director in Export Promotion Bureau. He was an Additional Deputy Commissioner, Upazilla Nirbahi Officer, Charge Officer of zonal settlement office, Magistrate PDB, Magistrate 1st Class, Senior Assistant Commissioner and Assistant Commissioner in different Districts and Upazillas. He is an officer of 9th BCS Administration Cadre (1988-89) & joined Rangpur Collectorate as an Assistant Commissioner in January 1991.

He earned his MSS in Political Science from the University of Dhaka. He also completed his LLB.

While in Service, he received many short and long term training from various training institutions. He participated in overseas training courses in Japan, Italy, Thailand, Malaysia and USA. He has also gathered Research Experience on the topic of "Comprehensive Report on Logistics Sector of Bangladesh" as an Individual Consultant under SSGP project of ERD, Ministry of Finance.

He was born in 1963 in an aristocratic Hindu family in Kamargoan village of Vhagyakul union of Sreenagar Upazilla in Munshigonj District.

His wife Nilima Rani Saha is a homemaker. They are blessed with three Children.



## Badre Munir Firdaus

Director  
Sadharan Bima Corporation

Mr. Badre Munir Firdaus has joined Financial Institutions Division (FID) as the Joint Secretary on October 12, 2021. Prior to that he worked as a Joint Secretary in the Ministry of Youth and Sports. In Financial Institution Division he works as Joint Secretary (Central Bank and Commercial Bank). Mr. Badre Munir Firdaus is a member of the 11th batch of the BCS (Administration) Cadre. He joined Khulna Deputy Commissioner (DC) Office as an Assistant Commissioner in 1993. Later, he worked in the field Administration of the government of Bangladesh in different position like Assistant commissioner (Land), Upazila Nirbahi Officer (UNO). He held the position of Deputy Commissioner (DC) in Noakhali District for more than two years. He also worked as First-Class Magistrate in several Districts in Bangladesh. As Deputy Secretary he worked in Cabinet Division.

He has achieved Bachelor and Master Degree in Management from University of Dhaka. He obtained another master degree in Public Policy and Management. While in service, he received various short-term and long term training at home and abroad. For Official purpose he traveled to USA, UK, Australia, Singapore, India, Thailand, Germany, Spain and Greece.

In addition to his usual duties, he is actively working as one of the Directors in the Board of Sadharon Bima Corporation and Board of Bangladesh Municipal Development Fund (BMDF).

Mr. Badre Munir Firdaus was born in a prestigious Muslim family in Dinajpur district. In his personal life, he is a proud father of two children. His wife named Mrs. Sabina Alam is an Additional Secretary to the government of the People's Republic of Bangladesh. Currently she is posted of the Ministry of Religious Affairs, Bangladesh Secretariat, Dhaka.



## Md. Abdus Samad Al Azad

Director  
Sadharan Bima Corporation

Md. Abdus Samad Al Azad is a Joint Secretary, Ministry of Commerce, Government of the People's Republic of Bangladesh. He acquired B.A & M.A degree with major in English Language and Literature from Dhaka University. Mr. Azad started his career in teaching in 1994 as a Lecturer. He joined the Bangladesh Civil Service (Tax) Cadre in 1995. His twenty-nine years of work and professional experience includes 28 years in different capacities in the Government Service. He was involved in policy input for expediting and implementing "Ease of Doing Business in 2019" which marked the improvement of Bangladesh eight notches up from the previous year. Mr. Azad coordinated "Business Climate Dialogue" with the European Union and European Business Enterprises operating in Bangladesh, Cross-border paperless trade, a trade facilitation initiative being implemented with the



support of United Nations Economic and Social Commission for Asia and the Pacific.

Mr. Azad worked in Taxation Policy, Taxation Legal & Enforcement in the National Board of Revenue. He worked as Chief Coordinator of Budget in the National Board of Revenue and a focal point of the Internal Resources Division, Ministry of Finance for setting up of the targets and indicators of SDGs (Specially goals 8, 17 of the SDGs) held at Implementation Monitoring and Evaluation Division (IMED) under the Ministry of Planning which is responsible for coordinating among different Divisions and Ministries of the government. He participated in the "Trade Policy Review" of Bangladesh by World Trade Organization. He also worked in various capacities as Assistant Commissioner, Deputy Commissioner, Joint Commissioner and Additional Commissioner of Taxes in Bangladesh Taxation Service. He worked in Large Taxpayers Unit (under a DFID funded project namely RIRA) since its inception in 2003. Mr. Azad contributed significantly in different policy making related to Taxation Policy, Import Export Policy, Foreign Trade Agreement Policy and Transit related matter.

He attended various foreign training and seminar programs such as ESCAP-ARNET-ITD Trade Facilitation for Sustainable Development Workshop

2019, Bangkok, Thailand, Commonwealth Trade Ministers Meetings and Senior Officials Meetings 2019, London, United Kingdom, Regional Consultation in Preparation for the WTO MC 12, Harnessing Trade for Sustainable Development with Focus on Asia-Pacific Least Developed Countries, 2019, UNCC, Bangkok, Governance for Achieving Sustainable Development in Bangladesh 2019, Macquarie Graduate School of Management, Australia. He also participated in budget, audit related programs organised by World Bank, Organization of Economic Co-operation & Development (OECD).

Mr. Azad participated as discussant/ lecturer/ presenter of Tax Compliance, Tax Regulations, Tax Policy etc. in various Institutions like Taxation Academy, Bangladesh Petroleum Corporation, Institute of Cost and Management Academy, Centre for Tax Training and Research, Bangladesh Foreign Trade Institutions (BFTI) etc.

He visited countries for professional and personal development such as South Korea, Indonesia, Singapore, Malaysia, Hong Kong, Saudi Arabia, USA, UK, Switzerland, the Netherlands, Austria, Slovakia, UAE, Japan, India, Vietnam, France, Hungary, China, Turkey, Australia, Thailand and Bhutan.



Md Firoz Ahmed is working as Joint Secretary in Finance Division, Ministry of Finance. He joined in civil service in 2001. He served in Ministry of Public Administration and Ministry of Science and Technology. He also served at district level field offices as Assistant Commissioner, Upazila Nirbahi Officer and Additional Deputy Commissioner in several districts. He got Masters in Social Science from National University in Economics. He is a syndicate member of Islamic Arabic University and also a board member of Marine Fisheries Academy.

## Md Firoz Ahmed

Director

Sadharan Bima Corporation

Joint Secretary, FID, Ministry of Finance

Government of Bangladesh



### **Professor Abdullah Al Mahmud**

Director  
Sadharan Bima Corporation

Dr. Abdullah Al Mahmud is an expert in capital market. His home district is in Faridpur. He is currently serving as a Professor at Department of Banking and Insurance in the University of Dhaka. He has been doing research in financial market area.

Dr. Mahmud did his Bachelor of Business Administration in Finance and Banking and Master of Business Administration in Banking from university of Dhaka with perfect CGPA (4.00 on a 4.00 point scale). He was awarded Prime Minister Gold Medal for achieving outstanding results at University of Dhaka. Dr. Mahmud was also awarded prestigious Fulbright Scholarship from United States Department of State to pursue higher studies at USA. Dr. Mahmud did MBA in International finance and M.Sc. in International Economics and Finance with distinction from Brandeis University, USA. Dr. Mahmud earned his PhD in International Economics and Finance with a dissertation focused on 'Empirical Corporate Finance and Capital Market Structure' from Brandeis University, USA. In addition, he also participated in several academic and Professional trainings in finance and banking arena at home and abroad.

Dr. Mahmud's research interest is in the area of internal structure of capital market, empirical corporate finance, empirical entrepreneurial finance, and topics in applied game theory. His recent research has focused on various aspects of the initial public offerings (IPOs) and seasoned issues of equity (SEOs); various aspects of venture capital; empirical topics in capital structure; theoretical and empirical topics in corporate governance and finally, various topics of financial asset pricing in financial market. Dr. Mahmud has published several empirical articles in the above and other topics in the prominent domestic and international journals. Dr. Mahmud participated in several domestic and international academic conferences. He presented scholarly paper in the Northeast Decision Sciences Institute Conference, USA, Financial Management Association Conference, USA, and Doctoral Student Presentation in the American finance Association Conference, USA. He is also serving as reviewer of several national and international journals. He has served on the program committees of many national and international finance conferences. His research was supported by various national and international grants such as SME foundation and Rosenberg Research Grant from the Rosenberg Institute of Global Finance at Brandeis International Business School, USA.

Dr. Mahmud taught various courses on finance and economics such as fixed income securities, corporate finance, portfolio management, Financial Institutions and Market, Financial Modeling, Financial Engineering.

Options and Derivatives, Advanced Derivatives, financial economics, Insurance and Risk Management, Development Economics, and Microeconomics. Dr. Mahmud also worked as an adjunct faculty in the reputed national and international universities such as Daffodils International University, United International University, Boston College (USA), Harvard Summer School of Harvard University (USA), and Brandeis University (USA). He is serving as a Coordinator of Executive MBA Program, Department of Banking and Insurance, University of Dhaka. Dr. Mahmud was a research fellow at the Boston Research Data Center of the Center for Economic Studies of the U.S. Census Bureau and the National Bureau of Economic Research, USA.



## Ms. Fouzia Haque, FCA

Director

Sadharan Bima Corporation

Ms. Fouzia Haque, FCA, Qualified as a Chartered Accountant from The Institute of Chartered Accountants of Bangladesh (ICAB) in 2007. Presently she is council member & vice president (operations & members' services) of ICAB for the year 2022. She is engaged as a partner of FAMES & R, Chartered Accountants, Dhaka (Previously the Firm name was Zaman Hoque & Co. Chartered Accountant) from 1st January 2012 and continuing.

Ms. Fouzia Haque, FCA completed M.Com in Management from the University of Dhaka in 1996. She worked at BRAC & BRAC University in different position in financial discipline and control from the year 1992 and finally discontinued from BRAC University as Head of Finance in the year 2004. She Joined as Manager (Audit) at Zaman Hoque & Co. Chartered Accountants, Dhaka. She worked as Director & Consultant at ACNABIN, Chartered Accountants, Dhaka. She was Financial Consultant of World Bank Bangladesh from the month of March, 2009 to September, 2010.

She provided major professional services for many organizations. She visited Japan, Russia, India, Nepal, Myanmar, Vietnam, Singapore, Dubai, Mauritius, South-Korea, Morocco, Philippines, Egypt, Turkey and United Arab Emirates in her long professional career.

Currently she is a Director in ICB Capital Management Ltd. She was involved as Independent Director of the Acme Laboratories Limited for last six years. She is a Board Member of Campaign for Popular Education (CAMPE). She is also the Chairman of Lets Do Foundation and involved in other social & volunteer activities.



## Md. Jahid Hossain

Director

Sadharan Bima Corporation

Joint Secretary, FID, Ministry of Finance

Government of Bangladesh

Mr. Md. Jahid Hossain is the Joint Secretary at the Financial Institutions Division (FID), Ministry of Finance. He is also bestowed with the additional Charge of Bangladesh Insurance Academy as a Director of the Academy. As a representative of Bangladesh Insurance Academy, Mr. Hossain joined Sadharan Bima Corporation (SBC) on 23 December 2023 as a Director of the Board.

Mr. Hossain graduated in BBA from the School of Management, Khulna University. He did his MSc in Development Studies from the University of Bradford, UK. He also obtained a Master of Population Sciences (MPS) from the University of Dhaka. He has been awarded a good number of scholarships in his academic career. Before joining FID, he served in different capacities in the Ministry of Civil Aviation and Tourism, Ministry of Environment, Forest and Climate Change, Ministry of Commerce, Local Government Division and Finance Division. He also served as a consultant with UNDP in 2010-2011. After joining Bangladesh Civil Service, he served in different capacities in various capacities. He has participated in different Local and International Training Programs, Seminars, Workshops and Dialogues on Law and Administration, Fiscal Economics and Economic Management, Budgeting and Accounting Systems, Public Procurement, Strengthening Local Government, E-Government and Public Service Transformation, etc. He has publication on the Public-Private Partnerships Framework in India and Bangladesh for Infrastructure Development in the Journal of Global Economy. He visited the United Kingdom, Australia, Canada, Switzerland, Germany, Italy, Japan, Singapore, Brazil, Netherlands, Malaysia, France, Spain and many other countries.



**Md. Harun-Or-Rashid**  
Managing Director  
Sadharan Bima Corporation

Md. Harun-Or-Rashid joined Sadharan Bima Corporation (SBC) as Managing Director on September 11, 2023. After joining in the Civil Service in 1994, he served to the Government of Bangladesh in different capacities in various Ministries/Divisions including Bangladesh Oil, Gas and Mineral Corporation (Petrobangla) and in National Board of Revenue. Beside Government Service, he also worked as an International Consultant in Timor-Leste and National Consultant with World Bank in lien.

He obtained MBA from IBA of University of Dhaka and did MA in Government Financial Management from University of Ulster of United Kingdom.

He has successfully completed different training in home and abroad. Apart from this, he has visited many countries including USA, UK, Canada, Australia for attending training, workshop etc.





## MESSAGE FROM THE Chairman

On behalf of the Board of Directors and myself, I extend my heartfelt thanks and gratitude to all of you for the continued trust and confidence bestowed in our corporation. It is a great opportunity for me to present the Annual Report of Sadharan Bima Corporation (SBC) for the year 2023. This report reflects the strong performance of the corporation and the strategies and policies that were undertaken to sustain that performance.

Bangladesh is one of the fastest growing economy in South Asia. It became independent in 1971 after nine-month long liberation war. Bangladesh is now undergoing a huge change. After a massive student protest, a new interim govt. is formed under the leadership of renowned Noble Laureate Dr. Mohammad Yunus. The mass revolution occurred at the cost of many lives. Students actively participated in the protest from the beginning. Later on, different sections of the society supported the movement and bring back the justice. I pay my homage to those people who sacrificed their lives and inspired others to be the part of this change.

In 2023, there have been significant transformations in the global political, economic, and security landscape. The world is gradually moving forward from the aftermath of the COVID-19 pandemic, with nations actively striving to recover from economic downturns. However, the overall economy of Bangladesh was not in favour of the businesses. It had to face huge crises in foreign exchange mainly due to the shortage of inward remittance and desired export and continuation of payment against foreign commitment, maintenance of USD quota for individual travelers and import of essential goods and raw materials to factory. Nevertheless, the central bank drastically controlled the outgo of USD limiting letters of credit which heavily disrupted the normal marine cargo insurance business in the insurance sector of Bangladesh.

Despite the stable growth rate (around 4%) of the Bangladesh insurance industry in the past decade, the non-life sector has experienced a downward trend



in the last couple of years because of poor investment and slowdown of economic activities. Experts have the fear of undergoing similar experience in 2024. The penetration rate of insurance in Bangladesh is 0.5% of GDP (Life 0.4% & Non-life 0.1%) which is far below the standard as compared to other South Asian nations. In the developed countries, contribution of insurance to their GDP (gross domestic product) has reached a substantial percentage. However, our market has been remaining untapped, which is obviously promising in terms of the potential for bringing the vast majority of the people under the umbrella of insurance.

Sadharan Bima Corporation started its operation as a monopoly insurance company 51 years ago. It is now playing an important role in the fast-changing insurance market of Bangladesh along with 45 private general insurance companies. Apart from underwriting private sector business, Sadharan Bima Corporation stands as the insurer of public sector assets on its own behalf and also on the behalf of private sector non-life insurance companies. It is also playing a role of national reinsurer to the insurance industry.

- Despite the stiff competition and challenges, Sadharan Bima Corporation (SBC) came up with a growth in profit during the year 2023. The profit before tax of the corporation increased by 1.9% to BDT. 3,948.36 million, compared to BDT. 3,876.16 million in 2022.
- Furthermore, the net premium income increased to BDT. 9,052.46 million in 2023 from BDT. 8,774.47 million in 2022, marking a growth of 3.07%.
- In addition to the increase in revenues and profit, the corporation has also achieved an increase in asset base from BDT. 83,560 million to BDT. 85,256 million. It is a continuous success that SBC has been achieving.
- There has been a significant rise in investments made by the corporation. The total investment made by the corporation stands at BDT. 54,247 million in 2023 compared to BDT. 52,879 million in 2022.
- Sadharan Bima Corporation has been rated “AAA” in the long term and “ST-1” in the short term by Alpha Credit Rating Ltd. based on its financial statements ended December 31, 2020 which reflects the corporation's financial strength and claim paying ability.

It has been possible under the prudent leadership of members of the Board of Directors, Managing Director, members of the Management team along with the effort of all the employees who carried out their assigned responsibilities with sincerity and dedication. For this reason, I would like to express my sincere gratitude to all of them for their active support & cooperation.

With the strength of our enthusiastic and spirited management team, competent and diligent employees, well-organized deliberate support service, I am optimistic about our clients and stakeholders to attain a profitable growth. SBC has always been concerned in protecting the interest of all of its stakeholders and will continue to do so in the near future.

I would like to convey my sincere gratitude to the Financial Institutions Division of the Ministry of Finance, the Insurance Development and Regulatory Authority (IDRA), various Government and Non-Government Organizations, Bangladesh Insurance Association, Bangladesh Insurance Academy, Private Insurance Companies and all Scheduled Banks and Non-Bank financial institutions for their kind assistance and co-operation.

I would like to extend my heartiest thanks to our respected clients, stakeholders and well-wishers for their continued assistance and co-operation for the steady growth of Sadharan Bima Corporation.

**Dulal Krishna Saha**

Chairman,  
Board of Directors  
Sadharan Bima Corporation





## MESSAGE FROM THE Managing Director

I am delighted to present 51st Annual Report of Sadharan Bima Corporation for the year ended December 31, 2023. Sadharan Bima Corporation (SBC), the only state-owned non-life insurance & re-insurance corporation, has passed an eventful year with notable achievements because of the unweaving commitment of the dedicated SBC team including the board, officers and employees. As we reflect on the past year's journey, I am filled with a sense of gratitude for the collective efforts that have brought us to this point. The year behind was marked by both challenges and triumph. We are pledged to upholding the trust of our policyholders, business partners and stakeholders by providing quality services to meet the expectations of our valued clients.

In the year 2023, we faced severe geo-political unrest and the insurance sector resultantly encountered multifold blows from the ongoing economic sluggishness. Our performance this year recaps the story of resilience while staying committed to our all clients towards a sustainable tomorrow.

The overall business performance of the corporation improved despite many external challenges primarily due to the global economic recession fueled by geo-political unrest in different parts of the world. The corporation's profit before tax increased by 1.9% to BDT. 3,948.36 million, compared to BDT. 3,876.16 million in 2022. Furthermore, the net premium income increased to BDT. 9,052.46 million in 2023 from BDT. 8,774.47 million in 2022, marking a growth of 3.17%. In addition to the increase of revenues and profit, the corporation has also achieved an increase of asset base from BDT. 83,560 million to BDT. 85,256 million. It is a continuous success that SBC has been achieving. There has been a significant rise of investments made by the corporation. Total investment made by the corporation stands at BDT. 54,247 million in 2023 compared to BDT. 52,879 million in 2022. SBC's continued efforts in claim settlement are reflected in the figure net claim incurred to Tk. 5,006 million



compared to Tk. 3,708 million in 2022. Sadharan Bima Corporation has shown resilience and steadiness in its growth and profitability. The consolidated Pre-Tax Profit of the corporation along with its owned subsidiary namely SBC Securities & Investment Ltd. increased by an amount of BDT. 62.62 million from BDT. 3,922.80 million in 2022 to BDT. 3,985.43 million in 2023.

Our clients have been core to our success and we truly appreciate of their continued support. We will continue to meet their needs by providing them with unique solutions and unmatched experiences. We maintain our firm commitment to be the premier insurance and reinsurance organization of international standard by attaining the highest confidence and trust of all concerned from home and abroad through improved services, customer care and efficiency.

Government has to undertaken Bangladesh Insurance Sector Development Project to modernize and automate the insurance sector and SBC is one of the important beneficiary to implement ICT to improve the efficiency and modernize the business process. The digitalization reforms will strengthen the underwriting and risk transform mechanism with transparency and accountability. Sadharan Bima Corporation aims to adapt its business process to build a digitally enabled, smarter, and more efficient insurance service for its customers and other stakeholders. It aims to leverage the power of technology to innovate new products and improve the quality of services. We are sure that this automation will help SBC to book more premium in future thereby increasing the insurance penetration in coming days.

SBC has also upgraded the risk retention and management through increasing its paid-up capital from BDT 500 million to BDT 900 million and authorized capital from BDT 1000 million to BDT 1500 million respectively. SBC's financial health will definitely help to harness new opportunities with gain that extend beyond conventional successes.

I would like to take the privilege to record and commend my team for their commitment, hard work, diligence and professionalism and hope they will continue their unwavering commitment and effective diligence for becoming the best insurance brand in the globe.

I greatly and truly appreciate Financial Institutions Division (FID), Insurance Development and Regulatory Authority (IDRA) and other stakeholders for their invaluable support in guiding us through the challenging times. Finally, I wish to express my heartfelt gratitude to our distinguished Board of Directors, whose wisdom, astute counsel and unwavering guidance have been instrumental in our journey towards achieving levels of excellence.

May Almighty Allah bless us all.

**Md. Harun-Or-Rashid**

Managing Director

Additional Secretary

Sadharan Bima Corporation



## Senior Management Team



**Jyotsna Bikash Chakma**  
General Manager  
Human Resources Division



**Wasiful Haque**  
General Manager  
Re-Insurance Division



**Bibekananda Saha, ACII**  
General Manager  
Claims Division and ECG Department



**S.M. Shah Alom**  
General Manager  
Dhaka Zonal Office, Dhaka



**Mohammed Salim**  
General Manager  
Finance Division



**Khosru Dostagir Alam**  
General Manager  
Assets Management Division

# key event media highlights 2023



National Integrity award giving ceremony of Sadharan Bima Corporation.



Sadharan Bima Corporation's 50<sup>th</sup> anniversary Celebration.



Sadharan Bima Corporation has been awarded Best Taxpayer Award by NBR.



Discussion program on National Day at SBC Training Center.



Tree Plantation program of Sadharan Bima Corporation in its Uttara residential quarter.



Fire safety training at Sadharan Bima Corporation premises.

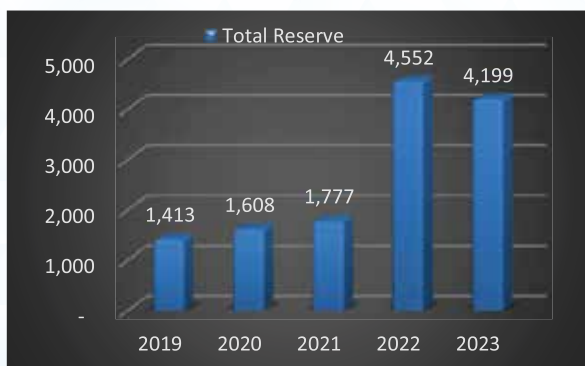
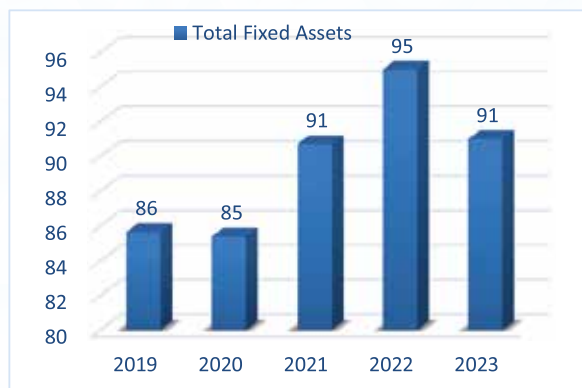
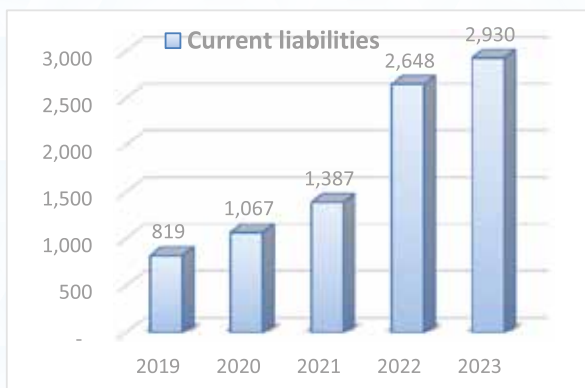
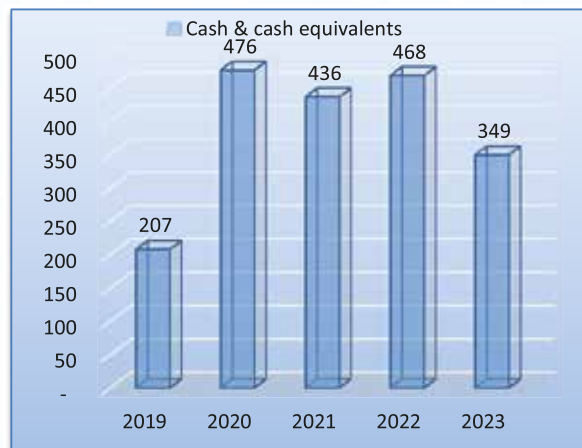
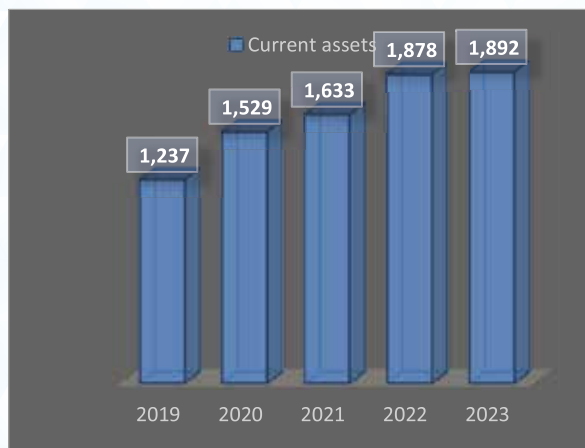
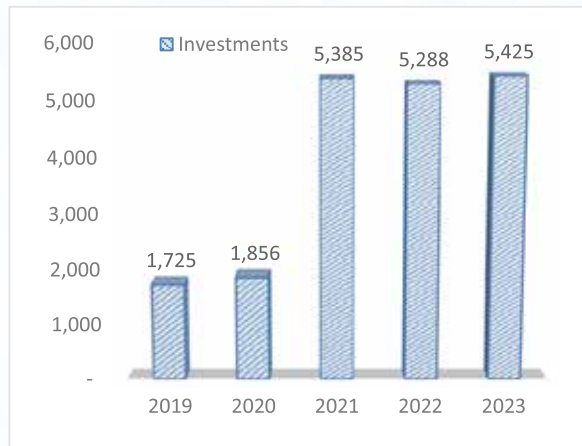
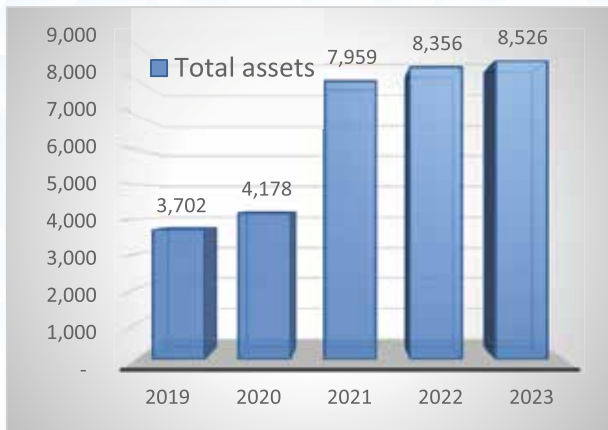


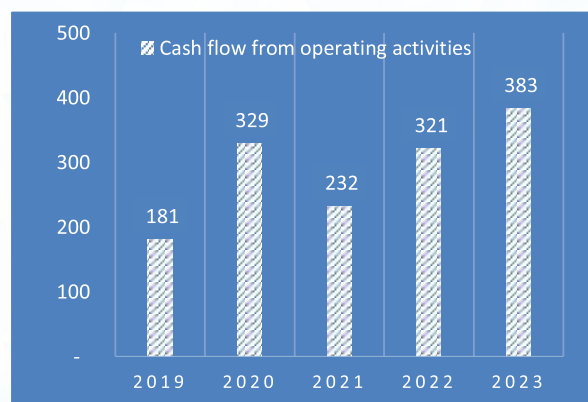
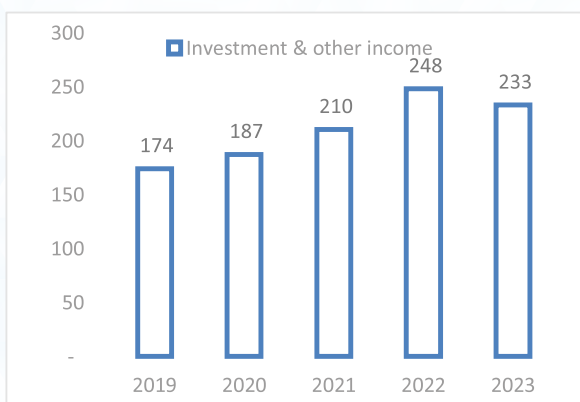
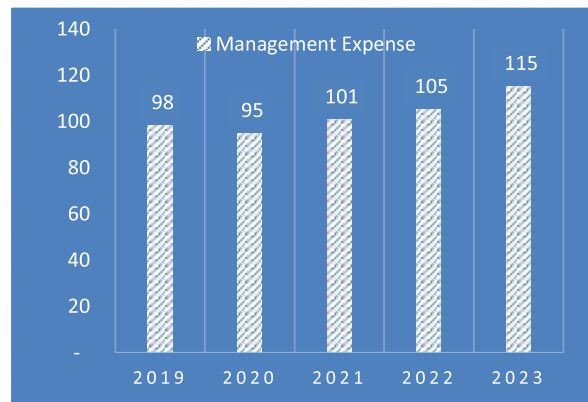
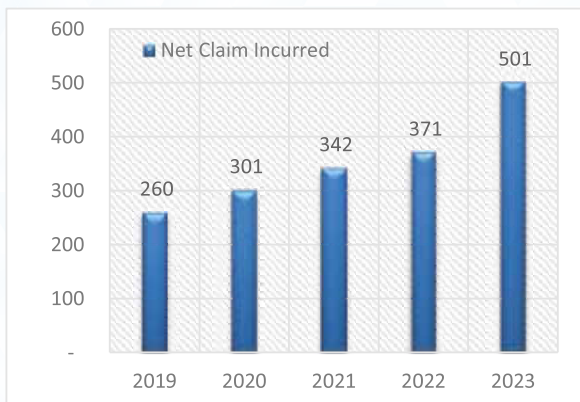
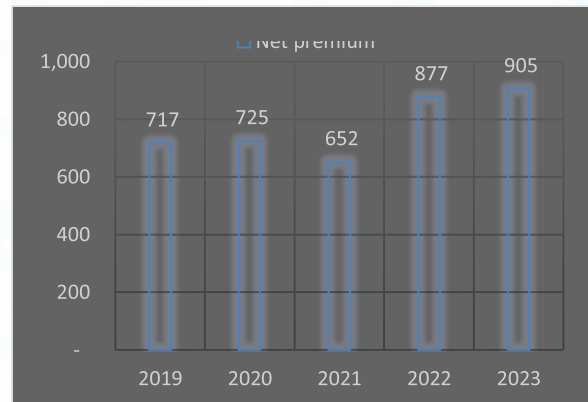
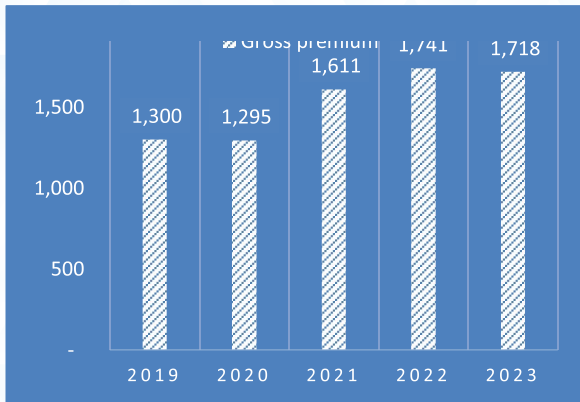
## STAKEHOLDER'S INFORMATION

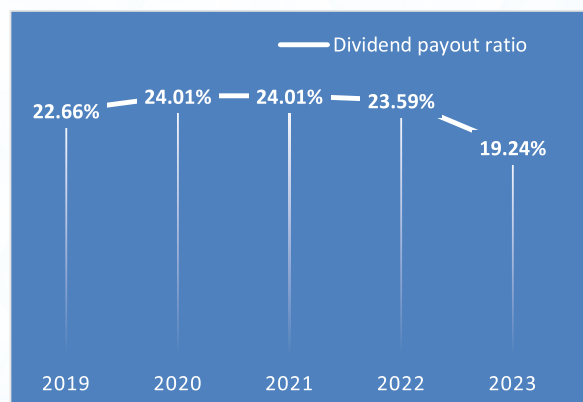
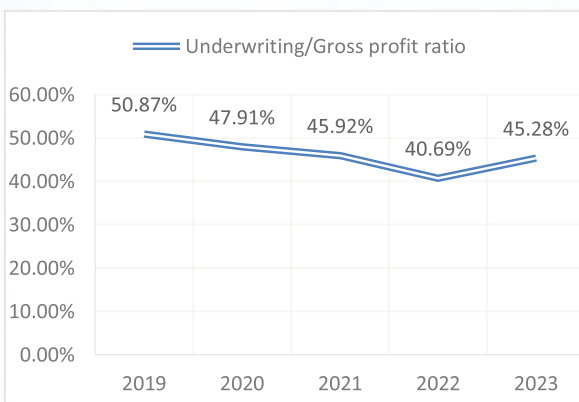
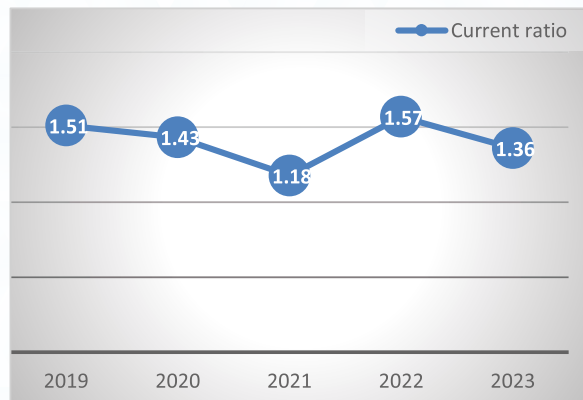
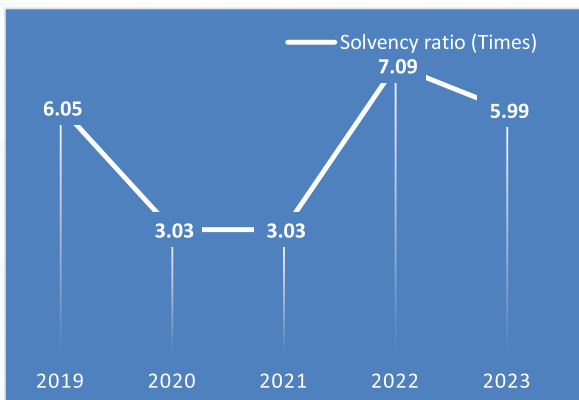
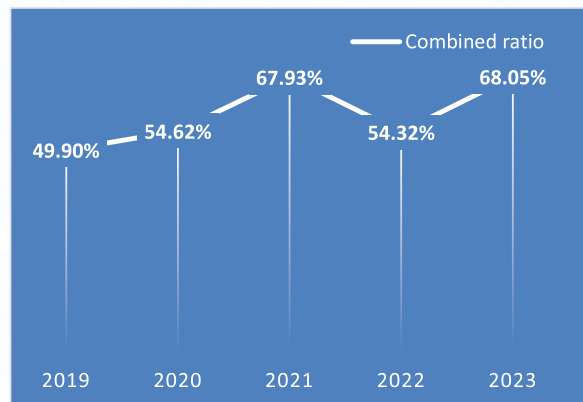
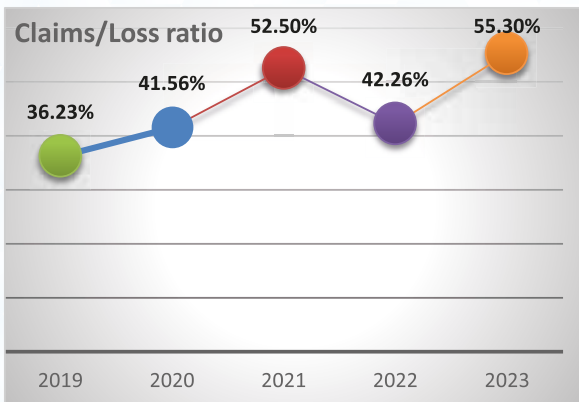
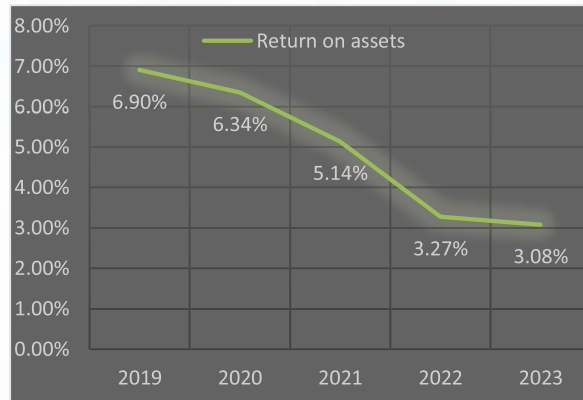
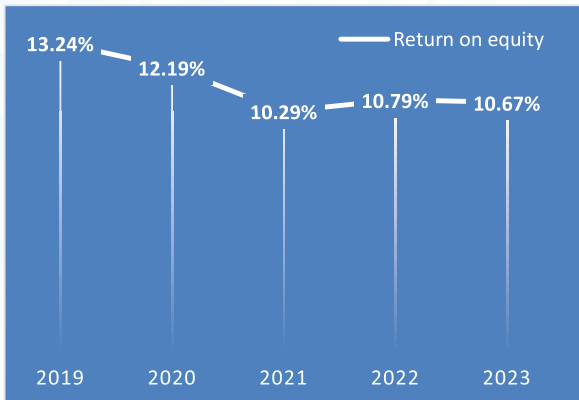


## Five Years Financial Summary

Particulars	2023	2022	2021	2020	2019
<b>Financial Position</b>					
Total assets	85,256,541,405	83,560,423,071	79,592,261,912	41,783,247,124	37,020,260,865
Investments	54,247,154,233	52,879,522,960	53,362,336,116	18,564,016,310	17,249,718,118
Current assets	49,589,491,450	49,745,815,498	16,337,805,809	15,288,279,607	12,366,233,877
Cash & cash equivalents	3,492,440,469	4,678,302,911	4,364,739,352	4,761,217,772	2,073,571,348
Current liabilities	36,473,732,301	31,723,128,890	13,865,045,641	10,669,117,767	8,185,770,162
Total Fixed Assets	908,703,679	952,483,353	907,043,610	853,749,683	856,367,809
Total Reserve	41,995,482,027	45,522,483,593	49,107,638,765	16,075,365,862	14,126,158,857
Total Equity	48,736,620,063	51,185,324,392	54,510,351,939	21,478,079,037	19,537,058,972
<b>Operational Result</b>					
Gross premium	17,181,644,521	17,413,708,327	16,111,489,044	12,953,812,735	13,001,731,949
Net premium	9,052,459,721	8,774,511,456	6,516,151,840	7,248,667,925	7,169,374,958
Net Claim Incurred	5,006,449,650	3,707,899,639	3,420,960,974	3,012,620,166	2,597,153,098
Management Expense	1,153,347,150	1,058,653,521	1,005,373,686	946,388,838	980,634,452
Underwriting profit	1,788,015,799	1,577,170,475	1,650,818,998	1,722,154,615	1,802,875,416
Net profit before tax	3,948,363,181	3,876,162,057	3,586,907,505	3,441,838,520	3,400,617,279
Net profit after tax	2,598,200,589	2,755,204,566	2,301,618,209	2,499,207,006	2,426,801,419
Investment & other income	2,331,328,663	2,481,794,670	2,099,846,367	1,872,636,201	1,740,891,827
Cash flow from operating activities	3,828,844,557	3,210,647,170	2,320,835,039	3,287,899,532	1,805,710,909
<b>Financial Ratio</b>					
Return on equity	10.66%	10.77%	10.29%	12.19%	13.24%
Return on assets	3.08%	3.38%	5.14%	6.34%	6.90%
Net profit Margin	15.12%	15.59%	14.29%	19.29%	18.67%
Claims/Loss ratio	55.30%	42.26%	52.50%	41.56%	36.23%
Combined ratio	68.05%	54.32%	67.93%	54.62%	49.90%
Solvency ratio (Times)	5.99	7.09	8.89	1.18	0.88
Current ratio	1.36	1.57	1.18	1.43	1.51
Underwriting/Gross profit ratio	45.28%	40.69%	45.92%	47.91%	50.87%
Dividend payout ratio	19.24%	23.59%	24.01%	24.01%	22.66%
Dividend yield	10.00%	13.00%	12.00%	12.00%	11.00%









## Directors Report



The Board of Directors of Sadharan Bima Corporation is pleased to present the Annual Report and Audited financial statements of the Corporation for the year ended December 31, 2023 together with Auditors' Report thereon along with Corporation's performance and other matters in terms of Insurance Act 2010, Insurance Corporations Act 1973 which is repealed by the Insurance Corporation Act, 2019, Section 16 of the Insurance Corporations Rules 1977 and guidelines issued by the Insurance Development and Regulatory Authority and International Accounting and Financial Reporting Standards. This report comprehensively outlines the performance of the corporation for the year ended December 31, 2023.

### Regulatory Framework for Insurance in Bangladesh

After the independence of Bangladesh, the Insurance Act, 1938 was adopted in Bangladesh. The Insurance Act, 1938 and the Insurance Rules, 1958 were amended from time to time to regulate and promote orderly growth of the insurance business. In the year 2010, for further strengthening the regulatory framework and making the insurance industry operationally vibrant, the parliament passed two insurance laws namely, Insurance Act 2010 and the Insurance Development & Regulatory Authority (IDRA) Act 2010. Within the purview of IDRA Act 2010 the Government has set up the Insurance Development & Regulatory Authority (IDRA), which has replaced the office of the Chief Controller of Insurance. Intending to boost the insurance sector of Bangladesh, the new Insurance Act 2010 raised the paid-up capital of life and non-life insurance companies. Under the new Insurance Act, IDRA is trying to implement various rules and regulations for the smooth operation of the industry. In the year 2019, the parliament passed "Insurance Corporation Act, 2019" which is made to repeal the Insurance Corporations Act, 1973, amending it in a timely manner.

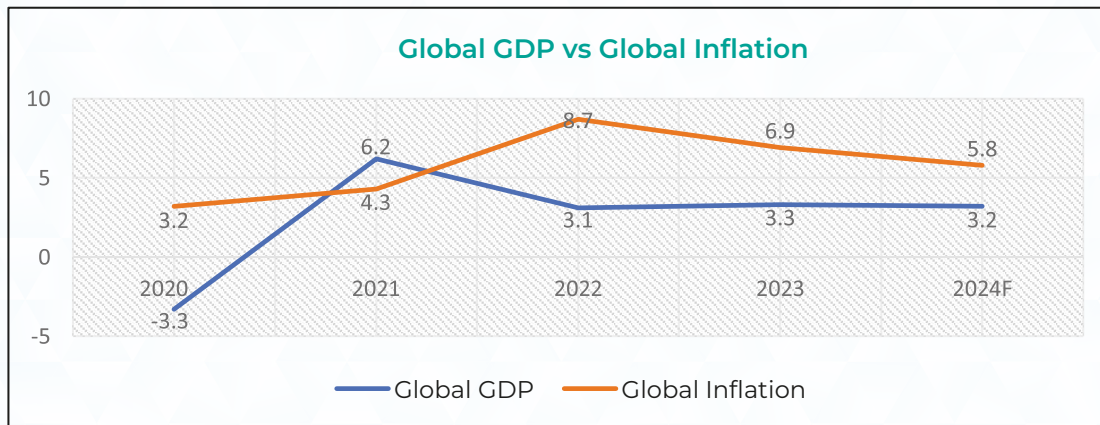
### Background of Sadharan Bima Corporation (SBC)

Sadharan Bima Corporation (popularly known as SBC) is the one and only state-owned non-life Insurer and Re-insurer in Bangladesh under the Financial Institutions Division of the Ministry of Finance, Government of the People's Republic of Bangladesh. Both Sadharan Bima Corporation, the non-life insurer, and Jiban Bima Corporation, the life insurer, were created under the Insurance Corporation Act (Act No. VI) of 1973 in Bangladesh. Sadharan Bima Corporation was formed by the government to underwrite the non-life insurance business of Bangladesh. SBC was the sole insurer of non-life insurance business in the country till 1984. In the same year, some private sector non-life insurance companies started operations. Since then, it has been providing reinsurance support to private sector non-life insurers. With regard to regulatory control, Insurance Development & Regulatory Authority of Bangladesh regulates all insurance companies in Bangladesh including Sadharan Bima Corporation. Sadharan Bima Corporation is the only insurer of properties owned by Government of Bangladesh. Now as per section-16 of the Insurance Corporations Act 2019, Sadharan Bima Corporation has sole right to underwrite 100% of Public Property Business and 50% of such Business is to be equally distributed among the private sector non-life insurance companies who, on the other hand, compulsorily re-insure half of their re-insurable business with SBC. This section of the Insurance Corporations Act includes the provision that aims to stabilize non-life insurance market.

### World Economy and Insurance Industry

The global economy continues to confront the challenges of inflation and low growth prospects. The global growth forecasted by IMF to be steady across the recent years which shows 3.1 percent in 2022 to 3.3 percent in 2023 and 3.2 percent in 2024. However, these growth rates are well below the historical (2000–19) average of 3.8 percent. Advanced economies are expected to slow from 2.7 percent in 2022 to 1.7 percent in 2023 and forecasted to remain same in 2024 as policy tightening starts to bite.

Emerging markets and developing economies are projected to have a modest decline in growth from 4.0 percent in 2022 to 4.4 percent in 2023 and 4.3 percent in both 2024 and 2025. Global inflation is forecasted to decline steadily, from 8.7 percent in 2022 to 6.9 percent in 2023 and 5.8 percent in 2024, due to tighter monetary policy aided by lower international commodity prices. Core inflation is generally projected to decline more gradually, and inflation is not expected to return to the target until 2025 in most cases.



Source : IMF, Oxford Economics, 2023

### Challenges in the Global Marketplace

The insurance industry is grappling with a range of challenges that are reshaping the sector. Numerous macroeconomic trends such as inflation, interest rates, regulatory factors, supply chain disruptions, skills gaps in key areas, trade tensions and war in Europe and the Middle East etc. continue to create widespread uncertainty for the industry. As a result, individual insurers must prepare for a broad range of outcomes and developments in all markets where they operate.

Expecting the unexpected is in order. Interest rates and inflation, which were rising dramatically at the beginning of last year, appear to have peaked. From the rising costs associated with inflation to the need for digital transformation, insurers are navigating a complex landscape. The increasing frequency and severity of natural disasters due to climate change are additionally putting pressure on the higher claims costs as well as widening the already existing coverage gap. Insurers are also under pressure to incorporate ESG factors into their business models

and investment strategies. The digital realm introduces increased cyber risks which challenges insurers to provide effective coverage and manage their own cyber security. High inflation results in increased claims costs and reduced demand for insurance products. However, higher interest rates may boost up earnings through improved investment returns. The economic growth slowdown and elevated geopolitical uncertainty dampen the outlook for the primary insurance industry. Swiss Re Institute forecasts total global real premium growth at only 2.2% annually on average for the next two years, below the pre-pandemic trend (2018–2019: 2.8%) but higher than the average of the past five years (2018–2022: 1.6%). Profitability is recovering and underwriting gaps closing as investment returns increase with high interest rates. The insurance industry continued to face various macro and market dynamics affecting the growth of the market.



## Macroeconomic Dynamics

- (a) Economic recession
- (b) Prolonged and more volatile inflation
- (c) Rising interest rate
- (d) Financial stability risks



## Market Landscape

- (a) Hardening market
- (b) New risk pools
- (c) Consumer and government risk awareness
- (d) Huge losses from natural catastrophe events
- (e) Declining capacity in Reinsurance market
- (f) Reduction in shareholders' equity

### Global non-life insurance

Non-life insurance is confronting challenging claims dynamics with rising frequency and severity of claims despite declines in economic inflation. Slowing global economic growth and high inflation reduce investments in new projects which eventually cut spending on insurance. Meanwhile, decades-high inflation mechanically leads to lower real growth. Nominal non-life growth should moderate in 2024 as inflation comes down. There is more than the usual uncertainty surrounding the forecasts, amid volatile inflation and the impact of natural catastrophes on claims, pricing, and loss ratios. Non-life insurers are already adjusting strategies to offset higher claims costs and expanding climate risk. As inflation stabilizes, more predictable claims cycles and improved returns on interest-rate-sensitive investments are expected to enhance profitability. Higher premiums may provide some relief but could result in lower customer satisfaction, loyalty, and trust. The maintenance of reserves has become more important due to sustained shocks from high inflation and sluggish economic growth. Given the volatility, regulators are keeping a close eye on reserves; despite ample buffers, the pace of reserve releases has decelerated, influenced by delayed settlements and other uncertainties. As inflation shifts from goods to services, liability exposures

across the industry could be affected. The pace of claims growth in the liability line of business challenges the insurability of those risks. According to Swiss Re Institute, in 2023, natural catastrophes resulted in economic losses of USD 280 billion, of which 38% were covered by insurance. The earthquake in Turkey and Syria in February was the biggest humanitarian disaster of the year, claiming close to 58,000 lives. With insured losses of USD 6.2 billion, it was also the costliest event of the year for the insurance industry. The main driver behind the accumulation of global insured losses from natural catastrophes last year was event frequency. There were 142 insured loss-inducing catastrophes last year, a new record. Therefore, natural catastrophe insured losses are on track to reach USD 100 billion in 2023, for the fourth consecutive year, and the sixth year since 2017 (inflation-adjusted). Hard market conditions are anticipated to continue in 2024 at least. In the Property and Casualty (P&C) segment, real premium growth in 2023 was 3.4% globally, and health premiums will grow to 1.5% in 2024. Non-life insurance premiums will grow by 1.6% globally in real terms in 2024, after 1.4% y-o-y real growth in 2023. In P&C, 3.4% global real premium growth is estimated in 2023 given the significant repricing of risk.



### Insurance Market in Bangladesh

In a developing country like Bangladesh, insurance companies are playing a vital role in the economy. There are many good signs for the insurance business in Bangladesh. The GDP of our country is increasing than the previous years which results in increase of per capita income. This growing GDP and income hold bright prospects for insurance companies. With the growth in the income, more and more people are now willing to take an insurance policy for safeguarding themselves from any danger. There are so many new businesses starting every day and manufacturing sector is booming with global demand. Every business is insured under an insurance company to protect its company from any kind of accident. Therefore, growing industry, mills, factories are creating a better scope for the insurance companies to flourish their business.

SBC has long been the sole reinsurer in Bangladesh and private insurance companies as per statutory compulsion placed 100% of their reinsurance business with SBC. In 1990 the government amended the relevant provisions of the Act allowing 50% of all reinsurance of general insurance business to be placed compulsorily with SBC and the rest to private reinsurance companies. The country's economic growth is particularly relevant to the growth of non-life insurance sector of Bangladesh. A robust economic growth covering trade, commerce and industry positively impacts on the non-life insurance business development. Bangladesh Government has taken decision to modernize the insurance sector for both Life and Non-Life insurance sector by implementing the Bangladesh Insurance Sector Development Project (BISDP).

The Economy of Bangladesh has rapidly been shifting from agricultural to the services sector. The role so played by the service sector is burgeoning as well. Insurance is one of the ingredients of the financial services industry and has a lot to play if it is promoted properly. Bangladesh insurance market is in an upward trend despite the low penetration rate. It has potentialities to growth and advancement as opined by the insurance experts from home and abroad.

A look at the insurance penetration rate and its relation to investment in Bangladesh and any

subsequent impact on its economic growth reveals an interesting scenario. There are 81 insurance companies in operation in the country. Amongst the 81 companies, 35 are life insurance companies, and 46 are non-life insurance companies. Although the nation has a good number of insurance companies, the insurance penetration rate remains low. In developed countries, the contribution of insurance to their GDP (gross domestic product) has reached a substantial percentage. However, our market has remained untapped, which is obviously promising in terms of the potential for bringing the vast majority of the people under the umbrella of insurance. Moreover, due to the fluctuation of US dollar exchange rate and the global financial crisis, the overall investment activities in Bangladesh have reduced significantly, which has also been impacting the insurance sector in the year 2023.

### Non-life Insurance Sector: Prospects and Challenges

Though Sadharan Bima Corporation started its operation as a single insurer 50 years ago, it is now playing an important role in the fast-changing insurance market of Bangladesh along with 45 private non-life insurance companies. Apart from underwriting private sector business, Sadharan Bima Corporation stands as insurer of public sector assets on its own behalf and also on behalf of private sector non-life insurance companies and also playing a role of national reinsurer to the insurance industry. The country's economic growth is particularly relevant to the growth of non-life insurance sector of Bangladesh. A robust economic growth covering trade, commerce and industry positively impacts on the growth of non-life insurance business.

Bangladesh insurance market is in an upward trend despite the low penetration rate. It has potentialities to growth and advancement as opined by the insurance expert from home and abroad. Although Bangladesh non-life insurance market is rather small, considering that current penetration rate (non-life premium as % of country's GDP) is low at around 0.1%, there is immense potential for future expansion. The future expansion of Bangladesh non-life insurance market and increase of insurance penetration in the country lies in tapping the hitherto untapped segments of the market —



personal lines business which has remained neglected so far. Under the Bangladesh Insurance Sector Development Project (BISDP), Deloitte (consulting firm) has quantified the protection gap for the insurance industry of Bangladesh.

Bangladesh's insurance sector has tremendous potential for growth, especially given the country's favorable macroeconomic picture. Regulatory reforms and the introduction of bancassurance, health, expatriate, agriculture, education, coastal, and public pension insurance products along with deep distribution channels can catalyze growth in the insurance sector.

Regulations that focus on reducing the risk of insolvency can help build trust in the market at a global level, which in turn will increase the flow of funds into the economy. With adequate capital requirements in place, insurance companies will serve as a safeguard for investments in infrastructure bonds, thereby boosting infrastructure development. Strong regulations can also help strengthen the reinsurance market, which

will ease the financial burden on the government arising from catastrophic events, thus directly contributing towards development opportunities for the country. Further, well-defined regulations can drive competition, enabling companies to provide the best solutions and offer more options to customers. Regulatory frameworks, ideally framed with reference to international standards and principles, will go a long way towards creating a resilient insurance sector.

A resilient insurance sector can, in turn, have far-reaching economic, commercial, and social benefits for Bangladesh. Thriving against odds, it could also, in the long run, encourage entrepreneurship and innovation while facilitating risk transfer. Dhaka is going to be one of world's top 10 cities with higher GDP growth potentials. According to Oxford Economics, Dhaka will be 2nd highest GDP earning city in the world in 2035. This indicates the massive growth potentials in the coming decade for insurance companies in Bangladesh.

## Financial Highlights of SBC



This section presents the performance of SBC over the last five years across various parameters related to the business of SBC.

### Investment

SBC maintains a diversified portfolio of investments. The investment of the corporation as of December 31, 2023, are as follows (amount in million Taka):

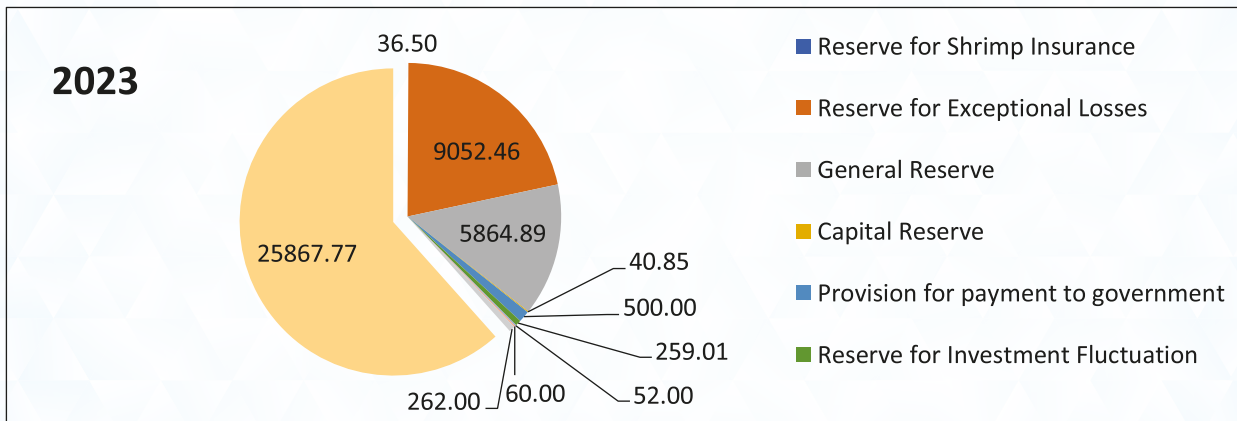
Securities	2023	2022	2021	2020	2019
Government securities	4,850.49	1,149.39	755.05	1.72	1.72
Investment in Shares	29,363.33	29,470.30	35,045.30	3,785.69	3,530.71
Bangladesh Fund	1,060.00	1,060.00	1,060.00	1,060.00	1,060.00
Debentures	32.34	32.34	32.34	32.44	32.48
Investment on FDR	18,741.00	20,967.50	16,238.70	13,453.20	12,393.88
Investment in House Properties	465.05	476.98	488.28	479.26	655.59
Investment in SSIL	200.00	200.00	200.00	200.00	200.00
<b>Total</b>	<b>54,712.21</b>	<b>53,356.51</b>	<b>53,819.67</b>	<b>19,012.31</b>	<b>17,874.38</b>

### Reserves or contingency accounts

Reserves or contingency accounts represent the amount of money insurance companies set aside for future insurance claims or claims that have been filed but not yet reported to the insurance company or settled. The levels of reserves or contingency

accounts to be maintained are regulated by law. Reserves or contingency accounts do not include reserves for outstanding claims and unexpired risks. The Reserves or contingency accounts of the corporation as of December 31, 2023, are as follows (amount in million Taka):

Particulars	2023	2022	2021	2020	2019
Reserve for Shrimp Insurance	36.50	36.50	36.50	36.50	36.50
Reserve for Exceptional Losses	9052.46	8,774.51	8,170.66	8,170.66	7,445.79
General Reserve	5864.89	9464.89	8,264.89	6,594.35	5,420.01
Capital Reserve	40.85	40.85	40.85	40.85	40.85
Provision for payment to government	500.00	650.00	630.00	600.00	550.00
Reserve for Investment Fluctuation	259.01	259.01	259.01	259.01	259.01
Reserve for Crop Insurance	52.00	52.00	52.00	52.00	52.00
Reserve for bad and doubtful debts	60.00	60.00	60.00	60.00	60.00
Reserve for Employees Residential Complex	262.00	262.00	262.00	262.00	262.00
Revaluation Reserve of Securities	25,867.77	25,922.72	31,331.73	-	-
<b>Total</b>	<b>41,995.48</b>	<b>45,522.48</b>	<b>49,107.64</b>	<b>16,075.37</b>	<b>14,126.16</b>



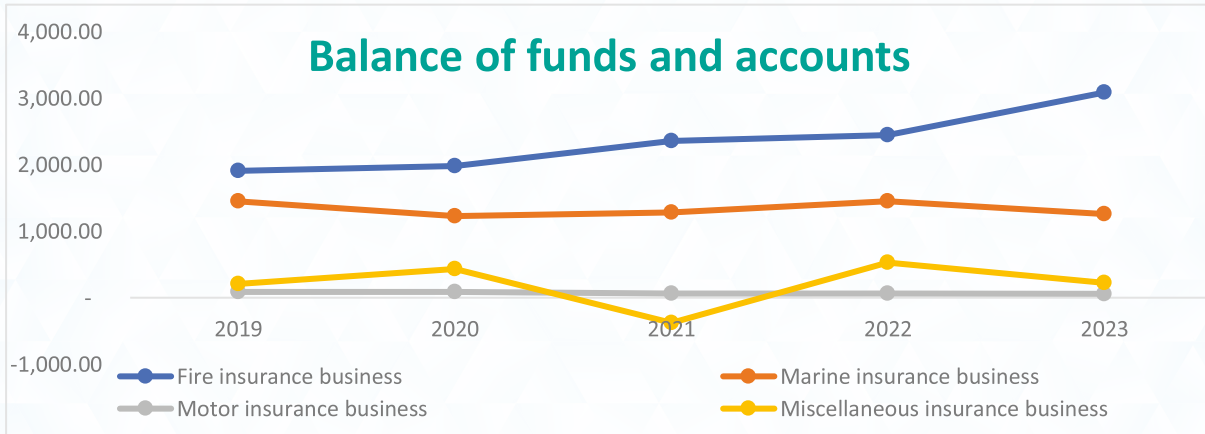


**Balance of funds and accounts**

A minimum of 40% of net premiums are to be maintained as unexpired risk reserve for any category of non-life insurance business except marine hull and aviation insurance. In case of marine hull and aviation insurance it was set as 100% of net

premium. SBC has maintained 50% of net premium as unexpired risk reserve except marine hull and aviation insurance premium. The Balance of funds and accounts of the corporation as of December 31, 2023, are as follows (amount in million Taka):

Particulars	2023	2022	2021	2020	2019
Fire insurance business	3,084.93	2,442.18	2,354.06	1,979.37	1,907.41
Marine insurance business	1,257.86	1,447.94	1,279.73	1,227.21	1,448.66
Motor insurance business	58.73	64.02	64.63	85.39	87.20
Miscellaneous insurance business	219.65	528.29	( 377.54)	428.83	211.18
<b>Total</b>	<b>4,621.16</b>	<b>4,482.43</b>	<b>3,320.88</b>	<b>3,720.80</b>	<b>3,654.45</b>



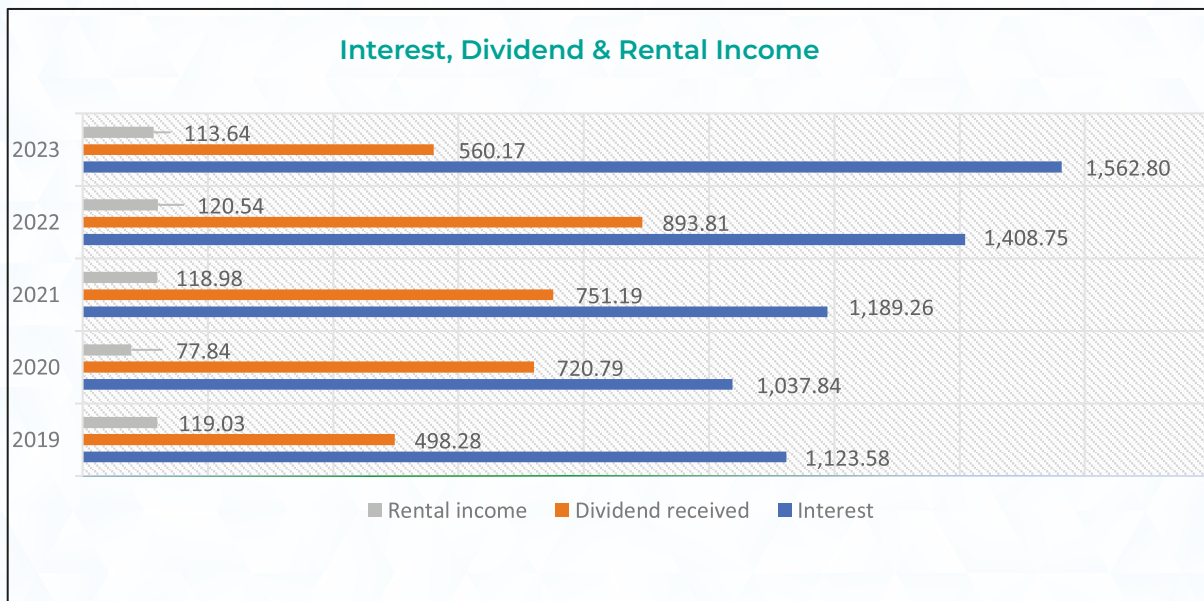
**Total Revenue**

Sadharan Bima Corporation use separate Revenue Accounts as per the Insurance Act 1938. It is prepared for each type of businesses, e.g., fire, marine, motor, and miscellaneous insurance business. It records the incomes and expenses of a particular business and profit/loss is transferred to the statement of comprehensive income (SCI). SBC's major portion of profit comes from non-business

activities. These are interest income from funds placed to banks and house building loan to SBC's employees and from government securities, dividend income from investment in shares and securities and rental income from office rent and household residents of SBC's employees. The revenue of the corporation as of December 31, 2023, are as follows (amount in million Taka):



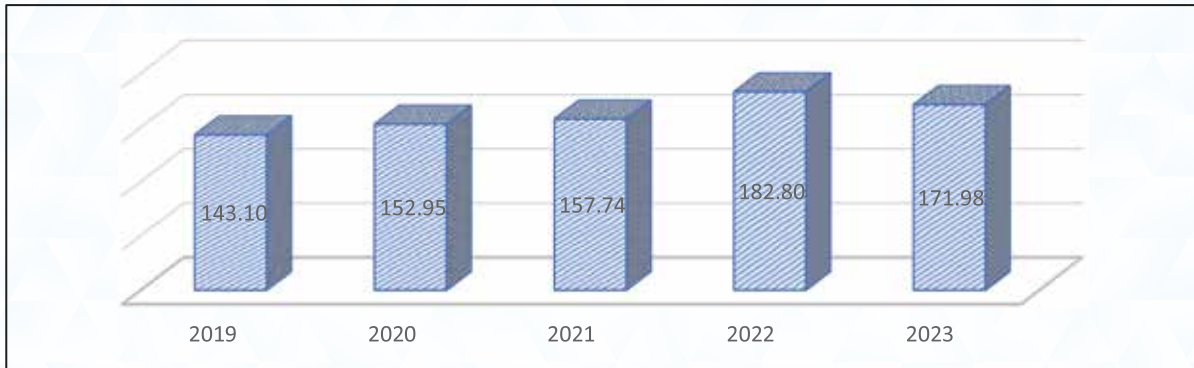
Particulars	2023	2022	2021	2020	2019
Interest	1,562.80	1,408.75	1,189.26	1,037.84	1,123.58
Dividend received	560.16	893.81	751.19	720.79	498.28
Rental income	113.64	120.54	118.98	77.84	119.03
<b>Sub-Total</b>	<b>2,236.60</b>	<b>2,423.10</b>	<b>2,059.43</b>	<b>1,836.47</b>	<b>1,740.89</b>
Fire Revenue Account	141.30	(132.02)	(569.83)	(780.43)	213.85
Marine Revenue Account	1947.71	989.07	1,246.18	1,615.21	1,281.08
Motor Revenue Account	41.52	109.51	120.05	127.57	205.55
Miscellaneous Revenue Account	(342.52)	610.61	853.61	759.80	102.40
<b>Sub-Total</b>	<b>1,788.01</b>	<b>1,577.17</b>	<b>1,650.01</b>	<b>1,722.15</b>	<b>1,802.88</b>
<b>Total Revenue</b>	<b>4,024.61</b>	<b>4,000.27</b>	<b>3,709.44</b>	<b>3,558.62</b>	<b>3,543.77</b>



### Administrative Expenses

The administrative expenses of the corporation were almost steady over the years except in 2022 when Tk. 2.35 crore increased from the year 2021. This is because, in 2022, depreciation and amortization were increased due to the addition of computers

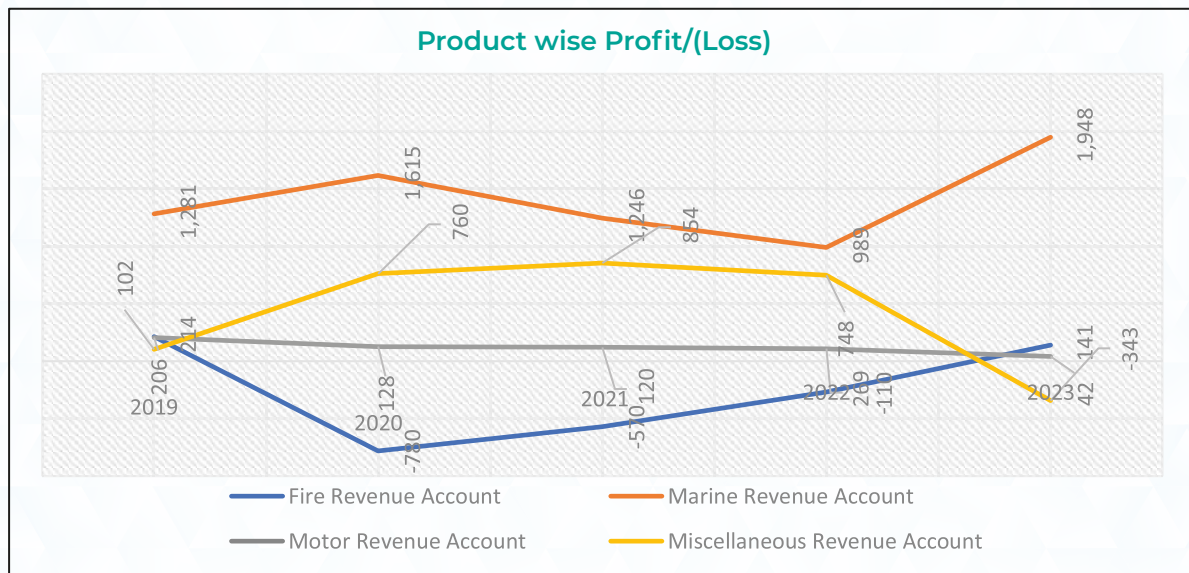
and networks provided by BISDP. The expenses cut down marginally to the previous trend in the last year of the prior years. The administrative expenses of the corporation for the past five years are as follows:



### Profitability of the Corporation

Sadharan Bima Corporation is a state-owned enterprise that has been earning profit every year

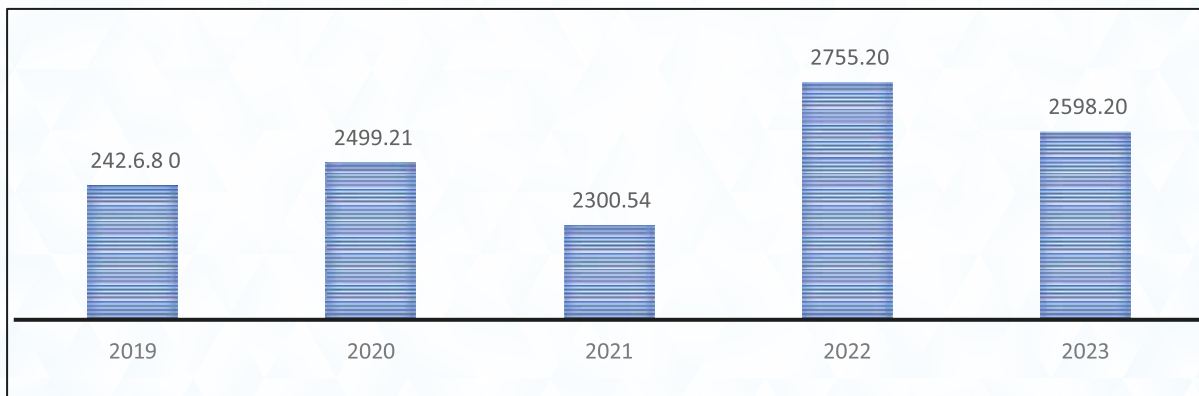
since its inception. Despite economic and geo-political volatility in recent past years, overall underwriting performance has always been positive.



### Net profit after Tax

Net profit after tax (NPAT) is a financial measure that SBC shows performed through its core business and non-core business performance, net of taxes. The

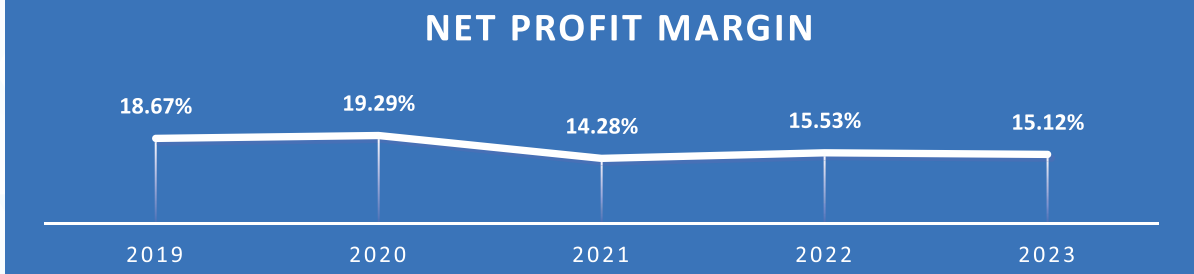
graph is showing a clear picture of 5 years trend of net income after tax of the corporation (amount in crore Taka).



### Net Profit Margin

Net profit margin of SBC remained almost steady despite many external challenges primarily due to the global economic recession fueled by

Geo-political unrest in different parts of the world. The graph shows 5-year trend of return on equity of the corporation.

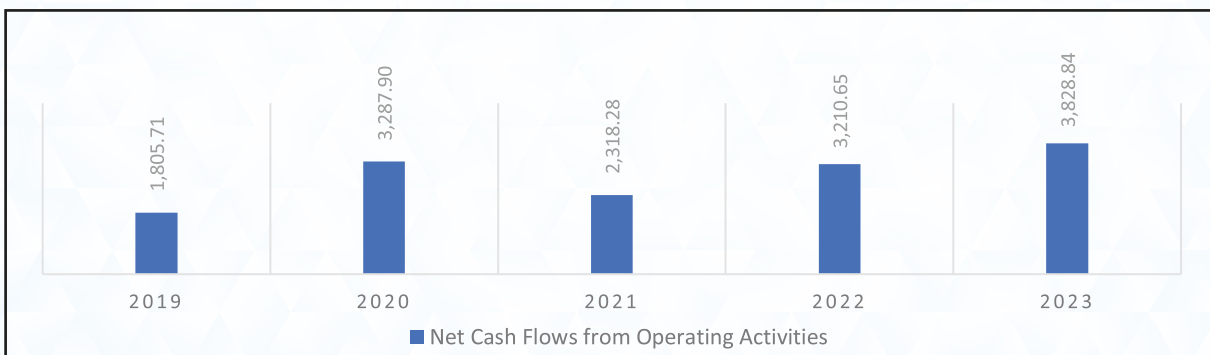


### Statements of Cash Flows

A cash flow statement provides data regarding all cash inflows that corporation receives from its ongoing operations and external investment sources. The cash flow statement includes cash made by the business through operations, investment, and financing—the sum of which is

called net cash flow. The corporation follows indirect method to present operating cash flows as a reconciliation from net profit before tax to cash flow. The Statements of Cash Flows of the corporation as of December 31, 2023, are as follows (Amount in million Taka):

Particulars	2023	2022	2021	2020	2019
Net Cash Flows from Operating Activities	3,828.84	3,210.65	2,318.28	3,287.90	1,805.71
Net Cash Flows / (used) Investing Activities	585.29	(2,252.81)	(2,114.75)	(50.25)	(1,630.74)
Net Cash used in Financing Activities	(5600.00)	(630.00)	(600.00)	(550.00)	(500.00)
Net Increase in Cash & Cash Equivalent	(1,185.86)	327.83	(396.47)	2,687.65	(325.03)
Cash & Cash Equivalent at Beginning of the year	4,678.30	4,350.47	4,761.22	2,073.57	2,398.60
Cash & Cash Equivalent at End of the Year	3,492.44	4,678.30	4,364.75	4,761.22	2,073.57





### Profit and Loss Appropriation Accounts

In 2023 Sadharan Bima Corporation has earned profit before tax of TK. 3,790 million duly taking into account underwriting profit, Interest on bank deposit and FDR, dividend received from investment in bonds, shares & securities, rental

income from real estate and others as against TK. 3,359 million in 2021 and TK. 3,441 million in 2020. Showing an Increase of 5.51% from the previous year. The appropriation of 3 years profit is as under (amount in million Taka):

Performance Indicator	Years			Growth (%)	
	2023	2022	2021	Current Year	Previous Year
Reserve for exceptional losses	277.95	603.85	-	-53.97%	-
Provision for Income Tax	1,350.16	1,086.56	1,291.56	24.26%	-15.87%
General Reserve	1,400.00	1,200.00	1,670.54	16.67%	-28.17%
Surplus payable to the govt. (Undersection 15 (1) of The Insurance Corporation Act, 2019).	500.00	650.00	630.00	-23.08%	3.17%
Retained Earnings	420.25	335.75	-	25%	-
<b>Total</b>	<b>3,948.36</b>	<b>3,876.16</b>	<b>3,592.1</b>	<b>2%</b>	<b>8%</b>

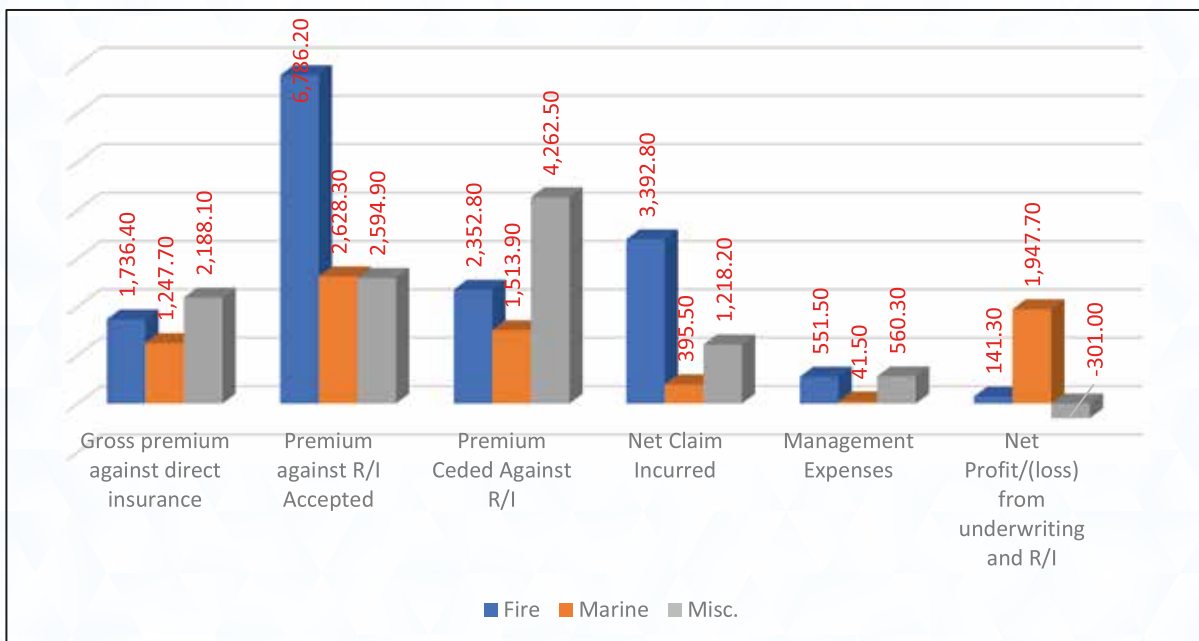
### Business (Underwriting) Performance of SBC

In the year 2023, the Gross Premium Income and the overall business volume of Sadharan Bima Corporation remained almost steady despite many external challenges primarily due to Geo-political unrest in different parts of the globe. Gross Premium income attained Taka 17,182 million in 2023 as against Taka 17,414 million in 2022, Net Premium income attained Taka 9,052 million in 2023 as

compared to Taka 8,774 million in 2022 showing an increase of 3.17%. SBC's continuous efforts in claim settlement are depicted in the figure net claim incurred which amounts to Tk. 5,006 million in contrast to Tk. 3,708 million in 2022. A summarized picture of 2023 insurance business operations (Underwriting & Reinsurance) of the corporation are shown in the following table (amount in million Taka):

Particulars	Fire		Marine		Misc.		Total	
	2023	2022	2023	2022	2023	2022	2023	2022
Gross premium against direct insurance	1,736	805	1,248	1,349	2,188	2,937	5,172	5,091
Premium against R/I Accepted	6,786	6,253	2,628	2,874	2,595	3,195	12,009	12,323
<b>Total Premium</b>	<b>8,522</b>	<b>7,058</b>	<b>3,876</b>	<b>4,224</b>	<b>4,783</b>	<b>6,132</b>	<b>17,181</b>	<b>17,414</b>
Premium Ceded Against R/I	2,353	2,174	1,514	1,474	4,262	4,991	8,129	8,639
<b>Net Premium</b>	<b>6,169</b>	<b>4,884</b>	<b>2,362</b>	<b>2,750</b>	<b>521</b>	<b>1,140</b>	<b>9,052</b>	<b>8,774</b>
Commission received for premium ceded against R/I	37	34	449	393	956	883	1,442	1,310

Particulars	Fire		Marine		Misc.		Total	
	2023	2022	2023	2022	2023	2022	2023	2022
Commission paid for R/I premium received against R/I	1,478	1,561	616	698	313	329	2,408	2,588
Net Claim Incurred	3,393	2,908	395	787	1218	13	5,006	3,708
Management Expenses	552	493	41	502	560	55	1,153	1,050
Adjustment of Reserve for Un-expired Risk	643	88	-189	167	-314	906	138	1,161
Net Profit/(loss) from underwriting and R/I	141	-132	1948	989	(300)	720	1,789	1,578



### Contribution to National Exchequer

Sadharan Bima Corporation recognizes that the corporation has certain responsibilities for the development of the nation. For this, the corporation has contributed a significant amount to the Government exchequer in the form of Income Tax, Non-Tax revenue, VAT, Stamp duty, Excise duty etc. each year. During the year 2023 corporation

contributed Tk. 298.87 crore to the national exchequer as compared to Tk. 270.53 crore in 2022. The corporation also maintains timely submission of VAT returns, withholding tax returns, income tax returns and related all other required returns in due time. The total contribution across different categories throughout last five years is given below (amount in million Taka):



Particulars	2023	2022	2021	2020	2019
Income Tax	1,351.89	1,082.52	1,291.56	942.60	973.80
Non-Tax revenue	500.00	650.00	630.00	600.00	550.00
Value Added Tax	1116.00	959.50	985.29	877.00	846.20
Others (Excise duty)	20.80	13.28	10.83	9.40	5.90
<b>Total</b>	<b>2,988.69</b>	<b>2,705.30</b>	<b>2,917.68</b>	<b>2,429.00</b>	<b>2,375.90</b>

## Overall Performance of SBC

The overall performance of SBC across key parameters in last three years with growth

percentages are presented below (amount in million Taka):

Performance Indicator	Year			Growth(%)	
	2023	2022	2021	Current Year	Previous Year
Pre-Tax Net Profit	3,948.36	3,876.16	3,592.10	1.86%	7.91%
Premium Income (Direct)	5,172.31	5,090.99	4,648.35	1.60%	9.52%
Reinsurance (Commission Income)	1,442.01	1,310.07	1,659.84	10.07%	-21.07%
Income from Reinsurance (Home & Abroad)	12,009.33	12,322.72	11,463.14	-2.54%	7.50%
Net Premium Income	9,052.46	8,774.47	6,516.15	3.17%	34.66%
Net Claims Incurred	5,006.45	3,707.90	3,420.96	35.02%	8.39%
Income from Investment & Others	2,331.33	2,393.85	2,099.84	-2.61%	14.00%

## Other Performance Areas

### Investment in Asian Reinsurance Corporation (ARC)

Sadharan Bima Corporation is an Associate Member of ARC. SBC holds total number of 1,480 shares in ARC, Thailand of which 500 shares of US Dollar 1,000 each worth amount of USD 500,000 which is

equivalent to BDT. 7,740,000 (@ BDT 15.48/USD) acquired in 1980 and 500 shares of USD 2,200 each worth amount of USD 1,100,000 which is equivalent to BDT. 76,285,000 (@ BDT 69.35/USD) acquired in 2009. The remaining 480 shares were received from ARC as stock dividends during the period from 2000 to 2007. Premium received from ARC across last five years are given below (amounts are in Taka):

Overseas Business	Years				
	2023	2022	2021	2020	2019
Premium received from ARC	62,48,346	62,50,579	7,072,792	9,217,596	6,605,036



The performance analysis of SBC with reference to ARC are given bellow briefly:

- Currently ARC writes treaty business from 7 direct companies and retro business from SBC.
- ARC achieved significant growth in 2020 by writing 2 new companies' programs and the portfolio from SBC was strengthened by writing 2 new retro programs.
- Nat Cat-prone country and exposures are being monitored.
- Country identified for selective moderate growth.
- Areas to focus upon new client's treaty programs, and facultative business.

### Investment in Government Securities

Government securities of Bangladesh consist of tradable and non-tradable securities. Non-tradable securities include National Savings Certificates i.e. Sanchayapatras and Sanchayabonds which are only for retail investors. The tradable securities include Treasury Bills (T-Bills) of 91, 182 & 364 days maturities

and Bangladesh Government Treasury Bonds (BGTB) of 2, 5, 10, 15 and 20 years maturities. T-Bills and BGTBs are issued through auctions. Only Primary Dealers (PD) can submit bids in the auctions. Other institutions and individuals can submit bids in auction but through the PDs. At present 20 banks are performing as Primary Dealer. T-Bills and BGTBs can be sold in the secondary market. Bangladesh Bank have its own depository system for the transaction and settlement of Government securities in the Market Infrastructure (MI) Module. In 2011 BB introduced this automated system to expedite the primary auction and secondary market.

Sadharan Bima Corporation invests in Government tradable securities since 2013 through Uttara Bank PLC. SBC has invested BDT 4,850.48 million in 2023 as against BDT 1,149.38 million in 2022 a 322% surge from the previous year. The Board of Directors of SBC in its 665th meeting held on 05 June 2023 has decided to invest BDT 5,000.00 million for long term bonds during the year 2023. The comparative position of Investment in Govt. securities is as under:

Govt. Securities	As on 31.12.2023	As on 31.12.2022	Increased/(decreased)
Treasury Bills	2,458,112,055.00	-	2,458,112,055.00
Treasury Bonds	2,392,354,708.00	1,149,387,377.00	1,242,967,331.00
<b>Total</b>	<b>4,850,486,763.00</b>	<b>1,149,387,377.00</b>	<b>3,701,079,386.00</b>

The yield on government securities (especially treasury bills and bonds) in Bangladesh has spiked in recent months, indicating that the lending rates will rise further in the days ahead. The moving investment portfolio will increase the return of the corporation. The yield reflects the return of SBC can enhance the overall profitability. SBC has taken initiative to invest more money in government treasury bills of 91, 182 & 364 days maturities and bonds of 2 & 5 years maturities in the coming year to earn high return in the portfolio investment.

### SBC Securities & Investment Ltd.

SBC Securities & Investment Ltd. (SSIL), a public company limited by shares, was incorporated in Bangladesh with the Register of Joint Stock Companies & Firms on 23rd September 2010 under the Companies Act, 1994. As per vendor agreement between Sadharan Bima Corporation (SBC) and SBC

Securities & Investment Limited (SSIL) for transferring DSE membership from SBC to SSIL and takeover of securities business of SBC, the brokerage and dealership business of SBC has been taken over by SSIL as on 20th April 2011. The main objectives of the company are to carry on the business of a stock brokerage and stock dealership i.e., to buy, sell and deal in shares, stocks, debenture, bonds, and other securities, and to carry on any business as permissible for a broker and dealer house duly licensed by the Bangladesh Securities and Exchange Commission. Paid up capital, net worth and total assets of SSIL as on 31 December 2023 is BDT 200 million, 466.05 million and 909.81 million respectively. SSIL earns net profit of BDT 27.26 million and 36.46 million during the year 2023 and 2022 respectively.



### Export Credit Guarantee Departments

The Export Credit Guarantee Department (ECGD) was established by order No. 1E-15/ 76-EII(PT) dated 2 April 1977 of the Ministry of Commerce. The division was conducting its activities separately from SBC and had been submitting reports on overall activities and audited financial statements to the concerned Ministry through Sadharan Bima Corporation (SBC). However, the administrative ministry ceased to grant a separate budget for ECGD from 2022 and it was amalgamated in the latest approved TO&E of SBC. Hence the Board of Directors of Sadharan Bima Corporation (SBC) in its 676th meeting held on 27 February 2024 decided to merge the accounting and reporting of all the activities of ECGD with SBC. Meanwhile, ECGD also applied to the LTU of NBR to merge its existing TIN with that of SBC. Therefore, the ECGD accounts have been merged with that of SBC during the year 2023. As per IAS-1, correspondence figures of the prior period (2022) have been restated for comparability of the information presented in the financial statements. The business of ECGD falls under the category of miscellaneous class of insurance and hence its premiums and claims have been accounted for in the Miscellaneous Revenue Account.

### Future Plans of ECGD

**Expansion of Product Offerings:** The ECGD plans to introduce new insurance products tailored to emerging markets and sectors, including digital exports and services.

**Expedite Claim Settlements:** The ECGD plans to settle a significant number of claims, demonstrating its reliability and commitment to protecting exporters against losses due to non- payment or political risks.

**Strengthening Regional Presence:** To expand the activities of ECGD, there is a focus on increasing regional presence through zonal offices of SBC to offer more personalized support and services to exporters allover the Bangladesh.

### SBC's Risk Management

To adapt with the changing environment and to mitigate the diversified risk we are exposed to, we focus on strong governance so that we can

minimize our risk to an acceptable level. The overall risk management activities are well managed by the efficient team of the Board of Directors along with the top management involved. The macroeconomic risks faced by SBC are:



The indemnification and the risk pooling properties of non-life insurance facilitate commercial transactions and the provision of credit by mitigating losses as well as the measurement and management of risk. The availability of insurance enables risk-averse individuals and entrepreneurs to undertake higher risk and activities that yield a higher rate of return, promoting higher productivity and growth. The business of insurance involves the assumption of risks of many types - physical as well as moral. Physical risks are identified as those caused by natural catastrophes, accidental losses, and man-made disasters.

The key to proper management of insurance business risks is to ensure proper selection of risks as well as of the client through a vetting process known as prudent underwriting. Non-life insurance business also closely follows the country's economic development and any slowdown in the economic activities also has adverse impact on the insurance industry's growth. Sadharan Bima Corporation is aware of these business risk. The risk management procedure of SBC lies on the following framework:

- a) Identification, measurement and communication of key risks to the Board of Directors on regular basis is done.
- b) The board decides on the maximum amount of risk that SBC can take, as well as the frequency of review of risk limits.
- c) The roles and responsibilities of the respective units and staff involved in acceptance, monitoring and management of risks are then well defined and communicated in advance.
- d) A structure for product development, pricing, underwriting, claims handling and reinsurance management, including authority to approve deviations and exceptions are formed and communicated in advance.
- e) The principles and criteria relating to product development, pricing, underwriting, claims handling, reinsurance management and the management of concentration risk, exposures to catastrophic events, including limits, reinsurance, portfolio monitoring, and stress testing are well-defined and communicated in advance.

The key principles to mitigate business risk followed here are as follows:

### Risk Selection

Risks having the potential of making underwriting profit are selected.

### Risk Diversification

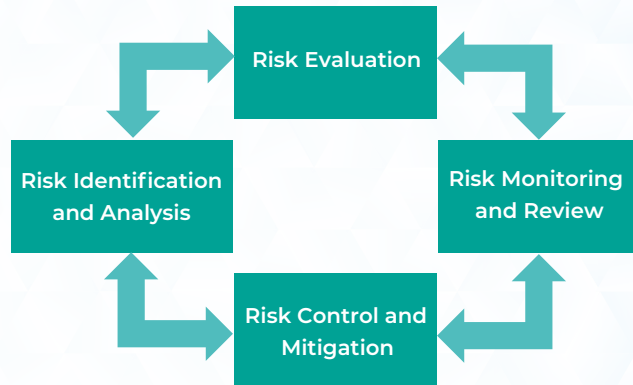
Risks are diversified into many segments of business, e.g., product-wise as well as client-wise, so that the organization is not over-reliant on any segment.

### Risk Management

The corporation arranges adequate reinsurance backup of risks assumed by it with good securities.

The corporation maintains a conservative reserving policy and its various technical reserves have been created adequately to cater for unforeseen events in the future.

The four basic steps SBC follows in overall risk management process is figured below:



In terms of Overseas Re-insurance placement the board plays a suggestive and pivotal role in instructing the Overseas Re-insurance placement with renowned reinsurers either directly or through the trusted, internationally rated, experienced and dedicated insurance brokers.

### Claim Settlement

The board instructed the Re-insurance Department and Claims Department for changing the existing system of claim settlement process. Instructions have been given by the board to appoint one or more Surveyors by SBC in case of large claim intimations. In this way, huge amount of claims have been settled during 2023. For efficient and prompt settlement of claims, following major initiatives has been taken:

- I. Standard Claim Manual is under process for prompt settlement of claims.
- II. Appoint of surveyors immediately after claim intimation and monitoring for the submission of survey report within the scheduled time.
- III. Capacity building of the employees for the smooth functioning of claims personnel is ongoing.

### Corporate Governance

Sadharan Bima Corporation has established a set of good corporate governance practices in line with industry best practices and regulatory requirements. The corporation has been ensuring transparency, accountability, and good governance at every step of its operations. The details of the Corporate Governance Report are given in this Annual Report.



## CSR activities of SBC

Sadharan Bima Corporation has continued its endeavors to deliver economic and social benefits to the community in discharge of its CSR and has extended financial assistance to different Mosques, Orphanage and other Religious and Social welfare establishments and Educational Institutions. The corporation provides scholarships for the meritorious children of the employees of the Corporation. SBC also provides assistance to games and sports in the country. The corporation expenses of Tk. 1,51,30,441 as donation and subscription for different welfare establishments and Tk. 78,99,429 as games & sports as well as scholarships to meritorious students and children of its employees in the year 2023. The CSR rule for the corporation is under process and after getting approval from the ministry it would be implemented which would extend the new areas of such activities.

## Credit Rating of SBC

Sadharan Bima Corporation has been rated by Alpha Credit Rating Limited which performed the rating surveillance based on audited financial statements of December 31, 2022 and other relevant information and the report was issued on 04 October 2023. They have upgraded the rating of the corporation as “AAA” under the “Long Term” category and “ST-1” under the “Short Term” category. An institution rated as “AAA” under the “Long Term” category has a very strong capacity to meet its financial commitments. These institutions typically have a good track record and have no readily apparent weaknesses. An institution rated as “ST-1” under the “Short Term” category has a strong capacity to meet its financial commitments in a timely manner.

## Internal Audit and Compliance

Internal Audit refers to the tools that provide reasonable assurance regarding the achievement of the corporation's objectives. These include effectiveness and efficiency of operation, safeguarding the assets of the corporation, compliance with applicable laws and regulations, and compliance with policies and procedures issued by the corporation and the regulators. SBC ensures strong internal control mechanism and adhere to

various guidelines in this regard. Apart from conducting systematic pre and post audit of SBC's finance related matters by internal Audit & Compliance department, the commercial audit department of the Supreme Audit Institution (C&AG) also carry out its audit in regular interval. By conducting several bilateral as well as a tripartite meeting in collaboration with FID and commercial audit department, the audit objections amounting TK. 791.34 crore have been settled during the year 2023. In the meantime, short term & mid-term plan have been taken to reduce the number of audit objections and the amount involved with the audit objections. In 2023, unsettled objections were reconciled with the AMMS 2.0 software of commercial Audit department to resolve inconsistencies of objections between manual records and the said software.

## Board Meetings and Attendance by the Directors

During the year 2023, a total of 17 meetings of the Board were held. Attendance by the Directors has been summarized in Corporate Governance section of this Annual Report (Page no. 49-59).

## Anti-Money Laundering (AML) Activities

Sadharan Bima Corporation believes in adherence to laws relating to AML and Combating Financing of Terrorism (CFT). In the AML laws, Sadharan Bima Corporation has formed six members committee as CCU and adopted policies for strict observance of AML laws by its every officer while discharging their responsibilities. SBC arranges awareness programs on AML & CFT with its employees from Head Office and Zonal Offices including Branch Offices.

## Promotional Schemes of SBC

As a state-owned insurance organization, Sadharan Bima Corporation has undertaken some promotional insurance schemes for the benefit of the society as well as the economic development of the country. These schemes are:

- a) Crop insurance for flood-prone areas on pilot basis.
- b) Cattle insurance.
- c) Peoples Personal Accident (PPA) insurance.



- d) Overseas Medi-claim and Dread disease insurance.
- e) Export Credit Guarantee insurance.
- f) Bankers' Blanket Bond Insurance for the Banking sector.
- g) Satellite Insurance

## Training

The corporation always realizes that as insurance is highly technical subject, it requires technically qualified people to properly administer the insurance and reinsurance business. Thus, the corporation attaches importance on improvement of job skill and professional competence of its employees through arrangements of various programs at home and abroad. During the year 2023, a total number of 65 training course was conducted to enhance the skills of all its employees of which 46 were arranged through the internal training center of the corporation, and the remaining course was conducted by Bangladesh Insurance Academy and BISDP.

## Staff Relationship with the Employers

The Corporation attaches priority to maintain congenial relationship between employers and employees. With that end in view, the management allows the representatives of employees to keep in touch with them for addressing their genuine demands. To maintain good relationship and harmony and to improve working atmosphere, arrangements are being made to stage annual drama and hold different indoor and outdoor games and other cultural events.

The Board always values its employee contributions and prioritizes their benefits. In this regard, the Board has taken several initiatives which are under process, such as:

- a) Revising the organizational structure of the Corporation.
- b) Modernization of Benevolent Fund regulation.
- c) Completion of ongoing direct recruitment as soon as possible.
- d) Fill up the vacancies by offering promotion to the deserving candidates.

- e) Updating the employee service regulations, House Building Loan Policy, Incentive Bonus Guidelines etc.

## First Multistoried Car Parking and Commercial Complex

To reduce the problems of traffic jam, Sadharan Bima Corporation has built a 9 (Nine) storied car parking space at 37/A, Dilkusha C/A, Dhaka. These 9 (Nine) storied cars parking facility is the first time in Bangladesh. There are plans to construct the building up to 20th floor (very soon) by-phase. Car parking in Dhaka City is now a serious problem as the number of cars is increasing day by day. SBC's initiative of making a car-parking facility is praiseworthy.

## Commercial Complex at Mohakhali Commercial Area and Khulna City Area

The corporation has taken initiative to build a 20 storied commercial complex at Mohakhali Commercial Area, Dhaka on its own lands and a multistoried building at Khulna City Area.

## Housing Complex at Uttara, Dhaka

There is a plan to build more housing complexes for officers and staffs at Uttara, Dhaka. The authority has decided to re-build the officers' quarter at Agrabad C/A, Chittagong. These are the initiatives of SBC's authority to provide residential facility for the officers and staffs.

## Sponsor shareholding

SBC is the sponsor shareholder of Investment Corporation of Bangladesh, Industrial Development and Leasing Company, National Tea Company Limited, National Housing Finance and Investment Ltd, Aramit Ltd, Central Depository BD Ltd., CVC Finance Ltd. etc. Therefore, the contribution of SBC to the economy of Bangladesh is significant.

## Thinking Ahead

The SBC board is very keen to observe the global market continuously and grab any business opportunities immediately with the help of the abled administration. Few ongoing developments under the direct instruction of the board are mentioned below:



- a) The corporation will implement the fully automation system immediately through the help of BISD Project.
- b) New buildings for officers and staff quarter at Dhaka and Chattogram will be constructed on need basis.
- c) Business development activities and customer service i.e., prompt claims-settlement will be done through the active assistance of the BISD Project.
- d) Introducing new insurance products such as Health Insurance, Delay in Start-up for various projects under construction/erection, Satellite Insurance and Crops Insurance in flood-prone areas etc.
- e) Exploring the new overseas reinsurance market.

The Board of Directors is pleased to place on record its appreciation for the sincere and devoted services

rendered by the Corporation's officers and staff members at all levels during the period under report. The Board of Directors also pays special thanks to the Auditors who were appointed under the Insurance Corporation Act 2019 (section 28) for their in-depth audit and on time submission of their reports. The Board of Directors also extends its gratitude and thankfulness to the Government of the Peoples' Republic of Bangladesh, especially Financial Institutions Division of the Ministry of Finance for their guidance and support from time to time. The Board also recorded with gratitude for the co-operation and patronage of the re-insurers from home and abroad and other statutory organizations, viz. Insurance Development & Regulatory Authority (IDRA), Bangladesh Insurance Academy, all the Private Sector Insurance Companies, Bangladesh Insurance Association and above all the insureds of the corporation for their co-operation and patronage.

**Md. Harun-Or-Rashid**  
Managing Director  
Additional Secretary  
Sadharan Bima Corporation

**Dulal Krishna Saha**  
Chairman  
Board of Directors  
Sadharan Bima Corporation

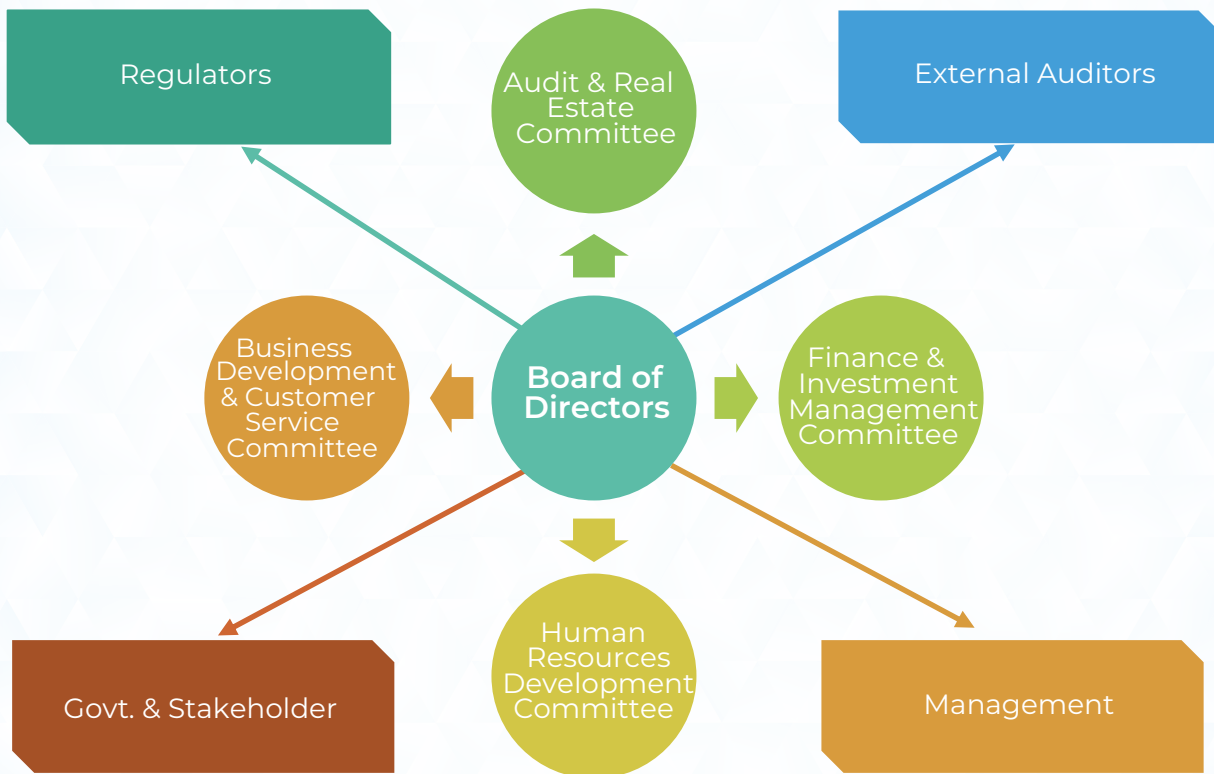
## CORPORATE GOVERNANCE



### Governance Structure of SBC

The Board recognizes the need for a strong corporate governance framework and supporting processes and believes that good governance, with tone set from the top, is a key factor in delivering sustainable business performance and creating value for all the Groups stakeholders.

The Board is assisted by four specialized Committees such as Human Resources Development and Finance & Investment Management Committee, Business Development & Customer Services Committee, Audit & Real Estate Committee and Miscellaneous Committee.





### Guiding philosophy of governance practice

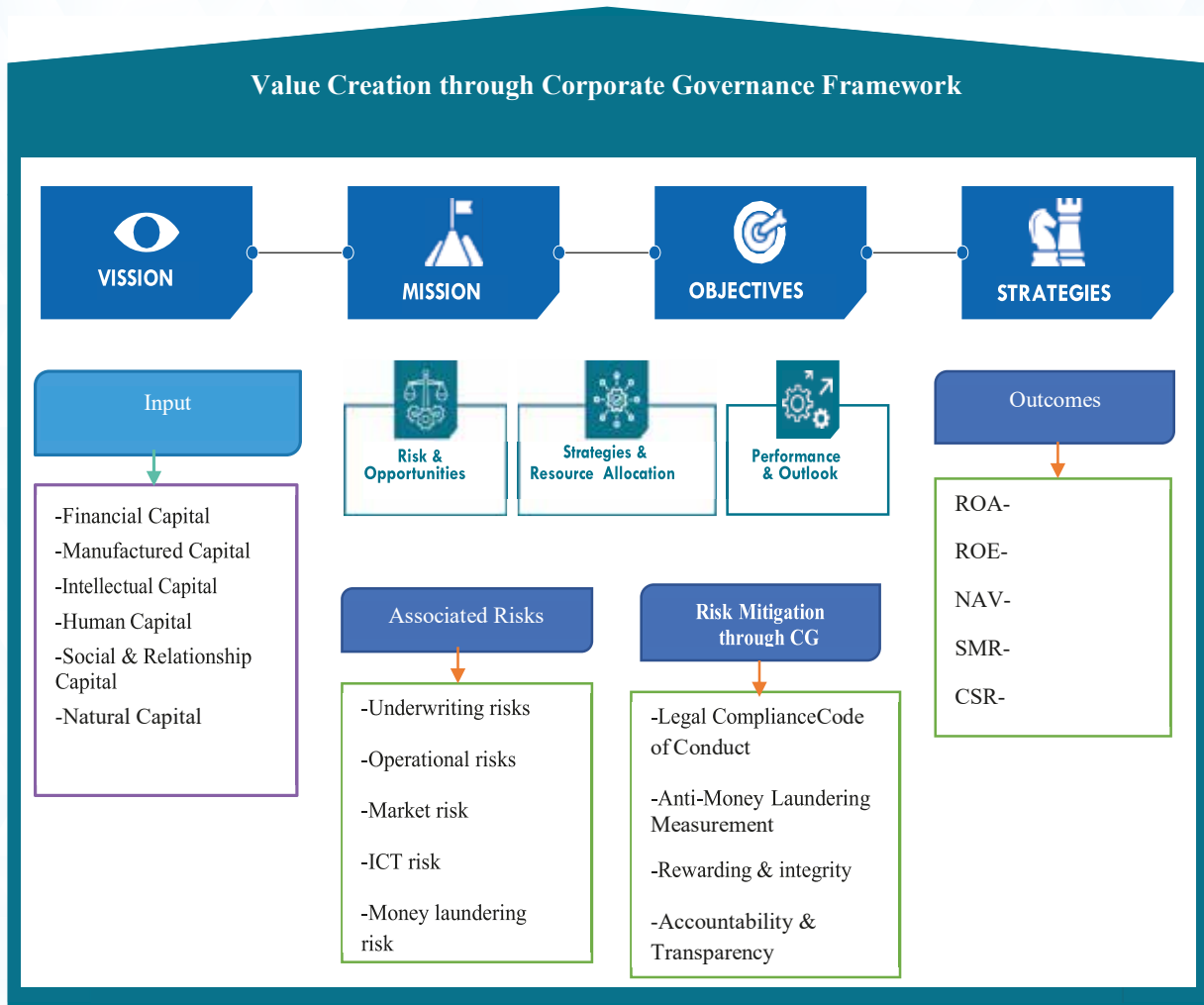
Principles of good governance are embedded in the core values of SBC, the corporation that strongly believes in inclusive and sustainable growth. As a locally incorporated, the following Acts, regulatory bodies played a major role in shaping the governance structure and practices of the Corporation.

- Insurance Act 2010
- Insurance Development & Regulatory Authority (IDRA) Act 2010
- Bangladesh Securities and Exchange Commission (BSEC) Act 1993
- Insurance Corporation Act 2019
- The Companies Act, 1994

- Financial Reporting Act 2015
- Other applicable laws and regulations

### Value Creation through Corporate Governance Framework

Corporate governance practices and the value creation of SBC are inevitably linked. The governance has a considerable impact on value creation. A good corporate governance system reduces risks, improves capital flow, boosts reputation, and facilitates improved decision-making, all of which contribute to the insurance value. SBC's value creation through corporate governance is as follows:





### Policy on Appointment of Board of Directors

The Members of the Board of Directors are appointed by the Government. The Board of Directors of SBC comprise the following compositions-

- ✓ 1 (one) Chairman to be nominated by the Government;
- ✓ 2 (two) officials, not below the rank of a Joint Secretary, to be nominated by the Financial Institution Division;
- ✓ 1 (one) official, not below the rank of a Joint Secretary, to be nominated by the Finance Division;
- ✓ 1 (one) official, not below the rank of a Joint Secretary, to be nominated by the Commerce Ministry;

- ✓ 1 (one) professor of the concerned Department of Dhaka University, to be nominated by the Government;
- ✓ Director, Bangladesh Insurance Academy, ex-officio;
- ✓ 2 (two) insurance experts having experience in conducting insurance business, to be nominated by the Government;
- ✓ 1 (one) Professional Accountant experienced in audit and accounts, to be nominated by the Government; and
- ✓ Managing Director, ex-officio.

### Members of the Board of Directors

The Board and its HRD, Finance & Investment Management Committee regularly monitor and

manage the investment, human resource and other management activities. In the year 2023 the Board of Directors comprised ten members.

### Composition of the Board and its Committees

Sl.	Name of Directors	Board	Business Development & Customer Service Committee	Finance & Investment Management Committee	Human Resources Development Committee	Audit & Real Estate Committee
1	Dulal Krishna Saha	Chairman				
2	Badre Munir Firdaus	Director			Convener	
3	Md. Abdus Samad Al Azad	Director				Convener
4	Md. Firoz Ahmed	Director				
5	A. K. M. Ehsanul Haque, FCII	Director				
6	S M Ibrahim Hossain, ACII	Director				
7	Professor Abdullah Al Mahmud	Director		Convener		
8	Md. Jahid Hossain	Director				
9	Ms. Fouzia Haque, FCA	Director	Convener			
10	Md. Harun Or-Rashid	Managing Director				



## Role and Responsibilities of the Board

The Board is collectively responsible for determining the strategic orientations of the corporation, ensuring their implementation, and establishing the internal framework for oversight of Executive Management, subject to relevant laws and regulations and the Bylaws of the Corporation. Board responsibilities (which are not limited to the following) are as follows:

- Chooses the appropriate corporate governance framework,
- Reviews and endorses the Corporations half-year and annual financial statements;

- Presents a report on corporate governance;
- Fulfills all the Board obligations set out in the Bylaws;
- Adopts and oversees the general principles of the compensation policy;
- Reviews the strategies and the policies on the taking, management and monitoring of risks as well as the conclusions of the internal assessment of risks and solvency.
- Approves non-audit services and recommends the Statutory Auditors for appointment.

## Meetings of the Board of Directors – 2023

The Board normally meets on a monthly basis, and the meeting dates are scheduled well in advance (before the commencement of each financial year) to enable the Directors to plan ahead. When

required, the Board meet on adhoc basis to consider urgent matters. The statement of Board meetings held during the year 2023 and the attendance of Directors are appended below:

Name	Position	Meeting held	Attended
Md. Ziaul Islam	Chairman	17	10
Dulal Krishna Saha	Chairman		4
Badre Munir Firdaus	Director		17
Md. Abdus Samad Al Azad	Director		16
Md. Firoz Ahmed	Director		16
Professor Abdullah Al Mahmud	Director		16
Fouzia Haque, FCA	Director		17
A. K. M. Ehsanul Haque, FCII	Director		6
S M Ibrahim Hossain, ACII	Director		17
Md. Jahid Hossain	Director		1
Sayed Bealal Hossain	Managing Director		13
Md. Harun-Or-Rashid	Managing Director		4
Wasiful Hoq	Managing Director (Additional Charge)		1

## Rotation, Retirement, Removal and Appointment of Directors

In accordance with the provisions of Section 91 of the Companies Act 1994, Section 79-87 of Schedule I of the Act, one-third of the Directors shall retire from office in every subsequent year and shall be eligible for re-election upon retirement immediately. As state owned organization, SBC is followed by Insurance Corporation Act 2019 for rotation, retirement and removal of Directors.

The Chairman or a Director may resign his office by writing under his hand addressed to the Government. Such resignation shall not take effect until it is accepted or approved by the Government. Moreover, the Government may, at any time, terminate the Chairman or any Director without showing any cause.

If the Chairman is unable to perform the function of his office on account of absence, illness or any other cause, any Director to be nominated by the



Government shall act as the Chairman until a newly appointed Chairman takes over the Charge of his office or the Chairman can resume the functions of his office.

List of the Directors who were appointed, re-appointed and removed from 01-01-2023 to 31-12-2023

Name of the Director	Designation	Date	Remarks
Md. Ziaul Islam	Chairman	21.07.2023	Removed/Retired
M. Saifullah Panna	Director	19.01.2023	
Fouzia Haque, FCA	Director	31.12.2023	
A. K. M. Ehsanul Haque, FCII	Director	13.09.2023	
Sayed Bealal Hossain	Managing Director	29.08.2023	
Dulal Krishna Saha	Chairman	31.08.2023	Appointed
Md. Firoz Ahmed	Director	30.03.2023	
Md. Jahid Hossain	Director	11.12.2023	
Md. Harun-Or-Rashid	Managing Director	11.09.2023	

### Role & Responsibilities of the Chairman of the Board

In accordance with Bangladesh Corporate Governance guidelines, the Chairman's role is to organize and oversee the work of the Board of Directors. In this context, he sets the agenda of the Board meetings, holds regular discussions with the Managing Directors and the directors, requests any document or information necessary to help the Board of Directors for the preparation of its meetings, verifies the quality of the information provided and more generally, ensures that Board members receive documentation concerning matters to be reviewed, generally eight days in advance of Board meetings. The chairman engaged wide range of responsibilities including;

- Promote the Corporation's values and culture in particular in relation to corporate responsibility and professional ethics,
- Upon request by the Managing Director, represents the Corporation's in its relations, nationally and internationally with public bodies, institutions, regulators and the Company's main strategic partners and stakeholders;
- Consult with the Managing Director on major topics and events relating to the Corporation (including the corporate's strategy, major acquisition or divestment projects, and significant financial transactions).

- Upon the invitation of the Managing directors, take part in internal meetings with executives and teams to provide his opinion on strategic issues or projects;
- Assist and advise the Different Key Executives.
- In this context, in 2023, the Chairman of the Board of Directors, notably:
  - ✓ Represented the Corporation at various national and international events
  - ✓ Had discussions with the main stakeholders of the Corporation, in particular prior to the Annual Meeting.
  - ✓ At the request of the Managing Directors, participated in internal meetings in connection with significant events concerning the Corporation.

### Board Committee & their responsibilities

To ensure a better performance of its functions through a suitable decision-making process, the SBC's Board of Directors as per the guidelines of regulators has established specific Committees that assist it in matters falling within their remit, with a coordinated working system among them. These Committees are essential to ensure the correct discharge of the management oversight and control functions of the Board, on the basis of a system that guarantees full independence from the top level, and therefore strengthening the checks & balances structure of SBC's Corporate Governance System.



The Board of Directors has set up three specific Committees with broad and relevant functions:

- Business Development & Customer Service Committee
- Finance & Investment Management Committee
- Human Resources Development Committee
- Audit & Real Estate Committee

As per the Section-21 of Insurance Corporation Act 2019, the apex body of SBC is assisted by several sub-committee. Each committee operates under specific Terms of Reference that sets out its responsibilities and composition. These Committees have a clear allocation of functions, both in the Regulations of the Board of Directors and, where applicable, in their specific Regulations, and have the necessary resources for their operation, free access to the SBC's Senior Management.

### Business Development & Customer Service Committee

Business development is one of the most important factors for an insurance company. Efficient & smart marketing of the corporation speaks about the corporation's goodwill in the insurance market. The committee is constituted of 4 members to innovate and develop ideas of developing business, suggest business development expenditure based on present economic condition, discuss and recommend underwriting related regulations and activities.

The committee is responsible for-

1. Recommending for the development and

implementation of various approaches in the interest of business development of the Corporation.

2. Recommending reorganization of various unit offices, sub-branches and branch offices on the basis of business results.
3. Recommending promotion of various Unit Offices, Sub-Branch and Branch Offices to Sub-Branch, Branch and Regional Office respectively based on business success.
4. Recommending reallocation of business development expenditure in the interest of business development in view of actual situation.
5. In future, other relevant matters may be included in the scope of this committee's functions.
6. Reviewing and recommending accountability policies and procedures and submitting reports to the Board.
7. The Committee may consider, approve and recommend claims arising out of the direct underwriting and reinsurance business of the General Insurance Corporation subject to the following limits:
  - a) Claims above 10 (ten) lakhs to 25 (twenty-five) lakhs can be approved by this committee.
  - b) Claims above 25 (twenty-five) lakhs shall be submitted to the Board with recommendations for approval.
  - c) This Committee may consider, approve and recommend any other matter relating to direct write-off claims.
8. All information regarding renewal of reinsurance contracts with various companies/foreigners shall be submitted through the Committee for the direction of the Board.

During FY 2023, 14 meetings were held and the attendance of the members are appended below:

Name	Position	Held	Attended
Ms. Fouzia Haque, FCA	Convener	14	14
Md. Firoz Ahmed	Member		13
A. K. M. Ehsanul Haque, FCII	Member		6
S M Ibrahim Hossain, ACII	Member		3
Md. Jahid Hossain	Member		2
Md. Harun-Or-Rashid	Member		3
Sayed Bealal Hossain	Member		11



### Finance & Investment Management Committee

The Finance & Investment Management Committee is constituted of 04 (four) members to provide financial analysis, advice, and oversight of the organization's budget as well as the corporation's investment portfolio.

The committee is responsible for-

- ✓ Annual revenue budget and revised budget with recommendations for consideration and approval of the Board.
- ✓ Consideration of policy matters relating to appropriate utilization of the Corporation's assets/funds, rent collection, payment, growth and investment policies.

- ✓ Proposals for investment and expenditure above Taka 5.00 (five) lakh along with recommendations are submitted to the Board for consideration and approval.
- ✓ Investment management of the corporation and determination of the amount of income, collection and arrears of the corporation in the interest, dividend, commission etc. of the money invested by the corporation in immovable and immovable property of various institutions and review of investment policies and presentation to the board with necessary recommendations.

During FY 2023, 7 meetings were held and the attendance of the members is appended below:

Name	Position	Meeting Held	Attended
Professor Abdullah Al Mahmud	Convener	7	7
Md. Abdus Samad Al Azad	Member		1
A. K. M. Ehsanul Haque, FCII	Member		3
Md. Firoz Ahmed	Member		6
M. Saifullah Panna	Member		1
Fouzia Haque, FCA	Member		1
Sayed Bealal Hossain	Member		5
Md. Harun-Or-Rashid	Member		2

### The Audit & Real Estate Committee

Sadharan Bima Corporation (SBC) has an Audit Committee (AC) as a sub-committee of the Board of directors (BoD). The AC shall be responsible to the Board of Directors. The head of Internal Audit Department of Sadharan Bima Corporation acts as the secretary of the Committee. The TOR i.e. Role of Audit Committee shall include the following:

1. Assist the Board of directors in ensuring that the financial statements reflect true and fair view of the state of affairs of the SBC and in ensuring a good internal control & monitoring systems within the corporation in its all-operational activities & transactions including reinsurance, real estate, investments & fund management.
2. Oversee the financial reporting process and oversee hiring and performance of external auditors.

3. Monitor choice of accounting policies and principles.
4. Monitor internal controls and Risk Management process.
5. Review the quarterly, half yearly & annual financial statement before submission to the Board of directors.
6. Review the adequacy & effectiveness of the services of the legal advisers, panel advocates/attorneys` and recommending to the Board of directors for their appointment, removal and fixing their remuneration & the terms of reference (TOR).
7. Review statement of significant related party transactions.
8. Review Management Letters/Letter of internal control weakness issued by statutory auditors and management reply thereto.



9. Review of reports and observations made by C&AG (Commercial Auditors) and management reply thereto.

10. Review of IDRA/BB/SEC observations on the operations/fund management/investment in securities and management position there against.

11. Review of audit reports of the subsidiary company and management position there against.

12. Review the adequacy of the internal audit function and recommending to the Board of Directors` for appointment, removal and fixing remuneration & the terms of reference (TOR) of internal auditor to carry out specific investigation/inspection; TOR for consultant for valuations, Taxation, IT & related services and Financial information systems design and implementation;

13. Development Works:

(a) The Chief Executive of the Corporation shall have a financial power up to Taka 50 (Fifty) Lakhs and the Committee up to Taka 3 (Three) Crores for execution of Construction/Installation works.

b) The Chief Executive of the Corporation shall have financial power up to Taka 50 (fifty) lakhs and the said Committee up to Taka 2 (two) crores in respect of procurement of products/machinery/goods/equipment.

© The Chief Executive of the Corporation shall have a financial capacity of up to 25 (Twenty Five) Lakhs and the said Committee up to 50 (Fifty) Lakhs of Taka in case of consulting services.

14. Other than development works:

(a) The Chief Executive of the Corporation shall have financial power up to Taka 50 (Fifty) Lakhs and the Committee up to Taka 1 (One) Crore in carrying out the Construction/Installation works.

(b) The Chief Executive of the Corporation shall have financial power up to Taka 25 (twenty five) lakhs and the Committee up to 50 (fifty) lacs in respect of procurement of products/machinery/goods/equipment.

(c) The Chief Executive of the Corporation shall have a financial capacity of up to 15 (fifteen) lakhs and the Committee shall have up to Taka 25 (twenty-five) lakhs in case of consulting services.

15. The issues of additional expenditure on the proposed financial capacity mentioned above shall be brought up in the board meeting. However, as part of the executive action, approval of running bills of approved projects/works and payment of final bills is not required to be presented in the committee or board meeting.

In order to carry out the above powers and functions the Committee shall perform any other duties assigned by the Board from time to time. The committee's minutes shall be signed by the convener and placed before the Board for consideration of the recommendation for appropriate decision.

The Audit & Real Estate Committee is composed of 04 members. The head of Internal Audit Department of Sadharan Bima Corporation acts as the secretary of the Committee. During FY 2023, 4 meetings were held and the attendance of the members is appended below:

Name	Position	Meeting Held	Attended
Md. Abdus Samad Al Azad	Convener	4	4
Fouzia Haque, FCA	Member		3
S M Ibrahim Hossain, ACII	Member		3
Md. Jahid Hossain	Member		1
Md. Harun-Or-Rashid	Member		1
Sayed Bealal Hossain	Member		3



### Human Resources Development Committee

Human capital is considered as the prime asset of the corporation. It is the combination of competencies, knowledge and personality attributes that can be enhanced through education, training and experience. During its epic journey of 51 years, SBC is able to place itself in its current position with the help of loyal employees. The corporation has the privilege of having a large number of professionals and qualified employees. The corporation imposes highest importance on improvement of job skill and the professional competence of its employees. Therefore, it arranges various training programs at home and abroad.

The committee is responsible for-

- ✓ Proposals including creation of additional posts in various departments and branch offices of the Corporation are submitted to the Board for consideration along with recommendations.
- ✓ Presenting to the Board with recommendations for discretionary approval the removal, suspension or any other action of senior officers from managers.
- ✓ Consideration and submission to the Board with recommendations of any administrative

proposal not covered by other committees.

- ✓ To consider and recommend to the Board any proposals relating to the interests of the officers and employees submitted for decision.
- ✓ As per the Corporation's Staff Regulations (Service Regulations) all the work related to promotion of all categories of officers and appointment of new officers in various grades and shall submit to the Board for final approval/decision along with recommendations.
- ✓ Corporation Manager to Senior Official L.P.R. To consider and decide on cancellations, voluntary retirements and granting of employment in private institutions and promotion/permanence of employment.

HRD committee is consists of 3 members. The committee is responsible for discharge, suspension of any employee. It is also the duty of the committee to make decision regarding promotion, recruitment of employees. The committee is also responsible for proper utilization of assets, rent, investment, etc. During FY 2023, 06 meetings were held by the corporation and the attendance of the members is appended below:

Name	Position	Meeting Held	Attended
Badre Munir Firdaus	Convener	6	6
Md. Abdus Samad Al Azad	Member		5
S M Ibrahim Hossain, ACII	Member		5
Md. Harun -Or -Rashid	Member		5
Sayed Bealal Hossain	Member		1

### Human Capital

Human Resources plays an instrumental role in securing the future success of SBC. In doing so, the function is guided by its long-term vision of working in partnership to create an environment where employees can thrive and are enabled to deliver sustainable organizational performance. It considers that a set of quality, balanced & motivated human resources is the key success factor for its business. SBC has a clear set of mission, vision, and strategies and the Human Resources Division tries to ensure finding such talented manpower having the right attitude and places them in the right positions to achieve the goal of SBC.

SBC pursues to uphold workplace diversity in thoughts, culture, religion, and gender which makes the corporation stronger to serve the clients as well as to achieve the goals. Sadharan Bima Corporation focuses on maintaining the gender ratio to an acceptable level and provides equal employment opportunities. The Board always values its employee contributions and prioritizes their benefits. In this regard, the Board has taken several initiatives which are under process, such as:

- ❖ Revising the organizational structure of the Corporation.
- ❖ Modernization of Benevolent Fund regulation.



- ❖ Completion of ongoing direct recruitment as soon as possible.
- ❖ Fill up the vacancies by offering promotions to deserving candidates.
- ❖ Updating the employee service regulations, House Building Loan Policy, Incentive Bonus Guidelines etc.

## Year-wise employee position:

Employee Type	2019	2020	2021	2022	2023
Officer	498	541	570	537	534
Staffs	562	585	516	657	670
<b>Total</b>	<b>1,060</b>	<b>1,126</b>	<b>1,086</b>	<b>1,194</b>	<b>1,204</b>
<b>Change over the year</b>	<b>42</b>	<b>66</b>	<b>-40</b>	<b>108</b>	<b>10</b>
<b>% of Change</b>	<b>4.13%</b>	<b>6.23%</b>	<b>-3.55%</b>	<b>9.94%</b>	<b>0.84%</b>

\*Officer means Junior Officer (10th grade of National Payscale-2015) and above designated employees

\*\* Staffs means below Junior Officer designated employees

## Employee Type & Gender:

Name of Position	Male	Female	Total-2023	Total-2022
Officer	430	104	534	537
Staffs	573	97	670	657
<b>Total</b>	<b>1003</b>	<b>201</b>	<b>1,204</b>	<b>1,194</b>

## Employee Recruitment:

Name of Position	Male	Female	Total-2023	Total-2022
Officer	-	-	-	3
Staffs	-	-	-	141
<b>Total</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>154</b>

## Employee Resignation:

Name of Position	Male	Female	Total-2023	Total-2022
Officer	2	1	3	27
Staffs	7	4	11	22
<b>Total</b>	<b>9</b>	<b>5</b>	<b>14</b>	<b>49</b>

**Office-wise position (Zonal & Branch Offices):**

Name of Office	No. of Branch	No. of Employee	% of Total
Head office	-	499	41.45%
Dhaka Zone	17	241	20.02%
Chattogram Zone	7	92	7.64%
Rajshahi Zone	15	114	9.47%
Khulna Zone	17	90	7.48%
Narayangonj Zone	5	44	3.65%
Sylhet Zone	5	37	3.07%
Mymensingh Zone	8	46	3.82%
Cumilla Zone	8	41	3.41%
<b>Total</b>	<b>82</b>	<b>1204</b>	<b>100.00%</b>

**Zonal Office Vs Head Office:**

Name of Position	HO	Zonal Office	Total	% of Total
Officer	223	311	534	44.35%
Staffs	276	394	670	55.65%
<b>Total</b>	<b>499</b>	<b>705</b>	<b>1,204</b>	<b>100%</b>

**Age group-wise position:**

Name of Position	Male	Female	Total-2023	Total-2022
Below 30 Years	131	39	170	173
30 to 40 Years	403	62	465	528
40 to 50 Years	134	31	165	70
50 to 60 Years	335	69	404	423
<b>Total</b>	<b>1003</b>	<b>201</b>	<b>1,204</b>	<b>1,194</b>



**MABS & J Partners**  
Chartered Accountants

**Mahfel Huq & Co.**  
Chartered Accountants

## **Independent Auditors' Report to the Shareholders**

(Government of the People's Republic of Bangladesh) of  
Sadharan Bima Corporation (SBC)

### **Report on the Audit of the Consolidated Financial Statements**

#### **Opinion**

We have audited the consolidated financial statements of Sadharan Bima Corporation (SBC) and its subsidiaries (the Corporation), which comprise the consolidated statement of financial position as at December 31, 2023, and the consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the financial position of the Corporation as at December 31, 2023, and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSS).

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

#### **Emphasis of Matters**

Without modifying our opinion, we draw attention to the following matters:

1. We draw attention to Note # 18 of the financial statements, which describes the effect of unadjusted outstanding premium BDT 736,440,751 which was carried forward since long.
2. Reference to the Note # 19.01 to the financial statements, where the Corporation has reported outstanding rent receivables BDT 127,452,698 which was remained unrecovered since long.

#### **Key Audit Matters**

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. In addition to the matter described in the Basis for Opinion section we have determined the matters described below to be the key audit matters to be communicated in our report.



**MABS & J Partners**  
Chartered Accountants

**Mahfel Huq & Co.**  
Chartered Accountants

Risk	Our response to the risk
<b>Property, Plant &amp; Equipment</b>	
<p>The carrying value of property, plant &amp; equipment and investment property amounts to Taka 909,424,036. This represents a significant amount in the corporation's statement of financial position as at December 31, 2023.</p> <p>There is a risk of:</p> <ul style="list-style-type: none"> <li>• determining which costs meet the criteria for capitalization;</li> <li>• determining the date on which the assets in recognized to property, plant &amp; equipment and depreciation commences.</li> </ul> <p>We identified the carrying value of property, plant &amp; equipment as a key audit matter because of the high level of management judgment involved and because of its significance to the financial statements.</p>	<p>Our audit procedures to assess the carrying value of property, plant &amp; equipment included to the followings:</p> <p>Our audit procedure included controls testing and substantive procedures covering, in particular:</p> <ul style="list-style-type: none"> <li>➤ Assessing the design, implementation and operating effectiveness of key internal controls over the completeness existing and accuracy of property, plant &amp; equipment including the key internal controls over the estimation of useful economy lives and residual values maintained;</li> <li>➤ Assessing on a sample basis, costs capitalized during the year by comparing the costs capitalization with the relevant underlying documentation, which included purchase agreements and invoices, and assessing whether the costs capitalization meet the relevant criteria for capitalization;</li> <li>➤ Testing the key controls over the management's judgment in relation to the accounting estimates of the depreciable lives and reschedule values of property, plant &amp; equipment;</li> <li>➤ Reconcile on a sample basis the additional capitalized costs for the year to the underlying invoices and supporting documents;</li> <li>➤ We reviewed minutes of board meetings for approval of the total capitalization cost.</li> <li>➤ We assessed the corporation capitalization policy for compliance with IAS-16 and tested the expenditure capitalized against capitalization policy.</li> <li>➤ We traced payments to supporting documents.</li> </ul> <p>We assessed the adequacy of the disclosures of the financial statements.</p>



**MABS & J Partners**  
Chartered Accountants

**Mahfel Huq & Co.**  
Chartered Accountants

**Estimated liability in respect of outstanding claims whether due or intimated and claim payment**

This account represents the claim due or intimated from the insured and involves significant management judgment and risk of understatement. In extreme scenario this item may have going concern implications for the corporation.

We tested the design and operating effectiveness of controls around the due and intimated claim recording process.

We additionally carried out the following substantive testing's around this item:

- Obtained the claim register and tested for completeness of claims recorded in the register on a sample basis.
- Obtained a sample of claimed policy copy and cross check it with claim.
- Obtained a sample of survey reports cross checked those against respective ledger balances and incase of discrepancy carried out further investigation.
- Obtained and discussed with management about their basis for estimation and challenged their assumptions where appropriate.
- Reviewed the claim committee meeting minutes about decision about impending claims.
- Tested a sample of claims payments with intimation letter, survey report, bank statement, claim payment register and general ledger.
- Finally assessed the appropriateness and presentation of disclosures against relevant accounting standards, Insurance Act 1938 (as amended in 2010), Insurance Rules, 1958 and other applicable rules and regulations and regulatory guidelines.

However, due to the time constraint we tested the design and operating effectiveness of controls by collecting a small volume of sample.

**Premium Income**

Premium income is the most financially significant item in the statement of profit and loss account & profit and loss appropriation account. The company has reported gross premium income of Taka 17,181,644,521 where net premium income 9,052,459,721 for the year ended 31 December 2023.

With respect to Premium income in respect of various types of insurance we carried out the following procedures:

- The design and operating effectiveness of key controls around premium income recognition process.
- Carried out analytical procedures and recalculated premium income for the period.



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**Premium Income**

Gross general insurance premiums comprise the total premiums received for the whole period of cover provided by contracts entered into during the accounting period.

Given the important nature, connections to other items to the financial statements and sensitivity of the item we believe this area pose high level of risk.

- Carried out cut-off testing to ensure unearned premium income has not been included in the premium income.
- On a sample basis reviewed policy to ensure appropriate policy stamp was affixed to the contract and the same has been reflected in the premium register.
- Ensured on a sample basis that the premium income was being deposited in the designated bank account.
- Tested on a sample basis to see that appropriate VAT was being collected and deposited to bank through Treasury Challan.
- For a sample of insurance contracts tested to see if appropriate level of reinsurance was done and whether that re insurance premium was deducted from the gross premium.

Applying specialist judgment ensured if there is any impairment of the reinsurer.

**Other Information**

Management is responsible for the other information. The other information comprises all of the information in the Annual report other than the financial statements and our auditors' report thereon. We have not received the Annual Report for the year under audit before the date of signing the auditor's report from the management.

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

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements, or our knowledge obtained in the audit or otherwise appears to be materially misstated.

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

Management is responsible for the preparation and fair presentation of the financial statements in accordance with IFRSS, the Insurance Act 2010, the Insurance Rules 1958, and other applicable laws and regulations and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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



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

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

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

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- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Corporation's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Corporation to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be

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communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

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

In accordance with the Insurance Act 2010, the Insurance Rules 1958, the Corporation Act 2019 and other applicable laws and regulation related to the Corporation, subject to our qualified opinion we also report that:

- a) We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit and made due verification thereof;
- b) In our opinion, except noted above proper books of accounts, records and other statutory books as required by law have been kept by the Corporation so far as it appeared from our examinations of those books;
- c) The Corporation management except noted above has followed relevant provisions of laws and rules in managing the affairs of the Corporation and proper books of accounts, records and other statutory books have been properly maintained and (where applicable) proper returns adequate for the purposes of our audit have been received from branches not visited by us;

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- d) As per section 63(2) of the Insurance Act 2010, in our opinion to the best of our knowledge and belief an according to the information and explanation given to us, all expenses of management wherever incurred and whether incurred directly or indirectly, in respect of insurance business of the company transacted in Bangladesh during the year under report have been duly debited to the related Revenue Accounts and the Statement of Comprehensive Income of the Corporation;
- e) The Statement of Financial Position, Statement of Comprehensive Income, Profit and Loss Appropriation Account, related Revenue Accounts, Statement of Changes in Equity and Statement of Cash Flows of the Corporation together with the annexed notes dealt with by the report are in agreement with the books of account and returns; and
- f) The expenditure was incurred for the purpose of the Corporation's business.

Name of firm : **MABS & J Partners**  
Chartered Accountants

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Signature of the Auditor : 



**Name of the Auditor** : **J C Biswas FCA**  
Partner

**Md. Abdus Sattar Sarkar FCA**  
Partner

Enrolment No. : 0199

1522

DVC Number : 2406020199AS864141

2406031522AS445001

Dhaka 01 June 2024