



PROSPECTUS

NATIONAL LIFE INSURANCE COMPANY LIMITED

(A PUBLIC COMPANY WITH LIMITED LIABILITY OF THE SHAREHOLDERS INCORPORATED

IN BANGLADESH ON 12-02-1985 UNDER THE COMPANIES ACT, 1913)

Public Issue of 1,50,000 Ordinary Shares of Taka 100 each

SUBSCRIPTION OPENS: 2ND MAY, 1995
SUBSCRIPTION CLOSES: 9TH MAY, 1995

REGISTERED OFFICE

79, MOTIJHEEL C/A, (FIRST FLOOR),
DHAKA-1000

AUTHORISED CAPITAL

20,00,00,000.00 DIVIDED INTO 20,00,000
ORDINARY SHARES OF TK. 100.00 EACH.

UNDERWRITTEN BY
NATIONAL CREDIT AND
COMMERCE BANK LIMITED.

"Consent of the Securities & Exchange commission has been obtained to the Issue of Capital under the Securities & Exchange Ordinance, 1969 as amended in 1993 by an order of which, a complete copy is open to public inspection at the Registered Office of the Company. It must be distinctly understood that in giving this consent the Securities & Exchange Commission does not take any responsibility for the financial soundness of any scheme or for the correctness of any of the statements made or opinion expressed with regard to them."

A dated and duly signed copy of this prospectus has been filed for registration with the Registrar of Joint Stock companies, Bangladesh as required by Section 138 (1) of the Companies Act, 1994.

Application will be made to the Dhaka Stock Exchange Ltd. within ten days of the first issue of prospectus for admission of the shares of the Company for dealings on the market and for their quotation on the Dhaka Stock Exchange. If for any reason, the application for listing is not accepted by the Dhaka Stock Exchange Ltd., within six weeks of the closure of the subscription list, the allotment against applications in response to the prospectus shall be void, and the subscription money received from the applicants shall be refunded within 30 (thirty) days of the expiry of the said six weeks. In case of failure to refund the subscription money to the applicants within the said 30 (thirty) days, the Directors, in addition to the company, shall be responsible collectively and severally to refund the money with interest at 5% above the bank rate.

THE SUBSCRIPTION LIST OF 1,50,000 ORDINARY SHARES OF TAKA 100/- EACH BEING HEREBY OFFERED WILL OPEN AT THE COMMENCEMENT OF BANKING HOURS ON 2ND MAY, 1995 AND WILL CLOSE ON 9TH MAY, 1995 AT THE CLOSE OF THE BANKING HOURS.

So far four actuarial valuations have been made and reveal the following :-

	1985 & 86	1987 & 88	1989 & 90	1991 & 92
(a) Valuation Surplus	7.44	23.16	57.02	212.06
Distribution of Surplus:				
Provision For Income Tax:	1.42	—	—	—
Bonus Allocation (Policyholders):	2.55	12.66	46.60	161.53
Surplus Carried Over to with-profit policyholders:	3.30	8.76	6.14	40.64
Allocated to Shareholders:	0.47	1.74	4.28	9.89
	7.44	23.16	57.02	212.06

(b) Allocation to shareholders goes upto 9.89 lakh in 1991 & 92 from 0.47 lakh in 1985 & 86 i.e. 21.04 times in 6 years. It appears that performance of the company is improving though slowly but steadily and the Company has been able to declare dividend @ 1.75% out of the previous actuarial surpluses for each year of 1989 & 1990 and @ 3% for each year of 1991 & 1992. With the lapse of time this allocation is expected to go up. The dividend was declared on the ordinary shares of Tk. 1,50,00,000/- on the basis of actuarial valuation, detailed as below:

Year	Actuarial Surplus allocated to Shareholders	Rate of dividend Declared
1985 & 1986	47,425.00	Dividend not declared
1987 & 1988	1,73,675.00	-do-
1989 & 1990	4,27,649.00	@ 1.75% for each year of 1989 & 1990 totalling Tk. 5,25,000.00
1991 & 1992	9,89,000.00	@ 3% for each year of 1991 & 1992 totalling Tk. 9,00,000.00

The Company shall not declare or pay any dividend to members except out of the surplus as a result of an actuarial valuation of the assets and liabilities of the Company and no unpaid dividend shall bear interest against the Company.

PURPOSE OF THE ISSUE

The purpose of the issue is to broaden the equity base in accordance with the terms of approval accorded to the company by the Government of the People's Republic of Bangladesh.

PART - I

SHARE CAPITAL

- SHARE ISSUE**
Issue of 3,00,000 ordinary shares of Tk. 100/- each. **Tk. 3,00,00,000**
- OUT OF THE ISSUE**
 - 1,50,000 ordinary shares of Tk. 100/- each have already been subscribed and paid for in cash in full by the Sponsors/Directors. **Tk. 1,50,00,000**
 - NOW OFFERED FOR SUBSCRIPTION AT PAR IN CASH IN FULL ON APPLICATION**
1,50,000 ordinary shares of Tk. 100/- each to the General Public. **Tk. 1,50,00,000**

2. CONDITION OF OFFER AND ALLOTMENT OF SHARES

(A) Investment Corporation of Bangladesh (ICB) shall have the right of preferential allotment to the extent of 15% of the present issue (22,500 shares) for mutual and unit funds and employees of National Life Insurance Co. Ltd. shall have the right of preferential allotment of shares for 5% of the present issue (7,500 shares). No employee shall however be allotted ordinary shares of more than 100 shares. Any part of such allotment for ICB and employees not picked up by them shall be allotted to general public as determined by the SEC or if over subscribed then the basis of allotment will be determined by the SEC.

(B) After deducting shares of Investment Corporation of Bangladesh (ICB) and employees of National Life Insurance Co. Ltd. the basis of the allotment of remaining 1,20,000 ordinary shares to general public shall be as follows:

- 55% of shares i.e. 66,000 ordinary shares are being offered to the applicants for 50 Shares. **Tk. 66,00,000**
- 10% of shares i.e. 12,000 ordinary shares are being offered to the applicants for exceeding 50 but upto 500 shares. **Tk. 12,00,000**
- 10% of shares i.e. 12,000 ordinary shares are being offered to the applicants for exceeding 500 but upto 1000 shares. **Tk. 12,00,000**
- 10% of shares i.e. 12,000 ordinary shares are being offered to the applicants for exceeding 1000 but upto 5000 shares. **Tk. 12,00,000**

- upto 5000 shares. **Tk. 12,00,000**
 - 15% of shares i.e. 18,000 ordinary shares are being offered to the applicants for over 5000 shares for financial institutions, banks, insurance companies and financial & market intermediary companies. **Tk. 18,00,000**
- Tk. 1,20,00,000**

- Application of minimum lot of 50 shares shall be accommodated fully if the subscription is within 66,000 shares of Tk. 66,00,000. In case of over subscription the allotment shall be made by lottery among such applicants.
- Allotment amongst applicants for lots other than minimum lot shall be made proportionately in case of over subscription.
- In case of any difficulty arises with respect to implementation of 2 (B) (01) (02) above the allotment shall be made in such manner as may be determined by the SEC.
- Application for less than 50 shares shall not be entertained and all applications shall be for multiple of 50 shares.
- There are no founders, Management or deferred shares. It is also not presently intended to issue any preference shares.
- No payment has been made or intended to be made to the promoters, Directors or other persons for promotion of this issue.
- The minimum subscription on which the Directors may proceed to allotment is the full amount of the present issue as that is the amount which in the option of the Directors must be raised in order to provide required fund for the issue.

PART-II

UNDERWRITING COMMISSION, BROKERAGE, TAXES

UNDERWRITING.

The public offering of 1,50,000 ordinary shares has been underwritten by the National Credit & Commerce Bank Ltd., and to the extent the shares hereby offered to the general Public shall not have been subscribed and paid for in cash in full the underwriters shall within fifteen days of being called upon by the Company to do so subscribe or procure subscribers to subscribe and pay for cash in full the shares not so subscribed.

UNDER WRITING COMMISSION

Underwriter will be paid an underwriting commission at the rate of 2.5% of the nominal value of the shares underwritten by him out of the public offering. Simultaneously with calling upon the underwriter to subscribe or procure subscribers to subscribe and pay for any number of shares the Company shall pay to the underwriter an additional commission at the rate of 2.5% of the nominal amount of the shares required to be subscribed by him in any of the manners aforesaid.

DIRECTORS OPINION

In the opinion of the Directors, the resources of the underwriters are sufficient to discharge their underwriting obligation.

COMMISSION TO BANKERS TO THE ISSUE

Commission at the rate of 1/4th of 1% of the nominal value of shares will be paid to the bankers for the services to be rendered by them.

BROKERAGE

The Company will pay brokerage at the rate of 1% only to the members of the Dhaka Stock Exchange Limited on application bearing their rubber stamp. Neither the brokerage nor the commission to the bankers shall be payable in respect of shares taken up by underwriters.

PRELIMINARY EXPENSES

The preliminary expenses of the Company inclusive of brokerage, underwriting commission, additional commission and commission to the bankers to the issue are expected not to exceed Tk. 25.00 lacs only.

EXEMPTION FROM INCOME TAX

Application will be made to the National Board of Revenue for declaration under Section 44 (2) of the Income Tax Ordinance, 1984 whereby such income of an assessee as may be invested in the shares of the Company will remain exempt from tax to the extent provided in that Section.

APPROVAL UNDER INSURANCE ACT

Application will be made to the Controller of Insurance to obtain declaration under clause (3A) of Section 2 of the Insurance Act, 1938 as "Approved Investment" for Insurance Companies Registered in Bangladesh.

PART-III

BUSINESS OF THE COMPANY

The Company was incorporated on the 12th February, 1985 with objects amongst others mentioned in the Memorandum of Association a copy of which is available for inspection at the Registered office to carry on business of Life Insurance, in particular to grant or effect assurances of all kinds for payment of money by way of single payment or by several payments or instalments or by way of immediate deferred annuity or six monthly payment or otherwise upon the happening of all or any of the following event viz. the death or marriage or betrothal, divorce or judicial separation or birth performance of any particular ceremony or sacraments survivorship or failure of issue or adoption of any person or the attainment of a given age by any person or persons or the expiration of any fixed ascertainable period or the occurrence of any contingency or event which would or might be taken to effect the interest whether in position vested, contingent, expectant, prospective, reversionary or otherwise or any person or persons in any property or the loss or the loss or recovery of contractual or

testamentary capacity in any persons or to carry on the business or effect contract of assurance for the granting of annuities on human life and disability and payable for indemnity of accident benefit.

PART-IV

APPLICATION FOR SUBSCRIPTION

- Application for shares may be made for any number of shares subject to minimum No. of 50 (Fifty) shares to the value of Tk. 5,000/- (Taka Five thousand) only and should be made on the Company's printed form attached to Prospectus or photostat copy thereof. Additional copies of the Prospectus and application forms may be obtained from the Registered Office of the Company, the Dhaka Stock Exchange Limited or from any of the Bankers to the issue. If adequate forms are not available, intending investors may have the same printed/cyclostyled/photocopied.
- All completed application forms together with remittance for the full amount payable on application should be lodged with any of the following Bankers to the issue :-
NAME OF BANKERS TO THE ISSUE WITH THEIR BRANCHES
 - National Bank Ltd. :-** Dilkusha Branch, Dhaka; Motijheel Branch, Dhaka; Kawranbazar Branch, Dhaka; Mohakhali Branch, Dhaka; Imamgonj Branch, Dhaka; Narayangonj Branch, Narayangonj; Agrabad Branch, Chittagong; Rajshahi Branch, Rajshahi; Barisal Branch, Barisal.
 - National Credit and Commerce Bank Ltd. :-** Motijheel Branch, Dhaka; Dhanmondi Branch, Dhaka; Moghbazar Branch, Dhaka; Agrabad Branch, Chittagong; Laldighirpar Branch, Sylhet; Khulna Branch, Khulna.
 - United Commercial Bank Ltd. :-** Local Office, Dhaka; Elephant Road Branch, Dhaka; Malibang Branch, Dhaka; Kawranbazar Branch, Dhaka; Jubilee Road Branch, Chittagong.
 - Arab Bangladesh Bank Ltd. :-** Principal Branch, Dhaka; Kakrail Branch, Dhaka; New Elephant Road Branch, Dhaka; Jessore Branch, Jessore; Modhuban Branch, Bandar Bazar, Sylhet.
 - Janata Bank :-** Local Office, Dhaka; Foreign Exchange Corporate Branch, Dhaka; K.D. Ghosh Road Corporate Branch, Khulna; Laldighi East Corporate Branch, Chittagong.
- The subscription money collected by the bankers to the issue will be remitted to the Company's authorised account No. STD-0236001804 with National Bank Ltd., 48, Dilkusha C/A. Br., Dhaka. Subscription money against Initial Public Offer (IPO) can not be utilised for the purpose for which the money has been raised before allotment to the successful applicants and refund to the unsuccessful applicants has been made.
- The payment may be made with any of the above mentioned bankers to the issue in cash/cheque/pay order/draft. The cheque, pay order or draft should be made payable to the bank to which it is sent and be marked "A/C NATIONAL LIFE INSURANCE COMPANY LIMITED" and shall bear the crossing "A/C PAYEE ONLY" and must be drawn on a bank in the same town of the banker to which Application form is sent. No application will be considered before encashment/pay order/draft.
- Joint application from more than Two persons will not be entertained. In case of Joint application each party must sign the application form.
- In the case of joint Application Form the Allotment Letter will be despatched to the Person whose name appears first on this Application Form and where any amount is refundable in whole or in part the same will be refunded by Cheque by post/courier service to the person named first on this Application Form in the manner prescribed in the prospectus.
- Application must be in full name of individuals and not in the name of firms, minors or persons of unsound mind. Application from financial and market intermediary companies must be accompanied with Memorandum of Association and Articles of Association.
- An applicant can submit NOT more than two applications, one in his/her own name and another jointly with another person. In case an applicant makes more than two applications, those in excess of two applications shall NOT be considered for allotment purposes.
- Refund will only be made through "Account Payee" cheque (s) only to Bank A/C No., Bank Name and Branch as mentioned in the application.
- Allotment shall be made solely in accordance with the instructions of the Securities and Exchange Commission.
- Making of any false statement in the Application or supplying of incorrect information thereon or suppressing any information will make the application liable to rejection and subject to forfeiture of application money. The said application money will be deposited in Account specified by the Securities and Exchange Commission (SEC). This may be in addition to any other penalties as may be provided for by law.
- Applications not in conformity with the above requirements and the instructions printed in the application form are liable to be rejected.

ALLOTMENT

The Company reserves the right of accepting any application in part. Where any application is not accepted in full, the balance of money received on application will be refunded to the applicant by cheque without interest. Where allotment is made in whole or in part in respect of joint application, the allotment letter will be despatched to the person whose name appears first