

Abridged Version of Prospectus



# Northern General Insurance Company Limited

## নর্দাণ জেনারেল ইন্স্যুরেন্স কোম্পানী লিমিটেড

Registered Office: Raj Bhaban (7<sup>th</sup> Floor), 29 Dilkusha C/A, Dhaka-1000. Phone: 9559077-79, Fax: 88-02-9551579, E-mail: info@ngicl.com, Website: www.ngicl.com

Public Offering of 900,000 Ordinary Shares of Tk. 100.00 Each (At Par) Totaling Tk. 90,000,000.00

Subscription for General Public:

Subscription for NRB Applicants:

Opening date:  
September 14, 2008

Closing date:  
September 18, 2008

Opening date:  
September 14, 2008

Closing date:  
September 27, 2008

MANAGER TO THE ISSUE



## Prime Finance & Investment Limited

63, Dilkusha C/A (3<sup>rd</sup> Floor), Dhaka 1000, Phone: 9563883, Fax: 9563692, E-mail: info@primefinance.net, Website: www.primefinance.net

**AUDITORS**

**Howladar Yunus & Co.**  
Chartered Accountants

67, Dilkusha Commercial Area (2<sup>nd</sup> Floor) Dhaka-1000, Bangladesh  
Phone: 9554119, 9551872, Fax: 9552989  
E-mail: hyc@howladaryunus.com

**BANKERS TO THE ISSUE**

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| <p><b>HSBC</b><br/>Motijheel Branch, Dhaka</p> <p><b>Investment Corporation of Bangladesh</b><br/>Head Office, Dhaka<br/>Local Office, Dhaka<br/>Barisal Branch, Barisal<br/>Bogra Branch, Bogra<br/>Chittagong Branch, Chittagong<br/>Khulna Branch, Khulna<br/>Rajshahi Branch, Rajshahi<br/>Sylhet Branch, Sylhet</p> <p><b>National Bank Limited</b><br/>Babubazar Branch, Dhaka<br/>Bangshal Road Branch, Dhaka<br/>Dhanmondi Branch, Dhaka<br/>Dilkusha Branch, Dhaka<br/>Elephant Road Branch, Dhaka<br/>Foreign Ex. Branch, Dhaka<br/>Gulshan Branch, Dhaka<br/>Imamganj Branch, Dhaka<br/>Islampur Branch, Dhaka<br/>Jatrabari Branch, Dhaka<br/>Kawran Bazar Branch, Dhaka<br/>Lake Circus Br., Kalabagan, Dhaka<br/>Malibagh Branch, Dhaka<br/>Mirpur Branch, Dhaka<br/>Mohakhali Branch, Dhaka<br/>Mohammadpur Branch, Dhaka<br/>Motijheel Branch, Dhaka<br/>North Brook Hill Branch, Dhaka<br/>Pragati Sarani Branch, Dhaka<br/>Savar Bazar Branch, Savar, Dhaka<br/>Uttara Branch, Dhaka<br/>Z.H. Sikder M.C. Branch, Dhaka<br/>Gazipur Branch, Gazipur<br/>Narayanganj Branch, Narayanganj<br/>Pagla Bazar Branch, Narayanganj<br/>Sylhet Branch, Sylhet</p> <p><b>Southeast Bank Limited</b><br/>Aganagar Branch, Dhaka<br/>Agaragan Branch, Dhaka<br/>Anderkilla Branch, Chittagong<br/>Jubilee Road Branch, Chittagong<br/>Khatunganj Branch, Chittagong<br/>Pahartali Branch, Chittagong<br/>Sheikh Mujib Road Branch, Chittagong<br/>Barisal Branch, Barisal<br/>Bogra Branch, Bogra<br/>Comilla Branch, Comilla<br/>Khulna Branch, Khulna<br/>Narsingdi Branch, Narsingdi<br/>Rajshahi Branch, Rajshahi<br/>Rangpur Branch, Rangpur<br/>Tangail Branch, Tangail</p> | <p><b>Shahjalal Islami Bank Limited</b><br/>Banani Branch, Dhaka<br/>Bangshal Branch, Dhaka<br/>Dhaka Main Branch, Dhaka<br/>Dhanmondi Branch, Dhaka<br/>Foreign Branch, Dhaka<br/>Gulshan Branch, Dhaka<br/>Jolshani Branch, Dhaka<br/>Mirpur Branch, Dhaka<br/>Kawran Bazar Branch, Dhaka<br/>Muradpur Branch, Dhaka<br/>Lalbagh Branch, Dhaka<br/>Pathantula Branch, Dhaka<br/>Motijheel Uposahar Branch, Dhaka<br/>Satmasjid Road Branch, Dhaka<br/>Savar Branch, Dhaka<br/>Uttara Branch, Dhaka<br/>Joydevpur Chowrasta Branch, Gazipur<br/>Baipal (Dhaka EPZ) Branch, EPZ Savar<br/>Narayanganj Branch, Narayanganj<br/>Agrabad Branch, Chittagong<br/>Jubilee Road Branch, Chittagong<br/>Khatunganj Branch, Chittagong<br/>Cox's Bazar Br (Islami Banking), Cox's Bazar<br/>Chhaganaiya Br (Islami Banking), Feni<br/>Feni Branch, Feni<br/>Bashurhat Branch (Rural), Noakhali<br/>Chowmuhani Branch (Rural), Noakhali<br/>Rangpur Branch, Rangpur</p> <p><b>The City Bank Limited</b><br/>B B Avenue Branch, Dhaka<br/>Dhaka Chamber Branch, Dhaka<br/>Dhanmondi Branch, Dhaka<br/>DSE Nikunja Branch, Dhaka<br/>Foreign Exchange Branch, Dhaka<br/>Gulshan Branch, Dhaka<br/>Mouli Bazar Branch, Dhaka<br/>Principal Branch, Dhaka<br/>Uttara Branch, Dhaka<br/>Agrabad Branch, Chittagong<br/>Jubilee Road Branch, Chittagong<br/>Bogra Branch, Bogra<br/>Khulna Branch, Khulna<br/>Rajshahi Branch, Rajshahi<br/>Sylhet Branch, Sylhet</p> <p><b>Social Investment Bank Ltd.</b><br/>Dhanmondi Branch, Dhaka<br/>Foreign Exchange Branch, Dhaka<br/>Gulshan Branch, Dhaka<br/>Mouli Bazar Branch, Dhaka<br/>Principal Branch, Dhaka<br/>Uttara Branch, Dhaka<br/>Agrabad Branch, Chittagong<br/>Jubilee Road Branch, Chittagong<br/>Bogra Branch, Bogra<br/>Khulna Branch, Khulna<br/>Rajshahi Branch, Rajshahi<br/>Sylhet Branch, Sylhet</p> |
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**FINANCIAL STATEMENTS IN ACCORDANCE WITH SECTION 135 OF THE COMPANIES ACT, 1994**

Statement of assets and liabilities of the Company is as under:

CAPITAL AND LIABILITIES	2007	2006	2005	2004	2003
<b>Share Capital</b>					
Authorized:					
2,500,000 ordinary shares of Tk.100 each	250,000,000	250,000,000	250,000,000	250,000,000	250,000,000
Issued, subscribed & paid up:					
600,000 ordinary shares of Tk.100 each	60,000,000	60,000,000	60,000,000	60,000,000	60,000,000
<b>Reserve or Contingency accounts:</b>					
Reserve for Exceptional Losses	23,600,000	18,600,000	14,600,000	13,400,000	12,200,000
Profit & Loss Appropriation Account	7,685,771	366,190	(4,845,574)	(8,009,830)	(11,647,296)
<b>Balance of Funds and Accounts:</b>					
Fire Insurance Business	1,387,917	10,494,061	8,885,102	7,561,175	5,388,800
Marine Insurance Business	22,639,998	19,820,968	25,734,030	23,098,551	15,677,989
Motor Insurance Business	16,879,781	19,838,443	10,672,850	9,512,880	11,385,087
Miscellaneous Insurance Business	872,945	401,946	581,230	303,169	743,792
<b>Premium Deposit</b>	4,969,544	8,448,202	7,181,916	47,565,558	59,252,377
<b>Liabilities and Provisions</b>	174,181,326	161,072,996	152,775,527	132,214,549	125,490,366
Estimated liability in respect of outstanding claims whether due or intimated	35,073,000	48,573,650	39,215,570	9,713,040	9,732,953
Amount due to other persons or bodies carrying on insurance business	114,671,031	94,354,280	98,963,261	115,383,837	109,362,854
Sundry Creditors	2,266,170	1,748,053	1,476,183	1,020,997	2,283,484
Bank Overdraft	6,623,761	6,059,103	5,312,900	2,212,790	4,111,075
Provision for Income Tax	15,547,364	10,337,910	7,808,103	3,883,885	—
<b>Total</b>	<b>312,217,282</b>	<b>299,042,806</b>	<b>275,585,081</b>	<b>285,646,052</b>	<b>278,491,115</b>

PROPERTY AND ASSETS

	2007	2006	2005	2004	2003
<b>Investment (at cost)</b>	102,716,000	99,116,000	91,261,500	80,351,500	66,810,000
<b>Outstanding Premium</b>	—	—	—	37,129,302	40,113,550
<b>Interest accruing but not due</b>	7,098,969	6,101,344	5,443,787	4,493,194	2,921,949
<b>Amount due from other persons or bodies carrying on insurance business</b>	150,278,279	149,216,213	146,270,510	134,672,061	140,073,998
<b>Sundry Debtors</b> (including advances, deposits and pre-payments)	24,312,353	19,655,405	11,260,190	8,069,205	6,406,059
<b>Cash and bank balances</b>	6,339,336	668,536	794,771	612,145	931,795
Amounts in hand	7,667,338	7,957,462	5,393,321	5,185,769	5,910,722
Balance with banks	19,505,008	16,327,846	15,161,002	15,132,876	15,323,042
<b>Other accounts</b>	14,983,525	12,288,704	12,684,926	13,023,697	12,996,123
Fixed Assets	272,530	272,530	—	—	—
Stock of Stationery	377,485	330,476	744,633	455,841	789,696
Insurance Stamps in hand	3,759,695	3,331,083	1,630,890	1,555,108	1,438,993
Deferred Tax Assets	111,773	105,053	100,553	98,230	98,230
<b>Total</b>	<b>312,217,282</b>	<b>299,042,806</b>	<b>275,585,081</b>	<b>285,646,052</b>	<b>278,491,115</b>

The statement of operating results of the Company is as under:

PARTICULARS	2007	2006	2005	2004	2003
Expenses of management (not applicable to any particular fund or account)	9,416,412	11,427,943	8,510,561	7,631,262	7,668,593
Directors' fees	1,161,505	765,875	365,000	581,866	388,225
Audit fees	146,800	130,700	115,700	117,475	86,200
Donation & subscription	421,197	324,700	224,334	277,400	339,700
Legal & professional fees	134,788	174,590	235,530	335,960	356,400
Depreciation & amortization	2,405,013	1,651,882	1,651,836	1,694,827	1,833,040
Registration fees	1,881,065	956,301	699,863	581,008	290,471
Loss on Sale of Motor Vehicle	—	2,568	286,660	457,873	—
Balance for the year carried to Profit & Loss Appropriation Account	17,529,035	11,741,571	8,288,474	15,321,351	2,725,646
<b>Total</b>	<b>33,099,815</b>	<b>27,176,130</b>	<b>20,378,058</b>	<b>26,999,052</b>	<b>13,688,275</b>

**KEY FINANCIAL RATIOS**

Name of Ratio	2007	2006	2005	2004	2003
<b>Liquidity Ratios</b>					
Current Ratio	1.59	1.62	1.58	1.46	1.38
Quick Ratio	1.50	1.55	1.55	1.43	1.37
Times Interest Earned Ratio	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Not Applicable
Debt Equity Ratio	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Not Applicable
<b>Operating Ratios</b>					
Accounts Receivable Turnover Ratio	3.97 Times	3.71 Times	5.51 Times	6.64 Times	4.67 Times
Inventory Turnover Ratio	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Not Applicable
Assets Turnover Ratio	0.57	0.63	0.67	0.58	0.48
<b>Profitability Ratios</b>					
Gross Margin Ratio	11.67%	8.82%	6.55%	12.24%	4.00%
Operating Income Ratio	16.82%	9.30%	7.23%	15.15%	3.29%
Net Income Ratio	11.82%	7.30%	3.81%	11.31%	3.29%
Return on Assets Ratio	5.74%	4.09%	2.95%	5.43%	1.00%
Return on Equity Ratio	13.17%	9.07%	7.17%	14.47%	2.91%
Earning Per Share	600,000	600,000	600,000	600,000	600,000

**ADDITIONAL DISCLOSURE ON THE ACCOUNTS FOR THE YEAR 2003, 2004, 2005, 2006 AND 2007**

Earning Per Share (EPS) shown under note no 2(B) and note no 30 of notes to the financial statements for the year 2007 and in the five years ratio analysis are in conservative method. However EPS is now rearranged as under considering basic earnings after tax.

**A. For the year 2007:**

Particulars	Amount
Earning attributable to the Ordinary Share holders (Net Profit after Tax as per Profit and Loss A/C)	12,319,581
Weighted average number of ordinary Shares Outstanding During the year	600,000
<b>Earning Per share (EPS)</b>	<b>20.53</b>

**B. For five years:**

Year	Basic Earning	No. of Share	Ratio
2007	12,319,581.00	6,00,000	20.53
2006	9,211,764.00	6,00,000	15.35
2005	4,364,256.00	6,00,000	7.27
2004	11,437,466.00	6,00,000	19.06
2003	2,725,646.00	6,00,000	4.54

**SHORT BIO-DATA OF THE DIRECTORS**

**Al-haj Nasiruddin, Chairman**  
Mr. Al-haj Nasiruddin son of late Md. Jamal Ahmad was born in 1962 at Chittagong in a respectable Muslim family. He was completed his graduation in Arts. He has long 20 years of business experience. He is a sponsor Director of Social Investment Bank Ltd. and also the owner and Managing Director of M/s. Nasim Trading Company & M/s. Nams Trade Corporation. He is the Chairman of the Northern General Insurance Co. Ltd. He has attached with various educational and socio-cultural activities and contributed himself in the development of the country.

**Abdul Matin, Director**  
Mr. Abdul Matin was born in the year 1944. He has a long 36 years of vast business experience in different field of business. He has obtained diploma in Textile Chemistry and B.Sc in Textile (U.S.A). He is the Chairman of Narsingdi Hatchery and Fisheries Ltd., Managing Director of Modern Dyeing & Screen Printing Limited, Chairman of Metropolitan Medical Center Limited, Technical Director of Rupali Life Insurance Co. Limited, and Proprietor of Modern Textile Mills. He is also a member of the Board of Governors of Prime Asia University. He is a very amiable person.

**Mohd. Azam, Director**  
Mr. Mohd. Azam was born in the year 1964 in a respectable Muslim family at Chittagong. He is an arts graduate. He has 11 years of experience in the various fields of business. He is the proprietor of M/s. Zia & Brothers & Bushra Trading and sponsor shareholder of Social Investment Bank Limited. He is attached with many social and cultural organizations.

**S.M. Ayub Ali Chowdhury, Director**  
Mr. S.M. Ayub Ali Chowdhury has a long 26 years of experience in various types of business. He is the Managing Director of City Pharmaceuticals Limited. He is also the Director of Hi-Fashion Limited, K.B.Knit Fashion Limited, Fortune Fashion Limited and the proprietor of M/s. Chowdhury Construction. He is a business graduate. He was born in 1951 at Chittagong.

**Al-haj Md. Saiful Alam, Director**  
Al-haj Md. Saiful Alam was born in the year 1960 in a respectable Muslim family of Chittagong. He has a long 21 years' experience as a leader in the business arena and is a renowned business personality. He has built up a reputation as an astute and efficient business personality and has achieved remarkable success in business. He is the Chairman of the S. Alam Group and First Security Bank Limited. He is Managing Director of S. Alam Steels Limited, S. Alam Cement Limited, S. Alam Brokers Limited, S. Alam Hatchery Limited, S. Alam Trading Company (Pvt) Limited, S. Alam Bag Manufacturing Mills Limited, S. Alam Soyaseed Extraction Plant Limited, S. Alam Refined Sugar Industries Limited, S. Alam Cold Rolled Steels Limited, S. Alam Tank Terminal Limited, S. Alam Properties Limited, Portman Cements Limited, Besides Northern General Insurance Co. Limited, He is sponsor Director of First Security Bank Limited, Director of Kamaphul Pratikrit Gas Limited, Sponsor shareholder of the Al-Arafah Islami Bank Limited and Proprietor of S. Alam & Co. and Sonali Overseas Corporation. Apart from all these, he is associated with a number of social, sports, culture and religious organizations. He is well traveled and has visited many countries of Asia, Europe and America continents. He has a very pleasant personality.

**Thamina Rahman, Director**  
Ms. Thamina Rahman is the daughter of Alhaj Khalilur Rahman, comes from a respectable Muslim family of Chittagong. She has almost 10 years experience in the different sector of business. She has a pleasant personality.

**Hamidul Haq, Director**  
Mr. Hamidul Haq was born in a respectable Muslim family at Patiya of Chittagong district in the year 1940. He has completed his graduation in Arts. He has a long 47 experience in Banking and business in different sectors. He is the Chairman of Paradise Corporation (Pvt.) Ltd. He is associated with different social organizations. He is the Vice-Chairman of the Managing Committee of A. S. Rahat Ali High School, Patiya, Chittagong and Director of First Security Bank Ltd. and Eden Multi Care Hospital Limited. He is an amiable person.

**Foysal Ahmed Patwary, Director**  
Mr. Foysal Ahmed Patwary is a young, energetic and dynamic entrepreneur and businessman of the country. He has completed his Bar At Law. By birth, he came of an industrialist family. He is engaged in different business such as export, import and shipping since long. Because of his dynamism and excellent leadership in several prestigious sectors, he is popular in the business community. Other than Northern General Insurance Co. Ltd., he is also a director of Patwary Polab, Flakes Limited and Greentech Greenhouse Bangladesh Limited, both are 100% export oriented agro-based industry. He is very much active using his tremendous leadership to the progress and development of the insurance sector. He visited the SAARC countries, USA and several European countries for business purpose.

**Ferdousi Islam, Director**  
Mrs. Ferdousi Islam was born in the year 1965 and comes from a very respectable Muslim family. She has a vast experience in the business arena. She is a Director of Prime Bank Ltd., Chairman of Preema Construction Ltd. and Preema Sanctuary Ltd. and Managing Director of Trusty Associates Co. Ltd. She is also a director of M/s. Preema Enterprise (Pvt.) Ltd. She is associated with many educational and social organizations.

**Al-haj Md. Shafiqul Alam, Director**  
Al-haj Md. Shafiqul Alam comes from a respectable Muslim family of Chittagong. He has vast business experience. He is the Chairman of Ambia Accessories Limited, S.A Chemical Industries Ltd., & Ocean Shipping Agencies (Pvt.) Ltd. and proprietor of Patenga Builders Corporation. He is associated with various social and cultural organizations.

**Md. Sarwar Salim, Director**  
Mr. Sarwar Salim has completed his M.Com in accounting. He has worked in a multinational banking company for 10 years at managerial level. He is engaged in international trade and manufacturing since 1993. He is the Managing Director of Panwin Fashions Ltd., Panwin Garments Ltd., Panwin Designs Ltd. and Pantax Accessories (Pvt.) Ltd. and the Director of Western Developers Ltd. He was born in 1958 and comes from a respectable Muslim family of Chittagong.

**Abdus Samad, Director**  
Al-haj Abdus Samad was born in 1967 of a prominent Muslim family in Chittagong. He completed MBA from Punjab University, Chandigarh, India. He has about 18 years' experience in trading and industrial business. His versatile and diversified business affiliation and keen perception in Banking, Insurance, Manufacturing and Trading business made him a well known business personality in the arena of business. He is the Vice Chairman of S. Alam Group and the Chairman of the Executive Committee of Al-Arafah Islami Bank Limited. He is Managing Director of S. Alam Power Plant Limited and Kamaphul Pratikrit Gas Limited Besides Northern General Insurance Co. Ltd., he is sponsor Director of S. Alam Steels Limited, S. Alam Cement Limited, S. Alam Brokers Limited, S. Alam Hatchery Limited, S. Alam Soyaseed extraction Plant Limited, S. Alam Cold Rolled Steels Limited, S. Alam Tank Terminal Limited, S. Alam Properties Limited, Portman Cement Limited, Al-Arafah Islami Bank Limited and he is the Proprietor of Samad Trading Agency. He is very much active using his tremendous leadership to the progress and development of the insurance sector. He visited the SAARC countries, USA, UK, Canada, Brazil, Japan, China, Malaysia, Singapore, Thailand and several Europe countries for business purpose and has widely traveled to many other countries of the world. He is also associated with a number of social, cultural, sports and religious organizations.

**Shahriar Khaled, Director**  
Mr. Shahriar Khaled is the son of renowned business personality of Mr. M.A. Khaleque. He is a young, energetic and hard working entrepreneur. He is a director of Maksons (Bd) Ltd., Fareast Islami Life Insurance Co. Ltd. and Prime Property Holdings Limited. He has been interest in different socio-cultural activities.

**Arshadul Alam, Director**  
Mr. Arshadul Alam is the son of Al-haj Md. Abdul Maleque, comes from a respectable Muslim family of Chittagong. He is completed his BBA. He is the Director of JESCO Bangladesh Limited, Proprietor of Uni Trade International and Proprietor of Nishal Trading. He has interest in various socio-cultural activities.

**Al-haj Md. Mortaza Siddique Chowdhury, Director**  
Al-haj Md. Mortaza Siddique Chowdhury, son of Hajee Siddique Ahmed, was born in a very respectable Muslim family in 1961. He has a long 21 years of business experience. He is associated with various social activities. He is the life member of Anjuman-e-Ittehad, Baitus Sharaf, Chittagong and Baitus Sharaf Hospital, Cox's Bazar, sponsor Director of First Security Bank Ltd. and Director of Diganta Media Corporation Limited.

**DIRECTORS' INVOLVEMENT WITH OTHER LISTED COMPANIES AS DIRECTORS**

Sl No.	Name of Directors	Rank in Northern General Insurance Co. Ltd.	Name of Organization	Involvement	Status
1	Al-haj Nasiruddin	Chairman	Social Investment Bank Limited	Vice-Chairman	
2	Abdul Matin	Director	Modern Dyeing and Screen Printing Limited	Managing Director	
3	Mohd. Azam	Director	Ni	Ni	
4	S.M. Ayub Ali Chowdhury	Director	Ni	Ni	
5	Al-haj Md. Saiful Alam	Director	S. Alam Cold Rolled Steels Limited	Managing Director	
6	Thamina Rahman	Director	Ni	Ni	
7	Hamidul Haq	Director	Ni	Ni	
8	Foysal Ahmed Patwary	Director	Ni	Ni	
9	Mortaza Islam	Director	Prime Bank Ltd.	Director	
10	Al-haj Md. Shafiqul Alam	Director	Ni	Ni	
11	Md. Sarwar Salim	Director	Ni	Ni	
12	Abdus Samad	Director	Al-Arafah Islami Bank Limited	Director	
			S. Alam Cold Rolled Steels Limited	Director	
13	Shahriar Khaled	Director	Fareast Islami Life Insurance Co. Limited	Director	
14	Arshadul Alam	Director	Ni	Ni	
15	Al-haj Md. Mortaza Siddique Chowdhury	Director	Ni	Ni	

**USE OF PROCEEDS**

The Company offers its shares to the public as required by the Insurance Act, 1938 and Insurance Rules, 1958. The net proceeds of the present issue of 900,000 shares of Tk. 100.00 each at par totaling Tk. 90,000,000.00 will strengthen the capital base of the Company.

**Special note:** Please read