



# Directors' Report

## Dear shareholders,

The Board of Directors of Sena Kalyan Insurance Company Limited are pleased to welcome you to the 9th Annual General Meeting of the Company and place before you the Directors' Report along with the Audited Financial Statements and the Auditors' Report for the year ended 31st December 2021 for your kind perusal and approval.

## Industry Outlook and Possible Future Development

According to the Sigma Research Publication (no.3/2021) on world insurance by the Swiss Re Institute, the global insurance industry has weathered the Covid-19 crisis relatively resiliently, with the dip in premiums milder than during the global financial crisis of 2008-09, and it is expected that the recovery shall be faster for non-life (general) insurance.

The global insurance market continues to consolidate around the US, China and Japan, which comprised the world's top-three insurance markets by size in 2020, together accounting for almost 58 percent of the global market (56 percent in 2019). The market share of the top-20 countries also remained mostly stable at 90.7 percent in 2020 (2019: 90.5 percent). Among the top- 20 countries of the world, there are six Asian countries (China, Japan, South Korea, Taiwan, India and Hong Kong) with market share of about 25 percent. It is expected that emerging markets shall continue to outpace advanced markets, and Asia will outperform other regions, with the ongoing shift in economic power from west to east reflected in the source of global premium growth. This bodes well for a developing country like Bangladesh that is not only reporting one of the fastest GDP growth rates in the world, but also exhibits significant catch-up potential with regards to insurance penetration.

With these trends, Swiss Re forecasts global insurance demand to grow by an above-trend 3.3 percent in 2021 and 3.9 percent in 2022, taking total global direct premiums written in 2021 to 10 percent higher than their pre-crisis 2019 levels and lift the global insurance market to more than USD 7 trillion by the end of 2022. Global non-life premium volume is expected to grow at 2.8 percent in 2021 and 3.7 percent in 2022. Inflation is forecast as a key medium-term risk in non-life insurance. The strongest rate hardening for two decades in commercial lines continues to be the principal driver of non-life insurance premium growth. Personal lines growth and profitability will be softer, as motor undergoes competitive pressure and a possible return to normal claims after the extraordinary year 2021. Furthermore, globally insurance penetration and density were 4.10 percent and USD 449, respectively, for the non-life segment in 2020. Overall, insurance penetration and density were 7.40 percent and USD 809 respectively in 2020.

Bangladesh's non-life insurance industry continues to operate as one of the smallest in the world (holding 86th As per section 184 of the Companies Act 1994 and corporate governance Code as adopted on 3rd June 2018 of Bangladesh Securities and Exchange Commission (BSEC) position in the world ranking). It has been reported that in the year 2020 Bangladesh insurance market contracted: Life -0.898% and non-life 0.866%. the rate of insurance penetration has reduced to: Life 0.3% and non-life 0.1% from 0.4% and 0.2% respectively. The situation is particularly dismal for the non-life insurance sector where 45 private insurers and 1 state-owned corporation earned estimated TK 37,373.82 million in premium income.

Our non-life insurance market continues to be extremely overcrowded when compared with developing countries including our neighbors. The situation has obviously given rise to intense and unhealthy competition among the existing players. At the same time, with the deteriorating standard of clients' services, public trust on insurance continue to diminish. Much need to be done to remedy the situation. There is no reason why, in line with the country's impressive GDP growth, the insurance industry should also not grow by remedying its manifold problems and, most important, by tapping the hitherto untapped segments of the market.

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

### Segment-wise or product-wise performance

#### Gross Premium Income

In the period from 03 September 2013 to 31 December 2021, the company has earned a gross premium income of Tk. 3,026,611,481.00 (including public sector business). Since our incorporation in the insurance industry of Bangladesh, we had been very careful to select business partners, what has given us a slow but steady build up

Year	Gross premium (in Million Taka)	Growth ( % )
2021	780.23	34.40
2020	580.52	0.77
2019	576.09	58.32
2018	363.87	38.45
2017	262.82	28.85

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

Business Segments	2021	2020	Growth (%)
Fire Insurance	163.0	125.27	30.15%
Marine Insurance	134.31	94.07	42.78%
Motor Insurance	26.71	52.93	-49.54%
Miscellaneous Insurance	456.17	308.25	47.99%

#### Segregation of Net Premium:

Business Segments	2021		2020		Growth ( % )
	Amount (in Million Taka)	Business Mix of Net Premium (%)	Amount (in Million Taka)	% of Total Net Premium	
Fire Insurance	86.53	31.30%	55.47	18.64%	55.99%
Marine Insurance	111.69	40.40%	70.14	23.56%	59.23%
Motor Insurance	25.96	9.39%	52.93	17.78%	-50.96%
Miscellaneous Insurance	52.28	18.91%	119.13	40.02%	-56.12%
<b>Total</b>	<b>276.46</b>	<b>100.00%</b>	<b>297.68</b>	<b>100.00%</b>	<b>8.14%</b>



## Claims

We are very prompt and sincere in respect of settlement of claims. We have been providing satisfactory customer services and continuously trying to improve it further. During the period of reporting, the company has settled the claim of Tk. 23,356,432.00, while Tk. 270,985,114.00 is already provisioned for settlement of intimated claims at the earliest.

### Claim and Loss Ratio:

Year	Net Claim (in Million Taka)	Change (%)
2021	13.81	-35.24%
2020	21.33	139.89%
2019	8.89	-85.90%
2018	63.05	498.78%
2017	10.53	-26.35%

### Segregation of Net Claim:

Business Segments	2021		2020		Growth (%)
	Amount (in Million Taka)	Business Mix of Net Premium (%)	Amount (in Million Taka)	% of Total Net Premium	
Fire Insurance	(1.01)	-7.30%	2.58	12.11%	-139.05%
Marine Insurance	11.30	81.79%	0.78	3.65%	1349.14%
Motor Insurance	2.81	20.33%	2.56	11.98%	9.92%
Miscellaneous Insurance	0.72	5.18%	15.41	72.25%	-95.36%
<b>Total</b>	<b>13.81</b>	<b>100.00%</b>	<b>21.33</b>	<b>100.00%</b>	<b>1124.64%</b>

## Financial Performance

Performance of the company in terms of key performance indicators has been shown in a separate statement under title “Five Years Financial Highlights” Moreover, some highlights are given in items below:

### Capital Adequacy:

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

Year	Shareholder’s Equity (in Million Taka)	Change (%)
2021	748.37	47.84%
2020	506.20	17.33%
2019	431.44	24.60%
2018	346.26	6.08%
2017	326.41	13.72%

### Solvency Margin:

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

(Figures in BDT million)

Particulars	For the year 2021
Available Solvency	877.52
Required Solvency	169.50
Solvency Margin (times)	5.18

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

The Company has re-insurance treaty agreement with Shadharan Bima Corporation (SBC). Besides, we place Facultative Reinsurance coverage to XL CATLIN (UK), GIC (INDIA), New India (INDIA), WACIA Re (AFRICA), MANDARIN RE(MALAYSIA), KLAPTON(UK), The New India Assurance Co. (Gift City) (INDIA), Saudi Re (SAUDI ARABIA), AL AHLEIA(KUWAIT), MISR(EGYPT), BEST RE(MALAYSIA), HDI Global Specialty SE (London) through Protection Insurance, broker and others broker against all classes of general insurance business.

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

Particulars	Year-wise Risk Retention Ratio (%)				
	2021	2020	2019	2018	2017
Fire Insurance	53.07%	44.28%	49.74%	53.99%	53.32%
Marine Insurance	83.16%	74.57%	59.39%	74.58%	59.64%
Motor Insurance	97.20%	100.00%	99.84%	98.17%	99.56%
Miscellaneous Insurance	11.46%	38.65%	30.17%	16.50%	37.94%
<b>Total</b>	<b>244.89%</b>	<b>257.50%</b>	<b>239.14%</b>	<b>243.24%</b>	<b>250.46%</b>

### Reserve Adequacy:

As Sena Kalyan Insurance Company Limited embarked into the business at the end of 2013, the company was not in a position to cater for expected amount of reserve fund in 2014. However, we took all steps to ensure the appropriate quantity of reserve fund and successfully created a reserved fund of Tk. 275,815,487.00 by the end of 2021.

The following table shows reserve adequacy of the company:

Year	Amount of Reserve (in Million Taka)	Change (%)
2021	275.82	39.45%
2020	197.79	41.54%
2019	139.74	70.14%
2018	82.13	44.95%
2017	56.66	86.52%

### Profitability:

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

We have earned an underwriting profit of Tk. 80,985,986.00 in 2021 compared to profit of Tk. 66,824,517.00 in 2020. Our efforts to increase more premium income and to increase our market share have proved to be efficient with overwhelming support from our partners. Our expenditure on management has increased by 15.58% but on the other hand gross premium income has increased by 34.40%. After providing for agency commission, management expenses and depreciation, the net profit before tax & WPPF stood at Tk. 121,780,251.00 in 2021, compared to profit of Tk. 11,99,36,924.00 in the previous year.



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

Business Segments	Contribution to Underwriting Profit (%)				
	2021	2020	2019	2018	2017
Fire Insurance	14.37%	-18.61%	36.54%	171.01%	26.76%
Marine Insurance	49.80%	40.93%	30.82%	203.77%	32.22%
Motor Insurance	19.94%	56.69%	32.58%	127.64%	22.23%
Miscellaneous Insurance	15.90%	20.99%	0.06%	-402.42%	18.78%
<b>Total</b>	<b>100.00%</b>	<b>100.00%</b>	<b>100.00%</b>	<b>100.00%</b>	<b>100.00%</b>

#### Underwriting Performance/Quality:

The quality of underwriting is a significant practice at Sena Kalyan Insurance and this activity directly contributes to the quality of growth of the Company. The underwriting practice at the Company comprises thorough evaluation, prudent financial modeling and accurate risk pricing that protects the shareholders' interests in the company while also creating value at large. It is to be noted that while marine reported good underwriting profit growth year-on-year, and slightly increase underwriting profit from previous year higher claims dented underwriting profit during the year under report for fire and miscellaneous insurance. However, we are undertaking all the necessary action across our business which will reinforce our ability to deliver quality underwriting profit growth across our various classes of business.

The following table shows the segment-wise underwriting performance of the company in the last few years.

Business Segments	Year-wise Underwriting performance (million)				
	2021	2020	2019	2018	2017
Fire Insurance	11.64	(12.43)	27.58	18.59	9.64
Marine Insurance	40.33	27.35	23.27	22.15	11.61
Motor Insurance	16.14	37.88	24.60	13.88	8.01
Miscellaneous Insurance	12.88	14.02	0.05	(43.75)	6.76

#### Investment Profile

The size of investment portfolio of the Company as on 31 December 2021 stood at Tk. 1,084,251,655.00. The investment portfolio comprises 10-years Bangladesh Government Treasury Bonds, Fixed Deposits & Shares with various commercial banks and financial institutions.

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

Components of Investment	2021		2020	
	Amount (in Million Taka)	% of Total Investment	Amount (in Million Taka)	% of Total Investment
Fixed Deposit	979	90.28%	712	91.72%
Shares Investment	24	2.25%	13	1.68%
BGTB	81	7.48%	51	6.60%
<b>Total</b>	<b>1,084</b>	<b>100%</b>	<b>776</b>	<b>100%</b>

### Segregation of Investment Income and Other Income:

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

Components of Investment	2021		2020	
	Amount (in Million Taka)	% of Total Investment Income & Other Income	Amount (in Million Taka)	% of Total Investment Income & Other Income
Investment Income	43.80	80.61%	52.86	90.79%
Interest Income	0.83	1.53%	1.14	1.97%
Dividend	0.51	0.94%	0.10	0.17%
Profit from Sale of Shares	3.74	6.89%	0.18	0.31%
Other Income	5.45	10.02%	3.94	6.76%
<b>Total</b>	<b>54.34</b>	<b>100.00%</b>	<b>58.22</b>	<b>100.00%</b>

### Motor Vehicle

The management of the company is always very careful about full compliance of relevant instructions from IDRA about provision and procurement of equipment. As such, we are procuring motor vehicles for the head office and branches gradually as per the IDRA circular on this matter. As on 31 December 2021, the company has 15 motor vehicles for its head office and branches.

### Risks and Concerns

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

A detailed report on the risk management framework has been made separately on page no. 112.

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

SKICL is not a manufacturing company. It is a non-life insurance company in Bangladesh. Cost of Goods Sold, Gross Profit Margin & Net Profit Margin are not considered to prepare financial statements. Therefore, comparative analysis of financial performance is elaborately discussed on the presentation on financial indicators on page no. 30.

### Disclosure Regarding Extra-ordinary Gain or Loss

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

### Management Expenses

Management expenses amounted to Tk. 96,802,788.00 in 2021. The expenses have been apportioned @ 20.90% to Fire, 17.21% to Marine Cargo & Hull, 3.43% Motor & 58.46% to miscellaneous revenue accounts. Even after providing with our share in the Sena Kalyan Sangstha's commitment to help the distressed families of freedom fighters and retired armed forces' personnel of Bangladesh, (which is a major part of our Corporate Social Responsibility), we have successfully brought down the management expenses within appreciable limit.

### Disclosure Regarding Related Party Transaction

In the ordinary course of business, related party transactions take place with other entities that fall within the term related party as defined in IAS 24: Related Party Disclosure. A statement on the related party transactions has been disclosed under item no. 25 of the notes of the financial statements.



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

After completing IPO formalities, trading of shares of our company was started in both Dhaka Stock Exchange and Chittagong Stock Exchange on 07 November 2021.

#### In the process of completion of IPO the notables date are mentioned below:

- |      |  |                    |
|------|--|--------------------|
| I.   | Listing with Dhaka Stock Exchange Limited                      | : 28 October 2021  |
| II.  | Listing with Chittagong Stock Exchange Limited                 | : 26 October 2021  |
| III. | Crediting of tradable shares in respective BO Accounts by CDBL | : 01 November 2021 |
| IV.  | Trading of shares started in both the Stock Exchanges          | : 07 November 2021 |
| V.   | IPO fund received for utilization                              | : October 2021     |

Sl No.	Area of utilization of IPO fund	Amount as per prospectus	Status of Utilization		Time of implementation
			Up to December 2021	Utilized (%)	
01	<b>Investment in Capital Market:</b>				
	a. Govt. Treasury Bond/ Mutual Funds	30,000,000	29,874,165	99.58%	03 Months from receiving IPO Fund
b. Investment in Capital Market in Bangladesh	32,000,000	-	-		
02	Investment in FDR With Scheduled Commercial Banks	62,000,000	62,000,000	100%	03 Months from receiving IPO Fund
03	Land/Real Estate	25,000,000	0	0.00%	06 Months from receiving IPO Fund
04	IPO Expenses	11,000,000	6,274,576	57.04%	45 Days from receiving IPO Fund
<b>Total</b>		<b>160,000,000</b>	<b>98,148,741</b>	<b>61.34%</b>	

The updated report regarding utilization of proceeds of IPO of the Company is also available in the Company's website.

### Deterioration of Financial Results

Not any other indicators of financial results deteriorated after the Company goes for Initial Public Offering (IPO).

### Disclosure Regarding Variance in the Annual Financial Statements

Although the company had issued 1.60 crore shares through IPO in 2021, there was no significant difference in financial performance. The financial performances of the company for the last two years are given below:

#### Financial performance analysis:

BDT in Million except ratios & per share item

Particulars	2021	2020	Growth (%)
Gross premium	780.23	580.52	34.40
Net premium	276.46	297.68	-7.13
Underwriting profit	80.99	66.82	21.21
Investment & other income	54.34	58.22	-6.66
Net profit before tax	115.98	114.23	1.53
Net profit after tax	106.15	94.28	12.59
Earnings per share	3.83	3.93	-2.54
NOCFPS	8.89	9.24	-3.79
Paid-up capital	400	240	66.67
Shareholders' equity	748.37	506.2	47.84
Total assets	1,381.81	978.29	41.25
Total liability	633.44	472.09	34.18
NAVPS	26.99	21.09	27.98

### Directors' Remuneration

Directors are not eligible for any other remuneration other than the attendance fee for the Board and its committee Meetings. During the year 2021, a total amount of Tk. 122,232/- was paid to the Directors as Remuneration / Meeting Attendance Fees and travel expenses.

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

### Disclosure on Preparation and Presentation of Financial Statements

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

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

### Effective Internal Control System

The Board takes the responsibility for the oversight of SKICL's business and management, including risk management and putting up effective internal controls. The Directors state that the systems of internal control are sound and have been implemented and monitored effectively. Details of the Internal Control System of the Company has been reported on page no. 104.

### Human Resources

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

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

A separate report on human resources has been presented on page no. 119 of this report.

### Information Technology

Sena Kalyan Insurance Company Ltd. has a most flexible & Secure IT department with some experienced, energetic and intelligent IT specialist.





In this modern world IT departments have traditionally been the sole proprietor of technology within organizations with responsibility to ensure all technological aspects of an organization are running smoothly. In order to deliver on such responsibility.

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

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

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

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

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

**Credit Rating**

Alfa Credit Rating Limited has rated the Company in 2021 with “AA-” in the long term and ST-2 for the Short Term based on audited financial statements and other available information up to the date of rating declaration. The outlook on the rating is Stable. The rating reflects the strengths of the Company which is backed by a strong team of management.

**Contribution to National Economy**

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

Amount in BDT		
Particulars	December 31, 2021	December 31, 2020
Income Tax paid on Company's income	19,714,784.00	25,256,345.00
Tax collected at source on behalf of Government	3,717,713.00	3,321,020.00
Value Added Tax (VAT)	21,525,415.00	19,794,193.00
Excise Duty	745,870.00	515,680.00
<b>Total</b>	<b>45,703,782.00</b>	<b>48,887,238.00</b>

**Protection of Minority Shareholders**

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

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

**Going Concern**

The accompanying financial statements have been prepared on a going concern basis, which contemplates the realization of assets and the satisfaction of liabilities in the normal course of business without significant

fluctuation in value. The accompanying financial statements do not include any adjustments, which indicate that Sena Kalyan Insurance Company Limited be unable to continue as a going concern.

### **Deviations from the Last Year's Operating Results**

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

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

The key operating and financial data of last preceding 5 (five) years have been disclosed on page no. 30 of this annual report.

### **Proposed Dividend**

The Board of Directors at the time of considering the financial statements for the year ending 31 December 2021 have recommended 12% cash dividend [i.e., Tk. 1.20 per share] from the distributable profits of the Company, which will be placed before the shareholders in the forthcoming AGM for approval.

The Members of the Board agreed in principle and declared that pursuant to the Corporate Governance Code-2018, the Board shall not declare bonus share or stock dividend as interim dividend.

### **Board meetings**

The Directors of SKICL meet on a regular basis. A detail statement showing Attendance of the Directors in the Board Meetings has been shown on page no. 60.

### **Pattern of Shareholding**

Shareholding patterns of the Company as at the end of 2021 has been shown in Annexure-iii of this report.

### **Directors' Appointment & Re-appointment**

As per Articles of Association of Sena Kalyan Insurance Company Limited, Directors nominated by Sena Kalyan Sangstha will be Ex-officio. Hence, no rotation is required. However, if the office bearer leaves the respective appointment, the new office bearer will replace the old ones as the nominated Directors of the Company. However, Directors representing public shareholders are required to retire from the Board every year in the Annual General Meeting, comprising those who have been the longest in office since their last election.

At present, all the Board Directors of the Company are nominated by SKS except the Independent Directors. Hence, no need for rotation of Directors in the coming 9<sup>th</sup> AGM of the Company.

However, for your kind information, all the directors were appointed by the shareholders in the last AGM of the Company. In this reason, they are not eligible for appointments in the forthcoming AGM.

According to the BSEC's Corporate Governance Code -2018, the appointed Independent Directors of the Company have been approved by the Shareholders in the last AGM.

The profile of Directors of the Company has been presented on page nos. 11 to 19 of the Annual Report.

### **Appointment of Auditors**

Mahfel Huq & Co., Chartered Accountants, was appointed as the statutory auditors for the year ended 31 December 2021. The firm will retire at the conclusion of the 9<sup>th</sup> AGM. Being eligible the firm has expressed its interest to be reappointed for the next term. The audit committee has recommended for re-appointment of Mahfel Huq & Co., Chartered Accountants, as the statutory auditors at a remuneration of BDT 3.50 lac excluding VAT and the Board of Directors has endorsed the same. The shareholders may re-appoint Mahfel Huq & Co., Chartered Accountants, as the statutory auditors of the company.



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

### **Management's Discussion and Analysis**

Management's Discussion and Analysis signed by Managing Director & CEO presenting detailed analysis of the Company's position and operations along with a brief discussion of changes in the financial statements are stated at page no. 63.

### **Corporate Governance**

The Directors of SKICL are committed in adopting the highest governance standard and implementing them in protecting the interests of shareholders, policy holders and all other stakeholders. A detailed report on corporate governance has been given herewith separately.

### **Acknowledgment**

The Directors take this opportunity to express heartfelt gratitude to, all the valued shareholders, clients and all well-wishers in home and aboard for their wholehearted co-operation and active support in discharging the responsibilities reposed on the Board during the year under review.

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

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

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

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

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

Thank you all.

On behalf of the Board

Sd/-

**Maj Gen Mohammed Saidul Islam, ndc, psc**

Chairman