



Directors' Report

To
The Members,
Sena Kalyan Insurance Company Limited,

The Board of Directors of Sena Kalyan Insurance Company Limited are pleased to welcome you to the 11th Annual General Meeting of the Company and to place before you the Directors' Report along with the Audited Financial Statements and the Auditors' Report for the year ended 31st December 2023 for your kind perusal and approval.

Industry Outlook and Possible Future Development

According to the Sigma Research Publication (no.6/2023) on world insurance by the Swiss Re Institute, slowing economic growth and heightened geopolitical uncertainty are dampening the outlook for the primary insurance industry. We forecast 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 are closing as investment returns increase with high interest rates, but we estimate the industry will not earn its cost of capital in 2024 or 2025 in major markets. Events such as the Middle East war may hurt insurers' capital positions through channels such as inflation and market volatility.

In non-life insurance, claims development is the top concern as claims frequency and severity rises despite the recent decline in economic inflation. The pace of growth in liability claims challenges the insurability of those risks. We expect insured losses from natural catastrophes to reach USD 100 billion in 2023 for the fourth consecutive year. These claims trends imply further hard market conditions for commercial and personal lines in 2024 at least.

Geographically Bangladesh is located in the South Asia where insurance sector is emerging due to modest GDP growth rate and high density of population in the 'SAARC' region. In the last decade, the insurance sector of the South Asian market has been rapidly emerging, particularly in Sri Lanka and in India. There is a significant insurance penetration rate i.e. 3.69% in India despite the fact that the Indian growth has been occasioned by agriculture and health insurance. However, their highest premium generating premium portfolio, is automobile insurance. So, human capital development at CRC can smooth the way for tariff revisions/adjustment that would contribute to market development. They would be determining premium based on pricing components that includes risk premium, expenses, profit and commission. In comparison with Sri Lankan market, Bangladesh insurance has a lot of scopes to expand. The market premium in Sri Lanka is higher than that of Bangladesh though Sri Lankan population is about one-third of Bangladesh. The penetration ratio in Bangladesh, currently at only 0.50 percent, which is very low compared to the global standards. Lack of awareness about insurance is often stated as the reason behind the meagre penetration ratio, but there are many other addressable issues in the sector.

In spite of the stable growth rate (around 4%) of Bangladesh insurance industry in the last few years, the expansion of the insurance business, particularly in the non-life sector, has experienced a downward trend in the year 2023 because of poor investment and slowdown of economic activities led by the political unrest. Experts fear what the state of the industry will be in 2024.

The Economy of Bangladesh has rapidly been shifting from agricultural to the services sector. The role played by the service sector is burgeoning as well. Insurance is one of the ingredients of the financial services industry, which has a lot to play if it is promoted properly. In this comprehensive and ultimate guide on the insurance sector of Bangladesh, we will walk you through the itineraries of the market. Let's delve into the insurance market of Bangladesh.

In Bangladesh, the marine insurance is considered to be the lifeguard for the non-life insurance business. Marine insurance completely depends on imports which has continuously being disturbed by the political unrest but the market is expected to improve in 2024.

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 continues to diminish. A lot needs to be done to remedy the situation.

The general insurance industry has undergone significant changes during the year 2023. The pandemic has accelerated the industry's digital transformation, which has resulted in increased demand for new insurance products and services. The Insurance Development and Regulatory Authority (IDRA) has introduced several reforms during this financial year, to expand the insurance market and increase insurance penetration, such as endorsement of Bancassurance and issued Corporate Governance Guideline for Insurance companies.

Our Company

Sena Kalyan Insurance Company Limited, entered the insurance industry in late 2013, when the global economy was 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 2023, the Company has earned a gross premium income of Tk. 4,826,725,988 (including public sector business). Since our incorporation in the insurance industry of Bangladesh, we were very careful to select business partners, what has given us a slow but steady build up.

Year	Gross premium (in Million Taka)	Growth (%)
2023	999.55	24.85%
2022	800.57	2.61%
2021	780.23	34.40%
2020	580.52	0.77%
2019	576.09	58.32%

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

Business Segments	2023	2022	Growth (%)
Fire Insurance	248.22	194.51	27.61%
Marine Insurance	154.76	182.25	-15.08%
Motor Insurance	12.16	16.39	-25.79%
Miscellaneous Insurance	584.41	407.42	43.44%

Segregation of Net Premium:

Business Segments	2023		2022		Growth (%)
	Amount (in Million Taka)	Business Mix of Net Premium (%)	Amount (in Million Taka)	% of Total Net Premium	
Fire Insurance	149.57	35.54%	100.09	29.06%	49.44%
Marine Insurance	120.62	28.66%	154.52	44.86%	-21.94%
Motor Insurance	11.66	2.77%	15.45	4.48%	-24.49%
Miscellaneous Insurance	139.05	33.04%	74.39	21.60%	86.92%
Total	420.90	100.00%	344.45	100.00%	22.20%

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. 133,308,407 while Tk. 231,624,156 is already provisioned for settlement of intimated claims at the earliest.

Claim and Loss Ratio:

Year	Claim (in Million Taka)	Change (%)
2023	133.31	-36.67%
2022	210.49	801.20%
2021	23.36	-37.75%
2020	37.52	141.08%
2019	15.56	-75.31%

Segregation of Net Claim:

Business Segments	2023		2022		2023 Growth (%)
	Amount (in Million Taka)	Business Mix of Net Premium (%)	Amount (in Million Taka)	Business Mix of Net Premium (%)	
Fire Insurance	74.83	56.14%	56.19	26.70%	33.17%
Marine Insurance	38.60	28.96%	25.97	12.34%	48.66%
Motor Insurance	1.00	0.75%	26.66	12.66%	-96.26%
Miscellaneous Insurance	18.87	14.16%	101.67	48.30%	-81.44%
Total	133.31	100.00%	210.49	100.00%	-36.67%

Financial Performance

Performance of the Company in terms of key performance indicators have been shown in a separate statement under title "Five Years Financial Highlights" in page no. 74 of this annual report. 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 (%)
2023	897.06	11.20%
2022	806.67	7.79%
2021	748.37	47.84%
2020	506.20	17.33%
2019	431.44	24.60%

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 2023	For the year 2022
Available Solvency [AS]	1,010.03	1,041.92
Required Solvency [RS]	215.11	186.47
Solvency Margin [AS/RS] (Times)	4.70	5.59

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. 455,826,937 by the end of 2023.

The following table shows reserve adequacy of the Company.

Year	Amount of Reserve (in Million Taka)	Change (%)	2023 Growth (%)
2023	455.83	28.09%	27.61%
2022	355.87	29.03%	-15.08%
2021	275.82	39.45%	-25.79%
2020	197.79	41.54%	43.44%
2019	139.74	70.14%	70.14%

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. 89,848,590 in 2023 compared to profit of Tk. 82,294,297.39 in 2022. 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 decreased by (11.16%) but on the other hand gross premium income has increased by 24.85%. After providing for agency commission, management expenses and depreciation, the net profit before tax & WPPF stood at Tk. 157,727,414 in 2023, compared to profit of Tk. 136,238,672.14 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 (%)				
	2023	2022	2021	2020	2019
Fire Insurance	4.58%	16.58%	14.37%	-18.61%	36.54%
Marine Insurance	89.29%	55.77%	49.80%	40.93%	30.82%
Motor Insurance	11.52%	17.66%	19.94%	56.69%	32.58%
Miscellaneous Insurance	-5.40%	10.00%	15.90%	20.99%	0.06%
Total	100.00%	100.00%	100.00%	100.00%	100.00%

Re-insurance Utilization and Risk Retention Ratio:

Presently the Company has Re-insurance Surplus Treaty agreement 50% with Shadharan Bima Corporation (SBC) and the rest 50% with Prudent Insurance Brokers Pvt. Ltd. (India). Besides, we deal with the Facultative Reinsurance coverage to Sadharan Bima Corporation (Bangladesh) as well as overseas such as AXA XL (UK), XL CATLIN (UK), GIC (INDIA), New India (INDIA), WACIA Re (AFRICA), MANDARIN RE(MALAYSIA), KLAPTON RE (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), Elesco (UK), IQUW (UK), HCC (USA), Lancashire (UK), Liberty (USA) & Beazley (UK) through K. M. Dastur & Co. Pvt. Ltd., Prudent Insurance Brokers Pvt. Ltd., Protection Re 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 (%)				
	2023	2022	2021	2020	2019
Fire Insurance	60.26%	51.46%	53.07%	44.28%	49.74%
Marine Insurance	77.94%	84.79%	83.16%	74.57%	59.39%
Motor Insurance	95.88%	94.23%	97.20%	100.00%	99.84%
Miscellaneous Insurance	23.79%	18.26%	11.46%	38.65%	30.17%
Total	42.11%	43.03%	35.43%	51.28%	43.98%

Underwriting Performance/Quality:

Underwriting is the process of evaluating prudent financial modeling, feasible risk pricing and acceptance of the risk based on the material facts disclosed by the prospect.

Underwriting process starts with the receipt of material facts/ proposal form. The concerned underwriter analyzes all the information and takes decision whether he/she accepts the risk or not. If accepted then he/she has to offer/quote the prospect with premium, relevant terms, conditions & exclusions.

In SKICL, we started our journey of underwriting management wef. the 5th day of November’2013 under the visionary leadership of Brig Gen Shafique Shamim, psc (Retd). It is worth noted here that Sena Kalyan Insurance Company Limited is one of the 4th Generation/youngest insurance companies in Bangladesh. At the very beginning, we started to underwrite mostly tariff driven risk /business viz. Fire, Marine, Motor & Miscellaneous, which is approximately 70% of the share of Bangladesh Non-life insurance market.

Since we had vision to position our Company as one of the lead insurers with planned company growth level. We started to assess & accepted the risk of non tariff business e.g. Aviation, 5 star hotels, Power Plant, Spinning, Composite Textile Mills ,all kinds of liability business, viz. Professional Indemnity, Third Party Liability/Public Liability, Employers’ Liability, Comprehensive General Liability & Workmen’s Compensation etc.

In the light of above, corporate business entities recognized us as prudent & competent underwriter/insurer in regard to all non-tariff business portfolio & risks exceeding Bangladesh Country Limit. Currently we are the lead insurer for Aviation All Risks with its allied perils (Crew Personal Accident, Passenger legal, Baggage legal liability, War etc) in Bangladesh based on our prudent underwriting competency & facultative support from the world class reinsurer(s) through Lloyds reinsurance broker house. However, we already started to issue Livestock insurance fostering small holders/ business-oriented livestock keepers of Bangladesh using local NGO’s as our alternative distribution channel. Livestock are becoming agriculture’s most economically important sub sector, with demand in Bangladesh for animal foods projected to double over the next 20 years with huge export potential. In addition to this, we have designed Medical Evacuation Insurance to cover medical expenses with air transportation facility in a level 3 hospital in designated mission area in abroad.

We are also planning to tap stand alone Health insurance compensating medical expenses for both in patients & out patients of corporate insureds. We have also plan to underwrite Freight Forwarders' Liability Insurance, Payment/Loan Protection Insurance, Bankers' Blanket Bond Insurance etc to widen our non-life insurance market share in Bangladesh.

The following table shows the segment-wise underwriting performance of the Company in the last few years:

Business Segments	Year-wise Underwriting performance (million)				
	2023	2022	2021	2020	2019
Fire Insurance	4.12	13.64	11.64	(12.43)	27.58
Marine Insurance	80.23	45.89	40.33	27.35	23.27
Motor Insurance	10.35	14.53	16.14	37.88	24.60
Miscellaneous Insurance	(4.85)	8.23	12.88	14.02	0.05

Investment Profile

The size of investment portfolio of the Company as on 31 December 2023 stood at Tk. 1,287,022,038. The investment portfolio comprises of 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 present year comparing with those of the previous year.

Components of Investment	2023		2022	
	Amount (in Million Taka)	% of Total Investment	Amount (in Million Taka)	% of Total Investment
Fixed Deposit	1,143.30	88.83%	1,084.87	88.53%
Shares Investment	59.52	4.62%	59.43	4.83%
BGTB & Zero Coupon Bond	84.20	6.54%	87.14	7.07%
Total	1,287.02	100%	1,231.44	100%

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.

Heads of Income	2023		2022	
	Amount (in Million Taka)	% of Total Investment Income & Other Income	Amount (in Million Taka)	% of Total Investment Income & Other Income
Investment Income FDR & BGTB	73.25	84.54%	57.12	84.08%
Bank Interest Income	1.12	1.29%	0.78	1.14%
Dividend	2.03	2.35%	2.76	4.06%
Profit from Sale of Shares	0.06	0.07%	2.03	2.99%
Other Income	10.18	11.74%	5.25	7.73%
Total	86.64	100.00%	67.93	100.00%

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, rewards including employee's safety and health to some extent to assure their retention and provide job satisfaction.

A separate report on human resources has been presented on page no. 213 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 framework, which can be seen as framework describing a traditional IT department.

Present Condition

The IT department of Sena Kalyan Insurance Company is moving forward with time. Sena Kalyan Insurance Company has been using ERP software Enterprise resource planning (ERP) since its inception as per the guidelines of company management and insurance regulatory authority. As a result, the work of the company has become much easier. Also, Sena Kalyan Insurance Company is providing e-money receipts through UMP software managed by Insurance Regulatory Authority, so customers can print money receipts online very quickly and easily.

Recently Sena Kalyan Insurance Company has almost completed the development of its own apps. With the app fully launched, any customer can easily get insurance from anywhere in the world. And if he falls into an accident, he can inform the company much faster than before and raise the claim for compensation. As a result, people's confidence in the insurance sector will increase.

Our Future Plan:

Sena Kalyan Insurance Company has been working with the time for the development of the insurance sector along with itself. Sena Kalyan Insurance Company is working with a group of young people to build an online infrastructure to provide online basic services. As a result, the day is not far away when insurance services will reach the doorstep of

people. Everyone will be able to take any insurance related services including taking insurance and raising insurance claims very easily.

In this growing up insurance industry, we have some future plan to make our business more secure and user friendly. That's why we take some initiatives. The main purpose of the MIS is to give managers feedback about their own performance; top management can monitor the organization as a whole. Information displayed by the MIS typically shows "actual" data over against "planned" results and results from a year before; thus, it measures progress against goals.

- At First, We recognize the major resource of our organization like capital, time and capacity.
- We design apps to make a smooth root between the clients, employees and the management. That's why we make some update plan so that it is possible to recognize information as a valuable resource like money and capacity.
- It is necessary to link its acquisition, storage, usage and disposal as per the business needs for meeting the business objectives. So we need MIS flexible enough to deal with the changing information, needs of the organization. It should be open system. The designing of such an open system is a complex task. It can be achieved keeping in view the plan of the business management of the organization.

Strategy for the Plan achievement

- Development Strategy: An online, a batch, a real time. Technology platform.
- System development strategy: Structured Systems Analysis and Design Method (SSADM) SSAD or Object-oriented technology (OOT) OOT. Database VS conventional etc.
- Resources for system development: In house VS external, customized development VS the use of packages.
- Manpower composition: Analyst, programmer skills and know-how.
- The architecture of the Management Information Systems MIS-It provides a system structure and their input, output and linkages. It also provides handling of systems & subsystems by way of simplification, coupling and decoupling of subsystems.
- The system development schedule-A schedule is made for the development of the system. Unless the systems are fully developed, their integration is not possible.

Hardware and software plan

- Giving due regard to the technical and operational feasibility, the economics if investment is worked out. Then the plan of procurement is made after selecting the hardware and software.
- The selection of the architecture, the approach to the development and choice of hardware and software are the strategic decisions and it is needed to be taken very carefully.
- Following points to consider.
- The organization's strategic plan should be the basis for the MIS strategic plan.
- The IS development schedule should match with the implementation schedule of the business plan.
- The choice of information technology is a strategic business decision and not a financial decision.

Functional Managerial Information

- The functional information is defined as a set of information required by the functional head in conducting the administration and management of the function.
- Functional information is largely factual, statistical and detailed in multi-dimensions of the function. Such information is used for planning, budgeting and controlling the operations of the function.
- E.g. If you take sales information, it can be processed in several ways such as product, product groups, market segment, geographic zone, locations etc.
- The functional information can be accessed on the following three parameters:
 - The work design
 - The responsibility
 - The functional objectives

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 have been reported on page no. 186.

Motor Vehicle of the Company

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 2023, the Company has 16 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. 195.

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 is not considered to prepare financial statements. Therefore, comparative analysis of financial performance is elaborately discussed on the presentation on financial indicators on page no. 74.

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 profit from such activities.

Management Expenses

Management expenses amounted to Tk. 115,523,791.00 in 2023. The expenses have been apportioned @ 24.83% to Fire, 15.48% to Marine Cargo & Hull, 1.22% Motor & 58.47% 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. 34 of the notes of the financial statements.

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

After completing the IPO formalities, trading of shares of our Company commenced on 07 November 2021 on both Dhaka Stock Exchange and Chittagong Stock Exchange.

The Company's IPO proceeds were fully utilized in 2022. The detailed report regarding utilization of proceeds of IPO of the Company is also available in the Company's website.

Deterioration of Financial Results

No other indicator of financial performance deteriorated after the Company went for the Initial Public Offering (IPO).

Disclosure Regarding Variance in the Annual Financial Statements

There was no significant difference in financial performance during the year 2023. The financial performances of the Company for the last two years are given below:

Financial performance analysis:

BDT in crore & per share item

Particulars	2023	2022	Growth (%)
Gross premium	99.55	80.05	24.36
Net premium	42.09	34.44	22.21
Underwriting profit	8.98	8.23	9.11
Investment & other income	8.66	6.79	27.54
Net profit before tax	15.02	12.96	15.90
Net profit after tax	13.67	11.43	19.60
Paid-up capital	40.00	40.00	0.00
Shareholders' equity	89.71	80.67	11.21
Total assets	160.05	148.37	7.87
Total liability	70.34	67.70	3.90
No. of Shares	4.00	4.00	0.00
Earnings per share	3.42	2.86	19.58
NOCFPS	5.82	4.45	30.79

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 2023, a total amount of Tk. 3,27,556/= (included VAT & Tax) 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. BSEC/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.

Credit Rating

Alfa Credit Rating Limited has rated the Company in 2023 with “AA+” in the long term and ST-1 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:

Particulars	31 December 2023	31 December 2022
Income Tax paid on Company’s income	21,533,660	14,129,209
Tax collected at source on behalf of Government	12,338,155	10,950,516
VAT collected at source on behalf of Government	3,056,554	2,999,327
Value Added Tax (VAT)	39,622,041	17,914,850
Excise Duty	1,592,616	986,482
Total	78,143,026	46,980,384

Protection of Minority Shareholders

In compliance with Corporate Governance Code/Guideline of BSEC & IDRA, 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 is 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. 74 of this annual report.

Proposed Dividend

The Board of Directors at the time of considering the financial statements for the year ending 31st December 2023 recommended 13.50% cash dividend [i.e., Tk. 1.35 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 Regulators' rules, 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. 108.

Pattern of Shareholding

Shareholding patterns of the Company as at the end of 2023 have been shown in Annexure-iii of this report.

Directors' Appointment & Re-appointment

As per the Articles of Association of Sena Kalyan Insurance Company Limited, except the Independent Directors, all Directors will be nominated by Sena Kalyan Sangstha and the Ex-officio of SKS.

As per the Companies Act, any Director appointed by the Board to fill the casual vacancies since last Annual General Meeting shall retire in the next Annual General Meeting. Accordingly, the following Directors shall retire in the forthcoming Annual General Meeting and for being eligible, they are seeking re-election to the Board, subject to the approval of the shareholders in the next AGM:

Major General Md Habib Ullah, SGP, SPP, ndc, afwc, psc, M Phil (representing SKS)

Cdre A.F.M Rafiqul Islam (L), ndu,psc, BN (representing SKS)

Brig Gen Md Rezwan, ndc,psc(representing SKS)

Brig Gen Md Abdur Rahim, BGBM, G+ (representing SKS)

Brig Gen Md Humayun Kabir, psc (representing SKS)

According to the BSEC's Corporate Governance Code -2018 and IDRA's Corporate Governance Guideline-2023, the following appointed/re-appointed Independent Directors will be approved by the Shareholders in the next AGM of the Company:

Mr. M. M. Mostafa Bilal

Mr. Kazi Ahmad Pervez

The profiles of Directors of the Company have been presented on page nos. 41 to 50 of the Annual Report.

Appointment of Auditors

FAMES & R., Chartered Accountants, have been serving the Company as the statutory auditors for the last one year (2023). Recently, our primary regulator, Insurance Development and Regulatory Authority (IDRA) disclosed the panel of Auditors' list for Insurance Companies. FAMES & R., Chartered Accountants, our statutory auditors are not on this panel list. As a result, we cannot re-appoint FAMES & R., Chartered Accountants, as the statutory auditors of the Company for the year 2024. Accordingly, as per the regulator's guidelines, our Company is required to appoint a new firm of chartered accountants as statutory auditors for the financial year 2024.

Accordingly, the Audit Committee has recommended to appoint Mahfel Huq & Co., Chartered Accountants (the panel chartered accountants firm of IDRA, BSEC & BFRC), as the statutory auditors of the Company at a remuneration of BDT 2.00 lac excluding VAT and the Board of Directors have endorsed the same.

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

Appointment of Compliance Auditors

Pursuant to the Corporate Governance Code- 2018 of Bangladesh Securities and Exchange Commission (BSEC) and Corporate Governance Guidelines of Insurance Development and Regulatory Authority (IDRA), we need to obtain two

certificates from a practicing Chartered Accountant or Chartered Secretary other than its statutory auditors on yearly basis. These certificates shall be published in the annual report.

In this regard, MNA Associates, a Chartered Secretaries Firm, has expressed interest for issuing two certificates for CG Code of BSEC and CG Guidelines of IDRA for the year 2024 with a remuneration of Tk. 50,000/- plus VAT. Accordingly, the Audit Committee has recommended to appoint MNA Associates, Chartered Secretary, a practicing firm, as the Corporate Governance Compliance Auditor for issuance two certificates for CG Code of BSEC and CG Guidelines of IDRA for the year 2024 with a remuneration of Tk. 50,000/- plus VAT and the Board of Directors have endorsed the same.

Hence, the agenda for the appointment of Corporate Governance Compliance Auditor (MNA Associates, a Chartered Secretaries Firm) will be placed before the shareholders for their approval.

Management Discussion and Analysis

Management 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. 111.

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 presented on page nos. 117 to 185 of the Annual Report.

Acknowledgment

The Directors take this opportunity to express their sincere gratitude to all the valued shareholders, clients and well-wishers at home and aboard for their wholehearted cooperation and active support in the discharge of the duties assigned to the Board during the year under review.

The Directors express sincere gratitude 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



Major General Md Habib Ullah, SGP, SPP, ndc, afwc, psc, M Phil
Chairman



Directors' Meeting & Attendance

Annexure-i

During the financial year under reporting total five (5) Board Meetings were held and the attendance of the Directors are noted below:

Name of Directors	Nominated by	Total Meetings	Meetings Attended	Changes During 2023 with the date of Board Acceptance	
				Date of Board Acceptance	
				Joining	Leaving
Maj Gen Md. Habib Ullah, SGP, SPP, ndc, afwc, psc, M phil	Chairman (Nominated by SKS)	2	2	20 September 2023	-
Cdre A.F.M Rafiqul Islam (L), ndu, Psc, BN	Vice-Chairman (Nominated by SKS)	3	3	10 May 2023	-
Air Cdre Md Shaharul Huda, BSP, ndc, psc	Director (Nominated by SKS)	5	4	-	-
Brig Gen Mohd Muinul Haq Mamun, psc	Director (Nominated by SKS)	5	5	-	-
Brig Gen Rezwan, ndc, psc	Director (Nominated by SKS)	2	2	20 September 2023	-
Brig Gen Abdur Rahim, BGBM,G+	Director (Nominated by SKS)	1	1	18 December 2023	-
Brig Gen Humayun Kabir, psc	Director (Nominated by SKS)	0	0	18 December 2023	-
Mr. M. M. Mostafa Bilal	Independent Director	5	5	-	-
Mr. Kazi Ahmad Pervez	Independent Director	0	0	18 December 2023	-
Maj Gen Iftekhar Anis, BSP, awc, afwc, psc, PEng	Immediate past Director (Nominated by SKS)	3	3	-	20 September 2023
Cdre Mahmud Hossain, (ND), NPP, BCGMS, ndc, psc	Immediate past Director (Nominated by SKS)	1	1	-	10 May 2023
Brig Gen Md Rashidul Alam, BGBMS, PBGMS	Immediate past Director (Nominated by SKS)	1	1	-	10 May 2023
Brig Gen AKM Asif Iqbal, BVM, BAMS, ndc	Immediate past Director (Nominated by SKS)	3	3	-	20 September 2023
Brig Gen Md Hasan Jahangir, SUP, ndc, psc	Immediate past Director (Nominated by SKS)	1	1	10 May 2023	20 September 2023
Brig Gen Md Shakhawat Hossain, ndu, psc	Immediate past Director (Nominated by SKS)	5	3	-	18 December 2023
Brig Gen Md. Abu Bakar Siddique Khan, ndc, afwc, psc, G+	Immediate past Director (Nominated by SKS)	1	1	20 September 2023	18 December 2023
Barrister Ahamed Ihteyaz Thamid	Immediate past Independent Director	5	4	-	18 December 2023



Directors' Remuneration

Annexure-ii

The statements of remuneration paid to the Directors during the financial year under reporting are noted below:

Name of Directors	Board		Executive Committee		Risk Management Committee/Claims Committee		Audit Committee		Nomination & Remuneration Committee		Investment Committee		Policyholder Protection & Compliance Committee		Total Fees Paid (Tk.)
	Meetings Attended	Meetings Fees (Tk)	Meetings Attended	Meetings Fees (Tk)	Meetings Attended	Meetings Fees (Tk)	Meetings Attended	Meetings Fees (Tk)	Meetings Attended	Meetings Fees (Tk)	Meetings Attended	Meetings Fees (Tk)	Meetings Attended	Meetings Fees (Tk)	
Maj Gen Md. Habib Ullah, SGP, SPP, ndc, afwc, psc, M phil (Joined as on 20 September 2023)	2	17,112													17,112
Cdre A.F.M Rafiqul Islam (L), ndu, Psc, BN (Joined as on 10 May 2023)	3	25,668													25,668
Air Cdre Md Shahrul Huda, BSP, ndc, psc (Joined as on 26 June 2022)	4	25,668			3	12,220									37,888*
Brig Gen Mohd Muinul Haq Mamun, psc (Joined as on 26 June 2022)	5	31,780							2	8,554					40,334*
Brig Gen Rezwan, ndc, psc (Joined as on 20 September 2023)	2	17,112							1	4,888					22,000
Brig Gen Abdur Rahim, BGBM,G+ (Joined as on 18 December 2023)	1	8,556													8,556
Brig Gen Humayun Kabir, psc (Joined as on 18 December 2023)	0	0													0
Mr. M. M. Mostafa Bilal (Joined as on 09 September 2020)	5	31,780					4	15,886	1	4,888					52,554*
Mr. Kazi Ahmad Pervez (Joined as on 18 December 2023)	0	0													0
Maj Gen Iftekhar Anis, BSP, awc, afwc, psc, PENG (Resigned on 20 September 2023)	3	14,668													14,668*
Cdre Mahmud Hossain, (ND), NPP, BCGMS, ndc, psc (Resigned on 10 May 2023)	1	6,112													6,112
Brig Gen Md Rashidul Alam, BGBMS, PBGMS (Resigned on 10 May 2023)	1	6,112													6,112
Brig Gen Md Shakhawat Hossain, ndu, psc (Resigned on 18 December 2023)	3	14,668			2	7,332									22,000*
Brig Gen Md Hasan Jahangir, SUP, ndc, psc (Resigned on 20 September 2023)	1	8,556													8,556
Brig Gen AKM Asif Iqbal, BVM, BAMS, ndc (Resigned on 20 September 2023)	3	14,668							1	3,666					18,334*
Brig Gen Md. Abu Bakar Siddique Khan, ndc, afwc, psc, G+ (Resigned on 18 December 2023)	1	8,556													8,556
Barrister Ahamed Ihteyaz Thamid (Resigned on 18 December 2023)	4	23,224					4	15,886	1	0					39,110*
Total		254,236					51,324			21,996					327,556.00**

* Due to the short duration of the meetings, the directors did not take their remunerations for a few meetings.

** Including VAT & Tax.



Pattern of Shareholdings

As on 31st December 2023

Annexure-iii

i. Shareholding position of Sponsors:

Name	No of Share	Percent (%)
Sena Kalyan Sangstha	24,000,000	60.00%
Total	24,000,000	60.00%

ii. Shareholding status of Directors/CEO/CS/CFO/HIAC & their spouses & minor children:

Name of the Directors	Nominated by	No. of Share(s) held	Percent (%)
Major General Md Habib Ullah, SGP, SPP, ndc, afwc, psc, M Phil	Sena Kalyan Sangstha	0	0.00%
Cdre A.F.M Rafiqul Islam (L), ndu,psc, BN	Sena Kalyan Sangstha	0	0.00%
Air Cdre Md Shahrul Huda, BSP, ndc, psc	Sena Kalyan Sangstha	0	0.00%
Brig Gen Mohd Muinul Haq Mamun, psc	Sena Kalyan Sangstha	0	0.00%
Brig Gen Rezwan, ndc, psc	Sena Kalyan Sangstha	0	0.00%
Brig Gen Abdur Rahim, BGBM,G+	Sena Kalyan Sangstha	0	0.00%
Brig Gen Humayun Kabir, psc	Sena Kalyan Sangstha	0	0.00%
Mr. M. M. Mostafa Bilal	Independent Director	0	0.00%
Mr. Kazi Ahmad Pervez	Independent Director	0	0.00%

Name of the Executives	Status	No. of Share(s) held	Percent (%)
Brig Gen Md Shafique Shamim, psc (Retd)	Managing Director & CEO	0	0.00%
Mr. Maloy Kumar Saha	Chief Financial Officer	0	0.00%
Mr. M. M. Sajedul Islam, FCS	Company Secretary	0	0.00%
Ms. Lasmin Akter	Head of Internal Audit & Compliance	0	0.00%

iii. Top five salaried persons other than the Directors, CEO, CS, CFO & HIAC

Name of the Executives	Status	No. of Share(s) held	Percent (%)
Col Md Aulad Hossain, psc, G (Retd)	DMD, Market Development	19	0.00%
Gp Capt Md Atiar Rahman, psc (Retd)	DMD, Market Development	1	0.00%
Lt Col AKM Nazimul Islam, psc (Retd)	AMD, Market Development	0	0.00%
Maj. Khandaker Helaluzzaman (Retd)	SEVP, Marketing	0	0.00%
Cdr Iftekhar Hassan, C, psc, BN (Retd)	SEVP, Marketing	0	0.00%

iv. Shareholders holding 10 % or more voting interest in the Company:

Name of the Shareholders	No. of Share(s) held	Percent (%)
Sena Kalyan Sangstha	24,000,000	60.00%



Management's Discussion and Analysis

As per condition no. 1(5) (xxv) of the Corporate Governance Code-2018 issued by BSEC, the Management's Discussion and Analysis of Sena Kalyan Insurance Company Limited are as follows:

A. Accounting Policies and Estimation for Preparation of Financial Statements

We have applied accounting policies regularly for all periods while preparing the financial statements. International Financial Reporting Standard (IFRS), International Accounting Standards (IAS) in preparing Financial Statements have been applied to transactions, other events or conditions to their full extent as applicable. Disclosure and rules as required by Insurance Act 2010 and the Companies Act 1994 have been complied with the preparing of Financial Statements. On the other hand, Bangladesh Securities & Exchange Commission (BSEC) Rules 1987, Listing Regulations 2015 of Dhaka Stock Exchange PLC. & Chittagong Stock Exchange PLC. are complied. In the absence of International Financial Reporting Standards (IFRS) on a particular transaction, other event or condition, we have exercised our judgment in developing and applying accounting policies that are relevant and reliable to our economic decision-making needs.

B. Changes in Accounting Policies and Estimation

We usually change an accounting policy when the change is required by International Financial Reporting Standard (IFRS)/International Accounting Standards (IAS) or results in the financial statements providing more reliable and relevant information about the effect of transactions, other events or conditions on the financial position, financial performance and cash flows.

The Company has been following consistent policies and estimations in preparing its financial statements. There was no change to the accounting policies adopted by the Company during the year 2023.

C. Comparative Analysis of Financial Performance or Results and Financial Position as well as Cash Flows for Current Financial year and Immediately Preceding five years

The key operating and financial position and cash flows for the preceding 05 (Five) years of Sena Kalyan Insurance Company Limited are furnished below:

BDT in million except ratios & per share item

Particulars	2023	2022	2021	2020	2019
Gross premium	999.55	800.57	780.23	580.52	576.09
Net premium	420.90	344.45	276.46	297.68	253.39
Underwriting profit	89.85	82.29	80.99	66.82	75.49
Investment & other income	86.63	67.93	54.34	58.22	47.24
Net profit before tax	150.22	129.75	115.98	114.23	118.58
Net profit after tax	136.66	114.33	106.15	94.28	98.28
Earnings per share	3.42	2.86	3.83	3.93	4.10
NOCFPS	5.82	4.45	8.89	9.24	9.69
Paid-up capital	400.00	400.00	400.00	240.00	240.00
Shareholders' equity	897.06	806.67	748.37	506.20	431.44
Total assets	1,600.54	1,483.71	1,381.81	978.29	747.00
Total liability	703.48	677.04	633.44	472.09	312.59
NAVPS	22.43	20.17	26.99	21.09	18.10

The financial year 2023 has been challenging with an operating environment, due to the country's political current situation, Russia's war in Ukraine, Middle East's war and dollar crisis related uncertainties. Nonetheless, we have managed to end the year with satisfactory results.

Considering our management excellence in understanding the insurance business and specialization in human capital, we are pleased with the progress of the Company.

D. Comparison of such Financial Performance or Results and Financial Position, as well as Cash Flows with the Peer Industry Scenario

The insurance industry is marked by high levels of competition with 46 non-life insurance companies operating in the space. Though few insurance companies were struggling throughout the year, there are good and

established players in the industry that have earned good reputations and customers' trust.

However, in this section, we'll mention comparative financial performances and financial position, as well as cash flows with peer industry scenario through the unaudited third quarter (Q3) ending in 2023, with four other established general insurance companies, are as follows:

BDT in million except ratios & per share item

Particulars	Sena Kalyan Insurance Co. Ltd.	Peoples Insurance Ltd.	Green Delta Insurance Co. Ltd.	City General Insurance Co. Ltd.	Reliance Insurance Co. Ltd.
Gross premium	659.46	442.40	3500.28	592.79	3025.90
Net premium	204.45	290.27	1331.94	341.67	1027.00
Underwriting profit	83.18	15.27	691.48	147.09	558.87
Investment & other income	63.92	41.41	379.71	70.39	311.67
Net profit before tax	127.58	101.55	630.99	207.88	870.54
Net profit after tax	100.05	81.92	415.20	144.48	595.11
Earnings per share	2.50	1.77	4.14	2.12	5.66
NOCFPS	6.37	0.30	6.68	1.84	4.58
Paid-up capital	400.00	462	1001.88	681.66	1051.61
Shareholders' equity	859.28	1486.14	7080.96	1392.10	6920.19
Total assets	1712.52	2755.10	14828.59	2061.88	12426.35
Total liability	853.24	1268.96	7747.63	669.77	5506.16
NAVPS	21.48	32.17	70.68	20.42	65.81

Source: Companies' website

E. Financial and Economic Scenario of the Country and the Globe

Bangladesh Economy

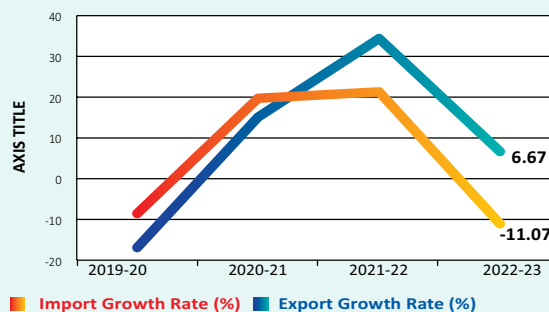
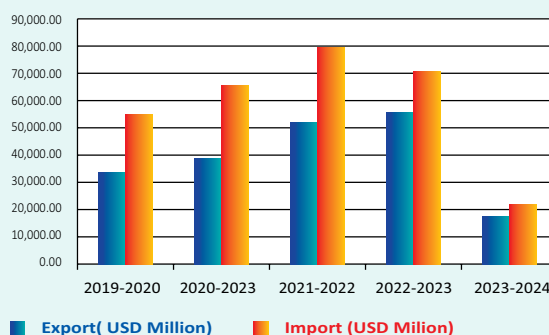
Export:

Like many other third-world countries, Bangladesh relies heavily on exports to fulfill the needs of its densely populated nation. The country's export earnings witnessed 13.65 percent increase in October 2023 as compared to same period in the previous year, mainly driven by increased exports of agricultural products, chemical products, specialized textile, plastic products, woven garments, knitwear and frozen & live fish. On the other hand, total export earnings decreased by 12.72 percent in October 2023 (USD million 3,762.03) from the export earnings (USD million 4,310.33) of previous month September 2023.

Import:

Generally, in developed countries, exports are greater than or closer to import payments. But in Bangladesh Exports always fall short of Import payments at a good margin. However, import payments during the month of October 2023 in the FY 2023-24 stand lower by 10.40 percent to USD 5,962.7 million, against USD 6,654.7 million during the same month of FY 2022-23.

EXPORT & IMPORT GROWTH (YEARLY % CHANGES)

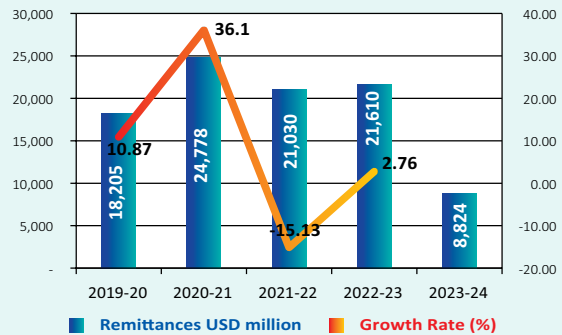


Workers' Remittance:

Workers' remittance is the key foreign earning source of Bangladesh to fill-up the huge gap between foreign exchange earnings and expenditure. Total remittances receipts during the month of November 2023 in the FY 2023-24 increased by 20.99 percent to USD 1,930.04 million against USD 1,595.17 million of the same month from the previous year.

Source: Bangladesh Bank,
Up to November 2023, Growth rate represents same period of the previous year.

Remittances of Bangladesh

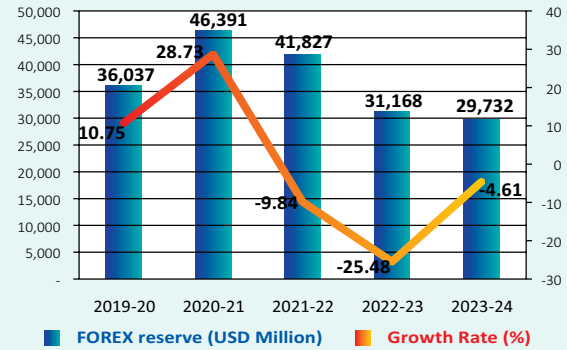


Foreign Exchange Reserves:

In November, 2023 the gross foreign exchange reserves decreased by 5.99 percent to USD 24,894.58 million against USD 26,480.86 million in October 2023.

Source: Bangladesh Bank,
As of November 2023

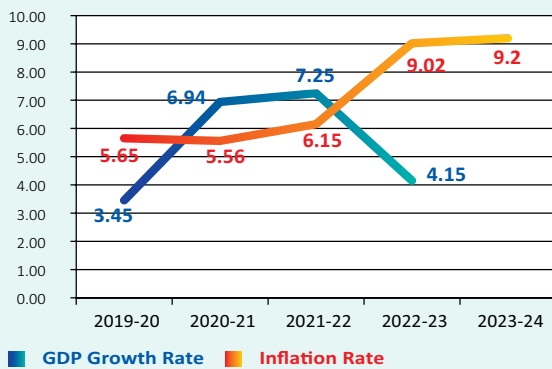
Forex Reserve of Bangladesh



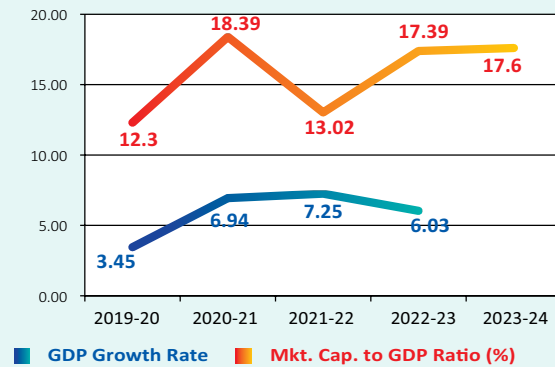
Inflation:

The average inflation in November 2023 stood at 9.42 percent as 9.37 percent in October 2023. Although, Bangladesh has never experienced a negative economic growth during the last 47 years since its independence and maintained around 6% GDP growth rate for last one and half decade, the high rate of inflation always lessened the benefit of good GDP rate.

GDP Growth Rate and Inflation Rate



GDP Growth Rate and Market Capitalization to GDP:



Source: Bangladesh Bank and budget speech FY 2021-22,
Mkt. cap to GDP ratio as on December 2023. For ratio calculation, we considered the GDP of FY 2022-23(P). Mkt. cap to GDP ratio has been increased from October 2022 since market capital increased due to trading of Government Securities.

Economic Outlook

Item	UoM*	FY 2019-2020	FY 2020-2021	FY 2021-2022	FY 2022-2023	FY 2023-2024
GDP at Current Market Price	BDT Crore	3,170,469	3,530,184	3,971,716	4,439,273(P)	No Data Available from Authentic Source
Annual Per Capita GDP	USD	2,234	2,462	2,687	2,657(P)	
Annual Per Capita GNI	USD	2,326	2,591	2,793	2,765(P)	
Domestic Savings Rate (% of GDP)	Percent	27.08	25.34	25.22	26.02(P)	
National Savings Rate (% of GDP)	Percent	31.42	30.79	29.35	30.22(P)	
Agricultural Growth Rate of GDP	Percent	3.42	3.17	3.05	2.61(P)	
Services (% of GDP)	Percent	52.54	51.92	51.48	51.24(P)	
Total Financing (% of GDP)	Percent	4.44	3.72	4.08	3.06(July May)	
FDI Inflow	USD Million	2,370.45	2,507.31	2,179.00	1,611(P)	550.00 (July to October)
Portfolio Investment (Net)	USD Million	44.00	(269.00)	(158.00)	(18)(P)	(39) July to October)
Domestic Credit	BDT Crore	1,307,633.80	1,439,899.00	1,671,748.80	1,926,769.30(R)	1,944,439.90 (October)
Revenue Collection (NBR)	BDT Crore	218,406.05	259,881.80	301,312.41	331,454.88(up to June)	103,976.36(Up to October)
Reserve Money	BDT Crore	284,483.40	348,071.80	347,162.10	383,585.2 (June)	339,958.40 (October)
Deposit Rate (weighted average)	Percent	5.06	4.13	3.97	4.38(June)	4.55 (October)
Inflation Rate (weighted average)	Percent	5.65	5.56	6.15	9.02 (June)	9.42(November)
Value of Import	USD Million	48,518.00	54,332.10	89,162.30	75,061.60 (Up to June)	21,872.10 (up to October)
Value of Export	USD Million	33,674.12	38,758.31	52,082.66	55,558.77 (Up to June)	17,447.47 (up to October)
Balance of Trade	USD Million	(14,843.88)	(15,573.79)	(37,079.64)	(19,502.83)	(4,424.63)
Foreign Exchange Reserve	USD Million	36,037.03	46,391.40	41,826.70	31,202.98 (June)	24,894.58 (November)
Remittances	USD Million	18,205.01	24,777.71	21,031.68	21,610.70	8,814.55(Up to November)

Source: DSE Monthly Review, December 2023
Economic Trends, Annual Report of Bangladesh Bank & Website
Economic Review, MCCI, Ministry of Finance & Website
Bureau of Statistics Website (Base 2015-16)

World/Global Economy

Global growth is projected at 3.1 percent in 2024 and 3.2 percent in 2025, with the 2024 forecast 0.2 percentage point higher than that in the October 2023 World Economic Outlook (WEO) on account of greater-than-expected resilience in the United States and several large emerging market and developing economies, as well as fiscal support in China. The forecast for 2024–25 is, however, below the historical (2000–19) average of 3.8 percent, with elevated central bank policy rates to fight inflation, a withdrawal of fiscal support amid high debt weighing on economic activity, and low underlying productivity growth. Inflation is falling faster than expected in most regions, in the midst of unwinding supply-side issues and restrictive monetary policy. Global headline inflation is expected to fall to 5.8 percent in 2024 and to 4.4 percent in 2025, with the 2025 forecast revised down.

With disinflation and steady growth, the likelihood of a hard landing has receded, and risks to global growth are broadly balanced. On the upside, faster disinflation could lead to further easing of financial conditions.

Looser fiscal policy than necessary and then assumed in the projections could imply temporarily higher growth, but at the risk of a more costly adjustment later on. Stronger structural reform momentum could bolster productivity with positive cross-border spillovers. On the downside, new commodity price spikes from geopolitical shocks—including continued attacks in the Red Sea—and supply disruptions or more persistent underlying inflation could prolong tight monetary conditions. Deepening property sector woes in China or, elsewhere, a disruptive turn to tax hikes and spending cuts could also cause growth disappointments.

Policymakers' near-term challenge is to successfully manage the final descent of inflation to target, calibrating monetary policy in response to underlying inflation dynamics and—where wage and price pressures are clearly dissipating—adjusting to a less restrictive stance. At the same time, in many cases, with inflation declining and economies better able to absorb effects of fiscal tightening, a renewed focus on fiscal consolidation to rebuild budgetary capacity to deal with future shocks, raise revenue for new spending priorities, and curb the rise of public debt is

needed. Targeted and carefully sequenced structural reforms would reinforce productivity growth and debt sustainability and accelerate convergence toward higher income levels. More efficient multilateral

coordination is needed for, among other things, debt resolution, to avoid debt distress and create space for necessary investments, as well as to mitigate the effects of climate change.

Latest World Economic Outlook Growth Projections (real GDP, annual percent change)

	Year over Year				Difference from October 2023		Q4 over Q4		
		Estimate	Projections		2024	2025	Estimate	Projections	
	2022	2023	2024	2025			2023	2024	2025
World Output	3.5	3.1	3.1	3.2	0.2	0.0	3.1	3.1	3.1
Advanced Economies	2.6	1.6	1.5	1.8	0.1	0.0	1.6	1.6	1.7
United States	1.9	2.5	2.1	1.7	0.6	-0.1	2.9	1.5	1.9
Euro Area	3.4	0.5	0.9	1.7	-0.3	-0.1	0.2	1.5	1.6
Germany	1.8	-0.3	0.5	1.6	-0.4	-0.4	-0.1	1.1	1.9
France	2.5	0.8	1.0	1.7	-0.3	-0.1	0.6	1.4	1.8
Italy	3.7	0.7	0.7	1.1	0.0	0.1	0.2	1.3	1.0
Spain	5.8	2.4	1.5	2.1	-0.2	0.0	1.5	1.8	2.1
Japan	1.0	1.9	0.9	0.8	-0.1	0.2	1.4	1.6	0.5
United Kingdom	4.3	0.5	0.6	1.6	0.0	-0.4	0.9	0.6	1.8
Canada	3.8	1.1	1.4	2.3	-0.2	-0.1	1.1	1.9	2.2
Other Advanced Economies	2.7	1.7	2.1	2.5	-0.1	0.2	1.5	2.6	2.0
Emerging Market and Developing Economies	4.1	4.1	4.1	4.2	0.1	0.1	4.3	4.3	4.1
Emerging and Developing Asia	4.5	5.4	5.2	4.8	0.4	-0.1	5.2	5.5	4.7
China	3.0	5.2	4.6	4.1	0.4	0.0	5.4	4.4	4.0
India	7.2	6.7	6.5	6.5	0.2	0.2	5.0	7.8	6.7
Emerging and Developing Europe	1.2	2.7	2.8	2.5	0.6	0.0	4.1	7.8	2.9
Russia	-1.2	3.0	2.6	1.1	1.5	0.1	4.4	7.8	1.0
Latin America and the Caribbean	4.2	2.5	1.9	2.5	-0.4	0.1	2.2	7.8	2.6
Brazil	3.0	3.1	1.7	1.9	0.2	0.0	2.3	7.8	1.4
Mexico	3.9	3.4	2.7	1.5	0.6	0.0	3.4	7.8	1.4
Middle East and Central Asia	5.5	2.0	2.9	4.2	-0.5	0.3	...	7.8	...
Saudi Arabia	8.7	-1.1	2.7	5.5	-1.3	1.3	-4.5	7.8	5.4
Sub-Saharan Africa	4.0	3.3	3.8	4.1	-0.2	0.0	...	7.8	...
Nigeria	3.3	2.8	3.0	3.1	-0.1	0.0	2.7	7.8	2.9
South Africa	1.9	0.6	1.0	1.3	-0.8	-0.3	1.0	7.8	1.3
<i>Memorandum</i>									
World Growth Based on Market Exchange Rates	3.0	2.7	2.6	2.7	0.2	0.0	2.7	2.5	2.6
European Union	3.6	0.6	1.2	1.9	-0.3	-0.2	0.7	1.4	2.3
ASEAN	5.5	4.2	4.7	4.4	0.2	-0.1	4.1	5.2	3.5
Middle East and North Africa	5.6	2.0	2.9	4.2	-0.5	0.3	...	...	...
Emerging Market and Middle-Income Economies	4.0	4.2	4.0	4.0	0.1	0.0	4.3	4.3	4.1
Low-Income Developing Countries	5.2	4.0	5.0	5.6	-0.1	0.0	...	...	...
World Trade Volume (goods and services)	5.2	0.4	3.3	3.6	-0.2	-0.1	...	...	...
Advanced Economies	6.1	0.3	2.6	3.2	-0.4	-0.1	...	...	...
Emerging Market and Developing Economies	3.7	0.6	4.5	4.4	0.2	0.0	...	...	...
Commodity Prices									
Oil	39.2	-16.0	-2.3	-4.8	-1.6	0.1	-2.8	-6.1	-4.9
Nonfuel (average based on world commodity import weights)	7.9	-6.1	-0.9	-0.4	1.8	-0.3	-2.0	1.5	0.2
World Consumer Prices	8.7	6.8	5.8	4.4	0.0	-0.2	6.0	5.3	3.8
Advanced Economies	7.3	4.6	2.6	2.0	-0.4	-0.2	3.1	2.3	2.0
Emerging Market and Developing Economies	9.8	8.4	8.1	6.0	0.3	-0.2	8.4	7.7	5.2

Source: IMF, World Economic Outlook Update, January 2024

Note: For India, data and forecasts are presented on a fiscal year basis, with FY 2022/23 (starting in April 2022) shown in the 2022 column India's growth projections are 5.4 percent in 2023 and 6.8 percent in 2024 based on calendar year.

F. Risks and Concerns Issues Related to the Financial Statements, Explaining Such Risk and Concerns Mitigation Plan of the Company

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.

To face the ongoing challenges of increased competition and expansion of diversified business of SKICL, it has undertaken some principles on risk management. The risk mitigation areas are liquidity risk, market risk, operational risk, strategic risk, anti money laundering risk (ALM), environmental risk, etc. Mitigating all risks, the Company maximizes wealth in Financial Statements. The risk identification and mitigation process are elaborately discussed on page no. 195.

G. Future Plan or Projection or Forecast for Company's Operation, Performance and Financial Position

Sena Kalyan Insurance believes in its strength and dynamism to provide optimum service to its clients. The Company finds new pathways for providing services. It has continuously taken diversification opportunities and is continuing with successful operations, thus securing the Company's future.

Like last year, keeping those intentions in mind, our focus will also remain on:

- Striving for making clients (policyholders) permanent;

- Growing sale of our products increasing our revenues by providing quality services to the insured;
- Engaging more in skills development and capacity building among our terms to enable strong functional expertise and productivity levels and also focusing on capacity building;
- Optimizing our cost base through the identification of functional opportunities (downsizing costs);
- To be a trusted insurer in the insurance business;
- Quick claims settlement;
- To acquire a large market share in the insurance business;
- Good practices of Corporate Governance.

Though growth potential seems to be high, we intend to focus more on sustainability and we believe, our well-grounded management principles and our commitment to strong governance will aid us to achieve it.



Brig Gen Md Shafique Shamim, psc (Retd)
Managing Director & CEO