18th Annual Report 2017

অগ্রণী ইন্স্যুরেন্স কোম্পানী লিমিটেড

AGRANI INSURANCE COMPANY LTD.



Partial view of the participants in the Annual Business Conference 2017

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LETTER OF TRANSMITTAL

The Shareholders
Bangladesh Securities and Exchange Commission
Registrar of Joint Stock Companies and Firms
Dhaka Stock Exchange Limited

Sub : Annual Report for the year ended 31 December 2017

Dear Sir(s):

We are pleased to enclose a copy of the Annual Report, together with the Audited Financial Statements of Agrani Insurance Company Ltd., for the year ended 31 December 2017 for your kind information and record.

Sincerely yours

Sharif Mahmud
Company Secretary

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NOTICE OF THE
18th Annual General Meeting

The 18th Annual General Meeting of Agrani Insurance Company Ltd., will be held on Thursday, 28 June 2018 at 11 am at the Institution of Diploma Engineers, Bangladesh, 160/A, Kakrail, 1st floor, (Multipurpose Hall), VIP Road, Dhaka, to transact the following business:

1. To receive and adopt the Directors' & Auditors' Report and the Audited Accounts of the company for the year ended 31 December 2017.
2. To declare dividend for the year ended 31 December 2017.
3. To elect Directors.
4. To appoint Auditors for the year 2018 and to fix their remuneration.
5. To consider post-facto approval for appointment of an Independent Director.

By order of the Board

Sharif Mahmud
Company Secretary

Registered Office
45, Bijoy Nagar, 14th level,
Dhaka

27 May 2018

Notes :

a. 23 May 2018 is the "Record Date".

b. A member entitled to attend and vote at the above meeting may appoint a proxy in his/her stead. The proxy form, duly completed with a revenue stamp of BDT 20 must be deposited at the Registered Office of the Company not later than 48 hours before the meeting.

c. Shareholders bearing BO ID are requested to update their respective BO ID with 12 digits Taxpayer's Identification Number (e-TIN) through their Depository Participants (DP), failing which, Income Tax at source will be deducted from payable Dividend @15% (Fifteen Percent) instead of @10% (Ten Percent) as per amended Income Tax Law.

d. Please note that no gift/gift coupon/food box/benefit in cash or kind shall be distributed or paid/at the AGM as per BSEC Circular.

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VISION

To be regarded as a reputable insurance company that transacts with integrity and transparency, engages and challenges successful people, and excels in providing continuous quality insurance products and services.



MISSION

First and foremost, being a non-life insurance company, the purpose is to provide individuals and firms alike with insurance protection through our varied range of insurance products and services. The company will maintain maximum ethical standards, sense of responsibility and fairness with respect to the government, clients, stockholders, and employees.



CORPORATE INFORMATION

The company is listed with Dhaka Stock Exchange Ltd., as a Publicly Traded Company. The company carries its insurance activities through 32 Branches spread across the country.

Registered name of the Company

AGRANI INSURANCE COMPANY LTD.

Registered Office

Saiham Sky View Tower
45, Bijoy Nagar, (14th Floor), Dhaka-1000, Bangladesh
Phone: 8391571-4, Fax: 88-02-8391575
E-mail:agraniin@citech.net
www.agraniins.com

Date of Incorporation		**14 March 2000**
Date of Registration from the Chief Controller of Insurance		3 April, 2000
Commencement of Business		3 April, 2000
Listing with Dhaka Stock Exchange (DSE)		5 March, 2005
Authorized Capital		
5,00,00,000 ordinary shares of	Tk. 10.00 each	500,000,000
Paid-up Capital		
27,432,823 ordinary shares of	Tk. 10.00 each	274,328,230

Chairman
Md. Shahbaz Hossain Khan

Chief Executive Officer (CEO)
Md. Anwar Hossain

Company Secretary
Sharif Mahmud

Auditors
M/s. Mahfel Huq & Co.
Chartered Accountants

Principal Bankers
Eastern Bank Ltd
Jamuna Bank Ltd

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Chairman's Address

Bismillahir Rahmanir Rahim

Assalamualaikum

Dear Stakeholders

I am delighted to welcome you all at the Eighteenth Annual General Meeting of Agrani Insurance Company Limited, on behalf of the Board of Directors. I would like to express my felicitation and profound gratitude to all of you for believing in us and providing us with continuous support. It is a matter of immense pleasure to let you know that we have completed another successful and memorable year and now presenting the Annual Report for the year ended on 31 December 2017.

Bangladesh economy is expected to grow between 6.4 per cent to 6.8 per cent in 2017 and 2018. But declining exports, falling remittances and rising food (especially rice) price inflation may result in lower than expected growth. However, there are other risk factors that need to be factored in, such as early floods, the Rohingya refugee influx, the political uncertainties in the run up to elections in 2019, delays in fiscal reforms, very low productivity, industrial unrests and rising energy prices in projecting the future growth rates. But the ongoing infrastructure development may help drive growth rates to a higher level in 2018 and beyond.

We are committed to the continuing growth of our organization and wanted to share our financial success with you in a way that we feel proud to navigate our organization together. Keeping this in mind, the Board of Directors recommended 10% dividend for the year 2017.

To conclude, I would like to convey my felicitation and earnest thanks to my peer Directors for giving their continuous support and instruction for the betterment of the Company. I would also like to thank the Management Team along with all the Heads of Branches and employees for their relentless contribution towards the development of the Company.

With warm regards



Md. Shahbaz Hossain Khan



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CEO'S ROUND UP

Assalamualikum,

Dear Valued Shareholders,

It is my great pleasure & privilege to be a part of this prestigious Company and for being able to convey this message to you and I am also very much delighted to present you all the Annual Report 2017 of Agrani Insurance Company Limited.

Our relentless focus on emerging opportunities has enabled the company to step forward with a positive growth in a challenging environment. In this year our net profit was Tk 65.54 million despite all adversities in the business sector. Throughout the year, Agrani Insurance has been able to maintain its substantial progress. We always try to provide the best quality services to our customers. Right now we are one of the leading private sector Non-Life Insurance companies in Bangladesh having 32 branches situated in a commercially important places over the country.

With global economy shaking off the rut and picking up its growth momentum as it reached an estimated GDP growth of 3.6% in 2017, Bangladesh economy attained a much talked about the growth of 7.28% in the fiscal year 2016-2017. This sense of accomplishment is also reflected in the controlled inflation rate of 5.70% as reported in December 2017, in spite of the rising food inflation on account of floods during the latter half of the year. Meanwhile, the growth rate of import surpassed the growth rate of export, which resulted in the deficit of the current account balance to escalate during the fiscal year 2016-2017, standing at a negative USD 1,480 million. Furthermore, remittance in USD saw a negative growth of 2.2% year-on-year basis. As the US Dollar strengthened against Bangladeshi Taka, the Central Bank took measures to avoid large volatilities in the foreign exchange market. On a hopeful note, the import coverage of foreign exchange reserve standing at USD 33.2 billion as of December 2017, is considered to be adequate, according to Monetary Policy. As such, it may be concluded that the economy appears to be in control and the future prospect impart a positive note.

I express my heartfelt gratitude towards our business partners, clients, the regulatory authority (IDRA), also other regulatory bodies and every one of the Agrani family. Finally, my special thanks goes to our Hon'ble Chairman & Members of the Board for their valuable input, guidance and contribution, and the management team for their commitment to expediting as well as implementing our strategy and building the Company in this tough time.



Md. Anwar Hossain



Profile of THE COMPANY

Agrani Insurance Company Limited (AICL) is a prominent Non-Life Insurance Company in Bangladesh. The company has specialized in underwriting Fire, Marine Hull, Marine Cargo, Motor, Engineering, Miscellaneous, etc.

Listing

The Company was listed with Dhaka Stock Exchange Ltd., on 5 March 2005.

Authorized and paid-up capital

The Authorized Capital of the Company is Tk. 500 million while paid-up capital has been increased to Tk. 274.43 Million.

Credit Rating

As a consequence of the good financial performance, improving solvency position, diversified investment port-folio, high claim paying ability, strong IT infrastructure and experienced top management team, Alpha Credit Rating Ltd, has rated Agrani Insurance Company Ltd., "AA Minus" for the year 2016.

Claim settlement

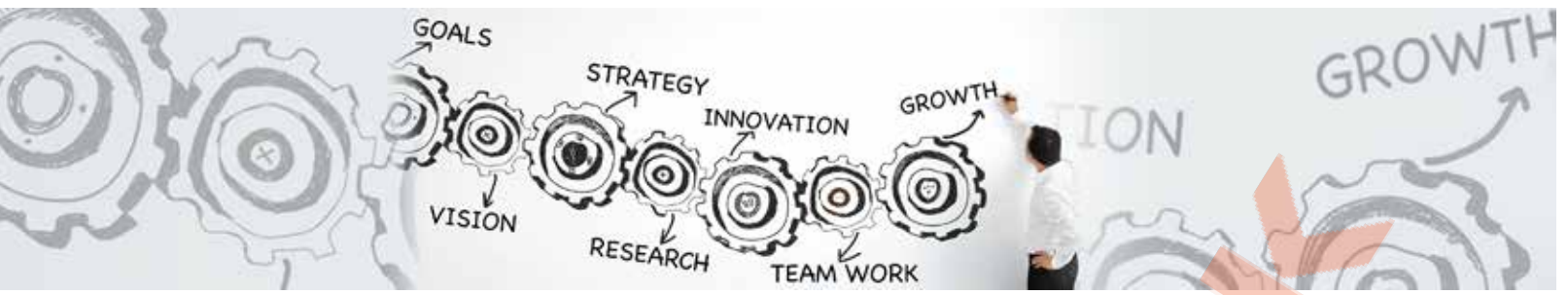
Efficient and timely settlement of the claim is Agrani's commitment to the insured and we follow a structured policy for settlement of the claim. Upon receipt of intimation of claim from the clients, we instantly inspect the affected properties and file "The First- Hand Report" to the Claim Department. We also immediately depute an independent licensed survey firms for assessing the quantum of loss for speedy settlement of the claim within the specified time.

Re-Insurance

Our portfolio is fully protected under the Reinsurance arrangements made with Sadharan Bima Corporation – a state-owned organization and few other renowned Re-Insurers operating abroad.

Award

The company achieved ICMAB Best Corporate Award (Third position) under General Insurance category for the year 2016.



STRATEGIC OBJECTS:

- Retain leadership position in the market.
- Explore opportunities by introducing new products and diversifying current product portfolio.
- Pursue continuous improvement and technological advancement.
- Enhance corporate capabilities and motivation through skill enhancement, management development and reward programs.

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Core VALUES:

Professionalism

We have a mind-set towards perfection. Our business model works on the philosophy of passion and customer delight. We serve all our stakeholder with dedication, discipline, decisiveness and distinction.

Integrity

In conducting business we are inspired by and comply with the principles of honesty, fairness and transparency.

Customer Service

Provide value added Customer Service both to external and internal customers.

Commitment to Growth

Through our expertise, analysis and focus, we assure growth for all our stakeholders.

Commitment to Excellence

Performing consistently at higher levels, striving continuously for innovation, agility and optimization. Responding vigorously to change is our mark of excellence.

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Code
OF CONDUCT

This code of conduct is based on the values of the company. The purpose is to ensure that all employees, managers and executives of Agrani Insurance Company Limited (AICL), will live an act in accordance with these values and principles. The code is designed to give a broad and clear understanding of the conduct expected from all our employees everywhere we do business.

AICL is committed to conduct its business in an ethical, legal, and responsible manner. AICL, therefore, has established this Social Responsibility. Code of Conduct as an application and is committed to ensuring that this code is respected in all its facilities, all over Bangladesh.

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5 Years Financial Highlights

(Figures in Million Taka)

Particulars	2017	2016	2015	2014	2013
Gross Premium	372.36	407.06	357.57	302.26	265.96
Net Premium	173.80	193.20	185.71	161.47	150.04
Net Claim	49.55	30.02	26.90	29.29	37.42
Underwriting Profit	47.27	60.27	59.71	53.05	52.25
Investment & other Income	35.21	25.34	21.69	26.92	27.18
Net Profit before Tax	65.54	72.69	70.05	68.68	65.67
Net Profit after Tax	48.57	50.56	49.20	46.56	44.18
Paid-up Capital	274.33	266.34	253.66	253.66	241.58
Shareholders' Equity	486.22	456.29	418.42	394.58	360.10
Investment in Shares & Treasury Bond	78.71	79.32	81.96	80.48	80.13
Cash, FDR & Bank Balance	256.51	277.11	235.23	231.15	240.75
Current Assets	476.86	440.99	385.96	380.33	357.50
Current Liability	229.25	223.25	209.03	223.77	230.52
Total Assets	725.88	690.41	628.75	619.56	591.73
Current Ratio (Times)	2.08	1.98	1.84	1.69	1.54
Debt to Assets Ratio (%)	20.90	19.62	18.96	23.62	25.73
Debt to Shareholders Equity Ratio (%)	31.21	29.69	28.15	37.09	42.28
Underwriting Margin Ratio (%)	12.70	14.81	16.70	17.55	19.65
NPBT Margin Ratio (%)	17.60	17.86	19.59	22.72	24.69
NPAT Margin Ratio (%)	13.04	12.42	13.76	15.40	16.61
Return on Shareholders' Equity Capital (%)	17.70	18.98	19.40	18.36	18.29
Return on Net Worth (%)	9.99	11.08	11.76	11.80	12.27
Return on Asset (%)	6.69	7.32	7.83	7.52	7.47
Net Assets Value (NAV) per share (Tk.)	17.72	17.13	16.50	15.56	14.91
Net Operating Cash Flows per Share (NOCFPS) (Tk.)	(0.57)	2.01	1.38	0.43	1.96
Dividend (Bonus) %	5	3	5	-	5
Dividend (Cash) %	5	7	5	10	5
Earnings per share (EPS) (Tk.) (Re-stated)	1.77	1.84	1.94	1.84	1.83

AlphaRating

27 August, 2017

Managing Director
Agrani Insurance Company Limited
45, Bijoy Nagar
14th Floor
Dhaka-1000

Subject: Credit Rating of Agrani Insurance Company Limited

Dear Sir,

We are pleased to inform you that Alpha Credit Rating Limited (AlphaRating) has assigned the following rating to **Agrani Insurance Company Limited**

Date of Declaration	Valid Till	Long Term Rating	Short Term Rating	Outlook
27 August, 2017	26 August, 2018	AA-	ST-2	Stable
05 September, 2016	04 September, 2017	A+	AR-2	Stable

The long term & short term rating is valid up to the earlier of 26 August, 2018 or the limit expiry date of respective credit facility. The rating may be changed or revised prior to expiry, if warranted by extraordinary circumstances in the management, operations and/or performance of the entity rated.

We, Alpha Credit Rating Limited, while assigning this rating to the entity rating of Agrani Insurance Company Limited, hereby solemnly declare that:

(1) We, Alpha Credit Rating Limited as well as the analysts of the rating have examined, prepared, finalized and issued this report without compromising with the matters of our conflict of interest, if there by any; and

(2) We have complied with all the requirements, policy and procedures of these rules as prescribed by the Bangladesh Securities and Exchange Commission in respect of this rating.

We hope the rating will serve the intended purpose of your organization.

With kind regards.

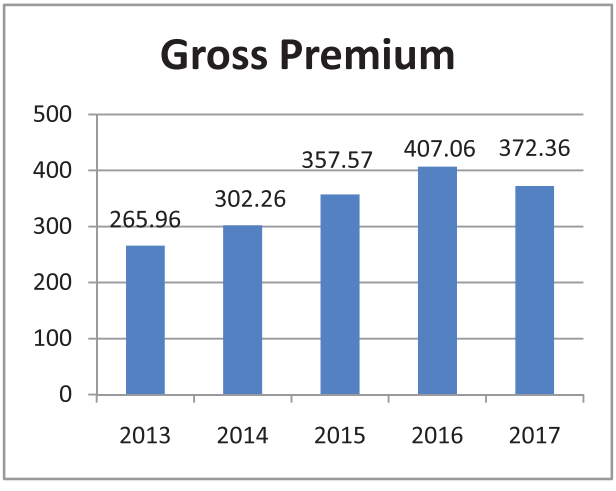
Muhammed Asadullah
Managing Director & CEO

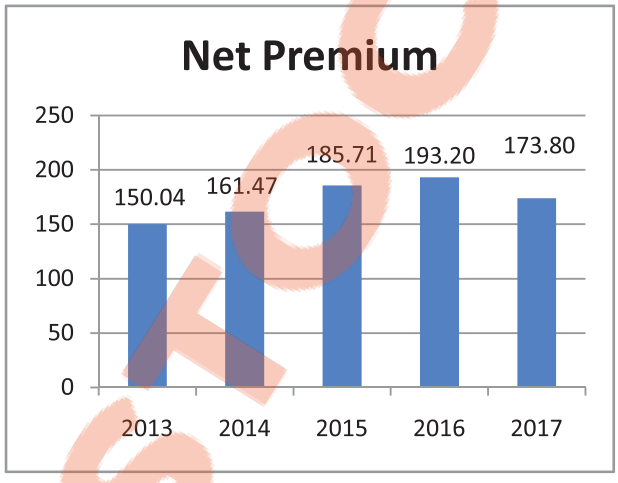
This letter forms an integral part of the credit rating report.

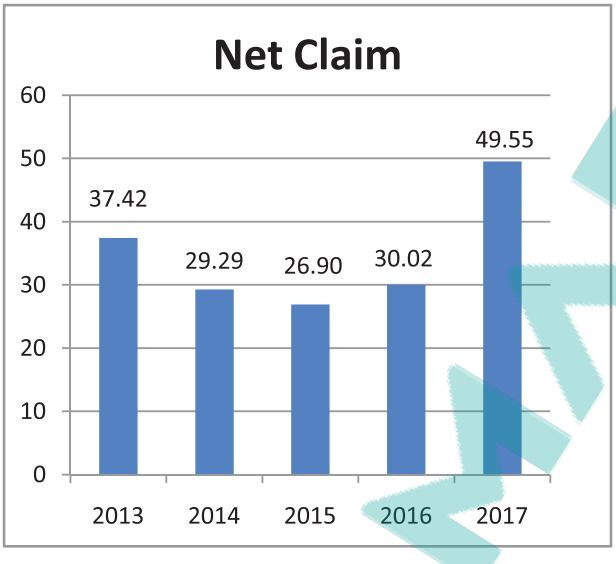
Alpha Credit Rating Ltd, Sadhadan Bima Bhaban-2 (8th Floor), 139 Motijheel C/A, Dhaka-1000
Tel : 88 02 9573026, 9573027, Fax : +88 02 9573025, www.alpharating.com.bd

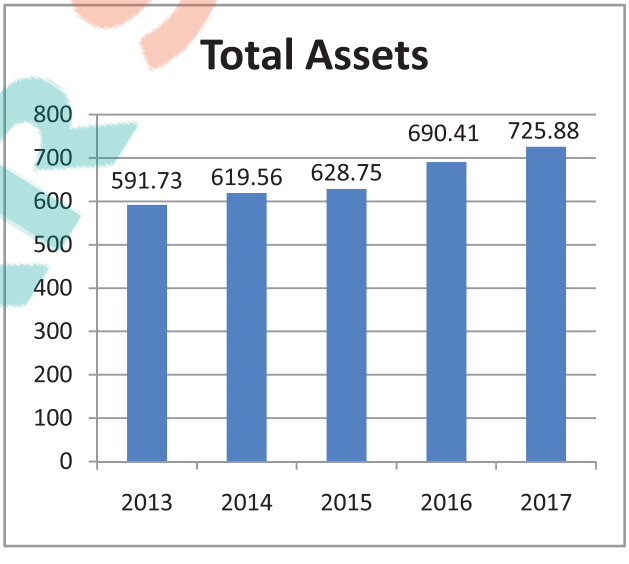
Graphical Presentation

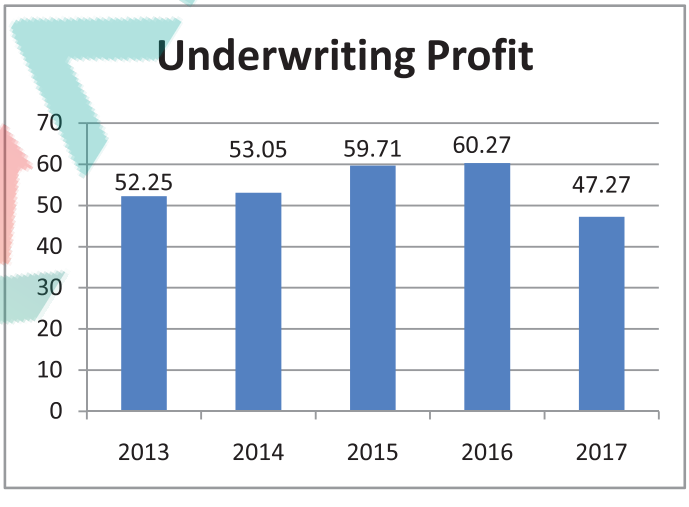
(Figures in Million)













Composition
OF THE BOARD

Chairman
Mr. Md. Shahbaz Hossain Khan

Vice Chairman
Quazi Sakhawat Hossain (Lintoo)

Directors
Mr. Rezaul Huq Khan
Mr. Mahmudul Hoque
Mr. Zaker Ahmed, FCA
Mr. Md. Mustafizur Rahman
Dr. Md. Mustahidur Rahman
Mr. H.M. Ibrahim
Mr. Abdul Kader Khan
Mr. Md. Mahbub Alam
Mr. A.Y. Shahidul Islam
Mr. S.M. Shamsul Arefin
(Rep. Uttara Finance & Investments Ltd.)
Mr. Ahmed Jamal
Mr. Mohammad Mahbubur Rahman
Mr. Mohammad Imtiazur Rahman Khan

Chief Executive Officer (CEO)
Mr. Md. Anwar Hossain

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Profile

Board of Directors & The Sponsor



Md. Shahbaz Hossain Khan
Chairman

Mr. Md. Shahbaz Hossain Khan, a Sponsor Director of the company, is a Lawyer by profession. After obtaining LLM degree he started practicing in the Bangladesh Supreme Court. At present he is a Director of Rose Securities Ltd & Bangladesh Mutual Securities Ltd and Member of Dhaka Stock Exchange Ltd. He is also associated with a number of socio-cultural organizations.



Quazi Sakhawat Hossain (Lintoo)
Vice Chairman

Mr. Hossain obtained MSC degree and is a successful businessman with versatile business exposure in Bangladesh. Mr. Hossain is the Chairman of MCO Trading Int. (Pvt.) Ltd.

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Rezaul Huq Khan
Director

Mr. Rezaul Huq Khan is the Managing Director of Sarban International Ltd., Sarban Import Ltd., with a sound business background. He concentrated on indenting business in Bangladesh. He is also associated with socio-cultural activities. He obtained B.Com degree.



Dr. Md. Mustahidur Rahman
Director

Mr. Rahman obtained his MBBS degree and has concentrated on the field of medical services. He is the Managing Director of Multiplus Industries Ltd and Polybagh Manufacturing Company Ltd which are manufacturing and exporting plastic products in Bangladesh.



Mahmudul Hoque
Director

Mr. Hoque, a veteran freedom fighter, has concentrated on ready-made garments business through his enterprises. He is the Chairman of Shams D Wears Ltd. MHC Fashions (Pvt.) Ltd. MHC (Pvt.) Ltd, MHC Apparels (Pvt.) Ltd, MHC Wears (Pvt.) Ltd, Shams D Apparels Ltd, OMAS Packaging Ltd, Mr. Hoque obtained his M.S.S. degree in Social Science.

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Zaker Ahmed, FCA
Director

Mr. Ahmed is a successful businessman. Mr. Ahmed is the Chairman of Jamil Eye & General Hospital, Radiant Shipyard Ltd., and Managing Director of S.S. Foods Ltd. He is a Fellow Chartered Accountant. Mr. Ahmed is the Senior Partner of Ahmed Zaker & Co. Chartered Accountants.



Md. Mustafizur Rahman
Director

Mr. Rahman is a leading business personality in the field of manufacturing of plastic goods. He has diversified business across the country. Mr. Rahman is involved with plastic goods manufacturing and exporting business. He is the Chairman & Managing Director of B.H.T. Industries Ltd, Dhaka Beijing Dyeing & Weaving Industry Ltd. He obtained his M.Com degree. His contributions towards socio-cultural and charitable activities are quite remarkable.



AY Shahidul Islam
Director

Mr. Islam holds Master of Science degree. He has been leading in the field of Indenting business in Bangladesh. He is the Chairman of Sarban International Ltd., and Sarban Import Ltd.

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H. M. Ibrahim
Director

Mr. H.M. Ibrahim, a Member of Parliament (MP) of the Govt. of the Peoples Republic of Bangladesh, is the Managing Director of Royal Dresses International (Pvt.) Ltd., Director, MNS Telecom, Faruque Computer, Millenium Shippers & Traders, Venus Shipping Agencies Ltd, Inland Maritime Shippers, Blooming Dale Oil Co. Ltd, A Class Ltd, and also Proprietor of Royal Fashion, Aamra Kojon.



Abdul Kader Khan
Director

Mr. Khan holds a Bachelor of Arts degree. He has concentrated on high-power gas line business in his enterprises. He is a Director of Dhaka Gas Services Ltd.



Md. Mahbub Alam
Director

Mr. Alam is an Electrical Engineer. After completion of his education he started business. He is the Chairman of Barobi Holdings Ltd., Barobi International Ltd., Barobi Resort Ltd, Barobi Agro Ltd., and Managing Director of Western Maritime Academy.

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S. M. Shamsul Arefin
Director

Mr. Arefin obtained MSC degree and he is the Managing Director of Uttara Finance and Investments Ltd and represents Uttara Finance and Investments Ltd as a public director of Agrani Insurance Company Limited.



Ahmed Jamal
Director

Mr. Jamal is a businessman. Mr. Jamal is a Proprietor of M/s. Allied Enterprise and former Director of Federation of Bangladesh Chamber of Commerce & Industry.



Md. Mahbubur Rahman
Inpependent Director

Mr. Md. Mahbubur Rahman, obtained LLB (Hons.) and LLM from the Dhaka University and qualified Bangladesh Civil Service (Judiciary), joined in the Judiciary as an Asstt. Judge in April 1983. Thereafter, he served as the Joint District Judge and Additional District Judge in Bangladesh judiciary and also served as an Asstt. Secretary and the Dy. Secretary, under the Ministry of Law, Justice and Parliamentary Affairs, and promoted as District and Sessions Judge in February 2001.He served as senior most District and Sessions Judge for 16 years i.e. upto 2016. He participated in a various training program at home and abroad. He came from a respectable Muslim family from Brahmanbaria and presently associated with a number of philanthropic activities.

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Mr. Mohammad Imtiazur Rahman Khan is a businessman and an Independent Director of the Company. He is the Director of Fabcon Textile Mills Ltd, Fab-con Knit Composite Mills Ltd and Razzak Textile Mills Ltd. He is also the Proprietor of M/s. Global Impex. He obtained Bachelor of Science degree in Computer Engineering from North South University, Dhaka, Bangladesh, and completed further education on Professional Accounting from Macquarie University, Sydney, Australia.

Mohammad Imtiazur Rahman Khan
Inpependent Director



Mr. Mir Nasir Hossain is a sponsor of Agrani Insurance Co. Ltd. and Director of Eastern Bank Ltd. He was the past Chairman of Eastern Bank Ltd. At present, he is the Managing Director of Mir Akhter Hossain Ltd, Mir Ceramic Ltd, Mir Holdings Ltd, Mir Telecom Ltd. He was the former President of Federation of Bangladesh Chamber of Commerce and Industry (FBCCI) and Sr. Vice President of SAARC Chamber of Commerce & Industry. Mr. Mir Nasir Hossain obtained his M.Com degree from the Dhaka University and he is a successful businessman with diversified exposure in the field of commercial banking, construction and manufacturing business.

Mir Nasir Hossain
Sponsor



Mr. Md. Anwar Hossain is the Chief Executive Officer of the company. He has a long experience in insurance industry about 31 years. He started his career in Finance & Accounts dept. of Janata Insurance Co. Ltd. in 1987 after completion of C. A Articleship. He is an M.com in Management from Dhaka University and passed C.A (Inter) from ICAB. He has been servicing in this company since 2000 i.e. inception. Before holding the charge of the CEO he had been holding the position of Head of Finance & Accounts and Company Secretary in this company. He travelled many countries, such as, UK, Malaysia, Singapore, Thailand, Bhutan & India and participated various training, seminar, workshop at home and abroad.

Md. Anwar Hossain
Chief Executive Officer (CEO)

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Profile of
Mangement & the Core Executives



Md. Anwar Hossain
Chief Executive Officer (CEO)

Md. Anwar Hossain is the Chief Executive Officer (CEO) of the company. He has a long experience in insurance industry about 31 years. He started his career in Finance & Accounts dept. of Janata Insurance Company in 1987 after completion of C.A Articleship. He is an M.com in Management from Dhaka University and obtained C.A (Inter) degree from the Institute of Chartered Accountants of Bangladesh (ICAB). He has been serving in this company since 2000 i.e. inception and holding the position of CEO since 2008. Before holding the charge of the CEO he had been holding the position of Head of Finance & Accounts and Company Secretary in this company. He traveled many countries, such as, UK, Malaysia, Singapore, Thailand, Bhutan & India and participated various training, seminar, workshop at home and abroad.



Md. Azharul Islam
Sr. Addl. Managing Director

Md. Azharul Islam, an MBA, did his Masters (Mass Communication & Journalism) from Dhaka University. After completion of his education he joined United Insurance Co. Ltd., and served there about 12 years in different capacities. He joined in Agrani Insurance in July 2003 as Sr. Vice President. At present, he is holding the position of Sr. Additional Managing Director & In-charge, Motijheel Branch, Dhaka. He participated in various training courses on Underwriting, Risk Management, Customer Relationship, etc at home and abroad. He is associated with a few socio-cultural organizations. He traveled many countries, such as, UK, Malaysia, Singapore, Thailand, Bhutan, India, Nepal, Pakistan & Saudi Arabia.



Hussain Ahmed
Addl. Managing Director

Mr. Hussain, an insurance personality, after completion of his graduation started his career with Reliance Insurance in 1987. He joined Agrani Insurance in 2002 as AVP and presently holding the position of Additional Managing Director & Incharge of Khatungong Branch, Chittagong. He obtained Diploma Certificate on Marine Law, Underwriting & Claims from Bangladesh Insurance Academy.

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Md. Abdul Hoque
Addl. Managing Director

Mr. Md. Abdul Hoque, an insurance personality, after completion of his graduation stated his carrier with Janata Insurance Co. Ltd. in 1990 in the Accounts Department. Thereafter, he joined Standard Insurance Company Ltd. in 2006 and last position was held as Deputy Managing Director & In-charge, Kawran Bazar Branch, Dhaka. At present, he is working with Agrani Insurance Company Ltd. as Additional Managing Director & In-charge, VIP Road Branch, Dhaka. He is also associated with a number of social –cultural organizations.



Mohasin Siddique
Additional Managing Director

Mr. Siddiquee, after obtaining M.Com degree from the Chittagong University, started his career with Central Insurance Co. Ltd. in 1998. He joined Agrani Insurance Co. Ltd. In 2005 as Sr. Vice President. Presently, he is holding the position of Additional Managing Director and leading the Jubilee Road Branch, Chittagong, as its In-charge. He participated a training program on Risk Management conducted by Bangladesh Insurance Academy. He is associated with Lionism.



Kazi Md. Pannu
Dy. Managing Director

Kazi Md. Pannu, after completion of his B.B.A. started his carrier with Green Delta Insurance Co. Ltd. as a Senior Executive in 1990. At present, he is holding the position of DMD and In-charge of Bijoy Nagar Branch, Dhaka. Before joining Agrani he served with Eastern Insurance Co. Ltd., as Dy. Managing Director. He participated in various training programs on Insurance.

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Md. Rustom Ali (Ripon)
Dy. Managing Director.

Mr. Md. Rustom Ali (Ripon), an MBA, after completion of his education joined Desh General Insurance Co. Ltd., as AGM and In-charge of Jamalpur Branch. Thereafter, he joined Agrani Insurance Company Ltd., in 2007 as Vice President & In-charge of Jamalpur Branch. At present, he is holding the position of Dy. Managing Director & In-charge of Jamalpur Branch, Jamalpur.



Md. Anwar Hossain Munshi
Dy. Managing Director

Mr. Md. Anwar Hossain Munshi after completion his Graduation joined Karnaphuli Insurance Company Ltd., in 1988 as an Officer. Thereafter, he joined Agrani Insurance Company Ltd., on 1 November 2001 as Sr. Vice President (Dev.). At present, he is holding the position of Dy. Managing Director & In-charge of Uttara Branch, Dhaka.



Mohammed Salim
Asstt. Managing Director

Mr. Mohammed Salim, an M.A, started his carrier in Insurance Sector in 2005. Since then he joined Agrani Insurance Company Ltd as Asstt. Vice President at Khatungonj Branch, Chittagong. Presently, he is working Kadamtoli Branch, Chittagong as its In-charge and holding the position of Asstt. Managing Director.

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Md. Shahidul Islam
Asstt. Managing Director

Mr. Md. Shahidul Islam, after completion of Masters Degree (Philosophy) from Dhaka University, started his carrier with Janata Insurance Co. Ltd. in 1988. Presently, he has been serving with Agrani Insurance Company Ltd. as Asstt. Managing Director & In-charge, Kakrail Branch, Dhaka since December 2015. Before joining Agrani Insurance he was the Asstt. Managing Director & Incharge, Standard Insurance, Kakrail Branch, Dhaka.



Md. Enamul Haque
Asstt. Managing Director.

Mr. Md. Enamul Haque, after completing of his education joined with Karnaphuly Insurance in 1998. He joined Agrani Insurance Company Ltd., in 2000. At present, he is holding the position of Asstt. Managing Director and Incharge of Local Office, Dhaka.



Sharif Mahmud
EVP, Company Secretary
& Head of Admin.

Mr. Sharif Mahmud, after completion his graduation started his career in 1985 with Dolphin Trading & Shipping Ltd., as Business Executive. He joined Agrani Insurance Company Ltd., in 28 February 2011 and presently holding the position of Executive Vice President, Company Secretary & Head of Administration. Before joining AICL, he served in Prime Insurance Company Ltd., as Company Secretary. He possesses versatile knowledge in the areas of Board Affairs, Administration & Share Management. He attended various training program on Company Secretarial Practice, Administration and Money Laundering matters, etc.

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Mr. Mahbub, as Associates of BIA, after completion of his post-graduation from the Dhaka University joined Purabi General Insurance Company Ltd., in 1989. At present he is holding the position of Executive Vice President and Head of Underwriting, Branch Control & Claims. Before joining AICL, he served in Rupali Insurance Company Ltd., as an Assistant General Manager. He participated various training programs on Claims, R/I, & Specialized Underwriting, Money Laundering, etc.

Md. Mahbub Hasan
EVP (U/W, Branch Control & Claims)



Ms. Moon Rani Das, ACA qualified Chartered Accountants with managerial experience gained at Toha Anwar Rouf & Co., Chartered Accountants and worked as a Deputy Manager with United Insurance Company Limited from January 2012 to March 2015. Thereafter, she worked as a Manager (Audit & Advisory) with Hoda Vasi Chowdhury & Co, Chartered Accountants from April 2015 to March 2018. Currently, working with Agrani Insurance Company Ltd. as an Executive Vice President and Chief Financial Officer since 1 April 2018.

Moon Rani Das, ACA
EVP & CFO



Mr. Joarder started his career in Eastern Insurance Co. Ltd. As Probationary Officer (Audit) in 1996. He joined Agrani Insurance Company in 2009 and at present holding the position of VP & In-charge (Internal Audit). He obtained Master degree in Accountancy, Passed Post Graduate Diploma in Personnel Management (PGDPM) and subsequently obtained MBA degree (Major in Finance). He participated in various training programs on Internal Control, Marketing, etc.

Md. Ahsanur Rahman Joarder
VP (Audit)

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Dilip Kumar Ghosh
VP (F&A)

Mr. Dilip did his Master in Management. After completion of education he joined Agrani Insurance Co. Ltd. in July 2000 in the Finance & Accounts Department. Presently, he is holding the position of Vice President (F&A). He attended various training program on financial and tax related matters.



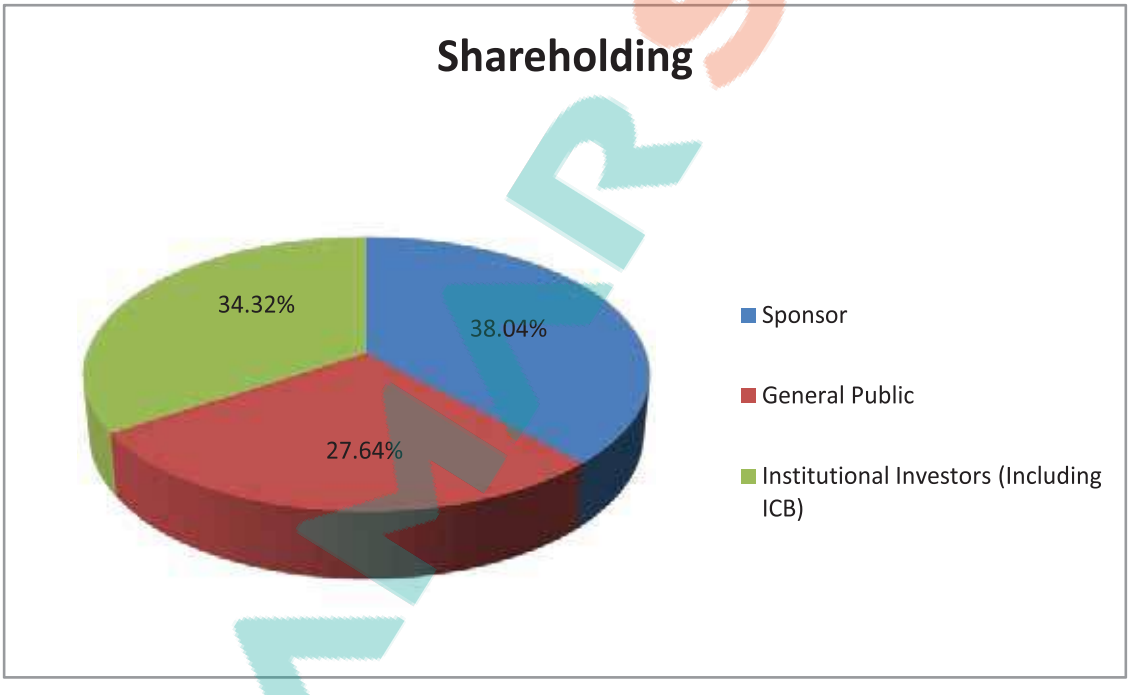
Tahzib ul Islam
AVP (Re-Insurance)

Mr. Tahzib Ul Islam after completion of his graduation from Dhaka City College started his career with Bangladesh National Insurance Co. Ltd. in 1998. He joined Agrani Insurance in 2014 as AVP & In-charge of Re-insurance Department. He is also working in the Claim Department and assists the Head of Claims as the second man of the Department. Mr. Islam has participated various professional training courses on Insurance.

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Shareholding **STRUCTURE**

Category of Shareholders	No. of Shareholder	No. of Share	% of total Paid-up Capital
Sponsor	14	10,434,127	38.04 %
General Public	2,674	7,582,652	27.64 %
Institutional Investors (Including ICB)	60	9,416,044	34.32 %
	2,748	**27,432,823**	**100.00%**



ICMAB Best Corporate Award



Mr. Md. Shahbaz Hossain Khan, Chairman of the Board, is receiving the Prize in General Insurance Category at the ICMAB Best Corporate Award 2016 (3rd position) from Mr. Abul Maal A. Muhith, MP, Hon'ble Minister, Ministry of Finance, Govt. of the People's Republic of Bangladesh.



PRODUCTS OF AGRANI

Fire Insurance

- Fire Insurance (Including Allied Perils)
- Industrial All Risks (IAR)
- Fire Insurance (Power Plant Operational Package Insurance)
- Fire Insurance Dwelling, House and Contents
- Fire Insurance Hotel Combined

Marine Cargo Insurance

- Marine Cargo Insurance transit by Steamer or Powered Vessel (Import/Export)
- Marine Cargo Insurance transit by Rail/Lorry/Truck (Import/Export)
- Marine Cargo Insurance transit by Inland Rail or Road Conveyance
- Marine Cargo Insurance transit by Inland Cargoes (water borne)
- Marine Cargo Insurance transit by Air Cargo (Import/Export)

Marine Hull Insurance

Engineering Insurance

- Machinery Insurance (Machinery Breakdown)
- Deterioration of Stock (DOS)
- Boiler and Pressure Vessel (BPV)
- Electronic Equipment Insurance (EEI)
- Erection All Risks (EAR)
- Contractor's All Risks (CAR)
- Engineering Insurance Consequential Loss
- Contractor's Plant & Machinery Insurance (CPM)

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PRODUCTS OF AGRANI

Motor Insurance (Comprehensive/Act Liability)

- Motor Insurances for Commercial Vehicle
- Motor Insurances for Private Vehicle
- Motor Insurances for Motor Cycle/Scooter
- Motor Trade Policy

Miscellaneous & Accident Insurance

- Burglary & House Breaking Insurance
- Cash in Safe (CIS)
- Cash in Transit (CIT)
- Cash on Counter (COC)
- People Personal Accident (PPA)
- Workmen's Compensation (WC)
- Business Interruption
- Fidelity Guarantee Insurance
- Health Insurance
- Personal Accident (PA)
- Travel Insurance (All kinds)
- Public Liability (PL) / Third Party Liability
- Professional Liability
- Money Insurance
- Bankers Blanket Bond (BBB) Insurance

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SHAREHOLDERS INFORMATION

In the 17th annual general meeting

Agrani Insurance Company Limited from its inception has been holding Annual General Meeting in each and every calendar year without fail. In the year 2017 the 17th Annual General Meeting of Agrani Insurance Company Limited was held on Monday, 12 June 2017 at 11 am at the Institution of Diploma Engineers. The meeting was called to order by Mr. Md. Shahbaz Hossain Khan, Chairman of the Board of Directors of the Company.



Mr. Md. Shahbaz Hossain Khan, Chairman of the Board is addressing in the Seventeenth Annual General Meeting.



Partial view of the Shareholders' of the Seventeenth Annual General Meeting.

ANNUAL BUSINESS CONFERENCE-2017

The Annual Business Conference-2017 of Agrani Insurance Company Limited was held on 27 January 2018 at Ocean Paradise Hotel & Resort, Cox's Bazar. Mr. Md. Shahbaz Hossain Khan, Chairman of the Board, was present in the conference.



Mr. Md. Shahbaz Hossain Khan, Chairman of the Board is addressing in the Annual Business Conference-2017



Mr. Md. Azharul Islam, Sr. Additional Managing Director and Incharge, Motijheel Branch, Dhaka is receiving the Man of the year Award for his outstanding business performance for the year 2017 from the Chairman of the Board, Mr. Md. Shahbaz Hossain Khan.

CLAIMS PAID



Mr. Md. Anwar Hossain, CEO, is handing over a Fire claim cheque to Mr. Md. Hobibor Rahman, Proprietor of M/S Abdullah Traders.



Mr. Md. Anwar Hossain, CEO, is handing over a Fire claim cheque to Mr. Md. Badsha Miah, Proprietor of M/S Badsha Enterprise.



Mr. Md. Anwar Hossain, CEO, is handing over a Fire claim cheque to Mr. Md. Abdul Hai Sheikh, Proprietor of M/S Hai Engineering & Sanitary.

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EXECUTIVES

Chief Executive Officer (CEO)
Md. Anwar Hossain

Sr. Additional Managing Director
Md. Azharul Islam

Additional Managing Director
Hussain Ahmed
Md. Abdul Hoque
Mohasin Siddiquee

Dy. Managing Director
Kazi Md. Pannu
Anwar Hossain Munshi
Md. Imamul Hossain
H.M. Sarwardi
Md. Rustom Ali (Ripon)

Assistant Managing Director
Md. Shahidul Islam
S.M. Kamal Uddin
Mohammed Salim
Md. Enamul Haque

Sr. Executive Vice President
Golam Rabbani
Abdul Malek Begh (Babul)
Md. Arif Khan

Executive Vice President
Sharif Mahmud
Md. Mahbub Hasan
Moon Rani Das
Drs. Miah Feroz
Md. Humayun Kabir
Ashim Kumar Roy

Sr. Vice President
Sarwar-E-Alam Khan
Masud-un-Nabi (Kutu)
Debasish Roy Chowdhury
Golam Mayeenul Huda
Md. Mizanur Rahman
Enamul Haque (Nahid)
Md. Moniruzzaman

Vice President
Dilip Kumar Ghosh
Ahasanur Rahman Joarder
Atul Chandra Das
Md. Kamal Hossain
Ishtiak Ahmed
Khandaker Abdul Baten
Syed Jurujul Alam
Kazi Ariful Hoque
Jibon Krishna Saha
Abdul Hannan
Biplob Kumar Paul
Mrs. Sajeda Parvin
Musfequr Rahman
Mokhlesur Rahman

Sr. Asstt. Vice President
Badal Kanti Ghosh
Pulokesh Saha
Mizanur Rahman
Md. Sharif Uddin
Nazmul Hoque Chowdhury

Asstt. Vice President
Rubel Hossain
Chinmoy Ghosh
Khadiza Begum
Mozammel Haque
Md. Shamim Hossain
Md. Abu Bakar Siddik
Nupur Akter
Tahzib-Ul-Islam
Sk. Atiar Rahman
Manik Ratan
Ferdous-E-Anwar
Md. Mofizur Rahman
Md. Sabur Akon
Md. Moniruzzaman
Siddiqur Rahman
Waheduzzaman Chowdhury
Md. Shah Alam Sikder
Md. Monzurul Islam
Md. Abdul Motin
Nazibul Ahsan Chowdhury

TAMAR STOCK

Directors' Report 2017



AMAR STOCK

Directors' Report to the Shareholders

Dear Shareholders:

The Board of Directors of Agrani Insurance Company Ltd., takes the pleasure to present the Annual Report and the Audited Financial Statements of the Company for the year ended 31 December 2017 together with the Auditors' Report thereon, for consideration and approval of our respected Shareholders.

Economic Landscape 2017

The economy is making progress following August's extensive flooding. In November, exports grew 6.2% from the same month last year, on the back of stronger garment shipments in particular. In the same month, remittance inflows surged 27.7% in from a year earlier, boosted by a weaker local currency. On 23 November, Bangladesh and Myanmar agreed on a deal to return hundreds of thousands of Rohingya refugees to Myanmar, beginning by 23 January. The deal would involve a complicated and long repatriation process. In the meantime, the ongoing accommodation of refugees in Bangladesh which puts a strain on existing infrastructure in host communities has led the government to commit to additional expenditure on new infrastructure for the refugee population.

Insurance Sector Review

Insurance companies are playing a significant role in the economic development of the country but because of some hurdles, such as, lack of public awareness, poor economic condition, poor financial strength of the company, higher cost of business, scope in non-traditional sector, service diversification, development of new policy, lack of business ethics, need-based product design, delivering excellent claims services and above all, an acute lack of skilled insurance professionals it has failed to achieve the desired goal.

In order to strengthen the regulatory frame work and to make the industry operationally vibrant, IDRA has taken some hardheaded steps, like, restriction on violation of tariff, restriction on credit business, minimization of agency commission and management expenses, etc. Apart from the above, the regulatory body is actively conducting press interviews, publishing newspaper articles, brochures and leaflets on 'how to obtain insurance cover' and 'how to fill in a proposal form', and providing informative press notices. We are optimistic that if the rules and regulations are executed and monitored properly, rights of the policy-holders and other beneficiaries will be well preserved.

In 2017, the company has earned a gross premium of Tk. 372.36m as against Tk. 407.06m in 2016. Class-wise business results are as under:

Fire

Gross premium income was Tk. 162.08m as against Tk. 162.59m in the preceding year.

Marine

Gross premium income was Tk. 112.57m as against Tk. 150.95m in the preceding year.

Motor

Gross premium income was Tk. 62.92m as against Tk. 61.45m in the preceding year.

Miscellaneous

Gross premium income was Tk. 34.79m as against Tk. 32.06m in the preceding year.

Profit

The company earned a net profit before tax of Tk. 65.54m as against Tk. 72.69m in the preceding year

Assets

Total assets of the company stood at Tk. 725.88m as against Tk. 690.41m in the preceding year.

Credit Rating

The Company has been rated "AA Minus" by the Alpha Credit Rating Ltd., based on the financial statements of 2016.

Internal Control

The Internal Audit Division of the company has been organized for the smooth operation of the internal audit and internal control system of the company. It ensures that internal controls are in operation and properly managed. It performs throughout all divisions/branches of the company and reports to the Audit Committee/Management. The company has appointed a qualified individual as the Head of Internal Audit Division with the responsibilities of leading the internal audit and internal control activities.

Information & Communication Technology (ICT)

The company has created a strong platform through its IT department. Experienced team of the department is continuously involved themselves in developing IT infrastructure to update the recent changes. The IT experts are constantly writing in-house programs to cater the needs of the company increasing requirements. Branches of all Division have been brought under Online Networking and remaining branches will be linked shortly.

Human Resources Development

AICL believes that its best investment is in the human resources, as the Company believes that human resource is the edifice on which the company's performance and productivity are standing on. As human resources are one of the key factors of the company, AICL maintains its policy of recruiting best and implementing continuous programs to develop, motivate and retain its talented and capable human resource. AICL is committed to maintaining a healthy and fair work environment, free from discrimination based on gender, age, national origin, religion, marital status, or any other basis not prohibited by law. In short, the aim is to maintain the place of work and surrounding conditions in a manner that permits employees to work to the highest effectiveness and to their full potentials.

Customer Service

"Being loved by customers" is at the core of our philosophy and business strategy. As our business grows, we will continue to strengthen our efforts to delight our customers in every interaction by providing them with their desired services. We are investing more in customer service infrastructure, systems and training to ensure that we have right people in right place to understand customers' needs and respond quickly and solve customers' issue efficiently. Agrani installed modern IT equipment in order to ensure swift service to the customers.

Board/Committee Meeting Attendance

During the year 2017, 8 Nos. of the board meeting was held and the attendance of the Directors is shown in annexure-I & IA.

Compliance Report on SEC Notification

Directors' report to the shareholders as per SEC Notification No. SEC/CMRRCD/2006-158/ 134/Admin/44 dated 7 August 2012, the directors report that:

i. In the preparation of annual accounts, the International Accounting Standard as adopted in Bangladesh has been followed and that there has been no material deviation.

ii. The selected accounting policies were applied and the Directors made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company as at 31 December 2017 and the profit of the company for the year ended on that date.

iii. Sufficient and appropriate care has been taken to maintain adequate accounting records in accordance with the provisions of the act for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities.

iv. The system of internal control is sound in design and has been effectively implemented and monitored.

v. The annual accounts have been prepared on a going concern basis.

Key Operating & Financial Data

The key operating and financial data for the last five years are shown at page No. 16

The Pattern of Shareholding

The pattern of shareholding is shown in annexure-II.

Corporate Governance Compliance Report

According to the SEC Notification No. SEC/CMRRCD/2006-158/ 134/Admin/44 dated 7 August 2012; the compliance status of the Corporate Governance is shown in annexure- III.

Future Outlook

The future prospect of Agrai Insurance is not only to increase the business volume but also to upgrade the ranking and service quality of the company. The Board and the management of the Company are knowing of the fact that we are operating in a highly competitive industry. We believe that we have the right professional team and a modern and efficient operational platform to deliver sustainable and profitable growth in the years to come.

Dividend

The board declared 10% dividend (5% Cash & 5% Stock) the dividend for the year 2017 subject to the approval of the shareholders at the Annual General Meeting.

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Election of Directors

According to the Articles of Association of the company, the following directors will retire at the 18th Annual General Meeting and be eligible they offered themselves for re-election:

1. Mr. Mahmudul Hoque
2. Mr. Rezaul Huq Khan
3. Mr. Sakhawat Hossain (Lintoo)
4. Mr. Ahmed Jamal

A notification has been published in the newspaper for the election of directors from public shareholding. In response to the invitation, we have received the application from Mr. Ahmed Jamal.

Statutory Auditors

The office of the Statutory Auditors M/s Mahfel Huq & Co. Chartered Accountants, will expire at this Annual General Meeting and be eligible they offered themselves for re-appointment.

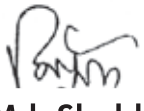
Appointment of an Independent Director

According to the condition of Corporate Governance Guideline (CGG), the board appointed Mr. Mohammad Imtiazur Rahman Khan as an Independent Director, in its 112th meeting held on 28 October 2017, in place of Mr. Md. Nasir Uddin who completed 3 years term.

Appreciations

We would like to thank our customers, business partners and employees for their faith in us, which has helped us to achieve progress over the years. We also thank our shareholders for their continued patronage and confidence in Agrani.

On behalf of the Board of Directors



Md. Shahbaz Hossain Khan
Chairman

28 April 2018

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Meeting attended by the Directors
of Agrani Insurance Co. Ltd during 2017

Annexure-I

Name of the Director	Board			Audit Committee			Executive Committee		
	Total Meetings held	Meetings attended	%	Total Meetings held	Meetings attended	%	Total Meetings held	Meetings attended	%
Mr. Md. Shahbaz Hossain Khan	8	8	100	4	4	100	2	2	100
Quazi Sakhawat Hossain(Lintoo)	8	8	100	-	-	-	2	2	100
Mr. Rezaul Huq Khan	8	8	100	-	-	-	2	2	100
Mr. Mahmudul Hoque	8	8	100	-	-	-	2	2	100
Mr. Zaker Ahmed, FCA	8	8	100	4	4	100	2	2	100
Mr. Md. Mustafizur Rahman	8	-	-	-	-	-	-	-	-
Dr. Md. Mustahidur Rahman	8	7	87	4	2	50	-	-	-
Mr. H.M. Ibrahim	8	3	37	-	-	-	2	-	-
Mr. Abdul Kader Khan	8	8	100	-	-	-	-	-	-
Mr. A.Y. Shahidul Islam	8	8	100	4	4	100	-	-	-
Mr. Md. Mahbub Alam	8	3	37	-	-	-	2	-	-
Mr. S.M. Shamsul Arefin Rep. of Uttara Fin. & Invest. Ltd	8	8	100	-	-	-	-	-	-
Mr. Ahmed Jamal	8	7	87	-	-	-	-	-	-
Mr. Md. Mahbubur Rahman	8	6	75	4	4	100	-	-	-
Mr. Mohammad Imtiazur Rahman Khan	8	1	12	-	-	-	-	-	-

Meeting attended by the Directors
of Agrani Insurance Co. Ltd during 2017

Annexure-IA

Name of the Director	Claims Committee			Finance & Investment Committee		
	Total Meetings held	Meetings attended	%	Total Meetings held	Meetings attended	%
Mr. Md. Shahbaz Hossain Khan	2	2	100	-	-	-
Quazi Sakhawat Hossain(Lintoo)	2	2	100	1	1	100
Mr. Rezaul Huq Khan	2	2	100	-	-	-
Mr. Mahmudul Hoque	2	2	100	1	1	100
Mr. Zaker Ahmed, FCA	2	2	100	-	-	
Mr. Md. Mustafizur Rahman	-	-	-	1	-	-
Dr. Md. Mustahidur Rahman	2	1	50	1	1	100
Mr. H.M. Ibrahim	-	-	-	-	-	-
Mr. Abdul Kader Khan	-	-	-	-	-	-
Mr. A.Y. Shahidul Islam	-	-	-	-	-	-
Mr. Md. Mahbub Alam	-	-	-	-	-	-
Mr. S.M. Shamsul Arefin Rep. of Uttara Fin. & Invest. Ltd	-	-	-	1	1	100
Mr. Ahmed Jamal	-	-	-	1	1	100
Mr. Md. Mahbubur Rahman	-	-	-	-		
Mr. Mohammad Imtiazur Rahman Khan	-	-	-	-		

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Annexure-II

Pattern of shareholding

Sl.No	Shares held by	No .of shares held	"Percentage of Shareholding"
01	Mr. Md. Shahbaz Hossain Khan	611,300	2.23%
02	Mr. Rezaul Huq Khan	640,469	2.33%
03	Dr. Md. Mustahidur Rahman	685,812	2.50%
04	Mr. Mahmudul Hoque	1,040,300	3.79%
05	Quazi Sakhawat Hossain (Lintoo)	868,697	3.17%
06	Mr. Zaker Ahmed, FCA	623,470	2.27%
07	Mr. Md. Mustafizur Rahman	685,812	2.50%
08	Mr. H.M. Ibrahim	549,617	2.00%
09	Mr. Abdul Kader Khan	550,138	2.00%
10	Mr. A.Y. Shahidul Islam	566,793	2.07%
11	Mr. Md. Mahbub Alam	996,717	3.63%
12	Mr. Mahbubur Rahman (Expired)	623,409	2.27%
Public Shareholding Directors :			
01	Mr. Ahmed Jamal	36,576	0.13%
02	Uttara Finance & Investments Ltd.	56,692	0.21%
Sponsor Shareholders:			
01	Mr. Anwar Mirza	972,025	3.54%
02	Mir Nasir Hossain	1,019,568	3.72%
Independent Directors :			
01	Mr. Md. Mahbubur Rahman	-	-
02	Mr. Mohammad Imtiazur Rahman Khan	-	-
	Chief Executive Officer	-	-
	Company Secretary	-	-
	Chief Financial Officer	-	-
	Head of Internal Audit	-	-
03	Executives	-	-
04	General Public	16,905,428	61.62%
05	Shareholding 10% (Ten percent) or more voting interest in the Company	-	

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Annexure-III

Corporate Governance Compliance Report

Status of compliance with the conditions imposed by the Bangladesh Securities and Exchange Commission's notification No. SEC/CMRRCD/2006-158/134/Admin/44 dated 07th August, 2012 issued under section 2CC of the Securities and Exchange Ordinance 1969.

Condition No.	Title	Compliance status		Remarks (If any)
		Complied	Not Complied	
1.0	*BOARD OF DIRECTORS:*			
1.1	**Board's Size:** The number of the board members shall not be less than 5(five) and more than 20 (twenty)	✓		15 Directors
1.2	Independent Directors:			
1.2(i)	At least one fifth (1/5) of the total number of directors in the company's board shall be independent directors.	✓		2 Independent Directors
1.2(ii)	**For the purpose of this clause -independent directors means a director:**			
1.2(ii) a)	Who either does not hold any share in the company or holds less than one percent (1%) shares of the total paid-up shares of the company;	✓		
1.2 (ii)b)	Who is not a sponsor of the company and is not connected with the company's any sponsor or director or shareholder who holds one percent (1%) or more shares of the total paid-up shares of the company on the 347basis of family relationship. His/her family members also should not hold above mentioned shares in the company: Provided that spouse, son, daughter, father, mother, brother, sister, son-in-law and daughter-in-law shall be considered as family members;	✓		
1.2(ii)c)	Who does not have any other relationship, whether pecuniary or otherwise, with the company or its subsidiary/associated companies;	✓		
1.2(ii) d)	Who is not a member, director or officer of any stock exchange;	✓		
1.2(ii)e)	Who is not a shareholder, director or officer of any member of stock exchange or an intermediary of the capital market;	✓		
1.2(ii)f)	Who is not a partner or an executive or was not a partner or an executive during the preceding 3 (three) years of the concerned company's statutory audit firm;	✓		
1.2(ii) g)	Who shall not be an independent director in more than 3 (three) listed companies;	✓		
1.2(ii) h	Who has not been convicted by a court of competent jurisdiction as a defaulter in payment of any loan to a bank or a Non-Bank Financial Institution (NBFI);	✓		
1.2(ii) i)	Who has not been convicted for a criminal offence involving moral turpitude.	✓		
1.2(iii)	The independent director(s) shall be appointed by the board of directors and approved by the shareholders in the Annual General Meeting (AGM).	✓		
1.2(iv)	The post of independent director(s) can not remain vacant for more than 90 (ninety) days.	✓		
1.2(v)	The Board shall lay down a code of conduct of all Board members and annual compliance of the code to be recorded.	✓		
1.2(vi)	The tenure of office of an independent director shall be for a period of 3 (three) years, which may be extended for 1 (one) term only.	✓		

Condition No.	Title	Compliance status		Remarks (If any)
		Complied	Not Complied	
1.3	*Qualification of Independent Director (ID)*			
1.3 (i)	Independent Director shall be a knowledgeable individual with integrity who is able to ensure compliance with financial, regulatory and corporate laws and can make meaningful contribution to business.	✓		
1.3 (ii)	The person should be a Business Leader/Corporate Leader/Bureaucrat/University Teacher with Economics or Business Studies or Law background/Professionals like Chartered Accountants, Cost & Management Accountants, Chartered Secretaries. The independent director must have at least 12 (twelve) years of corporate management, professional experiences.	✓		
1.3 (iii)	In special cases the above qualifications may be relaxed subject to prior approval of the Commission.			N/A
1.4	*Chairman of the Board and Chief Executive Officer:* The positions of the Chairman of the Board and the Chief Executive Officer of the companies shall be filled by different individuals. The Chairman of the company shall be elected from among the directors of the company. The Board of Directors shall clearly define respective roles and responsibilities of the Chairman and the Chief Executive Officer.	✓		
1.5	*The Directors' Report to Shareholders:*			
1.5 (i)	Industry outlook and possible future developments in the industry	✓		
1.5(ii)	Segment–wise or product product-wise performance	✓		
1.5(iii)	Risks and concerns	✓		
1.5 (iv)	Discussion on Cost of Goods sold, Gross Profit Margin and Net Profit Margin.	✓		
1.5 (v)	Discussion on continuity of any Extra- Ordinary gain or loss			N/A
1.5 (vi)	Basis for related party transactions-a statement of all related party transactions should be disclosed in the annual report.			N/A
1.5 (vii)	Utilization of proceeds from public issues, rights issues and/or through any others instruments.			N/A
1.5 (viii)	An explanation if the financial results deteriorate after the company goes for Initial Public Offering (IPO), Repeat Public Offering (RPO), Rights Offer, Direct Listing, etc.			N/A
1.5 (ix)	If significant variance occurs between Quarterly Financial performance and Annual Financial Statements the management shall explain about the variance on their Annual Report.			N/A
1.5 (x)	Remuneration to directors including independent directors	✓		
1.5(xi)	The financial statements prepared by the management of the issuer company present fairly its state of affairs, the result of its operations, cash flows and changes in equity.	✓		
1.5 (xii)	Proper books of account of the issuer company have been maintained.	✓		
1.5 (xiii)	Appropriate accounting policies have been consistently applied in preparation of the financial statements and that the accounting estimates are based on reasonable and prudent judgment.	✓		

Condition No.	Title	Compliance status		Remarks (If any)
		Complied	Not Complied	
1.5 (xiv)	International Accounting Standards (IAS)/Bangladesh Accounting Standards (BAS)/International Financial Reporting Standards /Bangladesh Financial Reporting Standards (BFRS), as applicable in Bangladesh, have been followed in preparation of the financial statements and any departure there-from has been adequately disclosed.	✓		
1.5 (xv)	The system of internal control is sound in design and has been effectively implemented and monitored.	✓		
1.5 (xvi)	There are no significant doubts upon the issuer company's ability to continue as a going concern. If the issuer company is not considered to be a going concern, the fact along with reasons thereof should be disclosed.	✓		
1.5 (xvii)	Significant deviations from the last year's operating results of the issuer company shall be highlighted and the reasons thereof should be explained.			N/A
1.5 (xviii)	Key operating and financial data of at least preceding 5 (five) years shall be summarized.	✓		
1.5(xix)	If the issuer company has not declared dividend (cash or stock) for the year, the reasons thereof shall be given.			N/A
1.5(xx)	The number of Board meetings held during the year and attendance by each director shall be disclosed.	✓		
1.5(xxi)	**The pattern of shareholding shall be reported to disclose the aggregate number of shares (along with name wise details where stated below) held by:**			
1.5(xxi)a)	Parent/Subsidiary/Associated Companies and other related parties (name wise details);	✓		
1.5(xxi)b)	Directors, Chief Executive Officer, Company Secretary, Chief Financial Officer, Head of Internal Audit and their spouses and minor children (name wise details);	✓		
1.5(xxi)c)	Executives;	✓		
1.5(xxi)d)	Shareholders holding ten percent (10%) or more voting interest in the company (name wise details).			N/A
1.5(xxii)	**In case of appointment/reappointment of a director the company shall disclose the following information to the shareholders:**			
1.5(xxii)a)	A brief resume of the director;	✓		
1.5(xxii)b)	Nature of his/her expertise in specific functional areas;	✓		
1.5(xxii) c)	Names of companies in which the person also holds the directorship and the membership of committees of the board.	✓		

Condition No.	Title	Compliance status		Remarks (If any)
		Complied	Not Complied	
2.0	*CHIEF FINANCIAL OFFICER (CFO), HEAD OF INTERNAL AUDIT AND COMPANY SECRETARY (CS):*			
2.1	**Appointment:** The company shall appoint a Chief Financial Officer (CFO), a Head of Internal Audit (Internal Control and Compliance) and a Company Secretary (CS). The Board of Directors should clearly define respective roles, responsibilities and duties of the CFO, the Head of Internal Audit and the CS.	✓		
2.2	**Requirement to attend the Board Meetings:** The CFO and the Company Secretary of the companies shall attend the meetings of the Board of Directors, provided that the CFO and/or the Company Secretary shall not attend such part of a meeting of the Board of Directors which involves consideration of an agenda item relating to their personal matters.	✓		
3.0	*Audit Committee:*			
3(i)	The company shall have an Audit Committee as a sub-committee of the Board of Directors.	✓		
3 (ii)	The Audit Committee shall assist the Board of Directors in ensuring that the financial statements reflect true and fair view of the state of affairs of the company and in ensuring a good monitoring system within the business.	✓		
3(iii)	The Audit Committee shall be responsible to the Board of Directors. The duties of the Audit Committee shall be clearly set forth in writing.	✓		
3.1	*Constitution of the Audit Committee:*			
3.1(i)	The Audit Committee shall be composed of at least 3 (three) members.	✓		
3.1(ii)	The Board of Directors shall appoint members of the Audit Committee who shall be directors of the company and shall include at least 1 (one) independent director.	✓		
3.1(iii)	All members of the audit committee should be-financially literate and at least 1 (one) member shall have accounting or related financial management experience.	✓		
3.1(iv)	When the term of service of the Committee members expires or there is any circumstance causing any Committee member to be unable to hold office until expiration of the term of service, thus making the number of the Committee members to be lower than the prescribed number of 3 (three) persons, the Board of Directors shall appoint the new Committee member(s) to fill up the vacancy (ies) immediately or not later than 1 (one) month from the date of vacancy (ies) in the Committee to ensure continuity of the performance of work of the Audit Committee.	✓		
3.1(v)	The company secretary shall act as the secretary of the Committee.	✓		
3.1(vi)	The quorum of the Audit Committee meeting shall not constitute without at least 1 (one) independent director.	✓		
3.2	*Chairman of the Audit Committee:*			
3.2(i)	The Board of Directors shall select 1 (one) member of the Audit Committee to be Chairman of the Audit Committee, who shall be an independent director.	✓		

Condition No.	Title	Compliance status		Remarks (If any)
		Complied	Not Complied	
3.2(ii)	Chairman of the audit committee shall remain present in the Annual General Meeting (AGM).	✓		
3.3	*Role of Audit Committee :*			
3.3 (i)	Oversee the financial reporting process.	✓		
3.3 (ii)	Monitor choice of accounting policies and principles.	✓		
3.3(iii)	Monitor internal Control Risk Management process.	✓		
3.3 (iv)	Oversee hiring and performance of external auditors.	✓		
3.3(v)	Review the annual financial statements before submission to the board for approval.	✓		
3.3(vi)	Review the quarterly and half-yearly financial statements before submission to the board for approval.	✓		
3.3(vii)	Review the adequacy of internal audit function.	✓		
3.3(viii)	Review statement of significant related party transactions submitted by the management.	✓		
3.3(ix)	Review management letters/ letter of internal Control weakness issue by statutory auditors	✓		
3.3 (x)	When money is raised through Initial Public Offering (IPO)/Repeat Public Offering (RPO) /Rights Issue the company shall disclose to the Audit Committee about the uses/applications of funds by major category (capital expenditure, sales and marketing expenses, working capital, etc), on a quarterly basis, as a part of their quarterly declaration of financial results. Further, on an annual basis, the company shall prepare a statement of funds utilized for the purposes other than those stated in the offer document/prospectus.			N/A
3.4	*Reporting of the audit committee:*			
3.4.1	**Reporting to the Board of Directors:**			
3.4.1(i)	The Audit Committee shall report on its activities to the Board of Directors.	✓		
3.4.1(ii)	**The Audit Committee shall immediately report to the Board of Directors on the following findings, if any:**			
3.4.1(ii) a	Report on conflicts of interests;			N/A
3.4.1(ii)b	Suspected or presumed fraud or irregularity or material defect in the internal control system;			N/A
3.4.1(ii)c	Suspected infringement of laws, including securities related laws, rules and regulations;			N/A
3.4.1(ii)d	Any other matter which shall be disclosed to the Board of Directors immediately.			N/A

MAR STOCK

Condition No.	Title	Compliance status		Remarks (If any)
		Complied	Not Complied	
3.4.2	**Reporting to the Authorities:** If the Audit Committee has reported to the Board of Directors about anything which has material impact on the financial condition and results of operation and has discussed with the Board of Directors and the management that any rectification is necessary and if the Audit Committee finds that such rectification has been unreasonably ignored, the Audit Committee shall report such finding to the Commission, upon reporting of such matters to the Board of Directors for three times or completion of a period of 6 (six) months from the date of first reporting to the Board of Directors, whichever is earlier.	✓		
3.5	**Reporting to the Shareholders and General Investors:** Report on activities carried out by the Audit Committee, including any report made to the Board of Directors under condition 3.4.1 (ii) above during the year, shall be signed by the Chairman of the Audit Committee and disclosed in the annual report of the issuer company.	✓		
4.0	*External/Statutory Auditors :*			
	The issuer company should not engage its external/statutory auditors to perform the following services of the company; namely:			
4 (i)	Appraisal or valuation services or Fairness opinions.	✓		
4 (ii)	Financial information systems design and implementation.	✓		
4 (iii)	Book-keeping or other services related to the accounting records or financial statements.	✓		
4(iv)	Broker- dealer services	✓		
4 (v)	Actuarial services	✓		
4(vi)	Internal audit services	✓		
4(vii)	Any other service that the Audit Committee determines.	✓		
4 (viii)	No partner or employees of the external audit firms shall possess any share of the company they audit at least during the tenure of their audit assignment of that company.	✓		
5.0	*Subsidiary Company :*			
5 (i)	Provisions relating to the composition of the Board of Directors of the holding company shall be made applicable to the composition of the Board of Directors of the subsidiary Company.			N/A
5 (ii)	At least 1 (one) independent director on the Board of Directors of the holding company shall be a director on the Board of Directors of the subsidiary company.			N/A
5 (iii)	The minutes of the Board meeting of the subsidiary company shall be placed for review at the following Board meeting of the holding company.			N/A
5 (iv)	The minutes of the respective Board meeting of the holding company shall state that they have reviewed the affairs of the subsidiary company also.			N/A
5(v)	The Audit Committee of the holding company shall also review the financial statements, in particular the investments made by the subsidiary company.			N/A

FINANCIAL STOCK

Condition No.	Title	Compliance status		Remarks (If any)
		Complied	Not Complied	
6.0	*Duties of Chief Executive Officer and Chief Financial Officer :*			
	The CEO and CFO shall certify to the Board that:-			
6 (i)	They have reviewed financial statements for the year and that to the best of their knowledge and belief:			
6 (i)a)	These statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;	✓		
6 (i) b)	These statements together present a true and fair view of the company's affairs and are in compliance with existing accounting standards and applicable laws.	✓		
6 (ii)	There are, to the best of knowledge and belief, no transactions entered into by the company during the year which are fraudulent, illegal or violation of the company's code of conduct.	✓		
7.0	*Reporting and Compliance of Corporate Governance :*			
7 (i)	The company shall obtain a certificate from a practicing Professional Accountant/Secretary (Chartered Accountant/Cost and Management Accountant/Chartered Secretary) regarding compliance of conditions of Corporate Governance Guidelines of the Commission and shall send the same to the shareholders along with the Annual Report on a yearly basis.	✓		
7(ii)	The directors of the company shall state in the directors' report whether the company has complied with these conditions.	✓		

REPORT OF THE
AUDIT COMMITTEE FOR THE YEAR 2017

In compliance with BSEC's Corporate Governance Guidelines (CGG) the Audit Committee of the board of Agrani Issuance Company Ltd., has been functioning as a Sub-Committee of the board. It has been assisting the board in ensuring the financial statements reflect a true and fair view of the state of affairs of the company and in ensuring a good monitoring system within the business.

The main functions of the Audit Committee, among others, are to oversee the financial reporting process, monitor internal control, risk management process, review the adequacy of internal audit function and regulatory compliance functions.

Scope of the Audit Committee was defined as under:

* Review the financial and other system and its reporting procedure;

* Oversee the work of external auditors, including matters of disagreement between the Management and the external auditors regarding financial reporting;

* Discuss major issues concerning accounting principles and financial statements presentation;

* Conduct audit concerning material violation by the Management in carrying out operation of the Company;

* Review reports on litigation and regulatory compliance matters;

* Review internal control and the policies related to liquidity management and capital management;

* Suspected fraud or irregularity in the internal control system;

Activities during the year

* Reviewed the accounting principles and financial statements.
* Reviewed the audit reports of Branches/Head Offices and other statutory reports.
* Examined the system of financial reporting
* Reviewed the internal control system



Chairman
Audit Committee

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CORPORATE GOVERNANCE

As a public listed company, Agrani Insurance believes that the Board of Directors of the Company has a pivotal role to play in meeting all stakeholders' interests. The Board and the Management Team of Agrani Insurance are, as such, committed to maintaining effective Corporate Governance through a culture of accountability, transparency and well-versed policies and procedures to protect the interests of its shareholders and enhance long-term shareholder value.

In line with the same, the Company has complied with the conditions as stipulated in the Corporate Governance Guidelines issued on 07 August 2012 by BSEC.

Composition of Board

The Board has formed the following sub-committees to exercise good governance:

* Executive Committee
* Claims Committee
* Audit Committee
* Finance and Business Development Committee

Executive Committee

The Committee operates in accordance with the Charter approved by the Board. The names of the current members are:

1.	Mr. Zaker Ahmed, FCA	Chairman
2.	Mr. Md. Shahbaz Hossain Khan	Member
3.	Mr. Rezaul Huq Khan	Member
4.	Mr. Mahmudul Hoque	Member
5.	Quazi Sakhawat Hossain (Lintoo)	Member
6.	Mr. Md. Mahbub Alam	Member
7.	Mr. H. M. Ibrahim	Member
8.	Mr. Md. Anwar Hossain	Member

The Executive Committee guides the management in achieving the Company's Mission/Vision. The Committee ensures implementation of policies and other business proposals as per the approved policy of the Board.

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Claims Committee

The Committee approves any claim exceeding Tk. 100,000.00. However, the Committee, may if it is deemed necessary on the basis of significance of the matter refer to the board. The Chief Executive Officer (CEO) shall approve any claim not exceeding Tk. 100,000.00 in consultation with the Chairman of the Board. Names of the current members as follows:

1.	Quazi Sakhawat Hossain (Lintoo)	Chairman
2.	Mr. Md. Shahbaz Hossain Khan	Member
3.	Mr. Zaker Ahmed, FCA	Member
4.	Mr. Rezaul Huq Khan	Member
5.	Mr. Mahmudul Hoque	Member
5.	Mr. Md. Anwar Hossain	Member

Audit Committee

The terms of reference of the Committee are aligned with the Code of Corporate Governance. The Committee shall meet at least four times a year. The members of the Committee are:

1.	Mr. Md. Mahbubur Rahman	Chairman
2.	Mr. Zaker Ahmed, FCA	Member
3.	Mr. AY Shahidul Islam	Member
4.	Mr. Md. Shahbaz Hossain Khan	Member
5.	Mr. Md. Anwar Hossain	Member

The Committee is empowered to examine any matter in respect of financial affairs of the Company and to review all audit programs, internal control systems and procedures, management information system, internal audit reports process, compliance with laws and regulations, etc. The Audit Committee takes initiatives to keep the Company away from any possible adversity.

Finance and Business Development Committee

The purpose of the Committee is to recommend to the board the business and investment policy. The Committee also reviews the effectiveness of those policies and their implementation. The Committee shall meet as and when required, the names of the current members are as under:

1.	Mr. Mahmudul Hoque	Chairman
2.	Mr. Md. Shahbaz Hossain Khan	Member
3.	Quazi Sakhawat Hossain (Lintoo)	Member
4.	Mr. Zaker Ahmed, FCA	Member
5.	Mr. S. M. Shamsul Arefin	Member
6.	Mr. Md. Anwar Hossain	Member

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Role of the Management Team

The day to day functions of the Company are being managed by an efficient Management Team.

The Management Team of the Company is led by the Chief Executive Officer, Mr. Anwar Hossain and overall functions of the company are being looked after by the following departments:

1. Board Affairs
2. Administration & Establishment
3. Finance & Accounts
4. Branch Control
5. Underwriting
6. Claims
7. Re-Insurance
8. Audit
9. Information Communication and Technology (ICT)
10. Investors' Relation Department

Heads of the Departments are well experienced and have dedication for the service to the Business Partners as well as clients. During the crisis moment, they work collectively as a strong team. Besides, several Management Committees are also working to handle the Company's operation and identifying the Management's risk. The positive effect of corporate governance on different stakeholders ultimately is a strengthened economy, and hence good governance is a tool for socio-economic development. In conclusion to match the strategic objectives of the company, Agrani Insurance has taken every possible steps to be the top Insurer in respect of complying Corporate Governance Guideline in the Insurance market of the country.

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Directors' Certificate

As per regulations contained in the First Schedule of the Insurance Act, 2010 and as per section 63 (2) of Insurance Act 2010

we certify that:

1. The value of investments as shown in the Balance Sheet has been taken at cost.

2. The values of all assets as shown in the Balance Sheet and as classified on Form "AA" annexed have been duly reviewed as at 31 December 2017 and in our belief, the said assets have been set forth in the Balance Sheet at amounts not exceeding their realizable or market values under the several headings as enumerated in the annexed form.

3. All expenses of management, wherever incurred and whether incurred directly or indirectly in respect of Fire, Marine, Motor and Miscellaneous Insurance business have been duly debited to the related Revenue Accounts and Profit & Loss Account.

Md. Shahbaz Hossain Khan Chairman	Director	Director	Md. Anwar Hossain Chief Executive Officer (CEO)

AMARSTOCK

ATIK KHALED CHOWDHURY
Chartered Accountants

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23/1 Motijheel C/A
Dhaka-1000, Bangladesh
Tel: 9553407, 9564972
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e-mail : atik.khaled@gmail.com
website : www.atikkhaled.com

Certificate on compliance of conditions of the Corporate Governance Guidelines to the Shareholders of

Agrani Insurance Company Ltd.

We have examined the annexed statement on compliance of conditions of the Corporate Governance Guidelines of the Bangladesh Securities and Exchange Commission (BSEC) by Agrani Insurance Company Ltd. for the year ended 31 December 2017 as stipulated in the 4 clause7(1) of the BSEC's Notification No. SEC/CMRRCD/2006-158/134/Admin144 dated 7th August 2012.

The compliance of the said conditions of Corporate Governance Guidelines of the Bangladesh Securities and Exchange Commission (BSEC) and reporting of the status thereof is the responsibility of the Company's management. Our responsibility is to provide a certificate based on our relevant examination as to whether or not the company is in compliance with the said conditions of Corporate Governance Guidelines. Our examination for the purpose of issuing this certificate was limited to the examining of procedures and implementations thereof as adopted by the Company for ensuring the compliance of the conditions of Corporate Governance and corrects reporting of compliance status on the attached statement on the basis of evidence gathered and representation received. It is neither an audit nor an expression of opinion on the financial statements of the company.

To the best of our information and according to the explanations given to us, we certify that the Company has complied with the conditions of corporate governance stipulated in the above mentioned BSEC's notification dated 7th August 2012 issued under section 2CC of the Securities and Exchange Ordinance 1969.

Atik Khaled Chowdhury
Chartered Accountants
Dhaka, 20 May 2018

ATIK KHALED CHOWDHURY Chartered Accountants DHAKA

CEO & CFO'S DECLARATION TO THE BOARD

28 April 2018

The Board of Directors
Agrani Insurance Company Ltd
Head Office
Dhaka.

Sub : CEO & CFO's declaration to the Board

In accordance with the notification of Bangladesh Securities and Exchange Commission No. SEC/CMRRCD/2006-158/134/Admin/44 dated 07 August 2012 we declare that for the financial year ended 31 December 2017:

i) we have reviewed financial statements for the year ended 31 December, 2017 and that to the best of our knowledge and belief:

a) these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;

b) these statements together present a true and fair view of the company's affairs and in compliance with existing accounting standards and applicable laws.

(ii) There are, to the best of knowledge and belief, no transactions entered into by the company during the year which are fraudulent, illegal or violation of the company's code of conduct.

Moon Rani Das, ACA
EVP & CFO

Md. Anwar Hossain
Chief Executive Officer (CEO)

AMARSTOCK



Auditors' Report
to the Shareholders 2017

Independent Auditors' Report to the Shareholders of Agrani InsuranceCompany Limited

Report on the financial statements

We have audited the accompanying Balance Sheet of "Agrani Insurance Company Ltd" (AICL) (the "Company") which compriseof the Balance Sheet (Statement of Financial Position) as at December 31, 2017 and the related Revenue Accounts, Statement of Profit or Loss and other Comprehensive Income(Profit and Loss Account), Profit and Loss Appropriation Account, Statement of Changes in Equity and Statement of Cash Flows and a summary of significant accounting policies and other explanatory notes for the year then ended.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these Financial Statements in accordance with Bangladesh Accounting Standard (BAS)/Bangladesh Financial Reporting Standards (BFRS), the Companies Act, 1994, the Insurance Act, 2010, the Securities and Exchanges Rules, 1987 and other applicable laws and regulations and for such internal control as management determines, which is necessary to enable the preparation of Financial Statements thatare free from material misstatements, whether due to fraud and error.

Auditor's Responsibility

Our responsibility is to express an opinion on these Financial Statements based on our audit. We conducted our audit in accordance with Bangladesh Standards on Auditing (BSA). Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the Financial Statements are free of material misstatement.

An audit involvesperforming procedures to obtain audit evidence about the amounts and disclosures in the Financial Statements. The procedures selected depended on the auditors judgment, including the risks assessment of material misstatement of the Financial Statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the Financial Statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the Financial Statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

AMARSTOCK

Opinion

In our opinion, the Financial Statements, in all materials respects, give a true and fair view of the Financial Position of the company as at 31 December, 2017, of its financial performance and of it's Cash Flows for the year then ended and Financial Statements were prepared in accordance with Bangladesh Financial Reporting Standards (BFRSs), Bangladesh Accounting Standards (BAS), the Companies Act 1994, the Insurance Act 2010, the Insurance Rules 1958, the Securities and Exchange Rules 1987 and other applicable laws and regulations.

Report on other legal and regulatory requirements:

i. We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit and have made due verification thereof;

ii. In our opinion, proper books of account, records and other statutory books as required by law have been kept by the Company so far as it appeared from our examination of those books; and proper returns adequate for the purpose of our audit have been received from branches not visited by us;

iii. As per section 63(2) of the Insurance Act 2010, in our opinion to the best of our knowledge and belief and according to the information and explanations given to us, all expense of management wherever incurred and whetherincurred directly or indirectly, in respect of insurance business of the company transacted in Bangladesh during the year under report have been duly debited to the related Revenue Accounts, Profit and loss Account and Profit and Loss Appropriation Account of the Company;

iv. as per regulation 11 of part 1 of the third schedule of the Insurance act, 1938, in our opinion to the best of our information and as shown by its books, the company during the year under report has not paid any person any commission in any form outside Bangladesh in respect of any of its business reinsured abroad;

v. The Information and explanations required by us have been received and found satisfactory;

vi. The company's Balance Sheet (Financial Position) and Statement of Profit or Loss and other Comprehensive Income(Profit and Loss Account) and its Cash Flows dealt with by the report are in agreement with the books of account and returns;

vii. The Expenditure incurred was for the purposes of the Company's business.

Dated
Dhaka, 28th April, 2018

Mahfel Huq & Co.
Chartered Accountants

Balance Sheet (Statement of Financial Position) As at 31st December, 2017

CAPITAL AND LIABILITIES	Notes	31st December 2017 Taka	31st December 2016 Taka
Share capital			
Authorised Capital			
50,000,000 ordinary shares of Tk.10 each	3.01	**500,000,000**	**500,000,000**
Issued, subscribed & paid up capital			
27,432,823 ordinary shares of Tk.10 each	3.02	**274,328,230**	**266,338,091**
Reserve or Contingency Accounts		**211,889,174**	**189,955,823**
Reserve for exceptional losses	4.00	151,226,314	134,226,314
Reserve for investment fluctuation fund	5.00	21,000,000	21,000,000
General reserve	6.00	12,200,000	7,700,000
Balance of profit or loss appropriation account		27,462,860	27,029,509
Balances of Funds and Accounts	7.00	**71,389,632**	**81,953,884**
Fire		14,414,197	23,337,186
Marine		40,893,189	37,172,361
Motor		13,311,174	19,580,380
Miscellaneous		2,771,072	1,863,957
Premium Deposits	8.00	14,734,548	15,368,365
Loans & Advances	9.00	22,891,038	12,732,858
Liabilities and Provisions		**130,652,416**	**124,057,908**
Estimated liability in respect of outstanding claims, whether due or intimated	10.00	36,992,890	27,078,239
Amount due to other persons or bodies carrying on insurance business	11.00	24,005,851	20,369,548
Sundry creditors and accruals	12.00	30,047,277	30,197,874
Provision for income tax	13.00	37,804,186	45,110,035
Deferred tax liability	14.00	1,802,212	1,302,212
Total		**725,885,038**	**690,406,929**
Net Assets Value (NAV) per share		**17.72**	**17 13**

PROPERTY AND ASSETS	Notes	31st December 2017 Taka	31st December 2016 Taka
Non-Current Assets :		**249,023,133**	**249,420,853**
Building property (floor purchase)	15.00	133,952,558	136,686,284
Plant, office equipments & other fixed assets	16.00	36,359,388	33,411,711
Investment (at cost)	17.00	78,711,187	79,322,858
Current Assets :		**220,352,316**	**163,875,559**
Stock of stationery		655,640	686,535
Insurance stamp in hand		2,023,043	1,776,095
Interest,dividend and rents accrued but not due	18.00	5,286,495	4,517,212
Amount due from other persons or-bodies carrying on insurance business	19.00	84,133,066	74,182,673
Sundry debtors (including advances, deposits and pre-payments)	20.00	128,254,072	82,713,044
Cash and Cash Equivalents	21.00	**256,509,589**	**277,110,517**
Cash in hand		2,269,423	3,126,291
Cash at bank		41,190,166	37,984,226
Fixed deposit receipts (FDR)		213,050,000	236,000,000
Total		**725,885,038**	**690,406,929**

The annexed notes form an integral part of these financial statements.

Md. Shahbaz Hossain Khan	**Quazi Sakhawat Hossain (Lintoo)**	**Ahmed Jamal**	**Md. Anwar Hossain**	**Mahfel Huq & Co.**
Chairman	**Director**	**Director**	**Chief Executive Officer (CEO)**	**Chartered Accountants**

Date: 28.04.2018

Signed as per our separate report of same date.

Profit or Loss Account (Statement of other Comprehensive Income) For the Year Ended 31st December, 2017

	Notes	31st December 2017 Taka	31st December 2016 Taka
Expenses of management (not applicable to any particular fund or account)		**16,938,490**	**12,914,974**
Advertisement & publicity		726,318	659,565
Audit fees	22.00	200,000	200,000
Subscription		510,100	472,660
Professional fees		305,250	123,500
Depreciation		8,928,269	7,076,085
Registration fees		2,556,430	1,251,486
Directors fee	23.00	735,500	735,000
P.F. contribution		1,523,203	1,454,909
Interest on over draft		656,055	512,245
Interest on loan (IDLC)		797,365	429,524
Net profit for the year carried to Profit or loss appropriation account		**65,541,355**	**72,694,862**
Total		**82,479,845**	**85,609,836**

	Notes	31st December 2017 Taka	31st December 2016 Taka
Interest, dividend and rents (not applicable to any particular fund or account)			
Interest & dividend Income	24.00	**27,190,696**	**23,818,251**
Interest income		15,829,891	18,516,418
Dividend income		3,004,005	1,819,833
Rental Income (Floor)		8,356,800	3,482,000
Other Income	25.00	**8,015,478**	**1,521,980**
Profit on sale of fixed assets		1,261,949	1,074,360
Profit on sale of share		6,753,529	447,620
Profit / (loss) transferred from :		**47,273,671**	**60,269,605**
Fire insurance revenue account		4,985,886	11,645,442
Marine insurance revenue account		30,484,676	29,961,606
Motor insurance revenue account		9,416,988	14,245,371
Miscellaneous insurance revenue account		2,386,121	4,417,186
Total		**82,479,845**	**85,609,836**

Profit or Loss Appropriation Account
For the Year Ended 31st December, 2017

	Notes	2017 Taka	2016 Taka
Reserve for exceptional losses		17,000,000	19,300,000
Dividend 2016		26,633,809	25,365,533
Provision for income tax		16,474,195	22,138,524
Provision for deferred tax liabilites		500,000	-
Provision for investment fluctuation fund		-	4,000,000
General reserve		4,500,000	500,000
Balance being profit transferred to balance sheet	28.00	27,462,860	27,029,509
Total		**92,570,864**	**98,333,566**
Earnings per share (EPS)	29.00	**1.77**	**1.84**

	Notes	2017 Taka	2016 Taka
Balance being profit brought forward from last year		**27,029,509**	**25,638,704**
Net profit for the period brought down from profit or loss Account		65,541,355	72,694,862
Total		**92,570,864**	**98,333,566**

The annexed notes form an integral part of these financial statements.

Md. Shahbaz Hossain Khan
Chairman
Date: 28.04.2018

Quazi Sakhawat Hossain (Lintoo)
Director

Ahmed Jamal
Director

Md. Anwar Hossain
Chief Executive Officer (CEO)

Mahfel Huq & Co.
Chartered Accountants

Signed as per our separate report of same date.

ANNUAL REPORT

CONSOLIDATED REVENUE ACCOUNT FOR THE YEAR ENDED 31ST DECEMBER, 2017

	Notes	31st December 2017 Taka	31st December 2016 Taka
Claims under policies less re-insurances		**49,552,353**	**30,020,592**
Paid during the year		39,637,702	21,369,722
Add : total estimated liability in respect of outstanding claims at the end of the year whether due or intimated		36,992,890	27,078,239
		76,630,592	48,447,961
Less: Claims outstanding at the end of the previous year		27,078,239	18,427,369
Commission expenses		48,507,758	54,690,204
Expenses of management	27.00	62,231,938	66,164,769
Profit transferred to profit or loss account		**47,273,671**	**60,269,605**
Balance of account at the end of the year as shown in the balance sheet: Reserve for unexpired risks being 100% for Marine Hull & 40% for other premium income of the year.		**71,389,632**	**81,953,884**
Total		**278,955,352**	**293,099,054**

	Notes	31st December 2017 Taka	31st December 2016 Taka
Balance of account at the beginning of the year		**81,953,884**	**77,900,074**
Premium less re-insurance ceded	26.00	173,797,356	193,197,544
Commission on re-insurance ceded		23,204,112	22,001,436
Total		**278,955,352**	**293,099,054**

The annexed notes form an integral part of these financial statements.

Md. Shahbaz Hossain Khan
Chairman

Quazi Sakhawat Hossain (Lintoo)
Director

Ahmed Jamal
Director

Md. Anwar Hossain
Chief Executive Officer (CEO)

Mahfel Huq & Co.
Chartered Accountants

Date: 28.04.2018

Signed as per our separate report of same date.

FIRE INSURANCE REVENUE ACCOUNT FOR THE YEAR ENDED 31ST DECEMBER, 2017

	31st December 2017 Taka	31st December 2016 Taka		31st December 2017 Taka	31st December 2016 Taka
Claims under policies less re-insurances	**4,693,790**	**4,209,730**	Balance of account at the beginning of the year	**23,337,186**	**22,260,497**
Paid during the year	6,919,532	1,451,134			
			Premium less re-insurance ceded	36,035,492	58,342,964
Add : total estimated liability in respect of outstanding claims at the end of the year whether due or intimated	3,789,354	6,015,096	Commission on re-insurance ceded	11,649,212	11,486,169
	10,708,886	7,466,230			
Less: Claims outstanding at the end of the previous year	6,015,096	3,256,500			
Commission expenses	20,531,364	23,904,630			
Expenses of management	26,396,653	28,992,642			
Profit transferred to profit or loss account	4,985,886	11,645,442			
Balance of account at the end of the year as shown in the balance sheet:					
Reserve for unexpired risks being 40% of premium income of the year	**14,414,197**	**23,337,186**			
Total	**71,021,890**	**92,089,630**	**Total**	**71,021,890**	**92,089,630**

The annexed notes form an integral part of these Financial Statements.

Md. Shahbaz Hossain Khan	**Quazi Sakhawat Hossain (Lintoo)**	**Ahmed Jamal**	**Md. Anwar Hossain**	**Mahfel Huq & Co.**
Chairman	**Director**	**Director**	**Chief Executive Officer (CEO)**	**Chartered Accountants**

Date: 28.04.2018

Signed as per our separate report of same date.

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MARINE INSURANCE REVENUE ACCOUNT FOR THE YEAR ENDED 31ST DECEMBER, 2017

	31st December 2017 Taka	31st December 2016 Taka
Claims under policies less re-insurances	**32,508,582**	**13,371,705**
Paid during the year	17,803,325	10,300,095
Add : total estimated liability in respect of outstanding claims at the end of the year whether due or intimated	26,522,236	11,816,979
	44,325,561	22,117,074
Less: Claims outstanding at the end of the previous year	11,816,979	8,745,369
Commission expenses	17,198,868	20,042,767
Expenses of management	21,826,756	24,013,415
Profit transferred to profit or loss account	**30,484,676**	**29,961,606**
Balance of account at the end of the year as shown in the balance sheet:		
Reserve for unexpired risks being 40% of premium income on marine cargo and 100% of premium income on marine hull of the year.	**40,893,189**	**37,172,361**
Cargo	37,775,374	29,380,916
Hull	3,117,815	7,791,445
	142,912,071	**124,561,854**

	31st December 2017 Taka	31st December 2016 Taka
Balance of account at the beginning of the year	**37,172,361**	**35,562,750**
Premium less re- insurance ceded	97,556,249	81,243,736
Commission on re-insurance ceded	8,183,461	7,755,368
	142,912,071	**124,561,854**

The annexed notes form an integral part of these Financial Statements.

Md. Shahbaz Hossain Khan	**Quazi Sakhawat Hossain (Lintoo)**	**Ahmed Jamal**	**Md. Anwar Hossain**	**Mahfel Huq & Co.**
Chairman	**Director**	**Director**	**Chief Executive Officer (CEO)**	**Chartered Accountants**

Date: 28.04.2018

Signed as per our separate report of same date.

MOTOR INSURANCE REVENUE ACCOUNT FOR THE YEAR ENDED 31ST DECEMBER, 2017

	31st December 2017 Taka	31st December 2016 Taka
Claims under policies less re-insurances	**9,508,543**	**9,799,953**
Paid during the year	11,049,743	5,502,953
Add: total estimated liability in respect of outstanding claims at the end of the year whether due or intimated	4,681,300	6,222,500
	15,731,043	11,725,453
Less: Claims outstanding at the end of the previous year	6,222,500	1,925,500
Commission expenses	9,055,360	8,893,872
Expenses of management	11,807,243	10,928,511
Profit/(loss) transferred to profit or loss account	**9,416,988**	**14,245,371**
Balance of account at the end of the year as shown in the balance sheet:		
Reserve for unexpired risks being 40% of premium income of the year	**13,311,174**	**19,580,380**
Total	**53,099,308**	**63,448,087**

	31st December 2017 Taka	31st December 2016 Taka
Balance of account at the beginning of the year	**19,580,380**	**14,497,136**
Premium less re-insurance ceded	33,277,935	48,950,951
Commission on re-insurance ceded	240,993	-
Total	**53,099,308**	**63,448,087**

The annexed notes form an integral part of these Financial Statements.

Md. Shahbaz Hossain Khan Chairman	**Quazi Sakhawat Hossain (Lintoo)** Director	**Ahmed Jamal** Director	**Md. Anwar Hossain** Chief Executive Officer (CEO)	**Mahfel Huq & Co.** Chartered Accountants

Date: 28.04.2018

Signed as per our separate report of same date.

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MISCELLANEOUS INSURANCE REVENUE ACCOUNT FOR THE YEAR ENDED 31ST DECEMBER, 2017

	31st December 2017 Taka	31st December 2016 Taka		31st December 2017 Taka	31st December 2016 Taka
Claims under policies less re-insurances	**2,841,438**	**2,639,204**	Balance of account at the beginning of the year	**1,863,957**	**5,579,691**
Paid during the year	3,865,102	4,115,540			
			Premium less re-insurance ceded	6,927,680	4,659,893
Add : total estimated liability in respect of outstanding claims at the end of the year whether due or intimated	2,000,000	3,023,664	Commission on re-insurance ceded	3,130,446	2,759,899
	5,865,102	7,139,204			
Less: Claims outstanding at the end of the previous year	3,023,664	4,500,000			
Commission expenses	1,722,166	1,848,935			
Expenses of management	2,201,286	2,230,201			
Profit/(loss) transferred to profit or loss account	**2,386,121**	**4,417,186**			
Balance of account at the end of the year as shown in the balance sheet:					
Reserve for unexpired risks being 40% of premium income of the year.	**2,771,072**	**1,863,957**			
Total	**11,922,083**	**12,999,483**	**Total**	**11,922,083**	**12,999,483**

The annexed notes form an integral part of these Financial Statements.

Md. Shahbaz Hossain Khan	**Quazi Sakhawat Hossain (Lintoo)**	**Ahmed Jamal**	**Md. Anwar Hossain**	**Mahfel Huq & Co.**
Chairman	**Director**	**Director**	**Chief Executive Officer (CEO)**	**Chartered Accountants**

Date: 28.04.2018

Signed as per our separate report of same date.

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31ST DECEMBER, 2017

Particulars	31st December 2017 Taka	31st December 2016 Taka
A. Cash flows from operating activites:		
Premium collection & other receipts	498,526,014	471,336,112
Payment of expenses of management,	(490,214,544)	(397,801,115)
Re-Insurance, claims, commission etc.	-	
Income tax paid and deducted at source	(23,927,460)	(18,534,516)
Net cash (used)/ from operating activities	**(15,615,990)**	**55,000,481**
B. Cash flows from investing activities:		
Purchase of shares and securities	(18,705,836)	(1,394,290)
Sale of share	26,122,745	4,494,007
Acquisition of fixed assets	(9,605,271)	(15,945,745)
Disposal of fixed assets	1,725,000	958,589
Dividend received	3,004,005	1,819,832
Net cash from/(used) in investing activities	**2,540,643**	**(10,067,607)**
C. Cash flows from financing activities:		
Interest paid on overdraft	(656,055)	(512,245)
Increase / (decrease) of bank overdraft	11,167,929	(457,442)
Term loan received	-	10,000,000
Re-payment of term loan including interest	(1,742,520)	(871,260)
Dividend paid	(16,294,935)	(11,215,338)
Net cash used in financing activities	**(7,525,581)**	**(3,056,285)**
Net cash increased / (decreased) (A+B+C)	**(20,600,928)**	**41,876,589**
Cash and Cash equivalent at the begining of the year	**277,110,517**	**235,233,928**
Cash and Cash equivalent at the end of the year	**256,509,589**	**277,110,517**
Net operating cash flow per share	**(0.57)**	**2.01**

The annexed notes form an integral part of these Financial Statements.

Md.Shahbaz Hossain Khan	Quazi Sakhawat Hossain (Lintoo)	Ahmed Jamal	Md. Anwar Hossain	Mahfel Huq & Co.
Chairman	Director	Director	Chief Executive Officer (CEO)	Chartered Accountants

Date : 28.04.2018

Signed as per our separate report of same date.

STATEMENT OF CHANGES IN SHAREHOLDER'S EQUITY FOR THE YEAR ENDED 31ST DECEMBER, 2017

Particulars	Share capital	Reserve for exceptional losses	General reserve	Reserve for investment fluctuation fund	Retained earnings	Total Taka
Balance as at 01.01.2017	**266,338,091**	**134,226,314**	**7,700,000**	**21,000,000**	**27,029,509**	**456,293,914**
Cash dividend 2016					(18,643,666)	(18,643,666)
Stock dividend 2016	7,990,139				(7,990,139)	-
Net profit after tax					48,567,160	48,567,160
Reserve for exceptional losses		17,000,000			(17,000,000)	-
General reserve			4,500,000		(4,500,000)	-
Balance as on 31.12. 2017	**274,328,230**	**151,226,314**	**12,200,000**	**21,000,000**	**27,462,860**	**486,217,404**

Balance as on 31.12. 2016	**266,338,091**	**134,226,314**	**7,700,000**	**21,000,000**	**27,029,509**	**456,293,914**

Note: Annexed statement form part of these accounts. This is the statement of changes in equity referred to the shareholders of even date.

Md. Shahbaz Hossain Khan
Chairman

Quazi Sakhawat Hossain (Lintoo)
Director

Ahmed Jamal
Director

Md. Anwar Hossain
Chief Executive Officer (CEO)

Mahfel Huq & Co.
Chartered Accountants

Date : 28.04.2018

Signed as per our separate report of same date.

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Agrani Insurance Company Limited
Notes to the Financial Statements
For the year ended 31st December, 2017

1.00 General Information:

1.01 Legal form and status of the Company:

The Company was Incorporated as a Public Limited Company in Bangladesh on 14 March, 2000 under the Companies Act, 1994.The Company obtained certificate for commencement of business from the Registrar of Joint Stock Companies & Firms on 14 March, 2000 and obtained registration from the Chief Controller of Insurance,Government of the People's Republic of Bangladesh on 03 April, 2000 under the Insurance Act, 1938 (subsequent amended in 2010).The Company has also obtained registration of certificate from the Insurance Development and Regularity Authority (IDRA) after its establishment.The Company went into Initial Public Offering (IPO) on February 10, 2005 and listed with Dhaka Stock Exchange Ltd.(DSE). Registered office of the Company is situated at Shaiham Sky View Tower (14th Floor) 45, Bijoy Nagar, Dhaka-1000. The Company is engaged in Non-Life Insurance Business under the Insurance Act, 1938 (as amended in 2010).

1.02 Principal activities and nature of operations:

The principal activity of the Company continued to be carrying on non-life insurance business. There was no significant change in the nature of the principal activities of the Company during the year 2017 under review.

1.03 Date of financial statements authorized for issue:

Financial Statements of the Company for the year ended December 31, 2017 were authorized for issue on 28.04.2018 in accordance with a resolution of the Board of Directors.

2.00 Significant accounting policies and relevant information:

2.01 Basis of accounting:

The financial Statements of the Company have been prepared on going concern basis under historical cost convention and on accrual basis in accordance with the generally accepted accounting principles following Bangladesh Financial Reporting Standers and practice in Bangladesh in Compliance with the Companies Act 1994, Insurance Act 1938 (as amended 2010), Insurance Rules 1958. The Securities and Exchange Ruls 1987, listing Regulation of Dhaka Stock Exchange (DSE).

2.02 Basis of preparation:

The Balance Sheet has been prepared in accordance with the regulation contained in Part I of the First Schedule and as per Form "A" as set forth in part II of that schedule, Profit or Loss Account and Profit or Loss Appropriation Account have been prepared in accordance with the regulation contained in part I of the second schedule and as per Form "B" & "C" set forth in part II of that schedule respectively and the Revenue Accounts of each class of insurance business has been prepared in accordance with the regulations contained in part I of the third Schedule and as per Form "F" set forth the in part II of that schedule of the Insurance Act, 2010. The classified summery of the assets is prepared in accordance with form "AA" of part-II of the First Schedule of the said Act.

2.03 Branch accounting:

The Company has thirty two branches under its umbrella without having any overseas branch for the year ended 31December 2017. The accounts of the branches are maintained and consolidated at the head office level. Only petty cash book and premium collection book are being maintained at the respective branches to meet up the day to day expenses and collection respectively.

2.04 Going concern :

The accompanying financial statements has been prepared on going concern basis.The realization of assets and discharge of liabilities will be performed in the normal course of business and the management belives the entity is able to continue its operation for the foreseeble future.

2.05 Premium income recognition:

Premium income is recognized when insurance policies are issued and premium is collected. Gross underwriting business as well as re-insurance thereof and claim settlement etc, have been prepared separately for each class of business and net underwriting results thereof have been reflected in the revenue accounts after due consideration of re-insurance ceded.

2.06 Public Sector Business (PSB):

As per Government decision effective from April 2000, all the Public Sector Insurance Business (PSB) is being under written by Sadharan Bima Corporation and out of which 50% is being equally distributed among 46 nos. private insurance company. Company's share of public sector business is accounted for in the year in which the statement of accounts has been received from the Sadharan Bima Corporation up to June 30, 2017. The statements of accounts for the period from July 1, 2016 to June 30, 2017 have been received from the Sadharan Bima Corporation and accordingly, the company's share of public sector business for that period has been accounted for in the accompanying accounts. This practice is being followed consistently.

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2.07 Investment income recognition:

Interest on fixed deposit receipts (FDRs) and 10 years Bangladesh Government Treasury Bond (BGTB) are recognized on accrual basis after making provision for income tax deducted at source. Interest on STD account and other income are recongnized on cash basis.Interest on FDR and STD income and other income have been credited to the statement of profit or loss and other comprehensive income.

2.08 Investment in shares and securities:

The aggregate market value of the investment at the year end is Taka 57,471,284 against the cost amount of Taka 53,711,187 thereby creating a unrealised gain of Taka 3,760,097. The management of the Company finds it prudent not recognised the unrealised gain considering volatile capital market condition and uncertainty realising the gain. However, considering the whole situation investments in marketable securities accounted for at cost price.

2.09 Dividend income:

Cash dividend income on investment in shares are recognized on cash basis and show in the statement of profit or loss and other comprehensive income. For stock dividend, number of shares increases and average cost of investment decreases.

2.10 Functional and presentation currency:

The financial Statements are presented in Bangladeshi Taka which is the Company's functional currency except indicated otherwise.

2.11 Materiality and aggregation:

Each material class of similar items is presented separately in the financial Statements. Item of dissimilar nature as function are presented separately unless they are immaterial.

2.12 Balance of fund and accounts:

These have been arrived at by making provision for unexpried Risks @ 40% of net premium of all business except marine Hull insurance where provision has been made @ 100% on net premium income.

2.13 Reserve for exceptional losses :

As per para 6 of the 4th schedule of Income Tax Ordiance, 1984 to meet the exceptional losses , the Company sets aside maximum ten percent of the premium income of the year in which it is set aside shall be deducted from the balance of the profits.

2.14 Compliance with local laws:

The financial statements have been prepared in compliance with the requirements of the Companies Act, 1994, Securities and Exchange Rules 1987, Insurance Act, 2010 and Insurance Rules, 1958 and other relevant local laws.

2.15 Reporting currency:

The financial statements are presented in Bangladesh Currency (Taka) which have been rounded off to the nearest taka unless indicated otherwise.

2.16 General reserve fund:

The Company creates a General Reserve Fund from the current year profit to cover future contingencies.

2.17 Reporting period:

The financial statements cover the financial year from one year from 01 January 2017 to 31 December 2017 with comparative figures for the financial year from 01 January 2016 to 31 December 2016.

2.18 Property, plant and equipment:

Property, plant and equipment of the Company shown in financial statements that are within the scope of BAS-16, "Property, plant and equipment" in physical existence and valued at cost less accumulated depreciation following International Accounting Standards adopted by (ICAB), disclosure with regards to "Impairment of Assets" as per BAS - 36 have not been considered necessary.

(i) Recognition and measurement:

Property, Plant and equipment are recognized if it is probable that future economic benefit associated with the asset will flow to the Company and cost of the asset can be measured reliable. Items of property, plant and equipment are measured at cost less accumulated depreciation and accumulatated impairment losses (if any).

Cost includes expenditure that is directly attributable to the acquisition of the asset. The cost self constructed assets includes the cost of material and direct labour, any other costs directly attributable to bringing the asset to a working condition for its intended use and the cost of dismantling and removing the items and restoring the site on which they are located.

Gains and losses on disposal of items of property, plant and equipment are determined by comparing the proceeds from disposal with the carrying amount of property, plant and equipment.

(ii) Subsequent cost:

The cost of replacing a component of an items of property, plant and equipment is recognized in the carrying amount of the item if it is probable that the future economic benefits associated with the part will flow to the company and its cost can be measured reliable. The carrying amount of the old component is de-recognised with the replaced componment.

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(iii) Depreciation:

Depreciation on addition to property, plant and equipment have been charged on reducing balance method at rates varying from 10% to 50% on estimated useful life of the assets.Depreciation is charged when those are available for use and depreciation charged on disposal of assets up to the date of disposal the year in which assets are disposal off.Assets category wise depreciation rates are as follows:

Particulars	Rate of Dep.
Decoration	10%
Furniture & Fixture	10%
Fans	20%
Typewriters	20%
Office Equipment	20%
Motor Vehicles	20%
Air Conditioner	20%
Motor Cycle	20%
Fax Machine	20%
Photocopy Machine	20%
Computer & Printer	30%
Software	50%

iv) De-recognition:

An item of property, plant and equipment is de-recognised upon disposal or when no future economic benefits are expected from its use. Any gain or loss arising on de-recognition of the asset is included in the statement of profit or loss and comprehensive income in the year the asset is de-recognised.

v) Impairment of assets:

The carrying amounts of the Company's non financial assets, other than deferred tax assets are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists,then the assets recoverable amount is estimated. An impairment loss is recognized if the carrying amount of an asset or its cash generating unit exceeds its estimated recoverable amount. Impairment losses are recognized in the statement of profit or loss and other comprehensive imcome. Considering the present conditions of the assets, management concludes that there is no such indications exist.

2.19 Rearranged of last year's figures and adjusted:

Last year's figures have been rearranged and adjusted wherever considered necessary to confirm with the current year balances.

2.20 Employee benefit plan:

(a) Contributory provident Fund:

The Company operates a recognized contributory provident fund for its permanent employees. The fund is approved by the National Board of Revenue (NBR), administered separately by a Board of Trustee. The employees of the company contributes 10% of their basic salary and the employer contributes equal amount to the Fund. No fund is included in the assets of the company.

(b) Gratuity scheme:

The Company operates a gratuity scheme under which regular confirmed employees entitled to benefit at a graduated scale based on the length of service. The Length of service for the purpose of gratuity shall be reckoned from the date of joining in the regular service of the company. A permanent employee who complete minimum 10 years of continuous service with the company shall be entitled to the benefit of gratuity. Calculation of gratuity is made on the basis of last drawn basic salary. An employee will receive one month's basic salary for each completed year of service.

(c) Group insurance policy:

The company has been operating a group insurance policy for employees of the Company in order to provide support to the family of the employee after his death as per terms & condition of the group insurance policy.

2.21 Segment reporting:

AA business segment is a distinguishable component of the Company that is engaged in providing services that are subject to risks and returns that are different from those of other business segments. The Company accounts for segment reporting of operating results using the classes of business. The performance of segments is evaluated on the basis of underwriting results of each segment. The Company has four primary business segments for reporting purpose namely fire, marine, motor and miscellaneous.

2.22 Stock of stationery & form:

Stock of stationery & forms have been valued at cost.

2.23. Taxation:

Income tax expenses comprise current and deferred tax.

Current tax:

Current tax is provided for as per the Finance Act, 2017.

2.24 Deferred tax:

The Company has been making lump sum provision for deferred tax liability in order to comply with the requirements of BAS-12 "Income Taxes". The impact on the account of changes in the deferred tax assets and liabilites for the year ended december 31,2017 has been recognized in the statement of profit or loss and Comprehensive income (profit & loss account).

2.25 Statement cash flows:

Cash flow statement has been prepared in accordance with BAS-7 " Statement of cash flows" under direct method as per requirement of Securities and Exchange rules 1987.

2.26 Earnings per share (EPS):

The company calculates Earnings per Share (EPS) in accordance with BAS-33, " Earnings per Share" which has been shown on the statement of profit or loss and other comprehensive income.This has been calculated by dividing the basic earnings by the weighted average of ordinary shares outstanding during the year.

2.27 Diluted earnings per share:

Diluted earnings per share reflects the potential dilution that could occur if additional ordinary shares are assumed to be issued under securities or contracts that entitle their holders to obtain ordinary shares in fiture, to the extent such entitlement is not subject to unresolved contingencies. At 31 December 2017, there was no scope for dilution and hence no diluted EPS is required to be calculated.

2.28 Interest on investment:

Interest on FDR and STD income from shares and other income have been duly credited to the Profit and Loss Account.

2.29 Related party disclosure:

Agrani Insurance Company Limited, in normal course of business, carried out a number of transactions with other entities that fall within the definition of related party contained in BAS-24 " Related party Disclosures". All transactions involving relating parties arising in normal course of business are conducted on an arm's length basis a commercial rates on the same terms and conditions as applicable to the third parties. Details of the related party disclosures have been given in note 30.

2.30 Events after balance sheet date:

The Board of Directors has recommended dividend 5% Cash and 5% Stock on paid up capital for the year endded 31 December 2017 as per approval of the Board meeting held on 28 April, 2018 subject to the approval of the shareholders in the Annual General Meeting to be held on Jun 28, 2018.

2.31 Borrowing costs:

Interest on borrowings of fund from bank against secured overdrafts is recognized as financial expenses according to BAS-23: "Borrowing Costs." Interest represents amount paid and accrued up to the end of the reporting year.

2.32 Components of the financial statements:

According to the Bangladesh Accounting Standard (BAS)-1 "Presentation of Financial Statements" the complete set of financial Statements includes the following components:

(i) Balance Sheet (Statement of Financial position)

(ii) Statement of Profit or Loss and Other Comprehensive Income (Profit or Loss Account)

(iii) Profit or Loss Appropriation Account

(iv) Statement of Cash Flows

(v) Statement of Changes in Shareholders Equity

(vi) Significant Accounting Policies and Explanatory Notes.

2.33 Comparative information:

Comparative information have been disclosed in respect of the previous year for all numerical information in the financial statements including also the narrative and descriptive information when it is relevant for understanding of the current year financial statements.

2.34 Re-arrangement of head of accounts:

To comply with the Insurance Act 1938 (as amended in 2010), and Bangladesh Financial Reporting Standards, during the year 2017, we have re-arranged some of head of accounts.

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2.35 Status of Compliance of Bangladesh Financial Reporting Standards:

In preparing financial Statements, we applied following BAS and BFRS :

Name of the BAS /BFRS	BAS/BFRS No.	Applicability
Presentation of Financial Statements	1	Applied
Inventories	2	Applied
Statements of cash flows	7	Applied
Accounting policies, Changes in Accounting Estimates & Errors	8	Applied
Events after Reporting Period	10	Applied
Construction contacts	11	N/A
Income taxes	12	Applied
Property, Plant & Equipment	16	Applied
Leases	17	N/A
Revenue Recognition	18	Applied
Employee Benefits	19	Applied
Accounting of Govternment Grants and Disclosure of Government Assistance	20	N/A
The Effects of Changes in Foreign Exchange Rate	21	Applied
Borrowing Costs	23	Applied
Related party Disclosures	24	Applied
Accounting and Reporting by Retirement Benefit Plans	26	N/A
Consolidated and Seperate Financial Statements	27	N/A
Accounting for investments in Association	28	N/A
Financial Reporting in hyperinflationary Economics	29	N/A
Financial Instruments : Presentation	32	Applied
Earning per Share	33	Applied
Interim Financial Reporting	34	N/A
Impairment of Assets	36	Applied
Provisions, Contingent Liabilities and Contingent Assets	37	Applied
Intangible Assets	38	N/A
Financial Instruments : Recognition & Measurement	39	Applied
Investment Property	40	Applied
Agriculture	41	N/A
First Adoption of International Financial Reporting Standards	1	N/A
Share based payment	2	N/A
Business combination	3	N/A
Insurance Contracts	4	Applied
Non-current Assets Held for Sale and Discountinued Operations	5	N/A
Exploration for and Evaluation of Mineral Resources	6	N/A
Financial Instruments : Disclosures	7	Applied
Operating Segments	8	Applied
Financial Instruments	9	N/A
Consolidated Financial Statements	10	N/A
Joint Arrangements	11	N/A
Disclosure of Interest in other Entities	12	N/A
Fair Value Measurement	13	N/A
Regulatory Deferral Accounts	14	N/A
Revenue from Contracts with Customers	15	N/A

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3.00 Share Capital :

3.01 Authorized capital : Tk. 50,000,000

Divided into 50,000,000 ordinary shares of Tk. 10 each,

3.02 Issued, subscribed and paid up capital: Tk. 27,432,823

27,432,823 ordinary shares of Taka 10 each.

This balance represents:

Category of Shareholders	No. of Shareholders	No. of Shares	% of total Paid-up-Capital
Sponsor Shareholders	14	10,434,127	38.04%
General Public	2,674	7,582,652	27.64%
Institutional Investors (Including ICB)	60	9,416,044	34.32%
	2,748	**27,432,823**	**100.00%**

Classification of Shareholders by holding

No. of Holders	Holdings	No. of Share	Total Holding %
1,073	001-500	146,120	0.53
1,365	501-5000	1,984,133	7.23
149	5001-10000	1,076,820	3.92
69	10001-20000	985,003	3.59
25	20001-30000	630,334	2.30
15	30001-40000	540,114	1.97
8	40001-50000	380,167	1.39
9	50001-100000	632,716	2.31
17	100001-500000	4,099,293	14.94
15	500001-1000000	10,357,953	37.76
3	1000001-3000000	6,600,170	24.06
2,748		**27,432,823**	**100.00**

4.00 Reserve for exceptional losses: Tk. 151,226,314

As per paragraph 2 of the 4th schedule of income Tax Ordinance 1984, not exceeding 10% of the net premium income has been transferred to reserve for exceptional losses. Details are as under :

Particulars	Amount (In Taka)	
	2017	2016
Balance as on January 01, 2017	134,226,314	114,926,314
Add: Reserve made during the year	17,000,000	19,300,000
Total:	**151,226,314**	**134,226,314**

5.00 Reserve for investment fluctuation fund : Tk. 21,000,000

The above amount has been arrived as under :

Particulars	Amount (In Taka)	
	2017	2016
Balance as on January 01, 2017	21,000,000	17,000,000
Add: Reserve made during the year	-	4,000,000
Total:	**21,000,000**	**21,000,000**

Reserve for Investment fluctuation fund has been created to meet up the difference between the cost and market value of Investment in shares.

6.00 General reserve: Tk. 12,200,000

The above fund has been arrived as under :

Particulars	Amount (In Taka)	
	2017	2016
Balance as on January 01, 2017	7,700,000	7,200,000
Add: Reserve made during the year	4,500,000	500,000
Total:	**12,200,000**	**7,700,000**

7.00 Balance of funds and accounts : Tk. 71,389,632

The above fund has been arrived as under :

Particulars	Amount (In Taka)	
	2017	2016
Fire Insurance Business Accounts	14,414,197	23,337,186
Marine Insurance Business Accounts	40,893,189	37,172,361
Motor Insurance Business Account	13,311,174	19,580,380
Miscellaneous Insurance Business Account	2,771,072	1,863,957
Total:	**71,389,632**	**81,953,884**

8.00 Premium deposits: Tk. 14,734,548

The above balance represents premium received against cover notes for which policies have not been issued within 31 December 2017. While the risks against non marine and marine hull can be assumed from the issuance of cover note but risks against marine cargo can not be assumed until shipment advices are provided and accordingly policies are issued.

9.00 Loans & advances : Tk. 22,891,038

This represents the sum of dues payable to Jamuna Bank Ltd. Motijheel Branch, Dhaka, towards overdraft facility sanctioned against lien of FDR for Tk.1.65 crore.

10.00 Estimated liability in respect of outstanding claims whether due or intimated :Tk. 36,992,890

Classwise break up of the above amount is as under :
The make-up of the sum is as under :

Particulars	Amount (In Taka)	
	2017	2016
Fire	3,789,354	6,015,096
Marine	26,522,236	11,816,979
Motor	4,681,300	6,222,500
Miscellaneous	2,000,000	3,023,664
Total:	**36,992,890**	**27,078,239**

11.00 Amount due to other persons or bodies carrying on insurance business: Tk. 24,005,851

The break up of the above amount is as under :

Particulars	Amount (In Taka)	
	2017	2016
Sadharan Bima Corporation	21,684,284	17,903,828
Federal Insurance Company Ltd.	17,226	17,226
Bangladesh General Insurance Co. Ltd.	314,628	314,628
Nitol Insurance Co. Ltd.	432,753	432,753
Central Insurance Co. Ltd.	118,125	118,125
Asia Insurance Co. Ltd.	275,356	419,509
Standard Insurance Co. Ltd.	165,375	165,375
Republic Insurance Co. Ltd.	417,159	417,159
Prime Insurance Co. Ltd.	537,630	537,630
Asia Pacific Insurance Co. Ltd.	43,315	43,315
Total:	**24,005,851**	**20,369,548**

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12.00 Sundry creditors and accruals: Tk.30,047,277

The break up of the above amount is as under :

Particulars	Amount (In Taka)	
	2017	2016
Audit fees payable	1,038,600	928,600
Insurance stamps on deposit premium	2,759,967	1,769,210
Office rent tax payable	25,165	27,457
Client income tax payable	55,169	2,260
Client VAT payable	22,616	21,991
Employees' income tax payable	145,415	131,961
Salary Payable	6,774,356	6,990,558
VAT Payable	3,264,850	1,710,080
Tax Payable on agency Commission	170,725	820,547
P.F. contribution	2,537,145	4,408,142
Bills Payable	1,002,998	-
Un-Claimed Dividend	9,812,871	6,771,268
Rent advanced	2,437,400	6,615,800
Total:	**30,047,277**	**30,197,874**

13.00 Provision for income tax: Tk. 37,804,186

Particulars	Amount (In Taka)	
	2017	2016
The above amount has been arrived as under:		
Balance as at 1st January 2017	45,110,035	42,186,214
Less: Adjustment made during the year	23,780,044	19,214,703
	21,329,991	**22,971,511**
Add: Provision made during the year	16,474,195	22,138,524
Total	**37,804,186**	**45,110,035**

13.00 Income tax:

Income Tax Assessment has been completed up to the Assessment Year 2016-2017 and adjustment has been made up to 2016-2017. The assessment for the assessment year 2017-2018 is under process and Income Tax Return for the Assessment Year 2017-2018 will be filed after approval of the financial statement in the AGM.

14.00 Deferred tax liability: Tk. 1,802,212

This has been made up as under :

Particulars	Amount (In Taka)	
	2017	2016
Balance as on 01.01.2017	1,302,212	1,302,212
Add. Provision made during the year	500,000	-
Total:	**1,802,212**	**1,302,212**

15.00 Building property (floor purchase) : Tk. 133,952,558

The Company purchased 4 Nos Floor space, details are as follows:

Particulars	Location of space	Area of space (Sft)	Amount (In Taka)	
			2017	2016
City Centre	Motijheel	13,928	84,467,164	84,467,164
Saiham Sky View Tower (14th floor)	Bijoynagar	6,340	20,902,825	20,902,825
Saiham Sky View Tower (16th floor)	Bijoynagar	1,352	20,096,055	20,096,055
Palton Tower (2nd floor)	Purana Palton	1,044	11,220,240	11,220,240
Total Cost :			**136,686,284**	**136,686,284**
Less : Accumulated depreciation:			**2,733,726**	**-**
Net book value			**133,952,558**	**136,686,284**

16.00 Property ,plant and equipment : 36,359,388

The above Fixed assets are stated cost less accumulated depreciation. Details are shown in the Annexure-A1

17.00 Investment (at cost) : Tk. 78,711,187

The break up of the above amount is as under:

Particulars	Amount (In Taka)	
	2017	2016
Investment in Treasury Bond	25,000,000	25,000,000
Investment in Shares (Note 17.01)	53,711,187	54,322,858
Total:	**78,711,187**	**79,322,858**

17.01 Investment in shares of listed securities :

Sl. No.	Name of Company	No of Shares	Average cost per share Tk.	Total Cost Value Tk.	Average Market priceTk.	Total Market Value Tk.
01	AB Bank Ltd	9,519	64.92	617,973.48	22.10	210,369.90
02	Al-Arafa Islami Bank	156,203	22.32	3,486,450.96	24.10	3,764,492.30
03	Aman Cotton Fibrous	31,385	40.00	1,255,400.00	40.00	1,255,400.00
04	Bashundhara Paper	43,226	80.00	3,458,080.00	80.00	3,458,080.00
05	Bank Asia Limited	39,295	15.37	603,964.15	23.10	907,714.50
06	BBS Cables	2,300	8.70	20,010.00	105.70	243,110.00
07	BD Finance	3,141	78.31	245,971.71	21.60	67,845.60
08	EBL 1st Mutual Fund	406,153	7.39	3,001,470.67	9.70	3,939,684.10
09	Exim Bank Limited	303,735	14.78	4,489,203.30	17.30	5,254,615.50
10	First Security Bank Limited	28,173	19.77	556,980.21	15.30	431,046.90
11	ICB Islami Bank	400	10.00	4,000.00	7.00	2,800.00
12	IFIC Bank Limited	10,962	30.31	332,258.22	18.00	197,316.00
13	Jamuna Bank Limited	94,545	20.11	1,901,299.95	22.00	2,079,990.00
14	Mercantile Bank Ltd	18,246	19.42	354,337.32	26.40	481,694.40
15	Mutual Trust Bank	98,872	19.89	1,966,564.08	35.00	3,460,520.00
16	Nahee Aluminum	9,553	9.09	86,836.77	73.40	701,190.20
17	National Bank LTd	103,348	13.11	1,354,892.28	13.00	1,343,524.00
18	Ncc Bank Ltd.	425,954	18.10	7,709,767.40	17.70	7,539,385.80
19	Omex Electrode Limited	7,128	9.09	64,793.52	65.20	464,745.60
20	One Bank Ltd	21,043	10.37	218,215.91	24.00	505,032.00
21	Popular Life 1st M.F.	658,983	7.00	4,613,650.48	6.20	4,085,694.60
22	Premier Leasing	22,920	31.59	724,042.80	17.50	401,100.00
23	Prime Finance & Inv.	17,444	47.65	831,206.60	12.20	212,816.80
24	Pubali Bank Ltd	26,616	30.91	822,700.56	30.40	809,126.40
25	Rupali Insurance Co.	2,198	36.18	79,523.64	20.40	44,839.20
26	Summit Aliance Port	7,553	70.73	534,223.69	34.30	259,067.90
27	Southeast Bank Ltd	220,322	22.28	4,908,774.16	22.20	4,891,148.40
28	Standard Bank Ltd	566,943	14.30	8,107,284.90	15.60	8,844,310.80
29	Sumit Power	2,495	58.84	146,805.80	35.90	89,570.50
30	Trust Bank Ltd	31,030	25.45	789,713.50	42.60	1,321,878.00
31	Union Capital Ltd	2,877	39.68	114,159.36	20.10	57,827.70
32	Uttara Bank Ltd	3,339	82.22	274,532.58	35.30	117,866.70
33	Uttara Finance & Inv.	378	95.50	36,099.00	72.70	27,480.60
	Total			**53,711,187.00**		**57,471,284.40**

18.00 Interest, dividend and rents accrue but not due: Tk. 5,286,495

Break up of which are as under :

Particulars	Amount (In Taka)	
	2017	2016
Accrued interest on Fixed Deposit (FDR)	3,984,945	3,557,212
Accrued interest on Treasury Bond	1,301,550	960,000
Total	**5,286,495**	**4,517,212**

19.00 Amount due from other persons or bodies carrying on insurance business: Tk. 84,133,066

The break up of the above amount is as under;

Particulars	Amount (In Taka)	
	2017	2016
Sadharan Bima Corporation	80,945,595	70,995,202
Reliance Insurance Co. Ltd.	301,847	301,847
City General Insurance Co. Ltd.	5,443	5,443
Karnafuli Insurance Co. Ltd.	99,508	99,508
Green Delta Insurance Co. Ltd.	144,205	144,205
Mercantile Insurance Co. Ltd.	9,609	9,609
Progati Insurance Co. Ltd.	886,735	886,735
Sonar Bangla Insurance Co. Ltd.	16,320	16,320
Bangldesh General Insurance Co.	394,406	394,406
Takaful Insurance Co. Ltd.	22,837	22,837
Standard Insurance Co. Ltd.	1,101,235	1,101,235
Provati Insurance Co. Ltd.	80,921	80,921
Islami Commercial Insurance Co. Ltd.	84,930	84,930
Pioneer Insurance Co. Ltd.	8,960	8,960
Continental Insurance Co. Ltd.	30,515	30,515
Total	**84,133,066**	**74,182,673**

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20.00 Sundry debtors: (including advances, deposit and pre-payment) Tk. 128,254,072

Headwise break up is as under :

Particulars	Amount (In Taka)	
	2017	2016
Premium collection control account	57,886,345	46,211,193
Advance office rent	3,405,569	3,623,828
Tax deducted at source from the interest of FDR (Note-20.01)	2,779,718	3,468,092
Tax deducted at source from the interest of STD	110,325	115,353
Advance against salary	375,000	101,000
Advance against income tax (Note-20.02)	21,503,505	20,878,743
Advance tax on dividend	954,716	508,697
Advance commission	2,207,527	2,305,255
Advance payment of advertisement	3,907,227	4,341,363
Advance tax on car	705,000	695,000
Advance tax deducted office rent	591,940	174,100
Security deposit IDLC	290,420	290,420
Advance tax on premium (Treasury Bond)	540,000	-
Payment againest arrear VAT	32,893,837	-
Advance interest on treasury bond	102,943	-
Total	**128,254,072**	**82,713,044**

20.01 Tax deducted at source from the interest earned on FDR & STD Account: 2,890,043

Year wise break up of tax deducted at source from the interest on FDR, STD and account

Year	Tax deducted on FDR interest	Tax deducted on STD accounts interest	Total Taka
2016	1,535,038	56,418	1,591,456
2017	1,244,680	53,907	1,298,587
Total	**2,779,718**	**110,325**	**2,890,043**

The above amount has not been adjusted up to December 31, 2017

20.02 Advance against income tax: Tk. 21,503,505

This made up as under :

Assessment Year	Amount (In Taka)	
	2017	2016
2017-2018	16,503,505	16,378,743
2018-2019	5,000,000	4,500,000
Total	**21,503,505**	**20,878,743**

21.00 Cash and cash equivalent: Tk. 256,509,589

The break-up of the above amount is as under:

Particulars	Amount (In Taka)	
	2017	2016
Cash in hand	2,269,423	3,126,291
Short term deposit	32,880,741	31,258,997
Current deposits	8,309,425	6,725,229
Fixed deposit receipts (FDR)	213,050,000	236,000,000
Total	**256,509,589**	**277,110,517**

22.00 Audit fees: Tk. 200,000

Particulars	Amount (In Taka)	
	2017	2016
Statutory audit fee	100,000	100,000
Special audit fee	100,000	100,000
Total	**200,000**	**200,000**

23.00 Directors fee: Tk. 735,500

During the year under review an amount of Tk. 735,500 has been paid to the directors of the company as Board/Committee meeting fee. The Board of Directors received no remuneration from the company other than fees for attending Board/Committee meeting.

24.00 Interest and dividend income: Tk. 27,190,696

The break-up of the above amount is as under :

Particulars	Amount (In Taka)	
	2017	2016
Interest on treasury bond	2,776,800	2,950,500
Interest on fixed deposit	12,602,969	15,139,465
Interest on short term deposit	450,122	426,453
Dividend income	3,004,005	1,819,833
Rental income	8,356,800	3,482,000
Total	**27,190,696**	**23,818,251**

25.00 Other income : Tk. 8,015,478

The break up of the above amount is as under :

Particulars	Amount (In Taka)	
	2017	2016
Profit on sale of fixed assets	1,261,949	1,074,360
Profit on sale of ahare	6,753,529	447,620
Total	**8,015,478**	**1,521,980**

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26.00 Premium income less re-insurance: Tk. 173,797,356

The break up of the above amount is as under :

Class of Business	PSB Premium	Gross Premium Including PSB	Re-insurance accepted	Re-insurance ceded	2017 Net Premium	2016 Net Premium
Fire	5,203,264	162,079,027	-	106,043,535	56,035,492	58,342,964
Marine	17,914,013	112,573,133	-	35,016,884	77,556,249	81,243,736
Motor	2,552,342	62,921,410	-	29,643,475	33,277,935	48,950,951
Miscellaneous	23,304,102	34,785,207	-	27,857,527	6,927,680	4,659,893
Total	**48,973,721**	**372,358,777**	**-**	**198,561,421**	**173,797,356**	**193,197,544**

27.00 Expenses of management: Tk. 62,231,938

The break up of the above amount is as under :

Class of Business	Percentage (%)	2017 Taka	2016 Taka
Fire	42.32	26,396,653	28,992,642
Marine	35.46	21,826,756	24,013,415
Motor	18.67	11,807,243	10,928,511
Miscellaneous	3.55	2,201,286	2,230,201
Total	**100.00**	**62,231,938**	**66,164,769**

28.00 Net profit for the year and its appropriations: 27,462,860

Particulars			2017 Taka
Balance as on 01.01.2017			27,029,509
Net profit for the year			65,541,355
Balance available for appropriation			92,570,864
Less:	Provision for income tax	16,474,195	
	Provision for deferred tax liability	500,000	
	Reserve for exceptional losses	17,000,000	
	Dividend for 2016	26,633,809	
	General reserve	4,500,000	
			65,108,004
Balance of P&L Appropriation A/c as on 31.12.2017			**27,462,860**

29.00 Earniangs per share (EPS) :

The Company calculates earnings per share (EPS) in accordance with BAS 33: earnings per share, which has been shown on the face of the income statement and this has been calculated by dividing the basic earnings by the weighted average number of ordinary shares outstanding for the year. Details calculations are as follows:

Particulars	Amount (In Taka)	
	2017	2016
(Net profit after taxes)	48,567,160	50,556,338
Ordinary Shares at 1st January, 2017	27,432,823	27,432,823
Weighted average number of ordinary shares outstanding during the year	27,432,823	27,432,823
Restated weighted average number of shares outstanding	27,432,823	27,432,823
Basic earnings per share (Tk.)	1.77	1.84

Earnings per share in 2016 was Tk. 1.90 while restating EPS of 2016 as per para 64 of BAS 33, the new number of share has been considered for calculation of EPS 2016.

30.00 Transaction with related parties :

Detail transactions with related parties and balances with them for the year 2017 were as follows.

Name of the related Party	Relation	Nature of transaction	Premium earned	Claim Paid
Dhaka Beijing Dyeing & Weaving Ind. Ltd. BHT Industries Ltd	Director	Insurance	4,252,284	-
Royal Shipping Lines, Millenniun Shippers & traders, M.M.M Navigation Co.	Director	Insurance	2,515,795	-
MHC Apparels (pvt) Ltd MHC Wears (pvt) Ltd	Director	Insurance	2,361,292	-
Sarban Import Ltd.	Director	Insurance	494,449	-

31.00 Management expenses :

Management expenses as charged to Revenue accounts amounting to Tk. 62,231,938 represents 16.71% of the gross premium of Tk. 372,358,777 have been apportioned @ 42.32% to Fire for Tk. 26,396,653 @ 35.46% to Marine for Tk. 21,826,756 @ 18.67% to Motor for Tk. 11,807,243 and @ 3.55% to Miscellaneous income for Tk. 2,201,286 proportionately on the business of gross premium during the year under audit. Moreover an amount of Tk. 4,335,500 was paid to the Director and Chief Executive Officers as fees and remuneration.

32.00 Compensation (Board & CEO):

No Compensation was allowed to the Chief Executive Officer or any Member of the Board for any special service rendered except as noted in note no, 31.

33.00 Commission, Brokerage or Discount against sales :

Commission was incurred or paid to agents as per insurance Act. 2010 but no brokerage or discount was incurred or paid against sales.

34.00 Disclosure as per requirement of schedule XI, part II of the company Act. 1984 :

a) Disclosure as per requirement of Schedule XI, Part II, Note 5 of Para 3

a (i) Employees engaged

The total number of employees as on 31.12.2017 was 335 and drawing monthly salary of Tk. 4,000 and above.

b) Disclosure as per requirement of Schedule XI, Part II, Para 4 :

(i) Period of payment of remuneration to the Directors is from 1st January 2017 to 31st December' 2017.

(ii) The Directors of the company did not take any benefit from the company other than the remuneration for attending Board Meeting.

a. Expense reimbursed to the managing agent -Nil

b. Commission or other remuneration payable separately to a managing agent or his associate -Nil.

c. Commission received or receivable by the managing agent or his associate as selling or buying agent of other concerns in respect of contracts entered into such concerned with the company-Nil

d. The money value of the contracts for the sale or purchase of goods and materials or suppy of services, entered into by the company with the managing agent or his associate during the financial year

e. Any other perquisites or benefit in cash or in kind stating - Nil.

f. Other allowances and commission including guarantee commission - Nil.

35.00 Approval of the financial statements :

These financial statements were authorized to issue in accordance with the resolution of the compnay's108th meeting of the Board of Directors held on 28.04.2018.

36.00 Internal Control :

The following steps have been taken for implementation of an effective internal control procedure of the Company :

A strong internal control and compliance division has been formed with a view to establish a well designated system of internal regular review of internal audit reports with a view to implement the suggestion of internal auditors in respect if to establish an effective management system that includes planning, organizing and supervising culture in the organization.

37.00 General:

i) Previous period's figure have been regrouped/reclassified wherever considered necessary to confirm the current period's financial statements.

ii) The financial statements are presented in Bangladesh Currency (Taka) which have been rounded off to the nearest taka unless indicated otherwise

iii) All shares have not been fully called and paid up.

iv) Auditor's are paid only statutory audit fees.

v) No foreign exchange remitted to the relevant shareholders during the year under audit.

vi) No amount of money was expended by the company for compensating any members of the Board for special service rendered.

vii) There was no bank guarantee issued by the company on behalf of Directors.

Sd/	Sd/	Sd/	Sd/
Chief Executive Officer (CEO)	Director	Director	Chairman

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Agrani Insurance Company Limited

SCHEDULE OF FIXED ASSETS SCHEDULE OF FIXED ASSETS FOR THE YEAR 31ST DECEMBER, 2017

Annexure. -A1

Sl no.	Description	Cost					Depreciation				Written down value as on 31st December 2017
		As on 1st January 2017	Addition during the year	Sales/adjustment during the year	Total cost as on 31st December 2017	Rate of Dep.	As on 1st January 2017	Charged during the year	Dep. sale/adjustment	Acc. Dep. as on 31st December 2017	
1	2	3	4	5	6	7	8	9	10	11	12
1	Motor Car / Vehicles	23,354,357	9,032,500	3,450,000	28,936,857	20%	8,155,048	3,688,237	2,986,949	8,856,336	20,080,521
2	Motor Cycle/ By Cycle	2,051,863			2,051,863	20%	1,087,499	192,873		1,280,372	771,491
3	Furniture & Fixtures	9,657,633	152,461	17,700	9,792,394	10%	5,732,687	399,192	17,700	6,114,179	3,678,215
4	Building/Floor	136,686,284			136,686,284	2%	-	2,733,726	-	2,733,726	133,952,558
5	Decoration	16,692,609			16,692,609	10%	6,626,620	1,006,599	-	7,633,219	9,059,390
6	Fans	104,713			104,713	20%	82,860	4,371	-	87,231	17,482
7	Air Cooler	3,301,756	89,000		3,390,756	20%	2,280,577	213,786	-	2,494,363	896,393
8	Typewriters	284,049			284,049	20%	237,427	9,324	-	246,751	37,298
9	Office equipment	1,680,946	59,140		1,740,086	20%	1,106,372	118,777	-	1,225,149	514,937
10	Computer & Printer	4,099,684	272,170		4,371,854	30%	2,933,704	400,186	-	3,333,890	1,037,964
11	Software	2,559,618			2,559,618	50%	2,306,900	126,362	-	2,433,262	126,356
12	Photocopy Machine	333,457			333,457	20%	221,279	22,436	-	243,715	89,742
13	Fax Machine	183,614			183,614	20%	121,615	12,400	-	134,015	49,599
	Total	**200,990,583**	**9,605,271**	**3,467,700**	**207,128,154**		**30,892,588**	**8,928,269**	**3,004,649**	**36,816,208**	**170,311,946**

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FORM"AA"

Classified Summary of Assets in Bangladesh of the Company
As at 31st December, 2017

Class of Assets	BOOK VALUE	MARKET VALUE	REMARKS
Statutory deposit	25,000,000	25,000,000	Realizable Value
Investment in shares	53,711,187	57,471,284	At cost price
Fixed deposit	213,050,000	213,050,000	Realizable Value
Bank balance	41,190,166	41,190,166	Realizable Value
Cash in hand	2,269,423	2,269,423	Realizable Value
Interest,dividend and rent outstanding	5,286,495	5,286,495	Realizable Value
Sundry debtors	128,254,072	128,254,072	Realizable Value
Amount due from other persons or bodies carrying on insurance business	84,133,066	84,133,066	Realizable Value
Fixed assets (at cost less dep.)	170,311,946	170,311,946	Written down Value
Stock of stationery & stamp	2,678,683	2,678,683	At cost price
Total	**725,885,038**	**729,645,135**	

Md.Shahbaz Hossain Khan
Chairman
Date : 28.04.2017

Quazi Sakhawat Hossain (Lintoo)
Director

Ahmed Jamal
Director

Md. Anwar Hossain
Chief Executive Officer (CEO)

Mahfel Huq & Co.
Chartered Accountants

Signed as per our separate report of same date.

Our Branches

	Branch Name & Location	Contact No.
Dhaka Division	**Motijheel Branch** Saiham Sky View Tower 45, Bijoy Nagar (15th Floor), Dhaka-1000.	**Tel : 8391571-4** Fax : 8391578
	Local Office Navana Ardent Tower (7th Floor) 185, Shahid Syed Nazrul Islam Sharani, Dhaka.	**Tel : 9360299**
	Principal Branch 44, Dilkusha C/A, Dhaka-1000.	**Tel : 9558959** Fax : 9558959
	Dilkusha Branch 44, Dilkusha C/A, Dhaka-1000.	**Tel : 9558991** Fax : 9566583
	Bijoy Nagar Branch Eastern Arju Complex (3rd Floor) 61, Bijoy Nagar, Dhaka-1000.	**Tel : 8391912** Fax : 8391575
	VIP Road Branch Paltan Tower (2nd Floor) 87, Purana Paltan Line, Dhaka.	**Mob : 01711-591426** Tel : 9361270
	Kakrail Branch Rokeya Mansion 36, Purana Paltan Lane (6th Floor) Dhaka-1000.	**Mob : 01727-346530** Tel : 58313924
	Bangabandhu Avenue Branch Babylon Center (4th floor) 26, B.B. Avenue, Dhaka.	**Mob : 01818-540655**
	Banani Corporate Branch D.C.C. Ka-43 (3rd Floor) Bir Uttam Rafiqul Islam (Progati Sharani), Shahzadpur Gulshan-2, Dhaka-1212.	**Tel : 9855143** Mob : 01716-862884
	Uttara Branch Rajlakhi Complex (5th Floor) Plot # 25, Road # 07, Sector # 03 Uttara, Dhaka.	**Tel : 8963094** Mob : 01732-770733
	Narayangonj Branch 50 S.M Melah Road, Sattar Tower (3rd Floor) Tanbazar, Narayangonj.	**Tel : 7644982** Fax : 7644984
	Manikgonj Branch Harali Mansion (1st Floor) Bus Stand, Manikgonj.	**Tel : 02-7711592** Mob : 01711-425535
	Jamalpur Branch New Collage Road, Jamalpur.	**Tel : 0981-64396** Mob : 01918-893669

Our Branches

	Branch Name & Location	Contact No.
Dhaka Division	**Tangail Branch** Yeasin Super Market (1st Floor) Victoria Road, Tangail.	**Mob : 01720-809505**
	Faridpur Branch 124 Arju Super Market, 1st Floor Zhiltoli Majzid Bari Sarak, 8 Ahiltuli, Faridpur.	**Tel : 0631-65476**
	Mymensingh Branch 36, Baro Bazar, Mymensingh.	**Tel : 091-66223** Mob : 01711-687787
Chattagram Division	**Khatungonj Branch** 305, Khatungonj (2nd Floor) Chattagram.	**Tel : 031-612090** Fax : 031-2852084 Mob : 01790-211432
	Jubilee Road Branch Wazhico Tower (3rd Floor) 263, Jubilee Road, Chattagram.	**Tel : 031-2855149** Fax : 031-2859040 Mob : 01819-394799
	Kadamtoli Branch 1, Postar Par, DT Road Doniala Para, Chattagram.	**Tel : 031-721498** Fax : 031-721499
	Laldighi Branch Orion Tower 1 No. K.B. Aman Ali Road Lal Dighi, Uttarpar,Chattagram.	**Mob : 01819-339309** Tel : 031-2851281
	Maijdee Court Branch Main Road, Maijdee Court, Noakhali	**Mob : 01712-872529** Tel : 032-163432
Barishal Division	**Barishal Branch** 104, Rashid Plaza (3rd Floor) Sadar Road, Fakir Bari, Barishal.	**Tel : 0431-64095** Mob : 01718-014664
Khulna Division	**Khulna Branch** Chamber Mansion (5th Floor) 5, KDA C/A, Khulna.	**Tel : 041-811861** Mob : 01711-579996
	Jashore Branch 7, Islam Market (2nd Floor), Garikhana Road, Jashore	**Tel : 0421-62822** Mob : 01818-242197
	Satkhira Branch National Bank Road Satkhira	**Mob : 01711-450020**
	Kaligonj Branch Islamia Library (1st floor) Bazar Road, Modhugonj Bazar, Kaligonj, Jhenidah	**Mob : 01818-242197**

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Our Branches

	Branch Name & Location	Contact No.
Rajshahi Division	**Bagura Branch** Jhowtola, Bagura	**Mob : 01713-939219**
	Chapainawabganj Branch Baten Khar More Arambagh Chapainawabganj	**Mob : 01718-542848**
Rangpur Division	**Rangpur Branch** Near Bhaban (2nd Floor) Nearest Salak Pump, Station Road, Rangpur	**Tel : 0521-52306** Fax : 0521-52306
	Dinajpur Branch Zabed Super Market (1st Floor) Station Road, Kotowali Dinajpur.	**Mob : 01772-858499**
Sylhet Division	**Sylhet Branch** Sylmart Complex (3rd Floor) Baruth Khana, East Zinda Bazar, Sylhet	**Tel : 0821-715522** Mob : 01711-376245
	Sunamgonj Branch Jamal Complex Old Bus Stand,Sunamgonj	Mob : 01717-093024

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AGRANI INSURANCE COMPANY LTD.

Registered Office : Saiham Sky View Tower, (14th floor), 45, Bijoy Nagar, Dhaka-1000, Bangladesh

PROXY FORM

I/We _____

of _____

_____ being a member of Agrani Insurance Company Limited do hereby

appoint Mr./Mrs. _____

of _____ as my/our proxy to vote for me/us on my/our behalf at the 18th Annual General Meeting of the Company to be held on Thursday, 28 June 2018 at 11 am at Institution of Diploma Engineers, Bangladesh, 160/A, Kakrail, VIP Road, Dhaka and any adjournment thereof.

Signed this _____ day of _____ 2018.

Signature of Proxy
B.O. No. _____

Revenue Stamp (Tk. 20/-)

Signature of Shareholder (s)
B.O. No. _____

N.B.: IMPORTANT:

1. This from of proxy, duly completed, must be deposited at least 48 hours before the meeting at the Company's Registered Office. Proxy is invalid if not signed and stamped as explained above.
2. Signature of the Shareholder and the Proxy should agree with the Specimen Signature registered with the company.
3. As per Articles of Association of the company, Proxy can be given only to the person who is a member (Shareholder) of the company.

* **No gift or benefit in cash or kind shall be paid/offered to the Shareholders in AGM as per BSEC Circular No. SEC/CMRRCD/2009/193/154 dated 24/10/2013**

AGRANI INSURANCE COMPANY LTD.

Registered Office : Saiham Sky View Tower, (14th floor), 45, Bijoy Nagar, Dhaka-1000, Bangladesh

Attendance Slip

I hereby record my attendance at the 18th Annual General Meeting of the company to be held on Thursday, 28 June 2018.

Name of the Member/Proxy _____

B.O.A/c. No. _____ holding of _____ ordinary shares.

N.B. Please submit this slip at the reception desk

_____
Signature of Shareholder(s)/Proxy

Registration Counter shall remain open from 8.00 a.m.

* **No gift or benefit in cash or kind shall be paid/offered to the Shareholders in AGM as per BSEC Circular No. SEC/CMRRCD/2009/193/154 dated 24/10/2013**

Note:

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