Bangladesh General Insurance Company Ltd.

Balance Sheet

(Statement of Financial Position)

As at December 31, 2017

Capital and Liabilities	Notes	Amount In Taka	
		2017	2016
Share capital			
Authorized Share Capital	4.0	1,000,000,000	1,000,000,000
Issued, Subscribed & Paid-up Capital	4.0	540,272,550	540,272,550
Share Premium	5.0	244,825,200	244,825,200
Reserve and Contingency Account:	6.0	**226,733,580**	**207,563,050**
Reserve for Exceptional Losses	6.01	192,068,701	187,568,701
General Reserve	6.02	5,000,000	5,000,000
Share value Fluctuation Fund	6.03	11,000,000	11,000,000
Investment Fluctuation Fund	6.04	16,964,879	2,294,349
Dividend Equalization Reserve	6.05	1,700,000	1,700,000
Profit & Loss Appropriation Account Balance		55,486,122	59,996,300
Total Shareholders' Equity		**1,067,317,452**	**1,052,657,100**
Balance of Fund and Accounts:	7.0	**181,325,601**	**153,104,152**
Fire Insurance Business		69,007,408	62,887,506
Marine Insurance Business		39,919,683	34,218,404
Motor Insurance Business		41,230,936	39,636,022
Miscellaneous Insurance Business		31,167,574	16,362,220
Premium Deposits	8.0	5,380,501	9,990,319
Provisions for Fund	9.0	**3,894,000**	**4,464,000**
Employment Gratuity Fund		2,500,000	2,500,000
Corporate Social Responsibility (CSR) Fund		1,394,000	1,964,000
Liabilities and Provisions:		**458,851,016**	**429,119,379**
Estimated liabilities in respect of outstanding claims whether due or intimated	10.0	40,122,503	38,960,614
Amount due to other persons or bodies carrying on insurance business	11.0	14,564,337	20,292,015
Loan from Banks	12.0	283,173,805	250,698,540
Sundry Creditors	13.0	38,666,144	40,133,995
Provision For Taxation	14.0	82,324,227	79,034,215
Total Liabilities		**649,451,118**	**596,677,850**
Total Liabilities & Shareholders' Equity		**1,716,768,570**	**1,649,334,950**

The accompanying notes 1-32 form an integral part of these financial statements.

Managing Director & CEO **Director** **Director** **Chairman**

Signed as per our annexed report of even date.

Dated:April 25, 2018
Place:Dhaka

Mahfel Huq & Co.
Chartered Accountants

AMARSTOCK

Bangladesh General Insurance Company Ltd.
Balance Sheet
(Statement of Financial Position)
As at December 31, 2017

Assets & Properties	Notes	Amount In Taka	
		2017	2016
Investment	15.00	279,076,396	261,045,612
Accrued Interest On FDR & BGTB	16.0	79,285,848	61,542,186
Amount Due From Other Persons or Bodies Carrying On Insurance Business	17.0	209,626,588	194,441,270
Sundry Debtors (Including advances, deposits, prepayments and others)	18.0	39,636,830	33,940,460
Cash and Bank Balances :	19.0	**997,029,995**	**972,860,944**
At Banks on Fixed Deposit Account		623,829,011	587,829,011
STD & Current Accounts with Banks		346,003,668	337,396,815
Cash & Cheque in hand		27,197,316	47,635,118
Other Accounts:	20.0	**112,112,913**	**125,504,478**
Fixed Assets (at cost less Accumulated depreciation)	20.01	107,501,418	119,605,013
Stock of Stamps & Stationery	21	4,611,495	5,899,465
Total Assets and Properties		**1,716,768,570**	**1,649,334,950**
Net Asset Value Per Share (NAV)	22	**19.76**	**19.48**

The accompanying notes 1-32 form an integral part of these financial statements.

Managing Director & CEO **Director** **Director** **Chairman**

Signed as per our annexed report of even date.

Dated:April 25, 2018
Place:Dhaka

Mahfel Huq & Co.
Chartered Accountants

AMARSTOCK

Bangladesh General Insurance Company Ltd.
Profit and Loss Account
(Statement of Profit or Loss & Other Comprehensive Income)
For the year ended December 31, 2017

PARTICULARS	Notes	Amount In Taka	
		2017	2016
Expenses of management : (Not Applicable to any particular fund or Account)		**27,599,057**	**30,647,305**
Advertisement in News papers & Periodicals		4,882,587	6,266,447
Directors' fees	23.00	105,000	130,000
Interest		10,217,746	7,464,177
Legal and Professional fees		331,600	797,500
Audit fees	24.00	475,000	405,000
Donation and Subscription		750,186	1,947,707
Depreciation		10,836,938	13,636,474
Net profit transferred to profit and loss appropriation account		88,419,803	77,045,175
Total		**116,018,860**	**107,692,480**
Interest, Dividend and Rents: (Not Applicable to any particular fund or Account)			
Interest and Dividend Income	25.00	48,407,253	51,119,893
Profit/(Loss) Transferred from:		**17,481,248**	**17,259,944**
Fire Revenue Account		(31,853,615)	(31,961,618)
Marine Revenue Account		20,608,448	26,137,299
Motor Revenue Account		19,112,886	28,531,127
Miscellaneous Revenue Account		9,613,529	(5,446,864)
Profit on sale of assets	26.00	10,931,270	(162,413)
Sundry income	26.01	39,199,089	39,475,056
Total		**116,018,860**	**107,692,480**

The accompanying notes 1-32 form an integral part of these financial statements.

Managing Director & CEO **Director** **Director** **Chairman**

Signed as per our annexed report of even date.

Dated:April 25, 2018
Place:Dhaka

Mahfel Huq & Co.
Chartered Accountants

AMARSTOCK

Bangladesh General Insurance Company Ltd.
Profit and Loss Appropriation Account
For the year ended December 31, 2017

PARTICULARS	Notes	Amount In Taka	
		2017	2016
Reserve for exceptional losses		4,500,000	3,500,000
Provision for income tax	14.01	29,000,000	24,500,000
Dividend Distributed from Last Year Profit		59,429,981	59,429,981
Balance transfered to Statement of Financial position		55,486,122	59,996,300
Total		**148,416,103**	**147,426,281**
Balance brought forward from last year		59,996,300	60,381,106
Net Profit for the year brought down		88,419,803	77,045,175
Dividend Eqalisation Reserve Transferred			10,000,000
Total		**148,416,103**	**147,426,281**
Earning Per Share after tax	27	**1.10**	**0.97**

Managing Director & CEO **Director** **Director** **Chairman**

Signed as per our annexed report of even date.

Dated:April 25, 2018
Place:Dhaka

Mahfel Huq & Co.
Chartered Accountants

AMAR STOCK

Bangladesh General Insurance Company Ltd.
Statement of Changes in Equity
For the year ended December 31, 2017

Amount in Taka

Particulars	Share Capital	Share Premium	Reserve for Exceptional Losses	General Reserve	Share Value Fluctuation Reserve	Fair Value Reserve	Dividend Equalization Fund	Profit & Loss Appropriation Account	Total
Balance as on January 01, 2017	540,272,550	244,825,200	187,568,701	5,000,000	11,000,000	2,294,349	1,700,000	59,996,300	1,052,657,100
Profit after Tax during the Year	-	-	-	-	-	-	-	59,419,803	59,419,803
Cash Dividend 2016 Paid During the Year	-	-	-	-	-	-	-	(59,429,981)	(59,429,981)
Appropriation made during the year	-	-	4,500,000	-	-	-	-	(4,500,000)	-
Fair Value Reserve Realised	-	-	-	-	-	(2,294,349)	-	-	(2,294,349)
Fair Value Reserve-2017	-	-	-	-	-	16,964,879	-	-	16,964,879
Balance as on December 31,2017	**540,272,550**	**244,825,200**	**192,068,701**	**5,000,000**	**11,000,000**	**16,964,879**	**1,700,000**	**55,486,122**	**1,067,317,452**

The accompanying notes 1-32 form an integral part of these financial statements.

Managing Director & CEO **Director** **Director** **Chairman**

Signed in terms of our report of even date annexed.

Dhaka, April 25, 2018

MAHFEL HUQ & Co.
Chartered Accountants

Bangladesh General Insurance Company Ltd.
Statement of Cash Flows
For the year ended December 31,2017

Particulars	Amount In Taka	
	2017	2016
Cash Flows from operating activities :		
Collections from Premium, other income and receipts	823,874,900	874,392,703
Management Expenses, Re-Insurance, Claims & Others	(760,767,627)	(784,862,222)
Income Tax paid	(25,709,988)	(19,778,452)
Net Cash flows from operating activities	**37,397,285**	**69,752,029**
Cash flows from investing activities :		
Acquisition of fixed assets	(1,477,100)	(11,839,863)
Disposal of Fixed Assets	13,675,027	3,825,000
Disposal of Investment	165,062,741	14,766,591
Advances	(163,534,186)	(19,617,730)
Net Cash used in investing activities	**13,726,482**	**(12,866,002)**
Cash flows from financing activities :		
Dividend	(59,429,981)	(59,429,981)
Increase/Decrease in lon from Banks (Secured)	32,475,265	30,111,264
Total Cash flows/(Used) from financing activities	**(26,954,716)**	**(29,318,717)**
Net Increase/(Decrease) in Cash & Cash equivalents during the year	**24,169,051**	**27,567,310**
Opening Cash & Cash equivalents at beginning of the year	**972,860,944**	**945,293,634**
Closing Cash & Cash equivalents at end of the year	**997,029,995**	**972,860,944**
Number of Shares	**54,027,255**	**54,027,255**
Net operating cash fiows per share	**0.69**	**1.29**

Managing Director & CEO **Director** **Director** **Chairman**

Signed as per our annexed report of even date.

Dated:April 25, 2018
Place:Dhaka

Mahfel Huq & Co.
Chartered Accountants

AMARSTOCK

Bangladesh General Insurance Company Ltd.
Fire Insurance Revenue Account
For the year ended December 31, 2017

PARTICULARS	Notes	Amount In Taka	
		2017	2016
Claim Under Policies Less Re-Insurance:		**72,805,806**	**61,452,172**
Paid during the year		69,250,715	76,897,322
Total estimated liability in respect of outstanding claims at the end of the year whether due or intimated	10	11,858,810	8,303,719
Less: Outstanding at the end of the previous year		(8,303,719)	(23,748,869)
Agency Commission		50,999,328	50,502,329
Expenses of Management		111,260,846	121,997,793
Loss transferred to Profit & Loss Account		(31,853,615)	(31,961,618)
Reserve for unexpired Risks of premium income of the year as shown in the Balance Sheet	7.0	69,007,408	62,887,506
Total		**272,219,773**	**264,878,182**
		272,219,773	**264,878,182**
Balance of account at the beginning of the year (Reserve for unexpired Risks)		62,887,506	58,130,004
Premium less Re-Insurance		172,518,520	157,218,765
Commission on Re-Insurance ceded		36,813,747	49,529,413
Total		**272,219,773**	**264,878,182**

The accompanying notes 1-28 form an integral part of these financial statements.

Managing Director & CEO **Director** **Director** **Chairman**

Signed as per our annexed report of even date.

Dated:April 25, 2018
Place:Dhaka

Mahfel Huq & Co.
Chartered Accountants

AMAR STOCK

Bangladesh General Insurance Company Ltd.

Marine Insurance Revenue Account

For the year ended December 31, 2017

PARTICULARS	Notes	Amount In Taka	
		2017	2016
Claim Under Policies Less Re-Insurance:		**21,237,281**	**26,128,442**
Paid during the year		27,331,808	23,217,280
Total estimated liability in respect of outstanding claims at the end of the year whether due or intimated	10	7,059,147	13,153,674
Less: Outstanding at the end of the previous year		(13,153,674)	(10,242,512)
Agency Commission		19,119,276	19,853,925
Expenses of Management		46,584,591	47,742,988
Profit transferred to Profit & Loss Account		20,608,448	26,137,299
Reserve for unexpired Risk being 40% & 100% of premium income Marine Cargo and Marine Hull business respectivelyof the year as shown in the Balance Sheet	7.0	39,919,683	34,218,404
Total		**147,469,279**	**154,081,058**
		147,469,279	**154,081,058**
Balance of account at the beginning of the year (Reserve for unexpired Risks)		34,218,404	50,482,270
Premium less Re-Insurance		101,498,265	85,359,466
Commission on Re-Insurance ceded		11,752,610	18,239,322
Total		**147,469,279**	**154,081,058**

The accompanying notes 1-28 form an integral part of these financial statements.

Managing Director & CEO **Director** **Director** **Chairman**

Signed as per our annexed report of even date.

Dated:April 25, 2018
Place:Dhaka

Mahfel Huq & Co.
Chartered Accountants

AMAR STOCK

Bangladesh General Insurance Company Ltd.

Motor Insurance Revenue Account

For the year ended December 31, 2017

PARTICULARS	Notes	Amount In Taka	
		2017	2016
Claim Under Policies Less Re-Insurance:		**32,680,704**	**17,803,386**
Paid during the year		29,904,872	17,441,040
Total estimated liability in respect of outstanding claims at the end of the year whether due or intimated	10	9,804,639	7,028,807
Less: Outstanding at the end of the previous year		(7,028,807)	(6,666,461)
Agency Commission		15,538,112	15,376,995
Expenses of Management		34,660,242	37,500,618
Profit transferred to Profit & Loss Account		19,112,886	28,531,127
Reserve for unexpired Risks of premium income of the year as shown in the Balance Sheet	7.0	41,230,936	39,636,022
Total		**143,222,880**	**138,848,148**
		143,222,880	**138,848,148**
Balance of account at the beginning of the year (Reserve for unexpired Risks)		39,636,022	39,078,324
Premium less Re-Insurance		103,077,339	99,090,055
Commission on Re-Insurance ceded		509,519	679,769
Total		**143,222,880**	**138,848,148**

The accompanying notes 1-28 form an integral part of these financial statements.

Managing Director & CEO **Director** **Director** **Chairman**

Signed as per our annexed report of even date.

Dated:April 25, 2018
Place:Dhaka

Mahfel Huq & Co.
Chartered Accountants

AMAR STOCK

Bangladesh General Insurance Company Ltd.

Miscellaneous Insurance Revenue Account

For the year ended December 31, 2017

PARTICULARS	Notes	Amount In Taka	
		2017	2016
Claim Under Policies Less Re-Insurance:		**4,481,704**	**11,837,149**
Paid during the year		3,556,211	13,136,218
Total estimated liability in respect of outstanding claims at the end of the year whether due or intimated	10	11,399,907	10,474,414
Less: Outstanding at the end of the previous year		(10,474,414)	(11,773,483)
Agency Commission		17,325,194	11,252,695
Expenses of Management		43,242,261	25,265,362
Loss transferred to Profit & Loss Account		9,613,529	(5,446,864)
Reserve for unexpired Risks of premium income of the year as shown in the Balance Sheet		31,167,574	16,362,220
Total		**105,830,262**	**59,270,562**
		105,830,262	**59,270,562**
Balance of account at the beginning of the year (Reserve for unexpired Risks)		16,362,220	7,201,168
Premium less Re-Insurance		77,918,935	40,905,550
Commission on Re-Insurance ceded		11,549,107	11,163,844
Total		**105,830,262**	**59,270,562**

The accompanying notes 1-28 form an integral part of these financial statements.

Managing Director & CEO **Director** **Director** **Chairman**

Signed as per our annexed report of even date.

Dated:April 25, 2018
Place:Dhaka

Mahfel Huq & Co.
Chartered Accountants

AMAR STOCK

Bangladesh General Insurance Co. Ltd.

(XL Form)

Statement of Showing Details of Re-Insurance Ceded and Accepted by the Bangladesh General Insurance Co. Ltd. During the Year Ended December-31, 2017

Classess of Business	Premium					Net	Commission					Net	Claims					Net
	Received on			Paid on Re-Insurance Ceded			Paid on			Received on Re-Insurance Ceded			Paid on			Received on Re-Insurance Ceded		
	Direct Business	Re-Ins. Accepted					Direct Business	Re-Ins. Accepted					Direct Business	Re-Ins. Accepted				
		In Bangla-desh	Outside Bangla-desh	In Bangla-desh	Outside Bangla-desh			In Bangla-desh	Outside Bangla-desh	In Bangla-desh	Outside Bangla-desh			In Bangla-desh	Outside Bangla-desh	In Bangla-desh	From Abroad	
	1			2		3=1-2	4			5		6=5-4	7			8		9=7-8
Fire	339,995,523	-	-	168,505,856	-	171,489,667	50,999,328	-	-	36,268,518	-	(14,730,810)	111,920,638	-	-	42,843,264	-	69,077,374
Marine Cargo	123,039,020	-	-	24,551,128	-	98,487,892	18,455,853	-	-	7,601,319	-	(10,854,534)	19,654,325	-	-	(6,741,622)	-	26,395,947
Marine Hull	4,422,822	-	-	5,596,717	-	(1,173,895)	663,423	-	-	1,472,703	-	809,280	-	-	-	-	-	-
Motor	103,587,417	-	-	2,999,787	-	100,587,630	15,538,112	-	-	509,519	-	(15,028,593)	29,775,015	-	-		-	29,775,015
Misc. Other than Motor	107,694,737	3,345,666	-	34,193,786	-	76,846,617	16,154,211	1,170,983	-	8,667,416	-	(8,657,778)	14,831,365	49,139	-	11,417,389	-	3,463,115
Sub. Total	678,739,519	3,345,666	-	235,847,274	-	446,237,911	101,810,927	1,170,983	-	54,519,475	-	(48,462,435)	176,181,343	49,139	-	47,519,031	-	128,711,451
Public Sector Business																		
	1			2		3=1-2	4			5		6=5-4	7			8		9=7-8
Fire	5,203,264	-	-	4,174,411	-	1,028,853	-	-	-	545,229	-	545,229	173,341	-	-	-	-	173,341
Marine Cargo	17,674,168	-	-	13,531,090	-	4,143,078	-	-	-	2,672,933	-	2,672,933	5,724,932	-	-	4,789,745	-	935,187
Marine Hull	144,018	-	-	102,828	-	41,190	-	-	-	5,655	-	5,655	674	-	-	-	-	674
Motor	2,552,342	-	-	62,633	-	2,489,709	-	-	-	-	-	-	129,857	-	-	-	-	129,857
Misc.	23,304,104	-	-	22,231,786	-	1,072,318	-	-	-	2,881,691	-	2,881,691	10,800,067	-	-	10,706,971	-	93,096
Sub. Total	48,877,896	-	-	40,102,748	-	8,775,148	-	-	-	6,105,508	-	6,105,508	16,828,871	-	-	15,496,716	-	1,332,155
Grand Total	727,617,415	3,345,666	-	275,950,022	-	455,013,059	101,810,927	1,170,983	-	60,624,983	-	(42,356,927)	193,010,214	49,139	-	63,015,747	-	130,043,606

Signed as per annexed report of even date

Managing Director & CEO **Director** **Director** **Chairman**

Dated:April 25, 2018

MAHFEL HUQ & Co.
Chartered Accountants

FORM "A A"
BANGLADESH GENERAL INSURANCE COMPANY LIMITED
CLASSIFIED SUMMARY OF ASSETS
AS AT DECEMBER 31, 2017

Amount in Taka

Sl. No.	Class of Assets	Book Value 2017	Market Value 2017
1	Bangladesh Govt. Treasury Bond	25,000,000	25,000,000
2	Shares Invesrment	237,111,517	254,076,396
3	Cash & Bank Balances	997,029,995	997,029,995
4	Stamps in hand	1,906,831	1,906,831
5	Accrued Interest	79,285,848	79,285,848
6	Sundry Debtors	39,636,830	39,636,830
7	Tangible Fixed Assets	55,063,972	55,063,972
8	Land at cost	26,486,609	26,486,609
9	Building at cost	25,950,837	25,950,837
10	Stationery in hand	2,704,664	2,704,664
11	Amounts due from other persons or bodies carrying on insurance business	209,626,588	209,626,588
	Total	**1,699,803,691**	**1,716,768,570**

The accompanying notes form an integral part of this financial statement.

Managing Director & CEO **Director** **Director** **Chairman**

Signed in terms of our report of even date annexed.

Dated:April 25, 2018
Place:Dhaka

MAHFEL HUQ & Co.
Chartered Accountants

AMARSTOCK

Bangladesh General Insurance Company Ltd.

Consolidated Revenue Account

For the year ended December 31, 2017

PARTICULARS	Notes	Amount In Taka	
		2017	2016
Claim Under Policies Less Re-Insurance:		**131,205,495**	**117,221,149**
Paid during the year		130,043,606	130,691,860
Total estimated liability in respect of outstanding claims at the end of the year whether due or intimated	10.00	40,122,503	38,960,614
Less: Outstanding at the end of the previous year		(38,960,614)	(52,431,325)
Agency Commission		102,981,910	96,985,944
Expenses of Management		235,747,940	232,506,761
Insurance stamp expenses		-	-
Profit transferred to Profit & Loss Account		17,481,248	17,259,944
Reserve for unexpired Risks of premium income of the year as shown in the Balance Sheet	7.0	181,325,601	153,104,152
Total		**668,742,194**	**617,077,950**
		668,742,194	**617,077,950**
Balance of account at the beginning of the year (Reserve for unexpired Risks)		153,104,152	154,891,766
Premium less Re-Insurance		455,013,059	382,573,836
Commission on Re-Insurance ceded		60,624,983	79,612,348
Total		**668,742,194**	**617,077,950**

The accompanying notes 1-28 form an integral part of these financial statements.

Managing Director & CEO **Director** **Director** **Chairman**

Signed as per our annexed report of even date.

Dated:April 25, 2018
Place:Dhaka

Mahfel Huq & Co.
Chartered Accountants

AMAR STOCK

Notes to the Financial Statements

1.00 Legal Status and forms of the Company

1.01 Country Operation

Bangladesh General Insurance Company Limited was incorporated as a public limited company in Bangladesh on November 01, 1984 under the Companies Act, 1913 and commenced it's operation on July 29, 1985. The ordinary shares of the Company are listed on the Dhaka and Chittagong Stock Exchange as a Publicly Traded Company.

The Company is regulated under the Insurance Act 2010.

Bangladesh General Insurance Company has the registered office at 42, Dilkusha C/A, Dhaka-1000. The operation of the company are being carried out through its 43 Branches located in different division of Bangladesh.

1.02 Nature of Operation

The Principal activities of the company are to offer general insurance product including Fire insurance, Marine insurance (hull & cargo), Motor insurance, and Miscellaneous insurance. Revenue under above activities is derived primarily from insurance premiums.

1.03 Structure, content and presentation of financial statements

Being the general purpose financial statements, the presentation of these financial statements is in accordance with the guidelines provided by the requirements of insurance Act 1938 and BAS-1 "Presentation of Financial Statements".
A complete set of financial statements comprises of:

i) Balance sheet as at 31 December 2017;
ii) Profit or Loss Account for the year ended 31 December 2017;
iii) Profit or Loss Appropriation Account for the year ended 31 December 2017;
iv) Statement of Changes in Equity for the year ended 31 December 2017;
v) Statements of cash flows for the year ended 31 December 2017;
vi) Fire Insurance Revenue Account for the year ended 31 December 2017;
vii) Marine Insurance Revenue Account for the year ended 31 December 2017;
viii) Motor Insurance Revenue Account for the year ended 31 December 2017;
ix) Miscellaneous Insurance Revenue Account for the year ended 31 December 2017;
x) Notes comprising a summary of significant accounting policies and other explanatory information to the accounts for the year ended 31 December 2017;

2.00 Summary of significant accounting policies & basis of preparation

A summary of the Principal accounting policies which have been applied consistently (unless otherwise stated), is set out below:

2.01 Basis of Accounting

"The Company has adopted relevant International Accounting Standards (IAS) as were adopted in Bangladesh under the title Bangladesh Accounting Standards (BAS) with reference to disclosures of accounting policies notes to the financial statements, valuation of investment such as long term and short-term investments."

2.02 Basis of Presentation

The financial statements of the Company under reporting have been prepared under historical cost convention in a going concern concept and on accrual basis in accordance with Generally Accepted Accounting Principles (GAAP) and practice in Bangladesh. Disclosure of financial information as required by Insurance Act 2010.The Balance Sheet have been prepared in accordance with Part-I and ''Form A'' in Part -II of the First Schedule. The revenue account for Fire, Marine, Motor & Miscellaneous business have been prepared in accordance with ''Form F'' in part II of the Third Schedule.

Statement of Cash Flows & Statement of Changes in Equity have been prepared in accordance with BFRS. complied with while preparing statement of financial position , statement of comprehensive income and revenue accounts for specific classes of insurance business in the form set forth in the first, second and third schedule of the Insurance Act and also in compliance with the Companies Act 1994. In addition, the Bangladesh Securities and Exchange Commission Rules 1987, Listing Regulations of Dhaka Stock Exchange Ltd. (DSE) & Chittagong Stock Exchange Ltd. (CSE), International Accounting Standards (IAS) as adopted by the Institute of Chartered Accountants of Bangladesh (ICAB), as Bangladesh Accounting Standards (BAS) have also been complied with.

2.03 Responsibility for Financial Statement

The Board of Directors is responsible for the preparation and presentation of the financial statements as per the provisions of the Companies Act 1994 and Bangladesh Accounting Standards.

The Board of Directors acknowledges their responsibility as set out in the 'Annual Report of the Board of Directors and Statement of Directors Responsibility'.

The Financial Statements of Bangladesh General Insurance Company Limited for the year ended 31 December 2017 were authorized for issue by the Board of Directors on 28 April 2018.

2.04 Functional and presentation currency

These financial statements are presented in Taka, which is the company's functional currency except as indicated.

2.05 Comparative Information

Comparative information have been disclosed in respect of the year 2017 for all numerical information in the Financial Statements and also the narrative and descriptive information when it is relevant for understanding of the current period's Financial statements. Figures of the year 2016 have been rearranged whenever considered necessary to ensure comparability with the current period.

2.06 Use of estimates

The preparation of the financial statements in conformity with Generally Accepted Accounting Principles (GAAP) requires management to make estimates and assumptions. The estimates and assumptions used in these financial statements are based upon management's evaluation of the relevant facts and circumstances as on the date of the financial statements. Actual results may differ from those estimates. Any revision to accounting estimates is recognized prospectively in current and future periods. Estimates are used in accounting for certain items such as depreciation, outstanding claims, taxes reserves etc.

3.00 Significant accounting policies

3.01 Revenue recognition

Premium

Premium is recognized as income over the contract period or the period of risk whichever is appropriate on gross basis net of VAT. Premium is recorded for the policy period at the time of issuance of policy and for installment cases, it is recorded on installment due and received dates. Any subsequent revisions to or cancellations of premium are recognized in the year in which they occur.

Commission on Reinsurance Ceded

Commission on reinsurance ceded is recognized as income in the period in which reinsurance premium is ceded.

3.02 Investments

Classification

Investments maturing within 12 (twelve) months from balance sheet date and investments made with the specific intention to dispose of within 12 (twelve) months are classified as 'short term investments'.

Investments other than 'short term investments' are classified as 'long term investments'.

The investments are shown at Company level and not segregated at Shareholder's level and Policyholder's level.

Investments are valued as follows:

Held To Maturity

Investments with fixed maturity that the management has the intent and ability to hold to maturity are classified as held to maturity and are initially measured at cost.

Held for Trading

These financial assets are acquired principally for the purpose of generating profit from short-term fluctuation in prices.

Available for Sale

Available for sale investments are those non-derivative investments that are designated as available for sale or are not classified in any other category. These are primarily those investments that are intended to be held for an undefined period of time or may be sold in response to the need for liquidity are classified as available for sale. The Company follows trade date accounting for 'regular way purchase and sales' of investments.

3.03 Investment Income

Interest income is organized in the profit and loss account as it accrues and is calculated by using the effective interest rate method. Fees and commissions that are an integral part of the effective yield of the financial asset or liability are recognized as an adjustment to the effective interest rate of the instrument. Investments of the company are recorded as cost on trade date and include brokerage, transfer charges, stamps etc. If any, and excluded interest accrued up to the date of purchase.

3.04 Investment Income Recognition

Interest / dividend income

Interest accrued on statutory investment of Tk. 2,50,00,000.00 (Two Crore Fifty lac) lying with Bangladesh Bank in the form of Bangladesh Govt. Treasury Bond (BGTB) and interest received from banks on STD and FDR accounts have been duly credited to the Profit and Loss Account.

Interest income on investment is recognized on accrual basis.

Profit/ (loss) on sale of Shares

Dividend income is recognized on accrual basis in the period in which the dividend is declared and approved in AGM whereas profit or loss arising from the sale of securities is accounted for only when shares are sold in the market and profit is realized and loss is incurred.

3.05 Other Income

Other income is recognized on an accrual basis. Net gains and losses of the revenue nature on the disposal of fixed assets, trustee fees and other Non-Current Assets including investments have been accounted for in the Profit and Loss account, having deducted from the proceeds on disposal, the carrying amount of the assets and related selling expenses.

3.06 Reinsurance premium ceded

Insurance premium on ceding of the risk is recognized in the period in which the risk commences in accordance with reinsurance arrangements with the reinsurers. Any subsequent revision to premium ceded is recognized in the period of such revision. Adjustment to reinsurance premium arising on cancellation of policies is recognized in the period in which they are cancelled.

3.07 Public Sector Business

The Company's share of Public Sector business for the period from 1st July, 2016 to 30th June, 2017 (Tax Period) received from Sadharan Bima Corporation (SBC) has been incorporated in the Company's account for the year ended 31st December, 2017.

This system of accounting of public sector business is being followed consistently.

3.08 Acquisition costs

Acquisition costs defined as costs that vary with and are primarily related to the acquisition of new and renewal insurance contracts viz., commission, policy issue expenses etc., are expensed in the year in which they are incurred.

3.09 Premium Deposits

This represents premium received during the period, where the risk commences subsequent to the balance sheet date which is clasified as premium deposits.

3.10 Income in respect of Premium Deposits

Amounts received against Cover notes, which have not been converted into policy are recognized as Income at the earlier of Cover notes converted into policy or expiry of period not exceeding six months in accordance with the Insurance Development & Regulatory Authority (IDRA) Circular.

3.11 Premium Deficiency

Premium deficiency is recognized if the ultimate amount of expected net claim costs, related expenses and maintenance costs exceeds the sum of related premium carried forward to the subsequent accounting period as the reserve for unexpired risk. The Company considers maintenance costs as relevant direct costs incurred for ensuring claim handling operations.

3.12 Reserve for unexpired risk

Reserve for unexpired risk represents that part of the net premium (i.e., premium, net of reinsurance ceded) in respect of each line of business which is attributable to, and set aside for subsequent risks to be borne by the Company under contractual obligations on contract period basis or risk period basis, whichever is appropriate, subject to a minimum of 100% in case of Marine Hull business and 40% in case of other line of business based on net written premium for the year as required by the Insurance Act.

3.13 Claims

Claims incurred comprise of claims paid, estimated liability for outstanding claims, estimated liability for claims Incurred But Not Reported ('IBNR') and claims Incurred But Not Enough Reported ('IBNER'). Further, claims incurred also include specific claim settlement costs such as survey/legal fees and other directly attributable costs.

Claims (net of amounts receivable from reinsurers/coinsurers) are recognized on the date of intimation based on internal management estimates or on estimates from surveyors/insured in the respective revenue account(s).

Estimated liability for outstanding claims at balance sheet date is recorded net of claims recoverable from/ Payable to co-insurers/reinsurers and salvage to the extent there is certainty of realization.

Estimated liability for outstanding claims is determined by the management on the basis of ultimate amounts likely to be paid on each claim based on the past experience and in cases where claim payment period exceeds four years based on actuarial valuation. These estimates are progressively revalidated on availability of further information.

IBNR reserves are provisions for claims that may have been incurred during the accounting period but have not been reported or claimed. The IBNR provision also includes provision, for claims that have been incurred but not enough reported (IBNER).

Salvage Recoveries

Salvaged vehicles are recognized at net realizable value and are deducted from the claim settlement made against the same. Salvaged vehicles on hand are treated as stock-in-trade and are recognized at estimated net realizable value based on independent value's report.

3.14 Management expenses related to the insurance business

Management expenses related to the insurance business are allocated to specific business segments on the following basis:

a) Expenses which are directly identifiable to the business segments are allocated on actual;

b) Other expenses, which are not directly identifiable, are apportioned on the basis of Net Written Premium.

The method of apportionment is decided by the management, based on the nature of the expenses and their logical correlation with various business segments, wherever possible.

3.15 Fixed Assets and Depreciation

(a) Recognition and measurement

Owned assets

Fixed Assets are recognized if it is probable that future economic benefits associated with the asset will flow to the Company and cost of the asset can be measured reliably. Items of Fixed Assets are measured at cost less accumulated depreciation and accumulated impairment losses.

Cost includes expenditure that is directly attributable to the acquisition of the asset. The cost of self-constructed assets includes the cost of materials and direct labor, 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 an item of Fixed Assets are determined by comparing the proceeds from disposal with the carrying amount

of Fixed Assets. When revalued assets are sold, the relevant amount included in the revaluation reserve is transferred to retained earnings.

Leasehold assets

Leasehold assets of which the company assumes substantially all the risks and rewards of ownership are accounted for as finance leases and capitalized at the inception of the lease at fair value of the leased property or at the present value of the minimum lease payments, whichever is lower as per Bangladesh Accounting Standard (BAS) 17 "Leases". The corresponding obligation under the lease is accounted for as liability.

(b) Subsequent cost

The cost of replacing a component of an item of Fixed Asset 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 reliably. The carrying amount of the replaced component is de-recognized.

(c) Depreciation

As per BAS- 16 ‘‘Property, Plant and Equipment’’, depreciation on Tangible Fixed Assets is charged on diminishing balance method depending on the estimated useful life of the Assets. No depreciation has been charged on Land. Depreciation on additions to Fixed Assets is charged for the full year irrespective of the date of acquisition of Assets and no depreciation is charged in the year of disposal of assets.

Asset category wise depreciation rates are as follows:

Particulars	Rate
Furniture, Fixtures and Fittings	10%
Equipment	15%
Motor & Other vehicles	20%
Sundry Assets	20%
Building	10%

(d) De-recognition

An item of Fixed Asset is de-recognized 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 Comprehensive Income in the year the asset is de-recognized.

(e) Impairment of assets

The carrying amounts of the company’s Non-Current 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 comprehensive income. Considering the present conditions of the assets, management concludes that there is no such indications exist.

3.16 Going Concern

The accompanying financial statements have been prepared on a going concern basis, which contemplates the realization of assets and the satisfaction of liabilities in the normal course of business. The accompanying financial statements do not include any adjustments should the Bangladesh General Insurance Company Ltd. be unable to continue as a going concern.

3.17 Materiality and aggregation

Each material item as considered by management significant has been presented separately in financial statements. No amount has been set off unless the BGIC has a legal right to set off the amounts and intends to settle on net basis. Income and expenses are presented on a net basis only when permitted by the relevant accounting standards.

3.18 Recognition of Expenses

Expenses are recognized in the Statement of Comprehensive Income on the basis of a direct association between the cost incurred and the earning of specific heads of income. Expenditure incurred has been charged to the Statement of Comprehensive Income in the running of the business and in maintaining the fixed assets in a state of efficiency.

3.19 Borrowing Costs

Borrowing costs that are directly attributable to the acquisition and construction of a qualifying asset form part of the cost of that asset and, therefore, should be capitalized. Other borrowing costs are recognized as an expense.

3.20 Employee Benefits

(a) Defined Contribution Plan

The company has a contributory provident fund for its regular employees. The fund is approved by the National Board of Revenue (NBR), administered separately by a Board of Trustees and is contributed equally by the company and the employees.

(b) Gratuity

The Company operates a gratuity scheme under which a regular confirmed employee is 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. Calculation of gratuity is made on the basis of last drawn basic salary.

(c) Other benefits

In addition to the above, Bangladesh Insurance Company Limited is providing other benefits to its employees like Performance Linked Variable Bonus (PLV), Group Life Scheme (GLS),

Group Medical Benefits plan, House Building Loan Scheme and Car/Motor Cycle Loan Scheme subject to fulfillment of certain terms and conditions.

(d) Workers Profit Participation Fund (WPPF)

The company refers the mater of provision for Worker Profit Participation Fund (WPPF) and like to clarify that as per provision of para (A to G) of section 233 Bangladesh Laboure Amendments Act 2013, functions of Non life Insurance Companies are not similar to the functions of Industrial Relating Works as mentioned in the aforesaid section.

Therefore, provision for Workers Profit Participation and Welfare Fund (WPPF) is not applicable for the Company. It may be mentioned here that Bangladesh General Insurance Company Ltd. Has been maintaining a Recognized Employees Provident Fund, Gratuity Scheme, Group Life Scheme (GLS), Group Medical Benefits plan, House Building Loan Scheme and Car/Motor Cycle Loan Scheme subject to fulfillment of certain terms and conditions.

3.21 Reserve or Contingencies

a) Reserve for Exceptional losses

As per Insurance Act 1938 as amended 2010, up to 10% statutory reserve is maintained out of Net Premium by the company to meet any possible future claims.

b) Investment Fluctuation Fund

The company made investments in the capital market in a large portfolio and income generate from the investment (realized gain and dividend received) is credited to the Profit & Loss Account. Unrealized capital gain if any is transferred to the investment Fluctuation Fund subsequently.

c) General Reserve

The Company creates a General Reserve from the current year profit to avoid future contingency.

d) Dividend Equalization Fund

Dividend Equalization Fund is created for making proposed and approved dividend payments consistently to the shareholders in the event of worst business situation of the company.

3.22 Taxation

Income tax expense is recognized in the Statement of Profit and Loss appropriation accounts.

Current Tax

The tax currently payable is based on taxable profits for the year. Taxable profits differs from profits as reported in the Statement of Comprehensive Income because it excludes items of income or expenses that are taxable or deductible in other year or are never taxable or deductible. Company's liability for current tax is calculated using tax rates that have been enacted the balance sheet date.

The Tax rates used for the reporting periods are as follows:

Years	Tax Rate
2016	40.00%
2017	40.00%

3.23 Segment Reporting

A 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 purposes namely fire, marine, motor and miscellaneous.

3.24 Earnings per share

The Company presents basic earnings per share (EPS) data for its ordinary shares. Basic EPS is calculated by dividing the profit or loss attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares outstanding during the period. EPS has been calculated in accordance with Bangladesh Accounting Standards (BAS) -33.

3.25 Statement of Cash Flows

Statement of Cash Flows is prepared principally in accordance with BAS- 7 "Statement of Cash Flows" and the cash Flow from the operating activities has been presented under direct method as prescribed by the Securities and Exchange Rules, 1987.

3.26 Contingent Liabilities

The Company has a total amount of Tk. 180,180,599.00 towards contingent liabilities relates guarantee and other liabilities with the different bodies/parties as on the date of the Balance Sheet.

3.27 Related party disclosure

As per Bangladesh Accounting Standards (BAS) – 24 "Related Party Disclosures" parties are considered to be related if one of the party has the ability to control the other party or exercise significant influence over the other party in making financial and operating decisions. The company carried out transactions in the ordinary course of business on an arm's length basis at commercial rates with its related parties.

3.28 General

(i). Provision for Income Tax has been made in accordance with the best estimate of the management based on the prevailing Income Tax Law.
(ii). During the year interest on investment in FDR, Bangladesh Govt. Treasury Bonds (BGTB) have been accounted for as income on accrual basis.

3.29 Reporting Period

The financial period under audit of the company covering (12) twelve months from of January 01, 2017 to December 31, 2017.

4.00 Authorized, Issued, Subscribed and Paid up Capital

Particulars	No of Shares	Share Per	Amount in Taka 2017	2016
Authorized:				
Ordinary Shares	100,000,000	10	**1,000,000,000**	**1,000,000,000**
Issued, subscribed and paid up:				
Ordinary shares called and paid up in full.	600,000	100	60,000,000	60,000,000
Fully paid up as bonus shares issued during the year 1997.	120,000	100	12,000,000	12,000,000
Fully paid up as bonus shares issued during the year 2005.	144,000	100	14,400,000	14,400,000
Fully paid up as bonus shares issued during the year 2006.	183,600	100	18,360,000	18,360,000
Fully paid up as bonus shares issued for the year 2007.	98,532	100	9,853,200	9,853,200
Fully paid up as bonus shares issued for the year 2008.	263,573	100	26,357,300	26,357,300
Fully paid up as bonus shares issued for the year 2009.	318,547	100	31,854,700	31,854,700
Fully paid up as bonus shares issued for the year 2010.	4,176,504	10	41,765,040	41,765,040
Fully paid up as bonus shares issued for the year 2011.	5,512,985	10	55,129,850	55,129,850
Fully paid up as bonus shares issued for the year 2012.	2,572,726	10	25,727,260	25,727,260
Right Shares :				
Right Shares issued during the year 2005	360,000	100	36,000,000	36,000,000
Right Shares issued during the year 2009.	2,088,252	100	208,825,200	208,825,200
Total			**540,272,550**	**540,272,550**

(a) Category of Share Holders :

Category of Shareholders	Number of Share	Percentage of Holding
Sponsor Directors :		
Mr. Towhid Samad	1,796,844	3.33%
Mr. Salim Bhuiyan	1,805,123	3.34%
Sub Total :	**3,601,967**	**6.67%**
Public Directors :		
Mr. Sohail Humayun	453,513	0.84%
Sub Total :	**453,513**	**0.84%**
Independent Directors :		
Mr. Mostafa Zaman Abbasi	-	0.00%
Mr. Aftab Alam	24,001	0.04%
Dr. Shoaib Ahmed	-	0.00%
Sub Total :	**24,001**	**0.04%**
Financial Institutions:		
ICB	3,333,778	6.17%
Financial Institution	12,923,356	23.92%
Foreign Investors	-	-
General Public	33,690,640	62.56%
Sub Total :	**49,947,774**	**92.45%**
GRAND TOTAL:	**54,027,255**	**100.00%**

(b) Classification of Shareholders by holdings:

Class interval	No. of Shares	Shareholders	% of Holdings
Less than 500 Shares	2,756,780	12,485	5.12%
501 - 5000	6,629,681	4,665	12.28%
5001-10000	2,112,723	305	3.91%
10001-20000	2,103,274	162	3.89%
20001-40000	2,469,499	89	4.57%
40001- 80000	2,280,631	40	4.21%
80001 – Above	35,674,667	84	66.02%
Total	**54,027,255**	**17,830**	**100.00%**

5.00 Share Premium:

The amount represents premium received for issuance of ordinary shares as details:

Particulars	No of Shares	Share Per Value	Amount in Taka	
			2017	2016
Fully paid up as Right shares issued during the year 2005.	360,000	100	36,000,000	36,000,000
Fully paid up as Right shares issued during the year 2009.	2,088,252	100	208,825,200	208,825,200
Total			**244,825,200**	**244,825,200**

6.00 Reserve and Contingency Account:

	Amount in Taka	
	2017	2016
Reserve for Exceptional Losses	192,068,701	187,568,701
General Reserve	5,000,000	5,000,000
Share value Fluctuation Fund	11,000,000	11,000,000
Investment Fluctuation Fund	16,964,879	2,294,349
Dividend Equalization Reserve	1,700,000	1,700,000
Total	**226,733,580**	**207,563,050**

6.01 Reserve for Exceptional Losses

	Amount in Taka	
	2017	2016
Opening balance	187,568,701	184,068,701
Addition during the year	4,500,000	3,500,000
Sub Total	**192,068,701**	**187,568,701**

6.02 General Reserve

	Amount in Taka	
	2017	2016
Opening balance	5,000,000	5,000,000
Add/(less) during the year	-	-
Sub Total	**5,000,000**	**5,000,000**

6.03 Share value Fluctuation Fund

	Amount in Taka	
	2017	2016
Opening balance	11,000,000	11,000,000
Add/(less) during the year	-	-
	11,000,000	11,000,000

6.04 Investment Fluctuation Fund

	Amount in Taka	
	2017	2016
Opening balance	2,294,349	2,987,382
Less Previous Year Fair	(2,294,349)	(2,987,382)
Add/(less) during the year	16,964,879	2,294,349
	16,964,879	**2,294,349**

6.05 Dividend Equalization Reserve:

	Amount in Taka	
	2017	2016
Opening balance	1,700,000	11,700,000
Less: Dividend Equalization Reserve transferred to P&L App. A/c	-	(10,000,000)
	1,700,000	**1,700,000**

7.00 Balance of Fund and Accounts:

	Amount in Taka	
	2017	2016
Fire Insurance Fund Account	69,007,408	62,887,506
Marine Insurance Fund Account	39,919,683	34,218,404
Motor Insurance Fund Account	41,230,936	39,636,022
Miscellaneous Insurance Fund Account	31,167,574	16,362,220
	181,325,601	**153,104,152**

Notes: Balance of fund and account/reserve for unexpired risks has been made on premium income at the following rates:

Particulars	Rate
Fire	40%
Marine Cargo	40%
Marine Hull & Aviation Hull	100%
Motor	40%
Miscellaneous	40%

8.00 Premium Deposits

	Amount in Taka	
	2017	**2016**
Balance on this account represents primium received against cover notes for which risks had not been initiated within December 31, 2017	5,380,501	9,990,319
	5,380,501	**9,990,319**

9.00 Provisions for Fund:

	Amount in Taka	
	2017	**2016**
Employees Gratuity Fund	2,500,000	2,500,000
Corporate Social Responsibility (CSR) Fund	1,964,000	1,964,000
Less: Paid during the year	(570,000)	-
Total Balance	**3,894,000**	**4,464,000**

10.00 Estimated liabilities in respect of outstanding claims whether due or intimated

	Amount in Taka	
	2017	**2016**
Fire	11,858,810	8,303,719
Marine	7,059,147	13,153,674
Motor	9,804,639	7,028,807
Miscellaneous	11,399,907	10,474,414
	40,122,503	**38,960,614**

Note: All the claims of which the management is aware of as per intimation up to the year end have been taken into consideration while estimating this net liability in respect of outstanding claims.

11.00 Amount due to other persons or bodies carrying on insurance business

This represents the amount payable to Sadharan Bima Corporation and other re-insurers and private sector insurance companies on account of re-insurance and co-insurance premium as at Dec 31, 2017.

	Amount in Taka	
	2017	**2016**
Co-insurance premium payable	14,564,337	20,292,015
	14,564,337	**20,292,015**

12.00 Loans From Banks (SECURED):

	Amount in Taka	
UTTARA BANK LTD:	**2017**	**2016**
9% per annum secured against Lien of FDRs, aggregating Tk. 156,104,125	95,128,506	105,000,000
MERCANTILE BANK LTD:		
11% per annum secured against Lien of FDRs, aggregating Tk. 183,600,000	188,045,299	145,698,540
	283,173,805	**250,698,540**

13.00 Sundry Creditors

	Amount in Taka	
	2017	**2016**
Trade Creditors	12,003,015	16,789,893
Unpaid Dividends	16,051,181	10,190,643
Other Creditors	10,611,948	13,153,459
	38,666,144	**40,133,995**

14.00 Provision For Taxation

	Amount in Taka	
	2017	**2016**
Opening Balance	79,034,215	74,312,667
Add : Provision for the year (note 14.01)	29,000,000	24,500,000
Less: Payments/adjustment during the year	(7,924,596)	(4,858,786)
Less: Previous years Tax Paid	(17,785,392)	(14,919,666)
Sub Total	**82,324,227**	**79,034,215**

14.01 Provision of Income tax has been made to the extent of Taka 29,000,000 as under:

	Amount
Profit shown as per P/L A/C	88,419,803
Less: Reserve for exceptional losses	(4,500,000)
	83,919,803
Less: Dividend Income for separate consideration	(8,011,533)
Less:Capital gain on sale of fixed assets for separate consideration	(10,931,270)
Less: Tax free Interest Income (BGTB)	(2,887,500)
Less: Capital gain of sales of shares and others for separate consideration	(4,888,809)

Less:Rental income for separate consideration	(4,821,577)
	52,379,114
Add:Perquisite	102,341
Add: Rental Income	3,375,104
Business Income after Capital gain and others	**55,856,559**
Tax on above @40%	22,342,624
Tax on Dividend @ 20%	1,602,307
Tax on Capital Gain of Tk.4,888,809 on sales of Shares @ 10%	488,881
Capital gain on sale of fixed assets@15%	1,639,690
Total Tax	**26,073,502**
Say provision made during the year	**29,000,000**

15.00 Investment At Cost:

	Amount in Taka	
	2017	**2016**
Investment in Shares (Market Price)	254,076,396	236,045,612
Investment in Shares (at Cost)	237,111,517	233,751,263

Note: During the period no reserve for share value fluctuation has been made in the accounts.

Changes in fair Value of the Share available for sales:

Fair Value of investments	254,076,396	236,045,612
Less: Cost Price of Investments	237,111,517	233,751,263
Fair Value Reserve at December 31, 2017	**16,964,879**	**2,294,349**

	Amount in Taka	
	2017	**2016**
Bangladesh Govt. Treasury Bond (BGTB) at cost	25,000,000	25,000,000
Total	**279,076,396**	**261,045,612**

16.00 Interest, Dividend & Rent Outstanding:

	Amount in Taka	
	2017	**2016**
Accrued Interest on FDRs	77,562,431	59,818,769
Accrued Interest on Debenture	1,723,417	1,723,417
	79,285,848	**61,542,186**

17.00 Amount Due From Other Persons or Bodies Carrying On Insurance Business

These represent the amount receivable from insurance companies on account of co-insurance premium and claim at December 31, 2017. The balances remain unconfirmed.

	Amount in Taka	
	2017	**2016**
Co-Insurance Premium receivable	172,811,715	146,519,237
Co-Insurance Claim recoverable	36,814,873	47,922,033
Total :	**209,626,588**	**194,441,270**

18.00 Sundry Debtors:

	Amount in Taka	
	2017	**2016**
Advance Rent	15,943,735	11,557,140
Advances for Car Lease	359,017	519,517
Other Advances	17,152,437	13,474,282
House Building Loans to Staff	6,181,641	8,389,521
Total :	**39,636,830**	**33,940,460**

19.00 Cash And Bank Balances :

	Amount in Taka	
	2017	**2016**
At Banks on Fixed Deposit Account	623,829,011	587,829,011
STD & Current Accounts with Banks	346,003,668	337,396,815
Cash & Cheque in hand	27,197,316	47,635,118
Total :	**997,029,995**	**972,860,944**

20.00 Other Accounts

20.01 Fixed Assets (at cost less Acc. depreciation)

	Amount in Taka	
	2017	2016
Land	26,486,609	26,486,609
Building	25,950,837	28,834,263
Furniture & Fixture	23,406,494	25,421,014
Motor Vehicles	20,072,080	25,733,051
Electric Equipment	6,377,369	7,424,255
Office Equipment	4,958,416	5,410,383
Sundry Assets	249,613	295,438
Total	**107,501,418**	**119,605,013**

Fixed assets (at cost less Acc. depreciation)

A. Fixed Assets at Cost

	Amount in Taka	
	2017	2016
Opening balance	235,245,370	227,230,507
Add: Addition during the year	1,477,100	11,839,863
	236,722,470	**239,070,370**
Less: Disposal during the year	9,235,150	3,825,000
Total (A)	**227,487,320**	**235,245,370**

B. Accumulated depreciation

	Amount in Taka	
	2017	2016
Opening balance	115,640,357	104,353,863
Add: Addition during the year	10,836,938	13,636,474
	126,477,295	**117,990,337**
Less: Disposal during the year	6,491,393	2,349,980
Total (B)	**119,985,902**	**115,640,357**

C. Written down value (A – B)	**107,501,418**	**119,605,013**

Details of fixed assets are shown in Schedule-2.

21.00 Stock of Stamps & Stationery

	Amount in Taka	
	2017	2016
Stationery in hand	2,704,664	4,112,389
Stamps in hand	1,906,831	1,787,076
	4,611,495	**5,899,465**

22.00 Net Asset Value:

The offer price of the common stock of BGIC has been determined on the basis of net assets value, the break up is given below:

A. Assets:

	Amount in Taka	
	2017	2016
Investments at Cost	262,111,517	258,751,263
Fair Value Changes Amount	16,964,879	2,294,349
Interest, Dividend & Rent Outstanding	79,285,848	61,542,186
Amount due from Other Persons or Bodies Carrying on Insurance Business	209,626,588	194,441,270
Sundry Debtors	39,636,830	33,940,460
Cash and Bank Balance	997,029,995	972,860,944
Other Accounts	112,112,913	125,504,478
Total Assets	**1,716,768,570**	**1,649,334,950**

B. Liabilities:

	Amount in Taka	
	2017	2016
Balance of Funds & Accounts	181,325,601	153,104,152
Provision For Employees Gratuity Fund & C S R Fund	3,894,000	4,464,000

Premium Deposits	5,380,501	9,990,319
Estimated Liabilities in Respect of Outstanding Claims Whether Due or Intimated	40,122,503	38,960,614
Amount due to Other Persons or Bodies Carrying on Insurance Business	14,564,337	20,292,015
Loan from Banks (Secured)	283,173,805	250,698,540
Sundry Creditors	38,666,144	40,133,995
Provision for Taxation	82,324,227	79,034,215
Total Liabilities	**649,451,118**	**596,677,850**
Net Assets (A-B)	1,067,317,452	1,052,657,100
Number of Shares Outstanding During the Year 2017	54,027,255	54,027,255
Net Asset Value Per Share	**19.76**	**19.48**

23.00 Director's Fees

	Amount in Taka	
	2017	**2016**
Directors Remuneration	105,000	130,000
	105,000	**130,000**

24.00 Audit fees

	Amount in Taka	
	2017	**2016**
Statutory & Special audit	475,000	405,000
Total Audit fees	**475,000**	**405,000**

25.00 Interest Received, Accrued & Dividend

	Amount in Taka	
	2017	**2016**
Interest on FDRs	35,261,569	38,118,072
Interest on STD A/c	2,246,651	2,551,904
BD. Govt. Treasury Bond	2,887,500	2,887,500
Dividend on Shares (Gross)	8,011,533	7,562,417
Total	**48,407,253**	**51,119,893**

26.00 Profit/Loss on sale of assets:

	Amount in Taka	
	2017	**2016**
Loss on sale of assets	10,931,270	(162,413)
	10,931,270	**(162,413)**

26.01 Sundry Income

	Amount in Taka	
	2017	**2016**
Trustee Fee	29,437,733	28,796,273
Profit on sales of shares	4,888,809	6,277,010
Rental Income BGIC Tower	4,821,577	4,370,873
Other Income	50,970	30,900
	39,199,089	**39,475,056**

27.00 Earing Per Share:

Earnings per share as shown in the face of the Profit and Loss Account is calculated in accordance with Bangladesh

	Amount in Taka	
	2017	**2016**
Net Profit Before Tax	88,419,803	77,045,175
	88,419,803	**77,045,175**
Number of Shares outstanding	**54,027,255**	54,027,255
Earning Per Share Before Tax	**1.64**	**1.43**
Net Profit After Tax	59,419,803	52,545,175
Number of Shares outstanding	54,027,255	54,027,255
Earning Per Share After Tax	**1.10**	**0.97**

28.00 Post Balance Sheet Events (AS PER BAS # 10):

There is no significant event that has accrued between the Balance Sheet date and the date when the financial statements were authorized for issue by the Board of Directors other than the recommendation of Cash Dividend 10% for the year which will be given effect in due course.

29.00 Related Party Transaction:

There is no related party transaction during the year.

30.00 Expenses Incurred / Earned In Foreign Currency:

The Company did not incur any expenses nor earned any income in foreign currency on account of royalty, technical expert, professional Advisory fee and interest, etc.

31.00 Commitment On Capital Expenditure:

There is no Capital Expenditure commitment entered into the Company during the year under audit.

32.00 Other Relevant Information:

i. During the year under review no compensation except Managing Director's remuneration was allowed to the Chief Executive Officer of the Company or any member of the Board for special services rendered.

ii. There were no credit facilities as on 31st December 2017 availed by the Company under any contract other than trade credit available in course of business.

iii. The Company did not incur any expenses nor did it earn any income in foreign currency on account of royalty, technical expert & professional advisory fees, Interest etc.

iv. Number of employees drawing salaries below & above Tk. 3,000.00 Per Month is as under:

a. Salaries drawing below Tk. 3,000.00 (NONE).
b. Salaries drawing above Tk. 3,000.00 per Month 522 No.

AMAR STOCK