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AMARSTOCK

LETTER OF TRANSMITTAL



All Shareholders
Bangladesh Securities and Exchange Commission (BSEC)
Insurance Development and Regulatory Authority (IDRA)
Registrar of Joint Stock Companies and Firms (RJSC)
Dhaka Stock Exchange Limited (DSE) and
Chittagong Stock Exchange Limited (CSE)

Dear Sir (s),

ANNUAL REPORT FOR THE YEAR ENDED DECEMBER 31, 2016.

A copy of the Annual Report along with the Audited Financial Statements including Balance Sheet as on December 31, 2016 and Profit and Loss Account, Revenue Accounts, Statement of Cash Flows, Changes of Shareholder's Equity for the year ended December 31, 2016 together with notes thereon of Eastern Insurance Company Limited is being enclosed herewith for kind information and record.

With the best regards,

Yours faithfully,

(Mohammad Haroon Patwary)
Chief Executive Officer

ANNUAL STOCK

COMPANY INFORMATION

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STOCK



CORPORATE INFORMATION

Registered Office	:	44 Dilkusha C/A (1st & 2nd Floor), Dhaka-1000, Bangladesh.
Phone & Fax	:	Phone: 9563033-34 & 9564246-48 Fax: 88-02-9569735
Mail & Web-site	:	e-mail: eicl@dhaka.net Web site: www.easterninsurancebd.com
Legal Bodies	:	**Auditor** M/s. Mahfel Huq & Co. Chartered Accountants BGIC Tower (4th Floor) 34, Topkhana Road, Dhaka-1000
Lawyers	:	Barrister Md Omar Farouq Advocate Mushtaq Ahmed
Main Bankers	:	Prime Bank Limited Southeast Bank Limited Islami Bank Bangladesh Limited The Premier Bank Limited

FREE STOCK

BOARD OF DIRECTORS



CHAIRMAN	Mujibur Rahman
VICE CHAIRMAN	Azmal Hossain
DIRECTORS	Major (Retd.) Abdul Mannan
	Matiur Rahman
	S. D. Alam
	Mohammed Mohsin
	Umme Kulsum Mannan
	Rawnak Karim
	Khaled S. Ahmed
	Durand Mehdadur Rahman
	Rokeya Ferdous
	Mohammed Israil
	Kazi Imdad Hossain
	Rais Uddin
	A. K. M. Mohiuddin
	Zakia Rahman
	Tazreen Rahman
	Nayeemur Rahman
INDEPENDENT DIRECTORS	Md. Murshed Hossain
	M.M. Murshid
CHIEF EXECUTIVE OFFICER	Mohammad Haroon Patwary
COMPANY SECRETARY	Md. Habib Jamal, FCA

PROFILE OF THE DIRECTORS



Mr. Mujibur Rahman
Chairman

Mr. Mujibur Rahman is the Chairman of the Board of Directors of Eastern Insurance Company Limited. He is also the Deputy Managing Director of Uttara Group of Companies which comprised of about 15 nos. of Companies, viz Uttara Motors Ltd., Uttara Apparels Ltd., Uttara Services Ltd., Uttara Knitwears Ltd., Uttara Automobile Manufacturers Ltd., Uttara Tyre Retreading Co. Ltd, Menoka Motors Ltd, Hall Marks Pharmaceuticals Ltd., Uttara Motors Corporation Ltd. etc. He is also a Director of Uttara Finance & Investments Ltd., National Life Insurance Company Ltd., Uttara Exchange and Securities Ltd., UGC Securities Ltd., Eastern Securities Ltd., Eastern Motors Ltd.



Major (Retd.) Abdul Mannan

Major (Retd) Abdul Mannan is a Sponsor Director of the Company who has earned name and fame in the business arena of the Country during the last 3 decades. He is regarded as one of the Pioneer in the Garments Sector of Bangladesh. He was one of the few people whose vision was for the employment of milions of unemployed women in the Garments Sector. He is now Chairman of a leading business house of the Country M/s. Sunman Group of Companies. He is involved in the business of Garments, Textiles, Pharmaceuticals, Aviation, Fishing, Shipping, Leasing, Insurance, Beverage, CNG, Real Estate, Telecommunication etc. Besides Mr. Mannan has also diversified his business at home and abroad. He has established his Industrial unit at Cambodia and another business unit at USA. He is also the Chairman of Sunflower Life Insurance Company Ltd. He has introduced first Private Helicopter Service in Bangladesh. He was elected M.P. twice from Dhaka-10 constituency in 1991 and 2001. He was State Minister of Textile and State Minister of Civil Aviation & Tourism in the Cabinet of 1991-1996.

Mr. Mannan is a social worker and established many School, Madrasha, College & Orphan homes.

Mr. Matiur Rahman

Mr. Matiur Rahman is a Sponsor Director of the Company who is the Chairman & Managing Director of Uttara Group of Companies which comprised of about 15 nos. of Companies, viz Uttara Motors Ltd., Uttara Apparels Ltd., Uttara Services Ltd., Uttara Knitwears Ltd., Uttara Automobile Manufactures Ltd., Uttara Tyre Retreading Co. Ltd., Menoka Motors Ltd., Hall Marks Pharmaceuticals Ltd., Uttara Motors Corporation Ltd. etc. He is also a Director of Uttara Finance & Investments Ltd., National Life Insurance Co. Ltd, Artisan Ceramic Ltd., Uttara Exchange Securities Ltd., UGC Securities Ltd., Consolidated Tea Plantation Ltd., Eastern Motors Ltd., Hill Plantation Ltd.

Mr. Rahman acted as founder President of Japan-Bangladesh Chamber of Commerce and Industry and served from June, 2004 to March, 2006. He has served as President of Dhaka Chamber of Commerce and Industry for two consecutive terms in 2002-2003. At present Mr. Rahman is the Advisor of Japan-Bangladesh Chamber of Commerce and Industry and Thai-Bangladesh Chamber of Commerce and Industry.





Mr. Mohammed Mohsin

Mr. Mohammed Mohsin is a Sponsor Director of the Company. He is the Chairman of Mohsteel Ltd. and Ferro Alloy Co. Ltd. He is also the Chairman of Rahim Steel Mills Ltd. & Sonargaon Steels Ltd. and Director of Diamond Steel Products Co. (Pvt.) Ltd. He has a Membership of American Society of Mechanical Engineers. U.S.A and Association of Iron & Steel Engineers, U.S.A. He is the President of Small & Captive Power Association and Executive Member of American Chamber of Commerce.

Mr. S.D. Alam

Mr. S.D. Alam is a Sponsor Director of the Board of Directors of Eastern Insurance Company Ltd. He is also a Managing Director of M/s. Rangamati Motors Ltd. He was engaged with the business related to Ship building since 1966 and Assembler and Distributor of Trucks and Buses since 1972. Beside these, now he is involved with Trading Business. He was a freedom fighter and now the General Secretary of Dhaka Probashi Muktijuddha-Chattragram Anchol. He is an active member of TIB, Red-Crescent and Chittagong Lions Club. He is the Founder of Asrafi-Shamsul Alam Regd. Primary School.





Mr. Durand Mehdadur Rahman

Mr. Durand Mehdadur Rahman is a Sponsor Director of the Board of Directors of Eastern Insurance Company Limited. He is also the Deputy Managing Director of Uttara Group of Companies which comprised of about 15 nos. of Companies, viz Uttara Motors Ltd., Uttara Apparels Ltd., Uttara Services Ltd., Uttara Knitwears Ltd., Uttara Automobile Manufacturers Ltd., Uttara Tyre & Retreading Co. Ltd., Menoka Motors Ltd., Hall Marks Pharmaceuticals Ltd., Uttara Motors Corporation Ltd. etc. He is also a Director of Uttara Finance & Investments Ltd., National Life Insurance Co. Ltd., Uttara Exchange Securities Ltd., UGC Securities Ltd., Eastern Securities Ltd., Eastern Motors Ltd., Hill Plantation Ltd., Uttara HongKong JVC Ltd.



Mr. Khaled S. Ahmed

Mr. Khaled S. Ahmed is a Sponsor Director of the Board of Directors of Eastern Insurance Company Limited. He got his education from USA. He is a Director of Al-Haj Group of Companies. He is involved with the business related to Steel, Cold Storage, IT, Telecommunication, Trading etc. He is also a Director of United Hospitals Ltd., Gulshan, Dhaka.

Mr. M. Ahsan

Mr. M.Ahsan is a Sponsor Director of the Board of Directors of Eastern Insurance Company Limited. He is the Director of Hashem Electric Co. Ltd., Hashem Paper Mills Ltd. and Hashem Real Estate Co. Ltd.





Mr. Rawnak Karim

Mr. Rawnak Karim is a Sponsor Director of the Board of Directors of Eastern Insurance Company Limited. He is engaged in Leather and Real Estate related business.

AMAR STOCK



Mrs. Umme Kulsum Mannan

Mrs. Umme Kulsum Mannan is one of the Sponsor Director of the Company. She is the Vice Chairman of Sunman Group of Companies. The Group is actively engaged in Garments, Textiles, Pharmaceuticals, Aviation, Shipping, Leasing, Insurance, Beverage, IT, CNG, etc. She is also the Vice Chairman of Sunflower Life Insurance Co. Ltd.

Mrs. Rokeya Ferdous

Mrs. Rokeya Ferdous is a Director of the Board of Directors of Eastern Insurance Company Ltd. being nominated by Sunman Sweaters Ltd. She is also a Director of Sunflower Life Insurance Company Ltd. and Top Ten Media Ltd.





Mr. Mohammed Israil

Mr. Mohammed Israil is a Sponsor Director of the Board of Directors of Eastern Insurance Co. Ltd. He is also the Managing Director of Rahim Steel Mills Co. (Pvt.) Ltd., Diamond Steel Products (Pvt.) Ltd., Rahim Energy Ltd., Ferro Alloy Co. (Pvt.) Ltd. and Carbon Bangladesh (Pvt.) Ltd.

AMAR STOCK



Mr. A.K.M. Mohiuddin

Mr. A.K.M. Mohiuddin is a Director of the Board of Directors of Eastern Insurance Company Ltd. being nominated by Alpha Textiles Ltd. He is also a Director of Sunflower Life Insurance Company Ltd., South Asian Airlines Ltd., Sunman Shoes Ltd., Noakhali Export Processing Zone Ltd., Telecom Services Ltd.

Mr. Rais Uddin

Mr. Rais Uddin is a Director of the Board of Directors of Eastern Insurance Company Ltd. being nominated by Pioneer Dresses Ltd. He is also a Director of Sunflower Life Insurance Company Ltd., South Asian Airlines Ltd., Sunman Shoes Ltd.,Top Ten Media Ltd. and Delta Fashions Ltd.





Mrs. Zakia Rahman

Mrs. Zakia Rahman is a Director of the Board of Directors of Eastern Insurance Company Ltd. She is also a Director of Uttara Finance and Investments Ltd. She is honorable Director of different Companies of Uttara Group namely Uttara Motors Ltd., Uttara Apparels Ltd., Uttara Services Ltd., Uttara Knitwears Ltd., Uttara Automobile Manufacturers Ltd., Uttara Tyre Retreading Co. Ltd, Menoka Motors Ltd, Hall Marks Pharmaceuticals Ltd., Uttara Motors Corporation Ltd., Uttara HongKong JVC Ltd. etc.

AMARSTOCK



Mr. Kazi Imdad Hossain

Mr. Kazi Imdad Hossain is a Director of the Board of Directors of Eastern Insurance Company Ltd. being nominated by Uttara Apparels Ltd. He is the Executive Director of Uttara Motors Ltd. He is also a Director of Uttara Finance and Investments Ltd. and National Life Insurance Co. Ltd.

Mr. Nayeemur Rahman

Mr. Nayeemur Rahman is a Director of the Board of Directors of Eastern Insurance Company Limited. He got his education from England. Currently he is engaged with the HR & Brand Management of Uttara Group of Companies which comprised at about 15 nos. of Companies, viz Uttara Motors Ltd., Uttara Apparels Ltd., Uttara Services Ltd., Uttara Knitwears Ltd., Uttara Automobile Manufacturers Ltd., Uttara Tyre & Retreading Co. Ltd., Menoka Motors Ltd., Hall Marks Pharmaceuticals Ltd., Uttara Motors Corporation Ltd. etc.





Ms. Tazreen Rahman

Ms. Tazreen Rahman is a Director of the Board of Directors of Eastern Insurance Company Limited being nominated by Uttara Properties Ltd. She got her education from Australia and Canada. She is also engaged in teaching profession.



Mr. M. M. Murshid

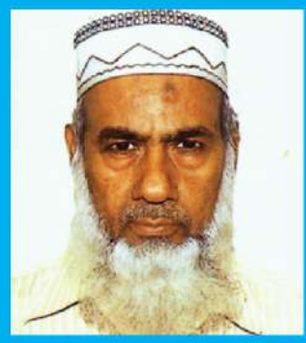
Mr. M.M. Murshid is the Independent Director of the Board of Directors of Eastern Insurance Company Ltd. He was the Managing Director of Sadharan Bima Corporation and Continental Insurance Ltd. He was the Chairman of Asian Re-insurance Corporation, Bangkok, Thailand. He is the former member and adviser of the following Organizations:

1) Board of Governors of Bangladesh Insurance Academy.
2) Board of Directors of ICB.
3) Board of Directors of National Tea Company Ltd.
4) Mercantile Insurance Co. Ltd.

Mr. Md. Murshed Hossain

Mr. Md. Murshed Hossain is the Independent Director of the Board of Directors of Eastern Insurance Company Ltd. He was the Secretary of Ministry of Religious Affairs, Govt. of the Peoples Republic of Bangladesh. He was also engaged with the following Organizations:

Chairman, Bangladesh Tariff Commission.
Director General, Islamic Foundation, Bangladesh.
Additional Secretary, Ministry of Finance.
Project Director, RIBEC- Reforms in Budgetary Expenditure Council.
Joint Secretary (Export), Ministry of Commerce.
Member (Finance), Rajuk, Dhaka.
Director General, Export Promotion Bureau, Dhaka.
Controller of Import & Export, Dhaka.
Commercial Secretary, Embassy of Bangladesh, Dakar.
Professor of Economics, Notre Dame College, Dhaka.
Professor of Economics, Comilla Victoria College, Comilla.



AMARSTOCK



OUR VISION

Our vision is to make Company an ideal one & create value for our clients and stakeholders.



OUR MISSION

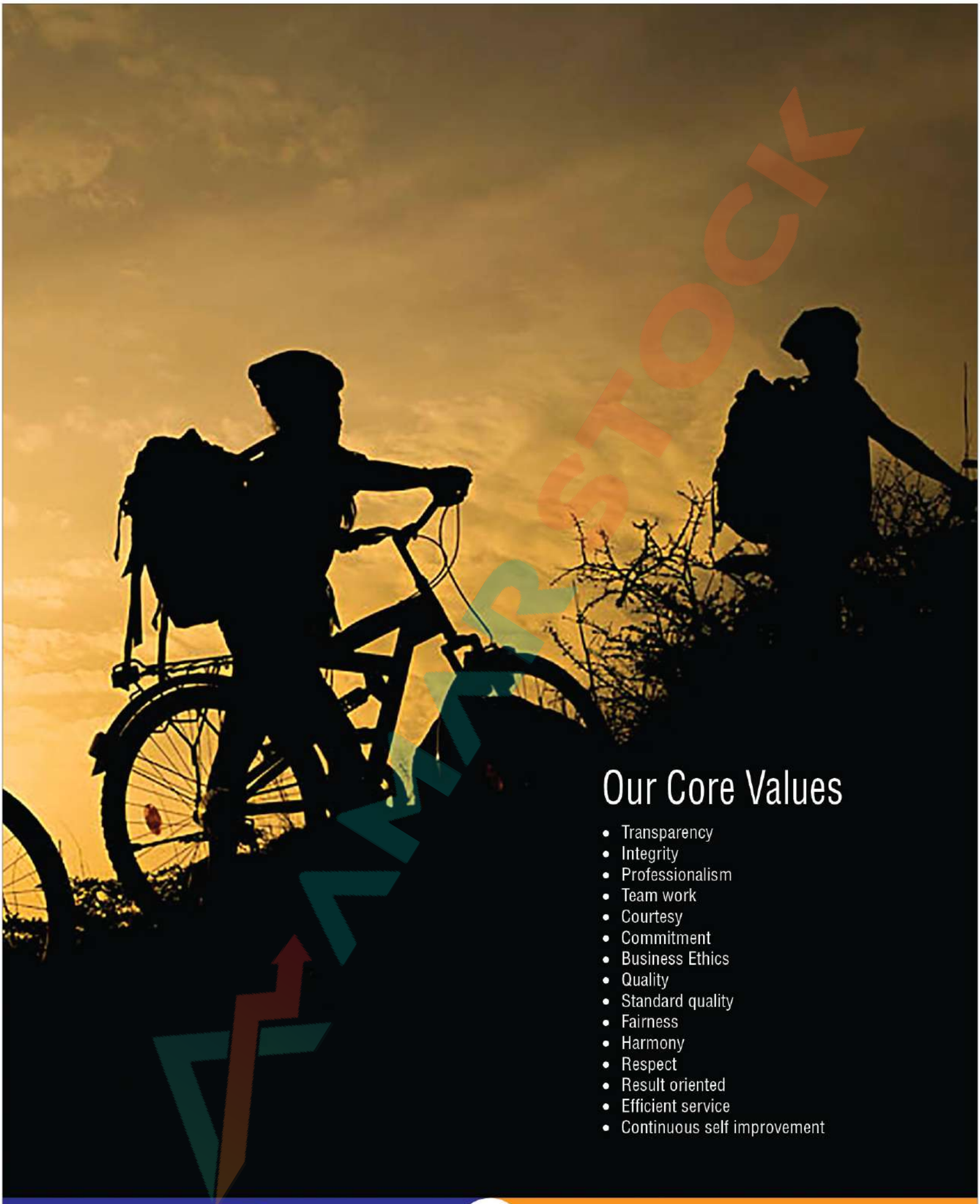
Our mission is to become most caring Insurance Company with dedication, dynami sm, innovation and client need based comprehensive service.



OUR OBJECTIVE

- To maximize our services for the benefit of our clients.
- To creat confidence and trust amongst the Insureds.
- To increase value added services.
- To maximize the profit of the Company.
- To strive for creating a healthier environment for all our stakeholders.

MAP STOCK



Our Core Values

- Transparency
- Integrity
- Professionalism
- Team work
- Courtesy
- Commitment
- Business Ethics
- Quality
- Standard quality
- Fairness
- Harmony
- Respect
- Result oriented
- Efficient service
- Continuous self improvement

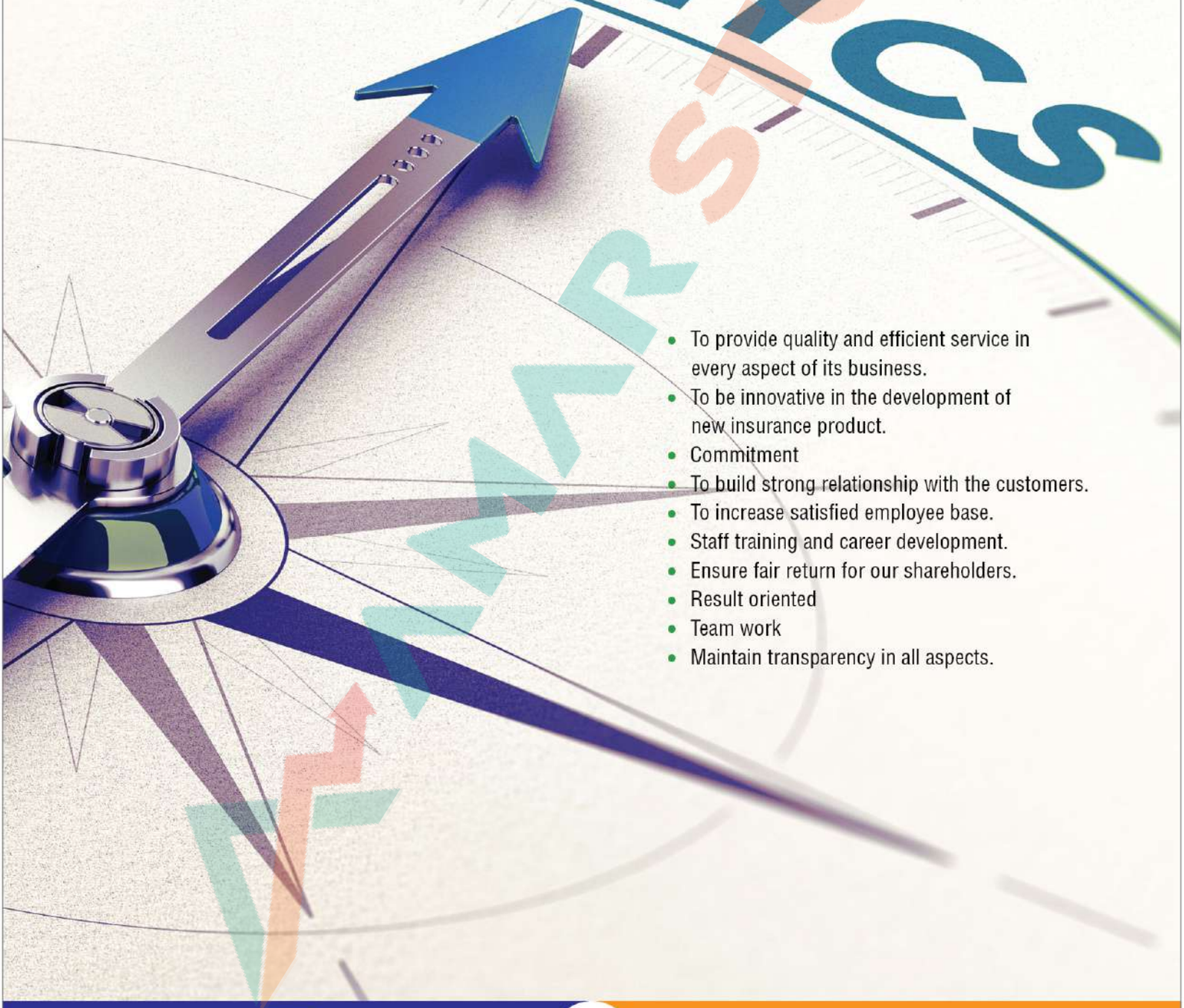


Our Core Strengths

- Highly experienced Board of Directors
- Strong capital base
- Strong liquidity position
- Effective internal control
- Professional and highly experienced Management
- Good corporate culture
- High team spirit
- Satisfied customer base
- Good risk Management

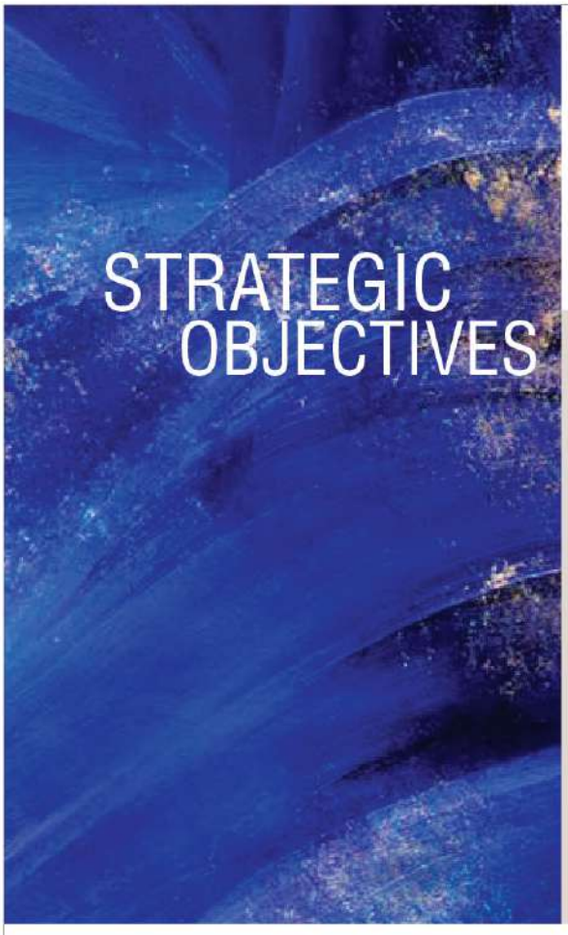
MARKET STOCK

BUSINESS ETHICS



- To provide quality and efficient service in every aspect of its business.
- To be innovative in the development of new insurance product.
- Commitment
- To build strong relationship with the customers.
- To increase satisfied employee base.
- Staff training and career development.
- Ensure fair return for our shareholders.
- Result oriented
- Team work
- Maintain transparency in all aspects.

MARKET STOCK



STRATEGIC OBJECTIVES

The interest of the shareholders and customers is supreme. We shall endeavor our utmost to render the best possible services to our clients and shall give them no cause for compliant relating to claim settlement or otherwise. It is because the re-insurance provide underwriting capacity to the Company.

The overall objectives of Management are to develop shareholders equity, improve customer satisfaction and relation and motivate employees as far as permissible by the financial resources available to the Company so that they shall be duly recompensed.

Observance of business ethics and profit generation are only two sides of the same coin. One is complementary to the other. By observing business ethics to the utmost extent possible, we hope to generate due margin of profit so as to pay dividend to the shareholders after having paid to the public exchequer and to build up free reserves for purpose of enhancing the financial strength of our Company. On priority basis, following objectives may be included:

- Make affordable insurance accessible to all.
- Be the most innovative in product development.
- Establishment of good Corporate Governance.
- To improve internal process to increase efficiencies.
- Improve Organizational Structure.
- Improve Information Technology.
- Develop overall services and maximize market share.
- Improve Marketing and Advertising strategy.
- Employ more professionals to achieve success in the business operation.
- Creation and expansion of brand image.
- To have all products meet standard of excellence guidelines.
- Improve financial analysis, controls and audit capability.
- Implement change faster.
- To continually learn and adopt current best practices.
- Transfer knowledge from leading edge clients.
- To align incentives and staffs reward with performance.
- Be responsible, trustworthy law- abiding in all that we do.
- Be leader in serving the interest of our Community and Country.
- To meet and exceed stakeholders expectations.
- To manage the affairs through institutional leadership.
- Be a respected, cultural and educated Company with a strong market position.
- To achieve zero defects in every thing we do.
- To do good business with good clients and of the highest integrity.

PRODUCTS AND SERVICES

CORPORATE



- Business interruption
- Industrial All Risk Insurance
- Property All Risk Insurance
- Electronic Equipment Insurance
- Erection All Risks
- Comprehensive General Liability
- Product & Public Liability Insurance
- Work Plant
- Hotel Owner's All Risks
- Event Cover
- Power Plant Operational Package Insurance

FINANCIAL



- Cash in Safe
- Cash in Transit
- Cash on Counter
- Burglary
- Fidelity Guarantee

CONVENTIONAL



- Fire Insurance
- Marine Cargo Insurance
- Marine Hull Insurance
- Motor Insurance a) Commercial
  b) Private c) Special Type Vehicle
- Aviation Insurance
- Personal Accident Insurance
- Workmen's Compensation
- Engineering Insurance (EAR, CAR, DOS, BPV, MBD, BI)
- Health Insurance
- Overseas Mediclaim Insurance



IMPORTANT EVENTS OF THE COMPANY

10.07.1985	:	Permission to form Insurance Company
07.06.1986	:	Certificate of Incorporation
15.07.1986	:	Commencement Certificate of Business
03.11.1988	:	Change of name from Eastern Union Insurance. Co. Ltd. to Eastern Insurance Co. Ltd.
31.10.1993	:	Public Issue
18.03.1994	:	Listing with DSE
12.11.1996	:	Listing with CSE
12.06.2011	:	Rights Shares Issue

CREDIT RATING

RATING :"AA+"

The Company has
been rated as grade-AA+
(Pronounced as Double "AA+")
by the Government approved Credit
Rating Agency (ACRSL)

Date of Rating : 10 Jan 2017

Rating Validity : 1 (One) Year

RATING SUMMERY
Long-Term : "AA+"
Short-Term : "ST-2"

RATINGS EXPLANATION :

AA+	**Long Term :** This category for an insurance company is considered to offer adequate safety for timely repayment of financial obligations. It differs from the highest-rated insurance company only to a small degree. It is judged to be of very high quality and is subject to very low credit risk.
ST-2	**Short Term :** High certainty of timely payment. Liquidity factors are strong and supported by good fundamental protection factors. Risk factors are very small.

PROFILE OF THE COMPANY

INTRODUCTION

Eastern Insurance Company Ltd. is one of the pioneer in general insurance business operating in the private sector of Bangladesh. The Company started its operation in the year 1986. The Authorized Capital of the Company is Tk.100,00,00,000.00 and Paid Up Capital is Tk.43,11,01,440.00. It is a Public Limited Company and listed with DSE & CSE in the year 1994 and 1996 respectively. The Company has a network of 25 Branches all over the Country covering all important business centers of the Country.

HISTORICAL BACKGROUND

After Liberation of Bangladesh in 1971 Bank and Insurance Companies were nationalized along with other sectors like Jute and Textile to give a socialistic flavors to the economy of the newly emerged nation which was electoral pledge of the then ruling Government. But with the changed global economic situation, Bangladesh Government decided to follow an open market economy right from the early eighties. Until 1986 both life and general insurance business were carried out in the Country by two state owned Corporations Jiban Bima Corporation and Sadharan Bima Corporation respectively. The beginning of 1986 witnessed emergence of a few Life and General Insurance Companies under Private Sector after passing of Insurance Amendment Act 1983 in 3rd Parliament of the Country.

Eastern Insurance Co. Ltd. is one of the first 10 Public Ltd. Companies, started operation in the year 1986 under the license of the Controller of Insurance. The Company is authorized to transact all classes of general insurance business. Since its emergence in 1986, the Company has earned wide reputation in the market for its strict adherence to business norms & ethics of insurance, personalized customer service and prompt and speedy disposal of claims. Now the name itself carries value to its customers. The experience gathered during the last 30 years of its operation and reputation earned gives a new dimension to its service rendered to its customer and it is now truly "a Symbol of Comprehensive Security" a slogan introduced by the Company right at the time of its birth.

VISION MISSION AND OBJECTIVE

The Sponsors of the Company represents different business sectors of the Country who felt the necessity of specialized service in the Risk Management of their own business enterprises as well as their peers in the business community. They also felt that the nationalized insurance sector would not be able to cater the need of changing demand of open market economy. The Vision, Mission and Objective of the Company are as follows

VISION

MISSION

Vision is to make the Company an ideal one & create value for our clients and shareholders.

Mission is to become most caring Insurance Company with dedication, dynamism, innovation and client need based comprehensive service.

OBJECTIVE

- To maximize our service for the benefit of clients.
- To create confidence and trust amongst the Insured.
- To increase value added services.
- To maximize the profit of the Company.
- To strive for creating a healthier environment for all our stakeholders.

Since its birth the Company strictly adheres to its goal and motto and earned a distinctive identity in the insurance arena of the Country as an ardent follower of rules and regulations and ethics of insurance. The Company always stands by its commitment of quality service. It believes that satisfaction of the clients is the lasting asset which values above all.

BOARD OF DIRECTORS

The Board of Directors of the Company comprise of 20 (Twenty) Directors including the Chairman and 2 (two) Independent Directors. The Directors of the Company represent different business groups of the Country having name and fame in the whole business arena of the Country. They are most successful people in their respective field of business and industry and enjoy reputation among the whole business community of the Country.

THE MANAGEMENT

The Company has a very smart and efficient Management team to run the affairs of the Company. Members of the team have long experience and expertise in the relevant fields of insurance and enjoy reputation in the whole market of insurance.

BUSINESS OPERATION

The Company operates its business through a network 25 Branches all over the Country. These branches can directly underwrite all classes of business under guidance and supervision of Head Office. In addition there is a special booth at Head Office to meet any emergency requirement of any client or to take care of any special or exceptional risk coverage as may require by any client.

The business operation of the branches are monitored and controlled by Head Office through Underwriting Department. While claims are directly handled by Claims Department of Head Office as a centralized process and practiced all over the world.

The Company is authorized to transact all classes of Non life insurance business with un-restricted limits having a very wide range of re-insurance coverage. Currently the Company provides various risk coverage at a very competitive premium rates within the tariff provisions in force.

RE-INSURANCE ARRANGEMENT

The Company has an extensive Re-Insurance Treaty arrangement with SBC for all classes of business. Re-Insurance provide technical assistance for assuming risks, developing rates and fixing up terms and conditions in case of non-tariff business. Our Government has permitted all Non life Insurance Companies for making re-insurance cessions with Foreign Reinsures up to their 50% portfolios. The Company is now capable to underwrite any high valued risk with the assistance of our local and overseas Re-Insurance.

BUSINESS DIVERSIFICATION

The Company has also diversified its business with a view to ensure participation in other field of national economy besides insurance business. It has become a member of Chittagong Stock Exchange in the year 1996 and as per BSEC's notification has formed a Subsidiary Company namely EIC Securities Ltd. to deal share trading related business. The Company has invested a substantial amount of its fund in land and share market. It is also a sponsor shareholder of National Housing Finance and Investment Ltd. It has a plan for a both long and short term investment in other sectors of business and industry.

CREDIT RATING

The Company has been rated as grade-AA+ (pronounced as Double "AA+") by the Government approved Credit Rating Agency (ACRSL) based on its premium collection, core services, financial strength and expeditious settlement of claims.

PROFILE OF THE TOP MANAGEMENT



Mr. Mohammad Haroon Patwary M.com, MBA
Chief Executive Officer

Mr. Mohammad Haroon Patwary, Chief Executive Officer, Eastern Insurance Company Limited, got his Graduate degree from Government College of Commerce, Chittagong. He obtained his Master's Degree in Management from University of Dhaka. Mr. Patwary has been working in the Insurance industry in various capacities, ranging from management trainee to Chief Executive Officer (CEO), over the past 32 years.

He started his career in the insurance sector with United Insurance Co. Ltd., Working in different departments viz, underwriting, re-insurance, accounts, branches operations etc. Before joining United Insurance, Mr. Patwary worked in BRAC as a Program Organiser for a year. In that time he has travelled extensively to rural areas of Bangladesh and has gotten immensely acquainted with the operations of Non-Governmental Organisations in Bangladesh.

Following his tenure at United Insurance Co. Ltd. Mr. Patwary joined Prime Insurance Co. as an AVP and then joined Agrani Insurance Co. Ltd. in 2000 as Senior Vice President. In Agrani Insurance, after a number of promotions, he took his charge as Deputy Managing Director followed by two years as Acting Managing Director. In 2008, he joined **Eastern Insurance Co. Ltd.** as **Additional Managing Director** and in 2010 got promoted to his current charge as Chief Executive Officer of the Company.

During his work as Chief Executive Officer of Eastern Insurance, Mr. Patwary also obtained his Master's in Business Administration (MBA) in **Human Resource Management (HRM)**. He is also currently enrolled in the Chartered Insurance Institute, UK and has already taken two exams. Mr Patwary is also Managing Director of **EIC Securities Limited** and Director at National Life Insurance Co. Ltd. He is a Rotarian and is Past President of Rotary Club of Eskaton, Dhaka. Mr. Patwary has travelled all over the world and has attended various courses, seminars, workshops both locally and internationally, gaining knowledge, experience and expertise in Insurance and other fields of Marketing and Human Resource Management.

He also involves himself in various social activities through:

• Life Member- Feni Samiti, Dhaka • Permanent Member- Feni Youth Summit, Dhaka • Permanent Member-Gulshan Youth Club, Dhaka • Permanent Member- Baridhara Cosmopoliton Club, Dhaka • Corporate Member- Uttara Club Ltd., Dhaka • Corporate Member- Sylhet Station Club, Sylhet • Member- Rotary Club of Eskaton, Dhaka • Life Member- Insurance Executive Club, Dhaka • Member- Rowshanabad Bahumukhi Shomobay Samiti Ltd., Feni.

PROFILE OF THE TOP MANAGEMENT



Mr. Mohammed Salim
Additional Managing Director

Mr. Mohammed Salim joined in Eastern Insurance Company Limited on May, 2008 as Additional Managing Director. Before joining he worked with Janata Insurance Company Ltd., Federal Insurance Company Ltd., Provati Insurance Company Ltd. and Sonar Bangla Insurance Company Ltd. He obtained his Master with Honors in Social Science from University of Chittagong. He has around 30 years of experience in the Insurance sector. He is involved with various social activities and Institutions.

PROFILE OF THE TOP MANAGEMENT



Mr. Md. Habib Jamal, FCA
Deputy Managing Director

Mr. Md. Habib Jamal a qualified Chartered Accountant is the Deputy Managing Director & Company Secretary of Eastern Insurance Company Limited. He started his Insurance career with Northern General Insurance Company Ltd in 1999 as Sr. Vice President (F&A). There after joined in Eastern Insurance Company Ltd. on 02.08.2003 as Sr. Vice President and gradually promoted to the rank of Deputy Managing Director. Before joining in the Insurance sector, he worked with International Food Policy and Research Institute (IFPRI), USA as Manager (Accounts). He has around 20 years of experience in the field of Finance, Accounts, Administration, Audit, Secretarial practices, Cost analysis, Taxation etc. He has attended various Courses/Seminars/Workshops organized by BIA, ICAB, ICSMB, CRICL etc.

PROFILE OF THE TOP MANAGEMENT



Mr. A.K.M. Yakub Sattar Chowdhury

Deputy Managing Director

Mr. A.K.M. Yakub Sattar Chowdhury joined in the Eastern Insurance Company Limited on October 2010. Before joining he worked with Agrani Insurance Company Ltd., Strategic Consulting Group (SCG), Hope Agro Industries Ltd., Suntrace Ltd., Bogra Metal Engineering Entrepreneurs Group (BMEEG), Bogra Metal Enterprises Development Project (BMEDP), National Association of Small & Cottage Industry of Bangladesh (NASCIB), Resource Exploration for Local Employment and Social Enhancement" (Release) a Local NGO. He was "Deputy Assistant Director" Directorate General of Forces Intelligence (DGFI) under the Ministry of Defense, GOV. He obtained his Master Degree in Social Science and Bachelor of Law Degree from University of Dhaka. He has been working in the Insurance sector for the last 11 years.

PROFILE OF THE TOP MANAGEMENT



Mr. Md. Iqbal Mahmud

Deputy Managing Director

Mr. Md. Iqbal Mahmud is the Deputy Managing Director of Eastern Insurance Company Limited. He obtained his Bachelor degree from a reputed University. He stated his Insurance career with Eastland Insurance Company Ltd. Thereafter he joined in Eastern Insurance Company Ltd. and has been serving since 1993. He is very much hard working, sincere and dedicated Executive. Due to this reason, he was promoted to the rank of different higher grades gradually and finally to the rank of Deputy Managing Director. He has around 27 years of experience in the Insurance sector.

PROFILE OF THE TOP **MANAGEMENT**



Mr. Md. Fazley Ali
Deputy Managing Director

Mr. Md. Fazley Ali is the Deputy Managing Director of Eastern Insurance Company Limited. He has been serving in the Company since 1988. Before joining in EICL he worked with BAVS Clinic. He has around 29 years of experience in the Insurance sector. He obtained his Master Degree from University of Dhaka. Due to his efficiency in the job, he was promoted to the rank of different higher grades and finally to the rank of Deputy Managing Director.

PROFILE OF THE TOP **MANAGEMENT**



Mr. Tushar Kanti Saha
Deputy Managing Director

Mr. Tushar Kanti Saha is the Deputy Managing Director of Eastern Insurance Company Limited. He got his graduation degree from a reputed University. He has around 28 years of experience in the Insurance sector. He has been serving in the Company since 1989. His dedication, hard working and sincerity helped him to get himself promoted to the rank of Deputy Managing Director. He has been rendering his excellent services to the clients and therefore obtained proper appreciation from the Management.

PROFILE
OF THE TOP
MANAGEMENT



Mr. Santosh Kumar Nandi
Deputy Managing Director

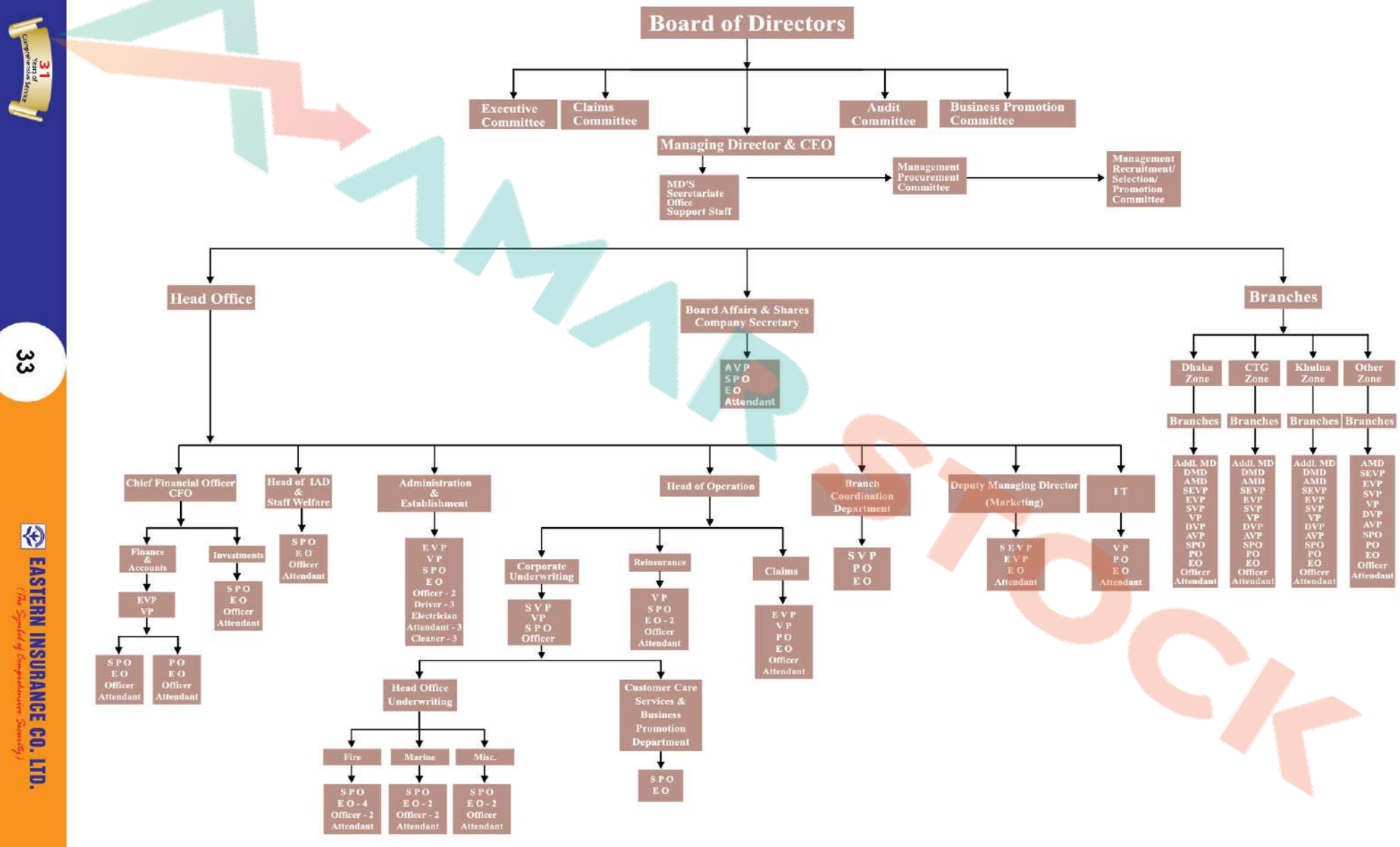
Mr. Santosh Kumar Nandi joined in the Eastern Insurance Company Limited on November 2016. Before joining he worked with Agrani Insurance Company Ltd. He has around 21 years of experience in he Insurance sector. He obtained his Master with Honors from University of Chittagong. He also obtained MBA and LLB degree from reputed University. He is engaged with different social activities and currently Life Member of Chittagong Lions Foundations, Bangladesh Red Cresent, Chittagong Academy, Chittagong Metropolitan Club, Diabetic Hospital etc.



EASTERN INSURANCE CO. LTD.
(The Symbol of Comprehensive Security)

EASTERN INSURANCE COMPANY LTD.

ORGANOGRAM



Head Office Management

Chief Executive Officer
MOHAMMAD HAROON PATWARY

Additional Managing Director
MOHAMMED SALIM

Deputy Managing Director
MD. HABIB JAMAL, FCA
A.K.M YAKUB SATTAR CHOWDHURY
TUSHAR KANTI SAHA
MD. IQBAL MAHMUD
FAZLEY ALI
SANTOSH KUMAR NANDI

Senior Vice President
KHAIRUL ALAM
PRABIR KUMAR CHAKRABORTY
SWARUP KUMAR SAHA, CFO

Branch Management

Senior Executive Vice President
HAFIZUR RAHMAN SK.
MD. SHAZZADUL ISLAM

Executive Vice President
MD. MOHOSIN CHOWDHURY
MD. SAIFUL ISLAM
FARHANA AFROZ
MD. SAHIDUR RAHMAN

Dy. Executive Vice President
GOLAM HAIDER

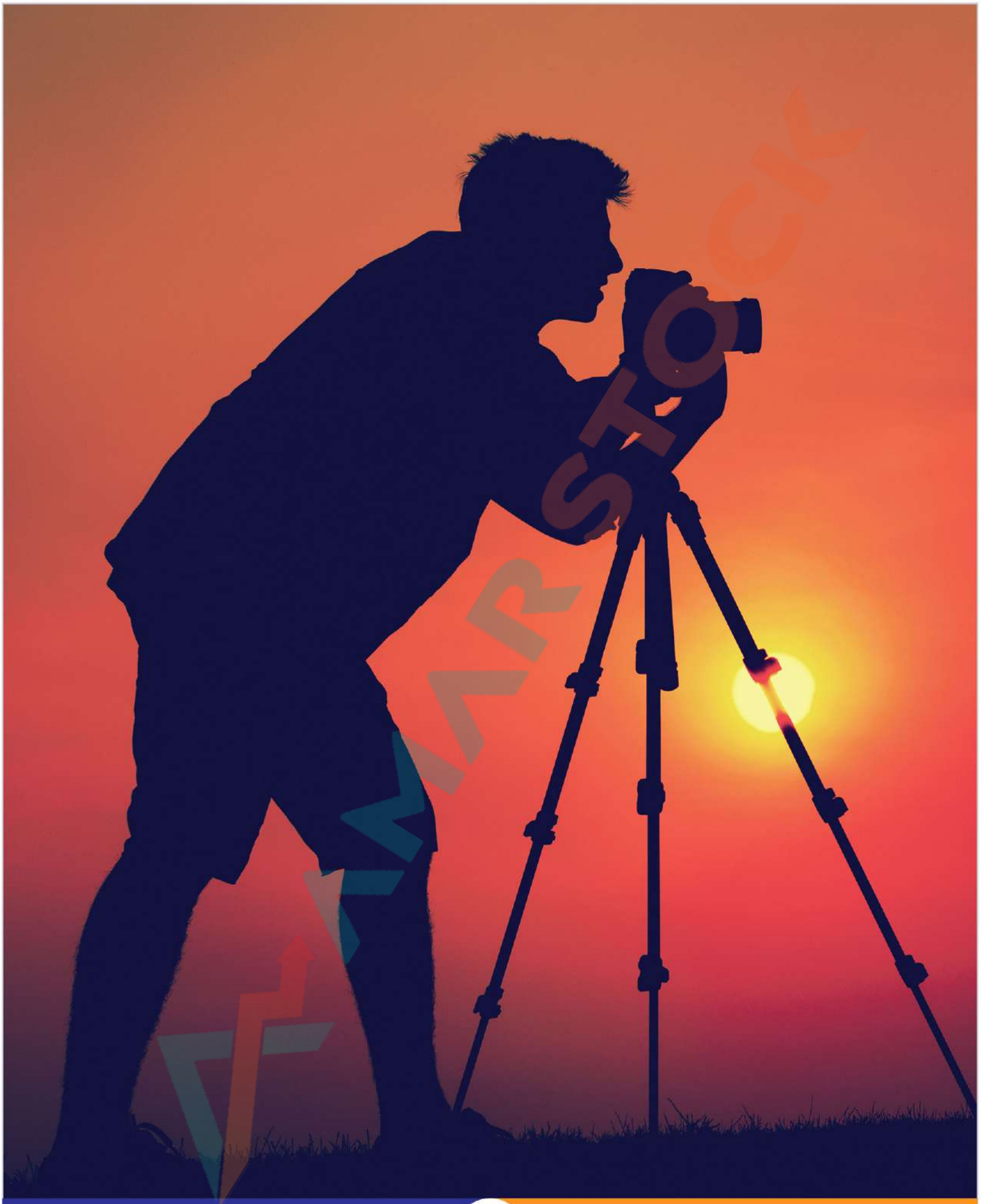
Senior Vice President
MD. LIAQUAT HOSAIN
MD. KAZI ZAFAR
MOFIZUL ISLAM
MD. ABDUL WAHED

Vice President
MD. MOHOSHIN ALI
GAZI WAHIDUR RAHMAN
NAZRUL ISLAM CHOWDHURY
MD. MYNUL HASSAN
SAYED SHAH ALAM
MD. ASHIQUR RAHMAN

Deputy Vice President
HASINA SAHABUDDIN

Asstt. Vice President
HASAN BAKE MASUD
MD. SHAFIQUL ISLAM
MURSHID ALAM
MD. ANOWARUL ISLAM
QAZI SHAZZADUR RAHMAN
FARIDA YASMIN
MD. NUR ALAM SARKER

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MANAGEMENT TEAM OF HEAD OFFICE

Left to Right

Khairul Alam, SVP (Admin)

Swarup Kumar Saha, SVP & CFO

Mohammad Haroon Patwary
Chief Executive Officer

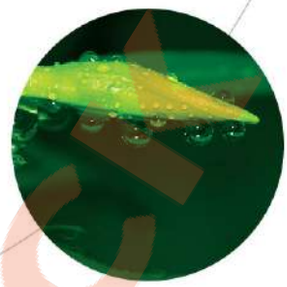
Md. Habib Jamal, FCA, DMD & CS

Prabir Kumar Chakraborty, SVP (U/W)

COMPANY'S PERFORMANCE

At a Glance

(Taka in Crore)



Items	2016 Taka	2015 Taka	2014 Taka	2013 Taka	2012 Taka	2011 Taka	2010 Taka
Gross Pemium	39.34	38.06	36.07	34.96	33.29	30.82	26.61
Premium Income less re-insurance	20.98	20.77	20.56	19.36	18.44	15.26	13.25
Claim raised	4.99	5.48	4.67	4.17	5.04	4.87	5.22
Underwriting Profit	7.17	7.11	7.35	7.12	4.41	2.04	0.94
Investment Income	12.13	10.08	9.78	9.87	10.22	8.78	7.62
Net Profit before Tax	18.35	16.27	16.21	15.62	13.67	9.65	7.58
Total Reserve and Fund	117.67	111.94	108.92	106.70	103.83	100.57	45.71
Deposit Premium	1.05	1.71	0.61	0.78	1.51	0.82	1.22
Investment in FDR, Shares,							
Securities & Bonds	168.97	164.38	158.27	149.48	139.86	125.11	47.22
Shareholders Equity	160.78	155.05	152.03	149.81	146.98	141.50	64.58
Total Assets	**209.22**	**204.91**	**197.83**	**190.90**	**182.46**	**166.07**	**86.91**
Others:							
Dividend in Percentage	**20% (C)**	**20% (C)**	**20% (C)**	**20% (C)**	**18% (C)**	**5%(B),10%(C)**	**10%(B),5%(C)**
Earning Per Share	3.33	2.70	2.52	2.46	2.22	2.32	3.74
Book Value Per Share	39.25	37.91	37.33	36.60	35.88	35.99	37.49
Number of Employees	343	342	337	340	337	325	403

INDICATORS OF COMPANY'S DIFFERENT GROWTH THAN THE PREVIOUS YEAR i.e. 2015



3%	Growth of Gross Premium
1%	Growth of Premium Income Less Re-Insurance
1%	Growth of Underwriting Profit
13%	Growth of Net Profit before tax
5%	Growth of Total Reserve & Fund
5%	Growth of Investment in FDR, Shares, Securities & Bonds
4%	Growth of Shareholders Equity
2%	Growth of Total Assets

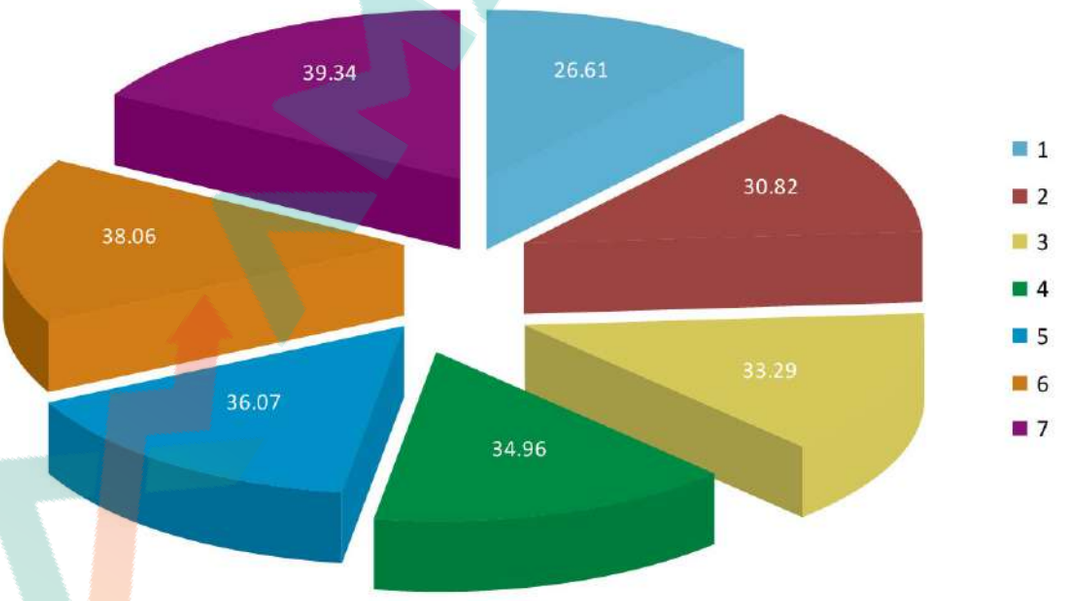
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PERFORMANCE AT A GLANCE



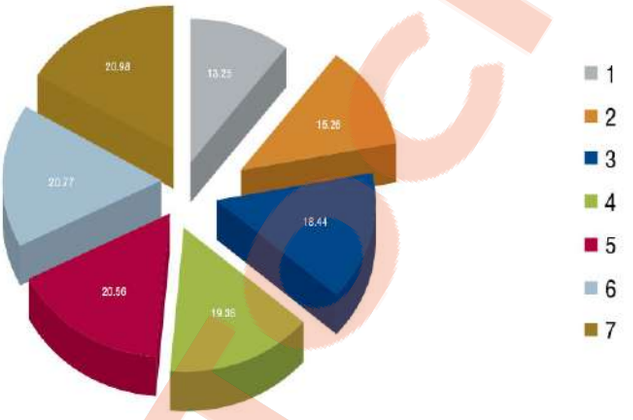
Gross Premium Income

Indicate	Year	Gross Premium Income
1	2010	26.61
2	2011	30.82
3	2012	33.29
4	2013	34.96
5	2014	36.07
6	2015	38.06
7	2016	39.34



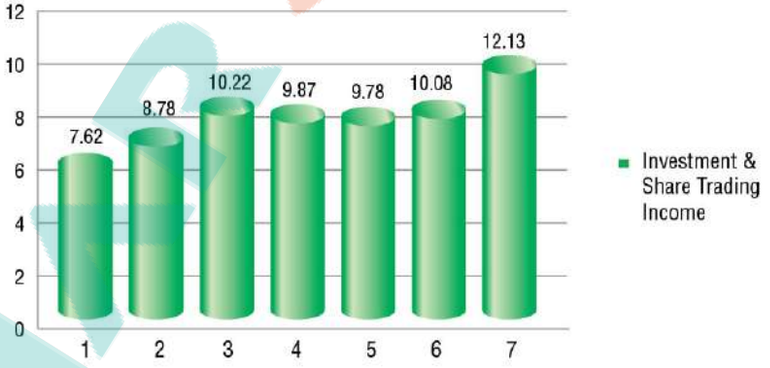
Net Premium Income

Indicate	Year	Net Premium Income
1	2010	13.25
2	2011	15.26
3	2012	18.44
4	2013	19.36
5	2014	20.56
6	2015	20.77
7	2016	20.98



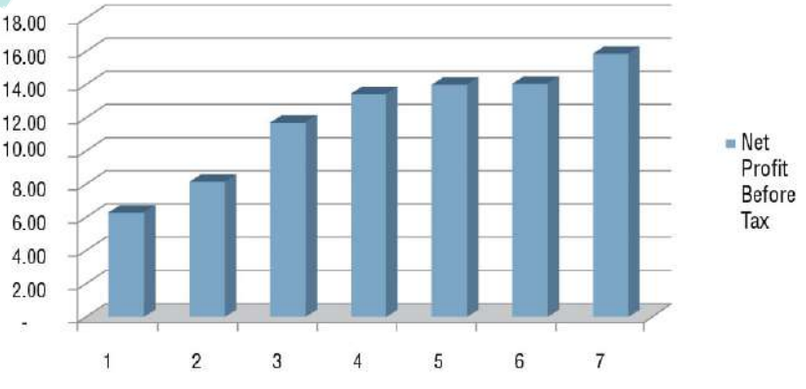
Investment & Share Trading Income

Indicate	Year	Investment & Share Trading Income
1	2010	7.62
2	2011	8.78
3	2012	10.22
4	2013	9.87
5	2014	9.78
6	2015	10.08
7	2016	12.13



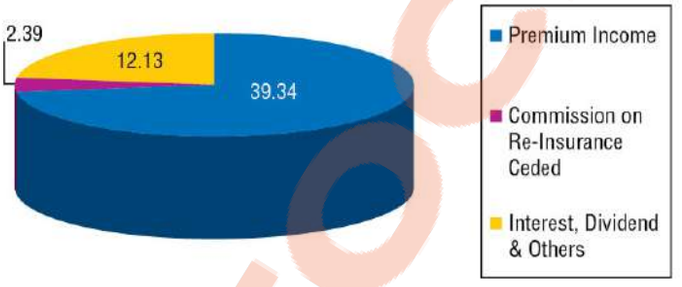
Net Profit Before Tax

Indicate	Year	Net Profit Before Tax
1	2010	7.58
2	2011	9.65
3	2012	13.67
4	2013	15.62
5	2014	16.21
6	2015	16.27
7	2016	18.35



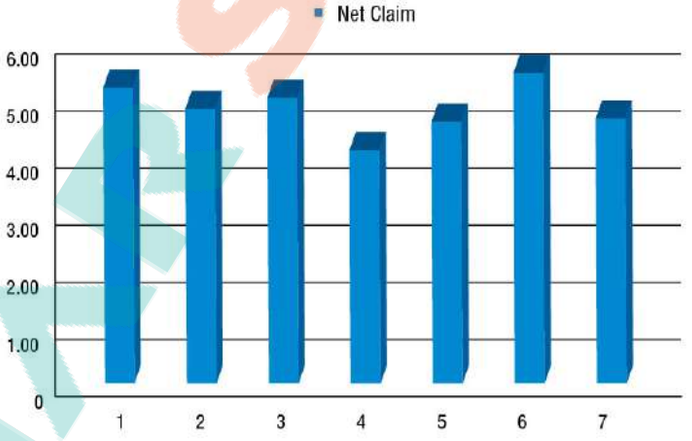
Income & its Sharing

		Tk (In crore)	%
1	Premium Income	39.34	73%
2	Commission on Re-Insurance Ceded	2.39	4%
3	Interest, Dividend & Others	12.13	23%



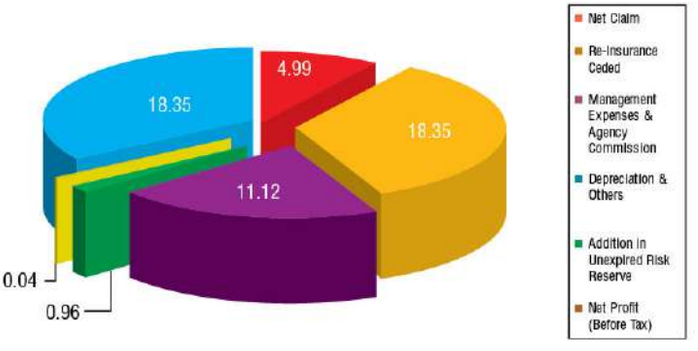
Net Claim

Indicate	Year	Net Claim
1	2010	5.22
2	2011	4.87
3	2012	5.04
4	2013	4.17
5	2014	4.67
6	2015	5.48
7	2016	4.99



Expenditure & Its Sharing

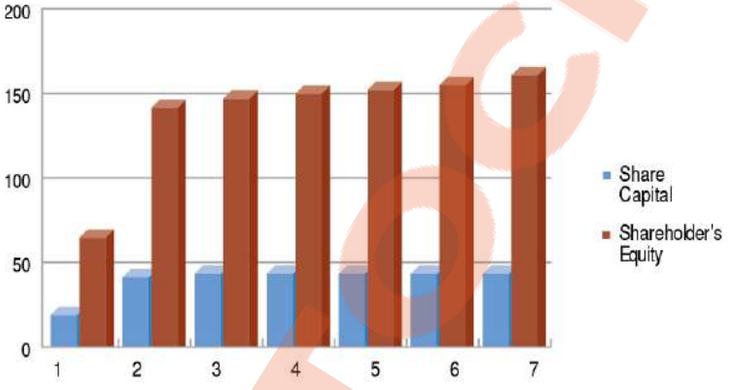
		Tk (In crore)	%
1	Net Claim	4.99	9%
2	Re-Insurance Ceded Management Expenses & Agency	18.35	34%
3	Commission	11.12	21%
4	Depreciation & Others	0.96	2%
5	Addition in Unexpired Risk Reserve	0.04	0%
6	Net Profit (Before Tax)	18.35	34%



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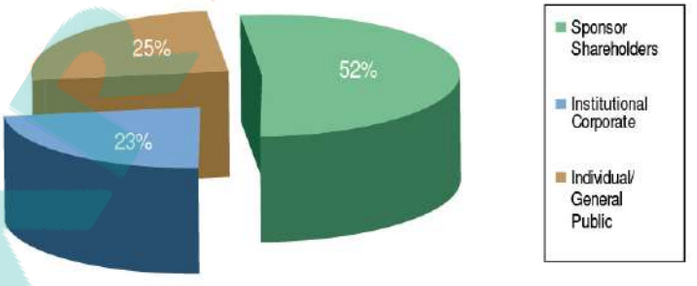
Capital & Shareholder's Equity

Indicate	Year	Share Capital	Shareholder's Equity
1	2010	18.66	64.58
2	2011	41.06	141.50
3	2012	43.11	146.98
4	2013	43.11	149.81
5	2014	43.11	152.03
6	2015	43.11	155.05
7	2016	43.11	160.78



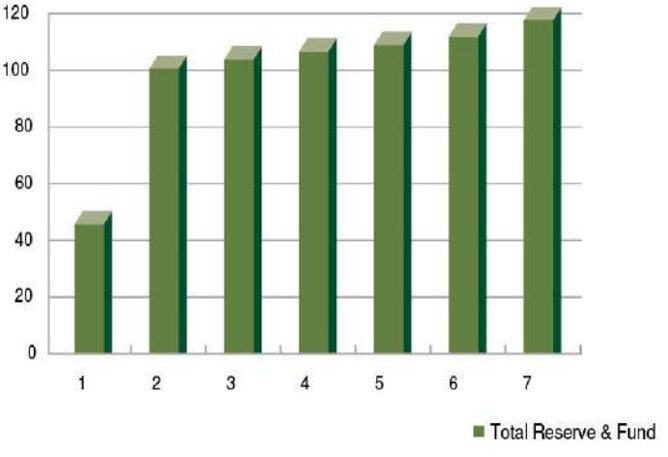
Shareholding Stracture-2016

		Tk (In crore)	%
1	Sponsor Shareholders	22.43	52%
2	Institutional Corporate	10.09	23%
3	Individual/General Public	10.59	25%



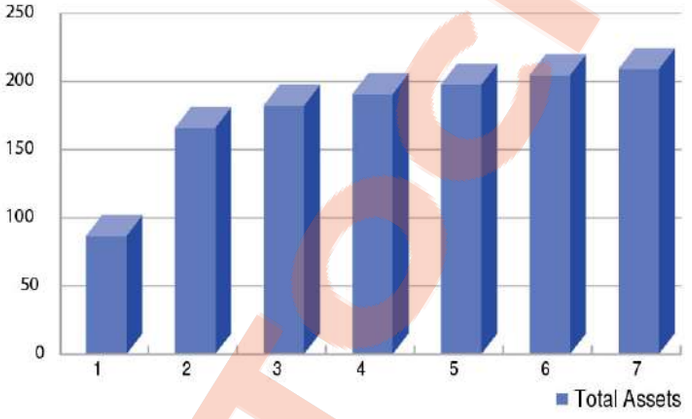
Total Reserve & Fund

Indicate	Year	Total Reserve & Fund
1	2010	45.71
2	2011	100.57
3	2012	103.83
4	2013	106.70
5	2014	108.92
6	2015	111.94
7	2016	117.67



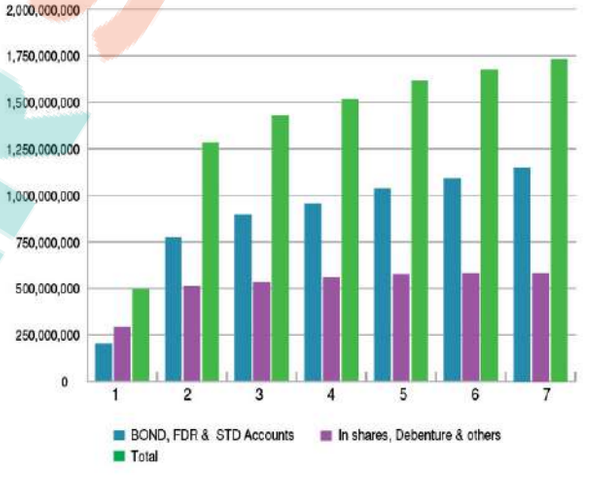
Total Assets

Indicate	Year	Total Assets
1	2010	86.91
2	2011	166.07
3	2012	182.46
4	2013	190.90
5	2014	197.83
6	2015	204.91
7	2016	209.22



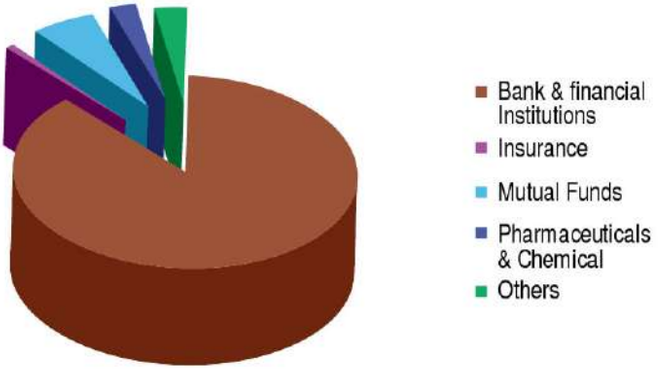
Investments in Shares & Bond, FDR, STD Accounts

Indicate	Year	BOND, FDR & STD Accounts	In shares, Debenture & others	Total
1	2010	203,992,265	291,882,523	495,874,788
2	2011	773,486,792	511,913,061	1,285,399,853
3	2012	897,066,463	532,639,166	1,429,705,629
4	2013	955,230,005	561,247,919	1,516,477,924
5	2014	1,037,395,867	577,290,802	1,614,686,669
6	2015	1,090,512,620	583,188,484	1,673,701,104
7	2016	1,148,386,536	583,387,748	1,731,774,284



Sectors wise Investments in Shares - 2016

Indicate	Items	Amount 2016
1	Bank & financial instututions	260,831,655
2	Insurance	2,360,816
3	Mutual Funds	17,874,202
4	Pharmaceuticals & Chemical	7,352,113
5	Others	9,059,762
Total		**297,478,548**





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ইস্টার্ন ইন্স্যুরেন্স কোঃ লিঃ
EASTERN INSURANCE CO. LTD.
(The Symbol of Comprehensive Security)
30 Years of Comprehensive Service
30th Annual General Meeting
2016
Date: 20 July 2016

SHARE HOLDERS' VIEW 30th ANNUAL GENERAL MEETING







ANNUAL BUSINESS CONFERENCE 2016









CSR ACTIVITIES 2016





Eastern Insurance Co. Ltd. distributed blankets among the winter affected poor people of Rangpur, Lalmonirhat and Kurigram. The organization donated the blankets as part of its corporate social responsibility activities.



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Mujibur Rahman
Chairman

CHAIRMAN'S MESSAGE

It is a great privilege and pleasure for me to meet you all in the 31st Annual General Meeting of the company. I take the opportunity to offer heartiest welcome to all of you here attending this meeting on my own behalf as well as on behalf of the Board of Directors of the Company. Before going to the subject, I would like to express my deep condolence to those members of the company who have departed from us during the last year. May Allah grant them eternal peace.

In spite of the adverse situations in the insurance sector, the company could able to underwrite moderate amount of business due earnest enthusiasm and relentless effort by all of our employees, support from the respected clients and the shareholders and above all, the valuable guidance and monitoring of the Board.

I express my profound gratitude to each of them and look forward to receiving their continuous support throughout the coming years.

The Board has taken certain steps to increase Company's gross premium income and also the retention. If this action plan can be implemented there will be increase of premium as well as profit.

According, to the notification of Bangladesh Securities and Exchange Commission (BSEC), the company has formed a subsidiary company in the name of EIC Securities Ltd. to carry out share trading business as stock broker and stock dealer. This company is now operating its business under Chittagong Stock Exchange Ltd. The financial statements and brief of business operations of this company is also placed with this Annual Report.

The Board of Directors recommended 20% cash dividend for the year 2016 subject to the approval of shareholders in the AGM. This declaration has been announced on the basis of assessing company's a) Revenues b) Cash flows c) Financial condition d) Capital requirement e) Current years' profitability f) Liability position g) Reserve h) Dividend consistency i) Future expansion plans etc.

You will also be appreciated to know that Eastern Insurance has been rated "AA+" by Argus Credit Rating Services Limited (ACRSL) based on its financial statements ended December, 2015 which indicates high claims paying ability, good financial performance and sound solvency position of the company.

We are very much confident that the company is poised to accept challenges of the future, capitalize the opportunities arising and maintain its momentums in growth of business and profitability in the years to come. We are most obliged and appreciative of the continued support and patronage received from our Clients and Shareholders and would look forward to continuation of the same.

Our object is to prove our efficiency and credibility to the clients by extending sincere and meritorious services to them. It is our motto to always extend advice on prudent underwriting in relation to insurance requirements of the client and make prompt settlement of the genuine claims.

In the end, I would like to offer my deep appreciation and sincere thanks to our valued clients, esteemed shareholders, my colleagues in the Board and the employees of the company for their continuous support and full co-operation.

With best regards



(Mujibur Rahman)
Chairman



Mohammad Haroon Patwary
Chief Executive Officer

MESSAGE FROM THE CEO

It is my great pleasure to present before you a short review on our Company's activities and its performance. Eastern Insurance left behind another year in terms of its quality business, product innovation & reinforcement.

You will be pleased to know that underwriting profit achieved by the company was Tk. 7.17 crore as against Tk.7.11 crore in 2015. Pre-tax profit increased to Tk. 18.35 crore from Tk. 16.27 crore in 2015. The underwriting result along with income from investment even in this tight insurance and investment market has exhibited positive growth. Total reserve has gone up to Tk. 117.67 crore in 2016 from Tk. 111.94 crore in 2015.

Though our major portion of premium in the year 2016 came from fire, marine and motor portfolios, we are continuously striving to do better in other class of business and of course with the diversification of our customer base. The company is working to introduce new products and services.

Our other goal of doing business is the speedy settlement of the claims. We believe that insurers must be seen as being in the business of indemnifying policyholders when misfortune strikes. Insurers have to pay valid claims quickly to the satisfaction of the clients.

We believe that adequate service levels, good corporate governance practices and compliance with regulations can have a significant impact on the company's sustainability. We always try to execute all operational regulations which are introduced by the Insurance Development and Regulatory Authority (IDRA) of Bangladesh.

Eastern aspires to reach the apex of highest standards of corporate governance in the insurance sector and apply the guidelines set out by the IDRA & BSEC.

You will also be glad to know that Eastern has been rated at "AA+" by Argus Credit Rating Services (ACRSL) based on its financial statements ended December, 2015. This rating has been assigned in consideration of its good fundamentals such as good financial & technical performance, sound solvency position, re-insurance arrangements with local and foreign re-insurers, sound internal control and experienced top Management etc.

As a whole 2016 was a challenging year for the economy due to unhealthy competition in the insurance industry, unhealthy trend in domestic capital market, several exchange rate fluctuation of foreign currency, inflation rate, affect of monitoring policy, continuous shortage of energy supply etc. Despite the above adverse situation in the economy and the imposition of some effective measures by Insurance Development and Regulatory Authority (IDRA) in the insurance industry the entire insurance sector in the country has moved ahead.

I wish to extent my thanks to the loyal, dedicated and committed staff of the Eastern family who often have gone above and beyond the call of duty to support the growth of the company. The working environment that exists in Eastern has contributed to strengthen the bonds between employees and I look forward to a continued commitment from all staff towards our success in 2017.

I would like to take this opportunity to express my deepest gratitude to all our stakeholders for their continued support and pledge. We also express our appreciation to the Regulator for their untiring efforts to improve the standards of the industry.

I conclude this Report with an expression of deep appreciation to our Chairman and Board of Directors for all the guidance given to me to steer Eastern Insurance towards grater levels of success.

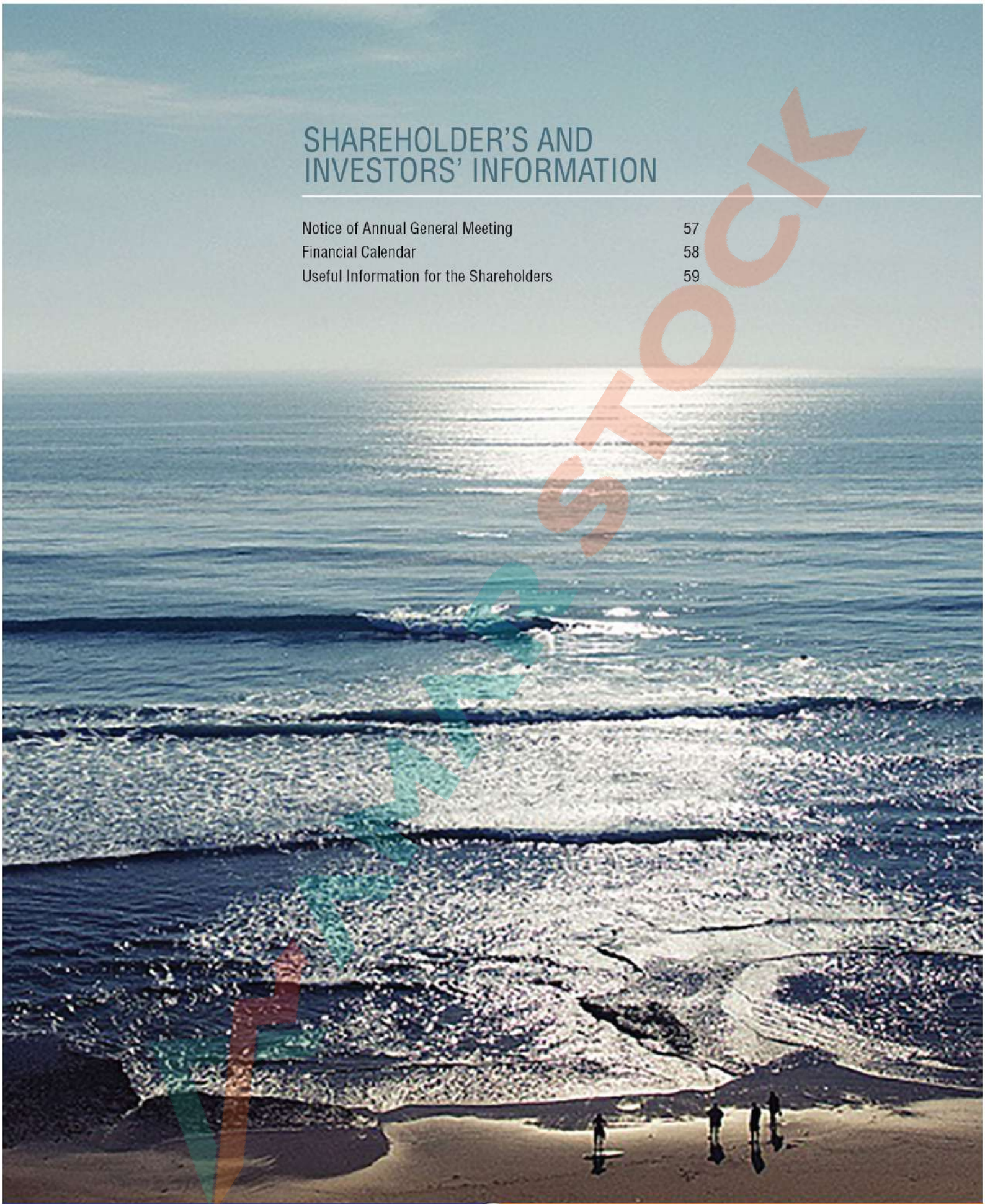
Thanking you,



(Mohammad Haroon Patwary)
Chief Executive Officer

SHAREHOLDER'S AND INVESTORS' INFORMATION

Notice of Annual General Meeting	57
Financial Calendar	58
Useful Information for the Shareholders	59



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EASTERN INSURANCE CO. LTD.

(The Symbol of Comprehensive Security.)

Registered Office: 44, Dilkusha Commercial Area, (2nd Floor), Dhaka-1000.

NOTICE OF THE 31 ANNUAL GENERAL MEETING

Notice is hereby given that the 31 ANNUAL GENERAL MEETING OF EASTERN INSURANCE COMPANY LTD. will be held on July 25, 2017, Tuesday at 11:00 a.m at Spectra Convention Centre Ltd., House-19, Road-7, Gulshan-1, Dhaka-I212 to transact the following business:

I. To receive, consider and adopt the Directors Report and the Audited Accounts of the Company and Auditors Report thereon for the year ended 31 December 2016.

2. To declare Dividend for the year 2016.

3. To appoint Auditors for the year 2017 and fix up their remuneration.

4. To elect Directors as per Articles of Association of the Company.

Dated: Dhaka
The 27th April, 2017

By order of the Board of Directors
Sd/-
(Md. Habib Jamal, FCA)
Company Secretary

i) The 'Record Date' is fixed on Wednesday, the 7th June, 2017. The Shareholders, whose names will appear in the Share Register of the Company (Certificate & Depositary) at the close of business on the record date, will be eligible to attend the meeting and dividend.

ii) A member entitled to attend and vote at the meeting may appoint another person as his/her proxy to attend and vote on his/her behalf. The Proxy Form duly stamped must be deposited at the Company's Registered office not later than 48 (Forty Eight) hours before the time scheduled for the meeting.

iii) Entry to the Annual General Meeting is reserved only for the Shareholders or his/her proxy. No Guests and Children shall be allowed entrance in the meeting.

iv) **As per BSEC's notification No. SEC/CMRRCD/2009-193/154 dated 24th October, 2013 "No Benefit in cash or kind, other than in the form of cash dividend or stock dividend, shall be paid to the holders of equity securities."**

FINANCIAL CALENDAR



	2012
Announcement of 2011 final result	28th April, 2012
Record Date	15th May, 2012
Annual Report 2011 dispatched	12th June, 2012
26th Annual General Meeting	26th June, 2012
Transfer of Stock dividend 2011 to BO Accounts	18th July, 2012

	2013
Announcement of 2012 final result	29th April, 2013
Record Date	15th May, 2013
Annual Report 2012 dispatched	23rd June, 2013
27th Annual General Meeting	7th July, 2013
Cash dividend 2012 dispatched	25th July, 2013

	2014
Announcement of 2013 final result	28th April, 2014
Record Date	15th May, 2014
Annual Report 2013 dispatched	8th June 2014
28th Annual General Meeting	24th June 2014
Cash dividend 2013 dispatched	20th July 2014

	2015
Announcement of 2014 final result	29th April, 2015
Record Date	19th May, 2015
Annual Report 2014 dispatched	6th July 2015
29th Annual General Meeting	23rd July 2015
Cash dividend 2014 dispatched	20th August 2015

	2016
Announcement of 2015 final result	27th April 2016
Record Date	19th May, 2016
Annual Report 2015 dispatched	29th June 2016
30th Annual General Meeting	20th July 2016
Cash dividend 2015 dispatched	16th August 2016

	2017
Announcement of 2016 final result	27th April 2017
Record Date	7th June, 2017

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USEFUL INFORMATION FOR THE SHAREHOLDERS

THE HISTORY OF RAISING OF SHARE CAPITAL OF EASTERN INSURANCE COMPANY LIMITED

One of the prime objectives of Eastern Insurance Company Limited is to provide consistently good return to its shareolders. Below are the dividend and capital raising history. From the history it may be observed that company has been maintaining a stable and attractive dividend policy in line with the sound underwriting and investment results. The Company has also adhered to a policy of timely preparation of its Accounts and holding of AGM, as may be noted from the Financial calendar below :

Date	Particular	No. of Shares	Value in Taka	Cumulative Paid-up-Capital
1986	As Per MOA & AOA	300,000	30,000,000	30,000,000
1994	Initial public offerings	300,000	60,000,000	60,000,000
2004	25% Bonus shares	150,000	15,000,000	75,000,000
2005	20% Bonus shares	150,000	15,000,000	90,000,000
2006	20% Bonus shares	180,000	18,000,000	108,000,000
2007	20% Bonus shares	216,000	21,600,000	129,600,000
2008	20% Bonus shares	259,200	25,920,000	155,520,000
2009	20% Bonus shares	311,040	31,104,000	186,624,000
2010	Rights shares(1:1)	1,866,240	186,624,000	373,248,000
2010	10% Bonus & 5% Cash	373,248	37,324,800	410,572,800
Converted to Tk. 10 per share				
2011	5% Bonus & 10% Cash	2,052,864	20,528,640	431,101,440
2012	18% Cash dividend	-	-	-
2013	20% Cash dividend	-	-	-
2014	20% Cash dividend	-	-	-
2015	20% Cash dividend	-	-	-
2016	(Proposed) 20% Cash dividend			

CORPORATE GOVERNANCE & FINANCIAL HIGHLIGHTS

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ANNUAL STOCK

REPORT OF THE BOARD OF DIRCTORS

FOR THE YEAR ENDED
31st DECEMBER, 2016

Bismillahir Rahmanir Rahim,

Dear Shareholders,
Assalamu Alaikum

On behalf of the Board of Directors of Eastern Insurance Company Limited and on my own behalf I have pleasure to welcome you all in this 31st Annual General Meeting of your company and thank you for making it convenient to attend the same.

The activities of Eastern Insurance Company Limited for the year 2016 has been reviewed by the Board of Directors and I take this opportunity to present before this august house the thirty first Annual Report together with Audited Accounts of the company for the year.

WORLD ECONOMY

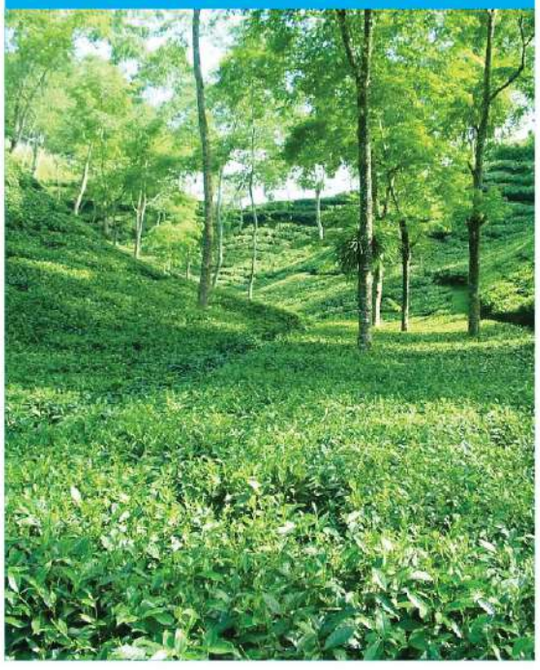


In 2016, there were new uncertainties concerning the global economy not the least of which is the British referendum in which a majority voted to exist the European Union. This raises questions about the short and long term outlooks for Britain, the future of the Euro zone and the future of globalization and economic integration. Other issues of concern include surprisingly weak job numbers in the United States, continued deflationary pressures in the Euro zone economy and rising corporate debt in China.

These issues were affected the decisions of policy makers and as a consequence, the outlook for the global economy. Other issues that had been top of mind only a few months ago seen to have disappeared from the headlines: Oil prices, the Chinese currency, emerging market debt and the recession in Russia.

The Asian Development Bank (ADB) trimmed its 2016 growth estimate for India to 7 percent from the previous 7.4 percent on account of demonetizations, weak investment and agricultural slowdown. The voiding of old 500 and 1000 rupees notes affected largely cash based sectors in the country including small and medium scale businesses. The effects of the demonetization transition are expected to be short- lived and the Indian economy is expected to grow at 7.8 percent in 2017. ADB forecasts that South Asia is the most dynamic part of the region, with growth expected at 6.6 percent in 2016, down from the previous forecast of 6.9 percent. South Asia's growth is estimated at 7.3 percent in 2017, China is on course to grow 6.6 percent in 2016 and 6.4 percent in 2017.

BANGLADESH ECONOMY



Bangladesh's GDP growth accelerated to 7.1% in 2016 from 6.6% in 2015. Bangladesh's GDP growth is expected to moderate to 6.9% in 2017 remain unchanged in 2018. Productive jobs need to be created who join the workforce each year.

Despite global headwinds that crimped remittances, GDP recorded robust growth in FY 2016 on higher private investment and exports. The current account surplus expanded and inflation slowed. Continued high growth will require a rebound in remittances and higher exports. Productive jobs are needed in manufacturing and modern services for the large number of new entrants to the labor force and surplus farm labor and to boost female workforce participation.

Private consumption continued to be fundamental for the economy in FY 2016, fueled by low price pressures and higher public sector wages, and exports also performed solidly. However, due to economic dead lock in the gulf countries caused by the commodities crisis, Bangladesh is locking an important inflow of remittances that could give a further boost to house hold consumption.

Besides, the rise of domestic security threats by the series of domestic terror attacks raised some uncertainties within the local industries along with the foreign investment. In addition, huge amounts of idle money piled up in the banking system also engendered an overall pessimistic investment climate.

INDUSTRY OUTLOOK

Last couple of years, whole Insurance Industry of Bangladesh has been facing tough competition as because size of Insurance Market is very small. Beside this, global economic up and down trend and need of Government facilities in local investment and Industrial movement also affecting the insurance business.



The current state of affairs of general insurance market of Bangladesh is far from satisfactory. The cut-throat competition amongst the insurance companies has started again.

In spite of the above barricades, your company has endeavor its best to consolidate its position and could secure growth because of continuous efforts of Board of Directors and the Management. The Gross Premium Income of the Company has increased to Tk.39.34 crore from Tk. 38.06 crore of last year. The Net Profit of the Company is Tk. 18.34 crore against Tk. 16.27 crore of last year.

The Insurance Regulator, Insurance Development and Regulatory Authority (IDRA) has taken serious of measures to bring about many positive changes including prohibiting credit business, streamlining agent commission, protecting tariff violation etc. The Government and the IDRA should continue their efforts to contribute much in their respective areas for the development of Insurance Industry. The Government will have to take steps for formulation of policies conductive to the insurance business. The Regulatory Body will guide Insurance Companies to execute the policies of the Government and compliances of Insurance Act, 2010. The Bangladesh Insurance Association (BIA) will have to co-operate whole heartily in the insurance business smoothly complying with the rules/regulations of Insurance Act, 2010 and the Insurance Companies will have to take the responsibilities of running the business effectively and properly.

COMPANY'S PERFORMANCE AT A GLANCE

		2016	2015
Gross Premium	Tk.	393,366,679	380,599,944
Re-Insurance Premium Ceded	Tk.	183,548,167	172,872,917
Investment Income	Tk.	79,487,282	95,341,531
Share Trading Profit	Tk.	41,893,678	5,467,337
Net Profit	Tk.	183,481,689	162,724,765
Reserve for Unexpired Risk	Tk.	84,302,563	83,890,000
Reserve for Exceptional Losses	Tk.	238,732,297	199,395,629
Total Assets	Tk.	2,092,167,050	2,049,062,810

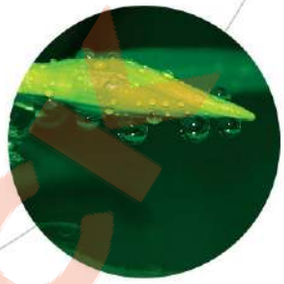
RELEVANT BUSINESS FIGURE FOR THE YEAR 2016

Particulars	Fire	Marine	Miscellaneous	Total 2016	Total 2015
Direct Premium	169,368,206	128,598,647	95,399,826	393,366,679	380,599,944
Total Premium Underwritten	169,368,206	128,598,647	95,399,826	393,366,679	380,599,944
Re-Insurance ceded to SBC	102,260,387	48,749,507	32,538,273	183,548,167	172,872,917
Premium Retained	67,107,819	79,849,140	62,861,553	209,818,512	207,727,027
Comm. earned on Re-Ins. Ceded	11,305,315	8,534,785	4,085,287	23,925,387	22,958,780
Claim less Re-Ins.	37,208,184	2,404,477	10,287,138	49,899,799	54,842,607
Management Expenses	25,245,671	19,168,646	14,220,099	58,634,416	58,143,919
Underwriting Profit / (Loss)	(6,243,881)	46,378,043	31,596,842	71,731,004	71,080,843

FIRE INSURANCE BUSINESS

The Company has underwritten total fire insurance premium of Tk. 169,368,206.00 including an amount of Tk. 3,227,271.00 from the public sector. After ceding re-insurance premium of Tk. 102,260,387.00, the net fire premium income stood at Tk.67,107,819.00. During the year, net amount of claim for Tk.37,898,929.00 was accounted for against this class of business





MARINE CARGO INSURANCE BUSINESS

The Company has underwritten total marine cargo insurance premium of Tk.125,343,984.00 including an amount of Tk.16,978,825.00 from the public sector. After ceding re-insurance premium of Tk. 46,120,107.00, the net marine cargo premium income stood at Tk.79,223,877.00. During the year, net amount of claim for Tk.1,200,978.00 was accounted for against this class of business.

MOTOR INSURANCE BUSINESS

The Company has underwritten total motor insurance premium of Tk.61,856,700.00 including an amount of Tk. 2,158,473.00 from the public sector. After ceding re-insurance premium of Tk.4,731,304.00, the net motor premium income stood at Tk.57,125,396.00. During the year, net amount of claim for Tk.13,818,455.00 was accounted for against this class of business.

CLAIMS

During 2016, the Company has accounted for net claims of Tk.52,937,017.00 after adjustment of recoveries made from the Re-Insurer. The Claims Department of the Company is equiped with numbers of experienced Professonals. Eastern Insurance Co. Ltd. has achieved in creating reputation for its expeditions settlement of claim.

MARINE HULL INSURANCE BUSINESS

The Company has underwritten total marine hull insurance premium of Tk. 3,254,663.00 including an amount of Tk. 357,628.00 from the public sector. After ceding re-insurance premium of Tk.2,629,400.00, the net marine hull premium income stood at Tk. 625,263.00. During the year, net amount of claim for Tk.136.00 was accounted for against this class of business.

MISCELLANEOUS INSURANCE BUSINESS

The Company has underwritten total miscellaneous insurance premium of Tk.33,543,126.00 including an amount of Tk.19,734,297.00 from the public sector. After ceding re-insurance premium of Tk. 27,806,969.00, the net miscellaneous premium income stood at Tk.5,736,157.00. During the year, net amount of claim for Tk.18,519.00 was accounted for against this class of business.

PROFIT & LOSS ACCOUNT

The Company earned a net profit of Tk. 18.35 Crore during the year under review as under:

	2016 Taka	2015 Taka
Income from Investment	121,380,960	100,808,868
Underwriting Profit/(Loss)	71,731,005	71,080,843
	193,111,965	171,889,711
Less: Management Expenses (Not applicable to any particular fund or account)	9,630,276	9,164,946
Profit before taxation and appropriation	183,481,689	162,724,765
Current year's profit as above	183,481,689	162,724,765
Deferred Tax Income/(Expenses)	(33,311)	218,426
Un appropriated profit of last year	383,044	956,224
	183,831,422	163,899,415
The above Profit of the Company has been appropriated as under		
Reserve for exceptional losses	39,336,668	20,772,703
Provision for Taxation	40,000,000	46,523,380
General Reserve	15,000,000	10,000,000
Cash Dividend	-	86,220,288
Balance Carried to Balance Sheet	89,494,754	383,044
	183,831,422	163,899,415

DIVIDEND

Considering the operational result of the Company for the year 2016 as reflected in the Balance Sheet the Board of Directors recommended 20% Cash Dividend for the year 2016.

AUDITORS

The Auditors M/S. Mahfel Huq & Co., Chartered Accountants retire as Auditors, and being eligible, offer themselves for re-appointment for the year 2017.

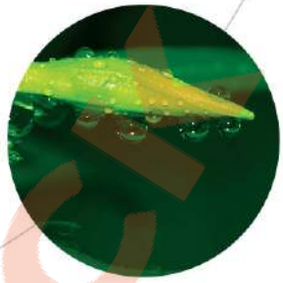
CAPITAL

The Authorized Capital of the company is Tk.100.00 crore and Paid-up capital is Tk.43.11 crore.

STOCK DIVIDEND

The Board refers to the Auditor's Report in regard to show stock dividend as income and like to clarify that the Company has accounted for the same as per current market practice followed by most of the Companies listed with the Stock Exchanges.





PROVISION FOR GRATUITY

The Board refers to the Auditor's Report as regard provision of gratuity and like to clarify that the Company used to settle the gratuity on cash basis from year to year. SEC has imposed a condition to make provision for gratuity. In line with their advice the Company has got its gratuity rules duly approved by the N.B.R and made provision for Tk. 12,50,000 during the year under report. The Company also expects to replenish the balance fund within a shortest possible time.

CORPORATE GOVERNANCE

The Board of Directors is committed towards maintaining an effective Corporate Governance Structure and Process. The Company's operations are directed and controlled with in the Corporate Governance Guidelines.

HUMAN RESOURCE

The Company's Human Resource Policy is driven to reach its Corporate goals and objectives by including a strong value system and ethics in our employees. The Company is focused on developing employee abilities in optimising results.

STATUTORY PAYMENTS

The Directors are satisfied that all Statutory Payments to the Government and other statutory institutions including employee related payments have been made in time to time to the best of their knowledge and belief.

INVESTMENT

In addition to investment of Tk. 25,000,000 with Bangladesh Bank in the form of Govt. Treasury Bond as Statutory Deposit, the Company mainly invested its Fund in Fixed Deposit, Shares, Debentures and STD Accounts with various Banks. Besides the Company has purchased a prime piece of land for Building Commercial Complex Cum-Head Office in the heart of City. The position of total investment at cost is as under:

	2016 Taka	2015 Taka
National Investment Bond	25,000,000	25,000,000
Fixed Deposit with various Banks	1,081,300,000	1,035,650,000
Balance in Different STD Accounts	42,086,536	29,862,620
Balance in Different CD Accounts	5,824,476	1,561,213
Shares in Public Co.(at cost)	296,693,323	296,494,059
Debentures	785,224	785,224
Shares & Deposit Money in Subsidiary Company	285,909,200	285,909,200
Land	226,875,000	226,875,000
	1,964,473,759	1,902,137,316

MOTOR VEHICLES

At present the Company has 26 nos of Vehicles and total purchase cost of the same was Tk. 3.49 crore only. Purchases cost none of these have been exceeded than the value as determinated by IDRA. All the vehicles were acquired through lease finance arrangements.

SUBSIDIARY COMPANY

The Company has formed a Subsidiary Company in the name of EIC Securities Ltd. which is now operating its business activities in the Chittagong Stock Exchange Ltd. Financial Statements of EIC Securities Ltd. for the year 2016 is also enclosed with this Annual Report for necessary information and disclosures.

We also report in compliance to S.E.C's Notification that:

i) The financial statements prepared by the Management of the company present fairly its state of affairs, the result of its operations, cash flows and changes in equity.

ii) Proper books of accounts of the Company have been maintained.

iii) 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.

iv) International Accounting Standards, as applicable in Bangladesh, have been followed in preparation of the financial statements and any departure there from has been adequately disclosed.

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

vi) There are no significant doubts upon the Company's ability to continue as a going concern.

vii) There are no significant deviations from last year in operating result of the Company.

viii) The key operating and financial data of preceding five years have been provided at Annexure-A.

ix) During the year ended December 31, 2016, the Board of Directors held 6 (Six) meetings and the Directors serving on the Board attended in aggregate 62 % of the total number of meetings.

x) At December 31, 2016, the patterns of shareholding are given below:

a) Shareholdings of Parent/Subsidiary/Associate Companies and other related parties: Nil.

b) Shareholdings of Directors, CEO, Company Secretary, CFO and Head of Internal Audit and their Spouses and minor children:

Sl. No.	Name of Shareholding of the Directors	Total Shares
1	Mr. Mujibur Rahman	862,207
2	Mr. Mohammed Ahsan	1,494,759
3	Major (Retd) Abdul Mannan	2,874,007
4	Mr. Matiur Rahman	2,214,912
5	Mrs. Umme Kulsum Mannan	1,437,009
6	Mr. Durand Mehdadur Rahman	3,028,242
7	Mr. S. D. Alam	899,251
8	Mr. Khaled S. Ahmed	863,752
9	Mr. Rawnak Karim	1,454,691
10	Mr. Mohammed Israil	1,120,822
11	Mr. Mohammed Mohsin	898,128
12	M/s. Sunman Sweaters Ltd. (Represented by Mrs. Rokeya Ferdous)	1,508,839
13	Alpha Textiles Ltd. (Represented by Mr. A.K.M. Mohiuddin)	1,260,209
14	Pioneer Dresses Ltd.((Represented by Mr. Rais Uddin)	790,335
15	Mrs. Zakia Rahman	66,013
16	M/s. Uttara Properties Ltd. (Represented by Ms.Tazreen Rahman	96,358
17	Uttara Apparels Ltd. (Represented by Mr. K.I. Hossain)	1,184,022
18	Mr.Nayeemur Rahman	374,671
c)	CEO/CS/Head of IAD	NIL
d)		
Sl. No.	**Name of Spouse**	**Total Shares**
1	Mrs. Showkat Ara Alam, Spouse of Mr. S.D. Alam, Director.	41,786
e)	Shareholding of Executives	
Sl. No.	**Name of Executives**	**Total Shares**
1	Mr.Mohammed Salim, Addl.Managing Diector	787
2	Mr. Md. Iqbal Mahmud, Dy.Managing Director	1,522
3	Mr. Khairul Alam, Sr. Vice President	504
4	Mr. Swarup Kumar Saha, Sr.Vice President & CFO	136
f)	Shareholders holding 10% or more voting interest.	NIL
xi)	Reporting Compliance under condition no. 7 – (Annexure-B)	

DIRECTORS

In accordance with the provision of article 115 of the Articles of Association of the Company one-third of the total members of the Directors shall retire from the office and being eligible may offer themselves for re-election as per provision of article 117 of Articles of Association of the Company. Accordingly as per provision of Articles of Association of the Company the following Directors representing Group 'A' Shareholders retire and being eligible, offer themselves for re-election.

1 Mr.S.D.Alam
2 Mrs.Umme Kulsum Mannan
3 Mr.Khaled S. Ahmed
4 Mrs.Rokeya Ferdous (Representative of Sunman Sweaters Ltd)

Also as per Articles of Association of the Company the following Directors representing Group "B" shall retire and being eligible offer themselves for re-election.

1 Mr. K. I. Hossain (Representative of Uttara Apparels Ltd.)
2 Mr.A.K.M. Mohiuddin (Representative of Alpha Textiles Ltd.)

APPOINTMENT OF INDEPENDENT DIRECTOR

To comply with the BSEC's requirement the Board has appointed following two personalities as Independent Directors which was duly approved in the 30th A.G.M.

1 Mr. M.M Murshid
Ex. Managing Director, Sadharan Bima Corporation.

2 Mr. Md. Murshed Hossain
Ex. Secretary, Government of the People's Republic of Bangladesh

ACKNOWLEDGEMENT

The Board of Directors would like to record its appreciation for the general support and co-operation extended by the Government of the People's Republic of Bangladesh, the Ministry of Commerce, the Ministry of Finance, the Chairman of Insurance Development and Regulatory Authority, the Bangladesh Securities and Exchange Commission, Registrar of Joint Stock Companies & Firms. The Board deeply appreciates the services and support rendered by Sadharan Bima Corporation, Dhaka Stock Exchange Ltd., Chittagong Stock Exchange Ltd. The Board would also like to express its deep gratitude to esteemed Shareholders of the Company for their continuing support and guidance. The Board also takes this opportunity to thank Bangladesh Bank, all Scheduled Banks and Finance Companies, our valued clients, patrons and well wishers who have been graciously extending their co-operation, support, patronage and encouragement all through.

FOR THE BOARD OF DIRECTORS

(Mujibur Rahman)
Chairman

Dated: Dhaka
June 15, 2017

DIFFERENT COMMITTEES OF THE BOARD OF DIRECTORS

EXECUTIVE COMMITTEE

1	Mr. Mujibur Rahman, Chairman	:	Chairman
2	Mr. Matiur Rahman, Director	:	Member
3	Major (Retd.) Abdul Mannan, Director	:	Member
4	Mr. Mohammed Mohsin, Director	:	Member
5	Mr. Azmal Hossain, Vice-Chairman	:	Member
6	Mr. Khaled S. Ahmed, Director	:	Member
7	Mr. Rais Uddin, Director	:	Member
8	Mr. Mohammad Haroon Patwary, CEO	:	Member

CLAIMS COMMITTEE

1	Mr. Azmal Hossain, Vice-Chairman	:	Chairman
2	Mr. Mujibur Rahman, Chairman	:	Member
3	Mr. Matiur Rahman, Director	:	Member
4	Mr. Khaled S. Ahmed, Director	:	Member
5	Mr. M.M. Murshid, Independent Director	:	Member
6	Mr. Rais Uddin, Director	:	Member
7	Mrs. Zakia Rahman, Director	:	Member
8	Mr. Nayeemur Rahman, Director	:	Member
9	Mr. Mohammad Haroon Patwary, CEO	:	Member

AUDIT COMMITTEE

1	Mr. Md. Murshed Hossain, Independent Director	:	Chairman
2	Mr. Kazi Imdad Hossain, Director	:	Member
3	Mr. Azmal Hossain, Vice-Chairman	:	Member
4	Mr. Durand Mehdadur Rahman, Director	:	Member
5	Mrs. Tazreen Rahman, Director	:	Member
6	Mr. Nayeemur Rahman, Director	:	Member
7	Mr. Mohammad Haroon Patwary, CEO	:	Member

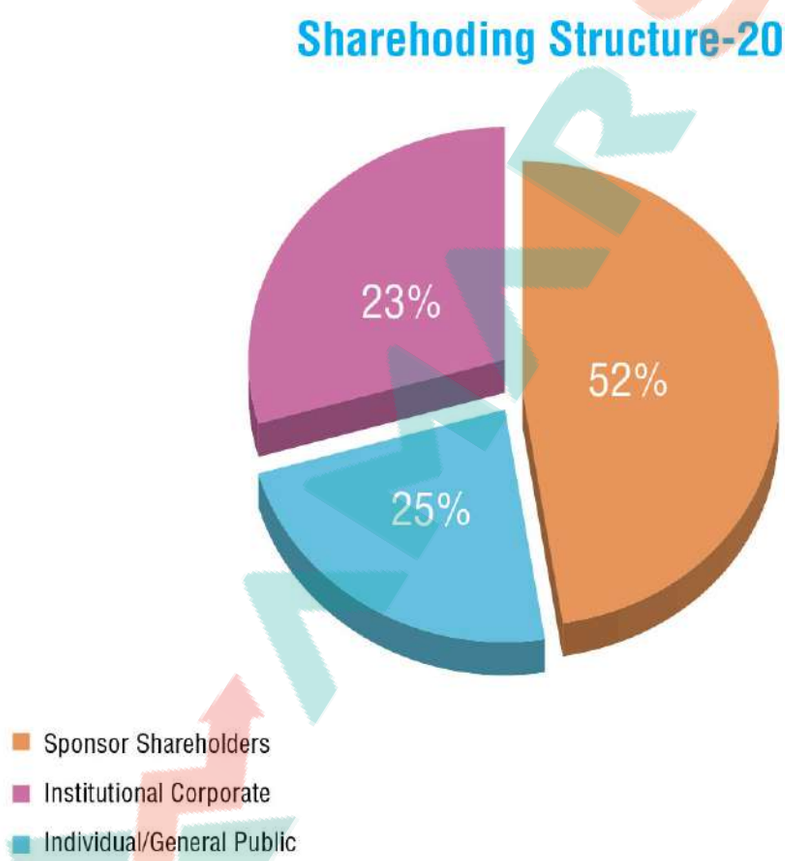
BUSINESS PROMOTION COMMITTEE

1	Mr. Mohammed Mohsin, Director	:	Chairman
2	Mr. Mujibur Rahman, Chairman	:	Member
3	Mr. S.D. Alam, Director	:	Member
4	Mr. Matiur Rahman, Director	:	Member
5	Mr. Durand Mehdadur Rahman, Director	:	Member
6	Mr. A.K.M. Mohiuddin, Director	:	Member
7	Mr. Mohammad Haroon Patwary, CEO	:	Member

EASTERN STOCK

SHAREHOLDING STRUCTURE

Particulars	No. of Shares	% of Holdings
Sponsor Shareholders	22,428,227	52%
Institutional Corporate	10,091,884	23%
Individual/General Public	10,590,033	25%
Grand Total	**43,110,144**	**100%**



KEY OPERATING AND FINANCIAL DATA FOR PRECEDING FIVE YEARS ARE AS FOLLOWS



ANNEXURE-A

	2016	2015	2014	2013	2012
Paid up capital	431,101,440	431,101,440	431,101,440	431,101,440	431,101,440
Gross premium income	393,366,679	380,599,944	360,748,055	349,647,404	332,850,545
Net premium income	209,818,512	207,727,027	205,600,220	193,590,481	184,409,436
Net claims	52,937,017	66,577,876	50,060,079	29,100,370	16,854,803
Pre - tax profit	183,481,689	162,724,765	162,130,747	156,219,630	136,747,243
Cash dividend	86,220,288	86,220,288	86,220,288	86,220,288	77,598,259
Total assets	2,092,167,050	2,049,062,810	1,978,281,771	1,909,004,817	1,824,630,138
Total reserves	1,176,675,408	1,119,447,318	1,089,247,795	1,066,974,307	1,038,274,452

DMR STOCK

Declaration from Chief Executive Officer (CEO) and Chief Financial Officer (CFO) on Financial Statements

Board of Directors
Eastern Insurance Company Ltd.
44, Dilkusha C/A
Dhaka-1000

Financial Statements for the year ended 31st December 2016.

We the undersigned certificed that:

i. We have reviewed the financial statements of Eastern Insurance Company Ltd. for the year ended December 31, 2016 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 statement that might be misleading.

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

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

(Swarup Kumar Saha)
Chief Financial Officer

(Mohammad Haroon Patwary)
Chief Executive Officer

AMR STOCK

Certificate on Compliance of conditions of CG Guidelines of BSEC of Eastern Insurance Company Limited for the year ended 31 December 2016

MABS & J Partners | NEXIA INTERNATIONAL
Chartered Accountants
An independent member firm of Nexia International, UK

Certificate on compliance of conditions of Corporate Governance Guidelines of Bangladesh Securities & Exchange Commission to the shareholders of Eastern Insurance Company Limited

We have examined compliance to the BSEC guidelines on Corporate Governance Guidelines by Eastern Insurance Company Limited and its Subsidiary for the year ended 31 December 2016. These guidelines relate to the notification # SEC/CMRRCD/2006-158/134/Admin/44 dated 7 August 2012 and subsequently amended through the notification # SEC/CMRRCD/2006-158/147/Admin/48 dated 21 July 2013 of Bangladesh Securities and Exchange Commission (BSEC) on Corporate Governance under section 2CC of the Securities and Exchange Ordinance, 1969.

Such compliance to the codes of Corporate Governance is the responsibility of the company's management. Our examination was limited to the procedures and implementation thereof as adopted by the company and its Subsidiary in ensuring the compliance to the conditions of Corporate Governance Guidelines. This is a scrutiny and verification only and not an expression of opinion on the financial statements of the company and its Subsidiary.

In our opinion and to the best of our information and according to the explanations provided to us, we certify that, subject to the remarks and observations as reported in the attached Compliance Statements, the company and its Subsidiary has complied with the conditions of Corporate Governance Guidelines as stipulated in the above-mentioned guidelines issued by the BSEC.

We also state that such compliance is neither an assurance as to the future viability of the company and its Subsidiary, nor a certification on the efficiency or effectiveness with which the management has conducted the affairs of the company and its Subsidiary. This is also no endorsement about quality of contents in the Annual Report of the company.

Dhaka, 01 June 2017

MABS & J Partners
Chartered Accountants

Corporate Office:
SMC Tower (7th Floor)
33, Banani C/A, Road-17
Dhaka-1213, Bangladesh
Phone : +88-02-9821057-8
E-mail : info@mabsj.com

Motijheel Branch Office
21, Purana Paltan Line (4th & 7th Floor)
Dhaka-1000, Bangladesh
Phone : +88-02-58315469 / 58315471
Fax : +88-02-9332936
E-mail : info@mabsj.com
Web : www.mabsj.com

Status of compliance with the conditions set out by the BSEC Notification on Corporate Governance Guidelines

Status of compliance with the conditions of Corporate Governance Guidelines as set by Bangladesh Securities & Exchange Commission (BSEC) by the notification # SEC/CMRRCD/2006 158/134/Admin/44 dated 07 August 2012 and subsequently amended through their notification # SEC/CMRRCD/2006-158/147/Admin/48 dated 21 July 2013 issued under section 2CC of the Securities and Exchange Ordinance, 1969:

(Report under Condition No. 7.00)

Annexure-B

Condition No.	Title	Compliance Status (Put √ in the appropriate column)		Remarks (if any)
		Complied	Not complied	
1	**Board of Directors:**			
1.1	Board's Size	√		
1.2	**Independent Directors:**			
1.2 (i)	At least one fifth (1/5th) of the total number of Director in the Company's Board shall be Independent Director.	√		As per Insurance Act.
1.2 (ii) a)	Does not hold any or holds less than 1% shares	√		
1.2 (ii) b)	Is not connected with the company's any sponsor, director or shareholder who holds 1% or more shares.	√		
1.2 (ii) c)	Does not have any other relationship, whether pecuniary or otherwise with the company or its subsidiary/associated companies.	√		
1.2 (ii) d)	Not a member, director or officer of any stock exchange	√		
1.2 (ii) e)	Not a member, director or officer of any member of stock exchange or an intermediary of the capital market.	√		
1.2 (ii) f)	Who is not and was not a partner or an executive during the preceding 3 years of any statutory audit firm.	√		
1.2 (ii) g)	Is not an independent director in more than 3 listed companies	√		
1.2 (ii) h)	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.	√		
1.2 (ii) i)	Has not been convicted for criminal offence involving moral turpitude.	√		
1.2 (iii)	Nominated by the board of directors and approved by the shareholders in the AGM	√		
1.2 (iv)	The post does not remain vacant for more than 90 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 years, which may be extended for 1 term only.	√		
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.	√		

Condition No.	Title	Compliance Status (Put √ in the appropriate column)		Remarks (if any)
		Complied	Not complied	
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 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.			Not applicable
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	√		Available in Annual Report
1.5 (ii)	Segment -wise or product -wise performance.	√		Do
1.5 (iii)	Risks and concerns.	√		Do
1.5 (iv)	A discussion on Cost of Goods sold, Gross Profit Margin and Net Profit Margin.	√		Do
1.5 (v)	Discussion on continuity of any Extra-Ordinary gain or loss.	√		Do
1.5 (vi)	Basis for related party transactions	√		
1.5 (vii)	Utilization of proceeds from public issues, rights issues and/or through any others instruments.	√		
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.			Not applicable.
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.			Do
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 reparation of the financial statements and that the accounting estimates are based on reasonable and prudent judgment.	√		
1.5 (xiv)	International Accounting Standards (IAS)/Bangladesh Accounting Standards (BAS)/International Financial Reporting Standards (IFRS)/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.	√		

Condition No.	Title	Compliance Status (Put √ in the appropriate column)		Remarks (if any)
		Complied	Not complied	
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.	√		Available in Annual Report
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.			Not applicable
1.5 (xviii)	Key operating and financial data of at least preceding 5 (five) years shall be summarized.	√		Available in Annual Report
1.5 (xix)	If the issuer company has not declared dividend (cash or stock) for the year, the reasons thereof shall be given.	√		
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)	√		
1.5 (xxii)	In case of the appointment/re-appointment 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	√		Available in Annual Report
1.5 (xxii) c)	Names of companies in which the person also holds the directorship and the membership of committees of the board	√		Do
2	**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 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.	√		

Condition No.	Title	Compliance Status (Put √ in the appropriate column)		Remarks (if any)
		Complied	Not complied	
3	**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.			Not applicable
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.	√		
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 along with the management, the annual financial statements before submission to the board for approval	√		
3.3 (vi)	Review along with the management, 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	√		

Condition No.	Title	Compliance Status (Put √ in the appropriate column)		Remarks (if any)
		Complied	Not complied	
3.3 (ix)	Review Management Letters/ Letter of Internal Control weakness issued 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	√		
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:			Not applicable
3.4.1 (ii) a)	Report on conflicts of interests;			Not applicable
3.4.1 (ii) b)	Suspected or presumed fraud or irregularity or material defect in the internal control system;			Not applicable
3.4.1 (ii) c)	Suspected infringement of laws, including securities related laws, rules and regulations			Not applicable
3.4.1 (ii) d)	Any other matter which shall be disclosed to the Board of Directors immediately .			Not applicable
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.			Not applicable
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	**External/Statutory Auditors:**			
4 (i)	The issuer company should not engage its external/statutory auditors to perform the following services of the company; namely:- 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	√		

Condition No.	Title	Compliance Status (Put √ in the appropriate column)		Remarks (if any)
		Complied	Not complied	
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	√		
4 (ix)	Audit/certification services on compliance of corporate governance as required under clause (i) of condition No. 7	√		
5	**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	√		
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	√		
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	√		
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	√		
5 (v)	The Audit Committee of the holding company shall also review the financial statements, in particular the investments made by the subsidiary company	√		
6	**Duties Of Chief Executive Officer (CEO) And Chief Financial Officer (CFO):**			
6 (i)	The CEO and CFO shall certify to the Board that 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	**Reporting and Compliance of Corporate Governance:**			
7 (i)	The company shall obtain a certificate from a Professional Accountant/Secretary (Chartered Accountant/Cost & 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 accordance with the Annexure attached, in the directors' report whether the company has complied with these conditions	√		

REPORT ON CORPORATE GOVERNANCE

INTRODUCTION

Corporate Governance is the system which helps the Company to mange the overall interest of all stakeholders. Minimum standard of acceptable corporate behavior means to ensure greater transparency, accountability and timely financial reporting. Eastern Insurance firmly believes that business operation means dealing with the stakeholders with trust and confidence and there is a link between stakeholders' value and governance. With that objective in view, EICL has been working relentlessly to create long term stakeholders value .

The Board of Directors of the Company is committed to high standards of Corporate Governance which it believes are crucial to business integrity and performance. As a responsible corporate citizen, EICL is also committed to maintaining full transparency and positive business internally and towards the community with which EICL carries out its business, including its suppliers, customers and business partners. At the same time the Company expects that all its Board of Directors, employees and suppliers would act with honesty, integrity and openness.

Being a public listed Company , the Board of Directors of EICL has a pivotal role to play in meeting stakeholders interests. In discharging such obligations, the Board of Directors and the Management team of EICL are committed to maintaining effective Corporate Governance through a culture of accountability, transparency, well – understood policies and procedures. EICL considers that its Corporate Governance practices comply with all the aspects of BSEC's notification no. BSEC/CMMRRCD/ 2006-158/134/Admin/44 dated 07 August 2012 and subsequently amended through their notification # SEC/CMRRCD/ 2006-158/147/Admin/48 dated 21 July 2013 issued under section 2CC of the Securities and Exchange Ordinance, 1969.

BOARD OGANIZATION AND STRUCTURE: BOARD COMPOSITION

The Board of Eastern Insurance Company Limited has been Constituted with 20 Directors as on December 31, 2016. The Board of EICL is as follows:

12 Sponsor Directors

06 Public Shareholders Directors

02 Independent Directors

The Board is Chaired by Mr. Mujibur Rahman an eminent business person and well reputed industrialist having diversified business exposures.

ROLE AND RESPONSIBILITIES OF THE BOARD

The Directors of the Board are appointed by the shareholders at the Annual General Meeting (AGM) and accountable to the shareholders. The Board is responsible for ensuring that the business activities are soundly administered and

effectively controlled. The Directors of the Board keep themselves informed about the Company's financial position and ensure that its activities, accounts and asset management are subject to adequate control. The Board also ensured that EICL'S Policy and Procedures and Codes of Conduct are implemented and maintained and the Company adheres to generally accepted principles for good governance and effective control of the Company activities.

In addition to the other legal guidelines, the Board has also adopted "Governance Guidelines" for the Board for ensuring better governance in the work and administration of the Board .The Board is also guided by Delegation of Authority which spells out the practices and processes in discharging its responsibilities.

BOARD MEETING

The AOA of the Company requires the Board to meet at least four times a year or more when duly called for in writing. Dates for the Board Meetings in a year are decided in advance. Such Notice contains detailed statement of business to be transected at each meeting. The Board meets for both scheduled meeting and on other occasions to deal with urgent and important matters that require attention.

ROLE OF THE CHAIRMAN

The Chairman is the head of the Board takes decisions of any matter in consultation with the Board members. He is not the Chief Executive of the Company. The role of the Chairman and Managing Director/CEO are independent and separate. The Chairman runs the Board, while the Managing Director/CEO takes executive decision within the jurisdiction of power delegated by the Board.

SUBSIDIARY RELATIONSHIP

The Board of Directors of the Subsidiary Company of EICL is obliged to provide the Board of Directors of EICL with any information which is necessary for an evaluation of the Company's position and the result of the Company's activities. EICL notifies the Subsidiary Company's Board of Directors about the matters which may be important to the Company as whole. EICL also notifies the Subsidiary Company's Board of Directors about decisions which may be of importance to the Subsidiary Company before a final decision is made.

AUDIT COMMITTEE

The Board of Directors has constituted an Audit Committee of the Board consisting of 7 (Seven) Directors. The Audit Committee is headed by the Independent Director, Mr. Md. Murshed Hossain, Retd Secretary, Ministry of Religious Affairs, Government of the Peoples Republic of Bangladesh. The Audit Committee carries out its responsibilities as per the provisions of law and submits its report to the Board of Directors from time to time. The Audit Committee shall also co-ordinate with the internal and external Auditors as and when required. The Audit Committee ensures that adequate internal checks and balances supported by adequate MIS are in place for detection of error/frauds and other deficiencies. The other responsibilities include are not being limited to the prevention of conflict of interests between the Company and its Director, Officials, Customers, Suppliers, Government and any other interest groups but also to detect or remove any scope of insider trading. The Audit Committee also ensures compliance of requirements of BSEC and other agencies.

INTERNAL CONTROL

The Board is also responsible for ensuring that the Company has an adequate and effective control system in place. By which Company's resources are directed, monitored and measured. It plays an important role in preventing and detecting fraud and protecting the Company's resources.

The Company's internal control system has been outlined to ensure the Director with reasonable assurance that assets are safe guarded against unauthorized use by the employees or management or third parties; transactions are fully authentic, properly recorded and materialerror and irregularities are either prevented or detected for regularization within a reasonable period of time.

Segregation of duties, Authorization of transactions, Retention of records, Supervision or Monitoring of operations, Physical safe guards, IT application controls are the essential elements of internal control framework prevailed in Eastern Insurance Company Limited.

HUMAN CAPITAL

Human Capital Management (HCM) is an approach to employee staffing that perceives people as assets (human Capital) whose current value can be measured and whose future value can be enhanced through investment.

Eastern Insurance Company Limited supports HCM and provides employees with clearly defined and consistently communicated performance expectations. Managers are responsible for rating, rewarding and holding employees accountable for achieving specific business goals, creating innovation and supporting continuous improvement. The human capital can be developed though education, training, practice and experience. Eastern Insurance Company Ltd. has adopted the following policies to develop the human capital.

1. The recruitment of local people and then to develop their potential through learning opportunities and effective performance Management.
2. Human Capital Management frame work is designed to provide a work force that has the skills, flexibility and diversity to meet the Company's current and future business needs.
3. Establish and Administer transfer policy in order to develop and implement recruitment opportunities, promotion, remuneration benefits, rewards, recognition system, transfer, training and Performance Management system irrespective of sex, race, political entity & religion belief.
4. Create an environment within the Company which encourages the employees to work as a team and at the same time, to encourage them to be innovative and creative in order to achieve goals of the Company.
5. Adopt proper internal communication and involvement mechanisms which encourage employees identify them with the Company and its activities.

WEBSITE

All financial results and key performance indicators as well as other necessary information of the Company are posted in the Company's Website: www.easterninsurancebd.com

REPORT ON GOING CONCERN

Financial Statements are normally prepared on the assumption that an enterprise is a going concern and will continue in operation for the foreseeable future. Hence, it is assumed that the enterprise has neither the intention nor the need to liquidate or curtail materially or to seal of its operation; if such an intention or need exits, the financial statement may have to be prepared on a different basis and if so, the basis used to be disclosed. On the other hand listed Companies are required by BSEC to report on its ability to continue as going concern involves making appropriate inquiries including review of budget, forecast, assumptions and future outcome of inherent uncertainties in existence. The directors are convinced from the following indications, which give reasonable assurance as to Company's ability to continue as a going concern for the foreseeable future.

FINANCIAL INDICATIONS

- Positive net current assets.
- Positive operating cash flows
- Positive key financial ratios.
- Consistent payment of dividends.
- Credibility in payment of obligations.
- Performance growth.
- Positive underwriting results and trends.

OPERATION INDICATIONS

- No key management turnover.
- Good business expansion.
- Spread of business across diverse clientele.
- Good market reputation and client's satisfaction.
- Good corporate environment and employee satisfaction.

OTHER INDICATIONS

- Maintenance of sufficient capital base as required by law.
- Strong equity base.
- Strong claim paying ability (CPA)
- Anticipates no significant change in legislation or government policy.

RISK MANAGEMENT

Eastern Insurance has formulated the basic policies concerning Risk Management as well as to ascertain the state of Risks for the entire Company. Among the various Risks, the Company recognizes the Insurance Underwriting Risks and Asset Management Risks are Risks (Core Risks) that must be managed from the sources of earnings and the Company therefore controls these Risks considering the balance between Risk and Return. The Company also identifies Administrative Risks, System Risks and Other Risks pertaining to the Company's business activities and strives to prevent the occurrence or reduce these Risks. Through the above measures, we work to execute proper Risk Management and ensure stable business operations of the entire Company.

REPORT ON CORPORATE SOCIAL RESPONSIBILITIES (CSR)

We all have personal responsibility to each other and the world around us. Everything we do has an effect on other people. It is the same for business, large and small, public or private that their actions affect a large number of Stakeholders. Such Stakeholders include Customers, Shareholders, Employees, Suppliers and Society in general.

In the light of this view, Eastern Insurance Company Ltd. has been giving due importance and making contribution towards various activities as a part of its CSR; such as in the field of Health, Education, Support to disabled persons, Sports, Social activities etc.

REDRESS OF INVESTORS COMPLAINTS

Eastern Insurance Company Limited is always committed to maintaining highest standard of conduct and professional behavior in dealing with its Shareholders. Share Department of the Company has been maintaining proper and systematic records and information relevant to the Shareholders. Share Department is always ready to help the Shareholders whenever in need of services like share transfer, transmission, dividend warrant issue, revalidation, tax deduction certificate & treasury challan etc.

REDRESS OF CLIENTS COMPLAINTS

In order to achieve satisfactory business growth it is very important to increase the new customer base as well as to retain the existing ones. Eastern Insurance Company Ltd. fully aware of this and therefore always attends to its clients. Complaints received from clients have been handled in a timely and fair manner. The Company encourages its clients to come forward with any complaint that they may have and the Management is always ready to serve them.

SOLVENCY MARGIN

Solvency Margin is the amount of assets which exceeds the insurer's liabilities and will exhibit a part of the insurer's shareholder funds. The valuation techniques of assets and liabilities of an insurer must be maintained.

According to section 43 of Insurance Act 2010, the concept of Solvency Margin required to be followed by Non Life Insurance Companies. The solvency of an Insurance Company exposes its assets to debts. As the relevant regulation has not yet been formed by the Regulator, this concept cannot be followed to assess the strength of the Company. However it is expected that this regulation will be formed and come in force within a very short time.

ENVIRONMENTAL AND SOCIAL OBLIGATIONS

Belong in the insurance business the Company doesn't need to set up factories or other big establishments of that sort. The Head Office and all the 25 Branches have been established keeping all the environmental issues in mind. Till date EICL have not faced any environmental obligation from Government or any other Public Organizations. This is definitely some thing to put up in the book of goodwill of Eastern Insurance.

Since Eastern Insurance Company Limited strictly maintains certain code of conducts and ethical practices, the chance of facing any social obligation is close to zero. The Company has always been transparent regarding its business and delivering its products and services. Settlement of Claims in due time is one of

the key characteristics of the Company which helped a lot in building its reputation as the most preferred non life insurer of the Country. All in all EICL has established itself as a Company which does not face any environmental or social obligation from Government or Non Government Organizations. The Company is ready to set up standards for other corporate bodies to follow in many areas of CSR and environmental/social issues in general.

REPORT ON INFORMATION TECHNOLOGY

PRESENT IT INFRASTRUCTURE AND ITS USE

In order to provide better services to our Board, Shareholders, Customers, IDRA, BSEC, Stock Exchanges etc with the help of information technology, our company has introduced different types of computer software for various Departments.

Such as Underwriting web based software, Accounting software, Investment software, Development software, Share Management software, PF software, Business Management software etc. All the Branches have been using computers. In addition to the above, EICL has its own website.

PLAN FOR FUTURE EXPANSION OF PRESENT IT INFRASTRUCTURE

1. To introduce more software in various departments.
2. To arrange training about I.T.
3. To develop existing software whenever necessary.
4. To introduce up graded computer equipment in the Company whenever necessary. etc.

ETHICS AND COMPLIANCE

Eastern Insurance Company has adopted core values, commitments and code of conduct/ethical principles which are strictly followed. The Board of Directors of EICL is committed to introduce high level of code of conduct and ethical principles. It also monitors the strict observance the same.

At Eastern Insurance, employees are treated with great care and respect. All business activities must conform to all applicable national and international legal requirements. Bribery or any other form of anti corruption is treated with "Zero Tolerance" policy. EICL never gets engaged with any discriminatory practices. Race, color, sex, religion, political opinion, age, family obligations etc. are never considered while recruiting. EICL promises a work place free of harassment. Wages is never lower than what should be acceptable. Compensation paid to employees shall comply with all applicable wages laws. No employees are forced to work overtime so there is total prohibition on forced labor.

Freedom of association and collective bargaining can be observed here. The Company ensures that the work place and its environment do not endanger the physical integrity or health of the employees. Women are treated with great respect as well.

HUMAN RESOURCE MANAGEMENT FOR ALL MANAGERS



At Eastern Insurance Company Ltd. insurance is about customers. It is about offering a fair product that customers need at a reasonable price. This kind of mind set takes a certain kind of employee. They are not easy to find. In spite of economic uncertainty and rising unemployment, there is still scarcity in the Bangladesh labor market for the best people due to changing demographics. We are to attract and retain the best people, we must excel as an employer. We call this "employer ship". Our task as good employer is to create a strong, stimulating and innovative working environment in which employees can fully develop their potential and skills. For example, we are committed to training our employees so that they can be deployed throughout the Organization, thus increasing their employability.

The role of HR is expanding and it is not limited to the selection and recruitment procedure but also affecting the day to day activity of an Organization. The growth of the Organization depends on the sincerity and commitment of the employees. The increasing competition among the employees and tough market conditions has made it difficult for an Organization to survive and manage all the available resources effectively. Therefore, it was soon realized that the practice of HR policies needs to be practiced in all aspects of the Organization and it should not remain restricted to selection process only. For the effective running of the Organization how all the Departmental Managers need to follow HR policies in letter and spirit.

The knowledge of HRM is very much effective for all the Managers to make the functioning of an Organization more productive and smooth. In the past only the big Organizations would maintain a separate HR Department and most of small Organizations did not have any existence of it but the trend is changing now rapidly. Managers are now frequently getting involvement in HR activities for running their Organizations effectively.

The ultimate aim of HRM is to develop the Organizational culture and to ascribe assistance to the Organization in achieving its vision and mission. Considering the importance and expansion of role of HR policy, it should be adopted by all top Managers for implementation in line with an Organization's mission, vision and business strategies which have been followed by Eastern Insurance Company Ltd.

DISCLOSURE POLICY OF EASTERN INSURANCE COMPANY LIMITED



We aim to disclose meaningful information regarding the Eastern Insurance Company Ltd. that enhances management transparency and fairness in connection with our 'Corporate Social Responsibility."

DISCLOSURE POLICY

It is our policy to expeditiously disclose information in accordance with the Rules, Regulations and Notifications of Bangladesh Securities and Exchange Commission and Listing Regulations stipulated by the Stock Exchanges.

We strive for timely, accurate and fair disclosure of other information that is relevant to our customer, share holders and investors, representative offices and employees as well as entire society.

DISCLOSURE METHOD

Disclosure pursuant to the Stock Exchanges and BSEC's rules, regulations and other requirements is made through the Timely disclosure network as well as the press and other appropriate means. We subsequently post the disclosed information in our website.

DISCLAIMER

Disclosure made based on this disclosure policy is intended to accurately, expeclitiously and fairly inform the public regarding the Eastern Insurance Company Ltd.'s activities and is not intended to constitute an investment offer or solicitation.

VALUES

Eastern Insurance Company Ltd. wants to be recognized by its Stakeholders through a set of four values:

(1) **Strength (Stability) :** We are credible, now and in the future. We are a solid partner, providing to our staff opportunities, challenges and enlarged prospects.

(2) **Responsibility (Credibility) :** We listen, understand and respond to customers and society needs. We understand that to achieve it our employees are crucial and therefore we offer them the means to grow and develop their talents in full.

(3) **Innovation (Creativity) :** We strive for better and more appropriate solutions. We encourage people to use their initiative and develop their entrepreneurial sprit.

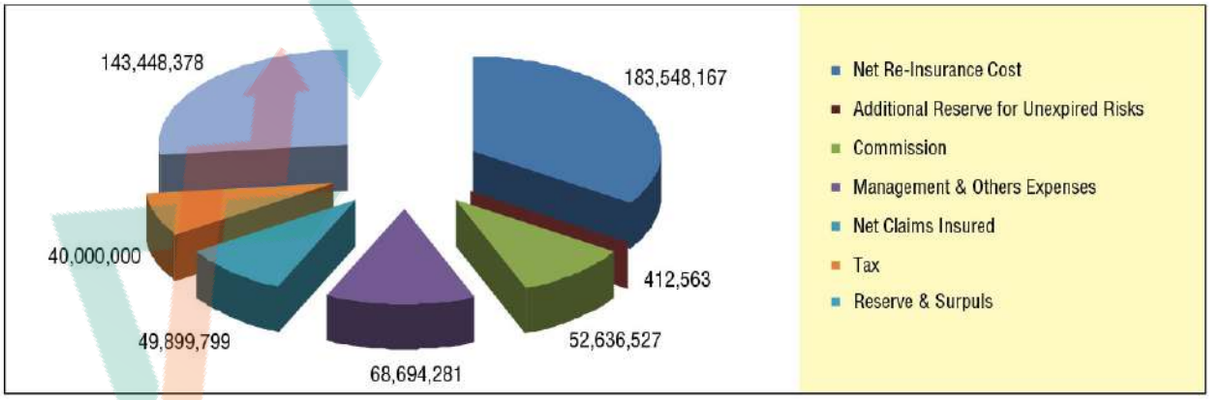
(4) **Straight forward (Pragmatism) :** We are frontal and act with transparency. These values are supported by a set of behaviors and business practices which are assumed on a day to day by its employees.

VALUE ADDED STATEMENT
for the year ended 31 December, 2016

Value added statement shows how much value earned by the orgenization during the year of account and utilization of its capacity, capital, manpower and other resources and how it is allocated among different stakeholders (employees, insured, shareholders, government etc.) as well as reinvestment for the replacement of assets and further expansion of the business of the Company in an accounting period.

The Value added statement of Eastern Insurance Company Limited for the year 2016 is appended below:

PARTICULARS	2016 Taka	2015 Taka
Sources of the Value Added:		
Gross Premium	393,366,679	380,599,944
Commission on Re-Insurance Ceded	23,925,387	22,958,780
Investment & Other Income	121,380,960	100,808,868
Deferred Tax Income / (Expenses)	(33,311)	218,426
Total Value added	**538,639,715**	**504,586,018**
Distribution of the Value Added		
Net Re-Insurance Cost	183,548,167	172,872,917
Additional Reserve for Unexpired Risks	412,563	(5,234,851)
Commission	52,636,527	51,421,218
Management & Others Expenses	68,694,281	67,740,936
Net Claims Insured	49,899,799	54,842,607
Tax	40,000,000	46,523,380
Dividend	-	86,220,288
Reserve & Surpuls	143,448,378	30,199,523
Total Distribution	**538,639,715**	**504,586,018**



MARSTOCK

ECONOMIC VALUE ADDED STATEMENT

Economic Value - Added (EVA) is the surplus generated by an Insurance Company after meeting an equitable charge towards providers of capital. It is the post-tax return on capital employed (adjusted for the tax shield on debit) less the cost of capital employed. Companies which earn higher returns than cost of capital creat value, and companies which earn lower returns than cost of capital are deemed harmful for shareholder value. Shareholders/Equity providers are always conscious about their return on capital invested. As a general insurance Company, EICL is deeply concern for delivery of value to all of our shareholders/Equity providers.

PARTICULARS	2016 Taka	2015 Taka
Shareholder's equity at the ended of the year	431,101,440	431,101,440
Average Shareholders equity	431,101,440	431,101,440
*Cost of equity (%)	13.50%	13.50%
Economic Value Added	**85,249,684**	**58,221,117**
Net profit after tax	143,448,378	116,419,811
Less: Cost of equity	58,198,694	58,198,694

Cost of Equity = Shareholders Equity X Required Rate of Return (13.50%)

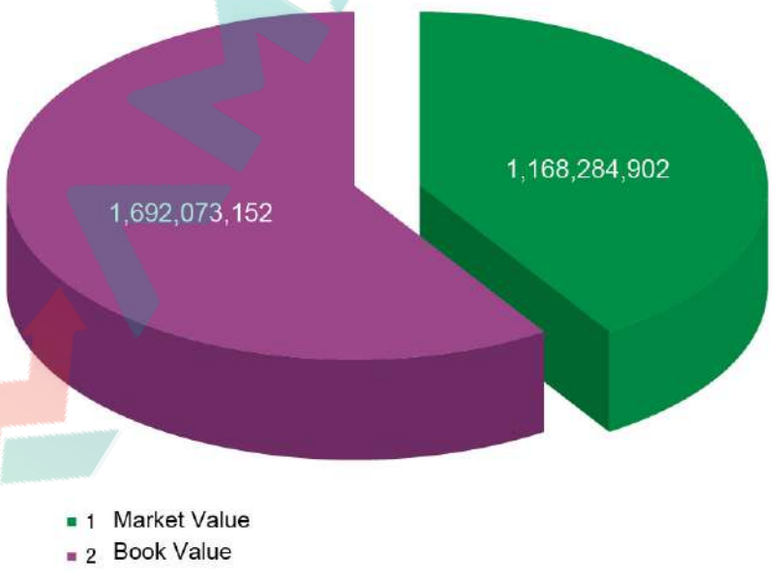
Required rate of return has been assumed @ 11.50% Interest on Bangladesh Govt. Treasury Bond plus 2% risk premium.

MARKET VALUE ADDED STATEMENT

For the year ended on 31 December, 2016

Market value added (MVA) shows the difference between the market value of a Company and the capital contributed by investors (shareholders). In other words, it is the sum of all capital claims held against the company plus the market value of debt and equity during a period of time. A high Market Value Added indicates that the Company has created substantial wealth for the equity holders. The share market value of the Company stood at BDT 1,168.28 million whereas the book value of the share stood at BDT 1,692.07 million, resulting a Market Value added/(declined) of BDT (523.78) million as of December 31, 2016.

PARTICULARS	Number of Shares	Value Per Share Taka	Total Value Taka
Market Value	43,110,144	27.10	1,168,284,902
Book Value	43,110,144	39.25	1,692,073,152
Market Value Added/(declined)			**(523,788,250)**



DISCLOSURES PERTAINING TO SOLVENCY MARGIN

Assets, Liabilities and Solvency Margin
For the year ended as at 31 December 2016

(Taka in million)

S. N.	Class of Business	Gross Premium	Net Premium	Factor	G.P. after application of Factor	20% of GPF	20% of NP	20% of (NP & GPF) which is higher
1	Fire	169.37	67.10	0.50	84.69	16.94	13.42	16.94
	Marine:							
2	Marine Cargo	125.34	79.22	0.70	87.74	17.55	15.84	17.55
3	Marine Hull	3.25	0.62	0.50	1.63	0.33	0.12	0.33
	Miscellaneous:							
4	Motor	61.86	57.13	0.85	52.58	10.52	11.43	11.43
5	Miscellaneous	33.54	5.74	0.70	23.48	4.70	1.15	4.70
	Total	**393.36**	**209.81**					**50.93**

Total Assets as per Balance Sheet (Tk in million)		**2,092.16**	**Total Liabilities**	
Less :			Sundry Creditors	65.45
			Amount due to others	161.22
Amount due from others	57.13		Provision for taxation	78.82
Outstanding premium	-		Deposit Premium	10.50
Furniture & Fixture	2.46		Reserve for Unexpired risk	84.30
Office Decoration	6.62	66.21	Reserve for exceptional loss	238.73
Total Assets - A		**2,025.95**	**Total liabilities - B**	**639.02**

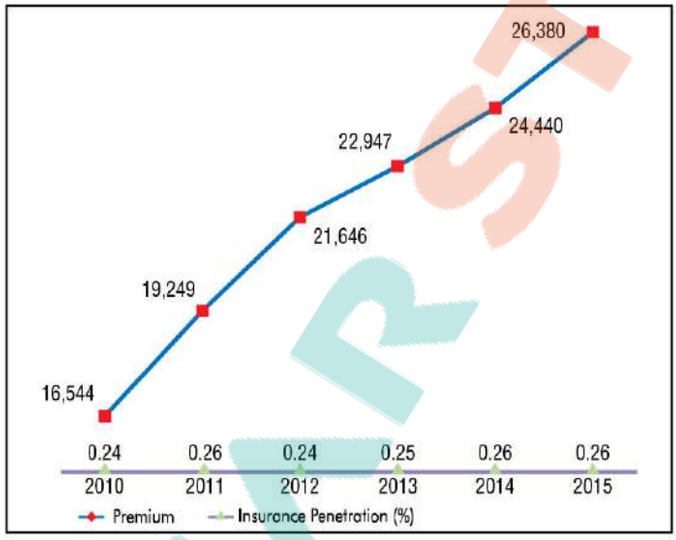
Solvency Margin Available (A-B)	**1,386.93**
Required Solvency Margin	**50.93**

MARKET SHARE INFORMATION

BANGLADESH NON-LIFE INSURANCE MARKET COMPOSITION & SHARES:

Bangladesh Non-life insurance Premium in 2015 was Taka 26380.95 million, Last 6 year's Premium growth and penetration rate (Non-life insurance premium as % of GDP) is shown in the chart below:

Bangladesh Non-life Market
Taka in Million



The Non-life market is comparised of 46 insurance companies including one state enterprise. The market share value of Eastern Insurance Co.Ltd is around 2.00%

ACCOUNTING RATIOS PARTAINING TO INSURANCE SECTOR

PARTICULARS	2016	2015
Reinsurance Premiun Ceded as Gross Premium	46.00%	45.00%
Commission Paid as % of Gross Premium	13.38%	13.51%
Net R/I Commission Earned as % of Gross Premium	6.08%	6.03%
Net R/I Commission Earned as % of Net Premium	11.40%	11.05%
Management Expenses (Revenue A/C) as % of Gross Premium	14.90%	15.27%
Management Expenses (Revenue A/C) as % of Net Premium	27.94%	27.99%
Net Claims Insured as % of Gross Premium	13.45%	17.49%
Net Claims Insured as % of Net Premium	25.23%	32.05%
Underwriting Result as % of Gross Premium	18.23%	18.67%
Underwriting Result as % of Net Premium	34.18%	34.21%

DIRECTORS CERTIFICATE

As per Regulations contained in the First Schedule of the Insurance Act, 1938, as amended, as per Section 40-C of the said Act, we certify that:

1. *The value of investments in shares and debentures have been taken at cost and the quoted value thereof mentioned wherever available.*

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 31st December, 2016 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.*

Chairman | Chief Executive Officer | Director | Director

Eastern Insurance Co. Ltd.

LAWYERSTOCK

REPORT OF THE AUDIT COMMITTEE



Audit Committee of Eastern Insurance Company Limited comprises of 7 (Seven) Directors nominated by the Board of Directors. The objectives of the Committee is to ensure that proper and adequate internal controls are in place to facilitate the smooth functioning of the company's operation. The Committee ensures that a sound financial reporting system is in place. This system is well managed and can provide accurate and appropriate information to the Board of Directors, Management, Regulatory bodies, Shareholders and other interested parties. During 2016, the Committee carried out the following tasks:

(1) Review of Annual Financial Statement for the year 2016.

(2) Review of Audit report for the year 2016 as submitted by the external auditors.

(3) Review of Quarterly and Half yearly Financial Statements of the Company.

(4) Review of Internal Audit Reports of the Company and recommend appropriate measures to the Management arising out of the findings of such reports.

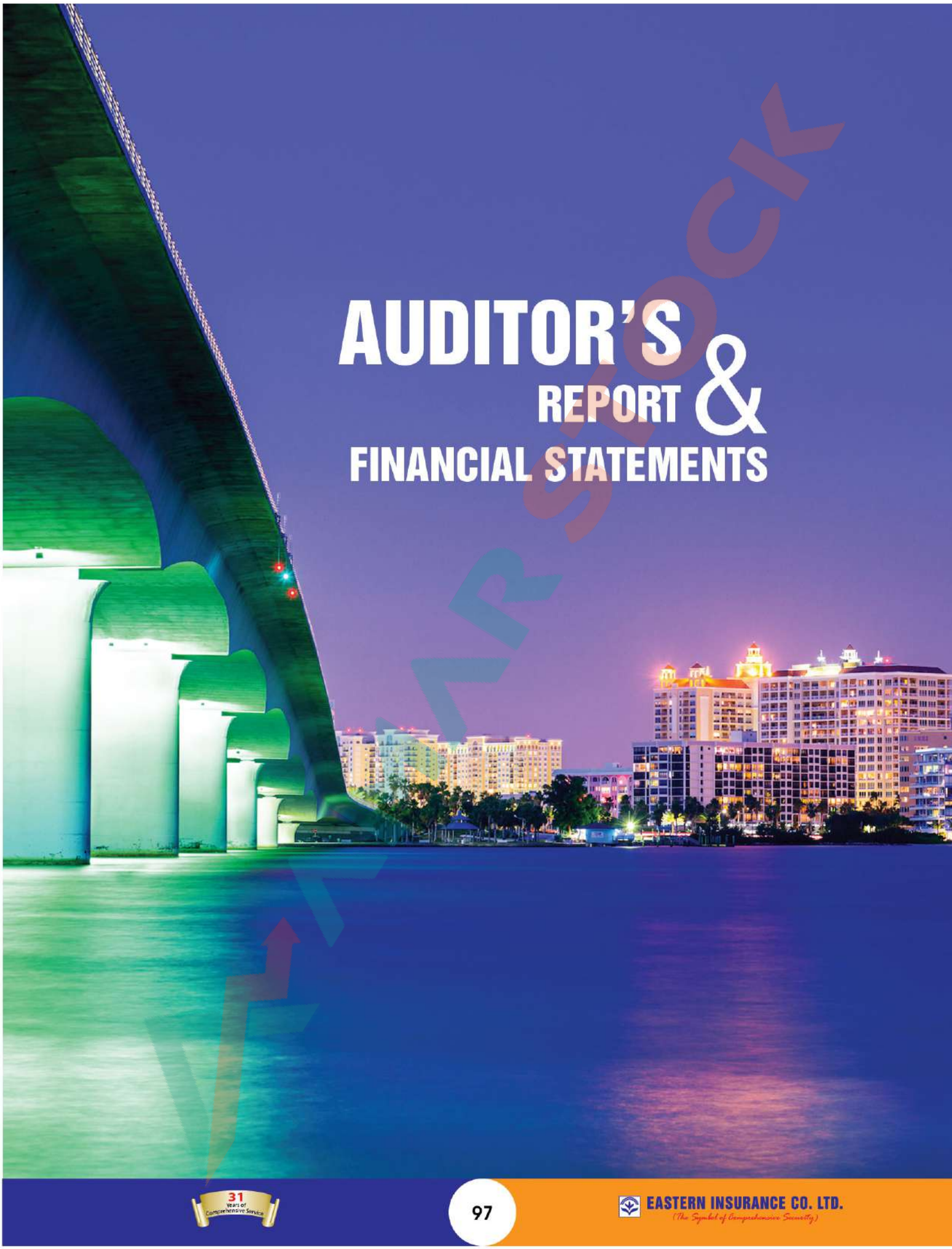
Dated: Dhaka
June 15, 2017

(Md. Murshed Hossain)
Chairman, Audit Committee

AUDITORS REPORT AND FINANCIAL STATEMENTS

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STOCK



AUDITOR'S REPORT & FINANCIAL STATEMENTS

MERO SHARE STOCK

Independent Auditors' Report
To the Shareholders of
Eastern Insurance Company Limited

We have audited the accompanying consolidated as well as the separate financial statements of Eastern Insurance Company Limited and its subsidiary prepared from separate financial statements which comprise of the consolidated balance sheet (Statement of Financial Position) as at December 31, 2016, and the consolidated profit and loss account (Statement of Profit or Loss and Other Comprehensive Income), consolidated profit and loss appropriation account, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information. The financial statement as at December 31, 2016 of the subsidiary, namely EIC Securities Ltd. was not audited by us. Financial statements of this subsidiary has been audited by other auditors which reports have been furnished to us and our opinion, in so far it relates to the amounts included in respect of the company's subsidiary are based solely on that report of the other auditors.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these consolidated financial statements of the Eastern Insurance Company Limited in accordance with Bangladesh Financial Reporting Standards (BFRS), the Companies Act 1994, The Insurance Act 2010, Insurance Rules 1958, the Securities and Exchange Rules 1987, guidelines provided by Insurance Development and Regulatory Authority (IDRA) and other applicable laws and regulations for such internal control as management determines is necessary to enable the preparation of consolidated financial statements of the company that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these consolidated financial statements of the company 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 consolidated financial statements of the company are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated and separate financial statements of the company. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated and separate financial statements of the company, 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 consolidated financial statements of the company 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 consolidated and separate financial statements of the company.

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

Basis for Qualified Opinion

i. As reported under Notes to the financial statements 22, the company has shown stock dividend amounting to Taka 9,202,650 as income of Eastern Insurance Company Limited. As a result, the company's profit has been overstated to the same extent.

ii. The company has provided provision a sum of Taka 1,250,000 for employees' gratuity on lump sum basis instead of calculating individual employees' gratuity amount. Additionally, no actuarial valuation of gratuity liability was undertaken resulting in a possible understatement of actual liability. As a result of the above, actual liability on account of employees' gratuity liability could not be confirmed as at 31st December 2016.

Qualified Opinion

In our opinion, except for the effects of the matters described in the Basis for Qualified Opinion Paragraphs, the consolidated financial statements, in all material respects, give a true and fair view of the consolidated financial position of Eastern Insurance Company Limited and its Subsidiary as at 31st December, 2016, of its consolidated financial performance and consolidated Cash Flow's for the year then ended were prepared in accordance with Bangladesh Financial Reporting Standards (BFRS), Bangladesh Accounting Standards (BAS), the Companies Act 1994, the Insurance Act 1938 (as amended in 2010), Insurance Rules 1958, the Securities and Exchange Rules 1987 and other applicable laws and regulations.

Report on Other Legal and Regulatory Requirements

We also report that:

i. we have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit and 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 examinations 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 explanation given to us, all expenses of management wherever incurred and whether incurred 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 revenue accounts and profit and loss accounts of the company;

iv. the information and explanations required by us have been received and found satisfactory;

v. 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;

vi. the statement of financial position and the statement of comprehensive income of the company dealt with by the report are in agreement with the books of account and returns;

vii. the expenditure was incurred for the purpose of the company's business.

Dated, Dhaka
27th April, 2017

MAHFEL HUQ & CO.
Chartered Accountants

Consolidated Balance Sheet

(Statement of Financial Position)

As at December 31, 2016

Particulars	Notes	2016 Taka	2015 Taka
Capital and liabilities			
Share capital:	3		
Authorized:			
100,000,000 Ordinary Shares of Tk.10/- each		1,000,000,000	1,000,000,000
Issued, subscribed and paid up:			
43,110,144 Ordinary shares of Tk.10/- each		431,101,440	431,101,440
Share premium	4	356,686,881	356,686,881
Revaluation reserve	5	463,261,476	463,261,476
Reserve or contingency account:		**358,245,642**	**299,501,442**
Reserve for exceptional Losses	6	238,732,297	199,395,629
General reserve		28,500,000	13,500,000
Profit & Loss Appropriation Account		91,013,345	385,525
Proposed Dividend		-	86,220,288
Balance of fund accounts:		**84,302,563**	**83,890,000**
Fire Insurance Business account		26,843,128	29,745,264
Marine Insurance Business account		32,314,814	28,571,384
Misc. Insurance Business account		25,144,621	25,573,352
Deposit premium	7	10,502,532	17,139,034
Liabilities and provisions:		**81,627,261**	**84,322,747**
Estimated liabilities in respect of outstanding claims whether due or intimated	8	81,023,944	84,061,162
Provision for expenses	9.A	603,317	261,585
Amount due to other persons or bodies carrying on Insurance business	10	161,223,725	123,890,552
Sundry creditors	11.A	67,763,838	101,836,551
Provision for gratuity	12	2,777,936	3,027,936
Provision for taxation	14.A	79,202,466	85,348,155
Minority interest		200	200
		2,096,695,959	**2,050,006,414**
Net assets value per share (NAV)		**39.29**	**37.91**

Chief Executive Officer

Director

Dated, Dhaka;
27th April, 2017

Consolidated Balance Sheet

(Statement of Financial Position)

As at December 31, 2016

Particulars	Notes	2016 Taka	2015 Taka
Property and assets			
Investments (at cost):			
Statutory deposits		**322,478,548**	**322,279,284**
Investment in Bangladesh Govt.Treasury Bond (BGTB)		25,000,000	25,000,000
Investment in Shares & debentures	15.A	297,478,548	297,279,284
Interest, dividends and rent outstanding:		**4,643,885**	**10,580,595**
Accrued interest	16	4,643,885	10,580,595
Sundry debtors (Including advance, deposit & Pre-payments):		**31,954,405**	**56,223,676**
Advance Income tax	17.A	13,231,490	14,666,261
Rent & others	17.B	18,722,915	41,557,415
Cash and cash equivalents:	18.A	**1,144,089,113**	**1,080,309,213**
Cash in hand		7,890,198	9,594,238
Cash at banks on STD accounts		43,706,171	32,696,861
Cash at banks of CD accounts		7,192,744	2,368,114
Fixed deposits with Banks		1,085,300,000	1,035,650,000
Amount due from other persons or bodies carrying on insurance business	19	57,135,121	47,960,491
Deferred Tax Assets	13	120,369	153,680
Fixed assets (at cost Less accumulated depreciation)	20.A	254,649,498	251,330,826
Goodwill for CSE Membership		280,000,000	280,000,000
Stock of printing, stationery and stamps	21	1,625,020	1,168,650
		2,096,695,959	**2,050,006,414**

The annexed Notes 1 to 36 form an integral part of these financial statements. These financial statement were approved by the Board of Directors on 27th April 2017 and were signed on its behalf by:

Director **Chairman**

Signed as per our annexed report of even date.

Mahfel Huq & Co.
Chartered Accountants

Consolidated Profit and Loss Account

(Statement of Profit or Loss and Other Comprehensive Income)

For the year ended December 31, 2016

Particulars	Notes	2016 Taka	2015 Taka
Expenses of management (Not applicable to any particular fund or account)		544,505	827,940
Directors fee		231,250	330,750
Audit & credit rating fees		279,000	304,000
Registration fees		2,394,364	1,922,028
Advertisement & publicity		719,839	606,864
Subscription		45,850	146,250
Depreciation	Annexure-A	4,726,207	4,337,856
Right share Issue expenses written off @ 25%		689,261	689,258
Expenses of Management of EIC Securities Ltd		1,017,769	123,849
		10,648,045	**9,288,795**
Net profit transferred to profit & loss appropriation account		**185,376,826**	**162,728,582**
		196,024,871	**172,017,377**
Earning per share	27	**3.36**	**2.70**

Chief Executive Officer

Director

Dated, Dhaka;
27th April, 2017

Consolidated Profit and Loss Account

(Statement of Profit or Loss and Other Comprehensive Income)

For the year ended December 31, 2016

Particulars	Notes	2016 Taka	2015 Taka
Interest and dividend Income (Not applicable to any particular fund or account)			
Interest, dividend & rent income	22A	82,400,188	95,469,197
Profit/(Loss) transferred from:		**71,731,005**	**71,080,843**
Fire revenue account		(6,243,881)	(28,697,083)
Marine revenue account		46,378,043	74,819,104
Miscellaneous revenue account		31,596,842	24,958,822
Gain on sales of shares	23	41,893,678	5,467,337
		196,024,871	**172,017,377**

The annexed Notes 1 to 36 form an integral part of these financial statements. These financial statement were approved by the Board of Directors on 27th April 2017 and were signed on its behalf by:

Director **Chairman**

Signed as per our annexed report of even date.

Mahfel Huq & Co.
Chartered Accountants

Consolidated Profit and Loss Appropriation Account

For the year ended December 31, 2016

Particulars	Notes	2016 Taka	2015 Taka
Reserve for exceptional losses		39,336,668	20,772,703
Provision for taxation		40,379,027	46,524,716
General reserve		15,000,000	10,000,000
Provision for dividend		-	86,220,288
Deferred tax expenses	13	33,311	-
		94,749,006	163,517,707
Balance Transferred to Balance Sheet		91,013,345	385,525
		185,762,351	**163,903,232**

Chief Executive Officer

Director

Dated, Dhaka;
27th April, 2017

Consolidated Profit and Loss Appropriation Account

For the year ended December 31, 2016

Particulars	Notes	2016 Taka	2015 Taka
Balance brought from last year		385,525	956,224
Net Profit for the year brought down from profit & loss account		185,376,826	162,728,582
Deferred tax income	13	-	218,426
		185,762,351	**163,903,232**

The annexed Notes 1 to 36 form an integral part of these financial statements. These financial statement were approved by the Board of Directors on 27th April 2017 and were signed on its behalf by:

Director

Chairman

Signed as per our annexed report of even date.

Mahfel Huq & Co.
Chartered Accountants

Consolidated Statement of Changes in equity

For the year ended December 31, 2016

Particulars	Share Capital	Retained Earnings	Reserve for Exceptional Losses	General Reserve	Share Premium	Revaluation Reserve	Proposed Dividend		Total
							Bonus	Cash	
Balance as on December 31, 2014	**431,101,440**	**956,224**	**178,622,926**	**3,500,000**	**356,686,881**	**463,261,476**	**-**	**86,220,288**	**1,520,349,235**
Dividend	-	-	-	-	-	-	-	(86,220,288)	(86,220,288)
Net Profit for the year 2015 (after tax)	-	116,422,292	-	-	-	-	-	-	116,422,292
Reserve for Exceptional losses	-	(20,772,703)	20,772,703	-	-	-	-	-	-
General reserve	-	(10,000,000)	-	10,000,000	-	-	-	-	-
Proposed dividend	-	(86,220,288)	-	-	-	-	-	86,220,288	-
Balance as on December 31, 2015	**431,101,440**	**385,525**	**199,395,629**	**13,500,000**	**356,686,881**	**463,261,476**	**-**	**86,220,288**	**1,550,551,239**
Dividend	-	-	-	-	-	-	-	(86,220,288)	(86,220,288)
Net Profit for the period 2016 (after tax)	-	144,964,488	-	-	-	-	-	-	144,964,488
Reserve for exceptional losses	-	(39,336,668)	39,336,668	-	-	-	-	-	-
General reserve	-	(15,000,000)	-	15,000,000	-	-	-	-	-
Proposed dividend	-	-	-	-	-	-	-	-	-
Balance as on 31 December 2016	**431,101,440**	**91,013,345**	**238,732,297**	**28,500,000**	**356,686,881**	**463,261,476**	**-**	**-**	**1,609,295,439**
Balance as on 31 December 2015	**431,101,440**	**385,525**	**199,395,629**	**13,500,000**	**356,686,881**	**463,261,476**	**-**	**86,220,288**	**1,550,551,239**

The annexed Notes 1 to 36 form an integral part of these financial statements. These financial statement were approved by the Board of Directors on 27th April 2017 and were signed on its behalf by:

Chief Executive Officer **Director** **Director** **Chairman**

Signed as per our separate report annexed of even date.

Mahfel Huq & Co.
Chartered Accountants

Dated, Dhaka;
27th April, 2017

Consolidated Statement of Cash Flows

For the year ended 31 December 2016

	2016 Taka	2015 Taka
Cash flows from operating activities		
Turnover against insurance business & others	413,060,840	378,339,215
Investment & other income	78,873,381	96,940,095
Business cost and all other expenses	(296,129,790)	(276,342,090)
Income tax paid	(45,019,406)	(40,035,050)
Net cash flows from operating activities (A)	**150,785,025**	**158,902,170**
Cash flows from investing activities		
Investment in shares (Net)	(199,265)	(5,897,682)
Investment	-	(2,000,000)
Acquisitions of fixed assets	(971,547)	(958,242)
Net cash used by investing activities (B)	**(1,170,812)**	**(8,855,924)**
Cash flows from financial activities		
Loan	-	385,184
Dividend paid	(85,834,313)	(94,483,057)
Net Cash used by financial activities (C)	**(85,834,313)**	**(94,097,873)**
Increase/(decrease) in cash and cash equivalents (A+B+C)	**63,779,900**	**55,948,373**
Cash and cash equivalents at beginning of the period	1,080,309,213	1,024,360,840
Cash and cash equivalents at end of the period	**1,144,089,113**	**1,080,309,213**
Net operating cash flows per share (NOCFPS)	**3.50**	**3.69**

The annexed Notes 1 to 36 form an integral part of these financial statements. These financial statement were approved by the Board of Directors on 27th April 2017 and were signed on its behalf by:

Chief Executive Officer | **Director** | **Director** | **Chairman**

Signed as per our separate report annexed of even date.

Mahfel Huq & Co.
Chartered Accountants

Dated, Dhaka;
27th April, 2017

Balance Sheet

(Statement of Financial Position)

As at December 31, 2016

Particulars	Notes	2016 Taka	2015 Taka
Capital and liabilities			
Share capital:	3		
Authorized:			
100,000,000 Ordinary Shares of Tk.10/- each		1,000,000,000	1,000,000,000
Issued, subscribed and paid up:			
43,110,144 Ordinary shares of Tk.10/- each		431,101,440	431,101,440
Share premium	4	356,686,881	356,686,881
Revaluation reserve	5	463,261,476	463,261,476
Reserve or contingency account:		**356,727,051**	**299,498,961**
Reserve for exceptional Losses	6	238,732,297	199,395,629
General reserve		28,500,000	13,500,000
Profit & Loss Appropriation Account		89,494,754	383,044
Proposed Dividend		-	86,220,288
Balance of fund accounts:		**84,302,563**	**83,890,000**
Fire Insurance Business account		26,843,128	29,745,264
Marine Insurance Business account		32,314,814	28,571,384
Misc. Insurance Business account		25,144,621	25,573,352
Deposit premium	7	10,502,532	17,139,034
Liabilities and provisions:		**81,311,111**	**84,267,870**
Estimated liabilities in respect of outstanding claims whether due or intimated	8	81,023,944	84,061,162
Provision for expenses	9	287,167	206,708
Amount due to other persons or bodies carrying on Insurance business	10	161,223,725	123,890,552
Sundry creditors	11	65,448,897	100,951,841
Provision for gratuity	12	2,777,936	3,027,936
Provision for taxation	14	78,823,439	85,346,819
		2,092,167,050	**2,049,062,810**
Net assets value per share (NAV)		**39.25**	**37.91**

Chief Executive Officer

Director

Dated, Dhaka;
27th April, 2017

Balance Sheet

(Statement of Financial Position)

As at December 31, 2016

Particulars	Notes	2016 Taka	2015 Taka
Property and assets			
Investments (at cost):			
Statutory deposits		**608,387,748**	**608,188,484**
Investment in Bangladesh Govt.Treasury Bond (BGTB)		25,000,000	25,000,000
Investment in Shares & debentures	15	583,387,748	583,188,484
Interest, dividends and rent outstanding:		**4,643,885**	**10,580,595**
Accrued interest	16	4,643,885	10,580,595
Sundry debtors (Including advance, deposit & Pre-payments):	17	**31,312,268**	**56,128,732**
Advance Income tax		12,624,592	14,606,556
Rent & others		18,687,676	41,522,176
Cash and cash equivalents:	18	**1,137,098,187**	**1,076,668,071**
Cash in hand		7,887,175	9,594,238
Cash at banks on STD accounts		42,086,536	29,862,620
Cash at banks of CD accounts		5,824,476	1,561,213
Fixed deposits with Banks		1,081,300,000	1,035,650,000
Amount due from other persons or bodies carrying on insurance business	19	57,135,121	47,960,491
Deferred Tax Assets	13	120,369	153,680
Fixed assets (at cost Less accumulated depreciation)	20	251,844,452	248,214,108
Stock of printing, stationery and stamps	21	1,625,020	1,168,650
		2,092,167,050	**2,049,062,810**

The annexed Notes 1 to 36 form an integral part of these financial statements. These financial statement were approved by the Board of Directors on 27th April 2017 and were signed on its behalf by:

Director **Chairman**

Signed as per our annexed report of even date.

Mahfel Huq & Co.
Chartered Accountants

Profit and Loss Account

(Statement of Profit or Loss and Other Comprehensive Income)

For the year ended December 31, 2016

Particulars	Notes	2016 Taka	2015 Taka
Expenses of management (Not applicable to any particular fund or account)		544,505	827,940
Directors fee		231,250	330,750
Audit & credit rating fees		279,000	304,000
Registration fees		2,394,364	1,922,028
Advertisement & publicity		719,839	606,864
Subscription		45,850	146,250
Depreciation	Annexure-A	4,726,207	4,337,856
Right share Issue expenses written off @ 25%		689,261	689,258
		9,630,276	**9,164,946**
Net profit transferred to profit & loss appropriation account		**183,481,689**	**162,724,765**
		193,111,965	**171,889,711**
Earning per share	27	**3.33**	**2.70**

Chief Executive Officer

Director

Dated, Dhaka;
27th April, 2017

Profit and Loss Account

(Statement of Profit or Loss and Other Comprehensive Income)

For the year ended December 31, 2016

Particulars	Notes	2016 Taka	2015 Taka
Interest and dividend Income (Not applicable to any particular fund or account)			
Interest, dividend & rent income	22	79,487,282	95,341,531
Profit/(Loss) transferred from:		**71,731,005**	**71,080,843**
Fire revenue account		(6,243,881)	(28,697,083)
Marine revenue account		46,378,043	74,819,104
Miscellaneous revenue account		31,596,842	24,958,822
Gain on sales of shares	23	41,893,678	5,467,337
		193,111,965	**171,889,711**

The annexed Notes 1 to 36 form an integral part of these financial statements. These financial statement were approved by the Board of Directors on 27th April 2017 and were signed on its behalf by:

Director **Chairman**

Signed as per our annexed report of even date.

Mahfel Huq & Co.
Chartered Accountants

Profit and Loss Appropriation Account

For the year ended December 31, 2016

Particulars	Notes	2016 Taka	2015 Taka
Reserve for exceptional losses		39,336,668	20,772,703
Provision for taxation		40,000,000	46,523,380
General reserve		15,000,000	10,000,000
Provision for dividend		-	86,220,288
Deferred tax expenses	13	33,311	-
		94,369,979	163,516,371
Balance Transferred to Balance Sheet		89,494,754	383,044
		183,864,733	**163,899,415**

Chief Executive Officer

Director

Dated, Dhaka;
27th April, 2017

Profit and Loss Appropriation Account

For the year ended December 31, 2016

Particulars	Notes	2016 Taka	2015 Taka
Balance brought from last year		383,044	956,224
Net Profit for the year brought down from profit & loss account		183,481,689	162,724,765
Deferred tax income	13	-	218,426
		183,864,733	163,899,415

The annexed Notes 1 to 36 form an integral part of these financial statements. These financial statement were approved by the Board of Directors on 27th April 2017 and were signed on its behalf by:

Director

Chairman

Signed as per our annexed report of even date.

Mahfel Huq & Co.
Chartered Accountants

Fire Insurance Revenue Account

For the year ended 31 December 2016

Particulars	Notes	2016 Taka	2015 Taka
Claims under policies less re-insurance:		**37,208,184**	**56,615,358**
Claim Paid during the year	24	37,898,929	56,156,283
Add : Total estimated liabilities in respect of outstanding claims at the end of the year whether due or intimated.	8	57,862,612	58,553,357
Less : Outstanding at the end of the previous year		(58,553,357)	(58,094,282)
Agency Commission		24,921,140	25,206,538
Insurance stamps consumed		184,156	176,829
Commission on re-insurance accepted		-	-
Expenses of management	25	25,245,671	26,184,454
Profit/(loss) transferred to profit & loss account		(6,243,881)	(28,697,083)
Balance of account at the end of the year as shown in the balance sheet:			
Reserve for unexpired risk being 40% of premium income for the year		26,843,128	29,745,264
		108,158,398	**109,231,360**

Chief Executive Officer

Director

Dated, Dhaka;
27th April, 2017

Fire Insurance Revenue Account

For the year ended 31 December 2016

Particulars	Notes	2016 Taka	2015 Taka
Balance of fund account at the beginning of the year (Reserve for unexpired risk)		29,745,264	25,352,352
Premium less re-insurance	26	67,107,819	74,363,160
Commission on re-insurance ceded		11,305,315	9,515,847
		108,158,398	**109,231,359**

The annexed Notes 1 to 36 form an integral part of these financial statements. These financial statement were approved by the Board of Directors on 27th April 2017 and were signed on its behalf by:

Director

Chairman

Signed as per our annexed report of even date.

Mahfel Huq & Co.
Chartered Accountants

AMARSTOCK

Marine Insurance Revenue Account

For the year ended 31 December 2016

Particulars	Notes	2016 Taka	2016 Taka	2016 Taka	2015 Taka
		Marine cargo	Marine hull	Total	Total
Claims under policies less re-insurance:		**2,404,341**	**136**	**2,404,477**	**(13,975,248)**
Paid during the year	24	1,200,978	136	1,201,114	2,885,170
Add : Total estimated liabilities in respect of outstanding claims at the end of the year whether due or intimated.	8	12,036,712	-	12,036,712	10,833,349
Less : Outstanding at the end of the previous year		(10,833,349)	-	(10,833,349)	(27,693,767)
Agency Commission		16,254,774	434,555	16,689,329	15,162,776
Expenses of management	25	18,683,513	485,133	19,168,646	17,872,828
Profit/(loss) transferred to profit & loss a/c		45,116,079	1,261,964	46,378,043	74,819,104
Balance of account at the end of the year as shown in the balance sheet:					
Reserve for un-expired risks being 40% and 100% of premium income of Marine Cargo & Marine Hull respectively of the year		31,689,551	625,263	32,314,814	28,571,384
		114,148,257	**2,807,052**	**116,955,309**	**122,450,844**

Chief Executive Officer

Director

Dated, Dhaka;
27th April, 2017

Marine Insurance Revenue Account

For the year ended 31 December 2016

Particulars	Notes	2016 Taka	2016 Taka	2016 Taka	2015 Taka
		Marine cargo	Marine hull	Total	Total
Balance of account at the beginning of the year (Reserve for unexpired risk)		27,239,402	1,331,982	28,571,384	42,179,777
Premium less re-insurance	26	79,223,877	625,263	79,849,140	69,430,488
Commission on re-insurance ceded.		7,684,978	849,807	8,534,785	10,840,579
		114,148,257	**2,807,052**	**116,955,309**	**122,450,844**

The annexed Notes 1 to 36 form an integral part of these financial statements. These financial statement were approved by the Board of Directors on 27th April 2017 and were signed on its behalf by:

Director **Chairman**

Signed as per our annexed report of even date.

Mahfel Huq & Co.
Chartered Accountants

Miscellaneous Insurance Revenue Account

For the year ended 31 December 2016

Particulars	Notes	2016 Taka	2016 Taka	2016 Taka	2015 Taka
		Motor	Misc	Total	Total
Claims under policies less re-insurance:		**11,547,166**	**(1,260,028)**	**10,287,138**	**12,202,497**
Claim Paid during the year	24	13,818,455	18,519	13,836,974	7,536,423
Add : Total estimated liabilities in respect of outstanding claims at the end of the year whether due or intimated	8	10,096,323	1,028,297	11,124,620	14,674,456
Less : Outstanding at the end of the previous year		(12,367,612)	(2,306,844)	(14,674,456)	(10,008,382)
Agency Commission		8,954,734	2,071,324	11,026,058	11,051,904
Commission on re-insurance accepted		-	-	-	-
Insurance stamps consumed		167,204	78,229	245,433	255,243
Expenses of management	25	9,220,231	4,999,868	14,220,099	14,086,637
Profit/(loss) transferred to profit & loss account		26,757,882	4,838,961	31,596,842	24,958,822
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		22,850,158	2,294,463	25,144,621	25,573,352
		79,497,375	**13,022,817**	**92,520,192**	**88,128,455**

Chief Executive Officer

Director

Dated, Dhaka;
27th April, 2017

Miscellaneous Insurance Revenue Account

For the year ended 31 December 2016

Particulars	Notes	2016 Taka	2016 Taka	2016 Taka	2015 Taka
		Motor	Misc	Total	Total
Balance of account at the beginning of the year (Reserve for unexpired risk)		21,677,712	3,895,640	25,573,352	21,592,722
Premium less re-insurance	26	57,125,396	5,736,157	62,861,553	63,933,379
Commission on re-insurance ceded		694,267	3,391,020	4,085,287	2,602,354
		79,497,375	**13,022,817**	**92,520,192**	**88,128,455**

The annexed Notes 1 to 36 form an integral part of these financial statements. These financial statement were approved by the Board of Directors on 27th April 2017 and were signed on its behalf by:

Director **Chairman**

Signed as per our annexed report of even date.

Mahfel Huq & Co.
Chartered Accountants

Statement of Changes in equity

For the year ended December 31, 2016

Particulars	Share Capital	Retained Earnings	Reserve for Exceptional Losses	General Reserve	Share Premium	Revaluation Reserve	Proposed Dividend		Total
							Bonus	Cash	
Balance as on December 31, 2014	**431,101,440**	**956,224**	**178,622,926**	**3,500,000**	**356,686,881**	**463,261,476**	**-**	**86,220,288**	**1,520,349,235**
Dividend	-	-	-	-	-	-	-	(86,220,288)	(86,220,288)
Net Profit for the year 2015 (after tax)	-	116,419,811	-	-	-	-	-	-	116,419,811
Reserve for exceptional losses	-	(20,772,703)	20,772,703	-	-	-	-	-	-
General reserve	-	(10,000,000)	-	10,000,000	-	-	-	-	-
Proposed dividend	-	(86,220,288)	-	-	-	-	-	86,220,288	-
Balance as on December 31, 2015	**431,101,440**	**383,044**	**199,395,629**	**13,500,000**	**356,686,881**	**463,261,476**	**-**	**86,220,288**	**1,550,548,758**
Dividend	-	-	-	-	-	-	-	(86,220,288)	(86,220,288)
Net Profit for the period 2016 (after tax)	-	143,448,378	-	-	-	-	-	-	143,448,378
Reserve for exceptional losses	-	(39,336,668)	39,336,668	-	-	-	-	-	-
General reserve	-	(15,000,000)	-	15,000,000	-	-	-	-	-
Proposed dividend	-	-	-	-	-	-	-	-	-
Balance as on 31 December 2016	**431,101,440**	**89,494,754**	**238,732,297**	**28,500,000**	**356,686,881**	**463,261,476**	**-**	**-**	**1,607,776,848**
Balance as on 31 December 2015	**431,101,440**	**383,044**	**199,395,629**	**13,500,000**	**356,686,881**	**463,261,476**	**-**	**86,220,288**	**1,550,548,758**

The annexed Notes 1 to 36 form an integral part of these financial statements. These financial statement were approved by the Board of Directors on 27th April 2017 and were signed on its behalf by:

Chief Executive Officer **Director** **Director** **Chairman**

Signed as per our separate report annexed of even date.

Mahfel Huq & Co.
Chartered Accountants

Dated, Dhaka;
27th April, 2017

Statement of Cash Flows

For the year ended 31 December 2016

	2016 Taka	2015 Taka
Cash flows from operating activities		
Turnover against insurance business & others	389,431,694	376,194,994
Investment & other income	76,221,342	96,837,241
Business cost and all other expenses	(273,746,918)	(274,605,474)
Income tax paid	(44,470,877)	(40,035,050)
Net cash flows from operating activities (A)	**147,435,241**	**158,391,711**
Cash flows from investing activities		
Investment in shares (Net)	(199,265)	(5,897,682)
Investment	-	(2,000,000)
Acquisitions of fixed assets	(971,547)	(958,242)
Net cash used by investing activities (B)	**(1,170,812)**	**(8,855,924)**
Cash flows from financial activities		
Dividend paid	(85,834,313)	(94,483,057)
Net Cash used by financial activities (C)	**(85,834,313)**	**(94,483,057)**
Increase/(decrease) in cash and cash equivalents (A+B+C)	**60,430,116**	**55,052,730**
Cash and cash equivalents at beginning of the period	1,076,668,071	1,021,615,341
Cash and cash equivalents at end of the period	**1,137,098,187**	**1,076,668,071**
Net operating cash flows per share (NOCFPS)	**3.42**	**3.67**

The annexed Notes 1 to 36 form an integral part of these financial statements. These financial statement were approved by the Board of Directors on 27th April 2017 and were signed on its behalf by:

Chief Executive Officer **Director** **Director** **Chairman**

Signed as per our separate report annexed of even date.

Mahfel Huq & Co.
Chartered Accountants

Dated, Dhaka;
27th April, 2017

Fixed Assets Schedule

For the year ended December 31, 2016

Annexure - A

Particulars	Cost				Rate	Depreciation				Written down value as at December 2016
	Opening balance	Disposal during the year	Addition during the year	Closing balance		Opening balance	Adjustment during the year	Charged during the year	Closing balance	
Land	226,875,000	-	-	226,875,000		-	-	-	-	226,875,000
Leased assets - Car	12,814,434	-	7,385,008	20,199,442	20%	5,125,774	-	3,014,734	8,140,508	12,058,934
Furniture & fixtures	7,802,167	-	35,574	7,837,741	10%	5,101,840	-	273,590	5,375,430	2,462,311
Office equipment	2,156,502	-	44,664	2,201,166	15%	2,006,832	-	29,150	2,035,982	165,184
Office decoration	20,049,114	-	-	20,049,114	10%	12,691,111	-	735,800	13,426,911	6,622,203
Air cooler	3,522,383	-	216,200	3,738,583	15%	3,232,087	-	75,974	3,308,061	430,522
Electrical equipment	2,038,956	-	277,269	2,316,225	15%	1,487,367	-	124,329	1,611,696	704,529
Crokeries & Cutleries	181,180	-	-	181,180	25%	172,398	-	2,196	174,594	6,587
Sundry assets	989,438	-	-	989,438	25%	946,836	-	10,651	957,487	31,952
Computer & printer	5,485,967	-	252,840	5,738,807	15%	3,146,419	-	388,858	3,535,277	2,203,530
Motor cycle	449,200	-	145,000	594,200	20%	239,573	-	70,925	310,498	283,702
Total - 2016	**282,364,341**	**-**	**8,356,555**	**290,720,896**		**34,150,237**	**-**	**4,726,207**	**38,876,444**	**251,844,452**
Total - 2015	**281,406,099**	**-**	**958,242**	**282,364,341**		**29,812,377**	**-**	**4,337,856**	**34,150,233**	**248,214,108**

Notes to the Financial Statements and significant accounting policies

For the year ended 31 December 2016

1.00 Legal status and nature of the company

The Company was incorporated on June 07, 1986 in Bangladesh as a Public Limited Company under the Companies Act, 1913 as amended in 1994. The certificate of commencement of insurance business was obtained from the Controller of Insurance, Government of Peoples Republic of Bangladesh. The shares of the Company are listed with Dhaka and Chittagong Stock Exchange.

The Company has also formed another subsidiary Company viz, EIC Securities Ltd., was to establish a brokerage house with a view to cope with the business needs of securities trading in the stock market as a member of Chittagong Stock Exchange (CSE) Ltd.

1.01 Address of registered office and place of business of the company

The registered office of the Company is located at 44 Dilkusha C/A (1st & 2nd Floor), Dhaka-1000, Bangladesh. The operation of the company are being carried out through its 25 Branches located in different division of Bangladesh.

1.02 Principal activities of the company

The Company is engaged in the business of all types of general insurances other than life insurance.

1.03 Date of Financial Statements Authorized for issue

Financial Statements of the company for the year ended December 31, 2016 were authorized by the Board for issue on April 27, 2017 in accordance with a resolution of the Board of Directors of the company.

2.00 Structure, Content and Presentation of Significant accounting policies:

2.01 Basis of presenting accounts and significant accounting policies

a) These accounts have been prepared under Generally Accepted Accounting Principles (GAAP) on going concern and accrual basis under historical cost convention. The preparation and presentation of the financial statements and the disclosure of information have been made in accordance with the Insurance Act 1938 (as amended in 2010) the Insurance Rules 1958 and in conformity with Bangladesh Accounting Standards (BAS), Bangladesh Financial Reporting Standards (BFRS), the Companies Act 1994, the Securities and Exchange Rules 1987 (as amended in 1997), the listing rules of Dhaka and Chittagong Stock Exchange and other applicable laws & regulations in Bangladesh and practice generally followed by the insurance sector.

b) The Balance Sheet has been prepared in accordance with the regulations contained in Part I of the First Schedule and as per Form "A" as set forth in Part II of that Schedule and the Revenue Account of each class of general insurance business has been prepared in accordance with the regulations as contained in Part I of the Third Schedule and as per Form "F" as set forth in Part II of that Schedule of the Insurance Act 2010 as amended.

c) Functional and Presentation Currency

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

d) Use of estimates and judgement

The preparation of financial statements require management to make judgments, estimates and assumptions that affect the application of accounting policies and reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimates is revised and in any future periods affected.

e) Financial statements of the company cover one calendar year from 1st January 2016 to 31st December 2016 consistently.

2.02 Basis of Consolidation

The financial statements of the Corporation and its subsidiaries have been consolidated in accordance with Bangladesh Accounting Standard (BAS)-27 "Consolidated and Separate Financial Statements". The consolidation of the financial statements has been made after eliminating all intra-group balances, transactions, income and expenses and profits and losses resulting from intra-group transactions and dividends. The consolidated financial statements comprise the financial statements of the Group as at 31 December each year. Subsidiary is fully consolidated from the date of acquisition, being the date on which the Group obtains control, and continue to be consolidated until the date when such control ceases. The financial statements of the subsidiaries are prepared for the same reporting year as the parent company, using consistent accounting policies. Losses within a subsidiary are attributed to any non-controlling interest, even if this results in a deficit balance. A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction. If the Group loses control over a subsidiary, it:

a) De-recognizes the assets (including goodwill) and liabilities of the subsidiary

b) De recognizes the carrying amount of any non-controlling interest

c) De-recognizes the cumulative translation differences recorded in equity

d) Recognizes the fair value of the consideration received

e) Recognizes the fair value of any investment retained

f) Recognizes any surplus or deficit in profit or loss

g) Reclassifies the parent's share of components previously recognized in other comprehensive income to profit or loss or retained earnings, as appropriate

2.03 Provision for liabilities

According to BAS 37: "Provision, Contingent Liabilities and Contingent Assets" the company recognizes the provision in the balance sheet when the company has a legal or constructive obligation as a result of past event and it is probable that an outflow of economic benefit will be required to settle the obligations.

2.04 Statement of Cash Flows

Statement of Cash Flows is prepared in accordance with BAS 7: "Statement of Cash Flows", the Statement of Cash Flows shows the structure of and changes in cash and cash equivalents during the financial year. Cash and cash equivalents include notes and coins on hand, unrestricted balance held with the commercial banks. It is broken down into operating activities, investing activities and financing activities. The direct method is used to show the operating activities.

2.05 Additional information on financial statements

Components of the financial statements

Following the Insurance Act 2010 and BAS 1: "Presentation of Financial Statements", the company's complete set of financial statements include the following components:

a) Balance Sheet (Statement of Financial Position) as at December 31, 2016.

b) Profit or Loss Account (Statement of Profit or Loss Account & Other Comprehensive Income) for the year ended December 31, 2016.

c) Profit and Loss Appropriation Account for the year ended December 31, 2016.

d) Fire Insurance Revenue Account for the year ended December 31, 2016.

e) Marine Insurance Revenue Account for the year ended December 31, 2016.

f) Miscellaneous Insurance Revenue Account for the year ended December 31, 2016.

g) Statement of Changes in Equity for the year ended December 31, 2016.

h) Statement of Cash Flows for the year ended December 31, 2016.

i) Notes to the Financial Statements and significant accounting policies.

2.06 Disclosure of departure from few requirements of BAS/BFRS due to mandatory compliance of Insurance Act's requirements

a) The Eastern Insurance Company Limited management has followed the principles of BAS & BFRS consistently in preparation of the financial statements to that extent as applicable to the EICL. Some requirements of Insurance Act 1938 and Insurance Rules 1958 and regulations contradict with those of financial instruments and general provision standards of BAS and BFRS. As such the EICL has departed from those contradictory requirements of BAS/BFRS in order to comply with the rules and regulations of IDRA, Bangladesh which are disclosed below along with financial impact where applicable:

b) As per Insurance Act 1938 as amended 2010 investments in quoted shares and unquoted shares are revalued at the year end at market price and as per book value of last audited balance sheet respectively. Provisions has been made by netting off any unrealized gain/(loss) arising at the Balance sheet date. However as per requirements of BAS 39 investment in shares falls either under "at fair value through profit and loss account" or under "available for sale" where any change in the fair value at the year-end is taken to profit and loss account or other comprehensive income respectively.

c) General Provision on Insurance Premium and Re-Insurance Premium are followed as per Insurance Act 1938 as amended 2010. However such general provision cannot satisfy the conditions of provision as per BAS 37. At the year end the EICL has recognized provision of Tk. 84,302,563 as balance of fund and liabilities in the Balance Sheet under liabilities.

d) Insurance Act 1938 has issued templates for financial statements which will strictly be followed by all General and Life Insurance Company. The templates of financial statements issued by Insurance Act do not include Other Comprehensive Income (OCI) nor are the elements of Other Comprehensive Income allowed to include in a Single Comprehensive Income (OCI) Statement. As such the EICL does not prepare the other comprehensive income statement. However the EICL does not have any elements of OCI to be presented.

e) As per IDRA guidelines financial instruments are categorized, recognized and measured differently from those prescribed in BAS 39. As such some disclosure and presentation requirements of BFRS 7 and BAS 32 have not been made in the accounts.

2.07 Significant accounting policies

a) Premium Income

The total amount of premium earned on various classes of insurance business underwritten during the year, the gross amount of premium earned against various policies, the amount of re-insurance premium due to Sadharan Bima Corporation, the amount of re-insurance commission earned and the amount of claims less re-insurance settled during the year have all been duly accounted for in the books of account of the Company and while preparing the final accounts, the effect of re-insurance accepted and re-insurance ceded as well as the effect of total estimated liabilities in respect of outstanding claims at the end of the year, whether due or intimated have also been duly reflected in order to arrive at the net underwriting profit for the year.

b) Interest on Statutory and other Investments

Interest is accrued on statutory investment of Tk.25,000,000 lying with Bangladesh Bank in the form of Govt. Treasury Bond. Along with the aforesaid interest, the interest received during the year from banks on STD account and FDR Accounts has been duly credited to the Profit and loss Account.

c) Gain and Loss on shares and debentures

Gain and loss on sale of shares and dividend income earned during the year have been shown in the Statement of Comprehensive Income and the tax relief as well as the concession on the rate of tax as availed under the existing income tax law, have been given effect in the accounts.

d) Debenture of Beximco Denims & Textiles Ltd.

ICB as a Trustee of the aforesaid investment in Debenture of Beximco Group lodged Artha Jari cases for recovery on behalf of institutional investors is under judgement of Artha Rin Adalat. Therefore no provision was made in the Financial statements.

e) Management expenses

As per section 40(C)(2) Insurance Act 1938 (as amended in 2010) all relevant management expenses for an amount of Tk.58,634,416 have been allocated to each class of Insurance business on pro-rata basis of their respective gross premium income earned during the year from direct business in Bangladesh. Management expenses as charged to Revenue Accounts amounting to Tk.58,634,416 represents approximately 15% of gross premium of Tk. 393,366,679. These expenses have been apportioned @ 43% to Fire, 32% to Marine Cargo, 1% to Marin hull, 16% to Motor and 9% to Miscellaneous business as per Management decision.

f) Provision for unexpired risks

Before arriving at the surplus of each class of business, necessary provision for unexpired risks have been created at the rate of 40% on all business except on Marine Hull business for which the provision was made @ 100% of the total premium for the year 2016.

g) Reserve for exceptional loss

Reserve for Exceptional Losses as appropriated out of current year's profit before tax provision amounts to Tk.39,336,668 being 10% of the premium earned during the year.

h) Depreciation on fixed assets

Depreciation on Fixed Assets has been charged on cost for full year as per reducing balance method at the following rates:

Category of assets	Rate of Depreciation
Lease Assets - Car	20%
Furniture & fixture	10%
Office equipment	15%
Office decoration	10%
Air cooler	15%
Electrical equipment	15%
Crokeries & Cutleries	25%
Sundry assets	25%
Computer & printer	15%
Motor cycle	20%

i) Operation

During the year, the gross premium earned by the company amounted to Tk. 393,366,679 including public sector business of Tk.42,456,494. After ceding for re-insurance premium the net premium for the year amounted to Tk.209,818,512 and after charging direct expenses there from the net underwriting profit stood at Tk. 71,731,006 as against Tk.71,080,843 in the previous year.

j) Public sector business

Public Sector Business up to June 2016 has been accounted for on the basis of statements received from Sadharan Bima Corporation.

k) Taxation

Provision for income tax has been made on net profit in view of the prevailing rate of 40.00% as per Income Tax Ordinance, 1984 and possible disallowances of expenditure at the time of assessment.

l) Deferred tax

Provision for deferred tax has been made on based on best estimate and in view of temporary difference due to the carrying amount of an asset or liability and its tax base.

m) Tax assessment position

There were 4 (four) appeals pending in respect of the tax assessment purpose. Three with the High Court Division against the order of Taxes Appellate Tribunal for the Assessment Year 2008-2009, 2011-2012 & 2012-2013 and another one with the Registrar of Taxes Appellate Tribunal for the Assessment Year 2013 - 2014. Return for the Assessment year 2014 - 2015, 2015 - 2016 & 2016-2017 duly submitted u/s 82BB of ITO.

n) Basic earnings per share

This has been calculated by dividing the basic earning by the number of ordinary shares outstanding during the year as per BAS-33.

o) Employees benefits

i. Provident fund

Company Operates a provident fund, recognized by National Board of Revenue (NBR) for its confirm enployees. The provident fund is wholly administered by a Board of Trustees and no part of the fund is included in the assets of the Company.

ii. Gratuity fund

The Company also operates a funded Gratuity scheme. The fund is approved by National Board of Revenue (NBR).

iii. Other benefits

In addition to the above, Eastern Insurance Company Limited has been providing other benefits to its employees like Performance Bonus, Group Life Insurance scheme, Car/Motor Cycle Loan etc.

iv Workers profit participation fund (WPPF)

The Board refers the mater of provision for Worker Profit Participation Fund (WPPF) and like to clarify that as per provisions of para (A to G) of section 233 of Bangladesh Labour 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 Eastern Insurance Company Ltd. has been maintaining a Recognized Employees Provident Fund, Gratuity Scheme, Group Insurance Scheme (GIS), Performance Bonus, Car / Motor Cycle Loan Scheme etc. as per provision of BAS-19.

p) Others

Figures appearing in the financial statements have been rounded off to the nearest Taka and previous year's figures and account titles have been re-arranged, wherever necessary for the purpose of comparison.

			2016 Taka	2015 Taka
3.00	**Share capital**			
	Authorized :			
	100,000,000 Ordinary Shares of Tk.10/- each		1,000,000,000	1,000,000,000
	Issued, subscribed and paid up:			
	43,110,144 Ordinary Shares of Tk.10/= each	3.01	431,101,440	431,101,440
	(for 2015: 43,110,144 Ordinary Shares of Tk.10/= each fully paid up)			
3.01	**Number of shares**			
	Opening shares		43,110,144	43,110,144
	Total shares		43,110,144	43,110,144

3.02 Classification of share holding position of the company at 31 December 2016 was as follows:

Particulars	No.of Shares	% of Holdings	Amount (Tk.)	Amount (Tk.)
Sponsor Shareholders	22,428,227	52%	224,282,270	225,506,380
Institutional Corporate	10,091,884	23%	100,918,840	138,241,860
Individual/General Public	10,590,033	25%	105,900,330	67,353,200
Total	**43,110,144**	**100%**	**431,101,440**	**431,101,440**

3.03 Classification of shareholders by holding as required by Regulation 37 of the listing Regulations of Dhaka Stock Exchange Ltd.

Group "A" Shareholders (Sponsors):

No.of Holders	Class Interval	Total Holding	Percentage	2016 Taka	2015 Taka
2	100001-200000	162,371	1%	1,623,710	-
Nil	200001-300000	-	-	-	-
1	300001-500000	374,671	2%	3,746,710	-
5	500001-900000	4,313,673	10%	43,136,730	65,539,940
10	900001-above	17,577,512	41%	175,775,120	159,966,440
18		22,428,227	52%	224,282,270	225,506,380

Group "B" Shareholders (Public):

No.of Holders	Class Interval	Total Holding	Percentage	2016 Taka	2015 Taka
3359	0001-5000	2,727,665	6%	27,276,650	25,562,380
145	5001-50000	1,914,974	4%	19,149,740	22,864,860
10	50001-100000	666,227	2%	6,662,270	10,243,490
10	100001-200000	1,383,021	3%	13,830,210	12,538,600
3	200001-500000	917,221	2%	9,172,210	12,821,790
11	500001-above	13,072,809	30%	130,728,090	121,563,940
3538		20,681,917	48%	206,819,170	205,595,060
Total (A+B)		**43,110,144**	**100%**	**431,101,440**	**431,101,440**

4.00 **Share premium: Tk. 356,686,881**

The above balance is made up as follows:

Particulars		
Opening balance	356,686,881	356,686,881
Total	**356,686,881**	**356,686,881**

5.00 **Revaluation reserve: Tk. 463,261,476**

The above balance is made up as follows:

	2016 Taka	2015 Taka
Land	188,261,476	188,261,476
Membership with CSE	275,000,000	275,000,000
Total	**463,261,476**	**463,261,476**

Revaluation reserve on account of Land and Membership with CSE Tk.188,261,476 and Tk.275,000,000 was carried forward from last year which created by way of Revaluation of Land and Broker License Membership of Chittagong Stock Exchange Ltd. (CSE) in the year 2008 and 2011 respectively. The Land valuation was done by M/S A.Wahab & Co., Chartered Accountants on 31 December 2008 while revaluation of Membership of Chittagong Stock Exchange Ltd. (CSE) done by M/S Shiraz Khan Basak & Co., Chartered Accountants on 16 May 2011.

6.00 **Reserve for exceptional losses: Tk.238,732,297**

Reserve for exceptional losses has been transferred to this account on basis 10% on Premium Income.

Opening balance	199,395,629	178,622,926
Add: Transferred during the year	39,336,668	20,772,703
Total	**238,732,297**	**199,395,629**

7.00 **Deposit premium: Tk.10,502,532**

The above balance is made up as follows:

Deposit premium	10,502,532	17,139,034
Total	**10,502,532**	**17,139,034**

Balance of this account represents premium received against cover notes which were not converted into policy within 31 December 2016 because of the period of nine months from the date of issue of cover notes had not expired.

8.00 **Estimated Liability in respect of Outstanding Claims whether due or intimated: Tk.81,023,944**

The above balance is made up as follows:

Opening Balance	84,061,162	95,796,431
Add : Claim raised during the year	49,899,799	54,842,607
	133,960,961	150,639,038
Less : Paid during the period	(52,937,017)	(66,577,876)
Closing Balance	**81,023,944**	**84,061,162**
This is consists of:		
Fire	57,862,612	58,553,357
Marine	12,036,712	10,833,349
Motor	10,096,323	12,367,612
Miscellaneous	1,028,297	2,306,844
Total	**81,023,944**	**84,061,162**

9.00 **Provision for Expenses: Tk.287,167**

The above balance is made up as follows:

Telephone - office	13,401	14,301
Electricity, gas and water	39,198	45,775
Audit fees	125,000	115,000
Others	109,568	31,632
Total	**287,167**	**206,708**

		2016 Taka	2015 Taka
9.A	**Consolidated Provision for Expenses: Tk. 603,317**		
	Eastern Insurance Co.Ltd	287,167	206,708
	EIC Securities Ltd	316,150	54,877
		603,317	**261,585**
10.00	**Amount due to other persons or bodies carrying on insurance business: Tk.161,223,725**		
	The above balance is made up as follows:		
	Opening balance	123,890,552	128,083,777
	Add: Addition during the period	144,365,038	216,194,062
		268,255,590	344,277,839
	Less: Payment made & adjustment during the period	107,031,865	220,387,287
	Total	**161,223,725**	**123,890,552**
11.00	**Sundry creditors: Tk.65,448,897**		
	The above balance is made up as follows:		
	Provident fund & others	2,885,372	6,162,291
	Dividend & others payable	54,935,528	54,549,553
	Security deposit from printers	15,000	15,000
	Hire purchase deposit	449,291	449,291
	Value Added Tax (VAT)	2,395,366	2,346,502
	Lease finance (UFIL) - car	4,768,340	2,768,593
	Uttara Finance & Investment Ltd	-	2,872,676
	Claim Payable - Venture Energy	-	31,787,935
	Total	**65,448,897**	**100,951,841**
11.A	**Consolidated Sundry creditors: Tk.67,763,838**		
	Eastern Insurance Co. Ltd	65,448,897	100,951,841
	EIC Securities Ltd	2,314,941	884,710
		67,763,838	**101,836,551**

12.00 **Provision for Gratuity: Tk. 2,777,936**

The company runs a funded Gratuity Scheme duly approved by Income Tax Authorities for all of its permanent employees. No actuarial valuation has yet been done to estimate the present position of this liability. However, management has estimated the same as of 31.12.2016 as follows:

Estimated liability of fund		
Opening	2,179,850	2,429,850
Addition during the period	1,000,000	1,000,000
Total	**3,179,850**	**3,429,850**
Opening balance	3,027,936	4,336,036
Add: Provision made	1,250,000	1,250,000
	4,277,936	5,586,036
Less: Paid during the period	(1,500,000)	(2,558,100)
Total	**2,777,936**	**3,027,936**
Balance to be transferred to the Gratuity Fund	**1,929,850**	**2,179,850**

		2016 Taka	2015 Taka
13.00	**Deferred tax liability / (assets): Tk.(120,369)**		
	The above balance is made up as follows:		
	Carrying amount of tangible fixed assets	251,844,452	248,214,108
	Tax base of tangible fixed assets	(252,145,375)	(248,598,309)
		(300,923)	(384,201)
	Applicable tax rate	40%	40%
	Deferred tax liability / (assets)	(120,369)	(153,680)
	Deferred Tax (income)/expenses for the period	**33,311**	**(218,426)**
14.00	**Provision for Taxation: Tk.78,823,439**		
	The above balance is made up as follows:		
	Opening balance	85,346,819	78,228,489
	Add: Provision made during the year	40,000,000	46,523,380
		125,346,819	124,751,869
	Less: Adjustment against last year	46,523,380	39,405,050
	Total	**78,823,439**	**85,346,819**
14.A	**Consolidated Provision for Taxation: Tk.79,202,466**		
	Eastern Insurance Co.Ltd	78,823,439	85,346,819
	EIC Securities Ltd	379,027	1,336
		79,202,466	**85,348,155**
15.00	**Investment in Shares & Debentures: Tk.583,387,748**		
	The above balance is made up as follows:		
a.	**Shares in public Co. b/f**	296,494,059	290,596,377
	Add: Addition (net off)	199,265	5,897,682
	Sub total :	296,693,324	296,494,059
b.	**Investment in debentures b/f**	785,224	785,225
	Total shares and debentures (note : 15.01)	**297,478,548**	**297,279,284**
c.	**Shares in Subsidiary Co.**		
	EIC Securities Ltd	5,999,800	5,999,800
	Share money deposit in EIC Securities Ltd.	279,909,400	279,909,400
		285,909,200	285,909,200
	Total	**583,387,748**	**583,188,484**
15.A	**Consolidated Investment in Shares & Debentures: Tk.297,478,548**		
	Eastern Insurance Co. Ltd	583,387,748	583,188,484
	Less: Inter Company Investment in subsidiary Co (Note 15.C)	(285,909,200)	(285,909,200)
		297,478,548	**297,279,284**

Note: Investment in shares & Debentures are shown at cost price. No provision in this regard has been made as the Market price was higher than the cost price at the balance sheet date.

15.01 **Shares in public Co.:**

Sl. No.	Name of the Company	M.P.(P.S) 31.12.2016	No of shares	Ave. Buying Rate	Total Value at Cost	Market Value 31.12.2016
1	**BANKS**					
	AB Bank Ltd.	22.30	1,353	36.67	49,614	30,172
	Al Arafah Islami Bank Ltd.	15.90	1,393	22.14	30,837	22,149
	Bank Asia Ltd.	17.90	1,270	20.38	25,885	22,733
	Brac Bank Ltd.	64.10	1,840	25.75	47,382	117,944
	City Bank Ltd.	27.20	432,320	22.33	9,654,164	11,759,104
	Dhaka Bank Ltd.	17.90	548,648	30.37	16,664,048	9,820,799
	Dutch Bangla Bank Ltd.	116.70	1,000	115.76	115,761	116,700
	Exim Bank Ltd.	11.70	379,959	9.00	3,421,319	4,445,520
	Eastern Bank Ltd.	29.00	1,150	37.97	43,668	33,350
	First Security Islami Bank Ltd.	13.90	307,705	9.36	2,880,238	4,277,100
	ICBI Bank Ltd	5.10	257,000	14.19	3,646,603	1,310,700
	IFIC Bank Ltd.	20.90	1,628	31.12	50,657	34,025
	Islami Bank Bangladesh Ltd.	29.70	1,287	36.16	46,544	38,224
	Jamuna Bank Ltd	15.60	863,314	34.89	30,123,496	13,467,698
	Mutual Trust Bank Ltd	23.10	3,567,357	16.94	60,447,945	82,405,947
	Mercantile Bank	15.10	246,818	13.11	3,235,002	3,726,952
	National Bank Ltd.	10.20	987,315	9.46	9,341,316	10,070,613
	NCC Bank Ltd.	12.60	991,155	9.16	9,076,235	12,488,553
	One Bank Ltd.	18.30	573,850	14.66	8,415,052	10,501,455
	Prime Bank Ltd.	17.70	819	10.00	8,190	14,496
	Premier Bank Ltd.	9.80	410,331	8.86	3,633,516	4,021,244
	Pubali Bank Ltd.	24.00	1,050	31.36	32,929	25,200
	Rupali Bank Ltd.	27.40	1,454	62.16	90,382	39,840
	Standard Bank Ltd.	11.90	881,297	13.02	11,476,571	10,487,434
	Social Islami Bank Ltd	18.40	988,680	25.62	25,333,139	18,191,712
	Shahjalal Islami Bank Ltd.	15.00	1,320	20.68	27,296	19,800
	South East Bank Ltd.	18.70	1,050	21.23	22,287	19,635
	Trust Bank Ltd.	23.80	1,330	22.33	29,705	31,654
	Uttara Bank Ltd.	24.70	14,276	64.71	923,848	352,617
	United Commercial Bank Ltd.	21.30	1,050	27.06	28,411	22,365
	Sub Total				**198,922,040**	**197,915,735**
2	**FINANCIAL INSTITUTIONs**					
	First Finance Ltd.	10.20	144,375	52.13	7,526,138	1,472,625
	N. Housing Finance and Inv.Ltd.	54.00	5,123,295	10.61	54,383,477	276,657,930
	Sub Total				**61,909,615**	**278,130,555**
3	**MUTUAL FUNDs**					
	Green Delta Mutual Fund	7.30	1,000,000	10.00	10,000,000	7,300,000
	ICB AMCL 2nd Mutual Fund	6.00	175,000	19.04	3,332,066	1,050,000
	ICB 2nd NRB Mutual Fund	8.40	175,000	22.61	3,956,180	1,470,000
	Grameen one: Scheme two.	12.30	36,429	16.08	585,956	448,077
	Sub Total				**17,874,202**	**10,268,077**
4	**CORPORATE BOND**					
	IBBL Mudaraba Perpetual Bond	**981.50**	**280**	943.95	**264,306**	**274,820**

Sl. No.	Name of the Company	M.P.(P.S) 31.12.2016	No of shares	Ave. Buying Rate	Total Value at Cost	Market Value 31.12.2016
5	**ENGINEERING**					
	Singer Bangladesh Ltd.	192.50	1,366	223.33	305,064	262,955
	Usmania Glass Sheet Factory Ltd.	85.60	4,259	113.85	484,877	364,570
	Bangladesh Shipping Corporation	470.20	455	474.65	215,967	213,941
	Bangladesh Submarine Cable Co.	118.60	8,347	143.48	1,197,659	989,954
	Aftab automobiles Ltd.	56.70	15,350	74.84	1,148,786	870,345
	Sub Total				**3,352,353**	**2,701,766**
6	**TEXTILE**					
	Bexmico Knitting Ltd. (s)	N/T	100	100.00	10,000	10,000
	Square Textile Ltd.	69.20	686	10.00	6,860	47,471
	Sub Total				**16,860**	**57,471**
7	**PHARMACEUTICALS & CHEMICALs**					
	Beacon Pharmaceuticals Ltd	22.00	105,000	54.93	5,767,771	2,310,000
	Square Pharmaceuticals Ltd.	249.10	4,036	68.61	276,902	1,005,368
	Orion Pharma Ltd.	42.10	25,020	52.26	1,307,440	1,053,342
	Sub Total				**7,352,113**	**4,368,710**
8	**CEMENT**					
	Heidelberg Cement Bd. Ltd.	552.30	40	10.00	400	22,092
	Meghna Cement Ltd.	106.10	4,000	107.09	428,348	424,400
	M.I.Cement Factory Ltd.	82.50	47,461	88.75	4,212,270	3,915,533
	Sub Total				**4,641,018**	**4,362,025**
9	**INSURANCE - NON LIFE**					
	Agrani Insurance Co.Ltd.	24.00	1,212	30.99	37,561	29,088
	Asia Insurance Co. Ltd.	19.40	1,102	37.91	41,782	21,379
	BGIC Ltd.	19.20	1,000	34.24	34,236	19,200
	Eastland Insurance Co. Ltd.	23.90	1,573	57.39	90,267	37,595
	Federal Insurance Co.Ltd.	13.20	1,305	24.34	31,764	17,226
	Green Delta Insurance Co. Ltd.	49.70	1,322	94.34	124,724	65,703
	Karnaphuli Insurance Co. Ltd.	15.70	1,050	37.58	39,455	16,485
	Nitol Insurance Co.Ltd.	22.90	1,329	35.94	47,767	30,434
	Northern Insurance Co.Ltd.	20.30	1,312	42.71	56,031	26,634
	Phoenix Insurance Co. Ltd	27.80	1,250	59.35	74,186	34,750
	Sub Total				**577,773**	**298,494**
10	**INSURANCE - LIFE**					
	National Life Insurance Co. Ltd	200.10	11,863	10.00	118,630	2,373,786
	Delta Life Insurance Co. Ltd	100.60	8,487	196.11	1,664,413	853,792
	Sub Total				**1,783,043**	**3,227,579**
	Total Shares				**296,693,323**	**501,605,230**
11	**Debenture**					
	Beximco Knitting Ltd. (D)	N/T	340		352,945	352,945
	Beximco Textile Ltd.(D)	N/T	300		432,279	432,279
	Sub Total				**785,224**	**785,224**
	Total Shares and Debenture : 2016				**297,478,548**	**502,390,454**

			2016 Taka	2015 Taka
16.00	**Accrued interest: Tk. 4,643,885**			
	This represent interest accrued on investment in FDR and debenture.			
	The above balance is made up as follows:			
	Interest accrued on FDR		3,647,610	9,584,320
	Interest accrued on debenture		996,275	996,275
	Total		**4,643,885**	**10,580,595**
17.00	**Sundry debtors (including Advances, deposits & prepayments): Tk.31,312,268**			
	The above balance is made up as follows:			
	Advance income tax	17.01	12,624,592	14,606,556
	Rent and others	17.02	18,687,676	41,522,176
			31,312,268	**56,128,732**
17.01	**Advance income tax: Tk.12,624,592**			
	The above balance is made up as follows:			
	Opening balance		14,606,556	7,548,386
	Add: During the year		44,541,416	46,463,220
	Less : Adjustment		(46,523,380)	(39,405,050)
			12,624,592	**14,606,556**
17.A	**Consolidated Advance income tax: Tk. 13,231,490**			
	Eastern Insurance Co.Ltd		12,624,592	14,606,556
	EIC Securities Ltd		606,898	59,705
			13,231,490	**14,666,261**
17.02	**Rent and other receivables : Tk.18,687,676**			
	The above balance is made up as follows:			
	Advance against salary		-	326,798
	Land		2,333,334	2,333,334
	Final settlement (Gratuity)		477,954	477,954
	Agent balance		-	4,866,271
	Rent		4,730,944	10,796,859
	EBS properties		10,238,107	9,815,778
	UGC & GD Securities		23,486	80,323
	Legal expenses		-	183,500
	Other advances		-	446,264
	Credit rating fee		-	83,600
	CDBL		500,000	500,000
	Right shares expenses		-	689,261
	EIC Securities		383,851	383,851
	Sundry receivables		-	10,538,383
	Total		**18,687,676**	**41,522,176**
17.B	**Consolidated Rent and other receivables : Tk. 18,722,915**			
	Eastern Insurance Co.Ltd		18,687,676	41,522,176
	EIC Securities Ltd		35,239	35,239
			18,722,915	**41,557,415**

AMAR STOCK

		2016 Taka	2015 Taka
18.00	**Cash and cash equivalents: Tk.1,137,098,187**		
	The above balance is made up as follows:		
	At Cash in hand	7,887,175	9,594,238
	At Bank on STD Account	42,086,536	29,862,620
	At Bank on CD Account	5,824,476	1,561,213
	At Bank on FDR Account	1,081,300,000	1,035,650,000
	Total	**1,137,098,187**	**1,076,668,071**
	Note: During the period of audit we have physically verified the receipts of FDR and found the same.		
18.A	**Consolidated Cash and bank balances: Tk. 1,144,089,113**		
	Eastern Insurance Co.Ltd	1,137,098,187	1,076,668,071
	EIC Securities Ltd	6,990,926	3,641,142
		1,144,089,113	**1,080,309,213**
19.00	**Amount due from other persons or bodies carrying on insurance business: Tk.57,135,121**		
	The above balance is made up as follows:		
	Opening Balance	47,960,491	48,848,029
	Add: Addition during the period	9,174,630	8,141,463
		57,135,121	56,989,492
	Less : adjustment	-	(9,029,001)
	Total	**57,135,121**	**47,960,491**
20.00	**Fixed Assets (at cost less accumulated depreciation): Tk.251,844,452**		
	The above balance is made up as follows:		
	Opening balance at cost	282,364,341	283,936,956
	Add: Addition during the period	8,356,555	958,242
		290,720,896	284,895,198
	Less: Accumulated depreciation	(38,876,444)	(36,681,090)
	Written Down Value	**251,844,452**	**248,214,108**
20.A	**Consolidated Fixed Assets (at cost less accumulated depreciation): Tk. 254,649,498**		
	Eastern Insurance Co.Ltd	251,844,452	248,214,108
	EIC Securities Ltd	2,805,046	3,116,718
		254,649,498	**251,330,826**
21.00	**Stock of printing, stationeries and stamps: Tk.1,625,020**		
	The above balance is made up as follows:		
	Stamp	934,620	538,910
	Printing and stationeries	690,400	629,740
	Total	**1,625,020**	**1,168,650**

			2016 Taka	2015 Taka
22.00	**Interest, dividend and rent income: Tk.79,487,282**			
	The above balance is made up as follows:			
	Interest income:		**59,422,102**	**67,627,789**
	Interest on FDR/STD account		56,411,802	64,617,489
	Interest on Bangladesh Govt.Treasury Bond (BGTB)		3,010,300	3,010,300
	Dividend income:		**20,065,180**	**27,713,742**
	Cash dividend		10,862,530	18,361,862
	Stock dividend/bonus shares		9,202,650	9,351,880
	Total		**79,487,282**	**95,341,531**
22A.	**Consolidated Interest, dividend and other income: Tk. 82,400,188**			
	Eastern Insurance Co.Ltd		79,487,282	95,341,531
	EIC Securities Ltd		2,912,906	127,666
			82,400,188	**95,469,197**
23.00	**Gain on sale of shares: Tk.41,893,678**			
	The above balance is made up as follows:			
	Gain on sales of shares		41,893,678	5,467,337
			41,893,678	**5,467,337**
24.00	**Claims under policies less re-insurance: Tk.52,937,017**			
	The above balance is made up as follows:			
	Paid during the year:			
	Class of Business		37,898,929	56,156,283
	Fire		1,200,978	2,718,320
	Marine cargo		136	166,850
	Marine hull		13,818,455	7,467,260
	Motor		18,519	69,163
	Miscellaneous		**52,937,017**	**66,577,876**
	Total			
25.00	**Expenses of management: Tk.58,634,416**			
	The above balance is made up as follows:			
	Allocation of management expenses is made up as follows:			
	Class of Business			
	Fire	43%	25,245,671	26,184,454
	Marine cargo	32%	18,683,513	16,273,790
	Marine hull	1%	485,133	1,599,038
	Motor	16%	9,220,231	8,795,835
	Miscellaneous	9%	4,999,868	5,290,802
	Total	100%	**58,634,416**	**58,143,919**
26.00	**Premium less re-insurance: Tk.209,818,512**			
	Class of Business			
	Fire		67,107,819	74,363,160
	Marine cargo		79,223,877	68,098,506
	Marine hull		625,263	1,331,982
	Motor		57,125,396	54,194,278
	Miscellaneous		5,736,157	9,739,101
	Total		**209,818,512**	**207,727,027**

AMAR STOCK

	2016 Taka	2015 Taka
27.00 Earning per share (EPS): Tk.3.33		
The Company calculates Earnings Per Share (EPS) in accordance with "Bangladesh Accounting Standard-33" which is shown on the face of the statement of comprehensive income.		
Net Profit for the year as per statement of comprehensive income	183,481,689	162,724,765
Provision for taxation	(40,000,000)	(46,523,380)
Deferred Tax	(33,311)	218,426
Profit after taxation attributable to ordinary shareholders	**143,448,378**	**116,419,811**
Number of ordinary shares outstanding during the year	43,110,144	43,110,144
Earning per share (BAS-33)	3.33	2.70
Diluted earning per share		
No diluted earnings per share is required to be calculated for the year as there was no convertible securities for dilution during the year.		
27.A Consolidated Earning per share (EPS): Tk.3.36		
Consolidated Net Profit for the year as per statement of comprehensive income	185,376,826	162,728,582
Provision for taxation	(40,379,027)	(46,524,716)
Deferred Tax	(33,311)	218,426
Profit after taxation attributable to ordinary shareholders	**144,964,488**	**116,422,292**
Number of ordinary shares outstanding during the year	43,110,144	43,110,144
Earning per share (BAS-33)	3.36	2.70

28.00 Proposed Dividend

The Board of Directors in its 207th meeting held on 27th April 2017 proposed @ 20% cash dividend i.e total Tk.86,220,288

29.00 Related party transactions

During the year 2016, the Company carried out certain transactions with related parties as per provisions of Bangladesh Accounting Standard-24: Related Party Disclosure. These are listed as follows:

Name of Company	Nature of transctions	Relationship	Balance Amount
Uttara Group of Companies	Insurance	Directors Co.	Nil
Sunman Group of Companies	Insurance	Directors Co.	Nil
M/S Rahim Steel Mills Limited	Insurance	Directors Co.	Nil
Uttara Finance and Investment Ltd	Lease & Investment	Directors Co.	4,768,340
EIC Securities Limited	Investment	Subsidiary Co.	285,909,200

30.00 **Employees engaged**

The company employed 343 (2015 : 342) permanent employees and a varying number of casual and temporary employees as required. All permanent employees receive total remuneration in excess of Tk.36,000 per annum.

31.00 **Receivable to/from directors and officers**

Nothing was due to/from any of the Directors of the Company as on the date of Balance Sheet (Statement of Financial Position.)

32.00 **Director's remuneration**

The Company has paid Tk.231,250 to the Directors as Board meeting attendance fee during the year 2016 @ Tk.5,000 per meeting. Other than this, no amount of money has spent by the Company for compensating any member of the Board for special service rendered.

33.00 **Contingent liabilities and capital commitments**

33.01 **Contingencies:**

There was 1 (One) legal obligation against the Company on account of Fire Claim case filed during the year 2006 which is pending with the Court. The management is of the opinion that judgment in this regard will be in favor of the Company.

33.02 **Capital commitments:**

There was no capital commitment at the end of the year.

34.00 **Guarantee**

There was no insurance guarantee made during the period.

35.00 **Claim against the Company**

There was no claim against the Company not acknowledge as debt.

36.00 **Events after balance sheet date**

There was no significant event that has occurred between the balance sheet date and the date when the financial statements are authorized for issue by the Board of Directors except that the Board of Directors of Eastern Insurance Company Limited in its 207th meeting held on 27th April 2017 has recommended cash dividend 20% out of the surplus subject to approval of shareholders in the 31st Annual General Meeting.

Chief Executive Officer	Director	Director	Chairman

Dated, Dhaka;
27th April, 2017

EASTERN INSURANCE CO.LTD,

44, DILKUSHA COMMERCIAL AREA, DHAKA - 1000.

FORM - AA

CLASSIFIED SUMMARY OF ASSETS AS AT 31 DECEMBER 2016

Sl. No.	Particulars	2016 Taka	2015 Taka
1	Cash on fixed deposit with banks in Bangladesh	1,081,300,000	1,035,650,000
2	Cash on current deposit A/Cs with banks in Bangladesh	5,824,476	1,561,213
3	Cash on Term Deposit with banks in Bangladesh	42,086,536	29,862,620
4	Cash in hand	7,887,175	9,594,238
5	Investment in Bangladesh Govt. Treasury Bond	25,000,000	25,000,000
6	Investment in shares & debenture	583,387,748	583,188,484
7	Stamps in hand	934,620	538,910
8	Forms & stationery in hand	690,400	629,740
9	Accrued Interest	4,643,885	10,580,595
10	Land	226,875,000	226,875,000
11	Lease Assets - Car	12,058,934	7,688,660
12	Furniture & fixtures	2,462,311	2,700,329
13	Office equipment	165,184	149,670
14	Decoration	6,622,203	7,358,003
15	Air cooler	430,522	290,297
16	Electrical & equipment	704,529	551,589
17	Crokeries & cutleries	6,587	8,783
18	Sundry assets	31,952	42,602
19	Computer & printer	2,203,530	2,339,548
20	Motor cycle	283,702	209,627
21	Sundry debtors (including advances, deposits & prepayments)	31,312,268	56,128,732
22	Amount due from other persons or bodies carrying on insurance business	57,135,121	47,960,491
23	Deferred tax assets	120,369	153,680
	Total Taka	**2,092,167,051**	**2,049,062,810**

AMARSTOCK

Statement of Premium Income

For the year ended December 31, 2016

Annexure - B

Class of business	Premium earned		Total premium earned	Less: Re-insurance premium ceded			Net premium earned
	Own	Government		Own	Government	Total	
1	2	3	4=(2+3)	5	6	7=(5+6)	8=(4-7)
Fire	166,140,935	3,227,271	169,368,206	100,023,005	2,237,382	102,260,387	67,107,819
Marine cargo	108,365,159	16,978,825	125,343,984	32,492,002	13,628,105	46,120,107	79,223,877
Marine hull	2,897,035	357,628	3,254,663	2,346,212	283,188	2,629,400	625,263
Motor	59,698,227	2,158,473	61,856,700	4,731,304	-	4,731,304	57,125,396
Miscellaneous	13,808,829	19,734,297	33,543,126	8,749,644	19,057,325	27,806,969	5,736,157
Total: 2016	**350,910,185**	**42,456,494**	**393,366,679**	**148,342,167**	**35,206,000**	**183,548,167**	**209,818,512**
Total: 2015	**342,808,121**	**37,791,823**	**380,599,944**	**142,451,709**	**30,421,208**	**172,872,917**	**207,727,027**

ANNUAL STOCK

Claim under policies less reinsurance

For the year ended December 31, 2016

Annexure -C

Class of Business	Claim paid		Total claim paid	Claim recovery		Total recovery	Net claim
	Direct	Government		Own	Government		
Fire	48,573,838	81,770	48,655,608	10,756,679	-	10,756,679	37,898,929
Marine cargo	1,218,489	195,549	1,414,038	209,959	3,101	213,060	1,200,978
Marine hull	-	136	136	-	-	-	136
Motor	13,730,582	87,873	13,818,455	-	-	-	13,818,455
Miscellaneous	10,600	315,768	326,368	-	307,849	307,849	18,519
Total: 2016	**63,533,509**	**681,096**	**64,214,605**	**10,966,638**	**310,950**	**11,277,588**	**52,937,017**
Total: 2015	**151,528,141**	**2,955,549**	**154,483,690**	**86,005,760**	**1,900,054**	**87,905,814**	**66,577,876**

INDEPENDENT AUDITOR'S REPORT
TO THE SHARE HOLDERS OF
EIC SECURITIES LTD.

We have audited the accompanying Financial Statements of **"EIC SECURITIES LTD."**, 44, Dilkusha C/A, Dhaka which comprise the statement of Financial Position as at December 31, 2016 and the Statement of Comprehensive Income, Statement of Changes in Equity and Statement of Cash Flows for the year then ended December 31, 2016 and a summary of significant accounting policies and other explanatory notes.

Management Responsibility For The Financial

"EIC SECURITIES LTD." of Management is responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards (IFRS) and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement.

Auditor's Responsibility

Our responsibility is to express an independent opinion on these financial statements based on our audit. We conducted our audit in accordance with International Standard on Auditing (ISA), as adopted by The Institute of Chartered Accountants of Bangladesh (ICAB). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements.

Opinion

In our opinion, the Financial Statements present fairly, in all material respects, the financial position of **"EIC SECURITIES LTD."** of as at 31 December 2016 and its financial performance for the year then ended December 3 l, 2016.

We also report that:

a) We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit and made due verification therefore.

b) In our opinion, proper books of accounts as required by law & Rule have been kept by **"EIC SECURITIES LTD."** So far it appeared from our examination of those books, and

c) In our opinion, the Statement of Financial Position, Statement of Comprehensive Income, Statement of Changes in Equity, Statement of Cash Flows and a summary of significant accounting policies and other explanatory notes dealt with by the report are in agreement with the books of accounts.

Dated; Dhaka
25 April 2017

(A. K. DEB & CO.)
Chartered Accountants

EIC SECURITIES LTD.

44, Dilkusha C/A, Dhaka

Statement of Financial Position

As at 31 December 2016

Sources of fund	Note	TAKA As on 31 Dec 2016	TAKA As on 31 Dec 2015
Shareholders' equity			
Share Capital	3	6,000,000	6,000,000
Share Money Deposit	4	279,909,400	279,909,400
		285,909,400	285,909,400
Retained Earnings		1,518,591	2,481
		287,427,991	**285,911,881**
Application of fund			
Non-Current Assets			
At cost Less Depreciation	5	2,805,046	3,116,718
Cost of CSE Membership with goodwill	6	280,000,000	280,000,000
Pre-operational Expenses	7	35,239	35,239
Current Assets:			
Advance tax	8	606,898	59,705
Cash and bank balances	9	6,990,926	3,641,142
		7,597,824	3,700,847
Less Current Liabilities & Provisions			
Sundry Creditors	10	2,314,941	884,710
Liability for Expenses	11	316,150	54,877
Provision for Taxation	12	379,027	1,336
		3,010,118	940,923
Net Current Assets		4,587,706	2,759,924
		287,427,991	**285,911,881**

The annexed notes 1 to 18 form an integral part of these financial statements.

Company Secretary | **Managing Director** | **Director** | **Chairman**

As per our Report of date annexed

(A.K. DEB & CO.)
Chartered Accountants

Dhaka
25 April 2017

AMARSTOCK

EIC SECURITIES LTD.

44, Dilkusha C/A, Dhaka

Statement of Comprehensive Income

For the year ended on December 31, 2016

Particulars	Note	Amount in Taka 2016	Amount in Taka 2015
Operating Income:			
Revenue from Brokerage	13	247,387	24,812
IPO Subscription Charges		13,480	-
Interest Income	14	79,641	102,854
Dividend from CSE	15	2,572,398	-
		2,912,906	127,666
Less: Direct Charges	16	357,714	6,182
Gross Profit		**2,555,192**	**121,484**
Less: Office & Administrative Expenses	17	643,420	112,447
Financial Expenses	18	16,635	5,220
		660,055	117,667
Net Profit before Tax		**1,895,137**	**3,817**
Provision for Taxation		379,027	1,336
Profit after Tax		**1,516,110**	**2,481**
Add: Last year balance		2,481	-
Balance transferred to balance sheet		**1,518,591**	**2,481**

The annexed notes 1 to 18 form an integral part of these financial statements.

Company Secretary | **Managing Director** | **Director** | **Chairman**

As per our Report of date annexed

(A.K. DEB & CO.)
Chartered Accountants

Dhaka
25 April 2017

EIC SECURITIES LTD.

44, Dilkusha C/A, Dhaka

Statement of Changes In Equity

For the year ended on December 31, 2016

Particulars	Share Capital	Share Money Deposit	Retained Earnings	Total Taka
Balance as on December 31, 2014	6,000,000	279,909,400	-	285,909,400
Retain earnings for the year 2015			2,481	2,481
Balance as on December 31, 2015	**6,000,000**	**279,909,400**	**2,481**	**285,911,881**
Retain earnings during the year			1,516,110	1,516,110
Balance as on December 31, 2016	**6,000,000**	**279,909,400**	**1,518,591**	**287,427,991**

Company Secretary | Managing Director | Director | Chairman

As per our Report of date annexed

Dhaka
25 April 2017

(A. K. DEB & CO.)
Chartered Accountants

EIC SECURITIES LTD.

44, Dilkusha C/A, Dhaka

Statement of Cash Flows

For the year ended on December 31, 2016

S.N.	Particulars	2016 TAKA	2015 TAKA
A	**Cash Flow from Operating Activities:**		
	Cash Received from Customers and Others	23,629,146	2,144,221
	Cash Paid to Customers & Others	(22,382,872)	(1,736,616)
	Income Tax Paid	(548,529)	-
	Net Cash inflow/(outflow) from Operating Activities	**697,745**	**407,605**
B	**Cash Flow from Investing Activities**		
	Interest from STD Account	79,641	102,854
	Dividend	2,572,398	-
	Net Cash inflow/(outflow) from Investing Activities	**2,652,039**	**102,854**
C	**Cash Flow from Financing Activities**		
	Loan from EICL	-	385,184
	Net Cash inflow/(outflow) from Financing Activities	**-**	**385,184**
	Increase/(Decrease) in Cash & Cash Equivalents (A+B+C)	**3,349,784**	**895,643**
	Opening Cash in hand and Cash at Bank	3,641,142	2,745,499
	Closing Cash in hand and Cash at Bank	**6,990,926**	**3,641,142**

Company Secretary | **Managing Director** | **Director** | **Chairman**

As per our Report of date annexed

Dhaka
25 April 2017

(A. K. DEB & CO.)
Chartered Accountants

EIC SECURITIES LTD.

44, Dilkusha C/A, Dhaka

Notes to the Accounts

for the year ended 31 December 2016

1. Significant Accounting Policies and other Material information

Legal status

EIC Securities Ltd was incorporated as a Private Limited Company with the issuance of certificate of incorporation bearing no. C-98517/12 on 11th day of January 2012 by the Registrar of Joint Stock Companies & Firms under the Companies Act, 1994.

Registered Office of the Company

Registered Office of the Company is situated at 44 no. Dilkusha Commercial Area (2nd Floor), Dhaka - 1000.

Principal activities and nature of business

The principal activities and nature of business of EIC Securities Ltd was to establish a brokerage house with a view to cope with the business needs of securities trading in the stock market as a member of Chittagong Stock Exchange (CSE) Ltd.

2. Significant accounting policies

2.1 Basis of accounting

The financial statements have been prepared on going concern basis under historical cost convention by using accrual basis of accounting. These financial statements of the Company have been prepared in accordance with the Bangladesh Accounting Standards as adopted by the Institute of Chartered Accountants of Bangladesh, Companies Act 1994 and other applicable laws.

2.2 Non-Current Assets

Non-Current Assets are stated at cost. Cost includes expenditure directly attributable to the acquisition and installation of the assets.

2.3 Revenue Recognition

Revenue is recognized only when it is probable that the economic benefit of such transction has been derived as per "BAS-18"

Brokerage Commission

Brokerage commission is recognized as income when selling or buying order executed.

Interest from Bank deposit

Income from short term bank deposit is recognized when the amount is credited by the bank in the bank accounts.

2.4 Taxation

Current Tax

Company's trading income is subject to deduction of tax at source which was at the rate of 0.05 % during the year ended, 2016 on the transctions made at the time of stock buying and selling.

Deferred Taxation:

The company has not recognized any deferred Tax for the year ended as required under BAS-12.

2.5 Client Accounts

Client accounts represents the amount which have been paid by the company at the time of trading of shares and stocks in the house. This is recognized in the accounts as current assets/liabilities.

2.6 Cash and cash equivalents

Cash and cash equivalents consists of cash in hand, bank balances and deposit held with banks in form of FDR/TDR etc.

2.7 Cash Flow Statements

Cash flow statement has been prepared in accordance with the Bangladesh Accounting Standards (BAS) 7, 'Cash flow statement" under direct method.

2.8 Others

Figures appearing in the financial statements have been rounded off to the nearest Taka and previous year's figures and account titles have been re-arranged, wherever necessary for the purpose of comparison.

		2016 Taka	2015 Taka
3.	**Share capital**		
3.1	Authorized capital:		
	5,000,000 ordinary shares of Tk. 100/- each	500,000,000	500,000,000
3.2	Issued, subscribed and paid up capital:		
	60,000 ordinary shares of Tk. 100/- each	6,000,000	6,000,000

The aforesaid capital was subscribed as under:

Subscribers	Total No of shares	Total Amount (Tk.)
Eastern Insurance Co.Ltd	59,998	5,999,800
Mr.Major (Retd.) Abdul Mannan	1	100
Mr.Matiur Rahman	1	100
Total	60,000	6,000,000

4. Share Money Deposit

Particulars		
Assets takeover from EICL (As per vendor's agreement)	283,409,400	283,409,400
Less: Shares issued in favor of Eastern Insurance Co.Ltd.	3,500,000	3,500,000
Balance retained as Share Money Deposit	279,909,400	279,909,400

5. Non-Current Assets

Particulars		
Air Conditioner	245,000	245,000
Furniture & Fixture	206,578	206,578
Interior Decoration	2,665,140	2,665,140
Total	3,116,718	3,116,718
Less: Depreciation - as per annexed A1.	311,672	-
	2,805,046	**3,116,718**

6. Cost of CSE Membership with goodwill

Particulars		
CSE Membership (vide No.098 dt 02.03.1998)	300,000	300,000
Goodwill of Membership (Fair Market value as on 15 May 2011 as per Valuation done by Shiraj Khan Basak & Co. Chartered Accounts)	279,700,000	279,700,000
Total	**280,000,000**	**280,000,000**

Note: Above investment have been accounted for on the basis of notarised vendor's agreement made with Eastern Insurance Company Ltd on 31.05.2012 and form 117 by the both party duly signed.

AMAR STOCK

		2016 Taka	2015 Taka
7.	**Pre operational Expenses**		
	The expenses incurred against formation of the company and others. The details of the above as follows:		
	Particulars		
	balance b/f	35,239	35,239
		35,239	**35,239**
8.	**Advance Tax**		
	Particulars		
	b/f	**59,705**	**40,317**
	Add: deduction during the year against interest	9,756	16,906
	AIT deduction on brokerage commission	24,293	2,482
	AIT deduction on Dividend	514,480	-
	Less: Adjusted for 2015	(1,336)	-
	Total	**606,898**	**59,705**
9.	**Cash & Bank balance**		
	Particulars		
	Premier Bank Ltd, Dilkusha Br, STD # 131 00000 934	730,407	2,830,256
	IFIC Bank Ltd, Agrabad Br. Ctg, SND # 2030-508359-041	2,905	3,985
	IFIC Bank Ltd, Agrabad Br. Ctg, CD # 2030-508359-002	1,368,268	806,901
	MTBL, Agrabad Br. SND # 0005-0320003264	886,226	-
	IFIC Bank Ltd, Agrabad, SND # 2030508359042	97	-
	FDR with Premier Bank	4,000,000	-
	Total Bank	6,987,903	3,641,142
	Cash in hand	3,023	-
		6,990,926	**3,641,142**
10.	**Sundry Creditors**		
	Payable to Chittagong Stock Exchange (CSE)	275,832	207,540
	Payable to Client for share trading	538,190	293,319
	Payable to Client for IPO	825,000	-
	Client Deposit	292,068	-
	Payable to Eastern Insurance Co.Ltd	383,851	383,851
		2,314,941	**884,710**
11.	**Liability for Expenses**		
	Audit fees	8,625	8,050
	CDBL Charges	9,852	1,660
	Internet bills	-	1,550
	Optical Fiber charges	-	4,500
	Software Maintenance Charges	-	5,000
	Telephone bill	6,944	1,747
	Electricity charges	4,000	4,000
	Commission & Contract charges	286,729	-
	others	-	28,370
		316,150	**54,877**

AMAR STOCK

		2016 Taka	2015 Taka
12.	**Provision for Taxation**		
	Provision during the year	**379,027**	**1,336**
13.	**Revenue from Brokerage**		
	Commission (Annexure - A)	**247,387**	**24,812**
14.	**Interest Income**		
	Interest from Premier Bank Ltd, Dilkusha Br., Dhaka	60,388	102,832
	Interest from IFIC Bank Ltd, Agrabad Br., Ctg.	136	22
	MTBL, Agrabad Br.	19,117	-
		79,641	**102,854**
15.	**Dividend Income**		
	Dividend received from Chittagong Stock Exchange Ltd.	2,057,918	-
	ADD: AIT Deducted @ 20% as final tax	514,480	-
		2,572,398	**-**
16.	**Direct Charges**		
	Contract Charges - CSE	4,526	876
	Commission Charges - CSE	8,745	893
	Commission & Contract due	286,729	-
	CDBL Charges	57,714	4,413
		357,714	**6,182**
17.	**Office & Administrative Expenses**		
	Salary & Allowances	144,000	84,900
	Training charges	1,700	2,700
	Conveyance	4,250	-
	Printing & Stationery	7,251	-
	Entertainment	6,500	-
	Internet bills	33,500	1,550
	Optical fiber charges	21,000	4,500
	Software Maintenance	30,000	5,000
	Telephone bills	26,922	1,747
	Electricity charges	48,000	4,000
	Audit fees	8,625	8,050
	Depreciation	311,672	-
		643,420	**112,447**
18.	**Financial Expenses**		
	Bank charges	**16,635**	**5,220**

EIC SECURITIES LTD.

44, Dilkusha C/A, Dhaka

Schedule of Amount Traded, Commission, Contract and Tax charges

For the year ended December 31, 2016

Annexure - A

Period	Particulars	Turnover (Tk)	Volume	Brokerage Commission	Contract Charges (Tk.)	Commission Charges	Tax Charges (Tk.)
From 1st Jan 16 to 31-Dec-16	Buy	23,300,155	683,560	118,645	2,090	4,194	11,651
	Sale	25,283,106	766,804	128,742	2,436	4,551	12,642
		48,583,261	**1,450,364**	**247,387**	**4,526**	**8,745**	**24,293**

Schedule of Non-current Assets

For the year ended December 31, 2016

Annexure - A1

S. N.	Particulars	Cost			Rate	Depreciation			Written down value as at December 31, 2016
		Opening balance	Addition	Closing balance		Opening balance	Charged during the year	Closing	
	Air Conditioner	245,000	-	245,000	10%	-	24,500.00	24,500	220,500
	Furniture & Fixture	206,578	-	206,578	10%	-	20,657.80	20,658	185,920
	Interior Decoration	2,665,140	-	2,665,140	10%	-	266,514.00	266,514	2,398,626
		3,116,718	**-**	**3,116,718**		**-**	**311,672**	**311,672**	**2,805,046**

ANNUAL STOCK

COMPLIANCE OF BANGLADESH ACCOUNTING STANDARDS (BAS) AND BANGLADESH FINANCIAL REPORTING STANDARDS (BFRS)

Name of the BA5	BAS no.	Status
Presentation of Financial Statements	1	Applied
Inventories	2	Applied
Cash Flow Statements	7	Applied
Accounting Policies, Changes in Accounting Estimate and Errors	8	Applied
Events after tile Balance Sheet Date	10	Applied
Construction Contracts	11	N/A
Income Taxes	12	Applied
Property, Plant and Equipment	16	Applied
Leases	17	N/A
Revenue	18	Applied
Employee Benefits	19	Applied
Accounting Government Grants and Disclosure of Government Assistance	20	N/A
The Effects of Changes in Foreign Exchanges Rates	21	Applied
Borrowing Costs	23	N/A
Related Party Disclosures	24	Applied
Accounting and Reporting by Retirement Benefit Plans	26	Applied
Consolidated and Separate Financial Statements	27	N/A
Investment in Associates	28	N/A
Interest in Joint Ventures	31	N/A
Financial instruments: Presentation	32	Applied
Earning per Shares	33	Applied
Interim Financial Reporting	34	Applied
Impairment of Assets	36	Applied
Provisions, Contingent Liabilities and Contingent Assets	37	Applied
Intangible Assets	38	N/A
Financial instruments: Recognition and Measurement	39	Applied
Investment Property	40	Applied
Agriculture	41	N/A

Name of the BFRS	BFR5 no	Status
First Time Adaption of BFRS	1	N/A
Share Based Payment	2	N/A
Business Combinations	3	N/A
Insurance contracts	4	Applied
Non-current Assets Head for Sale and Discontinued Operations	5	N/A
Exploration for and Evaluation of Mineral Resources	6	N/A
Financial instruments: Disclosure	7	Applied
Operating Segments	8	Applied

MAR STOCK

BRANCH NETWORK

DHAKA DIVISION

LOCAL OFFICE
Chand Mansion (2nd Floor), 66, Dilkusha C/A, Dhaka-1000
Phone : 02-7111057, 9552398-99

PRINCIPAL OFFICE
28, Dilkusha C/A (9th Floor), Dhaka-1000
Phone: 02-9560284, 9551983

HATKHOLA BRANCH
33/3 Hatkhola Road (2nd Floor), Dhaka
Phone: 02-9559501

B. B. AVENUE BRANCH
Chand Mansion (2nd Floor), 66, Dilkusha C/A, Dhaka-1000
Phone: 02-7125623, 9552398-99

VIP ROAD BRANCH
Chand Mansion (2nd Floor), 66, Dilkusha C/A, Dhaka-1000
Phone: 02-9512065, 9552398-99

KAWRAN BAZAR BRANCH
35, Kazi Nazrul Islam Avenue (3rd Floor)
Kawran Bazar, Dhaka
Phone: 02-9140571

MOULVI BAZAR BRANCH
1, Moulvi Bazar (2nd Floor), Dhaka-1100
Phone: 02-57319650

GULSHAN BRANCH
Islam Mansion (1sl Floor), House # 39, Road #126,
Gulshan-1, Dhaka-1212
Phone : 02-9851259

ELEPHANT ROAD BRANCH
124/A, Elephant Road (3rd Floor), Dhaka-1205
Phone: 02-9660644

MOUCHAK BRANCH
1/2, Outer Circular Road (3rd Floor), Malibag, Dhaka
Phone: 02-8317061

MIRPUR BRANCH
95, Begum Rokeya Sarani , Section # 10,
Chowrangi Market (4th Floor), Mirpur, Dhaka
Phone: 02-9009378

NARAYANGONJ BRANCH
53/1, S. M Maleh Road (2nd Floor), Tan Bazar, Narayangonj
Phone: 02-7646528

CHITTAGONG DIVISION

AGRABAD BRANCH
Eastern Motors Limited, NIB House (2nd Floor)
32, Agrabad C/A, Chittagong, Phone: 031-711309, 712491

JUBILEE ROAD BRANCH
Eastern Motors Limited, NIB House (2nd Floor)
32, Agrabad C/A, Chittagong, Phone: 031-711309, 712491

SADARGHAT BRANCH
Four Star Building (1st Floor), 141/153, Sadarghat Road
Chittagong, Phone: 031-630557

KHATUNGONJ BRANCH
256, Khatungonj (2nd Floor), Chittagong, Phone: 031-630624

KHULNA DIVISION

ZONAL OFFICE, KHULNA
Haji Golam Rasul Chamber, 87, Khan A-Sabur Road,
Dak Banglar More, Khulna
Pnone: 041-720876, Fax: 041-2832846

OTHER DIVISION

BOGRA BRANCH
Rangpur Road, Bogra Talukder Mansion (1st Floor)
Borogola, Bogra, Phone: 051-63608

RANGPUR BRANCH
Central Road, Payara Chottor, 10 Mouvasha Building (2nd Floor)
Rangpur, Cell: 01828145697

FARIDPUR BRANCH
Mujib Sarok, Arju Super Market (1st Floor), Faridpur
Phone: 0631-62135

CHOWMUHANI BRANCH
Jahaj Company Building (3rd Floor), D.B Road
Chowmuhani, Nohakhali, Phone: 0321-52201

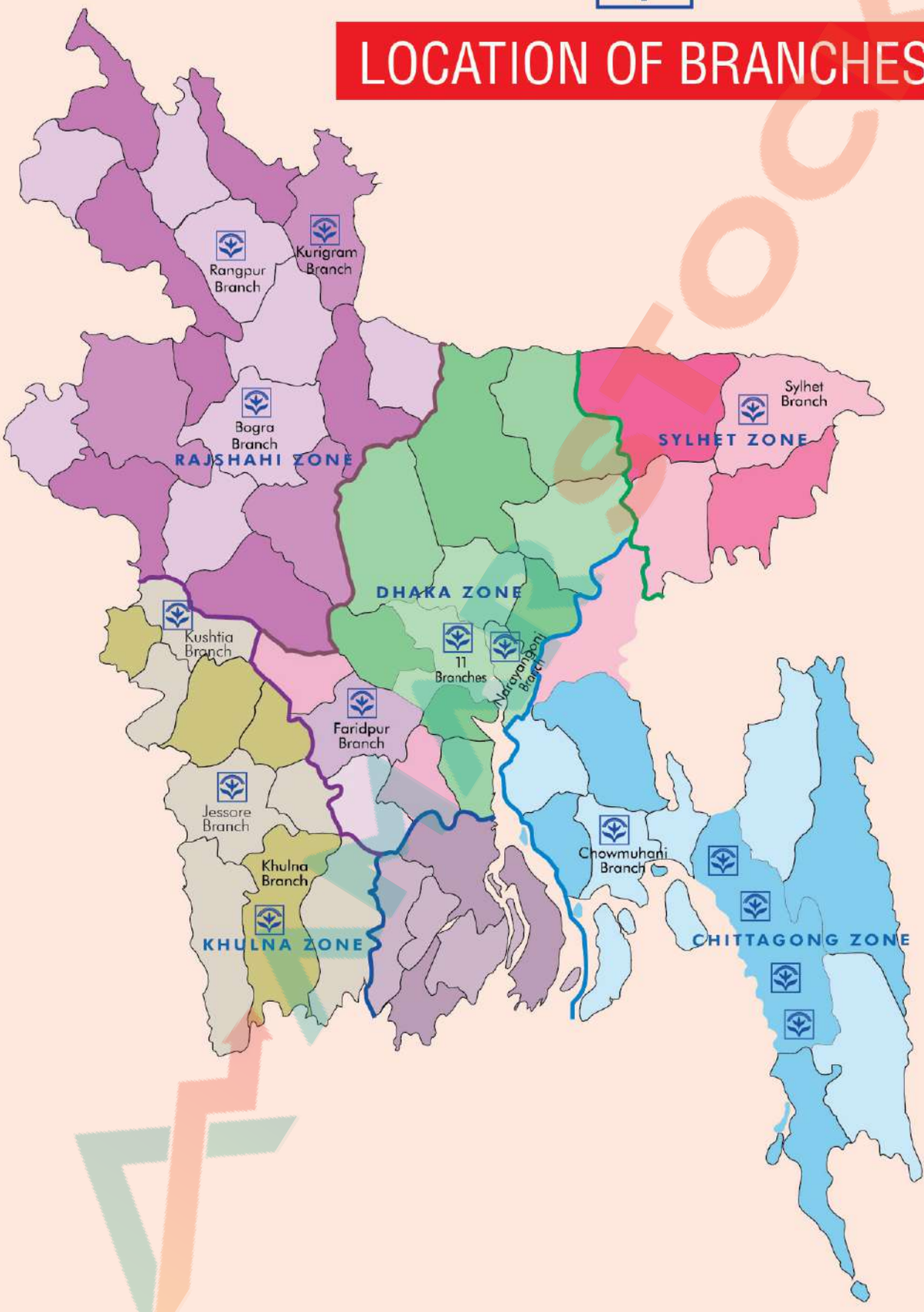
SYLHET BRANCH
Hazari Building (2nd Floor), Zindabazar Road, Sylhet,
Phone: 0821-716286 Fax: 0821-729058

KURIGRAM BRANCH
Zilla Parishod Super Market (1st Floor), Room-224-225
Sadar, Kurigram, Cell: 01717650421

KUSHTIA BRANCH
55/1, Seraj Uddowla Road, Lovely Tower (9th Floor), Room-9F-3, Kushtia.

JESSORE BRANCH
36, M.K Road, Jessore Town, Jessore, Cell: 01670678115

LOCATION OF BRANCHES



SHAREHOLDERS NOTE

AMAR STOCK

SHAREHOLDERS NOTE

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31 Years of Comprehensive Service

ANNUAL REPORT

2016







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