ANNUAL REPORT
2017



32
Years of
Comprehensive Service

ইষ্টার্ণ ইন্স্যুরেন্স কোঃ লিঃ

EASTERN INSURANCE CO. LTD.

(The Symbol of Comprehensive Security)

32 Years of Comprehensive Service

ANNUAL REPORT 2017



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EASTERN INSURANCE CO. LTD.

(The Symbol of Comprehensive Security.)

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MERO STOCK

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, 2017.

A copy of the Annual Report along with the Audited Financial Statements including Balance Sheet as on December 31, 2017 and Profit and Loss Account, Revenue Accounts, Statement of Cash Flows, Changes of Shareholder's Equity for the year ended December 31, 2017 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)
Managing Director & CEO

AMARSTOCK

COMPANY INFORMATION

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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

AMSTOCK

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
	Tajrina Mannan
	Zakia Rahman
	Tazreen Rahman
	Nayeemur Rahman
INDEPENDENT DIRECTORS	Md. Murshed Hossain
	M.M. Murshid
MANAGING DIRECTOR & CEO	Mohammad Haroon Patwary, M.com,MBA
COMPANY SECRETARY	Md. Habib Jamal, MBA, FCA

AMARSTOCK

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. 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.



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.



Ms. Tajrina Mannan

Ms. Tajrina Mannan is a Director of the Board of Directors of Eastern Insurance Company Limited being nominated by Alpha Textiles Ltd. she has completed her Bachelor of Business Administration from Northeastern University in Boston, with a concentration in Finance and Entrepreneurship. Tajrina moved on to working for State Street Bank as Fund Accountant, and after at State Street Global Advisors for Capital Planning and Marketing. In 2012, she moved from Boston to NYC, where she took on the job of Business Development for BI Intelligence at Business Insider, Digital News Platform. She has also been a Director at Sunman Global Express, a money remittance company in NY since May of 2012.

Tajrina currently is the President at Sunman Group of Companies and plays an active role in its apparel lines of business.

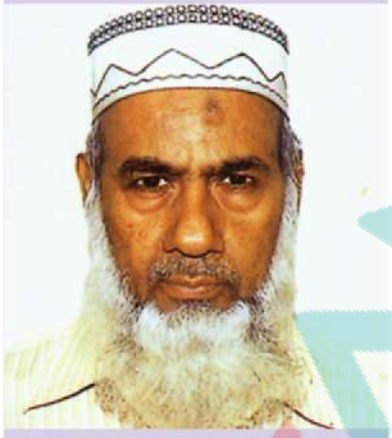
SMART STOCK



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.

STOCK

OUR MISSION



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

MAP STOCK

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.

ANNUAL STOCK

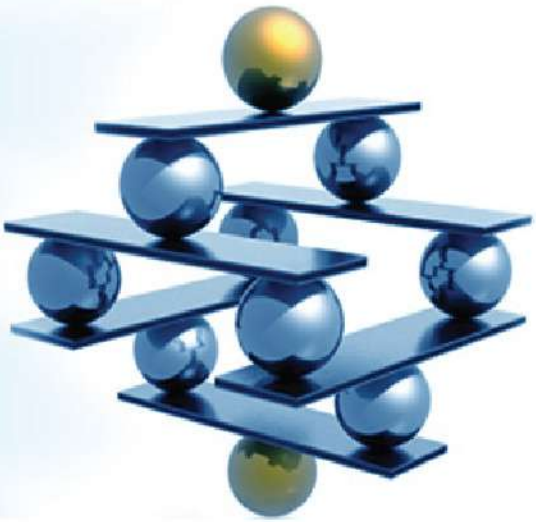
OUR CORE VALUES



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

ANNUAL STOCK

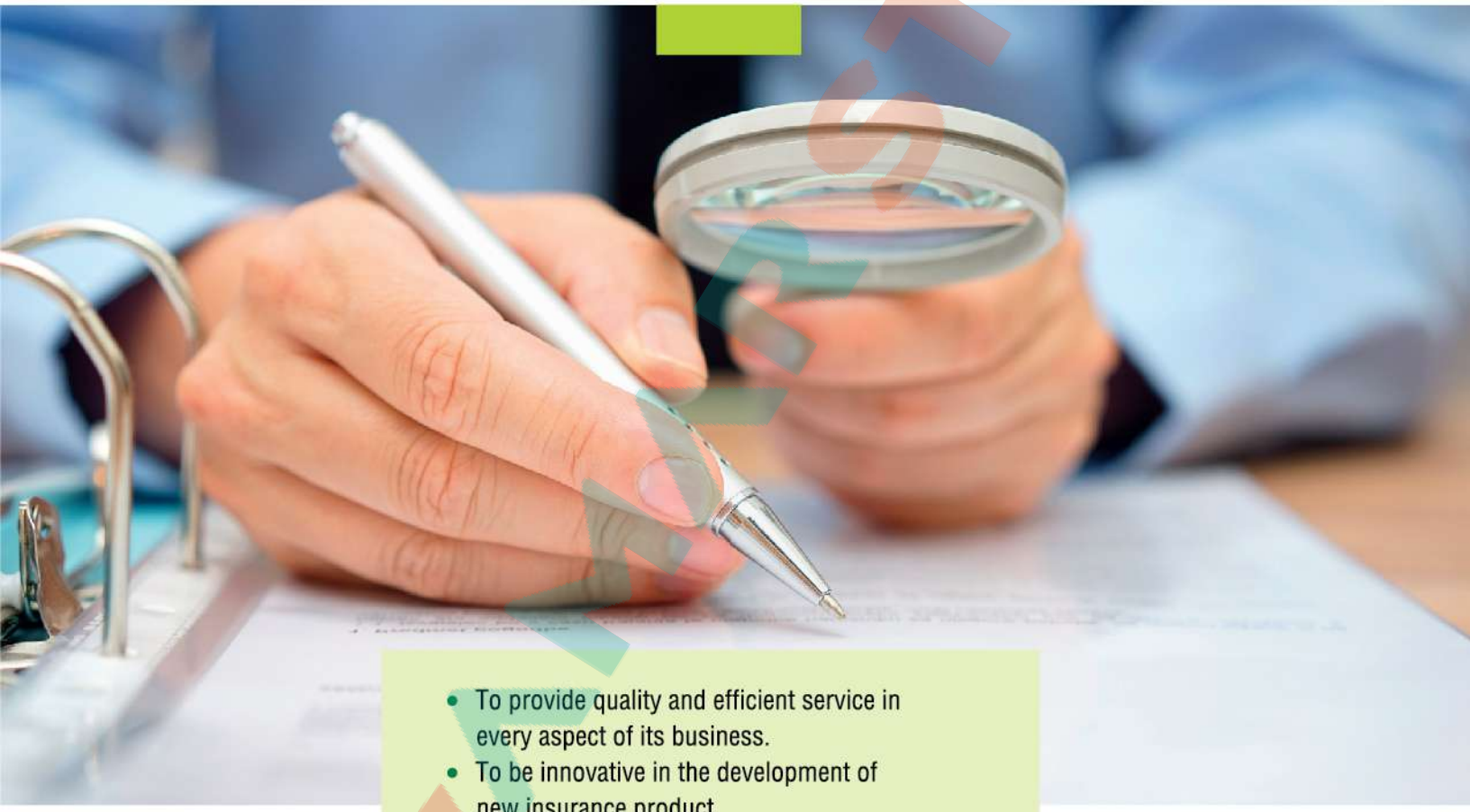
OUR CORE STRENGTHS



- 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

MAR 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.

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



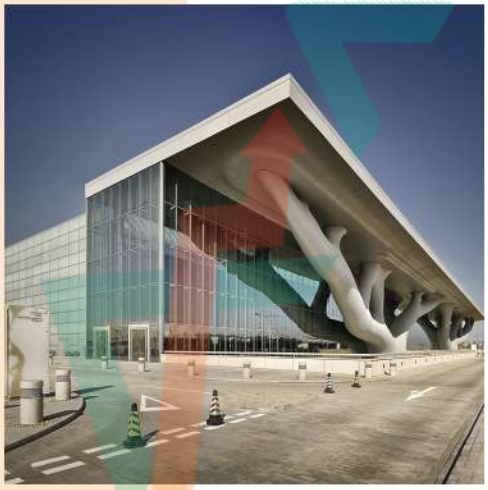
- Business interruption
- Industrial All Risk Insurance
- Property All Risk Insurance
- Electronic Equipment Insurance
- Erection All Risks
- Comprehensive General Liability
- Product & Public Liability Insurance
- Engineering Insurance (CAR, DOS, BPV, MBD, BI)
- Hotel Owner's All Risks
- Event Cover
- 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
- Health Insurance
- Overseas Mediclaim Insurance

MARSTOCK

IMPORTANT EVENTS OF THE COMPANY

STOCK







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 : 21 December 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 32 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

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

MISSION

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.

AMAR STOCK

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
Managing Director & CEO

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 33 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 • Member-Rotary Club of Eskaton, Dhaka • Life Member- Insurance Executive Club, Dhaka • Member-Rowshanabad Bahumukhi Shomobay Samiti Ltd., Feni.



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 31 years of experience in the Insurance sector. He is involved with various social activities and Institutions.



Mr. Md. Habib Jamal, MBA,FCA
Deputy Managing Director

Mr. Md. Habib Jamal a qualified Chartered Accountant and Master of Business Administration major in Finance 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 21 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.



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 12 years.



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 28 years of experience in the Insurance sector.

Mr. Iqbal has been engaged with various social welfare activities. At present, he is the General Secretary of Potuakhali jila Samity, Dhaka, Vice President of Mirzagonj Upzila Kallayan Samity, Dhaka and the Secretary of Pankouri Owners Association. He is an active member of Lion Club.



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 30 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.



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 29 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.



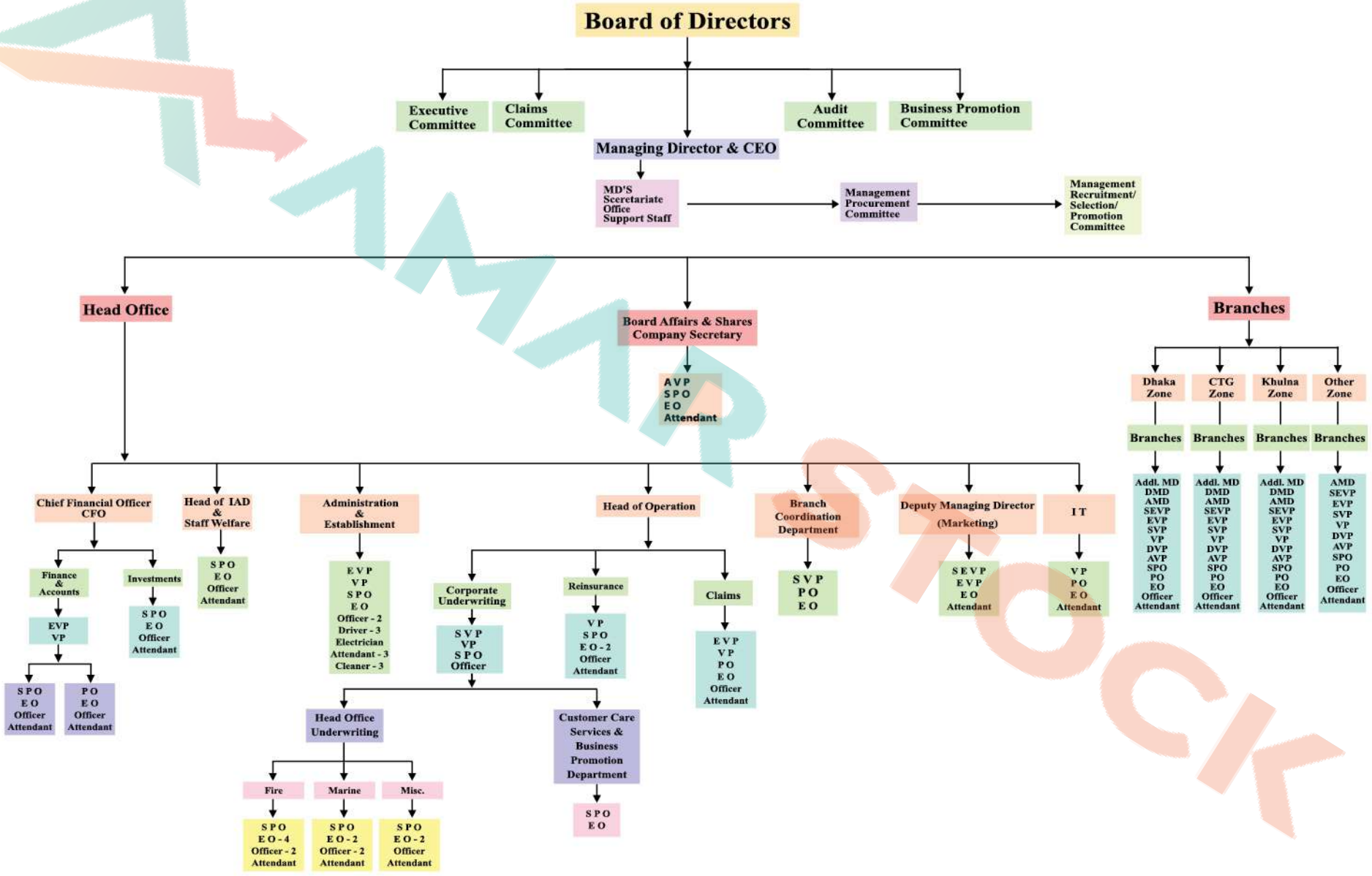
Mr. Santosh Kumar Nandi
Deputy Managing Director

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 22 years of experience in the 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 COMPANY LTD.

ORGANOGRAM



AMARSTOCK

Office Management

Head Office Management

Managing Director & CEO
MOHAMMAD HAROON PATWARY, M.com, MBA

Additional Managing Director
MOHAMMED SALIM

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

Executive Vice President
PRABIR KUMAR CHAKRABORTY

Senior Vice President
KHAIRUL ALAM
SWARUP KUMAR SAHA, SVP & CFO

Asstt. Vice President
MD. ASADUL ISLAM BEPARI

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
MD. ABDUL WAHED
NARGIS KHANOM

Dy. Executive Vice President
GOLAM HAIDER

Senior Vice President
MD. LIAQUAT HOSAIN
MD. KAZI ZAFAR
MOFIZUL ISLAM
MD.MANIRUL ALAM

Vice President
MD. MOHOSHIN ALI
GAZI WAHIDUR RAHMAN
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
FARIDA YASMIN
MD. NUR ALAM SARKER
ASHRAF UDDIN BHUIYAN
MD. MUJIBUR RAHMAN

AMARSTOCK



STOCK



MANAGEMENT TEAM OF HEAD OFFICE

Left to Right

Swarup Kumar Saha, SVP & CFO

Khairul Alam, SVP (Admin)

Md. Habib Jamal, MBA,FCA
DMD & CS

Mohammad Haroon Patwary, M.com, MBA
Managing Director & CEO

Prabir Kumar Chakraborty, EVP (U/W)

At a Glance (Taka in Crore)

Items	2017 Taka	2016 Taka	2015 Taka	2014 Taka	2013 Taka	2012 Taka	2011 Taka
Gross Premium Earned	41.89	39.34	38.06	36.07	34.96	33.29	30.82
Net Premium Income	21.06	20.98	20.77	20.56	19.36	18.44	15.26
Claim lodged & settlement	4.35	4.99	5.48	4.67	4.17	5.04	4.87
Underwriting Profit	7.57	7.17	7.11	7.35	7.12	4.41	2.04
Investment Income	12.44	12.13	10.08	9.78	9.87	10.22	8.78
Profit before Tax	19.10	18.35	16.27	16.21	15.62	13.67	9.65
Reserve and Fund	123.98	117.67	111.94	108.92	106.70	103.83	100.57
Deposit Premium	1.93	1.05	1.71	0.61	0.78	1.51	0.82
Investment	173.69	168.97	164.38	158.27	149.48	139.86	125.11
Shareholders Equity	167.09	160.78	155.05	152.03	149.81	146.98	141.50
Total Assets	215.23	209.22	204.91	197.83	190.90	182.46	166.07
Others:							
Dividend	**20% (C)**	**20% (C)**	**20% (C)**	**20% (C)**	**20% (C)**	**18% (C)**	**5%(B),10%(C)**
Earning Per Share(EPS)	3.47	3.33	2.70	2.52	2.46	2.22	2.32
Net Asset Value Per Share (NAV)	40.76	39.25	37.91	37.33	36.60	35.88	35.99
Number of Employees	347	343	342	337	340	337	325

AMARSTOCK

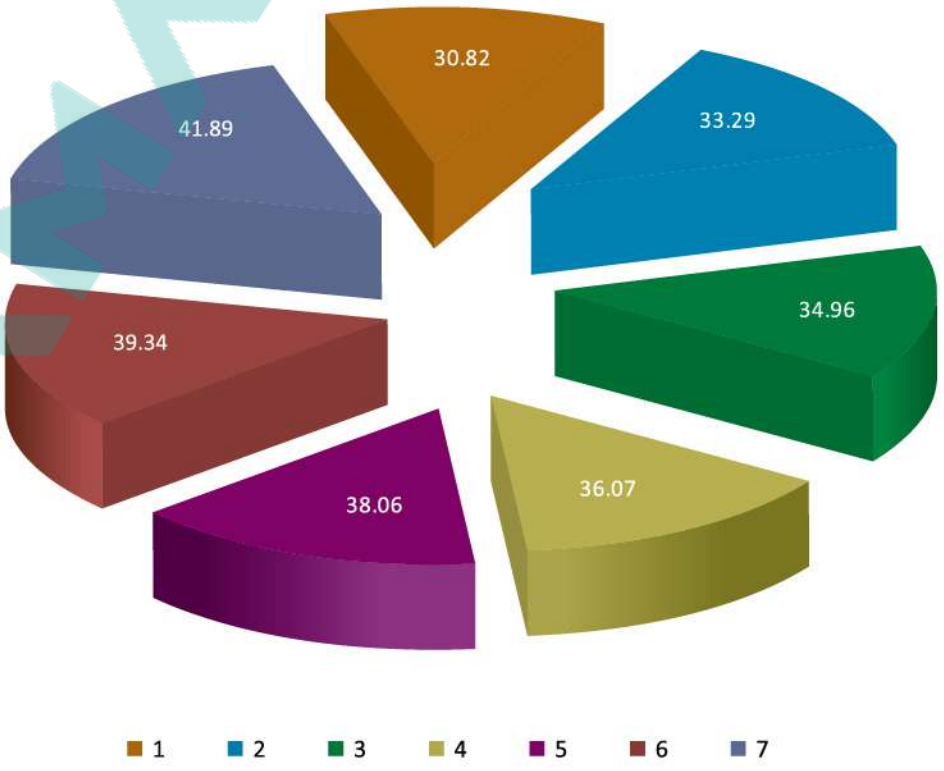
INDICATORS OF COMPANY'S GROWTH IN DIFFERENT AREAS COMPARE TO LAST YEAR 2016

Growth of Gross Premium	6%
Growth of Premium Income Less Re-Insurance	1%
Growth of Underwriting Profit	6%
Growth of Net Profit before tax	4%
Growth of Total Reserve & Fund	5%
Growth of Investment in FDR, Shares, Securities & Bonds	3%
Growth of Shareholders Equity	4%
Growth of Total Assets	3%

AMARSTOCK

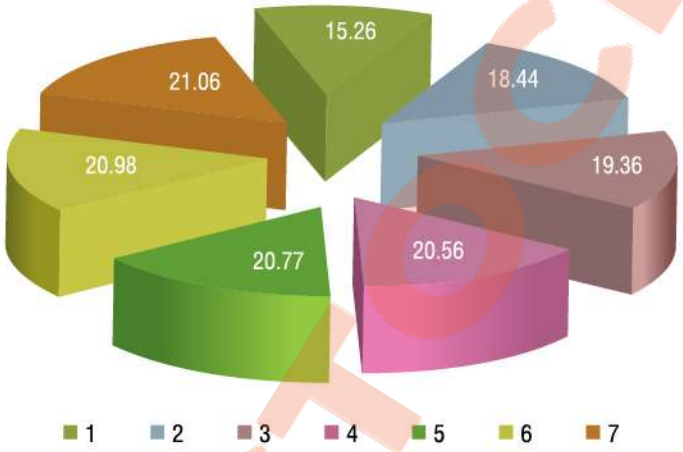
Gross Premium Income

Indicate	Year	Gross Premium Income
1	2011	30.82
2	2012	33.29
3	2013	34.96
4	2014	36.07
5	2015	38.06
6	2016	39.34
7	2017	41.89



Net Premium Income

Indicate	Year	Net Premium Income
1	2011	15.26
2	2012	18.44
3	2013	19.36
4	2014	20.56
5	2015	20.77
6	2016	20.98
7	2017	21.06



Investment & Share Trading Income

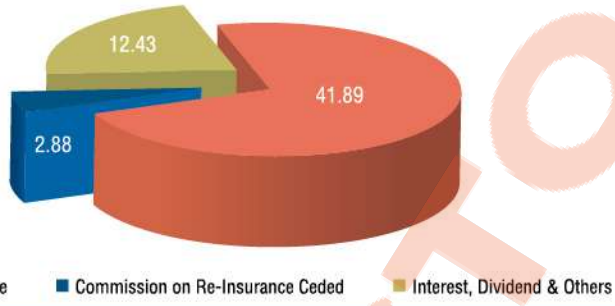


Net Profit Before Tax



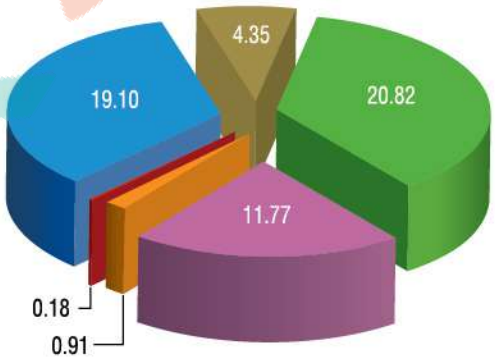
Income & Its Sharing

INCOME & ITS SHARING		Tk (In crore)	%
1	Premium Income	41.89	73%
2	Commission on Re-Insurance Ceded	2.88	5%
3	Interest, Dividend & Others	12.43	22%



Expenditure & Its Sharing

EXPENDITURE & ITS SHARING		Tk (In crore)	%
1	Net Claim	4.35	8%
2	Re-Insurance Ceded	20.82	36%
3	Management Expenses & Agency Commission	11.77	21%
4	Depreciation & Others	0.91	2%
5	Addition in Unexpired Risk Reserve	0.18	0%
6	Net Profit Before Tax	19.10	33%



Net Claim



Capital & Shareholder's Equity

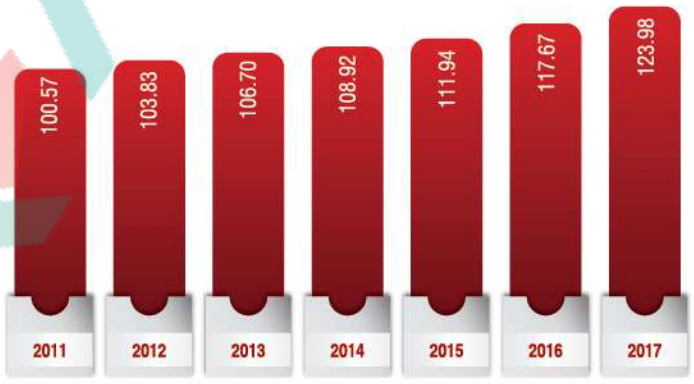


Shareholding Structure-2017

SHAREHOLDING STRACTURE		Tk (In crore)	%
1	Sponsor Shareholders	21.95	51%
2	Institutional Corporate	11.72	27%
3	Individual/General Public	9.44	22%



Total Reserve & Fund



Total Assets

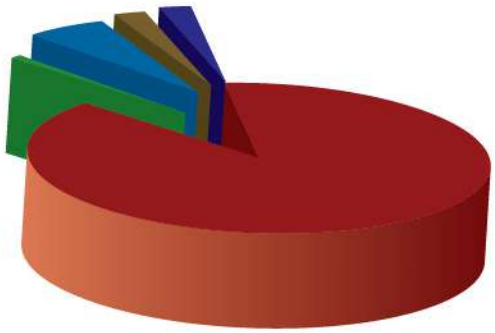


Investments in Shares & Bond, FDR, STD Accounts



Sectors wise Investments in Shares-2017

Indicate	Items	Amount 2017
1	Bank & financial instututions	263,101,038
2	Insurance	2,844,479
3	Mutual Funds	17,288,246
4	Pharmaceuticals & Chemical	6,044,673
5	Others	6,567,989
Total -		**295,846,424**



BANGLADESH ASSOCIATION OF PUBLICLY LISTED COMPANIES

Ref. No: CM-2017/266

BAPLC

Date of issue 27th September 2017

Renewed Certificate

This is to certify that

EASTERN INSURANCE COMPANY LIMITED

is an Ordinary Member of Bangladesh Association of Publicly Listed Companies *and is entitled to all the rights and privileges appertaining thereto.*

This certificate remains current until 31st December 2017.

Bangladesh Association of Publicly Listed Companies ★ BAPLC

Secretary-General
(Acting)

ইষ্টার্ণ ইন্স্যুরেন্স কোঃ লিঃ
EASTERN INSURANCE CO. LTD.
(The Symbol of Comprehensive Security)
31 Years of Comprehensive Service

31 Annual General Meeting 2017

Date: 25 July 2017

SHARE HOLDERS' VIEW
31st ANNUAL GENERAL MEETING





STOCK

ANNUAL BUSINESS CONFERENCE 2017





CSR ACTIVITIES 2017





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.

CSR ACTIVITIES 2017





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CHAIRMAN'S MESSAGE

Mujibur Rahman
Chairman

It is indeed a great pleasure for me to say few words about the activities of the Company during the last year on the occasion of the 32nd Annual General Meeting of the Company. Before going to the subject, I would like to express my deep condolence to those members of the Company who have breathed their last during this year under report. May Allah grant them eternal peace.

On this august occasion, I would also like to convey my gratitude to you for the confidence and trust that you have placed on us and on our endeavor to reach our services to the door steps of our valued clients.

In spite of the adverse situation in the insurance sector, the Company could able to underwrite moderate amount of business due to earnest enthusiasm and recentless 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 increased of premium as well as profit.

The Company has 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 statement and brief of business operations of this Company is also included with this Annual Report.

The Board of Directors recommended 20% Cash Dividend for the year 2017 subject to the approval of Shareholders in the AGM. This declaration has been announced on the basis of assessing Company's Revenue, Cash flows, Financial condition, Capital requirement, Current year's profitability, Liability position , Reserve, Dividend consistency, 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, 2016 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 employees of the Company for their continuous support and sincere co-operation.

With best regards



(Mujibur Rahman)
Chairman



MESSAGE FROM THE MD & CEO

Mohammad Haroon Patwary
Managing Director & 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 and we would appreciate for its quality business, product innovation & good customer support.

You will be happy to know that underwriting profit achieved by the Company was Tk. 7.57 crore as against Tk. 7.17 crore in 2016. Pre-tax profit increase to Tk. 19.10 crore from Tk. 18.35 crore in 2016. 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. 123.98 crore in 2017 from Tk. 117.67 crore in 2016.

We are looking for more effective initiatives that will help us to diversify our portfolio mix that will eventually protect the quality of our business. We are also looking at sharpening our business strategy with a more focused approach to calculating risks and aligning it with premiums.

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 are looking at restructuring our human resources, encouraging re-skilling and multifunctional expertise. This will help us enhancing our human resource productivity on the one hand while also helping us to preserve the quality of talent on the other.

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.

As a whole 2017 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, due to 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.

In closing, I would like to thank each and every employee for their sincere dedication, commitment and extreme hard work all through the year. I thank every insured for responding their faith on us and the regulators for their constant support. I would also like to thank all of our Directors for their invaluable guidance and encouragement, which are very much needed for the success of the Company. Above all, I sincerely thank each and every Shareholder for their unflinching support and trust to the Company.

I assure all Shareholders that we will make every effort to honor your trust for running the Company with the highest level of ethics, integrity and honesty.

Thanking you.



(Mohammad Haroon Patwary)
Managing Director & CEO

SHAREHOLDER'S AND INVESTORS' INFORMATION

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ইষ্টার্ণ ইন্স্যুরেন্স কোঃ লিঃ

EASTERN INSURANCE CO. LTD.

(The Symbol of Comprehensive Security)

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

NOTICE OF THE 32 ANNUAL GENERAL MEETING

Notice is hereby given that the 32 ANNUAL GENERAL MEETING OF EASTERN INSURANCE COMPANY LTD. will be held on July 25, 2018, Wednesday at 11:00 a.m at Spectra Convention Centre Ltd., House-19, Road-7, Gulshan-1, Dhaka-I212 to transact the following business:

1. 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 2017.
2. To declare Dividend for the year 2017.
3. To appoint Auditors for the year 2018 and fix up their remuneration.
4. To elect Directors as per Articles of Association of the Company.

By order of the Board of Directors

Sd/-

(Md. Habib Jamal, FCA)
Company Secretary

Dated: Dhaka
The 25th April, 2018

i) The 'Record Date' is fixed on Tuesday, the 29th May, 2018. 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."**

AMARSTOCK

FINANCIAL CALENDAR

Announcement of 2012 final result	29th April, 2013	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	
Announcement of 2013 final result	28th April, 2014	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	
Announcement of 2014 final result	29th April, 2015	2015
Record Date	19th May, 2015	
Annual Report 2014 dispatched	6th July 2015	
29th Annual General Meeting	23rd July 2015	
Cash dividend 2014 dispatched	22nd August 2015	
Announcement of 2015 final result	27th April 2016	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	
Announcement of 2016 final result	27th April 2017	2017
Record Date	7th June 2017	
Annual Report 2016 dispatched	2nd July 2017	
31st Annual General Meeting	25th July, 2017	
Cash dividend 2016 dispatched	21st August, 2017	
Announcement of 2017 final result	25th April 2018	2018
Record Date	29th May 2018	

AMAR STOCK

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	30,000,000	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	20% Cash dividend			
2017 (Proposed)	20% Cash dividend			

VMAR STOCK

CORPORATE GOVERNANCE & FINANCIAL HIGHLIGHTS



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REPORT OF THE BOARD OF DIRCTORS

FOR THE YEAR ENDED 31st DECEMBER, 2017

Bismillahir Rahmanir Rahim,

Dear Shareholders,
Assalamu Alaikum

It is a great pleasure for me to welcome you all in this 32nd Annual General Meeting of your Company and thank you for making it convenience to attend the same.

It is a privilege for us to have your continuous patronage and support extended during the last year. The Board has reviewed the performance of Eastern Insurance Company Limited for the year 2017 and I am pleased to place before you the 32nd Annual Report together with Auditors Report there on for your perusal and adoption.

WORLD ECONOMY

The global upswing in economic activity is strengthening with global growth projected to rise to 3.6 percent in 2017 and 3.7 percent in 2018. Broad-based upward revisions in the euro area, Japan, emerging Asia, emerging Europe and Russia more than offset downward revisions for the United States and the United Kingdom. But the recovery is not complete: while the base line outlook is strengthening, growth remains weak in many countries and inflation is below target in most advanced economies. Commodity exporters, especially of fuel are particularly hard hit as their adjustment to a sharp step down in foreign earnings continues. And while short-term risks are broadly balanced, medium-term risks are still tilted to the downside.



For policy makers, the welcome cyclical pickup in global activities provides an ideal window of opportunity to tackle key challenges namely to boost potential output while ensuring its benefits are broadly shared, and to build resilience against downside risks.

For many of the challenges that the global economy confronts, individual country actions can be more effective if supported by multilateral co-operation. Preserving the global economic expansion will require policy makers to avoid protectionist measures and to do more to ensure that gains from growth are shared more widely. In addition to preserving an open trading system, key areas for collective action include safeguarding global financial stability; achieving equitable tax systems and avoiding a race to the bottom; continuing to support low-income countries as they pursue their development goals and mitigating and adapting to climate change. Many of the economies suffering the worst consequences of higher temperatures and changed weather patterns are those with the fewest resources to deal with theses challenges. Richer countries will increasingly feel direct negative effects from unmitigated climate change, however and will not be immune to spillover from the rest of the world.

BANGLADESH ECONOMY

For Bangladesh, 2017 has been a mixed year of achievements and challenges. Though some macro indicators reflect the positive trends, the overall strength of the economy is weaking due to number of developments toward the second half of the year. One of the major achievements of the economy has been a 7.28 percent economic growth in FY 2016-2017 breaking the six percent cycle that continued for a decade or so. Like previous years, major boost of growth has come from the industrial sector followed by the services sector. Though average inflation has been around 5.5 percent, inflation in food pricing is showing an increasing rate in recent months mainly because of agricultural loss due to two rounds of flood.

Investment is a major impetus to Bangladesh's growth. Target was set to increase investment to 32.7 percent of GDP in FY 2016-2017, Keeping in mind the need for growing economy. In FY 2016-17, investment as a Share of GDP went up to 30.5 percent, a marginal increase from 29 percent in FY 2015-16. However, the private sector's investment has been almost stagnant since FY 2015-2016 covering around 23 percent. The major boost has come from the public sector that saw in increase to 7.4 percent in FY 2016-17 from 6.7 percent in FY2015-16.

Domestic savings-GDP ratio increased by only 0.3 percent in FY 2016-17 while national savings-GDP ratio declined by 1.2 percent. There is a large deficit in current account. This has narrowed the gap between national savings and total investment as a share of GDP for the first time in recent years, which otherwise displayed a gap implying that resources are not fully utilized.



The external sector has been a source of strength for the Bangladesh economy for several years. This has changed in recent periods. Export growth in FY 2016-17 was only 1.7 percent as opposed to the target of 8 percent. A glimmer of hope is in the horizon with both RMG and total exports picking up during July-December of FY 2017-18. However, imports growing at a higher rate than export led to a negative current account balance that continued during July-October of FY2017-18. In FY 2016-17 remittance earning growth experienced a negative growth of (-) 15.9 percent despite increase of manpower export. One important reason for low remittances despite high growth of manpower export is the flow of remittances through informal channels. Strong Bangladeshi Taka against the US Dollar also played a role for low export and remittances growth to some extent. Though remittances have started to pick up in recent months it is not significant since it was negative during the last fiscal year.

The year 2018 will be a turning point for Bangladesh in many ways. Bangladesh has already left the least developed country status. It is now under the category of middle-income country. Additionally, it has been continuing to implement the sustainable development goals (SDGS). These will hinge on a number of factors such as accelerated resources mobilization, higher investment, efficiency in infrastructure implementation, skilled human resources and strong institutional set up.



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 ebdeavor 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. 41.89 crore from 39.34 crore of last year. The Net Profit of the Company is Tk. 19.10 crore against Tk. 18.35 crore of last year.

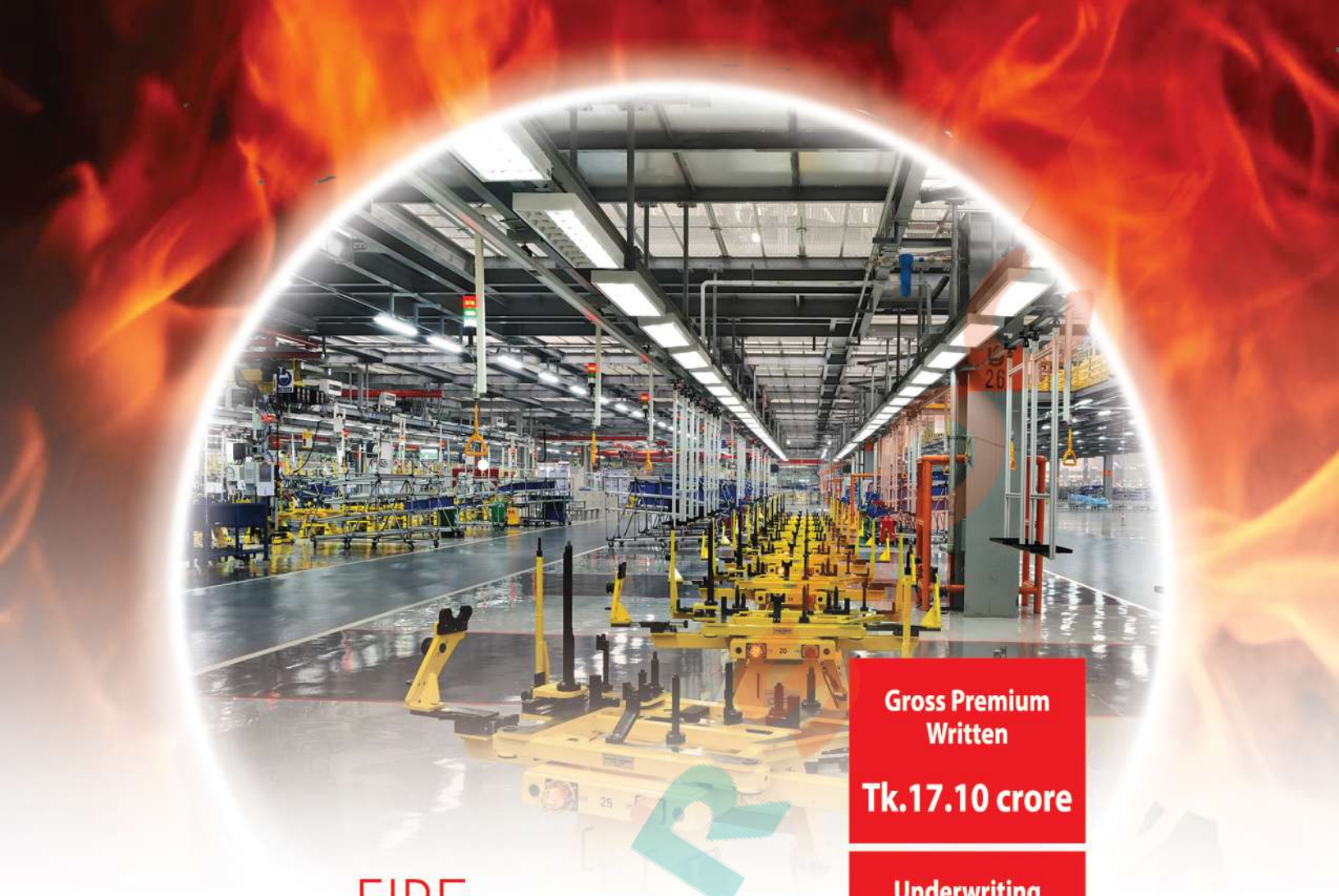
The Insurance Regulator, Insurance Development and Regulatory Authority (IDRA) has taken serious of measures to bring about many positive changes including prohibiting credit business, streamlining agent commission, protecting tarrif violation etc. The Government and the IDRA should continue their efforts 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

		2017	2016
Gross Premium	Tk.	418,867,413	393,366,679
Re-Insurance Premium ceded	Tk.	208,223,183	183,548,167
Investment Income	Tk.	84,936,012	79,487,282
Share Trading Profit	Tk.	39,423,497	41,893,678
Net Profit	Tk.	190,964,676	183,481,689
Reserve for Unexpired Risk	Tk.	86,182,190	84,302,563
Reserve for Exceptional Losses	Tk.	280,619,038	238,732,297
Total Assets	Tk.	2,152,306,463	2,092,167,050
Earning Per Share (EPS)	Tk.	3.47	3.33
Net Asset Value (NAV)	Tk.	40.76	39.25



The segment wise performance analysis for each class of business is as follows:



FIRE INSURANCE BUSINESS

This segment contributed 41% to our total business underwritten in 2017 with gross premium underwritten of Tk. 17.10 crore (2016: 16.93 crore).

In 2017, the underwriting profit increased to Tk. 1.44 crore as compared to Tk. (0.62) crore of last year, This is happened due to decrease in net claims expenses. Consequently, loss ratio (net claim as % of net premium revenue) also decreased to 21% against 55% in 2016.

Gross Premium Written

Tk.17.10 crore

Underwriting Profit

1.44 crore

Loss ratio

21%



Gross Premium Written

Tk.14.40 crore

Underwriting Profit

4.18 crore

Loss ratio

10%

MARINE INSURANCE BUSINESS

This segment contributed 34% to our total business underwritten in 2017 with gross premium underwritten of Tk. 14.40 crore (2016: 12.85 crore).

In 2017, the underwriting profit decreased to Tk. 4.18 crore as compared to Tk. 4.63 crore last year, This is happened due to increase in net claims expenses. Consequently, loss ratio (net claim as % of net premium revenue) also increased to 10% against 3% in 2016.



Gross Premium Written

Tk.6.84 crore

Underwriting Profit

2.00 crore

Loss ratio

34%

MOTOR INSURANCE BUSINESS

This segment contributed 16% to our total business underwritten in 2017 with gross premium underwritten of Tk. 6.84 crore (2016: 6.18 crore).

In 2017, the underwriting profit decreased to Tk. 2.00 crore as compared to Tk. 2.67 crore last year, this is happened due to increase in net claims expenses. Consequently, loss ratio (net claim as % of net premium revenue) also increased to 34% against 20% in 2016.



MISCELLANEOUS INSURANCE BUSINESS

This segment contributed 8% to our total business underwritten in 2017 with gross premium underwritten of Tk. 3.54 crore (2016: 3.35 crore).

In 2017, the underwriting profit decreased to Tk.(0.05) crore as compared to Tk. 0.48 crore last year. This is happened due to increase in net claims expenses. Consequently, loss ratio (net claim as % of net premium revenue) also increased to 44% against (22%) in 2016.

Gross Premium Written

Tk.3.54 crore

Underwriting Profit/(Loss)

(0.05) crore

Loss ratio

44%

CLAIMS

During 2017, the Company has accounted for net claims of Tk.43,555,680.00 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.

PROFIT & LOSS ACCOUNT

The Company earned a net profit of Tk. 19.10 Crore during the year under review as under:

	2017 Taka	2016 Taka
Income from Investment	124,359,509	121,380,960
Underwriting Profit/(Loss)	75,747,142	71,731,005
	200,106,651	193,111,965
Less: Management Expenses		
(Not applicable to any particular fund or account)	9,141,975	9,630,276
Profit before taxation and appropriation	**190,964,676**	**183,481,689**
Current year's profit as above	190,964,676	183,481,689
Deferred Tax Income/(Expenses)	(76,089)	(33,311)
Un appropriated profit of last year	3,274,466	383,044
	194,163,053	**183,831,422**
The above Profit of the Company has been appropriated as under:		
Reserve for exceptional losses	41,886,741	39,336,668
Provision for Taxation	41,500,000	40,000,000
General Reserve	24,000,000	15,000,000
Balance Carried to Balance Sheet	86,776,312	89,494,754
	194,163,053	**183,831,422**

DIVIDEND

Considering the operational result of the Company for the year 2017 as reflected in the Balance Sheet the Board of Directors recommended 20% Cash Dividend for the year 2017.

AUDITORS

The Auditors M/S. Mahfel Huq & Co., Chartered Accountants were appointed as Auditors in the 31st Annual General Meeting of the Company to conduct audit for the year 2017 and they have submitted their audit report.

CAPITAL

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

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:

AMARSTOCK

	2017 Taka	2016 Taka
National Investment Bond	25,000,000	25,000,000
Fixed Deposit with various Banks	1,130,100,000	1,081,300,000
Balance in Different STD Accounts	44,704,423	42,086,536
Balance in Different CD Accounts	2,611,446	5,824,476
Shares in Public Co.(at cost)	295,061,200	296,693,323
Debentures	785,224	785,224
Shares & Deposit Money in Subsidiary Company	285,909,200	285,909,200
Land	226,875,000	226,875,000
	2,011,046,493	**1,964,473,759**

MOTOR VEHICLES

At present the Company has 27 nos of Vehicles and total purchase cost of the same was Tk.3.68 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 2017 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, 2017, the Board of Directors held 6 (Six) meetings and the Directors serving on the Board attended in aggregate 67 % of the total number of meetings.

x) At December 31, 2017, 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	1,020,342
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 Ms.Tajrina Mannan)	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.	1,039
e)	Shareholding of Executives	

Sl. No.	Name of Executives	Total Shares
1	Mr. Md. Iqbal Mahmud, Dy.Managing Director	1,522
2	Mr. Khairul Alam, Sr. Vice President	504
3	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)	

AMARSTOCK

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.Mujibur Rahman
2 Mr.Durand Mehdadur Rahman
3 Mr.Rawnak Karim
4 Mr.Mohammed Israil

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 Mrs. Zakia Rahman
2 Mr. Rais Uddin (Representative of Pioneer Dresses 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: 20th June 2018
Place: Dhaka.

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, Managing Director & 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, Managing Director & 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	Ms. Tazreen Rahman, Director	Member
6	Mr. Nayeemur Rahman, Director	Member
7	Mr. Mohammad Haroon Patwary, Managing Director & CEO	Member

BUSINESS PROMOTION COMMITTEE

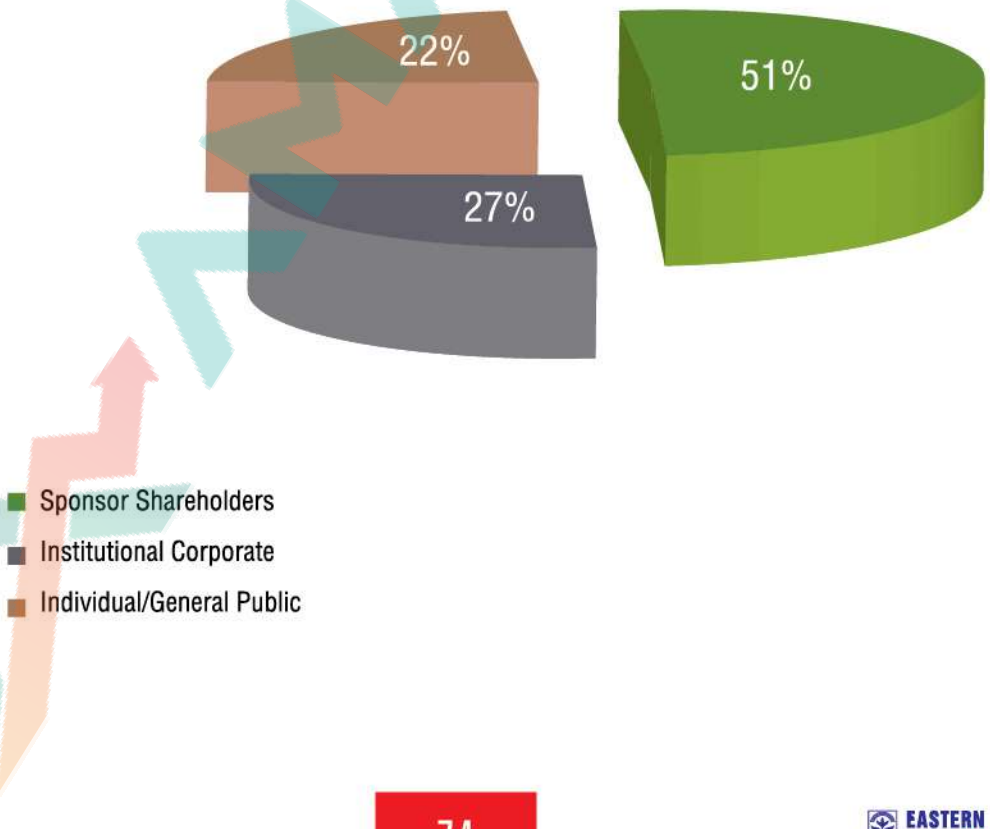
1	Mr. Mohammed Mohsin, Director	Chairman
2	Mr. Mujibur Rahman, Chairman	Member
3	Mr. S.D. Alam, Director	Member
4	Mr. Matiur Rahman, Director	Member
5	Mr. Durand Mehdadur Rahman, Director	Member
6	Ms. Tajrina Mannan, Director	Member
7	Mr. Mohammad Haroon Patwary, Managing Director & CEO	Member

ARTS STOCK

SHAREHOLDING STRUCTURE

Particulars	No.of Shares	% of Holdings
Sponsor Shareholders	21,953,810	51%
Institutional Corporate	11,720,722	27%
Individual/General Public	9,435,612	22%
Grand Total	**43,110,144**	**100%**

Shareholding Structure-2017



AMARSTOCK

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

ANNEXURE-A

	2017	2016	2015	2014	2013
Paid up capital	431,101,440	431,101,440	431,101,440	431,101,440	431,101,440
Gross premium Earned	418,867,413	393,366,679	380,599,944	360,748,055	349,647,404
Net premium income	210,644,230	209,818,512	207,727,027	205,600,220	193,590,481
Net claims	51,257,616	52,937,017	66,577,876	50,060,079	29,100,370
Pre - tax profit	190,964,676	183,481,689	162,724,765	162,130,747	156,219,630
Cash dividend	86,220,288	86,220,288	86,220,288	86,220,288	86,220,288
Total assets	2,152,306,463	2,092,167,050	2,049,062,810	1,978,281,771	1,909,004,817
Total reserves	1,239,843,707	1,176,675,408	1,119,447,318	1,089,247,795	1,066,974,307

SMART 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 2017.

We the undersigned certified that:

i. We have reviewed the financial statements of Eastern Insurance Company Ltd. for the year ended December 31, 2017 and that to the best of our knowledge and belief:

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

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.

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)
Managing Director & CEO

MAR STOCK

Certificate on Compliance of conditions of CG Guidelines of BSEC of Eastern Insurance Company Limited for the year ended 31 December 2017

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 2017. 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, 03 June 2018

MABS & J Partners
Chartered Accountants

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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 Directorshall 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.	√		

FIRST STOCK

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 anydeparture therefrom 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:**			
	The company shall have an Audit Committee as a sub-committee of the Board of Directors	√		
	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.	√		
	The Audit Committee shall be responsible to the Board of Directors. The duties of the Audit Committee shall be clearly set forth in writing	√		
	Constitution of the Audit Committee:			
	The Audit Committee shall be composed of at least 3 (three) members	√		
	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.	√		
	All members of the audit committee should be "financially literate" and at least 1 (one) member shall have accounting or related financial management experience	√		
	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, hus 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
	The company secretary shall act as the secretary of the Committee	√		
	The quorum of the Audit Committee meeting shall not constitute without at least 1 (one) independent director.	√		
	Chairman of the Audit Committee:			
	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.	√		
	Chairman of the audit committee shall remain present in the Annual General Meeting (AGM)	√		
	Role of Audit Committee:			
	Oversee the financial reporting process.	√		
	Monitor choice of accounting policies and principles	√		
	Monitor Internal Control Risk management process	√		
	Oversee hiring and performance of external auditors	√		
	Review along with the management, the annual financial statements before submission to the board for approval	√		
	Review along with the management, the quarterly and half yearly financial statements before submission to the board for approval	√		
	Review the adequacy of internal audit function	√		
	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	
	Actuarial services	√		
	Internal audit services	√		
	Any other service that the Audit Committee determines	√		
	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	√		
	Audit/certification services on compliance of corporate governance as required under clause (i) of condition No. 7	√		
	Subsidiary Company:			
	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	√		
	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	√		
	The minutes of the Board meeting of the subsidiary company shall be placed for review at the following Board meeting of the holding company	√		
	The minutes of the respective Board meeting of the holding company shall state that they have reviewed the affairs of the subsidiary company also	√		
	The Audit Committee of the holding company shall also review the financial statements, in particular the investments made by the subsidiary company	√		
	Duties Of Chief Executive Officer (CEO) And Chief Financial Officer (CFO):			
	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:	√		
	These statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading	√		
	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	√		
	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.	√		
	Reporting and Compliance of Corporate Governance:			
	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	√		
	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, 2017. 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.

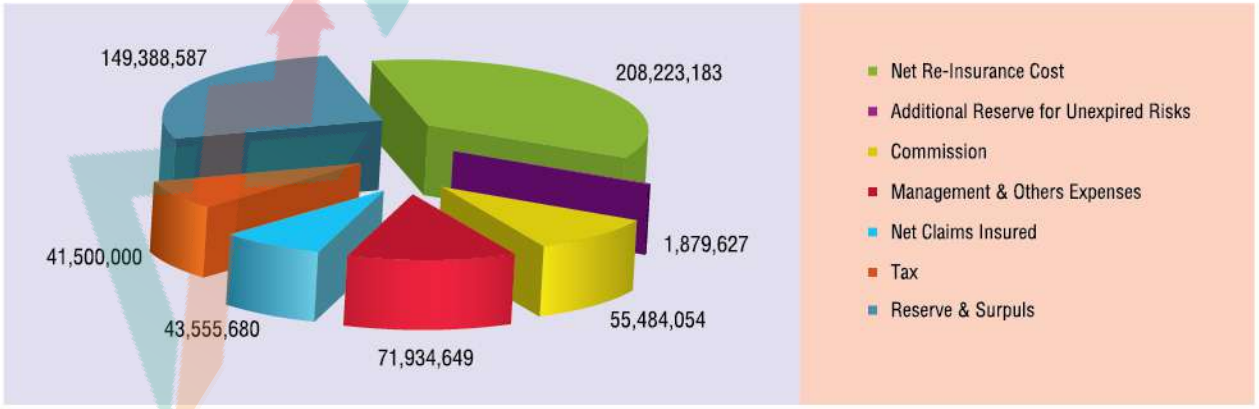
VALUE ADDED STATEMENT

for the year ended 31 December, 2017

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 2017 is appended below:

PARTICULARS	2017 Taka	2016 Taka
Sources of the Value Added:		
Gross Premium	418,867,413	393,366,679
Commission on Re-Insurance Ceded	28,814,947	23,925,387
Investment & Other Income	124,359,509	121,380,960
Deferred Tax Income / (Expenses)	(76,089)	(33,311)
Total Value added	**571,965,780**	**538,639,715**
Distribution of the Value Added		
Net Re-Insurance Cost	208,223,183	183,548,167
Additional Reserve for Unexpired Risks	1,879,627	412,563
Commission	55,484,054	52,636,527
Management & Others Expenses	71,934,649	68,694,281
Net Claims Insured	43,555,680	49,899,799
Tax	41,500,000	40,000,000
Reserve & Surpuls	149,388,587	143,448,378
Total Distribution	**571,965,780**	**538,639,715**



AMARSTOCK

ECONOMIC VALUE ADDED STATEMENT

Economic Value - Added (EVA) is the surplus generated by an Incurance 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	2017 Taka	2016 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	**91,189,893**	**85,249,684**
Net profit after tax	149,388,587	143,448,378
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.

AMAR STOCK

MARKET VALUE ADDED STATEMENT

For the year ended on 31 December, 2017

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 1,237.26 million whereas the book value of the share stood at BDT 1,757.16 million, resulting a Market Value added/(declined) of BDT (519.90) million as of December 31, 2017.

PARTICULARS	Number of Shares	Value Per Share Taka	Total Value Taka
Market Value	43,110,144	28.70	1,237,261,133
Book Value	43,110,144	40.76	1,757,169,469
Market Value Added/(declined)			(519,908,337)



DISCLOSURES PERTAINING TO SOLVENCY MARGIN

Assets, Liabilities and Solvency Margin
For the year ended as at 31 December 2017

(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	171.00	55.76	0.50	85.50	17.10	11.15	17.10
	Marine:							
2	Marine Cargo	134.78	84.85	0.70	94.35	18.87	16.97	18.87
3	Marine Hull	9.28	3.20	0.50	4.64	0.93	0.64	0.93
	Miscellaneous:							
4	Motor	68.40	63.74	0.85	58.14	11.63	12.75	12.75
5	Miscellaneous	35.40	3.09	0.70	24.78	4.96	0.62	4.96
	Total	**418.86**	**210.64**					**54.60**

Total Assets as per Balance Sheet (Tk in million)		**2,152.30**	**Total Liabilities**	
Less :			Sundry Creditors	64.22
			Amount due to others	155.64
Amount due from others	47.96		Provision for taxation	82.32
Outstanding premium	-		Deposit Premium	19.37
Furniture & Fixture	2.23		Reserve for Unexpired risk	86.18
Office Decoration	5.95	56.14	Reserve for exceptional loss	280.62
Total Assets - A		**2,096.16**	**Total liabilities - B**	**688.35**

Solvency Margin Available (A-B) **1,407.81**

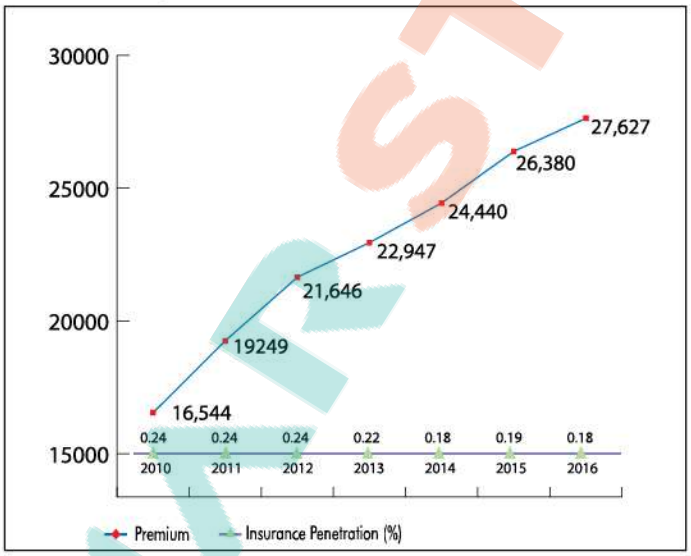
Required Solvency Margin **54.60**

MARKET SHARE INFORMATION

BANGLADESH NON-LIFE INSURANCE MARKET COMPOSITION & SHARES:

Bangladesh Non-life insurance Premium in 2016 was Taka 27,627 million, Last 7 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	2017	2016
Reinsurance Premiun Ceded as Gross Premium	49.71%	46.00%
Commission Paid as % of Gross Premium	13.24%	13.38%
Net R/I Commission Earned as % of Gross Premium	6.87%	6.08%
Net R/I Commission Earned as % of Net Premium	13.67%	11.40%
Management Expenses (Revenue A/C) as % of Gross Premium	14.86%	14.90%
Management Expenses (Revenue A/C) as % of Net Premium	29.56%	27.94%
Net Claims Insured as % of Gross Premium	12.23%	13.45%
Net Claims Insured as % of Net Premium	24.33%	25.23%
Underwriting Result as % of Gross Premium	18.08%	18.23%
Underwriting Result as % of Net Premium	35.95%	34.18%

DIRECTORS CERTIFICATE

As per Regulations contained in the Section 63 (2) of the Insurance Act 2010, 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, 2017 and in our belief, the said assets have been set forth in the Balance Sheet at amounts not exceeding their realizable or market values under the several headings as enumerated in the annexed form.*

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

Chairman	Chief Executive Officer	Director	Director

Eastern Insurance Co. Ltd.

AMARSTOCK

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 2017, the Committee carried out the following tasks:

(1) Review of Annual Financial Statement for the year 2017.

(2) Review of Audit report for the year 2017 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 10, 2018

(Md. Murshed Hossain)
Chairman, Audit Committee

MAYA STOCK

AUDITOR'S REPORT AND FINANCIAL STATEMENTS

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Independent Auditor's Report to the Shareholders of Eastern Insurance Company Limited

Report on the Consolidated Financial Statements

We have audited the accompanying Consolidated as well as the separate financial statements of **"Eastern Insurance Company Limited " (EICL) (the "Company")** and its subsidiary **(the "Group")** prepared from separate financial statements which comprise of the Consolidated & separate balance sheet (Consolidated & separate Statement of Financial Position) as at December 31, 2017 and the Consolidated related Revenue Accounts, Consolidated & separate Profit and Loss Account (Consolidated & separate Statement of Profit or Loss and other Comprehensive Income), Consolidated & separate Profit and Loss Appropriation Account, Consolidated & separate Statement of Changes in Equity and Consolidated & separate Statement of Cash Flows and a summary of significant accounting policies and other explanatory information.The financial statements as at December 31, 2017 of the EIC Securities Ltd. were 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 solely on that report of the other auditors.

Management's Responsibility for the Consolidated 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 Accounting Standard (BAS)/Bangladesh Financial Reporting Standards (BFRS), the Companies Act, 1994, the Insurance Act, 2010, the Securities and Exchanges Rules, 1987, guidelines provided by Insurance Development and Regulatory Authority (IDRA) and other applicable laws and regulations and for such internal control as management determines, which is necessary to enable the preparation of Consolidated Financial Statements that are free from material misstatements, whether due to fraud and 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 are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the Consolidated Financial Statements. The procedures selected depended on the auditors judgment, including the risks assessment of material misstatement of the seperate and Consolidated 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 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 seperate 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.

Opinion

In our opinion, the Consolidated Financial Statements of the company and also seperate financial statements of the Company, in all materials respects, give a true and fair view of the Consolidated Statement of Financial Position of the group and the seperate Statement of Financial Position as at 31 December, 2017, of its consolidated and separate statement of financial

performance and of its Statement of Cash Flows for the year then ended and Consolidated Financial Statements were prepared in accordance with Bangladesh Financial Reporting Standards (BFRSs), Bangladesh Accounting Standards (BAS), give a true and fair view of the state of the company's affairs as at December 31, 2017 and of the results of its operations and cash flows for the year then ended and complies with the Companies Act 1994, the Insurance Act 2010, the Insurance Rules 1958, the Securities and Exchange Rules 1987 and other applicable laws and regulations.

Report on other legal and regulatory requirements:

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

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

(iii) As per section 63(2) of the Insurance Act 2010, in our opinion to the best of our knowledge and belief and according to the information and explanations given to us, all expense of management wherever incurred and 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 related Revenue Accounts, Profit and loss Account and Profit and Loss Appropriation Account of the Company;

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

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

(vi) The Consolidated Balance Sheet and Consolidated Profit and Loss Account and its Consolidated Statement of Cash Flows of the group and the separate balance sheet, separate Profit and Loss account, separate Statement of Cash Flows of the company together with the annexed notes dealt with by the report are in agreement with the books of account and returns;

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

Dhaka, 30th April 2018
Place: Dhaka

Mahfel Huq & Co.
Chartered Accountants

Consolidated Balance Sheet

(Consolidated Statement of Financial Position)

As at December 31, 2017

Capital and Liabilities	Notes	Amount in Taka	
		2017	2016
Share Capital			
Authorized Share Capital			
100,000,000 Ordinary Shares of Tk.10/- each	3.0	1,000,000,000	1,000,000,000
Issued, Subscribed & Paid-up Share Capital			
43,110,144 Ordinary shares of Tk.10/- each	3.01	431,101,440	431,101,440
Share premium	4.0	356,686,881	356,686,881
Revaluation reserve	5.0	463,261,476	463,261,476
Reserve and Contingency Account		**423,999,593**	**358,245,642**
Reserve for Exceptional Losses	6.0	280,619,038	238,732,297
General reserve		52,500,000	28,500,000
Profit & Loss Appropriation Account Balance		90,880,555	91,013,345
Total Shareholders' Equity		**1,675,049,390**	**1,609,295,439**
Balance of Funds and Accounts		**86,182,190**	**84,302,563**
Fire Insurance Business		22,305,011	26,843,128
Marine Insurance Business		37,148,782	32,314,814
Motor Insurance Business		25,492,170	22,850,158
Miscellaneous Insurance Business		1,236,227	2,294,463
Deposit Premium	7.0	**19,376,383**	**10,502,532**
Liabilities and Provisions		**382,715,102**	**392,595,426**
Estimated liabilities in respect of outstanding claims whether due or intimated	8.0	73,322,008	81,023,944
Provision for expenses	9A	333,473	603,317
Amount due to other persons or bodies carrying on insurance business	10.0	155,637,132	161,223,725
Sundry creditors	11A	70,442,066	70,541,774
Provision for taxation	13A	82,980,223	79,202,466
Minority interest		200	200
Total Liabilities		**402,091,485**	**403,097,958**
Total Shareholders' Equity & Liabilities		**2,163,323,065**	**2,096,695,959**

Chief Executive Officer

Director

Consolidated Balance Sheet

(Consolidated Statement of Financial Position)

As at December 31, 2017

Assets & Properties	Notes	Amount in Taka	
		2017	2016
Investments (at cost)			
Statutory deposits		**326,363,717**	**322,478,548**
Investment in Bangladesh Govt.Treasury Bond (BGTB)		25,000,000	25,000,000
Investment in Shares & debentures	14A	301,363,717	297,478,548
Interest, Dividends & Rent outstanding (Interest/Profit accrued but not due)	15.0	**16,764,763**	**4,643,885**
Sundry debtors (Including advance, deposit & Pre-payments)		**38,152,690**	**31,954,405**
Advance Income tax	16A	8,981,989	13,231,490
Rent & others	16B	29,170,701	18,722,915
Cash and cash equivalents	17A	**1,201,456,102**	**1,144,089,113**
Cash in hand		16,016,933	7,890,198
Cash at banks on STD accounts		47,901,416	43,706,171
Cash at banks of CD accounts		3,171,570	7,192,744
Fixed deposits with Banks		1,134,366,183	1,085,300,000
Amount due from other persons or bodies carrying on insurance business	18.0	47,960,491	57,135,121
Deferred Tax Assets	12.0	44,280	120,369
Fixed assets (at cost Less accumulated depreciation)	19A	251,362,977	254,649,498
Goodwill for CSE Membership		280,000,000	280,000,000
Stock of printing, stationery and stamps	20.0	1,218,045	1,625,020
Total Assets and Properties		**2,163,323,065**	**2,096,695,959**
Net Asset Value Per Share (NAV)		**40.85**	**39.29**

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 25th April 2018 and were signed on its behalf by:

Director

Chairman

Signed as per our annexed report of even date.

Mahfel Huq & Co.
Chartered Accountants

Dhaka, 30th April 2018
Place: Dhaka

Consolidated Profit and Loss Account

(Consolidated Statement of Profit or Loss & Other Comprehensive Income)

For the year ended December 31, 2017

Particulars	Notes	Amount in Taka	
		2017	2016
		10,960,093	**10,648,045**
Expenses of management (Not Applicable to any particular fund or Account)			
Directors fee		776,465	544,505
Audit & credit rating fees		358,750	231,250
Registration fees		339,250	279,000
Legal expenses		2,404,208	2,394,364
Advertisement & publicity		261,275	-
Subscription		654,472	719,839
Depreciation		267,550	45,850
Right share Issue expenses written off @ 25%		4,080,005	4,726,207
Expenses of Management of EIC Securities Ltd		-	689,261
		1,818,118	1,017,769
Net profit transferred to profit and loss appropriation account		194,206,018	185,376,826
Total		**205,166,111**	**196,024,871**
Interest, Dividend and Rents: (Not Applicable to any particular fund or Account)			
Interest and Dividend Income	21A	**88,583,381**	**82,400,188**
Profit/(Loss) Transferred from		**75,747,142**	**71,731,005**
Fire Revenue Account		14,452,523	(6,243,881)
Marine Revenue Account		41,869,225	46,378,043
Motor Revenue Account		20,013,178	26,757,882
Miscellaneous Revenue Account		(587,785)	4,838,961
Sundry Income		**40,835,588**	**41,893,678**
Gain on Sale of Share	22A	40,835,588	41,893,678
Total		**205,166,111**	**196,024,871**

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 25th April 2018 and were signed on its behalf by:

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

Signed as per our annexed report of even date.

Dhaka, 30th April 2018
Place: Dhaka

Mahfel Huq & Co.
Chartered Accountants

Consolidated Profit and Loss Appropriation Account

For the year ended December 31, 2017

Particulars	Notes	Amount in Taka	
		2017	2016
Reserve for exceptional losses		41,886,741	39,336,668
Provision for taxation		42,155,690	40,379,027
General reserve		24,000,000	15,000,000
Deferred tax expenses	12.0	76,089	33,311
		108,118,521	**94,749,006**
Balance transfered to Statement of Financial position		90,880,555	91,013,345
Total		**198,999,075**	**185,762,351**
Balance brought forward from last year	23A	4,793,057	385,525
Balance transferred from Profit and Loss Account		194,206,018	185,376,826
Total		**198,999,075**	**185,762,351**
Earning Per Share (EPS)	27A	**3.53**	**3.36**

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 25th April 2018 and were signed on its behalf by:

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

Signed as per our annexed report of even date.

Dhaka, 30th April 2018
Place: Dhaka

Mahfel Huq & Co.
Chartered Accountants

Consolidated Statement of Changes in Equity

For the year ended December 31, 2017

Amount in Taka

Particulars	Share Capital	Retained Earnings	Reserve for Exceptional Losses	General Reserve	Share Premium	Revaluation Reserve	Total
Balance as on December 31, 2016	**431,101,440**	**91,013,345**	**238,732,297**	**28,500,000**	**356,686,881**	**463,261,476**	**1,609,295,439**
Dividend for the year 2016	-	(86,220,288)	-	-	-	-	(86,220,288)
Net Profit for the period 2017 (after tax)	-	151,974,239	-	-	-	-	151,974,239
Reserve for exceptional losses	-	(41,886,741)	41,886,741	-	-	-	-
General reserve	-	(24,000,000)	-	24,000,000	-	-	-
Balance as on December 31, 2017	**431,101,440**	**90,880,555**	**280,619,038**	**52,500,000**	**356,686,881**	**463,261,476**	**1,675,049,390**

Balance as on December 31, 2015	**431,101,440**	**385,525**	**199,395,629**	**13,500,000**	**356,686,881**	**463,261,476**	**1,464,330,951**
Net Profit for the year 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	-	-	-
Balance as on December 31, 2016	**431,101,440**	**91,013,345**	**238,732,297**	**28,500,000**	**356,686,881**	**463,261,476**	**1,609,295,439**

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 25th April 2018 and were signed on its behalf by:

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

Signed in terms of our report of even date annexed.

Dhaka, 30th April 2018
Place: Dhaka

Mahfel Huq & Co.
Chartered Accountants

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Consolidated Statement of Cash Flows

For the year ended December 31, 2017

Particulars	Amount in Taka	
	2017	2016
Cash flows from operating activities		
Turnover against insurance business & others	475,890,131	413,060,840
Investment & other income	65,430,574	78,873,381
Business cost and all other expenses	(382,583,421)	(296,129,790)
Income tax paid	(24,015,405)	(45,019,406)
Net cash flows from operating activities	**134,721,879**	**150,785,025**
Cash flows from investing activities		
Investment in shares (Net)	1,632,124	(199,265)
Acquisitions of fixed assets	(1,073,989)	(971,547)
Net cash used in investing activities	**558,135**	**(1,170,812)**
Cash flows from financing activities		
Dividend paid	(77,913,025)	(85,834,313)
Total cash flows from financing activities	**(77,913,025)**	**(85,834,313)**
Net increase in cash & Cash equivalents during the year	**57,366,989**	**63,779,900**
Opening cash & Cash equivalents at beginning of the year	1,144,089,113	1,080,309,213
Closing cash & Cash equivalents at end of the year	**1,201,456,102**	**1,144,089,113**
Number of shares	**43,110,144**	**43,110,144**
Net operating cash flows per share	**3.13**	**3.50**

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 25th April 2018 and were signed on its behalf by:

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

Signed as per our annexed report of even date.

Dhaka, 30th April 2018
Place: Dhaka

Mahfel Huq & Co.
Chartered Accountants

AMARSTOCK

Balance Sheet

(Statement of Financial Position)

As at December 31, 2017

Capital and Liabilities	Notes	Amount in Taka	
		2017	2016
Share Capital			
Authorized Share Capital			
100,000,000 Ordinary Shares of Tk.10/- each	3.0	1,000,000,000	1,000,000,000
Issued, Subscribed & Paid-up Share Capital			
43,110,144 Ordinary shares of Tk.10/- each	3.01	431,101,440	431,101,440
Share premium	4.0	356,686,881	356,686,881
Revaluation reserve	5.0	463,261,476	463,261,476
Reserve and Contingency Account		**419,895,350**	**356,727,051**
Reserve for Exceptional Losses	6.0	280,619,038	238,732,297
General reserve		52,500,000	28,500,000
Profit & Loss Appropriation Account Balance		86,776,312	89,494,754
Total Shareholders' Equity		**1,670,945,147**	**1,607,776,848**
Balance of Funds and Accounts		**86,182,190**	**84,302,563**
Fire Insurance Business		22,305,011	26,843,128
Marine Insurance Business		37,148,782	32,314,814
Motor Insurance Business		25,492,170	22,850,158
Miscellaneous Insurance Business		1,236,227	2,294,463
Deposit Premium	7.0	**19,376,383**	**10,502,532**
Liabilities and Provisions		**375,802,743**	**389,585,108**
Estimated liabilities in respect of outstanding claims whether due or intimated	8.0	73,322,008	81,023,944
Provision for expenses	9.0	289,519	287,167
Amount due to other persons or bodies carrying on insurance business	10.0	155,637,132	161,223,725
Sundry creditors	11.0	64,229,551	68,226,833
Provision for taxation	13.0	82,324,533	78,823,439
Total Liabilities		**395,179,126**	**400,087,640**
Total Shareholders' Equity & Liabilities		**2,152,306,463**	**2,092,167,050**

Chief Executive Officer

Director

Balance Sheet

(Statement of Financial Position)

As at December 31, 2017

Assets & Properties	Notes	Amount in Taka	
		2017	2016
Investments (at cost)			
Statutory deposits		**606,755,624**	**608,387,748**
Investment in Bangladesh Govt.Treasury Bond (BGTB)		25,000,000	25,000,000
Investment in Shares & debentures	14.0	581,755,624	583,387,748
Interest, Dividends & Rent outstanding (Interest/Profit accrued but not due)	15.0	**16,764,763**	**4,643,885**
Sundry debtors (Including advance, deposit & Pre-payments)	16.0	**37,294,749**	**31,312,268**
Advance Income tax		8,124,048	12,624,592
Rent & others		29,170,701	18,687,676
Cash and cash equivalents	17.0	**1,193,430,075**	**1,137,098,187**
Cash in hand		16,014,206	7,887,175
Cash at banks on STD accounts		44,704,423	42,086,536
Cash at banks of CD accounts		2,611,446	5,824,476
Fixed deposits with Banks		1,130,100,000	1,081,300,000
Amount due from other persons or bodies carrying on insurance business	18.0	47,960,491	57,135,121
Deferred Tax Assets	12.0	44,280	120,369
Fixed assets (at cost Less accumulated depreciation)	19.0	248,838,436	251,844,452
Stock of printing, stationery and stamps	20.0	1,218,045	1,625,020
Total Assets and Properties		**2,152,306,463**	**2,092,167,050**
Net Asset Value Per Share (NAV)		**40.76**	**39.25**

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 25th April 2018 and were signed on its behalf by:

Director

Chairman

Signed as per our annexed report of even date.

Mahfel Huq & Co.
Chartered Accountants

Dhaka, 30th April 2018
Place: Dhaka

Profit and Loss Account

(Statement of Profit or Loss & Other Comprehensive Income)

For the year ended December 31, 2017

Particulars	Notes	Amount in Taka	
		2017	2016
Expenses of management : (Not Applicable to any particular fund or Account)		**9,141,975**	**9,630,276**
		776,465	544,505
Directors fee		358,750	231,250
Audit & credit rating fees		339,250	279,000
Registration fees		2,404,208	2,394,364
Legal expenses		261,275	-
Advertisement & publicity		654,472	719,839
Subscription		267,550	45,850
Depreciation		4,080,005	4,726,207
Right share Issue expenses written off @ 25%		-	689,261
Net profit transferred to profit and loss appropriation account		190,964,676	183,481,689
Total		**200,106,651**	**193,111,965**
Interest, Dividend and Rents: (Not Applicable to any particular fund or Account)			
Interest and Dividend Income	21.00	**84,936,012**	**79,487,282**
Profit/(Loss) Transferred from		**75,747,142**	**71,731,005**
Fire Revenue Account		14,452,523	(6,243,881)
Marine Revenue Account		41,869,225	46,378,043
Motor Revenue Account		20,013,178	26,757,882
Miscellaneous Revenue Account		(587,785)	4,838,961
Sundry Income		**39,423,497**	**41,893,678**
Gain on Sale of Share	22.00	39,423,497	41,893,678
Total		**200,106,651**	**193,111,965**

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 25th April 2018 and were signed on its behalf by:

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

Signed as per our annexed report of even date.

Dhaka, 30th April 2018
Place: Dhaka

Mahfel Huq & Co.
Chartered Accountants

AMARSTOCK

Profit and Loss Appropriation Account

For the year ended December 31, 2017

Particulars	Notes	Amount in Taka	
		2017	2016
Reserve for exceptional losses		41,886,741	39,336,668
Provision for taxation		41,500,000	40,000,000
General reserve		24,000,000	15,000,000
Deferred tax expenses	12.0	76,089	33,311
		107,462,831	**94,369,979**
Balance transfered to Statement of Financial position		86,776,312	89,494,754
Total		**194,239,142**	**183,864,733**
Balance brought forward from last year	23.0	3,274,466	383,044
Balance transferred from Profit and Loss Account		190,964,676	183,481,689
Total		**194,239,142**	**183,864,733**
Earning Per Share (EPS)	27.0	**3.47**	**3.33**

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 25th April 2018 and were signed on its behalf by:

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

Signed as per our annexed report of even date.

Dhaka, 30th April 2018
Place: Dhaka

Mahfel Huq & Co.
Chartered Accountants

Consolidated Revenue Account

For the year ended December 31, 2017

Particulars	Notes	Amount in Taka	
		2017	2016
Claim under policies less Re-Insurance		**43,555,680**	**49,899,799**
Paid during the year	24.0	51,257,616	52,937,017
Total estimated liability in respect of outstanding claims at the end of the year whether due or intimated	8.0	73,322,008	81,023,944
Less: Outstanding at the end of the previous year		81,023,944	84,061,162
Agency commission		55,484,054	52,636,527
Expenses of management	25.0	62,266,669	58,634,416
Insurance stamps consumed		526,005	429,589
Profit transferred to Profit & Loss Account		75,747,142	71,731,005
Reserve for unexpired risks of premium income of the year as shown in the Balance Sheet		86,182,190	84,302,563
Total		**323,761,740**	**317,633,899**
		323,761,740	**317,633,899**
Balance of account at the beginning of the year (Reserve for unexpired risks)		84,302,563	83,890,000
Premium less Re-Insurance	26.0	210,644,230	209,818,512
Commission on Re-Insurance ceded		28,814,947	23,925,387
Total		**323,761,740**	**317,633,899**

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 25th April 2018 and were signed on its behalf by:

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

Signed as per our annexed report of even date.

Dhaka, 30th April 2018
Place: Dhaka

Mahfel Huq & Co.
Chartered Accountants

AMARSTOCK

Fire Insurance Revenue Account

For the year ended December 31, 2017

Particulars	Notes	Amount in Taka	
		2017	2016
Claim under policies less Re-Insurance		**11,761,515**	**37,208,184**
Paid during the year	24.0	27,321,398	37,898,929
Total estimated liability in respect of outstanding claims at the end of the year whether due or intimated	8.0	42,302,729	57,862,612
Less: Outstanding at the end of the previous year		57,862,612	58,553,357
Agency commission		24,868,605	24,921,140
Expenses of management	25.0	25,420,083	25,245,671
Insurance stamps consumed		217,838	184,156
Profit transferred to Profit & Loss Account		14,452,523	(6,243,881)
Reserve for unexpired risks of premium income of the year as shown in the Balance Sheet		22,305,011	26,843,128
Total		**99,025,576**	**108,158,398**
		99,025,576	**108,158,398**
Balance of account at the beginning of the year (Reserve for unexpired risks)		26,843,128	29,745,264
Premium less Re-Insurance	26.0	55,762,528	67,107,819
Commission on Re-Insurance ceded		16,419,920	11,305,315
Total		**99,025,576**	**108,158,398**

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 25th April 2018 and were signed on its behalf by:

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Signed as per our annexed report of even date.

Dhaka, 30th April 2018
Place: Dhaka

Mahfel Huq & Co.
Chartered Accountants

Marine Insurance Revenue Account

For the year ended December 31, 2017

Particulars	Notes	Amount in Taka	
		2017	2016
Claim under policies less Re-Insurance		**8,654,315**	**2,404,477**
Paid during the year	24.0	6,119,478	1,201,114
Total estimated liability in respect of outstanding claims at the end of the year whether due or intimated	8.0	14,571,549	12,036,712
Less: Outstanding at the end of the previous year		12,036,712	10,833,349
Agency commission		18,929,001	16,689,329
Expenses of management	25.0	21,415,284	19,168,646
Profit transferred to Profit & Loss Account		41,869,225	46,378,043
Reserve for unexpired risk being 40% & 100% of premium income Marine Cargo and Marine Hull business respectively of the year as shown in the Balance Sheet		37,148,782	32,314,814
Total		**128,016,607**	**116,955,309**
		128,016,607	**116,955,309**
Balance of account at the beginning of the year (Reserve for unexpired risks)		32,314,814	28,571,384
Premium less Re-Insurance	26.0	88,060,709	79,849,140
Commission on Re-Insurance ceded		7,641,084	8,534,785
Total		**128,016,607**	**116,955,309**

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 25th April 2018 and were signed on its behalf by:

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

Signed as per our annexed report of even date.

Dhaka, 30th April 2018
Place: Dhaka

Mahfel Huq & Co.
Chartered Accountants

AMARSTOCK

Motor Insurance Revenue Account

For the year ended December 31, 2017

Particulars	Notes	Amount in Taka	
		2017	2016
Claim under policies less Re-Insurance		**21,792,940**	**11,547,166**
Paid during the year	24.0	17,723,643	13,818,455
Total estimated liability in respect of outstanding claims at the end of the year whether due or intimated	8.0	14,165,620	10,096,323
Less: Outstanding at the end of the previous year		10,096,323	12,367,612
Agency commission		9,877,000	8,954,734
Expenses of management	25.0	10,168,476	9,220,231
Insurance stamps consumed		231,870	167,204
Profit transferred to Profit & Loss Account		20,013,178	26,757,882
Reserve for unexpired risks of premium income of the year as shown in the Balance Sheet		25,492,170	22,850,158
Total		**87,575,635**	**79,497,375**
		87,575,635	**79,497,375**
Balance of account at the beginning of the year (Reserve for unexpired risks)		22,850,158	21,677,712
Premium less Re-Insurance	26.0	63,730,426	57,125,396
Commission on Re-Insurance ceded		995,051	694,267
Total		**87,575,635**	**79,497,375**

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 25th April 2018 and were signed on its behalf by:

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

Signed as per our annexed report of even date.

Dhaka, 30th April 2018
Place: Dhaka

Mahfel Huq & Co.
Chartered Accountants

Miscellaneous Insurance Revenue Account

For the year ended December 31, 2017

Particulars	Notes	Amount in Taka	
		2017	2016
Claim under policies less Re-Insurance		**1,346,910**	**(1,260,028)**
Paid during the year	24.0	93,097	18,519
Total estimated liability in respect of outstanding claims at the end of the year whether due or intimated	8.0	2,282,110	1,028,297
Less: Outstanding at the end of the previous year		1,028,297	2,306,844
Agency commission		1,809,448	2,071,324
Expenses of management	25.0	5,262,825	4,999,868
Insurance stamps consumed		76,297	78,229
Profit/Loss transferred to Profit & Loss Account		(587,785)	4,838,961
Reserve for unexpired risks of premium income of the year as shown in the Balance Sheet		1,236,227	2,294,463
Total		**9,143,922**	**13,022,817**
		9,143,922	**13,022,817**
Balance of account at the beginning of the year (Reserve for unexpired risks)		2,294,463	3,895,640
Premium less Re-Insurance	26.0	3,090,567	5,736,157
Commission on Re-Insurance ceded		3,758,892	3,391,020
Total		**9,143,922**	**13,022,817**

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

Signed as per our annexed report of even date.

Dhaka, 30th April 2018
Place: Dhaka

Mahfel Huq & Co.
Chartered Accountants

AMARSTOCK

Statement of Changes in Equity

For the year ended December 31, 2017

Amount in Taka

Particulars	Share Capital	Retained Earnings	Reserve for Exceptional Losses	General Reserve	Share Premium	Revaluation Reserve	Total
Balance as on December 31, 2016	**431,101,440**	**89,494,754**	**238,732,297**	**28,500,000**	**356,686,881**	**463,261,476**	**1,607,776,848**
Dividend for the year 2016	-	(86,220,288)	-	-	-	-	(86,220,288)
Net Profit for the period 2017 (after tax)	-	149,388,587	-	-	-	-	149,388,587
Reserve for exceptional losses	-	(41,886,741)	41,886,741	-	-	-	-
General reserve	-	(24,000,000)	-	24,000,000	-	-	-
Balance as on December 31, 2017	**431,101,440**	**86,776,312**	**280,619,038**	**52,500,000**	**356,686,881**	**463,261,476**	**1,670,945,147**

Balance as on December 31, 2015	**431,101,440**	**383,044**	**199,395,629**	**13,500,000**	**356,686,881**	**463,261,476**	**1,464,328,470**
Net Profit for the year 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	-	-	-
Balance as on December 31, 2016	**431,101,440**	**89,494,754**	**238,732,297**	**28,500,000**	**356,686,881**	**463,261,476**	**1,607,776,848**

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 25th April 2018 and were signed on its behalf by:

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

Signed in terms of our report of even date annexed.

Dhaka, 30th April 2018
Place: Dhaka

Mahfel Huq & Co.
Chartered Accountants

Statement of Cash Flows

For the year ended December 31, 2017

Particulars	Amount in Taka	
	2017	2016
Cash flows from operating activities		
Turnover against insurance business & others	424,081,547	389,431,694
Investment & other income	62,529,949	76,221,342
Business cost and all other expenses	(329,539,383)	(273,746,918)
Income tax paid	(23,385,335)	(44,470,877)
Net cash flows from operating activities	**133,686,778**	**147,435,241**
Cash flows from investing activities		
Investment in shares (Net)	1,632,124	(199,265)
Acquisitions of fixed assets	(1,073,989)	(971,547)
Net cash used in investing activities	**558,135**	**(1,170,812)**
Cash flows from financing activities		
Dividend paid	(77,913,025)	(85,834,313)
Total cash flows from financing activities	**(77,913,025)**	**(85,834,313)**
Net increase in cash & Cash equivalents during the year	**56,331,888**	**60,430,116**
Opening cash & Cash equivalents at beginning of the year	1,137,098,187	1,076,668,071
Closing cash & Cash equivalents at end of the year	**1,193,430,075**	**1,137,098,187**
Number of shares	**43,110,144**	**43,110,144**
Net operating cash flows per share	**3.10**	**3.42**

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 25th April 2018 and were signed on its behalf by:

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

Signed as per our annexed report of even date.

Dhaka, 30th April 2018
Place: Dhaka

Mahfel Huq & Co.
Chartered Accountants

AMARSTOCK

Fixed Assets Schedule

For the year ended December 31, 2017

Annexure - A

Sl. No.	Particulars	Cost				Rate	Depreciation				Written down value as at December 2017
		Opening balance	Disposal during the year	Addition during the year	Closing balance		Opening balance	Adjustment during the year	Charged during the year	Closing Balance	
1	Land	226,875,000	-	-	226,875,000		-	-	-	-	226,875,000
2	Motor Vehicles	20,199,442	-	-	20,199,442	20%	8,140,508		2,411,787	10,552,295	9,647,147
3	Furniture & fixtures	7,837,741	-	17,926	7,855,667	10%	5,375,430	-	248,024	5,623,454	2,232,213
4	Office equipment	2,201,166	-	-	2,201,166	15%	2,035,982	-	24,778	2,060,760	140,406
5	Office decoration	20,049,114	-	-	20,049,114	10%	13,426,911	-	662,220	14,089,131	5,959,983
6	Air cooler	3,738,583	-	-	3,738,583	15%	3,308,061	-	64,578	3,372,639	365,944
7	Electrical equipment	2,316,225	-	47,500	2,363,725	15%	1,611,696	-	112,804	1,724,500	639,225
8	Crokeries & Cutleries	181,180	-	-	181,180	25%	174,594	-	1,647	176,241	4,940
9	Sundry assets	989,438	-		989,438	25%	957,487	-	7,988	965,475	23,963
10	Computer & printer	5,738,807	-	856,063	6,594,870	15%	3,535,277	-	458,939	3,994,216	2,600,654
11	Motor cycle	594,200	-	152,500	746,700	20%	310,498	-	87,240	397,738	348,962
Total - 2017		**290,720,896**	**-**	**1,073,989**	**291,794,885**		**38,876,444**	**-**	**4,080,005**	**42,956,449**	**248,838,436**
Total - 2016		**282,364,341**	**-**	**8,356,555**	**290,720,896**		**34,150,237**	**-**	**4,726,207**	**38,876,444**	**251,844,452**

Notes to the Financial Statements and significant accounting policies

For the year ended December 31, 2017

1.00 General information

1.01 Legal status and nature of the company

(a) Legal status and counter of operation

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.

(b) Subsidiary company

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.

1.02 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.

1.03 Principal activities of the company

The Principal activity of the company continues to be carrying on all types of non-life (general) insurance businesses. There was no significant change in the nature of the Principal activities of the company during the year 2017.

1.04 Date of Financial Statements authorized for issue

Financial Statements of the company for the year ended December 31, 2017 were authorized by the Board for issue on April 25, 2018 in accordance with a resolution of the Board of Directors of the company.

2.00 Summary of significant accounting and related policies

2.01 Basis of preparation

(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 judgment

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.

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 Adoption of Bangladesh Accounting Standards (BASs)

In Preparing and presenting these financial statements, considering relevant for the significant accounting issues of the company, following BASs have been adopted by the company, which were issued by the ICAB formulated in the light of the IASs originally issued by the International Accounting Standards Board and the conditions and practices prevailing in Bangladesh, and valid as on the balance sheet date:

BAS 1 Presentation of Financial Statements

BAS 2 Inventories

BAS 7 Statement of Cash Flows

BAS 10 Events after the Balance sheet Date

BAS 12 Income taxes

BAS 14 Segment Reporting

BAS 16 Property, Plant and Equipment

BAS 17 Leases

BAS 18 Revenue

BAS 19 Employees Benefit plan

BAS 24 Related party disclosure

BAS 33 Earning per Share

BAS 37 Provision, contingent liabilities and contingent Assets.

Impact of Recently Issued Accounting Standards

There was no such impact on these financial statements as no new accounting standard was issued by the ICAB during the year under review.

2.04 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.

2.05 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.

2.06 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, 2017

(b) Profit and Loss Account (Statement of Profit or Loss Account & Other Comprehensive Income) for the year ended December 31, 2017

(c) Profit and Loss Appropriation Account for the year ended December 31, 2017

(d) Fire Insurance Revenue Account for the year ended December 31, 2017

(e) Marine Insurance Revenue Account for the year ended December 31, 2017

(f) Miscellaneous Insurance Revenue Account for the year ended December 31, 2017

(g) Statement of Changes in Equity for the year ended December 31, 2017

(h) Statement of Cash Flows for the year ended December 31, 2017

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

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.62,266,669 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.62,266,669 represents approximately 15% of gross premium of Tk.418,867,413. These expenses have been apportioned @ 41% to Fire, 32% to Marine Cargo, 2% 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 2017.

(g) Reserve for exceptional loss

Reserve for Exceptional Losses as appropriated out of current year's profit before tax provision amounts to Tk.41,886,741 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
Motor vehicles	20%
Furniture & fixtures	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. 418,867,413 including public sector business of Tk.48,973,723. After ceding for re-insurance premium the net premium for the year amounted to Tk.210,644,230 and after charging direct expenses there from the net underwriting profit stood at Tk. 75,747,142 as against Tk.71,731,005 in the previous year.

(j) Public sector business

Public Sector Business up to June 2017 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 with the High Court Division against the order of Taxes Appellate Tribunal for the Assessment Year 2008-2009, 2011-2012 & 2012-2013 and 2013 - 2014. Return for the Assessment year 2014 - 2015, 2015 - 2016 & 2016-2017 and 2017 - 2018 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 employees. The provident fund is wholly administered by a Board of Truatees 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.

2.08 Reporting period

The financial statements of the company cover one calendar year from 1 January to 31st December, 2017 consistently.

2.09 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. 86,182,190 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.

		Amount in Taka	
		2017	2016
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 2016: 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 2017 was as follows:

Particulars	No.of Shares	% of Holdings	Amount (Tk.)	Amount (Tk.)
Sponsor Shareholders	21,953,810	51%	219,538,100	224,282,270
Institutional Corporate	11,720,722	27%	117,207,220	100,918,840
Individual/General Public	9,435,612	22%	94,356,120	105,900,330
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	Amount in Taka	
				2017	2016
2	100001-200000	162,371	0%	1,623,710	1,623,710
Nil	200001-300000	-	-	-	-
1	300001-500000	374,671	1%	3,746,710	3,746,710
5	500001-900000	4,313,673	10%	43,136,730	43,136,730
10	900001-above	17,103,095	40%	171,030,950	175,775,120
18	**-**	**21,953,810**	**51%**	**219,538,100**	**224,282,270**

Group "B" Shareholders (Public)

No.of Holders	Class Interval	Total Holding	Percentage	Amount in Taka	
				2017	2016
2909	0001-5000	2,461,968	6%	24,619,680	27,276,650
144	5001-50000	1,895,305	4%	18,953,050	19,149,740
13	50001-100000	798,267	2%	7,982,670	6,662,270
11	100001-200000	1,464,611	3%	14,646,110	13,830,210
6	200001-500000	1,241,327	3%	12,413,270	9,172,210
11	500001-above	13,294,856	31%	132,948,560	130,728,090
3094	**-**	**21,156,334**	**49%**	**211,563,340**	**206,819,170**
Total (A+B)		**43,110,144**	**100%**	**431,101,440**	**431,101,440**

	Amount in Taka	
	2017	2016
4.00 Share premium		
Opening balance	356,686,881	356,686,881
Total	**356,686,881**	**356,686,881**
5.00 Revaluation reserve		
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

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

Opening balance	238,732,297	199,395,629
Add: Transferred during the year	41,886,741	39,336,668
Total	**280,619,038**	**238,732,297**
7.00 Deposit premium		
Deposit premium	19,376,383	10,502,532
Total	**19,376,383**	**10,502,532**

Balance of this account represents premium received against cover notes which were not converted into policy within 31, December 2017 because of the period of nine months from the date of issue of cover notes had not expired.

		Amount in Taka	
		2017	2016
8.00	**Estimated Liability in respect of outstanding claims whether due or intimated**		
	Opening Balance	81,023,944	84,061,162
	Add : Claim raised during the year	43,555,680	49,899,799
		124,579,624	**133,960,961**
	Less : Paid during the period	(51,257,616)	(52,937,017)
	Closing Balance	**73,322,008**	**81,023,944**
	This is consists of		
	Fire	42,302,729	57,862,612
	Marine	14,571,549	12,036,712
	Motor	14,165,620	10,096,323
	Miscellaneous	2,282,110	1,028,297
	Total	**73,322,008**	**81,023,944**
9.00	**Provision for Expenses**		
	Telephone - office	8,206	13,401
	Electricity, gas and water	49,175	39,198
	Audit fees	135,000	125,000
	Others	97,138	109,568
	Total	**289,519**	**287,167**
9.A	**Consolidated Provision for Expenses**		
	Eastern Insurance Co. Ltd	289,519	287,167
	EIC Securities Ltd	43,954	316,150
		333,473	**603,317**
10.00	**Amount due to other persons or bodies carrying on insurance business**		
	Opening balance	161,223,725	123,890,552
	Add: Addition during the period	135,888,511	144,365,038
		297,112,236	**268,255,590**
	Less: Payment made & adjustment during the period	141,475,104	107,031,865
	Total	**155,637,132**	**161,223,725**
11.00	**Sundry creditors**		
	Provident fund	1,170,834	2,885,372
	Dividend & others payable	57,405,345	54,935,528
	Security deposit from printers	15,000	15,000
	Hire purchase deposit	449,291	449,291
	Value Added Tax (VAT)	3,125,745	2,395,366
	Lease finance (UFIL) - Car	2,063,336	4,768,340
	Payable to gratuity fund account	-	2,777,936
	Total	**64,229,551**	**68,226,833**

		Amount in Taka	
		2017	2016
11.A	**Consolidated Sundry creditors**		
	Eastern Insurance Co. Ltd	64,229,551	68,226,833
	EIC Securities Ltd	6,212,515	2,314,941
		70,442,066	**70,541,774**
12.00	**Deferred tax liability / (assets)**		
	Carrying amount of tangible fixed assets	248,838,436	251,844,452
	Tax base of tangible fixed assets	(248,949,135)	(252,145,375)
		(110,699)	**(300,923)**
	Applicable tax rate	40%	40%
	Deferred tax liability / (assets)	(44,280)	(120,369)
	Deferred Tax (income)/expenses for the period	**76,089**	**33,311**
13.00	**Provision for Taxation**		
	Opening balance	78,823,439	85,346,819
	Add: Provision made during the year	41,500,000	40,000,000
		120,323,439	**125,346,819**
	Less: Adjustment against last year	37,998,906	46,523,380
	Total	**82,324,533**	**78,823,439**
13.A	**Consolidated Provision for Taxation**		
	Eastern Insurance Co.Ltd	82,324,533	78,823,439
	EIC Securities Ltd	655,690	379,027
		82,980,223	**79,202,466**
14.00	**Investment in Shares & Debentures**		
	a. Shares in public Co. b/f	296,693,324	296,494,059
	Add: Addition (net off)	(1,632,124)	199,265
	Sub total :	**295,061,200**	**296,693,324**
	b. Investment in debentures b/f	785,224	785,224
	Total shares and debentures (note : 14.01)	**295,846,424**	**297,478,548**
	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	**581,755,624**	**583,387,748**

	Amount in Taka	
	2017	2016
14.A Consolidated Investment in Shares & Debentures		
Eastern Insurance Co. Ltd	581,755,624	583,387,748
EIC Securities Ltd	5,517,293	-
	587,272,917	**583,387,748**
Less: Inter Company Investment in subsidiary Co (Note 14.C)	285,909,200	285,909,200
	301,363,717	**297,478,548**

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.

14.01 Shares in public Co.

Nome of the Company	M.P.(P.S) 31.12.2017	No of shares	Ave. Buying Rate	Total Value at Cost	Market Value 31.12.2017
1. BANKS					
AB Bank Ltd.	22.10	1,353	36.67	49,614	29,901
City Bank Ltd.	53.20	432,320	22.33	9,654,164	22,999,424
Dhaka Bank Ltd.	22.00	548,648	30.37	16,664,048	12,070,256
Exim Bank Ltd.	17.20	89,959	10.01	900,391	1,547,295
First Security Islami Bank Ltd.	15.30	216,205	14.98	3,239,432	3,307,937
ICBI Bank Ltd	7.00	257,000	14.19	3,646,603	1,799,000
Jamuna Bank Ltd	22.00	863,314	34.89	30,123,496	18,992,908
Mutual Trust Bank Ltd	35.00	3,567,357	16.94	60,447,944	124,857,495
Mercantile Bank Ltd.	26.40	246,818	13.11	3,235,651	6,515,995
National Bank Ltd.	13.00	1,960,315	12.12	23,750,286	25,484,095
NCC Bank Ltd.	17.70	441,155	9.15	4,038,235	7,808,444
One Bank Ltd.	24.00	846,850	16.96	14,361,388	20,324,400
Premier Bank Ltd.	15.70	60,331	9.45	570,420	947,197
Standard Bank Ltd.	15.60	1,447,297	13.56	19,624,764	22,577,833
Social Islami Bank Ltd	24.30	388,680	25.63	9,961,139	9,444,924
Uttara Bank Ltd.	35.30	14,275	64.72	923,848	503,908
Sub Total				**201,191,423**	**279,211,011**
2. FINANCIAL INSTITUTIONs					
First Finance Ltd.	11.60	144,375	52.13	7,526,138	1,674,750
N. Housing Finance and Inv.Ltd.	47.20	5,123,295	10.61	54,383,477	241,819,524
Sub Total				**61,909,615**	**243,494,274**
3. MUTUAL FUNDs					
Green Delta Mutual Fund	9.20	1,000,000	10.00	10,000,000	9,200,000
ICB AMCL 2nd Mutual Fund	8.20	175,000	19.04	3,332,066	1,435,000
ICB 2nd NRB Mutual Fund	10.60	175,000	22.61	3,956,180	1,855,000
Sub Total				**17,288,246**	**12,490,000**

Nome of the Company	M.P.(P.S) 31.12.2017	No of shares	Ave. Buying Rate	Total Value at Cost	Market Value 31.12.2017
4. ENGINEERING					
Singer Bangladesh Ltd.	195.50	1,366	223.33	305,064	267,053
Bangladesh Submarine Cable Co.	103.10	8,747	142.63	1,247,568	901,816
Aftab automobiles Ltd.	64.20	14,950	74.84	1,118,850	959,790
Sub Total				**2,671,482**	**2,128,659**
5. TEXTILE					
Bexmico Knitting Ltd. (s)	N/T	100	100.00	10,000	10,000
Square Textile Ltd.	64.00	686	10.00	6,860	43,904
Sub Total				**16,860**	**53,904**
6. PHARMACEUTICALS & CHEMICALS					
Becon Pharmaceuticals Ltd	21.30	105,000	54.93	5,767,771	2,236,500
Square Pharmaceuticals Ltd.	301.80	4,036	68.61	276,902	1,218,065
Sub Total				**6,044,673**	**3,454,565**
7. CEMENT					
Heidelberg Cement Bd. Ltd.	424.90	40	10.00	400	16,996
M.I.Cement Factory Ltd.	84.70	34,861	88.75	3,094,020	2,952,727
Sub Total				**3,094,420**	**2,969,723**
8. INSURANCE - NON LIFE					
Agrani Insurance Co.Ltd.	20.60	1,212	30.99	37,561	24,967
Asia Insurance Co. Ltd.	23.90	1,102	37.91	41,782	26,338
BGIC	22.20	1,000	34.24	34,236	22,200
Eastland Insurance Co. Ltd.	23.80	1,573	57.39	90,267	37,437
Federal Insurance Co.Ltd.	12.70	1,305	24.34	31,764	16,574
Green Delta Insurance Co. Ltd.	61.40	1,322	94.34	124,724	81,171
Karnaphuli Insurance Co. Ltd.	17.60	1,050	37.58	39,455	18,480
Nital Insurance Co.Ltd.	32.40	1,329	35.94	47,767	43,060
Northern Insurance Co.Ltd.	23.80	1,312	42.71	56,031	31,226
Phoenix Insurance Co. Ltd	29.50	1,250	59.35	74,186	36,875
Sub Total				**577,773**	**338,327**
9. INSURANCE - LIFE					
National Life Insurance Co. Ltd	160.70	11,863	10.00	118,630	1,906,384
Delta Life Insurance Co. Ltd	107.60	12,987	165.40	2,148,076	1,397,401
Sub Total				**2,266,706**	**3,303,785**
Total Shares				**295,061,200**	**547,444,247**
10. 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 : 2017				**295,846,424**	**548,229,471**

15.00 Accrued interest

This represent interest accrued on investment in FDR and debenture.

	Amount in Taka	
	2017	2016
Interest accrued on FDR	15,768,488	3,647,610
Interest accrued on debenture	996,275	996,275
Total	**16,764,763**	**4,643,885**

			Amount in Taka	
			2017	2016
16.00	**Sundry debtors (including Advances, deposits & prepayments)**			
	Advance income tax	16.01	8,124,048	12,624,592
	Rent and others	16.02	29,170,701	18,687,676
			37,294,749	**31,312,268**
16.01	**Advance income tax**			
	Opening balance		12,624,592	14,606,556
	Add: Paid during the year		33,498,362	44,541,416
	Less : Adjustment		(37,998,906)	(46,523,380)
			8,124,048	**12,624,592**
16.A	**Consolidated Advance income tax**			
	Eastern Insurance Co.Ltd		8,124,048	12,624,592
	EIC Securities Ltd		857,941	606,898
			8,981,989	**13,231,490**
16.02	**Rent and other receivables**			
	Land		2,333,334	2,333,334
	Final settlement (Gratuity)		477,954	477,954
	Rent		7,768,269	4,730,944
	EBS properties		12,538,107	10,238,107
	UGC & GD Securities		169,186	23,486
	CDBL		500,000	500,000
	EIC Securities		5,383,851	383,851
	Total		**29,170,701**	**18,687,676**
16.B	**Consolidated Rent and other receivables**			
	Eastern Insurance Co.Ltd		29,170,701	18,687,676
	EIC Securities Ltd		-	35,239
			29,170,701	**18,722,915**
17.00	**Cash and cash equivalents**			
	At Cash in hand		16,014,206	7,887,175
	At Bank on STD Account		44,704,423	42,086,536
	At Bank on CD Account		2,611,446	5,824,476
	At Bank on FDR Account		1,130,100,000	1,081,300,000
	Total		**1,193,430,075**	**1,137,098,187**

Note: During the period of audit we have physically verified the receipts of FDR and found the same.

		Amount in Taka	
		2017	2016
17.A	**Consolidated Cash and bank balances**		
	Eastern Insurance Co.Ltd	1,193,430,075	1,137,098,187
	EIC Securities Ltd	8,026,027	6,990,926
		1,201,456,102	**1,144,089,113**
18.00	**Amount due from other persons or bodies carrying on insurance business**		
	Opening Balance	57,135,121	47,960,491
	Add: Addition during the period	37,878,873	9,174,630
		95,013,994	**57,135,121**
	Less : adjustment	47,053,503	-
	Total	**47,960,491**	**57,135,121**
19.00	**Fixed Assets (at cost less accumulated depreciation)**		
	Opening balance at cost	290,720,896	282,364,341
	Add: Addition during the period	1,073,989	8,356,555
		291,794,885	**290,720,896**
	Less: Accumulated depreciation	(42,956,449)	(38,876,444)
	Written Down Value	**248,838,436**	**251,844,452**
19.A	**Consolidated Fixed Assets (at cost less accumulated depreciation)**		
	Eastern Insurance Co.Ltd	248,838,436	251,844,452
	EIC Securities Ltd	2,524,541	2,805,046
		251,362,977	**254,649,498**
20.00	**Stock of printing, stationeries and stamps**		
	Stamp	420,445	934,620
	Printing and stationeries	797,600	690,400
	Total	**1,218,045**	**1,625,020**
21.00	**Interest, dividend and rent income**		
	Interest income:	**59,352,794**	**59,422,102**
	Interest on FDR/STD account	56,342,494	56,411,802
	Interest on Bangladesh Govt.Treasury Bond (BGTB)	3,010,300	3,010,300

		Amount in Taka	
		2017	2016
	Dividend income	**25,583,218**	**20,065,180**
	Cash dividend	25,583,218	10,862,530
	Stock dividend/bonus shares	-	9,202,650
	Total	**84,936,012**	**79,487,282**
21A.	**Consolidated Interest, dividend and other income**		
	Eastern Insurance Co.Ltd	84,936,012	79,487,282
	EIC Securities Ltd	3,647,369	2,912,906
		88,583,381	**82,400,188**
22.00	**Gain on sale of shares**		
	Gain on sales of shares	39,423,497	41,893,678
		39,423,497	**41,893,678**
22A.	**Consolidated Gain on sales of shares**		
	Eastern Insurance Co.Ltd	39,423,497	41,893,678
	EIC Securities Ltd	1,412,091	-
		40,835,588	**41,893,678**
23.00	**Profit & loss appropriation account**		
	Balance as per last year accounts	89,494,754	383,044
	Less: Dividend for the year 2016	86,220,288	-
	Balance carried to appropration account	**3,274,466**	**383,044**
23A.	**Consolidated Profit & loss appropriation account**		
	Eastern Insurance Co.Ltd	3,274,466	383,044
	EIC Securities Ltd	1,518,591	2,481
		4,793,057	**385,525**
24.00	**Claims under policies less re-insurance**		
	Paid during the year:		
	Class of Business		
	Fire	27,321,398	37,898,929
	Marine cargo	6,118,804	1,200,978
	Marine hull	674	136
	Motor	17,723,643	13,818,455
	Miscellaneous	93,097	18,519
	Total	**51,257,616**	**52,937,017**

25.00 Expenses of management

Allocation of management expenses is made up as follows

Class of Business	%	Amount in Taka	
		2017	2016
Fire	41%	25,420,083	25,245,671
Marine cargo	32%	20,034,745	18,683,513
Marine hull	2%	1,380,539	485,133
Motor	16%	10,168,476	9,220,231
Miscellaneous	8%	5,262,825	4,999,868
Total	**100%**	**62,266,669**	**58,634,416**

26.00 Premium less re-insurance

Class of Business	Amount in Taka	
	2017	2016
Fire	55,762,528	67,107,819
Marine cargo	84,853,212	79,223,877
Marine hull	3,207,497	625,263
Motor	63,730,426	57,125,396
Miscellaneous	3,090,567	5,736,157
Total	**210,644,230**	**209,818,512**

27.00 Earning per share (EPS)

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	190,964,676	183,481,689
Provision for taxation	(41,500,000)	(40,000,000)
Deferred Tax	(76,089)	(33,311)
Profit after taxation attributable to ordinary shareholders	**149,388,587**	**143,448,378**
Number of ordinary shares outstanding during the year	**43,110,144**	**43,110,144**
Earning per share (BAS-33)	**3.47**	**3.33**

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.

	Amount in Taka	
	2017	2016
27.A Consolidated Earning per share (EPS)		
Consolidated Net Profit for the year as per statement of comprehensive income	194,206,018	185,376,826
Provision for taxation	(42,155,690)	(40,379,027)
Deferred Tax	(76,089)	(33,311)
Profit after taxation attributable to ordinary shareholders	**151,974,239**	**144,964,488**
Number of ordinary shares outstanding during the year	**43,110,144**	**43,110,144**
Earning per share (BAS-33)	**3.53**	**3.36**

28.00 Proposed Dividend

The Board of Directors in its 212th meeting held on 25th April 2018 proposed @ 20% cash dividend i.e total Tk.86,220,288

29.00 Related party transactions

During the year 2017, 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.	2,063,336
EIC Securities Limited	Share Money Deposit	Subsidiary Co.	279,909,400

30.00 Employees engaged

The company employed 347 (2016 : 343) 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.358,750 to the Directors as Board meeting attendance fee during the year 2017 @ 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 212th meeting held on 25th April 2018 has recommended cash dividend 20% out of the surplus subject to approval of shareholders in the 32nd Annual General Meeting.

Chief Executive Officer	Director	Director	Chairman

Dated: April 30, 2018
Place: Dhaka

AMAR STOCK

EASTERN INSURANCE CO.LTD,

44, DILKUSHA COMMERCIAL AREA, DHAKA - 1000

FORM - AA

CLASSIFIED SUMMARY OF ASSETS AS AT 31 DECEMBER 2017

Sl. No.	Particulars	Amount in Taka	
		2017	2016
1	Cash on fixed deposit with banks in Bangladesh	1,130,100,000	1,081,300,000
2	Cash on current deposit A/Cs with banks in Bangladesh	2,611,446	5,824,476
3	Cash on Term Deposit with banks in Bangladesh	44,704,423	42,086,536
4	Cash in hand	16,014,206	7,887,175
5	Investment in Bangladesh Govt. Treasury Bond	25,000,000	25,000,000
6	Investment in shares & debenture	581,755,624	583,387,748
7	Stamps in hand	420,445	934,620
8	Forms & stationery in hand	797,600	690,400
9	Accrued Interest	16,764,763	4,643,885
10	Land	226,875,000	226,875,000
11	Motor Vehicles	9,647,147	12,058,934
12	Furniture & fixtures	2,232,213	2,462,311
13	Office equipment	140,406	165,184
14	Decoration	5,959,983	6,622,203
15	Air cooler	365,944	430,522
16	Electrical & equipment	639,225	704,529
17	Crokeries & cutleries	4,940	6,587
18	Sundry assets	23,963	31,952
19	Computer & printer	2,600,654	2,203,530
20	Motor cycle	348,962	283,702
21	Sundry debtors (including advances, deposits & prepayments)	37,294,749	31,312,268
22	Amount due from other persons or bodies carrying on insurance business.	47,960,491	57,135,121
23	Deferred tax assets	44,280	120,369
	Total Taka	**2,152,306,463**	**2,092,167,050**

AMARSTOCK

(XL-Form)

Statement of Showing Details of Re-Insurance Ceded and Accepted by the Company

During the Year Ended December 31, 2017

Own Business

Particulars	Premium			Commission			Claims		
	Direct Business	Paid on Re-Insurance Ceded	Net	Direct Business	Received on Re-Insurance Ceded	Net	Direct Business	Received on Re-Insurance Ceded	Net
Fire	165,790,699	111,063,770	54,726,929	24,868,605	16,206,133	8,662,472	32,568,904	5,420,847	27,148,057
Marine Cargo	117,073,667	36,389,275	80,684,392	17,561,050	5,838,539	11,722,511	7,720,273	2,526,034	5,194,239
Marine Hull	9,119,675	5,976,550	3,143,125	1,367,951	748,816	619,135	-	-	-
Motor	65,846,665	4,610,205	61,236,460	9,877,000	995,051	8,881,949	19,844,141	2,250,355	17,593,786
Misc.	12,062,984	10,080,634	1,982,350	1,809,448	2,628,964	(819,516)	-	-	-
Sub Total Tk.	**369,893,690**	**168,120,434**	**201,773,256**	**55,484,054**	**26,417,503**	**29,066,551**	**60,133,318**	**10,197,236**	**49,936,082**

Public Sector Business

Fire	5,210,011	4,174,412	1,035,599	-	213,787	(213,787)	173,341	-	173,341
Marine Cargo	17,699,910	13,531,090	4,168,820	-	1,048,073	(1,048,073)	5,714,310	4,789,745	924,565
Marine Hull	167,200	102,828	64,372	-	5,656	(5,656)	674	-	674
Motor	2,556,599	62,633	2,493,966	-	-	-	129,857	-	129,857
Misc.	23,340,003	22,231,786	1,108,217	-	1,129,928	(1,129,928)	10,800,068	10,706,971	93,097
Sub Total Tk.	**48,973,723**	**40,102,749**	**8,870,974**	**-**	**2,397,444**	**(2,397,444)**	**16,818,250**	**15,496,716**	**1,321,534**
Grand Total	**418,867,413**	**208,223,183**	**210,644,230**	**55,484,054**	**28,814,947**	**26,669,107**	**76,951,568**	**25,693,952**	**51,257,616**

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, 2017 and the Statement of Comprehensive Income, Statement of Changes in Equity and Statement of Cash Flows for the year then ended December 31, 2017 and a summary of significant accounting policies and other explanatory notes.

Management Responsibility For The Financial Statements

"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 December 31, 2017 and its financial performance for the year then ended December 31, 2017.

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
24 April 2018

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

EIC SECURITIES LTD

44, Dilkusha C/A, Dhaka

Statement of Financial Position

As at 31 December 2017

Sources of fund	Notes	Amount in Taka	
		31 Dec 2017	31 Dec 2016
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		4,104,243	1,518,591
		290,013,643	287,427,991
Application of fund			
Fixed Assets			
At cost	5	2,524,541	2,805,046
Cost of CSE Membership with goodwill	6	280,000,000	280,000,000
Pre-operational Expenses	7	-	35,239
Investment in Shares		5,517,293	-
Current Assets:			
Advance tax	8	857,941	606,898
Cash and bank balances	9	8,026,027	6,990,926
		8,883,968	7,597,824
Less Current Liabilities & Provisions			
Sundry Creditors	10	6,212,515	2,314,941
Liability for Expenses	11	43,954	316,150
Provision for Taxation	12	655,690	379,027
		6,912,159	3,010,117
Net current assets		1,971,809	4,587,707
		290,013,643	287,427,991

The annexed notes 1 to 20 form an integral part of these financial statements.

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

Signed as per our separate report of same date.

Dhaka
24 April 2018

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

EIC SECURITIES LTD

44, Dilkusha C/A, Dhaka

Statement of Comprehensive Income

For the year ended on December 31, 2017

Particulars	Notes	Amount in Taka	
		31 Dec 2017	31 Dec 2016
Operating Income:			
Revenue from Brokerage	13	727,954	247,387
Share Trading Profit		1,412,091	-
Other Income	14	18,790	13,480
Interest Income	15	328,227	79,641
Dividend Income (CSE)	16	2,572,398	2,572,398
		5,059,460	2,912,906
Less: Direct Charges	17	315,869	357,714
Gross Profit		**4,743,591**	**2,555,192**
Less: Office & Administrative Expenses	18	1,478,020	643,420
Financial Expenses	19	24,229	16,635
		1,502,249	660,055
Net Profit before Tax		**3,241,342**	**1,895,137**
Provision for Taxation		655,690	379,027
Profit after Tax		**2,585,652**	**1,516,110**
Add: Last year balance		1,518,591	2,481
Balance transferred to Statement of Financial Position		**4,104,243**	**1,518,591**

The annexed notes 1 to 20 form an integral part of these financial statements.

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

Signed as per our separate report of same date.

Dhaka
24 April 2018

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

EIC SECURITIES LTD

44, Dilkusha C/A, Dhaka

Statement of Changes in Equity

For the year ended on 31 December 2017

Particulars	Share Capital	Share Money Deposit	Retained Earnings	Total Taka
Balance as on December 31, 2015	6,000,000	279,909,400	2,481	285,911,881
Retain earnings for the year 2016	-	-	1,516,110	1,516,110
Balance as on 31 December, 2016	**6,000,000**	**279,909,400**	**1,518,591**	**287,427,991**
Retain earnings for the year 2017	-	-	2,585,652	2,585,652
	6,000,000	**279,909,400**	**4,104,243**	**290,013,643**

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

Signed as per our separate report of same date.

Dhaka
24 April 2018

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

EIC SECURITIES LTD

44, Dilkusha C/A, Dhaka

Statement of Cash Flows

For the year ended on 31 December 2017

S.N.	Particulars	Amount in Taka	
		2017	2016
A	**Cash Flow from Operating Activities:**		
	Cash Received from Customers and Others	51,808,584	23,629,146
	Cash Paid to Customers & Others	(58,044,038)	(22,382,872)
	Income Tax Paid	(630,070)	(548,529)
	Net Cash inflow/(outflow) from Operating Activities	**(6,865,524)**	**697,745**
B	**Cash Flow from Investing Activities**		
	Interest from FDR & STD Account	328,227	79,641
	Dividend	2,572,398	2,572,398
	Net Cash inflow/(outflow) from Investing Activities	**2,900,625**	**2,652,039**
C	**Cash Flow from Financing Activities**		
	Loan from Eastern Insurance Co.Ltd	5,000,000	-
	Net Cash inflow/(outflow) from Financing Activities	**5,000,000**	**-**
	Increase/(Decrease) in Cash & Cash Equivalents (A+B+C)	**1,035,101**	**3,349,784**
	Opening Cash in hand and Cash at Bank	6,990,926	3,641,142
	Closing Cash in hand and Cash at Bank	**8,026,027**	**6,990,926**

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

Signed as per our separate report of same date.

Dhaka
24 April 2018

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

Notes to the Accounts

For the year ended on December 31, 2017

1. Significant Accounting Policies and other Material information

Legal status

EIC Securities Limited 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. It is a subsidiary company of **Eastern Insurance Company Limited**. The shares of the company are held by EICL (99.9966%), Mr.Major (Retd.) Abdul Mannan (.0017%) and Mr.Matiur Rahman (.0017%).

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 as brokerage house with a view to cope with the business needs of securities trading, stock buying and selling 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.

Components of the financial statements

The financial statement include the following components:

a. Statement of Financial Position as at December 31, 2017

b. Statement of Comprehensive Income for the year ended December 31, 2017

c. Statement of Changes in Equity for the year ended December 31, 2017

d. Statement of Cash Flows for the year ended December 31, 2017

e. Notes to the financial statements.

2.2 Non - current assets

Items of non-current assets, plant and equipments are stated at cost less accumulated depreciation and impairment losses, as per BAS 16: Cost includes expenditure that is directly attributable to the acquisition and installation of the items.

Depreciation on Non-current assets

Depreciation on Non-current assets has been charged on cost for full year as per reducing balance method at consistently year to year at the following rate.

Category of assets	Rate of Depreciation
Air Conditioner	10%
Furniture & Fixture	10%
Interior Decoration	10%

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, fixed deposit is recognized when the amount is credited by the bank in the bank account.

Dividend income and profit/ loss on sale of marketable securities

Dividend income is recognized when right to receive payment is established whereas profit or loss arising from the sale of securities is accounted for only when shares are sold in the market and profit is realised or loss is incurred.

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 December 31, 2017 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 Investment in Shares

The company by virtue of obtaining the license as stock dealer from the Bangladesh Securites and Exchange Commission has invested in the listed securities in its own name and such investment in the listed Securities has been incorporated at cost against which adequate provision has not been made with a bid to reduce its possible losses under its investment protfolio as prescribed in the Bangladesh Accounting Standard (BAS).

2.9 Others

i) Figures appearing in the financial statements have been rounded off to the nearest Taka.

ii) Previous year's figures and account titles have been re-arranged, wherever necessary for the purpose of comparison.

iii) The financial Statement has been prepared covering the calendar year from January 01, 2017 to December 31, 2017

3. Share capital

	Amount in Taka	
	2017	2016
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	Amount In Taka
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**

		Amount in Taka	
		2017	2016
5.	**Non-current assets**		
	Particulars		
	Air Conditioner	220,500	245,000
	Furniture & Fixture	185,920	206,578
	Interior Decoration	2,398,626	2,665,140
	Total	2,805,046	3,116,718
	Less: Depreciation-as per annexed A1	280,505	311,672
		2,524,541	**2,805,046**
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 Accountants)	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.

7.	**Pre operational Expenses**		
	The expenses incurred against formation of the company and others. The amount as carried from last year		
	b/f	**35,239**	**35,239**
	Less : written off	35,239	-
		-	**35,239**
8.	**Advance Tax**		
	b/f	**606,898**	**59,705**
	Add: deduction during the year against interest	32,823	9,756
	AIT deduction on brokerage commission	82,768	24,293
	AIT deduction on Dividend income	514,480	514,480
	Less: Adjusted for 2016	(379,027)	(1,336)
	Total	**857,941**	**606,898**
9.	**Cash & Bank Balance**		
	Particulars		
	Premier Bank Ltd, Dilkusha Br, STD # 131 00000 934	1,880,583	730,407
	IFIC Bank Ltd, Agrabad Br. Ctg, SND # 2030-508359-041	1,045,582	2,905
	IFIC Bank Ltd, Agrabad Br. Ctg, CD # 2030-508359-002	560,124	1,368,268
	Mutual Trust Bank Ltd, Agrabad Br. Ctg, SND # 0005-0320003264	270,766	886,226
	IFIC Bank Ltd, Agrabad Br. Ctg, SND # 2030-508359-042	62	97
	FDR with Premier Bank	4,266,183	4,000,000
		8,023,300	6,987,903
	Cash in hand	2,727	3,023
		8,026,027	**6,990,926**
10.	**Sundry Creditors**		
	Payable to Chittagong Stock Exchange (CSE)	507,721	275,832
	Payable to Client for share trading	120,943	538,190
	Payable to Client for IPO	200,000	825,000
	Client Deposit	-	292,068
	Payable to Eastern Insurance Co.Ltd	5,383,851	383,851
		6,212,515	**2,314,941**

		Amount in Taka	
		2017	2016
11.	**Liability for Expenses**		
	Audit fees	8,625	8,625
	CDBL Charges	13,056	9,852
	Optical Fiber charges	9,000	-
	Telephone bill	13,273	6,944
	Electricity charges	-	4,000
	Commission & Contract Charges	-	286,729
		43,954	**316,150**
12.	**Provision for Taxation**		
	Opening Balance	379,027	2,481
	Add: Provision made during the year	655,690	379,027
		1,034,717	**381,508**
	Less: Adjustment during the year	379,027	2,481
		655,690	**379,027**
13.	**Revenue from Brokerage**		
	Commission (Annexure - A)	727,954	247,387
		727,954	**247,387**
14.	**Other Income**		
	BO Account Charges	10,500	-
	IPO Subscription Charges	8,290	13,480
		18,790	**13,480**
15.	**Interest Income**		
	Interest from Premier Bank Ltd, Dilkusha Br., Dhaka	13,986	60,388
	Interest from IFIC Bank Ltd, Agrabad Br., Ctg.	11,438	136
	Interest from Mutual Trust Bank Ltd, Agrabad Br., Ctg.	2,600	19,117
	Interest from FDR	300,203	-
		328,227	**79,641**
16.	**Dividennd Income (CSE)**		
	Dividend received from Chottagong Stock Exchange Ltd.	2,057,918	2,057,918
	Add: AIT Deducted @20% as final tax	514,480	514,480
		2,572,398	**2,572,398**
17.	**Direct Charges**		
	Contract Charges - CSE	10,920	4,526
	Commission Charges - CSE	29,796	8,745
	Commission & Contract Charges	179,601	286,729
	CDBL Charges	95,552	57,714
		315,869	**357,714**

AMARSTOCK

	Amount in Taka	
	2017	2016
18. Office & Administrative Expenses		
Salary & Allowances	509,400	144,000
Bonus	39,500	-
Training charges	55,600	1,700
Conveyance	16,500	4,250
Printing & Stationery	39,372	7,251
Entertainment	39,096	6,500
Internet bills	12,700	33,500
Optical fiber charges	72,000	21,000
Software Maintenance	30,000	30,000
Software Installation Fee	30,000	-
Telephone bills	27,004	26,922
Electricity charges	96,395	48,000
Broker/Dealer Registration Fee	23,000	-
DP Registration Fee	4,600	-
TREC Fee-2017	50,000	
IPO application charges to DSE	6,000	-
Office Maintenance	63,094	-
Repair & Maintenance	22,200	-
Miscellaneous Expenses	18,305	-
Audit fees	7,500	8,625
Depreciation	280,505	311,672
Pre operational expenses written off	35,249	-
	1,478,020	**643,420**
19. Financial Expenses		
Bank charges	24,229	16,635
	24,229	**16,635**

20. Related party transctions

During the year 2017, the company carried out certain transctions with related parties as per provisions of Bangladesh Accounting Standard - 24; Related party disclosers. These are listed as follows:

Name of Company	Nature of Relationship	Nature of Transaction	Balance 31.12.2017	Balance 31.12.2016
Eastern Insurance Co. Ltd	Common Shareholder	Loan from EICL Share Money deposit	5,383,851 279,909,400	383,851 279,909,400

Schedule of Amount Traded, Commission, Contract and Tax charges

For the year ended December 31, 2017

Annexure - A

Period	Particulars	Turnover (Tk)	Volume	Brokerage Commission	Contract Charges (Tk.)	Commission Charges	Tax Charges (Tk.)
From 1st Jan to 31-Dec-17	Buy	81,339,633	4,102,448	335,733	4,902	14,642	40,671
	Sale	84,188,708	3,699,752	392,221	6,018	15,155	42,096
		165,528,341	**7,802,200**	**727,954**	**10,920**	**29,796**	**82,768**

Schedule of Non-Current Assets

As on December 31, 2017

Annexure - A1

Sl. No.	Particulars	Cost			Rate	Depreciation			Written down value as at 31-Dec-17
		Opening balance	Addition	Closing balance		Opening balance	Charged during the year	Closing balance	
1	Air Conditioner	245,000	-	245,000	10%	24,500	22,050	46,550	198,450
2	Furniture & Fixture	206,578	-	206,578	10%	20,658	18,592	39,250	167,328
3	Interior Decoration	2,665,140	-	2,665,140	10%	266,514	239,863	506,377	2,158,763
		3,116,718	**-**	**3,116,718**		**311,672**	**280,505**	**592,177**	**2,524,541**

AMARSTOCK

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

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 till Balance Sheet Date	10	Applied
Construction Contracts	11	N/A
Income Taxes	12	Applied
Property, Plant and Equipment	16	Applied
Leases	17	Applied
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

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
AMIN ARCADE (3rd Floor), 41 Sadarghat Road, Chattogram,
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

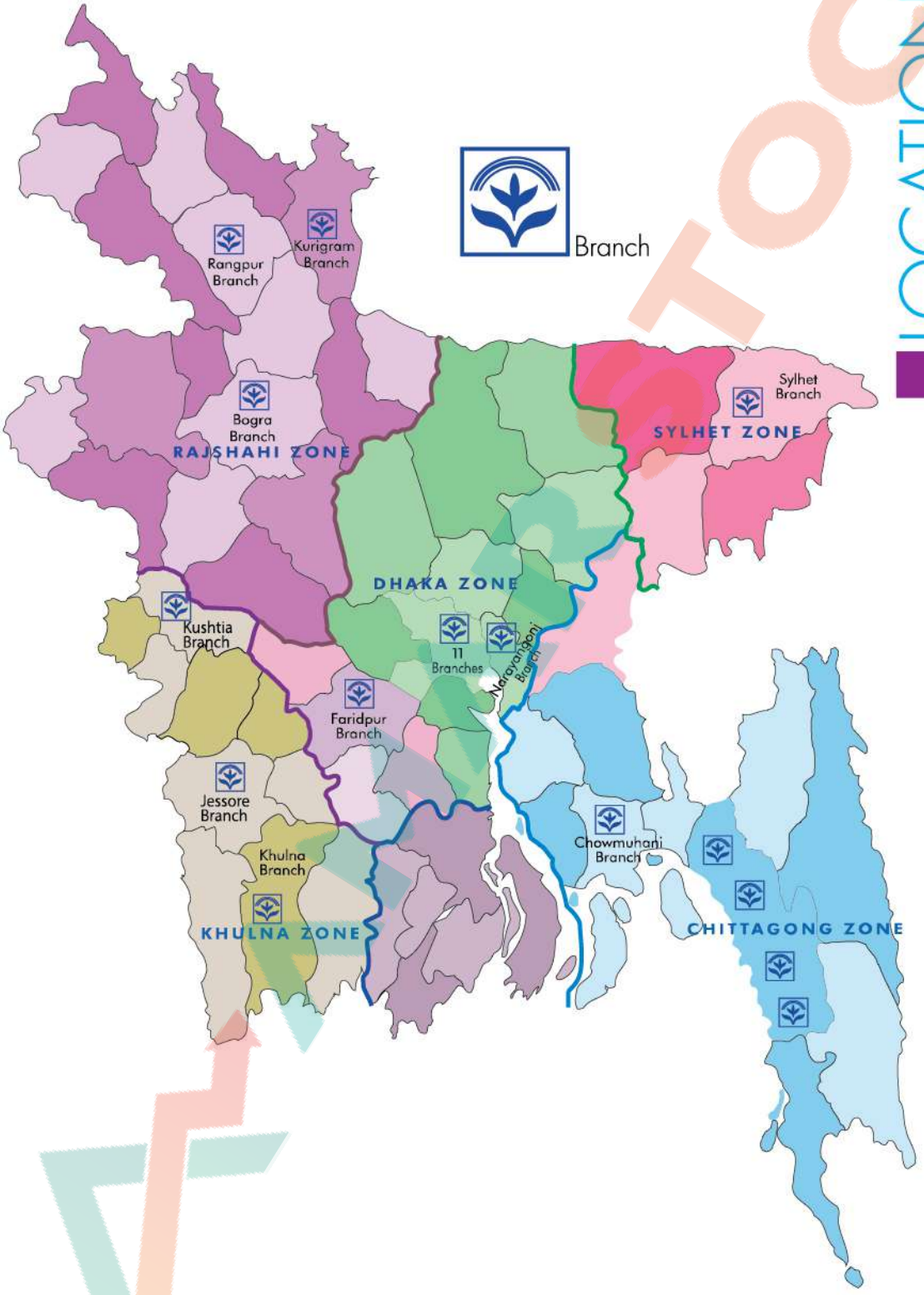
KURIGRAM BRANCH
Zilla Parishod Super Market (1st Floor), Room-224-225
Sadar, Kurigram, Cell: 01717650421

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

JESSORE BRANCH
JESS TOWER (5th floor)
39, M.K Road, Jessore Town, Jessore,
Cell: 01670678115

AMAR STOCK

LOCATION OF BRANCHES



SHAREHOLDERS NOTE

AMAR STOCK

SHAREHOLDERS NOTE

AMAR STOCK

ইস্টার্ণ ইন্স্যুরেন্স কোঃ লিঃ
EASTERN INSURANCE CO. LTD.
(The Symbol of Comprehensive Security)

Head Office: 44, Dilkusha C/A, Dhaka-1000

PROXY FORM

I/We .....of .....being a member of Eastern Insurance Co. Ltd. do hereby appoint Mr./Mrs./Ms. .....of .....as my/our proxy, to vote for me/our behalf at the 32nd Annual General Meeting of the Company and at any adjournment thereof or at my ballot to be taken in consequence thereof.

Signed this ..... day of 2018

Signature of Proxy .....

Revenue Stamp Tk. 20/-

Signature of Shareholder

Folio/ BO ID No. | | | | | | | | | | | | | | | | |

N.B. IMPORTANT

1. This form of Proxy, duly completed, must be deposited at least 48 hours before the meeting at the Company's Registered Office. Proxy is invalid if not signed and stamped as explained above.
2. Signature of the Shareholder should agree with the Specimen Signature registered with the company.

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EASTERN INSURANCE CO. LTD.
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Head Office: 44, Dilkusha C/A, Dhaka-1000

ATTENDANCE SLIP

I hereby record my attendance at the 32nd Annual General Meeting of the Company being held on July 25, 2018, Wednesday at 11:00 A.M at Spectra Convention Centre Ltd., House-19, Road-7, Gulshan-1, Dhaka-I212

Name of Shareholder/Proxy .....

Signature .....

Date .....

Folio/ BO ID No. | | | | | | | | | | | | | | | | |

N.B. Shareholder attending meeting in person or by Proxy are requested to complete the attendance slip and hand it over at the entrance of the meeting hall.

MARSTOCK



ইষ্টার্ণ ইন্স্যুরেন্স কোঃ লিঃ

EASTERN INSURANCE CO. LTD.

(The Symbol of Comprehensive Security)

Head Office : 44, Dilkusha C/A, Dhaka-1000, Bangladesh. PABX : 9563033-34, 9564246-48
Fax : 88-02-9569735, E-mail : eicl@dhaka.net, Website : www.easterninsurancebd.com

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