FINANCIAL STATEMENTS

Of

ISLAMI INSURANCE BANGLADESH LIMITED

For the year ended 31st December, 2016

LankaBD.com

Mahfel Huq & Co.
Chartered Accountants
The first registered accounting firm in independent Bangladesh

An independent member firm of AGN International

BGIC Tower (4th Floor)
34, Topkhana Road
Dhaka-1000, Bangladesh
Tel: +88-02-9553143, 9581786
Fax: +88-02-9571005
E-mail : mh@mahfelhuq.com
Web: www.mahfelhuq.com

Independent Auditors' Report to the Shareholders of Islami Insurance Bangladesh Limited

We have audited the accompanying financial statements of **Islami Insurance Bangladesh Limited**, which comprise of the Balance Sheet (Statement of Financial Position) as at December 31, 2016 and the Profit and Loss Account (Statement of Profit or Loss and other Comprehensive Income), Profit and Loss Appropriation Account, statement of changes in equity and statement of cash flows for the year then ended and a summary of significant accounting policies and other explanatory notes.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Bangladesh Accounting Standard (BAS)/Bangladesh Financial Reporting Standards (BFRS), the Companies Act 1994, The Insurance Act 2010, Insurance Rules 1958, the Securities and Exchange 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 financial statements that are free from material misstatement, where due to fraud or error.

Auditor's Responsibility

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

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

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

Opinion

In our opinion, the Financial Statements of Islami Insurance Bangladesh Limited, in all material respects, give a true and fair view of the Financial Position of the company as at 31st December, 2016, of its financial performance and of its Cash Flows for the year then ended and the Financial Statements were prepared in accordance with Bangladesh Financial Reporting Standards (BFRS) and Bangladesh Accounting Standards (BAS), the Companies Act 1994, the Insurance Act 1938 (as amended in 2010), Insurance Rules 1958, the Securities and Exchange Rules 1987 and other applicable laws and regulations.

Mahfel Huq & Co. is an independent member firm of AGN International, UK. AGN International is a worldwide association of separate and independent accounting and consulting firms. Each member of AGN operates under its own local or national name and remains autonomous.

Report on Other Legal and Regulatory Requirements

We also report that:

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

ii. In our opinion, proper books of accounts, 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 expenses of management wherever incurred and whether incurred directly or indirectly, in respect of insurance business of the company transacted in Bangladesh during the year under report have been duly debited to the related Revenue Accounts and the Profit and Loss Account and other comprehensive income of the company;

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

v. As per Regulation- 11 of part 1 of the third schedule of the Insurance Act 1938 (as amended in 2010), in our opinion to the best of our information and as shown by its books, the company during the under report has not paid any person any commission in any form, outside Bangladesh in respect of any of its business re- insured abroad;

vi. The Company's Statement of Financial Position and Statement of Profit or Loss and Other Comprehensive Income and its Cash Flows dealt with by the report are in agreement with the books of account and returns;

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

Dated: April 30, 2017
Place: Dhaka

Mahfel Huq & Co.
Chartered Accountants

LankaBangla Stock

Islami Insurance Bangladesh Limited

Balance Sheet
(Statement of Financial Position)
As at December 31, 2016

Capital and Liabilities	Notes	Amount In Taka	
		2016	2015
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			
30,857,904 Ordinary Shares of Tk. 10 each	3.0	**308,579,040**	**280,526,400**
Reserve and Contingency Account:		**111,450,674**	**94,902,361**
Reserve for Exceptional Losses	4.01	79,550,000	66,000,000
Profit & Loss Appropriation Account Balance	4.02	31,900,674	28,902,361
Total Shareholders' Equity		**420,029,714**	**375,428,761**
Balance of Funds and Accounts:	5.0	**111,826,742**	**125,105,720**
Fire Insurance Business		35,690,212	44,339,287
Marine Insurance Business		60,485,028	57,847,789
Motor Insurance Business		13,849,256	21,075,647
Miscellaneous Insurance Business		1,802,246	1,842,997
Premium Deposits	6.0	**5,309,518**	**6,835,809**
Liabilities and Provisions:		**337,907,917**	**285,744,344**
Estimated liabilities in respect of outstanding claims whether due or intimated	7.0	153,398,436	136,665,643
Amount due to other persons or bodies carrying on insurance business	8.0	106,080,827	78,197,018
Provision for Income Tax	9.0	35,552,101	29,321,838
Quard -e- Hasana from Bank	10.0	16,000,000	16,680,000
Sundry Creditors(Including provision for expenses)	11.0	26,876,553	24,879,845
Total Liabilities		**455,044,177**	**417,685,873**
Total Shareholders' Equity & Liabilities		**875,073,891**	**793,114,634**

LankaBD.com

Islami Insurance Bangladesh Limited

Balance Sheet
(Statement of Financial Position)
As at December 31, 2016

Assets & Properties	Notes	Amount In Taka	
		2016	2015
Investment	12.0	**20,274,953**	**19,083,310**
Statutory Deposit		16,800,000	15,000,000
Investment in Shares		3,474,953	4,083,310
Interest, Dividends & Rent outstanding (interest/profit Accrued but not due)	13.0	**9,865,567**	**12,656,187**
Amount Due from Other Persons or Bodies Carrying on Insurance Business	14.0	**60,468,831**	**61,370,243**
Sundry Debtors	15.0	**31,728,688**	**20,105,417**
Cash and Bank Balances	16.0	**433,491,445**	**378,730,963**
Fixed Deposit Receipts (F.D.R's)	16.01	309,900,000	277,650,000
STD, CD & PO, DD Cheques in hand		96,421,427	86,864,109
Cash in hand		27,170,018	14,216,854
Other Accounts		**319,244,407**	**301,168,514**
Fixed Assets (at cost less Accumulated depreciation)	17.0	37,047,818	28,971,737
Land purchase in process	18.0	3,400,000	3,400,000
Office Space purchase in process	19.0	276,806,000	266,862,000
Security Deposit		485,000	626,240
Stamps in hand		625,163	457,385
Stock of Printing & Stationery Materials (At cost)		880,426	851,152
Total Assets and Properties		**875,073,891**	**793,114,634**
Net Asset Value Per Share (NAV)	24.0	**13.61**	**13.38**

The accompanying notes 1-30 form an integral part of these financial statements.

Chief Executive Officer & Managing Director	Director	Director	Chairman

Signed as per our annexed report of even date.

Dated: April 30, 2017
Place: Dhaka

Mahfel Huq & Co.
Chartered Accountants

LankaBangla Stock

Islami Insurance Bangladesh Limited

Profit and Loss Account
(Statement of Profit or Loss & Other Comprehensive Income)
For the year ended December 31, 2016

Particulars	Notes	Amount In Taka	
		2016	2015
Expenses of management : (Not Applicable to any particular fund or Account)		**18,858,422**	**16,787,746**
Advertisement & Publicity		3,825,669	3,651,009
Directors' fees		2,246,333	2,121,750
Donation & Subscription		1,312,356	838,512
Audit fees		373,750	155,250
Legal, Registration and Professional fees		2,101,895	1,799,099
Provision for Employee Gratuity		500,000	400,000
Provision for WPPF/ Incentive Bonus		3,500,000	3,000,000
Depreciation		4,998,419	4,355,130
Loss Arised from Investment in Share		-	466,996
Net profit transferred to profit and loss appropriation account		65,266,953	49,477,941
Total		**84,125,375**	**66,265,687**
Interest, Dividend and Rents: (Not Applicable to any particular fund or Account)			
Interest and Dividend Income	20.00	**18,739,646**	**24,945,509**
Profit/(Loss) Transferred from:		**64,898,617**	**38,780,010**
Fire Revenue Account		14,183,489	(3,627,259)
Marine Revenue Account		39,497,491	30,545,998
Motor Revenue Account		17,729,945	14,127,892
Miscellaneous Revenue Account		(6,512,308)	(2,266,621)
Sundry Income	21.00	**487,112**	**2,540,168**
Gain on Sale of Motor Vehicle		1,052,332	563,692
Gain on Sale of Share		(669,604)	1,115,926
Dividend Income		104,384	860,550
Total		**84,125,375**	**66,265,687**

The accompanying notes 1-30 form an integral part of these financial statements.

Chief Executive Officer & Managing Director | **Director** | **Director** | **Chairman**

Signed as per our annexed report of even date.

Dated: April 30, 2017
Place: Dhaka

Mahfel Huq & Co.
Chartered Accountants

LankaBangla Stock

Islami Insurance Bangladesh Limited

Profit and Loss Appropriation Account

For the year ended December 31, 2016.

Particulars	Notes	Amount In Taka	
		2016	2015
Reserve for exceptional losses		13,550,000	5,000,000
Provision for income tax		20,666,000	17,284,300
Balance transfered to Statement of Financial position		31,900,674	28,902,361
Total		**66,116,674**	**51,186,661**
Balance brought forward from last year		849,721	1,436,220
Balance of General Reserve brought forward from last year		-	272,500
Balance Transferred from Profit and Loss Account		65,266,953	49,477,941
Total		**66,116,674**	**51,186,661**
Earning Per Share(EPS)	2.11	**1.45**	**1.15**

The accompanying notes 1-30 form an integral part of these financial statements.

Chief Executive Officer & Managing Director	Director	Director	Chairman

Signed as per our annexed report of even date.

Dated: April 30, 2017
Place: Dhaka

Mahfel Huq & Co.
Chartered Accountants

LankaBangla Stock

Islami Insurance Bangladesh Limited

Statement of Changes in Equity
For the year ended December 31, 2016.

Amount in Taka

Particulars	Share Capital	Reserve for Exceptional Losses	Retained profit	Total
Balance as on January 01, 2016	280,526,400	66,000,000	28,902,361	375,428,761
Stock Dividend, 2015	28,052,640	-	(28,052,640)	-
Appropriation made during the year	-	-	65,266,953	65,266,953
Reserve for exceptional losses	-	13,550,000	(13,550,000)	-
Provision for income tax	-	-	(20,666,000)	(20,666,000)
Balance as on December 31, 2016	**308,579,040**	**79,550,000**	**31,900,674**	**420,029,714**

The accompanying notes 1-30 form an integral part of these financial statements.

Chief Executive Officer & Managing Director | **Director** | **Director** | **Chairman**

Signed in terms of our report of even date annexed.

Dated: April 30, 2017
Place: Dhaka

MAHFEL HUQ & Co.
Chartered Accountants

Lankaq.com

Islami Insurance Bangladesh Limited

Statement of Cash Flows

For the year ended December 31, 2016.

Particulars	Amount In Taka	
	2016	2015
Cash Flows from operating activities :		
Collection from Premium & Other Income	449,983,554	483,637,709
Payment for Management Expenses,Re-insurance & Claims	(355,897,192)	(424,377,153)
Income Tax Paid	(14,435,737)	(37,245,191)
Net Cash flows from operating activities	**79,650,625**	**22,015,365**
Cash flows from investing activities :		
Acquisition of Fixed Assets	(13,245,968)	(5,855,411)
Disposal of Fixed Assets	171,468	84,308
Office Space purchase in process	(9,944,000)	(25,000,000)
Investment Made in Share & Treasury Bond	(1,191,643)	19,471,493
Net Cash used in investing activities	**(24,210,143)**	**(11,299,610)**
Cash flows from financing activities :		
Bonus Share/Dividend Paid	-	(10,285,887)
Increase /Decrease in Loan from Bank	(680,000)	10,880,000
Total Cash flows/(Used) from financing activities	**(680,000)**	**594,113**
Net Increase/(Decrease) in Cash & Cash equivalents during the year	**54,760,482**	**11,309,868**
Opening Cash & Cash equivalents at beginning of the year	378,730,963	367,421,095.00
Closing Cash & Cash equivalents at end of the year	**433,491,445**	**378,730,963**
Number of Shares	**30,857,904**	**28,052,640**
Net operating cash flows per share	**2.58**	**0.78**

Chief Executive Officer & Managing Director | **Director** | **Director** | **Chairman**

Signed as per our annexed report of even date.

Dated: April 30, 2017
Place: Dhaka

Mahfel Huq & Co.
Chartered Accountants

LankaStock.com

Islami Insurance Bangladesh Limited

Consolidated Revenue Account

For the year ended December 31, 2016.

Particulars	Notes	Amount In Taka	
		2016	2015
Claim Under Policies Less Re-Insurance:		**51,556,925**	**38,857,688**
Paid during the year		34,824,132	73,137,555
Total estimated liability in respect of outstanding claims at the end of the year whether due or intimated		153,398,436	136,665,643
Less: Outstanding at the end of the previous year		(136,665,643)	(170,945,510)
Agency Commission		57,934,120	86,370,377
Expenses of Management (with stamp used)	22.0	140,247,524	151,473,403
Profit transferred to Profit & Loss Account		64,898,617	38,780,010
Reserve for unexpired Risks of premium income of the year as shown in the Balance Sheet		111,826,742	125,105,720
Total		**426,463,928**	**440,587,198**
		426,463,928	**440,587,198**
Balance of account at the beginning of the year (Reserve for unexpired Risks)		125,105,720	110,463,447
Premium less Re-Insurance		276,879,916	310,856,563
Commission on Re-Insurance ceded		24,478,292	19,267,188
Total		**426,463,928**	**440,587,198**

The accompanying notes 1-30 form an integral part of these financial statements.

Chief Executive Officer & Managing Director | **Director** | **Director** | **Chairman**

Signed as per our annexed report of even date.

Dated: April 30, 2017
Place: Dhaka

Mahfel Huq & Co.
Chartered Accountants

LankaBD.com

Islami Insurance Bangladesh Limited

Fire Insurance Revenue Account

For the year ended December 31, 2016.

Particulars	Notes	Amount In Taka	
		2016	2015
Claim Under Policies Less Re-Insurance:		**22,264,414**	**25,927,600**
Paid during the year		26,182,699	9,438,007
Total estimated liability in respect of outstanding claims at the end of the year whether due or intimated		87,627,859	91,546,144
Less: Outstanding at the end of the previous year		(91,546,144)	(75,056,551)
Agency Commission		22,386,640	30,110,030
Expenses of Management (with stamp used)	22.0	54,130,863	63,102,677
Profit/(Loss) transferred to Profit & Loss Account		14,183,489	(3,627,259)
Reserve for unexpired Risks of premium income of the year as shown in the Balance Sheet		35,690,212	44,339,287
Total		**148,655,618**	**159,852,335**
		148,655,618	**159,852,335**
Balance of account at the beginning of the year (Reserve for unexpired Risks)		44,339,287	38,027,296
Premium less Re-Insurance		89,225,531	110,848,217
Commission on Re-Insurance ceded		15,090,800	10,976,822
Total		**148,655,618**	**159,852,335**

The accompanying notes 1-30 form an integral part of these financial statements.

Chief Executive Officer & Managing Director | **Director** | **Director** | **Chairman**

Signed as per our annexed report of even date.

Dated: April 30, 2017
Place: Dhaka

Mahfel Huq & Co.
Chartered Accountants

LankaBD.com

Islami Insurance Bangladesh Limited

Marine Insurance Revenue Account

For the year ended December 31, 2016.

Particulars	Notes	Amount In Taka	
		2016	2015
Claim Under Policies Less Re-Insurance:		**24,337,114**	**7,558,415**
Paid during the year		3,579,900	50,960,202
Total estimated liability in respect of outstanding claims at the end of the year whether due or intimated		59,467,719	38,710,505
Less: Outstanding at the end of the previous year		(38,710,505)	(82,112,292)
Agency Commission		25,635,626	44,062,903
Expenses of Management	22.0	61,503,091	60,660,798
Profit transferred to Profit & Loss Account		39,497,491	30,545,998
Reserve for unexpired Risk being 40% & 100% of premium income Marine Cargo and Marine Hull business respectivelyof the year as shown in the Balance Sheet		60,485,028	57,847,789
Total		**211,458,350**	**200,675,903**
		211,458,350	**200,675,903**
Balance of account at the beginning of the year (Reserve for unexpired Risks)		57,847,789	52,372,812
Premium less Re-Insurance		148,525,630	142,711,736
Commission on Re-Insurance ceded		5,084,931	5,591,355
Total		**211,458,350**	**200,675,903**

The accompanying notes 1-30 form an integral part of these financial statements.

Chief Executive Officer & Managing Director	**Director**	**Director**	**Chairman**

Signed as per our annexed report of even date.

Dated: April 30, 2017
Place: Dhaka

Mahfel Huq & Co.
Chartered Accountants

LankaBDStock.com

Islami Insurance Bangladesh Limited

Motor Insurance Revenue Account

For the year ended December 31, 2016.

Particulars	Notes	Amount In Taka 2016	2015
Claim Under Policies Less Re-Insurance:		**5,671,347**	**5,449,389**
Paid during the year		4,870,508	12,621,750
Total estimated liability in respect of outstanding claims at the end of the year whether due or intimated		6,302,858	5,502,019
Less: Outstanding at the end of the previous year		(5,502,019)	(12,674,380)
Agency Commission		5,405,912	10,936,827
Expenses of Management (with stamp used)	22.0	13,251,508	20,150,269
Profit transferred to Profit & Loss Account		17,729,945	14,127,892
Reserve for unexpired Risks of premium income of the year as shown in the Balance Sheet		13,849,256	21,075,647
Total		**55,907,968**	**71,740,024**
		55,907,968	**71,740,024**
Balance of account at the beginning of the year (Reserve for unexpired Risks)		21,075,647	18,659,283
Premium less Re-Insurance		34,623,139	52,689,118
Commission on Re-Insurance ceded		209,182	391,623
Total		**55,907,968**	**71,740,024**

The accompanying notes 1-30 form an integral part of these financial statements.

Chief Executive Officer & Managing Director | **Director** | **Director** | **Chairman**

Signed as per our annexed report of even date.

Dated: April 30, 2017
Place: Dhaka

Mahfel Huq & Co.
Chartered Accountants

LankaBDStock.com

Islami Insurance Bangladesh Limited

Miscellaneous Insurance Revenue Account

For the year ended December 31, 2016.

Particulars	Notes	Amount In Taka	
		2016	2015
Claim Under Policies Less Re-Insurance:		**(715,950)**	**(77,716)**
Paid during the year		191,025	117,596
Total estimated liability in respect of outstanding claims at the end of the year whether due or intimated		-	906,975
Less: Outstanding at the end of the previous year		(906,975)	(1,102,287)
Agency Commission		4,505,942	1,260,617
Expenses of Management (with stamp used)	22.0	11,362,062	7,559,659
Loss transferred to Profit & Loss Account		(6,512,308)	(2,266,621)
Reserve for unexpired Risks of premium income of the year as shown in the Balance Sheet		1,802,246	1,842,997
Total		**10,441,992**	**8,318,936**
		10,441,992	**8,318,936**
Balance of account at the beginning of the year (Reserve for unexpired Risks)		1,842,997	1,404,056
Premium less Re-Insurance		4,505,616	4,607,492
Commission on Re-Insurance ceded		4,093,379	2,307,388
Total		**10,441,992**	**8,318,936**

The accompanying notes 1-30 form an integral part of these financial statements.

Chief Executive Officer & Managing Director | **Director** | **Director** | **Chairman**

Signed as per our annexed report of even date.

Dated: April 30, 2017
Place: Dhaka

Mahfel Huq & Co.
Chartered Accountants

LankaBD.com

ISLAMI INSURANCE BANGLADESH LIMITED

(XL-Form)

Statement of Showing Details of Re-Insurance Ceded and Accepted by the
During the Year Ended December 31, 2016

OWN BUSINESS

Particulars	Premium				Commission				Claims			
	Direct Business	Received on Re-Insurance Accepted	Paid on Re-Insurance Ceded	Net	Direct Business	Received on Re-Insurance Accepted	Paid on Re-Insurance Ceded	Net	Direct Business	Received on Re-Insurance Accepted	Paid on Re-Insurance Ceded	Net
FIRE	146,462,279		57,904,646	88,557,633	22,386,640		14,783,579	7,603,061	26,033,928			26,033,928
MARINE CARGO	154,868,780		10,184,838	144,683,942	25,113,184		2,701,768	22,411,416	3,516,654			3,516,654
MARINE HULL	3,157,535		1,440,876	1,716,659	522,442		269,967	252,475	-			-
MOTOR	33,950,979		1,186,724	32,764,255	5,405,912		209,182	5,196,730	4,805,628			4,805,628
MISC.	9,289,300		3,603,653	5,685,647	4,505,942		1,089,016	3,416,926	169,950			169,950
Sub Total Tk.	**347,728,873**	-	**74,320,737**	**273,408,136**	**57,934,120**	-	**19,053,512**	**38,880,608**	**34,526,160**	-	-	**34,526,160**
Public Sector Business												
FIRE	2,781,985		2,114,087	667,898			307,221	(307,221)	148,771		-	148,771
MARINE CARGO	12,552,447		10,502,052	2,050,395			2,100,410	(2,100,410)	64,343		1,226	63,117
MARINE HULL	325,413		250,779	74,634			12,786	(12,786)	129		-	129
MOTOR	2,088,435		229,551	1,858,884			-	-	64,880		-	64,880
MISC.	22,233,832		23,413,863	(1,180,031)			3,004,363	(3,004,363)	327,994		306,919	21,075
Sub Total Tk.	39,982,112	-	36,510,332	3,471,780	-	-	5,424,780	(5,424,780)	606,117	-	308,145	297,972
Grand Total	**387,710,985**	-	**110,831,069**	**276,879,916**	**57,934,120**	-	**24,478,292**	**33,455,828**	**35,132,277**	-	**308,145**	**34,824,132**

Dated: April 30, 2017
Place: Dhaka

Chief Executive Officer &
Managing Director

Mahfel Huq & Co.
Chartered Accountants

Bankar.com Stock

Islami Insurance Bangladesh Limited

Schedule of Fixed Assets

As at 31st December, 2016.

Annexure: A-1

Sl. No.	Particulars	Cost Price				Rate	Depreciation				Written Down
		As at 01.01.2016	Adjustment	Addition during the year	Total as at 31.12.2016		As at 01.01.2016	Adjustment	Charged during the year	Total as at 31.12.2016	Value as at 31.12.2016
1	2	3	4	5	6=3+5-4	7	8	9	0=(/26-8-9*7%	11=8-9+10	12=6-11
1	Furniture & Fixture	5,908,449		331,210	6,239,659	10%	3,584,498	-	250,524	3,835,022	2,404,637
2	Office & Electrical Equipments	3,317,804		691,800	4,009,604	15%	2,365,220		180,854	2,546,074	1,463,530
3	Office Decoration	18,471,594		1,285,826	19,757,420	10%	9,910,438		923,831	10,834,269	8,923,151
4	Air-Cooler	2,125,263		72,690	2,197,953	15%	1,524,367	-	98,758	1,623,125	574,828
5	Motor & Other vehicles	44,322,190	2,403,600	8,557,724	50,476,314	20%	29,156,762	2,232,132	3,106,681	30,031,311	20,445,003
6	Computer & Software	2,876,072		2,123,215	4,999,287	20%	1,987,119		342,323	2,329,442	2,669,845
7	Telephone installation & Fax	2,568,262		10,200	2,578,462	15%	2,176,964		59,856	2,236,820	341,642
8	Crookeries & Cutleries	280,540		173,303	453,843	25%	193,069		35,592	228,661	225,182
	Total Taka	**79,870,174**	**2,403,600**	**13,245,968**	**90,712,542**		**50,898,437**	**2,232,132**	**4,998,419**	**53,664,724**	**37,047,818**

Lankad.com
STOCK

ISLAMI INSURANCE BANGLADESH LIMITED

Notes to the Accounts for the year ended 31 December, 2016

1. BACKGROUND AND ACTIVITIES:

Islami Insurance Bangladesh Limited was incorporated as Public Limited Company on 25th day of October, 1999 under the Companies Act, 1994 having registered office in Bangladesh. IIBL obtained permission to commence Insurance business from Chief Controller of Insurance, Directorate of Insurance, Government of the Peoples Republic of Bangladesh on 29th day of December, 1999. The principal place of business of the Company is at DR Tower (11th floor) 65/2/2 Purana Paltan, Box Culvert Road, Dhaka-1000, Bangladesh which is also the registered office of the Company. IIBL is engaged in General Insurance business within the meaning of Insurance Act, 1938 as amended in 2010.

2. SIGNIFICANT ACCOUNTING POLICIES & RELEVANT INFORMATION:

2.00 Basis of presenting Financial Statements

The following underlying assumptions, measurement bases, laws, rules, regulations and accounting pronouncements have been considered in preparing and presenting the financial statements:
Going concern
Accrual
Historical cost convention
Generally Accepted Accounting Principles and Practices in Bangladesh
The Companies Act, 1994
The Insurance Act, 2010
The Securities and Exchange Rules, 1987
Income Tan Ordinance-1984
The Accounting Standards Issued by the Institute of Chartered Accountants of Bangladesh (ICAB)

The preparation of financial statement in conformity with the Bangladesh Accounting Standards requires management to make estimate and assumption that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and revenues and expenses during the year reported. Actual results could differ from those estimates, Estimates are used for accounting of certain items such as long-term contracts, provision for doubtful accounts, depreciation and amortization taxes, reserve and contingencies.

2.01 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.

Critical Corporate Accounting Policies in respect of Recognition and Valuation of Key Accounting Issues

Following are the accounting policies relating to recognition and valuation items in financial statements which are material and critical in determining the company's results of operations for the year and financial position as on the balance sheet date and are consistent with those adopted in the financial statements for the previous year:

(a) **Revenue Recognition (BAS 18)**
Revenue represents invoiced value of polices, Revenue is recognized when policies are made, Invoices were made after satisfying the following conditions as prescribed by BAS 18 " Revenue Recognition"

(i) the significant risks and rewards of ownership of the policies have been transferred to the policyholder;
(ii) the amount of revenue was measured reliably;
(iii) it was probable that the economic benefits relating to the transaction will flow to the enterprise;
(iv) neither continuing managerial involvement nor effective control usually associated with ownership of the policy was retained by the Company; and
(v) Cost relating to the transactions was measured reliably.

(b) Recognition of the Tangible Fixed Assets

These are capitalized at the cost of acquisition and subsequently stated at cost less accumulated depreciation in compliance with the benchmark treatment of BAS 16 "Property, Plant and Equipment" The cost of acquisition of an asset comprises its purchase price and any directly attributable cost of bringing the asset to its working condition for its intended use and other related incidental charges. Expenditure incurred after the assets have been put into operation, such as repairs & maintenance is normally charged off as revenue expenditure in the period in which it is incurred. In situation where it can be clearly demonstrated that the expenditure has resulted in an increase in the future economic benefit expected to be obtained from the use of the fixed assets, the expenditure is capitalized as and additional cost of the assets.

Fixed Assets do not include any assets held under lease.

(c) Depreciation of Tangible Fixed Assets

Depreciation on fixed Assets is changed on reducing balance method at rates varying from 10 to 25% depending on the estimated on the estimated useful live of the assets. Provision for depreciation on assets purchased during the year has been made for the date of acquisition as per paragraph 55 of BAS 16 and full year deprecation has been charge on disposal of Assets during the year. The annual depreciation rates applicable to the principal categories are:-

LankaStock

	Category of Assets	Rate of Depreciation
1.	Furniture & Fixtures	10%
2.	Office & Electrical Equipments	15%
3.	Office Decoration	10%
4.	Air Cooler	15%
5.	Motor & Other vehicles	20%
6.	Computer & Software	20%
7.	Telephone installation & Fax	15%
8.	Crookeries & Cutleries	25%

2.02 Statement of Cash Flows (BAS 7)
Cash Flow Statement is prepared principally in accordance with BAS 7 "Cash Flow Statement" and the Cash Flow from the operating activities have been presented under direct method as required by the Securities and Exchange Rules 1987 and considering the provisions of paragraph- 19 of BAS 7 which provides that "Enterprises are Encouraged to Report Cash Flow from Operating Activities Using the Direct Method"

2.03 Last year figures have been rearranged wherever necessary for comparison purposes.

2.04 Public Sector Insurance Business:
The Company's share of public sector business for the period from 1st January 2015 to 31st December, 2015 received from Sadharan Bima Corporation has been incorporated in the Company's account for the year ended 31st December, 2016. This system of accounting of public sector business is being follows consistently.

2.05 Re-Insurance Accounts:
While preparing the Revenue Accounts necessary adjustments in respect of re-insurance ceded in Bangladesh have been duly given.

2.06 Reporting Currency:
The financial statements are presented in Bangladesh currency (Taka)

2.07 Investments:

i) Statutory deposit with Bangladesh Bank:
Investment is stated at their acquisition cost and Interest accrued at Balance Sheet date have been accounted for.

ii) In Shares:
Investments in shares are stated at cost price which is higher than the market price and the dividend income thereon have been accounted for on receipt basis. Provision has not been required.

2.08 Inventories: (BAS-2)
In compliance with the requirement of **BAS 2** "Inventories", inventories are stated at the lower of cost and net realizable value. Net realizable value is based on estimated selling price less any further cost expected to be incurred to make the sale.

LankaStock.com

2.09. Current Tax:
Provision for current Income Tax has been made@40% as prescribed in Finance Act, 2016 on the taxable income for the year.

2.10. Deferred Tax. (BAS-12)
The profits and gains from Insurance business are determined as per 4th schedule of the IT ordinance and not business assessment U/S 28.

So, the management feeds that it is not necessary to make estimate of deferred tax assets/ liabilities as per provision of BAS-12.

2.11 Earning per share (EPS) BAS-33

The Company calculates Earning per Share (EPS) in accordance with the "Bangladesh Accounting Standard" (BAS-33). Calculation of EPS is shown below:

$$EPS = \frac{\text{Earning attributable to ordinary shareholders}}{\text{Number of weighted average ordinary share during the year}}$$

Particular	2016 Taka	2015 Taka
Net Profit after Tax	44,600,953	32,193,641
Number of weighted average ordinary share during the year	30,857,904	28,052,640
Earning per share (EPS)	**=1.45**	**=1.15**

2.12 Employees Benefits (As per BAS- 19):
The company for its permanent employees operates the following benefit scheme:-

I) **Group Insurance Scheme:**

Employees of the Company are covered under the group term life insurance scheme, the premium paid thereof is paid by Company.

II) **Contributory Provident Fund Recognized by Tax Authorities:**

In respect of provident fund at 10% of Basic salary of eligible employee is being made annually as per P.F. rules administered by Board of Trustees, The eligible employees contribute @ 10% of basic salary.

III) **Gratuity Fund:**

The above mentioned scheme was introduced on 01.01.2012 as per company's service rules. A lamp sump amount of Tk 500,000 (five lac) has been provided for in the accounts during the year.

IV) **Workers profit participations fund (WPPF)/ or Incentive Bonus.**
An amount of Tk. 3,500,000 (thirty five lac) only has been created equivalent to 5.36 % of net profit before tax as per the section 234 of Bangladesh labor amendment Act. 2013. This amount will be distributed among the all desk Employees according to their one month basic pay as per decision of the Board Meeting of Directors.

2.13 Employees Details:
During the year under review 299 employees are employed for the full time.
299 No's of employees received salary more than Tk. = 3000 per month.
No part time employees are employed in the company.

2.14 Deposit Premium Account:
Premium deposit account represents amount of premium deposited with the company against cover notes for which policies are yet to be issued.

2.15 Consolidation Procedure:
Accounts of all branches have been consolidated at the Central Accounts of the Head Office at Dhaka.

2.16 Cash & Cash Equivalents:
Cash comprises of cash in hand, demand deposit, cash equivalents on short term, highly liquid investments that are readily convertible to knows amounts of cash and those which are subject to an insignificant risk of changes in value. Cash & cash equivalents are not restricted in use and accordingly cash in hand and bank balances have been considered as cash and cash equivalents.

2.17 Reporting period:

Financial statements of the Company cover one calendar year from 01 January 2016 to 31 December 2016.

LankaBDStock.com

3.00 Share Capital:

Particulars	Amount In Taka	
	2016	2015
Authorised Share Capital : 100,000,000 Ordinary shares of Tk.10.00 each	1,000,000,000	1,000,000,000
Issued, Subscribed, and Paid Up Share Capital:		
28,052,640 Ordinary shares of Tk. 10.00 each.	280,526,400	255,024,000
Add: 2,805,264 Ordinary shares of Tk. 10.00 each fully paid up as bonus share issued for the year 2015	28,052,640	25,502,400
Total	**308,579,040**	**280,526,400**

Issued, Subscribed & Paid-up share capital
30,857,904 Ordinary shares of Tk. 10 each

This made up as follows:

Category of Shareholder	No. of Shares	% of Holding	Amount (Tk.)
1. Sponsors	15,240,277	49.39%	152,402,770
2. General Public	8,040,968	26.06%	80,409,680
3. Institution	7,576,659	24.55%	75,766,590
Total	**30,857,904**	**100.00%**	**308,579,040**

Classification of Shareholders as per their share holdings

(i) Group A: Shareholders (Sponsors)

Name of the Directors/ Shareholders	No. of Shares	% of Holding	% of Total Paid-up Capital
Al-haj Mohammad Sayeed, Director	2,424,091	15.91%	7.86%
Al-haj Md. Ismail Nawab, Director	617,156	4.05%	2.00%
Janab Tofazzal Hossain, Director	617,157	4.05%	2.00%
Janab M. Tajul Islam, Director	617,157	4.05%	2.00%
Mrs. Anjumon Ara Begum, Director	1,337,175	8.77%	4.33%
Mrs. Ashma Nur, Director	617,157	4.05%	2.00%
Al-haj Md. Abdul Halim, Director	617,157	4.05%	2.00%
Mrs. Shayla Parbin, Director	617,157	4.05%	2.00%
Janab Nur Mohammad Mamun, Director	617,157	4.05%	2.00%
Al-haj Mohammad Abdul Hannan, Director	617,157	4.05%	2.00%
Janab Gazi Belayet Hossain, Director	617,157	4.05%	2.00%
Janab Mohammad Murtaza Kamal, Director	617,157	4.05%	2.00%
Mrs. Nostaren Jamila, Director	617,157	4.05%	2.00%
Mrs. Farhana Alam, Director	1,664,125	10.92%	5.39%
Mrs. Samira Hossain, Shareholder	411,438	2.70%	1.33%
Janab Shabbir Ahmed, Shareholder	413,776	2.72%	1.34%
Janab Talha Ahmed, Shareholder	411,438	2.70%	1.33%
Janab Farhadul Islam Shabbir, Shareholder	411,438	2.70%	1.33%
Al-haj Mohiuddin Ahmed, Shareholder	421,723	2.77%	1.37%
Mrs. Mahmuda Nasim, Shareholder	411,438	2.70%	1.33%
Mrs. Imrana Harun, Shareholder	411,438	2.70%	1.33%
Mrs. Afroza Parveen, Shareholder	102,858	0.66%	0.33%
Janab Saleh Johur Mia, Shareholder	30,613	0.20%	0.10%
Total	**15,240,277**	**100.00%**	**49.37%**

(ii) Group B: Classification of Shareholders (Public & Institutions)

Class Interval	Number of Shares	Number of Shareholders	Percentage of Total Shareholding	Percentage of Total Paid-up Capital
001-5000	2,987,284	3,058	19.13%	9.68%
5001-50000	3107971	211	19.90%	10.07%
50001-100000	1449976	19	9.29%	4.70%
100001-150000	770438	6	4.93%	2.50%
150001-200000	715848	4	4.58%	2.32%
200001-250000	247000	1	1.58%	0.80%
250001-300000	-	-	-	-
300001-350000	1631103	5	10.44%	5.29%
350001-400000	743327	2	4.76%	2.41%
400001-500000	482572	1	3.09%	1.56%
500001-Above	3482108	3	22.30%	11.28%
Total of (ii)	**15617627**	**3310**	**100.00%**	**50.61%**
Grand Total (i+ii)	**30857904**	**3310+23= 3333**		**100%**

3.03 Share holding of CEO, Company Secretary, CFO, & Executives

Name	Share Holding (Nos)	Percentage (%)
i) Chief Executive Officer & Managing Director Mr. Md. Abdul Matin	Nil	Nil
ii) Additional Managing Director & Company Secretary Mr. Md. Mujibur Rahman	Nil	Nil
iii) Senior Executive Vice President & Chief Financial Officer Syed Md. Emdad Ullah	Nil	Nil
iv) Senior Executive Vice President (Head of Internal Audit) Mr. Md. Abdul Hakim	Nil	Nil
v) Senior Manager (Share Department) Mr. Md. Eutfull Hoque	Nil	Nil

LankaBDStock.com

4.00 Reserve or Contingency Account:-
This has been made as follows:

4.01 Reserve for exceptional losses:

	Amount In Taka	
	2016	**2015**
Opening Balance	66,000,000	61,000,000
Add : Reserve made during the year	13,550,000	5,000,000
Total	**79,550,000**	**66,000,000**

Reserve for exceptional losses is appropriated out of current years profit about 10% of premium earned during the year. The above amount is eligible for tax relief under the 4th schedule of the Income tax ordinance, 1984. An amount of Tk. 13,550,000 has been provided for reserve for exceptional loses during the year which is 3.49% of premium income Tk. 387,710,985

4.02 Profit & loss Appropriation Account:

	Amount In Taka	
	2016	**2015**
Opening Balance	849,721	1,436,220
Add : Profit during the year	65,266,953	49,477,941
Add :General Reserve (Previous Year)	-	272,500
Total	**66,116,674**	**51,186,661**
Less : Reserve for Exceptional Losses.	13,550,000	5,000,000
Less : Provision for Income tax	20,666,000	17,284,300
Balance	**31,900,674**	**28,902,361**

5.00 Balance of Funds & Accounts:

Reserve for unexpired risks on premium have been made including public share business @ 40 % for Fire, Marine Cargo, Misc. and 100% Premium made for Marine Hull. The balance has been arrived at as under:

	Amount In Taka	
	2016	**2015**
Fire Insurance Business Account	35,690,212	44,339,287
Marine Insurance Business Account	60,485,028	57,847,789
Motor Insurance Business Account	13,849,256	21,075,647
Miscellaneous Insurance Business Account	1,802,246	1,842,997
Total	**111,826,742**	**125,105,720**

6.00 Premium Deposit:

	Amount In Taka	
	2016	**2015**
Balance	**5,309,518**	**6,835,809**

The balance represents the amount received against cover notes for which risks have not been initiated within 31st December 2016.

7.00 Estimated liability in respect of outstanding claims whether due or intimated:

Nature of Claims	Amount In Taka	
	2016	**2015**
Fire Insurance	87,627,859	91,546,144
Marine Insurance	59,467,719	38,710,505
Motor Insurance	6,302,858	5,502,019
Miscellaneous Insurance	-	906,975
Total	**153,398,436**	**136,665,643**

LankaBDSTOCK.com

8.00 Amount due to other persons or bodies carrying on insurance business:

	Amount In Taka	
	2016	**2015**
Sadharan Bima Corporation	105,856,618	77,972,810
Other Insurance Companies	224,209	224,208
Total	**106,080,827**	**78,197,018**

9.00 Provision For Income Tax:

	Amount In Taka	
	2016	**2015**
Opening Balance	29,321,838	49,282,729
Add: Provision during the year (9.01)	20,666,000	17,284,300
	49,987,838	**66,567,029**
Less: Adjustment during the year	14,435,737	37,245,191
Closing Balance	**35,552,101**	**29,321,838**

9.01 CALCULATION OF INCOME TAX

	Amount In Taka	
	2016	**2015**
Net Profit (As per P/L Account)	65,266,953	49,477,941
Less: Reserve for Exceptional losses	(13,550,000)	(5,000,000)
Less: Dividend Income	(104,384)	(860,550)
Less: Gain on sale of share	-	(1,115,926)
Business Income	**51,612,569**	**42,501,465**
Income tax rate@ 40.00% on Tk 51,612,569	20,645,028	17,000,586
Dividend Income @ 20% of Tk. 104,384	20,877	172,110
Gain on sale of share	-	111,593
Provision for Income Tax	**20,665,905**	**17,284,289**
Say Provision made for tk.	**20,666,000**	**17,284,300**

10.00 Quard-e-Hasana (Loan) from Banks :

Particulars	Amount In Taka	
	2016	**2015**
10.01 :The Quard-e-Hasana from Islami Bank Bangladesh Ltd, Mouchak Branch, IBBL Ramna Branch & IBBL Nawabpur Branch against our Term deposit Receipt (TDR) of Tk 6,300,000	5,000,000	5,000,000
10.02 The Quard-e-Hasana from Al-Arafah Islami Bank Ltd, Keranigonj Branch against our Term deposit Receipt (TDR) of Tk 8,800,000	7,000,000	7,680,000
10.03 The Quard-e-Hasana from Social Islami Bank Ltd., Principal Branch against our Term deposit Receipt (TDR) of Tk 5,050,000	4,000,000	4,000,000
Total Quard-e-Hasana (Loan)	**16,000,000**	**16,680,000**

As per Islami banking rules no profit on TDRS for Tk. 20,150,000 in aggregate has been provided for and at the same time no profit has been provided for on Quard-e-Hasana amount tk. 16,000,000 (loan amount)

11.00 Sundry Creditors:

	Amount In Taka	
	2016	2015
Provision for Audit Fees	729,600	644,600
Payable to IBBL Employees Contributory provident fund	5,514,852	4,201,120
Income tax payable (DAS)	1,457,781	1,451,594
Value added tax (VAT) Payable	6,595,080	5,773,632
Liable for IPO's share	2,834,792	2,834,793
Advance Office Rent	1,000,000	-
Unclaimed / Unpaid dividend	213,451	2,465,313
Employee Gratuity Fund	2,863,397	2,400,000
Corporate Social Responsibility (CSR)	821,380	1,096,000
Workers Profit Participations Fund (WPPF)/ Incentive Bonus	3,814,004	3,622,940
Others creditors & advances	1,032,216	389,853
Total	**26,876,553**	**24,879,845**

12.00 Investment:

12.01 Statutory Deposit:

Particulars	Period	Amount In Taka	
		2016	2015
Bangladesh Govt. Islami Investment Bond	6 months	9,000,000	9,000,000
Bangladesh Govt. Treasury Bond (BGTBS)	10 years	6,500,000	6,000,000
Bangladesh Govt. Treasury Bond (BGTBS)	5 years	1,300,000	-
Total		**16,800,000**	**15,000,000**

The amount of TK. 16,800,000 has been kept in the Bangladesh Bank as statutory deposit as required under Section 7(1) of the Insurance Act, 1938. Interest accrued upto 31st December, 2016 has been provided in the accounts.

12.02 INVESTMENT IN SHARES OF LISTED SECURITIES:

The breakup of the above amount is as under:

Listed Share	No. of Share (including Bonus, right, buy and excluding sale) 31.12.2015	Cost Price after Adjustment of Market price 31.12.2015	Market Price as on 31.12.2015	No of Share (including Bonus, right, buy and excluding sale) 31.12.2016	Cost Price (Including Buy & excluding sale) 31.12.2016	Market Price as on 31.12.2016
A) Banks						
Dhaka Bank Ltd	2,789.00	54,943.30	54,943.30	3,067.00	54,943.30	54,899.30
Social Islami Bank Ltd.	39,642.00	570,844.80	570,844.80	41,624.00	570,844.80	765,881.60
One Bank Ltd	-	-	-	35,000.00	650,737.50	640,500.00
Total		**625,788.10**	**625,788.10**		**1,276,525.60**	**1,461,280.90**
B) Financial Institutions:						
IPDC	734.00	19,597.80	19,597.80	-	-	-
BIFC	70,955.00	716,645.50	716,645.50	70,955.00	716,645.50	737,932.00
Islamic Finance & Investments	6,604.00	102,362.00	102,362.00	6,604.00	102,362.00	127,457.20
Prime Finance	3,024.00	34,473.60	34,473.60	3,024.00	34,473.60	29,635.20

ILFSL	40,000.00	364,000.00	364,000.00	42,000.00	364,000.00	533,400.00
Total		**1,237,038.90**	**1,237,038.90**		**1,217,481.10**	**1,428,424.40**
C) Insurance						
Sandhani life Insurance	25,000.00	883,200.00	883,200.00	-	-	-
Rupali Life Inurance	323.00	10,465.20	10,465.20	323.00	10,465.20	11,886.40
Fareast Islami Life Ins.Co.	5,547.00	346,687.00	346,687.00	5,547.00	346,687.00	375,531.90
Total		**1,240,352.20**	**1,240,352.20**		**357,152.20**	**387,418.30**
D) Parmaceuticals						
Beacon Pharma	10,500.00	157,500.00	157,500.00	10,500.00	157,500.00	231,000.00
Total		**157,500.00**	**157,500.00**		**157,500.00**	**231,000.00**
E) Fuel & Power						
Summit Power	308.00	12,227.60	12,227.60	326.00	12,227.60	12,062.00
UPGDCL	600.00	84,120.00	84,120.00	600.00	84,120.00	84,960.00
TITASGAS	5,000.00	237,000.00	237,000.00	5,000.00	237,000.00	247,000.00
Total		**333,347.60**	**333,347.60**		**333,347.60**	**344,022.00**
F) Textile						
PTL	-	-	-	700.00	13,347.00	14,140.00
Total	-	-	-		**13,347.00**	**14,140.00**
G) Steel:						
BSRM Steel	5,000.00	481,500.00	481,500.00	-	-	-
Total		**481,500.00**	**481,500.00**	-	-	-
H) Miscellaneous:						
Beximco Ltd	267.00	7,743.20	7,743.20	307.00	7,743.20	7,982.00
ITC				1,150.00	71,248.50	54,395.00
NTL Tubes	-	-	-	300.00	40,607.35	37,860.00
Total		**7,743.20**	**7,743.20**		**119,599.05**	**100,237.00**
Grand Total		**4,083,310.00**	**4,083,310.00**		**3,474,952.55**	**3,966,522.60**

Investment in Share has been shown at cost price which is lower than than the Market price.

13.00 Profit Interest, Dividend and Rents Accrued:

	Amount In Taka	
	2016	**2015**
Profit on Bangladesh Sarkar Islami Investment Bond	53,245	559,109
Profit on TDR's	3,813,175	4,751,313
Interest on FDR's	5,719,763	7,126,970
Interest on BGTB's	279,384	218,795
Total	**9,865,567**	**12,656,187**

14.00 Amount due from other persons or Bodies Carrying on Insurance Business:

	Amount In Taka	
	2016	**2015**
Sadharan Bima Corporation	58,330,763	49,732,175
Others Insurance Companies	2,138,068	11,638,068
Total	**60,468,831**	**61,370,243**

LankaBangla Finance PLC

15.00 Sundry Debtors:

	Amount In Taka	
	2016	**2015**
Advance against Salary	83,236	138,736
Advance against Office Rent	4,319,659	4,774,157
Advance payment of Income tax (Tax Deducted from TDR, FDR, STD, SND, Share Dividend, Motor Vehicles registration etc.)	14,479,527	11,620,332
Balance of Share BO A/c's	73,766	134,012
Advance to Suppliers	2,022,500	3,438,180
Advance to Z cub (Interior Decorator)	10,750,000	-
Total	**31,728,688**	**20,105,417**

16.00 Cash & Bank Balances:

	Amount In Taka	
	2016	**2015**
Fixed Deposit with Banks	309,900,000	277,650,000
STD, SND, CD, PO, DD & Cheques in hand	96,421,427	86,864,109
Cash in hand	27,170,018	14,216,854
Total	**433,491,445**	**378,730,963**

16.01 Fixed Deposit Receipts (FDRs)

Statement of Bank wise Fixed Deposit Receipts(FDRs) for the year ended 31 December 2016.

Sl. No.	Name of Bank	2016	2015
1	Agrani Bank Ltd.	1,600,000	1,600,000
2	Al-Arafa Islami Bank Ltd.	32,950,000	33,350,000
3	A B Bank Ltd.	15,000,000	13,800,000
4	Bangladesh Commerce Bank Ltd.	1,700,000	1,200,000
5	Bangladesh Krishi Bank	500,000	500,000
6	BD Shilpa Bank Ltd	3,000,000	2,500,000
7	Bank Asia Ltd.	12,800,000	11,600,000
8	BASIC Bank Ltd.	3,700,000	3,200,000
9	Dhaka Bank Ltd.	11,350,000	9,300,000
10	Dutch Bangla Bank Ltd.	1,200,000	1,200,000
11	Eastern Bank Ltd	1,000,000	1,000,000
12	Exim Bank Ltd.	14,300,000	10,700,000
13	First Security Islami Bank Ltd.	800,000	800,000
14	IFIC Bank Ltd.	19,250,000	18,700,000
15	Islami Bank Bangladesh Ltd.	59,300,000	52,500,000
16	Islamic Finance & Investment Ltd	200,000	400,000
17	Jamuna Bank Ltd.	3,000,000	3,400,000
18	Janata Bank Ltd.	1,600,000	1,600,000
19	Mercantile Bank Ltd.	5,400,000	5,100,000
20	Mutual Trust Bank Ltd.	4,400,000	2,700,000
21	National Bank Ltd.	5,150,000	5,150,000
22	First Leas Finance & Investment Ltd	1,500,000	1,500,000
23	National Credit & Commerce Bank Ltd.	12,500,000	11,600,000
24	One Bank Ltd.	7,700,000	6,700,000
25	Premier Bank Ltd.	10,050,000	9,150,000
26	Prime Bank Ltd.	8,500,000	7,800,000
27	Pubali Bank Ltd.	1,200,000	1,200,000
28	Rajshahi Krishi Unnayan Bank Ltd.	1,700,000	1,300,000

Lankabd.com

29	Shahjalal Islami Bank Ltd.	15,850,000	15,900,000
30	Social Islami Bank Ltd.	16,250,000	14,550,000
31	Sonali Bank Ltd.	2,500,000	2,500,000
32	Southeast Bank Ltd.	8,550,000	7,950,000
33	Standard Bank Ltd.	300,000	800,000
34	State Bank Of India	1,000,000	1,000,000
35	The Farmers Bank Ltd.	2,700,000	3,300,000
36	Uttara Bank Ltd	1,400,000	1,600,000
37	United Commerce Bank Ltd.	4,400,000	3,800,000
38	NRB Commercial Bank Ltd.	6,100,000	1,500,000
39	NRB Global Bank Ltd.	700,000	700,000
40	Midland Bank Ltd	1,000,000	1,500,000
41	SBAC Bank Ltd.	6,900,000	3,000,000
42	The Trust Bank Ltd.	300,000	-
43	Meghna Bank Ltd.	500,000	-
44	ICB Islamic Bank Ltd	100,000	-
	Total	**309,900,000**	**277,650,000**

17.00 Fixed Assets:

At cost less depreciation (Schedule-A/I)

Particulars	Amount In Taka	
	2016	**2015**
Opening Cost	79,870,174	75,316,763
Add: Addition during the year	13,245,968	5,855,411
Less: Disposal during the year	2,403,600	1,302,000
A. Total	**90,712,542**	**79,870,174**
Opening Depreciation	50,898,437	47,760,999
Add: Depreciation Charge during the year	4,998,419	4,355,130
Less: Adjustment during the year-2016	2,232,132	1,217,692
B. Total	**53,664,724**	**50,898,437**
Closing Balance (A-B)	**37,047,818**	**28,971,737**

18.00 Land Purchase in process:

RAJUK has allotted 2 (two) bigahs land at Rajuk Extension Uttara 3rd phase. In the name of Islami Insurance Bangladesh Ltd. We have already paid at Tk. 900,000 (nine lac) only for this purpose. But during the year RAJUK has cancelled our allotment (Referance The daily samakal; dated 15/07/2011). Rajuk also has advised us again to apply for the above plot. In this circumstances, we have again applied with a deposit money of Tk 2,500,000 (Twenty five lac) for this purpose on 26.10.2011. Payment made as follows:-

Date	Mode of payment	Amount in Tk.
15.03.2005	P.O. No.-346189	300,000
31.10.2008	P.O. No.-5890868	600,000
26.10.2011	P.O. No.-0810826	2,500,000
Total		**3,400,000**

19.00 OFFICE SPACE PURCHASE IN PROCESS:

	Amount In Taka	
	2016	**2015**
Head office in Rupayan Taj (2nd Floor)	76,862,000	76,862,000
Office Space in DR.'S Tower	199,944,000	190,000,000
	276,806,000	**266,862,000**

19.01 Space at Rupayan Taj (2nd Floor)

Islami Insurance Bangladesh Ltd. purchased a space (2nd floor) of 5780 SFT at Rupayan Taj on plot no-1, 1/1, Nayapaltan, Dhaka-1000 in exchange of Tk. 7,68,62000/- (seven crore sixty eight lac sixty two thousand) only from Rupayan Housing Estate Ltd. Rupayan has handed over space but space has not yet been registered.

19.02 Office Space in DR.'S Tower

Islami Insurance Bangladesh Ltd. purchased an another office space (11th floor) at DR Tower (Space measuring 13,996 SFT) on plot no -65/02/2 Box Culvert Road, Purana Paltan, Dhaka-1000, in exchange of Tk. 199,944,000 (Nineteen crore ninety nine lac forty four thousand) only from M/s. Abed Holding Ltd. M/s Abed Holding Ltd has also handed over space on 01.09.2016 but space has not yet been registered. Now it is using as Head office.

20.00 Profit, Interest, Dividend and Rent:

	Amount In Taka	
	2016	**2015**
Profit on TDR	12,016,536	10,712,259
Profit on SND	384,724	598,524
Interest on FDR	5,555,979	12,039,371
Interest on STD	503,368	493,822
Loss/Profit on Bangladesh Gov. Islami Investment Bond	(461,864)	378,516
Interest on Bangladesh Gov. Treasury Bond	740,903	723,017
Total	**18,739,646**	**24,945,509**

21.00 Others Income:

	Amount In Taka	
	2016	**2015**
Profit on sale of Motor Vehicles (old)	1,052,332	563,692
Loss on sale of Share	(669,604)	1,115,926
Dividend Income	104,384	860,550
Total	**487,112**	**2,540,168**

22.00 Schedule of Allocated Management Expenses:

Class of Business	Gross Premium	Allocation of Mgt. Expenses	Insurance Stamp Expenses	Total Expenses
Fire	149,244,264	53,708,363	422,500	54,130,863
Marine	170,904,175	61,503,091	-	61,503,091
Motor	36,039,414	12,969,463	282,045	13,251,508
Misc.	31,523,132	11,344,194	17,868	11,362,062
Total	**387,710,985**	**139,525,111**	**722,413**	**140,247,524**

LankaBangla Stock

23.0 Payment to Directors, Managing Director and Officer's:

The aggregate amount paid / provided during the year in respect of Directors, Managing Director and officer's up to manager level having taxable income is given:

Particulars	Board Meeting fee Taka	Managing Director Taka	Officers Taka
Directors Fee	2,246,333	-	-
Managing Director Emolument	-	1,800,000	-
Salary-Officers	-	-	23,930,031
Company's contribution to providen	-	180,000	1,533,803
Bonus	-	450,000	5,521,938
House Rent	-	900,000	12,211,220
Medical Allowances	-	60,000	743,188
Other Allowances	-	60,000	2,752,473
Total	**2,246,333**	**3,450,000**	**46,692,653**

24.00 INTRINSIC VALUE OR NET ASSETS VALUE (NAV)

The offering price of the common stock of IIBL has been determined on the basis of net assets value. The break up is given below:

Particulars	Amount In Taka	
	2016	2015
Assets :		
Investment at cost: BGIIBS & BGTBS	16,800,000	15,000,000
Investment in Shares	3,474,953	4,083,310
Profit/ Interest, Dividend Rent outstanding	9,865,567	12,656,187
Amount due from other person or bodies carrying on Insurance Business	60,468,831	61,370,243
Sundry Debtors (Including Advances, Deposits & Prepayments)	31,728,688	20,105,417
Cash & Bank Balances	433,491,445	378,730,963
Others accounts (Fixed Assets, land & Office Space Purchase, Security Deposit & Stock Stationery & Stamps)	319,244,407	301,168,514
Total	**875,073,891**	**793,114,634**
Liabilities:		
Balance of Funds & Accounts	111,826,742	125,105,720
Premium Deposit	5,309,518	6,835,809
Estimated Liabilities in respect of outstanding claims whether due or intimated	153,398,436	136,665,643
Amount due to other persons or bodies carrying on Insurance Business	106,080,827	78,197,018
Provision for income taxes	35,552,101	29,321,838
Quard -e-Hasana From Banks	16,000,000	16,680,000
Sundry Creditors (Including provision for expenses and taxes.)	26,876,553	24,879,845
Total	**455,044,177**	**417,685,873**
Net Assets (A-B)	**420,029,714**	**375,428,761**
No. of Shares	**30,857,904**	**28,052,640**
Net Asset value per share (NAV)	**13.61**	**13.38**

Ankar.com

25.00 Transactions with Related Parties (BAS-24)

Islami Insurance Bangladesh Ltd in normal course of business carried out of number of transactions with other entities that fall within the definition of related party contained in Bangladesh Accounting Standard 24 Related Party Disclosures. All transactions involving related parties arising in normal course of business are conducted on an arm's length basis at commercial rates on the same terms and conditions as applicable to the third parties. Details of transactions with related parties and balance with them as at December 31, 2016 were as follows:

Name of the related party	Relationship	Nature of Transaction	Premium earned in 2016 (Taka)	Premium outstanding up to 31.12.16	Amount Realized Subsequently	Claim Paid in 2016
M/s. New Nation Trading.	Director	Insurance	7,511	Nil	Nil	Nil
	Director	Insurance	837	Nil	Nil	Nil
	Director	Insurance	1,305	Nil	Nil	Nil
M/s. Ideal Products	Director	Insurance	128,700	Nil	Nil	Nil
	Director	Insurance	461,025	Nil	Nil	Nil
Total			**599,378**	**Nil**	**Nil**	**Nil**

26.00 Capital Expenditure Commitment

There was no commitment for capital expenditure otherwise than the capital expenditure commitment for purchasing 13,996 SFT office space at DR Tower for Tk. 199,944,000 of which full Tk. 199,944,000 (nineteen crore ninety nine lac forty four thousand) only has been paid up to 31.12.2016.

27.00 Claims not acknowledged as debt

There was no claim against the company not acknowledged as debt as on 31st December, 2016

28.00 Credit Facility not availed

There was no credit facility available to Company under any contract and also not availed as of 31st December, 2016 other than trade credit available in the ordinary course of business.

29.00 Subsequent Event: (BAS-10)

i) The board of directors in its meeting no 184 held on-30-04-2016 recommended 10% stock dividend for the shareholders for the year ended 31st December, 2016 which will be considered for approval by the shareholder at the 17th Annual General Meeting

ii) There is no other significant event that has occurred between the Balance Sheet date and the date when the Financial Statements were authorized for issuing by the Board of Directors.

30.00 Other Relevant Information:

i) During the year under review no compensation except Managing Director's remuneration was allowed to the chief executive officer of the company.

ii) The company has paid Tk. 2,246,333 to the directors as Board Meeting attendance fee during the year 2016 as per rules.

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

Mahfel Huq Co.
Chartered Accountants

Form- "AA"
Classified Summary of Assets of
Islami Insurance Bangladesh Limited
31st December, 2016

Class of Assets	Book Value (Taka)	Market Value (Taka)	Remarks
Investment in statutory deposit with Bangladesh Bank	16,800,000	16,800,000	Not quoted in Market
Investment in Shares	3,474,953	3,966,523	Market Value
Interest Accrued but not due	9,865,567	9,865,567	Realizable Value
Amount due from other persons or bodies carrying on insurance business	60,468,831	60,468,831	Realizable Value
Sundry Debtors	31,728,688	31,728,688	Realizable Value
Fixed Deposit with banks	309,900,000	309,900,000	Realizable Value
STD & CD Account with banks	96,421,427	96,421,427	Realizable Value
Cash in hand	27,170,018	27,170,018	Realizable Value
Stamps in hand	625,163	625,163	At cost
Fixed Assets at cost less Accumulated depreciation	37,047,818	37,047,818	At cost less depreciation
Land Purchase in process	3,400,000	3,400,000	At cost
Office Space Purchase in process	276,806,000	276,806,000	At cost
Security Deposit	485,000	485,000	At cost
Stock of Printing Materials	880,426	880,426	At cost
Total Tk.	**875,073,891**	**875,565,461**	

Chief Executive officer & Managing Director | **Director** | **Director** | **Chairman**

Dated: April 30, 2017
Place: Dhaka

Mahfel Huq & Co.
Chartered Accountants

LankaBDStock.com

Mahfel Huq Co.
Chartered Accountants

DIRECTORS' CERTIFICATE

As per Regulations contained in the first Schedule of the Insurance Act 2010 (previously 1938) as per Section 40-C of the said Act, we certify that:

The values of investment in shares & debentures have been taken at cost or market price whichever is lower.

The values of all assets as shown in the Financial Statement and as classified on Form "AA" annexed have been duly reviewed as at December 31, 2016 and in our belief, the said assets have been set forth in the Financial Statement at amounts not exceeding their realizable or market values under the several headings as enumerated in the annexed form.

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.

Chief Executive Officer & Managing Director | **Director** | **Director** | **Chairman**

LankaStock.com