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2016
Annual Report

Inspiring Growth, Sustaining Leadership

deliver solutions par excellence
by setting high industry standards

PHOENIX
INSURANCE
RISING FROM ASHES

AMARSTOCK

Strategic Objectives

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

AMAR STOCK

Corporate Directory

AMAR STOCK

Chief Executive Officer
Message



– Md. Jamirul Islam, Chief Executive Officer

Dear Shareholders,

Assalamualikum.

I would like to take this opportunity to convey my heartfelt thanks for the unstinted support of our customers, business partners and above all employees for their collaboration and confidence in our organization. The year ahead unfolds new challenges and avenues to explore which we are looking forward to embrace as the trusted partner of choice. It has been a financially challenging year for achieving the business as well as minimizes the business procurement cost of the company. Business management cost is increasing due to various reasons which have affected the earning of the company.

We have come a long way in the last 31 years and grown in scale, overcome challenges, brought in unique offerings, have been accredited for innovations that paved the way for reforms in the company and have won numerous accolades. However, few things remain constant –our obsession with delivering superior customer value, ensuring growth with profitability for a sustainable future and being the best employer in the company.

2016 was a year where we scaled our operations, our strategic investments bore fruit and digitalization offered us newer opportunities and frequent touch points that enabled us to tailor our offerings for our customers and reach out to untapped markets. We also diversified our portfolio with a great emphasis on investment income and insurance business income. Most importantly we once again emerged as one of the most financially robust insurers in the industry with a profit ratio of 20% despite paying gross claims worth Tk. 8,16,09,809/- due to the loss of the insurer. Some of our key performance indicators for the year under review are:

1. The Gross Written Premium is Tk. 65,21,77,275/-.

2. The company continues to be one of the most profitable insurers in the industry with a Profit after Tax of Tk.9,84,88,900/-.

3. The Management expenses ratio is 38.72% for our prudent underwriting model and risk based pricing.

4. The company maintained its credit rating is AA- awarded by CRISL for the year-2016, which signifies the good claims paying ability.

5. During the year, our company was awarded by ICMA and BANK BIMA AURTHANITY for the excellent presentation of the annual report of 2015.

Technology and digitalization continue to be instrumental in changing the way of the industry functions with all the players in the ecosystem working towards digitization not only the processes or distribution networks, but also aspects like product and service offerings. What remains a major challenge is the price war that continues to have an adverse impact on the industry's profitability and combined ratio.

Our commitment to our customers and employees remains and we shall ensure that we keep on pushing our boundaries to take it to the next level. We also believe that feedback is important to improve our service and we will be happy to listen to you and you can suggest areas of improvement. My mission is to reach the goal of the company as early as possible and I am trying to maintain the close engagement with all to enrich our potential. We all try our best to keep up our sustainable growth in the days to come.

I would like to express my sincere thanks and profound gratitude to stakeholders, our valued shareholders, clients, all regulatory bodies including the Insurance Development & Regulatory Authority (IDRA), Local & abroad Reinsurers, Bangladesh Insurance Association, Bangladesh Insurance Academy, Bankers and the team of Phoenix family and the Chairman along with his honorable board of Directors who have contributed immensely in achieving the goal of the Company.

Thank you all.



MD. JAMIRUL ISLAM
Chief Executive Officer

Management
Profile



Md. Jamirul Islam
Managing Director &
Chief Executive Officer (CEO)

Md. Jamirul Islam started his career with Phoenix Insurance Co. Ltd. as a Probationary Officer in early 1987 after obtaining Masters Degree. During his career of 27 years, he has been awarded several times for business development of the company. He was the Manager of English Road Branch, Dhaka for 14 years. Mr. Islam was given the charge of company's Local Office as General Manager in 2004 and was promoted to the rank of Additional Managing Director for outstanding business performance of the Local Office. Md. Jamirul Islam assumed the Office of the Managing Director & CEO with effect from May 02, 2011 by approval of the Insurance Development & Regulatory Authority (IDRA). Mr. Jamirul has visited Singapore, Malaysia, India, Bahrain, Qatar, Thailand, Dubai, Nepal and Bhutan for professional & personal purpose.

.



Monoranjan Kundu
Deputy Managing Director &
Chief Financial Officer (CFO)

Monoranjan Kundu started his career in insurance sectors in 1985 with National Life Insurance Co. Ltd. and joined Phoenix Insurance Co. Ltd. in the year of 1990 as a head of Internal Audit Department. In the year 1993, he was trusted the additional charge of head of share Department. Mr. Kundu is holding the charge of head of the Finance and Accounts Department since 2000 and is promoted to the rank of the Sr. General Manager in 2009 there after he has been promoted to the rank of Dy. Managing Director & CFO. He earned 31 years restless experience in the company's Finance and Accounts, Audit, Share dealing, Vat, Tax matter and Investment portfolio.



Md. Rafiqur Rahman
Senior General Manager
& Company Secretary

Md. Rafiqur Rahman is a post Graduate from Dhaka University in Accounting and completed C.A.(Inter) and LL.B. He has started his career with YOUNGONE Group, Saver, Bangladesh in 1995. Mr. Rafiqur Rahman joined in the Phoenix Insurance Company Ltd. in 2007 as Company Secretary to the rank of DGM and at present he is holding the position of the Senior General Manager.Mr. Rahman looks after the Board & legal matter of the company. Prior to this assignment, he has served with Chemical Industries (listed company of DSE), YOUNGONE group, Express Insurance Ltd. and Energypac Engineering Ltd. in various important capacities. During his service period, he attended a good number of training courses in relation to Accounts & Finance, Board, Company Law and Securities & Exchange Rules etc. He also completed a training course on "Internation Financial Reporting Standards" from the Institute of Chartered Accountants in England and Wales (ICAEW).



Sunil Krishna Saha
General Manager, Head of
Re-insurance Department

Sunil Krishna Saha served in Sadharan Bima Corporation about 38 years in the different capacities and retired as Asstt. General Manager. During his service period in Sadharan Bima Corporation, he has participated extensive overseas Re-insurance program in U.K., Singapore and Srilanka. Mr. Saha obtained Master Degree in Accounting from Dhaka University and Insurance Diploma from BIA. In the year 2009, Mr. Saha joined in the Phoenix Insurance Co. Ltd. as General Manager and is looking after Company's Re-insurance affairs with Local and Overseas Re-Insurance Market.



Md. Shafikur Rahman
Head of Branch Control
& Underwriting Department

Md. Shafikur Rahman after completion of his Master Degree in Geography & Environment from Dhaka University started his career with Prime Insurance Co. Ltd. as Assistant Manager in 2000. He also completed MBA in Finance from Darul Ihsan University in 2004. Mr. Shafikur Rahman joined the Phoenix Insurance Company Ltd. in 2006 as Manager. Mr. Rahman is holding the charge of head of the Branch Control and Underwriting Department since 2007 and is promoted to the rank of the Senior Manager in 2009 there after he has been promoted to the rank of Asstt. General Manager in 2012 and Deputy General Manager in 2013. He is now holding the position of the General Manager. He has also participated in various professional training, seminar and workshop in the Bangladesh Insurance Academy, Bangladesh Insurance Association and various traning Institutions. Mr. Rahman has been awarded several years for his tremendous business performance of the company. He is associated with a good number of socio cultural organizations.



Major Shafiqur Rahman Khan (Retd.)
General Manager, Common Service

Major Md. Shafiqur Rahman Khan (Retd.), an ex military officer, an MBA joined this organization on 2nd August, 2015 after completing his contractual service in Sena Kalyan Sangstha (SKS). Besides SKS, he also served in many reputed organization at higher level. He is an experienced veteran who holds a wide range of experiences especially in the field of Human Resource Development, Administration, Logistics and Supply Chain Management. During his service in SKS, Major Md. Shafiqur Rahman Khan (Retd.), a pro active, versatile and talented officer was entrusted with the responsibilities to acquire licenses for two insurance companies (Non Life & Life) and thus performed entire task and achieved profound knowledge on insurance company and its functions and operational activities. He also served in different capacities in USA and obtained a diploma degree in Software Applications and CNA/ Programming from USA. He attended a good number trainings and courses home and abroad and visited many countries of the world.

Management
Profile



S. M. Jashim Uddin Ahammed, General Manager
Head of Admn & HR department

S.M. Jashim Uddin Ahammed after completion of his Hon's & Master degree in Islamic History & Culture stood 6th& 1st position respectively in order of merit from Rajshahi University, started his career with Grameen Bank (A Nobel prize winner organization) as a Probationary Officer (Admn) at Head Office in 1985. He held Grameen Bank more than 13 years in different important positions with Asstt. Project Director of Southern Agricultural Project (sister concern of Grameen Bank). He also completed LLB & Post Graduate Diploma degree in Personnel Management (PGDPM), Certificate course on Management, Marketing Sales Management course from Bangladesh Institute of Management (BIM). In 2002 he joined Global Insurance Limited as Company Secretary & Head of Admn & HR, Common Services & PR department. During his 13 years service in Global Insurance Ltd. he contributed excellent support for the development of the Co. Prior of this he worked with Hamko Group as Head of Admn & Secretary MD & CEO Secretariate & performed various important responsibility. Recently the joined Phoenix Insurance Co. Ltd. as General Manager & Head of Admn & HR department. He awarded certificate for wining 1st United Nations General Knowledge competition, Co-ordinate International Dialogue program in Grameen Bank where 23 countries delegates are participated, Organized & successfully completed Four Global Insurance Golf Cup Tournament at Army Golf Club, Two Global Insurance Table Tennis Tournament under Bangladesh Table Tennis Federation. Arranged two seminar on (i) "The Role of Insurance, Fire service & Public awareness, for Preventing Fire Loss". (ii) Road safety awareness: Role of Insurance & Traffic Department. He has edited many magazines, souvenir, periodicals. He participated in various professional training & courses namely Bangladesh Insurance Academy, DSE, BSEC, ICSB, British council, Grameen Trust, Yoga Foundation, Tasauf Foundation, British American Language Institute Dhaka etc. He earned 30 years restless experience in HR, Admn & Secretarial dealing.



Md. Mizanur Rahman Mamun
General Manager
Finance & Accounts

Department Md. Mizanur Rahman Mamun, after completion of his Master degree in Accounting from National University and completed C.A (Inter) from Huda Hossain & Co. Chartered Accountants under ICAB, started his career with Meghna Insurance Co. Ltd as Assistant Manager Finance & Accounts Department in 1996.He held Meghna Insurance Co Ltd for almost 04 years and promoted to the rank of Deputy Manager. In March, 2001 he joined at Express Insurance Ltd as Senior Manager Finance & Accounts department. Meanwhile Mr. Mamun successfully completed MBA (Master of Business administration) degree in Major Finance from Daffodil International University in the year of 2005-2006. From July, 2006 he has been promoted to the rank of AGM & CFO with involvement of company's Management team. During his 17 years service in Express Insurance Ltd he contributed tremendous support for the rigorous development of the Company. In January, 2014 Mr. Mamun promoted to the rank of General Manager & CFO & he has taken total 05 nos. promotion during his tenure at Express Insurance Ltd. Recently he joined Phoenix Insurance Co Ltd as General Manager Finance & Accounts Department. He awarded certificates for completion courses on Leadership certificate in Managerial Communication (LCMC) & Human Resources Management Competencies (HRMC) from IBA Dhaka University. He has also trained on Anti Money Laundering & Combating Terrorist Finance under Bangladesh Bank & he was also CAMLCO (Chief Anti Money laundering Compliance Officer) of EIL. He earned 21 years restless career at the General Insurance Sector in Bangladesh at the Finance & Accounts Department. Mr. Mamun has visited Malaysia, Thailand & KSA for personal purpose.



Md. Mizanur Rahman
Deputy General Manager
Head of Claims Department

Md. Mizanur Rahman started his career with Phoenix Insurance Company Ltd. as Junior Officer in the Claims Department in early 1991. He obtained his Bachelor of Science and LL.B degree from Dhaka University. He completed the Insurance Diploma (ABIA) from Bangladesh Insurance Academy in 1998 having secured first position and obtained Tyser Award from Tyser & Company, London. Mr. Rahman also completed training course on Property Reinsurance Claims from Singapore College of Insurance,Singapore. He was promoted to the rank of Manager in the year 2007 and took the charges of the Claims Department. He is currently holding the position of Deputy General Manager. He also participated insurance related various seminar and symposium.



Md. Mustafa Kamal
Deputy General Manager
Head of IT Department

Md. Mustafa Kamal started his career with Phoenix Insurance Company Ltd. in the Underwriting Department as Junior Officer in mid 1997 after obtaining his Masters degree in Fisheries from the Dhaka University. He also completed ORACLE8 with DEVELOPER 2000 in 2000 and ORACLE 9i DATABASE in 2005 from IBCS-PRIMAX Software (Bangladesh) Ltd. He is an OCP (Oracle certified professional) in DBA track. He has also got the training on RHCE, Sun Solaris 10 & CCNA from reputed organization. Mr. Kamal is currently holding the charge of the IT Department since 2010 as Manager and is promoted to the rank of the Senior Manager in 2010 there after he has been promoted to the rank of Asstt. General Manager at 2012. He has also participated in various professional training in the Bangladesh Insurance Academy, Bangladesh Insurance Association and various training Institutions. He is associated with a good number of socio cultural organizations.



Mr. HABIBULLAH
Manager
Head of Internal
Audit Department

Md. Habibullah after completion his Masters Degree from Rajshahi University and also completed C.A Course from M. Ahmed & Co., started his career with A. Kabir Limited (Sangbad Group) as Accounts Officer in 1989. Mr. Habibullah join Phoenix Insurance Co. Ltd. in 1992 with Internal Audit Department and hold the charge of the department in 1999. He is now holding the position of the rank of Manager. He has also participate in various professional training such as" Internal Audit & Control Environment" under the institute of Chartered Secretary's of Bangladesh (ICSB) and attend Seminar of "Management of Health Insurance" under Bangladesh Insurance Academy. Mr. Habibullah is 26 years experienced and look after branch position successfully.

Branch Management



1. **Syed Shahadat Hossain**
   Deputy Managing Director &
   In-charge, Local Office
2. **Md. Tauhidul Islam**
   Manager & In-charge
   Imamganj Branch
3. **Syed Habibur Rahman**
   Assistant General Manager &
   In-charge, Motijheel Branch
4. **Mohammad Ullah**
   Assistant General Manager &
   In-charge, English Road Branch
5. **Nahid Sultana**
   Deputy General Manager &
   In-charge, B. B. Avenue Branch
6. **Syed Abdul Awal**
   Deputy General Manager &
   In-charge, Mouchak Branch
7. **Md. Shafiqul Alam**
   General Manager &
   In-charge, Bangshal Branch
8. **Syed Shahed Alam**
   Assistant General Manager &
   In-charge, Kawran Bazar Branch
9. **Syed Akbar Ali**
   Deputy General Manager &
   In-charge, New Market Branch
10. **A.K.M. Sirajul Islam**
    Executive Officer &
    In-charge, Islampur Branch
11. **Md. Moktadur Rahman**
    Senior Principal Officer &
    In-charge, Gulshan Branch
12. **Dulal Chandra karmaker**
    Deputy Manager &
    In-charge, Mirpur Branch
13. **Md. Rafiqul Islam**
    Assistant General Manager
    & In-charge, Sadarghat Branch
14. **Md. Dalilur Rahman**
    Deputy Manager &
    In-charge, Chawk Bazar Branch
15. **Md. Abu Taher Majumder**
    Senior General Manager &
    In-charge, Narayanganj Branch
16. **A.G.M. Showkat Hossain**
    General Manager &
    In-charge, Agrabad Branch,
17. **Md. Omar Ferdouse**
    Deputy General Manager &
    In-charge, Khatunganj Branch
18. **Sheikh Mahbubur Rahman**
    Deputy Manager &
    In-charge, Khulna Branch
19. **Shaikh Abdullah Al Miran**
    Assistant Manager &
    In-charge, Jessore Branch
20. **Md. Anisur Rahman**
    Assistant General Manager
    & In-charge, Kushtia Branch
21. **Md. Tajul Islam**
    Assistant Manager &
    In-charge, Bogra Branch
22. **Md. Abul Kashem Azad**
    Assistant Manager &
    In-charge, Rangpur Branch
23. **S.M. Rasheduzzaman**
    Senior Manager &
    In-charge, Rajshahi Branch
24. **S.M. Nurul Islam**
    Deputy Manager &
    In-charge, Pabna Branch
25. **Md. Asaduzzaman Masud**
    Deputy Manager &
    In-charge, Dinajpur Branch
26. **Md. Obaidur Rahman**
    Deputy Manager &
    In-charge, Madaripur Branch
27. **Alok Shaym**
    Deputy Manager &
    In-charge, Sylhet Branch
28. **Md. Shah Alam**
    Manager & In-charge
    Comilla Branch
29. **Pankaj Paul**
    Senior Principal Officer &
    In-charge, Mymensingh Branch
30. **Golam Naser Chowdhury**
    Principal Officer &
    In-charge, Barisal Branch
31. **Md. Monzural Hoque Bhuiyan**
    Assistant General Manager &
    In-charge, Chaumuhani Branch

Financial Position

AMAR STOCK

Key Data 2016

Net Premium Revenue
376.00
(Taka in million)

Rating Insurer Financial Strength
AA-

Cash Dividend
60.52
(Taka in million)

Total Investment
597.68
(Taka in million)

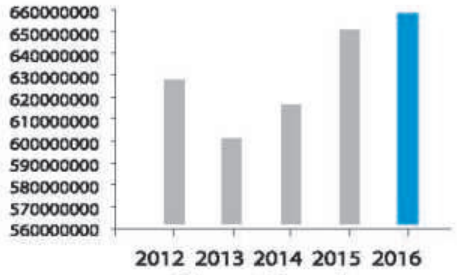
Underwriting Result
77.10
(Taka in million)

2016 Highlight

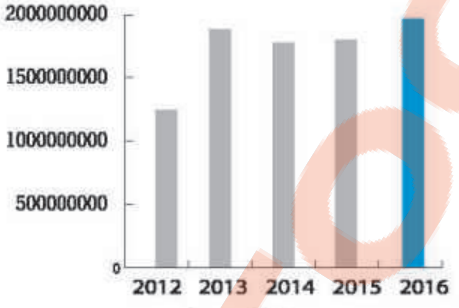
A year of Growth and stability



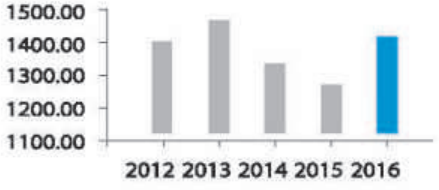
Financial
GRAPHS



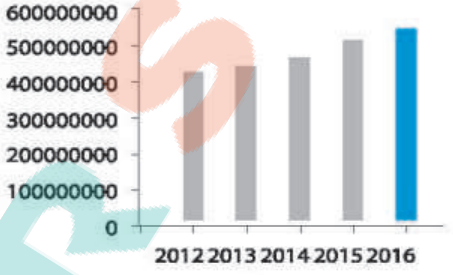
Gross Premium



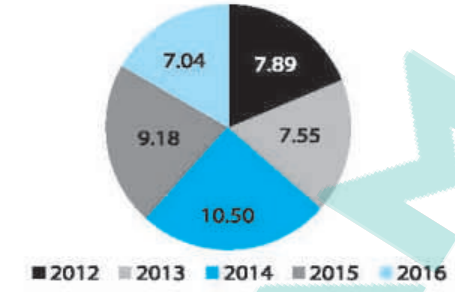
Total Assets



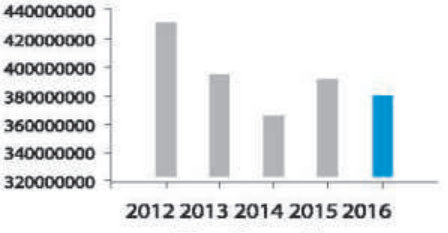
Shareholders Fund (in million)



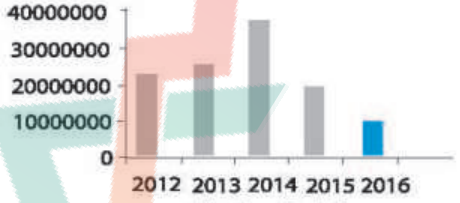
Total Reserve



Return on Shareholders Fund (%)



Net Premium



Claim Paid

Financial Highlight

Particulars		2012	2013	2014	2015	2016
Paid-up Capital		32,27,32,580	40,34,15,720	40,34,15,720	40,34,15,720	**403415,720**
Gross Premium		62,20,47,073	59,49,93,851	61,04,41,546	64,46,73,914	**65,21,77,275**
Net Premium		42,68,06,983	39,10,25,825	36,18,39,885	38,78,20,996	**37,60,02,749**
Net Claim		2,15,96,941	2,63,29,376	3,79,16,374	1,92,08,006	**1,14,73,082**
Investment & Other Income		6,38,19,838	4,43,78,926	12,41,21,947	7,85,38,196	**7,37,99,371**
Underwriting Profit		10,06,51,213	13,20,97,754	6,22,35,653	9,77,84,128	**7,70,99,209**
Net Profit before tax		14,59,52,317	15,50,77,977	16,77,62,758	15,16,55,702	**12,78,53,449**
Total Assets		125,05,07,021	188,44,50,802	177,64,65,067	179,99,03,946	**194,36,06,074**
Total Reserves		40,98,31,109	42,57,35,821	45,01,72,021	49,90,47,813	**52,97,41,011**
Cash & Bank Balances		132,95,66,190	42,91,15,850	44,42,37,780	47,20,64,140	**42,72,32,191**
Investment		17,25,77,992	72,23,75,901	55,76,03,256	47,55,73,458	**59,76,78,947**
Book value per Share (Tk.10/- each)		32.34	35.89	32.63	31,.27	**34.64**
Earning per Share (EPS) Tk.10/- each		3.38	2.71	3.42	2.84	**2.44**
Dividend (Cash & Stock)	Cash	-	20%	20%	18%	**15%**
	Stock	25%	-	-	-	-
Shareholders' Equity (Tk.10/- each)		26.20	35.89	32.63	31.27	**34.64**
Number of Employees		284	298	302	304	**307**

Value Added STATEMENT

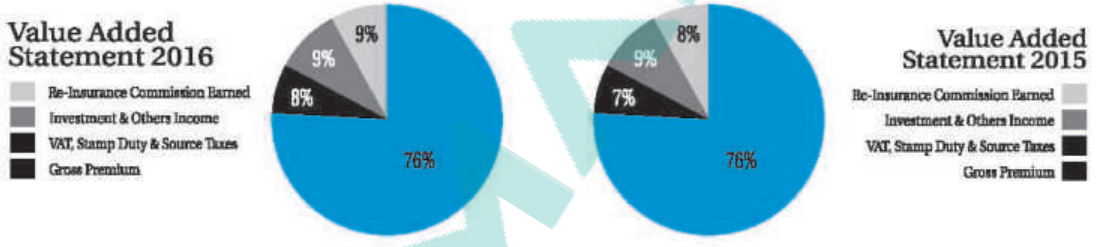
The Value added statement provides a detailed account of total value addition and the distribution of the value created by the organization. Phoenix Insurance contributes to socio-economic developments by empowering employees through the payment of salaries and allowances and consistent dividend to the providers of capital by assisting the regulatory capacities through paying taxes and of course keeping in mind Company's continuous expansion and growth.

VALUE ADDED STATEMENT

For the year ended 31, December

(Figure in Million (BDT)

Sl. No.	Value Added	2016		2015		Increased / (Decreased) in 2016	%
		Amount	%	Amount	%		
1	Gross premium	652.17	75.81	644.67	76.49	7.50	1.16
2	VAT, stamp duty & Source Taxes	61.41	7.14	55.26	6.56	6.15	11.13
3	Investment & Others Income	73.80	8.58	78.54	9.32	(4.74)	(6.04)
4	Re- Insurance Commission Earned	72.84	8.47	64.32	7.63	8.52	13.25
	Total Value Added during the year	**860.22**	**100.00**	**842.79**	**100.00**	**17.43**	**2.07**



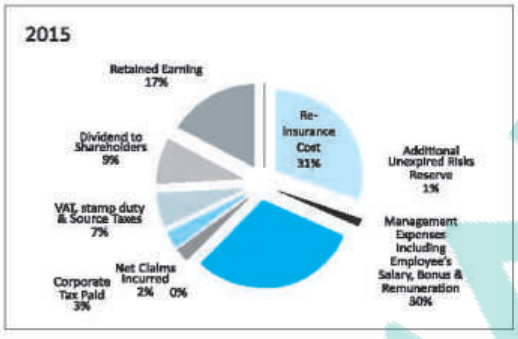
APPLICATION OF THE FUND

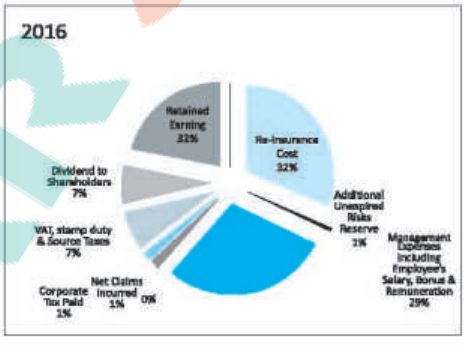
Particulars

(Figure in Million (BDT)

Sl. No.	Value Added Contribution to / Application of the Value Added	2016		2015		Increased / (Decreased) in 2016	%
		Amount	%	Amount	%		
A.	**Employees & Others**						
	Re- Insurance Cost	276.17	32.10	256.85	30.48	19.32	7.52
	Additional Unexpired Risks Reserve	(5.30)	(0.62)	10.87	1.29	(16.17)	(148.76)
	Management Expenses Including Employee's Salary, Bonus & Remuneration	252.52	29.36	256.40	30.42	(3.88)	(1.51)
	Net Claims Incurred	11.47	1.33	19.21	2.28	(7.74)	(40.29)
	Sub –Total	**534.86**	**62.18**	**543.33**	**64.47**	**(8.47)**	

B.	**Government**					
	Corporate Tax Paid	13.83	1.61	26.10	3.10	(12.27)	(47.01)
	VAT, stamp duty & Source Taxes	61.41	7.14	55.26	6.56	6.15	11.13
	Sub –Total	**75.24**	**8.75**	**81.36**	**9.65**	**(6.12)**	
C.	**Provider of Capital**					
	Dividend to Shareholders	60.51	7.03	72.61	8.62	(12.10)	(16.66)
	Retained Earning (including Reserve & Surplus)	189.61	22.04	145.49	17.26	44.12	30.33
	Sub –Total	**250.12**	**29.08**	**218.10**	**25.88**	**32.02**	
D.	**Total Distribution & Growth (A+B+C)**	**860.22**	**100.00**	**842.79**	**100.00**		**2.07**





Market Value
Added STATEMENT

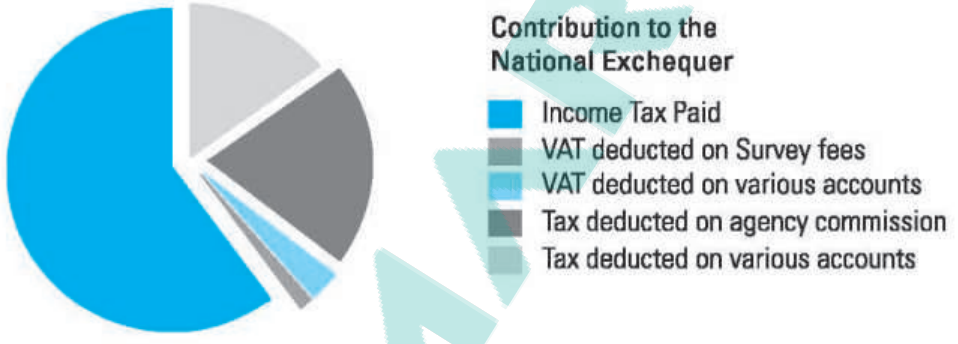
Market Value Added (MVA) is a measurement of external performance that indicates how the market has evaluated the company's performance in terms of market value of shares compared to book value of shares. MVA is the difference between the market value of the equity of a company and the book value of the equity invested in the company. A positive MVA indicates that the company could add the value to the shareholders wealth but at present market value of our company shares is very lowest comparing last couple of years due to share market not performed properly. The following statement indicates the MVA at the year ended on 31st December 2015 and 2016.

	2015	2016
Market value of shares outstanding	93,18,90,313/-	112,14,95,702/-
Book value of Shares outstanding	40,34,15,720/-	40,34,15,720/-
Market value added	**52,84,74,593/-**	**71,80,79,982/-**

Contribution
To The National Exchequer

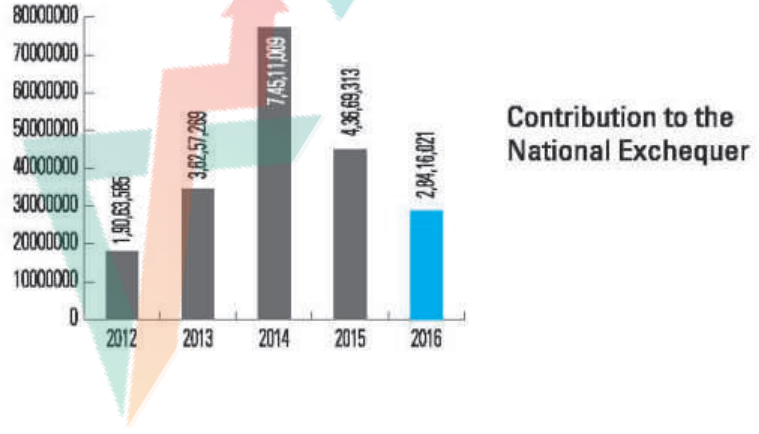
Phoenix Insurance Company Limited is well aware about the responsibilities of the national economic development and in this connection; the management feels happy to contribute to the National Exchequer regularly. The Company pays tax and vat on its own income and also deducts income tax and vat at sources from employees, clients & suppliers and the same amount is deposited to the National Exchequer in time. For the year 2016, the company deposited Tk.2,84,16,021/- as tax, vat and income tax deducted at source from employees, clients and suppliers whereas it was Tk. 4,36,69,313/- only in 2015.

For the Year-2016	Amount in Tk
Tax deducted on various accounts	72,69,110.00
Tax deducted on agency commission	55,44,291.00
VAT deducted on various accounts	12,75,426.00
VAT deducted on Survey fees	4,95,210.00
Income Tax Paid	1,38,31,984.00
Total amount in Taka	**2,84,16,021.00**



The year wise Contribution to the National Exchequer — Amount in Taka

2012	2013	2014	2015	2016
1,90,63,585	3,62,57,269	7,45,11,009	4,36,69,313	2,84,16,021



Stakeholders Information's

AMAR STOCK

Shareholder's Information

Share Registrar Office	:	Phoenix Bhaban (4th Floor), 12 Dilkusha C/A, Dhaka-1000.
Registrar/Head Office	:	Purbani Annex Building, 1/A Dilkusha C/A (1st Floor), Dhaka-1000, Bangladesh. Tel: 880-02-9563609, Fax: 880-02-9563576. mail@Phoenixinsurance.com.bd , Web site: www.phoenixinsurance.com.bd.
Listing on Stock Exchanges	:	Phoenix Insurance Company Limited is listed on Dhaka Stock Exchanges
Listing Fees	:	The annual listing fee for the year 2016 has been paid to the stock exchange within the prescribed time limit.
Stock Code	:	The stock code for trading in equity shares of DSE at PHENIXINS and Company Code- 25707.
Statutory Compliance	:	During the year the Company has complied with all applicable provisions, filed all returns/forms and furnished all relevant information as required under the Companies Act, 1994 and allied laws and rules, the Bangladesh Securities and Exchange Commission Rules and Regulations and the Listing Regulations.
Record Date	:	The register of Member and share transfer books of the Company shall remain closed on Tuesday, the 23rd May 2017.
31st Annual General Meeting	:	Date : 21st June 2017 Time : 12:30 PM Venue : "Muktijodha Hall", Bangladesh Diplama Engineers Institution, Kakrial, Dhaka
Website of the Company	:	A website of your Company has been developed which allows the users to get the Company related information about its financial, history, types of insurance available with the Company. Half yearly and quarterly financial statements of the Company is available athttp://www.phoenixinsurance.com.bd
Dividend Mandate Option	:	As per Notification No.SEC/CMRRCD/2009-193/ Admin / 03-31 dated June 1, 2009, we give the shareholders opportunity to authorize the Company to directly credit into their bank account of the Cash dividend instead of issuing a dividend warrant. In this connection, please provide the beneficial owner's BO) account of the Shareholder.
Investors' grievances	:	As on date none of the investor or shareholder has filled any letter of complaint against any service provided by the Company to its shareholders.

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Legal proceedings	:	No case has ever been filed by shareholders' against the Company for non-receipt of share/refund.
General meetings and voting rights	:	Pursuant to section 81 of the Companies Act, 1994, PICL holds general meeting of shareholders at least once a year. Every shareholder has a right to attend the general meeting; the notice of such meeting is sent to all the shareholders at least fourteen days before the meeting and also advertised in English and Bangla newspaper having circulation in Bangladesh. All shares issued by the Company carry equal voting rights. Generally, such a right is endowed to them by section 85(1). On a pool votes may be given either personally or by proxy.
Proxies	:	Pursuant to Section 85 of the Companies Act, 1994 and according to the MOA and AOA of the Company, every shareholder who is entitled to attend and vote at a general meeting, can appoint another person as his/her proxy to attend and vote instead of himself/herself. Every notice calling a general meeting contains a statement that shareholder entitled to attend and vote is entitled to appoint a proxy who needs not to be a member. The instrument appointing proxy, duly signed by the shareholder appointing that proxy should be deposited with the Company not less than 48 (forty-eight) hours before the meeting.

Shareholding
Structure

	2016	2015
Authorized Capital :	Taka	Taka
100000000 ordinary shares of Tk.10 each	100,00,00,000	100,00,00,000
Issued, Subscribed and Paid up :		
40341572 ordinary shares of Tk.10 each	40,34,15,720	40,34,15,720

A distribution schedule of each class of equity / security setting out the number of holders and percentage in the following categories as on 31st December 2016.

Sponsor/Director

Shareholding range	No.of shareholders	No.of shares	% of total holding	% of paid up capital
100001-200000 shares	3	457802	2.31	1.13
200001-300000 shares	1	256703	1.29	0.63
300001-400000 shares	4	1337371	6.74	3.32
400001-500000 shares	2	898355	4.53	2.23
500001-1000000 shares	9	7698677	38.80	19.09
Over 1000000 shares	6	9191816	46.33	22.78
Total	**25**	**19840724**	**100.00**	**49.18**

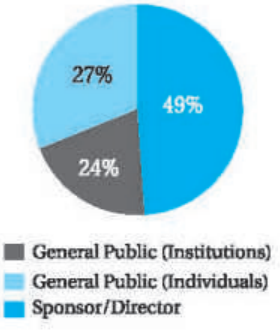
General Public

Less than 500 shares	2257	334518	1.94	0.98
500-5000 shares	1498	2520139	13.85	7.04
5001-10000 shares	164	1176658	6.77	3.44
10001-20000 shares	93	1312874	7.55	3.84
20001-30000 shares	31	769674	4.65	2.36
30001-40000 shares	21	723444	5.53	2.81
40001-50000 shares	13	577411	3.89	1.98
50001-100000 shares	27	1823777	8.95	4.55
100001-1000000 shares	33	8969496	39.36	20.00
Over 1000000 shares	2	2292037	7.51	3.82
Total	**4139**	**20500028**	**100.00**	**50.82**

Composition of shareholdings as on 31st December 2016 was under:

Shareholding range	No.of shareholders	No.of shares	face value	% of paid up capital
Sponsor/Director	25	19840724	19,84,07,240	49
General Public (Institutions)	84	9548484	9,54,84,840	24
General Public (Individuals)	4055	10952364	109,523,640	27
Total	**4164**	**40341572**	40,34,15,720	100

Shareholding Pattern



AMARSTOCK

The Pattern Of Individual Shareholding of The Company

Condition No.1.5 (xxi) of Corporate Governance Guidelines of BSEC-

The pattern of shareholdings of the Company as on 31st December 2016, are given below:

(a) Shareholdings of Parent/Subsidiary/Associate companies and other related parties : Nil

(b) Shareholding of Directors, Chief Executive Officer (CEO), Company Secretary (CS) Chief Financial Officer (CFO), Head of Internal Audit (IA) and their spouse and minor children are as below:

Sl. No.	Name of Directors	No. of shares	Spouse/ children	Total Share	Percentage of holding
1	Mr. Deen Mohammad	1167859	960875	2128734	5.28
2	Mrs. Khorshed Zahan Begum	1113936	966615	2080551	5.16
3	Mrs.Roxshana Begum	2067103	-	2067103	5.12
4	Mr. Aziz Al Mahmood	1817120	-	1817120	4.50
5	M/s. Pakiza Textiles Ltd. (Nominated by Mrs. Sharmin Sultana)	810090	941226	1751316	4.34
6	Mr. Mohammed Shoeb	1548058	-	1548058	3.84
7	Mrs. Badruddoza Mannan	1477740	-	1477740	3.66
8	Mr. Mazharul Haque	807792	341279	1149071	2.85
9	Mr. M. A. Majid	885337	-	885337	2.19
10	Mrs. Sadia Anjum Siddique	812272	-	812272	2.01
11	Mr. Farzad Haque	807267	-	807267	2.00
12	Mr. Manzurool Haque	807000	-	807000	2.00
13	Ms. Sadaf Shamsad Haque	437592	-	437592	1.08
14	Mr. Wasif Ahmed	358481	-	358481	0.89
15	Eastern Dyeing & Calendering Works Ltd. (Nominated by Ms. Evana Fahmida Mohammad)	167,686	-	167686	0.42
16	Mr. Mohammed Haider Ali	140116	-	140116	0.35

(ii) CEO, CS, CFO & I/A			
1	Mr. Jamirul Islam (CEO)	287813	0.71
2	Mr. Monoranjan Kundu (CFO)	Nil	
3	Mr.Md. Rafiqur Rahman (C/S)	Nil	
4	Mr.Md. Habibullah (IA)	Nil	

(iii) Shareholding of Executives: Nil

(iv) 10% or above shareholding of the Company: Nil

AMARSTOCK

Access to Reports and Enquiries

Annual Report	Annual report of the Company is available in the Share Department of the Company. Any requirements, Investors or Stakeholder can look after the annual report or printed copies obtained by writing to Company Secretary of the company.
Quarterly reports	The Company publishes interim reports, at end of first, second and third quarters of the financial year. The interim reports can be accessed from the Company's website: www.phoenixinsurance. com.bd or printed copies obtained by writing to Company Secretary.
Shareholders' enquiries	Phoenix Insurance Company Ltd. has a separate Share Department to communicate with Shareholders, Stakeholders and investors may contact at any time to Share Department for any sort of information and query. To make the Annual General Meeting more participatory, arranging AGM in well-known place & convenient time allowing shareholders to speak in the AGM freely and making their valuable proposals and suggestions. Quarries relating to shareholders holdings or interest and payment of dividends or share certificates can be sent or shareholders might be communicated to the following address.

Mr. F. Hayder Ali
Manager & Incharge
Share Department
Phoenix Bhaban (4th Floor)
12 Dilkusha C/A, Dhaka-1000
Phone: 9563609
E-mail: mail@phoenixinsurance.com.bd

Corporate Governance

AMAR STOCK

Statement of Corporate Governance

COMPANIES VIEWPOINT

Corporate Governance refers to the structures and processes for the direction and control of companies. It concerns with the relationships among the management, Board of Directors, controlling shareholders and other stakeholders. It also contributes to sustainable economic development by enhancing the performance of companies and increasing their access to outside capital. It ensures the fairness, transparency and integrity of the management. Corporate Governance is a way of life, rather than a mere legal compulsion. It further inspires and strengthens investor's confidence and commitment to the Company and also confirms the best service of the customers of the Company.

In Phoenix Insurance Company Ltd., corporate governance is an important effort to ensure the accountability and responsibility. It's also a set of principles, which should be incorporated into every part of the organization. Due to these principles, we ensure our customers for their best service to improve the quality of business with fair reputation in the insurance arena. We have a long-term relationship with all of the stakeholders as well as the customers of the company. We wish to maintain the company's objectives, core values, codes of conduct and to promote the corporate culture for upgrading the business principles. The Board of Directors believes that by improving these issues, the company will get a sustainable return from the business that will be good for the stakeholders and the companies too.

Moreover, the corporate governance philosophy of the Company has been strengthened with the adoption of the Phoenix Insurance Core Values and Code of Conducts of Insurance business. The Rules and various practices that govern the relationship between the managers and shareholders as well as stakeholders to ensure the transparency, fairness, and accountability. The Company including the Board and its Committees endeavors to strike and deliver the highest governing standards for the benefit of its stakeholders.

STRUCTURE

The Company thinks that the Code has only prescribed a minimum structure for the governance of business through the corporate framework. The Company's philosophy is to develop this desired minimum framework and to institutionalize the spirit it entails. This will lay the foundation for any new developments of superior governance practices, which will be vital for growing a successful business. The Company recognizes that transparency; disclosure, financial controls and accountability are the true pillars of any good system of corporate governance. It is the Company's endeavor to reach the highest level of the governance to enhance the value of each stakeholder.

BOARD STRUCTURE AND AFFAIRS

Composition of the Board

The Board comprises of 17 directors of which 8 are Sponsor Directors, 6 are Public Directors and 3 are Independent Directors. Out of 17 Non-Executive Directors and 1 is Executive Director who is the Chief Executive Officer (Managing Director) of the Company. Among the 17 Non-Executive Directors one is Chairman who elected from in the middle of the Board Members. The composition of the Board complies with therequirements of the Code.

Directors are talents, skills and quite experience to provide prudent guidance with respect to the operation of the Insurance business. Chairman and Managing Director of the Company are different body with separate functions and responsibilities. A list of Board of Directors is presented in the page no.....of the Annual Report 2016

Role of the Board

Generally, the Board of Director is appointed to act on behalf of the shareholders to run the day-to-day affairs of the business and must provide a report for the shareholders in the AGM about the performance of the company with the future plans and the strategy of the development of the Company.

The Board of Phoenix Insurance always takes initiative to ensure the company's prosperity by collectively directing the company's affairs regarding business and financial issues and deal with challenges relating to corporate governance, corporate social responsibility and corporate ethics. In the meeting, the directors review the company's overall situation, the strategy and policy, and to monitor the exercise of any delegated authority on the particular areas of the responsibility. The Board also reviews the goal of the company by taking in consideration the vision, mission and values. Set the strategy and structure based on present position and future opportunities, threats, weakness and risks relating to the company. The Board delegates the power of the management to monitor and evaluate the implementation of the policies, strategies and business plans. It also ensures that the internal controls are effective for the Company. The Board exercises the accountability to the shareholders and maintains the communications both to and from shareholders and relevant stakeholders are successful.

Director's freedom

All the Directors of the Company are Non-Executive Directors except Managing Director. The Board of Directors is independent about their works in the company. So, they can put their best judgment and advice relating to maintain the rules and regulations. Their vast knowledge and experience added the value of the company and to ensure to protect the risk factors of the company.

BOARD MEETING

The Directors meet from time to time to review the activities of the company and decide the tropics relating to policy and accordingly monitoring the progress of the company. The Company's Act and Articles of Association requires the Board Meeting and accordingly Phoenix Insurance conducting the Meeting in time. The aspects of Board meetings are discussed in details at the chapter for company meetings. During the year 2016, a total 11 Board Meetings were held. A detail of the Board Meeting and attendance in the meeting are given on the page..... of this Annual Report.

INDEPENDENT DIRECTORS

To comply the requirements of the corporate governance guidelines of the BSEC, the Board of Directors already appointed required number of directors as independent directors in the Board. All of them are qualified and experienced personality of their departments who are matching with the

Statement of Corporate Governance

condition of the corporate governance guidelines of BSEC and they are playing their responsibility according to the guidelines of the regulatory authority.Independent Directors of the company comply the condition No. 1.2 of the guidelines:-

(i) According to the guidelines, at least one fifth (1/5) Independent Directors have been appointed. The names are as:

(1) M. Maniruzzaman Khandaker
(2) Iram Ali
(3) M Badiuzzaman

(ii) Appointed "independent director" means a director-

a) They never hold any share in the company or hold less than one percent (1%) shares of the total paid-up shares of the company;

b) They were not connected with the company's any sponsor or director or shareholder who holds one percent (1%) or more shares of the total paid- up shares of the company on the basis of family relationship. Their family members i.e. their spouse, son, daughter, father, mother, brother, sister, son-in-law and daughter-in-law considered as family members also not hold above-mentioned shares in the company:

c) Appointed independent directors not have any other relationship, whether pecuniary or otherwise, with the company or its subsidiary/associated companies; of any stock exchange;

e) Independent Directors are not a shareholder, director or officer of any member of stock exchange or an intermediary of the capital market;

f) Appointed Independent directors were/are not a partner or an executive or was not a partner or an executive during the preceding 3 (three) years of any statutory audit firm;

g) They are not an independent director in more than 3 (three) listed companies;

h) Appointed Independent Directors have not been convicted by a court of competent jurisdiction as a defaulter in payment of any loan to a bank or a Non-Bank Financial Institution (NBFI);

i) They were not been convicted for a criminal offence involving moral turpitude.

(iii) Their appointment in the Board was presented to AGM to approve by the shareholders in the Annual General Meeting (AGM).

d) Independent Directors are not a member, director or officer

(iv) The board will fulfill the vacation of the post of independent director(s) within 90 (ninety) days by the appropriate personal who have capacity to match the condition of the guidelines of the BSEC and the Board.

(v) According to the guidelines of the BSEC the code of conduct of all Board members and annual compliance have been recorded.

(vi) The tenure of office of an independent director shall be for a period of 3 (three) years, which may be extended for 1 (one) term only.

QUALIFICATION OF INDEPENDENT DIRECTOR

(i) Independent Directors are knowledgeable with integrity, able to ensure compliance with financial, regulatory and corporate laws and able to make meaningful contribution to business of the company.

(ii) The appointed personals are Business Leader, Law background, Professionals. The independent directors have required corporate management/professional experienced to advice the company appropriately.

CHAIRMAN AND MANAGING DIRECTOR RESPONSIBILITY

Separate Functions Of The Chairman And Managing Director

The positions of the Chairman of the Board and the Managing Director (Chief Executive Officer) of the companies have filled by different individuals. The duties & responsibilities of the Chairman and Managing Directors of the Company are separated as mentioned in the Articles of Association (AOA) of the Company. The Chairman of the company shall be elected from among the directors of the company. The Chairman is the Non-Executive Director and Managing Director is Executive Director. To follow the operational activities as well as performing responsibility of the chair, the Board of Directors issues the guidelines and responsibilities of the Chairman and the Chief Executive Officer/ Managing Director. The Chairman ensures to comply the policy of the company through the Board and the Managing Director confirmed to the Board about the implementation of the policy with the support of the management team.

Role Of The Chairman

The Chairman's role includes managing the business of the board and to acting as such its facilitator and guide. These can include:

- To determine composition and organization of the board;
- To clarifying the board with its management and responsibilities;
- To plan and manage the board and all board committee meetings;
- The development of the effectiveness of the board.

Statement of Corporate Governance

The Chairman has no engagement in the day-to-day affairs of the Company. The Chairman facilities the effective contribution of the non-executive Directors and ensures that constructive relations exist amongst the Directors. He signs the Board resolution and confirms the appointment of the Managing Directors including his salary and allowances with the discussion of the Board.

Role Of The Managing Director

The Managing Director is Executive Director of the Board. The Articles of Association of the Company and the guidelines of the IDRA refer his duties and responsibilities in the Company. Generally, he is responsible for running the business and implementing the Board strategy and policy. He looks after the day-to-day business and accountable to the Board for the financial and operational activities of the Company.

Role Of The Company Secretary

A Company Secretary is the main key to the application of the best practice in the corporate governance, which is increasingly critical to an organization's reputation and its success. The corporate Governance Guidelines issued by the BSEC also requires a full-fledged Company Secretary as distinct from other mangers of the Company. The responsibility of the Company secretary is to ensure that the companies with its directors operate within the parameters of their roles, providing guidance to enable compliance with the relevant legislation. It is also his responsibility to communicate with shareholders and other third party stakeholders transacting with the company and confirm the compliance of disclosure, guideline, notification, directives or orders of BSEC/ Stock Exchanges. Under the direction of the Chairman, the Company Secretary's ensuring good information flows within the Board and its committees, between senior management and non-executive directors, as well as facilitating induction and assisting with professional development. All the directors should have access to the advice and services of the Company Secretary. He performs as the bridge between the Board, the Management and the shareholders about the strategic and statutory decisions and their directions too.

Conflicts Of Interest

Board members are aware about the matter of conflict of interest relating with the company. In this connection, the Board is interested to adopt a conflict-of-interest policy that prohibits or limits the business transactions with the board members and requires the board members to disclose those potential conflicts. The Board agrees to disclose the conflicts when they occur for the compliance as corporate governance guided by the related Act and Authority. Any related party transactions or any other matters relating with the conflict of interest have informed the Board and accordingly presented in the report as a disclosure of the matter.

Appointment To The Board

The appointment of any new Directors is made with the consent and approval of the Board of Directors Meeting and such new Directors retires in the immediate next Annual General Meeting (AGM). It may also offer him/her-self for the re-appointment. Any new appointment to the Board requires information to the Insurance Development & Regulatory Authority, the BSEC and Stock Exchanges.

Regarding appointment of Public Director, a gazette was published on 12th July 1994. As per notification, eligible director holds minimum qualifying shares as may be determined by the company which should be an amount exceeding ten thousand taka on account of public subscription to the paid up capital at least 6 months before the date of election under section 15A of Insurance Rules 1958.

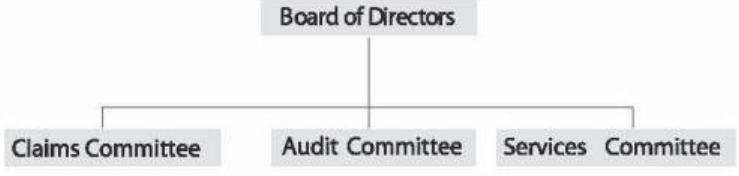
Under section 15B(3) of Insurance Rules 1958; the date, time, place and other particulars of election and the number of Director to be elected shall be circulated sixty days before such election by advertisement in at least two national daily newspapers.

According to the notification nomination in the prescribed form was invited from the eligible shareholders expressing his/her willingness to contest the election of Director from the public shareholders in the AGM. Elected Public Directors will be appointed for next term.

Under section 92 of Article of Association of the Company also refer the appointment of Public Shareholder Director. The Management of the Phoenix Insurance follows the above direction for appointing the public director in the company.

BOARD COMMITTEES

Phoenix Insurance Company has several committees under the Board. The Board appoints the members of the committees including the Chairman. After fulfillment the tenure of the committee, the members of committees have changed within the Board members. Every committee has separate scope of work and the Board must approve the terms of references. The Committees are independent and responsible to provide their expertise opinion to the Board. At present, the following Committees are performing their duties on behalf of the Board:



Statement of Corporate Governance

Claims Committee

Claims or loss handling is the materialized utility of insurance; it is the actual "product" paid for. Claims filed by insured directly and the managements are classified the loss based on the documents & papers with their knowledge and experience. The surveyors of the Claim undertakes an investigation of each claim, usually in close cooperation with the insured, determines if coverage is available under the terms of the insurance contract, and if so, the reasonable monetary value of the claim, and thereafter with the advice/discussion of the Managing Director or claim committee the payment made successfully.

The Committee looks after the customer's claims settlement procedure with the support of surveyors report. The strengths of our claims settlement service lie in its promptness and efficiency. Claims settlement seeks to further enhance speed and improve customer satisfaction. In this respect, we always take initiatives to upgrade claims settlement processes and adopt the claims settlement system. Claims services' aim is to provide the best customer service experience in the industry.

Members Of The Claims Committee

Sl. No.	Name of the Members	Position in the Committee	Attendance
1.	Mr. Mohammed Shoeb	Chairman	3/3
2.	Mr. Deen Mohammad	Member	3/3
3.	Mrs. Sadia Anjum Siddiqi	Member	2/3
4.	Mr. Mohammed Haider Ali	Member	1/3**
5.	Md. Jamirul Islam	Managing Director	3/3

*** Mr. Haider Ali appointed in place of Mrs. Sadia Anjum Siddiui.*

(i) The Claims Committee constituted by 4 (four) members.

(ii) The Board of Directors appointed all members of the Claims Committee who are directors of the company.

(iii) All members of the Claims committee are quite knowledgeable about Claim procedures and have experienced of the company business underwriting management.

(iv) The members of the Committee were appointed for one year and before expiry of the period, the Board changed the members' among the Directors. The Board of Directors may appoint any new members or changed the members as and when required to ensure the continuity of the performance of work of the Claims Committee.

(v) Most of the members were present in the meeting and after confirmation of the quorum; the Committee completed their meetings.

(vi) The Board has empowered the committee to settle any amount of claim as per surveyor's recommendation.

(vii) The Committee authorizes the Managing Director to settle the amount less then Tk.50,000/- on behalf of the Committee with the consent of the Chairman and the list of claim files including settled amount were

presented in the Board/Committee for the information as well as confirmation.

(viii) The company secretary shall act as the secretary of the Committee

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(viii) The company secretary shall act as the secretary of the Committee

Chairman of The Claim Committee

Mr. Mohammed Shoeb, Chairman of the committee appointed by the Board from amongst the directors. He has a vast knowledge, good understanding about the business underwriting.

Attendance at Meetings

(i) All committee members including the Managing Director were present in the meeting.

(ii) To assist the committee, the Company Secretary and claims department head attend in the meeting.

(iii) During the year 2016 the Committee held 3 meeting and settled an amount of Tk.8,16,09,809/- against various class of insurer's claims

Audit Committee

The board of directors hereby resolves to establish an Audit Committee of the board and continues their operation as per terms of the reference adopted by the Board as well corporate governance guidelines of BSEC. The Board appointed the members of the committee, which are non-executive directors of the company. The Board authorizes the

Statement of Corporate Governance

committee to follow up or investigate any activities within its terms of reference and accordingly recommended for reporting to the Board. The Audit Committee also look after the financial statements reflect true and fair view of the state of affairs and ensuring a good monitoring system within the business of the company. The Audit Committee is responsible to the Board of Directors for the activities.

Sl. No.	Name of the Members	Position in the Committee	Attendance
1.	Mr. M Badiuzzaman	Chairman	5/5
2.	Mr. Deen Mohammad	Member	5/5
3.	Mr. Mazharul Haque	Member	5/5
4.	Mr. Aziz Al Mahmood	Member	4/5
5.	Mr. Manzoorul Haque	Member	5/5
6.	Khorshed Zahan Begum	Member	5/5
7.	Mohammed Haider Ali	Member	3/5 *

** Mohammad Haider Ali, Director is not member of the Audit Committee from 1st June 2016*

Constitution of the Audit Committee

(i) The Audit Committee constituted by 6 (six) members.

(ii) The Board of Directors appointed all members of the Audit Committee who are directors of the company.

(iii) All members of the audit committee are quite knowledgeable about financially literate and have experienced of the accounting or related financial management.

(iv) The members of the Committee were appointed for one year and before expiry, the Board changed the members' among the Directors for continuing the performance of the activities of the committee. The Board of Directors may appoint any new committee members to fill up the vacancies immediately or changed the members as and when required to ensure continuity of the performance of work of the Audit Committee.

(v) Most of the members were present in the meeting and after ensuring the quorum; the Audit Committee completed the meeting.

(vi) The company secretary shall act as the secretary of the Committee.

Chairman Of The Audit Committee

Mr. M Badiuzzaman, Chairman of the committee appointed by the Board from amongst the non-executive directors on July 23, 2015 in place of Mr. Deen Mohammed. Mr. M Baduzzaman is Independent Director of the company and has a vast knowledge, good understanding, experienced in business and management with accounting or finance of the Company. Mr. M Badiuzzaman, Chairman of the committee appointed by the Board from amongst the non-executive directors on July 23, 2015 in place of Mr. Deen Mohammed. Mr. M Baduzzaman is Independent Director of the

company and has a vast knowledge, good understanding, experienced in business and management with accounting or finance of the Company.

Attendance At Audit Committee Meetings

The Chairman of the Board and the CEO/Managing Director may attend the meeting to the requirement of the committee. The Chief Financial Officer (CFO), head of internal audit and other concerned department head also attended the meeting at the requirements of the committee.

Role Of Audit Committee

(i) Review the financial reporting process of the Accounts of the Company.

(ii) Supervise the accounting policies and principles adopted in the company and recommendation for the system as per Bangladesh Financial Reporting Standards.

(iii) Examine the Internal Control system and Risk management process to face the challenge in the company.

(iv) Supervise the activities and performance of external auditors and implement their observation in accordingly.

(v) Review the annual financial statements along with the management before submission to the board for approval and present their recommendation based on their observation.

(vi) Checked and verified the quarterly and half yearly financial statements along with the management recommendation before presentation to the board for approval.

(vii) Review the internal auditor's function along with his reports about the effectiveness of systems for the internal financial control and financial reporting system.

(viii) Analysis the significant related party transactions submitted by the management and confirm the necessary disclosure as per guidelines of BSEC.

(ix) Review the response of the management to any major issues regarding Internal Control recommendations by the statutory auditors.

Service Committee

Service Committee looks after the management reports of the branch performance including the performance of each employee's in the company. The Committee confirms the salary package, promotion, special increments, incentive bonus and other facilities. The Service Committee also enhances the pay scale of the employees time to time with the support of the management requirements. The Committee consists of 3 Non-executive Directors, who are appointed by the Board of the Company and the Managing Director too. At least, one meeting in a year held and confirms the facilities based on the performance of the company.

Statement of Corporate Governance

Members Of The Service Committee

Sl. No.	Name of the Members	Position in the Committee	Attendance
1.	Mr. Mohammed Shoeb	Chairman	1/1
2.	Mr. Deen Mohammad	Member	1/1
3.	Mr. Wasif Ahamed	Member	1/1
4.	Md. Jamirul Islam	Managing Director	1/1

Constitution Of The Service Committee

(i) The Services Committee constituted by 4 (four) members.

(ii) The Board of Directors appointed all members of the Service Committee among the directors of the company.

(iii) All members of the Service committee are quite knowledgeable and experienced about the human resources management.

(iv) The members of the Committee were appointed for one year and before expiry of the period, the Board changed the members' among the Directors. The Board of Directors may appoint any new members or changed the members as and when required to ensure the continuity of the performance of work of the service Committee.

(v) With the confirmation of the member presence in the committee, the meeting was organized fruitfully.

(vi) The company secretary shall act as the secretary of the Committee.

Responsibility Of Service Committee

(i) The Board has empowered the committee to evaluate the overall management performance based on the recommendation of the Managing Director.

(ii) To review the management reports of the branch performance with the proposals and recommendations of each employee's performance in the company.

(iii) To confirm the business target of marketing employees including branches as per proposal of the management team.

(iii) The committee has finalized the branch management expenses ratio in relation to the premium collection of the branch.

(iv) The committee considers the promotion, increments based on the performance of employees along with the management proposal.

(v) The committee considers the enhancement of salary package to adjust the living cost of the employees.

(vi) To confirm the transfer, appointment or termination with the advised of the Management.

Chairman Of The Service Committee

Mr. Mohammed Shoeb, Chairman of the committee is appointed by the Board. He is very committed and impartial to evaluate employee's performance in each year.

Attendance At Meetings

(i) All committee members including the Managing Director were present in the meeting.

(ii) To assist the committee, the Company Secretary and General Manager (Admin) attends the meeting.

(iii) During the year 2016, a meeting was held.

Management Team Of The Company

The Company Management is supervised by the Managing Director who is responsible for the implement of the policy and procedures adopted by the Board. The Managing Director implements the internal control system, follow-up the day-to-day affairs of the management and also confirms the safety and security of the Company. The Senior Management ensures the improvement of the company with the compliance of statutory and the regulatory requirements too. With the support management team the Managing Director presents the Company's financial & business position in each Board Meeting for their understanding and guidance.

Management Committee

The Managing Director regularly sits with the high officials and department heads to discuss about any important issues before implementing the decisions. Besides this, the following meetings are being held under the chair of the Managing Director:

(i) Management Committee (MANCOM)

(ii) Quarterly/half yearly Branch Performance Evaluation Meeting

(iii) Annually Branch Managers Meeting

Appointment Of Chief Financial Officer, Head Of Internal Audit And Company Secretary And Attended In The Board Meeting

The Company has a Chief Financial Officer, a Head of Internal Audit and a Company Secretary. Their duties & responsibilities are separated and the Board of Directors of the Company determined their job responsibility clearly. The Managing Director monitors them regularly and time to time enhance their performance to manage the requirements of the regulatory authority.

The company secretary attends the meeting regularly and note down the matter of the meeting for preparing the minutes. He performs as the bridge between the Board, the Management and the shareholders about the strategic and statutory decisions and their directions too.

The Chief Financial Officer and head of Internal Audit attend the meetings of the Board and others committee meeting as and when required and presents the agenda item relating to their departments.

Statement of Corporate Governance

SHAREHOLDERS

Phoenix Insurance Company Ltd. believes that the shareholders are not only the owners of the company but also real advisers of the Company. The shareholders extended their good cooperation and guidelines for the development of the company and the management ensures the interest and rights of the shareholders. The Management communicates their information through publication of various disclosures, the annual general meeting and website.

On being entered on the register of members, shareholders acquire the following specific rights on the company:

(i) Registration as member

(ii) Certificate of shares

(iii) Right to transfer shares according to articles

(iv) Right to notices, attending meetings, speak, propose and vote in person or by proxy.

(v) To obtain copies of memorandum and articles

(vi) To inspect registers maintained by company and to get extracts if required.

(vii) To participate in the appointment at the General Meeting of-

- a) Directors
- b) Auditors and
- c) To fix their remunerations

viii) To associate in the declaration of dividend and have right to receive the dividend within the stipulated time

ix) To obtain copy of the minutes of general meetings.

x) Right to receive-

- a) Statutory report
- b) Directors report
- c) Auditors report with audited Balance Sheet and Profit & Loss Account before the meeting

xi) To call a meeting

The rights of a shareholder are many and Phoenix Insurance Company Ltd. always provided them all information and support in time.

Phoenix Insurance Company Ltd. running their operation with applying transparency and accountability and maintain good corporate governance. To fulfill the long-term strategic goal of the stakeholders, the Phoenix Insurance will consider and take care for the interest of employees and will continue to maintain an excellent relationship with the customers and to maintain a proper compliance with all the applicable legal and regulatory requirements under which the company carries out its activities.

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Disclosure & Compliance

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Disclosure

Re-election of Director

Company's Articles of Association require that one-third director shall retire from the office by rotation each year except Managing Director and Independent Director of the Company. If they are eligible for the re-appointment, they could be re-elected by the shareholders in the next Annual General Meeting. The appointment of Independent Director in the Board will be presented to Annual General Meeting to approve by the shareholders in the Annual General Meeting (AGM).

Removal and Appointment of The Managing Director

Insurance Act-2010 defined the appointment and removal of the Managing Director from his office of the Company. With the consent of Insurance Development & Regulatory Authority (IDRA), the board of directors may remove the Managing Director from his office and accordingly with prior approval of IDRA, the board may appoint any qualified persons as a new Managing Director instead of the removed Managing Director. Mr. Md. Jamirul Islam, Chief Financial Officer & Managing Director appointed in the company with the approval of IDRA effective from 2nd May 2011 for next 3(three) years. After completion of the tenure according to recommendation of the Board, the IDRA approved the extension of the Service of Md. Jamirul Islam as Chief Financial Officer & Managing Director of the Company for further 3 (three) years effect from 2nd May 2014

Disclosure of Directors Remuneration

Board of Directors of the Company is non-executive director except Managing Director. They don't get any incentive or bonus for the performance of the Board. The non-executive directors get only meeting fees for attending the board and committee meetings atTk.4,000/- per meeting. Managing Director Remuneration package determine by the Board, which requires approval from the IDRA. As per corporate governance requirement we publish our non-executive director meeting fees in the annual report. During the year, the Meeting fees of the Directors were Tk.7,88,000/- and detail is presented in the page no.88 of the annual report.

Directors Meeting & Attendance

During the year ended 31st December 2016 the total 11 (Eleven) meetings were held. In this year, all of the Directors serving in the Board attended more than 96% of the aggregate of the total number of meeting of the Board of Directors.

Sl. No.	Name	Attend	Total Meeting
1	Mr. Mohammed Shoeb	11	11
2	Mr. Deen Mohammad	11	11
3	Mr. Aziz Al Mahmood	10	11
4	Mr. Mazharul Haque	10	11
5	Mr. Wasif Ahamed	11	11

Sl. No.	Name	Attend	Total Meeting
6	Mrs. Badruddoza Mannan	11	11
7	Mrs. Sadia Anjum Siddiqui	11	11
8	Mr. Manzoorul Haque	10	11
9	Ms. Sadaf Shamsad Haque	10	11
10	Mrs. Roxshana Begum	11	11
11	Mr. Mohammed Haider Ali	11	11
12	Mrs. Khorshed Zahan Begum	11	11
13	Mr. Farzad Haque	6	6
14	Dr. Sharmin Sultana (Nominated from Pakiza Textiles Ltd.)	10	11
15	Mr. M. A. Majid	11	11
16	Mrs Evana Fahmida Mohammad (Nominated from Eastern Dyeing & Calendering Works Ltd.)	11	11
17	Mr. Maniruzzaman Khandaker	11	11
18	Iram Ali	9	11
19	Mr. M Badiuzzaman	11	11
	Total	**197**	**204**

Related Party Transactions

The Company in normal course of business carried out a number of transactions with other entities that fall within the definition of related party transaction. Under the condition no 1.5 (vi) of the corporate governance guidelines of the BSEC basis for the related party transactions, a statement of all related party transactions should be disclosed in the annual report. In this connection, detail transactions with related parties and balances of them as on 31st December 2016 presented below. The external auditor have checked the transaction and found that 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. Transactions were as follows.

Name of related party	Relationship	Nature of Transaction	Premium Earned
Appollo Ispat Complex Ltd.	Common Director	Common Director	4,07,83,981/-
Partex Group/Danish	Common Director	Common Director	1,18,14,227/-
Pakiza Cotton & Spinning Mills Ltd.	Common Director	Common Director	2,20,38,318/-
Total Amount in Taka			**7,46,36,526/-**

Disclosure

STATEMENT OF THE REMUNERATION TO DIRECTORS

For Attending The Board And Committee Meetings Of The Year 2016

Sl. No.	Name of Directors	Board Meeting	Audit Committee	Claim Committee	Service Committee	Total Tk.
1	Mr. Mohammed Shoeb	44,000	20,000	12,000	4,000	80,000
2	Mr. Deen Mohammad	44,000	20,000	12,000	4,000	80,000
3	Mr. Aziz Al Mahmood	40,000	16,000	-	-	56,000
4	Mr. Mazharul Haque	40,000	20,000	-	-	60,000
5	Mr. Wasif Ahamed	44,000	-	-	4,000	48,000
6	Mrs. Badruddoza Mannan	44,000	-	-	-	44,000
7	Mrs. Sadia Anjum Siddiqui	44,000	-	8,000	-	52,000
8	Mr. Manzoorul Haque	40,000	20,000	-	-	60,000
9	Ms. Sadaf Shamsad Haque	40,000	-	-	-	40,000
10	Mrs. Roxshana Begum	44,000	-	-	-	44,000
11	Mr. Mohammed Haider Ali	44,000	12,000	4,000	-	60,000
12	Mrs. Khorshed Zahan Begum	44,000	20,000	-	-	64,000
13	Mr. Farzad Haque	24,000	-	-	-	24,000
14	Dr. Sharmin Sultana (Nominated from Pakiza Textiles Ltd.)	40,000	-	-	-	40,000
15	Mr. M. A. Majid	44,000	-	-	-	44,000
16	Mrs Evana Fahmida Mohammad (Nominated from Eastern Dyeing & Calendering Works Ltd.)	44,000	-	-	-	44,000
17	Mr. Maniruzzaman Khandaker	44,000		-	-	44,000
18	Iram Ali	36,000	-	-	-	36,000
19	Mr. M Badiuzzaman	44,000	20,000	-	-	64,000
	Total Taka	**788,000**	**148,000**	**36,000**	**12,000**	**984,000**

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Disclosure on The Financial Performance of The Company

Phoenix Insurance Company always aware about the disclosure of the financial performance of the regulatory authority. In this connection, the Company published the quarterly, half yearly and annual reports in the daily newspaper or company's Website in time. The Management also informed the price sensitive information to the regulatory in time and accordingly published in the daily newspapers. The Company's Financial Statements have been prepared and published according to the International Accounting Standard (IAS)/Bangladesh Accounting Standards (BAS)/International Financial Reporting Standards (IFRS)/ Bangladesh Financial Reporting Standards (BFRS) and Institute of Chartered Accountant of Bangladesh (ICAB) guidelines. Other operational information was also published on the basis of the related rules and regulations requirements.

Disclosure of The Pattern of Shareholding Position of The Company

As per BSEC guidelines month wise share Capital and shareholding position of Directors and Sponsors including free float holding of the company submitted to the concerned authority regularly. The pattern of shareholding position of the company has been presented to the page no.69 of annual report where in the aggregate number of shares along with name wise details of the Parent/Subsidiary/Associated Companies and other Related Parties, Directors, Chief Executive Officer, Company Secretary, Chief Financial Officer, Head of Internal Audit and their spouses with their minor children, Executives and the holding of ten percent (10%) or more are stated.

Appointment of External Auditors

The external Auditor completed the annual audit about the accounts after the appointment by the shareholders in the Annual General Meeting. With the recommendation of the Board of Directors, the shareholders confirmed the appointment of the external auditor in the Annual General Meeting with remuneration of his service.

(1) M/s. Malek Siddiqui Wali, Chartered Accountants appointed as external Auditor at 30th AGM held on 2nd June 2016 for auditing the Accounts of the year 2016.

(2) The External Auditor prepare the audit report in accordance with the International Standards on Auditing applicable in Bangladesh ensuring the provisions of the কোম্পানী আইন, ১৯৯৪ (১৯৯৪ সনের ১৮ নং আইন), securities laws and other relevant laws.

(3) The External Auditor have ensured the compliance with the provisions/professionalisms/practices/ethics of international standards on auditing (isa) applicable in bangladesh and Bangladesh Auditing Practice Statements (baps) as well as Bangladesh Standards on Auditing, assurance and ethics pronouncements in conduction of auditing and issuing audit report

Disclosure

(4) M/s. Malek Siddique Wali, Chartered Accountants applied for appointing them as External Auditor of the company for 2017. They are qualified and experienced Accountancy Firm and their request letter will be presented in the 31st AGM for appointing as external auditor of the company for the 2017.

Disclosure Of The External /statutory Auditors Engagement

M/s. Malek Siddique Wali, Chartered Accountants the external auditors of the company was not engaged with the following services of the company:-

(i) Appraisal or valuation services or fairness opinions.

(ii) Financial information systems design and implementation.

(iii) Book-keeping or other services related to the accounting records or financial statements.

(iv) Broker-dealer services.

(v) Actuarial services.

(vi) Internal audit services.

(vii) Any other service that the Audit Committee determines.

(viii) No partner or employees of the external audit firms shall possess any share of the company, they audit at least during the tenure of the audit assignment of the company.

M/s. Malek Siddique Wali, Chartered Accountants was engaged only external/statutory audit services of the company.

SOLVENCY MARGIN ANALYSIS

A. Calculation of Total Assets of the company based on the Accounts of the year 2016 :

		Amount in Taka
Total Assets as per Balance Sheet		1,943,606,074/-
Less:		
Amount due from others	195,720,152/-	
Furniture & Fixture	12,500,358/-	
Collection Control Accounts	99,891,638/-	
Agents Balance	3,249,853/-	311,062,001/-
Total Assets		**1,632,544,073/-**

B. Calculation of Total Liabilities of the Company based on the accounts of the year 2016:

	Amount in Taka
Amount due to others	55,788,670/-
Reserve for unexpired Risk	152,305,145/-
Premium Deposit	26,572,328/-
Reserve for Exceptional Losses	377,435,866/-
Sundry Creditors	26,415,347/-
Provision for Income Tax	201,847,168/-
Claims whether due or intimated	50,049,113/-
Reserve for CSR	2,840,026/-
Dividend Recommended	60,512,358/-
Reserve for Investment	376,141,697/-
Total Liabilities	**1,329,907,718/-**

C. Solvency Margin Available (A-B) Tk. **302,636,355/-**

D. Calculation of Required Solvency Margin:

Sl. No	Class of Business	Gross Premium (GP)	Net Premium (NP)	Factor	GP after application of factor (GPF)	20% of NP	20% of GPF	NP & GPF which is higher
01	Fire	252,402,225	96,674,565	0.70	176,681,558	19,334,913	35,336,312	35,336,312
02	Marine Cargo	246,113,288	158,668,589	0.60	147,667,973	31,733,718	29,533,595	31,733,718
03	Marine Hull	4,934,009	3,173,409	0.60	2,960,405	634,682	592,081	634,682
04	Motor	100,859,858	95,772,603	0.75	75,644,594	19,154,521	15,128,979	19,154,521
05	Misc	47,867,895	21,713,583	0.70	33,507,527	4,342,717	6,701,505	6,701,505
	Total	652,177,275	376,002,749		Required Solvency Margin			93,560,737

E.	Solvency Margin Available (AS)		302,636,355/-
F.	Required Solvency Margin (RS)		93,560,737/-
G.	**AS/RS (times)**	=	**3.23**
H.	**Solvency Margin Ratio**		**3.23**

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Credit Rating
Report – 2016

Phoenix Insurance Company Limited was rated by Credit Rating and Information Services Limited (CRISL) on the basis of Financial Statements as on 31st December 2016. The summary of the rating is presented below:

CPA Rating (Claim Paying Ability)	AA-
Dated of Rating	December 31, 2016
Outlook	Stable

CRISL assigns AA- (pronounced as AA-). This has indicated very high claims paying ability. Protection factors are strong. Risk is modest, but may vary slightly over time due to underwriting and/or economic condition. Good fundamentals such as good financial performance, sound solvency position, diversified ownership pattern with institutional shareholding, experience management team, diversified product line and extended branch network etc. The claim paying ability (CAP) rating in this category is adjudged to offer high claim paying ability having good protection factors.

CRISL also viewed the Company with 'stable' outlook for its steady financial and operating performance, as well as its consistent fundamentals.

Last five years Claim Paying Ability Rating Status

2012	2013	2014	2015	2016
A+	AA-	AA-	AA-	AA-

CPA Rating of the Company



Compliance Report
on Bsec's Notification

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

Condition No.	Title	Compliance Status (Put in the appropriate column)		Remarks (if any)
		Complied	Not Complied	
1.1	**Board's Size** The members of the Board should not be less than 5 (five) more than 20 (twenty)	✓		17 Directors See the details on page no.33
1.2	**Independent Directors**	✓		See the Page no.74
1.2 (i)	At least one fifth (1/5) of the total number of directors in the company's board shall be independent directors.	✓		
1.2 (ii)	For the purpose of this clause "independent director" means a director-	✓		
1.2 (ii) (a)	Does not hold any share less than one percent (1%) of the company;	✓		
1.2 (ii) (b)	Not connected with the company's any sponsor or director or shareholder as family members;	✓		
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 shareholder, director or officer of any member of stock exchange or an intermediary of the capital market;	✓		
1.2 (ii) (f)	Not a partner or an executive during the preceding 3 (three) years of any statutory audit firm;	✓		
1.2 (ii) (g)	Not be an independent director in more than 3 (three) listed companies;	✓		
1.2 (ii) (h)	Not been convicted by a court as a defaulter in payment of any loan to a Bank & Financial Institution	✓		
1.2 (ii) (i)	Not been convicted for a 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)	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 an independent director shall be for a period of 3 (three) years, which may be extended for 1 (one) term only.	✓		
1.3	**Qualification of Independent Director (ID)**	✓		

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Compliance Report
on Bsec's Notification

1.3 (i)	Independent Director shall be a knowledgeable individual with integrity who is able to ensure compliance with financial, regulatory and corporate laws and can make meaningful contribution to business.			17 Directors See the details on page no.75
1.3 (ii)	The person should be a Business Leader/Corporate Leader/Bureaucrat/ University Teacher with Economics or Business Studies or Law background/Professionals like Chartered Accountants, Cost & Management Accountants, Chartered Secretaries. The independent director must have at least 12 (twelve) years of corporate management/professional experiences.			
1.3 (iii)	In special cases the above qualifications may be relaxed subject to prior approval of the Commission			
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	✓		Available in the Annual Report
1.5	**The Director's Report to shareholders** The directors of the companies shall include the following additional statements			
1.5 (i)	Industry outlook and possible future developments in the industry.	✓		Available in the Annual Report
1.5 (ii)	Segment-wise or product-wise performance.	✓		Available in the Annual Report
1.5 (iii)	Risks and concerns.	✓		Available in the Annual Report
1.5 (iv)	A discussion on Cost of Goods sold, Gross Profit Margin and Net Profit Margin.	✓		Available in the Annual Report
1.5 (v)	Discussion on continuity of any Extra-Ordinary gain or loss.		N/A	
1.5 (vi)	Basis for related party transactions- a statement of all related party transactions should be disclosed in the annual report.	✓		Details in page no. 209
1.5 (vii)	Utilization of precedes from public issues, rights issues and/or through any others instruments.		N/A	
1.5 (viii)	Explanation if the financial results deteriorate after the company goes for Initial Public Offering (IPO), Repeat Public Offering (RPO), Rights Offer, Direct Listing, etc.		N/A	
1.5 (ix)	Significant variance occurs between Quarterly Financial performance and Annual Financial Statements the management shall explain about the variance on their Annual Report	✓		No such significant occurs
1.5 (x)	Remuneration to directors including independent directors.	✓		Details in page no. 88
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	✓		Available in the Annual Report

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	flows and changes in equity.			
1.5 (xii)	Proper books of account of the issuer company have been maintained.	✓		Available in the Annual Report
1.5 (xiii)	Appropriate accounting policies have been consistently applied in preparation of the financial statements and that the accounting estimates are based on reasonable and prudent judgment.	✓		
1.5 (xiv)	International Accounting Standards (IAS)/ Bangladesh Accounting Standards (BAS) /International Financial Reporting Standards (IFRS)/Bangladesh Financial Reporting Standards (BFRS), as applicable in Bangladesh, have been followed in preparation of the financial statements and any departure there-from has been adequately disclosed.	✓		Available in the Annual Report
1.5 (xv)	The system of internal control is sound in design and has been effectively implemented and monitored.	✓		Available in the Annual Report
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 the 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.	✓		No such Significant deviation observed
1.5 (xviii)	Key operating and financial data of at least preceding 5 (five) years shall be summarized.	✓		Details in page no. 61
1.5 (xix)	If the issuer company has not declared dividend (cash or stock) for the year, the reasons thereof shall be given.		N/A	
1.5 (xx)	The number of Board meetings held during the year and attendance by each director shall be disclosed.	✓		Details in page no.87
1.5 (xxi)	**The pattern of shareholding**	✓		Details in page no.69
1.5 (xxi) (a)	Parent/Subsidiary/Associated Companies and other related parties (name wise details);	✓		Details in page no.69
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);	✓		Details in page no.69
1.5 (xxi) (c)	Share holding position of Executives of the company	✓		Details in page no.69
1.5 (xxi) (d)	Shareholders holding ten percent (10%) or more is voting interest in the company (name wise details).	✓		Details in page no.69
1.5 (xxii)	**Appointment/re-appointment of a director the company**			
1.5 (xxii) (a)	A brief resume of the director;	✓		Available in the Annual Report
1.5 (xxii) (b)	Nature of his/her expertise in specific functional areas;	✓		Available in the 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.	✓		Available in the Annual Report

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Compliance Report on Bsec's Notification

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.	✓		Available in the Annual Report
2.2	**Requirement to attend the Board Meeting** Attendance of CFO and Company Secretary in the Board of Directors' meeting	✓		
3	**Audit Committee**	✓		Available in the Annual Report
3 (i)	Constitution of Audit Committee	✓		
3 (ii)	Assistance of the Audit Committee of the Board of Directors	✓		
3 (iii)	The responsibility of Audit Committee.	✓		
3.1	Constitution of the Audit Committee	✓		Details in page no. 80
3.1 (i)	The Audit Committee shall be composed of at least 3 (three) members.	✓		6 (six) member
3.1 (ii)	The Board of Directors shall appoint members of the Audit Committee who shall be directors of the company and shall include at least 1 (one) independent director.			
3.1 (iii)	All members of the audit committee should be "financially literate" and at least 1 (one) member shall have accounting or related financial management experience	✓		
3.1 (iv)	Term of service of Audit Committee members	✓		
3.1 (v)	The Company Secretary shall act as secretary of the Committee	✓		
3.1 (vi)	The quorum of the Audit Committee meeting shall not constitute without at least 1 (one) independent director.	✓		
3.2	**Chairman of the Audit Committee**			
3.2 (i)	The Board of Directors shall select 1 (one) member of the Audit Committee to be Chairman of the Audit Committee, who shall be an independent director	✓		
3.2 (ii)	Chairman of the audit committee shall remain present in the Annual General Meeting (AGM).	✓		
3.3	**Role of the Audit Committee.**	✓		
3.3 (i)	Oversee the financial reporting process.	✓		
3.3 (ii)	Monitor choice of accounting policies and principles.	✓		

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3.3 (iii)	Monitor Internal Control Risk management process.	✓		
3.3 (iv)	Oversee hiring and performance of external auditors.	✓		
3.3 (v)	Review along with the management, the annual financial statements before submission to the board for approval.	✓		
3.3 (vi)	Review along with the management, the quarterly and half yearly financial statements before submission to the board for approval.	✓		
3.3 (vii)	Review the adequacy of internal audit function.	✓		
3.3 (viii)	Review statement of significant related party transactions submitted by the management	✓		
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**	✓		Available in the Annual Report
3.4.1	**Reporting to the Board of Directors**	✓		Available in the Annual Report
3.4.1(i)	The Audit Committee shall report on its activitie to the Board of Directors	✓		
3.4.1(ii)	The Audit Committee shall immediately report to the Board of Directors on the following findings, if any:-			
3.4.1(ii) (a)	Report on conflicts of interests;	✓		
3.4.1(ii) (b)	Suspected or presumed fraud or irregularity or material defect in the internal control system;	✓		
3.4.1(ii) (c)	Suspected infringement of laws, including securities related laws, rules and regulations;	✓		
3.4.1(ii) (d)	Any other matter, which shall be disclosed to the Board of Directors immediately.	✓		
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	✓		

Compliance Report
on Bsec's Notification

	Directors, whichever is earlier			
3.3 (iii)	**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 to perform**			Details in page no. 89-90
4 (i)	Appraisal or valuation services or fairness opinions.	✓		
4 (ii)	Financial information systems design and implementation.	✓		
4 (iii)	Book-keeping or other services related to the accounting records or financial statements.	✓		
4 (iv)	Broker-dealer services.	✓		
4 (v)	Actuarial services.	✓		
4 (vi)	Internal audit services.	✓		
4 (vii)	Any other service that the Audit Committee determines.	✓		
4 (viii)	No partner or employees of the external audit firms shall possess any share of the company they audit at least during the tenure of their audit assignment of that company.	✓		
5	**Subsidiary Company**			
5 (i)	Provisions relating to the composition of the Board of Directors of the holding company shall be made applicable to the composition of the Board of Directors of the subsidiary company.			No subsidiary Company
5 (ii)	At least 1 (one) independent director on the Board of Directors of the holding company shall be a director on the Board of Directors of the subsidiary company.			No subsidiary Company
5 (iii)	The minutes of the Board meeting of the subsidiary company shall be placed for review at the following Board meeting of the holding company.			No subsidiary Company
5 (iv)	The minutes of the respective Board meeting of the holding company shall state that they have reviewed the affairs of the subsidiary company also.			No subsidiary Company
5 (v)	The Audit Committee of the holding company shall also review the financial statements, in particular the investments made by the subsidiary company.			No subsidiary Company
6	Duties of Chief Executive Officer (CEO and Chief Financial Officer (CFO)			Available in Annual Report
6 (i)	They have reviewed financial statements for the year and that to the best of their knowledge and belief:	✓		
6 (i) (a)	These statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;	✓		
6 (i) (b)	These statements together present a true and fair view of the company's affairs and are in compliance with existing accounting standards and applicable laws.	✓		

PICL STOCK

6 (ii)	There are, to the best of knowledge and belief, no transactions entered into by the company during the year, which are fraudulent, illegal, or violation of the company's code of conduct.	✓	
7	**Reporting and Compliance of Corporate Governance**	✓	
7 (i)	The company shall obtain a certificate from a Professional Accountant/ Secretary (Chartered Accountant/Cost & Management Accountant/ Chartered Secretary) regarding compliance of conditions of Corporate Governance Guidelines of the Commission and shall send the same to the shareholders along with the Annual Report on a yearly basis.	✓	Certificate available in the Annual Report page no.100
7 (ii)	The directors of the company shall state, in accordance with the Annexure attached, in the directors' report whether the company has complied with these conditions	✓	Details in the Annual Report page no.160

AMAR STOCK

MAKC MOHAMMAD ATA KARIM & CO.
CHARTERED ACCOUNTANTS

Ref: MAKC/PICL/05/17/5883

Date: 08th May,2017

Certificate on compliance of conditions of Corporate Governance guidelines to the shareholders of Phoenix Insurance Company Limited

We have examined the compliance status of Phoenix Insurance Company Ltd. as on 31 December, 2016 regarding conditions of corporate governance guidelines issued by the Bangladesh Securities and Exchange Commission as stipulated in Condition No. 7(i) of the BSEC notification NO. SEC/CMRRCD/2006-158/134/Admin/44 dated 7 August 2012.

The compliance of conditions of corporate governance guidelines as stated in the aforesaid notification and reporting of the status of compliance is the responsibility of the company's management. Our examination for the purpose of issuing this certification was limited to the checking of procedures and implementations thereof, adopted by the Company for ensuring the compliance of conditions of corporate governance and correct reporting of compliance status on the attached statement on the basis of evidence gathered and representation received.

In our opinion, except the matter as reported under condition no. 1.2(i) on the attached compliance report ("The actual requirements under Condition No. 1.2(i), as applicable to an Insurance Company, is currently under review of BSEC"), the Company has complied with the condition of corporate governance guidelines of Bangladesh Securities and Exchange Commission).

A.S.M Ataul Karim, FCA
Managing Partner

87, Purana Paltan Line, Paltan Tower (7th floor), Suit # 706, Dhaka-1000. Phone : 8802-8333047, 02-9343430
Cell : 01711-868049, E-mail : makc1941@yahoo.com, makc1998@yahoo.com

Risk Management

AMAR STOCK

Internal Control
& Risk Management

INTRODUCTION

The Board of Directors acknowledges the importance of maintaining a sound system of internal control to safeguard the interests of stakeholders (including shareholders' investments) and the Company's assets. The Statement on Risk Management & Internal Control of the Board of Directors was guided by the authorities Corporate Disclosure Guidelines and Corporate Governance Guidelines.

BOARD RESPONSIBILITY

The Board is responsible for the review of the adequacy and effectiveness of the Company's system of risk management and internal controls, which includes financial, operational and compliance controls. The system is designed to manage rather than eliminate the risk of failure to achieve business objectives. Accordingly, it can only provide reasonable and not absolute assurance against material misstatement or loss. The risk management and control processes are implemented by the Management, led by the Managing Director and Senior Management of the Company, who collectively is responsible for good business practices and governance.

MANAGEMENT RESPONSIBILITY

The Management is responsible for implementing the framework, policies and procedures on risk and internal control approved by the Board. The Risk Management Committee/ MANCOM continues to play a pivotal role in overseeing the implementation of the risk management framework, periodically reviewing the risk management processes and ensuring that on-going measures taken were adequate to manage, address or mitigate the identified risks and reporting the status to the Audit Committee.

RISK MANAGEMENT

The Board confirms that as an integral part of the system of internal control, there is an ongoing group-wide risk management process for identifying, evaluating and managing the significant risks faced by the company. Risk management is practiced within the company on an interactive basis.

Management from each business or department applies a risk/control self-assessment approach to identify the risks relating to their areas of supervision and control. These include the likelihood of these risks occurring; the consequences if they do occur and the actions being and/or to be taken to manage these risks to an acceptable level. The risk profiles and risk treatment measures determined from this process are documented in risk registers with each business or operations area having its respective risk register. The overall process is facilitated by the company's risk management department which is dedicated to the role of the company and regulatory authority

INTERNAL CONTROL SYSTEM

Company's internal control system consists of all the procedures, methods and measures instituted by the Board of Directors and the executive management ensures that operational activities progress in a proper way. It is a set of continuous processes to provide reasonable assurance by the board of directors of the Phoenix Insurance Company Ltd., the Management and all personnel to look after the following measures:

i) Effectiveness and efficiency of operations;

ii) Reliability of financial and non-financial information;
iii) An adequate control of risks;
iv) A prudent approach to business;
v) Compliance with the laws and regulations and internal policies and procedures;
vi) Protection of business assets;
vii) Consistent of the financial reporting in time.

The Board of Phoenix Insurance Company Ltd. is attentive of the internal control system and ensures that:

i) Management comply the related laws and regulations;
ii) The instructions and guidelines fixed by the Board of Directors and the Executive Management applied it accordingly;
iii) The Company's internal processes are functioning correctly, particularly those implicating the security of its assets;
iv) The financial information of the Company is reliable;
v) The internal control system plays a key role in conducting and monitoring its various activities.

The board of directors of Phoenix Insurance Co. Ltd. monitors the company's system of internal control and management confirms the system is functioning effectively. It supervises the efficiency of operations, reliability of internal and external reporting and compliance with the applicable laws and regulations. Company's internal audit department looks after at every corner and put their observation to the senior management. Under the guidance of Audit Committee senior management and internal audit team of the Company visiting the branches regularly and doing the needful as advised by the Audit Committee. To develop the system of the Company with modern concept, the senior management reviewed the existing policies time to time with the support of the Board and recommends their views in respect of accounting and financial information, human resources, business development and others.

CONCLUSION

The Board is satisfied with the adequacy and effectiveness of the Company's risk management and internal control system. The Board has received assurance from the CEO and CFO that the Company's risk management and internal control system, in all material aspects, is operating adequately and effectively. For the financial year under review, there were no material control failures or adverse compliance events that have directly resulted in any material loss to the Company.

Risk is a multi-dimensional phenomenon and a constant feature of everyday life. Fires, accidents, thefts, explosions, natural calamities and terrorism are the more common types of risk the community faces.

The dimensions and effects of such loss events have since long assumed major significance for whole economies. The question of how to predict and prevent such risks is accordingly the subject of intensive discussion both in the political sphere and among the public at large.

Company's Risk Assessment & Management

The complex realities of modern economic life and the growing awareness of the public at large place increasing demand on companies to pursue appropriate and far-sighted policies about risk. The same applies to insurers in determining their underwriting policies. The rapid development of new technologies and the changing nature of production processes necessitate a constant analysis of risk profiles. Both entrepreneurs and insurers therefore face enormously increased need for analytical and advisory services.

PICL works closely with clients to identify various risk exposures and then provide specific insurance proposals. This helps in loss prevention and reducing the cost of protection.

Our market-driven team of inspired and technically qualified insurance personnel, comprises specialists in civil and mechanical engineering, metallurgy, electronics, and other disciplines. They are on call for necessary professional advice at all times. Our linkages with overseas specialists are of major value to our clients.

In addition to insurance protection, it is our practice to provide risk reduction advice to clients and assist them in developing preventive capabilities to avert mishaps and disasters.

Risks of Insurance Operations

The insurance business principal is taking and managing the risks. The largest risks pertain to risk selection and pricing, the acquisition of reinsurance cover, and the adequacy of technical provisions. Within General Insurance, the risk inherent in technical provisions lies mainly in insurance lines characterized by a long claims settlement period. In addition to underwriting risks, a major insurance business risk consists of the investment risk related to the assets covering technical provisions.

Risk Management Plan

The management of Phoenix Insurance coordinated to set the activities and methods that are used to an organization and to control the many risks that can affect its ability to achieve the objectives. The management makes the plan that is used to manage the risk. The Company's risk management plan is the management of components, the approach, and the resources that will be used to manage the risk. Typical management components include procedures, practices, responsibilities, and activities (including their sequence and timing). The Company's risk management plans applied to products, processes, or to an entire company or to any part of it.

Risk Concentrations

The Phoenix Insurance Company takes the risk concentration in EML (Estimated Maximum Loss) estimates for property risks and through EML break through cover included in reinsurance cover. Our operating region has no major risk of earthquakes. With respect to risks associated with other natural disasters, such as storms and floods. However, the company has protected against catastrophe accumulation losses through an extensive catastrophe reinsurance cover whose size has been dimensioned to correspond to the calculated size of a catastrophe loss occurring once every 200 years. The catastrophe accumulation cover applies to property damage and personal injuries.

Risk Analysis

Risk analysis is a process that is used to understand the nature, sources, and causes of the risks that we have identified and to estimate the level of risk. It is also used to study impacts and consequences and to examine the controls that currently exist. The Management of Phoenix Insurance always aware of the probability of the Insurable items risk factors. Before issuing any Insurance policy the concerned employee consult with the underwriting departments about the risk involvement of the insured items. If it is found reasonable and capable for the company and also have facility of reinsurance then with the consent of the Managing Director the concerned authority issued the policy for taking the risk.

Underwriting Risks

By taking out an insurance policy, the policyholder transfers his insurance risk to the insurer. The underwriting risk associated with an individual general insurance contract. Our Company's portfolio comprises a very large number of general insurance contracts. Because of this large size of the insurance portfolio, the expected number of claims is also great. An accumulation of loss due to natural catastrophes or large catastrophes caused by human activity constitutes a specific risk type. In such a case, one catastrophic event may in practice give rise to simultaneously payable claims for a large number of insured risks at high amounts. The resulting total claims expenditure may be extremely large. However, this risk can be diversified, since the company operates in the region with a perceived relatively low risk of natural catastrophes, enabling the company to protect against the risk through reinsurance.

Underwriting Risk Management

The most important tasks within underwriting risk management relate to risk selection and pricing, the acquisition of reinsurance cover, the monitoring of claims expenditure and the analysis of technical provisions. The Underwriting Executives act as the highest decision-making body with the support of Managing Director to takes the underwriting risks. The Underwriting Executives make underwriting decisions within the framework of powers confirmed by the Management/Boards of Directors of the company, and report its decisions to the Board.

The risks cost are made according to the Underwriting Guidelines governing each line of insurance in case the risk involved is below the amount set for the Underwriting Executives. Greater and more severe risks require decisions made jointly by senior underwriters or managers. For basic insurance lines, decisions are made on a system-supported basis and customers and the objects of insurance are selected within the powers allowed by instructions specifically approved.

Risk Selection and Pricing

Operating models highlight the role or risk selection and pricing. The company has set limits for the size and extent of risk for each insurance line and risk concentration. The company has a centralized the data in

Company's Risk
Assessment & Management

the head office and analysis the applications in place to support of the risk selection and pricing. Insurance terms and conditions serve as a vital tool in mitigating risks. In addition, risk analyses are performed on a customer or insurance line specific basis to mitigate risks.

Reinsurance Risk

The Board of Directors annually approves the reinsurance principles and the maximum risk per claim retained for own account. In practice, this risk is kept lower if this is justifiable considering the price of reinsurance. Retention in risk-specific reinsurance is a maximum of BDT.1,50,00,000/- for Fire loss, BDT.65,00,000/- for Marine Cargo, BDT.25,00,000/- for Misce & Engineering, and BDT. 7,50,000/- for Motor insurance and that in catastrophe reinsurance BDT.50,00,000/-. The capacity of risk plus cat reinsurance covering loss accumulation stood at BDT. 2,00,00,000/- in 2016. In addition, claims under the business have an annual aggregate protection with a capacity of BDT 2,50,00,000/-.

The level of reinsurance protection has an impact on the need of solvency capital. Only companies with a sufficiently high insurance financial strength rating are accepted as reinsurers. Moreover, maximum limits have been confirmed for the amounts of risk that can be ceded to any one reinsurer. These limits depend on the nature of the risk involved and on the company's solvency. The Phoenix Insurance Company has mainly placed its reinsurance agreements with the companies with at least 'A' rating affirmed by Trust Re Bahrain, Malaysian Re and Asian Re-insurance Corporation in Bangkok.

Comprehensive Motor Insurance Risk

Comprehensive insurance policies cover the loss or damage to insured motor vehicles. The comprehensive insurance portfolio consist mainly motor vehicle policies taken out by private individuals and companies. The rating of motor vehicle insurance employs a no-claims bonus system, under which the occurrence of a loss event raises the premium. In addition, the insurance company has the right to alter the premium annually. The majority of the motor vehicle insurance portfolio comprises private individuals' policies. In other respects, the insurance risk in this class consists mainly the insurance taken out by companies. The Phoenix Insurance has reinsurance protection with retention of BDT.7,50,000/- only for comprehensive Motor Insurance loss.

Risk of Cargo Insurance

Cargo insurance applies mainly to companies' transport risks, covering loss of or damage to goods in transit. This line of insurance also contains luggage and boat/yacht insurance whose policyholder is mainly a private individual. In addition, weather conditions may involve accumulation risks covering a geographically large region, such as storms and floods, and the risk of snow and icy roads during the winter pertains to comprehensive insurance.

The Phoenix Insurance Company has taken out reinsurance cover against major loss of or damage to cargoes, with the retention under reinsurance amounting to BDT.65,00,000/-.

Market Risk

Instability and disruption of overall economies of local and abroad can expose the company's business income including the financial and capital markets position and also changes the annual premium income position, which may adversely impact on the company's financial condition. This risk can have a significant effect on investment returns and market values of securities positions, which in turn may affect both the company's results of operations and financial condition.

The Phoenix Insurance Company Limited has trying to reduce the risk of the portfolio by relocation the service of the portfolio and, as a result, profitability would-be increased, unless there is no impact on underwriting returns.

Investment Risks

In insurance business, investments comprise assets covering technical provisions and shareholders' equity. Through controlled investment risks, Phoenix's aims is to achieve the best possible return on the investment portfolio at an acceptable risk level while taking account of the structure of technical provisions and the solvency targets.

In our company, investment operations are based on investment plans and investment authorizations, confirmed by the Board of Directors, which specify the basic allocation and range of investments by asset class, the organization of investment, risk limits as well as decision-making powers and authority. The Company applies the Asset/Liability Management (ALM) model used to determine the basic allocation. As a result of fluctuations in asset values and active investing, the company occasionally deviates from the basic allocation within defined limits.

The Company's Investment operation presented in the monthly Board of Directors Meetings. The Risk Management function monitors daily risk limits set in the investment plan, key risk limits including allocation limits, interest rate, counter party credit-rating limits and diversification limits.

Interest Rate Risk

We know that general insurance have huge amount of liquid investment and the investment kept in the form of FDR. The FDR interest is one of the main incomes of the company. The interest rate of fixed-income portfolios is account for the certain period. If the interest rate is fluctuating or decrease from the previous years then income portfolio may be downward. So, determining the interest rate risk, the company regularly monitors the FDR and if required communicate with the banks for maintaining the fixed rate to confirm the interest income properly.

Legal Compliance Risks

The Company could be subject to risks arising from alleged or actual violations of any of the foregoing, and could also be subject to risks arising from potential employee misconduct, including non-compliance with internal policies and procedures. Substantial legal liability could materially

adversely affect the company's business, financial condition or results of operations or could cause significant reputation damage, which could seriously harm the business of the company.

Coclusion

The Management of Phoenix Insurance Company Limited has already been taken necessary steps to confirm the regulatory works based on the guidelines of the authority. The Board of Directors regularly motivated the management to maintain the rules and regulation and do the business as prescribed by the IDRA. The Management always aware about the legal compliance and ensured the Risk management to save the company.

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Statements

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Human Resources Management and Quality of Service

PHILOSOPHY

The views of human resources of the Phoenix Insurance are an asset to the company whose value will be enhanced by development. It is devoted to providing effective policies, procedures, and people-friendly guidelines and support within the PICL. Additionally, the human resource function serves to make sure that PICL's mission, vision, values, and the factors that keep PICL guided towards the success are optimized.

2016 DEVELOPMENTS

Training & Skill development

In 2016 the Company focused on sharing more of its training and development programmes with the Phoenix Insurance Company. The Company continued to co-ordinate the emerging talent (graduate, apprentice and internship) programmes on behalf of the market and during the year 2016 we have appointed some officer and give them training properly. Thereafter, they have started their journey in the company productively. Phoenix Insurance has maintained schedule to complete the training of employees to build up them skilled and knowledge. During the year, 25 officers of different level completed training courses from various institutions.

Performance evaluation

At PICL, every year the management evaluates the performance of the employee. This is done through a formal review on a periodic basis known as a performance appraisal or performance evaluation. The performance appraisals help in rewarding employees through bonuses, promotions, and so on; providing feedback and noting areas of improvement; and identifying training and development needs in order to improve the individual's performance on the job.

During the year 2016, the management promoted 57 employees in different ranks and allowed 54 special increments to 47 employees for their best performance.

Compensation and benefits

The Management has tried to ensure that the designed compensation and benefits structure conforms not only to industry norms but also rewards initiative and productivity from of the employees. In 2016, employees get Incentive bonus, festival bonus, Provident fund, Gratuity and leaves.

2017 Plans

- Continue delivery of high quality leadership, management and behavioral skills training for capable employees in Phoenix's.
- Lead and support talent development activity across the Company.
- The market's workforce will have the skills, capabilities and knowledge to ensure that expertise is a competitive differentiator for Phoenix's. The hiring and retention of high caliber employees will be improved.
- The Phoenix's market's workforce will have an enhanced understanding of, and commitment to, diversity and inclusion. Diversity and inclusion will be integrated into Phoenix's culture

Strategy:

- Offering attractive compensation package for deserving personnel.
- [Providing need based internal and external training in both home and overseas to cope with challenges in the days to come.
- Following attractive company's Service Rules into to as introduced from 1st January, 1989.
- Updating Scale of Pay in need based.
- Create a strong Management team.
- Align the Interests of employees with the Interests of the Company.
- Hiring, Developing, Succession Planning and maintaining the right workforce in right place.
- Employing professionals who create success for customers.
- Aligning incentives and staff rewards with performance for serving the best.

Phoenix Insurance continues to maintain a very satisfactory position in terms of personnel turnover of the company.

Staff Strength of the Company:

SL#	Manpower Strength	2015	2016
01	Senior Level Management	26	31
02	Mid Level Management	57	61
03	Junior Level Management	116	111
04	Support Staff	105	104
	Total	**304**	**307**

Quality Policy

We are committed to provide best quality service to our valued policyholders to their satisfaction by assessing the risk needs, tailoring product to their requirements and by consistent efforts to reduce time for settlement of claims. We believe that proper assessment of risks of our clients and prompt settlement of claims are the key to our company's growth.

To comply with and continuously improve the effectiveness of our quality Management System

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Statement of on Going Concern and Liquidity Management

Basic principles of the accounts of the company assumed that the company would continue the business operation in the foreseeable future. The significance of this principle becomes apparent when the value of a running business is compared with the value of one being liquidated.

The moment a business is declared liquidated, all debts become immediately due in full, tangible assets are worth only what they will be sold for in an auction or fire-sale, and the intangible assets (such as goodwill) become worthless. In the financial statements we have presented the position and it is ensured that all reasonable steps have been taken to continuing the company as a going concern and also continuity of business unit principle. Accounts prepared based on the going concern concept to present a realistic financial reports. Without the 'going concern' concept, financial statements would have to write off all assets in the current period including long-term assets that still have an economic benefit for future periods.

As an insurance company, our core business generates liquidity primarily through premium income. Our exposure is to liquidity risk items mainly from two sources: the need to cover potential extreme loss events and regulatory constraints that limit the flow of funds within the company.

The Company maintains an overall asset liquidity profile that exceeds requirements to fund potential liabilities under adverse scenarios. The Company also actively manages and monitors the matching of asset positions against its commitments, together with the diversification and credit quality of its investments against established targets.

The Company's primary source of funds is cash provided by operating activities, including premiums and net investment income. These funds are used primarily to pay claims, commissions, operating expenses and shareholder dividends. Cash flows generated from operating activities are generally invested to support future payment requirements, including the payment of dividends to shareholders.

We have actively managed the liquidity risks to ensure that we can satisfy the financial obligation of the company. Company's most of the amount invested in the form of publicly traded companies' shares and FDRs and also have huge cash balances. The Phoenix Insurance Company Ltd. liquidity stress tests are reviewed regularly and the company's Audit Committee approve their main assumptions in time successfully. The total cash and cash equivalents as at the end of 2016 is Tk.42,72,32,191/- against Tk. 47,20,64,140/- in 2015.

Statement
of Opportunities

As a leading insurance company of the country, the Company is in a position to avail and exploit a number of opportunities. Following is the summary of significant opportunities present to the Company:

- Expand general solutions through window operations;
- Increasing reach to all parts of the country through expanding distribution network;
- Develop micro insurance solutions for the socio economic group at the bottom of the pyramid;
- Focus on insurance awareness through continuous investments in communication channels andmarket education; and
- With increasing mobile penetration amongst the masses, utilize such platforms for customer interaction, awareness, marketing and sales.

Materiality
Approach

Management believes materiality as a key component of an effective communication with stakeholders. In general, matters are considered to be material if, individually or in aggregate, they are expected to significantly affect the performance and profitability of the Company.

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Partial View of Board Meeting

Directors Report

AMAR STOCK

Directors' Report

For the year ended 31st December 2016

Bismillahir Rahmanir Rahim

Dear Shareholders,

Assalamu Alaikum,

On behalf of the Board of Directors, I am delighted to welcome you all to the 31st Annual General Meeting of the Phoenix Insurance Company Limited and have the pleasure to place before you the Annual Report together with the Audited Accounts of the Company covering the Statement of Financial Position (Balance Sheet), Statement of Comprehensive Income (Profit & Loss Account), Consolidated Insurance Revenue Accounts (Revenue Accounts), the notes thereto and the Auditors' Report for the year ended 31st December 2016.

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TREND OF WORLD ECONOMY AND POSITION OF BANGLADESH

Trend Of Global Economy

In 2016, the world economy expanded by just 2.2 per cent, the slowest rate of growth since the Great Recession of 2009. Underpinning the sluggish global economy are the feeble pace of global investment, dwindling world trade growth, flagging productivity growth and high levels of debt. Low commodity prices have exacerbated these factors in many commodity-exporting countries since mid-2014, while conflict and geopolitical tensions continue to weigh on economic prospects in several regions.

World gross product is forecast to expand by 2.7 per cent in 2017 and 2.9 per cent in 2018, with this modest recovery more an indication of economic stabilization than a signal of a robust and sustained revival of global demand. The slight increase in gross domestic product (GDP) growth projected for developed economies in 2017 is largely driven by the end of the destocking cycle in the United States of America and additional policy support in Japan. Economies in transition are expected to expand by 1.4 per cent in 2017, following two consecutive years of decline, as the region has largely absorbed the sharp terms-of-trade shock that several countries suffered in 2014-2015.

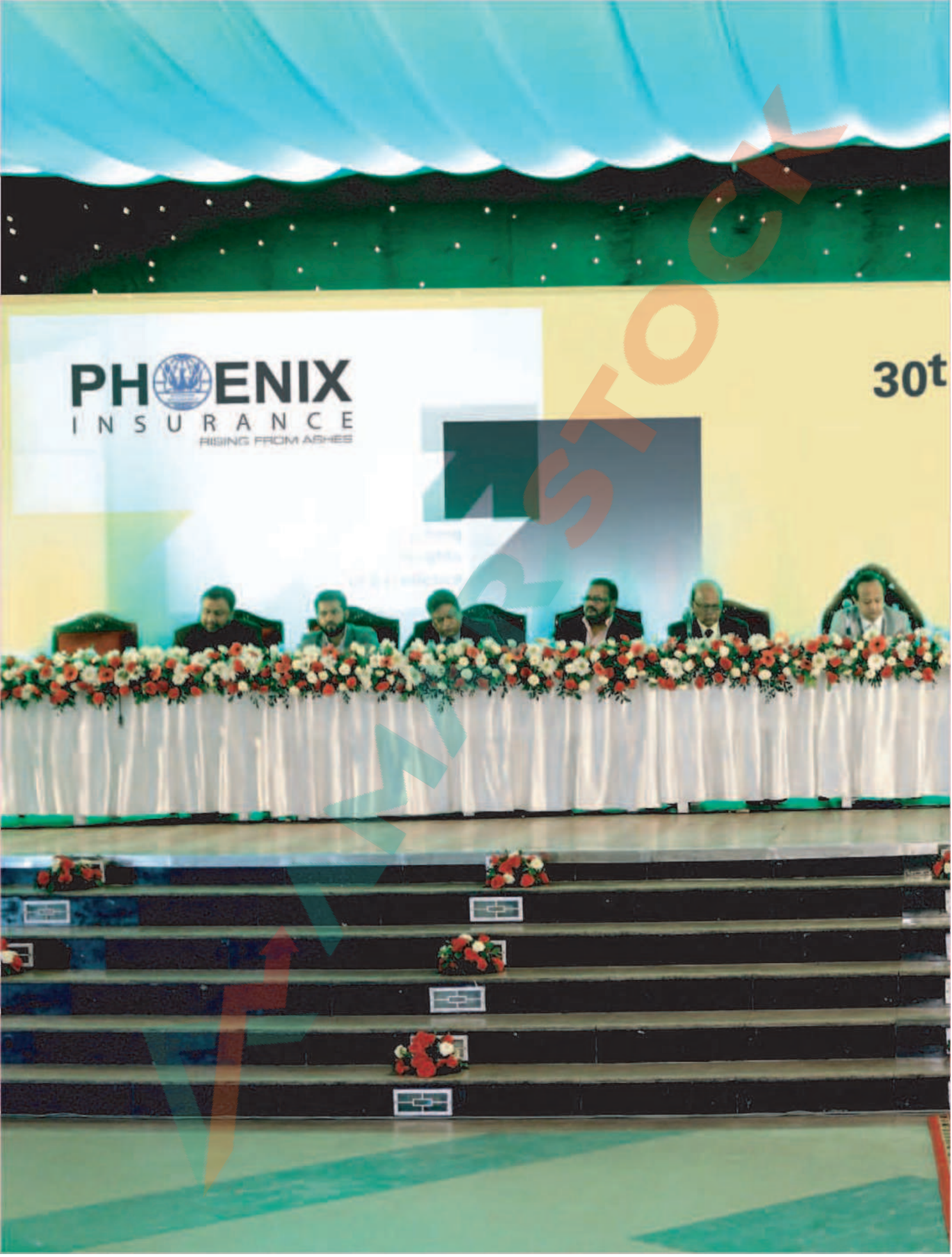
World trade volume growth is projected to decrease from 2.6 percent in 2015 to 2.3 percent in 2016 and then increase to 3.8 percent in 2017. Trade balances in advanced economies are expected to deteriorate in 2016 and 2017 since export growth is projected to be weaker than import growth; while those in emerging markets and developing economies are expected to improve in 2016, but deteriorate in 2017. The growth rate of imports for advanced economies is expected to decrease from 4.2 percent in 2015 to 2.4 percent in 2016 and increase to 3.9 percent in 2017. In emerging markets and developing economies, growth rate of imports is projected to increase from negative 0.6 percent in 2015 to 2.3 percent in 2016, and rise further to 4.1 percent in 2017.

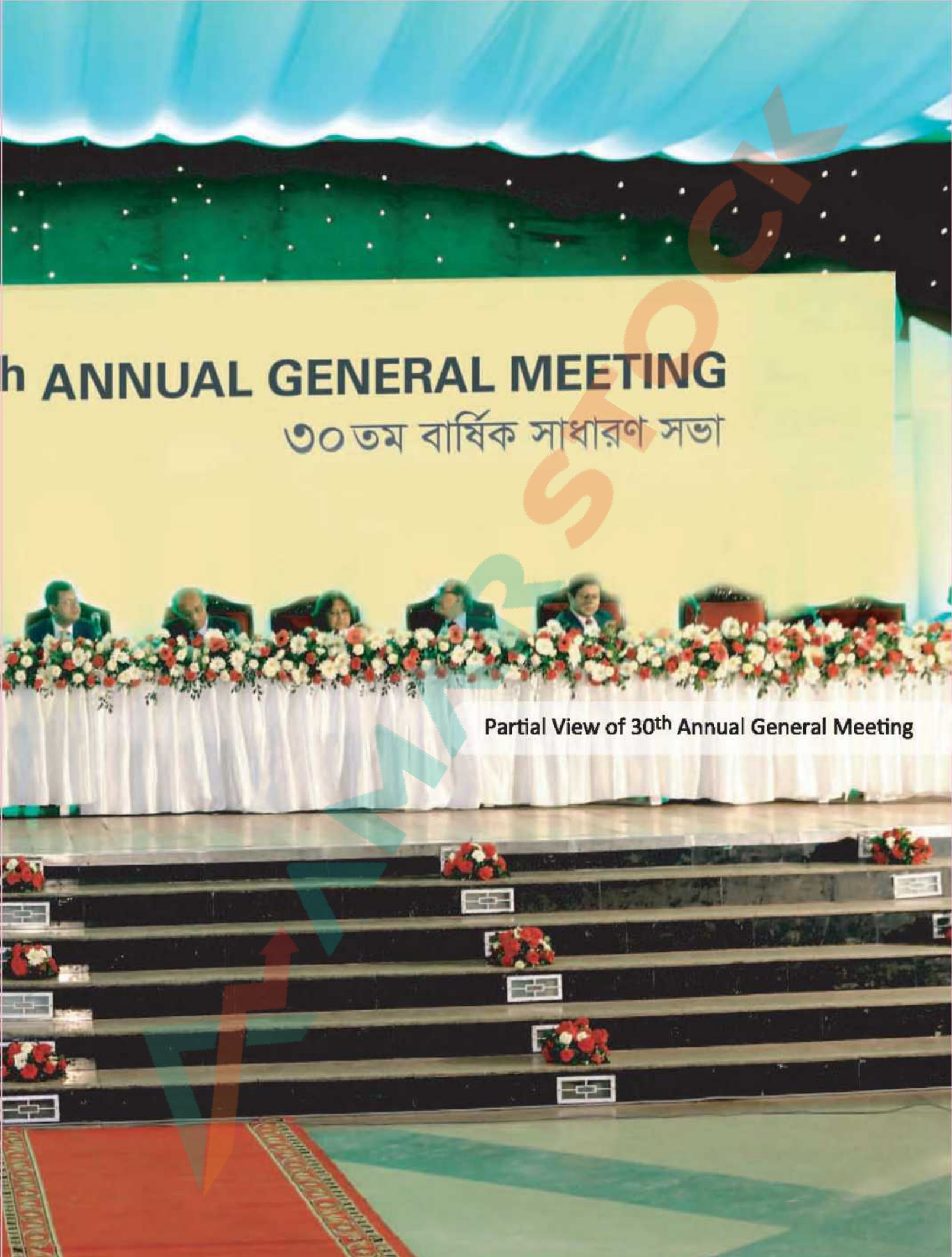
Exports of advanced economies are expected to grow by 1.8 percent and 3.5 percent in 2016 and 2017 respectively while those of emerging markets and developing economies are expected to grow by 2.9 percent and 3.6 percent respectively during the same period.

Bangladesh Economy

Bangladesh economy grew by 7.1 percent, exceeding the 7.0 percent growth target and the 6 percent growth trajectory. This strong growth was mainly supported by industry and services sectors. Annual average CPI inflation continued to decline to 5.9 percent in June 2016, below the target of 6.2 percent. The declining trend in average CPI inflation is mainly driven by favorable food inflation.

Bangladesh has experienced high and steady growth for more than a decade, with an average growth of over 6.0 percent. Growth exceeded 7 percent in FY16, a decade high, and higher than the average in peer Asian economies, making Bangladesh the 3rd best growth performer in Asia.Growth accelerated to 7.1 percent in FY16, up from 6.6 percent in FY15, with support from both domestic and external demand. On the supply side, industry and services sectors contributed to the growth.


PHOENIX
INSURANCE
RISING FROM ASHES
30t



Partial View of 30th Annual General Meeting

Export grew by 8.9 percent, while import by 5.5 percent in FY16. Remittances, however, ended up with a negative growth of 3.0 percent during the same period. The current account surplus of USD 3.7 billion led to an overall balance of USD 5.0 billion, building net foreign assets.

Sectorally, industry, services, and agriculture sectors grew by 11.1, 6.3, and 2.8 percent, respectively. Growth decomposition shows that the largest share (3.4 percentage points) came from the industry sector, followed by services (3.3 percentage points) and then agriculture (0.4 percentage points).

According to the Bangladesh Bureau of Statistics (BBS), GDP at current market price was Taka 17328.6 billion for FY16 which was 14.3 percent higher than that of the preceding fiscal year. In FY16, per capita real GDP and GNI were estimated at Taka 55259 and Taka 58442, respectively. Per capita nominal GDP and per capita real GDP grew faster in FY16 than in the previous fiscal year.

INSURANCE SCENARIO

Global Insurance Positions

The global non-life industry generated around USD 2100 billion of premium income in 2016, of which 20% came from emerging markets. Non-life insurance ranges from standardized motor and household insurance to sophisticated tailor-made liability and property covers, including specialty commercial and industrial risk insurance.

Primary non-life premium growth was slower in 2016 than in 2015. Global primary non-life premiums are estimated to have risen by 4% in real terms in 2016, after a 6% increase in 2015.

In mature markets, premium growth decelerated to 1.7% due to weaker economic growth and a softer pricing environment in commercial insurance. The Western European markets exhibited some momentum mainly from stronger motor business in Germany and Spain. The UK and France were stable, but weak. In Italy premium income declined again, albeit at a slower pace than in previous years. Larger markets with accelerating expansion include Canada, Japan and South Korea.

Primary non-life premiums in the emerging markets grew by an estimated 5.3% in 2016, up slightly from 2015, but significantly slower than the 8% annual average growth between 2010 and 2014. The weaker increase was due to continued economic slowdown in Latin America, with inflation-adjusted declines in Brazil, Argentina and Venezuela, sluggish-to-negative growth in the larger markets in Sub-Saharan Africa, and a premium growth slowdown in China (7% vs. 10% in 2015). This was partly offset by recovery in Central and Eastern Europe and strong growth in the Middle East and North Africa.

In terms of underwriting profitability, the US non-life industry's combined ratio worsened from 98% in 2015 to 100% in 2016, driven by higher catastrophe losses — claims from Hurricane Matthew are likely to add to an above average natural catastrophe burden in 2016 — and lower reserve releases. Softening rates in commercial lines contributed to a worsening of results and a decline in premium income in this segment. Underwriting profitability in Europe was about the same in 2016 as in 2015, with an

average combined ratio of around 95%. Underwriting results in Germany and France suffered from severe storms and floods (Elvira and Friederike) in May and June, which caused overall insured losses of EUR 2.7 billion (USD 3 billion). Underwriting results remained stable in Switzerland and were slightly worse in Italy, mainly driven by weaker but still profitable motor business. The earthquakes in Italy in August and October are expected to have only a minimal impact on 2016 underwriting profitability due to low insurance penetration. Other markets like the UK, the Nordic countries and Spain experienced some improvement, mainly based on motor. Underwriting results in Japan and Australia, the largest mature markets in Asia Pacific, have been mixed. In Japan, overall underwriting results deteriorated, reflecting mainly higher natural catastrophes due to the Kumamoto earthquake and higher losses in auto insurance. Underwriting performance in Australia improved. By line of business, deteriorating liability and motor segment results were offset by improvements in property risk (homeowners, fire and industrial special risks). Investment returns for primary non-life insurers remain under pressure as average yields are stalling and operating cash flows are weak.

The global economic outlook for 2017 and 2018 is for moderate growth. With respect to primary non-life insurance, the emerging markets will be the main driver with an estimated strong improvement to 6%–7% premium growth in real terms expected in 2017 and 2018. Real growth in advanced markets is expected to slow slightly next year since macroeconomic conditions will improve only modestly.

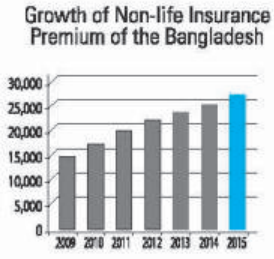
Bangladesh Insurance Market

Bangladesh is a small country and its non life insurance market is small comparing other developing but 45 non life insurance companies are function in the Bangladesh. The Insurance Act is updated recently but still insurance rules not updated. As a result insurance companies are working based on 1958 Rules. The number has been increased largely over the last few years; most of the insurance companies are still struggling. The future expansion of Bangladesh insurance market and increase of insurance penetration in the country lies in tapping the hitherto untapped segments of the market - personal lines business in particular which has remained neglected so far. The growth of the country's economy, in line with the growth in south Asian countries will also provide an impetus to the insurance sector by creating new business opportunities. However, this requires sustained efforts by the insurance industry as a whole, apart from individual insurers introducing new products and improving their services.

Non-life Insurance premium growth was better in 2016 than in 2015 & 2014, in both the advanced and emerging markets of the world whereas in the last few years the Bangladesh insurance industry has maintain growth although a down-ward trend in the year 2014 because of poor investment. The experts have the fear of that the industry was likely to have the similar experience in 2015.

The growth of non-life insurance premium income in 2015 was 7.94 percent which was 6.21 percentages in 2014. The combined premium income underwritten by public and private sectors stood at Tk. 26,381 million in 2015. GDP growth in Bangladesh has been hovering more than 6 per cent during the last few years. Although the insurance industry growth have been double digit during the years 2009 to 2012, though this somewhat slowed down during the last three years. The comparative premium position during the last seven years has been as follows:

Growth of Non-life Insurance Premium of the Bangladesh



Growth of Non-life Insurance Premium of the Bangladesh

Amount in Million Taka

Year	Non-life insurance	Increased	Growth (%)
2009	13,898	1,045	8.13
2010	16,544	2,646	19.04
2011	19,249	2,705	16.35
2012	21,452	2,203	11.44
2013	22,947	1,495	6.97
2014	24,440	1,493	6.21
2015	26,381	1,941	7.94

Insurance Premium growth depends on economical or business growth of the country. Actually the year 2016 was very tough considering all other aspect. Due to tough competition unethical practice is looking in the insurance companies. The procurement cost has been increased as a result insurance companies fail to provide best service to the insurer. We believe 2017 will be more positive for non life insurance business of the Bangladesh and we will overcome all difficulties.

COMPANY'S BUSINESS ACTIVITIES AND OPERATING PERFORMANCE REVIEW

Gross Premium

Private sector investment was increasing very slowly, on the other hand GDP also increasing. Domestic insurance also grow almost 8% and our company also doing good business during the year 2016. Although globally the Bangladesh also faces some other challenges to overcome the global crises. To overcome all varies, the Govt has been trying to maintain the improvement in all sectors of the economy of Bangladesh specially import, export & investment in industrialization. We know that general insurance business depends on Import, Export, investment in industrialization, andcoverage of the security of all kinds of assets. We know that a large number of insurance companies in Bangladesh at present are certainly not commensurate with the size of the market that has led to aggressive competition which has, determine to the industry as a whole.

Considering all difficulties, the wise management team of the company has taken proper attention in time with professional manner and due to this attention the gross premium of the Company has been increased significantly. In the year 2016, the Company was able to post a significant business growth in comparison to the insurance industry. The gross premium is at Tk. 65,21,77,275/- as compared to Tk. 64,46,73,914/- in 2015.

Product Performance Analysis

Fire Insurance

The Fire class of Insurance business constitutes 40% of the total portfolio. During the year, the Company has underwritten a gross premium of Tk. 25,24,02,225/- whereas it was in 2015 at Tk. 24,13,60,120/-. The company has maintained the 5% growth of the business in Fire.

Marine & Hull

This class of business constitutes 38% of the total portfolio. The Company has underwritten a gross premium of Tk.25,10,47,297/- in current year as compared to Tk. 24,71,99,419/- in previous year. The Marine & Hull insurance premium was increased from previous year due to overall import & export of the country was better than previous year.

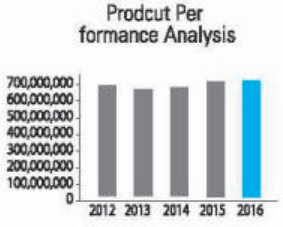
Motor

This class of business constitutes 15% of the total portfolio. During the year, the Company has underwritten a gross premium of Tk. 10,08,59,858/- as compared to Tk. 6,07,69,396/- in the last year. The company has maintained the 66% growth of the business in Motor due to management has taken some initiatives which have good impact for increasing the business during the year.

Miscellaneous

The Miscellaneous class of business constitutes 7% of the total portfolio. The gross premium was at Tk.4,78,67,895/-. Last year underwritten premium was Tk. 9,53,44,979/-only.

We have maintained the growth of business. Last five years class wise insurance businesses are presented below for kind information:



Class of Insurance	2012	2013	2014	2015	2016
Fire	199,455,525	205,539,950	212,985,003	241,360,120	252,402,225
Marine & hull	312,005,470	268,768,922	285,632,582	247,199,419	251,047,297
Motor	63,308,086	70,094,973	64,787,933	60,769,396	100,859,858
Miscellaneous	47,277,992	50,590,006	47,036,028	95,344,979	47,867,895
Total	**622,047,073**	**59,49,93,851**	**610,441,546**	**644,673,914**	**652,177,275**

Product Development

Phoenix Insurance continues to lead the market in innovative products and delivery of service by harnessing technology. Our on-line portal is constantly improved to make it consumer friendly and efficient. We also continue to invest in on-line retail systems not only to improve efficiency but also integration with multi-brand retail platforms. The Company has entered in multiple partnerships to expand its reach to a wider segment of customers.

The wind of globalization of trade and commerce has been blowing on all over the world. Insurance companies from advanced countries are trying to enter our market to sell insurance policies of non-life to the public. To face of this challenge, our vision and temperament are going to change, innovative services have been introduced, the highest standard of professionalism has been developed, and we amended and enforced the policy for customizing the business of the company.

To meet the emerging changes in the business environment and to reach a wider segment of customers, the Company is trying to develop new products


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Partial View of 30th Annual General Meeting

to enter into retail segments. The Company continues to invest in knowledge based products and in training of its manpower to keep itself competitive and responsive to fast changing environment

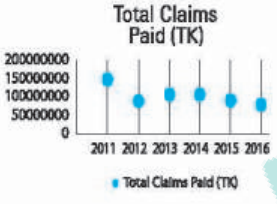
OPERATIONAL ACTIVITIES

Claims

Non life insurance claims represent the claims due under contracts in respect of non-life insurance; that is, the amounts which insurance enterprises are obliged to pay in settlement of injuries or damage suffered by persons or goods (including fixed capital goods). Non-life insurance claims are recorded at the time of the accident or other event insured against occurs. The settlement of a non-life insurance claim is treated as a transfer to the claimant. Claims incurred in insurance related activities consist of claims and claims handling expenses paid during the year together with the movement in outstanding claims.

The settlement time for claims depends on various factors such as the line of business, cause of loss, the nature of claim etc. Typically, claims which result in total or partial destruction of assets or records (such as those caused by Acts of God), those where adequate documentation to establish the claims are awaited and those which are the subject matter of judicial processes tend to have longer settlement times, which are beyond the control of the Company. The Company has improved internal processes, for further reduction of average claims settlement time and claims outstanding.

The overall claims expense was Tk.8,16,09,809/- during the period ended December 31st 2016 whereas Tk.9,42,53,838/- during the period ended December 31st 2015. Phoenix Insurance Company has always committed to settle the Insurance Claims appropriately in time. We believe that our commitment is to satisfaction of our customer and their satisfactions are the goodwill of our Company's. Claim expenses have been reduced for proper maintenance of the insurance coverage of the policy. The year wise insurance claims paid are enumerated below:



Year	Total Claims Paid (TK)
2011	14,97,06,517/-
2012	9,00,42,328/-
2013	10,89,40,067/-
2014	10,71,19,288/-
2015	9,42,53,838/-
2016	8,16,09,809/-

Reinsurance

Reinsurance department is the key and the most important department in any general insurance company. Reinsurance arrangements with professionally structured, dependable and financially sound reinsurers are absolutely essential. The role and strong support of reinsurers for the company is vital. Reinsurance department is to ensure that first class reinsurance arrangements at minimum costs are available, both locally and abroad, to the Company. Professional support and comprehensive reinsurance arrangements reduce the risks of insurance company in respect of claims incurred or expected to be incurred. PICL has always been successful to have support of world known financially and professionally supported first class and excellent reinsurers in the past as well as in the current financial year.

Phoenix Insurance Co. Ltd. has arranged sufficient protection through the re-insurance program with state own organization Sadharan Bima Corporation. As the company's portfolio growing fast the reinsurance department feels to re-organize the re-insurance program for the security and safety of the company. The Company had started placement of the re-insurance program connecting with the Overseas Market. From 2010, the company maintaining the government rules and placed the 50% share to the overseas secured Market in the major share to the A-rated re-insurance companies and the rest 50% with Sadharan Bima Corporation. The company also changed their re-insurance structure and obtained both Proportional and Non-proportional treaties with higher capacity to protect the interest of the multinational company whose total risk is a bigger size. The company also obtained Catastrophe Excess Loss Treaty in Fire business to safeguard the company as well as the shareholders interest to protect any disaster. Our key value drivers are large capacity, technical expertise and the ability to develop tailored solutions to meet clients' needs, for example in the area of solvency relief.

The allocation of the company's re-insurance arrangement is as follows:

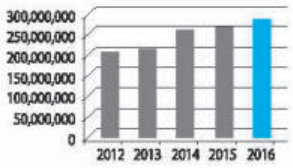
i)	Sadharan Bima Corporation (SBC), Bangladesh	-	50.00% share
ii)	Trust Re, Bahrain	-	25.00% share
iii)	Oman Re, Oman	-	7.50% share
iv)	CICA Re	-	5.00% share
v)	GIC Bhutan	-	10.00% Share
vi)	NCA	-	2.50% Share

The company has also placed facultative re-insurance protection in excess of company's treaty capacity to other markets like as Sen Re Senegal, Asian Re, Bangkok, Allco American. The company has also placed Marine Cargo facultative business to various Lloyd's syndicate and has also connection with Munich Re, Germany, Swiss Re, Singapore and Zurich. The Board of Directors always aware about the customer's insurance risk and ensures the protection of its liability by sufficient and timely re-insurance arrangement.

The Company follows a policy of optimizing retention of risk through a carefully designed high quality program of re-insurance with "A" rated and well reputed re-insurers. The focus of reinsurance treaty program has been designated to protect the value of risk by insuring timely and quality protection for individual risks and in catastrophic events. Your Company follows a high quality, low risk reinsurance strategy. Your Company's conventional reinsurance policy reduces the potential volatility of the earnings stream. Reinsurance arrangements in place include surplus, Excess of loss and catastrophe coverage. The effect of such reinsurance arrangement is that the Company should not suffer total net insurance losses beyond the Company's risk appetite in any one year.

2016 Performance

The Phoenix Insurance Company Ltd. paid as re-insurance premium for 2016 was Tk. 27,61,74,526/-, an increase of 8% from previous year premium. Phoenix Insurance Co. Ltd. is fully equipped with technical expertise and our present re-insurance arrangement is quite good enough to protect the interest of the company as well as the policyholders in any consequences. The year wise breakup of re insurance premium paid is enumerated below:



Class of Insurance	2012	2013	2014	2015	2016
Fire	114,885,781	112,064,117	152,198,621	125,831,720	155,727,660
Marine	51,057,790	57,729,071	61,431,705	78,659,252	89,205,299
Motor	273,620	1,513,287	24,90,962	2,062,236	5,087,255
Miscellaneous	29,022,899	32,661,551	3,24,80,373	50,299,710	26,154,312
Total amount in Tk.	195,240,090	203,968,026	24,86,01,66	256,852,918	276,174,526

CAPITAL, RESERVE AND INVESTMENT

Capital Management and Liquidity

The Company has a policy to maintain a strong capital position and provide the flexibility necessary to take advantage of growth opportunities, to support the risk associated with its businesses and to optimize shareholder return.

The Company's capital base is structured to meet regulatory capital targets and maintain strong credit ratings while maintaining a capital-efficient structure and desired capital ratios. The Company's risk management framework includes a number of liquidity risk management procedures, including prescribed liquidity stress testing, active monitoring and contingency planning. The Company maintains an overall asset liquidity profile that exceeds requirements to fund potential liabilities under adverse scenarios. The Company also actively manages and monitors the matching of asset positions against its commitments, together with the diversification and credit quality of its investments against established targets.

The Company's primary source of funds is cash provided by operating activities, including premiums and net investment income. These funds are used primarily to pay claims, commissions, operating expenses and shareholder dividends. Cash flows generated from operating activities are generally invested to support future payment requirements, including the payment of dividends to shareholders.

The Company's liquidity remained poor due to expenses is very high comparing previous year. The total cash and cash equivalents as at the end of 2016 are Tk. 42,72,32,191/- against Tk. 47,20,64,140/- in 2015.

The Company prudently manages liquidity to ensure its ability to meet contractual obligations as and when they fall due.

Authorized Capital

Tk.100/- crore (divided into 10,00,00,000 shares of Tk.10/- each).

Since inception of the Company, the authorized capital was taka 50.00 crore divided into 50,00,000 shares of Tk.100/- each. On the requirements of the operational activities as well as fulfill the Insurance Act 2010, the Board of Directors' have enhanced the Company's Authorized Capital from Tk.50.00 crore to Tk.100.00 crore divided into 10,00,00,000 shares of Tk.10/- each in the year 2010.

Paid-up Capital

Paid-up Capital Tk.40,34,15,720/- (divided into 4,03,41,572 shares of Tk.10/- each.)

Phoenix Insurance Company Ltd. increases the business volume regularly. In this connection it is required to increase the paid up capital size and accordingly the Board of Directors decided to enhance the paid up capital every year to meet up the future requirements and compliance too. The position of Paid-up-Capital is under:

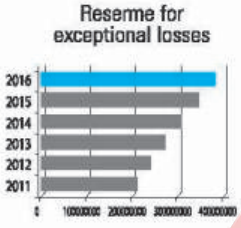
1986-1993	Sponsors' capital	Tk. 3,00,00,000/-
1994	IPO of Tk. 3 crore	Tk. 6,00,00,000/-
2002	5% stock dividend	Tk. 6,00,00,000/-
2003	5% stock dividend	Tk. 6,30,00,000/-
2004	25% stock dividend	Tk. 6,61,50,000/-
2005	25% stock dividend	Tk 8,26,87,500/-
2006	30% stock dividend	Tk.10,33,59,300/-
2007	20% stock dividend	Tk.13,43,67,000/-
2008	22% stock dividend	Tk.16,12,40,400/-
2009	25% stock dividend	Tk.19,67,13,200/-
2010	25% stock dividend	Tk.24,58,91,500/-
2011	25% stock dividend	Tk.30,73,64,375/-
2012	5% stock dividend	Tk.32,27,32,580/-
2013	20% stock dividend	Tk.40,34,15,720/-

RESERVE FUND

Dear Shareholders; to protect the risk factors of the company, it is very essential to have a good amount of reserve fund for the Company. The Insurance Act and Income tax ordinance also recommended to build up the reserve fund for the company, accordingly the company separated the following reserve funds to protect the risk of the Company's.

Reserve for exceptional losses:

During the year 2016 Tk. 37,74,35,866/- separated as reserve fund for exceptional losses under the forth schedule of Income Tax ordinance 1984 that a company sets aside a portion of its income, profits and gains to meet the exceptional losses, so much of such portion as does not exceed ten percent of the premium income of the year in which it is set aside shall be deducted from the balance of the profits. The year wise breakup of the exceptional losses is enumerated below:

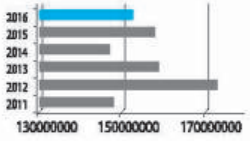


Year	Amount in Taka
2012	23,72,52,866/-
2013	26,72,52,866/-
2014	30,34,35,866/-
2015	34,14,35,866/-
2016	37,74,35,866/-

Reserve for unexpired risk:

A sum of Tk. 15,23,05,145/- have build up for unexpired risk fund. The fund has separated under the section 27A of sub section 2(b) of Insurance Act 1938. Under this section forty percent of the net premium in respect of Fire, Marine and Miscellaneous insurance business written in Bangladesh will be separated for unexpired risk. Last year the amount was Tk. 15,76,11,947/- only. The year wise breakup of the exceptional losses is enumerated below:

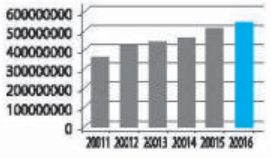
Reserme for unexpired risk



Year	Amount iv Taka
2012	17,25,78,243/-
2013	15,84,82,955/-
2014	14,67,36,155/-
2015	15,76,11,947/-
2016	15,23,05,145/-

So, during the year total amount of Tk. 49,90,47,813/- has been created as reserve funds to meet up any kinds of financial requirements for protecting the risk factors of the company. The position of total reserve funds is shown below:

Amount in Taka



Year	Amount in Taka
2012	40,98,31,109/-
2013	42,57,35,821/-
2014	45,01,72,021/-
2015	49,90,47,813/-
2016	52,97,41,011/-

Investment

Insurance is a form of risk management primarily used to hedge against the risk of a contingent or an uncertain loss. To meet up the uncertain loss, the Company keeps the amount in the form of investment. In the other hand, good investment is also main tools of the company's profit.

Phoenix Insurance Company Ltd. earns investment profits at large scale and the Board fixed a target to enlarge the investment figure of the company to increase the investment income. Our expectation is to earn more profit from the Company's investment amount. For the greater interest of the Company and also the interest of shareholders, we utilized the maximum fund and in this connection, we have invested our amount in the form of Shares. During the year the management has evaluated the investment at market price and presents the fair value in the accounts. The year wise investment breakup of the Company is furnished below:

Total Invest ment (TK.)



Year	Total Investment (Tk.)
2012	17,25,77,992/-
2013	72,23,75,901/-
2014	55,76,03,256/-
2015	47,55,73,458/-
2016	59,76,78,947/-

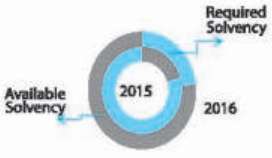
Out of the above amount, Tk.57,26,78,947/- was utilized for buying listed companies shares; The City Bank Ltd. and the Phoenix Finance & Investment Ltd. shares and rest Tk.2,50,00,000/- was utilized for buying National Investment Bond to comply the Schedule-1 of Insurance Act 2010. The cost of shares in the book was at Tk.19,65,37,250/- only. The investment value increased from previous year due to market price of the shares had been increase day by day.

Investment Income

Your Company realized income from investment at Tk.6,48,24,929/- in 2016 as against Tk.6,84,19,364/- in the previous year. Out of this amount dividend income is Tk.4,16,11,689/- in 2016 as against Tk.3,97,79,139/- in 2015. Tk.35,94,435/- reduced from last year investment income due to decreased the bank interest rate.

Solvency Margin

Under section 45 of Insurance Act 2010 we have maintained the required solvency margin. During 2016, company's solvency margin remained above the required level. Phoenix Insurance Company Limited required solvency margin is Tk. 9,35,60,737/- only whereas the company's available solvency is Tk. 30,26,36,355/- which means the value of assets had been more than the liabilities in that particular period. Therefore, the available solvency is almost 3.23 times of required solvency in 2015. The detail is presented in the page no.91 on the annual report. The Comparison from previous years presented below:



Year	Required Solvency(Tk)	Available Solvency(Tk)
2016	9,35,60,737/-	30,26,36,355/-
2015	9,27,38,700/-	36,46,20,254/-

Claim paying Rating

The Phoenix Insurance Company limited regularly analyses the position of its claim paying ability. During the year, the company achieved CPR at AA-. This rating assigns that the Company with 'stable' outlook for its steady business growth, stable financial and operating performance, as well as its consistent fundamentals.

PROFIT & LOSS ACCOUNT REVIEW

Underwriting profit

Since Insurance is knowledge based technical profession and we take the risk of couple of thousand crore taka. The assessment and management of the risk is to manage by way of prudent underwriting. The proper claim settlement is also based on prudent underwriting. The Company has now been able to underwrite any value of sum insured by charging the most economic and competitive Premium rate ensuring maximum security at minimum cost within the frame work of existing tariff and high capacity of Re-insurance treaty made with 'A' rated overseas Re-insurers. It has become possible for the equipped technically qualified and experienced management personal. We have been trying to remain with the Insuring community in the time of need for the last two decades since inceptions.

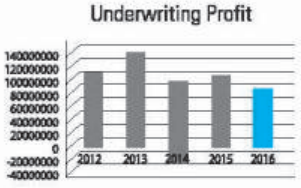
The Management is working to improvement (at least in the near future) in level of economic and business activities in the country and our strategy will therefore continue to emphasize on -

a) Customer-driven business focus;

b) Financial and investment strategy based on further strengthening the balance sheet;

c) Conservative and sound risk management; and Operational agility by maintaining quality leadership.

You know that underwriting profit is only the profit exactly earned from the insurance business only. It consists on the earned premium remaining after losses have been paid and administrative expenses have been deducted. It does not include any investment income. Phoenix Insurance Company Ltd. underwrites the business premium on the basis of insurance principles and code of business. We issue our underwriting documents for the interest of the customer's requirements after analysis the risk of the insurable items accordingly insurance premium charge on the basis of the insurance contract. The profit of the insurance product calculated separately on the basis of the Insurance Act. Previous five years underwriting profit presented in the below:

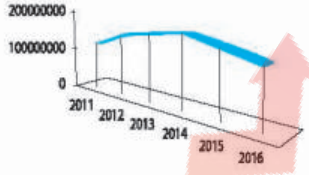


Name of the product	2012	2013	2014	2015	2016
Fire Insurance	69,72,739	45,25,101	(2,55,01,413)	85,27,193	71,45,638
Marine Insurance	7,21,86,671	10,38,08,715	7,50,81,325	8,31,38,421	3,14,87,302
Misc. Insurance	2,14,91,802	2,37,63,939	1,26,55,741	61,18,513	3,84,66,269
Total	10,06,51,213	13,20,97,754	6,22,35,653	9,77,84,128	7,70,99,209

The company has taken proper steps for maintaining the profit growth of the company specially emphasized the marine insurance business. The company earned maximum profit from the marine insurance business. During the year 2016 Phoenix Insurance Company Ltd. earned an amount of Tk. 7,70,99,209/- as underwriting profit. The underwriting profit has been increased due to the efficient management team look after the overall activities strictly with the advice of the Board. Although during the year, the rate of development of Insurance Premium in the country has been decreased but we maintained the growth of the profit. We are careful about issuing any cover notes of the Insurance Premium which were also more effective for collecting insurance business. The Board of Directors desires that the steady growth of underwriting profit will continue in the coming years.

Net Profit Analysis

Despite, difficult economic scenario, the Company has posted net profit of Tk. 12,78,53,449/- whereas it was Tk. 15,16,55,702/-in the last year. The net profit decreased due to decrease of other income and increase of depreciation, advertisement etc. The year wise net profit before tax shown below:



Year	Total Profit (TK)
2012	14,59,52,317/-
2013	15,50,77,977/-
2014	16,77,62,758/-
2015	15,16,55,702/-
2016	12,78,53,449/-

Profit and its distribution

Dear Shareholders, Board of Directors always careful about the honorable shareholders interest. Under the active guidance and supervision by the Board, the Management performs their responsibility for achieving the

financial goal of the Company. The Company earned a net profit of Tk. 12,78,53,449/-. The breakup of the distribution is as follows:

Particulars	Tk	2015	2016
Net Profit	Tk	15,16,66,702/-	12,78,53,449/-
Add: Balance from last year	Tk.	69,78,765/-	-32,20,531/-
Add: adjustment of depreciation on revaluation reserve	Tk.	17,77,898/-	16,89,003/-
Total available balance for distribution	Tk.	16,04,12,365/-	12,63,21,921/-
Less: Reserve for exceptional losses	Tk.	3,80,00,000/-	3,60,00,000/-
Less: Provision for Income Tax	Tk.	3,70,00,000/-	2,7,00,000/-
Less: Provision for Gratuity	Tk.	20,00,000/-	10,00,000/-
Less: Provision for Deferred Tax Liability	Tk.	5,00,000/-	5,64,549/-
Less. Provision for Corporate Social Responsibility (CSR)	Tk.	5,00,000/-	2,00,000/-
Less: Provision for General Reserve and Others	Tk.	10,00,000/-	-
Balance available for distributing the dividend	Tk.	8,14,12,365/-	6,09,57,202/-

Dividend

Dear Shareholders, the Board of Phoenix Insurance Company Ltd. always aware about the dividend policy. Generally Shareholders demanded maximum returns of their investment. The Company has been paying prestigious dividend consistently since the inception to fulfill the shareholders interest. The Board of Directors in its meeting held on 27th April 2017 recommended 15% cash dividend for the year 2016. The Board of Directors desires that shareholders of the Company will approve the recommendations of the Board in the Annual General Meeting. Last five years dividend position presented in financial highlights on page no. 61 of this report.

Earnings Per Share (EPS)

The portion of a company's profit allocated to each outstanding share of common stock is called generally EPS. During the year 2016 the Company's EPS is Tk. 2.44 which was Tk.2.84 in the last year. EPS have decreased due to net profit not increased during the year. Previous five years Earning per share position presented in the below:



Year	2012	2013	2014	2015	2016
EPS Per share Tk.10/- each	3.38	2.71	3.42	2.84	2.44

COMPANY'S STRENGTH AND CORPORATE RESPONSIBILITY

Internal Control

Phoenix Insurance Company's operating activities of the daily business under an adopted plan and all of the coordinate methods adopted within a business to safeguard its assets. The Management regularly checks the accuracy and reliability of its accounting data and takes initiative to promote the operational efficiency and to encourage the adherence by

prescribing the managerial policies. A system of internal control directly relate to the functions of the accounting and financial departments. The Management is accountable for the implementation of the internal control culture and its principles.

In establishing and maintaining an effective system of internal control, Phoenix Insurance undertakes to assess regularly both the internal and external risks that it faces. The assessment also includes the identification and analysis of all the significant risks that an insurance company is exposed to, and acts accordingly. An adequate Internal Control system requires the implementation of effective and efficient Control Activities at all levels of the entity. The Management of Phoenix Insurance Company Ltd makes up accordingly with the supervision and advice of the board of directors set up some strategies and recommendations too.

The Management has already taken the following measures as a part of the Internal Control system:

1. The financial data have reviewed by the board regularly and confirm theaccuracy.
2. The efficiency in the operations has applied to handle the company in all the areas.
3. The Management has adopted a steady policy for the financial reliability and the nonfinancial information.
4. The management motivate the internal audit of the company accomplish its objectives by bringing a systematic, disciplined approach to evaluate and improve the effectiveness of governance, risk management and control processes.
5. Board of Directors follows the adequacy of the system of risks control.
6. The Management set a structure and delegation of authorities with a job description for the prudent approach to the business management.
7. Senior Management monitors the compliance with the laws and regulations, and the internal policies and procedures have been maintained appropriately.
8. The board recognizes and acknowledges that independent, competent and qualified internal auditors, as well as internal control functions including the compliance and legal functions are working to provide the information about the operations and performance of the company.

Human Resource

Employee Satisfaction and Growth plays the most pivotal role in order to become an organization of world standards. Thus, it is imperative that the Company create a nurturing environment which has a good mix of effective and appropriate training programs, self-learning and career opportunities, employee recognition and a work place which is fun, vibrant and interactive. The Company is also committed to take initiatives towards environment protection and sustenance and to do its bit for the society for the better tomorrow as being a good corporate citizen is a part of the core values.

The Company firmly believes that the sheer dynamism of global influence and competition today demands the workforce to be more agile and adaptable than ever before. Hence, this changing scenario and fluctuating economy calls for substantial soft skills as well as technical, functional and product training for the people to be equipped enough to deal with it. Hence, for this Financial Year, the Company tried not going by the conventional mode of training like "Talk & Chalk" model or the mundane power point presentation but instead it created numerous platforms for knowledge sharing and knowledge transfer.

To motivate employees work efficiency the management rewarded the employees of the company's based on performance, resulting in enhanced retention and motivation at all levels. Talent mapping and development plans are underway to ensure that employees are engaged at all levels. All our operational activities are carried out in a transparent manner following our code of ethics, on which there can be no compromise. Continuous improvement philosophy and benchmarking with the best in class will ensure in making PICL a high performance organization. A details report on Human Resources management attached on the page no.110 Of the annual report.

Corporate Governance

Corporate governance is an internal system that encompasses polices processes and which makes sure the needs of shareholders and other stakeholders. Corporate governance involves a set of relationships between a company's management, its board, its shareholders and other stakeholders. This is the framework of rules and practices of Board of Directors who are responsible for ensuring that the management maintains a system of internal control in order to provide the assurance of effective and efficient operations. In essence, the exact structure of Corporate Governance has determined the responsibilities and rights of the Board and the Management.

The Bangladesh Securities and Exchange Commission have issued certain further conditions, on 'comply' basis, in order to enhance corporate governance for the interest of investors and the capital market vide the Notification No.SEC/CMRRCD/2006-158/134/Admin/44 dated 07 August 2012. The Board of Directors already advised the management to implement the instruction as per guidelines and the latest position of the compliances of the corporate governance structure and guidelines of the company are presented in the annual report 2016 for the information of the Shareholders and other stakeholders.

Phoenix Insurance Co. Ltd. has continued this practices on good corporate governance at all levels. The Board is a policy and decision-making body for all issues and implements the decision with the support of Management. The main compulsion is evidence by the following practices:

1) The number of Directors in the Board is 17(saventeen) who are experience in the management, law and business.

2) According to the Insurance Act and Corporate Guidelines of BSEC the Board Members set the Board of Directors team appropriately.

3) Board of Directors and Management of the Company is independent body.

4) The position of the Chairman of the Board and the Managing Director of the company are different individuals.

5) The Company has different Committee like as Services Committee, Claims Committee and Audit Committee to support the Board for taking decision on various important operational matters.

6) An Audit committee was formed by 7 (seven) members of the Board of Directors of the Company.

7) The Management operates within the policies, rules and delegations approved by the Board and compliance with other regulatory requirements.

8) The Company put priority in submitting regularly periodical statements to Insurance Development & Regularity Authority and other regulatory bodies in time to enable the shareholder to make correct assessment of the Company's affairs and profitability.

9) The Board also ensures the compliance of requirements of regulatory bodies such as Bangladesh Securities and Exchange Commission and Registrar of Joint Stock Companies and Firms.

10) The Board is responsible for establishing an adequate and effective internal control system in the Company. Management monitors its internal control policies and develops the policies whenever it feels necessary.

Information Technology

Information Technology usually plays a vital role in every business sector. The Financial sector especially Insurance industry depends largely on computer system to provide the highest level of customer service. To face the challenges springing from growing competition and increasing customer longing, Phoenix Insurance has adopted latest technology to develop more flexible structure that can respond quickly to the dynamics of a fast changing market scenario.

Recently we have introduced Software for Reinsurance Department. This is highly sophisticated and integrated software which enable the department to work quickly and smoothly. Most of the branches of the company are working under one network to facilitate services to the customer. As a result, customers are privileged to avail the advantage of insurance facilities.

Our dynamic, skilled and energetic IT personnel, the IT division is on continuous effort to ensure up and running of IT infrastructure, well equipped with high end server and cisco router and most sophisticated oracle database and application server.

Risk Mitigation

Underwriting risk includes the risks of inappropriate underwriting which includes inadequate pricing, inappropriate terms and conditions and ineffective physical risk management. To manage this risk, the Company pays particular attention to the underwriting controls and risk surveys.

The underwriting heads of Head Office and each branch are responsible for managing and controlling the underwriting operations under their respective domains. Underwriting is conducted in accordance with a number of technical controlling protocols. This includes defined underwriting authorities, guidelines by class of business, rate monitoring, underwriting peer reviews and practice for seeking guidance on large and intricate risks rom REG (Risk Exposure Group). This Group is represented by the department head of Underwriting, Claims, Reinsurance, Branch Control and Accounts. The Company monitors the risk of accumulation arising from

fcatastrophic events. The exposure is protected by a comprehensive reinsurance program that has the capacity to respond to different possible catastrophic events.

The Company also has a separate Physical Risk inspection department which carries out a large number of high risk, large& medium risks surveys before underwriting them. The surveys are conducted both on set schedules and on case to case basis. The department by far carries out the largest number of surveys in the market and provides an insight of the risk to the underwriters thus assisting them in making right decisions

Issuance of Insurance & Reinsurance document risk and its management:

To protect the day-to-day operational risk of the Company, the management takes special care about the following areas:

1) Issuance of Insurance and Reinsurance policy documentation;
2) Coordination of Premium Collection;
3) Preparation of Reinsurance/Bordereaux;
4) Administration of Claims with payments as well as recoveries;
5) Run-off Administration and Related Services;
6) Assist in the preparation and completion of the all works in time by applying the Insurance Act and guidelines of the regulatory authority;
7) Protect the credit business of the Company;
8) Coverage the catastrophic loss of the Company;
9) Senior Management counseling to face the market risk or counter party risk of the Company.

The details of the risk related functions are stated in the page no.102 of the annual report-2016 separately for information of the stakeholder.

Corporate Social Responsibility

The Phoenix Insurance Company Limited always believes that the social responsibility is to serve the stakeholders including customers, shareholders, employees, suppliers and society in general. To meet-up the social obligation, the company has also taken various steps in line with its commitment to the welfare and economic prosperity of the people and the community. The basic principle of the company's social responsibility is to focus on the triple bottom line peoples. The CSR initiatives taken during the year 2016 have been separately mentioned in the report on page no. 150 of the Annual Report.

DIRECTORS RETIREMENT AND RE-APPOINTMENT

Under the Clauses No.100 of the Articles of Association of the Company; at the ordinary meeting in every subsequent year, one-third of the Directors representing sponsor shareholders inclusive of co-opt directors, from the time being and one-third of the Directors from public subscribers, if their number is not three or a multiple of three, then the number nearest to one-third, shall retire from office.

Under the Clauses No.101 of the Articles of Association of the Company; the Director to retire in every year shall be those who have been longest in

office since their last election but as between persons who become Director on the same day those to retire shall (unless they otherwise agree among themselves) be determined by lot. A retiring Director shall be eligible for re-election. Provided that retiring sponsor Director shall be eligible for re-election and re-elected by the sponsor shareholders while retiring Directors from public subscribers shall also be eligible for re-election and be re-election by the public subscribers. Mrs. Evana Fahmida Mohammad (Nominated from Eastern Dying & Calendering Works Ltd.) Public Director and Mr. Farzad Haque, Sponsor Director retired from the Board of the Company during the year 2016 and accordingly Board has accepted.

Under the Clauses No.102 of the Articles of Association of the Company; the Company at the General Meeting at which a Director retires in manner aforesaid may fill up the valued office by electing a person thereto.

Sponsor Directors (Group-A)

According to the above mentioned clauses of the Articles of Association of the company, the following three Directors the sponsor shareholders group i.e. group "A" Directors will retire:

1. Mrs. Sadia Anjum Siddiqui
2. Mr. Manzoorul Haque
3. Dr. Sarmin Sultana (Nominated from Pakiza Textiles Mill Ltd.)

Being eligible, all the retiring Directors offered themselves for re-election.

Public Directors (Group-B)

In terms of the above provisions of the Articles of Association of the Company, the following two Directors from among public shareholders i.e. group "B" shareholders will retire:

1. Mr. Mohammed Haider Ali
2. Mr. Wasif Ahmed

Being eligible, all the retiring Directors offered themselves for re-election. It may be mentioned here that a public notification with regard to the election of Directors of the Company from the public shareholders was published in two national dailies namely "The New Nation" and "The Daily Alokita Bangladesh" on 22th April 2017.

AUDITORS

Messers Malek Siddiqui Wali. Chartered Accountants were appointed in the last AGM as Statutory Auditors in the Company for the year 2016. During the year they have completed the audit and submit application for reappointing them for further period. The matter will be presented in the Annual General Meeting to consider the appointment of Auditors and fix their remuneration under the guidelines of ICAB.

FUTURE OUTLOOK

Bangladesh's macroeconomic indicators are improving and private sector is finding it encouraging to invest in a low interest and low inflation environment. Phoenix Insurance is leveraging on its high IFS (Insurer Financial Strength) rating, to investment in technology and experienced manpower and expand its market share profitably. Special areas of focus will remain infrastructure projects, retail and micro insurance. For Phoenix Insurance, digitization of Customer Journey on the internet while extracting actionable data on customers for more sales will be the hall mark in 2017.

ACKNOWLEDGEMENTS

The loyalty of our patron clients has enabled us to maintain and improve our market share over a period of time. We are grateful to them for reposing their confidence in us. We acknowledge the support of our shareholders which allows us to improve our leading position in the market. Thanks are due to Government Authorities, particularly Ministry of Commerce, Ministry of Finance, Insurance Development & Regulatory Authority, Registrar of Joint Stock Companies & Firms, Bangladesh Securities and Exchange Commission, Dhaka Stock Exchange Ltd., Chittagong Stock Exchange Ltd., Sadharan Bima Corporation, overseas Re-insurers, Bangladesh Bank, Commercial Banks, Bangladesh Insurance Association, Bangladesh Insurance Academy, Central Depository Bangladesh Limited (CDBL) for their continued support and confidence put in Phoenix Insurance Company Limited during the year.

We acknowledge the professionalism and hard work of our development officers, staff members and executives who helped the Company to achieve its goals.

Allah Hafez.

On behalf of the Board

MOHAMMED SHOEB
Chairman

Dated, Dhaka
April 27, 2017

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PHOENIX
PHOENIX
PHOENIX
PHOENIX
PHOENIX
Golf Garden





Partial View of 30th Annual General Meeting









Partial View of 30th Annual General Meeting




30th ANNUAL GENERAL MEETING
৩০তম বার্ষিক সাধারণ সভা



Partial View of 30th Annual General Meeting





Partial View of 30th Annual General Meeting

Sustainability Reporting

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Corporate Social Responsibility

Phoenix Insurance places great emphasis on education, health and community service, donating generously as part of its Corporate Social Responsibility. During the year under review, Phoenix Insurance donated Tk.5,25,510/- to an array of institutions in the education, health and community service sectors. Besides cash donations, Phoenix Insurance encourages its employees to participate actively in community service by donating their personal time and money. Phoenix Insurance's Corporate Social Responsibility (CSR) Program aims to address key concerns in society, such as health and education. The Company also stresses on reassuring its chief stakeholders of overall sustainability through compliance, ethics and corporate citizenship. These elements combined form the basis of PICL's corporate philosophy and CSR.

COMPLIANCE AND ETHICS

Regulations are becoming increasingly complex in light of high transparency prerequisites being enforced globally. PICL has continually strived to develop its capabilities until it can be at par with international standard in the global insurance industry, meeting all necessary standards and checks. PICL's edge in the market at home lies in its strict and efficient compliance of international standards.

PICL has incessantly reiterated that its Compliance Performance Standards are applied to all areas of business. PICL ensures to increase compliance and ethical understanding throughout its management hierarchy. Initiatives taken include internal awareness campaigns, specific trainings in detailed regulatory areas and focused efforts on sensitive areas such as conflict of interest.

HEALTH, SAFETY & ENVIRONMENT

Health, Safety and Environmental (HSE) responsibilities constitute an essential part of Phoenix Insurance's operations. These become the core of the Company's activities. Phoenix Insurance's management and employees share the belief that good HSE contributes positively and productively to business development and success.

It is this belief that urges Phoenix Insurance to increase team efforts, endeavor for better HSE for employees, customers and neighbors. The Company also hopes to safeguard people's health and minimize the environmental impact of their jobs. PICL's HSE policy observes all existing laws, regulations and amendments.

COMMITTED TO EXCELLENCE

In an era of intense hectic competition, PICL stays afloat with its unwavering commitment to operational and financial discipline in producing unparalleled results; keeping its promises and continually fulfilling its customers' needs. During the year, Phoenix Insurance was engaged in various activities with organizations.

Details of few activities are as follows:

1. Tk.240,000/- only was paid for purchasing blanket to winter affected peoples.
2. TK. 25,510/- paid to Mr. Mosharaf Hossain for treatment purpose.
3. TK. 1,00,000/- paid to Ms. Ashna Akter for treatment purpose.
4. TK. 1,00,000/- paid to Mr. Delware Hossain for treatment purpose.
5. TK. 50,000/- paid to Mr. Monaranjan for treatment purpose.
6. Tk.10,000/- paid to Zeel Bangla Sugar Mills ex student fund.

Environment
RELATED INITIATIVES

It is observed that in recent years, there has been a growing concern for various environmental issues. These issues force people to reevaluate their interests in a number of wide-ranging and complex areas, thus increasing the role that Organizations must play in addressing these issues. Of these issues, we strongly believe that addressing the need to preserve and restore the natural environment is of particular importance for corporations. Therefore, Phoenix insurance will continue to exercise our corporate philosophy by promoting environmental preservation and working to be a good corporate citizen with the aim of creating a good society that is full of healthy, smiling faces.

Phoenix Insurance tried to stimulate awareness for the protection of environment by personalizing environmental issues and to enable everyone to realize not only our responsibilities, but also our power to become agents for change in support of sustainable and equitable development by ensuring a cleaner, greener and brighter outlook for ourselves and for the next generations.

Phoenix Insurance focuses on the following actions along with supporting innovative conservation initiatives and inspiring our associates and guests to support these efforts:

- The employees of Phoenix Insurance turn off equipment (computers, Printers, copiers and lights) when it's not being used and also main switch is put off at the end of each working day & which are strictly maintained.
- To reduce the usage of papers, printing on both side of paper and also re-use the fresh side of a rough paper for drafting and printing only necessary document.
- Phoenix Insurance usually prefers using email instead of sending memos and faxing documents for reducing time & papers as well.
- Phoenix Insurance is aware for preventing water taps from dripping preventing misuse of paper napkin.
- Phoenix Insurance provides environment-friendly office equipments, information and solutions which are supported by our clients as well as our employees to preserve the ecosystem.
- Phoenix Insurance strictly complies with environment-related laws and regulations. We will further establish independent standards as we strive to protect the environment.
- Phoenix Insurance are determined to fulfill our social responsibilities through minimizing usage of energy & water within our own premises & also in the branches in order to conserve resources and the reduction of waste & cost as well.
- Phoenix Insurance place high priority on thoroughly educating our staff on a routine basis about our environmental principles to ensure that they conform to these principles in the performance of their work.
- Phoenix Insurance usually purchase computers, monitors, printers, fax machines, Copiers & other office equipments keeping in mind that those are functional, cost effective & eco friendly.
- Phoenix Insurance uses maximum laptop computers for its employees instead of desktop computers for its employees in order to consume 80% less energy.
- LCD monitors are used for lesser power consumption.
- To encourage others & save the world by go green, Phoenix Insurance keeps a slogan on its all sizes envelopes " LET GO GREEN, TO KEEP OUR EARTH CLEAN"
- Maximum cars of the Company even vehicles of Transportation of pool for the employees are CNG converted to reduce air pollution.

- All Air coolers are operating on auto temperature basis which helps limited running of compressor unit and subsequently saving electricity.
- Energy saving bulbs is always used in the office premises in everywhere.
- We usually do & will try to maintain in selecting and purchasing preferable products, supplies & services for all of our daily operational needs that do the least damage to the environment.
- Phoenix Insurance provides environmental training and information to all of the Executives to raise their awareness about environment protection.
- As a good corporate citizen, we always work with the community to protect the environment. We also disclose environmental information and work for mutual understanding with the society.

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Environmental
and social obligations

We strongly believe, social responsibility is an ethical framework and suggests that an entity, be it an organization or individual, has an obligation to act for the benefit of society at large. Social responsibility is a duty every individual has to perform so as to maintain a balance between the economy and the ecosystems. A trade-off may exist between economic development, in the material sense, and the welfare of the society and environment, though this has been challenged by many reports over the past decade. Social responsibility means sustaining the equilibrium between the two. It pertains not only to business organizations but also to everyone, who's any action impacts the environment. This responsibility can be passive, by avoiding engaging in socially harmful acts, or active, by performing activities that directly advance social goals.

Every business entity has an impact on the environment and there arises legal obligations which it must fulfill. The requirements are relatively simple for business such as offices. Meeting the environmental obligations is not just a legal requirement. It is worthwhile in itself, and helps minimize the likelihood of any environmental problems, costs and damage of the business. Taking a responsible approach to the environment can also reduce the costs of unnecessary waste, strengthen the Company image and help us to win business from less reputable competitors.

Minimize energy and water use within our premises and processes in order to conserve supplies and minimize the consumption of natural resources.

- Purchase preferable products, and services for all our daily operational needs that do the least damage to the environment.
- Conserve natural resources by adopting pollution preventive practices.
- Extending the life of equipments through preventive maintenance scheduling, purchasing and reworking used equipments etc.
- Documents management project initiative to archive the backlog and day to day official documents which generates through daily operations and facilities express search capability for achieved materials using enadoc system.
- Remotely thirty one branches will be connected with systems and documents scanning, indexing, export of scanned images to the enadoc system will be done through from one of the location in a centralized environment.
- Practices reusing, recycling and reprocessing materials that would otherwise be discarded as waste.

Integrated Reporting

An integrated report is a concise communication about how an organization's strategy, governance, performance and prospects lead to the creation of value over the short, medium and long term.

Integrated reporting means the integrated representation of a company's performance in terms of both financial and other value relevant information. Integrated reporting provides greater context for performance data, clarifies how value relevant information fist into a business, and may help implant long truism into company decision making. While the communications that result from integrated reporting will be of benefit to arrange of stakeholders, they are principally aimed at providers of financial capital allocation decisions.

1. Strategy: Strategy is the direction and scope of an organization over the long-term, which achieves advantage for the organization through its configuration of resources within a challenging environment, to meet the needs of markets and to fulfill stakeholder expectations.
2. Governance: Governance or more precisely corporate governance essentially involves balancing the interests of the many stakeholders in a company; these include its shareholders, management, customers, suppliers, financiers, government and the community.
3. Performance: Business performance is the accomplishment of a given task measured against preset known standards of accuracy, completeness, cost and speed. In a contract, performance is deemed to be the fulfillment of an obligation, in a manner that releases the performer from all liabilities under the contract.
4. Prospects: Potential customer or client qualified on the basis of his or her buying authority, financial capacity and willingness to buy.

Integrated reporting creates value in the Long Term

The world has changed from the end of the Second World War to the fall of the Berlin wall, we were told the tale of a stable economic and political landscape. The paradoxical complexity is that al public companies are already required to publish a financial report and an increasing number of companies are now publishing a corporate social responsibility report or sustainability report on their environmental, social and governance performance. But still, stakeholders fell they do not have the right level of information and are often lost in the cumbersome reports produced.

This is where the notion of integrated reporting comes into play. As the international integrated reporting council defines it as a process founded on integrated thinking, that result in a periodic integrated report by an organization about value creation over time and related communications regarding aspects of value creation. An integrated report is a concise communication about how an organization's strategy, governance, performance and prospects, in the context of its external environment, lead to the creation of value in the short, medium and long term.

Integrated reporting creates value through risk management

The clear advantage of integrated thinking is about risk management and the focus on material aspects. As the CEO of a large international company told, "Focusing our communication on topics that impact our financials in the long term, does not mean that we do not manage our short-term risks. But in our industry, the value creation cycle is at least of 5 years; we need a shift in investors' relations and to generate insights on the middle –long term financial performance."

Integrated reporting increases competitiveness

The capital used by an organization is embodies in the value that it created through its business model. A sustainable society requires that all of its businesses be pursuing sustainable strategies which are based on a long-term focus in value creation for shareholders and all other

stakeholders. Indeed, with new factors such as the development of unrestrained social networks, separating financial performance and corporate responsibility is ineffective. With over 75% of their market value relying on intangible assets, many companies are discovering that very good business opportunities can rely on the efficient use of social and human capital.

Integrated reporting changes management practices

Among those in charge of the governance, roles and issue are strongly impacted. After having stressed the organizations by learning processes and relationships, their next challenges are to build a common vision and give sense to all stakeholders. The point of view of Paul Drachmann (IIRC CEO); "Without HR involved in the strategy and value chain of a business, integrated reporting will show a weakness in the organization."

Integrated reporting is embryonic and evolving

Two main challenges need t be tackled when you are willing to publish integrated report. First, integrated reporting requires integrated vision, roadmap, processes and tools: the alignment of the organization on a strategy that reflects environmental, social and governance-related (ESC) risks and opportunities while emphasizing financial, environmental and social sustainability is crucial. To support this, transversal systems enabling real-time flow of information and resources are needed.

Second, integrating sustainability data raises the credibility of the reported data since it is now part of regulatory filings that are scrutinized by regulators and to a greater extent by auditors. Internal audit may play an assurance role for nonfinancial metrics. The impetus for this move is to provide a clearer narrative around how sustainability measures provide or secure linger-term financial return.

Phoenix insurance company's involvement in integrated reporting

Those who are in-charge of looking after the governance of Phoenix insurance Company Ltd i.e., the Audit committee a sub-Committee of the Board of Directors ensures its integrity in performing overall responsibility in the company ensuring a proper and stable internal control system through the performance of internal audit periodically and also as and when required basis. The audit committee also considers the external auditors' findings and gives highest importance to those and takes appropriate measures for further development and assurance of the internal control systems of the company.

The most exciting about integrated reporting is that, this is not just a cosmetic change in communication, but a deep behavioral evolution in the way all stakeholders assess value of a company and is ecosystem. And this will unquestionably lead to value creation.


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Financial Indication & Other Declaration's

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ACCOUNTING RATIOS OF 2016 & 2015

Particulars	The year-2016		The year-2015		Growth (%)
	Amount in Taka	Ratio (%)	Amount in Taka	Ratio (%)	
Gross premium Income	652,177,275	-	644,673,914	-	1.16
Net premium Income	376,002,749	-	387,820,996	-	-3.05
Re-insurance Premium Ceded as % of Gross premium Income	276,174,526	42.35	256,852,918	39.84	7.52
Net RI commission earn as % of Gross premium Income	72,839,585	11.17	64,321,281	9.98	13.24
Net RI commission earn as % of Net premium Income	72,839,585	19.37	64,321,281	16.59	13.24
Agent Commission Paid as % of Gross premium Income	93,163,948	14.29	89,001,561	13.81	4.68
Management Expenses allocated as % of Gross premium Income	252,524,453	38.72	256,395,504	39.77	(1.51)
Gross claim Paid as % of Gross premium Income	81,609,809	12.51	94,253,838	14.62	-13.41
Gross claim Paid as % of Net premium Income	81,609,809	21.70	94,253,838	24.30	-13.41
Net claim Paid as % of Gross premium Income	11,473,082	1.76	19,208,006	2.98	-40.27
Net claim Paid as % of Net premium Income	11,473,082	3.05	19,208,006	4.95	-40.27
Operating (Under writing)Profit as Gross premium Income	77,099,209	11.82	97,784,128	15.17	-21.15
Operating (Under writing)Profit as Net premium Income	77,099,209	20.50	97,784,128	25.21	-21.15
Net profit before tax as % of Gross premium Income	127,853,449	19.60	151,655,702	23.52	-15.69
Net profit after tax as % of Gross premium Income	98,488,900	15.10	114,655,702	17.79	-14.10
Earning per share (EPS) before tax	3.17		3.76		
Earning per share (EPS) after tax	2.44	-	2.84	-	-
Net Assets Value (NAV)	34.64	-	31.27	-	-
Net Cash provided by operating activities per share	0.77	-	3.37	-	-
Price Earnings Ratio (P/E)	11.39	-	8.13	-	-
Return on equity Ratio (ROE)	24.41	-	28.42	-	-

AMARSTOCK

DECLARATION OF MANAGING DIRECTOR AND CHIEF FINANCIAL OFFICER REGARDING FINANCIAL STATEMENTS OF THE COMPANY

With respect to the operations of Phoenix Insurance Company Limited for the year ended 31st December 2016 and results thereof, the management of the Company confirms and declares that:

1. The registration certificate granted by Insurance Regulatory and Development Authority (IRDA) is valid and the same has been renewed for the year 2016.
2. We certify that all dues payable to the statutory authorities have been duly paid except where the Company has preferred appeals.
3. The shareholding pattern is in accordance with the statutory and regulatory requirements.
4. The solvency margins calculated under guidance of the Insurance Act, 2010.
5. The values of all the assets have been reviewed on the date of Statement of Financial Position (Balance Sheet) and in management's belief, the assets set forth in the Balance Sheet are shown in the aggregate at amounts not exceeding their realizable or market value.
6. The Company has an Anti-Money Laundering Policy duly approved by the Board of Directors and the management comply the policy accordingly as per guidelines of the Bangladesh Bank.
7. The management has set up an internal audit system commensurate with the size and nature of the business and the same was operated throughout the year.
8. The management of the Company certifies that:
   (a) The financial statements of the Company have been prepared in accordance with the applicable Accounting Standards and principles and policies with no material departures;
   (b) The management has adopted accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of the affairs of the Company at the end of the year and of the operating profit and of the net profit of the Company;
   (c) The management has taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the applicable provisions of the Insurance Act, 2010 and Companies Act, 1994 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
   (d) The financial statements have been prepared on a going concern basis;
9. Financial Statements of the company prepared by the Accounts & Finance department and Chief Financial Officer (CFO) of the company verified the statements. With the support and recommendation of the Chief Financial Officer, the Managing Director confirmed the statements to present in the Board for approval. According above information/notification the Managing Director and Chief Financial Officer confirmed to the Board on behalf of the management that:-
   (i) Financial statements of the year 2016 were reviewed and best of our knowledge and belief that:
   (a) These statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
   b) These statements together present a true and fair view of the company's affairs and are in compliance with the existing accounting standards and applicable laws.
   (ii) There are, to the best of knowledge and belief that no transactions entered into by the company during the year, which are fraudulent, illegal, or violation of the company's code of conduct.

Chief Financial Officer

Managing Director

DIRECTORS RESPONSIBILITIES FOR FINANCIAL STATEMENTS

The Directors are responsible for preparing the annual report and the financial statements in accordance with the Companies Act, 1994, International Accounting Standard (IAS) and International Financial Reporting Standards (IFRS) as adopted by the Institute of Chartered Accountants of Bangladesh (ICAB), Securities and Exchange Rules 1987 and listing Regulation of the Dhaka and Chittagong Stock Exchanges.

In compliance with the requirements of the BSEC's Notification, the Directors are also required to declare certain matters in their report which inter alia as under:

(a) the financial statements, prepared by the Management of the Company, present fairly its state of affairs, the result of its operations, cash flows and change in equity;

(b) proper books of account of the company have been maintained;

(c) 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;

(d) the International Accounting Standards, as applicable in Bangladesh, have been followed in preparation of the financial statements and any departure therefore has been adequately disclosed;

(e) the system of internal control is sound in design and has been effectively implemented and mentioned;

(f) there are no significant doubts upon the company's ability to continue as a going concern;

(g) any signification deviations from the last year in operating results of the company have been highlighted and reasons thereof have been explained;

(h) the key operating and financial data for the last five years are annexed.

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CLAIMS MANAGEMENT

Phoenix Insurance believes that prompt settlement of insurance claims is the best way to earn confidence of the insuring community. Phoenix has been giving top priority for settlement of the insurance claims in due course. Phoenix always stands beside the Insured in the event of any loss of their properties. Consequently we have been able to create cemented relationship with the valued client's over the last 30 years of operation. As a part of best client services, the responsible officer rushes to the place of reported loss along with the reputed surveyor as soon as receive the intimation of the loss.

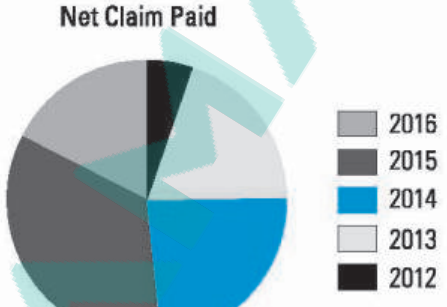
In special cases, the top executives are paying visit the place of incident to ease and relax the clients at the moment. Even in case of big losses, Phoenix Insurance also tries to make advance payment before official approval of a claim to enable the insured for resuming business operation very shortly.

To meet up the claim promptly there is a Claim Committee working in the company attentively. This committee devises the claims settling policy of the Company. It oversees the claims position of the Company and ensures that adequate claims reserves are made. Particular attention is paid to significant claims cases or events, which give rise to a series of claims. The Claims Settlement Committee determines the circumstances under which the claims dispute to be brought to its attention and decides how to deal with such claims disputes. It also oversees the implementation of the measures for combating fraudulent claims cases.

In the year 2016, Phoenix Insurance has settled a gross amount of claim at Tk. 8,16,09,809/- only where as in the last year it was Tk. 9,42,53,838/- only.

The position of last five years Net Claims is enumerated below:

Particulars	2012	2013	2014	2015	2016
Net Claim	2,15,96,941	2,63,29,376	3,79,16,374	1,92,08,006	1,14,73,082



DETAILS OF OUTSTANDING CLAIMS (IBNR & IBNER) WITH AGEING THEREOF

IBNR is the provision for claims that have happened but have not reported yet. INBR reserve represents the estimated amount needed to cover those unreported claims that have already happened. IBNER means incurred but not enough reported. For a loss that has occurred and been reported IBNER is the development on that known loss.

As per insurance Law Bangladesh it is not obligatory to maintain reserves for Integrated but not report (IBNR) or Integrated but not enter report (IBNER) claim. But under solvency margin regulation proposed under insurance Act 2010, such reserves will be required to maintain in the manner to be prescribed by the relevant rules.

All claims with ageing including cause of actual delay in settlement of claims are mandatory to report quarterly to insurance Development & Regulatory Authority (IDRA) as per their directives

Year wise claims settled & outstanding scenarios of Phoenix Insurance Company Limited are appended below:

Description	In Taka				
	2016	2015	2014	2013	2012
1. Claims outstanding beginning the year	3,01,60,669	5,32,62,406	4,46,39,046	2,34,35,598	2,98,03,138
2. Claims intimation during the year	21,58,85,000	28,51,50,000	23,16,30,000	16,98,40,000	13,27,40,000
3. Total Claim (1+2)	24,60,45,669	33,84,12,406	27,62,69,046	19,32,75,598	16,25,43,138
4. Claims paid during the year	8,16,09,809	9,42,53,838	10,71,19,288	10,89,40,067	9,00,42,318
Claims paid as % of total claims	33.17%	27.85%	38.77%	56.37%	55.40%
Claims outstanding the end of the year	5,00,49,113	3,01,60,669	5,32,62,406	4,46,39,046	2,34,35,598

CLIENTS COMPLAINS AND CONSULTANCY

Phoenix Insurance is very much concern of the Stakeholder's interest and the professional services to the insured.

Accordingly, the company has been equipped with a team of technically qualified and highly experienced professionals for rendering best possible services to its customers. Because, we do believe Customers are first and Customers are last. Customers delight is our delight. Consequently, we have been able to earn the confidence of the clients from starting our journey excels in 1986. This company provides its clients with technical assistance, consultancy and advice free of cost whenever called for. Any query and consultancy in respect of insurance service shall be addressed with due respect and pleasure.

So, clients may contact for complains and/or consultancy specially in connection of Risk Assessment, Economic price of Insurance, Re-Insurance & Claims payment status to the following Address:

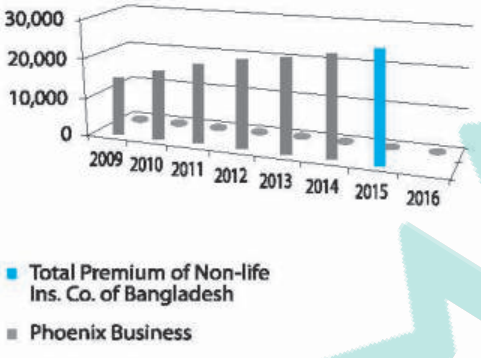
MD. SHAFIQUR RAHMAN
General Manager
Underwriting &
Branch Control Department
1/A, Dilkusha C/A, Dhaka.
Tel: 9563609
E-mail : mail@phoenixinsurance.com.bd

AMAR STOCK

MARKET SHARE OF INSURANCE BUSINESS OF THE COMPANY

Phoenix Insurance Company Ltd. enhancing the market shares of Insurance Business in the country day by day. The high profile management team of the company has been taken proper attention in time with professional manner and the Company's performance has been increased in respect of business collection. We have maintained the growth of our business regularly due to our discipline and talented services. The Gross premium income of private non-life insurance companies around the country stood at Tk.24,308 million in 2015 compared to Tk.22,679 million in 2014.

We have been increasing our Market Share of Insurance Business in the country slowly. In the year 2015 we have contributed 2.65% business in the total market of Bangladesh private non-life insurance business and it is expecting that next year it will be increased accordingly. A chart of our market share position in comparison of the total market of Bangladesh Non-Life Insurance Business is shown below:



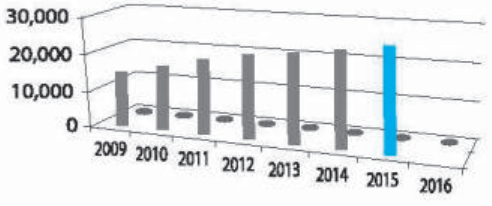
Amount in million

Year	Private Non-life Insurance business Tk.	Phoenix Business Tk.	% of our company's share in the country
2009	12,284	387	3.15
2010	14,883	465	3.12
2011	17,274	535	3.10
2012	19,263	621	3.22
2013	22,038	595	2.70
2014	22,679	610	3.06
2015	24,308	645	2.65
2016	-	652	-

The total premium income of non-life insurance companies in Bangladesh stood at Tk. 26,381 million in 2015 whereas it was Tk. 24,440 million in 2014. On average, we contributed 2.50% premium to thenation. The following statements show the position of our company against the total non-life insurance premium of Bangladesh.

Amount in million

Year	Total premium of Non-life Ins. Co. of Bangladesh	Phoenix Business	% of our company's share in the country
2009	13,898	387	2.78
2010	16,544	465	2.81
2011	19,249	535	2.78
2012	21,452	621	2.89
2013	22,947	595	2.60
2014	24,440	610	2.50
2015	26,381	645	2.44
2016		652	



Total Premium of Non-life Ins. Co. of Bangladesh

Phoenix Business

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Report of Audit Committee and Auditor's

AMAR STOCK

Report of
Audit Committee

CONSTITUTION OF THE AUDIT COMMITTEE

The Audit Committee of the Phoenix Insurance Company Limited constituted by the six Directors of the Board of Directors. According to the notification of Bangladesh Securities and Exchange Commission, the Board constituted the Audit Committee. The committee performs their responsibilities as per guidelines adopted by the Board and in compliance with the section 3.00 of the Bangladesh Securities and Exchange Commission Notification No.SEC/CMRRCD/ 2006-158/134/ Admin/44 dated 7th August 2012, which have mentioned in the Audit Committees functions. Mr. M Badiuzzaman, Independent Director of the Board is the Chairman of the Audit Committee and comprises of the following members of the Board of Directors:

1. Mr. Deen Mohammad
2. Mr. Mazharul Haque
3. Mr. Aziz Al Mahmood
4. Mr. Manzoorul Haque
5. Mrs. Khorshed Zahan Begum

TORS OF AUDIT COMMITTEE

The terms of reference of the Audit Committee as framed by the Board of Directors are as follows:

(1) Determine appropriate measures to safeguard the Company's assets.

(2) Review quarterly, half-yearly and annual financial statements of the Company, prior to their approval by the Board of Directors, focusing on major judgmental areas, significant adjustments resulting from the audit, the going concern assumptions, any changes in accounting policies and practices, compliance with applicable accounting standards and compliance with listing regulations and other statutory and regulatory requirements and significant related party transactions.

(3) Facilitating the external audit and discussion with external auditors of major observations arising from interim and final audits and any matter that the auditors may wish to highlight (in the absence of management, where necessary).

(4) Ensure coordination between the internal and external auditors of the Company.

(5) Review of the scope and extent of internal audit and ensuring that the internal audit function has adequate resources and is appropriately placed within the Company.

(6) Review and confirm the compliance with relevant statutory requirements.

(7) Monitoring compliance with the best practices of corporate governance and identification of significant violations thereof.

(8) Consideration of any other issue or matter as may be assigned by the Board of Directors.

(9) Determine compliance with relevant statutory requirements.

(10) Monitoring compliance with the best practices of corporate governance and identification of significant violations thereof.

REPORT OF THE AUDIT COMMITTEE

According to the guidelines, the Committee reviewed and examined the actions of management, in relation with the interim and annual financial statements before the submission to the board and confirmed that:

1. The Committee reviewed and approved the quarterly, half yearly and annual financial statements of the Company and recommended them for approval of the Board of Directors.
2. The Company issued a Statement of Compliance with the Code of Corporate Governance which has also been reviewed by the external auditors of the Company.
3. The Chief Executive Officer and the Chief Financial Officer have reviewed the financial statements of the Company and the Directors' Report. They acknowledge their responsibility for true and fair presentation of the financial statements and compliance with regulations and applicable accounting standards.
4. The Management has published the necessary of disclosures of the financial statements.
5. The financial statements of the company prepared on the assumption of going concern.
6. The financial statements of the company are prepared in accordance with Bangladesh Financial Reporting Standard, The Insurance Act 2010 and Security and Exchange Rules 1987 etc.
7. The Management has ensured the compliance with laws and regulations of the stock exchange and follows the related laws & regulations of BSEC, the guidelines of Stock Exchanges and fulfilled the legal requirements of the Company.
8. Proper books of accounts have been maintained by the Company.

The Chairman, the Managing Director, the Chief Financial Officer (CFO) and the external auditor attend Committee meetings by invitation. Five meetings of the Committee were held during the year 2016. Based on reviews and discussions in these meetings, the Committee reports that:

i) The adequacy of the internal control and risk management undertaken by the company through the appropriate Management Information are present.

ii) The company's system of internal control and its reporting process are in place towards creation of a compliance culture in the Insurance.

iii) The Management handling the operation and the financial activities of the company as per guidelines of the IDRA and with the advice of the Board.

The above matters are important recommendations for the improvement of the company and therefore duly noted.

-Sd-
Mr. M Badiuzzaman
Chairman
Audit Committee


STOCK

Audit Report of the Accounts of 2016

AMARSTOCK

Auditors' Report

To the shareholders of Phoenix Insurance Company Limited

We have audited the accompanying financial statements of Phoenix Insurance Company Limited which comprise of Financial Position (Balance Sheet) as at 31st December, 2016 and the related Fire, Marine Cargo, Marine Hull, Motor and Miscellaneous Insurance Revenue Accounts as well as Statement of Profit & Loss and other Comprehensive Income, Profit and Loss Appropriation Account, Statement of Cash Flow, Statement of Changes in Equity and Notes for the year then ended, and a summary of significant accounting policies and other explanatory notes.

Management's Responsibility for the Financial Statements:

The company's 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, Bangladesh Securities Exchanges Commission Rules 1987 and other applicable laws and regulation and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether 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 risks 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 and 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 prepared in accordance with Bangladesh Financial Reporting Standards (BFRS), give a true and fair view of the state of the company's affairs as of 31st December, 2016 and of the results of its operations and its cash flows for the period then ended and comply with the Companies Act 1994, the Insurance Act, 2010, Insurance Rules 1958, relevant schedule of Bangladesh Securities Exchanges Commission Rules 1987 and other applicable laws and regulations.

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 thereof;

b) In our opinion, proper books of accounts as required by law have been kept by the company so far as it appeared from our examination of those books ;

c) The Company's Statement of Financial Position and revenue accounts and its cash flows dealt with by the report are in agreement with the books of account and returns;

d) The expenditures incurred and payments made were for the purpose of the company's business;

e) As per Section 63(2) of the Insurance Act – 2010 as amended, we certify that to the best of our knowledge and belief and according to the information and explanation given to us, all expenses of management wherever incurred directly or indirectly with respect to 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 accounts of the company and

f) As per regulation 11 of Part 1 of the third schedule of Insurance Act 1938 as amended, we certify that 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 re-issued abroad.



Dated: Dhaka
27th April, 2017

Malek Siddiqui Wali
Chartered Accountants

STATEMENT OF FINANCIAL POSITION (BALANCE SHEET)

AS AT 31ST DECEMBER, 2016

Figures in Taka
*Restated**

CAPITAL & LIABILITIES	NOTE	2016	2015
Shareholder's Equity & Liabilities			
Shareholder's Equity		**1,397,288,986**	**1,249,309,427**
Share Capital	04	403,415,720	403,415,720
Share premium		897,121	897,121
Reserve & Surplus	05	992,976,145	844,996,586
Liabilities & Provision		**546,317,088**	**550,594,519**
Balance of Fund & Account	06	152,305,145	157,611,947
Premium Deposit	07	26,572,328	27,325,630
Defered liability for Gratuity	08	16,416,676	18,714,682
Reserve for Corporate Social Responsibility (CSR)	09	2,840,026	3,165,536
Defered Tax liability		14,082,615	13,518,066
Estimated liabilities in respect of outstanding			
Claims whether due or intimated	10	50,049,113	30,160,669
Amount due to other persons or bodies			
Carrying on insurance business	11	55,788,670	79,150,685
Sundry Creditors	12	228,262,515	220,947,304
		1,943,606,074	**1,799,903,946**
Net Asset Value (NAV) (Restated for 2015)		**34.64**	**30.97**

Annexed notes form part of these Financial Statements

*Note: The financial statements for the year 2015 were restated and details of restatement were shown in Note 26.01

Chairman | Director | Chief Executive Officer

Signed in terms of our separate report annexed of even date
Dated, Dhaka
April 27, 2017

STATEMENT OF FINANCIAL POSITION (BALANCE SHEET)

AS AT 31ST DECEMBER, 2016

Figures in Taka
*Restated**

ASSETS	NOTE	2016	2015
Non-Current Assets			
Property Plant & Equipment	13	325,893,331	337,311,787
Investment	14	597,678,947	475,573,458
Current Assets			
Inventories	15	1,078,670	1,505,906
Sundry Debtors (Advance,deposit & others)	16	394,490,283	343,548,148
Amount due from other persons or bodies carrying on insurance business	17	195,720,152	168,388,007
Interest outstanding		1,512,500	1,512,500
Cash and Cash Equivalents	18	427,232,191	472,064,140
		1,943,606,074	1,799,903,946

Dy. Managing Director & CFO

Company Secretary

Malek Siddiqui Wali
Chartered Accountants

AMARSTOCK

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME (PROFIT & LOSS ACCOUNT

FOR THE YEAR ENDED DECEMBER 31ST, 2016

Figures in Taka

PARTICULARS	2016	2015
Expenses of Management	23,045,131	24,666,622
(Not applicable to any particular fund or account)		
Directors Fees	984,000	959,000
Audit Fees	200,000	125,000
Depreciation	16,069,496	15,855,298
Advertisement & Publicity	2,177,192	4,220,406
Subscription & Donation	566,700	539,100
Legal and Professional Fees	346,853	650,407
Registration Fee	2,700,890	2,317,411
Profit before tax	**127,853,449**	**151,655,702**
Provision for Gratuiety	1,000,000	-
Provision for Corporate Social Responsibility (CSR)	200,000	-
Provision for taxation	**28,164,549**	-
Current tax	27,600,000	-
Provision for Defered Tax Liability	564,549	-
Profit after tax transferred to profit & loss appropriation account	98,488,900	151,655,702
	150,898,580	**176,322,324**

Annexed notes form part of these Financial Statements

Chairman | Director | Chief Executive Officer

Signed in terms of our separate report annexed of even date
Dated, Dhaka
April 27, 2017

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME (PROFIT & LOSS ACCOUNT

FOR THE YEAR ENDED DECEMBER 31ST, 2016

Figures in Taka

PARTICULARS	2016	2015
Profit / (Loss) Transferred from:	**77,099,209**	**97,784,128**
Fire Revenue Account	7,145,638	8,527,193
Marine Revenue Account	31,487,302	83,138,421
Misc. Revenue Account	38,466,269	6,118,513
Interest Income (Note # 19)	23,213,240	28,640,225
Dividend Income	41,611,689	39,779,139
Other Income (Note # 20)	8,974,442	10,118,832
	150,898,580	**176,322,324**

Dy. Managing Director & CFO

Company Secretary

Malek Siddiqui Wali
Chartered Accountants

AMARSTOCK

PROFIT AND LOSS APPROPRIATION ACCOUNT

FOR THE YEAR ENDED DECEMBER 31ST, 2016

Figures in Taka

PARTICULARS	2016	2015
Reserve for Exceptional Losses	36,000,000	38,000,000
Dividend Paid	72,614,830	80,683,144
Provision for Income Tax	-	37,000,000
Provision for Gratuiety	-	2,000,000
Provision for Defered Tax Liability	-	(12,689)
Provision for Corporate Social Responsibilities (CSR)	-	500,000
General Reserve & Others	-	1,000,000
Balance transferred to Balance Sheet	60,957,372	69,394,299
	169,572,202	**228,564,755**

STATEMENT OF OTHER COMPREHENSIVE INCOME

For the year ended December 31st, 2016

Figures in Taka

PARTICULARS	2016	2015
Earnings Per Share (Note# 24)	2.44	2.84

Annexed notes form part of these Financial Statements

*Note: Please see the Note 26.00 for more details for restatement.

Chairman | Director | Chief Executive Officer

Signed in terms of our separate report annexed of even date
Dated, Dhaka
April 27, 2017

AMARSTOCK

PROFIT AND LOSS APPROPRIATION ACCOUNT

FOR THE YEAR ENDED DECEMBER 31ST, 2016

Figures in Taka

PARTICULARS	2016	2015
Balance brought forward	69,394,299	87,661,909
Prior year adjustment:* (Note 26.00)	-	(12,530,755)
Restated Balance	**69,394,29**	**75,131,154**
Net profit for the year brought down from Profit and Loss Account	98,488,900	151,655,702
Adjustment of Depreciation on revaluation reserve	1,689,003	1,777,898
	169,572,202	**228,564,755**

STATEMENT OF OTHER COMPREHENSIVE INCOME

For the year ended December 31st, 2016

Figures in Taka

PARTICULARS	2016	2015
Profit after tax	98,488,900	151,655,702
Other Comprehensive income:	122,105,489	-
Changes in fair value of the available for sale	122,105,489	-
Total Comprehensive income for the year	**220,594,389**	**151,655,702**

Dy. Managing Director & CFO

Company Secretary

Malek Siddiqui Wali
Chartered Accountants

CONSOLIDATED INSURANCE REVENUE ACCOUNT

FOR THE YEAR ENDED DECEMBER 31ST, 2016

Figures in Taka

PARTICULARS	2016	2015
Calims Under Policies Less: Re-Insurance (Note # 21)	31,361,526	(3,893,731)
Commission	93,163,948	89,001,561
Expenses of Management (Note # 23)	252,524,453	258,374,527
Profit/(Loss) transfer to Profit & Loss A/c.	77,099,209	97,784,128
Balance of Account at the end of the year as shown in the Balance Sheet (Reserve for unexpired risk)	152,305,145	157,611,947
Total	**606,454,281**	**598,878,432**

Annexed notes form part of these Financial Statements

Chairman | Director | Chief Executive Officer

Signed in terms of our separate report annexed of even date
Dated, Dhaka
April 27, 2017

AMARSTOCK

CONSOLIDATED INSURANCE REVENUE ACCOUNT

FOR THE YEAR ENDED DECEMBER 31ST, 2016

Figures in Taka

PARTICULARS	2016	2015
Balance of Account at the Beginning of the year	157,611,947	146,736,155
Premium Less Re-Insurance (Note # 22)	376,002,749	387,820,996
Commission on Re-Insurance Ceded	72,839,585	64,321,281
Total	**606,454,281**	**598,878,432**

Dy. Managing Director & CFO

Company Secretary

Malek Siddiqui Wali
Chartered Accountants

AMAR STOCK

FIRE INSURANCE REVENUE ACCOUNT

FOR THE YEAR ENDED DECEMBER 31ST, 2016

Figures in Taka

PARTICULARS	2016	2015
Claims under policies less re-insurances		
Paid during the year	7,040,309	(7,551,707)
Total estimated liability in respect of outstanding claims at the end of the year whether due or intimated	2,970,657	826,221
	15,283,445	11,213,793
Less:Outstanding at the end of the previous year	18,254,102	12,040,014
	11,213,793	19,591,721
Commission		
Expenses of Management	37,489,462	34,243,351
	97,870,208	96,174,857
Profit/(Loss) transferred to Profit & Loss Account	7,145,638	8,527,193
Balance of account at the end of the year as shown in the Balance Sheet being reserve for unexpired risks @ 40% of premium income of the year	38,669,826	46,211,360
Total	**188,215,443**	**177,605,055**

Annexed notes form part of these Financial Statements

Chairman | Director | Chief Executive Officer

Signed in terms of our separate report annexed of even date
Dated, Dhaka
April 27, 2017

FIRE INSURANCE REVENUE ACCOUNT

FOR THE YEAR ENDED DECEMBER 31ST, 2016

Figures in Taka

CAPITAL & LIABILITIES	NOTE	2016	2015
Balance of account at the beginning of the year		46,211,360	24,314,553
Premium less: re-insurances		96,674,565	115,528,400
Commission on re-insurances		45,329,518	37,762,102
Total		188,215,443	177,605,055

Dy. Managing Director & CFO

Company Secretary

Malek Siddiqui Wali
Chartered Accountants

AMAR STOCK

MARINE INSURANCE REVENUE ACCOUNT

FOR THE YEAR ENDED DECEMBER 31ST, 2016

Figures in Taka

PARTICULARS	2016	2015
Claims under policies less re-insurances	18,713,422	(5,373,858)
Paid during the year	1,534,456	2,807,816
Total estimated liability in respect of outstanding claims at the end of the year whether due or intimated	24,910,081	7,731,115
	26,444,537	10,538,931
Less:Outstanding at the end of the previous year	7,731,115	15,912,789
Commission	35,789,789	33,584,826
Expenses of Management	96,772,647	97,876,609
Profit transferred to Profit & Loss Account	31,487,302	83,138,421
Balance of account at the end of the year as shown in the Balance Sheet being reserve for unexpired risks @ 40% of premium income on marine cargo and 100% of premium income on marine hull of the year	66,640,845	69,899,615
Cargo	63,467,436	65,760,368
Hull	3,173,409	4,139,247
Total	**249,404,005**	**279,125,613**

Annexed notes form part of these Financial Statements

Chairman | Director | Chief Executive Officer

Signed in terms of our separate report annexed of even date
Dated, Dhaka
April 27, 2017

MARINE INSURANCE REVENUE ACCOUNT

FOR THE YEAR ENDED DECEMBER 31ST, 2016

Figures in Taka

PARTICULARS	2016	2015
Balance of account at the beginning of the year	69,899,615	91,680,552
Premium less: re-insurances	161,841,998	168,540,167
Commission on re-insurances	17,662,392	18,904,894
Total	249,404,005	279,125,613

Dy. Managing Director & CFO

Company Secretary

Malek Siddiqui Wali
Chartered Accountants

AMARSTOCK

MISCELLANEOUS INSURANCE REVENUE ACCOUNT

FOR THE YEAR ENDED DECEMBER 31ST, 2016

Figures in Taka

PARTICULARS	MOTOR	MISC.	2016	2015
Claims under policies less re-insurances	6,848,734	(1,240,939)	5,607,795	9,031,834
Paid during the year	6,935,767	32,202	6,967,969	15,573,969
Total estimated liability in respect of outstanding claims at the end of the year whether due or intimated	8,215,196	1,640,391	9,855,587	11,215,761
	15,150,963	1,672,593	16,823,556	26,789,730
Less:Outstanding at the end of the previous year	8,302,229	2,913,532	11,215,761	17,757,896
Commission	14,889,991	4,994,706	19,884,697	21,173,384
Expenses of Management	39,249,220	18,632,378	57,881,598	64,323,061
Profit transferred to Profit & Loss Account	20,125,867	18,340,402	38,466,269	6,118,513
Balance of account at the end of the year as shown in the Balance Sheet being reserve for unexpired risks @ 40% of premium income of the year	38,309,041	8,685,433	46,994,474	41,500,972
Total	**119,422,853**	**49,411,980**	**168,834,833**	**142,147,764**

Chairman | Director | Chief Executive Officer

Signed in terms of our separate report annexed of even date
Dated, Dhaka
April 27, 2017

AMARSTOCK

MISCELLANEOUS INSURANCE REVENUE ACCOUNT

FOR THE YEAR ENDED DECEMBER 31ST, 2016

Figures in Taka

PARTICULARS	MOTOR	MISC.	2016	2015
Balance of account at the beginning of the year	23,482,864	18,018,108	41,500,972	30,741,050
Premium less: re-insurances	95,772,603	21,713,583	117,486,186	103,752,429
Commission on re-insurances	167,386	9,680,289	9,847,675	7,654,285
Total	119,422,853	49,411,980	168,834,833	142,147,764

Dy. Managing Director & CFO

Company Secretary

Malek Siddiqui Wali
Chartered Accountants

AMARSTOCK

STATEMENT OF CASH FLOWS

For the year ended December 31st, 2016

Figures in Taka

PARTICULARS	2016	2015
A) Cash Flow from Operating Activities:		
Collections from premium and other income	839,593,069	854,601,587
Payments for management expenses, re-insurance and claims	(794,601,606)	(692,366,062)
Income Tax Paid	(13,831,984)	(26,165,984)
Net Cash Provided by operating activities	**31,159,479**	**136,069,541**
B) Cash Flow from Investing Activities :		
Purchase of Fixed Assets	(5,277,106)	(26,716,286)
Disposal of Fixed Asset	1,900,508	-
Fixed Deposit (Note # 18.02)	-	(843,751)
Net Cash used in Investing activities	**(3,376,598)**	**(27,560,037)**
C) Cash flow from Financing Activities :		
Cash Divident Paid	(72,614,830)	(80,683,144)
Net Cash used in financing activities	**(72,614,830)**	**(80,683,144)**
Net Increase/(Decrease) in cash & equivalents during the year (A+B+C)	(44,831,949)	27,826,360
Cash & Cash equivalents at the Beginning of the year	472,064,140	444,237,780
Cash & Cash Eequivalents at the end of the year	**427,232,191**	**472,064,140**
Net operating cash flow per share	**0.77**	**3.37**

Chairman | Director | Chief Executive Officer

Dy. Managing Director & CFO | Company Secretary | Malek Siddiqui Wali
Chartered Accountants

Signed in terms of our separate report annexed of even date
Dated, Dhaka
April 27, 2017

STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED DECEMBER 31ST, 2016

Sl. No.	PARTICULARS	Share Capital	Reserve for Exceptional Losses	Revaluation Reserve	Fair Value Reserve	Share Premium	Retained Earnings	Total
1	Opening Balance	403,415,720	341,435,866	180,130,213	254,036,208	897,121	69,394,299	1,249,309,427
2	Dividend Paid	-	-	-	-	-	(72,614,830)	(72,614,830)
3	Adjustment of depreciation on revaluation reserve	-	-	(1,689,003)	-	-	1,689,003	-
4	Net profit for the year after tax provision	-	-	-	-	-	98,488,900	98,488,900
5	Transfer to exceptional loss	-	36,000,000	-	-	-	(36,000,000)	-
6	Investment Reserve	-	-	-	122,105,489	-	-	122,105,489
	Total	403,415,720	377,435,866	178,441,210	376,141,697	897,121	60,957,372	1,397,288,986

For the year ended December 31st, 2015

Sl. No.	PARTICULARS	Share Capital	Reserve for Exceptional Losses	Revaluation Reserve	Fair Value Reserve	Share Premium	Retained Earnings	Total
1	Opening Balance	403,415,720	303,435,866	181,908,111	339,021,716	897,121	87,661,909	1,316,340,443
	Prior year adjustment:* (Note 26.00)						(12,530,755)	(12,530,755)
	Restated Opening balance	403,415,720	303,435,866	181,908,111	339,021,716	897,121	75,131,154	1,303,809,688
2	Dividend Paid	-	-	-	-	-	(80,683,144)	(80,683,144)
3	Adjustment of depreciation on revaluation reserve	-	-	(1,777,898)	-	-	1,777,898	-
4	Net profit for the year after tax provision	-	-	-	-	-	114,655,702	114,655,702
5	Transfer to exceptional loss	-	38,000,000	-	-	-	(38,000,000)	-
6	Transfer to Deferred Tax	-	-	-	-	-	12,689	12,689
7	Transfer to Gratuity	-	-	-	-	-	(2,000,000)	(2,000,000)
8	Transfer to CSR	-	-	-	-	-	(500,000)	(500,000)
9	Investment Reserve	-	-	-	(84,985,508)	-	-	(84,985,508)
10	Transfer to General Reserve	-	-	-	-	-	(1,000,000)	(1,000,000)
	Total	403,415,720	341,435,866	180,130,213	254,036,208	897,121	69,394,299	1,249,309,427

Chairman | Director | Chief Executive Officer | Dy. Managing Director & CFO | Company Secretary

Malek Siddiqui Wali
Chartered Accountants

Signed in terms of our separate report annexed of even date
Dated, Dhaka
March 29, 2016

FORM "AA"
Classified Summary of Assets

AS AT 31ST DECEMBER 2016

Figures in Taka

Sl. No.	PARTICULARS	2016 Tk.	2015 Tk.
	NON CURRENT ASSETS		
	Property Plant & Equipment		
(a)	Land	152,825,000	152.825;000
(b)	Building	121,681,033	128.085.298
(c)	Furniture & Fixture	12,200,358	1 1,709,893
(d)	Office Equipment	7,108,91 1	7,096.569
(e)	Electric installation	344,115	243,211
	Air Cooler	1,408,937	1.368,048
(g)	Vehicle	27,373,816	32.886.291
(h)	Telephone installation	2,951.161	3.097.477
	Sub total:	**325,893,331**	**337,311.787**
	INVESTMENT		
(a)	National Investment Bond	25,000.000	25.000.000
(b)	Shares of Listed Companies	526.788,887	404.683,398
(c)	Shares of Unlisted Companies	45,890,060	45,890,060
	Sub total:	**597,678,947**	**475,573.458**
	CURRENT ASSETS		
(a)	Fixed Deposit	233.984,002	298.510. 135
(b)	Short term Deposits	136,910,290	123.277.826
(c)	Current Account	28,668,492	22.965.01
(d)	Cash in hand	27.669.407	2 7.31 1.164
(e)	Interest Outstanding	1.512.500	1.512.500
(f)	Sundry Debtors	394,490,283	343,548,148
(g)	Stock of Stationery & Stamps	1,078,670	1,505.906
(h)	Amount due from other persons & bodies carrying on insurance business	195,720,152	168,388,007
	Sub total:	**1,020,033,796**	**987,018,701**
	TOTAL ASSETS	**1,943,606,074**	**1,799,903,946**

Certificate under regulation 7 (a) & (b) of part 1 of the first schedule to the Insurance Act. Certified that the values of all assets have been reviewed, that the said assets except the shares in listed companies, have been set forth in the balance sheet at amounts not exceeding their realizable or market value. and that the investments in shares have been valued at cost. For the purpose of comparison market value of shares shown to the financial statements have been ascertained on the basis of average rates of last transactions of 2016 of the relevant shares published in the daily newspapers.

Chairman | Director | Chief Executive Officer | Dy. Managing Director & CFO

Sr. G.M. Company Secretary

Malet Siddiqui Wali
Chartered Accountants

Dated, Dhaka
April 27, 2017

SHARESTOCK

NOTES TO THE FINANCIAL STATEMENTS AND SIGNIFICANT ACCOUNTING POLICIES

FOR THE YEAR ENDED 31ST DECEMBER, 2016

1. General information

1.1 Legal form and status of the Company

Phoenix Insurance Company Ltd. was incorporated as a public limited company in Bangladesh on 27th November, 1986 under the Companies Act 1913 (present 1994) and obtained the certificate of commencement of business from the Registrar of Joint Stock Companies, Bangladesh with effect from the same date, however the certificate of commencement of insurance business from the Controller of Insurance, Government of Peoples Republic of Bangladesh was obtained with effect from 1st December, 1986.

With the authorization of Securities and Exchange Commission the Company issued 300,000 ordinary shares at Tk.100 each to public in 1994 and was listed with Dhaka Stock Exchange and Chittagong Stock Exchange subsequently. The Company carries its insurance activities through thirty-one branches throughout the country.

1.2 Principal activities and nature of operations

The principal activity of the company continued to carry on all kinds of insurance, guarantee, and indemnity business other than life insurance business. There were no significant changes in the nature of the principal activities of the Company during the year 2016 under review.

1.3 Date of financial statements authorized for issue

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

2. Summary of significant accounting related policies

2.1 Basis of accounting

The financial statements of the Company under reporting have been prepared under historical cost convention except Land & Building which is stated at revalued amount in a going concern concept and on accrual basis in accordance with Generally Accepted Accounting Principles (GAAP) and practice in Bangladesh in addition compliance with the Companies Act 1994, the Securities and Exchange Rules 1987, Listing Regulations of Dhaka Stock Exchange Ltd. & Chittagong Stock Exchange Ltd. These statements have also been prepared in accordance with applicable International Accounting Standards (IAS) and as were adopted in Bangladesh by the Institute of Chartered Accountants of Bangladesh (ICAB) under name & style Bangladesh Accounting Standards (BAS) with reference to disclosures of accounting policies and valuation of investment both.

2.2 Basis of preparation

The Balance Sheet has been prepared in accordance with the regulation as contained in part-1 of the First Schedule and as per Form "A" as set forth in forth in part-2 of that schedule. Revenue accounts for specific classes of non-life insurance business has been prepared in accordance with the regulation as contained in part-1 of the third Schedule and as per Form "F" as set forth in part-2 of that Schedule of the insurance Act, 1938 as amended (new insurance Act 2010). The classified summary of the assets has been prepared in accordance with From "A" as set forth in part-2 of aforesaid Act.

2.3 Branch accounting

The Company has thirty one (31) branches under its umbrella without having any overseas branch during the year ended December 31, 2016. The accounts of the branches are maintained and consolidated at the head office level. Only petty cash books are being maintained at the respective branches for meeting day to day expenses.

2.4 Public sector business

As per Government decision effective from April 1990, all the public Sector Insurance Business is being under written jointly by Sadharan Bima Corporation and 45 private sectors insurance Companies on Co-insurance basis 50% being underwritten by Shadharan Bima Corporation and the balance equally by 45 private sectors insurance Companies.

Company's share of public sector business is accounted for in the year in which the statement of accounts from the Sadharan Bima Corporation is received up to June 30, 2016. The statements of accounts for the period from July 1, 2015 to June 30, 2016 have been received from the Sadharan Bima Corporation and accordingly, the company's share of public sector business for that period has been accounted for in the accompanying accounts. This practice is being followed consistently.

2.5 Reporting currency and level of precision

The figures in the Financial Statements represent Bangladesh Currency (Taka), which have been rounded off to the nearest Taka except where indicates otherwise.

2.6 Property, Plant, and Equipment

A. Valuation of fixed assets

All fixed assets are stated at cost less accumulated depreciation as per BAS 16: "Property, Plant and Equipment". The cost of acquisition of an assets comprise its purchase price and directly attributable cost of bringing the asset to its working condition for its intended use inclusive of inward freight, duties and non-refundable taxes.

B. Recognition of fixed assets

The Company recognizes in the carrying amount of an item of property, plant and Equipment the cost replacing part of such an item when that cost is incurred if it is probable that the future economic benefits embodied with the item will flow to the company and the cost of the item can be measured reliably. Normal expenditure incurred after the assets have been put into operation such as repair and maintenance other than major replacement, renewals and or betterment of the assets are charged off as revenue expenditure in the period in which it is incurred.

C. Depreciation

Property, Plant and Equipment are depreciated following the reducing balance method on the basis of life expectancy of the assets in accordance with BAS-16. Depreciation on newly acquired assets except land which is not depreciated, are charged for irrespective of the date of acquisition, and while no depreciation is charged during the year in which assets are disposed off. Assets category wise depreciation rates are as follows:

Particulars	
Furniture and Fixture	10%
Office Equipment	15%
Vehicles	20%
Building	5%
Telephone	5%
Air collar	15%
Electrical Equipment	15%

D. De-recognition

An item of property, plant and equipment is de-recognized upon disposal or future economic benefits are expected from it use. Any gain or loss arising on de-recognition of the assets is included in the statement of comprehensive income in the year the assets is de-recognized

E. Impairment of assets

In each year the management assess whether there is any indication that the assets may be impaired in accordance with BAS 36: "Impairment of Assets" considering the current economic situation. Management concludes that there is no such indication exists.

F. Revaluation of assets

Land & Building were revalued by the company as on December 31, 2010 which was conducted by professional independent velour G. K. Adjusters Ltd. In order to reflect the fair picture of the company in the present market condition on the basis of market availability and physical condition of those fixed assets and the gain arise due to the revaluation were transferred to the revaluation reserve account as per BAS 16 " Property, Plant, and Equipment"

2.7 Reserve or contingencies accounts

A. Reserve for exceptional losses

As per Para 6 of the 4th schedule of Income Tax Ordinance 1984 to meet the exceptional losses, Company sets aside 10% of the net premium income of the year which it is set aside from the balance of the profit to the Reserve for exceptional losses.

B. Revaluation reserve

Revaluation surplus is transferred to revaluation reserve after restating the asset at the revalued amount.

2.8 Employee benefit

A. Contributory provident fund

The Company operates a contributory provident fund for its permanent employees. The fund is approved by the National Board of Revenue (NBR), administered separately by a Board of Trustee and is funded by equal contribution from the company and the employees. This fund is invested separately from the company.

B. Gratuity scheme

The Company operates a Gratuity scheme under which regular confirmed employee is entitled to benefit at graduated scale based on the length of service. The length of service for the purpose of gratuity shall be reckoned from the date of joining in the regular service of the company. The Company has a funded Gratuity for all eligible employees who have completed minimum 3 (Three) years of continuous service with the company. Required amount of gratuity is calculated on the basic depending on the length of service for every completed year as well as proportionate to the fraction period of service as of the end of the respective year.

C. Incentive bonus

The Company have resorted a policy namely incentive Bonus Scheme for its employees who meet certain criteria based on their annual performance ascertained on net profit after tax with the approved in the Board Meeting and the paid amount are accounted for the year to which same relates.

D. Group insurance policy

The Company has been operating a Group Insurance Policy for all permanent employees for the supporting of family assistance after death of any Employee's as per Group Insurance Policy terms & condition.

2.9 Revenue recognition

A. Underwriting premium income

Gross underwriting business as well as Re-insurance thereof and claim settled etc. have been recorded separately for each class of business and the net underwriting results thereof have been reflected in the revenue accounts after due consideration of re-insurance ceded.

B. Investment income recognition

Interest on FDRs is recognized on accrual basis after making provision for income tax deductible at source. Interest on STD /SND accounts, cash dividend on investment in share and other income are recognized on cash basis for stock dividend that received by the company against its investment, number of share increased and average cost of investment decreased.

C. Dividend income

Dividend income has been accounted for only when the right to receive the dividend is established.

2.10 Balance of funds & accounts

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

2.11 Management expenses

Total management expenses have been allocated among the different classes of business on the basis of gross premium income.

2.12 Cash and cash equivalents

According to IAS 7 "Cash Flow Statements" cash comprises cash in hand and demand deposits and cash equivalents are short term, highly liquid investments that are readily convertible to know amounts of cash and which are subject to an insignificant risk of changes in value. IAS I "Presentation of Financial Statements" provides that Cash and Cash Equivalents are not restricted in use. Considering the provisions of IAS 7 and IAS I, Cash in hand and bank balances have been considered as cash and cash equivalents.

2.13 Debtors and other receivable

These are carried at bill amount, unsecured and considered good and collectible.

2.14 Stock of stationery & form

The Company used stationery and various printed forms such as policy, cover notes, motor certificates, money receipts, petty cash voucher, envelope, cheque payments voucher, letter head pad etc. for their service purpose. These are not saleable and charged in the accounts at cost basis. Net realized value is estimated of selling price in the ordinary course of business but the stationery & forms of the Company is not held for sale.

2.15 Provision for income tax

Provision for income tax Tk. 2,76,00,000/- has been made.

2.16 Creditors and accruals

Liabilities are recognized for amounts to be paid in the future for service received, whether or not billed by the suppliers.

2.17 Earnings per share (EPS)

The company calculates Earnings per Share (EPS) in accordance with IAS 33, which has been shown on the face of Profit and Loss Appropriation Account.

2.18 Basic earnings per share

This has been calculated by dividing the basic earnings by the weighted average of ordinary shares outstanding during the year. In Accordance with BSA 33 "Earnings per share" which has been shown on the face of Profit & loss Appropriation Account.

2.19 Basic earnings

This represents earnings for the year attributable to ordinary shareholders. As there was no preference dividend, minority interest or extra ordinary items, the net profit of the year after tax has been considered as fully attributable to the ordinary shareholders.

2.20 Cash flow statements

Cash Flow Statement is prepared principally in accordance with IAS 7 "Cash Flow Statements" and the cash flow from the operating activities has been presented under direct method as prescribed by the Securities and Exchange Rules 1987.

2.21 Deferred tax

The corporation accounted for deferred tax as per BAS-12 "Income Taxes". Deferred tax is accounted for using the comprehensive tax balance sheet method. It is generated by temporary difference between the carrying amounts of assets and liability for financial reporting purposes and their tax base.

Deferred tax assets, including those related to the tax effects of income tax losses and credits available to be carried forward, are recognized only to the extent that it is probable that future taxable profits will be available against which the deductible temporary difference or unused tax losses and credits can be utilized.

AMAR STOCK

Deferred tax liabilities are recognized for all taxable temporary differences. They are also recognized for taxable temporary differences arising on investments and it is probable that temporary differences will not reverse in the foreseeable future. Deferred tax assets associated with these interests are recognized only to the extent that it is probable that the temporary difference will reverse in the foreseeable future and there will be sufficient taxable profit against which to utilize the benefits of the temporary difference.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the period (s) when the asset and liability giving rise to them are realized or settled, based on tax rates (and tax laws) that have been enacted or substantively enacted by the reporting date. The measurement reflects the tax consequences that would follow from the manner in which the corporation at the reporting date, recovers or settles the carrying amount of its assets and liabilities.

3.00 Additional information of financial statement

A. Responsibility for preparation and presentation of financial statements

The Board of Directors is responsible for the preparation and presentation of Financial Statements under section 183 of the Companies Act 1994 and as per the provision of "The International Accounting Standards Committee" (IASC).

B. Components of the financial statements

According to the International Accounting Standard (IAS) 1 "Presentation of Financial Statements" the complete set of Financial Statements includes the following components:

(i) Statement of Financial position (Balance Sheet) as at December 31, 2016.
(ii) Statement of Comprehensive Income (Profit and Loss Account) for the year ended December 31, 2016.
(iii) Related Revenue Accounts for the year ended December 31, 2016.
(iv) Statement of Cash Flows for the year ended December 31, 2016.
(v) Statement of Changes in Equity for the year ended December 31, 2016.
(vi) Significant Accounting Policies and Explanatory Notes.

C. Risk and uncertainties for use of estimates in preparation of financial statements

The preparation of Financial Statements in conformity with the International Accounting Standards requires management to make estimates and assumption that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the affect financial statements and revenue and expenses during the period 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, employees benefit plans, taxes, reserves and contingencies.

D. Comparative information

Comparative information have been disclosed in respect of the year 2015 for all numerical information in the Financial Statements and also the narrative and descriptive information when it is relevant for understanding of the current year financial statements.

Figure of the year 2015 have been rearranged whenever considered necessary to ensure comparability with the current year.

E. Reporting period

Financial Statements of the Company is consistently one calendar year from 1st January to 31st December.

Figures in Taka

4.00 Share Capital	2016	2015
Authorized Capital:		
100,000,000 Ordinary Shares of Tk. 10 each	1,000,000,000	1,000,000,000
Issued Subscribed and Paid-up Capital:		
40,341,572 Ordinary share of Tk. 10 each	403,415,720	403,415,720

A distribution schedule of each class of equity security setting out the number of holders and percentage in the following categories as on 31st December 2016:

Group "A" Shareholders (Sponsors)

Class Interval	No. of Shareholders	No. of Share	(%) Total holding	% of Total paid-up capital
100001 to 200000 Shares	3	457,802	2.31	1.13
200001 to 300000 Shares	1	256,703	1.29	0.64
300001 to 400000 Shares	3	978,890	4.93	2.43
400001 to 500000 Shares	2	898,355	4.53	2.23
500001 to 1000000 Shares	10	8,057,158	40.61	19.97
Over 1000000 Shares	6	9,191,816	46.33	22.78
Total	**25**	**19,840,724**	**100**	**49.18**

Group "B" Shareholders (Public)

Class Interval	No. of Shareholders	No. of Share	(%) Total holding	% of Total paid-up capital
Less then 500 Shares	2,257	334,518	1.94	0.98
500 to 5000 Shares	1,498	2,520,139	13.85	7.04
5001 to 10000 Shares	164	1,176,658	6.77	3.44
10001 to 20000 Shares	93	1,312,874	7.55	3.84
20001 to 30000 Shares	31	769,674	4.65	2.36
30001 to 40000 Shares	21	723,444	5.53	2.81
40001 to 50000 Shares	13	577,411	3.89	1.98
50001 to 100000 Shares	27	1,823,777	8.95	4.55
100001 to 1000000 Shares	33	8,969,496	39.36	20.00
Over 1000000	2	2,292,037	7.51	3.82
Total	**4,139**	**20,500,028**	**100.00**	**50.82**

Summarized list of Shareholders as on 31st December 2016 is as below

Type of Shareholders	No. of Shareholders	No. of Shares	Share Face Value	%
Sponsor Group	25	19,840,724	198,407,240	49.18
Foreign Investors	-	-	-	-
General Public (Institutions)	84	9,548,484	95,484,840	23.67
General Public (Individuals)	4,055	10,952,364	109,523,640	27.15
Total	**4,164**	**40,341,572**	**403,415,720**	**100.00**

5.00 Reserves & Surplus

Particular	Notes	2016	2015
Reserve for exceptional Losses	5.01	377,435,866	341,435,866
Retained Earning		60,957,372	69,394,299
Asset Revaluation Reserve	5.02	178,441,210	180,130,213
Fair value Reserve	14.03	376,141,697	254,036,208
Total		**992,976,145**	**844,996,586**

5.01 Reserve for exceptional losses

As per paragraph 6 of the fourth schedule of Income Tax Ordinance 1984, as earlier, for the year 2016, 9.57% of the net premium was transferred to reserve for exceptional losses. Details calculation as under:

Particulars	2016	2015
Opening Balance	341,435,866	303,435,866
Add Reserve During The Year	36,000,000	38,000,000
Closing Balance	377,435,866	341,435,866

A sum of Tk. 36,000,000 has been provided for reserve for exceptional losses during the year, which is 9.57% of net premium income Tk. 376,002,749 earned during the year.

5.02 Revaluation Reserve

Land of carrying value Tk.146,350,156 and Buildings of carrying value Tk. 32,091,054 as on 31.12.2016. The following revaluation surpluses included the total carrying value and addition during the period of Fixed Assets.

6.00 Balance of Fund & Account

As per Para 27 A (2) (b) Insurance Act, 1938 " for the purpose of Sub-section (1) the company has made necessary provision for un-expired risk reserve during the year 40% of net premium on Fire, Marine, Motor, Miscellaneous and 100% on Marine Hull business. Class wise un-expired risk reserve is as follow:

Class of Business	Net Premium	Percentage	2016	2015
Fire	96,674,565	40%	38,669,826	46,211,360
Motor	95,772,603	40%	38,309,041	23,482,864
Miscellaneous	21,713,583	40%	8,685,433	18,018,108
Marine	158,668,589	40%	63,467,436	65,760,368
Marine Hull	3,173,409	100%	3,173,409	4,139,247
Total	**376,002,749**		**152,305,145**	**157,611,947**

7.00 Premium Deposits:

The above-mentioned amount includes premium received against cover notes for which policies have not been issued within 31st December 2016. While the risks against non-marine marine hull have been assumed form the issuance of cover notes, risks against marine cargo have not been assumed until shipment advice are provided and accordingly, policies are issued.

This represents the amount deposited with the company against cover notes for which no policy has been issued up to 31st December 2016. The breakup is as under:

Figures in Taka

SL. No.	Particulars	2016	2015
1.	Fire	-	-
2.	Marine Cargo	26,572,328	27,325,630
3.	Marine Hull	-	-
4.	Motor	-	-
5.	Miscellaneous	-	-
	Total	**26,572,328**	**27,325,630**

8.00 Gratuity Fund

The company has been made the provision for Employee's Gratuity Fund during the year as per Bangladesh Accounting Standard (BAS)-19 under Employee's Retirement Benefit Scheme.

Figures in Taka

Particulars	2016	2015
Opening Balance	18,714,682	17,728,164
Add: Provision made this year	1,000,000	2,000,000
Less: Paid during the year	3,298,006	1,013,482
Total	**16,416,676**	**18,714,682**

9.00 Reserves for Corporate Social Responsibility (CSR):

Particulars	2016	2015
Opening Balance	3,165,536	3,027,036
Less: Payment during this year	525,510	361,500
Add: Provision made this year	200,000	500,000
Total	**2,840,026**	**3,165,536**

10.00 Estimated liability in respect of outstanding claims weather due or intimated:

Particulars	2016	2015
Fire Insurance Business	15,283,445	11,213,793
Marine Insurance Business	24,910,081	7,731,115
Motor Insurance Business	8,215,196	8,302,229
Misc. Insurance Business	1,640,391	3,913,532
Total	**50,049,113**	**30,160,669**

All the claims of which the company received intimation within 31st December 2016 have been taken into consideration while the estimating the liability in respect of outstanding claims.

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

This amount is payable to Sadharan Bima Corporation on account of re-insurance arrangements with them and to other local insurance companies under co-insurance scheme. Break up of the amount is as under:

Particulars	2016	2015
Sadharan Bima Corporation treaty business	50,662,901	71,672,910
Port Folio Commission on acceptance	11,504	11,504
Port Folio loss withdraw	888,955	888,955
Co-Insurance business	4,225,310	6,577,316
Total	**55,788,670**	**79,150,685**

12.00 Sundry Creditors

SL.No	Particulars	2016	2015
1.	Bills Payable	115,210	120,375
2.	Employees Advance Income Tax	1,040,179	546,759
3.	VAT	3,025,877	3,935,240
4.	Commission Payable	587,230	686,745
5.	Provision For Incentive Bonus	-	15,000,000
6.	Provision For Audit Fee	200,000	125,000
7.	Companies Contribution To P.F.	2,811,430	1,594,152
8.	Employees Contribution To P.F.	2,811,430	1,594,152
9.	Provident Fund Loan & Interest	1,052,900	581,056
10.	Provision For Income Tax	201,847,168	174,247,168
11.	Security Receipts	100,000	100,000
12.	Outstanding Refund Premium	1,525,270	814,348
13.	Insurance Stamps On Deposit Premium	590,310	1,272,280
14.	Provision for General Reserve & Others	9,800,000	9,800,000
15.	Lease Payable	2,755,511	10,530,029
	Total	**228,262,515**	**220,947,304**

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13.00 Fixed Assets

Details of the above have been shown in A-1. Depreciation has been charged on all fixed assets at"Reducing Balance Method".

Particulars	Amount (Tk.)
Cost of Fixed Assets as on 31st December 2015	447,458,314
Add: Addition during the year 2016	5,277,106
Less: Adjustment during the year 2016	4,667,016
Cost of Fixed Assets as on 31st December 2016	448,068,404
Add: Adjustment during the year 2016	4,040,950
Less: Accumulated Depreciation as on 31st December 2015	110,146,527
Less: Depreciation during the year 2016	16,069,496
Written Down Value As on 31st December 2016	325,893,331

14.00 Investments

Particulars	2016	2015
Held to Maturity (14.01)	25,000,000	25,000,000
Held for Trading	-	-
Available for Sale (14.02)	572,678,947	450,573,458
Total	**597,678,947**	475,573,458

14.01 Held to Maturity

The amount Tk. 25,000,000 represented statutory deposit with Bangladesh Bank as required by Insurance Act'2010.

Particulars	2016	2015
10 years Bangladesh Govt. Treasury Bond NCC Bank Ltd. Motijheel Main Branch, Dhaka	25,000,000	25,000,000

14.02 Available for Sale

Available for sale investments are those non-derivative investments that are designated as available for sale or are not classified in any other category. These are primarily those investments that are intended to be held for an undefined period of time or may be sold in response to the need for liquidity are classified as available for sale. The company follows trade date accounting for 'regular way purchase and sales' of investments. As of December 31, 2016 Company designated the following shares as available for sale. Details are as follows:

Particulars	No. of Shares 31/12/16	Value at cost as on 31/12/16	Fair Market Value as on 31/12/16	Value at cost as on 31/12/15	Fair Market Value as on 31/12/15
Share :					
a) Listed Companies:	-	-	-	-	-
The City Bank Ltd.	6,207,005	80,726,952	168,830,536	80,726,952	126,622,902
Phoenix Finance & Investment Ltd.	13,264,163	65,790,248	356,805,985	65,790,248	277,221,006
ICBI Bank	100	1,990	510	1,990	450
Orion Pharma	27,360	1,368,000	1,151,856	1,368,000	839,040
b) Non listed Companies:	-	-	-	-	-
Phoenix Medical Centre Ltd.	46,000	4,600,000	1,840,000	4,600,000	1,840,000
Phoenix Securities Ltd	676,386	42,480,,606	42,480,606	42,480,,606	42,480,606
CDBL	571,181	1,569,454	1,569,454	1,569,454	1,569,454
Total		**196,537,250**	**572,678,947**	**196,537,250**	**450,573,458**

Investment in shares that do not have any quoted market price in the active market and whose fair value cannot be measured reliably, were recognized at cost.

14.03 Changes in fair value of the shares available for sale

Particulars	2016	2015
Fair value of the investment	572,678,947	450,573,458
Less: Cost price of the investment	196,537,250	196,937,250
Fair value reserve required at 31st December	376,141,697	254,036,208
Less: Fair Value reserve at 1st January	254,036,208	339,021,716
Fair value adjustment for the year	122,105,489	(84,985,508)

15.00 Inventories

Particulars	2016	2015
Stationery & Forms	803,560	1,047,856
Insurance stamps (15.01)	275,110	458,050
Total	1,078,670	**1,505,906**

Stocks of stationery and forms have been valued at cost.

15.01 Insurance stamps

Particulars	2016	2015
Opening Balance	458,050	830,270
Add: Purchase	4,900,000	4,400,000
Sub Total	5,358,050	5,230,270
Less: Recovery on Use	5,082,940	4,772,220
Closing Balance	275,110	458,050

16.00 Sundry debtors (Including advances, deposits & others)

Particulars	2016	2015
Advance against Office Rent	17,744,809	17,314,809
Advance against others	67,756,597	66,539,587
Security Deposit	913,383	913,383
Advance against Co-Insurance Commission	2,475,310	2,570,907
Advance Income Tax	195,733,423	181,901,439
Collection Control Accounts (Policies & cover notes)	99,891,638	65,487,263
Advance Co-Insurance Premium	6,725,270	5,570,907
Agents Balance	3,249,853	3,249,853
Total	**394,490,283**	**343,548,148**

17.00 Amount due from other persons or bodies carrying on insurance business

Particulars	2016	2015
SBC (Treaty)	81,449,569	70,134,976
Co-insurance claim recoverable	8,820,158	6,583,089
SBC (Facultative)	63,011,294	50,692,453
SBC (Treaty) accepted	6,917,163	6,917,163
SBC (Facultative) accepted	1,203,525	1,203,525
Port Folio Loss on acceptance	842,668	842,668
SBC Co-insurance Business	33,475,775	32,014,133
Total	**195,720,152**	**168,388,007**

18.00 Cash & Cash Equivalents

Particulars	2016	2015
Cash in hand (18.01)	27,669,407	27,311,164
STD / SND Account	136,910,290	123,277,826
Current Account	28,668,492	22,965,015
Fixed Deposit (18.02)	233,984,002	298,510,135
Total	427,232,191	472,064,140

18.01 Cash in hand:

SL No.	Name of Branches	2016	2015
1	Head Office	5,277,754	6,923,320
2	Local Office	1,680,534	4,889,744
3	Imamgonj Branch	1,080,106	791,802
4	Motijheel Branch	214,069	235,357
5	New Market Branch	2,147,909	2,619
6	B. B. Avenue Branch	253,621	88,263
7	English Road Branch	193,702	437,259
8	Mouchak Branch	648,896	297,097

SL No.	Name of Branches	2016	2015
9	Bangshal Branch	199,540	130,539
10	Sadarghat Branch	79,801	166,271
11	Kawran Bazar Branch	865,736	498,566
12	Gulshan Branch	93,203	183,786
13	Chawk Bazar Branch	127,685	60,938
14	Islampur Branch	88,564	124,613
15	Mirpur Branch	1,268,852	709,823
16	B. B. Road Branch	131,575	97,870
17	Agrabad Branch	4,681,256	9,018,904
18	Khatunganj Branch	1,832,587	284,510
19	Khulna Branch	1,444,441	128,222
20	Kushtia Branch	447,441	130,550
21	Jessore Branch	1,622,683	202,884
22	Rajshahi Branch	116,098	67,806
23	Bogra Branch	1,289,737	184,520
24	Pabna Branch	514,066	50,001
25	Dinajpur Branch	34,178	552,256
26	Rangpur Branch	46,100	156,917
27	Comilla Branch	259,662	38,351
28	Sylhet Branch	182,302	55,932
29	Mymenshing Branch	238,925	187,408
30	Chaumuhani Branch	582,678	50,332
31	Barishal Branch	5,896	56,076
32	Madaripur Branch	20,115	508,628
	Total:	**27,669,407**	**27,311,164**

18.02 Fixed Deposit

Particulars	2016	2015
Opening Balance	298,510,135	297,666,384
Add: Creation During This Year	3,200,000	8,800,000
Add: Interest Conversion to FDR	14,328,222	21,476,733
Sub total:	316,038,357	327,943,117
Less: FDR Encashment	82,054,355	29,432,982
Total	**233,984,002**	**298,510,135**

19.00 Interest Income

Particulars	2016	2015
Interest on FDR's	15,994,809	24,035,627
Interest on National Savings Bond	3,025,000	3,025,000
Interest on STD/SND Accounts	279,402	192,270
Interest on Encashment of FDR's	3,914,029	1,387,328
Total	**23,213,240**	**28,640,225**

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20.00 Other Income

Particulars	2016	2015
Rental Income (Moon Mansion)	7,700,000	8,000,000
Profit on sale of Vehicles	1,274,442	2,118,832
Total	**8,974,442**	**10,118,832**

21.00 Claim under policies less Re-insurance

Particular	Fire	Marine Cargo	Marine Hull	Motor	Miscellaneous	Total
Claim paid During the year	2,970,657	321,616	1,212,840	6,935,767	32,202	11,473,082
Claim outstanding at the end of the year	15,283,445	22,582,182	2,327,899	8,215,196	1,640,391	50,049,113
Claim outstanding at the beginning of the year	(11,213,793)	(5,047,373)	(2,683,742)	(8,302,229)	(2,913,532)	(30,160,669)
Total amount-2016	**7,040,309**	**17,856,425**	**856,997**	**6,848,734**	**(1,240,939)**	**31,361,526**
Total amount-2015	**(7,551,701)**	**(7,402,086)**	**2,028,228**	**10,190,224**	**(1,158,390)**	**(3,893,731)**

22.00 Premium less Re-Insurance

Class of Business	On Direct Business	On Re-insurance Ceded	Total
Fire	252,402,225	155,727,660	96,674,565
Marine Cargo	246,113,288	87,444,699	158,668,589
Marine Hull	4,934,009	1,760,600	3,173,409
Motor	100,859,858	5,087,255	95,772,603
Miscellaneous	47,867,895	26,154,312	21,713,583
Total amount	**652,177,275**	**276,174,526**	376,002,749

23.00 Management Expenses

As per section 40 (C-2) of Insurance Act 1938, all expenses of management excluding insurance stamps wherever incurred, whether directly or indirectly, in respect of Fire, Marine and Miscellaneous insurance business transacted in Bangladesh have been fully charged to the respective revenue accounts in the proportion of gross premium. This year total management expenses are Tk. 252,524,453 where as Tk. 256,395,504 were in 2015.

24.00 Earnings per Share (EPS)

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

Particulars	2016	2015
a) Earnings attributable to ordinary share holders (Net profit after taxation and provision)	98,488,900	114,655,702
b) Ordinary shares at 1st January	40,341,572	40,341,572
c) Bonus shares issued	-	-
d) Weighted average number of ordinary shares outstanding during the year (b+c)	40,341,572	40,341,572
e) Basic earnings per shares (a/d)	2.44	2.84

25.00 Chief Executive Officer's Salary & Allowances

The CEO has been appointed with the approval from Insurance Development & Regulatory Authority (IDRA) with a certain salary scale. As per the IDRA Regulations the Board of Directors may revise this remuneration at the time of renewal of agreement for each term of 3 years. In addition to remuneration, the CEO is also provided with Company's vehicles, Cell Phone, and other allowances as per the terms of appointment or reappointment. Details of the Chief Executive Officer's salaries and allowances status are as follows:

Particulars	2016	2015
Basic Salary	2,400,000	2,400,000
House Rent	840,000	840,000
House Maintenance	240,000	240,000
Corporate Allowance	360,000	360,000
Festival Bonus	400,000	400,000
Performance Bonus	800,000	800,000
Total	**5,040,000**	**5,040,000**

It may be mentioned here that the above amount has been shown in Revenue Account as management expenses in the Financial Statements.

26.00 Restatement

During the year the management of the company has decided to recognize deferred tax properly. As such the financial statements were prepared properly in this respect. To reflect this, the prior year financial statements have been restated as per Paragraph 42 of BAS 8 Accounting Policies, Changes in Accounting Estimates and Errors.

Particulars	Up to Dec. 31, 2014	As on Dec. 31, 2015	As on Dec. 31, 2016
Deferred Tax on asset:			
Fixed Asset at Accounting base	111,418,449	157,181,574	147,452,121
Fixed Asset at Tax base	59,863,398	104,671,727	95,828,908
Temporary Difference	**51,555,051**	**52,509,847**	**51,623,213**
Deferred Tax on Liabilities			
Gratuity at Accounting Base	17,728,164	18,714,682	16,416,676
Gratuity at Tax Base	-	-	-
Temporary Difference	**(17,728,164)**	**(18,714,682)**	**(16,416,676)**
Total Temporary Difference	33,826,887	33,795,165	35,206,537
Tax rate @ 40%	40%	40%	40%
	13,530,755	**13,518,066**	**14,082,615**
Already recognized in financial statements	(1,000,000)	(1,500,000)	(1,500,000)
To be recognized	12,530,755	12,018,66	12,582,615
Deferred Tax (Debited)/credited in P/L for 2015 & 2016		512,689	(564,549)

Deferred Liability up to December 31, 2014 has been adjusted against Retained Earning through Statement of Changes in Equity.

26.01 Restated NAV for 2015

Net Asset before Restatement	1,261,327,493
Adjustment for Prior year Restatement	(12,018,066)
Restated Net Asset Value	1,249,309,427
No. of shares outstanding	40,341,572
Restated NAV	30.97

27.00 Related party Disclosure

Phoenix Insurance Co. Ltd. in normal course of business carried out a number of transactions with other entities that fall with in the definition of related party contained in Bangladesh Accounting Standard (BAS) 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 balances them as at 31st December 2016 were as follows:

Name of related party	Relationship	Nature of Transaction	Premium earned
Apollo Ispat Complex Ltd.	Common Director	Insurance Business	40,783,981
Pakiza Cotton & Spinning Mills Ltd.	Common Director	Insurance Business	22,038,318
Partex Group	Common Director	Insurance Business	11,814,227
Total			74,636,526

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28.00 Event after Balance Sheet Date

The Board of Directors has recommended 15% cash on paid up capital for the year ended December 31, 2016 as per approval of Board meeting held on 27 April, 2017 as dividend on paid up capital of Tk. 403,415,720 subject to the approval in the Annual General Meeting to be held on June 21 , 2017. Proposed dividend total amount for the year is Tk. 60,512,358. After allowing this dividend the accumulated Profit / (loss) of the company will arrive at Tk. 445,014.

29.00 Credit Rating Report

Credit Rating Information and Services Limited (CRISL) has upgraded the Claim Paying Ability (CPA) rating of the company to AA- (Pronounced as Double A Minus) based on the audited Financial Statements up to December 31, 2016.

30.00 General

1. No. of Employees received salary up to Tk. 3,000: Nil.
2. No. of Employees received salary above Tk. 3,000: 307.
3. The company has no contingent liability.
4. The Board of Directors received no remuneration from the company other than fees for attending Board Meetings.
5. During the year 11 no. of Board Meetings were held.
6. All shares have been fully called and paid up.
7. There were no preference shares issued by the company.

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SCHEDULE OF FIXED ASSETS

AS AT 31ST DECEMBER, 2016

A-1

	Particulars	Cost				Depreciation					Written Down Value	
		Balance as on 01.01.16	Addition this year	Disposal this year	Balance as on 31.12.16	Rate of Dep. (%)	Balance as on 01.01.16	Charge this year	Adjustment this year	Balance as on 31.12.16	As on 31.12.16	As on 31.12.15
1	Land	6,474,844	-	-	6,474,844	-	-	-	-	-	6,474,844	6,474,844
2	Building	117,643,795	-	-	117,643,795	5%	23,338,554	4,715,262	-	28,053,816	89,589,979	94,305,241
3	Furniture & Fixture	37,578,435	1,737,164	-	39,315,599	10%	25,868,542	1,246,699	-	27,115,241	12,200,358	11,709,893
4	Office Equipment	24,957,804	1,214,030	-	26,171,834	15%	17,861,235	1,201,688	-	19,062,923	7,108,911	7,096,569
5	Electric Installation	1,344,823	145,000	-	1,489,823	15%	1,101,612	44,096	-	1,145,708	344,115	243,211
6	Air Cooler	6,092,490	269,960	-	6,362,450	15%	4,724,442	229,071	-	4,953,513	1,408,937	1,368,048
7	Vehicle	58,854,983	1,901,952	4,667,016	56,089,919	20%	25,968,692	6,788,361	4,040,950	28,716,103	27,373,816	32,886,291
8	Telephone Installation	4,391,223	9,000	-	4,400,223	5%	1,293,746	155,316	-	1,449,062	2,951,161	3,097,477
	Total	257,338,397	5,277,106	4,667,016	257,948,487		100,156,823	14,380,493	4,040,950	110,496,366	147,452,121	157,181,574

Revalued Asset

	Particulars	Cost				Depreciation					Written Down Value	
		Balance as on 01.01.16	Addition this year	Disposal this year	Balance as on 31.12.16	Rate of Dep. (%)	Balance as on 01.01.16	Charge this year	Adjustment this year	Balance as on 31.12.16	As on 31.12.16	As on 31.12.15
1	Land	146,350,156	-	-	146,350,156	-	-	-	-	-	146,350,156	146,350,156
2	Building	43,769,761	-	-	43,769,761	5%	9,989,704	1,689,003	-	11,678,707	32,091,054	33,780,057
	Total	190,119,917	-	-	190,119,917		9,989,704	1,689,003	-	11,678,707	178,441,210	180,130,213
	Grand Total	447,458,314	5,277,106	4,667,016	448,068,404		110,146,527	16,069,496	4,040,950	122,175,073	325,893,331	337,311,787

NET ASSETS VALUE (NAV)

Figures in Taka

Particulars	2016	2015
Investment	597,678,947	475,573,458
Interest outstanding	1,512,500	1,512,500
Amount Due from other Persons or Bodies	195,720,152	168,388,007
Carrying on Insurance Business		
Sundry Debtors	394,490,283	343,548,148
Cash in Hand and at Banks	427,232,191	472,064,140
Fixed Assets (at Cost)	325,893,331	337,311,787
Stock of Stationery and Forms	803,560	1,047,856
Stamp in Hand	275,110	458,050
Total Tangible Assets (A)	**1,943,606,074**	**1,799,903,946**
Balance of Funds and Accounts	152,305,145	157,611,947
Premium Deposits	26,572,328	27,325,630
Estimated Liabilities in respect of outstanding	50,049,113	30,160,669
Claims whether due or intimated:		
Amount Due to other persons or bodies	55,788,670	79,150,685
carrying on Insurance Business :		
Sundry Creditors	228,262,515	220,947,304
Deferred Liability For Gratuety	16,416,676	18,714,682
Deferred Liability For Tax	14,082,615	13,518,066
Reserve for corporate social responsibility (CSR)	2,840,026	3,165,536
Total Liabilities (B)	**546,317,088**	**550,594,519**
Net Tangible Assets (A-B)	**1,397,288,986**	**1,249,309,427**
Number of Shares (C)	**40,341,572**	**40,341,572**
Tangible Assets Per Share (A-B)/C	**34.64**	**30.97**

Share Capital	403,415,720	403,415,720
Reserve for Exceptional Losses	377,435,866	341,435,866
Share Premium	897,121	897,121
Revaluation Reserve	178,441,210	180,130,213
Investment Reserve	376,141,697	254,036,208
Profit & Loss Appro. Account Balance	60,957,372	99,054,606
Total Shareholders Equity	**1,397,288,986**	**1,278,969,734**
Number of Shares	**40,341,572**	**40,341,572**
Equity per Share	**34.64**	**31.70**

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

Name of the BAS	BAS No.	Status of Application
Presentation of Financial Statements	1	Applied
Inventories	2	Applied
Cash Flow Statements	7	Applied
Accounting Policies, Changes in Accounting Estimates and Errors	8	Applied
Events after balance 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 Exchange Rates	21	Applied
Borrowing Costs	23	N/A
Related Party Disclosures	24	Applied
Accounting for Investments	25	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
Earnings Per Share	33	Applied
Interim Financial Reporting	34	Applied
Impairment of Assets	36	Applied
Provision, Contingent Liabilities and Contingent Assets	37	Applied
Intangible Assets	38	N/A
Financial Instruments: Reorganization and Measurement	39	Applied
Investment Property	40	Applied
Agriculture	41	N/A

Name of the BFRS		
First Time Adoption of BFRS	1	N/A
Share Based Payment	2	N/A
Business Combination	3	N/A
Insurance Contacts	4	Applied
Non-Current Asset Held for Sale Discontinued Operations	5	N/A
Exploration for and Evaluation of Mineral Recourses	6	N/A
Financial Instruments: Disclosures	7	Applied
Operating Segments	8	Applied
Financial Instruments	9	Applied
Consolidated Financial Statements	10	N/A
Fair Value Measurement	13	Applied

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Corporate Calendar

Financial Results	Announcement date	Adopted date
First quarter ended 31 March 2016	April 27, 2016	May 04, 2016
Half year ended 30 June 2016	July 25, 2016	July 31, 2016
Third quarter ended 30 September 2016	October 24, 2016	October 30, 2016
Year ended 31 December 2016	April 19, 2017	April 27, 2017

Dividend		
Cash dividend-2015 credited	**Announcement Date**	**March 24, 2016**
	Entitlement Date	**June 02, 2016**
	Paid on	**June 29, 2016**
	Statutory limit up to which payable	**July 01, 2016**
Cash dividend-2015		
	Announcement Date	April 27, 2017
	Entitlement Date	June 21, 2017
	Statutory limit up to which payable	July 20, 2017
Confirmation of Shareholder Register	**Record date**	**May 23, 2017**
Notice of Annual General Meeting	**Date on**	**April 27, 2017**
Annual Report 2016	**Date of Issuance of Annual Report**	**June 06, 2017**
Annual General Meeting-2016	**Date on**	**June 21, 2017**

For more information

Contact Purbani Annex Building (1st floor)
1/A Dilkusha C/A,
Dhaka-1000
E-mail : mail@phoenixinsurance.com.bd

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Photo Album 2016

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Branch Managers' Conference 2016



A Partial view of Branch Manager Conferance 2016

Bima Fair- 2016



A Partial view of "Bima Fair - 2016" at Bangabandhu International Conference Center.

Corporate Social activities



A Partial view of Blankets are being distributed to the cold affected distressed people of Kamargoan, Munshigonj.



A Partial view of cold affected distressed people of Kamargoan, Munshigonj.

PHOENIX INSURANCE
RISING FROM THE ASHES

Registered Office: 1/A Dilkusha C/A (1st Floor), Dhaka-1000, Bangladesh

Notice of the 31st Annual General Meeting

Notice is hereby given that the **31st Annual General Meeting** of Phoenix Insurance Company Ltd. will be held on Wednesday, 21st June 2017 at 12:30 p.m. at "Muktijuddah Hall", Institution of Diploma Engineers (IDEB Bhaban), 160/A Kakrail, Dhaka-1000.

AGENDA

1. To receive, consider and adopt the Directors' Report, the Audited Accounts for the year ended 31st December 2016.
2. To declare **15% Cash Dividend** for the year ended 31st December 2016.
3. To elect Directors in place of retiring Directors.
4. To appoint Auditors for the year 2017 and fix their remuneration.
5. To transact any other business with the permission of the chair.

By order of the Board of Directors
Sd/-
Md. Rafiqur Rahman
Company Secretary

Dated, Dhaka
27th April 2017

Notes :

a) The Record Date shall be **23rd May 2017** (Tuesday).

b) A member entitled to attend and vote at the Annual General Meeting (AGM) or may appoint a proxy to attend and vote in his/her stead.

c) Entry to the AGM is reserved only for Shareholders or their proxy.

d) Shareholders bearing BO ID are requested to update their respective BO ID with 12 Digits Taxpayer's Identification Number (e-TIN) and address through their Depository Participant (DP); and

e) Shareholders bearing Folio Numbers are requested to submit their 12 Digits e- TIN Certificate to the Share Department of the Company within 1st June 2017; failing which Income Tax at Source will be deducted from Cash Dividend @15% instead of10%.

f) As per Directive of Bangladesh Securities and Exchange Commission (BSEC), no food or gift will be arranged at the 31st AGM.

বাংলাদেশ সিকিউরিটিজ অ্যান্ড এক্সচেঞ্জ কমিশনের নির্দেশনা অনুযায়ী আসন্ন বার্ষিক সাধারণ সভায় কোন প্রকার উপহার/খাবার/কোন ধরনের কুপন প্রদানের ব্যবস্থা থাকবে না।

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PHOENIX INSURANCE
RISING FROM THE ASHES

Proxy Form

Registered Office: 1/A Dilkusha C/A (1st Floor), Dhaka-1000, Bangladesh

I/We _____

of _____ being a

member of Phoenix Insurance Company Limited do hereby appoint

Mr./Ms. _____

of _____

as my/our proxy, to attend and vote for me/us and on my/our behalf at the **31st Annual General Meeting** of the Company to be held on Wednesday, the 21st June 2017 at 12:30 p.m. and at any adjournment thereof or at any ballot to be taken in consequence thereof.

Signed this _____ day of _____ 2017.

Signature of Proxy _____ Signature of Shareholder _____

Folio / BO ID No. _____

Revenue Stamp Tk. 20/=

Note:

1) This Proxy Form, duly completed, signed and affixed with revenue stamp of Tk.20/- must be deposited at least 48 hours before the meeting at the Company's Registered Office. Proxy will be invalid if not signed and stamped as explained above.
2) Signature of the Shareholder should match with the Specimen Signature registered with the Company.

PHOENIX INSURANCE
RISING FROM THE ASHES

Registered Office: 1/A Dilkusha C/A (1st Floor), Dhaka-1000, Bangladesh

Attendance Slip

I hereby record my attendance at the **31st Annual General Meeting** of the Company being held on Wednesday, the 21st June 2017 at 12:30 p.m. at "Muktijuddah Hall", Institution of Diploma Engineers (IDEB Bhaban), 160/A Kakrail, Dhaka-1000.

Name of Shareholder / Proxy _____ Signature _____

Folio / BO ID No. _____ Date _____

No. of Share _____

Note:

1. Shareholders attending the meeting in person or by Proxy are requested to complete this Attendance slip.
2. Signature of Shareholder should confirm to the specimen signature recorded with the Company.
3. Please bring this Attendance Slip with you. Admission into the Meeting room will not be allowed without it.

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Registered Office: Purbani Annex Building (1st Floor),1/A, Dilkusha Commercial Area, Dhaka-1000, Bangladesh, G.P.O Box No.3647
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