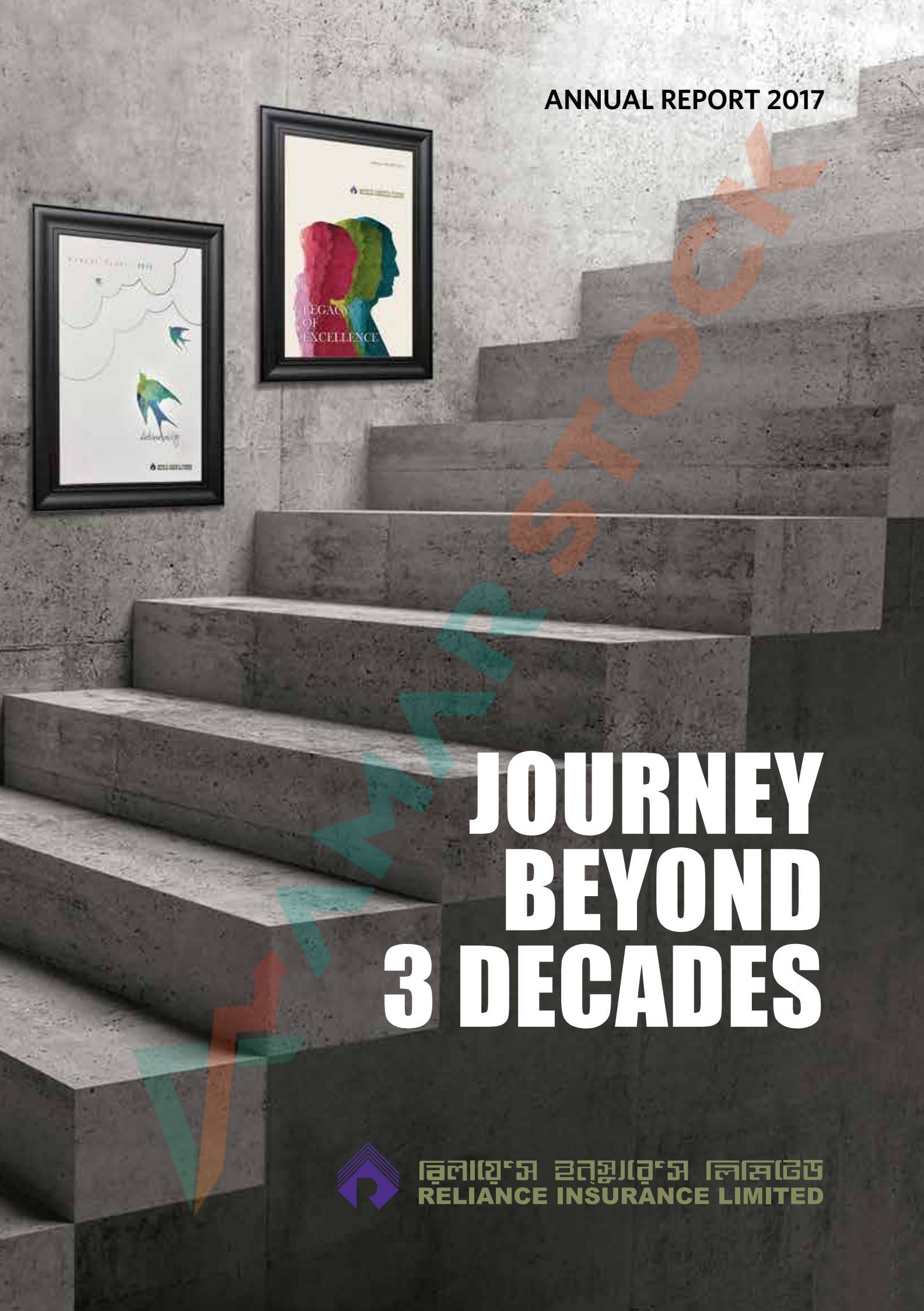
ANNUAL REPORT 2017



JOURNEY BEYOND 3 DECADES

রিলায়েন্স ইন্স্যুরেন্স লিমিটেড
RELIANCE INSURANCE LIMITED

RELIANCE CREDO

We believe our first responsibility is to serve our customers and strive for excellence. In meeting the customer needs, everything we do must be of highest standard. We must constantly strive to provide professional service and remain beside our clients at the time of loss.

We are responsible to our employees, the men and women who work with us throughout Bangladesh. Everyone must be considered as an individual. We must respect their dignity and recognize their merit. They must have a sense of security in their jobs. Compensation must be fair and adequate, and working conditions clean, orderly and safe. We must be mindful of ways to help our employees fulfill their family responsibilities. Employees must feel free to make suggestions and complaints. There must be equal opportunity for employment, development and advancement for those qualified. We must provide competent management, and their actions must be just and ethical.

We are responsible to the communities in which we live and work and to the world community as well. We must be good citizens – support good works and charities and bear our fair share of taxes. We must encourage civic improvements and better health and education. We must maintain in good order the property we are privileged to use, protecting the environment and natural resources.

Our utmost responsibility is to meet shareholder's expectations. Business must make a sound profit and continue delivering attractive returns to our shareholders. We must work with new ideas and products to launch in the market. When we operate according to these principles, the stockholders should realize a fair return.

HIGHLIGHTS

FINANCIAL PERFORMANCE 2017

'AAA' | HIGHEST CLAIM PAYING ABILITY

FINANCIAL STRENGTH RATING ON RELIANCE INSURANCE LIMITED BY CRISL

GROSS PREMIUM INCOME

Increased by 3.5%

to ৳ 2,572.67 million.

NET PREMIUM INCOME

Increased by 29.15%

to ৳ 1,237.65 million.

PROFIT BEFORE TAX

Increased by 27.45%

to ৳ 630.47 million

Investment Income

Increased by 13.57%

to ৳ 325.44 million.

EARNINGS PER SHARE

Increased by 16.56%

to

৳ 5.28

Per Share.

UNDERWRITING PROFIT

Increased by 37.2%

to

৳ 378.89 million.

OUR ROAD TO SUCCESS

1988

21-Apr-88
Signing of First Insurance business

21-Apr-88
License issued for operating the first Branch

22-Mar-88
Certificate of Commencement of Business

20-Mar-88
Incorporation of the Company

1995

4-Nov-95
First Trading of Shares on Chittagong Stock Exchange Limited

10-Oct-95
Listed with Chittagong Stock Exchange Limited

17-Jul-95
First Trading of Shares on Dhaka Stock Exchange Limited

25-May-95
Subscription Closed

16-May-95
Subscription Opened

8-May-95
Listed with Dhaka Stock Exchange Limited

1-May-95
Publication of prospectus

12-Apr-95
Received consent from SEC for issuance of public share of BDT 30 million

1996

18-Jun-96
First Dividend Declared in the AGM 30% Cash

2002

27-Mar-02
Purchase of Land for the Company

2004

31-Aug-04
Agreement sign with CDBL

28-May-04
Issuance of first Bonus Share (For the year 2003) 50% Stock & 10% Cash

2008

20-Mar-08
Completion of 20 Years of Service

2010

19-Dec-10
Received 11th ICAB National Award (Second Position) for Best Published Accounts and Reports 2009

18-May-10
Purchase of Office Premises for the Company

2011

12-Dec-11
Received ICMAB Second Best Corporate Awards 2011

29-Nov-11
Received Certificate of Merit for Best Presented Accounts and Corporate Governance Disclosure Awards 2010 from SAFA

15-Oct-11
Received HR Award 2010 Presented by IPM

4-Oct-11
Received 11th ICAB National Award (First Position) for Best Published Accounts and Reports 2010

7-July-11
Launch Reliance Mutual Fund

6-Mar-11
Shifting of Registered Office

2012

1-Oct-12
Received 12th ICAB National Award (First Position) for Best Published Accounts and Reports 2011

2013

21-Dec-13
Received 13th ICAB National Award (First Position) for Best Published Accounts and Reports 2012

22-Feb-13
Received Certificate of Merit for Best Presented Accounts and Corporate Governance Disclosure Awards 2011 from SAFA

12-Jan-13
Received ICMAB First Best Corporate Awards 2012

AMBEE STOCK

2014

4-Dec-14
Received Certificate of Merit for Best Presented Accounts and Corporate Governance Disclosure Awards 2013 from SAFA

30-Nov-14
Received 14th ICAB National Award (Second Position) for Best Published Accounts and Reports 2013

28-Apr-14
Received ICMAB First Best Corporate Awards 2013

13-Mar-14
Celebration of Silver Jubilee

12-Mar-14
Foundation Laying Ceremony of Reliance Office Tower

11-Mar-14
Received Certificate of Merit for Best Presented Accounts and Corporate Governance Disclosure Awards 2012 from SAFA

2015

20-Jan-15
Received ICMAB First Best Corporate Awards 2014

10-Dec-15
(i) Received 15th ICAB National Award (Second Position) for Best Published Accounts and Reports 2014

(ii) Received ICAB Second Best Corporate Governance Disclosure Awards for 2014

2016

27-Jan-17
Received Certificate of Merit for Best Presented Accounts and Corporate Governance Disclosure Awards 2015 from SAFA

24-Dec-16
Received 4th ICSB National Award (Bronze) for Best Published Accounts and Reports 2015

29-Nov-16
Received 16th ICAB National Award (Second Position) for Best Published Accounts and Reports 2015

26-Oct-16
Received ICMAB First Best Corporate Awards 2015

2017

25-Nov-17
Received 17th ICAB National Award (Third Position) for Best Published Accounts and Reports 2016

31-Jan-18
Received Certificate of Merit for Best Presented Accounts and Corporate Governance Disclosure Awards 2016 from SAFA

28-Jan-18
Received ICMAB Second Best Corporate Awards 2016

Reliance started as a First Generation Private Sector Non-Life Insurance Company in Bangladesh in 1988 with a promise to be a flexible and responsible entity to serve clients, has now flourish manifold to enter its 30th year of excellence. Reliance Insurance Limited is now one of the nation's major forces in insurance sector, that transacts all classes of non-life insurance business in Bangladesh. With a diversified portfolio of products & services, esteemed group of sponsors, optimum customer service & prudent management, Reliance Insurance Limited offers pragmatic solution to all the insurance needs that makes positive contribution to the sustained growth of the nation.

AWARDS AND ACCOLADES

NATIONAL AWARDS FROM THE INSTITUTE OF CHARTERED ACCOUNTANTS OF BANGLADESH (ICAB)



Brief history of ICAB and its awards:

The Institute of Chartered Accountants of Bangladesh (ICAB) is the National Professional Accounting body of Bangladesh established under the Bangladesh Chartered Accountants Order 1973 (Presidential Order No. 2 of 1973). The Ministry of Commerce, Government of the People's Republic of Bangladesh is the administrative Ministry of ICAB. Every year this institute gives national awards to the best presented Annual Reports of the country. Reliance insurance limited secured 2nd best position for the annual report 2014 and 2015 & 3rd best position for 2016. Moreover Reliance secured 1st position three consecutive years from 2010 to 2012.

NATIONAL AWARDS FROM THE INSTITUTE OF COST AND MANAGEMENT ACCOUNTANTS OF BANGLADESH (ICMAB)



Brief history of IMCAB and its awards:

Institute of Cost and Management Accountants of Bangladesh (ICMAB) is the national body of the professional Cost and Management Accountants of Bangladesh. Established with the prime objective of promoting and regulating the Cost and Management Accounting profession in the country, the Institute offers education and training to the students interested to pursue career in this field and provides highly recognized CMA degree on fulfillment of requisite qualification. The Institute undertakes research in relevant fields and is the sole authority to issue practicing license to its members. Every year this institute is giving national award to the best corporate bodies of the country. Reliance Insurance Limited has secured the 1st Position as the Best Corporate in the Non-Life Insurance Sector (ICMAB Best Corporate Award-2015) based on Annual Report 2014 & 2nd Position for 2016. The Company also secured first position for four consecutive years from 2012 to 2015 (Annual Report 2011 to 2014).

NATIONAL AWARD FROM THE INSTITUTE OF CHARTERED SECRETARIES OF BANGLADESH (ICSB)



Brief history of ICSB and Its awards:

Institute of Chartered Secretaries of Bangladesh (ICSB) established under an Act of Parliament i.e. Chartered Secretaries Act 2010 is the only recognized professional body to develop, promote and regulate the profession of Chartered Secretary in Bangladesh. Every year this institute is giving national awards for Corporate Governance Excellence.

Reliance Insurance Limited Secured Bronze award for the Annual Report 2015.

CERTIFICATE OF MERIT FROM SOUTH ASIAN FEDERATION OF ACCOUNTANTS (SAFA)

Brief history of SAFA and its awards:

South Asian Federation of Accountants (SAFA) was formed in the year 1984 to serve the accountancy profession in the South Asian Region and uphold its eminence in the world of accountancy. SAFA is an Apex Body of the South Asian Association for Regional Co-operation (SAARC) and an acknowledged Accounting Group of International Federation of Accountants (IFAC). SAFA represents over 300,000 accountants having membership of the national chartered accountancy and cost and management accountancy institutions in the South Asian countries namely Bangladesh, India, Maldives, Nepal, Pakistan and Sri Lanka. SAFA came into existence at the initiative of the accounting professional bodies in the South Asian Region, which has a bond of culture and homogeneity of professional environment. South Asian Federation of Accountants (SAFA) is giving awards to the best published annual report of the SAARC countries. Reliance Insurance Limited secured certificate of merit from SAFA for the last seven consecutive years.



We thank the above three national bodies and SAFA for their recognitions of Reliance Insurance Limited. We hope that the said recognitions will definitely be source of encouragement to us to professionally develop further.

Mr. Md. Khaled Mamun, Chief Executive Officer, Reliance Insurance Limited is receiving the 16th ICAB National Award (Second Position) for Best Presented Annual Report 2015.



Mr. Md. Khaled Mamun, Chief Executive Officer, Reliance Insurance Limited is receiving the ICMAB Best Corporate Awards 2015 (First Position).



Mr. Mohammed Sabir Ahmed, Senior Executive Director & CFO, Reliance Insurance Limited is receiving the SAFA Certificate of Merit for Best Presented Annual Report and Corporate Governance Disclosure Awards 2015.



Mr. Mohammed Sabir Ahmed, Senior Executive Director & CFO, Reliance Insurance Limited is receiving the ICMAB Best Corporate Awards 2016 (Second Position).



Mr. Md. Khaled Mamun, Chief Executive Officer, Reliance Insurance Limited is receiving the ICMAB Best Corporate Awards 2014 (First Position).



Mr. Md. Khaled Mamun, Chief Executive Officer, Reliance Insurance Limited is receiving the ICMAB Best Corporate Awards 2013 (First Position).



LETTER OF TRANSMITTAL

All shareholders,
Bangladesh Securities and Exchange Commission,
Insurance Development and Regulatory Authority,
Registrar of Joint Stock Companies & Firms,
Dhaka Stock Exchange Limited and
Chittagong Stock Exchange Limited

Dear Sir(s):

ANNUAL REPORT FOR THE YEAR ENDED DECEMBER 31, 2017

Enclosed please find a copy of the Annual Report together with the Audited Financial Statements including Statement of Financial Position as at December 31, 2017 and Statement of Comprehensive Income, Statements of Cash Flows for the year ended December 31, 2017 along with notes thereon of Reliance Insurance Limited for kind information and record.

Best regards,

Yours sincerely,

Mohammad Mamunur Rashid
Company Secretary

AMARSTOCK

রিলায়েন্স ইন্স্যুরেন্স লিমিটেড
RELIANCE INSURANCE LIMITED

Shanta Western Tower (Level-5), 186 Bir Uttam Mir Shawkat Ali Shorak,
Tejgaon I/A, Dhaka 1208, Bangladesh.
Telephone: +88 02 8878836-44, Fax: +88 02 8878831-34
E-mail: info@reliance.com.bd, www.reliance.com.bd

NOTICE OF THE THIRTIETH ANNUAL GENERAL MEETING

Notice is hereby given to all members of **Reliance Insurance Limited** that the **thirtieth Annual General Meeting** of the Company will be held at La-Vita Hall, Lake Shore Hotel, House # 46, Road # 41, Gulshan-2, Dhaka-1212, on Saturday, 31st March, 2018 at 11:00 a.m. to transact the following business:

1. To receive, consider and adopt the Directors' Report and Audited Financial Statements for the year ended 31st December 2017 together with the Auditors' Reports thereon.
2. To declare dividend for the year ended 31st December 2017 as recommended by the Board of Directors.
3. To elect/re-elect Directors.
4. To appoint Auditors and fix their remuneration.
5. To transact any other business with permission of the Chair.

By Order of the Board of Directors

Mohammad Mamunur Rashid

Mohammad Mamunur Rashid
Company Secretary

07th March, 2018

Notes:

(a) The "Record Date" shall be Monday, 12th March, 2018. Shareholders whose names appear in the members' register of the Company on the record date will be eligible to attend the meeting and qualify for dividend.

(b) A member entitled to attend and vote at the Annual General Meeting may appoint a proxy to attend and vote in his/her stead. Duly stamped proxy must be submitted to the Share Department of the company at least 72 hours before the start of the meeting at 11:00 a.m. on 31st March, 2018.

(C) Shareholders and Proxies are requested to record their entry in the Annual General Meeting well in time. No entry will be recorded after 12:00 noon.

(d) Members are advised to update the change of address (if any) through their respective Depository Participant.

WWW.AMARSTOCK

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CORPORATE OBJECTIVES, VALUES & STRUCTURE

We pledge and apply ourselves to maximize value for our clients through products, resources, commitment and culture. We also make concerted effort for continuous learning; which provides us sustainable competitive edge over our entrants. Our corporate values and objective relies on the firm belief of going way beyond 3 decades through excellence at every sphere.



TMAR STOCK



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MARSTOCK



VISION

Our vision is to:

- Become the premier insurance organization and the insurer of first choice in Bangladesh with a sound reputation for dependability, professionalism and the highest standard of customer services.



MISSION

Our mission is to:

- Grow significantly and achieve significant non-life insurance market share.
- Continue delivering attractive returns to our shareholders.
- Become a caring organization and employer of choice.
- Invest in top quality human resources and develop full potentials of employees by providing continued training and insurance education.
- Bring innovation in insurance products and selling techniques.

MAF stock

OVERALL STRATEGIC OBJECTIVES

We, at Reliance Insurance realize that, for us to prosper, we need to be flexible and responsive, to satisfy our clients by providing them with what they want, when they want it and most importantly before other competitors can offer it.

Process focus

- To have all products meet standard of excellence guidelines
- To continually improve internal process to realize efficiencies
- Improve system accuracy and responsiveness
- Improve organizational structure
- Improve performance measurement and reporting capability
- Reduce administrative overhead
- Improve financial analysis, controls, and audit capability

Business focus

- Increase quality
- Reduce delivery time
- Implement change faster
- Increase customer retention
- Increase customer loyalty
- Introduce new products to new and existing markets
- Improve overall productivity and maximize market share
- Improve marketing, advertising and public relations
- Achieve and maintain outstanding customer service
- Continuously broaden customer database by obtaining new information on customer characteristics and needs

People/learning focus

- To hire, develop and maintain the right people in right place
- Employ professionals who create success for customers
- Develop broad set of skills useful for customer support
- To continually learn and adopt current best practices
- Transfer knowledge from leading-edge clients
- To align incentives and staff rewards with performance

It is important to recognize the elements that make our intangible resources, such as, our ability to relate to customers regarding their needs and wants, management style, corporate culture and commitment. These elements will differentiate us from our competitors and contribute towards the development of a sustainable competitive edge. Our corporate strategy and guiding principles rest firmly on this belief.

PROFILE OF THE COMPANY

A leading first generation private sector Non-life Insurance Company in Bangladesh, Reliance Insurance Limited (RIL) was incorporated in 1988 as a Public Limited Company under the Companies Act, 1913 (Present 1994) and subsequently was listed with Dhaka and Chittagong Stock Exchanges in 1995. Reliance transacts all classes of non-life insurance business in Bangladesh and its turnover was in excess of BDT 2,572.67 million, being total gross premium underwritten in 2017. The Company carries its insurance activities through Head Office along with 32 (thirty two) branches spread across the whole country. RIL received "AAA (Tripple A)" Surveillance Rating (Stable outlook) from CRISL based on its sound financial performance and claim paying ability.

Reliance has an authorized capital of Tk. 2,000 million and paid up capital of Tk. 869.10 million before declaration of 10% stock for the year 2017. Shares of the company are traded in both Dhaka Stock Exchange and Chittagong Stock Exchange and are listed in the "A" category. The company has a total market capitalization of approximately Tk. 4,753.98 million as at December 31, 2017.

Reliance is focused on providing professional services of the highest quality to its clientele which include many reputed large national and multinational conglomerates. Over the years, Reliance has established its track record as a sound and dependable insurer, consistently able to meet its commitments and by providing insurance solution to the individual needs of its clients.

The Board of Directors of Reliance comprises a good number of eminent entrepreneurs and personalities of the country. The management team is headed by Mr. Md. Khaled Mamun ACII, who joined Reliance Insurance in June, 2005 after 11 years of service in Reinsurance Department of the State Owned Sadharan Bima Corporation. Apart from his Masters degree from Dhaka University, he also obtained Diploma in Development Planning from Academy for Planning and Development, Dhaka. He is an Associate Member of Bangladesh Insurance Academy, Dhaka and Chartered Insurance, United Kingdom. He received Advanced Non-Life Insurance & Reinsurance Training from Swiss Insurance Training Centre (SITC) of Swiss Re, Zurich, Switzerland and Reinsurance Management Training from Asian Re, Bangkok, Thailand.

Financial performance of the company has been consistently positive, delivering both underwriting and investment income and by giving attractive returns to its shareholders. The Company has over the years been maintaining strong corporate culture, corporate governance, ethical standards, corporate social responsibilities, superior underwriting skills and abilities and dynamic investment management.

The future plans of Reliance encompass not only development of new products and services, but also marketing activities aimed at tapping the hitherto untapped segments of the market. The Company is fully aware of its social responsibilities and would like to aim its future developments activities in the direction which bring insurance services and benefits to the reach of the common people of Bangladesh.

COMPANY INFORMATION

The Company was incorporated as a public limited company in Bangladesh in the year 1988 under the Companies Act 1913 (at present 1994). The Company within the stipulations laid down by Insurance Act 2010 and directives as received from time to time from Insurance Development & Regulatory Authority provides Non-life Insurance services. The Company is listed with Dhaka Stock Exchange and Chittagong Stock Exchange as a Publicly Traded Company under "A" category. The Company carries its insurance activities through thirty two branches spread across the country.

Registered Name of the Company
Reliance Insurance Limited

Nature of the Business
Non-life insurance business

Company Registration No.
CR-1/88

Tax Identification Number (TIN)
647975407445/LTU, Dhaka

BIN/VAT Registration Number
000000363 (New) / 19011002392 (Old)

Number of Shareholders as on December 31, 2017
1183

Registered Office
Shanta Western Tower (Level-5), 186 Bir Uttam Mir Shawkat Ali Shorak, Tejgaon I/A, Dhaka-1208

Contacts
Telephone : +88 02 8878836-44
Mobile : +88 01714 014 895
Fax : +88 02 8878831-34
E-mail : info@reliance.com.bd

Web Presence
www.reliance.com.bd

Company Secretary
Mohammad Mamunur Rashid

Auditors
Zoha Zaman Kabir Rashid & Co., Chartered Accountants
Rupayan Karim Tower, Level # 7, Suite # 7A
80 Kakrail, Dhaka-1000.

Corporate Governance Compliance Auditor
Haque Fazlul & Co., Chartered Accountants
8/3 (Old: 333/3) 4th Floor, Segun Bagicha, Dhaka-1000

Credit Rating
AAA (Triple A: Highest Claim Paying Ability) by CRISL

Membership (Local)
Bangladesh Insurance Association
Bangladesh Insurance Academy
Bangladesh Association of Public Listed Company
International Chamber of Commerce-Bangladesh
Metropolitan Chamber of Commerce & Industry-Dhaka
Bangladesh Employer Federation
Dhaka Chamber of Commerce and Industry

Membership (Foreign)
Association of Insurers & Re-insurers of Developing Countries (AIRDC)
Insurance Congress of Developing Countries (ICDC)
Federation of Afro-Asian Insurers and Re-insurers (FAIR)

Principal Bankers
Bank Asia Limited
Prime Bank Limited
IFIC Bank Limited
Citi Bank N.A.
Standard Chartered Bank

OUR CORE VALUES



Transparency
We encourage and inculcate total transparency and communicate openly & honestly with all our stakeholders and clients. We accept our individual and team responsibilities and we make support business decisions through experience and good judgment.



Integrity
We are committed to employ the highest ethical standards, demonstrating honesty and fairness in all our actions.



Professionalism & excellence
We believe in developing a highly motivated, valued and diverse workforce. We strive constantly to be the best in quality and in everything we do in order to meet and exceed the highest expectations of our customers.



Customer focus
We are dedicated to satisfying customer needs and honoring commitments that we have made to them. Our customers are our partners and we remain committed to build strong relationship with them and value their loyalty as our best rewards.



Result focus
We are result focused. We strive to timely, tenaciously and consistently execute well developed plans, goals and objectives and we accept responsibility for the results they deliver.



Teamwork
We are committed to a teamwork environment where every individual is a valued member, treated with respect, encouraged to contribute and recognized and rewarded for his/her efforts.

ETHICAL PRINCIPLES

Faith, responsibility, ethics and respect are central to Reliance Insurance's core values and leadership attributes. By being genuinely ethical in all matters that we perform, Reliance insurance can attract and retain the best employees and ensure its position as the insurer of first choice in Bangladesh. Operating in an ethical manner is essential to our success.

The customers, regulators and other stakeholders all rely on us to be transparent, prudent, accountable and fair. We must therefore behave ethically in communities where we operate in order to maintain the confidence of our customers and other stakeholders and ultimately to keep their business. We can install this trust and confidence with every business action and decision we make.

CORPORATE CULTURE

In keeping with our Vision and Mission to "make a positive difference" in the lives of our employees, Reliance Insurance has cultivated a unique corporate culture. In this culture, challenging work, open communications both upwards and downwards, accessibility to leadership including encouraging bottom up rather than 'top down' approach, mutual respect, trust, and concern for co-worker and community well-being and development are melded together to create a workplace with a family-like feel which is productive, personally fulfilling, and professionally satisfying.

The following amenities, policies, practices, benefits, beliefs, and behaviors contribute to creating and maintaining the Reliance corporate culture.

Office Building Amenities

- Architecturally aesthetic and modern office building situated at a prime location of the city having convenient access to public transportation.
- Parking facilities on a spacious lot.
- Secured building with round the clock security service.
- Comfortable indoor dining facilities for employees.

Other Amenities, Perks, and Benefits

- Shuttle transport arrangement for most of the employees.
- Attractive car scheme proposal for executive level employees give a new dimension to boost up the morality of employees.
- Tuition assistance for approved, job-related degree programs or certifications.
- Monthly update meetings among Head of Division (HoD) and Chief of Department (CoD) brings more paces to draw the finish line of all activities.
- Annual salary increase considerations and bonus eligibility at all levels.
- Competitive employee benefits program with hospitalization subsidy and life insurance coverages.
- Provident Fund contribution @ 10% by Reliance for all regular employees.
- Re-allocation packages for employees who become displaced through reorganizations.
- A prevailing norm of considerate, respectful, cooperative, and friendly behavior among employees and management.

People Management Philosophy

- Attract and partner with qualified employees whose education, experience, and desire to grow and succeed will contribute to the accomplishment of Company goals.
- Blend the experience and knowledge of flexible long-term employees with the energy and fresh perspectives of new employees from other organizational experiences to create a versatile workforce capable of responding to the challenges and increasing demands of today's business environment.
- Train and develop employees for current jobs, future opportunities, and the continuing viability of the organization through insurance education, technical and management skills training, educational assistance, promotion from within, and strategic succession planning.

SMARTSTOCK

OUR PRODUCTS

PROPERTY INSURANCE

- Fire Insurance (including Allied Perils)
- Property Damage All Risks
- Industrial All Risks (IAR) including Business Interruption
- Comprehensive Machinery Insurance



OVERSEAS MEDICLAIM

- Business and Holiday (B&H)
- Corporate Frequent Travels (CFT)
- Employment and Study (E&S)

HEALTH INSURANCE

MISCELLANEOUS INSURANCE

- Burglary
- Money Insurance (for Banks)
- Cash in Safe
- Cash in Transit
- Cash on Counter
- Cash in Premises
- Fidelity Guarantee
- All Risks Product Liability
- Public Liability
- Directors & Officers Liability Insurance
- Workmen's Compensation
- Employer's Liability
- Marine Terminal Operators Liability (MTOL)
- Comprehensive General Liability
- Bankers Blanket Bond
- Hotel Owner's All Risks (HOAR)
- Personal Accident Insurance
- People's Personal Accident
- Aviation Insurance-Aircraft Hull
- Liability and Related Risks
- Export Credit Insurance



ENGINEERING INSURANCE

- Machinery Breakdown Insurance (MBD)
- Deterioration of Stocks (DOS)
- Boiler and Pressure Vessel (BPV)
- Electronic Equipment Insurance (EEI)
- Erection All Risks (EAR)
- Contractor's All Risks (CAR)
- Work Plant (WP)
- Oil & Gas Well Drilling Equipment Package (OGD)
- Contractors Plant & Machinery (CPM)



MARINE INSURANCE

- Marine Cargo
- Marine Hull
- Builders Risks Insurance

MOTOR INSURANCE

- Motor Insurance for Commercial use
- Motor Insurance for Private use
- Specialised Motor Vehicle

PRODUCT DIVERSIFICATION AND INNOVATION

Diversification is the key to maximizing profitability in today's insurance market. Most of the Insurance companies in Bangladesh focus largely on traditional insurance products like Fire, Marine and Motor Insurance.

In today's competitive market we need to be innovative and diversify our product line. The potential untapped insurance market in Bangladesh is the personal lines business. The personal lines business remains weak due to the people's negative perception on insurance industry.

The personal lines business may include products such as:

1. Householders Comprehensive Insurance
2. Motor Insurance
3. People's Personal Accident Insurance
4. Overseas Mediclaim Insurance
5. Health Insurance

Health Insurance was not very common in Bangladesh few years back, but now it has become very popular, especially in the corporate culture. Still, large number of population is not under the coverage of Health Insurance.

We need to provide easy access to the public to be able to buy the above products with ease. Providing one stop service and facility to get insurance coverage via the internet shall be a positive move on part of the Insurance companies to generate sizable premium income from the untapped market.

OUR BUSINESS MODEL

Reliance Insurance Limited bases its business models around assumption and diversification of Risk. The essential insurance model involves pooling risk from individual payers and redistributing it across a larger portfolio. We generate revenue by charging premiums against insurance policy coverage, and then subsequently reinvesting the premiums to "float" into other, interest-generating assets. Like all business models, we try to evaluate market effectively and minimize administrative costs.



Clients:

We place our clients at the heart of our business. With that in mind, we provided several insurance products those can be a complete solution for enterprise to enjoy a relative risk free corporate life. When it comes to client satisfaction, we work to do more than just selling product to them because we know, with great client satisfaction company gets new business and potential referrals, which enhances the image of our Company. Needless to say, happy clients are essential to good business.

Pricing and Assuming Risk

Our revenue model starts with the pricing of risk and the sale of an insurance policy. The insurance policy's benefit amount represents the indemnity amount that we are willing to pay should a specified loss occur.

Without good underwriting, the insurance company would have to charge some customers too much and others too little for assuming risk. These likely prices out the least risky customers, eventually causing rates to raise even further. This is where insurance underwriting is critical and our underwriter shows something special about their efficiency by offering a great and competitive rate abiding by insurance laws and regulations. And thus prices its risk effectively, we bring in more revenue in premiums than it spends on conditional payouts.

Risk Pooling and Premium Pricing

Our willingness to accept a risk comes at a price to the policy owner. This price is the premium amount and is based on the common occurrence of risk, as distributed among a large number of people. This process is known as risk pooling and is performed by underwriters of our company. The risk pools determine the likelihood of a loss occurring for a class and the price for that risk, which becomes the premium amount.

Net Premiums & Interest Earnings

When the premium is paid, we net out its expenses associated with keeping the coverage in force. This includes commissions paid to agents and brokers of the company. It also includes the administrative and operational costs of the insurer such as overhead, salaries and other business related expenses. The net amount of the premium represents the revenue amount that could hold onto the money in cash or place it into a savings account, but that is not an efficient task. At the very least, those savings are going to be exposed to inflation risk. We find safe, short as well as long-term assets to invest these funds. This generates additional interest revenue for the company while it waits for possible payouts. Common instruments include FDRs, Debentures, high-grade corporate bonds and interest-bearing cash equivalents.

Claims and Loss Handling

Our real strength lies in prompt settlement of claim. When a customer files a claim, we process it, check it for accuracy and submit payment within shortest possible of time. This adjusting process is necessary to filter out fraudulent claims and minimize risk of loss to the company.

Markets:

Brand:

We have a successful brand marketing strategy based on sound clients' insights. Our business portfolio consists of a good number of non-life insurance policies designed to meet a board array of clients' safety around the country with the idea of delivering today and investing for tomorrow.

Products:

We offer a wide range of non-life insurance products like:



Investment:

We make significant investments in human capital in terms of spending resources on employee training at home and abroad. Our MSD (Marketing Service Department) develop new products and services by incorporating the feedback of clients to meet their changing needs.

People and Relationship:

Our People:

We employ 348 people on permanent basis and 200 on commission basis as agents. We take great pride in saying that RIL is the insurer of first choice in Bangladesh. Reliance has cultivated a unique corporate culture and in this culture, challenging work, open communications both upwards and downwards, accessibility to leadership including encouraging bottom up rather than 'top down' approach, mutual respect, trust, concern for co-worker and community well-being are practiced with dignity and respect.

Our re-insurers:

RIL, in line with the existing regulation, places its 50% reinsurance coverage with SBC while rest is reinsured through several internationally recognized re-insurance companies i.e. Scor Reinsurance Asia-Pacific Pte. Limited (Singapore), Malaysian Reinsurance Berhad (Malaysia), Trust International Insurance and Reinsurance Company B.S.C (C) (Bahrain), Labuan Reinsurance (L), Limited (Malaysia), Peak Reinsurance Company Limited (Hong kong), Asian Reinsurance Corporation (Thailand), and General Insurance Corporation (India).

Our Shareholders:

RIL treats all its shareholders with honor and respects. In the extreme volatile situation and economic turmoil in the past, RIL continued to deliver for the shareholders in terms of paying dividend.

Our Stakeholders:

RIL tries to keep harmony with all of its valuable stakeholders. We keep contributing to our stakeholders sincerely. In the last year, we once again ensured that our contribution to Government exchquer is very significant being the leading VAT & Tax payer in 2017 amounting Tk. 296.63 and 272.00 million respectively.

Workplace and Society:

Our Culture:

In RIL, environmental development are melded together to create a workplace with a family-like feel which is productive, personally fulfilling, and professionally satisfying.

Our Contribution to the Society:

As part of the CSR initiatives, RIL endeavors to make a positive social contribution to SEID and MRDI, DCF, BTH, Let's Do...Foundation -pioneer social organization- and by supporting underprivileged children and physically challenged people of the society for their physical, mental and educational improvement.

Leading Presence:

RIL holds top market position in non-life insurance category as far as profit earning is considered and leading in depositing VAT and Tax in Government exchequer amounting Tk. 296.63 mn and 272.00 mn respectively for the year 2017.

BRIEF PROFILE OF THE DIRECTORS



MR. RAJIV PRASAD SHAHA
CHAIRMAN

Mr. Rajiv Prasad Shaha obtained his Graduation from the University of Dhaka. He has been the Managing Director of Kumudini Welfare Trust of Bengal (BD) Limited and Kumudini Pharma Limited since January 2000. He is a member of Micro Industries Development Assistance and Service (MIDAS). He was the Director of Kumudini Welfare Trust of Bengal (BD) Limited and Kumudini Pharma Limited since 1987 till December 1999. He is a widely travelled person.

Mr. Shaha is the grandson of the great philanthropist Rai Bahadur Ranada Prashad Shaha (R. P. Shaha), the founder of Kumudini welfare Trust of Bengal (BD) Limited.

Mr. Shaha is also a Sponsor Director and current Chairman of Reliance Insurance Limited.

MR. SHAMSUR RAHMAN
VICE-CHAIRMAN



Mr. Shamsur Rahman is the Director of Bangladesh Lamps Limited (licensed manufacturers of PHILIPS lighting products), Transcom Electronics Limited, Mediastar Limited (publishers of Prothom Alo), Mediaworld Limited (publishers of The Daily Star), ABC Radio (FM Radio Station). Marina Tea Co. Limited, Monipur Tea Co. Limited and M. Rahman Tea Co. Limited.

Mr. Rahman is a member of Board of Directors and current Vice Chairman of Reliance Insurance Limited.

AMARSTOCK



MR. HABIBULLAH KHAN
DIRECTOR

Mr. Habibullah Khan is the Managing Director of Meenhar Group of Companies. Mr. Khan has been recognized as CIP by the Government of Bangladesh for many years for his outstanding contribution towards industrialization of the country. Under his dynamic leadership, Meenhar Sea Foods Limited and Meenhar Fisheries Limited were awarded National Export Trophy-Gold by the Government of Bangladesh for its contribution in export sector of the country for several times. He was the founder Vice President and Former President, Chittagong Stock Exchange Ltd., former President of Bangladesh Frozen Food Exporters Association. He is also a Member of the Governing Council of Independent University, Bangladesh, Vice President-Bhatiary Golf and Country Club, Chittagong and the founder of Habibullah Khan High School, Feni.

Mr. Khan is also a Sponsor Director of Reliance Insurance Limited.

MS. ZAKIA ROUF CHOWDHURY
DIRECTOR

Ms. Zakia Rouf Chowdhury obtained her Bachelor of Arts degree from University of Dhaka. She is the Director of Rangs Limited, Rangs Motors Limited, Rangs Properties Limited, Rangs Industries Limited, Rangs Pharmaceuticals Limited, Rangs Workshop Limited, Rancon Motors Limited, Ranks ITT Limited, Ranks Telecom Limited, Ranks Interior Limited, Ranks Real Estate Limited, Shield Security Services Limited, Ranks Steels Limited, Ranks Agro Biotech Limited, Sash Limited, Zest Polymer Limited, Metro Foils Limited, Sea Resources Group.

Ms. Chowdhury is a Sponsor Director of Reliance Insurance Limited.





MS. SHAHNAZ RAHMAN
DIRECTOR

Ms. Shahnaz Rahman is a Director of Transcom Limited, Transcom Beverages Limited (sole franchisee of PEPSI), Bangladesh Lamps Limited (licensed manufacturers of PHILIPS lighting products), Transcom Foods Limited (sole franchisee of Pizza Hut & KFC), Transcom Electronics Limited, Transcom Cables Limited (manufacturers of domestic and industrial cables), Transcom Mobile Limited, Eskayef Bangladesh Limited, Transcom Distribution Co. Limited, Bangaldesh Electrical Industries Limited, Transcom Consumer Products Limited, Trinco Limited, Transfin Trading Limited, Mediastar Limited (publishers of Prothom Alo), Tea Holdings Limited, Mediaworld Limited (publishers of The Daily Star).

Ms. Rahman is a Sponsor Director and immediate past Chairman of Reliance Insurance Limited.

PROF. MOHAMMAD ABDULLAH
DIRECTOR

Professor Mohammad Abdullah is a literary person who engages himself from founding, teaching and managing educational institutions ranging from Elementary to University Level. For a decade he was part-time Faculty Member at Departments of Management and Finance of Dhaka University. He completed B. Com. (Hons.) and M. Com. from Dhaka University in 1958 and 1959 respectively. He became a fellow of the Chartered Institute of Secretaries, London, UK in 1966. He was Company Secretary of Titas Gas Transmission and Distribution Company Limited and Sponsor Director of Islami Bank Bangladesh Limited. Since 1991 to 2001 he was an Honorable Member of Parliament of Peoples Republic of Bangladesh. Mr. Abdullah is also a member of Board of Directors of Reliance Insurance Ltd.



MARSTOCK



MR. ARSHAD WALIUR RAHMAN
DIRECTOR

Mr. Arshad Waliur Rahman is a Director of Transcom Limited, Transcom Beverages Limited (sole franchisee of PEPSI), Transcom Foods Limited (sole franchisee of Pizza Hut & KFC), Transcom Electronics Limited, Bangladesh Lamps Limited (licensed manufacturers of PHILIPS lighting products), Transcom Cables Limited (manufacturers of domestic and industrial cables), Transcom Mobile Limited (distributor for SAMSUNG mobile handsets), Eskayef Bangladesh Limited (leading pharmaceutical Manufacturers – formerly SmithKline & French), Transcom Distribution Co. Limited (distributor of pharmaceutical – SK & F, NOVO NORDISK, SERVIER, ALLERGAN and consumer brands – Frito Lay, Heinz, Wrigley, Mars, Energizer, Schick, L'Oreál, Garnier, Ferrero, ConAgra Foods, Hemas), Transcom Consumer Products Limited, Trinco Limited, Transfin Trading Limited, Mediastar Limited (publishers of PROTHOM ALO),

MR. IMRAN FAIZ RAHMAN
DIRECTOR



Mr. Imran Faiz Rahman is a member of the Board of Directors of Reliance Insurance Limited. He has completed Bachelor of Business Administration (BBA) from a reputed University of USA. He is the Chairman and Managing Director of Imaan Cold Storage Limited and Managing Director of Arlinks Limited and Imaan Cold Storage Limited. He is also the Director of R. R. Cold Storage Limited, Aris Holdings Limited, R R Estates Limited.



MR. IFTEKHARUL HUQ
DIRECTOR

Mr. Huq obtained his graduation in Economics from George Mason University in Virginia, USA. After that he worked for Bangladesh Enterprise Institute as a Research Assistant on the "Counter Terrorism Policy" project. He did internships at GrameenPhone and Airtel.

MR. AMANULLAH CHOWDHURY
DIRECTOR

Mr. Amanullah Chowdhury is the Vice Chairman of Rangs Group. He is also the Director of Rangs Pharmaceuticals Limited. He is Joint Managing Director of Sea Resources Group of Companies. He was the President of Superpharmacal Laboratories & Vice President of Superpharm Corporation (a pharmaceutical manufacturer in New York) from 1979 to 1981. Mr. Chowdhury was District Sales Manager, Calibiochem Behring Corporation, USA from 1977 to 1979. He was a Senior Technical Representative of Behring Corporation-a subsidiary of American Hoechst Corporation from 1974 to 1977. Mr. Amanullah Chowdhury was Marketing Manager of Hoechst (Bangladesh) Limited, Chittagong. He obtained his Bachelor (Hons.) degree in Pharmacy.



STOCK



MR. ATIQUR RAHMAN
DIRECTOR

Mr. Atiqur Rahman is a member of the Board of Directors of Reliance Insurance Limited. He is the Group Finance Director of Transcom Group of Companies and also a Director of Transcom Electronics Limited, Bangladesh Lamps Limited (licensed manufacturers of PHILIPS), Transcraft Limited (modern printing press), Transfin Trading Limited, Trinco Limited, Transcom Cables Limited, Transcom Mobile Limited, Eskayef Bangladesh Limited (leading pharmaceutical manufacturers), Transcom Beverages Limited (PEPSI), Transcom Foods Limited (Pizza Hut & KFC),Trascom Limited, Transcom Distribution Co. Ltd., Transcom Consumers Products Limited, Mediastar Limited (publishers of Prothom Alo), ABC Radio (FM Radio Station), M. Rahman Tea Co. Limited, Monipur Tea Co. Limited, Marina Tea co. Limited (Tea Plantations). He is the Chairman of Heritage Agro Firms Limited.

MS. SRIMATI SHAHA
DIRECTOR

Ms. Srimati Shaha, daughter-in-law of great philanthropist Rai Bahadur Ranada Prasad Shaha, obtained her Bachelor of Arts degree from University of Dhaka. She is the Director of Kumudini Welfare Trust of Bengal (BD) Ltd., Kumudini Pharma Ltd., Bengal River Service (BD) Ltd. and member of Ranada Prasad Shaha University Trustee Board, Bharateswari Homes Governing Body, Kumudini Nursing School & College. She started her campaign to uplift the empowerment of underprivileged women of our country from the very beginning of her married life and in recognition of her contribution towards education and women empowerment received National award “Begum Rokeya Padak – 2005” of the Govt. of Bangladesh in 2006. Ms. Shaha is also a member of Board of Directors of Reliance Insurance Limited.



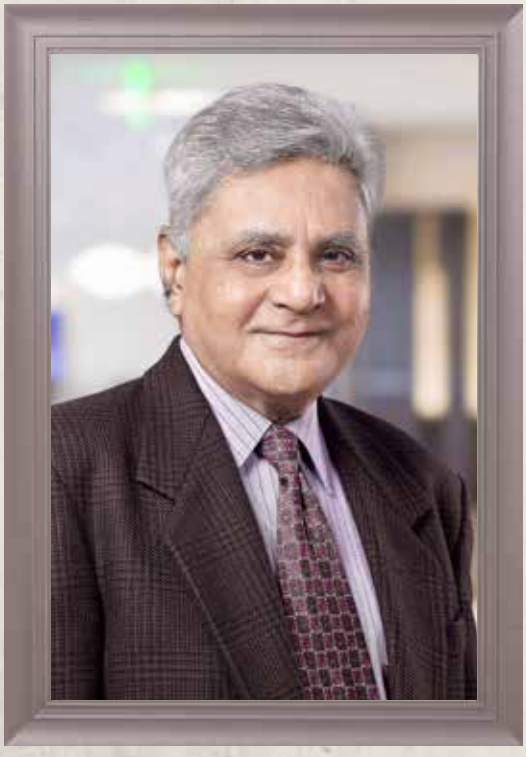


MS. AMIRAN HOSSAIN
DIRECTOR

Ms. Amiran Hossain was appointed as Director of Reliance Insurance Limited on July 24, 2017 nominated by Deep Sea Fishers. After completion of her A-levels from Mastermind School, Dhaka, she enrolled at Bachelor of Science (Economics) at the State University of New York, USA. Beside academia, she involved herself with community and social organizations. She worked with Senator Mr. Ruben Diaz for the New York State Democratic Conference, Albany, New York in 2014. Ms. Hossain is an active member of Albany Stock Exchange Club and Albany Business Leaders Emerge, New York. She has keen interest on Golf, Swimming, Tango, Guitar and piano.

MR. ANIS-UZ-ZAMAN KHAN
DIRECTOR

Mr. Anis-uz-Zaman Khan was appointed to the Board of Directors of Reliance Insurance Limited on 9th September 2012 as an independent Director of the Company. He is also Chairman of the Audit Committee of Reliance Insurance Limited. Before taking voluntary retirement from the Government of the Peoples' Republic of Bangladesh, he served as Secretary in the Ministry of Information and Rural Development & Co-operative. He was also a Director of GEC (BD) Ltd. and Managing Director of Social Marketing Company Ltd. He was also the ombudsperson for BRAC for a term of three years. He has visited many countries including USA in 1977 on invitation from the US Government under the Leader Exchange Program. Mr. Khan completed his Master of Arts degree from University of Dhaka and obtained his Post Graduate Diploma in Development Administration from University of Leeds, United Kingdom.



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DR. TOUFIQ ALI
DIRECTOR

Dr. Toufiq Ali was appointed to the Board of Reliance Insurance Limited on 20th March 2013 as an independent Director of the Company. Dr. Ali has vast experience with the Government, having joined the erstwhile Civil Service (CSP) in 1968 and later moving to the Foreign Service. His later appointments included Deputy Chief of Mission in our Embassy in Washington, Ambassador in the Netherlands, Secretary in the Ministry of Foreign Affairs, and Ambassador in Geneva, to the Holy See (Vatican) and to the UN Offices in Vienna. After leaving the Government in 2007, he joined the United Nations Industrial Development Organization (UNIDO) in Vienna as Senior Adviser (Trade & LDCs) and returned to Bangladesh in late 2009. He was the first Chief Executive of the Bangladesh International Arbitration Centre (BIAC) from 2010-14 and Chief Executive Officer of the Karnaphuli Fertilizer Company (KAFCO) during 2015-16. He obtained B.A.(Hons) and LL.B. from Dhaka University, and MAPE and Ph.D. from Boston University, USA.

MS. FAIZA RAHMAN
DIRECTOR



Ms. Rahman obtained her Graduation from Brandeis University, USA. She started her career in UNICEF as a Project Officer. Later she joined Aarong as a Manager, Design & Development. Currently, she is the Executive Director of Arlinks Limited, the Company which deals in electrical engineering equipment and services. Ms. Rahman is the Director of R. R. Cold Storage Limited, Imaan Cold Storage Limited and R R Estates Limited.



MD. KHALED MAMUN
CHIEF EXECUTIVE OFFICER

Mr. Mamun joined Reliance Insurance in June, 2005 after 11 years of service in Reinsurance Department of the state owned Sadharan Bima Corporation. Apart from his Masters degree from Dhaka University, he also obtained Diploma in Development Planning from Academy for Planning and Development, Dhaka.

Professionally he is an Associate Member of Bangladesh Insurance Academy, Dhaka and also the Associate Member of the Chartered Insurance Institute, United Kingdom. He received Advanced Non-Life Insurance & Reinsurance Training from Swiss Insurance Training Centre (SITC) of Swiss Re, Zurich, Switzerland and Reinsurance Management Training from Asian Re, Bangkok, Thailand. He has also attended a number of seminars on Insurance and Reinsurance at home and abroad. Recently Chartered Insurance Institute of London has awarded Mr. Khaled with the prestigious "Chartered Insurer" status.

CHAIRMEN, DEPUTY CHAIRMEN & CEOS FROM BEGINNING OF THE COMPANY

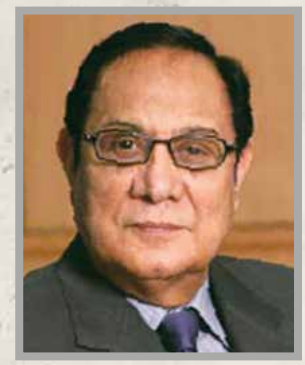
Chairmen



Mr. Latifur Rahman
1988, 1989, 1997, 2005



Late Azimur Rahman
1990, 1998



Mr. Abdur Rouf Chowdhury
1991, 2002, 2010



Mr. Asadul Huq
1992, 1999, 2007



Mr. Habibullah Khan
1993, 2008, 2014



Late Joya Pati
1994



Late A. S. Mahmud
1995



Mr. Shamsur Rahman
1996, 2004, 2012



Ms. Yasmeen Khan
2000



Mr. Rajiv Prasad Shaha
2003, 2011, 2017



Ms. Rokia Afzal Rahman
2006



Ms. Zakia Rouf Chowdhury
2015



Ms. Shahnaz Rahman
2001, 2009, 2013, 2016

Deputy Chairmen





Mr. M. Shamsul Alam
March 2005 to March 2006
Mr. Anwarul Huq
March 2005 to March 2008

Managing Director & CEO







Mr. M. Shamsul Alam, March 1988 to March 2005
Mr. Akhtar Ahmed, March 2005 to March 2014
Mr. Md. Khaled Mamun, March 2014 to Date

The Company recalls with gratitude their contribution

COMPOSITION OF BOARD AND ITS COMMITTEES

Chairman

1. **Mr. Rajiv Prasad Shaha**
   Nominated by Kumudini Welfare Trust of Bengal (BD) Limited

Vice-Chairman

2. **Mr. Shamsur Rahman**
   Representing Self Shareholding

Director

3. **Mr. Habibullah Khan**
   Nominated by Meenhar Fisheries Limited
4. **Ms. Shahnaz Rahman**
   Nominated by Trinco Limited
5. **Ms. Zakia Rouf Chowdhury**
   Nominated by Rangs Limited
6. **Professor Mohammad Abdullah**
   Nominated by General Produce International Ltd.
7. **Mr. Arshad Waliur Rahman**
   Nominated by Transfin Trading Limited
8. **Mr. Imran Faiz Rahman**
   Nominated by Arlinks Limited
9. **Mr. Iftekharul Huq**
   Nominated by FinAccord Trading Limited
10. **Mr. Amanullah Chowdhury**
    Nominated by Rangs Workshop Limited
11. **Mr. Atiqur Rahman**
    Nominated by Transcom Limited
12. **Ms. Amiran Hossain**
    Nominated by Deep Sea Fishers Limited
13. **Ms. Srimati Shaha**
    Nominated by Kumudini Handicraft
14. **Ms. Faiza Rahman**
    Nominated by R.R.Cold Storage Limited

Independent Director

15. **Mr. Anis-uz-Zaman Khan**
16. **Dr. Toufiq Ali**

Chief Executive Officer

17. **Mr. Md. Khaled Mamun**

Audit Committee

Chairman

1. **Mr. Anis-uz-Zaman Khan**

Member

2. **Mr. Habibullah Khan**
3. **Mr. Atiqur Rahman**
4. **Mr. Amanullah Chowdhury**
5. **Dr. Toufiq Ali**

Finance & Asset Management Committee

Chairman

1. **Mr. Rajiv Prasad Shaha**

Member

2. **Mr. Habibullah Khan**
3. **Mr. Atiqur Rahman**
4. **Mr. Iftekharul Huq**
5. **Mr. Md. Khaled Mamun**

Human Resources Committee

Chairman

1. **Mr. Rajiv Prasad Shaha**

Member

2. **Mr. Habibullah Khan**
3. **Mr. Atiqur Rahman**
4. **Mr. Amanullah Chowdhury**
5. **Mr. Arshad Waliur Rahman**
6. **Mr. Md. Khaled Mamun**

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SENIOR MANAGEMENT TEAM AND THEIR PROFILE



AKHTAR AHMED

M.A. ACII (UK), CHARTERED INSURER
ADVISER

After completing B.A. (Honours) and M.A. from Dhaka University in 1970, Mr. Ahmed joined Eastern Federal Union Insurance Company, the largest insurance company in the then Pakistan, as an Executive Officer. Following the nationalization of insurance industry in Bangladesh in 1972, his services were absorbed in Sadharan Bima Corporation.

In 1981 he joined Asian Reinsurance Corporation, Bangkok, an inter-governmental organization set up by the United Nations and served in various Managerial position till 1989. In 1989 he joined Arab Insurance Group, the largest insurance organization of the Middle East and served for 14 years in various positions as Chief Manager, Regional General Manager and Chief Executive of its Far East operations, based in Hong Kong and Kuala Lumpur. Mr. Ahmed returned back home in 2003 and served as Managing Director of Sadharan Bima Corporation till February 2004. In early 2005 he completed an assignment as Consultant to KPMG, Abu Dhabi, on a project for setting up of a large Reinsurance company in the Middle East. He joined Reliance Insurance Limited as its Managing Director & CEO in March 2005 and continued till to March 2014 before becoming Adviser of the Company.



MD. KHALED MAMUN

M.SC, M. DEMO, DDP, ABIA, ACII (UK)
CHIEF EXECUTIVE OFFICER

Mr. Mamun joined Reliance Insurance in June, 2005 after 11 years of service in Reinsurance Department of the state owned Sadharan Bima Corporation. Apart from his Masters degree from Dhaka University, he also obtained Diploma in Development Planning from Academy for Planning and Development, Dhaka.

Professionally he is an Associate Member of Bangladesh Insurance Academy, Dhaka and also the Associate Member of the Chartered Insurance Institute, United Kingdom. He received Advanced Non-Life Insurance & Reinsurance Training from Swiss Insurance Training Centre (SITC) of Swiss Re, Zurich, Switzerland and Reinsurance Management Training from Asian Re, Bangkok, Thailand. He has also attended a number of seminars on Insurance and Reinsurance at home and abroad. Recently Chartered Insurance Institute of London has awarded Mr. Khaled with the prestigious "Chartered Insurer" status.

STOCK



MOHAMMED SABIR AHMED

M.COM, FCA, FCS
SENIOR EXECUTIVE DIRECTOR & CFO

Mr. Ahmed joined Reliance Insurance Limited on July 8, 2007. Before joining Reliance Insurance Limited he worked with Bashundhara Group and TeleBarta Limited in Senior Management Positions.

Mr. Ahmed is a Chartered Accountant and Chartered Secretary in profession and has been working in financial management and internal audit & control functions for more than twenty years. He has been worked as a member of different committees of "The Institute of Chartered Accountants of Bangladesh (ICAB)" including TRC, BCPAR, Audit Committee, ICTC, Media & Branding Committee. He is a part-time faculty member of ICAB. Mr. Ahmed has attended a number of seminars at home and abroad.

He is also one of the Executive Members of Bangladesh Association of Public Listed Companies (BAPLC).

VAMP STOCK

MANAGEMENT TEAM AND THEIR PROFILE



SHAHADAT HOSSAIN
SEVP & Head of Claim & Reinsurance

Since the advent of the Reliance Insurance Limited in 1989, Mr. Hossain has a very mature span of continuous service for 30 years and currently is contributing to the Company as the Chief of Claim & Reinsurance. Mr. Hossain completed his Masters of Business Administration (MBA) from a reputed private university and has attended a numbers of seminars on re-insurance at home and abroad.



MD. ISRAFIL
SEVP & Chief of Branch Coordination and Development

After successfully passing a long period of 30 years of his dedicated services to the company, Mr. Israfil is now the Chief of Department of Branch Co-ordination & Development. During his service life at Reliance, he has participated in various seminars and workshop at home and aboard. He has completed his Honours and Masters in Mathematics from the University of Chittagong.



MD. GOLAM SAROWER
SEVP & In-charge of Internal Audit and Compliance Division

Mr. Sarower is now holding the position of In-charge of Internal Audit & Compliance Division. Prior taking this responsibility, he worked for Finance & Accounts Division in various vital positions including In-charge of the Accounts & Finance. After completing CA course from A. Qasem & Co. Chartered Accountants, Mr. Sarower started his Insurance career with Reliance Insurance Limited in 1989 as an Accounts Officer and working here for the last 30 years. Apart from his Masters in Accounting he has completed CA (Intermediate). Mr. Sarower attended various training & seminars both at home & aboard.



MOHAMMAD GOLAM KIBRIA
EVP & In-charge of HR and Administration

Mr. Kibria has obtained MBA degree with major in HRM from IBA, University of Dhaka. In a career spanning over 13 years, he worked in the field of Human Resources, Training and Administration in differentiated industries. Prior to joining Reliance Insurance Ltd. in 2016, he served in TNT Express Bangladesh, ACI Limited and La Belle Fashion & Apparels Ltd in various capacities. He is a seasoned Human Resources professional with expertise of working in diversified areas like Performance Management, Process Optimization, OD, Training and general HR.



MD. NAZRUL ISLAM
DEVP & Chief of HR and Administration

Mr. Islam joined Reliance Insurance Limited in 2006 and is presently holding the position of Chief of HR & Administration. Before joining Reliance Insurance Limited he worked with PRAN-RFL Group in the position of HRM Manager. Mr. Islam obtained his Masters with Honors in Management from University of Dhaka and also completed PGD in Personnel Management from BIM. He has attended a number of seminars & training programs on Management Development Initiatives, Labour Laws, Strategic HRM and General Administration & Services etc.



MD. MASUD RANA
DEVP & Chief of Finance

Mr. Rana Joined Reliance Insurance Limited in 2011. Before joining Reliance he served in Bashundhara Group, Keya Group, Opex Shina Group, JM Fabrics, JM Industries for about 21 years at different mid level management positions. Mr. Rana has obtained Masters degree in Management from National University and he has also completed MBA in Finance from University of Dhaka and also studying at Institute of Cost and Management of Bangladesh (partly completed).



SYED QAYEM HUSSAIN
DEVP & Chief of Health Plan and Marketing Service

Syed Qayem Hussain joined Reliance Insurance Limited in 2011 and presently discharging his responsibility as Chief of the Department of Heath Plan & Marketing Services. He has eleven years experience working in the Insurance Industry. He completed his studies in the USA. He has attended various training programs on Health Insurance, Liability Insurance and other programs on insurance in Bangladesh and abroad.



MD. SAJEDUL HAQUE ACA
SVP & Chief of Accounts

Mr. Md. Sajedul Haque is the Chief of Accounts and presently responsible for accounts functions including taxation affairs of Reliance Insurance Limited. Prior to joining Reliance Insurance Limited in March 2016 he worked for Navana Pharmaceuticals Limited and M. J. Abedin & Co. - Chartered Accountants. Mr. Haque completed his MBA in Accounting and information systems from University of Dhaka. He is an Associate member of the institute of Chartered Accountants of Bangladesh.

TRAK STOCK



MD. MAHBUBUR RAHMAN
SVP & In-Charge of IT Division

Mr. Rahman joined Reliance Insurance Limited in 1990. He has completed the professional courses like COBOL programming, ECITS, Certified Novell Administrator (CNA), Oracle Certified Professional (OCP) in both track Developer & Database Administrator. He is working in IT track over twenty five years and has been given charge of the IT Division in 2005.



SANJAY KUMAR BASAK
SVP & Chief of Investments

Mr. Basak has obtained his Masters with Honours in Accounting from University of Dhaka and also completed MBA majoring Finance from a reputed private university. He joined Reliance in 1995 as officer and currently discharging his responsibility as Chief of Investment. Mr. Basak has attended a number of training courses, workshops and seminars relating to Insurance, Risk Management, AML & CFT etc.



KAZI ALTAF HUSSAIN
SVP & Chief of Underwriting

Mr. Hussain - Chief of the Department in the Specialized Underwriting has been working with the company in responsible positions since its inception in 1988. He carries with him a long 30 years of experience in the Insurance industry and also had opportunities to attend various training programs, seminars & workshops in Underwriting and Reinsurance at home and abroad.



ASHIQUR RAHMAN
SVP & Chief of Claims

Mr. Rahman joined Reliance Insurance in November 2009. He stared his career with United Insurance Company Limited and served for 12 years at different mid level management positions. Mr. Rahman obtained his Masters in Marketing and MBA with Management major from the University of Dhaka. Thereafter he obtained his Post Graduate Diploma in Personnel Management from Bangladesh Institute of Management, Dhaka. He also qualified Certificate in Insurance (Claims) from the Chartered Insurance Institute of UK. In his long career of 20 years, Mr. Rahman attended a number of training courses in insurance at home and abroad including advanced training in Reinsurance Management from Asian Re, Bangkok, Thailand.



MD. ABDUL MATIN
SVP & Chief of Policy Issuing

Mr. Matin started his career with Reliance Insurance Limited in 1993. With over 25 years' experience in Reliance, he is currently holding the position of Chief of the Department of Policy Issuing. He completed his Masters with Honours in Economics from Rajshahi University and attended a number of training courses at home and abroad.



MD. ZAHURUL HAQUE
DSVP & Chief of Share

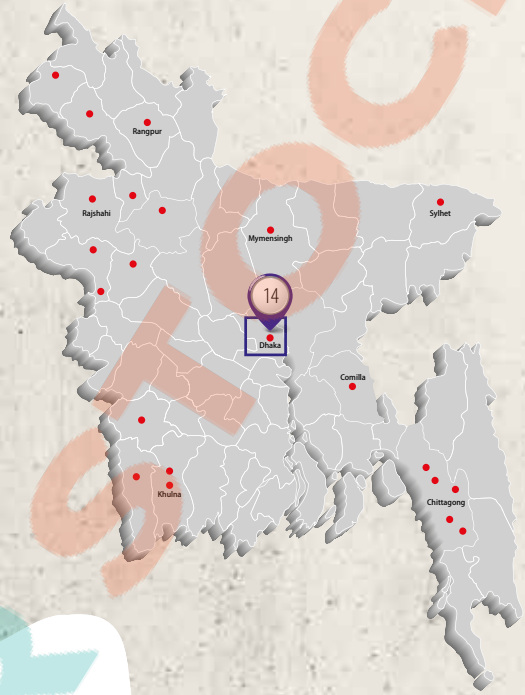
Mr. Haque completed his Masters with Honours in Soil Science from University of Dhaka. With the vast experience of 28 years in Reliance Insurance Ltd. Mr. Haque is now holding the position of Chief of the Department of Shares. He attended a number of training courses, workshops and seminars at home.



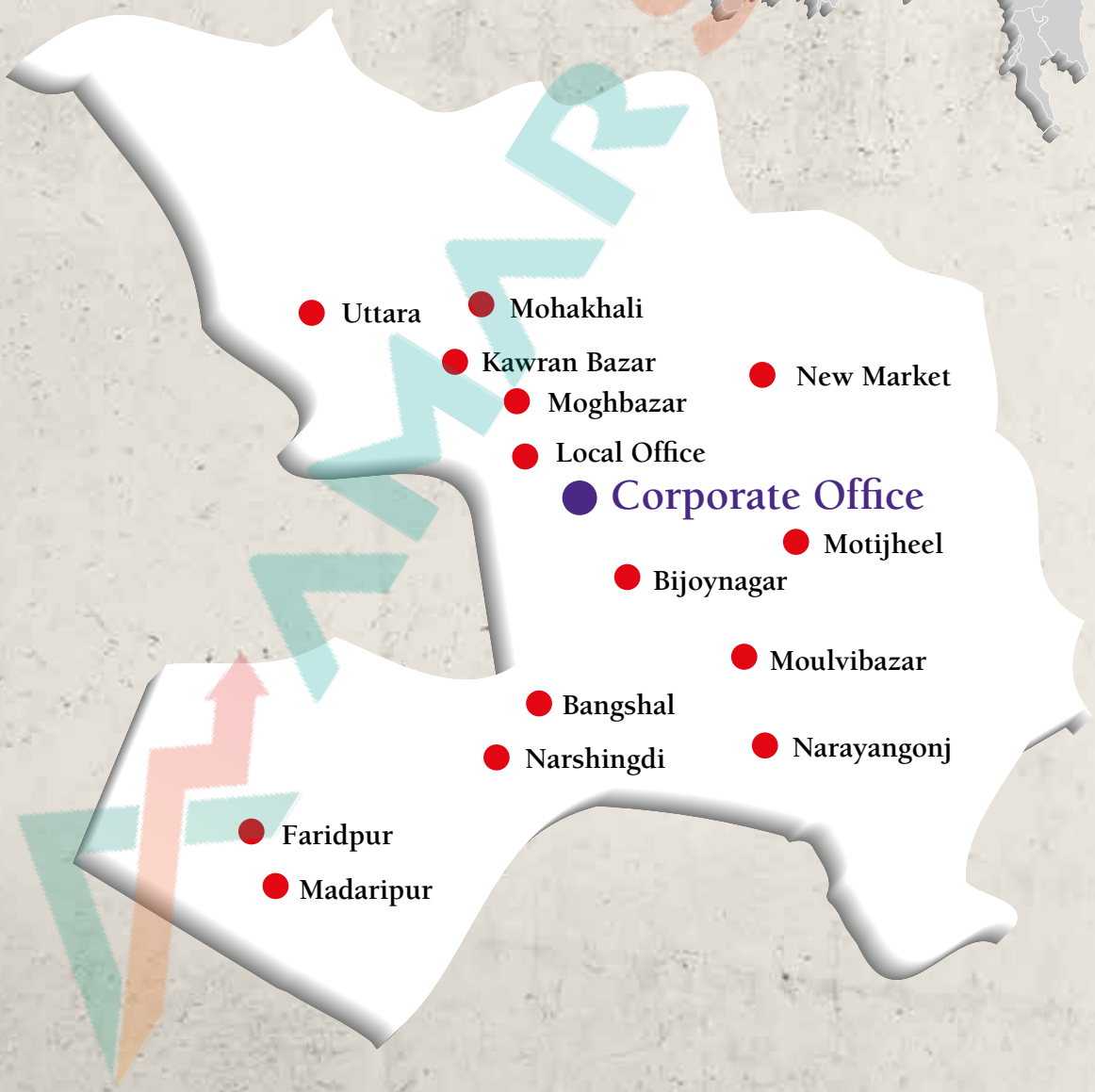
MOHAMMAD MAMUNUR RASHID
VP & Company Secretary

Mr. Rashid joined Reliance in 2014 as Deputy Vice President. Before joining Reliance Mr. Rashid served in various organizations at mid level management positions. Mr. Rashid obtained his MBA with Marketing major from London School of Commerce, London, UK. At present he is perusing Chartered Secretary Certification from ICSB (Institute of Chartered Secretaries of Bangladesh).

GEOGRAPHICAL PRESENCE OF RELIANCE



DHAKA DIVISION



BRANCH NETWORK
DHAKA DIVISION

LOCAL OFFICE
Mr. Syed Mohammad Akram, DED
Rahmans' Regnum Centre (4th floor),
191 Tejgaon I/A, Dhaka-1208, Phone: 880 (2) 8879293-95,
Mobile: 01713- 440980, email: hob_lo@reliance.com.bd

MOGHBAZAR
Mr. Shafiqul Islam, SVP
Gulfesha Tower (12th floor), 69 Circular Road, Moghbazar,
Dhaka-1217. Phone: 880 (2) 9332798,
Mobile: 01755-550215, email: hob_mgb@reliance.com.bd

KAWRAN BAZAR
Ms. Shahana Yasmin, DSVP
Rupayan Trade Center (3rd floor), 114 Kazi Nazrul Islam
Avenue, Bangla Motor, Dhaka-1215. Phone: 880 (2) 9345071
Mobile: 01713-440964, email: hob_kbz@reliance.com.bd

BIJOYNAGAR
Akram Tower (6th floor), 15/5, Bijoynagar, Dhaka-1000
Phone: 880 (2) 9341832
email: hob_bjn@reliance.com.bd

MOTIJHEEL
Mr. Hara Krishna Roy, DED
Rahman Chamber (2nd floor) 12-13, Motijheel C/A,
Dhaka-1000. Phone : 880 (2) 9567827,
Mobile :01730-097293, email: hob_mtj@reliance.com.bd

BANGSHAL
Mr. Mynul Haque Mizi, VP
Ashraf Mansion (2nd floor), 42, Shahid Nazrul Islam Sarani,
Bangshal, Dhaka-1100. Phone: 880 (2) 9556225,
Mobile: 01713-425953, email: mynul@reliance-bd.com

NARAYANGONJ
Mr. Swapan Kumar Saha, DED
71, B.B. Road, Narayangonj-1400
Phone: 880 (2) 7631962, Mobile: 01713-440982,
email: hob_ngj@reliance.com.bd

MOULVIBAZAR
Mr. Md. Shah Jahan, VP
31/32, Moulvibazar Road, Dhaka-1100
Phone: 880 (2) 57315489, Mobile: 01713-440983,
email: shahjahan@reliance-bd.com

NEW MARKET
Mr. Md. Nurul Amin, DEVP
Khan Plaza (2nd floor), 32/1, Mirpur Road, Dhaka-1205
Phone: 880 (2) 9669449, Mobile : 01713-440981,
email: hob_nmk@reliance.com.bd

FARIDPUR
Mr. Kamal Das, DVP
89/A, Mujib Sarak, Alipur, Faridpur-7800
Phone: 880 (631) 64118, Mobile: 01711-430375,
email: hob_frd@reliance-bd.com

MOHAKHALI
Mr. Khan Md. Tofail, DSVP
M.H.B. Bhaban (2nd floor), 94, Mohakhali C/A, Dhaka-1212
Phone: 880 (2) 9886872, Mobile : 01713-185581,
email: hob_mhk@reliance.com.bd

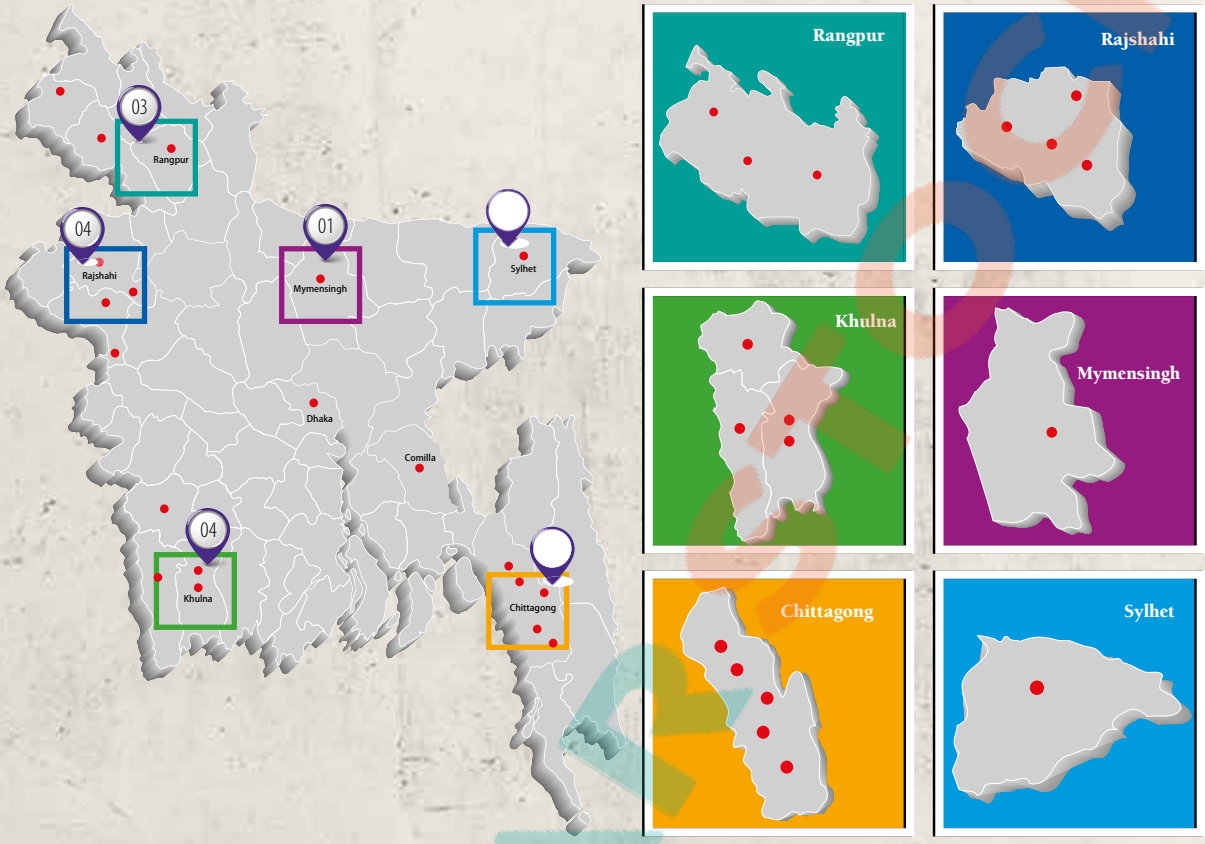
MADARIPUR
Mr. Tota Miah Sikder, AVP
Amin Super Market, Main Road, Madaripur- 7900
Phone: 880 (661) 61510, Mobile: 01713-014856,
email: hob_mrd@reliance-bd.com

UTTARA
Mr. Musleh Uddin Chowdhury, SVP
H.M. Plaza (8th floor), Plot No. 34, Road No-2, Sector-3,
Uttara, Dhaka -1230. Phone: 880 (2) 48956076, Mobile:
01755-638293, email: hob_utr@reliance.com.bd

NARSHINGDI
Mr. Md. Ibrahim, Sr. Officer
C & B Road, Narshingdi-1600
Phone: 880 (2) 9462677, Mobile: 01755-538003,
email: hob_nsd@reliance-bd.com

FAMILY STOCK

OTHER DIVISIONS



CHITTAGONG DIVISION

AGRABAD

Ms. Meharoon Hyder, DSVP
Aziz court (5th Floor), 88-90 Agrabad C/A,
Chittagong-4100, Mobile: 01713276429
Phone: 031-711319, 031-712221, 031-713607
Fax: 031-713741, email: hob_agb@reliance-bd.com

KHATUNGONJ

Mr. S.M. Omar, DEVP
304, Khatungonj, Chittagong-4100
Phone : 880 (31) 615105, Mobile: 01713-106641,
email: hob_ktj@reliance.com.bd

JUBILEE ROAD

Mr. Reaz Ahmed Siddiqui, DSVP
175, Jubilee Road, Chittagong -4000
Phone: 880 (31) 616506, Mobile : 01713-100891,
email: hob_jrb@reliance.com.bd

COX'S BAZAR

Mr. Md. Nurul Anwar, AVP
1065, Bazar Ghata Main Road, Cox's Bazar-4700
Phone: 880 (341) 64892, Mobile: 01713-440989,
email: hob_cox@reliance-bd.com

COMILLA

Mr. Md. Nurul Haque, VP
69/61, Nazrul Avenue (3rd floor), 2nd Kandirpar,
Comilla-3500. Phone: 880 (81) 69617,
Mobile: 01711-032504, email: hob_com@reliance-bd.com

RAJSHAHI DIVISION

RAJSHAHI
Mr. Kazi Abdul Bari, VP
38, Kumarpara Chaulpatty (2nd floor), Shahebbazar,
Rajshahi-6000. Phone: 880 (721) 773364,
Mobile: 01713-209667, email: hob_raj@reliance-bd.com

BOGRA
Mr. Md. Mahbub Alam, DGM (Mkt.)
Chowdhury Mansion, Kazi Nazrul Islam Sarak, Borogola,
Bogra-5800. Phone: 880 (51) 65828, Mobile: 01733-130033, email: hob_bog@reliance-bd.com

PABNA
Mr. Md. Ashraful Alam Mamun, Dy. Manager (Mkt.)
Haque Super Market, A. Hamid Raod, Pabna
Phone: 880 (731) 66073, Mobile: 01713-440958,
email: hob_pbn@reliance-bd.com

SIRAJGONJ
Mr. Md. Shariful Islam, Asstt. Manager (Mkt.)
Alam Plaza, S.S. Road, Sirajgonj-6700
Phone: 880 (751) 63350, Mobile: 01730-351425,
email: hob_srj@reliance-bd.com

RANGPUR DIVISION

RANGPUR
Mr. Md. Nurul Haque, Sr. Manager (Dev.)
Station Road, Rangpur-5400
Phone: 880 (521) 63221, Mobile: 01718-009937,
email: hob_rng@reliance-bd.com

THAKURGAON
Mr. Md. Soyef Ali, DVP
S.M. Ali Road, Thakurgaon-5100
Phone: 880 (561) 52323, Mobile : 01713-440997,
email: hob_thk@reliance-bd.com

DINAJPUR
Mr. Md. Golam Mostafa, Manager (Dev.)
Charu Babur More, Khettri Para, Dinajpur-5200
Phone: 880 (531) 63308, Mobile: 01711-593727,
email: hob_din@reliance-bd.com

KHULNA DIVISION

KHULNA
Mr. Md. Alamgir Hossain Khandaker, DSVP
141, Sir Iqbal Road, Khulna-9000
Phone: 880 (41) 725475, Mobile : 01730-033001, email: kln_alamgir@reliance-bd.com

JESSORE
Mr. Md. Harun Al Rashid, DSVP
7, Garikhana Road, Jessore-7400
Phone: 880 (421) 68523, Mobile: 01713-440990,
email: jes_harun@reliance-bd.com

KUSHTIA
Mr. Swapan Kumar Nag Chowdhury, AVP
Lovely Tower, 55/1, N.S. Road, Kushtia 7000
Phone: 880 (71) 71384, Mobile: 01713-400508,
email: hob_kus@reliance-bd.com

NOAPARA
Mr. S. M. Rafiqul Alam, DGM (Dev.)
Rahim Tower (2nd floor)
Station Bazar, Noarapa, Jessore
Mobile: 01713-400988, email: hob_npr@reliance-bd.com

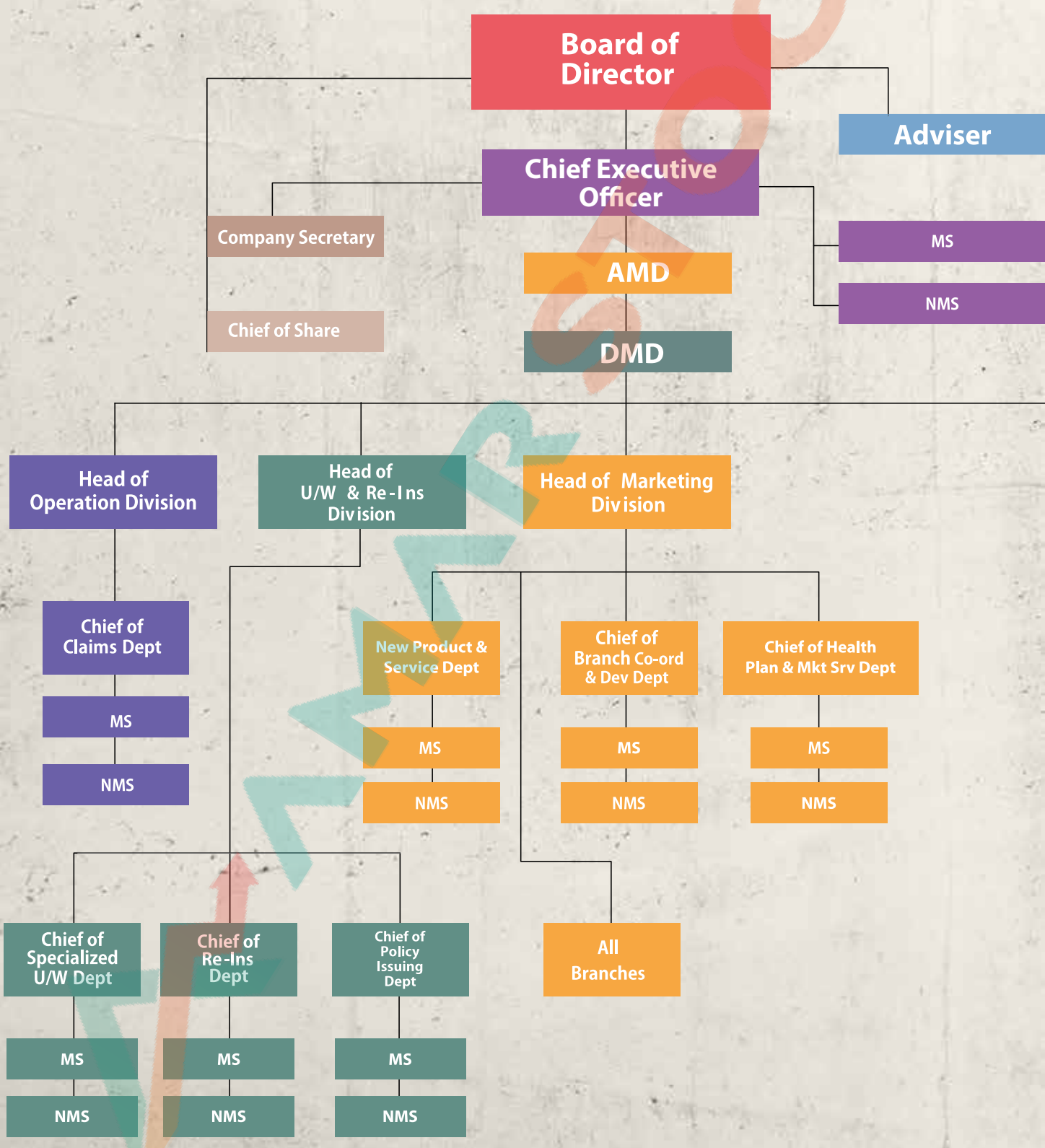
MYMENSINGH DIVISION

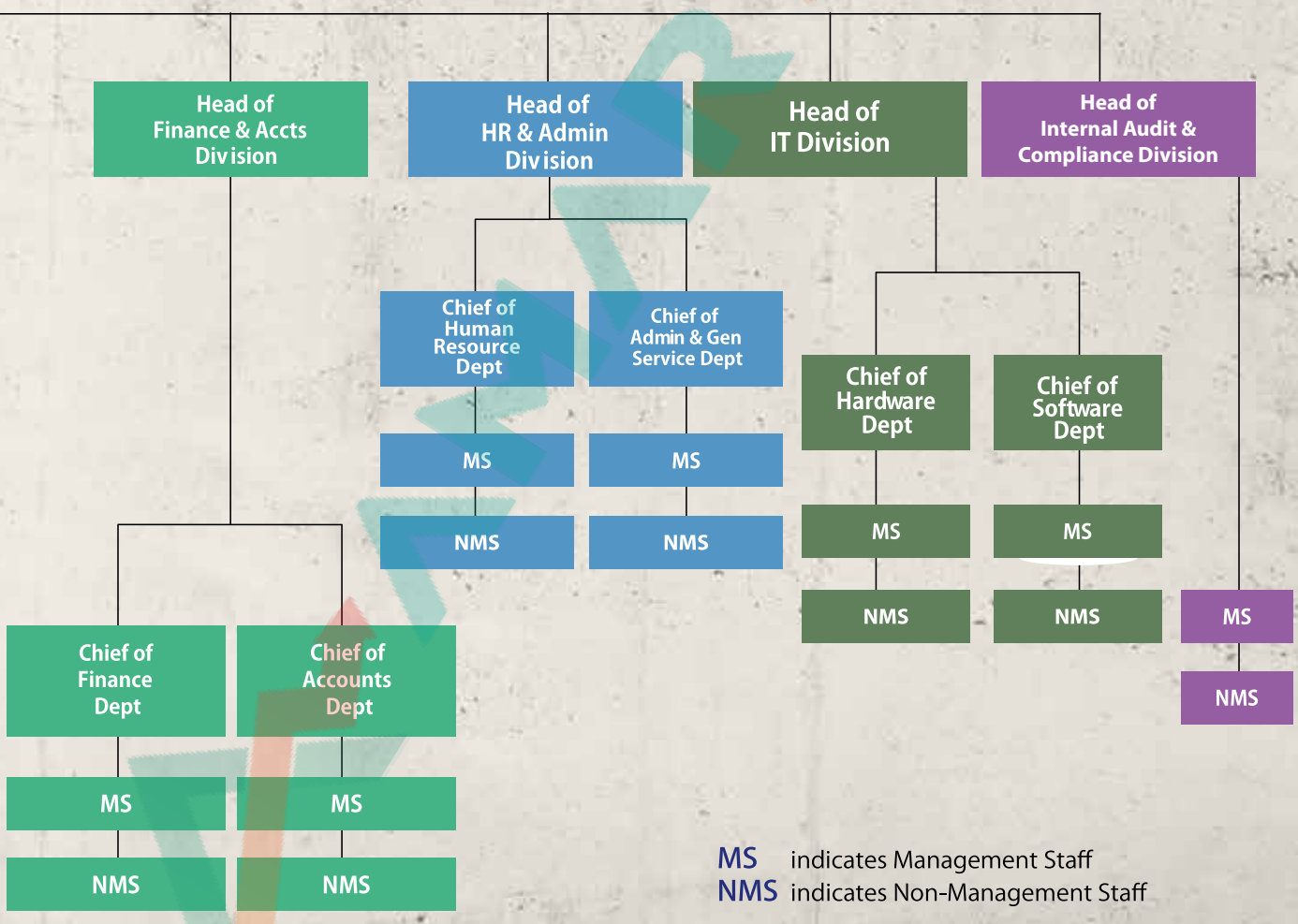
MYMENSINGH
Mr. Md. Halimuzzaman, AVP
19, G. K. M. C. Saha Raod, (2nd floor), Chotto Bazar,
Mymensingh. Phone: 880 (91) 51432,
Mobile: 01718-353666, email: hob_myn@reliance-bd.com

SYLHET DIVISION

SYLHET
Mr. Abul Faiz Chowdhury, Manager (Dev.)
Karimullah Market (5th floor), Bandar Bazar, Sylhet-3100
Phone: 880 (821) 724767, Mobile: 01713-440999,
email: hob_syl@reliance-bd.com

ORGANIZATIONAL CHART





MS indicates Management Staff
NMS indicates Non-Management Staff

REVIEW OF CHAIRMAN, CEO & DIRECTORS' REPORT

At the forefront of our entire operational periphery, our leaders truly define our triumph. Their adroit policy formulation and competence in aligning the business to market appetite allowed us to undergo our journey beyond 3 decades and inspires us to progress further.





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REVIEW OF THE CHAIRMAN

It is with great pleasure that I welcome you all to the thirtieth Annual General Meeting (AGM) of Reliance Insurance Limited As we step into the 30th year of successful business operation Reliance Insurance Limited can proudly assert that it has persistently strived to achieve optimum value index for its shareholders from the very onset of this enterprise.



SMARTSTOCK

Dear Shareholders,
Ladies and gentlemen,

It is with great pleasure that I welcome you all to the thirtieth Annual General Meeting (AGM) of Reliance Insurance Limited and place before you Company's Financial Statements and performance for the year 2017. As we step into the 30th year of successful business operation, Reliance Insurance Limited can proudly assert that it has persistently strived to achieve optimum value index for its shareholders from the very onset of this enterprise. Fostering superior corporate governance and balancing out growth, profitability, and risk to maximize intrinsic value for the enterprise, Reliance has remained a testimony of growth spread across three decades. In succession, the year 2017 denotes yet another triumphant year of operation. As we have steadfastly continued with our policy to act as a responsible steward of our shareholders' capital by analyzing opportunities in light of their ability to deliver profitable growth at an appropriate level of risk, we remain thankful to you and all other stakeholders for extending their ceaseless support to the Company.

In line with accelerating economic growth of the country, the company maintained sustained momentum. Although it must be acknowledged that the gross Premium growth of 3.5% in 2017 was somewhat subdued when compared to previous years, this was due to prevailing market conditions and extremely competitive environment. During the year 2017, Gross Premium income attained was Taka 2,572.67 million as against Taka 2,486.90 million in 2016. We record with gratitude the contribution to this growth made by all of our clients: local corporate, in-house, multinational and sundry entities.

There was an impressive increase of 37.2% in underwriting profit to Taka 378.89 million as opposed to Taka 276.16 million in 2016, Investment income also increased by 13.6% to Taka 325.4 million from Taka 286.5 in 2016 although rate of FDR had reduced.

The net pre and post-tax operating profit was Taka 630.47 million and Taka 458.96 million respectively, showing increase of 27.5% and of 28.29% respectively over the preceding year. The Company continues with its efforts towards diversifying its business portfolio by advocating for medium and smaller clients; thus achieving a desirable spread of business fundamental to the growth of insurance industry. This is demonstrated by the fact that the Company's Premium income emanating from sundry clients increased by 15.9% during 2017

Reliance is working on launching new products and services, particularly of personal lines business. The newly introduced Health Insurance portfolio is reporting satisfactory growth. We are actively pursuing unconventional lines of businesses such as liability and Bankers Blanket Bonds (BBB).

We have always emphasized on professionalism and relied on the dynamism instilled through our highly qualified personnel, who have rendered dedicated services over the years and moved the Company forward to reach its current stature. We believe that our skilled manpower is dedicated towards responding to customers' requirement with utmost transparency and conviction. Therefore, fostering apposite human resources remains one of our key priorities to be able to serve customers better and establish competitive edge over our entrants. We paid equal attention in launching our latest IT infrastructure and stretched network coverage to its optimum capacity.

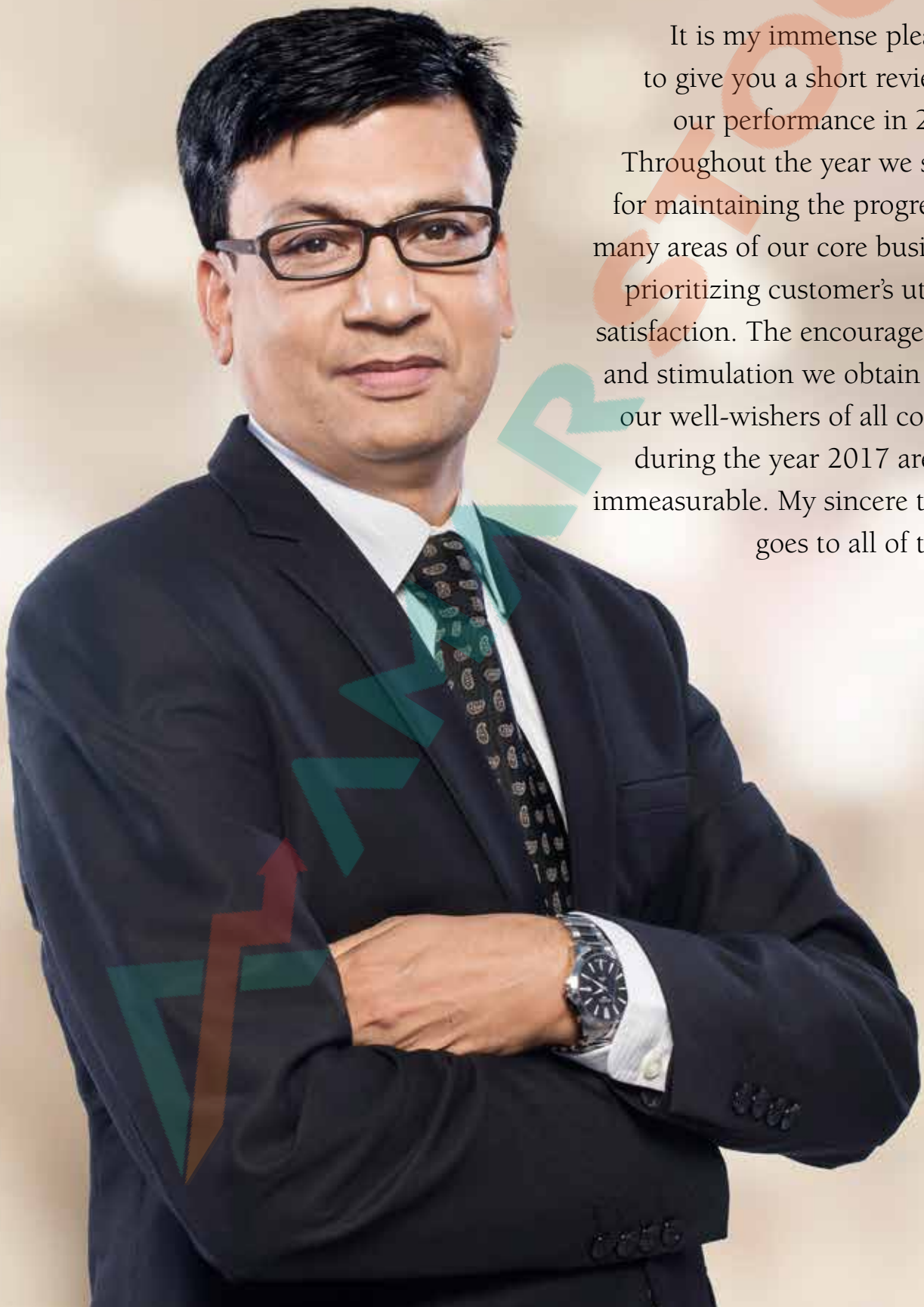
Dear Shareholders, reassured by our remarkable track record; we believe that the Company is poised to surmount the challenges of the future and retain the momentum for business growth in years to come. We are most obliged and appreciative of the unrelenting support and patronage received from our clients and shareholders; as we look forward to the continuation of the same. In particular, I would like to thank the Banking authorities with whom we have extensive dealings; along with the Regulators, Stock exchanges of Dhaka and Chittagong, BSEC, Sadharan Bima Corporation and Government bodies for their incessant co- operation and support. Based on the operating profits for 2017, we have proposed a dividend of 25% in the form of 10% Bonus shares and 15% cash dividend. With the addition of proposed Bonus share, the Paid-up capital of the company will arrive at Taka 95.6 crore, the highest among non-life insurance companies in Bangladesh

I would like to convey my sincere gratitude to my fellow Directors for their support and co-operation. The diligence of the management team and the staff paid dividends, drawing the Company forward and delivering excellent results. I would like to record our deepest appreciation of their dedicated and unflinching services and convey our thanks to all of them.



Rajiv Prasad Shaha
Chairman

REVIEW OF THE CHIEF EXECUTIVE OFFICER



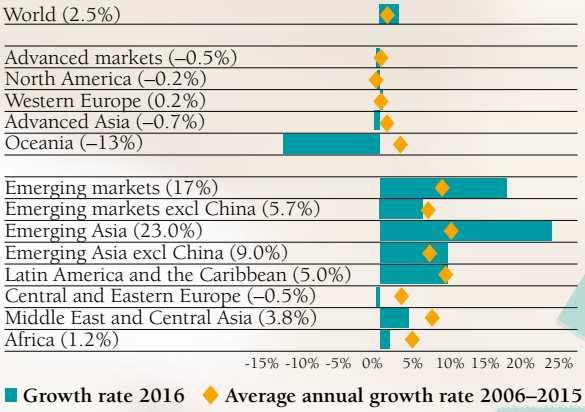
It is my immense pleasure to give you a short review of our performance in 2017. Throughout the year we strive for maintaining the progress in many areas of our core business, prioritizing customer's utmost satisfaction. The encouragement and stimulation we obtain from our well-wishers of all corners during the year 2017 are just immeasurable. My sincere thank goes to all of them.

An impression of our performance in 2017

It is my immense pleasure to give you a short review of our performance in 2017. Throughout the year we strive for maintaining the progress in many areas of our core business, prioritizing customer's utmost satisfaction. The encouragement and stimulation we obtain from our well-wishers of all corners during the year 2017 are just immeasurable. My sincere thank goes to all of them.

Our progress and world's non-life market

In spite of the downturn of the insurance market of Bangladesh, we managed to achieve 3.5% growth while our net premium income grows @ 29.2%, which is presumably the highest in the non-life segment of the market we play around.



Source: Swiss Re Institute.

Furthermore; our underwriting profit grows @ 37.2%, the rarest in the history of our market segment. Our most premium generating portfolios are Fire, Marine, Motor and Miscellaneous. With a view to generating significant premium from other niches, we are also trying our level best making use of our underwriting capabilities.

Items	2016	2017	Trend
Gross Premium	2,486.89	2,572.67	3.5% ↑
Net premium	958.29	1,237.65	29.2% ↑
Profit before tax	494.66	630.47	27.5% ↑
Profit after tax	357.75	458.96	28.3% ↑
Underwriting Profit	276.16	378.89	37.2% ↑
Investment income	286.55	325.44	13.6% ↑

Improving our core competency

Our competitive advantages are derived from diversification of customer base, innovation of products, and expanding geographical position. From this year we boldly step into liability classes of business as a part of our introducing new products program to cater for the changing needs of today's and future SME (short and medium enterprise) customers.

In our way to settle every valid claim in a shorter span of time, we attempt to improve our core competency in claims management because we want to reflect in our every dealing that insurers must be the ones who are in the business of indemnifying policyholders when misfortunes do strike.

Managing operational risks

Our business is subject to operational risks such as direct or indirect loss resulting from human error, failure of internal and external system since we are involved in a large number of complex transactions with clients, brokers and reinsurers.

Therefore; we pay due heed to the risk improvement practices, and employ a range of risk mitigation strategies based on evaluation and monitoring on an ongoing basis, of course in accordance with the stated risk appetite. For developing frameworks, we support by considering following underwriting perspectives:



Top 10 most dangerous risks in 2017:

1. Cybersecurity/cybercrime (operational risk)
2. Pricing and product-line profit (insurance risk)
3. IT / systems / technology gap (operational risk)
4. Competition (strategic risk)
5. Underwriting (insurance risk)
6. Legislative & regulatory (operational risk)
7. Investment market risk (investment risk)
8. Strategic direction/opportunities missed (strategic risk)
9. Natural catastrophe (insurance risk)
10. Emerging risks (unknown type of risk)

Responsibility in the nation-building activities

We also recognize our corporate social responsibility in the nation-building activities. In this connection we are also working for promoting the public awareness about the socio-economic role of insurance and thus for improving insurance penetration rate in the country for sustainable development of the sector.

Philosophy of human capital development

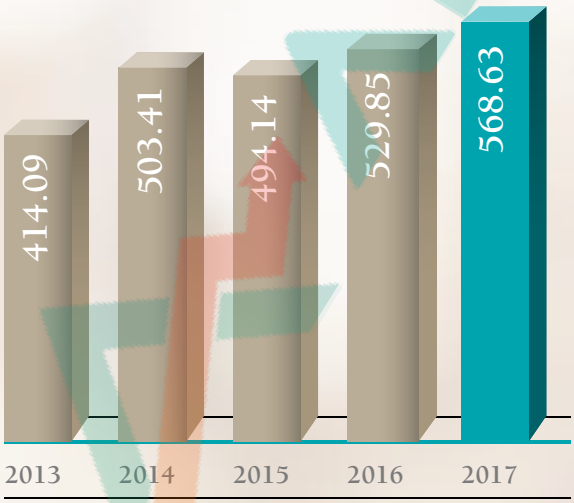
Being financial service providers, we invest in human capital development in addition to our investment in information technology. Our philosophy is that ICT investment can provide us advantages for a certain period of time, and it can easily be imitated. But it is human capital development, which provides us with real competitive advantages over the years.

Thus we arrange congenial environment to our staffs for ensuring self-motivation in discharging responsibilities in most professional manner. In addition to our in-house and overseas training program in the year 2017, we have successfully established a full-fledged internal training institute for the professional development of our employees.

In-house Medical Consultancy

Healthy Employee is Happy Employee. We firmly believe in this very saying. In order to keep our employees healthy, we have an in-house Medical Consultant who sits at our Head Office on a weekly basis, and provide free consultation. Furthermore; for ensuring peace of mind of our employees, we offer Health Insurance Policy, Hospitalization Policy and Employee Welfare Fund for our employees and their family members.

CONTRIBUTION TO THE NATIONAL EXCHEQUER AND TO THE ECONOMY



Contribution to national exchequer

Reliance generates valuable revenues for Government. We make significant contribution to Government each year by payment of Tax, VAT, Stamp duty etc. In the 2017, we paid 568.63 million to the national exchequer, which has made Reliance as the highest tax paying non-life insurer.

By employing people we create an economic impact. As of December 31, 2017, we employed as many as 348 employees to whom Reliance has paid a total amount of Tk. 265.71 million as the salary and allowances. Employees paid Tk. 12.07 million as taxes to the NBR. Moreover; Reliance has been giving higher dividend to its shareholders, placing it among the top ranking non-life insurers.

Regulatory compliance

Compliance to regulations introduced by "Insurance Development and Regulatory Authority (IDRA)" is our top priority. It is our strength, which facilitates good corporate governance, and adequate service levels, brining sustainability. We also abide by the regulatory changes made by Bangladesh Banks and Bangladesh Securities and Exchange Commission.

Many thanks to all of you

In fine, I would like to express my sincere thanks to my colleagues and stakeholders for their dedication and commitment throughout the year. I believe all of you would continue to extend whole-hearted support as well as co-operation to uphold Reliance as a Top Insurer.

Last but not the least; I am really grateful to our honorable Board of Directors who guided me by sharing their experienced insights and wisdom. As a proud member of Reliance Family, we here take an oath for adding value to our customers and shareholders with devotion and dedication in the coming days. Above all, it is professionalism, which should be our way of life at Reliance as our saga of 29 years excellence proudly talks of.



Md. Khaled Mamun
Chief Executive Officer

DIRECTORS' REPORT TO THE SHAREHOLDERS

FOR THE YEAR ENDED 31ST DECEMBER 2017

Dear Shareholders,
Ladies and Gentlemen,

We are delighted to welcome you all to the Thirtieth Annual General Meeting of Reliance Insurance Limited and also place before you the Directors' Report along with the Audited Financial Statements and the Auditors' Report for the year ended 31st December 2017 for your kind review and approval.

Before reviewing the performance of our Company in 2017, it may be appropriate to briefly review the Global economy, Bangladesh economy and take stock of the situation prevailing in the insurance sector of the country. After all, Insurance industry, particularly the non-life segment of insurance business, is closely associated with the traits of the economic developments of a country.

Global economy

According to International Monetary Fund (IMF), the global economic growth, which was 3.6% in 2016, is projected at 3.7% in 2017 and 3.9% in 2018, of which advanced economies will grow at over 2%, the U.S. growth forecast has been raised from 2.3 percent to 2.7 percent in 2018; and the emerging markets and Developing countries at 6.5 percent over 2018 and 2019 years. Meanwhile ADB has made its growth forecast for developing Asian countries at 5.9 per cent in 2017 and 5.8 per cent in 2018. With a growth rate of over 7%, Bangladesh falls in the category of one of the countries with highest growth rate in 2016.

Global insurance perspective

In 2016 the world insurance premium stood at US$ 4,732.2 billion, out of which US$2,617.0 billion is attributable to life insurance and US$2,115.2 billion to non-life Insurance. Global insurance industry showed an overall growth rate of 3.1% in 2016 with life and non-life insurance contributing 2.5% and 3.7% respectively. Emerging markets' and advanced market total premiums were up 14% and 0.7% respectively in the same period.

Bangladesh perspective

According to Bangladesh Bank, the country's economy is estimated to grow at 7.3% in FY 2017 and is projected to grow at 7.4% and 7.6% in FY 2018 and FY 2019 respectively.

The growth of Non-life insurance companies' premium income in Bangladesh in 2016 was 4.7 percent, as against 8% in the previous year. In the non-life insurance sector, 46 private insurers and 1 state-owned corporation have earned TK 27,267 million in 2016. This is rather disappointing because the – Insurance industry has not been able to keep pace with the economic growth of the country and the present growth rates compare rather unfavourably with growths in developing countries in Asia and elsewhere. We have had double digit growth in non-life insurance sector in the past up to the year 2012. On a closer look, it becomes evident that the industry did not have any real growth. Non-life insurance penetration rate (insurance premium as a percentage of GDP) has shrank from 0.25% in 2009 to 0.20% in 2016.

Our insurance markets continue to be overcrowded when compared with our neighboring countries. Consequently, the situation in Bangladesh non-life market has continued to worsen due to the intense and cut throat competition among the existing market players.

Thus the facts we mention so far depict a gloomy picture for the market. It is simply not rational and is an unacceptable situation that the Insurance markets should go backward when the country's economy, notwithstanding many problems and issues, is moving forward with reasonably good rate of growth of above 7%. Ideally, Bangladesh insurance market has every potentiality to grow in high double digits, by tapping the hitherto untapped segments of the market.

Public and consumers' perception

It is pertinent to mention that the regulatory reforms which started with the introduction of the Insurance Act 2010 are yet to be implemented as the important regulations under the Act, governing important aspects like solvency margin, investment, management expenses, reserving, have not yet been put in place. The absence of important regulations continues to create a state of vacuum and resultantly it seems to us that the insurance

sector is still largely governed by the old Act i.e. Insurance Act 1938. Bangladesh is still one of the very few remaining tariff markets in Asia. So, it is obligatory for insurance companies to charge premium rates as determined by the Central Rating Committee (CRC) of IDRA, the regulator. However, although the process of reviewing the tariffs rates have already started in the light of up dated loss experience obtaining over the years, this need to be completed, otherwise many clients tend to feel that they are being overcharged. This has further negatively impacted on the public perception of the insurance industry at large, thereby hindering its growth. Bangladesh non-life insurance industry has been continuing to be one of the smallest in the world (holding 69th position in the world ranking).

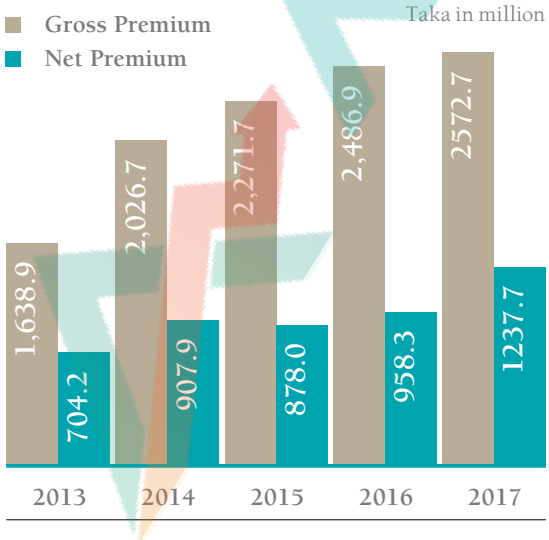
The future progress of Bangladesh Insurance industry predominantly depends on how the consumers' perception of insurance as a useful and efficient vehicle of risk transfer can be bolstered. This can be achieved through sustained efforts of the industry as well as the Regulators towards restoring public confidence by providing efficient services, honoring insurance policy obligations, introducing new products and by rationalizing the pricing mechanism.

Now let me introduce you to the various performances, company profile and the overall activities of our Company:

PRODUCT WISE PERFORMANCE OF THE COMPANY

Pictorial presentation on product-wise performance of the Company along with comparable information from the earlier years are presented below:

Premium Development - Gross & Net

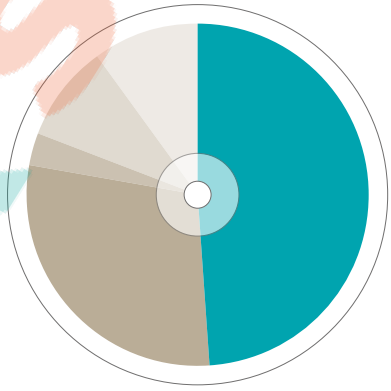


Taka in million

Class	Gross Portfolio		Net Portfolio	
	2017	2016	2017	2016
Fire	1257.6	1315.7	300.5	256.2
M. Cargo	745.2	550.9	603.3	388.6
M. Hull	81.3	75.5	19.5	5.9
Motor	228.5	214.8	225.2	210.0
Misc.	260.0	330.0	89.2	97.6
Total	**2572.7**	**2486.9**	**1237.6**	**958.3**

Class Wise Premium Income-2017

Percentage



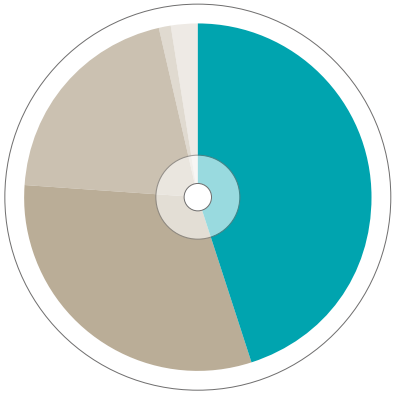
Fire 49%
M. Cargo 29%
M. Hull 3%
Motor 9%
Misc. 10%

Breakdown of Premium income — Taka in million

Sources	2017		2016		Growth 2017 over 2016 (%)
	Amount	%	Amount	%	
Multinational	968.3	37.7	1,009.1	39.3	-4.0
Local Corporate	680.34	26.4	649.6	25.3	4.5
In-House	431.7	16.8	403.1	15.7	7.1
Sundry	443.4	17.2	382.7	14.9	15.9
PSB	48.9	1.9	42.5	1.7	15.1
Total	**2,572.7**	**100**	**2,486.9**	**100**	**3.5**

Source of Business-2017

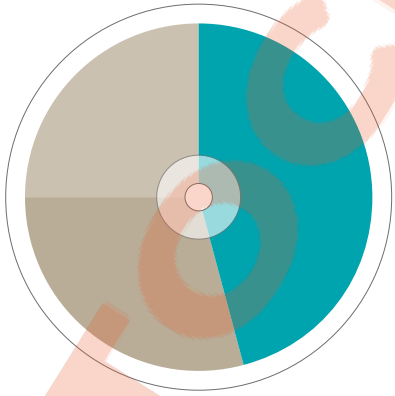
Percentage



- Multinational 38%
- Local Corporate 26%
- In-House 17%
- Sundry 17%
- PSB 2%

Assets

Percentage



- Share & Debentures long term 46%
- Cash at bank 29%
- Fixed assets and other 25%

Invested assets

Taka in million

	2017	%	2016	%
Share & Debentures				
Long term	3050.6	43.7%	1771.8	31.4%
Current	195.6	2.8%	279.5	4.9%
Total:	**3246.3**	**46.5%**	**2051.3**	**36.3%**
Cash in Bank	2010.9	28.8%	1960.7	34.7%
Fixed assets and other	1,718.2	24.6%	1,638.1	29.0%
Total:	**6975.4**		**5650.1**	

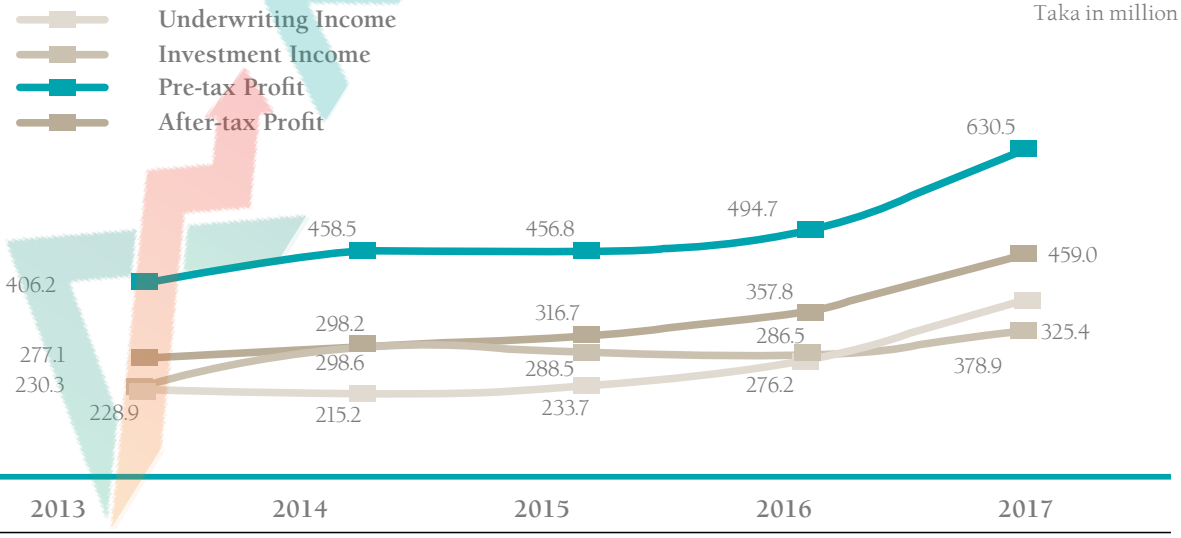
Investment income

Taka in million

	2017	%	2016	%
Interest	149.2	7.1%	163.4	3.8%
Dividend	115.4	15.4%	78.2	8.3%
Others	60.9	8.1%	44.9	2.7%
Total	**325.4**	**11.4%**	**286.5**	**5.1%**

Financial Results

Taka in million



RISKS AND CONCERNS

As an entity engaged exclusively in the business of insurance, Reliance obviously has to face risks of diverse nature. No doubt, a good number of which are peculiar to the Insurance industry. It also has to counter the concerns arising out of the adverse developments in the industry and economic arena. These factors can be summarized as follows: strategic risks, underwriting risks, reinsurance risks, reserving risks, investment risks, liquidity risks and socio-politico-economic risks. The Company monitors such risks from time to time, continues to keep abreast of relevant developments and take corrective and/or preventive measures as and when necessary to protect its interests to the fullest extent.

RISK MANAGEMENT

Risk management ensures an integrated, pre-emptive approach to managing current and emerging threat.

RELATED PARTY TRANSACTIONS

Reliance Insurance Limited, in normal course of business, carries out a number of transactions with other entities that fall within the definition of related party contained in Bangladesh Accounting Standard 24: Related Party Disclosures. All transactions involving related parties arising in normal course of business are conducted on an arm's length basis at commercial rates on the same terms and conditions applicable to the third parties. Details of transactions with related parties and balances with them, as at December 31, 2017, are shown in notes to the financial statements.

REMUNERATION PAID TO DIRECTORS INCLUDING INDEPENDENT DIRECTORS

During the year under review, the Company paid total Tk. 0.637 million to the Directors including Independent Directors as remuneration. Details of the Directors' attendance record are shown in Annexure-III.

INFORMATION TECHNOLOGY

Reliance has been able to successfully build up its own IT Division, manned by highly experienced and trained professionals, working on maintaining and developing the company's IT infrastructure. The IT professionals are constantly innovating and producing in-house programs to meet the needs of the company's ever increasing and diversified products and services. The IT division has successfully implemented a Wide Area Network (WAN) to connect the entire branch offices situated all over the country on real time basis, thereby providing seamless connectivity and prompt customer services. We have also acquired a new high configured server for running our oracle 10g application server to build-up three tier applications and hardware architecture.

We have upgraded our oracle Front End Application from 6i to 10g web version, together with migration into three tier systems (like client >> application server >> database server). As a result, our CIIS software can be accessed from anywhere through any web browser, resulting in reduction of connectivity cost significantly.

The Company aims at selling its products, particularly of personal lines business, through internet in the near future when the regulatory aspects make this possible. .

HUMAN CAPITAL MANAGEMENT

Reliance has always emphasized on professionalism and development of appropriate human resource management policies and practices to enhance the quality of its employees, and to ensure their optimum contribution towards the achievement of corporate goals. At Reliance, we believe that our Human Resources (HR) gives the organization a significant competitive edge in terms of knowledge and experience. The Company has continued its policy of recruiting the best people and implementing programs to develop and retain high quality human resources. In line with this Policy, the need-based internal and external training at both home and abroad is regularly and systematically arranged. The Company also ensures competitive compensation and rewards including employee's health and safety to assure their retention and provide job satisfaction.

CORPORATE GOVERNANCE

Awareness of Corporate Governance has grown rapidly worldwide in recent years due to increased legislative and regulatory activities as well as evolving best practice recommendations.

As a leading insurance company in Bangladesh led by professional people, Reliance Insurance Limited is committed to adopt the highest governance standard and adjusting them as required in protecting the interest of shareholders and policyholders.

Good corporate governance system is vital for efficient and effective business operation to achieve the set goals. In line with the best practice, the corporate governance systems and practices in Reliance are designed to ensure adequate internal control, transparency and accountability in the day to day operational process in operational process. The Board of Directors always puts emphasis on the point that the company conducts itself as a good corporate entity and comply with corporate behavior and guidelines as well as adherence to rules and regulations, etc. It also ensures that duties and responsibilities are appropriately segregated between the Board and the Management to provide sufficient check and balance and flexibility for smooth business operations. The Board provides leadership and direction to the Management, approves strategic decision, make major policies and oversees Management role to attain predetermined goals and objectives of the company.

CORPORATE SOCIAL RESPONSIBILITY

The Company has continued its endeavours to deliver economic and social benefits to the community in discharge of its CSR. and has extended financial assistance to Management and Resources Development Initiative (MRDI), Bangladesh Thalassemia Hospital (BTH), Disabled Child Foundation (DCF), TMSS Nursing College (TNC), Society for Education, let's do foundation and Inclusion of the Disabled (SEID) Trust.

CREDIT RATING

Credit Rating Information and Services Limited (CRISL) has reaffirmed the Claim Paying Ability (CPA) Rating of the Company "AAA" (Pronounced as Triple A) based on the financial reports up to December 31, 2016 and other relevant qualitative and quantitative information up to the date of reporting on December 4, 2017. The reaffirmation effectively reflects Reliance's excellence in prudent underwriting and financial performance, substantial market share and franchise value, good solvency, state of-the-art-IT infrastructure, quality reinsurance arrangement with Sadharan Bima Corporation (SBC) and with top rated foreign reinsurers, significant business exposure from multinational clients. Details of the rating as follows:

	Claim Paying Ability
CPA Rating	AAA
Outlook	Stable
Date of Reporting	December 4, 2017

CORPORATE AND FINANCIAL REPORTING FRAMEWORK

The Directors, in accordance with BSEC Notification No. SEC/ CMMRCD/ 2006 – 158 /134/Admin/ 44 dated August 7, 2012 confirm compliance with the financial reporting frame work for the following

We report that:

I. The financial statements prepared by the management of the company fairly present its state of affairs, the operational result, cash flows and changes in equity.

II. Proper books of account of the company have been maintained.

III. Appropriate accounting policies have been consistently applied in preparation of the financial statements and that the accounting estimates are based on reasonable and prudent judgment.

IV. International Accounting Standards (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.

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

VI. There is no significant doubt about the company's ability to continue as a going concern.

VII. There is no significant deviation from last year in operating result of the company.

VIII. The key operating and financial data of preceding five years have been provided in annexure –II.

IX. The number of Board meetings held during the year 2017 and attendance by each director are shown in annexure-III.

X. As on December 31, 2017, shareholdings pattern of the Company is shown in annexure-IV.

XI. A brief resume of the Directors along with other necessary particulars are show in annexure –V.

DIRECTORS

In terms of the Article 114 of the Articles of Association, the under-noted Directors from Group A shareholders retire from office, but being eligible they offer themselves for re-election.

1.	Prof. Mohammad Abdullah
2.	Mr. Shamsur Rahman
3.	Mr. Imraz Faiz Rahman

In accordance with the same provisions, two Directors from Group B shareholders retire from office, and as required by Insurance Rules, 1958, election of Directors from public shareholders will be held in the said Annual General Meeting. The necessary notice for election of Directors from public shareholders will be sent in due course.

AUDITORS

As per BSEC guidelines, the auditors of the Company, Zoha Zaman Kabir Rashid & Co., Chartered Accountants, will not be able to qualify for re-appointment. A resolution will be placed in the meeting for replacement of Zoha Zaman Kabir Rashid & Co., Chartered Accountants, as per recommendation by the audit committee.

PROFITABILITY OF THE COMPANY

Reliance has performed with consistent profitability over the years, as may be observed from the statistical figures. It's underwriting and investment incomes have always complemented each other, and thereby produced one of the most attractive returns in the non-life insurance industry of the country. Considering that the business of insurance is essentially a risk taking business and hence vulnerable to fluctuations, Reliance follows a conservative policy – both in matter of insurance underwriting and investments to safeguard the interests of the Company in the long run.

OPERATING RESULT OF THE COMPANY

> During the year 2017, Reliance attained Gross Premium income of Taka 2,572.7 million as against Taka 2,486.9 million in 2016 – an increase of 3.5%, Net Premium income attained was Taka 1237.7 million as against Taka 958.3 million in 2016 – an increase of 29.15%. The modest growth in Gross Premium income is attributable to overseas reinsurance rate reduction and loss of a few large Accounts/ reduction in participation. However, the net Premium income growth shows a healthy and impressive growth of 29.15%

> Underwriting profit achieved was Taka 378.89 million as against Taka 276.16 million in 2016 – an increase of 37.2%

> Investment income was Taka 325.4 million as against Taka 286.5 million in 2016– an increase of 13.58%.

> Net pre-tax profit stood at Taka 630.47 million (before adjustment) as against Taka 494.66 million in 2016, an increase of 27.5%

> Net after tax profit amounts to Taka 458.96 million as against Taka 357.75 million in 2016, an increase of 27.5%

Some important statistics relating to the performance of the company in the year 2017 are shown at Annexure -I.

Our future outlook

We will continue to implement our projects so far undertaken and deliver value to our clients and other stakeholders in 2018 and onwards. We are confident enough that the underlying strengths of the Company - our diversified business approaches, strong geographical position across all market segments, innovative products and highly efficient claims processing - will surely pave the way for meeting our goals and further entrenching our leadership position in the market.

Reliance has name and fame for providing various types of non-life insurance products for its valued customers. To keep pace with the trends of the Asian Insurance Market, Reliance has been working for the inclusions of Hajj Insurance, Micro insurance, healthcare related insurance, travel insurance, need-based takaful insurance and extended warranty insurance in its product line.

In addition to the above named non-life insurance products, Reliance Insurance Limited also has been planning to introduce insurance solutions like extended warranty insurance, migrant workers' insurance, crop insurance, livestock insurance, Bancassurance, consumer goods (gadgets) insurance and cyber security insurance with a view to addressing the customers' need.

FINANCIAL RESULTS & APPROPRIATION

We are pleased to report that due to effective underwriting, marketing, appropriate portfolio issue, technically sound reinsurance arrangements and effective monitoring, Reliance has been able to achieve very good financial results in 2017. Taking into consideration of the company's financial needs and the shareholders' short as well as long term interests, the Board of Directors recommends the appropriation of after-tax profit of Tk. 458,958,391 as follows:

Amount in Taka

Reserve for Exceptional Losses (10% of Net Premium)	123,764,518
Dividend @ 15% Cash and 10% Stock (Total 25%)	217,274,975
Balance transferred to Retained Earnings	117,918,898

ACKNOWLEDGEMENT

On behalf of the Board of Directors, I would like to express my heartfelt gratitude to all of our stakeholders including valued clients, Reinsurers and well-wishers at home and abroad for the trust they all have had on us and for extending their unreserved support in discharging the responsibilities reposed on me and the Board during the year under review.

I also thank the Insurance Development & Regulatory Authority (IDRA), Registrar of Joint Stock Companies and Firms, Bangladesh Securities and Exchange Commission, Government and Non-Government Organizations, Sadharan Bima Corporation, Dhaka and Chittagong Stock Exchange, Bangladesh Insurance Association and all the scheduled Banks and Leasing Companies for their sincere support and whole-hearted co-operation.

The Board also acknowledges with thanks, the contribution made by the honorable Directors by guiding and giving proper directions from time to time which has made Reliance a hallmark in general insurance industry of Bangladesh.

The Directors also take the opportunity to express their sincere appreciation for the contributions made by the executives and members of the staff for their diligent and praiseworthy efforts in ensuring continued progress of the company as well as their efforts towards putting Reliance among the top insurance companies in Bangladesh. Without their dedicated and loyal services the company could not have achieved this result.

Thank you all.

For and on behalf of the Board of Directors



Rajiv Prasad Shaha
Chairman

SUMMARY OF ACCOUNTS 2017

Summary of Accounts information is very important. By this summary information, investors and creditors use to evaluate company's business and investment performance at a glance. Summary information are also important to the company's managers because by publishing summary information, management can communicate with interested outside parties about its accomplishment running the company for the relevant year and previous year as well. As capital providers, investors and creditors rely on a company's financial conditions for both the safety and profitability of their investments. More specifically, investors and creditors need to know where their money went and where it is now. So they can confirm Company's business and investment position easily from the summary of Accounts.

(Taka in million)

Details	Fire	Marine Cargo	Marine Hull	Motor	Misc.	2017	2016
Gross Direct Premium	1,257.60	745.24	78.40	228.52	259.99	2,569.75	2,483.29
Gross R/I Premium	-	-	2.92	-	-	2.92	3.60
Total Gross Premium	**1,257.60**	**745.24**	**81.32**	**228.52**	**259.99**	**2,572.67**	**2,486.89**
Reinsurance Premium ceded	957.11	141.99	61.83	3.30	170.81	1,335.03	1,528.60
Net Premium	300.49	603.25	19.49	225.22	89.18	1,237.64	958.29
Net Premium Reserve retained	(17.73)	(85.87)	(13.56)	(6.10)	3.38	(119.88)	(27.71)
Net Earned Premium	282.77	517.38	5.92	219.13	92.56	1,117.76	930.59
Commission Paid	187.86	109.13	11.74	33.90	35.50	378.13	366.12
Net R/I Commission Earned	118.24	47.10	19.40	0.32	23.96	209.02	228.43
Management Expenses (Revenue A/C)	177.28	104.73	11.02	32.98	36.63	362.64	348.93
Management Expenses (P & L A/C)	-	-	-	-	-	73.85	68.05
Gross Incurred Claims	112.50	90.30	2.23	55.83	82.30	343.15	357.70
Net Incurred Claims	17.18	80.97	(0.58)	55.83	53.73	207.13	167.80
U/W Result	18.68	269.65	3.15	96.74	(9.34)	378.88	276.16
Investment Income (Before Tax)						325.44	286.55
Net Profit before tax						630.47	494.66
Return on Equity						18.18	16.38
Shareholders' fund						5,616.81	4,409.30

KEY OPERATING AND FINANCIAL HIGHLIGHTS

(Taka in Million)

Particulars	Terms	2017	2016	2015	2014	2013
Financial Position						
Total assets	৳	8,230.75	6,599.45	6,312.08	5,728.14	4,796.38
Investments	৳	3,246.26	2,051.37	1,859.69	1,766.04	1,301.27
Current assets	৳	3,266.28	2,910.00	2,924.54	2,573.95	2,110.21
Net current assets	৳	652.34	730.44	787.30	767.86	739.44
Cash & cash equivalents	৳	2,010.91	1,960.69	2,063.42	1,879.44	1,559.30
Net asset	৳	5,616.81	4,409.30	4,156.12	3,911.39	3,371.00
Current liabilities	৳	2,613.94	2,179.55	2,137.24	1,806.09	1,370.77
Total Reserve	৳	5,254.46	4,006.08	3,828.25	3,686.09	3,133.94
Operational Result						
Gross premium	৳	2,572.67	2,486.89	2,271.66	2,026.71	1,638.89
Net premium	৳	1,237.65	958.29	877.98	907.92	704.23
Net claims	৳	207.13	167.80	200.15	170.42	169.20
Underwriting profit	৳	378.89	276.16	233.71	215.22	228.88
Profit before interest, depreciation & tax	৳	661.15	523.36	484.16	483.92	428.06
Net profit before tax	৳	630.47	494.66	456.83	458.39	406.17
Net profit after tax	৳	458.96	357.75	316.67	298.18	277.06
Investment & other income	৳	325.44	286.55	288.49	298.56	230.26
Cash flow from operating activities	৳	107.75	44.14	198.19	316.09	286.10
Net operating cash flow per share	৳	1.24	0.56	2.88	5.29	5.51
Financial Ratio						
Stock dividend	%	10%	10%	15%	15%	15%
Cash dividend	৳	1.50	1.50	1.50	1.50	1.50
Earnings per share	৳	5.28	4.53	4.61	4.99	5.33
Return on shareholders' fund	%	18.18	16.38	16.43	17.53	18.71
Return on capital employed	%	20.80	19.24	19.98	22.11	23.04
Return on assets	%	5.58	5.42	5.02	5.21	5.78
Claim ratio	%	16.74	17.51	22.80	18.77	24.03
Price earnings ratio	Times	10.36	11.04	10.63	11.62	14.95
Solvency ratio	Times	4.54	4.60	4.73	4.31	4.79
Current ratio	Ratio	1.25:1	1.34:1	1.37:1	1.42:1	1.54:1
Debt equity ratio	Times	37.52	40.90	43.23	36.94	33.91
Gross profit ratio	Ratio	50.94	51.62	52.03	50.49	57.68
Dividend payout ratio	Ratio	47.35	55.21	65.09	60.12	56.29
Dividend yield	Ratio	4.57	5.00	6.12	5.17	3.76
Equity Statistics						
Paid-up capital	৳	869.10	790.09	687.04	597.42	519.50
Shareholders' equity	৳	5,616.81	4,409.30	4,156.12	3,911.39	3,371.00
Market value per share	৳	54.70	50.00	49.00	58.00	79.70
Net assets value per share	৳	64.63	55.81	60.49	65.47	64.89

BRIEF SUMMARY OF BUSINESS & OTHER RISKS AND MANAGING SUCH RISKS

Summary of business and other risks:

Non life insurance industry in 2017 was another challenging year because of modest premium growth, volatile financial market, low interests and various regulatory burdens. Insurance industry has not been able to walk at a steady pace with the economic growth of the country. Our non life insurance sector continues to be over crowed in comparison with our neighbour countries. The non life insurance market remains competitive because of existence of 46 privately owned insurers and 1 state owned corporation in this market.



Categories of risks:

Underwriting risk

Underwriting risk is defined as the risk of insured losses being higher than our expectations. The premium and reserve risks are significant components of the underwriting risk. Insurance underwriters evaluate the risk and exposures of the prospective clients to decide how much coverage the client should receive, how much they should pay for it, or whether to even accept the risk and insure them.

The function of the underwriter is to acquire or to "write"— business that will make the insurance company money, and to protect the company's book of business from risks that they feel will make a loss. In simple terms, it is the process of issuing insurance policies. More generally, the insurer's income is the result of numerous underwriting and decisions made by employees of the insurer. Each decision involves a consideration of the expected underwriting profit, the length of time that the reserve must be held, and the additional capital needed to protect the insurer's solvency. From the owner's perspective, the results of the individual underwriting decisions do not matter as long as the total income is large enough to provide a competitive return on the investment. But ultimately, the insurer must make individual underwriting decisions that contribute, in an actuarial sense, to its overall financial objectives.

Underwriting decisions would typically be influenced by PML (Probable Maximum Loss) evaluations, and the amount of reinsurance ceded on a risk would normally be predicated on the PML valuation. PML is the anticipated value of the largest loss that could result from the destruction and the loss of use of property, given the normal functioning of protective features (firewalls, sprinklers, and a responsive fire department, among others, in the case of a fire loss). This number is usually smaller than the maximum foreseeable loss, which assumes the failure of all protective features.

Credit risk

Credit risk is termed as the financial loss that the insurer could incur as a result of a change in the financial situation of a counter party, such as an issuer of securities or other debtor with liabilities

PSX

to the insurer. In addition to credit risks arising out of investments and payment transactions with clients, credit risk is assumed through the writing of insurance and reinsurance business, for example in credit and financial reinsurance. In assessing credit risk from a single counter party, an institution should consider two issues:

Default probability:

What is the likelihood that the counter party will default on its obligation either over the life of the obligation or over some specified horizon, such as a year? Calculated for a one-year horizon, this may be called the expected default frequency.

Credit exposure:

In the event of a default, how large will the outstanding obligation be when the default occurs? Recovery rate: In the event of a default, what fraction of the exposure may be recovered through bankruptcy proceedings or some other form of settlement?

Market risk

Market Risk is the risk of economic losses resulting from price changes in the capital markets including equity risk, general and specific interest-rate risk, property risk and currency risk. Market risk is the risk to an institution's financial condition resulting from adverse movements in the level or volatility of market prices of interest rate instruments, equities and currencies. It is usually measured as the potential gain/loss in a position/portfolio that is associated with a price movement of a given probability over a specified time horizon.

Market risk is that the value of an investment will decrease due to moves in market factors and the three standard market risk factors are:

Equity risk:

Equity risk is the risk that one's investments will depreciate because of stock market dynamics causing one to lose money.

Interest rate risk:

Interest rate risk is the risk that the relative value of an interest-bearing asset, such as a loan or a bond, will worsen due to an interest rate increase. In general, as rates rise, the price of fixed rate bond will fall, and vice versa.

Currency risk

Currency risk is a form of risk that arises from the change in price of one currency against another. Whenever investors or companies have assets or business operations across national borders, they face currency risk if their positions are not hedged.

Operational risk

Operational risk is the risk of loss resulting from inadequate or failed internal processes, people and systems or due to external events. As large operational risk losses continue to attract media coverage, regulatory concerns about insurance operational risk models are also on the rise. These factors are creating a new wave of demand for operational risk quantification. Internal requirements for better risk management, as well as higher capital requirements from new regulatory regimes are leading companies to explore the risk sensitivity inherent in their methodology and to optimize capital consumption.

An insurer's underlying operational risk profile needs to be thoroughly reviewed across its range of business activities in order to identify and estimate the model input requirements

Operational risk has been recognized as an important risk for insurers as well as for banks. But a challenge for insurers in assessing operational risk is to separate this risk from the loss experience data typically collection for the other underwriting, credit and market risk. Insurers are usually affected by material operational risk exposure, which may reach the same scale of other risk types (such as insurance market and credit risks), depending on the specific business. It is therefore recommended that insurance supervisors, the insurance industry and the actuarial profession work together to develop appropriate research to measure operational risk.

Liquidity risk

Liquidity is the ability to meet expected and unexpected demands for cash. Specifically, it is a company's ability to meet the cash demands of its policy and contract holders without suffering any (or a very minimal) loss. The liquidity profile

of a company is a function of both its assets and liabilities. Liquidity risk is the risk that arises from the difficulty of selling an asset and is inherent in the financial services. An investment may sometimes need to be sold quickly. Unfortunately, an insufficient secondary market may prevent the liquidation or limit the funds that can be generated from the asset.

An institution might lose liquidity if its credit rating falls, it experiences sudden unexpected cash outflows, or some other event causes counterparties to avoid trading with or lending to the institution. A firm is also exposed to liquidity risk if markets on which it depends are subject to loss of liquidity.

In an insurance context, It is important to recognize that stress liquidity risk management is distinct from asset/ liability management and capital management issues. It is therefore not generally covered by actuarial opinions and is not included in risk based capital; rather, it is a separate and fundamental area of financial risk management. Liquidity risk is the exposure to loss in the event that insufficient liquid assets will be available, from among the assets supporting the policy obligations, to meet the cash flow requirements of the policyholder obligations when they are due.

Our principal risk and steps to mitigate risk:

Due to the nature of business, Reliance actively seeks to retain risks for which it has to emphasize on effective enterprise risk and capital management. While the Insurance Development and Regulatory Authority (IDRA) of Bangladesh can exercise their immense influence on the operation of insurance business, Reliance always prefers to pay its due attention to the volatility of earning through proper decision making process, improvement of underwriting skills and compliance with the corporate governance. Reliance leave no stone unturned to face the challenges set by not only the customers, investors, rating agencies, and auditors but also by the regulatory body IDRA.

Reliance Insurance prefers to rightly identify its corporate risks associated with internal and external forces. Such various internal and external risks as addressed by Reliance Insurance include:

1. Market disruption		
Strategic risks		
Risk identification	**Impact/Assessment**	**Mitigation**
Increased competition due to large number of non life insurance competitor in the industry	The intense competition in the market could reduce demand for our services and impact on revenue. Competitors are investing heavily on marketing. Thus the risk of competitor disruption is higher in this market	■ We have developed strategies that strengthen our relationships with new and existing customers. ■ We continuously monitor competitor's action in the market and react appropriately with a mind market has a fair and competitive environment. ■ Work is undertaken to improve more in delivering appropriate services for our largest corporate customers.

2. Customer Relationship		
Operational risks		
Risk identification	**Impact/Assessment**	**Mitigation**
Failure in providing superior service to our long-term customers could diminish our reputation and hampering our relationships with customers.	Reliance insurance is operating in competitive market there is always inherent risk for all class of business whether individual or corporations in this sector.	■ Superior customer service is the vital component of our business strategy. ■ We communicate with our customers transparently regarding rate of premium and claims.

3. Adverse political situation		
External risks		
Risk identification	**Impact/Assessment**	**Mitigation**
Adverse political situations in lead to poor economic condition for the country.	Reliance could expose to more operational risk in case of return from investment if political situation in the country remain unstable.	■ We continuously reviewing the political situations and always look for opportunities to do business with existing and potential customers. ■ Regular reviews are done by Board in the Board meeting regarding our business progress with budgeted.

4. Non compliance with Laws and regulations		
Financial and reputational risks		
Risk identification	**Impact/Assessment**	**Mitigation**
Reliance must comply with all sorts of laws being a publicly listed company.	Non-compliance with regulatory laws could lead to financial penalties and reputational damage.	■ We have efficient employees with special skills and knowledge who continuously monitor any non-compliance with different laws and regulations. ■ We have ethical culture across the organization which defines ethical behaviour must be expected from each employee.

ANNUAL STOCK

RESPONSIBILITY TO STAFF

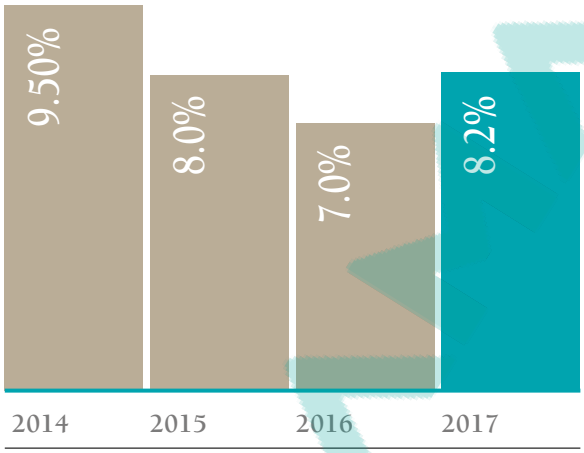
Resposibilities towards our people

We develop and retain competent people to use their best judgment and experience for our customers. Our people with diverse set of experiences and opinion help to achieve our goal by better understanding the needs of our customer.

Employee engagement:

Every year in annual conference employees are invited to participate in various discussions to identify how we are performing by comparing ourselves with other large international corporations in different sector. Our employee turnover rate measuring the rate at which people leave us and it was 8% in 2017. This shows how committed our employees are, their desire and willingness to continue working for us.

Employee Turnover Rate
8.2%

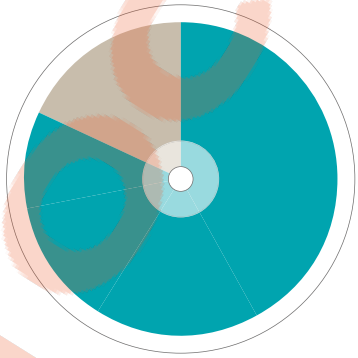


We provide information to our employees in variety of ways including our intranet site, email, text and print deliverables etc. as well as through individual teams.

Training and developing future leaders:

We help our people to grow their careers at Reliance Insurance Ltd. by developing to their individual capabilities through formal training, on the job experience and regular counseling with supervisor. We conduct regular reviews on our employees to identify high potential future leaders and deploy them with different responsibilities.

Diverse workforce



Diverse workforce helps us to achieve our goal to meet the needs of our customers. In the year 2017 we have employed 89.37% male and 10.63% female employees. We have maternity policy that provides mandatory minimum maternity benefits as standard across all market. We believe in treating all employees equally and offer equal opportunities in all aspects of employment regardless of race, nationality, gender, age and religion

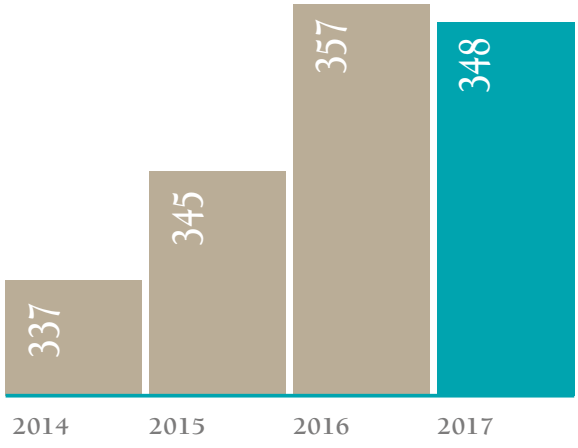
Rewarding people

We reward people based on their performance, potential and contribution to the company. Line mangers are empowered to appraise employee performance and to make performance decisions with higher level approval. We offer competitive retirement and other benefit which vary conditions and practices with local markets.

Safety workplace

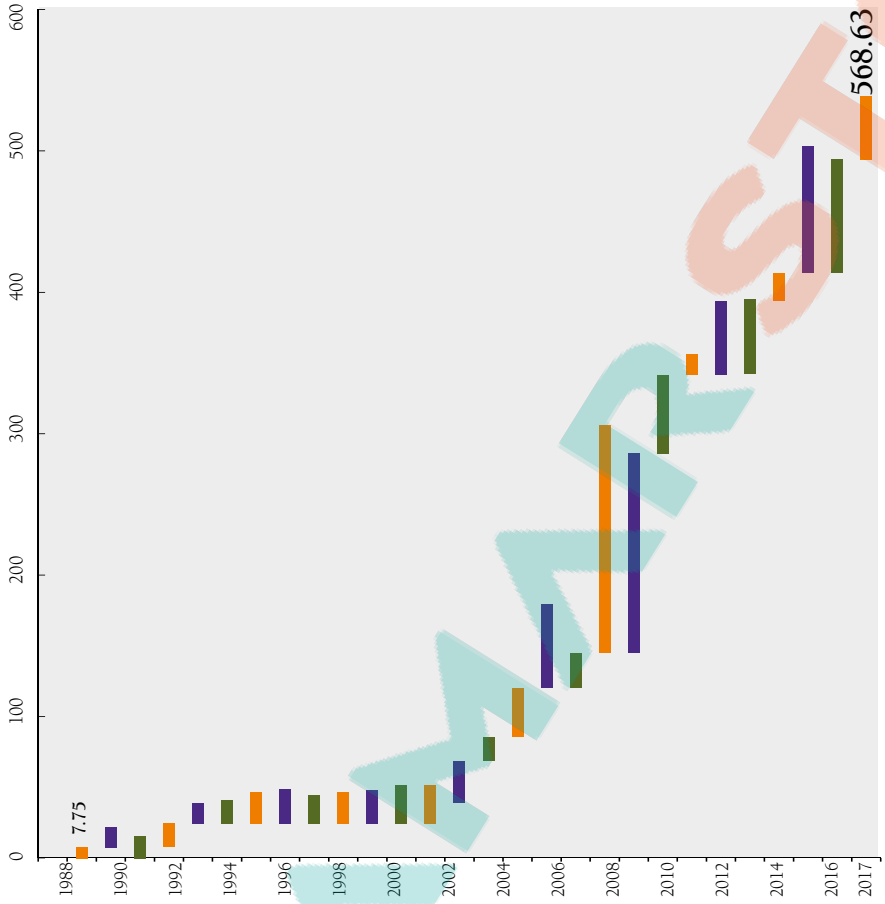
We do our best to prevent them by promoting a culture where safety is an integral part of the company. We want everyone working with the company to return home safely every day. We have group insurance policy, hospitalization policy for our employees.

Total Number of Employees
348



CONTRIBUTION TO NATIONAL EXCHEQUER

Reliance Insurance Limited recognizes that the Company has certain responsibilities to the society for their development and the development of the nation as a whole. For this, the Company made significant contribution to the Government each year. The aggregate contribution to national exchequer from commencement up to December 2017 was BDT 5,677.4 million in the form of by payment of Tax, VAT, Stamp duty and etc.



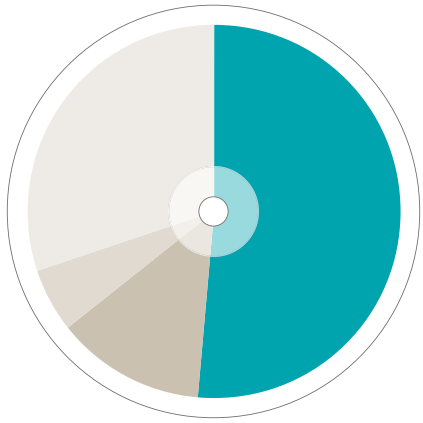
Taka in million

Year	Paid to Govt. as Tax VAT & Stamps
2017	568.63
2016	529.85
2015	494.14
2014	503.41
2013	414.09
2012	395.13
2011	394.15
2010	356.67
2009	341.25
2008	286.00
2007	306.07
2006	145.03
2005	179.91
2004	120.06
2003	85.70
2002	68.40
2001	51.80
2000	51.81
1999	47.89
1998	46.72
1997	44.88
1996	48.61
1995	47.02
1994	41.22
1993	38.95
1992	24.67
1991	16.01
1990	21.59
1989	7.75
1988	-

Contribution during the year 2017

The collective contribution of the company during the year 2017 to the national exchequer was BDT 568.63 million. Out of total BDT 568.63 million, BDT 296.63 was made on account of VAT; BDT 69.10 million was made against Source deduction of tax and VAT, BDT 31.39 million on Stamps duty and BDT 171.51 on account of corporate income tax.

- VAT 51%
- TDS & VDS 13%
- Stamps 6%
- Corporate Tax 30%



MARKET STOCK

SEGMENT INFORMATION

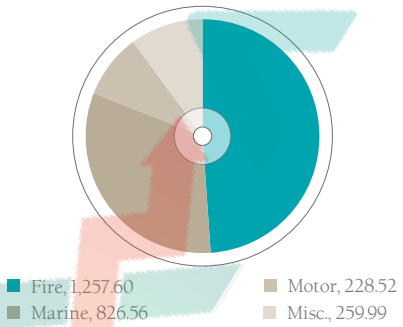
The purpose of segments reporting is to enable the users of Annual Report to evaluate the nature and financial effects of the business activities in which it engages and the economic environments in which it operates. For management, segment reporting is used to evaluate each segment's income, expenses, assets, liabilities and so on in order to assess profitability and risk elements to the Company. Below, we brake down the Company's premium income, claim settlement, management expenses and profitability by class of business and by geographical area.

Most of the analysis is based on accounting data provided in the financial statements published in years earlier to 2017 or to be published in the year 2018. In 2017, gross premium income was BDT 2,572.67 million. Figures below display the evolution of gross premium by type of general insurance product e.g. Fire, Marine, Motor and Miscellaneous for years 2013 to 2017. This chart also indicates that the underlying composition of gross premiums has a perfect growth throughout the period.

Taka in million

Segment	2013	2014	2015	2016	2017
Gross Premium	1,638.88	2,026.70	2,271.66	2,486.89	2,572.67
Fire	843.70	1,033.51	1,184.41	1,315.70	1,257.60
Marine	435.93	621.77	666.82	626.42	826.56
Motor	167.09	166.19	197.45	214.79	228.52
Misc.	192.16	205.23	222.97	329.98	259.99

Class-wise Gross Premium

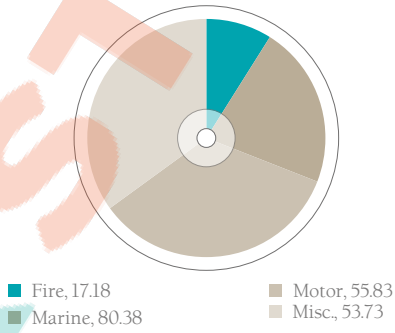


Between 2013 and 2017, total claims payouts have increased by 22%, from BDT 169.20 million in 2013 to BDT 207.13 million in 2017. This is illustrated in the following table, which shows the evolution of claims by all segments together.

Taka in million

Segment	2013	2014	2015	2016	2017
Claim (Net)	169.20	170.42	200.15	167.80	207.12
Fire	32.77	19.16	22.98	15.02	17.18
Marine	40.42	61.29	61.80	36.91	80.38
Motor	50.46	43.13	42.47	57.11	55.83
Misc.	45.55	46.84	72.90	58.76	53.73

Class-wise Net Claim



Insurance underwriting results stand for the underwriting profit or loss made by an insurer arising out of its underwriting activity. It is calculated as the net premium income (i.e. net of reinsurance premiums) less the cost of claims and the insurer's expenses in connection with the business operation. A mathematical expression for the underwriting results can be found as under:

Taka in million

Particulars	2013	2014	2015	2016	2017
Net Premium earned	704.23	907.92	877.98	958.29	1,237.65
Add: Re-insurance commission	178.99	193.81	208.81	228.43	209.02
Total income from operation	883.22	1,101.73	1,086.79	1,186.72	1,446.67
Less: Expenses					
Claims	169.2	170.42	200.15	167.80	207.13
Management exp.	232.83	325.01	329.47	348.93	362.64
Agent commission	229.72	301.46	336.35	366.12	378.13
Unexpired risk reserve-this year	22.59	89.62	(12.90)	27.71	119.88
Total expenses	**654.34**	**886.51**	**853.07**	**910.56**	**1,067.78**
Operating profit/ (loss)	**228.88**	**215.22**	**233.72**	**276.16**	**378.89**

Figure mentioned shows that in recent years there have been a perfect growth in the underwriting results throughout the period, except to a modest decline for 2014. This is attributable to the very nature of

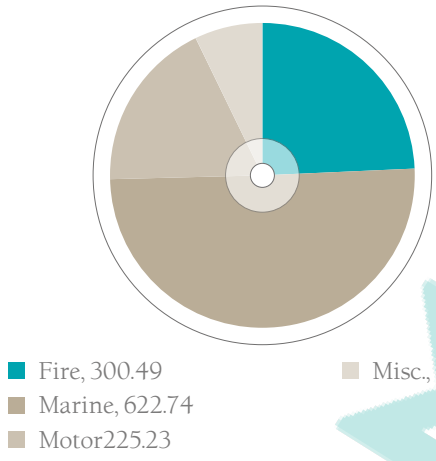
AMARSTOCK

insurance business. It is not always true that underwriting income will be increased in line with increase of premium income.

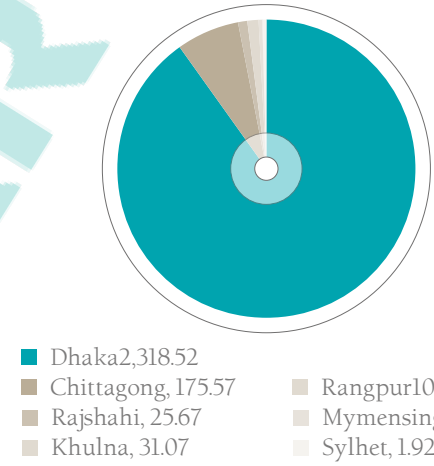
Now, if we further analyze year 2017 by class-wise, we can see that the major part of the profit came from Marine business whereas, Miscellaneous insurance suffered loss for higher claim payout ratio of 60%.

Particulars	Fire	Marine	Motor	Misc.	Total
Carrying amount (opening)	102,468,921	161,359,040	83,993,850	39,051,223	386,873,034
Premium earned	300,491,474	622,743,647	225,227,206	89,182,851	1,237,645,178
Add: Re-insurance commission	118,235,360	66,500,260	318,953	23,965,751	209,020,324
Total income from operation	418,726,834	689,243,907	225,546,159	113,148,602	1,446,665,502
Less: Expenses					
Claims	17,184,328	80,383,064	55,825,332	53,734,883	207,127,607
Management expenses	177,281,457	115,742,324	32,982,684	36,634,526	362,640,991
Agent commission	187,859,330	120,872,835	33,895,717	35,502,704	378,130,586
Unexpired risk reserve @ 40% on premium	120,196,590	260,792,299	90,090,882	35,673,140	506,752,911
Total expenses	502,521,705	577,790,522	212,794,615	161,545,253	1,454,652,095
Operating profit/(loss)	18,674,050	272,812,425	96,745,394	(9,345,428)	378,886,441

Class-wise Premium Earned



Geographical based Gross Premium



Segment results based on Geographical Location

Further, we can sub-divide the Gross Premium income based on Geographical Location of the Company's operation:

Taka in million

Division	Fire	Marine	Motor	Misc.	Total
Dhaka	1,153.79	724.49	186.06	254.18	2,318.52
Chittagong	58.94	92.93	18.38	5.32	175.57
Rajshahi	15.04	2.37	8.26	-	25.67
Khulna	16.20	6.56	7.97	0.34	31.07
Rangpur	8.28	0.02	2.07	-	10.37
Sylhet	1.01	0.09	0.82	-	1.92
Mymensingh	4.33	0.10	4.96	0.15	9.54
Total	1,257.59	826.46	228.52	259.99	2,572.67

From the above table, it may be observed that in all perspective, Dhaka Division earned most of the premium income (90%) whereas Sylhet has the least (0.07%) income. So far as business portfolio is concerned, lion's share of the premium income came from Fire business (49%), whereas Motor contributed the lowest (9%).

SUSTAINABILITY REPORTING

We believe in creating social value while taking our business further. We are committed to empower people and caring for the planet through innovation and strong partnership. In essence, we believe that sustainability efforts should never end and can only be improved to tap and empower more lives.



SUSTAINABILITY REPORTING

Introduction

In the corporate world, the term sustainability has come into use in a broad spectrum mainly as a result of increased environmental awareness. However, sustainability is wider than just environmental issue. Sustainability is a business strategy that drives long-term corporate growth and profitability by obligating the inclusion of environmental and social issues in the business model. The very purpose of sustainability is to generate a maximum increase in company, consumer, and employee value by embracing opportunities and managing risks derived from environmental and social developments.

Corporate sustainability achieve long-term shareholder value by gearing their strategies and management to harness the market's potential for sustainable products and services while at the same time successfully reducing and avoiding sustainability costs and risks. The quality of a company's strategy and management and its performance in dealing with opportunities and risks deriving from economic, environmental and social developments can be quantified and used to identify and select leading companies for investment purposes.

Attributes of sustainability

Sustainable development: This concept balances the corporate need for economic growth with environmental activism/ protection and societal progress. With regards to sustainability, Sustainable development sets the boundaries of the societal and environmental issues and defines the company's goal(s).

Corporate social responsibility: Corporate Social Responsibility is concerned with treating the stakeholders of a company or institution ethically or in a responsible manner. 'Ethically or responsible' means treating key stakeholders in a manner deemed acceptable according to international norms. Corporations use CSR as tool to address societal and environmental issues. Sustainability incorporates societal and environmental issues as building blocks within a business model. Therefore, a sustainable business will use some CSR practices. CSR policy functions as a built-in, self-regulating mechanism whereby a business monitors and ensures its active compliance with the spirit of the law, ethical standards, national and international norms. In some models, a firm's implementation of CSR goes beyond compliance and engages in actions that appear to further some social good, beyond the interests of the firm and that which is required by law.

Stakeholders: Stakeholders exist both within a firm and outside. Sustainability focuses on stakeholders rather than shareholders.

Corporate Accountability: This contributes to a sustainable business practice in that corporate accountability provides a legal and ethical basis for a company to report on its impact on society and the environment, in addition to their financial performance.

Sustainability Strategy

Operational Risk Management: Operational risk management lowers the cost and risk of compliance. Additionally, it enables greater access to markets by enabling an enterprise to comply with customer requirements.

Resource Productivity: Resource productivity reduces costs through process efficiency, including supply chain optimization. It is critical in a world with increasingly volatile commodity pricing.

Maintain Sustainable workforce: Sustainable workforce both ensures access to the right talent in the right market in the face of demographic shifts and provides foresight to meet the changing requirements of a new generation of workers.

Sustainable consumption: Sustainable consumption enables us to generate brand value and customer loyalty through more sustainable operations and to grow revenues by entering new markets.

Financial: Meeting shareholders' demands for sound financial returns, long-term economic growth, open communication and transparent financial accounting.

Customer & Product: Fostering loyalty by investing in customer relationship management and product and service innovation that focuses on technologies and systems, which use financial, natural and social resources in an efficient, effective and economic manner over the long-term.

Governance and Stakeholder: Setting the highest standards of corporate governance and stakeholder engagement, including corporate codes of conduct and public reporting.

CORPORATE SOCIAL RESPONSIBILITY

Corporate Social Responsibility (CSR) is a process with the aim to embrace responsibility for the company's actions and encourage a positive impact through its activities on the environment, consumers, employees, communities, stakeholders and all other members of the public sphere who may also be considered as stakeholders

As part of the CSR initiatives, Reliance Insurance Limited focuses primarily on underprivileged children and physically challenges peoples of the society for their physical, mental and educational improvement. To achieve the said purpose, RIL worked with the following social development organizations for the last few years:



Lets Do… Foundation: Lets Do… Foundation is a large charitable and voluntary organization in Bangladesh runs by professionals. It has been registered as charitable and voluntary organization with RJSC. The motto of "Lets Do…Foundation" is to provide education to poor and deprived students and provide vocational training to develop them as a skilled manpower. It is a social welfare organization





working all over Bangladesh for removing unemployment by providing general education besides vocational training to the poor student. Reliance Insurance Limited contributed an amount of Tk. 400,000 in the year 2017 to support them to implement their programs.

Society for Education and Inclusion of the Disabled (SEID) Trust: SEID trust is one of the pioneer social organizations in Bangladesh specially for promoting rights of children with intellectual and multiple disabilities as well as autism. SEID Trust is providing services to more than 450 underprivileged children with disabilities including pre-primary and special education, education materials, medical services, physiotherapy, speech therapy, vocational training, lunch and transport facilities through its four Centre's situated at Shyamoli, Hazaribag, Kamrangir Char and Rayer Bazar. Reliance Insurance Limited donated total Tk. 853,880 in the year 2010 and 2011 for providing physiotherapy service to such children with disabilities more comprehensively.

Management and Resources Development Initiative (MRDI): MRDI is a multi-disciplinary, not-for-profit, non-government organization engaged in a wide spectrum of social development activities. Its objectives are developing the standard and quality of the media, enhancing physical and mental well-being of the people and empowerment of women, adolescents, children, minority and other marginalised sections of the population. Partners of the MRDI include well reputed think tank, research organisations and development agencies. Besides, it gets support from international and local donors, embassies and UN agencies. Reliance Insurance donated a total of Tk. 2,066,000 in the year 2011, 2012, 2013, 2015 & 2016 for infrastructure development of primary schools in off shore areas of

Char Fashion & Bhola.

Bangladesh Thalassaemia Hospital: Bangladesh Thalassaemia Hospital is a project of Bangladesh Thalassaemia Samity. It is an unique institution treating Thalassaemia patients. Thalassaemia is a deadly disease which is considered to be a blood related genetic disorder inherited by children from parents having Thalassaemia trait. Red blood cell of a Thalassaemia patient dies very fast resulting in multiple complications. Bangladesh Thalassaemia Hospital located at Green Road having requisite facilities to provide transfusion service to the Thalassaemia patients. Reliance Insurance Limited donated total of Tk. 12,26,000 in the year 2008, 2010, 2012, 2015 & 2017.



TMSS Nursing College (TNC): TMSS Nursing College (TNC) has been established at the Foundation Office of TMSS near Rafatullah Community Hospital (RCH) in 2009 through the approval of Ministry of Health and Family Welfare (Nursing wing) and Bangladesh Nursing Council. It is also affiliated by Rajshahi University. It is located in Thengamara village under Bogra District. There is a five stored separate building for this institution with modern facilities. In every session 80 students get the opportunity for admission according to the approval by the authority for both in the Diploma-in Nursing and Midwifery Course and BSc.-in Nursing Course. The purpose of the college is:

1. To provide knowledge and skill with new discoveries and innovation, balance and relevant education for lifelong learning of the global Bangladeshi.
2. To able to bridge cultural gaps in caring, work, with cultural differences and enable clients and families to achieve meaningful and supportive caring.
3. To prove knowledge, skilled and competent nurses.
4. To provide culturally responsible/accountable nurses for their activity to their clients and peers and reasonably independent and self-governing in decision making and nursing practice.

Reliance Insurance Limited donated Tk. 5.00 lac in the year 2009 for purchasing essential equipments for the laboratory.

Disabled Child Foundation: Disabled Child Foundation is a non-Government, non-profitable and non-political voluntary organization was established in June 2005 by the initiatives of a group of committed visually challenged, physical challenged and sighted person which is duly registered by the Government of Peoples' Republic of Bangladesh. Disabled Child Foundation has been working for the children with disabilities (CWDs) in the country with the faith in the morals of working for the poorest rural people irrespective of discrimination and the ideal service for them is to convert the CWDs into working and towards self-reliance to lead a decent life with dignity and courage so that their rights and privileges are recognized and the opportunity to be ensured to participate into the mainstream of national development activities. Reliance Insurance Limited donated Total Tk. 974,000 in the year 2012, 2014, 2015 & 2017.



In addition to the above in the year 2013 Reliance Insurance Limited donated considerable amount of money to Prime Minister Relief Fund as donation for the victims of garments workers of Rana Plaza tragedy and Bangladesh Insurance Association for supporting to hold 8th Bangladesh Games 2013 and supported other Government charitable initiatives.

ENVIRONMENT RELATED INITIATIVES

Human activity can have harmful effects on ecological systems, climate and public health. Recognizing this, Reliance Insurance Limited fully supports the principles of its commitment to promoting good environmental practice and sustainability of its activities. RIL committed to providing quality service in a manner that ensures a safe & healthy workplace for our employees protecting the environment,

conserving energy and natural resources. With these policies in place, we believe that we can achieve a healthy and safe environment. We are committed to do and will:

1. Integrate the consideration of environmental concerns and impacts into our decision making and activities.
2. Develop and improve operations and technologies to minimize waste and other pollution, minimize health and safety risks, and dispose of waste safely and responsibly.
3. Minimize energy and water use within our premises and processes in order to conserve supplies and minimize the consumption of natural resources.
4. As far as possible, we will try to identify and purchase preferable products, supplies and services for all our daily operational needs that do the least damage to the environment.
5. Conserve natural resources by adopting pollution prevention practices. Extending the life of equipments through preventive maintenance scheduling, purchasing and reworking used equipments etc.
6. Comply with all applicable environmental regulations.
7. Establish procedures to ensure that all employees are knowledgeable of, understand and comply with all applicable environmental laws and regulations. Train all our employees on our environmental program and empower them to contribute and participate.
8. Communicate our environmental commitment to our clients, contractors, suppliers and the community.
9. Strive to continually improve RIL's environmental management system and performance & implement corrective actions.

ENVIRONMENTAL & SOCIAL OBLIGATIONS

Insurance policies are intended to help private individuals and companies to reduce their risk-taking and to protect against unexpected financial losses. Whether it is a matter of building a house or running a company, insurance policies provide increased security to the individual person, the company and the community in general. Insurance policies contribute to increased freedom of action and are therefore an important cornerstone of a community that is functional well.

In our role as a leading insurance company, we fulfill an important function in the everyday lives of our large no. of our clients. We are mindful of the communities around us and our obligations and abilities to make a positive contribution to society and the environment that is sustainable in the long run.

We are actively involved in community issues that have a natural link to its business. By working with the right organizations we aim to bring about positive changes for the communities in which we operate. We strive for supporting safety initiatives in the broad meaning of the term in the communities within which we operate. The objective is, in the long term, to counteract negative social phenomena such as traffic accidents, segregation and exclusion. We also work actively to assist our clients personally to prevent accidents and incidences of damage.

Our strategy is to reduce the environmental impact the company has through constant improvements. Environmental responsibility is an integral part of our everyday business and all of our employees' responsibilities include working to promote a sustainable environment on a daily basis. Our suppliers are also included in this work since, when procuring their services and products, we specify as far as possible requirements for well-functioning environmental work.

We firmly believe that we have a shared responsibility to address the key environmental, social and governance issues relevant to our business and stakeholders.

INTEGRATED REPORTING

Integrated reporting is a process which results in efficient communication and leads to value creation over a period of time. 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.

The process of integrated representation envisages evaluation 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 fits into operations or a business, and may help embed long-term approach into a company's decision making process. While the communications that result from Integrated Reporting will be of benefit to a range of stakeholders, they are principally aimed at providers of financial capital allocation decisions. Value creation through proper strategy: History reveals that the most successful companies understand their corporate pasts, their corporate values. They also understand their stakeholders, know what the market wants, listen to customers and develop products that even the customer hasn't yet imagined. So proper strategy play pivotal role in creation of value in the

long run. Reliance Insurance Limited, being aware of this position. always focuses on its strategic objectives covering process, business, people and learning.
Value creation through good governance: The maintenance of effective corporate governance remains a key priority of the Board of Reliance Insurance Limited (RIL). To exercise clarity about Directors responsibilities towards the shareholders, corporate governance must be dynamic and remain focused on the business objectives of the Company and create a culture of openness and accountability. RIL considers that its corporate governance practices are in full compliance with all the aspects of BSEC Notification No. SEC/CMMRRCD/2006-158/134/Admin/44 dated 07 August 2012. In addition to establishing high standards of corporate governance, RIL also considers best governance practices in all of its activities. The independent role of Board of Directors, separate and independent role of Chairman and Chief Executive Officer, distinct role of Company Secretary and Chief Financial officer, different Board Committees allows RIL to achieve excellence in best corporate governance practices.

Value creation through performance: Real Leaders, who are clear about their company's reason for being good corporate citizens, are able to deliver and sustain both performance and employee satisfaction over time. The creation of a purposeful culture—one that recognizes employees for exceeding performance expectations while modeling the organization's declared values—is critical for business leaders in today's marketplace. Developing a high performance, values-aligned culture requires four integrated steps and they are:

2. Define values in behavioral terms and establish motivation at every level
3. Hold leaders and staff accountable
4. Monitor regularly and adjust strategies as necessary

Some key features of the company for the last few years are mentioned below which clearly indicate how RIL is creating value through performance and advancing toward realization of its corporate objective, vision and mission:

Particulars	2017	2016	2015	2014	2013
Gross premium income	2,572.67	2,486.89	2,271.66	2,026.71	1,638.90
Net premium income	1,237.65	958.29	877.98	907.92	704.20
Underwriting profit	378.89	276.16	233.71	215.27	228.90
Investment income	325.44	286.55	288.49	298.56	230.20
Profit before tax	630.47	494.66	456.83	458.45	406.20
Profit after tax	458.96	357.75	316.67	298.24	277.10
Fixed Deposit	1,942.50	1,817.20	1,806.50	1,684.54	1,483.90
Total assets	8,230.75	6,599.45	6,312.08	5,728.14	4,796.40
Total reserve	5,254.46	4,006.08	3,828.25	3,686.09	3,133.94
Paid up capital	869.10	790.09	687.04	597.42	519.50
Shareholders' fund	5,616.81	4,409.30	4,156.12	3,911.45	3,370.90

FINANCIAL STATEMENTS

Our robust and sustained growth trajectory is best reflected through our numbers. Optimum clarity with finances, integrity in managing resources and convincing balance sheet are at the helm of our glorious journey for 3 decades.





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VANARSTOCK

INDEPENDENT AUDITORS' REPORT
TO THE SHAREHOLDERS OF RELIANCE INSURANCE LIMITED

We have audited the accompanying Financial Statements of Reliance Insurance Limited, which comprise the Statement of Financial Position as at 31st December 2017, and the Statement of Comprehensive Income, Statement of Changes in Equity and Statement of Cash Flows for the year then ended, and a summary of significant accounting policies and other explanatory notes.

Management's Responsibility for the Financial Statements:

The Management is responsible for the preparation and fair presentation of these financial statements in accordance with Bangladesh Accounting Standards (BAS) and Bangladesh Financial Reporting Standards (BFRS), the Companies Act 1994,The Insurance Act 2010,the Securities and Exchange Rules 1987 and other applicable laws and regulations and for such internal control as management, which is necessary to enable the preparation of these financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' 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 whether 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 auditors' judgment, including the assessment of the risks of material mis-statement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor consider internal control relevant to the entity's preparation and fair Presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the 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 Accounting Standards (BAS) and Bangladesh Financial Reporting Standards (BFRS), give a true and fair view of the Statement of the company's affairs as of 31st December 2017 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, the Securities and Exchange Rule 1987 and other applicable laws and regulations.

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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 purposes 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 Management has followed relevant provisions of laws and rules in managing the affairs of the company and proper books of accounts, records and other statutory books have been properly maintained and (where applicable) proper returns adequate for the purposes of our audit have been received from branches not visited by us.

d) as per section 63(2) of the Insurance Act 2010, we report 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 and whether incurred directly or indirectly, in respect of insurance business of the company transacted in Bangladesh during the year under report have duly debited to the related Revenue Account and the Statement of Comprehensive Income of the Company.

e) we report 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-insured abroad.

f) the company's Statement of Financial Position, Statement of Comprehensive Income and its Statement of Cash Flows deals with by the report are in agreement with the books of accounts and returns;

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

Zoha Zaman Kabir Rashid & Co.
Chartered Accountants

February 18, 2018
Rupayan Karim Tower
Level # 7, Suite # 7A
80 Kakrail, Dhaka-1000.

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RELIANCE INSURANCE LIMITED

STATEMENT OF FINANCIAL POSITION (BALANCE SHEET)

AS OF DECEMBER 31, 2017

Particulars	Notes	2017 Taka	2016 Taka
Shareholders' equity & liabilities			
Shareholders' equity		**5,616,809,778**	**4,409,299,896**
Share capital	3.00	869,099,900	790,090,820
Reserves and surplus	4.00	4,747,709,878	3,619,209,076
Liabilities and provisions		**2,613,937,088**	**2,190,152,637**
Balance of funds and accounts	5.00	506,752,911	386,873,034
Premium deposit	6.00	268,758,179	339,938,970
Deferred liability for employees gratuity		-	10,600,000
Unclaimed dividend		5,032,611	3,817,670
Estimated liability in respect of outstanding claims whether due or intimated	7.00	272,020,654	236,724,871
Amounts due to other persons or bodies carrying on insurance business	8.00	244,984,232	162,920,447
Outstanding refundable premium	9.00	3,558,018	12,171,401
Sundry creditors	10.00	1,078,632,981	1,027,595,904
Deferred tax liabilities	11.00	234,197,502	9,510,339
Total Shareholders' equity & liabilities		**8,230,746,866**	**6,599,452,533**

The annexed notes 1 to 40 form an integral part of these financial statements

Dhaka, February 18, 2018

Rajiv Prasad Shaha
Chairman

Amiran Hossain
Director

AMAR STOCK

RELIANCE INSURANCE LIMITED

STATEMENT OF FINANCIAL POSITION (BALANCE SHEET)

AS OF DECEMBER 31, 2017

Particulars	Notes	2017 Taka	2016 Taka
Assets			
Non-Current assets		**4,964,462,967**	**3,689,456,163**
Property, plant and equipments	12.00	1,415,096,666	1,419,831,464
Assets under construction	13.00	303,108,547	218,250,227
Investments	14.00	3,246,257,754	2,051,374,472
Current assets		**3,266,283,899**	**2,909,996,370**
Stock of stamps and others	15.00	10,131,098	9,951,610
Sundry debtors (including advances, deposits and prepayments)	16.00	1,064,929,304	775,709,042
Premium control account	17.00	35,772,906	41,490,400
Interest receivable account	18.00	65,967,906	59,897,090
Amount due from other persons or bodies carrying on insurance business	19.00	78,571,956	62,259,078
Cash and cash equivalents		**2,010,910,730**	**1,960,689,150**
Cash in hand		1,708,950	1,407,883
Cash at bank	20.00	66,701,780	142,081,267
Fixed deposit receipt (FDR)	21.00	1,942,500,000	1,817,200,000
Total assets		**8,230,746,866**	**6,599,452,533**

Arshad Waliur Rahman
Director

Md. Khaled Mamun
Chief Executive Officer

Zoha Zaman Kabir Rashid & Co.
Chartered Accountants

RELIANCE INSURANCE LIMITED

STATEMENT OF COMPREHENSIVE INCOME (PROFIT & LOSS ACCOUNT)

FOR THE YEAR ENDED DECEMBER 31, 2017

Particulars	Notes	2017 Taka	2016 Taka
Expenses of management (Not applicable to any particular fund or account)		**73,854,425**	**68,046,758**
Directors' meeting attendance fees		636,750	638,250
Advertisement and sign board		1,711,492	3,150,903
Donations		1,100,000	550,000
Subscriptions		1,993,871	2,283,598
Legal and professional fees		1,083,051	2,365,866
Employees welfare expenses		-	150,004
Depreciation		30,676,155	28,696,439
Registration fees		10,029,396	9,193,448
Bonus		26,131,460	20,517,750
Audit fees	22.00	492,250	500,500
Profit before tax		**630,469,744**	**494,662,375**
Income tax expense		**171,511,353**	**136,910,359**
Current tax	23.00	167,150,942	135,520,821
Deferred tax	24.00	4,360,411	1,389,538
Profit After Tax (transferred to profit & loss appropriation account)		458,958,391	357,752,016
Total		**704,324,169**	**562,709,133**

PROFIT & LOSS APPROPRIATION ACCOUNT

Particulars	Notes	2017 Taka	2016 Taka
		321,287,223	301,939,864
Reserve for exceptional losses	4.01	123,764,518	95,829,219
Dividend paid		197,522,705	206,110,645
Balance at the end of the year as transferred in balance sheet	4.00	617,833,420	480,030,235
Total		**939,120,642**	**781,970,099**
Earnings per share (EPS)	27.00	**5.28**	**4.12**

The annexed notes 1 to 40 form an integral part of these financial statements

Dhaka, February 18, 2018

Rajiv Prasad Shaha
Chairman

Amiran Hossain
Director

RELIANCE INSURANCE LIMITED

STATEMENT OF COMPREHENSIVE INCOME (PROFIT & LOSS ACCOUNT)

FOR THE YEAR ENDED DECEMBER 31, 2017

Particulars	Notes	2017 Taka	2016 Taka
Profit/(Loss) transferred from:		**378,886,440**	**276,163,029**
Fire revenue account		18,674,049	(28,820,869)
Marine revenue account		272,812,425	258,022,223
Miscellaneous revenue account		87,399,965	46,961,675
Interest and dividend income	25.00	**264,583,685**	**241,618,439**
Other income	26.00	**60,854,045**	**44,927,666**
Total		**704,324,169**	**562,709,133**

PROFIT & LOSS APPROPRIATION ACCOUNT

Particulars	Notes	2017 Taka	2016 Taka
Balance brought forward from last year (Restated)		**480,162,252**	**424,218,083**
Net profit after tax for the year brought down		458,958,391	357,752,016
Total		**939,120,642**	**781,970,099**

Other Comprehensive Income for the year ended December 31, 2017

Particulars	Notes	2017 Taka	2016 Taka
Profit after tax		**458,958,391**	**357,752,016**
Other comprehensive income		**978,533,866**	**(2,676,699)**
Changes in fair value of shares available for sale	14.04	1,087,259,852	(2,676,699)
Deferred tax on Changes in fair value of shares available for sale	24.00	(108,725,986)	-
Total Comprehensive income for the year		**1,437,492,256**	**355,075,319**

Arshad Waliur Rahman
Director

Md. Khaled Mamun
Chief Executive Officer

Zoha Zaman Kabir Rashid & Co.
Chartered Accountants

RELIANCE INSURANCE LIMITED

FIRE INSURANCE REVENUE ACCOUNT

FOR THE YEAR ENDED DECEMBER 31, 2017

Particulars	Notes	2017 Taka	2016 Taka
Claims under policies less re-insurances		**17,184,328**	**15,015,914**
Claims paid during the year		160,521,577	230,291,123
Paid/Adjusted on PSB		172,095	81,938
Recovered/Adjusted on reinsurance ceded		(130,196,298)	(207,655,345)
Claims outstanding at the end of the year		391,695,599	439,890,610
Recoverable on reinsurance cedence		(369,670,438)	(404,552,404)
Claims outstanding at the end of the previous year		(35,338,206)	(43,040,008)
Expenses of management		**177,281,457**	**184,878,931**
Commission		**187,859,330**	**196,870,679**
Profit/(Loss) transferred to Statement of Comprehensive Income		**18,674,049**	**(28,820,869)**
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	5.00	**120,196,589**	**102,468,921**
Total		**521,195,754**	**470,413,576**

The annexed notes 1 to 40 form an integral part of these financial statements

Dhaka, February 18, 2018

Rajiv Prasad Shaha
Chairman

Amiran Hossain
Director

RELIANCE INSURANCE LIMITED

FIRE INSURANCE REVENUE ACCOUNT

FOR THE YEAR ENDED DECEMBER 31, 2017

Particulars	Notes	2017 Taka	2016 Taka
Balance of Account at the beginning of the year		**102,468,921**	**86,007,938**
Premium less reinsurances		**300,491,474**	**256,172,302**
Premium underwritten		1,256,337,190	1,328,545,399
Premium refunded		(3,941,658)	(16,074,208)
Premium on PSB		5,203,264	3,227,271
Reinsurance premium on PSB		(4,174,412)	(2,237,382)
Reinsurance premium ceded		(952,932,911)	(1,057,288,778)
Commission on reinsurances		**118,235,360**	**128,233,336**
Commission earned on re-insurance ceded		117,690,131	126,254,568
Profit commission		-	1,634,924
Commission earned on PSB		545,229	343,844
Total		**521,195,754**	**470,413,576**

Arshad Waliur Rahman
Director

Md. Khaled Mamun
Chief Executive Officer

Zoha Zaman Kabir Rashid & Co.
Chartered Accountants

AMAR STOCK

RELIANCE INSURANCE LIMITED

MARINE INSURANCE REVENUE ACCOUNT

FOR THE YEAR ENDED DECEMBER 31, 2017

Particulars	Notes	2017 Taka	2016 Taka
Claims under policies less re-insurances		**80,383,064**	**36,910,700**
Claims paid during the year		95,988,952	76,754,281
Paid/Adjusted on PSB		5,782,334	204,747
Recovered/Adjusted on PSB		(4,831,421)	(4,030)
Paid on re-insurance acceptance		6,938	429,901
Recovered/Adjusted on reinsurance ceded		(51,929,033)	(41,386,773)
Claims outstanding at the end of the year		185,480,518	194,729,448
Recoverable on reinsurance cedence		(20,329,462)	(64,943,687)
Claims outstanding at the end of the previous year		(129,785,762)	(128,873,187)
Expenses of management		**115,742,324**	**87,028,895**
Commission		**120,872,835**	**90,821,100**
Profit/(Loss) transferred to Statement of Comprehensive Income		**272,812,425**	**258,022,223**
Balance of account at the end of the year	**5.00**	**260,792,299**	**161,359,040**
as shown in the Balance Sheet being reserve for unexpired risks @ 40% of premium income of the year (Marine Cargo)		241,300,899	155,432,114
as shown in the Balance Sheet being reserve for unexpired risks @ 100% of premium income of the year (Hull)		19,491,400	5,926,925
Total		**850,602,947**	**634,141,957**

The annexed notes 1 to 40 form an integral part of these financial statements

Dhaka, February 18, 2018

Rajiv Prasad Shaha
Chairman

Amiran Hossain
Director

RELIANCE INSURANCE LIMITED

MARINE INSURANCE REVENUE ACCOUNT

FOR THE YEAR ENDED DECEMBER 31, 2017

Particulars	Notes	2017 Taka	2016 Taka
Balance of Account at the beginning of the year		**161,359,040**	**165,846,452**
Premium less reinsurances		**622,743,648**	**394,507,211**
Premium underwritten		806,223,584	605,670,246
Premium refunded		(404,683)	(196,246)
Premium on PSB		17,818,186	17,339,975
Reinsurance premium on PSB		(13,467,492)	(13,681,742)
Premium on reinsurance accepted		2,922,665	3,604,000
Reinsurance premium ceded		(190,348,613)	(218,229,022)
Commission on reinsurances		**66,500,260**	**73,788,294**
Commission earned on re-insurance ceded		59,118,367	61,421,658
Profit commission		4,703,305	9,665,968
Commission earned on PSB		2,678,588	2,700,668
Total		**850,602,947**	**634,141,957**

Arshad Waliur Rahman
Director

Md. Khaled Mamun
Chief Executive Officer

Zoha Zaman Kabir Rashid & Co.
Chartered Accountants

AMARSTOCK

RELIANCE INSURANCE LIMITED

MISCELLANEOUS INSURANCE REVENUE ACCOUNT

FOR THE YEAR ENDED DECEMBER 31, 2017

Particulars	Notes	2017			2016
		Motor Taka	Misc. Taka	Total Taka	Total Taka
Claims under policies less re-insurances		**55,825,332**	**53,734,883**	**109,560,215**	**115,878,343**
Claims paid during the year		42,081,787	54,074,936	96,156,723	107,380,373
Paid/Adjusted on PSB		125,451	10,748,991	10,874,442	394,410
Recovered/Adjusted on PSB		-	(10,665,295)	(10,665,295)	(306,920)
Recovered/Adjusted on reinsurance ceded		-	(49,189)	(49,189)	(980,084)
Claims outstanding at the end of the year		53,332,300	68,000,395	121,332,695	90,242,990
Recoverable on reinsurance cedence		-	(36,488,258)	(36,488,258)	(18,642,087)
Claims outstanding at the end of the previous year		(39,714,206)	(31,886,697)	(71,600,903)	(62,210,339)
Expenses of management		**32,982,684**	**36,634,526**	**69,617,210**	**77,018,828**
Commission		**33,895,717**	**35,502,704**	**69,398,421**	**78,432,482**
Profit/(Loss) transferred to Statement of Comprehensive Income		**96,745,393**	**(9,345,429)**	**87,399,965**	**46,961,675**
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	**5.00**	**90,090,882**	**35,673,140**	**125,764,022**	**123,045,072**
Total		**309,540,008**	**152,199,825**	**461,739,833**	**441,336,400**

The annexed notes 1 to 40 form an integral part of these financial statements

Dhaka, February 18, 2018

Rajiv Prasad Shaha
Chairman

Amiran Hossain
Director

RELIANCE INSURANCE LIMITED

MISCELLANEOUS INSURANCE REVENUE ACCOUNT

FOR THE YEAR ENDED DECEMBER 31, 2017

Particulars	Notes	2017 Motor Taka	2017 Misc. Taka	2017 Total Taka	2016 Total Taka
Balance of Account at the beginning of the year		**83,993,850**	**39,051,223**	**123,045,072**	**107,311,548**
Premium less reinsurances		**225,227,205**	**89,182,851**	**314,410,056**	**307,612,681**
Premium underwritten		227,492,386	240,462,409	467,954,795	530,598,725
Premium refunded		(1,520,940)	(3,777,716)	(5,298,656)	(7,715,513)
Premium on PSB		2,552,342	23,304,104	25,856,446	21,892,770
Reinsurance premium on PSB		(229,058)	(22,231,786)	(22,460,845)	(19,286,876)
Reinsurance premium ceded		(3,067,524)	(148,574,160)	(151,641,684)	(217,876,425)
Commission on reinsurances		**318,953**	**23,965,751**	**24,284,704**	**26,412,171**
Commission earned on re-insurance ceded		318,953	19,857,832	20,176,785	22,521,692
Profit commission		-	1,226,228	1,226,228	1,412,879
Commission earned on PSB		-	2,881,691	2,881,691	2,477,600
Total		**309,540,008**	**152,199,825**	**461,739,833**	**441,336,400**

Arshad Waliur Rahman
Director

Md. Khaled Mamun
Chief Executive Officer

Zoha Zaman Kabir Rashid & Co.
Chartered Accountants

RELIANCE INSURANCE LIMITED

STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED DECEMBER 31, 2017

(Amount in Taka)

Particulars	Share Capital	Land Revaluation Reserve	Fair Value Reserve	Capital Reserve	Exceptional Loss Reserve	General Reserve	Retained Earnings	Total
Balance as on 01 January, 2016	**687,035,500**	**1,109,678,226**	**1,118,684,354**	**2,379,041**	**814,034,697**	**1,250,000**	**423,061,450**	**4,156,123,268**
Prior Year Adjustment							1,156,633	**1,156,633**
Restated opening balance	**687,035,500**	**1,109,678,226**	**1,118,684,354**	**2,379,041**	**814,034,697**	**1,250,000**	**424,218,083**	**4,157,279,902**
Dividend for the year 2015 (Bonus & Cash)	103,055,320	-	-	-	-	-	(206,110,645)	(103,055,325)
Net profit after tax	-	-	-	-	-	-	357,752,017	357,752,017
Appropriation for the period	-	-	-	-	95,829,219	-	(95,829,219)	-
Changes in fair value of shares available for sale	-	-	(2,676,699)	-	-	-	-	(2,676,699)
Balance as on 31 December, 2016	**790,090,820**	**1,109,678,226**	**1,116,007,655**	**2,379,041**	**909,863,916**	**1,250,000**	**480,030,235**	**4,409,299,895**
Balance as on 01 January, 2017	**790,090,820**	**1,109,678,226**	**1,116,007,655**	**2,379,041**	**909,863,916**	**1,250,000**	**480,030,235**	**4,409,299,895**
Prior Year Adjustment			(111,600,766)				132,016	(111,468,749)
Restated opening balance	**790,090,820**	**1,109,678,227**	**1,004,406,890**	**2,379,041**	**909,863,916**	**1,250,000**	**480,162,252**	**4,297,831,146**
Dividend for the year 2016 (Bonus & Cash)	79,009,080	-	-	-	-	-	(197,522,705)	(118,513,625)
Net profit after tax	-	-	-	-	-	-	458,958,391	458,958,391
Appropriation for the period	-	-	-	-	123,764,518	-	(123,764,518)	-
Changes in fair value of shares available for sale	-	-	978,533,867	-	-	-	-	978,533,867
Balance as on 31 December, 2017	**869,099,900**	**1,109,678,227**	**1,982,940,756**	**2,379,041**	**1,033,628,434**	**1,250,000**	**617,833,420**	**5,616,809,779**

The annexed notes 1 to 40 form an integral part of these financial statements

Dhaka, February 18, 2018

Rajiv Prasad Shaha	Amiran Hossain	Arshad Waliur Rahman	Md. Khaled Mamun	Zoha Zaman Kabir Rashid & Co.
Chairman	Director	Director	Chief Executive Officer	Chartered Accountants

FAMASTOCK

RELIANCE INSURANCE LIMITED

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED DECEMBER 31, 2017

Particulars	Notes	2017 Taka	2016 Taka
Cash flows from operating activities			
Collection from premium & others		3,216,431,069	2,798,438,926
Payment for commission, claim & others		(2,661,402,489)	(2,358,584,161)
VAT paid to Government		(292,785,100)	(274,503,554)
Income-tax paid and deducted at sources		(154,489,681)	(121,208,591)
Net cash generated from operating activities		**107,753,799**	**44,142,621**
Cash flows from investing activities			
Payment for acquisition of assets		(27,412,289)	(19,688,088)
Payment for assets under construction		(76,768,356)	(111,308,468)
Proceeds from disposal of fixed asset		3,692,160	1,071,203
Payment against investments		(262,957,970)	(24,428,195)
Proceeds from disposal Investment		159,925,060	16,200,000
Dividend received		92,296,436	62,549,683
Interest received		127,047,851	153,863,962
Proceeds from TBL Subordinated Bond		11,969,178	1,969,178
Payment for BSRM Zero coupon Bond		-	(89,432,659)
Payment for LBSL Zero coupon Bond		-	(33,171,924)
Redemption from BSRM Zero coupon Bond		22,661,625	-
Redemption from LBSL Zero coupon Bond		9,312,768	-
Net cash used in investing activities		**59,766,462**	**(42,375,308)**
Cash flows from financing activities:			
Dividend Paid		(117,298,681)	(104,502,846)
Net cash used in financing activities		**(117,298,681)**	**(104,502,846)**
Net changes in cash & cash equivalents for the period		**50,221,580**	**(102,735,533)**
Cash and cash equivalents at the beginning of the year		**1,960,689,150**	**2,063,424,683**
Closing cash and cash equivalents at the end of the year		**2,010,910,730**	**1,960,689,150**

Dhaka, February 18, 2018

Rajiv Prasad Shaha
Chairman

Amiran Hossain
Director

Arshad Waliur Rahman
Director

Md. Khaled Mamun
Chief Executive Officer

Zoha Zaman Kabir Rashid & Co.
Chartered Accountants

RELIANCE INSURANCE LIMITED

CLASSIFIED SUMMARY OF ASSETS

AS OF DECEMBER 31, 2017

(Amount in Taka)

Particulars	2017 Book Value	2016 Book Value
Non current assets:		
Property, Plant and Equipments		
Land	1,182,187,500	1,182,187,500
Building	179,955,879	192,655,229
Furniture & fixtures	11,130,732	11,511,087
Office equipments & IT installation	6,108,482	6,750,315
Vehicles	35,534,949	26,548,210
Telephone installation	179,123	179,123
Sub total	**1,415,096,665**	**1,419,831,464**
Assets Under Construction	**303,108,547**	**218,250,227**
Investments		
Bangladesh Govt. Treasury Bond	25,000,000	25,000,000
TBL Sub-ordinated Bond-II	40,000,000	50,000,000
SIBL Subordinated Bond	40,000,000	50,000,000
BSRM Zero Coupon Bond	66,771,035	89,432,659
LBSL Zero Coupon Bond	23,859,156	33,171,924
Shares of Listed Companies	2,915,958,113	1,652,887,045
Shares of Unlisted Companies	1,569,450	1,569,450
Investment through IDLC	-	31,943,394
RIL Mutual Fund	133,100,000	117,370,000
Sub Total	**3,246,257,754**	**2,051,374,472**
Current Assets		
Fixed deposits & amount with SND accounts	1,998,853,633	1,948,799,527
Cash in hand & cash at current accounts	12,057,097	11,889,623
Premium control account	35,772,906	41,490,400
Interest accrued & overdue	499,754	260,384
Interest accrued but not due	65,468,152	59,636,706
Sundry debtors	1,064,929,304	775,709,042
Stock of stationery	992,243	1,132,683
Stamps in hand	9,138,855	8,818,927
Amount due from other persons or bodies carrying on insurance business	78,571,956	62,259,078
Sub Total	**3,266,283,900**	**2,909,996,370**
Total Assets	**8,230,746,866**	**6,599,452,533**

Rajiv Prasad Shaha
Chairman

Amiran Hossain
Director

Arshad Waliur Rahman
Director

Md. Khaled Mamun
Chief Executive Officer

Zoha Zaman Kabir Rashid & Co.
Chartered Accountants

Dhaka, February 18, 2018

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RELIANCE INSURANCE LIMITED

NOTES TO THE FINANCIAL STATEMENTS

AS AT AND FOR THE YEAR ENDED DECEMBER 31, 2017

1.00 General Information

1.01 Legal form of the Company

Reliance Insurance Ltd was incorporated as a Public Limited Company in Bangladesh in the year 1988 under the Companies Act 1913 (present 1994). The Company, within the stipulations laid down by Insurance Act 2010 and directives as received from Insurance Development & Regulatory Authority (IDRA) time to time, provides Non-life Insurance services. The company is listed with Dhaka Stock Exchange and Chittagong Stock Exchange as a Publicly Traded Company. The Company carries its insurance activities through thirty two branches throughout the country.

1.02 Principal activities and nature of operations

The principal activity of the company continued to be carrying on non-life insurance business. There were no significant changes in the nature of the principal activities of the Company during the year 2017 under review.

1.03 Reporting period

The financial statements of the Company consistently cover one calendar year starting from 1st January to 31st December.

1.04 Date of Financial Statements authorized for issue

Financial Statements of the Company for the year ended December 31, 2017 were authorized for issue on February 18, 2018 in accordance with a resolution of the Board of Directors.

2.00 Summary of significant accounting and related policies

2.01 Basis of preparation

The financial statements of the Company under reporting have been prepared under historical cost convention in a going concern concept and on accrual basis in accordance with Generally Accepted Accounting Principles and practice in Bangladesh. Disclosure of financial information as required by Insurance Act 2010 have been complied with while preparing statement of financial position , statement of comprehensive income and revenue accounts for specific classes of insurance business in the form set forth in the first, second and third schedule of the Insurance Act and also in compliance with the Companies Act 1994. In addition, the Bangladesh Securities and Exchange Commission Rules 1987, Listing Regulations of Dhaka Stock Exchange Ltd. (DSE) & Chittagong Stock Exchange Ltd. (CSE), International Accounting Standards (IAS) and International Financial Reporting Standards (IFRS) as adopted by the Institute of Chartered Accountants of Bangladesh (ICAB), as Bangladesh Accounting Standards (BAS) and Bangladesh Financial Reporting Standards (BFRS) have also been complied with.

2.02 Premium recognition

Premium is recognized when insurance policies are issued, but the premium of Company's share of public sector insurance business (PSB) is accounted for in the year in which the statements of account from Sadharan Bima Corporation are received. Up to 31 December 2017 statements of account for the period July 01 ,2016 to June 30, 2017 have been received and, accordingly, the Company's share of PSB for that period has been recognized in these financial statements.

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2.03 Accounting estimates

Preparation of financial statements requires Management to make judgments, estimates and assumptions that affect the application of policies and reported amount of assets and liabilities, income and expenses. The estimates and underlying assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgments amount carrying values of assets and liabilities that are not readily apparent from other sources. While Management believes that the amounts included in the financial statements reflect the company's best estimates and assumptions, actual result could differ from estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions of the accounting estimates are recognized in the period in which the estimates are revised.

Significant areas requiring the use of Management estimates in these financial statements relate to the useful life of depreciable assets and provisions for loans. However, assumptions and judgments made by Management in the application of accounting policies that have significant effect on the financial statements are not expected the result in material adjustment to the carrying amount of assets and liabilities in the next year.

2.04 Functional and presentation currency

The Financial Statements are presented in Bangladeshi Taka which is the Company's functional currency.

2.05 Materiality and aggregation

Each material class of similar items is presented separately in the Financial Statements. Items of a dissimilar nature or function are presented separately unless they are immaterial.

2.06 Foreign currency transaction

All foreign exchange transactions are converted to Bangladeshi Taka, which is the reporting currency, at the rate of exchange prevailing at the time the transaction were effected. Insurance contracts which were underwritten in foreign currency are converted to Bangladeshi Taka at the rate of exchange prevailing at the time of underwriting and revenue is recognized accordingly.

2.07 Prior period adjustment

Depreciation that has been charged over against various assets in the earlier year has been adjusted this year .Moreover Deferred tax on unrealised gain on shrares has been provided and necessary adjustment in changes in equity and notes to the accounts has also been given accordingly.

2.08 Property, plant and equipment

2.08.01 Recognition and measurement

Property, Plant and Equipment are recognized if it is probable that future economic benefits associated with the asset will flow to the Company and cost of the asset can be measured reliably. Items of property, plant and equipment are measured at cost less accumulated depreciation and accumulated impairment losses.

Cost includes expenditure that is directly attributable to the acquisition of the asset. The cost of self-constructed assets includes the cost of materials and direct labour, any other costs directly attributable to bringing the asset to a working condition for its intended use and the cost of dismantling and removing the items and restoring the site on which they are located.

Gains and losses on disposal of an item of property, plant and equipment are determined by comparing the proceeds from disposal with the carrying amount of property, plant and equipment. When revalued assets are sold, the relevant amount included in the revaluation reserve is transferred to retained earnings.

2.08.02 Subsequent cost

The cost of replacing a component of an item of property, plant and equipment is recognized in the carrying amount of the item if it is probable that the future economic benefits associated with the part will flow to the Company and its cost can be measured reliably. The carrying amount of the replaced component is de-recognised.

2.08.03 Revaluations

Revaluation on freehold land and building is performed by professionally qualified valuers. The frequency of revaluations depends upon the movements in the fair values of the items of property, plant and equipment being revalued. Usually Land and buildings are revalued every two to three years. The revaluation surplus is recognised in the net carrying amount of the assets and is transferred to revaluation reserve after restating the asset at the revalued amount. Any revaluation loss is directly recognised in the Statement of Comprehensive Income but any revaluation loss arising from an asset which has been previously recognized in the revaluation reserve is debited to the extent of any credit balance existing in the revaluation reserve in respect of that asset.

2.08.04 Depreciation

Depreciation of an asset begins when it is available for use, i.e. when it is in the location and condition necessary for it to be capable of operating in the manner intended by management. Depreciation of an asset ceases at the earlier of the date that the asset is classified as held for sale (or included in a disposal group that is classified as held for sale) in accordance with BFRS-5 and the date that the asset is derecognized. Asset category-wise depreciation rates are as follows:

Item	Rate
Office Buildings	5%
Furniture & Fixtures	10%
Motor Vehicles	20%
Office & Electrical Equipments	15%
Miscellaneous Items	20%

2.08.05 De-recognition

An item of property, plant and equipment is de-recognised upon disposal or when no future economic benefits are expected from its use. Any gain or loss arising on de-recognition of the asset is included in the statement of comprehensive income in the year the asset is de-recognized.

2.08.06 Impairment of assets

The carrying amounts of the company's non financial assets, other than deferred tax assets are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated. An impairment loss is recognized if the carrying amount of an asset or its cash generating unit exceeds its estimated recoverable amount. Impairment losses are recognised in the statement of comprehensive income. Considering the present conditions of the assets, management concludes that there is no such indications exist.

2.09 Investment in shares

All investments of RIL are initially recognized at cost, being the fair value of the consideration given which include transaction cost and these are classified into the following categories:

2.09.01 Held to Maturity

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

2.09.02 Held for Trading

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

2.09.03 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.

2.10 Employee benefits

2.10.01 Defined contribution plan

Company operates a provident fund, recognized by the Income Tax Authorities. Confirm employees of the Company are eligible for the said provident fund. Employees of the Company will contribute ten percent of their basic salary and the employer will make a matching contribution. The provident fund is wholly administered by a Board of Trustees and no part of the fund is included in the assets of the Company.

2.10.02 Defined benefit plan

The Company also operates a funded gratuity scheme in accordance with the provisions specified in BAS 19. The fund is approved by the National Board of Revenue (NBR), administered by the Board of Trustees and invested separately from the Company's assets. Employees are entitled to benefit at a graduated scale based on the length of service. The Length of service for the purpose of gratuity shall be reckoned from the date of joining in the regular service of the Company. Calculation of gratuity is made on the basis of last drawn basic salary. An employee will receive one month's basic salary for each completed year of service if he/she completed five years & above but less than ten years of continuous services and two month's basic salary for each completed year of service if he/she completed ten years & above of continuous services. Gratuity will be payable only on their separation from the company.

2.10.03 Other benefits

In addition to the above, Reliance Insurance limited providing other benefits to its employees like Performance Linked Variable Bonus (PLV), Group Life Scheme (GLS), Group Medical Benefits plan, House Building Loan Scheme and Car/Motor Cycle Loan Scheme subject to fulfillment of certain terms and conditions.

2.11 Investment income recognition

2.11.01 Interest and dividend

Interest on debentures, Bangladesh Government Treasury Bond and FDRs are recognized on accrual basis. Interest on STD/SND account, cash dividend on investment in shares and other income are recognized as and when amount credited to our account. For stock dividend that received by the company against its investment, number of shares increased and average cost of investment decreased.

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2.11.02 Other Income

Other income is recognized on an accrual basis. Net gains and losses of the revenue nature on the disposal of Property, Plant & Equipment and other non-current assets including investments have been accounted for in the Statement of Comprehensive Income, having deducted from the proceeds on disposal, the carrying amount of the assets and related selling expenses.

2.12 Expenses and taxes

2.12.01 Recognition of expenses

Expenses are recognised in the Statement of Comprehensive Income on the basis of a direct association between the cost incurred and the earning of specific heads of income. All expenditure incurred has been charged to the Statement of Comprehensive Income in the running of the business and in maintaining the property, plant and equipment in a state of efficiency.

2.12.02 Borrowing costs

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

2.13 Income tax

Income tax expense comprises current tax and deferred tax. Income tax expense is recognized in the Statement of Comprehensive Income.

2.13.01 Current tax

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

2.13.02 Deferred tax

Deferred tax is recognized on differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit and are accounted for using the balance sheet liability method. Deferred tax liabilities are generally recognized for all taxable temporary difference. Deferred tax assets are generally recognized for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which such differences can be utilized. Deferred tax is charged or credited to the Statement of Comprehensive Income.

2.14 Reserve or contingencies accounts

2.14.01 Reserve for exceptional losses

Company sets aside 10% of the net premium income of the year from the balance of the profit as Reserve for exceptional losses as per Para 6 of 4th schedule of the Income Tax Ordinance 1984 to meet the exceptional losses . Detail calculations have been given in Note 4.01.

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2.14.02 Land revaluation reserve

The Land revaluation surplus is transferred to revaluation reserve after restating the asset at the revalued amount. Any revaluation loss is directly recognized in the Statement of Comprehensive Income but any revaluation loss arising from an asset which has been previously recognized in the revaluation reserve is debited to the extent of any credit balance existing in the revaluation reserve in respect of that asset.

2.15 Segment reporting

A business segment is a distinguishable component of the Company that is engaged in providing services that are subject to risks and returns that are different from those of other business segments. The Company accounts for segment reporting of operating results using the classes of business. The performance of segments is evaluated on the basis of underwriting results of each segment. The Company has four primary business segments for reporting purposes namely fire, marine, motor and miscellaneous.

2.16 Earnings per share

The Company presents basic earnings per share (EPS) data for its ordinary shares. Basic EPS is calculated by dividing the profit or loss attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares outstanding during the period. Detail computations have shown in Note 27.

2.17 Related party disclosure

Reliance Insurance, in normal course of business, carried out a number of transactions with other entities that fall within the definition of related party contained in Bangladesh Accounting Standard 24: Related Party Disclosures. All transactions involving related parties arising in normal course of business are conducted on an arm's length basis at commercial rates on the same terms and conditions as applicable to the third parties. Detail of the related party disclosures have been given in Note 28.

2.18 Statement of Cash Flows

The Statement of Cash Flows has been prepared in accordance with BAS -7 and the cash from the operating activities has been presented under direct method.

2.19 Branch accounting

Reliance Insurance Limited now has thirty two branches with no overseas branch as of December 31, 2017. Accounts of the branches are maintained at the head office from which these accounts are drawn up.

2.20 Event after the reporting period

Proposed dividend

The proposed dividend is not recognized as a liability in the Balance Sheet in accordance with the BAS 10: Events after the Balance Sheet. Dividend payable to the Company's shareholders are recognized as a liability and deducted from shareholders equity in the period in which the shareholders right to receive payment is established. Bangladesh Accounting Standard (BAS) 1: Presentation of Financial Statements also requires the dividend proposed after the Balance Sheet date but before the financial statements are authorized for issue, be disclosed in the notes to the financial statements. Accordingly, the Company has disclosed the same in the notes to the financial statements.

All material events occurring after the balance sheet date has been considered and where necessary, adjusted for or disclosed in the Note 40.

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2.21 Status of Compliance of Bangladesh Accounting Standards and Bangladesh Financial Reporting Standards

In preparing Financial Statements, we applied following BAS and BFRS:

Name of the BAS	BAS No.	Status of application
Presentation of Financial Statements	1	Applied
Inventories	2	Applied
Statements Cash flow	7	Applied
Accounting Policies, Changes in Accounting estimates and errors	8	Applied
Event after the Reporting Period	10	Applied
Construction Contacts	11	N/A
Income Taxes	12	Applied
Property, Plant & Equipments	16	Applied
Leases	17	N/A
Revenue	18	Applied
Employee Benefits	19	Applied
Accounting for Govt. Grants and Discloser of Govt. Assistants	20	N/A
The effects of Changes in Foreign Exchange Rates	21	Applied
Borrowing Costs	23	N/A
Related Party Disclosures	24	Applied
Accounting and Reporting by Retirement Benefit Plans	26	N/A
Consolidated and separate Financial Statements	27	N/A
Investment in Associates	28	N/A
Financial Reporting in Hyperinflationary Economies	29	N/A
Financial Instruments: Presentation	32	Applied
Earnings Per Share	33	Applied
Interim Financial Reporting	34	Applied
Impairment of Assets	36	Applied
Provisions, Contingent Liabilities and Contingent Assets	37	Applied
Intangible Assets	38	Applied
Financial Instruments: Recognition & Measurement	39	Applied
Investment Property	40	N/A
Agriculture	41	N/A

Name of the BFRS	BFRS No.	Status of application
First Adoption of BFRSs	1	N/A
Share based payment	2	N/A
Business Combination	3	N/A
Insurance Contracts	4	Applied
Non- Current assets Held for Sales and Discontinued Operation	5	N/A
Exploration for and Evaluation of Mineral Resources	6	N/A
Financial Instruments: Disclosure	7	Applied
Operating Segments	8	Applied
Financial Instruments	9	N/A
Consolidiate Financial Statements	10	N/A
Joint Arrangement	11	N/A
Disclosure of Interest in Other Entities	12	N/A
Fair Value Measurement	13	Applied
Regulatory Deffered Accounts	14	N/A
Revenue from Contracts with Customers	15	N/A

2.22 General

The financial statements are prepared in Bangladeshi Taka (BDT), rounded off to the nearest taka. These are prepared on the historical cost basis and therefore, do not take into consideration the effect of inflation.

Previous year's figures have been rearranged, whenever necessary, to confirm the current year presentation.

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3.00 Authorized, Issued, Subscribed and Paid up Capital

Particulars	2017		2016	
	%	Taka	%	Taka
Authorized:				
200,000,000 ordinary shares of Tk.10 each		2,000,000,000		2,000,000,000
Issued, subscribed and paid up:				
Group A—Sponsors:				
41,548,991 ordinary shares of Tk.10 each fully paid in cash	47.807	415,489,910	47.807	377,718,100
Group B—Others:				
45,360,999 ordinary shares of Tk.10 each fully paid in cash	52.193	453,609,990	52.193	412,372,720
1) Employees	0.033	289,480	0.050	391,230
2) Bank, ICB's MF, Insurance companies, BSRS	4.952	43,034,180	3.821	32,933,200
3) ICB Investors' accounts	1.368	11,893,230	0.164	2,911,270
4) General public	45.840	398,393,100	48.158	376,137,020
Total	**100.000**	**869,099,900**	**100.000**	**790,090,820**

Classification of shareholders' by holding

The distribution schedule of shareholdings as on December 31, 2017 was as under:

Holdings	Number of Holders		Total Holding %	
	2017	2016	2017	2016
Group-A				
1,000,000-4,000,000	4	4	11.76	11.76
4,000,001-6,000,000	6	6	36.05	36.05
Group-B				
10-5,000	932	969	6.81	0.71
5,001-10,000	105	124	0.87	1.04
10,001-50,000	88	100	2.27	2.87
50,001-100,000	15	16	1.08	1.33
100,001-300,000	11	20	1.97	4.43
300,001-600,000	4	11	2.00	5.62
600,001-5,000,000	18	17	37.19	36.19
Total			**100**	**100**

	Notes	2017 (Taka)	2016 (Taka)
4.00 Reserves & Surplus			
Reserve for exceptional losses	4.01	1,033,628,434	909,863,916
Capital reserve		2,379,041	2,379,041
Retained earnings		617,833,420	480,030,235
General reserve		1,250,000	1,250,000
Land revaluation reserve		1,109,678,226	1,109,678,226
Fair value reserve		1,982,940,756	1,116,007,655
Total		**4,747,709,878**	**3,619,209,076**

	Notes	2017 (Taka)	2016 (Taka)

4.01 Reserve for exceptional losses

10% of the net premium was transferred to reserve for exceptional losses as per paragraph 6 of the Fourth Schedule of Income Tax Ordinance 1984. Details calculation as under:

Opening balance	909,863,916	814,034,697
Add: Provision for the year	123,764,518	95,829,219
Closing balance	**1,033,628,434**	**909,863,916**

The class wise summary of reserve for exceptional loss provision is as follows:

Particulars	Fire	Marine	Miscellaneous	2017	2016
Gross premium	**1,257,598,796**	**823,637,087**	**488,512,585**	**2,569,748,469**	**2,483,288,419**
Add: Reinsurance premium Acceptance	-	2,922,665	-	2,922,665	3,604,000
Less :Reinsurance Premium on Ceded	(952,932,911)	(190,348,613)	(151,641,684)	(1,294,923,208)	1,493,394,224
Less :Reinsurance Premium on PSB	(4,174,412)	(13,467,492)	(22,460,845)	(40,102,749)	35,206,000
Net Premium	**300,491,473**	**622,743,648**	**314,410,056**	**1,237,645,177**	**958,292,194**
Rate of Provision	10%	10%	10%	10%	10%
Reserve for exceptional loss provision	**30,049,147**	**62,274,365**	**31,441,006**	**123,764,518**	**95,829,219**

5.00 Balance of funds and accounts

	2017 (Taka)	2016 (Taka)
Balance of fund and account consist as follows:		
Fire Insurance	120,196,589	102,468,921
Marine Insurance	260,792,299	161,359,040
Misc. Insurance	125,764,023	123,045,072
Total	**506,752,911**	**386,873,033**

6.00 Premium Deposit

The below mentioned amount includes premium received against cover notes for which policies have not been issued within December 31, 2017. While the risks against non-marine and marine hull have been assumed from the issuance of cover notes, risks against marine cargo have not been assumed until shipment advices are provided and accordingly, policies are issued.

The class wise summary of the premium deposit is as follows:		
Fire Insurance	5,041,138	45,514,778
Marine cargo Insurance	263,494,154	294,288,629
Miscellaneous Insurance	222,887	135,563
	268,758,179	**339,938,970**

7.00 Estimated Liability in respect of Outstanding Claims whether Due or Intimated

Fire	22,025,161	35,338,206
Marine cargo	164,821,127	129,470,341
Marine hull	329,929	315,421
Motor	53,332,300	39,714,206
Miscellaneous	31,512,137	31,886,697
Total	**272,020,654**	**236,724,871**

		Notes	2017 (Taka)	2016 (Taka)
	All the claims against which the Company received intimations within 31st December 2017 have been taken into consideration while estimating the liability in respect of outstanding claims.			
8.00	**Amount due to other Persons or Bodies carrying on Insurance Business**			
	Co-insurance premium payable		5,915,114	9,854,674
	Co-insurance salvage payable		88,418	88,418
	Green Delta Insurance Co. Ltd. for reinsurance ceded		13,776,350	13,614,210
	Reinsurance creditors /Payable-SBC		224,504,670	138,668,045
	Port Folio Premium Withdrawal/Transfer (Cedence)		695,100	695,100
	Port Folio Loss Withdrawal/Transfer (Cedence)		4,580	-
	Total		**244,984,232**	**162,920,447**
9.00	**Outstanding refundable premium**			
	Fire		549,748	9,049,179
	Marine cargo		449,539	472,355
	Motor		1,066	51,227
	Miscellaneous		2,557,665	2,598,640
	Total		**3,558,018**	**12,171,401**
10.00	**Sundry creditors**			
	Statutory audit fee		339,250	347,500
	Special audit fee		1,300,000	1,170,000
	Premium received in advance		43,976,198	76,227,175
	VAT payable		(5,422,492)	(7,666,299)
	Bills payable		31,064,176	27,935,354
	Tax payable on miscellaneous items		2,590,022	3,973,194
	VAT payable on money receipt		15,293,343	20,661,870
	VAT payable on miscellaneous items		1,017,959	2,344,983
	Insurance stamps on deposit premium		32,852,926	46,076,011
	Current tax liabilities	10.01	793,005,859	662,917,013
	Employees' income tax		(672,120)	(279,073)
	(Short)/Excess collection of premium		303,291	181,514
	Security deposit		27,698,050	19,325,333
	Agency commission payable		101,537,929	163,700,084
	Group hospitalization insurance premium payable		140,879	(249)
	Installment audio, vedio payable		9	24
	Deposit against cancel document		-	620,795
	Liability for stamp purchase		33,607,703	10,060,674
			1,078,632,981	**1,027,595,904**
10.01	**Current Tax Liabilities**			
	Balance as on 1st January		**662,917,013**	**558,153,564**
	Add: Provision made during the year		167,150,942	135,520,821
	Less: Adjustment made during the year		(37,062,096)	(30,757,373)
	Balance as at 31st December		**793,005,859**	**662,917,013**

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	Notes	2017 (Taka)	2016 (Taka)
11.00	**Deferred tax liabilities**		
	Opening balance	9,510,339	8,120,800
	Prior year adjustment (on unrealized gain on shares)	111,600,766	-
	Restated opening balance	121,111,104	8,120,800
	Add: Provided for the year	113,086,397	1,389,538
	Closing balance	**234,197,502**	**9,510,339**

	Carrying amount at reporting date	Tax base	Taxable/ (Deductible) temporary difference
	Taka	Taka	Taka
As at 31 December 2017 :			
-Property, plant and equipment excluding land	232,909,166	198,232,291	34,676,875
Tax rate			**40%**
Deferred tax liabilities on items recognised in profit and loss			**13,870,750**
-Available for sale in shares recognised directly in equity	2,203,267,507	-	2,203,267,507
Tax rate			**10%**
Deferred tax liabilities on Available for sale in shares recognised directly in equity			**220,326,752**
Total Deferred tax liabilities			**234,197,502**
As at 31 December 2016 :			
-Property, plant and equipment excluding land	237,643,964	203,268,119	34,375,845
- Gratuity	(10,600,000)	-	(10,600,000)
Net temporary differences	-	-	23,775,845
Tax rate			**40%**
Total Deferred tax liabilities			**9,510,339**

		2017 (Taka)	2016 (Taka)
12.00	**Property, plant and equipment**		
	Cost		
	Balance at the beginning of the year	1,580,212,081	1,572,345,312
	Prior year Adjustment	-	(3,740,000)
	Restated opening balance	1,580,212,081	1,568,605,312
	Addition during the year	26,504,729	19,790,320
	Sales/Adjustment during the year	(6,597,603)	(8,183,550)
	Balance at the year end	**1,600,119,207**	**1,580,212,081**
	Accumulated Depreciation:		
	Balance at the beginning of the year	160,380,617	140,007,579
	Prior year Adjustment	(183,081)	(1,156,633)
	Restated opening balance	160,197,536	138,850,946
	Addition during the year	30,676,155	28,696,439
	Sales/Adjustment during the year	(5,851,150)	(7,166,768)
	Balance at the year end	**185,022,541**	**160,380,617**
	Carrying Amount	**1,415,096,666**	**1,419,831,464**

Detail schedule of property, plant and equipments is given in Annexure - A.

		Notes	2017 (Taka)	2016 (Taka)
13.00	**Assets under construction**			
	Balance at the beginning of the year		218,250,227	87,394,349
	Addition during the year		84,858,320	130,855,878
	Balance at the year end		**303,108,547**	**218,250,227**

Assets under construction are stated at cost. As these are expenses of a capital nature directly incurred in property, plant and equipment, waiting for capitalization.

13.01 Current Status of Reliance Insurance Office Tower

Up until January 31, 2018, our designated construction contractor M/S. Mir Akhter Hossain Limited has completed roof casting up to 13th Floor. Progress of necessary inside work, like plumbing and electrical wiring is as per schedule.

Meanwhile, Civil Aviation Authority of Bangladesh (CAAB) has relaxed height bar limit in Gulsan area and therefore, the Board of Directors, in its meeting held on October 23, 2017, decided to go for further vertical extension of the building with approval of respective authority. The management has taken necessary initiative in this regard and applied to RAJUK special committee for large projects and is awaiting their approval .

14.00	**Investments**			
	Held to maturity	14.01	195,630,191	247,604,583
	Held for trading	14.02	-	31,943,394
	Available for sale	14.03	3,050,627,563	1,771,826,495
			3,246,257,754	**2,051,374,472**

14.01 Held to maturity

Investments with fixed maturity that the management has the intent and ability to hold to maturity are classified as held to maturity. During the year 2017 Company hold the following investments:

BD Govt. Treasury Bond (5 & 10 yrs)	25,000,000	25,000,000
TBL Subordinated Bond – II	40,000,000	50,000,000
SIBL Mudaraba Bond	40,000,000	50,000,000
BSRM Zero Coupon Bond	66,771,035	89,432,659
LBSL Zero Coupon Bond	23,859,156	33,171,924
	195,630,191	**247,604,583**

14.02 Held for trading

The financial assets which were acquired principally for the purpose of generating profit from short-term fluctuation in prices are realized during the year. As at reporting date no investment left as held for trading.

14.03 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, 2017 Company designated the following shares as available for sale. Details are as follows:

2016			Company's/Fund name	2017		
No. of Shares	Value at cost	Fair value		No. of Shares	Value at cost	Fair value
Unquoted Share						
571,181	1,569,450	1,569,450	Central Depository BD Ltd. (CDBL)	571,181	1,569,450	1,569,450
Quoted Share						
16,643	8,636,736	6,415,877	ACI Ltd.	-	-	-
	-	-	ACME Laboratories Ltd.	73,000	8,489,409	8,322,000
	-	-	Aman Cotton Fibrous Ltd.	31,384	1,255,360	1,255,360
	-	-	Bashundhara Paper Mills Ltd.	43,226	3,458,080	3,458,080
4,019	5,014,308	4,589,698	BATA Shoe	4,000	4,990,603	4,687,200
10	24,335	23,178	Berger Paints BD Ltd.	-	-	-
125,000	11,742,563	11,600,000	BSRM Ltd.	160,000	15,338,343	12,560,000
67,567	2,832,017	1,837,822	City Bank Ltd.	-	-	-
38,500	6,712,503	3,873,100	Delta Life Insurance Co. Ltd.	100,000	13,302,292	10,760,000
10,500	706,458	486,150	DESCO	-	-	-
50,000	832,905	895,000	Dhaka Bank Ltd.	-	-	-
55,000	5,963,464	6,418,500	Dutch Bangla Bank Ltd.	-	-	-
11,385	935,452	770,765	FarEast Life Insurance Co. Ltd.	3,000	201,837	214,500
250,000	85,921,818	71,025,000	GrameenPhone Ltd.	-	-	-
-	-	-	Grameen MF-2	288,531	4,349,430.71	4,472,231
17,595,702	86,762,760	1,002,955,014	IDLC BD Ltd.	26,393,553	262,719,780	2,251,370,071
115,240	10,396,642	7,202,500	Khulna Power Co. Ltd.	115,240	10,396,642	6,741,540
250,000	29,680,841	20,525,000	Lafarge Holcim Bangladesh Ltd.	250,000	29,680,841	17,475,000
38	3,800	3,800	Maq Enterprise Ltd.	38	3,800	3,800
1,000	1,385,332	923,200	Marico BD Ltd.	1,500	1,941,773	1,659,150
27,720	2,209,232	1,544,004	Meghna Life Insurance	-	-	-
-	-	-	Meghna Cement Mills Ltd.	12,890	1,421,747	1,310,913
110,310	28,412,872	18,796,824	Meghna Petrolium	146,000	35,596,953	27,579,400
50,000	6,037,457	5,980,000	MJL BD Ltd.	179,535	21,421,661	19,587,269
5,123,295	41,148,560	276,657,930	National Housing Finance & Inv Ltd.	5,123,295	41,148,560	241,819,524
31	3,100	3,100	Niloy Cement Ltd.	31	3,100	3,100
25,000	7,862,550	7,697,500	Olympic Industries Ltd.	103,500	30,283,231	29,839,050
62,000	21,318,123	11,172,400	Padma Oil	99,900	30,677,798	23,876,100
81,180	3,355,067	2,451,636	Pioneer Insurance Co. Ltd.	98,128	3,890,797	2,992,904
60,000	3,792,108	3,240,000	Power Grid Co. BD Ltd.	-	-	-
22,575	1,323,403	611,783	Pragati Insurance Ltd.	-	-	-
218,091	11,470,236	5,234,184	Pubali Bank Ltd.	235,538	11,470,236	7,160,355
120,600	8,281,404	7,465,140	RAK Ceramics Ltd.	136,630	8,872,867	8,184,137
10,000	10,886,719	10,855,000	Reneta Ltd.	3,768	3,567,578	4,235,986
12,100,000	110,000,000	117,370,000	RI Mutual Fund:Scheme One	12,100,000	110,000,000	133,100,000
-	-	-	Singer BD Ltd.	101,814	19,571,397	19,904,637
497,889	15,040,548	9,310,524	Southeast Bank Ltd.	497,889	15,040,548	11,053,136
516,611	99,435,128	128,687,800	Square Pharmaceuticals Ltd.	561,811	130,425,800	169,554,560
200,269	14,609,483	13,858,615	Square Textile Ltd.	115,182	8,002,393	7,371,648
50,000	2,480,229	2,470,000	Titas Gas	-	-	-
106,700	2,233,919	2,272,710	United Commercial Bank Ltd.	-	-	-
-	-	-	UPGDCL	62,469	11,470,432	11,313,136
203,777	6,797,319	5,033,292	Uttara Bank Ltd.	203,777	6,797,319	7,193,328
	655,818,841	**1,771,826,495**			**847,360,056**	**3,050,627,563**

* 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.

		Notes	2017 (Taka)	2016 (Taka)
14.04	**Changes in fair value of the shares available for sale**			
	Fair value of the investment		3,050,627,563	1,771,826,495
	Less: Cost price of the investment		847,360,056	655,818,841
	Fair value reserve at 31 December		**2,203,267,507**	**1,116,007,655**
	Less: Restated Fair value reserve at 1st January		(1,004,406,890)	1,118,684,354
	Less: Prior year adjustment for deferred tax	11.00	(111,600,766)	-
	Fair value adjustment for the year		**1,087,259,852**	**(2,676,699)**
15.00	**Stock of stamps and others**			
	Insurance stamps		9,138,855	8,818,927
	Stock of stationery		992,243	1,132,683
			10,131,098	**9,951,610**
16.00	**Sundry debtors (including advances, deposits and prepayments):**			
	Advance to supplier		86,814,122	1,526,235
	Security deposit		2,907,600	2,818,485
	Advance against expenses, rent, salary etc.		194,230,982	86,713,224
	Advance against tax		612,844,208	503,531,824
	Advance commission against cover notes		85,976,302	116,732,869
	Advance against registration cost-SPL Tower		14,173,039	14,173,039
	Receivable from IDLC Securities Ltd.		13,536,787	4,313,202
	Collection control account:		**54,446,265**	**45,900,164**
	For premium on policies		10,780,838	9,107,080
	For premium on cover notes		43,665,427	36,793,084
			1,064,929,304	**775,709,042**

Out of the total amount of collection control Tk. 54.45 million mentioned above, Tk. 4.08 million was realized within February 05, 2018. On the other hand out of total receivable, Tk.13.54 million was lying with IDLC Securities Ltd. against sold of shares at the reporting date.

17.00	**Premium Control Account**			
	Fire		2,756,216	16,153,334
	Marine (cargo and hull)		367,962	394,367
	Motor		30,808,319	23,779,127
	Miscellaneous		1,840,409	1,163,572
			35,772,906	**41,490,400**

Out of total Tk. 35,772,906 at the reporting date as mentioned above,Tk. 558,796 was realized within February 05, 2018.

		Notes	2017 (Taka)	2016 (Taka)
18.00	**Interest receivable account**			
	Accrued and overdue:		**499,754**	**260,384**
	Fixed Deposits		499,754	260,384
	Accrued but not due:		**65,468,152**	**59,636,706**
	BD Govt. Treasury Bond		890,225	891,099
	TBL – Sub-ordinate Bond		1,575,342	1,969,178
	BSRM Zero Coupon Bond		1,181,756	1,582,836
	LBSL Zero Coupon Bond		685,086	1,372,318
	Fixed Deposits		61,135,743	53,821,275
			65,967,906	**59,897,090**
19.00	**Amount due from other persons or bodies carrying on insurance business:**			
	Sundry co-insurance claims recoverable		8,097,949	7,845,659
	Co-insurance premium recoverable (including refund)		19,694,856	16,385,998
	Premium Receivable on SBC (PSB Account)		(3,118)	92,710
	Re-insurance Premium Receivable		50,782,269	37,934,711
	For reinsurance acceptance with SBC		36,277,186	26,345,355
	For reinsurance acceptance with GDIL		14,505,083	11,589,356
			78,571,956	**62,259,078**
20.00	**Cash at bank**			
	SND accounts		56,353,633	131,599,527
	Current accounts		10,348,147	10,481,740
			66,701,780	**142,081,267**
21.00	**Fixed Deposit Receipt (FDR)**			
	Balance at the beginning of the year		1,817,200,000	1,806,500,000
	Add: Placed during the year		1,844,100,000	1,532,500,000
	Less: Encashed during the year		(1,718,800,000)	(1,521,800,000)
	Balance at the end of the year		**1,942,500,000**	**1,817,200,000**
22.00	**Audit fees**			
	Audit fees		362,250	370,500
	Special audit fee		130,000	130,000
	Total		**492,250**	**500,500**
23.00	**Income tax expenses**			
	Current Tax	10.01	167,150,942	135,520,821
	Deferred Tax expenses /(income)	24.00	4,360,411	1,389,539
	Total		**171,511,353**	**136,910,360**

		Notes	2017 (Taka)	2016 (Taka)
24.00	**Deferred Tax expenses / (income)**			
	Deferred Tax liabilities as at 31 December	11.00	234,197,502	9,510,339
	Less : Restated Deferred Tax liabilities as at 01 January	11.00	(121,111,104)	(8,120,800)
			113,086,397	1,389,539
	Deferred tax (exp.)/income on items recognised directly in equity		(108,725,986)	-
	Total		**4,360,411**	**1,389,539**
25.00	**Interest & dividend income:**			
	Fixed Deposit		126,390,745	138,867,853
	SND Accounts		3,313,880	3,585,995
	5/10-years Bangladesh Government Treasury Bond		10,367,971	10,521,790
	Interest on Trust Bank Ltd. Subordinated Bond-II		5,856,164	6,267,123
	Interest on SIBL Mudaraba Bond		3,290,629	4,188,574
	Dividend on shares		115,364,295	78,187,104
			264,583,685	**241,618,439**
26.00	**Other income**			
	Profit on sale of assets		1,039,614	54,425
	Gain on sale of assets		1,896,003	-
	Profit on sale of shares		55,878,610	41,526,578
	Service charges income (net)		1,984,338	2,498,461
	Sundry income		55,480	848,202
			60,854,045	**44,927,666**
27.00	**Earnings Per Share**			
27.01	**Basic Earnings Per Share**			

The Company calculates 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:

Earnings attributable to ordinary shareholders (Net profit after tax)	**458,958,391**	**357,752,016**
Ordinary Shares at 1st January	79,009,082	68,703,550
Bonus Shares Issued	7,900,908	10,305,532
Weighted average number of ordinary shares outstanding during the year	**86,909,990**	**79,009,082**
Weighted average number of ordinary shares (Restated)	86,909,990	86,909,990
Basic Earnings Per share (Restated)	**5.28**	**4.12**

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27.02 Diluted Earnings per Share

Diluted earnings per share reflects the potential dilution that could occur if additional ordinary shares are assumed to be issued under securities or contracts that entitle their holders to obtain ordinary shares in future, to the extent such entitlement is not subject to unresolved contingencies.

At 31st December 2017, there was no scope for dilution and hence no dilution EPS is required to be calculated.

28.00 Transactions with related Parties

Detail transactions with related parties and balances with them for the year 2017 were as follows:

Name of the related party	Relationship Nature	Nature of transaction	Premium Earned	Claim paid
Kumudini Welfare Trust of Bengal (BD) Ltd. and related Companies	Common Director	Insurance	1,087,739	-
Meenhar Fisheries Ltd. and related companies	Common Director	Insurance	11,052,073	-
Rangs Limited and related companies	Common Director	Insurance	117,936,497	15590386
Transcom Ltd and related Companies	Common Director	Insurance	287,510,232	15613097
Arlinks and related companies	Common Director	Insurance	346,048	-
		Total	**417,932,589**	**31,203,483**

29.00 Contingent liability

There is dispute on claims amounting to Tk. 168.09 million which has not been admitted by the company. Additionally cases, both in lower and superior courts, by or against the company were pending in respect of insurance claims; net effects of which, it is believed, will not materially affect the financial statements.

30.00 Number of employees engaged

The number of employees engaged at reporting date who received a total remuneration of Tk. 36,000 and above per annum was 348.

31.00 Management expenses

Management expenses as charged to Revenue Accounts amounting to Tk. 362.64 million represents 14.11% of the gross premium of Tk. 2,569.75 million and 29.30% of net premium of Tk. 1,237.64 million in 2017. Moreover, an amount of Tk. 13.06 million was paid to the Directors and Chief Executive Officer as fees and remuneration.

32.00 Allocation of Management Expenses

Management expense of the Company Tk. 362.64 million has been allocated to the revenue accounts based on gross premium in the following ratio:

Revenue Account	Gross Premium including PSB	Ratio %	Share of Managemnt Expenses	Stamp Expense	Total
Fire	1,257,598,796	48.94%	176,725,174	556,283	177,281,457
Marine Cargo	745,239,934	29.00%	104,725,495	-	104,725,495
Marine Hull	78,397,153	3.05%	11,016,829	-	11,016,829
Motor	228,523,788	8.89%	32,113,506	869,178	32,982,684
Miscellaneous	259,988,797	10.12%	36,535,154	99,372	36,634,526
Total	**2,569,748,469**	**100%**	**361,116,158**	**1,524,833**	**362,640,990**

From the above percentage it is observed that 48.94% of the total expenses were charged to the Fire revenue account. If the management expenses were charged to the revenue accounts based on net premium income instead of gross premium, underwriting profit of the revenue accounts would have changed although total profit would remain unchanged and fire revenue account could make profit significantly .

33.00 Compensation (Board & CEO)

No compensation was allowed to the Chief Executive Officer of the Company or any member of the Board for any special services rendered except as noted in note 31.

34.00 Claims

The Company had no claim against it which has not been acknowledged as debt at the balance sheet date.

35.00 Credit facility

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

36.00 Head Office & Branch Offices

The registered office of the Company is located at Shanta Western Tower, Level-5, Space No. 503 & 504, 186, Bir Uttam Mir Shawkat Ali Shorak (Tejgaon-Gulshan Link Road), Tejgaon Industrial Area, Dhaka-1208, Bangladesh. The Company carries its insurance activities through 32 (thirty two) branches throughout the country.

37.00 Geographical area of operations

The Company carries its insurance activities through thirty two branches throughout the Bangladesh.

38.00 Credit Rating Report

Credit Rating Information and Services Limited (CRISL) has announced the Claim paying ability (CPA) rating of the Company as 'AAA' (Pronounced as Triple A) based on the audited financial statements ended December 31, 2016 and other relevant qualitative and quantitative information up-to the date of rating on December 04, 2017.

39.00 Interim Financial Statements

Reliance Insurance Limited publishes its interim financial statements quarterly as required by the Bangladesh Securities and Exchange Commission.

40.00 Post balance sheet Events

a) Board of Directors has recommended 15% cash and 10% stock dividend for the year ended December 31, 2017.

b) No other material event occurred after the reporting period except those mentioned above, which could materially affect the amounts or disclosures in these financial statements.

Rajiv Prasad Shaha
Chairman

Amiran Hossain
Director

Arshad Waliur Rahman
Director

Md. Khaled Mamun
Chief Executive Officer

Zoha Zaman Kabir Rashid & Co.
Chartered Accountants

Dhaka, February 18, 2018

FIXED ASSET SCHEDULE

AS OF DECEMBER 31, 2017

Particulars	Land	Buildings	Motor Vehicle / Cycle	Furniture& Fixtures	Office & Electrical Equipments	Computers	Telephone Installation	Software Installation	Signboard & Hoarding	Total
Cost										
Balance as at 01.01.2017	**1,182,187,500**	**253,987,000**	**75,893,869**	**29,642,198**	**17,537,387**	**13,477,361**	**1,790,991**	**4,633,391**	**1,062,385**	**1,580,212,081**
Additions	-	-	22,515,735	2,206,514	509,995	1,272,485	-	-	-	26,504,729
Disposals /Adjustments	-	-	(5,602,567)	(68,409)	(46,857)	(879,770)	-	-	-	(6,597,603)
Balance as at 31.12.2017	**1,182,187,500**	**253,987,000**	**92,807,037**	**31,780,303**	**18,000,525**	**13,870,076**	**1,790,991**	**4,633,391**	**1,062,385**	**1,600,119,207**
Accumulated Depreciation										
Balance as at 01.01.2017	**-**	**61,331,771**	**49,345,659**	**18,131,111**	**14,713,880**	**10,034,493**	**1,611,868**	**4,192,502**	**1,019,334**	**160,380,617**
Prior year adjustment *				(13,629)	(132,036)	(37,416)				(183,081)
Restated opening balance	**-**	**61,331,771**	**49,345,659**	**18,117,482**	**14,581,844**	**9,997,077**	**1,611,868**	**4,192,502**	**1,019,334**	**160,197,536**
Charge for the year	-	12,699,350	12,803,760	2,600,452	1,313,657	1,019,249		228,310	11,377	30,676,155
Disposals/ Adjustments	-	-	(4,877,331)	(68,364)	(46,852)	(858,603)		-		(5,851,150)
Balance as at 31.12.2017	**-**	**74,031,121**	**57,272,088**	**20,649,570**	**15,848,649**	**10,157,723**	**1,611,868**	**4,420,812**	**1,030,711**	**185,022,541**
Carrying Amount										
Balance as at 31.12.2017	**1,182,187,500**	**179,955,879**	**35,534,949**	**11,130,732**	**2,151,876**	**3,712,353**	**179,123**	**212,579**	**31,674**	**1,415,096,666**
Balance as at 31.12.2016	**1,182,187,500**	**192,655,229**	**26,548,210**	**11,511,087**	**2,823,507**	**3,442,868**	**179,123**	**440,889**	**43,051**	**1,419,831,464**

* See note 2.07

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INFORMATION ABOUT CORPORATE GOVERNANCE

Our governance practices ensure the promotion of long-term interest of shareholders and employees alike, which in turn transforms into the overall success of the business and its financial strength. We have successfully maintained and fostered the trend of overseeing all our business functions, resulting in 3 decades of glorious journey of the company.



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INFORMATION ABOUT CORPORATE GOVERNANCE

Corporate governance is the system by which companies are directed and controlled by the management in the best interest of all the stakeholders, thereby ensuring greater transparency and better and timely financial reporting.

The maintenance of effective corporate governance remains a key priority of the Board of Reliance Insurance Limited (RIL). To ensure clarity about Directors responsibilities towards the shareholders, corporate governance must be dynamic and focused on the business objectives of the Company and should create a culture of openness and accountability. RIL considers that its corporate governance practices comply with all the aspects of BSEC Notification No. SEC/CMMRRCD/2006-158/134/Admin/44 dated 07 August 2012. In addition to establishing high standards of corporate governance, RIL also emphasizes best governance practices in all of its activities. The role of Board of Directors, separate and independent role of Chairman and Chief Executive Officer, distinct role of Company Secretary and Chief Financial officer, and of different Board Committees allow RIL to achieve excellence in best corporate governance practices.

BOARD OF DIRECTORS

Composition

The Board of RIL considers that its membership should comprise of Directors with an appropriate mix of skills, experience and personal attributes that allow the Directors, individually and the Board, collectively, to discharge their responsibilities and duties under the law efficiently and effectively, understand the business of the company and assess the performance of the management.

The Board of RIL comprises of sixteen Directors who possess a wide range of skills and experience over a range of professions, business and service. All of them are nominated by their respective institutions except for two independent directors. Each of the Directors brings in independent judgment and considerable knowledge to perform their roles effectively. The Board of directors ensure that the activities of the company are always conducted with adherence to strict and highest possible ethical standards and in the best interests of the stakeholders.

The Directors are appointed by the shareholders in the Annual General Meeting (AGM). Casual vacancies if any are filled by the Board in accordance with the stipulations of the Companies Act, 1994 and Article of the Company. In addition, one third of the directors retires from the board every year in the AGM, but remains eligible for re-election.

Role and responsibilities of the Board

The Board is committed to the company seeking to achieve superior financial performance and long term prosperity, while meeting stakeholder's expectations of sound corporate governance practice. The Board determines the corporate governance arrangements for the company. As with all its business activities, the Board is proactive in respect of corporate governance and puts in all place those arrangements which it consider are in the best interest of the company and its shareholders, and consistent with its responsibilities to other stakeholders.

The Board of Directors is in full control of the company's affairs and is also fully accountable to the shareholders. They firmly believe that the success of the company largely depends on the credible corporate governance practices adopted by the Company. Taking this into consideration, the Board of Directors of RIL set out its strategic focus and oversees the business and related affairs of the company. The Board also formulates the strategic objectives and policy framework for the company. In discharging the above responsibilities, the Board caries out, the following functions as per the charter of the Board.

- Determine, monitor and evaluate strategies, policy, management performance criteria and business plan.
- Periodic and timely reporting to the shareholders on the affairs, progress and performance of the company
- Ensuring proper decision making and accountability structure throughout the Company so that the staff down the line is fully accountable to the corporate management.

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- Delegation to Board Committees and management and approval of transactions in excess of delegated level
- Approval of annual budgets including major capital expenditure proposals
- Critical evaluation of all proposals which require Board's approval and/or directives
- Regular review of financial performance and overdue situation
- Appointment and evaluation of the performance of the top management positions
- Ensuring that the senior management team has the necessary skill and experience to perform their function effectively, in the best interest of the Company
- Monitoring the adequacy, appropriateness and operation of internal controls.

Role of the Chairman

The Chairman of the Board is not the Chief Executive of the Company. The role of Chairman and Chief Executive Officer are independent and separate. The Chairman runs the Board while the Chief Executive Officer takes all executive decisions as delegated and empowered by the Board.

Code of conduct for the board members and its compliance

As a leading non-life Insurance Company in Bangladesh, the Board of Directors of Reliance Insurance Limited is committed to demonstrating the high standards of ethical behavior in their relationships with the Company's customers, shareholders, employees, regulators and the public. The Board of Directors is accountable for establishing the framework that creates culture of integrity and objectivity. The Board members are also responsible for complying with laws and regulations as well as avoiding behavior that might compromise the company's success.

The following Code of Conduct for members of the board of directors of Reliance Insurance Limited serves as ethical decision making guidelines:

1. Avoiding conflicts of interest:

Directors should avoid any conflicts between their interests and the Company's interests. A conflict of interest can occur when a director's personal interest is adverse to the interests of the company or when a Director (or a family member) receives improper personal benefits as a result of his/her position as a Director. To avoid any appearance of impropriety, Directors must hold themselves to the highest ethical standards, understanding that the perception of a conflict can be as damaging as an actual conflict of interest.

2. Pursuing business opportunities:

Directors may not compete for, or pursue either personally or on behalf of another firm, company business opportunities, including opportunities that are discovered through the use of Reliance Insurance property, information or their position as a Director.

4. Company property:

In carrying out their duties and responsibilities, The Board members shall endeavor to ensure that management is causing the Company's assets, proprietary information and resources to be used by the Company and its employees only for legitimate business purposes of the Company.

5. Maintaining confidentiality:

It is essential to handle all non-public information carefully and appropriately. Directors should maintain the confidentiality of company information entrusted to them, regardless of the source. Directors may disclose certain non-public information if it is legally mandated or the director has the authority to do so.

6. Fair dealing:

In carrying out their duties and responsibilities, Board

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members shall endeavor to deal fairly, and should promote fair dealing by the Company, its employees and agents, with customers, suppliers and employees.

7. Compliance with laws and regulations:

In carrying out their duties and responsibilities, Board members shall comply, and endeavor to ensure that the management is causing the Company to comply, with applicable laws, rules and regulations. In addition, if any Board member becomes aware of any information that he or she believes constitutes evidence of a material violation of any securities or other laws, rules or regulations applicable to the Company or the operation of its business, by the Company, any employee or another Board member, then such Board member should bring such information to the attention of the CEO of the Company.

8. Avoding insider trading:

Board members shall not do insider trading with respect to the purchase and sale of the Company's securities. Board members shall not buy or sell securities while in possession of material non-public information about the issuer of that security, whether the issuer is the Company or another company. Board members shall not also pass such information on to someone who may buy or sell the same.

9. Compensation from Non-Company sources.

Directors may not accept compensation (in any form) from any source other than the Company for services performed for the company.

10. Gifts:

Directors and members of their families may accept gifts of nominal value as long as they are not being made to influence the Directors' actions and do not create the appearance of a conflict of interest.

Board meetings

The meetings of the Board of Directors of RIL are normally held at the Registered and Corporate Head Office of the Company. The meetings are held frequently to discharge its responsibilities and functions as mentioned above. Meeting is scheduled well in advance and the notice of each Board Meeting is given, in writing, to each Director by the Company Secretary.

The Company Secretary prepares the detailed agenda for the meeting. The Board papers comprising the agenda, explanatory notes and proposed regulations are circulated to the directors in advance for their review. The Members of the Board have complete access of all information of the company enabling them to work efficiently. The Members of the Board are also free to recommend inclusion of any matter in the agenda for discussion. The Company Secretary and Chief Financial Officer always attends the Board Meeting and other senior management is invited to attend Board Meeting to provide additional inputs to the items being discussed by the Board and make necessary presentations.

Properly designed management structure, clearly defined responsibilities, delegation or authorities, establishment of accountability at each level and system of periodic reporting and monitoring performance are the key elements of the internal control framework employed in RIL.

Roles and responsibilities of Chief Executive Officer

The Chief Executive Officer of Reliance Insurance Limited is responsible for execution of the Company's long and short term plans set out by the Board with a view to enhancing and creating shareholder value. The CEO's leadership role also entails being ultimately responsible for all day-to-day management decisions and its proper implementation. The CEO acts as a direct liaison between the Board and management of the Company and communicates to the Board on behalf of management. The CEO also communicates on behalf of the Company to shareholders, employees, Government authorities, other stakeholders and the public at large.

More specifically, the roles and responsibilities of the CEO among others include the following:

1. to lead, in conjunction with the Board, the development of the Company's strategy;
2. to lead and oversee the implementation of the Company's long and short term plans in accordance with its strategy;

3. to ensure that the Company is appropriately organized and staffed and to have the authority to hire and terminate staff as necessary to enable it to achieve the approved strategy;
4. to ensure that expenditures of the Company are within the authorized annual budget of the Company;
5. to assess the principal risks of the Company and to ensure that these risks are being monitored and managed properly;
6. to ensure that effective internal controls and management information systems are in place;
7. to ensure that the Company has appropriate systems to enable it to conduct its activities both lawfully and ethically;
8. to ensure that the Company maintains high standards of corporate citizenship and social responsibility wherever it does business;
9. to act as a bridge between management and the Board;
10. to communicate effectively with shareholders, employees, Government authorities, other stakeholders and the public;
11. to keep abreast of all material undertakings and activities of the Company and all material external factors affecting the Company and to ensure that processes and systems are in place so that the CEO and management of the Company are adequately informed;
12. to ensure that the Directors are properly informed and that sufficient information is provided to the Board to enable the Directors to form appropriate judgments;
13. to ensure the integrity of all public disclosure by the Company;
14. in concert with the Chairman, to develop Board agendas;
15. to request that special meetings of the Board be called when appropriate;
16. in concert with the Chairman, to determine the date, time and location of the annual meeting of shareholders and to develop the agenda for the meeting;
17. to sit on committees of the Board where appropriate as determined by the Board; and
18. to abide by specific internally established control systems and authorities, to lead by personal example and encourage all employees to conduct their activities in accordance with all applicable laws and the Company's standards and policies, including its environmental, safety and health policies.

AUDIT COMMITTEE

Composition of audit committee:

Audit committee of Reliance Insurance Limited is a Sub-Committee of the Board of Directors. Audit Committee comprises of five Directors nominated by the Board of Directors. The Committee is headed by a Director who is an Independent Director of the Company. The Chief Internal Audit & Control officer has direct access to the Committee and the Committee is directly reportable to the Board.

Role of the audit committee:

According to the Terms of Reference approved by the Board and in compliance with Section 3.00 of the Bangladesh Securities and Exchange Commission Notification No. SEC/CMRRCD/2006-158/134/Admin/44 dated 07 August 2012, the role of the Committee is as follows:

(i) Oversee the financial reporting process.

(ii) Monitor choice of accounting policies and principles.

(iii) Monitor Internal Control Risk management process.

(iv) Oversee hiring and review performance of external auditors.

(v) Review along with the management, the annual financial statements before submission to the Board for approval.

(vi) Review along with the management, the quarterly and half yearly financial statements before submission to the Board for approval.

(vii) Review the adequacy of internal audit function.

(viii) Review statement of significant related party transactions submitted by the management.

(ix) Review Management Letters/ Letter of Internal Control weakness issued by statutory auditors.

(x) When money is raised through 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.

Meeting and attendance of audit committee:

During the year 2017 Audit committee of the Board met four times to discharge their responsibilities. Detail of the meeting and record of attendance of the members are as follows:

Name of the Director	Audit Committee Meeting		
	Total Meetings held	Meetings Attended	%
Anis-uz-Zaman Khan	4	4	100
Habibullah Khan	4	4	100
Amanullah Chowdhury	4	3	75
Atiqur Rahman	4	3	75
Dr. Toufiq Ali	4	3	75

Internal Control and risk management

Although the Board of Directors is ultimately responsible for ensuring that adequate and effective internal control and risk management systems are place but Audit committee of the Board has a vital role to play. Although no system of internal financial control can provide absolute assurance against material misstatement or financial loss, the company's internal control system have been designed to provide the Directors with reasonable assurance that assets are safeguarded against unauthorized use by the employees / or management and / or third parties, transactions are authorized and properly recorded and material error and irregularities are either prevented or detected within a reasonable period of time.

ETHICS AND COMPLIANCE

Reliance Insurance Limited provides due importance to the moral concerns in order to make the right ethical decisions in every aspects of its operation. RIL believes that upholding the interest of the customers, employees, regulators and all others stakeholders are very crucial for economic stability of any country. Enforcing a corporate code of ethics requires understanding and active participation by everyone in the Company since the code spells out the expected standards of behavior and sets the operating principles to be followed. Every official ensures that the Company, at all times, maintains high ethical standards and adequate internal control measures are in place to safeguard against unethical practices and irregularities. The Board of Directors of the Company has already introduced high level of Code of Conduct of the Board members. It also monitors strict compliance of the same and record it annually. The Company follows AML & CFT program as per the Guidelines of Bangladesh Bank to prevent fraud and corruption. All tiers of employees are continually trained on the issues.

REMUNERATION AND OTHER COMMITTEE OF THE BOARD

In addition to the Audit Committee of the Board, there are two other sub-committees of the Board and these are Finance and Asset Management Committee and Human Recourses Committee. The main purpose of Finance and Asset Management Committee is to safeguard Company's assets and use and invest those assets in utmost profitable manner. On the other hand the main objectives of the Human Resources Committee of the Board are to oversee certain management assessment, succession and compensation matters in accordance with policies and practices of the Company.

Human capital:

RIL believes that Human capital is vitally important for the Company's success. It is prime asset of the Company. It is the stock of competencies, knowledge and personality attributes embodied in the ability to perform jobs as to produce economic value to the Company. Human capital can be increased through education, training and experience. Reliance insurance Limited has the following policy to increase human capital:

1. Establish and administer transparent policies that enable Company to develop and implement opportunities of recruitment, promotion, remuneration, benefits, rewards and recognition system, transfer and training and performance management system without any regard to age, sex, race, political belief and religion.
2. Create a climate of trust and support within the company which encourage the employees to work well together as a team and at the same time, to encourage them to be innovative and creative in order to achieve company goals.
3. Develop an effective internal communication and involvement mechanism which encourage employees to identify them with the company and its activities.
4. Adopt and institute a planned and systematic approach to anticipated changes and develop plans for preparing employees for technological and environmental changes and accordingly Identify employees' training and developmental needs and provide them with necessary development opportunities for them to advance in their career.
5. Ensure that the employment opportunities conform to the established and acceptable practices of the country.
6. Ensure that there are proper manpower planning and forecasting system in place to ensure that there will be enough people with the right skills and talents to meet company's current and future growths and needs
7. Ensure that people with high capabilities proven by track record reach key management positions regardless of their sex, religion, cast creed, and more importantly age and seniority in addition to putting in place succession plans for all senior management positions in the company.

COMMUNICATION TO SHAREHOLDERS AND STAKEHOLDERS

Reliance Insurance Limited is committed to provide a high standard of communication to its shareholders and other investors so that they can have all information reasonably required to make informed assessments of the company's value and prospects. Some information needs to be communicated immediately in the form of price sensitive information, for which suitable procedures are in place.

Directors of the Company normally attend the Annual General Meeting and shareholders are invited to ask questions during the meeting and to meet Directors after the formal proceedings have been concluded. The Directors appreciate the importance of general shareholders of the Company and use the Company's Annual General Meeting as further opportunities to communicate with them.

It is the company's policy to give the shareholders the opportunity at Annual General Meeting to ask questions about its activities and prospects. The Board also so arranges that shareholders can vote separately on each matter, by proposing separate resolutions for each item to be considered. As in past years, the Chairman of the Company is available to answer questions from shareholders at the Annual General Meeting.

The Company also maintains a corporate website **www.reliance.com.bd** containing a wide range of information of the Company. The website is updated on regular basis.

MANAGEMENT REVIEW AND RESPONSIBILITIES

The Management of the company is responsible for planning, organizing, staffing, directing, and controlling in order to accomplish the Company's strategic goals. A sound corporate management needs a range of skills and understanding to be able to deal with various business issues. It needs to be of sufficient size and have an appropriate level of commitment to fulfill its responsibilities and duties. The Management is responsible for managing and controlling the company's

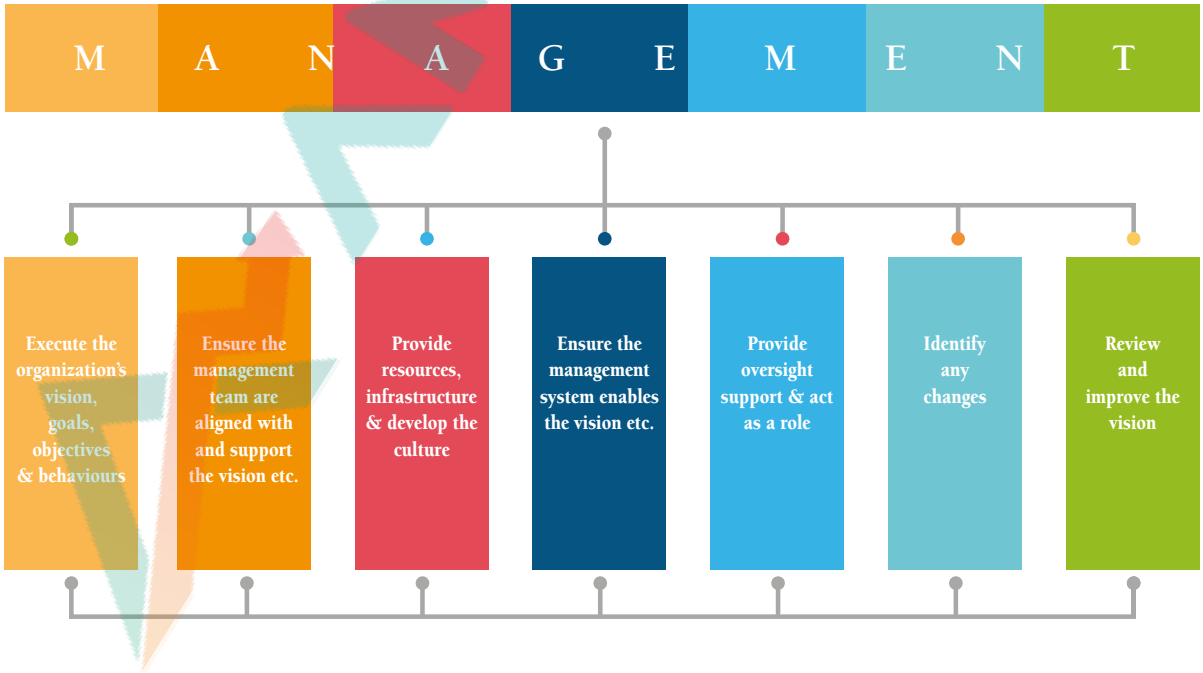
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business and day-to-day operations with the aim of securing significant and sustained increase in the value of the company for its shareholders. The Management also has to ensure that the company's operations are in compliance with the laws and regulations.

It is the Management of who is responsible for establishing and maintaining proper internal control system, the Management having designed such control or caused such control to be designed under its supervision. The Management also has to evaluate the effectiveness of the Company's internal control system and satisfy that the internal control system were effective as of the end of the period under review.

Moreover the management of the Company shall:

1. Demonstrate its commitment to the establishment, implementation, assessment and continual improvement of the management system and allocate adequate resources to carry out these activities.
2. Communicate to individuals the need to adopt to these individual values, Company's values and behavioral expectations as well as to comply with the requirements of the management system.
3. Foster the involvement of all individuals in the implementation and continual improvement of the management system.
4. Ensure that it is clear when, how and by whom decisions are to be made within the management system and that measurable objectives for implementing the goals, strategies and plans are established through appropriate processes at various levels in the organization.
5. Ensure that the implementation of the plans is regularly reviewed against these objectives and that actions are taken to address deviations from the plans where necessary.
6. Determine the amount of resources necessary and provide resources to carry out the activities of the organization.
7. Establish, implement, assess and continually improve the management system.
8. Determine competence requirements for individuals at all levels and provide training or take actions to achieve the required level of competence. An evaluation of the effectiveness of the actions taken shall be conducted; suitable proficiency shall be achieved and maintained.
9. Ensure that individuals are competent to perform their assigned work and that they understand the consequences for safety of their activities.
10. Ensure that Individuals shall have received appropriate education and training, and shall have acquired suitable skills, knowledge and experience to ensure their competence.
11. Determine, provide, maintain and re-evaluate the infrastructure and the working environment necessary for work to be carried out in a safe manner and for requirements to be met.



EVALUATION OF QUARTERLY REPORTS

Quarterly financial reports

Quarterly Financial Report (QFR) is the interim financial report which is dealt by the Bangladesh Accounting Standard (BAS) 34. Moreover, it is one of the requirements of Bangladesh Securities and Exchange Commission Notification No BSEC/CMRRCD/2009-193/188/Admin/69 dated 07 September 2016 and Dhaka Stock Exchange letter Ref. No. DSE/CGFRC/2016/697 dated 28 January 2016. As per BAS 34, interim financial report means a financial report containing either a complete set of financial statements or a set of condensed financial statements for an interim period. The interim financial report is intended to provide an update on the latest complete set of annual financial statements. Audit of the interim financial statements is not required.

Evaluation of quarterly reports

As per Bangladesh Securities and Exchange Commission (BSEC) Notification, Dhaka Stock Exchange letter and also practices of the Company, quarterly financial reports of Reliance Insurance Limited are primarily evaluated by the Audit Committee of the Board along with the Management before submitting to the Board for their final approval. While evaluating, the following events and transactions have been taken into careful considerations since disclosures of the said events and transactions are required if they are significant:

a) The write-down of inventories to net realisable value and the reversal of such a write-down;

b) Recognition of a loss from the impairment of financial assets, property, plant and equipment, intangible assets, or other assets, and the reversal of such an impairment loss;

c) Acquisitions and disposals of items of property, plant and equipment;

d) Commitments for the purchase of property, plant and equipment;

e) Litigation settlement;

f) Corrections of prior period errors;

g) Changes in the business or economic circumstances that affect the fair value of the entity's financial assets and financial liabilities, whether those assets or liabilities are recognized at fair value or amortized cost;

h) Any loan default or breach of a loan agreement that has not been remedied on or before the end of the reporting period;

i) Related party transactions;

j) Transfer between levels of the fair value hierarchy used in measuring the fair value of financial instruments;

k) Change in the classification of financial assets as a result of a in change in the purpose or use of those assets; and

l) Change in contingent liabilities or contingent assets.

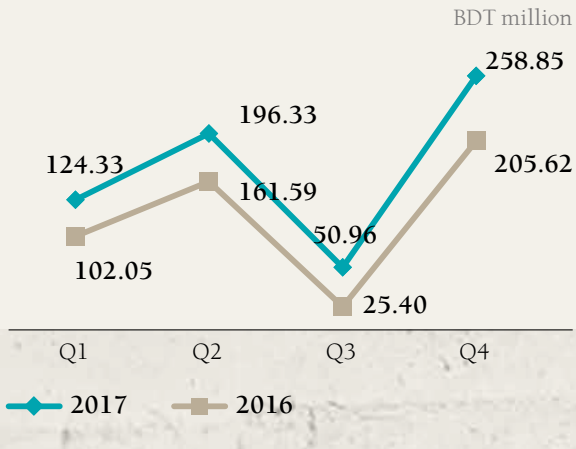
Evaluation results:

Quarterly evaluation results of the Company for the year 2017 as compared with 2016 are as follows:

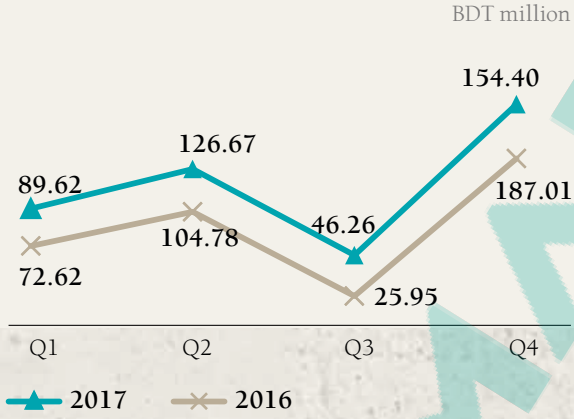
(Taka in million)

Particulars	2017					2016				
	Q1	Q2	Q3	Q4	Total	Q1	Q2	Q3	Q4	Total
Gross premium income	722.83	607.17	659.08	583.59	2,572.67	654.92	551.48	593.62	686.87	2,486.89
Net premium income	280.20	275.12	208.45	473.88	1,237.65	255.55	221.48	193.89	287.37	958.29
Net R/I Commission earned	59.76	53.16	46.74	49.36	209.02	58.20	52.49	52.65	65.09	228.43
Add: Investment & other income	46.45	132.15	63.35	83.49	325.44	39.26	112.64	54.77	79.88	286.55
Total income	386.41	460.43	318.54	606.73	1,772.11	353.01	386.61	301.31	432.34	1,473.27
M. Expenses with Cliams (Allocable)	245.12	244.23	250.33	328.11	1,067.79	232.89	206.68	255.95	215.04	910.56
M. Expenses (Un-allocable)	16.96	19.87	17.25	19.77	73.85	18.07	18.34	19.96	11.68	68.05
Total expenses	262.08	264.10	267.58	347.88	1,141.64	250.96	225.02	275.91	226.72	978.61
Net profit before tax	124.33	196.33	50.96	258.85	630.47	102.05	161.59	25.40	205.62	494.66
Provision for income tax	34.71	69.66	(4.70)	71.84	171.51	29.43	56.81	(0.55)	51.22	136.91
Net profit after tax	89.62	126.67	46.26	187.01	458.96	72.62	104.78	25.95	154.40	357.75
Earnings per share (EPS)	1.03	1.46	0.53	2.15	5.28	0.92	1.33	0.33	1.95	4.53

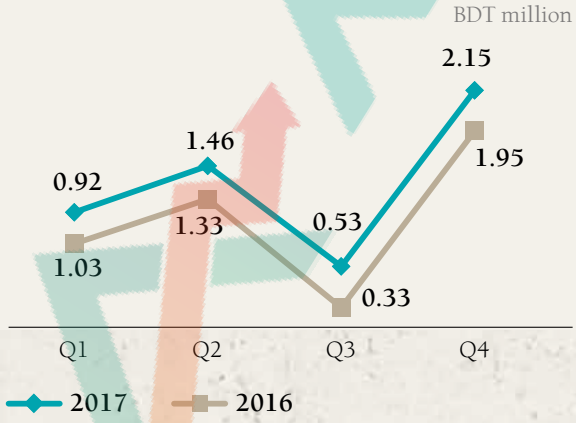
Net Profit Before Tax



Net Profit After Tax



Earnings per share



From the above stated results it is discernible that bottom Line results of the Company in second and final quarter have been comparatively better than in the first and third quarter. This is attributable mainly to variation in income level from one quarter to another quarter, claims fluctuations and other factors which are inherent to the nature of Insurance business

GOING CONCERN

Financial Statements are normally prepared on the assumption that an enterprise is a going concern and will continue in operation for the foreseeable future. Hence, it is assumed that the enterprise has neither the intention nor the need to liquidate or curtail materially the scale of its operations; if such an intention or need exits, the financial statement may have to be prepared on a different basis and, if so, the basis used is disclosed. On the other hand Listed Companies are required by BSEC to report on its ability to continue as going concern.

The Board of Directors of Reliance Insurance Limited has made annual assessment about whether there exist material uncertainties which may cast significant doubt upon the Company's ability to continue as going concern. The director's assessment of whether the company is a going concern involves making appropriate inquiries including review of budget, forecast, assumptions and future outcome of inherent uncertainties in existence. The Directors are convinced from the following indications, which give reasonable assurance as to company's ability to continue as a going concern for the foreseeable future.

Financial indications

- Positive net current assets
- Fixed term debt with realistic renewal or repayment
- Less reliance on short term borrowing

- Continuous financial support by lenders
- Positive operating cash flows
- Positive key financial ratios
- Consistent payment of dividends
- Credibility in payment of obligations
- Performance growth
- Positive underwriting results and trends

Operating indications

- No key management turnover
- Good business expansion
- Spread of business across diverse clientele
- Good market reputation and clients satisfaction
- Good Corporate environment and employee satisfaction

Other indications

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

GOOD GOVERNANCE AND RIL

Good governance is about the processes for making and implementing decisions. It's not about making 'correct' decisions, but about the best possible process for making those decisions. It starts with a clear strategy for the organization. In good governance, accountability is a fundamental requirement and those charged with the governance have obligations to report, explain and are answerable for the consequences of decisions it has made. In good governance, stakeholders should be able to follow and understand the decision-making process. This means that they will be able to clearly see how and why a decision was made – what information, advice and consultation considered, and which legislative requirements they followed. In good governance, fairness and transparency are always prioritized. Good governance identifies ways to improve company practices and also promotes social good by investing in the society. All men and women should have a voice in decision-making. Reliance Insurance Limited has considered all the said characteristics of good governance and applied in its decision making process. Strong and ethical Board, sound decision making process, equitable men and women representation in the Board, effective management representation in the Board, qualified and professional management, low employees turnover, steady and stable growth, consistence return of investment, compliances of laws and regulations are the instances of good governance realization.

PATTERN OF SHAREHOLDING

AS ON DECEMBER 31, 2017

Shareholding by Companies, Directors and their Spouse & Children:

Name of Shareholders	Represented by	No. of Shares Held	%
Rangs Limited	Ms. Zakia Rouf Chowdhury	5,331,973	6.14
General Produce International Ltd.	Professor Mohammad Abdullah	2,698,847	3.11
FinAccord Trading Ltd.	Mr. Iftekharul Huq	2,698,847	3.11
Meenhar Fisheries Ltd.	Mr. Habibullah Khan	5,332,397	6.14
Transfin Trading Ltd.	Mr. Arshad Waliur Rahman	5,331,859	6.13
Arlinks Limited	Mr. Imran Faiz Rahman	5,332,319	6.14
Trinco Limited	Ms. Shahnaz Rahman	5,332,020	6.14
Mr. Shamsur Rahman	Self	3,398,078	3.91
Kumudini Welfare Trust of Bengal (BD) Ltd.	Mr. Rajiv Prasad Shaha	4,673,698	5.38
Prantik Engineering Co. Ltd.	Sponsor Shareholder	1,418,953	1.63
Rangs Workshop Ltd.	Mr. Amanullah Chowdhury	3,080,752	3.54
Deep Sea Fishers Ltd.	Ms. Amiran Hossain	5,509,628	6.34
Transcom Limited	Mr. Atiqur Rahman	2,061,885	2.37
Kumudini Handicraft	Ms. Srimati Shaha	1,510,014	1.74
R. R. Cold Storage Limited	Ms. Faiza Rahman	485,584	0.56
Mr. Atiqur Rahman	Self	61,413	0.07
Ms. Nafisa Rahman Siddiqui Daughter of Mr. Shamsur Rahman	Self	952,920	1.09
Ms. Fahreen Rahman Daughter of Mr. Shamsur Rahman	Self	952,920	1.09
Independent Director		Nil	
Chief Executive Officer		Nil	

B) Shareholders by others:

Company Secretary	Nil
CFO	Nil
Head of Internal Audit	Nil
Parent/Subsidiary/Associate and other related parties	Nil
Shareholding of top five executives	Nil
Shareholders holding ten percent or more	NIL

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MEETING ATTENDED BY THE DIRECTORS OF RELIANCE INSURANCE LIMITED DURING 2017

Name of the Directors'	Nominated By	Board of Directors Meeting			Audit Committee Meeting			H R & Other Committee Meeting		
		Total Meetings held	Meetings Attended	%	Total Meetings held	Meetings Attended	%	Total Meetings held	Meetings Attended	%
Mr. Habibullah Khan	Meenhar Fisheries Limited	6	5	83	4	4	100			
Ms. Zakia Rouf Chowdhury	Rangs Limited	6	4	67	-		-			
Ms. Shahnaz Rahman	Trinco Limited	6	6	100				1	1	100
Mr. Shamsur Rahman	Self	6	6	100	-		-			
Mr. Arshad Waliur Rahman	Transfin Trading Limited	6	4	67	-		-	1	1	100
Mr. Imran Faiz Rahman	Arlinks Limited	6	3	50	-		-			
Mr. Rajiv Prasad Shaha	Kumudini Welfare Trust of Bengal (BD) Limited	6	5	83	-		-	1	1	100
Mr. Amanullah Chowdhury	Rangs Workshop Limited	6	5	83	4	3	75	1	1	100
Ms. Romana Rouf Chowdhury	Deep Sea Fishers Limited	4	1	25	-		-		-	
Ms. Faiza Rahman	R.R.Cold Storage Limited	3	0	0					-	
Mr. Atiqur Rahman	Transcom Limited	6	5	83	4	3	75	1	1	100
Ms. Srimati Shaha	Kumudini Welfare Trust of Bengal (BD) Limited	6	4	67					-	
Professor Mohammad Abdullah	General Produce International Limited	6	6	100						
Mr. Anis-uz-Zaman Khan	Independent Director	6	6	100	4	4	100		-	
Dr. Toufiq Ali	Independent Director	6	3	50	4	3	75		-	
Mr. Iftekharul Huq	FinAccord Trading Limited	6	6	100	-		-		-	
Ms. Amiran Hossain	Deep Sea Fishers Limited	2	0	0						
Ms. Shahzreh Huq	Transcraft Limited	2	2	100						
Total Remueration paid										

Ms. Amiran Hossain became Director nominated by Deep Sea Fishers Ltd. replacing Ms. Romana Rouf Chowdhury on 24 July 2017.

Ms. Shahzreh Huq replaced by Ms. Faiza Rahman on April 30, 2017.

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Haque Fazlul & Co.
Chartered Accountants

8/3 (Old: 333/3) 4th Floor
Segun Bagicha, Dhaka - 1000
Bangladesh. Phone: 9581425
Email: haquefazlulca@gmail.com

CERTIFICATE ON COMPLIANCE OF CONDITIONS OF CORPORATE GOVERNANCE GUIDELINES TO THE SHAREHOLDERS OF RELIANCE INSURANCE LIMITED

We have examined the compliance status of Reliance Insurance Limited as on 31 December 2017 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.

Md. Fazlul Haque FCA
Proprietor
ICAB Enrolment Number 933
Haque Fazlul & Co.
Chartered Accountants

Dhaka, 18 February 2018

STATUS OF COMPLIANCE WITH THE CORPORATE GOVERNANCE GUIDELINES (CGG)

Status of compliance with the conditions imposed by the Notification No. SEC/CMRRCD/2006-158/134/Admin/44 dated 7 August 2012 of Bangladesh Securities and Exchange Commission (BSEC) issued under section 2CC of the Securities and Exchange Ordinance 1969:

(Report under Condition No. 7.00)

Condition No.	Title	Compliance Status as on 31 December 2017		Remarks
		Complied	Not Complied	
1.1	**Board's Size:** The number of the Board members of the Company shall not be less than 5 (five) and more than 20 (twenty)	√		
1.2	**Independent Directors:**			
1.2(i)	At least one fifth (1/5) of the total number of directors in the Company's Board shall be Independent Directors			Complied with the Insurance Act, 2010 but pending with BSEC.
1.2(ii)(a)	Who either does not hold share in the company or holds less than one (1%) shares of the total paid up shares of the company	√		Independent Directors do not hold any shares of the Company.
1.2(ii)(b)	Who is not sponsor of the Company and is not connected with any sponsor or director or shareholder who holds one percent or more shares of the Company	√		
1.2(ii)(c)	Who does not have any other relationship, whether pecuniary or otherwise, with the company or its subsidiary/ associated companies	√		
1.2(ii)(d)	Who is not a member, director or officer of any stock exchange;	√		
1.2(ii)(e)	Who is not a shareholder, director or officer of any member of stock exchange or an intermediary of the capital market;	√		
1.2(ii)(f)	Who is not a partner or an executive or was not a partner or an executive during the preceding 3 (three) years of the concerned company's statutory audit firm;	√		
1.2(ii)(g)	Who shall not be an independent director in more than 3 (three) listed companies;	√		
1.2(ii)(h)	Who has not been convicted by a court of competent jurisdiction as a defaulter in payment of any loan to a bank or a Non-Bank Financial Institution (NBFI);	√		

Condition No.	Title	Compliance Status as on 31 December 2017		Remarks
		Complied	Not Complied	
1.2(ii)(i)	Who has not been convicted for a criminal offence involving moral turpitude.	√		
1.2(iii)	Independent Director(s) shall be appointed by the Board of Directors and approved by the Shareholders in the Annual General Meeting (AGM);	√		
1.2(iv)	The post of independent director(s) cannot remain vacant for more than 90 (ninety) days.	√		
1.2(v)	The Board shall lay down a code of conduct of all Board members and annual compliance of the code to be recorded.	√		
1.2(vi)	The tenure of office of an independent director shall be for a period of 3 (three) years, which may be extended for 1 (one) term only.	√		
1.3	**Qualification of Independent Director (ID):**			
1.3(i)	Independent Director shall be a knowledgeable individual with integrity who is able to ensure compliance with financial, regulatory and corporate laws and can make meaningful contribution to business	√		
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.			No such deviation occurred
1.4	Chairman of the Board and Chief Executive Officer: The positions of the Chairman of the Board and the Chief Executive Officer of the companies shall be filled by different individuals. The Chairman of the company shall be elected from among the directors of the company. The Board of Directors shall clearly define respective roles and responsibilities of the Chairman and the Chief Executive Officer.	√		
1.5	**Directors Report to Shareholders shall include following additional statements on:**			
1.5(i)	Industry outlook and possible future developments in the industry	√		
1.5(ii)	Segment-wise or product-wise performance	√		
1.5(iii)	Risks and concerns	√		

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Condition No.	Title	Compliance Status as on 31 December 2017		Remarks
		Complied	Not Complied	
1.5(iv)	Discussion on Cost of Goods sold, Gross Profit Margin and Net Profit Margin	√		
1.5(v)	Discussion on continuity of any Extra-Ordinary gain or loss			No such item exists
1.5(vi)	Statement of all related party transactions	√		
1.5(vii)	Utilization of proceeds from public issues, rights issues and/or through any others instruments			No such item exists
1.5(viii)	An explanation if the financial results deteriorate after the company goes for Initial Public Offering (IPO), Repeat Public Offering (RPO), Rights Offer, Direct Listing, etc.			No such event occurred
1.5(ix)	If significant variance occurs between Quarterly Financial performance and Annual Financial Statements the management shall explain about the variance on their Annual Report.	√		
1.5(x)	Remuneration to directors including independent directors	√		
1.5(xi)	The financial statements prepared by the management of the issuer company present fairly its state of affairs, the result of its operations, cash flows and changes in equity.	√		
1.5(xii)	Proper books of account of the issuer company have been maintained.	√		
1.5(xiii)	Appropriate accounting policies have been consistently applied in 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.	√		
1.5(xv)	The system of internal control is sound in design and has been effectively implemented and monitored.	√		
1.5(xvi)	There are no significant doubts upon the issuer company's ability to continue as a going concern. If the issuer company is not considered to be a going concern, the fact along with reasons thereof should be disclosed.	√		
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.	√		
1.5(xviii)	Key operating and financial data of at least preceding 5 (five) years shall be summarized.	√		

Condition No.	Title	Compliance Status as on 31 December 2017		Remarks
		Complied	Not Complied	
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.	√		
1.5(xxi)	The pattern of shareholding shall be reported to disclose the aggregate number of shares (along with name wise details where stated below) held by:-			
1.5(xxi)(a)	Parent/Subsidiary/Associated Companies and other related parties (name wise details);	√		
1.5(xxi)(b)	Directors, Chief Executive Officer, Company Secretary, Chief Financial Officer, Head of Internal Audit and their spouses and minor children (name wise details);	√		
1.5(xxi)(c)	Executives ;	√		
1.5(xxi)(d)	Shareholders holding ten percent (10%) or more voting interest in the company (name wise details).	√		
1.5(xxii)	*In case of the appointment/re-appointment of a director the company shall disclose the following information to the shareholders:-*			
1.5(xxii)(a)	A brief resume of the director;	√		
1.5(xxii)(b)	Nature of his/her expertise in specific functional areas;	√		
1.5(xxii)(c)	Names of companies in which the person also holds the directorship and the membership of committees of the board.	√		
2.0	**Chief Financial Officer (CFO), Head of Internal Audit and Company Secretary (CS):**			
2.1	The company shall appoint a Chief Financial Officer (CFO), a Head of Internal Audit (Internal Control and Compliance) and a Company Secretary (CS). The Board of Directors should clearly define respective roles, responsibilities and duties of the CFO, the Head of Internal Audit and the CS.	√		
2.2	Requirement to attend the Board Meetings: The CFO and the Company Secretary of the companies shall attend the meetings of the Board of Directors, provided that the CFO and/or the Company Secretary shall not attend such part of a meeting of the Board of Directors which involves consideration of an agenda item relating to their personal matters.	√		
3.0	**Audit Committee:**			
3.0(i)	The company shall have an Audit Committee as a sub-committee of the Board of Directors.	√		

Condition No.	Title	Compliance Status as on 31 December 2017		Remarks
		Complied	Not Complied	
3.0(ii)	The Audit Committee shall assist the Board of Directors in ensuring that the financial statements reflect true and fair view of the state of affairs of the company and in ensuring a good monitoring system within the business.	√		
3.0(iii)	The Audit Committee shall be responsible to the Board of Directors. The duties of the Audit Committee shall be clearly set forth in writing.	√		
3.1	**Constitution of the Audit Committee:**			
3.1(i)	The Audit Committee shall be composed of at least 3 (three) members.	√		
3.1(ii)	The Board of Directors shall appoint members of the Audit Committee who shall be directors of the company and shall include at least 1 (one) Independent Director.	√		
3.1(iii)	All members of the audit committee should be "financially literate" and at least 1 (one) member shall have accounting or related financial management experience.	√		
3.1(iv)	Filling of casual vacancy in the Audit Committee	√		
3.1(v)	The company secretary shall act as the secretary of the Committee	√		
3.1(vi)	The quorum of the Audit Committee meeting shall not constitute without 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)			Will be ensured by the Management.
3.3	**Role of Audit Committee:**			
3.3(i)	Oversee the financial reporting process	√		
3.3(ii)	Monitor choice of accounting policies and principles	√		
3.3(iii)	Monitor Internal Control Risk management process	√		
3.3(iv)	Oversee hiring and performance of external auditors	√		
3.3(v)	Review along with the management, the annual financial statements before submission to the board for approval	√		
3.3(vi)	Review along with the management, the quarterly and half yearly financial statements before submission to the board for approval	√		
3.3(vii)	Review the adequacy of internal audit function	√		

Condition No.	Title	Compliance Status as on 31 December 2017		Remarks
		Complied	Not Complied	
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)	Declaration to Audit Committee by the company regarding utilization of IPO/RPO, Right issue money.			N/A
3.4	**Reporting of the Audit Committee:**			
3.4.1(i)	The Audit Committee shall report on its activities to the Board of Directors.	√		
3.4.1 (ii)	*The Audit Committee shall immediately report to the Board of Directors on the following findings, if any:-*			
3.4.1(ii)(a)	Report on conflicts of interests;			No such event occurred.
3.4.1(ii)(b)	Suspected or presumed fraud or irregularity or material defect in the internal control system;			No such event occurred.
3.4.1(ii)(c)	Suspected infringement of laws, including securities related laws, rules and regulations;			No such event occurred.
3.4.1(ii)(d)	Any other matter which shall be disclosed to the Board of Directors immediately.			No such event occurred.
3.4.2	**Reporting to the Authorities:** Reported to the Board of Directors about anything which has material impact on the financial condition and results of operation			No such event occurred
3.5	**Reporting to the Shareholders and General Investors:** Report on the activities carried out by the Audit Committee, including any report made to the Board of Directors under condition 3.4.1 (ii)			No such event occurred
4.0	**External/Statutory Auditors:** The issuer company should not engage its external/ statutory auditors to perform the following services of the company; namely:-			
4.0(i)	Appraisal or valuation services or fairness opinions.	√		
4.0(ii)	Financial information systems design and implementation.	√		
4.0(iii)	Book-keeping or other services related to the accounting records or financial statements.	√		
4.0(iv)	Broker-dealer services.	√		
4.0(v)	Actuarial services.	√		
4.0(vi)	Internal Audit service.	√		
4.0(vii)	Any other services that the Audit Committee determines.	√		
4.0(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.	√		

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Condition No.	Title	Compliance Status as on 31 December 2017		Remarks
		Complied	Not Complied	
5.0	**Subsidiary Company:**			
5.0(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.			N/A
5.0(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.			N/A
5.0(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.			N/A
5.0(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.			N/A
5.0(v)	The Audit Committee of the holding company shall also review the financial statements, in particular the investments made by the subsidiary company.			N/A
6.0	**Duties of Chief Executive Officer (CEO) and Chief Financial Officer (CFO):** The CEO and CFO shall certify to the Board that -			
6.0(i)	They have reviewed financial statements for the year and that to the best of their knowledge and belief:	√		
6.0(i)(a)	These statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;	√		
6.0(i)(b)	These statements together present a true and fair view of the company's affairs and are in compliance with existing accounting standards and applicable laws.	√		
6.0(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.	√		
7.0	**Reporting and Compliance of Corporate Governance:**			
7.0(i)	The company shall obtain a certificate from a practicing Professional Accountant/Secretary (Chartered Accountant/Cost and Management Accountant/Chartered Secretary) regarding compliance of conditions of Corporate Governance Guidelines of the Commission and shall send the same to the shareholders along with the Annual Report on a yearly basis.	√		
7.0(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.	√		

RESPONSIBILITY STATEMENT OF CEO AND CFO

Including duties as per condition no. 6 of Corporate Governance Guidelines:

The financial statements are prepared in accordance with Bangladesh Accounting Standards issued by the Institute of Chartered Accountants of Bangladesh (ICAB) and in compliance with Insurance Act 2010, Company Act 1994, the Securities and Exchange rules 1987 and the Listing Regulations of the Dhaka and Chittagong Stock Exchanges.

We are responsible for establishing and maintaining proper internal control system. We have designed such control or caused such control to be designed under our supervision, to ensure that material information relating to the Company is made known to us and for safeguarding the Company's assets and preventing and detecting fraud and error.

We have evaluated the effectiveness of the Company's internal control system and are satisfied that the internal control system were effective as of the end of the period under review. Moreover significant estimates and accounting policies that involve a high degree of complexity and judgment were discussed with our external auditors and the audit committee of the Board.

We certify to the Board that:-

(i) We have reviewed financial statements for the year and that to the best of our knowledge and belief:

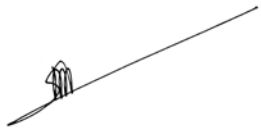
a) these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;

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

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



Mohammed Sabir Ahmed
Chief Financial Officer



Md. Khaled Mamun
Chief Executive Officer

AMAR STOCK

REPORT OF THE AUDIT COMMITTEE

The Audit Committee of the Reliance Insurance Limited comprises of five Directors nominated by the Board of Directors. The Chief of Internal Control & Audit Division has direct access to the Committee and the Committee directly reports to the Board. It operates according to the Terms of Reference as approved by the Board and in compliance with section 3 of the Securities and Exchange Commission Notification No.SEC/ CMRRCD/2006-158/134/Admn/44 dated 07 August 2012. The Audit Committee comprises of the following members:

Mr. Anis-uz-Zaman Khan	Chairman
Mr. Habibullah Khan	Member
Dr. Toufiq Ali	Member
Mr. Amanullah Chowdhury	Member
Mr. Atiqur Rahman	Member

During the year under review i.e. 2017, four (4) meetings of the Audit Committee were held to carry out the following tasks::

- Review and discussions on the Management Report by External Auditor for the year ended December 31, 2017 and management's response (s) to the report.
- Review of the appointment of External Auditors.
- Review of quarterly and half yearly Financial Statements.
- Review of various reports of Internal Control & Audit Division on operational, financial procedures and Branch activities and recommendation of appropriate measures to the management arising out of the findings of such reports.
- Review the status report of Audit Plan 2017 and also approval of the Audit Plan for 2018

During its meeting held on February 18, the Audit Committee reviewed and examined the internal audit reports on the draft annual financial statements for the year 2017 and recommended the audited accounts for the year 2017 to the Board of Directors for their consideration and approval.

The Audit Committee is of the view that the internal control and procedures are adequate to present a true and fair view of the activities and financial status of the Company. Finally, the Audit Committee would like to convey their appreciation to the members of the Board, key Management personnel and Internal Audit Division for the cooperation and support received during the year 2017.

Anis-uz-Zaman Khan
Chairman
Audit Committee

AMARSTOCK

RISK MANAGEMENT & CONTROL ENVIRONMENT

We make sincere and rigorous effort to cement our risk management and internal control systems, and also to review their effectiveness to the highest degree. Such regular risk assessment, escalation of significant operational risks and review of critical risk exposures are the practices that paved our way to the journey beyond 3 decades.





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RISK MANAGEMENT AND CONTROL ENVIRONMENT

RISK MANAGEMENT FRAMEWORK

Risk management is the method by which companies analytically identify, measure and manage the various types of risk inherent within their operations. The rudimentary objectives of a robust risk management initiative are to manage the organization's exposure to potential earnings and capital volatility as well as to maximize value to the organization's stakeholders.

The insurance industry in Bangladesh, specifically the Non-life Insurance sector is undergoing a period of decline for quite some time, consequently placing risk management at the top of the agenda. Therefore, insurers are also under considerable stress to implement and professionalize risk management practices.

Needless to say, with the growing demand for reformation, supervisors are encouraging risk management information to be disseminated throughout organizations in order for it to be effusively integrated into the customary management of the business.

The core benefit of Risk Management for insurers is that it emphasizes on the practical risk management concepts rather than technical calculations and detailed theory, making it easier for the mass to understand. What's more, all concepts and terms are applied to clear illustrative examples and the regulation and supervision developments are simple to follow. Risk management tools and practices across the insurance industry have progressed drastically in recent years, experiencing a number of events and trends since the inception of the millennium that have exposed, and will continue to render insurers to increased levels of risk and uncertainty. Developments such as the implementation of enterprise risk management programs, including economic capital models, more sophisticated catastrophe management and dynamic hedging programs, have headlined efforts of the insurance industry to administer its emergent exposure to potential volatility in earnings and capital. These recent additions to the industry's risk management arsenal are the latest evidence of ongoing efforts to respond to changing risk dynamics.

Policyholders reduce uncertainty by passing risks to an insurance company. It is not surprising, therefore, that insurance companies themselves are subject to risk and uncertainty. Understandably, most of the major uncertainties revolve around the number of claims and the amount the insurer is obliged to pay to settle them.

These reservations cast formidable influence on how much the insurer will charge for the protection provided and how much the insurer needs to reserve for future claims payments. Other risks to the insurer include: recovery of fixed expenses, failure of other parties (e.g. brokers or reinsurers), falls in asset values and the insurance cycle. The size of the free reserves will influence the ability of the insurer to adjust with these risks; as will reinsurance cover and the investment policy.

Risk is a concept that denotes a potential negative impact to an asset or some characteristic of value that may arise from some present process or future event. In everyday usage, "risk" is often used synonymously with the probability of a known loss. Risk is the cumulative effect of the chances of uncertain occurrences, which will adversely affect project objectives. The robust logic behind effective risk management means that it is desirable for all businesses. Ensuring that risk management frameworks are effective seems to be the next big risk management challenge for businesses.

Risk defined: Risk is an integral part of our day to day life and is associated with the probability of an unfortunate event to occur with its possible consequences. The fundamental features of risk lie in the unpredictable, uncertain nature of the events, possible combination of hazards/threats to any venture/life, causing the possibility of loss. Risks may be categorized into two fundamental types, viz, speculative risks (where there are chances of gain/loss) and pure/operational risk (which is rather associated with unpredictable consequence of loss).

Risk management: It is the rudimentary function of an organization to critically decipher the risks to which it is exposed and the possible quantum of loss associated with such risks. Upon clear understanding of the risk, the management of an organization can make decisions about the acceptability or otherwise in relation to those exposures. Risk management thus enables a management to effectively deal with uncertainty and its associated risks along with the opportunity for capacity building.

An insurer that can demonstrate strong risk-management practices integrated into its core operating processes and effectively execute its business plan, is expected to attain favorable ratings in a progressively dynamic operating environment. An ideal risk management process remains embedded in an insurer's "Corporate DNA" when risk metrics are integrated into corporate, business line and functional area objectives, and when risk return measures are incorporated into financial planning and budgeting, strategic planning, performance measurement and incentive compensation.

Enterprises opt to transfer their risk on the insurer as a mechanism of their risk management and the insurer has to maneuver the risk factor to formulate an efficient mechanism to operate their business with profitability even after adequate settlement of claims to retain customer reliance as a trusted insurer. That is where lies the operational challenge for risk management on the part of a non-life insurance company, like Reliance Insurance. The route for risk management can be viewed with six underlying prime stages: i) identification of risk factors ii) analysis of risk factors iii) evaluation of risk iv) risk inspection and reporting at regular interval v) control / mitigation of risk, and vi) risk financing upon review of the ensuing risk factors for loss minimization.

Risk management framework: Given the elementary business benefit to be consequential from more effective risk management frameworks, effectiveness improvement should be desirable, even in the absence of regulatory pressure. This type of framework provides a useful approach for these forward-thinking businesses to harness greater value from their risk management investment. Risk management framework of an enterprise is significantly influenced by the risk perception of its management. Risk perception, however, may diverge from one to another depending on the risk factors pertaining to the nature of venture, socio-economic threats, volatility of political and legal environment, force majeure in relation to geographical strata and finally the financial strength of the entrepreneur.

Reliance's challenges to its risk: Due to the nature of business, Reliance actively seeks to retain risks for which it has to emphasize on effective enterprise risk and capital management. While the Insurance Development and Regulatory Authority of Bangladesh (IDRA) exercises their influence on the operation of insurance business, Reliance always prefers to pay due diligence to the volatility of earning through proper decision making process, improvement of underwriting skills and compliance with the corporate governance. Reliance leaves no stones unturned to face the challenges set by not only the customers, investors, rating agencies, and auditors but also by the regulatory body IDRA.

Reliance Insurance prefers to rightly identify its corporate risks associated with internal and external forces. Such internal/external risks as addressed by Reliance Insurance include:

Operational risks: comprise risks directly attributable to business operations, with a potential impact on the enterprise's financial position and performance. They include legal and environmental risks, acquisition of new businesses, restructuring measures, availability and price fluctuations of raw materials, customer dependence, etc. Risks relating to compliance with laws and regulations and to financial reporting and internal control are also included in this category. Operational risks in relation to insurance includes underwriting risks, regulatory risks and re-insurance risks (based on which Reliance has developed its underwriting policy / guideline). Apart from that Reliance has also developed its Human Resource policy in view of the operational risks for procuring/ retaining its efficient workforce to combat with operational hazards.

Strategic risks: include various forms of business environment risks with an impact on the security market in general, mainly changes in customer behavior, competitors and brand positioning. In addition, natural exposure to both general business environment risks and country-specific risks, including political decisions and comprehensive changes in the regulatory framework. Changes in customer behavior in general and the actions of competitors affect demand for different products and their profitability. In order to retain its position and steering toward betterment, Reliance Insurance prefers to adopt its business strategy based on focus to market penetration and particular concentration

to market segment which is greatly dependent on market intelligence or market information. Non-life insurance service is sensitive to overall risk perception prevailing in the country and largely reliant on regulatory compliance and global economic conditions, thus managing strategic risks are quite regular phenomena.

Financial risks: involve liquidity and investment risks, and claims reserving risks. To ensure transparency and accountability within the activities of the company it is a must for managing financial risks. Reliance uses innovative, proprietary risk modeling and analytic tools to measure exposure and plan an insurance mitigation strategy. Considering risk appetite, it identifies potential risk scenarios and select appropriate enterprise level risk response solutions, before defining metrics and implementing monitoring tools. Reliance prefers a conservative investment policy guided by the Board and its performance in terms of liquidity position, investment portfolio, cash flow status, claims reserve position etc. are regularly monitored by the Board.

Environmental and technological risks: includes environmental liability risk (i.e. the financial risk associated with environmental pollution and contamination) and natural catastrophe risk (i.e. the risk of major damages in connection with the occurrence of natural disasters, such as earthquakes, floods or other extreme environmental conditions). Reliance maintains compliance in respect of IDRA rules, banking rules, taxation rules, safety rules, etc. are to be adhered. Besides, risks associated with technological changes are to be managed as well. In view of the need for being adaptive to modern information technology, Reliance has developed computer integrated insurance software (CIIS) to ensure faster and uniform quality of service and thereby manage the modern technological risks.

Key components of risk

Economic actors have different attitudes towards risks; depending on several factors including the nature of the risk, the probability of loss, the potential magnitude of the loss and the ability to absorb its economic consequences. Assuming rationality and perfect information, economic actors are able to calculate the actual value of a given risk by discounting the magnitude of the loss by the probability of its occurrence In modeling risk, experts pay special attention to the following key components of risk for each peril. The modeling tools describe later will need to reflect the following components of risk resulting from each peril.

Volatility: refers to the amount of uncertainty or risk about the size of changes in a security's value. As a concept related to dispersion, volatility is usually expressed in terms of observed variations (such as a standard deviation) around an expectation or historical value such as an average or trended average over a specified period of time. A higher volatility means that a security's value can potentially be spread out over a larger range of values. A lower volatility means that a security's value does not fluctuate dramatically, but changes in value at a steady pace over a period of time. Investors are typically attracted to capital-protected products because they have positive personal expectations of the underlying assets' future returns.

In Non-life insurance the size of possible claims covers a very wide range, and there is consequent uncertainty as to whether the claims that have actually occurred can properly be regarded as typical of what might be expected to occur. The variance of aggregate claim amounts will increase if there is non-independence of risks. Therefore, accumulations of risk will increase the uncertainty relating to the variability in claim size.

Uncertainty: is the inability to predict the future with confidence. Owing to the presence of uncertainty, we need to consider the effects of possible deviations from the projected figures. Policy analysts must predict future values of variables important to policy (e.g., prices) and must also project the distributional properties of future realizations, including variance. Projections may be short–term (rating revenue insurance coverage between planting and harvest) or long–term (CBO scoring over 10 years). The greater the uncertainty, the greater the risk.

The uncertainties faced by a Non-life insurer can be considered under two main headings:

- Uncertainty as to the outcome of the business already written
- Uncertainty as to the premiums the insurer needs to charge in future to achieve a desired financial result.

Types of risk

Underwriting risk

Underwriting risk is defined as the risk of insured losses being higher than our expectations.
The premium and reserve risks are significant components of the underwriting risk. Insurance underwriters evaluate the risk and exposures of the prospective clients to decide how much coverage the client should receive, how much they should pay for it, or whether to even accept the risk and insure them.

The function of the underwriter is to acquire or to "write"—business that will make the insurance company money, and to protect the company's book of business from risks that they feel will make a loss. In simple terms, it is the process of issuing insurance policies. More generally, the insurer's income is the result of numerous underwriting and decisions made by employees of the insurer. Each decision involves a consideration of the expected underwriting profit, the length of time that the reserve must be held, and the additional capital needed to protect the insurer's solvency. From the owner's perspective, the results of the individual underwriting decisions do not matter as long as the total income is large enough to provide a competitive return on the investment. But ultimately, the insurer must make individual underwriting decisions that contribute, in an actuarial sense, to its overall financial objectives.

Underwriting decisions would typically be influenced by PML (Probable Maximum Loss) evaluations, and the amount of reinsurance ceded on a risk would normally be predicated on the PML valuation. PML is the anticipated value of the largest loss that could result from the destruction and the loss of use of property, given the normal functioning of protective features (firewalls, sprinklers, and a responsive fire department, among others, in the case of a fire loss). This number is usually smaller than the maximum foreseeable loss, which assumes the failure of all protective features.

Credit risk

Credit risk is termed as the financial loss that the insurer could incur as a result of a change in the financial situation of a counterparty, such as an issuer of securities or other debtor with liabilities to the insurer. In addition to credit risks arising out of investments and payment transactions with clients, credit risk is assumed through the writing of insurance and reinsurance business, for example in credit and financial reinsurance. In assessing credit risk from a single counterparty, an institution should consider three issues:

Default probability: What is the likelihood that the counterparty will default on its obligation either over the life of the obligation or over some specified horizon, such as a year? Calculated for a one-year horizon, this may be called the expected default frequency.

Credit exposure: In the event of a default, how large will the outstanding obligation be when the default occurs?

Recovery rate: In the event of a default, what fraction of the exposure may be recovered through bankruptcy proceedings or some other form of settlement?

Market risk

Market Risk is the risk of economic losses resulting from price changes in the capital markets including equity risk, general and specific interest-rate risk, property risk and currency risk. Market risk is the risk to an institution's financial condition resulting from adverse movements in the level or volatility of market prices of interest rate instruments, equities and currencies. It is usually measured as the potential gain/loss in a position/portfolio that is associated with a price movement of a given probability over a specified time horizon.

Market risk is that the value of an investment will decrease due to moves in market factors and the three standard market risk factors are:

Equity risk: Equity risk is the risk that one's investments will depreciate because of stock market dynamics causing one to lose money.

Interest rate risk: Interest rate risk is the risk that the relative value of an interest-bearing asset, such as a loan or a bond, will worsen due to an interest rate increase. In general, as rates rise, the price of fixed rate bond will fall, and vice versa.

Currency risk

Currency risk is a form of risk that arises from the change in price of one currency against another. Whenever investors or companies have assets or business operations across national borders, they face currency risk if their positions are not hedged.

Operational risk

Operational risk is the risk of loss resulting from inadequate or failed internal processes, people and systems or due to external events. As large operational risk losses continue to attract media coverage, regulatory concerns about insurance operational risk models are also on the rise. These factors are creating a new wave of demand for operational risk quantification. Internal requirements for better risk management, as well as higher capital requirements from new regulatory regimes are leading companies to explore the risk sensitivity inherent in their methodology and to optimize capital consumption.

An insurer's underlying operational risk profile needs to be thoroughly reviewed across its range of

business activities in order to identify and estimate the model input requirements Operational risk has been recognized as an important risk for insurers as well as for banks. But a challenge for insurers in assessing operational risk is to separate this risk from the loss experience data typically collection for the other underwriting, credit and market risk. Insurers are usually affected by material operational risk exposure, which may reach the same scale of other risk types (such as insurance market and credit risks), depending on the specific business.

It is therefore recommended that insurance supervisors, the insurance industry and the actuarial profession work together to develop appropriate research to measure operational risk.

Liquidity risk

Liquidity is the ability to meet expected and unexpected demands for cash. Specifically, it is a company's ability to meet the cash demands of its policy and contract holders without suffering any (or a very minimal) loss. The liquidity profile of a company is a function of both its assets and liabilities. Liquidity risk is the risk that arises from the difficulty of selling an asset and is inherent in the financial services. An investment may sometimes need to be sold quickly. Unfortunately, an insufficient secondary market may prevent the liquidation or limit the funds that can be generated from the asset.

An institution might lose liquidity if its credit rating falls, it experiences sudden unexpected cash outflows, or some other event causes counterparties to avoid trading with or lending to the institution. A firm is also exposed to liquidity risk if markets on which it depends are subject to loss of liquidity.

In an insurance context, It is important to recognize that stress liquidity risk management is distinct from asset/liability management and capital management issues. It is therefore not generally covered by actuarial opinions and is not included in risk based capital; rather, it is a separate and fundamental area of financial risk management. Liquidity risk is the exposure to loss in the event that insufficient liquid assets will be available, from among the assets supporting the policy obligations, to meet the cash flow requirements of the policyholder obligations when they are due.

RISK MITIGATION METHODOLOGY

While risks can be difficult to eliminate completely, it can be minimized. Risk management decisions, therefore, involve physical loss prevention measures and risk financing tools towards minimizing risk.

Physical loss preventive measures include: i) compliance of safety rules guided by Factories Act and Building Code, ii) Installation of fire fighting equipments, checking performance of those and conduct fire drill at regular interval, iii) Maintenance of clean and wholesome environment for the workers as well as for the overall workplace.

Risk financing tools include decisions regarding partial risk retention with acceptance limit and spreading / transfer of the remaining portion of risk.

Risk mitigation and transfer

An insurer can obtain diverse methods to reduce the risk associated with its business. These include the purchase or reinsurance, scrutiny of a portion of its asset or liability portfolio, hedging financial guarantees using derivative instruments, use of product design to pass on the risk to policyholder as well as active risk management to the extent that these measurers effectively reduce a company's risk. They should be given appropriate recognition in the calculation of a company's required capital. The difficulty however, lies in properly assessing the actual degree of risk that has been transferred from the insurance company under these arrangements.

Reinsurance

Reinsurance is the practice of insurers transferring portions of risk portfolios to other parties by some form of agreement in order to reduce the likelihood of having to pay a large obligation resulting from an insurance claim. The intent of reinsurance for an insurance company is to reduce the risks associated with underwritten policies by dispersing risks across alternative institutions. Reinsurance is a fundamental method of reducing insurer's underwriting risk, allowing it to expand the scope of business. The cost of transferring risk to a reinsurer is significantly lower than the solvency capital cost the insurer would be likely to bear if it retained the risk in its portfolio, since reinsurer benefit from better risk diversification than a primary insurer.

Reasons for using reinsurance:

- An avoidance of large single losses
- Smoothing of results

- Availability of expertise
- Increasing capacity to accept risk
- Financial assistance

Hedging

The primary use of derivative instruments in the insurance industry is hedging. Insurance companies utilize derivatives in a variety of ways to manage and mitigate risks; such as interest rate risk, credit risk, foreign currency risk and equity-related risk that are inherent in their investment portfolios or liability structure. A hedge generally is considered highly effective when the change in fair value of the derivative hedging instrument is within 80 to 125 percent of the opposite change in fair value of the hedged item attributable to the hedged risk. Hedging is a strategy designed to minimize exposure to an unwanted business risk, while still allowing the business to profit from an investment activity.

A natural hedge is an investment that reduces the undesired risk by matching cash flows, i.e. revenues and expenses. One of the oldest means of hedging against risk is the purchase of insurance to protect against financial loss due to accidental property damage or loss, personal injury, or loss of life.

DISCLOSURE OF RISK REPORTING

For the sake of establishing an efficient risk management system, disclosure of risk with respect to date and time of occurrence of incident and its corresponding extent of loss, internal enquiry report in order to find out the possible cause of such incident, measures taken to control and minimize the loss, regular safety compliance & maintenance records, etc. must be documented; so that proactive measures for loss prevention can be prescribed. It is also essential for an enterprise to adhere to all environmental safety compliance and accept the responsibility for any casualty occurring due to any default/negligence during construction and maintenance of the factory / office premises. Risk disclosure is, therefore, vital for risk management, especially in case of risk identification, risk control and risk financing.

Risk reporting disclosure helps identification of physical hazards based on risk factors, analysis on measures to control risks and last but most vitally to decide on the extent of risk financing. Reliance Insurance, through their expert professionals, imparts responsiveness with the clients with a view to achieve the objectives of how to analyse the risk factors associated with different activities, observe how risks can affect decision making process, and how operational risks can be managed properly with the help of insurance.

Risk reporting disclosure also ensures transparency of the existing risk management system that Reliance Insurance always encourages its clients to maintain. It helps keeping records to aid risk inspection properly and thus arrange for proper insurance protection and provide further advisory support for better risk management.

Reliance Insurance thus ensures proper risk management of their clients which benefits them as saving resources. Time, assets, income, property and people are all valuable resources that can be saved if fewer claims occur. Proper risk management also ensures protecting the reputation and public image of the clientele, preventing or reducing legal liability and increasing the stability of operations; it creates awareness in protecting people from harmful events, and thereby protecting the environment by enhancing competence and efficiency by reducing liabilities, and also assisting in clearly defining insurance needs.

Although Reliance Insurance cannot eliminate risks of its clientele but through its experience of efficient risk management practice endeavours to set forth its commitment to help clients in loss minimization or to provide advisory support for loss prevention, thus makes the client to manage a better risk to insure as well. Our concerted efforts thus aid to control overall manufacturing and business environment.

STAKEHOLDERS' INFORMATION

It is our commitment to ensure and maximize value creation for our esteemed shareholders. At the same time, we are committed to respond to the confidence you have demonstrated by entrusting us with your investment.





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PRIMARY STOCK

SNAPSHOT OF LAST ANNUAL GENERAL MEETING













LIFE STOCK

SNAPSHOT OF CORPORATE EVENTS



Annual Conference 2018



Annual Conference 2017



Training Session on AML & CFT



RIL Picnic 2018



RIL Pavilion at Bima Mela 2017

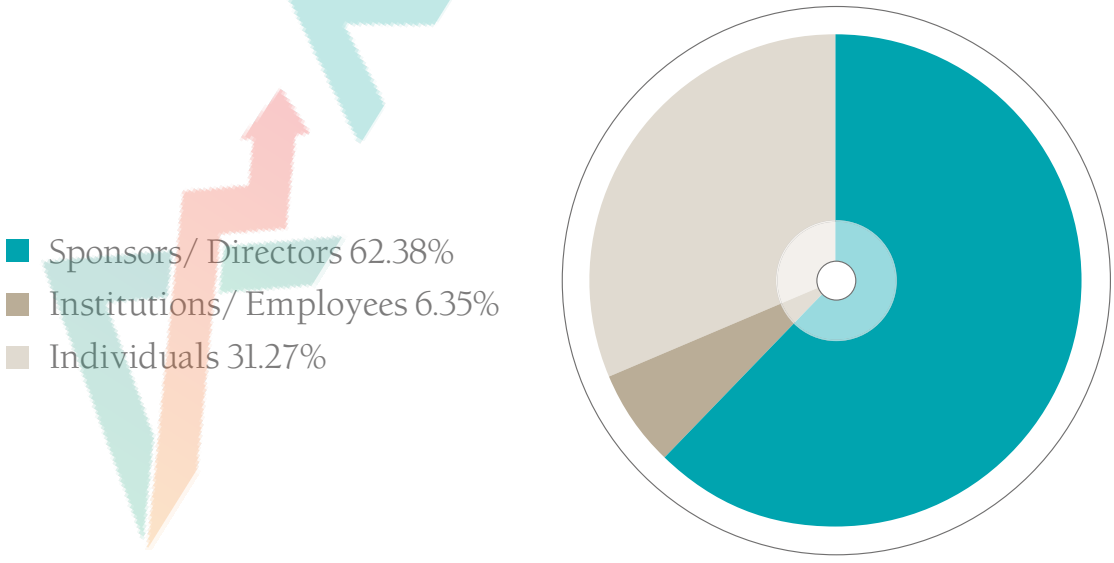


6th Corporate Cricket Tournament 2017

SHAREHOLDING COMPOSITION OF RELIANCE INSURANCE LTD.

AS ON DECEMBER 31, 2017

Sl. No.	Name of Shareholders	No. of Shares	%
1	**Sponsors/Directors:**		
	General Produce International Ltd.	2,698,847	3.11
	FinAccord Trading Limited	2,698,847	3.11
	Trinco Limited	5,332,020	6.14
	Rangs Limited	5,331,973	6.14
	Transfin Trading Limited	5,331,859	6.13
	Meenhar Fisheries Limited	5,332,397	6.14
	Arlinks Limited	5,332,319	6.14
	Kumudini Welfare Trust of Bengal (BD) Ltd.	4,673,698	5.38
	Prantik Engineering Co. Limited	1,418,953	1.63
	Mr. Shamsur Rahman(Self)	3,398,078	3.91
	Deep Sea Fishers Limited	5,509,628	6.34
	Transcom Limited	2,061,885	2.37
	Rangs Workshop Ltd.	3,080,752	3.54
	Kumudini Handicraft	1,510,014	1.74
	R.R. Cold Storage Limited	485,584	0.56
	Sub-Total	**54,196,854**	**62.38**
2	**GENERAL**		
	Institutions/Employees:		
	Bank/ICB's MF, Insurance Co's	4,303,418	4.95
	ICB Investors' Accounts	1,189,323	1.37
	Employees	28,948	0.03
	Sub-Total	**5,521,689**	**6.35**
	Individuals:		
	General Public (Individuals)	27,191,447	31.27
	Total Holdings	86,909,990	100.00



AMARSTOCK

SHARE CAPITAL RISING HISTORY

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

Particulars	Number of shares increase												Value in Taka	Cumulative Paid-up-capital in Taka
	1988	1995	2003	2004	2005	2007	2008-09	2010	2011	2012	2013-15	2016-17		
10% B & 15% C												8,690,999	86,909,990	956,009,890
10% B & 15% C												7,900,908	79,009,080	869,099,900
15% B & 15% C											10,305,532		103,055,320	790,090,820
15% B & 15% C											8,961,332		89,613,320	687,035,500
15% B & 15% C											7,792,463		77,924,630	597,422,180
10% B & 15% C										4,722,705			47,227,050	519,497,550
15% B & 15% C									6,160,050				61,600,500	472,270,500
35% Bonus								1,064,700					106,470,000	410,670,000
30% Bonus							702,000						70,200,000	304,200,000
30% Bonus							540,000						54,000,000	234,000,000
20% Bonus						300,000							30,000,000	180,000,000
25% Bonus					300,000								30,000,000	150,000,000
33.33% Bonus				300,000									30,000,000	120,000,000
50% Bonus			300,000										30,000,000	90,000,000
IPO		300,000											30,000,000	60,000,000
As per MOA & AOA	300,000												30,000,000	30,000,000

B-Bonus share & C-Cash

FINANCIAL CALENDAR

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
Financial Results Announcements				■ Publication of Q_1 results (24.4.2017)			■ Publication of Q_2 results (18.7.2017)			■ Publication of Q_3 results (17.10.2017)		
Dividends		■ Dividend announcement 2016 (23.02.2017)		■ Record date -2016 (16.03.2017)	■ Payment / transfer of Cash / Stock Dividend 2016 (25.05.2017)							
		■ Dividend announcement 2017 (18.02.2018)		■ Record date -2017 (12.03.2018)								
Issuance of Annual report			■ For 2017 (14.03.2018)		■ For 2016 (12.04.2017)							
Annual General Meeting			■ For 30th AGM (31.03.2018)		■ For 29th AGM (30.04.2017)							

REDRESSAL OF INVESTORS' COMPLAINTS

Investors' service is an important imperative for sustained business growth and all companies want to ensure that their investors receive exemplary service across different areas of operations of the Company. Reliance Insurance Limited is no exception of this and is always committed to maintaining highest standard of conduct and professional behavior in dealing with its shareholders.

Share Department officials are always ready to help shareholders whenever in need of share related services like share transfer, transmission, dividend warrant issue, dividend warrant re-validation etc. Shareholders of the company are also free to raise their claim, if any, throughout the year. Shareholders get opportunity to speak on various issues relating to the operation of the Company at the Annual General Meeting which is held once a year, in which the Chairman/Chief Executive Officer of the Company with the help of CFO and Company Secretary respond to all queries raised by the shareholders instantaneously.

Generally, shareholders raise issues relating to utilization of Company's resources, yearly, half yearly and quarterly accounts, business turnover and profitability, declaration of entitlements, issuance of share certificates, share transfer and transmission, changes of shareholders address, non-receipt of Annual Report, date and time of AGM, minutes of meetings of all AGM/EGM, implementation of decision of the AGM & EGM and so on. It is the responsibility of the Company Secretary to oversee that necessary actions are taken expeditiously so that these issues are resolved to the satisfaction of shareholders. And to do these RIL follows the below principles:

- Complaints raised by investors are dealt with courtesy and on time.
- Investors are treated fairly at all times.
- Complete transparency is maintained with the complainants.
- Complaints are treated efficiently and fairly;
- To ensure all complaints are logged in defined manner and system.

How do RIL redress investors' complaints

- An Investor can make a written complaint through letter.
- The Company maintains investor grievance register in which full detail of every written complaint shall enter by the following details:

  Name, address and contact number of the complainant
  Date of receipt
  Details of the complaint / subject / issue

- Designated person shall look after the investor grievances on daily basis.
- The full detail of the written complaint must be passed to the concerned department and inform the compliance officer of the Company as soon as it is received.
- A letter or email must be written to all the investor who has submitted written complaints by the designated person or Compliance Officer acknowledging receipt of the complaint and informing them it will be dealt with.
- Internal Audit & Compliance Department will obtain all information available on the complaint which is considered necessary for a proper investigation, look into all the necessary information and resolve these as soon as possible.
- RIL must resolve investor complaint within seven days of the receipt of the same except the complicated case.
- A serious complaint must be referred to the CEO and even to Directors of the Company if so warrants.

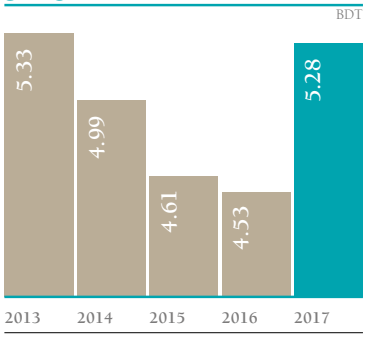
REDRESSAL OF CLIENTS' COMPLAINTS

Insurance being a service industry, clients' satisfaction is of paramount importance in maintaining existing clientele base and tapping new business, thereby to achieve satisfactory business growth in the long run. Being fully aware of this, Reliance always attends to its clients complaints – whether related to its services or claim settlement. Reliance encourages its clients to come forward with any complaint they may have and the top management is completely accessible to all of them. Complaints can be lodged with the management in writing, over telephone, by e-mail or through the web site. During regular meetings with its clients of various types, the management actively solicits the clients' views on the Company's services, shortcomings, if any, and their suggestions. Clients views and complaints are discussed at the management committee meeting held at Head Office and also during meetings with Branch Managers. This aspect also features prominently at the Annual Conference of the Company.

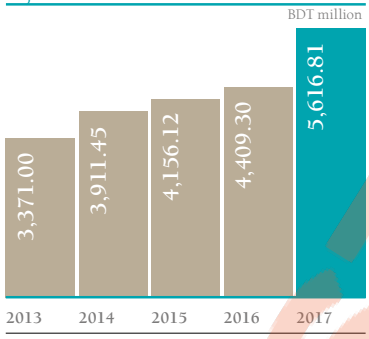
ANNUAL REPORT

GRAPHICAL PRESENTATION

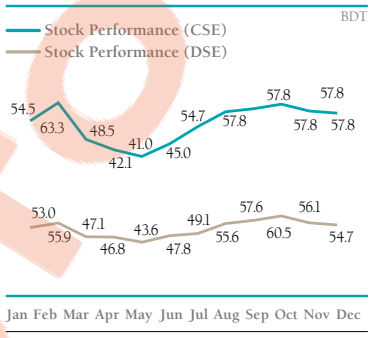
Earnings Per Share
5.28



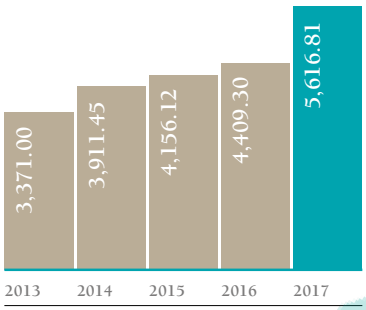
Net Assets
5,616.81



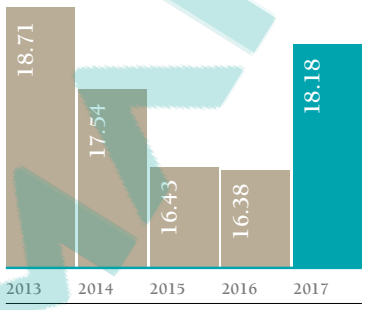
Stock Performance



Shareholders' fund
5,616.81

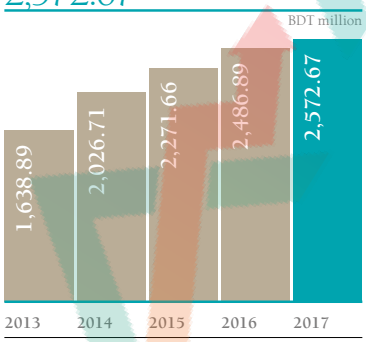


Return on shareholders' fund
18.18%

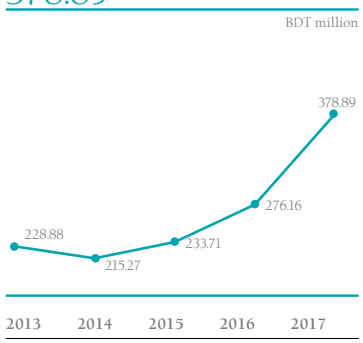


OPERATING PERFORMANCE

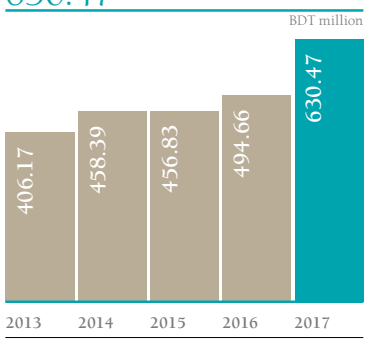
Total revenue
2,572.67



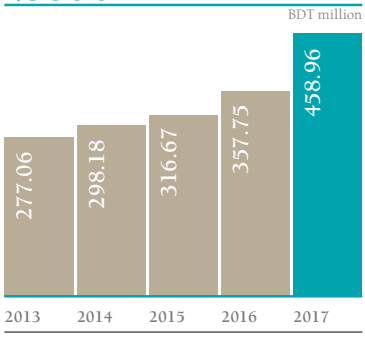
Operating profit
378.89



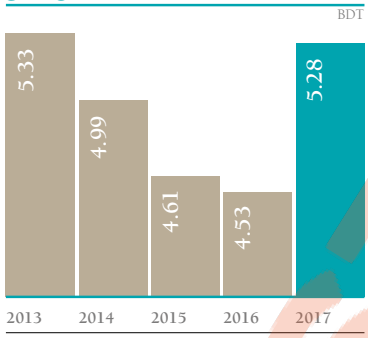
Net profit before tax
630.47



Net profit after tax
458.96

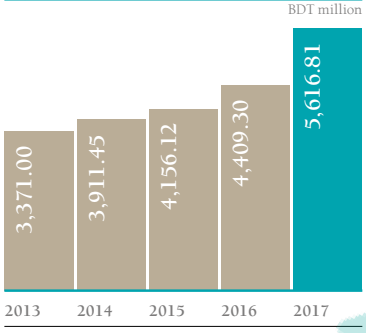


Earnings Per Share
5.28

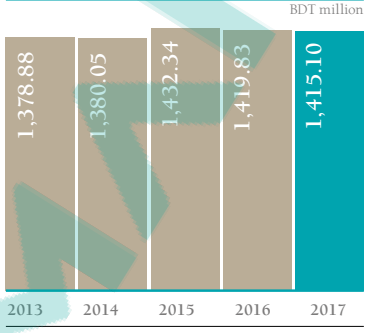


FINANCIAL POSITION

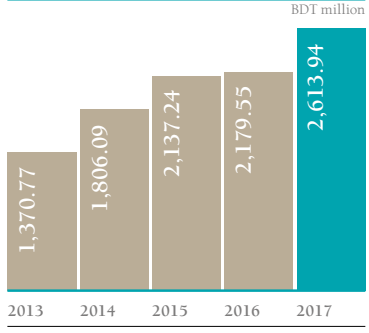
Shareholders' fund
5,616.81



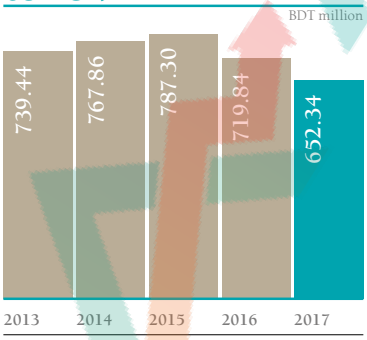
Property plant & equipments
1,415.10



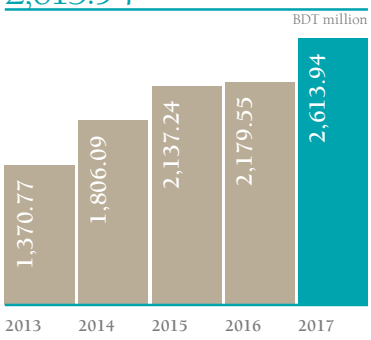
Current liabilites
2,613.94



Net current assets
652.34



Long term liabilities / current liabilites
2,613.94



STOCK

PROFITABILITY, DIVIDENDS, PERFORMANCE & LIQUIDITY RATIOS

Claim ratio
16.74
Times



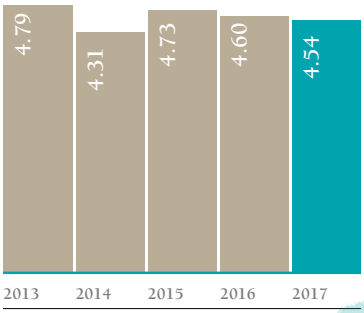
Eanrings before Interest, Depreciation & Tax
661.15
BDT million



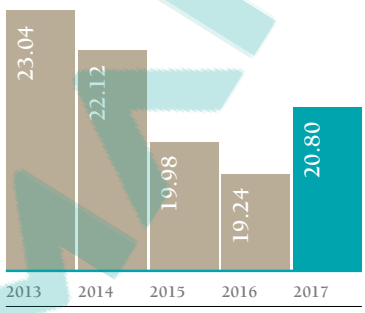
Price earnings ratio
10.36
Times



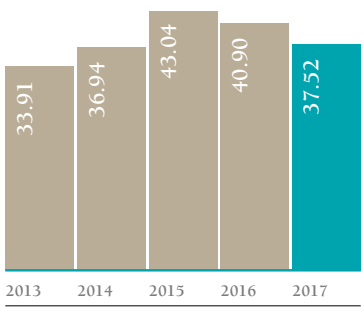
Solvency ratio
4.54
Times



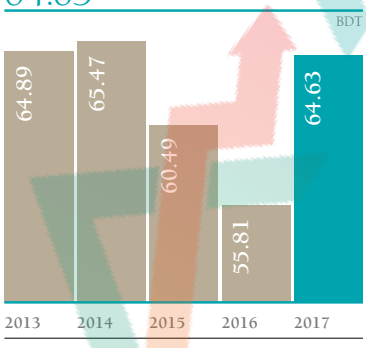
Return on capital employed
20.80%
Percentage



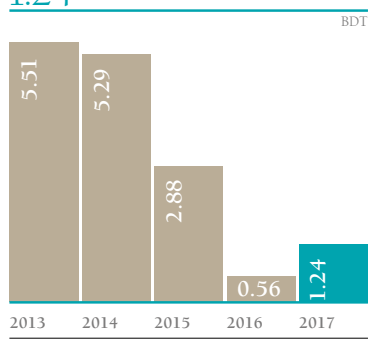
Debt equity ratio
37.52
Times



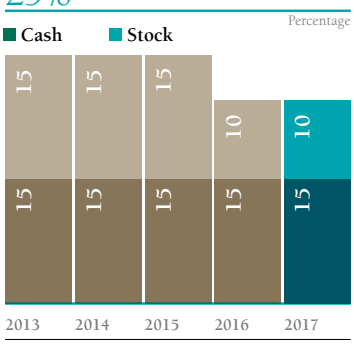
Net assets value per share
64.63
BDT



Net operating cash flow per share
1.24
BDT



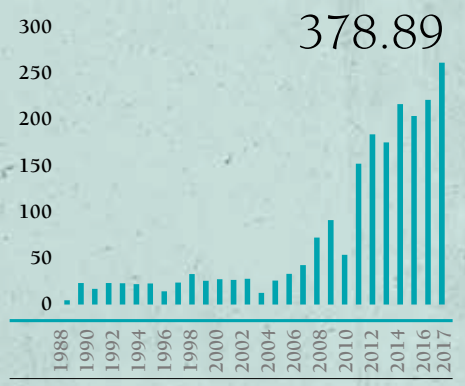
Dividend in percentage (cash & stock)
25%
Percentage



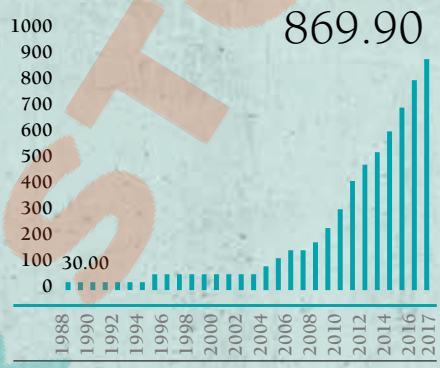
GROWTH
TREND 1988-2017

Taka in million

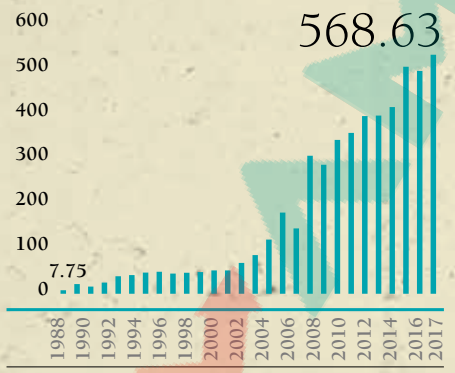
Underwriting profit



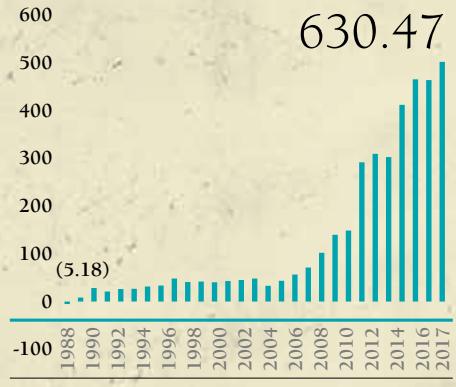
Paid-up capital



Paid to Govt. as Tax VAT & Stamps

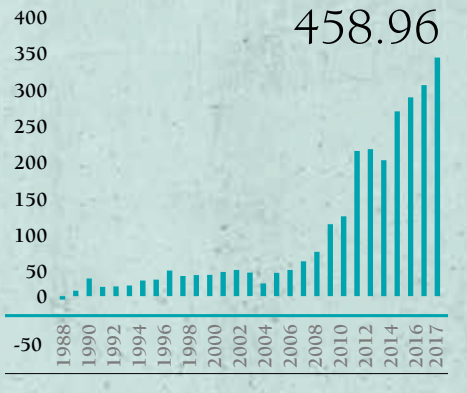


Net profit before tax

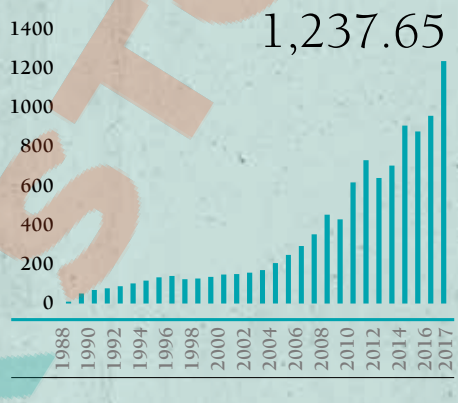


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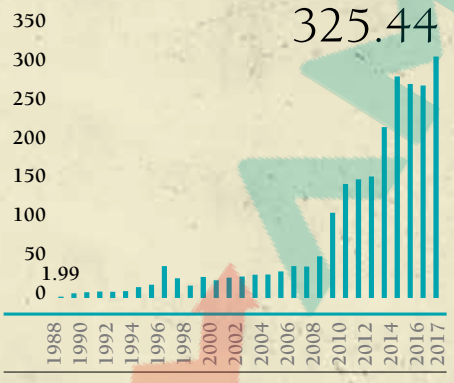
Net profit after tax



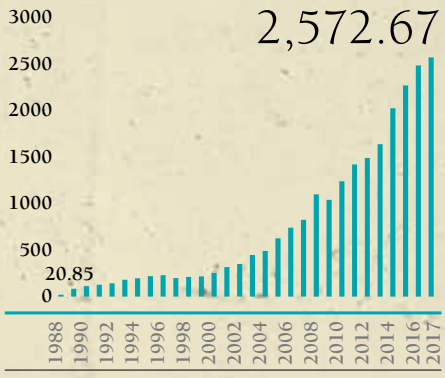
Net premium



Investment & other income



Gross premium



STATEMENT OF VALUE ADDED AND ITS DISTRIBUTION

Our prudent management of wealth and their proficient distribution is attributed to the collective efforts of management, employees, capital and the utilization of our capacity. Our collective effort to gauge the value we have created and to allocate them to our stakeholders enabled us to travel beyond 3 decades.



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VALUE ADDED STATEMENT

FOR THE YEAR ENDED DECEMBER 31, 2017

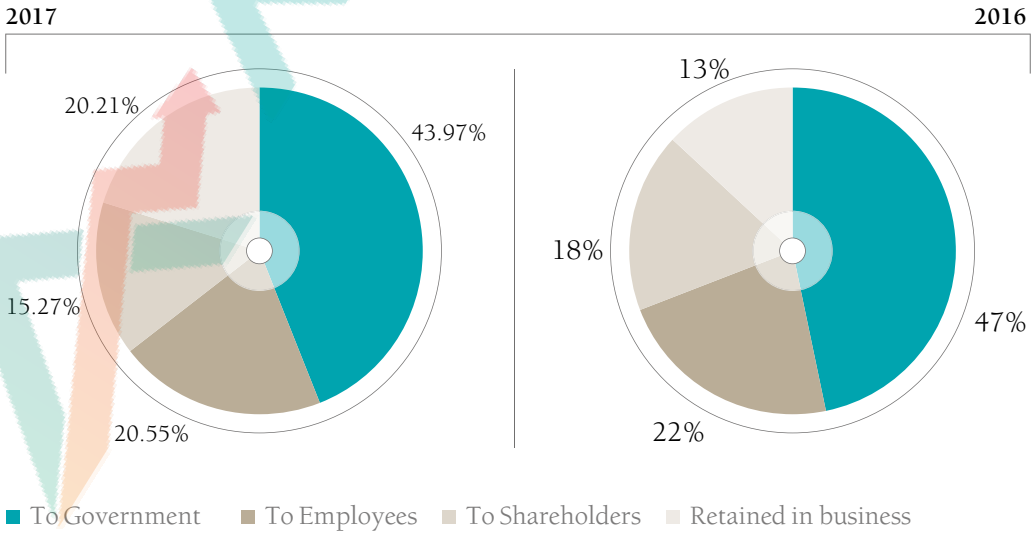
The value added created by the Reliance Insurance Limited through proper utilization of its capital, manpower, capacity, and other resources. In the year under review the value added of Reliance Insurance Limited was increased by BDT 81.6 million to BDT 1,158.06 million. This was mainly the result of the positive development of earnings caused by the ongoing growth in gross premium, the reduction of net claim and the positive efficiency measures of the management.

Taka in million

PARTICULARS	2017	2016
VALUE ADDED		
Gross Premium	2,572.67	2,486.89
VAT & Stamp Duty	397.12	404.23
Investment & Other Income	325.44	286.55
Net Claims Incurred	(207.13)	(167.80)
Net Reinsurance Cost	(1,126.01)	(1,300.17)
Management Expenses	(548.91)	(523.93)
Unexpired risk	(119.88)	(27.71)
TOTAL VALUE ADDED	**1,293.30**	**1,158.06**

APPROPRIATION / DISTRIBUTION OF VALUE ADDITION

PARTICULARS	2017	%	2016	%
To Government				
VAT & Stamp Duty	397.12	31	404.23	35
Tax	171.51	13	136.91	12
To Employees				
as remuneration	265.71	20	259.17	22
To Shareholders				
as dividends	197.52	15	206.11	18
Retained in business				
Retained Earnings	137.68	11	55.81	5
Reserve for exceptional lossess	123.76	10	95.83	8
TOTAL DISTRIBUTION	**1,293.30**	**100**	**1,158.06**	**100**



ECONOMY VALUE ADDED STATEMENT

FOR THE YEAR ENDED DECEMBER 31, 2017

Economic Value Added (EVA) is the financial performance measure that attempts to measure the true economic profit of an organization. It provides a measurement of a company's economic achievement (success or failure) over a period of time. Such a metric is useful for investors who wish to determine how well a company has added value for its investors and it can be compared against company's peers for a quick analysis of how well the company is operating in its industry. Companies which earn higher returns than cost of capital create value, and companies which earn lower returns than cost of capital are deemed harmful for shareholder value. Economic value added is calculated by taking a company's net profit after tax less cost of capital.

Taka in million

	2017	2016	2015	2014	2013
*Average shareholders' equity at the end	2,524.19	2,183.62	1,927.76	1,700.70	1,480.45
**Cost of equity (%)	11.35	11.35	11.2	11.2	11.2
Economic Value Added	**172.46**	**113.19**	**72.11**	**107.34**	**111.25**
Net profit after tax	458.96	357.75	316.67	298.18	277.06
Less: Cost of equity	286.50	244.56	215.91	190.48	165.81

*Land revaluation reserve and fair value adjustment of shares were not considered while computing average shareholders' equity.

**It is the opportunity cost i.e. the expected risk free return on investments, plus a risk premium. Interest on Bangladesh Government Sanchaya Patra plus 2% risk premium has been assumed to be the cost of equity.

MARKET VALUE ADDED STATEMENT

FOR THE YEAR ENDED DECEMBER 31, 2017

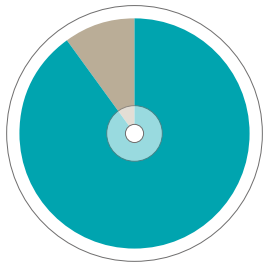
Market Value Added (MVA) is the difference between the total market value (based on the quoted price in the main bourse) and total book value of the Company's shares. The higher the MVA, better the Company's position. A high MVA indicates the Company has created substantial wealth for the shareholders. A negative MVA means that the value of management's action and investments are less than that value of the capital contributed to the Company by the capital market (or that wealth and value have been destroyed).

As of December 31, 2017 the total share market value of Reliance Insurance Limited stood at Taka 4,753.98 million whereas the book value of the Shareholder's Equity stood 5,616.81 million, resulting a Market Value Added of Taka (862.83) million. The calculation of Market Value is given below:

Particulars	Numbers of Shares	Value Per Share (Taka)	Total Value (Taka in million)
Market Value	86,909,990	54.70	4,753.98
Book Value	86,909,990	64.63	5,616.81
Market Value Added			(862.83)

Book Value & Market Value Added

Taka in million

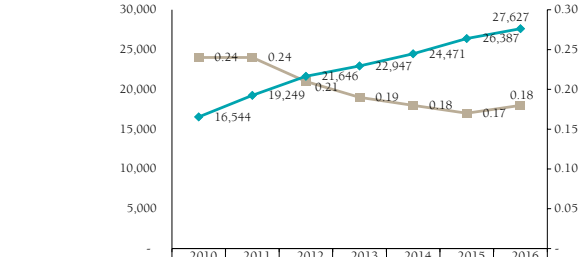


Book Value 5,616.81
Market Value Added (862.83)

BANGLADESH NON-LIFE INSURANCE MARKET COMPOSITION & RELIANCE SHARE

Bangladesh non-life insurance Premium in 2016 was Taka 27,627 million. Last 7 year's Premium growth and penetration rate (Non-life insurance premium as % of GDP) is shown in the chart below:

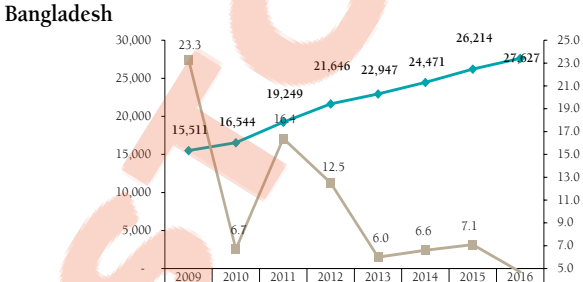
Bangladesh non-life insurance market premium & insurance penetration



	2010	2011	2012	2013	2014	2015	2016
Premium (Taka Million)	16,544	19,249	21,646	22,947	24,471	26,387	27,627
Insurance Penetration %	0.24	0.24	0.21	0.19	0.18	0.17	0.18

The Market growth rates have been as follows:

Non-life premium development in Bangladesh

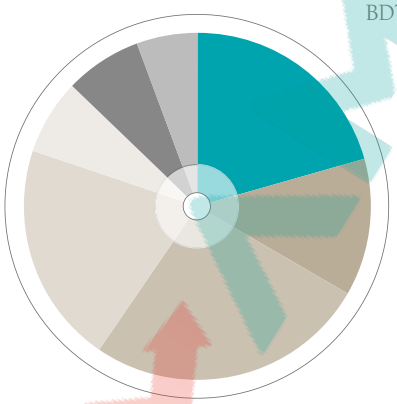


	2009	2010	2011	2012	2013	2014	2015	2016
Premium (Taka Million)	15,511	16,544	19,249	21,646	22,947	24,471	26,214	27,627
Growth %	23.3	6.7	16.4	12.5	6.0	6.6	7.1	4.7

The non-life market in Bangladesh is comprised of 46 insurance companies including one state enterprise. The Premium income of top 7 Non-life Insurance companies in 2016 and their respective market shares are shown below. It may be observed that no single insurer has a large market share. The top 7 private sector insurers collectively account for a market share of 43.7%:

TOP 7 NON-LIFE INSURERS PREMIUM INCOME IN 2016

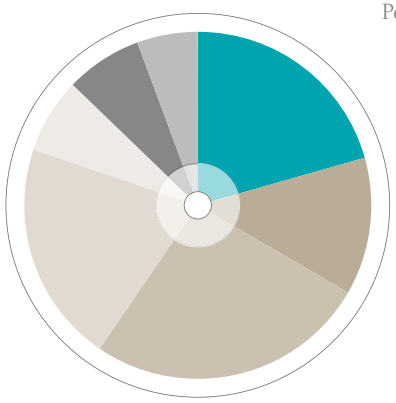
BDT million



- Reliance 2,483
- Pragati 1,543
- Green Delta 3,162
- Pioneer 2,488
- Rupali 845
- Eastland 862
- BGIC 684

TOP 8 NON-LIFE COMPANIES MARKET SHARE IN % 2016

Percentage



- Reliance 8.99
- Pragati 5.58
- Green Delta 11.45
- Pioneer 9.01
- Rupali 3.06
- Eastland 3.12
- BGIC 2.47



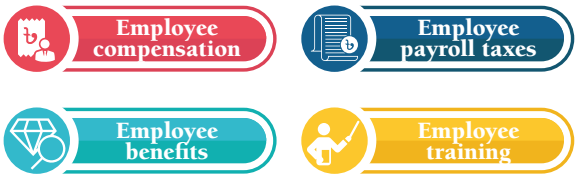
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HUMAN RESOURCE ACCOUNTING

The Concept & Its Importance for Reliance Insurance Limited

American Accounting society on HRA defines Human resource accounting involves as the process of identifying, measuring data about Human Resources and communicating this information to interested parties. Human resource accounting involves the tracking of all costs related to employees in a separate report. These costs include the following:



Such an accounting system can be used to determine where human resources costs are especially heavy or light in an organization. This information can be used to redirect employees toward those activities to which they can bring the most value. Conversely, the report can be used to identify those areas in which employee costs are too high, which may lead to a reduction in force or a reallocation of staff away from those areas.

A more comprehensive human resource accounting system goes beyond the simple tracking of employee-related costs, and addresses the following two additional areas:

Budgeting: An organization's annual budget includes a component, in which is concentrated all employee costs being incurred from across the organization. By concentrating cost information by its nature, management can more clearly see the total impact of human resource costs on the entity.

Employee valuation: Rather than looking at employees as costs, the system is redirected toward viewing them as assets. This can involve the assignment of values to employees based on their experience, education, innovativeness, leadership, and so forth. This can be a difficult area in which to achieve a verifiable level of quantification, and so may have limited value from a management perspective.

HRA facilitates the management to get information on the cost and value of Human Resources. It brings to light the quantum of Human Resources and indicates the right control of conservation, depletion and appreciation of it in the right perspective. It provides data to the stakeholders about the cost of Human Resources and correspondingly comparing it with the benefit obtained out of its utilization.

Objectives and Benefits of HRA

- To furnish cost value information for making proper and effective management decisions about acquiring, allocating, developing and maintaining Human Resources in order to achieve cost effective organizational objectives.
- To monitor effectively the use of Human Resources by the management.
- To aid in the development of management principles, and proper decision making for the future by classifying financial consequences, of various practices.
- In all, it facilitates valuation of human resources, recording the valuation in the books of account and disclosure of the information in the financial statement.

HR Accounting practice in Bangladesh

Bangladesh like many other countries has not given much consideration to issues related to HR Accounting. In Bangladesh this concept is struggling for acceptance and has not been introduced so far as a requirement. Neither the Companies Act nor the Regulators do require the listed companies to prepare HR Accounting to be attached in their annual report.

Practice in RIL

In RIL, we are following conventional accounting practice and not capitalizing any HR cost and amortize it over service life of employees. However, we are taking benefits of HR Accounting concepts and using HR Accounting information (such as per employee cost to the company, per employee training & development cost, expected service life of employees, per capita productivity and its growth over periods etc) in making important management decisions that will benefit the long-run strategic goals and profitability of the Company.

Human Resource Accounting information provides useful information to our management, financial analysts and employees as stated below:

- Helps the management in the recruiting, locating and utilization of human resources.

- Helps in deciding the transfers, promotion and training of employees
- It provides a basis for planning of physical assets vis-à-vis Head Count.
- It assists in evaluating the expenditure incurred for imparting further education and training in employees in terms of the benefits derived by the organization.
- It helps to identify the causes of employee turnover at various levels and taking preventive measures to contain it.
- It helps in locating the real cause for low/high return on investment, improper or under-utilization of physical assets or employees.
- It helps in understanding and assessing the inner strength of an organization and helps the management to steer the company well through most adverse and unfavorable circumstances.
- It provides valuable information for persons interested in making long term investment.
- It helps employees in improving their performance. It makes each of them to understand his contribution towards the betterment of the firm vis-à-vis the expenditure incurred by the firm on him.

HUMAN RESOURCES POLICY

At RIL, we recognize that our employees are the key to our success and nothing can be achieved without their engagement. Our Human Resources Policy encompasses the guidelines which constitute a solid basis for effective Human Resources Management throughout the organization. It explains to all RIL employees the vision and mission of the Human Resources function and illustrates every aspect of our employees' lifecycle. The RIL Management inspire all the employees in their actions and in their dealings with others.

RIL Human Resources Policy specifically aims to do the following:

- We believe, keeping employees motivated and engaged is not only about remuneration and benefits, it is also about the trust that our name brings to those who work in RIL; the relationships with our line managers and fellow workers; recognition and experiences enjoyed; and possibilities to learn and grow. These are as a whole, the Total Rewards our employees receive without any regard to age, sex, race, political belief and religion.

Reliance Insurance, therefore, focuses on fixed pay, variable pay, benefits, personal growth and work life balance as the key elements that define Total Rewards.

- We try to create a climate of trust, mutual respect and support within the company which encourage the employees to work well together as a team and at the same time, to encourage them to be innovative and creative in order to achieve company goals.
- Maintain a congenial working environment which allows employees to work with maximum effectiveness and to ensure that safety rules and hygiene are strictly observed.
- Provide information to employees regularly about different aspects of the operation and its progress which are relevant to them and involve them in matters which are of concern to their job and work situation.
- Cultivate an effective internal communication and involvement mechanism which encourage employees to identify themselves with the company and its activities.
- Adopt and institute a planned and systematic approach to anticipated changes and develop plans for preparing employees for technological and environmental changes.
- Identify employees' training and development needs and provide them with necessary development opportunities for them to advance in their career.
- Ensure that employment opportunities conform to the established and acceptable practices of the country.
- Ensure that there are proper manpower planning and forecasting system in place to ensure that there will be enough people with the right skills and talents to meet company's current and future growths and needs.
- Make sure that there are transparent processes in place for selection, promotion, appraisal and performance management, reward & recognition systems.
- Succession plans for all senior management positions in the company.
- Ensure that people with high capabilities proven by track record reach key management position regardless of their sex, religion, caste, creed and more importantly age and seniority.

VINAYAK STOCK

REPORT ON INFORMATION TECHNOLOGY

Background:

Since the very beginning of the Company till 2004, RIL had a computerized General Ledger for Central Accounts Department only. But like most other insurance companies, its' operation was based on stand alone PC's and manual system. There was no IT enabled MIS system in place to help RIL analyze the business figures and to track performance of products, customers, branches, department and people. As a result RIL was severely handicapped in the field of IT, resulting in inefficiency and improper management negatively impacting its endeavor to maintain its' position at the top of the Insurance fraternity.

Formation of IT Division:

Against the backdrop of the above mentioned situation, RIL management decided in the year 2000 to introduce a modern computer system to cater to future prospects of the Company. As part of that vision, an Information Technology Division was established to make the dream come true.

The information technology's role in the business sector certainly can hardly be over emphasized. It is of utmost importance, which enables businesses to effectively and successfully plan, manage, execute strategies which lead to profit. Therefore the mission of this Division is to completely re-engineer and automate RIL's business processes to achieve higher productivity, lower cost, improved quality, enhanced service and efficient management.

IT mainly deals with computer applications which are now completely automated. The technology has not only made communication cheaper, but also much faster.

Information Technology Division has taken pragmatic approaches to bring the technological boon and advancement into RIL's business process to make it more competitive and adaptive for the 21st century.

The software applications and the hardware devices are the main elements of use in information technology. So a modern and dynamic IT Division was created with two departments like Hardware and Software including a structured LAN for its smooth operation and getting the technical advantage. Operating the IT system at Reliance, there are six experienced and professional IT personnel.

Software development & implementation: Software is an important integral part of information technology which relates to computer applications that enable a company to generate, store, program, and retrieve data as and when needed. Like an ERP Software, a Computer Integrated Insurance System (CIIS) was jointly developed with the co-operation of IBCS PRIMAX (Bangladesh) Ltd. Under which all the business process and functionalities were included. After 14 months of development by IBCS and RIL's 10 programmers, it was completed and on 1st of July 2004 it was implemented successfully at RIL. On the job training was also provided to all end users

Key Benefits of RIL IT system:

Huge saving in working time in preparing document, Money Receipt and some large informative monthly reports with excellent print quality

- Getting 450 Plus system generated MIS report which helps management to take decisions properly and timely
- Integrated Accounts where 80% Journal Voucher are passing through system as well as Final Accounts report like Balance Sheet, Profit & Loss Account, Revenue Account, General Ledger, Cash Flow and Trial Balance are generating automatically through system
- Controlling business procurement trough Computer Integrated Insurance System (CIIS) software
- Quick accessing the underwriting documents through CIIS for departmental integration

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with UW dept. like Co-Insurance, Claims, Commission, Re-Insurance and Accounts department

- A Disaster Recovery Center has been established to secure the company's valuable data in a professional manner.

On-line branches:

Including Head Office and Local Office all the branches are already connected to the IT Division through optical fiber and data modem since 2009.

Future Plan:

Making sure that, all the RIL on-line branches have redundancy connectivity to operate their daily business smoothly through the system and get all the IT benefits.

- Adding more resources to the Data Center for providing Information to the management from data archive as and when required.
- A network department to be established for providing services to all online branches.
- An MIS department to be established for providing essential reports to the management which will be helpful for decision making.
- Our management has decided to develop a new Budget module for Accounts & Finance department to prepare annual budget by our own resources.
- Higher Training on latest information technology to be provided to the IT professionals for development of new software to meet the users demand by using present technology.

RIL has highly experienced and trained professionals working on maintaining and developing the company's IT infrastructure. The IT professionals are constantly innovating and producing in-house programs to meet the needs of the company's ever increasing and diversified products and services industry. IT division has successfully implemented a Wide Area Network (WAN) to connect all of the branch offices among the country on real time basis, thereby providing seamless connectivity and prompt customer services. We have also purchased a new high configured server for running our oracle Web-logic application server to build-up three tier applications and to enhance the facilities of network & hardware architecture.

We have already upgraded our oracle Front End Application from 6i to 10g web version and now we are working on Oracle Web-logic application server for getting more advantage of modern technology. As a result our CIIS software can be accessed from anywhere through any web browser even though smart phone also, as well as our connectivity cost has already reduced significantly.

Two new software modules named VAT management System and Commission Information System have been developed and added to our CIIS to manage our VAT & commission as required by the NBR and IDRA.

Conclusion:

Information technology provides the ability to process a large amount of information and in a way which presents the information in a clear and concise manner to employees. Anticipated benefits of implementing an information technology system include improvements in profit performance, and a higher degree of accuracy among information within the possible shortest time. Insurance business has made great strides in risk evaluation as well as their calculation and reporting abilities. Much of such analyses can be done by developing new software of risk infrastructure, data model governance and quality. In this perspective IT sector of Reliance have been playing an important role during the last 13 years and contributing to the economic stability of the company.

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

Claims management is one of the crucial functions of an insurance company as it is the ultimate test of a responsible and efficient insurer. Especially, in case of a non-life insurance company, where multi-varied lines of insurance products are catered/offered in response to the insureds' requirement (whether traditional or non-traditional in nature), procedures of claims management greatly vary with respect to the nature, cause and magnitude of claims on case to case basis.

As such, excellence in claims handling is a competitive edge for an insurance company and it is a service that clients greatly value. Payment of legitimate insurance claims for losses that the insured have reasonably suffered is the primary reason for buying insurance.

Reliance Insurance has its corporate philosophy on claims management setting out broad approaches aimed at providing high quality service and expeditious settlement of claims. It specifies the nature of claims service and also the IT enabled interactive process to monitor the status of the claim.

Claims Management consists of services as well as advisory support in respect of claims for compensation, restitution, repayment and/or any other remedy for loss or damage. Underwriting and claims settlement are the two vital aspects of operation of an insurance company.

The basis of insurance is risk pooling, which carries out the obligation of paying losses. A client obtains an insurance policy by paying a price termed as premium, with the expectation that upon happening of a loss against some named perils to the subject matter of insurance, the financial losses will be indemnified.

Out of any insurance contract, the client has the following expectations from the insurer:

a) Adequate insurance coverage, which does not leave him high and dry in time of need, with appropriate pricing.
b) Timely delivery of defect-free policy documents with relevant guidelines endorsements/warranties/ conditions.
c) Should a claim happen, quick settlement to the insured's satisfaction.

The claim handling process starts with the notification of loss to Reliance Insurance and the company appoints a licensed loss adjuster immediately upon receipt of the intimation. In order to ensure speedy disposal of claims, the insured and/or their agent are always requested to submit all available supporting documents without delay. A list of minimum requirement of supporting documents/papers for claims arising under each class of business is maintained at the Head Office of Reliance.

In fact, Reliance Insurance manages the claims rather than handling them. Reliance Insurance undertakes all necessary steps expeditiously in an orderly sequence: contact the insured, arrange to inspect the loss through a loss adjuster, ascertain quantum of loss and company's liability, etc. Reliance Insurance also suggests their clients the preventive measures to be adopted to avert/ minimize the loss and to take steps to protect the salvage.

As soon as Reliance Insurance receives all necessary papers along with survey report from the loss adjuster, the Company quickly scrutinizes all documents against its check list of requirements, verifies the loss adjustment made by the surveyor and if in order, proceeds with the settlement of claim without any loss of time.

Besides settlement of claims that are possible to dispose off during the accounting period, adequate provision for outstanding claims, if any, are also maintained against unsettled claims.

In recognition to the claims services, Reliance Insurance has been awarded a Credit Rating of AAA in claims pay-ability by the Credit Rating Information and Services Limited (CRISL).

Outstanding claims (IBNR and IBNER) with ageing thereof:

Apart from claims settled in an accounting period, outstanding liabilities against insurance claims may exist or arise in respect of claims which have been reported but not yet settled (IBNER) or against those have been incurred but not yet reported (IBNR).

In general, there might be a delay in the insurer's settlement of the claim, typical reasons are: (i) reporting delay (time gap between claims occurrence and claims

reporting at the insurance company); and (ii) settlement delay, because it usually takes time to evaluate the whole size of the claim. The time difference between claims occurrence and claims closing (final settlement) can take days (e.g. in case of property insurance) but it can also take years (typically in case of liability insurance).

Provisions are created by setting aside a portion of net premium so that the insurer is able to settle all the outstanding claim liabilities that are proximately caused by perils falling within the scope of insurance contracts.

The following formula is usually applied to calculate the provision for such outstanding claims:

Total IBNR = Pure IBNR + IBNER

For sake of proper accounting practice, reserve for each outstanding claim is maintained in respect of each financial year. Reserve for claims incurred but not reported (IBNR) and Reserve for claims incurred but not enough reported (IBNER) are the two terms that can be regarded as of identical meaning. In some types of work, especially in reinsurance and in the London market, IBNR provisions include any IBNER provisions.

Sometimes, the provision for claims incurred on or before the valuation date is referred to as the true IBNR or the pure IBNR. The liability for outstanding claims in the Balance Sheet of a non-life insurance company includes a provision for both IBNR and IBNER. Technically, there is a practice of creating reserve against future liability arising out of claims which have occurred but have not yet been settled.

Incurred But Not Reported (IBNR) losses reserve:

IBNR refers to the losses that are not filed with the insurer or re-insurer until years after the insurance policy is sold. It is a reserve to provide for claims in respect of claim events that have occurred before the accounting date but have still to be reported to the insurer by that date.

In case of a re-insurer, the reserve needs also to provide for claims that, although known to the cedant, have not yet been reported to the re-insurer as being liable to involve the re-insurer. IBNR reflects the total amount owed by the insurer to all valid claimants who have had a covered loss but have not yet reported it. Since the insurer knows neither how many of these losses (the frequency) have occurred, nor the severity of each loss, IBNR is necessarily an estimate. The quality of this estimation is often used as a tool in assessing the financial accounting skills of a given insurer. Insurers track IBNR by policy periods (when incepted), along with other categorizations.

The characteristics of IBNR makes it look more like a reserve or provision for the particular types of losses not reported, hence gives a better estimation of profits for the insurer's current business period.

Incurred But Not Enough Reported (IBNER) loss reserve:

IBNER refers to a reserve reflecting expected changes (increases and decreases) in estimates for reported claims only. The abbreviation is sometimes stated as applying to "incurred but not enough reserved".

Some liability claims may be filed long after the event that caused the injury to occur. Asbestos-related diseases, for instance, do not show up until decades after the exposure.

Reserve for such outstanding claims also has to be created adequately against IBNER losses.

IBNER also refers to estimates made about claims already reported but where the full extent of injury is not yet known, such as, workmen's compensation claim where the degree to which work-related injuries prevent a worker from earning what he or she earned before the injury unfolds over time. Reliance Insurance regularly adjusts reserves for such losses as and when new information becomes available.

As per the existing directives of our local Insurance Regulatory body IDRA (Insurance Development and Regulatory Authority) of Bangladesh, quarterly reporting of all outstanding claims with aging thereof including their specific reasons for delay in settlement of such respective outstanding claims is mandatory.

Reliance Insurance maintains an adequate provision against each of such outstanding claims with respective aging thereof. Under the current Insurance Laws of Bangladesh, it is not yet obligatory to provide reserves

for IBNR and/or IBNER claims. However, in accordance with the solvency margin regulations proposed under Insurance Act 2010, such reserves will be required to be maintained in the manner to be prescribed by the relevant Rules.

DISCLOSURES PERTAINING TO SOLVENCY MARGIN

Solvency margin is the amount by which the assets of an insurer exceed its liabilities, and will form part of the insurer's shareholder's funds. Method of valuations of assets and liabilities of an insurer are prescribed in the insurance regulations. The regulations stipulate the minimum solvency margin, which an insurer must maintain at all times. The solvency of Insurance Company corresponds to its ability to pay claims. The solvency of insurance Company or its financial strength depends chiefly on whether sufficient technical reserves have been set up for the obligations entered into and whether the Company has adequate capital as security. The solvency margin functions as the company's safeguard particularly against the risks related to investment activities. At Reliance management is ever-aware of maintaining its solvency up to a standard level. The solvency ratio of an insurance company is the size of its capital relative to all risks it has taken. The solvency ratio is most often defined as: Net Assets is divided by Net Written Premium to arrive at the solvency ratio of a particular insurance company. From the Bangladesh perspective, the compulsory level of solvency margin for insurers has not yet been fixed by IDRA.

Certificate of actuary giving details of the liabilities on account of live policies and estimates/ assumptions made for the same

Certificate of actuary at present is not applicable since it is not a requirement under the Insurance Act 2010.

ACCOUNTING RATIO PERTAINING TO THE INSURANCE BUSINESS

	2017	2016
R/I premium ceded as % of gross premium	51.89	61.47
R/I premium ceded as % of Net premium	107.87	159.51
Commission Paid as % of Gross Premium	14.70	13.52
Net R/I Commission Earned as % of Gross Premium	8.12	9.19
Net R/I Commission Earned as % of Net Premium	16.89	23.84
Management Expenses (Revenue A/C) as % of Gross Premium	14.10	14.03
Management Expenses (Revenue A/C) as % of Net Premium	29.30	36.41
Combined ratio as % on Gross Premium	36.84	34.30
Combined ratio as % on Net Premium	76.59	89.02
Net Claims Incurred as % of Gross Premium	8.05	6.75
Net Claims Incurred as % of Net Premium	16.74	24.03
Underwriting Result as % of Gross Premium	14.73	11.10
Underwriting Result as % of Net Premium	30.61	28.82

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REVIEW OF ASSETS QUALITY

Reliance insurance Limited always focuses on the superior assets quality so that these will bring highest value to the Company, ensure satisfactory return to the stakeholders and ensure sustainable development. To perform the said objectives, Company has the policy to review of its assets periodically and as a result of continuous monitoring and development of the assets quality, Company achieved the hefty growth for the past years. Following figures showing five years growth of the assets may demonstrate how the Company maintains its assets quality to increase value to the Company.

Reliance ensures high degree of liquidity of its assets - more than 72.5% of its assets comprise of cash and quickly disposable shares and securities. Its share investment portfolio comprise of investments into companies with strong fundamentals. Though adverse situation of stock markets in Bangladesh during the year 2014-15, still Reliance could earned steady investment income, which bear testimony to the prudent investment policies followed by the Company.

Position of total assets

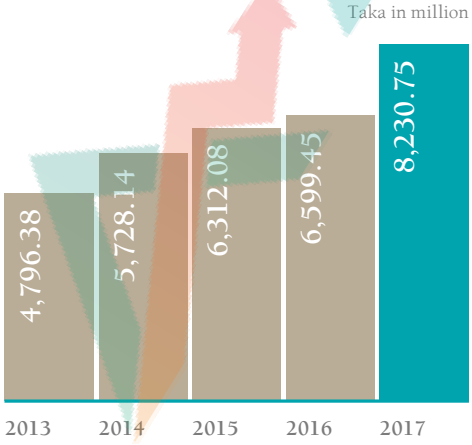
Taka in million

Year	Property, plant & equipments	Investments	Cash, fixed deposit and bank balances	Other assets	Total
2013	1,378.88	1,301.27	1,559.30	556.93	4,796.38
2014	1,380.05	1,766.04	1,879.44	702.61	5,728.14
2015	1,432.34	1,859.69	2,063.42	956.63	6,312.08
2016	1,419.83	2,051.37	1,960.69	1,167.56	6,599.45
2017	1,415.10	3,246.26	2,010.91	1,558.48	8,230.75

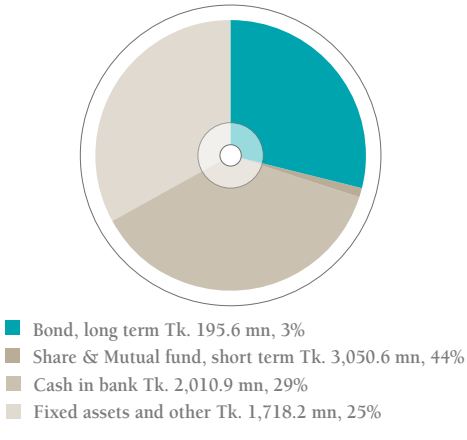
Position of investable assets

Particulars	2017	%	2016	%
Share & Debentures				
Short term	3,050.63	43.7	1,771.83	31.4
Long term	195.63	2.8	279.54	4.9
Total:	**3,246.26**	**46.5**	**2,051.37**	**36.3**
Cash at Bank	2,010.91	28.8	1,960.69	34.7
Fixed assets and other	1,718.20	24.6	1,638.08	29.0
Total:	**6,975.37**	**100.0**	**5,650.14**	**100.0**

Position of total assets 2017



Investable assets 2017



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GLOSSARY

Terms	Meaning
Account Payable	Amount owed to a creditor for delivered goods or completed services.
Accounting Policies	The specific principles, bases conventions, rules, and practices adopted by the enterprise in preparing and presenting financial statements
Accounting Profit	Profit or Loss for a period before deducting tax expense.
Accounts Receivable	Short-term monetary assets that arise from sales on credit to customers at either the wholesale or the retail level.
Accrual Accounting	The reporting of revenues from sales in the period in which they are sold, regardless of when the cash is received, and the reporting of expenses in the period of purchase, regardless of when the payment is made.
Active Market	A market in which transactions for the asset or liability take place with sufficient frequency and volume to provide pricing information on an ongoing basis.
Amortization	Amortization is the systemic allocation of the depreciable amount of an intangible asset over its useful life.
Bangladesh Financial Reporting Standards (BFRSs)	are Standards and Interpretations adopted by ICAB from the International Financial Reporting Standards(IFRS). BFRS comprise: a) Bangladesh Financial Reporting Standards; b) Bangladesh Accounting Standards; c) BFR Interpretations; and d) BAS Interpretations
Book Value	The total assets of a company less total liabilities; owners' equity; Fixed Assets less Depreciation.
Borrowing costs	Interest and other costs that an entity incurs in connection with the borrowing of funds
Budget	Financial plan that serves as an estimate of future cost, revenues or both.
Carrying Amount	The amount at which an asset is recognized in the balance sheet after deducting any accumulated depreciation and accumulated impairment loess thereon.
Carrying amount	The amount at which an asse is recognised after deducting any accumulated impairment losses thereon.
Carrying amount	The amount at which an asse is recognised in the statement of financial position.
Cash	Cash on hand and demand deposits
Cash Equivalents	Short term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.
Cash equivalents	Short-term, highly liquid investments that are readily covertible to known amounts of cash and which are subject to an insignificant risk of changes in value.
Cash Flow Statement	A financial statement that shows a company's sources and uses of cash during an accounting period.
Cash flows	Inflows and outflows of cash and cash equivalents.
Cedant	The policyholder under a reinsurance contract.
Claim	A demand made by the insured or the insured's beneficiary for payment of the benefit as provided by the policy.
Contingent liability	Is: (a) A possible obligation that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the entity; or (b) a present obligation that arises from past events but is not recognised because: (i) it is not possible that an outflow of resources embodying economic benefits will be required to settle the obligation; or (ii) the amount of the obligation cannot be measured with sufficient reliability.

Terms	Meaning
Current Tax	The amount of income taxes payable (recoverable) in respect of taxable profit (tax loss) for a period.
Deductible temporary differences	Temporary differences between the carrying amount of an asset or liability in the balance sheet and its tax base that will result in amounts that are deductible in determining taxable profit (tax loss) of future periods when the carrying amount of the asset or liability is recovered or settled.
Deferred tax assets	The amounts of income taxes recovered in future periods in respect of: (a) deductible temporary differences; (b) the carry forward of unused tax losses; and (c) the carry forward of unused tax credits.
Deferred tax liabilities	The amounts of income taxes recovered in future periods in respect of taxable temporary differences.
Depreciation	The systemic allocation of the depreciable amount of an asset over its useful life.
Direct insurance contract	An insurance contract that is not a reinsurance contract.
Dividends	Distributions of profits to holders of equity instruments in proportion to their holdings of a particular class of capital.
Earnings Per Share (EPS)	EPS is calculated by dividing the profit or loss attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares outstanding during the period.
Events after the reporting period	Those events, favourable and unfavourable, that occur between the end of the reporting period and the date when the financial statements are authorised for issue. Two types of event scan be identified: (a) those that provide evidence of conditions that existed at the end of the reporting period (adjusting events after the reporting period); and (b) those that are indicative of conditions that arose after the reporting period (non-adjusting events after the reporting period).
Fair Market Value	Fair market value is the price that two parties are willing to pay for an asset or liability when both parties have full information and are not pressured to close the sale.
Fair value	The amount for which an asset could be exchanged, a liability settled, or an equity instrument granted could be exchange, between knowledgeable, willing parties in an arm's length transaction.
Generally Accepted Account Principles (GAAP)	The conventions, rules, and procedures necessary to define accepted accounting practice at a particular time.
Gross premium underwritten	That is the total sum before expenses or cost.
Held to maturity investment	Financial assets with fixed or determinable payments and fixed maturity that an enterprise has the positive intent and ability to hold to maturity other than loans and receivables originated by the enterprise.
Insurance contract	A contract under which one party (the insurer) accepts significant insurance risk from another party (the policyholder) by agreeing to compensate the policyholder if a specified uncertain future event (the insured event) adversely affects the policyholder.
Insurance liability	An insurer's net contractual obligations under an insurance contract.
Insurance risk	Risk, other that financial risk, transferred from the holder of a contract to the issuer.
Insurer	The party that has an obligation under an insurance contract to compensate a policyholder if an insured event occurs.
Intangible Assets	Long-term assets that have no physical substance but have a value based on rights or privileges accruing to the owner.
Interest	The cost associated with the use of money for a specific period of time.
Market Value	The amount obtainable from the sale or payable on the acquisition, of a financial instrument in an active market.

Terms	Meaning
Marketable Securities	An investment in securities which are readily marketable; temporary investments.
Net Premium underwritten	Gross premium less deductions for commission and ceded re insurance.
Ordinary share	An equity instrument that is subordinate to all other classes of equity instruments.
Policy holder	A party that has a right to compensations under a insurance contract if an insured event occurs.
Post-employment benefits	Formal or informal arrangements under which an entity provides post-employment benefits for one or more employees.
Premium	The price of insurance protection for a specified risk for a specified period of time.
Prepaid Expenses	The expenses paid in advance that do not expire during the current accounting period
Prior period errors	Omissions from, and misstatements in, the entity's financial statements for one or more prior periods arising from a failure to use, or misuse of, reliable information that: (a) was available when financial statements for those periods were authorised for issue; and (b) could reasonably be expected to have been obtained and taken into account in the preparation and presentation of those financial statements. Such errors include the effects of mathematical mistakes in applying accounting policies, oversights or misinterpretations of facts, and fraud.
Property, plant and equipment	Tangible items that: (a) are held for use in the production or supply of goods or services, for rental to others, or for administrative purpose; and (b) are expected to be used during more than one period.
Provision	A liability of uncertain timing or amount.
Re – insurance	Also known as “Insurance for insurers”. The contract between an insurance company and a third party to protect the insurance company from loss.
Reinsurance assets	A cedant's net contractual rights under a reinsurance contract.
Related party Transaction	A transfer of resources or obligations between related parties, regardless of whether a price is charged.
Reserve for Exceptional Losses	A reserve either specific or general required by law.
Return on Assets	A measure of profitability that shows how efficiently a company is using all its assets
Revenue	The gross inflow of economics benefits during the period arising in the course of the ordinary activities of an entity when those inflows result in arise in equity, other than increases relating to contributions from equity participants.
Tangible Assets	Long-term assets that have physical substance
Tax expense (tax income)	The aggregate amount included in the determination of profit or loss for the period in respect of current tax and deferred tax. Tax expense (tax income) comprises current tax expense (current tax income) and deferred tax expense (deferred tax income).
taxable temporary differences	Temporary differences that will result in taxable amounts in determining taxable profit (tax loss) of future periods when the carrying amount of the asset or liability is recovered or settled.
Unpaid Dividend	A dividend that is owed to stockholders of record but has yet to be distributed.
Useful life	The estimated remaining period, from the commencement of the lease term, without limitation by the lease term, over which the economic benefits embodied in the asset are expected to be consumed by the entity.
Working Capital	The amount by which the total current assets exceed total current liabilities.

SAFA CHECKLIST
INSURANCE SECTOR

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Notes

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Notes

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রিলায়েন্স ইন্স্যুরেন্স লিমিটেড
RELIANCE INSURANCE LIMITED

Registered Office: Shanta Western Tower (Level-5)
186 Bir Uttam Mir Shawkat Ali Shorak
Tejgaon Industrial Area, Dhaka-1208, Bangladesh.

PROXY FORM

I/ We .....

of .....

being a member of Reliance Insurance Limited do hereby appoint Mr./Ms. .....

..... or (failing his/her) Mr./Ms. .....

as my/ our proxy, to vote for me/ us and on my/ our behalf at the Thirtieth Annual General Meeting of the company to be held on Saturday, March 31, 2018 and any adjournment thereof or at any ballot to be taken in consequence thereof.

Signature of proxy

Revenue Stamp Tk. 20/-

Signature of shareholder

Folio No ..... BO A/C No .....

N.B.: IMPORTANT

1. This form of proxy, duly completed, must be deposited at least 48 hours before the meeting at the company registered office. Proxy is invalid if not signed and stumped as explained above.
2. Signature of the Shareholders should agree with the Specimen signature registered with the Company.

রিলায়েন্স ইন্স্যুরেন্স লিমিটেড
RELIANCE INSURANCE LIMITED

Registered Office: Shanta Western Tower (Level-5)
186 Bir Uttam Mir Shawkat Ali Shorak
Tejgaon Industrial Area, Dhaka-1208, Bangladesh.

ATTENDANCE SLIP

I hereby record my attendance at the Thirtieth Annual General Meeting of the Company will be held at La-Vita Hall, Lake Shore Hotel, House # 46, Road # 41, Gulshan-2, Dhaka-1212, on Saturday, March 31, 2018 at 11:00 a.m.

Name of the Member/ Proxy .....

Register Folio/BO No ..... holding ..... share(s)

Signature ..... Date .....

N.B.: Please present this slip at the Reception Desk.

Signature

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FORWARD-LOOKING STATEMENT

This Report contains information that may constitute "forward-looking statements" regarding future events or the future financial performance of the Company. Generally, the words "believe," "expect," "intend," "estimate," "anticipate," "project," "will" and similar expressions identify forward-looking statements, which generally are not historical in nature.

All statements that speak to operating performance, events or developments that we expect or anticipate will happen in the future—including statements relating to premium growth, market share and earnings per share growth, and statements expressing general views about future operating results—are forward-looking statements. Management believes that these forward-looking statements are reasonable as and when made.

However, caution should be taken not to place undue reliance on any such forward-looking statements because such statements speak only as of the date when made. Our Company undertakes no obligation to publicly update or revise any forward-looking statements, whether as a result of new information, future events or otherwise, except as required by the regulatory authorities. In addition, forward-looking statements are subject to certain risks and uncertainties that could cause actual results to differ materially from our Company's historical experience and our present expectations or projections.

Corporate Office
Shanta Western Tower
Level–5, Space–503 & 504
186 Tejgaon Industrial Area
Dhaka–1208, Bangladesh
Tel : +88-02-8878836-44
Fax : +88-02-8878831-4
E-mail : info@reliance.com.bd
info@reliance-bd.com
Web : www.reliance.com.bd

