Annual Report 2016

AMARSTOCK

Republic Insurance Company Limited
রিপাবলিক ইনস্যুরেন্স কোম্পানী লিমিটেড



Founder Chairman

Late Hedayet Hossain Chowdhury

(1931-2014)

Republic Insurance Company Limited

রিপাবলিক ইনস্যুরেন্স কোম্পানী লিমিটেড

Vision
Mission

AMARSTOCK

Republic Insurance Company Limited
রিপাবলিক ইন্সুরেন্স কোম্পানী লিমিটেড



Vision

Our Vision is to create a meaningful organization with sustainable growth. We aim to achieve new heights in the world of competitiveness in insurance. We believe in qualitative growth balanced with market profitability. Our constant endeavor is to achieve customer satisfaction with consistent quality service and with exemplary responsibility.

Mission

Our mission is to maximize long term shareholders' value, through clients' contentment and employees' commitment to excellence.

LANKABANGLA INVESTMENT LIMITED

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AMARSTOCK

Republic Insurance Company Limited
রিপাবলিক ইনস্যুরেন্স কোম্পানী লিমিটেড

HR BHABAN (3RD & 6TH FLOOR), 26/1, KAKRAIL, DHAKA-1000, BANGLADESH, PABX : 9336619, 9361262, 9360585, 9332685, 9349745, FAX: 88-02-9361860

Letter of Transmittal

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

Dear Sir(s):

Annual Report for the year ended 31st December, 2016.

Enclosed please find a copy of the Annual Report together with Audited Financial Statements which comprises of Statements of Financial Position as at 31st December, 2016 and the related Fire, Marine Cargo, Marine Hull, Motor and Miscellaneous Insurance Revenue Accounts as well as Statement of Profit or Loss and Other Comprehensive Income, Profit and Loss Appropriation Account, Statement of Cash Flows and Statement of Changes in Equity for the year ended 31st December, 2016 along with notes there on of Republic Insurance Company Limited for kind information and record.

Best regards,

Yours sincerely,

Sajan Kumar Basak
Company Secretary

Republic Insurance Company Limited
রিপাবলিক ইনস্যুরেন্স কোম্পানী লিমিটেড

HR BHABAN (3RD & 6TH FLOOR), 26/1, KAKRAIL, DHAKA-1000, BANGLADESH, PABX : 9336619, 9361262, 9360585, 9332685, 9349745, FAX: 88-02-9361860

NOTICE

Notice is hereby given that the 17th Annual General Meeting of Republic Insurance Company Limited will be held at IDEB Bhaban, 160/A, Kakrail, Dhaka-1000 on Wednesday, the 14th June, 2017 at 11.00 AM to transact the following business:

01. To receive, consider and adopt the Directors' Report, the Audited Accounts for the year ended 31st December, 2016 and the Auditors' Report thereon.
02. To declare Dividend for the year 2016 as recommended by the Board.
03. To elect Directors in place of retiring Directors from sponsors "Group-A" and to elect Directors from the public shareholders "Group-B".
04. To consider appointment of Auditors for the year 2017 and fix their remuneration.
05. To transact any other business of the Company with the permission of the chair.

Dated, Dhaka
24th May, 2017

By order of the Board of Directors

(Sajan Kumar Basak)
Company Secretary

Notes:

i) The record date shall be on 23rd May, 2017 Shareholders whose names appear in the Depository on the record date will be eligible to attend the Annual General Meeting and receive the dividend.

ii) Any Shareholder entitled to attend and vote at the 17th Annual General Meeting is entitled to appoint a proxy to attend the meeting and vote on his/her behalf. Proxy Form duly completed, must be affixed with a revenue stamp of Tk. 20.00 and submitted at the Registered Office of the Company at least 48 (forty eight) hours before the time of holding the meeting.

iii) Entry to the Annual General Meeting is reserved only for shareholders or their proxy.

iv) Admission into the venue of the AGM will be strictly checked and verified with the attendance slip sent with the Proxy Form as well as verification of signature of Member(s) and/or Proxy-holder(s).

v) Members are requested to notify their changes of address, if any.

vi) In case of non-receipt of Annual Report of the Company sent through postal services, Shareholders may collect the same from the company's Share Division. Annual report is also available in the Investors information corner of the Company's website : www.riclbd.com

NB: No gift of benefit in cash or kind shall be paid/offered to the hon'ble Shareholders in the 17th AGM of the Company as per BSEC circular under reference No. SEC/CMRRCD/2009-103/154 dated 24.10.2013.

Company's Information

Republic Insurance Company Limited is a third generation private sector non-life insurance company. It is a well known, trusted and leading name in the general insurance sector of the country. Republic Insurance Company Limited was incorporated as a public limited company on 18th May, 2000 under Companies Act, 1994. It obtained registration from Insurance Development and Regulatory Authority (IDRA) (The then Chief Controller of Insurance, Government of Peoples Republic of Bangladesh) on 30th May, 2000.

The Company is listed with Dhaka Stock Exchange Ltd. and Chittagong Stock Exchange Ltd. as a publicly traded company. The Company carries its insurance activities through 30 (thirty) online branches spread across the country.

Name of the Company	Republic Insurance Company Limited
Legal Status	Public Limited Company
Company's Registration Number	C-40290 (2258)/2000
Certificate of Incorporation	18 May, 2000
Obtained Certificate for Commencement of Business	18 May, 2000
Date of License Issued by the Office of the Chief Controller of Insurance	31 May, 2000
Date of Publication of Prospectus (IPO)	4 August, 2008
Agreement Signed with CDBL	10 August, 2008
Listed with Chittagong Stock Exchange Ltd. (CSE)	7 January, 2009
Listed with Dhaka Stock Exchange Ltd. (DSE)	14 January, 2009
Trading of shares on DSE	18 January, 2009
Trading of shares on CSE	18 January, 2009
Issuance of First Bonus Share	27 July, 2010
Number of Branches	30
Authorized Capital	Tk. 100 Crore
Paid up Capital	Tk. 31.27 Crore
Earnings per Share (EPS) in 2016	Tk. 1.87
Net Asset value per Share (NAV) in 2016	Tk. 14.77
Stock Dividend declared for the year 2016	12%
Credit Rating for the year 2016-2017	A (Long-term), AR-2 (Short-term)

Registered Office
HR Bhaban (3rd & 6th Floor), 26/1, Kakrail, Dhaka-1000, Bangladesh
Phone: (+880-2) 9336619, 9361262 Fax: +880-2-9361860
E-mail: ricl@citech.net, Web: www.riclbd.com

AlphaRating

22 August, 2016

Managing Director
Republic Insurance Company Limited
HR Bhaban (3rd & 6th Floor), 26/1,
Kakrail, Dhaka-1000

Subject: Credit Rating of Republic Insurance Company Limited.

Dear Sir,

We are pleased to inform you that Alpha Credit Rating Limited (AlphaRating) has assigned the following rating to Republic Insurance Company Limited.

Date of Declaration	Valid Till	Rating Action	Long Term Rating	Short Term Rating	Outlook
22 August, 2016	21 August, 2017	Surveillance	A	AR-2	Stable
10 August, 2015	09 Aug ust, 2016	Surveillance	A	AR-2	Stable

The Short-term and Long-term rating is valid up to the earlier of 21 August, 2017 or the limit expiry date of respective credit facility. The rating may be changed or revised prior to expiry, if warranted by extraordinary circumstance in the management, operations and/or performance of the entity rated.

We, Alpha Credit Rating Limited, while assigning this rating ro Republic Insurance Company Limited, hereby solemnly declared that:

(i) We, Alpha Credit Rating Limited as well as the analysts of the rating have examined, prepared, finalized and issued this report without compromising with the matters of our conflict of interest, if there be any; and

(ii) We have complied with the all the requirements, policy and procedures of these rules as prescribed by the Bangladesh Securities and Exchange Commission in respect of this rating.

We hope that rating will serve the intended purpose of your organization.

With kind regards,

Muhammed Asadullah
Managing Director & CEO

This letter forms an integral part of the credit rating report

Alpha Credit Rating Ltd, Sadharan Bima Corporation Bhaba-2, (8th Floor), 139, Motijheel C/A, Dhaka-1000
Tel: +88 02 9573026, 9573027, Fax: +88 02 9573025, www.alpharating.com.bd

PLANET STOCK



Board of Directors

Board of Directors
as on 31st December, 2016

Sponsor Directors

Mr. Mohd. Hanif Chowdhury
Chairman

Mrs. Hasina Gazi
Vice Chairman

Mr. Sadeque Hossain Chowdhury
Mrs. Shahin Haider
Mrs. Khurshida Rahman
Mr. S.M. Shafiul Hoque
Mr. Mahboob Ur Rahman
Mr. Gazi Golam Ashria

Directors from Public Shareholders
Mr. Md. Ali Kawsar
Alhaj Md. Abdus Sabur
Mrs. Bilquis Afroza
Mr. Hamdan Hossain Chowdhury
Mrs. Rehana Chowdhury
Mr. Feroz U. Haider

Independent Directors
Mr. Ataul Haq (Former Cabinet Secretary)
Mr. Muhammad Waheedul Haque

Chief Executive Officer
Mr. A.M.M. Mohiuddin Chowdhury

Board of Directors
as on 23rd May, 2017

Sponsor Directors

Mr. Mohd. Hanif Chowdhury
Chairman

Mrs. Hasina Gazi
Vice Chairman

Mr. Sadeque Hossain Chowdhury
Mrs. Shahin Haider
Mrs. Khurshida Rahman
Mr. S.M. Shafiul Hoque
Mr. Mahboob Ur Rahman
Mr. Gazi Golam Ashria

Directors from Public Shareholders
Alhaj Md. Abdus Sabur
Mrs. Bilquis Afroza
Mrs. Rehana Chowdhury
Mr. Feroz U. Haider

Independent Directors
Mr. Ataul Haq (Former Cabinet Secretary)

Chief Executive Officer
Mr. A.M.M. Mohiuddin Chowdhury

Board of Directors



Mr. Mohd. Hanif Chowdhury
Chairman



Mrs. Hasina Gazi
Vice Chairman



Mr. Sadeque Hossain Chowdhury
Director



Mrs. Shahin Haider
Director



Mrs. Khurshida Rahman
Director



Mr. S.M. Shafiul Hoque
Director

Board of Directors



Mr. Mahboob Ur Rahman
Director



Mr. Gazi Golam Ashria
Director



Mr. Md. Ali Kawsar
Director



Alhaj Md. Abdus Sabur
Director



Mrs. Bilquis Afroza
Director



Mr. Hamdan Hossain Chowdhury
Director

Board of Directors



Mrs. Rehana Chowdhury
Director



Mr. Feroz U. Haider
Director



Mr. Ataul Haq
Independent Director



Mr. Muhammad Waheedul Haque
Independent Director



Mr. A.M.M. Mohiuddin Chowdhury
Chief Executive Officer (CEO)

Sponsor Shareholders



Mr. Saber Hossain Chowdhury, MP



Mr. Golam Dastogir Gazi, Bir Protik, MP



Mrs. Ayesha Sultana



Mrs. Naheem Hossain Chowdhury



Mrs. Shahella Rashid



Mr. S.M. Fazlul Hoque



Mr. S.M. Akramul Hoque



Management Team

Chief Executive Officer (CEO)
Mr. A.M.M. Mohiuddin Chowdhury

Additional Managing Director
Mr. Sahid-ul-Hasan

Deputy Managing Directors
Mr. Mosharaf Hossain Majumder
Mr. Giyas Uddin Ahmed
Mr. Md. Nasiruddin
Mr. Serajul Islam Bhuiyan
Mr. Khan Mukhlesur Rahman

Senior Executive Vice Presidents
Mr. Shamsuddin Swapon
Mr. Ataullah Fakir
Mr. Rukunuzzaman
Mr. Ziaur Rahman (Miron)
Mr. Md. Shafiullah
Mr. Jahangir Mohd. Abdur Rahman
Mr. Mohammad Nasir Uddin
Mr. Abdul Jabbar Mridha
Mr. Mosharraf Hossain Chowdhury
Mr. Shamsudduha Khan
Mr. Giyas Uddin Haider
Mr. Md. Abdul Motaleb
Mr. Mahmud Hasan

Executive Vice Presidents
Mr. Mamun Ahmed Muktada
Mr. Md. Anwarul Islam

Senior Vice Presidents
Mr. Kutub Uddin Ahmed Chowdhury
Mr. Noore Alam Siddique
Ms. Taniya Akther

Vice Presidents
Mr. Assaduzzaman Liton
Mr. Rafiqul Islam Tutul
Mr. Mohammad Moshfiqur Rahman

Assistant Vice Presidents
Mr. Md. Shaidul Islam
Mr. Md. Nurul Akther
Mr. Khan Mahfuzur Rahman

Law Consultant
Barrister Tanjibul Alam
Advocate, Bangladesh Supreme Court

Company Law Adviser
Mr. Hasan Ur Rashid Tutul

Auditor
Malek SIddiqui Wali
Chartered Accountants
9-G, Motijheel C/A, Dhaka-1000

Adviser
Mr. Obaidul Kabir Khan
(Former Managing Director of the Company)

Mr. Sajan Kurmar Basak
SEVP & Company Secretary

VEMARSTOCK



Corporate Management Team

Chief Executive Officer (CEO)
Mr. A.M.M. Mohiuddin Chowdhury

Additional Managing Director
Mr. Sahid-ul-Hasan

Senior Executive Vice President & Company Secretary
Mr. Sajan Kumar Basak

Senior Executive Vice President
Mr. Md. Abdul Motaleb (Head of Underwriting and BCD)

Executive Vice President
Mr. Md. Anwarul Islam (Head of Claims and Re-insurance)

Vice President
Mr. Mohammad Moshfiqur Rahman (CFO)

Assistant Vice Presidents
Mr. Md. Shaidul Islam (Head of Internal Control Department)
Mr. Md. Nurul Akhter (Admin)

Manager
Mrs. NJK. Showkhin (Head of IT)

AMAR STOCK

Branches' Information

Dhaka Zone

Principal Branch
Mr. Md. Ziaur Rahman (Miron)
Senior Executive Vice President
HR Bhaban (3rd Floor), 26/1,
Kakrail, Dhaka-1000, Bangladesh
Ph: 02-8319108 Cell: 01926-620553

Local Office
Mr. Md. Rukunu Zaman
Senior Executive Vice President
Halimunnesa's Court (6th Floor),
23, Kakrail, Dhaka, Bangladesh
Ph9335153
Cell: 01913-392464

Malibagh Branch
Mr. Md. Sahid-Ul-Hasan
Additional Managing Director
Halimunnesa's Court (2nd Floor),
23, Kakrail, Dhaka, Bangladesh
Ph: 02-9359073
Cell: 01552-359 543

Motijheel Branch
Mr. Giyas Uddin Ahmed
Deputy Managing Director
Ali Bhaban (7th Floor), 9, Rajuk Avenue, Dhaka-1000, Bangladesh
Ph: 02-9570837
Cell: 01711-405 590

Motijheel Corporate Branch
Mr. Mohammad Nasiruddin
Deputy Managing Director
1/B, D.I.T Avenue (5th Floor),
Motijheel C/A, Dhaka, Bangladesh
Ph: 9585497 &
Cell: 01711-244 579

Hatkhola Branch
Mr. Md. Serajul Islam Bhuiyan
Deputy Managing Director
Rahman Mansion (4th Fl.) 161,
Motijheel C/A, Dhaka-1000,
Bangladesh
Ph: 9576198, 7126109
Cell: 01552-475 504

Dilkusha Branch
Mr. Khan Moklesur Rahman
Deputy Managing Director
15, Dilkusha (8th Floor),
Dhaka, 1000, Bangladesh
Ph: 02-9554690
Cell: 01199867880,

Palton Branch
Mr. Md. Shamsuddin Swapon
Senior Executive Vice President
Ibrahim Mansion (4th Floor)
11, Purana Paltan (4th Floor),
Dhaka-1000, Bangladesh
Ph: 02-9571487
Cell: 01911-385 686

Elephant Road Branch
Mr. Mahmud Hasan
Senior Executive Vice President
15, Baily Road (3rd Floor), Dhaka
Ph: 02-95333375
Cell: 01819280143

BB Avenue Branch
Mr. Md. Ataullah Fakir (Manik)
Senior Executive Vice President
29, B.B. Avenue, Dhaka-1000,
Bangladesh
Ph: 02-9566686
Cell: 01819-271447

Farmgate Branch
Mr. Md. Mosharraf Hossian Majumder
Deputy Managing Director
99, Kazi Nazrul Islam Avenue,
Kawran Bazar, Dhaka, Bangladesh
Ph:02- 55013244
Cell: 01911343626

Rampura Branch
Mr. Mamun Ahmed Muqtada
Executive Vice President
80/A, Siddeswari Circular Road,
Malibagh, Dhaka-1000, Bangladesh
Ph: 93344158
Cell: 01819299945

Imamgonj Branch
Ms. Taniya Akhter
Senior Vice President
66, Begum Bazar (4th Floor),
Dhaka-1000
Ph: 57318065
Cell: 01711 471335

VIP Road Branch
Mr. Md. Abdul Jabbar Mridha
Senior Executive Vice President
Alis Center (8th Floor), 40,
Bijoynagar, Paltan, Dhaka-1000
Ph: 9361249
Cell: 01711221501

Gazipur Branch
Mr. Nure Alam Siddique
Senior Vice President
Gazipur Bhaban(2nd Floor), (near Padma Tower), Tangail Road,
Gazipur Chowrasta, Gazipur
Ph: 9294289
Cell: 01720021782

Branches' Information

Chittagong Zone

Agrabad Branch
Mr. Mohammad Nasir Uddin
Senior Executive Vice President
K.N. Tower (5th Floor), 18,
Agrabad C/A, Chittagong.
Ph: 031-727734, 031-2513319 Cell: 01815-926830

Jubilee Road Branch
Mr. Giyas Uddin Haider
Senior Executive Vice President
221, Kader Plaza (3rd Floor),
Jubilee Road, Chittagong.
Ph: 031-2852518
Cell: 01815-926830

Khatungonj Branch
Mr. Jahangir Mohd. Abdur Rahman
Senior Executive Vice President
39, Ramjoy Mahajon Lane, (1st Floor), Chittagong.
Ph: 031-639812

Laldighi Branch
Mr. Md. Shafiullah
Senior Executive Vice President
4, Shah Amanat Road (2nd Floor),
(Jail Road), East Laldighi,
Chittagong.
Ph: 031-2865624
Cell: 01715-878 524

O.R. Nizam Road Branch
Mr. Kutubuddin Ahmed Chowdhury
Senior Vice President
Nassa Villa (Ground Floor), 969, CDA Avenue, East Nasirabad, Chittagong
Ph: 031-2554801-2
Cell: 01819-957 040

Dewanhat Branch
Mr. Md. Mosharraf Hossain Chowdhury
Senior Executive Vice President
Walikhan Bhaban (3rd Floor),
603, S.K. Mujib Road,
Pathantuly, Chowmuhuni,
Agrabad, Chittagong
Ph: 031-2516119-20

Other Branches

Satkhira Branch
Mr. Khan Mahfuzur Rahman
Assistant Vice Presedent
Kaman Nagar,
Itagacha Bazar Mor, Satkhira
Ph: 01914480570
Cell: 01671352784

Kushtia Branch
Mr. Kazi Ashadul Haque
Vice President
Lovely Tower (9th Floor),
55/1, N.S. Road, Kushtia.
Ph: 0717-3127
Cell: 0155-6320761

Khulna Branch
Mr. Md. Shamsuddoha Khan
Senior Executive Vice President
I.P.C Roy Road, Khulna.
Ph: 041-810847
Cell: 01920-786 666

Rangpur Branch
Mr. Ariful Islam
Manager
Karnaphuli Bhaban (1st Floor),
90, Station Road, Rangpur.
Ph: 0521-65986
Cell: 01760882901

Bogra Branch
Mr. Mehedi Hasan
Deputy Manager
M.A. Khan Lane, Dr. Anisul Haque Building (3rd Floor), Sathmatha,
Bogra
Ph: 051-69341
Cell: 01712-467 780

Jessore Branch
Mr. Assaduzzaman Liton
Vice President
M.S Orchid Center (6th Floor), 44,
M.K. Road, Jessore
Ph: 0421-63179
Cell: 01928-173 217

Naogaon Branch
Mr. Rasheduzzaman
Senior Manager
Shorma Shopping Center,
Vill- Tula Patti, Naogaon
Ph: 0741-62901
Cell: 01712 142924

Chapai Nawabgonj Branch
Mr. Rafiqul Islam Tutul
Vice President
Boro Indra More,
Chapainawabgonj
Cell: 01911072799

Sylhet Branch
Mr. Mahbubur Rahman Chowdhury
Vice President
Salim Mansion (1st Floor),
Shop # B-47,
Mendibagh, Kotwali, Sylhet
Ph: 0821-726702
Cell: 01715860842, 01712822038

Photographs of AGM-2016





Photographs of AGM-2016



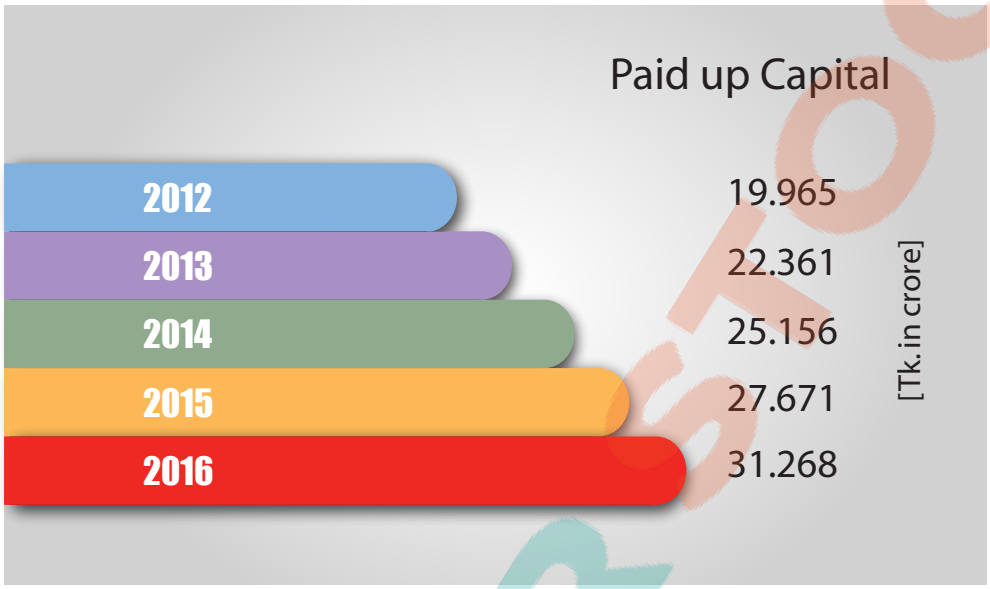


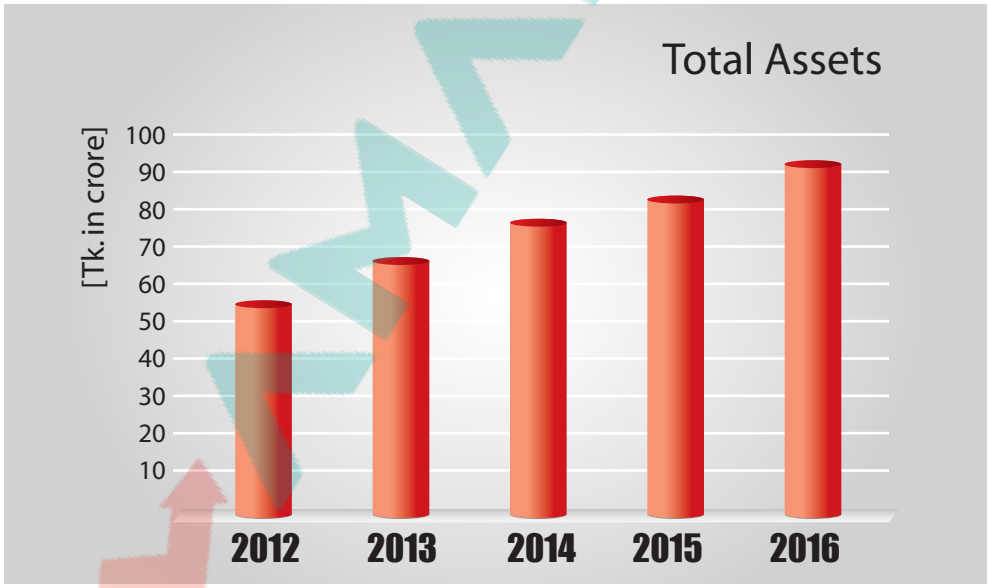
Financial Highlights

Particulars	Amount 2012	Amount 2013	Amount 2014	Amount 2015	Amount 2016
Paid up Capital	199,650,000	223,608,000	251,559,000	276,714,900	312,687,830
Gross Premium Income	398,217,800	467,988,925	430,911,899	436,668,252	458,191,929
Net Premium Income	285,210,355	319,133,791	342,868,302	334,017,405	332,523,596
Net Claims Paid	69,571,294	83,365,291	82,316,673	51,946,099	63,865,381
Interest & Other Income	31,189,598	44,201,575	45,500,458	40,767,089	42,066,142
Underwriting Profit	58,903,575	75,259,497	63,729,071	59,557,766	72,647,476
Net Profit before Tax	63,994,473	87,798,306	80,981,557	80,869,432	92,748,912
Total Assets	562,981,050	664,953,228	766,649,370	816,937,721	917,756,493
Total Reserves for Contingency	78,023,646	88,970,694	113,856,565	128,128,930	149,148,688
Cash & Bank Balances	327,326,495	409,232,009	50,480,081	51,624,337	44,539,872
Investments	287,442,179	394,758,253	415,591,882	433,001,666	450,255,987
Number of Shares	19,965,000	22,360,800	25,155,900	27,671,490	31,268,783
Net Asset value per Share (NAV)	13.91	13.98	14.53	14.63	14.77
Earnings per Share (EPS) (Re-stated)	2.40	2.76	1.71	1.70	1.87
Dividend	12%B	12.50%B	10%B	13%B	12%B
Shareholder's Equity	277,673,646	312,578,694	365,415,565	404,843,830	461,836,518
Number of Employees	615	615	621	609	727

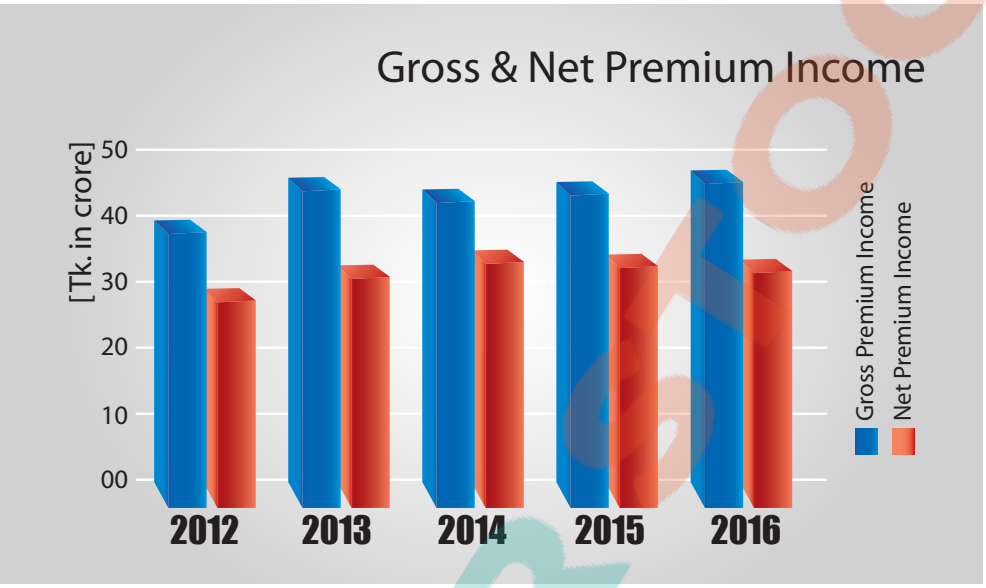
Note: All figures except dividend and number of employees are in Bangladesh Taka.

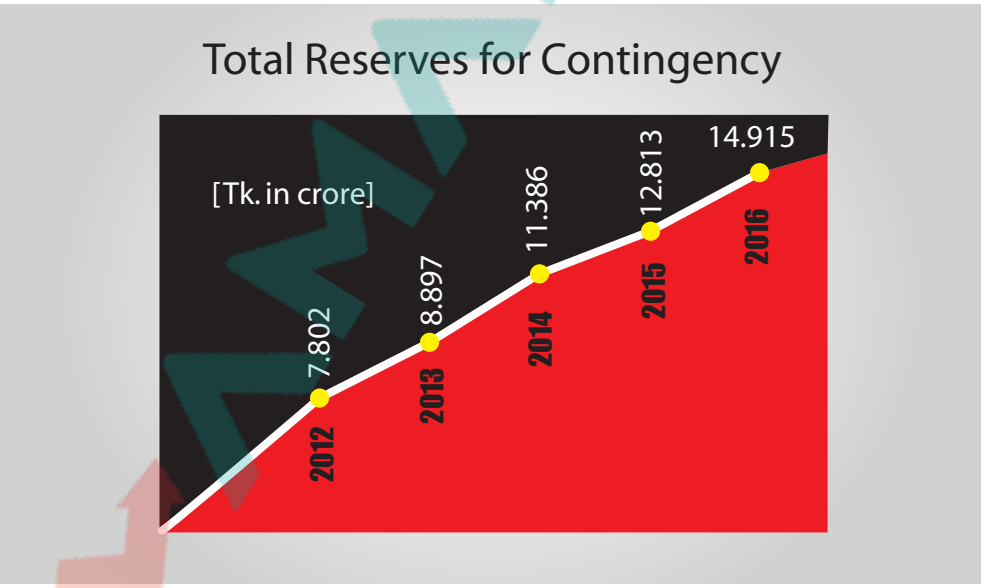
Financial Highlights in Graphs



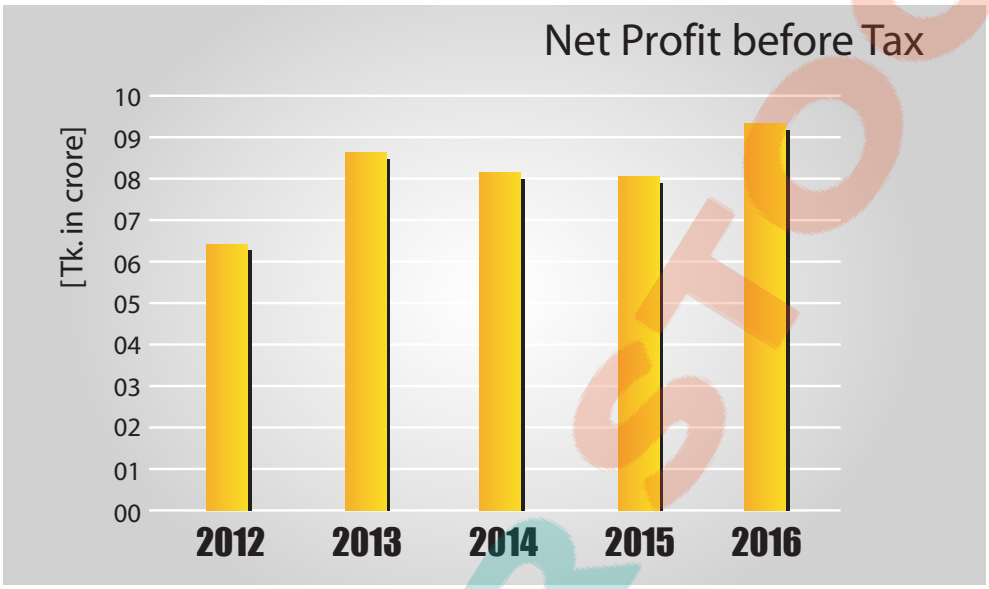


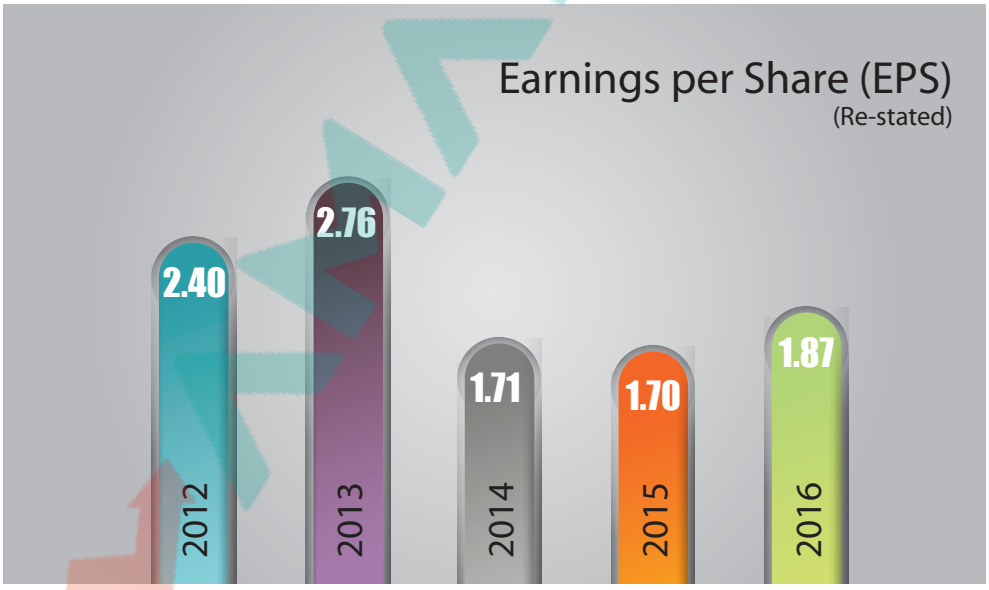
Financial Highlights in Graphs





Financial Highlights in Graphs







CHAIRMAN's MESSAGE

Bismillahir Rahmanir Rahim

As-Salaamu-Alaikum

Dear Shareholders,

It is indeed my great pleasure to welcome you to the 17th Annual General Meeting of your Company.

At the very beginning, I would like to express my deepest appreciation to you all for your continued support and goodwill for the Company. Kindly allow me to present to you the Directors' Report along with the Audited Financial Statements and the Auditors' Report for the year ended on 31st December, 2016 for your study and approval.

Although the latest industry statistics are not available at the time of writing this report, it can be safely said that there will be a slight increase in growth in 2016 than the growth in 2015. For insurance sector to be an active partner in the GDP growth, we need to boost up our insurance penetration that hovers around a miserly 1 percent of GDP. A collective effort by the Government and the key players in the insurance sector is required to create awareness of insurance among the public for the growth of insurance sector.

Despite a challenging business environment in a small market, I am happy to announce that the Company was able to perform well and has registered a growth in 2016. Our Gross Premium earning stood at Tk. 458,191,929 in 2016 corresponding to Tk. 436,668,252 in 2015 which constitutes a growth of approximately 4.93 percent.

Summarized position of your Company's operation in the year 2016 will help you to appreciate the performance of the Company during the year under review:

Amount in Taka

Particulars	2016	2015	Increase (+)/ Decrease (-)
Gross Premium Income	458,191,929	436,668,252	4.93 %
Retained Premium (RP)	43,358,496	37,791,823	14.73 %
Claims-retained Portion	73,347,008	50,921,732	44.04 %
Net Profit after Tax	58,492,688	53,082,348	10.19 %
Underwriting Profit	72,647,476	59,557,766	21.98 %
Paid-up Capital	312,687,830	276,714,900	13 %

I express my sincere gratitude to all our stakeholders and reiterate my deep appreciation for the continuous guidance and support extended to us by the Ministry of Finance, Insurance Development and Regulatory Authority (IDRA), Bangladesh Securities and Exchange Commission, Dhaka Stock Exchange Ltd., Chittagong Stock Exchange Ltd., Sadharan Bima Corporation, Bangladesh Insurance Association, local banks, insurance companies and other financial institutions.

I express my thanks to the Managing Director & CEO and all the employees of the Company for their tireless dedication, devotion and effort made to continually improve the Company's performance.

I also take the opportunity to express my appreciation to our discerning customers, business associates and stakeholders for their support and inspiration. I sincerely thank my fellow members of the Board of Directors for their wisdom and guidance.

And finally, dear Shareholders, your Company is celebrating its 17th anniversary this year which was formed in the year 2000 as one of the 3rd generation insurance companies in the country. The Company that opened its doors with just a few employees from its only office in Dhaka now operates with 30 (thirty) branches all over the country and employees more than 700 staff.

After 17 years of dedication and commitment to the insurance industry, it is a matter of great pride to us that we are awarded credit rating 'A' in the long term.

I would again like to thank all our employees, our clients, our stakeholders, our Directors and all of you for being with us through these years, and we are looking forward to sharing company's success with you all also in the future.

Thank you

Mohd. Hanif Chowdhury
Chairman



Message from the Chief Executive Officer (CEO)

Bismillahir Rahmanir Rahim

Honorable Shareholders,

Assalamu Alaikum,

It gives me a great pleasure to report that 2016 was another a very successful year for Republic Insurance Company Limited (RICL) and welcome you all to the 17th Annual General Meeting of the Company.

The general insurance business seems to be a paradox, as most of the contracts are annual but the business itself is long term in nature. The business grows year on year, and if it is done sensibly, it is good for the customers, for the employees and for the shareholders. But, if it is not handled properly it gets spoiled. If an insurance company is not careful about protecting its bottom line of solvency margin or does not give the best of services to its customers or does not innovate or improve efficiency or does not care about employees' satisfaction, then it can be on the road to oblivion by each passing year.

Over the past 17 years, RICL has consolidated its position as the 18th largest private sector non-life insurance company in the country. The Company has achieved this by focusing on its core value and relentlessly pursuing its vision over the years. As we step into the new financial year, we are sure that our partnership with the Company will grow stronger in times to come.

The diligence, professionalism and commitment of our employees and agents are the key to RICL's continued success. The results for the year 2016 surpassed forecasts, marking a dramatic shift from 2015.

RICL will make full use of its strengths to become even closer to customers as an insurance company, and to contribute to customer's choices as per our commitment. I believe in my team, and look forward to achieving better results in the years ahead and I am ambitious to add more value to the investment of our shareholders in the upcoming years. Republic's performance on a few key financial indicators for 2016, 2015 & 2014 may be helpful to understand the nature of growth of the company.

Amount in Taka

Key Indicators	2016	2015	2014
Gross Premium Income	458,191,929	436,668,252	430,911,899
Net Profit after Tax	58,492,688	53,082,348	42,780,644
Investment	450,255,987	433,001,666	415,591,882
EPS (Re-stated)	1.87	1.70	1.71

Further progress of the Company depends on how we endeavor to develop traditional and non-traditional business simultaneously. This can be achieved through sustained efforts of the Company by providing efficient services, honoring insurance policy obligations, introducing new products and by rationalizing the pricing mechanism.

I express my special thanks to the Chairman and all Board Members for their diligence and valuable advice and support to the management team during the year of transition.

Finally, I would like to take the privilege to recognize and commend my team for all their hard work, diligence and professionalism in the year and hope they will continue to extend their support and commitment to reaching the corporate goals in the ensuing years. My appreciation is also extended to our customers, Insurance Development and regulatory Authority (IDRA), reinsurers, intermediaries, other business partners and all our stakeholders for the continued trust placed in our journey towards achieving our corporate vision.

A.M.M. Mohiuddin Chowdhury
Chief Executive Officer (CEO)



DIRECTORS' REPORT

Directors' Report

Bismillahir Rahmanir Rahim

Dear Shareholders,

Assalamu Alaikum,

It gives me a great pleasure to welcome you to the 17th Annual General Meeting of the Republic Insurance Company Limited on behalf of the Board of Directors of the Company and on my behalf. I am also pleased to present the Annual Report of the Directors for the year that ended in December 31, 2016 along with the Audited Accounts containing Statement of Financial Position, Statement of Profit & Loss and Other Comprehensive Income, Revenue Accounts, and other relevant Financial Statements for the year 2016 for your information, consideration and approval. I have placed these documents before you in compliance with the provisions of Section 184 of the Companies Act, 1994; Rule 12 (and the Schedule there under) of the Securities and Exchange Rules, 1987 and IAS-1 (International Accounting Standards-1) Codes as adopted by the Institute of Chartered Accountants of Bangladesh (ICAB).

Global Economy: An Overview

The global economic recovery has weakened further amidst increasing financial turbulence. Major macroeconomic realignments are affecting prospects differentially across countries and regions. These include the slowdown and rebalancing in China; a further decline in commodity prices including oil; a related slowdown in the investment and trade; and declining capital flows to emerging markets and developing economies.

IMF, in its World Economic Outlook (WEO), October 2016, projected the global growth at 3.1 percent for 2016, 0.1 percentage point lower than projection of the April 2016 WEO. Growth in advanced economies is projected to increase 1.6 percent in 2016, also 0.3 percentage point lower than April 2016 projection. On the other hand, growth in the emerging market and developing economies is projected to increase 4.2 percent in 2016, 0.1 percentage point higher than April, 2016 projection. Global economy is projected to gather some pace in 2017 and expected to grow at 3.4 percent.

In the United States, growth in the first half of the year was weaker than expected, triggering a downward revision of 0.8 percentage points for the 2016. Despite signs of weakening growth, labour market indicators continued to improve. In addition, some indicators point to a pick-up in the second half of 2016. In the euro area, growth was higher than expected in the first quarter of 2016, reflecting strong domestic demand and some rebound in investment. However, in light of the potential impact of increased uncertainty of the UK referendum, 2017 growth was revised down by 0.1 percentage points relative to April Outlook, while 2016 growth is still projected to be slightly higher, given the outcome of the first half of the year. In Japan, the first two quarters' activities are slightly better than expected though the momentum of domestic demand remains weak and inflation has dropped. However, further appreciation of the yen in recent months is expected to take toll on growth in both 2016 and 2017.

Output growth in the first half of 2016 was somewhat better-than-expected in the emerging market and developing economies. The real economic activities of China were somewhat stronger, reflecting policy support of the government. Benchmark lending rates were cut five times in 2015, fiscal policy turned expansionary in the second half of 2016, infrastructure spending picked up and credit growth accelerated. In India, economic activity remains buoyant, but the growth forecast for 2016-2017 was trimmed slightly, reflecting a more sluggish investment recovery. The economy of Russia shows stability following the rebound in oil prices. Brazil's economy shows some tentative signs of moderation from deep downturn. The downturn in sub-Saharan Africa, reflect challenging macroeconomic conditions in its largest economies, which are adjusting to lower commodity revenues. In the Middle East, oil exporters are benefiting from the recent modest recovery in oil prices while fiscal consolidation in response to structurally lower oil revenues continues.

Bangladesh Economy: A Brief Review

The Bangladesh economy performed well in FY2015-16. The GDP growth picked up around half percentage point to 7.11 percent from 6.55 percent of previous fiscal year. This is the first time that, growth has exceeded 7 percent mark after persistent growth of around 6 percent.

DIRECTORS' REPORT

Agriculture growth decelerated to 2.79 percent in FY2015-16 from 3.33 percent in the year before, caused by the decline in crop and horticulture growth from 1.83 percent in FY2014-15 to 0.88 percent in FY2015-16. Within agriculture, animal farming increased slightly to 3.19 percent in FY2015-16, from 3.08 percent in the previous year. Forest and related services grew by 5.12 percent, slightly higher than 5.08 percent in FY2014-15. Fishing sector moderated at 6.11 percent in FY2015-16 from 6.38 percent in FY2014-15. At constant prices, the contribution of broad agriculture sector is estimated at 15.35 percent of GDP in FY2015-16.

The growth in industry sector expanded to 11.09 percent in FY2015-16, up by 1.42 percentage points compared with the previous fiscal year. The growth in manufacturing sector, accounts for 66.62 percent of industry sector output and 21.01 percent of GDP, accelerated by 1.38 percentage points to 11.69 in Y2015-16 percent compared with the previous fiscal year. The growth in large and medium-scale manufacturing sector accelerated to 12.26 percent from 10.70 percent in FY2014-15. Similarly, the growth rate of small-scale manufacturing sector accelerated to 9.06 percent from 8.54 percent in FY2014-15. Mining and quarrying and electricity, gas and water supply sectors of the broad industry sector performed robust. However, construction sector growth decelerated marginally to 8.54 percent in FY2015-16 compared to the growth rate of previous fiscal year. The contribution of broad industry sector to GDP in FY2015-16 reached 31.54 percent at constant prices.

Overall service sector growth has been estimated at 6.25 percent, up by 0.45 percentage point from FY2014-15. Among the broad service sector, except financial intermediation sector, all the sectors performed well compared to the previous fiscal year. The share of service sector in GDP stood at 53.12 percent in FY2015-16.

According to the final estimates of BBS, per capita national income reached US$1,465 in FY2015-16, up by US$149, from US$1,316 of the previous year. Likewise, per capita GDP reached US$1,385 in FY 2015-16, from US$ 1,236 a year earlier.

Bangladesh Insurance Market

Bangladesh is a small country, and its non-life insurance market is small compared with that of other developing countries. Although there are 45 non-life insurance companies functioning in the country, most of the companies are still struggling in small market like Bangladesh. The future expansion of Bangladesh insurance market and increase of insurance penetration in the country lies in tapping the hitherto untapped segments of the market - personal lines business in particular which has remained neglected so far. The growth of the country's economy, in line with the growth in south Asian countries, will also provide an impetus to the insurance sector by creating new business opportunities. However, this requires sustained efforts by the insurance industry as a whole, apart from individual insurers introducing new products and improving their services.

Non-life Insurance premium growth was better in 2016 than in 2015 and 2014. Bangladesh insurance industry has maintained growth inspite of a down-ward trend in the year 2014 because of poor investment. The experts have the fear of that the industry was likely to have the similar experience in 2015.

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

Amount in million Taka

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

Insurance Premium growth depends on economic or business growth of the country. Actually the year 2016 was very Challenging considering all other aspects. Due to tough competition and unethical practice into the insurance companies, procurement cost has been increased. As a result, insurance companies fail to provide best services to the insurer. We believe 2017 will be more positive for non-life insurance business of the Bangladesh, and we will overcome all difficulties.

Company's Business Activities and Performance Review

Gross Premium:

Private sector investment was slow during the last couple of years and, due to this, private sector business of the Company has not been enhanced as expected. Besides, this, at the beginning of the year, political violence in the country also hampered business. To overcome all these, Government has been trying to maintain improvement in all sectors of the economy of Bangladesh, especially in import, export and investment in industrial sector. We know that general insurance business depends on import, export, investment in industrial sector, and coverage of security of all kinds of assets. The year 2016 was not appropriate for overall business environment, import, export, investment in industrialization were slow which had impact on the growth of insurance business in 2015. We know that a large number of insurance companies in Bangladesh at present are certainly not commensurate with the size of the market that has led to aggressive competition which has been detrimental to the industry as a whole.

In view of all difficulties, the wise management team of the Company paid proper attention in time in professional manner and owing to this attention, the gross premium of the Company increased. In the year 2016, the Company was able to post an average business growth in comparison to the overall performance of the insurance industry. The gross premium earning stood at Tk. 458,191,929 as compared to Tk. 436,668,252 in 2015 i.e increased by 4.93% in the year 2016.

The year-wise gross premium income of the Company for the last five years are as under:

Year	Amount (Taka)
2016	458,191,929
2015	436,668,252
2014	430,911,899
2013	467,988,925
2012	398,217,800

Product performance Analysis

Fire Insurance

The Fire Insurance business constitutes 45% of the total portfolio of the Company. During the year, the Company has underwritten a gross premium of Tk. 206,732,688, whereas it was Tk. 178,738,605 in 2015. The company has maintained a 15.66% growth of the business in Fire.

Marine and Hull

This class of business constitutes 34% of the total portfolio. The Company has underwritten a gross premium of Tk. 157,646,382 in current year as compared to Tk. 179,241,009 in the previous year. The Marine and Hull insurance premium has reduced from previous year as overall import & export of the country was not up to the satisfactory level.

Motor

This class of business constitutes 11% of the total portfolio. During the year, the Company has underwritten a gross premium of Tk. 48,406,968 as compared to Tk. 41,685,920 in the last year.

Miscellaneous

The Miscellaneous class of business constitutes 10% of the total portfolio. The gross premium showed an increase of 4.93% over the last year with a gross premium written of Tk. 45,405,891, whereas it was Tk. 37,002,718 in 2015.

The Company maintained its growth of business. Class-wise insurance businesses for the last five years are presented below for kind information:

Amount (Taka)

Class of Insurance	2012	2013	2014	2015	2016
Fire	152,224,392	170,338,595	160,466,120	178,738,605	206,732,688
Marine & hull	183,483,262	219,047,085	200,362,414	179,241,009	157,646,382
Motor	36,249,605	35,904,960	34,009,217	41,685,920	48,406,968
Miscellaneous	26,260,541	42,698,285	36,074,148	37,002,718	45,405,891
Total	**398,217,800**	**467,988,925**	**430,911,899**	**436,668,252**	**458,191,929**

Position of Paid-up-Capital & Reserves

Authorized Capital

The authorized capital of the Company is Tk. 100 crore divided into 10,00,00,000 Ordinary shares of Tk.10/- each.

Paid-up Capital

Republic Insurance Company Limited increases its business volume regularly. For this, it required to increase the paid-up capital size and accordingly, the Board of Directors decided to enhance the paid-up capital every year to fulfill the compliance of Insurance Development and Regulatory Authority's (IDRA).

The position of Paid-up Capital is under:

2000	Sponsors' capital	Tk. 60,000,000
2008	IPO of Tk. 9 crore	Tk. 150,000,000
2009	10% stock dividend	Tk. 165,000,000
2010	10% stock dividend	Tk. 181,500,000
2011	10% stock dividend	Tk. 199,650,000
2012	12% stock dividend	Tk. 223,608,000
2013	12.50% stock dividend	Tk. 251,559,000
2014	10 % Stock dividend	Tk. 276,714,900
2015	13% Stock dividend	Tk. 312,687,830
2016	12% Stock dividend	Tk. 350,210,370

Reserve Fund

Dear Shareholders, to protect the risk factors of the Company, it is essential to have a good amount of reserve fund of the Company. We have planned to build up a good amount of reserve fund, so that we can settle any financial requirements from the reserve fund.

The position of total Reserves are shown below:

Year	Amount (Taka)
2016	149,148,688
2015	128,128,930
2014	113,856,565
2013	88,970,694
2012	78,023,646

Underwriting

Since Insurance is a knowledge-based technical profession and we are to take the risk of couple of thousand crore taka, the assessment and management of the risk is to undertake by way of prudent underwriting. Besides this, the proper claim settlement is also based on prudent underwriting. The Company has now been able to underwrite any value of sum insured by charging the most economic and competitive premium rate ensuring maximum security at minimum cost. We have been trying to remain with the insuring community in the time of need for the last decades, since our inception.

Claims

Republic Insurance Company Limited has always committed to settle the insurance claims regularly in time. We believe that our commitment is the satisfaction of our customer and their satisfaction are our Company's goodwill. The Board of Directors of the Company delegates the power to the Claims Committee for settling any amount of claim in the quickest time. During the year 2016, Company paid a net amount of Tk. 63,865,381 as settlement of claims which helped the customer to recover their losses.

The settlement of claim amount has increased from previous year due to settlement of huge losses during the year. The year wise breakup of net claim paid is enumerated below:

Year	Amount (Taka)
2016	63,865,381
2015	51,946,099
2014	82,316,673
2013	83,365,291
2012	69,571,294

Re-insurance

Dear Shareholders, every insurance company has limited capital, which is not sufficient to pay a small percentage of catastrophe loss or a single big loss. To protect the interest of the Company as well as the policyholders, every company retains a small percentage of risk for their own share and shift a major portion of risk to the other company i.e. re-insurer.

We have arranged sufficient protection through the re-insurance arrangement with the state-owned organization Sadharan Bima Corporation (SBC). The Board of Directors is always aware of the customer's insurance risks and ensures the protection of its liability by re-insurance arrangement.

During the year 2016, the Company has paid re-insurance premium at Tk. 125,668,333 to protect the risk covered by the Company.

Republic Insurance Company Limited is fully equipped with technical expertise and our present re-insurance arrangement is quite secured enough to protect the interest of the Company as well as the policyholder's in any consequence.

Statement of Profit or Loss and Other Comprehensive Income

Dear Shareholders, The Board of Directors is always careful about the honorable shareholders' interest. Under the active guidance and supervision by the Board, the Management performs its responsibility for achieving the financial goal of the Company. The Company earned a net profit before tax of Tk. 92,748,912. Compared to the last year's balance it is determined that during the year Company paid huge amount of claims, which affected the profit of the Company. The breakup of Profit or Loss of the Company for the year 2016 is as follows:

Net Profit before Tax	**Tk.**	**92,748,912**
Less: Provision for Income Tax & Deferred Tax	Tk.	34,256,224
Net Profit after Tax	Tk.	58,492,688
Less: Reserve for Exceptional Losses	Tk.	15,129,824
	Tk.	**43,362,864**
Add: Balance Brought forward from previous years' profit	Tk.	37,040,905
Less: Stock Dividend for the year 2015	Tk.	35,972,930
	Tk.	**44,430,839**
Less: Reserve for Gratuity	Tk.	1,500,000
Less: General Reserve	Tk.	1,000,000
Profit available for distribution	**Tk.**	**41,930,839**

Earnings per Share (EPS)

During the year 2016, the Company's EPS was Tk. 1.87 but it had been re-stated Tk. 1.70 in 2015. You know that we have, increased our capital on an average 10% for the last couple of years although we have been maintaining a steady increase of EPS compared with others.

Investment

Total investment of the Company in 2016 stood at Tk. 450,255,987 out of this, Tk. 25,000,000 was invested in 10 years term of Government Treasury Bond and Tk. 17,806,636 in shares of listed securities. In addition, Fixed Deposits with commercial Banks stood at Tk. 407,449,351.

The year-wise investment breakup of the Company is furnished below:

Year	Amount (Taka)
2016	450,255,987
2015	433,001,666
2014	415,591,882
2013	394,758,253
2012	287,442,179

Dividend

To increase the paid up capital of the Company gradually, the Board of Directors recommended to declare 12% stock Dividend to the shareholders for the year ended 31st December, 2016 subject to approval by the shareholders in the 17th Annual General Meeting of the Company to be held on Wednesday, the 14th June, 2017. The Shareholders, whose names shall appear in the 'Depository Register' on the record date i.e. on the 23rd May, 2017, shall be entitled to this stock dividend.

Corporate Social Responsibility

Republic Insurance Company Limited is concerned for all stakeholders, ethical functioning, employees' rights, respect for human beings and its environment. As a General Insurance Company, we recognize our responsibilities towards society. We are committed to deliver a strong, safe and responsible service that contributes to the social progress of the society in which we operate.

Directors

In terms of the provisions of clauses 96 & 97 of the Articles of Association of the Company, the following three Directors from the sponsor shareholders' group i.e. group "A" shareholders will retire in this AGM:

1. Mr. Mohd. Hanif Chowdhury
2. Mrs. Khurshida Rahman
3. Mrs. Shahin Haider

Being eligible, all the above directors have offered themselves for re-election.

Mr. Md. Ali Kawsar and Mr. Hamdan Hossain Chowdhury Directors of the Company from Public Shareholders Group "B" resigned from the Board of Directors and their resignation had been approved in the 105th and 106th Meeting of the Board of Directors of the Company held on 30th April, 2017 and 15th May, 2017 respectively.

In this context, Mrs. Bilquis Afroza, Director of the Company from Public Shareholders Group "B" will retire in this AGM and being eligible she offered herself for re-election. As per Public notification, Investment Corporation of Bangladesh (ICB) intimated for election as Director of the Company from Public Shareholders Group "B" and nominated Mr. Iftikharuzzaman, Managing Director of ICB for appointment as Director of the Company from Public Shareholders Group "B" and being eligible to elect as Director of the Company from Public Sharehoders.

Appointment of Independent Directors

As the tenure of Mr. Muhammad Waheedul Haque, Independent Director of the Company had expired on 17.04.2017, he desired to relinquish his directorship from the Company as Independent Director in the 104th Meeting of the Board of Directors held on 10th April, 2017. Accordingly the Board approved his proposal and relinquished him from the directorship of the Company as Independent Director. As per decision of the 105th Meeting of the Board of Directors held on 30th April, 2017 a Search Committee have been formed to select Independent Directors for the Company for placing before the Board for appointment.

Credit Rating

Alpha Credit Rating Ltd. (AlphaRating) has rated the company on the basis of company's Financial Statements for the year 2016-2017 and has awarded 'A' in long term and 'AR-2' in short term.

Information Technology (IT)

Republic Insurance Company Limited 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. IT division has successfully implemented a Wide Area Network (WAN) to connect all the branch offices in greater region of Dhaka and in Chittagong on real time basis, thereby providing seamless connectivity and prompt customer's services.

Internal Control

The Board is responsible for ensuring that the Company has an adequate and effective control system in place. Although no system of internal financial control can provide absolute assurance against material miss-statement or loss, the company's internal control systems 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. 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 Republic Insurance Company Limited.

Audit Committee

The Audit Committee of our company has been formed as per directives of BSEC, and 6 (six) meetings were held during the year 2016. The Audit Committee reviewed the audited balance sheet of our company along with financial statements and reports for the year 2016 for placing before the Board after recommendation by the Auditor M/s. Malek Siddiqui Wali, Chartered Accountants.

DIRECTORS' REPORT

Auditors

The Company's statutory auditors M/s. Malek Siddiqui Wali, Chartered Accountants will retire in the 17th Annual General Meeting. Being eligible under section 212 of the Company's Act 1994, the Auditors have expressed their willingness to continue for the financial year 2017 and they also offered an audit fee Tk. 3,50,000 as per new Audit fee structure of ICAB. The Auditors have completed their 2nd year of audit, and hence are eligible for reappointment. The Audit Committee of the Company recommended for approval of the appointment of Malek Siddiqui Wali, Chartered Accountants as Auditors of the Company for the year 2017 with a fee of Tk. 3,50,000 subject to the approval of Shareholders in the 17th Annual General Meeting.

Corporate Governance

Dear Shareholders, the Board of Directors firmly believes that the practice of Good Corporate Governance is absolutely essential for ensuring a disciplined and sustainable national economy. Thus, there is a full-fledged commitment of the Board, towards incorporating Corporate Governance and Transparency in all spheres of operations and management of the Company.

Status of compliance with the conditions imposed by Bangladesh Securities and Exchange Commission's Notification No.SEC/CMRRCD/2006-158/134/Admin/44, dated August 07, 2012, along with a certificate from a practicing Chartered Accountant have been presented on page no. 38 to 45 (as per Annexure-A); in this annual report as Compliances on BSEC's Notification.

Future prospect

Republic Insurance Company Limited signifies that progress and reputation are walking side by side ambitiously in front of you. It is working hard to achieve the milestone of success following the principles of providing high quality and professional services to our respected clients. We are very much confident of maintaining steady growth keeping pace with the market situation of Insurance Industries which is very challenging and volatile. We have a prudent team of expertise and good reputation in the market. We are very much capable and bold of exploring new area for enhancing profit.

Conclusion

Dear Shareholders, we take this opportunity to express our deep gratitude and thanks to you, all our valued clients and well-wishers for the confidence they have placed in us. Without their encouragement, positive support and active cooperation, it would not have been possible to achieve the present position.

We record our profound gratitude and thanks to the Ministry of Commerce and Finance, the Chairman of Insurance Development and Regulatory Authority (IDRA), the Registrar of Joint Stock Companies and Firms, Bangladesh Securities and Exchange Commission, Bangladesh Bank, all Scheduled Banks, Financial Institutions, Dhaka Stock Exchange Ltd., Chittagong Stock Exchange Ltd. and Sadharan Bima Corporation (SBC) for their co operation and assistance extended during the year.

We record our appreciation to our Management, Advisor, Law Consultants, Managing Director & CEO, Executives, Officers and Staff for their dedicated and sincere services during the year 2016.

While concluding, esteemed Shareholders, we solicit your continued support, cooperation and valuable suggestion in the days to come.

May Allah bless us all.

Allah Hafez

On behalf of the Board of Directors

Mohd. Hanif Chowdhury
Chairman

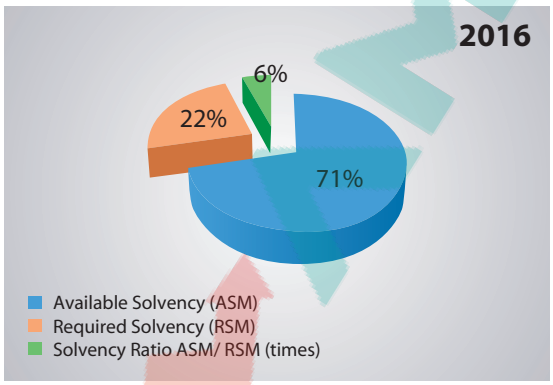
Solvency Margin

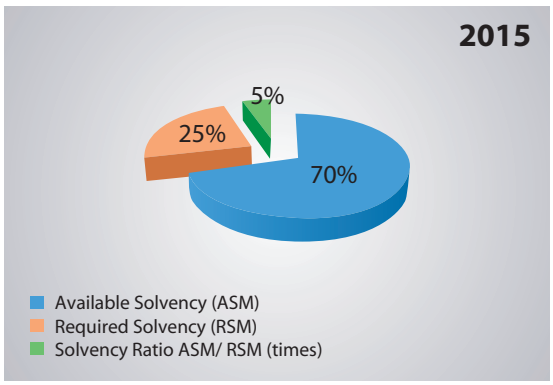
Solvency margin is the amount by which the assets of an insurer exceeds its liabilities, and will form part of the insurer's shareholder's fund. Methods of valuations of assets ad liabilities of an insurer are prescribed in the insurance regulations. The regulations stipulate the minimum solvency margin, 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.

Moreover solvency margin assists financial investment measures when making a decision on the risk of reward capability of a company to return dividends to stockholders. In Bangladesh regulation for solvency margin for non-life insurance Companies have been prepared by IDRA but not yet been approved by concerned ministry thereby not yet promulgated through official gazette.

During 2016, Republic Insurance Company Limited (RICL) solvency margin remained above the required level. RICL's required solvency was BDT 133,009,438 whereas the Company's available solvency margin was BDT 397,345,402 which means the value of assets had been more than the liabilities in that particular period. Therefore, the available solvency was 2.99 times of required solvency margin in 2016.

Description	2016 (Amount in taka)	2015 (Amount in taka)
Available Solvency (ASM)	397,345,402	379,550,777
Required Solvency (RSM)	133,009,438	133,606,962
Solvency Ratio ASM/ RSM (times)	2.99	2.84





Annexure: A

Compliance Report on BSEC's Notification

Republic Insurance Company Ltd.

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

(Report under Condition No. 7.00)

Condition No.	Title	Compliance status (put ✓ in the appropriate column)		Remarks (if any)
		Complied	Not Complied	
1	**Board of Director**			
1.1	**Board's size**			
	The number of the Board members of the company shall not be less than 5 (five) or more than 20 (twenty)	✓		13 Directors
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;	✓		One Independent Director (Appointment two Independent Directors is in process)
1.2 (ii) a)	Independent Directors do not hold any share in the company or holds less than one percent (1%) share of the total paid-up shares of the company;	✓		
1.2(ii) b)	Independent Directors are not sponsor of the company and are not connected with the company's any sponsor or shareholder who holds one percent (1%) or more shares of the total paid-up shares of the company on the basis of family relationship. Their family members also should not hold above mentioned shares in the company.	✓		
1.2 (ii) c)	Independent Directors do not have any other relationship, whether pecuniary or otherwise, with the company or its subsidiary /associated companies;	✓		
1.2 (ii) d)	Independent Directors are not a member, director or officer of any stock exchange;	✓		
1.2 (ii) e)	Independent Directors are not a shareholder, Director or officer of any member of stock exchange or an intermediary of the capital market;	✓		
1.2 (ii) f)	Independent Directors are 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)	Independent Director shall not be an independent director in more than 3 (three) listed companies;	✓		
1.2 (ii) h)	Independent Director 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 (put ✓ in the appropriate column)		Remarks (if any)
		Complied	Not Complied	
1.2 (ii) i)	Independent Directors has not been convicted for a criminal offence involving moral turpitude:	✓		
1.2 (iii)	Independent Director(s) shall be nominated 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 directors 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 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 of Law Background/ Professionals like Chartered Accounts, Cost & Management Accounts, Chartered Secretaries. The independent director must have at least 12 (Twelve) years of corporate management / professional experience	✓		
1.3 (iii)	In special cases the above qualifications may be relaxed subject to prior approval of the Commission.			N/A
1.4	**Chairman of the Board and Chief Executive Officer**			
	The positions of Chairman of the Board and Chief Executive Officer of the Companies shall be filled by different individuals. The Chairman of the Company shall be elected from among of the Directors of the Company. The Board of the Director shall clearly define respective roles and responsibilities of the Chairman and the Chief Executive Officer (CEO).	✓		
1.5	**The Directors' Report of the Shareholders**			
	The Directors' of the company shall include the following additional statements in the Director`s report prepared under section 184 of the Companies Act, 1994 (Act No. XVIII of 1994)			
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	✓		
1.5 (iv)	A discussion on Cost of Goods sold, Gross Profit Margin and Net Profit Margin	✓		N/A
1.5(v)	Discussion on continuity of any Extra-Ordinary gain or loss			

COMPLIANCE REPORT ON BSEC'S NOTIFICATION

COMPLIANCE REPORT ON BSEC'S NOTIFICATION

Condition No.	Title	Compliance status (put ✓ in the appropriate column)		Remarks (if any)
		Complied	Not Complied	
1.5(vi)	Basis for related party transaction-a statement of all related party transactions should be disclosed in the annual report.	✓		
1.5(vii)	Utilization of proceeds from public issues, right issues and/or through any others instruments.	✓		
1.5 (viii)	An explanation if the financial results deteriorate after the company goes for IPO, RPO, Rights Offer, Direct Listing etc.			N/A
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.			N/A
1.5(x)	Remuneration to directors including independent director.	✓		
1.5(xi)	The financial statements prepared by the management of the issuer company present fairly its state of affairs, the results of its operation, 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			N/A
1.5(xviii)	Key operating and financial data of at least preceding 5 (five) years shall be summarized	✓		
1.5(xix)	If the issuer company has not declared dividend (cash or stock) for the year, the reasons thereof shall be given	✓		

Condition No.	Title	Compliance status (put ✓ in the appropriate column)		Remarks (if any)
		Complied	Not Complied	
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)			N/A
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 appointment / re-appointment of a director the company shall disclose the following information to the share holders:**			
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)	Name of the Companies in which the person also holds the directorship and the membership of committees of the board.	✓		
2.0	**Chief Financial Officer, Head of Internal Audit and Company Secretary**			
2.1	**Appointment**			
	The company shall appoint a Chief Financial Officer (CFO), a Head of Internal Audit (Internal Control and Compliance) and a Company Secretary (CS). The Board of Directors should clearly define respective roles, responsibilities and duties of the CFO, the Head of Internal Audit and the CS.	✓		
2.2	**Requirement to attend the Board Meetings**			
	The CFO and the Company Secretary 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.	✓		
3.00	**Audit Committee**			
3 (i)	The Company shall have an Audit Committee as a sub-committee of the Board of Directors.	✓		

COMPLIANCE REPORT ON BSEC'S NOTIFICATION

COMPLIANCE REPORT ON BSEC'S NOTIFICATION

Condition No.	Title	Compliance status (put ✓ in the appropriate column)		Remarks (if any)
		Complied	Not Complied	
3 (ii)	The Audit Committee shall assist the Board of Directors in ensuring that the financial statements reflect true and fair view of the state of affairs of the company and in ensuring a good monitoring system within the business.	✓		
3 (iii)	The Audit Committee shall be responsible to the Board of Directors. The duties of the Audit Committee shall be clearly set forth in writing.	✓		
3.1	**Constitution of the Audit committee**			
3.1(i)	The Audit Committee shall be composed of at least 3 (three) members.	✓		
3.1(ii)	The Board of Directors shall appoint members of the Audit Committee who shall be directors of the company and shall include at least 1 (one) Independent Director.	✓		
3.1(iii)	All members of the audit committee should be "financially literate" and at least 1 (one) member shall have accounting or related financial management experience.	✓		
3.1(iv)	When the term of service of the Committee members expires or there is any circumstance causing any Committee member to the unable to hold office until expiration of the term of service, thus making the number of the committee members to be lower than the prescribed number of 3 (three) persons, the Board of Directors shall appoint the new Committee member(s) to fill up the vacancy(ies) immediately or not later than 1 (one) month from the date of vacancy(ies) in the Committee to ensure continuity of the performance of work of the Audit Committee.	✓		
3.1(v)	The company secretary shall act as the secretary of the Committee.	✓		
3.1(vi)	The quorum of the Audit Committee meeting shall not constitute without at least 1(one) independent director.	✓		
3.2	**Chairman of the Audit Committee**			
3.2(i)	The Board of Directors shall select 1 (one) member of the Audit Committee to be Chairman of the Audit Committee, who shall be an independent director.	✓		
3.2(ii)	Chairman of the Audit Committee shall remain present in the Annual General Meeting (AGM).	✓		
3.3	**Role of Audit Committee shall include the following:**			
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	✓		

Condition No.	Title	Compliance status (put ✓ in the appropriate column)		Remarks (if any)
		Complied	Not Complied	
3.3 (iv)	Oversee hiring and performance of external auditors.	✓		
3.3 (v)	Review along with the management, the annual financial statements before submission to the board for approval.	✓		
3.3 (vi)	Review along with the management, the quarterly and half yearly financial statements before submission to the board for approval.	✓		
3.3 (vii)	Review the adequacy of internal audit function.	✓		
3.3 (viii)	Review statement of significant related party transactions submitted by the management.	✓		
3.3(ix)	Review Management Letters/Letter of Internal Control weakness issued by statutory auditors.	✓		
3.3(x)	When money is raised through IPO/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 p art of their quarterly declaration of financial results. Further, on an annual basis, the company shall prepare a statement of funds utilized for the purposes other than those stated in the offer document/prospectus.	✓		
3.4	**Reporting of the Audit Committee**			
3.4.1	**Reporting of the Board of Directors**			
3.4.1(i)	The Audit Committee shall report on its activities to the Board of Directors.	✓		
3.4.1(ii)	The Audit Committee shall immediately report to the Board of Directors on the following findings, if any :-			
3.4.1 (ii) a)	Report on conflicts of interests;			N/A
3.4.1(ii) b)	Suspected or presumed fraud or irregularity or material defect in the internal control system;			N/A
3.4.1(ii)c)	Suspected infringement of laws, including securities related laws, rules and regulations;			N/A
3.4.1.(ii)d)	Any other matter which shall be disclosed to the Board of Directors immediately			N/A
3.4.2	**Reporting to the Authorities.**			
	If the Audit Committee has reported to the Board of Directors about anything which has material impact on the financial condition and results of operation and has discussed with the Board of Directors and the management that any rectification is necessary and if the Audit Committee finds that such rectification has been unreasonably ignored, the Audit Committee shall report such finding to the commission, upon reporting of such matters to the			N/A

COMPLIANCE REPORT ON BSEC'S NOTIFICATION

COMPLIANCE REPORT ON BSEC'S NOTIFICATION

Condition No.	Title	Compliance status (put ✓ in the appropriate column)		Remarks (if any)
		Complied	Not Complied	
	Board of Directors for three times or completion of a period of 6 (six) months from the date of first reporting to the Board of Directors, whichever is earlier.			
3.5	**Reporting to the Shareholders and General Investors.**			
	Report on activities carried out by the Audit Committee, including and report made to the Board of Directors under conditions 3.4.1 (ii) above during the year, shall be signed by the Chairman of the Audit Committee and disclosed in the annual report of the issuer company.	✓		
4.00	**External/Statutory Auditors**			
4 (i)	Appraisal or valuation services or fairness opinions.	✓		
4 (ii)	Financial information systems design and implementation.	✓		
4(iii)	Book-keeping or other services related to the accounting records or financial statements.	✓		
4(iv)	Broker-dealer services			N/A
4(v)	Actuarial services.			N/A
4(vi)	Internal audit services.	✓		
4(vii)	Any other service that the Audit Committee determines.	✓		
4(viii)	No partner or employees of the external audit firms shall possess any share of the company they audit at least during the tenure of their audit assignment of that company.	✓		
5.00	**Subsidiary Company**			
5 (i)	Provision 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(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(iii)	The minutes of the Board meeting of the subsidiary company shall be placed for review Board meeting of the holding company.			N/A
5 (iv)	The minutes of the respective Board meeting of the holding company shall state that they have reviewed the affairs of the subsidiary company also.			N/A
5 (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

Condition No.	Title	Compliance status (put ✓ in the appropriate column)		Remarks (if any)
		Complied	Not Complied	
6	**Duties of CEO and CFO**			
6 (i)	The CEO and CFO shall certify to the Board that they have reviewed financial statements for the year and that to the best of their knowledge and belief:			
6(i)a)	These statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading.	✓		
6 (i) b)	These statements together present a true and fair view of the company`s affairs and are in compliance with existing accounting standards and applicable laws.	✓		
6 (ii)	There are, to the best of knowledge and belief, no transaction entered into by the company during the year which are fraudulent, illegal or violation of the company`s code of conduct.	✓		
7.00	**Reporting and Compliance of Corporate Governance**			
7(i)	The company shall obtain a certificate from a Professional Accountant/Secretary (Chartered Accountant/Cost & Management Accountant/ Chartered Secretary) regarding compliance of conditions of Corporate Governance Guidelines of the Commission and shall send the same to the shareholders along with the Annual Report on a yearly basis.	✓		
7(ii)	The directors of the company shall state, in accordance with the Annexure attached, in directors' report whether the company has complied with these conditions.	✓		

COMPLIANCE REPORT ON BSEC'S NOTIFICATION

Compliance Report on BSEC's Notification

Compliance of condition no. 1.4 (k)

The pattern shareholder as at 31st December, 2016

i) Parent/Subsidiary/Associated companies and other related parties N/A

ii) Directors, Chief Executive Officer, Company Secretary, Chief Financial Officer, Head of Internal Auditor and their spouses and minor children:

Sl No.	Name of Directors & Executives	Status	No of Share held	Share held by the Spouse/ Children	Remarks
(a)	Mr. Mohd. Hanif Chowdhury	Chairman	6,43,028	69,918	Spouse
	Mrs. Hasina Gazi	Vice Chairman	9,47,538	94,586	Spouse
	Mr. Sadeque Hossain Chowdhury	Director	6,37,504	6,26,778	Spouse
	Mrs. Shahin Haider	Director	9,47,538	--	--
	Mrs. Khurshida Rahman	Director	10,42,292	--	--
	Mr. S.M. Shafiul Hoque	Director	8,07,701	--	--
	Mr. Mahboob Ur Rahman	Director	6,25,688	--	--
	Mr. Gazi Golam Ashria	Director	8,52,785	--	--
	Mr. Md. Ali Kawsar	Director	3,93,745	--	--
	Mr. Alhaj Abdus Sabur	Director	9,475	--	--
	Mrs. Bilquis Afroza	Director	22,374	--	--
	Mr. Hamdan Hossain Chowdhury	Director	15,68,116	--	--
	Mr. Feroz U. Haider	Director	1,54,909	--	--
	Mrs. Rehana Chowdhury		9,04,232	6,25,373	Spouse
	Mr. Ataul Haq	Independent Director	Nil	--	--
	Mr. Muhammad Waheedul Haque	Independent Director	Nil	--	--
(b)	Mr. A.M.M. Mohiuddin Chowdhury	MD & CEO	Nil	--	--
(c)	Mr. Sajan Kumar Basak	SEVP & Company Secretary	Nil	--	--
(d)	Mr. Abdul Motaleb	SEVP (UW)	Nil	--	
(e)	Mr. Anwarul Islam	EVP (Claims & Re-Ins.)	Nil	--	--
(f)	Mr. Md. Moshfiqur Rahman	VP & CFO	Nil	--	--
(g)	Mr. Md. Nurul Akther	AVP (Admin)	Nil	--	--
(h)	Mr. Md. Shaidul Islam	AVP (Audit)	Nil	--	--

iii) Executive (top five Salaried Employees of the Company), other than the Directors, Chief Executive Officer, Company Secretary, Chief Financial Officer and Head of Internal Audit.

Name	Designation	Share
Mr. Sahid-ul-Hasan	Additional Managing Director	Nil
Mr. Giyas Uddin Ahmed	DMD & Branch Incharge, Motijheel Branch, Dhaka	Nil
Mr. Md. Nasir Uddin	DMD & Branch Incharge, Motijheel Corp. Branch, Dhaka	Nil
Mr. Sirajul Islam Bhuiyan	DMD & Branch Incharge, Hatkhola Branch, Dhaka	Nil
Mr. Khan Mukhlesur Rahman	DMD & Branch Incharge, Dilkusha Branch, Dhaka	Nil

iv) Shareholders holding 10% or more voting interest in the Company.

MAKC MOHAMMAD ATA KARIM & CO.
CHARTERED ACCOUNTANTS

Ref: MAKC/RICL/05/17/5868

Date: 08/05/2017

Certificate on Compliance Conditions of Corporate Governance Guidelines to the Shareholders of Republic Insurance Company limited

We have verified the status of Compliance of Republic Insurance Company limited with the conditions imposed by the Commission's notifications no. SI.C/CMRRCD/2006-158/134/Admin/44 dated 07 August, 2012 issued under section 2CC of the Bangladesh Securities and Exchange Ordinance, 1969.

Such compliance to the codes of Corporate Governance is the responsibility of the Company. Our examination was limited to the procedures and implementation thereof as adopted by the Management in ensuring compliance to the conditions of corporate governance. This is a scrutiny and variation only and not expression of opinion or audit on the financial statements of the Company.

We certify that to the best of our information and explanations of the management. Republic Insurance Company limited has complied the entire conditions number 1.1 to 7 (ii) as mentioned in the aforesaid circular.

A.S.M ATAUL KARIM,FCA (Eno. 66)
Managing Partner

87, Purana Palton Line, Palton Tower (7th Floor), Suit # 706, Dhaka-1000, Phone : 8802-8333047, 02-9343430
Cell : 01711-868049, E-mail : makc1941@yahoo.com, mack1998@yahoo.com

BANGLADESH ASSOCIATION OF PUBLICLY LISTED COMPANIES

Ref. No: CM-2016/262

BAPLC

Date of issue : 7th December 2016

Renewed Certificate

This is to certify that

REPUBLIC INSURANCE COMPANY LIMITED

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

This certificate remains current until 31st December 2016.

BANGLADESH ASSOCIATION OF PUBLICLY LISTED COMPANIES BAPLC

Secretary-General

FAMASTOCK

Republic Insurance Company Limited
রিপাবলিক ইনস্যুরেন্স কোম্পানী লিমিটেড

HR BHABAN (3RD & 6TH FLOOR), 26/1, KAKRAIL, DHAKA-1000, BANGLADESH, PABX : 9336619, 9361262, 9360585, 9332685, 9349745, FAX: 88-02-9361860

CEO & CFO's DECLARATION TO THE BOARD OF DIRECTORS

The Board of Directors
Republic Insurance Company Ltd.
HR Bhaban (6rth Floor),
26/1 Kakrail, Dhaka-1000

Subject: CEO & CFO's Declaration to the Board of Directors.

Dear Sir,

In compliance with the condition no. 6 imposed by Bangladesh Securities and Exchange Commission's notification no. BSEC/CMRRCD/2006-158/134/Admin/44, dated 07 August 2012 issued under section 2CC of the Securities & Exchange Ordinance 1969, we do hereby certify to the Board of Directors that:

(i) We have reviewed the Financial Statements for the year ended December 31, 2016 and that to the best of our knowledge and belief:-

(a) These statements do not contain any materially untrue statements 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 transaction entered into by the Company during the year which are fraudulent, illegal or violation of the Company's code of conduct.

Sincerely yours,

(A.M.M. Mohiuddin Chowdhury)
Chief Executive Officer (CEO)

(Mohammad Moshfiqur Rahman)
Chief Financial Officer (CFO)

Directors' Certificate

Republic Insurance Company Limited

As per regulations contained in the Schedule of Insurance Act 2010 as per section 40-C of the said Act, certify that:

1. The value of all investment as shown in the Statement of Financial Position has been taken at the cost except Investment in shares which have been valued at market price.

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

3. All expenses of management, wherever incurred directly or indirectly in respect of Fire, Marine Cargo, Marine Hull , Motor and Miscellaneous insurance business have been duly debited to the related Revenue Accounts and Statement of Profit or Loss and Other Comprehensive Income.

Chief Executive Officer	Director	Director	Chairman

Audit Committee's Report for the year 2016



Republic Insurance Company Limited established an Audit Committee as a sub-committee of the Board of Directors. The Committee supports the Board in fulfilling its oversight responsibilities.

Mr. Ataul Haq (Independent Director)	:	Chairman
Mr. S.M. Shafiul Hoque (Director)	:	Member
Mr. Mahboob ur Rahman (Director)	:	Member
Mr. Alhaj Abdus Sabur (Director)	:	Member

TERMS OF REFERENCE

The terms of reference of the Committee has been agreed upon as follows:

- To review all internal and external audit report.
- To recommend the statutory annual audited Financial Statements to the Board of Directors for approval.
- To review the finding of the internal and external Auditors.
- To review and approve the Annual "Audit Plan of the Internal Audit Department.
- To monitor the implementation of the recommendations of the Internal and external Auditors.
- To review the performance of the external Auditors and make recommendations to the Board regarding their appointment and fees.
- To review the quarterly, half yearly and annual Financial Statements before submission to the Board for approval.
- To review the company's statement on internal control systems prior to endorsement by the Board.
- Company Secretary shall be the secretary of the Audit Committee.

ACTIVITIES

- The Financial Statements of the first quarter, half year, third quarter and the full year were reviewed by the Committee and subsequently recommended to the Board for consideration and approval.
- The Committee also reviewed the work of the internal audit department and made suggestions for improvement.
- The Committee recognized the observations of the internal audit department regarding internal control and suggestions made to improve operational systems and procedures and their implementation.

RECOMMENDATIONS

The Audit Committee recommended to the Board of Directors that:

- The Financial Statements for the year ended 31st December, 2016 may be approved.
- Malek Siddiqui Wali, Chartered Accountants may be appointed as the Auditor of the Company for the year ended 31st December, 2017 at existing fees of Tk. 3,50,000 subject to the approval of the Shareholders at the 17th Annual General Meeting of the Company.

On behalf of the Audit Committee

Sd/-
(Mr. Ataul Haq)
Chairman of the Audit Committee



AUDITORS' REPORT

To the Shareholders of
Republic Insurance Company Limited

We have audited accompanying financial statements of **REPUBLIC INSURANCE COMPANY LIMITED** which comprise of Statement of Financial Position as at 31st December, 2016 and Statement of Profit or Loss and Other Comprehensive Income (related Fire, Marine Cargo, Marine Hull, Motor and Miscellaneous Insurance Revenue Accounts), Profit and Loss Appropriation Account, Statement of Changes in Equity and Statement of Cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

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)/ 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 determines, which is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's responsibility:

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Bangladesh Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about 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 auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those of risks assessments, the auditor considers 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)/ Bangladesh Financial Reporting Standards (BFRS) give a true and fair view of the company's affairs as at 31st December, 2016 and of the results of its operations and its cash flows for the year then ended and comply with the Companies Act 1994, the Insurance Act 2010, the Securities and Exchange Rules 1987 and other applicable laws and regulations.

We also report that:

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

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

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

(iv) The expenditure incurred was for the purposes of the company's business;

(v) As per Section 63 (2) of the Insurance Act -2010 as amended, we certify that to the best of our knowledge and belief and according to the information and explanations given to us, all expenses of management wherever incurred and whether incurred directly or indirectly with respect to insurance business of the company transacted in Bangladesh during the year under report have been duly debited to the related revenue accounts and the Statement of Profit or Loss and Other Comprehensive Income of the company; and

(vi) 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.

Malek Siddiqui Wali
Chartered Accountants

Dated: Dhaka,
April 30, 2017

Republic Insurance Company Limited
রিপাবলিক ইনস্যুরেন্স কোম্পানী লিমিটেড

Statement of Financial Position

As at December 31, 2016

Particulars	Notes	31 December 2016 Taka	31 December 2015 Taka
Shareholders Equity and Liabilities:			
Share Capital			
Authorized Share Capital:			
1,00,000,000 ordinary shares of Tk. 10 each	3.01	1,000,000,000	1,000,000,000
Issued, Subscribed and Paid up capital:	3.04	312,687,830	276,714,900
3,12,68,783 ordinary shares of Tk. 10 each			
Reserve and Contingent Account :	4.00	149,148,688	128,128,930
Reserve for Exceptional Losses	4.01	100,717,849	85,588,025
General Reserve	4.02	6,500,000	5,500,000
Retained Earnings	4.03	41,930,839	37,040,905
Shareholders' Equity:		461,836,518	404,843,830
Balance of Funds and Accounts:	5.00	139,754,740	140,199,838
Fire Insurance Revenue Account		51,865,704	48,164,686
Marine Cargo Insurance Revenue Account		49,242,128	57,384,226
Marine Hull Insurance Revenue Account		11,242,170	10,988,128
Motor Insurance Revenue Account		18,861,563	15,237,630
Misc. Insurance Revenue Account		8,543,175	8,425,168
Premium Deposits	6.00	20,472,896	21,277,813
Liabilities and Provisions:		295,692,339	250,616,240
Estimated liability in respect of outstanding claims whether due or intimated	7.00	61,990,669	66,760,310
Amount due to other persons or bodies carrying on insurance business	8.00	90,501,543	81,426,531
Provision for WPPF	9.00	9,437,028	4,799,582
Provision for Taxation	10.00	88,029,801	55,375,793
Sundry Creditors	11.00	45,733,298	42,254,024
Total Shareholder's Equity and Liabilities		**917,756,493**	**816,937,721**
Net Assets Value (NAV) Per share (Please see notes 30.02)		**14.77**	**14.63**

The accompanying notes are an integral part of these Financial Statements.
The Financial Statements were authorised for issue by the Board of Directors on April 30, 2017 and signed on its behalf by:

Chairman **Director** **Director** **Chief Executive Officer** **Company Secretary** **Chief Financial Officer**

Signed as per our separate report of same date.

Place: Dhaka
Dated: 30 April, 2017

Malek Siddiqui Wali
Chartered Accountants

Republic Insurance Company Limited
রিপাবলিক ইনস্যুরেন্স কোম্পানী লিমিটেড

Statement of Financial Position

As at December 31, 2016

Particulars		Notes	31 December 2016 Taka	31 December 2015 Taka
Property and Assets:				
Non-Current Assets:			74,656,391	65,099,560
Property, Plant and Equipment		12.00	24,154,209	24,007,908
Lease Car	Annexure-A		1,829,781	4,199,696
Statutory Deposit with Bangladesh Bank (Government Treasury Bond)		13.00	25,000,000	25,000,000
Deferred Tax		24.00	5,865,765	7,467,981
Investment in Shares at Market Value		14.00	17,806,636	4,423,975
Current Assets:			798,560,230	700,213,824
Stock of Printing and Stationery		15.00	1,248,439	1,428,574
Amount due from other person or bodies carrying on insurance business		16.00	197,131,653	156,596,836
Interest Accrued		17.00	21,318,949	22,856,455
Sundry Debtors (including advances, deposits and pre-payments)		18.00	171,411,838	116,437,624
Fixed Deposit with Banks		19.00	407,449,351	402,894,335
Cash and Cash Equivalents:		20.00	44,539,872	51,624,337
Cash at Bank			40,801,748	46,929,115
Cash in hand			3,738,124	4,695,222
Total Assets			**917,756,493**	**816,937,721**

The accompanying notes are an integral part of these Financial Statements.

The Financial Statements were authorised for issue by the Board of Directors on April 30, 2017 and signed on its behalf by:

Chairman **Director** **Director** **Chief Executive Officer** **Company Secretary** **Chief Financial Officer**

Signed as per our separate report of same date.

Place: Dhaka
Dated: 30 April, 2017

Malek Siddiqui Wali
Chartered Accountants

AUDITORS' REPORT

Republic Insurance Company Limited
রিপাবলিক ইনস্যুরেন্স কোম্পানী লিমিটেড

Profit and Loss Appropriation Account
For the year ended December 31, 2016

Particulars	Notes	31 December 2016 Taka	31 December 2015 Taka
Balance brought forward from previous year		37,040,905	38,768,540
Profit /(Loss) carried forward during the year		58,492,688	53,082,384
Total profit after Tax		**95,533,593**	**91,850,924**
Appropriation:			
Reserve for Exceptional Losses	4.01(a)	15,129,824	15,000,000
General Reserve	4.02	1,000,000	1,000,000
Issuance of Bonus share		35,972,930	25,155,900
Provision for Gratuity	11.00(b)	1,500,000	1,000,000
Provision for prior year tax adjustment		-	10,000,000
Provision for WPPF	9.00	-	2,654,119
Retained Earnings transferred to Statement of Financial Position		**41,930,839**	**37,040,905**
Total		**95,533,593**	**91,850,924**
Earnings per share (EPS) [Restated for 2015] (Please see notes 30.01)		**1.87**	**1.70**

The accompanying notes are an integral part of these Financial Statements.
The Financial Statements were authorised for issue by the Board of Directors on April 30, 2017 and signed on its behalf by:

Chairman **Director** **Director** **Chief Executive Officer** **Company Secretary** **Chief Financial Officer**

Signed as per our separate report of same date.

Place: Dhaka
Dated: 30 April, 2017

Malek Siddiqui Wali
Chartered Accountants

AUDITORS' REPORT
AMARSTOCK

Republic Insurance Company Limited
রিপাবলিক ইনস্যুরেন্স কোম্পানী লিমিটেড

Statement of Profit or Loss and Other Comprehensive Income

For the year ended December 31, 2016

Particulars	Notes	31 December 2016 Taka	31 December 2015 Taka
Operating Profit / (Loss) transferred from :		**72,647,476**	**59,557,766**
Fire Insurance Revenue Account		(17,641,353)	(7,409,799)
Marine Cargo Insurance Revenue Account		58,405,020	66,775,485
Marine Hull Insurance Revenue Account		4,880,376	(4,561,836)
Motor Insurance Revenue Account		21,027,062	6,937,274
Misc. Insurance Revenue Account		5,976,371	(2,183,358)
Non-Operating Income:		**42,066,142**	**40,767,089**
Interest income	21.00	34,271,552	38,511,588
Share Investment and Dividend income	22.00	6,806,151	(93,181)
Other income	23.00	988,439	2,348,682
Total Income:		**114,713,618**	**100,324,855**
Less: **Expenses of Management** (not applicable to any particular fund or account)		**17,327,260**	**19,455,423**
Advertisement		7,416,562	8,109,209
Audit fees		350,000	158,000
Bima fee		6,870	2,830
Directors fee		831,750	708,000
Donation and Subscriptions		173,500	170,000
Fees and Charges		1,980,394	3,138,629
Renewal and Registration fees		3,039,258	1,873,501
AGM and EGM expenses		277,497	336,325
Excise Duty		-	334,370
Depreciation	Annexure-A	3,251,429	4,598,043
Finance cost		-	26,516
Net Profit before Tax & WPPF		**97,386,358**	**80,869,432**
Provision for WPPF		(4,637,446)	-
Profit before Tax		**92,748,912**	**80,869,432**
Income Tax Expenses:			
Provision for Income Tax		(32,654,008)	(26,720,387)
Deferred Tax	24.00	(1,602,216)	(1,066,661)
Profit after Tax		**58,492,688**	**53,082,384**
Other Comprehensive Income		-	-
Total Comprehensive Income		**58,492,688**	**53,082,384**
Earnings per share (EPS) [Restated for 2015] (Please see notes 30.01)		**1.87**	**1.70**
Weighted average number of outstanding shares		**31,268,783**	**31,268,783**

The accompanying notes are an integral part of these Financial Statements.
The Financial Statements were authorised for issue by the Board of Directors on April 30, 2017 and signed on its behalf by:

Chairman **Director** **Director** **Chief Executive Officer** **Company Secretary** **Chief Financial Officer**

Signed as per our separate report of same date.

Place: Dhaka
Dated: 30 April, 2017

Malek Siddiqui Wali
Chartered Accountants

AUDITORS' REPORT

Republic Insurance Company Limited
রিপাবলিক ইনস্যুরেন্স কোম্পানী লিমিটেড

Consolidated Revenue Account

For the year ended December 31, 2016

Particulars	Notes	31 December 2016 Taka	31 December 2015 Taka
Claims under policies less re-insurance:		59,095,740	60,654,796
Claims paid during the year		63,865,381	51,946,099
Add: Total estimated liability in respect of outstanding claims at the end of the year whether due or intimated		61,990,669	66,760,310
Less: Outstanding claims at the end of the previous year		66,760,310	58,051,613
Insurance stamps consumed		583,778	564,867
Agency Commission		70,228,790	68,532,849
Expenses of Management	28.00	161,771,157	162,359,461
Profit transferred to Statement of Profit or Loss and Other Comprehensive Income		72,647,476	59,557,766
Balance of account at the end of the year as shown in the Financial Position being reserve for unexpired risks		139,754,740	140,199,838
Total		**504,081,681**	**491,869,577**

Chairman **Director** **Director**

Signed as per our separate report of same date.

Place: Dhaka
Dated: 30 April, 2017

AMARSTOCK

Republic Insurance Company Limited
রিপাবলিক ইনস্যুরেন্স কোম্পানী লিমিটেড

Consolidated Revenue Account
For the year ended December 31, 2016

Particulars	Notes	31 December 2016 Taka	31 December 2015 Taka
Balance of fund account at the beginning of the year		140,199,838	139,259,860
Premium less re-insurance	25.00	332,523,596	334,017,405
Commission on re-insurance ceded	26.00	27,129,847	17,213,182
Profit commission	27.00	4,228,400	1,379,130
Total		**504,081,681**	**491,869,577**

Chief Executive Officer

Company Secretary

Chief Financial Officer

Malek Siddiqui Wali
Chartered Accountants

AMAR STOCK

AUDITORS' REPORT

Republic Insurance Company Limited
রিপাবলিক ইনস্যুরেন্স কোম্পানী লিমিটেড

Fire Insurance Revenue Account

For the year ended December 31, 2016

Particulars	Notes	31 December 2016 Taka	31 December 2015 Taka
Claims under policies less re-insurance:		60,570,904	42,238,415
Claims paid during the year		58,309,876	39,204,761
Add: Total estimated liability in respect of outstanding claims at the end of the year whether due or intimated		53,159,240	50,898,212
Less: Outstanding claims at the end of the previous year		50,898,212	47,864,558
Insurance stamps consumed		414,720	375,729
Agency Commission		32,009,793	30,154,454
Expenses of Management	28.00	72,989,907	66,457,554
Profit/(Loss) transferred to Statement of Profit or Loss and Other Comprehensive Income		(17,641,353)	(7,409,799)
Balance of account at the end of the year as shown in the Financial Position being reserve for unexpired risks @40% of premium income of the year		51,865,704	48,164,686
Total		**200,209,675**	**179,981,039**

Chairman **Director** **Director**

Signed as per our separate report of same date.

Place: Dhaka
Dated: 30 April, 2017

Republic Insurance Company Limited
রিপাবলিক ইনস্যুরেন্স কোম্পানী লিমিটেড

Fire Insurance Revenue Account

For the year ended December 31, 2016

Particulars	Notes	31 December 2016 Taka	31 December 2015 Taka
Balance of fund account at the beginning of the year		48,164,686	50,958,426
Premium less re-insurance	25.00	129,664,259	120,411,715
Commission on re-insurance ceded	26.00	18,152,330	8,610,898
Profit commission	27.00	4,228,400	-
Total		**200,209,675**	**179,981,039**

Chief Executive Officer

Company Secretary

Chief Financial Officer

Malek Siddiqui Wali
Chartered Accountants

AMAR STOCK

AUDITORS' REPORT

Republic Insurance Company Limited
রিপাবলিক ইনস্যুরেন্স কোম্পানী লিমিটেড

Marine Cargo Insurance Revenue Account

For the year ended December 31, 2016

Particulars	Notes	31 December 2016 Taka	31 December 2015 Taka
Claims under policies less re-insurance:		769,136	4,201,637
Claims paid during the year		1,924,146	1,332,132
Add: Total estimated liability in respect of outstanding claims at the end of the year whether due or intimated		6,130,782	7,285,792
Less: Outstanding claims at the end of the previous year		7,285,792	4,416,287
Agency Commission		26,116,359	25,357,154
Expenses of Management	28.00	50,906,920	60,658,417
Profit transferred to Statement of Profit or Loss and Other Comprehensive Income		58,405,020	66,775,485
Balance of account at the end of the year as shown in the Financial Position being reserve for unexpired risks @40% of premium income of the year		49,242,128	57,384,226
Total		**185,439,563**	**214,376,919**

Chairman **Director** **Director**

Signed as per our separate report of same date.

Place: Dhaka
Dated: 30 April, 2017

AMAR STOCK

Republic Insurance Company Limited
রিপাবলিক ইনস্যুরেন্স কোম্পানী লিমিটেড

Marine Cargo Insurance Revenue Account

For the year ended December 31, 2016

Particulars	Notes	31 December 2016 Taka	31 December 2015 Taka
Balance of fund account at the beginning of the year		57,384,226	64,707,819
Premium less re-insurance	25.00	123,105,321	143,460,566
Commission on re-insurance ceded	26.00	4,950,016	4,852,003
Profit commission	27.00	-	1,356,531
Total		**185,439,563**	**214,376,919**

Chief Executive Officer

Company Secretary

Chief Financial Officer

Malek Siddiqui Wali
Chartered Accountants

AMAR STOCK
AUDITORS' REPORT

Republic Insurance Company Limited
রিপাবলিক ইনস্যুরেন্স কোম্পানী লিমিটেড

Marine Hull Insurance Revenue Account

For the year ended December 31, 2016

Particulars	Notes	31 December 2016 Taka	31 December 2015 Taka
Claims under policies less re-insurance:		(132,353)	159,011
Claims paid during the year		129	159,011
Add: Total estimated liabilities in respect of outstanding claims at the end of the year whether due or intimated		-	132,482
Less: Outstanding claims at the end of the previous year		132,482	132,482
Agency Commission		1,824,169	2,741,314
Expenses of Management	28.00	4,752,370	5,985,937
Profit/(Loss) transferred to Statement of Profit or Loss and Other Comprehensive Income		4,880,376	(4,561,836)
Balance of account at the end of the year as shown in the Financial Position being reserve for unexpired risks @100% of premium income of the year		11,242,170	10,988,128
Total		**22,566,732**	**15,312,554**

Chairman **Director** **Director**

Signed as per our separate report of same date.

Place: Dhaka
Dated: 30 April, 2017

AMAR STOCK

Republic Insurance Company Limited
রিপাবলিক ইনস্যুরেন্স কোম্পানী লিমিটেড

Marine Hull Insurance Revenue Account

For the year ended December 31, 2016

Particulars	Notes	31 December 2016 Taka	31 December 2015 Taka
Balance of fund account at the beginning of the year		10,988,128	3,520,899
Premium less re-insurance	25.00	11,242,170	10,988,128
Commission on re-insurance ceded	26.00	336,434	803,527
Total		**22,566,732**	**15,312,554**

Chief Executive Officer

Company Secretary

Chief Financial Officer

Malek Siddiqui Wali
Chartered Accountants

AMAR STOCK
AUDITORS' REPORT

Republic Insurance Company Limited
রিপাবলিক ইনস্যুরেন্স কোম্পানী লিমিটেড

Motor Insurance Revenue Account

For the year ended December 31, 2016

Particulars	Notes	31 December 2016 Taka	31 December 2015 Taka
Claims under policies less re-insurance:		(1,469,361)	6,847,735
Claims paid during the year		4,001,466	4,147,427
Add: Total estimated liabilities in respect of outstanding claims at the end of the year whether due or intimated		2,700,647	8,171,474
Less: Outstanding claims at the end of the previous year		8,171,474	5,471,166
Insurance stamps consumed		144,659	135,269
Agency Commission		6,992,728	6,853,285
Expenses of Management	28.00	17,090,766	15,499,417
Profit transferred to Statement of Profit or Loss and Other Comprehensive Income		21,027,062	6,937,274
Balance of account at the end of the year as shown in the Financial Position being reserve for unexpired risks @40% of premium income of the year		18,861,563	15,237,630
Total		**62,647,417**	**51,510,610**

Chairman **Director** **Director**

Signed as per our separate report of same date.

Place: Dhaka
Dated: 30 April, 2017

AUDITORS' REPORT
AMARSTOCK

Republic Insurance Company Limited
রিপাবলিক ইনস্যুরেন্স কোম্পানী লিমিটেড

Motor Insurance Revenue Account

For the year ended December 31, 2016

Particulars	Notes	31 December 2016 Taka	31 December 2015 Taka
Balance of fund account at the beginning of the year		15,237,630	12,526,614
Premium less re-insurance	25.00	47,153,908	38,094,075
Commission on re-insurance ceded	26.00	255,879	889,921
Total		**62,647,417**	**51,510,610**

Chief Executive Officer

Company Secretary

Chief Financial Officer

Malek Siddiqui Wali
Chartered Accountants

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Republic Insurance Company Limited
রিপাবলিক ইনস্যুরেন্স কোম্পানী লিমিটেড

Miscellaneous Insurance Revenue Account

For the year ended December 31, 2016

Particulars	Notes	31 December 2016 Taka	31 December 2015 Taka
Claims under policies less re-insurance:		(642,586)	7,207,998
Claims paid during the year		(370,236)	7,102,768
Add: Total estimated liabilities in respect of outstanding claims at the end of the year whether due or intimated		-	272,350
Less: Outstanding claims at the end of the previous year		272,350	167,120
Insurance stamps consumed		24,399	53,869
Agency Commission		3,285,741	3,426,642
Expenses of Management	28.00	16,031,194	13,758,136
Profit/(Loss) transferred to Statement of Profit or Loss and Other Comprehensive Income		5,976,371	(2,183,358)
Balance of account at the end of the year as shown in the Financial Position being reserve for unexpired risks @40% of premium income of the year		8,543,175	8,425,168
Total		**33,218,294**	**30,688,455**

Chairman **Director** **Director**

Signed as per our separate report of same date.

Place: Dhaka
Dated: 30 April, 2017

Republic Insurance Company Limited
রিপাবলিক ইনস্যুরেন্স কোম্পানী লিমিটেড

Miscellaneous Insurance Revenue Account

For the year ended December 31, 2016

Particulars	Notes	31 December 2016 Taka	31 December 2015 Taka
Balance of fund account at the beginning of the year		8,425,168	7,546,102
Premium less re-insurance	25.00	21,357,938	21,062,921
Commission on re-insurance ceded	26.00	3,435,188	2,056,833
Profit commission	27.00	-	22,599
Total		**33,218,294**	**30,688,455**

Chief Executive Officer

Company Secretary

Chief Financial Officer

Malek Siddiqui Wali
Chartered Accountants

AMAR STOCK
AUDITORS' REPORT

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Republic Insurance Company Limited
রিপাবলিক ইনস্যুরেন্স কোম্পানী লিমিটেড

Statement of Cash Flows

For the year ended December 31, 2016

Particulars	31 December 2016 Taka	31 December 2015 Taka
A. CASH FLOWS FROM OPERATING ACTIVITIES		
Collection from premium and other income	485,387,471	494,091,212
Payment for management expenses, re-insurance and claims	(443,127,730)	(433,455,036)
Income tax paid	(34,495,332)	(39,242,396)
Net cash from operating activities	**7,764,409**	**21,393,780**
B. CASH FLOWS FROM INVESTING ACTIVITIES		
Acquisition of fixed Assets	(2,977,761)	(1,713,510)
Investment in shares	(21,858,997)	-
Disposal of Investment in shares	14,542,900	-
Investment of Fixed Deposit	(23,178,390)	(35,003,509)
Disposal of Fixed Deposit	18,623,374	17,593,725
Advance payment (Office space)	-	(406,000)
Net cash used in investing activities	**(14,848,874)**	**(19,529,294)**
C. CASH FLOWS FROM FINANCING ACTIVITIES		
Lease rental paid	-	(720,230)
Net cash used in financing activities	**-**	**(720,230)**
D. Net increase/(decrease) in cash and cash equivalents (A+B+C)	**(7,084,465)**	**1,144,256**
E. Cash and cash equivalents at the beginning of the year	**51,624,337**	**50,480,081**
F. Cash and cash equivalents at the end of the year	**44,539,872**	**51,624,337**
Net operating Cash Flows per share (Please see notes 30.03)	**0.25**	**0.77**

Chairman **Director** **Director** **Chief Executive Officer** **Company Secretary** **Chief Financial Officer**

Signed as per our separate report of same date.

Place: Dhaka
Dated: 30 April, 2017

Malek Siddiqui Wali
Chartered Accountants

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

Particulars	Share Capital	General Reserve	Reserve for Exceptional Losses	Retained Earnings	Total
Balance as at January 1, 2016	276,714,900	5,500,000	85,588,025	37,040,905	404,843,830
Issuance of Bonus share	35,972,930	-	-	(35,972,930)	-
Profit after tax during the year	-	-	-	58,492,688	58,492,688
Appropriation made during the year	-	1,000,000	15,129,824	(17,629,824)	(1,500,000)
Balance as at December 31, 2016	**312,687,830**	**6,500,000**	**100,717,849**	**41,930,839**	**461,836,518**

Statement of Changes in Equity
For the year ended December 31, 2015

Particulars	Share Capital	General Reserve	Reserve for Exceptional Losses	Retained Earnings	Total
Balance as at January 1, 2015	251,559,000	4,500,000	70,588,025	38,768,540	365,415,565
Bonus share distributed during the year	25,155,900	-	-	(25,155,900)	-
Profit after tax during the year	-	-	-	53,082,384	53,082,384
Appropriation made during the year	-	1,000,000	15,000,000	(29,654,119)	(13,654,119)
Balance as at December 31, 2015	**276,714,900**	**5,500,000**	**85,588,025**	**37,040,905**	**404,843,830**

Chairman **Director** **Director** **Chief Executive Officer** **Company Secretary** **Chief Financial Officer**

Signed as per our separate report of same date.

Place: Dhaka
Dated: 30 April, 2017

Malek Siddiqui Wali
Chartered Accountants

ANNARSTOCK

Republic Insurance Company Limited
রিপাবলিক ইনস্যুরেন্স কোম্পানী লিমিটেড

Form "AA"

Classified Summary of Assets As at December 31, 2016

Class of Assets	Book Value 2016 (Tk.)	Book Value 2015 (Tk.)	Remarks
Statutory Deposit with Bangladesh Bank (Government Treasury Bond)	25,000,000	25,000,000	Not quoted in Market
Investment in Shares	17,806,636	4,423,975	At Market Price
Amount due from other person or bodies carrying on insurance business	197,131,653	156,596,836	Realizable value
Interest Accrued	21,318,949	22,856,455	Realizable value
Sundry Debtors (including advances, deposits and pre-payments)	171,411,838	116,437,624	Realizable value
Cash at Bank	40,801,748	46,929,115	Realizable value
Cash in hand	3,738,124	4,695,222	Realizable value
Fixed Deposit with Banks	407,449,351	402,894,335	Realizable value
Property, Plant & Equipment	24,154,209	24,007,908	At Cost less depreciation
Lease Car	1,829,781	4,199,696	At Cost less depreciation
Deferred Tax	5,865,765	7,467,981	Realizable value
Stock of Printing and Stationery	1,248,439	1,428,574	At cost
Total	**917,756,493**	**816,937,721**	

Chairman **Director** **Director** **Chief Executive Officer** **Company Secretary** **Chief Financial Officer**

Signed as per our separate report of same date.

Place: Dhaka
Dated: 30 April, 2017

Malek Siddiqui Wali
Chartered Accountants



Notes

to the Financial Statements

Republic Insurance Company Limited
রিপাবলিক ইন্সুরেন্স কোম্পানী লিমিটেড

Notes to the Financial Statements

For the year ended December 31, 2016

1.00 Legal form of the Company:

The Company was incorporated on the 18th of May, 2000 as a Public Limited Company under the Companies Act, 1994 having registered office in Bangladesh, with the object of carrying all kinds of insurance business other than life insurance and obtained permission to commence insurance business from the Chief Controller of Insurance, Directorate of Insurance, Government of the People's Republic of Bangladesh on May 31, 2000. The Company is registered with an authorized capital of Tk. 50(Fifty) Crore and had issued fully subscribed initial paid up capital of Tk. 6 (Six) Crore.

The Company with the permission of Securities and Exchange Commission had issued 900,000 Ordinary Shares of Tk. 100.00 each on December 1, 2008 and was listed with Dhaka Stock Exchange on 14.01.2009 & Chittagong Stock Exchange on 07.01.2009.

Pursuant to section 21 of Insurance Act-2010 (The first Schedule), and Rule 4A of Insurance Rules 1958 and the Memorandum & Articles of Association of the Company, The Company with the permission of Bangladesh Securities and Exchange Commission raised its Paid up Capital from Tk.6.00 Crore to Tk.15.00 Crore through Initial Public Offering (IPO) of 900,000 Ordinary Shares of Tk.100 each as per in October, 2008. Company issued 10% Stock dividend on 2009, 2010, 2011 & 12% on 2012, 12.50% Stock dividend on 2013 ,10% Stock dividend on 2014 and 13% stock dividend on 2015.

So total Paid up Capital increased from Tk.15.00 Crore to Tk.18.15 Crore. In the year 2011 the Company increased its authorized capital Tk.50.00 Crore to Tk.100.00 Crore and changed the per share value from Tk.100.00 to Tk.10.00 in the 3rd Extra Ordinary General Meeting held on 15th November 2011. The Company also got the necessary permission from Bangladesh Securities and Exchange Commission and maintained the all formalities required by the Register of Joint Stock Companies & Firm.

1.01 Address of Registered Office and Place of business of the Company:

The Head Office of the Company is located at HR Bhaban (3rd & 6th Floor), 26/1, Kakrail, Dhaka-1000, Bangladesh. The business operation of the company is being carried out through 30 (thirty) branches located in all over Bangladesh.

1.02 Principal Activities of the Company :

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

1.03 Authorization date for issuing Financial Statements :

Financial Statements of the Company for the year ended December 31, 2016 were authorized for issue on April 30, 2017 in accordance with a resolution of the Board of Directors of the Company.

2.00 Basis of Presenting Accounts and Significant Accounting Policies:

2.01 Basis of Accounting Preparation:

The financial statements of the Company under reporting have been prepared under historical cost convention in going concern concept and on accrual basis in accordance with Generally Accepted Accounting Principles (GAAP) and practices in Bangladesh. Disclosures of financial information as

required by Insurance Act 2010 have been complied with while preparing statement of financial position, Statement of Profit or Loss and Other 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.

2.02 Management Responsibility:

The management of the Company is responsible to reporting and preparation of financial statements true and fair view of the company's affairs in compliance with Bangladesh Financial Reporting Standards (BFRS) and existing accounting standards and applicable laws.

2.03 Directors Responsibility:

The Board of Directors are also responsible for the preparation and Presentation of financial statements under section 183 of the Companies Act 1994, the Bangladesh Securities and Exchange Rules 1987, listing regulation of Dhaka Stock Exchange Limited and Chittagong Stock Exchange Limited and as per the provision of "The International Accounting Standards Committee" (IASC). According to the "International Accounting Standard (IAS-I)" and in accordance with the Bangladesh Accounting Standard (BAS) as adopted by the Institute of Chartered Accountants of Bangladesh (ICAB). Presentation of Financial Statements the complete set of Financial Statements include the following components:

i) Statement of Financial Position as at December 31, 2016
ii) Statement of Profit or Loss and Other Comprehensive Income for the year ended December 31, 2016
iii) Statement of Consolidated Revenue Account for the year ended December 31, 2016
iv) Statement of Cash Flows for the year ended December 31, 2016
v) Statement of Changes in Equity for the year ended December 31, 2016
vi) Notes, comprising a summary of significant accounting policies and other explanatory information to the Financial Statements for the year ended December 31, 2016

2.04 Basis of Presentation:

The Financial Position has been prepared in accordance with the regulations as contained in part-I of the First Schedule and as per Form "A" as set forth in part-II of that Schedule. Revenue Account of each class of general insurance business has been prepared in accordance with the regulations as contained in Part-I of the Third Schedule and as per Form 'F' as set forth in Part-II of that Schedule of Insurance Act, 1938 as amended and adopted Insurance Act 2010. The classified summary of the assets has been prepared in accordance with Form "AA" as set forth in Part-II of the aforesaid Act.

2.05 Regulatory Compliances:

The financial statements have been prepared and disclosures of information have been made in accordance with the requirements of insurance Act, 1938 (New Act, 2010), Insurance Rules 1958, the companies Act 1994, the Securities and Exchange Rules 1987, the listing rules of Dhaka Stock Exchange and Chittagong Stock Exchange, Income Tax Ordinance 1984, Income Tax Rules 1984, The Value Added Tax Act 1991, The Value Added Tax Rules 1991 and time to time Guidelines from Insurance Development and Regulatory Authority rules and regulations.

To comply with the International Accounting Standards and International Financial Reporting Standards as adopted by the Institute of Chartered Accountants of Bangladesh (ICAB) as Bangladesh Accounting Standards (BAS) and Bangladesh Financial Reporting Standards (BFRS) and other applicable laws and regulations.

2.06 Comparative Information:

Comparative information have been disclosed in respect of the year ended 31 December 2016 for all numerical information in the financial statements and also the narrative and descriptive information when it is relevant for understanding of the current year's financial statements. The comparative information or prior period information is restated, rearranged or revised when they necessary in accordance with BAS 8 Accounting Policies, Changes in Accounting Estimates and Errors.

2.07 Reporting Currency and Level of Precision:

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

2.08 Going Concern Basis:

The Company has adequate resources to continue in the operation for the foreseeable future. For this reason the Company continues to adopt going concern basis in preparing the financial statements. The current credit facilities and adequate resources for providing sufficient funds to meet the present requirements of its existing business and operations.

2.09 Reporting Period:

Financial Statements of the company consistently cover one calendar year from 1 January, 2016 to December 31, 2016.

2.10 Interim Financial Reporting:

In accordance with Bangladesh Accounting Standard (BAS-34) Interim Financial Reporting publicly traded entities encourages providing interim financial reports that confirm to the recognition, measurement and disclosure principles set out in this standard. Timely and reliable interim financial reporting improves the ability of investors, creditors, and others to understand an entity's capacity to generate earnings and cash flows and its financial condition and liquidity.

2.11 Branch Accounting:

The Company has 30 (Thirty) branches in Bangladesh. The accounts of the Branches are maintained at the head office level. Only Petty cash books are maintained at the branch level for maintaining its day to day office expenses.

2.12 Risk and Uncertainty for use of estimates in preparation of Financial Statements:

The preparation of Financial Statements is in conformity with the Bangladesh Financial Reporting Standards (BFRS's) including the Bangladesh Accounting Standards (BAS's) require management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets liabilities, income and for contingent assets and liabilities that require disclosure during and at the date of financial statements.

Actual results could differ from those estimates. Estimates and underlying assumptions are used for accounting of certain items such as long-term contract, provision for doubtful accounts, depreciation and amortization, taxes, reserves and contingencies.

2.13 Significant Accounting Policies and relevant information:

a) Revenue Recognition (BAS-18)
Revenue recognized in accordance with Bangladesh Accounting Standard (BAS-18) revenue unless otherwise mentioned or otherwise guided by the separate BAS/BFRS.

b) Underwriting Premium Income:
Premium Income is recognized when insurance policies are issued and premium collected. The sum of premium income as appeared in classified revenue accounts is net of the refund made, re-insurance ceded and re-insurance premium on PSB.

c) Public Sector Business (PSB) :
The premium in respect of Company's share of Public Sector Insurance Business (PSB) is accounted for in the year in which the relevant statement of accounts from Shadharan Bima Corporation is received. The statements of account for the period from July 2015 to June 2016 have been received from SBC and the Company's share of PSB for the aforesaid period has been recognized in these financial statements accordingly. Such method of account for the public Sector insurance Business (PSB) has been consistently followed.

d) Re-insurance Ceded and Accepted :
1) Re-insurance Ceded and Accepted with Sadharan Bima Corporation:
Necessary adjustment in respect of re-insurance ceded and accepted in Bangladesh has duly been made in respective Revenue Account as per Treaty between the Company and Shadharan Bima Corporation (SBC) and Foreign Re-Insurer.

2) Re-insurance with Foreign Re-insurer :
Fifty percent of the re-insurable general insurance business shall be re-insured with the Sadharan Bima Corporation and the remaining fifty percent of such business may be re-insured either with the Sadharan Bima Corporation and the remaining fifty percent of such business may be re-insured either with the Corporation or with any other insurer whether in or outside Bangladesh.

e) Cover Notes Converted into Policy (CCP) :
Amounts received against issue of cover notes that have not converted into policy are not recognized as income. The cover note which was previously issued is converted into insurance policy or at the expiry of nine months cover note as per circular of Shadharan Bima Corporation (SBC).

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

g) Investment in share:
Investments are initially recognized at cost including acquisition charges with the investments. After initial recognition investments in marketable ordinary shares have been valued at market price on an aggregate portfolio basis.

h) Investment in Bangladesh Government Treasury Bond (BGTB):
10 (Ten) years Bangladesh Government Treasury Bond (BGTB) / Securities are valued at cost price.

i) Investment Income:
i. Interest on Fixed Deposit and 10 (Ten) years Bangladesh Government Treasury Bond (BGTB) are accounted for on accrual basis after making provision for income tax deductible at source. Interest on STD account and other income are recognized on cash basis.

ii. Portfolio gain /loss on investment in shares are recognized in the Statement of Profit or Loss and Other Comprehensive Income on realization basis.

iii. Dividend income on share investments if any, are recognized on cash basis and shown in Statement of Profit or Loss and Other Comprehensive Income account. For stock dividend, received by the company against its investment, number of shares increased and average cost of investment decreased.

j) Balance of Funds and Accounts:

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

k) Reserves for exceptional losses:

As per Para 6 of 4th schedule of income tax ordinance, 1984 to meet the exceptional losses, company sets aside maximum ten percent of the net premium income of the year in which it is set aside from the balance of the profit to reserve for exceptional losses. As per Insurance law maximum 10% statutory reserve be maintained out of profit by the company to meet any possible future claims on net premium income. During the year under review of the company sets aside 4.55% of net premium income.

l) General Reserve:

The company creates a General Reserve Fund from the current year profit to avoid future contingency.

m) Statement of Cash Flows:

Statement of Cash Flows is prepared in accordance with IAS-7 and Bangladesh Accounting Standard (BAS) -7 Statement of Cash Flows and the cash flow from the operating activities has been presented under direct method as prescribed by the Securities and Exchange Rules-1987. Statement of Cash Flows in broken down into operating activities, investing activities and financing activities.

n) Cash and Cash Equivalents :

According to BAS-7 Statement of Cash Flows Cash comprises cash in hand and demand deposits and cash equivalents are short term , highly liquid investments that are readily convertible to amounts of cash and which are subject to an insignificant risk of changes in value. IAS-1 "Presentation of Financial Statements" provides that Cash and Cash Equivalents are not restricted in use. Considering the provisions of BAS-7 and IAS-1, Cash in hand and bank balances have been considered as cash and cash equivalents.

o) Foreign Currency transactions:

No Foreign Currency transactions were transacted during the year and thus the conversion of Foreign Currency into Bangladeshi Taka Currency not required during the year ended December 31, 2016.

p) Inventories:

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

q) 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 and are different from those of other business segments. The company accounts for segment reporting of operating results of each segment. The Company has four primary business segments for reporting purposes namely Fire, Marine, Motor and Miscellaneous.

2.14 : Taxation

Current Tax

The Company makes provision of current tax based on the taxable income as per the Income Tax Ordinance 1984. Taxable profits differs from profits as reported in the Statement of Profit or Loss and Other 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 Statement of Financial Position date.

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 Profit or Loss and Other Comprehensive Income.

2.15 Allocation of Management Expenses:

As per section 40 (C-2) insurance Act 1938 as amended Insurance Act 2010 all relevant management expenses have been allocated amongst different Revenue Account in respect of Fire, Marine, Motor and Miscellaneous insurance business on pro-rata basis at their respective gross premium income. Management expenses as charged to Revenue Accounts amounting to Tk.16,17,71,157.00 represents approximately 35.31% of Tk. 45,81,91,929.00 (Including public sector business of Tk.4,33,58,496.00).The expenses have been apportioned @45.12% to Fire, 31.47% to Marine Cargo, 2.94% to Marine Hull, 10.56% to Motor and 9.91% to miscellaneous business as per management decision.

2.16 Employees Benefit (BAS # 19)

Republic Insurance Company Limited offers a number of benefit plan for all permanent Employee's of the Company which includes Contributory Provident fund, Gratuity Fund, Earn Leave benefit ,Festival bonus which have been accounted for in accordance with the provision of Bangladesh Accounting standard (BAS)-19, "Employees benefit".

i) Contributory provident fund

The Company operates a Contributory Provident Fund for its permanent employees, provision for which are being made annually as per rules administered by a Board of Trustees in which eligible employees contribute @ 8% of Basic Salary. The Company also makes contribution of the same amount to the said provident fund.

ii) Provision for gratuity

The Company has made provision for employee's gratuity fund during the year as per provision of Service Rules of the Company under Sec 5.11. The Service Rules of Republic Insurance Company Limited was approved by the Board of Directors in January 03, 2013. As per the Sec 5.11 of the Service Rules gratuity shall be reckoned from July 1, 2004 & BAS-19 under employees retirement benefit schemes.

2.17 Workers Profit Participation Fund and Welfare Fund

As per Section 234 of Bangladesh Labour (Amendments) Act-2013 & requirement of Dhaka Stock Exchange Ltd vide letter No.DSE/CGFRC/LC-363/2014-5574 Dt.22 June 2014, Company made provision for WPPF @5% on Net profit before tax during the year.

2.18 Property, Plant & Equipment and Depreciation:

Fixed Assets are stated at cost less accumulated depreciation. Depreciation has been charged using reducing balance method at different rates as under:

Category of Assets	Rate of Depreciation
Computer	30%
Furniture & Fixtures	10%
Office Equipments	20%
Vehicles	20%
Crockeries & Cutleries	20%
Air Conditioner	20%
Telephone	10%
Decoration	10%
Sundry Assets	20%
Computer Software	20%
Lease Car	10%

Depreciation on newly acquired assets are charged for irrespective of the date of acquisition. The rate of depreciation on Computer has been charged as per Sec-3 of the Third Schedule of Income Tax Ordinance 1984 by the Finance Act, 2008.

2.19 Leased Assets:

The company's policy is to account for lease payment in accordance the requirement of BAS 17 Lease. The operating lease rental payment charged to the Statement of Profit or Loss and Other Comprehensive Income when they arise. No asset is recognized in the financial statements asset acquired under operating lease.

Asset acquired under finance lease agreement is included in non current asset of the financial statement and depreciated over the economic life of asset. Present value of minimum lease payment is recognized as finance lease liability at the inception of the lease. Financial expense is charged to the statement of Profit or Loss and Other Comprehensive Income at the lessor's interest rate charged to this finance lease agreement.

2.20 Sale of Fixed assets

Sale price of fixed assets are determined on the basis of fair value of assets, Gain or loss arising on the disposal of an item of property, plant and equipment is determined as the difference between sales proceeds and carrying amount of the assets and recognized on the Statement of Profit or Loss and Other Comprehensive Income as per provision of BAS-16 "Property, Plant and Equipment".

2.21 Earnings Per Share (EPS):

The company calculates Earnings Per Share (EPS) in accordance with BAS-33 "Earnings Per Share" which has been shown on the Statement of Profit or loss and Other Comprehensive Income in the Financial Statements.

2.22 Basic Earnings Per Share (BEPS):

This has been calculated by dividing the basic earnings by the weighted average number of ordinary shares outstanding during the year (Net profit after taxation and provision).

2.23 Basic Earnings:

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

2.24 Diluted Earnings per share:

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

At December 31, 2016 there was no scope for dilution and hence no dilution EPS is required to be calculated.

2.25 Related Party Disclosure:

As per Bangladesh Accounting Standards (BAS) 24 "Related Party Disclosures" parties are considered to be related if one of the party has the ability to control the other party or exercise significant influence over the other party in making financial and operating decisions. The Company carried out transactions in the ordinary course of business on an arm's length basis at commercial rates with its related parties. Related party disclosures have been given in **Notes: 31.00**.

2.26 Event after the Reporting Period (Financial Position date):

The Board of Directors has recommended 12% (twelve percent) stock dividend on paid up capital for the year ended December 31, 2016 as per approval of Board Meeting held on April 30, 2017 as dividend on paid up capital of Tk.31,26,87,830 subject to the approval in the Annual General Meeting (AGM) to be held on June 14, 2017. Events after the reporting period, dividend declared should not be classified as a liability in the financial statements which is in compliance with the Bangladesh Accounting Standard (BAS-10) para 12.

2.27 General :

- Number of Employees received salary up to taka 3,000 per month are nil.
- Number of Employees received salary above taka 3,000 per month are 727.
- The Company has no contingent liability.
- The Board of Directors received no remuneration from the company other than fees for attending the Board meetings.
- During the year 8(eight) numbers of Board Meeting were held.
- All shares have been fully called and paid up.
- There were no preference share issued by the company.
- There were no bank guarantees issued by the company on behalf of their directors or the company itself.

Republic Insurance Company Limited
রিপাবলিক ইন্সুরেন্স কোম্পানী লিমিটেড

Notes to the Financial Statements
For the year ended December 31, 2016

	For the year ended 31 December 2016 Taka	For the year ended 31 December 2015 Taka
3.00 Share Capital:		
3.01 Authorized Capital:		
100,000,000 ordinary shares of Tk.10 each	**1,000,000,000**	**1,000,000,000**
3.02 Issued, Subscribed and Paid up capital: Tk. 31,26,87,830		
Issued, Subscribed and Paid up capital consists of 3,12,68,783 ordinary shares of TK.10 each fully paid	312,687,830	276,714,900
	312,687,830	**276,714,900**

3.03 Shareholdings:

Pursuant to section 21 of Insurance Act. 2010 (The First Schedule), and Rule 4-A of Insurance Rules 1958 and the Memorandum and Articles of Association of the Company, The Company with the permission of Bangladesh Securities and Exchange Commission raised its Paid up Capital from Tk.6.00 Crore to Tk.15.00 Crore through Initial Public Offering (IPO) of 900,000 Ordinary Shares of Tk.100 each as per in October, 2008. Company issued 10% Stock dividend on 2009,2010,2011,12% on 2012, 12.5% on 2013, 10% on 2014 & 13% on 2015.So total paid capital increase from Tk.15.00 Crore to Tk.18.15 Crore. In the year 2011 the Company increased its authorized capital Tk.50.00 crore to Tk.100.00 crore and changed the per share value from Tk.100 to Tk.10 in the 3rd Extra Ordinary General Meeting held on 15th November 2011.The Company also got the necessary permission from Securities and Exchange Commission and maintained the all formalities required by the Register of Joint Stock Companies & Firms. The category-wise share holding position as on 31st December, 2016 is as under.

Particulars	2015		2014	
Category of Shareholders	No. of Shares	% of holding	No. of Shares	% of holding
1. Sponsors & Directors (Group-A)	11,267,890	36.04%	10,120,354	36.57%
2. General Public (Group-B)	20,000,893	63.96%	17,551,136	63.43%
Total	**31,268,783**	**100.00%**	**27,671,490**	**100.00%**

Group "A" Shareholders (Sponsors)

Class interval	No. of Shareholders	No. of Share	% Total holding	% of Total paid-up capital
1 to 500	-	-	-	-
501 to 5000	-	-	-	-
5001 to 10000	1	9,475	0.08%	0.03%
10001 to 20000	-	-	-	-
20001 to 30000	1	22,374	0.20%	0.07%
30001 to 40000	-	-	-	-
40001 to 50000	-	-	-	-
50001 to 100000	-	-	-	-
100001 to 1000000	13	8,625,633	76.55%	27.59%
1000001 to 10000000	2	2,610,408	23.17%	8.35%
Total	**17**	**11,267,890**	**100.00%**	**36.04%**

	For the year ended 31 December 2016 Taka	For the year ended 31 December 2015 Taka

Group "B" Shareholders (Public)

Class interval	No. of Shareholders	No. of Share	% Total holding	% of Total paid-up capital
Less then 500 share	1452	220,243	1.10%	0.70%
501 to 5000	1636	2,462,954	12.31%	7.88%
5001 to 10000	149	1,073,264	5.37%	3.43%
10001 to 20000 89	1,245,707	6.23%	3.98%	
20001 to 30000	42	993,956	4.97%	3.18%
30001 to 40000	20	683,294	3.42%	2.19%
40001 to 50000	15	679,092	3.40%	2.17%
50001 to 100000	25	1,780,953	8.90%	5.70%
100001 to 1000000 29	9,395,292	46.97%	30.05%	
1000001 to 10000000	1	1,466,138	7.33%	4.69%
Total	**3458**	**20,000,893**	**100.00%**	**63.96%**

3.04 Share Capital(Paid up):Tk. 31,26,87,830

Opening balance	276,714,900	251,559,000
Add: Bonus share issued during the year	35,972,930	25,155,900
Total share capital (paid up)	**312,687,830**	**276,714,900**

4.00 Reserve and Contingent Account : Tk.14,91,48,688

The company has been made some exceptional reserves from net profit to meet any future contingencies like claims losses or any sudden future fund crisis. Details are as hereunder:

Particulars	Notes No.	Amount in Taka	
		31.12.2016	31.12.2015
Reserve for Exceptional losses	4.01	100,717,849	85,588,025
General Reserve	4.02	6,500,000	5,500,000
Retained Earnings	4.03	41,930,839	37,040,905
Total reserves & surplus		**149,148,688**	**128,128,930**

4. 01 Reserve for Exceptional Losses:

As per paragraph 6 of fourth schedule of Income Tax ordinance 1984. as earlier for the year 2015, 4.49% of the net premium income was transferred to reserve for exceptional losses. Details of calculation as hereunder:

Opening balance		85,588,025	70,588,025
Add: Reserve made during the year (tax exempted)	4.01(a)	15,129,824	15,000,000
Closing Balance as on December 31, 2016		**100,717,849**	**85,588,025**

4.01(a) Class wise reserve for Exceptional Losses:

This represents profit set aside during the year under review at 4.55%of net premium allowed as expenses to meet exceptional losses. The aforesaid set aside of profit has been allowed as expenses by paragraph 6 of 4th schedule of the Income Tax Ordinance, 1984.

	For the year ended 31 December 2016 Taka	For the year ended 31 December 2015 Taka

Particulars	Net Premium	% on Net Premium	Amount in Taka	
			31.12.2016	31.12.2015
01. Fire insurance business	129,664,259	4.55%	5,899,724	5,406,486
02. Marine cargo insurance business	123,105,321	4.55%	5,601,292	6,443,998
03. Marine hull insurance business	11,242,170	4.55%	511,519	493,367
04. Motor insurance business	47,153,908	4.55%	2,145,503	1,710,424
05. Miscellaneous insurance business	21,357,938	4.55%	971,786	945,725
Total	**332,523,596**		**15,129,824**	**15,000,000**

4.02 General Reserve:

The company has created a general reserve fund for avoiding any sudden fund crisis and contingency in future.

Opening balance	5,500,000	4,500,000
Add: Reserve made during the year	1,000,000	1,000,000
Closing balance as on December 31, 2016	**6,500,000**	**5,500,000**

4.03 Retained Earnings:

Opening balance of undistributed profit	37,040,905	38,768,540
Less: Issuance of Bonus share	35,972,930	25,155,900
Retained earnings from previous year	1,067,975	13,612,640
Add: Net profit during the year	58,492,688	53,082,384
Total undistributed profit	**59,560,663**	**66,695,024**

Appropriation:

Less: Reserve for Exceptional Losses	15,129,824	15,000,000
Less: General Reserve	1,000,000	1,000,000
Less: Provision for Gratuity	1,500,000	1,000,000
Less: Provision for WPPF	-	2,654,119
Less: Provision for prior year tax adjustment	-	10,000,000
Closing balance of undistributed profit	**41,930,839**	**37,040,905**

5.00 Balance of funds and Accounts : Tk. 13,97,54,740

As per para 27A (2)(b) Insurance Act, 1938 for the purpose of sub-section (1) the company has made necessary provision for un-expired risk reserve during the year @40% of net premium on Fire, Marine Cargo, Motor, Miscellaneous and 100% on Marine Hull business. Classwise un-expired risk reserve is as follows:

Class of business	Net Premium	Percentage		
Fire	129,664,259	40%	51,865,704	48,164,686
Marine Cargo	123,105,321	40%	49,242,128	57,384,226
Marine Hull	11,242,170	100%	11,242,170	10,988,128
Motor	47,153,908	40%	18,861,563	15,237,630
Miscellaneous	21,357,938	40%	8,543,175	8,425,168
Total	**332,523,596**		**139,754,740**	**140,199,838**

	For the year ended 31 December 2016 Taka	For the year ended 31 December 2015 Taka

6.00 Premium Deposits : Tk. 2,04,72,896

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

Fire	1,681,911	1,147,295
Marine Cargo	13,756,445	15,346,886
Marine Hull	26,250	345,825
Motor	309,159	-
Miscellaneous	234,375	234,375
Stamp duty	3,161,411	3,418,289
Excess deposit	1,303,345	785,143
Total	**20,472,896**	**21,277,813**

7.00 Estimated liability in respect of outstanding claims whether due or intimated: Tk. 6,19,90,669

Fire	53,159,240	50,898,212
Marine Cargo	6,130,782	7,285,792
Marine Hull	-	132,482
Motor	2,700,647	8,171,474
Miscellaneous	-	272,350
Total	**61,990,669**	**66,760,310**

All the claims of which the company received intimations within December 31, 2016 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: Tk. 9,05,01,543

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

Payable to SBC		89,776,819	80,171,700
Pioneer insurance company limited		561,000	1,003,500
Others insurance company	Note- 8.00 (i)	163,724	251,331
Total		**90,501,543**	**81,426,531**

8.00(i) Others insurance company

BGIC Limited	-	5,207
Express insurance company limited	122,980	122,980
Karnaphuli insurance company limited	-	31,087
Reliance insurance company limited	40,744	40,744
Progati insurance company limited	-	51,313
	163,724	**251,331**

9.00 Provision for Workers 'Profit participation and welfare fund(WPPF): Tk. 94,37,028

Opening balance	4,799,582	2,145,463
Add: Provision made during the year	4,637,446	2,654,119
Total	**9,437,028**	**4,799,582**

	For the year ended 31 December 2016 Taka	For the year ended 31 December 2015 Taka

Provision made 5% on net profit before tax during the year as per Sec-234 of Bangladesh Labour (amendment) Act-2013.

The Company has not yet established a Trustee Board to administor the Fund. As such no payment was made since its establishment.

10.00 Provision for Income Tax: Tk. 8,80,29,801

Opening balance	55,375,793	36,051,155
Add: Provision made during the year	32,600,000	26,400,000
Add: Provision for Income Tax on Capital gain-2016	54,008	320,387
Add: Prior year tax provision	-	10,000,000
	32,654,008	36,720,387
Total tax liability	88,029,801	72,771,542
Payment during the year :		
Additional Tax payment Assessment year (2012-2013)	-	17,395,749
Total Tax payment :	-	17,395,749
Provision for Income Tax as at December 31, 2016	**88,029,801**	**55,375,793**

11.00 Sundry Creditors: Tk. 4,57,33,298

Salaries and Allowances		7,066,855	5,153,116
Security deposit (Against Open Policy)		834,000	834,000
Audit fees payable (Malek Siddiqui Wali)		280,000	125,000
Audit fees payable (Special Audit)		295,500	330,000
Gazi Satellite Television		1,500,000	1,500,000
Gratuity fund	Note-11.00(b)	7,276,283	6,431,057
Insurance stamp		8,988,751	9,499,691
Income Tax (deduction at source)		270,902	143,442
Income Tax against agent commission		3,148,384	1,969,664
VAT (deduction at source)		662,612	371,738
Liability vat December, 2016		4,390,255	3,761,935
Provident Fund employees contribution		340,038	402,575
Provident Fund employers contribution		340,038	402,575
Provident Fund loan recovery		189,825	66,799
HR Holdings (Office maintenance & Electric Bill)		154,462	105,040
Advance CNG conversion		-	4,047
Continental Courier Service		29,305	26,022
Share Application Money (GP & NRB)	Note-11.00(a)	3,371,353	3,371,353
Lease advance realization		6,501,879	6,898,114
Additional payment for vehicle purchase by employees		-	770,000
M/s. Confidence software Ltd		30,000	25,000
Office Rent & Service Charges		62,856	62,856
Total		**45,733,298**	**42,254,024**

11.00(a) As per rules of SEC for IPO issue, RICL issued all refund warrants to the unsuccessful application for the year 2008 out of which Tk.3,371,353 (General Public Tk.3,034,463 & Non-resident Bangladeshi (NRB) equivalent to BDT-336,890) have not been encashed prior to December 31, 2016.

	For the year ended 31 December 2016 Taka	For the year ended 31 December 2015 Taka
11.00(b) Provision for Gratuity Fund : Tk. 72,76,283		
Opening balance	6,431,057	7,500,000
Add: Provision made during the year	1,500,000	1,000,000
	7,931,057	8,500,000
Less: Paid during the year	654,774	2,068,943
Total provision for Gratuity Fund	**7,276,283**	**6,431,057**

The company has made provision for employees gratuity fund during the year "As per provision of service rules of the company under Sec.5.11 " .The service rules of Republic insurance company limited approved by the Board of Directors on January 03, 2013 as per service rules Sec 5.11 (Note-A) gratuity shall be recognized from 1st July, 2004) & BAS-19 under employees retirement benefit scheme. Balance of Tk.72,76,283 shown on Sundry Creditors Account.

12.00 Property, Plant & Equipment : Tk. 2,41,54,209		
A. Cost price:		
Cost of Fixed Assets as on January 1, 2016	60,154,097	69,495,587
Add: Addition during the year	2,977,761	1,713,510
Less: Adjustment / Disposal during the year	-	(11,055,000)
Cost of Fixed Assets as on December 31, 2016	63,131,858	60,154,097
B. Accumulated Depreciation:		
Accumulated Depreciation balance as on January 1, 2016	36,146,190	39,622,663
Add: Depreciation during the year	2,831,459	3,820,733
Less: Adjustment/ Disposal during the year	-	(7,297,207)
Accumulated Depreciation balance as on December 31, 2016	38,977,649	36,146,189
Written down value as on December 31, 2016 (A-B)	**24,154,209**	**24,007,908**

A schedule of Fixed Assets has been given in Annexure-A.

13.00 Statutory Deposit with Bangladesh Bank: Tk. 2,50,00,000

Sl. No.	Particulars of Investment	Cost Value
1	Govt.Treasury Bond (Deposit with Jamuna Bank Ltd)	25,000,000

A sum of Tk.25,000,000 was invested in Bangladesh Bank Govt. Treasury Bond at cost kept with Jamuna Bank Limiited as statutory deposit as required under section 23 and 24 of the Insurance Act. 2010 (The First schedule item 2 (B). The details of the investment is as follows:

Nature of Security	ISIN No.	Interest Rate	Issue date	Maturity date	Amount (Tk.)
10YBGTB	BD09233301107	12%	13.02.2013	13.02.2023	2,50,00,000

	For the year ended 31 December 2016 Taka	For the year ended 31 December 2015 Taka

14.00 Investment in Shares at Market Value: Tk.1,78,06,636

Name of the Company	No. of Shares as on 31.12.2016	Average cost price as on 31.12.2016	Market price as on 31.12.2016	Cost Value as on 31.12.2016	Market value as on 31.12.2016	Profit / (Loss)
ACI Limited	1,310	30.52	385.50	39,980	505,005	465,025
Beximco Limited	5,888	27.20	26.00	160,152	153,088	(7,064)
DESCO	1,526	14.12	46.30	21,550	70,654	49,104
Exim Bank Limited	3,764	2.01	11.70	7,575	44,039	36,464
ICB Islamic Bank Limited	10,900	10.00	5.10	109,000	55,590	(53,410)
IFIC Bank Limited	29,290	26.45	20.90	774,590	612,161	(162,429)
Islami Bank (BD) Limited	996	12.08	29.70	12,030	29,581	17,551
Lafarge Surma Cement Limited	3,000	24.67	82.10	74,016	246,300	172,284
Mercantile Bank Limited	22,400	12.36	15.10	276,800	338,240	61,440
Mutual Trust Bank Limited	22,076	15.15	23.10	334,500	509,956	175,456
National Bank Limited	27,830	10.72	10.20	298,300	283,866	(14,434)
NCC Bank Limited	64,081	20.35	12.60	1,304,325	807,421	(496,904)
One Bank Limited	13,921	11.37	18.30	158,350	254,754	96,404
Phoenix Finance & Investment Limited	4,633	105.89	26.90	490,610	124,628	(365,982)
Premier Bank Limited	13,310	9.77	9.80	130,000	130,438	438
Pubali Bank Limited	5,315	43.89	24.00	233,268	127,560	(105,708)
South East Bank Limited	17,798	13.77	18.70	245,089	332,823	87,734
Standard Bank Limited	6,164	4.85	11.90	29,896	73,352	43,456
Summit Power Limited	922	3.04	37.00	2,800	34,114	31,314
United Commercial Bank Limited	16,222	24.94	21.30	404,500	345,529	(58,971)
The ACME Laboratories Limited	128,561	85.20	99.00	10,953,397	12,727,539	1,774,142
Total	**399,907**			**16,060,728**	**17,806,636**	**1,745,908**

14.00 (i) Change in Fair value of Marketable Securities:

Opening balance (Loss):	683,356	483,883
Add: increased / (decreased)	1,745,908	(683,356)
Change in Fair value of Marketable Securities	**2,429,264**	**(199,473)**

15.00 Stock of Printing and Stationery : Tk.12,48,439

Printing	1,151,474	1,350,984
Stationery	96,965	77,590
Total	**1,248,439**	**1,428,574**

16.00 Amount due from other persons or bodies carrying on insurance business : Tk.19,71,31,653

This balance represents receivable from Sadharan Bima Corporation (SBC) and other insurance companies on account of claims recoverable, Public sector business, Engineering surplus treaty & Co-insurance business. Break up of the amount is as under:

Receivable from Sadharan Bima Corporation		195,257,401	154,648,796
Receivable from others insurance company against co-insurance business	Note- 16.00 (i)	1,874,252	1,948,040
Total		**197,131,653**	**156,596,836**

	For the year ended 31 December 2016 Taka	For the year ended 31 December 2015 Taka
16.00(i) Details of receivable against Co-insurance business:		
City General Insurance Company Limited	806,711	806,711
Asia Pacific Insurance Company Limited	265,073	265,073
Karnaphuli Insurance Company Limited	14,926	14,926
Reliance Insurance Company Limited	39,195	87,367
Green Delta Insurance Company Limited	375,119	375,119
Progati Insurance Company Limited	120,579	120,579
Union Insurance Company Limited	210,499	210,499
Federal Insurance Company Limited	42,150	67,766
	1,874,252	**1,948,040**
17.00 Interest Accrued : Tk. 2,13,18,949		
Accrued interest on FDR Account		
Opening balance	21,809,178	24,061,770
Add: Accrued during the Year	30,628,369	34,583,216
Less: Received during the year	32,165,875	36,835,808
Total Accrued interest on FDR Account	**20,271,672**	**21,809,178**
Accrued interest on Treasury Bond		
Opening balance	1,047,277	1,047,277
Add: Accrued during the Year	2,770,500	2,770,500
Less: Received during the year	2,770,500	2,770,500
Total Accrued interest on Treasury Bond	**1,047,277**	**1,047,277**
Total	**21,318,949**	**22,856,455**

The amount represents interest earned/accrued but not received during the year.

18.00 Sundry Debtors (including advances, deposits and pre-payments): Tk. 17,14,11,838

The following items are unsecured but considered as good and this consists of as follows:			
Advance Office Rent (Branches)		2,629,337	4,038,420
Advance Office Rent (Head Office)		1,221,120	-
Advance CNG Conversion		52,729	86,943
Advance lease rental payment		-	98,288
Advance printing		350,000	700,000
Advance Income Tax	Note-18.00(a)	122,468,249	87,972,917
Advance for office space purchase	Note-18.00(d)	9,422,900	9,422,900
Advance against legal fees		210,000	210,000
Advance against salary		9,000	-
Advance against Computer Software		225,000	-
Advance against Agent commission and others		6,535,881	-
Collection Control Accounts		14,322,580	-
Deposit Clearing		6,601,197	6,601,197
Short deposit		6,562,645	6,562,759
Security deposit (Telephone)		75,600	75,600
Security deposit (Office Rent)		725,600	668,600
Total		**171,411,838**	**116,437,624**

		For the year ended 31 December 2016 Taka	For the year ended 31 December 2015 Taka
18.00(a) Advance Income Tax			
Opening balance		87,972,917	66,126,270
Add: Payment during the year			
Deduction at source during the year, 2016	Note-{18.00(b)}	3,371,186	3,895,439
Advance Income Tax against Capital gain 2015		320,387	155,406
Advance payment against Assessment year (2013-2014)		8,000,000	-
Advance payment against Assessment year (2014-2015)		2,875,000	-
Advance payment against Assessment year (2015-2016)		-	10,000,000
Advance payment against Assessment year (2016-2017)		12,000,000	7,500,000
Advance payment against Assessment year (2017-2018)		7,708,759	-
Advance Income Tax against Car registration	Note-{18.00(c)}	220,000	295,802
Balance as at December 31, 2016		**122,468,249**	**87,972,917**
18.00(b) Deduction at source during the year			
FDR Account		3,178,936	3,766,500
STD Account		192,250	128,939
		3,371,186	**3,895,439**
18.00(c) Advance Income Tax (Car registration)			
Advance Income Tax Car registration-2016		220,000	295,802

18.00(d) The company paid as advance for purchase of 1289 sft floor space at IPL SF Tower at Agrabad C/A, Chittagong. Total Advance paid up to December, 2016 Tk.94,22,900.

19.00 Fixed deposit with Banks : Tk. 40,74,49,351

Opening balance	402,894,335	385,484,551
Add: Addition during the year	23,178,390	35,003,509
Less: Encashment during the year	18,623,374	17,593,725
Total	**407,449,351**	**402,894,335**
Statement of Bank wise Fixed Deposit Account:		
A B Bank Ltd	13,400,000	13,415,700
Al Arafah Islami Bank Ltd	34,489,690	33,609,692
Agrani Bank Ltd	1,000,000	1,000,000
Bangradesh Commerce Bank Ltd	6,800,000	6,800,000
Brac Bank Ltd	5,180,846	5,094,680
Basic Bank Ltd	2,400,000	2,400,000
Bangladesh Krishi Bank	1,400,000	1,400,000
Bank Asia Ltd	17,378,750	18,123,125
The City Bank Ltd	700,000	700,000
Dhaka Bank Ltd	17,200,000	21,495,000
Dutch Bangla Bank Ltd	5,000,699	5,000,699
EXIM Bank Ltd	38,562,000	33,967,000
Eastern Bank Ltd	9,310,936	9,297,462
First Security Bank Ltd	11,788,250	9,806,600
IFIC Bank Ltd	15,223,625	13,223,625

	For the year ended 31 December 2016 Taka	For the year ended 31 December 2015 Taka
IDLC Finance Ltd	2,000,000	-
Islami Bank (BD) Ltd	12,063,730	11,159,221
Jamuna Bank Ltd	25,035,775	24,220,900
Mutual Trust Bank Ltd	9,800,000	8,949,500
Mercantile Bank Ltd	8,000,000	8,078,750
N.C.C Bank Ltd	11,500,000	11,500,000
National Bank Ltd	4,340,775	4,419,637
NRB Commercial Bank Limited	5,000,000	5,000,000
NRB Global Bank Limited	5,000,000	4,000,000
National Bank of Pakistan	3,000,000	5,500,000
One Bank Ltd	7,000,000	7,000,000
Prime Bank Ltd	5,800,000	5,821,944
Pubali Bank Ltd	22,181,775	25,263,900
The Premier Bank Ltd	9,678,750	7,829,750
Rupali Bank Ltd	1,000,000	1,080,650
Social Islami Bank Ltd	23,081,000	23,162,000
Standard Bank Ltd	14,361,500	13,551,475
Shahjalal Islami Bank Ltd	11,600,000	14,100,000
Southeast Bank Limited	18,471,250	19,074,875
The Trust Bank Ltd	4,000,000	4,000,000
Uttara Bank Ltd	200,000	200,000
Janata bank	500,000	500,000
Rajshai Krishi Unnayn Bank	3,000,000	2,000,000
State Bank of India	3,000,000	3,000,000
Bangladesh Development Bank (BDB)	500,000	500,000
UCB Limited	15,500,000	15,648,150
SBAC Bank Limited	2,000,000	2,000,000
Total	**407,449,351**	**402,894,335**

20.00 Cash and Cash Equivalents : Tk. 4,45,39,872

Cash at Bank	40,801,748	46,929,115
Cash in hand	3,738,124	4,695,222
Total	**44,539,872**	**51,624,337**

Cash at Bank is inclusive of Refund warrants of Tk.3,371,353 out of which issued to the unsuccessful applicants against IPO but not encashed prior to December 31, 2016 lying with STD Account of the The City Bank Ltd, Principal Branch, Dhaka.

21.00 Interest Income: Tk. 3,42,71,552

Interest received on:		
FDR Account	10,356,697	12,774,038
STD Account	872,683	1,157,872
Government Treasury Bond	1,723,223	1,723,223
	12,952,603	**15,655,133**
Accrued interest on:		
FDR Account	20,271,672	21,809,178
Government Treasury Bond	1,047,277	1,047,277
	21,318,949	22,856,455
Total	**34,271,552**	**38,511,588**

	For the year ended 31 December 2016 Taka	For the year ended 31 December 2015 Taka
22.00 Share Investment and Dividend income : Tk. 68,06,151		
Change in Fair value of Marketable securities [Note-14.00 (i)]	2,429,264	(199,473)
Profit / (Loss) sale on share [Note 22.00 (i)]	3,637,300	-
Cash dividend	739,587	106,292
Total	**6,806,151**	**(93,181)**
22.00(i) Profit / (Loss) sale on share		
Cost value of share The ACME Laboratories Limited	10,905,600	-
Sale value of share The ACME Laboratories Limited	14,542,900	-
Profit on sale of share	**3,637,300**	**-**
23.00 Other Income : Tk. 9,88,439		
Profit / (loss) on sale of Fixed Assets Note-23.00 (i)	360,055	2,135,914
Service charge (policy cancelled charge)	628,384	212,768
Interest on car loan	-	-
Sale of old goods	-	-
Total	**988,439**	**2,348,682**
23.00 (i) Profit on sale of Fixed Assets :Tk. 3,60,055		
a. Sale of Vehicles:		
Cost of Vehicles	-	11,055,000
Accumulated depreciation	-	(7,297,207)
Written down value	-	3,757,793
Disposal proceeds	-	5,669,800
Profit/ (Loss) on sale of Vehicles	**-**	**1,912,007**
b. Sale of lease Car:		
Cost of lease Car	3,570,000	4,775,000
Accumulated depreciation	1,620,055	1,978,907
Written down value	1,949,945	2,796,093
Disposal proceeds /Lease advance realized	2,310,000	3,020,000
Profit / (loss) on sale of Lease Car	**360,055**	**223,907**
c. Capital gain on Fixed Assets		
Profit on sale of Vehicles	-	1,912,007
Profit on sale of lease Car	360,055	223,907
Net Capital gain	**360,055**	**2,135,914**
24.00 Deferred Tax: Tk.58,65,765		
Property, Plant and Equipment at Tax base(excluding land)	28,879,471	29,847,891
Property, Plant and Equipment at Accounting base(excluding land)	19,745,434	18,292,352
Temporary difference	9,134,037	11,555,539
Tax rate	40.00%	40.00%
Deferred Tax	3,653,615	4,622,216
Gratuity Provision at Accounting base	7,276,283	6,431,057
Gratuity Provision at Tax base	-	-

	For the year ended 31 December 2016 Taka	For the year ended 31 December 2015 Taka
Temporary difference	7,276,283	6,431,057
Tax rate	40.00%	40.00%
Deferred Tax	2,910,513	2,572,423
Marketable security at Tax base	16,060,728	5,107,331
Marketable security at Accounting base	17,806,636	4,423,975
Temporary difference	(1,745,908)	683,356
Tax rate	40.00%	40.00%
Deferred Tax	(698,363)	273,342
Deferred balance	**5,865,765**	**7,467,981**
Charged to Statement of Profit or Loss and Other Comprehensive Income	**(1,602,216)**	**(1,066,661)**

25.00 Premium less re-insurance : Tk. 33,25,23,596

Class of business	Premium earned		Total Premium earned	Less: Re-insurance premium ceded			Amount in Taka 31.12.2016	Amount in Taka 31.12.2015
	Direct business	Public sector business		Direct business	Public sector business	Total	Net premium earned	Net premium earned
1	**2**	**3**	**4=(2+3)**	**5**	**6**	**7=(5+6)**	**8=(4-7)**	**9**
Fire	203,505,416	3,227,272	206,732,688	74,831,047	2,237,382	77,068,429	129,664,259	120,411,715
Marine Cargo	127,207,200	16,978,824	144,186,024	7,682,149	13,398,554	21,080,703	123,105,321	143,460,566
Marine Hull	13,102,730	357,628	13,460,358	1,935,000	283,18	2,218,188	11,242,170	10,988,128
Motor	46,248,495	2,158,473	48,406,968	1,023,509	229,551	1,253,060	47,153,908	38,094,075
Miscellaneous	24,769,592	19,734,296	44,503,888	4,990,628	19,057,325	24,047,953	20,455,935	21,062,921
Re-insurance Accepted	-	902,003	902,003	-	-	-	902,003	-
Total Taka	**414,833,433**	**43,358,496**	**458,191,929**	**90,462,333**	**35,206,000**	**125,668,333**	**332,523,596**	**334,017,405**

26.00 Commission on re-insurance ceded : Tk. 2,71,29,847

Class of business	Commission on re-insurance ceded		Amount in Taka	
	Direct Business	Public Sector Business	31.12.2016	31.12.2015
Fire	17,808,486	343,844	18,152,330	8,610,898
Marine Cargo	2,264,258	2,685,758	4,950,016	4,852,003
Marine Hull	321,525	14,909	336,434	803,527
Motor	255,879	-	255,879	889,921
Miscellaneous	957,588	2,477,600	3,435,188	2,056,833
Total Taka	**21,607,736**	**5,522,111**	**27,129,847**	**17,213,182**

27.00 Profit commission: Tk. 42,28,400

Class of business	Profit Commission		Amount in Taka	
	Direct Business	Public Sector Business	31.12.2016	31.12.2015
Fire	4,228,400	-	4,228,400	-
Marine Cargo	-	-	-	1,356,531
Marine Hull	-	-	-	-
Motor	-	-	-	-
Miscellaneous	-	-	-	22,599
Total Taka	**4,228,400**	**-**	**4,228,400**	**1,379,130**

	For the year ended 31 December 2016 Taka	For the year ended 31 December 2015 Taka
28.00 Expenses of Management: Tk. 16,17,71,157		
Class of business:		
Fire	72,989,907	66,457,554
Marine Cargo	50,906,920	60,658,417
Marine Hull	4,752,370	5,985,937
Motor	17,090,766	15,499,417
Miscellaneous	16,031,194	13,758,136
Total	**161,771,157**	**162,359,461**

Allocation of Management Expenses:

Classes of Business	Gross Premium Income	Percentage (%) 2015	Amount in Taka 31.12.2016	Amount in Taka 31.12.2015
Fire	206,732,688	45.12	72,989,907	66,457,554
Marine Cargo	144,186,024	31.47	50,906,920	60,658,417
Marine Hull	13,460,358	2.94	4,752,370	5,985,937
Motor	48,406,968	10.56	17,090,766	15,499,417
Miscellaneous	45,405,891	9.91	16,031,194	13,758,136
Total	**458,191,929**	**100.00**	**161,771,157**	**162,359,461**

Expenses of Management : Tk. 16,17,71,157
This Consists of the Following:

Salary & Allowances	104,567,215	89,241,856
Bonus (Eid-Ul-Fitre, Eid-Ul Azha'2016)	10,980,882	13,084,660
Business promotional expenses	632,260	1,813,035
Incentive bonus	-	1,411,956
Photocopy bill	320,811	354,046
Procurement provider (printing)	3,720,535	4,092,064
Stationery	536,430	538,249
Postage	141,173	136,326
Revenue stamp	325,880	409,160
Entertainment	247,936	340,764
Conveyance	852,325	1,167,412
Electric bill	1,535,123	1,378,056
Electric expenses	84,307	117,216
Telephone expenses	12,635	2,038
Telephone bill	1,787,539	5,693,360
Computer expenses	687,526	1,399,669
Currier bill	159,774	116,810
Generator fuel	253,072	442,575
Wasa bill	284,098	167,944
Paper & periodicals	104,759	113,370
Car fuel	1,175,990	1,523,905
Car allowances	2,315,293	8,182,461
Repairs & maintenance (Car)	818,872	524,151
Car expenses (tyre, tube & others)	-	807,105
Office maintenance	1,025,886	1,673,656
Repairs & maintenance (others)	389,903	713,998
Gift item	302,630	162,238
Miscellaneous expenses	156,848	174,189

	For the year ended 31 December 2016 Taka	For the year ended 31 December 2015 Taka
Travelling expenses	1,108,639	778,588
Board Meeting expenses	91,014	88,973
Service charges(co-insurance)	565,039	513,785
Utility Charges (office)	52,512	131,241
Office Rent	16,236,019	12,347,760
Service charges (Rent)	768,910	2,133,412
Bank charges	327,113	303,998
Insurance premium	525,930	673,112
IT expenses	1,173,605	1,108,244
Washing allowance	24,600	86,200
Service benefit	1,302,360	2,490,741
Conference expenses	-	125,644
Management expenses (Govt. business)	3,184,502	2,841,309
Business expenses (Govt. business)	40,000	40,000
Provident Fund Employers Contribution	2,951,212	2,914,185
Total	**161,771,157**	**162,359,461**

29.00 Schedule of Vat payments: Tk.nil

Opening balance	-	(4,312,645)
Add:		
Vat payment to Govt. during the year, 2016	44,771,820	49,769,672
Payment against outstanding vat (December, 2016)	4,390,255	3,761,935
	49,162,075	49,218,962
Less: Vat collected during the year, 2016	49,162,075	49,218,962
Total	**-**	**-**

30.00 Calculation of EPS, NAV & NOCF

30.01 Earnings Per Share(EPS) :

a. Net profit after tax	58,492,688	53,082,384
b. Weighted average number of ordinary shares outstanding during the year	31,268,783	31,268,783
c. Earnings Per Share after Tax (c= a/b) (Restated for 2015)	**1.87**	**1.70**

30.02 Net Assets Value (NAV)

The offering price of the common stock of the company has been determind on the basis of net assets value. The breakup is given below:

Net Assets Value	461,836,518	404,843,830
Number of weighted average shares outstanding during the year	31,268,783	27,671,490
Net Assets Value per share (NAV)	**14.77**	**14.63**

30.03 Net Operating Cash Flows (NOCF) per share

Net operating cash flows	7,764,409	21,393,780
Weighted average number of outstanding shares	31,268,783	27,671,490
Net Operating Cash Flows (NOCF) per share	**0.25**	**0.77**

31.00 Related Party Disclosure:

Details transactions with related parties and balances with them as at December 31, 2016 are as follows:

Name of the Related Party	Relationship	Nature of Transaction	Premium Earned during the year	Premium outstanding during the year	Claims paid during the year
Karnaphuli Group			26,803,720	-	413,781
Karnaphuli Limited Karnaphuli Industries Limited Karnaphuli Works Limited Holy Crescent Hospital Ltd. K & T Logistics	Common Director	Insurance business			
Unitex Textile Mills Ltd. Unitex Spinning Mills Ltd.	Chairman	Insurance business	8,955,147	-	-
Multidrive Limited	Common Director	Insurance business	75,096		-
Gazi Group			53,826,560	-	2,673,679
Gazi Tyres Gazi Tanks Gazi Pamps & Motors Gazi International Gazi Satellite Television	Common Director	Insurance business			
Gasmin Limited Show motion Limited	Common Director	Insurance business	4,213,400	-	-
Ali Kawsar	Common Director	Insurance business	606,104		-
During the year the Company sold its old vehicles to the following employees:					
Name	Designation	WDV of car	Disposal proceeds		
1. Md. Anwarul Islam	EVP	884,849	1,035,000		
2. Md. Gias uddin Ahmed	DMD	1,065,096	1,275,000		
Total		**1,949,945**	**2,310,000**		

SCHEDULE OF PROPERTY, PLANT & EQUIPMENT

For the year ended December 31, 2016

Annexure -A

PARTICULARS	Cost				Depreciation					
	Cost as on 01.01.2016	Addition during the year	Disposal during the year	Balance as on 31.12.2016	Rate Of Depre - ciation.	Balance as on 01.01.2016	Disposal during the year	Charged during the year	Total as on 31.12.2016	Written down Value as on 31.12.2016
1	**2**	**3**	**4**	**5=(2+3-4)**	**6**	**7**	**8**	**9**	**10=(7-8+9)**	**11=(5-10)**
Computer	3,972,970	159,698	-	4,132,668	30.00%	3,221,781	-	251,776	3,473,557	659,111
Furniture & Fixtures	8,888,677	198,270	-	9,086,947	10.00%	4,720,406	-	430,145	5,150,551	3,936,396
Office Equipments	3,061,801	28,800	-	3,090,601	20.00%	2,412,445	-	133,829	2,546,274	544,327
Vehicles	18,177,750	1,500,000	-	19,677,750	20.00%	13,915,114	-	1,030,061	14,945,175	4,732,575
Crockeries & Cutleries	213,754	-	-	213,754	20.00%	175,424	-	7,666	183,090	30,664
Air Conditioner	5,785,803	154,690	-	5,940,493	20.00%	5,052,227	-	166,573	5,218,800	721,693
Telephone	352,660	-	-	352,660	10.00%	199,686	-	15,297	214,983	137,677
Office Decoration	12,938,504	413,303	-	13,351,807	10.00%	5,579,679	-	760,673	6,340,352	7,011,456
Land and Land development	5,715,556	523,000	-	6,238,556	-	-	-	-	-	6,238,556
Sundry Assets	290,862	-	-	290,862	20.00%	281,966	-	1,779	283,745	7,117
Computer Software	755,760	-	-	755,760	20.00%	587,462	-	33,660	621,122	134,638
Sub Total	**60,154,097**	**2,977,761**	**-**	**63,131,858**		**36,146,190**	**-**	**2,831,459**	**38,977,649**	**24,154,209**
Lease Car	*6,920,000*	*-*	*(3,570,000)*	*3,350,000*	*10%*	*2,720,303*	*(1,620,055)*	*419,970*	*1,520,219*	*1,829,781*
Sub Total	***6,920,000***	***-***	***(3,570,000)***	***3,350,000***		***2,720,303***	***(1,620,055)***	***419,970***	***1,520,219***	***1,829,781***
Grand Total	***67,074,097***	***2,977,761***	***(3,570,000)***	***66,481,858***		***38,866,493***	***(1,620,055)***	***3,251,429***	***40,497,868***	***25,983,990***

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NOTES TO THE FINANCIAL STATEMENTS

Republic Insurance Company Limited
রিপাবলিক ইনস্যুরেন্স কোম্পানী লিমিটেড

FORM-SM
STATEMENT OF SOLVENCY MARGIN
For the year ended December 31, 2016

S.L. No.	Particulars	31 December 2016 Amount in taka	31 December 2015 Amount in taka
1	Adjusted Assets	713,510,636	651,444,830
2	Adjusted Liabilities	316,165,234	271,894,053
3	Available Solvency Margin (ASM) (1-2)	397,345,402	379,550,777
4	Required Solvency Margin (RSM)	133,009,438	133,606,962
5	Solvency Ratio (ASM) /(RSM) times*	2.99	2.84

*Previous year's Solvency Ratio was restated as it was wrongly calculated in last year.

Place: Dhaka
Dated: 30 April, 2017

Malek Siddiqui Wali
Chartered Accountants

AMAR STOCK

Republic Insurance Company Limited
রিপাবলিক ইনস্যুরেন্স কোম্পানী লিমিটেড

PROXY FORM

I/We _____
of _____
being a member(s) of Republic Insurance Company Limited hereby appoint Mr./Ms. _____
_____ of _____
as my/our proxy to attend and vote for me/us and on my/our behalf at the 17th Annual General Meeting of the Company to be held on Wednesday the 14th June, 2017 and at any and or at any adjournment thereof. Signed this _____ day of _____ 2017.

Revenue Stamp 20/=

Signature of Shareholder(s) _____ Signature of the Proxy: _____
BO ID: _____
No. of Shares held: _____

_____ _____
Authorized Signature Signature verified
Republic Insurance Company Limited

N.B. : Important

The Proxy Form, duly complete, signed and affixed with revennue stamp of Tk. 20/- must be deposited at least 48 hours before the time fixed for the meeting at the Company's Registred Office. Proxy will be invalid if not signed and stamped as explained above.

Signature of the Shareholder should match with the Specimen Signature registered with the Company

Republic Insurance Company Limited
রিপাবলিক ইনস্যুরেন্স কোম্পানী লিমিটেড

ATTENDANCE SLIP

I hereby record my attendance at the 17th Annual General Meeting of the Company being held on 14th June, 2017 at IDED Bhaban, 160/A, Kakrial, Dhaka-1000.

Signature of Shareholder(s) _____ Signature of the Proxy: _____
Name of Shareholder(s) _____ Name of Proxy: _____
BO ID: _____
No. of Shares held: _____

_____
Authorized Signature
Republic Insurance Company Limited

N. B.: Shareholders attending the meeting in person or by Proxy are requested to complete this Attendance Slips. Signature of Shareholder should confirm to the specimen signature record with the Company.

Please bring this Attendance Slip with you. Admission into the meeting room will not be allowed without it.

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Republic Insurance Company Limited
রিপাবলিক ইনস্যুরেন্স কোম্পানী লিমিটেড
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