

**Independent Auditor’s Report
To the Shareholders
Of
Islami Commercial Insurance Company Limited
For The Year Ended 31st December, 2017**

April 30, 2018



| Contents | Page |
|---|-------------|
| General Information | 1 |
| Independent Auditors' Report | 2-3 |
| Statement of Financial Position | 4 |
| Statement of Profit and Loss & Other Comprehensive Income | 5 |
| Profit and loss Appropriation Account | 5 |
| Consolidated Revenue Account | 6 |
| Fire Insurance Revenue Account | 7 |
| Marine Cargo Insurance Revenue Account | 8 |
| Motor Insurance Revenue Account | 9 |
| Miscellaneous Insurance Revenue Account | 10 |
| Statement of Cash Flows | 11 |
| Statement of Change in Equity | 12 |
| Net Asset Value per Share | 13 |
| Classified Summary of Assets- From "AA" | 14 |
| Notes to the Accounts Including XL Form | 15-25 |
| Property, Plant & Equipment Schedule "A" | 26 |
| Statement Showing Investment and Liabilities under Section 41 | 27 |



General Information

Directors : Shahida Anowar
Al-haj Mohammad Yahya
Niaz Ahmed
Israt Jahan
Nusrat Jahan (Tania)
Md. Razaul Karim
Sharifa Khatun
Nigar Sultana
Md. Ashik Hossain
Shirin Akter
M.G. Faruk
Md. Anowar Hossain

Corporate Office : City Center (Level 16),
90/1, Motijheel C/A, Dhaka

Banker : Social Islami Bank Ltd.
Al-arafah Islami Bank Ltd.

Auditor : Islam Aftab Kamrul & Co.
Chartered Accountants



**Independent Auditor’s Report
To the Shareholders
Of
Islami Commercial Insurance Company Limited**

Introduction

We have audited the accompanying Balance Sheet of **Islami Commercial Insurance Company Limited** as at 31st December 2017 and the related Revenue accounts as well as the Profit loss Account, Profit and Loss Appropriation Account, Statement of change in equity and Statements 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 statement

Management is responsible for the preparation and fair presentation of these financial statement in accordance with Bangladesh Accounting Standard (BASs) and Bangladesh Financial Reporting Standard (BFRSs), The Company Act 1994, the Insurance Act 2010, and other applicable laws and regulations and for such internal control as management determines is necessary to enable the preparation of financial statement 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 conduct our audit in accordance with Bangladesh Standard on Auditing (BSAs). Those standards require that we comply with the ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial Statements are free misstatement.

An audit involves performing procedures to obtain audit evidence supporting the amounts and disclosures in the Financial Statements. The procedure selected depends on the auditor’s judgment including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditors considers inter control relevant to the entity’s preparation and fair presentation of the financial statement in order to design audit procedures that are appropriate in the circumstance, 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 financial statements.

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



Opinion

In our opinion the financial statements prepared in accordance with Bangladesh Accounting Standard and Insurance Act 2010 present fairly in all material respect the financial position of **Islami Commercial Insurance Company Limited** as at 31st December 2017 and its financial performance and its cash flows for the year then ended (except section 63(1) relating to limitation of management expenses) and comply with the Companies Act 1994 and other applicable laws and regulations.

We further 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 book of account as required by law have been kept by Islami Commercial Insurance Company Ltd. So far as it appeared from our examination of those book and returns which have been received from branches not visited by us ;
- III. The Balance sheet, Profit and Loss Account and Revenue Accounts dealt with by the report are in agreement with the books of account and returns;
- IV. We have verified the cash and bank balance and investment of Islami Commercial Insurance Company Ltd. As on 31st December, 2017 by actual inspection and examination of relevant Statements and certificates ;
- V. As per section 63(2) of the Insurance Act 2010, 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 whenever incurred and whether incurred directly or indirectly, in respect of insurance business of the Insurer transaction in Bangladesh during the year under report have been duly debited to the related Revenue Accounts and those which do not relate to any particular business have been debited to the profit and loss account of the company;
- VI. As per section 59(5) of insurance Act 2010, we certify that to the best of our information and as shown by its books, the insurer during the year under report has not paid any person any commission in any form outside Bangladesh in respect of any of its business transaction in Bangladesh; and
- VII. The expenditure incurred was for the purpose of the company's business;

Dhaka
April 30, 2018


Islam Aftab Kamrul & Co.
Chartered Accountants



ISLAMIC COMMERCIAL INSURANCE COMPANY LIMITED
STATEMENT OF FINANCIAL POSITION AS AT DECEMBER 31, 2017

| CAPITAL AND LIABILITIES | 2017 TAKA | Note | 2016 TAKA | PROPERTY AND ASSETS | 2017 TAKA | Note | 2016 TAKA |
|---|--------------------|------|--------------------|--|--------------------|------|--------------------|
| SHARE CAPITAL : | | | | | | | |
| Authorised Capital : | | | 750,000,000 | | | | |
| 75,00,000 Ordinary Shares of Taka 100 each | | | | | | | |
| ISSUED, SUBSCRIBED & PAID UP CAPITAL : | | | | | | | |
| 24,38,553 Ordinary Shares of Taka 100 each | 268,240,800 | 2 | 243,855,300 | INVESTMENTS (At Cost) : | | | |
| | | | | BGTB | 25,000,000 | 12 | 25,000,000 |
| | | | | Investment in Share | 115,809,462 | 13 | 116,132,921 |
| RESERVE OR CONTINGENCY ACCOUNTS : | | | | INTEREST, DIVIDEND & RENT : | | | |
| Reserve for exceptional losses | 173,759,423 | 3 | 146,346,846 | (Interest Accrued but not due) | 24,802,500 | 14 | 22,925,000 |
| Profit & Loss Appropriation Account | 128,644,927 | | 113,644,927 | AMOUNT DUE FROM OTHER PERSONS OR BODIES | | | |
| | 45,114,496 | | 32,701,919 | CARRYING ON INSURANCE BUSINESS | | 15 | |
| REVALUATION SURPLUS | 93,854,130 | 4 | 95,769,520 | ADVANCES DEPOSIT AND PRE PAYMENTS : | | | |
| RESERVE FOR INVESTMENT FLUCTUATION FUND | 4,544,401 | 5 | 6,964,047 | Sundry Debtors | 144,635,455 | 16 | 125,346,248 |
| BALANCE OF FUNDS AND ACCOUNTS : | | | | CASH IN HAND AND AT BANKS : | | | |
| (Being reserve for unexpired risk) | 96,259,713 | 6 | 85,671,929 | Fixed Deposit with Banks | 393,814,695 | 17 | 331,648,140 |
| Fire Insurance Business | 29,909,037 | | 31,979,895 | Cash at Banks | 312,500,000 | | 251,250,000 |
| Marine Insurance Business | 40,296,531 | | 24,319,517 | Cash in Hand | 72,825,414 | | 66,156,483 |
| Motor Insurance Business | 18,811,692 | | 18,243,193 | Cash with BO Accounts | 8,460,406 | | 14,229,312 |
| Misc. Insurance Business | 7,242,453 | | 11,129,324 | OTHER ACCOUNTS : | | | |
| PREMIUM DEPOSITS | 5,116,013 | 7 | 5,692,529 | Fixed Assets | 175,730,278 | | 175,403,821 |
| LIABILITIES & PROVISIONS : | | | | Stock of Stationery | 174,755,477 | 18 | 175,319,316 |
| Estimated Liabilities in respect of outstanding claims whether due or intimated | 35,218,167 | 8 | 25,533,131 | Insurance Stamps in Hand | 865,350 | | 84,505 |
| AMOUNT DUE TO OTHER PERSONS OR BODIES | | | | | | | |
| CARRYING ON INSURANCE BUSINESS | 71,654,747 | 9 | 10,656,246 | SUNDRY CREDITORS | | | |
| (outstanding and accruing expenses) | 126,375,996 | 10 | 115,532,716 | | | | |
| BANK LOAN AGAINST LIEN OF FDR | | | | | | | |
| | 4,769,000 | 11 | 60,433,866 | | | | |
| | 879,792,390 | | 796,456,130 | | 879,792,390 | | 796,456,130 |

Signed as per our annexed report of even date.

Md. Anowar Hossain
Chairman

Mir Nazim Uddin Ahmed
Chief Executive Officer

Md. Faruk
Director



Islam Aftab Kamrul & Co.
Chartered Accountants

ISLAMI COMMERCIAL INSURANCE COMPANY LIMITED

STATEMENT OF PROFIT AND LOSS & OTHER COMPREHENSIVE INCOME FOR THE YEAR ENDED DECEMBER 31, 2017

| PARTICULARS | 2017 TAKA | Note | 2016 TAKA |
|--|-------------------|------|-------------------|
| EXPENSES OF MANAGEMENT : | 11,374,407 | | 7,655,881 |
| (not applicable to any particular fund or account) | | | |
| Directors' fees | 902,750 | | 504,750 |
| Audit fee | 70,000 | | 70,000 |
| Consultancy Fee | 92,000 | | 131,470 |
| Advertisement | 52,076 | | 5,000 |
| Consent Fee & SAARC Conference Fee | - | | 276,128 |
| Branch Licence/Trade Licence Fee | 79,500 | | 969,713 |
| Levy on premium & Legal Expenses | 200,889 | | 100,000 |
| Donation & Subscription | 1,353,000 | | 3,722,252 |
| Registration and Renewals | 1,440,373 | | 1,123,568 |
| Credit Rating Fee | 160,000 | | 160,000 |
| Paid to IDRA | 5,975,000 | | 593,000 |
| Compensation to Custom, Excise & VAT | 1,048,819 | | - |
| Depreciation (Sch-A) | 11,188,352 | | 8,876,874 |
| Profit/(Loss) for the year carried down to Profit & Loss Appropriation Account | 59,893,092 | | 50,747,316 |
| | 82,455,851 | | 67,280,071 |

| PARTICULARS | 2017 TAKA | Note | 2016 TAKA |
|--|-------------------|------|-------------------|
| INTEREST, DIVIDEND & RENT : | | | |
| (not applicable to any particular Fund or Account) | | | |
| Interest Income | 28,868,263 | 19 | 25,841,622 |
| Cash Dividend on Share | 7,199,155 | | 13,262,967 |
| OTHER INCOME : | | | |
| Capital Gain | 35,428,459 | 20 | - |
| PROFIT/(LOSS) TRANSFERRED FROM : | 10,959,974 | | 28,175,482 |
| Fire Revenue Account | (9,536,543) | | (6,885,786) |
| Marine Revenue Account | 10,632,182 | | 17,318,103 |
| Motor Revenue Account | 609,817 | | 8,490,669 |
| Misc. Revenue Account | 9,254,518 | | 9,252,496 |
| | 82,455,851 | | 67,280,071 |

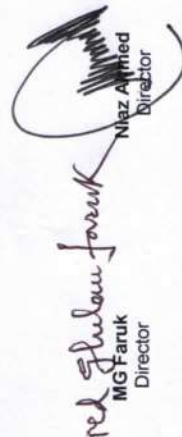
PROFIT AND LOSS APPROPRIATION ACCOUNT FOR THE YEAR ENDED DECEMBER 31, 2017

| PARTICULARS | 2017 TAKA | 2016 TAKA |
|---|-------------------|-------------------|
| Reserve for Exceptional Loss | 15,000,000 | 11,500,000 |
| Provision for Income Tax | 7,565,315 | 16,680,109 |
| Balance at the end of the period as shown in Statement of Changes in Equity | 70,507,232 | 30,747,439 |
| | 93,072,547 | 58,927,548 |

| PARTICULARS | 2017 TAKA | 2016 TAKA |
|--|-------------------|-------------------|
| Balance brought from previous year | 30,747,439 | 404,043 |
| Net profit for the year brought down | 59,893,092 | 50,747,316 |
| Transferred from Investment Fluctuation Fund | 2,419,646 | 7,770,419 |
| Deferred Tax Income | 12,370 | 5,770 |
| | 93,072,547 | 58,927,548 |

Note : All expenses of management wherever incurred, whether directly or indirectly, in respect of Fire, Marine, Motor and Miscellaneous business transacted in Bangladesh have been fully debited in the respective revenue account as expenses.


Mir Nazimuddin Ahmed
Chief Executive Officer


MG Faruk
Director


Md. Anowar Hossain
Chairman


Islam Aftab Kamrul & Co.
Chartered Accountants



Signed as per our annexed report of even date.

ISLAMI COMMERCIAL INSURANCE COMPANY LIMITED
CONSOLIDATED REVENUE ACCOUNT FOR THE YEAR ENDED DECEMBER 31, 2017

| PARTICULARS | 2017 | 2016 | Note | 2017 | 2016 |
|-------------|------|------|------|------|------|
| | TAKA | TAKA | | TAKA | TAKA |

| | | | | | |
|--|--------------------|--------------------|--|--------------------|--------------------|
| Claims under policies less Re-insurance : | | | | | |
| Paid During the year | 36,117,028 | 25,133,791 | | 85,671,929 | 63,354,212 |
| Add : Total estimated liability in respect of outstanding claims at the end of the year whether due or intimated | 35,218,167 | 25,533,131 | | 240,649,282 | 214,179,825 |
| Less : Outstanding claims at end of the previous year | 25,533,131 | 22,732,704 | | | |
| | 45,802,064 | 27,934,218 | | | |
| Agent Commission | 67,755,915 | 66,447,854 | | | |
| Insurance Stamps Consumed | 372,650 | 316,500 | | | |
| Expenses of Management | 145,938,187 | 95,151,076 | | | |
| Balance of account at the end of the year : | | | | | |
| Reserve for Unexpired Risk being 40% of premium income of the year transferred to Balance Sheet | 96,259,713 | 85,671,929 | | | |
| Profit transferred to Profit & Loss Account | 10,959,974 | 28,175,482 | | | |
| | 367,088,503 | 303,697,059 | | 367,088,503 | 303,697,059 |
| Commission on Re-insurance ceded (including profit commission) | | | | 40,767,292 | 26,163,022 |

Balance of account at the beginning of the year

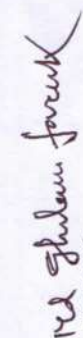
(Reserve for Unexpired Risk)

Premium less Re-insurance

Commission on Re-insurance ceded (including profit commission)

Signed as per our annexed report of even date.


Mazim Uddin Ahmed
Chief Executive Officer


MG Faruk
Director


Niaz Ahmed
Director


Md. Anwar Hossain
Chairman


ISLAM AFTAB KAMRUL & CO.
Chartered Accountants



ISLAMI COMMERCIAL INSURANCE COMPANY LIMITED
FIRE INSURANCE REVENUE ACCOUNT FOR THE YEAR ENDED DECEMBER 31, 2017

| PARTICULARS | 2017 | 2016 | PARTICULARS | 2017 | 2016 |
|---|--------------------|--------------------|--|--------------------|--------------------|
| | TAKA | TAKA | | TAKA | TAKA |
| Claims under policies less Re-insurance : | | | Balance of account at the beginning of the year | 31,979,895 | 17,433,408 |
| Paid During the year | 12,204,879 | 12,644,719 | (Reserve for Unexpired Risk) | | |
| Add : Total estimated liability in respect of outstanding claims at the end of the year whether due or intimated. | 11,085,388 | 11,408,897 | Premium less Re-insurance | 74,772,592 | 79,949,737 |
| Less : Outstanding claims at end of the previous year | 11,408,897 | 15,169,656 | Commission on Re-insurance ceded (including profit commission) | 32,507,886 | 18,989,591 |
| | 11,881,370 | 8,883,960 | Loss transferred to Profit & Loss Account | 9,536,543 | 6,885,786 |
| Agent Commission | 32,617,725 | 33,943,024 | | | |
| Insurance Stamps Consumed | 277,650 | 131,500 | | | |
| Expenses of Management | 74,111,134 | 48,320,143 | | | |
| Balance of account at the end of the year : | | | | | |
| Reserve for Unexpired Risk being 40% premium income of the year transferred to Balance Sheet | 29,909,037 | 31,979,895 | | | |
| | 148,796,916 | 123,258,522 | | 148,796,916 | 123,258,522 |

Signed as per our annexed report of even date.

[Signature]
ISLAM AFTAB KAMRUL & CO.
Chartered Accountants

[Signature]
Md. Anowar Hossain
Chairman

[Signature]
Niaz Ahmed
Director

[Signature]
MG Faruk
Director

[Signature]
Nazim Uddin Ahmed
Chief Executive Officer



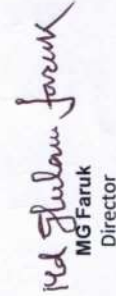
ISLAMI COMMERCIAL INSURANCE COMPANY LIMITED
MARINE INSURANCE REVENUE ACCOUNT FOR THE YEAR ENDED DECEMBER 31, 2017

| PARTICULARS | 2017 TAKA | | 2016 TAKA | |
|---|--------------------|-------------------|-----------|-----------|
| | 2017 TAKA | 2016 TAKA | 2017 TAKA | 2016 TAKA |
| Claims under policies less Re-insurance : | | | | |
| Paid During the year | 2,272,957 | 2,849,742 | | |
| Add : Total estimated liability in respect of outstanding claims at the end of the year whether due or intimated. | 12,640,666 | 3,570,661 | | |
| Less : Outstanding claims at end of the previous year | 3,570,661 | 1,256,521 | | |
| | 11,342,962 | 5,163,882 | | |
| Agent Commission | 20,887,928 | 16,298,437 | | |
| Expenses of Management | 46,620,899 | 30,396,628 | | |
| Balance of account at the end of the year : Reserve for Unexpired Risk being 40% of premium Income of the year transferred to Balance Sheet | 40,296,531 | 24,319,517 | | |
| Profit transferred to Profit & Loss Account | 10,632,182 | 17,318,103 | | |
| | 129,780,502 | 93,496,567 | | |
| | 129,780,502 | 93,496,567 | | |

| PARTICULARS | 2017 TAKA | 2016 TAKA |
|---|-------------|------------|
| Balance of account at the beginning of the year (Reserve for Unexpired Risk) | 24,319,517 | 28,446,438 |
| Premium less Re-insurance | 100,741,328 | 60,798,794 |
| Commission on Re-insurance ceded (including profit commission) | 4,719,657 | 4,251,335 |

Signed as per our annexed report of even date.


Nazim Uddin Ahmed
Chief Executive Officer


MG Faruk
Director


Niaz Ahmed
Director


Md. Anowar Hossain
Director


ISLAM AFTAB KAMRUL & CO.
Chartered Accountants

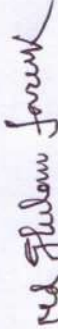


ISLAMI COMMERCIAL INSURANCE COMPANY LIMITED
MOTOR INSURANCE REVENUE ACCOUNT FOR THE YEAR ENDED DECEMBER 31, 2017

| PARTICULARS | 2017 | | 2016 | |
|---|-------------------|-------------------|------------|------------|
| | TAKA | TAKA | TAKA | TAKA |
| Claims under policies less Re-insurance : | | | | |
| Paid During the year | 21,610,700 | 9,634,633 | | |
| Add : Total estimated liability in respect of outstanding claims at the end of the year whether due or intimated | 11,492,113 | 10,553,573 | | |
| Less : Outstanding claims at end of the previous year | 22,549,240 | 13,881,679 | | |
| Agent Commission | 7,925,338 | 8,822,018 | | |
| Insurance Stamps Consumed | 72,850 | 96,500 | | |
| Expenses of Management | 15,409,820 | 10,047,137 | | |
| Balance of account at the end of the year : | | | | |
| Reserve for Unexpired Risk being 40% premium Income of the year transferred to Balance Sheet | 18,811,692 | 18,243,193 | | |
| Profit transferred to Profit & Loss Account | 609,817 | 8,490,669 | | |
| | 65,378,757 | 59,581,196 | | |
| | | | 18,243,193 | 13,973,213 |
| Balance of account at the beginning of the year (Reserve for Unexpired Risk) | | | 18,243,193 | |
| Premium less Re-insurance | 47,029,229 | 45,607,983 | | |
| Commission on Re-insurance ceded (including profit commission) | 106,335 | - | | |

Signed as per our annexed report of even date.


Mir Nazim Uddin Ahmed
Chief Executive Officer


MG Faruk
Director


Niaz Ahmed
Director


Md. Anwar Hossain
Chairman


ISLAM AFTAB KAMRUL & CO.
Chartered Accountants

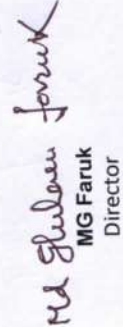


ISLAMI COMMERCIAL INSURANCE COMPANY LIMITED
MISCELLANEOUS INSURANCE REVENUE ACCOUNT FOR THE YEAR ENDED DECEMBER 31, 2017

| PARTICULARS | 2017 | | 2016 | |
|---|-------------------|-------------------|-------------------|-------------------|
| | TAKA | TAKA | TAKA | TAKA |
| Claims under policies less Re-insurance : | | | | |
| Paid During the year | 28,492 | 4,697 | | |
| Add : Total estimated liability in respect of outstanding claims at the end of the year whether due or intimated. | - | - | | |
| Less : Outstanding claims at end of the previous year | 28,492 | 4,697 | | |
| Agent Commission | 6,324,924 | 7,384,375 | | |
| Insurance Stamps Consumed | 22,150 | 88,500 | | |
| Expenses of Management | 9,796,334 | 6,387,168 | | |
| Balance of account at the end of the year : | | | | |
| Reserve for Unexpired Risk being 40% premium | 7,242,453 | 11,129,324 | | |
| Income of the year transferred to Balance Sheet | 9,254,518 | 9,252,496 | | |
| Profit transferred to Profit & Loss Account | <u>32,668,871</u> | <u>34,246,560</u> | | |
| Balance of account at the beginning of the year | | 11,129,324 | | 3,501,153 |
| (Reserve for Unexpired Risk) | | 18,106,133 | | 27,823,311 |
| Premium less Re-insurance | | 3,433,414 | | 2,922,096 |
| Commission on Re-insurance ceded (including profit commission) | | | | |
| | | | <u>32,668,871</u> | <u>34,246,560</u> |

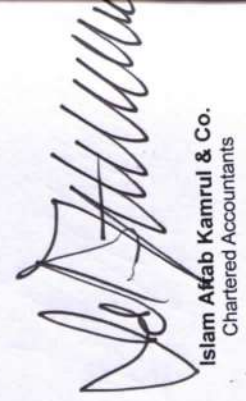
Signed as per our annexed report of even date.


M. Nazim Uddin Ahmed
Chief Executive Officer


Md. Ghulam MG Faruk
Director


Niaz Ahmed
Director


Md. Anwar Hossain
Chairman


Islam Akab Kamrul & Co.
Chartered Accountants



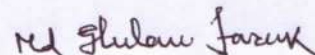
ISLAMI COMMERCIAL INSURANCE COMPANY LIMITED

**STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2017**


| PARTICULARS | AMOUNT IN TAKA | |
|--|---------------------|---------------------|
| | 2017 | 2016 |
| A. CASH FLOW FROM OPERATING ACTIVITIES: | | |
| Premium Collection & Other Income | 397,693,979 | 307,178,634 |
| Payment of Expenses, Re-Insurance & Claims | (289,784,553) | (219,775,514) |
| Income Tax Paid | (19,917,993) | (17,569,470) |
| Net Cash Provided by Operating Activities | 87,991,433 | 69,833,650 |
| B. CASH FLOW FROM INVESTING ACTIVITIES: | | |
| Investment in Shares | 323,459 | (3,502,890) |
| Acquisition of Fixed Assets | (10,624,513) | (16,621,785) |
| Security Deposit & Advances | (9,756,423) | (1,464,278) |
| Net Cash used in Investing Activities | (20,057,477) | (21,588,953) |
| C. CASH FLOW FROM FINANCING ACTIVITIES: | | |
| Dividend paid | (4,877,106) | - |
| Loan Received | - | - |
| Net Cash used in Financing Activities | (4,877,106) | - |
| D. NET INCREASE IN CASH & CASH EQUIVALENT (A+B+C) | 63,056,850 | 48,244,697 |
| E. OPENING CASH & CASH EQUIVALENT | 331,732,645 | 283,487,948 |
| F. CLOSING CASH & CASH EQUIVALENT (D+E) | 394,789,495 | 331,732,645 |

$$\begin{aligned} \text{Net Operating Cash Flow per Share (NOCFS)} &= \frac{87,991,433}{2,438,553} = \frac{69,833,650}{2,438,553} \\ &= 36.08 = 28.64 \end{aligned}$$


Mir Nazim Uddin Ahmed
Chief Executive Officer


MG Faruk
Director


Niaz Ahmed
Director


Md. Anowar Hossain
Chairman


Islam Aftab Kamrul & Co.
Chartered Accountants

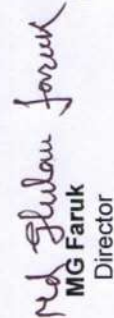


ISLAMI COMMERCIAL INSURANCE COMPANY LIMITED

Statement of Changes in Equity for the Year ended 31st December, 2017

| Particulars | Share Capital | Reserve for Exceptional Loss | Revaluation Surplus | Reserve for Investment Fluctuation Fund | Retained Earnings | Total |
|--|--------------------|------------------------------|---------------------|---|-------------------|--------------------|
| Balance as on 1st January, 2017 | 243,855,300 | 113,644,927 | 95,769,520 | 6,964,047 | 32,701,919 | 492,935,713 |
| Addition during the year | - | 15,000,000 | - | - | 39,759,793 | 54,759,793 |
| Stock Dividend | 24,385,500 | - | - | - | (24,385,500) | - |
| Cash Dividend | | | | | (4,877,106) | (4,877,106) |
| Reserve Transfer | | | (1,915,390) | (2,419,646) | 1,915,390 | (2,419,646) |
| Total as at 31st December, 2017 | 268,240,800 | 128,644,927 | 93,854,130 | 4,544,401 | 45,114,496 | 540,398,754 |
| Balance as on 1st January, 2016 | 217,728,000 | 102,144,927 | 97,724,000 | 14,734,466 | 26,531,343 | 458,862,736 |
| Stock Dividend | 26,127,300 | - | - | - | (26,127,300) | - |
| Addition during the year | | 11,500,000 | | | 30,343,396 | 41,843,396 |
| Reserve Transfer | | | (1,954,480) | (7,770,419) | 1,954,480 | (7,770,419) |
| Total as at 31st December, 2016 | 243,855,300 | 113,644,927 | 95,769,520 | 6,964,047 | 32,701,919 | 492,935,713 |


Mir Nazim Uddin Ahmed
Chief Executive Officer


MG Faruk
Director


Niaz Ahmed
Director


Md. Anowar Hossain
Chairman


Islam Aftab Kamrul & Co.
Chartered Accountants



Net Assets Value per Share-2017

The price of the common stock of Islami Commercial Insurance Co. Ltd. Has been determined on the basis of net assets value, the break up of which is given below:

| Particulars | Amount (Tk.) |
|---|-----------------------|
| A. ASSETS: | |
| Investment in Bangladesh Govt. Treasury Bond (BGTB) - at cost | 25,000,000.00 |
| Investment in Shares - at cost | 115,809,462.00 |
| Interest Accrued but not due | 24,802,500.00 |
| Sundry Debtors (Including Advances, Deposits & Prepayments) | 144,635,455.00 |
| Cash in hand and at Banks | 393,814,694.00 |
| Others Accounts (Fixed Assets) without revaluation | 81,876,148.00 |
| Total | 785,938,259.00 |
| B. LIABILITIES: | |
| Balance of Funds and Accounts | 96,259,713.00 |
| Estimated Liabilities in respect of outstanding claims whether due or intimated | 35,218,167.00 |
| Amount due to other persons or bodies carrying on Insurance Business | 71,654,747.00 |
| Sundry Creditors (Including Provision for Expenses and Taxes) | 126,375,996.00 |
| Bank Loan against Lien of FDR | 4,769,000.00 |
| Premium Deposite | 5,116,013.00 |
| Reserve for Investment Fluctuation Fund | 4,544,401.00 |
| Total | 343,938,037.00 |
| Net Assets (A-B) | 442,000,222.00 |
| No. Of Shares | 2,682,408 |
| Intrinsic Value / Net Assets Value per Share | 164.78 |

We have examined the above calculation of net Assets Value (NAV) of the Company which appears to be correct.


Islam Aftab Kamrul & Co.
 Chartered Accountants



FORM - "AA"
Classified Summary of Assets of
Islami Commercial Insurance Company Limited
As at December 31, 2017

| Class of Assets | Book Value | Realisable Value | Remarks (if any) |
|--|--------------------|--------------------|---------------------------|
| Bangladesh Govt. Treasury Bond (BGTB) | 25,000,000 | 25,000,000 | At Cost |
| Investment in Share | 115,809,462 | 111,265,061 | Market Value |
| Fixed Deposit with Banks | 312,500,000 | 312,500,000 | Realizable Value |
| Cash with Banks | 70,343,101 | 70,343,101 | Realizable Value |
| Sundry Debtors (including Advance deposit & prepayments) | 144,635,455 | 144,635,455 | Realizable Value |
| Interest accrued but not due | 24,802,500 | 24,802,500 | Realizable Value |
| Cash & Stamps in hand | 10,971,594 | 10,971,594 | At Cost |
| Fixed Assets | 174,755,477 | 174,755,477 | At cost less depreciation |
| Total Tk. | 878,817,589 | 874,273,188 | |


Md. Nazim Uddin Ahmed
Chief Executive Officer

MG Faruk
Director


Niaz Ahmed
Director


Md. Anowar Hossain
Chairman


Islam Aftab Kamrul & Co.
Chartered Accountants

ISLAMI COMMERCIAL INSURANCE CO. LTD.

**Notes to the Financial Statement
For the year ended December 31, 2017**

1.00 HISTORICAL BACKGROUND

Islami Commercial Insurance Company Limited was incorporated in Bangladesh on October 18, 1999 and went into operation on the same day as a Public Limited Company under the Companies Act, 1994 with a view to run all types of insurance business except life as per Insurance Act, 1938 in Bangladesh.

The principal place of business of the Company is at City Center (Level - 16), 90/1, Motijheel C/A, Dhaka-1000.

The Company is engaged in Non Life Insurance Business with meaning of Insurance Act, 2010.

1.01 Basis of Presenting Accounts and Significant Accounting Policies:

1.02 Basis of Presenting Accounts:

a) The Accounts are prepared on a going concern basis under historical cost convention on Generally Accepted Accounting Principles and Cash Flow Statement has been prepared on direct method and accrual basis of accounting has been followed:

b) The Balance Sheet has been prepared in accordance with the regulation contained in part I of the first schedule and as per Form "A" as setforth in part II of that schedule. Profit & Loss Account and Profit & Loss Appropriation Account have been prepared in accordance with the regulation contained in part I of the second schedule and as per Form "B" & "C" setforth in part II of that schedule respectively and the Revenue Accounts of each class of General Insurance Business has been prepared in accordance with the regulation as contained in part I of the third schedule and as per Form "F" as setforth the in part II of that schedule of the Insurance Act.

1.03 Significant Accounting Polices:

a) Underwriting Business:

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

b) Segment reporting (BAS-14)

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

c) Balance of Fund and Accounts:

These have been arrived at after making provision for unexpired risks @ 40% of net premium income on all class of business.

d) Management expenses :

All expenses of management incurred directly or indirectly in respect of Fire, Marine, Motor and Miscellaneous Insurance business transacted in Bangladesh have been apportioned on the basis of gross premium earned by each class of business.

| Particulars | Percentage | Amount (Tk.) |
|---------------|----------------|--------------------|
| Fire | 50.78% | 74,111,134 |
| Marine | 31.95% | 46,620,899 |
| Motor | 10.56% | 15,409,820 |
| Miscellaneous | 6.71% | 9,796,334 |
| Total | 100.00% | 145,938,187 |

e) Compliance of Local Laws:

The financial statements have been prepared in compliance with requirement of the Companies Act, 1994, Securities and Exchange Rules 1987, Insurance Act, 2010, Anti Money Laundering Act.-2012 and other relevant Local Laws.

f) Compliance with Bangladesh Accounting Standards (BAS):

The financial statements as on December 31, 2017 have been prepared in compliance with requirement of the Bangladesh Accounting Standards (BAS), International Financial Reporting Standards (IFRS) approved by the International Accounting Standard Board (IASB) and as adopted by the Instituted of Chartered Accountants of Bangladesh (ICAB) as Bangladesh Accounting Standard (BAS) and regulations applicable in Bangladesh.

g) Reporting Currency:

The financial statements are presented in Bangladesh Currency (Taka) which have been rounded off to the nearest taka where indicated otherwise.

h) Accounting Period:

The financial period of the Insurance Company covers one year from January 01, 2017 to December 31, 2017.

i) Fixed Assets:

All Fixed Assets of the Company shown in financial statements that are within the scope of BAS-36, are in physical existence and valued on more than their recoverable amount. Following International Accounting Standards adopted by ICAB, disclosure with regard to "Impairment of Assets" as per BAS-36 have not been considered necessary.

These are stated at cost less accumulated depreciation. Depreciation on Fixed Assets have been charged on reducing balance method at rates varying from 2% to 20% depending on the estimated useful lives of the assets and are consistently applied in relation to previous year. Depreciation on additions to fixed assets on or before June 30 of the year is charged for full year and no depreciation has been charged on assets acquired afterward.

| Category of Assets: | Rate of Dep. |
|------------------------|--------------|
| Office Space | 2% |
| Office Decoration | 10% |
| Furniture & Fixture | 10% |
| Office Equipment | 15% |
| Telephone Installation | 15% |
| Air Condition | 15% |
| Motor Vehicles | 20% |

j) Public Sector Business:

Company's share of Public sector business is accounted for the year in which the statement of accounts from the Sadharan Bima Corporation are received up to 31st December, 2017. Statement of accounts for the period from 1st July, 2016 to 30th June, 2017 have been received from the Sadharan Bima Corporation and accordingly, the Company's share of public sector business for the year has been accounted for in the accompanying accounts. This practice is being followed consistently.

k) Provision for Income Tax (BAS 12):

Provision for income tax for the year under audit has been made on the basis of Finance Act.

l) Revenue Recognition (BAS-18)

The total amount of premium earned on various classes of insurance business underwritten during the year, the gross amount of premium earned against various policies, the amount of re-insurance premium due to Sadharan Bima Corporation, the amount of re-insurance commission earned and the amount of claims less re-insurance settled during the year have all been duly accounted for in the books of accounts of the company and while preparing the final statements of accounts, the effect of re-insurance as well as the effect of total estimated liabilities in respect of outstanding claims at the end of the year, whether due or intimated have also been duly reflected in order to arrive at the net underwriting result for the year.

m) Employee's Benefit Plan (BAS-19)

The Company has introduced Group Insurance Policy with Diamond Life Insurance Company Ltd. and Hospitalization Insurance with Fareast Islami Life Insurance Co. Ltd. as Employees Benefit Scheme.

n) Earning per Share (BAS-33)

The Company has calculated earning per share (EPS) in accordance with the International Accounting Standards (IAS) -33 "Earning per Share" as adopted by ICAB.

o) Investment:

* Investment for statutory deposit is stated at their cost of acquisition and no adjustment in respect of market value was considered necessary.

* Income on Investment, other than shares, is accounted for on accrual concept basis.

* Dividend Income on Investment on shares are accounted for at the year of receiving of such dividend.

p) CASH AND CASH EQUIVALENTS (BAS-07)

Cash Flow Statement" Cash comprises cash in hand and demand deposit and cash equivalents are short term, high Liquid investments that are readily convertible to known amount of cash and which are subject to an insignificant risk of change in value BAS-1 "Presentation of Financial Statements" also provides that Cash equivalents are those who have no restriction.

q) Reserve for Exceptional Losses:

Reserve for exceptional losses as appropriated out of current year's profit before tax for Tk.1,50,00,000.00 as per 4th schedule of Income Tax Ordinance,1984.

r) Interest on FDR & STD:

Interest received from Banks on STD Accounts and FDR Accounts have been duly credited to the Profit and Loss Account.

s) Reserve for un-expired risks:

Surplus of revenues accounts have been arrived at after accounting for Company's share of claims settled and estimation of outstanding claims as well as after providing for unexpired risk @40% on all business.

t) Precaution for Anti Money Laundering:

The Company has prepared and implemented the internal control guide line to prevent Money Laundering activity following the Bangladesh Bank Guide-Line.

u) Comparative Information:

In accordance with the provisions of BAS-1 "Presentation of Financial Statements" the comparative information has been disclosed for all numeric information in the financial statements and also the narrative and descriptive information where it is relevant for understanding of the current period's financial statements. The proposed stock dividend for the previous year of Tk.24,385,500 has been retrospectively adjusted with the opening retained earnings which is reflected in the statement of changes in equity.

v) **Proposed Dividend:**

The amount of proposed dividend has not been accounted for but disclosed in the notes to the accounts in accordance with the requirements of International Accounting Standard (IAS) 1: Presentation of Financial Statements. Also, the proposed dividend has not been considered as "Liability" in accordance with the requirements on International Accounting Standard (IAS) 10: Events After The Reporting Period, because no obligation exists at the time of approval of accounts and recommendation of dividend by the Board of Directors.

w) **Events After The Reporting Period:**

Events after the reporting period that provide additional information about the company's position at the date of Statement of Financial Position or those that indicate that the going concern assumption is not appropriate are reflected in the financial statements. Events after reporting period that are not adjusting events are disclosed in the notes when material.

2.00 **SHARE CAPITAL**

a) **Authorized Capital:** Tk. 75,00,00,000.00

Divided into 75,00,000 ordinary shares of Tk. 100.00 each.

b) **Issued Subscribed & Paid up Capital:** Tk. 26,82,40,800

Divided into 26,82,408 ordinary shares of Tk. 100.00 each.

3.00 **RESERVE FOR CONTINGENCY ACCOUNTS:** TK. 17,37,59,423

Break up of the above amount is as under:

| Particulars | Notes | Amount (In Taka) | |
|---|-------|--------------------|--------------------|
| | | 2017 | 2016 |
| Reserve for Exceptional Losses | 3.01 | 128,644,927 | 113,644,927 |
| Profit & Loss Appropriation Account/Retained Earnings | 3.02 | 45,114,496 | 32,701,919 |
| | | 173,759,423 | 146,346,846 |

3.01 **Reserve for Exceptional Loss:** TK. 12,86,44,927

Break up of the above amount is as under:

| | Amount (In Taka) | |
|---------------------------|--------------------|--------------------|
| | 2017 | 2016 |
| Opening Balance | 113,644,927 | 102,144,927 |
| Provision during the year | 15,000,000 | 11,500,000 |
| | 128,644,927 | 113,644,927 |

3.02 **Profit & Loss Appropriation Account:** Tk. 4,51,14,496

Details of the above has been shown in the Statement of Changes in Equity.

4.00 **REVALUATION SURPLUS [BAS-16]:** TK. 9,38,54,130

A reserve transfer is made during the year, the reserve transfer is recorded as actual depreciation less equivalent charged based on original historical cost of Land & Building. Transfer is shown in Statement in Changes in Equity as per BAS-16. The transfer is made as follows:

| Particulars of Revalued Assets | Book Value | Value after Valuation | Reserve Transfer | Revaluation Reserve |
|-----------------------------------|-------------------|-----------------------|------------------|---------------------|
| Opening Balance (Land & Building) | 39,796,000 | 137,520,000 | 1,954,480 | 95,769,520 |
| Addition during the year | - | - | - | - |
| Reserve transfer during the year | - | - | 1,915,390 | (1,915,390) |
| Total | 39,796,000 | 137,520,000 | 3,869,870 | 93,854,130 |

5.00 RESERVE FOR INVESTMENT FLUCTUATION FUND: TK. 45,44,401

The investment in share has been stated in the Balance Sheet at cost price which is above market value as on 31st December, 2017. Provision made as per Generally Accepted Accounting Principle. As per last account the balance of reserve for investment fluctuation fund was Tk.69,64,047.00. At the end of this year market price of Investment was Tk. 11,12,65,061.00 while the cost price Tk. 11,58,09,462. For this reason, Tk. 24,19,646.00 adjusted from the Investment Fluctuation Fund and treated the same amount transferred from Investment Fluctuation Fund in P/L Appropriation Accounts.

Break up of the above is shown below:

| Particulars | Amount (In Taka) | |
|---------------------------------|------------------|------------------|
| | 2017 | 2016 |
| Balance as per last account | 6,964,047 | 14,734,466 |
| Adjustment made during the year | (2,419,646) | (7,770,419) |
| Total | 4,544,401 | 6,964,047 |

6.00 BALANCE OF FUND AND ACCOUNTS :TK. 9,62,59,713

This is made up as follows:

| Class of Business | % | Amount (Tk.) | % | Amount (Tk.) |
|-------------------|-----|-------------------|-----|-------------------|
| | | 2017 | | 2016 |
| Fire | 40% | 29,909,037 | 40% | 31,979,895 |
| Marine | 40% | 40,296,531 | 40% | 24,319,517 |
| Motor | 40% | 18,811,692 | 40% | 18,243,193 |
| Misc. | 40% | 7,242,453 | 40% | 11,129,324 |
| Total | | 96,259,713 | | 85,671,929 |

7.00 PREMIUM DEPOSIT: TK.51,16,013

The above balance represents the amount of premium received against cover notes for which policies were not issued within 31st December, 2017

8.00 ESTIMATED LIABILITIES IN RESPECT OF OUTSTANDING CLAIMS WHETHER DUE OR INTIMATED : TK. 3,52,18,167

The class wise amount of the above is as follows:

| Class of Business | Amount (In Taka) | |
|-------------------|-------------------|-------------------|
| | 2017 | 2016 |
| Fire | 11,085,388 | 15,169,656 |
| Marine | 12,640,666 | 1,256,521 |
| Motor | 11,492,113 | 6,306,527 |
| Misc. | - | - |
| | 35,218,167 | 22,732,704 |

9.00 AMOUNT DUE TO OTHER PERSONS OR BODIES CARRYING ON INSURANCE BUSINESS: TK. 7,16,54,647

The above amount is payable to Sadharan Bima Corporation on accounts of re-insurance arrangements and to other Non Life Insurance Companies under co-insurance scheme.

10.00 SUNDRY CREDITORS: TK. 12,63,75,996

This is made up as follows:

| | Amount (In Taka) | |
|--|--------------------|--------------------|
| | 2017 | 2016 |
| Outstanding Audit Fee | 70,000 | 70,000 |
| Outstanding Office Rent | 418,150 | 182,140 |
| VAT payable | 4,131,420 | 2,764,808 |
| Provision for taxation (Note - 10.01) | 118,134,007 | 110,568,692 |
| Liability For Insurance Stamp | 1,861,422 | 436,861 |
| Liability For Office Rent - Tax | 29,576 | 26,238 |
| Liability For Credit Rating Fee - Tax | 12,648 | 12,648 |
| Liability for Tax on Agent Commission | 1,155,563 | 926,296 |
| Liability for Office Rent - VAT | 30,547 | - |
| Deferred Tax Liability (Note - 10.02(a)) | 532,663 | 545,033 |
| Total | 126,375,996 | 115,532,716 |

10.01 Provision for Taxation : Tk. 11,81,34,007

Details are as follows:

| | Amount (In Taka) | |
|--------------------------|--------------------|--------------------|
| | 2017 | 2016 |
| Opening Balance | 110,568,692 | 93,888,583 |
| Addition during the year | 7,565,315 | 16,680,109 |
| Total | 118,134,007 | 110,568,692 |

An amount of Tk. 75,65,315.00 has been provided during the year as provision against tax on Profit being consideration after reserve for exceptional losses and dividend Income from share investment as per provision of Income Tax Ordinance 1984.

10.02 (a) Deferred Tax Liability : Tk. 5,32,663

Details are as follows:

| | Amount (In Taka) | |
|---|------------------|----------------|
| | 2017 | 2016 |
| Carrying amount of Depreciable Fixed Assets | 174,755,477 | 175,319,316 |
| Less : Tax Base[(BAS-12(7))] | 173,502,153 | 174,036,885 |
| Deductible Temporary Difference | 1,253,324 | 1,282,431 |
| Effective Tax Rate | 42.5% | 42.5% |
| Deferred Tax Liability [BAS-12(44)] | 532,663 | 545,033 |

(b) Deferred Tax Expense/(Income)

| | | |
|--|-----------------|----------------|
| Closing Deferred Tax Liability | 532,663 | 545,033 |
| Opening Deferred Tax Liability | 545,033 | 550,803 |
| Total Deferred Tax Expense / (Income) | (12,370) | (5,770) |

11.00 BANK LOAN AGAINST LIEN OF FDR : TK. 47,69,000.00

Bank Loan represent the amount has been borrowed from different banks as Quard-e-Hasana against lien of Fixed Deposit Receipt. The break up of the above is given below:

| | | |
|---------------------------------------|-----|------------------|
| Balance as per last account | Tk. | 60,433,866 |
| Less: Adjustment made during the year | Tk. | 55,664,866 |
| | | 4,769,000 |

12.00 INVESTMENT (AT COST) IN BGTB : TK. 2,50,00,000

This represents the amount invested as statutory deposit under Insurance Act, 2010.

13.00 INVESTMENT IN SHARES: TK. 115,809,462

The above amount represents the cost price of shares of listed securities as given below:

| Instrument | Qty | Cost Price | Total Cost | Market Price | Market Value | Unrealized Loss |
|-------------------------------------|----------------|--------------|--------------------|--------------|--------------------|--------------------|
| SIBL | 130500 | 20.48 | 2,672,019 | 24.30 | 3,171,150.00 | 499,131 |
| National Bank Ltd. | 336129 | 23.92 | 8,038,744 | 13.00 | 4,369,677.00 | (3,669,067) |
| EXIM Bank Ltd. | 100000 | 12.69 | 1,268,872 | 17.20 | 1,720,000.00 | 451,128 |
| SJBL | 5197 | 18.31 | 95,179 | 33.00 | 171,501.00 | 76,322 |
| UCBL | 159278 | 24.11 | 3,840,698 | 23.60 | 3,758,960.80 | (81,737) |
| Bank Asia Ltd. | 8036 | 1.68 | 13,500 | 23.10 | 185,631.60 | 172,132 |
| Bank Asia Ltd. | 100000 | 22.47 | 2,246,720 | 23.10 | 2,310,000.00 | 63,280 |
| Berger Paints BD. | 100 | 131.11 | 13,111 | 2,063.00 | 206,300.00 | 193,189 |
| BIFC | 1672 | 6.32 | 10,570 | 10.70 | 17,890.40 | 7,320 |
| ICB Islamic Bank Ltd. | 20400 | 10.00 | 204,000 | 7.00 | 142,800.00 | (61,200) |
| Islamic Finance and Investment Ltd. | 4859 | 6.17 | 30,000 | 21.00 | 102,039.00 | 72,039 |
| Jamuna Bank Ltd. | 2585 | 5.10 | 13,179 | 22.00 | 56,870.00 | 43,691 |
| Summit Power Ltd. | 4886 | 5.36 | 26,201 | 35.90 | 175,407.40 | 149,206 |
| Beacon Pharmaceuticals Ltd. | 105000 | 9.52 | 1,000,000 | 21.30 | 2,236,500.00 | 1,236,500 |
| First Security Islami Bank | 200000 | 16.05 | 3,209,601 | 15.30 | 3,060,000.00 | (149,601) |
| Mercantile Bank | 100000 | 28.69 | 2,868,581 | 26.40 | 2,640,000.00 | (228,581) |
| One Bank | 100000 | 25.38 | 2,537,590 | 24.00 | 2,400,000.00 | (137,590) |
| Squire Pharma | 32250 | 284.70 | 9,181,734 | 301.80 | 9,733,050.00 | 551,316 |
| Trust Bank | 100000 | 46.44 | 4,643,890 | 42.60 | 4,260,000.00 | (383,890) |
| Uttara Bank | 200000 | 41.84 | 8,367,939 | 23.60 | 4,720,000.00 | (3,647,939) |
| AIBL 1st Mutual Fund | 500000 | 10.00 | 5,000,000 | 8.00 | 4,000,000.00 | (1,000,000) |
| AIBL Capital Market Services Ltd. | 5000000 | 10.00 | 50,000,000 | 10.00 | 50,000,000.00 | - |
| Eastern Bank | 11000 | 50.66 | 557,290 | 51.10 | 562,100.00 | 4,810 |
| IFAD Autos Limited | 500 | 133.73 | 66,863 | 126.00 | 63,000.00 | (3,863) |
| Naheen Alluminium Composite | 6847 | 9.09 | 62,246 | 73.40 | 502,569.80 | 440,324 |
| Oimex Electrode Ltd. | 7128 | 9.09 | 64,800 | 65.20 | 464,745.60 | 399,946 |
| Soure Pharma | 22438 | 281.36 | 6,313,055 | 301.80 | 6,771,788.40 | 458,733 |
| Basuhundhara Paper Mills Ltd. | 43226 | 80.00 | 3,458,080 | 80.00 | 3,458,080.00 | - |
| CAPM IBB: Islamic Mutual Fund | 500 | 10.00 | 5,000 | 10.00 | 5,000.00 | - |
| Total | 7302531 | 15.86 | 115,809,462 | 3,497 | 111,265,061 | (4,544,401) |

Value of stock has been taken as per cost price instead of market price as on 31-12-2017. It is noted that a provision has been made in previous years due to variation of cost price and market price as Investment Fluctuation Fund.

14.00 INTEREST, DIVIDEND AND RENT RECEIVABLES (ACCRUED BUT NOT DUE) : TK. 2,48,02,500

This represents accrued interest on investment in Bangladesh Government Treasury Fund and FDR realizable on maturity of the respective investment. This is made up as follows:

| | Amount (In Taka) | |
|--------------------------|-------------------|-------------------|
| | 2017 | 2016 |
| Interest on FDR | 23,437,500 | 12,560,000 |
| Interest on BGTB | 1,365,000 | 1,365,000 |
| Interest on AIBL Capital | - | 9,000,000 |
| | 24,802,500 | 22,925,000 |

15.00 AMOUNT DUE FROM OTHER PERSONS OR BODIES CARRYING ON INSURANCE BUSINESS : TK. NIL.

No dues from other Insurance Companies on account of co-insurance business.

16.00 SUNDRY DEBTORS: TK. 144,635,455

| | Amount (In Taka) | |
|-----------------------------|--------------------|--------------------|
| | 2017 | 2016 |
| Security Deposit | 8,001 | 8,001 |
| Advance against Salary | 488,000 | 475,000 |
| Advance against Office Rent | 7,783,944 | 7,317,153 |
| Advance to Agent | 8,041,423 | 9,150,000 |
| Advance against Company Tax | 128,314,087 | 108,416,093 |
| | 144,635,455 | 125,366,247 |

17.00 CASH AND BANK BALANCES: TK.393,814,694

This is made up as follows:

| | Amount (In Taka) | |
|------------------------------|--------------------|--------------------|
| | 2017 | 2016 |
| Fixed Deposit | 312,500,000 | 251,250,000 |
| STD & CD Accounts with Banks | 72,825,414 | 66,156,483 |
| Cash in hand | 8,460,406 | 14,229,312 |
| Cash with BO Account | 28,875 | 12,345 |
| | 393,814,695 | 331,648,140 |

18.00 FIXED ASSETS TK. 174,755,477

Details of the above balance have been shown in the Schedule-"A"

19.00 INTEREST INCOME: TK. 28,868,263

The break up of the above is given below:

| Particulars | Amount (In Taka) | |
|-------------------------------------|-------------------|-------------------|
| | 2017 | 2016 |
| Fixed Deposits | 24,253,767 | 21,367,998 |
| Bangladesh Government Treasury Fund | 2,587,800 | 2,730,000 |
| STD & CD Accounts | 2,026,696 | 1,743,624 |
| | 28,868,263 | 25,841,622 |

20.00 CAPITAL GAIN : TK. 35,428,459

Above amount represents the profit from sale of shares.

21.00 PREMIUM LESS RE-INSURANCE: TK. 240,649,282

| Particulars | Gross Premium | Ceded Premium | Net Premium | Net Premium |
|---------------|--------------------|--------------------|--------------------|--------------------|
| | | | 2017 | 2016 |
| Fire | 199,817,738 | 125,045,146 | 74,772,592 | 79,949,737 |
| Marine | 122,342,690 | 21,601,362 | 100,741,328 | 60,798,794 |
| Motor | 39,523,329 | 21,417,196 | 18,106,133 | 45,607,983 |
| Miscellaneous | 48,528,350 | 1,499,121 | 47,029,229 | 27,823,311 |
| | 410,212,107 | 169,562,825 | 240,649,282 | 214,179,825 |

22.00 MANAGEMENT EXPENSES (for Consolidation Revenue Account) : Tk. 145,948,187

| Particulars | % | 2017 | % | 2016 |
|------------------|-------|--------------------|-------|-------------------|
| Fire insurance | 50.78 | 74,111,134 | 50.78 | 48,320,143 |
| Marine Insurance | 31.95 | 46,620,899 | 31.95 | 30,396,628 |
| Motor Insurance | 10.56 | 15,409,820 | 10.56 | 10,047,137 |
| Misc. Insurance | 6.71 | 9,796,334 | 6.71 | 6,387,168 |
| | | 145,938,187 | | 95,151,076 |

23.00 Basic Earning Per Share (EPS)-Disclosure Under BAS - 33 "Earnings Per Share":

$$\text{Basic EPS} = \frac{\text{Earnings attributable to ordinary shareholders (Net profit after tax)}}{\text{Total number of Ordinary shares at end of the year}}$$

Computation of Earning Attributable to Ordinary Shareholders:

| | 2017 | 2016 |
|--------------------------------|-------------------|-------------------|
| Net Profit before Tax | 59,893,092 | 50,747,316 |
| Less: Provision for Income Tax | 7,565,315 | 16,680,109 |
| | 52,327,777 | 34,067,207 |
| | 2,682,408 | 2,438,553 |
| EPS = | Tk.19.51 | Tk.13.97 |

24.00 Events after The Reporting Period

The Board of Directors recommended 12% dividend (10% Stock & 2% Cash) for the year ended 31st December, 2017 in its 123rd Meeting held on 15-04-2018 subject to shareholders' approval at the forthcoming annual general meeting.

25.00 GENERAL :

- (1) Number of employees received upto Tk 4,500/- Per Month is 34 nos.
- (2) Number of employees received salary above Tk 4,500/- are 325 nos. (Approx.)
- (3) The Company has no contingent liability.

26.00 Disclosure as per requirement of Companies Act, 1994 and Securities & Exchange rules:

- (1) During the year under review no compensation was allowed by the company to the chief executive and officers of the company except their regular remuneration.
- (2) No Amount of money was spent by the company for compensating any member of the Board for special service rendered.
- (3) During the year under review an amount of Tk. 7,85,000/= was paid to the Directors of the company for Board meeting attendance fees as per allowable rate of the IDRA.
- (4) No transaction of Miscellaneous expenditure exceeded Tk. 1,000/-
- (5) There was no Bank guarantee issued by the Company on behalf of their Directors.
- (6) Auditors were paid only statutory audit fee duly approved by the shareholders in the last A.G.M.
- (7) There was no capital work in progress at the end of the accounting year.
- (8) No expenses were paid as royalty and salary to technical experts etc.
- (9) During the year Company was not entered into any agreement with the third party.
- (10) There was no Capital expenditure commitment as at December 31, 2017.
- (11) There was no claim against Company, which was not acknowledgement as debt other than normal course of business.
- (12) There was no credit facility available to the Company under any contract availed of as on December 31,2017 other than trade credit availed in the ordinary course of business.
- (13) There was no event occurred after Balance Sheet date, which might have effected financial position of the Company as per Balance sheet date.

Islami Commercial Insurance Co. Ltd
Form-XL

Statement showing details of Re-insurance ceded and accepted by the Islami Commercial Insurance Co. Ltd.
during the Year ended December 31, 2017

| Class of Business | PREMIUM | | | | COMMISSION | | | | CLAIMS | | | |
|-------------------------|--------------------|-----------------------|--------------------|--------------------|-----------------|-----------------------|--------------------|-----|-------------------|-----------------------|--------------------|-------------------|
| | Received on | | Paid on | | Received on | | Paid on | | Received on | | Paid on | |
| | Direct Business | Re-insurance Accepted | Re-insurance ceded | NET | Direct Business | Re-insurance Accepted | Re-insurance ceded | NET | Direct Business | Re-insurance Accepted | Re-insurance ceded | NET |
| Fire | | | | | | | | | | | | |
| Private | 196,531,867 | | 122,430,449 | 74,101,418 | | | 32,143,184 | | 13,122,975 | | 933,824 | 12,189,151 |
| Public | 3,285,871 | | 2,614,697 | 671,174 | | | 364,702 | | 15,728 | | | 15,728 |
| Total | 199,817,738 | | 125,045,146 | 74,772,592 | | | 32,507,886 | | 13,138,703 | | 933,824 | 12,204,879 |
| Marine | | | | | | | | | | | | |
| Private | 105,945,681 | | 7,785,450 | 98,160,231 | | | 2,304,187 | | 2,358,643 | | 712,487 | 1,646,156 |
| Public | 16,397,009 | | 13,815,912 | 2,581,097 | | | 2,415,470 | | 1,140,370 | | 513,569 | 626,801 |
| Total | 122,342,690 | | 21,601,362 | 100,741,328 | | | 4,719,657 | | 3,499,013 | | 1,226,056 | 2,272,957 |
| Misc. & Engg | | | | | | | | | | | | |
| Private | 21,825,390 | | 2,882,985 | 18,942,405 | | | 1,087,886 | | 2,275 | | | 2,275 |
| Public | 17,697,939 | | 18,534,211 | (836,272) | | | 2,345,528 | | 138,017 | | 111,800 | 26,217 |
| Total | 39,523,329 | | 21,417,196 | 18,106,133 | | | 3,433,414 | | 140,292 | | 111,800 | 28,492 |
| Motor | | | | | | | | | | | | |
| Private | 46,336,503 | | 1,265,340 | 45,073,163 | | | 106,335 | | 21,506,701 | | - | 21,506,701 |
| Public | 2,189,847 | | 233,781 | 1,956,066 | | | - | | 103,999 | | - | 103,999 |
| Total | 48,526,350 | | 1,499,121 | 47,029,229 | | | 106,335 | | 21,610,700 | | - | 21,610,700 |
| Total Private | 370,641,441 | | 134,364,224 | 236,277,217 | | | 35,641,592 | | 36,990,594 | | 1,646,311 | 35,344,283 |
| Total Public | 39,570,666 | | 35,198,601 | 4,372,065 | | | 5,125,700 | | 1,398,114 | | 625,369 | 772,745 |
| Grand Total | 410,212,107 | | 169,562,825 | 240,649,282 | | | 40,767,292 | | 38,388,708 | | 2,271,680 | 36,117,028 |

[Handwritten Signature]

Islam Aftab Kamrul & Co.
Chartered Accountants



PROPERTY, PLANT & EQUIPMENT AS AT DECEMBER 31, 2017

Sch-"A"

| Particulars | COST | | | | | | DEPRECIATION | | | | |
|------------------------------|--------------------|----------------------------------|------------------------|--------------------------------|-------------------------------|----------------------------|--------------|-------------------|--------------------------------|----------------------|---------------------|
| | At Jan. 01, 2017 | Written down value on 01.01.2017 | Sold during the period | Additions before June 30, 2017 | Additions after June 30, 2017 | Total at December 31, 2017 | Rate | At Jan. 01, 2017 | Depreciation for the year 2017 | At December 31, 2017 | Written down value. |
| Furniture & Fixture | 6,212,898 | 4,048,893 | | 380,189 | 136,256 | 6,729,343 | 10% | 2,164,005 | 442,908 | 2,606,913 | 4,122,430 |
| Office Equipment | 8,657,358 | 4,484,740 | | 1,546,470 | 512,158 | 10,715,986 | 15% | 4,172,618 | 904,682 | 5,077,300 | 5,638,686 |
| Vehicles | 50,944,707 | 27,047,908 | | 3,085,000 | 3,413,500 | 57,443,207 | 20% | 23,896,799 | 6,026,582 | 29,923,381 | 27,519,826 |
| Crockeries & Cutleries | 141,299 | 80,574 | | 11,790 | 4,310 | 157,399 | 20% | 60,725 | 18,473 | 79,198 | 78,201 |
| Office decoration | 9,156,159 | 5,541,622 | | 80,295 | 119,090 | 9,355,544 | 10% | 3,614,537 | 562,192 | 4,176,729 | 5,178,815 |
| Air conditioner | 4,060,555 | 2,421,223 | | 305,000 | 315,310 | 4,680,865 | 15% | 1,639,332 | 408,933 | 2,048,265 | 2,632,600 |
| Software Installation | 781,400 | 625,120 | | 410,000 | 300,000 | 1,491,400 | 20% | 156,280 | 207,024 | 363,304 | 1,128,096 |
| Telephone Installation | 258,125 | 194,740 | | 3,045 | 2,100 | 263,270 | 15% | 63,385 | 29,668 | 93,053 | 170,217 |
| Building | 39,796,000 | 33,624,976 | - | - | - | 39,796,000 | 2% | 6,171,024 | 672,500 | 6,843,524 | 32,952,476 |
| Land | 1,480,000 | 1,480,000 | - | - | - | 1,480,000 | 0% | - | - | - | 1,480,000 |
| Revaluation Surplus-Building | 97,724,000 | 95,769,520 | | - | - | 97,724,000 | 2% | 1,954,480 | 1,915,390 | 3,869,870 | 93,854,130 |
| Total Tk. | 219,212,501 | 175,319,316 | - | 5,821,789 | 4,802,724 | 229,837,014 | | 43,893,185 | 11,188,352 | 55,081,537 | 174,755,477 |

Note : Depreciation of fixed assets has been charged on Reducing Balance Method at the rates varying from 2% to 20%. Full years depreciation have been claimed on assets acquired on or before June 30, of the year otherwise no depreciation has been charged on assets acquired afterward.



Islam Aftab Kamrul & Co.
Chartered Accountants



বীমা আইন, ২০১০ এর ৪১ ধারা অনুযায়ী দায় ও পরিসম্পদ বিনিয়োগ বিবরণী
বীমাকারীর নাম :- ইসলামী কমার্শিয়াল ইন্স্যুরেন্স কোঃ লিঃ
২০১৭ইং সালের ৩১শে ডিসেম্বরের তথ্য।

| ক্রমিক নং | দায় | পরিমাণ (টাকায়) | ক্রমিক নং | সম্পদ বিনিয়োগ | পরিমাণ (টাকায়) |
|-----------|---|-----------------|-----------|---------------------------------------|-----------------|
| ০১ | অপরিশোধিত দাবীর পরিমাণ | ৩৫,২১৮,১৬৭.০০ | ০১ | বাংলাদেশ গভ: ট্রেজারী বন্ড (বিজিটিবি) | ২৫,০০০,০০০.০০ |
| ০২ | অগ্নি বীমার নীট প্রিমিয়ামের ৪০% | ২৯,৯০৯,০৩৭.০০ | ০২ | মেয়াদী হিসাবে ব্যাংকে জমা (এফডিআর) | ৩১২,৫০০,০০০.০০ |
| ০৩ | বিবিধ বীমার নীট প্রিমিয়ামের ৪০% (মোটর বীমা সহ) | ২৬,০৫৪,১৪৫.০০ | ০৩ | শেয়ারে বিনিয়োগ | ১১৫,৮০৯,৪৬২.০০ |
| ০৪ | নৌ কার্গো বীমার নীট প্রিমিয়ামের ৪০% | ৪০,২৯৬,৫৩১.০০ | | | |
| ০৫ | অন্য বীমাকারীর নিকট দায়ের পরিমাণ | ৭১,৬৫৪,৭৪৭.০০ | | | |
| ০৬ | অন্যান্য পাওনাদারকে দেয় | ১২৬,৩৭৫,৯৯৬.০০ | | | |
| ০৭ | এফডিআর এর বিপরীতে ঋণ গ্রহণ | ৪,৭৬৯,০০০.০০ | | | |
| | মোট দায়ের পরিমাণ | ৩৩৪,২৭৭,৬২৩.০০ | (খ) | মোট সম্পদের পরিমাণ | ৪৫৩,৩০৯,৪৬২.০০ |
| | অথবা | | | | |
| | নেট প্রিমিয়ামের ১০% | ২৪,০৬৪,৯২৮.০০ | | | |
| (ক) | মোট দায় এবং নেট প্রিমিয়ামের ১০% যথা বেনী | ৩৩৪,২৭৭,৬২৩.০০ | | অতিরিক্ত বিনিয়োগ (খ - ক) | ১১৯,০৩১,৮৩৯.০০ |

Handwritten Signature

ইসলাম আফতাব কামরুল এন্ড কোঃ
চার্টার্ড একাউন্ট্যান্টস



অডিটরের নাম, স্বাক্ষর ও সীল:

Handwritten Signature
মীর নাজিম উদ্দিন আহমেদ
মুখ্য নির্বাহী কর্মকর্তা