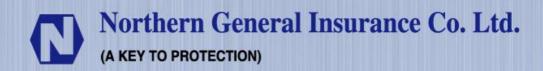
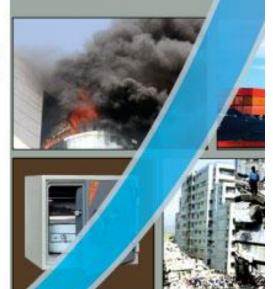
Amnual 2016 Report





Annual Report On 16



Northern General Insurance Co.

(A KEY TO PROTECTION)

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(A KEY TO PROTECTION)

Notice of the 21st Annual General Meeting

Notice is hereby given that the 21st Annual General Meeting of the honorable shareholders of Northern General Insurance Company Limited will be held on Thursday, June 15, 2017 at 10:00 A.M. at Institution of Diploma Engineers, Bangladesh, IDEB Bhaban, 160/A, Kakrail Dhaka-1000 to transact the following business:

AGENDA

1. Report and Accounts

To receive, consider and adopt the Audited Financial Statements and the Report of the Directors and Auditors of the Company for the year ended 31st December, 2016.

Dividends

To declare and approve dividend for the year 2016 as recommended by the Board of Directors.

Election/Re-election of Directors

To elect Directors who are retiring in terms of the relevant provision of the Articles of Association of the company.

4. Appointment of Auditor (s)

To consider appointment of Auditor (s) for the year 2017 and to fix their remuneration.

Dated, Dhaka May 17, 2017 By order of the Board of Director:

Sd/-

(Sujit Kumar Dey FCA)
Deputy Managing Director &
Company Secretary

Notes:

- a) May 18, 2017 has been scheduled as Record Date. The shareholders whose names appeared in t Share Register/Depository Register on the Record Date would be eligible to attend the meeting and entitled to dividend.
- b) Any member of the company entitled to attend and vote at the Annual General Meeting may appoint proxy to attend and vote on his/her behalf. The proxy must be a member of the company.
- c) The instrument appointing a proxy duly stamped and signed by the member must be submitted to t Registered Office of the Company not less than 48 hours before the time fixed for the meeting.
- d) For registration in the meeting, production of attendance slip is required.
- e) The shareholders are requested to register their names in the counter at the entrance of the AC venue from 8:00 A.M. to 10:15 A.M. on June 15, 2017. No entry will be recorded before 8:00 A.M. a after 10:15 A.M. on the scheduled meeting date.



Corporate Information

Name of the Company	Northern General Insurance Co. Ltd.				
Legal Form	A Public Limited Company Incorporated in Bangladesh under the Companies Act 1994 from Registrar of Joint Stock Companies & Firms and Registered with Department of Insurance, Govt. of the People's Republic of Bangladesh (Now Insurance Development Regulatory Authority).				
Nature of Business	Non Life Insurance Business				
Auditors	Rahman Mostafa Alam & Co. Chartered Accountants Paramount Heights (7th Floor, D2 & C1) 65/2/1 Box Culvert Road, Purana Paltan, Dhaka-1000				
Contracts	Telephone : (+880-2-) 955 9077-79, 57164389, 47110160 Fax : (+880-2-) 9551579 Email : info@ngicl.com Website : www.ngicl.com				
Legal Advisor	MNS Barristers & Advocates 2/1, Naya Paltan (3rd floor), Dhaka, Bangladesh				
Tax Advisor	ADN Associates Aly's Centre (8th Floor), 40, Bijoy Nagar, Dhaka-1000, Bangladesh				
Principal Bankers	Standard Chartered Bank AB Bank Ltd. First Security Islami Bank Ltd. Southeast Bank Ltd. Shahjalal Islami Bank Ltd.				

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Audited Financial Statement for the 31 December, 2015

Unaudited Financial Statement for the 1st quarter ended 31 March, 2016

Incorporation of the Company	7	April 08,1996	
Commencement of Business	:	April 08,1996	
First Board Meeting		March 25,1996	
Registered with the Department of Insurance	:	May 25,1996	
Authorized Capital (in Tk.)	;	Tk. 1,000,000,000.00	
Issued, Subscribed & Paid up capital	i	Tk. 38,78,14,650.00	75
Number of Share Issued	;	3,87,81,465 Shares	5
Face Value (Per Share)	:	Tk.10.00	
Applied for Listing with DSE	:	July 16, 2008	
Applied for Listing with CSE		July 16, 2008	
First Trading of shares on DSE		November 25, 2008	
First Trading of shares on CSE	:	November 25, 2008	
Net Asset value per share	:	Tk. 20.16	100
Price Earning Ratio (as on 31-12-2016)		DSE-Tk. 12.04, CSE-Tk.	11.75
Market Price (as on 31-12-2016)	:	DSETk. 20.60, CSETk. 2	20.10
Year Wise Dividend Declaration		12.50% (Cash Dividend 15% (Bonus) 2008, 159 12% (Bonus) 2010, 159 12% ((Bonus) 2012, 10 10% (Bonus) 2014, 129 10%(Bonus) 2016	% (Bonus) 2009, % (Bonus) 2011, % (Bonus) 2013
Distribution of 12% stock dividend in respect	1	Record date	April 24, 2016
of financial year ended 31st December, 2015		Allotment date	June 16, 2016
20th Annual General Meeting		Notice date	May 10, 2016
20th Annual General Meeting		Held on	June 02, 2016

Submission Date

April 28, 2016

April 26, 2016

Vision, Mission & Objectives

Our Vision

To be the market leader as strong and dynamic non-life insurer in providing integrated insurance service with special focus on prompt claim settlement.

Our Mission

- Enhance profitability through customer's satisfaction.
- Create shareholders value.
- Progress Employer's Commitment to excellence.

Objectives

- To meet the customers demand with our all out effort.
- To ensure the maximum protection of investment of our shareholders.
- To provide secured employment environment.
- To maintain high level of ethical standard.
- To develop corporate culture and good governance for us and all around us.
- To maintain the transparency in disclosures.

Products and Services

Fire Insurance

- Fire Insurance (including Allied Perils)
- Industrial All Risks (IAR)

Marine Cargo Insurance

- Transit by Steamer or Powered Vessel
- Transit by Rail/Lorry/Truck
- Transit by Inland Rail or Road Conveyance
- Transit by Air Cargo
- Transit by Inland Cargoes (Water Borne)

Marine Hull Insurance (TLO)

- Total Loss Only (TLO)
- Comprehensive

Motor Insurance

- Commercial Vehicle
- Private Vehicle
- Motor Cycle/ Scooter

Miscellaneous

- Burglary & House Breaking Insurance
- Cash in Safe
- Cash in Transit
- Cash on Counter
- Cash in Premises
- Contractors' All Risk(CAR)
- Erection All Risks (EAR)
- Engineering Insurance
 - Boiler and Pressure Vessel Insurance (BPV)
 - Machinery Breakdown Policy (MBD)
 - Deterioration of stock in cold storage Policy (DOS)
 - Electronic Equipment Insurance (EEI)
 - Lift Insurance Policy
- Fidelity Guarantee Insurance
- People Personal Accident (PPA)
- Performance Bond Insurance
- Third Party Liability Policy
- Workmen's Compensation Policy
- Personal Accident Policy (PA)
- Rusiness Interruntion Policy



Branch Network

Branch Name	Address	Phone/Fax/Mobile	
Agrabad Branch	Sattar Chamber (4th floor) 99 Agrabad C/A, Chittagong	Tel:031-2518279 Mobile:01819-321297	
Bangshal Branch	230 North South Road (3rd floor), Dhaka	Tel: 02-47116843, Fax: 02-7116162 Mobile: 01819-271092	
B.B. Avenue Branch	29 B.B. Avenue (1st floor), Dhaka-1000	Tel: 02-9558011, Fax: 02-9569598 Mobile: 01711-850550	
Comilla Branch	Hira Mansion (3rd floor), Ramghat, Kandirpar, Comilla	Tel:081-67813 Mobile:01727-115552	
Dilkusha Branch	Zaman Court, (8th Floor), 45 Dilkusha, C/A, Dhaka-1000	Tel: 02-9551805, Fax: 02-9577630 Mobile: 01819242180	
Elephant Road Branch	299 Elephant Road (5th floor) Dhaka	Tel: 02-9660746, 02-8616145 Mobile: 01718 964799	
Gazipur Branch	Tangail Road, Near Brac Bank & NCC Bank Ltd. Chandana, Chourasta, Gazipur	Tel: 02-49263672 Mobile: 01711-317698	
Hatkhola Branch	Property Heights (2nd Floor), 12, R.K. Mission Road, Dhaka.	Tel: 02- 9563635 Mobile: 01819-468690	
Jubilee Road Branch	44, Jubilee Road, Enayet Bazar, Chittagong	Tel:031-615611, Fax:031-630327 Mobile:01819-385413	
Kadamtoli Branch	1336/A.D.T. Road, (1st Floor) Kadamtoli, Chittagong	Tel:031-718495, Fax:031-716125 Mobile:01819-311430	
Khatungonj Branch	279 Khatungonj, Noor Market, Chittagong	Tel: 031-622426, Fax: 031-622425 Mobile: 01817-748474	
Kawran Bazar Branch	57/E (1st Floor), Kazi Nazrul Islam Avenue, Dhaka	Tel:02-9125864, Fax:02-9124511 Mobile: 01819 199170	
Kakrail Branch	50/D, VIP Road (1st Floor) Naya Palton, Dhaka-1000	Tel: 02-9346686, Fax: 02-9355988 Mobile: 01913 464031	
Local Office	Motijheel Square (7th floor), 1/B,	Tel:02-47114932 Fax:02-9571555	

Branch Network

Branch Name	Address	Phone/Fax/Mobile
Motijheel Branch	Bhuiyan Mansion (2nd floor), 6 Motijheel C/A, Dhaka	Tel :02-9559702, Fax : 02-712119 Mobile : 01711-107651
Mogh Bazar Branch	4, Shahid Tajuddin Sharani (4th floor), Boro Moghbazar, Dhaka-1217	Tel:02-9330450, Fax:02-833154 Mobile:01730-452819
Mohakhali Branch	H-4 (2nd floor), International Airport Road, Mohakhali C/A, Dhaka	Tel: 02-9886790, Fax: 02-989049 Mobile: 01713-038195
Tangail Branch	Holding No. 1100, P.S Modhupur, Dist. Tangail	Tel:09228-56352 Mobile:01711-33343
Narayangonj Branch	Fazar Ali Trade Centre (4th floor), 78, B.B. Road, Narayangonj	Tel:02-7631963 Mobile:01816-338372
Paltan Branch	Darus Salam Arcade (6th Floor), Room # 02, 15, Purana Paltan Dhaka-1000	Tel:02-9513173, Fax:02-951325 Mobile:01711-136580
Shantinagar Branch	Shaan Tower (4th floor), 24/1 Chamelibag, Dhaka	Tel:02-9338037 Mobile:01711-850942
Sk. Mujib Road Branch	Progressive Tower (2nd floor), 1837, SK. Mujib Road, Badamtoli, Agrabad, C/A, Chittagong	Tel:031-2517832, Fax:031-2517834 Mobile:01716 524778
lmamgonj Branch	AGI Business Centre (7th Floor) 81/B-1, Hosni Dalan Road, Chankharpul, Dhaka-1000.	Tel: 57300725 Contact No. 01871 210100
Principal Branch	204, Syad Nazrul Islam Sarani Bijoy Nagar, Aziz Co-Operative Motor Parts Market (2nd floor), Dhaka-1000.	Tel: 9513627-28 Mobile No.: 019122 46526 016721 65279



Board of Directors

Chairman

Mr. Abdul Matin

Vice-Chairman

Mr. Mohammad Azam

Directors

Al-haj Nasiruddin

Mr. Md. Sarwar Salim

Mr. S. M. Ayub Ali Chowdhury

Al-haj Abdus Samad

Al-haj Md. Saiful Alam

Mrs. Ferdousi Islam

Mr. Arshadul Alam

Ms. Thamina Rahman

Barrister Faysal Ahmed Patwary

Mr. Shahriar Khaled

Mr. Mortuza Siddique Chowdhury

Mr. Mohammed Shafiul Azam

Independent Director

Prof. Dr. Zainab Begum

Mr. Mohammad Rafique

Chief Executive Officer

Mr. Abdul Haque FCA

Company Secretary

Mr. Sujit Kumar Dey FCA

Executive Committee

Chairman

Mr. Arshadul Alam

Claim Committee

Chairman

Al-haj Nasiruddin

Audit Committee

Chairman

Prof. Dr. Zainab Begum

Manpower Review Committee

Convener

Mr. Md. Sarwar Salim

Introducing the Directors

Board of Directors and their Profile







Mr. Abdul Matin Chairman, BOD

Mr. Abdul Matin was elected as the Chairman of Northern General Insurance Company Limited in the 172nd Meeting of the Board of Directors held on June 02, 2016. After completion of his Diploma in Textile Chemistry and BSC in Textile (USA), he started his business career & set up a good number of business in Manufacturing, Insurance and Medical Services holding the capacity of Chairman, Managing Director & Director which has been listed in page 86. He is a widely travelled person and involved in many social activities.

Mr. Mohammad Azam Vice Chairman, BOD

Mr. Mohammad Azam, the Vice Chairman of Northern General Insurance Company Limited is a promising businessman of the country. After completion his education, he devoted himself to business activity at Chittagong. He has a long experience in various field of business and involved in the business of Shipping & Trading listed in the page 86. He is a widely travelled person and associated with many social activities.

Al-haj Abdus Samad Director, BOD

Al-haj Abdus Samad, Director of the Northern General Insurance Company Ltd. is a prominent entrepreneur of the country. He is the Chairman of the Board of Director of Al-Arafah Islami Bank Ltd. and Vice Chairman of S. Alam Group. He has versatile & diversified business affiliation and keen perception in Banking, Leasing, Merchant Banking, Manufacturing, Shipping, Power Plant, Transportation, Properties, Electronic Media and Trading business holding the capacity of Chairman, Vice Chairman, Managing Director and Director which is listed in the page 87. He is very much active using his tremendous leadership to progress and development of the insurance sector. He accomplished his graduation business in administration from Panjab University Chandrighar, India. He traveled the SAARC Countries, USA, UK, Canada, Brazil, Japan, China, Malaysia, Singapore, Thailand and Several European Countries on business trips on different accession including Conference, Seminar, Symposium etc. He is also deeply involved in many Social Activities.



Alhai Nasiruddin Director, BOD & Chairman of Claim Committee

Former Chairman of Board of Directors, Al-haj Nasiruddin is a Sponsor Director of Northern General Insurance Company Limited as well as a versatile business personality. He is actively associated with a number of companies in the areas of Insurance, Trading and Indenting Sector. A list of organizations and entities has given in the page 86. where he has got interest in the capacity of Managing Director and Proprietor. He has attached with various educational & socio cultural activities and devoted himself in the development of the country. He is also a widely travelled person across the globe on business trips.



Mr. S. M. Ayub Ali Chowdhury Director, BOD

Former Chairman of the Board of Director Mr. S. M. Ayub Ali Chowdhury is a Director of Northern General Insurance Company Ltd. Apart from this he is a prominent businessman of the country and involved in the business of Manufacturing and Pharmaceutical holding the capacity of Chairman which has been listed in the page 86. He is a widely travelled person and involved in many social activities.



Mr. Md. Sarwar Salim Director, BOD & Convener, Manpower Review Committee

Former Vice Chairman of the Board of Director Mr. Md. Sarwar Salim is a Director & Convener of Manpower Review Committee of Northern General Insurance Company Ltd. He accomplished his M.Com. in Accounting and he is a highly proficient personality in the field of Banking Sector having a long experience in multinational banking sector with the managerial capacity. He is involved himself in different lines in business activities like Manufacturing, International Trading & Property business holding the capacity of Managing Director & Director which has been listed in the page 86. He is associated with many social activities and is a widely travelled person across the globe.





Mrs. Ferdousi Islam, a dynamic and visionary business personality is a Sponsor Director and is involved with a good number of business entities holding the capacity of Chairman, Managing Director & Director in the various field of business listed in the page no. 86. She is also actively involved in many social activities. She is a widely traveled person across the globe.



Al-haj Md. Saiful Alam Director, BOD

Al-haj Md. Saiful Alam, Director of Northern General Insurance Company Limited is a renowned Entrepreneur of the Country. He is the Chairman of S. Alam Group and First Security Islami Bank Ltd.. Besides, he has built up a reputation as an astute and efficient business personality and achieved a remarkable success in a good number of business entities engaged in Banking, Leasing, Merchant Shipping, Banking, Manufacturing, Power Plant, Transportation, Properties, Electronic Media & Trading Business holding the capacity of Chairman & Managing Director which is listed in the page no. 88. Apart from all these, he is associated with a number of Social, Sports, Cultural and Religious Organizations.



Mr. Arshadul Alam Director, BOD & Chairman of **Executive Committee**

Mr. Arshadul Alam, a young and dynamic businessman is a Sponsor Director of Northern General Insurance Company Limited. After completion his graduation Business in Administration he started his career to set up a number of companies holding capacity of Director and Proprietor which is listed in the page no. 87-88. He is a widely traveled person across the Globe on business trips and involved in many socio cultural activities.







Barrister Faysal Ahmed Patwary Director, BOD

Barrister Faysal Ahmed Patwary is a dynamic and young business personality had accomplished his Bar-at-Law. Thereafter, he engaged himself with business activities in different areas with several prestigious sector to set up a good number of entities holding the capacity of Director which is listed in the page no. 86. He is very much using his tremendous leadership to progress and development of the insurance business. He is a widely travelled person and visited the SAARC countries, USA and several European Countries for business purpose.

Mr. Shahriar Khaled Director, BOD

Mr. Shahriar Khaled is a young and energetic business personality of the country. He is involved in the diverse area of business holding capacity of Director listed in the page no. 87. He is also deeply involved in many social activities and a widely traveled person.

Mr. Mortuza Siddique Chowdhury Director, BOD

Mr. Mortuza Siddique Chowdhury, Director Northern General Insurance Company Limited is a prominent businessman in the country. He has a long experience in business like Leasing, Media, Properties and Trading sector holding the capacity of Chairman, Managing Director and Director listed in the page no. 88. He is also involved in many social activities and a life members of Anjumane Ittehad, Baitus Sharaf, Chittagong and Baitus Sharaf Hospital, Cox's Bazar. He is a widely travelled person





Ms. Thamina Rahman is a young and promising business woman and is devoted herself to business activity at Chittagong. She is involved in many social, cultural activities and devoted herself in social welfare works. She is a widely traveled person.



Mr. Md. Shafiul Azam Director, BOD

Mr. Md. Shafiul Azam is a young and promising entrepreneur of the country. After completion of his graduation in Business Administration from University of Canberra, Australia, he started his business career in diverse area like Manufacturing, Properties, International Trading etc holding the capacity of Director listed in the page no. 86. Mr. Md. Shafiul Azam is a widely traveled person across the globe.





Prof. Dr. Zainab Begum is an Independent Director of Northern General Insurance Company Limited. She is a retired Joint Secretary of government of the People's of Republic of Bangladesh, Bangladesh Secretariat. She has 35 years experience in different Ministries of Bangladesh Govt. for policy making as senior ranking Government officer. She obtained her M. Sc. From University of Dhaka and completed her P. D from University De Clermontferrand, France, She got various training in different from UGC, UNESCO, NAEM, Dhaka, SAARC, BIAM Dhaka, RDCD of Division of LGRM Ministry. She is a widely traveled person across the globe on official trips on different occasions including attending high level conference, international Seminar, Symposium etc.



Mohammad Rafique Independent Director

Mr. Mohammad Rafique was appointed to the Board of Northern General Insurance Company Limited on 23 September, 2014 as Independent Director. He had completed his MSS in Economics from Chittagong University. He is the Proprietor of M. M. Corporation.



Management Team

Managing Director & CEO

Mr. Abdul Haque FCA

Deputy Managing Director

Mr. Sujit Kumar Dey FCA (CFO & Company Secretary) Mr. Md. Raihan Ferdous Mr. Md. Mahbubul Haque Mr. Md. Mustafizur Rahman Mr. Md. Lutful Alam

Assistant Managing Director

Mr. Md. Masud Rana Mr. Kazi Mizanur Rahman Mr. S. M. Ahasanul Haque Mr. Md. Abdul Haque Chowdhury Mr. Md. Zahir Uddin Babur Mr. Golam Haider Chowdhury Mr. Chowdhury Golam Faruque

Sr. Executive Vice President

Mr. Mohammed Salim Mr. Md. Rafiqul Islam Mr. Badrul Haque Rafiqi

Executive Vice President

Mr. Md. Nazmul Huda Mr. Md. Azazul Islam Mr. Khokan Chandra Sarkar

Sr. Vice President

Mr. Uzzal Kumar Chakraborty Mr. Shahidul Hoque

Vice President

Mr. Babul Mitra Mr. Md. Aminul Islam Mr. Md. Waliullah Sikder (Wali)

Senior Assistant Vice President

Mr. M. H. Galib Mr. Mohammed Saifur Rahman Mr. Md. Nazmul Karim Mr. Tofayel Ahmed Bhuiyan

Assistant Vice President

Mrs. Fazilatun Nesa Rimi

Mr. Md. Shamsul Alam

Joint Assistant Vice President

Mr. Md. Abul Hasanat Mr. Md. Mostafa Jamal Masud Mr. Md. Hafizullah Mr. Md. Shakhawat Hossain Mrs. Shikha Rani Datta, ACS Mr. Mohammed Jahangir Alam

Pictorial



20th AGM held on June 02, 2016



Shareholder's registration event in the 20th AGM



Shareholder's at 20th AGM

Pictorial







Chairman's Address



Chairman's Address

Bismillahir Rahmanir Rahim

Distinguished Shareholders,

Assalamu Alaikum,

It gives me immense pleasure to welcome you all to the 21st Annual General Meeting of Northern General Insurance Company Ltd. and place before you Company's Audited Financial Statements for the year ended 31st December 2016 for your consideration.

Northern General Insurance Company Ltd. has continued to post profit in 2016 despite a challenging business environment. In line with accelerating economic growth rate of the country, the company maintained sustainable momentum and the Directors' Report have elaborately dealt with the performance for the year ended 31st December, 2016.

Despite of stiff market competition, performance of Northern General Insurance Company Limited has been higher during this year. We earned a Gross Premium of BDT 373.38 million against Gross Premium of BDT 351.38 million in 2015 i.e. BDT 22.00 million more than last year. Our net profit stood at BDT 93.72 million and total asset stood at BDT 1,129.28 million as at 31st December, 2016

Based on the net profit for the year 2016, we have proposed 10% Stock Dividend. With the addition of proposed Stock Dividend, the paid up capital of the company will be almost Tk. 42.66 crore. We are confident to maintain the strong performance based on our financial strength and on our competitive advantages. The company continues with its business portfolio by advocating for medium and smaller clients, thus achieving a desirable spread of business fundamental to the growth of insurance industry.

We have always emphasized on professionalism and the company is in the hands of highly qualified personnel, who have rendered dedicated services over the years and moved the company forward to where it is now. Development of proper human resources is one of the priorities of the company to maintain its ability to provide services of the highest quality to its clients and thus edge over its competitors. In these days of information technology, the company is equally attentive to this area and has expanded its existing network services to the fullest extent.

Northern General Insurance Company Limited views sound corporate governance as a critical factor in ensuring organizational integrity and efficiency creating long term value for shareholders. We aspire to the highest standards of ethical conduct and best practices in reporting results with accuracy and transparency and maintaining full compliance with the laws, rules and regulations that govern our business in different jurisdiction.

With its impressive track record, we are very much confident that the company is poised to accept challenges of the future, capitalize on opportunities arising and maintain its momentum in growth in business and profitability in the year to come. We are most obliged and appreciative of the continued support from our clients & shareholders and would look forward to continuation of the same. In particular, I would like thank to all scheduled banks & non banking financial institutions with whom we have extensive dealings, prime regulator IDRA, Stock Exchange of Dhaka & Chittagong, CDBL, BSEC, Sadharan Bima Corporation and other governing bodies for their continued co-operation and support.

I would like to convey my sincere thanks to my fellow Directors for their support and cooperation. The management team and the staff worked very hard to take the company forward and in delivering excellent results, I would like to record our deepest appreciation of their dedicated services and convey our thanks to all of them.

May Allah bless all of us.

Abdul Matin Chairman

Chief Executive Officer's Review



Chief Executive Officer's Review

Bismillahir Rahmanir Rahim

Assalamu Alaikum,

It is indeed a great pleasure for me to thank you in the 21st Annual General Meeting of Northern General Insurance Company Limited. I am honoured to take over the charge as Managing Director & Chief Executive Officer in early September 2016. I am delighted to report our results in different aspects to all our valued Shareholders.

As you all know, we have crossed one more challenging year. If you are at the top, pressure to remain in the lead becomes more intense, standards continue to be higher and the objectives and goals become more pronounced. As a non life insurance company, Northern General Insurance Company Limited has reached in a unique position in the Insurance field by making a difference and we are always concious about the interest of the clients and betterment of our company.

In our way to participating in the nation building activities, our company made significant contribution to the government each year by payment of Tax, VAT, Stump Duty etc. During the year 2016, our Company has earned a gross premium of BDT 373.38 million, net profit of BDT 93.72 million and total asset stood at BDT 1,129.28 million. Besides, our company did well as compared to the market in terms of turnover which has been presented in detail in the Report of Board of Directors.

We are grateful to our prime regulator Insurance Development & Regulatory Authority and also other regulatory bodies such as Bangladesh Securities & Exchange Commission, Registrar of Joint Stock Companies & Firms, Dhaka Stock Exchange Ltd., Chittagonj Stock Exchange Ltd., Central Depository of Bangladesh Ltd., Bangladesh Bank, all Schedule Banks & Non Banking Financial Institutes for their support and guidance.

We are really thankful to our adroit employees because without their dedication & hard work nothing would be possible and we always believe in team work.

To conclude I wish to express my profound gratefulness to the members of the Board of Directors of Northern General Insurance Company Limited who have extended their all out support and advices to proceed with the work smoothly to attain the optimum goal of the company.

We believe the gains made the past year will instrumental for better positioning of the company in the future. We sincerely thank to all of our respected Shareholders and Customers for reposing their unshakeable trust and confidence in making the year 2016 a success and we are always looking for ideal opportunities for them and ourselves which will enhance our strength by focusing areas, where we have an advantage today and we can grow faster. Because we are the adherents of vision and vision can take us to a comfortable place where we want to see ourselves in the coming days.

With best regards

Abdul Haque FCA Chief Executive Officer



Bismillahir Rahmanir Rahim

Dear Shareholders,

Assalamu Alaikum,

It is indeed a great pleasure and privilege for me to present on behalf of the Board of Directors the Annual Report and Audited Financial Statements of the Company for the year ended 31st December, 2016 together with the Auditors' Report there on, for consideration and approval of our valued shareholders in accordance with the prevailing rules and regulations. These were approved by the Board of Directors of the company on 25 April, 2017. Before I deliver the performance of our company in 2016, it would be appropriate to apprise you about the global perspective of the industry and its impact on Bangladesh scenario.

Global and Bangladesh Economy

According to IMF's world economic outlook, the global growth for the year 2016 is estimated at 3.4%, wherein it is projected 3.6% in 2017. This forecast is based on the assumption of a changing policy mix under a new administration in the United States and its global spillovers and the projection inconsistent with the steepening U.S. yield curve, the rise in equity price, and the sizable appreciation of the U.S. dollar since the November 8, 2016 election. This world economy outlook forecast also incorporates of firming of oil prices following the agreement among OPEC members and several other major producers to limit supply. Growth also remained solid in the United Kingdom, where spending proved resilient in the aftermath of the June 2016 referendum in favour of leaving the European Union (Brexit). But China's Growth remained strong, reflecting continued policy support, activity has slowed in India because of the impact of the currency exchange initiative, as well as in Brazil, which has been mired in deep recession. However, according to Asian Development outlook, it is still far too early to judge how Brexit will effect growth in developing Asia, as this will depend very much on how the future relationship between the UK and the EU evolves.

According to Asian Development Bank, Bangladesh's GDP growth rate accelerated to 7.1% in 2016 from 6.6% in 2015. Sustained macro economic stability, disinflation, rising reserves and declining interest rates played an important role in stabilizing the economy. Moreover political stability has given entrepreneurs confidence to do better in the days to come which has been yielded high economic growth. Growth in agriculture witnessed to 2.60% in the current year, from 3.33% a year earlier. Likewise, the industry sector grew

10.10% from 9.67% & the services sector 6.70% from 5.80%. Among other sector, fishing rose 6.19%, manufacturing 10.30%, electricity, gas & water supply 11.15% and construction 8.87%.

As a developing country, Bangladesh has several production sectors, which have greater contribution on GDP. Garment Industry has fostered more than pure economic gain and according to Asian Development outlook industry growth was higher than expected in line with a strong garment sector. Although the Brexit vote has had some impact on Bangladesh economy, as the UK begin Bangladesh's third largest importer of RMG, the US and Germany. Bangladesh export earnings are also driven by RMG sector and 82% of export earnings came from this sector, while, the other export oriented sectors are not performing well that is why export contribution to GDP is not increasing in line with the growth of economy of the total GDP, 14.75% came from agricultural sector, 28.5% from Industry sector and 56.69% from service sector. Moreover, the government has taken initiative to diversify export basket to prompt export oriented sectors in aiming to enlarge export volume.

The insurance sector in Bangladesh is still in its adolescence. With the operation of 47 non life insurance company, is extremely overcrowded when compared with developing countries including our neighbors. Consequently, the situation in Bangladesh non life market has continued to worsen due to intense and cut throat competition among the existing market players. Regulatory reforms to modernize strict enforcement of these and whole hearted adherence to all are needed to free the industry from unwanted practices and to glorify its dignity.

Financial Achievement

In the year ended on 31st December, 2016 the Gross premium income of the company stood at Tk. 373.38 million against Tk. 351.49 million during the year 2015. Total Investment including FDR reached to Tk. 211.87 million during the year compare to Tk. 178.74 million in 2015 and Total Assets stood at Tk. 1,129.28 million against Tk. 1,110.65 million in 2015.

Profit

Due to tremendous fall in rate of interest/profit on fixed deposit during the year 2016 Investment Income stood at Tk. 14.41 million against Tk. 24.99 million in 2015. In spite of fall in investment income your Company earned Net Profit before tax Tk. 93.72 million in 2016 against Tk. 90.26 million in 2015.

Client Service & Claim Settlement

The Board of Directors of the company follows the principle of increasing goodwill of the company in all respect such as prompt settlement of Claim, Payment of dues (if any) in time, improvement of prompt services to the clients, associates, well wishers and to look after the well-being irrespective of rank and file of the insured to maintain excellent friendly atmosphere at all time. The Claim Department of Northern General Insurance Co. Ltd. is fully equipped with devoted and efficient professionals capable of providing

personalized services to the valued clients round the clock. The Gross Claim paid during the year stood at Tk. 92.17 million against Tk. 56.29 million in 2015.

Reserve & Surplus

In order to build strong and solid foundation of Assets & Reserve based Company, the Board of Directors proposed to transfer Tk. 25.00 million only to Reserve for Exceptional Losses Account during the year and therefore, the Reserve and Surplus stood at Tk. 410.43 million in 2016 as follows:

		In Million Tk.
Reserve for Exceptional Losses		138.03
Reserve for Un-expired Risk		84.23
Revaluation Surplus		188.17
-	Total	410.43

Earning Per Share

Company's profit attributable to the ordinary shareholders is Tk 67.92 million as at 31 December 2016. During this year Company's Earning Per Share (EPS) stood at Tk. 1.71 (face value at Tk. 10/-) considering 3,87,81,465 issued shares including 12% stock dividend approved for the year ended 2015.

Dividend

Our long term goal is to maximize shareholders interest on their investment. Keeping this objective in mind, the Board of Directors recommended 10% Stock Dividend to the shareholders of the Company for the year ended 31st December 2016 subject to approval in the 21st AGM.

Investment

The total Investment of the Company stood at Tk. 211.87 million at the end of the year 2016 as against Tk. 178.74 million in 2015.

	Year 2016 In Million Tk.	Year 2015 In Million Tk.
Fixed Deposit with various Banks	166.84	123.72
Bangladesh Govt. Treasury Bond	25.00	25.00
First Security Subordinated Bond	20.00	30.00
Share in Public Limited Company	0.03	0.02
Total	211.87	178.74

Retirement of Directors

At the 21st Annual General Meeting the following Directors from 'A' Group shall be retired by rotation as per article 112 & 114 of the Articles of Associations of the Company, being eligible, they offer themselves for re-appointment:

- 1) Mr. Abdul Matin
- 2) Alhaj Nasiruddin
- 3) Mr. Mortuza Siddique Chowdhury
- 4) Mr. Arshadul Alam

In accordance with the provision of clause 112 of the Articles of Association of the Company the following 2 Directors belonging to Group –B will retire in the 21st Annual General Meeting:

- 1) Alhaj Md. Saiful Alam
- 2) Ms. Thamina Rahman

With a view to inform all public shareholders, the relevant notice in relation to Election of Directors from Public Shareholders has already been published on April 14, 2017 in two National Dailies.

Independent Director

As per section 76 of the Insurance Act, 2010 an insurance company shall have two Independent Directors on the Board and accordingly we have fallowing independent directors:

- Prof. Dr. Zainab Begum
- 2) Mr. Mohammad Rafique

Human Resource Management

In the perspective of the national economy of the country, the principal goal is to generate more and more employment. All of you know that the skilled manpower plays a very vital role in achieving a gradual achieved goal. You would be pleased to know that presently 297 nos efficient and dedicated professional officers & staff are working in the company holding various positions. To build up an efficient and enriched team, through all level of officers and staff, different types of training have been arranged that has given a positive improvement on overall image of the company.

Appointment of Auditor(s)

The present Auditors M/s Rahman Mostafa Alam & Co., Chartered Accountants of Paramount Heights (7th Floor, D2 & C1), 65/2/1 Box Culvert Road, Purana Patlan, Dhaka-1000 is going to retire in the 21st Annual General Meeting and they have

completed their assignment as Auditor(s) for the year 2016. Being eligible they have expressed their willingness to be appointed as Statutory Auditor of the company and offered themselves for re-appointment for the year 2017. The Board of Directors recommend for their appointment subject to approval in the 21st Annual General Meeting.

Credit Rating

The Company has been rated as "A+" in the Long Term and "ST-2" in the Short Term by the Government approved ARGUS Credit Rating Services Ltd. on the basis of Audited Financial Statements for the year ended December 31, 2016 and other relevant information. "A+" in the Long Term indicates Strong Capacity to meet its financial commitments but is some what more susceptible to the adverse effects of changes in circumstances and economic conditions compare to the higher rated categories and "ST2" in the Short Term indicates good grade, good certainty of timely payment. Liquidity factors and company fundamentals are sound. Although ongoing funding needs may enlarge total financing requirements, access to capital markets is good and risk factors are small.

Corporate Governance

The Board of Directors of the company firmly believes that practice of Good Corporate Governance and transparency is a sine qua non towards ensuring a disciplined and a sustainable organization. The main objective of corporate governance is to ensure publicizing the transparency and accountability through a mix of national and social responsibilities with the company's individual goal and its outcome. In pursuant to the Securities and Exchange Commission notification No. SEC/CMRRCD/2006-158/134/Admin/44 dated 07-08-2012, it is to highlight here that the listed companies of Bangladesh have taken steps to culture such Corporate Governance. Accordingly the Board of Directors of Northern General Insurance Company Limited has taken this notification into their consideration and in trail to that you are requested to look at your company's present status in Annexure-1.

Looking Ahead

This year the company has set up a challenging business target and in order to achieve the same, some concrete initiatives have also been adopted and we believe that our endeavour to provide quality and prompt services to the clients will be helpful to increase the volume of business. We hope and believe that Insha Allah, the endeavour of the management with full co-operation & active participation of all of us, we shall continue our progress in the coming days too.

Acknowledgement

The Board of Directors deeply appreciates the gracious support and co-operation extended by the Government of the Peoples Republic of Bangladesh particularly the Ministry of Commerce, Ministry of Finance, Insurance Development and Regularity Authority, Bangladesh Securities and Exchange Commission, Dhaka Stock Exchange Limited, Chittagong Stock Exchange Limited, Registrar of Joint Stock Companies & Firms, Central Depository of Bangladesh Ltd, ARGUS Credit Rating Services Ltd (ACRSL). The Board also like to put on record its appreciation and service rendered by

Sadharan Bima Corporation, Bangladesh Insurance Association, Bangladesh Insurance Forum and Bangladesh Insurance Academy. The Board also would like to thank the Bangladesh Bank and all scheduled Banks, Financial Institutions, our valued clients, patrons and well wishers for their continuous assistance and co-operation, patronization and encouragement extended to us on various aspects.

We also offer sincere gratitude and thanks for all out efforts and team spirit of the Chief Executive Officer, CFO & Company Secretary, Senior Executives, Officers and the Employees of the company for their sincere and dedicated services towards greater success. We always solicit your continuous cooperation and valuable suggestions during the days ahead as done before.

We are also highly grateful to our colleagues and express our heartfelt thanks and gratitude to our dear fellow colleagues, the Chairman of Executive Committee, Claim Committee, Audit Committee and Convener of Manpower Review Committee of the Board of Directors for their valuable suggestion, noble counsel, active co-operation and unstinted support towards achieving the cherish goals of the Company.

We all are very grateful to Almighty Allah who has helped us and given us the courage to lead the Company towards a better future.

For and on behalf of the Board of Directors

Northern General Insurance Company Limited.

(Abdul Matin)

Chairman of the Board

Credit Rating Report



Year	Long Term Rating	Short Term Rating	Date of Rating
2016	A+	ST-2	28 May 2017

Rating Explanation:

Long Term: Company is considered to offer moderate degree of safety for timely repayment of financial obligations. It has been rated as strong capacity to meet its financial commitment but is somewhat more susceptible to the adverse effects of changes in circumstances and economic conditions compare to the higherrated categories. ST-2 Short Term: Good Grade, Good certainty of timely payment. Liquidity factors and company fundamentals are sound. Although

access to capital markets is good. Risk factors are small.

ongoing funding needs may enlarge total financing requirements,

Rating Validity: 28 May 2018

Rated by : ARGUS Credit Rating Services Ltd. (ACRSL)

Shareholding Pattern of Directors & Sponsors:

(as at 31st December, 2016)

ANNEXURE-II

Particulars	No. of Share Held	Percentage Remark
Parent Company	-	 The Company is not subsidiary of any company
Directors / Sponsors:		
Al-haj Nasiruddin	8,42,829	2.17
Mr. Abdul Matin	8,42,829	2.17
Mr. S.M. Ayub Ali Chowdhury	9,93,186	2.56
Al-haj Md. Saiful Alam	5,58,473	1.44
Al-haj Abdus Samad	8,42,829	2.17
Mr. Md. Sarwar Salim	8,56,270	2.21
Mr. Mohammad Azam	8,94,896	2.31
Mr.Hamidul Haq	30,415	0.08
Mrs. Ferdousi Islam	11,32,407	2.92
Mr.Arshadul Alam	11,32,407	2.92
Ms. Thamina Rahman	11,32,407	2.92
Barrister Faysal Ahmed Patwary	11,32,405	2.92
Mr. Shahriar Khaled	8,42,829	2.17
Mr. Mortuza Siddique Chowdhury	8,42,829	2.17
Ms. Maimuna Khanam	7,07,532	1.83
Mr. Mohammed Shafiul Azam	10,64,647	2.75
Total	1,38,49,190	35.71
Chief Executive Officer(CEO) and his spouse and minor children:	NIL	SM(22) 1/22
Chief Financial Officer(CFO) and his spouse and minor children :	NIL	
Company Secretary (CS) and his spouse and minor children :	NIL	
Head of Internal Audit and his spouse and minor children:	NIL	
Executives (Top salaried person other than CEO, CFO, CS, HIA):	NIL	
Shareholders Holding 10% or more voting right :	NIL	

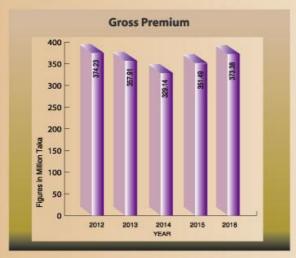
Financial Summary

ANNEXURE-III

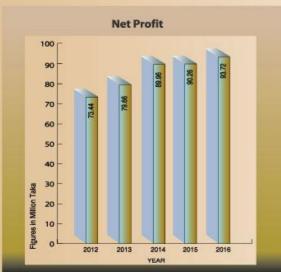
Taka in Million

				Taka i	n Million
Particulars	2016	2015	2014	2013	2012
Gross Premium	373.38	351.49	329.14	357.91	374.23
Gross Claim Paid	92.17	56.29	60.22	61.14	66.05
Underwriting Profit	110.96	130.98	92.43	91.72	100.85
Investment Income	14.41	24.99	35.97	39.63	28.32
Net Profit (before tax)	93.72	90.26	89.96	79.66	73.44
Investment	211.87	178.74	407.06	405.16	352.28
Fixed Assets	307.87	316.75	352.90	142.06	157.31
Total Assets	1129.28	1110.65	1188.03	934.94	874.49
Gross Margin Ratio (%)	29.72	37.27	28.08	25.63	26.95
Operating Income Ratio (%)	44.70	37.36	43.04	42.79	31.64
Net Income Ratio (%)	31.58	26.47	30.45	30.67	21.84
Return on Assets Ratio (%)	8.30	8.13	7.57	8.52	8.40
Return on Equity Ratio (%)	8.47	8.94	9.77	21.17	23.01
Earning Per Share (Taka)	1.71	1.65	1.64	1.47	1.31
Face Value Per Share	Tk. 10	Tk. 10	Tk. 10	Tk. 10	Tk. 10

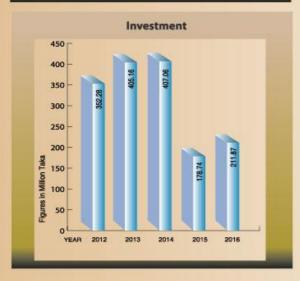
Graphical Data

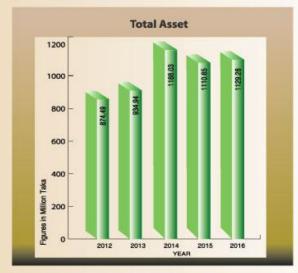




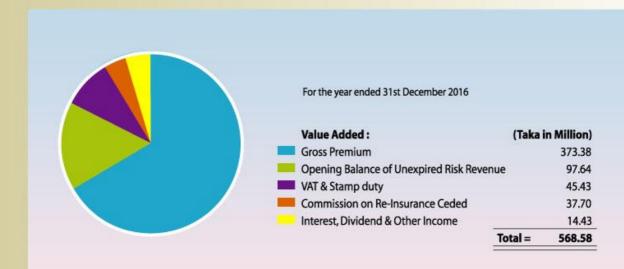


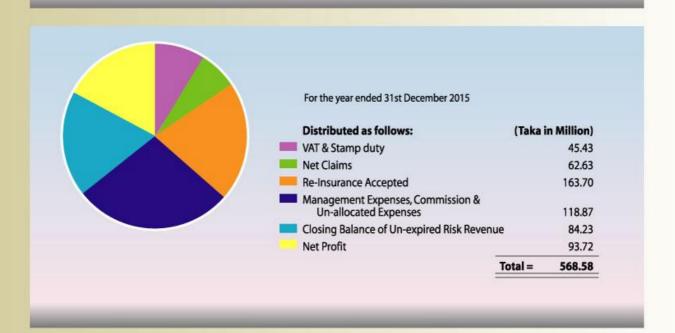






Value Added Statements





Compliance Report to

Bangladesh Securities and Exchange Commission

(under section 184 of the Companies Act, 1994)

ANNEXURE-I

The Directors also report that-

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٥	Related party Transaction are depicted in Note no. 21, 21.1 & 21.2 in the Notes of Accounts
0	Remuneration of Directors including Independent Director have been shown in P/L Accounts
0	The Financial Statement of the company present true and fair view of the Company's state of affairs, result of its operation, cash flows and changes in equity.
0	Proper books of accounts as required by the prevailing law have been maintained.
0	Appropriate accounting policies have been followed in formulating the financial statements and accounting estimates were reasonable and prudent.
0	The financial statements were prepared in accordance with IAS/BAS/IFRS/BFRS
0	The internal control system is sound in design and is effectively implemented and monitored
0	There is no significant doubt about the company's ability to continue as a going concern
□	There is no significant deviation from the operating result of the last year
0	During the year ended December 31, 2016 the Board of Directors held 9 meetings and the Directors serving on the Board attended in aggregate 99% of the total number of the meetings.
0	The pattern of shareholding (along with name detail) of Partner/Subsidiary/Associated companies and other related parties, Directors, Chief Financial Officer, Head of Internal Audit and their spouse and minor children, Executives, shareholders holding 10% as at December 31, 2016 are as stated in Annexure-II
0	Key operating and financial data of last years have been presented in summarized form in Annexure-III
	Brief Resume of the Directors who seek re-appointed and appointed in the AGM are stated in Profile of Directors and their attachment.

Compliance of Notification

No. SEC/CMRRCD/2006-158/134/Admin/44 as on 07 August, 2012

ANNEXURE-IV

BOARD OF DIRECTORS:

1.1 Board's Size

The member of the Board Directors within the limit given by BSEC

1.2 Independent Director's:

- In terms of the Provision under this sub-clause the Board of Director has appointed 2 (two) nos. Independent Director as per Insurance Act, 2010.
- The Independent Director, nominated by the Board of Directors meets all the requirement as prescribed under the SEC Notification.
- In terms of provision of SEC Notification that 2 Independent Directors had been nominated by the Board of Directors and approved by the Shareholders in the AGM.
- (iv) The post of Independent Director shall not be kept vacant for more than 90 days.
- (v) The board of Directors has laid down a code of conduct for all members of the Board.
- (vi) The tenure of office of the Independent Director as nominated above shall be 3(three) years which may be extended for 1 (one) term only.

Qualification of Independent Director (ID)

- The Independent Director nominated by the Board is highly qualified and knowledgeable person.
- The recommended IDs' have more than 15 years experiences.

1.4 Chairman of the Board and Chief Executive Officer

The position of the Chairman of the Board and the Chief Executive Officer stand separate. The roles of the Chairman and CEO & Managing Director are separate.

1.5 The Director's Report to Shareholders

All the requirements have been fulfilled.

CHIEF FINANCIAL OFFICER (CFO), HEAD OF INTERNAL AUDIT AND COMPANY SECRETARY (CS)

All the requirements have been fulfilled.

AUDIT COMMITTEE:

The Audit Committee, as a sub-Committee of the Board, has been constituted with the Independent Director as Chairman. The Company Secretary acts as Secretary to the Committee. Role of the Audit Committee as per provision of the BSEC regulation, has been duly adopted by the Board. Their reports are being submitted as per BSEC requirements.

EXTERNAL/STATUTORY AUDITOR(S):

The BSEC guidelines are being strictly followed in engaging Statutory Auditors.

SUBSIDIARY COMPANY (S):

Northern General Insurance Company Ltd. has no any subsidiary company.

DUTIES OF CHIEF EXECUTIVE OFFICER (CEO) AND CHIEF FINANCIAL OFFICER (CFO): The provision of BSEC regulations are being complied with on regular basis.

REPORTING AND COMPLIANCE OF CORPORATE GOVERNANCE:

Requirement on the above are being complied with.

AUDIT COMMITTEE REPORT

For the year ended 31st December 2016

The Audit Committee of Northern General Insurance Co. Ltd. is a sub-committee of the Board of Directors and is appointed by the Board of Directors. The Audit Committee consists of the following Directors:

Name	Status	Position of Audit Committee
Prof. Dr. Zainab Begum	Independent Director	Chairman
Mr. Abdul Matin	Chairman	Member
Al-haj Abdus Samad	Director	Member
Alhaj Nasiruddin	Director	Member
Mr. Md. Sarwar Salim	Director	Member
Mr. Ayub Ali Chowdhury	Director	Member

The Committee held 10 meetings during the year as per following:

Name of the Meeting	Total Meeting held during the 2016	Attended
Audit Committee Meeting	7 (Seven)	100% attendance on average

Activities of the Audit Committee:

- Reviewed and recommended to the Board to approve the financial statements prepared for statutory purpose;
- Report to the Board of Directors on internal audit finding from time to time considering the significance of the issues;
- c) Carry on a supervision role to safeguard the systems of governance and independence of statutory auditors; and
- d) Reviewed and considered the internal auditor's report and management report submitted by the Statutory Auditors' regarding observations on internal control.
- e) Monitored internal Control Risk Managment process.
- f) The Committee reviewed the internal audit reports, un-audited first quarter report, un-audited second quarter report, un-audited third quarter report, annual financial statements and the external audit report and recommended to the board for consideration. The Committee did not find any material deviation, discrepancies or any adverse finding/observation in the areas of reporting.

(Prof. Dr. Zainab Begum)

Chairman

Audit Committee



Offices:

Well Tower (1st Floor), Flat-A/1 12/A Purana Paltan Line, Dhaka Tel: 088-02-58313305 Fex: 088-02-58310639 E-mail: dcddhaka @f-lix.net Jahan Building No.5 (2nd Floor) 74 Agrabad com. Area, Chittagong Tel: 088-031-725955 Fax: 088-031-714312 E-mail: dodcto@iolbd.net

Website: daschowdhurydutta.com

Auditors' Certificate on Corporate Governance Compliance Of Northern General Insurance Company Limited

We have examined the compliance by Northern General Insurance Company Limited for the year ended on 31st December 2016 with respect to the BSEC guidelines on Corporate Governance. Such compliance is the responsibility of the company as stipulated by notification on SEC/CMRRCD/2006/-158/134/Admin/44 dated 07 August 2012 issued by Bangladesh Securities and Exchange Commission in accordance with section 2CC of Securities and Exchange Ordinance, 1969.

Our examination relating to status of compliance (as attached) by Northern General Insurance Company Limited was limited to the procedures including implementation thereof as adopted by the company for ensuring such compliances and this has not been for expression of our opinion on the financial statements or future viability of the company.

In our opinion, to the best of our information and explanations provided us, the company has complied with all the conditions of aforesaid Corporate Governance Guidelines of Bangladesh Securities and Exchange Commission except the number of Independent Directors which has been complied with as per section 76 of Insurance Act 2010.

Dhaka, 27 April 2017

Das Chowdhury Dutta & Co. (Chartered Accountants)

STATUS OF COMPLIANCE OF CORPORATE GOVERNANCE

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

Condition No.	Title	(Put√	ice status in the te column)	Remarks (if any)
		Complied	Not complied	
1.	BOARD OF DIRECTORS:			
1.1	Board's Size	~		
1.2	Independent Directors:			
1.2 (i)	Number of Independent Director.	~		Complied with the Insurance Act, 2010
1.2(ii)(a)	Shareholding position of Independent Director.	~		
1.2(ii)(b)	Independent Director is not sponsor, nor any family member/family relationship of the sponsor	~		
1.2(ii)(c)	Independent Director does not have any other relationship with the company or it's subsidiary associated companies.	√		
1.2(ii)(d)	Independent Director is not a member, director or officer of any stock exchange.	√		
1.2(ii)(e)	Independent Director is not a shareholder, director or officer of any member of stock exchange or an intermediary of the capital market.	~		
1.2(ii)(f)	Independent Director is not a partner or an executive or was not a partner or an executive during the preceding 3(three) years of the concerned company's statutory audit firm.	~		
1.2(ii)(g)	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 NBFI.	~		
1.2(ii)(i)	Independent Director has not been convicted for a criminal offence involving moral turpitude.	~		
1.2(iii)	The Independent Director(s) shall be appointed by the board, and approved by the shareholders in the Annual General Meeting (AGM)	✓		
1.2(iv)	The post of Independent Director(s) cannot remain vacant for more than 90(ninety) days.	~		
1.2(v)	The Board shall lay down a code of conduct of all Board members and annual compliance of the code to be recorded.	✓		
1.2(vi)	The tenure of office of an independent director shall be for a period of 3(three) years, which may be extended for 1(one) term only.	~		

Condition No.	Title	(Put√	ice status in the te column)	Remarks (if any)
		Complied	Not complied	75
1.3	Qualification of Independent Director(ID)			
1.3(i)	Independent director shall be a knowledgeable individual with integrity, ensure compliance with financial, regulatory and corporate laws.	√		Profile of ID available in the Annual Report
1.3(ii)	Independent Director should be a Business Leader/Corporate Leader Bureaucrat/ University Teacher with Economics or Business Studies or Law background/ Professionals. Independent Director must have a least 12(twelve) years corporate management/professional experiences.	√		
1.3(iii)	In special cases the above qualifications may be relaxed subject to prior approval of the Commission.	√		
1.4	Chairman of the Board and Chief Executive Officer shall be filled by different individuals. The Board of Directors shall clearly define respective roles and responsibilities of the Chairman and the Chief Executive Officer	~		
1.5	The Director's Report to Shareholder shall inc	lude the follo	wing addition	al statements:
1.5(i)	Industry outlook and possible future developments in the industry.	~		Available in the Annual Report
1.5(ii	Segment-wise or product-wise performance	~		Available in the Annual Report
1.5(iii)	Risks and concerns.	~		Available in the Annual Report
1.5(iv)	A discussion on Cost of Goods sold, Gross Profit Margin and Net Profit Margin.	~		Available in the Annual Report
1.5(v)	Discussion on continuity of any Extra-Ordinary gain or loss.	~		No such Extra-ordinary gain or loss
1.5(vi)	Basis for related party transactions-a statement of all related party transactions should be disclosed in the annual report	~		Available in the Annual Report
1.5(vii)	Utilization of proceeds from public issues, rights issues and/or through any others instruments.	~		
1.5(viii)	An explanation if the financial results deteriorate after the company goes IPO, RPO, Rights Offer, Direct Listing etc.	√		Financial result is not deteriorated
1.5(x)	Remuneration to directors including independent directors	√		Available in the Annual Report.

Condition No.	Title	(Put√	ice status in the te column)	Remarks (if any)
		Complied	Not complied	
1.5(xi)	Financial statements present fairly state of affairs, the result of its operations, cash flows and changes in Shareholder's equity of the company.	~		
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 accounting estimates are based on reasonable and prudent judgment.	~		
1.5(xiv)	International Accounting Standards (IAS)/ Bangladesh Accounting Standards (BAS)/ International Financial Reporting Standard (IFRS)/Bangladesh Financial Reporting Standards (BFRS), as applicable in Bangladesh have been followed in preparation of the financial statements.	√		
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.	~		No such significant deviation observed
1.5(xvii)	Significant deviations from the last year's operating results of the company shall be highlighted.	~		No such significant deviation observed
1.5(xviii)	Key operating and financial data of at least preceding 5(five) years shall be summarized.	~		Available in the Annual Report
1.5(xix)	If the issuer company has not declared dividend (cash or stock) for the year.	~		Declared dividend regularly
1.5(xx)	The number of Board meetings held during the year and attendance by each director shall be disclosed.	~		
1.5(xxi)a)	Share holding position Parent/Subsidiary/ Associated Companies and other related parties.	~		Available in the Annual Report
1.5(xxi)b)	Share holding position of Directors, Chief Executive Officer Company Secretary, Chief Financial Officer, Head of Internal Audit and their spouses and minor children.	~		No such matter to report on
1.5(xxi)c)	Share holding position of Executives of the company	~		No such matter to report on
1.5(xxi)d)	Shareholders holding ten percent (10%) or more voting interest in the company.	~		No such matter to report on

Condition No.	Title _	(Put √	ice status in the te column)	Remarks (if any)
		Complied	Not complied	
1.5(xxii)a)	A brief resume of the appointed/reappointed director	√		Available in the Annual Report
1.5(xxii)b)	Expertise in specific functional areas of the appointed/reappointed director	~		Profile available in the Annual Repor
1.5(xxii)c)	Names of companies in which the person also holds the directorship and the membership of committees of the board.	~		Available in the Annual Report
2	Chief Financial Officer (CFO), Head of Interna	Audit and C	ompany Secre	tary:
2.1	Appointment of CFO, HIA and CS & defining their responsibilities.	~		
2.2	Attendance of CFO & Company Secretary at the meeting of the Board of the Directors.	~		
3.00	Audit Committee:	71);)	DK 34
3(i)	The company has an Audit Committee as a sub-committee of the Board of the Directors.	~		
3(ii)	Assistance of the Audit Committee to 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 is responsible to the Board of Directors. The duties of the Audit committee clearly set forth in writing.	√		
3.1	Constitution of the Audit Committee:			
3.1(i)	Committee shall be comprised at least 3(three) members.	~		0
3.1(ii)	Appointment of members of the Audit Committee who are directors and including 1(one) independent directors.	~		
3.1(iii)	All members of the audit committee are "financially literate" and 1(one) member have accounting or related financial management experience.	~		
3.1(iv)	Board of Directors appoint the new Committee member(s) to fill up the vacancy immediately or not later than 1(one) month from the date vacancies in the Committee.	~		
3.1(v)	The company secretary shall act as the secretary of the committee.	~		

Condition No.	Title	(Put √	nce status in the te column)	Remarks (if any)
		Complied	Not complied	
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)	Independent Director is the Chairman of the Audit Committee.	~		
3.2(ii)	Chairman of the Audit Committee shall remain present in the Annual General Meeting (AGM)	~		
3.3	Role of the Audit Committee:			
3.3(i)	Audit Committee oversees the financial reporting process.	~		
3.3(ii)	Audit Committee monitor choice of accounting policies and principles.	~		
3.3(iii)	Audit Committee monitor Internal Control Risk Management process.	~		
3.3(iv)	Audit Committee oversee hiring and performance of external auditors.	~		
3.3(v)	Audit Committee review along with the management, the annual financial statements before submission to the board for approval.	~		
3.3(vi)	Audit Committee review the quarterly and half yearly financial statements before submission to the board for approval.	~		
3.3(vii)	Audit Committee review the adequacy of internal audit function.	~		
3.3(viii)	Audit Committee review statement of significant related party transactions submitted by the management.	~		
3.3(ix)	Audit Committee review Management Letters/Letter of Internal Control weakness issued by statutory auditors.	~		
3.3(x)	Money is raised through IPO, RPO/Rights Issue the company shall disclose to the Audit Committee about the uses/applications of funds.	~		
3.4	Reporting of the Audit Committee:			
3.4.1 3.4.1(i)	Reporting to the Board of Directors: The Audit Committee shall report on its activities to the Board of Directors.	~		

Condition No.	Title	(Put √	ce status in the te column)	Remarks (if any)
		Complied	Not complied	10
3.4.1(ii)a)	The Audit Committee shall immediately report on conflict of interest.	~		No conflict of interest
3.4.1(ii)b)	Suspected or presumed fraud or irregularity or material defect in the internal control system.	~		No such finding
3.4.1(ii)c)	Suspected infringement of laws, including securities related laws, rules and regulations.	√		No such finding
3.4.1(ii)d)	Any other matter which shall be disclosed to the Board of Directors immediately.	~		
3.4.2	If the Audit Committee reported to the Board of Directors about anything which has material impact on the financial condition as result of operation. Audit Committee funds that such rectification has been unreasonably ignored, the Audit Committee shall report such finding to the Commission.	√		No such finding
3.5	Report on activities carried out by the Audit Committee, under condition 3.4.1(ii) above during the year, shall be signed by the Chairman of the Audit Committee.	~		
4	External/statutory auditors to perform:			3
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(v)	Actuarial Services.	~		
4(vi)	Internal audit services.	√		
4(vii)	Any other service that the Audit Committee determines.	~		
4(viii)	No partner or employees of the external audit firms shall possess any share of the company.	~		
5	Subsidiary Company:			
5(i)	The composition of the Board of Directors of the subsidiary company.	~		No subsidiary company
5(ii)	At least 1(one) independent director shall be a director on the Board of Directors of the subsidiary company.	~		

Condition No.	Title	Compliance status (Put ✓ in the appropriate column)		Remarks (if any)
		Complied	Not complied	
5(iii)	The minutes of the Board meeting of the subsidiary company shall be placed for review at the following Board meeting of the holding company.	~		
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.	~		
5(v)	The Audit Committee of the holding company shall also review the investments made by the subsidiary company.	~		
6	Duties of Chief Executive Officer (CEO) and C	Chief Financia	Officer (CFO)	:
6(i)a)	The CEO and CFO shall certify to the Board that financial statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading.	~		No such material fact
6(i)b)	Financial statements together present a true and fair view the company's affairs and are in compliance existing accounting standards and applicable laws.	~		
6(ii)	To the best of knowledge and belief, no transaction entered into by the company during the year which fraudulent, illegal or violation of the company's code of conduct.	~		
7	Reporting and Compliance of Corporate Gov	ernance:		
7(i)	The company obtained a certificate from a practicing Chartered Accountant regarding compliance of conditions of Corporate Governance Guidelines.	~		Certificate available in annual report
7(ii)	The directors of the company shall state, in accordance with the Annexure attached, in the director's report whether the company has complied with these conditions.	~		



Directors Certificate

As per Section 63(2) of the Insurance Act, 2010, we certify that:

- 01. The value of investments in shares and debentures have been taken at cost and the quoted value there of mentioned wherever available.
- 02. The Values of all assets as shown in the Balance Sheet and as classified on Form AA annexed have been duly reviewed as at 31st December, 2016 and in our belief, the said assets have been set forth in the Balance Sheet at amount not exceeding their realizable or market value under the several heading's as enumerated therein.
- 03. All expenses of management, wherever incurred and whether incurred directly or indirectly in respect of Fire, Marine, Motor and Miscellaneous Insurance Business have been duly debited to the related Revenue Accounts and Profit & Loss Account.

(Abdul Haque FCA) **Managing Director** (Faisal Ahmed Patwary) Director

(Al-haj Nasiruddin) Director

(Mohammad Azam) Chairman

Auditors' Report & Financial Statements 2016





Auditors' Report to the Shareholders of Northern General Insurance Company Limited.

We have audited the accompanying financial statements of Northern General Insurance Company Limited which comprise the Balance Sheet as at December 31, 2016, Profit or loss Account, Profit & loss Appropriation Account, Consolidated Insurance Revenue Account, Fire Insurance Revenue Account, Marine Insurance (cargo & hull) Revenue Account, Motor Insurance Revenue Account, Miscellaneous Insurance Revenue Account, Statement of Changes in Equity, Statement of Cash Flows for the year then ended, Form "AA" as at December 31, 2016 and a summary of significant accounting policies and other explanatory information disclosed in Notes 1 to 24 and Annexure-A.

Management's Responsibility for the Financial Statements

Management of the company is responsible for the preparation and fair presentation of these financial statements in accordance with Bangladesh Financial Reporting Standards (BFRSs), along with Rules & Regulation Issued by the Insurance Development and Regulatory Authority (IDRA) and Insurance Act 2010, Insurance Rules 1958, SEC Rules 1987 and the Companies Act 1994 and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies and making accounting estimates that are responsible in the circumstances.

Auditors' Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the company'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 company's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management of the company, 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.

DHAKA OFFICE: Well Tower (list Floor), Flat - A/1,12/A Purana Paltan Line, Dhaka, Tel, 088-02-58313305, Fax, 088-02-58310639, E-mail: dcddhaka@f-lix.net CTG. OFFICE: Jahan Building No.5 (2nd Floor), 74 Agrabad Com. Area, Chittagong, Tel. 088-031-725955, Fax. 088-031-714312, E-mail: dcdctg@iolbd.net





Opinion

In our opinion, the Financial Statements present fairly in all material respects, the Financial Position of the Company as at December 31, 2016 and of its Operations and its Cash Flows for the year then ended in accordance with Bangladesh Financial Reporting Standards (BFRSs), Insurance Act 2010, Insurance Rules 1958, SEC Rules 1987 and the Companies Act 1994 and comply with the other applicable laws and regulations.

Report on Other Legal and Regulatory Requirements

We also report that:

- a) we have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit and made due verification thereof;
- b) in our opinion, proper books of account as required by law have been kept by the Company so far as it appeared from our examination of those books;
- the Balance Sheet and Profit or loss Account and its Cash Flows dealt with by the report are in agreement with the books of accounts and drawn as per Insurance Act 2010;
- the expenditure incurred and payments made were for the purpose of the company's business;
- e) as per section 63(2) of the Insurance Act 2010, as amended, we certify that to the best of our knowledge and belief and according to the information and explanations given to us, all expenses of management wherever incurred and incurred directly or indirectly in respect of insurance business of the company transacted in Bangladesh during the year under report have been duly debited to the related Revenue Accounts and the Profit or loss Account of the company and;
- as per section 59 (5), of the Insurance Act 2010 as emended rule 1958, we also certify that to the best of our information and as shown by its books, the company during the year under report has not paid to any person any commission in any form outside Bangladesh in respect of any of its business re-insured abroad.

Dated: Dhaka April 25, 2017

Rahman Mostafa Alam & Co.

Chartered Accountants

BALANCE SHEET

Director

Canital and Liabilities	Notes	Та	ka
Capital and Liabilities	Notes	31-Dec-16	31-Dec-15
Share Capital	3		
Authorized:			
100,000,000 ordinary shares of Tk.10 each		1,000,000,000	1,000,000,000
Issued, subscribed and paid up:			
38,781,465 ordinary shares of Tk.10 each		387,814,650	346,263,080
Reserve or Contingency Accounts	9	394,128,700	369,468,851
Reserve for Exceptional Losses	4	138,031,170	113,031,170
Revaluation Surplus	5	188,172,248	214,441,308
Profit or Loss Appropriation Account	6	67,925,282	41,996,373
Balance of Funds and Accounts		84,231,704	97,644,153
Fire Insurance Business		31,476,032	41,947,073
Marine Insurance Business		30,901,171	30,006,303
Motor Insurance Business		18,984,886	20,247,131
Miscellaneous Insurance Business		2,869,615	5,443,646
Premium Deposit	7	5,712,284	11,495,508
Liabilities and Provisions		257,393,139	285,779,940
Estimated liability in respect of outstanding			
claims whether due or intimated	8	24,650,692	27,373,619
Amount due to other persons or bodies		three Teacher Countries	57005 0005 000
carrying on Insurance Business	9	32,474,201	29,943,840
Sundry Creditors(including provision for tax)	10	200,268,246	228,462,481
Total Capital and Liabilities		1,129,280,477	1,110,651,532

The accompanying notes from 1 to 24 & Annexure-A form an integral part of the financial statement.

Signed in terms of our separate report of even date.

AS AT 31 DECEMBER 2016

Property and Assets	Notes	Та	ka
Property and Assets	Notes	31-Dec-16	31-Dec-15
Investment	11	45,036,160	55,023,534
Interest Accrued (but not due)	12	11,095,456	16,274,249
Amount Due from Other Persons or Bodies			
carrying on Insurance Business	13	353,203,139	375,350,827
Sundry Debtors (including advance tax, other advances,			
deposits and pre-payments)	14	187,624,860	163,944,632
Cash and Bank Balances	15	221,527,954	182,441,055
Other accounts		310,792,908	317,617,235
Fixed Assets	16	307,869,563	316,750,482
Stock of Stationery	17	360,719	397,603
Insurance Stamps in hand		2,468,050	351,640
Deferred Tax Assets	18	94,576	117,510
Total Property and Assets		1,129,280,477	1,110,651,532

Chairman

PROFIT OR LOSS ACCOUNT

Particulars	Notes	Tak	a
Particulars	Notes	2016	2015
Expenses of Management (not applicable			
to any particular fund or account)	19	16,364,837	19,719,867
		15,302,776	45,999,913
Directors' Fees		860,000	1,279,500
Audit Fees		356,500	189,750
Subscription		450,000	434,000
Legal and Professional Fees		563,200	290,475
Provision for Gratuity			6,075,000
Depreciation and Amortization		11,635,401	36,580,783
Registration renewal Fees		1,414,741	1,151,977
Deferred Tax Expenses	18	22,934	(1,572)
Balance for the year carried to Profit or Loss	1		
Appropriation Account		93,723,921	90,263,165
	Total	125,391,534	155,982,945

PROFIT OR LOSS APPROPRIATION ACCOUNT

Particulars	Notes	Taka	
	Notes	2016	2015
Reserve for Exceptional Losses		25,000,000	25,000,000
Provision for Taxation	18	27,512,502	26,103,694
Balance of Profit after tax		250,747,901	209,536,482
	Total	303,260,403	260,640,176
Earning Per Share (EPS)	2.11	1.71	1.65
Face value per share	200000	10	10

The accompanying notes from 1 to 24 & Annexure-A form an integral part of the financial statement.

Managing Director & CEO

Director

Director

Signed in terms of our separate report of even date.

Particulars	Notes	Taka		
	Notes	2016	2015	
Interest, Dividend and Rents (not applicable to any particular fund or account)				
Interest Income Other Income		14,414,452 17,876	24,988,592 11,596	
Underwriting Profit or Loss transferred from Fire Insurance Revenue Account Marine Insurance Revenue Account Motor Insurance Revenue Account Miscellaneous Insurance Revenue Account		110,959,206 32,323,923 51,541,265 19,588,207 7,505,811	130,982,757 64,553,226 29,334,190 28,438,108 8,657,233	
	Total	125,391,534	155,982,945	

FOR THE YEAR ENDED 31 DECEMBER 2016

Particulars	Notes	Taka	
		2016	2015
Balance being Profit brought forward from last year Net Profit for the year brought down		209,536,482 93,723,921	170,377,011 90,263,165
	Total	303,206,403	260,640,176

Chairman

CONSOLIDATED INSURANCE REVENUE ACCOUNT

Particulars	Notes	Taka	
Particulars	Notes	2016	2015
Claims under policies less re-insurances			
Paid during the year Total estimated liability in respect of outstanding claims at the end of the year		65,354,935	35,320,373
whether due or intimated		24,650,692	27,373,619
		90,005,627	62,693,992
Less: Claims outstanding at the end of the previous year		27,373,619	27,299,200
•	:	62,632,008	35,394,792
Agent Commission		28,739,124	23,520,300
Expenses of management	20	58,463,313	58,343,624
Balance of account at the end of the year as shown in the Balance Sheet		84,231,704	97,644,153
Underwriting Profit or Loss transferred to Profit or Lo	ss Account	110,959,206	130,982,757
	Total	345,025,355	345,885,626

The accompanying notes from 1 to 24 & Annexure-A form an integral part of the financial statement.

Director

Director

Signed in terms of our separate report of even date.

Particulars	Notes	Taka	
		2016	2015
Balance of account at the beginning of the year Reserve for unexpired risks:		97,644,153	83,652,436
Premium less re-insurances		209,681,286	241,634,623
Commission on re-insurances ceded		37,699,916	20,598,567
	Total	345,025,355	345,885,626

FIRE INSURANCE REVENUE ACCOUNT

Particulars	Notes	Taka	
Particulars	Notes	2016	2015
Claims under policies less re-insurances			
Paid during the year Total estimated liability in respect of outstanding claims at the end of the year		40,762,127	11,570,258
whether due or intimated		2,050,500	5,783,280
The state of the s	.=	42,812,627	17,353,538
Less: Claims outstanding at the end of the			
previous year		5,783,280	5,048,250
		37,029,347	12,305,288
Agent Commission		13,951,596	11,909,293
Expenses of management Balance of account at the end of the year as shown in the Balance Sheet	20	25,027,867	24,599,924
Reserve for unexpired risks being 40% of			
premium income of the year		31,476,032	41,947,073
Underwriting Profit or Loss transferred to Profit or Loss Ac	count	32,323,923	64,553,226
	Total	139,808,765	155,314,804

The accompanying notes from 1 to 24 & Annexure-A form an integral part of the financial statement.

Director

Director

Signed in terms of our separate report of even date.

Particulars	Notes	Taka		
	Notes	2016	2015	
Balance of account at the beginning of the year Reserve for unexpired risks:		41,947,073	39,115,274	
Premium less re-insurances		78,690,080	104,867,682	
Commission on re-insurances ceded		19,171,612	11,331,848	
	Total	139,808,765	155,314,804	

Chairman

MARINE INSURANCE REVENUE ACCOUNT

Particulars Note		Tak	ka	
rarticulars	5	2016	2015	
Claims under policies less re-insurances				
Paid during the year Total estimated liability in respect of outstanding claims at the end of the year		4,169,858	8,403,263	
whether due or intimated		14,075,000	10,714,601	
		18,244,858	19,117,864	
Less: Claims outstanding at the end of the				
previous year		10,714,601	7,525,600	
		7,530,257	11,592,264	
Agent Commission		8,823,663	6,449,280	
Expenses of management 20		18,254,964	18,816,827	
Balance of account at the end of the year as shown in the Balance Sheet				
Reserve for unexpired risks being 40% of premium income on marine cargo and 100% of premium income on Marine Hull				
of the year:		30,901,171	30,006,303	
Cargo		30,302,522	28,355,798	
Hull	9	598,649	1,650,505	
Underwriting Profit or Loss transferred to Profit or Loss Account		51,541,265	29,334,190	
Tota	d	117,051,320	96,198,864	

The accompanying notes from 1 to 24 & Annexure-A form an integral part of the financial statement.

Director

Director

Signed in terms of our separate report of even date.

Particulars	Notes	Taka		
	Notes	2016	2015	
Balance of account at the beginning of the year Reserve for unexpired risks:		30,006,303	17,866,588	
Premium less re-insurances		76,354,954	72,540,000	
Commission on re-insurances ceded		10,690,063	5,792,276	
	Total	117,051,320	96,198,864	

Chairman

MOTOR INSURANCE REVENUE ACCOUNT

Particulars	Notes	Taka	
rarticulars		2016	2015
Claims under policies less re-insurances			
Paid during the year Total estimated liability in respect of outstanding claims at the end of the year		20,399,938	14,662,154
whether due or intimated		7,835,342	10,261,238
		28,235,280	24,923,392
Less: Claims outstanding at the end of the			
previous year		10,261,238	14,050,000
		17,974,042	10,873,392
Agent Commission		4,278,410	3,805,922
Expenses of management	20	8,141,426	8,138,029
Balance of account at the end of the year as shown in the Balance Sheet			
Reserve for unexpired risks being 40% of premium income of the year		18,984,886	20,247,131
Underwriting Profit or Loss transferred to Profit or Loss Acc	ount	19,588,207	28,438,108
	Total	68,966,971	71,502,582

The accompanying notes from 1 to 24 & Annexure-A form an integral part of the financial statement.

Director

Signed in terms of our separate report of even date.

Particulars	Notes	Taka	
	Notes	2016	2015
Balance of account at the beginning of the year Reserve for unexpired risks:		20,247,131	20,446,288
Premium less re-insurances		47,462,215	50,617,827
Commission on re-insurances ceded		1,257,625	438,467
	Total	68,966,971	71,502,582

Chairman

MISCELLANEOUS INSURANCE REVENUE ACCOUNT

	Taka	
Particulars Notes	2016	2015
Claims under policies less re-insurances		
Paid during the year Total estimated liability in respect of outstanding claims at the end of the year	23,012	684,698
whether due or intimated	689,850	614,500
	712,862	1,299,198
Less: Claims outstanding at the end of the previous year	614,500	675,350
	98,362	623,848
Agent Commission	1,685,455	1,355,805
Expenses of management 20	7,039,056	6,788,844
Balance of account at the end of the year as shown in the Balance Sheet		
Reserve for unexpired risks being 40% of	0.000.015	F 110 (1)
premium income of the year	2,869,615	5,443,646
Underwriting Profit or Loss transferred to Profit or Loss Account Total	7,505,811 19,198,299	8,657,233 22,869,376

The accompanying notes from 1 to 24 & Annexure-A form an integral part of the financial statement.

Director

Director

Signed in terms of our separate report of even date.

Particulars	Notes	Taka		
		2016	2015	
Balance of account at the beginning of the year Reserve for unexpired risks:		5,443,646	6,224,286	
Premium less re-insurances		7,174,037	13,609,114	
Commission on re-insurances ceded		6,580,616	3,035,976	
	Total	19,198,299	22,869,376	

Chairman

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 DECEMBER 2016

	Particulars Not	Notes	Taka		
	Particulars	es	2016	2015	
A.	Cash flow from operating activities Collection from premium and others		409,519,322	404,621,863	
	Payment for management expense, re-insurance and claim	3	(336,272,347)	(331,153,679)	
	Income Tax paid		(23,252,967)	(35,283,049)	
	Net cash generated from operating activities (A)		49,994,008	38,185,135	
B.	Cash flow from investing activities				
	Fixed Assets acquired		(2,754,482)	(433,925)	
	Investment in shares and Bond		10,000,000	10,000,000	
	Net cash used in investing activities (B)		7,245,518	9,566,075	
C.	Cash flow from financing activities				
	Bank loan paid		(18,152,627)	(127,557,751)	
	Net cash generated from financing activities (C)		(18,152,627)	(127,557,751)	
D.	Net cash flow (D =A+B+C)		39,086,899	(79,806,541)	
E.	Cash and cash equivalent at the end of the year		221,527,954	182,441,055	
F.	Cash and cash equivalent at the beginning of the year		182,441,055	262,247,596	
G.	Increase/(decrease) in cash and cash equivalent during the year (G	= E - F)	39,086,899	(79,806,541)	

The accompanying notes from 1 to 24 & Annexure-A form an integral part of the financial statement.

Director

STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 DECEMBER 2016

	Taka						
Particulars	Share Capital	Retained Earnings	Reserve for Exceptional Losses	Revaluation Surplus	Total Equity		
Balance as on 01 January 2016	346,263,080	41,996,373	113,031,170	214,441,308	715,731,931		
Addition during the period	41,551,570	- 10 at	25,000,000		66,551,570		
Revaluation surplus transferred to							
Retained Earnings		26,269,060	8.53	(26,269,060)			
Stock Dividend	4	(41,551,570)	3(4)	700 10	(41,551,570)		
Profit after tax for the year	20	41,211,419	1125	2	41,211,419		
Balance as on 31 December 2016	387,814,650	67,925,282	138,031,170	188,172,248	781,943,350		

STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 DECEMBER 2015

Particulars	Taka						
	Share Capital	Retained Earnings	Reserve for Exceptional Losses	Revaluation Surplus	Total Equity		
Balance as on January 01, 2015	314,784,620	34,315,362	88,031,170	214,441,308	651,572,460		
Addition during the period	31,478,460	-	25,000,000	-	56,478,460		
Stock Dividend	-	(31,478,460)	27	-	(31,478,460)		
Profit after tax for the year		39,159,471			39,159,471		
Balance as on December 31, 2015	346,263,080	41,996,373	113,031,170	214,441,308	715,731,931		

The accompanying notes from 1 to 24 & Annexure-A form an integral part of the financial statement.

Managing Director & CEO

Director

Director

hairman

FORM - AA **CLASSIFIED SUMMARY OF ASSETS**

AS AT 31 DECEMBER 2016

	Ta			
Class of Assets	Book value as per Balance Sheet Market Value		Remarks	
Bangladesh Govt. Treasury Bond	25,000,000	25,000,000	Not quoted in the market	
Fixed Deposit with Banks	166,835,855	166,835,855	Realizable Value	
In STD A/C with Banks	43,554,788	43,554,788	Realizable Value	
Cash in Hand	11,137,311	11,137,311	Realizable Value	
Interest on Investment accrued but not due	11,095,456	11,095,456	Realizable Value	
Amount due from other persons or bodies				
carrying on insurance business	353,203,139	353,203,139	Realizable Value	
Other Assets :				
Fixed Assets	307,869,563	307,869,563	Revalued	
Investment in Shares & Bond	20,036,160	20,036,160	Market Value	
Sundry Debtors	187,719,436	187,719,436	Realizable Value	
Stock of Stationery and Stamps	2,828,769	2,828,769	Realizable Value	
	1,129,280,477	1,129,280,477		

The accompanying notes from 1 to 24 & Annexure-A form an integral part of the financial statement.

Managing Director & CEO

Director

Director

Chairman

Signed in terms of our separate report of even date.

Dated: Dhaka April 25, 2017

FOR THE YEAR ENDED ON 31 DECEMBER 2016

1.0 Introduction:

1.1 Status of the Company:

Northern General Insurance Company Limited was incorporated as public company limited by shares on 08 April 1996 under the companies Act, 1994 bearing certificate of incorporation no.C-30509(1725)/96. The company was entitled to commence business vide certificate of commencement issued on 08 April 1996 by the Registrar of Joint Stock Companies & Firms under section 150(2) of the said Act. The Controller of Insurance has issued certificate of registration on 25 May 1996. The Securities & Exchange Commission has approved for issue of shares to public on 20 October 2008 (date of lottery). The company has been listed with the stock exchange [both in Dhaka and in Chittagong] on 16 July 2008.

1.2 Nature of Business:

The primary objectives of the Company are to carry on non-life related all kinds of insurance, guarantee and indemnity business.

1.3 Structure, Content and Presentation of Financial Statements:

These financial statements are presented in accordance with the guidelines provided as per requirement of Insurance Act 1938 and BAS - 1: "Presentation of Financial Statements". A complete set of financial statements comprises of:

- i. Balance sheet as at 31 December 2016;
- ii. Profit or Loss Account for the year ended 31 December 2016;
- iii. Profit or Loss Appropriation Account for the year ended 31 December 2016;
- iv. Consolidated all Business Revenue Account for the year ended 31 December 2016;
- v. Fire Insurance Revenue Account for the year ended 31 December 2016;
- vi. Marine Insurance Revenue Account for the year ended 31 December 2016;
- vii. Motor Insurance Revenue Account for the year ended 31 December 2016;
- viii. Miscellaneous Insurance Revenue Account for the year ended 31 December 2016;
- ix. Statement of Changes in Equity for the year ended 31 December 2016;
- x. Statement of Cash Flows for the year ended 31 December 2016;
- Notes comprising a summary of significant accounting policies and other explanatory information to the accounts for the year ended 31 December 2016;

2.0 Summary of Significant Accounting Policies & Basis of Preparation:

A summary of the principle accounting policies which have been applied consistently (unless otherwise stated), as set out below:

2.1 Basis of Accounting:

These financial statements have been prepared on a going concern basis under generally accepted accounting principles on historical cost convention. These statements have also been prepared in accordance with applicable International Financial Reporting Standards as adopted in Bangladesh, namely, Bangladesh Financial Reporting Standards (BFRS) with reference to disclosures of accounting policies and valuation of investment.

2.2 Basis of Presentation:

These Financial Statements have been prepared on going concern and accrual basis under historical cost convention. The preparation and presentation of the financial statements and the disclosure of information have been made in accordance with the Insurance Act 1938 (as amended in 2010), the Insurance Rules 1958 and in conformity with Bangladesh Accounting Standards (BAS), Bangladesh Financial Reporting Standards (BFRS), the Companies Act 1994, the Securities and Exchange Rules 1987 (as amended in 1997),

FOR THE YEAR ENDED ON 31 DECEMBER 2016

the listing rules of Dhaka and Chittagong Stock Exchange and other applicable laws and regulations in Bangladesh and practice generally followed by the insurance sector. The Balance sheet has been prepared in accordance with Part-I and "From A" and Part II of the First Schedule. The revenue account for fire, marine, motor and miscellaneous business has been prepared in accordance with "Form F" in Part II of the Third Schedule of Insurance Act 1938. Statement of Cash Flow and Statement of Changes in Equity has been prepared in accordance with BFRS.

2.3 **Disclosure Differs:**

Northern General Insurance Company Limited has followed the BAS/BFRS provisions to that extent which is not restricted by the Insurance Act and Rules as outlined below:

2.3.1 Valuation of Investment:

BAS - 39 provides to disclose unrealized gain/loss in investment in shares through comprehensive income. But this is restricted in accordance with the provisions of Insurance Act and Rules.

Provision for Insurance Premium:

Depending on business, certain percentage of premium income is to be made as provision in accordance with Insurance Act and Rules. But, this is not in commensurate to the provision of BAS - 37.

Comprehensive Income Statement:

Northern General Insurance Company Limited does not require preparing a single Comprehensive Income Statement other than the Income Statement prepared in accordance with the templates stipulated by Insurance Act and Rules.

2.3.4 IRDA Guidelines:

Mandatory investment has to be made as per IDRA instructions which are not required in accordance with BAS/BFRS.

2.4 Going Concern:

These financial statements have been prepared on a going concern basis, which contemplates the realization of assets and the satisfaction of liabilities in the normal course of business. These do not include any adjustments for which Northern General Insurance Company Limited is unable to continue as a going concern.

2.5 Functional and Presentation Currency:

These financial statements are presented in BD Taka, which is the company's functional currency except as indicated otherwise.

2.6 Use of Estimates and Judgments:

The preparation of financial statements require management to make judgments, estimates and assumptions that affect the application of accounting policies and reported amounts of assets, liabilities, income and expenses for which actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period when revised and in any future periods affected.

2.7 Materiality and Aggregation:

Each material item has been presented separately in the financial statements being significant consideration of the management. No amount has been set off unless the Northern General Insurance Company Limited has a legal right to set off the amounts and intends to settle on net basis. Income and expenses are presented on a basis only when permitted by the relevant accounting standards.

FOR THE YEAR ENDED ON 31 DECEMBER 2016

2.8 Investment in Share and Redeemable Bond:

Investments are initially recognized at cost including acquisition charges. The investments in marketable ordinary shares have been valued at market price. Investment in redeemable bond has been valued at cost. Provision for diminution value of shares as on closing of the year is made in the financial statements.

29 Cash and Cash Equivalents:

Cash and cash equivalents consist of cash, cash in clearing account, FDR and bank balances. For the purpose of statement of cash flow, cash and cash equivalents are arrived at after net off bank overdrafts, if any.

2.10 Cash Flow Statements:

Cash flow statement is prepared in accordance with BAS - 7 "Statement of Cash Flows". Cash flows from operating activities have been presented at "Direct Method".

Earnings Per Share [EPS]: TK. 1.71 [BAS - 33]: 2.11

Earnings Per Share (BAS - 33) is calculated by applying the formula of net profit after tax divided by number of shares as follows:

Particulars	2016	2015
Net Profit after Tax for the year (Taka)	66,211,419	64,159,471
Ordinary Shares (Number)	38,781,465	38,781,465
Face value per share (Taka)	10	10
Basic Earnings Per Share (Taka)	1.71 (Approx)	1.65 (Approx)

It is relevant to note that the Company has changed its face value per share from Tk. 100 to Tk. 10 vide 6th EGM held on 24 November 2011.

Revenue Recognition [BAS - 18]:

- 2.12.1 Premium is recognized when insurance policies are issued. The sum of premium income as appeared in Revenue Accounts is net of the refund made, Re-insurance ceded and Re-insurance premium on PSB.
- 2.12.2 The premium in respect of Company's share of Public Sector Insurance Business (PSB) has been accounted for in the year in which the relevant statement of accounts received from Shadharan Bima Corporation (SBC). 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.
- 2.12.3 Amounts received, against issue of Cover Notes which have not been converted into Policies for the purpose of recognition, as income at the earlier date of Cover Notes converted into Policies or after expiry of two years of issuing Cover Notes in accordance with SBC's Circular.
- 2.12.4 Re-insurance commission is recognized as revenue over the period in which the related services performed.
- 2.12.5 Interest on Fixed Deposit Receipts (FDR) and Bangladesh Govt. Treasury Bond is recognized as revenue on accrual basis.
- 2.12.6 Capital gain/(loss) from dealing with listed companies' shares are recognized in the accounts as and when arisen or incurred. Dividend income is recognized on cash basis.

FOR THE YEAR ENDED ON 31 DECEMBER 2016

2.13 Benefits, Claims and Expenses Recognition:

2.13.1 Gross Benefits and Claims:

General insurance claims include all claims occurring during the year relates to internal and external/external claims handling costs that are directly related to the processing and settlement of claims, a reduction for the value of salvage and other recoveries and any adjustments to claims outstanding from previous years.

2.13.2 Re-insurance Claims:

Re-insurance claims are recognized when the related gross insurance claim determined according to the terms of the relevant contract.

2.13.3 Employment Benefits [BAS - 19]:

The company's employment benefits to eligible employees comprise of recognized contributory provident fund and group insurance scheme. Assets of provident fund are held under separate trustee as per the provident fund rules. Provident Fund is contributed by the employees and the company at predetermined rates. Employees are entitled to get company's contribution to provident fund after completion of minimum five years of service in the company. The company's contributions to the provident fund, group insurance and provision for gratuity have been charged as revenue expenditure.

2.14 Provision for Outstanding Claim:

This has been recognized on estimates in the accounts on the basis of expected claims including incidental cost whether reported or not on the date of reporting.

2.15 Reserve or Contingencies:

2.15.1 Un-expired Risk:

Surplus/(deficit) on Revenue Accounts has been arrived at after making necessary provision for unexpired risk @ 40% of net premium income on all business except Marine Hull Insurance for which provision has been made @ 100% on net premium income.

2.15.2 Reserve for Exceptional Loss:

Reserve for Exceptional Losses Tk. 25,000,000 was appropriated out of current year's profit before tax as reserve to meet exceptional losses under 4th schedule of Income Tax Ordinance 1984.

2.15.3 Revaluation Surplus:

This has been recognized in the accounts in year 2014 being difference amount of revalued assets and depreciated assets, that is, the surplus value of revalued and depreciated assets.

2.16 **Interest Expense:**

The company has incurred interest and related expenses on account of overdraft and short term loan. In terms of provision of the Bangladesh Accounting Standard (BAS) - 1 "Presentation of Financial Statements" interest expenses are recognized on accrual basis.

Allocation of Total Management Expenses:

Management expenses have been allocated to all Revenue Accounts in proportion to their gross premium.

2.18 **Fixed Assets:**

2.18.1 Recognition and Measurement:

The cost of an item of Fixed Assets shall be recognized as an assets if, and only if is probable that future economic benefits associated with the item will flow to the entity, and the cost of the item can be measured reliably.

FOR THE YEAR ENDED ON 31 DECEMBER 2016

Fixed assets have been accounted for at cost less accumulated depreciation. Cost includes expenditure that is directly attributable to the acquisition of the items.

Subsequent costs of enhancement of existing assets are recognized as a separate asset, only when it is probable that future economic benefits associated with the item will flow to the company and the cost of such items can be measured reliably. All other expenditures are charged to the Profit or Loss account during the financial period in which they are incurred.

Fixed Assets have been revalued in the year 2014 by an independent organization, named as "Jorip O Paridarshan Company Limited" to reflect the fair value at prevailing market price.

2.18.2 Depreciation on Fixed Assets:

Fixed assets are depreciated applying the Reducing Balance method consistently, as per BAS - 16 for addition of assets; depreciation is charged from the date of capitalization up to the date immediately preceding the date of disposal. Depreciation method, useful lives and residual values are reviewed at each year-end and adjusted if appropriate.

According to BAS-8 Management has estimated the useful life of Floor Space (including undivided proportionate land) and as such the depreciation of the related asset is changed and accounted for on new rate of 2.50%.

The rate of Depreciation used on the assets is as follows:

Name of Asset	Rate	Name of Asset	Rate
Furniture and Fixture	10%	Motor Cycle	20%
Type Writer and Office Equipments	15%	Telephone Installation	15%
Electric Fan	15%	Office Decoration	10%
Air Conditioner and Refrigerator	20%	Software Installation	35%
Floor Space	2.5%	Library Books	20%
Motor Vehicle	20%	Computer	20%

The value of all assets at 31 December 2016 as shown in the Balance Sheet and in the Classified Summary of Assets have been prepared following the regulations and Form AA, Part II, First Schedule of the Insurance Act 1938. The said assets have been set forth in the Balance Sheet at amounts of their respective book values and such value does not exceed their aggregate market value.

2.18.3 Sale of Fixed Assets:

Sale price of Fixed Assets are determined on the basis of the assets. Gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as being the difference between sales proceeds and carrying amount of the asset so recognized as per provision of BAS - 16 "Property, Plant & Equipments".

2.18.4 Impairment:

If the recoverable amount of asset is less than its carrying amount, the carrying amount of the asset should be reduced to its recoverable amount. That reduction is an impairment loss. An impairment loss is recognized as expenses in the Income Statement.

2.18.5 Leased Assets [BAS - 17]:

The Company acquired 6 (Six) vehicles under operating lease finance for five years from IDLC Finance Ltd. In 2012,,2013 and 2014. These were not recorded as fixed assets in the books of the Company, as these were taken on operating lease. Lease rental paid for these assets have been charged to revenue account. Lease rental to be paid for one year and for two to five years is Tk. 1,707,000.00 and Tk.3,414,000.00 respectively.

FOR THE YEAR ENDED ON 31 DECEMBER 2016

2.19 Taxation:

Income tax on earnings for the year comprises current and deferred tax which is based on the applicable tax law in Bangladesh. It is recognized in the income statement as tax expense.

2.19.1 Current Tax:

Current tax is the expected tax payable on taxable income for the year based on the taxes rates (and tax laws) which are enacted at the reporting date, including any adjustment for tax payable in previous periods. Current tax for current and prior periods is recognized as a liability (or Assets) to the extent that it is unpaid (or refundable).

Provision for income tax has been made at best estimate keeping in view with the provisions of Income Tax Ordinance 1984 and amendment made thereto from time to time. Applicable rate of income tax for the company is 40% as per Finance Act 2016.

2.19.2 Deferred Tax [BAS - 12]:

The Company recognized deferred tax in accordance with the provision of BAS 12. This arises due to temporary difference deductible or taxable for the events or transaction recognized in the profit and loss account. A temporary difference is the difference between tax bases of an asset or liability and its carrying amount/reported amount in the financial statements. Deferred tax asset or liability is the amount of income tax payable or recoverable in future period(s) recognized in the current period. The deferred tax assets/liabilities do not create a legal liability/recoverability to and from the income tax authority.

2.20 Accounting for Changes in Accounting Estimates:

BAS - 8 states that the effect of a change in an accounting estimate is to be applied prospectively by inclusion in the current accounting period and, if relevant, in future accounting period. The carrying amount of assets, liabilities, or equity may be changed following a change in accounting estimates in the period of the change.

2.21 Related Party Disclosure:

As per Bangladesh Accounting Standards (BAS) 24 "Related Party Disclosures", parties are considered to be related if one of the parties 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 Note 21.1.

2.22 **Events after the Balance Sheet Date:**

There is no material adjusting or non adjusting events occured after the balance sheet date and till to the date of reporting

2.23 Contingent Liabilities and Contingent Assets:

The company does not recognize contingent liability and contingent assets but discloses the existence of contingent liability in the financial statements. A contingent liability is probable obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of uncertain future events not within the control of the company or present obligation that cannot be measured reliably.

2.24 **Branch Accounting:**

The company has 25 branch offices (including Head Office) with no overseas branch as on 31 December 2016. Accounts of the branches are maintained at the head office which is included in the accompanying financial statements.

FOR THE YEAR ENDED ON 31 DECEMBER 2016

2.25 Consistency of Presentation:

In accordance with the BFRS framework for the presentation of financial statements together with BAS - 1 and BAS - 8, Northern General Insurance Company Limited applies the accounting disclosure principles consistently from one period to the next. For selecting and applying new accounting policies, changes in accounting policies applied, correction of errors, the amounts involved are accounted for and disclosed retrospectively in accordance with the requirement of BAS - 8 and applied the same accounting and valuation principles in 2016 as in financial statements for 2015 (unless otherwise stated).

2.26 Comparative Information:

Comparative information has been disclosed in respect of the period ended 31 December 2016 for all numerical data in the financial statements and also the narrative and descriptive information when it is relevant for better understanding of the current year's financial statements.

2.27 Reporting Currency:

The financial statements are prepared and presented in Bangladesh Currency (Taka), which is the company's financial currency.

2.28 Rounded off and Rearrange of Figures:

Figures appearing in these Financial Statements have been rounded off to the nearest Taka. Previous year's figures have been rearranged/restated/reclassified, where necessary, in order to conform to current period's presentation.

2.29 Reporting Period:

These financial statements have covered under audit for twelve months' period from 01 January 2016 to 31 December 2016.

2.30 Directors Responsibility:

The Board of Directors takes the responsibility for the preparation and presentation of these Financial Statements.

2.31 Approval for Issuing Financial Statements:

The Board of Directors has approved these Financial Statements on 25 April 2017.

2.32 Risk Analysis:

Risk analysis for insurance business is difficult to estimate the uncertainty in taking and managing the risk by chronological identification of unascertained risk, mitigating approach of risk and continuing efforts to equate the risk at reasonable level. This, inter alia, includes

(a) Insurance Product Risk:

In non-life insurance business, the product selection is one of the important factors for the company. Product with less uncertainty with lower cost can facilitate to secure more risk coverage. Accordingly, high risk is more related to the capital strength and credit rating of the company. Necessary provision for un-expired risk @ 40% of net premium income on all business except Marine Hull Insurance for which provision has been made @ 100% on net premium income.

(b) Operational Risk:

This is in association of all departmental effort within the company to ensure the sufficient

FOR THE YEAR ENDED ON 31 DECEMBER 2016

coverage for the uncertainty of particular policy selection. It varies in accordance with the nature of products offered to the insured. Guideline for selection of offered product and monitoring the same are effective when fencing the risk at the level of estimate.

(c) Strategic Market Risk:

This indicates to identify and quantify the inherent risk of the products for the insured in competitive market. Product with low risk should be encouraged to minimize risk.

(d) **Underwriting Risk:**

This is involved in loss events coverable under contract or agreement with the insured and the volume or size of the coverable loss. It relates to selection, pricing, monitoring and technical provision. However, risk with excessive volume is jointly shared by two or more insurers. In such circumstances, non-life insurance business with different products has been carried out with approved guideline.

(e) Reinsurance Risk:

Reinsurance has an influence basing the capital strength and rating aspects. Treaty limit is outlined by the amount of risk which can be ceded to other re-insurer. It depends on the nature of risk to be taken by the company. As such, technical provision has been estimated by way of covering the reasonable and probable obligations with respect to claims for known or un-known uncertainty.

(f) **Investment Risk:**

This relates to market, credit and liquidity of the company and as such, investments consist of assets covering the technical provisions and shareholders' equity. Accordingly, investment plan has been designed in such manner to accommodate inherent risk.

(g) Liquidity Risk:

This indicates to pay the claim on demand and the company needs to liquidate or convert assets to meet the obligation as and when arise.

(h) Credit Risk:

The Company follows IDRA instructions with respect to issuing of policies, that is, policies were not issued on credit.

Default Risk: (i)

It indicates default in paying off the claims on demand when third party involved in such approach. At the time, the company needs to have sufficient liquidity to pay off the claims on demand and to fulfill the contractual obligation.

(j) Legal and Regulatory Risk:

There is legal and regulatory obligation to follow and abide by the restricted rules and regulation in carrying out the business which do not conform to the competitive market for procuring business. As such, non-compliance to rules and regulation may invite risk to the employment of the company.

FOR THE YEAR ENDED ON 31 DECEMBER 2016

		Taka	
		31-Dec-2016	31-Dec-2015
3.	Share Capital: Tk.387,814,650		
3.1	Authorized Share Capital :		
	100,000,000 ordinary shares of Tk. 10 each	1,000,000,000	1,000,000,000
3.2	Issued, Subscribed and Paid up Capital:		
	Issued against cash	150,000,000	150,000,000
	Issued against bonus share	237,814,650	196,263,080
	1 2000 GOODE MILEDIA → SCHOLANIN STATISTICALE SCHOLADA A.A.	387,814,650	346,263,080

3.2.1 Group wise shareholding position as on 31 December 2016 are given below:

Shareholder Group	No. of Shareholder	No. of Shares	Percentage
Sponsors	16	13,849,190	35.71%
Institutional Investors	90	13,880,139	35.79%
General Investors	4,039	11,052,136	28.50%
Total	4,145	38,781,465	100.00%

3.2.2 Range wise shareholding position as on 31 December, 2016 are given below:

Share holding range	No. of Shareholder	No. of Shares	Percentage
000001-005000	3,780	3,178,117	8.19%
005001-050000	303	4,168,512	10.75%
050001-100000	17	1,284,361	3.31%
100001-200000	12	1,509,093	3.89%
200001-300000	6	1,586,907	4.09%
300001-400000	2	737,993	1.90%
400001-500000	0	-	0.00%
500001- Over	25	26,316,482	67.86%
Total	4,145	38,781,465	100.00%

3.2.3 Shareholding position of Sponsor/Director as on 31 December, 2016 are as follows:

SI. No.	Name of the Directors/Sponsor	Class of Share	No. of Shares	Nominal value	Taka
01	Mr. S. M. Ayub Ali Chowdhury	Ordinary	993,186	10	9,931,860
02	Mr. Md. Sarwar Salim	Ordinary	856,270	10	8,562,700
03	Al-haj Nasiruddin	Ordinary	842,829	10	8,428,290
04	Mr. Abdul Matin	Ordinary	842,829	10	8,428,290
05	Mr. Mohd. Azam	Ordinary	894,896	10	8,948,960
06	Al-haj Md. Saiful Alam	Ordinary	558,473	10	5,584,730
07	Ms. Thamina Rahman	Ordinary	1,132,407	10	11,324,070
08	Mr. Hamidul Haq	Ordinary	30,415	10	304,150
09	Mr. Faysal Ahmed Patwary	Ordinary	1,132,405	10	11,324,050
10	Mrs. Ferdousi Islam	Ordinary	1,132,407	10	11,324,070
11	Al-haj Md. Shafiul Azam	Ordinary	1,064,647	10	10,646,470
12	Al-haj Abdus Samad	Ordinary	842,829	10	8,428,290
13	Mr. Shahriar Khaled	Ordinary	842,829	10	8,428,290
14	Mr. Arshadul Alam	Ordinary	1,132,407	10	11,324,070
15	Ms. Maimuna Khanam	Ordinary	707,532	10	7,075,320
16	Mortuza Siddique Chowdhury	Ordinary	842,829	10	8,428,290
	Total		13,849,190		138,491,900

FOR THE YEAR ENDED ON 31 DECEMBER 2016

Ta	Taka	
31-Dec-2016	31-Dec-2015	

3.2.4 **Bonus** share

The Company has issued during the year bonus share Tk. 41,551,570 (roudnded off) being 12% of paid up capital Tk. 346,263,080 for the year 2015.

3.2.5 Change in face value of each share

The company has amended relevent clause of Memorandum and articles of Association in the 6th EGM held on 24 November 2011 to comply SEC's order regarding changing the share denomination from Tk.100.00 to Tk.10.00 each.

Reserve for Exceptional Losses: Tk. 138,031,170

Balance as at 31 December 2016	138,031,170	113,031,170
Add: Provision for the year	25,000,000	25,000,000
Balance as at 01 January 2016	113,031,170	88,031,170
This is arrived at as under:		

Revaluation Surplus: Tk. 188,172,248 5.

This is arrived at as under:		
Balance as at 01 January 2016	214,441,308	214,441,308
Less: Transferred to Retained Earnings	(26,269,060)	(2)
Balance as at 31 December 2016	188,172,248	214,441,308

6. Profit or Loss Appropriation Account: Tk. 67,925,282

41,996,373	34,315,362
41,551,570	31,478,460
444,803	2,836,902
41,211,419	39,159,471
26,269,060	7-
67,925,282	41,996,373
	41,551,570 444,803 41,211,419 26,269,060

7. Premium Deposit: Tk. 5,712,284

This represents the balance of premium received against Cover Notes during the year for which Policies were not issued within 31 December 2016.

Estimated liability in respect of outstanding claims whether due or intimated: Tk. 24,650,692 8.

The break-up of the amount with estimated numbers of claim against policies is as under:

Sl. No. Class of business		Ta	Taka	
01	Fire	2,050,500	5,783,280	
02	Marine	14,075,000	10,714,601	
03	Motor	7,835,342	10,261,238	
04	Miscellaneous	689,850	614,500	
	Total	24,650,692	27,373,619	

FOR THE YEAR ENDED ON 31 DECEMBER 2016

Taka		
31-Dec-2016	31-Dec-2015	

Amount due to other persons or bodies carrying on insurance business: Tk. 32,474,201 9.

The amount is payable to the following on account of re-insurance arrangements with SBC and co-

insurance scheme to other General Insurance Companies with aging as below:

Sl. No.	Name	Taka	
01	Sadharan Bima Corporation	29,262,621	26,732,260
02	Federal Insurance Company Limited	181,657	181,657
03	Green Delta Insurance Company Limited	131,856	131,856
04	Provati Insurance Company Limited	540,389	540,389
05	Continental Insurance Company Limited	264,901	264,901
06	Progati Insurance Company Limited	195,191	195,191
07	Prime Insurance Company Limited	888,731	888,731
08	Eastern Insurance Company Limited	124,484	124,484
09	Bangladesh Co-operative Insurance Company Limited	339,657	339,657
10	Bangladesh National Insurance Company Limited	217,611	217,611
11	Rupali Insurance Company Limited	176,363	176,363
12	Mercantile Insurance Limited	150,740	150,740
	Total	32,474,201	29,943,840

10. Sundry Creditors: Tk. 200,268,246

The break-up of the amount is as under:

Sl. No.	Head of accounts	Taka	
01	Audit fees payable	839,575	741,825
02	VAT Payable	2,133,203	2,205,557
03	Employees' Tax deduction at source	61,318	42,771
04	Security Deposit	35,000	35,000
05	Share Subscription	4,435,895	4,435,895
06	Provident Fund Payable	3,880,586	4,496,691
07	Office Rent	-	521,594
08	Shareholders Account	1,314,596	1,310,308
09	Provision for Gratuity	5,357,150	26,068,825
10	Provision for Workers' Profit Participation Fund (WPPF)	4,513,158	4,513,158
11	Provision for Income Tax	177,697,765	165,938,230
12	Loan from Shahjalal Islami Bank Limited	-	18,152,627
	Total	200,268,246	228,462,481

11. Investment: Tk. 45,036,160

The break-up of the amount is as under-

		45,036,160	55,023,534
13.3	Shares in Listed Companies	36,160	23,534
13.2	FSIB Mudaraba Subordinated Bond	20,000,000	30,000,000
13.1	Bangladesh Government Treasury Bond - at cost	25,000,000	25,000,000
THE DI	eak-up of the amount is as thitter.		

- 11.1 Investment in Bangladesh Government Treasury Bond is made as per section 23, schedule - 1 of the Insurance Act - 2010 being statutory deposit with Bangladesh Bank. Tk. 25,000,000.
- 11.2 Investment for Tk. 5,00,00,000.00 was made in FSIB Mudaraba Subordinated Bond on 03.12.2012 for six years. Orginally, the interest rate was 15.5% per annum which is reduced to 11%. The investment has been redeeming at 20% per annum since 2014.

FOR THE YEAR ENDED ON 31 DECEMBER 2016

Ta	aka
31-Dec-2016	31-Dec-2015

11.3 Details of investment in the shares of listed companies are given below:

		Ta	ka
Sl. No.	Particulars	Cost	Market value As At 31.12.2016
01	Aftab Auto Limited	567	340
02	BD Finance Limited	605	279
03	Beacon Pharma Limited	20,545	5,500
04	Dhaka Bank Limited	1,947	1,432
05	Eastern Bank Limited	387	319
06	Exim Bank Limited	393	924
07	Fine Foods Limited		5,449
08	Islami Bank Limited	274	238
09	Islami Insurance Limited	10,454	8,944
11	National Bank Limited	2,165	724
12	Paramount Insurance Limited	11,772	3,648
13	Premier Leasing International Limited	15,212	6,433
14	Prime Finance Limited	2,005	304
15	Pubali Bank Limited	466	288
16	Rupali Insurance Limited	216	74
17	Summit Power Limited	151	222
18	Uttara Finance Limited	1,595	1,042
	Total	68,754	36,160

The above investment in marketable securities that are designated as available for sale by the management. There are measured at fair value and presented as non current assets.

12. Interest accrued but not due: Tk. 11,095,456

This represents accrued interest on Fixed Deposits with the different banks and in Bangladesh Treasury Bond as summarized below:

		11,095,456	16,274,249
12.3	FSIB Mudaraba Subordinate Bond	295,000	1,408,520
12.2	Bangladesh Govt. Treasury Bond	952,806	952,806
12.1	Fixed Deposit with different banks	9,847,650	13,912,923

12.2 Bangladesh Govt. Treasury Bond:

Investment in Bangladesh Government Treasury Bond was purchased in different time from AB Bank Limited, Principal Branch, Dhaka. Accrued interest is calculated at the rate varied from 9.55% to 12.10%.

12.3 FSIB Mudaraba Subordinate Bond:

Accrued interest is calculated at 11%.

FOR THE YEAR ENDED ON 31 DECEMBER 2016

T	aka
31-Dec-2016	31-Dec-2015

13. Amount due from other persons or bodies carrying on insurance business: Tk. 353,203,139

This is due from the following on account of re-insurance and co-insurance business as below:

Sl. No.	Name	Tal	ka
01	Sadharan Bima Corporation	349,440,678	371,588,366
02	Eastern Insurance Company Limited	15,257	15,257
03	Federal Insurance Company Limited	231,091	231,091
04	Green Delta Insurance Company Limited	460,411	460,411
05	Provati Insurance Company Limited	429,218	429,218
06	Karnaphuli Insurance Company Limited	83,201	83,201
07	Janata Insurance Company Limited	261,017	261,017
08	Progati Insurance Company Limited	692,773	692,773
09	Prime Insurance Company Limited	183,704	183,704
10	Bangladesh Co-operative Insurance Company Limited	20,639	20,639
11	Bangladesh National Insurance Company Limited	272,318	272,318
12	City General Insurance Company Limited	23,963	23,963
13	Rupali Insurance Company Limited	768,143	768,143
14	Desh General Insurance Company Limited	10,692	10,692
15	Republic Insurance Company Limited	112,130	112,130
16	Central Insurance Company Limited	164,529	164,529
17	Mercantile Insurance Limited	33,375	33,375
	Total	353,203,139	375,350,827

14. Sundry Debtors: Tk. 187,624,860

[including advance tax, other advances, deposits and pre-payments]

The break-up of the amount as under:

Sl. No.	Name	Tak	a
01	Advance Income Tax	154,004,545	130,751,578
02	Advance Tax deduction at source	30,473,945	28,741,365
03	Advance office rent	2,846,370	4,151,689
04	Security Deposit with CDBL	300,000	300,000
	Total	187,624,860	163,944,632

It is to mention that paid amount of advance tax and tax deduction at source should be adjusted against provision of completed assessment years.

15. Cash and Bank balances: Tk. 221,527,954

The break-up of the amount is as under:

		221,527,954	182,441,055
15.3	Cash in hand (including cash at branches)	11,137,311	7,755,924
15.2	STD and Current Deposit with banks	43,554,788	50,966,755
15.1	Fixed Deposit with banks	166,835,855	123,718,376

FOR THE YEAR ENDED ON 31 DECEMBER 2016

15.1 Fixed Deposit with banks: Tk. 166,835,855

Sl.	Bank	Tal	ca
No.	Dank	31-Dec-2016	31-Dec-2015
)1	Al Arafah Islami Bank Limited	3,920,176	1,291,814
2	Bank Alfalah Limited	2,677,928	2,550,062
3	Bank Asia Limited	2,634,726	1,524,197
4	BASIC Bank Limited	821,054	768,049
5	BRAC Bank Limited	1,136,863	1,078,607
6	Dhaka Bank Limited	4,681,614	3,935,872
7	Dutch Bangla Bank Limited	4,086,198	3,844,025
8	Eastern Bank Limited	3,343,344	3,215,903
9	Exim Bank of Bangladesh Limited	7,128,300	4,297,722
0	First Security Islami Bank Limited	32,287,557	34,584,675
1	IFIC Bank Limited	3,794,745	3,101,956
2	Islami Bank Bangladesh Limited	6,252,592	5,908,367
3	Janata Bank Limited	3,900,591	3,628,869
4	Marcentile Bank Limited	2,873,333	2,682,553
5	Mutual Trust Bank Limited	3,264,035	3,053,120
6	National Bank Limited	2,901,858	2,696,585
7	NCC Bank Limited	6,015,270	5,172,654
8	One Bank Limited	1,450,443	1,347,899
9	Premier Bank Limited	1,901,738	1,776,596
0	Prime Bank Limited	5,263,616	4,457,464
1	Pubali Bank Limited	594,588	560,600
2	Rajshahi Krishi Unnayan Bank	1,312,424	1,220,392
3	Rupali Bank Limited	1,280,318	1,194,777
4	Social Islami Bank Limited	7,514,720	6,955,826
5	Sonali Bank Limited	8,908,462	8,297,354
6	Southeast Bank Limited	2,934,767	2,737,656
7	Standard Bank Limited	2,105,099	1,474,610
8	Shahjalal Islami Bank Limited	2,359,327	2,215,244
9	The City Bank Limited	786,480	732,035
80	IDLC Finance Limited	507,594	
1	Trust Bank Limited	795,372	739,314
2	United Commercial Bank Limited	6,300,982	3,109,157
3	Uttara Bank Limited	1,220,285	1,156,050
4	Bangladesh Commerce Bank Limited	2,541,819	-
5	NRB Commercial Bank Limited	2,646,674	1,052,834
6	NRB Global Bank Limited	1,659,996	312,663
7	Meghna Bank Limited	1,114,054	1,042,875
8	Industrial Promotion and Development of BD Ltd.	1,032,319	-
9	International Leasing and Financial Service Ltd.	2,541,250	2
10	Jamuna Bank Ltd.	513,000	-
11	Reliance Finance Ltd.	17,312,118	-
2	The Farmers Bank Limited	518,226	
	Total	166,835,855	123,718,376

STD and Current Deposit with banks 15.2

This represents the balance in STD & Current accounts with different banks.

Cash in hand:

This includes petty cash of head office and branches and also CD account balances of the branches.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED ON 31 DECEMBER 2016

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		ŏ	Cost		۵	Depreciation	
Particulars	Written down value as at 01.01.2016	Addition during the year	Sales/ Disposal during the year	Balance as at 31.12.2016	Rate	Charged during the year	Written Down Value as at 31.12.2016
Furniture and Fixture	4,200,253	119,700		4,319,953	10%	431,995	3,887,958
Type Writer and Office Equipments	1,084,701	67,965		1,152,666	15%	172,900	992'626
Electric Fan	41,524		١	41,524	15%	6,229	35,295
Air Conditioner and Refrigerator	1,521,384	89,250		1,610,634	20%	322,127	1,288,507
Motor Vehicle	3,950,734	2,000,000		5,950,734	20%	1,190,147	4,760,587
Motor Cycle	92,779		•	92,779	20%	18,556	74,223
Telephone Installation	94,564		*	94,564	15%	14,185	80,379
Office Decoration	16,051,054	102,690	٠	16,153,744	10%	1,615,374	14,538,370
Software Installation	591,438		*	591,438	35%	207,003	384,435
Office Floor Space(with proportionate land)	287,100,000			287,100,000	2.5%	7,177,500	279,922,500
Library Books	31,692			31,692	20%	6,338	25,354
Computer	1,990,359	374,877	•	2,365,236	20%	473,047	1,892,189
As at December 31, 2016	316,750,482	2,754,482		319,504,964		11,635,401	307,869,563
As at December 31, 2015	352,897,340	433,925		353,331,265		36,580,783	316,750,482

FOR THE YEAR ENDED ON 31 DECEMBER 2016

		Та	ka
		31-Dec-2016	31-Dec-2015
17.	Stock of stationery : Tk. 360,719		
	This represents the amount of unused stationery at the end of	the year and is arrive	d at as under:
	Balance as at 01 January, 2016	397,603	348,482
	Add: Purchase during the year	199,771	445,071
		597,374	793,553
	Less: Consumed during the year	236,655	395,950
	Balance as at 31 December, 2016	360,719	397,603
18.	Deferred Tax [BAS-12]:		
18.1	Deferred Tax Assets :		
	Book value of depreciable fixed assets	307,869,563	316,750,482
	Less: Tax base	307,633,122	316,456,708
	Deductible Temporary differences	236,441	293,774
	Effective Tax Rate [is considered as per Finance Act, 2016]	40.00%	40.00%
18.2	Deferred Tax Expense/(Income) : Tk. 22,934		
	Opening deferred tax assets	117,510	115,938
	Closing deferred tax assets	94,576	117,510
	Total Deferred tax expense /(Income)	22,934	(1,572)
18.2.1	Downson in defermed to secrets over the years TI: 04 576	2	
10,2,1	Decrease in deferred tax assets over the year: Tk. 94,576		
	The break-up of the amount is as under:	117 510	115 020
	Balance as at 01 January, 2016	117,510 (22,934)	115,938 1,572
	Deduction during the year Balance as at 31 December, 2016	94,576	117,510
		-	=
18.3	Current year provision for Taxation : Tk. 27,512,502		
	Break-up of the above is as under:	AT 400 F40	24405244
	Current Year's Provision	27,489,568	26,105,266
	Deferred Tax expenses/(Income)	22,934	(1,572)
		27,512,502	26,103,694
19.	Expenses of Management: Tk. 16,364,837		
	The following expenses were incurred for management of the	company's total busi	ness but not relate
	to any particular fund or identical business.		
	Insurance Premium on Office Car	327,796	548,516
	Bank Charges	715,463	922,867
	Meeting Expenses	323,950	458,320
	Directors TA/DA	-	565,995
	Crockeries and Cutleries	410	16,760
	Advertisement and Publicity	1,308,864	688,685
	Traveling and Conveyance	347,950	456,350
	Lease Rental	3,724,440	2,755,400
	AGM Expenses	334,850	454,370
	Festival Allowance	4,760,776	4,632,500
	Annual listing fee	676,074	414,629

FOR THE YEAR ENDED ON 31 DECEMBER 2016

		Ta	ka
		31-Dec-2016	31-Dec-2015
	Branch Managers Conference	315,750	350,550
	Group Insurance Premium	555,636	639,279
	Other Expenses	fe fe	4,513,158
	Contribution to Provident Fund	2,972,878	2,302,488
		16,364,837	19,719,867
20.	Expenses of Management: Tk. 58,463,313	570	
	These expenses were incurred in consolidation of identical busing	ness as below:	
	Salaries and allowances	35,859,782	35,635,481
	Wages	195,000	453,279
	Postage and Telegram	388,350	498,286
	Printing	2,595,640	1,877,665
	Stationery	236,655	395,950
	Conveyance	536,650	567,986
	Training Fee	31,050	82,62
	Entertainment	866,250	985,76
	Electrical Expenses	67,075	74,062
	Office Contingency and General Charges	244,930	97,880
	Telephone, Trunk Call and Telex	1,326,356	863,27
	Car Maintenance	52,780	732,400
	Internet Charge	1,071,793	943,86
	Interest on Overdraft	2,450,914	2,503,542
	Office Rent	6,873,664	6,699,820
	Garage Rent	26,500	54,000
	Gas, Water and Electricity Charges	873,593	862,373
	Service Charges	92,751	974,400
	Papers and Periodicals	215,482	123,482
	Holding Tax	1,270	3,23
	Misc. Expenses	685,342	566,321
	Management Expenses SBC for share of Public Sector Business	3,184,501	2,881,310
	Stamp Duty consumed - Fire	174,500	146,990
	Stamp Duty consumed - Motor	322,685	279,10
	Stamp Duty consumed - Miscellaneous	89,800	40,543
	15 ASS	58.463.313	58.343.624

20.1 The above expenses were allocated to respective revenue account on the basis of gross premium earned during the year under audit as follows:

		Taka		2 3
Revenue Account	General Expenses	Direct Expenses	Total Management Expenses	Percentage of Allocation (%)
Fire	24,611,322	416,545	25,027,867	45%
Marine	16,954,466	1,300,498	18,254,964	31%
Motor	7,656,856	484,570	8,141,426	14%
Miscellaneous	5,469,183	1,569,873	7,039,056	10%
Total for the year 2016	54,691,827	3,771,486	58,463,313	100%
Total for the year 2015	54,995,680	3,347,944	58,343,624	100%

FOR THE YEAR ENDED ON 31 DECEMBER 2016

21. Related Party Disclosure: [BAS - 24]

21.1 Related Party being Directors:

Directors' involvement in other Firms/ Companies are details below:

Sl. No.	Name of Directors	Proprietor, Parti		me of the Firms/ Companies in which interested as prietor, Partner, Director, Managing Agent, Guarantor, Employees etc.	Position in the Firms/ Companies	
			1	Metropolitan Medical Center Limited	Chairman	
			2	Rupali Life Insurance Company Limited	Alternate Director	
01	Mr. Abdul Matin	Chairman	3	Modern Textile Mills	Proprietor	
			4	Modern Dying and Screen Printing Limited	Managing Director	
			5	Narsingdi Hatchery and Fisheries Limited	Chairman	
02	Mr. Mohammad	Vice	1	Zia and Brothers	Proprietor	
02	Azam	Chairman	2	Boshra Trading	Proprietor	
	Mr. C.M. Amil		1	City Pharmaceuticals Limited	Chairman	
03	Mr. S. M. Ayub	Director	2	K. B. Knit Fashion Limited	Chairman	
	Ali Chowdhury		3	Fortune Fashion Limited	Chairman	
		-	1	Panwin Fashion Limited	Managing Director	
	Mr. Md. Sarwar		2	Panwin Garments Limited	Managing Director	
04	Salim	Director	3	Panwin Designs Limited	Managing Director	
	Saiim	122100000000000000000000000000000000000	4	Pantax Accessories (Pvt) Limited	Managing Director	
			5	Western Developers Limited	Director	
			1	Nasim Trading Company	Proprietor	
05	Al-haj Nasiruddin	Director	2	Nams Trade Corporation	Proprietor	
			3	J. A. N. Corporation Limited	Managing Director	
06	Ms. Thamina Rahman	Director		Not Applicable	- 0 0	
	Mr Faveal Ahmad		1	Patwary Potato Flakes Limited	Director	
07	Mr. Faysal Ahmed	Director	2	Greentech Greenhouse Bangladesh Limited	Director	
	Patwary		3	Patwary & Associates	Proprietor	
			1	China Bangla Ceramic Industries Limited	Chairman	
			2	China Bangla Engineering & Technology Services Limited	Chairman	
			3	BajnaboTextile Mills Limited	Chairman	
08	Mrs. Ferdousi		4	Trustee Securities Limited	Managing Director	
	Islam		5	Bangal Tiger Cement Industries Limited	Director	
	TOTAL CONTRACTOR		6	Total Merchandising & Trims Limited	Director	
			7	United Shipping Lines Limited	Director	
			8	Dhaka-Foshan Mould Company Limited	Director	
			9	Azbal International Limited	Chairman	
			10	Bajnabo Creamic Industries Limited	Director	
			11	Rajanigondha Cargo Limited	Director	
			1	Ambia Apperals Limited	Director	
			2	Ambia Sweaters Limited	Director	
09	Mr. Md. Shafiul	Director	3	Ambia Steel & Re-Rolling Mills Limited	Director	
	Azam		4	Ambia Accessories Limited	Director	
			5	S. A. Chemical Industries Limited	Director	

FOR THE YEAR ENDED ON 31 DECEMBER 2016

			6	Ambia Tank Terminal Limited	Director
			7	Ambia Holdings Limited	Director
				M/s A. H. Trading	Director
			9	M & M Navigation Company Limited	Director
			4.50	Patenga Builders Corporation Limited	Director
			11		Director
10.	Prof. Dr. Zainab Begum	Independent Director		Not Applicable	
			1	Al-Arafah Islami Bank Limited	Chairman (BOD) & Promoter Shareholder/ Director
			2	S. Alam Power Plant Limited	Managing Director
			3	Karnaphuli Prakritik Gas Limited	Managing Director
			4	S. Alam Hatchery Limited	Chairman
			5	S. Alam Soyaseed Extraction Plant Limited	Chairman
			6	S. Alam Tank Terminal Limited	Chairman
			7	S. Alam Cold Rolled Steels Limited	Chairman
			8	S. Alam Steels Limited	Chairman
			9	S. Alam Cement Limited	Chairman
	Al-haj Abdus Samad		100	Portman Cements Limited	Chairman
11.		Director	-	S. Alam Brothers Limited	Chairman
		Director	market resident	S. Alam Properties Limited	Chairman
				S. Alam Luxury Chair Coach Services Limited	Chairman
				S. Alam Super Edible Oil Limited	Sponsor Shareholder
				S. Alam Vegetable Oil Limited	Sponsor Shareholder
				S. Alam Power Generation Limited	Chairman
				SS Power I Limited	Nominee Director
				SS Power I Limited SS Power II Limited	
			Separa	APTY OF MALES IN THE CONTROL OF THE	Nominee Director Nominee Director
			19	Ekushey Television Limited	Vice Chairman
			20	Reliance Finance Limited	Nominee Director
			21		Chairman
			22	AIBL Capital Market Services Limited	Promoter Shareholder, Director
			23	Marine Empire Limited	Managing Director
				Samad Trading Agency	Proprietor
				Fatehabad Farm Limited	Chairman
			1	MAKSONS (Bangladesh) Limited	Director
			2	MAKSONS Associate Limited	Director
			3	MAKSONS Bay Limited	Director
12	Mr. Shahriar	1	4	Prime Financial Securities Limited	Director
	Khaled	Director	5	Prime Properties Holdings Limited	Director
	Maleu	((C*(5)(6)(1)(5)(5)	6	Fareast Islami Life Insurance Limited	Director
			7	PFI Securities Limited	THE CONTRACTOR OF THE CONTRACT
				A CONTRACTOR OF THE PROPERTY O	Director
_			8	PFI Properties Limited	Director
			1	Uni - Trade International Limited	Proprietor
			2	M. K. Electronics	Managing Director
			3	Jesco Bangladesh Limited	Director

FOR THE YEAR ENDED ON 31 DECEMBER 2016

13.	Mr. Arshadul Alam	Director	4	Jesco Capital Management Limited	Managing Director
			5	Kharana Fish & Poultry Limited	Director
			6	Metro Diagnostic Limited	Director
			7	The Chittagong Chamber of Commerce & Industry	Immediate Past Directo
			1	Diganta Media Corporation Limited	Sponsor Shareholde
			2	Reliance Finance Limited	Director
300	Mr. Mortuza		3	Mortaza Assets Limited	Managing Director
14.	Siddique	Director	4	MARSA Holding Limited	Chairman
	Chowdhury		5	MARSA Trading Limited	Proprietor
	=0		6	Union Bank Limited	Director
			7	MARSA Fishing Limited	Chairman
			8	Parkview Hospital Limited	Vice Chairman
15.	Mr. Mohammed Rafique	Independent Director	1	M. M. Corporation	Proprietor
	- "		1	Al-Arafah Islami Bank Limited	Sponsor Shareholder
			2	Karnaphuli Prakritik Gas Limited	Chairman
			3	First Security Islami Bank Limited	Chairman
			4	First Security Islami capital & Investment Limited	Chairman
			5	S. Alam Hatchery Limited	Managing Directo
			6	S. Alam Soyaseed Extraction Plant Limited	Managing Directo
			7	S. Alam Tank Terminal Limited	Managing Directo
	Al-haj Md.Saiful		8	S. Alam Cold Rolled Steels Limited	Managing Directo
			9	S. Alam Bag Manufacturing Mills Limited	Managing Directo
			10	S. Alam Refined sugar Industries Limited	Managing Directo
			11	S. Alam Steels Limited	Managing Directo
			12	S. Alam Cement Limited	Managing Directo
			13	Portman Cements Limited	Managing Directo
we.c			14	S. Alam & Co.	Proprietor
16.		2222	15		Managing Directo
	Alam	Director	16	A CONTRACT OF CONTRACT CONTRACT OF CONTRACT CONT	Managing Directo
			17	S. Alam Properties Limited	Managing Directo
		19 S. Alam Super Edible Oil Limited20 S. Alam Vegetable Oil Limited	S. Alam Luxury Chair Coach Services Limited		
				Sponsor Shareholde	
				Sponsor Shareholde	
			21		Sponsor Shareholde
				Managing Directo	
			Reliance Brokerage Services Limited	Chairman	
			24	Reliance Finance Limited	Chairman
			Sonali Cargo Logistics (Pvt.) Limited	Managing Directo	
			26	Fatehabad Farm Limited	Managing Directo
			27	Rangdhanu Media Limited	Managing Directo
			28	SS Power I Limited	Chairman(BOD) &
			20	55 TOWEL I LIMITED	Nominee Director
			29	SS Power II Limited	Chairman(BOD) &
			27	55 I OWEL II LIIIIIICU	Nominee Director
			30	Ekushey Television Limited	Chairman(BOD) &
			30	Linustrey refevision Limited	Nominee Director

FOR THE YEAR ENDED ON 31 DECEMBER 2016

21.2 Transactions with Related Party:

The Company has carried out business through the following related parties and the nature of transactions and value are detailed below:

SI.	N (d. Cl)	Mr. S. M. Ayub Ali Chowdhury Mr. Abdul Matin Al-haj Abdus Samad Al-Haj Md. Safiul Alam Insurance Properties of the properties of t	Nature of	Tal	ka	
No.	Name of the Client	Related to	transaction	2016	2015	
1	Fortune Fashion Limited		Insurance Premium	128,402	353,780	
2	Modern Dying and Screen Printing	Mr. Abdul Matin	Insurance Premium	5,583	57,965	
3	S. Alam Cold Rolled Steel Limited	am Cold Rolled Limited Al-haj Abdus Samad Al-Haj Md. Safiul Alam Al-haj Abdus Samad Al-Haj Md. Safiul Alam Al-haj Abdus Samad Al-haj Abdus Samad Al-haj Abdus Samad Al-haj Md. Safiul Alam Insurance Premium Al-haj Abdus Samad Insurance Premium Insurance Premium Insurance Premium Insurance Premium Al-haj Abdus Samad Insurance Premium Insurance Pre		780,611	517,444	
4	S. Alam Steels Limited		Insurance Premium	203,963	214,425	
5	S. Alam Cement Limited		Insurance Premium	326,730	293,473	
6	S. Alam Luxury Chair Coach Services Limited	Al-haj Abdus Samad	Insurance Premium	553,199	187,704	
7	S. Alam Super Edible Oil Limited	Al-haj Abdus Samad	Insurance Premium	833,012	388,267	
8	S. Alam Vegetable Oil Limited	Al-haj Abdus Samad	Insurance Premium	558,069	1,696,255	
9	S. Alam Power Plant Limited		Insurance Premium	895	435	
10	Portman Cement Limited		Insurance Premium	397	410	
11	S. Alam Properties Limited	Al-haj Abdus Samad Al-Haj Md. Safiul Alam	Insurance Premium	1,744	1,782	
12	Reliance Brokerage Services Limited	Al-Haj Md. Safiul Alam	Insurance Premium	30,324	\$.	
13	Reliance Finance Limited	Al-haj Abdus Samad Al-Haj Md. Safiul Alam	Insurance Premium	191,656	153,825	
14	S. Alam Refined Sugar Industries Limited	Al-Haj Md. Safiul Alam	Insurance Premium		21,846,824	
15	Rangdhanu Media Limited	Al-Haj Md. Safiul Alam	Insurance Premium	1,485	-	
16	S. Alam Power Generation Limited	Al-haj Abdus Samad Al-Haj Md. Safiul Alam	Insurance Premium	6,523,747	10,754,270	
17	Ekushey Television Limited	Al-haj Abdus Samad Al-Haj Md. Safiul Alam	Insurance Premium	3,220	2	
18	S. Alam Bag Manufacturing Mills Limited	Al-Haj Md. Safiul Alam	Insurance Premium	349,717	100,976	
19	Panwin Fashions Limited	Mr. Md. Sarwar Salim	Insurance Premium	1,760,132	2,301,582	
20	Pantax Accessories (Pvt.) Limited	Mr. Md. Sarwar Salim	Insurance Premium		1,260,375	
21	Panwin Designs Limited	Mr. Md. Sarwar Salim	Insurance Premium	11,846,539	2	
22	Panwin Garments Limited	Mr. Md. Sarwar Salim	Insurance Premium	691,060	-	
23	China Bangla Ceramic Industries Limited	Mrs. Ferdousi Islam	Insurance Premium	55000000000	1,175,725	

FOR THE YEAR ENDED ON 31 DECEMBER 2016

24	Total Merchandising & Trims Limited	Mrs. Ferdousi Islam	Insurance Premium	200,000	-
25	United Shipping Lines Limited	Mrs. Ferdousi Islam	Insurance Premium	100,000	1970
26	Azbal International Limited	Mrs. Ferdousi Islam	Insurance Premium	203,795	2
27	Ambia Holdings Limited	Mr. Md. Shafiul Azam	Insurance Premium	397	-
28	PFI Securities Limited	Mr. Shahriar Khaled	Insurance Premium	460	

22. Compliance of Schedule XI Part II of the Companies Act, 1994:

The slab of employees' remuneration is given below:

Particular.	No. of Em	ployees
Particulars	2016	2015
Below Taka.36,000 per year	(2)	12
Taka.36,000 and above	297	361
Total	297	361

23. Provisions Relating to Collection of Premium:

The Company has always complied with the Section 18 of the Insurance Act, 2010 as applicable with regard to provision in collecting premium.

Restriction on Certain Investment: 24.

Northern General Insurance Company Limited has not made any investment nor holds any shares or debentures of any company, firms or other business concern except FSIB Mudaraba Subordinated Bond, in which any of it's directors or any members of the family of such directors has any interest as Proprietor, Partner, Director, Manager or Managing Agent as per Section 44(3) of the Insurance Act, 2010 .

Managing Director & CEO

Director

Director

Chairman

STATEMENT OF CLASS-WISE UNDERWRITING PROFIT OR LOSS

FOR THE YEAR ENDED ON 31 DECEMBER 2016

Particulars	Taka					
	Fire	Marine	Motor	Miscellaneous	Total	
Gross Premium	166,481,338	115,411,232	52,492,716	38,996,639	373,381,925	
Add: Premium on Re-insurance Accepted	15	50				
Less: Premium on Re-insurance ceded	87,791,258	39,056,278	5,030,501	31,822,602	163,700,639	
Net Premium Income	78,690,080	76,354,954	47,462,215	7,174,037	209,681,286	
Add: Commission on Re-insurance ceded	19,171,612	10,690,063	1,257,625	6,580,616	37,699,916	
Less: Commission on Re-insurance Accepted	-	-	74		9 4	
Less: Agent Commission	13,951,596	8,823,663	4,278,410	1,685,455	28,739,124	
Add: Last year's Unexpired Risks	41,947,073	30,006,303	20,247,131	5,443,646	97,644,153	
Sub-Total	125,857,169	108,227,657	64,688,561	17,512,844	316,286,231	
Deduct:						
Net Claim	37,029,347	7,530,257	17,974,042	98,362	62,632,008	
Management Expenses	25,027,867	18,254,964	8,141,426	7,039,056	58,463,313	
Reserve for Unexpired Risks	31,476,032	30,901,171	18,984,886	2,869,615	84,231,704	
Sub-Total	93,533,246	56,686,392	45,100,354	10,007,033	205,327,025	
Underwriting Profit	32,323,923	51,541,265	19,588,207	7,505,811	110,959,206	

Managing Director & CEO

Director

Director

Chairman

STATEMENT OF CLASS-WISE UNDER WRITING PROFIT / (LOSS) FOR THE YEAR ENDED ON 31 DECEMBER 2016

Name of the BAS	BAS No	Status
Presentation of financial statements	1	**
Inventories	2	N/A
Cash flow statement	7	Applied
Accounting policies, change in accounting estimates and errors	8	Applied
Events after the balance sheet date	10	Applied
Construction contracts	11	N/A
Income Taxes	12	Applied
Property,plant and equipment	16	Applied
Lease	17	Applied
Revenue	18	Applied
Employee benefits	19	Applied
Accounting for government grants and disclosure of governments assistan	ce 20	N/A
The effect of change in foreign exchange rates	21	N/A
Borrowing cost	23	Applied
Related party disclosure	24	Applied
Accounting and reporting by retirement benefits plan	26	Applied
Consolidated and separate financial statements	27	Applied
Investment in associates	28	N/A
Investment in joint ventures	31	N/A
Financial instruments: disclosure and presentations	32	**
Earning per share	33	Applied
Interim financial reporting	34	Applied
Impairment of assets	36	Applied
Provision, contingent liabilities and contingent assets	37	Applied
Intangible assets	38	Applied
Financial instruments: recognition and measurement combination	39	**
Investment property	40	N/A
Agriculture	41	N/A
Name of the BFRS	BFRS No	Status
Share base payment	2	N/A
Business combination	3	N/A
Insurance contracts	4	**
Non-currents assets held for sale and discontinued operation	5	N/A
Exploration for and evaluation of mineral resources	6	N/A
Financial instruments: disclosure	7	**
Operating segment	8	N/A

^{**} Northern General Insurance Company Limited management has followed the principles of BAS and BFRS consistently in the preparation of the financial statements to that extent as applicable to Insurance Company. Some of the standards have not been complied with, about which IDRA has special guideline. On the other hand, some disclosures differ with the authoratative directions as mentioned in note 2.3.

Managing Director & CEO

Director

Director

Chairman



(A KEY TO PROTECTION)

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