

ANNUAL REPORT
2016



ଜନତା ବିଶ୍ୱାସନ କମ୍ପାନୀ ଲିଃ
JANATA INSURANCE COMPANY LTD.



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LETTER OF TRANSMITTAL

To

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

Subject : Annual Report for the year ended on December 31, 2016

Dear Sir(s)/Madam(s),

We are pleased to enclose a copy of the Annual Report 2016 together with the Audited Financial Statements including Statement of Financial Position as at December 31, 2016 and Statement of Comprehensive Income, Statements of Cash Flows for the year ended December 31, 2016 along with notes thereon of Janata Insurance Company Limited for kind information and record.

Best regards,

Yours sincerely,

(Md. Saiful Islam)

Company Secretary

JANATA INSURANCE COMPANY LTD.

GA/95/D, Link Road, Middle Badda, Gulshan-1, Dhaka-1212

NOTICE OF THE 31ST ANNUAL GENERAL MEETING

Notice is hereby given that the Thirty first (31st) Annual General Meeting of the Hon'ble Shareholders of Janata Insurance Company Ltd. (JIC) will be held on Tuesday, the July 18, 2017 at 11.00 A.M. at Banquet Hall of Banani Club Limited, House # 105 & 109(F), Road # 1, Banani, Dhaka-1213 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.

2. 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.

3. Appointment/Reappointment of Independent Director

To consider post facto approval of reappointment of Independent Directors.

4. Appointment of Auditor(s)

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

5. To transact any other related business with permission of the Chair

All Shareholders are requested to attend the meeting on the date, time and place mentioned above.

By order of the Board of Directors

Dated: Dhaka,
June 05 , 2017


(Md. Saiful Islam)
Company Secretary

Notes:

- May 25, 2017 has been scheduled as Record Date. The shareholders whose names appeared in the Share Register or in the Depository Register of the Company on the Record Date would be eligible to attend the meeting.
- Any member of the company entitled to attend and vote at the Annual General Meeting may appoint a proxy to attend and vote on his/her behalf. The proxy must be a member of the company.
- The instrument appointing a proxy duly stamped and signed by the member must be submitted to the Registered Office of the Company not less than 48 hours before the time fixed for the meeting.
- For registration in the meeting, production of attendance slip is required.
- The shareholders are requested to register their names in the counter at the entrance of the AGM venue from 9:00 A.M. to 11:15 A.M. on July 18, 2017. No entry will be recorded before 9:00 A.M. and after 11:15 A.M. on the scheduled meeting date.
- Entry to the AGM is reserved only for shareholders or his/her proxy on production of the attendance slip or proxy form to attend the meeting.
- No Gift/Gift Coupon/Benefit in cash or Kind shall be offered/paid to the shareholders in the 31st AGM in compliance with the circular of Bangladesh Securities and Exchange Commission's SEC/CMRRCD/2009-193/154 dated 24 October, 2013.

COMPANY'S PROFILE

JIC and its Background

Janata Insurance Company Ltd. (JIC) a first generation Non-Life Insurance Company in Bangladesh in the private Insurance sector. The company was incorporated and commenced its business as a public limited company under Companies Act 1994 on 23rd September, 1986 with a view to run all types of Insurance business except Life- Insurance as per Insurance Act, 1938 (subsequently repealed by the Insurance Act 2010) in Bangladesh. JIC commenced its business operations from November 6, 1986 after obtaining registration certificate from the office of The Chief Controller of Insurance (CCI). JIC ventured its operation with a paid-up capital of Taka 30.00 million and authorized capital of Taka 100.00 million sponsored by a group of leading entrepreneurs/industrialist of our country having involvement in various socio-economical sectors. By the passage of time, the Authorized and the Paid-up capital of the company have been enhanced to Taka 1000 million and Taka 383.53 million respectively by December 31, 2016.

JIC went for Initial Public Offering in 1994 and raised its paid-up capital by issuing rights shares in the year 2011. The Company's ownership is prudently distributed to Sponsor Directors 36.99% and 63.01% to General Public including Financial Institutions.

The Board of Directors comprises a good number of eminent entrepreneurs and personalities of the country. Members of the management team are highly qualified professionals. The Board is chaired by Mr. Aziz Al- Masud and steered by Mr. Md. Fazlul Hoque Khan as the Chief Executive Officer of the Company. The future plans of the company include increase of business volume by hiring of potential man power with technical know-how in the Non-Life Insurance business arena, implementing progressive marketing strategies and rendering quality & swift services.



VISION

MISSION

CORE VALUES

CORPORATE PHILOSOPHY

Our Vision

- To operate in accordance with the law of the land.
- To build sound & dependable image.
- To ensure professionalism at the highest standard of customer service.
- To contribute to national growth both in depth and dimension.
- To extend a friendly hand to the clients at the time of need.

Our Mission

- Grow significantly.
- Aim to provide prompt and personalized services to the clients.
- Bring innovation in insurance product and selling techniques.
- Work to deliver optimum value to the shareholders, clients, employees and add value to the nation.
- Consciousness in social obligation.

Our Core Values

- Integrity.
- Customer Focus.
- Transparency.
- Result Focus.
- Professionalism & Excellence and
- Teamwork.

Corporate Philosophy

- Operating activities with optimum quality and Trust.
- Discharging duties & responsibilities with highest ethical value.
- Ensuring Safety & Security of Insured's Interest.

CORPORATE INFORMATION

| | |
|----------------------------------|---|
| Registered Name | Janata Insurance Company Ltd. |
| Legal Status | Public Limited Company |
| Date of Incorporation | 23rd September 1986 |
| Date of Commencement of Business | 6th November 1986 |
| Chairman | Aziz Al-Masud |
| Vice Chairman | Roxana Zaman |
| Chairman, Executive Committee | Zafrul Islam Chowdhury |
| Chairman, Audit Committee | Md. Moniruzzaman, FCA |
| Chief Executive Officer | Md. Fazlul Hoque Khan |
| Additional Managing Director | Mohammad Didarul Islam |
| CFO & Company Secretary | Md. Saiful Islam (Tel: 01713-033551) |
| Date of Listing with DSE | 12 October 1994 |
| Date of Listing with CSE | 10 October 1995 |
| Authorized Capital | BDT 1000 million |
| Paid up Capital | BDT 383.53 million |
| No of Shareholders | 4095 |
| Total Manpower | 160 |
| Number of Branches | 10 |
| Auditors | Mahfel Huq & Co. Chartered Accountants BGIC Tower (4th Floor) 34, Topkhana Road, Dhaka-1000. |
| Legal Retainer | Sk. Awsafur Rahman Advocate, Supreme Court of Bangladesh |
| Tax Consultants | Kazi Halim & Associates |
| Rating Agency | Alpha Credit Rating Limited |
| In-Charge, Share Department | Mr. Md. Ahsan Habib Tel : 01741897767 |
| Registered Office | GA/95/D, Link Road, Middle Badda, Gulshan-1, Dhaka-1212. |
| Telephone | 02-9854923, PABX: 02-9852181-82 |
| Fax | 880-2-9852183 |
| E-mail | janatain@gmail.com |
| Website | www.janatainsurance.com |

OUR PRODUCTS & SERVICES INCLUDE



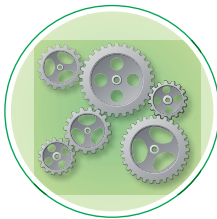
Fire Insurance

- Fire Insurance (including Allied Perils)
- Property All Risks Insurance
- Industrial All Risks(IAR) Insurance
- Power plant Operational package Insurance including
- Business Interruption & Third Party Liability



Marine Insurance

- Marine Cargo Insurance (Import/Export by Sea, Air, Road including Inland transit)
- Marine Hull Insurance



Engineering Insurance

- Machinery Breakdown Insurance (MBD)
- Deterioration of Stocks (DOS)
- Boiler and Pressure Vessel (BPV)
- Electronic Equipment Insurance (EEI)
- Erection All Risks (EAR)
- Contractor's All Risks (CAR)



Motor Insurance

- Automobile Comprehensive Insurance
- Automobile Act liability Insurance



Miscellaneous Insurance

- Burglary Insurance
- Money in ATM Booth Insurance
- Money in Vault/Safe, Money in Transit, Money on Counter (for Bank) Insurance
- Cash in Private/Commercial Premises Insurance
- Fidelity Guarantee Insurance
- Workmen's Compensation Insurance
- Personal Accident Insurance
- Safe Deposit Box (Bank Lockers) All Risk Insurance
- Hajj & Umrah Travel Insurance Policy
- People's Personal Accident Insurance
- Public Liability Insurance
- Aviation Insurance
- Banker's Blanket Bond (BBB) & Electronic Computer Crime Insurance



BOARD OF DIRECTORS

Composition of Board and its Committees

Chairman

Aziz Al-Masud

Vice Chairman

Roxana Zaman

Directors

Qamrun Nahar

Zafrul Islam Chowdhury

Belal Ahmed

Sultana Hashem

Fahima Akhter

Savera H Mahmood

Kamruddin Parvez

Zannatul Ferdous Zeena

Farahnaz Chowdhury

Afroza Zaman

Farhana Zaman

Warisuzzaman Chowdhury

Shahidul Quader Chowdhury
(appointed on 02.04.2017)

Independent Directors

Md. Moniruzzaman, FCA

Abu Hyder Chowdhury(Amzad)

Makin-ur-Rashid(Rossi)

Chief Executive Officer

Md. Fazlul Hoque Khan

Advisers

M.A. Hashem, Ex-MP

Chairman, Partex Group

Saifuzzaman Chowdhury, MP
State Minister, Ministry of Land
Govt. of the People's Republic
of Bangladesh

Executive Committee

Chairman

Zafrul Islam Chowdhury

Members

Qamrun Nahar

Roxana Zaman

Fahima Akhter

Savera H Mahmood

Farhana Zaman

Audit Committee

Chairman

Md. Moniruzzaman, FCA

Members

Fahima Akhter

Kamruddin Parvez

Afroza Zaman

Warisuzzaman Chowdhury

Makin-Ur-Rashid (Rossi)

BRIEF PROFILE OF DIRECTORS



Aziz Al-Masud
Chairman

Managing Director
Amber Pulp & Paper Mills Ltd.
Partex Paper Mills Ltd.



Roxana Zaman
Vice Chairman

Director
Asif Steels Ltd.
Vanguard Steels Ltd.
Javed Steel Mills Ltd.
Afroza Oil Ltd.



Zafrul Islam Chowdhury
Director &
Chairman, Executive Committee

Managing Director
Islam Steel Mills Ltd.
Siraj Ano Ispat Ltd.
Anowara Jute Mills Ltd.
Eastern Engineers (Chatta) Ltd.
Siraj Ano Oxegen Ltd.
Siraj Ano Builders Ltd.



Md. Moniruzzaman, FCA
Independent Director &
Chairman, Audit Committee

Partner
M/s. ACNABIN
Chartered Accountants
Independent Director
Golden Son Ltd.
Director
Accountancy, Management &
Training Services Ltd.



BRIEF PROFILE OF DIRECTORS



Qamrun Nahar
Director

Chairman

Ananta Properties Ltd.
Ananta Apparels Ltd.
Ananta Fashion Ltd.
Ananta Casual Wear Ltd.
Ananta Denim Technology Ltd.

Former Director

United Commercial Bank Ltd.

Former Chairman & presently Member
Governing body of Dhaka Mohila College



Belal Ahmed
Director

Managing Director
Golden Son Ltd.



Sultana Hashem
Director

Chairman
Partex Star Group



Fahima Akhter
Director

Chairperson

Masco Group of Industries

Director

Shanta Expression Ltd.
Concept Knitting Ltd.

BRIEF PROFILE OF DIRECTORS



Savera H Mahmood
Director

Director
Partex Agro Ltd.
Ferrotech Ltd.



Kamruddin Parvez
Director

Deputy Managing Director
M/s. Nur Mohammed & Co. Ltd.
Assistant Professor
Chittagong Independent University



Zannatul Ferdous Zeena
Director

Member
Board of Trustees, IBAIS University



Farahnaz Chowdhury
Director

Director
Alo Communication Ltd.
Member
Board of Trustees, IBAIS University

BRIEF PROFILE OF DIRECTORS



Afroza Zaman
Director

Director
Asif Steels Ltd.
Vanguard Steels Ltd.
Javed Steel Mills Ltd.
Afroza Oil Ltd.



Farhana Zaman
Director

Director
Asif Steels Ltd.
Vanguard Steels Ltd.
Javed Steel Mills Ltd.
Afroza Oil Ltd.



Warisuzzaman Chowdhury
Director

Independent Director
Aramit Ltd.
Proprietor
Citi Center, Chatteshwari Road, Chittagong
B. Zaman Trading



Shahidul Quader Chowdhury
Director

Managing Director
Marine Foods Ltd.

BRIEF PROFILE OF DIRECTORS



Abu Hyder Chowdhury (Amzad)
Independent Director

Managing Director
Chumki Apparels Ltd.
Former Director
Chittagong Chamber of Commerce & Industries
Chairman
Standing Committee of BGMEA
Member
Chittagong Club Ltd.
Life Member
Diabetic Hospital, Chittagong.



Makin-Ur-Rashid (Rossi)
Independent Director

Director
Voicetel Ltd.
Proprietor
A-One Enterprise
Owner
Chowdhury International Agency



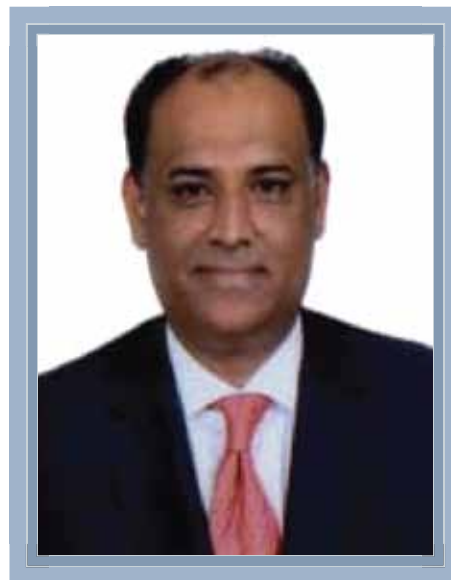
Md. Fazlul Hoque Khan
Chief Executive Officer

Vast experienced in
Non-Life Insurance Sector,
particularly in the fields of Accounts,
Administration, Re-Insurance,
Underwriting and Claims.

BRIEF PROFILE OF ADVISERS



M.A. Hashem, Ex. MP
Adviser



Saifuzzaman Chowdhury, MP
Adviser

Chairmen
Partex Group

Director and Ex. Chairman
United Commercial Bank Ltd.

Life Member & Former Chairman
Board of Trustees,
North South University.

Member
Board of Trustees,
IBAIS University.

Founder of
M.A. Hashem Diabetic Hospital,
Chowmuhani.
M.A. Hashem University College,
Kazirhat, Begumgonj.
Al-haj Abdul Aziz Lillah Boarding &
Orphanage at
Chowmuhani, Noakhali.

State Minister
Ministry of Land
Government of the People's
Republic of Bangladesh

KEY MANAGEMENT



Md. Fazlul Hoque Khan
Chief Executive Officer



Mohammad Didarul Islam
Additional Managing Director



Md. Saiful Islam
CFO & Company Secretary

MANAGEMENT TEAM & EXECUTIVES

Chief Executive Officer

Md. Fazlul Hoque Khan

Additional Managing Director

Mohammad Didarul Islam

Executive Vice President (CFO & CS)

Md. Saiful Islam

Senior Vice President

Md. Abu Musa Chowdhury

Md. Towhid-ul-Amin Chowdhury

Md. Moniruzzaman

Md. Ibrahim

Md. Lutfur Rahman

Vice President

Md. Shafiqur Rahman

Md. Azizul Hoque Nasu

Abdul Karim Chowdhury

Mohammed Monjurul Azim

Chowdhury Md. Shemsher Nur

Md. Badiul Alam

Md. Aminul Islam

A.K.M. Masudul Hoque

Md. Jahirul Haque

First Vice President

Syed Badrul Islam

Mohammad Mohsin Labid

Senior Assistant Vice President

Md. Mahbubur Rahman

Md. Abul Kalam Azad

Assistant Vice President

Mir Md. Abdur Raquib

Mohammad Nazem Hossain

Md. Monirul Alam Chowdhury

A.T.M. Aman Ullah

Mehedi Hasan Rashid

First Assistant Vice President

A.K.M. Zahirul Alam

Md. Amirul Islam

Moshaddeque Sahariar

Md. Bazlur Rashid Shah

Md. Shafiqul Islam

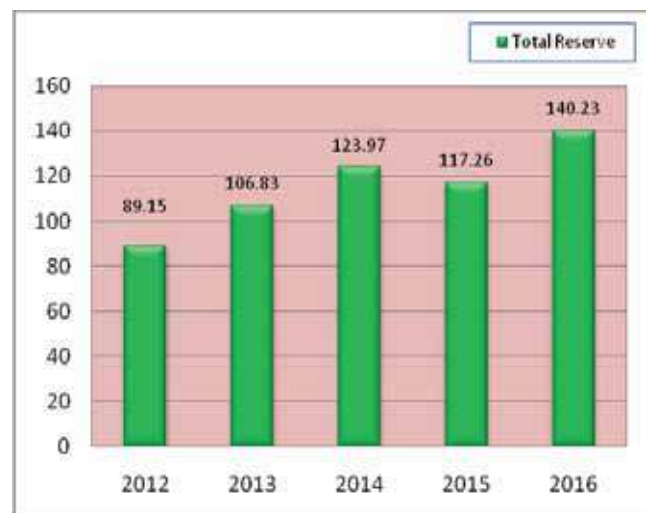
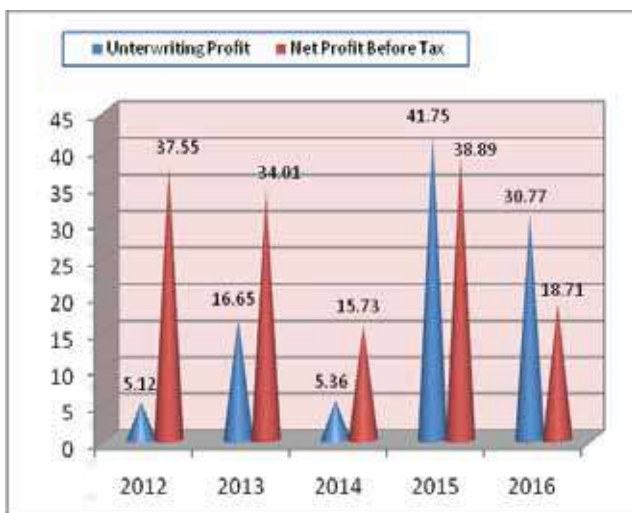
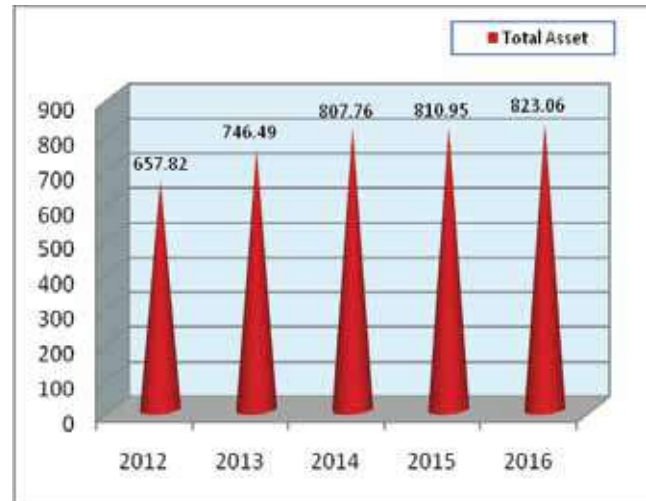
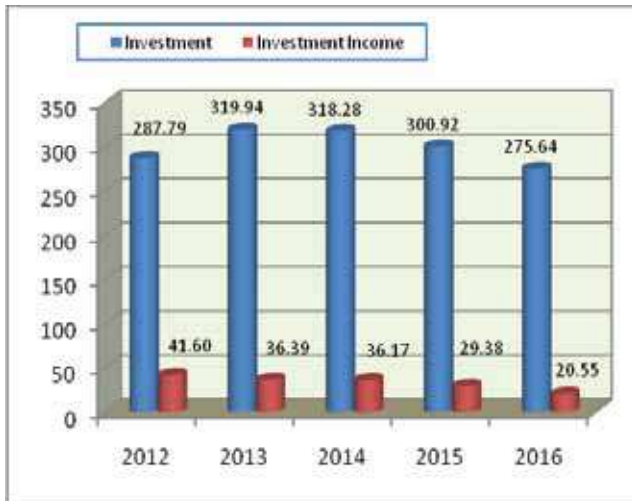
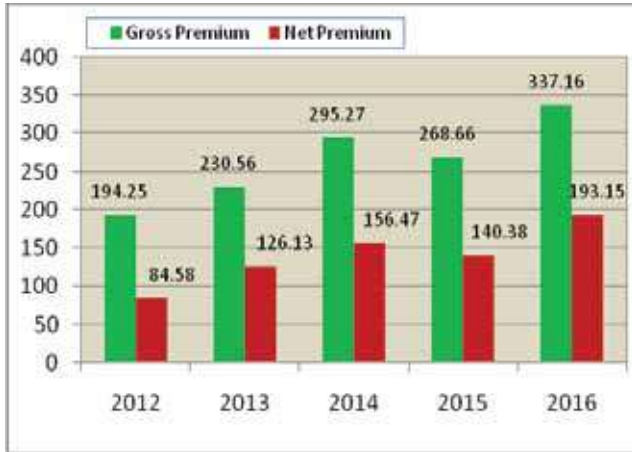
BRANCHES & HEAD OF BRANCHES

| | |
|---|---|
| <p>LOCAL OFFICE 5, Biruttom Shahid Asfakus Samad Road (Old: 125, Motijheel C/A), Dhaka-1000. Contact # 9559012, 9568809, 01819-231466 Fax: 880-2-9570341</p> | <p>Syed Badrul Islam First Vice President</p> |
| <p>HEAD OFFICE BOOTH GA/95/D, Link Road, Middle Badda, Gulshan-1, Dhaka-1212. Contact # 9852181-82, 01818-518400 Fax: 880-2-9852183</p> | <p>Md. Monirul Alam Chowdhury Assistant Vice President</p> |
| <p>DILKUSHA BRANCH 76, Dilkusha C/A, Dhaka-1000. Contact # 9565507, 9565582, 01715-172150 Fax: 880-2-9565582</p> | <p>A.K.M. Zahirul Alam First Assistant Vice President</p> |
| <p>MIRPUR BRANCH 92/2, Senpara, Parbata, Mirpur-10, Dhaka. Contact # 9035889, 9010291, 01552-338102, 01714-378356</p> | <p>Md. Moniruzzaman Senior Vice President</p> |
| <p>PALTAN BRANCH Suit # 808, Paltan Tower 87, Purana Paltan, Dhaka-1000 Contact # 01714395307</p> | <p>A.K.M. Masudul Hoque Vice President</p> |
| <p>JUBILEE ROAD BRANCH Kader Tower, 128, Jubilee Road, Chittagong. Contact # 031-618246, 01819-322178 Fax: 031-617022</p> | <p>Md. Towhid-ul Amin Chowdhury Senior Vice President</p> |
| <p>AGRABAD BRANCH Akhtaruzzaman Center, 21/22, Agrabad C/A. (7th floor), Chittagong. Contact # 01712-977437, 01853-118023</p> | <p>Md. Azizul Hoque Nasu Vice President</p> |
| <p>NARSINGDI BRANCH Daulat Khan Tower (2nd floor) Kalibari Road, Narsingdi Bazar, Narsingdi. Contact 9463305, 01712536314</p> | <p>Md. Homayun Kabir Manager</p> |
| <p>RAJSHAHI BRANCH 70/71, Miapara Shaheb Bazar, Rajshahi. Contact # 0721-773923, 01715-137969</p> | <p>Mohammad Nazem Hossain Assistant Vice President</p> |
| <p>FARIDPUR BRANCH Sarnakutir Adunik Biponi Kandra 1st floor, Room No. 42 & 43 Goalchamot, Faridpur Contact # 01833691520</p> | <p>Md. Nazrul Islam Assistant Manager</p> |

FINANCIAL PERFORMANCE AT A GLANCE

(Graphical Appearance)

Amount in Million



30TH AGM OF THE COMPANY IN PICTURE

(Held on July 28, 2016 at Emma Nuelle's New Hall
House # 08, Road # 135, Gulshan-1, Dhaka-1212)



▶ Shareholders registering their attendance



▶ Mr. Belal Ahmed, Chairman presided the 30th AGM. Vice Chairman, Directors, Adviser and CEO of the Company are seen.



▶ Partial view of Shareholders at 30th AGM

30TH AGM OF THE COMPANY IN PICTURE

Held on July 28, 2016 at Emma Nuelle's New Hall
House # 08, Road # 135, Gulshan-1, Dhaka-1212



▶ Mr. Belal Ahmed,
Chairman addressing
in the 30th AGM



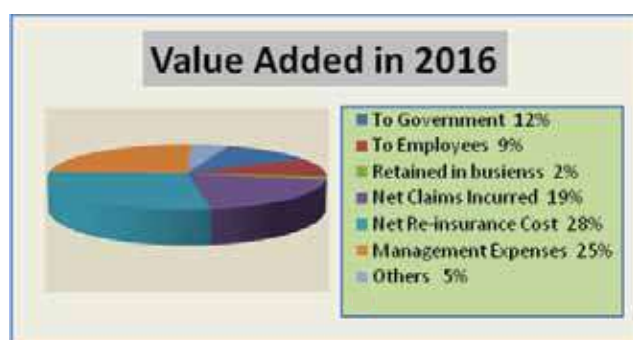
▶ Shareholder
addressing in the
30th AGM



▶ Chairman, Adviser &
CEO discussing in the
30th AGM

VALUE ADDED STATEMENT

| Particulars | 2016 (BDT mn) | % | 2015 (BDT mn) | % |
|---------------------------------------|------------------|-------------|------------------|-------------|
| Value Added | | | | |
| Gross premium | 337.16 | | 268.66 | |
| Vat & Stamp duty | 33.44 | | 27.20 | |
| Investment & other Income | 20.55 | | 29.38 | |
| Total Value Added | 391.15 | 100% | 325.24 | 100% |
| Distribution of Value Addition | | | | |
| To Government | | | | |
| VAT & Stamp Duty | 33.44 | 9% | 27.20 | 8% |
| Tax | 10.34 | 3% | 18.99 | 6% |
| To Shareholders | | | | |
| Dividend | | | 19.18 | 5.78% |
| To Employees | | | | |
| as Salary & Allowances | 35.00 | 9% | 37.33 | 11% |
| Retained in business | | | | |
| Reserve & Surplus | 8.37 | 2% | 0.71 | 0.22% |
| Others | | | | |
| Net Claims Incurred | 73.06 | 19% | 42.89 | 13% |
| Net Re-insurance Cost | 110.21 | 28% | 96.43 | 30% |
| Management Expenses | 98.76 | 25% | 89.22 | 28% |
| Disposal reserve for Unexpired Risks | 21.97 | 5% | (6.71) | -2% |
| Total Distribution | 391.15 | 100% | 325.24 | 100% |





Chairman's Message

**Dear Shareholders,
Ladies & Gentlemen**

Assalamu Alaikum

I have had the privilege to convey my heartfelt felicitation to you all on behalf of the Board of Directors and on my own behalf for attending the 31st Annual General Meeting of the Janata Insurance Company Ltd. and place before you Company's Annual Report for the year 2016.

The Directors' Report has elaborately dealt with the overall performance of the company pertaining to the year 2016. I would like to point out the main features regarding the affairs of the company.

In review the financial position of the Company you can notice that in spite of stiff competition prevailing in the Insurance market of our country, business volume of Janata Insurance Company Ltd. during the year 2016 has been increased significantly. But, net profit before tax of the Company decreased in comparison to previous year due to decrease of interest on FDR and settlement of more claim cases mainly. It is also mentioned that considering the company's low profitability and the need for future sustainable development, the Board of Directors of the company has not recommended any dividend for the year 2016.

Dear Shareholders, you know risk is our business. Our object is to prove our integrity and credibility to the Clients by extending sincere and meritorious services to them.

Janata Insurance is working to secure a reasonable market share by rendering prompt quality services through advance technology, sound underwriting, proper re-insurance and quickest settlement of claims to our valued clients. And we are trying to ensure payment of dividend on Investment of the Shareholders regularly in future. We hope, by the more co-operation and help of the stakeholders of the Company, in future, we will be in a position to reach the goal of success under the strict supervision of the new Insurance Laws and IDRA.

In fine, I would like to thank our employees for their dedication and commitment during the year 2016, and simultaneously hope for their continued deliverance in the years to come. I also thank all stakeholders. Moreover; I would like to thank and express my gratitude to my honorable Board of Directors & Advisers for their valuable input, guidance and support, and the management team for their commitment to implementing our corporate strategy.

Hoping this finds you in the best of your health, sprits and good luck.

Thanking you,

AZIZ AL-MASUD
Chairman

Chief Executive Officer's Review



Hon'ble Shareholders,

Assalamu Alaikum

It is indeed a great pleasure to welcome you all at 31st Annual General Meeting to Janata Insurance Company Limited. I would like to express my sincere thanks to all of you to attend the meeting.

Janata Insurance Company Limited was established in 1986 and gradually it became one specialized & reputed Company by providing and extending sincere and meritorious services to the clients.

You are aware that an unhealthy competition and adverse circumstances now prevailing in the Non-Life Insurance Sector. Accordingly, the company's overall business activity and its business operations in 2016 are not upto the mark. During the year the Company could earn gross premium income to tune of Taka 337.16 million as against Taka 268.66 million in 2015 and earned net premium income of Taka 193.15 million as against Taka 140.38 million in 2015. Accordingly, growth of business in 2016 was significant. But, due to increase of net incurred claim and decrease of Investment income, the Company's net profit decreased and which is not sufficient for disbursement of dividend to the Hon'ble Shareholders. However, we have reviewed the prevailing market situation and taken necessary measures to increase the business volume more. Hopefully, we expect a good outcome in the year 2017.

Finally, I take the privilege of extending my thanks to the valued policyholders, patrons and well-wishers for the trust, confidence and continuous support to the Company. I also extend my thanks to the IDRA, BSEC, DSE, CSE and Bankers for their co-operation and support for smooth functioning of the Company. I also convey my regards and gratefulness to the Chairman, Vice Chairman, Directors and Advisers of the Company who provided generous co-operation to me which helped me to run the day to day activities smoothly and effectively.

I must thank Mr. Mohammad Didarul Islam, Additional Managing Director of the company and my other colleagues for their continued support and sincere co-operation, dedications and commitment in achieving the results of the company.

We are hopeful that in the years to come, our valued shareholders, clients, and well wishers will continue their esteemed flow of love and affection for better future of the company.

Thank you all.



Md. Fazlul Hoque Khan
Chief Executive Officer

KEY OPERATING AND FINANCIAL DATA

Amount in million

| Particulars | | 2016 | 2015 | 2014 | 2013 | 2012 |
|---|-----|--------------|---|------------------------------|---------------------------------|------------------------------|
| Financial Position: | | | | | | |
| Total Assets | | 823.06 | 810.95 | 807.76 | 746.49 | 657.82 |
| Investments | | 275.64 | 300.92 | 318.28 | 319.94 | 287.79 |
| Cash & Cash equivalents | | 276.81 | 302.98 | 318.32 | 312.44 | 294.32 |
| Investment & other income | | 20.55 | 29.38 | 36.17 | 36.39 | 41.60 |
| Total reserve | | 140.23 | 117.26 | 123.97 | 106.83 | 89.15 |
| Operating Result: | | | | | | |
| Gross Premium | | 337.16 | 268.66 | 295.27 | 230.56 | 194.25 |
| Re-Insurance Premium ceded | | 144.01 | 128.28 | 138.80 | 104.43 | 109.67 |
| Net Premium | | 193.15 | 140.38 | 156.47 | 126.13 | 84.58 |
| Management Expenses(Revenue A/c) | | 56.85 | 59.66 | 58.85 | 51.56 | 46.29 |
| Net Incurred Claim | | 73.06 | 42.89 | 76.48 | 37.31 | 43.27 |
| Underwriting Profit | | 30.77 | 41.75 | 5.36 | 16.65 | 5.12 |
| Other Management Expenses | | | | | | |
| (not applicable to any fund or account) | | 32.61 | 32.24 | 25.80 | 19.03 | 9.17 |
| Net Profit before Tax | | 18.71 | 38.89 | 15.73 | 34.01 | 37.55 |
| Net Profit after Tax | | 8.37 | 19.89 | 5.59 | 18.19 | 22.09 |
| Financial Ratio: | | Terms | | | | |
| Basic Earnings Per Share | BDT | 0.22 | 0.52 | 0.16 | 0.59 | 0.71 |
| Dividend in percentage (Stock/Cash) | % | - | 5% Cash <small>(Proposed for 2015)</small> | 10 <small>(Stock)</small> | 12.50 <small>(Stock)</small> | 10 <small>(Stock)</small> |
| Return on assets | % | 1.02 | 2.45 | 0.69 | 2.43 | 3.36 |
| Gross profit ratio | % | 9.69 | 27.70 | 10.05 | 26.96 | 44.40 |
| Re-insurance Premium Ceded | | | | | | |
| on Gross Premium | % | 42.71 | 47.75 | 47.01 | 45.29 | 56.47 |
| Net Claim Incurred on net Premium | % | 37.83 | 30.55 | 48.88 | 29.58 | 51.16 |
| Underwriting Result on Gross Premium | % | 9.13 | 15.54 | 1.82 | 7.22 | 2.63 |
| Management expenses (Revenue) on Net Premium | % | 29.43 | 42.50 | 37.61 | 40.88 | 54.73 |
| Equity Statistics: | | | | | | |
| Paid-up capital | | 383.53 | 383.53 | 348.66 | 309.92 | 281.75 |
| Shareholders' Equity | | 513.65 | 524.46 | 504.56 | 498.96 | 480.92 |
| Net Assets Value Per Share (Taka) | | 13.39 | 13.67 | 14.47 | 16.10 | 15.52 |

The above key operating and financial data are furnished as per BSEC's Notification dated August 07, 2012 to comply with the condition 1.5 (xviii).



DIRECTORS' REPORT

DIRECTORS' REPORT

For the year ended December 31, 2016

Dear Fellow Shareholders,

Assalamu Alaikum

The Board of Directors of Janata Insurance Company Ltd. welcomes you all to the 31st Annual General Meeting of the company. The Directors are pleased to place before you the Directors' Report alongwith the Audited Financial Statements and Auditors' Report for the year ended December 31, 2016 for your valued consideration, approval and adoption.

The Directors' Report has been prepared in compliance with section 184 of the Companies Act 1994 and Bangladesh Securities & Exchange Commission's notification No.BSEC/CMRRCD/2006-158/134/Admin/44 dated 07th August, 2012 and other relevant rules and notifications from the regulatory bodies.

Prior to presenting the report, we pay our deepest respect to late Akhtaruzzaman Chowdhury, former Chairman & Adviser, late Humayun Zahir, former Chief Legal Adviser, late Al-haj Nur Mohammad, former Adviser and late Abdul Gaffar Chowdhury, former Chairman & Director of the Company for their valued contribution to the company and do pray for eternal peace of their departed souls.

Review of 2016:

Economy and Insurance Business Outlook:

Economic Scenario

Global GDP growth is projected to remain flat around 3% in 2016 with only a modest improvement projected in 2017. Bangladesh economy made progress with political stability throughout the year. GDP growth was around 6.60% in 2016, inflation was low and the exchange rate remained reasonably stable. But private investment remained depressed. The entrepreneurs followed a safe policy of running the operation with moderate expansion. Government targeted economic growth at 7.2 percent for the Financial year 2017.

Insurance Business Scenario

The gross premium income of the country of non-Life Insurance in the private sector was Tk. 24,799 million in 2015 with a growth rate of 9.35% . Sectoral share of insurance industry to GDP at current prices is 0.38% whereas 0.41% in 2016 found in the statistics of the Bureau of statistics, Bangladesh for the year 2015. Insurance Penetration rate in Bangladesh is less than 1% since last consecutive consequence years.

Insurance Development & Regulatory Authority (IDRA) and Development of Insurance Industry

Government of Bangladesh has formed the Insurance Development and Regulatory Authority (IDRA) in 2011 after promulgating the new Insurance Act 2010. The IDRA has taken over the task of development and preparation of Insurance rules for Industry. IDRA has also taken some strong steps by issuing some circulars in order to bring discipline among the insurers and also to stop the existing unethical practices prevailing in the Insurance market. We hope, these steps of IDRA will improve the overall situation and status of the Industry. Insurance Development & Regulatory Authority (IDRA) will have to take active role in training people involved in the insurance industry for advancing the knowledge of insurance, so that personnel in the industry have adequate knowledge and expertise to take over the helm of insurance companies in future.



Insurance Business in 2016

We are happy to report that, your company wrote direct insurance business with a premium income of Tk.295.38 million against Tk.230.87 million in 2015. The premium received by us from the public sector business increased to Tk.41.79 million from Tk.37.79 million in 2015. The total gross premium income, stood at Tk.337.16 million against Tk.268.66 million in 2015.

Operational & Financial Review

Operational Result and Product wise Performance :

Gross Premium Income

During the year 2016 Company's gross premium income thus attained was Taka 337.16 million as against Taka 268.66 million in 2015.

Amount in million

| Class of business | Gross Premium Income | |
|-------------------------|----------------------|---------------|
| | 2016 | 2015 |
| Fire Insurance | 164.75 | 90.06 |
| Marine Insurance | 103.20 | 95.35 |
| Motor Insurance | 28.82 | 43.56 |
| Miscellaneous Insurance | 40.39 | 39.69 |
| Total: | 337.16 | 268.66 |

Net Premium Income

Net premium income Taka 193.15 million as against Taka 140.38 million in 2015.

Amount in million

| Class of business | Net Premium Income | |
|-------------------------|--------------------|---------------|
| | 2016 | 2015 |
| Fire Insurance | 93.42 | 39.00 |
| Marine Insurance | 59.54 | 44.02 |
| Motor Insurance | 28.82 | 43.53 |
| Miscellaneous Insurance | 11.37 | 13.83 |
| Total: | 193.15 | 140.38 |

Net Incurred Claims

During the year 2016, we have successfully settled net incurred claims of Taka 73.06 million as against Taka 42.89 million in the year 2015.

Amount in million

| Class of business | Net Claim | |
|-------------------------|--------------|--------------|
| | 2016 | 2015 |
| Fire Insurance | 38.88 | 14.30 |
| Marine Insurance | 9.31 | 10.59 |
| Motor Insurance | 18.21 | 16.04 |
| Miscellaneous Insurance | 6.66 | 1.96 |
| Total: | 73.06 | 42.89 |

Investment Income

The Company's investment income recorded Taka 20.55 million against Taka 29.05 million in the year 2015.

Profit

Underwriting Profit

Underwriting profit achieved was Taka 30.77 million as against Taka 41.75 million in 2015.

Amount in million

| Class of business | Underwriting Profit | |
|-------------------------|---------------------|--------------|
| | 2016 | 2015 |
| Fire Insurance | (2.16) | 6.77 |
| Marine Insurance | 23.25 | 29.77 |
| Motor Insurance | 7.18 | 2.75 |
| Miscellaneous Insurance | 2.50 | 2.46 |
| Total: | 30.77 | 41.75 |

Net Profit before Tax

Net pretax profit attained is Taka 18.71 million as against Taka 38.89 million in 2015.

Net Profit after Tax

After tax profit is Taka 8.37 million as against Taka 19.89 million in 2015.

Earnings Per Share

In the year 2016 Company's earnings per share Tk.0.22 as compared to Tk.0.52 in the previous year.

Summary of Accounts of the Company for the year 2016 compared with the year 2015 are furnished below:

Amount in million

| Particulars | Fire | Marine | Motor | Misc. | Total 2016 | Total 2015 |
|---|---------|--------|-------|-------|------------|------------|
| Gross Premium Income | 164.75 | 103.20 | 28.82 | 40.39 | 337.16 | 268.66 |
| Re-Insurance Premium ceded | 71.33 | 43.66 | - | 29.02 | 144.01 | 128.28 |
| Net Premium | 93.42 | 59.54 | 28.82 | 11.37 | 193.15 | 140.38 |
| Net Premium Reserve Retained | (21.77) | (7.07) | 5.88 | 0.99 | (21.97) | 6.71 |
| Net earned Premium | 71.65 | 52.47 | 34.70 | 12.36 | 171.18 | 147.09 |
| Commission paid | 24.23 | 12.88 | 4.10 | 3.10 | 44.31 | 34.63 |
| Re-Insurance commission earned | 18.83 | 9.83 | - | 5.14 | 33.80 | 31.84 |
| Management expenses (Revenue A/C) (including Insurance Stamp) | 21.59 | 20.68 | 10.43 | 6.96 | 56.85 | 59.66 |
| Management expenses (P&L A/C) | - | - | - | - | 32.61 | 32.24 |
| Gross Claim paid | 82.49 | 12.89 | 18.72 | 9.76 | 123.86 | 100.95 |
| Net Incurred Claim | 38.88 | 9.31 | 18.21 | 6.66 | 73.06 | 42.89 |
| Underwriting Profit/Result | (2.16) | 23.25 | 7.18 | 2.50 | 30.77 | 41.75 |
| Investment Income | - | - | - | - | 20.55 | 29.38 |
| Net Profit before tax | - | - | - | - | 18.71 | 38.89 |
| Net Profit after tax | - | - | - | - | 8.37 | 19.89 |
| Earnings Per Share | - | - | - | - | 0.22 | 0.52 |

Investment:

The total investment of the company stood at Taka 275.64 million in 2016 as compared to Taka 300.92 million in the year 2015. Break-up is as under:

Amount in million

| Particulars | 2016 | 2015 |
|---------------------------------------|---------------|---------------|
| Bangladesh Govt. Treasury Bond (BGTB) | 25.00 | 25.00 |
| Shares in listed companies | 0.31 | 0.27 |
| Fixed Deposits Account (FDR) | 250.33 | 275.65 |
| Total: | 275.64 | 300.92 |

Reserve:

Reserves stood at Taka 140.23 million against Taka 117.26 million in the previous year.

Amount in million

| Particulars | 2016 | 2015 |
|--------------------------------|---------------|---------------|
| Reserve for Exceptional Losses | 62.09 | 61.09 |
| Reserve for un-expired Risks | 78.14 | 56.17 |
| Total: | 140.23 | 117.26 |

Shareholders Equity:

Shareholders equity stood at Taka 513.65 million against Taka 524.45 million in the year 2015.

Amount in million

| Particulars | 2016 | 2015 |
|-------------------------------------|---------------|---------------|
| Paid-up Capital | 383.53 | 383.53 |
| Share Premium | 55.96 | 55.96 |
| Reserve for Exceptional Losses | 62.09 | 61.09 |
| Profit & Loss Appropriation Account | 12.07 | 23.87 |
| Total: | 513.65 | 524.45 |

Profitability:

The Company's income from investment and other income stood at Taka 20.55 million against Taka 29.05 million earned in the previous year. After taking into account the underwriting profit of Taka 30.77 million and providing for various expenses not applicable to any particular fund or account, net pretax profit attained is Taka 18.71 million as against Taka 38.89 million in 2015. Increase of net incurred Claim by Taka 30.17 million and decrease of income on account of interest on Investment by Taka 8.83 million in comparison to previous year are the main reasons behind the decrease of profitability in 2016.

Appropriation of Profit:

Amount in million

| Particulars | 2016 | 2015 |
|---|--------------|--------------|
| Net profit (before tax) for the year | 18.70 | 38.89 |
| Transferred to Reserve for exceptional losses | 1.00 | - |
| Provided for taxes (including deferred Tax) | 10.34 | 18.99 |
| Dividend distributed for 2015 | - | 19.18 |
| Balance carried forwarded | 7.37 | 0.71 |

Dividend:

Considering inadequate balance of divisible profit, the Board of Directors in its 161th meeting held on 30.04.2017 had not recommended any dividend for the year 2016.

Going concern:

The accompanying 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. The accompanying financial statements do not include any adjustments in the event of the Janata Insurance Company Ltd. is unable to continue as a going concern.

Human Resource Management:

Employees are the most important resource to the success of any Organization. To develop and equip the employees with key skills, the company places great emphasis on the development of its people and hence the company undertakes appropriate training and workshops to update knowledge of the employees in their respective functional areas. We send our employees to Bangladesh Insurance Academy and Bangladesh Insurance Association regularly for taking training on Insurance Technicalities with a view to increase their efficiency and professional skills. Implementation of a modern HR is under process. We are also recruiting proactive officials to cope our growing needs.

Utilization of proceeds from Rights Share Issue:

The company raised its Paid-up Capital by issuing Rights Shares in the year 2011. The proceeds from the Rights issue was utilized by making deposits as FDR with the schedule Banks and subsequently a portion of the proceeds has been utilized to purchase of Land & Building for accommodating Corporate Head Office of the Company.

Internal Control:

The Board is responsible for ensuring that the Company has an adequate and effective control system in place. Although no system of internal financial control can provide absolute assurance against material miss-statement or loss. The company's internal control system have been designed to provide the Directors with reasonable assurance that assets are safeguarded against unauthorized use by the employees or management and or third parties, transactions are authorized and properly recorded and material error and irregularities are either prevented or detected within a reasonable period of time. Properly designed management structure, clearly defined responsibilities, delegation of authorities, establishment of accountability at each level and system of periodic reporting and monitoring performance are the key elements of the internal control frame work employed in Janata Insurance Company Limited.

Audit Committee and Report on its activities:

The Audit Committee of our company is working as per relevant guidelines of Corporate Governance Guidelines of BSEC. During the year under review, the committee reviewed audit plan, annual audited draft financial statements, quarterly un-audited financial statements, internal audit reports, action plan regarding compliance with the Corporate Governance Guidelines etc. The detail of the activities of the Audit Committee have been provided in the "Audit Committee Report." in page ...

Internal Audit:

The company has an Internal Audit Department working towards ensuring compliance with laws, regulations and ensuring that the business is being conducted within the laid down policies and under the legal framework.

Status of Corporate Governance Compliance:

In accordance with the requirement stipulated in condition-5.00 of the Bangladesh Securities and Exchange Commission's notification No.BSEC/CMRRCD/2006-158/134/Admin/44 dated August 07, 2012 status report on the Corporate Governance Compliance is shown in Annexure-B and

the Directors also confirmed the compliance with the financial reporting frame work and shareholding pattern according to the above notification in Annexure-A, page 37

Certificate on compliance of condition of Corporate Governance:

Certificate on compliance of condition of Corporate Governance from professional Chartered Accountants has been obtained and shown in page 43

Board Meeting Attendance:

During the year, 05(Five) Board Meetings were held. The attendance of the Directors is shown in page 34

Pattern of Shareholding:

Pattern of shareholding as per clause 1.5(xxi) of the BSEC Notification No.SEC/CMRRCD/2006-158/134/Admin/44 dated August 7, 2012 is shown in page 35

Key Operating and Financial Data:

The Company's summarized key operating and financial data for the last five years are shown in Page 24

Brief Resume of the Directors:

Brief resume of the Directors as per clause 1.5(xxii) of the BSEC Notification No.SEC/CMRRCD/2006-158/134/Admin/44 dated August 7, 2012 is shown in Page 09

Retirement and election of Directors:

In terms of Articles 106 & 107 of the Articles of Association of the Company, the following Directors will retire from office by rotation in the 31st AGM.

1. Mrs. Roxana Zaman
2. Mrs. Farhana Zaman
3. Mrs. Farahnaz Chowdhury
4. Mr. Kamruddin Parvez
5. Mrs. Afroza Zaman

Being eligible, they offer themselves for re-election.

Therefore, office of 05 (Five) Directors from Sponsor shareholders be elected by the sponsor shareholders of the Company from themselves.

In accordance with the same provisions, 01 (one) Director from Public shareholders Mr. Aziz Al-Masud will retire from office by rotation in the 31st AGM. Being eligible, he offers himself for re-election.

Upon his retirement; 01 (one) post of Director among the above Public Shareholders will fall vacant, Accordingly, election of 01 (one) post of Director from public share holders will be held in the 31st AGM, for which Notice was published in two national dailies namely (i) The Daily Janakantha dated 03.05.2017 and (ii) The New Nation dated 03.05.2017.

The tenure of Office of Mr. Md. Abu Hyder Chowdhury(Amzad) and Mr. Makin-ur-Rashid(Rossi), Independent Directors (who retired in the 30th AGM held on 28.07.2016) was extended for another term by the Board in its emergent meeting held on 28.07.2016 immediately after the 30th Annual General Meeting. Accordingly, their re-appointment as Independent Director is placed before in the 31st AGM for post facto approval of the Shareholders.

Total Shareholders:

The total number of Shareholders of the Company as on 31st December, 2016 was 4038 as per record.

Auditors:

As per Order No.SEC/CMRRCD/2009-193/104/Admn/ dated July 27, 2011 of Bangladesh Securities and Exchange Commission, the existing Auditors' of the Company M/s. Mahfel Hoq & Co., Chartered Accountants retiring are eligible for re-appointment. They had offered to continue in office for the year ended 31st December, 2017. The Board recommended their appointment as statutory auditors' for the year ended 31st December, 2017 with a professional fee of Taka 2,40,000=/(Taka Two lac forty thousand) only plus VAT & Tax for approval of the Shareholders in the 31st Annual General Meeting.

Credit Rating:

Alpha Credit Rating Limited (Alpha Rating) has assigned the following ratings to Janata Insurance Company Limited.

| Date of Declaration | Valid Till | Rating Action | Long Term Rating | Short Term Rating | Outlook |
|---------------------|-------------------|---------------|------------------|-------------------|---------|
| December 06, 2016 | December 04, 2017 | Surveillance | A | AR-3 | Stable |
| December 06, 2015 | December 05, 2016 | Surveillance | A | AR-3 | Stable |

Corporate Social Responsibility:

Janata Insurance company Ltd. has always played its part in carrying out Corporate Social Responsibilities from its limited financial ability. We have been participating in contributing financial support to the Fund, formed by Bangladesh Insurance Association for sponsoring various state programs and for the help of victims affected by natural hazards. Besides these, Board of Directors of Janata Insurance Company Ltd. planned to create a fund to utilize the same exclusively for the medical treatment of employees and higher education of their children and also for education of multilevel poor students in the country. The Company's CSR policy is to develop for the most under privileged people and to motivate them to self-reliant. A policy in this regard has already been prepared.

Future Business Plan and Prospects:

Dear Shareholders,

Our prime and ultimate goal is to safeguard the interest of the Clients as well as Shareholders. We are undertaking a short term business plan for robust growth of business. For sound growth of business we are implementing different strategic, like modern marketing policy & HR policy, promotion to employees, introduction of new products of Insurance etc.

The Board of Directors has been continuously steering for expansion of the market share of the company and monitoring the activities and extending its support by giving policy guidelines to improve its performance in future. We are strengthening our marketing and other departments of the company to increase our gross premium income substantially by maintaining the rules and regulations of IDRA. Visible improvement of business is being observed. Hopefully, we expect to get a good business outcome in the year 2017. We need your continuous support to improve its growth in future also. We will always welcome suggestions from our clients, partners and well wishers for improve the quality of our services.

Risks and concerns:

Janata Insurance Company Ltd. has always been in the forefront of implementing different risk management tools and techniques. A critical success factor for sustaining profitability and continuous delivery of shareholders' value is earmarked as to how effectively the risks are managed. Non-Life Insurance Companies are exposed to a number of risks of which Market Risks, Operational Risks and Reputation Risks etc. are there, In order to manage these Risks properly Insurance Development Regulatory Authority (IDRA) has issued guidelines which are being followed by the company with utmost-care and dedication. Internal Control System is being made effective by increasing the internal audit, both comprehensive and others, of the various affiliated offices as well as Head Office of the company.

Acknowledgement:

Dear Shareholders,

Finally the Board of Directors would like to give special thanks to all the Valued Clients, respected Shareholders, Board members, Advisers, Banks, Bankers, Leasing companies, Patrons and Well-wishers for extending their continued support and co-operation. The Board would also like to place thanks to the Government of the People's Republic of Bangladesh, the Ministry of Commerce and the Ministry of Finance, Bangladesh Bank, The Insurance Development and Regulatory Authority (IDRA), Sadharan Bima Corporation, Registrar of Joint Stock Companies and Firms, Bangladesh Securities and Exchange Commission, Dhaka Stock Exchange Ltd., Chittagong Stock Exchange Ltd., the Central Depository Bangladesh Ltd., Various Government Authorities, Bangladesh Insurance Association and Bangladesh Insurance Academy for their valued co-operation, sincere support and guidance.

The Board of Directors would like to put on record our deep appreciation of the efforts and Co-operation extended by the employees of the company.

We look forward to even better days ahead.

Thanking you all.

On behalf of the Board of Directors,



Aziz Al-Masud

Chairman

**DIRECTORS' REPORT TO THE SHAREHOLDERS IN COMPLIANCE WITH
THE BSEC'S NOTIFICATION NO. BSEC/CMRRCD/2006-158/134/ADMIN/44
DATED AUGUST 07, 2012**

Directors are pleased to report that:

- a) The Financial Statements prepared by the Management of the Company present fairly its state of affairs, the result of its operations, Cash flows and changes in equity.
- b) Proper books of accounts of the Company have been maintained.
- c) Appropriate accounting policies have been consistently applied in preparation of the financial statements and that the accounting estimates are based on reasonable and prudent judgment.
- d) International Accounting Standards, as applicable in Bangladesh, have been followed in preparation of the financial statements and any departure there from has been adequately disclosed.
- e) The system of internal control is sound in design and has been effectively implemented and monitored.
- f) There are no significant doubts upon the company's ability to continue as a going concern.
- g) There are significant deviations from last year in operating result of the company have been highlighted and reasons thereof explained.
- h) The key operating & financial data of last five years have been provided.
- i) The number of Board Meetings and the attendance of Directors during the year 2016 were as follows:

| Sl. No. | Name of the Member | Status in the Board | Total Meeting | Meeting attendance |
|---------|---------------------------------|----------------------|---------------|--------------------|
| 1. | Mr. Aziz Al-Masud | Chairman | 5 | 5 |
| 2. | Mrs. Roxana Zaman | Vice Chirman | 5 | 4 |
| 3. | Mrs. Qamrun Nahar | Director | 5 | 5 |
| 4. | Mr. Zafrul Islam Chowdhury | Director | 5 | 4 |
| 5. | Mr. Belal Ahmed | Director | 5 | 4 |
| 6. | Mrs. Sultana Hashem | Director | 5 | 5 |
| 7. | Mrs Fahima Akhter | Director | 5 | 4 |
| 8. | Mrs. Savera H Mahmood | Director | 5 | 5 |
| 9. | Mr. Kamruddin Parvez | Director | 5 | 4 |
| 10. | Mrs. Zannatul Ferdous Zeena | Director | 5 | 5 |
| 11. | Mrs. Farahnaz Chowdhury | Director | 5 | 2 |
| 12. | Mrs. Afroza Zaman | Director | 5 | 3 |
| 13. | Mrs. Farhana Zaman | Director | 5 | 4 |
| 14. | Mr. Warisuzzaman Chowdhury | Director | 5 | 4 |
| 15. | Mr. Md. Moniruzzaman, FCA | Independent Director | 5 | 4 |
| 16. | Mr. Abu Hyder Chowdhury (Amzad) | Independent Director | 5 | 4 |
| 17. | Mr. Makin-Ur-Rashid (Rossi) | Independent Director | 5 | 5 |
| 18. | Mr. M. A. Hashem | Adviser | 5 | 4 |
| 19. | Mr. Saifuzzaman Chowdhury | Adviser | 5 | 0 |

Directors also report that the Chief Executive Officer and the Chief Financial Officer have certified to the Board that they have reviewed the Financial Statements for the year 2016, the certificate is annexed.

The pattern of shareholding

- (i) Shares held by parent/Subsidiary/Associated Company etc. - None.
- (ii) The pattern of shareholding of Directors, Chief Executive Officer & Company Secretary, Chief Financial Officer, Head of Internal Audit, Principal Adviser and their spouses and minor children are as follows:

Shareholding Composition

As on December 31, 2016

A. Directors

| Sl. No. | Name of the Shareholders | No. of shares | % |
|---------|-----------------------------|-----------------|---------------|
| 1. | Mr. Aziz Al-Masud | 770491 | 2.01 |
| 2. | Mrs. Roxana Zaman | 809721 | 2.11 |
| 3. | Mrs. Qamrun Nahar | 775305 | 2.02 |
| 4. | Mr. Zafrul Islam Chowdhury | 1278399 | 3.33 |
| 5. | Mr. Belal Ahmed | 1278399 | 3.33 |
| 6. | Mrs. Sultana Hashem | 770701 | 2.01 |
| 7. | Mrs. Fahima Akhter | 774612 | 2.02 |
| 8. | Mrs. Savera H Mahmood | 768091 | 2.00 |
| 9. | Mr. Kamruddin Parvez | 768796 | 2.00 |
| 10. | Mrs. Zannatul Ferdous Zeena | 798150 | 2.08 |
| 11. | Mrs. Farahnaz Chowdhury | 803656 | 2.10 |
| 12. | Mrs. Afroza Zaman | 788163 | 2.06 |
| 13. | Mrs. Farhana Zaman | 788163 | 2.06 |
| 14. | Mr. Warisuzzaman Chowdhury | 933396 | 2.44 |
| | | 12106043 | 31.57% |

B. Independent Directors

| Sl. No. | Name of the Shareholders | No. of shares | % |
|---------|---------------------------------|---------------|---|
| 1. | Mr. Md. Moniruzzaman | - | - |
| 2. | Mr. Abu Hyder Chowdhury (Amzad) | - | - |
| 3. | Mr. Makin-Ur-Rashid (Rossi) | - | - |

C. Sponsor Shareholders

| | | | |
|----|-----------------------|-----------------|---------------|
| 1. | Mr. Aziz Al-Kaiser | 768672 | 2.00 |
| 2. | Mrs. Aklima Begum | 373464 | 0.97 |
| 3. | Mrs. Setara Begum | 3589 | 0.01 |
| 4. | Mrs. Hosneara Begum | 928399 | 2.42 |
| 5. | Mrs. Monoara Jahangir | 4578 | 0.01 |
| | | 2078702 | 5.42% |
| | Sub Total | 14184745 | 36.99% |

D. Employees (Executives)

| Sl. No. | Name of the Shareholders | No. of shares | % |
|---------|--------------------------|---------------|----------------|
| 1. | Chief Executive Officer | 172 | 0.0004 |
| 2. | CFO & Company Secretary | 73 | 0.0002 |
| 3. | Senior Vice President | 816 | 0.0021 |
| | | 1061 | 0.0028% |

E. General Shareholders

| Sl. No. | Name of the Shareholders | No. of shares | % |
|---------|--------------------------|-----------------|---------------|
| 1. | Institute | 8381969 | 21.85 |
| 2. | General Public | 15784898 | 41.16 |
| | | 24166867 | 63.01% |
| | Sub Total | 24167928 | 63.01% |
| | Total Holdings | 38352673 | 100% |

Corporate Governance Compliance Report

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

(Report under condition No.7.00)

| Condition No. | Title | Compliance status "√" in the appropriate column | | Remarks (if any) |
|---------------|--|---|--------------|---|
| | | Complied | Not complied | |
| 1. | Board of Directors: | | | |
| 1.1 | Board's Size : The number of the Board members of the company shall not be less than 5 (five) and more than 20 (twenty). | √ | | |
| 1.2. | Independent Directors: | | | |
| 1.2(i) | At least one fifth (1/5) of the total number of Directors in the company's Board shall be independent Directors. | √ | | |
| 1.2(ii) | For the purpose of this clause "independent director" means a director--- | | | |
| 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 its subsidiary associates 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 any intermediary of the capital market | √ | | |
| 1.2(ii) f) | Independent Director is not a partner or an executive or was not a partner or any 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 NBFL | √ | | |
| 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 of Directors and approved by the shareholders in the Annual General Meeting (AGM) | √ | | Approval for 2 (two) IDs re-appointment will be taken in the 31st 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 | √ | | |

| Condition No. | Title | Compliance status "√" in the appropriate column | | Remarks (if any) |
|---------------|--|---|--------------|-------------------------------------|
| | | Complied | Not complied | |
| 1.2(vi) | The tenure of office of an independent director shall be for a period of 3 (three) years, which may be extended for 1 (one) term only | √ | | |
| 1.3. | Qualification of Independent Director (ID): | | | |
| 1.3(i) | Independent Director shall be a knowledgeable individual with integrity, ensure compliance with financial, regulatory and corporate laws | √ | | |
| 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 at 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 | N/A | | Not required such approval |
| 1.4. | Chairman of the Board and Chief Executive Officer: | | | |
| | Chairman of the Board and Chief Executive Officer shall be filled by different individuals. The Board of Directors shall clearly define respective role and responsibilities of the Chairman and the Chief Executive Officer | √ | | |
| 1.5. | The Director's Report to Shareholders: | | | |
| 1.5(i) | Industry outlook and possible future developments in the industry | √ | | Included in the Directors' Report |
| 1.5(ii) | Segment-wise or product-wise performance | √ | | -do- |
| 1.5(iii) | Risks and concerns | | | -do- |
| 1.5(iv) | A discussion on Cost of Goods sold, Gross Profit Margin and Net Profit Margin | √ | | -do- |
| 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 | N/A | | |
| 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 | √ | | Included in the Directors' Report |
| 1.5(ix) | Significant variance occurs between Quarterly Financial Performance and Annual Financial Statements | √ | | |
| 1.5(x) | Remuneration to directors including independent directors | √ | | |
| 1.5(xi) | Financial Statements present fairly its 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 | √ | | |

| Condition No. | Title | Compliance status "√" in the appropriate column | | Remarks (if any) |
|------------------|--|---|--------------|-----------------------------------|
| | | Complied | Not complied | |
| 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 Standard (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 | √ | | |
| 1.5(xvii) | Significant deviations from the last year's operating results of the company shall be highlighted | √ | | |
| 1.5(xviii) | Key operating and financial data of at least preceding 5 (five) years shall be summarized | √ | | |
| 1.5(xix) | If the issuer company has not declared dividend (cash or stock) for the year | √ | | |
| 1.5(xx) | The number of Board meeting held during the year and attendance by each director shall be disclosed | √ | | Included in the Directors' Report |
| 1.5(xxi) | The pattern of shareholdings shall be reported to disclose the aggregate number of shares (alongwith name wise details where stated below) held by: | | | |
| 1.5(xxi) a) | Share holding position Parent/Subsidiary/Associated Companies and other related parties | N/A | | |
| 1.5(xxi) b) | Share holding position of directors, Chief Executive Officer, Company Secretary, Chief Financial Officer, Head of Internal Audit and their spouse and minor children | √ | | Included in the Directors' Report |
| 1.5(xxi) c) | Share holding position of Executives of the Company | √ | | -do- |
| 1.5(xxi) d) | Shareholders holding ten percent (10%) or more voting interest in the company | N/A | | No such shareholder exists |
| 1.5(xxii) | In case of the appointment/re-appointment of a Director | | | |
| 1.5(xxii) a) | A brief resume of the appointed/reappointed director | √ | | |
| 1.5(xxii) b) | Expertise in specific functional areas of the appointed/ reappointed director | √ | | |
| 1.5(xxii) c) | Name of companies in which the person also holds the directorship and the membership of committees of the board | √ | | |
| 2. | Chief financial Officer (CFO), Head of Internal Audit and Company Secretary(CS) | | | |
| 2.1 | Appointment: The Company appointed Chief Financial Officer, Head of Internal Audit (Internal Control and Compliance) and Company Secretary. The Board of Director clearly defined respective roles responsibilities and duties of the CFO, the Head of Auditor and the CS | √ | | |

| Condition No. | Title | Compliance status “√” in the appropriate column | | Remarks (if any) |
|---------------|--|--|--------------|-------------------------------------|
| | | Complied | Not complied | |
| 1.2(vi) | The tenure of office of an independent director shall be for a period of 3 (three) years, which may be extended for 1 (one) term only | √ | | |
| 1.3. | Qualification of Independent Director (ID): | | | |
| 1.3(i) | Independent Director shall be a knowledgeable individual with integrity, ensure compliance with financial, regulatory and corporate laws | √ | | |
| 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 at 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 | N/A | | Not required such approval |
| 1.4. | Chairman of the Board and Chief Executive Officer: | | | |
| | Chairman of the Board and Chief Executive Officer shall be filled by different individuals. The Board of Directors shall clearly divine respective role and responsibilities or the Chairman and the Chief Executive Officer | √ | | |
| 1.5. | The Director’s Report to Shareholders: | | | |
| 1.5(i) | Industry outlook and possible future developments in the industry | √ | | Included in the Directors’ Report |
| 1.5(ii) | Segment-wise or product-wise performance | √ | | -do- |
| 1.5(iii) | Risks and concerns | | | -do- |
| 1.5(iv) | A discussion on Cost of Goods sold, Gross Profit Margin and Net Profit Margin | √ | | -do- |
| 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 | N/A | | |
| 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 | √ | | Included in the Directors’ Report |
| 1.5(ix) | Significant variance occurs between Quarterly Financial Performance and Annual Financial Statements | √ | | |
| 1.5(x) | Remuneration to directors including independent directors | √ | | |
| 1.5(xi) | Financial Statements present fairly its 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 | √ | | |

| Condition No. | Title | Compliance status "√" in the appropriate column | | Remarks (if any) |
|---------------|--|---|--------------|--|
| | | Complied | Not complied | |
| 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 | N/A | | No IPO, RPO/Rights Issue was made in the year 2016 |
| 3.4. | Reporting of the Audit Committee | | | |
| 3.4.1 | Reporting to the Board of Directors: | | | |
| 3.4.1 (i) | The Audit Committee shall report on its activities to the Board of Directors | √ | | |
| 3.4.1 (ii) | The Audit Committee shall immediately report to the Board of Directors on the following findings, if any:- | | | |
| 3.4.1(ii) a) | Report on conflict of interest | N/A | | No conflict of interest |
| 3.4.1(ii) b) | Suspected or presumed fraud or irregularity or material defect in the internal control system | N/A | | |
| 3.4.1(ii) c) | Suspected infringement of laws including securities related laws, rules and regulations | N/A | | |
| 3.4.1(ii) d) | Any other matter which shall be disclosed to the Board of Directors immediately. | N/A | | |
| 3.4.2. | Reporting to the Authorities: | | | |
| | If the Audit Committee reported to the Board of Directors about anything which has material impact on the financial condition as result of operation. Audit Committee finds that such rectification has been unreasonably ignored, the Audit Committee shall report such finding to the Commission | N/A | | |
| 3.5. | Reporting to the Shareholder and General Investors: | | | |
| | 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: | √ | | |
| 4 (i) | Appraisal or valuation services or fairness opinions | √ | | As per Auditors' declaration |
| 4 (ii) | Financial information systems design and implementation | √ | | -do- |
| 4 (iii) | Book-keeping or other services related to the accounting record or financial statements | √ | | -do- |
| 4 (iv) | Broker-dealer services | √ | | -do- |
| 4 (v) | Actuarial services | √ | | -do- |
| 4 (vi) | Internal audit services | √ | | -do- |
| 4 (vii) | Any other service that the Audit Committee determines | √ | | -do- |

| Condition No. | Title | Compliance status "√" in the appropriate column | | Remarks (if any) |
|---------------|--|---|--------------|--|
| | | Complied | Not complied | |
| 4 (viii) | No partner or employees of the external audit firms shall possess any share of the company | √ | | |
| 4 (ix) | Audit/certification services on compliance of Corporate Governance | √ | | As per Auditors' declaration |
| 5. | Subsidiary Company: | | | |
| 5 (i) | The Composition of the Board of Directors of the subsidiary company | N/A | | |
| 5 (ii) | At least 1(one) independent director shall be a director on he Board of Directors of the subsidiary company | N/A | | |
| 5 (iii) | The minutes of the Board meeting of the subsidiary company shall be placed for review at the following Board meeting of the holding company | N/A | | |
| 5 (iv) | The minutes of the respective Board meeting of the holding company shall state that they have reviewed the affairs of the subsidiary company also | N/A | | |
| 5 (v) | The Audit Committee of the holding company shall also review the investments made by the subsidiary company | N/A | | |
| 6. | Duties of Chief Executive Officer (CEO) and Chief Financial 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 | √ | | The CEO and CFO have duly certified to the Board |
| 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 | √ | | -do- |
| 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 | √ | | -do- |
| 7. | Reporting and compliance of Corporate Governance: | | | |
| 7 (i) | The company obtained a certificate from a practicing Chartered Accountant regarding compliance of conditions of Corporate Governance Guidelines | √ | | Available in Annual Report |
| 7 (ii) | The directors of the company shall state, in accordance with the Annexure attached, in the directors report whether the company has complied with these conditions | √ | | Included in the Directors' Report |

ATA KHAN & CO.
CHARTERED ACCOUNTANTS

PARTNERS:

MAQBUL AHMED, B. COM. (HONS) M. COM. FCA
G.M. MUNIR AHMED, B. COM. (HONS) M. COM. FCA
M. ZABED ALI MRIDHA, B. COM, FCA
KAZI MUNMUN AHMED, BBA, MBA (DU), ACA

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FAX: 880-2-9567351
MOBILE: 01819-228521
E-mail: maqbul.ahmed@yahoo.com
Website: www.atakhanca.com

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

We have examined the status of compliance to the BSEC guidelines on corporate governance by Janata Insurance Company Limited for the year ended 31 December 2016. These guidelines relate to the notification no.SEC/CMRRD/2006-158/134/Admin/44 dated 07 August 2012 and amendment no. SEC/CMRRCD/2006-158/147Admin/48 dated 20 August 2013 of Bangladesh Securities and Exchange Commission (BSEC) on Corporate Governance.

The compliance with this said conditions of Corporate Governance and reporting the status thereof is the responsibility of the management of the Insurance Company. Our responsibility is to provide a certificate about whether the Insurance Company is in compliance with this said condition of Corporate Governance based on our examination. Our examination for the purpose of issuing this certificate was limited to the procedures including implementation thereof as adopted by the Insurance Company for ensuring compliance of the conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Insurance Company.

To the best of information and explanations provided to us, we certify that in our opinion the Insurance Company has complied with the conditions of Corporate Governance as stipulated in the above mentioned guidelines issued by BSEC.

We also state that such compliance certificate is neither an assurance as to the future viability of the company nor a certification on the efficiency or effectiveness with which the management has conducted the affairs of the Insurance Company.

Dated: Dhaka,
31 May, 2017

MAQBUL AHMED, FCA
Managing Partner
Ata Khan & Co.
Chartered Accountants

DECLARATION OF CEO AND CFO TO THE BOARD OF DIRECTORS REGARDING FINANCIAL STATEMENTS 2016

In accordance with Section 6 of the Notification No.BSEC/CMRRCD/2006-158/134/ Admin/44 dated August 07, 2012, Bangladesh Securities and Exchange Commission, we declare regarding the Financial Statements for the year ended December 31, 2016 that:

- i) We have reviewed the financial statements for the year 2016 and that to the best of our knowledge and belief:
 - a) these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
 - b) these statements together present a true and fair view of the company's affairs and are in compliance with existing accounting standards and applicable laws.
- ii) There are, to the best of our knowledge and belief, no transactions entered by the Company during the year which are fraudulent, illegal or violation of the Company's code of conduct.



Md. Saiful Islam
Chief Financial Officer



Md. Fazlul Hoque Khan
Chief Executive Officer

DIRECTORS' CERTIFICATE

As per Regulations contained in the first Schedule of the Insurance Act 2010 (previously 1938) as per Section 40-C of the said Act, we certify that:

1. The values of investment in shares & debentures have been taken at cost or market price whichever is lower.
2. The values of all assets as shown in the Financial Statement and as classified on Form "AA" annexed have been duly reviewed as at December 31, 2016 and in our belief, the said assets have been set forth in the Financial Statement at amounts not exceeding their realizable or market values under the several headings as enumerated in the annexed form.
3. 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.



Md. Fazlul Hoque Khan
Chief Executive Officer



Fahima Akhter
Director



Roxana Zaman
Vice Chairman



Aziz Al-Masud
Chairman

REPORT OF THE AUDIT COMMITTEE

The Audit Committee of Janata Insurance Co. Ltd. is pleased to present this report to the shareholders and other interested stakeholders stating in brief the functions and activities carried out by the Committee during reporting year.

Scope of Work of Audit Committee

The Audit Committee of Janata Insurance Co. Ltd. performs within the guidelines of Bangladesh Securities and Exchange Commission and also carries oversight responsibilities. The Board of Directors of the Company set out the overall business plan & formulates policies that the management is responsible for implementation. The Audit Committee, on behalf of the Board, strives to ensure effective implementation of the processes and procedures set out in the business plans and policies. Audit Committee also reviews the internal control regime and compliance status of the Company as a whole. The committee is authorized to investigate any matter(s) within its terms of reference, access to all documents and information of the company, seek information from any director or employee and hire/co-opt any resources including external professional assistance, it seems fit and necessary to accomplish its duties. However, the Audit Committee has no executive function and its primary objective is to review and challenge, rather than assume responsibility for any matters within its remit. The Chairman of the Committee remains present in all the general meetings of the Company to answer any questions on the activities of the Committee.

Functions of The Audit Committee

Main function of the Audit Committee is to facilitate the Board in its oversight responsibilities. In order to discharge these responsibilities, the Audit Committee, among others, carry out the following functions:

- Review of Internal Control System to create robust control mechanism;
- Review of Annual Financial Statements;
- Review of quarterly financial statements;
- Review of Internal Audit Reports and suggestion for corrective action;
- Review the findings of External Audit;
- Review of compliance with applicable rules and regulations;
- Timely responses to regulatory inquiries;
- Appraisal of the expertise, resources, independence and objectivity of the external auditor and recommendation to the Board regarding their appointment/reappointment;
- Coordination of regulatory and external audit;
- Coordination of management responses to the external audit; etc.

All these enable the Committee to evaluate major business risk areas, so as to ensure appropriate controls are in place, which is well managed providing accurate, proper and timely information to the Board of Directors, management, regulatory authorities and shareholders.

Composition of the Audit Committee

The following members of the Board of Directors comprise the Audit Committee:

| | | | |
|-----|-----------------------------|----------------------|----------|
| 01. | Mr. Md. Moniruzzaman, FCA | Independent Director | Chairman |
| 02. | Mrs. Fahima Akhter | Director | Member |
| 03. | Mrs. Afroza Zaman | Director | Member |
| 04. | Mr. Warisuzzaman Cowdhury | Director | Member |
| 05. | Mr. Kamruddin Parvez | Director | Member |
| 06. | Mr. Makin-Ur-Rashid (Rossi) | Independent Director | Member |

As per BSEC Notification No. SEC/CMRRCD/2006-158/Admin/44 dated 07 August 2012, an independent Director of the Board is the Chairman of the Audit Committee. As per regulatory guidelines, the Company Secretary of the Company acts as the Secretary to the Audit Committee. Beside the Head of Internal Audit, senior officials of the Company attend the meetings on invitation.

Meetings of the Audit Committee and major activities carried out

The Audit Committee had held 4 (Four) meetings during the year 2016. During the year under reference the Committee, inter alia, carried out the following activities:

- Reviewed Internal Audit Plan for the year 2016 and gave guidance on the risk based internal audit for all the departments and branches of the company;
- Reviewed Annual Audited Draft Financial Statements and after discussing with the External Auditor and the management recommended it to the Board for its approval;
- Reviewed the Management Letter issued by the External Auditor, Management responses thereto and corrective measures taken by the Company to avoid recurrence of the lapses mentioned therein;
- Reviewed Quarterly Financial Statements of the Company and recommended their submission to the stakeholders as a statutory requirement;
- Reviewed the report of the Audit Committee to incorporate in the Annual Report;
- Reviewed the expression of interest of external audit firm and upon reviewing expertise, capacity, resources, independence and objectivity thereof recommended to the Board for their appointment;
- Reviewed internal audit reports, discussed on significant Internal Audit findings and advised corrective actions;
- Reviewed and followed up action plan regarding compliance with the corporate governance guidelines issued by Bangladesh Securities and Exchange Commission; etc.

Review of Annual Audited Financial Statements

The Audit Committee reviewed and examined the Annual Financial Statements, for the year 2015 prepared by the management and audited by the External Auditor, M/s. Mahfel Huq & Co., Chartered Accountants and recommended these to the Board for consideration and approval.

The Committee was not aware of any issues in the following areas, which needed to be reported to the Board (i) Report on conflict of interest; (ii) Suspected or presumed fraud or irregularity or material defect in the internal control system and (iii) Suspected infringement of laws, including securities related laws, rules and regulations.

Finally the Audit Committee expresses its sincere thanks and appreciation to the Members of the Board and the Management of Janata Insurance Co. Ltd. for their excellent support in carrying out the duties and responsibilities of the Committee during the period under review.



Md. Moniruzzaman, FCA
Chairman, Audit Committee

SOLVENCY MARGIN POSITION

Solvency margin is the amount by which the assets of an insurer exceeds its liabilities, and will form part of the insurer's funds. Under section 43 of Insurance Act 2010 the Insurance Company required to maintained Solvency Margin. And the method of valuations of assets and liabilities of an insurer are prescribed in the insurance regulations. The regulations stipulate the minimum solvency margin, which an insurer must maintain at all times. The solvency of an insurance company corresponds to its ability to pay claims. The solvency of insurance company or its financial strength depends chiefly on whether sufficient technical reserves have been set up for the obligations entered into and whether the company has adequate capital as security.

Moreover, solvency margin assists financial investment managers when making a decision on the risk or reward capability of a company to return dividends to stockholders. In Bangladesh regulations for Solvency margin for non-life insurance Company have been prepared by IDRA but not yet been approved by Finance Ministry thereby not yet promulgated through official gazette.

During the year 2016, Janata Insurance Company Limited achieved solvency margin as required level. The details as follows:

SOLVENCY MARGIN BASED ON ASSETS & LIABILITIES:

Amount in Million Taka

| Particulars | Amount | Particulars | Amount |
|------------------------------------|---------------|---|---------------|
| Total Assets as per Balance Sheet | 823.06 | Total Liabilities | 823.06 |
| Less: Amount due from Others (3/4) | (184.62) | Sundry Creditors | (92.72) |
| Sundry debtors (Suspense A/C) | (10.91) | Amount Due to Others | (10.46) |
| Carpet & Curtain | (0.07) | Provision for Income Tax | (104.00) |
| | | Deposit Premium | (6.55) |
| | | Reserve for Unexpired Risks | (78.14) |
| | | Reserve for exceptional losses | (62.09) |
| (A) Total Assets | 627.46 | (B) Total Liabilities | 469.10 |
| | | | 2016 |
| | | Solvency Margin Available (A-B) (627.46 – 469.10) | 158.36 |



AUDITORS' REPORT & AUDITED FINANCIAL STATEMENTS

Independent Auditors' Report

to the Shareholders of Janata Insurance Company Limited

We have audited the accompanying financial statements of Janata Insurance Company Limited, which comprise of the Balance Sheet (Statement of Financial Position) as at December 31, 2016 and the Profit and Loss Account (Statement of Profit or Loss and other Comprehensive Income), Profit and Loss Appropriation Account, statement of changes in equity and statement of cash flows for the year then ended and a summary of significant accounting policies and other explanatory notes.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Bangladesh Accounting Standard (BAS)/Bangladesh Financial Reporting Standards (BFRS), the Companies Act 1994, The Insurance Act 2010, Insurance Rules 1958, the Securities and Exchange Rules 1987, guidelines provided by Insurance Development and Regulatory Authority (IDRA) and other applicable laws and regulations and for such internal control as management determines, which is necessary to enable the preparation of financial statements that are free from material misstatement, where due to fraud or error.

Auditor's Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risk of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments the auditor consider internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluation the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinion

In our opinion, the Financial Statements of Janata Insurance Company Limited, in all material respects, give a true and fair view of the Financial Position of the company as at 31st December, 2016, of its financial performance and of its Cash Flow's for the year then ended and the Financial Statements were prepared in accordance with Bangladesh Financial Reporting Standards (BFRS) and Bangladesh Accounting Standards (BAS), the Companies Act 1994, the Insurance Act 1938 (as amended in 2010), Insurance Rules 1958, the Securities and Exchange Rules 1987 and other applicable laws and regulations.

Report on Other Legal and Regulatory Requirements

We also report that:

- i. we have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit and made due verification thereof;
- ii. in our opinion, proper books of accounts, records and other statutory books as required by law have been kept by the Company so far as it appeared from our examination of those books and proper returns adequate for the purpose of our audit have been received from branches not visited by us;
- iii. as per section 63 (2) of the Insurance Act 2010, in our opinion to the best of our knowledge and belief and according to the information and explanations given to us, all expenses of management wherever incurred and whether incurred directly or indirectly, 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 and Loss Account and other comprehensive income of the company;
- iv. the information and explanations required by us have been received and found satisfactory;
- v. as per Regulation- 11 of part 1 of the third schedule of the Insurance Act 1938 (as amended in 2010), in our opinion to the best of our information and as shown by its books, the company during the under report has not paid any person any commission in any form, outside Bangladesh in respect of any of its business re- insured abroad;
- vi. the Company's Statement of Financial Position and Statement of Comprehensive Income and its Cash Flows dealt with by the report are in agreement with the books of account and returns;
- vii. the expenditure incurred was for the purposes of the Company's business.

Dated: April 30, 2017
Place: Dhaka



Mahfel Huq & Co.
Chartered Accountants

JANATA INSURANCE COMPANY LTD.

Balance Sheet

(Statement of Financial Position)

As at December 31, 2016

| Capital and Liabilities | Notes | Amount in Taka | |
|---|-------|--------------------|--------------------|
| | | 2016 | 2015 |
| Share capital | | | |
| Authorized Share Capital | 3.0 | 1,000,000,000 | 1,000,000,000 |
| Issued, Subscribed & Paid-up Capital | 3.0 | 383,526,730 | 383,526,730 |
| Share Premium | 4.0 | 55,964,550 | 55,964,550 |
| Reserve and Contingency Account: | | 74,163,038 | 84,965,726 |
| Reserve for Exceptional Losses | 5.0 | 62,093,835 | 61,093,835 |
| Profit & Loss Appropriation Account Balance | | 12,069,203 | 23,871,891 |
| Total Shareholders' Equity | | 513,654,318 | 524,457,006 |
| Balance of Funds and Accounts: | 6.0 | 78,136,848 | 56,168,948 |
| Fire Insurance Business | | 37,366,842 | 15,600,771 |
| Marine Insurance Business | | 24,693,190 | 17,624,364 |
| Motor Insurance Business | | 11,529,498 | 17,410,335 |
| Miscellaneous Insurance Business | | 4,547,318 | 5,533,478 |
| Premium Deposits | 7.0 | 6,547,084 | 3,081,602 |
| Liabilities and Provisions | | 224,718,644 | 227,244,975 |
| Estimated liabilities in respect of outstanding claims whether due or intimated | 8.0 | 7,751,250 | 8,869,375 |
| Amount due to other persons or bodies carrying on insurance business | 9.0 | 10,457,430 | 25,399,754 |
| Deferred tax liabilities | 10.0 | 9,788,849 | 6,277,342 |
| Sundry Creditors (including provision for expenses and taxes) | 11.0 | 196,721,115 | 186,698,504 |
| Total Liabilities | | 309,402,576 | 286,495,525 |
| Total Liabilities & Shareholders' Equity | | 823,056,894 | 810,952,531 |

The accompanying notes 1-27 form an integral part of these financial statements.

| Assets & Properties | Notes | Amount in Taka | |
|--|-------|--------------------|--------------------|
| | | 2016 | 2015 |
| Investments | 12.0 | 25,312,070 | 25,268,586 |
| Accrued Interest on FDR & BGTB | 13.0 | 10,711,049 | 10,026,973 |
| Amount Due From Other Persons or Bodies Carrying On Insurance Business | 14.0 | 246,153,663 | 214,202,185 |
| Sundry Debtors (Including advances, deposits, prepayments and others) | 15.0 | 118,647,739 | 109,345,874 |
| Cash And Bank Balances: | 16.0 | 276,808,533 | 302,984,367 |
| At Banks on Fixed Deposit Account | | 250,330,910 | 275,652,488 |
| At Banks on Current Account & Cash in hand | | 8,026,668 | 10,189,815 |
| At Banks on STD & Savings Account | | 18,450,955 | 17,142,064 |
| Other Accounts: | 17.0 | 145,423,840 | 149,124,546 |
| Fixed Assets (at cost less Accumulated depreciation) | | 144,409,801 | 148,726,057 |
| Security Deposits | | 807,342 | 362,342 |
| Stock of Stamps, printing and stationery | | 206,697 | 36,147 |
| Total Assets and Properties | | 823,056,894 | 810,952,531 |
| Net Asset Value Per Share (NAV) | 25.03 | 13.39 | 13.67 |

The accompanying notes 1-27 form an integral part of these financial statements.


Md. Fazlul Hoque Khan
Chief Executive Officer


Fahima Akhter
Director


Roxana Zaman
Vice Chairman


Aziz Al-Masud
Chairman

Signed as per our annexed report of even date.

Dated: April 30, 2017
Place: Dhaka


Mahfel Huq & Co.
Chartered Accountants

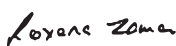
JANATA INSURANCE COMPANY LTD.
Profit And Loss Account
 (Statement of Profit or Loss & Other Comprehensive Income)
 For the year ended December 31, 2016

| Particulars | Notes | Amount in Taka | |
|--|-------|-------------------|-------------------|
| | | 2016 | 2015 |
| Expenses of management | | | |
| (Not Applicable to any particular fund or Account) | | 32,612,531 | 32,241,554 |
| Advertisement in News papers & Periodicals | | 229,228 | 389,438 |
| Directors' fees | 21.00 | 494,000 | 446,500 |
| Interest | | 3,524,359 | 3,141,466 |
| Legal and Professional fees | | 702,611 | 1,347,250 |
| Audit fees | 22.00 | 250,000 | 250,000 |
| Bad Debts | 15.01 | 5,455,105 | 5,455,105 |
| Lease Rental | 23.00 | 4,378,288 | 4,418,520 |
| Donation and Subscription | | 465,000 | 197,000 |
| Registration & Renewals | | 3,173,805 | 2,040,124 |
| Gratuity | | 7,110,000 | 7,103,855 |
| Provision for diminution in value of Investment in Shares | | - | 69,804 |
| Depreciation | | 6,830,135 | 7,382,492 |
| Net profit transferred to profit or loss appropriation account | | 18,709,492 | 38,888,274 |
| Total | | 51,322,023 | 71,129,828 |
| Interest and Dividend Income | 18.00 | 20,546,936 | 29,053,984 |
| Profit/(Loss) Transferred from: | | 30,770,736 | 41,749,916 |
| Fire Revenue Account | | (2,163,610) | 6,775,171 |
| Marine Revenue Account | | 23,253,968 | 29,770,215 |
| Motor Revenue Account | | 7,184,500 | 2,747,024 |
| Miscellaneous Revenue Account | | 2,495,878 | 2,457,506 |
| Gain on sale of assets | 19.00 | - | 304,407 |
| Other income | 20.00 | 4,351 | 21,521 |
| Total | | 51,322,023 | 71,129,828 |

The accompanying notes 1-27 form an integral part of these financial statements.


Md. Fazlul Hoque Khan
 Chief Executive Officer


Fahima Akhter
 Director


Roxana Zaman
 Vice Chairman


Aziz Al-Masud
 Chairman

Signed as per our annexed report of even date.

Dated: April 30, 2017
 Place: Dhaka

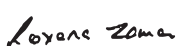

Mahfel Huq & Co.
 Chartered Accountants

Janata Insurance Company Ltd.
Profit And Loss Appropriation Account
 For the year ended December 31, 2016

| Particulars | Notes | Amount in Taka | |
|---|-------|-------------------|-------------------|
| | | 2016 | 2015 |
| Reserve for exceptional losses | | 1,000,000 | - |
| Provision for income tax | 11.04 | 6,824,336 | 16,163,174 |
| Provision for deferred tax | 10.00 | 3,511,507 | 2,832,229 |
| Dividend Distributed from Last Year Profit | | 19,176,337 | - |
| Balance transfered to Statement of Financial position | | 12,069,203 | 23,871,891 |
| Total | | 42,581,383 | 42,867,294 |
| Balance brought forward from last year | | 23,871,891 | 3,979,020.00 |
| Net Profit for the year brought down | | 18,709,492 | 38,888,274 |
| Total | | 42,581,383 | 42,867,294 |
| Earning Per Share | 25.02 | 0.22 | 0.52 |


Md. Fazlul Hoque Khan
 Chief Executive Officer


Fahima Akhter
 Director


Roxana Zaman
 Vice Chairman


Aziz Al-Masud
 Chairman

Signed as per our annexed report of even date.

Dated: April 30, 2017
 Place: Dhaka


Mahfel Huq & Co.
 Chartered Accountants

JANATA INSURANCE COMPANY LTD.
Statement Of Cash Flows
For the year ended December 31, 2016

| Particulars | Amount in Taka | |
|---|---------------------|---------------------|
| | 2016 | 2015 |
| Cash Flows from operating activities: | | |
| Collections from Premium, other income and receipts | 338,218,930 | 258,082,258 |
| Interest & Dividend received | 9,392,894 | 30,897,724 |
| Management Expenses, Re-Insurance, Claims & Others | (311,679,561) | (249,370,940) |
| VAT paid | (27,816,442) | (23,424,495) |
| Income Tax paid | (13,117,886) | (11,760,126) |
| Net Cash flows (used)/from operating activities | (5,002,065) | 4,424,421 |
| Cash flows from investing activities: | | |
| Acquisition of fixed assets | (2,513,879) | (20,068,061) |
| Sale proceeds of fixed assets | - | 304,409 |
| Net Cash used in investing activities | (2,513,879) | (19,763,652) |
| Cash flows from financing activities: | | |
| Dividend paid | (18,623,890) | - |
| Total Cash Used in financing activities | (18,623,890) | - |
| Net Decrease in Cash & Cash equivalents during the year | (26,139,834) | (15,339,231) |
| Opening Cash & Cash equivalents at beginning of the year | 302,948,367 | 318,323,598 |
| Closing Cash & Cash equivalents at end of the year | 276,808,533 | 302,984,367 |
| Net operating cash flows per share | (0.13) | 0.12 |


Md. Fazlul Hoque Khan
Chief Executive Officer


Fahima Akhter
Director


Roxana Zaman
Vice Chairman


Aziz Al-Masud
Chairman

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Dated: April 30, 2017
Place: Dhaka



Mahfel Huq & Co.
Chartered Accountants

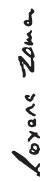
JANATA INSURANCE COMPANY LTD.
Statement Of Changes In Equity


For the year ended December 31, 2016

| Particulars | Amount in Taka | | | | |
|--|--------------------|-------------------|--------------------------------|-------------------|--------------------|
| | Share capital | Share premium | Reserve for exceptional losses | Retained earnings | Total |
| Balance as on January 01, 2016 | 383,526,730 | 55,964,550 | 61,093,835 | 23,871,891 | 524,457,006 |
| Cash Dividend for the year 2015 | - | - | - | (19,176,337) | (19,176,337) |
| Net Profit for the year 2016 (after tax) | - | - | - | 8,373,649 | 8,373,649 |
| Reserve for Exceptional losses | - | - | 1,000,000 | (1,000,000) | - |
| Balance as on December 31, 2016 | 383,526,730 | 55,964,550 | 62,093,835 | 12,069,203 | 513,654,318 |
| Balance as on January 01, 2015 | 348,660,670 | 90,830,610 | 61,093,835 | 3,979,020 | 504,564,135 |
| Share Capital increased during the year | | | | - | - |
| Bonus Share issued from Share Premium Account (2014) | 34,866,060 | (34,866,060) | - | - | - |
| Net Profit for the year 2015 (after tax) | - | - | - | 19,892,871 | 19,892,871 |
| Reserve for Exceptional losses | - | - | - | - | - |
| Balance as on December 31, 2015 | 383,526,730 | 55,964,550 | 61,093,835 | 23,871,891 | 524,457,006 |


Md. Fazlul Hoque Khan
 Chief Executive Officer


Fahima Akhter
 Director


Roxana Zaman
 Vice Chairman


Aziz Al-Masud
 Chairman

Dated: April 30, 2017
 Place: Dhaka

Signed as per our annexed report of even date.


Mahfel Huq & Co.
 Chartered Accountants

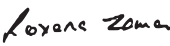
JANATA INSURANCE COMPANY LTD.
Consolidated Revenue Account
For the year ended December 31, 2016

| Particulars | Notes | Amount in Taka | |
|--|-------|--------------------|--------------------|
| | | 2016 | 2015 |
| Claim Under Policies Less Re-Insurance: | | 73,057, | 42,892,971 |
| Paid during the year | | 74,175,711 | 43,132,266 |
| Total estimated liability in respect of outstanding claims at the end of the year whether due or intimated | | 7,751,250 | 8,869,375 |
| Less: Outstanding at the end of the previous year | | (8,869,375) | (9,108,670) |
| Agency Commission | | 44,306,262 | 34,630,123 |
| Expenses of Management | 24.0 | 56,657,485 | 59,450,636 |
| Insurance stamp expenses | | 191,285 | 212,250 |
| Profit transferred to Profit or Loss Account | | 30,770,736 | 41,749,916 |
| Reserve for unexpired Risks of premium income of the year as shown in the Balance Sheet | | 78,136,848 | 56,168,948 |
| Total | | 283,120,202 | 235,104,844 |
| | | 283,120,202 | 235,104,844 |
| Balance of account at the beginning of the year (Reserve for unexpired Risks) | | 56,168,949 | 62,876,168 |
| Premium less Re-Insurance | | 193,146,184 | 140,379,699 |
| Commission on Re-Insurance ceded | | 33,805,069 | 31,848,977 |
| Total | | 283,120,202 | 235,104,844 |

The accompanying notes 1-27 form an integral part of these financial statements.


Md. Fazlul Hoque Khan
Chief Executive Officer


Fahima Akhter
Director


Roxana Zaman
Vice Chairman


Aziz Al-Masud
Chairman

Signed as per our annexed report of even date.

Dated: April 30, 2017
Place: Dhaka


Mahfel Huq & Co.
Chartered Accountants

JANATA INSURANCE COMPANY LTD.
Fire Insurance Revenue Account
For the year ended December 31, 2016

| Particulars | Notes | Amount in Taka | |
|--|-------|--------------------|-------------------|
| | | 2016 | 2015 |
| Claim Under Policies Less Re-Insurance: | | 38,875,135 | 14,298,252 |
| Paid during the year | | 39,493,210 | 13,442,715 |
| Total estimated liability in respect of outstanding claims at the end of the year whether due or intimated | | 6,090,050 | 6,708,125 |
| Less: Outstanding at the end of the previous year | | (6,708,125) | (5,852,588) |
| Agency Commission | | 24,227,964 | 13,006,142 |
| Expenses of Management | 24.0 | 29,462,115 | 21,499,354 |
| Insurance stamp expenses | | 82,550 | 94,600 |
| Profit/(Loss) transferred to Profit or Loss Account | | (2,163,610) | 6,775,171 |
| Reserve for unexpired Risks being 40% of premium income of the year as shown in the Balance Sheet | | 37,366,842 | 15,600,771 |
| Total | | 127,850,996 | 71,274,290 |
| | | 127,850,996 | 71,274,290 |
| Balance of account at the beginning of the year (Reserve for unexpired Risks) | | 15,600,771 | 19,798,746 |
| Premium less Re-Insurance | | 93,417,104 | 39,001,927 |
| Commission on Re-Insurance ceded | | 18,833,121 | 12,473,617 |
| Total | | 127,850,996 | 71,274,290 |

The accompanying notes 1-27 form an integral part of these financial statements.


Md. Fazlul Hoque Khan
Chief Executive Officer


Fahima Akhter
Director


Roxana Zaman
Vice Chairman


Aziz Al-Masud
Chairman

Signed as per our annexed report of even date.

Dated: April 30, 2017
Place: Dhaka


Mahfel Huq & Co.
Chartered Accountants

JANATA INSURANCE COMPANY LTD.
Marine Insurance Revenue Account
For the year ended December 31, 2016

| Particulars | Notes | Amount in Taka | |
|--|-------|-------------------|-------------------|
| | | 2016 | 2015 |
| Claim Under Policies Less Re-Insurance: | | 9,314,180 | 10,589,186 |
| Paid during the year | | 9,372,330 | 12,798,239 |
| Total estimated liability in respect of outstanding claims at the end of the year whether due or intimated | | - | 58,150 |
| Less: Outstanding at the end of the previous year | | (58,150) | (2,267,203) |
| Agency Commission | | 12,879,598 | 11,914,042 |
| Expenses of Management | 24.0 | 16,849,695 | 20,678,618 |
| Profit transferred to Profit or Loss Account | | 23,253,968 | 29,770,215 |
| Reserve for unexpired Risk being 40% & 100% of premium income Marine Cargo and Marine Hull business respectively of the year as shown in the Balance Sheet | | 24,693,190 | 17,624,364 |
| Total | | 86,990,631 | 90,576,425 |
| | | 86,990,631 | 90,576,425 |
| Balance of account at the beginning of the year (Reserve for unexpired Risks) | | 17,624,364 | 32,513,427 |
| Premium less Re-Insurance | | 59,537,039 | 44,018,239 |
| Commission on Re-Insurance ceded | | 9,829,228 | 14,044,759 |
| Total | | 86,990,631 | 90,576,425 |

The accompanying notes 1-27 form an integral part of these financial statements.


Md. Fazlul Hoque Khan
Chief Executive Officer


Fahima Akhter
Director


Roxana Zaman
Vice Chairman


Aziz Al-Masud
Chairman

Signed as per our annexed report of even date.

Dated: April 30, 2017
Place: Dhaka


Mahfel Huq & Co.
Chartered Accountants

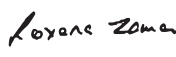
JANATA INSURANCE COMPANY LTD.
Motor Insurance Revenue Account
For the year ended December 31, 2016

| Particulars | Notes | Amount in Taka | |
|--|-------|-------------------|-------------------|
| | | 2016 | 2015 |
| Claim Under Policies Less Re-Insurance: | | 18,205,155 | 16,042,724 |
| Paid during the year | | 18,722,555 | 14,784,644 |
| Total estimated liability in respect of outstanding claims at the end of the year whether due or intimated | | 1,585,700 | 2,103,100 |
| Less: Outstanding at the end of the previous year | | (2,103,100) | (845,020) |
| Agency Commission | | 4,099,888 | 6,219,195 |
| Expenses of Management | 24.0 | 5,110,955 | 10,321,540 |
| Insurance stamp expenses | | 104,085 | 105,700 |
| Profit transferred to Profit or Loss Account | | 7,184,500 | 2,747,024 |
| Reserve for unexpired Risks of premium income of the year as shown in the Balance Sheet | | 11,529,498 | 17,410,335 |
| Total | | 46,234,081 | 52,846,518 |
| | | 46,234,081 | 52,846,518 |
| Balance of account at the beginning of the year (Reserve for unexpired Risks) | | 17,410,336 | 9,320,679 |
| Premium less Re-Insurance | | 28,823,745 | 43,525,839 |
| Commission on Re-Insurance ceded | | - | - |
| Total | | 46,234,081 | 52,846,518 |

The accompanying notes 1-27 form an integral part of these financial statements.


Md. Fazlul Hoque Khan
Chief Executive Officer


Fahima Akhter
Director


Roxana Zaman
Vice Chairman


Aziz Al-Masud
Chairman

Signed as per our annexed report of even date.

Dated: April 30, 2017
Place: Dhaka


Mahfel Huq & Co.
Chartered Accountants

JANATA INSURANCE COMPANY LTD.
Miscellaneous Insurance Revenue Account
For the year ended December 31, 2016

| Particulars | Notes | Amount in Taka | |
|--|-------|-------------------|-------------------|
| | | 2016 | 2015 |
| Claim Under Policies Less Re-Insurance | | 6,663,116 | 1,962,809 |
| Paid during the year | | 6,587,616 | 2,106,668 |
| Total estimated liability in respect of outstanding claims at the end of the year whether due or intimated | | 75,500 | - |
| Less: Outstanding at the end of the previous year | | - | (143,859) |
| Agency Commission | | 3,098,812 | 3,490,744 |
| Expenses of Management | 24.0 | 5,234,720 | 6,951,124 |
| Insurance stamp expenses | | 4,650 | 11,950 |
| Profit transferred to Profit or Loss Account | | 2,495,878 | 2,457,506 |
| Reserve for unexpired Risks of premium income of the year as shown in the Balance Sheet | | 4,547,318 | 5,533,478 |
| Total | | 22,044,494 | 20,407,611 |
| | | 22,044,494 | 20,407,611 |
| Balance of account at the beginning of the year (Reserve for unexpired Risks) | | 5,533,478 | 1,243,316 |
| Premium less Re-Insurance | | 11,368,296 | 13,833,694 |
| Commission on Re-Insurance ceded | | 5,142,720 | 5,330,601 |
| Total | | 22,044,494 | 20,407,611 |

The accompanying notes 1-27 form an integral part of these financial statements.


Md. Fazlul Hoque Khan
Chief Executive Officer


Fahima Akhter
Director


Roxana Zaman
Vice Chairman


Aziz Al-Masud
Chairman

Signed as per our annexed report of even date.

Dated: April 30, 2017
Place: Dhaka


Mahfel Huq & Co.
Chartered Accountants

JANATA INSURANCE COMPANY LTD.
Schedule Of Fixed Assets
 As at December 31, 2016

Schedule A/1

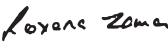
| Particulars | Cost | | | | | Depreciation | | | | Written down value |
|---------------------|----------------------------|--------------------------|--------------------------------------|--------------------------|------------------------|----------------------------|-------------------------|---------------------|--------------------------|--------------------------|
| | Opening Balance 01.01.2016 | Addition during the year | Adjustment/ Disposal during the year | Balance as on 31.12.2016 | Rate of depreciation % | Opening Balance 01.01.2016 | Charged during the year | Adjustment Disposal | Balance as on 31.12.2016 | Balance as on 31.12.2016 |
| Land | 56,650,075 | - | - | 56,650,075 | - | - | - | - | - | 56,650,075 |
| Building | 77,031,633 | - | - | 77,031,633 | 5% | 9,320,238 | 3,385,570 | - | 12,705,808 | 64,325,825 |
| Office Decoration | 17,556,397 | 1,000,000 | - | 18,556,397 | 10% | 9,445,175 | 861,122 | - | 10,306,297 | 8,250,100 |
| Furniture & Fixture | 7,845,722 | - | - | 7,845,722 | 10% | 4,485,794 | 335,993 | - | 4,821,787 | 3,023,935 |
| Motor Vehicles | 12,063,576 | - | - | 12,063,576 | 20% | 8,339,402 | 744,835 | - | 9,084,237 | 2,979,339 |
| Carpet & Curtain | 645,568 | - | - | 645,568 | 10% | 569,257 | 7,631 | - | 576,888 | 68,680 |
| Office Equipment | 20,923,307 | 813,879 | - | 21,737,186 | 15% | 11,830,356 | 1,424,984 | - | 13,255,340 | 8,481,846 |
| Sundry Assets | 27,000 | 700,000 | - | 727,000 | 20% | 26,999 | 70,000 | - | 96,999 | 630,001 |
| Total | 192,743,278 | 2,513,879 | - | 195,257,157 | | 44,017,221 | 6,830,134 | - | 50,847,356 | 144,409,801 |

JANATA INSURANCE COMPANY LTD.
FORM 'AA'
 Classified Summary of Assets as at December 31, 2016

| Sl. No. | Particulars | Amount in Taka | |
|-------------------|--|--------------------|--------------------|
| | | 2016 | 2015 |
| Book Value | | | |
| 1. | Investment in Bangladesh Govt. Treasury Bond | 25,000,000 | 25,000,000 |
| 2. | Investment in Shares at market value | 312,070 | 268,586 |
| 3. | Accrued Interest on FDR & BGTB | 10,711,049 | 10,026,973 |
| 4. | Amount due from other persons or bodies carrying on insurance business | 246,153,663 | 214,202,185 |
| 5. | Sundry debtors (including advances, deposits, prepayments and others) | 118,647,739 | 109,345,874 |
| 6. | Cash and Bank Balances | 276,808,533 | 302,984,367 |
| 7. | Fixed Assets (at cost less depreciation) | 144,409,801 | 148,726,057 |
| 8. | Security Deposit | 807,342 | 362,342 |
| 9. | Stock of Stamps | 206,697 | 36,147 |
| | Total | 823,056,894 | 810,952,531 |


Md. Fazlul Hoque Khan
 Chief Executive Officer


Fahima Akhter
 Director


Roxana Zaman
 Vice Chairman


Aziz Al-Masud
 Chairman

Signed as per our annexed report of even date.

Dated: April 30, 2017
 Place: Dhaka


Mahfel Huq & Co.
 Chartered Accountants

JANATA INSURANCE COMPANY LTD.
Notes To The Financial Statements
For the year ended December 31, 2016

1.0 Legal form of the company:

The Company was incorporated and commenced its business as a public limited company under Companies Act 1994 on 23rd September, 1986 with a view to run all types of insurance business except life insurance as per Insurance Act, 2010 (previously Insurance Act 1938) in Bangladesh.

The company floated its share capital and got enlistment with DSE in the year 1994 and CSE in the year 1995.

1.01 Address of Registered office and place of business of the company

The registered office of the company is located at Ga/95/D, Link Road, Middle Badda, Gulshan - 1, Dhaka-1000, Bangladesh. At Present the company operates its business through 09 branches excluding Head Office.

1.02 Principal activities of the company

The principal activities of the company is to carry on all kinds of general insurances (fire, marine, motor, miscellaneous), guarantee, and indemnity business other than life insurance business.

1.03 Date of Financial Statements Authorized for issue

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

2.0 Structure, Content and Presentation of (from 1d P264) Significant accounting policies:

2.01 Basis of preparation and presenting Financial Statements:

- (i) The Board of Directors is responsible for the preparation and presentation of financial statements under section 183 of the companies Act 1994 and as per the provision of Bangladesh Securities and Exchange Rules 1987, Insurance Act 1938 (as amended in 2010), Companies Act 1994 and the Bangladesh Accounting Standards (BAS) as adopted by the Institute of Chartered Accountants of Bangladesh particularly with regard to disclosure of accounting policies and relevant information in Financial Statements as well as accounting for property and depreciation thereon and the valuation of investments and other relevant matters.
- (ii) The Financial Statement has been prepared on going concern and accrual basis under historical cost convention and in accordance with the regulations as contained in Part-I of the First Schedule and as per Form "A" as set forth in Part-II of that Schedule.

Revenue Account of each class of general insurance business has been prepared in accordance with the regulations as contained in Part-I of the Third Schedule and as per Form 'F' as set forth in Part-II of third Schedule of the Insurance Act, 1938 (as amended in 2010). The classified summary of the assets has been prepared in accordance with Form "AA" as set forth in Part-II of the aforesaid Act. The Statement of Cash flows and statement of changes in equity has been prepared in accordance with BFRS and as per requirement of the Bangladesh Securities and Exchange Rules 1987.

(iii) Going concern

The accompanying 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. The accompanying Financial Statements do not include any adjustments should the company be unable to continue as a going concern.

(iv) Functional and Presentation Currency

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

(v) Use of estimates and judgement

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. 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 in which the estimates is revised and in any future periods affected.

(vii) Financial statements of the company cover one calendar year from 1st January 2016 to 31st December 2016 consistently.

2.2 Significant Accounting policies

2.2.1 Revenue recognition

(i) Premium income is recognized when Insurance policies are issued, but the premium of company's share of Public Sector Insurance Business (PSB) is accounted for in the year in which the statements of accounts from Sadharan Bima Corporation are received. Accordingly Insurance Premium relating to the Public Sector business upto 2nd quarter of the year 2016 had been incorporated in the accompanying accounts.

Premium earned less re-insurance during the year was Taka 193,146,184 (Net) against Taka 140,379,699 (Net) of previous year on account of Fire, Marine and Miscellaneous business.

(ii) Investment Income

Interest on Bangladesh Govt. Treasury Bond and FDR's are recognized on accrual basis and calculated by using effective interest rate method. Interest on STD Account and dividend on shares and other income are recognized on cash basis.

2.2.2 Re-Insurance Ceded & Accepted

While preparing the Revenue Accounts necessary adjustments in respect of re-insurance business ceded and accepted in Bangladesh have been given. Re-insurance accounts has been incorporated in the accounts upto 3rd quarter of the year 2016 as per previous practice.

2.2.3 Balance of Funds & Accounts (Un-expired risks reserve)

Before arriving at the surplus of each class of business necessary provision for unexpired risks has been made @ 40% on all business except on Marine Hull business for which provision has been made @100% of net premium for the year as per Insurance Act 1938 (as amended in 2010).

2.2.4 Reserves for Exceptional Losses

As per 4th schedule of Income-tax Ordinance, 1984, upto 10% of premium income may be maintained as reserve for exceptional losses out of profit by the company to meet exceptional possible future claims. An amount of Taka 1,000,000/= has been kept as reserve for exceptional losses during the year, which is 0.30% of premium income of the year

2.2.5 Management Expenses

As per section 40(C)(2) Insurance Act 1938 (as amended in 2010) all relevant management expenses for an amount of Taka 56,657,485 have been allocated to each class of Insurance business on pro-rata basis of their respective gross premium income earned during the year from direct business in Bangladesh. This represents 17% of the total gross premium income of the year as against 22% of that of the previous year.

2.2.6 Fixed Assets & Depreciation

(i) Recognition of Fixed Assets

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

(ii) Valuation of Fixed Assets

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

(iii) Depreciation

Depreciation is charged on Fixed assets has been calculated on all assets using Reducing balance method in accordance with BAS-16 "Property, Plant and Equipment " at varying rates depending on the class of assets. Depreciation is charged on addition of fixed assets when the asset is available for use. Asset category wise depreciation rates are as follows:

| Name of Assets | Rate of Depreciation |
|---------------------|----------------------|
| Building | 5% |
| Office Decoration | 10% |
| Furniture & Fixture | 10% |
| Motor Vehicles | 20% |
| Carpet & Curtain | 10% |
| Office Equipment | 15% |

2.2.7 Investment

Investments for statutory deposits are held for trading purpose and stated at their cost of acquisition. Investments in shares are stated at their market price as per BAS 39.

2.2.8 Valuation of Assets

The value of all assets at December 31, 2016 has been shown in the Financial Statement and in the classified summary of assets on Form "AA" annexed with this report at the amounts shown not exceeding their book value.

2.2.9 Taxation

The tax currently payable is based on taxable profit for the year. Taxable profit differs from profit as reported in the profit and loss account because it excludes items of income or expense that are taxable or deductible in succeeding years and it further excludes items that are never taxable or deductible. The company's liability for current tax is calculated using tax rates that have been enacted or substantively enacted on the balance sheet date. Provision for income tax has been made at the rate of 40% as per ITO, 1984.

2.2.10 Deferred Taxation

Deferred tax is provided on temporary differences arising between the tax base values of assets and liabilities and their carrying amounts in the financial statements in accordance with BAS-12. The profit & loss for insurance business in Bangladesh are determined as per 4th schedule and not using section 28 of IT ordinance 1984. The deferred tax liability represents managements estimate of tax payable on gains from selling of the property plant and equipment and gratuity when paid.

2.2.11 Lease Assets:

Leased assets are considered as operating lease and therefore lease rental are charged as expenses as incurred.

2.2.12 Employees Benefit Plans

The company has maintained employees benefit under the existing employees benefit policy of the company as well as per BAS 19.

2.2.13 Provident Fund

The company operates a contributory provident fund for its permanent employees, provision for which is being made annually as per rules. The fund is recognized by the Income Tax Authorities and is administered by a Board of Trustees.

2.2.14 Gratuity Summary Discloser on benefits

Employees are entitled an unfunded gratuity benefit after completion of minimum 5 years continued service in the company. The gratuity is calculated on the last basic pay and is payable at the rate of two months basic pay for every completed year of service.

As per Board resolution dated 19.05.2013 it was decided that the short in provision on account of Gratuity fund amount of Taka 61,752,270 (un-audited) will be recouped within 10 years by making arrear provision of Gratuity in addition to current provision starting from the year 2013. Accordingly amount of Taka 4,000,000 has been provided in the accounts of 2016 as arrear provision of gratuity and balance short provision of Taka 32,931,510 will be met up by coming 6 (Six) years.

2.2.15 Workers Profit Participation Fund (WPPF):

The Board refers the matter of provision for Workers Profit Participation Fund (WPPF) and like to clarify that as per provision of Para (A to G) of section 233 of Bangladesh Labor Amendments Act 2013, functions of Non life Insurance Companies are not similar to the functions of industrial Relating Works' as mentioned in the aforesaid section.

Therefore, provision for Workers profit Participation and Welfare Fund (WPPF) is not applicable for the Company. It may be mentioned here that Janata Insurance Company Ltd. has been Maintaining a Recognized Employees Provident Fund, Gratuity Scheme, Group and Personal Accident Insurance Scheme, and Incentive Bonus etc, as Per Provision of BAS-19.

2.2.16 Earning Per Share (EPS)

The company calculates earnings per share (EPS) in accordance with BAS 33: “Earnings Per Share”.

Basic earnings per share

This has been calculated by dividing the basic earnings by the weighted average number of ordinary shares outstanding during the period

For calculation of basic earnings and weighted average number of ordinary shares outstanding during the period, the following formulas have been used:

| Sl. No. | Particulars | 2016 | 2015 |
|---------|--|------------|------------|
| a) | Earnings attributable to the ordinary shareholders | 8,373,649 | 19,892,871 |
| b) | Number of Ordinary Shares | 38,352,673 | 38,352,673 |
| c) | Earnings Per Share | 0.22 | 0.52 |

Basic earnings

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

Weighted average number of ordinary shares outstanding during the year

This represents the number of ordinary shares outstanding at the beginning of the year plus the number of ordinary share issued during the period multiplied by a time-weighted factor. The time-weighting factor is the number of days the specific shares outstanding as a proportion of the total number of days during the year.

Diluted earnings per share

No diluted earnings per share is required to be calculated for the period, as there was no scope for dilution during the period under review.

2.2.16 Provision for liabilities

According to BAS 37: “Provision, Contingent Liabilities and Contingent Assets” the company recognizes the provision in the balance sheet when the company has a legal or constructive obligation as a result of past event and it is probable that an outflow of economic benefit will be required to settle the obligations.

2.2.17 Statement of Cash Flows

Statement of Cash Flows is prepared in accordance with BAS 7: “Statement of Cash Flows”, the Statement of Cash Flows shows the structure of and changes in cash and cash equivalents during the financial year. Cash and cash equivalents include notes and coins on hand, unrestricted balance held with the commercial banks. It is broken down into operating activities, investing activities and financing activities. The direct method is used to show the operating activities.

2.2.18 Additional information on financial statements

Components of the financial statements

Following the Insurance Act 2010 and BAS 1: “Presentation of Financial Statements”, the company's complete set of financial statements include the following components:

- Balance Sheet (Statement of Financial Position) as at December 31, 2016.

- b) Profit and Loss Account (Statement of Profit or Loss & Other Comprehensive Income) for the year ended December 31, 2016.
- c) Profit and Loss Appropriation Account for the year ended December 31, 2016.
- d) Consolidated Revenue Account for the year ended December 31, 2016.
- e) Fire Insurance Revenue Account for the year ended December 31, 2016.
- f) Marine Insurance Revenue Account for the year ended December 31, 2016.
- g) Motor Insurance Revenue Account for the year ended December 31, 2016.
- h) Miscellaneous Insurance Revenue Account for the year ended December 31, 2016.
- i) Statement of Changes in Equity for the year ended December 31, 2016.
- j) Statement of Cash Flows for the year ended December 31, 2016.
- k) Notes to the Financial Statements and significant accounting policies.

Comparatives

Previous year's figure has been restated and rearranged whenever necessary due to fair presentation in the Financial Statements as per BAS 8 "Accounting Policies, Changes in Accounting Estimate and Errors".

Disclosure of departure from few requirements of BAS/BFRS due to mandatory compliance of Insurance Act's requirements.

The Janata Insurance Company Limited's management has followed the principles of Bangladesh Accounting Standard (BAS) & Bangladesh Financial Reporting Standard (BFRS) consistently in preparation of the Financial Statements to that extent as applicable to Janata Insurance Company Limited (JICL). Some requirements of Insurance Act 2010 and Insurance Rules 1958 and regulations contradict with those of financial instruments and general provision standards of BAS and BFRS. As such the JICL has departed from those contradictory requirements of BAS/BFRS in order to comply with the rules and regulations of IDRA, Bangladesh which are disclosed below along with financial impact where applicable:

- a) Investments in quoted shares and unquoted shares are revalued at the year end at market price and as per book value of last audited balance sheet respectively. However as per requirements of BAS 39 investment in shares falls either under "at fair value through profit and loss account" or under "available for sale" where any changes in the fair value at the year-end is taken to profit or loss account or other comprehensive income respectively.
- b) Unexpired Risk Provision on Insurance Premium and Re-Insurance Premium are followed as per Principle of Insurance. However such general provision cannot satisfy the conditions of provision as per Bangladesh Accounting Standard (BAS) 37: Provisions, Contingent Liabilities and Contingent Assets.
- c) As per IDRA guidelines, financial instruments are categorized, recognized and measured differently from those prescribed in Bangladesh Accounting Standard (BAS) 39: Financial Instrument: Recognition and Measurement. As such some disclosure and presentation requirements of Bangladesh Financial Reporting Standard.
- d) **Financial Instrument:** Disclosures, and Bangladesh Accounting Standard (BAS) 32: Financial Instrument: Presentation, have not been made in the accounts comply with regulatory requirements.

| Amount in Taka | |
|----------------|------|
| 2016 | 2015 |

3.00 Share capital

Authorized

100,000,000 Ordinary Shares of Taka 10 each

| | |
|---------------|---------------|
| 1,000,000,000 | 1,000,000,000 |
|---------------|---------------|

Issued, Subscribed and Paid-up

6,000,000 ordinary shares of Taka 10 each fully paid-up (Sponsors/Promoters plus IPO)

| | |
|------------|------------|
| 60,000,000 | 60,000,000 |
|------------|------------|

16,262,400 ordinary shares of Taka 10 each fully paid-up (Rights Share issue)

| | |
|-------------|-------------|
| 162,624,000 | 162,624,000 |
|-------------|-------------|

16,090,273 ordinary shares of Taka 10 each issued as Bonus Shares

| | |
|-------------|-------------|
| 160,902,730 | 160,902,730 |
|-------------|-------------|

| | |
|--------------------|--------------------|
| 383,526,730 | 383,526,730 |
|--------------------|--------------------|

Share holding position is as under

| Name | No. of Shares | Holdings % | Value of Share in Taka | |
|--------------------------------|-------------------|-------------|------------------------|--------------------|
| | | | 2016 | 2015 |
| Sponsors/Promoters & Directors | 14,184,745 | 36.99% | 141,847,450 | 209,137,130 |
| General Public | 24,167,928 | 63.01% | 241,679,280 | 174,389,600 |
| Total | 38,352,673 | 100% | 383,526,730 | 383,526,730 |

The shares are listed in the Dhaka Stock Exchange and Chittagong Stock Exchange and quoted at Tk 13.60 and Tk 13.40 per share respectively on December 31, 2016.

4.00 Share premium

Opening balance

| | |
|------------|------------|
| 55,964,550 | 90,830,610 |
|------------|------------|

Less: Distribution of approved Bonus Shares - 2014

| | |
|---|------------|
| - | 34,866,060 |
|---|------------|

| | |
|-------------------|-------------------|
| 55,964,550 | 55,964,550 |
|-------------------|-------------------|

This above amount represents the balance of share premium received against rights share issue.

5.00 Reserve for exceptional losses

Opening balance

| | |
|------------|------------|
| 61,093,835 | 61,093,835 |
|------------|------------|

Addition during the year

| | |
|-----------|---|
| 1,000,000 | - |
|-----------|---|

Closing balance

| | |
|-------------------|-------------------|
| 62,093,835 | 61,093,835 |
|-------------------|-------------------|

6.00 Balance of fund and accounts

Fire Insurance Business

| | |
|------------|------------|
| 37,366,842 | 15,600,771 |
|------------|------------|

Marine Cargo Insurance Business

| | |
|------------|------------|
| 23,229,233 | 17,595,917 |
|------------|------------|

Marine Hull Insurance Business

| | |
|-----------|--------|
| 1,463,957 | 28,447 |
|-----------|--------|

Motor Insurance Business

| | |
|------------|------------|
| 11,529,498 | 17,410,335 |
|------------|------------|

Miscellaneous Insurance Business

| | |
|-----------|-----------|
| 4,547,318 | 5,533,478 |
|-----------|-----------|

| Amount in Taka | |
|----------------|------|
| 2016 | 2015 |

This represents reserve for unexpired risks provided from Net Premium Income of the year including Public Sector Business as shown below:

| Class of business | Net premium | Retained percentage | Balance of Fund | |
|-------------------|--------------------|---------------------|-------------------|-------------------|
| | | | 2016 | 2015 |
| Fire | 93,417,104 | 40% | 37,366,842 | 15,600,771 |
| Marine Cargo | 58,073,082 | 40% | 23,229,233 | 17,595,917 |
| Marine Hull | 1,463,957 | 100% | 1,463,957 | 28,447 |
| Motor | 28,823,745 | 40% | 11,529,498 | 17,410,335 |
| Miscellaneous | 11,368,296 | 40% | 4,547,318 | 5,533,478 |
| Total | 193,146,184 | | 78,136,848 | 56,168,948 |

7.00 Premium deposits

Balance on this account represents premium received against cover notes which were not converted into policies within 31 December 2016. As of 31 December 2016, covernotes beyond 9(nine) months have been converted into policies consistently.

The class wise summary of the premium deposits is as follows:

Business

| | | |
|---------------|------------------|------------------|
| Fire | 681,633 | 736,515 |
| Marine Cargo | 2,714,769 | 1,475,981 |
| Miscellaneous | 75,208 | 219,106 |
| Marine Hull | 3,075,474 | 650,000 |
| Total | 6,547,084 | 3,081,602 |

8.00 Estimated liabilities in respect of outstanding claims whether due or intimated

| | | |
|--------------------------------------|------------------|------------------|
| (a) Fire Insurance Business | 6,090,050 | 6,708,125 |
| (b) Marine Cargo Insurance Business | - | 58,150 |
| (c) Motor Insurance Business | 1,585,700 | 2,103,100 |
| (d) Miscellaneous Insurance Business | 75,500 | - |
| Total | 7,751,250 | 8,869,375 |

Management is aware of all the claims as per intimation given upto the year-end have been taken into consideration whether due or intimated.

| Amount in Taka | |
|----------------|------|
| 2016 | 2015 |

9.00 Amount due to other persons or bodies carrying on Insurance business

This represents the amount payable to Sadharan Bima Corporation and other re-insurers and private sector insurance companies on account of re-insurance and co-insurance premium as at December 31, 2016, the details of which are hereunder:

| | | |
|--|-------------------|-------------------|
| Sadharan Bima Corporation | 8,562,948 | 21,051,105 |
| Bangladesh General Insurance Co. Ltd. | - | 4,160 |
| Bangladesh Co-Operative Ins. Ltd. | - | 28,837 |
| Bangladesh National Insurance Co. Ltd. | 53,590 | 72,661 |
| Eastern Insurance Co. Ltd. | 251,052 | 251,052 |
| Federal Insurance Co. Ltd. | 151,480 | 285,319 |
| Green Delta Insurance Co. Ltd. | - | 654,289 |
| Karnaphuli Insurance Co. Ltd. | - | 88,106 |
| Eastland Insurance Co. Ltd. | - | 7,787 |
| Mercantile Insurance Co. Ltd. | - | 95,393 |
| Meghna Insurance Co. Ltd. | - | 30,965 |
| Northern General Insurance Co. Ltd. | 126,422 | 126,421 |
| Progati Insurance Ltd. | - | 697,521 |
| Phoenix Insurance Co. Ltd. | 462,746 | 490,097 |
| Purabi General Insurance Co. Ltd. | 160,955 | 178,686 |
| Provati Insurance Co. Ltd. | - | 242,927 |
| Prime Insurance Co. Ltd. | 3,203 | 73,117 |
| Reliance Insurance Ltd. | - | 63,420 |
| Rupali Insurance Co. Ltd. | 239,665 | 365,288 |
| United Insurance Co. Ltd. | 68,567 | 135,139 |
| Global Insurance Ltd. | 168,616 | 168,616 |
| Dhaka Insurance Ltd. | 52,759 | 117,896 |
| Takaful Islami Ins. Ltd. | 8,763 | 24,288 |
| Asia Insurance Ltd. | 139,521 | 139,521 |
| Islami Comm. Insurance Co. Ltd. | 7,143 | 7,143 |
| Total | 10,457,430 | 25,399,754 |

Balance with the maximum Co-Insurers are being carried forwarded from years to year without making any transactions/adjustments thereof. However, after scrutiny an amount of Tk. 19,13,403/- has been adjusted/net off considering the above mutual facts and steps being undertaken for scrutiny and reconciliation for net off the remaining long pending balance.

10.00 Deferred Tax Liabilities

| | | |
|-------------------------------|------------------|------------------|
| Opening Balance | 6,277,342 | 3,445,113 |
| Add: Addition during the year | 3,511,507 | 2,832,229 |
| Total | 9,788,849 | 6,277,342 |

| Amount in Taka | |
|----------------|------|
| 2016 | 2015 |

11.00 Sundry creditors (including provision for expenses and taxes)

| | | |
|---|--------------------|--------------------|
| Income Tax Payable [Deduction at source] | 5,179,309 | 6,923,512 |
| Provident Fund Payable (with interest) (Note: 11.01) | 49,480,724 | 45,294,097 |
| Unpaid Dividend (Note: 11.02) | 730,036 | 177,589 |
| Lease Rental Payable | 348,094 | 1,104,630 |
| Payable dividend against sale proceeds of bonus fraction shares | 1,988,548 | 2,009,314 |
| VAT Payable (Note: 11.3) | 3,874,583 | 7,442,685 |
| Security Deposit | 7,000 | 7,000 |
| Audit fee Payable | 469,750 | 519,750 |
| Office Rent Payable | 629,860 | 127,786 |
| Provision for Taxation (Note: 11.4) | 104,002,394 | 97,178,058 |
| Gratuity Account | 29,683,448 | 25,630,198 |
| Underwriting Commission Payable | 236,452 | 236,452 |
| Provision for Diminution in value of investment | 90,917 | 47,433 |
| Total | 196,721,115 | 186,698,504 |

11.01 Provident Fund Payable (with interest)

| Particulars | Principal | Interest | Balance of Fund | |
|--|-------------------|------------------|-------------------|-------------------|
| | | | 2016 | 2015 |
| Balance as on 01.01.2016 | 42,152,631 | 3,141,466 | 45,294,097 | 39,214,422 |
| Add: Contribution & Provision for the year (including loan recovery) | 5,991,213 | 3,524,359 | 9,515,572 | 9,091,208 |
| | 48,143,844 | 6,665,825 | 54,809,669 | 48,305,630 |
| Less: Payment made during the year | 2,187,479 | 3,141,466 | 5,328,945 | 3,011,533 |
| Balance as on 31.12.2016 | 45,956,365 | 3,524,359 | 49,480,724 | 45,294,097 |

8% interest has been provided on payable principal amount and as against the above liability. The payable fund is required to be transferred to PF Trust Account by giving most preference.

11.02 Unpaid Dividend

Unpaid dividend balance amounting to Taka 7,30,036 mainly due to sponsor shareholders.

11.03 VAT Payable

The above VAT payable amount has been provided by the company as unpaid VAT upto 31.12.2016 and subsequently paid the amount full.

11.04 Provision for Taxation

| | | |
|----------------------------------|--------------------|-------------------|
| Opening balance | 97,178,058 | 81,014,884 |
| Add: Provision for the year 2016 | 6,824,336 | 16,163,174 |
| Closing balance | 104,002,394 | 97,178,058 |

| Amount in Taka | |
|----------------|------|
| 2016 | 2015 |

11.05 Provision for Gratuity

| | | |
|---|-------------------|-------------------|
| Opening balance | 25,630,198 | 23,254,193 |
| Add: Provision made during the year 2016: | 7,110,000 | 7,103,855 |
| Current year's provision | 3,110,000 | 3,103,855 |
| Arrear provision | 4,000,000 | 4,000,000 |
| | 32,740,198 | 30,358,048 |
| Less: Paid during the year 2016 | 3,056,750 | 4,727,850 |
| Closing balance | 29,683,448 | 25,630,198 |

12.00 Investment

| | | | |
|--------------------------------|--------------|-------------------|-------------------|
| Statutory deposit- | | | |
| Bangladesh Govt. Treasury Bond | (Note: 12.1) | 25,000,000 | 25,000,000 |
| Shares - at market value | (Note: 12.2) | 312,070 | 268,586 |
| Total | | 25,312,070 | 25,268,586 |

12.01 Statutory deposit: Bangladesh Govt. Treasury Bond

The amount has been kept in Bangladesh Bank as Statutory Deposit as per requirement under Section 23 of the Insurance Act, 2010 and the deposit are not permissible for encashment without prior permission of the IDRA. Accrued interest on such bond amount upto December 31, 2016 has been accounted for.

12.02 Investment in Shares (at market value)

These are made up as follows:

| Ordinary Shares | Quantity | Cost price | Market value | |
|-----------------------------------|----------|------------|-------------------------|--------|
| 8th ICB Mutual Fund | 430 | 4,300 | 25,800 | 30,401 |
| Wonderland toy's Ltd. | 695 | 69,500 | (Not traded since 2009) | - |
| ICB Islami Bank Ltd. | 400 | 4,000 | 2,040 | 1,800 |
| Asia Insurance Ltd. | 262 | 7,117 | 5,083 | 3,720 |
| Asia Pacific Gen. Ins. Co. Ltd. | 500 | 15,342 | 9,600 | 8,000 |
| Bangladesh Gen. Ins. Co. Ltd. | 100 | 2,917 | 1,920 | 1,660 |
| Central Insurance Co. Ltd. | 216 | 5,935 | 3,888 | 3,564 |
| City General Insurance Co. Ltd. | 133 | 2,756 | 2,168 | 1,561 |
| Delta Life Insurance Co. Ltd. | 62 | 12,666 | 6,237 | 7,576 |
| Eastern Insurance Co. Ltd. | 200 | 7,585 | 5,420 | 5,140 |
| Eastland Insurance Co. Ltd. | 266 | 9,557 | 6,357 | 4,695 |
| Fareast Islami Life Ins. Co. Ltd. | 55 | 4,879 | 3,723 | 3,438 |
| Federal Insurance Co. Ltd. | 128 | 2,435 | 1,690 | 1,281 |
| Global Insurance Ltd. | 665 | 13,932 | 11,771 | 7,986 |
| Green Delta Insurance Co. Ltd. | 126 | 9,698 | 6,262 | 6,766 |
| Karnaphuli Insurance Co. Ltd. | 330 | 7,454 | 5,181 | 3,894 |
| Meghna Life Insurance Co. Ltd. | 69 | 5,764 | 3,843 | 3,762 |
| Mercantile Insurance Co. Ltd. | 500 | 13,531 | 8,250 | 6,300 |
| National Life Insurance Co. Ltd. | 82 | 15,231 | 16,408 | 17,174 |
| Peoples Insurance Co. Ltd. | 100 | 3,451 | 1,800 | 1,600 |
| Phenix Insurance Co. Ltd. | 200 | 8,491 | 5,560 | 4,620 |

| | | Amount in Taka | | |
|-----------------------------------|---------------|----------------|----------------|----------------|
| | | 2016 | 2015 | |
| Prime Insurance Co. Ltd. | 301 | 7,973 | 5,508 | 4,515 |
| Prime Islami Life Ins. Ltd. | 132 | 10,352 | 8,963 | 4,951 |
| Provati Insurance Co. Ltd. | 664 | 14,436 | 11,753 | 8,151 |
| Purabi General Insurance Co. Ltd. | 740 | 13,078 | 12,802 | 8,527 |
| Reliance Insurance Ltd. | 760 | 37,373 | 38,000 | 32,389 |
| Republic Insurance Co. Ltd. | 698 | 21,830 | 17,241 | 9,084 |
| Rupali Insurance Co. Ltd. | 120 | 3,350 | 2,220 | 1,943 |
| Sandhani Life Insurance Co. Ltd. | 93 | 3,642 | 3,115 | 2,880 |
| Safko Spinning Mills Ltd. | 118 | 3,656 | 1,711 | 1,990 |
| Sonar Bangla Insurance Ltd. | 622 | 12,474 | 10,574 | 8,955 |
| Standard Insurance Ltd. | 708 | 20,070 | 13,027 | 8,437 |
| Sun Life Insurance Co. Ltd. | 556 | 28,570 | 11,398 | 15,068 |
| Takaful Islami Insurance Ltd. | 676 | 19,114 | 12,236 | 10,433 |
| United Insurance Co. Ltd. | 105 | 4,326 | 2,730 | 2,500 |
| Islami Insurance Bangladesh Ltd. | 695 | 16,549 | 13,691 | 10,175 |
| Padma Islami Life Insurance Ltd. | 500 | 30,633 | 14,100 | 13,650 |
| Total | 13,007 | 473,967 | 312,070 | 268,586 |

Provision has been recognised for the difference amount between the market value of shares as on 31.12.2016 and on the same date of previous year.

13.00 Accrued interest on FDR & BGTB

| | | |
|---|-------------------|-------------------|
| Accrued interest on Fixed Deposit (FDR) | 8,278,958 | 7,938,353 |
| Accrued interest on Bangladesh Govt. Treasury Bond (BGTB) | 2,432,091 | 2,088,620 |
| Total | 10,711,049 | 10,026,973 |

14.00 Amount due from other persons or bodies carrying on Insurance business

This represents the total receivable from various persons or bodies carrying on insurance business as claim and co-insurance premium as on 31st December, 2016, the details of which are hereunder:

| | | |
|--|-------------|-------------|
| Sadharan Bima Corporation | 244,156,617 | 209,801,635 |
| Bangladesh General Insurance Co. Ltd. | 15,087 | 19,248 |
| Bangladesh Co-Operative Insurance Ltd. | 132,612 | 161,449 |
| Bangladesh National Insurance Co. Ltd. | - | 19,072 |
| Eastland Insurance Co. Ltd. | 36,358 | 44,144 |
| Federal Insurance Co. Ltd. | - | 133,839 |
| Green Delta Insurance Co. Ltd. | 157,177 | 807,212 |
| Karnaphuli Insurance Co. Ltd. | 320,185 | 408,291 |
| Mercantile Insurance Co. Ltd. | 57,223 | 152,615 |
| Meghna Insurance Co. Ltd. | 6,835 | 37,800 |
| Progati Insurance Ltd. | 698,099 | 1,349,210 |
| Phoenix Insurance Co. Ltd. | - | 27,351 |
| Peoples Insurance Co. Ltd. | 195,837 | 195,837 |
| Purabi General Insurance Co. Ltd. | - | 17,731 |
| Provati Insurance Co. Ltd. | 126,054 | 368,981 |
| Prime Insurance Co. Ltd. | - | 69,914 |

| | Amount in Taka | |
|----------------------------------|--------------------|--------------------|
| | 2016 | 2015 |
| Rupali Insurance Co. Ltd. | - | 125,623 |
| United Insurance Co. Ltd. | - | 66,572 |
| Reliance Insurance Ltd. | 23,709 | 87,129 |
| Islami Insurance Bangladesh Ltd. | - | - |
| Dhaka Insurance Ltd. | - | 65,137 |
| Pioneer Insurance Co. Ltd. | 154,237 | 154,237 |
| Union Insurance Co. Ltd. | 57,785 | 57,785 |
| South Asia Insurance Co. Ltd. | 13,610 | 13,610 |
| Takaful Islami Insurance Ltd. | - | 15,525 |
| Asia Pacific Gen. Ins. Co. Ltd. | 2,238 | 2,238 |
| Total | 246,153,663 | 214,202,185 |

Balance with the maximum Co-Insurers are being carried forwarded from years to year without making any transactions/adjustments thereof. However, after scrutiny an amount of Tk. 19,13,403/- has been adjusted/net off considering the above mutual facts and steps being undertaken for scrutiny and reconciliation for net off the remaining long pending balance.

15.00 Sundry debtors (Including Advances, Deposits, Prepayments and Others)

| | | |
|---------------------------------------|--------------------|--------------------|
| Advance against Salary | 1,556,548 | 1,519,048 |
| Advance against Motor Cycle | - | - |
| Advance against Office Rent | 3,641,288 | 3,502,954 |
| Advance against Income Tax | 100,233,601 | 85,974,956 |
| Suspense Account (Note:15.1) | 10,910,209 | 16,365,314 |
| Advance against Agency Commission | 2,306,093 | 1,433,602 |
| Advance against Software Installation | - | 550,000 |
| Total | 118,647,739 | 109,345,874 |

15.01 Suspense Account

| | | |
|--|-------------------|-------------------|
| Opening balance | 16,365,314 | 21,820,419 |
| Less: Write off as Bad Debts (2nd phase) | 5,455,105 | 5,455,105 |
| Closing balance | 10,910,209 | 16,365,314 |

As per decision of the Board of Directors of the Company, court cases were filed in the year 1994 to realize total outstanding premium of Taka 272.76 lakh from the organizations of Late Mr. Akhtaruzzaman Chowdhury, former Chairman and Adviser of the Company. But considering adverse status of the court cases of this long pending issue, the Board in its meeting held on January 28, 2014 had decided to write off the entire amount of Taka 272.76 lakh by amortizing in 5 years subject to withdrawal of court cases, Accordingly, in 2nd phase an amount of Tk.54,55,105/= only as 1/5th of the total amount has been provided in the accounts as bad debts as the related cases had withdrawn from the respective courts.

16.00 Cash and bank balances

| | | |
|------------------|--------------------|--------------------|
| Fixed Deposits | 250,330,910 | 275,652,488 |
| STD Accounts | 18,425,552 | 17,116,628 |
| Savings Account | 25,403 | 25,436 |
| Current Accounts | 4,499,740 | 6,252,625 |
| Cash in hand | 3,526,928 | 3,937,190 |
| Total | 276,808,533 | 302,984,367 |

| Amount in Taka | |
|----------------|------|
| 2016 | 2015 |

17.00 Other Accounts

| | | | |
|--|-------|--------------------|--------------------|
| Fixed Assets (at cost less Acc. depreciation) | 17.01 | 144,409,801 | 148,726,057 |
| Land | | 56,650,075 | 56,650,075 |
| Building | | 64,325,825 | 67,711,395 |
| Office Decoration | | 8,250,100 | 8,111,222 |
| Furniture & Fixture | | 3,023,935 | 3,359,928 |
| Motor Vehicles | | 2,979,339 | 3,724,174 |
| Carpet & Curtain | | 68,680 | 76,311 |
| Office Equipment | | 8,481,846 | 9,092,951 |
| Sundry Assets | | 630,001 | 1 |
| Security Deposits | 17.02 | 807,342 | 362,342 |
| Stock of Stamps | | 206,697 | 36,147 |
| Total | | 145,423,840 | 149,124,546 |

17.01 Fixed assets (at cost less Acc. depreciation)

A. Fixed Assets at Cost

| | | |
|--------------------------------|--------------------|--------------------|
| Opening balance | 192,743,278 | 186,610,243 |
| Add: Addition during the year | 2,513,879 | 7,516,892 |
| | 195,257,157 | 194,127,135 |
| Less: Disposal during the year | - | 1,383,857 |
| Total (A) | 195,257,157 | 192,743,278 |

B. Accumulated depreciation

| | | |
|--------------------------------|-------------------|-------------------|
| Opening balance | 44,017,221 | 38,018,585 |
| Add: Addition during the year | 6,830,135 | 7,382,492 |
| | 50,847,356 | 45,401,077 |
| Less: Disposal during the year | - | 1,383,856 |
| Total (B) | 50,847,356 | 44,017,221 |

C. Written down value (A - B)

| | |
|--------------------|--------------------|
| 144,409,801 | 148,726,057 |
|--------------------|--------------------|

Details of fixed assets are shown in Schedule-A/1.

17.02 Security deposits

| | | |
|---------------------------------------|----------------|----------------|
| Telephone | 103,592 | 103,592 |
| Credit Card with Hotel Purbani | 15,000 | 15,000 |
| Fuel [Binimoy Service Station] | 20,000 | 20,000 |
| Club Membership | 12,000 | 12,000 |
| Central Depository Bangladesh Ltd. | 200,000 | 200,000 |
| Duncan Ltd. | - | 5,000 |
| Titas Gas Transmission & Distribution | 6,750 | 6,750 |
| Golden son Ltd. | 450,000 | - |
| Total | 807,342 | 362,342 |

All the above deposits are encashable on cessation of the terms of such deposits.

| Amount in Taka | |
|----------------|------|
| 2016 | 2015 |

18.00 Interest and Dividend Income

| | | |
|------------------------------------|-------------------|-------------------|
| Interest on Fixed Deposits | 17,482,455 | 26,041,336 |
| Interest on STD & SB Bank Accounts | 464,737 | 422,385 |
| Interest on BGTB | 2,588,750 | 2,588,750 |
| Dividend from listed companies | 10,994 | 1,513 |
| Total | 20,546,936 | 29,053,984 |

19.00 Gain on Sale of assets

| | |
|---|---------|
| - | 304,407 |
|---|---------|

20.00 Other income

| | |
|-------|--------|
| 4,351 | 21,521 |
|-------|--------|

Other income represents sale of tender schedule, issuance of duplicate Motor certificates, etc.

21.00 Directors' fees

During the year under review a total amount of Taka 4,94,000 was paid to the directors of the company as Board meetings attendance fees. The Directors received no remuneration from the company other than fees for attending the Board meetings.

22.00 Audit fees

| | | |
|--------------------------------------|----------------|----------------|
| Statutory Audit fees (including VAT) | 250,000 | 250,000 |
| Special Audit Fees (including VAT) | - | - |
| Total | 250,000 | 250,000 |

23.00 Lease Rental

The company has purchased 07 (seven) Motor Vehicles by taking lease financing facilities from National Finance Limited. The vehicles acquired under lease finance have not been capitalized and the lease rental value for the year 2016 amounting to Tk.43,78,288 has been charged to Profit and Loss Account.

24.00 Management Expenses

| | | |
|--|-------------------|-------------------|
| a) Expenses Incurred by JIC (Note: 24.1) | 53,429,655 | 56,564,872 |
| b) Expenses Incurred by SBC (Note: 24.2) | 3,227,830 | 2,885,764 |
| Total | 56,657,485 | 59,450,636 |

24.01 Allocation of management expenses

| Particulars | Rate% | Expenses Incurred by | | 2016 | 2015 |
|---------------|-------------|----------------------|------------------|-------------------|-------------------|
| | | JIC | SBC | | |
| Fire | 54.68% | 29,216,902 | 245,213 | 29,462,115 | 21,499,355 |
| Marine Cargo | 28.46% | 15,208,019 | 1,290,544 | 16,498,563 | 20,636,961 |
| Marine Hull | 0.61% | 323,701 | 27,431 | 351,132 | 41,656 |
| Motor | 9.25% | 4,944,124 | 166,831 | 5,110,955 | 10,321,540 |
| Miscellaneous | 6.99% | 3,736,909 | 1,497,811 | 5,234,720 | 6,951,124 |
| Total | 100% | 53,429,655 | 3,227,830 | 56,657,485 | 59,450,636 |

| Amount in Taka | |
|----------------|------|
| 2016 | 2015 |

24.02 Expenses Incurred by Janata Insurance Co. Ltd. during the year 2016, charged in the Revenue Accounts and profit & Loss account included TDS & VDS (where applicable).

25.00 Other relevant information including the requirements under Bangladesh Securities & Exchanges Rules 1987 and Companies Act 1994:

25.01 Net Profit for the year and its appropriation

| | | |
|---|------------------|----------------|
| Net Profit for the year | 18,709,492 | 38,888,274 |
| Less: | | |
| Transferred to reserve for exceptional losses | 1,000,000 | - |
| Provision for income tax | 6,824,336 | 16,163,174 |
| Provision for deferred tax | 3,511,507 | 2,832,229 |
| Dividend and Reserve Distributed from Last Year Profit: | - | 19,178,365 |
| Surplus carried forward | 7,373,649 | 714,506 |

25.02 Earnings Per Share (EPS)

| | | |
|--|-------------------|-------------------|
| Basic earning per share (EPS) on net profit after tax | 0.22 | 0.52 |
| Earnings attributable to the ordinary share holders A | 8,373,649 | 19,892,871 |
| Profit as per profit or loss account | 18,709,492 | 38,888,274 |
| Less: Income tax provision | (6,824,336) | (16,163,174) |
| Less: Deferred tax Expenses | (3,511,507) | (2,832,229) |
| Number of ordinary shares outstanding during the year B | 38,352,673 | 38,352,673 |

25.03 Net Asset Value Per Share (NAV)

| | | |
|---|--------------|--------------|
| a) Share holder's Equity at the end of the year | 513,654,318 | 524,457,006 |
| b) Number of Outstanding Shares | 38,352,673 | 38,352,673 |
| Net Assets Value Per Share (NAV) at Balance Sheet date (a÷b) | 13.39 | 13.67 |

25.04 Net Operating Cash Flow Per Share (NOCFPS)

| | | |
|--|--------------|-------------|
| a) Net Cash Flows from Operating Activities | (5,002,065) | 4,424,421 |
| b) Number of Outstanding Shares | 38,352,673 | 38,352,673 |
| Net Operating Cash Flows Per Share (NOCFPS) | -0.13 | 0.12 |

| Amount in Taka | |
|----------------|------|
| 2016 | 2015 |

26.00 “Related party Disclosure” under BAS 24

The Company has centred into transactions with other entities in normal course of business that fall within the definition of related party as per Bangladesh Accounting Standard-24 “Related Party Disclosure”. The terms of related party transaction are not significantly different from those that could have been obtained from their parties. The significant related party transactions are as follows:

| Name of the related party | Nature of Business | Premium Receipts during the year | Premium Outstanding during the Year | Claims Payments during the year |
|---------------------------|--------------------|----------------------------------|-------------------------------------|---------------------------------|
| Partex Group | Insurance | 20,507,350 | Nil | 661,550 |
| Aramit Group | Insurance | 2,715,140 | Nil | - |
| Goldenson Ltd. | Insurance | 1,502,230 | Nil | 750,000 |
| Partex Star Group | Insurance | 18,522,900 | Nil | - |
| Ananta Group | Insurance | 16,625,115 | Nil | 954,250 |
| Islam Group | Insurance | 1,912,128 | Nil | - |
| Masco Group | Insurance | 5,317,260 | Nil | - |

27.01 There was no contingent liability of the company on the Financial Statement closing date.

27.02 There was no outstanding agreement entered into but not executed upto the date of the Financial Statements.

27.03 All shares have been fully called and paid up.

27.04 There was no preference share issued by the Company.

27.05 During the year under audit, there were 160 employees. All employees drawing total remuneration in excess of tk. 36,000 per annum.

27.06 There was no credit facility available in the company under any contract and no body availed any other credit facility during the year other than trade creditors available in the ordinary course of business.

27.07 There was no bank guarantee issued by the company on behalf of the directors.

27.08 No expenses was paid as Royalty and Salary to the Technical Experts.

JANATA INSURANCE COMPANY LTD.

GA/95/D, Link Road, Middle Badda, Gulshan-1, Dhaka-1212

PROXY FORM

I/We
of
being a Member of Janata Insurance Company Ltd. do hereby appoint Mr./Mrs./Miss
..... or (failing him/her) Mr./Mrs./Miss
as my/our proxy to vote for me/us and on my/our behalf at the 31st Annual General Meeting of the
Company to be held on Tuesday, the July 18, 2017 at 11.00 A.M and at any adjournment thereof.

Signed this day of2017.

.....
Signature of Proxy

Revenue
Stamp
Tk.20/=

.....
Signature of Shareholder(s)

Folio/BO No.

N.B.: IMPORTANT

- 1) This Form of Proxy, duly completed, must be submitted at least 48 hours before the meeting at the company's Registered Office. Proxy is invalid if not signed and stamped as explained above.
- 2) Signature of the Shareholder(s) should agree with the Specimen Signature registered with the Company.

JANATA INSURANCE COMPANY LTD.

GA/95/D, Link Road, Middle Badda, Gulshan-1, Dhaka-1212

ATTENDANCE SLIP

I/We hereby record my/our attendance at the 31st Annual General Meeting of the Company being held on Tuesday, the July 18, 2017 at 11.00 A.M at Banquet Hall of Banani Club Limited, House # 105 & 109(F), Road # 1, Banani, Dhaka-1213.

Name of Shareholder(s)/Proxy

Folio/BO No. No. of Shares

.....
Signature of Shareholder(s)/Proxy

Date:

N.B.: Please present this slip duly signed at the Reception Desk.