



ANNUAL REPORT 2018



ইস্টার্ন ইন্স্যুরেন্স কোঃ লিঃ

EASTERN INSURANCE CO. LTD.

(The Symbol of Comprehensive Security.)



AA+

Rated by: ACRSL
(Government approved Credit
Rating Agency)

Taka in Lakh

4,608

Gross Premium

546

Gross Claim

22,950

Total Assets

2,003

Profit Before Tax

1,533

Profit After Tax

877

Underwriting
Results

18,322

Total Investment

46%

Return on Share
Capital

20%

Cash Dividend



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LETTER OF TRANSMITTAL

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

Dear Sir (s),

ANNUAL REPORT FOR THE YEAR ENDED DECEMBER 31, 2018.

A copy of the Annual Report along with the Audited Financial Statements including Balance Sheet as on December 31, 2018 and Profit or Loss Account, Revenue Accounts, Statement of Cash Flows, Changes of Shareholders' Equity for the year ended December 31, 2018 together with notes thereon of Eastern Insurance Company Limited is being enclosed herewith for kind information and record.

With the best regards,

Yours faithfully,



(Mohammad Haroon Patwary)
Managing Director & CEO

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CORPORATE INFORMATION

- Registered Office** : 44 Dilkusha C/A (1st & 2nd Floor),
Dhaka-1000, Bangladesh.
- Phone & Fax** : Phone: 9563033-34 & 9564246-48
Fax: 88-02-9569735
- Mail & Web-site** : e-mail: eicl@dhaka.net
Web site: www.easterninsurancebd.com
- Legal Bodies** : Auditor
M/s. A. Wahab & Co.
Chartered Accountants
Hotel Purbani Annex-2 (4th Floor)
1 Dilkusha C/A, Dhaka-1000
- Lawyers** : Barrister Md Omar Farouq
Advocate Mushtaq Ahmed
- Main Bankers** : Prime Bank Limited
Southeast Bank Limited
Islami Bank Bangladesh Limited
The Premier Bank Limited

BOARD OF DIRECTORS



CHAIRMAN Mujibur Rahman

VICE CHAIRMAN Azmal Hossain

DIRECTORS Major (Retd.) Abdul Mannan

Matiur Rahman

S. D. Alam

Mohammed Mohsin

Umme Kulsum Mannan

Rawnak Karim

Khaled S. Ahmed

Durand Mehdadur Rahman

Rokeya Ferdous

Mohammed Israil

Kazi Imdad Hossain

Rais Uddin

Tajrina Mannan

Zakia Rahman

Tazreen Rahman

Nayeemur Rahman

INDEPENDENT DIRECTORS

A. T. K. M Ismail

Md. Jakir Hossain, FCA

MANAGING DIRECTOR & CEO

Mohammad Haroon Patwary, M.com, MBA

COMPANY SECRETARY

Md. Shamsul Amin

PROFILE OF THE DIRECTORS



Mr. Mujibur Rahman

Chairman

Mr. Mujibur Rahman is the Chairman of the Board of Directors of Eastern Insurance Company Limited. He is also the Deputy Managing Director of Uttara Group of Companies which comprises of about 15 nos. of Companies, viz Uttara Motors Ltd., Uttara Apparels Ltd., Uttara Services Ltd., Uttara Knitwears Ltd., Uttara Automobile Manufacturers Ltd., Uttara Tyre Retreading Co. Ltd, Menaka Motors Ltd, Hall Marks Pharmaceuticals Ltd., Uttara Motors Corporation Ltd. etc. He is also a Director of Uttara Finance & Investments Ltd., National Life Insurance Company Ltd., Uttara Exchange and Securities Ltd., UGC Securities Ltd., Eastern Securities Ltd., Eastern Motors Ltd.

PROFILE OF THE DIRECTORS

Major (Retd) Abdul Mannan is a Sponsor Director of the Company who has earned name and fame in the business arena of the Country during the last 3 decades. He is regarded as one of the Pioneer in the Garments Sector of Bangladesh. He was one of the few people whose vision was for the employment of millions of unemployed women in the Garments Sector. He is now Chairman of a leading business house of the Country M/s. Sunman Group of Companies. He is involved in the business of Garments, Textiles, Pharmaceuticals, Aviation, Fishing, Shipping, Leasing, Insurance, Beverage, CNG, Real Estate, Telecommunication etc. Besides Mr. Mannan has also diversified his business at home and abroad. He has established his Industrial unit at Cambodia and another business unit at USA. He is also the Chairman of Sunflower Life Insurance Company Ltd. He has introduced first Private Helicopter Service in Bangladesh. He was elected M.P. twice from Dhaka-10 constituency in 1991 and 2001. He was State Minister of Textile and State Minister of Civil Aviation & Tourism in the Cabinet of 1991-1996. He has been elected as a Member of Parliament in 11th National Parliament Election 2019 from Laksmipur-4 (Ramgoti-Kamolnagar Upazilla) seat.

Mr. Mannan is a social worker and established many School, Madrassha, College & Orphan homes.



Major (Retd.) Abdul Mannan, MP

Mr. Matiur Rahman is a Sponsor Director of the company who is the Chairman & Managing Director of Uttara Group of Companies.

Mr. Matiur Rahman was elected as founder President of Japan-Bangladesh Chamber of Commerce and Industry and served from June 2004 to March 2006. He served as President of Dhaka Chamber of Commerce and Industry for two consecutive terms in 2002-2003. Mr. Rahman is the member of Bangladesh Thai Chamber of Commerce and Industry and Vice Chairman of Uttara Finance and Investments Ltd.



Mr. Matiur Rahman

PROFILE OF THE DIRECTORS

Mr. Mohammed Mohsin is a Sponsor Director of the Company. He is the Chairman of Mohsteel Ltd. and Ferro Alloy Co. Ltd. He is also the Chairman of Rahim Steel Mills Ltd. & Sonargaon Steels Ltd. and Director of Diamond Steel Products Co. (Pvt.) Ltd. He is a Member of American Society of Mechanical Engineers, U.S.A and Association of Iron & Steel Engineers, U.S.A. He is the President of Small & Captive Power Association and Executive Member of American Chamber of Commerce.



Mr. Mohammed Mohsin

Mr. S. D. Alam is a Sponsor Director of the Board of Directors of Eastern Insurance Company Ltd. He is also a Managing Director of M/S. Rangamati Motors Ltd. He was engaged with the business related to Ship Building since 1966 and Assembler & Distributor of Trucks and Buses since 1972. Beside these, now he is involved with Trading Business and Managing Director of Zenov BPO Limited an outsourcing business having offices in Bangladesh, Sri Lanka and USA. He is a Freedom Fighter, an Executive Committee Member of Sector Commanders Forum and the President of Dhaka Probashi Mukijuddha -Chattogram Anchol. He is a member of TIB since inception, Member of Red Crescent and Chittagong Lions Club. He is the Founder of Ashrafi-Shamsul Alam Government Registered Primary School.



Mr. S. D. Alam

Mr. Durand Mehdadur Rahman is a Sponsor Director of the Board of Directors of Eastern Insurance Company Limited. He is also the Deputy Managing Director of Uttara Group of Companies which comprises of about 15 nos. of Companies, viz Uttara Motors Ltd., Uttara Apparels Ltd., Uttara Services Ltd., Uttara Knitwears Ltd., Uttara Automobile Manufacturers Ltd., Uttara Tyre & Retreading Co. Ltd., Menoka Motors Ltd., Hall Marks Pharmaceuticals Ltd., Uttara Motors Corporation Ltd., Trans Asia Industries Ltd. etc. He is also a Director of Uttara Finance & Investments Ltd., National Life Insurance Co. Ltd., Uttara Exchange Securities Ltd., UGC Securities Ltd., Eastern Securities Ltd., Hill Plantation Ltd.



Mr. Durand Mehdadur Rahman

PROFILE OF THE DIRECTORS

Mr. Khaled S. Ahmed is a Sponsor Director of the Board of Directors of Eastern Insurance Company Limited. He got his education from USA. He is a Director of Al-Haj Group of Companies. He is involved with the business related to Steel, Cold Storage, IT, Telecommunication, Trading etc. He is also a Director of United Hospitals Ltd., Gulshan, Dhaka.



Mr. Khaled S. Ahmed

Mr. Mohammed Ahsan is a Sponsor Director of the Board of Directors of Eastern Insurance Company Limited. He is the Director of Hashem Electric Co. Ltd., Hashem Paper Mills Ltd. and Hashem Real Estate Co. Ltd.



Mr. Mohammed Ahsan

Mr. Rawnak Karim is a Sponsor Director of the Board of Directors of Eastern Insurance Company Limited. He is engaged in Leather and Real Estate related business.



Mr. Rawnak Karim

PROFILE OF THE DIRECTORS

Mrs. Umme Kulsum Mannan is one of the Sponsor Director of the Company. She is the Vice Chairman of Sunman Group of Companies. The Group is actively engaged in Garments, Textiles, Pharmaceuticals, Aviation, Shipping, Leasing, Insurance, Beverage, IT, CNG, etc. She is also the Vice Chairman of Sunflower Life Insurance Co. Ltd.



Mrs. Umme Kulsum Mannan

Mrs. Rokeya Ferdous is a Director of the Board of Directors of Eastern Insurance Company Ltd. being nominated by Sunman Sweaters Ltd. She is also a Director of Sunflower Life Insurance Company Ltd. and Top Ten Media Ltd.



Mrs. Rokeya Ferdous

Mr. Mohammed Israil is a Director of the Board of Directors of Eastern Insurance Co. Ltd. He is also the Managing Director of Rahim Steel Mills Co. (Pvt.) Ltd., Diamond Steel Products (Pvt.) Ltd., Rahim Energy Ltd., Ferro Alloy Co. (Pvt.) Ltd. and Carbon Bangladesh (Pvt.) Ltd.



Mr. Mohammed Israil

PROFILE OF THE DIRECTORS

Mr. Rais Uddin is a Director of the Board of Directors of Eastern Insurance Company Ltd. being nominated by Pioneer Dresses Ltd. He is also a Director of Sunflower Life Insurance Company Ltd., South Asian Airlines Ltd., Sunman Shoes Ltd., Top Ten Media Ltd. and Delta Fashions Ltd.



Mr. Rais Uddin

Mrs. Zakia Rahman is a Director of the Board of Directors of Eastern Insurance Company Ltd. She is also a Director of Uttara Finance & Investments Ltd. She is the Director of different Companies of Uttara Group.



Mrs. Zakia Rahman

Mr. Kazi Imdad Hossain is a Director of the Board of Directors of Eastern Insurance Company Ltd. being nominated by Uttara Apparels Ltd. He is the Executive Director of Uttara Motors Ltd. He is also a Director of Uttara Finance and Investments Ltd. and National Life Insurance Co. Ltd.



Mr. Kazi Imdad Hossain

PROFILE OF THE DIRECTORS

Mr. Nayeemur Rahman is a Director of the Board of Directors of Eastern Insurance Company Limited. He got his education from England. Currently he is engaged with the HR & Brand Management of Uttara Group of Companies which is comprised at about 15 nos. of Companies, viz Uttara Motors Ltd., Uttara Apparels Ltd., Uttara Services Ltd., Uttara Knitwears Ltd., Uttara Automobile Manufacturers Ltd., Uttara Tyre & Retreading Co. Ltd., Menoka Motors Ltd., Hall Marks Pharmaceuticals Ltd., Uttara Motors Corporation Ltd. etc.



Mr. Nayeemur Rahman

Ms. Tazreen Rahman is a Director of the Board of Directors of Eastern Insurance Company Limited being nominated by Uttara Properties Ltd. She got her education from Australia and Canada. She is also engaged in teaching profession.



Ms. Tazreen Rahman

Ms. Tajrina Mannan is a Director of the Board of Directors of Eastern Insurance Company Limited being nominated by Alpha Textiles Ltd. she has completed her Bachelor of Business Administration from Northeastern University in Boston, with a concentration in Finance and Entrepreneurship. Tajrina moved on to working for State Street Bank as Fund Accountant, and after at State Street Global Advisors for Capital Planning and Marketing. In 2012, she moved from Boston to NYC, where she took on the job of Business Development for BI Intelligence at Business Insider, Digital News Platform. She has also been a Director at Sunman Global Express, a money remittance company in NY since May 2012.

Tajrina currently is the President at Sunman Group of Companies and plays an active role in its apparel lines of business.



Ms. Tajrina Mannan

PROFILE OF THE DIRECTORS

Mr. A. T. K. M. Ismail is the Independent Director of Eastern Insurance Company Ltd. He is BA (Hons.), MA in Economics from Dhaka University, completed one year Post Graduate Diploma in GIS (Geographic Information System) from the International Institute of Aerospace Survey and Earth Sciences, The Netherlands in 1989 and also completed Post Graduate Diploma in Population Sciences, Dhaka University in 2009. Mr. Ismail is a Retired Secretary of the Government of Bangladesh. He is the Chairman of the Board of Audit Committee of Uttara Finance and Investments Limited. Mr. Ismail attended Food Administrator's Course at the Canadian International Grains Institute, Winnipeg, Canada, attended Procurement Management training from the International Training Centre of ILO, at Turin, Italy and training on Managing at the Top (MATI) from Birmingham University and the UK Civil service College. Mr. Ismail is a vastly experienced person in Manpower and Labour sector (Headed the Labour Wing of the Bangladesh Embassy in Kuwait), experienced in Procurement, experienced in Administration of Criminal Justice and also experienced in Environment and Geographic Information System (GIS)



Mr. A. T. K. M. Ismail

Mr. Md. Jakir Hossain FCA, is the Independent Director of Eastern Insurance Company Ltd. Mr. Hossain, a professional accountant, is a Fellow Member of the Institute of Chartered Accountants of Bangladesh and M.Com. in Accounting. At present he is the Deputy Managing Director & Company Secretary of Uttara Finance and Investments Limited, one of the top Non-Banking Financial Institutions (NBFIs) in Bangladesh. He started his career in Uttara Finance in the year 2003 as CFO & Company Secretary. Prior to this service he was head of Accounts and Finance of Suvastu Development Limited, a well reputed real estate company of Bangladesh and also served in Rahman Rahman Huq, Chartered Accountants (KPMG representative Chartered Accountants firm in Bangladesh).

Mr. Hossain, a brilliant student stood first (first stand) in the year 1988 in commerce group from Jashore Cantonment College under Jashore Education Board. He has vast experience in Secretarial Practice, Accounting, Finance and Company Affairs. Besides his bright educational attainment Mr. Hossain is well trained in various fields including Accounting, Auditing, Tax & VAT, Company's Act and other related Rules & Regulations organized by Institute of Chartered Accountants of Bangladesh (ICAB), Bangladesh Bank, Board of Investment and Bangladesh Leasing and Finance Companies Association (BLFCA) etc.



Mr. Md. Jakir Hossain, FCA

OUR VISION



Our vision is to make Company an ideal one & create value for our clients and stakeholders.



OUR MISSION



Our mission is to become most caring Insurance Company with dedication, dynamism, innovation and client need based comprehensive service.

OUR OBJECTIVES



- To maximize our services for the benefit of our clients.
- To create confidence and trust amongst the Insureds.
- To increase value added services.
- To maximize the profit of the Company.
- To strive for creating a healthier environment for all our stakeholders.

OUR CORE VALUES



- Transparency
- Integrity
- Professionalism
- Team work
- Courtesy
- Commitment
- Business Ethics
- Quality
- Standard quality
- Fairness
- Harmony
- Respect
- Result oriented
- Efficient service
- Continuous self improvement

OUR CORE STRENGTHS



- Highly experienced Board of Directors
- Strong capital base
- Strong liquidity position
- Effective internal control
- Professional and highly experienced Management
- Good corporate culture
- High team spirit
- Satisfied customer base
- Good risk Management

BUSINESS ETHICS



- To provide quality and efficient service in every aspect of its business.
- To be innovative in the development of new insurance product.
- Commitment
- To build strong relationship with the customers.
- To increase satisfied employee base.
- Staff training and career development.
- Ensure fair return for our shareholders.
- Result oriented
- Team work
- Maintain transparency in all aspects.

STRATEGIC OBJECTIVES

The interest of the shareholders and customers is supreme. We shall endeavor our utmost effort to render the best possible services to our clients and shall give them no cause for complaint relating to claim settlement or otherwise. It is because the re-insurance provides underwriting capacity to the Company.

The overall objectives of Management are to develop shareholders equity, improve customer satisfaction and relation and motivate employees as far as permissible by the financial resources available to the Company so that they shall be duly recompensed.

Observance of business ethics and profit generation are only two sides of the same coin. One is complementary to the other. By observing business ethics to the utmost extent possible, we hope to generate due margin of profit so as to pay dividend to the shareholders after having paid to the public exchequer and to build up free reserves for purpose of enhancing the financial strength of our Company. On priority basis, following objectives are practised by us:

- To make affordable insurance accessible to all.
- To be the most innovative in product development.
- To establish of good Corporate Governance.
- To improve internal process to increase efficiencies.
- To improve Organizational Structure.
- To improve Information Technology.
- To develop overall services and maximize market share.
- To improve Marketing and Advertising strategy.
- To employ more professionals to achieve success in the business operation.
- To create and enhance brand image.
- To have all products meet standard of excellence guidelines.
- To improve financial analysis, controls and audit capability.
- To implement change faster.
- To continually learn and adopt current best practices.
- To transfer knowledge from leading edge clients.
- To align incentives and staffs reward with performance.
- To be responsible, trustworthy law-abiding in all that we do.
- To be leader in serving the interest of our Community and Country.
- To meet and exceed stakeholders expectations.
- To manage the affairs through institutional leadership.
- To be a respected, cultural and educated Company with a strong market position.
- To achieve zero defects in every thing we do.
- To do good business with good clients and of the highest integrity.

PRODUCTS AND SERVICES



CORPORATE

- Business interruption
- Industrial All Risk Insurance
- Property All Risk Insurance
- Electronic Equipment Insurance
- Erection All Risks
- Comprehensive General Liability
- Product & Public Liability Insurance
- Engineering Insurance (CAR, DOS, BPV, MBD, BI)
- Hotel Owner's All Risks
- Event Cover
- Power Plant Operational Package Insurance



FINANCIAL

- Cash in Safe
- Cash in Transit
- Cash on Counter
- Burglary
- Fidelity Guarantee



CONVENTIONAL

- Fire Insurance
- Marine Cargo Insurance
- Marine Hull Insurance
- Motor Insurance
 - a) Commercial b) Private c) Special Type Vehicle
- Aviation Insurance
- Personal Accident Insurance
- Workmen's Compensation
- Health Insurance
- Overseas Mediclaim Insurance

IMPORTANT EVENTS OF THE COMPANY

10.07.1985	:	Permission to form Insurance Company
07.06.1986	:	Certificate of Incorporation
15.07.1986	:	Commencement Certificate of Business
03.11.1988	:	Change of name from Eastern Union Insurance. Co. Ltd. to Eastern Insurance Co. Ltd.
31.10.1993	:	Public Issue
18.03.1994	:	Listing with DSE
12.11.1996	:	Listing with CSE
12.06.2011	:	Rights Shares Issue

CREDIT RATING

RATING : "AA⁺"

The Company has
been rated as grade-AA⁺
(Pronounced as Double "AA⁺")
by the Government approved Credit
Rating Agency (ACRSL)

Date of Rating : 05 December 2018

Rating Validity : 1 (One) Year

RATING SUMMERY

Long-Term : "AA⁺"

Short-Term : "ST-2"

RATINGS EXPLANATION :

AA ⁺	Long Term : This category for an insurance company is considered to offer adequate safety for timely repayment of financial obligations. It differs from the highest-rated insurance company only to a small degree. It is judged to be of very high quality and is subject to very low credit risk.
ST-2	Short Term : High certainty of timely payment. Liquidity factors are strong and supported by good fundamental protection factors. Risk factors are very small.

PROFILE OF THE COMPANY

INTRODUCTION

Eastern Insurance Company Ltd. is one of the pioneer in general insurance business operating in the private sector of Bangladesh. The Company started its operation in the year 1986. The Authorized Capital of the Company is Tk.100,00,00,000.00 and Paid Up Capital is Tk.43,11,01,440.00. It is a Public Limited Company and listed with DSE & CSE in the year 1994 and 1996 respectively. The Company has a network of 25 Branches all over the Country covering all important business centers of the Country.

HISTORICAL BACKGROUND

After Liberation of Bangladesh in 1971 Bank and Insurance Companies were nationalized along with other sectors like Jute and Textile to give a socialistic flavors to the economy of the newly emerged nation which was electoral pledge of the then ruling Government. But with the changed global economic situation, Bangladesh Government decided to follow an open market economy right from the early eighties. Until 1986 both life and general insurance business were carried out in the Country by two state owned Corporations Jiban Bima Corporation and Sadharan Bima Corporation respectively. The beginning of 1986 witnessed emergence of a few Life and General Insurance Companies under Private Sector after passing of Insurance Amendment Act 1983 in 3rd Parliament of the Country.

Eastern Insurance Co. Ltd. is one of the first 10 Public Ltd. Companies, started operation in the year 1986 under the license of the Controller of Insurance. The Company is authorized to transact all classes of general insurance business. Since its emergence in 1986, the Company has earned wide reputation in the market for its strict adherence to business norms & ethics of insurance, personalized customer service and prompt and speedy disposal of claims. Now the name itself carries value to its customers. The experience gathered during the last 33 years of its operation and reputation earned gives a new dimension to its service rendered to its customer and it is now truly "a Symbol of Comprehensive Security" a slogan introduced by the Company right at the time of its birth.

VISION MISSION AND OBJECTIVE

The Sponsors of the Company represents different business sectors of the Country who felt the necessity of specialized service in the Risk Management of their own business enterprises as well as their peers in the business community. They also felt that the nationalized insurance sector would not be able to cater the need of changing demand of open market economy. The Vision, Mission and Objective of the Company are as follows

PROFILE OF THE COMPANY

VISION

Vision is to make the Company an ideal one & create value for our clients and shareholders.

MISSION

Mission is to become most caring Insurance Company with dedication, dynamism, innovation and client need based comprehensive service.

OBJECTIVES

- To maximize our service for the benefit of clients.
- To create confidence and trust amongst the Insured.
- To increase value added services.
- To maximize the profit of the Company.
- To strive for creating a healthier environment for all our stakeholders.

Since its birth the Company strictly adheres to its goal and motto and earned a distinctive identity in the insurance arena of the Country as an ardent follower of rules and regulations and ethics of insurance. The Company always stands by its commitment of quality service. It believes that satisfaction of the clients is the lasting asset which values above all.

BOARD OF DIRECTORS

The Board of Directors of the Company comprise of 20 (Twenty) Directors including the Chairman and 2 (two) Independent Directors. The Directors of the Company represent different business groups of the Country having name and fame in the whole business arena of the Country. They are most successful people in their respective field of business and industry and enjoy reputation among the whole business community of the Country.

THE MANAGEMENT

The Company has a very smart and efficient Management team to run the affairs of the Company. Members of the team have long experience and expertise in the relevant fields of insurance and enjoy reputation in the whole market of insurance.

PROFILE OF THE COMPANY

BUSINESS OPERATION

The Company operates its business through a network 25 Branches all over the Country. These branches can directly underwrite all classes of business under guidance and supervision of Head Office. In addition there is a special booth at Head Office to meet any emergency requirement of any client or to take care of any special or exceptional risk coverage as may require by any client.

The business operation of the branches are monitored and controlled by Head Office through Underwriting Department. While claims are directly handled by Claims Department of Head Office as a centralized process and practiced all over the world.

The Company is authorized to transact all classes of Non life insurance business with un-restricted limits having a very wide range of re-insurance coverage. Currently the Company provides various risk coverage at a very competitive premium rates within the tariff provisions in force.

RE-INSURANCE ARRANGEMENT

The Company has an extensive Re-Insurance Treaty arrangement with SBC for all classes of business. Re-Insurance provide technical assistance for assuming risks, developing rates and fixing up terms and conditions in case of non-tariff business. Our Government has permitted all Non life Insurance Companies for making re-insurance cessions with Foreign Reinsurers up to their 50% portfolios. The Company is now capable to underwrite any high valued risk with the assistance of our local and overseas Re-Insurance.

BUSINESS DIVERSIFICATION

The Company has also diversified its business with a view to ensure participation in other field of national economy besides insurance business. It has become a member of Chittagong Stock Exchange in the year 1996 and as per BSEC's notification has formed a Subsidiary Company namely EIC Securities Ltd. to deal share trading related business. The Company has invested a substantial amount of its fund in land and share market. It is also a sponsor shareholder of National Housing Finance and Investment Ltd. It has a plan for a both long and short term investment in other sectors of business and industry.

CREDIT RATING

The Company has been rated as grade-AA+ (pronounced as Double "AA+") by the Government approved Credit Rating Agency (ACRSL) based on its premium collection, core services, financial strength and expeditious settlement of claims.

PROFILE OF THE TOP MANAGEMENT

Mr. Mohammad Haroon Patwary

M.com, MBA
Managing Director & CEO



Mr. Mohammad Haroon Patwary, Chief Executive Officer, Eastern Insurance Company Limited, got his Graduation degree from Government College of Commerce, Chattogram. He obtained his Master's Degree in Management from University of Dhaka. Mr. Patwary has been working in the Insurance industry in various capacities, ranging from management trainee to Chief Executive Officer (CEO), over the past 34 years.

He started his career in the insurance sector with United Insurance Co. Ltd., Working in different departments viz, underwriting, re-insurance, accounts, branches operations etc. Before joining United Insurance, Mr. Patwary worked in BRAC as a Program Organiser for a year. In that time he has travelled extensively to rural areas of Bangladesh and has been immensely acquainted with the operations of Non-Government Organisations in Bangladesh.

Following his tenure at United Insurance Co. Ltd. he joined in Agrani Insurance Co. Ltd. in 2000 as Senior Vice President. In Agrani Insurance, after a number of promotions, he took his charge as Deputy Managing Director followed by two years as Acting Managing Director. In 2008, he joined Eastern Insurance Co. Ltd. as Additional Managing Director and in 2010 got promoted to his current charge as Chief Executive Officer of the Company.

During his work as Chief Executive Officer of Eastern Insurance Co., Mr. Patwary also obtained his Master's in Business Administration (MBA) in **Human Resource Management (HRM)**. He is also currently enrolled in the Chartered Insurance Institute, UK and has already taken two exams. Mr Patwary is also Managing Director of **EIC Securities Limited** and Director at **National Life Insurance Co. Ltd.** He is a Rotarian and is Past President of Rotary Club of Eskaton, Dhaka. Mr. Patwary has travelled all over the world and has attended various courses, seminars, workshops both locally and internationally, gaining knowledge, experience and expertise in Insurance and other fields of Marketing and Human Resource Management.

He also involves himself in various social activities through:

• Life Member- Feni Samiti, Dhaka • Permanent Member- Feni Youth Summit, Dhaka • Permanent Member-Gulshan Youth Club, Dhaka • Permanent Member- Baridhara Cosmopolitan Club, Dhaka • Corporate Member- Uttara Club Ltd., Dhaka • Member-Rotary Club of Eskaton, Dhaka • Life Member- Insurance Executive Club, Dhaka • Member-Rowshanabad Bahumukhi Shomobay Samiti Ltd., Feni.

PROFILE OF THE TOP MANAGEMENT

Mr. Mohammed Salim joined in Eastern Insurance Company Limited on May, 2008 as Additional Managing Director. Before joining he worked with Janata Insurance Company Ltd., Federal Insurance Company Ltd., Provati Insurance Company Ltd. and Sonar Bangla Insurance Company Ltd. He obtained his Master with Honors in Social Science from University of Chittagong. He has around 32 years of experience in the Insurance sector. He is involved with various social activities and Institutions.



Mr. Mohammed Salim

Additional Managing Director

Mr. Moniruzzaman got his Masters with Hon's in Political Science from Dhaka University. Thereafter, he joined in BCS (Admin) Cadre, Batch-1985. He Served as Asstt. Commissioner, Upazilla Magistrate, UNO, CEO of Zilla Parishad, Chief Revenue Officer of Dhaka (Greater) City Corporation. He also worked as Deputy Secretary, Joint Secretary and Additional Secretary in different Ministries and Divisions. After successful completion of more than 30 years in both Field Administration and in the Ministry, he retired from Govt. Service and recently joined in Eastern Insurance Company as Senior Consultant.



Mr. Moniruzzaman

Senior Consultant

Mr. Md. Shamsul Amin -the Company Secretary of Eastern Insurance Co. Ltd. did his Masters of Social Science from Dhaka University. He had been awarded Diploma in English language and Junior course in Arabic language from the Institute of Modern Language under the same University. Before joining in the Company, he served in Govt. Offices like Prime Minister's Office, Ministry of Home Affairs, Ministry of Foreign Affairs, Ministry of Public Administration, Ministry of Youth & Sports etc in different capacities at home and abroad, although he started his career in Banking sector firstly. Mr. Amin is also involved in various social activities. He is the President of Governing Body of Khilbaisa GFU School & College, Vice President & Life Member of Laksmipur Jela Samity, Dhaka, General Secretary of Retired Officers' Welfare Association of NSI (ROWAN) and Rashtrobighyan Shotirtha Forum, Dhaka University. He is the Life Member of Dhaka University Alumni Association and Khulshi Club, Chattogram.



Mr. Md. Shamsul Amin

Company Secretary

PROFILE OF THE TOP MANAGEMENT

Mr. A.K.M. Yakub Sattar Chowdhury joined in the Eastern Insurance Company Limited on October 2010. Before joining he worked with Agrani Insurance Company Ltd., Strategic Consulting Group (SCG), Hope Agro Industries Ltd., Syntrace Ltd., Bogra Metal Engineering Entrepreneurs Group (BMEEG), Bogra Metal Enterprises Development Project (BMEDP), National Association of Small & Cottage Industry of Bangladesh (NASCIB), Resource Exploration for Local Employment And Social Enhancement" (RELEASE) a Local NGO. He was "Deputy Assistant Director" of Directorate General of Forces Intelligence (DGFI) under the Ministry of Defense. He obtained his Master Degree with Hon's in Political Science and Bachelor of Law Degree from University of Dhaka. He has been working in the Insurance sector for the last 13 years.



Mr. A.K.M. Yakub Sattar Chowdhury
Deputy Managing Director

Mr. Md. Iqbal Mahmud is the Deputy Managing Director of Eastern Insurance Company Limited. He obtained his Bachelor degree from a reputed University. He stated his Insurance career with Eastland Insurance Company Ltd. Thereafter he joined in Eastern Insurance Company Ltd. and has been serving since 1993. He is very much hard working, sincere and dedicated Executive. Due to this reason, he was promoted to the rank of different higher grades gradually and finally to the rank of Deputy Managing Director. He has around 29 years of experience in the Insurance sector.

Mr. Iqbal has been engaged with various social welfare activities. At present, he is the General Secretary of Patuakhali jila Samity, Dhaka, Vice President of Mirzagonj Upzila Kallayan Samity, Dhaka and the Secretary of Pankouri Owners Association. He is an active member of Lion Club.



Mr. Md. Iqbal Mahmud
Deputy Managing Director

Mr. Md. Fazley Ali is the Deputy Managing Director of Eastern Insurance Company Limited. He has been serving in the Company since 1988. Before joining in EICL he worked with BAVS Clinic. He has around 31 years of experience in the Insurance sector. He obtained his Master Degree from University of Dhaka. Due to his efficiency in the job, he was promoted to the rank of different higher grades and finally to the rank of Deputy Managing Director.



Mr. Md. Fazley Ali
Deputy Managing Director

PROFILE OF THE TOP MANAGEMENT

Mr. Tushar Kanti Saha is the Deputy Managing Director of Eastern Insurance Company Limited. He got his graduation degree from a reputed University. He has around 30 years of experience in the Insurance sector. He has been serving in the Company since 1989. His dedication, hard working and sincerity helped him to get himself promoted to the rank of Deputy Managing Director. He has been rendering his excellent services to the clients and therefore obtained proper appreciation from the Management.



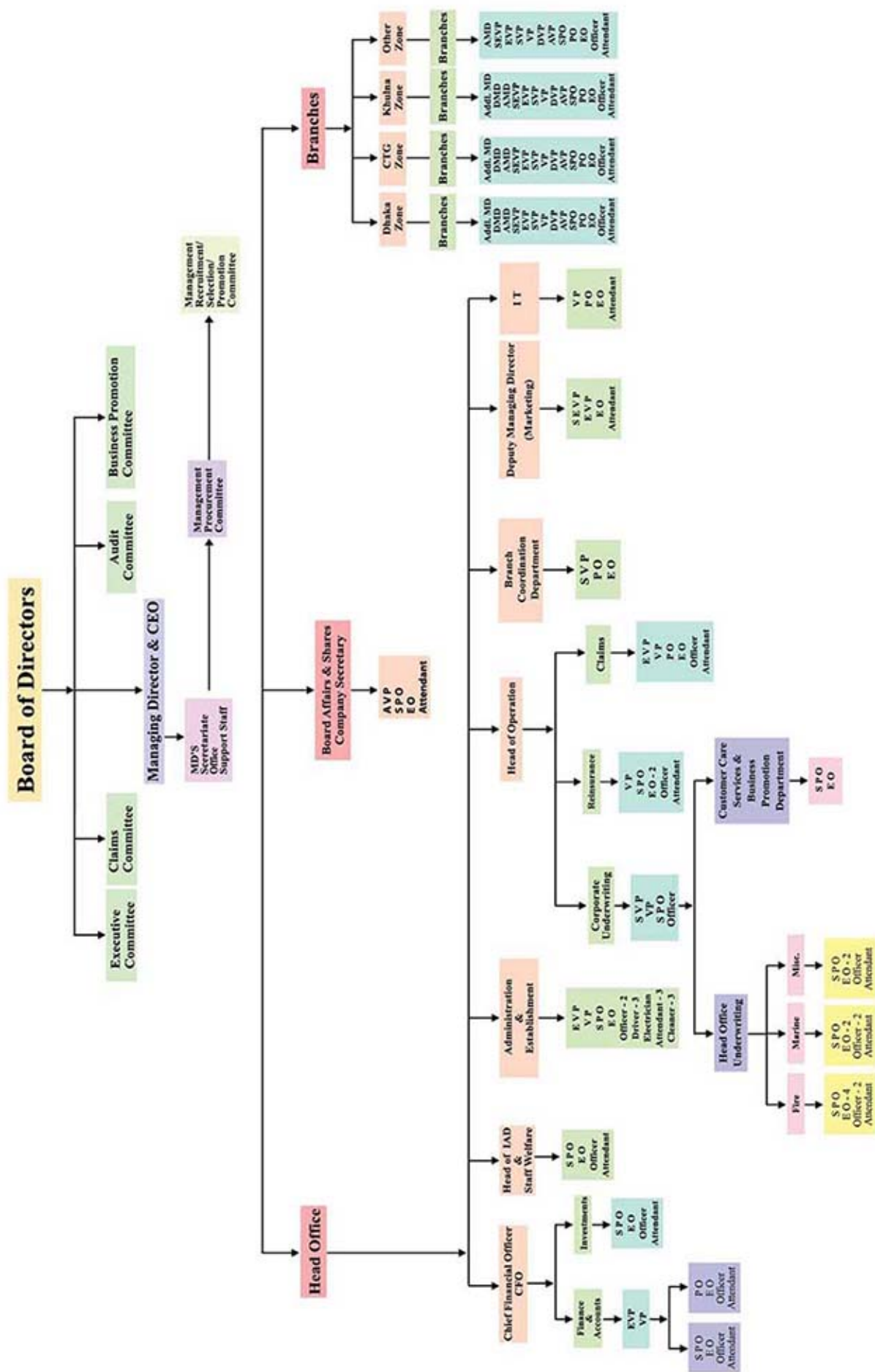
Mr. Tushar Kanti Saha
Deputy Managing Director

Mr. Santosh Kumar Nandi joined in the Eastern Insurance Company Limited on November 2016. Before joining he worked with Agrani Insurance Company Ltd. He has around 23 years of experience in the Insurance sector. He obtained his Master with Honors from University of Chittagong. He also obtained MBA and LLB degree from reputed University. He is engaged with different social activities and currently Life Member of Chittagong Lions Foundations, Bangladesh Red Crescent, Chittagong Academy, Chittagong Metropolitan Club, Diabetic Hospital etc.



Mr. Santosh Kumar Nandi
Deputy Managing Director

EASTERN INSURANCE COMPANY LTD. ORGANOGRAM



Head Office Management

MANAGING DIRECTOR & CEO
MOHAMMAD HAROON PATWARY, M.Com, MBA

COMPANY SECRETARY
MD. SHAMSUL AMIN

CHIEF FINANCIAL OFFICER
SWARUP KUMAR SAHA

EXECUTIVE VICE PRESIDENT
PRABIR KUMAR CHAKRABORTY
MD. ANWARUL ISLAM

SENIOR VICE PRESIDENT
KHAIRUL ALAM

ASSISTANT VICE PRESIDENT
MD. ASADUL ISLAM BEPARI
JAHANGIR HOSSAIN
SHILPI RANI ROY
MD. MOKTER HOSSAIN

Branch Management

ADDITIONAL MANAGING DIRECTOR
MOHAMMED SALIM
Zonal Head and Branch-in-Charge, Agrabad, Chattogram

SENIOR CONSULTANT
MD. MONIRUZZAMAN

DEPUTY MANAGING DIRECTOR
A.K.M. YAKUB SATTAR CHOWDHURY, B.B. Avenue Branch, Dhaka
TUSHAR KANTI SAHA, Zonal Office, Khulna
MD. IQBAL MAHMUD, Hatkhola Branch, Dhaka
FAZLEY ALI, Principal Office, Dhaka
SANTOSH KUMAR NANDI, Sadarghat Branch, Chattogram

SENIOR EXECUTIVE VICE PRESIDENT
HAFIZUR RAHMAN SHEIKH, VIP Road Branch, Dhaka
MD. MOHOSIN CHOWDHURY, Elephant Road Branch, Dhaka

EXECUTIVE VICE PRESIDENT
FARHANA AFROZ, Gulshan Branch, Dhaka
MD. ABDUL WAHED, Local Office, Dhaka
GOLAM HAIDER, Khatunganj Branch, Chattogram
MD. SAIFUL ISLAM, Narayanganj Branch
NARGIS KHANOM, Mouchak Branch, Dhaka

SENIOR VICE PRESIDENT
MD. LIAQUAT HOSSAIN, Mirpur Branch, Dhaka
MOFIZUL ISLAM, Sylhet Branch

VICE PRESIDENT
GAZI WAHIDUR RAHMAN, Karwan Bazar Branch, Dhaka
MD. MOHOSHIN ALI, Rangpur Branch
MD. ASHIQUR RAHMAN, Jashore Branch

ASSISTANT VICE PRESIDENT
MD. SHAFIQUUL ISLAM, Chowmuhani Branch, Noakhali
MD. MUJIBUR RAHMAN, Faridpur Branch

SENIOR PRINCIPAL OFFICER
JAHANGIR HOSSAIN MONDOL, Bogura Branch
MD. DABIR UDDIN, Faridpur Branch



TOP MANAGEMENT TEAM OF HEAD OFFICE

Left to Right

Md. Anwarul Islam
EVP, Claims

Prabir Kumar Chakraborty
EVP (U/W)

Swarup Kumar Saha
CFO

Mohammad Haroon Patwary
MD & CEO

Khairul Alam
SVP (Admin)

Md Shamsul Amin
Company Secretary

MID LEVEL MANAGEMENT TEAM OF HEAD OFFICE

Left to Right

Md. Helal Ferdaush
SPO, Accounts Dept.

Md. Mahabubul Islam Rubel
SPO, U/W

Md. Mokter Hossain
AVP, HR Dept.

Jahangir Hossain
AVP, Accounts Dept.

Mohammad Haroon Patwary
MD & CEO

Shilpi Rani Roy
AVP, Accounts Dept.

Md. Asadul Islam Bepari
AVP, U/W

Shohel Mahamud
SPO, Share Dept.

Riaz Ahmmed Khan
SPO, Claims Dept.



COMPANY'S PERFORMANCE

At a Glance (Taka in Crore)

Items	2018 Taka	2017 Taka	2016 Taka	2015 Taka	2014 Taka	2013 Taka	2012 Taka
Gross Premium Earned	46.08	41.89	39.34	38.06	36.07	34.96	33.29
Net Premium Income	23.50	21.06	20.98	20.77	20.56	19.36	18.44
Claim lodged & Settlement	3.36	4.35	4.99	5.48	4.67	4.17	5.04
Underwriting Profit	8.77	7.57	7.17	7.11	7.35	7.12	4.41
Investment Income	12.13	12.44	12.13	10.08	9.78	9.87	10.22
Profit before Tax	20.03	19.10	18.35	16.27	16.21	15.62	13.67
Reserve and Fund	130.70	123.98	117.67	111.94	108.92	106.70	103.83
Deposit Premium	1.86	1.93	1.05	1.71	0.61	0.78	1.51
Investment	183.22	173.69	168.97	164.38	158.27	149.48	139.86
Shareholders Equity	173.81	167.09	160.78	155.05	152.03	149.81	146.98
Total Assets	229.50	215.23	209.22	204.91	197.83	190.90	182.46
Others:							
Dividend	20% (C)	20% (C)	20% (C)	20% (C)	20% (C)	20% (C)	18% (C)
Earning Per Share (EPS)	3.56	3.47	3.33	2.70	2.52	2.46	2.22
Net Asset Value (NAV) Per Share	42.53	40.76	39.25	37.91	37.33	36.60	35.88
Number of Employees	353	347	343	342	337	340	337

INDICATORS OF COMPANY'S GROWTH IN DIFFERENT AREAS COMPARE TO LAST YEAR 2017

10% Growth of Gross Premium

12% Growth of Net Premium

16% Growth of Underwriting Profit

5% Growth of Profit before Tax

5% Growth of Reserve & Fund

3% Growth of Investment

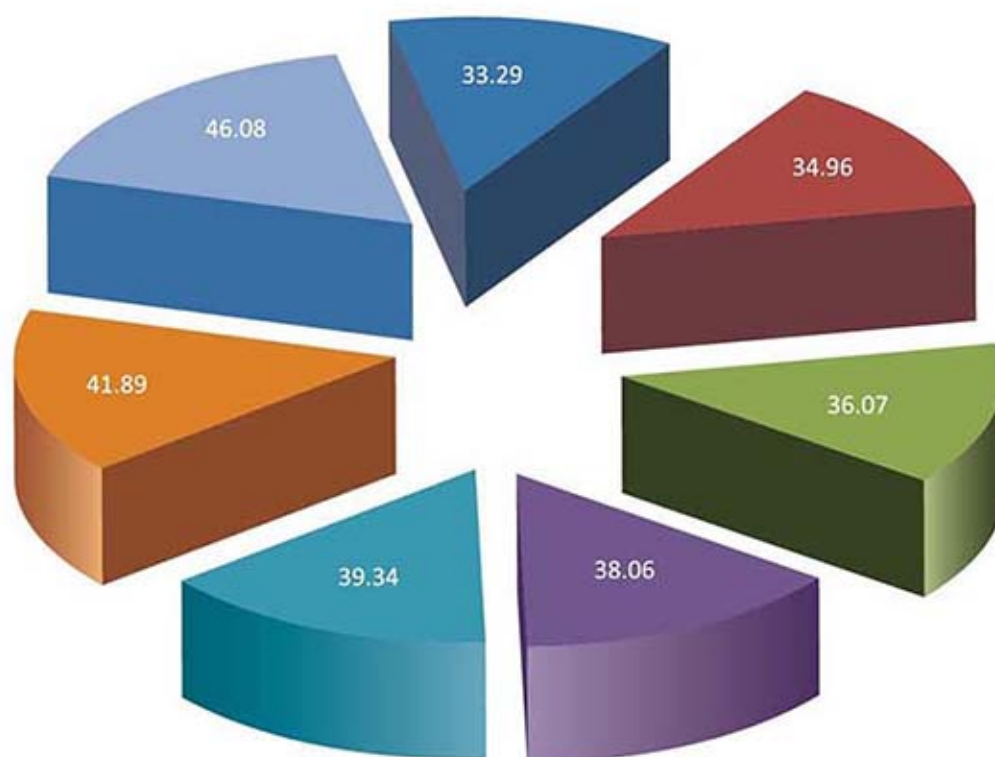
4% Growth of Shareholders Equity

7% Growth of Total Assets

PERFORMANCE AT A GLANCE

Gross Premium Income

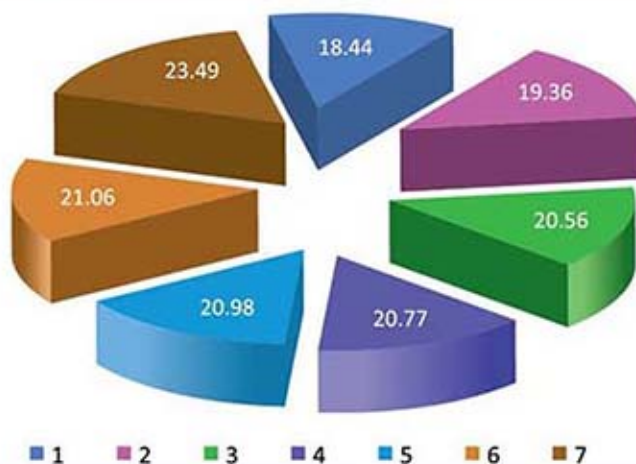
Indicate	Year	Gross Premium Income
1	2012	33.29
2	2013	34.96
3	2014	36.07
4	2015	38.06
5	2016	39.34
6	2017	41.89
7	2018	46.08



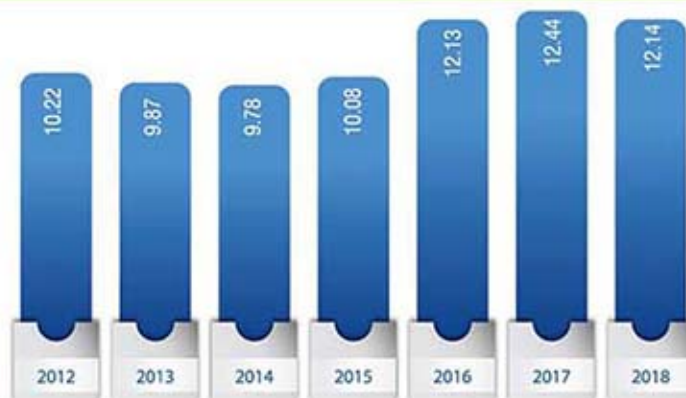
■ 1 ■ 2 ■ 3 ■ 4 ■ 5 ■ 6 ■ 7

Net Premium Income

Indicate	Year	Net Premium Income
1	2012	18.44
2	2013	19.36
3	2014	20.56
4	2015	20.77
5	2016	20.98
6	2017	21.06
7	2018	23.49



Investment & Share Trading Income



■ Investment & Share Trading Income

Net Profit Before Tax

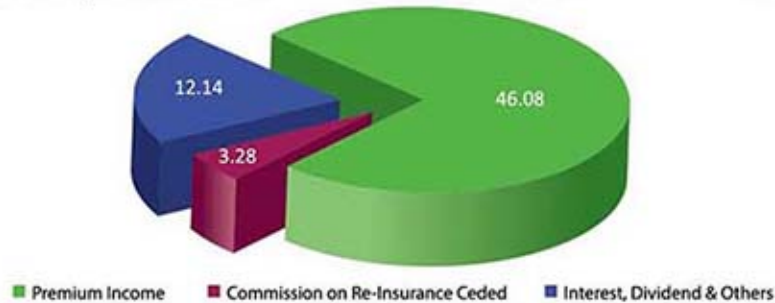


■ Net Profit Before Tax

Income & Its Sharing

INCOME & ITS SHARING

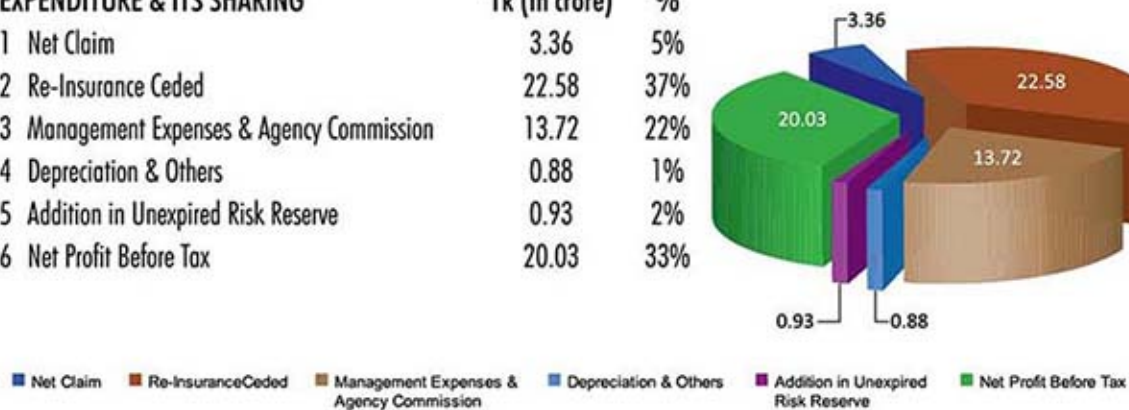
	Tk (In crore)	%
1 Premium Income	46.08	75%
2 Commission on Re-Insurance Ceded	3.28	5%
3 Interest, Dividend & Others	12.14	20%



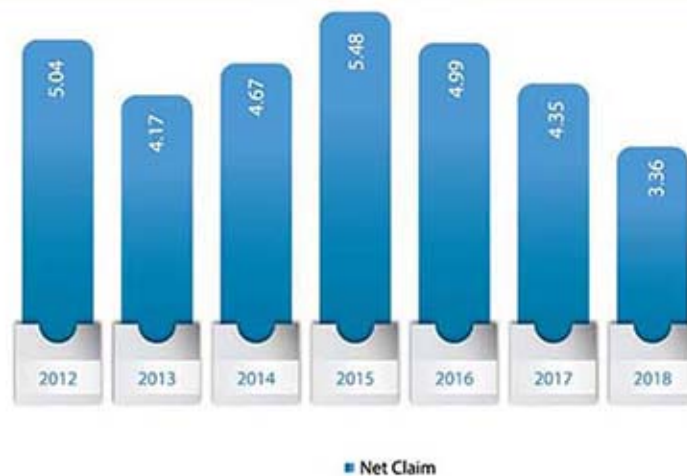
Expenditure & Its Sharing

EXPENDITURE & ITS SHARING

	Tk (In crore)	%
1 Net Claim	3.36	5%
2 Re-Insurance Ceded	22.58	37%
3 Management Expenses & Agency Commission	13.72	22%
4 Depreciation & Others	0.88	1%
5 Addition in Unexpired Risk Reserve	0.93	2%
6 Net Profit Before Tax	20.03	33%



Net Claim

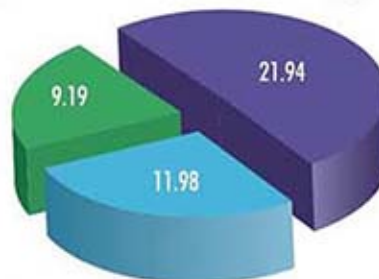


Capital & Shareholders' Equity



Shareholding Structure-2018

SHAREHOLDING STRUCTURE	Tk (In crore)	%
1 Sponsor Shareholders	21.94	51%
2 Institutional Corporate	11.98	28%
3 Individual/General Public	9.19	21%



■ Sponsor Shareholders ■ Institutional Corporate ■ Individual/ General Public

Reserve & Fund



■ Reserve & Fund

Total Assets

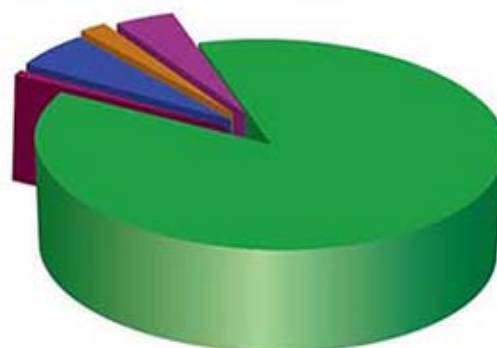


Investment in Shares & Bond, FDR, STD Accounts



Sectors wise Investment in Shares-2018

Indicate	Items	Amount
1	Bank & financial institutions	281,580,719
2	Insurance	2,895,151
3	Mutual Funds	17,531,399
4	Pharmaceuticals & Chemical	6,379,441
5	Others	12,873,849
Total -		321,260,558



■ Bank & financial Institutions ■ Insurance ■ Mutual Funds ■ Pharmaceuticals & Chemical ■ Others

BANGLADESH ASSOCIATION OF PUBLICLY LISTED COMPANIES

Ref. No: CM-2018/211



Date of issue : June 24, 2018

Renewed Certificate


This is to certify that

EASTERN INSURANCE COMPANY LIMITED

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

This certificate remains current until 31st December 2018.




Secretary-General
(Acting)





ইস্টার্ন ইন্স্যুরেন্স কোঃ লিঃ

EASTERN INSURANCE CO. LTD.

(The Symbol of Comprehensive Security.)

32

Years of
Comprehensive Service

Annual General Meeting

Date: 25 July 2018



33
Years of
Comprehensive Service



SHARE HOLDERS' VIEW

32nd ANNUAL GENERAL MEETING



VIEW OF PRE BUDGET DISCUSSION 2018



VIEW OF BIMA MELA-2018



VIEW OF EMERGING ASIA INSURANCE AWARDS



CHAIRMAN'S MESSAGE



Mujibur Rahman
Chairman

Bismillahir Rahmanir Rahim,

**Dear Shareholders,
Assalamu Alaikum,**

It is a great privilege and pleasure on the part of me to meet you all in the 33rd Annual General Meeting of the Company. I take the opportunity to offer heartiest welcome to all of you here attending this meeting on my own behalf as well as on behalf of the Board of Directors of the Company. Before going to the subject, I would like to express my deep condolence to those members of the Company who have departed from us during the last year. May Allah grant them eternal peace.

In spite of huge competition in the Insurance Industry, your Company could able to maintain its growth during the period under report in relation to the previous year. Your Company has earned gross premium of Tk. 46.08 crore against Tk. 41.89 crore of the previous year which is an increased of 10%. The Company also registered growth in its underwriting profit and net profit also.

The Board has taken certain steps to increase Company's gross premium income and also the retention. If this action plan can be implemented there will be increase of premium as well as profit.

The Company has a Subsidiary Company in the name of EIC Securities Ltd. to carry out share trading business as stock broker and stock dealer. This Company is now operating its business under Chittagong Stock Exchange Ltd. The financial statement and brief of business operations of this Company is also included with this Annual Report.

The Board of Directors recommended 20% Cash Dividend for the year 2018 subject to the approval of Shareholders in the AGM. This declaration has been announced on the basis of assessing Company's Revenue, Cash flows, Financial condition, Capital requirement, Current year's profitability, Liability position, Reserve, Dividend consistency, Future expansion plans etc.

You will also be appreciated to know that Eastern Insurance has been rated "AA+" by Argus Credit Rating Services Limited (ACRSL) based on its financial statements ended December 31, 2017 which indicated high claims paying ability, good financial performance and sound solvency position of the Company.

We are very much confident that the Company is poised to accept challenges of the future capitalize the opportunities arising and maintain its momentums in growth of business and profitability in the years to come. We are most obliged and appreciative of the continued support and patronage received from our clients and shareholders and would look forward to continuation of the same.

Our object is to prove our efficiency and credibility to the clients by extending sincere and meritorious services to them. It is our motto to always extend advice on prudent underwriting in relation to insurance requirements of the client and make prompt settlement of the genuine claims.

In the end, I would like to offer my deep appreciation and sincere thanks to our valued clients, esteemed shareholders, my colleagues in the Board and the employees of the Company for their continuous support and sincere co-operation.

With best regards,



(Mujibur Rahman)
Chairman

MESSAGE FROM THE CEO



Mohammad Haroon Patwary
Chief Executive Officer

Bismillahir Rahmanir Rahim,
Dear Shareholders & Stakeholders,
Assalamu Alaikum,

It is my immense pleasure to give you a short review on our Company's activities and its performance in 2018. Eastern Insurance Company could complete another successful year in terms of its quality business, product innovation & reinforcement. So I would like to convey thanks and gratitudes to all honorable stakeholders, customers, business partners and above all employees for their all out support and trust to the Company.

You will be happy to know that in 2018 underwriting profit achieved by the Company was Tk. 8.77 crore as against Tk. 7.57 crore in 2017. Pre-tax profit in 2018 increased to Tk. 20.03 crore from Tk. 19.10 crore in 2017. The underwriting result along with income from investment even in this tight insurance and investment market has exhibited positive growth. Total reserve has gone up to Tk. 130.70 crore in 2018 as against Tk. 123.98 crore in 2017.

The Company continues to develop a well balanced business portfolio which is not only dependent on any particular type of business or client. The Company is working to introduce new products and services.

Our other goal of doing business is the speedy settlement of the claims. We believe that insurers must be seen as being in the business of indemnifying policyholders when misfortune strikes. Insurers have to pay valid claims quickly to the satisfaction of the clients.

We believe that adequate service levels, good corporate governance practices and compliance with regulations can have a significant impact on the company's sustainability. We always try to execute all operational regulations which are introduced by the Insurance Development and Regulatory Authority (IDRA) of Bangladesh.

You will also be glad to know that our Company has been rated at "AA+" by Argus Credit Rating Services Ltd. (ACRSL) based on its financial statements ended December, 2017. This rating has been assigned in consideration of its good fundamentals such as good financial & technical performance, sound solvency position, re-insurance arrangements with local and foreign re-insurers, sound internal control and experienced top Management etc.

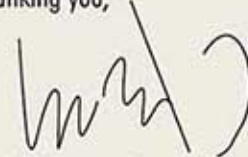
As a whole 2018 was a challenging year for the economy due to unhealthy competition in the insurance industry, unhealthy trend in domestic capital market, several exchange rate fluctuation of foreign currency, inflation rate, affect of monitoring policy, continuous shortage of energy supply etc. Despite the above adverse situation in the economy and imposition of some effective measures by Insurance Development and Regulatory Authority (IDRA) in the insurance industry the entire insurance sector in the country has moved ahead.

I wish to extend my thanks to the loyal, dedicated and committed staff of the Eastern family who often have gone above and beyond the call of duty to support the growth of the company. The working environment that exists Eastern has contributed to strengthen the bonds between employees and I look forward to a continued commitment from all staff towards our success in 2019.

I would like to express our appreciation to the Regulator for their untiring efforts to improve the standards of the industry.

I conclude this Report with an expression of deep appreciation to our Chairman and Board of Directors for the continued guidance rendered to me to steer Eastern Insurance Company towards greater levels of success.

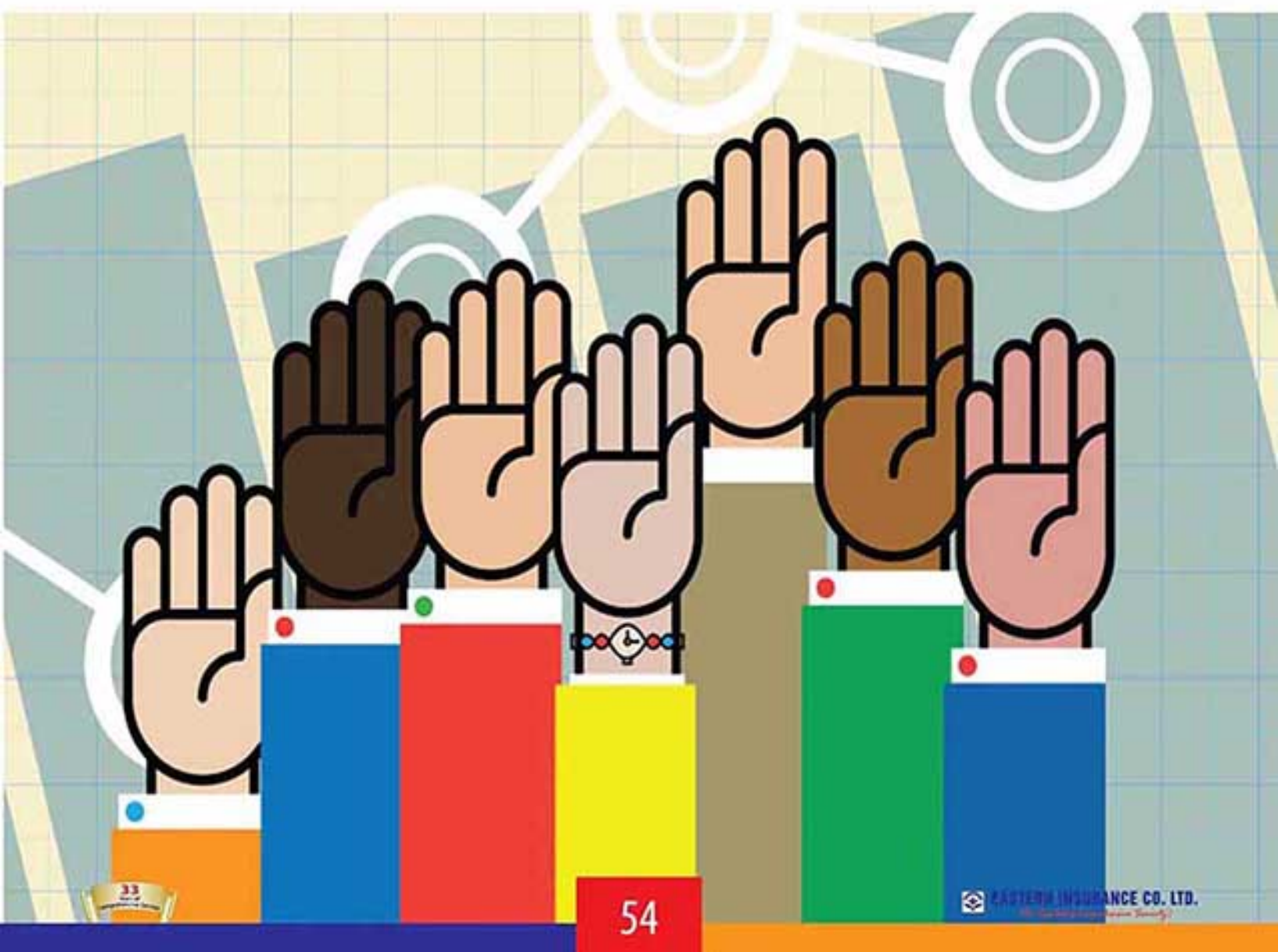
Thanking you,



(Mohammad Haroon Patwary)
Chief Executive Officer

SHAREHOLDERS' AND INVESTORS' INFORMATION

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ইস্টার্ন ইন্স্যুরেন্স কোঃ লিঃ
EASTERN INSURANCE CO. LTD.
(The Symbol of Comprehensive Security)

Registered Office: 44, Dilkusha Commercial Area, (2nd Floor), Dhaka-1000.

NOTICE OF THE 33rd ANNUAL GENERAL MEETING

Notice is hereby given that the 33rd ANNUAL GENERAL MEETING OF EASTERN INSURANCE COMPANY LTD. will be held on July 30, 2019, Tuesday at 11:00 a.m at Spectra Convention Centre Ltd., House-19, Road-7, Gulshan-1, Dhaka-1212 to transact the following business:

1. To receive, consider and adopt the Directors Report and the Audited Accounts of the Company and Auditors Report thereon for the year ended 31 December 2018.
2. To declare Dividend for the year 2018.
3. To elect Directors as per Articles of Association of the Company.
4. To approve Appointment of Independent Directors.
5. To appoint Auditors for the year 2019 and fix up their remuneration.
6. To appoint Compliance Auditor (as per Corporate Governance Code 2018) for the year-2019 and fix up their remuneration.

By order of the Board of Directors

Sd/-

(Md. Shamsul Amin)
Company Secretary

Dated: Dhaka

The 28th April, 2019

- i) The 'Record Date' is fixed on Monday, the 27th May, 2019. The Shareholders, whose names will appear in the Share Register of the Company (Certificate & Depository) at the close of business on the record date, will be eligible to attend the meeting and dividend.
- ii) A member entitled to attend and vote at the meeting may appoint another person as his/her proxy to attend and vote on his/her behalf. The Proxy Form duly stamped must be deposited at the Company's Registered office not later than 48 (Forty Eight) hours before the time scheduled for the meeting.
- iii) Entry to the Annual General Meeting is reserved only for the Shareholders or his/her proxy. No Guests and Children shall be allowed entrance in the meeting.
- iv) As per BSEC's notification No. SEC/CMRRCD/2009-193/154 dated 24th October, 2013 "No Benefit in cash or kind, other than in the form of cash dividend or stock dividend, shall be paid to the holders of equity securities."



FINANCIAL CALENDAR

2013	Announcement of 2012 final result	29th April, 2013
	Record Date	15th May, 2013
	Annual Report 2012 dispatched	23rd June, 2013
	27th Annual General Meeting	7th July, 2013
	Cash dividend 2012 dispatched	25th July, 2013

2014	Announcement of 2013 final result	28th April, 2014
	Record Date	15th May, 2014
	Annual Report 2013 dispatched	8th June 2014
	28th Annual General Meeting	24th June 2014
	Cash dividend 2013 dispatched	20th July 2014

2015	Announcement of 2014 final result	29th April, 2015
	Record Date	19th May, 2015
	Annual Report 2014 dispatched	6th July 2015
	29th Annual General Meeting	23rd July 2015
	Cash dividend 2014 dispatched	22nd August 2015

2016	Announcement of 2015 final result	27th April 2016
	Record Date	19th May, 2016
	Annual Report 2015 dispatched	29th June 2016
	30th Annual General Meeting	20th July, 2016
	Cash dividend 2015 dispatched	16th August, 2016

2017	Announcement of 2016 final result	27th April 2017
	Record Date	7th June 2017
	Annual Report 2016 dispatched	2nd July 2017
	31st Annual General Meeting	25th July, 2017
	Cash dividend 2016 dispatched	21st August, 2017

2018	Announcement of 2017 final result	25th April 2018
	Record Date	29th May 2018
	Annual Report 2017 dispatched	9th July 2018
	32nd Annual General Meeting	25th July 2018
	Cash dividend 2017 dispatched	19th August 2018

2019	Announcement of 2018 final result	28th April 2019
	Record Date	27th May 2019

USEFUL INFORMATION FOR THE SHAREHOLDERS

THE HISTORY OF RAISING OF SHARE CAPITAL OF EASTERN INSURANCE COMPANY LIMITED

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

Date	Particular	No. of Shares	Value in Taka	Cumulative Paid-up-Capital
1986	As Per MOA & AOA	300,000	30,000,000	30,000,000
1994	Initial public offerings	300,000	30,000,000	60,000,000
2004	25% Bonus shares	150,000	15,000,000	75,000,000
2005	20% Bonus shares	150,000	15,000,000	90,000,000
2006	20% Bonus shares	180,000	18,000,000	108,000,000
2007	20% Bonus shares	216,000	21,600,000	129,600,000
2008	20% Bonus shares	259,200	25,920,000	155,520,000
2009	20% Bonus shares	311,040	31,104,000	186,624,000
2010	Rights shares(1:1)	1,866,240	186,624,000	373,248,000
2010	10% Bonus & 5% Cash	373,248	37,324,800	410,572,800
Converted to Tk. 10 per share				
2011	5% Bonus & 10% Cash	2,052,864	20,528,640	431,101,440
2012	18% Cash dividend	-	-	
2013	20% Cash dividend			
2014	20% Cash dividend			
2015	20% Cash dividend			
2016	20% Cash dividend			
2017	20% Cash dividend			
2018 (Proposed)	20% Cash dividend			

CORPORATE GOVERNANCE & FINANCIAL HIGHLIGHTS

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REPORT OF THE BOARD OF DIRECTORS

For the year ended 31st December 2018

Bismillahir Rahmanir Rahim,

**Dear Shareholder Ladies and Gentlemen,
Assalamu Alaikum,**

On behalf of the Board of Directors of Eastern Insurance Company Limited and on my own behalf I am delighted to welcome you all in this 33rd Annual General Meeting of your beloved Company and thank you for making it convenient to attend the same.

The activities of Eastern Insurance Company Limited for the year 2018 has been reviewed by the Board of Directors and I take this opportunity to present before this august house the thirty third Directors' Report together with Audited Accounts of the company for the year ended 31st December 2018 for your kind review and approval.

Before reviewing the overall performance of the Company in 2018, we may review the Global and Bangladesh economy alongwith the prevailing situation of Insurance Industry, particularly the non-life segment of this sector for your kind appraisal.

WORLD ECONOMY

The Global economic growth has been projected slightly declining in 2019 in comparison to that of 2018 due to the tighter financial condition and geographical tension reported by the IMF, World Bank and ADB. Emerging economies and developing countries were in an unfavorable condition to retain their constant growth during recent time. Inappropriate and inadequate policy responses by some areas of the investors have affected the industry heavily in the global and local industry. Asian Development Bank has forecasted 6.0% growth in 2018 and 5.8% in 2019 for developing Asian Countries with a projected growth rate of 7.0% and 7.2%. Bangladesh falls in the category of one of the countries with high growth rate in 2018 and 2019.



The global insurance industry will hopefully grow more strongly than the global economy in 2019 followed by the year 2018 as is revealed. Annual premium growth has been forecasted by a Munich-based renowned Re-Insurer to 5.3% whereas global GDP is expected to grow

by 4.9%. Emerging countries are the primary growth drivers specially in the life and health insurance sectors, but relatively strong growth rates in high-volume industrialized countries are also contributing to this positive development.

However, since insurance penetration (premium in % of GDP) trend in China is currently seen high, the strong growth rates are likely to level off over the next few years, which is why we are forecasting real growth between 5% and 6% from 2025 onwards. In the other emerging markets of Asia, as well as in many African countries, we are nevertheless expecting the catch-up process to continue for quite some time, given the currently very low level of development of the insurance markets there. However, there was no data prepared separately for Bangladesh despite it being a high population country.

BANGLADESH ECONOMY

Bangladesh has achieved a recorded GDP growth of 7.9% in FY 2018, up from 7.3% in FY 2017. The growth mainly propelled by industry, agriculture and service sectors' activities. As the key sectors of industry, services and agriculture grew by 12.1%, 6.4% and 4.2% respectively. The data of Bangladesh Bureau of Statistics (BBS) showed that GDP at current market price was BDT 22,504.8 billion for FY 2018 which was 13.9% higher than that of the preceding year.

This forecast is contradictory to the global economic outlook which indicates that Bangladesh economy has a good forecasting growth comparing global economic growth and GDP trend.

Improvements in the country's GDP growth are the outcome of steady progress in the agriculture sector and food security, moderately good growth in industry despite the crisis in the power sector, the decline in the inflation rate to single digit, macro-economic stability, the build-up of a comfortable foreign exchange reserve, achieving most of MDG targets and good progress in achieving the SDGs, which the country is diligently striving to meet ahead of the 2030 timeline.

In Bangladesh, the Insurance business, after an early stage of dislocation, adventure and experimentation through last 41 years has now being established as a promising Industry distributed between the public and private sectors. At present in private sector there are 45 non-life insurance companies running in Bangladesh. The growth of Bangladeshi Non-life insurance companies premium income in 2018 was 13.4% (approx.), which was 7.52% in 2017.



INDUSTRY OUTLOOK

Last couple of years, whole Insurance of Bangladesh has been facing tough competition as because size of Insurance Market is very small. Beside this, global economic up and down trend and need of Government facilities in local investment and Industrial movement also affected the insurance business.

The current state of affairs of general insurance market of Bangladesh is far from satisfactory, The cut-throat competition amongst the insurance companies has started again.

In spite of the above barricades, your company has endeavor its best to consolidate its position and could secure growth because of continuous efforts of Board of Directors and the Management. The Gross Premium Income of the Company has increased to Tk. 46.09 crore from 41.89 crore of last year. The Net Profit of the Company is Tk. 20.03 crore against Tk. 19.10 crore of last year.

The Insurance Regulator, Insurance Development and Regulatory Authority (IDRA) has taken a number serious measures to bring about many positive changes including prohibiting credit business, streamlining agent commission, protecting tariff violation etc. The Government and the IDRA should continue their efforts to contribute much in their respective areas for the development of Insurance Industry. The Government will have to take steps for formulation of policies conducive to the insurance business. The Regulatory Body will guide Insurance Companies to execute the policies of the Government and compliances of Insurance Act, 2010. The Bangladesh Insurance Association (BIA) will have to co-operate whole heartily in the insurance business smoothly complying with the rules/regulations of Insurance Act, 2010 and the Insurance Companies will have to take the responsibilities of running the business effectively and properly.

COMPANY'S PERFORMANCE AT A GLANCE

		2018	2017
Gross Premium	Tk.	460,805,378	418,867,413
Re-Insurance Premium ceded	Tk.	225,843,727	208,223,183
Investment Income	Tk.	90,200,952	84,936,012
Share Trading Profit	Tk.	31,165,447	39,423,497
Net Profit	Tk.	200,346,954	190,964,676
Reserve for Unexpired Risk	Tk.	95,431,959	86,182,190
Reserve for Exceptional Losses	Tk.	326,699,575	280,619,038
Total Assets	Tk.	2,295,026,593	2,152,306,463
Earning Per Share (EPS)	Tk.	3.56	3.47
Net Assets Value (NAV) Per Share	Tk.	42.53	40.76

The background of the slide is a composite image. At the top left, a portion of a silver calculator is visible, showing buttons for '+', '=', '00', and digits 0-9. To its right, a silver pen lies diagonally across a document that appears to be a 'Balance Sheet'. The document contains various numerical entries, some with plus signs, such as '14092.69', '1445.65', '1204.2', '2008.6', '1804.', '205', '31142.45', '3542.55', '1352.14', '2100.36', '854.94', '312.25', '954.36', '874.48', and '689.4'. The words 'Balance Sheet' and 'Assets' are printed on the document. In the lower half of the image, there is a stylized financial chart with a blue line graph and red vertical bars, set against a dark blue background with a grid of light blue dots. The chart shows a fluctuating line and several tall red bars, with a label '+11,00.00' near the top. The overall color scheme is dominated by blue and red tones.

**The segment
wise performance
analysis for each class
of business is as follows:**



FIRE INSURANCE BUSINESS

This segment contributed 43% to our total business underwritten in 2018 with gross premium underwritten of Tk. 19.99 crore (2017: 17.10 crore).

In 2018, the underwriting profit increased to Tk. 1.68 crore as compared to Tk. (1.44) crore of last year. This is happened due to decrease in net claims expenses. Consequently, loss ratio (net claim as % of net premium revenue) also decreased to 12% against 21% in 2017.

Gross Premium
Written

Tk.19.99 crore

Underwriting
Profit

1.68 crore

Loss ratio

12%



Gross Premium
Written

Tk.14.53 crore

Underwriting
Profit

5.50 crore

Loss ratio

4%

MARINE INSURANCE BUSINESS

This segment contributed 32% to our total business underwritten in 2018 with gross premium underwritten of Tk. 14.53 crore (2017: 14.40 crore).

In 2018, the underwriting profit increased to Tk. 5.50 crore as compared to Tk. 4.18 crore last year. This is happened due to decreased in net claims expenses. Consequently, loss ratio (net claim as % of net premium revenue) also decreased to 4% against 10% in 2017.



Gross Premium
Written

Tk.6.40 crore

Underwriting
Profit

2.23 crore

Loss ratio

32%

MOTOR INSURANCE BUSINESS

This segment contributed 14% to our total business underwritten in 2018 with gross premium underwritten of Tk. 6.40 crore (2017: 6.84 crore).

In 2018, the underwriting profit increased to Tk. 2.23 crore as compared to Tk. 2.00 crore last year, this is happened due to decrease in net claims expenses. Consequently, loss ratio (net claim as % of net premium revenue) also decreased to 32% against 34% in 2017.



MISCELLANEOUS INSURANCE BUSINESS

This segment contributed 11% to our total business underwritten in 2018 with gross premium underwritten of Tk. 5.16 crore (2017: 3.54 crore).

In 2018, the underwriting profit decreased to Tk.(0.64) crore as compared to Tk.(0.05) crore last year. This is happened due to increase in net claims expenses. Consequently, loss ratio (net claim as % of net premium revenue) also increased to 66% against 44% in 2017.

Gross Premium
Written

Tk.5.16 crore

Underwriting
Profit/(Loss)

(0.64) crore

Loss ratio

66%

CLAIMS

During 2018 the Company has accounted for net claims of Tk.33,635,563.00 after adjustment of recoveries made from the Re-Insurer. The Claims Department of the Company is equipped with numbers of experienced Professionals. Eastern Insurance Co. Ltd. has achieved in creating reputation for its expeditious settlement of claim.

PROFIT & LOSS ACCOUNT

The Company earned a net profit of Tk. 20.03 Crore during the year under review as under:

	2018 Taka	2017 Taka
Income from Investment	121,366,399	124,359,509
Underwriting Profit/(Loss)	87,732,103	75,747,142
	209,098,502	200,106,651
Less: Management Expenses (Not applicable to any particular fund or account)	8,751,548	9,141,975
Profit before taxation and appropriation	200,346,954	190,964,676
Current year's profit as above	200,346,954	190,964,676
Deferred Tax Income/(Expenses)	(11,889)	(76,089)
Un appropriated profit of last year	556,024	3,274,466
	200,891,089	194,163,053
The above Profit of the Company has been appropriated as under:		
Reserve for exceptional losses	46,080,538	41,886,741
Provision for Taxation	47,000,000	41,500,000
General Reserve	20,000,000	24,000,000
Balance Carried to Balance Sheet	87,810,551	86,776,312
	200,891,089	194,163,053

DIVIDEND

Considering the operational result of the Company for the year 2018 as reflected in the Balance Sheet the Board of Directors recommended 20% Cash Dividend for the year 2018.

AUDITORS

The Auditors M/S. A.Wahab & Co., Chartered Accountants were appointed as Auditors in the 32nd Annual General Meeting of the Company to conduct audit for the year 2018 and they have submitted their audit report and being eligible, offer themselves for re-appointment for the year 2019.

CAPITAL

The Authorized Capital of the company is Tk.100.00 crore and Paid-up capital is Tk. 43.11 crore.

CORPORATE GOVERNANCE

The Board of Directors is committed towards maintaining an effective Corporate Governance Structure and Process. The Company's operations are directed and controlled with in the Corporate Governance Code.

HUMAN RESOURCE

The Company's Human Resource Policy is driven to reach its Corporate goals and objectives by including a strong value system and ethics in our employees. The Company is focused on developing employee abilities in optimising results.

STATUTORY PAYMENTS

The Directors are satisfied that all Statutory Payments to the Government and other statutory institutions including employee related payments have been made in time to time to the best of their knowledge and belief.

INVESTMENT

In addition to investment of Tk. 25,000,000 with Bangladesh Bank in the form of Govt. Treasury Bond as Statutory Deposit, the Company mainly invested its Fund in Fixed Deposit, Shares, Debentures and STD Accounts with various Banks. Besides the Company has purchased a prime piece of land for Building Commercial Complex Cum-Head Office in the heart of City. The position of total investment at cost is as under:

	2018 Taka	2017 Taka
National Investment Bond	25,000,000	25,000,000
Fixed Deposit with various Banks	1,200,000,000	1,130,100,000
Balance in Different STD Accounts	40,034,516	44,704,423
Balance in Different CD Accounts	2,313,603	2,611,446
Shares in Public Co.(at cost)	320,475,334	295,061,200
Debentures	785,224	785,224
Shares & Deposit Money in Subsidiary Company	285,909,200	285,909,200
Land	226,875,000	226,875,000
	2,101,392,877	2,011,046,493

MOTOR VEHICLES

At present the Company has 25 nos of Vehicles and total purchase cost of the same was Tk.3.49 crore only. Purchases cost none of these have been exceeded than the value as determined by IDRA. All the vehicles were acquired through lease finance arrangements.

SUBSIDIARY COMPANY

The Company has formed a Subsidiary Company in the name of EIC Securities Ltd. which is now operating its business activities in the Chittagong Stock Exchange Ltd. Financial Statements of EIC Securities Ltd. for the year 2018 is also enclosed with this Annual Report for necessary information and disclosures.

We report that:

- i) 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.
- ii) Proper books of accounts of the Company have been maintained.
- iii) Appropriate accounting policies have been consistently applied in preparation of the financial statements and that the accounting estimates are based on reasonable and prudent judgment.
- iv) International Accounting Standards, as applicable in Bangladesh, have been followed in preparation of the financial statements and any departure there from has been adequately disclosed.
- v) The system of internal control is sound in design and has been effectively implemented and monitored.
- vi) There are no significant doubts upon the Company's ability to continue as a going concern
- vii) There are no significant deviations from last year in operating result of the Company.
- viii) The key operating and financial data of preceding five years have been shown in page on 73.
- xi) Declaration or certification by the CEO and the CFO to the Board as required under condition No. 3 (3) is disclosed in **Annexure-A** (page no. 74)
- x) The report as well as certificate regarding compliance of conditions of this Code as required under condition No. 9 is disclosed in **Annexure-B & C** (page no.75-85)
- xi) During the year ended December 31, 2018, the Board of Directors held 5 (Five) meetings and the Directors serving on the Board attended in aggregate 53 % of the total number of meetings.
- xii) At December 31, 2018, the patterns of shareholding are given below:
 - a) Shareholdings of Parent/Subsidiary/Associate Companies and other related parties: Nil.
 - b) Shareholdings of Directors, CEO, Company Secretary, CFO and Head of Internal Audit and their Spouses and minor children:

Sl. No.	Name of Shareholding of the Directors	Total Shares
1	Mr. Mujibur Rahman	862,207
2	Mr. Mohammed Ahsan	1,020,342
3	Major (Retd) Abdul Mannan	2,863,977
4	Mr. Matiur Rahman	2,214,912
5	Mrs. Umme Kulsum Mannan	1,437,009
6	Mr. Durand Mehdadur Rahman	3,028,242
7	Mr. S. D. Alam	899,251
8	Mr. Khaled S. Ahmed	863,752
9	Mr. Rawnak Karim	1,454,691
10	Mr. Mohammed Israil	1,120,822
11	Mr. Mohammed Mohsin	898,128
12	M/s. Sunman Sweaters Ltd. (Represented by Mrs. Rokeya Ferdous)	1,508,839
13	Alpha Textiles Ltd. (Represented by Mrs. Tajrina Mannan)	1,260,209
14	Pioneer Dresses Ltd. (Represented by Mr. Rais Uddin)	790,335
15	Mrs. Zakia Rahman	66,013
16	M/s. Uttara Properties Ltd. (Represented by Ms. Tazreen Rahman)	96,358
17	Uttara Apparels Ltd. (Represented by Mr. K.I. Hossain)	1,184,022
18	Mr. Nayeemur Rahman	374,671
c)	CEO/CS/Head of IAD	NIL
d)		

Sl. No.	Name of Spouse	Total Shares
1	Mrs. Showkat Ara Alam, Spouse of Mr. S.D. Alam, Director.	54,139
e)	Shareholding of Executives	

Sl. No.	Name of Executives	Total Shares
1	Mr. Md. Iqbal Mahmud, Dy. Managing Director	1,522
2	Mr. Khairul Alam, Sr. Vice President	504
3	Mr. Swarup Kumar Saha, Sr. Vice President & CFO	136

f)	Shareholders holding 10% or more voting interest.	NIL
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DIRECTORS

In accordance with the provision of article 115 of the Articles of Association of the Company one-third of the total members of the Directors shall retire from the office and being eligible may offer themselves for re-election as per provision of article 117 of Articles of Association of the Company. Accordingly as per provision of Articles of Association of the Company the following Directors representing Group 'A' Shareholders retire and being eligible, offer themselves for re-election.

- 1 Mr. Major (Retd) Abdul Mannan
- 2 Mr. Motiur Rahman
- 3 Mr. Mohammed Mohsin
- 4 Mr. Mohammed Ahsan

Also as per Articles of Association of the Company the following Directors representing Group "B" shall retire and being eligible offer themselves for re-election.

- 1 Mr. Nayeemur Rahman
- 2 Mrs. Tazreen Rahman (Representative of UttaraProperties Ltd.)

APPOINTMENT OF INDEPENDENT DIRECTOR

To comply with the BSEC's requirement the Board has appointed following two personalities as Independent Directors :

- 1 Mr. A. T. K. M. Ismail
- 2 Mr. Md. Jakir Hossain, FCA

The issue of appointment of the Independent Directors will be placed in the forthcoming 33rd AGM for shareholders approval.

ACKNOWLEDGEMENT

The Board of Directors would like to record its appreciation for the general support and co-operation extended by the Government of the People's Republic of Bangladesh, the Ministry of Commerce, the Ministry of Finance, the Chairman of Insurance Development and Regulatory Authority, the Bangladesh Securities and Exchange Commission, Registrar of Joint Stock Companies & Firms. The Board deeply appreciates the services and support rendered by Sadharan Bima Corporation, Dhaka Stock Exchange Ltd., Chittagong Stock Exchange Ltd. The Board would also like to express its deep gratitude to esteemed Shareholders of the Company for their continuing support and guidance. The Board also takes this opportunity to thank Bangladesh Bank, all Scheduled Banks and Finance Companies, our valued clients, patrons and well wishers who have been graciously extending their co-operation, support, patronage and encouragement all through.

FOR THE BOARD OF DIRECTORS



(Mujibur Rahman)
Chairman

Dated: 20th June 2019
Place: Dhaka.

DIFFERENT COMMITTEES OF THE BOARD OF DIRECTORS

EXECUTIVE COMMITTEE

1	Mr. Mujibur Rahman, Chairman	Chairman
2	Mr. Matiur Rahman, Director	Member
3	Major (Retd.) Abdul Mannan, Director	Member
4	Mr. Mohammed Mohsin, Director	Member
5	Mr. Azmal Hossain, Vice-Chairman	Member
6	Mr. Khaled S. Ahmed, Director	Member
7	Mr. Rais Uddin, Director	Member
8	Mr. Mohammad Haroon Patwary, Managing Director & CEO	Member

CLAIMS COMMITTEE

1	Mr. Azmal Hossain, Vice-Chairman	Chairman
2	Mr. Mujibur Rahman, Chairman	Member
3	Mr. Matiur Rahman, Director	Member
4	Mr. Khaled S. Ahmed, Director	Member
5	Mr. Rais Uddin, Director	Member
6	Mrs. Zakia Rahman, Director	Member
7	Mr. Nayeemur Rahman, Director	Member
8	Mr. Mohammad Haroon Patwary, Managing Director & CEO	Member

AUDIT COMMITTEE

1	Mr. A. T. K. M Ismail, Independent Director	Chairman
2	Mr. Kazi Imdad Hossain, Director	Member
3	Mr. Azmal Hossain, Vice-Chairman	Member
4	Mr. Durand Mehdadur Rahman, Director	Member
5	Mrs. Tazreen Rahman, Director	Member
6	Mr. Nayeemur Rahman, Director	Member
7	Mr. Mohammad Haroon Patwary, Managing Director & CEO	Member

NOMINATION AND REMUNERATION COMMITTEE (NRC)

1	Mr. Md. Jakir Hossain, FCA, Independent Director	Chairman
2	Mr. Mujibur Rahman, Chairman	Member
3	Mr. Azmal Hossain, Vice-Chairman	Member
4	Mr. Mohammad Haroon Patwary, Managing Director & CEO	Member

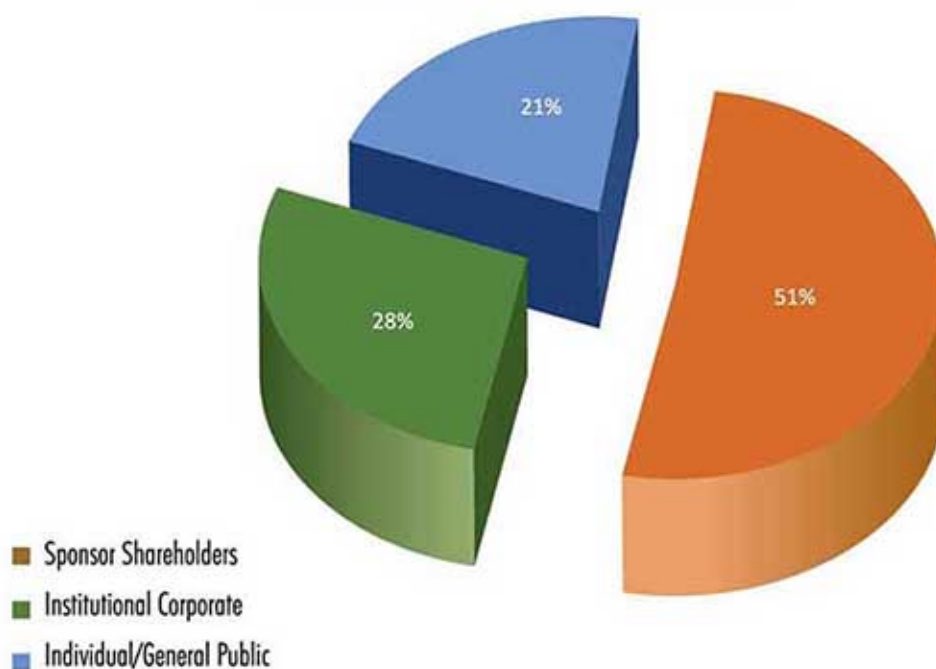
BUSINESS PROMOTION COMMITTEE

1	Mr. Mohammed Mohsin, Director	Chairman
2	Mr. Mujibur Rahman, Chairman	Member
3	Mr. S.D. Alam, Director	Member
4	Mr. Matiur Rahman, Director	Member
5	Mr. Durand Mehdadur Rahman, Director	Member
6	Mrs. Tajrina Mannan, Director	Member
7	Mr. Mohammad Haroon Patwary, Managing Director & CEO	Member

SHAREHOLDING STRUCTURE

Particulars	No. of Shares	% of Holdings
Sponsor Shareholders	21,943,780	51%
Institutional Corporate	11,979,501	28%
Individual/General Public	9,186,863	21%
Grand Total	43,110,144	100%

Shareholding Structure-2018



KEY OPERATING AND FINANCIAL DATA FOR PRECEDING FIVE YEARS ARE AS FOLLOWS

	2018	2017	2016	2015	2014
Paid up capital	431,101,440	431,101,440	431,101,440	431,101,440	431,101,440
Gross premium income	460,805,378	418,867,413	393,366,679	380,599,944	360,748,055
Net premium income	234,961,651	210,644,230	209,818,512	207,727,027	205,600,220
Net claims	43,258,080	51,257,616	52,937,017	66,577,876	50,060,079
Pre - tax profit	200,346,954	190,964,676	183,481,689	162,724,765	162,130,747
Cash dividend	86,220,288	86,220,288	86,220,288	86,220,288	86,220,288
Total assets	2,295,026,593	2,152,306,463	2,092,167,050	2,049,062,810	1,978,281,771
Total reserves & fund	1,306,958,484	1,239,843,707	1,176,675,408	1,119,447,318	1,089,247,795

Declaration by CEO and CFO

As per condition No. 1(5) (xxvi) of CGC

The Board of Directors
Eastern Insurance Company Ltd.
44, Dilkusha C/A
Dhaka-1000.

Subject: Declaration on Financial Statements for the year ended on 31 December 2018.

Dear Sirs,

Pursuant to the Condition No. 1(5)(xxvi) imposed vide the Commission's Notification No. BSEC/CMRRCD/2006-158/207/Admin/80 Dated 3 June 2018 under section 2CC of the Securities and Exchange Ordinance, 1969, we do hereby declare that:

1. The Financial Statements of Eastern Insurance Company Ltd. for the year ended on 31 December 2018 have been prepared in compliance with International Accounting Standards (IAS) or International Financial Reporting Standards (IFRS), as applicable in the Bangladesh and any departure there from has been adequately disclosed;
2. The estimates and judgments related to the financial statements were made on a prudent and reasonable basis, in order for the financial statements to reveal a true and fair view;
3. The form and substance of transactions and the Company's state of affairs have been reasonably and fairly presented in its financial statements;
4. To ensure above, the Company has taken proper and adequate care in installing a system of internal control and maintenance of accounting records;
5. Our internal auditors have conducted periodic audits to provide reasonable assurance that the established policies and procedures of the Company were consistently followed; and
6. The management's use of the going concerns basis of accounting in preparing the financial statements is appropriate and there exists no material uncertainty related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern.

In this regard, we also certify that:-

- i. We have reviewed the financial statements for the year ended on 31 December 2018 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 collectively present 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 knowledge and belief, no transactions entered into by the Company during the year which are fraudulent, illegal or in violation of the code of conduct for the company's Board of Directors or its members.

Sincerely yours,


(Swarup Kumar Saha)
Chief Financial Officer (CFO)


(Mohammad Haroon Patwary)
Chief Executive Officer (CEO)

Annexure-B

REPORT TO THE SHAREHOLDERS OF EASTERN INSURANCE COMPANY LIMITED ON COMPLIANCE ON THE CORPORATE GOVERNANCE CODE [Certificate as per condition No. 1(5)(xxvii)]

We have examined the compliance status to the Corporate Governance Code by Eastern Insurance Company Limited for the year ended on 31 December 2018. This Code relates to the Notification No. BSEC/CMRRCD/2006-158/207/Admin/80 dated 3 June 2018 of the Bangladesh Securities and Exchange Commission.

Such compliance with the Corporate Governance Code is the responsibility of the Company. Our examination was limited to the procedures and implementation thereof as adopted by the Management in ensuring compliance to the conditions of the Corporate Governance Code.

This is a scrutiny and verification and an independent audit on compliance of the conditions of the Corporate Governance Code as well as the provisions of relevant Bangladesh Secretarial Standards (BSS) as adopted by Institute of Chartered Secretaries of Bangladesh (ICSB) in so far as those standards are not inconsistent with any condition of this Corporate Governance Code.

We state that we have obtained all the information and explanations, which we have required, and after due scrutiny and verification thereof, we report that, in our opinion:

- The Company has complied with the conditions of the Corporate Governance Code as stipulated in the above mentioned Corporate Governance Code issued by the Commission;
- The Company has complied with the provisions of the relevant Bangladesh Secretarial Standards (BSS) as adopted by the Institute of Chartered Secretaries of Bangladesh (ICSB) as required by this Code;
- Proper books and records have been kept by the company as required under the Companies Act, 1994, the securities laws and other relevant laws; and
- The Governance of the company is satisfactory.



For Mahfel Huq & Co.
Chartered Accountants

Dhaka, 29 April, 2019

Howlader Mahfel Huq, FCA
Managing Partner

COMPLIANCE REPORT ON BSEC NOTIFICATION

[As per condition No. 1(5)(xxvii)]

Status of compliance with the conditions imposed by the Commission's Notification No. BSEC/CMRRCD/2006-158/207/Admin/80 dated 3 June 2018 issued under section 2CC of the Securities and Exchange Ordinance, 1969.

(Report under Condition No. 9)

Condition No.	Title	Compliance Status		Remarks (if any)
		(Put ✓ in the appropriate column)		
		Complied	Not complied	
1	Board of Directors:			
1(1)	Size of the Board of Directors The total number of members of a company's Board of Directors (hereinafter referred to as "Board") shall not be less than 5(five) and more than 20 (twenty).	✓		
1(2)	Independent Directors All companies shall have effective representation of independent directors on their Boards, so that the Board, as a group, includes core competencies considered relevant in the context of each company; for this purpose, the companies shall comply with the following:-			
1(2)(a)	At least (1/5) of the total number of Directors in the company's Board shall be Independent Directors; any fraction shall be considered to the next integer or whole number for calculating number of independent director(s);	✓		Complied as per Insurance Act 2010.
1(2)(b)	For the purpose of this clause "Independent Director" means a director-			
1(2)(b)(i)	who either does not hold any share in the company or holds less than one percent (1%) shares of the total paid-up shares of the company;	✓		
1(2)(b)(ii)	who is not a sponsor of the company or is not connected with the company's any sponsor or director or nominated director or shareholder of the company or any of its associates, sister concerns, subsidiaries and parents or holding entities who holds one percent (1%) or more shares of the total paid-up shares of the company on the basis of family relationship and his or her family members also shall not hold above mentioned shares in the company: Provided that spouse, son, daughter, father, mother, brother, sister, son-in-law and daughter-in-law shall be considered as family members.	✓		
1(2)(b)(iii)	Who has not been an executive of the company in immediately preceding 2 (two) financial years;	✓		
1(2)(b)(iv)	Who does not have any other relationship, whether pecuniary or otherwise, with the company or its subsidiary/associated companies;	✓		
1(2)(b)(v)	who is not a member or TREC (Trading Right Entitlement Certificate) holder, director or officer of any stock exchange;	✓		
1(2)(b)(vi)	who is not a shareholder, director excepting independent director or officer of any member or TREC holder of stock exchange or an intermediary of the capital market;	✓		
1(2)(b)(vii)	who is not a partner or an executive or was not a partner or an executive during the preceding 3 (three) years of the concerned company's statutory audit firm or audit firm engaged in internal audit services or audit firm conducting special audit or professional certifying compliance of this Code;	✓		
1(2)(b)(viii)	who is not independent director in more than 5 (five) listed companies;	✓		
1(2)(b)(ix)	who has not been convicted by a court of competent jurisdiction as a defaulter in payment of any loan or any advance to a bank or a Non-Bank Financial Institution (NBFI); and	✓		
1(2)(b)(x)	who has not been convicted for a criminal offence involving moral turpitude.	✓		
1(2)(c)	The independent director(s) shall be appointed by the Board and approved by the shareholders in the Annual General Meeting (AGM);	✓		

Condition No.	Title	Compliance Status		Remarks (if any)
		(Put ✓ in the appropriate column)		
		Complied	Not complied	
1(2)(d)	The post of independent director(s) cannot remain vacant for more than 90 (ninety) days; and	✓		
1(2)(e)	<p>The tenure of office of an independent director shall be for a period of 3 (three) years, which may be extended for 1 (one) tenure only;</p> <p>Provided that a former independent director may be considered for reappointment for another tenure after a time gap of one tenure, i.e. three years from his or her completion of consecutive two tenure [i.e. six years];</p> <p>Provided further that the independent director shall not be subject to retirement by rotation as per the কোম্পানী আইন, ১৯৯৪ (১৯৯৪ সনের ১৮নং আইন) (Company Act, 1994).</p> <p>Explanation: For the purpose of counting tenure or term of independent director, any partial term of tenure shall be deemed to be a full tenure.</p>	✓		
1(3)	Qualification of Independent Director:			
1(3)(a)	Independent Director shall be a knowledgeable individual with integrity who is able to ensure compliance with financial laws, regulatory requirements and corporate laws and can make meaningful contribution to business;	✓		
1(3)(b)(i)	<p>Independent director shall have following qualifications:</p> <p>Business Leader who is or was a promoter or director of an unlisted company having minimum paid-up capital of Tk. 100.00 million or any listed company or a member of any national or international chamber of commerce or business association; or</p>	✓		
1(3)(b)(ii)	<p>Corporate Leader who is or was a top level executive not lower than Chief Executive Officer or Managing Director or Deputy Managing Director or Chief Financial Officer or Head of Finance or Accounts or Company Secretary or Head of Internal Audit and Compliance or Head of Legal Service or a candidate with equivalent position of an unlisted company having minimum paid-up capital of Tk. 100.00 million or of a listed company; or</p> <p>Explanation: Top level executive includes Managing Director (MD) or Chief Executive Officer (CEO), Additional or Deputy Managing Director (AMD or DMD), Chief Operating Officer (COO), Chief Financial Officer (CFO), Company Secretary (CS), Head of Internal Audit and Compliance (HIAC), Head of Administration and Human Resources or equivalent positions and same level or ranked or salaried officials of the company.</p>	✓		
1(3)(b)(iii)	Former official of government or statutory or autonomous or regulatory body in the position not below 5 th Grade of the national pay scale, who has at least educational background of bachelor degree in economics or commerce or business or Law; or	✓		
1(3)(b)(iv)	University Teacher who has educational background in Economics or Commerce or Business Studies or Law; or	✓		
1(3)(b)(v)	Professional who is or was an advocate practicing at least in the High Court Division of Bangladesh Supreme Court or a Chartered Accountant or Cost and Management Accountant or Chartered Financial Analyst or Chartered Certified Accountant or Certified Public Accountant or Chartered Management Accountant or Chartered Secretary or equivalent qualification;	✓		
1(3)(c)	The independent director shall have at least 10 (ten) years of experiences in any field mentioned in clause (b);	✓		
1(3)(d)	In special cases, the above qualifications or experiences may be relaxed subject to prior approval of the Commission.			N/A
1(4)	Duality of Chairperson of the Board of Directors and Managing Director or Chief Executive Officer:			
1(4)(a)	The positions of the Chairperson of the Board and the Managing Director (MD) and/or Chief Executive Officer (CEO) of the company shall be filled by different individuals.	✓		
1(4)(b)	The Managing Director (MD) and/or Chief Executive Officer (CEO) of a listed company shall not hold the same position in another listed company;	✓		

Condition No.	Title	Compliance Status		Remarks (if any)
		(Put ✓ in the appropriate column)		
		Complied	Not complied	
1(4)(c)	The Chairperson of the Board shall be elected from among the non-executive directors of the company;	✓		
1(4)(d)	The Board shall clearly define respective roles and responsibilities of the Chairperson and the Managing Director and/or Chief Executive Officer;	✓		
1(4)(e)	In the absence of the Chairperson of the Board, the remaining members may elect one of themselves from non-executive directors as Chairperson for that particular Board's meeting; the reason of absence of the regular Chairperson shall be duly recorded in the minutes.	✓		
1(5)	The Directors' Report to Shareholders The Board of the company shall include the following additional statements or disclosures in the Directors' Report prepared under section 184 of the Companies Act, 1994 (Act No. XVIII of 1994) :-			
1(5)(i)	An Industry outlook and possible future developments in the industry.	✓		Available in Annual Report
1(5)(ii)	The Segment-wise or product-wise performance.	✓		
1(5)(iii)	Risks and concerns including internal and external risk factors, threat to sustainability and negative impact on environment, if any;	✓		Available in Annual Report
1(5)(iv)	A discussion on Cost of Goods sold, Gross Profit Margin and Net Profit Margin, where applicable;	✓		Available in Annual Report
1(5)(v)	A Discussion on continuity of any extraordinary activities and their implications(gain or loss);	✓		Available in Annual Report
1(5)(vi)	A detailed discussion on related party transactions along with a statement showing amount, nature of related party, nature of transactions and basis of transactions of all related party transactions;	✓		
1(5)(vii)	A statement of utilization of proceeds raised through from public issues, rights issues and/or through any others instruments;			N/A
1(5)(viii)	An explanation if the financial results deteriorate after the company goes for Initial Public Offering (IPO), Repeat Public Offering(RPO), Rights Share Offer, Direct Listing, etc.;			N/A
1(5)(ix)	An explanation on any significant variance occurs between Quarterly Financial performance and Annual Financial Statements;			N/A
1(5)(x)	A statement of remuneration paid to the directors including independent directors;	✓		
1(5)(xi)	A statement that the financial statements prepared by the management of the issuer company present fairly its state of affairs, the result of its operations, cash flows and changes in equity;	✓		
1(5)(xii)	A statement that proper books of account of the issuer company have been maintained;	✓		
1(5)(xiii)	A statement that appropriate accounting policies have been consistently applied in preparation of the financial statements and that the accounting estimates are based on reasonable and prudent judgment;	✓		
1(5)(xiv)	A statement that International Accounting Standards (IAS) or International Financial Reporting Standards (IFRS), as applicable in Bangladesh, have been followed in preparation of the financial statements and any departure there from has been adequately disclosed;	✓		
1(5)(xv)	A statement that the system of internal control is sound in design and has been effectively implemented and monitored;	✓		
1(5)(xvi)	A statement that minority shareholders have been protected from abusive actions by, or in the interest of, controlling shareholders acting either directly or indirectly and have effective means of redress;			N/A
1(5)(xvii)	A statement that there is no significant doubt upon the issuer company's ability to continue as a going concern, if the issuer company is not considered to be a going concern, the fact along with reasons thereof shall be disclosed;	✓		Available in Annual Report

Condition No.	Title	Compliance Status		Remarks (if any)
		(Put ✓ in the appropriate column)		
		Complied	Not complied	
1(5)(xviii)	An explanation that significant deviations from the last year's operating results of the issuer company shall be highlighted and the reasons thereof shall be explained;			N/A
1(5)(xix)	A statement where key operating and financial data of at least preceding 5 (five) years shall be summarized .	✓		
1(5)(xx)	An explanation on the reasons if the issuer company has not declared dividend (cash or stock) for the year;			N/A
1(5)(xxi)	Board's statement to the effect that no bonus share or stock dividend has been or shall be declared as interim dividend;			N/A
1(5)(xxii)	The total number of Board meetings held during the year and attendance by each director;	✓		
1(5)(xxiii)	A report on the pattern of shareholding disclosing the aggregate number of shares (along with name-wise details where stated below) held by:-			
1(5)(xxiii)(a)	Parent or Subsidiary or Associated Companies and other related parties (name-wise details);	✓		
1(5)(xxiii)(b)	Directors, Chief Executive Officer, Company Secretary, Chief Financial Officer, Head of Internal Audit and Compliance and their spouses and minor children (name-wise details);	✓		
1(5)(xxiii)(c)	Executives; and	✓		
1(5)(xxiii)(d)	Shareholders holding ten percent (10%) or more voting interest in the company (name- wise details). Explanation: For the purpose of this clause, the expression "executive" means top 5 (five) salaried employees of the company, other than the Directors, Chief Executive Officer, Company Secretary, Chief Financial Officer and Head of Internal Audit and Compliance.	✓		
1(5)(xxiv)	In case of the appointment or reappointment of a director, a disclosure on the company shall disclose the following information to the shareholders:-			
1(5)(xxiv)(a)	a brief resume of the director;	✓		
1(5)(xxiv)(b)	nature of his or her expertise in specific functional areas; and	✓		Available in Annual Report
1(5)(xxiv)(c)	names of companies in which the person also holds the directorship and the membership of committees of the Board;	✓		
1(5)(xxv)	A Management's Discussion and Analysis signed by CEO or MD presenting detailed analysis of the company's position and operations along with a brief discussion of changes in the financial statements, among others focusing on:			
	(a) accounting policies and estimation for preparation of financial statements;	✓		Available in Annual Report
	(b) changes in accounting policies and estimation, if any, clearly describing the effect on financial performance or results and financial position as well as cash flows in absolute figure for such changes;	✓		
	(c) comparative analysis (including effects of inflation) of financial performance or results and financial position as well as cash flows for current financial year with immediate preceding five years explaining reasons thereof;	✓		
	(d) compare such financial performance or results and financial position as well as cash flows with the peer industry scenario;	✓		
	(e) briefly explain the financial and economic scenario of the country and the globe;	✓		
	(f) risks and concerns issues related to the financial statements, explaining such risk and concerns mitigation plan of the company; and	✓		
	(g) future plan or projection or forecast for company's operation, performance and financial position, with justification thereof, i.e., actual position shall be explained to the shareholders in the next AGM;	✓		
1(5)(xxvi)	Declaration or certification by the CEO and the CFO to the Board as required under condition No. 3(3) shall be disclosed as per Annexure-A; and	✓		
1(5)(xxvii)	The report as well as certificate regarding compliance of conditions of this Code as required under condition No. 9 shall be disclosed as per Annexure-B and Annexure-C	✓		

Condition No.	Title	Compliance Status		Remarks (if any)
		(Put ✓ in the appropriate column)		
		Complied	Not complied	
1(6)	Meeting of the Board of Directors The company shall conduct its Board meetings and record the minutes of the meetings as well as keep required books and records in line with the provisions of the relevant Bangladesh Secretarial Standards (BSS) as adopted by the Institute of Chartered Secretaries of Bangladesh (ICSB) in so far as those standards are not inconsistent with any condition of this Code.	✓		
1(7)	Code of Conduct for the Chairperson, other Board members and Chief Executive Officer (a)The Board shall lay down a code of conduct, based on the recommendation of the Nomination and Remuneration Committee (NRC) at condition No. 6, for the Chairperson of the Board, other board members and Chief Executive Officer of the company;	✓		
	(b)The code of conduct as determined by the NRC shall be posted on the website of the company including, among others, prudent conduct and behavior; confidentiality; conflict of interest; compliance with laws, rules and regulations; prohibition of insider trading; relationship with environment, employees, customers and suppliers; and independency.	✓		
2	Governance of Board of Directors of Subsidiary Company:			
2(a)	Provisions relating to the composition of the Board of the holding company shall be made applicable to the composition of the Board of the subsidiary company;	✓		
2(b)	At least 1 (one) independent director on the Board of the holding company shall be a director on the Board of the subsidiary company;	✓		
2(c)	The minutes of the Board meeting of the subsidiary company shall be placed for review at the following Board meeting of the holding company;	✓		
2(d)	The minutes of the respective Board meeting of the holding company shall state that they have reviewed the affairs of the subsidiary company also;	✓		
2(e)	The Audit Committee of the holding company shall also review the financial statements, in particular the investments made by the subsidiary company.	✓		
3	Managing Director (MD) or Chief Executive Officer (CEO), Chief Financial Officer (CFO), Head of Internal Audit and Compliance (HIAC) and Company Secretary (CS):			
3(1)	Appointment: (a)The Board shall appoint a Managing Director (MD) or Chief Executive Officer (CEO), a Company Secretary (CS), a Chief Financial Officer (CFO) and a Head of Internal Audit and Compliance (HIAC);	✓		
	(b)The positions of the Managing Director (MD) or Chief Executive Officer (CEO), Company Secretary (CS), Chief Financial Officer (CFO) and Head of Internal Audit and Compliance (HIAC) shall be filled by different individuals;	✓		
	(c)The MD or CEO, CS, CFO and HIAC of a listed company shall not hold any executive position in any other company at the same time;	✓		
	(d)The Board shall clearly define respective roles, responsibilities and duties of the CFO, the HIAC and the CS;	✓		
	(e)The MD or CEO, CS, CFO and HIAC shall not be removed from their position without approval of the Board as well as immediate dissemination to the Commission and stock exchange(s).			N/A
3(2)	Requirement to attend Board of Directors' Meetings The MD or CEO, CS, CFO and HIAC of the company shall attend the meetings of the Board; Provided that the CS, CFO and/or HIAC shall not attend such part of a meeting of the Board which involves consideration of an agenda item relating to their personal matters.	✓		
3(3)	Duties of Managing Director (MD) or Chief Executive Officer (CEO) and Chief Financial Officer (CFO):			
3(3)(a)	The MD or CEO and CFO shall certify to the Board that they have reviewed financial statements for the year and that to the best of their knowledge and belief:-	✓		

Condition No.	Title	Compliance Status		Remarks (if any)
		(Put ✓ in the appropriate column)		
		Complied	Not complied	
3(3)(a)(i)	the statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading; and applicable laws;	✓		
3(3)(a)(ii)	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;	✓		
3(3)(b)	The MD or CEO and CFO shall also certify that There are, to the best of knowledge and belief, no transactions entered into by the company during the year which are fraudulent, illegal or violation of the code of conduct for the company's Board or its members;	✓		
3(3)(c)	The certification of the MD or CEO and CFO shall be disclosed in the Annual Report.	✓		
4	Board of Directors' Committee For ensuring good governance in the company, the Board shall have at least following sub-committees:			
4(i)	Audit Committee; and	✓		
4(ii)	Nomination and Remuneration Committee.	✓		
5	Audit Committee:			
5(1)	Responsibility to the Board of Directors.			
5(1)(a)	The company shall have an Audit Committee as a sub-committee of the Board;	✓		
5(1)(b)	The Audit Committee shall assist the Board in ensuring that the financial statements reflect true and fair view of the state of affairs of the company and in ensuring a good monitoring system within the business.	✓		
5(1)(c)	The Audit Committee shall be responsible to the Board; the duties of the Audit Committee shall be clearly set forth in writing.	✓		
5(2)	Constitution of the Audit Committee			
5(2)(a)	The Audit Committee shall be composed of at least 3 (three) members.	✓		
5(2)(b)	The Board shall appoint members of the Audit Committee who shall be non-executive directors of the company excepting Chairperson of the Board and shall include at least 1 (one) independent director;	✓		
5(2)(c)	All members of the audit committee should be "financially literate" and at least 1 (one) member shall have accounting or related financial management background and 10 (ten) years of such experience. Explanation: The term "financially literate" means the ability to read and understand the financial statements like statement of financial position, statement of comprehensive income, statement of changes in equity and Cash Flow Statement and a person will be considered to have accounting or related financial management expertise if he or she possesses professional qualification or Accounting or Finance graduate with at least 10 (ten) years of corporate management or professional experiences.	✓		
5(2)(d)	When the term of service of the Committee members expires or there is any circumstance causing any Committee member to be unable to hold office before expiration of the term of service, thus making the number of the Committee members to be lower than the prescribed number of 3 (three) persons, the Board shall appoint the new Committee member to fill up the vacancy immediately or not later than 1 (one) month from the date of vacancy in the Committee to ensure continuity of the performance of work of the Audit Committee.			N/A
5(2)(e)	The company secretary shall act as the secretary of the Committee.	✓		
5(2)(f)	The quorum of the Audit Committee meeting shall not constitute without at least 1 (one) independent director.	✓		
5(3)	Chairperson of the Audit Committee			
5(3)(a)	The Board shall select 1 (one) member of the Audit Committee to be Chairperson of the Audit Committee, who shall be an independent director;	✓		

Condition No.	Title	Compliance Status		Remarks (if any)
		(Put ✓ in the appropriate column)		
		Complied	Not complied	
5(3)(b)	In the absence of the Chairperson of the Audit Committee, the remaining members may elect one of themselves as Chairperson for that particular meeting, in that case there shall be no problem of constituting a quorum as required under condition No. 5(4)(b) and the reason of absence of the regular Chairperson shall be duly recorded in the minutes.	✓		No such event occurred
5(3)(c)	Chairperson of the Audit Committee shall remain present in the Annual General Meeting(AGM). Provided that in absence of Chairperson of the Audit Committee, any other member from the Audit Committee shall be selected to be present in the annual general meeting (AGM) and reason for absence of the Chairperson of the Audit Committee shall be recorded in the minutes of the AGM.	✓		
5(4)	Meeting of the Audit Committee			
5(4)(a)	The Audit Committee shall conduct at least its four meetings in a financial year; Provided that any emergency meeting in addition to regular meeting may be convened at the request of any one of the members of the Committee;	✓		
5(4)(b)	The quorum of the meeting of the Audit Committee shall be constituted in presence of either two members or two-third of the members of the Audit Committee, whichever is higher, where presence of an independent director is a must.	✓		
5(5)	Role of Audit Committee The Audit Committee shall:-			
5(5)(a)	Oversee the financial reporting process;	✓		
5(5)(b)	Monitor choice of accounting policies and principles;	✓		
5(5)(c)	Monitor Internal Audit and Compliance process to ensure that it is adequately resourced, including approval of the Internal Audit and Compliance Plan and review of the Internal Audit and Compliance Report;	✓		
5(5)(d)	Oversee hiring and performance of external auditors;	✓		
5(5)(e)	Hold meeting with the external or statutory auditors for review of the annual financial statements before submission to the Board for approval or adoption;	✓		
5(5)(f)	Review along with the management, the annual financial statements before submission to the board for approval;	✓		
5(5)(g)	Review along with the management, the quarterly and half yearly financial statements before submission to the board for approval;	✓		
5(5)(h)	Review the adequacy of internal audit function;	✓		
5(5)(i)	Review the Management's Discussion and Analysis before disclosing in the Annual Report;	✓		
5(5)(j)	Review statement of all related party transactions submitted by the management.	✓		
5(5)(k)	Review Management Letters or Letter of Internal Control weakness issued by statutory auditors.	✓		
5(5)(l)	Oversee the determination of audit fees based on scope and magnitude, level of expertise deployed and time required for effective audit and evaluate the performance of external auditors; and	✓		
5(5)(m)	Oversee whether the proceeds raised through Initial Public Offering (IPO) or Repeat Public Offering (RPO) or Rights Share Offer have been utilized as per the purposes stated in relevant offer document or prospectus approved by the Commission; Provided that the management shall disclose to the Audit Committee about the uses or applications of the proceeds by major category (capital expenditure, sales and marketing expenses, working capital, etc.), on a quarterly basis, as a part of their quarterly declaration of financial results; Provided further that on an annual basis, the company shall prepare a statement of the proceeds utilized for the purposes other than those stated in the offer document or prospectus for publication in the Annual Report along with the comments of the Audit Committee.			N/A
5(6)	Reporting of the Audit Committee			

Condition No.	Title	Compliance Status		Remarks (if any)
		(Put ✓ in the appropriate column)		
		Complied	Not complied	
5(6)(a)	Reporting to the Board of Directors			
5(6)(a)(i)	The Audit Committee shall report on its activities to the Board;	✓		
5(6)(a)(ii)	The Audit Committee shall immediately report to the Board on the following findings, if any:-			
5(6)(a)(ii)(a)	report on conflicts of interests;			N/A
5(6)(a)(ii)(b)	suspected or presumed fraud or irregularity or material defect identified in the internal audit and compliance process or in the financial statements;			N/A
5(6)(a)(ii)(c)	suspected infringement of laws, regulatory compliances including securities related laws, rules and regulations; and			N/A
5(6)(a)(ii)(d)	any other matter which the Audit Committee deems necessary shall be disclosed to the Board immediately;			N/A
5(6)(b)	Reporting to the Authorities If the Audit Committee has reported to the Board about anything which has material impact on the financial condition and results of operation and has discussed with the Board and the management that any rectification is necessary and if the Audit Committee finds that such rectification has been unreasonably ignored, the Audit Committee shall report such finding to the Commission, upon reporting of such matters to the Board for three times or completion of a period of 6 (six) months from the date of first reporting to the Board, whichever is earlier.			N/A
5(7)	Reporting to the Shareholders and General Investors Report on activities carried out by the Audit Committee, including any report made to the Board under condition No. 5.(6)(a)(ii) above during the year, shall be signed by the Chairperson of the Audit Committee and disclosed in the annual report of the issuer company.	✓		
6	Nomination and Remuneration Committee (NRC):			
6(1)	Responsibility to the Board of Directors			
6(1)(a)	The company shall have a Nomination and Remuneration Committee (NRC) as a sub-committee of the Board;	✓		
6(1)(b)	The NRC shall assist the Board in formulation of the nomination criteria or policy for determining qualifications, positive attributes, experiences and independence of directors and top level executive as well as a policy for formal process of considering remuneration of directors, top level executive;	✓		
6(1)(c)	The terms of Reference (ToR) of the NRC shall be clearly set forth in writing covering the areas stated at the condition NO. 6(5)(b).	✓		
6(2)	Constitution of the NRC			
6(2)(a)	The Committee shall comprise of at least three members including an independent director;	✓		
6(2)(b)	All members of the Committee shall be non-executive directors;	✓		
6(2)(c)	Members of the Committee shall be nominated and appointed by the Board;	✓		
6(2)(d)	The Board shall have authority to remove and appoint any member of the Committee;	✓		
6(2)(e)	In case of death, resignation, disqualification, or removal of any member of the Committee or in any other cases of vacancies, the board shall fill the vacancy within 180(one hundred eighty) days of occurring such vacancy in the Committee;			N/A
6(2)(f)	The Chairperson of the Committee may appoint or co-opt any external expert and/or member(s) of staff to the Committee as advisor who shall be non-voting member, if the Chairperson feels that advice or suggestion from such external expert and/or member(s) of staff shall be required or valuable for the Committee;			N/A
6(2)(g)	The company secretary shall act as the secretary of the Committee;	✓		
6(2)(h)	The quorum of the NRC meeting shall not constitute without attendance of at least an independent director;	✓		
6(2)(i)	No member of the NRC shall receive, either directly or indirectly, any remuneration for any advisory or consultancy role or otherwise, other than Director's fees or honorarium from the company.	✓		

Condition No.	Title	Compliance Status		Remarks (if any)
		(Put ✓ in the appropriate column)		
		Complied	Not complied	
6(3)	Chairperson of the NRC			
6(3)(a)	The Board shall select 1 (one) member of the NRC to be Chairperson of the Committee, who shall be an independent director;	✓		
6(3)(b)	In the absence of the Chairperson of the NRC, the remaining members may elect one of themselves as Chairperson for that particular meeting, the reason of absence of the regular Chairperson shall be duly recorded in the minutes;	✓		
6(3)(c)	The Chairperson of the NRC shall attend the annual general meeting (AGM) to answer the queries of the shareholders; Provided that in absence of Chairperson of the NRC, any other member from the NRC shall be selected to be present in the annual general meeting (AGM) for answering the shareholder's queries and reason for absence of the Chairperson of the NRC shall be recorded in the minutes of the AGM.	✓		
6(4)	Meeting of the NRC			
6(4)(a)	The NRC shall conduct at least one meeting in a financial year;			Under Process
6(4)(b)	The Chairperson of the NRC may convene any emergency meeting upon request by any member of the NRC;			N/A
6(4)(c)	The quorum of the meeting of the NRC shall be constituted in presence of either two members or two third of the members of the Committee, whichever is higher, where presence of an independent director is must as required under condition No. 6(2)(h);			N/A
6(4)(d)	The proceedings of each meeting of the NRC shall duly be recorded in the minutes and such minutes shall be confirmed in the next meeting of the NRC.			N/A
6(5)	Role of the NRC			
6(5)(a)	NRC shall be independent and responsible or accountable to the Board and to the shareholders;	✓		
6(5)(b)	NRC shall oversee, among others, the following matters and make report with recommendation to the Board;			
6(5)(b)(i)	Formulating the criteria for determining qualifications, positive attributes and independence of a director and recommend a policy to the board, relating to the remuneration of the directors, top level executive, considering the following:			
6(5)(b)(i)(a)	the level and composition of remuneration is reasonable and sufficient to attract, retain and motivate suitable directors to run the company successfully;	✓		
6(5)(b)(i)(b)	the relationship of remuneration to performance is clear and meets appropriate performance benchmarks; and	✓		
6(5)(b)(i)(c)	remuneration to directors, top level executive involves a balance between fixed and incentive pay reflecting short and long-term performance objectives appropriate to the working of the company and its goals;	✓		
6(5)(b)(ii)	Devising a policy on Board's diversity taking into consideration age, gender, experience, ethnicity, educational background and nationality;	✓		
6(5)(b)(iii)	Identifying persons who are qualified to become directors and who may be appointed in top level executive position in accordance with the criteria laid down, and recommend their appointment and removal to the Board;	✓		
6(5)(b)(iv)	Formulating the criteria for evaluation of performance of independent directors and the Board;	✓		
6(5)(b)(v)	Identifying the company's needs for employees at different levels and determine their selection, transfer or replacement and promotion criteria; and	✓		
6(5)(b)(vi)	developing, recommending and reviewing annually the company's human resources and training policies;	✓		
6(5)(c)	The company shall disclose the nomination and remuneration policy and the evaluation criteria and activities of NRC during the year at a glance in its annual report.	✓		
7	External or Statutory Auditors:			

Condition No.	Title	Compliance Status		Remarks (if any)
		(Put ✓ in the appropriate column)		
		Complied	Not complied	
7(1)	The issuer company should not engage its external or statutory auditors to perform the following services of the company; namely:-	✓		
7(1)(i)	Appraisal or valuation services or fairness opinions;	✓		
7(1)(ii)	Financial information systems design and implementation;	✓		
7(1)(iii)	Book keeping or other services related to the accounting records or financial statements;	✓		
7(1)(iv)	Broker-dealer services;	✓		
7(1)(v)	Actuarial services;	✓		
7(1)(vi)	Internal audit services or special audit services;	✓		
7(1)(vii)	Any service that the Audit Committee determines;	✓		
7(1)(viii)	Audit or certification services on compliance of corporate governance as required under condition No. 9(1); and	✓		
7(1)(ix)	Any other service that creates conflict of interest.	✓		
7(2)	No partner or employees of the external audit firms shall possess any share of the company they audit at least during the tenure of their audit assignment of that company; his or her family members also shall not hold any shares in the said company: Provided that spouse, son, daughter, father, mother, brother, sister, son-in-law and daughter-in-law shall be considered as family members.	✓		
7(3)	Representative of external or statutory auditors shall remain present in the Shareholders' Meeting (Annual General Meeting or Extraordinary General Meeting) to answer the queries of the shareholders.	✓		
8	Maintaining a website by the Company:			
8(1)	The company shall have an official website linked with the website of the stock exchange.	✓		
8(2)	The company shall keep the website functional from the date of listing.	✓		
8(3)	The company shall make available the detailed disclosures on its website as required under the listing regulations of the concerned stock exchange(s).	✓		
9	Reporting and Compliance of Corporate Governance:			
9(1)	The company shall obtain a certificate from a practicing Professional Accountant or Secretary (Chartered Accountant or Cost and Management Accountant or Chartered Secretary) other than its statutory auditors or audit firm on yearly basis regarding compliance of conditions of Corporate Governance Code of the Commission and shall such certificate shall be disclosed in the Annual Report.	✓		
9(2)	The professional who will provide the certificate on compliance of this Corporate Governance Code shall be appointed by the shareholders in the annual general meeting.			Under process
9(3)	The directors of the company shall state, in accordance with the Annexure-C attached, in the directors' report whether the company has complied with these conditions or not.	✓		

REPORT ON CORPORATE GOVERNANCE

INTRODUCTION



Corporate Governance is the system which helps the Company to manage the overall interest of all stakeholders. Minimum standard of acceptable corporate behavior means to ensure greater transparency, accountability and timely financial reporting. Eastern Insurance firmly believes that business operation means dealing with the stakeholders with trust and confidence and there is a link between stakeholders' value and governance. With that objective in view, EICL has been working relentlessly to create long term stakeholders value .

The Board of Directors of the Company is committed to high standards of Corporate Governance which it believes are crucial to business integrity and performance. As a responsible corporate citizen, EICL is also committed to maintaining full transparency and positive business internally and towards the community with which EICL carries out its business, including its suppliers, customers and business partners. At the same time the Company expects that all its Board of Directors, employees and suppliers would act with honesty, integrity and openness.

Being a public listed Company , the Board of Directors of EICL has a pivotal role to play in meeting stakeholders interests. In discharging such obligations, the Board of Directors and the Management team of EICL are committed to maintaining effective Corporate Governance through a culture of accountability, transparency, well – understood policies and procedures. EICL considers that its Corporate Governance practices comply with all the aspects of BSEC's notification no. BSEC/CMRRCD/ 2006-158/134/Admin/44 dated 07 August 2012, SEC/CMRRCD/ 2006- 158/147/Admin/48 dated 21 July 2013 and Subsequently amended through their notification # BSEC/CMRRCD/ 2006-158/207/Admin/80 dated 03 June 2018 issued under section 2CC of the Securities and Exchange Ordinance, 1969.

BOARD ORGANIZATION AND STRUCTURE: BOARD COMPOSITION

The Board of Eastern Insurance Company Limited has been Constituted with 20 Directors as on December 31, 2018. The Board of EICL is as follows:

- 12 Sponsor Directors
- 06 Public Shareholders Directors
- 02 Independent Directors

The Board is Chaired by Mr. Mujibur Rahman an eminent business person and well reputed industrialist having diversified business exposures.

ROLE AND RESPONSIBILITIES OF THE BOARD

The Directors of the Board are appointed by the shareholders at the Annual General Meeting (AGM) and accountable to the shareholders. The Board is responsible for ensuring that the business activities are soundly administered and effectively controlled. The Directors of the Board keep themselves informed about the Company's financial position and ensure that its activities, accounts and asset management are subject to adequate control. The Board also ensured that EICL'S Policy and Procedures and Codes of Conduct are implemented and maintained and the Company adheres to generally accepted principles for good governance and effective control of the Company activities.

In addition to the other legal guidelines, the Board has also adopted "Governance Guidelines" for the Board for ensuring better governance in the work and administration of the Board .The Board is also guided by Delegation of Authority which spells out the practices and processes in discharging its responsibilities.

BOARD MEETING

The AOA of the Company requires the Board to meet at least four times a year or more when duly called for in writing. Dates for the Board Meetings in a year are decided in advance. Such Notice contains detailed statement of business to be transacted at each meeting. The Board meets for both scheduled meeting and on other occasions to deal with urgent and important matters that require attention.

ROLE OF THE CHAIRMAN

The Chairman is the head of the Board takes decisions of any matter in consultation with the Board members. He is not the Chief Executive of the Company. The role of the Chairman and Managing Director/CEO are independent and separate. The Chairman runs the Board, while the Managing Director/CEO takes executive decision within the jurisdiction of power delegated by the Board.

SUBSIDIARY RELATIONSHIP

The Board of Directors of the Subsidiary Company of EICL is obliged to provide the Board of Directors of EICL with any information which is necessary for an evaluation of the Company's position and the result of the Company's activities. EICL notifies the Subsidiary Company's Board of Directors about the matters which may be important to the Company as whole. EICL also notifies the Subsidiary Company's Board of Directors about decisions which may be of importance to the Subsidiary Company before a final decision is made.

AUDIT COMMITTEE

The Board of Directors has constituted an Audit Committee of the Board consisting of 7 (Seven) Directors. The Audit Committee is headed by the Independent Director, Mr. A. T. K. M Ismail, Retd Secretary, Government of the Peoples Republic of Bangladesh. The Audit Committee carries out its responsibilities as per the provisions of law and submits its report to the Board of Directors from time to time. The Audit Committee shall also co- ordinate with the internal and external Auditors as and when required. The Audit Committee ensures that adequate internal checks and balances supported by adequate MIS are in place for detection of error/frauds and other deficiencies. The other responsibilities include are not being limited to the prevention of conflict of interests between the Company and its Director, Officials, Customers, Suppliers, Government and any other interest groups but also to detect or remove any scope of insider trading. The Audit Committee also ensures compliance of requirements of BSEC and other agencies.

NOMINATION AND REMUNERATION COMMITTEE (NRC)

The Board of Directors has constituted a Nomination and Remuneration Committee (NRC) of the Board consisting 4 (four) Directors. The NRC is headed by the Independent Director, Mr. Md. Jakir Hossain, FCA. Nomination and Remuneration Committee (NRC) is a sub-committee of the Board of the Company to comply with the BSEC notification dated 03 June 2018. The committee shall assist the Board in formulating the nomination criteria or policy for determining qualifications, positive attributes, experiences and independence of Directors and top level executives.

INTERNAL CONTROL

The Board is also responsible for ensuring that the Company has an adequate and effective control system in place. By which Company's resources are directed, monitored and measured. It plays an important role in preventing and detecting fraud and protecting the Company's resources.

The Company's internal control system has been outlined to ensure the Director with reasonable assurance that assets are safe guarded against unauthorized use by the employees or management or third parties; transactions are fully authentic, properly recorded and material error and irregularities are either prevented or detected for regularization within a reasonable period of time.

Segregation of duties, Authorization of transactions, Retention of records, Supervision or Monitoring of operations, Physical safe guards, IT application controls are the essential elements of internal control framework prevailed in Eastern Insurance Company Limited.

HUMAN CAPITAL

Human Capital Management (HCM) is an approach to employee staffing that perceives people as assets (human Capital) whose current value can be measured and whose future value can be enhanced through investment.

Eastern Insurance Company Limited supports HCM and provides employees with clearly defined and consistently communicated performance expectations. Managers are responsible for rating, rewarding and holding employees accountable for achieving specific business goals, creating innovation and supporting continuous improvement. The human capital can be developed through education, training, practice and experience. Eastern Insurance Company Ltd. has adopted the following policies to develop the human capital.

1. The recruitment of local people and then to develop their potential through learning opportunities and effective performance Management.
2. Human Capital Management frame work is designed to provide a work force that has the skills, flexibility and diversity to meet the Company's current and future business needs.

3. Establish and Administer transfer policy in order to develop and implement recruitment opportunities, promotion, remuneration benefits, rewards, recognition system, transfer, training and Performance Management system irrespective of sex, race, political entity & religion belief.
4. Create an environment within the Company which encourages the employees to work as a team and at the same time, to encourage them to be innovative and creative in order to achieve goals of the Company.
5. Adopt proper internal communication and involvement mechanisms which encourage employees identify them with the Company and its activities.

WEBSITE

All financial results and key performance indicators as well as other necessary information of the Company are posted in the Company's Website: www.easterninsurancebd.com



REPORT ON GOING CONCERN



Financial Statements are normally prepared on the assumption that an enterprise is a going concern and will continue in operation for the foreseeable future. Hence, it is assumed that the enterprise has neither the intention nor the need to liquidate or curtail materially or to seal of its operation; if such an intention or need exists, the financial statement may have to be prepared on a different basis and if so, the basis used to be disclosed. On the other hand listed Companies are required by BSEC to report on its ability to continue as going concern involves making appropriate inquiries including review of budget, forecast, assumptions and future outcome of inherent uncertainties in existence. The directors are convinced from the following indications, which give reasonable assurance as to Company's ability to continue as a going concern for the foreseeable future.

FINANCIAL INDICATIONS

- Positive net current assets.
- Positive operating cash flows
- Positive key financial ratios.
- Consistent payment of dividends.
- Credibility in payment of obligations.
- Performance growth.
- Positive underwriting results and trends.

OPERATION INDICATIONS

- No key management turnover.
- Good business expansion.
- Spread of business across diverse clientele.
- Good market reputation and client's satisfaction.
- Good corporate environment and employee satisfaction.

OTHER INDICATIONS

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

RISK MANAGEMENT

Eastern Insurance has formulated the basic policies concerning Risk Management as well as to ascertain the state of Risks for the entire Company. Among the various Risks, the Company recognizes the Insurance Underwriting Risks and Asset Management Risks are Risks (Core Risks) that must be managed from the sources of earnings and the Company therefore controls these Risks considering the balance between Risk and Return. The Company also identifies Administrative Risks, System Risks and Other Risks pertaining to the Company's business activities and strives to prevent the occurrence or reduce these Risks. Through the above measures, we work to execute proper Risk Management and ensure stable business operations of the entire Company.

REPORT ON CORPORATE SOCIAL RESPONSIBILITIES (CSR)

We all have personal responsibility to each other and the world around us. Everything we do has an effect on other people. It is the same for business, large and small, public or private that their actions affect a large number of Stakeholders. Such Stakeholders include Customers, Shareholders, Employees, Suppliers and Society in general.

In the light of this view, Eastern Insurance Company Ltd. has been giving due importance and making contribution towards various activities as a part of its CSR; such as in the field of Health, Education, Support to disabled persons, Sports, Social activities etc.

REDRESS OF INVESTORS COMPLAINTS

Eastern Insurance Company Limited is always committed to maintaining highest standard of conduct and professional behavior in dealing with its Shareholders. Share Department of the Company has been maintaining proper and systematic records and information relevant to the Shareholders. Share Department is always ready to help the Shareholders whenever in need of services like share transfer, transmission, dividend warrant issue, revalidation, tax deduction certificate & treasury challan etc.

REDRESS OF CLIENTS COMPLAINTS

In order to achieve satisfactory business growth it is very important to increase the new customer base as well as to retain the existing ones. Eastern Insurance Company Ltd. fully aware of this and therefore always attends to its clients. Complaints received from clients have been handled in a timely and fair manner. The Company encourages its clients to come forward with any complaint that they may have and the Management is always ready to serve them.

SOLVENCY MARGIN

Solvency Margin is the amount of assets which exceeds the insurer's liabilities and will exhibit a part of the insurer's shareholder funds. The valuation techniques of assets and liabilities of an insurer must be maintained. According to section 43 of Insurance Act 2010, the concept of Solvency Margin required to be followed by Non Life Insurance Companies. The solvency of an Insurance Company exposes its assets to debts. As the relevant regulation has not yet been formed by the Regulator, this concept cannot be followed to assess the strength of the Company. However it is expected that this regulation will be formed and come in force within a very short time.

ENVIRONMENTAL AND SOCIAL OBLIGATIONS

Belong in the insurance business the Company doesn't need to set up factories or other big establishments of that sort. The Head Office and all the 25 Branches have been established keeping all the environmental issues in mind. Till date EICL have not faced any environmental obligation from Government or any other Public Organizations. This is definitely some thing to put up in the book of goodwill of Eastern Insurance.

Since Eastern Insurance Company Limited strictly maintains certain code of conducts and ethical practices, the chance of facing any social obligation is close to zero. The Company has always been transparent regarding its business and delivering its products and services. Settlement of Claims in due time is one of the key characteristics of the Company which helped a lot in building its reputation as the most preferred non life insurer of the Country. All in all EICL has established itself as a Company which does not face any environmental or social obligation from Government or Non Government Organizations. The Company is ready to set up standards for other corporate bodies to follow in many areas of CSR and environmental/social issues in general.



REPORT ON INFORMATION TECHNOLOGY

PRESENT IT INFRASTRUCTURE AND ITS USE

In order to provide better services to our Board, Shareholders, Customers, IDRA, BSEC, Stock Exchanges etc with the help of information technology, our company has introduced different types of computer software for various Departments.

Such as Underwriting web based software, Accounting software, Investment software, Development software, Share Management software, PF software, Business Management software etc. All the Branches have been using computers. In addition to the above, EICL has its own website.

PLAN FOR FUTURE EXPANSION OF PRESENT IT INFRASTRUCTURE

1. To introduce more software in various departments.
2. To arrange training about I.T.
3. To develop existing software whenever necessary.
4. To introduce up graded computer equipment in the Company whenever necessary. etc.

ETHICS AND COMPLIANCE

Eastern Insurance Company has adopted core values, commitments and code of conduct/ethical principles which are strictly followed. The Board of Directors of EICL is committed to introduce high level of code of conduct and ethical principles. It also monitors the strict observance the same.

At Eastern Insurance, employees are treated with great care and respect. All business activities must conform to all applicable national and international legal requirements. Bribery or any other form of anti corruption is treated with "Zero Tolerance" policy. EICL never gets engaged with any discriminatory practices. Race, color, sex, religion, political opinion, age, family obligations etc. are never considered while recruiting. EICL promises a work place free of harassment. Wages is never lower than what should be acceptable. Compensation paid to employees shall comply with all applicable wages laws. No employees are forced to work overtime so there is total prohibition on forced labor.

Freedom of association and collective bargaining can be observed here. The Company ensures that the work place and its environment do not endanger the physical integrity or health of the employees. Women are treated with great respect as well.

HUMAN RESOURCE MANAGEMENT FOR ALL MANAGERS



At Eastern Insurance Company Ltd. insurance is about customers. It is about offering a fair product that customers need at a reasonable price. This kind of mind set takes a certain kind of employee. They are not easy to find. In spite of economic uncertainty and rising unemployment, there is still scarcity in the Bangladesh labor market for the best people due to changing demographics. We are to attract and retain the best people, we must excel as an employer. We call this "employer ship". Our task as good employer is to create a strong, stimulating and innovative working environment in which employees can fully develop their potential and skills. For example, we are committed to training our employees so that they can be deployed throughout the Organization, thus increasing their employability.

The role of HR is expanding and it is not limited to the selection and recruitment procedure but also affecting the day to day activity of an Organization. The growth of the Organization depends on the sincerity and commitment of the employees. The increasing competition among the employees and tough market conditions has made it difficult for an Organization to survive and manage all the available resources effectively. Therefore, it was soon realized that the practice of HR policies needs to be practiced in all aspects of the Organization and it should not

remain restricted to selection process only. For the effective running of the Organization how all the Departmental Managers need to follow HR policies in letter and spirit.

The knowledge of HRM is very much effective for all the Managers to make the functioning of an Organization more productive and smooth. In the past only the big Organizations would maintain a separate HR Department and most of small Organizations did not have any existence of it but the trend is changing now rapidly. Managers are now frequently getting involvement in HR activities for running their Organizations effectively.

The ultimate aim of HRM is to develop the Organizational culture and to ascribe assistance to the Organization in achieving its vision and mission. Considering the importance and expansion of role of HR policy, it should be adopted by all top Managers for implementation in line with an Organization's mission, vision and business strategies which have been followed by Eastern Insurance Company Ltd.

DISCLOSURE POLICY OF EASTERN INSURANCE COMPANY LIMITED

We aim to disclose meaningful information regarding the Eastern Insurance Company Ltd. that enhances management transparency and fairness in connection with our 'Corporate Social Responsibility.'

DISCLOSURE POLICY

It is our policy to expeditiously disclose information in accordance with the Rules, Regulations and Notifications of Bangladesh Securities and Exchange Commission and Listing Regulations stipulated by the Stock Exchanges.

We strive for timely, accurate and fair disclosure of other information that is relevant to our customer, shareholders and investors, representative offices and employees as well as entire society.

DISCLOSURE METHOD

Disclosure pursuant to the Stock Exchanges and BSEC's rules, regulations and other requirements is made through the Timely disclosure network as well as the press and other appropriate means. We subsequently post the disclosed information in our website.

DISCLAIMER

Disclosure made based on this disclosure policy is intended to accurately, expeditiously and fairly inform the public regarding the Eastern Insurance Company Ltd.'s activities and is not intended to constitute an investment offer or solicitation.

VALUES

Eastern Insurance Company Ltd. wants to be recognized by its Stakeholders through a set of four values:

- (1) **Strength (Stability)** : We are credible, now and in the future. We are a solid partner, providing to our staff opportunities, challenges and enlarged prospects.
- (2) **Responsibility (Credibility)** : We listen, understand and respond to customers and society needs. We understand that to achieve it our employees are crucial and therefore we offer them the means to grow and develop their talents in full.
- (3) **Innovation (Creativity)** : We strive for better and more appropriate solutions. We encourage people to use their initiative and develop their entrepreneurial spirit.
- (4) **Straight forward (Pragmatism)** : We are frontal and act with transparency. These values are supported by a set of behaviors and business practices which are assumed on a day to day by its employees.

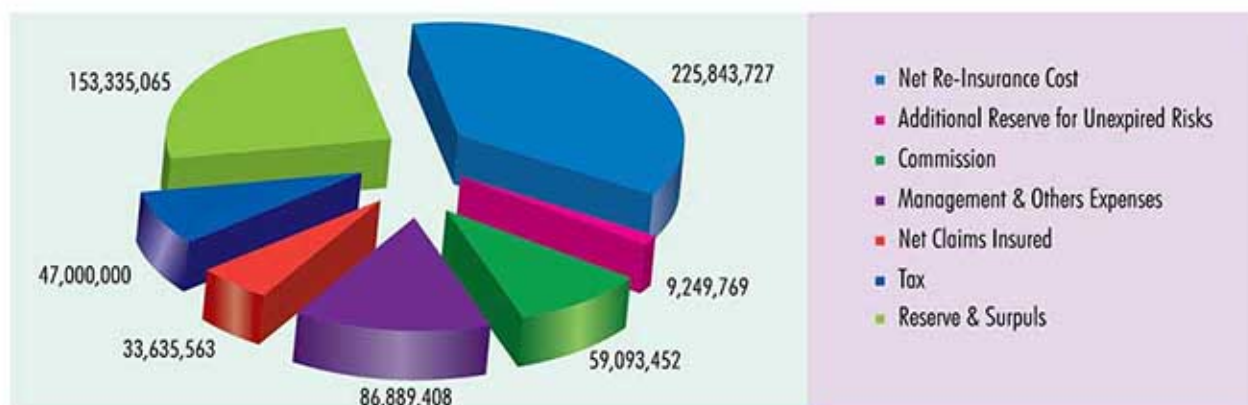
VALUE ADDED STATEMENT

for the year ended 31 December, 2018

Value added statement shows how much value earned by the organization during the year of account and utilization of its capacity, capital, manpower and other resources and how it is allocated among different stakeholders (employees, insured, shareholders, government, etc.) as well as reinvestment for the replacement of assets and further expansion of the business of the Company in an accounting period.

The Value added statement of Eastern Insurance Company Limited for the year 2018 is appended below:

PARTICULARS	2018 Taka	2017 Taka
Sources of the Value Added:		
Gross Premium	460,805,378	418,867,413
Commission on Re-Insurance Ceded	32,887,096	28,814,947
Investment & Other Income	121,366,399	124,359,509
Deferred Tax Income / (Expenses)	(11,889)	(76,089)
Total Value added	615,046,984	571,965,780
Distribution of the Value Added		
Net Re-Insurance Cost	225,843,727	208,223,183
Additional Reserve for Unexpired Risks	9,249,769	1,879,627
Commission	59,093,452	55,484,054
Management & Others Expenses	86,889,408	71,934,649
Net Claims Insured	33,635,563	43,555,680
Tax	47,000,000	41,500,000
Reserve & Surplus	153,335,065	149,388,587
Total Distribution	615,046,984	571,965,780



ECONOMIC VALUE ADDED STATEMENT

Economic Value - Added (EVA) is the surplus generated by an Insurance Company after meeting an equitable charge towards providers of capital. It is the post-tax return on capital employed (adjusted for the tax shield on debit) less the cost of capital employed. Companies which earn higher returns than cost of capital create value, and companies which earn lower returns than cost of capital are deemed harmful for shareholder value. Shareholders/Equity providers are always conscious about their return on capital invested. As a general insurance Company, EICL is deeply concerned for delivery of value to all of our shareholders/Equity providers.

PARTICULARS	2018 Taka	2017 Taka
Shareholder's equity at the ended of the year	431,101,440	431,101,440
Average Shareholders equity	431,101,440	431,101,440
*Cost of equity (%)	13.50%	13.50%
Economic Value Added	95,148,260	91,189,893
Net profit after tax	153,346,954	149,388,587
Less: Cost of equity	58,198,694	58,198,694

Cost of Equity = Shareholders Equity X Required Rate of Return (13.50%)

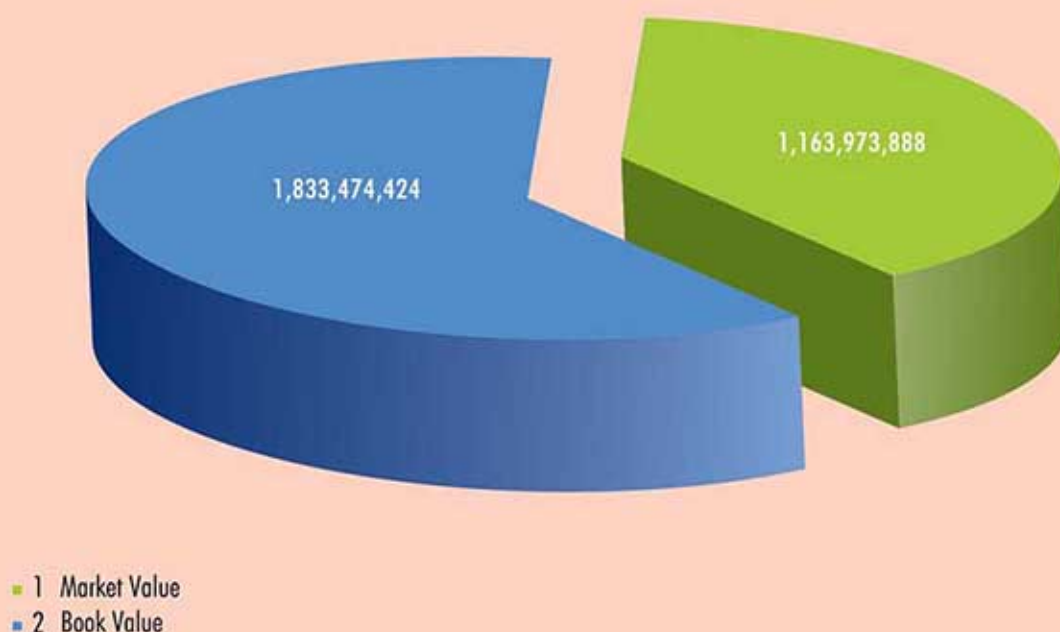
Required rate of return has been assumed @ 11.50% Interest on Bangladesh Govt. Treasury Bond plus 2% risk premium.

MARKET VALUE ADDED STATEMENT

For the year ended on 31 December, 2018

Market value added (MVA) shows the difference between the market value of a Company and the capital contributed by investors (shareholders). In other words, it is the sum of all capital claims held against the company plus the market value of debt and equity during a period of time. A high Market Value Added indicates that the Company has created substantial wealth for the equity holders. The share market value of the Company stood at BDT 1,163.97 million whereas the book value of the share stood at BDT 1,833.47 million, resulting a Market Value added/(declined) of BDT (669.50) million as of December 31, 2018.

PARTICULARS	Number of Shares	Value Per Share Taka	Total Value Taka
Market Value	43,110,144	27.00	1,163,973,888
Book Value	43,110,144	42.53	1,833,474,424
Market Value Added/(declined)			(669,500,536)



DISCLOSURES PERTAINING TO SOLVENCY MARGIN

Assets, Liabilities and Solvency Margin For the year ended as at 31 December 2018

(Taka in million)

S. N.	Class of Business	Gross Premium	Net Premium	Factor	G.P. after application of Factor	20% of GPF	20% of NP	20% of (NP & GPF) which is higher
1	Fire	199.94	75.51	0.50	99.97	19.99	15.10	19.99
	Marine:							
2	Marine Cargo	135.41	94.29	0.70	94.79	18.96	18.86	18.96
3	Marine Hull	9.85	2.41	0.50	4.93	0.99	0.48	0.99
	Miscellaneous:							
4	Motor	63.99	59.49	0.85	54.39	10.88	11.90	11.90
5	Miscellaneous	51.61	3.25	0.70	36.13	7.23	0.65	7.23
	Total	460.80	234.95					59.06

Total Assets as per Balance Sheet (Tk in million)		2,295.02	Total Liabilities	
Less :			Sundry Creditors	73.20
			Amount due to others	176.27
Amount due from others	59.31		Provision for taxation	129.32
Outstanding premium	-		Deposit Premium	18.56
Furniture & Fixture	2.05		Reserve for Unexpired risk	95.43
Office Decoration	5.36	66.72	Reserve for exceptional loss	326.70
Total Assets - A		2,228.30	Total liabilities - B	819.48
Solvency Margin Available (A-B)			1,408.82	
Required Solvency Margin			59.06	

ACCOUNTING RATIOS PARTAINING TO INSURANCE SECTOR

PARTICULARS	2018	2017
Reinsurance Premium Ceded as Gross Premium	49.01%	49.71%
Commission Paid as % of Gross Premium	12.82%	13.24%
Net R/I Commission Earned as % of Gross Premium	7.13%	6.87%
Net R/I Commission Earned as % of Net Premium	13.99%	13.67%
Management Expenses (Revenue A/C) as % of Gross Premium	16.84%	14.86%
Management Expenses (Revenue A/C) as % of Net Premium	33.02%	29.56%
Net Claims Insured as % of Gross Premium	7.29%	12.23%
Net Claims Insured as % of Net Premium	14.31%	24.33%
Underwriting Result as % of Gross Premium	19.03%	18.08%
Underwriting Result as % of Net Premium	37.34%	35.95%

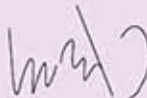
DIRECTORS CERTIFICATE

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

- 1. The value of investments in shares and debentures have been taken at cost and the quoted value thereof mentioned wherever available.*
- 2. The Values of all assets as shown in the Balance Sheet and as classified on Form "AA" annexed have been duly reviewed as at 31st December, 2018 and in our belief, the said assets have been set forth in the Balance Sheet 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.*



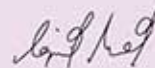
Chairman



Chief Executive Officer



Director



Director

Eastern Insurance Co. Ltd.



REPORT OF THE AUDIT COMMITTEE

Audit Committee of Eastern Insurance Company Limited comprises of 7 (Seven) Directors nominated by the Board of Directors. The objectives of the Committee is to ensure that proper and adequate internal controls are in place to facilitate the smooth functioning of the company's operation. The Committee ensures that a sound financial reporting system is in place. This system is well managed and can provide accurate and appropriate information to the Board of Directors, Management, Regulatory bodies, Shareholders and other interested parties. During 2018, the Committee carried out the following tasks:

- (1) Review of Annual Financial Statement for the year 2018.
- (2) Review of Audit report for the year 2018 as submitted by the external auditors.
- (3) Review of Quarterly and Half yearly Financial Statements of the Company.
- (4) Review of Internal Audit Reports of the Company and recommend appropriate measures to the Management arising out of the findings of such reports.

Dated: Dhaka
June 23, 2019

Sd/-
Chairman
Audit Committee

AUDITOR'S REPORT

Eastern Insurance Company Limited
Independent Auditor's Report To the Shareholders

106-110

Independent Auditor's Report

To the Shareholders of Eastern Insurance Company Limited

Report on the Audit of the Financial Statements

Opinion

We have audited the consolidated financial statements of Eastern Insurance Company Limited and its subsidiary (EIC Securities Ltd.) as well as the separate financial statements of Eastern Insurance Company Limited which comprise the Consolidated and separate Balance Sheet as at 31 December 2018, Consolidated and separate Profit and Loss Account, Consolidated and separate Profit and Loss Appropriation Account, related Revenue Accounts, Consolidated and separate Statement of Changes in Equity and Consolidated and separate Statement of Cash Flows for the year then ended, and notes to the Consolidated and separate financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements of the Group and separate financial statements of the insurance company present fairly, in all material respects, the consolidated balance sheet of the Group and separate balance sheet of the insurance company as at 31 December 2018, and its Consolidated and separate Profit and Loss Account and its Consolidated and separate cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs), the Companies Act 1994, the Insurance Act 2010, the Insurance Rules 1958, the Securities and Exchange Rules 1987 and other applicable laws and regulations.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code) together with the ethical requirements that are relevant to our audit of the financial statements in Bangladesh, and we have fulfilled our other ethical responsibilities in accordance with the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the current year. During the course of the audit, we considered premium income and investment in other entity's shares as significant matter. To address the risk arising in the key audit matter we made sure that we do check the premium income with their individual policies of the insurer, we obtained the share portfolio and cross checked against each share transactions of the share investment and we also verified the each bank balance with their bank statements and the reconciliation. We calculate reserve for unexpired risk of premium income during the year according to Insurance Development & Regulatory Authority Bangladesh.

Risk	Our response to the risk
Premium Income	
<p>Gross premium amount of Tk. 460,805,378 includes Tk. 66,849,037 received from public sector business for the whole year covered by contracts entered into during the year.</p> <p>Given the important nature, connections to other items to the financial statements and sensitivity of the item we believe this area pose high level of risk.</p>	<p>With respect to Premium income in respect of various types of insurance we carried out the following procedures:</p> <ul style="list-style-type: none"> ➤ The design and operating effectiveness of key controls around premium income recognition process. ➤ Carried out analytical procedures and recalculated premium income for the period. ➤ Carried out cut-off testing to ensure unearned premium income has not been included in the premium income. ➤ On a sample basis reviewed policy to ensure appropriate policy stamp was affixed to the contract and the same has been reflected in the premium register.

Risk	Our response to the risk
	<ul style="list-style-type: none"> ➤ Ensured on a sample basis that the premium income was being deposited in the designated bank account. ➤ Tested on a sample basis to see that appropriate VAT was being collected and deposited to bank through Treasury Challan. ➤ For a sample of insurance contracts tested to see if appropriate level of reinsurance was done and whether that reinsurance premium was deducted from the gross premium. ➤ Applying specialist judgment ensured if there is any impairment of the reinsurer. ➤ Finally assessed the appropriateness and presentation of disclosures against relevant accounting standards, Insurance Act 1938 (as amended in 2010), Insurance Rules, 1958 and other applicable rules and regulations and regulatory guidelines.
See note no. 26 to the financial statements	
Investment Fluctuation Fund	
<p>Eastern Insurance Company Ltd. and its subsidiary EIC Securities Ltd. make a number of investments in the listed and unlisted capital market with required regulatory permission. Incomes generated from the investments dividend received are amount of Tk. 20,651,170 & 210,245 respectively. On the other side gain on sale of share amount of Tk. 31,165,447 & 3,307,150 respectively, which is net of figure of profit from sale of share and losses from sale of share. These incomes are credited to the Profit & Loss Account.</p> <p>These items have significant impact on the earnings performance of the company and return to the shareholders.</p>	<p>We tested the design and operating effectiveness of key controls around monitoring, valuation and updating of prices of the positions held by the company from trusted sources. Additionally, we performed the following:</p> <ul style="list-style-type: none"> ➤ Obtained year-end share holding positions from the company and through directional testing assessed the completeness of the report. ➤ Reviewed and challenged the assumptions used for the valuation models for any unquoted securities. ➤ Recalculated realized gain or loss at the year end. ➤ Carried out cut-off testing to ensure unrealized gain or loss was recognized in correct period. ➤ Obtained the share portfolio and cross checked against each share transactions. ➤ Finally assessed the appropriateness and presentation of disclosures against relevant accounting standards, Insurance Act 1938 (as amended in 2010), Insurance Rules, 1958 and other applicable rules and regulations and regulatory guidelines.
See note no. 21 & 22 to the financial statements	
Measurement of Deferred Tax Assets	
<p>The Company reports deferred tax assets amount of Tk.32,391 as at 31 December 2018.</p> <p>Significant judgment is required in relation to deferred tax assets as their recoverability is dependent on forecasts of future profitability over a number of years.</p>	<ul style="list-style-type: none"> ➤ We obtained an understanding, evaluated the design and tested the operational effectiveness of the Company's key controls over the recognition and measurement of DTAs and the assumptions used in estimating the Company's future taxable income.

Risk	Our response to the risk
	<ul style="list-style-type: none"> ➤ We also assessed the completeness and accuracy of the data used for the estimations of future taxable income. ➤ We involved tax consultant to assess key assumptions, controls, recognition and measurement of DTA's. ➤ Finally assessed the appropriateness and presentation of disclosures against IAS 12 Income Tax.
See note no. 12 to the financial statements	
Estimated liability in respect of outstanding claims whether due or intimated	
<p>Company represents Tk. 63,699,491 as the estimated liability in respect of outstanding claims whether due or intimated from the insured and involves significant management judgment and risk of understatement.</p>	<p>We tested the design and operating effectiveness of controls around the due and intimated claim recording process.</p> <p>We additionally carried out the following substantive testing's around this item:</p> <ul style="list-style-type: none"> ➤ Obtained the claim register and tested for completeness of claim recorded in the register on a sample basis. ➤ Obtained a sample of claimed policy copy and cross check it with claim. ➤ Obtained a sample of survey reports cross checked those against respective ledger balances and in case of discrepancy carried out further investigation. ➤ Obtained and discussed with management about their basis for estimation and challenged their assumptions where appropriate. ➤ Reviewed the claim committee meeting minutes about decision about impending claims. ➤ Tasted a sample of claims payments with intimation letter, survey report, bank statement, claim payment register and general ledger. ➤ Finally assessed the appropriateness and presentation of disclosures against relevant accounting standards, Insurance Act 1938 (as amended in 2010), Insurance Rules, 1958 and other applicable rules and regulations and regulatory guidelines.
See note no. 8 to the financial statements	

Other Information

Management is responsible for the other information. The other information comprises all of the information in the Annual report other than the financial statements and our auditors' report thereon. The directors are responsible for the other information.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information; we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Those Charged with Governance for the Financial Statements and Internal Controls

Management is responsible for the preparation and fair presentation of the financial statements in accordance with IFRSs, the Companies Act 1994, the Insurance Act 2010, the Insurance Rules 1958, the Securities and Exchange Rules 1987 and other applicable laws and regulations and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on other Legal and Regulatory Requirements

In accordance with the Companies Act 1994, the Insurance Act 2010, the Insurance Rules 1958, the Securities and Exchange Rules 1987 and relevant notifications issues by Bangladesh Securities and Exchange Commission, we also report that:

- a) We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit and made due verification thereof;
- b) In our opinion, proper books of accounts, records and other statutory books as required by law have been kept by the Company so far as it appeared from our examinations of those books;
- c) The Company management has followed relevant provisions of laws and rules in managing the affairs of the Company and proper books of accounts, records and other statutory books have been properly maintained and (where applicable) proper returns adequate for the purposes of our audit have been received from branches not visited by us;
- d) As per section 63(2) of the Insurance Act 2010, in our opinion to the best of our knowledge and belief an according to the information and explanation given to us, all expenses of management wherever incurred and whether incurred directly or indirectly, in respect of insurance business of the company transacted in Bangladesh during the year under report have been duly debited to the related Revenue Accounts and the Statement of Comprehensive Income of the Company;
- e) We report that to the best of our information and as shown by its books, the company during the year under report has not paid any person any commission in any form, outside Bangladesh in respect of any its business re-insured abroad;
- f) Balance Sheet, Profit and Loss Account, Profit and Loss Appropriation Account, related Revenue Accounts, Statement of Changes in Equity and Statements of Cash Flows of the Company together with the annexed notes dealt with by the report are in agreement with the books of account and returns; and
- g) The expenditure was incurred for the purpose of the Company's business.

Dated: Dhaka, April 29, 2019



Md. Showkat Hossain, FCA
Partner

FINANCIAL STATEMENTS

Eastern Insurance Company Limited

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Consolidated Balance Sheet

(Consolidated Statement of Financial Position)

As at December 31, 2018

Capital and Liabilities	Notes	31-12-2018	31-12-2017
Share Capital			
Authorized Share Capital			
100,000,000 Ordinary Shares of Tk. 10/- each	3.0	1,000,000,000	1,000,000,000
Issued, Subscribed & Paid-up Share Capital			
43,110,144 Ordinary shares of Tk. 10/- each	3.0	431,101,440	431,101,440
Share premium	4.0	356,686,881	356,686,881
Revaluation reserve	5.0	463,261,476	463,261,476
Reserve and Contingency Account		493,307,957	423,999,593
Reserve for Exceptional Losses	6.0	326,699,576	280,619,038
General reserve		72,500,000	52,500,000
Profit & Loss Appropriation Account Balance		94,108,382	90,880,555
Total Shareholders' Equity		1,744,357,754	1,675,049,390
Balance of Funds and Accounts		95,431,959	86,182,190
Fire Insurance Business		30,203,740	22,305,011
Marine Insurance Business		40,129,766	37,148,782
Motor Insurance Business		23,798,916	25,492,170
Miscellaneous Insurance Business		1,299,536	1,236,227
Premium Deposits	7.0	18,569,635	19,376,383
Liabilities and Provisions		444,790,083	382,715,102
Estimated liabilities in respect of outstanding claims whether due or intimated	8.0	63,699,491	73,322,008
Provision for expenses	9A	491,605	333,473
Amount due to other persons or bodies carrying on insurance business	10.0	176,268,780	155,637,132
Sundry creditors	11A	74,632,710	70,442,066
Provision for taxation	13A	129,697,297	82,980,223
Minority interest		200	200
Total Liabilities		463,359,718	402,091,485
Total Shareholders' Equity & Liabilities		2,303,149,431	2,163,323,065


Chief Executive Officer


Director

Consolidated Balance Sheet

(Consolidated Statement of Financial Position)

As at December 31, 2018

Assets & Properties	Notes	31-12-2018	31-12-2017
Investments (at cost)		353,820,733	326,363,717
Statutory deposits-Investment in Bangladesh Govt. Treasury Bond (BGTB)		25,000,000	25,000,000
Investment in Shares & debentures	14A	328,820,733	301,363,717
Interest, Dividends & Rent outstanding (Interest/Profit accrued but not due)	15.0	20,837,140	16,764,763
Sundry debtors (Including advance, deposit & Pre-payments)		77,633,789	38,152,690
Advance Income tax	16A	47,630,698	8,981,989
Rent & others	16B	30,003,091	29,170,701
Cash and cash equivalents	17A	1,261,828,119	1,201,456,102
Cash in hand		16,156,301	16,016,933
Cash at banks on STD accounts		43,089,011	47,901,416
Cash at banks of CD accounts		2,582,807	3,171,570
Fixed deposits with Banks		1,200,000,000	1,134,366,183
Amount due from other persons or bodies carrying on insurance business	18.0	59,310,647	47,960,491
Deferred Tax Assets	12.0	32,391	44,280
Fixed assets (at cost Less accumulated depreciation)	19A	247,915,817	251,362,977
Goodwill for CSE Membership		280,000,000	280,000,000
Stock of printing, stationery and stamps	20.0	1,770,795	1,218,045
Total Assets and Properties		2,303,149,431	2,163,323,065
Net Asset Value Per Share (NAV)		42.68	40.85

The annexed Notes 1 to 36 form an integral part of these financial statements. These financial statement were approved by the Board of Directors on 28th April 2019 and were signed on its behalf by:

J. Rahman
Director

Dated: Dhaka, April 29, 2019

A. Wahab
Chairman

Subject to our separate report of even date.

A. Wahab & Co.
(A. WAHAB & CO.)
CHARTERED ACCOUNTANTS

Consolidated Profit and Loss Account

(Consolidated Statement of Profit or Loss & Other Comprehensive Income)

For the year ended December 31, 2018

Particulars	Notes	31-12-2018	31-12-2017
Expenses of management : (Not Applicable to any particular fund or Account)		10,322,292	10,960,093
AGM & others		1,277,809	776,465
Directors fee		401,350	358,750
Audit & credit rating fees		345,000	339,250
Registration fees		2,146,789	2,404,208
Legal expenses		275,730	261,275
Advertisement & publicity		831,219	654,472
Subscription		54,720	267,550
Depreciation		3,418,931	4,080,005
Expenses of Management of EIC Securities Ltd.		1,570,744	1,818,118
 Net profit transferred to profit and loss appropriation account		 202,913,305	 194,206,018
Total		213,235,597	205,166,111
 Interest, Dividend and Rents: (Not Applicable to any particular fund or Account)			
Interest and Dividend Income	21A	91,030,897	88,583,381
Profit/(Loss) Transferred from		87,732,103	75,747,141
Fire Revenue Account		16,776,432	14,452,523
Marine Revenue Account		54,992,822	41,869,225
Motor Revenue Account		22,337,683	20,013,178
Miscellaneous Revenue Account		(6,374,833)	(587,785)
Sundry Income		34,472,597	40,835,588
Gain on Sale of Share	22A	34,472,597	40,835,588
Total		213,235,597	205,166,111

The annexed Notes 1 to 36 form an integral part of these financial statements. These financial statement were approved by the Board of Directors on 28th April 2019 and were signed on its behalf by:


Chief Executive Officer


Director


Director


Chairman

Subject to our separate report of even date.


(A. WAHAB & CO.)
CHARTERED ACCOUNTANTS

Dated: Dhaka, April 29, 2019

Consolidated Profit and Loss Appropriation Account

For the year ended December 31, 2018

Particulars	Notes	31-12-2018	31-12-2017
Reserve for exceptional losses		46,080,538	41,886,741
Provision for taxation		47,372,764	42,155,690
General reserve		20,000,000	24,000,000
Deferred tax expenses	12.0	11,889	76,089
		113,465,191	108,118,520
Balance transfered to Statement of Financial position		94,108,382	90,880,555
Total		207,573,572	198,999,075
Balance brought forward from last year	23A	4,660,267	4,793,057
Balance transferred from Profit and Loss Account		202,913,305	194,206,018
Total		207,573,572	198,999,075
Earning Per Share (EPS)	27A	3.61	3.53

The annexed Notes 1 to 36 form an integral part of these financial statements. These financial statement were approved by the Board of Directors on 28th April 2019 and were signed on its behalf by:


Chief Executive Officer


Director


Director


Chairman

Subject to our separate report of even date.

Dated: Dhaka, April 29, 2019


(A. WAHAB & CO.)
CHARTERED ACCOUNTANTS

Consolidated Statement of Changes in Equity

For the year ended December 31, 2018

Particulars	Share Capital	Retained Earnings	Reserve for Exceptional Losses	General Reserve	Share Premium	Revaluation Reserve	Total
Balance as on December 31, 2017	431,101,440	90,880,555	280,619,038	52,500,000	356,686,881	463,261,476	1,675,049,390
Dividend for the year 2017	-	(86,270,288)	-	-	-	-	(86,270,288)
Net Profit for the year 2018 (after tax)	-	155,528,652	-	-	-	-	155,528,652
Reserve for exceptional losses	-	(46,080,538)	46,080,538	-	-	-	-
General Reserve	-	(20,000,000)	-	20,000,000	-	-	-
Balance as on December 31, 2018	431,101,440	94,108,382	326,699,576	72,500,000	356,686,881	463,261,476	1,744,357,754


For the year ended December 31, 2017

Particulars	Share Capital	Retained Earnings	Reserve for Exceptional Losses	General Reserve	Share Premium	Revaluation Reserve	Total
Balance as on December 31, 2016	431,101,440	91,013,345	238,732,297	28,500,000	356,686,881	463,261,476	1,609,295,439
Dividend for the year 2016	-	(86,270,288)	-	-	-	-	(86,270,288)
Net Profit for the year 2017 (after tax)	-	151,974,239	-	-	-	-	151,974,239
Reserve for Exceptional losses	-	(41,886,741)	41,886,741	-	-	-	-
General reserve	-	(24,000,000)	-	24,000,000	-	-	-
Balance as on December 31, 2017	431,101,440	90,880,555	280,619,038	52,500,000	356,686,881	463,261,476	1,675,049,390

The annexed Notes 1 to 36 form an integral part of these financial statements. These financial statement were approved by the Board of Directors on 28th April 2019 and were signed on its behalf by:


Chief Executive Officer


Director


Director


Chairman

Subject to our separate report of even date.


(A. WAHAB & CO.)
CHARTERED ACCOUNTANTS

Dated: Dhaka, April 29, 2019

Consolidated Statement of Cash Flows

For the year ended December 31, 2018

Particulars	31-12-2018	31-12-2017
Cash flows from operating activities		
Turnover against insurance business & others	517,482,143	475,890,131
Investment & other income	75,748,786	65,430,574
Business cost and all other expenses	(401,769,129)	(382,583,421)
Income tax paid	(28,821,059)	(24,015,405)
Net cash flows from operating activities	162,640,741	134,721,879
Cash flows from investing activities		
Investment in shares (Net)	(27,071,112)	1,632,124
Acquisitions of fixed assets	(224,225)	(1,073,989)
Net cash used in investing activities	(27,295,337)	558,135
Cash flows from financing activities		
Dividend paid	(74,973,387)	(77,913,025)
Total cash flows from financing activities	(74,973,387)	(77,913,025)
Net increase in cash & Cash equivalents during the year	60,372,017	57,366,989
Opening cash & Cash equivalents at beginning of the year	1,201,456,102	1,144,089,113
Closing cash & Cash equivalents at end of the year	1,261,828,119	1,201,456,102
Number of shares	43,110,144	43,110,144
Net operating cash flows per share	3.77	3.13

The annexed Notes 1 to 36 form an integral part of these financial statements. These financial statement were approved by the Board of Directors on 28th April 2019 and were signed on its behalf by:


Chief Executive Officer


Director


Director


Chairman

Subject to our separate report of even date.

Dated: Dhaka, April 29, 2019


(A. WAHAB & CO.)
CHARTERED ACCOUNTANTS

Balance Sheet

(Statement of Financial Position)

As at December 31, 2018

Capital and Liabilities	Notes	31-12-2018	31-12-2017
Share Capital			
Authorized Share Capital			
100,000,000 Ordinary Shares of Tk. 10/- each	3.0	1,000,000,000	1,000,000,000
Issued, Subscribed & Paid-up Share Capital			
43,110,144 Ordinary shares of Tk. 10/- each	3.0	431,101,440	431,101,440
Share premium	4.0	356,686,881	356,686,881
Revaluation reserve	5.0	463,261,476	463,261,476
Reserve and Contingency Account		487,010,127	419,895,350
Reserve for Exceptional Losses	6.0	326,699,575	280,619,038
General reserve		72,500,000	52,500,000
Profit & Loss Appropriation Account Balance		87,810,551	86,776,312
Total Shareholders' Equity		1,738,059,924	1,670,945,147
Balance of Funds and Accounts		95,431,959	86,182,190
Fire Insurance Business		30,203,740	22,305,011
Marine Insurance Business		40,129,766	37,148,782
Motor Insurance Business		23,798,916	25,492,170
Miscellaneous Insurance Business		1,299,536	1,236,227
Premium Deposits	7.0	18,569,635	19,376,383
Liabilities and Provisions		442,965,075	375,802,743
Estimated liabilities in respect of outstanding claims whether due or intimated	8.0	63,699,491	73,322,008
Provision for expenses	9.0	468,497	289,519
Amount due to other persons or bodies carrying on insurance business	10.0	176,268,780	155,637,132
Sundry creditors	11.0	73,203,774	64,229,551
Provision for taxation	13.0	129,324,533	82,324,533
Total Liabilities		461,534,710	395,179,126
Total Shareholders' Equity & Liabilities		2,295,026,593	2,152,306,463


Chief Executive Officer


Director

Balance Sheet

(Statement of Financial Position)

As at December 31, 2018

Assets & Properties	Notes	31-12-2018	31-12-2017
Investments (at cost)		632,169,757	606,755,624
Statutory deposits-Investment in Bangladesh Govt. Treasury Bond (BGTB)		25,000,000	25,000,000
Investment in Shares & debentures	14.0	607,169,757	581,755,624
Interest, Dividends & Rent outstanding (Interest/Profit accrued but not due)	15.0	20,837,140	16,764,763
Sundry debtors (Including advance, deposit & Pre-payments)	16.0	76,760,640	37,294,749
Advance Income tax		47,299,188	8,124,048
Rent & others		29,461,452	29,170,701
Cash and cash equivalents	17.0	1,258,501,493	1,193,430,075
Cash in hand		16,153,374	16,014,206
Cash at banks on STD accounts		40,034,516	44,704,423
Cash at banks of CD accounts		2,313,603	2,611,446
Fixed deposits with Banks		1,200,000,000	1,130,100,000
Amount due from other persons or bodies carrying on insurance business	18.0	59,310,647	47,960,491
Deferred Tax Assets	12.0	32,391	44,280
Fixed assets (at cost Less accumulated depreciation)	19.0	245,643,730	248,838,436
Stock of printing, stationery and stamps	20.0	1,770,795	1,218,045
Total Assets and Properties		2,295,026,593	2,152,306,463
Net Asset Value Per Share (NAV)		42.53	40.76

The annexed Notes 1 to 36 form an integral part of these financial statements. These financial statement were approved by the Board of Directors on 28th April 2019 and were signed on its behalf by:


Director


Chairman

Subject to our separate report of even date.


(A. WAHAB & CO.)
CHARTERED ACCOUNTANTS

Dated: Dhaka, April 29, 2019

Profit and Loss Account

(Statement of Profit or Loss & Other Comprehensive Income)

For the year ended December 31, 2018

Particulars	Notes	31-12-2018	31-12-2017
Expenses of management : (Not Applicable to any particular fund or Account)		8,751,548	9,141,975
AGM & others		1,277,809	776,465
Directors fee		401,350	358,750
Audit & credit rating fees		345,000	339,250
Registration fees		2,146,789	2,404,208
Legal expenses		275,730	261,275
Advertisement & publicity		831,219	654,472
Subscription		54,720	267,550
Depreciation		3,418,931	4,080,005
 Net profit transferred to profit and loss appropriation account		200,346,954	190,964,676
Total		209,098,502	200,106,651
 Interest, Dividend and Rents: (Not Applicable to any particular fund or Account)			
Interest and Dividend Income	21.00	90,200,952	84,936,012
Profit/(Loss) Transferred from		87,732,103	75,747,142
Fire Revenue Account		16,776,432	14,452,523
Marine Revenue Account		54,992,822	41,869,225
Motor Revenue Account		22,337,683	20,013,178
Miscellaneous Revenue Account		(6,374,833)	(587,785)
Sundry Income		31,165,447	39,423,497
Gain on Sale of Share	22.00	31,165,447	39,423,497
Total		209,098,502	200,106,651

The annexed Notes 1 to 36 form an integral part of these financial statements. These financial statement were approved by the Board of Directors on 28th April 2019 and were signed on its behalf by:

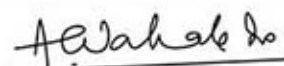

Chief Executive Officer


Director


Director


Chairman

Subject to our separate report of even date.



(A. WAHAB & CO.)
CHARTERED ACCOUNTANTS

Dated: Dhaka, April 29, 2019

Profit and Loss Appropriation Account

For the year ended December 31, 2018

Particulars	Notes	31-12-2018	31-12-2017
Reserve for exceptional losses		46,080,538	41,886,741
Provision for taxation		47,000,000	41,500,000
General reserve		20,000,000	24,000,000
Deferred tax expenses	12.0	11,889	76,089
		113,092,427	107,462,831
Balance transferred to Balance Sheet		87,810,551	86,776,312
Total		200,902,978	194,239,142
Balance brought forward from last year	23.0	556,024	3,274,466
Balance transferred from Profit and Loss Account		200,346,954	190,964,676
Total		200,902,978	194,239,142
Earning Per Share (EPS)	27.0	3.56	3.47

The annexed Notes 1 to 36 form an integral part of these financial statements. These financial statement were approved by the Board of Directors on 28th April 2019 and were signed on its behalf by:


Chief Executive Officer


Director


Director


Chairman

Subject to our separate report of even date.


(A. WAHAB & CO.)
CHARTERED ACCOUNTANTS

Dated: Dhaka, April 29, 2019

Statement of Changes in Equity

For the year ended December 31, 2018

Particulars	Share Capital	Retained Earnings	Reserve for Exceptional Losses	General Reserve	Share Premium	Revaluation Reserve	Total
Balance as on December 31, 2017	431,101,440	86,776,312	280,619,038	52,500,000	356,686,881	463,261,476	1,670,945,147
Dividend for the year 2017	-	(86,220,288)	-	-	-	-	(86,220,288)
Net Profit for the year 2018 (after tax)	-	153,335,065	-	-	-	-	153,335,065
Reserve for exceptional losses	-	(46,080,538)	46,080,538	-	-	-	-
General Reserve	-	(20,000,000)	-	20,000,000	-	-	-
Balance as on December 31, 2018	431,101,440	87,810,551	326,699,576	72,500,000	356,686,881	463,261,476	1,738,059,924

For the year ended December 31, 2017

Particulars	Share Capital	Retained Earnings	Reserve for Exceptional Losses	General Reserve	Share Premium	Revaluation Reserve	Total
Balance as on December 31, 2016	431,101,440	89,494,754	238,732,297	28,500,000	356,686,881	463,261,476	1,607,776,848
Dividend for the year 2016	-	(86,220,288)	-	-	-	-	(86,220,288)
Net Profit for the year 2017 (after tax)	-	149,388,587	-	-	-	-	149,388,587
Reserve for Exceptional losses	-	(41,886,741)	41,886,741	-	-	-	-
General reserve	-	(24,000,000)	-	24,000,000	-	-	-
Balance as on December 31, 2017	431,101,440	86,776,312	280,619,038	52,500,000	356,686,881	463,261,476	1,670,945,147

The annexed Notes 1 to 36 form an integral part of these financial statements. These financial statements were approved by the Board of Directors on 28th April 2019 and were signed on its behalf by:

Wahab
Chief Executive Officer

Amir Hossain
Director

J. Rahman
Director

Amir Hossain
Chairman

Subject to our separate report of even date.

A. Wahab & Co.
(A. WAHAB & CO.)
CHARTERED ACCOUNTANTS

Dated: Dhaka, April 29, 2019

Statement of Cash Flows

For the year ended December 31, 2018

Particulars	31-12-2018	31-12-2017
Cash flows from operating activities		
Turnover against insurance business & others	458,707,099	424,081,547
Investment & other income	75,373,737	62,529,949
Business cost and all other expenses	(344,705,873)	(329,539,383)
Income tax paid	(28,691,800)	(23,385,335)
Net cash flows from operating activities	160,683,163	133,686,778
Cash flows from investing activities		
Investment in shares (Net)	(25,414,133)	1,632,124
Acquisitions of fixed assets	(224,225)	(1,073,989)
Net cash used in investing activities	(25,638,358)	558,135
Cash flows from financing activities		
Dividend paid	(74,973,387)	(77,913,025)
Inter Company loan realised	5,000,000	-
Total cash flows from financing activities	(69,973,387)	(77,913,025)
Net increase in cash & Cash equivalents during the year	65,071,418	56,331,888
Opening cash & Cash equivalents at beginning of the year	1,193,430,075	1,137,098,187
Closing cash & Cash equivalents at end of the year	1,258,501,493	1,193,430,075
Number of shares	43,110,144	43,110,144
Net operating cash flows per share	3.73	3.10

The annexed Notes 1 to 36 form an integral part of these financial statements. These financial statement were approved by the Board of Directors on 28th April 2019 and were signed on its behalf by:


Chief Executive Officer


Director


Director


Chairman

Subject to our separate report of even date.


(A. WAHAB & CO.)
CHARTERED ACCOUNTANTS

Dated: Dhaka, April 29, 2019

Consolidated Revenue Account

For the year ended December 31, 2018

Particulars	Notes	31-12-2018	31-12-2017
Claim under policies less Re-Insurance		33,635,563	43,555,680
Paid during the year	24.0	43,258,080	51,257,616
Total estimated liability in respect of outstanding claims at the end of the year whether due or intimated	8.0	63,699,491	73,322,008
Less: Outstanding at the end of the previous year		73,322,008	81,023,944
Agency commission		59,093,452	55,484,054
Expenses of management	25.0	77,604,331	62,266,669
Insurance stamps consumed		533,529	526,005
Profit transferred to Profit & Loss Account		87,732,103	75,747,142
Reserve for unexpired risks of premium income of the year as shown in the Balance Sheet		95,431,959	86,182,190
Total		354,030,937	323,761,740
		354,030,937	323,761,740
Balance of account at the beginning of the year (Reserve for unexpired risks)		86,182,190	84,302,563
Premium less Re-Insurance	26.0	234,961,651	210,644,230
Commission on Re-Insurance ceded		32,887,096	28,814,947
Total		354,030,937	323,761,740

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Director


Director


Chairman

Subject to our separate report of even date.


(A. WAHAB & CO.)
CHARTERED ACCOUNTANTS

Dated: Dhaka, April 29, 2019

Fire Insurance Revenue Account

For the year ended December 31, 2018


Particulars	Notes	31-12-2018	31-12-2017
Claim under policies less Re-Insurance		9,067,793	11,761,515
Paid during the year	24.0	19,347,959	27,321,398
Total estimated liability in respect of outstanding claims at the end of the year whether due or intimated	8.0	32,022,563	42,302,729
Less: Outstanding at the end of the previous year		42,302,729	57,862,612
Agency commission		28,663,200	24,868,605
Expenses of management	25.0	33,671,535	25,420,083
Insurance stamps consumed		222,620	217,838
Profit transferred to Profit & Loss Account		16,776,432	14,452,523
Reserve for unexpired risks of premium income of the year as shown in the Balance Sheet		30,203,740	22,305,011
Total		118,605,320	99,025,576
		118,605,320	99,025,576
Balance of account at the beginning of the year (Reserve for unexpired risks)		22,305,011	26,843,128
Premium less Re-Insurance	26.0	75,509,351	55,762,528
Commission on Re-Insurance ceded		20,790,958	16,419,920
Total		118,605,320	99,025,576

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Director


Chairman

Subject to our separate report of even date.


(A. WAHAB & CO.)
CHARTERED ACCOUNTANTS

Dated: Dhaka, April 29, 2019

Marine Insurance Revenue Account

For the year ended December 31, 2018

Particulars	Notes	31-12-2018	31-12-2017
Claim under policies less Re-Insurance		3,478,201	8,654,315
Paid during the year	24.0	2,488,673	6,119,478
Total estimated liability in respect of outstanding claims at the end of the year whether due or intimated	8.0	15,561,077	14,571,549
Less: Outstanding at the end of the previous year		14,571,549	12,036,712
Agency commission		19,398,991	18,929,001
Expenses of management	25.0	24,464,333	21,415,284
Profit transferred to Profit & Loss Account		54,992,822	41,869,225
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		40,129,766	37,148,782
Total		142,464,113	128,016,607
		142,464,113	128,016,607
Balance of account at the beginning of the year (Reserve for unexpired risks)		37,148,782	32,314,814
Premium less Re-Insurance	26.0	96,706,169	88,060,709
Commission on Re-Insurance ceded		8,609,162	7,641,084
Total		142,464,113	128,016,607

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Director


Director


Chairman

Subject to our separate report of even date.


(A. WAHAB & CO.)
CHARTERED ACCOUNTANTS

Dated: Dhaka, April 29, 2019

Motor Insurance Revenue Account

For the year ended December 31, 2018

Particulars	Notes	31-12-2018	31-12-2017
Claim under policies less Re-Insurance		18,932,813	21,792,940
Paid during the year	24.0	18,973,718	17,723,643
Total estimated liability in respect of outstanding claims at the end of the year whether due or intimated	8.0	14,124,715	14,165,620
Less: Outstanding at the end of the previous year		14,165,620	10,096,323
Agency commission		9,223,314	9,877,000
Expenses of management	25.0	10,776,728	10,168,476
Insurance stamps consumed		236,060	231,870
Profit transferred to Profit & Loss Account		22,337,683	20,013,178
Reserve for unexpired risks of premium income of the year as shown in the Balance Sheet		23,798,916	25,492,170
Total		85,305,514	87,575,635
		85,305,514	87,575,635
Balance of account at the beginning of the year (Reserve for unexpired risks)		25,492,170	22,850,158
Premium less Re-Insurance	26.0	59,497,291	63,730,426
Commission on Re-Insurance ceded		316,053	995,051
Total		85,305,514	87,575,635

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Director


Director


Chairman

Subject to our separate report of even date.


(A. WAHAB & CO.)
CHARTERED ACCOUNTANTS

Dated: Dhaka, April 29, 2019

Miscellaneous Insurance Revenue Account

For the year ended December 31, 2018

Particulars	Notes	31-12-2018	31-12-2017
Claim under policies less Re-Insurance		2,156,756	1,346,910
Paid during the year	24.0	2,447,730	93,097
Total estimated liability in respect of outstanding claims at the end of the year whether due or intimated	8.0	1,991,136	2,282,110
Less: Outstanding at the end of the previous year		2,282,110	1,028,297
Agency commission		1,807,947	1,809,448
Expenses of management	25.0	8,691,735	5,262,825
Insurance stamps consumed		74,849	76,297
Profit/Loss transferred to Profit & Loss Account		(6,374,833)	(587,785)
Reserve for unexpired risks of premium income of the year as shown in the Balance Sheet		1,299,536	1,236,227
Total		7,655,990	9,143,922
		7,655,990	9,143,922
Balance of account at the beginning of the year (Reserve for unexpired risks)		1,236,227	2,294,463
Premium less Re-Insurance	26.0	3,248,840	3,090,567
Commission on Re-Insurance ceded		3,170,923	3,758,892
Total		7,655,990	9,143,922

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Director


Director


Chairman

Subject to our separate report of even date.


(A. WAHAB & CO.)
CHARTERED ACCOUNTANTS

Dated: Dhaka, April 29, 2019

(XL-Form)

Statement of Showing Details of Re-Insurance Ceded and Accepted by the Company

During the Year Ended December 31, 2018

Own Business

Particulars	Premium			Commission			Claims		
	Direct Business	Paid on Re-Insurance Ceded	Net	Direct Business	Paid on Re-Insurance Ceded	Net	Direct Business	Paid on Re-Insurance Ceded	Net
Fire	191,087,998	117,869,737	73,218,261	28,663,200	20,499,383	8,163,817	21,328,779	2,411,947	18,916,832
Marine Cargo	119,661,494	29,264,611	90,396,883	17,949,224	6,574,099	11,375,125	2,134,287	-	2,134,287
Marine Hull	9,665,112	7,292,900	2,372,212	1,449,767	1,140,329	309,438	-	-	-
Motor	61,488,757	4,305,045	57,183,712	9,223,314	316,053	8,907,261	18,839,512	-	18,839,512
Misc.	12,052,980	9,544,933	2,508,047	1,807,947	1,140,412	667,535	2,222,116	-	2,222,116
Sub Total Tk.	393,956,341	168,277,226	225,679,115	59,093,452	29,670,276	29,423,176	44,524,694	2,411,947	42,112,747

Public Sector Business

Fire	8,849,613	6,558,523	2,291,090	-	291,575	(291,575)	1,452,409	1,021,282	431,127
Marine Cargo	15,750,286	11,853,164	3,897,122	-	886,512	(886,512)	374,485	44,000	330,485
Marine Hull	189,436	149,484	39,952	-	8,222	(8,222)	175,214	151,313	23,901
Motor	2,502,186	188,607	2,313,579	-	-	-	134,206	-	134,206
Misc.	39,557,516	38,816,723	740,793	-	2,030,511	(2,030,511)	7,929,280	7,703,666	225,614
Sub Total Tk.	66,849,037	57,566,501	9,282,536	-	3,216,820	(3,216,820)	10,065,594	8,920,261	1,145,333
Total : 2018	460,805,378	225,843,727	234,961,651	59,093,452	32,887,096	26,206,356	54,590,288	11,332,208	43,258,080
Total : 2017	418,867,413	208,223,183	210,644,230	55,484,054	28,814,947	26,669,107	76,951,568	25,693,952	51,257,616

Fixed Assets Schedule

For the year ended December 31, 2018

Annexure - A

Sl. No.	Particulars	Cost				Rate	Depreciation				Written down value as at December 31, 2018
		Opening balance	Disposal during the year	Addition during the year	Closing balance		Opening balance	Adjustment during the year	Charged during the year	Closing Balance	
1	Land	226,875,000	-	-	226,875,000		-	-	-	-	226,875,000
2	Motor Vehicles	20,199,442	-	-	20,199,442	20%	10,552,295	-	1,929,429	12,481,724	7,717,718
3	Furniture & fixtures	7,855,667	-	46,090	7,901,757	10%	5,623,454	-	227,830	5,851,284	2,050,473
4	Office equipment	2,201,166	-	-	2,201,166	15%	2,060,760	-	21,061	2,081,821	119,345
5	Office decoration	20,049,114	-	-	20,049,114	10%	14,089,131	-	595,998	14,685,129	5,363,985
6	Air cooler	3,738,583	-	-	3,738,583	15%	3,372,639	-	54,892	3,427,531	311,052
7	Electrical equipment	2,363,725	-	-	2,363,725	15%	1,724,500	-	95,884	1,820,384	543,341
8	Croceries & Cutleries	181,180	-	-	181,180	25%	176,241	-	1,235	177,476	3,704
9	Sundry assets	989,438	-	-	989,438	25%	965,475	-	5,991	971,466	17,972
10	Computer & printer	6,594,870	-	178,135	6,773,005	15%	3,994,216	-	416,818	4,411,034	2,361,971
11	Motor cycle	746,700	-	-	746,700	20%	397,738	-	69,792	467,530	279,170
Total - 2018		291,794,885	-	224,225	292,019,110		42,956,449	-	3,418,931	46,375,380	245,643,731
Total - 2017		290,720,896	-	1,073,989	291,794,885		38,876,444	-	4,080,005	42,956,449	248,838,436

Notes to the Financial Statements and significant accounting policies

For the year ended December 31, 2018

1.00 General information:

1.01 Legal status and nature of the company:

(a) Legal status and counter of operation:

The Company was incorporated on June 07, 1986 in Bangladesh as a Public Limited Company under the Companies Act, 1913 as amended in 1994. The certificate of commencement of insurance business was obtained from the Controller of Insurance, Government of Peoples Republic of Bangladesh. The shares of the Company are listed with Dhaka and Chittagong Stock Exchange.

(b) Subsidiary company:

The Company has also formed another subsidiary Company viz, EIC Securities Ltd., was to establish a brokerage house with a view to cope with the business needs of securities trading in the stock market as a member of Chittagong Stock Exchange (CSE) Ltd.

1.02 Address of registered office and place of business of the company:

The registered office of the Company is located at 44 Dilkusha C/A (1st & 2nd Floor), Dhaka-1000, Bangladesh. The operation of the company are being carried out through its 25 Branches located in different division of Bangladesh.

1.03 Principal activities of the company:

The Principal activity of the company continues to be carrying on all types of non-life (general) insurance businesses. There was no significant change in the nature of the Principal activities of the company during the year 2018.

1.04 Date of Financial Statements authorized for issue:

Financial Statements of the company for the year ended December 31, 2018 were authorized by the Board for issue on April 28th, 2019 in accordance with a resolution of the Board of Directors of the company.

2.00 Summary of significant accounting and related policies:

2.01 Basis of preparation:

(a) These accounts have been prepared under Generally Accepted Accounting Principles (GAAP) on going concern and accrual basis under historical cost convention. The preparation and presentation of the financial statements and the disclosure of information have been made in accordance with the Insurance Act 1938 (as amended in 2010) the Insurance Rules 1958 and in conformity with International Accounting Standards (IAS), International Financial Reporting Standards (IFRS), the Companies Act 1994, the Securities and Exchange Rules 1987 (as amended in 1997), the listing rules of Dhaka and Chittagong Stock Exchange and other applicable laws & regulations in Bangladesh and practice generally followed by the insurance sector.

(b) The Balance Sheet has been prepared in accordance with the regulations contained in Part I of the First Schedule and as per Form "A" as set forth in Part II of that Schedule and the Revenue Account of each class of general insurance business has been prepared in accordance with the regulations as contained in Part I of the Third Schedule and as per Form "F" as set forth in Part II of that Schedule of the Insurance Act 2010 as amended.

(c) Functional and presentation currency:

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

(d) 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.

2.02 Basis of consolidation:

The financial statements of the Corporation and its subsidiaries have been consolidated in accordance with International Accounting Standard (IAS)-27 "Consolidated and Separate Financial Statements". The consolidation of the financial statements has been made after eliminating all intra-group balances, transactions, income and expenses and profits and losses resulting from intra-group transactions and dividends. The consolidated financial statements comprise the financial statements of the Group as at 31 December each year. Subsidiary is fully consolidated from the date of acquisition, being the date on which the Group obtains control, and continue to be consolidated until the date when such control ceases. The financial statements of the subsidiaries are prepared for the same reporting year as the parent company, using consistent accounting policies. Losses within a subsidiary are attributed to any non-controlling interest, even if this results in a deficit balance. A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction. If the Group loses control over a subsidiary, it:

- (a) De-recognizes the assets (including goodwill) and liabilities of the subsidiary
- (b) De recognizes the carrying amount of any non-controlling interest
- (c) De-recognizes the cumulative translation differences recorded in equity
- (d) Recognizes the fair value of the consideration received
- (e) Recognizes the fair value of any investment retained
- (f) Recognizes any surplus or deficit in profit or loss
- (g) Reclassifies the parent's share of components previously recognized in other comprehensive income to profit or loss or retained earnings, as appropriate

2.03 Adoption of International Accounting Standards (IASs):

In Preparing and presenting these financial statements, considering relevant for the significant accounting issues of the company, following IASs have been adopted by the company, which were issued by the ICAB formulated in the light of the IASs originally issued by the International Accounting Standards Board and the conditions and practices prevailing in Bangladesh, and valid as on the balance sheet date:

IAS 1 Presentation of Financial Statements

IAS 2 Inventories

IAS 7 Statement of Cash Flows

IAS 10 Events after the Balance sheet Date

IAS 12 Income taxes

IAS 14 Segment Reporting

IAS 16 Property, Plant and Equipment

IAS 17 Leases

IFRS 15 Revenue from Contracts with Customer

IAS 19 Employees Benefit plan

IAS 24 Related party disclosure

IAS 33 Earning per Share

IAS 37 Provision, contingent liabilities and contingent Assets

Impact of Recently Issued Accounting Standards

There was no such impact on these financial statements as no new accounting standard was issued by the ICAB during the year under review.

2.04 Provision for liabilities:

According to IAS 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.

2.05 Statement of Cash Flows:

Statement of Cash Flows is prepared in accordance with IAS 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.

2.06 Additional information on financial statements:

Components of the financial statements

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

- (a) Balance Sheet (Statement of Financial Position) as at December 31, 2018
- (b) Profit and Loss Account (Statement of Profit or Loss Account & Other Comprehensive Income) for the year ended December 31, 2018
- (c) Profit and Loss Appropriation Account for the year ended December 31, 2018
- (d) Fire Insurance Revenue Account for the year ended December 31, 2018
- (e) Marine Insurance Revenue Account for the year ended December 31, 2018
- (f) Miscellaneous Insurance Revenue Account for the year ended December 31, 2018
- (g) Statement of Changes in Equity for the year ended December 31, 2018
- (h) Statement of Cash Flows for the year ended December 31, 2018
- (i) Notes to the Financial Statements and significant accounting policies.

2.07 Significant accounting policies:

(a) Premium income:

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

(b) Interest on statutory and other investments:

Interest is accrued on statutory investment of Tk. 25,000,000 lying with Bangladesh Bank in the form of Govt. Treasury Bond. Along with the aforesaid interest, the interest received during the year from banks on STD account and FDR Accounts has been duly credited to the Profit and loss Account.

(c) Gain and Loss on shares and debentures:

Gain and loss on sale of shares and dividend income earned during the year have been shown in the Statement of Comprehensive Income and the tax relief as well as the concession on the rate of tax as availed under the existing income tax law, have been given effect in the accounts.

(d) Debenture of Beximco Denims & Textiles Ltd.:

ICB as a Trustee of the aforesaid investment in Debenture of Beximco Group lodged Artha Jari cases for recovery on behalf of institutional investors is under judgement of Artha Rin Adalat. Therefore no provision was made in the Financial statements.

(e) Management expenses:

As per section 40(C)(2) Insurance Act 1938 (as amended in 2010) all relevant management expenses for an amount of Tk. 77,604,331 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. Management expenses as charged to Revenue Accounts amounting to Tk. 77,604,331 represents approximately 17% of gross premium of Tk. 460,805,378. These expenses have been apportioned @ 43% to Fire, 29% to Marine Cargo, 2% to Marine hull, 14% to Motor and 11% to Miscellaneous business as per Management decision.

(f) Provision for unexpired risks:

Before arriving at the surplus of each class of business, necessary provision for unexpired risks have been created at the rate of 40% on all business except on marine hull business for which the provision was made @ 100% of the total premium for the year 2018.

(g) Reserve for exceptional loss:

Reserve for Exceptional Losses as appropriated out of current year's profit before tax provision amounts to Tk. 46,080,538 being 10% of the premium earned during the year.

(h) Depreciation on fixed assets:

Depreciation on Fixed Assets has been charged on cost for full year as per reducing balance method at the following rates:

Category of assets	Rate of Depreciation
Motor vehicles	20%
Furniture & fixtures	10%
Office equipment	15%
Office decoration	10%
Air cooler	15%
Electrical equipment	15%
Crockeries & Cutleries	25%
Sundry assets	25%
Computer & printer	15%
Motor cycle	20%

(i) Operation:

During the year, the gross premium earned by the company amounted to Tk. 460,805,378 including public sector business of Tk. 66,849,037. After ceding for re-insurance premium the net premium for the year amounted to Tk. 234,961,651 and after charging direct expenses there from the net underwriting profit stood at Tk. 87,732,103 as against Tk. 75,747,142 in the previous year.

(j) Public sector business:

Public Sector Business up to June 2018 has been accounted for on the basis of statements received from Sadharan Bima Corporation.

(k) Taxation:

Provision for income tax has been made on net profit in view of the prevailing rate of 40.00% as per Income Tax Ordinance, 1984 and possible disallowances of expenditure at the time of assessment.

(l) Deferred tax:

Provision for deferred tax has been made on based on best estimate and in view of temporary difference due to the carrying amount of an asset or liability and its tax base.

(m) Tax assessment position;

There were 4 (four) appeals pending in respect of the tax assessment purpose with the High Court Division against the order of Taxes Appellate Tribunal for the Assessment Year 2008-2009, 2011-2012 & 2012-2013 and 2013-2014.

Return for the Assessment year 2014-2015, 2015-2016, 2016-2017 & 2017-2018 and 2018-2019 duly submitted u/s 82BB of ITO.

(n) Basic earnings per share:

This has been calculated by dividing the basic earning by the number of ordinary shares outstanding during the year as per IAS-33.

(o) Employees benefits:

i. Provident fund:

Company Operates a provident fund, recognized by National Board of Revenue (NBR) for its confirm employees. The provident fund is wholly administered by a Board of Trustees and no part of the fund is included in the assets of the Company.

ii. Gratuity fund:

The Company also operates a funded Gratuity scheme. The fund is approved by National Board of Revenue (NBR).

iii. Other benefits:

In addition to the above, Eastern Insurance Company Limited has been providing other benefits to its employees like Performance Bonus, Group Life Insurance scheme, Car/Motor Cycle Loan etc.

iv Workers profit participation fund (WPPF):

The Board refers the mater of provision for Worker Profit Participation Fund (WPPF) and like to clarify that as per provisions of para (A to G) of section 233 of Bangladesh Labour 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 Eastern Insurance Company Ltd. has been maintaining a Recognized Employees Provident Fund, Gratuity Scheme, Group Insurance Scheme (GIS), Performance Bonus, Car / Motor Cycle Loan Scheme etc. as per provision of IAS-19.

(p) Others:

Figures appearing in the financial statements have been rounded off to the nearest Taka and previous year's figures and account titles have been re-arranged, wherever necessary for the purpose of comparison.

2.08 Reporting period:

The financial statements of the company cover one calender year from 1st January to 31st December, 2018 consistently.

2.09 Disclosure of departure from few requirements of IAS/IFRS due to mandatory compliance of Insurance Act's requirements

(a) The Eastern Insurance Company Limited management has followed the principles of IAS & IFRS consistently in preparation of the financial statements to that extent as applicable to the EICL. Some requirements of Insurance Act 1938 and Insurance Rules 1958 and regulations contradict with those of financial instruments and general provision standards of IAS and IFRS. As such the EICL has departed from those contradictory requirements of IAS/IFRS in order to comply with the rules and regulations of IDRA, Bangladesh which are disclosed below along with financial impact where applicable:

(b) As per Insurance Act 1938 as amended 2010 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. Provisions has been made by netting off any unrealized gain/(loss) arising at the Balance sheet date. However as per requirements of IAS 39 investment in shares falls either under "at fair value through profit and loss account" or under "available for sale" where any change in the fair value at the year-end is taken to profit and loss account or other comprehensive income respectively.

- (c) General Provision on Insurance Premium and Re-Insurance Premium are followed as per Insurance Act 1938 as amended 2010. However such general provision cannot satisfy the conditions of provision as per IAS 37. At the year end the EICL has recognized provision of Tk. 95,431,959 as balance of fund and liabilities in the Balance Sheet under liabilities.
- (d) Insurance Act 1938 has issued templates for financial statements which will strictly be followed by all General and Life Insurance Company. The templates of financial statements issued by Insurance Act do not include Other Comprehensive Income (OCI) nor are the elements of Other Comprehensive Income allowed to include in a Single Comprehensive Income (OCI) Statement. As such the EICL does not prepare the other comprehensive income statement. However the EICL does not have any elements of OCI to be presented.
- (e) As per IDRA guidelines financial instruments are categorized, recognized and measured differently from those prescribed in IAS 39. As such some disclosure and presentation requirements of IFRS 7 and IAS 32 have not been made in the accounts.

3.00 Share Capital:

Particulars		31-12-2018	31-12-2017
Authorized			
100,000,000 Ordinary Shares of Tk.10/- each		<u>1,000,000,000</u>	<u>1,000,000,000</u>
Issued, subscribed and paid up:			
43,110,144 Ordinary Shares of Tk.10/= each	3.01	<u>431,101,440</u>	<u>431,101,440</u>

(for 2017: 43,110,144 Ordinary Shares of Tk.10/= each fully paid up)

3.01 Number of shares:

Particulars	31-12-2018	31-12-2017
Opening shares	<u>43,110,144</u>	<u>43,110,144</u>
Total shares	<u>43,110,144</u>	<u>43,110,144</u>

3.02 Classification of share holding position of the company at 31 December 2018:

Particulars	No. of Shares	% of Holdings	31-12-2018	31-12-2017
Sponsor Shareholders	21,943,780	51%	219,437,800	219,538,100
Institutional Corporate	11,979,501	28%	119,795,010	117,207,220
Individual/General Public	9,186,863	21%	91,868,630	94,356,120
Total	43,110,144	100%	431,101,440	431,101,440

3.03 Classification of shareholders by holding as on December 31, 2018:

Group "A" Shareholders (Sponsors)

No. of Holders	Class Interval	Total Holding	Percentage	31-12-2018	31-12-2017
2	100001-200000	162,371	0%	1,623,710	1,623,710
Nil	200001-300000	-	-	-	-
1	300001-500000	374,671	1%	3,746,710	3,746,710
5	500001-900000	4,313,673	10%	43,136,730	43,136,730
10	900001-above	17,093,065	40%	170,930,650	171,030,950
18		21,943,780	51%	219,437,800	219,538,100

Group "B" Shareholders (Public)

No. of Holders	Class Interval	Total Holding	Percentage	31-12-2018	31-12-2017
2773	0001-5000	1,996,334	5%	19,963,340	24,619,680
134	5001-50000	1,745,350	4%	17,453,500	18,953,050
14	50001-100000	931,162	2%	9,311,620	7,982,670
11	100001-200000	1,551,283	4%	15,512,830	14,646,110
7	200001-500000	2,615,632	6%	26,156,320	12,413,270
9	500001-above	12,326,603	29%	123,266,030	132,948,560
2948		21,166,364	49%	211,663,640	211,563,340
Total (A + B)		43,110,144	100%	431,101,440	431,101,440

4.00 Share Premium:

Particulars	31-12-2018	31-12-2017
Opening balance	356,686,881	356,686,881
Total	356,686,881	356,686,881

5.00 Revaluation Reserve:

Particulars	31-12-2018	31-12-2017
Land	188,261,476	188,261,476
Membership with CSE	275,000,000	275,000,000
Total	463,261,476	463,261,476

Revaluation reserve on account of Land and Membership with CSE Tk. 188,261,476 and Tk. 275,000,000 was carried forward from last year which created by way of Revaluation of Land and Broker License Membership of Chittagong Stock Exchange Ltd. (CSE) in the year 2008 and 2011 respectively. The Land valuation was done by M/S A.Wahab & Co. Chartered Accountants on 31 December 2008 while revaluation of Membership of Chittagong Stock Exchange Ltd. (CSE) done by M/S Shiraz Khan Basak & Co. Chartered Accountants on 16 May 2011.

6.00 Reserve for Exceptional Losses:

Reserve for exceptional losses has been transferred to this account on basis 10% on Premium Income.

Particulars	31-12-2018	31-12-2017
Opening balance	280,619,038	238,732,297
Add: Transferred during the year	46,080,538	41,886,741
Total	326,699,576	280,619,038

7.00 Deposit Premium:

Particulars	31-12-2018	31-12-2017
Deposit premium	18,569,635	19,376,383
Total	18,569,635	19,376,383

Balance of this account represents premium received against cover notes which were not converted into policy within 31, December 2018 because of the period of nine months from the date of issue of cover notes had not expired.

8.00 Estimated Liability in respect of outstanding claims whether due or intimated:

Particulars	31-12-2018	31-12-2017
Opening Balance	73,322,008	81,023,944
Add: Claim raised during the year	33,635,563	43,555,680
	106,957,571	124,579,624
Less: Paid during the period	(43,258,080)	(51,257,616)
Closing Balance	63,699,491	73,322,008
This is consists of		
Fire	32,022,563	42,302,729
Marine	15,561,077	14,571,549
Motor	14,124,715	14,165,620
Miscellaneous	1,991,136	2,282,110
Total	63,699,491	73,322,008

9.00 Provision for Expenses:

Particulars	31-12-2018	31-12-2017
Telephone - office	19,463	8,206
Electricity, gas and water	47,146	49,175
Audit & Credit Rating Fees	345,000	135,000
Others	56,888	97,138
Total	468,497	289,519

9.A Consolidated Provision for Expenses:

Particulars	31-12-2018	31-12-2017
Eastern Insurance Co. Ltd.	468,497	289,519
EIC Securities Ltd.	23,108	43,954
	491,605	333,473

10.00 Amount due to other persons or bodies carrying on insurance business:

Particulars	31-12-2018	31-12-2017
Opening Balance	155,637,132	161,223,725
Add: Addition during the period	86,649,903	135,888,511
	242,287,035	297,112,236
Less: Payment made & adjustment during the period	66,018,255	141,475,104
Closing Balance	176,268,780	155,637,132

11.00 Sundry Creditors:

Particulars	31-12-2018	31-12-2017
Provident fund	452,829	1,170,834
Dividend & others payable	68,652,243	57,405,345
Security deposit from printers	15,000	15,000
Hire purchase deposit	449,291	449,291
Value Added Tax	3,574,411	3,125,745
Lease finance (UFIL)	60,000	2,063,336
Total	73,203,774	64,229,551

11.A Consolidated Sundry Creditors:

Particulars	31-12-2018	31-12-2017
Eastern Insurance Co. Ltd.	73,203,774	64,229,551
EIC Securities Ltd.	1,428,936	6,212,515
	74,632,710	70,442,066

12.00 Deferred tax Liability/(Assets):

Particulars	31-12-2018	31-12-2017
Carrying amount of tangible fixed assets	245,643,731	248,838,436
Tax base of tangible fixed assets	(245,724,709)	(248,949,135)
	(80,978)	(110,699)
Applicable tax rate	40%	40%
Deferred tax liability / (assets)	(32,391)	(44,280)
Deferred Tax (income)/expenses for the period	11,889	76,089

13.00 Provision for Taxation:

Particulars	31-12-2018	31-12-2017
Opening balance	82,324,533	78,823,439
Add: Provision made during the year	47,000,000	41,500,000
	129,324,533	120,323,439
Less: Adjustment against last year	-	37,998,906
Closing balance	129,324,533	82,324,533

13.A Consolidated Provision for Taxation:

Particulars	31-12-2018	31-12-2017
Eastern Insurance Co. Ltd.	129,324,533	82,324,533
EIC Securities Ltd.	372,764	655,690
	129,697,297	82,980,223

14.00 Investment in Shares & Debentures:

Particulars	31-12-2018	31-12-2017
a. Shares in public Co. b/f	295,061,200	296,693,324
Add: Addition (net off)	25,414,133	(1,632,124)
Sub total :	320,475,333	295,061,200
b. Investment in debentures b/f	785,224	785,224
Total shares and debentures (note : 14.01)	321,260,557	295,846,424
c. Shares in Subsidiary Co.		
EIC Securities Ltd.	9,999,800	5,999,800
Share money deposit in EIC Securities Ltd.	275,909,400	279,909,400
	285,909,200	285,909,200
Total	607,169,757	581,755,624

14.A Consolidated Investment in Shares & Debentures:

Particulars	31-12-2018	31-12-2017
Eastern Insurance Co.Ltd.	607,169,757	581,755,624
EIC Securities Ltd	7,560,176	5,517,293
	614,729,933	587,272,917
Less: Inter Company Investment in subsidiary Co. (Note 14.C)	285,909,200	285,909,200
	328,820,733	301,363,717

Note: Investment in shares & Debentures are shown at cost price. No provision in this regard has been made as the Market price was higher than the cost price at the balance sheet date.

14.01 Shares in public Co.:

Name of the Company	M.P.(P.S) 31.12.2018	No of shares	Ave. Buying Rate	Total Value at Cost	Market Value 31.12.2018
1. BANKS					
AB Bank Ltd.	12.00	1,353	36.67	49,614	16,236
City Bank Ltd.	30.20	427,320	22.33	9,542,514	12,905,064
Dhaka Bank Ltd.	14.20	618,074	28.57	17,655,393	8,776,651
DBBL	144.40	1,000	134.54	134,536	144,400
Exim Bank Ltd.	11.80	291,864	10.15	2,961,006	3,443,995
First Security Islami Bank Ltd.	10.90	464,043	13.06	6,059,627	5,058,069
ICBI Bank Ltd.	4.80	398,650	10.67	4,253,867	1,913,520
IFIC Bank Ltd.	10.90	51,000	12.03	613,741	555,900
Jamuna Bank Ltd.	17.60	869,243	34.77	30,225,139	15,298,677
Mutual Trust Bank Ltd.	35.10	3,548,520	16.94	60,128,845	124,553,052
Mercantile Bank Ltd.	18.00	197,201	13.11	2,584,490	3,549,618
National Bank Ltd.	9.30	2,622,792	11.73	30,769,011	24,391,966
NCC Bank Ltd.	15.90	191,155	9.16	1,750,735	3,039,365
One Bank Ltd.	15.00	875,249	16.91	14,802,880	13,128,735
Premier Bank Ltd.	11.70	238,600	11.83	2,821,811	2,791,620
Rupali Bank Ltd.	35.80	6,500	39.08	254,020	232,700
Standard Bank Ltd.	10.90	1,546,605	13.39	20,707,909	16,857,995
Social Islami Bank Ltd.	15.40	605,306	21.96	13,292,199	9,321,712
Uttara Bank Ltd.	28.50	8,644	64.72	559,410	246,354
Sub Total				219,166,747	246,225,628
2. FINANCIAL INSTITUTIONS					
First Finance Ltd.	5.70	217,245	36.97	8,030,495	1,238,297
N. Housing Finance and Inv.Ltd.	47.70	5,123,295	10.61	54,383,477	244,381,172
Sub Total				62,413,972	245,619,468
3. MUTUAL FUNDS					
Green Delta Mutual Fund	7.50	1,000,000	10.00	10,000,000	7,500,000
ICB AMCL 2nd Mutual Fund	6.40	194,000	17.82	3,457,866	1,241,600
ICB 2nd NRB Mutual Fund	9.90	175,000	-	3,956,180	1,732,500
Lanka Bangla Finance Ltd.	22.90	5,000	23.47	117,353	114,500
Sub Total				17,531,399	10,588,600
4. ENGINEERING					
Singer Bangladesh Ltd.	221.20	1,366	223.33	305,064	302,159
GP	367.30	7,199	416.36	2,997,390	2,644,193
Aftab automobiles Ltd.	45.90	14,950	-	1,118,850	686,205
Ifad Auto	108.40	3,000	-	368,892	325,200
Doreen Power	79.90	11,200	-	1,086,532	894,880
Eastern Lubricant	1,345.00	60	-	86,600	80,700
KPCL	59.30	1,700	69.39	117,970	100,810
Sub Total				6,081,298	5,034,147
5. TEXTILE					
Beximco Knitting Ltd. (s)	N/T	100	100.00	10,000	10,000
Square Textile Ltd.	49.00	720	-	6,860	35,280
Stylecraft	887.40	744	10.00	759,372	660,226
Sub Total				776,232	705,506
6. PHARMACEUTICALS & CHEMICALS					
Beacon Pharmaceuticals Ltd.	16.20	105,000	54.93	5,767,771	1,701,000

Name of the Company	M.P.(P.S) 31.12.2018	No of shares	Ave. Buying Rate	Total Value at Cost	Market Value 31.12.2018
Square Pharmaceuticals Ltd.	254.20	4,338	-	276,902	1,102,720
Active Fine	28.20	11,800	28.37	334,768	332,760
Sub Total				6,379,441	3,136,480
7. CEMENT					
Heidelberg Cement Bd. Ltd.	334.70	40	10.00	400	13,388
M.I.Cement Factory Ltd.	69.40	34,861	88.75	3,094,020	2,419,353
Sub Total				3,094,420	2,432,741
8. INSURANCE - NON LIFE					
Agrani Insurance Co.Ltd.	17.30	1,211	30.99	37,530	20,950
Asia Insurance Co. Ltd.	17.50	1,102	37.91	41,782	19,285
BGIC	20.00	1,000	34.24	34,236	20,000
Eastland Insurance Co. Ltd.	20.20	1,572	57.39	90,210	31,754
Federal Insurance Co.Ltd.	9.70	1,305	24.34	31,764	12,659
Green Delta Insurance Co. Ltd.	65.00	1,322	94.34	124,724	85,930
Karnaphuli Insurance Co. Ltd.	15.80	1,049	37.58	39,417	16,574
Northern Insurance Co.Ltd.	17.60	1,312	42.71	56,031	23,091
Phoenix Insurance Co. Ltd	28.90	1,250	59.35	74,186	36,125
Sub Total				529,880	266,369
9. INSURANCE - LIFE					
National Life Insurance Co. Ltd	216.20	16,373	13.27	217,195	3,539,843
Delta Life Insurance Co. Ltd	109.80	12,987	165.40	2,148,076	1,425,973
Sub Total				2,365,271	4,965,815
MISC:					
BSCCL	93.50	8,847	142.09	1,257,056	827,195
Beximco Ltd	23.50	3,750	21.26	79,728	88,125
Sub Total				1,336,784	915,320
IPO:					
INTRCO	26.80	10,667	10.00	106,670	285,876
SKTRIMS	45.40	10,082	10.00	100,820	457,723
VFS Thread	57.00	7,038	10.00	70,380	401,166
ML Dyeing	29.90	6,040	10.00	60,400	180,596
Silva Pharma	30.40	9,194	10.00	91,940	279,498
Kattali Textiles	25.30	10,064	10.00	100,640	254,619
INDO Bangla	31.30	2,945	10.00	29,450	92,179
S.S.Steel	N/T	13,492	10.00	134,920	134,920
Genex Infosys	N/T	10,467	10.00	104,670	104,670
Sub Total				799,890	2,191,246
Total Shares				320,475,334	522,081,318
10. Debenture					
Beximco Knitting Ltd. (D)	N/T	340	-	352,945	352,945
Beximco Textile Ltd.(D)	N/T	300	-	432,279	432,279
Sub Total				785,224	785,224
Grand Total: 2018				321,260,558	522,866,542

15.00	Accrued Interest:		
	This represent interest accrued on investment in FDR and debenture.		
	Particulars	31-12-2018	31-12-2017
	Interest accrued on FDR	19,840,865	15,768,488
	Interest accrued on debenture	996,275	996,275
	Total	20,837,140	16,764,763
16.00	Sundry Debtors (including Advances, deposits & prepayments):		
	Particulars	31-12-2018	31-12-2017
	Advance income tax 16.01	47,299,188	8,124,048
	Rent and others 16.02	29,461,452	29,170,701
		76,760,640	37,294,749
16.01	Advance Income Tax:		
	Particulars	31-12-2018	31-12-2017
	Opening balance	8,124,048	12,624,592
	Add: During the year	39,175,140	33,498,362
	Less: Adjustment	-	(37,998,906)
		47,299,188	8,124,048
16.A	Consolidated Advance Income Tax:		
	Particulars	31-12-2018	31-12-2017
	Eastern Insurance Co. Ltd.	47,299,188	8,124,048
	EIC Securities Ltd.	331,510	857,941
		47,630,698	8,981,989
16.02	Rent and other receivables:		
	Particulars	31-12-2018	31-12-2017
	Land	2,333,334	2,333,334
	Final settlement (Gratuity)	477,954	477,954
	Agent balances	5,520,913	-
	Rent	6,587,205	7,768,269
	EBS properties	13,588,107	12,538,107
	UGC & GD Securities	70,088	169,186
	CDBL	500,000	500,000
	EIC Securities	383,851	5,383,851
	Total	29,461,452	29,170,701
16.B	Consolidated Rent and other receivables:		
	Particulars	31-12-2018	31-12-2017
	Eastern Insurance Co. Ltd.	29,461,452	29,170,701
	EIC Securities Ltd.	541,639	-
		30,003,091	29,170,701

17.00 Cash and cash equivalents:

Particulars	31-12-2018	31-12-2017
At Cash in hand	16,153,374	16,014,206
At Bank on STD Account	40,034,516	44,704,423
At Bank on CD Account	2,313,603	2,611,446
At Bank on FDR Account	1,200,000,000	1,130,100,000
Total	1,258,501,493	1,193,430,075

Note: During the period of audit we have physically verified the receipts of FDR and found the same.

17.A Consolidated Cash and bank balances:

Particulars	31-12-2018	31-12-2017
Eastern Insurance Co.Ltd	1,258,501,493	1,193,430,075
EIC Securities Ltd	3,326,626	8,026,027
	1,261,828,119	1,201,456,102

18.00 Amount due from other persons or bodies carrying on insurance business:

Particulars	31-12-2018	31-12-2017
Opening Balance	47,960,491	57,135,121
Add: Addition during the period	11,350,156	37,878,873
	59,310,647	95,013,994
Less: Adjustment	-	47,053,503
Closing balance	59,310,647	47,960,491

19.00 Fixed Assets (at cost less accumulated depreciation):

Particulars	31-12-2018	31-12-2017
Opening balance at cost	291,794,885	290,720,896
Add: Addition during the period	224,225	1,073,989
	292,019,110	291,794,885
Less: Accumulated depreciation	(46,375,380)	(42,956,449)
Written Down Value	245,643,730	248,838,436

19.A Consolidated Fixed Assets (at cost less accumulated depreciation):

Particulars	31-12-2018	31-12-2017
Eastern Insurance Co.Ltd	245,643,730	248,838,436
EIC Securities Ltd	2,272,087	2,524,541
	247,915,817	251,362,977

20.00 Stock of printing, stationeries and stamps:

Particulars	31-12-2018	31-12-2017
Stamp	875,795	420,445
Printing and stationeries	895,000	797,600
Total	1,770,795	1,218,045

21.00	Interest, dividend and rent income:		
	Particulars	31-12-2018	31-12-2017
	Interest income:	69,549,782	59,352,794
	Interest on FDR/STD account	66,539,482	56,342,494
	Interest on Bangladesh Govt.Treasury Bond (BGTB)	3,010,300	3,010,300
	Dividend income	20,651,170	25,583,218
	Cash dividend	20,651,170	25,583,218
	Stock dividend/bonus shares	-	-
	Total	90,200,952	84,936,012
21A.	Consolidated Interest, dividend and other income:		
	Particulars	31-12-2018	31-12-2017
	Eastern Insurance Co. Ltd	90,200,952	84,936,012
	EIC Securities Ltd.	829,945	3,647,369
		91,030,897	88,583,381
22.00	Gain on sale of shares:		
	Particulars	31-12-2018	31-12-2017
	Gain on sales of shares	31,165,447	39,423,497
	Total	31,165,447	39,423,497
22A.	Consolidated Gain on sales of shares:		
	Particulars	31-12-2018	31-12-2017
	Eastern Insurance Co. Ltd	31,165,447	39,423,497
	EIC Securities Ltd.	3,307,150	1,412,091
	Total	34,472,597	40,835,588
23.00	Profit & loss appropriation account:		
	Particulars	31-12-2018	31-12-2017
	Balance as per last year accounts	86,776,312	89,494,754
	Less: Dividend for the last year	86,220,288	86,220,288
	Balance carried to appropriation account	556,024	3,274,466
23A.	Consolidated Profit & loss appropriation account:		
	Eastern Insurance Co. Ltd	556,024	3,274,466
	EIC Securities Ltd	4,104,243	1,518,591
		4,660,267	4,793,057

24.00 Claims under policies less re-insurance:**Paid during the year:****Class of Business**

	31-12-2018	31-12-2017
Fire	19,347,959	27,321,398
Marine cargo	2,464,772	6,118,804
Marine hull	23,901	674
Motor	18,973,718	17,723,643
Miscellaneous	2,447,730	93,097
Total	43,258,080	51,257,616

25.00 Expenses of management:

Allocation of management expenses is made up as follows

Class of Business	%	Amount in Taka	
		2018	2017
Fire	43%	33,671,535	25,420,083
Marine cargo	29%	22,804,726	20,034,745
Marine hull	2%	1,659,607	1,380,539
Motor	14%	10,776,728	10,168,476
Miscellaneous	11%	8,691,735	5,262,825
Total	100%	77,604,331	62,266,668

26.00 Premium less re-insurance:

Class of Business	Gross Premium	Re-insurance Ceded	Amount in Taka	
			2018	2017
Fire	199,937,611	124,428,260	75,509,351	55,762,528
Marine cargo	135,411,780	41,117,775	94,294,005	84,853,212
Marine hull	9,854,548	7,442,384	2,412,164	3,207,497
Motor	63,990,943	4,493,652	59,497,291	63,730,426
Miscellaneous	51,610,496	48,361,656	3,248,840	3,090,567
Total	460,805,378	225,843,727	234,961,651	210,644,230

27.00 Earning per share (EPS):

The Company calculates Earnings Per Share (EPS) in accordance with "International Accounting Standard-33" which is shown on the face of the statement of comprehensive income.

Net Profit for the year as per statement of comprehensive income

Provision for taxation

Deferred Tax

Profit after taxation attributable to ordinary shareholders

Number of ordinary shares outstanding during the year

Earning per share (IAS-33)

Diluted earning per share

No diluted earnings per share is required to be calculated for the years as there was no convertible securities for dilution during the year.

27.A Consolidated Earning per share (EPS):

Consolidated Net Profit for the year as per statement of comprehensive income

Provision for taxation

Deferred Tax

Profit after taxation attributable to ordinary shareholders

Number of ordinary shares outstanding during the year

Earning per share (IAS-33)

200,346,954	190,964,676
(47,000,000)	(41,500,000)
(11,889)	(76,089)
153,335,065	149,388,587
43,110,144	43,110,144
3.56	3.47
202,913,305	194,206,018
(47,372,764)	(42,155,690)
(11,889)	(76,089)
155,528,652	151,974,239
43,110,144	43,110,144
3.61	3.53

28.00 Proposed Dividend:

The Board of Directors in its 217th meeting held on 28th April 2019 proposed @ 20% cash dividend i.e total Tk. 86,220,288.

29.00 Related party transactions:

During the year 2018, the Company carried out certain transactions with related parties as per provisions of International Accounting Standard-24: Related Party Disclosure. These are listed as follows:

Name of Company	Nature of transactions	Amount
Uttara Group of Companies	Insurance	Nil
Sunman Group of Companies	Insurance	Nil
M/S Rahim Steel Mills Limited	Insurance	Nil
Uttara Finance and Investment Ltd	Lease & Investment	60,000
EIC Securities Limited	Share Money Deposit	275,909,400

30.00 Employees engaged:

The company employed 353 (2017 : 347) permanent employees and a varying number of casual and temporary employees as required. All permanent employees receive total remuneration in excess of Tk. 36,000 per annum.

31.00 Receivable to/from directors and officers:

Nothing was due to/from any of the Directors of the Company as on the date of Balance Sheet (Statement of Financial Position.)

32.00 Director's remuneration:

The Company has paid Tk. 401,350 to the Directors as Board meeting attendance fee during the year 2018 @ Tk. 5,000 per meeting. Other than this, no amount of money has spent by the Company for compensating any member of the Board for special service rendered.

33.00 Contingent liabilities and capital commitments:**33.01 Contingencies:**

There was 1 (One) legal obligation against the Company on account of Fire Claim case filed during the year 2006 which is pending with the Court. The management is of the opinion that judgment in this regard will be in favor of the Company.

33.02 Capital commitments:

There was no capital commitment at the end of the year.

34.00 Guarantee:

There was no insurance guarantee made during the period.

35.00 Claim against the Company:

There was no claim against the Company not acknowledge as debt.

36.00 Events after balance sheet date:

There was no significant event that has occurred between the balance sheet date and the date when the financial statements are authorized for issue by the Board of Directors except that the Board of Directors of Eastern Insurance Company Limited in its 217th meeting held on 28th April 2019 has recommended cash dividend of 20% out of the surplus subject to approval of shareholders in the 33rd Annual General Meeting.



Chief Executive Officer



Director



Director



Chairman

Dated: Dhaka, April 29, 2019

EASTERN INSURANCE COMPANY LIMITED

44, DILKUSHA COMMERCIAL AREA, DHAKA-1000.

FORM-AA

CLASSIFIED SUMMARY OF ASSETS AS AT 31 DECEMBER 2018

Sl. No.	Particulars	Amount in Taka	
		2018	2017
1	Cash on fixed deposit with banks in Bangladesh	1,200,000,000	1,130,100,000
2	Cash on current deposit A/Cs with banks in Bangladesh	2,313,603	2,611,446
3	Cash on Term Deposit with banks in Bangladesh	40,034,516	44,704,423
4	Cash in hand	16,153,374	16,014,206
5	Investment in Bangladesh Govt. Treasury Bond	25,000,000	25,000,000
6	Investment in shares & debenture	607,169,757	581,755,624
7	Stamps in hand	875,795	420,445
8	Forms & stationery in hand	895,000	797,600
9	Accrued Interest	20,837,140	16,764,763
10	Land	226,875,000	226,875,000
11	Motor Vehicles	7,717,718	9,647,147
12	Furniture & fixtures	2,050,473	2,232,213
13	Office equipment	119,345	140,406
14	Decoration	5,363,985	5,959,983
15	Air cooler	311,052	365,944
16	Electrical & equipment	543,341	639,225
17	Croceries & cutleries	3,704	4,940
18	Sundry assets	17,972	23,963
19	Computer & printer	2,361,971	2,600,654
20	Motor cycle	279,170	348,962
21	Sundry debtors (including advances, deposits & prepayments	76,760,640	37,294,749
22	Amount due from other persons or bodies carrying on insurance business.	59,310,647	47,960,491
23	Deferred tax assets	32,391	44,280
	Total Taka	2,295,026,593	2,152,306,463

INDEPENDENT AUDITOR'S REPORT TO THE SHARE HOLDERS OF EIC SECURITIES LTD.

We have audited the accompanying Financial Statements of "EIC SECURITIES LTD.", 44, Dilkusha C/A, Dhaka which comprise the statement of Financial Position as at December 31, 2018 and the Statement of Comprehensive Income, Statement of Changes in Equity and Statement of Cash Flows for the year then ended December 31, 2018 and a summary of significant accounting policies and other explanatory notes.

Management Responsibility For The Financial Statements

"EIC SECURITIES LTD." of Management is responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards (IFRS) and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement.

Auditor's Responsibility

Our responsibility is to express an independent opinion on these financial statements based on our audit. We conducted our audit in accordance with International Standard on Auditing (ISA), as adopted by The Institute of Chartered Accountants of Bangladesh (ICAB). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements.

Opinion

In our opinion, the Financial Statements present fairly, in all material respects, the financial position of "EIC SECURITIES LTD." of as at December 31, 2018 and its financial performance for the year then ended December 31, 2018.

We also report that:

- a) We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit and made due verification therefore.
- b) In our opinion, proper books of accounts as required by law & Rule have been kept by "EIC SECURITIES LTD." So far it appeared from our examination of those books, and
- c) In our opinion, the Statement of Financial Position, Statement of Comprehensive Income, Statement of Changes in Equity, Statement of Cash Flows and a summary of significant accounting policies and other explanatory notes dealt with by the report are in agreement with the books of accounts.

Dated; Dhaka
15 April 2019


(A.K. DEB & CO.)
Chartered Accountants

EIC SECURITIES LTD

44, Dilkusha C/A, Dhaka

Statement of Financial Position

As at 31 December 2018

ASSETS	Note	TAKA As on 31 Dec 2018	TAKA As on 31 Dec 2017
Non-current assets			
Fixed Assets	3	2,272,087	2,524,541
Cost of CSE Membership with goodwill	4	280,000,000	280,000,000
Investment in Shares	5	7,560,176	5,517,293
Current Assets			
Sundry Debtors (Including advance, deposit, Prepayments & Receivable)	6	873,149	857,941
Cash in hand & at Bank Balance	7	3,326,626	8,026,027
Total Assets		294,032,038	296,925,802
EQUITY & LIABILITIES			
Share Capital	8	10,000,000	6,000,000
Share Money Deposit	9	275,909,400	279,909,400
Retained Earnings		6,297,830	4,104,243
		292,207,230	290,013,643
Current Liabilities			
Sundry Creditors	10	1,428,936	6,212,515
Provision for Expenses	11	23,108	43,954
Provision for Taxation	12	372,764	655,690
		1,824,808	6,912,159
Total equity and liabilities		294,032,038	296,925,802

The annexed notes 1 to 20 form an integral part of these financial statements.



Chief Financial Officer



Managing Director



Director



Chairman

As per our report of date annexed

Dhaka
15 April 2019



(A. K. DEB & CO.)
Chartered Accountants

EIC SECURITIES LTD

44, Dilkusha C/A, Dhaka

Statement of Profit or Loss and Other Comprehensive Income


For the year ended on December 31, 2018

Particulars	Note	Amount in Taka	
		31.12.2018	31.12.2017
Operating Income:			
Revenue from Brokerage	13	384,252	727,954
Share Trading Profit		3,307,150	1,412,091
Other Income	14	28,600	18,790
Interest Income	15	206,849	328,227
Dividend Income	16	210,245	2,572,398
		4,137,095	5,059,460
Less: Direct Charges	17	126,588	315,869
Gross Profit		4,010,507	4,743,591
Less: Office & Administrative Expenses	18	1,416,358	1,478,020
Financial Expenses	19	27,798	24,229
		1,444,156	1,502,249
Net Profit before Tax		2,566,351	3,241,342
Provision for Taxation		372,764	655,690
Profit after Tax		2,193,587	2,585,652

The annexed notes 1 to 20 form an integral part of these financial statements.


Chief Financial Officer


Managing Director


Director


Chairman

As per our report of date annexed

Dhaka
15 April 2019


(A. K. DEB & CO.)
Chartered Accountants

EIC SECURITIES LTD

44, Dilkusha C/A, Dhaka

Statement of Changes In Equity

For the year ended on 31 December 2018

Particulars	Share Capital	Share Money Deposit	Retained Earnings	Total Taka
Balance as on 31 December, 2017	6,000,000	279,909,400	4,104,243	290,013,643
Addition during the year	4,000,000	(4,000,000)	-	-
Profit after tax for the year 2018	-	-	2,193,587	2,193,587
Balance as on 31 December 2018	10,000,000	275,909,400	6,297,830	292,207,230

Balance as on 31 December, 2016	6,000,000	279,909,400	1,518,591	287,427,991
Profit after tax for the year 2017	-	-	2,585,652	2,585,652
Balance as on 31 December 2017	6,000,000	279,909,400	4,104,243	290,013,643



Chief Financial Officer



Managing Director



Director



Chairman

As per our report of date annexed

Dhaka
15 April 2019



(A. K. DEB & CO.)
Chartered Accountants

EIC SECURITIES LTD

44, Dilkusha C/A, Dhaka

Cash Flows Statement

For the year ended on 31 December 2018

S.N.	Particulars	2018 TAKA	2017 TAKA
A	Cash Flow from Operating Activities:		
	Cash Received from Customers and Others	58,775,044	51,808,584
	Cash Paid to Customers & Others	(57,063,256)	(58,044,038)
	Income Tax Paid	(129,259)	(630,070)
	Net Cash inflow/(outflow) from Operating Activities	1,582,529	(6,865,524)
B	Cash Flow from Investing Activities		
	Interest from FDR & STD Account	206,849	328,227
	Dividend	168,200	2,572,398
	Investment in shares (Net Off)	(1,656,979)	-
	Net Cash inflow/(outflow) from Investing Activities	(1,281,930)	2,900,625
C	Cash Flow from Financing Activities		
	Loan from Eastern Insurance Co.Ltd	(5,000,000)	5,000,000
	Net Cash inflow/(outflow) from Financing Activities	(5,000,000)	5,000,000
	Increase/(Decrease) in Cash & Cash Equivalents (A + B + C)	(4,699,401)	1,035,101
	Opening Cash in hand and Cash at Bank	8,026,027	6,990,926
	Closing Cash in hand and Cash at Bank	3,326,626	8,026,027



Chief Financial Officer



Managing Director



Director



Chairman

As per our report of date annexed

Dhaka
15 April 2019



(A. K. DEB & CO.)
Chartered Accountants

EIC SECURITIES LTD

44, Dilkusha C/A, Dhaka

Notes to the Accounts

For the year ended on December 31, 2018

1. Significant Accounting Policies and other Material information

1.1 Legal status

EIC Securities Limited was incorporated as a Private Limited Company with the issuance of certificate of incorporation bearing no. C-98517/12 on 11th day of January 2012 by the Registrar of Joint Stock Companies & Firms under the Companies Act, 1994. It is a subsidiary company of Eastern Insurance Company Limited. The shares of the company are held by EICL (99.998%), Mr. Major (Retd.) Abdul Mannon (.001%) and Mr. Matiur Rahman (.001%).

1.2 Registered Office of the Company

Registered Office of the Company is situated at 44 no. Dilkusha Commercial Area (2nd Floor), Dhaka- 1000.

1.3 Principal activities and nature of business

The principal activities and nature of business of EIC Securities Ltd. was to establish as brokerage house with a view to cope with the business needs of securities trading, stock buying and selling in the stock market as a member of Chittagong Stock Exchange (CSE) Ltd.

2. Significant accounting policies

2.1 Basis of accounting

The financial statements have been prepared on going concern basis under historical cost convention by using accrual basis of accounting. These financial statements of the Company have been prepared in accordance with the Bangladesh Accounting Standards as adopted by the Institute of Chartered Accountants of Bangladesh, Companies Act 1994 and other applicable laws.

2.2 Components of the financial statements

The financial statement include the following components:

- Statement of Financial Position as at December 31, 2018
- Statement of Profit or Loss and Other Comprehensive Income for the year ended December 31, 2018
- Statement of Changes in Equity for the year ended December 31, 2018
- Statement of Cash Flows for the year ended December 31, 2018
- Notes to the financial statements.

2.3 Non - current assets

Items of non-current assets, plant and equipments are stated at cost less accumulated depreciation and impairment losses, as per BAS 16: Cost includes expenditure that is directly attributable to the acquisition and installation of the items.

2.4 Depreciation on Non-current assets

Depreciation on Non-current assets has been charged on cost for full year as per reducing balance method at consistently year to year at the following rate.

<u>Category of assets</u>	<u>Rate of Depreciation</u>
Air Conditioner	10%
Furniture & Fixture	10%
Interior Decoration	10%

2.5 Revenue Recognition

Revenue is recognized only when it is probable that the economic benefit of such transaction has been derived as per "BAS-18"

Brokerage Commission

Brokerage commission is recognized as income when selling or buying order executed.

Interest from Bank deposit

Income from short term bank deposit, fixed deposit is recognized when the amount is credited by the bank in the bank account.

Dividend income and profit/ loss on sale of marketable securities

Dividend income is recognized when right to receive payment is established whereas profit or loss arising from the sale of securities is accounted for only when shares are sold in the market and profit is realised or loss is incurred.

2.6 Taxation

Current Tax

Company's trading income is subject to deduction of tax at source which was at the rate of 0.05 % during the year ended December 31, 2018 on the transactions made at the time of stock buying and selling.

Deferred Taxation:

The company has not recognized any deferred Tax for the year ended as required under BAS-12.

2.7 Client Accounts

Client accounts represents the amount which have been paid by the company at the time of trading of shares and stocks in the house. This is recognized in the accounts as current assets/liabilities.

2.8 Cash and cash equivalents

Cash and cash equivalents consists of cash in hand, bank balances and deposit held with banks in form of FDR/TDR etc.

2.9 Cash Flow Statements

Cash flow statement has been prepared in accordance with the Bangladesh Accounting Standards (BAS) 7, 'Cash flow statement' under direct method.

2.10 Investment in Shares

The company by virtue of obtaining the license as stock dealer from the Bangladesh Securities and Exchange Commission has invested in the listed securities in its own name and such investment in the listed Securities has been incorporated at cost against which adequate provision has not been made with a bid to reduce its possible losses under its investment portfolio as prescribed in the Bangladesh Accounting Standard (BAS).

2.11 Others

- i) Figures appearing in the financial statements have been rounded off to the nearest Taka.
- ii) Previous year's figures and account titles have been re-arranged, wherever necessary for the purpose of comparison.
- iii) The financial Statement has been prepared covering the calendar year from January 01, 2018 to December 31, 2018.

3. Non-current assets

Particulars

	2018 Taka	2017 Taka
Air Conditioner	245,000	245,000
Furniture & Fixture	206,578	206,578
Interior Decoration	2,665,140	2,665,140
Total	3,116,718	3,116,718
Less: Depreciation-as per annexed A1		
Opening	592,177	311,672
Current year charged	252,454	280,505
Closing	844,631	592,177
W.D.Value as on 31.12.2018	2,272,087	2,524,541

4. Cost of CSE Membership with goodwill

Particulars

CSE Membership (vide No.098 dt 02.03.1998)	300,000	300,000
Goodwill of Membership (Fair Market value as on 15 May 2011 as per Valuation done by Shiraj Khan Basak & Co. Chartered Accountants)	279,700,000	279,700,000
Total	280,000,000	280,000,000

Note: Above investment have been accounted for on the basis of notarised vendor's agreement made with Eastern Insurance Company Ltd on 31.05.2012 and form 117 by the both party duly signed.

5. Investment in Shares

Opening Balance	5,517,293	-
Add: Addition during the year	3,699,853	5,517,293
	9,217,146	5,517,293
Less: Sales at cost	1,656,970	-
Balance as on 31.12.2018	7,560,176	5,517,293

6. Sundry Debtors
(Including advance, deposit, Prepayments & Receivable)

6.1 Advance Tax

b/f	857,941	606,898
Add: deduction during the year against interest	23,759	32,822
AIT deduction on brokerage commission	37,838	82,768
AIT deduction on Dividend income	42,044	514,480
Tax paid by Challan	25,618	-
Less: Adjusted for 2017	(655,690)	(379,027)
Total	331,510	857,941

6.2 Receivable from CSE

Client Account	464,440	-
Dealer Account	77,199	-
	541,639	-
Total	873,149	857,941

7. Cash in hand & at Bank Balances

Particulars

	2018 Taka	2017 Taka
Premier Bank Ltd, Dilkusha Br, STD # 131 00000 934	1,233,215	1,880,583
IFIC Bank Ltd, Agrabad Br. Ctg, SND # 2030-508359-041	1,528,138	1,045,582
IFIC Bank Ltd, Agrabad Br. Ctg, CD # 2030-508359-002	269,204	560,124
Mutual Trust Bank Ltd, Agrabad Br. Ctg, SND # 0005-0320003264	291,838	270,766
IFIC Bank Ltd, Agrabad Br. Ctg, SND # 2030-508359-042	1,304	62
FDR with Premier Bank	-	4,266,183
	3,323,699	8,023,300
Cash in hand	2,927	2,727
	3,326,626	8,026,027

8. Share capital

8.1 Authorized capital

5,000,000 ordinary shares of Tk. 100/- each

500,000,000 500,000,000

8.2 Issued, subscribed and paid up capital:

100,000 (2017: 60,000) ordinary shares of Tk. 100/- each

10,000,000 6,000,000

The aforesaid capital was subscribed as under:

Subscribers	Total No of shares	Taka 2018	Taka 2017
Eastern Insurance Co.Ltd	99,998	9,999,800	5,999,800
Mr.Major (Retd.) Abdul Mannan	1	100	100
Mr.Matiur Rahman	1	100	100
Total	100,000	10,000,000	6,000,000

9. Share Money Deposit

Particulars

Assets takeover from EICL (As per vendor's agreement)	283,409,400	283,409,400
Less: Shares issued in favor of Eastern Insurance Co.Ltd.	7,500,000	3,500,000
Balance retained as Share Money Deposit	275,909,400	279,909,400

10. Sundry Creditors

Payable to Chittagong Stock Exchange (CSE)	-	507,721
Payable to Client for share trading	735,815	120,943
Payable to Client for IPO	232,070	200,000
Payable to Client for Dealer Account	77,199	-
Payable to Eastern Insurance Co.Ltd	383,851	5,383,851
	1,428,936	6,212,515

11. Provision for Expenses

Audit fees	11,125	8,625
CDBL Charges	1,448	13,056
Optical Fiber charges	6,000	9,000
Software Maintenance	2,500	-
Telephone bill	2,035	13,273
	23,108	43,954

	2018 Taka	2017 Taka
12. Provision for Taxation		
Opening Balance	655,690	379,027
Add: Provision made during the year	372,764	655,690
	1,028,454	1,034,717
Less: Adjustment during the year	655,690	379,027
	372,764	655,690
13. Revenue from Brokerage		
Commission (Annexure - A)	384,252	727,954
	384,252	727,954
14. Other Income		
BO Account Charges	19,400	10,500
IPO Subscription Charges	9,200	8,290
	28,600	18,790
15. Interest Income		
Interest from Premier Bank Ltd, Dilkusha Br., Dhaka	17,347	13,986
Interest from IFIC Bank Ltd, Agrabad Br., Ctg.	124,907	11,438
Interest from Mutual Trust Bank Ltd, Agrabad Br., Ctg.	602	2,600
Interest from FDR	63,993	300,203
	206,849	328,227
16. Dividend Income		
Dividend received from Chittagong Stock Exchange Ltd.	-	2,057,918
Add: AIT Deducted @20% as final tax	-	514,480
Dividend from other listed Co.	210,245	-
	210,245	2,572,398
17. Direct Charges		
Contract Charges - CSE	2,310	10,920
Commission Charges - CSE	16,050	29,796
Commission & Contract Charges	-	179,601
CDBL Charges	108,228	95,552
	126,588	315,869

18. Office & Administrative Expenses

	2018 Taka	2017 Taka
Salary & Allowances	601,800	509,400
Bonus	44,600	39,500
Training charges	10,000	55,600
Conveyance	19,755	16,500
Printing & Stationery	26,884	39,372
Entertainment	41,253	39,096
Internet bills	14,850	12,700
Optical fiber charges	72,000	72,000
Software Maintenance	32,500	30,000
Software Installation Fee	-	30,000
Telephone bills	18,270	27,004
Electricity charges	66,400	96,395
Broker/Dealer Registration Fee	23,000	23,000
DP Registration Fee	4,600	4,600
TREC Fee-2017	50,000	50,000
IPO application charges to DSE	33,000	6,000
Office Maintenance	43,320	63,094
Repair & Maintenance	30,930	22,200
Postage	1,540	-
Paper & Periodicals	3,980	-
Miscellaneous Expenses	15,222	18,305
Audit fees	10,000	7,500
Depreciation	252,454	280,505
Pre operational expenses written off	-	35,249
	1,416,358	1,478,020

19. Financial Expenses

Bank charges	27,798	24,229
	27,798	24,229

20. Related party transactions

During the year 2018, the company carried out certain transactions with related parties as per provisions of Bangladesh Accounting Standard-24; Related party disclosures. These are listed as follows:

Name of Company	Nature of Relationship	Nature of Transaction	Balance 31.12.2018	Balance 31.12.2017
Eastern Insurance Co.Ltd	Common Shareholder	Loan from EICL Share Money deposit	383,851 275,909,400	5,383,851 279,909,400

EIC SECURITIES LTD

44, Dilkusha C/A, Dhaka

Schedule of Amount Traded, Commission, Contract and Tax charges

For the year ended on 31 December 2018

Annexure - A

Period	Particulars	Turnover (Tk.)	Volume	Brokerage Commission	Contract Charges (Tk.)	Commission Charges	Tax Charges (Tk.)
From 1st Jan to 31-Dec-18	Buy	30,086,332	943,561	150,432	858	6,421	15,045
	Sale	45,582,685	1,361,341	233,820	1,452	9,629	22,793
		75,669,017	2,304,902	384,252	2,310	16,050	37,837

Schedule of Non-Current Assets

As on December 31, 2018

Annexure - A1

Sl. No.	Particulars	Cost			Rate	Depreciation			Written down value as at 31-Dec-18
		Opening balance	Addition	Closing balance		Opening balance	Charged during the year	Closing balance	
1	Air Conditioner	245,000	-	245,000	10%	46,550	19,845	66,395	178,605
2	Furniture & Fixture	206,578	-	206,578	10%	39,250	16,733	55,983	150,595
3	Interior Decoration	2,665,140	-	2,665,140	10%	506,377	215,876	722,253	1,942,887
	Total: 2018	3,116,718	-	3,116,718		592,177	252,454	844,631	2,272,087
	Total: 2017	3,116,718	-	3,116,718		311,672	280,505	592,177	2,524,541

COMPLIANCE OF BANGLADESH ACCOUNTING STANDARDS (BAS) AND BANGLADESH FINANCIAL REPORTING STANDARDS (BFRS)

Name of the BAS	BAS no.	Status
Presentation of Financial Statements	1	Applied
Inventories	2	Applied
Cash Flow Statements	7	Applied
Accounting Policies, Changes in Accounting Estimate and Errors	8	Applied
Events after till Balance Sheet Date	10	Applied
Construction Contracts	11	N/A
Income Taxes	12	Applied
Property, Plant and Equipment	16	Applied
Leases	17	Applied
Revenue	18	Applied
Employee Benefits	19	Applied
Accounting Government Grants and Disclosure of Government Assistance	20	N/A
The Effects of Changes in Foreign Exchange Rates	21	Applied
Borrowing Costs	23	N/A
Related Party Disclosures	24	Applied
Accounting and Reporting by Retirement Benefit Plans	26	Applied
Consolidated and Separate Financial Statements	27	Applied
Investment in Associates	28	N/A
Interest in Joint Ventures	31	N/A
Financial instruments: Presentation	32	Applied
Earning per Shares	33	Applied
Interim Financial Reporting	34	Applied
Impairment of Assets	36	Applied
Provisions, Contingent Liabilities and Contingent Assets	37	Applied
Intangible Assets	38	N/A
Financial instruments: Recognition and Measurement	39	Applied
Investment Property	40	Applied
Agriculture	41	N/A
Name of the BFRS	BFRS no	Status
First Time Adaption of BFRS	1	N/A
Share Based Payment	2	N/A
Business Combinations	3	N/A
Insurance contracts	4	Applied
Non-current Assets Held for Sale and Discontinued Operations	5	N/A
Exploration for and Evaluation of Mineral Resources	6	N/A
Financial instruments: Disclosure	7	Applied
Operating Segments	8	Applied

BRANCH NETWORK

DHAKA DIVISION

LOCAL OFFICE

Chand Mansion (2nd Floor), 66, Dilkusha C/A, Dhaka-1000
Phone : 02-7111057, 9552398-99

PRINCIPAL OFFICE

44, Dilkusha C/A (7th Floor), Dhaka-1000
Phone: 02-9551983, 9550284

HATKHOLA BRANCH

33/3 Hatkhola Road (2nd Floor), Dhaka
Phone: 02-9559501

B. B. AVENUE BRANCH

Chand Mansion (2nd Floor), 66, Dilkusha C/A, Dhaka-1000
Phone: 02-7125623, 9552398-99

VIP ROAD BRANCH

Chand Mansion (2nd Floor), 66, Dilkusha C/A, Dhaka-1000
Phone: 02-9512065, 9552398-99

KAWRAN BAZAR BRANCH

35, Kazi Nazrul Islam Avenue (3rd Floor)
Kawran Bazar, Dhaka
Phone: 02-9140571

MOULVI BAZAR BRANCH

1, Moulvi Bazar (2nd Floor), Dhaka-1100
Phone: 02-57319650

GULSHAN BRANCH

Islam Mansion (1st Floor), House # 39, Road # 126,
Gulshan-1, Dhaka-1212
Phone : 02-9851259

ELEPHANT ROAD BRANCH

124/A, Elephant Road (3rd Floor), Dhaka-1205
Phone: 02-9660644

MOUCHAK BRANCH

1/2, Outer Circular Road (3rd Floor), Malibog, Dhaka
Phone: 02-8317061

MIRPUR BRANCH

95, Begum Rokeya Sarani, Section # 10,
Chowranghi Market (4th Floor), Mirpur, Dhaka
Phone: 02-9009378

NARAYANGONJ BRANCH

53/1, S. M. Maleh Road (2nd Floor), Tan Bazar, Narayanganj
Phone: 02-7646528

CHATTOGRAM DIVISION

AGRABAD BRANCH

Eastern Motors Limited, NIB House (2nd Floor)
32, Agrabad C/A, Chattogram, Phone: 031-711309, 712491

SADARGHAT BRANCH

AMIN ARCADE (3rd Floor), 41 Sadarghat Road, Chattogram,
Phone: 031-630557

KHATUNGONJ BRANCH

256, Khatungonj (2nd Floor), Chattogram, Phone: 031-630624

KHULNA DIVISION

ZONAL OFFICE, KHULNA

Haji Golam Rasul Chamber, 87, Khan A-Sabur Road,
Dak Banglar More, Khulna
Phone: 041-720876, Fax: 041-2832846

OTHER DIVISION

BOGURA BRANCH

Rangpur Road, Bogra Talukder Mansion (1st Floor)
Borogola, Bogura, Phone: 051-63608

RANGPUR BRANCH

Central Road, Payara Chattor, 10 Mouvasha Building (2nd Floor)
Rangpur, Cell: 01828145697

FARIDPUR BRANCH

Mujib Sarok, Arju Super Market (1st Floor), Faridpur
Phone: 0631-62135

CHOWMUHANI BRANCH

Jahaj Company Building (3rd Floor), D.B. Road
Chowmuhani, Nohakhali, Phone: 0321-52201

SYLHET BRANCH

Hazari Building (2nd Floor), Zindabazar Road, Sylhet,
Phone: 0821-716286 Fax: 0821-729058

SIRAJGANJ BRANCH

556, Station Road, Sirajganj

KURIGRAM BRANCH

Zilla Parishad Super Market (1st Floor), Room-224-225
Sadar, Kurigram, Cell: 01717650421

KUSHTIA BRANCH

55/1, Seraj Uddowla Road, Lovely Tower (9th Floor), Room-9F-3, Kustitia.

JASHORE BRANCH

JESS TOWER (5th floor)
39, M.K. Road, Jashore Town, Jashore,
Cell: 01670678115

LOCATION OF BRANCHES



This image shows a full page of white paper with horizontal grey ruling lines. The lines are evenly spaced and run across the width of the page, providing a template for handwriting practice or general writing. There are no margins, text, or other markings on the page.



This image shows a full page of blank, lined paper. It features approximately 20 evenly spaced horizontal grey lines across its entire width, providing a guide for handwriting or typing. The paper itself is a clean, off-white color.



PROXY FORM

I/We _____ of _____ being a member of Eastern Insurance Co. Ltd. do hereby appoint Mr./Mrs./Ms. _____ of _____ as my/our proxy, to vote for me/our behalf at the 33rd Annual General Meeting of the Company and at any adjournment thereof or at my ballot to be taken in consequence thereof.

Signed this _____ day of _____ 2019

Signature of Proxy _____

Signature of Shareholder

Folio/ BO ID No.

N.B. IMPORTANT

1. This form of Proxy, duly completed, must be deposited 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 should agree with the Specimen Signature registered with the company.



Head Office: 44, Dilkusha C/A, Dhaka-1000

ATTENDANCE SLIP

I hereby record my attendance at the 33rd Annual General Meeting of the Company being held on July 30, 2019, Tuesday at 11:00 A.M at Spectra Convention Centre Ltd., House-19, Road-7, Gulshan-1, Dhaka-1212

Name of Shareholder/Proxy

Signature _____

Date

Folio/ BO ID No.

N.B. Shareholder attending meeting in person or by Proxy are requested to complete the attendance slip and hand it over at the entrance of the meeting hall.



ইস্টার্ন ইন্স্যুরেন্স কোঃ লিঃ

EASTERN INSURANCE CO. LTD.

(The Symbol of Comprehensive Security.)



Head Office : 44, Dilkusha C/A, Dhaka-1000, Bangladesh. PABX : 9563033-34, 9564246-48
Fax : 88-02-9569735, E-mail : eicl@dhaka.net, Website : www.easterninsurancebd.com