

PRIVATE & CONFIDENTIAL

INDEPENDENT AUDITOR'S REPORT AND AUDIT
FINANCIAL STATEMENTS
AS AT AND FOR THE YEAR ENDED 31 DECEMBER

শফিক বসাক এন্ড কোং
SHAFIQ BASAK & CO.
CHARTERED ACCOUNTANTS

Dhaka Office :

- 1) Shatabdi Centre (6th Floor), 292, Inner Circular Road
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E-mail: mahmoods.bd@gmail.com

Chittagong Office :

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109, Agrabad C/A, Chittagong-4100.
Phone: 88-031-711561
E-mail: basak_sbc@yahoo.com

PRIVATE & CONFIDENTIAL

CONTINENTAL INSURANCE LIMITED.

**INDEPENDENT AUDITOR'S REPORT AND AUDITED
FINANCIAL STATEMENTS**

AS AT AND FOR THE YEAR ENDED 31 DECEMBER 2017

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CHARTERED ACCOUNTANTS**

DHAKA OFFICE

SHATABDI CENTER (6TH FLOOR)
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CHARTERED ACCOUNTANTS

Partners:
Md. Shafiqul Islam, FCA
Sampad Kumar Basak, FCA
Md. Enayet Ullah, FCA
Sarwar Mahmood, FCA

CHITTAGONG OFFICE :

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109, Agrabad Commercial Area,
Chittagong - 4100, Bangladesh.
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INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF CONTINENTAL INSURANCE LIMITED

We have audited the accompanying financial statements of **Continental Insurance Limited** (the "Company") which comprise the Statement of Financial Position as at 31 December 2017, the Statement of Profit or loss and others Comprehensive Income, related Revenue Accounts, Statement of Cash Flows, Statement of Changes in Equity for the year then ended and a summary of significant accounting policies and other explanatory information.

The Managements' Responsibility for the Financial Statements

The Management is responsible for the preparation and fair presentation of these financial statements of the Company that give a true and fair view in accordance with Bangladesh Financial Reporting Standards (BFRSs) and for such internal control system as management determines is necessary to enable the preparation of the financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

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

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

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

Opinion:

In our opinion, the financial statements of the Company give a true and fair view of the financial position of the Company as at 31 December 2017, and of its financial performance and its cash flows for the year then ended in accordance with Bangladesh Financial Reporting Standards (BFRSs) and comply with the Companies Act, 1994, the Insurance Act 2010, The Securities & Exchange Rules 1987, and other applicable laws.

Branch Office:

Dhaka: House - 42(1st Floor), Road - 01, Blok- A, Niketan, Gulshan-01. Phone: 88-02-99859602-3, 01819-285196, Email: mahmoods.bd@gmail.com

Matter of Emphasis

We draw users' attention to the following notes:

- 1) As disclosed in the note 12.00 of the Financial Statements regarding outstanding premium, the company did not operate business and collect premium complying with the section 18 of Insurance Act 2010. Management should take necessary steps to realize the outstanding premium.
- 2) Management should give proper attention to realize the amount as disclosed in the note 13.00 to the financial statements regarding due from other persons or bodies carrying on insurance business.

Our opinion is not qualified in respect of these matters.

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 purposes of our audit and made due verification thereof ;
- (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appeared from our examination of those books ;
- (c) The company management has followed relevant provision of law and rules in managing the affairs of the Company and proper books of the account, 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 no visited by us ;
- (d) The Company's Statement of Financial Position, Statement of Profit and Loss and Other Comprehensive Income and its Statement of Cash Flows dealt with by the report is in agreement with the books of account;
- (e) The expenditure incurred was for the purpose of Company's business;
- (f) As per section 63 (2) of the Insurance Act, 2010 as amended, we certify that to the best of our knowledge and belief and according to the information and explanations given to us, all expenses of management wherever incurred and whether directly or indirectly, in respect of insurance business of the company transacted in Bangladesh during the year under report have been fully debited to the Revenue Accounts and the Comprehensive Income of the company; and
- f) As per Insurance Act, 2010 ,we certify that according to the best of our information and as shown by its books, during the year under report, the company has not paid any person any commission in any form outside Bangladesh in respect of any of any business re-insured abroad.

Place: Dhaka
08 April 2018


SHAFIQ BASAK & CO.
Chartered Accountants



CONTINENTAL INSURANCE LIMITED
Statement of Financial Position
AS AT DECEMBER 31, 2017

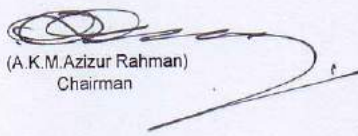
CAPITAL & LIABILITIES	NOTES	2017 TAKA	2016 TAKA	PROPERTY & ASSETS	NOTES	2017 TAKA	2016 TAKA
SHARE CAPITAL:				INVESTMENT:	11.00	68,094,281	70,413,155
AUTHORISED:				Government Treasury Bond	11.01	25,678,940	25,000,000
60,000,000 Ordinary Shares of Tk. 10 Each	3.01	600,000,000	600,000,000	Investment in Shares	11.02	42,415,341	45,413,155
ISSUED, SUBSCRIBED AND PAID UP:				OUTSTANDING PREMIUM	12.00	89,019,261	99,428,385
3,45,57,917 Ordinary Shares of Tk. 10 Each	3.02	345,579,170	329,123,020	Interest, Dividend & Rent (Accrued but not due)		11,060,726	10,136,361
Share Premium		45,375,000	45,375,000	AMOUNT DUE FROM OTHER PERSONS OR BODIES CARRYING ON INSURANCE BUSINESS	13.00	167,964,366	168,914,726
RESERVED OR CONTINGENCY ACCOUNT:	4.00	267,640,822	237,229,323	SUNDRY DEBTORS	14.00	159,257,261	177,043,840
Profit & Loss Appropriation Account		42,535,649	41,914,494	CASH IN HAND & BANK:	15.00	443,469,282	421,752,707
General Reserve		5,000,000	5,000,000	Fixed Deposit with Banks	15.01	356,366,225	335,816,225
Share Fluctuation Fund		8,288,246	8,288,246	Currents & STD Account with Banks		71,025,356	69,635,389
Reserve for exceptional losses		215,824,606	185,905,397	Cash in Hand		15,178,351	16,117,633
Reserve for Fair Value of share		(4,007,679)	(3,878,814)	Stamp in Hand		899,350	183,460
BALANCE OF FUNDS & ACCOUNTS	5.00	120,518,992	98,674,758	OTHER ACCOUNTS:	16.00	144,285,920	75,549,912
Fire Insurance Business Account		56,446,059	44,836,806	Fixed Assets (WDV)		143,531,556	75,008,540
Marine Insurance Business Account		28,133,025	23,613,097	Stock of Printing Materials at cost		754,364	541,372
Motor Insurance Business Account		22,033,754	18,936,862				
Misc. Insurance Business Account		13,906,153	11,287,992				
DEPOSIT PREMIUM	6.00	2,988,589	2,381,781				
LIABILITY & PROVISIONS:		14,042,772	5,364,167				
Estimated liabilities in respect of outstanding Claims whether due or intimated	7.00	7,361,221	4,275,263				
Amount due to other persons or bodies carrying on insurance business	8.00	6,681,551	1,088,904				
SUNDRY CREDITORS	9.00	285,967,051	304,078,933				
Deferred Tax	10.00	1,038,700	1,012,104				
TOTAL		1,083,151,097	1,023,239,086	TOTAL		1,083,151,097	1,023,239,086


Net Assets Value Per Share


19.06 18.59


The annexed notes form an integral part of these Financial Statements

Signed as per our separate report of even date.

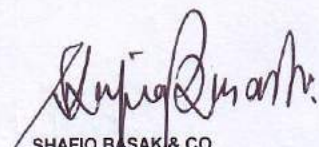

(A.K.M. Azizur Rahman)
Chairman


(Imtiaz Bin Musa)
Vice-Chairman


(Mohd. Jahangir Hussain)
Director


(Muhammad Nazirul Islam)
Chief Executive Officer (CEO)

Dated: Dhaka
April 8, 2018


SHAFIQ BASAK & CO.
Chartered Accountants



CONTINENTAL INSURANCE LIMITED
STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED DECEMBER 31, 2017

Particulars	Notes	2017 TAKA	2016 TAKA	Particulars	Notes	2017 TAKA	2016 TAKA
Management Expenses (Not applicable to any Fund or Account)		630,583	5,163,965	INTEREST, DIVIDEND AND RENTS	17.00		
Advertisement & publicity		291,583	323,965	(Not applicable to any particular Fund or Account)		32,173,179	25,986,733
Incentive Bonus			4,500,000	Interest Received	17.01	28,375,893	22,697,499
Employees Special benefit		339,000	340,000	Dividend Income	17.02	470,846	811,294
Depreciation/ Loss of Investment		11,065,916	12,344,274	Gain from share trade	17.03	3,326,440	2,164,106
Car Lease				Other Income	17.04		313,834
Depreciation		11,065,916	12,344,274	Revenue Profit		98,064,200	102,350,788
Other Expenses		36,224,345	35,321,074	Fire Revenue Account		33,027,197	23,295,448
Directors Fee	19	665,000	694,000	Marine Revenue Account		26,777,821	29,701,785
Meeting Expenses		350,629	183,138	Marine Hull Revenue Account		587,287	7,595,485
Registration & Renewal Fees		3,549,806	2,293,720	Motor Revenue Account		22,834,912	31,497,644
Donation & Subscription		1,274,322	657,150	Miscellaneous Revenue Account		14,836,983	10,260,426
Legal & Professional Fees		445,625	69,000				
Rates, Taxes & Levies		180,995	646,272				
Company Contribution to P.F.		5,270,912	4,081,426				
Provision for Gratuity		3,500,000	2,500,000				
Interest Expenses		16,871,229	20,420,958				
Worker's Profit Participation Fund (WPPF)		4,115,827	3,775,410				
Total Expenses		47,920,844	52,829,313				
Balance for the year Carried to Profit & Loss App.		82,316,535	75,508,208				
TOTAL		130,237,379	128,337,521	TOTAL		130,237,379	128,337,521

PROFIT AND LOSS APPROPRIATION ACCOUNT
For the year ended December 31, 2017

Particulars	Notes	2017 TAKA	2016 TAKA	Particulars	Notes	2017 TAKA	2016 TAKA
Reserve for exceptional losses		29,919,209	24,159,385	Balance brought forward from last year		41,914,494	36,610,384
Provision for the Taxation		18,837,272	18,386,667	Net Profit for the year brought down		82,316,535	75,508,208
Deferred Tax	10.00	26,596	(3,687,004)				
Dividend (for the year 2016 & 2015 respectively)		32,912,302	31,345,050				
Balance available		42,535,649	41,914,494				
TOTAL		124,231,029	112,118,592	TOTAL		124,231,029	112,118,592
EPS		1.49	1.44				

Other Comprehensive income:

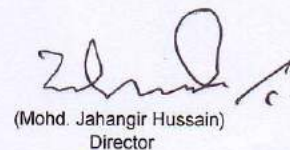
Particulars	Notes	2017 TAKA	2016 TAKA
Profit after tax		63,452,666	60,808,545
Other Comprehensive income:			
Unrealized (Gain) or Loss		(128,865)	2,675,535
Total Comprehensive Income for the year		63,581,531	63,484,080

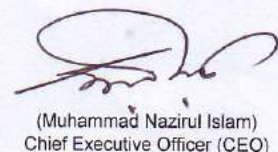
The annexed notes form an integral part of these Financial Statements

Signed as per our separate report of even date.

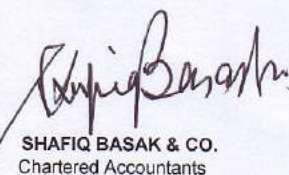

(A.K.M. Azizur Rahman)
Chairman


(Imtiaz Bin Musa)
Vice- Chairman


(Mohd. Jahangir Hussain)
Director


(Muhammad Nazirul Islam)
Chief Executive Officer (CEO)

Dated: Dhaka
April 8, 2018


SHAFIQ BASAK & CO.
Chartered Accountants



CONTINENTAL INSURANCE LIMITED
CONSOLIDATED REVENUE ACCOUNT
FOR THE YEAR ENDED DECEMBER 31, 2017

Particulars	2017 TAKA	2016 TAKA	Particulars	2017 TAKA	2016 TAKA
Claims under policy less Re-Insurance:			Balance of Account at the beginning of the year:		
Paid during the year	24,211,660	32,789,821	Reserve for Unexpired Risks	98,674,758	130,658,402
Total estimated liabilities in respect of outstanding claims at the end of the year whether due or intimated	7,361,221	4,275,263	Premium Less Re-Insurance	299,192,093	241,593,847
	31,572,881	37,065,084	Commission on Re- Insurance Ceded	43,908,162	45,040,454
Less: Outstanding claim at the end of the previous year	4,275,263	9,625,897			
	27,297,618	27,439,187			
Expenses of Management (Note-20.00)	117,870,076	116,366,234			
Agency Commission	78,024,126	72,461,736			
Profit transferred to Profit & Loss account	98,064,200	102,350,788			
Balance of account at the end of the year as shown in the Balance Sheet	120,518,992	98,674,758			
TOTAL	441,775,012	417,292,703	TOTAL	441,775,012	417,292,703

The annexed notes form an integral part of these Financial Statements

Signed as per our separate report of even date.

(A.K.M.Azizur Rahman)
Chairman

(Imtiaz Bin Musa)
Vice- Chairman

(Mohd. Jahangir Hussain)
Director

(Muhammad Nazirul Islam)
Chief Executive Officer (CEO)

Dated: Dhaka
April 8, 2018

Shafiq Basak
SHAFIQ BASAK & CO.
Chartered Accountants



CONTINENTAL INSURANCE LIMITED
FIRE BUSINESS REVENUE ACCOUNT
 FOR THE YEAR ENDED DECEMBER 31, 2017

Particulars	2017 TAKA	2016 TAKA	Particulars	2017 TAKA	2016 TAKA
Claims under policy less Re-Insurance:			Balance of Account at the beginning of the year:		
Paid during the year	11,868,430	18,265,819	Reserve for Unexpired risks	44,836,806	51,089,566
Total estimated liabilities in respect of outstanding claims at the end of the year whether due or intimated	2,125,368	1,234,259	Premium Less Re-Insurance	141,115,148	112,092,016
	13,993,798	19,500,078	Commission on Re- Insurance Ceded	24,717,350	23,552,791
Less: Outstanding claim at the end of the previous year	1,234,259	4,715,465			
	12,759,539	14,784,613			
Expenses of Management	62,354,600	61,845,873			
Agency Commission	46,081,909	41,971,632			
Profit transferred to Profit & Loss account	33,027,197	23,295,449			
Balance of account at the end of the year as shown in the Balance Sheet:					
Reserve for Unexpired risks, being 40% of the Fire premium income of the year	56,446,059	44,836,806			
TOTAL	210,669,304	186,734,373	TOTAL	210,669,304	186,734,373

(A.K.M. Azizur Rahman)
Chairman

(Imtiaz Bin Musa)
Vice-Chairman

(Mohd. Jahangir Hussain)
Director

(Muhammad Nazirul Islam)
Chief Executive Officer (CEO)

Dated: Dhaka
April 8, 2018

SHAFIQ BASAK & CO.
Chartered Accountants



CONTINENTAL INSURANCE LIMITED
MARINE BUSIENSS REVENUE ACCOUNT
FOR THE YEAR ENDED DECEMBER 31, 2017

<u>Particulars</u>	CARGO	HULL	2017 TAKA	2016 TAKA	<u>Particulars</u>	CARGO	HULL	2017 TAKA	2016 TAKA
Claims under policy less Re- Insurance:					Balance of Account at the beginning of the year:				
Paid during the year	488,193	2,329,022	2,817,215	2,630,986	Reserve for Unexpired risks	20,217,732	3,395,365	23,613,097	42,723,235
Total estimated liabilities in respect of outstanding claim at the end of the year whether due or intimated	1,875,246		1,875,246	1,045,126	Premium Less Re-				
	2,363,439	2,329,022	4,692,461	3,676,112	Insurance	66,823,586	1,403,591	68,227,177	53,939,695
Less: Outstanding claim at the end of the previous year	1,045,126		1,045,126	2,536,125	Commission on Re-	8,171,560	3,349,219	11,520,779	8,562,311
	1,318,313	2,329,022	3,647,336	1,139,987					
Expenses of Management	25,268,196	1,519,672	26,777,867	27,142,603					
Agency Commission	15,129,115	2,308,603	17,437,718	16,032,284					
Profit transferred to Profit & Loss account	26,777,821	587,287	27,365,108	37,297,270					
Balance of account at the end of the year as shown in the Balance Sheet: Reserve for Unexpired risks, being 40% of the marine cargo premium income and 100% of the Marine Hull Premium income of the year.	26,729,434	1,403,591	28,133,025	23,613,097					
TOTAL	95,212,878	8,148,175	103,361,053	105,225,241	TOTAL	95,212,878	8,148,175	103,361,053	105,225,241

(A.K.M.Azizur Rahman)
Chairman

(Hmtiaz Bin Musa)
Vice- Chairman

(Mohd. Jahangir Hussain)
Director

(Muhammad Nazirul Islam)
Chief Executive Officer (CEO)

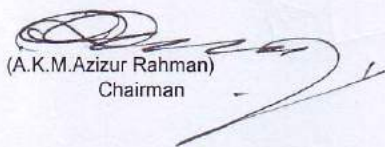
Dated: Dhaka
April 8, 2018

SHAFIQ BASAK & CO.
Chartered Accountants

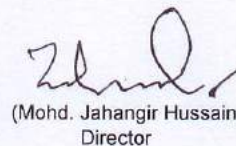
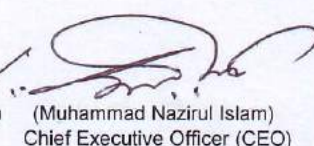


CONTINENTAL INSURANCE LIMITED
MOTOR BUSINESS REVENUE ACCOUNT
FOR THE YEAR ENDED DECEMBER 31, 2017

<u>Particulars</u>	2017 TAKA	2016 TAKA	<u>Particulars</u>	2017 TAKA	2016 TAKA
Claims under policy less Re-Insurance:			Balance of Account at the beginning of the year:		
Paid during the year	9,446,713	11,524,360	Reserve for Unexpired risks	18,936,862	32,550,650
Total estimated liabilities in respect of outstanding claim at the end of the year whether due or intimated	1,245,369	1,012,453	Premium Less Re-Insurance	55,084,386	47,342,155
	10,692,082	12,536,813	Commission on Re- Insurance Ceded	860,994	936,819
Less: Outstanding claim at the end of the previous year	1,012,453	1,245,365			
	9,679,629	11,291,448			
Expenses of Management	11,827,716	11,519,546			
Agency Commission	8,506,231	7,584,124			
Profit transferred to Profit & Loss account	22,834,912	31,497,644			
Balance of account at the end of the year as shown in the Balance Sheet:					
Reserve for Unexpired risks, being 40% of the Motor premium income of the year	22,033,754	18,936,862			
TOTAL	74,882,242	80,829,624	TOTAL	74,882,242	80,829,624


(A.K.M. Azizur Rahman)
Chairman


(Imtiaz Bin Musa)
Vice- Chairman

 
(Mohd. Jahangir Hussain) (Muhammad Nazirul Islam)
Director Chief Executive Officer (CEO)

Dated: Dhaka
April 8, 2018


SHAFIQ BASAK & CO.
Chartered Accountants



CONTINENTAL INSURANCE LIMITED
MISCELLANEOUS BUSINESS REVENUE ACCOUNT
FOR THE YEAR DECEMBER 31, 2017

Particulars	2017 TAKA	2016 TAKA	Particulars	2017 TAKA	2016 TAKA
Claims under policy less Re-Insurance:			Balance of Account at the beginning of the year:		
Paid during the year	79,302	368,656	Reserve for Unexpired risks	11,287,992	4,294,951
Total estimated liabilities in respect of outstanding claims at the end of the year whether due or intimated	2,115,238	983,425	Premium Less Re-Insurance	34,765,382	28,219,981
	2,194,540	1,352,081	Commission on Re- Insurance Ceded	6,809,039	11,988,533
Less: Outstanding claim at the end of the previous year	983,425	1,128,942			
	1,211,115	223,139			
Expenses of Management	16,909,893	15,858,212			
Agency Commission	5,998,269	6,873,696			
Profit transferred to Profit & Loss account	14,836,983	10,260,426			
Balance of account at the end of the year as shown in the Balance Sheet:					
Reserve for Unexpired risks, being 40% of the Miscellaneous premium income of the year	13,906,153	11,287,992			
TOTAL	52,862,413	44,503,465	TOTAL	52,862,413	44,503,465

(A.K.M. Azizur Rahman)
Chairman

(Imtiaz Bin Musa)
Vice- Chairman

(Mohd. Jahangir Hussain)
Director

(Muhammad Nazirul Islam)
Chief Executive Officer (CEO)

Dated: Dhaka
April 8, 2018

SHAFIQ BASAK & CO.
Chartered Accountants



CONTINENTAL INSURANCE LIMITED
STATEMENT OF CASH FLOW
AS ON DECEMBER 31, 2017

Particulars		Amount (Taka)	Amount (Taka)
		2017	2016
A.	CASH FLOW FROM OPERATING ACTIVITIES:		
	Collection from Premium & other Income	336,557,970	344,604,678
Less:	Payment for Expenses:	290,516,332	316,250,246
	Management Expenses	173,635,153	211,713,269
	Claims	27,297,618	27,439,187
	Agency Commission	78,024,126	72,461,736
	Income Tax Paid or Deducted	11,559,435	4,636,064
	Net Cash Inflow from operating activities	46,041,638	28,354,432
B.	CASH FLOW FROM INVESTING ACTIVITIES:		
	Purchases of Fixed Assets	(13,188,933)	(2,547,080)
	Net Cash used in Investing activities	(13,188,933)	(2,547,080)
C.	Cash flow from financing activities:		
	Dividend Paid	(11,136,130)	(7,803,246)
	Net Cash Outflow from Financing Activities	(11,136,130)	(7,803,246)
D.	Net Increase / Decrease in cash flow (A+B+C)	21,716,575	18,004,106
E.	Opening Cash & Cash Equivalent	421,752,707	403,748,601
F.	Closing Cash & Cash Equivalent (D+E)	443,469,282	421,752,707
Net Operating Cash Flow Per Share (NOCPS)		1.33	0.86

(A.K.M. Azizur Rahman)
Chairman

(Imtiaz Bin Musa)
Vice- Chairman

(Mohd. Jahangir Hussain)
Director

(Muhammad Nazirul Islam)
Chief Executive Officer (CEO)

Dated: Dhaka
April 8, 2018

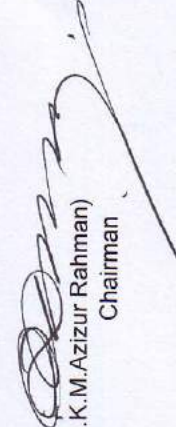


CONTINENTAL INSURANCE LIMITED
STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY
FOR THE YEAR ENDED DECEMBER 31, 2017


Particulars	Share Capital	Share Premium	Reserve for Exceptional Losses	General Reserve	Share fluctuation Fund	Reserve for Fair Value of share	Profit & Loss Appropriation Account	Total Taka
Balance at 1 January 2017	329,123,020	45,375,000	185,905,397	5,000,000	8,288,246	(3,878,814)	41,914,494	611,727,343
Profit after tax for the year 2017							63,452,666	63,452,666
Dividend paid	16,456,150						(32,912,302)	(15,672,525)
Reserve for Fair Value of share						(128,865)		(128,865)
Appropriation made during the year			29,919,209				(29,919,209)	
Balance at 31 December 2017	345,579,170	45,375,000	215,824,606	5,000,000	8,288,246	(4,007,679)	42,535,648	658,594,991

CONTINENTAL INSURANCE LIMITED
STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY
For the year ended 31 December 2016

Particulars	Share Capital	Share Premium	Reserve for Exceptional Losses	General Reserve	Share fluctuation Fund	Reserve for Fair Value of share	Profit & Loss Appropriation Account	Total Taka
Balance at 1 January 2016	313,450,500	45,375,000	161,746,012	5,000,000	8,288,246	(6,554,349)	36,610,384	563,915,793
Profit after tax for the year 2016							60,808,545	60,808,545
Dividend paid	15,672,525						(31,345,050)	(15,672,525)
Appropriation made during the year								
Reserve for Fair Value of share						2,675,535		2,675,535
Balance at 31 December 2016	329,123,025	45,375,000	185,905,397	5,000,000	8,288,246	(3,878,814)	41,914,494	611,727,348


 (A.K.M. Azizur Rahman)
 Chairman


 (Mohd. Jahangir Hussain)
 Director


 (Muhammad Nazifur Islam)
 Chief Executive Officer (CEO)



Dated: Dhaka
 April 8, 2018

CONTINENTAL INSURANCE LIMITED

FORM- AA

Classified summary of Assets as on December 31, 2017

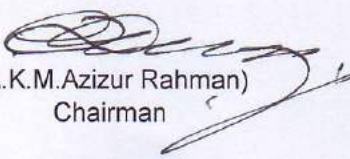
Particulars	Book value as per Balance Sheet	Market Value	Remarks
Statutory deposit with Bangladesh Bank (Govt. Treasury Bond)	25,678,940	25,678,940	Not Quoted in Market
Investment in Share	42,415,341	42,415,341	At Market Value
Cash in hand	15,178,351	15,178,351	Realizable Value
Fixed Deposits with Bank	356,366,225	356,366,225	Realizable Value
STD & Current Accounts with Banks	71,025,356	71,025,356	Realizable Value
Stamp in hand	899,350	899,350	Realizable Value
Outstanding Premium	89,019,261	89,019,261	Realizable Value
Amount due from other persons or bodies carrying on Insurance business	167,964,366	167,964,366	Realizable Value
Printing & Stationery	754,364	754,364	At cost
Interest Accrued	11,060,726	11,060,726	Market Value
Sundry Debtors (Including Advance deposit & Pre-payment)	159,257,261	159,257,261	All considered Good
Fixed Assets (At cost less Depreciation)	143,531,556	143,531,556	At written down value
	1,083,151,097	1,083,151,097	

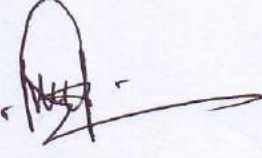
Certificate under section 7(a) and (b) of part 1 of the First schedule to the Insurance Act, 1938.


Certified that the value of all assets have been reviewed, the said asset have been set forth in the Balance Sheet at amounts not exceeding their realizable or market value.

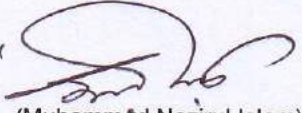
Notes form the integral part of these financial statements.

Signed as per our separate report of even date.

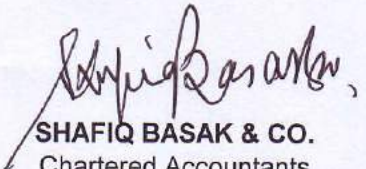

(A.K.M. Azizur Rahman)
Chairman


(Imtiaz Bin Musa)
Vice- Chairman


(Mohd. Jahangir Hussain)
Director


(Muhammad Nazirul Islam)
Chief Executive Officer (CEO)

Dated: Dhaka
April 8, 2018


SHAFIQ BASAK & CO.
Chartered Accountants



CONTINENTAL INSURANCE LTD.
Ideal Trade Centre (7th floor),
102, Shahid Tajuddin Ahmed Sarani, Tejgaon, Dhaka-1208

1.00 BACK GROUND AND ACTIVITIES

Continental Insurance Limited was incorporated as Public Limited Company on 12 December 1999 under the Companies Act, 1994 having registered office in Bangladesh. The Company obtained permission to commence Insurance business from Chief Controller of Insurance, Directorate of Insurance, Government of the Peoples Republic of Bangladesh on February 2000. The principal place of business of the Company is at Ideal Trade Centre (7th Floor), 102, Shahid Tajuddin Ahmed Sarani, Tejgaon, Dhaka-1208, Bangladesh which is also the registered office of the Company. The Company is engaged in General Insurance business within the meaning of Insurance Act, 1938 subsequent amended Insurance Act, 2010. The Company went into public issue during 2007 and its shares are listed with Dhaka Stock Exchange and Chittagong Stock Exchange.

2.00 SIGNIFICANT ACCOUNTING POLICIES & RELEVANT INFORMATION:

2.01 Basis of Preparation of Financial Statements.

- (i) The financial statements have been prepared on a going concern basis under historical cost convention and in accordance with the requirements of the schedule to the Securities and Exchange Rules 1987 and Insurance Act, 1938 as amended and the International Accounting Standards as adopted by the Institute of Chartered Accountants of Bangladesh particularly with regard to disclosure of accounting policies and relevant information in financial statements as well as accounting for property and depreciation thereon and the valuation of investments.
- (ii) The Insurance Act, 1938 and amended Insurance Act, 2010 has prescribed formats for presenting accounts, accordingly the Balance Sheet has been prepared in the format [Form-A], set out in part I of the First Schedule, the revenue account of each class of business in the format [Form-A] given in part II of the Third Schedule, Profit or loss And Other Comprehensive Income and Profit & Loss Appropriation Account as per format [Form-B and C] prescribed in the part-II of the Second Schedule, other disclosure requirements are fully followed.
- (iii) The accounts have been prepared on accrual basis of accounting
- (iv) The cash flow statement has been prepared under direct method as per requirement of Securities and Exchange rules 1987.

2.02 Last years figures have been rearranged wherever necessary for comparison purposes.

2.03 Public Sector Insurance Business:

Insurance Premium relating to the Public Sector Business have been incorporated into Accounts for the 3rd & 4th quarter 2016 and 1st & 2nd quarter 2017.

2.04 Re-Insurance Accounts:

While preparing the Revenue Accounts necessary adjustments in respect of re-insurance ceded in Bangladesh have been duly given.

2.05 Reporting Currency:

The financial Statements are presented in Bangladesh currency (Taka) which have been rounded off to the nearest Taka.

2.06 Fixed Assets:

Fixed Assets are stated at cost less accumulated depreciation. Depreciation on Fixed Assets has been charged from the date of acquisition on reducing balance method at the rates varying from 10% to 25% depending on the estimated useful life of the assets consistent with the past practice. The rates of depreciation are furnished below:

<u>Category of Assets</u>	<u>Rate of Depreciation</u>
Furniture & Fixture	10%
Office Decoration	10%
Buildings	10%
Office Equipment	15%
Electrical Equipment	15%
Motor Vehicles	20%
Other Assets	25%



- 2.07 Investment:**
Investment are stated at their acquisition cost for Government Treasury Bond and interest received at Balance Sheet date have been accounted for and investment in share has been shown at fair value.
- 2.08 Stock:**
Stock of printing materials has been valued at cost or realizable value whichever is lower.
- 2.09 Classified Summary of Assets:**
The value of all assets at December 31, 2017 has been shown in the Balance sheet and in the classified summary of assets on form "AA" annexed with the report have been reviewed and the said assets have been set forth in the Balance Sheet at amount not exceeding their realizable or market value in aggregate.
- 2.10 Taxation:**
Income Tax Assessment of the Company has been completed up to Assessment year 2006-2007 & the assessment Year 2007-2008, 2008-2009, 2009-2010, 2010-2011, 2011-2012, 2012-13, 2013-14, 2014-15, 2015-16, 2016-17 and 2017-2018 has been under process. Details Break-up have been shown in the Annexure-B.
- 2.11 Earnings per Share (EPS):**

The Company calculates Earnings per share (EPS) in accordance with the "Bangladesh Accounting Standards (BAS-33)", Which was adopted by the Institute of Chartered Accountants of Bangladesh (ICAB). Calculation of EPS are shown below:

	Amount in Taka	
	2017	2016
EPS = $\frac{\text{Earnings Attributable to Ordinary Share Holders}}{\text{Number of Shares}}$	51,511,579	47,457,788
	34,557,917	32,912,302
	1.49	1.44

In ascertaining earning per share, estimated tax liability for previous years amounting to Tk. 11,967,684 has been considered.

- 2.12 Reserve for Exceptional Losses:**
Provision for exceptional losses has been made amounting to Tk. 2,99,19,209/= at the rate of 10% on Net premium during the year to cover the liabilities for Insurance claims and other unforeseen losses.
- 2.13 Revenue Recognition:**
Revenue are generated from premium income received against the insurance policies and by adjusted the deposit premium received against cover note and after adjustment re-insurance cost.
- 2.14 Reserve for unexpired risks:**
Before arriving at the surplus of each class of business necessary provision for unexpired risk have been created @ 40% on all business except Marine Hull & Aviation Business for which the provision was made @ 100% on net premium for the year under audit.
During previous year provision for unexpired risk had been created @ 40% all business except Marine Hull & Aviation Business.
- 2.15 Employees' Benefit Plan:**
The company has been introduced Employees Contributory Provident Fund, Workers Profits Participation Fund, Leave Encashment, Gratuity etc Since 2007.
- 2.16 Employees Details:**
During the year under review 386 employees are employed for the full time. Information of the employees are given below:
Number of employees received salary more than Taka 3000/= per month 386
No of employees received salary less than Taka 3000/= per month Nil
- 2.17 Deferred Tax:**
As per BAS-12 deferred tax liabilities are generally recognized for all taxable temporary difference. Accordingly tax liability is created & provided in the Profit & loss Appropriation Account. Computation has been made in note no-10.



		Amount in Taka	
		2017	2016
3.00	CAPITAL & LIABILITIES :		
	SHARE CAPITAL		
3.01	Authorized Capital:		
	60,000,000 Ordinary Shares of Tk 10/- each	<u>600,000,000</u>	<u>600,000,000</u>
3.02	Issued, Subscribed and paid up Capital:	<u>345,579,170</u>	<u>329,123,020</u>
	Details are as follows:		

Category of Shareholders

Particulars	No. of Shareholders	% of holding	2017	2016
Sponsor shareholders	10,372,214	30.01%	103,722,140	98,783,050
Public Shareholders	9,438,104	27.31%	94,381,040	97,681,820
Institution Shareholders	14,747,599	42.68%	147,475,990	132,658,150
Total:	34,557,917	100.00%	345,579,170	329,123,020

Classification of shareholders as per their holdings as on December 31, 2017

(A) Sponsor's Shareholdings

Class Interval	No. of shares	No of shareholder	% of Total holding	% of Total paid up capital
10000-100000	81,797	3	0.79%	0.24%
100001-400000	107,583	1	1.04%	0.31%
400001-800000	1,850,567	3	17.84%	5.35%
800001-1200000	4,149,036	4	40.00%	12.01%
1200001-1600000	4,183,231	3	40.33%	12.10%
Total	10,372,214	14	100%	30.01%

(B) Public Shareholdings

Class Interval	No. of shares	of shareholder	% of Total holding	% of Total paid up capital
001-5000	2,433,834	3001	25.79%	7.04%
5001-10000	997,100	142	10.56%	2.89%
10001-50000	2,320,042	118	24.58%	6.71%
50001-100000	739,828	11	7.84%	2.14%
100001-1200000	2,947,300	13	31.23%	8.53%
Total	9,438,104	3,285	100.00%	27.31%

(C) Institutional Shareholdings

Class Interval	No. of shares	of shareholder	% of Total holding	% of Total paid up capital
001-5000	24,050	23	0.16%	0.07%
5001-10000	54,200	8	0.37%	0.16%
10001-50000	247,145	10	1.68%	0.72%
50001-100000	320,182	5	2.17%	0.93%
100001-400000	1,627,033	9	11.03%	4.71%
400001-3000000	12,474,989	7	84.59%	36.10%
Total	14,747,599	62	100.00%	42.68%
Grand Total (A+B+C)	34,557,917	3,361		100.00%

		Amount in Taka	
		2017	2016
4.00	Reserve for Contingent Account:	<u>267,640,822</u>	<u>237,229,323</u>
	This has been made up as follows:		
	A. Profit & Loss Appropriation account:		
	(Undistributed profit upto Balance Sheet date)	42,535,649	41,914,494
	B. General Reserve	5,000,000	5,000,000
	C. Share Fluctuation Fund	8,288,246	8,288,246
	E. Reserve for Exceptional Losses:	215,824,606	185,905,397
	Opening balance	185,905,397	161,746,012
	Add: Reserve made during the year	29,919,209	24,159,385
	F. Accumulate	(4,007,679)	(3,878,814)
	Total: Taka-	<u>267,640,822</u>	<u>237,229,323</u>



		Amount in Taka	
		2017	2016
3.00	CAPITAL & LIABILITIES :		
	SHARE CAPITAL		
3.01	Authorized Capital:		
	60,000,000 Ordinary Shares of Tk 10/- each	<u>600,000,000</u>	<u>600,000,000</u>
3.02	Issued, Subscribed and paid up Capital:	<u>345,579,170</u>	<u>329,123,020</u>
	Details are as follows:		

Category of Shareholders

Particulars	No. of Shareholders	% of holding	2017	2016
Sponsor shareholders	10,372,214	30.01%	103,722,140	98,783,050
Public Shareholders	9,438,104	27.31%	94,381,040	97,681,820
Institution Shareholders	14,747,599	42.68%	147,475,990	132,658,150
Total:	34,557,917	100.00%	345,579,170	329,123,020

Classification of shareholders as per their holdings as on December 31, 2017

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400001-800000	1,850,567	3	17.84%	5.35%
800001-1200000	4,149,036	4	40.00%	12.01%
1200001-1600000	4,183,231	3	40.33%	12.10%
Total	10,372,214	14	100%	30.01%

(B) Public Shareholdings

Class Interval	No. of shares	of shareholder	% of Total holding	% of Total paid up capital
001-5000	2,433,834	3001	25.79%	7.04%
5001-10000	997,100	142	10.56%	2.89%
10001-50000	2,320,042	118	24.58%	6.71%
50001-100000	739,828	11	7.84%	2.14%
100001-1200000	2,947,300	13	31.23%	8.53%
Total	9,438,104	3,285	100.00%	27.31%

(C) Institutional Shareholdings

Class Interval	No. of shares	of shareholder	% of Total holding	% of Total paid up capital
001-5000	24,050	23	0.16%	0.07%
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10001-50000	247,145	10	1.68%	0.72%
50001-100000	320,182	5	2.17%	0.93%
100001-400000	1,627,033	9	11.03%	4.71%
400001-3000000	12,474,989	7	84.59%	36.10%
Total	14,747,599	62	100.00%	42.68%
Grand Total (A+B+C)	34,557,917	3,361		100.00%

		Amount in Taka	
		2017	2016
4.00	Reserve for Contingent Account:	<u>267,640,822</u>	<u>237,229,323</u>
	This has been made up as follows:		
	A. Profit & Loss Appropriation account:	42,535,649	41,914,494
	(Undistributed profit upto Balance Sheet date)		
	B. General Reserve	5,000,000	5,000,000
	C. Share Fluctuation Fund	8,288,246	8,288,246
	E. Reserve for Exceptional Losses:	215,824,606	185,905,397
	Opening balance	185,905,397	161,746,012
	Add: Reserve made during the year	29,919,209	24,159,385
	F. Accumulate	(4,007,679)	(3,878,814)
	Total: Taka-	<u>267,640,822</u>	<u>237,229,323</u>



5.00 Balance of Fund & Account

This has been made up as under:

Fire insurance business account	120,518,992	98,674,758
Marine insurance business account	56,446,059	44,836,806
Motor insurance business account	28,133,025	23,613,097
Misc. insurance business account	22,033,754	18,936,862
	13,906,153	11,287,992
Total: Taka-	120,518,992	98,674,758

6.00 Deposit Premium:

2,988,589 **2,381,781**

The above balance represents the premium and stamp duty received against cover notes for which policies have not yet been issued-with in 31st December 2017.

7.00 Estimated Liabilities in respect of outstanding claims whether due or intimated:

This is made up as follows:	7,361,221	4,275,263
(a) Fire Insurance Business	2,125,368	1,234,259
(b) Marine Insurance Business	1,875,246	1,045,126
(c) Motor Insurance Business	1,245,369	1,012,453
(d) Miscellaneous Insurance Business	2,115,238	983,425
Total:	7,361,221	4,275,263

8.00 Amount due to other persons or bodies
Carrying on Insurance business :

Amount in Taka	
2017	2016

This is due to different Insurance Company on account of share of Co-Insurance business. Break-up of the amount is given below:

Opening balance	1,088,904	993,467
Addition During the Year	5,592,647	2,304,329
	6,681,551	3,297,796
Paid During the Year		2,208,892
Total: Taka-	6,681,551	1,088,904

9.00 Sundry Creditors

This is made up as follows:

VAT on Insurance Premium	285,967,051	304,078,933
Audit fees Payable	3,867,779	6,079,896
Provision for Taxation during the year Note-9.01	967,000	944,000
Income Tax deduction at source	18,837,272	18,386,667
VAT Deduction at Source	1,248,458	5,054,849
Incentive Bonus Payable	844,942	612,424
Provident Fund Payable		4,551,231
Cash Credit Facilities Note-9.02	3,935,837	3,490,142
Unclaimed Dividend	154,366,860	167,808,764
Income tax Payable Note-9.03	2,894,246	2,214,054
Gratuity Payable	69,742,286	72,355,620
WPPF	7,288,389	5,748,139
Received against Car Purchase Scheme	15,748,974	11,633,147
Security from Total AIR Services Ltd.	1,225,008	200,000
	5,000,000	5,000,000
Total: Taka-	285,967,051	304,078,933

9.01 Provision for Taxation during the year:
Details breakup is given below:

Gross profit	18,837,272	18,386,667
Less:	82,316,535	75,508,208
Reserve for exceptional losses	36,290,387	30,488,215
Interest from Government Treasury Bond	29,919,209	24,159,385
Gain from Share trade	2,573,892	3,353,430
Dividend income	3,326,440	2,164,106
Taxable Business Income	470,846	811,294
Tax Rate	46,026,147	45,019,993
Corporate Tax	40.00%	40.00%
Tax against Dividend	18,410,459	18,007,997
Tax on gain by share trade	94,169	162,259
	332,644	216,411
Total: Taka-	18,837,272	18,386,667
Deferred Tax adjustment	26,596	3,687,004
	18,810,676	14,699,663



9.02	Cash Credit Facilities		154,366,860	167,808,764
Sl.	Name of the Bank	Branch	A/C No.	
1	NCC Bank	Moghbazar Br.	A/C. 0011-0120011779	152,935,563
2	NCC Bank	Moghbazar Br.	A/C. 0011-0120011760	1,431,297
3	NCC Bank	Moghbazar Br.	A/C. 0011-0120011840	10,532,942
			154,366,860	167,808,764
9.03	Income tax Payable:		69,742,286	72,355,620
	Opening balance		72,355,620	61,535,371
	Add. Provision for taxation for the year-2016		18,386,667	15,820,249
		Total:	90,742,286	77,355,620
	Less:			
	paid during the year (U/S-74)		21,000,000	5,000,000
	Payment of Advance Income Tax (U/S-64)			
	Tax Deduction at Source			
		Total Tax paid/Adjustment with TDS	21,000,000	5,000,000
		Total: Taka-	69,742,286	72,355,620
10.00	Deferred Tax:			
	Written down value of Fixed Assets as per balance sheet		143,531,556	75,008,539
	Written down value of Fixed Assets as per tax base		140,934,805	72,478,279
	Taxable temporary difference		2,596,751	2,530,260
	Tax Rate		40.00%	40.00%
	Current year Deferred tax liabilities		1,038,700	1,012,104
	Add. Opening Deferred tax liabilities		1,012,104	4,699,108
	Deferred tax adjustment		26,596	(3,687,004)
11.00	Investment-at cost:		Amount in Taka	
			2017	2016
11.01	Government Treasury Bond:		25,678,940	25,000,000
	This represents the value of Government Treasury Bond lying with Bangladesh Bank as statutory deposit required section-7(1) of Insurance Act-1938.			
11.02	Investment in Share:		42,415,341	45,413,155
	The above amount represent the Investment in Shares which is shown at fair value. Details are shown in Annexure-D.			
12.00	Outstanding Premium:		89,019,261	99,428,385
	As per decision of the Board Meeting, the Management has to take initiative to realize the outstanding amount of Tk.8,90,19261/ within the shortest possible time. If the amount is not realized within 1 (one) year time then the management would have no alternative but to go for legal action against the parties.			
13.00	Amount due from other persons or bodies carrying on Insurance Business:		167,964,366	168,914,726
	Opening		168,914,726	168,623,490
	Addition During the Year			291,236
			168,914,726	168,914,726
	Less: Adjustment during the year		950,360	
		Total: Taka-	167,964,366	168,914,726
	The above amount represents the claim & share of business amount realizable from reinsurer company & other insurance Company's.			
14.00	Sundry Debtors:		159,257,261	177,043,840
	This is made up as follows:			
	Advance Salary		6,490,096	5,881,035
	Advance Office Rent (14.01)		11,970,159	11,275,458
	Advance against Land (14.02)			68,900,000
	Advance against Expenses		53,113,383	50,013,383
	Advance Income Tax		28,439,660	16,882,450
	Security Deposit		4,665,926	4,665,926
	Premium against Hull Business & Bank Guarantee		54,578,037	19,425,588
		Total: Taka-	159,257,261	177,043,840



	<u>2017</u>	<u>2016</u>
14.01 Advance against rent:	11,970,159	11,275,458
Advance against rent relates to advance paid for office rent of branch offices in different locations of the country. The balance is made up as follows:		
Opening balance	11,275,458	11,241,643
Add: Advance paid during the period	2,182,847	1,119,056
	13,458,305	13,360,699
Less: Adjusted during the period:	1,488,146	2,085,241
Total: Taka-	11,970,159	11,275,458
14.02 Advance against Land :		68,900,000
Paid to RAJUK for Purchase of land		66,400,000
Advance paid to RAJUK		2,500,000
Total:		68,900,000
15.00 Cash and Bank Balances:	443,469,282	421,752,707
The above balance has been arrived at as under:		
Fixed Deposit Receipts (Note-15.01)	356,366,225	335,816,225
Current & STD Accounts	71,025,356	69,635,389
Cash in hand	15,178,351	16,117,633
Stamp in hand	899,350	183,460
Total: Taka-	443,469,282	421,752,707
15.01 Fixed deposit with bank:	356,366,225	335,816,225
<u>Name of the Bank</u>		
AB Bank Ltd.	14,700,000	14,200,000
Agrani Bank Ltd.	4,200,000	3,700,000
Al-Arafa Islami Bank Ltd.	10,400,000	9,400,000
Bangladesh Commerce Bank	2,700,000	1,200,000
Bangladesh Silpa Bank	2,500,000	2,500,000
Bank Asia Ltd.	13,050,000	10,050,000
Basic Bank Ltd.	12,200,000	12,200,000
BD. Krishi Bank Ltd.	1,500,000	1,500,000
BRAC Bank Ltd.	2,140,625	2,140,625
City Bank	500,000	1,000,000
Dhaka Bank Ltd.	9,000,000	9,000,000
Dutch-Bangla Bank Ltd	2,800,000	2,300,000
Eastern Bank Ltd.	1,000,000	1,000,000
Exim Bank Ltd.	14,000,000	12,500,000
First Security Bank Ltd.	2,100,000	2,100,000
H.S.B.C. Bank Ltd.	1,000,000	1,000,000
Habib Bank Ltd.	1,500,000	1,500,000
IFIC Bank Ltd.	16,500,000	18,000,000
Islami Bank Bangladesh Ltd.	17,350,000	16,350,000
Jamuna Bank Ltd.	8,300,000	8,800,000
Janata Bank	5,200,000	5,200,000
Mercentile Bank Ltd.	11,900,000	6,900,000
Modumoti Bank Ltd.	2,000,000	1,500,000
Mutual Trust Bank Ltd.	2,500,000	2,000,000
National Bank Ltd.	8,200,000	8,700,000
NCC Bank Ltd.	57,600,000	8,500,000
One Bank Ltd.	4,500,000	4,500,000
Premier Bank Ltd.	6,300,000	6,300,000
Prime Bank Ltd.	19,400,000	19,900,000
Pubali Bank Ltd.	8,000,000	6,000,000
Rajshahi Krishi Unnayan Bank Ltd.	3,600,000	3,600,000
Rupali Bank Ltd.	2,000,000	2,000,000
Shahjalal Islami Bank Ltd.	7,800,000	53,900,000
Social Investment Bank Ltd.	18,625,600	21,925,600
Sonali Bank Ltd.	1,300,000	1,300,000
South East Bank Ltd.	10,750,000	11,250,000
Standrad Bank Ltd.	12,600,000	13,100,000
Trust Bank Limited	8,000,000	8,500,000
United Commercial Bank Ltd.	7,500,000	7,000,000
Uttara Bank Ltd.	3,700,000	3,200,000
GSP Finance (BD) Ltd.	500,000	500,000
Lanka-Bangla Finance Ltd.	900,000	900,000
Commercial Bank of Celon	1,000,000	1,000,000
IDLC	200,000	200,000
State Bank of India	500,000	500,000
Islami Finance & Investment Ltd.	500,000	500,000
First Lease finance & Investment Ltd.	2,500,000	2,000,000
Meghna Bank Limited	3,500,000	1,000,000
Union Bank Ltd.	2,350,000	1,000,000



	IPDC	500,000	500,000
	South Bangla Bank Ltd.	2,000,000	1,000,000
	NRB	3,000,000	1,000,000
	Total : Taka-	356,366,225	335,816,225
16.00	Fixed Assets:	143,531,556	75,008,540
	This represents the written down value of the fixed Assets as on 31 December, 2017 The Details of the fixed assets have been shown in the Annexure-A		
17.00	Interest, Dividend & Rents:	32,173,179	25,986,733
17.01	Interest Received:	28,375,893	22,697,499
	Interest on STD	527,351	394,881
	Interest on Fixed Deposit	25,274,650	18,949,188
	Interest on Govt. Bond	2,573,892	3,353,430
	Total	28,375,893	22,697,499
17.02	Dividend Income:	470,846	811,294
	1 1st Prime Fin. Mutual Fund		47,250
	2 Apex Foot	17,426	-
	3 Shazibazar Power Co.limited(SPCL)	150,000	241,518
	4 Lafarge Surma Cement	76,540	-
	5 Padma Oil	169,000	-
	6 IDLC		78,300
	7 Padma Oil		169,000
	8 United Power Generation & Distributor (UPGD)		45,352
	9 BSCCL		33,013
	10 ACME		196,861
	11 Golden Sons	56,250	
	12 Atlas	1,630	
		470,846	811,294
17.03	Gain from Share Trade:	3,326,440	2,164,106
17.04	Other Income:		313,834
18.00	Revenue Accounts:		
	The Details Break-up of the Revenue Accounts have been shown in the Annexure-C		
19.00	Directors Fees:	665,000	694,000
	An aggregate amount of Tk.6,65,000/ was paid to the Directors of the Company on account of Board Meeting during the year under audit.		
20.00	Management Expenses:	117,870,076	116,366,234
	Salary & Allowance	83,871,353	81,292,012
	Office Rent	14,815,102	17,982,227
	Traveling TA/DA	221,364	415,775
	Conveyance	838,440	685,464
	Gas, Water & Electricity	1,870,504	1,789,792
	Office Maintenance	896,860	1,084,838
	Car Maintenance	953,393	945,764
	Car Maintenance- Fuel	1,835,066	1,552,784
	Entertainment	369,310	234,014
	Staff Tea & Refreshment	137,667	129,158
	Seminar & Training Exp.		151,600
	Bank Charge	388,486	224,272
	Printing	1,246,402	1,051,124
	Stationery	975,717	602,990
	Paper & Periodicals	190,711	242,311
	Postage & Stamp	613,671	743,067
	Telephone, Telex & Fax	2,096,989	1,952,024
	Ins. Premium	1,266,638	807,735
	Co-Insurance Service Charge	266,453	286,325
	Uniform & Liveries	96,980	44,414
	Software Service Charge	30,000	32,500
	Branch Manager Conference	1,176,473	888,214
		114,157,579	113,138,404
	Sadharan Bima Corporation (PSB)	3,712,497	3,227,830
	Total : Taka-	117,870,076	116,366,234



20.01 Allocation Expenses of Management :

117,870,076 116,366,234

Allocation of Management Expenses is made up as follows:

Particulars	Percentage (%)	2017	2016
Fire	52.90%	62,354,600	61,845,873
Marine Cargo	21.43%	25,258,195	23,290,045
Marine Hull	1.29%	1,519,672	3,852,558
Motor	10.03%	11,827,716	11,519,546
Miscellaneous	14.35%	16,909,893	15,858,212
	100%	117,870,076	116,366,234

20.02 Limitation of Management:

The section 40c deals with the limitation of expenses of Management of General Insurance business and in the light of the section 40c and Rule 40 the insurance Rule, 1958 the comparative figure of Management Expenses is given below.

Class	Level of Premium	Rate	Allowable Expenses	Actual Expenses	Variance
Income from Non Marine Business					
First	10,000,000	30%	3,000,000		
Next	10,000,000	25%	2,500,000		
Next	10,000,000	24%	2,400,000		
Next	10,000,000	24%	2,400,000		
Next	10,000,000	23%	2,300,000		
Next	10,000,000	22%	2,200,000		
Next	12,500,000	18%	2,250,000		
BL	383,900,379	16%	61,424,061		
Sub-Total	456,400,379		78,474,061		

Income from Marine Business

First					
Next	10,000,000	18%	1,800,000		
Next	10,000,000	15%	1,500,000		
Next	10,000,000	15%	1,500,000		
Next	10,000,000	13%	1,300,000		
Next	10,000,000	13%	1,300,000		
Next	10,000,000	13%	1,300,000		
Next	12,500,000	11%	1,375,000		
BL	61,665,466	10%	6,166,547		
Sub-Total	134,165,466		16,241,547		
Total	590,565,845		94,715,607	117,870,076	(23,154,469)

No provision for tax was made on the difference of excess management expenses because the company will apply for condonation.

- 21 No single transaction of Miscellaneous expenditure exceeded Tk.5,000.
- 22 All paid up shares have been fully paid up in Cash.
- 23 There was no bank guarantee issued by the Company on behalf of their directors.
- 24 Auditors were paid only statutory audit fee duly approved by the Shareholders in the last AGM.
- 25 There was no capital work in progress at the end of the Accounting year.
- 26 No expenses were paid as Royalty and Salary to Technical Experts etc.
- 27 During the year the Company was not entered into any agreement with the third party.
- 28 There was no capital expenditure commitment as at 31st December'2017.
- 29 There was no claim against Company, which was not acknowledged as debt other than normal course of business.
- 30 There was no credit facility available to the company under any contract availed of as on 31st December 2017 other than trade credit available in the ordinary course of business.
- 31 There was no event occurred after Balance Sheet date, which might effect financial position of the Company as on Balance Sheet date.
- 32 **Foreign Exchange**
No other income included consultancy fee, royalty, technical expert and professional advisory fee, interest, etc. was incurred or paid in foreign currencies.



33 Segment Reporting:

As there is single business and geographic segment within the company operates as such no segment reporting is felt necessary.

34.00 Attendance Status of Board Meeting of Directors:

During the period from 01.01.2017 to 31.12.2017 there were 8 (Eight) Board Meetings were held. The attendance status of all the meetings is as follows:

Name of Directors	Position	Meeting Held	Attended
Mr. A.K.M. Azizur Rahman	Chairman & Director	8	7
Mr. Imtiaz Bin Musa	Vice Chairman & Director	8	3
Mr. Mohammad Musa Meah	Director	8	6
Mr. Syed Mohammad Abu Mohsin	Director	8	8
Mrs. Dolly Iqbal	Director	8	8
Ms. Fatema Rashid for Mr.Tehsin	Director	8	6
Mr. Sultan Ahmed	Director	8	7
Mr. Mohammad Yasin Ali	Director	8	7
Mrs. Bulbul Jaynab	Director	8	1
Ms. Hasina Iqbal	Director	8	3
Mr. Ishnad Iqbal	Director	8	
Mr. Mohd. Jahangir Hussain	Director	8	8
Mr. Abrar Rahman Khan	Director	8	8
Mr. Syed Sakib Naimuddin	Director	8	6
Mr. Salman Habib	Director	8	6
Mr. Alhaj Mohammad Abdul Hafiz	Independent Director	8	8
Ms. Sashti Rani Saha	Independent Director	8	8
Mr. Muhammad Nazirul Islam	Chief Executive Officer	8	8

35.00 Proposed Dividend:

In the board meeting held on 08 April 2017, the management proposed to declare 5% cash dividend and 5% stock Dividend for the year 2017 subject to the approval by the share holders in AGM.

36.00 Internal Control:

The following steps have been taken for implementation of an effective internal control procedure of the Company:

A strong internal control and compliance division has been formed with a view to establish a well designated system of internal control.

Regular review of internal audit reports with view to implement the suggestion of internal auditors in respect of internal control technique.

To establish an effective management system that includes planning, organizing and supervising culture in the branch as well as at Head Office.

37.00 Contingent Liability:

There is no contingent liability.



CONTINENTAL INSURANCE LIMITED
STATEMENT OF FIXED ASSETS SCHEDULE
FOR THE YEAR ENDED DECEMBER 31, 2017

Fixed Assets: Tk.

Annexure- A										
Sl. No.	particulars	Value as on 01/01/17	Addition During the year	Value as on 31/12/17	Rate of	Dep As on 01/01/17	Dep Value	Dep For the year	Total As on 31/12/17	Written Down Value as on 31/12/17
01	Land	-	75,771,657	75,771,657	0%	-	-	-	-	75,771,657
02	Building	18,440,666	-	18,440,666	10%	12,714,522	5,726,144	572,614	13,287,136	5,153,530
03	Furniture & Fixture	14,262,472	131,100	14,393,572	10%	7,559,715	6,833,857	676,090	8,235,805	6,157,767
04	Office Decoration	57,507,541	65,714	57,573,255	10%	31,619,109	25,954,146	2,593,260	34,212,369	23,360,886
05	Office equipment	12,085,817	116,982	12,202,799	15%	7,043,329	5,159,470	764,633	7,807,962	4,394,837
06	Electrical Equipment	12,319,721	129,500	12,449,221	15%	8,659,799	3,789,422	557,667	9,217,466	3,231,755
07	Motor Vehicle	77,232,766	3,074,800	80,307,566	20%	50,134,600	30,172,966	5,640,008	55,774,608	24,532,958
08	Other Assets	3,523,651	299,180	3,822,831	25%	2,633,021	1,189,810	261,643	2,894,664	928,167
	Total	195,372,634	79,588,933	274,961,567		120,364,095	78,825,815	11,065,916	131,430,011	143,531,556



CONTINENTAL INSURANCE LIMITED
INCOME TAX ASSESSMENT POSITION
AS ON DECEMBER 31, 2017

Annexure- B

Accounting Year	Assessment Year	Provision for taxation	TDS	Advance Tax	Tax paid/Refund	Total Tax Paid	Remarks
2007	2008-09	7,300,000	1,311,339		2,113,564	3,424,903	Assessment under Tribunal
2008	2009-10	12,553,937	3,797,348	-	8,756,589	12,553,937	Assessment under Appeal
2009	2010-11	14,050,012	1,338,729	500,000	12,211,283	14,050,012	Assessment under Appeal
2010	2011-12	3,312,005	2,694,294	500,000	117,711	3,312,005	Assessment under Appeal
2011	2012-13	17,573,323	3,490,026	1,000,000	13,083,297	17,573,323	Assessment under Appeal
2012	2013-14	27,318,943	2,990,026	1,000,000	14,000,000	17,990,026	Assessment under process
2013	2014-15	25,572,089	3,222,966	1,000,000		4,222,966	Assessment under process
2014	2015-16	19,318,695	6,053,623	500,000	4,000,000	10,553,623	Assessment under process
2015	2016-17	15,820,249	3,819,667	3,500,000	1,000,000	8,319,667	Assessment under process
2016	2017-18	18,386,667	1,636,063		10,000,000	11,636,063	Return submitted
	Total:	161,205,920	30,354,081	8,000,000	65,282,444	103,636,525	



CONTINENTAL INSURANCE LIMITED

Statement of U/W profit

For the year ended December 31, 2017

Annexure- C

DETAILS	FIRE	MARINE		TOTAL	MOTOR	MISC.	Total	2016
		CARGO	HULL					
Premium Underwritten	307,212,729	100,860,767	15,390,685	116,251,452	56,708,204	61,419,736	541,592,121	490,094,540
Add: Premium on PSB	5,203,264	17,674,168	239,846	17,914,014	2,552,342	23,304,104	48,973,724	42,456,032
Gross Premium	312,415,993	118,534,935	15,630,531	134,165,466	59,260,546	84,723,840	590,565,845	532,550,572
Less: R/I Premium on Cedence	167,126,433	38,346,685	13,994,277	52,340,962	4,076,937	27,726,672	251,271,004	255,751,185
Less: R/I Premium on PSB	4,174,412	13,364,664	232,663	13,597,327	99,223	22,231,786	40,102,748	35,206,000
Total R/I Premium	171,300,845	51,711,349	14,226,940	65,938,289	4,176,160	49,958,458	291,373,752	290,957,185
Net Premium	141,115,148	66,823,586	1,403,591	68,227,177	55,084,386	34,765,382	299,192,093	241,593,387
Opening Reserve for Unexpired Risks	44,836,806	20,217,732	3,395,365	23,613,097	18,936,862	11,287,992	98,674,757	130,658,402
R/I Commission earned on cedence	24,172,121	5,498,627	2,626,503	8,125,130	860,994	3,624,439	36,782,684	38,398,073
Add: Profit commission		717,060		717,060		302,909	1,019,969	1,120,269
Add: R/I Commission on PSB	545,229	2,672,933	5,656	2,678,589		2,881,691	6,105,509	5,522,112
Total Commission on Re-Insurance	24,717,350	8,171,560	3,349,219	11,520,779	860,994	6,809,039	43,908,162	45,040,454
Total Revenue Income	210,669,304	95,212,878	8,148,175	103,361,053	74,882,242	52,862,413	441,775,012	417,292,243
Gross Claims paid during the year	13,552,005	2,773,891	2,549,433	5,323,324	9,321,262		28,196,591	40,229,654
Paid / (Adjusted) on PSB	172,094	5,767,543	621	5,768,164	125,451	10,744,597	16,810,306	654,340
Total Gross Claims Paid	13,724,099	8,541,434	2,550,054	11,091,488	9,446,713	10,744,597	45,006,897	40,883,994
Less: 1) R/I Recovery	1,855,669	3,221,820	221,032	3,442,852			5,298,521	7,786,515
2) Recovered / (Adjusted) on PSB		4,831,421		4,831,421			15,496,716	307,658
Total Recovery	1,855,669	8,053,241	221,032	8,274,273	-	10,665,295	20,795,237	8,094,173
Net Claims Paid (A)	11,868,430	488,193	2,329,022	2,817,215	9,446,713	79,302	24,211,660	32,789,821
Outstanding claim at the end of the year (B)	2,125,368	1,875,246		1,875,246	1,245,369	2,115,238	7,361,221	4,275,263
Outstanding claim at the end of last year (C)	1,234,259	1,045,126		1,045,126	1,012,453	983,425	4,275,263	9,625,897
Net Claim for the Year(A+B-C)	12,759,539	1,318,313	2,329,022	3,647,335	9,679,629	1,211,115	27,297,618	27,439,187
Management Expenses	62,354,600	25,258,195	1,519,672	26,777,867	11,827,716	16,909,893	117,870,076	116,366,234
Agency commission	46,081,909	15,129,115	2,308,603	17,437,718	8,506,231	5,998,269	78,024,126	72,461,736
Reserve for unexpired Risks	56,446,059	26,729,434	1,403,591	28,133,025	22,033,754	13,906,153	120,518,992	98,674,758
Total Revenue Expenses	177,642,107	68,435,057	7,560,888	75,995,945	52,047,330	38,025,430	343,710,812	314,941,915
Revenue Surplus	33,027,197	26,777,821	587,287	27,365,108	22,834,912	14,836,983	98,064,200	102,350,328



CONTINENTAL INSURANCE LIMITED
SCHEDULE OF INVESTMENT IN SHARE

As on 31.12.2017

Annexure-D

SL No.	Name of the Company	No. of Shares	Cost Value as on 31.12.2017	Market Value as on 31.12.2017
01	Aamra Technologies Limited.	35500	1,229,434	1,182,150
02	Baraka Power Limited	126500	4,822,501	4,351,600
03	Bangladesh Building Systems Limited	102300	4,576,360	3,907,860
04	BBS Cables	30040	3,769,295	3,175,228
05	Becon Pharmaceuticals Ltd	215000	5,038,164	4,579,500
06	Fu-Wang food ltd	61000	1,260,017	1,207,800
07	Golden Son Limited	29000	1,320,129	371,200
08	Grameen Phone Limited	4000	1,917,691	1,883,200
09	IDLC Finance Ltd	60000	5,408,048	5,118,000
10	Miracle Industries Limited	55640	3,432,822	2,542,748
11	Nahee Aluminium Composite Pannel Limited	6847	57,060	502,570
12	Oimex Electrode Limited	7128	64,800	464,746
13	The peninsula chittagong ltd	40000	990,371	932,000
14	Rangpur Dairy & Food products ltd	97900	1,774,178	1,703,460
15	Uttara Bank ltd	50000	2,033,870	1,765,000
16	Indo-Bangla pharmaceuticals ltd	250000	2,500,000	2,500,000
17	Bashundhara Paper mills Ltd	62161	4,972,880	4,972,880
18	Aman Cotton Fibrous Ltd	31385	1,255,400	1,255,400
	Total	1264401	46,423,020	42,415,341



