



Independent Auditors' Report to the Shareholders of SOUTH ASIA INSURANCE COMPANY LIMITED

We have audited the accompanying Statement of Financial Position (Balance Sheet) of the SOUTH ASIA INSURANCE COMPANY LIMITED as of 31 December, 2016 and the related Revenue Accounts, as well as Profit and Loss Account, and other Comprehensive Income Profit and Loss Appropriation Account, Statement of Cash Flows, Statement of Changes in Equity for the period then ended together with notes thereto. The preparation of the financial statement is the responsibility of the Company's management. Our responsibility is to express an opinion on these Financial Statements based on our audit.

Management's responsibility for the financial statements

The management is responsible for the preparation and fair presentation of these financial statements in accordance with Bangladesh Financial Reporting Standards (BFRS). The responsibility includes designing, implementing and maintaining internal control relevant to the preparation and fair presentation to financial statements that the fee from material misstatement, where due to fraud or error.

Auditor's responsibility

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

Our audit includes examining, on a test basis, evidence supporting the accounts and disclosures in the financial statements. This audit also includes assessing the accounting principles used and significant estimates made by the management, as well as evaluating the overall Financial Statements preparation. We believe that our audits provides a responsible basis for our opinion.

Opinion

In our opinion, the financial statements, together with the notes thereto, prepared give a true and fair view of the state of the Company's affairs as at and for the year ended of 31 December, 2016 and the results of its performance operations comply with the Companies Act, 1994, the Insurance Act, 2010, the Securities and Exchange Rules, 1987 Insurance Rules 1938 (as amended in 2010), in the Insurance rules 1938 and other applicable laws and regulations.

We also report that

- i) We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit and made due verification thereof;
- ii) In our opinion, proper Books of account as required by law have been kept by the Company so per as it appeared from our examination of those bank and proper returns adequate for the purposes of our audit have been received from the branch not visited by us.
- iii) The company's Balance sheet, Profit and Loss Account, Profit and Loss Appropriation Account Rdated Revenue Accounts and other Statement of Cash Flows, dealt with by the report are an agreement with the books and account and returns.
- iv) The expenditure incurred was for the purposes of the Company's business;
- v) As per section 63 (2) of the Insurance Act, 2010, we certify that to the best of our knowledge and belief and according to the information and explanations given to us, all expenses of management wherever, incurred and whether incurred directly or indirectly, in respect of insurance business of the Company transacted in Bangladesh during the year under report have been duly debited to the related Revenue Accounts and the Profit and Loss Account of the Company;
- vi) As per regulation 11 of part 1 of the Third Schedule of the insurance Act, 1938 (as amended in 2010), we further certify that according 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 of its business re-insured abroad during the year ended 31 st December, 2016

Dated, Dhaka,
March 18, 2017

MAHFEL HUQ & CO.
CHARTERED ACCOUNTANTS

South Asia Insurance Company Limited

Statement of Financial Position (Balance Sheet) As at December 31, 2016

Particulars	Amount in Taka		Notes	Amount in Taka	
	31.12.2016	31.12.2015		31.12.2016	31.12.2015
Shareholders' Equity & Liabilities:					
Authorized Share Capital:					
30,000,000 ordinary shares of Tk.10 each	300,000,000	300,000,000			1,430,905
Issued, Subscribed & Paid up Capital:					
5,000,000 ordinary shares of Tk.10 each	60,000,000	60,000,000	14.01	1,426,092	25,000,000
	109,667,700	108,412,398	18		33,240,000
Reserve and Contingent Account:					
Reserve for Exceptional Losses	48,973,062	46,200,162			
General Reserve Fund	21,000,000	21,000,000			74,642
Reserve for Dividend Equalization Fund	10,000,000	10,000,000			95,620
Profit & Loss Appropriation Account	29,694,638	31,212,235			4,929,636
	109,667,699	108,412,398			10,357,680
Total Shareholder's Equity:	169,667,699	168,812,398			70,566,690
					74,642
					95,620
					4,929,636
					10,357,680
					51,493,127
Balance of Funds and Accounts:					
Fire Insurance Business	645,227	1,937,228			
Marine Insurance Business	4,175,444	3,386,851			
Marine Hull Insurance Business	74,439	28,478			
Motor Insurance Business	1,118,866	1,279,092			
Miscellaneous Insurance Business	305,651	10,008,557			
Premium Deposits	4,861,623	3,851,929			122,185,379
Liabilities and Provisions	71,571,214	79,502,044			122,185,379
Income Tax Provision	55,045,100	64,650,625			120,092,510
Estimated liability in Respect of Outstanding Claims whether Due or Intimated	9,683,205	8,648,791			142,646
Amount due to other persons or bodies carrying insurance business	1,174,903	1,174,903			1,930,243
Sundry Creditors	4,667,606	5,127,725			291,409
Total Liabilities:	82,751,462	88,677,055			2,917,424
Total Shareholder's Equity & Liabilities	352,430,162	257,089,453			352,430,162

The annexed notes from 1 to 19 form an integral part of these Financial Statements.


Md. Nasir Uddin Chowdhury
Chairman

Place: Dhaka
Dated: March 18, 2017


Bayazid Muztaba Siddiqui
Chief Executive Officer


Director


Director


Mahafel Huq & Co
Chartered Accountants

South Asia Insurance Company Limited

Statement of Profit or Loss Account and other Comprehensive Income For the Year Ended December 31, 2016

Particulars	Amount in Taka		Notes	Amount in Taka	
	31.12.2016	30.12.2015		31.12.2016	30.12.2015
Expenses of Management	1,287,941	1,764,461			(2,159,527)
(not applicable to any particular fund or account)					1,429,289
Directors' fees	220,000	145,000			336,897
Advertisement & Publicity	60,687	165,550			(65,298)
Audit fees	100,000	100,000			1,595,584
Legal & professional fees	185,000	110,000			(5,455,998)
Depreciation	225,712	331,560			
Registration fees	185,945	283,139			
Meeting Expenses	160,596	463,000			
Donation & Subscription	150,000	166,212			
Profit before Tax transferred to Profit & (Loss) Appropriation Account	8,918,739	12,579,470			12,286,207
Total:	10,206,680	14,343,931			14,343,931
Earnings Per Share before tax	1.49	2.10			

The annexed notes from 1 to 19 form an integral part of these Financial Statements.

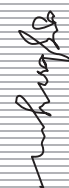

Md. Nasir Uddin Chowdhury
Chairman

Place: Dhaka
Dated: March 18, 2017


Bayazid Muztaba Siddiqui
Chief Executive Officer


Director


Director


Mahafel Huq & Co
Chartered Accountants

South Asia Insurance Company Limited

Profit & Loss Appropriation Account For the Year Ended December 31, 2016

Particulars	Notes	Amount in Taka		Particulars	Notes	Amount in Taka	
		31.12.2016	31.12.2015			31.12.2016	31.12.2015
Appropriation:				Opening Balance of Appropriation Accounts			
Reserve for exceptional losses	7.01	2,772,900	4,935,317	Profit/(loss) carried forward during the year		31,212,236	31,575,306
Provision for Income Tax	9.01	1,663,438	3,007,224			8,918,739	12,579,470
Cash Dividend Paid for the Year 2015		6,000,000	5,000,000				
General Reserve Fund							
Retained Earnings Balance Transferred to Statement of Financial Position		29,694,638	31,212,236	Total		40,130,975	44,154,776
Earnings Per Share after tax		1.21	1.60				



Md. Nasir Uddin Chowdhury
 Chairman

Place: Dhaka
 Dated: March 18, 2017


Bayazid Muztaba Siddiqui
 Chief Executive Officer

Director

Director


Mahafel Huq & Co
 Chartered Accountants

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South Asia Insurance Company Limited

Consolidated Insurance Revenue Account For the Year Ended December 31, 2016

Particulars	Amount in Taka			Particulars	Amount in Taka		
	2016	2015	Total		2016	2015	Total
Claims under Policies less Re-insurances:	76,672	1,401,228	129	199,251	206,735	1,877,015	1,762,401
Claims Paid during the year	76,672	371,814	109	88,251	205,735	742,601	1,144,582
Add: Claims Outstanding at the end of the year	1,331,467	5,957,071	-	2,304,667	-	9,682,205	6,548,791
Less: Claims Outstanding at the end of the Previous year	1,331,467	4,927,657	-	2,289,667	-	8,508,791	11,656,174
Expenses of management	1,942,221	7,944,359	108,557	893,028	6,000,949	16,834,113	24,932,336
Agent Commission	475,672	1,378,940	-	88,864	6,750	1,950,226	2,734,202
Profit/(Loss) Transferred to Profit & Loss Account	1,429,289	336,897	(65,298)	1,595,584	(5,455,998)	(2,159,577)	(9,673,010)
Balance of account at the end of the year as shown in the Balance sheet:	645,227	4,176,444	74,439	1,118,865	305,651	6,319,625	5,613,082
(Reserve for unassigned risks being 05% of premium income sharing factor & 10% of the unassigned risks on Marine hull of the year)							
Total	4,569,080	15,236,867	107,827	3,831,592	1,066,086	24,821,452	27,844,408

The annexed notes from 1 to 19 form an integral part of these Financial Statements.



Md. Nasir Uddin Chowdhury
 Chairman

Place: Dhaka
 Dated: March 18, 2017


Bayazid Muztaba Siddiqui
 Chief Executive Officer

Director

Director


Mahafel Huq & Co
 Chartered Accountants

South Asia Insurance Company Limited

Fire Insurance Revenue Account

For the Year ended December 31, 2016

Particulars	Amount in Taka	
	2016	2015
Claims under Policies less Re-insurances:	76,672	(1,711,237)
Claims Paid during the year	76,672	26,479
Add: Claims Outstanding at the end of the year	1,331,467	1,331,467
Less: Claims Outstanding at the end of the previous year	1,331,467	3,069,183
Expenses of management	1,942,221	4,841,203
Agent Commission	475,672	368,748
Profit/(Loss) Transferred to Profit & Loss Account	1,429,289	2,072,045
Balance of account at the end of the year as shown in the Balance sheet	645,227	1,927,228
(Reserve for unexpired risks being 45% of premium income on Fire of the year)		
Total	4,569,080	7,497,987

The annexed notes from 1 to 19 form an integral part of these Financial Statements.


Md. Nasir Uddin Chowdhury
 Chairman


Bayazid Muztaba Siddiqui
 Chief Executive Officer


 Director


 Director


Mahafel Hujj & Co
 Chartered Accountants

Place: Dhaka
 Dated: March 18, 2017

Signed as per our separate report of same date.


South Asia Insurance Company Limited

Marine & Marine Hull Insurance Revenue Account

For the Year ended December 31, 2016

Particulars	Amount in Taka		Particulars	Amount in Taka		
	2016	2015		2016	2015	
	Marine	Marine Hull	Total	Marine	Marine Hull	Total
Claims under Policies less Re-insurances:	1,401,228	129	1,401,357	3,386,851	3,415,329	3,962,309
Claims Paid during the year	371,814	129	371,943	28,478	-	28,478
Add: Claims Outstanding at the end of the year	5,957,071	-	5,957,071	3,264,884	-	3,264,884
Less: Claims Outstanding at the end of the previous year	4,927,657	-	4,927,657	385,494	-	385,494
Expenses of management	7,944,359	108,557	8,052,916	-	-	-
Agent Commission	1,378,940	-	1,378,940	-	-	-
Profit/(Loss) Transferred to Profit & Loss Account.	(7,862,741)	(154,647)	(8,017,388)	3,386,851	3,415,329	3,962,309
Balance of account at the end of the year as shown in the Balance sheet	4,175,444	74,439	4,249,883	-	-	-
(Reserve for unexpired risks being 45% of premium income on Marine and 100% of Premium Income on Marine Hull of the year)						
Total	7,037,229	28,478	7,065,707	7,037,229	28,478	7,065,707

The annexed notes from 1 to 19 form an integral part of these Financial Statements.


Md. Nasir Uddin Chowdhury
 Chairman


Bayazid Muztaba Siddiqui
 Chief Executive Officer


 Director


 Director


Mahafel Hujj & Co
 Chartered Accountants

Place: Dhaka
 Dated: March 18, 2017

Signed as per our separate report of same date.

South Asia Insurance Company Limited

Motor Insurance Revenue Account
For the Year ended December 31, 2016

Particulars	Amount in Taka		Particulars	Amount in Taka	
	2016	2015		2016	2015
Claims under Policies less Re-insurances:			Balance of account at the beginning of the year :		
Claims Paid during the year	193,251	1,040,135	Premium less re-insurances	1,279,092	1,369,026
Add: Claims Outstanding at the end of the year	88,251	121,401	Commission on Re-insurances ceded	2,486,366	3,197,729
Less: Claims Outstanding at the end of the previous year	2,394,667	2,289,667		66,134	525,772
Expenses of management	2,289,667	1,370,933			
Agent Commission	835,028	1,863,693			
Profit/(Loss) Transferred to Profit & Loss Account.	88,864	238,868			
Balance of account at the end of the year as shown in the Balance sheet	1,595,584	670,739			
(Reserve for unexpired risks being 45% of Motor premium income of the year)	1,118,865	1,279,092			
Total	3,831,592	5,092,527	Total	3,831,592	5,092,527


Md. Nasir Uddin Chowdhury
Chairman

Place: Dhaka
Dated: March 18, 2017

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Bayazid Muztaba Siddiqui
Chief Executive Officer

Signed as per our separate report of same date.

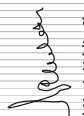

Director


Mahafel Huq & Co
Chartered Accountants

South Asia Insurance Company Limited

Miscellaneous Insurance Revenue Account
For the Year ended December 31, 2016


Particulars	Amount in Taka		Particulars	Amount in Taka	
	2016	2015		2016	2015
Claims under Policies less Re-insurances:			Balance of account at the beginning of the year:		
Claims Paid during the year	205,795	26,669	Premium less re-insurances	(1,008,567)	683,856
Add: Claims Outstanding at the end of the year	205,735	26,669	Commission Earned on Re-insurances	675,225	(2,521,416)
Less: Claims Outstanding at the end of the previous year				1,395,428	1,638,966
Expenses of management	6,003,949	6,772,340			
Agent Commission	6,750	113,915			
Profit/(Loss) Transferred to Profit & Loss Account.	(5,455,998)	(6,102,951)			
Balance of account at the end of the year as shown in the Balance sheet	305,651	(1,008,567)			
(Reserve for unexpired risks being 45% of Miscellaneous premium income of the year)					
Total	1,066,086	(198,594)	Total	1,066,086	(198,594)


Md. Nasir Uddin Chowdhury
Chairman

Place: Dhaka
Dated: March 18, 2017

The annexed notes from 1 to 19 form an integral part of these Financial Statements.


Bayazid Muztaba Siddiqui
Chief Executive Officer


Director


Mahafel Huq & Co
Chartered Accountants

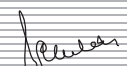
South Asia Insurance Company Limited


Statement of Cash Flows

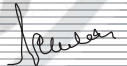
For the Year Ended December 31, 2016

Particulars	Amount in Taka	
	31.12.2016	31.12.2015
A. CASH FLOW FROM OPERATING ACTIVITIES:		
Turnover against Insurance Business and others	25,855,000	19,606,896
Payment for management expenses, re-insurance and claims	(32,043,798)	(47,125,687)
Company's Income Tax Paid to Government	(10,268,562)	(13,098,675)
Source Tax Paid on Different Heads	(840,969)	-
VAT Paid to Government	(1,599,942)	(1,468,866)
Net cash flow from Operating Activities	(18,898,271)	(42,086,332)
B. CASH FLOW FROM INVESTING ACTIVITIES:		
Paid for Land purchase	-	(21,240,000)
Disposal of fixed assets	80,000	-
Purchase of Fixed Assets	(220,900)	-
Fixed Deposit opened	(43,500,000)	(19,000,000)
Fixed Deposit encased	49,000,000	40,119,967
Interest received	11,139,426	17,016,941
Net cash flow from Investing activities	16,498,526	16,896,908
C. CASH FLOW FROM FINANCING ACTIVITIES:		
Cash dividend paid	(4,942,500)	(9,661,500)
Net cash flow from financing activities	(4,942,500)	(9,661,500)
Increase/ (Decrease) in Cash and Cash Equivalent(A+B+C)	(7,342,245)	(34,850,924)
Cash and Cash Equivalent at the beginning of the year	129,527,624	164,378,548
Cash and Cash Equivalent at the closing of the year	122,185,379	129,527,624

The annexed notes from 1 to 19 form an integral part of these Financial Statements.


 Md. Nasir Uddin Chowdhury
 Chairman

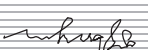

 Bayazid Muztaba Siddiqui
 Chief Executive Officer


 Md. Nasir Uddin Chowdhury
 Chairman


 Bayazid Muztaba Siddiqui
 Chief Executive Officer

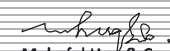

 Director


 Director


 Mahafel Hud & Co
 Chartered Accountants


 Director


 Director


 Mahafel Hud & Co
 Chartered Accountants
Place: Dhaka
Dated: March 18, 2017

South Asia Insurance Company Limited

Statement of Changes in Equity

For the Year ended December 31, 2016

Particulars	(Amount in Taka)					
	Share Capital	General Reserve Fund	Reserve for exceptional losses	Reserve for Dividend Equalization fund	Profit & Loss Account Appr.	Total
For the year -2016						
Balance as at 1st January 2016	60,000,000	21,000,000	46,200,162	10,000,000	31,212,236	168,412,398
Profit after tax for the year	-	-	-	-	7,255,300	7,255,300
Dividend Paid	-	-	-	-	(6,000,000)	(6,000,000)
General Reserve	-	-	-	-	-	-
Reserve for exceptional losses	-	-	2,772,900	-	(2,772,900)	(2,772,900)
Reserve for Dividend Equalization fund	-	-	-	-	-	-
Total	60,000,000	21,000,000	48,973,062	10,000,000	29,694,636	169,667,698

Particulars	(Amount in Taka)					
	Share Capital	General Reserve Fund	Reserve for exceptional losses	Reserve for Dividend Equalization fund	Profit & Loss Account Appr.	Total
For the year -2015						
Balance as at 1st January 2015	60,000,000	16,000,000	41,264,845	10,000,000	31,575,306	153,840,151
Profit after tax for the year	-	-	-	-	9,572,246	9,572,246
General Reserve	-	5,000,000	-	-	(5,000,000)	-
Reserve for exceptional losses	-	-	4,935,317	-	(4,935,317)	-
Reserve for Dividend Equalization fund	-	-	-	-	-	-
Total	60,000,000	21,000,000	46,200,162	10,000,000	31,212,235	168,418,147

Place: Dhaka
Dated: March 18, 2017