Nitol Insurance Company Limited

Statement of Financial Position (Un-Audited)
As on September 30, 2018

Amount in Taka

PARTICULRAS	SEPTEMBER 2018	DECEMBER 2017
A. NON CURRENT ASSETS:	**312,983,761**	**320,370,641**
Property, Plant and Equipment	287,983,761	295,370,641
Long Term Investment (BGTB)	25,000,000	25,000,000
B. CURRENT ASSETS :	**1,276,520,820**	**1,107,705,954**
Investment in Shares	3,857,750	4,265,596
Advance against Office Space	114,880,350	114,880,350
FDR in various Banks	764,200,000	635,000,000
Sundry Debtors	366,115,591	318,206,039
Insurance Stamp	1,949,133	1,562,586
Stock of Printing	461,766	326,364
Cash & Bank Balance	25,056,230	33,465,019
C. CURRENT LIABILITIES :	**364,501,278**	**324,749,869**
Provision & Others	114,747,453	120,397,714
Tax Provision	189,771,973	168,127,277
Outstanding claims	59,981,852	36,224,878
D. NET WORKING CAPITAL (B-C)	**912,019,542**	**782,956,085**
E. BALANCE OF REVENUE ACCOUNTS	**294,399,689**	**250,608,399**
Reserve for Unexpired Risks	220,621,515	219,655,329
Deposit Premium	66,147,341	23,314,239
Deferred Tax	7,630,833	7,638,831
NET ASSETS (A+D-E)	**930,603,614**	**852,718,327**
G. FINANCED BY :	**930,603,614**	**852,718,327**
Share Capital	402,076,390.00	352,698,590
Revenue Reserve	396,158,167.90	354,832,850
Revaluation Reserve	85,155,725.00	88,430,595
Retained Earnings	47,213,331.10	56,756,292
LONG TERM LIBILITIES AND SHAREHOLDERS EQUITY	**930,603,614**	**852,718,327**

Company Secretary | Chief Financial Officer | Chief Executive Officer | Director | Chairman

Nitol Insurance Company Limited

Statement of Profit or Loss and Other Comprehensive Income (Un-Audited)

For The Third Quarter Ended September 30, 2018

Amount in Taka

Particulars	2018		2017	
	Jan-Sep	July-Sep	Jan-Sep	July-Sep
Income				
Net premium (Gross premium-less Re-Insurance & Adjustment of Unexpired Risk)	410,786,991	133,733,624	382,484,747	114,503,757
Re Insurance Commission	35,443,866	8,925,232	31,983,155	5,061,332
Income from Interest, Investment and Financial Service	37,154,030	9,199,755	32,543,428	15,207,810
	483,384,887	**151,858,611**	**447,011,330**	**134,772,899**
Expenditure				
Net Claim (Gross Reinsurance & Adjustment of Outstanding Claim)	185,084,877	60,210,200	189,178,277	56,481,980
Management Exp	127,041,984	43,510,311	109,459,318	37,845,798
Agent Commission	71,736,040	22,752,558	68,004,494	25,169,818
	383,862,901	**126,473,069**	**366,642,089**	**119,497,596**
Profit before Tax	99,521,986	25,385,542	80,369,241	15,275,303
Provision for Tax	21,636,698	4,578,625	16,178,470	595,354
Net Profit after Tax (Retained Earnings)	**77,885,288**	**20,806,917**	**64,190,771**	**14,679,949**
Earnings per Share	**1.94**	**0.52**	**1.82**	**0.42**

Company Secretary | Chief Financial Officer | Chief Executive Officer | Director | Chairman

Nitol Insurance Company Limited

Statement of Cash Flows (Un-Audited)

For The Third Quarter Ended September 30, 2018

Amount in Taka

	2018 January-September	2017 January-September
A. CASH FLOWS FROM OPERATING ACTIVITIES :		
Cash Receipts from premium and others Income	550,247,657	555,769,555
Cash Payment for Management Expenses, Re-Insurance , Claim & Other Expenses	(399,443,924)	(430,192,122)
Payment of Income Tax	(23,234,838)	(26,604,525)
Net Cash Provided by Operating Activities	**127,568,895**	**98,972,908**
B. CASH FLOWS FROM INVESTING ACTIVITIES :		
Interest, Dividend and Rent Received	2,739,646	-
Fixed deposit with Bank	(129,200,000)	(100,500,000)
Advance and Prepayments	(939,311)	(20,925,078)
Disposal of Fixed Assets	500,000	1,100,000
Acquisition of Fixed Assets	(9,078,019)	(630,454)
Net Cash used by Investing Activities	**(135,977,684)**	**(120,955,532)**
C. CASH FLOWS FROM FINANCING ACTIVITIES :		
Dividend Paid (Cash)	-	-
NET CASH USED/PROVIDED BY FINANCING ACTIVITIES	-	-
D. NET INCREASE IN CASH (A+B+C)	**(8,408,789)**	**(21,982,624)**
E. CASH AT BEGINNING OF PERIOD :	33,465,019	42,545,862
F. CASH AT END OF PERIOD (D+E) :	**25,056,230**	**20,563,238**
Net Operating Cash Flows per share (NOCFPS)	3.17	2.81

Company Secretary | Chief Financial Officer | Chief Executive Officer | Director | Chairman

Nitol Insurance Company Limited

Statement of Changes in Equity (Un-Audited)

For The Third Quarter Ended September 30, 2018

Particulars	Share Capital	General Reserve	Reserve for Exceptional Losses	Revaluation Reserve	Retained Earnings	Total
Equity as at 01.01.2018	352,698,590	9,130,000	345,702,850	88,430,595	56,756,291	852,718,326
Stock Dividend for the year 2017	49,377,800				(49,377,800)	
Net Profit after Tax	-	-	-	-	77,885,288	77,885,288
Appropriation made during the year	-	150,000	41,175,318	(3,274,870)	(38,050,448)	-
Equity as at 30.09.2018	**402,076,390**	**9,280,000**	**386,878,168**	**85,155,725**	**47,213,331**	**930,603,614**

For The Third Quarter Ended September 30, 2017

Particulars	Share Capital	General Reserve	Reserve for Exceptional Losses	Revaluation Reserve	Retained Earnings	Total
Equity as at 01.01.2017	312,122,650	8,930,000	291,298,668	92,993,830	49,450,070	754,795,218
Stock Dividend for the year 2016	40,575,940	-	-	-	(40,575,940)	
Net Profit after Tax	-	-	-	-	64,190,771	64,190,771
Appropriation made during the year	-	150,000	39,259,003	(3,443,860)	(35,965,143)	-
Equity as at 30.09.2017	**352,698,590**	**9,080,000**	**330,557,671**	**89,549,970**	**37,099,758**	**818,985,989**

Company Secretary | Chief Financial Officer | Chief Executive Officer | Director | Chairman

Nitol Insurance Company Limited

Financial Statements Highlight

For The Third Quarter Ended September 30, 2018

Sl	Particulars	2018 January-September	2017 January-September
1	Net Asset Value	930,603,614	818,985,989
2	Net Asset Value Per Share	23.14	23.22
3	Net Operating Cash Flows Per Share	3.17	2.81
4	Earnings Per Share (EPS)	1.94	1.82

Company Secretary Chief Financial Officer Chief Executive Officer Director Chairman

Nitol Insurance Company Limited

Selected Explanatory Notes to the Financial Statements

For The Third Quarter Ended September 30, 2018

01.00 Legal status and Nature of the Company

Domicile, Legal Form, Country of Incorporation

The Company was incorporated on 4th October 1999 as a Public Limited Company under the Companies Act. 1994 and obtained the Certificate of Commencement of business from the Registrar of Joint Stock Companies and Firms, Bangladesh with effect from the same date. However, the Registration Certificate for carrying on insurance business from the Chief Controller of Insurance, Government of Bangladesh, was obtained with effect from 18th November, 1999. The Company is listed with both Dhaka Stock Exchange Ltd. & Chittagong Stock Exchange Ltd. as a Publicly traded company on 29.11.2005 and 10.10.2005 respectively.

Principal Activities

The principal object of the company is to offer all kinds of insurance product other than life insurance product. These product offer to compensate to policyholder's for uncertain future events which adversely affects the policyholder's interest. The consideration under the above activities is insurance premium which is revenue of the business.

Address of Registered Office and Principal Place of Business

The registered office of the Company is at Police Plaza Concord, Tower-2 (6th Floor), Plot-2, Road-144, Gulshan-1, Dhaka-1212, Bangladesh and the address of operational head quarter is also at the said Police Plaza Concord, Tower-2 (6th Floor), Plot-2, Road-144, Gulshan-1, Dhaka-1212, Bangladesh.

02.00 Basis of Accounting

The Financial Statements have been prepared on the basis of going concern concept under Generally Accepted Accounting Principals (GAAP) according to the historical cost convention in Bangladesh in compliance with the Insurance Act 2010, the Insurance Rule 1958 in conformity with the Companies Act 1994, the Securities and Exchange Rules 1987, Listing regulations of Dhaka Stock Exchange Ltd. & Chittagong Stock Exchange Ltd. These statements have also been prepared in accordance with applicable International Accounting Standards (IAS) and International Financial Reporting Standards (IFRS) as adopted in Bangladesh by the Institute of Chartered Accountants of Bangladesh (ICAB) under name and style Bangladesh Accounting Standards (BAS) and Bangladesh Financial Reporting Standards (BFRS) with reference to disclosure of accounting policies and valuation of investment both.

03.00 Basis of Preparation

Quarterly abridged Financial Statements (un-audited) has been prepared on Bangladesh Accounting Standards (BAS) – 34 " Interim Financial Reporting" and in accordance with other Bangladesh Accounting Standards (BAS), the Companies Act – 1994, the Insurance Act – 2010, the Securities and Exchange Rules 1987 and other applicable laws and regulations .

04.00 Branch Accounting

The Company has 20 (Twenty) branches under its umbrella without having any overseas branch for the Third Quarter Ended September 30, 2018. The accounts of the branches are maintained and consolidated at the head office level. Only petty cash books are being maintained at the respective branches for meeting day to day expenses.

05.00 Method of Preparation

The Financial Statements have been drawn on mercantile basis.

06.00 Revenue Recognition

Revenue is recognized in accordance with Bangladesh Accounting Standard (BAS-18) unless otherwise mentioned or otherwise guided by the separate BAS/BFRS or by Directives of the Regulatory Authority.

Premium Income

Premium income is recognized when insurance polices are issued. Amount received against issue of the cover notes that have not been converted into policy are not recognized as income. The cover notes which were previously issued are converted into insurance policy at the expiry of nine month as per circular of the then Chief Controller of Insurance.

Gross underwriting business as well as re-insurance thereof and claim settled etc. have been reflected separately for each class of business and net underwriting result thereof have been reflected in the revenue accounts after due consideration of re-insurance ceded.

Necessary adjustment in respect of Re-insurance ceded & accepted in Bangladesh has duly been made in respective Revenue Account as per Treaty between the company & Shadharan Bima Corporation (SBC) & foreign Re-Insurers.
Fifty percent of the re-insurable non-life insurance business shall be re-insured with Sadharan Bima Corporation & the remaining fifty percent of such business may be re-insured either with SBC or with any other insurer whether in or outside Bangladesh.

Public Sector Business (PSB)

As per Government decision effective from April 1990, 100% Public Sector Insurance Business is being underwritten by sadharan Bima Corporation (SBC), 50% being retained by SBC & the balance is equally distributed to 47 private sector insurance companies.
The premium in respect of the Company's share of public Sector Insurance Business (PSB) is accounted for the period in which the relevant statement of accounts from Shadharon Bima Corporation is received .The statements of account for the period from July 2017 to March 2018 (First Quarter Provisional) have been received & the Company's share of PSB for the aforesaid period has been recognized in these financial statements accordingly. Such method of account for the public Sector Insurance Business (PSB) has been consistently followed.

Interest Income

Interest on FDRs & Bangladesh Government Treasury Bond (BGTB) are recognized on accrual basis .Interest on STD /SND account & other income are recognized as and when amount credited to our account.

Cash Dividend Income & Stock dividend from Investment

Dividend income on investment in Shares, if any are recognized on cash & shown in profit or loss account. For stock dividend, received by the company against its investment, number of shares increased effecting decrease in average cost of investment.

07.00 Reporting Currency and Level of Precision

The figures in the Financial Statements represent Bangladesh Currency (Taka), which have been rounded off to the nearest Taka except where indicates otherwise.

08.00 Foreign Currency Transactions

Foreign currency transactions are converted into equivalent Taka currency at the ruling exchange rates on the respective dates of such transaction as per BAS-21 " The Effect of Changes in Foreign Exchange Rates".

09.00 Use of Estimates and Judgments

The preparation of the financial statements in conformity with BAS-8 requires management to make judgments, estimates and assumptions that affect the application of accounting policies and reported amounts of assets, liabilities, income and expenses. Actual result may differ from these estimates.

Estimates and underlying assumption are reviewed on an ongoing basis. Revision of accounting estimates are recognized in the period in which the estimate is revised and in any future period affected. The most significant areas where estimates and judgments have been made are on provision for outstanding claim, income tax and deferred tax.

10.00 Property, Plant & Equipment

Valuation of Property, Plant & Equipment

All fixed assets are stated as per BAS 16 "Property, Plant & Equipment". The cost of acquisition of an assets comprises its purchase price and directly attributable cost of bringing the asset to test working condition for its intended use inclusive of inward freight, duties and non refundable taxes.

Recognition of Property, Plant & Equipment

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

De-recognition of Property, Plant & Equipment

An item of Property, Plant and Equipment is de-recognized upon disposal or when no future economic benefit are expected from its use. Any gain or loss arising on de-recognition of the asset is included in the Statement of Profit or Loss and Other Comprehensive Income in the year the asset is de-recognized.

Depreciation of Property, Plant & Equipment

Non-current assets are depreciated on reducing balance method. Depreciation has been charged in addition of Non-current assets when it is available for use and depreciation is charged on disposal of assets when it is retired during the year. The rates of depreciation have been shown in note-21.

Impairment of Property, Plant & Equipment

In each year the management assess whether there is any indication that the assets may be impaired in accordance with BAS 36. "Impairment of Assets" considering the current economic situation. Management concludes that there is no such indication exists.

Revaluation of Property, Plant & Equipment

Fixed Assets (Office spaces, Skylark point, Bijoynagar, Dhaka & Younusco City Centre, CDA Avenue Chittagong) have revalued by the company as on December 31, 2014 which have been conducted by ACNABIN, Chartered Accountants in order to reflect the fair picture of the company in the present market condition on the basis of market availability and physical condition of those fixed assets and the gain arise due to the revaluation are transferred to the revaluation reserve account as per BAS 16. "Property, Plant and Equipment"

11.00 Reserve or Contingencies accounts

Reserve for exceptional losses

As per Para 2 of the 4th schedule of Income Tax Ordinance 1984, to meet the exceptional losses, Company sets aside 10% of the net premium income of the year which it is set aside from the balance of the profit to the Reserve for exceptional losses.

Revaluation Reserve

Revaluation surplus is transferred to revaluation reserve after restating the assets at the revalued amount.

Provision for Unexpired Risks :

Before arriving at the surplus of each class of business, necessary provision for unexpired risk has been made @ 40% on all business except Marine Hull business for which 100% provision has been made.

12.00 Management Expenses

Management expenses have been allocated to the respective business on the basis of proportionate gross premium earned.

13.00 Cash and Cash Equivalent

According to IAS 7 "Cash Flow Statements" cash comprises cash in hand, demand deposits, cash equivalents on short term, highly liquid investments that are readily convertible to know amounts of cash and those which are subject to an insignificant risk of changes in value. Cash and cash equivalents are not restricted in use and accordingly cash in hand and bank balances have been considered as cash and cash equivalents.

14.00 Inventories (Stock of Stationery, Forms and Insurance Stamp)

Inventories has been valued as per BAS 2 "Inventories" which has been held for use to provide insurance service. Inventories include stock of stationery, forms and insurance stamp which have no realisable value but bearing cost value and have are bought for giving services to client.

15.00 Provision for Income Tax

The Company has made the income tax provision on the basis of BAS 12 "Income Taxes" and Income Tax Ordinance, 1984 as amended from time to time. Provision for income tax represents the sum of the current tax on profit and deferred tax.

Current Tax Provision

The tax currently payable is based on taxable profits for the year. Taxable profit differs from profit as reported in the profit & loss account because it excludes items of income or expenses that are taxable or deductible in succeeding years & it further excludes items that are never taxable or deductible. The Company's liability for the current tax is calculated using tax rates that have been effective on the balance sheet date.

Deferred Taxes

Deferred tax is recognized on differences between the carrying amounts of assets & liabilities in the financial statements & the corresponding tax bases used in the computation of taxable profit & are accounted for using the balance sheet liability method. Deferred tax liabilities are generally recognized for all taxable temporary differences. Deferred tax assets are generally recognized for all deductable temporary differences to the extent that it is probable that taxable profits will be available against which such differences can be utilized. Adequate provision has been made for deferred tax to profit or loss account.

16.00 Investments

Investments are initially recognized at cost, including acquisition charge associate with the investment.

Bangladesh Govt. Treasury Bond

Bangladesh Govt. Treasury Bond are classified as held to maturity. Any gain or loss on such investment is recognized in the Statement of Profit or Loss and Other Comprehensive Income when the investments is derecognized.

Investment in Listed Shares and Securities

These securities are bought and held primarily for the purpose of selling them in future or hold for dividend income. These are reported at fair value. Unrealized gain are not recognized in the Statement of Profit or Loss and Other Comprehensive Income. But, if required, provision for diminution in value of investment is provided in the financial statement which market price is below the cost price of investment

Investment in Unquoted Shares and Securities

Investment in Unquoted Shares and Securities is reported at cost under cost method.

17.00 Earnings Per Share (EPS)

The company calculates Earnings Per Share (EPS) in accordance with BAS 33 "Earnings per share", which has been shown on the face of Statement of Profit or Loss and Other Comprehensive Income.

18.00 Date of Third Quarter Financial Statements Authorized for Issue:

Financial Statements of the Company for the Third Quarter Ended September 30, 2018 by the Board of Directors of the Company in the 143rd Board Meeting.

19.00 Credit Rating Report

Credit Rating Information and Service Limited (CRISL) has been reaffirmed the claim paying ability (CPA) rating of the company to AA- based on the audited Financial Statements 2017..

20.00 Related Party Transaction

Nitol Insurance Company Limited, in normal course of business, carried out a number of transactions with other entities that fall within the definition of related party contained in Bangladesh Accounting Standards (BAS) 24: Related Party Disclosures. All transactions involving related parties arising in normal course of business are conducted on an arm's length basis at commercial rates on the same terms and conditions as applicable to the third parties. Details of transactions with related parties were as follows:

Name of related party	Relationship	Nature of Transaction	Premium Received		Claim Paid	
			Sep-18	Sep-17	Sep-18	Sep-17
Nita Company Ltd.	Common Director	Insurance Premium	14,907,541	5,879,065	-	-
Fas Finance & Investment Ltd.	Common Director	Insurance Premium	145,497	63,827	-	-
Mr. A K M Monirul Hoque	Chairman	Insurance Premium	839	839	-	-
Mr. Zobair Humayun Khandaker	Director	Insurance Premium	98,083	-	-	-
Mr. Md. Nazrul Islam Khan	Director	Insurance Premium	-	40,343	-	-

Company Secretary Chief Financial Officer Chief Executive Officer Director Chairman