PRIME INSURANCE COMPANY LIMITED

Head Office: Unique Heights (9th floor) 117, Kazi Nazrul Islam Avenue, Dhaka-1000

3rd Quarter Financial Statements-2018 (Un-audited)

PRIME INSURANCE COMPANY LIMITED

BALANCE SHEET (Un-audited)

As on September 30, 2018

Shareholders' Equity & Liabilities	Amount in Taka	
	30.09.2018	31.12.2017 (Audited)
A. SHAREHOLDERS' EQUITY		
Authorized share capital	##########	##########
Paid-up capital	408,774,980	408,774,980
General reserve	10,400,000	9,900,000
Exceptional loss reserve	222,133,077	210,250,498
Profit & loss appropriation	9,034,444	76,679,316
Total shareholders' equity	**650,342,501**	**705,604,794**
B. CURRENT LIABILITY		
Reserve for unexpired risk	63,420,898	102,098,593
Deposit premium & unexpired risk	76,739,886	23,632,146
Outstanding claims	84,386,593	69,287,456
Sundry creditors	58,697,656	57,774,932
Amount due to other persons	83,691,457	15,438,205
Income tax provision	244,085,722	243,238,890
Deferred tax liability	10,575,520	5,742,920
Total current liabilities	**621,597,732**	**517,213,142**
Total shareholders' equity & liabilities	**1,271,940,232**	##########
PROPERTY & ASSETS		
A. Non Current Assets	**398,795,262**	**349,850,078**
Property, plant & equipment	201,735,326	211,887,457
Bangladesh Govt Treasury Bond	25,000,000	9,000,000
Investment at fair value	172,059,936	128,962,621
B. Current Assets		
Stock of stationery	2,766,856	3,753,670
Insurance stamp in hand	1,285,060	1,044,182
Accounts receivable	407,494,939	394,571,216
Amount due from coinsurers	308,432,955	259,129,285
Deferred tax assets	-	-
Cash and cash equivalents	153,165,160	214,469,505
Total current assets	**873,144,970**	**872,967,858**
Total property & assets	##########	##########
Net Assets Value (NAV) Per Share	**15.91**	**17.26**

PRIME INSURANCE COMPANY LIMITED

INCOME STATEMENT (Un-audited)

For the period of 3nd Quarter ended September 30, 2018

Particulars	Amount in Taka			
	Jan-Sep'18	July-Sep'18	Jan-Sep'17	July-Sep'17
Gross direct premium	458,481,513	155,253,762	#########	#########
Premium on PSB	38,409,330	7,215,998	39,186,685	9,132,474
R/I premium on acceptance	411,008	-	323,090	110,918
Total gross premium	**497,301,851**	**162,469,760**	#########	#########
Less: Re-insurance ceded	305,750,829	100,645,499	#########	88,151,750
Less: R/I Premium on PSB	33,116,630	6,033,000	32,241,100	7,217,905
Net Premium Income	**158,434,392**	**55,791,261**	#########	**41,348,060**
Add: Net R/I commission earned	39,598,151	13,385,437	49,709,314	12,458,596
Add: Net premium reserve	87,475,754	16,584,782	59,280,071	18,430,037
Total income	**285,508,297**	**85,761,480**	##########	**72,236,693**
Less: Reserve for unexpired risk	63,420,898	22,355,112	87,475,755	16,584,783
Less: Agent commission	68,772,227	23,288,064	78,754,332	19,121,148
Less: Management expenses (Allocable)	89,646,127	31,242,755	89,016,461	30,901,482
Less: Management expenses (Unallocab	12,992,221	4,079,798	12,063,969	3,691,351
Less: Net claims	36,824,116	1,366,149	50,521,172	1,380,701
Operating/U/W profit/(loss)	**13,852,708**	**3,429,602**	**9,321,651**	**557,227**
Add: Non-operational income	**(2,119,324)**	**1,405,358**	**40,864,351**	**9,884,600**
Interest income	11,207,600	2,983,090	10,023,176	2,085,949
Realized gain/(loss) on shares investment	(2,763,553)	4,697,799	(19,837,678)	##########
Unrealised gain/(loss) on shares investment	(14,958,183)	(6,221,340)	45,532,018	36,588,378
Dividend income	4,076,709	38,750	5,125,994	1,291,393
Foreign exchange gain	2,729	-		
Other income	315,374	(92,941)	20,842	13,379
Profit before tax	**11,733,384**	**4,834,960**	**50,186,002**	**10,441,827**
Less: Provision for income tax	846,832	(1,673,655)	6,982,081	5,578,469
Deferred tax expenses/(income)	4,832,599	3,103,880	310,775	1,253,843
Net profit after tax	**6,053,953**	**3,404,735**	**42,893,146**	**3,609,515**
Earnings per share (EPS)	**0.15**	**0.08**	**1.05**	**0.09**
Number of shares outstanding	40,877,498	40,877,498	40,877,498	40,877,498

PRIME INSURANCE COMPANY LIMITED

STATEMENT OF CASH FLOW (Un-audited)

For the period 3rd Quarter ended September 30, 2018

Particulars	Amount in Taka	
A. CASH FLOW FROM OPERATING ACTIVITIES:	**Jan-Sep '18**	**Jan-Sep'17**
Received against insurance business	515,860,209	579,786,798
Management exps, re-insurance & claims	##########	##########
Income tax, VAT, stamp duty paid	(63,184,637)	(25,498,789)
Net cash flow from operating activities	**(19,052,553)**	**71,280,717**
B. CASH FLOW FROM INVESTING ACTIVITIES:		
Investment in shares & others	##########	##########
Sale proceeds of investment in shares	226,063,859	282,464,350
Sale proceeds on fixed assets	1,235,863	11,000
Interest received	7,802,842	7,935,440
Cash dividend received	3,261,366	4,100,796
Purchase of fixed assets	(155,800)	(555,818)
FDR opened	(68,200,000)	(51,100,000)
FDR encashed	137,644,477	53,600,000
Interest paid on margin loan		(5,164)
Net cash flow from investing activities	**19,064,455**	**(24,359,660)**
C. CASH FLOW FROM FINANCING ACTIVITIES:		
Cash dividend paid	(61,316,247)	(53,140,747)
Net cash flow from financing activities	**(61,316,247)**	**(53,140,747)**
Increase/(decrease) in cash & cash equivalents (A+B+	(61,304,345)	(6,219,690)
Cash and cash equivalent on January 1, 201	214,469,505	216,256,820
Cash and cash equivalent on Sep 30, 201	**153,165,160**	**210,037,130**
Net Cash Flow From Operating Activities Per Shar	**(0.47)**	**1.74**

NB: The 3rd Quarter Financial Statements-2018 (Unaudited) have been approved in the 307th Board Meeting of the Company held on October 30, 2018. The 3rd Quarter Financial Statements for the period ended September 30, 2018 (Un-audited) in detailed is available in the website of the company at www.prime-insurance.net.

STATEMENT OF CHANGES IN EQUITY for the 3rd Quarter ended September 30, 2018

Particulars	Share capital	General reserve	Exceptional loss reserve	Profit & loss APRs. A/c	Total Taka
Balance as at January 01, 2018	408,774,980	9,900,000	210,250,498	76,679,316	705,604,794
Net profit after tax for the period	-	-	-	6,053,953	6,053,953
Cash dividend paid for 2017	-	-	-	(61,316,247)	(61,316,247)
Changes made during the period	-	500,000	11,882,579	(12,382,579)	-
Balance as at September 30, 2018	**408,774,980**	**10,400,000**	**222,133,077**	**9,034,444**	**650,342,501**
Balance as at September 30, 2017	408,774,980	9,275,000	212,976,772	28,756,013	659,782,765

Selected explanatory notes to the 3rd Quarter Financial Statements-2018:

1. **Legal form of the Company:** The company was incorporated as a public limited company on 21 March 1996 under the Companies Act, 1994. The Company has been registered with the Insurance Development & Regulatory Authority (IDRA) under the Insurance Act, 2010. The company is listed with Dhaka Stock Exchange Ltd & Chittagong Stock Exchange Ltd as a publicly traded company.
2. **Basis of Preparation:** The interim financial statements have been prepared based on BAS-34 and in compliance with other BASs, the Companies Act, 1994, Insurance Act, 2010 and other applicable laws and regulations.
3. **Accounting policies & method of computation:** Accounting policies and method of computation followed in preparing this interim financial statements are consistent with those used in the Annual Financial Statements of 2017.
4. **Dividend:** Cash dividend of 15% for the year 2017 has been distributed in the 2nd quarter of 2018.
5. **Depreciation:** Depreciation has been charged in compliance with para 55 of the BAS-16.
6. **Deviation from previous period**: Lower EPS and negative operating cash flow per share were due to lower direct premium underwriting because of non-renewal of a large business and sharing of another high voluminous business with co-insurer and also for severe downturn of share maket causing unrealized loss.
7. **Comparative Information:** Figures have been rearranged/restated wherever necessary to conform to current period's presentation.

Place: Dhaka

Date: October 30, 2018 **Company Secretary** **Head of Accounts** **Chief Financial Officer** **Chief Executive Officer** **Director** **Chairman**

AMAR STOCK

Prime Insurance Company Limited
Statement of Financial Position (Balance Sheet)
As at September 30, 2018

Particulars	Notes	Amount in Taka	
		2018	2017 (Audited)
Shareholders Equity & Liabilities			
Share capital			
Authorised share capital			
100,000,000 ordinary shares of Tk. 10 each		**1,000,000,000**	**1,000,000,000**
Issued, subscribed & paid-up capital			
40,877,498 ordinary shares of Tk. 10 each	6.00	**408,774,980**	**408,774,980**
Reserve and contingent account		**#REF!**	**296,829,814**
Reserve for exceptional losses	7.00	222,133,077	210,250,498
General reserve fund	8.00	10,400,000	9,900,000
Profit & loss appropriation account		#REF!	76,679,316
Shareholders' equity:		**#REF!**	**705,604,794**
Balance of funds and accounts	9.00	**63,420,898**	**102,098,593**
Fire insurance business		12,372,069	15,500,512
Marine insurance business		27,689,873	61,579,448
Marine hull insurance business		78,568	474,346
Motor insurance business		12,641,416	18,214,934
Miscellaneous insurance business		10,638,972	6,329,353
Premium deposits	10.00	**76,739,886**	**23,632,146**
Liabilities and provisions		**#REF!**	**391,482,403**
Estimated liability in respect of outstanding claims whether due or intimated	11.00	84,386,593	69,287,456
Amount due to other persons or bodies carrying on insurance business	12.00	83,691,457	15,438,205
Sundry creditors	####	58,697,656	57,774,932
Income tax provision	####	#REF!	243,238,890
Deferred tax liability	####	#REF!	5,742,920
Total shareholder's equity & liabilities		**#REF!**	**1,222,817,936**

Enamul Haque Khan	**Md. Lokman Hossain**	**Badal Chandra Rajbangshi**	**Mohammodi Khanam**
Company Secretary	Head of Accounts	Chief Financial Officer	Chief Executive Officer

Nazma Haque	**Md. Zakiullah Shahid**
Director	Chairman

The accompanying notes 1 to 38 form an integral part of these financial statements.

Dated: Dhaka
October 30, 2018

AMARSTOCK

Prime Insurance Company Limited
Statement of Financial Position (Balance Sheet)
As at September 30, 2018

Particulars	Notes	Amount in Taka	
		2018	2017
Property and Assets			
Non-current assets		**398,795,262**	**349,850,078**
Property, plant and equipment	####	201,735,326	211,887,457
Bangladesh Govt Treasury Bond	####	25,000,000	9,000,000
Investment (at fair value)	####	172,059,936	128,962,621
Current assets		**873,144,970**	**872,967,858**
Stock of printing & stationery	####	2,766,856	3,753,670
Insurance stamp in hand		1,285,060	1,044,182
Premium collection control account	####	3,082,558	8,020,079
Interest accrued but not received	####	10,247,233	8,583,666
Amount due from other persons or bodies carrying on insurance business	20.00	308,432,955	259,129,285
Sundry debtors (including advances, deposits & pre-payments)	21.00	394,165,148	377,967,471
Deferred tax assets	####	-	-
Cash and cash equivalents	####	**153,165,160**	**214,469,505**
Cash in hand		3,493,336	3,944,989
Cash at Bank		54,171,824	45,580,038
Fixed deposit receipt (FDR)		95,500,000	164,944,478
Total assets		**1,271,940,232**	**1,222,817,936**

The accompanying notes 1 to 38 form an integral part of these financial statements.

Enamul Haque Khan	**Md. Lokman Hossain**	**Badal Chandra Rajbangshi**	**Mohammodi Khanam**
Company Secretary	Head of Accounts	Chief Financial Officer	Chief Executive Officer

Nazma Haque	**Md. Zakiullah Shahid**
Director	Chairman

Signed in terms of our separate report even date.

Dated: Dhaka
October 30, 2018

AMARSTOCK

INCOME STATEMENT (Un-audited)

For the Third Quarter Ended September 30, 2018

INCOME STATEMENT:	2018		2017	
	Jan to Sep-2018	July to Sep-2018	Jan to Sep-2017	July to Sep-2017
	Amount in Taka		Amount in Taka	
Gross direct premium	458,481,513	155,253,762	525,028,882	127,474,323
Premium on PSB	38,409,330	7,215,998	39,186,685	9,132,474
R/I Premium on acceptance	411,008	-	323,090	110,918
Total Gross premium income	**497,301,851**	**162,469,760**	**564,538,657**	**136,717,715**
Less : Re-insurance ceded	305,750,829	100,645,499	314,133,602	88,151,750
Less : R/I Premium on PSB	33,116,630	6,033,000	32,241,100	7,217,905
Net premium income	**158,434,392**	**55,791,261**	**218,163,955**	**41,348,060**
Add : Net R/I commission earned	39,598,151	13,385,437	49,709,314	12,458,596
Add : Net premium reserve retained	87,475,754	16,584,782	59,280,071	18,430,037
Total premium income	**285,508,297**	**85,761,480**	**327,153,340**	**72,236,693**
Less : Reserve for unexpired risk.	63,420,898	22,355,112	87,475,755	16,584,783
Less : Agent commission	68,772,227	23,288,064	78,754,332	19,121,148
Less: Management expenses (Revenue A/c	#REF!	#REF!	89,016,461	30,901,482
Less: Management expenses (P/L A/c)	#REF!	#REF!	12,063,969	3,691,351
Less : Net claims	36,824,116	1,366,149	50,521,172	1,380,701
Operating Profit (U/W Profit/ (Loss)	**#REF!**	**#REF!**	**9,321,650**	**557,228**
Add : Non-operational income :	**(2,119,324)**	**1,405,358**	**40,864,352**	**9,884,599**
Interest income	11,207,600	2,983,090	10,023,176	2,085,949
Realized gain/(loss) on Share investment	(2,763,553)	4,697,799	(19,837,678)	869,221
Unrealized gain/(loss) on share investment	(14,958,183)	(6,221,340)	45,532,018	5,624,658
Dividend income	4,076,709	38,750	5,125,994	1,291,393
Foreign exchange gain	2,729	-	8,544	2,379.00
Others income	315,374	(92,941)	12,298	11,000
Profit before tax :	**#REF!**	**#REF!**	**50,186,002**	**10,441,827**
Less : Provision for income tax	#REF!	#REF!	6,982,081	5,578,469
Less : Deffered tax	#REF!	#REF!	310,775	1,253,843
Net Profit after tax	**#REF!**	**#REF!**	**42,893,146**	**3,609,516**
Earning Per Share (EPS Taka 10/=	**#REF!**	**#REF!**	**1.05**	**0.09**
Weighted average number of outstanding shares	**40,877,490**	**40,877,490**	**40,877,490**	**40,877,490**

Enammul Haque Khan
Company Secretary

Md. Lokman Hossain
Head of Accounts

Badal Chandra Rajbangshi
Chief Financial Officer

Mohammodi Khanam
Chief Executive Officer

Nazma Haque
Director

Md. Zakiullah Shahid
Chairman

October 30, 2018

Prime Insurance Company Limited
Statement of Profit or Loss and Other Comprehensive Income
For the Third Quarter Ended September 30, 2018

Particulars	Notes	Amount in Taka	
		2018	2017
Operating profit/(loss) transferred from:		**#REF!**	**21,385,619**
Fire insurance revenue account		#REF!	(24,846,394)
Marine insurance revenue account		#REF!	40,754,913
Marine hull insurance revenue account		#REF!	267,846
Motor insurance revenue account		#REF!	14,417,441
Miscellaneous insurance revenue account		#REF!	(9,208,186)
Non-operating income:			
(Interest, dividend and rents not applicable to any particular fund or account)		**(2,119,324)**	**40,864,352**
Interest income	23.00	11,207,600	10,023,176
Realized gain/(loss) on share investment	24.00	(2,763,553)	(19,837,678)
Dividend income	25.00	4,076,709	5,125,994
Increased/(Decreased) of fair value on investment in	16.02.4	(14,958,183)	45,532,018
Other income	26.00	315,374	12,298
Foreign exchange gain	26.05	2,729	8,544
Total income		**#REF!**	**62,249,971**
Less: Expenses of management			
(not applicable to any particular fund or account)		**#REF!**	**12,063,969**
Director's fees	27.00	#REF!	925,000
Advertisement & publicity		#REF!	705,176
Audit fees	28.00	625,000	526,128
Donation & subscriptions		#REF!	196,655
Legal & professional fees		#REF!	2,559,003
Depreciation	15.00	8,002,943	6,612,596
Registration fees	29.00	#REF!	50,000
Meeting expenses		#REF!	456,169
Incentive/Perfomance bonus for employees	13.06.01	#REF!	28,078
Interest on margin loan		#REF!	5,164
Foreign exchange loss		-	-
Profit before tax		**#REF!**	**50,186,002**
Provision for tax	14.01	#REF!	6,982,081
Deferred tax expenses/(income) for the year	14.02	#REF!	310,775
Profit after tax transferred to profit & loss appropriation account		**#REF!**	**42,893,146**
Total		**#REF!**	**62,249,971**
Earnings per share (EPS)	5.01	**#REF!**	**1.05**

The accompanying notes 1 to 38 form an integral part of these financial statements.

Enamul Haque Khan	**Md. Lokman Hossain**	**Badal Chandra Rajbangshi**	**Mohammodi Khanam**
Company Secretary	Head of Accounts	Chief Financial Officer	Chief Executive Officer

Nazma Haque — Director

Md. Zakiullah Shahid — Chairman

Dated: Dhaka
October 30, 2018

Prime Insurance Company Limited
Profit & Loss Appropriation Account
For the Third Quarter Ended September 30, 2018

Particulars	Notes	Amount in Taka	
		2018	2017
Opening balance of appropriation accounts		76,679,316	61,195,010
Profit/(loss) carried forward during the year		#REF!	42,893,146
Total profit after tax		**#REF!**	**104,088,156**
Appropriation			
Reserve for exceptional losses	7.01	11,882,579	21,816,396
Cash dividend paid for the year		61,316,247	53,140,747
General reserve fund	8.00	500,000	375,000
Retained earnings transferred to balance sheet		**#REF!**	**28,756,013**
Total		**#REF!**	**104,088,156**

The accompanying notes 1 to 38 form an integral part of these financial statements.

Enamul Haque Khan	**Md. Lokman Hossain**	**Badal Chandra Rajbangshi**	**Mohammodi Khanam**
Company Secretary	Head of Accounts	Chief Financial Officer	Chief Executive Officer

Nazma Haque
Director

Md. Zakiullah Shahid
Chairman

Signed in terms of our separate report even date.

Dated: Dhaka
October 30, 2018

AMAR STOCK

Prime Insurance Company Limited
Consolidated Insurance Revenue Account
For the Third Quarter Ended September 30, 2018

Particulars	Amount in Taka						
	2018						2017
	Fire	Marine	Marine	Motor	Misc.	Total	Total
Claims under policies less re-insurances:	**5,853,059**	**19,901,826**	**(116,374)**	**7,955,044**	**3,230,561**	**36,824,116**	**50,521,172**
Claims paid during the year	67,882,389	13,020,246	-	4,463,384	8,182,142	93,548,161	66,894,233
Add: R/I claims paid/adjusted on PSB	2,189,902	1,035,709	109,936	104,438	18,537,022	21,977,007	4,569,877
Add: Claims paid on re-insurance acceptance	-	-	-	-	7,763	7,763	6,428
Less: R/I loss claims recovered/ (adjusted) on R/I cedence	3,879,834	219,496	-	-	454,114	4,553,444	11,081,242
Less: Claims paid recoverable on on R/I	62,297,013	561,931	-	900,900	4,816,634	68,576,478	34,903,230
Add: Claims outstanding at the end of the year	13,307,333	50,893,802	-	10,023,122	10,162,336	84,386,593	78,503,489
Add: Outstanding claims recoverable on R/I	-	-	-	-	-	-	-
Less: Claims recovered on PSB	1,370,182	740,227	226,310	-	18,341,311	20,678,030	3,797,012
Less: Claims outstanding at the end of the previous year	9,979,536	43,526,277	-	5,735,000	10,046,643	69,287,456	49,671,371
Expenses of management	#REF!	#REF!	#REF!	#REF!	#REF!	#REF!	89,016,461
						-	
Agent commission	30,923,226	22,242,212	60,000	4,832,697	10,714,092	68,772,227	78,754,332
Profit/(loss) transferred to profit & loss account	**#REF!**	**#REF!**	**#REF!**	**#REF!**	**#REF!**	**#REF!**	**21,385,619**
Balance of account at the end of the year as shown in the balance sheet (Reserve for unexpired risks being 40% of premium income on Marine, Motor & Miscellaneous and 100% of Premium income on Marine Hull of the year)	12,372,069	27,689,873	78,568	12,641,416	10,638,972	63,420,898	87,475,755
Total	**62,609,701**	**#########**	**492,011**	**46,984,593**	**46,670,570**	**285,508,297**	**#########**

Particulars	Amount in Taka						
	2018						2017
	Fire	Marine	Marine Hull	Motor	Misc.	Total	Total
Balance of account at the beginning of the year:	**15,470,952**	**45,903,942**	**350,289**	**#########**	**12,046,315**	**87,475,754**	**59,280,071**
Premium less re-insurances	**30,930,173**	**69,224,683**	**78,568**	**#########**	**26,597,429**	**158,434,392**	**218,163,955**
Premium underwritten	#########	156,210,785	400,000	#########	71,840,435	#########	530,619,435
Less : Premium refund	-	7,929,370	-	4,802	413,157	8,347,329	5,590,553
Add: Premium on PSB	6,423,293	10,527,322	72,185	1,882,196	19,504,334	38,409,330	39,186,685
Less: Re-insurance premium ceded	#########	81,775,036	344,904	2,390,247	45,467,189	#########	314,133,602
Less: Re-insurance premium on PSB	5,874,504	7,809,018	48,713	106,393	19,278,002	33,116,630	32,241,100
Add: Premium on Re-Insurance accepted	-	-	-	-	411,008	411,008	323,090
Net Commission earned on Re-insurances	**16,208,576**	**13,622,797**	**63,154**	**1,676,798**	**8,026,826**	**39,598,151**	**49,709,314**
Commission earned on R/I	15,583,942	12,133,945	60,826	1,676,798	5,817,352	35,272,863	44,863,633
Less: Commission paid on R/I accepted	-	-	-	-	143,853	143,853	113,081
Commission earned on PSB	624,634	1,488,852	2,328	-	2,353,327	4,469,141	4,958,762
Profit commission	-	-	-	-	-	-	-
Total	**62,609,701**	**#########**	**492,011**	**#########**	**46,670,570**	**#########**	**327,153,340**

Enamul Haque Khan
Company Secretary

Md. Lokman Hossain
Head of Accounts

Badal Chandra Rajbangshi
Chief Financial Officer

Mohammodi Khanam
Chief Executive Officer

Nazma Haque
Director

Md. Zakiullah Shahid
Chairman

Signed in terms of our separate report even date.

Dated: Dhaka
October 30, 2018

Prime Insurance Company Limited
Fire Insurance Revenue Account
For the Third Quarter Ended September 30, 2018

Particulars	Amount in Taka		Particulars	Amount in Taka	
	2018	2017		2018	2017
Claims under policies less re-insurances:	**5,853,059**	**9,086,541**	**Balance of account at the beginning of the**	**15,470,952**	**14,208,746**
Claims paid during the year	67,882,389	28,524,805	**Premium less re-insurances**	**30,930,173**	**38,677,381**
Add: R/I claims paid / adjusted on PSB	2,189,902	6,777	Premium underwritten	206,154,837	269,696,664
Add: Claims paid on re-insurance acceptance	-	-	Less: Premium refunded	-	573,318
Less: R/I loss claims recovered/(adjusted) on R/I cedence	3,879,834	4,213,283	Add: Premium on PSB	6,423,293	4,850,981
Less: Claims paid recoverable on on R/I	62,297,013	19,252,336	Less: Re-insurance premium ceded	175,773,453	231,272,463
Add: Claims outstanding at the end of the year	13,307,333	12,570,463	Less: Re-insurance premium on PSB	5,874,504	4,024,483
Less: Claims recovered on PSB	1,370,182	-	Add: Premium on re-insurance accepted	-	-
Add: Outstanding claims recoverable R/I		-			
Less: Claims outstanding at the end of previous year	9,979,536	8,549,885			
Expenses of management	#REF!	43,200,275	**Commission earned on re-insurances**	**16,208,576**	**30,393,749**
			Commission earned on R/I ceded	15,583,942	29,903,408
Agent commission	30,923,226	40,368,502	Less: Commission paid on R/I accepted	-	-
			Commission earned on PSB	624,634	490,341
			Profit commission	-	-
Profit/(Loss) transferred to Profit & Loss Account.	**#REF!**	**(24,846,394)**			
Balance of account at the end of the year as shown in the Balance sheet.	12,372,069	15,470,952			
(Reserve for unexpired risks being 40% of premium income on Fire of the year).					
Total	**62,609,701**	**83,279,876**	**Total**	**62,609,701**	**83,279,876**

Enamul Haque Khan
Company Secretary

Md. Lokman Hossain
Head of Accounts

Badal Chandra Rajbangshi
Chief Financial Officer

Mohammodi Khanam
Chief Executive Officer

Nazma Haque
Director

Md. Zakiullah Shahid
Chairman

Signed as per our separate report of same date.
Dated: Dhaka
October 30, 2018

AMAR STOCK

Prime Insurance Company Limited
Marine & Marine Hull Insurance Revenue Account
For the Third Quarter Ended September 30, 2018

Particulars	Amount in Taka				Particulars	Amount in Taka			
	2018			2017		2018			2017
	Marine	Marine Hull	Total	Total		Marine	Marine Hull	Total	Total
Claims under Policies less Re-insurances:	**19,901,826**	**(116,374)**	**19,785,452**	**19,027,293**	Balance of account at the beginning of the year:	**45,903,942**	**350,289**	**46,254,231**	**27,511,594**
Claims paid during the year	13,020,246	-	13,020,246	14,805,935	Premium less re-insurances	**69,224,683**	**78,568**	**69,303,251**	**115,110,145**
Add: R/I claims paid/adjusted on PSB	1,035,709	109,936	1,145,645	4,449,162	Premium underwritten	156,210,785	400,000	156,610,785	145,135,824
Add: Claims paid on re-insurance acceptance	-	-	-	-	Less: Premium refunded	7,929,370	-	7,929,370	4,408,488
Less: R/I loss claims recovered/(adjusted) on R/I cedence	219,496	-	219,496	3,538,988	Add: Premium on PSB	10,527,322	72,185	10,599,507	15,626,662
Less: Claims paid recoverable on on R/I	561,931	-	561,931	2,821,454	Less: Re-insurance premium ceded	81,775,036	344,904	82,119,940	29,122,811
Add: Claims outstanding at the end of the	50,893,802	-	50,893,802	31,775,902	Less: Re-insurance premium on PSB	7,809,018	48,713	7,857,731	12,121,042
Less: Claims recovered on PSB	740,227	226,310	966,537	3,795,389	Add: Premium on re-insurance	-	-	-	-
Add: Outstanding claims recoverable R/I		-	-	-					
Less: Claims outstanding at the end of the previous year	43,526,277	-	43,526,277	21,847,875					
Expenses of management	#REF!	#REF!	#REF!	24,653,900	**Commission earned on re-insurances**	**13,622,797**	**63,154**	**13,685,951**	**9,445,544**
			-		Commission earned on R/I ceded	12,133,945	60,826	12,194,771	7,067,343
Agent commission	22,242,212	60,000	22,302,212	21,109,100	Less :Commission paid on R/I accepted	-	-	-	-
					Commission earned on PSB	1,488,852	2,328	1,491,180	2,378,201
					Profit commission	-	-	-	-
Profit/(loss) transferred to profit & loss account	**#REF!**	**#REF!**	**#REF!**	**41,022,758**					
Balance of account at the end of the year as shown in the balance sheet	27,689,873	78,568	27,768,441	46,254,231					
(Reserve for unexpired risks being 40% of premium income on Marine, and 100% of premium income on Marine Hull of the year)									
Total	**128,751,422**	**492,011**	**129,243,433**	**152,067,283**	**Total**	**128,751,422**	**492,011**	**129,243,433**	**152,067,283**

Enamul Haque Khan
Company Secretary

Md. Lokman Hossain
Head of Accounts

Badal Chandra Rajbangshi
Chief Financial Officer

Mohammodi Khanam
Chief Executive Officer

Nazma Haque
Director

Md. Zakiullah Shahid
Chairman

Dated: Dhaka
October 30, 2018

Prime Insurance Company Limited
Motor Insurance Revenue Account
For the Third Quarter Ended September 30, 2018

Particulars	Amount in Taka	
	2018	2017
Claims under policies less re-	**7,955,044**	**9,903,442**
Claims paid during the year	4,463,384	4,357,830
Add: R/I claims paid/adjusted on PSB	104,438	92,959
Add: Claims paid on re-insurance acceptanc	-	-
Less: R/I loss claims recovered/(adjusted) on R/I cedence	-	-
Less: Claims paid recoverable on on R/I	900,900	-
Less: Claims outstanding at the end of the year	10,023,122	13,326,013
Less: Claims recovered on PSB	-	-
Add: Outstanding claims recoverable R/I	-	-
Less: Claims outstanding at the end of the previous year	5,735,000	7,873,360
Expenses of management	#REF!	5,958,404
Agent commission	4,832,697	5,386,441
Profit/(loss) transferred to profit & loss account	**#REF!**	**14,417,441**
Balance of account at the end of the year as shown in the balance sheet	12,641,416	13,704,256
(Reserve for unexpired risks being 40% of Motor premium income of the year)		
Total	**46,984,593**	**49,369,984**

Particulars	Amount in Taka	
	2018	2017
Balance of account at the beginning of the year:	**13,704,256**	**13,636,950**
Premium less re-insurances	**31,603,539**	**34,260,641**
Premium underwritten	32,222,785	35,909,604
Less: Premium refund	4,802	-
Add: Premium on PSB	1,882,196	1,878,347
Less: Re-insurance premium ceded	2,390,247	3,461,764
Less: Re-insurance premium on PSB	106,393	65,546
Add: Premium on re-insurance accepted	-	-
Commission earned on re-insurances	**1,676,798**	**1,472,393**
Commission earned on R/I ceded	1,676,798	1,472,393
Less: Commission paid on R/I accepted	-	-
Commission earned on PSB	-	-
Profit commission	-	-
Total	**46,984,593**	**49,369,984**

Enamul Haque Khan
Company Secretary

Md. Lokman Hossain
Head of Accounts

Badal Chandra Rajbangshi
Chief Financial Officer

Mohammodi Khanam
Chief Executive Officer

Nazma Haque
Director

Md. Zakiullah Shahid
Chairman

Signed in terms of our separate report even date.
Dated: Dhaka

October 30, 2018

AMAR STOCK

Prime Insurance Company Limited
Miscellaneous Insurance Revenue Account
For the Third Quarter Ended September 30, 2018

Particulars	Amount in Taka		Particulars	Amount in Taka	
	2018	2017		2018	2017
Claims under policies less re-insurances:	**3,230,561**	**12,503,896**	**Balance of account at the beginning of the year:**	**12,046,315**	**3,922,781**
Claims Paid during the year	8,182,142	19,205,663	**Premium less re-insurances**	**26,597,429**	**30,115,788**
Add: R/I claims paid / adjusted on PSB	18,537,022	20,979	Premium underwritten	71,840,435	79,877,343
Add: Claims paid on re-insurance acceptance	7,763	6,428	Less: Premium refunded	413,157	608,747
Less: R/I loss claims recovered/(adjusted) on R/I cedence	454,114	3,328,971	Add: Premium on PSB	19,504,334	16,830,695
Less: Claims paid recoverable on on R/I	4,816,634	12,829,440	Less: Re-insurance premium ceded	45,467,189	50,276,564
Add: Claims outstanding at the end of the year	10,162,336	20,831,111	Less: Re-Insurance premium on PSB	19,278,002	16,030,029
Less: Claims recovered on PSB	18,341,311	1,623	Add: Premium on re-insurance accepted	411,008	323,090
Add: Outstanding claims recoverable R/I	-	-			
Less: Claims outstanding at the end of the previous year	10,046,643	11,400,251			
Expenses of management	#REF!	15,203,882	**Commission earned on re-insurances**	**8,026,826**	**8,397,628**
			Commission earned on R/I ceded	5,817,352	6,420,489
Agent commission	10,714,092	11,890,289	Less: Commission paid on R/I accepted	143,853	113,081
			Commission earned on PSB	2,353,327	2,090,220
			Profit commission	-	-
Profit/(Loss) transferred to Profit & Loss Account.	**#REF!**	**(9,208,186)**			
Balance of account at the end of the year as shown in the Balance sheet.	10,638,972	12,046,315			
(Reserve for unexpired risks being 40% of Miscellnaneous premium income of the year).					
Total	**46,670,570**	**42,436,197**	**Total**	**46,670,570**	**42,436,197**

Enamul Haque Khan
Company Secretary

Md. Lokman Hossain
Head of Accounts

Badal Chandra Rajbangshi
Chief Financial Officer

Mohammodi Khanam
Chief Executive Officer

Nazma Haque
Director

Md. Zakiullah Shahid
Chairman

Signed in terms of our separate report even date.

Dated: Dhaka

October 30, 2018

AMAR STOCK

Prime Insurance Company Limited

Statement of Premium, Commission income, Re-insurance cedence & Acceptance and Claims apportionment
For the Third Quarter Ended September 30, 2018

Particulars	FIRE	MARINE			MISCELLANEOUS			GRAND
		CARGO	HULL	TOTAL	MOTOR	MISC.	TOTAL	TOTAL
Premium underwritten	206,154,837	156,210,785	400,000	156,610,785	32,222,785	71,840,435	104,063,220	466,828,842
Less: Refund allowed	-	7,929,370	-	7,929,370	4,802	413,157	417,959	8,347,329
Gross premium underwritten	**206,154,837**	**148,281,415**	**400,000**	**148,681,415**	**32,217,983**	**71,427,278**	**103,645,261**	**458,481,513**
Add: Premium on PSB	6,423,293	10,527,322	72,185	10,599,507	1,882,196	19,504,334	21,386,530	38,409,330
Sub total	**212,578,130**	**158,808,737**	**472,185**	**159,280,922**	**34,100,179**	**90,931,612**	**125,031,791**	**496,890,843**
Add: R/I premium on acceptance	-	-	-	-	-	411,008	411,008	411,008
Total gross premium	**212,578,130**	**158,808,737**	**472,185**	**159,280,922**	**34,100,179**	**91,342,620**	**125,442,799**	**497,301,851**
Less : Re-insurance ceded	175,773,453	81,775,036	344,904	82,119,940	2,390,247	45,467,189	47,857,436	305,750,829
Less: Re-insurance premium on PSB	5,874,504	7,809,018	48,713	7,857,731	106,393	19,278,002	19,384,395	33,116,630
Net premium	**30,930,173**	**69,224,683**	**78,568**	**69,303,251**	**31,603,539**	**26,597,429**	**58,200,968**	**158,434,392**
Reserve for un-expired risks on premium Income for the year	40%	40%	100%		40%	40%		
On own retention	12,152,554	26,602,552	55,096	26,657,648	11,931,094	10,548,439	22,479,533	61,289,734
Public sector business	219,516	1,087,322	23,472	1,110,794	710,321	90,533	800,854	2,131,163
Total reserve	12,372,069	27,689,873	78,568	27,768,441	12,641,416	10,638,972	23,280,387	**63,420,898**
Expenses of management	**#REF!**	**#REF!**	**#REF!**	**#REF!**	**#REF!**	**#REF!**	**#REF!**	**#REF!**
Commission earned on R/I ceded	15,583,942	12,133,945	60,826	12,194,771	1,676,798	5,817,352	7,494,150	35,272,863
Add: Profit commission	-	-	-	-	-	-	-	-
Add: R/I commission earned on PSB	624,634	1,488,852	2,328	1,491,180	-	2,353,327	2,353,327	4,469,141
Gross commission earned	**16,208,576**	**13,622,797**	**63,154**	**13,685,951**	**1,676,798**	**8,170,679**	**9,847,477**	**39,742,004**
Less: Commission paid on R/I accepted	-	-	-	-	-	143,853	143,853	143,853
Less: Interest on re-insurance				-			-	-
Net commission earned	**16,208,576**	**13,622,797**	**63,154**	**13,685,951**	**1,676,798**	**8,026,826**	**9,703,624**	**39,598,151**
Commission paid to agents	30,923,226	22,242,212	60,000	22,302,212	4,832,697	10,714,092	15,546,789	**68,772,227**
Claims paid during the year	67,882,389	13,020,246	-	13,020,246	4,463,384	8,182,142	12,645,526	93,548,161
Add: 1) R/I claims paid Acceptance				-		7,763	7,763	7,763
2) R/I claims paid (adjusted) on PSB	2,189,902	1,035,709	109,936	1,145,645	104,438	18,537,022	18,641,460	21,977,007
Total claims paid	**70,072,291**	**14,055,955**	**109,936**	**14,165,891**	**4,567,822**	**26,726,927**	**31,294,749**	**115,532,931**
Less: R/I loss claims recovered/(adjusted) on R/I cedence	3,879,834	219,496	-	219,496	-	454,114	454,114	4,553,444
Less: Claims paid recoverable on on R/I	62,297,013	561,931	-	561,931	900,900	4,816,634	5,717,534	68,576,478
Less: R/I claims recovery on acceptance	-	-		-	-		-	-
Less: R/I claims recovered on PSB	1,370,182	740,227	226,310	966,537	-	18,341,311	18,341,311	20,678,030
Net claims paid	**2,525,262**	**12,534,301**	**(116,374)**	**12,417,927**	**3,666,922**	**3,114,868**	**6,781,790**	**21,724,979**
Claims outstanding at the end of the year	13,307,333	50,893,802	-	50,893,802	10,023,122	10,162,336	20,185,458	84,386,593
Add: O/s claims PSB				-			-	-
Total claims outstanding	**13,307,333**	**50,893,802**	**-**	**50,893,802**	**10,023,122**	**10,162,336**	**20,185,458**	**84,386,593**
Less: Recoverable on R/I			-	-	-	-	-	-
Net claims outstanding during the year	**13,307,333**	**50,893,802**	**-**	**50,893,802**	**10,023,122**	**10,162,336**	**20,185,458**	**84,386,593**
Less: O/s claims-previous year	9,979,536	43,526,277	-	43,526,277	5,735,000	10,046,643	15,781,643	69,287,456
Total net claims for the year	**5,853,059**	**19,901,826**	**(116,374)**	**19,785,452**	**7,955,044**	**3,230,561**	**11,185,605**	**36,824,116**

Prime Insurance Company Limited
Statement of Changes in Shareholders' Equity
For the Third Quarter Ended September 30, 2018

For the year 2018	(Amount in Taka)				
Particulars	Share capital	General reserve Fund	Reserve for exceptional losses	Profit & loss appropriation account	Total
Balance as at January 1, 2018	**408,774,980**	**9,900,000**	**210,250,498**	**76,679,316**	**705,604,794**
Cash dividend for the year 2017				(61,316,247)	(61,316,247)
Profit after tax for the year	-		-	#REF!	#REF!
Appropriation made during the year	-	500,000	11,882,579	(12,382,579)	0
Balance as at September 30, 2018	**408,774,980**	**10,400,000**	**222,133,077**	**#REF!**	**#REF!**

For the year 2017	(Amount in Taka)				
Particulars	Share capital	General Reserve	Reserve for exceptional losses	Profit & Loss Appr. Account	Total
Balance as at January 1, 2017	**408,774,980**	**8,900,000**	**191,160,376**	**61,195,010**	**670,030,366**
Cash dividend for the year 2016				(53,140,747)	(53,140,747)
Profit after tax for the year	-		-	42,893,146	42,893,146
Appropriation made during the year	-	375,000	21,816,396	(22,191,396)	(0)
Balance as at September 30, 2017	**408,774,980**	**9,275,000**	**212,976,772**	**28,756,013**	**659,782,765**

Enamul Haque Khan
Company Secretary

Md. Lokman Hossain
Head of Accounts

Badal Chandra Rajbangshi
Chief Financial Officer

Mohammodi Khanam
Chief Executive Officer

Nazma Haque
Director

Md. Zakiullah Shahid
Chairman

Prime Insurance Company Limited
Statement of Cash Flows
For the Third Quarter Ended September 30, 2018

Particulars	Amount in Taka	
	30.09.2018	**30.09.2017**
A. CASH FLOWS FROM OPERATING ACTIVITIES:		
Collection from premium and other income	515,860,209	579,786,798
Payment for management expenses, re-insurance and claims	(471,728,125)	(483,007,292)
Income tax, VAT & Stamp paid	(63,184,637)	(25,498,789)
Net cash flows from operating activities	**(19,052,553)**	**71,280,717**
B. CASH FLOWS FROM INVESTING ACTIVITIES:		
Purchase of fixed assets	(155,800)	(555,818)
Investment in shares	(288,588,152)	(320,810,264)
Sale proceeds of investment in shares	226,063,859	282,464,350
Sale proceeds of fixed assets	1,235,863	11,000
Advance against fixed assets		-
Fixed deposit opened	(68,200,000)	(51,100,000)
Fixed deposit encashed	137,644,477	53,600,000
Interest received	7,802,842	7,935,440
Dividend received	3,261,366	4,100,796
Interest paid on margin loan	#REF!	(5,164)
Net cash flows from investing activities	**#REF!**	**(24,359,660)**
C. CASH FLOWS FROM FINANCING ACTIVITIES:		
Cash dividend paid	(61,316,247)	(53,140,747)
Net cash flows from financing activities	**(61,316,247)**	**(53,140,747)**
Increase/(decrease) in cash and cash equivalent (A+B+C)	#REF!	(6,219,690)
Cash and cash equivalent at the beginning of the year	214,469,505	216,256,820
Cash and Cash Equivalent at the closing of the year	**#REF!**	**210,037,130**
Net operating cash flow per share	**(0.47)**	**1.74**
	153,165,160	
	#REF!	

Enamul Haque Khan — Company Secretary
Md. Lokman Hossain — Head of Accounts
Badal Chandra Rajbangshi — Chief Financial Officer

Mohammodi Khanam — Chief Executive Officer
Nazma Haque — Director
Zakiullah Shahid — Chairman

Prime Insurance Company Limited
Notes to the Financial Statements
For the Third Quarter Ended September 30, 2018

1.00 Legal form of the Company

The Company was incorporated as a public limited company on 21 March 1996 under the Companies Act, 1994 and obtained registration from the Chief Controller of Insurance, Government of Bangladesh on March 31,1996 concurrently. The Company has been registered with the Insurance Development & Regulatory Authority (IDRA) under the Insurance Act, 2010 and provides non-life insurance services as per the Insurance Act, 2010 and the Directives issued by the IDRA from time to time. The Company is listed with Dhaka Stock Exchange Ltd and Chittagong Stock Exchange Ltd as a publicly traded company.

1.01 Address of registered office and place of business of the Company

The registered office of the Company is located at **Unique Heights (9th floor),** 117, Kazi Nazrul Islam Avenue, Dhaka-1000, Bangladesh. The business operations of the Company are being carried out through its 18 branches located in all over Bangladesh.

1.02 Principal activities of the Company

The principal activity of the Company is to carry on all kinds of non-life insurance business. There were no significant changes in the nature of the principal activities of the Company during the year 2018 under review.

1.03 Date of financial statements authorised for issue

Financial Statements of the Company for the Third Quarter ended September 30, 2018 were authorised for issue on October 30, 2018 in accordance with a resolution of the Board of Directors of the Company.

2.00 Summary of Significant Accounting Policies and Other related Policy Information

2.01 Basis of accounting preparation

The financial statements of the Company under reporting have been prepared under historical cost convention on a going concern concept and on accrual basis in accordance with Generally Accepted Accounting Principles (GAAP) and practice in Bangladesh. Disclosure of financial information as required by Insurance Act 2010 have been complied with while preparing statement of financial position, statement of profit or loss and other comprehensive income and revenue accounts for specific classes of insurance business in the form set forth in the first, second and third schedule of the Insurance Act and also in compliance with the Companies

2.02 Management responsibility

The Management is responsible for the preparation and fair presentation of the financial statements in accordance with Bangladesh Financial Reporting Standards (BFRS) and existing accounting standards and applicable laws.

2.03 Directors responsibility statements

The Board of Directors are also responsible for the preparation and presentation of financial statements under section 183 of the Companies Act 1994, the Bangladesh Securities and Exchange Rules 1987, Listing Regulations of Dhaka Stock Exchange Ltd and Chittagong Stock Exchange Ltd and as per the provision of the "International Accounting Standards Committee" (IASC). According to the "International Accounting Standard (IAS)-1 " and in accordance with the Bangladesh Accounting Standard (BAS) as adopted by the Institute of Chartered Accountants on Bangladesh (ICAB) Presentation of Financial Statements" the complete set of Financial Statements include the following components:

i) Statement of Financial Position (Balance Sheet)
ii) Statement of Profit or Loss and Other Comprehensive Income (Profit and Loss Account)
iii) Statement of Profit and Loss Appropriation Account
iv) Statement of Cash Flows
v) Statement of Changes in Equity
vi) Notes to the Financial Statements and Significant Accounting Policies

2.04 Basis of presentation

The Balance Sheet has been prepared in accordance with the regulations as contained in Part -I of the First Schedule and as per Form “A” as set forth in Part - II of that Schedule. Revenue Account of each class of non-life insurance business has been prepared in accordance with the regulations as contained in Part - I of the Third Schedule and as per Form ‘F’ as set forth in Part - II of that Schedule of the Insurance Act, 1938, in absence of such Forms in the Insurance Act 2010. The classified summary of the assets has also been prepared in accordance with Form ”AA” as set forth in Part - II of the aforesaid Act.

i) Method of preparation

The financial statements have been prepared on mercantile method.

ii) Compliance statements and general rules & regulations

The financial statements have been prepared and disclosures of information have been made in accordance with the requirements of Insurance Act, 2010, Insurance rules,1958, the Companies Act,1994, the Securities and Exchange Rules,1987, the Securities and Exchange Ordinacne 1969, the Securities and Exchange Commission Act 1993, the Listing Regulations of Dhaka Stock Exchange Ltd and Chittagong Stock Exchange Ltd, and Guidelines, rules and regulations issued from time to time by the Insurance Development and Regulatory Authority (IDRA).

To comply with the International Accounting Standards and International Financial Reporting Standards as adopted by the Institute of Chartered Accountants of Bangladesh (ICAB) as Bangladesh Accounting Standards (BAS) and Bangladesh Financial Reporting Standards (BFRS) and other applicable laws and regulations.

Compliance with the Core IAS/IFRS or Compliance of Bangladesh Accounting Standards (BAS) and Bangladesh Financial Reporting Standards (BFRS)

These financial statements have been prepared and presented in accordance with the approved accounting and reporting standards as applicable in Bangladesh. Approved accounting standards comprise of International Accounting Standards (IAS) and International Financial Reporting Standards (IFRS) as adopted by the Institute of Chartered Accountants of Bangladesh. As of 30 September 2018 status and applicability of Bangladesh Accounting Standards (BASs) and Bangladesh Financial Reporting Standards (BFRSs) in the case of **Prime Insurance Company Ltd** are as under:

Compliance of Bangladesh Accounting Standards (BAS) and Bangladesh Financial Reporting Standards (BFRS) .	IAS/BAS No	Applicability
Presentation of financial statements	1	Applied
Inventories	2	Applied
Statement of cash flows	7	Applied
Accounting policies, changes in accounting estimates and errors	8	Applied
Events after the reporting period	10	Applied
Construction contracts	11	N/A
Income taxes	12	Applied
Property, plant and equipment	16	Applied
Leases	17	N/A
Revenue	18	Applied
Employee's benefits	19	Applied
Accounting of government grants and disclosure of government assistance	20	N/A
The effects of changes in foreign exchange rates	21	Applied
Borrowing costs	23	Applied
Related party disclosures	24	Applied
Accounting and reporting by retirement benefit plans	26	Applied
Separate financial statements	27	N/A
Investments in associates and joint ventures	28	N/A
Financial reporting in hyperinflationary economics	29	N/A
Financial instruments: Presentation	32	Applied
Earnings per share	33	Applied
Interim financial reporting	34	Applied
Impairment of assets	36	Applied
Provisions, contingent liabilities and contingent assets	37	Applied
Intangible assets	38	N/A
Financial instruments: Recognition and measurement	39	Applied
Investment property	40	N/A
Agriculture	41	N/A

ICAB'S Adoption Status of International Financial Reporting Standards (IFRSs) as Bangladesh Financial Reporting Standards (BFRSs).

Title of Adopted IFRS as BFRS	IFRS / BFRS No	Status
First-time adoption of International financial reporting standards	1	N/A
Share-based payment	2	N/A
Business combinations	3	N/A
Insurance contracts	4	Applied
Non-current assets held for sale and discontinued operations	5	N/A
Exploration for and evaluation of mineral resources	6	N/A
Financial instruments: disclosures	7	Applied
Operating segments	8	Applied
Financial instruments	9	Applied
Consolidated financial statements	10	N/A
Disclosure of interest in other entities	12	N/A
Fair value measurement	13	Applied
Regulatory deferred accounts	14	N/A
Revenue from contracts with customers	15	N/A

iii) Last year's figures rearranged and adjusted

Previous year's figures have been rearranged wherever considered necessary to conform to the current year's presentation.

iv) Functional and presentational currency

These financial statements are prepared in Bangladesh Taka which is the company's functional currency. All information presented in Taka has been rounded off to the nearest Taka (BDT).

v) Going concern basis

The Company has adequate resources to continue in the operation for the foreseeable future. For this reason, the Directors continue to adopt going concern basis in preparing the financial statements. The current credit facilities and adequate resources for providing sufficient funds to meet the present requirements of its existing business and operations.

vi) Interim financial reporting

In accordance with Bangladesh Accounting Standard (BAS-34), Interim Financial Reporting, publicly traded entities are encouraged to provide interim financial reports that confirm to the recognition, measurement and disclosure principles set out in this standard. Timely and reliable interim financial reporting improves the ability of investors, creditors, and others to understand an entity's capacity to generate earnings and cash flows and its financial condition and liquidity.

Prime Insurance Company applies the same accounting policies in its interim financial statements as are applied in its annual financial statements.

vii) Reporting period

Financial statements of the company consistently cover one calendar year from 1 January 2018 to 30 September, 2018.

viii) Branch accounting

The company has 18 branches under its umbrella without having any overseas branch up to the year ended September 30, 2018. The accounts of the branches are maintained at the Head Office level. Only petty cash books are maintained at the branch level for meeting day to day cash expenses.

ix) Bangladesh Electronic Fund Transfer Network (BEFTN)

The Company has signed an MOU agreement with Standard Chartered Bank for Cash Management Solution and inked on August 21, 2013. With a view to ensuring best services to the shareholders, clients and employees through smoothly banking transactions of its business operations the Company has started remittances/payments through Bangladesh Electronic Fund Transfer Network (BEFTN) from September 1, 2013.

2.05 Significant Accounting Policies

i) Revenue recognition (BAS-18)

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

ii) Underwriting premium income

Premium income is recognised when insurance policies are issued and premium collected. The sum of premium income as appeared in classified Revenue Accounts is net of the refund made, Re-insurance ceded and Re-insurance premium on PSB.

iii) Public sector business (PSB)

As per Government decision effective from April 1990, 100% Public Sector Insurance Business (PSB) is being underwritten by Sadharan Bima Corporation (SBC), 50% premium being retained by SBC and the remaining balance is equally distributed among all of private sector insurance companies.

The premium in respect of Company's share of Public Sector insurance Business (PSB) is accounted for in the year in which the relevant statement of accounts from Shadharan Bima Corporation is received. The statements of account for the period from July 2017 to June 2018 have been received from SBC and the Company's share of PSB for the aforesaid period has been recognised in these financial statements accordingly. Such method of account for the Public Sector Insurance Business (PSB) has been

iv) Re-Insurance ceded and accepted

a) Re-insurance ceded and Accepted with Sadharan Bima Corporation

Necessary adjustment in respect of Re-insurance ceded and accepted in Bangladesh has duly been made in respective Revenue Account as per Treaty between the Company and Shadharan Bima Corporation (SBC) and Foreign Re-Insurers.

b) Re-insurance with foreign re-insurer

Fifty percent (50%) of the re-insurable non-life insurance business shall be re-insured with Sadharan Bima Corporation and the remaining fifty percent (50%) of such business may be re-insured either with the SBC or with any other insurer whether in or outside

v) Cover notes converted into policy (CCP)

Amounts received against issue of cover notes that have not been converted into policy are not recognised as income. The cover notes which were previously issued are converted into insurance policy at the expiry of nine months from the date of issue of such cover notes as per circular of the then Chief Controller of Insurance.

vi) Investment income

a) Interest on FDRs and 10-years & 15-years Bangladesh Government Treasury Bond (BGTB) are recognised on accrual basis. Interest on STD/SND/PLS account and other income are recognised as and when amount credited to our account.

b) Cash dividend income and stock dividend from investment:

Dividend income on investment in shares are recognised when the Company is entitled to dividend from the investee and shown in the Statement of Profit or Loss and other Comprehensive Income. For stock dividend, the number of related shares of investee increases effecting decrease in average cost of investment.

2.06 Valuation non-current assets

i) Government bond

Ten-years & fifteen years Bangladesh Government Treasury Bond (BGTB)/Securities are stated at cost.

ii) Investment in shares/debenture and mutual Fund

Investment in stocks, shares and other securities are recognised in the financial statements at fair value considering long term investment and these are revalued at regular interval. Increases or decreases in the value of investment are recognised in the Financial Statements as per **IAS-39 "**Financial Instruments: Recognition and Measurement". Increase or decrease in the value of investment in listed shares are recognised in the financial statements considering average movement of market price as the capital market of Bangladesh is volatile and market price of the stocks and shares change very frequently. Increase/decreases in the market value on stocks and shares are recognised in the Statement of Profit or Loss and Other Comprehensive Income.

iii) Property, plant and equipment

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

Recognition of property, plant and equipment

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

Depreciation on property, plant & equipment

Property, Plant & Equipment are depreciated following the **reducing balance method** on the basis of economic life expectancy of the assets in accordance with **BAS-16.** Depreciation on addition of fixed assets has been charged when it is available for use. The Property, Plant & Equipment are depreciated at the following rates:

Items	Rate %
Building floor space	2%
Motor vehicles	20%
Furniture & fixtures	10%
Office equipment	15%
Electrical equipment	15%
Computer	20%

The value of all assets as shown in the Balance Sheet and in the annexed Classified Summary of Assets drawn up in accordance with form “AA” of part II of the First Schedule of the Insurance Act 1938, have been reviewed and the balances are in agreement with the Balance Sheet amount and Form "AA" amount.

De-recognition

An item of property, plant and equipment is de-recognised upon disposal or when no future economic benefits 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-recognised.

Impairment of assets

As per **BAS 36-Impairment of assets:** The carrying amounts of the company's non-current assets, other than deferred tax assets are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated. An impairment loss is recognised if the carrying amount of an asset or its cash generating unit exceeds its estimated recoverable amount. Impairment losses are recognised in the statement of profit or loss and other comprehensive income. Considering the present conditions of the assets, management concludes that there is no such indication

2.07 Employees retirement benefit scheme

Prime Insurance Company Ltd offers a number of retirement benefit plans for all permanent employees of the company which include Contributory Provident Fund and Gratuity Fund which have been accounted for in accordance with the provision of Bangladesh Accounting Standard **(BAS) -19,** "Employee's Benefit".

i) Provident fund

Under defined Contribution scheme, Company operates duly recognised Provident Fund managed by an independent Board of Trustees for all eligible employees. The eligible employees has been contributed @ 10% of their basic salary. The company’s contribution to the scheme are charged to Statement of Profit or Loss and Other Comprehensive Income in the year in which they

ii) Gratuity fund

The Company operates a funded gratuity scheme duly recognised by **National Board of Revenue (NBR)** on December 4, 2011 under the management of independent Board of Trustees. The fund is operated by a Board of Trustees consisting of Chairman and three Members of whom two are taken from the Board of Directors including the Chairman of the Board. All confirmed employee's are entitled to receive one month basic pay for each completed year of services after completion of minimum seven years of services with the company as per Bangladesh Accounting Standard (BAS) -19 "Employee Benefits". It may be mentioned here that all confirmed employee's have been receive 2(two) basic up to 2008. Basic pay represents the last basic of the employee. PICL Employees gratuity rules of the Company has approved in its Board Meeting No-170 held on September 15, 2008 under BM No.116/2008 dated September 22, 2008. Adequate provision has been made in these Financial Statements.

iii) Other benefits

In addition to provident fund and gratuity fund, the Company provides other benefits to the employees like earned leave benefit, transport facility, health insurance, group insurance, car facilities, home maintainence loan, incentive/performance bonus and honorarium for Insurance Diploma.

2.08 Balance of funds & accounts (Un-expired risk reserve)

Surplus/deficit on Revenue Accounts has been arrived at after making necessary provision for un-expired risk @ 40% of net premium income on Fire, Marine Cargo, Motor and Miscellaneous business and 100% on Marine Hull business concern.

2.09 Allocation of expenses of management

As per applicable insurance laws relevant management expenses wherever incurred directly or indirectly have been allocated amongst different Revenue Accounts in respect of Fire, Marine, Motor and Miscellaneous insurance business on pro-rata basis at their respective gross premium income.

2.10 Cash flow statement

Cash flow statement is prepared in accordance with IAS-7 Statement of Cash Flows and the cash flow from the operating activities has been presented under direct method as prescribed by the Securities and Exchange Rules-1987. Cash flow statement is broken down into operating activities, investing activities, and financing activities.

2.11 Foreign currency transaction

All foreign currency transactions are converted into equivalent Taka at the ruling exchange rates on the respective date of such transactions as per Bangladesh Accounting Standard (BAS) -21: " The effects of Changes in Foreign Exchange Rate".

2.12 Comparative information

Comparative information have been disclosed in respect of the previous year for all numerical information in the financial statements including narrative and descriptive information when it is relevant for understanding of the current years financial

Previous year's figure have been restated and rearranged whereever necessary, to confirm to current years presentaion as per **BAS-8** "Accounting Policies, Changes in Accounting Estimate and Errors".

2.13 Stock of stationery & forms

Stock of stationery and forms has been valued at the lower of cost and net realisable value in accordance with **BAS -2**.

2.14 Re-arrangement of head of accounts:

To comply with the International Accounting Standards and International Financial Reporting Standards as adopted by the Institute of Chartered Accountants of Bangladesh (ICAB), some of the heads of accounts have been re-arranged wherever necessary.

3.00 Recognition of expenses and taxes

Expenses are recognised on the basis of a direct association between the cost incurred and the earning of specific heads of income. All expenditure incurred has been charged to the Revenue Accounts and Statement of Profit or Loss and Comprehensive Income in running the business and in maintaining the Property, Plant and Equipment in state of efficiency.

3.01 Borrowing costs

In accordance with Bangladesh Accounting Standard **(BAS-23)** Borrowing Costs that are directly attributable to the acquisition and construction of a qualifying asset form part of the cost of that asset and therefore, should be capitalised. Other borrowing costs are recognised as an expense.

3.02 Provision for income taxes

The company has made the income tax provision on the basis of **BAS-12** "Income Taxes", Income Tax Ordinance, 1984 as amended from time to time and Finance Act, 2018.

3.03 Current tax provision

The tax currently payable is based on taxable profits for the year. Taxable profit differs from profit as reported in the statement of profit or loss and other comprehensive income because it excludes items of income or expenses that are taxable or deductible in succeeding years and it further excludes items that are never taxable or deductible. The Company's liability for current tax is calculated using tax rates as per Income Tax Ordinance 1984, that have been effective on the balance sheet date.

3.04 Deferred taxes

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

4.00 Reserve or Contingencies Accounts

4.01 Reserve for exceptional losses

As per Para 6 of the 4th Schedule of Income Tax Ordinance,1984 to meet the exceptional losses, the Company sets aside maximum ten percent of the net premium income of the year in which it is set aside from the balance of the profit to reserve for exceptional losses. As per Insurance law maximum 10% statutory reserve be maintained out of profit by the company to meet any possible future claims on net premium income during the year. In the year under review, the Company sets aside 10% of net premium.

4.02 General reserve fund

The Company has been maintaining a general reserve fund from the current year profit to meet future contingencies.

4.03 Provision for contingent liabilities and assets

According to **BAS-37**: "Provision, contingent liabilities and contingent assets" the company recognises the provision in the balance sheet when the company has a legal or constructive obligation as a result of past event and it is probable that an outflow of economic benefit will be required to settle the obligations.

4.04 Segment reporting

A business segment is a distinguishable component of the company that is engaged in providing services that are subject to risks and returns and are different from those of other business segments. The company accounts for segment reporting of operating results of each segment. The Company has four primary business segments for reporting purposes namely Fire, Marine, Motor and

5.00 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 Statement of Profit or Loss and Other Comprehensive Income (Profit and Loss Account).

5.01 Basic earnings per share

This has been calculated by dividing the basic earnings by the weighted average number of ordinary shares outstanding at the end of the period / year.

For calculation of basic earning and weighted average number of ordinary shares outstanding at the end of the year, the following formula has been used:

Sl. No.	Particulars	Amount in Taka	
		2018	2017
a.	Earnings attributable to the ordinary shareholders	#REF!	42,893,146
b.	Ordinary share at 1st January	40,877,498	40,877,498
c.	Bonus shares issued	-	-
d.	Weighted average number of ordinary shares outstanding	40,877,498	40,877,498
	Basic earnings per share after tax	**#REF!**	**1.05**

Basic earnings

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

Weighted average number of ordinary shares outstanding during the year

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

5.02 Diluted earnings per share

Diluted earnings per share reflects the potential dilution that could occur if additional ordinary shares are assumed to be issued under securities or contracts that entitle their holders to obtain ordinary shares in future, to the extent such entitlement is not subject to unresolved contingencies.

At September 30, 2018 there was no scope for dilution and hence no diluted EPS is required to be calculated.

6.00 Authorised, issued, subscribed and paid-up capital of the Company

Authorised share capital 10,00,00,000 ordinary shares of Tk.10 each	**1,000,000,000**	**1,000,000,000**
Issued, subscribed and paid-up capital		
1,50,00,000 ordinary share of Tk. 10 each	150,000,000	150,000,000
Bonus shares issued in different years: 25,877,498 bonus shares of Tk. 10 each	258,774,980	258,774,980
Paid-up capital	**408,774,980**	**408,774,980**

Category wise shareholders and their shares holding position :

Particulars	2018		2017	
Category of Shareholders	**No. of Shares holding**	**% of holding**	**No. of share holding**	**% of holding**
A. Group-A: Sponsors & Directors: 19,578,208 shares of	19,578,208	47.89%	19,578,208	47.89%
B. Group-B: Public Shareholders: 21,299,290 shares of	21,299,290	52.11%	21,299,290	52.11%
1. Banks, ICB, MFs & Insurance Companies	4,288,050	10.49%	4,288,050	10.49%
2. Employees	-	0.00%	-	0.00%
3. ICB Investors' Accounts	796,793	1.95%	796,793	1.95%
4 Ramisha BD. Ltd.	2,500,000	6.12%	2,500,000	6.12%
5 General Public & Others	13,714,447	33.55%	13,714,447	33.55%
Total (A+B)	**40,877,498**	**100.00%**	**40,877,498**	**100.00%**

Classification of shareholders as per their share holding as on December 31, 2017

Group-A: Sponsors & Directors

Class Interval	No. of share	No. of share Holders	% of Total holding	% of Total paid up capital
001-5000	-	-	-	-
5001-10000	-	-	-	-
10001-50000	-	-	-	-
50001-100000	74,232	1	0.38	0.18
100001-300000	1,043,322	4	5.33	2.55
300001-600000	1,819,152	2	9.29	4.45
600001-1500000	14,141,502	12	72.23	34.59
1500001-5000000	2,500,000	1	12.77	6.12
Total	**19,578,208**	**20**	**100**	**47.89**

Group-B: Public shareholders

Class Interval	No. of shares	No. of share Holders	% of Total holding	% of Total paid up capital
001-5000	1,650,033	1,714	7.75	4.04
5001-10000	822,829	101	3.86	2.01
10001-300000	7,490,346	140	35.17	18.32
300001-600000	3,132,175	10	14.71	7.66
600001-1500000	2,663,907	15	12.51	6.52
1500001-5000000	5,540,000	1	26.01	13.55
Total	**21,299,290**	**1,981**	**100.00**	**52.11**
Grant Total (A+B):	**40,877,498**	**2,001**		**100.00**

7.00 Reserve for exceptional losses

As per Paragraph 2 of Fourth Schedule of Income Tax Ordinance 1984, for the year 7.50% of the net premium income was transferred to reserve for exceptional losses. Details of calculation as hereunder:

	Notes No.		
Opening balance as on 1 January		210,250,498	191,160,376
Add: Transferred during the year (tax exempted)	7.01	11,882,579	19,090,122
Closing balance as on 30 September		**222,133,077**	**210,250,498**

7.01 Class wise exceptional loss reserve

This represents profit set-aside during the year under review at 7.50% (2017:7.50%) of net premium allowed as expenses to meet any exceptional losses. The aforesaid set-aside of profit has been allowed as expenses by paragraph 6(2) of 4th Schedule of the Income Tax Ordinance, 1984.

Business class wise exceptional loss reserve	Net Premium for the year 2018	Reserve at 7.50% of Net Premium	
		Amount in Taka	
		2018	2017
1 Fire insurance business	30,930,173	2,319,763	2,906,346
2 Marine insurance business	69,303,251	5,197,744	11,581,722
3 Motor insurance business	31,603,539	2,370,265	3,415,300
4 Miscellaneous insurance business	26,597,429	1,994,807	1,186,754
Total	**158,434,392**	**11,882,579**	**19,090,122**

8.00 General reserve fund account

The company has created a General reserve fund from financial year 2009 for avoiding any sudden fund crisis and contingency in

Opening balance as on 1 January	9,900,000	8,900,000
Add: Transferred during the year	500,000	1,000,000
Closing balance as on 30 September	**10,400,000**	**9,900,000**

9.00 Balance of fund and accounts (un-expired risk reserve)

As per Para 27A(2)(b) Insurance Act, 1938, as amended 2010 for the purpose of Sub-section (1) the company has made necessary provision for un-expired risk reserve during the year 40% of net premium on Fire, Marine, Motor, Miscellaneous and 100% on Marine Hull business. Details of class wise un-expired risk reserve are as follows:

Class of business		Net Premium	Percentage	Amount in Taka	
				2018	2017
1	Fire insurance business	30,930,173	40%	12,372,069	15,500,512
2	Marine insurance business	69,224,683	40%	27,689,873	61,579,448
3	Marine hull insurance business	78,568	100%	78,568	474,346
4	Motor insurance business	31,603,539	40%	12,641,415	18,214,934
5	Miscellaneous insurance business	26,597,429	40%	10,638,972	6,329,353
Total		**158,434,392**		**63,420,897**	**102,098,593**

10.00 Premium deposit

The below mentioned amount includes premium received against cover notes for which policies have not been issued within 31 December, 2018. While the risks against non-marine and marine hull have been assumed from the issuance of cover notes, risk against marine cargo have not been assumed until shipment advices are provided and accordingly policies are issued.

	Amount in Taka	
	2018	2017
Premium deposits	62,117,047	**23,632,146**
Unexpired risk reserve previous year (Retained earnings).	**14,622,839**	**-**
Total:	**76,739,886**	**23,632,146**

11.00 Estimated liability in respect of outstanding claims whether due or intimated

Class of business	Amount in Taka	
	2018	2017
Fire insurance business	13,307,333	9,979,536
Marine insurance business	50,893,802	43,526,277
Motor insurance business	10,023,122	5,735,000
Miscellaneous insurance business	10,162,336	10,046,643
Closing balance as on 30 September	**84,386,593**	**69,287,456**

All the claims of which the Company received intimations within September 30, 2018 have been taken into consideration while

estimating the liability in respect of outstanding claims.



12.00 Amount due to other persons or bodies carrying on insurance business

This amount is payable to Shadharan Bima Corporation (SBC) and other foreign re-insurers and private sector insurance companies on account of re-insurance arrangements with them and to other local insurance companies under co-insurance premium. Break up of the reinsurance ceded premium and Co-insurance premium payable are as under:

	Amount in Taka	
	2018	2017
Re-insurance ceded premium (SBC)	41,663,125	7,386,379
Re-insurance ceded premium (Abroad)	40,712,347	-
Co-insurance premium payable to other insurance companies	1,315,985	8,051,826
Closing balance as on 30 September	**83,691,457**	**15,438,205**

13.00 Sundry creditors (including provision for expenses and taxes)

This represents liabilities for certain expenses as well as other finance, which are made up as follows:

	Notes no:	Amount in Taka	
		2018	2017
Audit fees payable	13.01	1,411,091	1,029,508
VAT payable	13.02	5,957,471	4,914,805
Employees' tax deduction at source		271,970	177,678
Income tax deduction at source		706,183	529,348
Bills payable		119,820	119,820
Insurance stamps on deposit premium	13.03	39,311,217	33,574,507
Security deposit		605,082	1,805,082
Unclaimed devidend	13.04	4,420,865	2,783,185
Gratuity fund	13.05	1,518,352	2,699,699
Accrued expenses	13.06	2,015,359	7,429,254
Provident fund payable	13.07	148,279	199,249
Salary payable		1,464,142	2,316,642
Service charge payable (Hansa management)		747,825	196,155
Closing balance as on 30 September		**58,697,656**	**57,774,932**

13.01 Audit fees payable

	Notes No.	Amount in Taka	
		2018	2017
Opening balance as on 1 January		1,029,508	694,925
Add: Provision made during the year		625,000	555,000
Total		**1,654,508**	**1,249,925**
Less: Paid during the year		243,417	220,417
Closing balance as on 30 September		**1,411,091**	**1,029,508**

13.02 VAT payable

	Amount in Taka	
	2018	2017
Opening balance as on 1 January	4,914,805	6,459,230
Add: Payable during the year	32,709,044	41,437,729
Total	**37,623,849**	**47,896,959**
Less: Paid during the year	31,666,378	42,982,154
Closing balance as on 30 September	**5,957,471**	**4,914,805**

As per National Board of Revenue (NBR) General Circular No-10/VAT/2002 dated 28-11-2002 and as Amended Circular No-03/VAT/2003 dated 01/04/2003 VAT payable amount has been deposited to the Bangladesh Bank through challan within 15th day of following month and submitted a return to the VAT Authority within 20th day of the following month.

13.03 Insurance stamp on deposit premium

	Amount in Taka	
	2018	2017
Opening balance as on 1 January	33,574,507	33,016,042
Add: Payable during the year	24,669,652	21,487,079
Total	**58,244,159**	**54,503,121**
Less: Paid during the year	18,932,942	20,928,614
Closing balance as on 30 September	**39,311,217**	**33,574,507**

13.04 Unclaimed dividend

Unclaimed dividend amounting to Tk.44,20,865 payable to the Shareholders to whom dividend warrants were issued but not placed for collection up to the date of Balance Sheet.

		Amount in Taka	
		2018	2017
1	Dividend payable for the year 2017	1,637,680	-
2	Dividend payable for the year 2016	1,631,527	1,631,527
3	Unclaimed dividend previous year	1,151,658	1,151,658
	Total unclaimed dividend	**4,420,865**	**2,783,185**

13.05 Employees gratuity fund

The company has made the provision for Employee's Gratuity Fund during the year as per Bangladesh Accounting Standard **(BAS)-19** under "Employee's Retirement Benefit Scheme". Details are as under:

	Amount in Taka	
	2018	2017
Opening balance as on 1 January	2,699,699	4,883,364
Add: Provision made during the year	3,000,000	4,000,000
Total	**5,699,699**	**8,883,364**
Less: Transferred to the gratuity fund	2,970,000	2,652,877
Less: Paid to the employees from company's own fund	1,211,347	3,530,788
Closing balance as on 30 September	**1,518,352**	**2,699,699**

13.06 Accrued expenses

	Notes No:	Amount in Taka	
		2018	2017
Incentive	13.06.01	609,440	6,290,518
Health insurance		365,955	365,955
Mobile		128,600	68,300
Telephone (ressident)		29,892	17,130
Telephone (office)		41,800	20,000
Electricity		342,700	225,450
Car allowance		259,380	197,900
Car fuel		229,882	115,101
Car maintenance		7,710	128,900
Closing balance as on 30 September		**2,015,359**	**7,429,254**

13.06.01 Incentive/performance bonus for employees

	Amount in Taka	
	2018	2017
Opening balance as on 1 January	6,290,518	6,248,613
Add: Provision made during the year	-	5,928,070
Total	**6,290,518**	**12,176,683**
Less : Paid during the year	5,681,078	5,886,165
Closing balance as on 30 September	**609,440**	**6,290,518**

13.07 Provident fund payable

This represents amount taken as a loan from the employees' Provident Fund for the purpose of meeting administrative expenses of the company. During the year, provision made for Employees' Provident Fund as per Bangladesh Accounting Standard (BAS)-19 under "Employees Retirement Benefit Scheme".

	Amount in Taka	
	2018	2017
Opening balance as on 1 January	199,249	174,349
Add: Provision made during the year	3,860,924	5,444,402
Total fund	**4,060,173**	**5,618,751**
Total Provident fund transferred & paid	**3,911,894**	**5,419,502**
Less: Transferred to the Employees Provided fund Account.	3,911,894	5,419,502
Less: Paid to the employees from company's own fund	-	-
Closing balance as on 30 September	**148,279**	**199,249**

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14.00 Corporate income tax provision

This represents provision on account of income tax, details are as follows:

	Notes No.	Amount in Taka	
		2018	2017
Opening balance as on 1 January		243,238,890	227,569,435
Add: Provision made during the year	14.01	#REF!	15,669,455
Total		**#REF!**	**243,238,890**
Less: Adjustment made for Assessment year		-	-
Closing balance as on 30 September		**#REF!**	**243,238,890**

14.01 Provision for income tax (Current year)

Statement of income	Notes No.	Taxable income	Exempted (Exceptional loss reserve & unrealised gain on share investment)	Taxable Income
Income from business or profession: (U/s 28 of ITO, 1984)		#REF!	11,882,579	#REF!
Interest income from FDR & STD Accounts (U/s 22)	23.00	11,207,600	-	11,207,600
Capital gains from share trading (U/s 31)	24.00	(2,763,553)	(2,763,553)	-
Gain (unrealised) on investment in securites	16.02	(14,958,183)	(14,958,183)	-
Dividend income from investment in securities (U/s 54 Rule 1	25.00	4,076,709	-	4,076,709
Fixed assets (Motor car) U/S -16(3)	26.00	119,174	-	119,174
Gain from sale of furniture	26.00	11,700	-	11,700
Other income (U/S-33)	26.00	184,500	-	184,500
Total Profit/Income (before Tax)		**#REF!**	**(5,839,157)**	**#REF!**

Computation of current year tax provision

Particulars	Taxable income	Rate of Tax (percentage)	Tax provision
Income tax on business @ 37.50%	#REF!	37.50	#REF!
Income tax on interest income @ 37.50%	11,207,600	37.50	4,202,850
Income tax on capital gains from share trading @10%	-	10.00	-
Income tax on dividend income @ 20%	4,076,709	20.00	815,342
Gain from sale of motor car @15%	119,174	15.00	17,876
Gain from sale of furniture & fixture @15%	11,700	15.00	1,755
Other income @37.50%	184,500	37.50	69,188
Total tax liability during the year	**#REF!**		**#REF!**

14.02 Deferred tax

The impact on account of changes in the deferred tax assets/liabilities for the third quarter ended September 30, 2018 has been recognised in the statement of profit or loss and other comprehensive income and in the statement of financial position as per **"BAS-12"** Income Taxes"

	Amount in Taka	
	2018	2017
Carrying amount of property, plant and equipment excluding land	201,735,326	211,887,457
Tax base	#REF!	183,728,509
Total difference	**#REF!**	**28,158,948**
Less: Permanent difference	#REF!	4,612,181
Taxable temporary difference	**#REF!**	**23,546,767**
Provision for gratuity	#REF!	2,699,699
Provident fund payable	#REF!	199,249
Provision for incentive bonus	#REF!	6,290,518
Deductible temporary difference	**#REF!**	**9,189,466**
Total (taxable)/deductible temporary difference	#REF!	(14,357,301)
Tax rate	37.50%	40%
Deferred tax assets/(liability) as at 30 September	**#REF!**	**(5,742,920)**
Deferred tax assets in previous year	(5,742,920)	543,980
Deferred tax (expense)/income for the year	**#REF!**	**(6,286,900)**

15.00 Property, plant and equipment (at cost less accumulated depreciation)

Figures in Taka

PARTICULARS	COST				DEPRECIATION					WRITTEN DOWN VALUE (WDV)	
	Opening balance as at 01-01-2018	Addition during the year	Disposal during the year	Balance as on 30-09-2018	Rate	Opening balance as at 01-01-	Charged during the year	Adjustment during the year	Balance as on 30-09-2018	Balance as on 30-09-2018	Balance as on 31-12-2017
Land				-	0%		-		-	-	
Building floor space	########	-		165,451,600	2%	3,309,032	2,432,139		5,741,171	159,710,429	##########
Motor car	44,167,050	-	7,417,000	36,750,050	20%	26,956,001	2,581,657	########	24,425,647	12,324,403	17,211,049
Motor cycle	1,999,090	-	-	1,999,090	20%	1,628,552	55,581	-	1,684,133	314,957	370,538
Bi-cycle	27,550	-	-	27,550	20%	14,853	1,905	-	16,758	10,792	12,697
Furniture & fixtures	37,705,714	-	-	37,705,714	10%	15,919,124	1,633,994	-	17,553,118	20,152,596	21,786,590
Electrical fans	278,995	1,550	-	280,545	15%	237,106	4,800	-	241,906	38,639	41,889
Air cooler	6,098,240	-	-	6,098,240	15%	3,448,064	298,145	-	3,746,209	2,352,031	2,650,176
Electrical equipment	3,558,980	-	-	3,558,980	15%	1,933,481	182,869	-	2,116,350	1,442,630	1,625,499
Typewriters	739,700	-	-	739,700	15%	739,699	0	-	739,699	1	1
Photocopy machine	642,979	-	-	642,979	15%	517,026	14,170	-	531,196	111,783	125,953
Office equipment	5,362,969	9,500	-	5,372,469	15%	3,360,376	225,826	-	3,586,202	1,786,267	2,002,593
Computer	13,676,078	103,900	-	13,779,978	20%	10,463,836	489,629	-	10,953,465	2,826,513	3,212,242
Telephone & mobile installation	4,011,036	40,850	-	4,051,886	15%	3,493,872	60,479	-	3,554,351	497,535	517,164
Fax machine	704,290	-	-	704,290	15%	612,559	10,320	-	622,879	81,411	91,731
Camera & television	213,415	-	-	213,415	15%	131,183	9,251	-	140,434	72,981	82,232
Generator	48,360	-	-	48,360	20%	33,825	2,180		36,004	12,356	14,535
Total Taka - 2018	**284,686,046**	**155,800**	**7,417,000**	**277,424,846**		**72,798,589**	**8,002,943**	**5,112,011**	**75,689,520**	**201,735,326**	**211,887,457**
Total Taka - 2017	**118,606,635**	##########	**-**	**284,686,046**		**60,667,022**	**12,131,568**	**-**	**72,798,589**	##########	

16.00 Investment in Listed, Non-listed & Mutual fund

		Amount in Taka	
		2018	2017
Held to maturity	16.01	25,000,000	9,000,000
Held for trading		-	-
Fair value through profit & loss	16.02	172,059,937	128,962,622
		197,059,937	**137,962,622**

The investment represents investment made in listed and non-listed securities and Mutual funds. Details are as under:

	Particulars of investment	Notes	Value at Cost (Tk.) as on 30/09/2018	Fair value (Tk.) as on 30/09/2018	Value at Cost (Tk.) as on 31/12/2017	Fair value (Tk.) as on 31/12/2017
a)	Bangladesh Govt Treasury Bond	16.01	25,000,000	25,000,000	9,000,000	9,000,000
b)	Investment in Listed Securities	16.02.1	201,678,117	160,583,337	151,424,158	125,677,687
c)	Investment in Non-listed Securities (571,181 Shares in Central Depository (BD) Ltd & Others	16.02.2	11,476,600	11,476,600	1,569,450	1,569,450
d)	Investment in Mutual Fund	16.02.3	-	-	2,105,610	1,715,485
	Closing balance		**238,154,717**	**197,059,937**	**164,099,219**	**137,962,622**

16.01 Bangladesh Govt Treasury Bond:

Name of the Securities	Value at Cost (Tk.) as on 30/09/2018	Fair value (Tk.) as on 30/09/2018	Value at Cost (Tk.) as on 31/12/2017	Fair value (Tk.) as on 31/12/2017
10-Years Bangladesh Govt Treasury Bond @ 9.45% Prime Bank Ltd, Islami Banking branch, Dhaka	9,000,000	9,000,000	9,000,000	9,000,000
15-Years Bangladesh Govt Treasury Bond @ 8.12% Bank Asia Ltd. Dhaka.	16,000,000	16,000,000	-	-
Total:	**25,000,000**	**25,000,000**	**9,000,000**	**9,000,000**

The amount of Tk.25,000,000 represents statutory deposit with Bangladesh Bank as required by Insurance Act, 2010.

16.02 Investment in securities (fair value through profit & loss)

Investment in shares are non-derivative investments that are designated as fair value through profit and loss. The Company follows trade date accounting for regular way purchase and sale of investments. As of September 30, 2018 the company had the following securities:

16.02.1 Investment in listed securities

Name of Company/Securities	No of shares as on	Average cost price (Tk) as on	Value at cost (Tk.) as on 30/09/2018	Fair value (Tk.) as on 30/09/2018	Value at cost (Tk.) as on 31/12/2017	Fair value (Tk.) as on 31/12/2017
AB Bank Ltd	260,000	28.28	7,351,838.00	3,302,000.00	7,351,838.00	5,746,000.00
AAMRANET	15,000	87.34	1,310,115.00	1,102,500.00		
AAMRATECH	20,000	35.14	702,876.00	562,000.00		
Baraka Power Limited	290,200	40.57	11,772,019.86	8,851,100.00	9,113,733.90	7,120,800.00
BBS Cables Ltd.			-	-	4,048,896.99	3,789,345.00
Beximco Pharma	15,000	111.86	1,677,925.00	1,225,500.00		
BRAC Bank Ltd	70,000	73.98	5,178,766.86	4,914,000.00		
Eastern Housing Ltd.	274,666	54.05	14,844,968.42	13,898,099.60	14,047,769.95	12,677,167.20
First Finance Ltd.	1,500	52.05	78,071.43	9,450.00	78,071.43	17,400.00
First Security Islami Bank	40,000	14.07	562,930.91	416,000.00	6,192,240.00	6,120,000.00
Fortune shoes Limited	0	0.00	-	-	5,744,229.46	4,468,632.00
Golden Harvest Agro	166,217	49.38	8,208,410.46	6,382,732.00	8,208,410.46	6,997,735.70
IDLC Finance Limited	209,800	73.39	15,397,504.26	12,692,900.00	554,376.90	597,100.00
IFIC Bank					4,130,091.00	3,780,000.00
Intraco Refueling Station	5,333	10.00	53,330.00	148,257.00		
Grameenphone Ltd.	3,100	438.71	1,359,985.54	1,138,010.00		
IT Consultants Limited.					3,843,932.64	2,714,436.50
KPCL	158	73.14	11,556.69	17,380.00		
Lankabangla Finance	1,307,800	35.05	45,832,504.90	34,002,800.00	24,305,838.96	19,621,900.00
Linde Bangladesh Ltd					4,964,228.65	4,712,279.60
MJL Bangladesh Ltd.					2,828,284.16	2,531,120.00
M.L. Dyeing Ltd.	6,039	10.00	60,390.00	124,403.40		
Mercantile Bank Ltd	105,000	23.68	2,486,200.50	1,858,500.00		
National Bank	560,000	21.18	11,859,650.00	5,096,000.00	11,859,650.00	6,500,000.00
NAVANACNG	4,500	73.08	328,870.35	288,900.00		
Pubali Bank Ltd.					4,345,554.91	2,740,651.20
Queen South Textile Mills	2,686	10.00	26,860.00	106,902.80		
Shahjibazar Power Co.Ltd.(SPCL)	346,981	111.69	38,755,489.50	31,499,629.00	18,038,535.84	16,369,519.50
Silva Pharmaceuticals	9,193	10.00	91,930.00	91,930.00		
SIM Tex Industries	99,150	45.57	4,517,993.09	4,065,150.00		
SINGER BANGLADESH	2,250	204.18	459,394.41	482,625.00		
Summit Power	324,200	43.20	14,004,939.61	13,292,200.00	8,978,253.60	7,251,800.00
Square Pharma	8,500	304.06	2,584,501.69	2,297,550.00		
United Power Co Ltd (UPGDCL	38,785	311.69	12,088,724.09	12,512,041.00		
United Finance Ltd					1,468,164.00	1,428,000.00
Uttara Finance Ltd					11,322,057.60	10,493,800.00
VFS Thread Dyeing Ltd.	7,037	10.00	70,370.00	204,776.70		

Total	**4,193,095**		**201,678,116.57**	**160,583,336.50**	**151,424,158.45**	**125,677,686.70**

16.02.2 Investment in non- listed securities

Name of Company	No of shares as on	Average cost price (Tk) as on	Value at cost (Tk.) as on 30/09/2018	Fair value (Tk.) as on 30/09/2018	Value at cost (Tk.) as on 31/12/2017	Fair value (Tk.) as on 31/12/2017
Central Depository (BD) Ltd	571,181	2.75	1,569,450	1,569,450	1,569,450	1,569,450
RUNNER AUTUMOBILE			2,503,575	2,503,575		
KATTALI TEXTILe LTD			3,403,575	3,403,575		
ABACI IPO placement share			4,000,000	4,000,000	-	-
Total	**571,181**	**2.75**	**11,476,600**	**11,476,600**	**1,569,450**	**1,569,450**

16.02.3 Invested in Mutual Fund

Name of Company	No of shares as on	Average cost price (Tk) as on	Value at cost (Tk.) as on 30/09/2018	Fair value(Tk.) as on 30/09/2018	Value at cost (Tk.) as on 31/12/2017	Fair value (Tk.) as on 31/12/2017
Prime Bank 1st ICB	-		-	-	1,724,649.00	1,406,000.00
PHP First Mutual Fund			-	-	380,961.28	309,484.80
Total			**-**	**-**	**2,105,610.28**	**1,715,484.80**
Grand Total: (b+c+d)			**213,154,717**	**172,059,937**	**155,099,219**	**128,962,622**

16.02.4 Changes in fair value of shares:

	Amount in Taka	
	2018	**2017**
Fair value of investment in shares	172,059,937	128,962,622
Cost price of the investment	213,154,717	155,099,219
Total unrealised gain/(loss)	**(41,094,780)**	**(26,136,597)**
Total unrealised loss recognised in previous years as created fluctuation fund	26,136,597	64,937,555
Fair value adjustment made for the year	**(14,958,183)**	**38,800,958**

Previously the difference between cost and fair value of investment in securities amounting Tk.71,871,274 had been shown under investment fluctuation fund. In view of compliance of BAS-39 "Financial Instrument: Presentation and recognition" investment in securities has been presented in accordance with fair value through profit or loss. Accordingly the accounts have been re-arranged and restated. During the year 2018, the Company has been provisioned fair value reserve an amount of Tk.15,958,183.00 from current year income through Profit and Loss account as a fluctuation fund. Presently, fair value reserve stands is Tk.42,094,780.00

17.00 Stock of printing & stationery (inventories)

	Amount in Taka	
	2018	**2017**
Opening balance	3,753,670	3,843,461
Add: Purchase during the year	1,183,436	1,906,826
Total inventories	**4,937,106**	**5,750,287**
Less: Total utilisation/consumption	2,170,250	1,996,617
Closing balance	**2,766,856**	**3,753,670**

18.00 Premium collection control account

Outstanding premium of Marine cargo for the year 2017 subsiquently was collected/adjusted and during the year Tk.30,82,558 has been added against Marine Cargo against Bank Guarantee which will be adjusted within the year.

Break-up of the above amount is given below:

		Amount in Taka	
		2018	**2017**
1	Fire	-	-
2	Marine (previous)	-	-
3	Marine	3,082,558	8,020,079
4	Marine Hull	-	-
5	Motor & Miscellaneous		-
	Closing balance	**3,082,558**	**8,020,079**

19.00 Interest accrued but not received

		Amount in Taka	
		2018	**2017**
a)	Opening balance (On fixed deposit with different banks)	3,118,154	4,167,310
	Add: Accrued during the year	1,949,815	3,118,154
	Total:	**5,067,969**	**7,285,464**
	Less: Received during the year	2,338,614	4,167,310
	Total accrued interest on FDR	**2,729,355**	**3,118,154**
b)	Opening balance (10-Years Bangladesh Govt Treasury Bond)	398,452	398,453
	Add: Accrued during the year	184,080	398,452

Total:	**582,532**	**796,905**
Less: Received during the year	298,840	398,453
Total accrued interest on BGTB	**283,692**	**398,452**
c) Opening balance (15-Years Bangladesh Govt Treasury Bond)	-	-
Add: Accrued during the year	374,328	-
Total:	**374,328**	**-**
Less: Received during the year	-	-
Total accrued interest on BGTB	**374,328**	**-**
d) Opening balance (On fixed deposit with double benefit scheeme)	5,067,060	2,931,680
Add: Accrued during the year	1,792,798	2,135,380
Total:	**6,859,858**	**5,067,060**
Less: Received during the year	-	-
Total accrued interest on FDR	**6,859,858**	**5,067,060**
Closing balance (a+b+c+d)	**10,247,233**	**8,583,666**

20.00 Amount due from other persons or bodies carrying on insurance business

This represents amount receivable from reinsurers SBC, Abroad, Co-insurance premium and co-insurance claims receivable other insurance companyies. Which are given below:

	Amount in Taka	
	2018	**2017**
1 Co-insurance premium receivable from other insurance companies	3,747,394	4,151,205
2 Co-insurance claims receivable from other insurance companies	1,273,003	1,273,003
3 Reinsurance Claims receivable from SBC portion	303,412,558	253,705,077
4 Reinsurance Claims receivable from Abroad portion	-	-
Closing balance as on 30th September	**308,432,955**	**259,129,285**

21.00 Sundry debtors (including advances, deposits and pre-payments)

This represents advances, deposits, pre-payments made and amount receivable from insured, which are as follows:

	Notes No.	Amount in Taka	
		2018	**2017**
Advances for Unique Heights (Head office floor space)	21.01	-	-
Advances for Tropical Homes Ltd.(Two Floor Space in Tropical Mollah Tower)	21.02	104,400,000	104,400,000
VAT receivable on collection control premium	21.03	2,938,580	2,148,796
Stamp receivable on collection control premium	21.04	553,880	809,364
Advance income tax	21.05	278,379,726	263,587,434
Advance office rent		3,979,116	3,183,158
Advance against salaries		1,130,388	1,055,261
Security deposit		228,574	228,574
Advance to suppliers		137,300	137,300
Advance against travel expenses		297,443	297,443
Advance against expenses		20,141	20,141
Other advances (Co-operative fund Unique Heights)	21.06	2,100,000	2,100,000
Closing balance as on 30th September		**394,165,148**	**377,967,471**

21.01 Unique Heights (Head Office Floor Space)

The company has purchased 9th floor at Unique Heights (5 units) for Head Office Floor Space measuring total 15,736 sft (approximately) at an average rate of Tk.10,866 per sft total amounting to Tk.177,288,800 (Taka seventeen crore seventy two lac eightyeight thousand eight hundred) only including seven car spaces cost of Tk. 5,600,000 (Taka fifty six lac) only. As per Deed of Agreement the Company has already paid a total amount of Tk.165,451,600 (Taka sixteen crore fiftyfour lac fiftyone thousand and six hundred) only by instalments and balance amount of Tk. 11,837,200 (Taka one crore eighteen lac thirtyseven thousand two hundred) only will be paid at the time of registration of the floor space. The Company has taken up the possession and shifted its Head Office on 10 September 2015 to the Unique Heights (9th floor) situated at 117, Kazi Nazrul Islam Avenue, Ramna, Dhaka-1000. As per BAS-16, the Company has recognised the advances as property, plant & equipment and subsequently has charged depreciation on the cost of the said floor space in the accounts.

Payment movement to Unique Heights (Advance)	Amount in Taka	
	2018	**2017**
Opening balance	165,451,600	165,451,600
Paid during the year	-	-
Total amount paid	**165,451,600**	**165,451,600**
Transferred to the property, plant & equipment	165,451,600	165,451,600
Closing balance as on 30th September	**-**	**-**

21.02 Advances for floor space at Tropical Molla Tower

The management of the company is in the process to purchase two floor spaces measuring 15,000 sft approximately (4th and 5th floor) including 6 (six) car spaces at a total amount of Tk.102,900,000 (Ten Crore twenty nine lac) only from Tropical Homes Limited. The name of the building is **"Tropical Molla Tower"** situated at 15/1,15/2,15/3 & 15/4, Progati Sarani, Badda, Dhaka-1212. The Board of Directors at its 215th meeting dated 28-07-2011 accorded approval for the purchase of the said floors. It may be mentioned here that as per deed of agreement Tk.1,500,000 was payable on account of utility charge as an integral part of the agreement and which was already been paid to the Tropical Homes Limited. The possession of the above property has not yet been taken as such no depreciation has been charged in the accounts. Details are as follows:

Payment movement	Amount in Taka	
	2018	**2017**
Opening balance	104,400,000	104,400,000
During the year paid (including utility charges)	-	-
Total amount paid	**104,400,000**	**104,400,000**

21.03 VAT receivable on collection control premium

	Amount in Taka	
	2018	**2017**
Opening balance	2,148,796	3,870,625
Add: Receivable during the year	32,711,585	41,565,881
Total	**34,860,381**	**45,436,506**
Less: Received during the year	31,921,801	43,287,710
Closing balance as on 30th September	**2,938,580**	**2,148,796**

21.04 Stamp receivable on collection control premium

	Amount in Taka	
	2018	**2017**
Opening balance	809,364	7,494,367
Add: Receivable during the year	24,670,227	21,487,079
Total	**25,479,591**	**28,981,446**
Less: Received during the year	24,925,711	28,172,082
Closing balance as on 30th September	**553,880**	**809,364**

21.05 Advance income tax

	Notes No.	Amount in Taka	
		2018	**2017**
1. Corporate advance tax	**21.05.1**	232,570,854	219,985,537
2. Advance tax deduction at source on bank interest	**21.05.2**	45,808,872	43,601,897
Total Corporate Tax as on 3th September		**278,379,726**	**263,587,434**

21.05.1 Corporate advance tax

	Amount in Taka	
	2018	**2017**
Opening balance	219,985,537	186,396,947
Add:Tax paid during the year	12,585,317	33,588,590
Total advance tax paid	**232,570,854**	**219,985,537**
Less: Adjustment made during the year for assessment year	-	-
Total corporate advacne tax as on 30th September	**232,570,854**	**219,985,537**

21.05.2 Tax deducted at source on bank interest, cash dividend income and company's car

The above advance tax has been deducted from interest income of FDR, STD/SND Accounts, Bangladesh Government Treasury Bond (BGTB) a dividend income and company's car maintained in the name of the company.

Balance on different sources	Notes No.	Amount in Taka	
		2018	**2017**
Balance on FDR account	21.05.2.a	28,896,242	28,102,114
Balance on BGTB account	21.05.2.b	1,383,750	1,383,750
Balance on STD account	21.05.2.c	1,880,271	1,802,767
Balance on cash dividend received account	21.05.2.d	10,788,557	9,973,214
Balance on company's car	21.05.2.e	2,860,052	2,340,052
Total balance as on 30th September		**45,808,872**	**43,601,897**

21.05.2.a Tax deducted at source on FDR interest

	Amount in Taka	
	2018	**2017**
Opening balance	28,102,114	27,190,097
During the year deduction	794,128	912,017
Balance as on 30 September	28,896,242	28,102,114
Less: Adjustment made during the year for assessment year	-	-
Closing balance as on 30 September	**28,896,242**	**28,102,114**

21.05.2.b Tax deducted at source on Bangladesh Govt Treasury Bond interest

	Amount in Taka	
	2018	2017
Opening balance	1,383,750	1,383,750
During the year deduction	-	-
Balance as on 30 September	1,383,750	1,383,750
Less: Adjustment made during the year	-	-
Closing balance as on 30 September	**1,383,750**	**1,383,750**

21.05.2.c Advance tax deducted at source on STD/SND account interest

	Amount in Taka	
	2018	2017
Opening balance	1,802,767	1,683,668
During the year deduction	77,504	119,099
Balance as on 30 September	1,880,271	1,802,767
Less: Adjustment made during the year for assessment year	-	-
Closing balance as on 30 September	**1,880,271**	**1,802,767**

21.05.2.d Advance tax deduction at source cash dividend received account

	Amount in Taka	
	2018	2017
Opening balance	9,973,214	8,672,029
During the year deduction (including corporate dividend tax)	815,343	1,301,185
Balance as on 30 September	10,788,557	9,973,214
Less: Adjustment made during the year for assessment year	-	-
Closing balance as on 30 September	**10,788,557**	**9,973,214**

21.05.2.e Advance tax paid against Company's car

	Amount in Taka	
	2018	2017
Opening balance	2,340,052	1,975,052
During the year deduction	520,000	365,000
Balance as on 30 September	2,860,052	2,340,052
Less: Adjustment made during the year for assessment year	-	-
Closing balance as on 30 September	**2,860,052**	**2,340,052**

21.06 Other advance (Co-operative fund of Unique Heights)

	Amount in Taka	
	2018	2017
Total Co-operative fund of Unique Heights	**2,100,000**	**2,100,000**

The above advance has been made to the Borak Real State for Unique Heights Co-operative Fund against service charge purpose time to time in future.

22.00 Cash & cash equivalents

	Notes No.	Amount in Taka	
		2018	2017
01. Cash in hand		3,493,336	3,944,989
02. Balance with banks:		**149,671,824**	**210,524,516**
a) Short term deposits		42,993,053	39,012,721
b) Foreign currency account (USD 2,273.68 equivalent @ TK.83.80)		190,534	187,578
c) Current deposits		10,988,237	6,379,739
d) Fixed deposit receipt	22.01	95,500,000	164,944,478
Closing balance as on 30 September		**153,165,160**	**214,469,505**

22.01 Fixed deposit receipt (FDR)

	Amount in Taka	
	2018	2017
Opening balance	164,944,478	164,400,000
Add: Placed during the year	68,200,000	58,144,478
Less: Encashed during the year	(137,644,478)	(57,600,000)
Closing balance as on 30 September	**95,500,000**	**164,944,478**

23.00 Interest income

This represents the amount received or accrued during the year on interest bearing account with different banks under the following

	Amount in Taka	
	2018	2017
01. 10-years Bangladesh Treasury Bond (9.45% on Tk.9,000,000)	310,489	310,490
02. 15-years Bangladesh Treasury Bond (8.12% on Tk.16,000,000)	512,566	-
03. On fixed deposits receipts	7,960,303	9,308,638
04. On fixed deposits receipts (Bouble Benefit Scheme)	1,792,798	-
05. On short term deposits	631,444	404,048
Total	**11,207,600**	**10,023,176**

24.00 Investment income (share trading)

This represents the amount received during the year from sale of investment shares

	Notes No.	Amount in Taka	
		2018	2017
Income from share trading		17,076,323	11,126,042
Less: Loss on shares sells	24.01	19,839,876	30,963,720
Net income/(loss) from share trading		**(2,763,553)**	**(19,837,678)**

24.01 Loss on shares sells

This represents the amount realized loss during the year from sale of investment shares

	Amount in Taka	
	2018	2017
Total loss on shares sells	**19,839,876**	**30,963,720**

25.00 Cash dividend income on investment

This represents the amount received during the year from share investment in different securities of listed or non listed company's investment accounts:

	Amount in Taka	
	2018	2017
Cash dividend received from share investments	**4,076,709**	**5,125,994**

26.00 Other non-operating income

	Notes No.	Amount in Taka	
		2018	2017
Gains/(loss) on sale of motor car	26.01	184,942	-
Gains/(loss) on sale of motor car	26.02	(18,605)	-
Gains/(loss) on sale of motor car	26.03	(15,390)	-
Gains/(loss) on sale of motor car	26.04	(31,773)	
Total gain/(loss) on sale motor car		**119,174**	-
Gains/(loss) on sale of furniture & fixtures		11,700	11,000
Other income		184,500	1,298
Total		**315,374**	**12,298**

26.01 Profit from sales / transferred of Motor Car:

Cost price	1,380,000	-
Less: Accumulated Depreciation	1,148,474	-
Written down value	**231,526**	
Sales/Transferred of Car No-DM-GA-31-9123	416,468	-
Profit / (Loss):	**184,942**	-

26.02 Profit from sales/transferred of Motor Car:

Cost price	1,680,000	-
Less: Accumulated Depreciation	1,398,143	-
Written down value	**281,857**	
Sales/Transferred of Car No-DM-GA-31-9124	263,252	-
Profit / (Loss):	**(18,605)**	-

26.03 Profit from sales / transferred of Motor Car:

Cost price	1,680,000	-
Less: Accumulated Depreciation	1,398,143	-
Written down value	**281,857**	
Sales / Transferred of Car No-DM-GA-31-9127	266,467	-

	Profit / (Loss):	**(15,390)**	-

26.04 Profit from sales / transferred of Motor Car:

Cost price	1,477,000	-
Less: Accumulated Depreciation	1,167,251	-
Written down value	**309,749**	
Sales/Transferred of Car No-DM-GA-33-2869	277,976	-
Profit / (Loss):	**(31,773)**	-

26.05 Gains / (loss) on foreign exchange

	Amount in Taka	
	2018	**2017**
Gains/(loss) on foreign exchange	**2,729**	**8,544**

27.00 Directors fees

The company pays fees to its Directors for attending the Board meeting and its Committee meetings as permitted by Insurance Development and Regulatory Authority. As per IDRA circular no-Pro:Bi:Ni:-15/01/96/Part-1 dated 26-08-2010, a Director may be paid fees for attending Board meeting or its Committee meetings which shall not exceed Tk.5,000 (five thousand) for attending each meeting. IDRA has issued new circular No-53.03.0000.009.014.18.123 dated May 31, 2018 may be paid Director's fees for attending Tk.8,000.00 (Eight thousand) only effected from May 31, 2018. Details are as given below:

Particulars	Attendance fee per	Meeting held	Total attended	Amount in Taka	
				2018	**2017**
Board meeting				689,000	925,000
Executive Committee meeting				175,000	
Audit Committee meeting				181,000	
Remunaration Committee				-	
Claims Review Committee				15,000	
Inquery Committee				110,000	
Total				**1,170,000**	**925,000**

It may be mentioned here that the above amount has been accounted for in the statement of profit or loss and other comprehensive income (Profit and Loss Account).

28.00 Audit fees

	Amount in Taka	
	2018	2017
Statutory audit	250,000	195,000
Corporate governance audit	25,000	25,000
Special audit	350,000	400,000
Total	**625,000**	**620,000**

29.00 Registration renewal fee

This represents fee for renewal of registration with the office of the Insurance Development & Regulatory Authority (IDRA) U/S 11 of the Insurance Act, 2010, which is equivalent to Tk.3.50 per thousand of gross direct premium written during the immediate preceding year of payment. This year the Finance Ministry of Bangladesh has amended IDRA rules and refixed the rate of registration renewal fees equivalent to Tk.1.00 (One) instead of Tk.3.50 per thousand of gross direct premium written of the Company.

	Amount in Taka	
	2018	2017
Registration renewal fees	**#REF!**	**50,000**

30.00 Employee's salary and allowances

	Amount in Taka	
	2018	2017
Employees salary and allowances (including CEO's salary)	#REF!	50,623,095
Employees provident fund (Company's contribution)	#REF!	1,949,374
Employees gratuity fund	#REF!	2,625,000
Employees group insurance	#REF!	264,274
Employees incentive/performance bonus	#REF!	28,078
Employees festival bonus	#REF!	5,378,907
Total	**#REF!**	**60,868,728**

31.00 Chief Executive Officer's salary & allowances

The CEO has been appointed with the approval from Insurance Development & Regulatory Authority (IDRA) with a certain salary scale. As per the IDRA Regulations the Board of Directors may revise this remuneration at the time of renewal of agreement for each term of 3 years. In addition to remuneration, the CEO is also provided with Company's vehicles, cell phone, and other allowances as per the terms of appointment or reappointment. The Chief Executive Officer's salaries and allowances status are given below:

	Amount in Taka	
	2018	2017
Basic salary	2,571,250	2,250,000
House rent	1,285,625	1,012,500
House maintenance	771,375	337,500
Leave fare	-	337,500
Medical allowances	-	225,000
Entertainment	-	337,500
Festival bonus	-	550,000
Performance bonus & others allowances	2,200,000	
Others allowances	514,250	2,000,000
Total	**7,342,500**	**7,050,000**

It may be mentioned here that the above amount has been shown in Revenue Account as Management expenses in the Financial Statements

32.00 Agent commission

As directed by the Insurance Development & Regulatory Authority (IDRA) vide Circular No- Non-Life-32/2012 dated 01/04/2012 appropriate steps have been taken in payment of agency commission and the following payment has been made to Agency license holders as agent commission:

	Amount in Taka	
	2018	2017
Fire	30,923,226	40,368,502
Marine	22,242,212	20,963,098
Marine Hull	60,000	146,003
Motor	4,832,697	5,386,441
Miscellaneous	10,714,092	11,890,289
Total	**68,772,227**	**78,754,333**

It may be mentioned that as per Income Tax Ordinance, 1984, under section 53 (uma) at Source Tax has been deducted from Agent Commission and has been deposited to the Bangladesh Bank through challan within 15th day of the following month.

33.00 Net assets value (NAV)

Net Asset Value (NAVs) per share has been calculated by dividing net asset value reported in the statement of financial position by the weighted average number of ordinary shares in issue.

	Amount in Taka	
	2018	2017
Shareholders' equity	#REF!	656,173,250
Weighted average number of shares	40,877,498	40,877,498
Net assets value per share at the balance sheet date	**#REF!**	**16.05**

34.00 Net operating cashflows

Net Operating Cash Flows (NOCFs) per share has been calculated by dividing net cash used in operating activities reported in the cash flows statement by the weighted average number of ordinary shares in issue.

	Amount in Taka	
	2018	2017
Net cash used in operating activities	(19,052,553)	71,280,717
Weighted average number of shares	40,877,498	40,877,498
Net operating cash flows per share on shares at balance sheet date	**(0.47)**	**1.74**

35.00 Number of employees engaged

Total number of 189 employees engaged for whole year whose service has been confirmed and drawn salary as per the company's approved Service Rules and pay scale.

36.00 Event after the reporting period (balance sheet date)

The Board of Directors has recommended 15% cash dividend totaling Tk. 61,316,247 on paid-up capital of Tk.408,774,980 for the year ended December 31, 2017 at its 299th Board Meeting held on February 07, 2018 subject to the approval of the AGM. After allowing this dividend, the balance in accumulated profit/(loss) of the company will be Tk**. 15,363,069.**

Under Bangladesh Accounting Standard (BAS) 10**:** Events after the reporting period, dividend was declared after the balance sheet date should not be classified as a liability at the balance sheet date as the proposed dividend does not represent a present obligation under BAS 37: Provisions, contingent liabilities and contingent assets.

37.00 Transaction with related parties

Prime Insurance Company Ltd in normal course of business, carried out a number of transactions with other entities that fall within the definition of related party transaction as per Bangladesh Accounting Standard **(BAS)-24** and under the condition No 1.5(vi) of the Corporate governance guidelines of the Bangladesh Securities & Exchange Commission rules and regulations. 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. Detail of transactions with related parties and balances with them as at December 31, 2018 are as follows:

Name of the related party	Relationship	Name of transaction	Premium earned	Premium outstanding during the year against Bank Guarantee	Amount realized subsequently	Claim Paid
GQ group	Common Director	Insurance				
Dekko group	Common Director	Insurance				
Getco	Common Director	Insurance				
Popular Pharma	Common Director	Insurance				
Electra	Common Director	Insurance				
Agami Traders	Common Director	Insurance				

38.00 Useful information for the shareholders

38.01 Contingent liability

There are some reference appeals and applications made from July 1999 to December 2001 (3½ years) pending against imposition of additional VAT and penalty thereof the company and no verdict has yet been received. Therefore, contingent liabilities of the company in respect of disputed additional VAT and penal VAT demanded by VAT authorities are as follows.

Particulars		Amount in Taka.	
		2018	2017
Additional VAT		12,266,825	12,266,825
Disputed VAT		23,918,583	23,918,583
Miscellaneous claims		83,810,000	83,810,000
Total		**119,995,408**	**119,995,408**

The required provision, if any, in consequence of the pending process of appeals and application will be made in the year(s) of disposal thereof.

38.02 Miscellaneous claims

The above claim being company's 85% share in the loss was repudiated by the Executive Committee in the meeting # 26 held on 06/07/2005. Upon receipt of letter of repudiation from this company, the Insured M/s. Sigma Sea Foods Ltd instituted a Money Suit against the leading insurer (Prime Insurance Co. Ltd.) and other Co-Insurer in the Court of Joint Dist. Judge, Khulna. The Claim is now under Subjudice.

38.03 The history of raising of paid-up share capital

One of the prime objectives of Prime Insurance Company Ltd is to provide consistently good return to its shareholders and with that end in view a chronological statements of dividend and capital raising history is given below. From the detail chart it may be observed that the company has been maintaining and made up a stable and attractive dividend policy in line with the sound underwriting and investment results. The Company has also a policy of timely preparation of its financial statements and holding of AGM.

Year	Particulars	No. of Shares increasing	Value per Share (Taka)	Value of Shares (in Taka)	Cumulative paid-up Capital (Value In Taka)
1996	As per MOA & AOA	600,000	100	60,000,000	60,000,000
2000	Initial Public offerings	900,000	100	90,000,000	150,000,000
2007	10% Bonus Shares	150,000	100	15,000,000	165,000,000
2008	10% Bonus Shares (public only)	65,466	100	6,546,600	171,546,600
2009	20% Bonus shares	343,093	100	34,309,300	205,855,900
2010	30% Bonus Shares	617,567	100	61,756,770	267,612,670
2011	10% Bonus shares	2,676,126	10	26,761,260	294,373,930
2012	15% Bonus shares	4,415,609	10	44,156,080	338,530,010
2013	15% Bonus shares	5,077,950	10	50,779,500	389,309,510
2014	5% Bonus shares	1,946,547	10	19,465,470	408,774,980

Enamul Haque Khan
Company Secretary

Md. Lokman Hossain
Head of Accounts

Badal Chandra Rajbangshi
Chief Financial Officer

Mohammodi Khanam
Chief Executive Officer

Nazma Haque
Director

Md. Zakiullah Shahid
Chairman

Dated: Dhaka
October 30, 2018