

EXPANDING ALL AROUND

ANNUAL REPORT 2016

CONTENTS

	Page
Letter of Transmittal	04
Notice of the 21st Annual General Meeting	05
Index as per Standard Criteria	06
Awards, Recognitions & Credit Rating Report	09
Membership Affiliation	14
Forward Looking Statement	15
Preamble to Prime Insurance Company Ltd.	
▪ Our Vision	17
▪ Our Mission	18
▪ Overall Strategic Objectives	19
▪ Core Values	20
▪ Ethical Principles	21
▪ Our Goal	22
▪ Profile of the Company	23
▪ Company Information	24
▪ Organogram	26
▪ Products & Services	27
▪ Corporate Chronicle	28
▪ Future Prospects	29
▪ Our Branches	30
▪ Profile of Head of Branches	32
▪ Corporate Operational Team	37
Board of Directors & the Management	
▪ Chairman's Statement	40
▪ CEO's Round up	44
▪ Profile of the Chairman of the Board	47
▪ Profile of the Directors on the Board	48
▪ Management Committee	58
▪ Profile of the CEO	59
▪ Profile of the Department Heads	60
▪ Directors' Report	65
Sustainability Reporting	
▪ Corporate Social Responsibilities (CSR)	71
▪ Environment Related Initiatives	74
▪ Environment & Social Obligations	75
▪ Integrated Reporting	76
▪ Human Resource Accounting	78
Information about Corporate Governance	
▪ Report of the Audit Committee Chairman	82
▪ Management Committees and their Responsibilities	84
▪ Management Business Review and Financial Analysis	88
▪ Report on Going Concern	92
▪ Responsibilities of CEO & CFO	95
▪ Report on Corporate Governance	96
▪ Compliance Report on SEC Notification	104
▪ Certificate on Compliance with the condition of Corporate Governance Guidelines	111
▪ Summary of Accounts (Segment wise/Class wise Operating Profit) Performance	112

LANKA STOCK

	Page
▪ Summary of Quarterly Financial Performance	113
Risk Management & Control Environment	
▪ Report on Risk Management	115
▪ Report on Insurance Risk and its Mitigation	119
▪ Disclosure of Risk Reporting	121
Stakeholders & Investor's Information	
▪ 5 Years Financial Highlights	123
▪ Position of Shareholding	126
▪ The Growth of Paid-up Capital	127
▪ Number of Shareholders	128
▪ Equity Statistics	129
▪ Investors and Stakeholders Friendly Information Enquiries and Communication	130
▪ Clients Complaints and Communication	131
▪ Dividend Payment Policy	132
▪ Corporate IT & Website Information	133
▪ Market Share Price of Company's Paid-up Capital (DSE & CSE)	134
▪ Market Capitalization of Shares	135
Graphical Presentation	
▪ Graphical Presentation/Performance in Graphs	137
▪ Segment wise Operating Performance in Graphs	138
▪ Statement of Financial Position (Balance sheet)	139
▪ Profitability/Dividends/Performance and Liquidity Ratios	140
▪ Horizontal & Vertical Analysis	141
▪ Financial Position (Balance Sheet Analysis)	144
Value Added Statement:	
▪ Value Added Statement	148
▪ Economic Value Added Statement	150
▪ Market Value Added Statement	151
▪ Contribution to the National Exchequer/ Government Fund	152
▪ Market Shares Position of Insurance Business	154
Specific Areas for Insurance Sector	
▪ Claims Management and Details of Outstanding Claims (IBNR & IBNER) with ageing thereof	156
▪ Solvency Margin Status	158
▪ Accounting Ratios Pertaining to Insurance Business	161
▪ Review on Assets Quality	162
Report on other Activities:	
▪ Report on Settlement of Claims	165
▪ Internal Audit Report	168
▪ Report on ISO Certification	170
▪ Report on Online Business System	171
▪ Great Success for Continuation of 'Innovative Products'	172
▪ Report on Re-Insurance	173
▪ Report on Pre Survey Risk Inspection	175
▪ Financial Calendar	176
▪ Investment Profile	177
Auditors' Report and Financial Statements	
▪ Auditors Reports to the Shareholders	179
▪ Statement of Financial Position (Balance Sheet)	181
▪ Statement of Comprehensive Income Statement (Profit & Loss Account)	183
▪ Profit & Loss Appropriation Account	184
▪ Consolidated Insurance Revenue Accounts	185
▪ Fire Insurance Revenue Account	186
▪ Marine & Marine Hull Insurance Revenue Account	187
▪ Motor Insurance Revenue Account	188
▪ Miscellaneous Insurance Revenue Account	189
▪ Statement of Changes in Shareholders' Equity	190
▪ Statement of Cash Flows	191
▪ Notes to the Financial Statements	192
▪ Classified Summary of Assets (Form-AA)	224
Other Reports:	
▪ Event Highlights	226
▪ Checklist of Secretarial Standard Disclosure	230
▪ Checklist of Disclosure as per ICMAB	234
▪ Proxy Form	235

Letter of
TRANSMITTAL

All shareholders,

Bangladesh Securities and Exchange Commission,
Insurance Development and Regulatory Authority,
Registrar of Joint Stock Companies & Firms,
Dhaka Stock Exchange Limited and
Chittagong Stock Exchange Limited

Dear Sir(s):

ANNUAL REPORT FOR THE YEAR ENDED DECEMBER 31, 2016

Enclosed please find a copy of the Annual Report together with the Audited Financial Statements including Statement of Financial Position as at December 31, 2016 and Statement of Comprehensive Income, Statements of Cash Flows for the year ended December 31, 2016 along with notes thereon of Prime Insurance Company Limited for kind information and record.

Best regards,

Yours sincerely,

Kamal Pasha
Company Secretary

March 15, 2017



AMAR STOCK

Notice of the 21st
ANNUAL GENERAL MEETING

Notice is hereby given to all members of Prime Insurance Company Limited that the twenty-first Annual General Meeting of the Company will be held at the Auditorium of Bangladesh Institute of Administration and Management (BIAM), 63, Eskaton Road, Dhaka, on Thursday, March 30, 2017 at 11:00 a.m. to transact the following businesses:

1. To receive and adopt the Directors' Report and Audited Financial Statements for the year ended December 31, 2016 and the Auditors' Report thereon.
2. To declare dividend for the year 2016.
3. To elect/re-elect Directors.
4. To approve appointment/reappointment of Independent Directors.
5. To appoint Auditors for the year 2017 and to fix their remuneration.

All members are requested to attend the meeting on the date, time and place mentioned above.

By Order of the Board of Directors



Kamal Pasha
Company Secretary

March 15, 2017

Notes:

- The "Record Date" shall be Tuesday, March 14, 2017. Shareholders whose names appear in the members' register of the company on the record date will be eligible to attend the meeting and qualify for dividend.
- A member entitled to attend and vote at the Annual General Meeting may appoint a proxy to attend and vote in his/her stead. Duly stamped proxy must be submitted to the Share Department of the company at least 72 hours before the start of the meeting at 11:00 AM on March 30, 2017.
- Shareholders and Proxies are requested to record their entry in the Annual General Meeting well in time. No entry will be recorded before 8.00 am and after 12:00 noon.
- Members are advised to update change of address (if any) through their respective Depository Participant (DP).
- Entry to the AGM is reserved only for shareholders or his/her proxy on production of the attendance slip printed with the Proxy Form. No guest and children shall be allowed entrance in the Meeting.

N.B. Please note that no gift/gift coupon/food box/benefit in cash or kind shall be distributed/paid at the AGM as per SEC Directives.



AMARSTOCK

Index as per
STANDARD CRITERIA

Items	Page
Corporate Objectives, Values & Structure	
Clarity and presentation:	
▪ Vision and Mission	17, 18
▪ Overall strategic objectives	19
▪ Core values and code of conduct/ethical principles	20, 21
▪ Profile of the Company	23
▪ Director's profiles and their representation on Board of other companies & Organization Chart	26, 47-57
Management Report/Commentary and analysis including Director's Report/ Chairman's Review/CEO's Review etc.	
▪ A general review of the performance of the company	88-91
▪ Description of the performance of the various activities / products / segments of the company and its group companies during the period under review. (Weightage to be given for pictorial / graphical / tabular presentations used for this purpose)	27, 88-91
▪ A brief summary of the Business and other Risks facing the organization and steps taken to effectively manage such risks	88, 115-121
▪ A general review of the future prospects/outlook.	29/67
▪ Information on how the company contributed to its responsibilities towards the staff (including health & safety)	210-221
▪ Information on company's contribution to the national exchequer & to the economy	152-153
Sustainability Reporting	
▪ Social Responsibility Initiatives (CSR)	71-73
▪ Environment related Initiatives	74
▪ Environmental & Social Obligations	75
▪ Integrated Reporting	76, 77
Appropriateness of Disclosure of Accounting policies and General Disclosure	
▪ Disclosure of adequate and properly worded accounting policies relevant to assets, liabilities, Income and expenditure in line with best reporting standards.	192-202
▪ Any Specific accounting policies	
▪ Impairment of Assets	
▪ Changes in accounting policies/Changes in accounting estimates	
▪ Accounting policy on subsidiaries(if there is no any subsidiary, full marks should be granted)	
Segment Information ▪ Comprehensive segment related information bifurcating Segment revenue, segment results and segment capital employed ▪ Availability of information regarding different segments and units of the entity as well as non-segmental entities/units ▪ Segment analysis of • Segment Revenue • Segment Results • Turnover • Operating profit • Carrying amount of Net Segment assets	88-91, 112

Items	Page
Financial Statements (Including Formats)	
▪ Disclosures of all contingencies and commitments	222
▪ Comprehensive related party disclosures	222
▪ Disclosures of Remuneration & Facilities provided to Directors & CEO	220, 221
▪ Statement of Financial Position / Balance Sheet and relevant schedules	181, 182
▪ Income Statement / Profit and Loss Account and relevant schedules	183, 184
▪ Statement of Changes in Equity / Reserves & Surplus Schedule	190
▪ Disclosure of Types of Share Capital	202, 203
▪ Statement of Cash Flow	191
▪ Consolidated Financial Statement (CFS)	185
▪ Extent of compliance with the core IAS/IFRS or equivalent National Standards	194
▪ Disclosures / Contents of Notes to Accounts	192-223
Information about Corporate Governance	
▪ Board Of Directors, Chairman And CEO	47-57, 59
▪ Audit Committee (Composition, role, meetings, attendance, etc) Internal Control & Risk Management	82, 100, 109
▪ Ethics And Compliance	102
▪ Remuneration and other Committees of Board	86-87, 100, 110
▪ Human Capital	102
▪ Communication To Shareholders & Stakeholders • Information available on website • Other information	102, 130
▪ Management Review And Responsibility	88-91
▪ Disclosure by Board of Directors or Audit Committee on evaluation of quarterly reports	103
▪ Any other investor friendly information	130
Risk Management & Control Environment	
▪ Description of the Risk Management Framework	115-119
▪ Risk Mitigation Methodology	119-120
▪ Disclosure of Risk Reporting	121
Stakeholders Information	
▪ Distribution of shareholding (Number of shares as well as category wise, e.g., Promoter group, FII etc)	126
▪ Shares held by Directors/Executives and relatives of Directors/Executives	108
▪ Redressal of investors complaints	130, 131
Graphical/ Pictorial Data:	
▪ Earnings per Share	201
▪ Net Assets	221
▪ Stock Performance	132, 140
▪ Shareholders' Funds	137
▪ Return on Shareholders Fund	137

PAKISTAN STOCK

Items	Page
Horizontal/Vertical Analysis including following.	
Operating Performance (Income Statement) ▪ Total Revenue ▪ Operating profit ▪ Profit Before Tax ▪ Profit after Tax ▪ EPS	141, 142
Statement of Financial Position (Balance Sheet) (2.5 Marks) ▪ Shareholders Fund ▪ Property Plant & Equipment ▪ Net Current Assets ▪ Long Term Liabilities/Current Liabilities	144, 145
Profitability/Dividends/ Performance and Liquidity Ratios ▪ Gross Profit Ratio ▪ Earning before Interest, Depreciation and Tax ▪ Price earning ratio ▪ Current Ratios ▪ Return on Capital Employed ▪ Debt Equity Ratio	123-125, 140
Statement of Value Added and Its Distribution ▪ Government as Taxes	148, 149
▪ Shareholders as dividend	132, 149, 222
▪ Employees as bonus/remuneration	148, 220, 221
▪ Retained by the entity	149
▪ Market share information of the Company's product/services	154
▪ Economic value added	150
Presentation of Financial Statements	179-224
▪ Quality of the Report/ Layout of Contents	
▪ Cover and printing including the theme on the cover page	
▪ Appropriateness and effectiveness of photographs and their relevance	
▪ Effectiveness of Charts and Graphs	
▪ Clarity, simplicity and lucidity in presentation of Financial Statements	
Timeliness in issuing Financial Statements and holding AGMs ▪ 3 months time to produce the Annual Report and hold AGM are considered reasonable for full marks ▪ Delay after the initial period of 3 months - deduction of 2 marks is to be made for each month ▪ If the period is over 6 months – no marks shall be awarded	05
Additional Disclosures **For Example** ▪ Human Resource Accounting ▪ Any other good additional disclosures (Independence certification, ISO etc.)	78 9-13, 171
Specific Areas for Insurance Sector	
▪ Claims management and details of outstanding claims (IBNR & IBNER) with ageing thereof	156, 157
▪ Disclosures pertaining to Solvency Margin	158-160
▪ Certificate of Actuary giving details of the liabilities on account of live policies and estimates/ assumptions made for the same	157
▪ Accounting ratios pertaining to insurance sector	161
▪ Review of assets quality	162, 163

Awards and
RECOGNITIONS



ISO CERTIFICATE

IMAGESTOCK



16th ICAB Award 2015



14th ICAB Award 2013



13th ICAB Award 2012

AWARDS STOCK



SAFA Award 2015



SAFA Award 2013



SAFA Award 2012

PRIME STOCK



ICSB Award 2014



ICSB Award 2013



ICMAB Certificate of Merit

PRIMESTOCK

Credit Rating Information and Services Ltd (CRISL) confirmed the Claim Paying Ability (CPA) rating of Prime Insurance Company to A+ (pronounced as single A plus) for the year 2015 based on the financials up to December 31, 2015 and other relevant qualitative and quantitative information up to the date of rating and will be valid up to October 4, 2017.

CPA rated in this category is adjudged to offer high claim paying ability. This rating reflects the good financial and underwriting performance, sound liquidity, good fixed asset investment, experienced Board members and Management team of the Company.

It also measures the company with the stable outlook from the industrial point of view considering the overall industry growth and policy and regulations implicated by regulatory authority as well as new insurance act.

It should be mentioned that in 2013 and 2014 Prime Insurance was also rated A+ for its good financial performance, improving solvency position, diversified investment portfolio, high claim paying ability, strong IT infrastructure and experienced top management. This continuation of upgrading rating proves that Prime Insurance Company operates its financial activities in a very transparent and professional manner.

Last Three years

CRISL

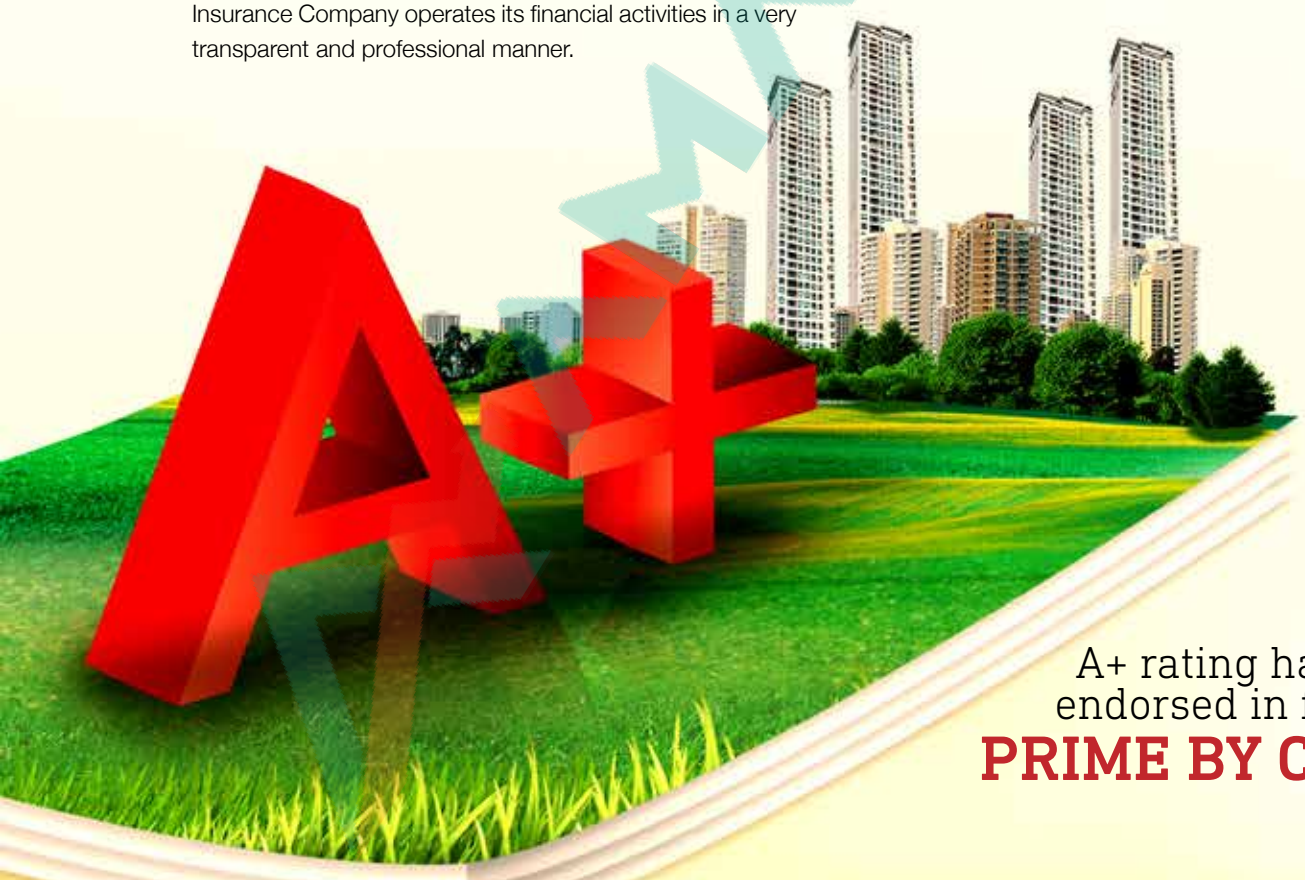
Rating at a Glance

year

2015 / 2014 / 2013

CPA Rating

A+ (single A plus)



A+ rating has been endorsed in favor of

PRIME BY CRISL

AMARSTOCK

Membership
AFFILIATION

Aiming on Business expansion as well as strengthen the Business relationship among of the members of the Business Community, Prime Insurance Company is affiliated with the following different Chambers of Commerce and Associations:

BANGLADESH INSURANCE ASSOCIATION (BIA)

BANGLADESH ASSOCIATION OF PUBLICLY LISTED COMPANIES

Bangladesh German Chamber of Commerce & Industry

BANGLADESH-MALAYSIA CHAMBER OF COMMERCE & INDUSTRY

Canada Bangladesh Chamber of Commerce and Industry

France Bangladesh Chamber of Commerce & Industry

Dhaka Chamber of Commerce & Industry

Dutch-Bangla Chamber of Commerce & Industry

Forward Looking **STATEMENT**

The Annual Report contains forward-looking statements and information – that is, statements related to future, not past events. These statements may be identified by words such as 'expects', 'looks forward to', 'anticipates', 'intends', 'plans', 'believes', 'seeks', 'estimates', 'will', 'project' or words of similar meaning. Such statements are based on the current expectations and certain assumptions of the Board of Directors of Prime Insurance Company Ltd, and are, therefore, subject to certain risks and uncertainties. A variety of factors, many of which are beyond control of Prime Insurance, affect the company's operations, performance, business strategy and results and could cause the actual results, performance or achievements of the company to be materially different from any future results, performances or achievements that may be expressed or implied by such forward-looking statements.

Some of the factors that may affect the business environment are as follows:

- Changes in general economic and business conditions as these directly impact the company's business processes.
- Developments in the financial markets, including fluctuations in interest and exchange rates.
- Any increase in market volatility, deterioration in the capital markets, decline in the conditions for the credit business, uncertainty related to the financial market and liquidity crisis.
- New regulatory circulars from IDRA.
- Any unforeseen changes in the treaty with the re-insurers.
- Increase in corporate tax rate on insurance services.
- Changes in government policy issues.
- Changes caused due to natural calamities and political instability.
- Increase in VAT.
- Risks and uncertainties in connection with: disposing of business activities, certain strategic reorientation measures, including reorganization measures.
- The risk that new products or services will not be accepted by new clients or business partners.
- Any changes in business strategy.



HMARSTOCK

Preamble to
Prime Insurance Company Ltd.



AMAR STOCK

Our Vision

1. To uphold status of our Company as one of the most admired, trusted & successful market leaders in the Insurance Industry of Bangladesh by providing and maintaining highest quality & innovative insurance products & services backed by latest technologies & a team of highly dedicated & experienced professionals to deliver excellence in insurance.
2. To establish the company as a role model in the insurance sector of Bangladesh.
3. To provide our employees a safe and secured working atmosphere.
4. To protect our environment and benefit the community where we work.



PRIMARSTOCK

Our Mission

1. Providing world class service with supreme security by ensuring complete risk management solutions to the clients, maintaining stringently ethical standard in business operation.
2. Increasing awareness about insurance in the Country and introducing non-traditional social insurance products for the mass people to bring them under the insurance umbrella for enhanced social security.
3. Introducing modern insurance products comparable with international standards.
4. To maintain highest level of ethical standard and transparency in all business transactions.
5. Enhancing public confidence in the insurance industry by ensuring benefits to the policy holders, shareholders and the society at large.
6. To establish good governance for the Company and the insurance industry as a whole.
7. To be socially responsible and make effective contribution to the national development and national economy.
8. To provide a clear vision of the future to all of our employees to maximize their potentials to achieve a high level of performance.

Overall Strategic
OBJECTIVES

In order to prove the potentials as the provider of best quality of faster service in the Insurance sector of the country, Prime Insurance maintains a number of key Business Strategies that it believes are necessary to achieve the incorporated goal of the company. In recent years, these strategies have been established by Prime Insurance's firm belief in incessant and unified business development and expansion, based on our vision and targeted goals. The prime focuses of our strategic objectives are as follows:

Company Focus

- Continually improve the internal processes of the company.
- Since employees are the key elements of our success, company plays a vital role in quality, expertise of employees and utilization of their comprehensive training and promotional activities at all levels.
- Improve organizational structure.
- Ensure administrative transparency.
- Strengthen Corporate Governance practices.

Business Focus

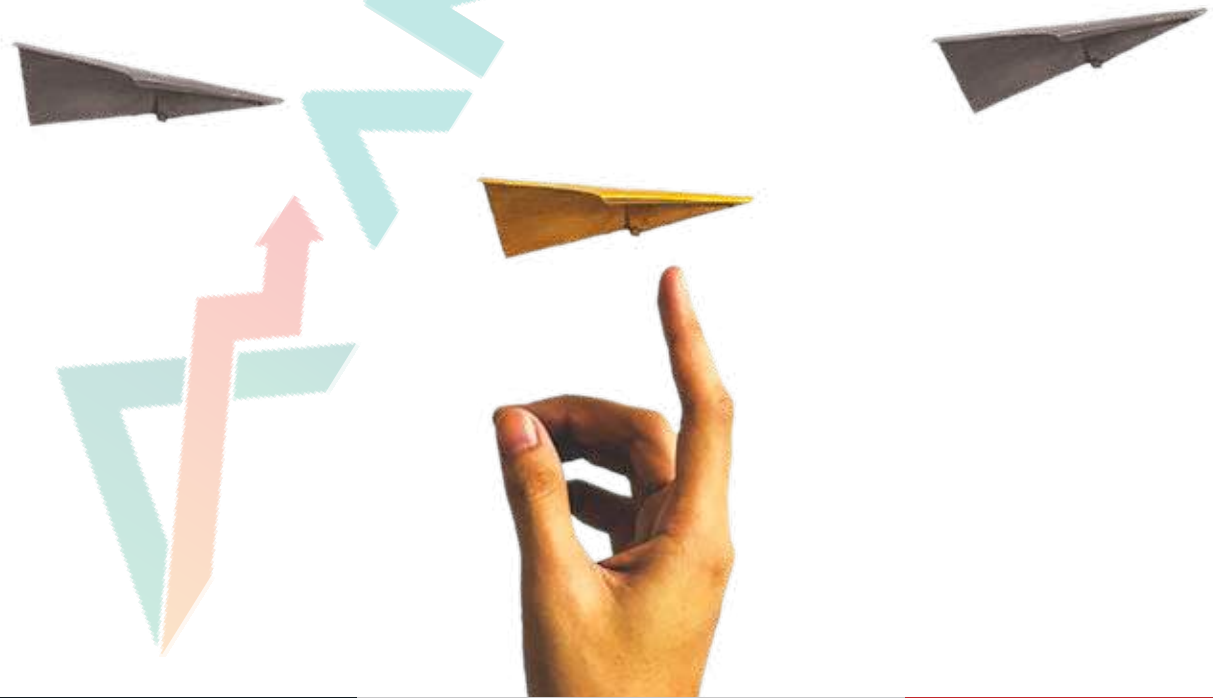
- Consistently improve our product quality to meet up necessary business standards.
- Maximize insurance coverage at a minimum cost.
- Our growth, efficiency and productivity will allow us to offer competitive price to our clients. Our market expertise and innovation of new products will allow us to achieve targeted revenue in coming days.
- Be one of the top insurers in terms of innovating new Products and Services, Cost Efficiency and Market Share.
- Maximize Shareholders' wealth through a sustainable return on their investments.

Service Focus:

- Provide our Clients and Business Partners with the best quality of faster service.
- Speedy and hassle free settlement of claims.
- Improvise our product line in accordance with customer demand.

Country Focus:

- Contribute to National Exchequer.
- Implement new business plans and insurance support to shore up different industries in the country.
- Enhance mass awareness about General Insurance in Bangladesh.
- Educate people about the importance of General Insurance.



AMARSTOCK

Our Core
VALUES

Our core values consist of 8 key elements and these values keep us close with our Business Partner Clients. It helps us to build a strong sense of fraternity among all the Executives and Employees of the company. These values make us different. Our Core Values are:

1 Clients First

Our Clients are our Business Partners, and without them, we were not supposed to come to our present position. Our Clients are always our first priority. We take care of them. We treat all our valued clients with warmth and respect. We understand them and try our level best to fulfill their expectations.

2 Integrity

We believe, Integrity is the key to success. We earn the trust and respect of our shareholders, stakeholders, employees, clients/business partners being honest, loyal, fair, open and accountable to all including the community for all our works and deeds.

3 Efficiency

In order to deliver excellent operational and financial performance, we focus both on external and internal training programs to increase our efficiency level, while improving continuously against demanding targets for integrity and professionalism.

4 Quality

We ensure quality both in terms of products and services. We are always open to new ideas for raising the bar.

5 Service

We strive to add more value to our services that we provide to our clients and stakeholders. To ensure a better and secured service towards them, we are always ready with our online services.

6 Teamwork

We strongly promote and believe in teamwork both at in-house and external activities of the company. We teach and encourage our people to improve their performance and professionalism. We emphasize on conscious self-improvement and information sharing among the employees to ensure a strong team-work so as to achieve Prime Insurance's vision, mission and goal.

7 Transparency

We focus on the highest level of transparency in providing accurate and timely information about our performance and financial results to meet the expectations of our business partners and valued shareholders.

8 Excellence

We aspire to achieve excellence at all levels of our accomplishments. We pursue continued growth and strive to achieve the highest level of performance in all our endeavors.

Ethical
PRINCIPLES

	Neutrality	Transparency	Cooperation	Honor	Professionalism	Privacy
Clients	Deal with all the clients without any inequality	Explain all facts regarding products and premium rating to the Clients	Offer proper consultancy to maximize their insurance coverage at a minimum cost	Value all the Clients with justified honor	Handle all the demands and problems of the Clients with professionalism	Ensure privacy in keeping all the business secrets of them
Employees	Avoid discrimination on the grounds of gender, race and getting politically biased	Share needed business information and knowledge without keeping any secrets	Ensure Teamwork, Partnership and healthy working environment	Render deserved honor to all the employees	Practice professionalism both in internal and external activities	Conscious of keeping personal and sensitive facts private
Shareholders	Take care of all the Shareholders evenhandedly	Disburse Price Sensitive Information timely	Welcome any suggestion from the shareholders	Ensure equal honor and respect	Attempt to achieve the commitments	Assure confidentiality of all the information
Business Communities	Ascertain strong relationship with the Stakeholders	Keep our community well-informed about us	Implement healthy and fair business	Respect core values and business ethics of others	Maintain friendly attitude towards others	Refrain from disclosing others' sensitive issues



MARSTOCK

OUR GOAL

Our goal is to be the top insurer in the Non-life Insurance sector of the country.

To achieve the goal we aim at:

1. Maximizing Insurance Coverage at a Minimum Cost.
2. Establishing a long term relationship with our clients and business partners built on professional service and trust.
3. Responding quickly to new opportunities.
4. Maintaining strong relationships with a wide variety of partners, like re-insurers, insurance brokers and so on.
5. Assessing and managing our business risks carefully.
6. Striving for continuous improvement developing performance excellence at all levels.



AMAR STOCK

Profile of the COMPANY

Prime Insurance Company Limited is one of the leading non-life insurance companies in Bangladesh with specialized and significant expertise both in traditional and non-traditional insurance businesses. With a portfolio of broad range of products, Prime Insurance always works hard for the clients to deliver innovative products and services while maintaining a commitment to safety and sustainability.

Certification & Credit Ratings

Established in 1996, Prime Insurance has built its reputation as one of the most trustworthy insurance companies of the country. It is the first non-life insurance company in Bangladesh to achieve the ISO 9001:2008 certifications in 2011. The Company has also been rated A+ (A Plus) by the Credit Rating Information & Services Limited (CRISL).

Awards & Acknowledgment

Prime Insurance continues to expand and explore new horizons of success with a vision to be a trusted and leading non-life insurance company of the country through providing transparent and quality services. Consequently the company has been awarded with a number of awards and recognitions: Third (3rd) Prize from 16th, 14th & 13th ICAB National Award for Best Presented Annual Report for the year 2015, 2013 & 2012 respectively, Silver Award for Corporate Governance Excellence for the year 2014 & 2013, Certificate of Merit Award from South Asian Federation of Accountants (SAFA) for the year 2012, 2013 & 2015 and Certificate of Merit–2012 as the Best Corporate in General Insurance Sector by the Institute of Cost and Management Accountants of Bangladesh (ICMAB).

Business & Networks:

To provide protection and financial security to the society with utmost quality, Prime Insurance diversified its business with number of products together with an expanding and well-organized network of 19 Branches & 1 Booth with a presence in major divisional areas of the country. Furthermore, the Company is pioneer in implementing automation and online business support in the country. With a view to ensuring prompt services, all our businesses are operated through automated system.

In the trendy pathway of innovation, the company has unveiled three exclusive products: Hajj & Umrah Insurance, which is first of its kind in Bangladesh and also Health Insurance Product 'Prime Health Plan' in non-life insurance category which includes treatment facilities at home and abroad and fully supported by the overseas reinsurers. Moreover, for providing the financial security to the banks, the company has launched Bankers Blanket Bond (BBB) Coverage with wider coverage & fewer premiums which works as a safeguard for the Banks to face any financial loss that plays a significant role in the GDP growth of Bangladesh.

Reinsurance Arrangements:

To secure affordable protection for the clients, Prime Insurance has its re-insurance support from the best overseas re-insurers. As per the provision of Insurance Corporation Act 50% Re-insurable non-life insurance business of the Company is placed to Sadharan Bima Corporation (SBC) and the remaining 50% is placed with the overseas Re-insurers. Our overseas lead Treaty Re-insurer is **Trust Re, Bahrain** and follow liners is **GIC Re India**. Again other than the Treaty Partners, many more reputed Reinsurers such as **SWISS RE, XL Group plc, Ping An Insurance, ICICI Lombard India, Hannover Re, Korean Re, Sart** Re are also working with us.

CSR Activities:

Prime Insurance operates its CSR activities with a diverse way like creating awareness on different social issues, growing consciousness on various risk, safety & security matters through arranging training, seminars/workshops, organizing rallies, unveiling and distributing publications (Fire Guide Book, Traffic Guide Book, Health Guide Book, Hajj &Umrah Guidebook), becoming part of different social or cultural activities through promoting or donating, providing financial support to underprivileged people or meritorious students, conducting free consultation services on insurance and so.

Credence

Prime Insurance believes in customer needs and accordingly provides first priority to them. In its twenty years of journey, Prime contributed significantly to the growth and development of the non-life insurance companies in Bangladesh. Hard work, dedication and sincere services lead the Company to the path of success. The Company recognizes with gratitude the endless support from the clienteles that helped it becoming one of the most reputed and prestigious insurance companies in Bangladesh, goodwill of which has also reached in the international arena.

Company INFORMATION

Prime Insurance Company Limited is a second generation private sector Non-life Insurance Company. It is a well known, trusted and leading name in the general insurance sector of the country. Prime Insurance Company was incorporated as a public limited company on 21 March 1996 under Companies Act, 1994. It obtained registration from Former Chief Controller of Insurance. Government Republic of Bangladesh on 31 March 1996. PICL obtains renewal licence from the Insurance Development & Regulatory Authority (IDRA) when the Authority came into being in 2011. The Company within the stipulations laid down by insurance Act-2010 and directives as received from time to time from Inurance Development & Regulatory Authority provides Non-life insurance services.

The Company is listed with Dhaka Stock Exchange Ltd. and Chittagong Stock Exchange Ltd. as a Publicly traded Company. The Company carries its insurance activities through 19 on-line branches spread across the country.

Name of the Company: Prime Insurance Company Limited

Legal Form	: Public Limited Company		
Certificate of Incorporation	: C-30448(1664) / 96	Dated	: 21-03-1996
Company Registration No	: IDRA/NLI/2033/2011-990		
Certificate of Commencement of Business	: No-22	Dated	: 21-03-1996
Share Capitial	:		
Authorized capital	: 1000.00 million Taka		
Paid-up capital	: 408.78 million Taka		

	For the Year 2016			For the Year 2015		
Shareholding Structure	No of Holding Shares	Holding %	Holding Share in Taka	No of Holding Shares	Holding %	Holding Share in Taka
Sponsor Directors & Directors	14,241,572	35	142,415,720	18,431,964	45	184,319,640
Public Shareholders	26,635,926	65	266,359,260	22,445,534	55	224,455,340
Total	40,877,498	100	408,774,980	40,877,498	100	408,774,980

Nature of Business	:	All kinds of Non-life insurance business
Corporate website	:	www.prime-insurance.net
Listing Status	:	Listing Date
Dhaka Stock Exchange Ltd.	:	March 21, 2001
Chittagong Stock Exchange Ltd.	:	March 22, 2001
Market Price of Share	:	DSE CSE
Closing Price on 31 December, 2016		18.20 18.00
Market Category	:	"A" Category
Taxpayer's Identification Number (TIN)	:	New: 768008223459 Old: 140-200-6653/LTU/Dhaka
VAT Registration Number	:	9011015653
Chairman	:	Md. Zakiullah Shahid
Vice Chairman	:	Nazma Haque
Chief Executive Officer	:	Mohammodi Khanam

Chief Financial Officer (CFO)	:	Badal Chandra Rajbangshi
Head of Accounts Department	:	Md. Lokman Hossain
Company Secretary	:	Kamal Pasha
Credit Rating Informantion	:	"A+" Stable
Auditors	:	M/s. Rahman Mostafa Alam & Co. Chartered Accountants
Tax Advisor	:	M/s. A. Hossain & Co. Chartered Accountants
Legal Adviser	:	Law & Remedy
Number of Employee's	:	211
Number of Branches	:	19
Number of Shareholders as on 31. 12. 2016	:	2,238

Principal Bankers	Membership
Standard Chartered Bank	Bangladesh Insurance Association
Prime Bank Ltd	Bangladesh Association of Publicly Listed Company
Al-Arafah Islami Bank Ltd.	Bangladesh German Chamber of Commerce & Industry
Dutch Bangla Bank Ltd.	Bangladesh Malaysia Chamber of Commerce & Industry
Bank Asia Ltd.	Canada Bangladesh Chamber of Commerce & Industry.
	Dhaka Chamber of Commerce & Industry
	Dutch Bangla Chamber of Commerce & Industry
	France Bangladesh Chamber of Commerce

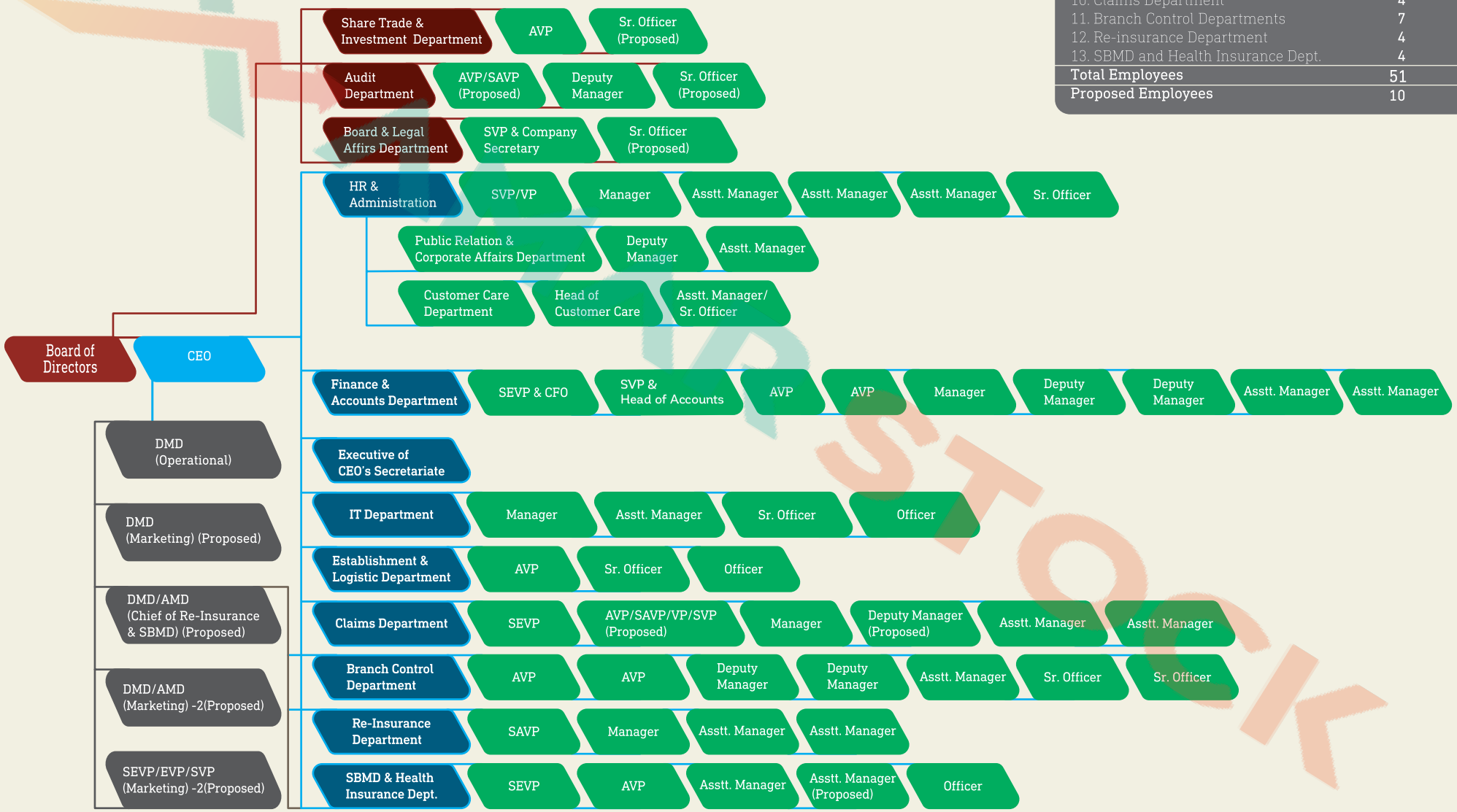
Investor Inquiry (Stakeholders)	Investor Inquiry (Business Related)
Md. Asaduzzaman Mia	Sujit Kumar Bhowmik
AVP & Head of Share Department	AMD & Head of Branch Control Department
Head Office	Head Office
Unique Heights: (9th floor), 117, Kazi Nazrul Islam Avenue	Unique Heights (9th floor), 117, Kazi Nazrul Islam Avenue,
Dhaka-1000 , Bangladesh	Dhaka-1000 , Bangladesh
Phone : (+880-2) 55138659-62, Fax : (+880-2) 55138658	Phone : (+880-2) 55138659-62, Fax : (+880-2) 55138658
E-mail : info@prime-insurance.net	E-mail : info@prime-insurance.net

AMARSTOCK



Organogram

1. Share trade & investment department	2
2. Internal Control & Audit Department	2
3. Board & Legal affairs Department	1
4. HR & Administration Department	7
5. Public relation & Corp. Affairs	2
6. Customer Care Department	2
7. Finance & Accounts Department	9
8. IT Department	4
9. Estab. & Logistics Departments	3
10. Claims Department	4
11. Branch Control Departments	7
12. Re-insurance Department	4
13. SBMD and Health Insurance Dept.	4
Total Employees	51
Proposed Employees	10



www.prime-insurance.net

Products & SERVICES

Fire Insurance
- Fire and Allied Perils Insurance
- Fire package Insurance
- Industrial All Risks Insurance including Machinery Break-down and Business Interruption
- Property All Risks including Business Interruption
- Power Plant Operational Package Insurance
- Comprehensive Machinery Insurance (CMI)

Marine Insurance
- Marine Cargo Insurance
- Marine Hull Insurance
- Ship Builders' Liability Insurance
- Goods in Transit Insurance

Motor Insurance
- Private Vehicle Insurance
- Commercial Vehicle Insurance
- Motor Cycle Insurance
- Motor Transit Insurance

Engineering Insurance
- Contractors' All Risks Insurance (CAR)
- Erection All Risks Insurance (EAR)
- Boiler & Pressure Vessel Insurance (BPV)
- Machinery Breakdown Insurance (MBD)
- Deterioration of Stock Insurance (DOS)
- Contractors' Plant & Machinery Insurance (CPM)
- Electrical Equipments Insurance (EEI)

Miscellaneous Accident Insurance

Financial Category
- Money Insurance
  - Cash In Transit Insurance
  - Cash in Safe Insurance
  - Cash on Counter Insurance
  - ATM Risk Insurance
- Bank Lockers Insurance
- Credit Card Fraud & Forgery Insurance
- Fidelity Guarantee Insurance
- Bankers' Blanket Bond Insurance
- Electronic & Computer Crime Insurance
- Professional Indemnity for Financial Institutions
- Directors' & Officers' Liability Insurance

Industrial Category
- Burglary & House Breaking Insurance
- Workmen's Compensation Insurance
- Peoples Personal Accident Insurance
- Public Liability Insurance
- Product Liability Insurance
- Employers' Liability Insurance

Medical Category
- Prime Health Plan Insurance
- Dread Disease Insurance
- Overseas Medi-claim Insurance

Business Category
- Golf Hole-in-one Insurance
- Professional Indemnity Insurance
- Hotel Owners' All Risks Insurance

General Category
- Personal Accident Insurance
- Householders' Comprehensive Insurance
- All Risks Insurance

Aviation Insurance
- Aircraft Hull and Liability Insurance
- Aircraft Hull "War and Allied Perils" Insurance



Corporate
CHRONICLE

Particulars	Dated
Incorporation of the Company	March 21, 1996
Certificate of Commencement of Business	March 31, 1996
License issued for operating the first branch	March 21, 1996
Received consent from SEC for issuance of public share of BDT 90 Million	August 28, 2000
Publication of prospectus	October 27, 2000
Listed with Dhaka Stock Exchange Ltd.	March 21, 2001
Subscription Opened	November 07, 2000
Subscription Closed	November 21, 2000
First Trading of share on DSE	March 21, 2001
Listed with Chittagong Stock Exchange Ltd.	March 22, 2001
First Dividend Declared to the Sponsor Directors by the Board 10% cash on Account of December 31, 1999	February 2, 2000
First dividend declarded in the AGM 14% cash to all shareholders	August 01, 2001
Issuance of First Bonus share 10% on Account of 2007	July 17, 2008
Agreement sign with CDBL	March 07, 2005
15 Years celebration of the Company	August 07, 2010
Athorized Capital increase 25 crore to 100 crore	October 31, 2010
Completion of 15 Years of service to the clients	March 20, 2011
Two floor space purchase from "Tropical Homes Ltd" (Agreement signing date)	August 14, 2012
Agreement with IBCS-Primax on Software	December 03, 2011
Memorendam of Understanding (MOU) signed with Standard Chartered Bank for Cash Management solution .	August 21, 2013
Head office space purchase from "Unique Heights" (Agreement signing date)	November 07, 2013
Certificate of Merit-ICMAB Best Corporate Award 2012	January 12, 2013
Third Prize ICAB Best National Award on Annual Report 2012	December 21, 2013
Starting of Operation of IBCS-Primax on Software	January 01, 2014
Certificate of Merit-SAFA Best Presented Annual Reports Award 2012	March 11, 2014
Opening of Mobile Apps for public download	September 28, 2014
Third Prize ICAB Best National Award on Annual Report 2013	November 30, 2014
Certificate of Merit-SAFA Best Presented Annual Reports Award 2013	December 04, 2014
Silver Award ICSB National Award 2013 on Corporate Governance Excellence	December 04, 2014
Silver Award ICSB National Award 2014 on Corporate Governance Excellence	November 04, 2015
Third Prize ICAB Best National Award on Annual Report 2015	November 29, 2016
Certificate of Merit-SAFA Best Presented Annual Reports Award 2015	January 27, 2017

BDSTOCK

Future
PROSPECTS

A cooperative method which minimizes the loss of the companies through pooling risk & reducing the impact of large losses on firms & households is Insurance. It has now become an integral and growing part of the financial sector and is poised to contribute significantly to economic growth and efficient allocation of resources through transferring risks as well as extending helping hands towards the distressed people at the time of their crisis.

Amongst the general insurance companies in Bangladesh, Prime Insurance Company Ltd. occupies a prominent position through its sustainable growth and quality in the industry.

Always emphasizing on the current market needs & focusing on our core business, we hope to continue the efforts of upholding and augmenting our standard in future by way of introducing innovative and diversified business products as well as opening new booths and branches where scope of business expansion is available.

Meanwhile, we will focus to develop our capabilities in reaching to the potential clients through building strong customer relationship. We are also planning to arrange more external and internal trainings in coming days for our new and existing employees so as to make them efficient and productive in insurance business.

Furthermore, we are very close to our goal of making our country **Digital Bangladesh** through technological advancement & economic growth. To make it happens, we have shifted away & accelerated the growth of our business particularly in the field of non-traditional business, providing the insurance coverage against ***Home loan, Auto Loan, Mobile insurance, Agriculture Insurance, School Insurance, Credit card fraud & forgery*** and so on for assuring best security to our clients.

We are also planning to develop a realistic framework and concrete roadmap for our farmers introducing ***Agriculture Insurance*** as a risk management strategy. Accordingly we have designed **Weather Index Based Agriculture Insurance** policy and **Livestock Insurance** policy as the safeguard of our rural farmers and save their investment from natural disasters.

Besides, it is evident that women entrepreneurship and their contribution in different sectors in the country are becoming popular day-to-day. This is praiseworthy. But sometimes, they are not aware of their own safety & security in case of any vulnerable situation such as ***bodily injury, accident, burglary, social harassment*** and many more. So, thinking comprehensively, we have launched a special insurance coverage '***Avijita***' for the women of Bangladesh which would provide them the security against the mentioned perils. This will also assure them to plan for a better future.

Nevertheless, our focus is always to maintain service quality and also bring up the standard & innovative products in the market to remain on the competitive edge and meet the current market demands. We are very optimistic, honest and sincere to lead the market by 2017.



Our BRANCHES

	Branch Name & Location	Head of Branch/In-Charge	Contact No.
Dhaka	**Narayangonj Branch** 78, Banga Bandhu Road (3rdFloor), Fazar Ali Trade Centre, Narayangonj. E-mail: narayangonj-branch@prime-insurance.net	Basudev Chakrabarty Additional Managing Director	01713331821 7631936
	VIP Road Branch Paramount Heights, 65/2/1, Box Culvert Road, (2nd Floor), Flat # 2C1, PuranaPaltan, Dhaka. E-mail: viproad-branch@prime-insurance.net	Gouranga Chandra Misra Sr. Executive Vice President	01713331856 7126311
	Mohakhali Branch GPF–93(2nd Floor), Mohakhali, Dhaka. E-mail: mohakhali-branch@prime-insurance.net	Mohammed Monirul Alam Executive Vice President	01713331820 9886177
	Principal Branch 12, Dilkusha C/A, Phoenix Bhaban (3rd Floor), Dhaka-1000. E-mail: principal-branch@prime-insurance.net	Uttam Kumar Bhowmick Senior Vice President	01711628695 02-9561361 02-9514126
	Central Development Unit (CDU) Unique Heights (9thFloor), 117 KaziNazrul Islam Avenue, Dhaka-1000	Monobrata Roy Senior Vice President	01713331837 55138659
	Gulshan Branch Hosna Center (2nd Floor), Suit # 207, 106 Gulshan Avenue, Gulshan # 2, Dhaka. E-mail: gulshan-branch@prime-insurance.net	Abdul Kader Mia Vice President	01755605888 9890263
	Kawranbazar Branch BGMEA Complex Block# B(5thFloor), 23/1, Panthopath, Link Road, Kawranbazar, Dhaka. E-mail: kawranbazar-branch@prime-insurance.net	K. M. Mostahid Vice President	01713331833 02-9126685
	Rajuk Avenue Branch Rahmania International Complex (11th Floor), 28/1-C Toyenbee Circular Road, VIP Road, Motijheel, Dhaka-1000. E-mail: rajuk-branch@prime-insurance.net	Md. Kamrul Hassan Vice President	01730785334 7194043 7194047
	Bangshal Branch 91, Shahid Nazrul Islam Sarani (3rdFloor), North South Road, Dhaka E-mail: bangshal-branch@prime-insurance.net	Md. Mozammel Hossain Vice President	01713331841 9563197
	Motijheel Branch 72, Dilkusha (4th Floor) C/A, Dhaka. Email: motijheel-branch@prime-insurance.net	Abu Zergam Md. Rezwanul Haque Senior Assistant Vice President	01713331840 9564100
	Savar Branch Biswas Tower (3rd Floor),Baipail, Ashulia, DEPZ, Savar, Dhaka. E-mail: savar-branch@prime-insurance.net	Md. Nurul Absar Deputy Manager	01755630972
	Mirpur Branch 184, Razia Plaza, Senpara Parbata, Rokeya Sarani, Mirpur#10, Dhaka. E-mail: mirpur-branch@prime-insurance.net	Tanvir Sikder Shawon Operation Manager & In-Charge of Branch	01714294571 9007192

	Branch Name & Location	Head of Branch/In-Charge	Contact No.
Chittagong	**Kadamtali Branch** Rahat Centre (1st Floor), 295, D. T. Road, Kadamtali, Chittagong. E-mail: kadamtali-branch@prime-insurance.net	Mainul Islam Chowdhury Executive Vice President	01730358444 031-2529225
	Agrabad Branch Akhteruzzaman Center, Agrabad Commercial Area, Plot no-21 & 22, 7th Floor, Mouza-Ghosaildanga, Double Mooring, Chittagong. E-mail: agrabad-branch@prime-insurance.net	Mehrunnesa Shimul Deputy Manager	01755630974 031-715907
Rajshahi	**Pabna Branch** A U Center (3rd Floor), Holding # 864, Sonapotty, Dilalpur, Pabna. E-mail: pabna-branch@prime-insurance.net	Md. Mijanur Rahman Sr. Executive Vice President	01713331843 0731-64124
	Rajshahi Branch Shaheb Bazar, Natore Road, Rajshahi. E-mail: rajshahi-branch@prime-insurance.net	Fazal Mahmud Senior Assistant Vice President	01711855776 0721-775277
	Bogra Branch 1st Floor, Tip Top Traders, Zilder Market, Ideal School Lane, Boragola, Bogra. E-mail: bogra-branch@prime-insurance.net	Md. Mahfuzul Bari Manager	01766887088 051-60960
Khulna	**Khulna Branch** Nizam Chamber (3rd Floor), 7, Old Jessore Road, Khulna. E-mail: khulna-branch@prime-insurance.net	SK Rajvir Islam Operation Manager & In-Charge of Branch	01756989839 041-731164, 041-731420
Barisal	**Barisal Branch** 95, Sadar Road (2nd Floor), Barisal. E-mail: barisal-branch@prime-insurance.net	Abdul Halim Khan Vice President	01713331844 0431-64426
Booth Office	**Ekuria Booth** Room # PO-01, Hasnabad Super Market, (1st Floor) Keranigonj, Dhaka. E-mail: ekuria-booth@prime-insurance.net	Md. Mozammel Hossain Vice President In-Charge of the Booth	01713331841 9563197



MAARSTOCK

Profile of
HEAD OF BRANCHES



Basudev Chakrabarty
Additional Managing Director and Head of Narayangonj Branch

Mr. Basudev Chakrabarty joined Prime Insurance Company Ltd in July 1996 as an AVP and Head of Narayangonj Branch. He is associated with various social, cultural & religious organizations. During his service career, he received a lot of awards for his excellent performance. At present, he holds the position of Additional Managing Director of the Company and also the Head of Narayangonj Branch. He was awarded foreign tour to London, Singapore, Malaysia and Bangkok for his excellence in performance in the Company. Mr. Chakrabarty is associated with many social and religious organizations in the periphery of his job location and is a veteran devotee towards the works for humankind.



Md. Mijanur Rahman
Senior Executive Vice President and Head of Pabna Branch

Mr. Md. Mijanur Rahman joined Prime Insurance Company Limited in 1996. At present, Mr. Rahman is holding the position of Senior Executive Vice President and Head of Pabna Branch. He has 26 years of working experience in the insurance industry including 20 years of service in Prime Insurance Company Limited. Mr. Rahman is associated with many social organizations in the periphery of his job location.



Gouranga Chandra Misra
Senior Executive Vice President and Head of VIP Road Branch

Mr. Gouranga Chandra Misra joined Prime Insurance Company Limited as a Manager in 1996. For his excellent performance in the job, he was promoted to the post of Senior Executive Vice President and Head of VIP Road Branch of the Company. He has completed various basic training courses on insurance from Bangladesh Insurance Academy (BIA) & attended various in-house and external training programs and workshops. During his service period, he received a lot of awards for his excellent insurance career.

AMR STOCK



Mohammed Monirul Alam

Executive Vice President and In-Charge of Mohakhali Branch

Mr. Mohammed Monirul Alam is the Executive Vice President (EVP) & In-Charge of Mohakhali Branch of Prime Insurance Company Ltd. Prior to this, he was the Head of Administration Department of the Company. He joined the Company as Senior Vice President (SVP) in 2008. He has enriched his career through completing successfully the 'Qualifying Examination' in Bangladesh Insurance Academy & also attending diverse training programs. Mr. Alam is a veteran sportsman and participated in international level from Bangladesh especially in rowing.



M. Mainul Islam Chowdhury

Executive Vice President and Head of Kadamtoli Branch

Mr. M. Mainul Islam Chowdhury joined Prime Insurance Company in 2010 as Senior Vice President and Head of Kadamtoli Branch. He has altogether 24 years of experience as Branch Head in private insurance sector. During his 24 years of service, he has achieved several annual best performance awards from different Insurance Companies. Currently, he is holding the position of Executive Vice President and Head of Kadamtoli Branch of the Company.



Uttam Kumar Bhowmick

Senior Vice President and Head of Principal Branch, Dhaka

Mr. Uttam Kumar Bhowmick joined Prime Insurance Company Limited in 1999 as Senior Executive Officer in the Underwriting Department of the Principal Branch. Now he is holding the rank of Senior Vice President & Heading the Prime's Principal Branch. He has 22 years working experience in Underwriting. During his insurance career, he has taken several professional trainings from BIA, DCCI, FBCCI, Bdjob.com including in-house training program and attended various seminars and workshops relating to insurance.



Monobrata Roy

Senior Vice President and Head of Central Development Unit (CDU)

Mr. Monobrata Roy joined Prime Insurance Company Ltd in 2000 as a Manager of Principal Branch. He completed his graduation from Dhaka University in 1987. He has 27 years proven experience in insurance sector. He has achieved best performance award many times from Prime Insurance Company Ltd. At present, he is holding the position of Senior Vice President & Head of Central Development Unit (CDU) of Head Office. He also served as Head of Savar and Mirpur Branches. Mr. Roy participated in various insurance related trainings from BIA and attended various workshops relating to Insurance Marketing & Underwriting.



Abdul Halim Khan

Vice President and Head of Barisal Branch

Mr. Abdul Halim Khan joined Prime Insurance Company as an Executive Officer in 1996 at Barisal Branch. He is associated with various social, cultural & religious organizations. He is a Member of Barisal Club Ltd. At the beginning of his service life, Mr. Khan joined Bangladesh General Insurance in 1989 as In-Charge of Barisal Branch. He has 26 years of experience in insurance sector. At present, he is holding the position of Vice President & Head of Barisal Branch of the Company.



Khondker Md. Mostahid

Vice President and Head of Kawranbazar Branch

Khondker Md. Mostahid joined Prime Insurance in the year 2010 as an Assistant Vice President. He has attended training on Basic Course of Insurance Business Underwriting from Bangladesh Insurance Association (BIA). He also obtained in house training program of the Company and various training from reputed organizations. At present, Mr. Mostahid is the Vice President and Head of Kawranbazar Branch.



Md. Kamrul Hassan

Vice President and Head of Rajuk Branch

Mr. Md. Kamrul Hasan joined Prime Insurance Company Limited in Rajuk Branch, Dhaka in 2013. Prior to joining Prime Insurance he had successfully completed external Basic Training Course from Bangladesh Insurance Academy (BIA) in the year 1998. Mr. Hassan has altogether more than twenty years of experience in his career in General Insurance Industry. Presently, he is the Vice President and Head of Rajuk Branch of the Company.



Md. Mozammel Hossain

Vice President and Head of Bangshal Branch

Mr. Md. Mozammel Hossain joined Prime Insurance Company in the year 1999 as a Junior Executive Officer and he was posted at Bangshal Branch of the Company. For his successful business capability in the year 2009, Mr. Hossain was assigned as the Head of Bangshal Branch. Currently, he is holding the position of Vice President and Head of Bangshal Branch.



Mr. Abdul Kader Mia

Vice President and Head of Gulshan Branch

Mr. Abdul Kader Mia has joined Prime Insurance Company Limited as Vice President and In-Charge of Gulshan Branch. Prior to joining Prime Insurance Limited, he was serving Trust Bank Limited as Branch Manager, Chandpur Branch. During his association with Trust Bank Limited for last 9 Years and 6 Months, he worked at Narsingdi Branch, Sena Kallayan Branch, Mirpur Branch & Mohakhali Branch in various departments specially Credit & Foreign exchange departments. He completed his MBA with major in Finance & Accounting from Asian University of Bangladesh.



Abu Zergam Md. Rezwanul Haque

Senior Assistant Vice President and Head of Motijheel Branch

Mr. A. Z. M. Rezwanul Haque is holding the position of Senior Assistant Vice President and Head of Motijheel Branch of the Company. Before becoming head of Motijheel Branch he had worked for 18 years in Accounts Department of the Company since his joining in 1996. He obtained his M. Com in Management from the University of Rajshahi. He has participated in professional training on standardization of Annual Report Managing Finance organized by ICSB, DBI and bdjobs.



Fazal Mahmud Tulu

Senior Assistant Vice President and Head of Rajshahi Branch

Mr. Fazal Mahmud Tulu joined Prime Insurance Company Ltd in 2000 as a Senior Executive Officer and Head of Rajshahi Branch. He completed his Masters in Political Science from Rajshahi University. During his insurance career, he has participated in different training program such as Basic Course on General Insurance with special emphasis on Marketing and Fire Insurance Underwriting and Claims from Bangladesh Insurance Academy (BIA). At present, he is holding the post of Senior Assistant Vice President and Head of Rajshahi Branch.



MD. Mahfuzul Bari

Manager and Head of Bogra Branch

Mr. Md. Mahfuzul Bari joined Prime Insurance Company Limited in the year 2016 as Manager and Head of Bogra Branch. He obtained his B.A (Hons.) from Govt. Azizul Haque University College, Bogra & also completed Diploma in Business Administration from London Business College and L.L.B from Gloucester Shire University, UK. He has completed in-house Basic Course on General Insurance from Prime Insurance Company Ltd.



Mehrunnesa Shimul

Deputy Manager and In-Charge of Agrabad Branch

Ms. Mehrunnesa Shimul joined Prime Insurance Company Limited in 2011 as Assistant Manager at Agrabad Branch. She has completed her BSS & MSS in Philosophy from the University of Chittagong. She has attended diverse in-house training such as Basic Knowledge of General Insurance, Customer Relationship & Health Insurance from local and foreign insurance experts. At present, Ms. Shimul is holding the position of Deputy Manager & In-Charge of Agrabad Branch.



Muhammad Nurul Absar

Deputy Manager and Head of Savar Branch

Mr. Muhammad Nurul Absar joined Prime Insurance Company Limited in July 2011 as an Assistant Manager in Business Development Cell. He was promoted as Deputy Manager & assigned to the Head of Savar Branch in September 2014. Mr. Absar completed his MBA Degree from UODA (University of Development Alternative) with Major in Accounting & Finance in 2011. He also completed MBS (Masters in Business Studies) with major in Accounting from National University of Bangladesh. During his insurance career, he has attended in-house trainings like Basic Knowledge of General Insurance, Customer Relationship & Health Insurance from various local and foreign insurance experts.



SK. Rajvir Islam

Assistant Manager and
In-charge of Khulna Branch

Mr. Sk. Rajvir Islam joined Prime Insurance Company Limited in 2016 as Assistant Manager and he has been posted at Khulna Branch. Mr. Islam obtained his B.A (Hons) & M.A in Islamic History and Culture from Govt. P.C. College, Bagerhat with good academic feats. He has completed in-house Basic Course on General Insurance from Prime Insurance Company Ltd. At present he is the In-Charge of Khulna Branch of the Company.



Tanvir Sikder Shawon

Senior Officer and Operation Manager of Mirpur Branch

Mr. Tanvir Sikder Shawon joined Prime Insurance Company in the year 2014 as a Senior Officer at Head Office. After successful training he was transferred to Kawran Bazar Branch from Head Office. Prior to this appointment he was at MAX GROUP (The Largest Railway Track Construction Company in Bangladesh) as Junior Executive, Marketing Department.

He has obtained various training on basic course of Underwriting from BIA, In house training program and attended other training in reputed organization. At Present he is serving as Senior Officer and Operation Manager of Mirpur Branch. He has completed his MBA (Major in Finance) & BBA (Major in Marketing) from University of Liberal Arts Bangladesh (ULAB).

Corporate
OPERATIONAL TEAM

Chief Executive Officer
Mohammodi Khanam

Addl. Managing Director
Basudev Chakrabarty

Deputy Managing Director
Syed Monirul Huq

Assistant Managing Director
Sujit Kumar Bhowmik

Senior Executive Vice President
Gouranga Chandra Misra
Md. Mijanur Rahman
Badal Chandra Rajbangshi
Md. Delwar Hossain

Executive Vice President
Mohammed Monirul Alam
Mainul Islam Chowdhury
Md. Shahid Hossain

Senior Vice President
Md. Lokman Hossain
Kamal Pasha
Shaikh Abu Sayeed Salim
Uttam Kumar Bhowmick
Kazi Farjana Rahman
Monobrata Roy

Vice President
A.A.M Zahed Nizam
Abdul Halim Khan
Kamrul Hassan
Nazrul Hasan
Mozammel Hossain
Mahbubur Rahman
Khandker Md. Mostahid
Uttam Kumar Saha
Rouksana Malake
Rehana Akter Ruma
Abdul Kader Mia

Senior Assistant Vice President
Fazal Mahmud Tulu
Abu Zergam Md. Rezwanul Haque
Md. Easin Ali Khan
Zaheda Khatun
Abdul Halim

Assistant Vice President
Shamima Nasrin
Zahid Hossain
Asaduzzaman Mia
Bahadur Hossain
A.K.M Mahbubur Rahman
Md. Lalchand Khan
Md. Harun-Or-Rashid
Syed Mokbul Ahmed
Anwar Shameem
Samsunnahar Sumi



AMARSTOCK



Prime Insurance Company Limited



Board of **Directors & the Management**

Chairman's STATEMENT



In The Name Of Allah, The Most Merciful, The Most Graceful!

Distinguished Shareholders,

It is a great pleasure and pride being able to extend a warm welcome to all of you at the 21st AGM of Prime Insurance Company Ltd and to present the financial performance and achievements of the Company for the year ended December 2016.

To begin with, on behalf of the Board of Directors and from myself, let me express my heartfelt gratitude for your continued support to our mission. It is your kind patronage that has always resulted in unswerving success for this Company.

It adds to our delight and dignity to note that, we are now a two-decade old Company. We are adamant on delivering the promise of quality services to our esteemed Clientele and satisfaction to all of you-our Honorable Shareholders.

Business Environment & Performance

The year 2016 was a significant period for our Company in its journey. It was a time of achieving higher goals requiring stronger determination.

The last year was not a smooth sailing as some unexpected financial crimes such as **Theft of Reserve** from Bangladesh Bank occurred by unknown hackers and **ATM Robbery** occurred in few ATM Booths of some private banks. Besides, the terrorist attack in the country created a panic into the minds of national and international people. Private sector and foreign investors felt insecure investing in Bangladesh.

In spite of the adverse economic situations in 2016, the Company was able to underwrite moderate amount of business due to earnest enthusiasm and relentless effort by all of our employees, support from the respected clients & the shareholders and above all, the valuable inputs and monitoring of the Board.

I express my profound gratitude to each of them and look forward to receiving their continuous support throughout the coming years. In Sha Allah, we will be able to achieve notable business growth in 2017 as our Management is capable enough to shape the Company's business strategy cautiously coping up with the nation's economic condition and of course the current insurance business scenario.

I am proud to announce that Prime Insurance is now one of the leading non-life insurance companies in the country.

I am pleased to pronounce that the Company has met its desired expectation of profitability.

Valued Shareowners,

We take responsibility for protecting our clients, thus serving as a source of security and safety for them. Our strategy of serving unique client segments with a broad range of products continues to strengthen its competitive position. In last two years Prime Insurance launched several new coverages: Group Health Insurance, Hajj & Umrah Insurance, Avijita (a health insurance product for women entrepreneurs) and Bankers Blanket Bond Coverage (BBB) to ensure the security and serenity of our clients and countrymen as well. All these new products already earned a good reputation in the industry within a short span of time. Hence, to increase client's satisfaction even further, we will analyze clients' needs in detail and continue to provide them with high-value-added services. Through our efforts towards sound business management, we pay insurance claims and benefits reliably.

Good Governance

I would like to restate that our Board maintains its effective role in policy formulation and discharges best possible Corporate Governance. The Board has always remained focused on maximizing shareholder's value through formulating policies and guidelines towards ensuring sustainable profitability, minimizing risks and establishing good governance in all spheres of company's operation. The Management of the Company highly prioritizes Corporate Governance. The Board has included two Independent Directors as per section 76(1) of Insurance Act, 2010.

Remuneration Committee

With a view to ensuring our staff's interests, the Board at its 283rd meeting has formed a Remuneration Committee as a subcommittee of the Board on 26-11-2016.

The remunerations paid to all level of employees are determined by the pay scales as approved by the Board of Directors. They are revised from time to time, keeping consistency with other companies. The Remuneration Committee makes recommendations to the Board for its consideration and final approval of remuneration related

policies. Company's Human Resources Department fixes salaries and remuneration to the employees as per set pay scales mentioned above. Management ensures that all employees are remunerated fairly.

Transparency and Accountability

Prime Insurance Company always tries to ensure transparency and accountability at all levels of doing business. The company has segregated duties and responsibilities between the Board & Management in order to provide sustainable profitability, minimize risks and establish good governance in all spheres of company's operation. It is our transparency and accountability which led us to achieve the ISO 9001:2008 certifications in the year of 2011 for the Quality Management System and which we are maintaining till now. Further, like the previous two years, in 2016 we have also accredited with A+ (Single A plus) by the Credit Rating Information and Services Limited (CRISL) for the year 2015 which also indicates our sincerity & proficiency.

Corporate Responsibility

Since its inception, Prime tried to enrich economic & social indicators of the society by supporting the sectors of **Education, Poverty Elimination, Living Standards, Healthcare & the Green Environment.**

Students' Scholarship is Prime's noble initiative and recently, the Company has raised a fund to provide scholarships to the bright students of Banking & Insurance Department of University of Dhaka who are financially insolvent. We will increase the fund in the near future to provide the students with better support.

Considering the growing importance of tree plantation to prevent climate change, Prime Insurance has taken up tree plantation initiative **"Plant for the Future"** with the objective to contribute to environment preservation as part of its Corporate Social Responsibility. Under this program, Prime Insurance is giving indoor plants to respected clients as a gesture of goodwill and to encourage them in creating a sustainable environment.

Contribution to National Exchequer

The company continues its contribution to nation building through paying of tax and developing human resources. In 2016, we contributed BDT 122 million as Corporate Tax, Value Added Tax and other levies. To ensure a sustainable growth of the country, our tax contribution to the national exchequer will be consistent.

Award & Achievement

I am proud to pronounce that the Company has been bestowed with a number of awards and recognition at home and abroad: 16th, 14th & 13th ICAB National Award for Best Presented Annual Report for the year 2015, 2013 & 2012 respectively, Silver Award for Corporate Governance Excellence for the year 2014 & 2013 from ICSB, Certificate of Merit Award from South Asian Federation of Accountants (SAFA) for the year 2013, 2014 & 2015, Certificate of Merit-2012 as the Best Corporate in General Insurance Sector by the Institute of Cost and Management Accountants of Bangladesh (ICMAB).

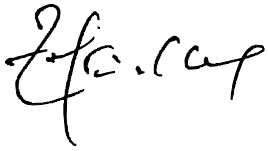
Future Outlook

Prime Insurance Company is always concerned about protecting the interest of all its business partner clients and stakeholders. I am convinced that with the strength of our strong management team, the dedicated & hardworking employees, our well-built IT & online support, existing and new innovative products, customer service and with the support of our clients and stakeholders, we will continue on our course towards sustainable & profitable growth.

Appreciation

In conclusion, I want to acknowledge my heartfelt thanks to the management team and all the employees of Prime Insurance for their hard work and dedication in delivering outstanding results. I also acknowledge my sincere appreciation to my fellow Board of Directors for their guidance and counsel and for their invaluable support in shaping the success of the company during the reported period.

Thank You,



Md. Zakiullah Shahid
Chairman



CEO's
ROUNDUP



Respected Shareholders,

It is delight and honor for me in presenting the performance of your Company for the year 2016. Prime Insurance left behind another year in terms of its quality business, product innovation & reinforcement.

Our glorious journey was continued with automated services and expanding & continuing with some unique products in the industry.

At this joyful moment, I feel proud in greeting you with warm wishes on behalf of my blissful colleagues in the Management and on my personal behalf. I also express my sincere and earnest gratitude to the honorable Board of Directors of Prime Insurance for giving me the opportunity to work as the CEO of this great institution.

Taking this privilege, I congratulate as well as express my heartfelt thanks and gratefulness to our valued Business Partner Clients, Patrons, Well-Wishers and honorable Shareholders for their dynamic support, collaboration and hearty relationship with us that enabled the Management team to take the Company to this height. Prime Insurance stands now as one of the leading non-life insurance companies in Bangladesh.

Prime's Achievements

Our journey in the calendar year 2016 was far tougher than the previous years. The year 2016 is particularly characterized by tough underwriting conditions stagnated by stiff competition and other multifaceted circumstances. As such, Prime Insurance changes the policy. We have given our focus more for quality business. However, Prime Insurance has managed to maintain its sustainability.

Likewise, we have been bespoke in our approach to run the business smoothly overcoming the tough situation and are pleased to inform that our business has been moderate. We gladly inform you that we have earned a substantial amount of profit from investment in shares.

Accordingly, our Board this year has termed 2016 as a year of consolidation, compliance and cost reduction. More than ever, we need to focus on costs. This will be strategic battleground for the financial service industries in the future and we must do things differently if we are to flourish.

Prudent Approach

We believe our success depends on our ability to drive the growth, meet up the market demands, bring diversification in our products & services including quality of the risk pool. We paid our special attention to the risk management policy. Therefore, our approach towards taking risk was calculative & well thought out.

We continue refining our risk management processes through investing time & resources to analyze and minimize the risks as a Company and as an industry leader because we firmly believe that insurers must be seen as the assuring policyholders & professional risk manager for the clients who shall meet out the claims with urgency and efficiency when misfortune strikes.

Our Strength

Today, where we have positioned ourselves, our achievement and our success, all have been possible only due to the untiring support and cooperation of our valued business partner clients, tenacious and efficient staff, and guidance from our Board of Directors, professionally qualified executives and finally an excellent team work.

Prime's corporate ethics are grounded in good governance, statutory compliance and transparency. The Company has been regularly recognized by independent bodies for the values underpinning its business and is proud to be a standard bearer for the Non-Life Insurance Sector of Bangladesh.

From the commencement, Prime has embarked on a journey to grow its capabilities and become larger and better–through launching new technology, **new products, new sales teams, new sales channels, new policies** and so on.

Our Products:

An enriched diversified product portfolio has made Prime distinctive from other insurance companies in the industry. The Company already enhanced its regular products-i.e., **Marine, Fire, Burglary, Motor, Engineering, Aviation** & various types of miscellaneous accidental insurance and some special products such as; **Hajj & Umrah Insurance; 'Prime Health Plan'**-a very unique & attractive non-life Health Insurance Policy; **'Avijita'**, a special insurance product for the Women; **Bankers Blanket Bond (BBB) Coverage** which works as a safeguard for the Banks to face any financial crisis, cyber crimes, as well as plays an important role in the GDP growth of Bangladesh and **Shipbuilders Liability Insurance** etc.

To attend the existing clients' need, by this time, the Company already introduced some exclusive insurance solutions through Bank/Financial Institutions such as **Home Loan, Auto Loan**.

I believe we have taken up the right strategy and right people who can clutch the benefits from opportunities to handle efficiently & professionally in case any adverse situation arises.

Future Stance

Always emphasizing on the current market needs & focusing on our core business, we hope to continue making our every effort for upholding our standard in the future. We would march forward accomplishing plans, projects and strategies which are being undertaken for giving comfort to our business partner clients and of course other stakeholders in 2017 & onwards.

We are confident enough that the underlying resources & strengths of the Company, diversified business approaches, strong financial footing for on time claims settlement, unique products portfolio, creativity & capability in bringing innovative products in the market will surely pave the way to meet our goal as well as establish ourselves as the market leader.

Prime Insurance has achieved its name and fame as the pioneer of innovative products in the industry. To maintain pace with the trends of the Asian Insurance Market, Prime Insurance has been working to enrich & expand its product line through adding more exclusive products, like Crop insurance, Agro based insurance, Live Stock, Bancassurance policy terrorism coverage etc.

Commitments & Deliveries towards Clients through different Approach

As our goal is to shape the company into an institution of excellence, we are always moving forward with our commitment delivering exclusive & diversified products and faster services to our valuable clients through engaging different approaches keeping in mind that clients' **happiness is our ultimate aspiration**.

With a view to providing faster services to the potential insured, the Company has established a separate specialized business unit comprising the operation of all types of insurance business, namely **'Central Development Unit (CDU)'** from Head Office, approved by IDRA, so that the clients could meet up their all types of insurance needs and enjoy prompt services from queries to claim settlement, and over and above, save their time.

Through CDU, the Company also gets the opportunity to underwriting all the specialized business directly from Head Office under the support of our expert Management Team.

To maintain Company's focus on improving response time in customer services, the Company realizes the necessity of using updated technology in every possible area of services and accordingly, developed IT infrastructure including efficient software solution based on entirely online system and also developed various mobile applications- which are designed to offer excellent customer services as well as prompt settlement of claims.

In conclusion, we sincerely hope our nation and the global economy stand at a stable position. In the coming year with the best wishes from all of you, and sincere efforts put in by our colleagues, we are confident to do better than before.

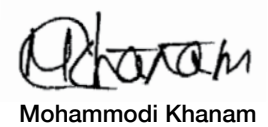
I express my heartfelt gratitude towards our respected business partner clients, the regulatory authority (IDRA), other regulatory bodies, and everyone of the Prime family.

Finally, my special thanks goes to our Hon'ble Chairman and the Members on the Board for their pragmatic vision, valuable input & patronage and the prudent Management Team for the commitment in expediting & implementing our strategy over and above building the Company in a tougher time.

Prime has a fantastic heritage of negotiating in challenging time & situation and has the acumen to anticipate the difficult environment in the foreseeable future. We are confident to execute our long-term strategy successfully and meet our goals with the continued dedication and commitment of our people.

Because, we believe, **Together as Prime Family, we will flourish and sustain successfully.**

Thanking You All



Mohammodi Khanam
Chief Executive Officer

Profile of the CHAIRMAN OF THE BOARD



Md. Zakiullah Shahid
Chairman

Mr. Md. Zakiullah Shahid was re-elected as the Chairman of the Board of Directors of Prime Insurance Company Limited at its 276th Board Meeting held on 30 March 2016. He was the Chairman of the Company during the year 2002, 2007 and 2015. He is a dynamic entrepreneur and also a Sponsor Director of the Company.

Born on 21 June 1966 in a respectable Muslim family, Md. Zakiullah Shahid had his schooling and higher secondary education in Ispahani Public School & College, Comilla Cantonment and Dhaka College, Dhaka respectively. Mr. Shahid obtained MSS Degree on Public Administration in the year 1987 from the University of Dhaka. At present, he is the Managing Director of Electra International Limited, Electra Telecom Limited and Chairman of Federal Securities & Investment Limited.

He is a life member of Dhaka Club Limited and Mohammedan Sporting Club Limited. His contributions towards socio-cultural and professional activities are quite remarkable.

Profile of the
DIRECTORS ON THE BOARD



Nazma Haque
Vice Chairman

Ms. Nazma Haque was elected as the Vice Chairman of the Prime Insurance Company Limited at its 276th Meeting of the Board of Directors held on 30 March 2016. She was the Chairman of the Executive Committee of the Board of Directors of the Company in the year 2015.

Ms. Haque is a reputed businesswoman. She has completed her Graduation in Economics from the University of Dhaka. She is the Executive Director of Bangla Trac Ltd, Chairman of Anirban Enterprise Ltd and also Director of Asian Gate Ltd, ACORN Limited and THANE Technology.

Beside these Ms. Nazma Haque is an active social worker and deeply engaged in Social Welfare programs in Rajshahi. She is one of the founders of Bangla Trac Cricket Academy, located in Rajshahi and engaged in training underprivileged boys of the locality.

Mr. Shah Muhammed Hasan, after completion of graduation from Pakistan Naval Academy, joined Bangladesh Navy. After that, he served in Bangladesh Inland Water Transport Authority and Chittagong Port Authority. At present, he is the Managing Director of Mariners Bangladesh Limited and Orbit Pharmaceuticals Limited and also Director (Production) of Confidence Cement Limited.

Mr. Hasan started his business career with shipping and clearing & forwarding business in 1984. He has commendable experience in the field of Ports, Inland Water Ways, Shipping Affairs, Cement Industries and other business arena in Bangladesh.

He received Lions' Club International Award, International President's Medal, International President's Leadership Medal (3 times), 100% Governors' Award and Founder Membership Growth Award.

He is a permanent member of Chittagong Club Limited, Chittagong Boat Club Limited and Army Golf Club, Past District Governor of Lions' Club International, life member of Bangladesh Lions Foundation, Chittagong Lions Foundations, Bangladesh Cancer Foundation and Maa-O-Shishu Hospital, Chittagong. He is also involved with Autistic Children Organization of Blind and Hearing impaired Children and in many other social & educational development activities.



Shah Muhammed Hasan
Director



Qazi Saleemul Huq
Director

Former Chairman of the Company, Qazi Saleemul Huq is a Sponsor Director of Prime Insurance Company Limited as well. He is a renowned industrialist and businessman and obtained MBA Degree from IBA of University of Dhaka in the year 1979. He started his business career in 1972 through trading and import. Later on, he set up GQ Ball Pen Industries, a pioneer in production of Ball Point Pen in the country in 1981. Subsequently, GQ Group of Companies engaged in manufacturing of fertilizer bags, snack foods, mosquito coil, plastic furniture, writing equipments etc. He is the Chairman of GQ Group of Companies. He is also the former Chairman of the Board and the Executive Committee of the Board of Directors of Prime Bank Limited. His association with the above mentioned well reputed organization makes him a forward looking and progressive businessman who has already reached a fortunate height. He has got expertise in the sector of Bank, Insurance and Financial Institutions.

Mr. Huq received IBA Alumni Association award for recognition of outstanding contribution in the field of Entrepreneurship Development in 1992. Dhaka Stock Exchange awarded him "Best Performance Award" in 1986. Dhaka Chamber of Commerce & Industries also awarded him in 2002. He is an active member of Kurmitola Golf Club, Army Golf Club, Gulshan Club and Uttara Club. He is involved in various social and educational development activities.

Ms. Saheda Pervin Trisha is a young and promising entrepreneur. She did her MBA from the faculty of Business Studies, University of Dhaka in the year 2002. She was a Director of Prime Bank Limited. Now, she is a Director of VIP Shahadat Cold Storage, VIP Shahadat Poultry & Hatchery and Rangpur Agro Industries. She has got admirable experience in Agro-based Management and HRM.

Ms. Trisha is member of Rotary Club, Rangpur and Inner Wheel Club, Rangpur. She is also associated with the employment generation in agriculture sector and the establishment of various school, college & madrasha in Rangpur District. She is a member of Dhaka Army Golf Club.



Saheda Pervin Trisha
Director



Sabiha Khaleque
Director

In addition to involvement as Director of Prime Insurance Company Limited, Ms. Sabiha Khaleque is also a Director of Prime Islami Life Insurance Company Limited. She was also a Director of Prime Finance & Investment Limited and Maksons Bangladesh Limited. Ms. Khaleque has traveled various countries for business purposes. She is associated in the establishment of a good number of educational institutions such as School, College, Madrashas and Kindergartens. She is actively involved with a number of social & cultural organizations.



Gole Afroz Banu
Director

Ms. Gole Afroz Banu is a well-known business woman and industrialist. She was a Director of Prime Bank Limited and Bogra Cotton Spinning Mills Limited. Apart from her participation as Director in Prime Insurance Company, she is a Director of GETCO Telecommunications Limited.

Ms. Gole Afroz Banu involved herself with a few number of socio-cultural organizations.



Nilufar Hossain
Director

Ms. Nilufar Hossain obtained her MSS Degree from the University of Dhaka in 1982. After her education, she has established herself as a sound and dynamic business woman of the Country. She is associated with DEKKO Group and Director of a number of Companies under DEKKO Group, namely DEKKO Garments Limited, DEKKO Apparels Limited, DEKKO Fashions Limited, DEKKO Foods Limited, DEKKO Design Limited, DEKKO Accessories Limited, DEKKO Ready Wears Limited, DEKKO Oil Refinery Limited, DEKKO Airnet Limited, Agami Fashions Limited, Agami Apparels Limited, etc. Her versatile and diversified business affiliation has made her a leading businesswoman in the trade. She has notable contributions in the socio-economic development of the Country.



Rahela Hossain
Director

Ms. Rahela Hossain is a prominent businesswoman. After completion of her education, she devoted herself to business activity at Chittagong. Ms. Hossain is the proprietor of Samira Electronics. She has notable contributions in socio-cultural organizations. She is a founder member of Aslam Smriti Foundation located at Raozan, Chittagong-an organization working for poverty alleviation. She always extends her hands to the needy meritorious students to acquire knowledge for their future development

KAMAR STOCK



Hasina Khan
Director

Ms. Hasina Khan is a renowned businesswoman and Director of Pedrollo Group, Polyexprint Limited, Poly Tape Limited, Polyex Laminate Limited, Pedrollo Dairy & Horticulture Limited, Halda Valley Tea Company Limited, PNL Holdings Limited and PNL Water Management Limited. She is also proprietor of Khan Traders. An eminent social worker Ms. Khan is a member of Khulsi Lions' Club, Chittagong and also a member of Lion Moklesur Rahman Foundation, Chittagong.



Tahera Akhter
Director

Ms. Tahera Akhter, a Graduate of Eden College, is an eminent businesswoman. She has established herself as a sound & dynamic entrepreneur, who has built Popular Group. She is the Chairman of the Popular Group having multifarious dimensions of Medical Services like Popular Hospital, Popular Pharmaceuticals Limited, Popular Medical College and Popular Diagnostic Centre. Expertise in health services, Ms. Tahera Akhter is connected with a good number of social and cultural organizations.



Mahabuba Haque
Director

Ms. Mahabuba Haque is an entrepreneur with expertise in different realm of business for the last 2 decades. She is the Director of Manama Group, involved in the real estate sector and one of the biggest importers of fertilizers and food grains. Ms. Haque is the major shareholder of Manama Developments Limited (Manama Group). By virtue of her proprietorship concerns, M/s. Ovi Traders and M/s. Agrani Traders, she manages her import operations. She has been actively involved in insurance business since 1996.

In recent times, Manama Group has diversified into food industry with the formation of Manama Food & Agro Limited, Ms. Mahabuba Haque being the founding Chairman. Furthermore, she is the Lifetime Member of Bangladesh Flying Academy. She is also involved with a number of socio-cultural organizations.



Dr. Fatema Raushan Jahan
Director

Dr. Fatema Raushan Jahan is a physician. She obtained her MBBS Degree from Community Based Medical College, Mymensing in the year 2001.

Dr. Fatema, Specialized in Pediatrics & Child Health, is now working as a Senior Medical Officer at Central Hospital, Dhaka. She is a Director of Mawsons Limited and associated with the insurance business since 1996. She involved herself with a number of socio-cultural organizations.



Shah Alam Babul
Director

Mr. Shah Alam Babul was elected as the Vice Chairman of the Company during the years 2009, 2010, 2011, 2012 and 2015.

After completion of graduation from the University of Chittagong in 1979, Mr. Shah Alam Babul involved himself in different lines of business activities, such as, Shipping, Ship Building and Real Estate Business. He is also the Chairman of Western Holdings Limited; Director of Western Marine Group, Radiant Shipping Limited and Zenith Test Inspection Services, and Managing Director of Nice Food Products, Well-Mart Super Store, Rahat Properties & Developer and Amin Future Park Limited. He has established himself as an icon in the business sector of the Country and proud owner of Ruhul Amin & Brothers, Royal Steamship Company & Alam Trade International.

Mr. Shah Alam received New Millennium Awards, Paris, France for quality of Nice Food Products and International President's Award from the International Association of Lions Club in 2009-2010.

Mr. Shah Alam is the President of Mohammedan Sporting Club, Chittagong and District Governor of Lions Club International, District 315-B4, Bangladesh. He is the permanent member of Chittagong Club Limited, Chittagong Boat Club Limited and Chittagong Senior's Club Limited; life member of Bangladesh Lions Foundations, Bhatiary Golf & Country Club and Maa-O-Shishu Hospital, Chittagong. Furthermore, he has deep affinity and attachment with various socio-cultural activities.



Al-Shadat Duvash
Director

Mr. Al-Shadat Duvash is a renowned business personality of the Country. After completion of Graduation from the National University in 1994, he involved himself in different lines of business activities. He is the Managing Director of Saracen International Limited, Director of Orbit Pharmaceuticals Limited and Proprietor of M. H. Shipping Lines, Premier Diagnostic Center & Eastern Traders.

Besides, Mr. Duvash also involved with a number of social organizations. He is the Life Member of Chittagong Lions Foundation, Chittagong Diabetic Association, Lions Blood Bank & Chittagong Family Planning Association; Member of Maa-O-Shishu Hospital, Regional Chairman (Head Quarters) of Lions International District 315 B-4, Councilor of Chittagong Jila Krira Sangstha; Member of Chittagong Club Limited, Chittagong Seniors' Club Limited & Bhatiary Golf & Country Club.



Mahanur Ummel Ara
Director

Ms. Mahanur Ummel Ara completed her graduation in 1996. Thereafter, she engaged herself with business activities in different areas. Apart from her participation as Director in Prime Insurance Company Limited, she is also a Director of Shepherd World Trade Limited. She is a life member of Gulshan Youth Club Limited and Gulshan Society. She is actively involved with a number of social organizations.



Dil Ara Begum
Director

Ms. Dil Ara Begum, after completion of education, involved herself in import, wholesale and retail of electronics business. She is the Managing Partner of M/s. Super Electronics, Chittagong. Apart from her involvement in Prime Insurance Company Limited, she is the Chairman of Shell Properties Corporation Limited and also the Director of Pam Complex (Pvt.) Limited.

Ms. Dil Ara takes part in various social activities, especially contributes donation to a number of Schools, Colleges, Old Homes, Orphanage Centre at Raozan, Chittagong.

AMARSTOCK



Abu Hasan Khan
Director

Mr. Abu Hasan Khan is representing GQ Ball Pen Industries Limited on the Board of Prime Insurance Company Limited. He obtained M. Com degree from the Rajshahi University in 1975. He started his career from Bangladesh Oxygen Company Limited. Now, he is the Managing Director of GQ Ball Pen Limited. He also holds the status of Director in GQ Ball Pen Industries Limited, GQ Industries Limited, GQ Marketing Limited, and CELLO-GQ Industries Limited.

Mr. Abu Hasan is a permanent member of Uttara Club Limited, life member of Dhanmondi Club Limited and Member of Lions Club International, District 315-B3



Kazi Zahedul Hasan
Independent Director

The Board of Directors of Prime Insurance Company Limited at its 279th Meeting held on 23 July 2016 appointed Mr. Kazi Zahedul Hasan as an Independent Director. He is the founder and Managing Director of Kazi Farms Limited.

Mr. Kazi Zahedul Hasan obtained his M. Arch. Degree from Harvard University, USA. He was a Professor of Department of Architecture at BUET, Dhaka and in the School of Environmental Design, King Abdul Aziz University, Jeddah, Saudi Arabia. He is a Member of the American Institute of Architects as well as the Royal Institute of British Architects. Mr. Hasan was founder and Managing Director of Kazi Fashion Limited for almost 20 years, until selling it in 2002 in order to focus on Poultry.

MARESTOCK



A. Z. M Sazzadur Rahman
Independent Director

Mr. A. Z. M Sazzadur Rahman obtained B.Sc in Mechanical Engineering in 1970 and Post Graduation in Industrial & Production Engineering in 1990 both from Bangladesh University of Engineering & Technology (BUET). He also studied in Railway Foundation Engineering at Heidelberg, FRG (1976), Petroleum Engineering at University of Alberta, Edmonton, Canada (1980) and Coal Technology at University of New Castle, Australia (1990).

Since his graduation from BUET in 1970, he started his professional career in Planning Commission in 1972 as Research Officer. Then, he joined in Bangladesh Railway in September 1972 as an Assistant Mechanical Engineer and served there till 1988 as Chief Mechanical Engineer. Later on, he served as Director, Energy Monitoring & Conservation Centre and various important posts from 1988 to 1996 under Ministry of Energy & Mineral Resources, Government of Bangladesh. Lastly he again served Bangladesh Railway as General Manager, Joint Director General and also Additional Director General from 1996 to 2006. Presently, he works for Bangladesh Public Service Commission as Part Time External Examiner.

Management
COMMITTEE



Seating Left to Right

1. Badal Chandra Rajbangshi, SEVP & Chief Financial Officer-Member
2. Syed Monirul Huq, Deputy Managing Director & Head of Operations- Member
3. Mohammodi Khanam, Chief Executive Officer- Chairman
4. Sujit Kumar Bhowmik, Assistant Managing Director & Head of SBMD, Health Insurance and BCD- Member
5. Md. Delwar Hossain, SEVP & Head of Claims- Member

Standing Left to Right

1. Md. Lokman Hossain, SVP & Head of Accounts- Member
2. Easin A. Khan, ACII (UK), SAVP and Head of Reinsurance Department- Member
3. Md. Lalchand Khan, AVP and Head of Internal Control and Audit Department- Member
4. Rehana Akter Ruma, VP & Head of HRD & Administration-Member
5. Kamal Pasha, SVP & Company Secretary- Member Secretary

PRIME STOCK

Profile of the
CHIEF EXECUTIVE OFFICER

Mohammodi Khanam

Chief Executive Officer



The CEO of Prime Insurance Company Ltd., Ms. Mohammodi Khanam started her career in Insurance Sector as a Trainee Executive Officer in the year 1988 with Peoples Insurance Company Ltd.

Ms. Khanam has completed MSS along with BSS (Honors) in Economics from the University of Dhaka; she has also completed ABIA degree from Bangladesh Insurance Academy. Later on, she joined Green Delta Insurance Company and served for 19 years in various senior positions including, among others, Head of Claims, Head of Branch Control Department etc. Finally she was promoted as Executive Director of the Company.

Subsequently she joined Prime Insurance Company in the year 2011 as Additional Managing Director. She became the CEO of the Company on March 10, 2014. She obtained various trainings in this arena from home and abroad & those professional trainings made her extensively proficient and widely experienced in the insurance sector. She also attended many workshop, seminars & conferences inside the country & also in U.K., Singapore, Bahrain, Srilanka, India etc.

She is also internationally recognized as Trade Finance Specialist by the E- business School of Ireland. She has been awarded the esteemed International Who's Who of Professionals (USA) and also been featured in the 2009-2010 editions of the Madison Who's Who Registry of Executives and Professionals.

By virtue of her experience for more than 29 years in the insurance industry, she has become a regular trainer of Bangladesh Insurance Association and various training institute of private banks. Other than her professional background, she was also attached with Bangladesh Television (BTV) as a regular program announcer since 1981 till 2012 (before performing Hajj).

She is a life member of Dhaka University Alumni Association and Bangladesh Economic Association. Being dedicated for the Charity works, she is also the member of Bangladesh Overseas Ladies Organization (BOLO) U. K., which helps the financially insolvent meritorious student to provide them educational support.

Ms. Khanam is one of the members of Central Rating Committee (CRC), headed by the Chairman, IDRA. She is the pioneer of introducing innovative products & services in the insurance industry which such as **Bankers Blanket Bond (BBB), Hajj & Umrah,** and **Health Insurance** coverage under **'Prime Health Plan'** to address the changing demands of an emerging Bangladesh economy seeking better crafted insurance covers and superior customer services.

Profile of the
DEPARTMENT HEADS



Syed Monirul Huq
Deputy Managing Director and
Head of Operation

Syed Monirul Huq joined the Prime Insurance Company Limited in March 1997 as the Vice President. Prior to joining this company, he had been serving at Green Delta Insurance Company Limited for about nine years. Mr. Huq completed his M. Com. in Accounting from the University of Dhaka. During his 29 years of working experience in insurance career, he has attended various training courses on insurance. At present, he is holding the position of the Deputy Managing Director and Head of Operation.



Sujit Kumar Bhowmik
Assistant Managing Director
Head of SBMD & Health Insurance and Chief of Branch Control & Reinsurance Department

Mr. Sujit Kumar Bhowmik joined Prime Insurance in 1999 as AVP. Prior to his appointment, he was serving in Green Delta Insurance Company Limited as Senior Executive Officer. He obtained extensive training in Underwriting, Claims & Re-Insurance. At present he is serving as AMD and Head of Specialized Business, Market Development, Health Insurance Department and Chief of Branch Control & Reinsurance Department. He attended various seminars/workshops at home and abroad. He is associated with Rotary International. Mr. Bhowmik is a regular trainer of in-house training program of Prime Insurance Company Limited and Bangladesh Insurance Association. He has completed his BSS (Hons) in Economics from the University of Dhaka. He has attended a training program on "Introduction to Lloyd's and the London Market, Introduction to Marine Insurance, Introduction to Fire Risks, Aspects of Reinsurance" in London. Also attended two training programs on "Re-Insurance Fundamentals, Practice & Trends" in Mumbai, India and on "Re-Insurance Contract Treaty Wording, Individual Clauses & Contract Certainty" in Singapore.



Badal Chandra Rajbangshi FCS, ACA
Senior Executive Vice President and Chief Financial Officer

Mr. Badal Chandra Rajbangshi FCS, ACA, joined the Prime Insurance Company Limited as the Chief Financial Officer (CFO) in 2015. Prior to this, he was the Company Secretary of United Insurance Company Limited. In his twelve years' service at United Insurance, he also held the position of the CFO for around nine years. Mr. Rajbangshi worked as a Finance Coordinator in Canadian Resource Team–a Canadian Executive Agency of CIDA for around six years.

Mr. Rajbangshi did his SSC from Sholla High School & College and secured 2nd Position in Dhaka Board and HSC from Dhaka College. He completed B. Com (Hon's) and M. Com in Accounting from the University of Dhaka and also completed 3-year Articleship period from KPMG Rahman Rahman Huq, Chartered Accountants. He is an associate member of the "Institute of Chartered Accountants of Bangladesh (ICAB)" and a fellow member of the "Institute of Chartered Secretaries of Bangladesh (ICSB)". He is also the regular faculty of the Institute of Chartered Accountants of Bangladesh (ICAB). During his 20 years of career, he underwent various training courses, workshops and seminars and showed brilliant performance in diverse areas under different capacities.

PRIME STOCK



Md. Delwar Hossain

Senior Executive Vice President and Head of Claims Department

Mr. Md. Delwar Hossain has more than 48 years of long experience in different areas of Insurance Industry. He joined Prime Insurance Company in 2006 as a Vice President in Claims Department. Prior to his joining in Prime Insurance Company he served in several Insurance Companies such as Homeland Insurance Company Ltd, Karnaphuli Bima Corporation & Sadharan Bima Corporation with sound knowledge in claims settlement. He has also participated in the training on In-Service Training Specialized Course on Claims from Bangladesh Insurance Academy (BIA) and has been awarded Grade "A" as well as participated in in-house training program on 'Bankers Blanket Bond, Directors & Officers Liability Insurance.' Besides, he participated in the training course on Effective Office Management & Filling System from DCCI Business Institute, Dhaka.



Md. Lokman Hossain

Senior Vice President and Head of Accounts

Md. Lokman Hossain is holding the position of Senior Vice President and Head of Accounts Department of the Company from 1st December, 2015. Prior to this, he had held the position of SVP & CFO and Head of Finance & Accounts Department from 1st April, 2008 to 30th November, 2015 in this Company. He has 30 years of practical experience in Finance & Accounts, Internal Audit Department and Marketing. He joined the Company as a Deputy Manager in 1996. He obtained his M.Com in Management from the University of Dhaka. He also attended on various Seminars & Workshops in Corporate Governance from SEC, DSE and VAT & Tax Regulatory Authority. Moreover, he has taken professional training course on 'Standardization of Annual Report', 'Corporate TAX Management' and 'Internal Audit Control' from Institute of Chartered Secretaries of Bangladesh (ICSB). He has obtained certificate from BIA on Marine Insurance Underwriting and Claims. He also obtained Financial Analyst Certificate from CRISL.



Kamal Pasha

Senior Vice President and Company Secretary, Board Affairs

Mr. Kamal Pasha joined Prime Insurance Company Limited as an AVP in 2005. He completed his MSc & BSc (Hons.) in Applied Physics from the University of Dhaka. He is a fellow of IPM, Bangladesh, affiliated with Chartered Institute of Personnel & Developments, UK and a member of Asia Pacific Federation of Human Resources Management and World Federation of Personnel Management Association, USA. At present he is holding the position of SVP and serving the Company as the Company Secretary. Prior to his appointment in Prime Insurance, he worked in Carew & Company and other state owned manufacturing industries under BSFIC in different senior management positions during the period from 1984 to 2004. He visited UK and France in 1998 to attend a training course on Industrial Management, which was jointly organized by DFID and the British Council, Dhaka.

AMRSTOCK



Rehana Akter Ruma

Vice President and Head of HRD and Administration

Ms. Rehana Akter Ruma is one of the widely recognized HR professionals with 16 years of experience in the HR field. She is currently holding the position of Vice President & Head of HRD and Administration in Prime Insurance Company Limited and Management Representative of ISO 9001:2008 certification and Editor of the Quarterly News Letter of the company. Previously, she worked at Dhaka Chamber of Commerce and Industry as Deputy Secretary (HR & Admin). Besides, she held the additional position as Project Coordinator of Various DCCI's project, funded by European Union.

She completed her MBA in Human Resources Management from University of Science and Technology (USTC). She is IRCA Certified Lead Auditor ISO 9001:2008 certification by AJA Bangladesh, London and IRCA Certified Internal Auditor by TUV-Rhineland, Germany. She is also a Resource Person of the Training Courses of DCCI Business Institute (DBI) and Honorary Member Secretary and Coordinator of Research & Publication and Trade & Event Standing Committee of DBCCI respectively. She conducted various DCCI's programs as well as different National Program organized by different Ministries, organizations and International seminars as Master of the Ceremony. Recently she has attended Investment Seminar in the Netherlands as Master of Ceremony.

She has taken several professional training from home & abroad organized by JICA, DCCI, FBCCI, DSE, Bdjobs.com, IFC and foreign training from Japan & Denmark. She has additional travel experience of visiting the Netherlands, Belgium, Luxemburg, Check Republic, Germany, France, Thailand, the UAE and India. She is an Executive member, Speaker in the enlighten program, counselor and lifelong blood donor of Quantum Foundation, a voluntary humanitarian Organization. She is a member of JICA Alumni Association, USTC club, Life member of Quantum Blood Donation Program.



Easin A. Khan, ACII (UK)

Senior Assistant Vice President and Head of Reinsurance Department

Mr. Easin A. Khan is serving as Senior Assistant Vice President and Head of Reinsurance Department in Prime Insurance Company Limited. After obtaining his BBA (Hons.) and MBA from Islamic University, Kushtia, he started his career as 'Management Trainee' with Pragati Insurance Limited in 2008. In 2012 he was promoted as the Manager at Reinsurance Department of Pragati Insurance Ltd.

Mr. Easin has successfully completed the worldwide recognized insurance professional course "Advance Diploma in Insurance (ACII)" from the Chartered Insurance Institute (CII) UK, in 2016. He is also the youngest ACII qualified in Bangladesh.

Mr. Easin is a freelance trainer on Non-life Insurance and he is also a member of 'Train the Trainer' team for Micro-insurance Product Research and Development under ILO Insurance Impact Project.

He has taken part in a number of insurance trainings and workshops in his job tenure at home and abroad. In 2012, he participated in the training on 'Comprehensive General Insurance' at National Insurance Academy (NIA), Pune, India. He attended two training programs on 'Reinsurance Management' and 'Oil and Energy Insurance' in Insurance Institute of India (III) in the year 2015 and in 2016 respectively.



Md. Asaduzzaman Mia

Assistant Vice President and Head of Share Trade & Investment Department

Mr. Md. Asaduzzaman Mia, AVP and Head of Share Trade & Investment joined the Prime Insurance Company Limited in 1997. He has more than 20 years of experience in financial institutions as well as in investment in Stock Markets. He has completed his MSS from the National University of Bangladesh in the year 1993. He attended various courses on Share Investment, General Insurance, Compliance and VAT from reputed Training Institutes in Dhaka. He has attended the training program on 'Prevention of Drug Abuse' at Institute of Literacy and Adult Education, Dhaka Ahsania Mission and also on Environment Protection & Development in the same Institute.



Anwar Shameem

Assistant Vice President and Head of Establishment & Logistics Department

Mr. Anwar Shameem joined the Prime Insurance Company Limited in HR & Logistics Department in 2008. He has completed his BBA (Hons.) and MBA from the University of Chittagong major in Management. During his insurance career, he has attended external training courses on Effective Office Management, Store and Inventory Management from DCCI Business Institute and Performance Management System from Jobs Bangladesh & PGD in supply Chain Management from BIHRM.



Md. Lalchand Khan

Assistant Vice President and Head of Internal Control and Audit Department

Mr. Md Lalchand Khan Joined prime insurance Company Limited as Assistant Vice president in 2016 holding the position of Head of Internal Control and Audit Department. Mr. Khan completed his BBA (Hons) and MBA (Major in Accounting & Information Systems) from University of Dhaka. Mr. Khan completed his Articleship of Chartered Accountancy Course (Three years) from Hoda Vasi Chowdhury & Co, Chartered Accountants. Now he is in Professional Stage-Advanced Stage (CA-final level). He has served Mostain Billah & Co., Chartered Accountants as a Manager (Audit & Assurance) before joining in Prime Insurance Company Ltd.

AMARSTOCK



Md. Abu Rokan

Manager and

Head of Information and Technology Department

Mr. Md. Abu Rokan joined Prime Insurance Company Limited in 2008. Now he is holding the position of Manager and Head of Information & Technology Department. He is a qualified Microsoft Certified Technical Specialist (MCTS), Oracle Certified Programmer (OCP) and Oracle (DBMA) Database Management & Administration from BUET. Prior to joining this Company, he served in WARID Telecom and Bangladesh Airways. He possesses versatile knowledge in the areas of Networking, Online System, VB.net programming with SQL Server, Oracle Programming with Mysql and PLsql, Mail Server, Web Server, Database Server, Application Server, Domain Server, FTP, SMTP, File Server and IP-PABX phone server.



Tithia Rahman

Deputy Manager and

Head of Public Relation & Corporate Affairs Department

Ms. Tithia Rahman joined Prime Insurance Company Limited as Deputy Manager of Public Relations & Corporate Affairs Department in 2013. She completed her Graduation and Postgraduation in International Relations from the Jahangirnagar University. Prior to joining Prime Insurance, she worked at Infozee International Limited as Operations Manager. She has attended various Seminars and Training Programs at British Council and Dhaka Chamber of Commerce & Industry.

Directors' REPORT

Bismillahir Rahmaner Rahim

DEAR SHAREHOLDERS

The Directors have great pleasures in presenting the 21st Annual Report with the Audited Accounts along with the Auditors' Report thereon for the year ended 31 December 2016.

GLOBAL ECONOMIC SCENE

Resembling the preceding year the global economy continued to exhibit a lethargic footstep in 2016 and struggled to gain momentum as it continued to face uncertainty and rising risks. With the fallout of Brexit, rising expectation for rate hikes by the Federal Reserve, increased geopolitical risks and terrorist attacks around the world, continuing civil war & raising power politics in Syria and the US presidential election have created elevated levels of uncertainty in the financial market.

Since the U.K. is one of the largest importers from Asian countries including China and Japan, Brexit also caused a sharp negative reaction in Asian stock markets. The world's second-largest economy China faces nagging downward pressure. However, according to Asian Development Outlook it is still far too early to judge how Brexit will affect growth in developing Asia, as this will depend very much on how the future relationship between the UK and the EU evolves, and on other economic and political developments.

The Asian Development Bank (ADB) trimmed its 2016 growth estimate for India to 7 percent from the previous 7.4 percent on account of demonetization, weak investment and agricultural slowdown. The junking of old 500 and 1,000 rupee notes affected largely cash-based sectors in the country, including small-and medium-scale businesses. The effects of the demonetization transition are expected to be short-lived and the Indian economy is expected to grow at 7.8 percent in 2017. ADB forecasts that South Asia is the most dynamic part of the region, with growth expected at 6.6 per cent in 2016, down from the previous forecast of 6.9 percent. South Asia's growth is estimated at 7.3 percent in 2017. China is on course to grow 6.6 percent in 2016 and 6.4 percent in 2017.

BANGLADESH ECONOMY

In recent years, Bangladesh's economy has grown at a consistent, blistering rate of more than 6 percent, making it one of the fastest growing economies in the world. The Gross Domestic Product (GDP) in 2016 increased to 7.05 percent from the previous year. Sustained macro economic stability, disinflation, rising reserves and declining interest rates played an important role in stabilizing the economy. According to the World Bank, the Bangladeshi economy stands at about $180 billion which will rise to $322 billion by 2021, creating many more scalable investment opportunities

According to Bangladesh Bureau of Statistic (BBS), Agriculture sector witnessed a 2.60% growth in the current year, up from 3.33% a year earlier. Likewise, the industry sector grew 10.10% from 9.67%, the services sector 6.70% from 5.80%. Among other sectors, fishing rose 6.19%, mining and quarrying 12.06%, manufacturing 10.30%, electricity, gas and water supply 11.15%, and construction 8.87%.

Garment industry has fostered more than pure economic gains. According to Asian Development Outlook (ADO), industry growth in Bangladesh in financial year (FY) 2016 was higher than expected in line with a strong garment sector. Although the Brexit vote has had some impact on Bangladesh economy, as the UK begins Bangladesh's third largest importer of RMG, the US and Germany however, it is expected to be minuscule and short-lived.

Private consumption continued to be fundamental for the economy in FY 2016, fueled by low price pressures and higher public sector wages, and exports also performed solidly. However, due to the economic deadlock in the Gulf countries caused by the commodities crisis, Bangladesh is lacking an important inflow of remittances that could give a further boost to household consumption.

Besides, the rise of domestic security threats by the series of domestic terror attacks raised some uncertainties within the local industries along with the foreign investment. In addition, huge amounts of idle money piled up in the banking system also engendered an overall pessimistic investment climate.

INSURANCE INDUSTRY SCENARIO

The Insurance Development and Regulatory Authority (IDRA) was established in 2010 through promulgation of Insurance

Development and Regulatory Act, 2010. On 27 January 2011 the Government appointed the first Chairman of IDRA in place of the Office of the Chief Controller of Insurance (CCI). The IDRA initiated its first movement in 2012 to bring in discipline in the insurance industry and success came as regard to credit business and rebating. The Insurers got direct benefits of the steps taken by IDRA and net profit of all the insurance companies increased tremendously. But it did not last long. In 2013, the unscrupulous environment that prevailed in the insurance industry rejuvenated again and rebating to the insured and undercutting of premium rates grew limitlessly. IDRA with its vigilance teams tried to control the unethical practices but could not cure the environment by imposition of huge amount of penalty to the executives of the insurers including the CEOs.

With a view to controlling the unethical practices regarding rebating in insurance industry IDRA analysed excess management expenses for the period from 2009 to 2015 and found huge amount of excess expenses of management made by most of the insurers including the leading insurers. The analysis was based on the provisions of 58-year old Insurance Rules, 1958. The IDRA issued new Rules to control expenses of management fixing limits including agency commission which was applicable from 18 July 2016 and onwards. The interesting thing is to note that the new Rules provide less amount of expenses of management than it was allowable under 58-year old Insurance Rules, 1958. The Chairman, IDRA in a meeting with the CEOs of non-life insurance companies, agreed that the new Rules were not the desired one which would be replaced soon. Till the end of year 2016 no new Rules were found in official gazette for implementation. We expect that for a stable environment in the non-life insurance sector IDRA would take appropriate measures in consultation with the insurers soon.

INSURANCE BUSINESS IN 2016

The Prime Insurance Company Limited conceived in transparency is fighting against the unethical offers from the various so called insured and rejecting to underwrite their risks. Thus, the company has taken a policy of selective underwriting of insurance business and in this process it is very difficult to increase the amount of gross premium at a significant level. Amidst all adversities you will be happy to learn that your company earned a gross premium income of Tk. 535 million against Tk. 579 million in 2015.

You are already aware that Prime maintains appropriate reinsurance arrangement at home and abroad with the remarkable reinsurers and pays reinsurance premium for the safety of the insured. After making of cession for reinsurance the net premium of the company stood at Tk. 197 million against Tk. 212 million in 2015.

FIRE INSURANCE BUSINESS

The Company wrote direct fire insurance business with a gross premium income of Tk. 264 million against Tk. 205 million in 2015. After ceding of the re-insurance premium, the net premium of the Fire Department amounted to Tk. 29 million. The Company earned an underwriting profit of Tk. 1.65 million from its fire insurance business.

MARINE INSURANCE BUSINESS

The gross premium income from marine insurance business slightly decreased to Tk. 144 million from Tk. 148 million in 2015, yielding a net premium of Tk. 108 million, after re-insurance cession. The Company earned an underwriting profit of Tk. 56.85 million.

MOTOR AND MISCELLANEOUS INSURANCE BUSINESS

In Motor, the gross premium income was almost static at Tk. 46.37 million against Tk. 46.65 million in 2015. The Company earned underwriting profit from Motor insurance business Tk. 17.66 million.

Premium income from miscellaneous insurance business reduced to Tk. 81 million from Tk. 180 million in 2015. The Company earned a profit of Tk. 3.20 million during the year under review.

INVESTMENT INCOME

Compared to previous years, interest rate has been reducing throughout the year because of excess liquidity in the economy. Interest income derived from banks and non-banking financial institutions decreased to Tk. 21.51 million from Tk. 28.88 million in 2015. This was also the outcome of encashment of FDRs before their maturity for payment of outstanding claims, pending re-insurance premium and taxes caused the reduced investible funds available.

The dividend income for the year under review rose to Tk. 4.84 million from Tk. 3.88 million in 2015. In addition to the dividend income, PICL earned a remarkable amount of Tk. 9.02 million through trading of investment in shares keeping a very sharp look on the bourses even in a dull market condition prevailing throughout the year against Tk. 0.27 million in 2015.

PROFIT AND LOSS ACCOUNT

The salient features are given below:

	2016 Taka	2015 Taka
Gross Premium	535,008,897	579,552,751
Net Premium	197,060,745	211,837,055
Underwriting profit	79,366,836	118,274,277
Interest income	21,512,746	28,880,788
Dividend income	4,844,662	3,879,497
Profit before tax	101,874,249	133,010,561
Provision for tax	27,644,611	46,801,245
Transfer to reserve for exceptional losses	19,706,074	15,887,779
Retained earnings	61,195,010	58,968,134

COMPANY'S VEHICLES

In compliance with the direction no. 5 of Circular No. Bi:U:Ni:Ka/GAD/1003/2011-554 dated 24 April 2014 by the Insurance Development and Regulatory Authority (IDRA); we confirm that total expenses relating to usage and maintenance of its vehicles in 2016 was Tk. 3.67 million. The total number of vehicles was 23 against 24 of 2015. The total cost was Tk. 44.16 million against Tk. 38.59 million in 2015.

DIVIDEND

For the year 2015, the Company declared a cash dividend of 12.5% against a cash dividend of 10% and a stock dividend of 5% in 2014. Prime Insurance Company Limited has already complied with the provisions of Insurance Act, 2010 for maintaining the paid-up share capital of Tk. 400 million, which was done in 2015 with the declaration of above mentioned 5% stock dividend for 2014 and the paid-up capital of the company now remains at Tk. 408.77 million.

From the retained earnings of 2016 the Board of Directors is pleased to recommend 13% cash dividend for its shareholders against 12.5% cash dividend for 2015.

CASH FLOW FROM OPERATING ACTIVITIES

In 2016 the operating cash flow was Tk. (55.42) million against Tk. (70.82) million in 2015 mainly due to payment of cash loss to the insured for various claims against which cash in flows were not received from the Sadharan Bima Corporation and also for payment of outstanding re-insurance premium to Sadharan Bima Corporation (SBC), overseas reinsurers and payment of corporate taxes.

INVESTMENT

Total investment of the company stood at Tk. 112.67 million against Tk. 84.16 million in 2015. Earlier, investment in shares had been shown at cost keeping a fluctuation reserve fund against the reduction of share price compared to market value of shares. In the year under review, with a view to complying with BAS 39: Financial Instruments: Recognition and Measurement, investment in shares has been stated at fair value and the fluctuation reserve fund was adjusted against the difference between cost and fair value of the shares and the previous year's figure was also restated to conform to current period's presentation.

ASSETS

The assets of the company decreased to Tk. 1,111.22 million from Tk. 1,137.00 million in 2015. The value of the assets decreased mainly due to presentation of investment in shares at their fair market value in place of cost price as per BAS 39 and owing to payment of unpaid re-insurance premium for previous years and creditors.

RESERVES

The Company has kept provision for exceptional loss reserve of Tk. 19.71 million for the year 2016 against Tk. 15.89 million in 2015 and the total reserve for exceptional losses of the Company stood at Tk. 191.16 million against Tk. 171.45 million in 2015. Transferring Tk. 1.2 million the general reserve fund has been increased to Tk. 8.9 million in the year under review from Tk. 7.7 million in 2015.

PROSPECTS FOR 2017

Of late, the Government has formed 7-member committee with a view to formulating courses of action for developing the insurance sector headed by Additional Secretary of Bank and Financial Institutions Division. Other six members are (i) a Member of IDRA, (ii) Managing Director of Sadharan Bima Corporation (iii) Managing director of Jiban Bima Corporation, (iv) a representative from Bangladesh Insurance Association (BIA), (v) a representative from Bangladesh Insurance Forum (BIF) and (vi) Member Secretary would be one Deputy Secretary of Bank and Financial Institutions Division. The committee would have to prepare report by 31 January 2017. Moreover, the Government should arrange adequate staff for IDRA to implement the provisions of

Insurance Act, 2010 and also to gazette the required rules and regulations soon. We believe that the Authority would administer the insurance industry to remove the unethical practices prevailing in the industry. With an expectation of improved environment of insurance sector and stable economic as well as political situation of the country the gross premium target have been set at Tk. 680 million for the year 2017.

We believe that the unethical practices cannot be removed overnight from the industry unless ethical business practice in every company is restored by the management involved in insurance business and the individual person seeking insurance services. We would request the Government through IDRA to take mass awareness initiative among the citizen of the country. Citizens can receive the benefits of insurance paying a very small amount of premium against the safety measurement of their properties. It is also important to inform citizens that they will not receive back any amount either in the form of commission or as rebate from insurers. Payment of commission to the so called agent altogether that ultimately goes to the insured which amounts to money laundering, instead of which some benefits may be allowed to the insured by reducing the tariffs. If the above steps are taken including the newly formed seven-member committee report, we can certainly expect a congenial atmosphere in the non-life insurance sector. Thus the insurance sector would become a cash cow to contribute a significant amount to the GDP and the government would get more revenue from this sector as VAT and taxes.

DIRECTORS

Group A:

In accordance with the provision of the Articles of Association of the Company, the following sponsor directors retire and being eligible offer them for re-election:

1. Qazi Saleemul Huq
2. Sabiha Khaleque
3. Tahera Akhter
4. Mahanur Ummel Ara
5. Rahela Hossain
6. Mahabuba Haque

Group B:

In accordance with the provisions of the Articles of Association of the Company, following Directors from amongst the public subscribers, also retire and offer them for re-election:

1. Md. Shah Alam Babul
2. Al-Shadat Dubash
3. Shah Muhammed Hasan

As required by Insurance Rules, election of directors from public subscribers (Group-B) requires 60 days' notice and accordingly it has been scheduled on 30 March 2017 during the Annual General Meeting (AGM). A notification was published on 29 January 2017 in two national dailies namely, the Somokal and the Financial Express. Altogether 10 shareholders, including the above mentioned three directors from public subscribers have submitted their nomination forms.

Independent Directors:

As per section 76 of the Insurance Act, 2010 an insurance company shall have two independent directors on the Board and accordingly we have following independent directors:

1. A.Z.M. Sazzadur Rahman
2. Kazi Zahedul Hasan

In compliance with the guidelines of Bangladesh Securities & Exchange Commission (BSEC) notification no:-SEC/CMRRCD/2006-158/134/Admin/44 dated 7 August 2012 Mr. A.Z.M. Sazzadur Rahman was appointed on 26 June 2014 and is going to complete his first three-year term on 25 June 2017 as independent director of the Company. As per same guidelines the Board has inducted on 23 July 2016 Kazi Zahedul Hasan as another independent director on the Board for his first three-year term up to 22 July 2019.

Kazi Zahedul Hasan requires approval of the shareholders for his appointment as independent director as per the BSEC Corporate Governance Notification dated 7 August 2012.

AUDITORS

Pursuant to Section 210 of the Companies Act 1994, the Company's statutory auditors M/s. Rahman Mostafa Alam & Co, Chartered Accountants, retire and being eligible they offer their services for another year.

BOARD MEETING ATTENDANCE

During the year, 12 Board Meetings were held. The attendance of the Directors is shown in pages 105, 107 in Corporate Governance Chapter.

CORPORATE AND FINANCIAL REPORTING

The Company has complied with all the requirements of Corporate Governance as required by the Securities and Exchange Commission.

Accordingly, the Directors are pleased to confirm the following:

(a) The financial statements together with notes thereon have been prepared in conformity with the Companies Act, 1994, Insurance Act, 2010 and in some applicable cases Insurance Act, 1938 and Securities & Exchange Commission Rules, 1987. These statements present fairly its state of affairs, the result of its operations, cash flows and changes in equity.

(b) Proper books of account of the company have been maintained.

(c) Appropriate accounting policies have been consistently applied in preparation of the financial statements and the accounting estimates are based on reasonable and prudent judgment.

(d) International Accounting Standards, as applicable in Bangladesh, have been followed in preparation of the financial statements.

(e) The system of internal control is sound in design and has been effectively implemented and monitored.

(f) There are no significant doubts about the company's ability to continue as a going concern.

(g) There are no significant deviations from the operating result of the last year.

KEY OPERATING AND FINANCIAL DATA

The Company's summarised key operating and financial data for the last five years are shown in page 119.

PATTERN OF SHAREHOLDING

The pattern of shareholding is shown in page 104 in Corporate Governance Chapter.

CORPORATE GOVERNANCE COMPLIANCE REPORT

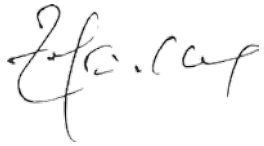
Pursuant to the clause 5 of the SEC Notification No. SEC/CMRRCD/2006-158/134/Admin/44 dated 7 August 2012 we attach the Company's compliance status in pages 99-103, 107 in Corporate Governance Chapter.

ACKNOWLEDGEMENT

We gratefully acknowledge the valuable help and advice from our honorable shareholders, not only at the time of their deliberations at the annual general meetings, but at other times also. We deeply value the generous and complete support and cooperation of our business partners and clients and we assure them that it will be our constant effort to prove worthy of their trust. We offer our profound thanks to them and to the growing number of our well-wishers. We also sincerely appreciate the help and cooperation that we have received from the relevant Ministries, Sadharan Bima Corporation and its staff, our overseas re-insurers and their brokers, Bangladesh Bank and scheduled banks, financial institutions, Registrar of Joint Stock Companies and Firms, Central Depository Bangladesh Ltd, Bangladesh Association of Publicly Listed Companies, Dhaka Stock Exchange Ltd, Chittagong Stock Exchange Ltd and Bangladesh Securities & Exchange Commission (BSEC). The Chairman and Members of Insurance Development and Regulatory Authority (IDRA) and its staff have always been very helpful and their advice and guidance have made it possible for us to run the affairs of the Company smoothly. We would like to express our sincere thanks for extending their helpful hands.

We are proud of the solid loyalty and commitment of our staff, whose drive, liveliness and dexterousness have helped the Company to reach its present position.

FOR THE BOARD OF DIRECTORS



MD. ZAKIULLAH SHAHID

CHAIRMAN

Sustainability
Reporting



STOCK

Corporate Social RESPONSIBILITIES (CSR)

Corporate Social Responsibilities (CSR)

In the globalized world, business is less and less described through the prism of economic categories alone. Increasingly, it is becoming a source of initiatives to solve important social and environmental problems. The concept of Corporate Social Responsibilities (CSR) brings an important impact to this stratosphere. CSR has had an increasing impact on shaping the relationship between business and societies. CSR promotes a vision of accountability to a wide range of stakeholders, besides shareholders and investors. The key areas of CSR are environmental protection and the wellbeing of employees, the community and the society, both for now and for the future.

Prime Insurance always applies unique approaches in performing all its activities. Product innovation, Reinsurance Arrangement, Clients Service, Resource Allocation, Employees' Treatment, and even in its CSR initiatives, everywhere it maintains consistency but variance so as to remain special. This year, the Company again took some unique initiatives in performing its CSR activities.

Plant for the Future

In recent times, environmental sustainability has emerged as an essential ingredient in doing business professionally and successfully. Prime Insurance always strives to ensure a better world for generations to come. Trees play vital role in protecting environment and preventing global warming. Since its inception, Prime Insurance, under its environmental CSR initiatives, has been undertaking different steps for



Ms. Mohammodi Khanam, CEO, Prime Insurance Company is handing over indoor plants to Syed Farhad Ahmed, Managing Director, AAMRA Companies.



Ms. Mohammodi Khanam, CEO, Prime Insurance Company, is handing over the Tree Plants to Syed Md. Faisal, Chairman of Saiham Group Engr. Syed Ishtiaq Ahmed, Managing Director of Saiham Group, Syed Monirul Huq,DMD & Head of Operations and Mr. Sujit Kumar Bhowmik, AMD of Prime Insurance Company are also seen in the picture



The CEO of Prime Insurance Company Ms. Mohammodi Khanam visited the office of Eastern Bank Limited and handed over Indoor Plants to Mr. Ali Reza Iftekhar, Managing Director & CEO of Eastern Bank Ltd. as a gesture of good will in creating sustainable environment and beautifying the surroundings with adequate urban amenities under the Company's Environmental CSR program "Plant for the Future".



The CEO of Prime Insurance Company Ms. Mohammodi Khanam is handing over Bansai to the Managing Director of Microfiber Group Mr. M. S. Zaman. Syed Monirul Huq, DMD & Head of Operation and Mr.Sujit Kumar Bhowmik, AMD & Head SMBD & Health Insurance of Prime Insurance Company are also seen in the picture.

making our environment green and creating awareness about the role of trees that play in preventing climate changes. The Company believes that every individual should try to plant and nurture at least one tree, which will be a major step in protecting our mother nature.

Considering the growing importance of tree plantation to prevent the climate change, Prime Insurance has taken up tree plantation initiative- **Plant for the Future** with the objective of contributing towards environment preservation as part of its CSR. Under this program, Prime Insurance is giving indoor plants to the respected clients as a gesture of good will to encourage them in creating sustainable environment and to beautify our surroundings through planting trees which are now afflicted with urban amenities. Besides, the Company is also giving their corporate clients various kinds of fruit plants and shade trees for their factories so that the factory surroundings remain environment friendly; the workers can also be benefited by the fruits and pass sometime beneath the trees and inhale fresh air.

Contribution to CRP to support the Children with Disabilities (CWDs)

Prime Insurance Company always comes forward to support the humanity through its CSR activities which includes monetary donations and aids to societies and improvised communities all over the country. To support the humanity, the company has made a contribution to CRP (Center for the Rehabilitation of the Paralyzed) to support the Children with Disabilities (CWDs) under company's CSR policy. Since its inception, CRP has been providing treatment, vocational training and rehabilitation to spinal injury cases free of cost or at the most subsidized rate with the financial support of organizations & individuals at home and abroad.



Syed Monirul Huq, DMD & Head of Operations of Prime Insurance Company handed over the Cheque to Dr. Valerie Ann Taylor, Founder & Coordinator of CRP. Mr. Md. Harun-Or-Rashid, AVP of Branch Control Department and Ms. Tithia Rahman, Deputy Manager and Head of PR & CA are also seen in the picture.

With an aim of extending helps in the desperate needs of people with disabilities, the CRP was founded in 1979 by Dr. Valerie Ann Taylor, a British physiotherapist. Her contribution for the people with special needs in Bangladesh are noteworthy. In a country where attaining basic human rights is a challenge for many, being born with disability is sure to draw humiliation for many. Over the years Dr. Valerie, with her love, care and rock solid fortitude has been the ambassador of hope for those distressed and hopeless people of Bangladesh. Today, the CRP has more than 120 spinal cord injured patients undergoing treatment and rehabilitation in CRP.

A different initiative for the brilliant children of the employees:

To recognize the success as well as encourage the bright children of the Company's employees, the Hon'ble Board of the Company rewarded them providing education scholarship.



Mr. Md. Zakiullah Shahid, Chairman, Prime Insurance Company along with the Board of Directors and Ms. Mohammodi Khanam, CEO handing over the scholarship cheques to the employees' meritorious children at the Company's Head Office

In recognition of their outstanding performance achieving GPA 5 (Golden) in their respective PEC/JSC/SSC/HSC/ Dakhil/Alim/'O' level/'A' level & Graduation exams held in 2015 & 2016, the Company provided scholarships, which is first of its kind ever in Bangladesh in the history of insurance companies.

A contribution for the underprivileged children with Toys

To put a smile in the face of underprivileged children, Prime Insurance Company arranged a two-week campaign for collecting toys and to distribute them among the destitute children on the occasion of Universal Children's Day. All the employees of the company actively participated in this campaign and gathered various kinds of toys. Apart from the individual participation the company also purchased new toys and handed over all the stuff to the Toys r Yours, a voluntary organization runs by the Ex-Cadets Forum of

the country who collects and distributes toys and books among the underprivileged children of Bangladesh.



Mr. Sujit Kumar Bhowmik, AMD, Prime Insurance Company handing over the toys to Mr. Salman Imtiaz and Mr. Abdulla Mahmud, volunteers of the organization Toys r Yours.

Mr. Badal Chandra Rajbangshi, CFO; Ms. Rehana Akter Ruma, Vice President and Head of HRD & Administration and Ms. Tithia Rahman, Deputy Manager and Head of Public Relations and Corporate Affairs are also seen in the picture.

Financial Aid for the insolvent meritorious Students:

In the year 2015, the Board of Prime Insurance Company has given concurrence for creating an Endowment Fund of Tk. 10 Lac. The profit of this fund will be spent to provide scholarships to the insolvent meritorious students. The Company has already been providing Scholarship to the poor bright students of Dhaka University. This year, two more students have been included from the Banking & Insurance Department of Dhaka University under this program. The Company has a plan to increase the volume of the fund in near future.



Mr. Md. Zakiullah Shahid, Chairman, Prime Insurance Company handing over a cheque to Ms. Jannatul Ferdous, student of BBA 1st year, University of Dhaka.

Shirin Sharmin Chaudhury, speaker of parliament; AAMS Arefin Siddique, Vice Chancellor of Dhaka University; SK Sur Chowdhury, Deputy Governor of Bangladesh Bank; Ms. Saheda Pervin Trisha, Director of Prime Insurance, Prof. Shibli Rubayat Ul Islam, Dean, Faculty of Business Studies, University of Dhaka and Ms. Mohammodi Khanam, CEO of Prime Insurance Company were also present at the scholarship program organized by Banking & Insurance Department of Dhaka University.

Distribution of winter clothes among the underprivileged people in North Bengal & Dhaka City

To support the poor and cold-hit people of the country, Prime Insurance Company distributed warm clothes among the winter distressed people of Rajshahi, Bogra & Dhaka City where people are adversely impacted by the cold weather.

All of the employees of Prime Insurance Company including the branches participated in this noble initiative & generously donated warm clothes. Apart from the employees, Prime Insurance also purchased warm clothes for these impoverished people.

Syed Monirul Huq, DMD & Head of Operations; Mr. Md. Lokman Hossain, Head of Accounts; Mr. Fazal Mahmud, Head of Rajshahi Branch and Mr. Md. Mahfuzul Bari, Head of Bogra Branch of Prime Insurance Company went to the selected areas and distributed the clothes among the target people.



The Head of Rajshahi Branch Mr. Fazal Mahmud distributing winter clothes among the cold-hit people of Rajshahi



The Head of Bogra Branch Mr. Md. Mahfuzul Bari distributing winter clothes among the cold-hit people of Bogra

Environment
RELATED INITIATIVES

Environmental Related Initiatives

In recent years, there has been a growing concern for various environmental issues. These issues force people to reevaluate their interests in a number of wide-ranging and complex areas, thus increasing the role that Organizations must play in addressing these issues. Of these issues, we believe that addressing the need to preserve and restore the natural environment is of particular importance for corporations. Therefore, Prime Insurance will continue to exercise our corporate philosophy by promoting environmental preservation and working to be a good corporate citizen with the aim of creating a society that is full of healthy, smiling faces.

We tried to stimulate awareness for the protection of environment by personalizing environmental issues and to enable everyone to realize not only our responsibilities, but also our power to become agents for change in support of sustainable and equitable development by ensuring a cleaner, greener and brighter outlook for ourselves and future generations.

We focus on the following actions along with supporting innovative conservation initiatives and inspiring our associates and guests to support these efforts:

- The employees of Prime Insurance turn off equipment (computers, monitors, printers, copiers and lights) when it's not being used and also main switch is put off at the end of each working day & which are strictly maintained.
- To reduce the usage of papers, printing on both side of paper and also re-use the fresh side of a rough paper for drafting and printing only necessary document.
- We usually prefer using email instead of sending memos and faxing documents for reducing time & papers as well.
- We are aware for preventing water taps from dripping, preventing misuse of paper napkin.
- We provide environment-friendly office equipments, information and solutions which are supported by our clients as well as our employees to preserve the eco-system.
- We strictly comply with environment-related laws and regulations. We will further establish independent standards as we strive to protect the environment.
- We are determined to fulfill our social responsibilities through minimizing usage of energy & water within our own premises & also in the branches in order to conserve resources and the reduction of waste & cost as well.
- We place high priority on thoroughly educating our staff on a routine basis about our environmental principles to ensure that they conform to these principles in the performance of their work.
- We usually purchase computers, monitors, printers, fax machines, copiers & other office equipments keeping in mind that those are functional, cost effective & eco friendly.
- Prime Insurance uses laptop computers for its employees instead of desktop computers in order to consume 90% less energy.
- LCD monitors are used for lesser power consumption.
- To encourage others & save the world by go green, Prime Insurance keeps a slogan on its all sizes envelopes "LETS GO GREEN, TO KEEP OUR EARTH CLEAN."
- All the cars of the Company even vehicles of Transportation of pool for the employees are CNG converted to reduce air pollution.
- All Air coolers are operating on auto temperature basis which helps limited running of compressor unit and subsequently saving electricity.
- Energy savings bulbs are always used in the office premises in everywhere.
- We usually do & will try to maintain in selecting and purchasing preferable products, supplies & services for all of our daily operational needs that do the least damage to the environment.
- We provide environmental training and information to all of the Executives to raise their awareness about environmental protection.
- As a corporate citizen, we work with the community to protect the environment. We also disclose environmental information and work for mutual understanding with the community.

Environment and
SOCIAL OBLIGATION

Social responsibility is an ethical framework and suggests that an entity, be it an organization or individual, has an obligation to act for the benefit of society at large. Social responsibility is a duty every individual has to perform so as to maintain a balance between the economy and the ecosystems. A trade-off may exist between economic development, in the material sense, and the welfare of the society and environment, though this has been challenged by many reports over the past decade. Social responsibility means sustaining the equilibrium between the two. It pertains not only to business organizations but also to everyone, whose any action impacts the environment. This responsibility can be passive, by avoiding engaging in socially harmful acts, or active, by performing activities that directly advance social goals.

Every business has an impact on the environment and there arises legal obligations which it must fulfill. The requirements are relatively simple for businesses such as offices. Meeting the environmental obligations is not just a legal requirement. It is worthwhile in itself, and helps minimize the likelihood of any environmental problems, costs and damage of the business. Taking a responsible approach to the environment can also reduce the costs of unnecessary waste, strengthen the Company image and help us to win business from less reputable competitors.

- Minimize energy and water use within our premises and processes in order to conserve supplies and minimize the consumption of natural resources.
- Purchase preferable products, and services for all our daily operational needs that do the least damage to the environment.
- Conserve natural resources by adopting pollution preventive practices.
- Extending the life of equipments through preventive maintenance scheduling, purchasing and reworking used equipments etc.
- Document Management Project Initiative to archive the backlog and day to day official documents which generates through daily operations and facilities express search capability for achieved materials using enadoc system.
- Remotely nineteen branches will be connected with systems and documents scanning, indexing. Export of scanned images to the enadoc system will be done through from one of the location in a centralized environment.
- Practices reusing, recycling and reprocessing materials that would otherwise be discarded as waste.
- Organized several Training program on Risk Management.



AMARSTOCK

Integrated REPORTING

Integrated Reporting

An integrated report is a concise communication about how an organization's strategy, governance, performance and prospects lead to the creation of value over the short, medium and long term.

It means the integrated representation of a company's performance in terms of both financial and other value relevant information. Integrated Reporting provides greater context for performance data, clarifies how value relevant information fits into a business, and may help implant long -truism into company decision making. While the communications that result from integrated reporting will be of benefit to a range of stakeholders, they are principally aimed at providers of financial capital allocation decisions.

1. Strategy: Strategy is the direction and scope of an organization over the long-term, which achieves advantage for the organization through its configuration of resources within a challenging environment, to meet the needs of markets and to fulfill stakeholder expectations.

2. Governance: Governance or more precisely corporate governance essentially involves balancing the interests of the many stakeholders in a company; these include its shareholders, management, customers, suppliers, financiers, government and the community.

3. Performance: Business performance is the accomplishment of a given task measured against preset known standards of accuracy, completeness, cost, and speed. In a contract, performance is deemed to be the fulfillment of an obligation, in a manner that releases the performer from all liabilities under the contract.

4. Prospects: Potential customer or client qualified on the basis of his or her buying authority, financial capacity, and willingness to buy.

Integrated reporting creates value in the Long Term

The world has changed from the end of the Second World War to the fall of the Berlin wall, we were told the tale of a stable economic and political landscape. The paradoxical complexity is that all public companies are already required to publish a financial report and an increasing number of companies are now publishing a corporate social responsibility report or sustainability report on their environmental, social and governance performance. But still, stakeholders feel they do not have the right level of information and are often lost in the cumbersome reports produced.

This is where the notion of Integrated Reporting comes into play. As the International Integrated Reporting Council defines it as a process founded on integrated thinking, that results in a periodic integrated report by an organization about value creation over time and related communications regarding aspects of value creation. An integrated report is a concise communication about how an organization's strategy, governance, performance and prospects, in the context of its external environment, lead to the creation of value in the short, medium and long term.

Integrated reporting creates value through risk management

The clear advantage of integrated thinking is about risk management and the focus on material aspects. As the CEO of a large international company told, "Focusing our communication on topics that impact our financials in the long term, does not mean that we do not manage our short-term risks. But in our industry, the value creation cycle is at least of 5 years; we need a shift in investors' relations and to generate insights on the middle–long term financial performance."

Integrated reporting increases competitiveness

The capital used by an organization is embodied in the value that it created through its business model. A sustainable society requires that all of its businesses be pursuing sustainable strategies which are based on a long-term focus in value creation for shareholders and all other stakeholders. Indeed, with new factors such as the development of unrestrained social networks, separating financial performance and corporate responsibility is ineffective. With over 70% of their market value relying on intangible assets, many companies are discovering that very good business opportunities can rely on the efficient use of social and human capital.

Integrated reporting changes management practices

Among those in charge of the governance, roles and issues are strongly impacted. After having stressed the organizations by learning processes and relationships, their next challenges are to build a common vision and give sense to all stakeholders. The point of view of Paul Druckman (IIRC CEO): "Without HR involved in the strategy and value chain of a business, Integrated Reporting will show a weakness in the organization."

Integrated reporting is embryonic and evolving

Two main challenges need to be tackled when you are willing to publish integrated reports. First, Integrated Reporting requires integrated vision, roadmap, processes and tools: the alignment of the organization on a strategy that reflects environmental, social and governance-related (ESG) risks and opportunities while emphasizing financial, environmental and social sustainability is crucial. To support this, transversal systems enabling real-time flow of information and resources are needed.

Second, integrating sustainability data raises the credibility of the reported data since it is now part of regulatory filings that are scrutinized by regulators and to a greater extent by auditors. Internal audit may play an assurance role for nonfinancial metrics. The impetus for this move is to provide a clearer narrative around how sustainability measures provide or secure longer-term financial return.

Prime Insurance Company's involvement in integrated reporting

Those who are in-charge of looking after the governance of Prime Insurance Company Ltd i.e., the Audit Committee, a sub-Committee of the Board of Directors ensures its integrity in performing overall responsibility in the company ensuring a proper and stable internal control system through the performance of internal audit periodically and also as and when required basis. The Audit Committee also considers the external auditors' findings and gives highest importance to those and takes appropriate measures for further development and assurance of the internal control system of the company.

The most exciting about Integrated Reporting is that, this is not just a cosmetic change in communication, but a deep behavioral evolution in the way all stakeholders assess value of a company and its ecosystem. And this will unquestionably lead to value creation!



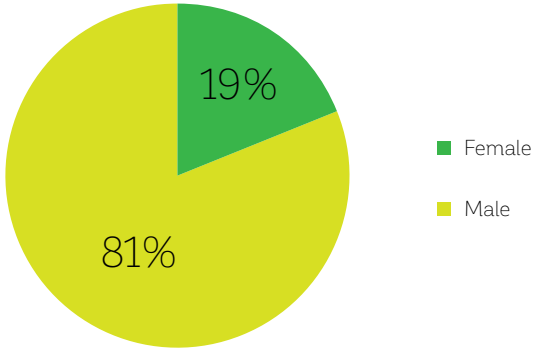
Human Resource ACCOUNTING

Human Resource Accounting (HRA) is the process of discovering and measuring data about human resources and communicating this information to stakeholders. In other words, Human Resource Accounting is the process of identifying, budgeting, and reporting the cost of human resources incurred in a business, such as salaries, training expenses etc. Human Resource Accounting is considered the activity of understanding the cost invested for employees towards their hiring, training, payment of salaries & other benefits, and in return, figuring out their contribution to company's profitability.

Therefore, the valuations of human resources along with other assets are also required in order to find out the total cost of an organization. As Prime Insurance also realizes Human Resources Accounting (HRA) as 'accounting' for people as an organizational resource. On this context, measuring the costs incurred by organizations to recruit, select, hire, train, and develop human assets. Prime Insurance believes talented and skilled employees are the key business differentiator. This is why skill development and learning of the employees are given immense importance in Prime Insurance Company.Training creates an impact that lasts beyond the end time of training itself. The focusis to develop skill and expertise attain knowledge and knowhow that creates commitment among employees motivating them to incorporate their new skills and ideas back at work. To keep pace with the ever-changing globalized world, the company always augments the knowledge and skills of its employees imparting various in-house and external trainings systematically and enhance their efficiency level. Like every year, the employees of Prime Insurance have also participated in a number of Training and Workshop program in the year under review as follows:

Training 2016	Description	Participants
Local	Spoken and Written English	1
	Advance Reinsurance Course	2
	English for Powerful Presentations	2
	Corporate Women Leadership-2016	4
	Labor Laws & Rules-2015 in the Work Place	1
	Taxpayer Awareness Building Training on Law of VAT and Supplementary duty-2012	1
	Front Desk Behavior and Receptionist Skills	1
	18th Basic Course on Non-Life Insurance	4
	Workshop on "JFPR 9172-BAN:Pilot Project on Weather Index Based Crop Insurance (WIBCI)	2
	Workshop on "Overseas Reinsurance Treaty"	1
	Basic Course of General Insurance	11
	Basic Course of General Insurance	13
	Seminar on "Insurance Practices: East to West".	4
	Seminar on "Present Market Scenario and Challenges of Bangladesh Insurance Sector	1
	Anti Money Laundering (AMT)/ Combating the Financial Terrorism (CFT)	2
	Total	**50**
Foreign	Seminar on"Reinsurance Treaty Structures"	1

Prime Insurance believes that a broad range of aged and experienced group in its work force helps the company to meet its diverse need and helps in its upward growth.



While recruiting, Prime Insurance values to hire engage and retain talented people for its team. Besides recruiting highly experienced and technical persons from the Insurance Industry, the young graduates with versatile talent and skills are also given highest priority.

We realize that Human capital can be more valuable to employers than physical assets in consideration of the time and expenses needed to hire, train and retain qualified staff. Thus we have focused:

Induction

Considering the facts, we organize Induction Program to provide new employees with information about the organization which helps them to perform their tasks effectively. By the Induction Program, a new employee becomes able to understand the followings:

- balanced information (job description)that is directly related to their role and back this up with extra information at a later stage;
- provide someone as a 'mentor' who can provide additional information and answer questions; and/or provide formal follow-up after a few weeks;
- introduce new employees to their colleagues, explaining the role of key people, including those they will be working closely with;
- encourage new employees to ask questions;
- helps new employees to know where to go for help or with a complaint on any issue;
- ensures other employees understand appropriate behavior and communication expected of them;
- undertakes reasonable adjustments necessary, prior to the employee commencing work;
- Provide Training before the new employee starts work.

Recruitment & Selection:

We recognize that we have to be competitive in our efforts to recruit and retain talents. The real value of working at Prime Insurance cannot be simply described through direct compensation.

Recruitment efforts in 2015 touched most of the areas of Prime. In 2016 we also continued our employment to fill in vacancies created by regular turn around. HRD successfully filled the position of Executives in different departments; the roles were critical and related to the areas identified in the strategic plan for Prime. The HR made admirable endeavors in our recruitment processes and we have seen an improvement in the service level of HR. We are greatly appreciative of the support received from them.

Training consists of a range of processes making sure that job holders have the right skills, knowledge and attitudes required to help the organization achieve its objectives. Recruiting individuals to fill in particular posts within a business can be done either by recruitment internally, or by recruiting people externally from outside.

Talent Management

Prime Insurance recognizes every employee as a highly valued member who is vital to the growth and progress of the company. We are committed to invest in our people. We are constantly on the lookout for promising and talented employees at all levels with the potential to be our future leaders. Strong performers are given opportunities to lead major roles, receive executive coaching and mentored by top management personally. For the promising employees, career enrichment within the Company includes both short and long-term assignments across various business units in different geographical locations. They are provided with a commercial platform with exposure to a wide range of information and developments in the international business

Training & Development

We strive to provide all employees with career and personal skill development opportunities through trainings.

Trainee Executives

We continuously recruit fresh graduates from reputed universities worldwide to participate in our Trainee Program. Upon joining our Company, the trainees undergo a comprehensive in-house training program which helps them understand their missions and businesses. At the same time, trainees will gain hands-on experience and become accustomed to the company's culture through working in various departments or in specific Departments. Department heads, who are also the mentors, will continuously assess and evaluate the trainees to ensure that there is a structured career development for them, much like all other staff within the Company, in accordance to their potential, talent and leadership traits.

Experienced Professionals

Continuous training is provided to all levels of employees to enable them to perform their jobs effectively and progress in their careers. We ensure that staff are developed to their fullest potential with the right level of authority, responsibility and skills; throughtraining, both on-the-job and formal

learning, job rotations, and mentoring form the work-and-learn experience in the Company.

All staffs are given equal opportunities to receive relevant training based on their needs in accordance to four complementary aspects:

Succession Planning

To support the growth of our business, we constantly look out for strong performers to be groomed into future leaders of Prime. Potential leaders undergo a comprehensive Leadership Training Program to prepare themselves to take on challenging roles within the Company. To ensure that there is a ready pool of talents in the pipeline for holding leadership positions, the Company continues to harvest talents through executive programs.

Reward and Recognition/Performer of the year

A good recognition and reward system provides employees fervor and enthusiasm. Employees feel a fair return for their efforts, motivated to maintain and improve their performance; they are also elucidated as to what behaviors and outcomes will be valued by the organization.

To acknowledge and motivate the best performer of the month and to set a model for others in achieving comparable performance, the management of Prime Insurance gives a monetary reward to the best Performers.

Service benefit and facilities

Prime Insurance always tries to orchestrate the lives of the employees both financially and mentally. Prime insurance offers some other facilities towards them. Our offered benefits can help the employees live well.

Prime Insurance has given a percentage of house rent, transportation facilities, contributory provident fund, gratuity fund, leave encashment, Retirement benefits, two festival bonuses, incentive bonuses, car finance scheme for executives, health insurance, and telephone allowance are significant benefits of Prime Insurance.

Annual Appraisal

Annual appraisal of Prime Insurance is designed to serve as a tool that helps supervisors increase productivity, communicate expectations, establish goals for the coming year, and report the employee's success in meeting the past year's performance expectations.Prime Insurance conducts the Annual Performance Appraisal once in a year that goes in an employee's permanent record. In its most productive form, performance appraisal is actually a continuous, year-round practice of exchanging information between the supervisor and employee that begins and ends with the formal annual performance appraisal meeting. The most highly motivated, productive employees are those who know what they are supposed to do and how well they are doing it; who participate in planning as to how their work will be accomplished and who have open and honest rapport with their supervisors.Supervisors are strongly encouraged to make the annual review meetings participative and collaborative. The performance evaluation is intended to be a fair and balanced assessment of an employee's performance. Management of Prime Insurance Company is very strict to follow this key component. Every year management evaluates employee's performance considering their success, failure, own suggestion and training needs. It helps the company to reach the goals.

Keeping a view in mind that good appraisal systems can meet the needs of both employer and employees, we try to:

- ensure that all employees fully understand the appraisal system
- have employee records, including appraisals, accessible to them
- be specific in the performance assessment rather than use generalities such as 'poor attitude'
- include positive feedback about where an employee performs well
- train staff involved in giving appraisals





Information about
Corporate Governance

Report of the
AUDIT COMMITTEE CHAIRMAN

Prime Insurance Company Limited constituted an Audit Committee as a sub-Committee of the Board of Directors. The Audit Committee assist the Board of Directors in ensuring whether the financial statements reflect true and fair view of the state of affairs of the company and assist in ensuring a good monitoring system within the business.

Composition of the Audit Committee:

There are seven members in the Audit Committee including one Independent Director. All the members of the Committee are financially literate and appointed by Board of Directors. The present Audit Committee has been reconstituted by the Board in its 276th meeting held on 30th March 2016.

Members of the Audit Committee:

S.L	Name	Status in the Audit Committee	Status on the Board
01	A.Z.M. Sazzadur Rahman	Chairman	Independent Director
02	Qazi Saleemul Huq	Member	Director
03	Sabiha Khaleque	Member	Director
04	Shah Muhammed Hasan	Member	Director
05	Abu Hasan Khan	Member	Director
06	Md. Shah Alam Babul	Member	Director
07	Dr. Fatema Raushan Jahan	Member	Director

Committee Meeting:

During the year 2016, the Committee convened five meetings in which it reviewed, among other things, issues relating to business operations, administrative control, legal compliance and finance & accounts.

Head of Internal Control & Audit Department and Company Secretary are permanent invitees to the meetings. Relevant departmental heads and other members of the management also attend the meetings as and when required. The proceedings of the Committee meetings are regularly reported to the Board of Directors.

Scope of the Audit Committee is defined as under:

- To review the financial and other system and its reporting procedure.
- To oversee the work of external auditors, including matter of disagreement between the management and external auditors regarding reporting of financial statements.
- To discuss major issues concerning accounting principles and financial statement presentation.
- To conduct audit concerning material violation by the management in carrying out operations of the company.
- To review reports of litigation and regulatory compliance matters.
- To monitor internal control risk management process.
- To oversee hiring and performance of external auditors.
- To review the annual and the quarterly and half yearly financial statements before submission to the board for approval.

- To review the adequacy of internal audit function.
- To indentify suspected fraud or irregularity in the internal control system.
- To review statement of significant related party transactions submitted by the management.
- To review management letters/letter of internal control weakness issued by statutory auditors.

Activities performed during 2016:

- Review of the auditors' report and audited accounts for the year 2015.
- Review of the un-audited first quarter report 2016.
- Review of the un-audited second quarter report 2016.
- Review of the un-audited third quarter report 2016.
- Review of the financial and management audit reports of branches and head office.
- Review of significant accounting and reporting issues.
- Review of the consistency and appropriateness of the accounting policies adopted by the Company to ensure compliance with Bangladesh Accounting Standards (BASs).
- Review and approval of the audit plan for the year 2017.
- Review of the appointment of external auditors.
- Undertaking an evaluation of the independence and objectivity of the external auditor and the effectiveness of the audit process.
- Review of the non-audit service provided by the auditors to ensure that the provision of these services does not impair their independence.
- Monitoring the effectiveness of the internal audit function with a view to further strengthening the controls environment of the Company.
- Review of the effectiveness of the internal control systems to ensure that processes are in place to safeguard the assets of the Company.
- Monitoring whether the Company is fully compliant with the corporate governance guidelines issued by Bangladesh Securities and Exchange Commission.
- Maintenance of Whistle-Blower policies in the Company.
- Any other matter as per the Audit Committee Charter.
- The Committee was not aware of any issues in the following areas which needed to be reported to the Board:
    - Report on conflict of interest;
    - Suspected or presumed fraud or irregularity or material defect in the internal control system and
    - Suspected infringement of laws, including securities related laws, rules and regulations.

The Audit Committee is satisfied that the internal controls and procedures in place for assessing and managing risks are adequately designed and operated effectively to safeguard the assets of the Company.

The Committee also observes that the Company complies relevant laws, rules and regulation and follows codes of ethics and standards of conducts.

The Committee is also satisfied that application of appropriate accounting policies provides reasonable assurance that the Financial Statements of the Company are true and fair

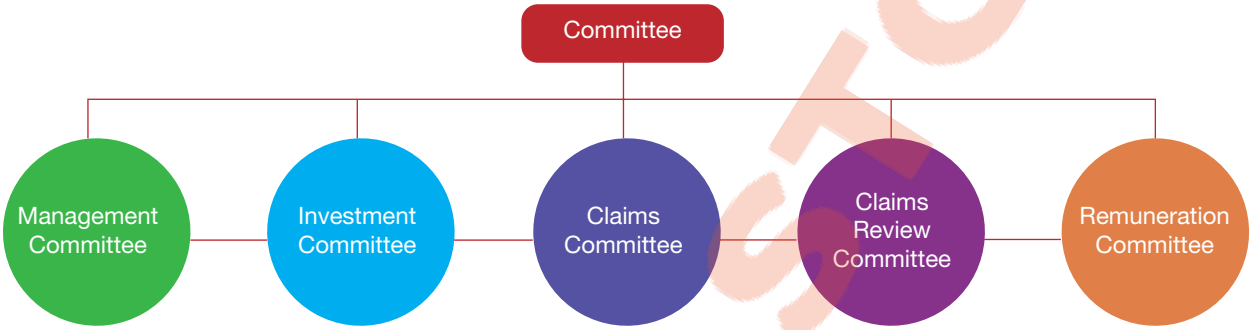
On behalf of the Audit Committee, I would like to convey my gratitude to our valued stakeholders for their continual support which leads us towards the way of success.

A.Z.M. Sazzadur Rahman
Chairman
Audit committee



Management Committees and their **RESPONSIBILITIES**

Prime Insurance has approved Management committee, Claims Committee, Investment Committee and Organizational Structure (Organogram) with clear functional segregation and segregation of processing authorities. This ensures Core Risk Management practice and compliance across the company. Management committee is the main body of management and decision making in the company. On the whole, the company is governed by rules, regulations, guidelines directions and policies as applicable for the Insurance Business and operations. The Company has formed following Committee for making key decision smoothly.



Management Committee :

The management Committee is tasked with making key decisions of the Company's Management and Operation under the official delegation of authority from the Board .The Management Committee is composited with following Executives of the Company:

Composition of Management Committee

Name	Designation in Company	Position in Committee
Mohammodi Khanam	Chief Executive Officer	Chairman
Syed Monirul Huq	Deputy Managing Director & Head of Operations	Member
Sujit Kumar Bhowmik	Assistant Managing Director & Head of SBMD, Health Insurance and BCD	Member
Badal Chandra Rajbangshi	SEVP & Chief Financial Officer	Member
Md. Delwar Hossain	SEVP & Head of Claims Department	Member
Kamal Pasha	SVP & Company Secretary	Member Secretary
Md. Lokman Hossain	SVP and Head of Accounts Department	Member
Rehana Akter Ruma	VP & Head of HRD & Administration	Member
Easin A. Khan	SAVP and Head of Reinsurance Department	Member
Md. Lalchand Khan	AVP and Head of Internal Control and Audit Department	Member

Responsibilities of Management Committee:

Management Committee is responsible for the preparation and fair presentation of the financial statements in accordance with Bangladesh Accounting Standard (BAS), Bangladesh Financial Reporting Standards (BFRS) and in accordance with Bangladesh Securities & Exchange Commission (BSEC) Notification No.SEC/CMMRCD/2006-158/129/Admin/43 dated July 03, 2012 and other applicable Rules & Regulations. Management also responsible for designing, implementing and

maintaining internal control system relevant to the preparation and fair presentation of financial statement that are free from material misstatements, whether due to fraud or error, selecting and applying appropriate accounting policies, and making accounting estimates that are reasonable in the circumstances.

Investment Committee:

To invest the surplus fund in a profitable way, the Company has formed an Investment Committee. The Investment Committee has been formed with following Executives and Chairman of Board of Directors:

Composition of Investment Committee:

Name	Designation in Company	Position in Committee
Md. Zakiullah Shahid	Chairman	Chairman
Mohammodi Khanam	Chief Executive Officer	Member
Badal Chandra Rajbangshi	SEVP & Chief Financial Officer	Member
Md. Lokman Hossain	SVP and Head of Accounts Department	Member
Kamal Pasha	SVP & Company Secretary	Member
Asaduzzaman Mia	AVP & Head of Share, Trade & Investment Department	Member

Claims Committee

The Company has formed a Claims Committee to expedite settlement of various claims intimated against the insurance policies issued through branches. The Claims Committee has been constituted with the following Executives and Chairman of the Board of Directors of the company:

Name	Designation in Company	Position in Committee
Md. Zakiullah Shahid	Chairman	Chairman
Mohammodi Khanam	Chief Executive Officer	Member
Md. Delwar Hossain	SEVP & Head of Claims Department.	Member

Composition of Health Insurance Claims Review Committee:

Name	Designation in Company	Position in Committee
Md. Zakiullah Shahid	Chairman of Prime Insurance Company	Chairman
Dr. Shamim Khan, MBBS	Doctor of the Health Insurance Calims Committee	Member
Dr. Armin Hasan, MBBS	Doctor of the Health Insurance Calims Committee	Member
Mohammodi Khanam	Chief Executive Officer	Member
Md. Delwar Hossain	SEVP & Head of Claims Department.	Member

Profile of the members of Health Insurance Claims Review Committee:



Dr. Shamim Khan

Dr. Shamim Khan is a Management and Public Health Professional with nearly 10 years of experiences in Health, disability elimination and Social Development. He is currently serving as an Executive Director of a reputed Children's Charity Organization named **LMRF** and an advancing not for profit Healthcare social business named **LMRF Healthcare**.

Dr. Khan is a medical doctor and achieved his MBBS degree from Bangladesh Medical College under Dhaka University on 2005. He started his medical career by working on Orthopedic Surgery at various Hospitals in different parts of Bangladesh. He passed FCSP part 1 in Orthopedic Surgery on 2010 and started his MS course in Orthopedic Surgery at Dhaka Medical College same year. Following that, he received extensive training in Orthopedic and General Surgery in BSMMU and CMCH. Along with his Medical Profession, Dr. Khan also developed himself as a social entrepreneur. On 2010, he founded the **Zero Clubfoot** Project, primary goal of which is to eliminate Congenital Clubfoot deformity from Bangladesh. Now this project is running under LMRF and operating in 7 districts of Chittagong Division. He is member of international public health forums and other key social development networks.



Dr. Armin Hasan

Dr. Armin Hasan completed her MBBS from Chittagong Medical College in 2011. After completion of MBBS, she has done her internship at Chittagong Medical College in 2012. Dr. Armin passed FCPS part one in Dermatology & Venereology in the year July, 2013. She worked as an Honorary Medical Officer at Shahid Suhrwardi Medical College and Hospital till July, 2014. Then she was enrolled for DDV course (diploma in Dermatology and Venereology) in Bangabandhu Sheikh Mujib Medical University and successfully completed the course in July, 2016. She also passed MCPS under BCPS (Bangladesh College of Physicians and Surgeons) in January, 2016.

Remuneration Committee

The Board of Directors has formed a new Committee in its 283rd Board Meeting held on November 26, 2016 with key decisions for employees' remuneration of the Company as like as salary fixation, promotions, increments and evaluated outstanding performance of the executives. The Board of Directors has constituted Remuneration Committee with the following Board of Directors of the Company:

Composition of Remuneration Committee

Name	Position in Committee
A Z M Sazzadur Rahman	Chairman
Shah Muhammed Hasan	Member
Abu Hasan Khan	Member
Saheda Pervin Trisha	Member
Md. Zakiuilla Shahid	Special Invitee Member
Qazi Saleemul Huq	Special Invitee Member
Sabiha khaleque	Special Invitee Member

Term of Reference (TOR) of Remuneration Committee

Roles and responsibilities

The role of the remuneration committee is to assist and advise the Board to fulfill its responsibilities to members of the Prime Insurance Company Ltd (PICL) on matters relating to the compensation, bonuses, incentives and remuneration issues of the Chief Executive Officer (CEO) and PICL staff. The remuneration committee is not a policy making body but assists the Board/EC by implementing board policy.

Objectives of the committee include:

- To review and recommend remuneration of the CEO within the terms of the employment contract triennially following the applicable Insurance Regulations.
- To review the CEO's recommendations regarding remuneration for staff.
- To ensure staff remuneration is aligned with market trends.
- To monitor and review the staff's performance and key performance indicators for the determination of the annual bonus components.
- To review and recommend any incentive plans or ex-gratia payments to PICL staff.
- To review any employee grievance or staff complaints about remuneration.
- To ensure that PICL's remuneration and incentive policies, practices and performance indicators are aligned to the board's vision, values and overall business objectives and are appropriately designed to:
    - motivate the PICI's staff and the CEO to pursue the long term growth and success of PICL, and
    - demonstrate a clear relationship between the achievement of PICL's objectives and the staff performance and remuneration.

In discharging their responsibilities, the committee members have a duty to act in the best interests of PICL as a whole, irrespective of personal, professional, commercial or other interests, loyalties or affiliations.

Composition and term

- The remuneration committee is a committee of the board.
- The committee will include at least three members.
- The committee should include one independent director.
- The committee will elect its chairman.
- The board shall approve all appointments to the committee including the appointment of the chairman.
- Appointment to the committee will be for two years or as determined by the board.
- The duties and responsibilities of a member of the committee will be in addition to those duties set out for a director of the board.

Meetings

- The committee will hold meetings at least twice a year.
- The presence of two members will form quorum.
- The notice and agenda of meetings will include relevant supporting papers, as appropriate.
- The committee may invite any such other persons to attend as it seems fit, and consult with other persons or seek information it considers necessary, to fulfill its responsibilities.

Secretariat duties

- The company secretary will minute the matters arising from all meetings. The minutes will be ratified by members in attendance/discussion and signed by the chairman of the committee.
- The chairman of the committee will table the outcome of deliberations at the next board meeting.

Voting

- Any matters requiring a decision will be decided by a majority of votes of members present.
- The chairman shall have a casting vote.

Review of TOR

- The committee should review the TOR to provide assurance that it remains consistent with the board's objectives and responsibilities.
- The board approves or further reviews the Terms of reference (TOR).

Management Business Review and
FINANCIAL ANALYSIS

Management Responsiblilty:

Management of the Company is responsible to prepare Financial Statements in accordance with Bangladesh Accounting Standard (BAS) and Bangladesh Financial Reporting Standards (BFRS) issued by the Institute of Chartered Accountants of Bangladesh (ICAB), Insurance Act, 2010 and Bangladesh Securities & Exchange Commission (BSEC) Rules 1987 and other applicable laws.

As per requirements of Bangladesh Securities & Exchange Commission, Prime Insurance Company prepares segment wise operation result separately. The Company has mainly four reportable segments on the date of reporting namely Fire, Marine, Motor and Miscellaneous. This report describes Prime Insurance Company's operations and financial position for the year ended 31 December 2016.

Management Business Performance Review:

The Company's policy to build its business upon strong customer services has continued to deliver impressive results. The underlying performance of the business remains strong with revenue growth retaining well ahead of cost growth. The performance of individual business segment during the year 2016 and its future strategies are presented below:

Segment wise Operating Result/Performance of the Company:

Prime Insurance Company has Earned Gross Premium Tk.535.01 million and Operating profit earned Tk.79.37 million in 2016 as against Gross Premium Tk.579.55 and Operating profit Tk.118.27 million in 2015. Segment wise operating reseults of income are as follows :

Segment wise Operating performance for the year 2016 {(Amount in Million (BDT)}

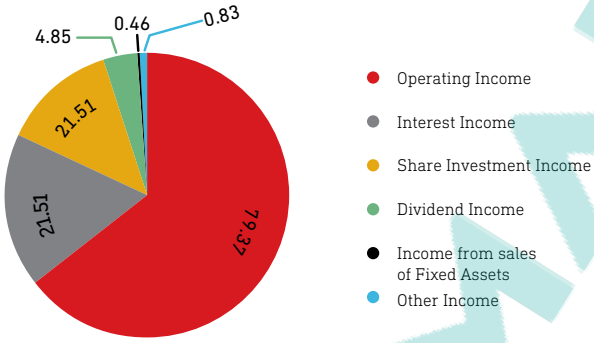
Particulars	Fire	Marine	Marine Hull	Motor	Misc	For-2016	For-2015	Growth-2014	Growth %
Premium Income (Own retention)	260.52	122.39	3.49	44.11	61.76	492.27	541.76	(49.49)	(9.14)
Premium Income on PSB	3.38	17.77	0.38	2.26	18.67	42.46	37.79	4.67	12.36
R/I premium on acceptance	-	-	-	-	0.28	0.28	-	0.28	-
Gross Premium Income	263.90	140.16	3.87	46.37	80.71	535.01	579.55	(44.54)	3.22
Less:R/I Premium Ceded Own Retention	232.51	17.65	3.52	4.16	44.91	302.74	337.29	(34.54)	(10.24)
Less: R/I premium on PSB	2.34	14.26	0.29	-	18.31	35.2	30.42	4.78	15.71
Net Premium Income	**29.05**	**108.25**	**0.06**	**42.21**	**17.49**	**197.06**	**211.84**	**(14.78)**	**(2.25)**
Add: Net R/I Com.Earned	52.11	4.56	0.47	1.29	6.1	64.54	84.91	(20.38)	(24.00)
Add: Net Premium Reserve Retained.	13.36	32.89	9.22	17.3	17.49	90.26	120.41	(30.15)	(25.04)
Less :									
Reserve for Un-expired risk	11.62	43.30	0.06	16.88	6.99	78.86	90.27	(11.42)	(12.65)
Agent Commission	39.08	18.36	0.52	6.62	9.26	73.84	81.27	(7.43)	(9.14)
Management Expensens (Revenue A/C)	56.86	30.20	0.83	9.99	17.39	115.28	132.25	(16.98)	(12.84)
Net Claims	(14.69)	5.40	(0.08)	9.65	4.24	4.52	(4.90)	9.42	(192.24)
Operating Profit/(Loss)	**1.65**	**48.44**	**8.42**	**17.66**	**3.20**	**79.37**	**118.27**	**(38.90)**	**(32.89)**

Segment Wise Revenue Income of the Company:

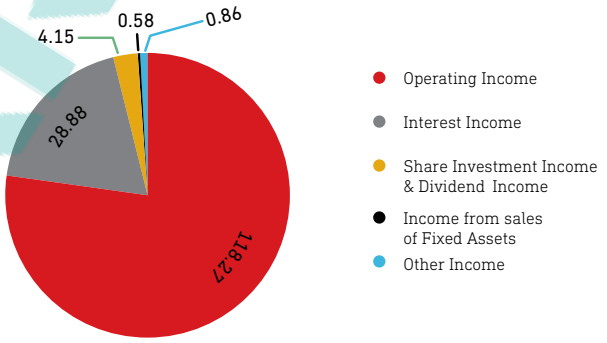
Total Revenue Income is BDT 122.92 million in 2016 and BDT 152.74 million in 2015. Operating profit is Tk.79.37 million, Interest income Tk. 21.51 million, Share investment income Tk. 15.95 million and dividend income Tk. 4.85 million and other income Tk. 1.29 million as against Tk. 118.27 million, Interest income Tk. 28.88 million, Share investment income Tk. 0.27 million Dividend income Tk. 3.88 Million and Others income is Tk. 1.44 million. Segment wise Revenue income chart and graphs are given below :

	2016		2015			
Components	Amount (in million TK.)	% of Total Revenue	Amount (in million TK.)	% of Total Revenue	Growth/ (Declined) -2016	Growth %
Operating Profit/Income	79.37	64.54	118.27	77.43	(38.90)	(32.89)
Interest Income	21.51	17.49	28.88	18.91	(7.37)	(25.52)
Share Investment Income	15.95	12.97	0.27	0.18	15.68	5,807.41
Dividend Income	4.85	3.94	3.88	2.54	0.97	25.00
Income from sales of Fixed Assets	0.46	0.37	0.58	0.38	(0.12)	-
Other Income	0.83	0.67	0.86	0.56	(0.03)	(3.49)
Total Revenue Income :	122.97	100.00	152.74	100.00	(29.77)	

Segment wise Revenue Income - 2016 (in million Taka)



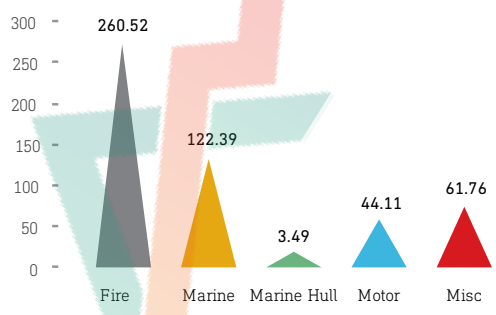
Segment wise Revenue Income - 2015 (in million Taka)



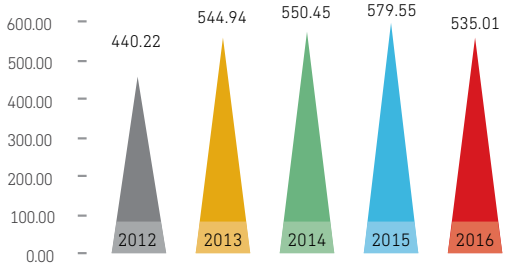
Gross Premium income (Turnover) :

In the year 2016 Gross premium income (Turnover) attained Taka 535.01 Million as against Taka 579.55 Million in 2015, and increase/(decreased) of (8.32%). Class wise and Year wise Gross premium income are shown in flowing graphs:

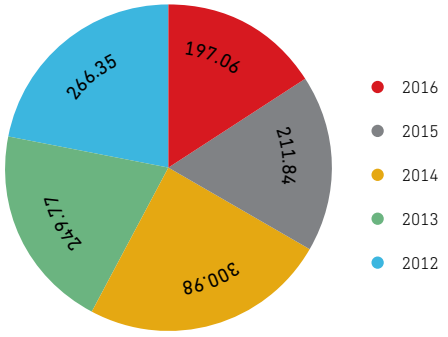
Class Wise Gross Premium Income-2016



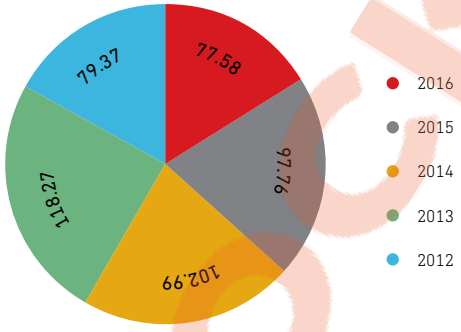
Year Wise Gross Premium Income (in Million Taka)



Year Wise Net Premium Income (in million Taka)



Year Wise Operating Profit (in million Taka)



Net Premium income :

In the year 2016 Net premium Income attained Tk. 197.06 million as against Tk. 211.84 million in 2015, and increased/(decreased) of (6.98%) after reinsurance ceded premium. 5 years net premium income is given below :

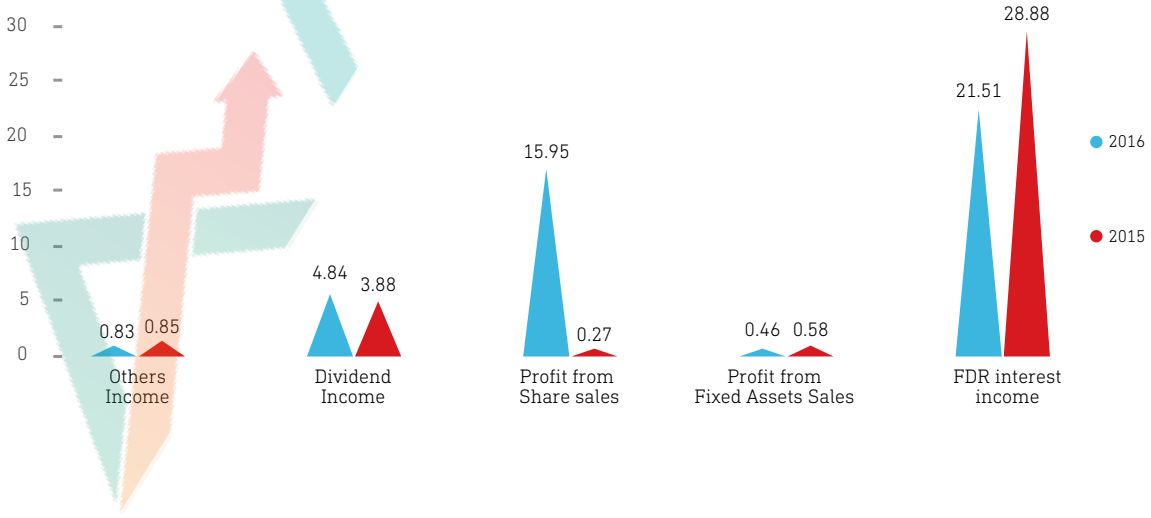
Operating Profit (Underwriting Profit) :

In the year 2016, Operating Profit/Income decreased to Tk. 79.37 million from Tk. 118.27 million in 2015 and decreased of 32.90%. 5 years operating income are as follows :

Segment wise Investment & Others Income :

Particulars	2016		2015		Increased/ (Decreased)- 2016	Growth %
	Amount (in Million Tk.)	Total %	Amount (in Million Tk.)	Total %		
Interest Income	21.51	49.35	28.88	83.81	-7.37	(25.52)
Dividend income	4.84	11.10	3.88	11.26	0.96	24.74
Profit from sales of Share & Mutual fund	15.95	36.59	0.27	0.78	15.68	1568.00
Profit from sales of Fixed Assets	0.46	1.06	0.58	1.68	-0.12	0.00
Others income	0.83	1.90	0.85	2.47	(0.02)	-2.35
Total :	**43.59**	**100.00**	**34.46**	**100.00**	**9.13**	

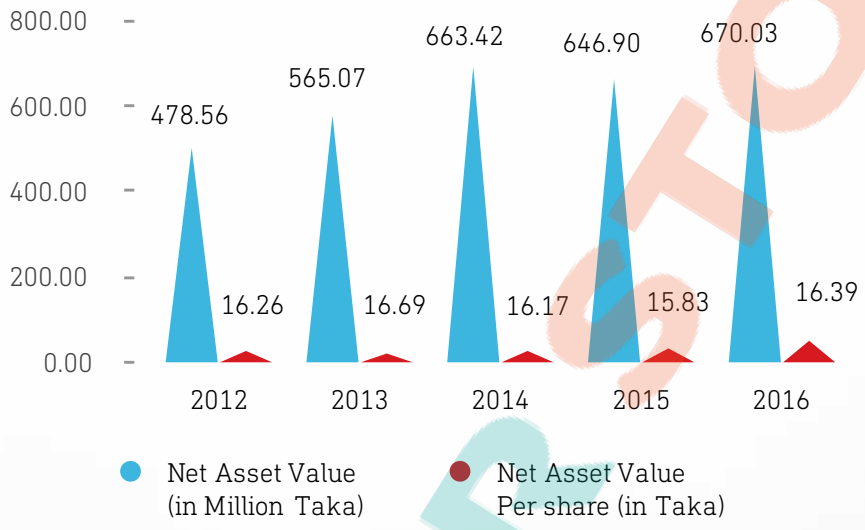
Invesment Income (in Graphs)



Financial Ratio Analysis (Balance Sheet Analysis)

Net Assets Value (NAV) and Net Asset Value Per Share:=

Net Assets Value (NAV) of the Company stood at Taka 670.03 million in 2016 which was Taka 646.90 million in 2015. At the same time Net Asset Value per Share is Tk.16.39 in 2016 while it was Tk.15.83 in 2015 an increased Tk.09%. 5 Years Net Assets Value graph is given as under :





Report on
GOING CONCERN

Bangladesh Accounting Standard (BAS-1) : Presentantion of Financial Statements requires management to make an assessment of an entity's ability to continue as a going concern. In other Financial Reporting Frameworks, there may be no explicit requirement for management to make specific assessment of an entity's ability to continue as a going concern. Nevertheless, since the going concern assumption is a fundamental principle in the preparation of financial statements as per BAS-1, the preparation of the financial statements requires management to assess Prime Insurance's ability to continue as a going concern even if the financial reporting framework does not include an explicit requirement to do so.

Bangladesh Securities and Exchange Commission Notification dated 7 August 2012 requires the Directors of all the listed companies to report on its ability to continue as going concern. The Board of Directors of Prime Insurance makes annual assessment as to whether there exists any material uncertainty that may cast significant doubt about Prime Insurance ability to continue as a going concern.

Financial Statements are normally prepared on the assumption that an enterprise is a going concern and will continue in operation for the foreseeable future. Hence, it is assumed that the enterprise has neither the intention nor the need to liquidate or curtail materially the scale of its operations; if so, the basis used is disclosed. On the other hand Listed Companies are required by Bangladesh Securities and Exchange Commission to report on its ability to continue as going concern.

The Board of Directors of Prime Insurance Company Limited has made annual assessment about whether there exist material uncertainties which may cost significant doubt upon the Company's ability to continue as going concern. The director's assessment of whether the Company is a going concern involves making appropriate inquiries including review of budget, forecast, assumptions and future outcome of inherent uncertainties in existence. The Directors are covinced from the following indications, which give reasonable assuance as to company's ability to continue as a going concern for the foreseeable future.

The time period that the Director have considered in assessing the appropriateness of the going concern basis in preparing the financial statements for the year ended 31 December 2016 is period of twelve months from the date of approval of these financial statements (the period of assessment). The Directors has focused on the matters setout below:

Financial Indications

* Positive Current Assets

Prime Insurance has positive current assets of Tk.940.61 million as on 31 December 2016. It signifies Company's ability to meet its short-term obligations using the short-term assets.

* Speedy settlement of Claims

The company has a very good track record and reputation in settlement of its claims . A details report on claims settlement is given on this annual report.

* Fixed term debt with realistic renewal or repayment

At the end of financial year 2016, there were no fixed term borrowing of the Company. Based on Company's functional procedure, the company has paid fixed term borrowing if any, at first priority basis.

* Less reliance on short term borrowing/Current liabilities

At the end of the financial year 2016, total short term borrowing/current liabilities of the company were Tk 441.19 million, representing 36.55% of total Liabilities that indicates the company has least reliance on short term borrowings.

* Continuous financial support by lenders/Valued Investors

The Company has a very good track record and reputation in settlement its obligation with its lenders, investors, and clients. So, we enjoy easy and fair access to the funding sources to meet our increasing need for growth.

* Positive/Negetive Operating Cash flows

Cash flow statement of the Company for the year 2016,

shows positive/(Negative) operating cash flows of Tk (55.42) million. Net operating Cash flows Per Share is Tk.(1.36). Statement of liquidity also shows overall positive liquidity gap representing strong abilty to meet current and future obligations.

* Positive key financial ratios

The Company has a very positive financial ratio as evident from financial summary given of this Annual Report. Such positive financial ratios indicate Company's sound financial strength and good prospects.

* Consistent payment of dividends

The Company has been paying dividend consistently to its shareholders over many years. Dividend payment record is given in this Annual Report, which reflects company's long-term vision. Every year since listing, the Company has been continuously paying stock dividend that reflects Company's long-term viability in operational existence. The company have started to pay cash dividend again to the shareholders of the company for the year from 2014.

* Credibility in payment of obligations

The Company has strong credibility in terms of payment of its obligation to the lenders/ investors. The Company is very particular in fulfilling the terms of loan agreement.

* Performance growth

During the year the Company performed slightly downward. Prime Insurance Company has excellent growth in its overall performance in preceding years. The Company's total investment has increased from Tk 597.55 Million to 679.91 million, indicating a decreased growth of 12.10 percent over the last year. Profit before tax is Tk. 101.87 Million and Net profit after tax is Tk.74.23 Million . All those indicators support Company's continuance in foreseeable periods.

* Positive underwriting results and trends

Prime Insurance Company has excellent growth in its Underwriting Result / operating performance. Total consolidated Underwriting / operating revenue is Tk.79.37 Million in 2016 as against Tk.118.27 million in 2015 and net profit after Tax is Tk.74.23 Million as against Tk. 86.21 million in 2015 which indicates a growth/(decreased) (32.89%) and 13.90 % over last year respectively.

Operating indications

* No key management turnover

In 2016, the company has not experienced any event of turnover in key management position. Employees have long-term commitment and loyalty to the company. Average length of services of an employee at Prime Insurance company Ltd is 10.28 (approx) years .

* Good business expansion

The Company has expanded its products and services line by introducing new product & cost efficency like as Ship Builders Liability Insurance, Aviation Insurance, Health Insurance, Overseas Medi Claim Insurance Policy, Bankers Blanket Bond policy (BBB), Hajj & Umrah Insurance etc. We try to maximize insurance coverage at a minimum cost provide our clients with professional and expert services with an umbrella. These represent compny's intention for perpetuity.

* Speedy settlement of Claims to the Clients :

The company has a good track record and reputation in settlement of its claims. Prime Insurance Company, clients are always our first priority. Whenever, our clients face any types of catastrophe that lead them to financial loss for what they have taken coverage before, we immediately stand by them to minimize their economical distress.

* Good market reputation and clients satisfaction

The Company has built up step by step good market reputation by introducing its product and services to the clients with professional and expert services with honesty and efficency of Management teams. In 2016, the company has achieved premium earned of Tk. 535.01 million where position of the company is top 10 of Non-life insurance Premium Income in the Private Sector Insurance Company of Bangladesh. The Company also try to pay clients any claims as easy process of minimum requirement within 90 days. These indicate its good market reputation and clients satisfaction of the Company.

* Good Corporate environment and employee satisfaction

Prime Insurance Company has a very good corporate environment . There is an excellent work place with friendly environment. Communication among the employees is very excellent. The Company endeavors to be honest and

practices fair treatment to all employees which ensures good corporate environment. The Company pays a very competitive compensation package and there exists a good number of employee benefits like transport benefits, Perfomance related bonus, gratuity, Provident fund, Group insurance benefit etc. Which considered to be instrumental for employee satisfaction.

Other Indications

*** Maintenance of Sufficient Capital base as required by law**

As on 31 December 2016, the Company' s total equity stands at Tk. 670.03 million. While the minimum Paid-Up Capital required by Insurance Development and Regulatory Authority (IDRA) is Tk.400.00 (Four hundred) million. Company's Paid-up capital as on 31 December 2016 is Tk.408.77 million. The Board has recommended 13.00% cash dividend for the year 2016. Upon approval by the Shareholders in the forth coming AGM on 30th March 2017, the paid-up capital would stand at Tk.408.77 million.

*** Strong Equity Base**

As on 31 December 2016, the Company' s total equity stands at Tk. 670.03 million as against total equity of Tk.646.90 million in 2015 which was included paid up Capital of Tk.408.77 million. Representing an increase of 1% over last year that reflects company's strong equity base.

*** Strong Claims Paying Ability (CPA)**

In 2016, Credit Rating information and Services Limited (CRISL) has graded again the Claim Paying ability (CPA) rating of the company to " A+" (Pronounced as only single A+) based on the Auditd Financial Statement for the year ended December 31, 2015 which was rating of " A+ " (pronounce as single A) based on the audited Financial Statements up to December 31, 2014. This indicates the company,s Strong Claim paying Ability (CPA) position.

*** Anticipates no significant change in legislation or government policy**

Management anticipates no significant change in legislation or government policy, which may materially affect the business of the company.

Based on the above indications, directors feel it appropriate to adopt going concern assumption and there is no material uncertainty in preparing the financial statements. Adequate disclosures have been made in the financial statements and different sections of the annual report to understand the appropriateness of going concern basis in preparing financial statements.



Responsibilities of
CEO & CFO

In compliance with the condition no-6 imposed by the Bangladesh Securities and Exchange Commission (BSEC) notification no SEC/CMRCD/2006-158/134/Admin/44 dated 7 August 2012 issued under Section 2CC of the Securities and Exchange Ordinance 1969 and Rules, we do hereby certify to the Board that-

The financial statements are prepared in accordance with Bangladesh Accounting Standards issued by the Institute of Chartered Accounts of Bangladesh and in compliance with Insurance Act, 2010, Companies Act 1994, the Securities and Exchange Commission Rules 1987, the Listing Regulations of the Dhaka and Chittagong Stock Exchanges and applicable rules & regulations.

We are responsible for establishing and maintaining proper internal control system. We have designed such control or caused such control to be designed under our supervision, to ensure that material information relating to the Company is made known to us and for safeguarding the Company's assets and preventing and detecting fraud and error.

We have evaluated the effectiveness of the Company's internal control system and are satisfied that the Internal Control System were effective as of the end of the period under review. Moreover, significant estimates and accounting policies that involve a high degree of complexity and judgment were discussed with our external auditors and the Audit Committee of the Board.

We also Certify to the Board that:

i) We have reviewed financial statements for the year 2016 and that to the best of our knowledge and belief :

   a) These statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading ;

   b) These statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards and applicable laws.

ii) There are, to the best of our knowledge and belief, no transactions entered into by the company during the year which are fraudulent, illegal or violation of the company's code of conduct.

Badal Chandra Rajbangshi
Chief Financial Officer

Mohammodi Kkanam
Chief Executive Officer



Report on
CORPORATE GOVERNANCE

Corporate Governance is the process of practicing accuracy, accountability, effective internal control, customary corporate behavior, etc. in an organization. It is the means, by which an organization is operated and controlled. It protects the interests of all stakeholders of an organization. Fairness, Transparency, Accountability and Responsibility are the minimum standard of acceptable corporate behavior today. Good corporate governance system is vital for efficient and effective business operation, long term stability, and sustainable growth with reputation for any organization.

In Prime Insurance, Corporate Governance is practiced increasing the stakeholders' value being efficient and professional to the organization, transparent & accountable to the shareholders and responsible to the society and environment. The Board takes cognizance of good corporate governance practice as a core ingredient in the creation of sustainable shareholders' value and protecting interests of the stakeholders.

Good Corporate Governance means that the Management and the Board of Directors are committed to strive continuously for attaining highest standards so as to ensure that the business and its affairs are in strict adherence to the doctrine and principles of proper governance such as Integrity, Transparency, Accountability and Responsible Business Conduct.Good Corporate Governance safeguards the interests of its shareholders and stakeholders and client partners.

In Prime Insurance, the corporate governance system is designed to ensure transparency and accountability at all levels in doing business. It also ensures that the duties and responsibilities are appropriately segregated between the Board and the Management to provide sufficient check and balance and flexibility for smooth business operation.

The Board is committed to maintain high standard of corporate governance, business integrity, ethics, and professionalism with a view to enhancing stakeholders' value, increasing shareholders' confidence, establishing customer trust and building a competitive organization across all of the Insurance Companies' activities. The Board provides leadership and directions for the management, approves strategic and major policy decisions and oversees Management to attain pre-determined goals & objectives of the Company. Integrity and compliance are strongly encouraged by the Board.

The Board also ensures that adequate internal control systems are in place and they are consistently complied with to provide reasonable assurance that financial records are reliable for preparation of the financial statements. The Board further ensures that quality of financial reporting is maintained and accountability for assets and business transactions is also maintained.

A key objective of our governance framework is to ensure compliance with applicable legal and regulatory requirement and with best governance practice as set out in the concerned Notification of Bangladesh Securities and Exchange Commission (BSEC). The Board continuously reviews its governance model to ensure its relevance and ability to meet the challenges of the future. The corporate governance framework thus aims at promoting transparency and efficiency in conducting the business, be consistent with the rule of law and clearly articulate the division of responsibilities among different supervisory, regulatory and implementation authorities.

Keeping in view the size, complexity and operations, the governance framework of the Company is based on the following principles:

- That the Board is appropriate in size and members are committed to their respective duties & responsibilities.
- Representation of women on the Board is encouraging.
- That timely flow of information to the Board and its Committees are ensured to enable them discharge their functions effectively.
- That a sound system of risk management and internal control is in place.
- That timely and balanced disclosure of all material information concerning the Company is made to all stakeholders.
- That all transactions of the Company are transparent and accountability for the same is well established.
- That all regulatory and statutory rules & regulations are complied with.
- The Company is being run in line with Corporate Governance Guidelines of BSEC.

The role and responsibilities of the Board:

To ensure effective maintenance of corporate governance, the Board of Prime Insurance formulates strategic objectives and policies for the Company and supervises management action in implementing those objectives of the Company. In Prime

Insurance, Board of Directors is in full control of the Company's affairs and is also accountable to the Shareholders. The Board firmly believes that the success of the Company depends largely on the prevalence of a credible corporate governance practice.

In discharging its responsibilities, the Board fulfills certain key functions, including:

- Reviewing and guiding corporate strategy, major plans of action, risk policy, annual budgets and business plans; setting performance objectives, monitoring implementation and corporate performance.
- Ensuring integrity of the Company's accounting and financial reporting system, in particular, systems for risk management, financial and operational control and compliance with the law and relevant standards.
- Reviewing Company's financial statements and oversee its compliance with applicable audit, accounting and reporting requirement.
- Formulate and approve policy regarding appointment, promotion, code of conduct, HRD, job rules, incentives and risk management etc.
- Approve the minutes of the Executive Committee, which is formed to resolve on regular business issues and also approve the minutes and findings of the Audit Committee, which is formed in order to ensure compliance at Head Office and Branch Offices in every aspects so that stakeholders' right is protected to the extent of highest degree.
- Monitoring implementation and effectiveness of the approved strategic and operating plans.
- Establish company's value.
- Oversee corporate governance of the Company.
- Ensure codes of best business practice, emphasizing importance on effective operating infrastructures and system of control.
- Encourage and ensure Company's active participation in Corporate Social Responsibility activities etc

The Company's policy is to maintain optimum combination of Directors from both Sponsors and General Public. The Chief Executive Officer of the Company is a non-shareholder Ex-officio Director and the Board has appointed prescribed number of Independent Directors as per Insurance Act, 2010. The Board ensures that the activities of the Company are always conducted with adherence to high ethical standard and in the best interest of the shareholders

Board Meetings and proceedings

The Board of Directors holds meeting on regular basis: usually once in a month, but emergency meetings are called when deemed necessary. Board Meetings are normally held to discuss and decide on major corporate, strategic and operational issues as well as to evaluate major investment opportunities. At the meeting, Chairman of the Board allocates sufficient time for the Directors to consider each agenda item in a prudent way and allows them to freely discuss, enquire and express opinions on the items of interest so that they can fulfill their duties to the best of their abilities. The consent of the Board is normally given by majority votes at Board Meetings. The agenda and materials for each Board Meeting are provided to the Directors well in advance of the meeting dates for their convenience to study and take preparation on the agenda. They are provided substantial input and comments on agenda items. The board agenda is prepared by the Company Secretary in consultation with the Chief Executive Officer as per directives of the Chairman of the Board.

12 Board Meetings were held in the year 2016, wherein policies and major business strategic decisions were taken. At the invitation of the Board, Members of Senior Management attended Board Meetings or portion thereof for the purpose of participating in discussions.

Appointment of Directors

The Company always complies with the prescription of the regulatory authorities regarding appointment of directors. IDRA Circulars, BSEC Notifications, Company Act and Company's Articles of Association are strictly followed regarding this matter. Directors are appointed by the Shareholders in the AGM. Casual vacancies, if any, are filled by the Board in accordance with the stipulations of the Companies Act 1994 and the Articles of the Company. The CEO is appointed by the Board subject to the approval of the IDRA. All Directors hold Company's common shares as per Company's Articles of Association and the requirements of BSEC.

Composition of the Board of Directors

The Board of the Company is comprised of 21 members as on 31 December 2016, including the Chief Executive Officer as ex-officio member. The Chairman and 17 other members are Non-Executive Directors and only the Chief Executive Officer is an Executive Director. There are also 2 Independent Directors in the Board as per relevant section of Insurance Act, 2010.

The Non-Executive Directors are independent from the management. The Directors' biography/profile cited in the earlier pages of this report illustrates that the Directors have a complementary range of financial, operational and entrepreneurial experience which ensures that no single Director dominates in the decision making process. They are knowledgeable individuals with integrity who are able to

ensure compliance with financial, regulatory and corporate laws and can make meaningful contribution to business.

The Directors have never been convicted in any criminal offence or involved in any fraud/forgery, financial crime or other illegal activities. There is no adverse comment or opinion about them in any report/findings. They have never been found guilty on violation of directions of any of the regulatory authorities relating to financial sector.

The name of the Directors and their position in the Board are as follows.

Sl.No	Composition of the Board	Position
	Non-executive Directors	
1	Md. Zakiullah Shahid	Chairman
2	Nazma Haque	Vice Chairman
3	Qazi Saleemul Huq	Director
4	Sabiha Khaleque	Director
5	Mahanur Ummel Ara	Director
6	Md. Shah Alam Babul	Director
7	Shah Muhammed Hasan	Director
8	Gole Afroz Banu	Director
9	Dr. Fatema Raushan Jahan	Director
10	Nilufar Hossain	Director
11	Hasina Khan	Director
12	Tahera Akhter	Director
13	Mahabuba Haque	Director
14	Dil Ara Begum	Director
15	Saheda Pervin Trisha	Director
16	Abu Hasan Khan	Director
17	Rahela Hossain	Director
18	Al-Shadat Duvash	Director
	Independent Directors	
19	A. Z. M. Sazzadur Rahman	Independent Director
20	Kazi Zahedul Hasan	Independent Director
	Executive Director	
21	Mohammodi Khanam	Chief Executive Officer

Directors' shareholding status

As per BSEC Notifications dated 22-11-2011 and 7-12-2011, each Director other than Independent Director(s) of any listed Company shall hold minimum 2% shares of the paid up capital by 21 May 2012, else there shall be a casual vacancy of Director(s).

And all sponsors/promoters and directors of a Company listed with any stock exchange shall, at all time, jointly hold 30% shares of the paid up capital of the Company. All the eligible directors of Prime Insurance have taken required number of shares to comply with the above Notifications.

Separate Role of the Chairman & the Chief Executive Officer

The Chairman of the Board and the Chief Executive Officer of the Company are different persons with different roles and responsibilities. The Chairman is responsible for the function of the Board. He oversees the operation and effectiveness of the Board. The Chairman approves the agendas for the Board Meetings with the assistance of the Chief Executive Officer and the Company Secretary. He also ensures that there is effective communication with the stakeholders and promotes compliances with the highest standards of Corporate Governance.

The Chief Executive Officer serves as the Chief Executive of the Company. As the Head of Management Team, she is accountable to the Board and its Committees to run and manage the Company in line with prescribed policies, principles and strategies adopted by the Board and rules and regulations of IDRA, BSEC and other regulatory bodies. It is evident from the corresponding roles of the Chairman and the Chief Executive Officer that Prime Insurance Management handles daily affairs of the Company as a separate entity from the Board of Directors and both work in the common interests of the Company and its stakeholders.

Role of the Chairman

The Chairman leads the Board and is also responsible for the effective performance of the Board. The Chairman continuously works together with the rest of the Board Members in setting the policy frame-work and strategies to align the business activities driven by the senior management with the company's objectives and inspires and monitors their implementation. The Chairman has no engagement in the day to day affairs of the Company.

Functions of the Chairman of the Board of Directors

- Chairs the Board and Shareholders' Meeting.
- Provides leadership to the Board in all affairs of the Board's function.
- Plans and organizes all the activities of Board of Directors.
- Ensures effective operation & performance of the Board and its Committees in conformity with the

highest standards of corporate governance.

- Works closely with and through the Managing Director and participates in the development of company's mission, vision, strategic objectives and business plans.
- Provides the key link between the Board and the Management.
- Ensures Corporate Social Responsibilities activities of the Company.

Role of the Chief Executive Officer

The Chief Executive Officer is responsible for overseeing the day to day activities to ensure smooth and effective operation of the company and for implementing strategies and policies adopted by Board. She is accountable to the Board for the financial and operational performance of the Company.

Functions of the Chief Executive Officer

- Chairs Meetings of Management Team.
- Runs day to day business activities of the Company.
- Implements Company's policies & strategies, as approved by the Board of Directors, in the most effective and efficient manner.
- Assigns individual responsibilities of the Executives.
- Accountable for overall performance of the Company.
- Reports to the Board on progress against the strategic and annual business plans on a regular basis.
- Take a leadership role in establishing or developing Company's culture and values.

Independent Directors

As per Section 76 of Insurance Act 2010, Board of Directors of Insurance Company shall not be more 20, out of which there shall be 12 Sponsors Directors, 6 Directors from Public Shareholding and 2 Independent Directors (1/10th of total number of Directors). At present, the Board has 2 Independent Directors: (1) A.Z.M Sazzadur Rahman and (2) Kazi Zahedul Hasan. Their individual profiles are disclosed in the earlier part of the Annual Report,

A.Z.M Sazzadur Rahman was appointed in the 251st Board Meeting held on 26-6-2014 for a period of 3 years. His appointment was approved by the Shareholders in the 19th AGM. As per BSEC's Corporate Governance Guidelinesof 30 August 2012, his term as the Independent Director is going to expire in June 2017 and upon completion of the term, he is eligible for re-appointment by the Shareholders for another term of 3 years.

Kazi Zahedul Hasan was appointed in the 279th Board Meeting held on 23-7-2016 for a period of 3 years. His appointment is needed to be approved by the Shareholders in this AGM.

The effective representation of Independent Directors in the Board is ensured. The Independent Directors have declared their compliances as per guidelines of BSEC. They enjoy full independence in terms of carrying out required responsibilities. They are well conversant in the field of business and professional areas.

Vision, Mission and Strategy

The vision and mission of the company are approved by the Board. These are disclosed in the earlier part of the Annual Report, Company's website and other publications.

Business objectives are focused and the areas of businesses are set out to attain vision, mission and strategic objectives.

The strategies to achieve the business objectives are clearly set out and disclosed in earlier page of the Annual Report.

Board Committees

The Board of Directors is supported by the following 3 main Committees:

1) Executive Committee
2) Audit Committee
3) Remuneration Committee

The Board delegates some of its governance responsibilities to the Board Committees, which operate within clearly defined terms of references, primarily to assist the Board in the execution of its duties and responsibilities. The charter, including the composition of the committee, are reviewed and updated as and when necessary to ensure ongoing compliance with code and other guidelines. The Board is kept fully informed of the work of those committees from time to time.

Executive Committee (EC)

The Executive Committee guides the management in achieving the Company's Mission/Vision. The Committee ensures implementation of policies, approves claims and other business proposals as per the approved policy of the Board. It also approves the requirement of management personnel for different sections of the Company, review major compensation policies and recommend annual increment/promotion of employees & incentive programs, evaluate effectiveness of the HR policy etc. Nine meetings of the Executive Committee were held in the year 2016.

The Board, in its 276th Meeting held on 30 March 2016 reconstituted the Executive Committee with following 10 non-executive Directors:

Sl.No	Composition of the EC	Position
1.	Shah Muhammed Hasan	Chairman
2.	Qazi Saleemul Huq	Member
3.	Sabiha Khaleque	Member
4.	Nazma Haque	Member
5.	Dr. Fatema Raushan Jahan	Member
6.	Md. Shah Alam Babul	Member
7.	Abu Hasan Khan	Member
8.	Mahanur Ummel Ara	Member
9.	Rahela Hossain	Member
10.	Saheda Pervin Trisha	Member

Audit Committee

The Audit Committee is empowered to examine any matter relating to financial affairs of the Company and to review all audit programs, internal control system & procedures, management information system, management of risks, internal audit reports and audit process, compliance with laws & regulations and Company's own code of business conduct. The Committee recommends to the Board steps to improve the system of internal control derived from the findings of the internal & external auditors' report and from the consultations of the Audit Committee itself.

The Committee assists the Board of Directors in ensuring that the Financial Statements reflect true and fair state of affairs of the Company and to ensure a good monitoring system within the business.

The Committee has a Terms of Reference and is empowered to investigate/question employees and obtain external counsel as required.

The Audit Committee is authorized to investigate any activity within its terms of reference and has unrestricted access to both the internal and external auditors and members of the senior management of the Company. The Committee, in course of performance of its duties, may ask for any information, papers and documents from any employee of the company through its Member Secretary and such employee shall be bound to comply with such instructions of the Committee. The Committee may also visit the branch offices of the Company or any other places within the Country.

The Audit Committee shall aim to create efficiency, remain compliant in the operations and to add value to the Company and ensure corporate governance. The Committee also oversees the discharge of responsibilities of the External Auditors. 5(five) meetings of the Audit Committee were held in the year 2016.

The Board, in its 276th Meeting held on 30 March 2016 reconstituted the Audit Committee with following 7 (seven) non-executive Directors including Independent Director as Chairman of the Committee:

Sl.No	Composition of the Audit Committee	Position
1.	A.Z.M Sazzadur Rahman	Chairman
2.	Qazi Saleemul Huq	Member
3.	Sabiha Khaleque	Member
4.	Shah Muhammed Hasan	Member
5.	Dr. Fatema Raushan Jahan	Member
6.	Abu Hasan Khan	Member
7.	Shah Alam Babul	Member

All Members of the Audit Committee are erudite in finance and few Members of the Committee are from Finance and Accounting background.

Salient Features of the Audit Committee

- The Audit Committee should be composed of at least 3 (three) members from the Board, which includes at least 1 (one) independent Director.
- More than two thirds of the members are non-executive Directors.
- The Chairman of the Audit Committee should be an Independent Director having professional knowledge and relevant financial expertise. All members of the Audit Committee should be adequately knowledgeable in finance and at least one member should have expertise in Finance & Accounting.
- The quorum of the Audit Committee Meeting shall constitute by majority members and shall not constitute without at least 1 (one) Independent Director.
- The Committee meets at least 4 (four) times a year.
- The Chairman of the Board shall not be a Member of the Audit Committee.
- The CEO or the Chairman of the Board may be invited to attend the Audit Committee Meetings as and when required.
- Audit Committee Meeting must be held at least quarterly to monitor internal & external audits.
- The Company Secretary and the Head of Audit & Internal Control attend all the meetings.
- The Head of Audit has direct access to the Audit Committee.
- The Chief Financial Officer (CFO) attends the meeting occasionally by invitation.
- Audit Committee must prepare reports on all meetings for the Board of Directors and report annually to the shareholders.

Remuneration Committee

The Board at its 283rd Meeting held on 26-11-2016 formed a Remuneration Committee as sub-committee of the Board. The first meeting of the Committee was held on 24 December 2016.

The remunerations paid to all level of employees are determined by the pay scales as approved by the Board of Directors, which are revisedtime to time keeping consistence with other companies. The Remuneration Committee makes recommendation to the Board for its consideration and final approval of remuneration related policy. Company's Human Resources Department fixes salaries and remuneration to the employees as per set pay scales mentioned above. Management ensures that all employees are remunerated fairly.

The Directors do not get any remuneration. They only get fees for attending Board/Committee Meetings. The Directors receive Tk. 5,000 each as per IDRA circular dated 26-8-2010 for attending Board Meeting and any Committee Meeting.

Chief Executive Officer and other contractual employees receive a negotiated remuneration. Senior Executives and other regular/permanent employees receive remuneration as per board approved pay scales.

Management Committee (MANCOM)

The Board has delegated adequate operational and financial authority to the Chief Executive Officer to manage operation of the Company. The Chief Executive Officer conducts the affairs of the company through further delegation down the line and in consultation with the Management Committee. The Chief Executive Officer is responsible for implementation of policies and procedures adopted by the Board.

The overall functions of the Company are being carried out by the following 14 Departments:

- Administration
- Human Resources Department
- Board Affairs
- Establishment & Logistic
- Finance & Accounts
- Branch Control Department
- Claims
- Re- Insurance
- Audit & Internal Control
- Specialized Business & Market Development and Health Insurance
- Share Trade & Investment
- Information Technology
- Public Relation & Corporate Affairs
- Customer Care

The Management Committee is considered to be the highest decision making authority in the management of the Company, and is comprised of the Chief Executive Officer and following Departmental Heads. The members of the Management Committee are appointed by the Board:

Composition of MANCOM	Position
Chief Executive Officer	Chairman
DMD and Head of Operation	Member
AMD & Head of Specialized Business, Health Insurance & BCD	Member
CFO	Member
Head of Claims	Member
Head of Accounts	Member
Head of HRD & Administration	Member
Head of Re-insurance Department	Member
Head of Audit	Member
Company Secretary	Member Secretary

In the Management Committee, all Members are well experienced and have dedication for the services to the Business Partners as well as Clients. During the crisis moment, they work collectively as a strong team. The Management Committee generally meets in regular successions, preferably once in every two months to discuss the business results, to review the prevailing business conditions and discuss policy matters. Consensus building as a management style is encouraged in the deliberations of the Management Committee Meetings. The Chief Executive Officer is responsible for implementing the Board's decision and s/he uses the Management Committee as a consultative body to advise and assist him/her on issues under consideration.

Internal Control

In today's business domain, the event of globalization and continuous evolving technological environment, insurance has substantially enlarged its horizon worldwide. Owing to associate high risks in the insurance functions, strong & effective internal control systems have become really important to ensure good corporate governance, transparency and accountability. The Board has ultimate responsibility for establishing an effective system of internal control. The Company's internal control philosophy encompasses not only regulatory & legal requirements but also various internal rules, policies, procedures and practices based on best practices of local and global insurance companies.

Major elements of the Company's control environment are as follows:

- Regular Board Meeting with comprehensive agendas dealing with all major aspects of business.
- Regular Board Committee Meeting to discuss issues as clearly defined in their charter.
- Regular Management Committee Meeting with specific issues relating to operation of the Company.
- An established organogram and delegation of authorities with job descriptions for each division and section.
- Defined operating guidelines and procedures with authorization limits at appropriate levels.
- An Internal Audit Department directly reporting to the Board Audit Committee in compliance with procedures and authority limits.
- A comprehensive annual budgetary system with ultimate approval by the Board.
- A comprehensive financial reporting system including actual performance with budget.
- Review and analysis of fund position on daily basis.
- Accounting and operation manuals.

Role of the Company Secretary

The Company Secretary is responsible for ensuring proper information flow within the Board and its Committees and between the Senior Management and non-executive Directors. He is also responsible for advising the Board through the Chairman on all governance matters. He ensures that Board procedure is complied with. He fulfills the regularity requirements of the Company. He keeps the records of compliance / non-compliance status imposed by the BSEC, which has been shown in the compliance report on BSEC Notification. The authority of both the appointment and removal of the Company Secretary is vested in the Board as a whole.

Role of the Head of Audit & Internal Control

The Head of Audit & Internal Control is responsible for reporting to the Board Audit Committee regarding any deviation from accounting and internal control systems of the Company. He is also responsible for ensuring regulatory compliances of the Company. The authority of the appointment of the Head of Internal Control is vested in the Board.

Ethics and Compliance

Every official is motivated to ensure that the Company at all times maintains high ethical standards and adequate internal control measures are in place guarding against unethical practices and irregularities. The Company has adopted core values, commitments and code of conduct/ ethical principles which are strictly followed. The statement of ethics and business practices is approved by the Board of Directors and is circulated to all the directors & employees for their perusal and application.

The Company also follows anti-fraud and anti-corruption program as per the guidelines of regulatory authorities to prevent fraud and corruption. All tiers of employees are trained on the issue.

A brief description on above matter is cited in this Report.

Communication with Shareholders and Stakeholders

The Company provides a balanced level of communication between the Company and its Stakeholders. The Company has a separate Department named Board Affairs Department to communicate with the Stakeholders. Shareholders may communicate with this Department at any time for any sort of information and query. The company provides updated information in its website for all the shareholders of the company.

The Company disseminates its any or all Price Sensitive Information (PSI) within 30 minutes of the decision to the SEC and the Stock Exchanges under the signatures of the Managing Director or the Company Secretary through fax and by special messenger, and through courier services in special cases and at the same time cause publishing the same in 2 widely circulated newspapers, one in Bangla and the other in English and also in an online newspaper at the same time.

The shareholders are provided routine services by the Company Secretary in the matters of transfer of shares, replacement in case of damage of shares, payment of dividends etc.

The Company also publishes its quarterly reports and annual reports within the time periods stipulated in the listing rules of Stock Exchanges and arranges necessary publications and dispatch within stipulated time. The annual report covers all the notes for current financial year, business performance, future plan, strategy and other key corporate information and disclosures.

The Board of Directors regards the Annual General Meeting (AGM) and other General Meetings as important opportunities for direct communication with Shareholders. To make the AGM more participatory, the Company declares the date of AGM well ahead of time, circulates Annual Reports and other documents in time, arrange AGM in a well-located place and atconvenient time, which

allows the shareholders to attend and speak in the AGM freely. The company values their proposals & suggestions. In the last AGM held on 30 March 2016, a large number of shareholders attended the meeting and participated in the discussions and made different queries & suggestions on different subjects. The Company is fully committed to protect the interest of its shareholders. The shareholders voice their views in the AGM. Their constructive suggestions are implemented for the betterment of the company.

All Directors and Senior Management also attend the Annual General Meeting (AGM) and other General Meetings, where they are available to respond to Shareholders' questions. All shareholders have the right to vote at General Meetings. The number of shareholders is increasing gradually which shows their constant faith in the company.

The Website of the Company also contains corporate information, which is updated on a regular basis. The Website serves as a source of business, financial, and other relevant information on the company with easy access. Press releases, interim and annual reports and other information of interest to Shareholders are uploaded to Company's Website. In addition, from time to time, the Company publishes Newsletters/Information Brochures which set out specific aspects of the Company's operations for the general public/clients.

Apart from our respected shareholders, we have our valued customers, who are the source of our inspiration and our employees, who are the craftsmen of our everyday success. Others include suppliers, Government, regulatory bodies, society, community, media people and any other group having interest in the Company.

Relationship with the Government

In its role on accountability to the Government, the Board of Directors ensures payment of all dues to the Government in the form of VAT, Corporate Taxes and other Levis as and when they become due on the basis of actual operation and make sure that corruption or lapses do not take place. This has enabled the Company to enhance its contribution to the National Exchequer on a progressive rate year after year.

Human Capital

The Board believes that employees are the most valuable resources and key to the success of an organization. The Company strives to attract, develop, compensate and retain the most qualified people in a work environment characterized by discipline and affection. The employees are provided with orientation, local and foreign training and various learning and development programs. In our annual appraisal exercise, Departmental Heads are encouraged to identify areas where more training or self-development-initiatives of an individual are required. Accordingly, training courses are prepared and training sessions are organized, both in-house and external. It is our continuous endeavor to enhance the skills of our employeesand help them to reach their highest potential. We recognize that our success is deeply embedded in the success of our human capital.

We have platforms which provide recognition for outstanding performances. We offer career development opportunities and we are dedicated to our employees' well being. To boost motivation, we recognize and reward top performers, best managers, executives & officers. Every year, we commemorate these achievements at the Annual Branch Conference, Half Yearly Branch Conference and other events.

The Board of the Company endorses the betterment and productivity of its employees through a good number of facilities and measures, financial & non-financial, which are as follows:

- Attractive Compensation Package
- Gratuity
- Provident Fund (with 100% employers' contribution)
- Group Insurance
- Festival Bonus,
- Incentive Bonus
- Leave Encashment
- House Building Loan
- Training and Workshop (home & abroad)
- Car Finance Scheme, Car Facilities etc.
- Annual Increment,
- Fair Promotion and Career Growth Opportunities
- Hygienic Work Environment
- Health Care Facilities etc.

Quarterly Reports

As per BSEC Corporate Governance Notification dated 7 August 2012 and Bangladesh. Accounting Standard (BAS 34) the interim financial reports are intended to provide an update on the quarterly financial statements audited or unaudited.

Audit Committee Evaluation on Quarterly Reports

The Audit Committee of the Prime Insurance Company Limited, after due review, refers the quarterly reports to the Board. The Board, after threadbare discussion, approves the quarterly reports for necessary publications in the daily newspapers and in the website of the Company for the stakeholders and regulatory authorities as required by law.

Compliance Report on
SEC NOTIFICATION

Status of compliance with the condition imposed by the Securities and Exchange Commission's Notification No. SEC/ CMRRCD/2006-158/229/ Admin /43: dated 3rd July, 2012

Condition No.	Title	Compliance Status		Remarks (if any)
		Complied	Not Complied	
1.1	Board's Size: The number of the Board members shall not be less than 5 (Five) and more than 20 (Twenty)	√		Board is comprised of 20 Directors
1.2	**Independent Directors:**			
1.2(i)	One fifth (1/5) of the total number of directors	√		As per Ins. Act
1.2 (ii) a)	Does not hold any share or holds less than 1% share of the total paid-up shares.	√		Independent director s(ID) have declared their compliances
1.2 (ii) b)	Not connected with any sponsor/director/shareholder who holds 1% or more shares of the total paid-up shares on the basis of family relationship.	√		do
1.2 (ii) c)	Does not have any other relationship, whether pecuniary or otherwise, with the company or its subsidiary/associated companies	√		do
1.2 (ii) d)	Not a member, director or officer of any stock exchange.	√		do
1.2 (ii) e)	Not a shareholder, director or officer of any member of stock exchange or an intermediary of the capital market.	√		do
1.2 (ii) f)	Not a partner or an executive or was not a partner or an executive during the preceding 3 (three) years of any statutory audit firm.	√		do
1.2 (ii) g)	Not be an independent director in more than 3 (three) listed companies;	√		do
1.2 (ii) h)	Not been convicted by a court of competent jurisdiction as a defaulter in payment of any loan to a bank or a NBFI	√		do
1.2 (ii) i)	Not been convicted for a criminal offence involving moral turpitude.	√		do
1.2 (iii)	Nominated by the board of directors and approved by the shareholders in the AGM.	√		
1.2 (iv)	Not remain vacant for more than 90 (ninety) days.			
1.2 (v)	Board shall lay down a code of conduct of all Board members and annual compliance of the code to be recorded.	√		
1.2 (Vi)	Tenure of office of an independent director shall be for a period of 3 (three) Years, which may be extended for 1 (one). Term only.	√		

Condition No.	Title	Compliance Status		Remarks (if any)
		Complied	Not Complied	
1.3	**Qualification of Independent Director (ID)**			
1.3 (i)	Knowledge of Independent Directors	√		
1.3 (ii)	Background of Independent Directors	√		
1.3 (iii)	Special cases for qualifications			N/A
1.4	**Individual Chairman of the Board and CEO**	√		
1.5	**The Directors' Report to Shareholders:**			
1.5 (i)	Industry outlook and possible future development in the industry	√		
1.5 (ii)	Segment-wise or product-wise performance	√		
1.5 (iii)	Risks and concerns	√		
1.5 (iv)	Discussion of Cost of Goods Sold, Gross Profit Margin and Net Profit Margin.	√		
1.5 (v)	Discussion on continuity of any Extra-Ordinary gain or loss	√		
1.5 (vi)	Basis for related party transactions	√		
1.5 (vii)	Utilization of proceeds from public issues, rights issues and/ or through any others	√		
1.5(Viii)	Explanation if the financial results deteriorate after the company goes for IPO, RPO, Rights Offer, Direct Listing.			N/A
1.5(ix)	Explanation about significant variance occurs when Quarterly Financial Performance and Annual Financial Statements.			N/A
1.5 (x)	Remuneration to directors including independent directors	√		
1.5 (xi)	Fairness of Financial Statement	√		
1.5 (xii)	Maintenance of proper books of accounts	√		
1.5 (xiii)	Adoption of appropriate accounting policies and estimates	√		
1.5 (xiv)	Followed IAS, BAS, IFRS and BFRS in preparation of financial statements	√		
1.5 (xv)	Soundness of internal control system	√		
1.5 (xvi)	Ability to continue as a going concern	√		
1.5 (xvii)	Significant deviations from the last year's operating results	√		
1.5 (xviii)	Key operating and financial data of at least preceding 5 (five) years	√		
1.5 (xix)	Reasons for not declared dividend			N/A
1.5 (xx)	Number of board meetings held during the year and attendance	√		
1.5 (xxi)	**Pattern of shareholding:**			
1.5 (xxi) a)	Parent/Subsidiary/Associated Companies and other related parties	√		Attached in the annexure -II
1.5 (xxi) b)	Directors, CEO, CS, CFO,HIA and their spouses and minor children	√		do
1.5 (xxi) c)	Executives	√		do
1.5 (xxi) d)	10% or more voting interest	√		do

Condition No.	Title	Compliance Status		Remarks (if any)
		Complied	Not Complied	
1.5 (xxii)	Appointment/re-appointment of director:			
1.5 (xxii) a)	Resume of the director	√		
1.5 (xxii) b)	Expertise in specific functional areas	√		do
1.5 (xxii) c)	Holding of directorship and membership of committees of the board other then this Company.	√		do
2.1	**Appointment of CFO, HIA and CS:**			
2.2	Attendance of CFO and CS at the meeting of the Board of Directors.	√		In practice
3	**Audit Committee :**			
3 (i)	Constitution of Audit Committee	√		
3 (ii)	Assistance of the Audit Committee to Board of Directors	√		In practice
3 (iii)	Responsibility of the Audit Committee	√		In practice
3.1	**Constitution of the Audit Committee:**			
3.1 (i)	At least 3 (three) members	√		7 members including 1 ID
3.1 (ii)	Appointment of members of the Audit Committee	√		
3.1 (iii)	Qualification of Audit Committee members	√		
3.1 (iv)	Term of Service of Audit Committee members	√		In practice
3.1 (v)	Secretary of the Audit Committee	√		In practice
3.1 (vi)	Quorum of the Audit Committee	√		In practice
3.2	**Chairman of the Audit Committee**			
3.2 (i)	Board of Directors shall select the Chairman, who shall be a independent director	√		Board in its meeting held on 31-3-2013 nominated ID as Chairman of the Audit committee
3.2 (ii)	Chairman of the audit committee shall remain present in the AGM.	√		Will be present
3.3	**Role of Audit Committee**			
3.3 (i)	Oversee the financial reporting process	√		In practice
3.3 (ii)	Monitor choice of accounting policies and principles	√		In practice
3.3 (iii)	Monitor Internal Control Risk management process	√		In practice
3.3 (iv)	Oversee hiring and performance of external auditors	√		In practice
3.3 (v)	Review the annual financial statements before submission to the board for approval	√		In practice
3.3 (vi)	Review the quarterly and half yearly financial statements before submission to the board for approval	√		In practice
3.3 (vii)	Review the adequacy of internal audit function	√		In practice
3.3 (viii)	Review statement of significant related party transactions	√		In practice
3.3 (ix)	Review Management Letters/ Letter of Internal Control weakness issued by statutory auditors	√		In practice

Condition No.	Title	Compliance Status		Remarks (if any)
		Complied	Not Complied	
3.3 (x)	Disclosure about the uses/applications of funds raised by IPO/RPO/Right issue	√		N/A
3.4	**Reporting of the Audit Committee:**			
3.4.1	Reporting to the Board of Directors:	√		
3.4.1 (i)	Activities of Audit Committee	√		
3.4.1 (ii) a)	Conflicts of interests	√		
3.4.1 (ii) b)	Material defect in the internal control system	√		
3.4.1 (ii) c)	Infringement of laws, rules and regulations	√		
3.4.1 (ii) d)	Any other matter	√		
3.4.2	**Reporting to the Authorities**	√		There was no such case
3.5	**Reporting to shareholders and General Investors**	√		
4	**Engagement of External/Statutory Auditors:**			
4 (i)	Appraisal or valuation services or Fairness Opinions	√		
4 (ii)	Financial information systems design and implementation	√		
4 (iii)	Book-keeping	√		
4 (iv)	Broker-dealer services	√		
4 (v)	Actuarial service	√		
4 (vi)	Internal audit services	√		
4 (vii)	Services that the Audit Committee determines	√		
4 (viii)	Audit firms shall not hold any share of the Company, they audit.	√		
5	**Subsidiary Company :**			
5 (i)	Composition of the Board of Directors			N/A
5 (ii)	At least 1 (one) independent director to the subsidiary company			N/A
5 (iii)	Submission of Minutes to the holding Company			N/A
5 (iv)	Review of Minutes by the holding company			N/A
5 (v)	Review of Financial Statement by the holding company			N/A
6.	**Duties of Chief Executive Officer and Chief Financial Officer:**			
6 (i) a)	Reviewed that the Financial Statements do not contain any materially untrue statement	√		
6 (i) b)	Reviewed about compliance of the accounting standard	√		
6 (ii)	Reviewed about fraudulent, illegal or violation of the company's code of conduct	√		
7.	Reporting and Compliance of Corporate Governance:			
7 (i)	Obtain certificate about compliance of conditions of Corporate Governance Guidelines	√		
7 (ii)	Annexure attached in the directors' report	√		

The Pattern of
SHAREHOLDING

as on 31 December 2016

i) Parent/ Subsidiary/ Associated Companies and other related parties: Nil

ii)Directors/ Chief Executive Officer/ Company Secretary/ Chief Financial Officer/ Head of Internal Audit

SL	Name	Share Hold	% of Holding	Name of the spouse	Share held	% of Holding
	Directors					
1	Md. Zakiullah Shahid	10,48,467	2.56	Sonia Rahman	-	-
2	Qazi Saleemul Huq	8,19,010	2.00	Salma Huq	-	-
3	Md. Shah Alam Babul	9,22,649	2.26	Hazera Khatoon	-	-
4	Mahabuba Haque	8,37,812	2.05	Aynul Haque	-	-
5	Shah Muhammed Hasan	7,42,052	1.82	Gitali Badrunnesa	-	-
6	Ai-Shadat Duvash	5,09,234	1.25	Rockshana Shadat	-	-
7	Dr. Fatema Raushan Jahan	8,17,586	2.00	Kazi Sazid Ahmed	-	-
8	Nilufar Hossain	9,17,408	2.24	M. Shahadat Hossain	-	-
9	Sabiha Khaleque	10,48,467	2.56	M.A Khaleque	-	-
10	Hasina Khan	10,48,466	2.56	Nader Khan	77,835	0.19
11	Abu Hasan Khan	2,41,577	0.59	Mahbuba H.Khan	-	-
12	Tahera Akhter	10,48,467	2.56	Dr. Mostafizur Rahman	-	-
13	Gole Afroz Banu	10,48,467	2.56	K.M. Khaled	-	-
14	Saheda Pervin Trisha	8,18,673	2.00	Md. Shahnewaz	-	-
15	Dil Ara Begum	9,56,206	2.34	Md. Shamsul Alam	-	-
16	Rahela Hossain	10,48,467	2.56	S.A.M. Hossain	-	-
17	Mahanur Ummel Ara	8,17,899	2.00	Mafiz .A.Bhuiyan	59,571	0.15
18	Nazma Haque	10,48,467	2.56	Md. Aminul Haque	-	-
19	A.Z.M Sazzadur Rahman	Nil	Nil	Nilufar Rahman	-	-
20	Kazi Zahedul Hasan	Nil	Nil	Perween Hasan	-	-

iii)	**Shareholding of CEO,CFO,CS and Head of Internal Audit**					
1	CEO- Mohammodi Khanam	-	-	Mehmood Husain	-	-
2	CS- Kamal Pasha	-	-	Manowara Begum	-	-
3	CFO- Badal Chandra Rajbangshi		-	Nandita Rajbangshi	-	-
4	Head of Internal Audit- Md. Lalchand Khan	-	-	Raisan Ara	-	-

iv)	**Executives (top 5 salaried employees, other than the Directors, CEO, CS, CFO and Head of Internal Audit**			
	Name	**Designation**	**Shares held**	**% of Holding**
1	Basudev Chakrabarty	Addl. MD	-	
2	Syed Monirul Huq	DMD	-	-
3	Sujit Kumar Bhowmik	Asstt. MD	-	-
4	Gouranga Chandra Misra	SEVP	-	-
5	Md. Mijanur Rahman	SEVP	-	-
v)	**Shareholders holding 10% or more voting interest:**		-	-

Directors Attendance
IN MEETINGS

1 January 2016 to 31 December 2016

Board Meeting

Sl. No.	Name of the Directors	Position in the Board	Meeting Held	Present
1.	Md. Zakiullah Shahid	Chairman	12	12
2.	Nazma Haque	Vice Chairman	12	10
3.	Md. Shah Alam Babul	Director	12	10
4.	Al-Shadat Duvash	Director	7	6
5.	Shah Muhammed Hasan	Director	12	10
6.	Qazi Saleemul Huq	Director	12	4
7.	Dr. Fatema Raushan Jahan	Director	12	12
8.	Nilufar Hossain	Director	12	-
9.	Sabiha Khaleque	Director	12	2
10.	Hasina Khan	Director	12	5
11.	Abu Hasan Khan	Director	12	12
12.	Tahera Akhter	Director	12	2
13.	Gole Afroz Banu	Director	12	-
14.	Mahanur Ummel Ara	Director	12	6
15.	Rahela Hossain	Director	12	11
16.	Saheda Pervin Trisha	Director	12	12
17.	Dil Ara Begum	Director	12	12
18.	Mahabuba Haque	Director	12	7
19.	A.Z.M Sazzadur Rahman	Independent Director	12	11
20.	Kazi Zahedul Hasan Appointed on 23-7-2016	Independent Director	5	1
21.	Mohammodi Khanam	Managing Director & CEO	12	12
Attendance of Directors who got retired/died and term expired				
1.	Abdul Gaffar Dubash (Died: 19-2-2016)	Director	2	1

Audit Committee

Sl.No.	Name of the Director	Position in the Committee	Meeting Held	Present
1.	A.Z.M Sazzadur Rahman	Chairman	5	5
2.	Qazi Saleemul Huq	Member	5	1
3.	Sabiha Khaleque	Member	5	1
4.	Shah Muhammed Hasan	Member	5	5
5.	Dr. Fatema Raushan Jahan	Member	5	5
6.	Abu Hasan Khan	Member	5	5
7.	Shah Alam Babul	Member	5	4

Executive Committee

Sl.	Name of the Director	Position in the Committee	Meeting Held	Present
1.	Shah Muhammed Hasan	Chairman	9	7
2.	Nazma Haque	Member	9	8
3.	Qazi Saleemul Huq	Member	9	4
4.	Sabiha Khaleque	Member	9	2
5.	Dr. Fatema Raushan Jahan	Member	9	9
6.	Mahanur Ummel Ara	Member	9	4
7.	Rahela Hossain	Member	9	9
8.	Shah Alam Babul	Member	9	7
9.	Abu Hasan Khan	Member	9	9
10.	Saheda Pervin Trisha	Member	9	9
Attendance of Directors on special invitation				
1.	Md. Zakiullah Shahid	Chairman of the Board	N/A	9
2.	A.Z.M Sazzadur Rahman	Independent Director of the Board	N/A	5

Remuneration Committee

Sl.No.	Name of the Director	Position in the Committee	Meeting Held	Present
1.	A.Z.M Sazzadur Rahman	Chairman	1	1
2.	Shah Muhammed Hasan	Member	1	1
3.	Abu Hasan Khan	Member	1	1
4.	Saheda Pervin Trisha	Member	1	1
5.	Md. Zakiullah Shahid	Invitee Member	1	1
6.	Qazi Saleemul Huq	Invitee Member	1	1
7.	Sabiha Khaleque	Invitee Member	1	1

M. M. RAHMAN & CO.
CHARTERED ACCOUNTANTS
M. Obaidur Rahman, FCA
Rafiqul Islam Khan, FCA
Md. Shah Alam Mridha, FCA

Landmark Sensation (Level-01)
17-18, Mirpur Road, Shyamoli
Dhaka-1207, Bangladesh.

TEL : +880-2-8129737
CELL : 01775-889878
E-mail : rikhan@agni.com
m.mrahman58@yahoo.com
www.mmrahmanbd.com

Certificate on Compliance of Conditions of Corporate Governance

To the Shareholders of Prime Insurance Company Limited

We, in respect of Prime Insurance Company Limited (the Company), have examined the status of its compliance with the conditions of Corporate Governance issued by Bangladesh Securities & Exchange Commission (BSEC) through its notification no. SEC/CMRRCD/2006-158/134/Admin/44 dated 07 August 2012 under section 2CC of the Securities & Exchange Ordinance 1969.

The compliance with the said conditions of Corporate Governance Guidelines of Bangladesh Securities & Exchange Commission (BSEC) and reporting the status thereof is the responsibility of the management of the Company. Our responsibility is to provide a certificate about whether the Company is in compliance with the said conditions of Corporate Governance based on our examination. Our examination for the purpose of issuing this certificate was limited to the procedures including implementation thereof as adopted by the Company for ensuring the compliance of the conditions of Corporate Governance and correct reporting of the status of the compliance on the attached statement on the basis of evidence gathered and representation received. It is neither an audit nor an expression of opinion on the financial statements of the Company.

To the best of our information and according to the explanations given to us subject to fulfillment of requirement of appointment of Independent Director we certify that Prime Insurance Company Limited has complied with the Conditions of Corporate Governance stipulated in the above mentioned BSEC's notification dated 07 August 2012.

Place -Dhaka.
Date- March 1, 2017.

M. M. Rahman & Co.
Chartered Accountants

Summary of Accounts (Segment wise/Class wise Operating Profit)

PERFORMANCE

Segment wise operating profit/performance:

In accordance with Bangladesh Financial Reporting Standards (BFRSs- 8.20) and in order to enhance Corporate Governance in the interest of investors and the capital market, Bangladesh Securities and Exchange Commission (BSEC) requires preparation of seperate operating result as per Notification No-SEC/CMRRCD/2006-158/134/Admin/44 dated 07 August 2014 (as amended) condition no-1.5(ii) Prime Insurance Company has been presented segment wise accordingly.

The company has earned Gross Fire premium income Tk. 263.90 million, Marine premium income Tk. 144.03 million Motor premium Income Tk. 46.37 million and Miscellaneous premium income Tk. 80.71 million respectively in 2016. During the year total Gross Premium Income is Tk. 535.01 Million including PSB premium income and Operating Income/Profit Tk. 58.28 million after alocation of unalocated expenses of Statement of Profit or loss accounts Tk. 21.08 million. Segment Wise Financial Result of the Company for the year 2016 and 2015 are given below :

Details	Segment Wise Financial Result (in Million Taka)								
	Fire	Marine	Marine Hull	Motor	Misc	2016	2015	Growth / (Declined)- 2016	% of Growth/ Declined
Gross Premium Income	263.90	140.16	3.87	46.37	80.71	535.01	579.55	(44.54)	(7.69)
Less:R/I Premium Ceded	232.52	17.65	3.52	4.16	44.91	302.76	337.28	(34.52)	(10.23)
Less: R/I premium on PSB	2.34	14.26	0.29	-	18.31	35.20	30.44	4.76	15.64
Net Premium Income	**29.04**	**108.25**	**0.06**	**42.21**	**17.49**	**197.05**	**211.83**	**(14.78)**	**(6.98)**
Add: Net R/I Com.Earned	52.11	4.56	0.47	1.29	6.10	64.53	84.90	(20.37)	(23.99)
Add: Net Premium Reserve Retained.	13.36	32.89	9.22	17.3	17.49	90.26	120.41	(30.15)	(25.04)
Total Income:	**94.51**	**145.70**	**9.75**	**60.80**	**41.08**	**351.84**	**417.14**	**(65.30)**	**(56.01)**
Less Expenses:									
Reserve for Un-expired risk	11.62	43.30	0.06	16.88	6.99	78.85	90.26	(11.41)	(12.64)
Agent Commission paid	39.08	18.36	0.52	6.62	9.26	73.84	81.26	(7.42)	(9.13)
Management Expenses (Revenue A/C)	56.86	30.20	0.83	9.99	17.39	115.27	132.26	(16.99)	(12.85)
Management Expenses (P&L A/C)	10.40	5.52	0.15	1.83	3.18	21.08	19.73	1.35	6.84
Net Claims Paid	(14.69)	5.40	(0.08)	9.65	4.24	4.52	(4.92)	9.44	(191.87)
Operating Profit (U/W Result):	**(8.76)**	**42.92**	**8.27**	**15.83**	**0.02**	**58.28**	**98.55**	**(40.27)**	**163.64**
Interest Income						21.51	28.88	(7.37)	(25.52)
Investment Income						15.95	0.27	15.68	5,807.41
Dividend received on Investment						4.85	3.88	0.97	25.00
Others Income						1.29	1.43	(0.14)	(9.79)
Profit before tax.						**101.88**	**133.01**	**(31.13)**	**(23.40)**
Tax provision during the year						27.65	46.80	(19.15)	(40.92)
Profit after tax.						**74.23**	**86.21**	**(11.98)**	**17.51**
Return on Equity (%)						24.92	32.54	(7.62)	(23.40)
Return on Shareholders fund & Equity (%)						15.21	20.56	(5.35)	(26.04)
Shareholders Fund & Equity (in Million Taka)						670.03	646.9	23.07	3.58
Shareholders Equity (in Million Taka)						**408.77**	**408.77**		

Summary of Quarterly
FINANCIAL PERFORMANCE

In accordance with para 20 of Bagladesh Accounting Standard (BAS-34) and as required by local regulatorty authority Bangladesh Securities & Exchange Commission Circular No-SEC/CFD/Misc./233/2004/615 dated 02/02/2010 the Prime Insurance Company Limited published quarterly financial statements to the stakeholders and shareholders in each year. The company also published financial statements in the news paper (Dual medium-English and Bangla) and published in the Company's website accrodingly.

The Company has earned total Gross Premium Income Tk. 535.01 Million and Operating income Tk. 79.37 million and Net profit Tk. 74.23 million respectively in 2016 which was Tk. 579.55 million, Tk. 118.27 million and Tk. 86.21 million respectively in 2015. In 2016, premium income of (7.69%) increased/(diclined) as against 2015. Details of Quarterly and yearly Financial Results of the Company for the year 2016 and 2015 are given below :

Taka in Million

Particulars	1st Quarter ended 31 March,2016 (Jan-March)	2nd Quarter ended 30 June,2016 (April-June)	3rd Quarter ended 30 Sep, 2016(July to Sep)	4th Quarter ended 31 December,2016 (Oct-Dec)	Total-2016	Total-2015	Growth/ (Declined)-2016	% of Growth/ (Diclend)
Gross Direct Premium	156.29	128.69	107.73	99.57	492.28	541.76	(49.48)	(9.13)
Premium on PSB	9.41	16.48	7.89	8.67	42.45	37.79	4.66	12.33
R/I Premium on Acceptance	-	0.08	0.09	0.11	0.28	-	0.28	
Total Gross Premium	165.70	145.25	115.71	108.35	535.01	579.55	(44.54)	(7.69)
Less:R/I Premium Ceded	129.62	56.99	63.86	52.27	302.74	337.30	(34.56)	(10.25)
Less: R/I premium on PSB	7.70	14.96	5.91	6.64	35.21	30.42	4.79	15.75
Net Premium	28.38	73.30	45.94	49.44	197.06	211.83	(14.77)	(6.97)
Add: R/I Com.Earned	31.68	7.14	0.09	25.63	64.54	84.90	(20.36)	(23.98)
Add: Net Premium Reserve Retained	20.61	34.19	12.89	22.57	90.26	120.41	(30.15)	(25.04)
Total Income	80.67	114.63	58.92	97.64	351.86	417.14	(65.28)	(55.99)
Less Expenses								
Reserve for Un-expired Risk	11.37	29.48	18.43	19.58	78.86	90.26	(11.40)	(12.63)
Agent Commission	23.44	19.3	16.16	14.94	73.84	81.26	(7.42)	(9.13)
Management Expensens (Revenue A/C)	25.79	33.77	26.77	28.95	115.28	132.26	(16.98)	(12.84)
Management Expensens (P&L A/C)	3.83	3.61	4.18	9.43	21.08	19.72	1.33	6.74
Net Claims Paid	3.32	7.78	11.99	(18.57)	4.52	(4.91)	9.43	(192.06)
Operating Profit	**12.92**	**20.69**	**(18.61)**	**43.31**	**58.31**	**98.55**	**(40.24)**	**(40.83)**
Interest income	5.91	6.62	8.48	0.50	21.51	28.88	(7.37)	(25.52)
Investment income	0.28	4.39	0.46	10.80	15.95	0.27	15.66	5,800.00
Dividend income		2.81	1.05	0.98	4.84	3.88	0.96	24.74
Other income	0.06	-	0.82	0.41	1.29	1.43	(0.14)	(9.79)
Profit before Tax.	**19.17**	**34.51**	**(7.80)**	**56.00**	**101.88**	**133.01**	**(31.13)**	**5,748.60**
Tax provision	6.46	8.55	(4.86)	17.50	27.65	46.80	(19.15)	(40.92)
Net Profit after Tax	**12.71**	**25.96**	**(2.94)**	**38.50**	**74.23**	**86.21**	**(11.98)**	**(13.90)**
Earnings Per Share after Tax (BDT)	0.31	0.64	(0.07)	0.94	1.82	2.11	(0.29)	(13.74)
Number of Weighted average shares	40.88	40.88	40.88	40.88	40.88	40.88		

Risk Management & **Control Environment**

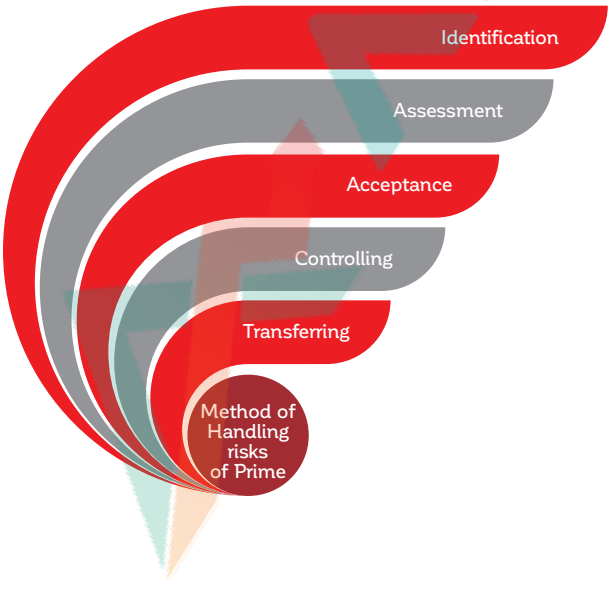


Report on
RISK MANAGEMENT

The fundamental objective of risk management is to anticipate future threats and prevent or at least minimize potential losses. Risk management is a core function of insurance companies since, unlike most other industries; they are in the business of assessing and covering potential worst-case scenarios. Risk is a double-edged sword for insurance companies. In one hand, customers buy coverage because their businesses face a variety of risks; on the other hand, there are numerous risk management challenges for the insurance industry. These include risks like "underwriting, credit, market, operational, liquidity risks, etc."

To cope with the increasingly complex business environment, Prime Insurance has continued to enhance the internal risk management practices by incorporating more sophisticated data-analysis tools and technologies to better support underwriting, pricing, and claims management, as well as to hedge investment risks.

Prime Insurance operates its business in increased scrutiny of a tightening regulatory environment and required assessment framework. It recognizes that an effective risk management framework involves more than just robust controls. For PICL, risk management is a continuous process of identification, assessment, and prioritization of risks followed by coordinated and economical application of resources to minimize, monitor and control the impact of unfortunate events. As explained PICL assesses the risks based on the assessment and decisions are taken in the following manners:



Risk Framework

A good risk framework should have a strong governance structure so that the board and the management of PICL significantly manage the risks. This involves appointing a chief risk officer (CRO) for risk management and the organizational culture is continuing to support it. The whole activities are typically facilitated by designated persons in each of the various departments, such as underwriting, reinsurance, legal/compliance, accounts and finance, marketing and sales, branch control, claims, IT, and so on. The management is always aware about risk-taking and risk monitoring roles of each independent department. To ensure this, there are a few well-known frameworks available such as ISO 31000 risk management standard and the COSO ERM. There is another framework used by S&P and A&M Best in their ratings as well. Few of the governance structures are given below.



Measuring effectiveness Risk Framework

Prime Insurance Company Ltd follows a structured approach to measuring the risk and taking the initiatives to manage risk effectively in the business performance. For effective risk assessments, Prime maintains the rules of ERM framework as follows:

- Different risk management components in an ERM framework are designed and performed to improve decision making, control, transparency and confidence.

- Individuals operating the framework (from all lines of defense) have sufficient skill, expertise and motivation to ensure effective risk taking, challenge, influence and change.
- Level of embedding the above in business activities improves risk management by supporting strong business performance, better decision making, improved risk adjusted return and better preparation for future business uncertainty.

The Risk we are facing

a. Strategic Risk & Management Plan:

The management of PICL coordinates to set the activities and methods that are used in an organization and to control potential risks that can affect its ability to achieve the objective including its risk management plan as well as risk associated with the company's future business plans and strategies. This includes failure of future business plans due to aggressive marketing of competitors, expansion or entry of new competitors, etc.

b. Operational Risk

Operational risk is associated with the problems of proper administration, policy issuing, claim settling, customer service and managing the exchange of cash. It also arises in record keeping, receive and payment system and compliance with various regulations. Operational risk is managed within acceptable levels through an appropriate level of management focus and resources. Failure to manage operational risk leads to significant financial losses, regulatory fines, reputational damage, all of which directly impact shareholders value.

c. Insurance Underwriting Risk

Prudent underwriting is the key to success and growth of the company. The faulty underwriting decisions and imposing a high level of exposures on the company can destroy the financial strength at any moment. Accordingly PICL maintain an underwriting strategy to achieve the company's mission and vision successfully and follow a process as below:

i. Set a strategy for risk acceptance and improvement

ii. Check and balance through monitoring;

iii. Periodical review of underwriting data;

iv. Training of officers and staff in all aspects of insurance underwriting and

v. Underwriting control by branch control department.

d. Reinsurance Risk

Reinsurance is a process of transferring risk to wider insurance market beyond retention capacity as like insurance. PICL is continuously reviewing its financial strength, underwriting statistics and assumption of risks acceptance capacity to arrange reinsurance treaty and facultative placement as well as increase its underwriting capacity and business efficiency. Reinsurance provides protection for the insurance company as well as policy holders and all stakeholders of the company. PICL follows a process to mitigate and transfer the underwriting risk.

i. Assessment of underwriting data and arrange suitable re-insurance treaties;

ii. Ensure appropriate facultative reinsurance beyond treaty capacity;

iii. Working in close liaison with Reinsurance companies and brokers;

iv. Meeting the minimum credit rating of reinsurance company as prescribed by the Regulators and

v. Audit conducted at regular intervals.

e. Market Risk

Market risk relates to the potential loss arising from an adverse change in the market risk factors, including commodity price, competitors, interest rates, credit spreads and equity prices. In addition, instability and disruption of overall economies of local and foreign can expose the company's business income and also change the annual premium income position which may adversely impact on the company's financial result. This risk can have a significant effect on investment returns, FDR interest income and market values of securities positions. The management of PICL has a strategic plan to cope with such risks with efficient hands.

f. Regulatory/ Legal Compliance Risk

Now IDRA is very strict to monitor and control the

regulatory aspects in Bangladesh insurance market. The management of PICL is very cautious to comply with the regulatory guidelines of the authorities. The management also issued internal circular & penalty policy for strict compliance of the IDRA rules and regulations.

g. Information Technology (IT) Security Risk

IT security risk is the most sensitive risk factor for the financial organizations. Prime Insurance is going through a complete online information technology system and to secure the information and system against the potential threats. Prime Insurance maintain its Domain Controller (Domain Server) to manage domain users and deliver information and software services to other computers linked by network. We also have Application Server, FTP Server, and Database Server, Stand by Server, Backup Server, IP-PABX Phone Server. The IT department maintains-

- All these servers are located in secured server room.
- Proper security measures have been taken to ensure data security and data integrity.
- The sensitive information is kept in a restricted area in the networking environment. Unauthorized access and electronic tampering is controlled strictly.
- Security system of the network is under dual administrative control.

h. Claims Reserving Risk

All insurance companies have to attain the financial strength to meet the probable claims to the insured. After occurrence of a claim each company has to make a claim reserve to settle and pay the claim at the earliest. The claims department keeps-

- Proper recording of all claims intimated;
- Processing and monitoring of all claims within prescribed time limits;
- Reserves created as soon as preliminary assessment of a loss is carried out;
- Review of outstanding claims on quarterly basis.

i. Investment Risk

Understanding the potential negative consequences of an event on an investment is very important. Managing those that are relevant is a necessary requirement to achieve organizational goals. Unmanaged risks present barriers to achieving the financial goals and ultimately may result in loss of principal. PICL's responses to manage those risks are:

- The Company follows a conservative investment policy with minimum exposures to the investments which are volatile in nature;
- The Board provides guidance in matters of new investments;
- Performance of investment portfolios is reported to the Board;
- Regular monitoring is performed by the Management.

j. Credit Risk

Credit risk is the possibility that a borrower or counter party will fail to meet its obligations in accordance with agreed terms. IDRA regulation strictly prohibits the credit business in non-life insurance sector in Bangladesh. PICL strictly follow the rules of IDRA and ensure zero percent of business credit that also reflects a very good positive benefit to the business portfolio. The Company considers this to be a low risk factor since no credit is extended except those under guarantee of financial institutions as per the regular monitoring of premium.

k. Liquidity Risk

Liquidity risk is the risk that arises when a company is unable to meet short term financial demands. This usually occurs due to the inability to convert a security or hard asset to cash without a loss of capital and/or income in the process. It may arise for insufficient liquid resources to meet claims payments and other obligations. PICL's responses to manage this risk are:

i. The Company follows a policy of maintaining high liquid and near liquid resources.

ii. The maturity of its fixed deposits and other investments are matched, as far as possible, with its outgoing commitments and obligations.

iii. Regular monitoring of its liquid resources is conducted by the Board.

l. Money Laundering Risk Management

Money laundering may be defined as a "risk" for the reporting agencies and they need to mitigate

it. Bangladesh Bank is increasingly recognizing the importance of ensuring that the banks & Insurance companies have adequate controls and procedures in place so that they know the customers they are dealing with. Money laundering risk control strategies of PICL are:

- Prime Insurance has its well written policy guidelines which are provided by Bangladesh Bank regarding prevention of money laundering and combating financing of terrorism.
- To ensure correct and full documentation of Proposal form (KYC) which will enable the organization to prevent money laundering prudentially.
- To provide regular training on prevention of money laundering and combating financing of terrorism to enhance capability of its employee's
- Reporting Officers' to visit branches on a regular basis to check the status of AML Compliance

m. Reputation Risk

Reputation risk arises from negative opinion from clients, corporate bodies, banks, financial institutions etc. The main causes of reputation risk are bad behavior, unethical practices, lack of integrity, devotion, quotation of off market rates etc. PICL has introduced a Code of conduct to ensure professionalism, integrity and ethical conduct for its employees with a view to control and improve the reputation risk.

Above all, Risk Management Planning is required for any organization to review the risk and take the management strategies according to the type of risk. But sometimes organizations are unable to take proper and effective decision because of biasness on several issues. So, an unbiased study on technical risk management measures adopted and fair insurance practices followed will help the management of the company to manage the risk effectively and profitably. In all issues Prime Insurance maintains and implements its risks management planning with maximum priority to achieve organizational vision and mission.



AMARSTOCK

Report on Insurance
RISK AND ITS MITIGATION

Risk is the potential of gaining or losing something of value. However, risks are generally ascribed on the profitable issues and for getting the restitution in position of any different happenings insurance is imperative.

It is known that insurance is a method of dispersal of the risk of one onto the shoulders of multiples consisting two integral characteristics: One characteristic is shifting of risk from one individual to a group and the other is to express and notify the losses on equitable essence by bodily members of the group. From an individual point of view, insurance is an economic allusion whereby the individual substitutes a small actual cost (the Premium) for a large questionable financial departure (the risk insured against) which would exist if it were not for the insurance contract.

An incident can cause a series of damage which may become repugnant to the stakeholders. Mitigating risks, insurance companies confront particular strategies to manage threats uncertainties with negative consequences, reducing the negative chance or probability of the threat, transferring generally or part of the threat to another party, and even retaining some or all of the potential or certain consequences of a particular threat, and the opposites for opportunities.

Among the main objectives of Prime Insurance creating the counterpart of risk, financial security is one of them. Prime Insurance imparts technical capacity in a professional manner to the clients and loss adjusters and renders connoisseur counsels to minimize losses. In turn, the departure adjusters and clients can recover the risk to a substantial degree and minimize the possibility of a number of misfortunes. The handling of salvage at the heels of ceasing to exist by the loss adjusters further contributes much to the decrease of losses. Understanding risk of an organization is exposed; the organization can make decisions about the adequacy of those exposures. When workable level of impact of those risks is understood, the frequency of undesirable incident has been established, or brings these risks down to the tolerable level then something needs to be done.

Prime Insurance, takes charge of pre-insurance surveys of large and complicated risks which thus ultimately facilitates in the defense of national property and wealth. Services basically aims at reducing the happening of the risk itself alternative to minimizing the extent of loss after the happening of the casualty.

Aside, Prime Insurance attempts proper managing of residue after radiation with ultimate object of minimizing the area of loss which has already occurred thereby contributing to the economy or at least safeguarding the depreciation of the economy.

Without such an understanding insurance premium and other monies departed on managing the wrong risks can be wasted. Furthermore, missing potentially damaging exposures can lead to direct loss or even destruction of the Company.

Risk management ensures proper understanding of the right level of risk acceptance, risk control and risk related expenditure. Furthermore, the planned risk and recovery expenditure should neither be less nor more, than the organization needs it to be.

The pre-underwriting inspection of fire hazards to the insurable property is of paramount importance. Before accepting risk, it is prudent and imperative to have the risks of the subject matter inspected for underwriting and reinsurance purposes. On the basis of the pre-inspection report the underwriter may recommend segregation of risk by installation of fire proof door to minimize premium, cleanliness of factory premises; minimizing fire hazards anyhow also help the insured to get rebate on the rate of premium.

Prime Insurance assumes pre-inspection of risk which is very helpful for reinsurance purpose as well. Without pre-inspection, it is difficult to segregate risk and make retention and cession to reinsurers. Inspection surveyor's advice for risk improvement largely contributes towards reducing the risk of hazards rather than minimizing the extent of loss after happening of a casualty.

Organization can optimize risk to achieve levels of residual risk that are tolerable by making the combination between risk reduction and effort. Risk is state of nature. Risks can be positive or negative, through optimizing risks finding a balance between negative risk and the benefit of the operation or activity.

An effective framework for managing risk ensures full identification and awareness of significant risks, which are then measured in a consistent manner across asset classes and businesses. A proper exercise can control quantifiable risks. Prime Insurance, almost far and wide, has embarked upon an upgrading of their financial risk authority and control systems to reduce their exposure to risk on managing an effective framework.

Risk management remains to provide value for its stakeholders. As stakeholder is a part of organization and helps to promote the organizational activities, so it is very important to concern them about the risk authority process. Effectiveness of risk management can increase non-intrinsic motivators such as public recognition and awards. Intrinsic motivators are often more powerful and useful for risk management.

Risk management enables administration to effectively deal with uncertainty and associated risk & opportunity, enhancing the capability to organize value. Prime Insurance perpetually considers and forecasts risk factors well so that risk can be minimized on employing risk management tools. Value maximization encompasses- aligning risk appetite & method, enhancing risk response decisions, shrinkage of operational surprises and losses, catch a glimpse of and managing countless and cross- struggle risks, seizing opportunities and improving deployment of Capital.

Prime Insurance ensures proper risk management of their clients which profit them as saving resources. Time, assets, income, property, and people are all expensive resources that can be saved if less claims occur-thereby, protecting the nation, reputation and image of the clientele, preventing or reducing apprehended liability and damages, protecting the environment, enhancing the power to prepare for different circumstances, reducing liabilities, assisting in visibly defining insurance needs.

Prime Insurance does not provide assurance to obscure the risks rather with its effective risk management practices, Prime Insurance is committed to loss reduction or restraint and makes client a better risk to insure as well.



Disclosure of
RISK REPORTING

Disclosure is a primary form of investor protection and is fundamental to market efficiency. Knowledge of the risks facing them is integral to the successful operation of business enterprises and is also of benefit to their investors. Whilst continuous disclosure is a policy that should provide a good basis for risk disclosure, periodic disclosure of risk has received significantly less attention. This is because periodic disclosure is more traditionally an area for disclosure in financial accounts than for management discussion and analysis.

Traditional periodic disclosure has not paid significant attention to highlighting risk factors. Despite risk being an inherent part of the business enterprise, traditional periodic disclosure has focused heavily on numerical financial reporting, to the detriment of management discussion and the analysis of the figures and the risks involved in the business. It has been internationally accepted that substantial narrative reporting, including the disclosure of risk, is important to promote investor protection.

The Standard Disclosure of Risk reporting may include the followings:

- Disclosures should be clear, balanced and understandable.
- Disclosures should be comprehensive and include all the insurer's key activities and risks.
- Disclosures should present relevant information.
- Disclosures should reflect how the insurer manages its risks.
- Disclosures should be consistent over time.
- Disclosures should be comparable among insurers.
- Disclosures should be provided on a timely basis.

With a view to ensuring proper disclosure Prime Insurance clears the terms and conditions of each new policy issued from the company. For new but valued clients Prime does this service through surveyors' report to the potential insured. The main principle of insurance utmost good faith reveals that both the insurer and the potential insured shall disclose the material facts to each other. If there is any excess for a particular policy, that fact shall be disclosed to the insured. On the contrary, the potential insured shall further provide material facts about his property, to the best of his knowledge and belief, to the insurer before underwriting of the risk, including the ownership, position and value of his property, so that the insurer may inspect the insurable property properly with a view to providing consistent services to the potential insured including competitive figure and necessary advices.

In particular, organizations are hesitant to disclose anything that might chance competitive advantages or to discuss potential risks in detail in case this alarms stakeholders. There is a growing agreement among users, preparers and advisers that risk reporting needs to improve; better risk registration is integral part to better governance. The question of how best to insure what investors and other users want to see in a risk report with what organizations are willing to disclose, however, remains to be answered. It is to be confirmed that a generic risk report serves interest of both shareholders and stakeholders with better information.

In spite of the insurance industry's critical and growing role in the global allocation of risk there is little authentic guidance concerning the form and content of risk reporting in general, except in particular, due to growing terrorist activities in the world there are enormous probable channels of financing to favor terrorism. Significant anti-money laundering and combating the financing of terrorism regimes are essential to recover the wholeness of markets and of the global financial framework as they help mitigate the factors that facilitate financial abuse. Identically regulatory authorities, Bangladesh Bank and Insurance Development & Regulatory Authority (IDRA) have given priority to Anti Money Laundering (AML) and Combat Terrorist Financing (CFT). With a view to arresting probable money laundering activities and combating terrorist financing Prime Insurance is cautiously underwriting its insurance business through all its branches if there is any suspicious transaction as Prime Insurance Company is in the obligation to report to the BFIU of Bangladesh Bank on prescribed format of STR, if any.

Stakeholders & **Investor's Information**



PRIME STOCK

5 Years

FINANCIAL HIGHLIGHTS

Particulars	Amount In Million (BDT)				
	2016	2015	2014	2013	2012
Operational performance					
Gross premium income (turnover)	535.01	579.55	550.45	544.94	440.24
Re-insurance ceded	337.95	367.72	249.47	295.17	173.90
Net premium income	197.06	211.84	300.98	249.77	266.34
Management expenses	115.28	132.26	128.90	106.11	98.36
Net claims	4.52	(4.91)	19.87	11.83	27.46
Reserve for un-expired business	78.86	90.27	120.41	107.54	107.97
Oprerating profit/(loss)	**79.37**	**118.27**	**102.99**	**97.76**	**77.58**
Interest income	21.51	28.88	39.11	42.83	29.20
Invesment & dividend income	20.79	4.15	19.32	8.84	6.38
Other income	1.29	1.43	1.93	1.28	35.57
Gross profit/(loss) before tax	**101.88**	**133.01**	**138.53**	**127.63**	**101.68**
Current tax provision	26.30	46.33	40.18	41.12	29.21
Net profit/(loss) after tax	**74.23**	**86.21**	**98.35**	**86.51**	**72.47**
Earnings before interest, depr & tax	70.96	96.40	90.39	76.39	76.99
Net profit/(loss) after tax & reserve	61.20	58.97	60.20	53.22	48.85
Earnings per share (EPS) after tax	**1.82**	**2.11**	**2.41**	**2.22**	**2.14**
Profitability and performance ratios:					
Gross profit margin ratio (%)	24.92	32.54	35.58	37.70	34.54
Operating income ratio (%)	19.42	28.93	26.45	28.88	26.35
Net profit/net income margin ratio (after tax)(%)	18.16	21.09	25.26	25.55	24.62
Return on assets ratio (%)	6.68	7.58	8.27	8.29	7.87
Return on equity ratio (%)	18.16	21.09	25.26	25.55	24.62
Operating cash flow to net profit ratio (%)	(74.66)	(82.15)	85.19	83.98	98.77
Earnings per share before tax (Taka)	**2.49**	**3.30**	**3.56**	**3.72**	**3.45**
Earnings per share after tax (Taka)	**1.82**	**2.11**	**2.41**	**2.22**	**2.14**
Liquidity ratios:					
Current ratio (times)	2.13	2.03	1.88	1.48	1.32
Quick ratio (times)	2.12	2.02	1.87	1.50	1.80

Particulars	Amount In Million (BDT)				
	2016	2015	2014	2013	2012
External liability ratio	40.00	43.00	44.00	46.00	48.00
Internal capital generation ratio	78.00	77.00	77.00	73.00	69.00
Debt to assets ratio (times)	1.18	1.14	1.20	1.47	1.58
Return on shareholders fund after tax (%)	11.08	13.33	14.82	15.31	15.14
Return on capital employed after tax (%)	6.68	7.58	8.27	8.29	7.87
Net operating cash flow per share Taka	(1.36)	(1.73)	2.15	1.87	2.11
Net operating cash flow (in million Taka)	(55.42)	(70.82)	83.78	72.65	71.58
Operating ratios:					
Retention ratio (%)	37.00	37.00	55.00	46.00	60.00
Net claims ratio (%)	2.29	(2.00)	6.60	4.74	10.31
Accounts receivable turnover ratio	96.63	92.83	74.55	53.77	47.59
Inventory turnover ratio (times)	4.35	4.28	3.84	4.20	3.87
Assets turnover ratio	125.24	111.62	120.52	103.69	108.70
Statement of Financial Position:					
Authorized share capital (Taka in million)	1,000.00	1,000.00	1,000.00	1,000.00	1,000.00
Paid-up capital	408.77	408.77	389.31	338.53	294.37
Internal capital generation	520.03	496.90	513.42	415.07	328.56
Shareholders funds	670.03	646.90	663.42	565.07	478.56
Reserve & contingent accounts	261.26	303.41	274.11	226.54	184.20
Current liabilities	441.19	490.10	526.39	477.89	442.14
Current assets	940.61	995.19	992.14	583.23	706.07
Account receivable (amount due from other persons & sundry debtors)	516.97	537.97	410.35	292.99	209.53
Inventories (stationery & stamp)	5.02	5.66	4.95	4.46	3.81
Total Assets	**1,111.22**	**1,137.00**	**1,189.81**	**1,042.96**	**920.71**
Stockholders Information:					
Cash dividend per share (%)	13.00%	12.50%	10%	0%	0%
Stock dividend paid per share (%)	0%	0%	5%	15%	15%
Total dividend paid per share (%)	**13.00%**	**12.50%**	**15%**	**15%**	**15%**
Earnings per share (Taka) after tax	1.82	2.15	2.53	2.56	2.14
Price Earnings ratio (P/E)=(MV/EPS)	10.00	6.98	7.83	12.62	15.57
Dividend Payout ratio: (Dividends/NP*100)	71.43%	58.14%	59.29%	58.59%	70.09%
Dividend yeild ratio: (Dividend per share/Stock price*100)	7.14%	8.33%	7.58%	4.64%	3.92%
Net Assets Value (Book Value)	670.03	646.90	663.42	565.07	478.56

Particulars	Amount In Million (BDT)				
	2016	2015	2014	2013	2012
Net Assets Value per share (Book Value) = (Equity/No. of shares)	16.39	15.83	16.23	16.69	16.26
Market shares capitalization	743.97	613.16	770.83	1,093.45	1,127.45
Market value closing price per share	18.20	15.00	19.80	32.30	38.30
Solvency Information :					
Times Interest Earned ratio(%)	28.98	33.50	39.77	49.51	40.29
Debt to shareholders Equity ratio (times)	0.66	0.76	0.79	0.85	0.92
Required Solvency Margin	68.17	74.90	71.97	71.80	61.65
Available Solvency Margin	332.93	361.09	387.03	320.14	260.75
Solvency Margin ratio (times)	4.88	4.82	5.38	4.46	4.23
Financial position (Balance sheet analysis):					
Shareholders funds	670.03	646.90	663.42	565.07	478.56
Property, plant & equipments	57.94	57.65	45.49	46.29	38.58
Current assets	940.61	995.19	992.14	707.43	583.23
Current liabilites	441.19	490.10	526.39	477.89	442.14
Investable assets quality					
Total investment	**597.55**	**579.91**	**858.65**	**715.45**	**608.09**
Cash at bank (STD & CD Account)	50.63	35.10	46.35	30.84	21.76
Fixed deposit receipts	164.40	294.80	406.30	353.00	320.18
Share Investment	103.67	75.16	152.19	177.33	186.99
10-year Bangladesh Govt Treasury Bond	9.00	9.00	9.00	9.00	9.00
Building property	269.85	265.85	244.81	145.28	70.16
Fixed Assets:					
Property, plant & equipments	57.94	57.65	45.49	46.29	38.58
Total assets	**1,111.22**	**1,137.00**	**1,189.81**	**1,042.96**	**920.71**
Other information					
Number of weighted average shares outstanding (In million)	40.88	40.88	38.93	33.85	29.44
Branch Offices	19	20	20	19	19
No. of shareholders as at December	2,238	2,941	3,752	3,920	2,953
Number of Employee's as at December	211	256	297	303	248

Position of
SHAREHOLDING

The shareholding position of various stakehloders, institutions and promoter group etc as on December 31, 2016 has not been increased as compared to its previous year due to its declaration of 13% of cash dividend on its exiting paid-up share capital. Distribution of shareholders number of shares as well as category wise share holding position comparison statements are given below:

Particulars ww	For the year-2016		For the year-2015	
Category of Shareholders	No. of Shares	% of holding	No. of Shares	% of holding
A. Group A: Sponsors & Directors: 15,092,342 shares of Tk. 10 each fully paid in cash.	14,241,572	34.84%	18,431,964	45.09%
B. Group B: General public & others: 18,760,659 shares of Tk.10 each fully paid in cash	26,635,926	65.16%	22,445,534	54.91%
1. Bank, ICB's, MF & Insurance Co.	2,090,118	5.10%	6,022,709	14.72%
2. Employees	-	0.00%	-	0.00%
3. ICB Investors Accounts	1,303,000	3.19%	5,560,152	13.60%
4. General public & others	23,242,808	56.86%	10,862,673	26.57%
Total Number of Weighted Shares	**40,877,498**	**100.00%**	**40,877,498**	**100.00%**

Pattern of Shareholding possition are shown in graphs as under:

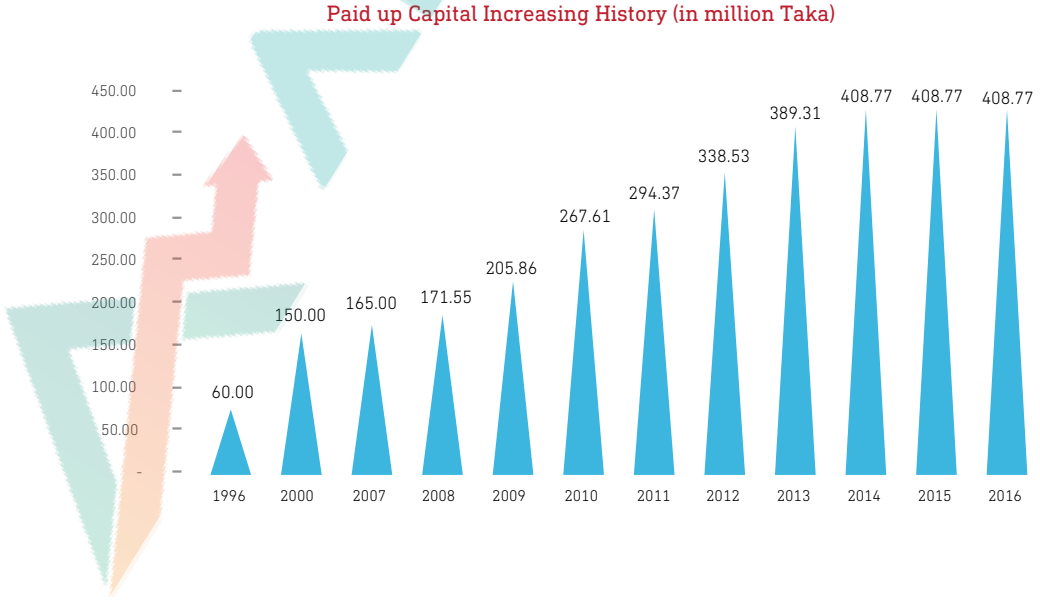


The Growth of
PAID-UP CAPITAL

Prime Insurance Company Ltd has started its business journey with initial paid-up capital of Tk. 60 million in 1996. In the year 2000, the company has received Tk. 90 million by Initial Public Offering shares (IPO). One of the main objectives of Prime Insurance is to provide consistently good return to its shareholders and buildup its strength. From the history, it may be observed that company has been maintaining a stable and attractive dividend policy in line with the sound underwriting and investment results. After increasing paid-up capital by way of stock dividend the toatal paid-up capital at present stood at Tk. 408.77 million in 2016. The company has also a policy of timely preparation of its Acccounts and holding of AGM in stipulated time. At a glance the movemnet history of paid-up capital of the company is stated below:

Year	Particulars	No. of shares increased	Face value per share (Taka)	Increased value (in Taka)	Cumulative paid-up Capital (in Taka)
1996	As per MOA & AOA	6,000,000	100	60,000,000	60,000,000
2000	Initial public offerings (IPO)	9,000,000	100	90,000,000	150,000,000
2007	10% Bonus shares	1,500,000	100	15,000,000	165,000,000
2008	10% Bonus shares (General)	654,660	100	6,546,600	171,546,600
2009	20% Bonus shares	3,430,930	100	34,309,300	205,855,900
2010	30% Bonus Shares	6,175,677	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	4,415,608	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 & 10% cash	1,946,547	10	19,465,470	408,774,980
2015	12.50% cash dividend	-	10	-	408,774,980
2016	13.00% cash dividend	-	10	-	408,774,980

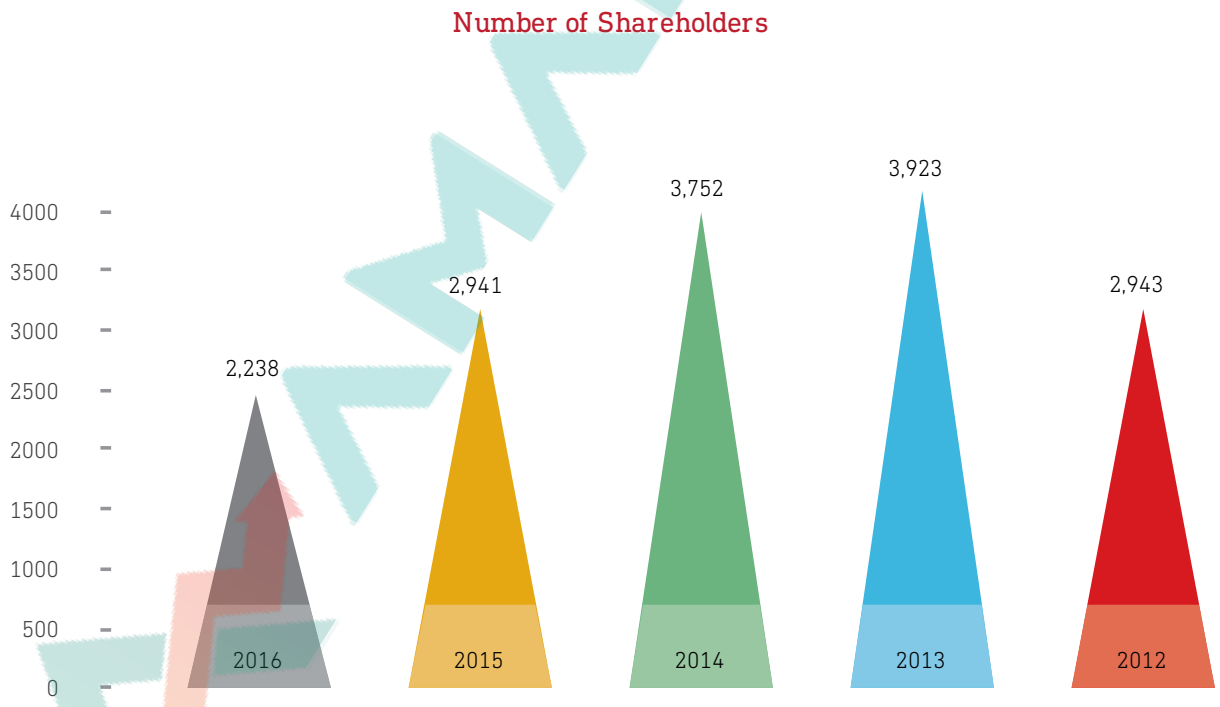
The History of Increasing of Paid-up Capital is shown in graphs :



Number of
SHAREHOLDERS

The following table indicates number of Shareholders hold their shares as on December 31, 2016.

Years	No. Shareholders	Growth/ (Declined)	% of Growth/ (Declined)
2012	2,943	2943	100.00
2013	3,923	980	24.98
2014	3,752	(171)	(4.56)
2015	2,941	(811)	(27.58)
2016	2,238	(703)	(31.41)



AMAR STOCK

Equity
STATISTICS

Prime Insurance Company Ltd always tries to maintain a steady business growth maintaining its quality of business service to the clients. It does not compromise regarding quality business underwriting even it leaves handsome amount of business that hits its business growth sometimes. The Board of Directors, expert Management Committee and efficient employees of the company contribute to the Company. Every year, PICL declares dividend on the basis of own dividend policy. Certain factors are considerd like earnings per share (EPS), net assets value (NAV), market shares capitalization, reserve fund etc. Overall, equity statistics of Prime Insruance Company Ltd are stated below:

Amount In Million Taka

Particulars	2016	2015	2014	2013	2012
Authorized capital (in milllion BDT)	1,000.00	1,000.00	1,000.00	1,000.00	1,000.00
Paid-up capital (million BDT)	408.77	408.77	389.31	338.53	294.37
As per MOU & AOA	60.00	60.00	60.00	60.00	60.00
Initial public offerings	90.00	90.00	90.00	90.00	90.00
Bonus shares issue (in million Taka)	258.77	258.77	239.31	188.53	144.37
Net assets value (in million BDT)	670.03	646.90	663.42	565.07	478.56
Net assets value per share (BDT)	16.39	15.83	17.04	16.69	16.26
Market shares capitalization (in million BDT)	743.97	613.16	770.83	1,093.45	1,127.45
Earnings per share (after tax) BDT	1.82	2.11	2.41	2.56	2.14

Reserve & Contingent Liabilities

In Million Taka

Particulars	2016	2015	2014	2013	2012
Reserve for exceptional claims losses	191.16	171.45	155.57	125.47	100.49
Investment fluctuation fund	-	-	50.85	40.85	28.35
General reserve	8.90	7.70	7.50	7.00	6.50
Retained earnings	61.19	58.97	60.20	53.22	48.85
Total	261.25	238.12	274.12	226.54	184.19

Investors and Stakeholders Friendly Information
ENQUIRIES AND COMMUNICATION

Prime Insurance Company Limited has separate Share Department to communicate with shareholders and other stakeholders. Investors and other persons may contact at any time to Share Department for any sort of information and query. To make the AGM more participatory, arranging AGM in a well-known place at convenient time and allowing shareholders to speak in the AGM freely and making their valuable proposals and suggestions.

We are also committed to open and timely disclosure to all shareholders and regular communication is maintained with various stakehlolders in the group such as:

- Institutional investors
- Investment analysts
- Shareholders
- Employees
- Communities at large

The group communicates to shareholders in the following way :

- Annual Report sent to shareholders in their BO address
- Final result published in the newspaper (English & Bangla)
- Interim quarterly report published in the newspapers (English & Bangla)
- Annual General Meeting
- All financial results & annual reports are made available in the website of the company: www.prime-insurance.net

Prime Insurance Company's employees work in good faith and without prejudice, towards the interest of the investors. Investors complaints, if any, are treated efficiently & fairly. In this regards the management of the company has taken effective decision against investors complaints if any, to the employees of the company or outsider.

An investor can make a written complaint through letter. A serious complaint must be referred to the Cheif Executive Officer (CEO) and even to the Directors of the Company if so warrants. Any quarries relating to shareholders' transfer of shares, changes of name and addresses and payment of dividend etc should be sent to the following address or direct address of Chief Executive Officer.

Share Department

Md. Asaduzzaman Miah
AVP & Head of Share Trade and Invesment
Prime Insurance Company Limited
Head Office:
Unique Heigts: (9th floor) 117, Kazi Nazrul Islam Avenue, Dhaka-1000
Phone NO : 55138659-62
E-mail : asad@prime-insurance.net
www.prime-insurance.net



Clients' COMPLAINTS AND COMMUNICATION

Insurance being a service orientate industry, Clients' satisfaction are always our first priority. We take care of them as they are our businces partners. We treat all clients with warmth and respect. We are always ready with our online service and achieve satisfactory business growth in the long run. Being fully aware of this, Prime Insurance always attends to its clients complaints- whether related to its services or claim Settelment. Prime Insurance encourages its clients to come forward with any complaint they may have and the top management is completely accessible to all of them. Complaints can be lodged with the management in writing, over telephone, fax, by e-mail or through the web site.

During regular meetings with its clients of various types, the management actively solicits the clients' views on the Company's services, shortcomings, if any, and their suggestions. Clients views and complaints are discussed at the management committee meeting held at Head Office and also during meetings with Branch Managers. This aspect also features prominently at the Annual Branch Conference of the Company. Clients may contract e-mail and Hot line number for Complaints to the following address or direct address of Chief Executive Officer (CEO) :

Branch Control Department
Sujit Kumar Bhowmik
AMD & Head of Branch Control Department.
Unique Heights (9th floor)
117, Kazi Nazrul Islam Avenue, Dhaka-1000
Phone No : 55138659-62
E-mail : sujit@prime-insurance.net



Dividend
PAYMENT POLICY

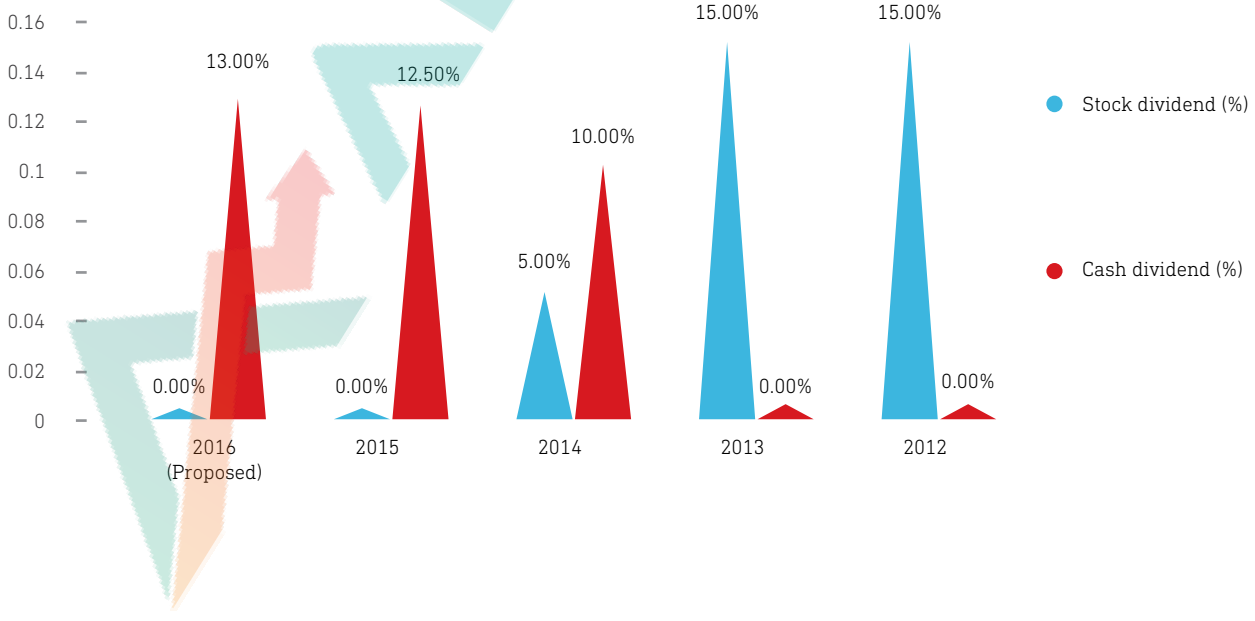
Prime Insurance Company has been maintaining a good and lucrative dividend payment policy to its stakeholders and investors. Stakeholders & Shareholders always expected maximum returns of their investment and the Board of Directors also wants paying out dividends is obviously generating the more income. The dividend policy of the company has always been to pay a satisfactory return to its shareholders. The Company has fulfilled minimum requirement of Paid-up Capital as per Insurance Act, 2010. During the last few years the company declared only stock dividend with a view to strengthening its Paid-up capital. The company has changed its stock dividend policy after fulfillment of its mimimum paid-up capital requirement of Tk. 40 (forty crore) only. In this connection, the Company is declaring cash dividends from 2015.

Considering the performance of the Company the Board of Directors in its meeting No-286 held on 20 February 2017 has recommended 13% cash dividend for the year ended December 31, 2016 on paid-up capital of Tk. 408,774,980 subject to approval in the 21st Annual General Meeting. The management tries to maintain the trust of shareholders and due to this, the Board of Directors allocates good dividend and that dividend will be distributed among the shareholders' account within stipulated time as prescribed in the law. Last 5 years stock and cash dividend ratios and graphs are given below:

Stock & Cash dividend Ratios

Year	2016 (Proposed)	2015	2014	2013	2012
Stock dividend (%)	0.00%	0.00%	5.00%	15.00%	15.00%
Cash dividend (%)	13.00%	12.50%	10.00%	0.00%	0.00%
Total dividend (%)	13.00%	12.50%	15.00%	15.00%	15.00%

5 Years Stock and Cash dividend status are given in graphs



AMARSTOCK

Corporate

IT & WEBSITE INFORMATION

Prime Insurance Company has been operating an integrated software CIIS (Computer Integrated Insurance System), which is integrated with Underwriting Module, Accounts Module, Claims Module, Payroll Module and Re-Insurance Module and it is 100% online based software. All of our branches and booth office are online and controlled from Head Office to minimize costs and risks.

Prime Insurance also has a Corporate Website: www.prime-insurance.net to publish updated news of the company. The Company Website is always open for Stakeholders, Shareholders, Investors and valuable clients to provide updated Coporate information in its website. PICL website always focuses Company Profile such as : Compny's Vision & Mission, Company Focus, Business Focus, Capital Structure, Assets & Investment, Corporate Governance, Future Prospects, Products & Service Focus, National Economic Focus and any Price Sensitive Information Focus within stipulated time. PICL website also focuses Board of Directors profile, Management teams profile, Re-Insurers and Brokers in details. The Company also focuses our Head of Branches position and with their short profile and other information in website.

The Company also focuses all latest financial statements including financial position (Balance Sheet) Income Statement, Cash Flow Statement, Changes in Shareholder's Equity statement and explanatory notes to the Accounts. The Annual Reports are also made available in the website of the company as per directives of the Bangladesh Securities and Exchange Commission Notification No-SEC/CMRRCD/2009-193/20 dated February 10, 2010. The company also focuses 5(five) years key operating result and financial data of the company in website.



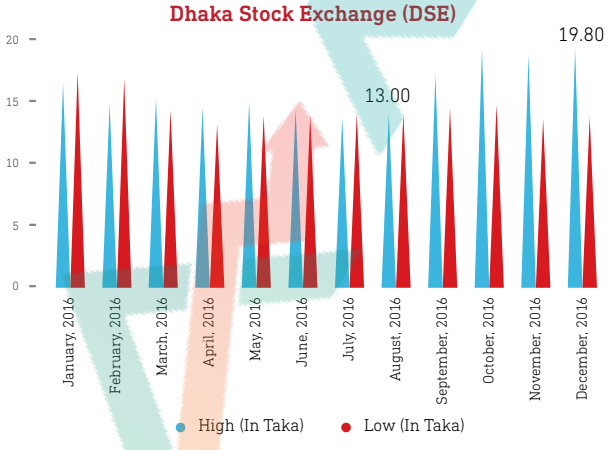
MARSTOCK

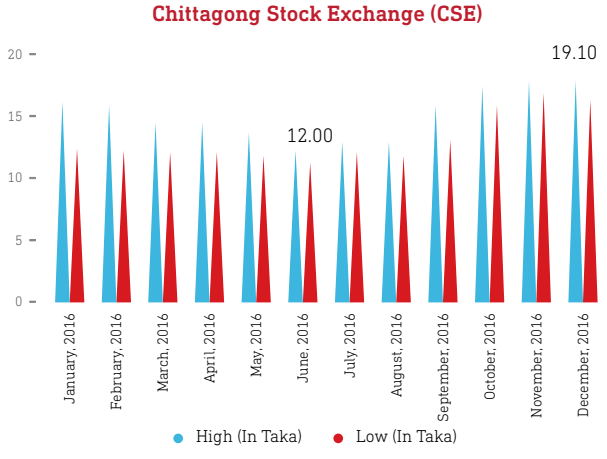
Market Share Price of Company's
PAID-UP CAPITAL (DSE & CSE)

The Company has been listed with both Dhaka Stock Exchange Ltd (DSE) & Chittagong Stock Exchange Ltd (CSE) on March 21, 2001 & March 22, 2001 respectively. There was a direct relationship between the Prime Insurance share price and its trade volume. PICL share price increases with the increase in the demand for its shares. In 2016, PICL share price reached highest price of Tk. 19.80 in the month of December 2016 and lowest price of Tk. 13.00 in the month of August 2016 at Dhaka Stock Exchange (DSE). PICL shares traded in the market (DSE & CSE) monthly highest and lowest price position are given below:

Statement of Share Trade Highest & Lowest Price in Capital Market:

Month	Dhaka Stock Exchange (DSE)		Chittagong Stock Exchange (CSE)	
	High (Tk)	Low (Tk)	High (Tk)	Low (Tk)
January, 2016	16.70	14.30	17.20	13.30
February, 2016	15.10	13.90	17.00	13.10
March, 2016	15.40	13.40	15.50	13.00
April, 2016	14.90	13.30	15.40	13.00
May, 2016	15.20	13.10	14.50	12.60
June, 2016	14.60	13.50	13.10	12.00
July, 2016	14.10	13.30	13.90	13.00
August, 2016	14.40	13.00	13.90	12.70
September, 2016	17.50	13.90	17.00	14.00
October, 2016	19.70	15.60	18.60	17.00
November, 2016	19.20	15.80	19.00	18.00
December, 2016	19.80	18.00	19.10	17.40





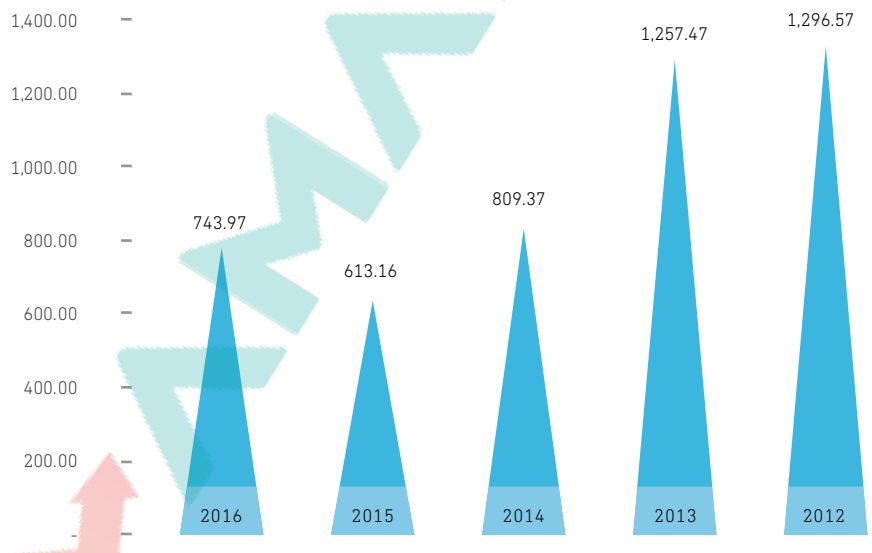
Market
CAPITALIZATION OF SHARES

Share market is a volatile market. There was direct relation between the share price of Prime Insurance Company Ltd and that of the turnover of Insurance sector for the year 2016. In the year 2016 Market capitalization of the company is Tk. 743.97 million while it was Tk. 613.16 million in the year 2015. Overall, market trends has been going downward for more than 5 years. During the year 2016, it reveals that market trends has been going on upward to inspire of investment to all investors & stakeholders.

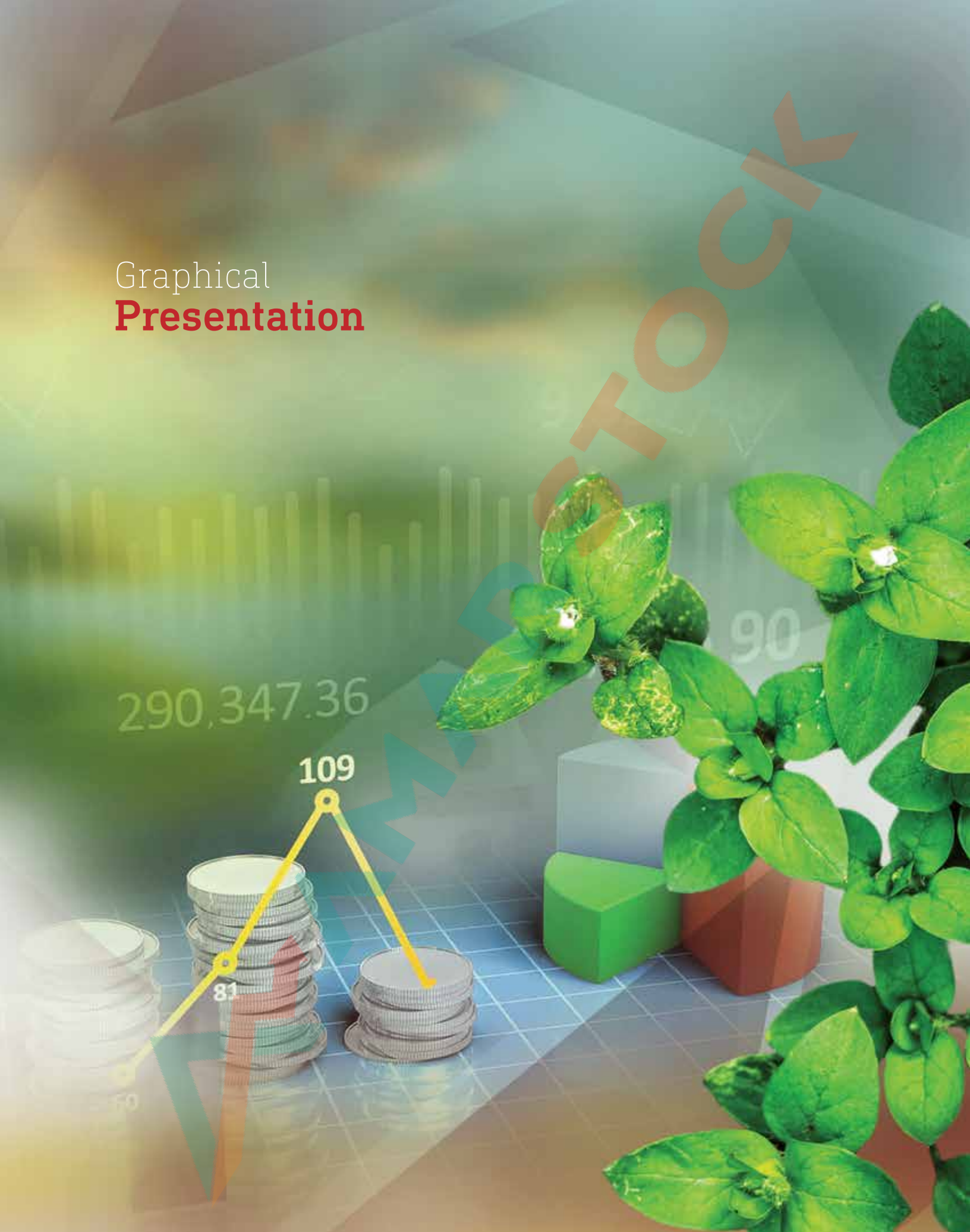
At a Galance 5 Years Market Capitalization status are given below:

Particlulars	2016	2015	2014	2013	2012
Number of weighted shares	40,877,498	40,877,498	40,877,498	38,930,951	33,853,001
Market closing price as on 31 Dec (DSE)	18.20	15.00	19.80	32.30	38.30
Market Shares Capitalization (in BDT)	743,970,464	613,162,470	809,374,460	1,257,469,717	1,296,569,938

PICL market share capitalization (in million Taka)

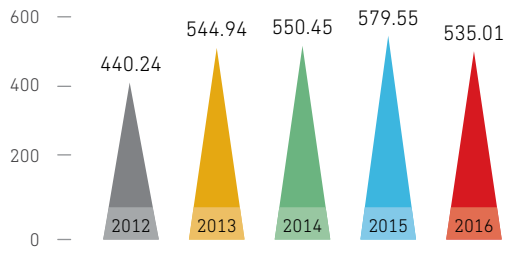


Graphical
Presentation

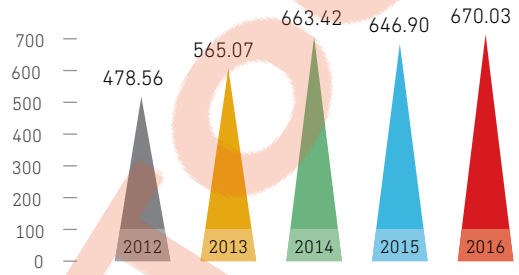


Graphical Presentation/Performance in Graphs

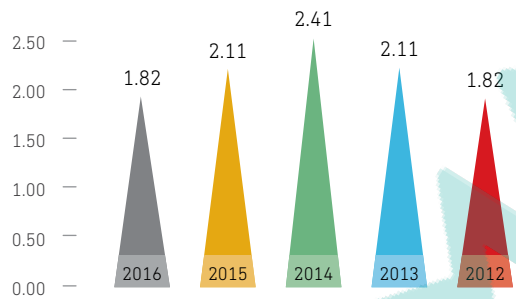
Gross Premium Income (In million Taka)



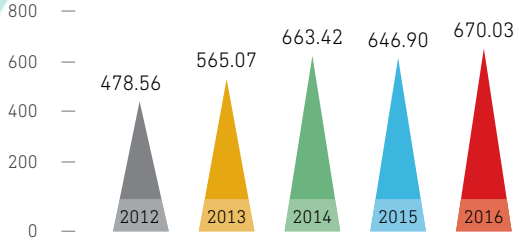
Net Assets (In million Taka)



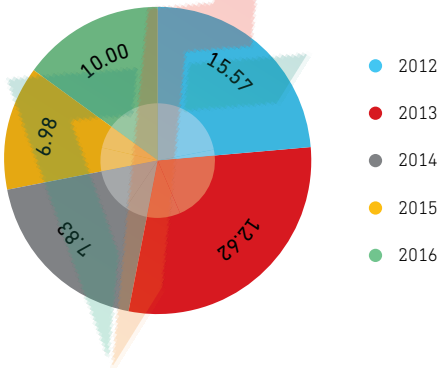
Earnings Per Share



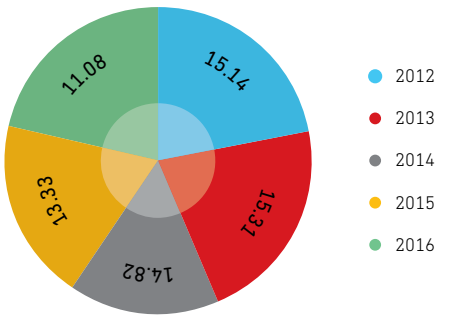
Shareholders Fund (In million Taka)



Price Earning Ratio (Times)



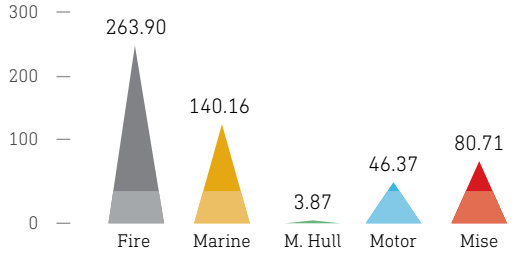
Return on Shareholders Fund (%)



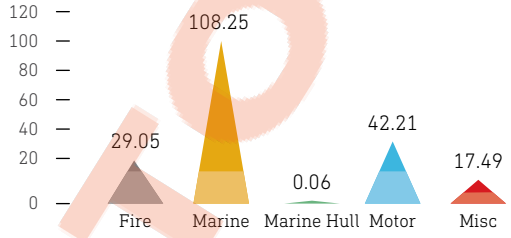
AMAR STOCK

Segment wise Operating Performance in Graphs

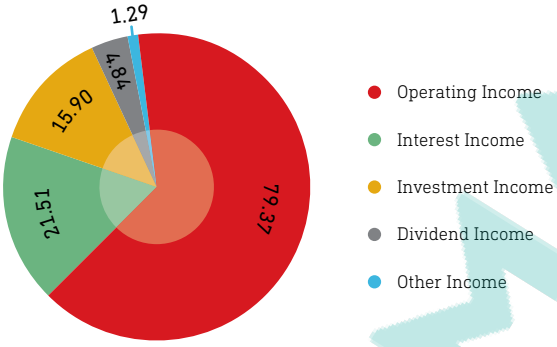
Class Wise Gross Premium Income 2016 (In million Taka)



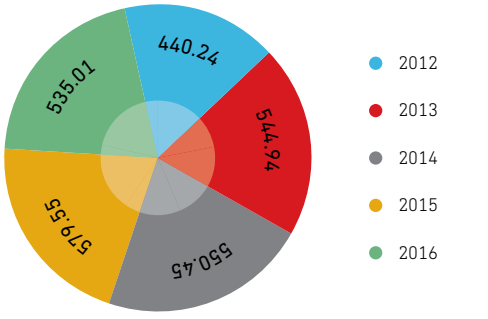
Class Wise Net Premium Income 2016 (In million Taka)



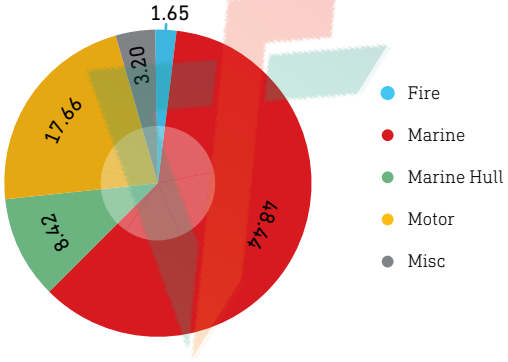
Segment Wise Income-2016 (In million Taka)



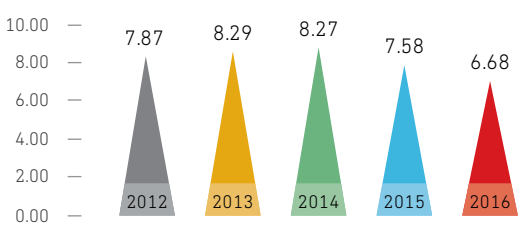
Total Revenue Income (Gross Premium Income (In million Taka)



Class Wise Operating Income-2016 (In million Taka)



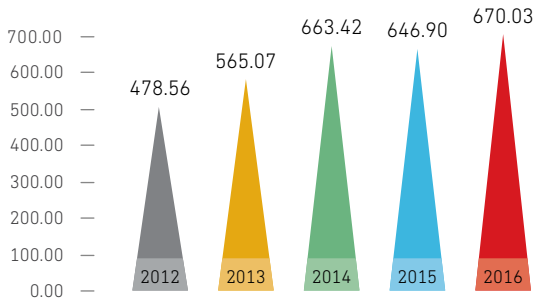
Return on Assets ratio (%)



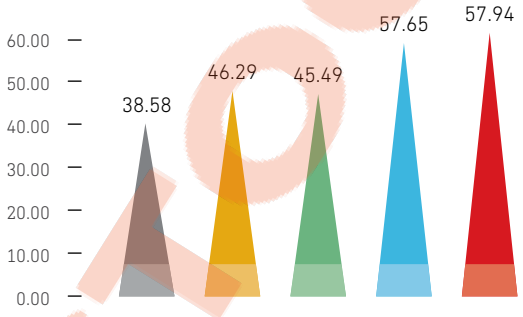
HAMARSTOCK

Statement of Financial Position (Balance sheet)

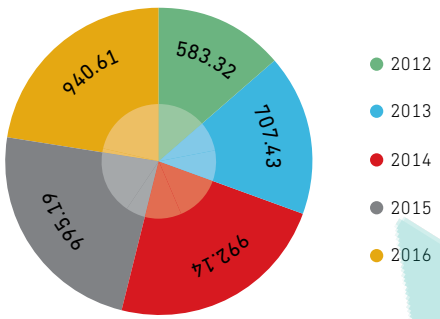
Shareholders Equity (In million Taka)



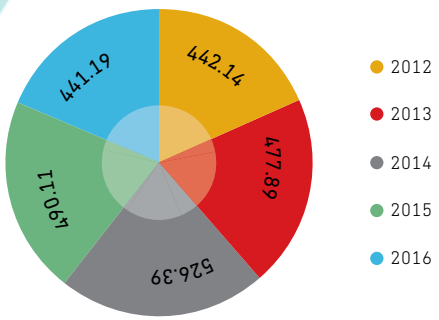
Property, Plant & Equipment (In million Taka)



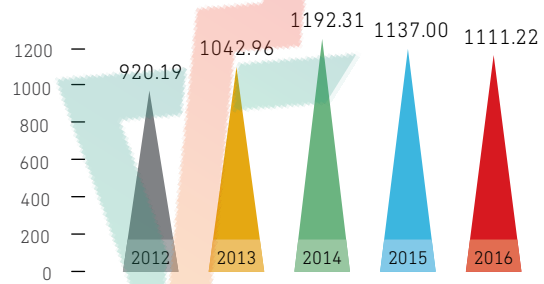
Current Assets (In million Taka)



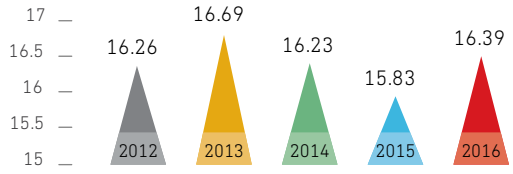
Current Liabilities (In million Taka)



Total Assets (In million Taka)



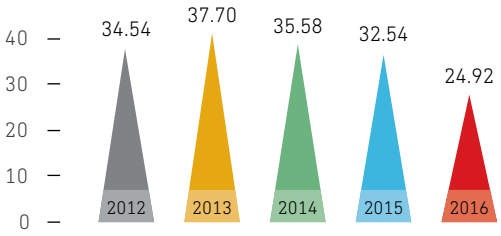
Net Assets Value Per Share (In Taka)



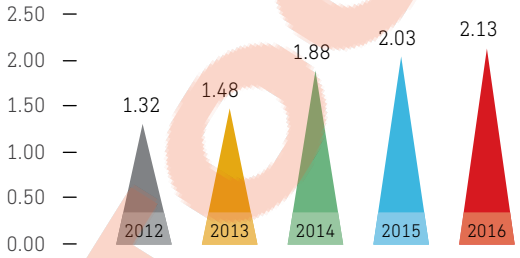
AMAR STOCK

Profitability/Dividends/Performance and Liquidity Ratios

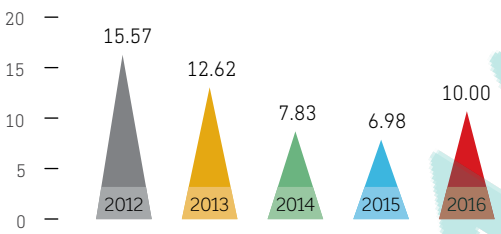
Gross Profit Ratio (%)



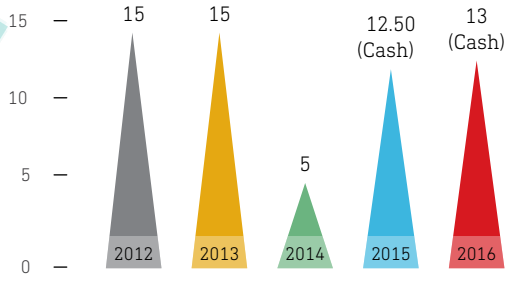
Current Ratio (Times)



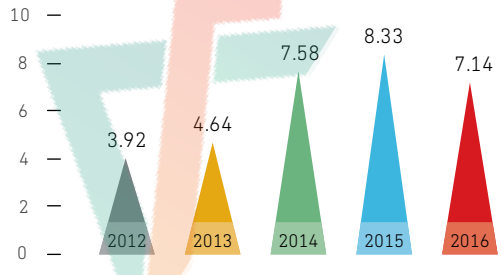
Price Earning Ratio (Times)



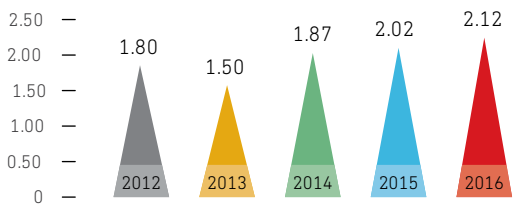
Stock & Cash dividend Paid Percentage



Dividend Yeild Ratio (In Taka)



Quick Ratio (Times)



Horizontal & **Vertical Analysis**

Statement of Operational Performance of the Company :

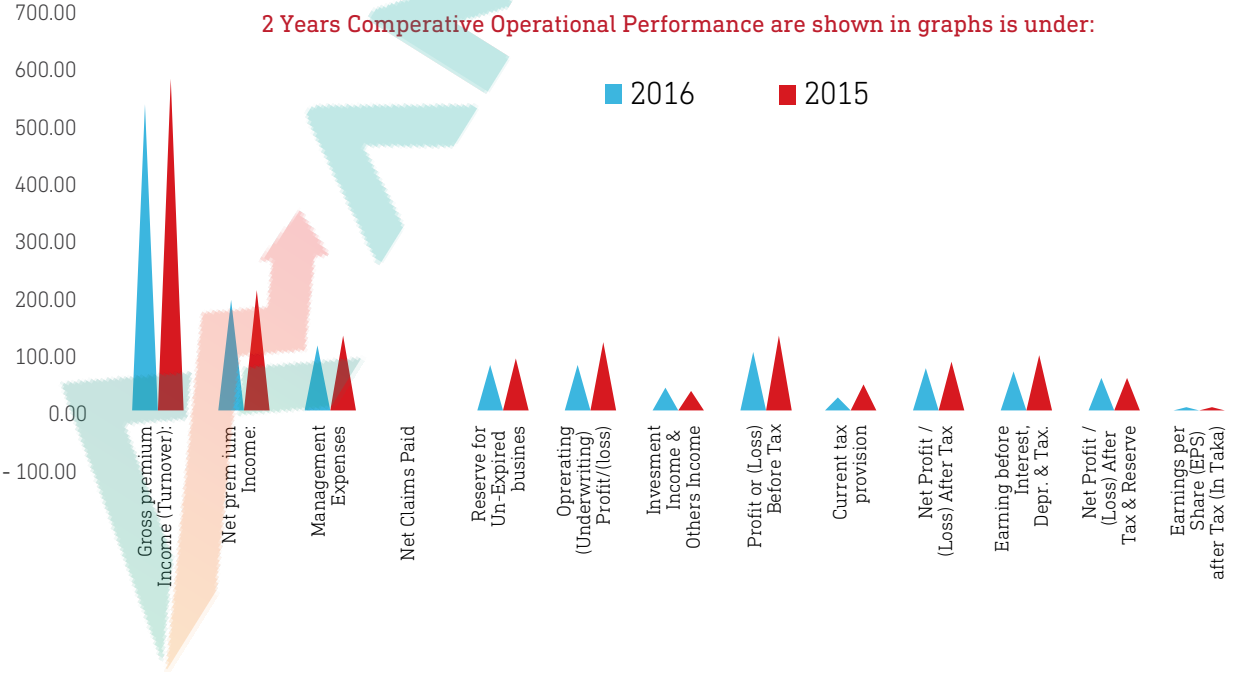
Prime Insurance company has been enjoyed a significant growth in the recent years in its financial position and business operational performance in Bangladesh insurance industries. Under below statements and graphical composition of Operational Performance and financial position indicates its growth/(declined) performance of the company for the year ended December 31, 2016 and 2015.

Performance of the Company :

In million Taka

Year	2016	2015	Growth/ (Declined)	Growth/ (Declined) %
Gross premium Income (Turnover) :	535.01	579.55	**(44.54)**	**(7.69)**
Net premium Income :	197.06	211.84	(14.78)	(6.98)
Management Expenses	115.28	132.26	(16.98)	(12.84)
Net Claims Paid	4.52	(4.91)	9.43	(192.06)
Reserve for Un-Expired busines	78.86	90.27	(11.41)	(12.64)
Oprerating (Underwriting) Profit/(loss)	**79.37**	**118.27**	**(38.90)**	**(32.89)**
Invesment Income & Others Income	43.54	34.46	9.08	26.35
Profit or (Loss) Before Tax	**101.88**	**133.01**	**(31.13)**	**(23.40)**
Current tax provision	26.30	46.53	(20.20)	(43.41)
Net Profit / (Loss) After Tax	**74.23**	**86.21**	**(11.98)**	**(13.90)**
Earning before Interest, Depreciation & Tax.	70.96	96.34	(25.38)	**(26.34)**
Net Profit / (Loss) After Tax & Reserve	61.20	58.96	2.24	3.80
Earning Per Share (EPS) after Tax (In Taka)	**1.82**	**2.11**	**(0.29)**	**(13.74)**

2 Years Comperative Operational Performance are shown in graphs is under:



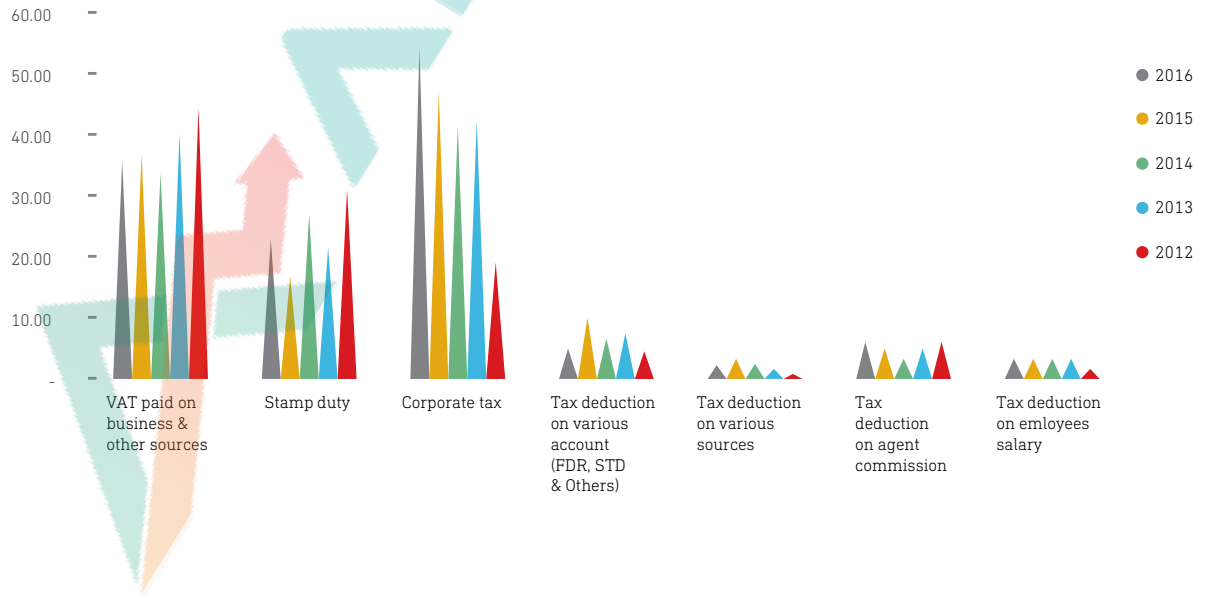
5 Years Operational Performance are given below :

Operational Performance :

In million Taka

Year	2016	2015	2014	2013	2012
Gross Premium Income (Turnover) :	535.01	579.55	550.45	544.94	440.24
Net premium Income :	197.06	211.84	300.98	249.77	266.34
Management Expenses	115.28	132.26	128.90	106.11	98.36
Net Claims Paid	4.52	(4.91)	19.87	11.83	27.46
Reserve for Un-Expired busines	78.86	90.27	120.41	107.54	107.97
Oprerating (Underwriting) Profit/(loss)	**79.37**	**118.27**	**102.99**	**97.76**	**77.58**
Invesment Income & Other Income	43.54	34.46	60.39	52.95	35.57
Gross profit / (loss) before Tax	**101.88**	**133.01**	**138.53**	**127.63**	**101.68**
Current tax provision	26.30	46.53	40.18	41.12	29.21
Net Profit / (Loss) After Tax	**74.23**	**86.21**	**98.35**	**86.51**	**72.47**
Earning before Interest, Depreciation & Tax.	70.96	96.34	90.39	76.38	76.99
Net Profit / (Loss) After Tax & Reserve	61.20	58.97	60.20	53.22	48.85
Earning Per Share (EPS) after Tax (in Taka)	**1.82**	**2.11**	**2.41**	**2.22**	**2.14**

At a glance 5 years graphical highlights: Contribution to National Exchequer

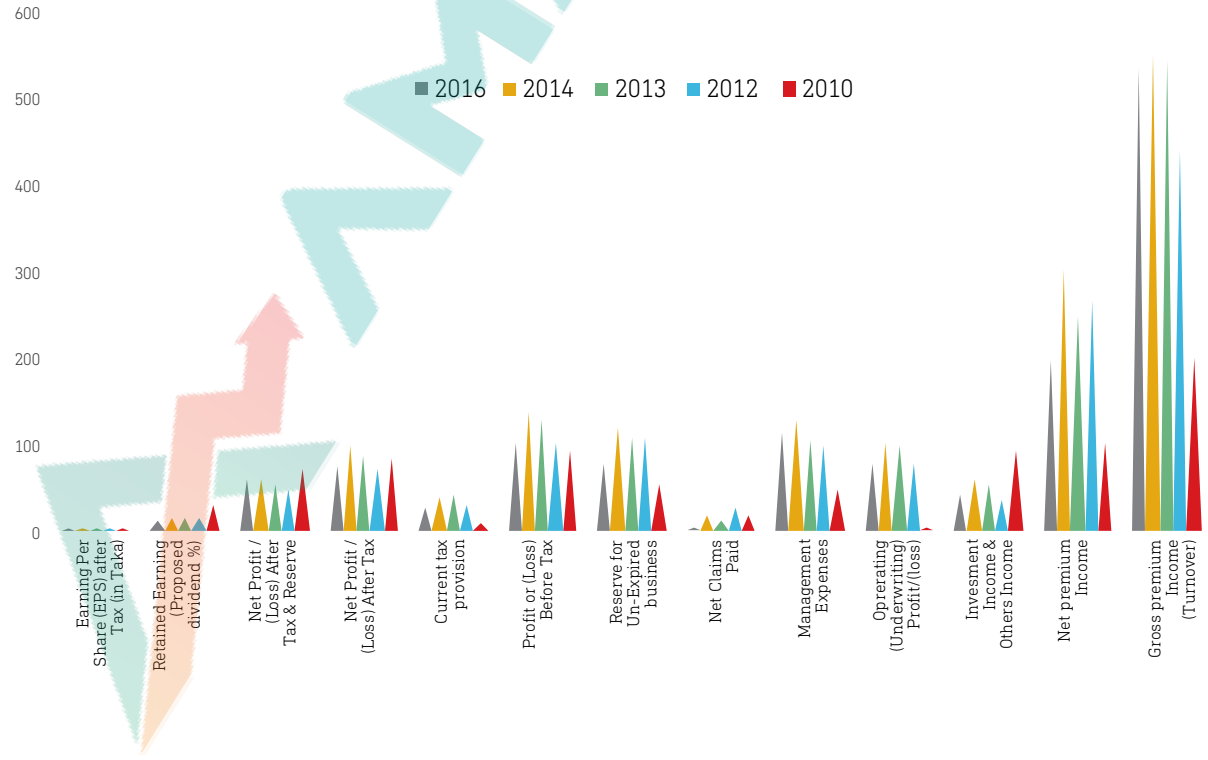


Operational Performance :

In million Taka

Year	2016	2015	2014	2013	2012
Earning Per Share (EPS) after Tax (in Taka)	**1.82**	**2.11**	**2.41**	**2.22**	**2.14**
Retained Earning (Proposed dividend %)	13.00	12.50	15	15	15
Net Profit / (Loss) After Tax & Reserve	61.20	58.97	60.20	53.22	48.85
Net Profit / (Loss) After Tax	**74.23**	**86.21**	**98.35**	**86.51**	**72.47**
Current tax provision	26.30	46.53	40.18	41.12	29.21
Profit or (Loss) Before Tax	**101.88**	**133.01**	**138.53**	**127.63**	**101.68**
Reserve for Un-Expired business	78.86	90.27	120.41	107.54	107.97
Net Claims Paid	4.52	(4.91)	19.87	11.83	27.46
Management Expenses	115.28	132.26	128.90	106.11	98.36
Oprerating (Underwriting) Profit/(loss)	**79.37**	**118.27**	**102.99**	**97.76**	**77.58**
Invesment Income & Others Income	43.54	34.46	60.39	52.95	35.57
Net premium Income :	197.06	211.84	300.98	249.77	266.34
Gross premium Income (Turnover) :	**535.01**	**579.55**	**550.45**	**544.94**	**440.24**

5 Years Operational Performance are shown in Graphs as under:



Financial Position
(BALANCE SHEET) ANALYSIS

Prime Insurance company has been enjoyed a steady growth in the recent years in its financial position. 2 Years comparative Financial positon of the company are given below :

Balance sheet Items

In million Taka

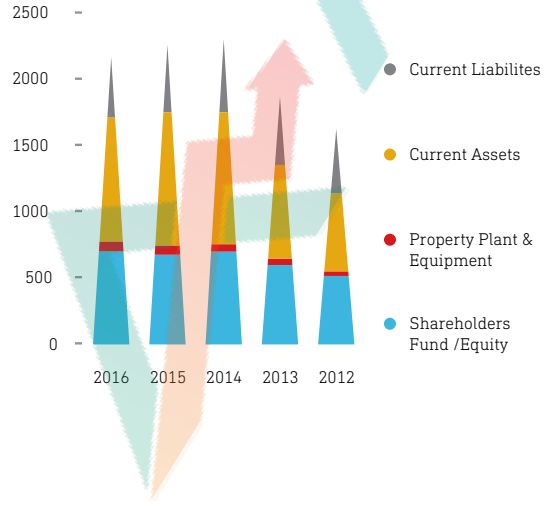
Year	2016	2015	Growth/ (Declied) in the year-2016	Growth / Declined %
Shareholders fund /Equity	670.03	646.90	23.13	3.58
Property Plant & Equipment	57.97	57.65	0.32	0.56
Current Assets	940.61	995.19	-54.58	-5.48
Current Liabilites	441.19	490.10	-48.91	-9.98

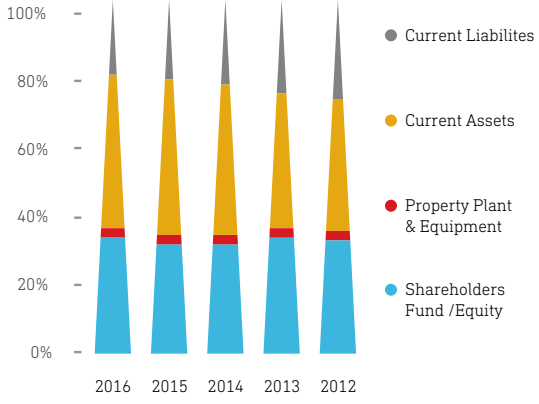
5 years Financial Position (Balance Sheet Analysis)

Balance sheet Items

In million Taka

Year	2016	2015	2014	2013	2012
Shareholders Fund /Equity	670.03	646.90	663.42	565.07	478.56
Property Plant & Equipment	57.97	57.65	45.49	46.29	38.58
Current Assets	940.61	995.19	992.14	707.43	583.23
Current Liabilites	441.19	490.10	526.39	477.89	442.14



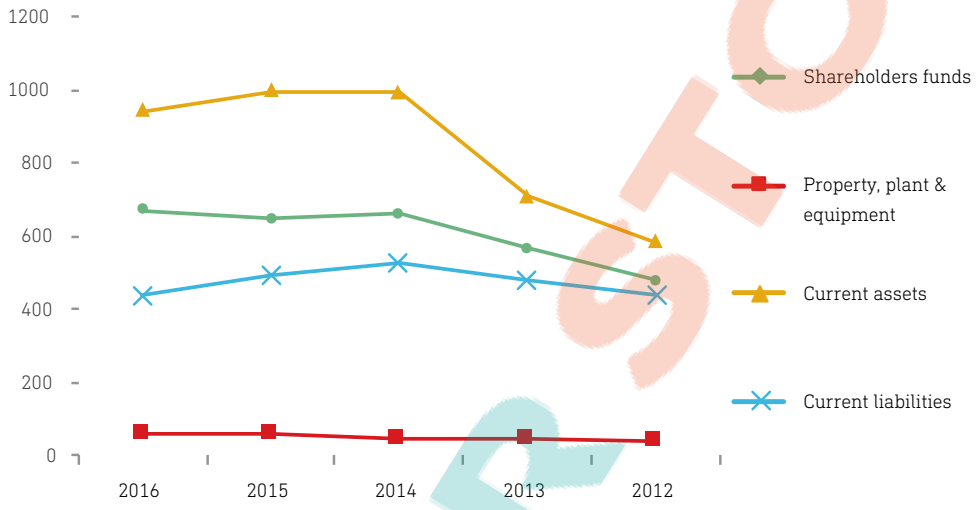


Financial Position (Balance Sheet Analysis) :

Balance sheet Items

In million Taka

Year	2016	2015	2014	2013	2012
Shareholders funds	670.03	646.90	661.87	565.07	478.56
Property, plant & equipment	57.97	57.65	45.49	46.29	38.58
Current assets	940.61	995.19	992.14	707.43	583.23
Current liabilities	441.19	490.1	526.39	477.89	442.14



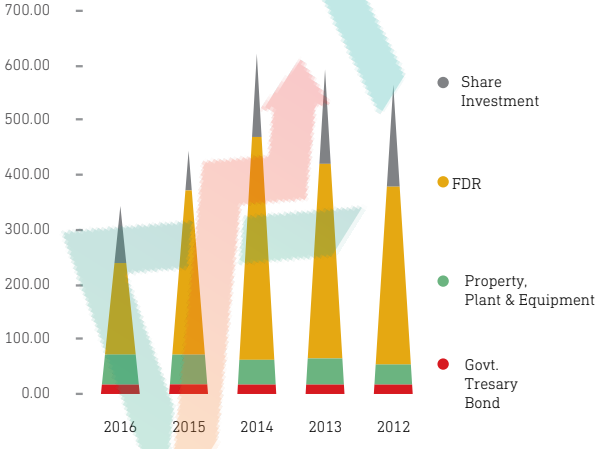
Investment (Taka in Million):

Investment

In million Taka

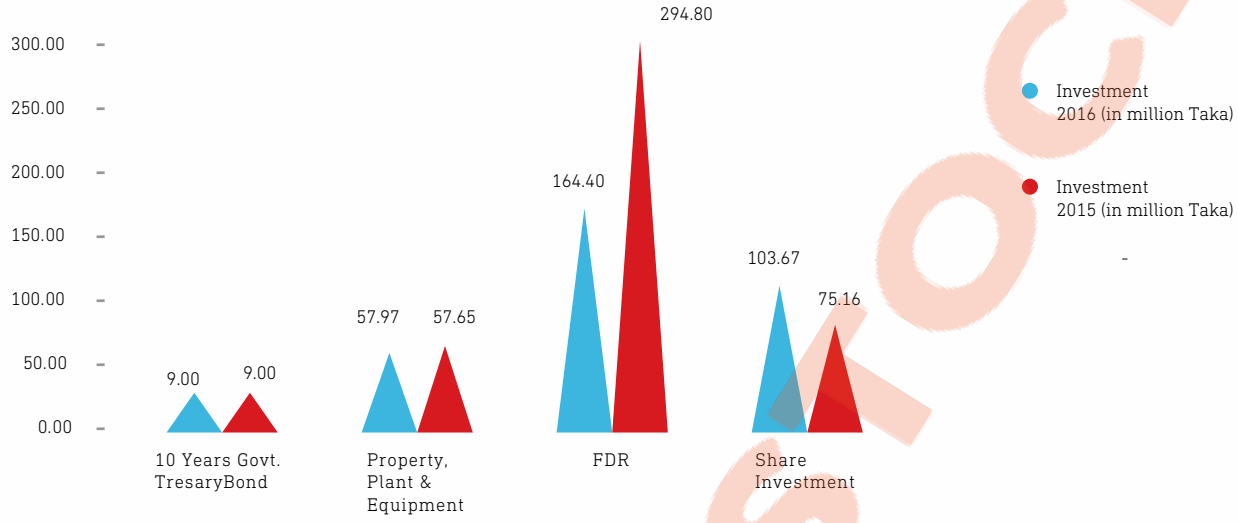
Year	2016	2015	2014	2013	2012
Govt. Treasury Bond	9.00	9.00	9.00	9.00	9.00
Property, Plant & Equipment	57.97	57.65	45.49	46.29	38.58
FDR	164.40	294.80	406.30	353.00	320.18
Share Investment	103.67	75.16	152.19	177.33	186.99

Investment are shown in graphs (in Million Taka) as under





Investment for the year 2016 & 2015 are shown in graphs



MAR STOCK

Value added **Statement**



Value added
STATEMENT

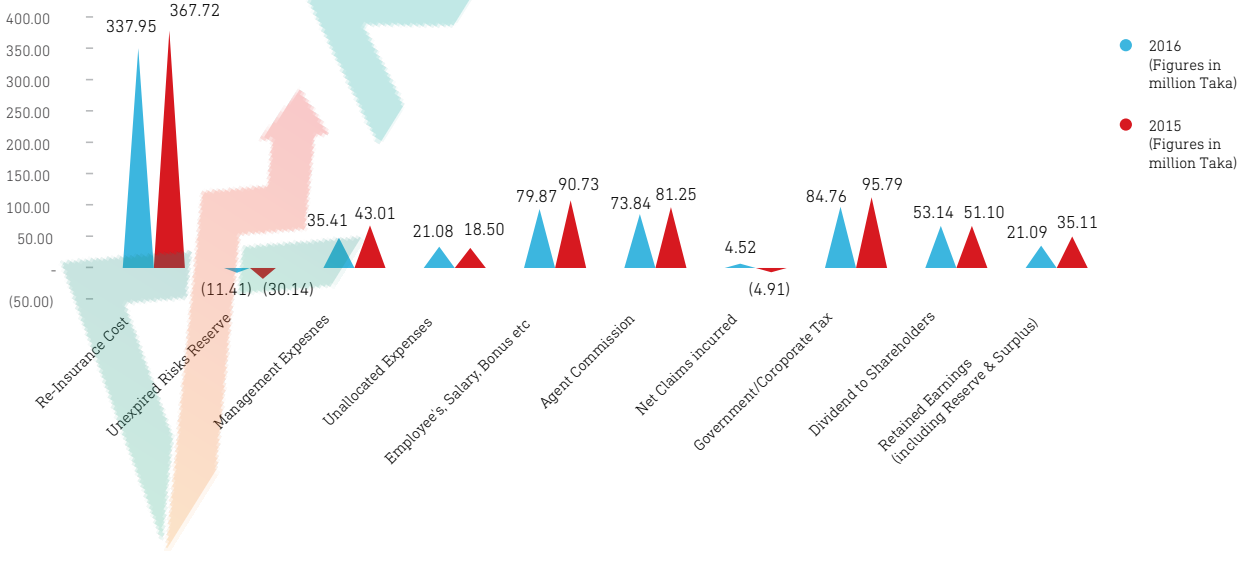
The Value Added Statement (VAS) provides a detailed account of total value creation and distribution of the company during the year under review. Prime Insurance Company Ltd contributed positively to the socio-economic development through payment of salaries and allowances of employees, paying cosistent dividend to the sharehloders and also paying Tax, VAT, Stamps duty etc to the Government of Bangladesh. Prime Insurance Company Ltd pays significant amount of corporate income tax every year. The management of the company is very much keen and transparent in doing the insurance business and tries to expand it steadily.

The Value Added Statement of Prime Insurance Company Ltd for the year 2016 and 2015 mentioned below shows how the value is created and distributed among different stakeholders i.e, Government, investors and employees of the company:

Particulars	Figure in Million (BDT)				Growth in Million (BDT)	Growth %
	2016		2015			
Value added:	Amount	%	Amount	%		
Gross premium income	535.01	76.41	579.55	77.46	(44.54)	(7.7)
VAT, stamp duty & source taxes	57.12	8.16	49.26	6.58	7.86	16.0
Interest income	21.51	3.07	28.88	3.86	(7.37)	(25.5)
Investment & dividend income	20.79	2.96	4.14	0.55	16.60	401.0
Other income	1.28	0.18	1.43	0.19	(0.15)	(10.5)
Re-insurance commission earned	64.54	9.22	84.90	11.35	(20.36)	(24.0)
Total Value Added during the year	**700.25**	**100.00**	**748.16**	**100.00**	**(47.96)**	**(6.4)**
Value Added Contribution to/application of the Value Added:						
Reinsurance, claims & others	461.39	65.88	475.43	63.55	(14.07)	(275.30)
Re-insurance premium	337.95	48.26	367.72	49.15	(29.77)	(8.10)
Additional unexpired risks reserve retained	(11.41)	-1.63	(30.14)	-4.03	18.73	(62.14)
Management expesnes (Excluding employee benefits)	35.41	5.06	43.01	5.75	(7.60)	(17.67)
Unallocated expenses	21.08	3.01	18.50	2.47	2.55	13.78
Agent commission	73.84	10.54	81.25	10.86	(7.41)	(9.12)
Net claims incurred	4.52	0.65	(4.91)	-0.66	9.43	(192.06)

Particulars	Figure in Million (BDT)				Growth in Million (BDT)	Growth %
	2016		2015			
Employee benefits:	79.87	11.41	90.73	12.13	(10.86)	(2.23)
Salary & allowances	65.57	9.36	76.56	10.23	(10.99)	(14.35)
Incentive bonus	3.78	0.54	2.83	0.38	0.95	33.57
Festival bonus	5.25	0.75	5.61	0.75	(0.36)	(6.42)
Gratuity fund	2.55	0.36	2.60	0.35	(0.05)	(1.92)
Provident fund	2.72	0.39	3.13	0.42	(0.41)	(13.10)
Government/National Exchequer:	84.76	12.11	95.79	12.80	(10.99)	(24.56)
Corporate tax paid	27.64	3.95	46.53	6.22	(18.85)	(40.51)
VAT, stamp duty & source taxes paid	57.12	8.16	49.26	6.58	7.86	15.96
Provider of Capital:	74.23	10.60	86.21	11.52	2.47	(175.17)
Dividend to shareholders	53.14	7.59	51.10	6.83	2.04	3.99
Retained earnings	0.19	0.03	(0.24)	-0.03	0.43	(179.17)
Reserve & surplus	20.90	2.98	35.35	4.72		
Total distribution & growth:	**700.25**	**100.00**	**748.16**	**100.00**	**(33.45)**	**(477.26)**

Distribution of Value added are shown in Graphs for the year 2016 and 2015 (Figures in million Taka) as under:



SHAMAR STOCK

Economic Value Added
STATEMENT

Economic Value Added (EVA) is an overarching tool used to measure the wealth generation potential of the company. Economic Value Added (EVA) is a financial performance method to calculate the true economic profit of the Company. EVA is an internal managment performance measure that compares net operating profit to total cost of capital. Economic value added is also referred to as economic profit. It provides a measurement of profit of the Company's economic success or failure over a period of time. The EVA is defined as:

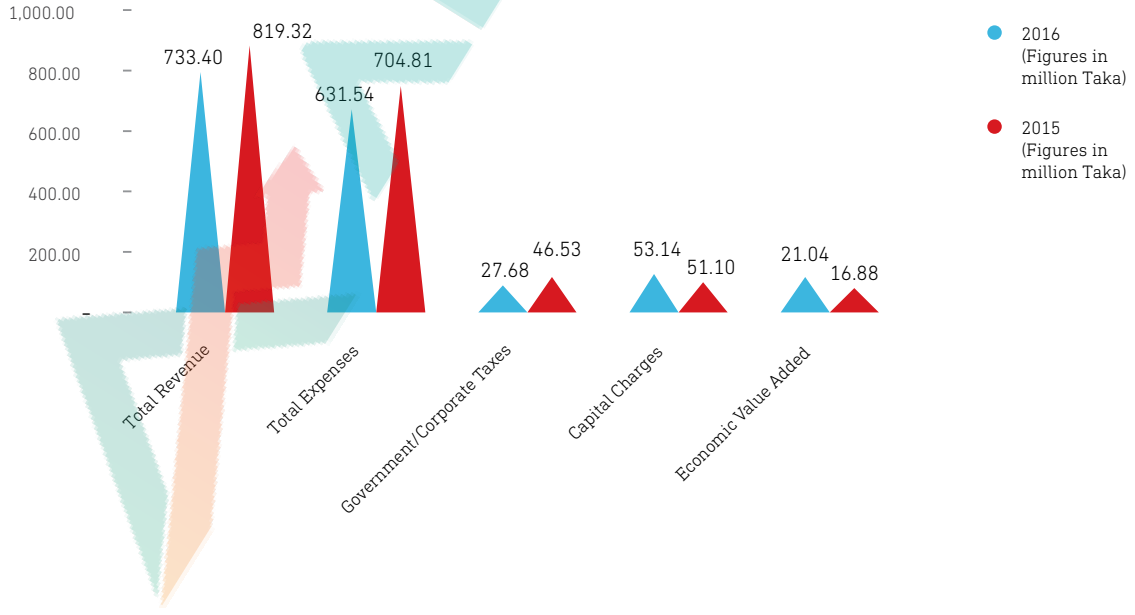
EVA = Net opreating profit - tax - cost of capital during the year

Economic Value Added is important because it is used as an indicator of how profitable company projects are and it, therefore, serves as a reflection of management performance.

Economic Value Added is an estimate of the amount by which earnings exceed or fall short of required minimum return for Shareholders at comparable risks. As a non-life Insurance company, Prime Insurance Company Ltd is deeply concerned for delivering higher value to its Shareholders/ Equity providers. The following table indicates the EVA at the year ended on 31 December 2016 and 2015 (in Million Taka).

For the year ended 31st December	Amount in Million (BDT)			
	2016	2015	Growth (Declined) in 2016	Growth/ Declined (%)
Total revenue	733.40	819.32	(85.92)	(10.49)
Total expenses	631.54	704.81	(73.27)	(10.39)
Government/corporate taxes	27.68	46.53	(18.85)	(40.51)
Capital charges	53.14	51.10	2.04	3.99
Economic Value Added	21.04	16.88	4.16	24.64

Economic Value Added are shown in Graphs for the year 2016 and 2015 (Figure in million Taka) as under



Market Value Added
STATEMENT

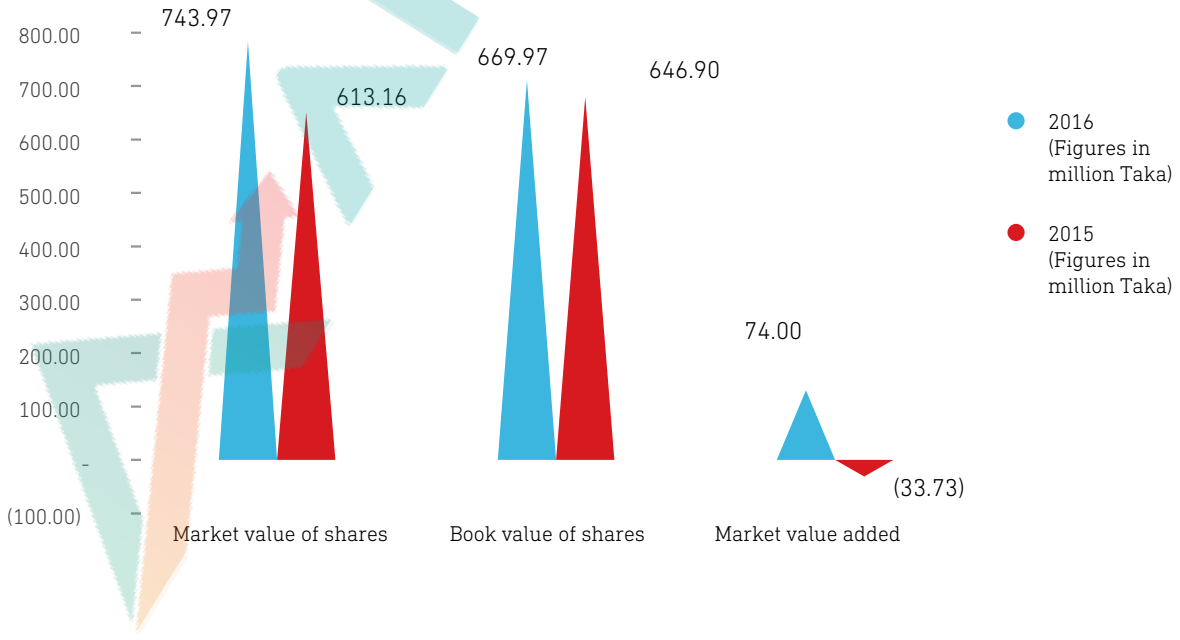
While Economic Value Added (EVA) measures internal performance, Market Value Added (MVA) is a measure of external perfoemance that indicates how the market has evaluated the company's perfoemance in terms of market value of share compared to book value of shares.

Market Value Added (MVA) is the difference between the total Market Value (based on the quoted price in the main bourse) and total book value of the Company's equity shares. The higher the Market Value Added the better the Company's position. A high Market Value Added indicates the Company has created substantial wealth for the shareholders. A negative MVA mean that the value of management's action and investments are less than that of value of the capital contributed to the Company by the capital market (or that wealth and value have been decreased).

As at 31st December 2016, the total paid-up capital share market value of Prime Insurance Company Ltd stood at Tk. 743.97 million whereas the book value of the shareholder's equity stood at Tk. 670.03 million. A positive MVA indicates that the company could add value to shareholders' wealth. The following statement indicates the MVA as at 31 December 2016 compared to the MVA of 2015.

Particulars	For the Year 2016			For the Year 2015			Growth -2016	Growth %
	No. of shares	Value per share (Tk)	Total value (in Tk)	No. of shares	Value per share (in Tk)	Total value (Tk)		
Market value of shares outstanding	40,877,498	18.20	743,970,464	40,877,498	15.00	613,162,470	130,807,994	21
Book value of shares outstanding	40,877,498	16.39	670,030,366	40,877,498	15.83	646,897,416	23,074,997	3.57
Maket Value Added:			73,940,098			(33,734,946)	107,732,997	-0.032

Market Value Added are shown in Graphs for the year 2016 and 2015 as below



Contribution to the NATIONAL EXCHEQUER/ GOVERNMENT FUND

We recognize that Prime Insurance Company Ltd has certain corporate responsiblities to the society or community for their development and the development of the nation as a whole. We aspire to be known as an institution that builds enduring relationship with and delivers value for our customers, shareholders, employees, government and community where we do business.

Our priorities:

- Paying fair share of VAT & taxes to the Government
- Creating employment
- Maximizing shareholders value
- Taking environment initiatives
- Supporting commmunity
- Financial assistance to the insolvent meritorious students
- Increase mass awareness about traffic rules
- Provide strong returns to shareholders

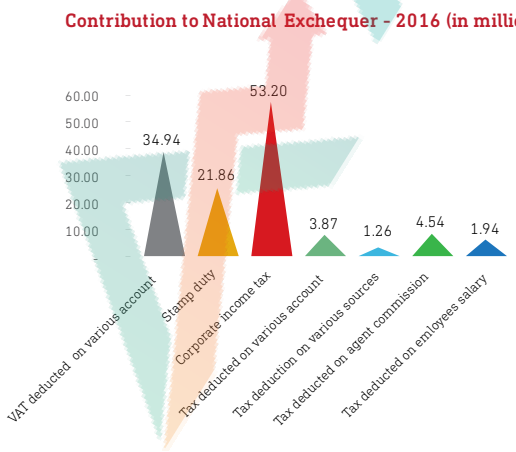
For this reason, company made signigicant contribution to the Government each year by payment of Tax, VAT, Stamp duty etc. In the year 2016, company contributed Tk. 121.61 million to the National Exchequer as against Tk. 114.96 million in 2015 with an increase of 5.78% over the year 2015 .

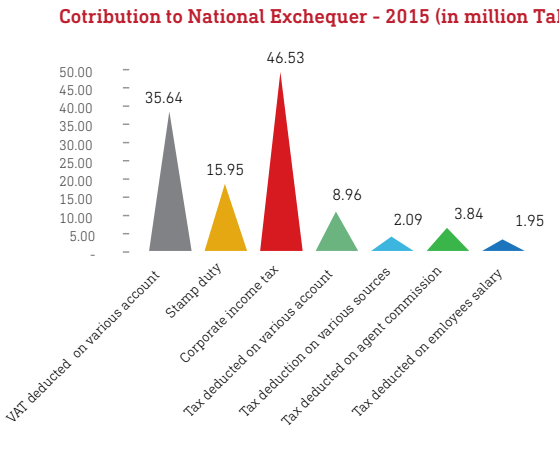
Prime Insurance also made an economic impact by creating employment and trained the employees to serve for the country. Prime Insurance Cmpany Ltd employed as many as 211 employees as on 31st December 2016. During the period the company has spent TK. 0.16 million for training and HR development. Company also paid Tk. 79.87 million as salary and allowances to its employees. The employees of the company paid Tk. 1.94 million as taxes to the Government with highest payment of Tk. 0.96 million by an individual employee.

Contribution to National Exchequer/Government Fund:

Particulars	Amount in Million(BDT)			
	2016	2015	Increase/ (dicrease)- 2016	%
VAT deducted on various account (Business & other sources)	34.94	35.64	(0.70)	(0.02)
Stamp duty	21.86	15.95	5.91	0.32
Corporate income tax	53.20	46.53	6.67	0.12
Tax deducted on various account (FDR, STD & Others)	3.87	8.96	(5.09)	(0.49)
Tax deduction on various sources	1.26	2.09	(0.83)	(0.35)
Tax deducted on agent commission	4.54	3.84	0.70	0.16
Tax deducted on emloyees salary	1.94	1.95	(0.01)	(0.00)
Total amount paid	121.61	114.96	6.65	5.78

Contribution to the National Exchequer/Government Fund are shown in Graphs for the year 2016 and 2015 as below:

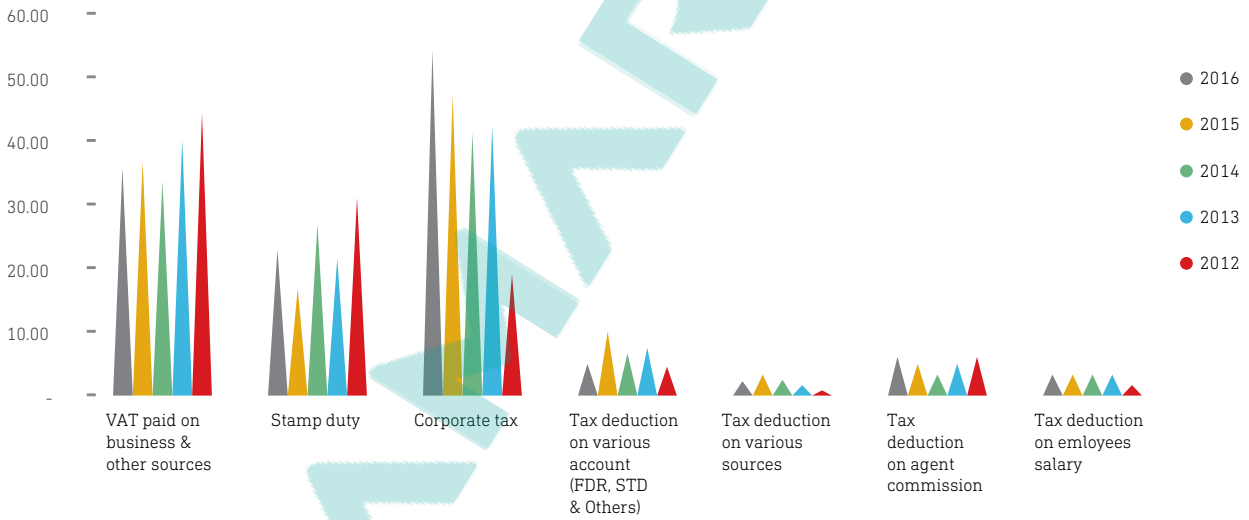




At a glance 5 Years Contribution to National Exchequer

Particulars	Amount in million (BDT)				
	2016	2015	2014	2013	2012
VAT paid on business & other sources	34.94	35.64	33.25	39.64	43.63
Stamp duty	21.86	15.95	25.99	20.69	30.14
Corporate tax	53.20	46.53	40.18	40.96	18.00
Tax deduction on various account (FDR, STD & Others)	3.87	8.96	5.40	5.98	3.41
Tax deduction on various sources	1.26	2.09	1.13	1.01	0.61
Tax deduction on agent commission	4.54	3.84	2.79	3.78	5.07
Tax deduction on employees salary	1.94	1.95	1.81	1.66	1.11
Total	121.61	114.96	110.55	113.72	101.97

At a glance 5 years graphical highlights: Contribution to National Exchequer



Market Share Position of
INSURANCE BUSINESS

Bangladesh Non-life Insurance Business Market Composition and our Company Status

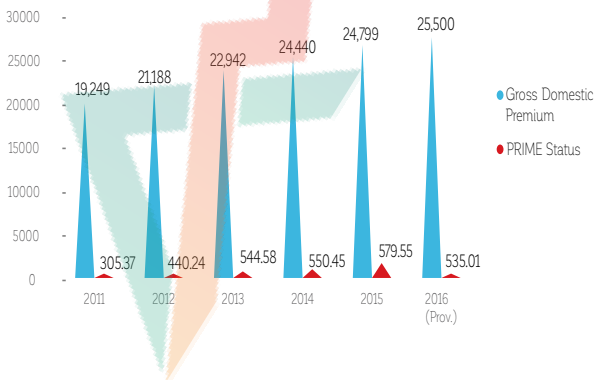
Market share position of the company's insurance business reflects the ability to exercise underwriting and pricing discipline as well as the risk management effectiveness of a company in managing its business growth. As a second generation insurer, Prime Insurance Company Ltd is in a better pricing position than insurance companies of other non-life insurance companies.

Bangladesh Private Sector Non-life Insurance provisional premium income in 2015 was Tk. 24,799 million where PICL's contribution was Tk. 579.55 million. In 2016, the company earned Tk. 535.01 million. Last 5 years premium non-life insurance premium as a % of GDP shown in the chart below:

In millon Taka

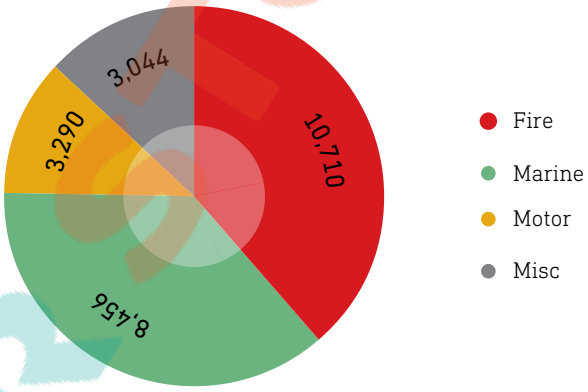
Year	Gross Domestic Premium Income	PICL's status on GDP	% PICL's status on GDPI
2008	12,583	168.03	1.34
2009	13,898	177.04	1.27
2010	16,544	200.10	1.21
2011	19,249	305.37	1.59
2012	21,188	440.24	2.08
2013	22,942	544.58	2.37
2014	24,440	550.45	2.25
2015	24,799	579.55	2.23
2016 (Prov.)	25,500	535.01	1.98

At a glance year wise private sector Bangladesh Non-life Insurance Companies' Gross Premium Income and Prime Insurance Company's premium income position out of 47 Non-life Insurance Companies are given belows:

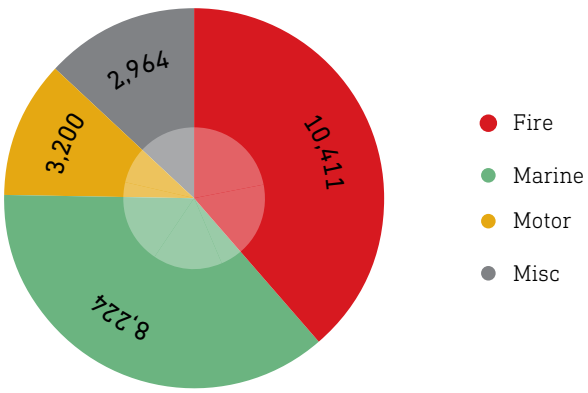


The non-life insurance market is comprised of 47 insurance companies including one state enterprise. No single insurer has a large market share. Prime Insurance's Market share is 2.23%.

Gross Premium Income for the year 2016 (In million Taka))



Gross Premium Income for the year 2015 (In million Taka))





Specific areas for **Insurance Sector**

Claims Management and Details of Outstanding Claims (IBNR & IBNER) WITH AGEING THEREOF

Claims Management is a vital task of an insurance company. As non-life insurance is a service oriented industry it's first and foremost duty is to satisfy its clients or insured. Prime Insurance Company Limited conceived with that perception always tries to underwrite the risks properly and advises the insured to take adequate insurance coverage for their valuable properties and also requests them to disclose all the material facts to avoid defective underwriting with a view to extending proper supports i.e., prompt claims settlement in case of exigencies.

Underwriting Department and Claims Department of Prime Insurance Company Limited are maintaining proper coordination with each other for better services to the insured.

The Prime Insurance Claims Department is keeping the following aspects in mind:

a) Proper and lawful claims settlement can be used as a marketing tool to explore new insurance business.
b) Delay in settlement of claims damages the reputation of the company.
c) Delayed claim settlement results in higher claims cost.
d) All steps to be taken as per the provisions of Insurance Act, 2010 and the guidelines of the IDRA.
e) To extend prompt and high quality service soon after any exigency to the insured.
f) To avoid any litigation.
g) To meet customer expectations.

For speedy settlement of claims, Prime Insurance, having intimation of incident, always engages loss adjusters or surveyors from its panel of surveyors instantly for assessing the quantum of loss and simultaneously the affected insured are requested to submit the documents relating to their loss. As soon as Prime Insurance receives all the required documents, sufficient for payment of a claim, it takes necessary steps for settlement without any delay/ loss of time.

It may be mentioned that Prime Insurance has been awarded a Credit Rating of "A+" for high claims paying ability by the Credit Rating Information and Services Ltd (CRISL).

Outstanding Claims (IBNR & IBNER) with ageing thereof

IIBNR is the provision for claims that have happened but have not reported yet. IBNR reserve represents the estimated amount needed to cover those unreported claims that have already happened. IBNER means incurred but not enough reported. For a loss that has occurred and been reported IBNER is the development on that known loss.

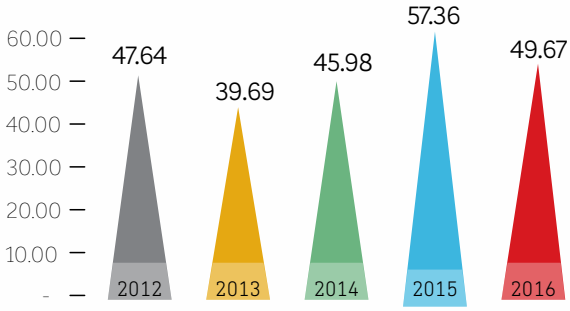
As per Insurance Law of Bangladesh it is not obligatory to maintain reserves for IBNR or IBNER claim. But under solvency margin regulation proposed under Insurance Act 2010, such reserves will be required to maintain in the manner to be prescribed by the relevant rules.

All claims with ageing including cause of actual delay in settlement of claims are mandatory to report quarterly to insurance Development & Regulatory Authority (IDRA) as per their directives.

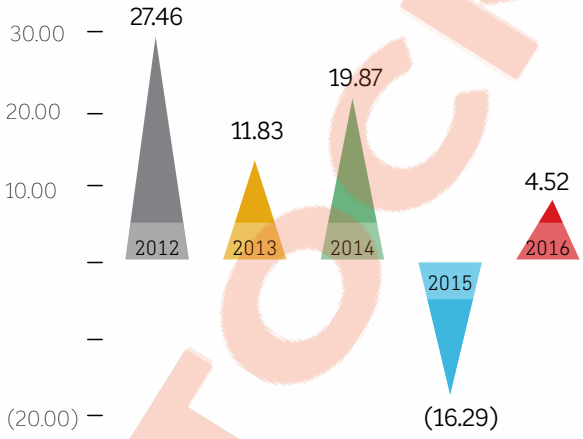
Year wise claims settled & outstanding scenarios of Prime Insurance Company Limited are appended below::

Description	In Million Taka				
	2016	2015	2014	2013	2012
1. Claims outstanding beginning of the year	57,355,958	45,976,138	39,694,999	52,527,091	52,527,091
2. Claims intimation during the year	48,561,276	153,747,661	35,385,961	17,444,552	37,080,337
3. Total Claims (1+2)	**105,917,234**	**199,723,799**	**75,080,960**	**69,971,643**	**89,607,428**
4. Claims paid during the year	56,245,863	142,367,841	29,104,822	30,276,644	41,965,127
Claims paid as % of total claims	53.10%	71.28%	38.76%	43.27%	46.83%
Claims outstanding the end of the year	**49,671,371**	**57,355,958**	**45,976,138**	**39,694,999**	**47,642,301**

Year wise Outstanding claims (Amount In million Taka)



Net Claims Paid (in Million Taka)



Certificate of Actuary giving details of the liabilities on account of live policies and estimates/assumptions made for same

Certificate of actuary at present is not applicable for no-life insurance business since it is not a requirement under the Insurance Act, 2010.



AMAR STOCK

Solvency
MARGIN STATUS

Solvency margin is the amount by which the assets of an insurer exceed its liabilities, and will form part of the insurer's funds. Methods of valuation of assets and liabilities of an insurer are prescribed in the insurance regulations. The regulations stipulate the minimum solvency margin, which an insurer must maintain at all times. The solvency of an Insurance Company corresponds to its ability to pay claims. The solvency of an insurance Company or its financial strength depends chiefly on whether sufficient technical reserves like Exceptional claims losses reserve, Unexpired risk reserve fund, General reserve fund etc have been set up for the obligations entered into and whether the Company has adequate capital as security.

Moreover, solvency margin assists financial investment managers when making a decision on the risk or reward capability of a company to return dividend to shareholders. In Bangladesh, regulations for Solvency margin for Non-life Insurance Company has been drafted by IDRA but not yet been approved by the Finance Ministry thereby not yet promulgated through official gazette.

On 31 December 2016, Prime Insurance Company Limited achieved solvency margin above the required level. PICL's required solvency was BDT 68.17 million whereas the Company's available solvency margin was BDT 332.92 million which means the value of assets had been more than the liabilities. Therefore, the available solvency was 4.88 times of required solvency margin in 2016 as against 3.48 times in the year 2015. Assets, Liabilities and Solvency Margin of the Company for the year ended 31 December 2016 are as under:

Statement of Solvency Margin based on Premium Income for the year 2016

For -2016 — Table-01 — In Million Taka

Sl.No.	Class of Business	Net Premium (NP)	Gross Premium (GP)	Factor	GP after application of factor	20% of GPF	20% of Net Premium	20% of (NP & GPF) which is higher
1	2	3	4	5	6	7	8	9
1	Fire	29.05	263.90	0.50	131.95	26.39	5.81	26.39
2	Marine Cargo	108.25	140.16	0.70	98.11	19.62	21.65	21.65
3	Marine Hull	0.06	3.87	0.50	1.94	0.39	0.01	0.39
4	Motor	42.21	46.36	0.85	39.41	7.88	8.44	8.44
5	Miscelleneous	17.49	80.71	0.70	56.50	11.30	3.50	11.30
6	**Total :**	**197.06**	**535.00**					68.17

Statement of Solvency Margin Based on Incurred Claims for the year 2016:

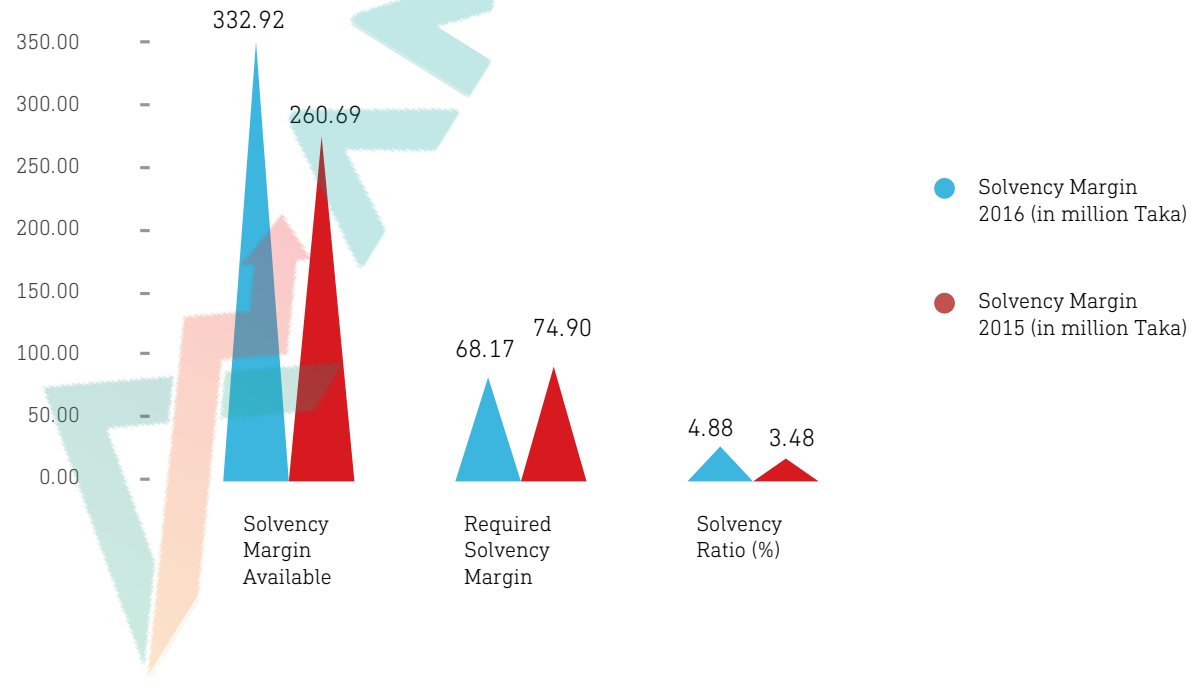
For -2016 — Table-02 — In Million Taka

Sl.No.	Class of Business	Net Incurred Claims (NC)	Gross Incurred Claims (GC)	Factor	Gross Claims after application of factor	30% of Net Claims	30% of Gross Claims factor	Figure in col.(7) &(8) which ever are higher
1	2	3	4	5	6	7	8	9
1	Fire	(14.68)	23.00	0.50	11.50	(4.40)	6.90	6.90
2	Marine Cargo	5.39	10.47	0.70	7.33	1.62	3.14	3.14
3	Marine Hull	(0.07)	0.00	0.50	0.01	(0.02)	0.00	(0.02)
4	Motor	9.65	8.75	0.85	7.44	2.90	2.63	2.90
5	Miscelleneous	4.23	14.01	0.70	9.81	1.27	4.20	4.20
	Total :	4.52	56.24					17.12

Statement of Solvency Margin Based on Assets & Liabilities for the year 2016

Particulars	In million Taka		Particulars	In million Taka	
A. Total Assets as per Balance Sheet		1,111.22	B. Total Liabilities		1,111.22
Less :			Less :		
			Sundry creditors	60.59	
Amount due from others	188.99		Amount due to others	3.81	
			Provision for income tax	227.56	
Premium collection control account	2.82		Deposit premium	20.69	
			Reserve for unexpired risk	78.86	
Property, plant & equipments	57.94		Reserve for exceptional loss	191.16	
Total :		249.75	Total :		582.67
A) Total Assets		861.47	B) Total Liabilities		528.55

Particulars	Amount in Million Taka		Growth	Growth (%)
	2016	2015		
Solvency Margin Available (SMA)(A-B)	332.92	260.69	72.23	
Required Solvency Margin (RSM)	68.17	74.90	(6.73)	
Solvency Ratio (ASM/RSM) (Times)	4.88	3.48	1.40	



5 years Required Solvency Margin and Available Solvency Margin position of the Company

In Million Taka

Particulars	2016	2015	2014	2013	2012
Required Solvency Margin	68.17	74.90	71.97	71.04	61.65
Available Solvency Margin	332.92	260.69	387.03	320.14	260.75
Solvency Margin Ratio (Times)	4.88	3.48	5.38	4.51	4.23

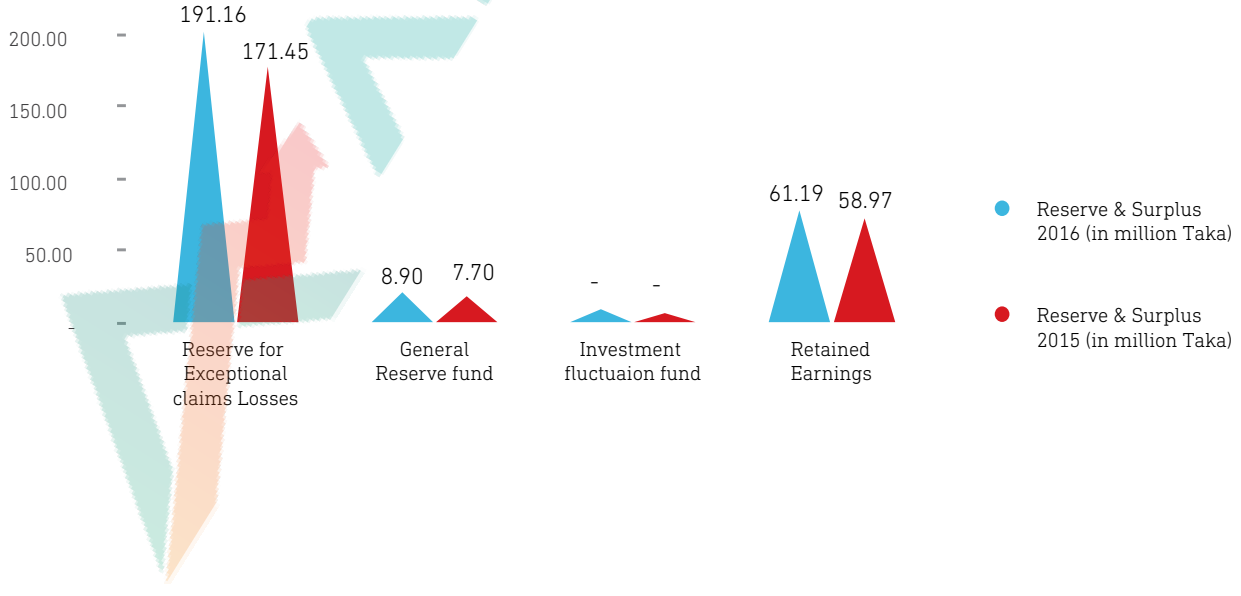
Required Solvency Margin is BDT 68.17 million in the year 2016 where it was BDT 74.90 million in 2015.
Note: Required Solvency Margin = (RSM is the higher of the amounts of RSM-1 and RSM-2)

Reserve and Surplus

The following reseve fund and surplus indicates the strength of wealth and solvency of the company.

Amount in Taka

Details of Reserve & Surplus	2016	Percentage	2015	Percentage	Growth in 2016	Growth %
Reserve for exceptional claims losses	191.16	73.17	171.45	72.00	20	11.50
General reserve fund	8.90	3.41	7.70	3.23	1	15.58
Investment fluctuaion fund	-	-	-	-	-	-
Retained earnings	61.19	23.42	58.97	24.76	2	3.76
Total reserve & surplus	261.25	100.00	238.12	100	23	



Accounting Ratios Pertaining to
INSURANCE BUSINESS

Premium Income of Prime Insurance Company Ltd has been increasing mostly in every year by dint of hard work of the head of branches and executives including the top executive. They have given all out efforts for smooth servicing to the clients. Management team also supported the head of Branches, if any, for procuring the business by providing uniterrupted services to the clients efficiently. The management of the Company expects higher growth in 2017.

Details of various Accounting Ratios pertaining to Company's insurance business are given below:

Amount in Taka

Particulars	2016	Ratios 2016	2015	Ratios 2015	Growth -2016	Growth %
Gross premium income/tunrover	535,008,897		579,552,751		(44,543,854)	(7.69)
Net premium income	197,060,745		211,837,055		(14,776,310)	(6.98)
Re-insurance premium ceded as % of GP	337,948,152	63.17	249,469,248	43.05	88,478,904	35.47
Net R/I commission earned as % of GP	64,539,166	12.06	84,902,697	14.65	(20,363,531)	(23.98)
Net R/I commission earned as % of NP	64,539,166	32.75	84,902,697	40.08	(20,363,531)	(23.98)
Agent Commission as % of GP	73,841,531	13.80	81,264,311	14.02	(7,422,780)	(9.13)
Management Expenses allocated as % of GP	115,279,037	21.55	132,259,640	22.82	(16,980,603)	(12.84)
Management Expenses allocated as % of NP	115,279,037	58.50	132,259,640	62.43	(16,980,603)	(12.84)
Un allocated expenses as % of GP	21,087,220	3.94	18,504,347	3.19	2,549,485	13.78
Un allocated expenses as % of NP	21,087,220	10.68	18,504,347	8.74	2,549,485	13.78
Gross Claims as % of GP	56,245,863	10.51	142,367,841	24.57	(86,121,978)	(60.49)
Gross Claims as % of NP	56,245,863	28.54	142,367,841	67.21	(86,121,978)	(40.65)
Net Claims as % of GP	4,520,897	0.85	(4,914,624)	(0.85)	9,435,521	(191.99)
Net Claims Paid as % of NP	4,520,897	2.29	(4,914,624)	(2.32)	9,435,521	(191.99)
Combined Expenses as % of GP	214,728,685	40.13	227,113,674	39.19	(12,418,377)	(5.47)
Combined Expenses as % of NP	214,728,685	108.95	227,113,674	107.21	(12,418,377)	(5.47)
Operating income as % of GP	79,366,836	14.83	118,274,277	20.41	(38,907,441)	(32.90)
Operating income as % of NP	79,366,836	40.28	118,274,277	55.83	(38,907,441)	(32.90)
Gross Profit (PBT) Ratio on Turnover	101,874,249	19.04	134,231,319	23.16	(32,357,070)	(24.11)
Net Profit Ratio (after tax) on Turnover	74,229,638	13.87	87,693,615	15.13	(13,463,977)	(15.35)

Review of
ASSETS QUALITY

Prime Insurance Company Ltd always focuses on the superior assets quality so that these will bring highest value to the company, ensure satisfactory return to the stakeholders and ensure sustainable development. To perform the said objectives, company has the policy to review of its assets periodically and as a result of continuous monitoring and development of the assets quality, company could achieve the healthy growth almost every year. Following figures show five years growth of the assets and demonstrate how the Company maintains its assets quality to increase/ (decrease) value to the company.

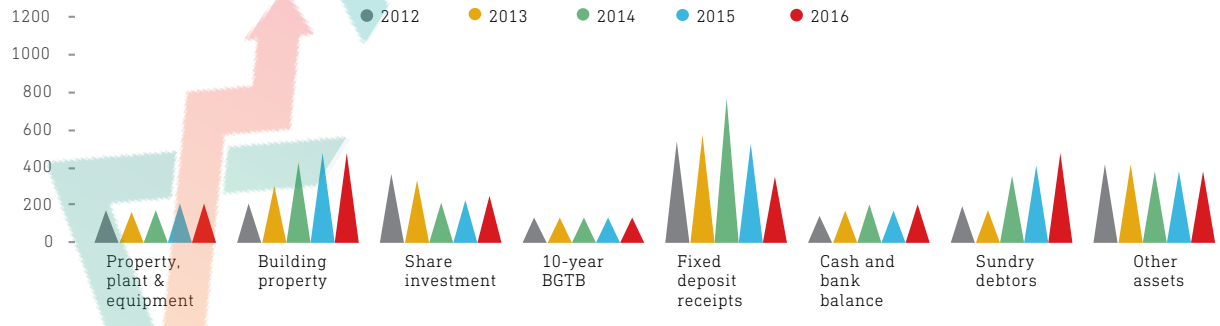
Prime Insurance has high deqree of liquidity of its assets- more than 84.65% of its assets comprise of cash and quickly disposable shares and securities. Its share investment protfolio comprise of investments into companies with strong fundamentals. Notwitstanding rather adverse perfomance of stock Markets in Bangladesh during the year 2016. Prime Insurance could maintain its investment income for the year 2016 higher than 2015 and 2014, which bear testimony to the prudent investment policies followed by the Company.

Year wise investment and assets quality of the Company are given below

in million Taka

Year	Property, plant & equipment	Building property	Share investment	10-year BGTB	Fixed deposit receipts	Cash and bank balance	Sundry debtors	Other assets	Total Assets
2012	38.58	70.16	186.99	9.00	320.18	21.76	59.03	215.01	920.71
2013	46.29	145.28	177.33	9.00	353.00	32.06	58.82	221.18	1,042.96
2014	45.49	244.81	68.79	9.00	406.30	47.91	168.97	198.54	1,189.81
2015	57.65	265.85	75.16	9.00	294.80	37.20	192.61	204.73	1,137.00
2016	57.94	269.85	103.67	9.00	164.40	54.36	247.12	204.88	1,111.22

Year wise Assets Quality graphs is given as under (in million Taka)



Investable Asset Quality of the Company

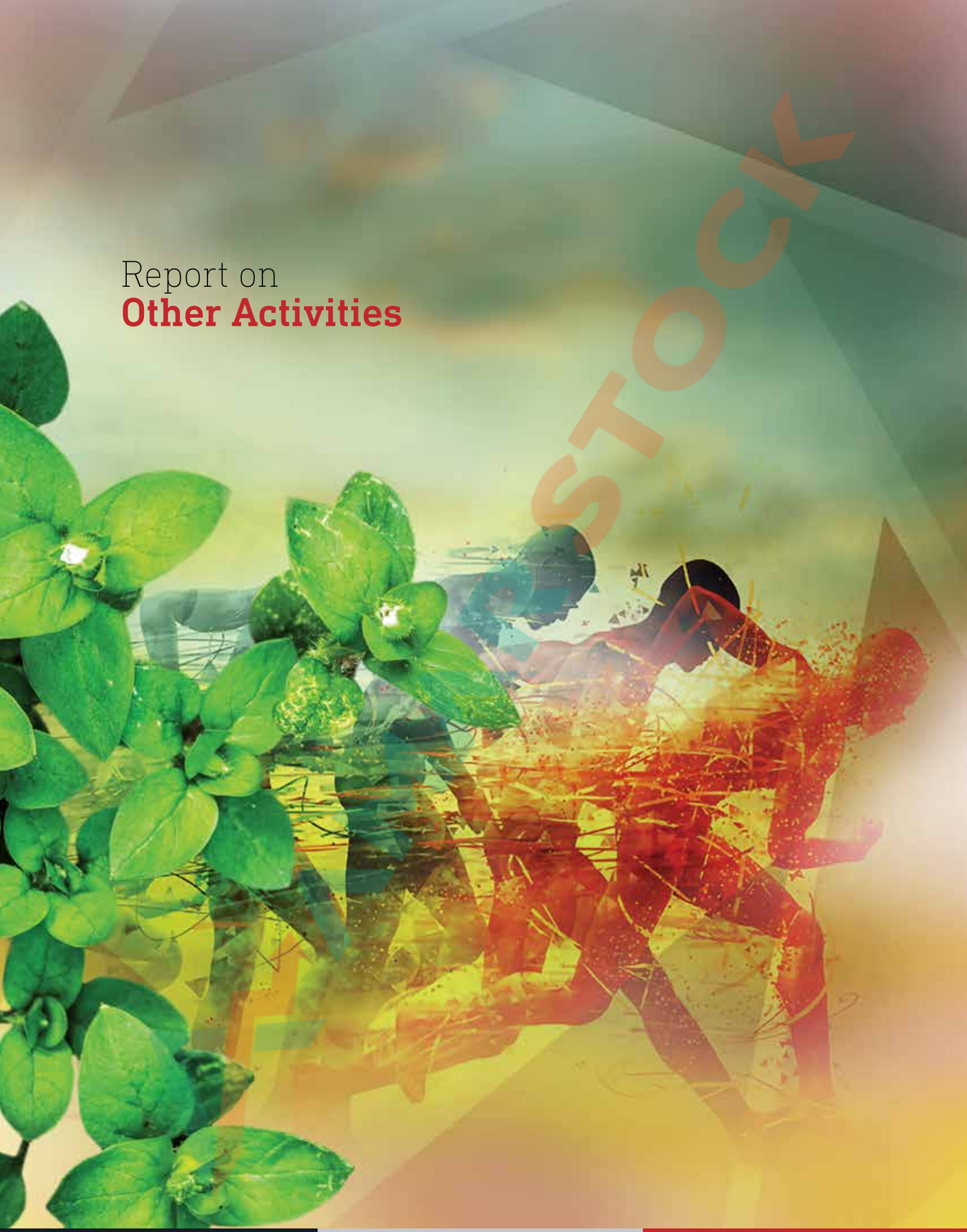
Amount in Taka

Particulars	2016	%	2015	%	Growth-2016	Growth %
Share investment & debentures						
Long Term (10 Years Bangladesh Govt. Tresary Bond)	9,000,000	1.51	9,000,000	1.32	-	-
Share iInvestment					-	
Share investment listed companies	100,633,622	16.84	72,437,519	10.65	28,196,103	38.92
Share investment non listed companies	1,569,450	0.26	1,569,450	0.23	-	-
Investment in mutual fund	1,470,624	0.25	1,155,084	0.17	315,540	27.32
Total	112,673,696		84,162,053		28,511,643	33.88
Cash at bank	215,027,701		329,903,224		(114,875,523)	(34.82)
Fixed deposit receipts (FDR)	164,400,000	27.51	294,800,000	43.36	(130,400,000)	(44.23)
STD & CD account balance	50,627,701	8.47	35,103,224	5.16	15,524,477	44.23
Building property						
Building property	269,851,600	45.16	265,851,600	39.10	4,000,000	1.50
Total investable assets:	597,552,997	100	679,916,877	100	(82,363,880)	0.56
Property, plant, office equipment & other fixed assets	57,939,614		57,650,145		289,469	0.50

In the year 2013 Company purchased 02 (One) unit floor space measuring 11,500 sft with 5 car parking at Unique Heights (9th floor): 117, Kazi Nazrul Islam Avenue, Ramna Dhaka. The book value of the floor at cost was Tk.129.94 million .

In the year 2014 the Company has purchased another 01 (One) Unit floor space measuring 4,236 sft with 2 car parking at Unique Heights (9th floor): 117, Kazi Nazrul Islam Avenue, Ramna Dhaka. The book value of the floor cost was Tk.47.35 million. The total Cost Price of 3 (three) units floor stood Tk.177.29 million.The Company already shifted its Corporate Office at Unique Heights (9th floor) on 1st September, 2015.

Report on
Other Activities



Report on
SETTLEMENT OF CLAIMS

Prime Insurance Company Ltd. started its journey in June 1996 and after lots of ups and downs the company strengthened its financial base and placed it in a highly regarded position in the insurance industry. The business operation of the Company is structured and processed in line with the Corporate Governance guidelines imposed by SEC and IDRA.

To meet up market demands Prime Insurance introduced Comprehensive Insurance Products for financial organizations Banker's Blanket Bond Insurance (BBB) a wide range insurance; we also introduced Prime Health Plan Insurance and Hajj &Umrah Travel Insurance. Our clients are the main contributing factor to our success.

Settlement of Claim is a vital task of insurance organization. Having an accident or enduring a catastrophe can be a very stressful thing; we Prime Insurance, always treat our clientele as business partners and we are not only an underwriter but also an Insurance advisor of clientele. To extend all sorts of services to the clients Prime Insurance introduced CUSTOMER CARE department so as to ensure quality service.

With a view to render quick service in respect of settlement of Claim we always take care of any incident by appointing surveyor to ascertain the quantum of loss thereof. Because, it is our commitment for expeditious settlement of the claim to the insured's satisfaction. Sincerely we always ensure our clients that we are ready for extending all possible assistance to mitigate suffering from unwanted incident.

To settle a claim, PICL requires only 5 (five) to 7(seven) days' time upon having the minimum required documents; in few cases delay occurs due to non-submission of documents and Claims Department reminds the insured every 15 days to submit the documents in support of their claim.

Prime Insurance always maintains & follows the Rules & Regulation of IDRA, Insurance ACT as well as Law of Land.

Claims settlements over the year

Quick and expeditious settlement of claims is the prime commitment of Prime Insurance Company. Our experienced and well qualified Officers and Executives are engaged to assist the clients to prepare the documents in support of their claims. Upon getting Survey Report from the survey firm and required documents from the clients, our company settles claims within the shortest possible time. Some important news of settlement of claims is given below:



Claims settlement of Acorn Infrastructure Services Ltd.:

Prime Insurance Company Ltd. settled a claim for loss of or damage to alternator due to greed voltage fluctuation under Industrial All Risk Insurance Policy to Acorn Infrastructure Services Ltd. a sister concern of Bangla Trac on Thursday, July 21, 2016 at the office of Acron Infrastructure Services Ltd.

Mr. Md. Zakiullah Shahid, Chairman of Prime Insurance Company Ltd. handed over the cheque for Tk. 2 crore to Mr. M Aminul Haque, Group Chairman of Bangla Trac. Mr. Tarique E. Haque, Managing Director of Acorn Infrastructure Services Ltd was also present there.

From Prime Insurance Company Ms. Nazma Haque, Vice Chairman; Ms. Mohammodi Khanam, CEO and Mr. Md. Delwar Hossain, SEVP & Head of Claims were also present in the ceremony.



Claims settlement of IPDC Finance:

Prime Insurance Company Ltd. settled health insurance claim of Industrial Promotion and Development Company of Bangladesh Limited (IPDC).

Ms. Mohammodi Khanam, CEO of Prime Insurance Company handed over the claim cheque to Mr. Mominul Islam, MD & CEO of IPDC on July 17, 2016 at the IPDC office. Mr. Mominul Islam, MD & CEO of IPDC expressed his satisfaction for the proactive service of Prime Insurance.

Mr. A F M Barkatullah, DMD of IPDC, Syed Monirul Huq, DMD & Head of Operation and Mr. Sujit Kumar Bhowmik, AMD & Head SMBD & Health Insurance of Prime Insurance Company were also present there.



Claims settlement of Bangladesh Flying Academy:

Prime Insurance Company Ltd. settled death claim against legal liability to Instructor Pilot under aviation policy of Late Capt. S. Shahed Kamal of Bangladesh Flying Academy.

Ms. Mohammodi Khanam, CEO of Prime Insurance Company handed over the claim cheque of to Ms. Mahmuda Shahed (wife of Capt. S. Shahed Kamal) on June 28, 2016 at the office of Bangladesh Flying Academy.

Syed Monirul Huq, DMD & Head of Operation & Mr. Md Delwar Hossain, SEVP & Head of Claims of Prime Insurance and Capt. Ahmed Fazlur Rahman, Secretary General of Bangladesh Flying Academy were also present there.



Claims settlement of Nusrat Fashion, one of the victims of DNCC Market, Gulshan

The recent fire of the DNCC Market at Gulshan-1 in Dhaka caused a massive loss to the shop owners. Prime Insurance Company was the insurer of few affected shop. Accordingly Prime Insurance Company Ltd settled fire insurance claims benefits to M/s. Nusrat Fashion on February 12, 2017 at the Head Office of the Company through a ceremony. This shop was financed by NRB Bank Ltd.

Mr. Md. Zakiullah Shahid, Chairman of Prime Insurance Company Ltd. handed over the cheque to Mr. Altaf Hossain, Proprietor of M/s. Nusrat Fashion.

Mr. Mahbubuzzaman, Head of SME Banking and Mr. Muhammed Hasan, Senior Relationship Officer (SME Banking) of NRB Bank; Ms. Saheda Pervin Trisha, Director & Ms. Mohammodi Khanam, CEO of Prime Insurance Company Ltd; Dr. Mostafizur Rahman, MD of Popular Diagnostic Center; Dr. Shamim Khan & Dr. Armin Hasan, Health Insurance Claims Review Committee members and Mr. Mahbubur Rahman, VP, Gulshan Branch of Prime Insurance Company Ltd. were also present at the ceremony.



Claims settlement of S S Enterprise, one of the victims of DNCC Market, Gulshan

Mr. Md. Zakiullah Shahid, Chairman of Prime Insurance Company Ltd. handed over fire insurane claims cheque to Mr. Md. Alamgir, Proprietor of M/s. S.S. Enterprise, one of the victims of fire incident of DNCC Market, Gulshan. This shop was financed by First Finance.

From First Finance- Kazi Md Anamul Hoque, SVP & Head of Gulshan Branch; Mr. Maksumul Mahmud, EVP & Head of Branches; from Prime Insurance- Ms. Saheda Pervin Trisha, Director & Ms. Mohammodi Khanam, CEO; Dr. Mostafizur Rahman, MD of Popular Diagnostic Center; Dr. Shamim Khan & Dr. Armin Hasan, Health Insurance Claims Review Committee members of Prime Insurance Company were also present at the ceremony.

Internal
AUDIT REPORT

Internal auditing is an independent, objective assurance and consulting activity designed to add value and improve an Organization's operations. It helps an organization accomplish its objectives bringing in systematic and disciplined approach, evaluate and improve the effectiveness of risk management, control, compliance and governance processes. Prime Insurance Company always tries to be systematic, disciplined and transparent in all its activities. The Internal Audit Department ensures the Company to run its activities systematically abiding by management policy, plan and guidelines issued from the Head Office and various regulatory authorities.

Objective:- The aim of internal control is to provide reasonable assurance by means of system of processes and procedures implemented by Prime Insurance Company Limited so that the following objective may be achieved:

a. Accuracy of financial statistics

b. Optimization of operational competence

c. Compliance with the laws and regulation

REPORTING STRUCTURE



Scope: The scope of internal audit operations and its function are, by its very nature, quite expansive. The internal audit function will assist the Company in fulfilling its vision, mission, strategic initiatives, and objectives. It helps the company to adhere to its core values following systematic and disciplined approach; to evaluate and improve the effectiveness of enterprise-wide risk management, internal control systems and governance processes. Ultimately, the internal audit function will help ensure:

- Risks are appropriately identified and managed;
- Significant financial, managerial and operating information are accurate, reliable and timely;
- Employees' actions are in compliance with Company's policies, standards, procedures and at par with the applicable laws and regulations;
- Company's resources are acquired economically, used efficiently and safeguarded adequately;
- Company's operations are transacted in accordance with sufficient internal controls, good business judgment and high ethical standards;
- Quality and continuous improvement are fostered in the Company's internal control processes;

The main duties and functions of Internal Control and Audit Department, inter alia, are broadly classified as under:

i. Systems audit
ii. Operational audit including efficiency audit
iii. Management audit

Internal Audit Process



A. Audit Program

- Head of Internal Control and Audit Department starts to prepare audit plan before the commencement of each year. He draws it up and gets approval from the Audit Committee and the audit functions for that financial year are carried out accordingly.
- The annual program states the various areas which are subject to audit.
- The Audit Committee monitors the progress of work

every monthly, quarterly and half-yearly.

- Company Secretary and Head of the Internal Control and Audit attend the meeting regularly.

B. Reporting Structure

Functionally the Internal Control and Audit Department reports directly to the Audit Committee for its activities.

C. Audit Function in Prime Insurance Company:

The Audit Department covers all departments of Head Office and Branches in its audit program.

i. **Departmental Audit:** Departmental audits evaluate accounting controls, ensure compliance with departmental flow chart, job responsibility of individual employee, improvement of efficiency, policies and procedures, applicable laws and regulations and validate the records and account balances. The Audit department audits Branch Control Department, Share Trade & Investment Department, Finance and Accounts Department, Claims Department, Administration & Establishment Department, Public Relations and Business Development Department every year.

ii. **Branch Audit:** - Branch audits are designed to evaluate procedures and controls which impact the attainment of the Company's organizational goals and objectives. Branch audits also measure compliance with organization policies and procedures as well as applicable laws and regulations and guidelines issued from Head office time to time during operational audits, functional tests and transaction review.

iii. **Performance/MIS Audit:** A management information system (MIS) provides information which are needed to manage the organization efficiently and effectively. The Company is able to highlight its strengths and weaknesses due to the presence of revenue reports, employees' performance record, etc. The MIS gives an overall picture of the company and acts as communication and planning tool. Through MIS the Audit team of Prime Insurance Company Limited can evaluate the performance of an individual employee, budgetary control, and company's business performance, and report analysis on a quarterly, half-yearly and yearly basis.

D. Audit Finding & Audit Reporting

After completion of audit, Head of the Audit sends a complete audit report along with audit findings, comments and recommendations to the Branch In-charge for their feedback within stipulated time frame. Feedback is important to Audit Department, since it can help it improve the audit process. The audit department also sends a audit report to the Managing Director, Central account department, Branch control department and other department as required. After getting opinion, the summary of the report is forwarded to the Audit Committee for review.

E. Follow-up

Follow-up reviews are performed on an issue-by-issue basis and typically occur shortly after the expected completion date so that agreed-upon corrective actions can be implemented. The purpose of the follow-up is to verify that the concerned branch/department have accomplished the agreed-upon corrective actions. Audit department always follows up the corrective actions whether they are implemented within stipulated timeframe.



Report on
ISO CERTIFICATION

Prime Insurance Company is first ISO certified Insurance Company in Bangladesh. As a first ISO certified Insurance Company, ISO 9001:2008 Quality Management System certification enables us to demonstrate our commitment to quality and customer satisfaction, as well as continuously improving company's operations. By maintaining the certification since 2012, we are ensuring all requirements for quality management of the product or service are covered in ISO 9001:2008 which includes a quality planning requirement along with policies, objectives and quantifiable targets. The Certification also enables us to maintain continuous development in the following areas:

- Establishes and streamlines processes through complete documentation.
- Improves and establishes training processes.
- Defines roles and responsibilities.
- Significantly increases operational efficiency.
- Increases ability to troubleshoot.
- Develops and builds relationships that help to retain existing customers.
- Builds opportunities for global commerce with international recognition.
- Improves relationships with interested parties due to clear, concise production standards·
- Provides basis for consistent and fact-based decision making.
- Carefully planned improvements, based on documentation and analysis.
- Provides for regular audits/reviews of performance.
- Increases productivity· Maximizes quality.
- Improves employee morale and satisfaction.
- Saves time and money.
- Improves accountability of management.
- Increases employees' understanding of their roles in success of their work and the company.
- Creates greater motivation and dedication.

What we did in 2016

At the beginning of 2016, we executed our plan to implement an integrated internal audit program for QMS and subsequently the External Audit. This enabled a more efficient and effective way of sharing information among the employees and provided a holistic approach to our Company. It also added value for the Departments being audited with two External Auditors (One from abroad) bringing different knowledge and skill sets to the Company audit and gave each team the opportunity to learn from each other on audit and adapt their processes where necessary for continual improvement.

What we will do in 2017

We will continue with our Internal Audit and Surveillance Audit program for Our ISO 9001:2008 Certification of Quality Management System and will undertake a full review and Awareness program with the members of the Management Review Committee. We will continue to strengthen the co-operation between our assurance functions to ensure our risks are identified and mitigated.



Report on
ONLINE BUSINESS SYSTEM

In today's world technology has become a significant tool of development. The advancement and uses of technology not only eased our communication system but also playing a vital role in the growth of financial sector as well. And to keep pace with this ever changing scenario, it is very important for every financial organization to develop and utilize the technological innovations for quick, smooth and error free operations.

Prime Insurance Company is a pioneer among the technology driven insurance companies of Bangladesh with its fully online based business system and faster communication through own developed internal mail system, IP-Phone and vibrant website:www.prime-insurance.net. Prime has 18 branches and 1 booth, and all of them are online based and have automated system. Also these branches and booth are monitored and controlled through online supervision by the Head Office.

Prime Insurance underwrites policies through online insurance automation process which helps our Business partner Clients to receive faster service in the shortest possible time and also save money as well. This system also enables the clients to compare the terms & conditions and rates with other companies and also demonstrates the transparency of the company towards the clients. Through visiting the website people can easily know about Prime Insurance Company, its products and services, its achievements and many more.

Software:

Prime is operating an integrated Software CIIS (Computer Integrated Insurance System) which is integrated with Underwriting Module, Accounts Module, Claims Module, Payroll Module and Re Insurance Module. The Software is 100% online based.

Prime has also introduced Document Management Solution to reduce paper based work and also to increase security of softcopy documentation.

Automated System along with Online Support ensures:

Speed- We can process information more quickly than manual system. It enforces speed in our business.

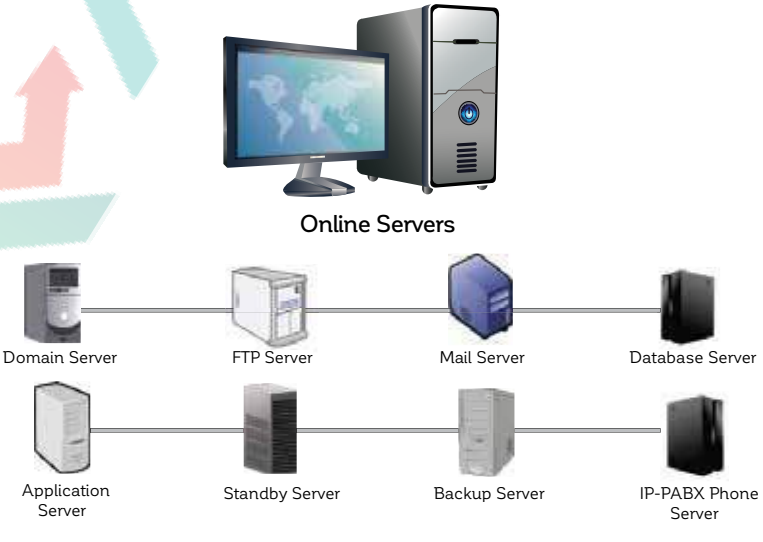
Accuracy- Through automated system, we can perform work flawlessly.

Safety- Automated system along with online service ensures safety to our entire network and business information.

Efficiency- As we always emphasize on efficiency of service, the automated system supports us to achieve that goal.

Security- With automated system an administrator must constantly monitor the security of the data and these security measures must be instituted. With online software, sensitive company data resides on a secure server whose security is constantly monitored by sophisticated protective mechanisms.

Communication- The ability to work anywhere at any time and communicate with coworkers can be a great productivity enhancer. The online system provides the opportunity to work in any location at any time.



Great Success for Continuation of 'INNOVATIVE PRODUCTS'

Innovation is an applied use of knowledge in the production and marketing of new or improved products, processes and services. Prime Insurance always looking forward & in this continuation prioritizes its focus on carry over introducing innovative products in the market demand and country's perspective.

Prime has already launched four exclusive products: Health Insurance Product **'Prime Health Plan', Bankers' Banking Bond Policy (BBB), Hajj & Umrah Insurance Policy & Shipbuilders Liability Insurance Coverage.** All these products are approved by the IDRA Authority. These products bring great success, uplifted the image of the company & also make Prime exclusive from other insurance companies

Prime Health Plan

We have launched excellent hospitalization coverage '**Prime Health Plan'** for the employees of any organization even for their family members with wider coverage at minimum premium cost which is fully supported by the abroad reinsurers and treatment facilities at home and abroad. ***Bank Asia Limited, IPDC, Himalaya Drug Company Ltd., Gulf Oil Bangladesh Ltd., Tiger IT Bangladesh Ltd., Marico Bangladesh Ltd.*** and few multinational companies have already taken the health policy from Prime. Many more are in the pipeline to grab the offer.

Bankers' Blanket Bond Policy (BBB)

Now-a-days, in accordance with the changes of global economy and market interest as well, Banks are operating their business in a diversified ways. Day by day they are diversifying their portfolio as well as increasing their product lines to meet up the clients' requirements and accommodate with global economy.

In these contexts, Prime has brought Bankers' Blanket Bond policy (BBB) for the financial institutions specially for the Banks for secured their financial risks under which a number of separate insuring clauses covering very specific instances financial loss suffered by the institution.

Banker's Blanket Bond Policy will cover any forgery, fraudulency by employees/third parties, cyber crime, professional indemnity of the Bankers and Directors and Employers' Liability. Banks do not need to take the coverage for cash-in-transit, cash-on-counter, cash-in-safe, cash-in-ATM policy etc. separately. So, this insurance will work as a safeguard of banking property where a Bank will get all insurance cover under one umbrella. The Policy has already been taken by the AB Bank Ltd., Bank Al-falah Ltd., Bank Asia Ltd. & Prime Bank Ltd. We hope to see more banks enrolling in this proposal in the coming future.

Our innovative insurance solutions combined with our worldwide capabilities and our expertise and service make us a premier choice for financial institution risks.

Hajj & Umrah Insurance Policy

We know, for the Muslim People, Hajj is one of the main courses of action amongst the five pillars who are financially and physically sound. During the period of performing Hajj, they need to continue their journey without facing unfavorable conditions which sometimes causes many unexpected accidental occurrences i.e, bodily injury, permanent disability even death. Hajj Insurance Policy can give the assurance of making the holy journey smooth, secured & sound.

We have designed our product into following two categories for the benefits of Pilgrims with a nominal premium & maximum coverage:

- **HAJJ PROTECTION- PLATINUM**
- **HAJJ PROTECTION- GOLD**

Prime Insurance is always committed to the Pilgrims of Bangladesh for rendering an excellent service.

Shipbuilders Liability Insurance Coverage

Prime has its glory again as the introducer of the Shipbuilders Liability Insurance Coverage in Bangladesh.

The Policy contains following two sections:

Section 1

(a) Covers the hull and machinery of the insured ship.

(b) Covers machinery while it is under construction at specified sub contractor's premises within the construction port.

Section 2

Covers machinery only at the builder's yard within the construction port (Does not include other parts or materials to be built into the ship).

The mentioned four products not only achieved the great success for Prime, those have also uplifted the image of the Company in the industry. We wish to continue such a way of introducing the exclusive products & services to make a healthy, secured & tension free life for the people of Bangladesh.

Report on
RE-INSURANCE

Reinsurance is, by its nature, a global business, which deploys capital across geographical boundaries and line of business. The intent of reinsurance for an insurance company is to reduce the risks associated with underwritten policies by spreading risk across alternative institutions.

Reinsurance also increases the capacity of underwriting for the traditional as well as any new line of insurance business. It protects insurance company, policy holders and its stakeholders through providing instant solvency capital to stabilize net claim ratio.

Reinsurers apply sophisticated risk management process to take any risks. But to work in a consistent and effective way, it requires a reliable legal system which is secured and honors the freedom of contract.

In a developing country like Bangladesh, insurance companies are playing a very significant role in economic expansion. With higher income and literacy rate, people are expected to recognize the benefits of insurance in business and thus raising the demand of insurance services. Though insurance industry has a very high prospect in the economy but for some reasons it has totally failed to achieve its goal. The insurance industry in general and the reinsurance industry in particular are facing a number of significant challenges and constraints which will need to be decisively addressed in the coming years if the industry wants to maintain its role in an expanding global economy.

Regulation of the reinsurance industry is increasing but in a piecemeal fashion without any key techniques and parameters. At the same time the demand for reinsurance solutions in specific business segments and for specific needs of primary insurance companies are growing. Satisfying this demand is the commercial role of the reinsurance industry and because of the industry's risk diversification, it must be able to insure risks at a lower cost and higher security than primary insurers with less diversified portfolios. Thus, reinsurance which facilitates the spread of risk exposure over a larger capital base is an important tool for the insurance industry. Reinsurance plays a vital role in providing capital to insurers thus securing affordable protection to policyholders.

Since reinsurance is a financial service arrangement between an insurer and a reinsurer, it contains a number of different elements and aspects. Risk transfer is the main reason of making re-insurance as well as it provides a number of strength to the insurer as follows:



The government of Bangladesh modified the system through promulgation of the Insurance Corporations (Amendment) Act, 1990. The changes allowed private sector insurance companies to place 50% reinsurance of the business to state owned corporation and to place remaining 50% of their business with any reinsurer of their choice, at home or abroad. Sadharan Bima Corporation will underwrite 100% of Public Sector business and distribute 50% to private insurance companies in the country.

Out of 46 private Non-life Insurance Companies only few companies have their 50% Re-insurance arrangement with companies abroad. Prime Insurance is one of them who has their reinsurance support with very renowned reinsurer's for its various businesses. As reinsurance is a key drive of growth and stability for an insurance company, Prime

Insurance has arranged the best reinsurance arrangement with the local reinsurer Sadharan Bima Corporation (State owned reinsurer of Bangladesh) and overseas reinsurers General Insurance Corporation of India (GIC Re) with credit rating "A-"(Excellent) by AM Best and Trust Re, Bahrain with credit rating "A-"by AM best and S&P, for its treaty in the last year.

Prime Insurance has excellent surplus reinsurance treaty for its different class of business where they are enjoying Tk. 900 million of treaty limit for fire business and Tk. 400 million for marine business. As well as PICL has arranged excess of loss treaty fot its retained portfilio to ensure the highest financial strength with net loss retention of Tk. 5.00 million for fire business, Tk. 2.50 million for marine business and Tk. 1.00 million for motor business.

To mitigate the natural catastrophic risk, Prime has CAT excess of loss treaty with SBC and other overseas reinsurers to protect the risk in fire business for losses arise from natural catastrophe whice covers losses of Tk.35.00 million in excess of Tk.5.00 million whereas it has the same treaty in marine cargo to recover losses of Tk.7.50 million in excess of Tk. 2.50 million.

Apart from the above treaty reinsurers Prime Insurance is also placing lot of insurance business on facultative basis to Swiss Re (Switzerland/Singapore), Munich Re (Germany), Hanover Re (Germany), Lloyds of London (UK), Alliance Global, XL Insurance Company, Korean Re (S. Korea), GIC Re (India), Trust Re (Bahrain), Malaysian Re (Malaysia), ICICI Lombard (India), ARIG Re (Bahrain) etc. beyond the treaty capacity.

Other than reinsurance treaty we have built–up our strong affiliation with world's reputed reinsurers. Our most modern technological developments are the key success in our service standard, good relationship with the insured as well as reinsurers and brokers. Risk mitigation and loss prevention are given the highest priority in Prime's vision.

We have ceded premium of Tk. 302 million to our reinsurer in the year 2016 under surplus and facultative treaty.

Prime Insurance has a very good business relationship with international insurance of London broker market as well like J B Boda of India, TYSER & CO, Marsh of London, Protection Insurance Services of Bahrain etc. Through them, Prime always provides its insurance business service to the clients with a very special rate/terms and secures the clients' interest with highest priority.

Since career development is a dynamic and ongoing process, employees need encouragement and support in reviewing and re-assessing their goals and achievements. Prime encourages growth and career development of employees by providing adequate in house & foreign trainings. In line with that approach, the reinsurance department took part in The GIC Re 7th International Reinsurance Training Program. This training program was organized by Insurance Institute of India, College of Insurance, Mumbai and international training program of Singapore Insurance College, Singapore etc.

A collaborative effort between different insurance business functions and discipline is required for continued growth and sustainability of our insurance market where reinsurance department's contribution is indispensable. But in our country, 50% mandatory business with our local reinsurer becomes a hurdle to do an effective business whereas our neighboring country at India this percentage is only 5%. So, need to change the strategy by the regulatory authority for the betterment of the insurance industry.

Efficient service and the highest financial security to the clients are the most priority of Prime Insurance. Therefore, Prime Insurance always ensures the full reinsurance protection with high rated reinsurers as well as provides systematic risk management advices and the best insurance terms to the clients maintaining the full business ethics and regulations.



Report on
PRE RISK SURVEY INSPECTION

Pre Risk Assessment works is an essential element in the assessment and improvement of risk for the benefit of insurance and the insured as well. Risk analysis is the first step in managing and preventing risk. Helping clients identify threats and implement best practiced mitigation measures, pre-risk surveys are designed for underwriters of all types and size of risks.

A professional risk survey is a basis for sound property insurance programs, allows making well-informed decisions on parameters of the coverage system, and avoiding both inappropriate over-estimation of insurance expenses as well as adoption of an insufficiently reliable risk insurance program. Furthermore, the pre-risk survey is required for large facilities in international reinsurance markets as well as local reinsurance markets.

With a view to ensuring all types of engineering of complex systems, sophisticated risk assessments is done within safety engineering and reliability engineering when it concerns threats to life, environment or machine functioning. Inspection method or assessment of risk may differ in between industries and whether it belongs to general financial decisions or environmental, ecological, or public health risk assessment. On behalf of a non-life insurance company a pre risk inspection/survey carries out risk inspection from underwriting perspective with emphasis on safety and risk management. Highlights of risk inspection surveys are:

- Tariff guidelines of Central Rating Committee as depicts in the risk inspection survey reports
- Experienced engineers and experts carries out the whole inspection process
- Information procured against previous major losses for the assessment of risk
- Suggest risk improvement/loss mitigation measures.

Prime Insurance always does the pre-inspection of any property either by external or internal expert of the client. As per the Circular of Insurance Development & Regulatory Authority (IDRA), it is important to get the survey, if the insured amount is Tk. 5 crore or above. Prime Insurance always complies with the guideline of risk inspection. By inspecting total scenario of the project, it helps to make the decision whether to accept or reject it. If it accepts the risk Prime provides necessary suggestion to the client to improve their present condition to moderate the risk. Prime is always transparent to its clients for charged premium amount also. In this way, Prime tries to mitigate the risk for mutual interest and also try to provide the client with the best and competitive rate and terms from SBC and abroad (if necessary).

Effective pre-risk inspection report allows insurers, reinsurers and insurance brokers to assess the quality of risk and to estimate the amount of potential damage and to obtain an unbiased independent opinion on the state of protection of their property from fire, explosions, machinery breakdown, malicious acts, climatic perils, the possibility of major losses due to business interruptions etc. In addition, the report suggests measures (recommendation) aimed at reduction of the probability of loss occurrences (prevention) and/or minimization of loss from the occurrences.

Financial
CALENDAR

Prime Insurance Company Ltd is very much concern of the stakeholders' interest on the company including the potential investors. The following historcal information will help our current and potential investors for their decision making :

Financial Calendar to the Stakeholders :

Financial year -2016	
Publication of Financial Statement for the 1st Quarter (un-audited)	May 07, 2016
Publication of Financial Statement for the Half Year (un-audited)	July 27, 2016
Publication of Financial Statement for 3rd Quarter (un-audited)	October 30, 2016
Announcement of 2016 Final Results	Feb 20, 2017
Record date	March 14, 2017
Annual Report 2016 dispatched	March 16, 2017
Date of 21st Annual General Meeting	March 30, 2017
Dividend declared (Proposed)	13%

Financial year -2015	
Publication of Financial Statement for the 1st Quarter (un-audited)	May 12, 2015
Publication of Financial Statement for the Half Year (un-audited)	July 27, 2015
Publication of Financial Statement for 3rd Quarter (un-audited)	October 30, 2015
Announcement of 2015 Final Results	Feb 22, 2016
Record date	March 14, 2016
Annual Report 2015 dispatched	March 16, 2016
Date of 20th Annual General Meeting	March 30, 2016
Dividend declared	12.5%

Financial year -2014	
Publication of Financial Statement for the 1st Quarter (un-audited)	May 12, 2014
Publication of Financial Statement for the Half Year (un-audited)	July 27, 2014
Publication of Financial Statement for 3rd Quarter (un-audited)	October 27, 2014
Announcement of 2014 Final Results	Feb 22, 2015
Record date	March 04, 2015
Annual Report 2014 dispatched	March 10, 2015
Date of 19th Annual General Meeting	March 30, 2015
Transfer of Stock dividend 2014 to shareholders BO Account	April 29, 2015
Dividend declared	15%

Investment
PROFILE

In the year 2016 the Investment portfolio of Prime Insurance Company has decreased by 12.11% as against total investment for the year 2015. The company has been investing its major fund in FDR of various Banks and financial institutions and also investing in the fundamental shares of publicly traded companies, mutual fund, fixed assets and other non-current investment. Details of investment are as follows:

Particulars	2016		2015		Growth/ (Declined) during the year 2016	Growth/ Decliend %
	Amount (in Million Tk.)	Total %	Amount (in Million Tk.)	Total %		
10 Years Govt.Treasury Bond	9.00	1.51	9.00	1.32	0.00	-
FDR Investment	164.40	27.51	294.80	43.36	(130.40)	(44.23)
Share Investment & Mutual fund	103.67	17.35	75.16	11.05	28.51	37.93
Investment on Building Property	269.85	45.16	265.85	39.10	2.00	1.50
Cash at bank (STD & CD accounts	50.63	8.47	35.10	5.16	15.53	44.25
Total Investment :	**597.55**	**100.00**	**693.16**	**100.00**	**(95.61)**	**(12.11)**
Plant , Office Equipment & others Fixed Assets	57.97	9.70	57.65	8.48	0.32	0.56





Auditors, Report & **Financial Statements**

Auditors' Report to the Shareholders'

Of Prime Insurance Company Limited

We have audited the accompanying financial statements of Prime Insurance Company Limited, which comprise the Statement of Financial Position as at December 31, 2016, and the Statement of Profit or Loss and other Comprehensive Income, Profit & loss Appropriation Account, Consolidated Insurance Revenue Account, Fire Insurance Revenue Account, Marine & Marine Hull Insurance Revenue Account, Motor Insurance Revenue Account, Miscellaneous Insurance Revenue Account, Statement of Changes in Shareholders' Equity, Statement of Cash Flows for the year then ended, Form "AA" as at December 31, 2016 and a summary of significant accounting policies and other explanatory information disclosed in Notes 1 to 38.

Management's Responsibility for the Financial Statements

Management of the company is responsible for the preparation and fair presentation of these financial statements in accordance with Bangladesh Financial Reporting Standards (BFRSs), along with Rules & Regulation Issued by the Insurance Development and Regulatory Authority (IDRA) and Insurance Act 2010, Insurance Rules 1958, SEC Rules 1987 and the Companies Act 1994 and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies and making accounting estimates that are responsible in the circumstances.

Auditors' Responsibility

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

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

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

Opinion

In our opinion, the Financial Statements present fairly in all material respects, the Financial Position of the Company as at December 31, 2016 and of its Operations and its Cash Flows for the year then ended in accordance with Bangladesh Financial Reporting Standards (BFRSs), Insurance Act 2010, Insurance Rules 1958, SEC Rules 1987 and the Companies Act 1994 and comply with the other applicable laws and regulations.

Report on Other Legal and Regulatory Requirements

We also report that:

a) we have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit and made due verification thereof;

b) in our opinion, proper books of account as required by law have been kept by the company so far as it appeared from our examination of those books and (where applicable) proper returns adequate for the purpose of our audit have been received from branches not visited by us and incorporated in the accompanying accounts;

c) the company's Statement of Financial Position, Statement of Profit or Loss and Other Comprehensive Income and Statements of Cash Flows dealt with by the report are in agreement with the books of accounts and drawn as per Insurance Act , 2010 ;

d) the expenditure incurred and payments made during the year were for the purposes of the company's business;

e) as per section 63(2) of the Insurance Act, 2010 as amended, we certify that to the best of our knowledge and belief and according to the information and explanation given to us, all expenses of management wherever incurred and whether incurred directly or indirectly, in respect of insurance business of the company transacted in Bangladesh during the year under audit have been duly debited to the related Revenue Accounts and the Statement of Profit or Loss and Other Comprehensive Income of the Company;

f) as per section 59(5) of the Insurance Act 2010 as amended rule 1958, we also certify that to the best of our information and as shown by its books, the Company during the year under report has not paid any person any commission in any form outside Bangladesh in respect of any of its business re-insured abroad.

Dated : Dhaka
February 20, 2017

Rahman Mostafa Alam & Co.
Chartered Accountants



AMARSTOCK

Prime Insurance Company Limited

Statement of Financial Position (Balance Sheet)

As at December 31, 2016

Particulars	Notes	Amount in Taka	
		2016	2015
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		261,255,386	238,122,436
Reserve for exceptional losses	7.00	191,160,376	171,454,302
General reserve fund	8.00	8,900,000	7,700,000
Profit & loss appropriation account		61,195,010	58,968,134
Shareholders' equity:		670,030,366	646,897,416
Balance of funds and accounts	9.00	78,860,479	90,268,869
Fire insurance business		11,619,670	13,362,848
Marine insurance business		43,298,898	32,885,931
Marine hull insurance business		60,301	9,223,412
Motor insurance business		16,884,385	17,308,828
Miscellaneous insurance business		6,997,225	17,487,850
Premium deposits	10.00	20,690,733	37,566,425
Liabilities and provisions		341,641,952	362,271,907
Estimated liability in respect of outstanding claims whether due or intimated	11.00	49,671,371	57,355,958
Amount due to other persons or bodies carrying on insurance business	12.00	3,808,970	37,293,239
Sundry creditors	13.00	60,592,176	66,357,585
Income tax provision	14.00	227,569,435	201,265,125
Total shareholder's equity & liabilities		1,111,223,530	1,137,004,617

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

Md. Zakiullah Shahid	Shah Muhammed Hasan	A.Z.M Sazzadur Rahman	Mohammodi Khanam
Chairman	Director	Director	Chief Executive Officer

Signed in terms of our separate report of even date.
Dated: Dhaka
February 20, 2017

Rahman Mostafa Alam & Co.
Chartered Accountants

Prime Insurance Company Limited

Statement of Financial Position (Balance Sheet)

As at December 31, 2016

Particulars	Notes	Amount in Taka	
		2016	2015
Property and Assets			
Non-current assets		**170,613,310**	**141,812,197**
Property, plant and equipment	15.00	57,939,614	57,650,145
10-Year Bangladesh Govt. Treasury Bond	16.01	9,000,000	9,000,000
Investment (at fair value) (2015 restated)	16.02	103,673,696	75,162,052
Current assets		**940,610,220**	**995,192,420**
Stock of printing & stationery	17.00	3,843,461	4,061,261
Insurance stamp in hand		1,179,526	1,599,087
Premium collection control account	18.00	2,821,717	5,552,766
Interest accrued but not received	19.00	7,497,443	11,719,500
Amount due from other persons or bodies carrying on insurance business	20.00	188,993,285	179,914,202
Sundry debtors (including advances, deposits & pre-payments)	21.00	516,973,988	458,460,554
Deferred tax assets (Figure 2015 restated)	14.02	543,980	1,884,281
Cash and cash equivalents	22.00	**218,756,820**	**332,000,769**
Cash in hand		3,729,665	2,097,045
Cash at bank		50,627,155	35,103,724
Fixed deposit receipt (FDR)		164,400,000	294,800,000
Total assets		**1,111,223,530**	**1,137,004,617**

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

Md. Zakiullah Shahid	Shah Muhammed Hasan	A.Z.M Sazzadur Rahman	Mohammodi Khanam
Chairman	Director	Director	Chief Executive Officer

Signed in terms of our separate report of even date.
Dated: Dhaka
February 20, 2017

Rahman Mostafa Alam & Co.
Chartered Accountants

Prime Insurance Company Limited

Statement of Profit or Loss and other Comprehensive Income (Profit & Loss Account)

For the Year Ended December 31, 2016

Particulars	Notes	Amount in Taka	
		2016	2015
Operating profit/(loss) transferred from:		**79,366,836**	**118,274,277**
Fire insurance revenue account		1,653,639	47,025,580
Marine insurance revenue account		48,435,525	67,603,047
Marine hull insurance revenue account		8,417,749	(4,316,485)
Motor insurance revenue account		17,662,942	15,292,916
Miscellaneous insurance revenue account		3,196,981	(7,330,782)
Non-operating income:			
(Interest, dividend and rents not applicable to any particular fund or account)		**43,594,632**	**34,461,889**
Interest income	23.00	21,512,746	28,880,788
Share investment income	24.00	9,017,634	266,208
Dividend income	25.00	4,844,662	3,879,497
Gain (Unrealised) on investment in share	16.02	6,933,719	-
Other income	26.00	1,285,871	1,434,896
Foreign exchange gain		-	500
Total income		**122,961,468**	**152,736,165**
Less: Expenses of management		**21,087,220**	**19,725,603**
(not applicable to any particular fund or account)			
Directors' fees	27.00	1,385,000	1,600,000
Advertisement & publicity		854,663	691,586
Audit fees	28.00	345,000	275,000
Donation & subscriptions		226,260	190,680
Legal & professional fees		2,798,021	1,395,649
Depreciation	15.00	9,401,439	9,011,696
Registration fees	29.00	2,028,435	1,931,584
Meeting expenses		230,504	579,299
Incentive/perfomance bonus for employees	13.06.01	3,782,439	2,828,853
Loss (unrealised) on investment in share	16.02	-	1,221,256
Interest on margin loan		34,413	-
Foreign exchange loss		1,046	-
Profit before tax		**101,874,249**	**133,010,561**
Provision for tax	14.01	26,304,310	46,337,705
Deferred tax expenses/(income) for the year	14.02	1,340,301	463,540
Profit after tax transferred to profit & loss appropriation account		**74,229,638**	**86,209,317**
Total		**122,961,468**	**152,736,165**
Earnings per share (EPS) (2015 restated)	5.01	1.82	2.11

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

Md. Zakiullah Shahid	Shah Muhammed Hasan	A.Z.M Sazzadur Rahman	Mohammodi Khanam
Chairman	Director	Director	Chief Executive Officer

Signed in terms of our separate report of even date.
Dated: Dhaka
February 20, 2017

Rahman Mostafa Alam & Co.
Chartered Accountants

Prime Insurance Company Limited

Profit & Loss Appropriation Account

For the Year Ended December 31, 2016

Particulars	Notes	Amount in Taka	
		2016	2015
Opening balance of appropriation accounts		58,968,134	47,243,022
Profit/(loss) carried forward during the year		74,229,638	86,209,317
Total profit after tax		133,197,771	133,452,339
Appropriation			
Reserve for exceptional losses	7.01	19,706,074	15,887,779
Bonus shares/stock dividend for the year 2015		-	19,465,475
Cash dividend paid for the year 2015		51,096,687	38,930,951
General reserve fund	8.00	1,200,000	200,000
		-	-
Retained earnings transferred to balance sheet		61,195,010	58,968,134
Total		133,197,771	133,452,339

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

Md. Zakiullah Shahid	Shah Muhammed Hasan	A.Z.M Sazzadur Rahman	Mohammodi Khanam
Chairman	Director	Director	Chief Executive Officer

Signed in terms of our separate report of even date.
Dated: Dhaka
February 20, 2017

Rahman Mostafa Alam & Co.
Chartered Accountants

Prime Insurance Company Limited

Consolidated Insurance Revenue Account

For the Year Ended December 31, 2016

Particulars	Amount in Taka						
	2016						2015
	Fire	Marine	Marine Hull	Motor	Misc.	Total	Total
Claims under policies less re-insurances:	(14,687,072)	5,396,155	(79,058)	9,652,543	4,238,329	4,520,897	(4,914,624)
Claims paid during the year	22,927,525	10,281,332	-	8,673,221	13,687,347	55,569,425	129,257,371
Add: R/I claims paid/adjusted on PSB	81,938	189,210	129	82,793	319,540	673,610	2,934,027
Add: Claims paid on re-insurance acceptance	-	-	-	-	2,828	2,828	10,176,443
Less: Claims recoverd/ adjusted on R/I ceded current year	39,400,661	597,698	79,187.00	-	3,654,345	43,731,891	47,373,462
Less: Claims recoverd/ adjusted on R/I ceded previous year	-	-	-	-	-	-	109,389,238
Add: Claims outstanding at the end of the year	8,549,885	21,847,875	-	7,873,360	11,400,251	49,671,371	57,355,958
Add: Outstanding claims recoverable on R/I	-	-	-	-	-	-	-
Less: Claims recovered on PSB	-	1,586	-	-	306,902	308,488	1,899,585
Less: Claims outstanding at the end of the previous year	6,845,759	26,322,978	-	6,976,831	17,210,390	57,355,958	45,976,138
Expenses of management	56,862,294	30,200,214	834,342	9,990,981	17,391,207	115,279,037	132,259,640
						-	
Agent commission	39,077,997	18,358,555	524,134	6,616,377	9,264,468	73,841,531	81,264,311
						-	
Profit/(loss) transferred to profit & loss account	1,653,639	48,435,525	8,417,749	17,662,942	3,196,981	79,366,836	118,274,277
Balance of account at the end of the year as shown in the balance sheet	11,619,670	43,298,898	60,301	16,884,385	6,997,225	78,860,479	90,268,869
(Reserve for unexpired risks being 40% of premium income on Marine, Motor & Miscellaneous and 100% of premium income on Marine Hull of the year)							
Total	94,526,527	145,689,347	9,757,468	60,807,227	41,088,210	351,868,779	417,152,473

Particulars	Amount in Taka						
	2016						2015
	Fire	Marine	Marine Hull	Motor	Misc.	Total	Total
Balance of account at the beginning of the year:	13,362,848	32,885,931	9,223,411	17,308,828	17,487,850	90,268,868	120,412,721
Premium less re-insurances	29,049,174	108,247,246	60,301	42,210,962	17,493,062	197,060,745	211,837,055
Premium underwritten	260,527,966	128,900,216	3,494,225	44,183,654	62,275,824	499,381,885	545,476,779
Less : Premium refund	7,987	6,509,852	-	74,475	512,701	7,105,015	3,714,704
Add: Premium on PSB	3,377,376	17,768,537	377,948	2,258,866	18,670,383	42,453,110	37,790,676
Less: Re-insurance premium ceded	232,506,736	17,649,685	3,515,512	4,157,083	44,913,137	302,742,153	337,295,621
Less: Re-insurance premium on PSB	2,341,445	14,261,970	296,360	-	18,306,224	35,205,999	30,420,075
Add: Premium on Re-insurance accepted	-	-	-	-	278,917	278,917	-
Commission earned on Re-Insurances	52,114,505	4,556,170	473,756	1,287,437	6,107,298	64,539,166	84,902,697
Commission earned on R/I ceded	51754669	1,745,492	458,153	1,287,437	3,867,925	59,113,676	77,747,185
Less: Commission paid on R/I accepted	-	-	-	-	97,621	97,621	-
Commission earned on PSB	359,836	2,810,678	15,603	-	2,336,994	5,523,111	4,712,121
Profit commission	-	-	-	-	-	-	2,443,391
Total	94,526,527	145,689,347	9,757,468	60,807,227	41,088,210	351,868,779	417,152,473

Md. Zakiullah Shahid
Chairman

Shah Muhammed Hasan
Director

A.Z.M Sazzadur Rahman
Director

Mohammodi Khanam
Chief Executive Officer

Signed in terms of our separate report of even date.
Dated: Dhaka
February 20, 2017

Rahman Mostafa Alam & Co.
Chartered Accountants

www.prime-insurance.net

Prime Insurance Company Limited

Fire Insurance Revenue Account

For the Year Ended December 31, 2016

Particulars	Amount in Taka 2016	2015	Particulars	Amount in Taka 2016	2015
Claims under policies less re-insurances:	(14,687,072)	(38,454,783)	Balance of account at the beginning of the year:	13,362,848	19,479,922
Claims paid during the year	22,927,525	109,612,956	Premium less re-insurances	29,049,174	33,407,121
Add: R/I claims paid/adjusted on PSB	81,938	145,521	Premium underwritten	260,527,966	201,486,770
Add: Claims paid on re-insurance acceptance	-	1,734,039	Less: Premium refunded	7,987	13,241
Less: Claims recoverd/adjusted on R/I ceded current year	39,400,661	44,308,382	Add: Premium on PSB	3,377,376	3,509,675
Less: Claims recoverd on acceptance/adjusted on R/I ceded previous year	-	107,029,446	Less: Re-insurance premium ceded	232,506,736	169,092,165
Add: Claims outstanding at the end of the year	8,549,885	6,845,759	Less: Re-insurance premium on PSB	2,341,445	2,483,918
Less: Claims recovered on PSB	-	-	Add: Premium on re-insurance accepted	-	-
Add: Outstanding claims recoverable R/I	-	-			
Less: Claims outstanding at the end of previous year	6,845,759	5,455,230			
Expenses of management	56,862,294	46,779,184	Commission earned on re-insurances	52,114,505	46,046,816
			Commission earned on R/I ceded	51,754,669	45,679,245
Agent commission	39,077,997	30,221,029	Less: Commission paid on R/I accepted	-	-
			Commission earned on PSB	359,836	367,571
			Profit commission	-	-
Profit/(Loss) transferred to profit & loss account	1,653,639	47,025,580			
Balance of account at the end of the year as shown in the Balance sheet.	11,619,670	13,362,848			
(Reserve for unexpired risks being 40% of premium income on Fire of the year)					
Total	94,526,527	98,933,859	Total	94,526,527	98,933,859

Md. Zakiullah Shahid
Chairman

Shah Muhammed Hasan
Director

A.Z.M Sazzadur Rahman
Director

Mohammodi Khanam
Chief Executive Officer

Signed in terms of our separate report of even date.
Dated: Dhaka
February 20, 2017

Rahman Mostafa Alam & Co.
Chartered Accountants

www.prime-insurance.net

Prime Insurance Company Limited

Marine & Marine Hull Insurance Revenue Account

For the Year Ended December 31, 2016

Particulars	Amount in Taka			
	2016			2015
	Marine	Marine Hull	Total	Total
Claims under policies less re-insurances:	5,396,155	(79,058)	5,317,097	4,017,016
Claims paid during the year	10,281,332	-	10,281,332	7,115,498
Add: R/I claims paid/adjusted on PSB	189,210	129	189,339	2,583,131
Add: Claims paid on re-insurance acceptance	-	-	-	3,103,267
Less: Claims recoverd/adjusted on R/I ceded current year	597,698	79,187	676,885	2,983,604
Less: Claims recoverd/adjusted on R/I ceded previous year	-	-	-	423,237
Add: Claims outstanding at the end of the year	21,847,875	-	21,847,875	26,322,978
Less: Claims recovered on PSB	1,586	-	1,586	1,789,045
Add: Outstanding claims recoverable R/I		-	-	-
Less: Claims outstanding at the end of the previous year	26,322,978	-	26,322,978	29,911,972
Expenses of management	30,200,214	834,342	31,034,556	33,758,947
Agent commission	18,358,555	524,134	18,882,688	19,689,203
Profit/(loss) transferred to profit & loss account	48,435,525	8,417,749	56,853,274	63,286,563
Balance of account at the end of the year as shown in the balance sheet	43,298,898	60,301	43,359,199	42,109,342
(Reserve for unexpired risks being 40% of premium income on Marine, and 100% of premium income on Marine Hull of the year)				
Total	145,689,347	9,757,468	155,446,815	162,861,071

Particulars	Amount in Taka			
	2016			2015
	Marine	Marine Hull	Total	Total
Balance of account at the beginning of the year:	32,885,931	9,223,411	42,109,342	51,231,415
Premium less re-insurances	108,247,246	60,301	108,307,547	91,438,239
Premium underwritten	128,900,216	3,494,225	132,394,441	134,701,232
Less: Premium refunded	6,509,852	-	6,509,852	3,439,876
Add: Premium on PSB	17,768,537	377,948	18,146,485	16,668,054
Less: Re-insurance premium ceded	17,649,685	3,515,512	21,165,197	43,759,558
Less: Re-insurance premium on PSB	14,261,970	296,360	14,558,330	12,731,613
Add: Premium on re-insurance accepted	-	-	-	-
Commission earned on re-insurances	4,556,170	473,756	5,029,926	20,191,417
Commission earned on R/I ceded	1,745,492	458,153	2,203,645	15,639,111
Less :Commission paid on R/I accepted	-	-	-	-
Commission earned on PSB	2,810,678	15,603	2,826,281	2,440,506
Profit commission	-	-	-	2,111,800
Total	145,689,347	9,757,468	155,446,815	162,861,071

Md. Zakiullah Shahid
Chairman

Shah Muhammed Hasan
Director

A.Z.M Sazzadur Rahman
Director

Mohammodi Khanam
Chief Executive Officer

Signed in terms of our separate report of even date.
Dated: Dhaka
February 20, 2017

Rahman Mostafa Alam & Co.
Chartered Accountants

FIRST STOCK

Prime Insurance Company Limited

Motor Insurance Revenue Account

For the Year Ended December 31, 2016

Particulars	Amount in Taka 2016	2015	Particulars	Amount in Taka 2016	2015
Claims under policies less re-insurances:	9,652,543	10,818,277	Balance of account at the beginning of the year:	17,308,828	16,055,507
Claims paid during the year	8,673,221	6,889,426	Premium less re-insurances	42,210,962	43,272,071
Add: R/I claims paid/adjusted on PSB	82,793	68,167	Premium underwritten	44,183,654	44,453,121
Add: Claims paid on re-insurance acceptance	-	3,459,300	Less: Premium refund	74,475	-
Less: Claims recoverd/adjusted on R/I ceded current year	-	-	Add: Premium on PSB	2,258,866	2,194,185
Less: Claims recoverd/adjusted on R/I ceded previous year	-	-	Less: Re-insurance premium ceded	4,157,083	3,341,615
Add: Claims outstanding at the end of the year	7,873,360	6,976,831	Less: Re-insurance premium on PSB	-	33,620
Less: Claims recovered on PSB	-	-	Add: Premium on re-insurance accepted	-	-
Add: Outstanding claims recoverable R/I	-	192,000			
Less: Claims outstanding at the end of the previous year	6,976,831	6,383,447			
Expenses of management	9,990,981	10,645,374	Commission earned on re-insurances	1,287,437	1,405,786
			Commission earned on R/I ceded	1,287,437	1,405,786
Agent commission	6,616,377	6,667,968	Less: Commission paid on R/I accepted	-	-
			Commission earned on PSB	-	-
			Profit commission	-	-
Profit/(loss) transferred to profit & loss account	17,662,942	15,292,916			
Balance of account at the end of the year as shown in the balance sheet	16,884,385	17,308,828			
(Reserve for unexpired risks being 40% of Motor premium income of the year)					
Total	60,807,227	60,733,364	Total	60,807,227	60,733,364

Md. Zakiullah Shahid
Chairman

Shah Muhammed Hasan
Director

A.Z.M Sazzadur Rahman
Director

Mohammodi Khanam
Chief Executive Officer

Signed in terms of our separate report of even date.
Dated: Dhaka
February 20, 2017

Rahman Mostafa Alam & Co.
Chartered Accountants

www.prime-insurance.net

Prime Insurance Company Limited

Miscellaneous Insurance Revenue Account

For the Year Ended December 31, 2016

Particulars	Amount in Taka	
	2016	2015
Claims under policies less re-insurances:	4,238,329	18,704,866
Claims Paid during the year	13,687,347	5,639,491
Add: R/I claims paid / adjusted on PSB	319,540	137,208
Add: Claims paid on re-insurance acceptance	2,828	1,879,837
Less: Claims recoverd/adjusted on R/I ceded current Year	3,654,345	81,476
Less: Claims recoverd/adjusted on R/I ceded previous Year	-	1,744,555
Add: Claims outstanding at the end of the year	11,400,251	17,210,390
Less: Claims recovered on PSB	306,902	110,540
Add: Outstanding claims recoverable R/I	-	-
Less: Claims outstanding at the end of the previous year	17,210,390	4,225,489
Expenses of management	17,391,207	41,076,135
Agent Commission	9,264,468	24,686,110
Profit/(Loss) transferred to Profit & Loss Account.	3,196,981	(7,330,782)
Balance of account at the end of the year as shown in the Balance sheet.	6,997,225	17,487,850
(Reserve for unexpired risks being 40% of Miscellnaneous premium income of the year).		
Total	41,088,210	94,624,179

Particulars	Amount in Taka	
	2016	2015
Balance of account at the beginning of the year:	17,487,850	33,645,877
Premium less re-insurances	17,493,062	43,719,624
Premium underwritten	62,275,824	164,835,656
Less: Premium refunded	512,701	261,587
Add: Premium on PSB	18,670,383	15,418,762
Less: Re-insurance premium ceded	44,913,137	121,102,283
Less: Re-Insurance premium on PSB	18,306,224	15,170,924
Add: Premium on re-insurance accepted	278,917	-
Commission earned on re-insurances	6,107,298	17,258,678
Commission earned on R/I ceded	3,867,925	15,023,043
Less: Commission paid on R/I accepted	97,621	-
Commission earned on PSB	2,336,994	1,904,044
Profit commission	-	331,591
Total	41,088,210	94,624,179

Md. Zakiullah Shahid
Chairman

Shah Muhammed Hasan
Director

A.Z.M Sazzadur Rahman
Director

Mohammodi Khanam
Chief Executive Officer

Signed in terms of our separate report of even date.
Dated: Dhaka
February 20, 2017

Rahman Mostafa Alam & Co.
Chartered Accountants

www.prime-insurance.net

SHAREBOOK

Prime Insurance Company Limited

Statement of Changes in Shareholders' Equity

For the Year Ended December 31, 2016

For the year 2016	(Amount in Taka)				
Particulars	Share capital	General reserve	Reserve for exceptional losses	Profit & loss appropriation account	Total
Balance as at January 1, 2016	408,774,980	7,700,000	171,454,302	58,968,134	646,897,416
Stock dividend for the year 2015	-		-	-	-
Cash dividend for the year 2015				(51,096,687)	(51,096,687)
Profit after tax for the year	-		-	74,229,638	74,229,638
Appropriation made during the year	-	1,200,000	19,706,074	(20,906,074)	-
Total	408,774,980	8,900,000	191,160,376	61,195,010	670,030,366

For the year 2015	(Amount in Taka)				
Particulars	Share capital	General reserve	Reserve for exceptional losses	Profit & loss appropriation account	Total
Balance as at January 1, 2015	389,309,510	7,500,000	155,566,523	47,243,022	599,619,055
Stock dividend for the year 2014	19,465,470		-	(19,465,470)	-
Cash dividend for the year 2014				(38,930,951)	(38,930,951)
Profit after tax for the year	-		-	86,209,317	86,209,317
Appropriation made during the year	-	200,000	15,887,779	(16,087,779)	-
Total	408,774,980	7,700,000	171,454,302	58,968,134	646,897,416

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

Md. Zakiullah Shahid	Shah Muhammed Hasan	A.Z.M Sazzadur Rahman	Mohammodi Khanam
Chairman	Director	Director	Chief Executive Officer

Signed in terms of our separate report of even date.
Dated: Dhaka
February 20, 2017

Rahman Mostafa Alam & Co.
Chartered Accountants

Prime Insurance Company Limited

Statement of Cash Flows

For the Year Ended December 31, 2016

Particulars		Amount in Taka	
		31.12.2016	31.12.2015
A.	**Cash flows from operating activities:**		
	Collection from premium and other income	569,895,307	622,696,724
	Payment for management expenses, re-insurance and claims	(572,117,515)	(675,517,741)
	Income tax paid	(53,199,714)	(18,000,000)
	Net cash flows from operating activities	**(55,421,922)**	**(70,821,017)**
B.	**Cash flows from investing activities:**		
	Advance against fixed assests	(4,000,000)	(21,040,000)
	Investment in shares	(85,993,279)	(3,843,331)
	Sale proceeds from investment in shares	64,415,355	266,208
	Sales proceeds from fixed assets	460,998	575,800
	Purchase of fixed assets	(9,690,905)	(21,174,783)
	Interest received	23,020,686	28,880,788
	Dividend received	3,875,734	3,879,497
	Interest paid on margin loan	34,413	-
	Net cash flows from investing activities	**(7,876,998)**	**(12,455,821)**
C.	**Cash flows from financing activities:**		
	Cash dividend paid	(49,945,029)	(38,930,951)
	Net cash flow from financing activities	**(49,945,029)**	**(38,930,951)**
	Increase/(decrease) in cash and cash equivalent (A+B+C)	(113,243,949)	(122,207,789)
	Cash and cash equivalent at the beginning of the year	332,000,769	454,208,558
	Cash and cash equivalent at the closing of the year	**218,756,820**	**332,000,769**
	Net operating cash flow per share	**(1.36)**	**(1.73)**

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

Md. Zakiullah Shahid	Shah Muhammed Hasan	A.Z.M Sazzadur Rahman	Mohammodi Khanam
Chairman	Director	Director	Chief Executive Officer

Signed in terms of our separate report of even date.
Dated: Dhaka
February 20, 2017

Rahman Mostafa Alam & Co.
Chartered Accountants

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 19 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 2016 under review.

1.03 Date of financial statements authorised for issue

Financial statements of the company for the year ended December 31, 2016 were authorised for issue on February 20, 2017 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 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 Act, 1994.

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 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 31 December 2016 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

Title of adopted IFRS as BFRS	IFRS / BFRS No	Status
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 2016 to 31 December 2016.

AMAR STOCK

viii) Branch accounting

The company has 19 branches under its umbrella without having any overseas branch up to the year ended December 31, 2016. 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 smooth 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 is being underwritten by Sadharan Bima Corporation (SBC), 50% premium being retained by SBC and the remaining balance is equally distributed among 47 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 2015 to June 2016 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 consistently followed.

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 Bangladesh.

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-year 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-year 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 %
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 exists.

2.07 Employees retirement benefit scheme

The company 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, the company operates duly recognised provident fund managed by an independent Board of Trustees for all eligible employees. The eligible employees contribute @ 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 relate.

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". Basic pay represents the last basic of the employee. The management of the company in its Board meeting no-116/2008 dated 22, September 2008 approved the gratuity rules. Adequate provision has been made in these financial statements.

iii) Other benefits

In addition to provident fund and gratuity, the Company provides other benefits to the employees like earned leave encashment, transport facility, health insurance, group insurance and incentive/performance bonus.

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 statements.

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 other 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, 2016.

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 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 Miscellaneous.

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 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	
		2016	2015
a.	Earnings attributable to the ordinary shareholders	74,229,637	86,209,317
b.	Ordinary share at 1st January	40,877,498	38,930,951
c.	Bonus shares issued	-	1,946,547
d.	Weighted average number of ordinary shares outstanding	40,877,498	40,877,498
	Basic earnings per share after tax	**1.82**	**2.11**

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 December 31, 2016 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

	Amount in Taka	
	2016	2015
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

Particulars	2016		2015	
Category of Shareholders	No. of shares	% of holding	No. of Share holding	% of holding
A. Group-A: Sponsors & Directors: 14,241,572 shares of Tk.10 each fully paid-up	14,241,572	34.84%	18,431,964	45.09%
B. Group-B: Public Shareholders: 26,635,926 shares of Tk.10 each fully paid-up	26,635,926	65.16%	22,445,534	54.91%
1. Banks, ICB, MFs & Insurance Companies	2,090,118	5.11%	6,022,709	14.73%
2. Employees	-	0.00%	-	0.00%
3. ICB Investors' Accounts	1,303,000	3.19%	5,560,152	13.60%
4. General Public & Other	23,242,808	56.86%	10,862,673	26.57%
Total	40,877,498	100.00%	40,877,498	100.00%

Classification of shareholders as per their share holdings as on December 31, 2016

Group-A: Sponsors & Directors

Class Interval	No. of shares	No. of shareholders	% of total holding	% of total paid-up capital
001-5000	-	-	-	-
5001-10000	-	-	-	-
10001-50000	-	-	-	-
50001-100000	74,232	1	0.52	0.18
100001-300000	801,622	4	5.63	1.96
300001-600000	998,974	2	7.01	2.44
600001-1500000	12,366,744	13	86.84	30.25
1500001-5000000	-	-	-	-
Total	14,241,572	20	100	34.84

Group-B: Public shareholders

Class Interval	No. of shares	No. of shareholders	% of total holding	% of total paid-up capital
001-5000	1,663,418	1,980	6.25	4.07
5001-10000	626,361	87	2.35	1.53
10001-50000	1,912,652	101	7.18	4.68
50001-100000	1,145,904	15	4.30	2.80
100001-300000	2,688,941	14	10.10	6.58
300001-600000	4,390,613	10	16.48	10.74
600001-1500000	7,104,529	8	26.67	17.38
1500001-5000000	7,103,508	3	26.67	17.38
Total	**26,635,926**	**2,218**	**100.00**	**65.16**
Grant Total (A+B):	**40,877,498**	**2,238**		**100.00**

19,46,547 bonus shares of Tk.10 each valued at Tk.1,94,65,470 for the year 2014 has been transferred to paid-up capital account during the year 2015.

7.00 Reserve for exceptional losses

As per Paragraph 2 of Fourth Schedule of Income Tax Ordinance 1984, for the year 10% of the net premium income was transferred to reserve for exceptional losses. Details of calculation as hereunder:

	Notes No.	Amount in Taka	
		2016	2015
Opening balance as on 1 January	Notes No.	171,454,302	155,566,523
Add: Transferred during the year (tax exempted)	7.01	19,706,074	15,887,779
Closing balance as on 31 December		**191,160,376**	**171,454,302**

7.01 Class wise exceptional loss reserve

This represents profit set-aside during the year under review at 10% (2015: 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.

10% Exceptional Loss Reserve on Net Premium	Net Premium	At 10% of net premium Amount in Taka	
		2016	2015
01. Fire insurance business	29,049,174	2,904,917	2,505,534
02. Marine insurance business	108,307,547	10,830,755	6,857,868
03. Motor insurance business	42,210,962	4,221,096	3,245,405
04. Miscellaneous insurance business	17,493,062	1,749,306	3,278,972
Total	**197,060,745**	**19,706,074**	**15,887,779**

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 future.

	Amount in Taka	
	2016	2015
Opening balance as on 1 January	7,700,000	7,500,000
Add: Transferred during the year	1,200,000	200,000
Closing balance as on 31 December	**8,900,000**	**7,700,000**

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	
			2016	2015
01. Fire	29,049,174	40%	11,619,670	13,362,848
02. Marine	108,247,246	40%	43,298,898	32,885,931
03. Marine hull	60,301	100%	60,301	9,223,411
04. Motor	42,210,962	40%	16,884,385	17,308,828
05. Miscellaneous	17,493,062	40%	6,997,225	17,487,850
Total	**197,060,745**		**78,860,479**	**90,268,869**

10.00 Premium deposit

The below mentioned amount includes premium received against cover notes for which policies have not been issued within 31 December, 2016. 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	
	2016	2015
Premium deposits	**20,690,733**	**37,566,425**

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

Class of business	Amount in Taka	
	2016	2015
Fire	8,549,885	6,845,759
Marine	21,847,875	26,322,978
Motor	7,873,360	6,976,831
Miscellaneous	11,400,251	17,210,390
Closing balance as on 31 December	**49,671,371**	**57,355,958**

All the claims of which the Company received intimations within December 31, 2016 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 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 amount is as under:

	Amount in Taka	
	2016	2015
01. Re-insurance ceded premium	172,450	27,012,328
02. Co-insurance premium payable to other insurance companies	3,636,520	10,280,911
Closing balance as on 31 December	**3,808,970**	**37,293,239**

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	
		2016	2015
Audit fees payable	13.01	694,925	536,175
VAT payable	13.02	6,459,230	6,234,880
Employees' Tax deduction at source		142,273	142,273
Income Tax deduction at source		230,746	230,746
Bills payable		119,820	119,820
Insurance stamps on deposit premium	13.03	33,016,042	32,833,587
Security deposit		1,805,082	2,075,082
Unclaimed dividend	13.04	3,286,623	3,160,465
Gratuity fund	13.05	4,883,364	7,680,905
Accrued expenses	13.06	7,357,830	8,787,880
Provident fund payable	13.07	174,349	2,392,130
Salary payable		2,158,642	2,163,642
Office rent		263,250	-
Closing balance as on 31 December		**60,592,176**	**66,357,585**

13.01 Audit fees payable

	Amount in Taka	
	2016	2015
Opening balance as on 1 January	536,175	516,175
Add: Provision made during the year	345,000	275,000
Total	**881,175**	**791,175**
Less: Paid during the year	186,250	255,000
Closing balance as on 31 December	**694,925**	**536,175**

13.02 VAT payable

	Amount in Taka	
	2016	2015
Opening balance as on 1 January	6,234,880	5,416,552
Add: Payable during the year	32,037,297	34,132,098
Total	**38,272,177**	**39,548,650**
Less: Paid during the year	31,812,947	33,313,770
Closing balance as on 31 December	**6,459,230**	**6,234,880**

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 that following month.

13.03 Insurance stamp on deposit premium

	Amount in Taka	
	2016	2015
Opening balance as on 1 January	32,833,587	24,816,568
Add: Payable during the year	22,040,306	23,965,069
Total	**54,873,893**	**48,781,637**
Less: Paid during the year	21,857,851	15,948,050
Closing balance as on 31 December	**33,016,042**	**32,833,587**

13.04 Unclaimed dividend

Unclaimed dividend amounting to Tk.3,286,623 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	
		2016	2015
1	Unclaimed dividend previous year	2,134,965	3,160,465
2	Unclaimed dividend for the year 2015	1,151,658	-
	Total unclaimed dividend	**3,286,623**	**3,160,465**

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 "Employee's Retirement Benefit Scheme".

	Amount in Taka	
	2016	2015
Opening balance as on 1 January	7,680,905	5,759,483
Add: Provision made during the year	2,550,000	2,600,000
Total	**10,230,905**	**8,359,483**
Less: Transferred to the gratuity fund	2,500,000	500,000
Less: Paid to the employees from company's own fund	2,847,541	178,578
Closing balance as on 31 December	**4,883,364**	**7,680,905**

13.06 Accrued expenses

	Notes No.	Amount in Taka	
		2016	2015
Incentive	13.06.01	6,248,613	7,724,648
Health insurance		365,955	365,955
Mobile		62,800	64,300
Telephone (ressident)		16,946	12,946
Telephone (office)		19,400	20,900
Electricity		223,450	227,650
Car allowance		176,665	129,690
Car fuel		115,101	115,441
Car maintenance		128,900	126,350
Closing balance as on 31 December		**7,357,830**	**8,787,880**

13.06.01 Incentive/performance bonus for employees

	Amount in Taka	
	2016	2015
Opening balance as on 1 January	7,724,648	10,630,262
Add: Provision made during the year	3,782,439	2,828,853
Total	**11,507,087**	**13,459,115**
Less : Paid during the year	5,258,474	5,734,467
Closing balance as on 31 December	**6,248,613**	**7,724,648**

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	
	2016	2015
Opening balance as on 1 January	2,392,130	2,645,459
Add: Provision made during the year	5,431,204	5,684,706
Total fund	**7,823,334**	**8,330,165**
Total Provident fund transferred & paid	**7,648,985**	**5,938,035**
Less: Transferred to the Employees Provided fund Account.	4,542,940	5,482,535
Less: Paid to the employees from company's own fund	3,106,045	455,500
Closing balance	**174,349**	**2,392,130**

14.00 Corporate income tax provision

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

	Amount in Taka	
	2016	2015
Opening balance as on 1 January	201,265,125	154,927,420
Add: Provision made during the year (14.01)	26,304,310	46,337,705
Total	227,569,435	201,265,125
Less: Adjustment made for Assessment year	-	-
Closing balance as on 31 December	227,569,435	201,265,125

14.01 Provision for income tax (Current year)

Particulars	Notes No.	Taxable income	Exempted (Exceptional loss reserve & unrealised gain)	Taxable Income
Income from business or profession: (U/s 28 of ITO, 1984)		58,279,616	19,706,075	38,573,542
Interest income from FDR & STD Accounts (U/s 22)	23.00	21,512,746	-	21,512,746
Capital gains from share trading (U/s 31)	24.00	9,017,634	-	9,017,634
Gain (unrealised) on investment in securites	16.02	6,933,719	6,933,719	-
Dividend income from investment in securities (U/s 54, Rule 19)	25.00	4,844,662	-	4,844,662
Fixed assets U/s 16(3)	26.00	400,999	-	400,999
Gain from sale of furniture	26.00	59,999	-	59,999
Other income (U/s 33)	26.00	824,873	-	824,873
Total profit/income (before tax)		101,874,249	26,639,793	75,234,455

Computation of current year tax provision

Particulars	Taxable income	Rate of Tax percentage	Tax provision
Income tax on business @ 40%	38,573,542	40	15,429,417
Income tax on interest Income @ 40%	21,512,746	40	8,605,098
Income tax on capital gains from share trading @10%	9,017,634	10	901,763
Income tax on dividend income @ 20%	4,844,662	20	968,932
Gain from sale of motor car @15%	400,999	15	60,150
Gain from sale of furniture & fixture @15%	59,999	15	9,000
Other income @40%	824,873	40	329,949
Total tax liability during the year	75,234,455		26,304,310

14.02 Deferred tax

The impact on account of changes in the deferred tax assets/liabilities for the year ended December 31, 2016 has been recognised in the statement of profit or loss and other comprehensive income (profit & loss account) and in the statement of financial position as per "BAS-12" Income Taxes".

	Amount in Taka	
	2016	2015
Carrying amount of property, plant and equipment	57,939,614	57,650,145
Tax base	40,560,627	41,481,028
Total difference	**17,378,987**	**16,169,117**
Less: Permanent difference	5,765,227	3,082,137
Taxable temporary difference	**11,613,760**	**13,086,980**
Provision for gratuity	5,289,914	7,680,905
Provident fund payable	174,349	2,392,130
Provision for incentive bonus	7,509,447	7,724,648
Deductible temporary difference	**12,973,710**	**17,797,683**
Total (taxable)/deductible temporary difference	1,359,950	4,710,703
Tax rate	40%	40%
Deferred tax assets/(liability) as at 31 December	**543,980**	**1,884,281**
Deferred tax assets in previous year	1,884,281	2,347,821
Deferred tax (expense)/income for the year	**(1,340,301)**	**(463,540)**

Prime Insurance Company Limited

Notes to the Financial Statements

For the Year Ended December 31, 2016

www.prime-insurance.net

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 1-Jan-16	Addition during the year	Disposal during the year	Balance as on 31-Dec-16	Rate	Opening balance as at 1-Jan-16	Charged during the year	Adjustment during the year	Balance as on 31-Dec-16	Balance as on 31-12-2016	Balance as on 31-12-2015
Motor car	38,589,412	6,170,630	600,000	44,160,042	20%	18,777,517	4,476,598	600,000	22,654,115	21,505,927	19,811,895
Motor cycle	1,999,090	-	-	1,999,090	20%	1,420,125	115,793	-	1,535,918	463,172	578,965
Bi-cycle	18,200	4,500	-	22,700	20%	10,244	2,041	-	12,285	10,415	7,956
Furniture & fixtures	35,330,326	2,492,952	150,500	37,672,778	10%	11,103,379	2,547,342	150,500	13,500,221	24,172,557	24,226,947
Electrical fans	270,451	4,544	-	274,995	15%	222,539	7,528	-	230,067	44,928	47,912
Air cooler	5,530,802	567,438	-	6,098,240	15%	2,480,244	500,142	-	2,980,386	3,117,854	3,050,558
Electrical equipment	3,379,539	113,382	-	3,492,921	15%	1,337,673	314,784	-	1,652,457	1,840,464	2,041,866
Typewriters	739,700	-	-	739,700	15%	739,699	-	-	739,699	1	1
Photocopy machine	642,979	-	-	642,979	15%	468,650	26,149	-	494,799	148,180	174,329
Office equipment	5,194,630	42,479	-	5,237,109	15%	2,630,238	387,845	-	3,018,083	2,219,026	2,564,392
Computer	13,226,020	226,500	-	13,452,520	20%	8,776,082	912,638	-	9,688,720	3,763,800	4,449,938
Telephone & mobile Installation	3,779,016	68,480	-	3,847,496	15%	3,347,117	69,921	-	3,417,038	430,458	431,899
Fax machine	704,290	-	-	704,290	15%	577,326	19,045	-	596,371	107,919	126,964
Camera & television	213,415	-	-	213,415	15%	99,599	17,072	-	116,671	96,744	113,816
Generator	48,360	-	-	48,360	20%	25,651	4,542		30,192	18,168	22,709
Total Taka - 2016	109,666,230	9,690,905	750,500	118,606,635		52,016,083	9,401,439	750,500	60,667,021	57,939,614	57,650,145
Total Taka - 2015	89,541,367	21,175,363	1,050,500	109,666,230		44,054,889	9,011,696	1,050,500	52,016,085	57,650,145	

16.00 Investment

	Notes No.	Amount in Taka	
		2016	2015
Held to maturity	16.01	9,000,000	9,000,000
Held for trading		-	-
Fair value thtough profit & loss	16.02	103,673,696	75,162,052
		112,673,696	84,162,052

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

	Amount in Taka	
	2016	2015
a) 10-year Bangladesh Treasury Bond @ 9.45%	9,000,000	9,000,000
b) Investment in listed securities	100,633,622	72,437,519
c) Investment in non-listed securities (571,181 Shares in Central Depository (BD) Ltd	1,569,450	1,569,450
d) Investment in Mutual Fund	1,470,624	1,155,084
Closing balance	112,673,696	84,162,052

The amount Tk. 9,000,000 represents statutory deposit with Bangladesh Bank as required by Insurance Act, 2010.

	Amount in Taka	
	2016	2015
16.01 10-Year Bangladesh Govt. Treasury Bond @ 9.45%	9,000,000	9,000,000

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 December 31, 2016 the company had the following shares:

16.02.1 Investment in listed securities

Name of Company	No. of shares as on 31 Dec 2016	Average cost as on 31 Dec 2016 (Taka)	Value at cost as on 31 Dec 2016 (Taka)	Fair market value as on 31 Dec 2016 (Taka)	Value at cost as on 31 Dec 2015 (Taka)	Fair market value as on 31 Dec 2015 (Taka)
AB Bank Ltd	180,382	34.18	6,165,073	4,022,519	6,165,073	3,351,106
ACI Ltd	5,065	408.86	2,070,855	1,952,966	-	-
Al- Arafah Islami Bank Ltd	128,072	18.94	2,425,549	2,036,345	4,502,188	2,667,668
Argon Denims Ltd	100	28.16	2,816	3,110	-	-
Asia Insurance Ltd	3,000	27.61	82,830	58,200	82,830	42,600
Beximco Pharmaceuticals Ltd	-	-	-	-	2,988,517	3,096,394
BD Submarine Cable Ltd	94,533	121.25	11,461,718	11,211,614	-	-
Brac Bank Ltd	-	-	-	-	184,932	321,420

Name of Company	No. of shares as on 31 Dec 2016	Average cost as on 31 Dec 2016 (Taka)	Value at cost as on 31 Dec 2016 (Taka)	Fair market value as on 31 Dec 2016 (Taka)	Value at cost as on 31 Dec 2015 (Taka)	Fair market value as on 31 Dec 2015 (Taka)
BSRM Steel Ltd	39,060	184.06	7,189,384	3,624,768	7,189,384	3,761,478
City Bank Ltd	285,810	33.60	9,602,730	7,774,032	9,602,730	5,830,524
Delta Brac Housing Finance Co. Ltd	11,079	103.85	1,150,499	1,132,274	-	-
Dhaka Electric Supply Co. Ltd	179,287	116.49	20,884,433	8,300,988	20,884,425	9,287,067
Dhaka Bank Ltd	69,225	26.93	1,864,046	1,239,128	1,864,046	1,239,760
Eastern Bank Ltd	72,191	46.70	3,371,645	2,093,539	3,371,645	1,795,365
Exim Bank Ltd	123,584	19.88	2,456,387	1,445,933	2,456,393	1,062,822
Fareast Islami Life Insurance Ltd	16,602	158.33	2,628,595	1,123,955	2,628,595	1,037,625
FAS Finance Ltd.	100,000	14.49	1,449,335	1,450,000	-	-
First Lease Finance Ltd	30,000	54.65	1,639,500	306,000	1,639,500	339,000
GlaxoSmithKline (BD) Ltd	6,558	1391.46	9,125,195	10,052,758	9,125,195	11,803,088
Grameenphone Ltd.	8,200	300.13	2,461,106	2,329,620	974,730	759,000
IT Consultants Ltd	73,523	52.28	3,843,935	3,477,638	-	-
Lankabangla Finance Ltd	52,085	98.11	5,110,296	1,812,558	5,110,296	1,313,468
Linde Bangladesh Ltd	3,568	1355.05	4,834,806	4,624,128	831,630	1,138,400
Mercantile Bank Ltd	72,604	27.95	2,029,282	1,096,320	2,029,282	776,863
National Bank Ltd	227,212	40.20	9,133,938	2,317,562	9,133,938	1,857,214
One Bank Ltd	402,094	23.82	9,576,885	7,358,320	8,462,553	4,108,478
Jamuna Bank Ltd	-	-	-	-	61,420	151,344
Jamuna Oil Co. Ltd	-	-	-	-	382,384	349,076
Phoenix Finance & Investment Ltd	11,582	98.73	1,143,491	311,556	1,143,491	242,064
Pioneer Insurance Co. Ltd	70,711	30.45	2,153,255	2,135,472	-	-
Powergrid Company of Bangladesh Ltd	5,500	75.85	417,175	297,000	417,175	252,450
Pragati Life Insurance Ltd	3,456	262.60	907,546	349,747	907,546	392,256
Prime Bank Ltd	79,200	26.65	2,110,717	1,401,840	3,943,365	2,338,520
Prime Islami Life Insurance Ltd	21,735	186.35	4,050,369	1,475,807	4,050,369	813,510
Pubali Bank Ltd	63,475	60.37	3,832,278	1,523,400	3,832,278	1,371,060
RAK Ceramics (BD) Ltd	19,326.00	152.76	2,952,287	1,221,403	3,245,102	1,890,326
Shinepukur Ceramics Ltd	-	-	-	-	451,466	84,393
Shahjibazar Power Co.Ltd	33,166	149.00	4,941,730	4,513,893	-	-
Standard Bank Ltd	-	-	-	-	2,109,437	1,300,264
Summit Power Ltd	42,237	51.31	2,167,278	1,562,769	2,167,278	1,581,926
Southeast Bank Ltd	-	-	-	-	702,100	704,000
Square Pharmaceuticals Ltd	-	-	-	-	1,017,744	1,014,800
Union Capital Ltd	56,207	83.48	4,691,980	1,152,244	4,691,980	761,685
United Insurance Co. Ltd	10,500	136.15	1,429,557	273,000	1,429,557	250,000
Uttara Bank Ltd	107,357	87.85	9,431,312	2,651,718	9,431,312	2,437,004
Uttara Finance Ltd	15,000	161.16	2,417,400	919,500	2,417,400	913,500
Total	2,723,286		163,207,210	100,633,622	141,629,286	72,437,519

16.02.2 Investment in non- listed securities

Name of Company	No. of shares as on 31 Dec 2016	Average cost as on 31 Dec 2016 (Taka)	Value at cost as on 31 Dec 2016 (Taka)	Fair market value as on 31 Dec 2016 (Taka)	Value at cost as on 31 Dec 2015 (Taka)	Fair market value as on 31 Dec 2015 (Taka)
Central Depository (BD) Ltd	571,181	2.75	1,569,450	1,569,450	1,569,450	1,569,450
Total	571,181		1,569,450	1,569,450	1,569,450	1,569,450

16.02.3 Invested in Mutual Fund

Name of Company	No. of shares as on 31 Dec 2016	Average cost as on 31 Dec 2016 (Taka)	Value at cost as on 31 Dec 2016 (Taka)	Fair market value as on 31 Dec 2016 (Taka)	Value at cost as on 31 Dec 2015 (Taka)	Fair market value as on 31 Dec 2015 (Taka)
Prime Bank 1st ICB AMCL MF	100,000	10.00	1,000,000	560,000	1,000,000	440,000
EBL 1st Mutual Fund	21,621	14.55	314,654	134,050	547,471	84,000
Prime Finance 1st Mutual Fund	51,000	40.52	2,066,520	642,600	2,066,520	535,500
PHP First Mutual Fund	24,810	8.89	220,562	133,974	220,601	95,584
Total	203,747		3,834,591	1,470,624	3,834,591	1,155,084
Grand Total :(b+c+d)			168,611,251	103,673,696	147,033,328	75,162,052

16.02.4 Changes in fair value of shares:

	Amount in Taka	
	2016	2015
Fair value of investment in shares	103,673,696	75,162,052
Cost price of the investment	168,611,251	147,033,328
Total unrealised loss	(64,937,555)	(71,871,274)
Total unrealised loss recognised in previous years as created fluctuation fund	71,871,274	70,650,018
Fair value adjustment made for the year	**6,933,719**	**(1,221,256)**

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.

17.00 Stock of printing & stationery (inventories)

	Amount in Taka	
	2016	2015
Opening balance	4,061,261	3,843,461
Add: Purchase during the year	2,505,330	1,819,876
Total inventories	6,566,591	5,663,337
Less: Total utilisation/consumption	2,723,130	1,602,076
Closing balance	**3,843,461**	**4,061,261**

18.00 Premium collection control account

Outstanding premium of Marine cargo for the year 2015 subsiquently was collected/adjusted and during the year Tk.2,821,717 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	
	2016	2015
01. Fire	-	-
02. Marine (previous)	-	-
03. Marine	2,821,717	5552766
04. Marine Hull	-	-
05. Motor & Miscellaneous		-
Closing balance	2,821,717	5,552,766

19.00 Interest accrued but not received

	Amount in Taka	
	2016	2015
a) Opening balance (On fixed deposit with different banks)	11,361,102	15,195,038
Add: Accrued during the year	5,040,319	11,267,453
Total:	**16,401,421**	**26,462,491**
Less: Received during the year	9,302,431	15,195,038
Total accrued interest on FDR	**7,098,990**	**11,267,453**
b) Opening balance (10-year Bangladesh Govt Treasury Bond)	452,047	452,047
Add: Accrued during the year	398,453	398,453
Total:	**850,500**	**850,500**
Less: Received during the year	452,047	398,453
Total accrued interest on BGTB	**398,453**	**452,047**
Closing balance (a+b)	7,497,443	11,719,500

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

	Amount in Taka	
	2016	2015
01. Co-insurance premium receivable from other insurance companies	4,167,994	4,447,051
02. Co-insurance claims receivable from other insurance companies	1,273,003	1,273,003
03. Claims recoverable from SBC portion	183,552,288	174,194,148
Closing balance	188,993,285	179,914,202

AMAR STOCK

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

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

	Notes No.	Amount in Taka	
		2016	2015
Advances for Unique Heights (Head Office Floor Space purchase)	21.01	165,451,600	165,451,600
Advances for Tropical Homes Ltd.(Two Floor Space in Tropical Mollah Tower)	21.02	104,400,000	100,400,000
VAT receivable on collection control premium	21.03	3,870,625	5,177,934
Stamp receivable on collection control premium	21.04	7,494,367	7,771,955
Advance income tax	21.05	227,301,543	170,231,557
Advance office rent		4,291,945	5,094,753
Advance against salaries		1,437,200	1,651,188
Security deposit		228,574	228,574
Advance to suppliers		137,300	137,300
Advance against travel expenses		240,693	215,693
Advance against expenses		20,141	
Other advances (Co-operative fund Unique Heights)	21.06	2,100,000	2,100,000
Closing balance		**516,973,988**	**458,460,554**

21.01 Advances for 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. The company has taken up the possession but as the registration of the said floor space has not yet done no depreciation has been charged on the cost of the said floor space in the accounts.

Payment movement to Unique Heights (Advance)

	Amount in Taka	
	2016	2015
Opening balance	165,451,600	144,411,600
Paid during the year	-	21,040,000
Total amount paid	**165,451,600**	**165,451,600**

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	
	2016	2015
Opening balance	100,400,000	85,280,000
During the year paid (including utility charges)	4,000,000	15,120,000
Total amount paid	**104,400,000**	**100,400,000**

21.03 VAT receivable on collection control premium

	Amount in Taka	
	2016	2015
Opening balance	5,177,934	7,136,935
Add: Receivable during the year	32,637,297	34,129,525
Total	**37,815,231**	**41,266,460**
Less: Received during the year	33,944,606	36,088,526
Closing balance as on 31st December	**3,870,625**	**5,177,934**

21.04 Stamp receivable on collection control premium

	Amount in Taka	
	2016	2015
Opening balance	7,771,955	9,266,319
Add: Receivable during the year	22,640,306	23,961,841
Total	**30,412,261**	**33,228,160**
Less: Received during the year	22,917,894	25,456,205
Closing balance as on 31st December	**7,494,367**	**7,771,955**

21.05 Advance income tax

	Notes No.	Amount in Taka	
		2016	2015
1. Corporate advance tax	21.05.1	186,396,947	133,197,233
2. Advance tax deduction at source on bank interest	21.05.2	40,904,596	37,034,324
Total Corporate Tax as on 31st December		**227,301,543**	**170,231,557**

21.05.1 Corporate advance tax

	Amount in Taka	
	2016	2015
Opening balance	133,197,233	115,197,233
Add:Tax paid during the year	53,199,714	18,000,000
Total advance tax paid	**186,396,947**	**133,197,233**
Less: Adjustment made during the year for assessment year	-	-
Total corporate advacne tax as on 31st December	**186,396,947**	**133,197,233**

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 Accounts, Bangladesh Government Treasury Bond (BGTB) and dividend income maintained in the name of the company.

Balance on different sources

	Notes No.	Amount in Taka	
		2016	2015
Balance on FDR account	21.05.2.a	27,190,097	24,830,902
Balance on BGTB account	21.05.2.b	1,383,750	1,383,750
Balance on STD account	21.05.2.c	1,683,668	1,551,519
Balance on cash dividend received account	21.05.2.d	8,672,029	7,703,101
Balance on company's car	21.05.2.e	1,975,052	1,565,052
Total balance as on 31st December		**40,904,596**	**37,034,324**

21.05.2.a Tax deducted at source on FDR interest

	Amount in Taka	
	2016	2015
Opening balance	24,830,902	21,404,193
During the year deduction	2,359,195	3,426,709
Balance as on 31 December	27,190,097	24,830,902
Less: Adjustment made during the year for assessment year	-	-
Closing balance as on 31 December	**27,190,097**	**24,830,902**

21.05.2.b Tax deducted at source on 10-year Bangladesh Govt Treasury Bond interest

	Amount in Taka	
	2016	2015
Opening balance	1,383,750	1,383,750
During the year deduction	-	-
Balance as on 31 December	1,383,750	1,383,750
Less: Adjustment made during the year	-	-
Closing balance as on 31 December	**1,383,750**	**1,383,750**

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

	Amount in Taka	
	2016	2015
Opening balance	1,551,519	1,389,688
During the year deduction	132,149	161,831
Balance as on 31 December	1,683,668	1,551,519
Less: Adjustment made during the year for assessment year	-	-
Closing balance as on 31 December	**1,683,668**	**1,551,519**

21.05.2.d Advance tax deducted at source on cash dividend received account

	Amount in Taka	
	2016	2015
Opening balance	7,703,101	2,700,337
During the year deduction (including corporate dividend tax)	968,928	5,002,764
Balance as on 31 December	8,672,029	7,703,101
Less: Adjustment made during the year for assessment year	-	-
Closing balance as on 31 December	**8,672,029**	**7,703,101**

21.05.2.e Advance tax paid against Company's car

	Amount in Taka	
	2016	2015
Opening balance	1,565,052	1,170,052
During the year deduction	410,000	395,000
Balance as on 31 December	1,975,052	1,565,052
Less: Adjustment made during the year for assessment year	-	-
Closing balance as on 31 December	**1,975,052**	**1,565,052**

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

	Amount in Taka	
	2016	2015
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

	Amount in Taka	
	2016	2015
01. Cash in hand	3,729,665	2,097,045
02. Balance with banks:	**215,027,155**	**329,903,724**
a) Short term deposits	45,065,892	29,116,261
b) Foreign currency account (USD 2,273.68 equivalent @ TK.78.26)	177,938	178,984
c) Current deposits	5,383,325	5,808,479
d) Fixed deposit receipt **(Note-22.01)**	164,400,000	294,800,000
Closing balance as on 31 December	**218,756,820**	**332,000,769**

22.01 Fixed deposit receipt (FDR)

	Amount in Taka	
	2016	2015
Opening balance	294,800,000	406,300,000
Add: Placed during the year	98,300,000	114,200,000
Less: Encashed during the year	(228,700,000)	(225,700,000)
Closing balance as on 31 December	**164,400,000**	**294,800,000**

23.00 Interest income

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

	Amount in Taka	
	2016	2015
01. 10-years Bangladesh Treasury Bond (9.45% on Tk. 9,000,000)	850,500	812,774
02. On fixed deposit receipts	19,630,588	26,796,808
03. On short term deposits	1,031,658	1,271,206
Total	**21,512,746**	**28,880,788**

24.00 Investment income (share trading)

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

	Amount in Taka	
	2016	2015
Income from share trading	**9,017,634**	**266,208**

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	
	2016	2015
Cash dividend received from share investments	**4,844,662**	**3,879,497**

26.00 Other non-operating income

	Amount in Taka	
	2016	2015
Gains on sale of motor car	400,999	575,799
Gains on sale of furniture & fixtures	59,999	-
Other income	824,873	859,097
Total	**1,285,871**	**1,434,896**

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. Details are as given below:

Particulars	Attendance fee per meeting	Meeting held	Total Attended	Amount in Taka	
				31.12.2016	31.12.2015
Board meeting	5,000	12	146	730,000	785,000
Executive Committee meeting	5,000	9	82	410,000	570,000
Audit Committee meeting	5,000	5	26	130,000	220,000
Construction Committee	5,000	-	-	-	25,000
Claims Review Committee	5,000	1	3	15,000	-
Inquery Committee	5,000	7	20	100,000	-
Total			277	1,385,000	1,600,000

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	
	2016	2015
Statutory audit	175,000	175,000
Corporate governance audit	30,000	25,000
Special audit	140,000	75,000
Total	345,000	275,000

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.

	Amount in Taka	
	2016	2015
Registration renewal fees	2,028,435	1,931,584

30.00 Employee's salary and allowances

	Amount in Taka	
	2016	2015
Employees salary and allowances (including CEO's salary)	65,565,407	76,564,697
Employees provident fund (Company's contribution)	2,715,602	3,128,482
Employees gratuity fund	2,550,000	2,600,000
Employees incentive bonus	3,782,439	2,828,853
Employees festival bonus	5,252,941	5,607,017
Total	79,866,389	90,729,049

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	
	2016	2015
Basic salary	2,400,000	2,400,000
House rent	1,080,000	1,080,000
House maintenance	360,000	360,000
Leave fare	360,000	360,000
Medical allowances	240,000	240,000
Entertainment	360,000	360,000
Festival bonus	400,000	400,000
Performance bonus & others allowances	2,000,000	1,200,000
Total	**7,200,000**	**6,400,000**

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	
	2016	2015
Fire	39,077,997	30,221,029
Marine	18,358,555	17,617,765
Marine Hull	524,134	2,071,439
Motor	6,616,377	6,667,968
Miscellaneous	9,264,468	24,686,110
Total	**73,841,531**	**81,264,311**

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)

	Amount in Taka	
	2016	2015
Shareholders' equity	670,030,366	646,897,416
Weighted average number of shares	40,877,498	40,877,498
Net assets value per share at the balance sheet date	**16.39**	**15.83**

AMAR STOCK

34.00 Net operating cash flows

	Amount in Taka	
	2016	2015
Net cash used in operating activities	(55,421,922)	(70,821,017)
Number of ordinary shares	40,877,498	40,877,498
Net operating cash flows per share on shares at balance sheet date	**(1.36)**	**(1.73)**

35.00 Number of employees engaged

Total number of 211 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 13% cash dividend totaling Tk. 53,140,747 on paid-up capital of Tk. 408,774,980 for the year ended December 31, 2016 at its 286th Board Meeting held on February 20, 2017. After allowing this dividend the balance in accumulated profit/(loss) of the company will be Tk. 8,054,263.

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, 2016 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	252,000	-	-	-
DEKKO Group	Common Director	Insurance	28,659,000	1,507,000	1,507,000	-
GETCO Group	Common Director	Insurance	235,088	-	-	-
Popular Pharmaceuticals Ltd	Common Director	Insurance	3,145,094	-	-	85,832
Electra International Ltd	Common Director	Insurance	6,780,000	-	-	163,152

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
Additional VAT	12,266,825
Disputed VAT	23,918,583
Miscellaneous claims	83,810,000
Total	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 (Taka)	Cumulative paid-up capital (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)	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

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

Md. Zakiullah Shahid	Shah Muhammed Hasan	A.Z.M Sazzadur Rahman	Mohammodi Khanam
Chairman	Director	Director	Chief Executive Officer

Signed in terms of our separate report of even date.
Dated: Dhaka
February 20, 2017

Rahman Mostafa Alam & Co.
Chartered Accountants

Prime Insurance Company Limited

Classified Summary of Assets

as at December 31, 2016

Form "AA"		Amount in Taka	
		31.12.2016	31.12.2015
Sl. No.	Class of Assets	Book Value	Book Value
A. Non-current Assets:			
i) Property, plant & equipments		**57,939,614**	**57,650,145**
	(a) Motor car	21,505,927	19,811,895
	(b) Motor cycle	463,172	578,965
	(c) Bi-cycle	10,415	7,956
	(d) Furniture & fixtures	24,172,557	24,226,947
	(e) Electrical fans	44,928	47,912
	(f) Air cooler	3,117,854	3,050,558
	(g) Electrical equipment	1,840,464	2,041,866
	(h) Typewriters	1	1
	(i) Photocopy machine	148,180	174,329
	(j) Office equipment	2,219,026	2,564,392
	(k) Computer	3,763,800	4,449,938
	(l) Telephone & mobile Installation	430,458	431,899
	(m) Fax machine	107,919	126,964
	(n) Camera & television	96,744	113,816
	(o) Generator	18,168	22,709
ii) Investment:		**112,673,696**	**84,162,052**
	(a) 10-year Bangladesh Government Treasury Bond	9,000,000	9,000,000
	(b) Shares of Listed Company	100,633,622	72,437,519
	(c) Investment in Non-listed Company	1,569,450	1,569,450
	(d) Mutual Funds	1,470,624	1,155,084
	Total non current assets =(i+ii)	**170,613,310**	**141,812,197**
B) Current Assets:		**940,066,240**	**993,308,139**
	(a) Investment in fixed deposits receipts (FDR)	164,400,000	294,800,000
	(b) STD accounts balance with banks	45,065,892	29,116,261
	(c) Current accounts balance with banks	5,561,263	5,987,463
	(d) Cash in hand on December 31, 2016	3,729,665	2,097,045
	(e) Premium collection control account	2,821,717	5,552,766
	(f) Interest accrued	7,497,443	11,719,500
	(g) Sundry debtors	516,973,988	458,460,554
	(h) Amount due from other persons or bodies carrying on insurance business	188,993,285	179,914,202
	(i) Stock of printing materials	3,843,461	4,061,261
	(j) Stamps in hand	1,179,526	1,599,087
C) Other Assets			
	Deferred tax assets	**543,980**	**1,884,281**
TOTAL ASSETS =(A+B+C)		**1,111,223,530**	**1,137,004,617**

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

Md. Zakiullah Shahid	Shah Muhammed Hasan	A.Z.M Sazzadur Rahman	Mohammodi Khanam
Chairman	Director	Director	Chief Executive Officer

Signed in terms of our separate report of even date.
Dated: Dhaka
February 20, 2017

Rahman Mostafa Alam & Co.
Chartered Accountants

Other **Activities**



Event
HIGHLIGHTS



The 20th Annual General Meeting of Prime Insurance Company Limited was held on March 30, 2016 at the BIAM Auditorium.

Mr. Md. Zakiullah Shahid, Chairman of the Company presided over the meeting with the presence of other Board of Directors and a large number of shareholders and unanimously approved the accounts for the year ended 31 December 2015.



The Annual Branch Conference- 2016 of Prime Insurance Company Ltd. was held on February 25, 2017 at Arronno Bash Resort, Pubail, Gazipur.

The Chief Executive Officer Ms. Mohammodi Khanam Presided over the Conference. Mr. Md Zakiullah Shahid, Chairman of the Company was the Chief Guest of the conference. Company's Vice Chairman Ms. Nazma Haque, Director Mr. Abu Hasan Khan; Group Chairman of Bangla Trac Mr. Aminul Haque and Prime's Deputy Managing Director & Head of Operation Syed Monirul Huq; All Branch Heads, Departmental Heads, Marketing Executives were present in the conference.



Ms. Mohammodi Khanam, CEO of Prime Insurance Company is receiving the 16th ICAB National Award for the "Best Presented Annual Report 2015" in the Category Insurance Sector from Commerce Minister Tofail Ahmed, MP, Government of Peoples Republic of Bangladesh on 29 November, 2016 at the Ball Room of Pan Pacific Sonargaon Hotel, Dhaka.



Prime Insurance Company received "Certificate of Merit" award from "South Asian Federation of Accountants (SAFA)" for the "Best Presented Annual Reports 2015" in the category of Insurance Sector among the SAFA Countries. Ms. Mohammodi Khanam, CEO of Prime Insurance Company Ltd received the award from the Honorable Finance Minister A. M. A. Muhith on January 27, 2017 at the Pan Pacific Sonargaon Hotel.



Mr. Md. Zakiullah Shahid, Chairman of the Prime Insurance Company Ltd. welcomed Kazi Zahedul Hasan as the new Independent Director of the Company on August 9, 2016. Ms. Mohammodi Khanam, CEO of Prime Insurance Company was also present there.



Prime Insurance expressed its heartiest felicitations to the newly appointed Managing Director of Sadharan Bima Corporation (SBC), Syed Shahriyar Ahsan at the Head Office of Sadharan Bima Corporation.On behalf of Prime Insurance; Syed Monirul Huq, Deputy Managing Director & Head of Operation, Mr. Sujit Kumar Bhowmik, Assistant Managing Director (AMD) & Mr. Badal Chandra Rajbangshi, Chief Financial Officer (CFO) were present there & wished Syed Shahriyar Ahsan for his glorious achievement to the exalted position.



Ms. Mohammodi Khanam, CEO of Prime Insurance Company and Mr. Mominul Islam, CEO of IPDC Finance Limited exchanged a signing agreement of Home Loan Protection Insurance policy on January 19, 2017 at the head office of IPDC Finance Limited.

Home loan protection Insurance policy is one of the latest business policies of Prime Insurance Company Ltd. By taking this policy financial institution & their clients both will be benefited. This policy ensures the clients home protection.

On the agreement signing period Mr. AFM Barkatullah (DMD) & other top level personnel of IPDC Finance Ltd.; Syed Monirul Huq (DMD & Head of Operations), Mr. Sujit Kumar Bhowmik (AMD & Head of SBMD & Health Insurance) of Prime Insurance Company were also presented there.



"To work towards a better working world-a more gender inclusive world, things may be far for Women but we will continue to fight for equality and there is hope" stated Ms. Mohammodi Khanam, Chief Executive Officer of Prime Insurance Company during celebrating International Women's Day at the Corporate Head Office of the Company. She also remembered all the extraordinary accomplishments of women and honor their role. Ms. Saheda Pervin Trisha, Director and all the Women Executives of the Company were present on the occasion.



Aiming to provide faster service and to perform underwriting of all the specialized business of the Company, a business operation unit named 'Central Development Unit (CDU)' has been inaugurated at the Head Office of Prime Insurance Company Ltd. (Unique Heights, 9th floor, 117 Kazi Nazrul Islam Avenue, Dhaka).

Chairman of the Company Mr. Md. Zakiullah Shahid, the members of the Board & Chief Executive Officer Ms. Mohammodi Khanam and other high officials of the Company were present on the occasion.



In order to create awareness amongst the people of Bangladesh and give an impetus to the financial sector, the Insurance Regulatory and Development Authority (IDRA) organized a three-days insurance fair at Bangabandhu International Conference Centre (BICC) on March 23-25, 2016 for the first in the country started with the slogan 'Insurance for Secured Future'. Prime Insurance Company took part the fair with a stall.

Checklist of

SECRETARIAL STANDARD DISCLOSURE

SL	Particulars of Secretarial Standards	Compliance Status	
		Complied	Not-complied
1.0.0	Convening of a Meeting		
1.1.0	Authority for Convening of a Meeting		
1.1.1	Requisitioned by any Director/Chairman the Secretary may summon a Meeting of the Board unless the Articles provide otherwise.	√	
1.2.0	Notice of a Meeting	√	
1.2.1	Every Director of the Company shall be entitled to get the Notice.	√	
1.2.2	The Notice shall specify the day, date, time and full address of the venue.	√	
1.2.3	The Notice shall be given in respect of all meetings.	√	
1.2.4	Notice shall be given at least seven days before scheduled date unless the Articles of the company denote a longer period.	√	
1.2.5	Unless a Notice has not been given to the directors no business shall be transacted at a Meeting.	√	
1.2.6	The Agenda as to be transacted at the Meeting along with Notes to the Agenda shall be circulated or sent at least three days before the date of the Meeting.	√	
1.2.7	Each Agenda to be transacted in the meeting shall be supported by notes, details of the item and, where a Resolution is required to be passed, the draft Resolution shall be attached with the Notice.	√	
1.2.8	The Notice may be given at shorter period of time than those respectively stated above if the majority of members of the Board or Committee so agree.	√	
1.2.9	Any supplementary item not originally included in the Agenda may be taken up for consideration with the permission of the Chairman and with the consent of the majority of the Directors present in the Meeting.	√	
2.0.0	Frequency of Meetings		
2.1.0	Meetings of the Board		
2.1.1	The Board shall meet at least once in every quarter of a calendar year and at least four Meetings to be held in each year. The maximum interval between any two Meetings shall not be more than 90 days.	√	
2.2.0	Meetings of Committees		
2.2.1	Committees shall meet at least as often as stipulated by the Board or as prescribed by any other authority.	√	
3.0.0	Quorum		
3.1.0	Meetings of the Board		
3.1.1	Quorum shall be present throughout the Meeting. No business shall be transacted unless the Quorum is so present.	√	

3.1.2	Where the number of Directors is reduced below the minimum fixed by the Articles, no business shall be transacted unless the number is first made up by the remaining Director(s) or through a general meeting.	√	
3.2.0	Meetings of Committees	√	
3.2.1	The presence of all the members of any Committee constituted by the Board is necessary to form Quorum for Meetings of such Committee unless otherwise stipulated by the Board while constituting the Committee.	√	
4.0.0	Attendance at Meetings		
4.1.0	An Attendance Register		
4.1.1	An Attendance Register shall be maintained containing the names and signatures of the Directors present at the Meeting.	√	
4.2.0	Leave of Absence	√	
4.2.1	Leave of absence shall be granted to a Director only when a request for such leave has been communicated to the Secretary or to the Board or to the Chairman.	√	
5.0.0	Chairman		
5.1.0	Meetings of the Board.		
5.1.1	Every company shall have a Chairman who will preside over the Meetings of the Board.	√	
5.1.2	The Chairman shall look into that the Meeting is duly convened and constituted as per the provisions of the Act or any other applicable guidelines, Rules and Regulations before it proceeds to transact business.	√	
5.1.3	The Chairman shall then conduct the proceedings of the Meeting and ensure that only those items of business as have been set out in the Agenda are transacted and ideally in the order in which the items, appear on the Agenda.	√	
5.1.4	The Chairman shall encourage deliberations and debate and assess the sense of the Meeting. The Chairman shall ensure that the proceedings of the Meeting are correctly recorded and, in doing so, he may include or exclude any matter as he deems fit.	√	
5.1.5	In the case of a public company, if the Chairman himself is interested in any item of business, he shall entrust any other disinterested Director present to conduct the proceedings in respect of such item. After the transaction of the item of business is over the Chairman may resume his position.	√	
5.2.0	Meetings of Committees		
5.2.1	The Board, while constituting any Committee, shall also appoint the Chairman of the Committee so constituted.		
6.0.0	Passing of Resolution by Circulation		
6.1.0	Circulation of Resolution and Supporting Papers		
6.1.1	A Resolution proposed to be passed by circulation shall be sent in draft, together with supporting papers to all the Directors separately, and in the case of a Committee, to all the members of the Committee.	√	
6.2.0	Passing and recording of Resolution by Circulation	√	
6.1.2	The Resolution as to be passed by circulation and the supporting papers shall be circulated by hand, or by post, or by facsimile, or by e-mail or by any other electronic mode.	√	

AMARSTOCK

6.2.1	The Resolution shall be deemed to have been passed on the date on which it is signed and dated as approved by all the Directors then in Bangladesh, being not less than the Quorum, or on the date on which it is approved by the majority of the Directors entitled to vote on the Resolution, whichever is earlier.	√	
6.2.2	Resolutions sent for passing by circulation shall be noted along with the decision thereof, at the next Meeting of the Board or Committee, as the case may be, and to be recorded in the Minutes of such Meeting.	√	
6.3.0	Resolutions not to be Passed by Circulation	√	
6.3.1	The annual accounts of a company shall be approved at a Meeting of the Board and shall not be by a Resolution by circulation.	√	
6.3.2	Quarterly or half-yearly financial results shall be approved at a Meeting of the Board or its Committee and shall not be by a Resolution by circulation.	√	
6.3.3	In the case of a listed company, if there is any material variance between un-audited and audited results, the review report of the Auditors shall also be discussed and approved at a Meeting of the Board and not approved by a Resolution by circulation.	√	
7.0.0	Minutes		
7.1.0	Recording of Minutes		
7.1.1	Within fifteen days from the date of the Meeting of the Board or Committee or of an adjourned Meeting, the draft Minutes thereof shall be circulated to all the members of the Board or the Committee, as the case may be, for their necessary comments.	√	
7.1.2	The Minutes of proceedings of a Meeting shall be entered in the Minutes Book within thirty days from the conclusion of the Meeting.	√	
7.1.3	The date of entering the Minutes shall be specified in the Minutes Book by the Secretary.	√	
7.1.4	The Chairman shall put his initial on each page of the Minutes, and put his full signature on the last page of the Minutes along with the date of signing of the Minutes.	√	
7.1.5	Minutes shall not be pasted or attached to the Minutes Book.	√	
7.1.6	Minutes, if maintained in loose-leaf form, shall be bound at intervals coinciding with the financial year of the company.	√	
7.1.7	Extracts of the Minutes shall be given only after the Minutes have duly been signed. However, certified copies of any Resolution passed at a Meeting may be issued even pending signing of the Minutes by the Chairman, if the draft of that Resolution had been placed at the Meeting and was duly approved.	√	
7.1.8	Minutes of an earlier Meeting shall be noted at the next Meeting.	√	
7.1.9	Any alteration, other than grammatical, typographical or minor corrections, in the Minutes as entered, shall be made only under the approval taken in the subsequent Meeting in which such Minutes are sought to be altered.	√	
7.1.10	The Minutes of Meetings of any Committee shall be circulated to the Members of the Board along with the Agenda for the Meeting of the Board next following such Meeting of the Committee and shall be noted at the Board Meeting.	√	
7.2.0	Recording in the Minutes	√	
7.2.1	The names of the Directors present in the Meeting along with the names of persons who were in attendance and the names of invitees in the Meeting, if any, shall be recorded in the Minutes.	√	

7.2.2	Apart from the Resolution or the decision, the Minutes shall mention the brief background of the proposal and the rationale for passing the Resolution or taking of the decision.	√	
7.2.3	The names of the Directors who have dissented or have abstained from the decision shall be recorded. Similarly, the fact that an interested Director who did not participate in the discussion or vote on the agenda shall also be recorded in the Minutes.	√	
7.2.4	Wherever any approval of the Board or of the Committee is taken on the basis of certain papers laid before the Board or the Committee, proper identification by initialing of such papers by the Chairman or any Director shall be made and a reference thereto shall be made in the Minutes.	√	
7.3.0	Preservation of Minutes and Supporting Papers		
7.3.1	The Minutes of all Meetings shall be preserved permanently.	√	
7.3.2	If a company has been merged or amalgamated with any other company, the Minutes of all Meetings of the Board and Committees of the transferor company shall be preserved permanently by the transferee company for any future references notwithstanding the fact that the identity of the transferor company may not survive under such arrangement.	√	
7.3.3	All office copies of Notices, Agenda and Notes to Agenda and other related papers shall be preserved in orderly manner for as long as they remain current or for twelve years, whichever is later, and may not be destroyed thereafter without the authority of the Board.	√	
8.0.0	Disclosure		
8.1.0	Disclosure regarding Meetings of the Board and committees		
8.1.1	The Annual Report of a company shall disclose the number of Meetings of the Board and Committees held during the year indicating the number of Meetings attended by each Director.	√	

Checklist of

DISCLOSURE AS PER ICMAB

SL	EVALUATION CRITERIA	Page No.
1	Capitalization/Solvency	
	External Liab. Ratio Internal Capital Generation (ICGR) Exceptional Loss Reserve to Net Premium Capital & Fund to Total Asset	123-125
2	Technical	
	Retention Ratio Expenses Ratio Claim Ratio Outstanding Premium to Equity	123-125, 161
3	Liquidity and Funding Flexibility	
	Current Ratio Liquid Asset to Total Insurance Fund Total Liquid Asset to Total Asset	123-125
4	Profitability	
	Gross Underwriting Margin Return on	123-125
	Average Assets (ROAA) Return on	
	Average Equity (ROAE) Return on	
	Average Investment (ROAI)	
5	Market share	
	Gross Premium	123
6	Contribution to National Economy and CSR	152, 153
	Qualitative areas:	
(a)	Corporate Governance	96
(b)	Risk Management	115-121
(c)	Regulatory Compliance	104-111
(d)	Disclosure	218
(e)	Market Franchise and Others	

AMAR STOCK

PRIME INSURANCE COMPANY LIMITED

Unique Heights (9th Floor), 117, Kazi Nazrul Islam Avenue, Dhaka-1000, Bangladesh

PROXY FORM

I/We ----------

of ----------

being a member of Prime Insurance Company Limited and holder of ---------- shares hereby appoint Mr/Ms ----------

as my /our proxy to attend and vote for me / us on behalf of me/us at the 21st Annual General Meeting of the Company to be held on Thursday, March 30, 2017 at 11:00 AM at the Auditorium of Bangladesh Institute of Administration and Management (BIAM), 63 New Eskaton, Dhaka and any adjournment thereof.

Signature of Proxy ----------

Registered Folio/ BO ID ----------

Revenue Stamp Tk 20.00

Signature of Shareholder ----------

Registered Folio/ BO ID ----------

Note: The Proxy Form, duly completed and stamped, must be submitted at least 72 hours before the meeting at the Company's Registered office.

PRIME INSURANCE COMPANY LIMITED

Unique Heights (9th Floor), 117, Kazi Nazrul Islam Avenue, Dhaka-1000, Bangladesh

ATTENDANCE SLIP

I hereby record my attendance at the 21st Annual General Meeting of the Company to be held on Thursday, March 30, 2017. ----------

Name of the Member/Proxy ----------

Registered Folio/ BO ID

Signature ----------

Date ----------

N.B. Please note that no gift/gift coupon/food box/benefit in cash or kind shall be distributed/paid at the AGM as per SEC Directives.

Shareholders attending the meeting in person or by proxy are requested to complete the Attendance Slip and submit the same at the entrance of the meeting hall.

AMARSTOCK

AMAR STOCK