"PRIME ISLAMI LIFE INSURANCE LTD."

Raj Bhaban (6th Floor),29 Dilkusha C/A.
Dhaka-1000.

For the year ended December 31, 2017

AMAR STOCK

Ahmed Zaker & Co.
CHARTERED ACCOUNTANTS

Head Office :
89 Kakrail, Green City Edge (Level 10), Dhaka 1000, Bangladesh
Website: www.ahmed-zaker.com Email: azcbangladesh@ahmed-zaker.com
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Independent Auditors' Report

To the Shareholders of
Prime Islami Life Insurance Limited

We have audited the accompanying financial statements of **Prime Islami Life Insurance Limited**, which comprise the Balance Sheet as at December 31, 2017 and the Life Revenue Account, Statement of Changes in Equity and Statement of Cash Flows for the year then ended and a summary of significant accounting policies and other explanatory notes.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Bangladesh Financial Reporting Standards along with Rules & Regulation Issued by the Insurance Development & Regulatory Authority (IDRA), Insurance Law 2010, Insurance Rules 1958, The Securities and Exchange rules 1987, Companies Act 1994 and other applicable laws & regulations. This responsibility includes designing, implementing and maintaining internal control relevant to the preparation and fair presentation 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 reasonable in the circumstances.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Bangladesh Standards on Auditing, 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 auditor's 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 entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Basis for Qualified Opinion

1. According to IAS-19 'Employee benefits' Company has not recognized any provision in the Revenue Accounts and liability in the Balance Sheet against the Gratuity Fund. The Company recognizes the Gratuity payment in accordance with cash basis instead of accrual basis which in not compliance of IAS 19 'Employee benefits'. Therefore, the total fund has overstated and liability against gratuity is understated to that extent.
2. Advances and Deposits (refer to Note: 16) include an amount of Tk. 55,42,24,450 was paid for acquisition of land measuring 381.75 Decimal. The said land had been registered for Tk. 5,14,01,000 in 2016 as per Mouza value in favor of the company. Therefore, there is an understatement of fixed asset value by Tk. 50,28,23,450.

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GGi INDEPENDENT MEMBER

Uttara Office:
Plot # 15 (G.Floor), Road # 17, Sector # 4, Uttara Model Town, Dhaka-1230. Tel: (R) 8918246, 8923233 Mobile: 01755-603600 E-mail: sultanahmed1@ahmed-zaker.com
Chittagong Office:
74, Sk. Mujib Road, Agrabad, C/A Chittagong - 4100. Tel: 031-634103 Cell No. 01819385193 E-mail: arupchy@ahmed-zaker.com

Opinion

In our opinion, except for the effects of the matter in the Basis for Qualified Opinion Paragraph, the financial statements prepared in accordance with the Bangladesh Financial Reporting Standards (BFRS), give a true and fair view of the Balance Sheet of Prime Islami Life Insurance Limited as at December 31, 2017, Life Revenue Accounts and its Cash Flows for the year ended and comply with the Insurance Law 2010, Insurance Rules 1958, Companies Act 1994, the Securities and Exchange Rules 1987 and other applicable Rules & Regulations.

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;

c) the company's balance sheet, life revenue account and statement of cash flows dealt with by the report are in agreement with the books of accounts;

d) the balance sheet of the company as at December 31, 2017 and the revenue for the year then ended have been properly reflected in the Financial Statements, and the Financial Statements have been prepared in accordance with Generally Accepted Accounting Principles (GAAP) as applicable in Bangladesh.

e) the expenditure incurred and payments make were for the purpose of the company's business for the year ;

f) As per section 62(2) of the Insurance Law 2010, 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 dully debited to the related revenue accounts of the company; and

g) As per regulation 11 of part 1 of the third schedule of the Insurance Act, 1938 as amended 2010, we certify that to the best of our knowledge and information given to us and as shown by its books, the company during the year under audit has not paid any person any commission in any form, outside Bangladesh in respect of its re-insurance business abroad;

Dated: December 08, 2018
Place: Dhaka

Ahmed Zaker & Co.
Chartered Accountants

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PRIME ISLAMI LIFE INSURANCE LIMITED
BALANCE SHEET
AS AT DECEMBER 31, 2017

Particulars	Notes	Amount in Taka	
		31.12.2017	31.12.2016
CAPITAL AND LIABILITIES			
SHAREHOLDERS' CAPITAL			
Authorised Capital			
50,000,000 ordinary shares of Tk.10 each	4.1	500,000,000	500,000,000
Issued, Subscribed and Paid-up Capital	4.2	305,202,300	305,202,300
3,05,20,230 ordinary shares of Tk.10 each			
Balance of Fund and Accounts		8,466,650,243	7,955,913,484
Life Insurance Fund	5	8,466,593,992	7,955,474,382
Welfare Fund	6	56,251	439,102
		623,256,183	699,555,482
Estimated liabilities in respect of outstanding claims, whether due or intimated	7	12,230,600	12,165,879
Amount due to other persons or bodies carrying on insurance business	8	12,624,698	8,383,262
Sundry Creditors	9	500,924,392	398,839,176
Provision for Share Value Fluctuation Account	10	91,389,446	274,095,821
Premium Deposits	11	6,087,047	6,071,344
		9,395,108,726	8,960,671,266

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AHMED ZAKER & CO. Dhaka Chartered Accountants

GGi INDEPENDENT MEMBER

Particulars	Notes	Amount in Taka	
		31.12.2017	31.12.2016
PROPERTY AND ASSETS			
LOAN	12	**96,415,672**	**88,832,842**
On Insurer's Policies within their surrender value		96,415,672	88,832,842
INVESTMENT (AT COST)	13	**1,486,723,292**	**2,057,622,576**
Statutory Deposit with Bangladesh Bank (BGIIB)	13.1	15,000,000	15,000,000
Bangladesh Govt. Islami Investment Bond (BGIIB)	13.2	-	20,000,000
Bangladesh Govt. Treasury Bond (BGTB)	13.3	35,510,845	-
Membership of Stock Exchange (DSE & CSE)	13.4	510,000,000	510,000,000
Investment in Shares	13.5	414,026,543	1,099,064,027
Bonds	13.6	109,999,706	129,999,706
Central Depository Bangladesh Ltd.	13.7	1,569,450	1,569,450
Short Term Investment (PFI)	13.8	350,573,065	-
Short Term Investment (PISL)	13.9	50,043,683	281,989,393
		1,619,338,905	**1,624,203,094**
Agents' Balance		1,358,504	1,065,890
Outstanding Premium	14	402,497,892	399,015,460
Profit, Dividends and Rents Accruing But Not Due	15	130,482,868	196,559,179
Advances and Deposits	16	1,054,116,095	990,029,465
Sundry Debtors	17	30,883,546	37,533,100
CASH AND BANK BALANCES	18	**3,843,737,581**	**4,813,339,550**
Fixed Deposit With Bank	18.1	2,476,503,263	3,561,844,912
Cash at Banks	18.2	621,623,311	597,832,414
Cash in Hand	18.3	150,685,977	141,146,494
Collection Balance		594,925,030	512,515,730
OTHER ACCOUNTS		**2,348,893,276**	**376,673,204**
Fixed Assets (At Cost Less Depreciation)	19	2,341,064,748	371,227,250
Stamps, Printing and Stationery in hand		7,828,528	5,445,954
		9,395,108,726	**8,960,671,266**

The accompanying notes 1-30 form an integral part of these financial statement.

Nizam Uddin Ahmed	Muhammed Shah Alam, FCA	Md. Fazlul Karim	Sonia Akter Honey	Mohd. Akther
Dy. Managing Director	Chief Executive Officer	Director	Director	Chairman
CFO & Company Secretary				

Signed as per our separate report of same date.

Dated: December 8, 2018
Place : Dhaka

Ahmed Zaker & Co.
Chartered Accountants.

GGi INDEPENDENT MEMBER

PRIME ISLAMI LIFE INSURANCE LIMITED
LIFE REVENUE ACCOUNT
AS AT DECEMBER 31, 2017

Particulars	Notes	Amount in Taka	
		31.12.2017	31.12.2016
BALANCE OF FUND AT THE BEGINNING OF THE YEAR		**7,955,474,382**	**7,582,748,309**
PREMIUM LESS REINSURANCE	**20**		
First Year Premium		1,150,025,917	1,060,231,680
Renewal Premium		2,301,179,493	2,007,333,250
Group Insurance Premium		20,044,435	53,661,235
Gross Premium		**3,471,249,845**	**3,121,226,165**
Less: Re-insurance Premium		14,344,286	8,879,280
Net Premium		**3,456,905,559**	**3,112,346,885**
Investment and Other Income		**279,707,411**	**331,527,347**
Profit, Dividend and Rents	**21**	278,203,731	330,436,746
Other Income	**22**	1,503,680	1,090,601
	Total	**11,692,087,352**	**11,026,622,541**

First Year Premium, where the maximum premium paying period is		
Single	122,695,607	122,294,896
Two years	-	-
Three years	-	
Four years	-	-
Five years	-	-
Six years	-	-
Seven years	-	-
Eight years	-	8,500
Nine years	-	-
Ten years	130,317,300	144,647,777
Eleven years	-	-
Twelve years or over (including throughout life)	897,013,010	793,280,507
	1,150,025,917	**1,060,231,680**

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AHMED ZAKER & CO. Dhaka Chartered Accountants

PRIME ISLAMI LIFE INSURANCE LIMITED

Particulars	Notes	Amount in Taka	
		31.12.2017	31.12.2016
CLAIMS, UNDER POLICIES (INCLUDING PROVISION FOR CLAIMS DUE OR INTIMATED), LESS RE-INSURANCE			
By Death		32,405,440	52,084,440
By Maturity		1,084,693,124	992,148,516
By Survival		629,041,658	695,324,482
By Surrenders		90,032,848	93,311,193
By Others		3,055,528	4,224,939
		1,839,228,598	**1,837,093,570**
EXPENSES OF MANAGEMENT			
Commission :			
(a) Commission to Insurance Agents (Less that on re-insurance)		353,559,869	325,161,961
(b) Allowances and Commission (other than commission included in sub-item (a)preceding)		206,679,901	175,531,141
		560,239,770	**500,693,102**
Salaries etc. (other than to agents and those contained in the allowances and commission)		357,799,158	312,626,753
Travelling and Conveyance		53,811,535	48,148,042
Directors' Fees		600,000	885,750
Auditors' Fees		255,000	226,250
Medical Fees		1,799,025	1,309,405
Legal and Professional Fees		2,148,851	1,899,102
Insurance Policy Stamp		10,997,397	10,531,919
Advertisement and Publicity		3,867,247	6,899,636
Printing and Stationery		9,014,710	11,100,579
Office Rent		79,781,239	68,706,324
Bank Charges		12,867,089	9,594,244
Repairs and Maintenance		3,406,327	3,070,986
Car Fuel		34,365,255	31,409,676
Car Maintenance & Repairs		20,198,415	15,398,612
Group Insurance		1,384,154	1,287,938
Papers and Periodicals		212,018	190,631
Telephone, Electricity and WASA etc.		22,923,277	28,149,585
Training & Recruitment Expenses		52,360,770	39,170,527
Fees, Subscriptions and Donation		14,500,464	11,746,145
Office Tea & Entertainment		7,756,642	7,064,053
Postage and Telegram		1,724,599	1,883,150
Business Development Expenses		13,819,041	15,679,504
Seminar & Conference		6,768,896	1,446,856
Stamps		1,525,282	1,290,420
Meeting Expenses		1,869,802	1,789,640
AGM Expenses		689,858	772,569
		716,446,051	**632,278,296**
		1,276,685,821	**1,132,971,398**

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AHMED ZAKER & CO. Dhaka Chartered Accountants
GGi INDEPENDENT MEMBER

PRIME ISLAMI LIFE INSURANCE LIMITED

Particulars	Notes	Amount in Taka	
		31.12.2017	31.12.2016
OTHER EXPENSES			
Provision for Income Tax	23	13,500,000	6,143,951
Provision for Share Value Fluctuation Account		-	700,000
Depriciation on Fixed Assets		19,778,366	21,572,028
Dividend Paid:			
Cash		76,300,575	58,133,772
Stock		-	14,533,440
		109,578,941	**101,083,191**
BALANCE OF THE FUND AT THE END OF THE YEAR AS SHOWN IN THE BALANCE SHEET		**8,466,593,992**	**7,955,474,382**
	Total	**11,692,087,352**	**11,026,622,541**

The accompanying notes 1-30 form an integral part of these financial statement.

Nizam Uddin Ahmed	Muhammed Shah Alam, FCA	Md. Fazlul Karim	Sonia Akter Honey	Mohd. Akther
Dy. Managing Director	Chief Executive Officer	Director	Director	Chairman
CFO & Company Secretary				

Signed as per our separate report of same date.

Dated: December 8, 2018
Place : Dhaka

Ahmed Zaker & Co.
Chartered Accountants.

GGi INDEPENDENT MEMBER

PRIME ISLAMI LIFE INSURANCE LIMITED
STATEMENT OF LIFE INSURANCE FUND
AS AT DECEMBER 31, 2017

	Amount in Taka	
ASSETS	**31.12.2017**	**31.12.2016**
Loans on Insurer's Policies within their surrender value	96,415,672	88,832,842
Investments	1,486,723,292	2,057,622,576
Agents' Balance	1,358,504	1,065,890
Outstanding Premium	402,497,892	399,015,460
Profit, Dividends & Rents accruing but not due	130,482,868	196,559,179
Advances & Deposits	1,054,116,095	990,029,465
Sundry Debtors	30,883,546	37,533,100
Cash & Bank Balances	3,843,737,581	4,813,339,550
Fixed Assets (at cost less accumulated depreciation)	2,341,064,748	371,227,250
Stamps, Printing and Stationery in hand	7,828,528	5,445,954
	9,395,108,726	**8,960,671,266**
LESS : LIABILITIES		
Estimated liabilities in respect of outstanding claims, whether due or intimated	12,230,600	12,165,879
Amount due to other persons or bodies carrying on insurance business	12,624,698	8,383,262
Sundry Creditors	500,924,392	398,839,176
Welfare Fund	56,251	439,102
Premium Deposits	6,087,047	6,071,344
Provision for Share Value Fluctuation Account	91,389,446	274,095,821
	623,312,434	**699,994,584**
Gross Fund (Assets-Liabilities)	**8,771,796,292**	**8,260,676,682**
LESS :'Shareholders' Capital (Paid-up Capital)	305,202,300	305,202,300
Life Insurance Fund as at December 31,2017	**8,466,593,992**	**7,955,474,382**

The accompanying notes 1-30 form an integral part of these financial statement.

Nizam Uddin Ahmed	**Muhammed Shah Alam, FCA**	**Md. Fazlul Karim**	**Sonia Akter Honey**	**Mohd. Akther**
Dy. Managing Director	Chief Executive Officer	Director	Director	Chairman
CFO & Company Secretary				

Signed as per our separate report of same date.

Dated: December 8, 2018
Place : Dhaka

Ahmed Zaker & Co.
Chartered Accountants.

GGi INDEPENDENT MEMBER

PRIME ISLAMI LIFE INSURANCE LIMITED
FORM "AA"
CLASSIFIED SUMMARY OF THE ASSETS IN BANGLADESH
AS AT DECEMBER 31, 2017

Sl.No.		Class of Assets	Book Value Taka	Market Value Taka	Remarks
1		**Investment:**			
	a	Statutory Deposit with Bangladesh Bank (BGIIB)	15,000,000	15,000,000	At Cost
	b	Bangladesh Govt. Islami Investment Bond (BGIIB)	-	-	At Cost
	c	Bangladesh Govt. Treasury Bond (BGTB)	35,510,845	35,510,845	At Cost
	d	Shares Listed on Stock Exchanges	414,026,543	298,469,221	At Cost
	e	Bonds	109,999,706	109,999,706	Realisable Value
	f	Membership of Stock Exchange (DSE & CSE)	510,000,000	510,000,000	At Cost
	g	Central Depository Bangladesh Ltd.	1,569,450	1,569,450	Book Value
	h	Loan on Insurer's Policies	96,415,672	96,415,672	Realisable Value
	i	Short Term Investment (PISL)	50,043,683	50,043,683	Realisable Value
	j	Short Term Investment (PFI)	350,573,065	350,573,065	Realisable Value
2		**Cash,Bank & Others Balances:**			
	a	Fixed Deposits with banks	2,476,503,263	2,476,503,263	Realisable on Maturity
	b	Cash in Hand and STD & Current Account with Bank	772,309,288	772,309,288	Realisable Value
	c	Collection Balance	594,925,030	594,925,030	Book Value
3		**Others Assets :**			
	a	Agents' Balance	1,358,504	1,358,504	Realisable Value
	b	Outstanding Premium	402,497,892	402,497,892	Realisable Value
	c	Profit, Dividends & Rents accrued but not due	130,482,868	130,482,868	Realisable Value
	d	Advances & Deposits	1,054,116,095	1,054,116,095	Book Value
	e	Stamps, Printing and Stationery in Hand	7,828,528	7,828,528	At Cost
	f	Sundry Debtors	30,883,546	30,883,546	Realisable Value
	g	Fixed Assets (at cost less depreciation)	2,341,064,748	2,341,064,748	Written down value
		Total	**9,395,108,726**	**9,279,551,404**	

Nizam Uddin Ahmed
Dy. Managing Director
CFO & Company Secretary

Muhammed Shah Alam, FCA
Chief Executive Officer

Md. Fazlul Karim
Director

Sonia Akter Honey
Director

Mohd. Akther
Chairman

Signed as per our separate report of same date.

Dated: December 8, 2018
Place : Dhaka

Ahmed Zaker & Co.
Chartered Accountants.

GGi INDEPENDENT MEMBER

PRIME ISLAMI LIFE INSURANCE LIMITED
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2017

	Particulars	Amount in Taka	
		2017	2016
A.	**CASH FLOW FROM OPERTING ACTIVITIES:**		
	Collection from Premium	3,467,767,413	3,092,263,268
	Other Income received	1,522,041	1,141,787
	Payment for Claims	(1,839,163,877)	(1,836,802,833)
	Payment for management expenses, commission, re-insurance and others	(1,414,124,015)	(1,115,492,271)
	Income Tax paid	(29,042,943)	(35,889,090)
	Net cash provided by operating activities	**186,958,619**	**105,220,861**
B.	**CASH FLOW FROM INVESTING ACTIVITIES:**		
	Investment made	(775,372,525)	(39,000,000)
	Disposal of Investment	1,346,271,809	153,602,501
	Acquisition of Fixed Assets	(1,989,615,864)	(69,305,348)
	Advance Against Land and Land development	(1,000,000)	(96,530,000)
	Loan against Policies Paid	(41,282,698)	(39,684,185)
	Loan against Policies realised	33,699,868	30,019,111
	Profit, dividend & rents received	344,261,681	332,521,584
	Net Cash used in investing activities	**(1,083,037,729)**	**271,623,663**
C.	**CASH FLOW FROM FINANCING ACTIVITIES:**		
	Dividend Paid	(73,522,859)	(50,308,008)
	Net cash used in financing activities	**(73,522,859)**	**(50,308,008)**
D.	**Net increase/decrease in Cash & Cash equivalents (A+B+C)**	**(969,601,969)**	**326,536,516**
E.	**Cash and cash equivalents at the beginning of the Year**	**4,813,339,550**	**4,486,803,034**
F.	**Cash and cash equivalents at the end of the Year (D+E)**	**3,843,737,581**	**4,813,339,550**

Nizam Uddin Ahmed
Dy. Managing Director
CFO & Company Secretary

Muhammed Shah Alam, FCA
Chief Executive Officer

Md. Fazlul Karim
Director

Sonia Akter Honey
Director

Mohd. Akther
Chairman

Signed as per our separate report of same date.

Dated: December 8, 2018
Place : Dhaka

Ahmed Zaker & Co.
Chartered Accountants.

PRIME ISLAMI LIFE INSURANCE LIMITED
STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED DECEMBER 31, 2017

Particulars	Share Capital	Share Premium	General Reserve	Reserve for Exceptional Losses	Retained Earnings	Total
Equity as on 1 January 2017	**305,202,300**	-	-	-	-	**305,202,300**
Addition during the year (Bonus Share)	-	-	-	-	-	-
Equity as on December 31, 2017	**305,202,300**	-	-	-	-	**305,202,300**
Equity as on December 31, 2016	**305,202,300**	-	-	-	-	**305,202,300**

Nizam Uddin Ahmed	**Muhammed Shah Alam, FCA**	**Md. Fazlul Karim**	**Sonia Akter Honey**	**Mohd. Akther**
Dy. Managing Director	Chief Executive Officer	Director	Director	Chairman
CFO & Company Secretary				

Signed as per our separate report of same date.

Dated: December 8, 2018
Place : Dhaka

Ahmed Zaker & Co.
Chartered Accountants.

PRIME ISLAMI LIFE INSURANCE LIMITED.

Notes to the Financial Statements and significant accounting policies

For the year ended December 31, 2017
(Forming an integral part of these financial statements)

1. Legal status and nature of the company

Legal form and status of the company

Prime Islami Life Insurance Ltd. is a third generation Islamic life insurance Company established on July 24, 2000 and registered with the Registrar of Joint Stock Companies and Firms with the issuance of a incorporation Certificate no. C- 40817(176)/ 2000 dated 24 July, 2000 as a Public Limited Company under the Companies Act 1994 and registered with the Department of Insurance on 6th August 2000 under Insurance Act 1938 as amended in 2010. The company started issuance of shares to the public in November 2006 and got listed in both Dhaka Stock Exchange Ltd. and Chittagong Stock Exchanges Ltd.

Address of registered office and place of business of the company

The registered office of the Company is situated at Raj Bhaban (6th floor), 29 Dilkusha, C/A Dhaka-1000.

Principal activities of the company

The company is engaged in Islamic life insurance business since April 22, 2002. The Company offers a wide variety of insurance policies which fulfils the requirements of all segments of the society. The product portfolio of the Company feeds the following insurance lines:

a) Individual Ordinary Islamic Life (Family Takaful)
b) Micro Takaful Scheme
c) Group Takaful Scheme.

In case of Individual & Group Takaful the risk commences from the issue date of F.P.R (First Premium Receipt) and in the case of Micro Takaful scheme & Deposit Pension Scheme the risk covers from the date of issue of pass Book.

2. Significant accounting policies

As per the requirements of BAS 1: "Presentation of Financial Statements" the Financial Statements have been prepared on the basis of going-concern concept under generally accepted accounting principles according to the historical cost convention. Requirements as to disclosure of financial information warranted by the Insurance Law 2010 have been adhered to in presenting financial statements. Such financial statements comprises the Statement of Financial Position (Balance Sheet), Life Revenue Accounts for specific classes of insurance business in the form set forth in the first, second and third schedule of the Insurance Law 2010 in compliance with the Companies Act, 1994

In addition, The Securities and Exchange rules, 1987 (as amended in 1997) requires the production of Statement of Cash Flows and Statement of Changes in Shareholders Equity as a part of the Annual Report . The Securities and Exchange Commission (SEC) of Bangladesh regulates financial reporting practices of listed Companies. Listed Companies are required to comply with SEC's accounting and disclosure requirements. The Rules 1987 as amended in 1997, requires listed companies to follow Bangladesh Accounting Standards (BAS)/ Bangladesh Financial Reporting Standards (BFRS) as adopted by the Institute of Chartered Accountants of Bangladesh (ICAB).

Specific accounting policies selected and applied for significant transactions and events are depicted below:

GGi INDEPENDENT MEMBER

2.1 *Basis of preparation*

The financial statements are prepared using the accrual basis of accounting except for the cash flow information where the material class of similar item has been presented separately. As per the requirements of BAS 1: "Presentation of Financial Statements". The figures in the financial statements have been rounded off to the nearest taka.

2.2 *Statement of Cash Flows*

Statement of Cash Flows is prepared in accordance with BAS 7: "Statement of Cash Flows", the Statement of Cash Flows shows the structure of and changes in cash and cash equivalents during the financial year. Cash and cash equivalents include notes and coins on hand, unrestricted balance held with the commercial banks. It is broken down into operating activities, investing activities and financing activities. The direct method is used to show the operating activities.

According to BAS 7: "Statement of Cash Flows", cash comprises cash in hand and cash equivalents are short term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value. Considering the provisions of BAS 7 and BAS 1, cash in hand, fixed deposits and bank balances have been considered as cash and cash equivalents.

2.3 *Statement of changes in equity*

The statement of changes in equity is prepared in accordance with BAS 1: "Presentation of Financial Statements".

2.4 *Fixed assets*

a) Valuation of Fixed Assets

All fixed assets are stated at cost less accumulated depreciation as per BAS 16: "Property, Plant and Equipment". The cost of acquisition of an asset comprise 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.

b) Recognition of Fixed Assets

The company recognizes 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.

c) Depreciation on Fixed Assets

Depreciation is charged on Fixed assets has been calculated on all assets using straight line method in accordance with BAS-16 "Property, Plant and Equipment " at varying rates depending on the class of assets. Depreciation is charged in additions of fixed assets when it is available for use. Methods and Rates of depreciation are consistently applied in relation to previous year and depreciation rates are as follows:

Furniture & Fixture	**15%**
Office Decoration	**15%**
Office Equipments	**15%**

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Motor Vehicles	**20%**
Telephone Installation	**10%**

The gain or loss arising on the disposal or retirement of an asset is determined as the difference between the sale proceeds and the carrying amount of the asset and recognized in the Life Revenue Account.

d) Impairment of Assets

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

2.5 Investment

Investment in stocks, shares and other securities are recognized in the financial statements at cost considering long term investment and these are revalued at regular interval. Increases or decreases in the value of investment are recognized in the financial statement as per **BAS-39 "Financial instruments"**. Increases or decreases in the value of investment in listed shares are recognized in the financial statement considering the average movement of market price as the capital market of Bangladesh is volatile and market price of the stocks and shares are changes very frequently. Decreases in the market value on stocks and shares are recognized in the Life Revenue Account as per **BAS-39 "Financial Instruments"**. The shortfall between the market and cost price are being recouped through making provision gradually.

The company has appealed to the Government authorities through Bangladesh Insurance Association and Insurance Development & Regulatory Authority to lower the prescribed investment amount in treasury bond due to varying earning rate of interest from Govt. treasury bond and for profit on Islami bond and the matter is under consideration by the government to raise the profit rate for Islami bond to pave the way for all three Islami life Insurance Companies operating in the business market In the interest of the policy holders of the insurance.

2.6 Financial Instruments

Derivative:

According to BFRS 7: "Financial Instruments: Disclosures", the company was not a party to any derivative contract (financial instruments) at the Balance Sheet date, such as forward exchange contracts, currency swap agreement or contract to hedge currency exposure related to import of capital machinery to be leased to lessees in future.

Non-Derivative:

Non-derivative financial instruments comprise of accounts and other receivable, borrowings and other payables and are shown at transaction cost as per BAS 39 "Financial Instruments: Recognition and Measurement".

2.7 Provision for income tax

BAS 12: "Income Taxes" and Income Tax ordinance 1984 have been used for the calculation of deferred tax and current tax expense respectively.

Current tax expense

The tax currently payable is based on taxable surplus for the year. Taxable surplus differs from surplus as reported in the life revenue account because it excludes items of income or expense 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 enacted or substantively enacted by the balance sheet date.

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Deferred tax expense

Income Tax assessment of the company is made as per 4th schedule of Income Tax ordinance 1984. As per 4th schedule of the Income Tax Ordinance Deputy Commissioner of Taxes considered Actuarial Valuation Report for making assessment. In the past records of assessment order Tax Authority has not allowed depreciation as per 3rd schedule of the Income Tax Ordinance 1984. As such there arises no temporary difference of taxable fixed assets. In the absence of temporary difference no financial effect has been given in the Financial Statements for the year 2017 for deferred tax provision.

2.8 Reserve or Contingencies

Welfare Fund

As an Islamic Shariah based Company the interest accrued against National Investment Bond (NIB) and Conventional Bank interest has not been included with the Revenue Income. Thus the interest is being deposited in a separate account under the name and style of 'Welfare fund'

2.9 Revenue recognition

The revenue is recognized after satisfying all the conditions for revenue recognition as provided BAS 18: "Revenue" in compliance with BFRS 4 "Insurance Contract". Detailed income wise policy for revenue recognition is as given under:

a) Premium Income

The income from premium is comprised of the total amount of premium earned on various classes of life insurance business during the year, the gross amount of premium earned against various policies, the amount of claims less re-insurance settled during the year have all been duly accounted for in the books of account of the Company. While preparing the final statement of accounts, the effect of re-insurance accepted and re-insurance ceded as well as the effect of total estimated liabilities in respect of outstanding claims at the end of the year.

b) Investment Income

Profit on different investments is recognized on accrual basis as per BAS-18 "Revenue". Portfolio gain on investments in shares is recognized as income and credited to investment income in the life revenue account as per BAS- 39 "Financial Instrument: Recognition". Capital gain is recognized when it is realized and recognized as income and credited to investment income in the life revenue account as per BAS-39 " Financial Instrument: Recognition ". Capital gain is recognized when it is realized.

c) Dividend income

Dividend income has been accounted for only when the right to receive the dividend is established.

2.10 Employee Benefits

Prime Islami Life Insurance Limited offers a number of benefit plans which includes Contributory Provident Fund, Gratuity and also Group Insurance and Festival Bonus which have been accounted for in accordance with the provision of Bangladesh Accounting Standard -19, " Employee Benefit." Bases of enumerating the above benefits schemes operated by the company are outlined below :

Contributory Provident Fund

The Company operates a contributory provident fund for its permanent employees .The fund is administered separately by a Board of Trustees and is funded by equal contribution from the Company and the Employees. This fund is invested separately from the Company's assets.

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2.11 *Foreign currency transaction*

a) Functional and presentational currency

Financial statements of the company are presented in Bangladeshi Taka that reflects both the functions and presentation of the currency.

b) Foreign currency translation

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

2.12 *Related party transactions*

The related party is the party who has the significant power in the management process and cast significant power in the company's affairs and the management duly identified the party is related to the company and discloses the transactions of the related party as per BAS 24: "Related Party Disclosures". Related parties are fully disclosed in Note-30.

2.13 *Provision for liabilities*

According to BAS 37: "Provision, Contingent Liabilities and Contingent Assets" the company recognizes 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.

2.14 *Events after Reporting Period*

a. As per BAS 10: "Events After Reporting Period" there was no adjusting event after reporting period of such importance, non-disclosure of which may affect the ability of the users of the financial statements to make proper evaluations and decisions.

b. Proposed dividend for the year-2017.

The board of directors at the 171th board meeting held at its head office on December 08,2018 recommended to the shareholders Cash dividend @ 15% for the year ended 31st December 2017. This will be considered for approval by the shareholders at the 18th Annual general meeting (AGM) to be held on 27th December 2018.

3. Additional information on financial statements

3.1 *Responsibility for preparation and presentation of financial statements*

The Board of Directors is responsible for the preparation and presentation of the financial statements under section 183 of the Companies Act 1994 and Insurance Act 2010.

3.2 *Components of the financial statements*

Following the BAS 1: "Presentation of Financial Statements" & Insurance Act 2010 the company's complete set of financial statements includes the following components:

a) **Balance Sheet**
b) **Life Revenue Account**
c) **Statement of Cash Flows**
d) **Statement of Changes in Equity**
e) **Notes to the Financial Statements and significant accounting policies.**

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3.3 *Uncertainties for use of estimates in preparation of financial statements*

The preparation of financial statements in conformity with the Bangladesh Accounting Standards requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of other information at the date of the financial statements and revenues and expenses during the year reported. Actual results could differ from those estimates. Estimates are used for accounting of certain items such as depreciation on fixed assets, accrued expenses and income taxes.

3.4 *Comparatives*

Previous year's figure has been restated and rearranged whenever necessary due to fair presentation in the Financial Statements as per BAS 8 "Accounting Policies, Changes in Accounting Estimate and Errors"

3.5 *Reporting period*

Financial statements of the company cover a period from January 01, 2017 to December 31, 2017.

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AHMED ZAKER & CO. Chartered Accountants Dhaka
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	Amount in Taka	
	31.12.2017	31.12.2016

4. SHARE CAPITAL

4.1 Authorised Capital

Authorized capital of the company is Taka 500,000,000(Five hundred million) divided into 50,000,000(Fifty million) Ordinary Shares of Taka.10 each

	500,000,000	500,000,000

4.2 Issued, Subscribed & Paid-up Capital

Issued, Subdcribed and Paid-up capital of the company is Taka 30,52,02,300 divided into 3,05,20,230 Ordinary Shares of Tk.10 each.

Category of Shareholders	Shares holding (%)		
Sponsor	34.787	106,170,110	105,976,100
General Public	65.213	199,032,190	199,226,200
	100.000	305,202,300	305,202,300

4.3 Distribution Schedule of Paid-Up Capital:

As per listing rules of the Stock Exchange, a distribution schedule of each class of equity shares and the number of shareholders and percentage as on December 31, 2017 is given below:

Category of Share Holders	Share Holding	No. of Share Holders	No. of Shares	Share Holding %
Sponsors	1 to 50000	5	54,886	0.18%
	50001 to 100000		-	0.00%
	100001 to 200000		-	0.00%
	200001 to 300000	1	203,465	0.67%
	300001 to 400000		-	0.00%
	400001 to 500000	1	406,934	1.33%
	500001 to 600000		-	0.00%
	600001 to above	11	9,951,726	32.61%
	Total	**18**	**10,617,011**	34.79%
General Public	1 to 5000	3231	1,763,732	5.78%
	5001 to 50000	170	2,508,207	8.22%
	50001 to 100000	16	1,160,989	3.80%
	100001 to 200000	10	1,406,741	4.61%
	200001 to 300000	5	1,124,387	3.68%
	300001 to 400000	3	1,032,067	3.38%
	400001 to 500000	4	1,809,944	5.93%
	500001 to 600000	1	577,500	1.89%
	600001 to above	5	8,519,652	27.91%
	Total	**3445**	**19,903,219**	65.21%
	Grand Total	**3463**	**30,520,230**	**100%**

5. LIFE INSURANCE FUND:

Balance as at January 1, 2017	7,955,474,382	7,582,748,309
Add: Increase in Life Revenue Account during the year	511,119,610	372,726,073
Balance as on December 31 ,2017	**8,466,593,992**	**7,955,474,382**

This consists of the accumulated balance of Life Insurance Fund up to December 31,2017.

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		Amount in Taka	
		31.12.2017	31.12.2016
6.	WELFARE FUND:	56,251	439,102
		56,251	**439,102**
7.	ESTIMATED LIABILITIES IN RESPECT OF OUTSTANDING CLAIMS, WHETHER DUE OR INTIMATED		
	Death Claims	1,820,862	1,617,924
	Maturity Claims	7,697,022	8,044,823
	Claims on Survival	2,712,716	2,503,132
		12,230,600	**12,165,879**
8.	AMOUNT DUE TO OTHER PERSONS OR BODIES CARRYING ON		
	a) Scor Global Life Se, Labuan Br. Maybank Int. Ltd.	12,624,698	8,383,262
		12,624,698	**8,383,262**
9.	SUNDRY CREDITORS:		
	Agency office exp. Payable	325,932	536,616
	Printing bill payable	699,244	696,946
	Provision for Provident fund contribution (both)	57,526,875	37,639,576
	Advertisement & Publicity payable	150,494	119,066
	Creditor for Expenses	1,753,923	1,522,999
	Share Application Money Payable	397,666	397,666
	Audit Fees payable	225,000	200,000
	Security deposit	22,500	175,500
	Tax & VAT payable	15,690,448	10,536,480
	Bima Fee Stamp payable	29,899,897	28,263,108
	Provision for Income Tax	181,594,445	168,094,445
	Unclaimed Dividend	12,046,712	9,268,996
	Agents Commission payable	415,000	450,750
	Health Insurance Premium Payable	1,570,766	1,166,625
	Payable to Milvik Brack (For Claim)	99,914	99,914
	Provident fund	147,836,758	139,000,425
	Received against Share (Fareast Islami Life Insurance ltd.)	50,000,000	-
	Fractional Bonus Share	668,818	670,064
		500,924,392	**398,839,176**
10.	PROVISION FOR SHARE VALUE FLUCTUATION ACCOUNT:		
	Balance as on January 1, 2017	274,095,821	273,395,821
	Add. Provision made during the year	(182,706,375)	700,000
		91,389,446	**274,095,821**

The company has made the above provision due to the price variance of its different portfolio investment listed with DSE & CSE for safeguarding the future losses of this investment.

11.	PREMIUM DEPOSIT		
	1st Year Premium	1,459,581	1,522,086
	Renewal Premium	4,627,466	4,549,258
		6,087,047	**6,071,344**

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		Amount in Taka	
		31.12.2017	31.12.2016
12.	LOAN ON POLICY:	96,415,672	88,832,842
		96,415,672	**88,832,842**

The above balance represents the amount paid to policyholders as loan against their policies within the limit of surrender value.

13.	**INVESTMENT (AT COST):**		
13.1	Statutory Deposit with Bangladesh Bank (BGIIB)	15,000,000	15,000,000
13.2	Bangladesh Govt. Islami Investment Bond (BGIIB)	-	20,000,000
13.3	Bangladesh Govt. Treasury Bond (BGTB)	35,510,845	-
13.4	Membership of Stock Exchange (DSE & CSE)	510,000,000	510,000,000
13.5	Investment in Shares	414,026,543	1,099,064,027
13.6	Bonds	109,999,706	129,999,706
13.7	Central Depository Bangladesh Ltd.	1,569,450	1,569,450
13.8	Short Term Investment (PFI)	350,573,065	-
13.9	Short Term Investment (PISL)	50,043,683	281,989,393
		1,486,723,292	**2,057,622,576**

13.1	**STATUTORY DEPOSIT WITH BANGLADESH BANK:**	15,000,000	15,000,000
		15,000,000	**15,000,000**

The above amount has been invested in 6 Months Bangladesh Govt. Islami Investment Bond and deposited with Bangladesh Bank as Statutory Deposit as per provisions of the Insurance Act 2010.The company has fulfiled and complied the required deposit amount on Bangladesh Govt Islami Investment Bond subsequently.

13.2	**BANGLADESH GOVT. ISLAMI INVESTMENT BOND:**	-	20,000,000
		-	**20,000,000**

The Company has invested the amount in accordance with section 27 of Insurance Act.1938 as amended 2010 in Bangladesh Bank.

13.3	**BANGLADESH GOVT. TREASURY BOND:**	35,510,845	-
		35,510,845	**-**

The Company has invested the amount in accordance with section 27 of Insurance Act.1938 as amended 2010 in Bangladesh Bank.

13.4	**MEMBERSHIP OF STOCK EXCHANGE (DSE & CSE)**	510,000,000	510,000,000
		510,000,000	**510,000,000**

13.5	**INVESTMENT IN SHARES:**		
	Shares with various Company	414,026,543	1,099,064,027
		414,026,543	**1,099,064,027**

13.6	**Bonds**		
	i) Banglalion Zero Coupon Bond	49,999,706	49,999,706
	ii) FSIBL Mudaraba Subordinated Bond	20,000,000	30,000,000
	iii) SIBL Mudaraba Subordinated Bond	40,000,000	50,000,000
		109,999,706	**129,999,706**

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		Amount in Taka	
		31.12.2017	31.12.2016
13.7	CENTRAL DEPOSITORY BANGLADESH LTD.:	1,569,450	1,569,450
		1,569,450	**1,569,450**

The above amount has been invested in Central Depository Bangladesh Ltd. as Equity Shares.

13.8	SHORT TERM INVESTMENT (PFI) :	350,573,065	-
		350,573,065	**-**

The above amount has been invested in PFI for short term investment

13.9	SHORT TERM INVESTMENT (PISL) :	50,043,683	281,989,393
		50,043,683	**281,989,393**

The above amount has been invested in PISL for short term investment

14.	OUTSTANDING PREMIUM:	402,497,892	399,015,460
		402,497,892	**399,015,460**

The above balance represents outstanding premium due to various policy holders as on 31st December 2017 but received subsequently.

15.	PROFIT, DIVIDENDS AND RENTS ACCRUING BUT NOT DUE		
	Profit on MTDR	52,515,177	121,998,611
	Profit on BGIIB & BGTB	8,979,963	11,119,010
	Profit on SD (BGIIB)	818,520	739,416
	Dividend Receivable on Share investment	8,790,444	15,233,710
	Profit on Motor Cycle Loan	245,602	263,963
	Profit on Bond	28,598,427	21,825,424
	Profit on Short Term Investment (PFI)	9,329,727	-
	Profit on Short Term Investment (PISL)	21,205,008	25,379,045
		130,482,868	**196,559,179**
16.	ADVANCES AND DEPOSITS:		
	Advance against Office rent	93,985,873	91,664,230
	Advance Income Tax	322,903,360	293,860,417
	Advance against TA/DA	2,171,624	2,382,372
	Advance against Training expenses	49,035,948	43,477,986
	Advance against Development expenses	3,616,387	2,655,810
	Advance against Car maintenance (repairs)	321,704	352,904
	Advance against Salary (Admin)	2,014,826	1,238,861
	Advance against Salary (Dev.)	8,515,539	6,785,754
	Advance against Incentive Bonus (Dev.)	4,800,000	3,085,000
	Advance against Salary Group Bima (Admin.)	443,176	657,562
	Advance against Office expenses	54,070	54,070
	Advance against Office equipment	3,675	3,675
	Advance against Conference exp.	290,588	290,588
	Advance against Furniture and Fixture	110,801	110,801
	Advance against Printing expenses	10,150	10,150
	Advance against Legal & professional fee	48,070,913	28,990,913
	Advance against Motor Cycle	1,645,217	1,743,696
	Advance against Telephone installation	58,170	58,170
	Advance against Land & Land Development	503,823,450	502,823,450
	Advance against Other expenses	12,240,624	9,783,056
		1,054,116,095	**990,029,465**

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		Amount in Taka	
		31.12.2017	31.12.2016
17.	**SUNDRY DEBTORS:**		
	PFI Securities Ltd.	-	22,358,827
	Prime Islami Securities Ltd.	1,212,817	380,294
	Development Officers	27,764,210	13,031,460
	Others	1,906,519	1,762,519
		30,883,546	**37,533,100**
18.	**CASH AND BANK BALANCES:**		
	18.1 Fixed Deposit with Bank	2,476,503,263	3,561,844,912
	18.2 Cash at Banks	621,623,311	597,832,414
	18.3 Cash in Hand	150,685,977	141,146,494
	Collection Balance	594,925,030	512,515,730
		3,843,737,581	**4,813,339,550**
18.1	**FIXED DEPOSIT WITH BANKS:**		
A.	**MTDR AGAINST GENERAL FUND**		
	Prime Bank Limited (Islamic Banking Branch)	15,980,133	25,002,742
	Southeast Bank Limited (Islamic Banking Branch)	6,822,375	14,939,997
	First Security Islami Bank Ltd.	463,286,564	844,401,196
	Fareast Finance & Investment Ltd.	222,944,508	432,930,039
	Prime Finance & Investment Ltd.	-	10,807,615
	Social Islami Bank Ltd.	166,141,871	744,258,249
	BD Finance	344,654,000	400,000,000
	Shahjalal Islami Bank Ltd.	455,265,315	433,807,582
	Head Office Investment	139,880,675	102,955,499
	Sub Total	**1,814,975,441**	**3,009,102,919**
B.	**MTDR AGAINST TABARRU FUND**		
	First Security Islami Bank Ltd.	661,527,822	311,729,625
	Social Islami Bank Ltd.	-	241,012,368
	Sub Total	**661,527,822**	**552,741,993**
	Total (A+B)	**2,476,503,263**	**3,561,844,912**
18.2	**CASH AT BANKS**		
	Balance with different Bank account	621,623,311	597,832,414
		621,623,311	**597,832,414**
18.3	**CASH IN HAND**	150,685,977	141,146,494
		150,685,977	**141,146,494**

20. **PREMIUM LESS RE-INSURANCE:**

Type of Premium	Gross premium	Re-Insurance Premium	Net Premium	Net Premium
First Year Premium	1,150,025,917	2,776,478	1,147,249,439	1,058,142,672
Renewal Premium	2,301,179,493	11,417,261	2,289,762,232	2,001,260,433
Group Premium	20,044,435	150,547	19,893,888	52,943,780
	3,471,249,845	**14,344,286**	**3,456,905,559**	**3,112,346,885**

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			Amount in Taka	
			31.12.2017	31.12.2016
21.	**PROFIT, DIVIDENDS AND RENTS:**			
	The amount consist of:			
	Profit on MTDR		208,591,065	269,097,858
	Profit on BGIIB & BGTB		2,720,430	5,479
	Dividend on Share		6,260,990	29,734,248
	Profit on BGIIB (SD)		147,876	86,808
	Service Charge (Policy Loan)		6,049,105	5,532,507
	Profit on SND A/C		2,645,165	835,638
	Profit on Bond		12,996,680	11,521,754
	Profit on Short Term Investment (PISL)		21,205,008	25,379,045
	Profit on Short Term Investment (PFI)		9,329,727	-
	Profit/Loss on sale of Shares	(174,448,690)	-	(11,756,591)
	Add: Previous year Share Value Fluctuation Account Adjustmen	182,706,375	8,257,685	
			278,203,731	**330,436,746**
22.	**OTHER INCOME:**			
	Service charge against motor cycle		395,597	122,093
	Miscellaneous Income		1,108,083	968,508
			1,503,680	**1,090,601**
23.	**PRVISION FOR INCOME TAX:**		13,500,000	6,143,951
			13,500,000	**6,143,951**

Provision for Taxation is based on taxable income determined under the Fourth Schedule of the Income Tax Ordinance, 1984 and best judgment of the management.

24. CAPITAL EXPENDITURE COMMITMENT:

There was no capital expenditure commitment authorized by the Board as on December 31, 2017.

25. CONTINGENT LIABILITY:

Claims against the Company not acknowledged as debt as on December 31, 2017.

26. CREDIT FACILITY AVAILABLE TO THE COMPANY:

There was no credit facility available to the Company under any contract as on December 31, 2017 other than trade credit available in the ordinary course of business.

27.	**COMPANIES ACT 1994, SCHEDULE XI PART-II [(NOTE 3(P) VI) 5]**		
	i) Number of employees drawing salary above Tk. 3000 per month	1,560	1,516
	ii) Number of employees drawing salary below Tk. 3000 per month	**Nil**	**Nil**
28.	**PAYMENT IN FOREIGN CURRENCY:**		
	For Re-insurance operation	5,551,707	3,131,347
	For membership fees of ICMIF	-	57,266
	For membership fees of ICMIF (AOA)	-	3,436
	For Membership Fees of FAIR	104,780	102,375
	International Insurance Society (IIS)	154,660	-
		5,811,147	**3,294,424**

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	Amount in Taka	
	31.12.2017	31.12.2016

29. PAYMENTS/PERQUISITES TO DIRECTORS/OFFICERS:

29.1

	Amount in Taka 2017		Amount in Taka 2016	
	Directors	Officers	Directors	Officers
Board Meeting Fee	600,000	-	885,750	-
Basic Salary (including CEO)	-	170,226,759	-	148,735,506
Provident Fund Contribution	-	14,650,008	-	13,296,335
House Rent Allowances	-	74,289,680	-	64,910,554
Other Allowance	-	98,632,711	-	85,684,358
Total	**600,000**	**357,799,158**	**885,750**	**312,626,753**

The aggregate amount paid/provided during the year in respect of Directors and Officers of the Company as defined in the Securities and Exchange Rules,1987 are disclosed.

29.2 Money was not spent by the Company for compensating any member of the Board for special services rendered except as stated above.

30.00 Related Parties

The details of related party transactions during the year alongwith the relationship is illustrated below in accordance with BAS 24:

Name of Party	Nature of Transaction	Transection during the year	Balance as a December 31, 2017
Prime Islami Securities Ltd. (PISL)	Short Term Investment	231,945,710	50,043,683
PFI Securities Ltd.	Short Term Investment	350,573,065	350,573,065
Prime Islami Securities Ltd. (PISL)	Accrued Profit on Short Term Investment	21,205,008	21,205,008
PFI Securities Ltd.	Accrued Profit on Short Term Investment	9,329,727	9,329,727
Directors	Board Meeting Fee	600,000	-
Fareast Islami Life Insurance ltd.	Advance Receipt during the year	50,000,000	50,000,000

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19 19.00 **FIXED ASSETS:**

Schedule of Fixed Assets (At cost less depreciation)

Particulars	Furniture & Fixture	Office Decoration	Office Equipment	Motor Vehicles	Telephone Installation	Lands & Buildings	Total
A. Cost							
As at 01 January, 2017	**57,363,612**	**33,893,233**	**47,465,493**	**191,877,314**	**2,124,314**	**302,906,106**	**635,630,072**
Addition during the year	4,000,096	643,953	9,583,483	6,605,987	201,100	1,968,581,245	**1,989,615,864**
Total	**61,363,708**	**34,537,186**	**57,048,976**	**198,483,301**	**2,325,414**	**2,271,487,351**	**2,625,245,936**
B. Depreciation							
Rate of depreciation	15%	15%	15%	20%	10%		Total
As at 01 January, 2017	**46,049,388**	**13,882,723**	**35,709,153**	**167,297,692**	**1,463,866**	-	**264,402,822**
Dep. during the year	3,690,990	4,108,141	4,336,529	7,527,945	114,761	-	**19,778,366**
Total	**49,740,378**	**17,990,864**	**40,045,682**	**174,825,637**	**1,578,627**	-	**284,181,188**
Written down value (A-B)							
As At 31st December, 2017	**11,623,330**	**16,546,322**	**17,003,294**	**23,657,664**	**746,787**	**2,271,487,351**	**2,341,064,748**
As At 31st December, 2016	**11,314,224**	**20,010,510**	**11,756,340**	**24,579,622**	**660,448**	**302,906,106**	**371,227,250**

N.B. 1) Depreciation charged on fixed assets for the 12 (twelve) months. Please refer to note 2.4 for relevant depreciation policy.

AMARSTOCK

Prime Islami Life Insurance Limited

DIRECTORS' RESPONSIBILITY STATEMENT

In terms of section 62 of the Insurance Act 2010, the Board of Directors of the Company certify that:

1. The value of investment in shares has been taken at cost. Adequate provision for fluctuation in share prices has been made.

2. The value of all assets as shown in the Balance Sheet and as classified on Form "AA" annexed have been duly reviewed as at 31st December, 2017 and in our belief, the said assets have been set forth in the Balance Sheet at amounts not exceeding their realizable or market values under the several headings as enumerated.

3. All expenses of management in respect of Life Insurance business transacted by the Company in Bangladesh have been fully debited in the Life Revenue Account as expenses.

Muhammed Shah Alam, FCA	**Md. Fazlul Karim**	**Sonia Akter Honey**	**Mohd. Akther**
Chief Executive Officer	Director	Director	Chairman

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INDEPENDENT MEMBER