



## 2015 ANNUAL REPORT



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## Letter of Transmittal

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

**Sub: Annual Report for the year ended 31 December 2015**

Dear Sir(s),

The undersigned has the privilege of forwarding a Copy of the Annual Report of Prime Insurance Company Limited together with the Auditors' Report & Audited Financial Statements including Balance Sheet as at 31 December 2015 and Income Statement (Profit & Loss Account) & Cash Flow Statement for the year ended 31 December 2015 along with Notes thereon for your kind information and record.

With thanks.

Yours Sincerely,

Kamal Pasha  
Company Secretary

## Notice of the 20<sup>th</sup> Annual General Meeting (AGM)

Notice is hereby given to all Members of the Prime Insurance Company Limited that the 20th Annual General Meeting (AGM) of the Company will be held on Wednesday, the 30th March 2016 at 11:00 AM at the Auditorium of Bangladesh Institute of Administration and Management (BIAM), 63, New Eskaton, Dhaka to transact the following businesses:

### Agenda:

1. To receive, consider and adopt the Directors' Report, Auditors' Report and Audited Financial Statements of the Company for the year ended 31 December 2015.
2. To declare dividend for the year ended 31 December 2015.
3. To elect/re-elect Directors.
4. To appoint the External Auditors of the Company and to fix their remuneration.

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

Dated: Dhaka.  
12 March 2016

By the order of the Board



Kamal Pasha  
Company Secretary

### Notes:

- a. The Record Date is fixed on 14 March 2016. Shareholders, whose names would appear in the Register of Members/Depository Register on the Record Date, will be eligible to attend the Meeting and qualify for dividend.
- b. A Member eligible to attend and vote at the AGM may appoint a proxy to attend and vote on his/her behalf. The proxy form duly filled in and signed by the Member and stamped must be submitted at the Registered Office of the Company at least 72 hours before the Meeting. Proxy Form will be available at the Share Department of the Company.
- c. Shareholders & Proxies are requested to record their entry in the AGM in between 8:00 AM to 11:30 AM on the scheduled Meeting Date. No entry will be recorded before 8:00 AM and after 11:30 AM on the Meeting Date.
- d. 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.
- e. Members may also 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.

## 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 & 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.





## Our Mission

1. Providing world class service with supreme security by providing 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.

## 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

Maximizing Insurance Coverage at a Minimum Cost

Establishing a long term relationship with our clients and business partners built on professional service and trust

Responding quickly to new opportunities

Maintaining strong relationships with a wide variety of partners, like re-insurers, insurance brokers and so on

Assessing and managing our business risks carefully

Striving for continuous improvement developing performance excellence at all levels







## Profile of the Company

Prime Insurance Company Limited is one of the leading General Insurance Companies in Bangladesh. The company has specialized and significant expertise both in Traditional & Non-Traditional Businesses. Prime has diversified its business, providing its Business Partner Clients with the best possible quality products & faster services and also introducing some innovative products for its valuable clients which made prime different from the other insurance companies.

### Certification & Credit Ratings:

Prime Insurance is the first general insurance company in Bangladesh which achieved ISO 9001:2008 certifications in 2011. As a consequence of the good financial performance; improving solvency position; diversified investment portfolio; high claim paying ability and experienced Top Management Team, the Credit Rating

Information & Services Limited (CRISL) has rated Prime Insurance Company A+ (A Plus) for the year 2013 & 2014.

### Awards & Recognition:

The company has achieved the following number of awards and recognition for improvement in Transparency, Accountability and Corporate Governance of the published Annual Report:

- **ICSB National Award: Silver Award** for Corporate Governance Excellence for the year 2013 & 2014,
- **Certificate of Merit Award** from South Asian Federation of Accountants (SAFA) amongst the SAFA countries for the year 2012 & 2013,
- **Third (3rd) Prize from 13th & 14th ICAB National Award** for Best Presented Annual Report for the year 2012 & 2013,

- **Certificate of Merit – 2012** as the Best Corporate in General Insurance Sector from the Institute of Cost and Management Accountants of Bangladesh (ICMAB).

### Business & Networks:

Prime Insurance Company has an expanding and well-organized network of 18 Branches & 1 Booth covering important divisional areas of the country. Prime runs its business through fully online system. To uphold its trend of introducing innovative products & services, Prime has launched three exclusive products: **Hajj & Umrah Insurance** which is first time in Bangladesh and also Health Insurance Product '**Prime Health Plan**' in non-life insurance category which is fully supported by the abroad reinsurers and treatment facilities in home and abroad.

To give 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 & plays an important role in the GDP growth of Bangladesh.

Prime is the insurer of '**Summit Power Plant**', one of the biggest power plants in Bangladesh & also the pioneer of the **Shipbuilders Liability Insurance Coverage** in the country.

### Re-insurance Arrangements of Prime:

Prime has its Re-insurance support from the abroad. Our 50% treaty is mandatory with the Local Re-insurer Sadharan Bima Corporation (SBC) and 50% with "A" rated Re-insurance Company from the overseas market. Our foreign lead Treaty Reinsurers is **Trust Re, Bahrain** and follow liners are **GIC Re, India**

and **Malaysia Re, Malaysia**. 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 etc.** work with Prime.

### Mass Awareness & CSR Activities:

With an aim to create mass awareness on safety and security of life, property and others; Prime Insurance has published a number of publications like: **Fire Protection Guide Book, Traffic Guide Book, Health Guide Book, Hajj & Umrah Guidebook**, an informative book to facilitate the holy journey of the pilgrims during Hajj & Umrah. Prime Insurance often organizes workshops/trainings/seminars & free consultation services on insurance. Prime has taken another initiative introducing a Training program for the Drivers named "Vehicle maintenance and Traffic rules" under its CSR activities, which is fully free of cost and most of our clients are enjoying this facility.

Prime also provides **Students Scholarship** amongst the bright students who are financially challenged.

The Company also very encouraging in environmental issue & expressed their cautiousness through sponsoring a campaign '**One Student One Tree**' of Treeism Foundation.

With an experience of 20 years, Prime Insurance has contributed significantly to the growth and development of the non-life insurance companies in Bangladesh. And today the company has been recognized as one of the most reputed insurance companies in Bangladesh both in National and 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 of Bangladesh on 31 March 1996. Prime Insurance obtains renewal licence from the 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 Insurance 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 18 (eighteen) on-line branches spread across the country.

**Name of the Company:** Prime Insurance Company Ltd.

**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

**Authorized Capital:** Tk. 100.00 Crore

**Paid-up Capital:** Tk. 40.88 Crore

Shareholding Structure	For the Year 2015			For the Year 2014		
	No of Holding Shares	Holding %	Holding Share Taka	No of Holding Shares	Holding %	Holding Share Taka
Sponsor Directors & Directors	18,431,964	45.09	184,319,640	17,554,263	45.09	175,542,630
Public Shareholders	22,445,534	54.91	224,455,340	21,376,688	54.91	213,766,880
<b>Total:</b>	<b>40,877,498</b>	<b>100</b>	<b>408,774,980</b>	<b>38,930,951</b>	<b>100</b>	<b>389,309,510</b>

**Registered Office:**

Unique Heights, 117, Kazi Nazrul Islam Avenue (9th floor), Dhaka-1000, Bangladesh  
Phone: 096132 62188, 09613262100, E-mail: info@prime-insurance.net

<b>Nature of Business</b>	: All kinds of Non-life insurance business	
<b>Corporate website</b>	: <a href="http://www.prime-insurance.net">www.prime-insurance.net</a>	
Listing Status	: Listing Date	
Dhaka Stock Exchange Limited	: March 21, 2001	
Chittagong Stock Exchange Ltd	: March 22, 2001	
<b>Market Price of Share</b>	<b>DSE</b>	<b>CSE</b>
Closing Price on 31 December, 2015	15.00	14.00
Market Category	: "A" Category	
Tax Payer's Identification Number (TIN )	: 768008223459	
VAT Registration Number	: 9011015653	
<b>Credit Rating Information</b>	: "A+"	
Auditors	: <b>M/s. M. M. Rahman &amp; CO.</b> Chartered Accountants	
<b>Tax Advisor</b>	: <b>M/s. A. Hossain &amp; Co.</b> Chartered Accountants	
<b>Legal Advisers</b>	: <b>AF Hasan Arif &amp; Associates</b> <b>Syed Mizan &amp; Associates</b> <b>Law &amp; Remedy</b>	
<b>Chairman</b>	: <b>Md. Zakiullah Shahid</b>	
<b>Vice Chairman</b>	: <b>Mr. Shah Alam Babul</b>	
<b>Chief Executive Officer (CEO)</b>	: <b>Mohammodi Khanam</b>	
<b>Chief Financial Officer (CFO)</b>	: <b>Badal Chandra Rajbangshi</b>	
<b>Head of Accounts Department</b>	: <b>Lokman Hossain</b>	
<b>Company Secretary</b>	: <b>Kamal Pasha</b>	
Number of Employees	: 256	
Number of Branches	: 18	
Number of Shareholders as on 31/12/2015	: 2941	

**Principal Bankers**

- Standard Chartered Bank
- Prime Bank Ltd.
- Al-Arafah Islami Bank Ltd.
- Dutch Bangla Bank Ltd.
- Bank Asia Ltd.

**Investor Inquiry:**

**Md. Asaduzzaman Mia**

**AVP & Head of Share Department**

Unique Heights ( 9th floor), 117, Kazi Nazrul Islam Avenue, Dhaka-1000 , Bangladesh  
Phone : 096132 62188, 09613262100, E-mail : info@prime-insurance.net

**Membership:**

- Bangladesh Insurance Association
- Bangladesh Association of Publicly Listed Company
- Bangladesh German Chamber of Commerce & Industry
- Bangladesh Malaysia Chamber of Commerce & Industry
- Canada Bangladesh Chamber of Commerce & Industry
- Dhaka Chamber of Commerce & Industry
- Dutch Bangla Chamber of Commerce & Industry
- France Bangladesh Chamber of Commerce

## Our Branches

Branch Name	Head of Branch	Contact No.
<b>Narayangonj Branch</b> 52/1 B.B Road (2nd Floor), Narayangonj E-mail: narayangonj-branch@prime-insurance.net	<b>Mr. Basudev Chakrabarty</b> Additional Managing Director	01713331821 7631936
<b>V I P Road Branch</b> Paramount Heights, (2nd Floor), Flat # 2C1, 65/2/1, Box Culvert Road, Purana Paltan, Dhaka. E-mail: viproad-branch@prime-insurance.net	<b>Mr. Gouranga Chandra Misra</b> Sr. Executive Vice President	01713331856 7126311
<b>Mohakhali Branch</b> G P F – 93(2nd Floor), Mohakhali, Dhaka. E-mail: mohakhali-branch@prime-insurance.net	<b>Mr. Mohammed Monirul Alam,</b> Executive Vice President	01713331820 9886177
<b>Principal Branch</b> Phoenix Bhaban (3rd Floor), 12 Dilkusha C/A, Dhaka-1000. E-mail: principal-branch@prime-insurance.net	<b>Mr. Uttam Kumar Bhowmick</b> Senior Vice President	01711628695 7110924 9514126
<b>Gulshan Branch</b> Hosna Center (2nd Floor), Suit # 207, 106 Gulshan Avenue, Gulshan # 2, Dhaka. E-mail: gulshan-branch@prime-insurance.net	<b>Mr. Mahbubur Rahman</b> Vice President	01713331847 9890263
<b>Dhaka</b> <b>Kawranbazar Branch</b> BGMEA Complex, Block # B (5th Floor), 23/1 Panthopath, Link Road, Kawranbazar, Dhaka. E-mail: kawranbazar-branch@prime-insurance.net	<b>Mr. K. M. Mostahid</b> Vice President	01713331833 9126685
<b>Rajuk Avenue Branch</b> Rahmania International Complex (11th Floor) 28/1-C Toyenbee Circular Road, VIP Road Motijheel, Dhaka-1000. E-mail: rajuk-branch@prime-insurance.net	<b>Mr. Md. Kamrul Hassan</b> Vice President	01730785334 7194043 7194047
<b>Bangshal Branch</b> 121/2 Lutfor Rahman Lane (4th Floor), Dhaka. E-mail: bangshal-branch@prime-insurance.net	<b>Mr. Md. Mozammel Hossain</b> Vice President	01713331841 9563197 9559391
<b>Mirpur Branch</b> 184, Razia Plaza, Senpara Parbata Rokeya Sarani, Mirpur#10, Dhaka. E-mail: mirpur-branch@prime-insurance.net	<b>Mr. Monobrata Roy</b> Vice President	01713331837 9007192
<b>Motijheel Branch</b> 72, Dilkusha (4th Floor) C/A, Dhaka. Email: motijheel-branch@prime-insurance.net	<b>Mr. A. Z. M Rezwanul Haque</b> Senior Assistant Vice President	01713331840 9564100
<b>Savar Branch</b> Biswas Tower (3rd Floor), Baipail Ashulia, DEPZ, Savar, Dhaka. E-mail: savar-branch@prime-insurance.net	<b>Mr. Md. Nurul Absar</b> Deputy Manager	01755630972



	Branch Name	Head of Branch	Contact No.
Chittagong	<b>Kadamtali Branch</b> Rahat Centre (1st Floor), 295, D. T. Road Kadamtali, Chittagong. E-mail: kadamtali-branch@prime-insurance.net	<b>Mr. Mainul Islam Chowdhury</b> Executive Vice President	01730358444 031-2529225
	<b>Agrabad Branch</b> Akhteruzzaman Center, Agrabad Commercial Area Plot no-21 & 22, 7th Floor, Mouza-Ghosaidanga Double Mooring, Chittagong. E-mail: agrabad-branch@prime-insurance.net	<b>Ms. Mehrunnesa Shimul,</b> Deputy Manager	01755630974 031-715907
Rajshahi	<b>Pabna Branch</b> A U Center (3rd Floor), Holding # 864 Sonapotty, Dilalpur, Pabna. E-mail: pabna-branch@prime-insurance.net	<b>Mr. Md. Mijanur Rahman</b> Sr. Executive Vice President	01713331843 0731-64124
	<b>Rajshahi Branch</b> Shaheb Bazar, Natore Road, Rajshahi. E-mail: rajshahi-branch@prime-insurance.net	<b>Mr. Fazal Mahmud</b> Senior Assistant Vice President	01711855776 0721-775277
	<b>Bogra Branch</b> 1st Floor, Tip top Traders, Zilder Market Ideal School Lane, Boragola, Bogra. E-mail: bogra-branch@prime-insurance.net	<b>Mr. Md. Mahfuzul Bari</b> Manager	01766887088 051-60960
Khulna	<b>Khulna Branch</b> Nizam Chamber (3rd Floor), 7, Old Jessore Road, Khulna. E-mail: khulna-branch@prime-insurance.net	<b>Ms. Firoja Begum</b> Manager	01712423267 041-731164 041-731420
Barisal	<b>Barisal Branch</b> 95, Sadar Road (2nd Floor), Barisal. E-mail: barisal-branch@prime-insurance.net	<b>Mr. Abdul Halim Khan</b> Vice President	01713331844 0431-64426
Booth Office	<b>Ekuria Booth</b> Room # PO-01, Hasnabad Super Market, (1st Floor) Keranigonj, Dhaka. E-mail: ekuria-booth@prime-insurance.net	<b>Kazi Aminur Rahman</b> Asstt. Vice President	01713331822



## Credit Rating Report

Credit Rating Information and Services Ltd (CRISL) has reaffirmed the Claim Paying Ability (CPA) rating of Prime Insurance Company to A+ (pronounced as single A plus) for the year 2014 based on the audited financials up to December 31, 2014 and other relevant qualitative and quantitative information up to the date of rating and will be valid till June 30, 2016.

Claim Paying Ability (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.

The report also stated that Prime Insurance Company has a stable outlook from the industrial point of view for overall industry growth and policy and regulations implicated by regulatory authority as well as new Insurance Act.

It should be mentioned that in 2013, 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 five years CRISL Rating at a Glance

Year	CPA Rating
2014	A+ (single A plus)
2013	A+ (single A plus)
2012	A (Single A)
2011	A (Single A)
2010	A (Single A)

# Chairman's Statement



In the name of Allah, the most Merciful, the most Graceful.

### Dear Fellow Shareholders,

On behalf of the Hon'ble Board of Directors of Prime Insurance Company Ltd., I would like to express my heartfelt gratitude towards you for the unflinching support & cooperation extended to us throughout the year 2015 which made us successful in accomplishing a sound and strong financial footing in the business arena.

It is a great delight for me to welcome you all to the 20th Annual General Meeting of the Prime Insurance Company Limited and I consider it is my privilege to address you of our plans and prospects and am deeply aware of the trust and confidence that you have reposed to our organization.

Having completed the 20 years of thriving operations, I am very much pleased to present the financial performance and achievements of our Company for the year ended December'2015.

### Honorable Shareholders,

In the first quarter of 2015, we passed through ups & downs in our financial system due to adverse political situations but the Company was able to maintain its energy & achieve 5.29% growth in business during the year 2015, a significant increase from 1.01% in 2014.

The adequate growth was possible through the dedication & effort by all of our employees, support from the Customers & the Shareholders and above all, the valuable guidance & monitoring of the Board.

I express my thankfulness to each of them and look forward to receiving their constant support throughout the coming years. In Sha Allah, we will again be able to achieve the notable business growth in 2016 as our Management is capable enough to fulfill the business target as per the business strategy.

Today, after completion of our 20 years successful journey, I am proud to announce that we have made a reputation of being one of the Bangladesh's leading non-life insurance companies by maintaining every bit of the passion, obstinacy and rigorousness with which we sowed the seeds of this company.

Taking this opportunity, I am pleased to announce that the Company has succeeded in delivering sufficient growth in its business, profitability and investments. All the financial indicators show our performances which are given below:

1. We earned a gross premium income of Tk. 579.55 Million as against Tk. 550.45 Million in 2014, showing a growth of 5.29%.
2. Total underwriting profit in 2015 is Tk. 118.27 Million compared to Tk. 102.99 Million in 2014.
3. Total assets of the Company stood at Tk. 1,206.99 Million in 2015 from Tk. 1,189.81 Million in 2014, showing growth 1.44%.
4. Due to claim settlement and reinsurance issues, Fixed Deposit position has been reduced a bit & stood at Tk. 294.80 Million in 2015 compared to Tk. 406.30 Million of the year 2014.
5. Net claims settled of (Tk. 4.91 Million) arrives at after adjustment of recoverable claims from the reinsurers.
6. EPS stands at Tk. 2.15 which has reduced a bit but not fell flat despite all the challenges faced. In 2014, it was Tk. 2.41.

### Dear Shareholders,

You all are aware that in the year 2013, we have invested to purchase commercial floor space measuring 11,500 sft at level 10 of Unique Heights, 117, Kazi Nazrul Islam Avenue, Dhaka. In the year 2014, we have again purchased additional floor space measuring 4,236 sft at the same floor of the same building with a total

amount of Tk. 177,288,800. We have already paid Tk. 165,451,600. Remaining amount of Tk. 11,837,200 will be paid very soon at the time of registration of the floor.

Now, you would be glad to know that we have fulfilled our dream through shifting our Head Office to those premises in September 2015.

Further, we are going to take over the possession of our commercial floor space measuring 15,000 sft which we purchased with an amount of Tk. 102,900,000 at Tropical Molla Tower, Pragati Sharani, Badda, Dhaka. This will be one of our sources of income & will strengthen our financial structure when it would be rented out. We have already paid Tk. 100,400,000. The rest of the amount of Tk. 2,500,000 will be paid during the time of registration of the floor.

#### **Dear Shareholders,**

To keep pace with the fast moving progressive digital world as well as Bangladesh Government's initiative of digitalizing the country, Prime Insurance is also moving forward with its technological advancement introducing Document Management Software to reduce the paper based works which also serves our concerns towards the environment.

Amongst the general insurance companies in Bangladesh, Prime Insurance Company is the pioneer in launching Mobile Phone Application to serve its clients through necessary services & information as well.

Prime Insurance Company has not only been rated by the Credit Rating Information and Services Limited (CRISL) as Grade A+ Company, the Company also achieved a number of awards and recognition several times at home and abroad.

#### **Respected Shareowners,**

It is important to mention that sometimes we take on a contrarian and differentiate approach to business, cutting the market clutter and distinctly positioning our USPs as well as highly concerning our customers' interests.

- While most others see a client as just a client, we treat them as our valued business partner & potential. We structure our products such that they give our clients the wings to fly and also the comfort which will defend them from any unfavorable situation.
- We price our products keeping in mind that it will safeguard the interests of our clients adequately as well as alleviate the risk of our system when & where required.
- We highly prioritize & maintain the highest standards of governance, its effective role in policy formulation and discharging best possible Corporate Governance and operate our business within the territory of regulations-both in letter and spirit.
- We also have a robust well-qualified senior management team who bring forth excellence in implementing our vision and strategies as well as provide us with valuable insights of the market dynamics.
- We are very lucky to have a strong senior management team who always expedite our vision and strategies to get done excellently based on the need of dynamic market demands.

#### **Dear Shareholders,**

With its remarkable track record, we are very much confident that our company is ready always to accept any challenges of the future, capitalize on opportunities arising and also uphold its impetus of growth in business & profitability in the years to come. We are most obliged & indebted to the continued trust,



support and patronage received from our business partner clients and shareholders and would look forward to continuing this strong relationship.

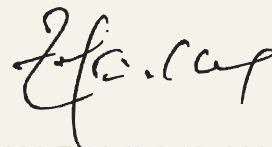
I would like to extend our gratitude to the Ministry of Finance, Government of Bangladesh, Insurance Development & Regulatory Authority (IDRA), Bangladesh Insurance Association (BIA), Bangladesh Bank, Bangladesh Securities & Exchange Commission (BSEC), National Board of Revenue (NBR), Registrar of Joint Stock Companies & Firms (RJSC), Dhaka Stock Exchange (DSE), Chittagong Stock Exchange (CSE) and all other regulatory authorities for their valuable guidance, support & co-operation.

I would also like to express my sincerest appreciation to my fellow Board Members for their support, advices and guidance. The management team & all levels of employees

who worked very hard to take the Company forward & in delivering outstanding results, I would like to record our earnest appreciation of their wholehearted and unwavering services and convey our thanks to all of them.

I strongly believe and hope that like the previous years; again we will sail together towards the intended target of building ourselves the best of the bests.

May the Almighty, the possessor of great bounty shower us all with his mercy, peace and blessings always, Ameen.



**Md. Zakiullah Shahid**  
Chairman

# CEO'S Roundup



### Dear Valued Shareholders,

From the inception, I would like to express our deepest appreciation & grateful acknowledgement for your uninterrupted & praiseworthy support & cooperation for Prime Insurance Company Ltd.

It is my great pleasure & privilege to be a part of this prestigious Company and for being able to deliver this message to you and I am also very much delighted to present you all the Annual Report 2015 of Prime Insurance Company Limited.

### Global and Regional Outlook

Every business has an impact on the environment. Global economic instability directly hampers the financial companies' operating policy & causes a great harm to the production & reduces the revenues as well.

As a part of the global economy, our national economy also faced a lower growth opportunities due to the extended economic crisis over the past few years.

**The World Economic Outlook (WEO)-2015** explains that it is a year of Slower Growth in Emerging Markets & a Gradual Pickup in Advanced Economies. Global growth is projected at 3.3 percent in 2015, marginally lower than in 2014, with a gradual pickup in advanced economies and a slowdown in emerging market.

### Factors Affected the Global Growth

But the developments of the following factors affected the Forecast of the global growth such as weaker first-quarter growth due to unexpected output contraction in the United States as well as a strong downsizing of capital expenditure in the oil sector contributed to weakening U.S. activity.

Besides, Oil Price Rebound, Inflation, Currency Depreciation, Rise in Bond Yields, Rising of Risk Premiums in emerging market economies also affected badly in the projected global growth.

### Bangladesh Economy

Our economy has experienced a slowdown recently through supply side interruptions in the garments industry as a result of few unfortunate tragedies & also some adverse political situations during the first quarter of the year 2015.

However, I feel, we are a resilient economy as depicted by our average GDP growth of 6%. It is my

opinion, that every hurdle is a learning lesson and an opportunity to explore in the future as we have seen other industries fill the gap left in the economy.

### Our Initiative

Likewise, we have been bespoke in our approach to business to overcome this situation and are pleased to inform that our business growth is satisfactory. We have shifted away from catering to traditional policies and took a bit of risk and approached business clients and partners with innovative covers and heightened response time for settlements.

This proactive approach to expansion through quality, new policies gave Prime Insurance a new competitive advantage in the industry making it distinct from its competitors. Having said that, it is the acceptance and success of our core services and policies that we have honed and improved for years that gave us the courage to take such steps.

In spite of the changing circumstances globally & nationally, Prime Insurance Company Ltd. (PICL) has maintained its business progress through wise planning and meticulous execution and has achieved its annual target for the fiscal year 2015.

### Our Commitment & Delivery

As our goal to shape the company an institution of excellence, we are always moving forward with our commitment delivering exclusive & diversified products and faster services to our valuable clients through innovative IT infrastructure and using efficient software solution also having an entirely online system & development of mobile applications which is designed to make the prompt settlement of claims.

### Reinsurance Arrangement

Prime always gives the highest priority in reinsurance arrangement through risk share to mitigate the risk in business as well as ensure prompt settlement of claims & thus by, increase the clients' satisfaction & trust and avoid having any unwanted event.

The notable Reinsurers of Prime are the Lead Reinsurer Trust Re, Bahrain and others are GIC Re, India and Malaysia Re. ICICI Lombard, India. Again many more reputed Reinsurers work with Prime other than the Treaty Partners.

### Our Strength

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

### Capital Adequacy

As evidenced by the financial snapshot provided below, I am proud to see the progress we have made in such difficult time.

Getting to the financial details, we have provided a snapshot of our key financial indicators on page 55. We have kept our promise and achieved a business growth of about 5.29% and as a result, our operating profit increased to Tk. 118.27 Million from Tk. 102.99 Million in 2014, but due to drastic fall in interest rate and share price in Capital Market, our investment and other income reduced to Tk. 34.46 Million from Tk. 60.39 Million in 2014 for which our net profit after Tax was decreased to Tk. 87.69 Million against Tk. 98.35 Million in 2014.

With a stable growth in our gross premium income and we sincerely believe that such growth in our gross premium income will continue to sustain our future development outlays. This performance has enabled us to maintain a steady dividend policy. The current outlay of Tk. (4.91) Million as net claim settlements from our own funds which is recoverable from the reinsurers clearly depicts our capability and proficiency of services to the insured.

### Our Product:

To maintain pace with the trends of the Asian Insurance Market, Prime has already launched two new products: **Hajj & Umrah Insurance** and **Group Health Insurance** i.e, Hospitalization Cover which is very attractive for its wider coverage with minimum premium cost. In 2015, Prime launched 'Avijita', a health insurance product for **Bangladeshi Women Entrepreneurs**.

Furthermore, to give the financial security to the banks, the company has launched **Bankers Blanket Bond (BBB) Coverage** with maximum coverage & fewer premiums 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.

Prime feels very proud to be the insurer of 'Summit Power Plant', one of the biggest power plants in Bangladesh. Prime has its glory even in **Shipbuilders Liability Insurance** Coverage Sector.

Besides, Prime underwrites all classes of general insurance business such as **Marine, Fire, Burglary, Motor, Engineering, Aviation** & various types of miscellaneous accidental insurance.

### Corporate Social Responsibility

Prime has not stopped its moving forward by only launching the health insurance product, to make it more available for its valuable clients & serve them in a better way, it has organized a 'Medical Education' & 'Free Medical Advice Session' tying up with world famous National University Hospital (NUH) Singapore.

With an aim to create mass awareness on safety and security of life, property and others; Prime Insurance has published a number of publications for free distribution such as; **Fire Protection Guide Book, Health Guide Book, Hajj & Umrah Guidebook**, an informative book to facilitate the holy journey of the pilgrims during Hajj & Umrah; '**Traffic Guidebook**' with an updated information on traffic rules and regulations for ensuring the road safety and complemented it introducing a Training program for the Drivers named '**Vehicle maintenance and Traffic rules**' under its CSR activities having also its publication on '**Vehicle Maintenance and Traffic Rules**'.

Prime Insurance often organizes workshops/trainings/seminars & free consultation services on insurance.

One of the Prime's noble initiatives is **Students' Scholarship** for the bright but financially insolvent students. We have our plan to increase the volume of the fund in the near future.

From the realization of the necessity of green plantation, the Company sponsored '**One Student One Tree**' campaign of Treeism Foundation through handing over a green plant to each of the students of a local school situated in Dhaka city.

## Human Resources

Giving always the highest focus on the right placement of the human resources, we strongly believe that employees are the greatest assets and recognize them as building blocks of the Company's performance.

We are continuing to invest in people to upgrade their skill sets through various training programs at home and for those exceptional ones, the Company sponsors overseas courses designed by various Insurance Institutes in India, Malaysia, Singapore, UK and other countries.

Including Gratuity, Contributory Provident Fund, Encashment of un-availed Earned Leave; the Company further provides Health Insurance Coverage, Group Term Insurance for all employees. To make the life easier & give it a best comfort, the entitled employees are enjoying 100% free transportation facility by the Company.

## Awards & Recognition

For the improvement in Transparency, Accountability and Corporate Governance of the published Annual Report; the company has achieved the following number of awards and recognition:

**ICSB National Award: Silver Award** for Corporate Governance Excellence for the year 2013 & 2014, **Certificate of Merit Award** from South Asian Federation of Accountants (SAFA) amongst the SAFA countries for the year 2012 & 2013, **Third (3<sup>rd</sup>) Prize from 13<sup>th</sup> & 14<sup>th</sup> ICAB National Award** for Best Presented Annual Report for the year 2012 & 2013, **Certificate of Merit – 2012** as the Best Corporate in General Insurance Sector from the Institute of Cost and Management Accountants of Bangladesh (ICMAB). We hope and will make every effort to continue to uphold this standard in the future.

As a consequence of the good financial performance, improving solvency position, diversified investment portfolio, high claim paying ability and experienced Top Management Team; the Credit Rating Information & Services Limited (CRISL) has rated Prime Insurance Company A+ (A Plus) for the year 2013 & 2014.

In the current year, we have tried our utmost to provide requisite numerical and text information in Annual Report-2015. We hope the information

provided will assist our stakeholders in the process of the assessment of capital adequacy, asset quality, profitability, liquidity, corporate governance, and market share, contribution to a national exchequer, corporate social responsibility, risk management, regulatory compliance and disclosure.

We sincerely hope our nation as well as the global economy takes a turn for the better. However, we feel adequately prepared for whatever challenge the future holds. Our commitment to sustainable growth through carefully thought out planning, our crucial presence in the Central Rating Committee, our strategic partnerships with other organizations as well as the introduction of innovative and competitive covers should allow us to continue this progress.

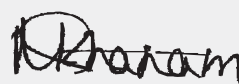
**In conclusion**, I would like to thank our workforce for their devotion & commitment in their works all through the year 2015 and hope for continuance in the years to come.

I also thank all of our stakeholders-without their support and assistance it would have quite difficult for us to score with excellent results in all sectors in such a challenging environment.

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

Finally, my special thanks goes to our Hon'ble Chairman & Members of the Board for their valuable input, guidance and contribution, and the management team for their commitment to expediting as well as implementing our strategy and building the Company in this tough time.

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



**Mohammudi Khanam**  
Chief Executive Officer





## Board of Directors



**Md. Zakiullah Shahid**  
Chairman



**Md. Shah Alam**  
Vice-Chairman



**Alhaj Abdul Gaffar Dubash**  
(Died on February 19, 2016)  
Director



**Nazma Haque**  
Director



**Qazi Saleemul Huq**  
Director



**Mahabuba Haque**  
Director



**Shah M Hasan**  
Director



**Abu Hasan Khan**  
Director



**Mahanur Ummel Ara**  
Director



**Dil Ara Begum**  
Director



**Dr. Fatema Raushan Jahan**  
Director



**Saheda Pervin Trisha**  
Director



**Gole Afroz Banu**  
Director



**Nilufar Hossain**  
Director



**Rahela Hossain**  
Director



**Hasina Khan**  
Director



**Tahera Akhter**  
Director



**Sabiha Khaleque**  
Director



**A Z M Sazzadur Rahman**  
Independent Director

# OBITUARY



**Alhaj Abdul Gaffar Dubash** Director of Prime Insurance Company Limited and an eminent businessman of the country expired on February 19, 2016.

We deeply mourn for his sad demise. May Allah grant him place in Jannatul Ferdous (Ameen).

 **PRIME INSURANCE COMPANY LIMITED**



## Directors' Report

Bismillhir Rahmanir Rahim  
Honourable Shareholders,  
Assalamu Alaikum

On behalf of the Board of Directors, I have the immense pleasure to welcome you all to the 20<sup>th</sup> Annual General Meeting (AGM) of the Company and to present before you the Director's Report, Auditors' Report and Audited Financial Statements for the year ended 31st December 2015, wherein a brief description of the Company's performances, future prospects and various aspects of world market trend with highlights of the performances of Bangladesh Economy has also been incorporated. The AGM may be treated as a Corporate Parliament, where the shareholders exchange views, pass valuable opinions & future guidelines for the

continued growth of the Company. The Company is benefited for getting fresh and new ideas from every AGM. That is why; we always give utmost importance in arranging the AGM.

### Global Economic Scenario

In recent months, the global economy has been rocked by a dramatic decline in oil prices, a dramatic increase in the value of the dollar, a slowdown in China, uncertainty in Europe, and anticipation of a shift in US monetary policy. Moreover, there has been a sharp divergence between monetary policy in the United States and policy in other major economies, contributing to exchange rate volatility. The result is a mixture of diverging performances: The US economy appears to be on a strong growth path, driven by domestic demand but

offset by weakening external demand; Europe is finally accelerating, but it faces continuing uncertainty about financial stability emanating from troubles in Greece; China is slowing, but the government is becoming more aggressive in attempting to stabilize growth; Japan is recovering, but questions remain about nonmonetary policy; India is strengthening amid investor optimism; and Brazil and Russia continue to face serious challenges.

### Bangladesh Economy

Bangladesh is a developing Country that is classified as a **Next Eleven** emerging market and one of the **Frontier Five**. According to a recent opinion poll, Bangladesh has the second most pro-capitalist population in the developing world.

Between 2004 and 2014, Bangladesh averaged a GDP growth rate of around 6%. The economy is increasingly led by export-oriented industrialization. The Bangladesh textile industry is the second largest in the world. Other key sectors include pharmaceuticals, shipbuilding, ceramics, leather goods and electronics. Being situated in one of the most fertile regions on Earth, agriculture plays a crucial role, with the principal cash crops including rice, jute, tea, wheat, cotton and sugarcane. Bangladesh ranks fifth in the global production of fish and seafood. Remittances from the Bangladeshi Diasporas provide vital foreign exchange.

The Bangladesh telecom industry has witnessed rapid growth over the years and is dominated by foreign investors. The government has emphasized the development of software services and hi-tech industries under the **Digital Bangladesh** scheme. Bangladesh has substantial reserves of natural gas and coal; and many international oil companies are involved in production and exploration activities in the Bay of Bengal. Regional neighbors are keen to use Bangladeshi ports and railways for

transshipment. Located at the crossroads of SAARC, the ASEAN+3, BIMSTEC, and the Indian Ocean, Bangladesh has the potential to emerge as a regional economic and logistics hub.

In 2015, per-capita income stood at USD 1,314. While achieving significant macroeconomic stability, Bangladesh continues to face challenges such as infrastructure deficits and energy shortages.

### Bangladesh Economy moves up 14 places on World Bank & IMF Scale in 2 years

The World Bank (WB) and IMF think that Bangladesh Economy, which has been maintaining over 6% growth, is gradually gaining a strong footing. According to WB's World Development Indicators Database and IMF's World Economic Outlook, Bangladesh advanced 14 steps from the 58th position to 44th in the world economy in the last two years.

According to the WB and IMF reports, Bangladesh economy ranked 58th in the world with a GDP of \$149.99 billion based on current price in 2013. In 2015, the GDP grew to \$205.3 billion taking Bangladesh to the 44th position in the world economy. The WB and IMF published the reports in April 2015.

Maintaining over 6 percent GDP growth in the last six years is really an outstanding achievement for Bangladesh. The progress had brightened Bangladesh's image in the international arena. Foreign investors will now show their interest to bring funds into Bangladesh. It will play a positive role in securing foreign loan and aid.

### Our Business

Prime Insurance Company Limited started its journey on 31 March 1996 with a vision to be one of the premier non-life insurance companies in Bangladesh. With the passage of time, the Company has diversified its business and provides its business partners with the best possible quality of faster services.



The Company started its business with a paid up capital of Tk. 60 million against authorized capital of Tk. 250 million sponsored by a group of renowned business personalities and reputed industrialists of the country being involved in diversified business. Meanwhile, to accelerate our business, we have raised our authorized capital to Tk. 1,000 million in the year 2010 and the Paid-up capital has been raised to Tk. 408.77 million as on 9 April 2015.

The Company went into Initial Public Offering (IPO) in the year 2000. The shares of the Company are being traded in both the bourses DSE & CSE and are listed in the "A" Category. The Company is financially sound and has been declaring dividend during the last 8 years continuously.

Our strategic objective is to be one of the top institutions in terms of product and service, cost efficiency, market share, corporate governance, corporate culture and so on. Over the years, Prime Insurance has established its track record as a sound & dependable insurer, providing insurance solution to the individual needs of its clients and consistently meeting its commitments. We try to maximize insurance coverage at a minimum cost and provide our clients with professional and expert services.

We are confident that as an efficient and committed team we will make the best use of our strategy and maintain the highest standards of quality in all areas of our work so that gradually we can uphold our status as one of the market leaders in the insurance industry. To meet the terms of success what we need is the incessant support of our various valued Shareholders, Stakeholders, Sponsors, Regulatory Bodies and most of all our Clients.

### **Business Review & Financial Analysis**

- In the year ended on December 31, 2015, the total gross business growth is 5.29% which was 1.01% in 2014.

- In 2015, the company has earned Gross premium of Tk. 579.55 million as against Tk. 550.45 million in 2014.
- Total underwriting profit in 2015 is Tk. 118.27 million compared to Tk. 102.99 million in 2014.
- Net Claims paid is Tk. 4.91 million in 2015, which was Tk. 19.87 million for the Year 2014.
- Investment & other income is Tk. 34.46 million in 2015 while it was Tk. 60.39 million in 2014.

### **Class wise Premium**

#### **Fire**

In the year 2015, gross premium income increased from Fire Insurance alone by 23.71% from Tk. 165.69 million in 2014 to Tk.204.98 million in 2015. The net premium income from fire insurance business stood at Tk. 33.41million.

#### **Marine**

Gross premium income in Marine Insurance Business was Tk. 197.11 million in 2014 and Tk.147.93 million in 2015. The net premium income stood at Tk. 91.44 million.

#### **Motor**

Gross premium income from Motor Insurance Business increased by 7.69% from Tk. 43.36 million in 2014 to Tk. 46.65 million in 2015. The net premium income stood at Tk.43.27 million.

#### **Miscellaneous**

In the year 2015, gross premium income from Miscellaneous Insurance Business became Tk.179.99 million, while it was Tk. 144.29 million in 2014. The net premium income from Miscellaneous Insurance Business stood at Tk. 43.72 million.

### **Investment Income**

In 2015, the company earned from Stock Market: Tk.4.15 million, which was Tk. 19.32 million in 2014. Similarly, the company earned Tk.28.88 million from FDR Interest in 2015, while it was Tk. 39.11 million in 2014.



## Liabilities

The total Liabilities of Prime Insurance Company Limited stood at Tk. 1,206.99 million in 2015 from Tk. 1,189.81 million in 2014. The total liabilities excluding equity of Tk. 712.18 million are Tk. 494.81 million, registering a growth of 1.44 %.

## Profit (before tax & after tax)

Company earned a net profit before tax Tk. 134.23 million in 2015 as against Tk. 138.53 million in 2014. Company earned a net profit after tax of Tk. 87.69 million in 2015, while it was Tk. 98.35 million in 2014.

## Earnings per share

Particulars	2015	2014	2013	2012	2011
Earnings per share after tax:	2.15	2.41	2.22	2.14	1.90

## Appropriation of Profit

The Board of Directors has recommended for appropriation as follows:

a. The un-appropriated profit from previous year	Tk. 1.80 Million
b. Net profit for the year 2015	Tk. 87.69 Million
c. Total fund available for appropriation	Tk. 89.49 Million
(i) Reserve for exceptional losses	Tk. 15.89 Million
(ii) Provision for general reserve & fluctuation fund	Tk. 21.22 Million
d. Net un-appropriated profit	Tk. 52.38 Million

## Dividend

The Board of Directors of Prime Insurance recommends a 12.5% cash dividend for the year ended 31 December 2015 amounting to Tk. 51.10 million for declaration in the 20th AGM.

## Reserve

Reserve is a key indicator of the financial strength of a company. Accordingly, an exceptional loss reserve of Tk.15.89 million has been proposed for the year out of the profit earned. Thus, at the end of 2015, the total reserve amount will be Tk.171.45 million as against Tk.155.57 million at the end of 2014 registering a growth of 10.21 %.

## Cash Flow From Operating Activities

In 2015 the operating cash flow was Tk. (70.82) million against Tk. 83.78 million in 2014 due to payment of outstanding re-insurance premium to Sadharan Bima Corporation (SBC) and overseas reinsurers.

## Total Assets

Total Assets of the Company stood at Tk.1206.99 million in 2015 as against Tk.1189.81 million in 2014 registering a growth of 1.44%. In this year, shareholders' equity of the company is Tk.712.18 million as against Tk.663.42 million in 2014.

## Investment

Total Investment of the company during the year 2015 amounted to Tk.494.93 million as against Tk. 613.84 million in the previous year, which includes share investment of Tk.156.03 million.

## Operating performances

Company's operating performances are summarized below:

### 5 Years performance summary (Taka in Million)

Particulars	2015	2014	2013	2012	2011
Gross premium	579.55	550.45	544.94	440.22	305.50
Net premium	211.84	300.98	249.77	266.35	203.63
R/I Commission earned	184.90	40.59	38.20	25.07	15.27
Underwriting profit	118.27	102.99	97.76	77.58	25.88
Investment income	34.51	60.39	52.95	35.57	43.89
Profit before tax (PBT)	134.23	138.53	125.97	101.68	60.81
Tax provision	46.53	40.18	41.12	29.21	10.00
Fixed deposit	294.80	406.30	353.00	320.18	235.47
Fixed assets	57.65	45.49	149.19	141.48	70.58
Total assets	1206.99	1189.81	1042.96	920.71	775.47

## Company's Vehicles: Usage & Maintenance

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 & Regulatory Authority (IDRA),

we confirm that the company's total expenses relating to usage and maintenance of its vehicles in 2015 was Tk.1.62 million. The total number of vehicles was 24 of which total cost was Tk.38.59 million and the written down value as at 31 December 2015 was Tk.19.81 million.

### Corporate Social Responsibility

Prime Insurance always acknowledges its responsibilities for the well-being of the society and takes part in such activities whenever it becomes necessary. Prime always shares the misery of the distressed people. The Company provides financial support to different social & cultural organizations and to the distressed people of the society. Contribution to CSR programs have been always supported and encouraged by the Board of Directors of the Company. Our CSR includes our customer, employees, shareholders, business partners, and the society as a whole. A report on CSR is in place.

### HUMAN Capital

Human Resources (HR) are the key elements behind the success and future sustainability of the Company. Employees of the Company play significant role in providing better customer service. Human Resources Development is the most important part for attracting organizational growth, development & expansion. As a part of Company's investment in Human Capital, it has formulated HR Policy for recruiting the best-suited people from the society. Fresh Graduates are recruited from different academic backgrounds of renowned Universities through comprehensive written test and viva voce. Finding the right employees, developing, rewarding and retaining them are some of our highest priorities. Our human resources are competent enough to handle the challenges of modern insurance.

The Company always stresses upon attracting and retaining quality human resources through

competitive compensation packages and creating opportunities for individual career development. The Company also provides them a comfortable work environment and undertakes suitable training and workshops to update the knowledge in their respective functional areas.

In the year 2015, 30 Officers/Executives participated in different training courses/workshops organized by different training institutes. Moreover, 2 different training courses covering on 'Bankers' Blanket Bond, Business Communication, were organized in Company's Board Room, where 36 officials of different levels participated.

In addition to that, Company's Head of Specialized Business attended in a Seminar on "Re-insurance & Risk Management", which was held at London during 26-30 October 2015, organized by Tyser & Company Limited, England. Moreover, the Managing Director and the Head of Specialized Business attended in a Conference '8th India Rendezvous' organized by Asia Insurance Review & GIC Re at Mumbai, India on 21-23 January 2015. Participating in such training programs & conferences are the continuous process for the development of the service efficiency.

Yearly performance evaluation is also carried on to reward and cheer hard-working & industrious employees and assess the training requirements.

The Company ensures good social security measures by way of Gratuity, Contributory Provident Fund, Group Insurance and encashment of un-availed earned leave. These factors boost up morale of the employees with strong loyalty and sense of belongingness to the organization.

### Corporate Governance & Compliance

Corporate Governance is the system through which Companies are directed, guided and controlled by the Board while keeping in view

its accountability to the Shareholders. Good Corporate Governance & Compliance structure encourages Companies to create value and provide accountability. Prime Insurance Board of Directors is committed to meeting the highest standard of corporate governance and disclosure. The directors are conscious of their responsibilities in supervision and direction of the company affairs in conformity with the practices of sound corporate governance.

### Compliance Status

Status of compliance with the conditions imposed by Securities and Exchange Commission's notification No. SEC/CMRRC/D/2006-158/129/Admin/43 Date : 3 July, 2012, is attached in Annexure "I-IV"

### Composition of the Board

The Board of the Company is comprised of 19 members as on 31 December 2015, including the Chief Executive Officer as ex-officio member. The Board is well structured with a Chairman and a Vice Chairman, who are elected by the Board Members amongst them. The Chairman, the Vice Chairman and 16 other Members are Non-Executive Directors and only the Chief Executive Officer is an Executive Director. There is also 1 Independent Director in the Board. The Chairman and the Chief Executive Officer of the Company are different bodies with separate functions and responsibilities. All the Directors encompass a range of talents, skills, and expertise to provide prudent guidance with respect to the operations of the Company. These Directors are successful businesspersons in their own right and they hold very responsible positions in public life.

### Role of the Board

The Board is the highest level of authority of the Company to oversee its operation through appropriate delegation reporting and control. The directors hold the ultimate responsibility of

conducting the activities of the Company in accordance with the law and in the interest of its shareowners and other Stakeholders, keeping in view the long-term interest of the Company. The Board always recognizes the legitimate interest of Stakeholders and respects the right of Shareholders.

The Board has the responsibility to periodically review and approve the overall strategies, business, organization and significant policies of the Company. The Board also sets Company's core values, adopts proper standards to ensure that the Company operates with the integrity, and complies with the relevant rules & regulations. The Board approves the Company's budget and business plan and reviews those on regular basis to give proper directions as per changing economic and market environment. The Management operates within the policies, manuals and limits as approved by the Board.

### Functioning of the Board

Though the Board is required under the law to meet at least once in 3 months, but in practical, the Board of Prime Insurance tries to meet in each & every month. The number of Board Meetings held in this year is 13. The Directors are keeping informed of the results and the major activities through distribution of monthly financial statements and quarterly reporting by the Chief Executive Officer /Company Secretary. The Board Agenda includes financial results, business performance, consideration of major investments, new business initiatives, liquidity etc. The Board has been fully committed since its inception to build a strong and empowered Management Team. The management strictly adheres to 2 basic principles of Corporate Governance i.e. Transparency and Disclosure. The Board Meetings are held regularly where policy decisions are taken on the basis of open discussions and consensus, keeping the interest of all shareholders & stakeholders of the company in mind.

## Empowerment of the Management

The Board has given clear guidelines to the Chief Executive Officer to ensure that there is appropriate delegation of authority and clear statement of accountability of the management staff all the way down to the supervisory level and that performance of the individual is judged based on clearly set measurable goals and through objective assessment of their achievement.

## Board and Committee Meetings

13 meetings of the Board of Directors, 13 meetings of the Executive Committee and 7 meetings of the Audit Committee were held during the year 2015. Details are given below in comparison with last 4 years:

Particulars	2015	2014	2013	2012	2011
1. Board of Directors	13	16	8	14	16
2. Executive Committee	13	11	12	10	11
3. Audit Committee	7	5	10	11	10

## Director's Remuneration

Except the Chief Executive Officer, none of the Directors holds any office of profit in the Company. The Directors do not get any remuneration; they only get fees for attending Board/Committee meetings. The maximum fees payable to Directors is Tk. 5,000 for attending each Meeting.

## Audit Committee

Following the BSEC guidelines, the Board has reconstituted the Audit Committee for the Company. The Committee comprises of A.Z.M Sazzadur Rahman, Qazi Saleemul Huq, Sabiha Khaleque, Shah M. Hasan, Md. Shah Alam Babul, Abu Hasan Khan and Dr. Fatema Raushan Jahan. A.Z.M Sazzadur Rahman is the Independent Director and also the Chairman of the Committee. The Audit Committee met 7 times during the year. The Company Secretary functioned as the Secretary of the Committee.

## Internal Control

The Chief Executive Officer has to satisfy the Board that adequate internal check and controls are in place through appropriate MIS and employment of Internal Audit Team to check & validate the expenses and the systems. In addition, the Company has established the following internal control measures:

- Strengthened the Internal Control Department to ensure comprehensive audit of all Branches as well as Corporate Head Office at periodic interval.
- Review business performances and expenses on a monthly & quarterly basis at board level.
- Established authority limits for transactions and expenses.
- Ensuring strict compliances to all regulatory requirements, both existing and new.
- Allowed the Internal Control Department to work independently and free from any interference.

## Retirement and re-election of directors

### Group A

In accordance with the provision of the Company's Articles of Association and relevant section of the Company's Act, 1994, the following Sponsor-Directors shall retire in the 20<sup>th</sup> Annual General Meeting and they being eligible, offer themselves for re-election. Moreover, these Sponsor- Directors might be re-elected subject to fulfillment of SEC Notifications dated 22-11-2011 and 7-12-2011.

1	Mr. Md. Zakiullah Shahid
2	Dr. Fatema Raushan Jahan
3	Mrs. Nilufar Hossain
4	Mrs. Gole Afroz Banu
5	Mrs. Hasina Khan
6	Mrs. Nazma Haque

Other retired sponsor directors are also eligible to be elected, if they comply the aforesaid notifications.

### Group B

In accordance with the Sections referred above, the following directors from Public Shareholding shall retire in the 20<sup>th</sup> Annual General Meeting and they being eligible, offer themselves for re-election.

1	Mr. Abu Hasan Khan
2	Mrs. Dilara Begum
3	Mrs. Saheda Pervin Trisha

As required by the Insurance Act and rules, election of directors from public Shareholding (Group B) will be held in this Annual General Meeting. A Notification for the election of the same was published in 2 national dailies namely Bangla daily the Sangbad and English daily the News Today on 29/01/2016. Above 3 (three) shareholders have applied to be directors of the Company and they will be elected in this AGM.

### Information Technology

The operations of all branches have been computerized to minimize costs & risks and to optimize benefits and increase overall efficiency for improved services. For smooth & speedy operation, an integrated software (Computer Integrated Insurance System) has been developed and implemented in 2014 throughout the Branches, which is Oracle 11g and 10g Developers Platform and 3 Tier System. Apart from the above, all the Branches are working are under online system. This year we have introduced new software named “**Document Management Solution**” with a view to transfer all hardcopy documents into softcopy and to make our Office paperless as far as practicable.

Again the Company has hosted a new dynamic website of its own [www.prime-insurance.net](http://www.prime-insurance.net) and has been updating it by adding new features & contents on regular basis,

In 2014, Prime Insurance Company has launched 1st ever **Mobile apps** in the Insurance Sector in Bangladesh to provide better service at a shortest period of time to our Business Partners Clients.

Moreover, we are planning to utilize more Information and Communication Technology (ICT) so that our valued customers may have necessary information and documents without coming to the Office and may communicate with us through ICT.

### Contribution to the National Economy

The Company is engaged in procuring insurance business and its taxation is based on taxable income determined under the 4th schedule of the Income Tax Ordinance, 1984. Besides, the Company deducts Income Tax, VAT at source from the employees, suppliers, use of policy stamp etc. and deposits the same to the National Exchequer regularly. In the year 2015, the Company contributed Tk.95.89 million to the National Exchequer as tax/VAT as against Tk. 105.14 million in 2014.

During the last few years, the Company has been engaged in the development of Country's Financial & Capital Market. The Company is constantly emphasizing investment in the sectors that contributes to the National Economy.

### External Auditor's Appointment

BSEC's order dated 27 July 2011 stipulated that an Auditor of a Financial Institution cannot be appointed for more than 3 consecutive years. Moreover, section 210 (10) of the Companies Act 1994 also gives authority to the Shareholders of the Company to fix Auditor's remuneration.

M/s. M. M Rahman & Co, Chartered Accountants, Hossain Housing Society, 17 – 18, Shyamoly, Mirpur Road, Dhaka – 1207 were appointed as an External Auditor of the Company for the FY 2015 at the 19th AGM held on 30-3-2015 at a remuneration of Tk. 1,75,000 plus VAT. They have



carried out audit of the books of the financial accounts of the Company for the period covering 1st January to 31st December 2015. This is the first year that M/s. M. M Rahman & Company has audited the financial statements of the Company. The Auditors will retire at the conclusion of this AGM. They are not eligible for re-appointment as they are not included in the Panel of Auditors of BSEC. According to DSE (Listing) Regulations 2015 and CSE (Listing) Regulations 2015, the issuer of listed securities shall get its financial statements audited by any firm of Chartered Accountants which is in the Panel of BSEC. As such, from the Panel of Auditors of BSEC, M/s. Rahman Mostofa Alam & Co, Chartered Accountants; M/s. Ahmed Zaker & Co, Chartered Accountants and M/s. Mahfel Huq & Co, Chartered Accountants expressed their willingness to become the Statutory Auditor of the Company for the FY 2016.

The Board in its 275th meeting held on 22-2-2016 scrutinized and reviewed the proposals and has recommended M/s. Rahman Mostofa Alam & Co, Chartered Accountants as the Statutory Auditor of the Company for the year 2016 with same remuneration of BDT 1,75,000 plus VAT for appointment by the shareholders in the AGM.

### Annual General Meeting

The 20<sup>th</sup> Annual General Meeting will be held on 30 March 2016 at 11:00 AM at the Auditorium of Bangladesh Institute of Administration and Management (BIAM), 63, New Eskaton, Dhaka.

### Appreciation

I am grateful to the Almighty Allah for the business success of the Company in the year 2015 amid turbulent business conditions and global economic downturn. The company has gained the confidence of its clients within a short span of its operation. The continued endeavors of the management and staff of the Company and timely support of the Board of Directors have substantially contributed to reach newer

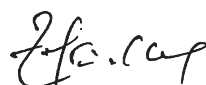
height of success of the Company. I express my deep appreciation to the management and all members of staff for their dedicated & efficient services, their loyalty and relentless efforts for Company's improvement. I also would like to express my gratitude to the Members of the Board for their continuous support and wisdom, without whom the Company would not have been in its present position.

I also take this opportunity of expressing my heartfelt gratitude to the Ministry of Finance, Government of the Peoples' Republic of Bangladesh, Bangladesh Bank Insurance Development & Regulatory Authority, Bangladesh Securities & Exchange Commission, Registrar of Joint Stock Companies & Firms, Dhaka Stock Exchange Ltd, Chittagong Stock Exchange Ltd, Sadharan Bima Corporation, Bangladesh Insurance Association and all other Government & Non-Government Organizations, who have supported us and extended their valuable co-operation. We look forward to their continued support, co-operation and guidance that are our constant source of encouragement in the days ahead.

I conclude by conveying my very sincere and special thanks and heartfelt felicitation to our respected shareholders, valued customers/clients, patrons, well-wishers and external auditors for their support, assistance & patronage to facilitate our path towards the glory achieved so far by the Company. We renew to them our promise to remain disciplined, compliant and result-oriented in all our endeavors and in return seek their co-operation.

May Allah SWT bless us all.

On behalf of Board of Directors



**Md. Zakiullah Shahid**  
Chairman

# Compliance

## Report on SEC Notification

### ANNEXURE-I

Status of compliance with the condition imposed by the Securities and Exchange Commission's Notification No. SEC/CMRRC/2006-158/229/ Admin /43: dated 3<sup>rd</sup> 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 19 Directors as on 31-12-2015
<b>1.2</b>	<b>Independent Directors:</b>			
1.2(i)	One fifth (1/5) of the total number of directors	✓		Under process 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 NBF	✓		do
1.2 (ii) i)	Not been convicted for a criminal offence involving moral turpitude.	✓		do

Condition No.	Title	Compliance Status		Remarks (if any)
		Complied	Not Complied	
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.	✓		
<b>1.3</b>	<b>Qualification of Independent Director (ID)</b>			
1.3 (i)	Knowledge of Independent Directors	✓		
1.3 (ii)	Background of Independent Directors	✓		
1.3 (iii)	Special cases for qualifications			N/A
<b>1.4</b>	<b>Individual Chairman of the Board and CEO</b>	✓		
<b>1.5</b>	<b>The Directors' Report to Shareholders:</b>			
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

Condition No.	Title	Compliance Status		Remarks (if any)
		Complied	Not Complied	
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	✓		
<b>1.5 (xxi)</b>	<b>Pattern of shareholding:</b>			
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
<b>1.5 (xxii)</b>	<b>Appointment/re-appointment of director:</b>			
1.5 (xxii) a)	Resume of the director	✓		
1.5 (xxii) b)	Expertise in specific functional areas	✓		
1.5 (xxii) c)	Holding of directorship and membership of committees of the board other than this Company.	✓		
<b>2.1</b>	<b>Appointment of CFO, HIA and CS:</b>			
2.2	Attendance of CFO and CS at the meeting of the Board of Directors.	✓		In practice

Condition No.	Title	Compliance Status		Remarks (if any)
		Complied	Not Complied	
<b>3</b>	<b>Audit Committee :</b>			
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
<b>3.1</b>	<b>Constitution of the Audit Committee:</b>			
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	✓		do
3.1 (vi)	Quorum of the Audit Committee	✓		do
<b>3.2</b>	<b>Chairman of the Audit Committee</b>			
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
<b>3.3</b>	<b>Role of Audit Committee</b>			
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



Condition No.	Title	Compliance Status		Remarks (if any)
		Complied	Not Complied	
3.3 (ix)	Review Management Letters/ Letter of Internal Control weakness issued by statutory auditors	✓		In Practice
3.3 (x)	Disclosure about the uses/applications of funds raised by IPO/RPO/Right issue	✓		N/A
<b>3.4</b>	<b>Reporting of the Audit Committee:</b>			
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	✓		
<b>3.4.2</b>	<b>Reporting to the Authorities</b>	✓		There was no such case
<b>3.5</b>	<b>Reporting to shareholders and General Investors</b>	✓		
<b>4</b>	<b>Engagement of External/Statutory Auditors:</b>			
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.	✓		
<b>5</b>	<b>Subsidiary Company :</b>			
5 (i)	Composition of the Board of Directors			N/A
5 (ii)	At least 1 (one) independent director to the subsidiary company			N/A

Condition No.	Title	Compliance Status		Remarks (if any)
		Complied	Not Complied	
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
<b>6.</b>	<b>Duties of Chief Executive Officer and Chief Financial Officer:</b>			
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	✓		
<b>7.</b>	<b>Reporting and Compliance of Corporate Governance:</b>			
7 (i)	Obtain certificate about compliance of conditions of Corporate Governance Guidelines	✓		
7 (ii)	Annexure attached in the directors' report	✓		

## ANNEXURE-II

**The Pattern of Shareholding as on 31 December 2015**

- 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 Directors	Share Held	% of Holding	Name of the spouse	Share held	% of Holding
1	Md. Zakiullah Shahid	10,48,467	2.56	Sonia Rahman	-	-
2	Qazi Saleemul Huq	8,19,010	2.00	Mrs. 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 M. Hasan	7,42,052	1.82	Gitali Badrunnesa	-	-
6	Abdul Gaffar Dubash Died on 19-02-2016	5,09,234	1.25	Khurshid Begum	-	-
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/GQ	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	-	-	Nilufar Rahman	-	-

## iii) Shareholding of CEO,CFO,CS and Head of Internal Audit

SL	Name	Share Held	% of Holding	Name of the spouse	Share held	% of Holding
1	CEO- Mohammodi Khanam	-	-	Mehmood Husain	-	-
2	CS- Kamal Pasha	-	-	Manowara Begum	-	-
3	CFO- Badal Chandra Rajbangshi	-	-	Nandita Rajbangshi	-	-
4	Head of Internal Audit- Anamul Gani Chowdhury (Resigned)	-	-	Khurshida Yeasmin	-	-

**iv) Executives (top 5 salaried employees, other than the Directors, CEO, CS, CFO and Head of Audit**

SL	Name	Designation	Shares Held	% of Holding
01	Basudev Chakrabarty	Addl. MD.	-	-
02	Syed Monirul Huq	DMD	-	-
03	Sujit Kumar Bhowmik	SEVP	-	-
04	Md. Mijanur Rahman	SEVP	-	-
05	Gouranga Chandra Misra	SEVP	-	-

v) Shareholders holding 10% or more voting interest: - -

**ANNEXURE-III****Directors' attendance of Board Meeting held from 1 January 2015 to 31 December 2015**

SL	Name of the Directors	Position in the Board	Meeting Held	Present
01	Md. Zakiullah Shahid	Chairman	13	13
02	Md. Shah Alam Babul	Vice Chairman	13	10
03	Alhaj Abdul Gaffar Dubash Died: 19-02-2016	Director	13	12
04	Shah M. Hasan	Director	13	11
05	Qazi Saleemul Huq	Director	13	6
06	Dr. Fatema Raushan Jahan	Director	13	12
07	Nilufar Hossain	Director	13	-
08	Sabiha Khaleque/Z.M Kaiser	Director	13	5
09	Hasina Khan	Director	13	5
10	Abu Hasan Khan	Director	13	12
11	Tahera Akhter	Director	13	1
12	Gole Afroz Banu	Director	13	-
13	Mahanur Ummel Ara	Director	13	8
14	Rahela Hossain	Director	13	10
15	Saheda Pervin Trisha	Director	13	13
16	Dil Ara Begum	Director	13	11
17	Nazma Haque	Director	13	10
18	Mahabuba Haque (Appointment: 30-3-15)	Director	11	7
19	A.Z.M Sazzadur Rahman	Independent Director	13	11
20	Mohammodi Khanam	Chief Executive Officer	13	13

**Attendance of Directors who got retired and term expired**

SL	Name of the Directors	Position in the Board	Meeting Held	Present
01	Ferdous Amin Retired: 30-3-2015	Director (Retired)	3	1

**Directors' Attendance of Audit Committee held from 1 January 2015 to 31 December 2015**

SL	Name of the Directors	Position in the Committee	Meeting Held	Present
01	A.Z.M Sazzadur Rahman	Chairman	7	7
02	Qazi Saleemul Huq	Member	7	2
03	Sabiha Khaleque/Z.M Kaiser	Member	7	5
04	Shah M. Hasan	Member	7	5
05	Dr. Fatema Raushan Jahan	Member	7	7
06	Abu Hasan Khan	Member	7	6
07	Shah Alam Babul	Member	7	6

**Attendance of Directors on special invitation**

SL	Name of the Directors	Position in the Committee	Meeting Held	Present
01	Md. Zakiullah Shahid	Chairman of the Board	N/A	6

**ANNEXURE-IV****Directors' Attendance of Executive Committee held from 1 January 2015 to 31 December 2015**

SL	Name of the Directors	Position in the Committee	Meeting Held	Present
01	Nazma Haque	Chairman	13	12
02	Qazi Saleemul Huq	Member	13	7
03	Sabiha Khaleque/Z.M Kaiser	Member	13	4
04	Dr. Fatema Raushan Jahan	Member	13	13
05	Mahanur Ummel Ara	Member	13	10
06	Rahela Hossain	Member	13	11
07	Shah M. Hasan	Member	13	10
08	Shah Alam Babul	Member	13	9
09	Abu Hasan Khan	Member	13	12
10	Saheda Pervin Trisha	Member	13	12

**Attendance of Directors on special invitation**

SL	Name of the Directors	Position in the Committee	Meeting Held	Present
01	Md. Zakiullah Shahid	Chairman of the Board	N/A	12
02	A.Z.M Sazzadur Rahman	Independent Director of the Board	N/A	2





## Report of the Chairman **Audit Committee**

Prime Insurance Company Limited constituted an Audit Committee as a sub-Committee of the Board of Directors and they assist the Board in fulfilling its oversight responsibilities and ensuring that the Financial Statements of the Company reflect a true and fair view.

### **Member of the Audit Committee:**

There are in total seven members in the Audit Committee including one Independent Director. The present Audit Committee has been reconstituted by the Board in its 260<sup>th</sup> Meeting held on 14 February 2015.

### **Followings are the members of the Audit Committee:**

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

### **Committee Meeting and Attendance**

During the year 2015 the Committee convened seven meetings in which it reviewed, among

other things, issues relating to Business Operations, Administrative Control, Finance and Accounts.

**Followings are the members of the Audit Committee:**

S.L	Name	Status of the Audit Committee	Number of Meeting held	Meeting attended by members
01.	A.Z.M. Sazzadur Rahman	Chairman	7	7
02.	Shah M Hasan	Member	7	5
03.	Abu Hasan Khan	Member	7	6
04.	Md. Shah Alam Babul	Member	7	6
05.	Dr. Fatema Raushan Jahan.	Member	7	7
06.	Qazi Saleemul Huq	Member	7	2
07.	Sabiha Khaeque	Member	7	5

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

**Scope of the Audit Committee is defined as under:**

1. Review the financial and other system and its reporting procedure.
2. Oversee the work of external auditors, including matter of disagreement between the management and external auditors regarding reporting of financials statements.
3. Discuss major issues concerning accounting principles and financial statement presentation.
4. Conduct audit concerning material violation by the management in carrying out operations of the company.
5. Review reports of litigation and regulatory compliance matters.
6. Review internal control and the policies related to liquidity management and capital management.
7. Identify suspected fraud or irregularity in the internal control system.
8. Action taken by the management as regard to the fraud and forgery and irregularities detected by the internal audit team of the company.
9. The corrective measures taken by the management as regard to the internal audit

report, reports relating to deficiencies in internal control or others issues detected by the internal and external auditors.

**Activities in 2015:**

1. Guided the financial process of the year end closing.
2. Reviewed the financial and management audit reports of branches and head office and other statutory reports and recommended for approval.
3. Reviewed the financial reporting system.
4. Approved the Audit plan for the year 2016.
5. Considered the recommendations made by external and internal auditors of the company in their reports.
6. Reviewed the appointment of external auditors.
7. Reviewed the quarterly and annual financial statements.
8. Any other matter or incident of significance as per the Audit Committee Charter.

The Audit Committee expresses thanks to the stake holders of Prime Insurance Company Limited for their relentless support toward its journey to success.



**A.Z.M. Sazzadur Rahman**  
Chairman  
Audit committee



## Management Business Review and Responsibility

### Management Business 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 2015 and its future strategies are presented below :

### Management Responsibility:

Management of the Company are responsible to prepare Financial Statements in accordance with Bangladesh Accounting Standard (BAS) issued by the Institute of Chartered Accounts Bangladesh (ICAB), in compliance with Bangladesh Financial Reporting Standards (BFRSs- 8.20), in compliance with Insurance Act, 2010 and requirement by local regulatory authority Bangladesh Securities & Exchange Commission (BSEC) rules 1987.

As required by Bangladesh Securities & Exchange Commission to prepare segment wise operation result separately of the company. 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 2015.

### Segment wise Operating Result/Performance of the Company:

Prime Insurance Company has Earned Gross Premium Tk.579.55 million and Operating profit earned Tk.118.27 million in 2015 as against Gross Premium Tk.550.44 million and Operating profit Tk. 102.98 million in 2014. Segment wise operating results of income are as follows:

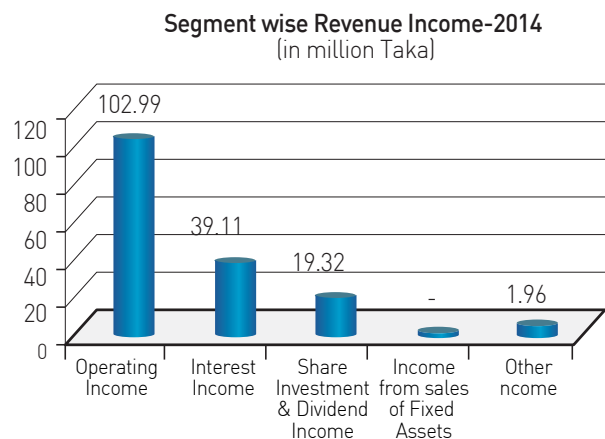
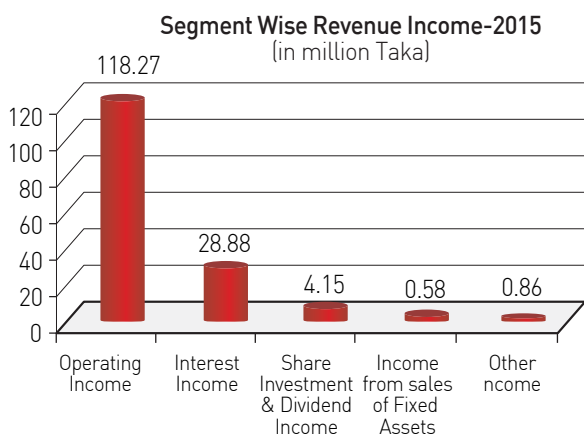
Segment wise Operating performance for the year 2015 {(Amount in Million (BDT))}

Particulars	Fire	Marine	Marine			Misc	For-2015	For-2014	Growth 2014	% of Growth
			Hull	Motor						
<b>Premium Income (Own retention)</b>	201.47	117.45	13.81	44.45	164.58	541.76	512.96	28.80	5.61	
<b>Premium Income on PSB</b>	3.51	16.19	0.48	2.19	15.42	37.79	37.49	0.30	0.80	
<b>Gross Premium Income</b>	<b>204.98</b>	<b>133.64</b>	<b>14.29</b>	<b>46.64</b>	<b>180</b>	<b>579.55</b>	<b>550.45</b>	<b>29.1</b>	<b>6.41</b>	
Less:R/I Premium Ceded Own Retention	169.09	39.14	4.62	3.34	121.10	337.29	220.22	117.07	53.16	
Less: R/I premium on PSB	2.48	12.29	0.45	0.03	15.17	30.42	29.25	1.17	4.00	
<b>Net Premium Income</b>	<b>33.41</b>	<b>82.21</b>	<b>9.22</b>	<b>43.27</b>	<b>43.73</b>	<b>211.84</b>	<b>300.98</b>	<b>(89.14)</b>	<b>(51.55)</b>	
Add: Net R/I Com.Earned	46.05	19.05	1.14	1.41	17.26	84.91	40.58	44.33	109.24	
Add: Net Premium Reserve Retained.	19.48	51.2	0.03	16.05	33.65	120.41	107.54	12.87	11.97	
<b>Less :</b>										
Reserve for Un-expired risk	13.36	32.89	9.22	17.32	17.48	90.27	120.41	-30.14	-25.03	
Agent Commission	30.23	17.62	2.07	6.67	24.68	81.27	76.94	4.33	5.63	
Management Expensens (Revenue A/C)	46.78	30.50	3.26	10.64	41.07	132.25	128.89	3.36	2.61	
Net Claims Paid	(38.44)	3.86	0.15	10.82	18.71	(4.90)	19.86	-24.76	-124.67	
<b>Operating Profit/(Loss):</b>	<b>47.01</b>	<b>67.59</b>	<b>(4.31)</b>	<b>15.28</b>	<b>(7.30)</b>	<b>118.27</b>	<b>103.00</b>	<b>15.27</b>	<b>14.83</b>	

**Segment Wise Revenue Income of the Company:**

Total Revenue Income is BDT 152.74 million in 2015 from BDT 163.38 million in 2014. Operating profit Tk.118.27 Million, Interest income Tk.28.88 Million, Dividend income Tk. 4.15 Million and Other income is Tk. 1.44 million. Segment wise Revenue income chart and graphs are given below:

Components	2015		2014		Growth 2015	Growth %
	Amount (in million)	% of Total Revenue	Amount (in million)	% of Total Revenue		
Operating Profit/Income	118.27	77.43	102.99	63.04	15.28	14.84
Interest Income	28.88	18.91	39.11	23.94	-10.23	-26.16
Share Investment & Dividend Income	4.15	2.72	19.32	11.83	-15.17	-78.52
Income from sales of Fixed Assets	0.58	0.38	-	0.00	0.58	-
Other Income	0.86	0.56	1.96	1.20	-1.10	-56.12
<b>Total Revenue Income:</b>	<b>152.74</b>	<b>100.00</b>	<b>163.38</b>	<b>100.00</b>		

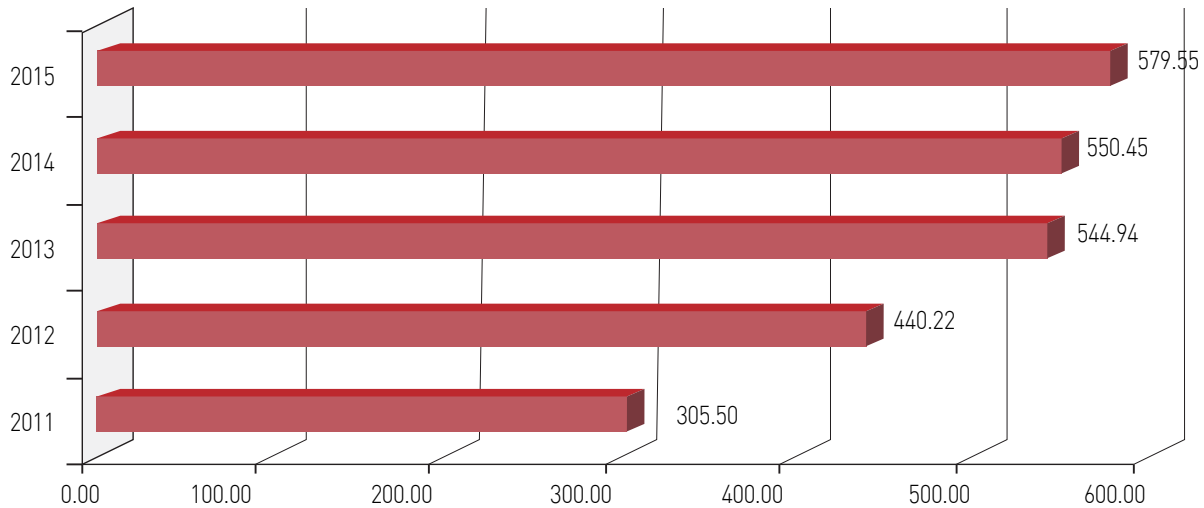


Preamble to PICC  
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### Gross Premium income (Turnover)

In the year 2015 Gross premium Income (Turnover) attained Taka 579.55 Million as against Taka 550.45 Million in 2014, an increase of 5.29%. The following tables indicates 5 years Gross premium Income has been increasing for the years from 2011 to 2015.

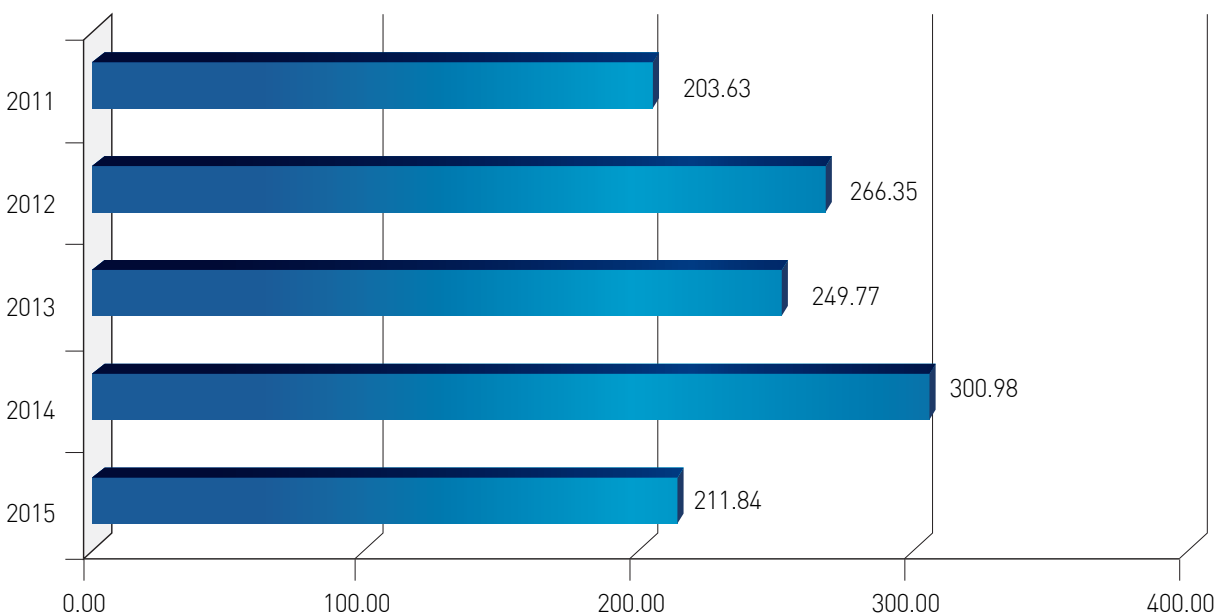
Gross Premium Income (In Million Taka)



### Net Premium income:

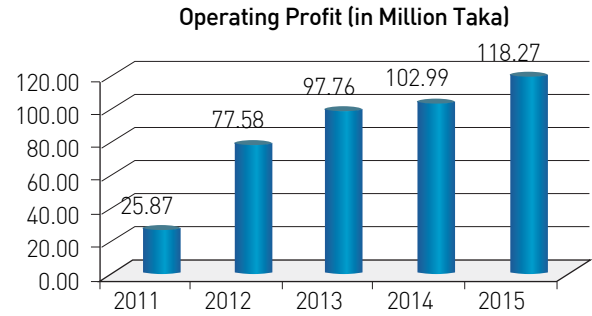
In the year 2015 Net premium Income attained Taka 211.84 Million as against Taka 300.98 Million in 2014, and decreased by 29.62% after reinsurance ceded premium. 5 years net premium income are given below :

Net Premium Income (In Million Taka)



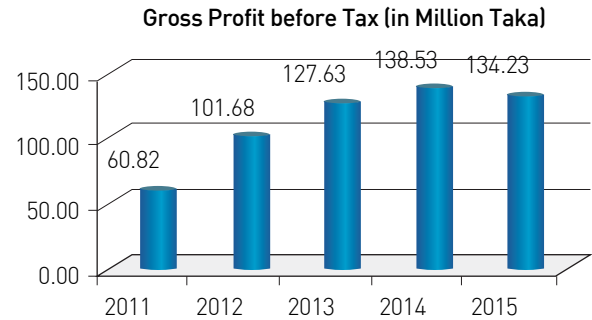
**Operating Profit ( Underwriting Profit):**

In the year 2015, Operating Profit/Income increased to Taka 118.27 Million from Taka 102.99 Million in 2014 an increase of 14.84%. 5 years operating income are as follows:



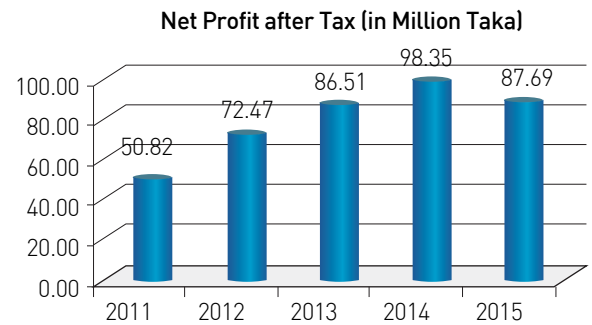
**Gross Profit before Tax:**

In the year 2015 the company earned a Gross profit before Tax Taka 134.23 Million while it was Taka 138.53 Million in 2014 and decreased by 3.10% . Last 5 year profit before tax graph is given below :



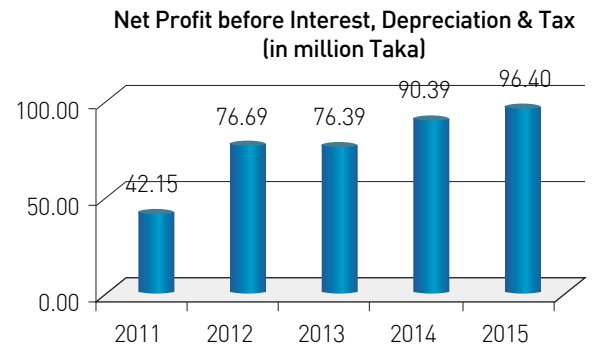
**Net Profit after Tax:**

In the year 2015 the company earned a net profit after Tax Taka 87.69 Million while it was Taka 98.35 Million in 2014 and decreased by 10.84% . Last 5 years net profit after tax graph is given below:



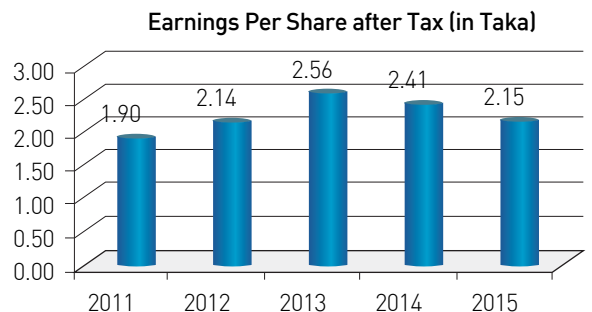
**Net Profit (before Interest, Depreciation & Tax):**

In the year 2015 the company earned a net profit after Tax Taka 96.40 Million while it was Taka 90.39 Million in 2014 and increased by 6.65% . Last 5 years net profit after tax graph is given below:



**Earnings Per Share (EPS) after Tax:**

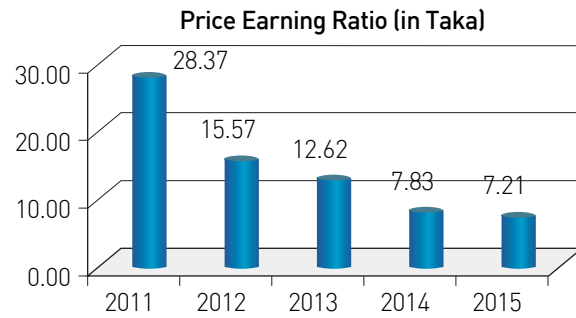
In the year 2015 the company earned Earnings Per Share is Taka 2.15 which was Taka 2.41 in 2014 and decreased by 10.79% . Last 5 years Earnings Per Share (EPS) are shown in graph:





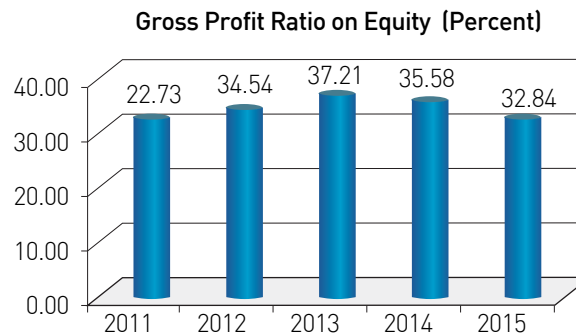
### Price Earning Ratio (Times)

In the year 2015 the company's Price earning ratio (PE ratio) is Tk.7.21 as against 7.83 in the year 2014. Last 5 years Price Earning Ratio (Times) are given below :



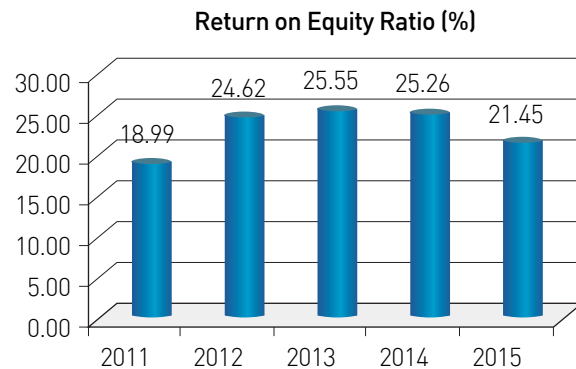
### Gross Profit Ratio on Equity :

In the year 2015 the company's Gross profit ratio on Shareholder Equity is Taka 32.84% which was 35.58% in the year 2014 and decreased by 7.70%. Last 5 years Gross Profit Ratios graph is given below :



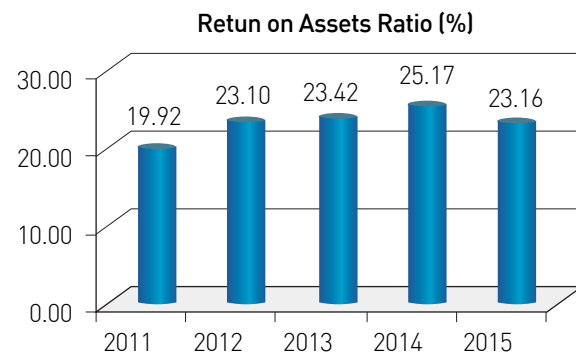
### Return on Equity (Net Profit after Tax) on Equity:

In the year 2015 the company's Return on Equity (Profit after tax) ratio is Taka 21.45% which was 25.26% in the year 2014 and decreased by 15.08%. Last 5 years Gross Profit Ratios graph is given below:



### Return on Assets (Net profit after Tax):

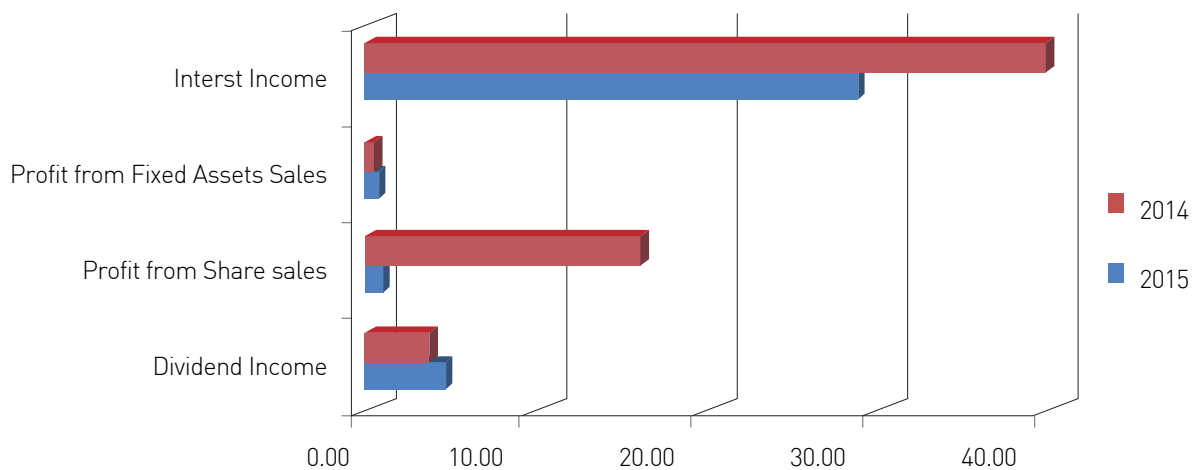
In the year 2015 the company's Return on Assets (Profit after tax) ratio is Taka 23.16% which was 25.17% in the year 2014 and decreased by 2.01%. Last 5 years Gross Profit Ratios graph is given below:



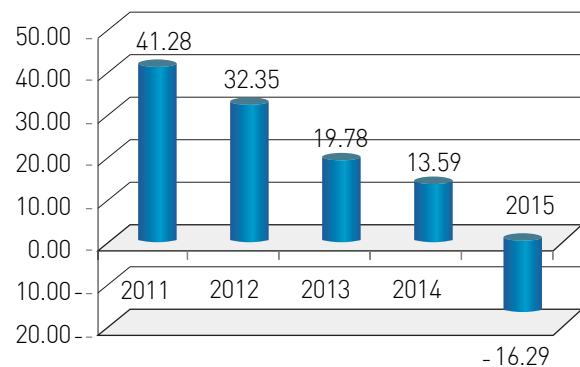
**Segment wise Investment & Other Income:**

Particulars	2015		2014		Increased/ (Decreased) 2015	Growth %
	Amount (in Million Tk.)	Total %	Amount (in Million Tk.)	Total %		
Interest Income	28.88	83.81	39.11	64.76	-10.23	(26.16)
Dividend income	3.88	11.26	3.76	6.23	0.12	3.19
Profit from sales of Share & Mutual fund	0.27	0.78	15.56	25.77	-15.29	-1529.00
Profit from sales of Fixed Assets	0.58	1.68	0.00	0.00	0.58	0.00
Others income	0.85	2.47	1.96	3.25	(1.11)	-56.63
<b>Total:</b>	<b>34.46</b>	<b>100.00</b>	<b>60.39</b>	<b>100.00</b>	<b>-25.93</b>	

**Investment Income (in Graphs)**



**Net Claims Paid (in Million Taka)**



**Net Claims Incurred (Paid):**

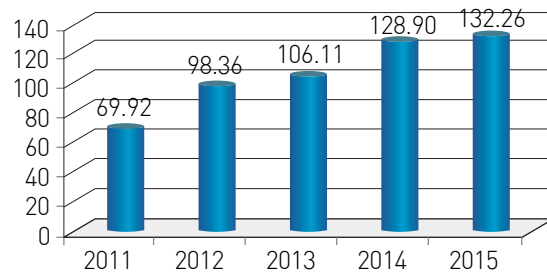
The company has incurred Net Claims Taka (16.29) Million in 2015 while it was Taka 13.59 Million in 2014 and decreased by 183.42% Last 5 year Net Claims paid graph is given as under:

**Operating Expenses:**

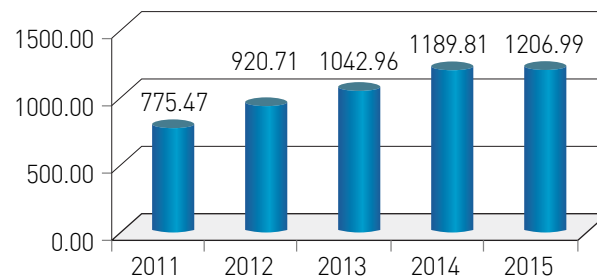
Total Operating expenses as on 31-12-2015 is Tk.213.52 Million as against Tk. 205.85 Million of 2014, which was 35.60% of total expenditure of the year 2015 against 41.69% of 2014.

**Management Expenses:**

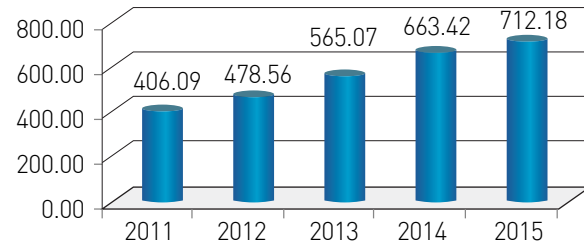
Total management expenses as on 31-12-2015 was Tk.132.26 Million as against Tk. 128.90 Million of 2014, which is 2.61% increase during the year. 5 Year management expenses graphs is given below:

**Management Expenses (in Million Taka)****Financial Ratio Analysis (Balance Sheet Analysis):****Total Assets:**

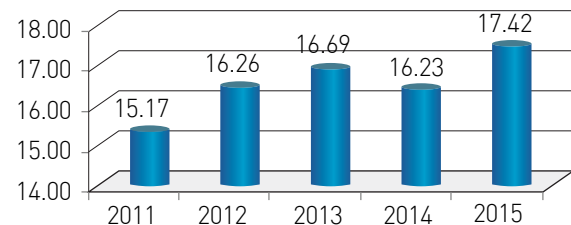
Total assets of the Company stood at Taka 1206.99 million in 2015 which was Taka 1189.81 million in 2014 an increase of 1.44%. 5 Years Total Assets graph is given as under:

**Total Assets (in Million Taka)****Net Assets Value (NAV):**

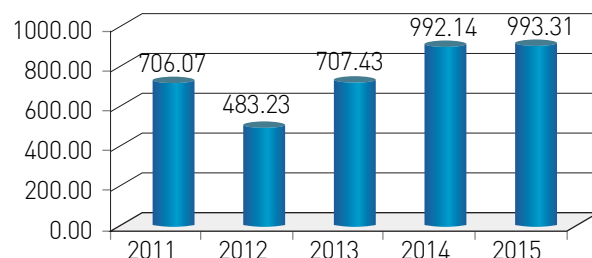
In the year 2015 Net Assets Value (NAV) is Taka 712.18 million which was Taka 663.42 million in 2014 an increase of 7.35%. Last 5 years Net Assets Value (NAV) graph is given below:

**Net Asset Value (in Million Taka)****Net Assets Value Per Share:**

In the year 2014 Net Assets Value Per Share is Taka 17.42 while it was Taka 16.23 in 2014 an increase of 7.73%. Last 5 years Net Assets Value Per share graph is shown as under:

**Net Assets Value Per Share (in Taka)****Current Assets Value:**

In the year 2015 the company Current Assets Value is Taka 993.31 million which was Taka 992.14 million in 2014, an increase of 0.12% against preceding year.

**Current Assets (In million Taka)**



# AHMED ZAKER & Co. CHARTERED ACCOUNTANTS



A MEMBER FIRM OF KINGSTON SOREL INTERNATIONAL, DEVONSHIRE HOUSE, 60 GOSWELL ROAD, LONDON EC1M 7AD

## 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 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- February 22, 2016.

**AKM Mohitul Haq, FCA**  
Senior Partner  
**Ahmed Zaker & Co.**  
Chartered Accountants

**HEAD OFFICE :** ● 45, Shaheed Syed Nazrul Islam Sarani, Bijoy Nagar, Saiham Tower (2nd Floor), Dhaka-1000, Bangladesh  
TEL:880-2-8391440-3, Fax : 880-2-8391011, E-mail : azcbangladesh@gmail.com, web : www.ahmed-zaker.com  
**BRANCH OFFICE :** ● 304, Sk. Mujib Road, Agrabad C/A, Chittagong. Tel : 880-31-712258, 728332

## Summary of Accounts (Segment wise/Class 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 separate 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 presented segment wise operating performance for the year 2015.

The company has earned Gross Fire premium income Tk.204.98 million, Marine premium income Tk.133.64 million, Motor premium Income Tk.46.65 million and Miscellaneous premium income Tk.179.99 million respectively in 2015. Total Gross Premium Income Tk.579.55 Million and Operating Income/Profit Tk.99.78 million respectively in 2015 which was Tk. 550.44 million and 78.15 million respectively in 2014. Segment Wise Financial Result of the Company for the year 2015 and 2014 are given below :

Details	Segment Wise Financial Result (Taka in Million)						2015	2014	Growth 2015	% of Growth
	Fire	Marine	Marine Hull	Motor	Misc					
Gross Premium Income	204.98	133.64	14.29	46.65	179.99	579.55	550.44	29.11	5.29	
Less:R/I Premium Ceded	169.09	39.14	4.61	3.34	121.10	337.28	220.22	117.06	53.16	
Less: R/I premium on PSB	2.48	12.28	0.48	0.03	15.17	30.44	29.25	1.19	4.07	
<b>Net Premium Income</b>	<b>33.41</b>	<b>82.22</b>	<b>9.20</b>	<b>43.28</b>	<b>43.72</b>	<b>211.83</b>	<b>300.97</b>	<b>-89.14</b>	<b>-29.62</b>	
Add: Net R/I Com.Earned	46.05	19.05	1.14	1.41	17.25	84.90	40.58	44.32	109.22	
Add: Net Premium Reserve Retained.	19.48	51.2	0.03	16.06	33.64	120.41	107.54	12.87	11.97	
<b>Total Income:</b>	<b>98.94</b>	<b>152.47</b>	<b>10.37</b>	<b>60.75</b>	<b>94.61</b>	<b>417.14</b>	<b>449.09</b>	<b>-31.95</b>	<b>91.57</b>	
<b>Less Expenses:</b>										
Reserve for Un-expired risk	13.36	32.88	9.22	17.31	17.49	90.26	120.41	-30.15	-25.04	
Agent Commission paid	30.22	17.62	2.07	6.67	24.68	81.26	76.94	4.32	5.61	
Management Expenses (Revenue A/C)	46.78	30.50	3.26	10.64	41.08	132.26	128.89	3.37	2.61	
Management Expenses (P&L A/C)	6.54	4.27	0.46	1.49	5.75	18.50	24.84	-6.34	-25.52	
Net Claims Paid	(38.45)	3.85	0.16	10.82	18.70	-4.92	19.86	-24.78	-124.77	
<b>Operating Profit ( U/W Result):</b>	<b>40.49</b>	<b>63.35</b>	<b>(4.80)</b>	<b>13.82</b>	<b>(13.09)</b>	<b>99.78</b>	<b>78.15</b>	<b>21.63</b>	<b>258.67</b>	
Interest Income	-	-	-	-	-	28.88	39.11	-10.23	-26.16	
Investment Income	-	-	-	-	-	4.14	19.32	-15.18	-78.57	
Others Income						1.43	1.96	-0.53	-27.04	
<b>Profit before Tax</b>						<b>134.23</b>	<b>138.54</b>	<b>-4.31</b>	<b>-3.11</b>	
Return on Equity (%)						32.84	35.59	-2.75	-7.72	
Return on Shareholders fund & Equity (%)						18.85	20.88	-2.03	-9.74	
<b>Shareholders Fund &amp; Equity (in Million Taka)</b>						<b>712.18</b>	<b>663.42</b>	<b>48.76</b>	<b>7.35</b>	
<b>Shareholders Equity (in Million Taka)</b>						<b>408.77</b>	<b>389.31</b>	<b>19.46</b>	<b>10%</b>	

**Prime Insurance Company Ltd.****5 Years Financial Highlights**

(as on 31 December)

Particulars	Amount in Taka				
	2015	2014	2013	2012	2011
<b>Operational Performance:</b>					
Gross Premium Income (Turnover) :	579.55	550.45	544.94	440.24	305.37
Net premium Income :	211.84	300.98	249.77	266.34	203.50
Management Expenses	132.26	128.90	106.11	98.36	69.92
Net Claims Paid	(4.91)	19.87	11.83	27.46	38.16
Reserve for Un-Expired business	90.27	120.41	107.54	107.97	86.40
<b>Operating Profit/(loss)</b>	<b>118.27</b>	<b>102.99</b>	<b>97.76</b>	<b>77.58</b>	<b>25.87</b>
Interest Income	28.88	39.11	42.83	29.2	23.65
Share Investment & Dividend Income	4.20	19.32	8.84	6.38	20.23
Others Income	1.43	1.93	1.28	35.57	43.89
<b>Gross Profit / (Loss) Before Tax</b>	<b>134.23</b>	<b>138.53</b>	<b>127.63</b>	<b>101.68</b>	<b>60.82</b>
Current tax provision	46.53	40.18	41.12	29.21	10.00
<b>Net Profit / (Loss) After Tax</b>	<b>87.69</b>	<b>98.35</b>	<b>86.51</b>	<b>72.47</b>	<b>50.82</b>
Earning before Interest, Dep & Tax	96.40	90.39	76.39	76.99	42.15
Net Profit / (Loss) After Tax & Reserve	52.38	60.20	53.22	48.85	28.45
<b>Earnings Per Share (EPS) after Tax</b>	<b>2.15</b>	<b>2.41</b>	<b>2.56</b>	<b>2.14</b>	<b>1.90</b>

**Profitability and Performance Ratios:**

Gross Profit Margin Ratio (%)	32.84	35.58	37.70	34.54	22.73
Operating Income Ratio (%)	28.93	26.45	28.88	26.35	9.67
Net Profit/Income Margin Ratio (after Tax )(%)	21.45	25.26	25.55	24.62	18.99
Return on Assets Ratio (%)	23.16	25.17	23.42	23.10	19.92
Return on Equity Ratio (%)	21.45	25.26	25.55	24.62	18.99
Operating Cash Flow to Net Profit Ratio (%)	(80.55)	85.19	83.98	98.77	33.16
<b>Earning Per Share before Tax (Taka )</b>	<b>3.30</b>	<b>3.56</b>	<b>3.72</b>	<b>3.45</b>	<b>2.27</b>
<b>Earning Per Share after Tax (Taka)</b>	<b>2.15</b>	<b>2.41</b>	<b>2.22</b>	<b>2.14</b>	<b>1.90</b>

**Liquidity Ratio :**

Current Ratio (Times)	1.80	1.69	1.48	1.32	1.93
Quick Ratio	1.78	1.70	1.50	1.80	1.90
Debt to Assets Ratio (Times )	1.35	1.34	1.47	1.58	1.10
Return on shareholders fund after tax ( % )	21.45	25.26	25.55	24.62	18.99
Return on Capital Employed after tax (%)	7.25	8.25	8.29	7.87	6.55
Net Operating Cash flow per share Taka	<b>(1.73)</b>	<b>2.15</b>	<b>1.87</b>	<b>2.11</b>	0.63
Net Operating Cash flow (in million Taka)	(70.82)	83.78	72.65	<b>71.58</b>	<b>16.85</b>

**Operating Ratios:**

Accounts Receivable Turnover Ratio	92.83	74.55	53.77	47.59	69.11
Inventory Turnover Ratio (Times)	4.28	3.84	4.20	3.87	4.28
Assets Turnover Ratio	122.88	120.52	103.69	108.70	132.98



**Prime Insurance Company Ltd.**  
**5 Years Financial Highlights**  
(as on 31 December)

Particulars	Amount in Taka				
	2015	2014	2013	2012	2011
<b>Statement of Financial Position:</b>					
Authorized Share Capital	1,000.00	1,000.00	1,000.00	1,000.00	1,000.00
<b>Issued,Subscribed and Paid -Up Capital</b>	<b>408.77</b>	<b>389.31</b>	<b>338.53</b>	<b>294.37</b>	<b>267.61</b>
Shareholders fund /Equity	712.18	663.42	565.07	478.56	406.09
Reserve & Contingent Accounts	303.41	274.11	226.54	184.20	138.48
Current liabilities	494.81	528.89	477.89	442.14	365.38
Net Current Assets :	993.31	891.74	583.23	706.07	643.82
Account Receivable (Amount due from other Persons & Sundry Debtors)	537.97	410.35	292.99	209.53	211.03
Inventories (Stationery & Stamp)	5.66	4.95	4.46	3.81	2.99
<b>Total Assets :</b>	<b>1209.49</b>	<b>1192.31</b>	<b>1042.96</b>	<b>920.71</b>	<b>775.47</b>

**Stockholders Ratio Information :**

Cash dividend per Share ( %)	12.50%	10%	0%	0%	0%
Stock dividend paid per Share (%)	0%	5%	15%	15%	10%
<b>Total dividend paid per Share ( %)</b>	<b>12.50%</b>	<b>15%</b>	<b>15%</b>	<b>15%</b>	<b>10%</b>
Earning Per Share (Taka) after tax	2.15	2.53	2.56	2.14	1.90
Price Earnings (P/E) Ratio (%)	6.98	7.83	12.62	15.57	28.37
Dividend Payout Ratio (%)	58.00%	59.29%	58.59%	70.09%	52.63%
Dividend Yield Ratio (%)	8.33%	7.58%	4.64%	3.92%	1.86%
Net Assets Value	712.18	663.42	565.07	478.56	406.09
Net Assets Value (Book Value) Per share	17.42	16.23	16.69	16.26	15.17
Market Shares Capitalization	613.16	770.83	1093.45	1127.45	1442.43
Market Value Closing Price Per Share (DSE)	15.00	19.80	32.30	38.30	53.90

**Solvency Ratio Information:**

Times Interest Earned Ratio(%)	32.93	39.77	49.51	40.29	46.54
Debt to Shareholders Equity Ratio (Times)	0.70	0.80	0.85	0.92	0.90
Required Solvency Margin	74.90	71.97	71.80	61.65	41.84
Available Solvency Margin	361.09	387.03	320.14	260.75	258.88
Solvency Margin Ratio (Times)	4.82	5.38	4.46	4.23	6.19

**Balance Sheet Analysis :**

Shareholders Equity	712.18	663.42	565.07	478.56	406.09
Property, Plant & Equipments	57.65	45.49	46.29	38.58	18.06
Net Current Assets:	993.31	992.14	707.43	583.23	706.07
Current Liabilities :	494.81	526.39	477.89	442.14	365.38

**Prime Insurance Company Ltd.**  
**5 Years Financial Highlights**  
(as on 31 December)

Particulars	Amount in Taka				
	2015	2014	2013	2012	2011
<b>Investable Assets Quality:</b>					
<b>Total Investment:</b>	<b>494.93</b>	<b>613.84</b>	<b>570.17</b>	<b>537.93</b>	<b>448.54</b>
Cash at Bank (STD & CD Account)	35.10	46.35	30.84	21.76	17.23
Fixed Deposit Receipts	294.80	406.30	353.00	320.18	235.48
Share Investment	156.03	152.19	177.33	186.99	186.83
10 years Govt. Treasury Bond	9.00	9.00	9.00	9.00	9.00
<b>Fixed Assets:</b>					
Property, Plant & Equipments	56.65	45.49	46.29	38.58	18.06
<b>Total Assets:</b>	<b>1206.99</b>	<b>1189.81</b>	<b>1042.96</b>	<b>920.71</b>	<b>775.47</b>

**Others Information:**

Number of weighted average shares outstanding	40,877,490	38,930,951	33,853,001	29,437,393	26,761,267
Branch Offices	20	20	19	19	17
No. of Shareholders as at Dec 31, 2015	2941	3752	3920	2953	3102
Number of Employee's as at Dec 31, 2015	256	297	303	248	182

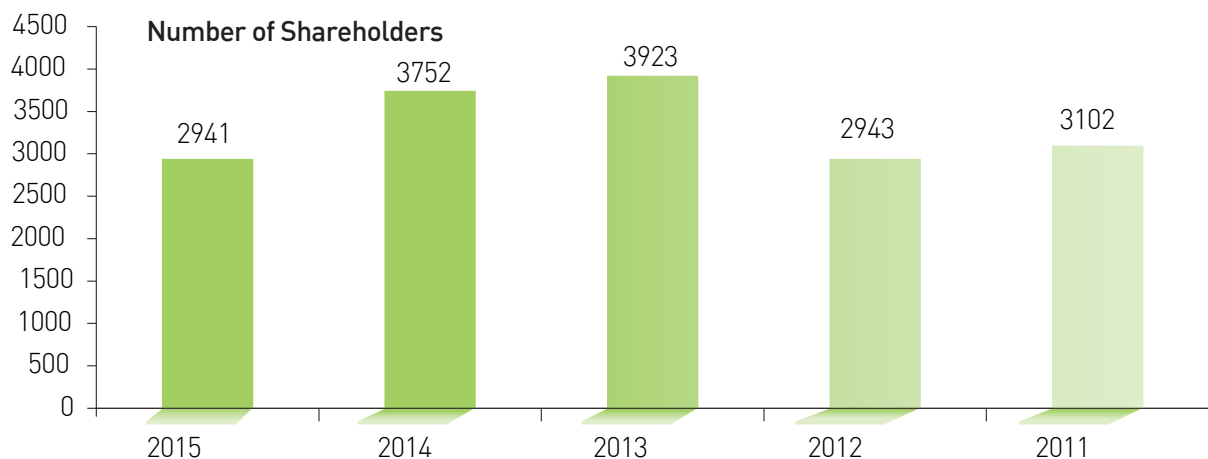
# Number of Shareholders

as on December 31, 2015



The following table indicates number of Shareholders hold their shares as on December 31, 2015.

Year	No. Shareholders	Growth	% of Growth
2011	3102	3102	100.00
2012	2943	-159	-5.40
2013	3923	980	24.98
2014	3752	-171	-4.56
2015	2941	-811	-27.58



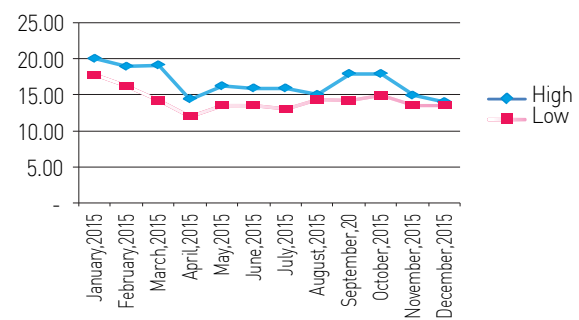
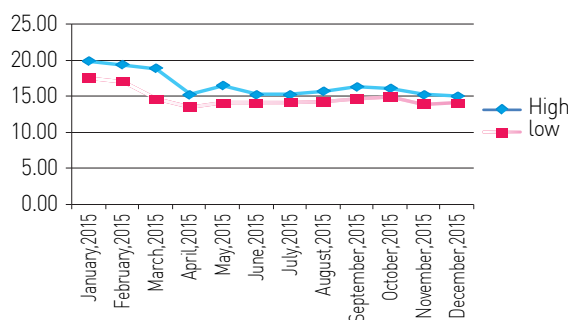


## Market Share Price of Company's Paid-up Capital (DSE & CSE)

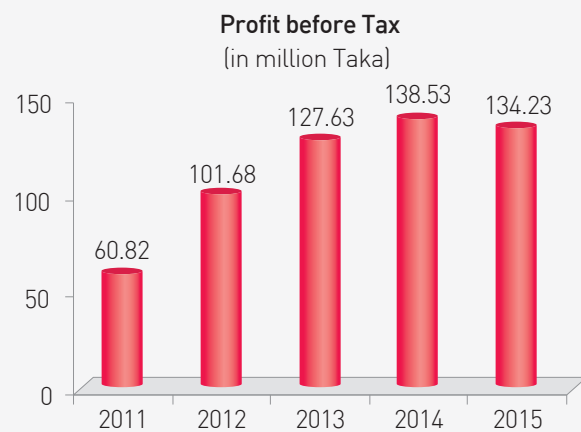
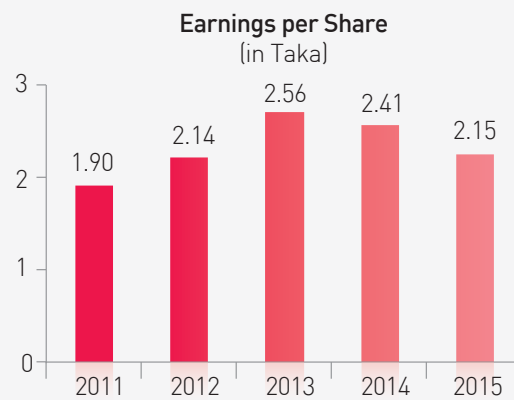
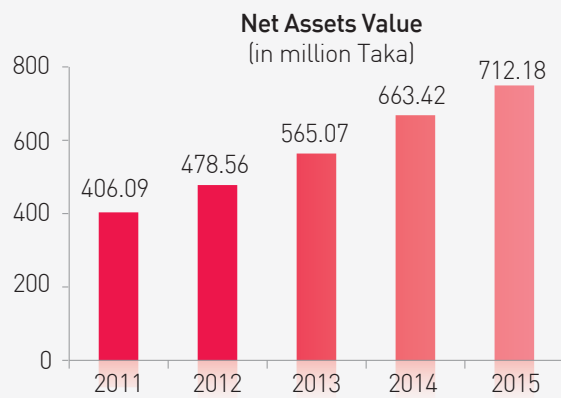
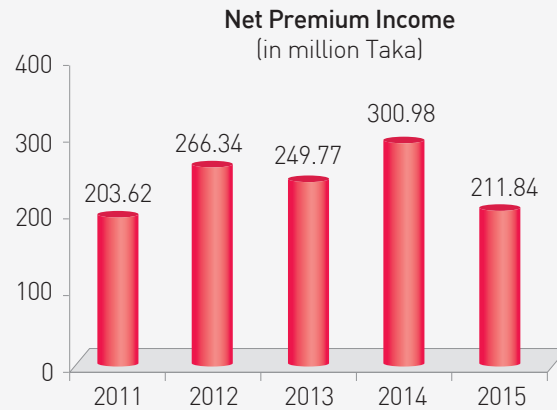
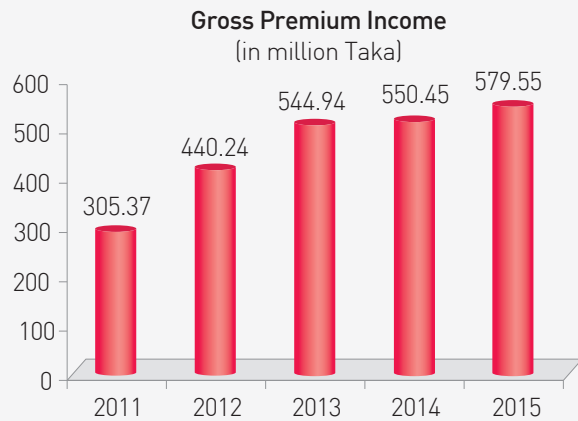
The Company has been listed with both Dhaka Stock Exchange Ltd (DSE) & Chittagong Stock Exchange Ltd (CSE) on March 21, 2001 & March 22, 2001 respectively. There was a direct relationship between the Prime Insurance share price and its trade volume. PICL share price increase with the increase in the demand

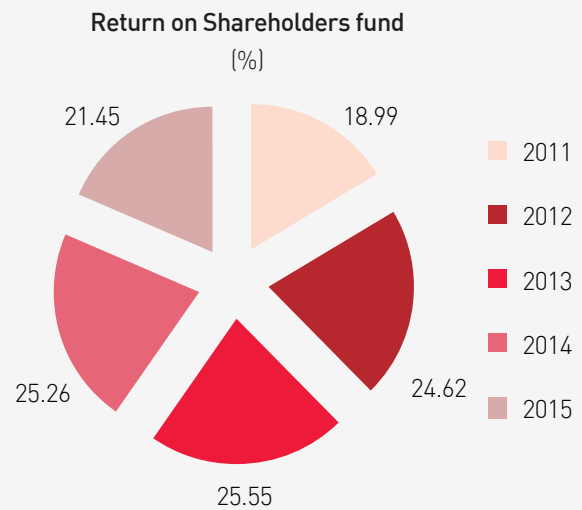
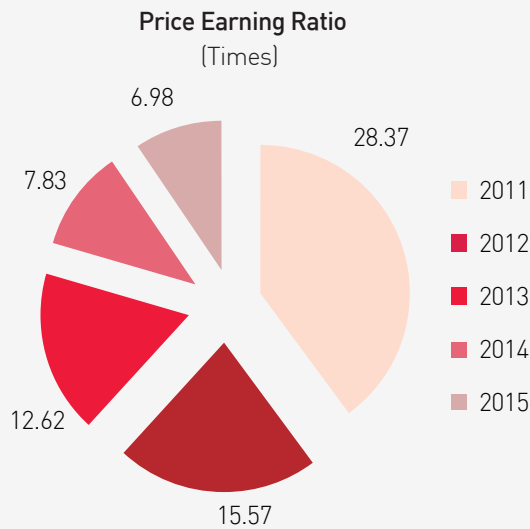
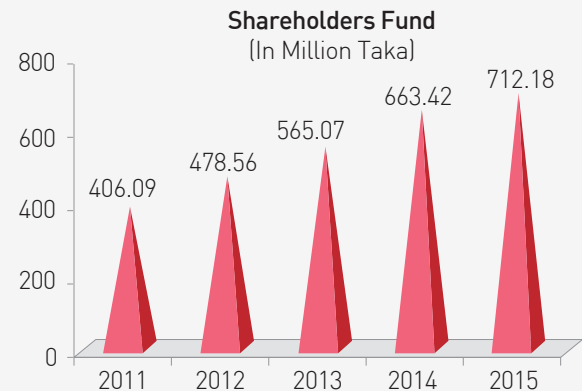
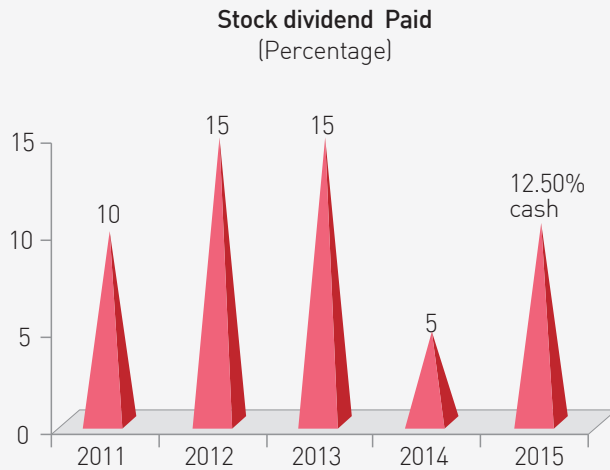
for its shares. In 2015, PICL Share price reached highest Tk. 19.90 in the month of January and lowest price Tk.13.50 in the Month of April 2015 at Dhaka Stock Exchange (DSE). PICL Shares traded in the market (DSE & CSE) monthly highest and lowest price position are given below:

Month	Dhaka Stock Exchange (DSE)		Chittagong Stock Exchange (CSE)	
	High(Tk)	Low (Tk)	High(Tk)	Low (Tk)
January,2015	19.90	17.50	20.00	17.70
February,2015	19.40	17.00	18.90	16.20
March,2015	18.90	14.60	19.10	14.20
April,2015	15.20	13.50	14.40	12.00
May,2015	16.50	14.10	16.20	13.50
June,2015	15.20	14.10	15.90	13.50
July,2015	15.20	14.20	15.90	13.10
August,2015	15.70	14.30	15.00	14.30
September,2015	16.30	14.70	17.90	14.20
October,2015	16.10	14.90	17.90	14.90
November,2015	15.20	13.90	14.90	13.50
December,2015	15.00	14.10	14.00	13.50

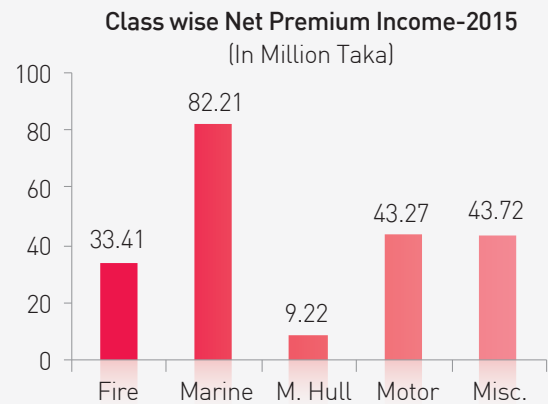
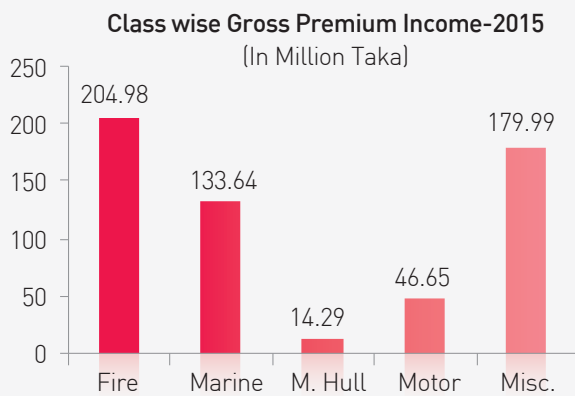


## Graphical Presentation/Performance in Graphs





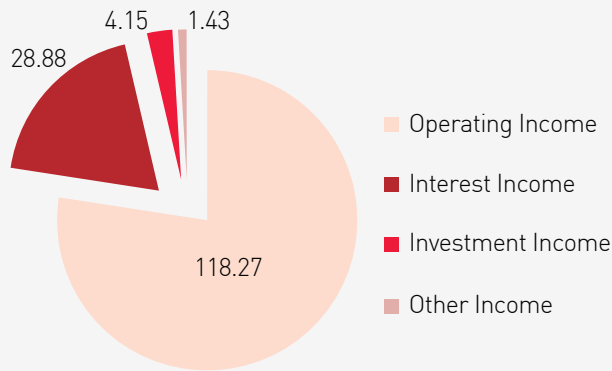
## Segment wise Operating Performance in Graphs





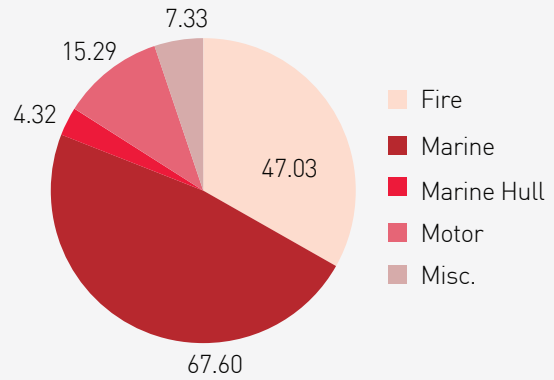
**Segment wise income-2015**

(In Million Taka)



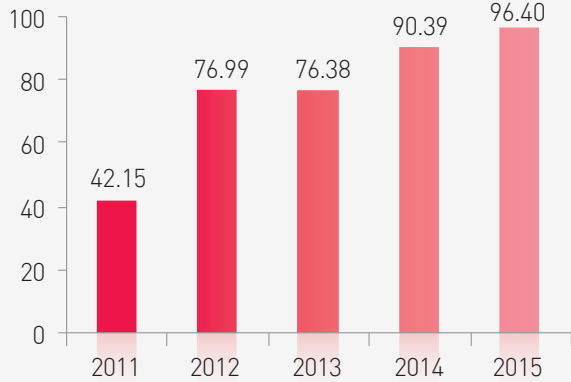
**Class wise Operating Income- 2015**

(In Million Taka)



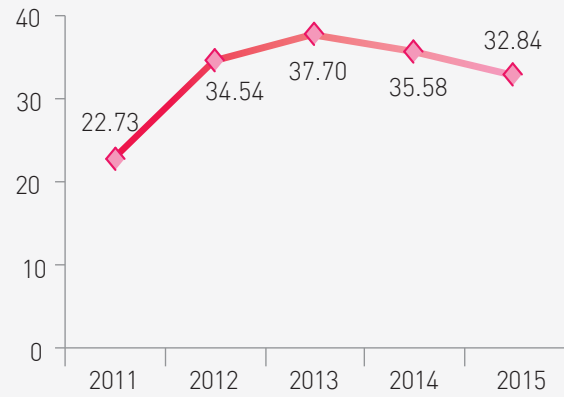
**Earning Before Interest, Depreciation & Tax**

(In Million Taka)



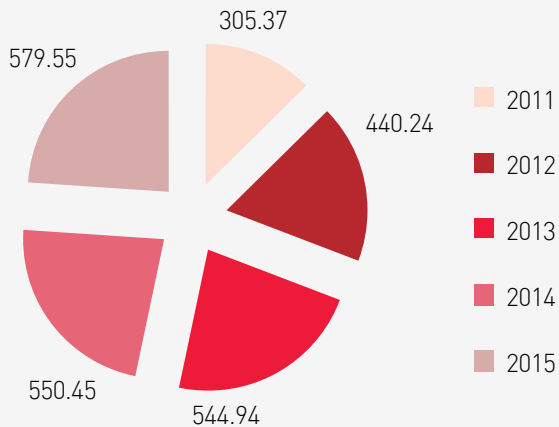
**Gross Profit Ratio on Equity**

%



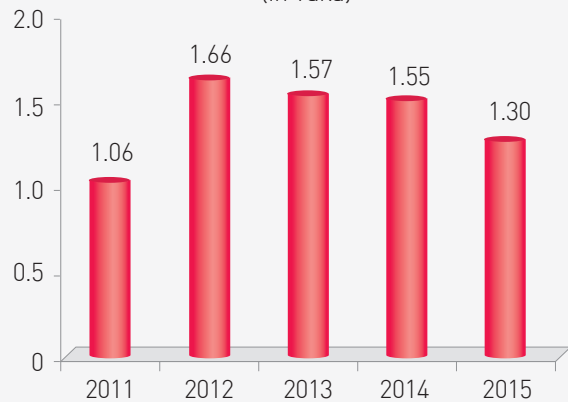
**Total Revenue Income (Gross Premium Income)**

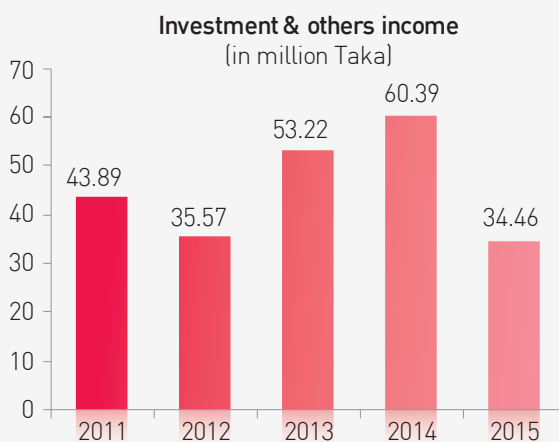
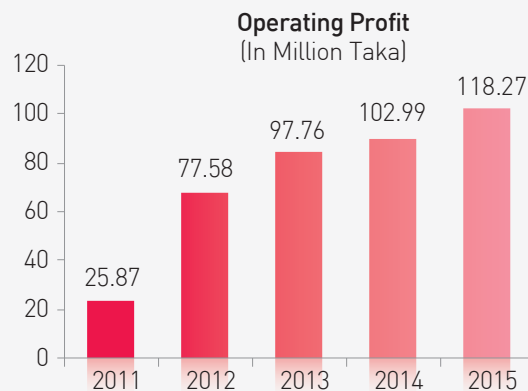
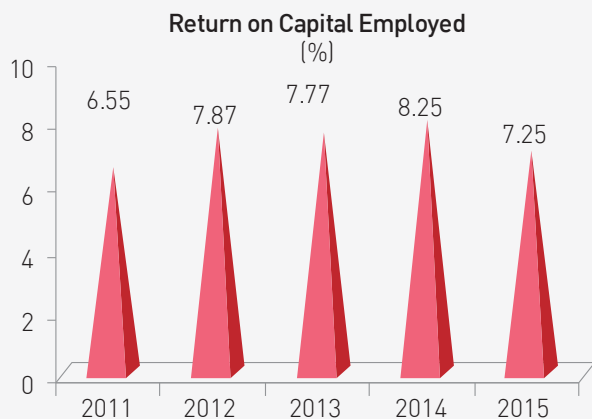
(In million Taka)



**Earning Per Share after Tax & Reserve**

(In Taka)





## 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 balance sheet as at December 31, 2015 and the Statement of Comprehensive Income (profit and loss 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), Securities & Exchange Rules 1987, Companies Act 1994 and other Rules & 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.

### Opinion

In our opinion, the financial statements give a true and fair view of the financial position of Prime Insurance Company Limited as of December 31, 2015, and of its financial performance and its cash flows for the year then ended in accordance with Bangladesh Financial Reporting Standards along with Rules & Regulation Issued by the Insurance Development & Regulatory Authority (IDRA), Bangladesh Securities & Exchange Rules 1987 and other applicable Rules & 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 accounts 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 Statement of Financial Position (Balance Sheet), Statement of Comprehensive Income (Profit and Loss Account) and Statement of Cash Flows dealt with by the report are in agreement with the books of accounts;
- d) The financial position of the Company as at December 31, 2015 and the profit for the year then ended has 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 expenditures incurred during the year were for the purposes of the business of the Company;
- f) As per section 40-C (2) of the Insurance Act 1938 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 Comprehensive Income (Profit & Loss Account) of the Company;
- g) As per regulation 11 of part 1 of the third schedule of the Insurance Act, 1938 as amended, 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.

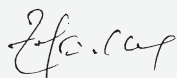
Date: Dhaka  
February 22, 2016

  
**M. M. Rahman & Co.**  
Chartered Accountants

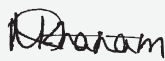
**Prime Insurance Company Limited**  
**Statement of Financial Position (Balance Sheet)**  
As at December 31, 2015

Particulars	Notes	Amount in Taka	
		31.12.2015	31.12.2014
<b>Shareholders equity &amp; liabilities</b>			
Share capital			
<b>Authorised share capital</b>			
100,000,000 ordinary shares of Tk. 10 each		<b>1,000,000,000</b>	<b>1,000,000,000</b>
<b>Issued, subscribed &amp; paid-up capital</b>			
4,08,77,498 ordinary shares of Tk. 10 each	6.b	<b>408,774,980</b>	<b>389,309,510</b>
<b>Reserve and contingent account</b>	<b>7.00</b>	<b>303,408,931</b>	<b>274,111,742</b>
Reserve for exceptional losses	7.01	171,454,302	155,566,523
General reserve fund	7.02	7,700,000	7,500,000
Investment fluctuation fund	7.03	71,871,274	50,850,025
Profit & loss appropriation account		52,383,355	60,195,194
<b>Shareholders' equity:</b>		<b>712,183,911</b>	<b>663,421,252</b>
<b>Balance of funds and accounts</b>	<b>8.00</b>	<b>90,268,868</b>	<b>120,412,721</b>
Fire insurance business		13,362,848	19,479,922
Marine insurance business		32,885,931	51,199,055
Marine hull insurance business		9,223,411	32,360
Motor insurance business		17,308,828	16,055,507
Miscellaneous insurance business		17,487,850	33,645,877
<b>Premium deposits</b>	<b>9.00</b>	<b>37,566,425</b>	<b>41,638,600</b>
<b>Liabilities and provisions</b>		<b>366,971,907</b>	<b>364,341,779</b>
Estimated liability in respect of outstanding Claims whether due or intimated	10.00	57,355,958	45,976,138
Amount due to other persons or bodies carrying on insurance business	11.00	37,293,239	100,630,870
Sundry creditors	12.00	66,357,585	58,307,351
Income tax provision	13.00	201,265,125	154,927,420
Deferred tax	13.b	4,700,000	4,500,000
<b>Total shareholder's equity &amp; liabilities</b>		<b>1,206,991,111</b>	<b>1,189,814,352</b>

The accompanying notes 1 to 40 form an integral part of these Financial Statements.



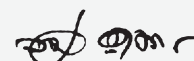
**Md. Zakiullah Shahid**  
Chairman



**Mohammodi Khanam**  
Chief Executive Officer



**Nazma Haque**  
Director



**A.Z.M. Sazzadur Rahman**  
Director

Signed as per our separate report of same date.

Place: Dhaka

Dated: February 22, 2016

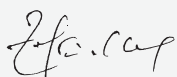


**M. M. Rahman & Co.**  
Chartered Accountants

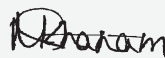
**Prime Insurance Company Ltd.**  
**Statement of Financial Position (Balance Sheet)**  
As at December 31, 2015

Particulars	Notes	Amount in Taka	
		31.12.2015	31.12.2014
<b>Property and assets</b>			
<b>Non-current assets</b>		<b>213,683,472</b>	<b>197,676,474</b>
Property, plant and equipment	14.00	57,650,145	45,486,478
Investment (at cost)	15.00	156,033,327	152,189,996
<b>Current assets</b>		<b>993,307,639</b>	<b>992,137,878</b>
Stock of stationery	16.00	4,061,261	3,843,461
Insurance stamp in hand		1,599,087	1,104,430
Premium collection control account	17.00	5,552,766	6,641,168
Interest accrued but not received	18.00	11,719,500	15,591,162
Amount due from other persons or-bodies carrying on insurance business	19.00	179,914,202	96,980,074
Sundry debtors (including advances, deposits and pre-payments)	20.00	458,460,554	413,769,025
Investment in fixed deposit receipts (FDR)	21.00	294,800,000	406,300,000
<b>Cash and cash equivalents</b>	22.00	<b>37,200,269</b>	<b>47,908,558</b>
Cash in hand		2,097,045	1,558,086
Cash at bank		35,103,224	46,350,472
<b>Total assets</b>		<b>1,206,991,111</b>	<b>1,189,814,352</b>

The accompanying notes 1 to 40 form an integral part of these Financial Statements.



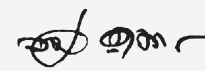
**Md. Zakiullah Shahid**  
Chairman



**Mohammodi Khanam**  
Chief Executive Officer



**Nazma Haque**  
Director



**A.Z.M. Sazzadur Rahman**  
Director

Signed as per our separate report of same date.

Place: Dhaka

Dated: February 22, 2016



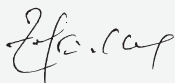
**M. M. Rahman & Co.**  
Chartered Accountants



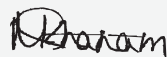
**Prime Insurance Company Limited**  
**Statement of Comprehensive Income (Profit & Loss Account)**  
 For the Year Ended December 31, 2015

Particulars	Notes	Amount in Taka	
		31.12.2015	31.12.2014
<b>Operating profit/(loss) transferred from:</b>		<b>118,274,277</b>	<b>102,989,065</b>
Fire insurance revenue account		47,025,580	11,585,029
Marine insurance revenue account		67,603,047	53,885,350
Marine hull insurance revenue account		(4,316,485)	10,458,893
Motor insurance revenue account		15,292,916	16,373,030
Miscellaneous insurance revenue account		(7,330,782)	10,686,763
<b>Non-operating income:</b>		<b>34,461,389</b>	<b>60,390,360</b>
(Interest, dividend and rents not applicable to any particular fund or account)			
Interest income	25.00	28,880,788	39,108,342
Share investment income	26.00	266,208	15,555,195
Dividend income	26.01	3,879,497	3,763,563
Other income	27.00	1,434,896	1,963,260
<b>Total income:</b>		<b>152,735,666</b>	<b>163,379,425</b>
<b>Less: Expenses of management</b>		<b>18,504,347</b>	<b>24,845,926</b>
(not applicable to any particular fund or account)			
Directors' fees	28.00	1,600,000	1,720,000
Advertisement & publicity		691,586	646,834
Audit fees	29.00	275,000	200,000
Donation & subscriptions		190,680	265,350
Legal & professional fees		1,395,649	1,302,618
Depreciation		9,011,696	9,032,468
Registration fees	30.00	1,931,584	1,907,294
Meeting expenses		579,299	518,056
Incentive bonus for employees	12.06.01	2,828,853	9,227,256
Lease Rental		-	-
Interest on margin loan		-	26,050
<b>Profit before tax</b>		<b>134,231,319</b>	<b>138,533,498</b>
Provision for tax	13.a	46,337,705	40,182,708
Deferred tax assets /liabilities	13.b	200,000	-
<b>Profit after tax transferred to profit &amp; loss appropriation account</b>		<b>87,693,615</b>	<b>98,350,790</b>
<b>Earnings per share after tax</b>		<b>2.15</b>	<b>2.41</b>
<b>Total</b>		<b>152,735,666</b>	<b>163,379,424</b>

The accompanying notes 1 to 40 form an integral part of these Financial Statements.



**Md. Zakiullah Shahid**  
Chairman



**Mohammodi Khanam**  
Chief Executive Officer



**Nazma Haque**  
Director



**A.Z.M. Sazzadur Rahman**  
Director

Signed as per our separate report of same date.

Place: Dhaka

Dated: February 22, 2016

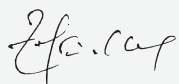


**M. M. Rahman & Co.**  
Chartered Accountants

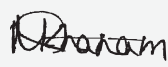
**Prime Insurance Company Limited**  
**Profit & Loss Appropriation Account**  
For the Year Ended December 31, 2015

Particulars	Notes	Amount in Taka	
		31.12.2015	31.12.2014
<b>Opening balance of appropriation accounts</b>		<b>60,195,194</b>	<b>53,222,231</b>
Profit/(loss) carried forward during the year		87,693,615	98,350,791
<b>Total profit after tax</b>		<b>147,888,809</b>	<b>151,573,022</b>
<b>Appropriation</b>			
Reserve for exceptional losses	7.01(a)	15,887,779	30,098,327
Bonus shares/stock dividend for the year 2014		19,465,475	50,779,501
Cash dividend paid for the year 2014		38,930,951	-
General reserve fund	7.02	200,000	500,000
Investment fluctuation fund	7.03	21,021,249	10,000,000
<b>Retained earnings transferred to balance sheet</b>		<b>52,383,355</b>	<b>60,195,194</b>
<b>Total</b>		<b>147,888,809</b>	<b>151,573,022</b>
Earnings per share (EPS for Taka 10 each)		2.15	2.41
<b>Weighted average number of outstanding shares after allocation 5% bonus shares</b>		<b>40,877,498</b>	<b>40,877,498</b>

The accounting policies and other notes from 1 to 40 form an integral part of the Financial Statements.




**Md. Zakiullah Shahid**  
Chairman



**Mohammodi Khanam**  
Chief Executive Officer



**Nazma Haque**  
Director



**A.Z.M. Sazzadur Rahman**  
Director

Signed as per our separate report of same date.

Place: Dhaka

Dated: February 22, 2016



**M. M. Rahman & Co.**  
Chartered Accountants

**Prime Insurance Company Limited**  
**Consolidated Insurance Revenue Account**  
For the Year Ended December 31, 2015

Particular	Amount in Taka				2014 Total	
	2015	2014				
	Fire	Marine	Marine Hull	Motor	Misc.	Total
<b>Claims under policies less re-insurances:</b>	<b>18,454,783</b>	<b>3,855,006</b>	<b>159,010</b>	<b>10,818,277</b>	<b>18,704,866</b>	<b>19,869,629</b>
Claims paid during the year	109,612,956	7,115,498	-	6,889,426	5,639,491	129,257,371
Add: R/I claims paid/adjusted on PSB	145,521	814,629	1,768,502	48,167	137,208	2,934,027
Add: Claims paid on re-insurance acceptance	1,734,039	3,103,267	-	3,459,300	1,879,837	10,176,443
Less: Claims recovered/ adjusted on R/I ceded current year	44,308,382	2,983,604	-	-	81,476	47,373,462
Less: Claims recovered/ adjusted on R/I ceded previous year	107,029,446	423,237	-	192,000	1,744,555	109,389,238
<b>Add: Claims outstanding at the end of the year</b>	<b>6,845,759</b>	<b>26,322,978</b>	<b>-</b>	<b>6,976,831</b>	<b>17,210,390</b>	<b>57,355,958</b>
Add: Outstanding claims recoverable on R/I	-	179,553	1,609,492	-	110,540	1,899,585
<b>Less: Claims outstanding at the end of the previous year</b>	<b>5,655,230</b>	<b>29,911,972</b>	<b>-</b>	<b>6,383,447</b>	<b>4,225,489</b>	<b>45,976,138</b>
<b>Expenses of management</b>	<b>46,779,184</b>	<b>30,497,915</b>	<b>3,261,032</b>	<b>10,645,374</b>	<b>41,076,135</b>	<b>132,259,640</b>
<b>Agent commission</b>	<b>30,221,029</b>	<b>17,617,765</b>	<b>2,071,439</b>	<b>6,667,968</b>	<b>24,686,110</b>	<b>81,264,311</b>
<b>Profit/(loss) transferred to profit &amp; loss account</b>	<b>47,025,580</b>	<b>67,603,047</b>	<b>(4,316,485)</b>	<b>15,292,916</b>	<b>(7,330,782)</b>	<b>118,274,277</b>
<b>Balance of account at the end of the year as shown in the balance sheet</b>	<b>13,362,848</b>	<b>32,885,931</b>	<b>9,223,411</b>	<b>17,308,828</b>	<b>17,487,850</b>	<b>90,268,869</b>
(Reserve for unexpired risks being 40% of premium income on Marine, Motor & Miscellaneous and 100% of Premium income on Marine Hull of the year)	-	-	-	-	-	-
<b>Total</b>	<b>98,933,859</b>	<b>152,462,664</b>	<b>10,398,407</b>	<b>60,733,364</b>	<b>94,624,179</b>	<b>417,152,473</b>

Particular	Amount in Taka				2014 Total	
	2015	2014				
	Fire	Marine	Marine Hull	Motor	Misc.	Total
Balance of account at the beginning of the year :	19,479,922	51,199,055	32,360	16,055,507	33,645,877	120,412,721
<b>Premium less Re-insurances</b>	<b>33,407,121</b>	<b>82,214,828</b>	<b>9,223,411</b>	<b>43,272,071</b>	<b>43,719,624</b>	<b>211,837,065</b>
Premium Underwritten	201,483,770	120,709,906	13,991,326	44,453,121	164,835,656	545,476,779
Less: Premium Refund	13,241	3,288,141	181,735	-	26,1587	3,714,704
Add: Premium on PSB	3,509,675	16,188,025	480,029	2,194,185	15,418,762	37,790,676
Less: Re-Insurance Premium Ceded	169,092,165	39,140,462	4,619,096	3,341,615	121,102,283	337,295,621
Less: Re-Insurance Premium on PSB	2,483,918	12,284,500	447,113	33,620	15,170,924	30,420,075
Add: Premium on Re-Insurance Accepted	-	-	-	-	-	-
<b>Commission Earned on Re-insurances</b>	<b>46,046,816</b>	<b>19,048,781</b>	<b>1,142,636</b>	<b>1,405,786</b>	<b>17,258,678</b>	<b>84,902,697</b>
Commission earned on R/I Ceded	456,9245	14,640,740	998,371	1,405,786	15,023,043	77,747,185
Less: Commission Paid on R/I accepted	367,571	2,417,813	22,693	-	1,904,044	4,712,121
Profit Commission	-	1,990,228	121,572	-	331,591	2,443,391
<b>Total</b>	<b>98,933,859</b>	<b>152,462,664</b>	<b>10,398,407</b>	<b>60,733,364</b>	<b>94,624,179</b>	<b>417,152,473</b>

*Zafar*

**Md. Zakiullah Shahid**  
Chairman

Signed as per our separate report of same date.

Place: Dhaka

Dated: February 22, 2016

*M. Nazma Haque*

**Mohammed Khanam**  
Chief Executive Officer

*Nazma Haque*

**Nazma Haque**  
Director

*A.Z.M. Sazzadur Rahman*

**A.Z.M. Sazzadur Rahman**  
Director

*M. M. Rahman & Co.*

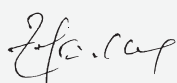
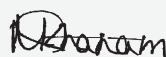
**M. M. Rahman & Co.**  
Chartered Accountants

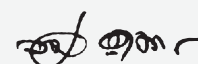
**Prime Insurance Company Ltd.****Statement of Cash Flows**

For the Year Ended December 31, 2015

Particulars	Amount in Taka	
	31.12.2015	31.12.2014
<b>A. CASH FLOW FROM OPERATING ACTIVITIES:</b>		
Turnover against insurance business and others	579,552,751	550,452,513
Payment for management expenses, re-insurance and claims	(631,845,895)	(443,097,781)
Company's income tax paid to Government	(18,000,000)	(23,000,000)
Received VAT, source VAT, taxes & others	43,143,473	35,564,267
Source tax paid on different heads	(10,358,076)	(5,398,234)
VAT paid to Government	(33,313,770)	(30,744,469)
<b>Net cash flow from operating activities</b>	<b>(70,821,517)</b>	<b>83,776,296</b>
<b>Net operating cash flow per share</b>	<b>(1.73)</b>	<b>2.05</b>
<b>B. CASH FLOW FROM INVESTING ACTIVITIES:</b>		
Acquisition of Head Office space	(21,040,000)	(99,531,600)
Investment in stock	(3,843,331)	-
Sale proceeds of investment in shares	266,208	51,584,301
Disposal of fixed assets	575,800	-
Purchase of fixed assets	(21,174,783)	(8,229,087)
Fixed deposits opened	(114,200,000)	(143,000,000)
Fixed deposits encashed	225,700,000	89,700,000
Interest received	28,880,788	37,757,936
Dividend received	3,879,497	3,763,565
Margin loan paid	-	-
Interest paid on margin loan	-	(26,050)
<b>Net cash flow from investing activities</b>	<b>99,044,179</b>	<b>(67,980,935)</b>
<b>C. CASH FLOW FROM FINANCING ACTIVITIES:</b>		
Dividend payable	-	-
Cash dividend paid	(38,930,951)	-
<b>Net cash flow from financing activities</b>	<b>(38,930,951)</b>	<b>-</b>
Increase/(decrease) in cash and cash equivalent (A+B+C)	(10,708,289)	15,847,461
Cash and cash equivalent at the beginning of the year	47,908,558	32,061,097
<b>Cash and Cash Equivalent at the closing of the year</b>	<b>37,200,269</b>	<b>47,908,558</b>

These Financial Statements should be read in conjunction with the annexed notes.


Md. Zakiullah Shahid  
Chairman

Mohammodi Khanam  
Chief Executive Officer

Nazma Haque  
Director

A.Z.M. Sazzadur Rahman  
Director

Signed as per our separate report of same date.

Place: Dhaka

Dated: February 22, 2016


M. M. Rahman & Co.  
Chartered Accountants

**Prime Insurance Company Limited**  
**Statement of Changes in Shareholders' Equity**

For the Year Ended December 31, 2015

Particular	Amount in Taka					Total
	Share Capital	General Reserve Fund	Reserve for exceptional losses	Investment fluctuation fund	Profit & Loss Appr. Account	
<b>Balance as at January 1, 2015</b>	<b>389,309,510</b>	<b>7,500,000</b>	<b>155,566,523</b>	<b>50,850,025</b>	<b>60,195,194</b>	<b>663,421,252</b>
Stock dividend for the year 2014	19,465,470	-	-	-	(19,465,475)	-
Cash dividend for the year 2014	-	-	-	-	(38,930,951)	(38,930,951)
Profit after tax for the year	-	200,000	15,887,779	21,021,249	87,693,615	87,693,615
Appropriation made during the year	-	-	-	-	(37,109,028)	-
<b>Total</b>	<b>408,774,980</b>	<b>7,700,000</b>	<b>171,454,302</b>	<b>71,871,274</b>	<b>52,383,355</b>	<b>712,183,911</b>

**For the year 2014**

Particular	Amount in Taka					Total
	Share Capital	General Reserve Fund	Reserve for exceptional losses	Investment fluctuation fund	Profit & Loss Appr. Account	
<b>Balance as at January 1, 2014</b>	<b>338,530,010</b>	<b>7,000,000</b>	<b>125,468,196</b>	<b>40,850,025</b>	<b>53,222,231</b>	<b>565,070,462</b>
Stock dividend for the year 2013	50,779,500	-	-	-	(50,779,501)	-
Profit after tax for the year	-	-	-	-	98,350,791	98,350,791
Appropriation made during the year	-	500,000	30,098,327	10,000,000	(40,598,327)	-
<b>Total</b>	<b>389,309,510</b>	<b>7,500,000</b>	<b>155,566,523</b>	<b>50,850,025</b>	<b>60,195,194</b>	<b>663,421,252</b>

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**Md. Zakiullah Shahid**  
Chairman

*Mohammed Khanam*

**Mohammodi Khanam**  
Chief Executive Officer

*Nazma Maque*

**Nazma Maque**  
Director

*A.Z.M. Sazzadur Rahman*

**A.Z.M. Sazzadur Rahman**  
Director

*M. M. Rahman & Co.*

**M. M. Rahman & Co.**  
Chartered Accountants

Signed as per our separate report of same date.

Place: Dhaka

Dated: February 22, 2016

**Prime Insurance Company Limited**  
**Schedule of Property, Plant & Equipment**  
As at December 31, 2015

Annexure - A

Particular	COST				DEPRECIATION		WRITTEN DOWN VALUE (WDV)		
	Opening balance as at 1-Jan-15	Addition during the year	Disposal during the year	Balance as on 31-Dec-15	Opening balance as at 1-Jan-15	Charged during the year	Adjustment during the year	Balance as on 31-Dec-15	Balance as on 31-Dec-14
Motor car	38,568,782	20,630.0	-	38,589,412	13,827,126	4,950,391	-	18,777,517	24,741,656
Motor cycle	1,999,090	-	-	1,999,090	1,275,384	144,741	-	1,420,125	723,706
Bi-cycle	14,800	3,400	-	18,200	8,680	1,564	-	10,244	6,120
Furniture & fixtures	17,716,624	18,664,202	1,050,500	35,330,326	10,615,618	1,538,261	1,050,500	11,103,379	7,101,006
Electrical fans	257,851	12,600	-	270,451	215,196	7,343	-	222,539	47,912
Air cooler	5,530,802	-	-	5,530,802	1,941,910	538,334	-	2,480,244	3,588,892
Electrical equipment	1,962,252	1,417,287	-	3,379,539	1,102,398	235,275	-	1,337,673	859,854
Typewriters	739,700	-	-	739,700	739,700	-	-	739,700	-
Photocopy machine	642,979	-	-	642,979	437,886	30,764	-	468,650	205,093
Office equipment	4,826,412	368,218	-	5,194,630	2,219,373	410,865	-	2,630,238	2,607,039
Computer	12,631,934	594,086	-	13,226,020	7,737,931	1,038,151	-	8,776,082	4,894,003
Telephone installation	3,705,576	73,440	-	3,779,016	3,277,380	69,737	-	3,347,117	428,196
Fax machine	688,790	15,500	-	704,290	556,289	21,037	-	577,326	132,501
Camera & television	207,415	6,000	-	213,415	80,043	19,556	-	99,599	127,373
Generator	48,360	-	-	48,360	19,975	5,677	-	25,651	28,385
<b>Total</b>	<b>89,541,367</b>	<b>21,175,363</b>	<b>1,050,500</b>	<b>109,666,230</b>	<b>44,054,889</b>	<b>9,011,696</b>	<b>1,050,500</b>	<b>52,016,084</b>	<b>45,486,479</b>





## Prime Insurance Company Limited

### Notes to the Financial Statements

For the year ended December 31, 2015

#### 1.00 Legal form of the Company

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

#### 1.01 Address of Registered Office and Place of Business of the Company

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

#### 1.02 Principal Activities of the Company

The principal activities 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 2015 under review.

### 1.03 Date of Financial Statements Authorised for Issue

Financial Statements of the Company for the year ended December 31, 2015 were authorised for issue on February 22, 2016 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 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 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 drawn up 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 2015 status and applicability of Bangladesh Accounting Standards (BASs) and Bangladesh Financial Reporting Standards (BFRSs) in the case of Prime Insurance Company are as under:

<b>Compliance of Bangladesh Accounting Standards (BAS) and Bangladesh Financial Reporting Standards (BFRS).</b>	<b>IAS/BAS No</b>	<b>Applicability</b>
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	Applied
Agriculture	41	N/A

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

<b>Title of Adopted IFRS as BFRS</b>	<b>IFRS / BFRS No</b>	<b>Status</b>
First-time adoption of International financial Reporting Standards	1	N/A
Share-based Payment	2	N/A
Business Combinations	3	N/A
Insurance Contracts	4	Applied
Non-current Assets Held for Sale and Discontinued Operations	5	N/A
Exploration for and Evaluation of Mineral Resources	6	N/A
Financial Instruments: Disclosures	7	Applied
Operating Segments	8	Applied
Financial Instruments	9	Applied
Consolidated Financial Statements	10	Not Applied

**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) Basis of Measurement**

The financial statements have been prepared on the historical cost basis except for investments in stock exchanges which are measured at fair value.

**v) Functional and Presentational Currency**

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

**vi) 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.

**vii) Interim Financial Reporting**

In accordance with Bangladesh Accounting Standard (BAS-34), Interim Financial Reporting, publicly traded entities encourage 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.

**viii) Reporting Period**

Financial statements of the company consistently cover one calendar year from 1 January 2015 to 31 December 2015.

**ix) Branch Accounting**

The company has 20 branches under its umbrella without having any overseas branch up to the year ended December 31, 2015. 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.

**x) Bangladesh Electronic Fund Transfer Network (BEFTN)**

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

## 2.05 Significant Accounting Policies

### i) Revenue Recognition (BAS-18)

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

### ii) Underwriting Premium Income

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

### iii) Public Sector Business (PSB)

As per Government decision effective from April 1990, 100% Public Sector Insurance Business is being underwritten by Sadharan Bima Corporation (SBC), 50% being retained by SBC and the balance is equally distributed to 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 2014 to June 2015 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 of the re-insurable non-life insurance business shall be re-insured with Sadharan Bima Corporation and the remaining fifty percent 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 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, if any, are recognised on cash basis and shown in Profit & Loss account. For stock dividend, received by the company against its investment, number of shares increased effecting decrease in average cost of investment.



**2.06 Fixed Assets****i) Valuation of Government Bond:**

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

**ii) Valuation of Investment in Shares/Debenture and Mutual Fund:**

Investment in stocks, shares and other securities are recognised 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 recognised in the Financial Statements as per IAS-39 "Financial Instruments". 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. Decreases in the market value on stocks and shares are recognised in the profit & loss Appropriation Account.

**iii) Valuation of Fixed assets:****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 Fixed Assets:**

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 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.

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 recognised in the statement of comprehensive income.

### 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 comprehensive income in the year the asset is de-recognised.

### Impairment of Assets

As per Bangladesh Accounting Standard (BAS) 36: 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 comprehensive income. Considering the present conditions of the assets, management concludes that there is no such indications exist.

## 2.07 Employees Retirement Benefit Scheme

Prime Insurance Company Ltd offers a number of benefit plans for all permanent Employees of the company which include Contributory Provident Fund, Gratuity Fund, Earned Leave Benefit, Festival Bonus and Incentive Bonus on profit which have been accounted for in accordance with the provision of Bangladesh Accounting Standard (BAS) -19, "Employee's Benefit" basis of enumeration the above benefits schemes operated by the company are outlined below:

### i) Provident Fund

Under defined Contribution scheme, Company operates duly recognised Provident Fund managed by an independent Board of Trustees for all permanent employees except those who are on contract basis. The eligible employees contributes @ 10% of their basic salary. The company's contribution to the scheme are charged to Profit & Loss Account 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 Board of Trustees consisting of one Chairman and three Members of whom two are taken from the Board of Directors including Chairman. 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 in this regard 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. Health Plan Policy**

The company has been operating a policy of health plan for all permanent employee's for supporting medical assistance as per the terms and conditions of the health plan policy.

**iv. Group Insurance Policy**

The company has been operating a group insurance policy for all permanent employees with a view to supporting the family members after the death of any employee as per the terms and conditions of the Group Insurance Policy.

**v. Incentive Bonus**

The company has resorted to a policy namely incentive bonus scheme for its employees who meet certain criteria based on their annual performance ascertained on net profit after tax with the approval of the Annual General Meeting and the paid amount are accounted for the year to which it relates.

**vi. Home Repairs Loan and Transport Facilities Assistance**

With a view to long term commitment of deserving employees, the Company has introduced employees' home repairs loan and transport facilities. All permanent employees of the company can enjoy the Home repairs loan facilities without interest and transport facilities enjoyed by all of Head Office employees whose rank stand above Assistant Manager.

**2.08 Corporate Governance**

The company has given the priority to the compliance of the rules, regulations and guidelines of Insurance Development & Regulatory Authority, National Board of Revenue & Bangladesh Securities and Exchange Commission. The Company has complied with all related Bangladesh Accounting Standards as adopted by the Institute of Chartered Accountants of Bangladesh.

**2.09 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, Miscellaneous and 100% on Marine Hull business concern.

**2.10. Allocation of Expenses of Management**

As per section 40(C-2) of Insurance Act 1938 as amended Insurance Law 2010 all 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. Expenses of management as charged to Revenue Accounts amounting to Tk.132,259,640 represents 22.82% of Gross Premium Income of Tk. 579,552,751 and 62.43% of Net Premium Income of Tk. 211,837,055 which was 29.08% and 58.81% in 2014.

**2.11. Cash Flow Statement**

Cash flow statement is prepared in accordance with IAS-7/Bangladesh Accounting Standard (BAS)-7 Cash Flow Statement 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.

## 2.12 Foreign Currency Transaction

All foreign currency transactions, if any, are converted into equivalent Taka currency 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".

## 2.13 Cash and Cash Equivalents

According to BAS-7 "Cash Flow Statement" Cash comprises cash in hand and demand deposits and cash equivalents are short term, highly liquid investments that are readily convertible to amounts of cash and which are subject to an insignificant risk of changes in value, IAS -1 "Presentation of Financial Statements" provides that Cash and Cash Equivalents are not restricted in use. Considering the provisions of BAS -7 and IAS -1, Cash in hand and bank balances have been considered as cash and cash equivalents.

## 2.14 Appropriation during the Year

In accordance with IAS-1: Presentation of Financial Statements, the appropriations for the year have been reflected in the statement of change in equity. During the year under review, an amount of Tk.46,537,705 has been transferred to corporate tax provision as per section 45 of the Income Tax Ordinance, 1984.

## 2.15 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 wherever necessary, to confirm to current years presentation as per BAS-8 "Accounting Policies, Changes in Accounting Estimate and Errors".

## 2.16 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.

## 2.17 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), as Bangladesh Accounting Standards and Bangladesh Financial Reporting Standards, during the year 2013, we have re-arranged some of the Heads of Accounts.

## 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 Statement of Comprehensive Income in the running 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 from 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" and Income Tax Ordinance, 1984 as amended from time to time. Provision for income tax represents the sum of the current tax on profit and deferred tax expenses.

### **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 profit and loss account 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 deductible 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 and loss account.

## **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, 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 of the company sets aside 7.5% of net premium.

### **4.02 Investment Fluctuation Fund (Fair Value Reserve)**

The company made investments in the capital market having a large portfolio and income generated from the investment (realised gain and dividend received) is credited to the statement of comprehensive income. The company has made adequate provision considering the average movement of market price as the capital market of Bangladesh is volatile and market price of the stocks and shares are changed very frequently and any effect on increase or decrease are transferred to the investment fluctuation fund subsequently with a view to presenting the investment (available for sale) at fair value.

### **4.03 General Reserve Fund**

The company has been maintaining a general reserve fund from the current year profit to avoid future contingency.

#### 4.04 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.

#### 4.05 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 Comprehensive Income (Profit and Loss) in the Financial Statements.

#### 5.01 Basic Earnings per Share

This has been calculated by dividing the basic earnings by the weighted average number of ordinary shares outstanding during the year (Net profit after taxation and provision).

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

Sl No.	Particulars	Amount in Taka	
		31.12.2015	31.12.2014
a.	Earnings attributable to the ordinary shareholders (Net profit after tax during the year)	87,693,615	98,584,353
b.	<b>Ordinary share at 1st January</b>	<b>38,930,951</b>	<b>33,853,001</b>
	Bonus shares issued	1,946,547	5,077,950
c.	<b>Weighted average number of ordinary shares outstanding</b>	<b>40,877,498</b>	<b>38,930,951</b>
d.	Restated weighted average number of ordinary shares-2014		40,877,498
e.	<b>Basic earnings per share after tax</b>	<b>2.15</b>	<b>2.53</b>
f.	Earnings per share restated-2014		2.41

#### 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, 2015 there was no scope for dilution and hence no diluted EPS is required to be calculated.

**6.00 Information on Financial Statements for the year 2015****6.a Disclosure of Company's Authorised, Issued, Subscribed and Paid-up Capital**

	Amount in Taka	
	31.12.2015	31.12.2014
<b>Authorised Share Capital</b>		
10,00,00,000 ordinary shares of Tk.10 each	1,000,000,000	1,000,000,000
<b>6.b. Issued, Subscribed and Paid-up Capital</b>		
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	239,309,510
<b>Paid-up Capital</b>	<b>408,774,980</b>	<b>389,309,510</b>

Particulars	2015		2014	
	No. of Shares holding	% of holding	No. of Shares holding	% of holding
<b>Category of Shareholders</b>				
<b>A. Group-A: Sponsors &amp; Directors:</b> 18,431,964				
shares of Tk.10 each fully paid in cash	18,431,964	45.09%	17,554,263	45.09%
<b>B. Group-B: Public Shareholders:</b> 22,445,534				
shares of Tk.10 each fully paid in cash	22,445,534	54.91%	21,376,688	54.91%
1. Banks, ICB, MFs & Insurance Companies	6,022,709	14.73%	5,640,676	14.49%
2. Employees	-	0.00%	-	0.00%
3. ICB Investors' Accounts	5,560,152	13.60%	4,298,710	11.04%
4. General Public & other	10,862,673	26.57%	11,437,302	29.38%
<b>Total</b>	<b>40,877,498</b>	<b>100.00%</b>	<b>38,930,951</b>	<b>100.00%</b>

#### Classification of shareholders as per their share holdings as on December 31, 2015

##### Group-"A": Sponsors & Directors

Class Interval	No. of share	No. of share Holders	% of Total holding	% of Total paid up capital
001-5000	-	-	-	-
5001-10000	-	-	-	-
10001-50000	-	-	-	-
50001-100000	74,232	1	0.40	0.18
100001-300000	1,043,322	5	5.66	2.55
300001-600000	1,508,208	3	8.18	3.69
600001-1500000	15,806,202	17	85.75	38.67
1500001-5000000	-	-	-	-
<b>Total</b>	<b>18,431,964</b>	<b>26</b>	<b>100</b>	<b>45.09</b>

##### Group-B: Public shareholders

Class Interval	No. of share	No. of share Holders	% of Total holding	% of Total paid up capital
001-5000	2,162,463	2600	9.63	5.29
5001-10000	811,760	115	3.62	1.99
10001-50000	2,333,999	147	10.40	5.71
50001-100000	1,693,593	25	7.55	4.14
100001-300000	2,157,553	17	9.61	5.28
300001-600000	1,669,228	4	7.44	4.08
600001-1500000	3,612,396	4	16.09	8.84
1500001-5000000	8,004,542	3	35.66	19.58
<b>Total</b>	<b>22,445,534</b>	<b>2915</b>	<b>100.00</b>	<b>54.91</b>
<b>Grant Total (A+B):</b>	<b>40,877,498</b>	<b>2,941</b>		<b>100.00</b>

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 and Contingent Accounts**

The Company has been maintaining some exceptional reserves from net profit to meet any future contingencies like claims losses or any sudden future fund crisis. These reserves are solvency margin of the Company. Details are as hereunder:

Particulars	Notes No.	Amount in Taka	
		31.12.2015	31.12.2014
Reserve for exceptional losses	7.01	171,454,302	155,566,523
General reserve fund	7.02	7,700,000	7,500,000
Investment fluctuation fund (Fair Value Reserve)	7.03	71,871,274	50,850,025
Retained earnings	24	52,383,355	60,195,194
<b>Total reserves &amp; Surplus</b>		<b>303,408,931</b>	<b>274,111,742</b>

**7.01 Reserve for Exceptional Losses:**

As per Paragraph 2 of Fourth Schedule of Income Tax Ordinance 1984, as earlier, for the year, 7.5% of the net premium income was transferred to reserve for exceptional losses. Details of calculation as hereunder:

Particulars	Notes No.	Amount in Taka	
		31.12.2015	31.12.2014
Opening balances	Notes No.	155,566,523	125,468,196
Add: Transferred during the year (Tax exempted)	7.01.a	15,887,779	30,098,327
<b>Closing balance as on December 31, 2015</b>		<b>171,454,302</b>	<b>155,566,523</b>

**7.01.a Class wise Exceptional Loss Reserve**

This represents profit set-aside during the year under review at 7.5% (2014: 10%) of net premium allowed as expenses to meet 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.

Particulars	Net Premium	At 7.5% of Net Premium	
		Amount in Taka	
		31.12.2015	31.12.2014
<b>10% Exceptional Loss Reserve on Net Premium</b>			
01. Fire Insurance Business	33,407,121	2,505,534	4,869,981
02. Marine Insurance Business	91,438,239	6,857,868	12,803,000
03. Motor Insurance Business	43,272,071	3,245,405	4,013,877
04. Miscellaneous Insurance Business	43,719,624	3,278,972	8,411,469
<b>Total</b>	<b>211,837,055</b>	<b>15,887,779</b>	<b>30,098,327</b>

**7.02 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	
	31.12.2015	31.12.2014
Opening balance	7,500,000	7,000,000
Add: Transferred during the year	200,000	500,000
<b>Closing balance as on December 31, 2015</b>	<b>7,700,000</b>	<b>7,500,000</b>

**7.03 Investment Fluctuation Fund (Fair Value Reserve)**

	Amount in Taka	
	31.12.2015	31.12.2014
Opening balance	50,850,025	40,850,025
Add: Provision made during the year	21,021,249	10,000,000
<b>Closing balance as on December 31, 2015</b>	<b>71,871,274</b>	<b>50,850,025</b>

**8.00 Balance of Fund and Accounts (Un-Expired Risk Reserve)**

As per Para 27A(2)(b) Insurance Act, 1938 " 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	
			31.12.2015	31.12.2014
01. Fire	33,407,121	40%	13,362,848	19,479,922
02. Marine	82,214,828	40%	32,885,931	51,199,055
03. Marine Hull	9,223,411	100%	9,223,411	32,360
03. Motor	43,272,071	40%	17,308,829	16,055,507
04. Miscellaneous	43,719,624	40%	17,487,850	33,645,877
<b>Total</b>	<b>211,837,055</b>		<b>90,268,869</b>	<b>120,412,721</b>

**9.00 Premium Deposit**

The above mentioned amount includes premium received against cover notes for which policies have not been issued within 31st December, 2015. 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	
	31.12.2015	31.12.2014
Deposit premium	37,566,425	41,638,600
Add: Balance of fund (Retained earning previous year)	-	-
<b>Closing balance as on December 31, 2015</b>	<b>37,566,425</b>	<b>41,638,600</b>

**10.00 Estimated Liability in Respect of Outstanding Claims Whether due or Intimated**

Class of business	Amount in Taka	
	31.12.2015	31.12.2014
Fire	6,845,759	5,455,230
Marine	26,322,978	29,911,972
Motor	6,976,831	6,383,447
Miscellaneous	17,210,390	4,225,489
<b>Closing balance as on December 31, 2015</b>	<b>57,355,958</b>	<b>45,976,138</b>

All the claims of which the Company received intimations within December 31, 2015 have been taken into consideration while estimating the liability in respect of outstanding claims.

**11.00 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	
	31.12.2015	31.12.2014
01. Re-insurance ceded premium	27,012,328	96,664,978
02. Co-Insurance premium payable to other insurance companies	10,280,911	3,965,892
<b>Closing balance as on December 31, 2015</b>	<b>37,293,239</b>	<b>100,630,870</b>

**12.00 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:

Head of Items	Notes No:	Amount in Taka	
		31.12.2015	31.12.2014
Audit fees payable	12.01	536,175	516,175
VAT payable	12.02	6,234,880	5,416,552
Employees' Tax deduction at source		142,273	144,722
Income Tax deduction at source		230,746	158,758
Bills payable		119,820	144,820
Insurance stamps on deposit premium	12.03	32,833,587	24,816,568
Security Deposit		2,075,082	2,075,082
Unclaimed dividend	12.04	3,160,465	3,160,465
Gratuity fund	12.05	7,680,905	5,759,483
Provision for expenses	12.06	8,787,880	11,245,125
Provident fund payable	12.07	2,392,130	2,645,459
Salary payable		2,163,642	2,224,142
Margin account		-	-
<b>Closing balance as on December 31, 2015</b>		<b>66,357,585</b>	<b>58,307,351</b>

**12.01 Audit Fees Payable**

	Amount in Taka	
	31.12.2015	31.12.2014
Opening balance	516,175	528,675
Add: Provision made during the year	275,000	200,000
<b>Total</b>	<b>791,175</b>	<b>728,675</b>
Less: Paid during the year	255,000	212,500
<b>Closing balance as on December 31, 2015</b>	<b>536,175</b>	<b>516,175</b>

**12.02 VAT Payable**

	Amount in Taka	
	31.12.2015	31.12.2014
Opening balance	5,416,552	3,169,652
Add: Payable during the year	34,132,098	32,991,369
<b>Total</b>	<b>39,548,650</b>	<b>36,161,021</b>
Less: Paid during the year	33,313,770	30,744,469
<b>Closing balance as on December 31, 2015</b>	<b>6,234,880</b>	<b>5,416,552</b>

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

**12.03 Insurance Stamp on Deposit Premium**

	Amount in Taka	
	31.12.2015	31.12.2014
Opening balance	24,816,568	22,658,821
Add: Payable during the year	23,965,069	28,146,725
<b>Total</b>	<b>48,781,637</b>	<b>50,805,546</b>
Less: Paid during the year	15,948,050	25,988,978
<b>Closing balance as on December 31, 2015</b>	<b>32,833,587</b>	<b>24,816,568</b>

**12.04 Unclaimed Dividend**

Unclaimed dividend amounting to Tk. 3,160,465 payable to the Shareholders to whom dividend warrants were issued but not placed for collection up to the date of Balance Sheet.



**12.05 Employees Gratuity Fund**

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

	Amount in Taka	
	31.12.2015	31.12.2014
Opening balance	5,759,483	6,279,980
Add: Provision made during the year	2,600,000	2,500,000
<b>Total :</b>	<b>8,359,483</b>	<b>8,779,980</b>
Less: Transferred to the Gratuity Fund Account	500,000	2,500,000
Less: Paid to the employees from company's own fund	178,578	520,497
<b>Closing balance as on December 31, 2015</b>	<b>7,680,905</b>	<b>5,759,483</b>

**12.06 Provisions for expenses**

Particulars	Notes No:	Amount in Taka	
		31.12.2015	31.12.2014
Incentive	12.06.01	7,724,648	10,630,262
Health insurance		365,955	-
Mobile		64,300	60,700
Telephone (Res)		12,946	17,500
Telephone (Off)		20,900	30,234
Electricity		227,650	106,400
Car allowance		129,690	144,800
Car fuel		115,441	133,829
Car maintenance		126,350	121,400
<b>Closing balance as on December 31, 2015</b>		<b>8,787,880</b>	<b>11,245,125</b>

**12.06.1 Incentive Bonus for Employees**

	Amount in Taka	
	31.12.2015	31.12.2014
Opening balance	10,630,262	9,696,558
Add: Provision during the year	2,828,853	9,227,256
<b>Total</b>	<b>13,459,115</b>	<b>18,923,814</b>
Less : Paid during the year	5,734,467	8,293,552
<b>Closing balance as on December 31, 2015</b>	<b>7,724,648</b>	<b>10,630,262</b>

**12.07 Provident Fund Payable**

The above 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	
	31.12.2015	31.12.2014
Opening balance	2,645,459	3,023,054
Add: Provision made during the year	5,684,706	5,228,350
<b>Total Fund</b>	<b>8,330,165</b>	<b>8,251,404</b>
<b>Total Provident fund transferred &amp; paid</b>	<b>5,938,035</b>	<b>5,605,945</b>
Less: Transferred to the Employees Provided fund Account.	5,482,535	5,154,098
Less: Paid to the Employees from company's own fund	455,500	451,847
<b>Closing balance as on December 31, 2015</b>	<b>2,392,130</b>	<b>2,645,459</b>

**13.00 Corporate Income Tax Provision**

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

	Amount in Taka	
	31.12.2015	31.12.2014
Opening balance as on 1st January	154,927,420	114,744,712
Add: Provision made during the year (13.a)	46,337,705	40,182,708
<b>Total</b>	<b>201,265,125</b>	<b>154,927,420</b>
Less: Adjustment made for Assessment year 2010-2011.	-	-
<b>Closing balance as on December 31, 2015</b>	<b>201,265,125</b>	<b>154,927,420</b>

**13.a Provision for Income Tax****Statement of Income**

Particulars	Taxable income	Exempted (Exceptional Claims loss reserve)	Taxable income
Income from business or profession: (U/S-28 of ITO, 1984)	99,769,930	15,887,779	83,882,151
Interest income from FDR & STD Accounts (U/S-22)	28,880,788	-	28,880,788
Capital gains from share trading (U/S -31)	266,208	-	266,208
Dividend income from investment in shares (U/S -54 Rule-19)	3,879,497	-	3,879,497
Fixed assets U/S -16(3)	575,799	-	575,799
Other income (U/S-33)	859,097	-	859,097
<b>Total Profit/Income (before Tax ):</b>	<b>134,231,319</b>	<b>15,887,779</b>	<b>118,343,540</b>

**Computation of Current Tax provision during the year**

Particulars	Notes No:	Taxable income	Rate of Tax percentage	Tax provision
Income tax on business @ 40%		83,882,151	40	33,552,860
Income tax on interest Income @ 40%	25	28,880,788	40	11,552,315
Income tax on capital gains from share trading @10%	26	266,208	10	26,621
Income tax on dividend income @ 20%	26.01	3,879,497	20	775,899
Fixed assets furniture & fixture @15%	27.02	575,799	15	86,370
Other income @40%	27.03	859,097	40	343,639
<b>Total tax liability during the year</b>		<b>118,343,540</b>		<b>46,337,705</b>

**13.b Provision for Deferred Tax**

The company has been making lump sum provision for deferred tax liability in order to comply with the requirements of BAS-12 "Income Taxes". The company has been continuing in keeping deferred tax provision until a satisfactory level is achieved from the year 2005.

The impact on the account of changes in the deferred tax assets and liabilities for the year ended December 31, 2015 has been recognised in the Statement of Comprehensive Income (profit & loss account) as per "BAS-12 "Income Taxes".

	Amount in Taka	
	31.12.2015	31.12.2014
Balance brought forward	4,500,000	4,500,000
Add : Provision made during the year	200,000	-
<b>Closing balance as on December 31, 2015</b>	<b>4,700,000</b>	<b>4,500,000</b>

#### 14.00 Property, Plant & Equipment details shown in annexure "A"

	Amount in Taka	
	31.12.2015	31.12.2014
<b>A. Cost Price</b>		
Cost of fixed assets as on January 1, 2015	89,541,367	81,312,280
Add: Addition during the year	21,175,363	8,229,087
Less: Adjustment/disposal during the year	1,050,500	-
<b>Cost of fixed assets as on December 31, 2015</b>	<b>109,666,230</b>	<b>89,541,367</b>
<b>B. Accumulated depreciation</b>		
Accumulated depreciation balance January 1, 2015	44,054,889	35,022,421
Add: Depreciation during the year	9,011,696	9,032,468
Less: Disposal/adjustment during the year	1,050,500	-
<b>Accumulated depreciation balance at December 31, 2015</b>	<b>52,016,085</b>	<b>44,054,889</b>
<b>Written Down Value as on December 31, 2015 (A-B)</b>	<b>57,650,145</b>	<b>45,486,478</b>

#### 15.00 Investment

		Amount in Taka	
		31.12.2015	31.12.2014
Held to maturity	15.a	9,000,000	9,000,000
Held for trading		-	-
Available for sale	15.(b, c, d)	147,033,327	143,189,996
		<b>156,033,327</b>	<b>152,189,996</b>

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

a) 10-year Bangladesh Treasury Bond @ 9.45%	9,000,000	9,000,000
b) Investment in Listed Securities	141,629,286	137,785,955
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	3,834,591	3,834,591
<b>Closing balance as on December 31, 2015</b>	<b>156,033,327</b>	<b>152,189,996</b>

15.a a) The amount Tk. 9,000,000 represents statutory deposit with Bangladesh Bank as required by Insurance Act, 2010.

	Amount in Taka	
	31.12.2015	31.12.2014
<b>10-year Bangladesh Govt Treasury Bond @ 9.45%</b> Prime Bank Ltd, Islami Banking branch, Dhaka	<b>9,000,000</b>	<b>9,000,000</b>

**15.b Invested in Listed Securities (Available for sale)**

Available for sale investments are those non-derivative investments that are designated as available for sales or are not classified in any other category. These are primarily those investments that are intended to be held for an undefined period of time or may be sold in response to the need for liquidity are classified as available for sale. The Company follows trade date accounting for regular way purchase and sales of investments. As of December 31, 2015 the company designated the following shares as available for sale. Details are as follows:

Name of Company	No of Shares as on 31/12/2015	Average Cost Price (Tk) as on 31/12/2015	Value at Cost (Tk.) as on 31/12/2015	Fair Market Value (Tk.) as on 31/12/2015	Value at Cost (Tk.) as on 31/12/2014	Fair Market Value (Tk.) as on 31/12/2014
AB Bank Ltd	160,340	38.45	6,165,073	3,351,106	4,896,129	2,336,685
Al- Arafah Islami Bank	181,474	24.81	4,502,188	2,667,668	3,623,569	1,809,962.60
Asia Insurance Ltd	3,000	27.61	82,830	42,600	115,962	94,500
Beximco Pharma	36,818	81.17	2,988,517	3,096,394	2,988,590	2,058,316
Brac Bank Ltd	6,600	28.02	184,932	321,420	184,932	245,520
BSRM Steel Ltd	39,060	184.06	7,189,384	3,761,478	7,189,384	3,425,562
City Bank	285,810	33.60	9,602,730	5,830,524	10,342,846	5,715,960
Dhaka Bank Ltd	62,932	29.62	1,864,046	1,239,760	1,863,934	1,046,961
Dhaka Electric Supply Co.	179,287	116.49	20,884,425	9,287,067	20,884,433	11,867,125
Eastern Bank	62,775	53.71	3,371,645	1,795,365	3,371,645	1,707,480
Exim Bank	123,584	19.88	2,456,393	1,062,822	2,022,236	742,535
Fareast Islami Life	16,602	158.33	2,628,595	1,037,625	2,628,597	1,133,484
First Lease Finance	30,000	54.65	1,639,500	339,000	2,366,925	804,375
GlaxoSmithKline	6,558	1391.46	9,125,195	11,803,088	10,853,388	11,793,600
Grameenphone Ltd.	3,000	324.91	974,730	759,000	-	-
Jamuna Bank Ltd.	12,612	4.87	61,420	151,344	61,477	130,368
Jamuna Oil Co.	2,222	172.09	382,384	349,076	382,384	457,509.80
Lankabangla Finance	45,292	112.83	5,110,296	1,313,468	5,110,229	1,811,700
Linde Bangladesh Ltd	1,000	831.63	831,630	1,138,400	831,630	914,600
Mercantile Bank Ltd	72,604	27.95	2,029,282	776,863	2,029,282	994,674.80
National Bank	197,576	46.23	9,133,938	1,857,214	9,133,423	2,047,611
One Bank Ltd	268,528	31.51	8,462,553	4,108,478	7,696,351	2,940,807
Phoenix Finance & Invt.	11,582	98.73	1,143,491	242,064	1,143,491	311,555.80
Powergrid Com. Of (Bd)	5,500	75.85	417,175	252,450	417,175	222,200.00
Progati Life Insurance	3,456	262.60	907,546	392,256	907,539	330,846
Prime Bank Ltd.	129,200	30.52	3,943,365	2,338,520	3,045,240	1,552,320
Prime Islami Life Ins.	20,700	195.67	4,050,369	813,510	4,050,413	1,494,229
Pubali Bank Ltd.	63,475	60.37	3,832,278	1,371,060	3,832,278	1,618,613
RAK Ceramics	8,930	32.79	292,815	597,417	292,815	515,261
Rupali Bank Ltd				-	124,357	98,805
Shinepukur Ceramics Ltd	7,603	59.38	451,466	84,393	451,466	109,483
Standard Bank Ltd	141,333	14.93	2,109,437	1,300,264	1,193,634	456,463
Summit Power	39,847	54.39	2,167,278	1,581,926	2,167,325	1,453,485
Southeast Bank Ltd	40,000	17.55	702,100	704,000	-	-
Square Pharma	4,000	254.44	1,017,744	1,014,800	-	-
Union Capital Ltd	52,530	89.32	4,691,980	761,685	4,712,168	1,016,773
United Insurance Co. Ltd.	10,000	142.96	1,429,557	250,000	1,429,557	339,000
Uttara Bank Ltd	107,357	87.85	9,431,312	2,437,004	9,431,312	2,780,546
Uttara Finance Ltd	15,000	161.16	2,417,400	913,500	3,057,553	1,291,875
RAK Ceramics	19,326	152.76	2,952,287	1,292,909	2,952,287	1,115,110
<b>Total</b>	<b>2,477,513</b>		<b>141,629,286</b>	<b>72,437,519</b>	<b>137,785,955</b>	<b>68,785,900</b>

**15.c Invested in Non Listed Securities (available for sale)**

Name of Company	No of Shares as on 31/12/2015	Average Cost Price (Tk) as on 31/12/2015	Value at Cost (Tk.) as on 31/12/2015	Fair Market Value (Tk.) as on 31/12/2015	Value at Cost (Tk.) as on 31/12/2014	Fair Market Value (Tk.) as on 31/12/2014
Central Depository (BD) Ltd	571,181	2.75	1,569,450	1,569,450	1,569,450	1,569,450
<b>Total</b>	<b>571,181</b>	<b>2.75</b>	<b>1,569,450</b>	<b>1,569,450</b>	<b>1,569,450</b>	<b>1,569,450</b>

**15.d Invested in Mutual Fund**

Name of Company	No of Shares as on 31/12/2015	Average Cost Price (Tk) as on 31/12/2015	Value at Cost (Tk.) as on 31/12/2015	Fair Market Value (Tk.) as on 31/12/2015	Value at Cost (Tk.) as on 31/12/2014	Fair Market Value (Tk.) as on 31/12/2014
Prime Bank 1st ICB	100,000	10.00	1,000,000	440,000	1,000,000	440,000
EBL 1st Mutual Fund	20,000	15.73	547,471	84,000	547,471	173,559
Prime Finance 1st Mutual Fund	51,000	40.52	2,066,520	535,500	2,066,520	1,468,263
PHP First Mutual Fund	23,313	9.46	220,601	95,584	220,601	102,807
<b>Total</b>	<b>203,747</b>		<b>3,834,591</b>	<b>1,155,084</b>	<b>3,834,591</b>	<b>2,184,629</b>
<b>Grand Total : (b+c+d )</b>			<b>147,033,327</b>	<b>75,162,052</b>	<b>143,189,997</b>	<b>72,539,979</b>

**15.e Changes in Fair Value of the Shares Available for Sale:**

	For the year ended Dec, 2015 Taka
<b>Fair value of investment</b>	75,162,052
Cost price of the investment	147,033,327
<b>Fair value reserve required at Decemeber 31, 2015</b>	(71,871,274)
Fair value reserve (Investment fluctuation fund) upto 2014	50,850,025
<b>Fair value adjustment made for the year (Note 7.03)</b>	<b>(21,021,249)</b>

The Company has made an investment fluctuation fund/fair value reserve from profit after tax and transferred to the said fund an amount of Tk. 21,021,249 from current year's profit. The total fund as of December 31, 2015 stood at Tk. 71,871,274. In this connection, the company has charged provision of shortfall/differential amount of Tk. 21,021,249 between fair value and cost price during the year to investment fluctuation fund against available for sale investment. Thus, the company has made adequate provision in the profit and loss appropriation account with a view to presenting the investment in shares at fair value as per BAS-39.

**16.00 Stock of Stationery (Inventories)**

	Amount in Taka	
	31.12.2015	31.12.2014
Opening balance	3,843,461	3,134,947
Add: Purchase during the year	1,819,876	1,961,118
<b>Total Inventories</b>	<b>5,663,337</b>	<b>5,096,065</b>
Less: Total utilisation/consumption	1,602,076	1,252,604
<b>Closing balance as on December 31, 2015</b>	<b>4,061,261</b>	<b>3,843,461</b>

**17.00 Premium Collection Control Account**

Outstanding premium of Marine cargo & Marine Hull for the year 2014 was adjusted and during the year Tk. 55,52,766 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	
	31.12.2015	31.12.2014
01. Fire	-	-
02. Marine (previous)	-	-
03. Marine	5,552,766	-
04. Marine Hull	-	6,641,168
05. Motor & Miscellaneous	-	-
<b>Closing balance as on December 31, 2015</b>	<b>5,552,766</b>	<b>6,641,168</b>

**18.00 Interest Accrued but not Received**

	Amount in Taka	
	31.12.2015	31.12.2014
a) On fixed deposit with different banks	11,361,102	15,195,038
b) 10-year Bangladesh Govt Treasury Bond (9.45 %)	358,398	396,124
<b>Closing balance as on December 31, 2015</b>	<b>11,719,500</b>	<b>15,591,162</b>

**19.00 Amount due from other persons or bodies carrying on Insurance business**

	Amount in Taka	
	31.12.2015	31.12.2014
01. Co-insurance premium receivable from other insurance companies	4,447,051	4,368,949
02. Co-insurance claims receivable from other insurance companies	1,273,003	1,273,003
03. Claims recoverable from SBC portion	174,194,148	91,338,122
<b>Closing balance as on December 31, 2015</b>	<b>179,914,202</b>	<b>96,980,074</b>



**20.00 Sundry Debtors (including advances, deposits and pre-payments)**

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

Particulars	Notes No:	Amount in Taka	
		31.12.2015	31.12.2014
Advances for Unique Heights (Head Office Floor Space purchase)	20.01	165,451,600	144,411,600
Advances for Tropical Homes Ltd (Two Floor Space in Tropical Mollah Tower)	20.02	100,400,000	100,400,000
VAT receivable on collection control premium	20.03	5,177,934	7,136,935
Stamp receivable on collection control premium	20.04	7,771,955	9,266,319
Advance income tax	20.05	170,231,557	143,245,253
Advance office rent		5,094,753	6,661,373
Advance against salaries		1,651,188	2,065,978
Security deposit		228,574	228,574
Advance to suppliers		137,300	137,300
Advance against travel expenses		215,693	215,693
Other advances (Co-operative fund Unique Heights)	20.06	2,100,000	-
<b>Closing balance as on December 31, 2015</b>		<b>458,460,554</b>	<b>413,769,025</b>

**20.01 Unique Heights (Head Office Floor Space)**

company has purchased 9th floor of at Unique Heights (5 units) for Head Office Floor Space measuring total 15,736 sft (approximately) average per sft Tk. 10,866 total amounting Tk. 177,288,800 (Taka seventeen crore seventytwo lac eightyeight thousand eight hundred) only including seven car spaces cost Tk. 5,600,000 (fifty six lac). As per Deed of Agreement the Company 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. Although, the company has taken up the possession of the above property on September 10, 2015 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.

For Floor Purchase at Unique Heights	Amount in Taka	
	31.12.2015	31.12.2014
<b>Unique Heights</b>	<b>177,288,800</b>	<b>177,288,800</b>
<b>Payment Movement to Unique Heights (Advance)</b>		
Opening balance	144,411,600	60,000,000
Paid during the year	21,040,000	84,411,600
<b>Total paid</b>	<b>165,451,600</b>	<b>144,411,600</b>
<b>Amount payable at the time of Registration</b>	<b>11,837,200</b>	<b>32,877,200</b>

**20.02 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 primarily for the purpose of its Head Office floor space from "Tropical Homes Limited". Later on the Company shifted its Head Office already at Unique Heights (9th Floor), 117, Kazi Nazrul Islam Avenue, Dhaka-1000 and the floor space of Tropical Mollah Tower will be used as a income generating unit after getting its possession. 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. The company paid total amount of Tk.100,400,000 and balance amount of Tk. 2,500,000 will be paid at the time of registration. 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:

Tropical Molla Tower	Amount in Taka	
	31.12.2015	31.12.2014
<b>Tropical Molla Tower (Head Office Space Purchase)</b>	<b>102,900,000</b>	<b>102,900,000</b>
<b>Payment Movement</b>		
Opening balance	100,400,000	85,280,000
During the year paid	-	15,120,000
<b>Total amount paid</b>	<b>100,400,000</b>	<b>100,400,000</b>
<b>Balance due as on 31 December 2015 (a-b)</b>	<b>2,500,000</b>	<b>2,500,000</b>

**20.03 VAT Receivable on Collection Control Premium**

Opening balance	7,136,935	9,225,456
Add: Receivable during the year	34,129,525	32,991,369
<b>Total</b>	<b>41,266,460</b>	<b>42,216,825</b>
Less: Received during the year	36,088,526	35,079,890
<b>Closing balance as on December 31, 2015</b>	<b>5,177,934</b>	<b>7,136,935</b>

**20.04 Stamp Receivable on Collection Control Premium**

Opening balance	9,266,319	9,436,484
Add: Receivable during the year	23,961,841	28,146,725
<b>Total</b>	<b>33,228,160</b>	<b>37,583,209</b>
Less: Received during the year	25,456,205	28,316,890
<b>Closing balance as on December 31, 2015</b>	<b>7,771,955</b>	<b>9,266,319</b>

**20.05 Advance Corporate Income Tax**

Notes No:	Amount in Taka	
	31.12.2015	31.12.2014
1. Corporate advance tax 20.05.01	133,197,233	115,197,233
2. Advance tax deduction at source on Bank interest 20.05.02	37,034,324	28,048,020
<b>Total Corporate Tax as on December 31, 2015</b>	<b>170,231,557</b>	<b>143,245,253</b>

**20.05.1 Corporate Advance Tax**

Opening balance	115,197,233	92,197,233
Paid during the year (including arrear)	18,000,000	23,000,000
<b>Closing Balance</b>	<b>133,197,233</b>	<b>115,197,233</b>
Less : Adjustment made during the year for assessment year	-	-
<b>Total Corporate Tax as on December 31, 2015</b>	<b>133,197,233</b>	<b>115,197,233</b>

**20.05.2 Advance Tax deduction 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.

	Notes No:	Amount in Taka	
		31.12.2015	31.12.2014
<b>Balance on different source</b>			
Balance on FDR account	20.05.02(a)	24,830,902	21,404,193
Balance on BGTB account	20.05.02(b)	1,383,750	1,383,750
Balance on STD account	20.05.02(c)	1,551,519	1,389,688
Balance on cash dividend received account	20.05.02(d)	7,703,101	2,700,337
Balance on company's car	20.05.02(e)	1,565,052	1,170,052
<b>Total balance as on December 31, 2015</b>		<b>37,034,324</b>	<b>28,048,020</b>

**20.5.2.a Advance Tax deduction at source on FDR Interest**

The above advance tax has been paid against Company's FDR. Details are given below:

<b>Opening Balance</b>	<b>21,404,193</b>	<b>17,230,448</b>
During the year deduction	3,426,709	4,173,745
<b>Balance as on 31 December 2015</b>	<b>24,830,902</b>	<b>21,404,193</b>
Less: Adjustment made during the year for assessment year 2010-2011	-	-
<b>Closing balance as on December 31, 2015</b>	<b>24,830,902</b>	<b>21,404,193</b>

**20.5.2.b Advance Tax deduction at source on 10-year Bangladesh Govt Treasury Bond Account Interest**

This is made up as follows:

Opening balance	1,383,750	1,383,750
During the year deduction	-	-
<b>Balance as on 31 December, 2015</b>	<b>1,383,750</b>	<b>1,383,750</b>
Less: Adjustment made during the year	-	-
<b>Closing balance as on December 31, 2015</b>	<b>1,383,750</b>	<b>1,383,750</b>

**20.5.2.c Advance Tax deduction at source on STD Account Interest**

The above advance tax has been paid against Company's STD. Details are given below:

	<b>Amount in Taka</b>	
	<b>31.12.2015</b>	<b>31.12.2014</b>
Opening balance	1,389,688	1,257,211
During the year deduction	161,831	132,477
<b>Balance as on 31 December</b>	<b>1,551,519</b>	<b>1,389,688</b>
Less: Adjustment made during the year for assessment year	-	-
<b>Closing balance as on December 31, 2015</b>	<b>1,551,519</b>	<b>1,389,688</b>

**20.5.2.d Advance Tax deduction at source Cash Dividend Received Account**

The above advance tax has been paid against cash dividend received. Details are given below:

Opening Balance	2,700,337	1,959,377
During the year deduction (including corporate dividend tax)	5,002,764	740,960
<b>Balance as on December 31, 2015</b>	<b>7,703,101</b>	<b>2,700,337</b>
Less: Adjustment made during the year for assessment year	-	-
<b>Closing balance as on December 31, 2015</b>	<b>7,703,101</b>	<b>2,700,337</b>

**20.5.2.e Advance Tax Paid against Company's Car**

The above advance tax has been paid against company's car. Details are given below :

Opening balance	1,170,052	819,000
During the year deduction (20.04.02.e.i)	395,000	351,052
<b>Balance as on December 31, 2015</b>	<b>1,565,052</b>	<b>1,170,052</b>
Less: Adjustment made during the year for assessment year	-	-
<b>Closing balance as on December 31, 2015</b>	<b>1,565,052</b>	<b>1,170,052</b>

**20.5.2.e.i Car-wise Advance Tax paid by Company**

The above advance tax has been paid against company's car. Details are given below :

Sl.No.	Particulars	Voucher No.	Amount in Taka	
			31.12.2015	31.12.2014
1	Dhaka M.Ga-17-4019	CPV-20, Jan-15	15,000	15,000
2	Dhaka M.Ga-33-5292	CPV-19, Jan-15	15,000	15,000
3	Dhaka M.Ga-35-3560	CPV-Jan-21-15	15,000	-
4	Dhaka M.Ga-33-4022	CPV-24, Jan-15	15,000	15,000
5	Dhaka Metro-Ga-14-5769	CPV-23, Jan-15	30,000	30,000
6	Dhaka Metro-Ga-33-9556	CPV-057-Feb-15	15,000	15,000
7	Dhaka Metro-Ga-33-2869	CPV-79, April-15	15,000	15,000
9	Dhaka M.Ga-1-8723	CPV-80, Apr 2015	50,000	60,000
10	Dhaka Metro-Ga-31-5206	CPV-38, Dec 2015	15,000	15,000
11	Dhaka- Metro-Ga-33-4367	CPV-20, June-15	-	15,000
12	Khulna- Metro-Bha-11-0219	PQ-8-Aug-15	15,000	15,000
13	Dhaka Metro-Gha-35-4485	CPV-Jan-18-15	15,000	6,052
14	Dhaka Metro-Ga--21-5294	CPV-May-20-2015	15,000	15,000
15	Dhaka Metro-Ga-33-4761	CPV-30, Jun 2015	15,000	15,000
16	Dhaka Metro-Ga-25-8452	CPV-May-27-2015	15,000	-
18	Dhaka Metro-Ga-29-4345	CPV-32, Jun 2015	15,000	15,000
19	Dhaka Metro-Ga-29-4344	CPV-31, Jun 2015	15,000	15,000
20	Dhaka Metro-Ga-31-9123	CPV-150, Aug 2015	15,000	15,000
21	Dhaka Metro-Ga-31-9124	CPV-115, Aug 2015	15,000	15,000
22	Dhaka Metro-Ga-31-9125	CPV-143, Aug 2015	15,000	15,000
23	Dhaka Metro-Ga-31-9127	CPV-149, Aug 2015	15,000	15,000
24	Dhaka Metro-Ga--14-8225	CPV-79, Nov 2015	15,000	15,000
25	Dhaka Metro-Gha-35-4485	CPV-61-12-15	15,000	
26	Dhaka M.Ga-33-5292	CPV-62, Dec-15	15,000	
<b>Total as on December 31, 2015</b>			<b>395,000</b>	<b>351,052</b>

**20.06 Other Advance (Co-operative fund of Unique Heights)**

The above advance has been paid to the Borak Real State for Unique Heights co-operative fund against our Unit service charge purpose time to time in future. Details are given below:

	Amount in Taka	
	31.12.2015	31.12.2014
<b>Co-operative fund of Unique Heights</b>	<b>2,100,000</b>	<b>-</b>

**21.00 Investment in Fixed Deposit Receipts (FDR)****(a) Fixed deposits with different Banks as on 31 December, 2015, details are as below:**

Sl.No.	Name of the Bank	Amount in Taka	
		31.12.2015	31.12.2014
1	Arab Bangladesh Bank Ltd.	11,500,000	9,000,000
2	Al Arafah Islami Bank Ltd.	5,200,000	53,000,000
3	Bank Asia Ltd.	18,500,000	27,500,000
4	Bank Alfalah Ltd.	4,000,000	4,000,000
5	Dhaka Bank Ltd.	-	-
6	Dutch Bangla Bank Ltd.	6,400,000	10,500,000
7	Eastern Bank Ltd.	17,500,000	6,000,000
8	Exim Bank Ltd.	39,000,000	60,000,000
9	First Security Islami Bank Ltd.	-	1,000,000
10	First Lease Finance & Investment Ltd.	4,000,000	4,000,000
11	GSP Finance (BD) Ltd.	7,000,000	12,500,000
12	HSBC	2,000,000	2,000,000
13	IDLC Finance Ltd.	6,000,000	18,000,000
14	IFIC Bank Ltd.	11,500,000	16,000,000
15	Islami Bank Bangladesh Ltd.	8,000,000	11,100,000
16	Jamuna Bank Ltd.	13,000,000	17,500,000
17	Mercantile Bank Ltd.	3,500,000	6,000,000
18	Mutual Trust Bank Ltd.	4,000,000	7,500,000
19	National Bank Ltd.	1,000,000	1,000,000
20	NCC Bank Ltd.	-	2,000,000
21	NRB Commercial Bank Ltd.	2,000,000	-
22	One Bank Ltd.	-	2,000,000
23	Premier Bank Ltd.	9,700,000	13,700,000
24	Prime Bank Ltd.	65,700,000	69,200,000
25	Prime Finance & Investment Ltd.	3,000,000	5,000,000
26	Peoples Leasing	2,500,000	2,500,000
27	Rajshahi Krishi Unnayan Bank	500,000	1,000,000
28	Reliance Finance & Investment Ltd.	7,000,000	2,000,000
29	Shahjalal Islami Bank Ltd.	2,500,000	2,500,000
30	Southeast Bank Ltd.	3,500,000	7,500,000
31	Social Islami Bank Ltd.	3,000,000	4,000,000
32	Standard Bank Ltd.	6,000,000	2,000,000
33	State Bank of India.	500,000	500,000
34	Union Capital Ltd.	16,300,000	11,300,000
35	United Commercial Bank Ltd.	4,000,000	8,000,000
36	Uttara Finance & Investment Ltd	5,000,000	-
37	The Farmers Bank Limited	-	4,000,000
38	Trust Bank Limited	1,500,000	2,500,000
	<b>Grand- Total</b>	<b>294,800,000</b>	<b>406,300,000</b>

## Maturity Wise FDR & Share Investments

	Amount in Taka	
	31.12.2015	31.12.2014
Up to 3 Months (FDR)	15,500,000	91,000,000
Above 3 months to 6 months (FDR)	9,000,000	9,100,000
Above 6 months to 12 months (FDR)	255,800,000	306,200,000
Double benefit scheme (6 years)	14,500,000	-
<b>Sub Total (FDR)</b>	<b>294,800,000</b>	<b>406,300,000</b>
Above 12 months to 5 years (Share Investment)	147,033,327	143,189,996
Above 5 years (10 years Bangladesh Govt. Treasury Bond)	9,000,000	9,000,000
<b>Grant Total</b>	<b>450,833,327</b>	<b>558,489,996</b>

Under rules 4A(5) of the Insurance Rules 1958, Fixed Deposits Receipts amounting to Tk. 3,000,000 (Three crore) including Statutory deposit of Tk. 9,000,000 could not be encashed without prior permission of the IDRA.

The above amount includes investment in Government Securities and other investment.

## 22.00 Cash & Cash Equivalents

Notes No:	Amount in Taka	
	31.12.2015	31.12.2014
01. Cash in hand	2,097,045	1,558,086
<b>02. Balance with banks:</b>	<b>35,103,224</b>	<b>46,350,472</b>
a) Short term deposits	29,116,261	42,707,182
b) Foreign Currency Account (USD 2,273.68 equivalent @ TK.78.50)	178,484	178,484
c) Current deposits	5,808,479	3,464,806
<b>Closing balance as on December 31, 2015</b>	<b>37,200,269</b>	<b>47,908,558</b>



**23.00 Income Statement**

	Notes No:	Amount in Taka	
		31.12.2015	31.12.2014
Gross premium Income		579,552,751	550,452,513
Net premium reserve retained (previous year)		120,412,721	107,544,459
Net earned commission		84,902,697	40,591,638
<b>Total revenue income (a)</b>		<b>784,868,169</b>	<b>698,588,610</b>
<b>Less: Expenses</b>			
Re-insurance ceded		337,295,621	220,217,323
Re-insurance premium on PSB		30,420,075	29,251,925
Un-expired risk reserve		90,268,869	120,412,721
Expenses of Management		132,259,640	128,904,845
Agent commission		81,264,311	76,944,102
Net claims paid		(4,914,624)	19,868,629
<b>Total Expenses: (b)</b>		<b>666,593,892</b>	<b>595,599,545</b>
<b>Operating Profit :(a-b)</b>		<b>118,274,277</b>	<b>102,989,065</b>
<b>Add: Non operating Income :</b>			
Interest income	25.00	28,880,788	39,108,342
Investment Income	26.00	266,208	19,318,758
Cash dividend income from share investment	26.01	3,879,497	-
Furniture & fixture sale	27.01	575,799	-
Other income	27.02	859,097	1,963,260
<b>Total non operating income</b>		<b>34,461,389</b>	<b>60,390,360</b>
<b>Gross Income :</b>		<b>152,735,666</b>	<b>163,379,425</b>
Less: Non-operating expenses (Profit & Loss Account)		18,504,347	24,439,730
<b>Net Profit before Tax:</b>		<b>134,231,319</b>	<b>138,939,695</b>
Less: Provision for Income Tax		46,337,705	40,355,342
Less: Provision for Deferred Tax		200,000	-
<b>Net Profit after Tax</b>		<b>87,693,615</b>	<b>98,584,353</b>
<b>Earnings per Share (EPS) after tax</b>		<b>2.15</b>	<b>2.41</b>
<b>Weighted average No. of outstanding shares</b>		<b>40,877,498</b>	<b>38,930,951</b>
<b>Restated Weighted Average No. of Ordinary share-2014</b>		<b>-</b>	<b>40,877,498</b>

**24.00 Profit and (Loss) Appropriation Account**

	Amount in Taka	
	31.12.2015	31.12.2014
<b>Opening Balance (Accumulated undistributed profit)</b>	<b>60,195,194</b>	<b>53,222,231</b>
Less: Bonus Share Issued for the year 2014	19,465,475	50,779,501
Less: Cash Dividend paid for the year 2014	38,930,951	-
<b>Retained Earnings from previous year</b>	<b>1,798,768</b>	<b>2,442,730</b>
Add: Net profit during the year	87,693,615	98,350,791
<b>Total Profit</b>	<b>89,492,383</b>	<b>100,793,521</b>
<b>Appropriation</b>		
Less: Reserve for Exceptional Losses (9.50% of Net Premium)	15,887,779	30,098,327
Less: Transfer to General Reserve Fund	200,000	500,000
Less: Transfer to Investment Fluctuation Fund	21,021,249	10,000,000
<b>Closing balance of accumulated profit/(loss)</b>	<b>52,383,355</b>	<b>60,195,194</b>

**25.00 Interest income**

This represents the amount received during the year on share sells from share investment and cash dividend received from share investment in different securities of listing or non listing company's investment accounts:

01. 10-years Bangladesh Treasury Bond (9.45% on Tk. 9,000,000)	812,774	850,500
02. On fixed deposit receipts	26,796,808	37,228,605
03. On short term deposits	1,271,206	1,029,237
<b>Total:</b>	<b>28,880,788</b>	<b>39,108,342</b>

**26.00 Investment (Share Trading) Income & Cash Dividend Income**

This represents the amount received during the year on share sells from share investment and cash dividend received from share investment in different securities of listing or non listing company's investment accounts:

	Amount in Taka	
	31.12.2015	31.12.2014
Income from share trading	266,208	15,555,195
Sub total		
Less: Brokerage commission and others expenses	266,208	15,555,195
Less: Margin loan Interest	-	-
<b>Net Gains from Share Trading</b>	<b>266,208</b>	<b>15,555,195</b>

**26.01 Cash Dividend Income**

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

	Amount in Taka	
	31.12.2015	31.12.2014
Cash dividend received from share Investments	3,879,497	3,763,563
<b>Total:</b>	<b>3,879,497</b>	<b>3,763,563</b>

**27.00 Other Non-Operating Income**

	Notes No:	Amount in Taka	
		31.12.2015	31.12.2014
Gains on sale of furniture & fixtures	27.01	575,799	-
Other income	27.02	859,097	1,963,260
<b>Total</b>		<b>1,434,896</b>	<b>1,963,260</b>

**27.01 Gains on sale of Salvage Furniture & Fixtures**

Cost Price	1,050,500	-
Less: Accumulated depreciation	1,050,499	-
Written down value	1	-
Sale value	575,800	-
<b>Profit /(Loss):</b>	<b>575,799</b>	<b>-</b>

**27.02 Other Income**

Service charge recovery & others	849,097	1,963,260
Sundry receivable	10,000	-
<b>Total</b>	<b>859,097</b>	<b>1,963,260</b>

**28.00 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 Meeting		Total Attended	Amount in Taka	
	fee	held		31.12.2015	31.12.2014
Board Meeting	5000	13	157	785,000	965,000
Executive Committee Meeting	5000	12	114	570,000	450,000
Audit Committee Meeting	5000	6	44	220,000	160,000
Construction Committee	5000	1	5	25,000	145,000
Claims Review Committee					
<b>Total</b>				<b>1,600,000</b>	<b>1,720,000</b>

It may be mentioned here that the above amount has been accounted for in Statement of Comprehensive income (Profit and Loss Account) in the Financial Statements.

**29.00 Audit Fees**

	Amount in Taka	
	31.12.2015	31.12.2014
Statutory audit	175,000	160,000
Corporate governance audit	25,000	-
Special audit	75,000	40,000
<b>Total</b>	<b>275,000</b>	<b>200,000</b>

**30.00 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.

**31.00 Employee's Salary and Allowances**

	Amount in Taka	
	31.12.2015	31.12.2014
Employees salary and allowances (including CEO's salary)	76,564,697	73,700,641
Employees provident fund (Company's contribution)	3,128,482	2,679,003
Employees gratuity fund	2,600,000	2,500,000
Employees incentive bonus	2,828,853	9,227,256
Employees festival bonus	5,607,017	5,146,873
<b>Total</b>	<b>90,729,049</b>	<b>93,253,773</b>

**32.00 Chief Executive Officer Salary & Allowances**

The CEO has been appointed by the Insurance Development & Regulatory Authority with a certain salary scale. The Board of Director has increased his remuneration time to time. In addition to remuneration, he is also provided with Company's car and cell phone. The Chief Executive Officer salaries and allowances status are given below:

	Amount in Taka	
	31.12.2015	31.12.2014
Basic salary	2,400,000	2,175,547
House rent	1,080,000	674,193
House maintenance	360,000	325,645
Leave fare	360,000	325,645
Medical allowances	240,000	499,224
Entertainment	360,000	337,096
Festival bonus	400,000	-
Incentive bonus & others allowances	1,200,000	22,355
<b>Total</b>	<b>6,400,000</b>	<b>4,359,705</b>

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

**33.00 Agent Commission**

As directed by the Insurance Development and 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	
	31.12.2015	31.12.2014
Fire	30,221,029	24,362,502
Marine	17,617,765	26,278,178
Marine Hull	2,071,439	1,136,406
Motor	6,667,968	6,211,591
Miscellaneous	24,686,110	18,955,425
<b>Total</b>	<b>81,264,311</b>	<b>76,944,102</b>

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 deposited to the Bangladesh Bank through challan in the following month.

### 34.00 Net Assets Value

The price of the common stock of the Company has been determined on the basis of net assets value break up of which is given below:

A. Assets	Notes No:	Amount in Taka	
		31.12.2015	31.12.2014
<b>a. Fixed Assets (Non Current Assets)</b>			
Property, Plant & Equipments		57,650,145	45,486,478
Investment	15.00	156,033,327	152,189,996
<b>Total Fixed Assets (Long Term Assets )</b>		<b>213,683,472</b>	<b>197,676,474</b>
<b>b. Current Assets:</b>			
Outstanding Premium	17.00	5,552,766	6,641,168
Interest Accrued but not received	18.00	11,719,500	15,591,162
Amount due from other persons or bodies carrying on insurance business	19.00	179,914,202	96,980,074
Sundry Debtors	20.00	458,460,554	413,769,025
Investment in FDR	21.00	294,800,000	406,300,000
Cash and Cash Equivalents	22.00	37,200,269	47,908,558
Stock of stationery	16.00	4,061,261	3,843,461
Stock of Insurance Stamp		1,599,087	1,104,430
<b>Total Current Assets</b>		<b>993,307,639</b>	<b>992,137,878</b>
<b>Total Assets (A=a+b)</b>		<b>1,206,991,111</b>	<b>1,189,814,352</b>
<b>B. Liabilities</b>			
<b>a. Long Term Liabilities (Non Current Liabilities)</b>			
Paid-up Share Capital	6.b	408,774,980	389,309,510
Reserves & Contingent Accounts	7.00	303,408,931	274,111,742
<b>Total Long Term Liabilities</b>		<b>712,183,911</b>	<b>663,421,252</b>
<b>b. Current liabilities</b>			
Balance of Fund Accounts:	8.00	90,268,869	120,412,721
Premium deposit	9.00	37,566,425	41,638,600
Estimated liability in respect of outstanding claims whether due or intimated	10.00	57,355,958	45,976,138
Amount due to other persons or bodies carrying on Insurance business	11.00	37,293,239	100,630,870
Sundry Creditors	12.00	66,357,585	58,307,351
Income Tax Provision	13.00	201,265,125	154,927,420
Deferred Tax Provision	13.b	4,700,000	4,500,000
<b>B.b. Current Liabilities</b>		<b>494,807,200</b>	<b>526,393,100</b>
<b>B. Total Liabilities: (B=B.a+B.b)</b>		<b>1,206,991,111</b>	<b>1,189,814,352</b>
<b>Net Assets Value: {A-B.b}</b>		<b>712,183,911</b>	<b>663,421,252</b>
Number of weighted average shares outstanding during the year.		<b>40,877,490</b>	<b>40,877,490</b>
<b>Net Assets Value Per share (Book Value)</b>		<b>17.42</b>	<b>16.23</b>
Current Ratios (Times):		2.01	1.88
Quick Ratios (Times)		2.00	1.88

**35.00 Shareholders Funds & Equity**

	Notes No:	Amount in Taka	
		31.12.2015	31.12.2014
Paid-up capital	6.b	408,774,980	389,309,510
Reserve for exceptional claims losses	7.01	171,454,302	155,566,523
General Reserve fund	7.02	7,700,000	7,500,000
Investment Fluctuation fund (Fair Value Reserve)	7.03	71,871,274	50,850,025
Retained Earnings	24.00	52,383,355	60,195,194
<b>Total Share holders Funds &amp; Equity</b>		<b>712,183,911</b>	<b>663,421,252</b>

**36.00 Number of Employees Engaged**

Total number of 256 Employees engaged for whole year whose service has been confirmed and drawn the salary by company's approved Service Rules and pay scale.

**37.00 Event after the Reporting Period (Balance Sheet Date)**

The Board of Directors has recommended 12.50% cash dividend totaling Tk.51,096,873 on paid-up capital of Tk. 408,774,980 for the year ended December 31, 2015 at its 275th Board Meeting held on February 22, 2016. After allowing this dividend the balance in accumulated profit/(loss) of the company will be Tk.1,286,482.00

Under Bangladesh Accounting Standard (BAS) 10: Events after the Reporting period, dividend 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.

**38.00 Credit Rating Report**

Credit Rating Information and Services Limited (CRISL) has upgraded the Claim Paying ability (CPA) rating of the company to A (Pronounced as only single A) from previous rating of " A+ " (pronounce as A+) based on the audited Financial Statements up to December 31, 2014. The summary of the rating is presented below:

CPA Rating (Claims Paying Ability)	A+
Date of Rating	December 31, 2014
Outlook	Stable

CRISL has assigned surveillance rating CPA: A+ (Pronounced as single A+) based on the financials statements for the year ended December 31, 2014 and other relevant qualitative and quantitative information up to the date of rating. This has indicated PICL's good underwriting and good financial performance, improving sound solvency position, good liquidity and business growth, good IT infrastructure, re-insurance arrangement with foreign reinsurer etc.

CRISL also viewed the Company with "Stable outlook" for its steady business growth and policy and regulations implicated by regulatory authority as well as new Insurance Act. CRISL also believes that the company will be able to maintain its fundamental operation in the foreseeable future.



### 39.00 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, 2015 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	204,000			
Dekko group	Common Director	Insurance	24,875,000	1,395,000.00		
Getco	Common Director	Insurance	646,752			
Popular Pharma	Common Director	Insurance	3,682,962	244,000.00	186,050.00	2,736,086
Electra	Common Director	Insurance	2,946,000			
Agami Traders	Common Director	Insurance	2,315,340			

### 40.00 Useful information for the Shareholders

#### 40.01 Contingent Liability

There are 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 Tk.
Additional VAT	12,266,825
Disputed VAT	23,918,583
Miscellaneous claims	83,810,000
<b>Total</b>	<b>119,995,408</b>

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.

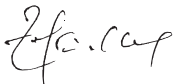
#### 40.02 Miscellaneous claims

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.

**40.03 The History of Raising of Share Paid-up Capital of Prime Insurance Company Limited**

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.

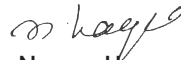
Year	Particulars	No of Shares	Value per Share(Taka)	Value of Shares (in Taka)	Cumulative paid up Capital (Value In Taka)
1996	As per MOA & AOA	600,000	100	60,000,000	60,000,000
2000	Initial Public offerings	900,000	100	90,000,000	150,000,000
2007	10% Bonus Shares	150,000	100	15,000,000	165,000,000
2008	10% Bonus Shares (public)	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
2015	12.50% Cash	-	-	-	408,774,980



**Md. Zakiullah Shahid**  
Chairman



**Mohammodi Khanam**  
Chief Executive Officer



**Nazma Haque**  
Director



**A.Z.M. Sazzadur Rahman**  
Director

Signed as per our separate report of same date.

Place: Dhaka

Dated: February 22, 2016



**M. M. Rahman & Co.**  
Chartered Accountants



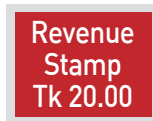
# PRIME INSURANCE COMPANY LIMITED

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 20th Annual General Meeting of the Company to be held on Wednesday, March 30, 2016 at 11 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.....



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 20th Annual General Meeting of the Company to be held on Wednesday, March 30, 2016.....

Name of the Member/Proxy .....  
Registered Folio/ BO ID .....

Signature.....  
Date.....

**N.B. 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.