



Our Business Success is for our Faster Quality Service,
Efficiency and Professionalism

Our Business Growth is for
continuous support of our Client and their trust on us

Annual Report 2012



Letter of Transmittal

All Shareholders
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 2012

Dear Sir (s),

The undersigned has the privilege of forwarding a Copy of Annual Report of Prime Insurance Company Limited together with the Auditors' Report & Audited Financial Statements including Balance Sheet as at 31 December 2012 and Income Statement (Profit & Loss Account) & Cash Flow Statement for the year ended 31 December 2012 along with Notes thereon for your kind information and record.

With thanks.

Yours Sincerely,

Kamal Pasha
Company Secretary (cc)



ISO 9001:2008



0059

Certification
Awarded to
Prime Insurance Company Limited

In our journey another jems is added to its coronet of success.

Prime Insurance Company Limited has achieved
Quality Management System Certificate as per

Standard

ISO 9001: 2008

Certificate Number : AJA12/15868

Awarded by AJA Registrars
Under Accrediation from
The United Kingdom Accrediation Service (UKAS)

'Efficiency, Quality & Service' is our motto

www.prime-insurance.net



The Institute of Cost and Management Accountants of Bangladesh
ICMAB Best Corporate Award-2012

Certificate of Merit

To

Prime Insurance Company Limited

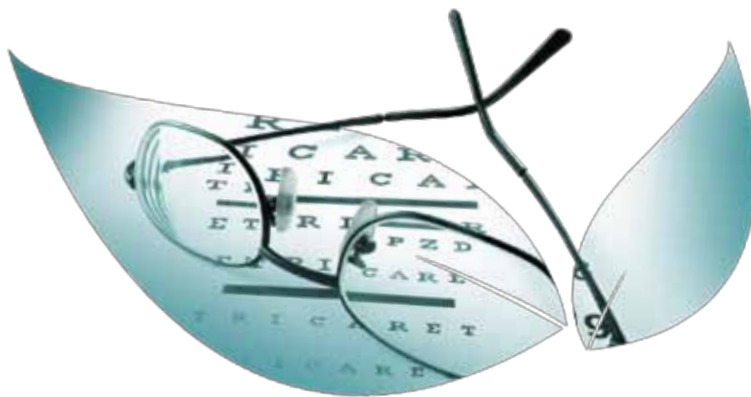
Sector : Insurance (General)

Prof. Mamtaz Uddin Ahmed, FCMA
President, ICMAB

Md. Jasim Uddin Akond, FCMA
Secretary, ICMAB

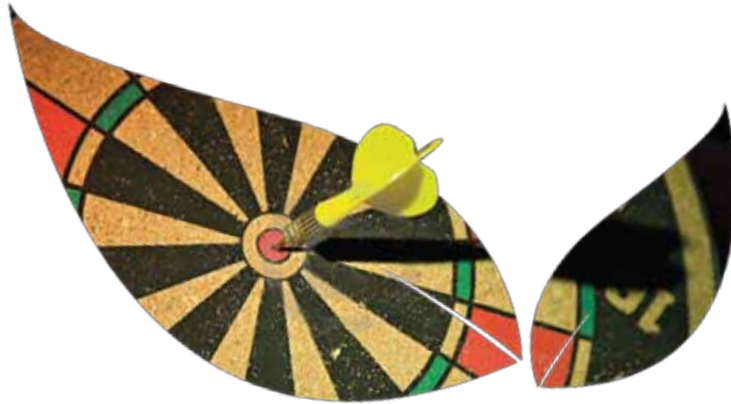
Muzaffar Ahmed, FCMA
Chairman, BCAS Committee

*Introduction to
Prime Insurance Company Ltd.*



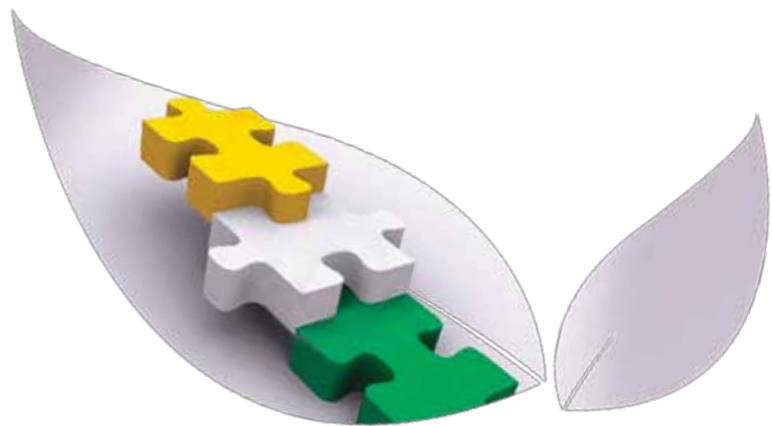
Our Vision

- 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.



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, share holders 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.



Strategic Objectives

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

Company Focus

- Continually improve the internal processes of the company
- Train up and build efficient work force
- Improve organizational structure
- Ensure administrative transparency
- Strengthen Corporate Governance practice

Business Focus

- Consistently improve our product quality to meet up the necessary business standards
- Maximize insurance coverage at a minimum cost
- Establish more branches in important business areas
- Be one of the top insurers in terms of Products and Services, Cost Efficiency and Market Share
- Maximize Shareholders' wealth through a sustained return on their investments

Service Focus

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

Country Focus

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



Core Values

Our core values consist of 7 key elements and these values keep us close with our Business Partner Clients. It helps us to build a strong sense of fraternity among all the executives and employees of the company. These values make us different. Our Core Values are:

1. Clients First

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

2. Integrity

We believe integrity is the key to success. We earn the trust and respect of our Shareholders, Stakeholders, Employees, Clients and Business Partners by being honest, loyal, fair and open to them.

3. Efficiency

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

4. Quality

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

5. Service

We strive to add more value to our service that we provide to our Clients and Stakeholders. To ensure the better and secured service towards them we are always ready with our online service.

6. Teamwork

We strongly promote and believe in teamwork both in in-house and external activities of the company. We teach and encourage our people to improve their performance and professionalism. We emphasize on conscious self improvement and information sharing among the employees to ensure a strong team to achieve our goal.

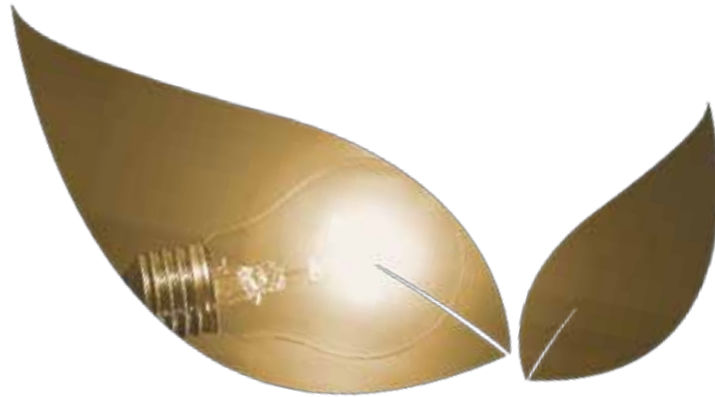
7. Transparency

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



Ethical & Business Principles

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



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



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 incorporate as public limited company on 21 March 1996 under Companies Act,1994. It obtained registration from Insurance Development & Regulatory Authority (IDRA) (Former Chief Controller of Insurance) Government of the Peoples Republic of Bangladesh on 31 March 1996. The Company within the stipulations of the people 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 and Chittagong Stock Exchange as a Publicly traded Company. The Company carries its insurance activities through nineteen branches spread across the country.

Name of the Company : Prime Insurance Company Ltd.	Share Capital:		
Legal Form : Public Limited Company	Authorized Capital : Tk.100.00 Crore		
Certificate of Incorporation : C-30448 (1664) / 96 Dated: 21-03-1996	Paid-up Capital : Tk. 29.44 Crore		
Company Registration No : IDRA/NLI/2033/2011-990	Shareholding Structure:	Holding %	Holding Share Taka
Certificate of Commencement of Business : No-22 Dated: 21-03-1996	Sponsors	34.88	10,26,72,350
	Public Shareholders	65.12	19,17,01,580
	Total	100	29,43,73,930

Registered Office :

63, Dilkusha C/A (6th floor), Dhaka-1000 Bangladesh
Phone : (+880-2) 956-2512, Fax : (+ 880-2) 956-6923
E-mail : info@prime-insurance.net

Corporate website : www.prime-insurance.net

Dhaka Stock Exchange Limited	:	March 21,2001
Chittagong Stock Exchange Ltd	:	March 22,2001
Market Price of Share	:	DSE CSE
Closing Price on 31 December,2012		38.30 38.20
Market Category	:	"A" Category
Tax Payer Identification Number (TIN)	:	140-200-6653/LTU/Dhaka
VAT Registration Number	:	9011015653
Credit Rating Agency	:	"A"
Auditors	:	AHMED ZAKER & CO.
Tax Advisor	:	A.Hossain & Co.
Legal Advisers	:	A F Hassan Arif & Associates Syed Mizan & Associates Law & Remedy
Chairman	:	Ferdous Amin
Managing Director	:	Md. Ezhar Hossain
Chief Financial Officer (CFO)	:	Md. Lokman Hossain
Company Secretary	:	Kamal Pasha
Number of Employee	:	248
Number of Branch	:	19
Number of Shareholders as on 31/12/2012	:	2943
Investor Inquiry	:	Share Department 63, Dilkusha C/A (6th floor) Dhaka-1000 Bangladesh Phone : (+880-2) 956-2512 Fax : (+880-2) 956-6923 E-mail : info@prime-insurance.net



Products & Services

Fire Insurance



Fire and Allied Perils Insurance
 Fire Package Insurance
 Property All Risk including Machinery Break-down &
 Business Interruption
 Power Plant Operational Package Insurance

Marine Insurance



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

Motor Insurance



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

Engineering Insurance



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

Miscellaneous Accident Insurance



Financial Category
Cash in Transit Insurance
Cash in Safe Insurance
Cash on Counter Insurance
ATM Booth Insurance
Bank Lockers Insurance
Credit Card Fraud & Forgery Insurance
Fidelity Guarantee Insurance
Bankers' Blanket Insurance



Industrial Category
Workmen's Comprehensive Insurance
Personal Accident Insurance
Peoples; Personal Accident Insurance
Burglary & House Breaking insurance
Public Liability Insurance
Product Liability Insurance



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



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



General Category
Householder's Comprehensive Insurance
All Risk Insurance

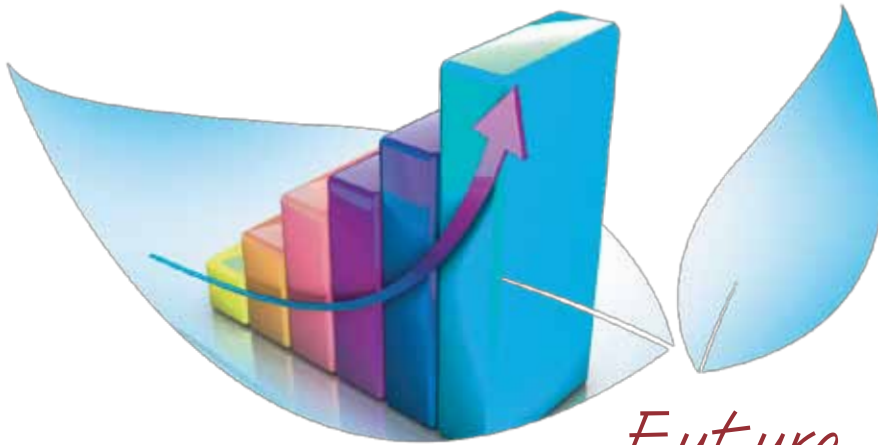


Aviation Insurance



Corporate Chronicle

Incorporation of the Company	March 21, 1996
Certificate of Commencement of Business	March 31, 1996
License Issued for Operating the First Branch	March 03, 1996
Signing of First Insurance Business	March 03, 1996
Shifting to Registered Office	March 01, 1996
First Dividend Declared to the Sponsor Director by the Board 10% Cash on Account of December 31, 1999	February 2, 2000
Received Consent from SEC for Issuance of Public Share of BDT 90 Million	August 28, 2000
Publication of Prospectus	October 27, 2000
Subscription Opened	November 07, 2000
Subscription Closed	November 21, 2000
Listed with Dhaka Stock Exchange Limited	March 21, 2001
First Trading of Share in Dhaka Stock Exchange Limited	March 21, 2001
Listed with Chittagong Stock Exchange Limited	March 22, 2001
First Dividend Declared in the AGM 14% Cash	August 01, 2001
Agreement Sign with CDBL	March 07, 2005
Issuance of First Bonus Share (for the year 2007) 10%	July 17, 2008
15 Years Celebration of the Company	August 7, 2010
Authorized Capital Increased 25 Crore to 100 Crore (Record Date)	October 31, 2010
Completion of 15 Years of Service	March 20, 2011
Purchase of Head Office Space of the Company (Deed Signing Date)	August 03, 2011
Agreement with IBCS-Primax on CIIS software	December 14, 2012



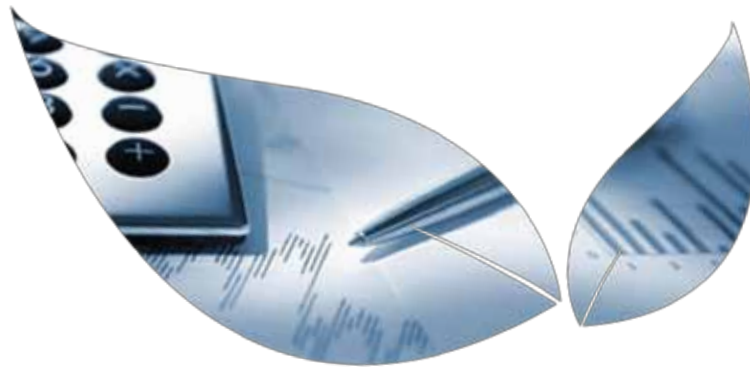
Future Prospects

Prime Insurance Company expect higher growth of business in 2013. The growth will predictably generate from the diversified its business products to the Corporate Clients, Banks and Financial organization. The Company also increases the business by opening new branches or recruiting new Business Executives. The Company has also expanded its services range by enhancing its products line with Ship Builders Liability Insurance, Aviation Insurance, Health Insurance, Bankers Blanket Bond Policy and other new insurance business ideas.

The Prime Insurance Company Limited works fully in an integrated network system with an Insurance Business Development Plan and Work Plan of every Department. The financial position and overall business achievement of the Company shall be reviewed and evaluated in the light of Annual Budget and minimize the cost through effective Supervision, Control, Monitoring and follow-up the work plan. We believe that, on present indications and the prospects, our respected shareholders may also expect satisfactory result in 2013.

The background is a solid red color. In the lower right quadrant, there are several stylized, overlapping leaf shapes in a slightly darker shade of red. The leaves are simple, elongated shapes with a pointed tip and a short stem. The text is centered over the red background.

*Auditors' Report and
Financial Statements*



External 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, 2012 and the 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 judgement, 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, 2012, 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), Securities & Exchange Rules 1987 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 account as required by law have been kept by the company so far as it appeared from our examination of those books;
- c) the company's 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, 2012 and the profit for the year then ended have been properly reflected in the Financial Statements, and the Financial Statements have been prepared in accordance with Generally Accepted Accounting Principles (GAAP) as applicable in Bangladesh.
- e) the expenditures incurred during the year were for the purpose 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 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;

Emphasis of Matter :

Without qualifying our opinion, we draw attention to note no- 4.02 and 15.00 enclosed in the financial statements.

Date: Dhaka
February 17, 2013


Ahmed Zaker & Co.
Chartered Accountants



Prime Insurance Company Limited**Balance Sheet**

As at December 31, 2012

Particulars	Notes	Amount in Taka	
		31.12.2012	31.12.2011
Shareholders Equity & Liabilities :			
Share Capital			
Authorised Share Capital :			
100,000,000 ordinary shares of Tk.10 each		<u>1,000,000,000</u>	<u>1,000,000,000</u>
Issued, subscribed & paid up:			
29,437,393 Ordinary shares of Tk.10 each	6.00	294,373,930	267,612,670
Reserve and Surplus :			
Reserve for Exceptional Losses.	7.01	100,491,087	73,857,068
General Reserve fund.	7.02	6,500,000	5,500,000
Investment fluctuation fund	7.03	28,350,025	26,350,025
Profit & Loss Appropriation Account		48,848,774	32,774,052
Shareholders' Equity :		478,563,816	406,093,815
Balance of Funds and Accounts:			
Fire Insurance Business	8.00	25,036,765	18,608,057
Marine Insurance Business		58,646,618	39,778,279
Motor		17,207,486	14,780,041
Miscellaneous Insurance Business		7,080,173	13,230,502
Premium Deposits		29,297,523	18,707,672
Liabilities and Provisions			
Estimated liability in respect of outstanding claims whether due or intimated	10.00	47,642,301	52,527,091
Amount due to other persons or bodies carrying on insurance business	11.00	88,682,446	81,686,561
Sundry Creditors	12.00	83,340,063	74,060,352
Income Tax Provision	13.00	81,209,775	51,998,148
Deferred Tax	13.b	4,000,000	4,000,000
Total		<u>920,706,966</u>	<u>775,470,518</u>

The accompanying notes 1 to 40 form an integral part of these Financial Statement.
The Financial Statements were authorised for issue by the Board of Directors on
February 17, 2013 and signed on its behalf by:


Ferdous Amin
Chairman



Md. Ezhar Hossain
Managing Director


Shah M. Hasan
Director


Abu Hasan Khan
Director

Signed as per our separate report of same date.

Place: Dhaka
Dated: February 17, 2013

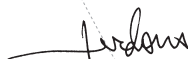

AHMED ZAKER & CO.
Chartered Accountants

Prime Insurance Company Limited

Balance Sheet
As at December 31, 2012

Particulars	Notes	Amount in Taka	
		31.12.2012	31.12.2011
Property and Assets			
Non-Current Assets :		141,476,051	70,579,530
Building Property (Floor Purchase)	14.01	102,900,000	52,520,000
Plant, Office Equipments & other Fixed Assets	14.02	38,576,051	18,059,530
Current Assets :		779,230,915	704,890,988
Investment (at cost)	15.00	195,998,285	195,833,662
Stock of Stationery	16.00	2,778,763	2,201,551
Insurance Stamp In hand		1,029,898	790,541
Outstanding Premium	17.00	8,414,744	22,897,607
Interest accrued but not received	18.00	18,969,011	11,829,920
Amount due from other persons or-bodies carrying on insurance business	19.00	80,336,448	102,981,537
Sundry Debtors(including advances, deposits and pre-payments)	20.00	129,187,175	108,049,738
Cash and Cash Equivalents	21.00	342,516,591	260,306,432
Cash in hand		576,571	403,335
Cash at bank		341,940,020	259,903,097
Total		920,706,966	775,470,518

The accounting policies and other notes from 1 to 40 form an integral part of the Financial Statements. The Financial Statements were authorised for issue by the Board of Directors on February 17, 2013 and signed on its behalf by:


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Chairman



Md. Ezhar Hossain
Managing Director


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Place: Dhaka
Dated: February 17, 2013


AHMED ZAKER & CO.
Chartered Accountants

Prime Insurance Company Limited

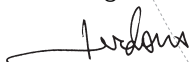
Profit & Loss Account


For the year ended December 31, 2012

Particulars	Notes	Amount in Taka	
		31.12.2012	31.12.2011
Interest, Dividend and Rents (not applicable to			
Interest income	24.00	29,192,103	23,653,053
Dividend & Other income	25.00	6,378,715	20,233,917
Operating Profit/(loss) transferred from		77,575,865	25,873,889
Fire Insurance Revenue Account		16,555,571	5,841,972
Marine Insurance Revenue Account		33,251,842	12,991,380
Motor Insurance Revenue Account		20,198,551	15,688,980
Misc. Insurance Revenue Account		7,569,901	(8,648,443)
Total		113,146,683	69,760,859
Less: Expenses of Management (not applicable to any particular fund or account)		11,465,048	8,945,724
Directors' fees	26.00	1,475,000	1,705,000
Advertisement & publicity		453,210	261,310
Audit fees	27.00	200,000	200,000
Donation & subscription		345,161	235,957
Legal & professional fees		585,824	318,494
Depreciation		4,499,886	4,989,314
Registration fees	28.00	1,069,276	700,363
Meeting Expenses		405,433	535,286
Interest on Margin Loan		2,431,258	-
Profit before Tax :		101,681,635	60,815,135
Provision for Current year Companies' Tax		29,211,627	10,000,000
Deferred tax assets/liabilities		-	-
Profit after tax transferred to Profit & Loss Appropriation Account		72,470,008	50,815,135
Earnings Per Share after tax		2.46	1.73
		113,146,683	69,760,859

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

The Financial Statements were authorised for issue by the Board of Directors on February 17, 2013 and signed on its behalf by:


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Place: Dhaka
Dated: February 17, 2013


AHMED ZAKER & CO.
Chartered Accountants

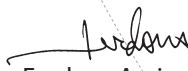
Prime Insurance Company Limited

Profit & Loss Appropriation Account

For the year ended December 31, 2012

Particulars	Notes	Amount in Taka	
		31.12.2012	31.12.2011
Opening Balance of Appropriation Accounts		32,774,052	50,815,135
Profit/(loss) carried forward during the year		72,470,008	66,078,616
Total		105,244,060	116,893,751
Appropriation:			
Reserve for exceptional losses	7.01(a)	26,634,019	20,362,929
Stock Dividend Paid for the year 2011.		26,761,267	61,756,770
General Reserve Fund.	7.02	1,000,000	1,000,000
Investment fluctuation fund :	7.03	2,000,000	1,000,000
Retained Earnings balance transferred to			
Balance Sheet		48,848,774	32,774,052
Total		105,244,060	116,893,751
Earning Per Share (EPS)		2.46	1.73
Weighted Average No. of outstanding Share		29,437,393	29,437,393

The accounting policies and other notes from 1 to 40 form an integral part of the Financial Statements. The Financial Statements were authorised for issue by the Board of Directors on February 17, 2013 and signed on its behalf by:


Ferdous Amin
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Shah M. Hasan
Director


Abu Hasan Khan
Director

Signed as per our separate report of same date.

Place: Dhaka
Dated: February 17, 2013


AHMED ZAKER & CO.
Chartered Accountants

Prime Insurance Company Limited

Consolidated All Insurance Business Revenue Account


For the year ended December 31, 2012

Particulars	Amount in Taka				Total	
	2012	2011	2012	2011		
	Fire	Marine	Motor	Misc.	Total	
Claims under policies less re-insurances:	(4,198,817)	24,509,438	3,995,275	3,157,840	27,463,736	38,168,095
Paid during the year	968,613	20,606,898	8,779,678	1,993,337	32,348,526	42,171,675
Total Total estimated liability in respect of outstanding claims at the end of the year whether due or intimated	3,605,116	31,093,514	2,955,633	9,988,038	47,642,301	52,527,091
	4,573,729	51,700,412	11,735,311	11,981,375	79,990,827	93,798,766
Less: Claims outstanding at the end of the previous year	8,772,546	27,190,974	7,740,036	8,823,535	52,527,091	55,630,671
Agent Commission	24,067,846	30,133,373	7,224,399	5,019,304	66,444,922	53,044,387
Expenses of management	34,520,023	42,255,551	10,429,247	11,155,483	98,360,303	69,919,618
Profit/(Loss) transferred to Profit & Loss Account.	16,555,571	33,251,842	20,198,551	7,569,901	77,575,865	25,873,890
Balance of account at the end of the year as shown in the Balance sheet.	25,036,765	58,646,618	17,207,486	7,080,173	107,971,042	86,396,878
Reserve for unexpired risks being 40% of premium income on Marine, Motor & Misc and 100% of Premium income on Marine Hull of the year.	95,981,388	188,796,822	59,054,957	33,982,701	377,815,868	273,402,868
Total	95,981,388	188,796,822	59,054,957	33,982,701	377,815,868	273,402,868


Ferdous Amin
Chairman


Md. Ezhar Hossain
Managing Director


Shah M. Hasan
Director


Abu Hasan Khan
Director


AHMED ZAKER & CO.
Chartered Accountants


Signed as per our separate report of same date.


Place: Dhaka
Dated: February 17, 2013

Prime Insurance Company Limited

Fire Insurance Revenue Account
For the year ended December 31, 2012

Particulars	Amount in Taka		Particulars	Amount in Taka	
	31.12.2012	31.12.2011		31.12.2012	31.12.2011
Claims under policies less re-insurances Paid during the year	(4,198,817)	(1,736,269)	Balance of account at the beginning of the year : Reserve for unexpired risks	18,608,057	7,404,216
Total estimated liability in respect of outstanding claims at the end of the year whether due or intimated	968,613	(5,456,155)	Premium less re-insurances	62,591,914	46,520,142
Less: Claims outstanding at the end of the previous year	3,605,116	8,772,546	Commission on re-insurances	14,781,417	8,243,260
Agent Commission	4,573,729	3,316,391			
Expenses of management	8,772,546	5,052,660			
Profit transferred to Profit & Loss Account	24,067,846	18,077,028			
	34,520,023	21,376,830			
	16,555,571	5,841,972			
Balance of account at the end of the year as shown in the Balance Sheet					
Reserve for unexpired risks being 40% of premium income of the year	25,036,765	18,608,057			
Total	95,981,388	62,167,618	Total	95,981,388	62,167,618


Ferdous Amin
Chairman


Md. Ezhar Hossain
Managing Director


Shah M. Hasan
Director


Abu Hasan Khan
Director


AHMED ZAKER & CO.
Chartered Accountants


Signed as per our separate report of same date.

Place: Dhaka
Dated: February 17, 2013

Prime Insurance Company Limited

Marine Insurance Revenue Account
For the year ended December 31, 2012

Particulars	Amount in Taka		Particulars	Amount in Taka	
	31.12.2012	31.12.2011		31.12.2012	31.12.2011
Claims under policies less re-insurances: Paid during the year	24,509,438	21,982,976	Balance of account at the beginning of the year :	39,778,279	30,370,274
	20,606,898	24,656,185	Reserve for unexpired risks		
Total estimated liability in respect of outstanding claims at the end of the year whether due or intimated	31,093,514	27,190,974	Premium less re-insurances	143,029,147	87,082,794
Less: Claims outstanding at the end of the previous year	51,700,412	51,847,159	Commission on re-insurances	5,989,396	4,366,780
Agent commission	27,190,974	29,864,183			
Expenses of management	30,133,373	19,542,675			
Profit transferred to Profit & Loss Account	42,255,551	27,524,538			
	33,251,842	12,991,380			
Balance of account at the end of the year as shown in the Balance Sheet					
Reserve for unexpired risks being 40% of premium income on Marine Cargo and 100% of premium income on Marine Hull of the year:					
	58,646,618	39,778,279			
Cargo	56,255,018	31,536,344			
Hull	2,391,600	8,241,935			
Total	188,796,822	121,819,848	Total	188,796,822	121,819,848


Ferdous Amin
Chairman


Md. Ezhar Hossain
Managing Director


Shah M. Hasan
Director


Abu Hasan Khan
Director


AHMED ZAKER & CO.
Chartered Accountants


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Place: Dhaka
Dated: February 17, 2013

Prime Insurance Company Limited


Motor Insurance Revenue Account
For the year ended December 31, 2012

Particulars	Amount in Taka		Particulars	Amount in Taka	
	31.12.2012	31.12.2011		31.12.2012	31.12.2011
Claims under policies less re-insurances: Paid during the year	3,995,275	2,044,325	Balance of account at the beginning of the year :		
	8,779,678	11,925,047	Reserve for unexpired risks	14,780,041	11,528,398
Total estimated liability in respect of outstanding claims at the end of the year whether due or intimated	2,955,633	7,740,036	Premium less re-insurances	43,018,714	36,950,103
	11,735,311	19,665,083	Commission on re-insurances	1,256,202	750,000
Less: Claims outstanding at the end of the previous year	7,740,036	17,620,758			
Agent Commission	7,224,399	7,683,372			
Expenses of management	10,429,247	9,031,783			
Profit/(Loss) transferred to Profit & Loss Account	20,198,551	15,688,980			
Balance of account at the end of the year as shown in the Balance Sheet					
Reserve for unexpired risks being 40% of premium income on Motor of the year	17,207,486	14,780,041			
Total	59,054,957	49,228,501	Total	59,054,957	49,228,501


Ferdous Amin
Chairman


Md. Ezhar Hossain
Managing Director


Shah M. Hasan
Director


Abu Hasan Khan
Director


AHMED ZAKER & CO.
Chartered Accountants

Signed as per our separate report of same date.

Place: Dhaka
Dated: February 17, 2013

Prime Insurance Company Limited

Miscellaneous Insurance Revenue Account

For the year ended December 31, 2012

Particulars	Amount in Taka		Particulars	Amount in Taka	
	31.12.2012	31.12.2011		31.12.2012	31.12.2011
Claims under policies less re-insurances: Paid during the year	3,157,840 1,993,337	15,877,063 10,146,598	Balance of account at the beginning of the year :	13,230,502	5,198,382
Total estimated liability in respect of outstanding claims at the end of the year whether due or intimated	9,988,038 11,981,375	8,823,535 18,970,133	Reserve for unexpired risks	17,700,432	33,076,256
Less: Claims outstanding at the end of the previous year	8,823,535	3,093,070	Premium less re-insurances	3,051,767	1,912,263
Agent Commission	5,019,304	7,741,311	Commission on re-insurances		
Expenses of management	11,155,483	11,986,468			
Profit/(Loss) transferred to Profit & Loss Account	7,569,901	(8,648,443)			
Balance of account at the end of the year as shown in the Balance Sheet	7,080,173	13,230,502			
Reserve for unexpired risks being 40% of premium income on Misc. of the year					
Total	33,982,701	40,186,901	Total	33,982,701	40,186,901



Md. Ezhar Hossain
Managing Director



Shah M. Hasan
Director



Abu Hasan Khan
Director

Signed as per our separate report of same date.



AHMED ZAKER & CO.
Chartered Accountants



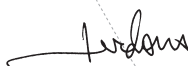
Ferdous Amin
Chairman

Place: Dhaka
Dated: February 17, 2013

Prime Insurance Company Limited

Classified Summary of Assets as at 31 December 2012.
Form "AA"

Sl. No.	Class of Assets	Amount in Taka	
		31.12.2012 Book Value	31.12.2011 Book Value
NON CURRENT ASSETS :			
Property, Plant & Equipments			
(a)	Building Property -Head office Space Purchase:	102,900,000	52,520,000
(b)	Motor car	28,795,588	14,365,361
(c)	Motor cycle	83,979	-
(d)	Furniture & Fixtures	3,728,574	1,359,078
(e)	Air Cooler ,Fan & Electric Equipment	1,093,562	181,671
(f)	Office Equipment	3,087,553	1,936,526
(g)	Computer	1,084,896	111,073
(h)	Telephone Installation	422,367	17,760
(i)	Fax Machine & Photocopy Machine	239,301	88,061
(j)	Camera & Television	-	-
(k)	Generator	40,231	-
Sub total :		141,476,051	70,579,530
CURRENT ASSETS :			
Investment :			
(a)	10 Years Bangladesh Treasury Bond	9,000,000	9,000,000
(b)	Shares of Listed Company	181,594,215	186,833,662
(c)	Shares of Non Listed Company	1,569,450	-
(d)	Mutual funds	3,834,620	-
Sub total :		195,998,285	195,833,662
(a)	Fixed Deposits & STD Accounts with Banks	339,469,429	251,895,506
(b)	Cash in hand & in Current Accounts with Banks	3,047,162	8,410,926
(c)	Outstanding premium	8,414,744	22,897,607
(d)	Interest Accrued	18,969,011	11,829,920
(e)	Sundry Debtors	129,187,175	108,049,738
(f)	Amount due from other persons or bodies carrying on insurance business	80,336,448	102,981,537
(g)	Stock of Printing materials in hand (at cost)	2,778,763	2,201,551
(h)	Stamps in hand	1,029,898	790,541
Sub total		583,232,630	509,057,326
Total Current Assets :		779,230,915	704,890,988
Others Assets			
Deferred Tax Assets			
Sub total			
Total Assets :		920,706,966	775,470,518


Ferdous Amin
Chairman


Md. Ezhar Hossain
Managing Director


Shah M. Hasan
Director


Abu Hasan Khan
Director

Signed as per our separate report of same date.

Place: Dhaka
Dated: February 17, 2013


AHMED ZAKER & CO.
Chartered Accountants

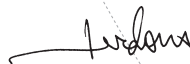
Prime Insurance Company Limited

Statement of Cash Flow

For the year ended December 31, 2012

Particulars	Notes	Amount in Taka	
		31.12.2012	31.12.2011
A. CASH FLOW FROM OPERATING ACTIVITIES:			
Turnover against Insurance Business and others		440,237,124	275,888,838
Payment for management expenses, Re-insurance and claims		(351,130,496)	(223,634,825)
Company's income tax Paid to Government		(18,000,000)	(8,160,000)
Received VAT , Source VAT, Taxes & others		50,982,444	-
Source Tax paid diferent Heads		(6,782,209)	-
VAT paid to Government.		(43,726,211)	(27,245,818)
Net cash flow from Operating Activities		71,580,652	16,848,195
Net Operating Cash flow per share		2.43	0.63
B. CASH FLOW FROM INVESTING ACTIVITIES:			
Acquisition of Head office space		(17,640,000)	(52,520,000)
Investment in Stock		(150,000)	(40,352,355)
Sales proceeds of Investment in share & others		8,537,579	22,837,588
Disposal of fixed assets		3,545,851	1,176,130
Purchase of Fixed Assets		(25,046,407)	(16,905,178)
Fixed Deposit opened		(51,300,000)	(103,500,000)
Fixed Deposit Encashed		110,600,000	130,341,000
Interest received		22,891,468	19,564,258
Dividend received		1,974,629	2,254,122
Margin loan paid		(40,352,355)	29,467,034
Interest paid on Margin loan		(2,431,258)	(6,440,090)
Net cash flow from Investing activities		10,659,507	(14,077,491)
C. CASH FLOW FROM FINANCING ACTIVITIES:			
Dividend payable		-	-
Dividend paid		-	-
Net cash flow from financing activities		-	-
Increase/ (Decrease) in Cash and Cash Equivalent(A+B+C)		82,240,159	2,770,704
Cash and Cash Equivalent at the beginning of the year		260,306,432	257,535,728
Cash and Cash Equivalent at the closing of the year		342,516,591	260,306,432

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


Ferdous Amin
Chairman


Md. Ezhar Hossain
Managing Director


Shah M. Hasan
Director


Abu Hasan Khan
Director

Signed as per our separate report of same date.

Place: Dhaka
Dated: February 17, 2013


AHMED ZAKER & CO.
Chartered Accountants

Prime Insurance Company Limited

Statement of Changes in Equity For the year ended December 31, 2012

For 2012

Particulars	Share Capital	General Reserve Fund	Reserve for exceptional losses	Investment fluctuation fund	Profit & Loss Account	Total
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Balance as at 1st January 2012	267,612,670	5,500,000	73,857,068	26,350,025	32,774,052	406,093,815
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Stock Dividend	26,761,260		-	-	(26,761,267)	-
Profit after tax for the year	-		-	-	72,470,008	72,470,008
Appropriation made during the year	-	1,000,000	26,634,019	2,000,000	(29,634,019)	-

Total	294,373,930	6,500,000	100,491,087	28,350,025	48,848,774	478,563,816
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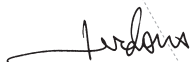
For 2011

Particulars	Share Capital	General Reserve Fund	Reserve for exceptional losses	Investment fluctuation fund	Profit & Loss Account	Total
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Balance as at 1st January 2011	205,855,900	4,500,000	53,494,139	25,350,025	66,078,616	350,778,680
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Stock Dividend	61,756,770		-		(61,756,770)	-
Profit after tax for the year	-		-	-	50,815,135	50,815,135
Appropriation made during the year	-	1,000,000	20,362,929	1,000,000	(22,362,929)	-

Total	267,612,670	5,500,000	73,857,068	26,350,025	32,774,052	406,093,815
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Ferdous Amin
Chairman



Md. Ezhar Hossain
Managing Director


Shah M. Hasan
Director


Abu Hasan Khan
Director

Signed as per our separate report of same date.

Place: Dhaka
Dated: February 17, 2013


AHMED ZAKER & CO.
Chartered Accountants

Prime Insurance Company Limited

Schedule of Property, Plant & Equipment

As at December 31, 2012

Annexure- A

Particulars	Cost				Depreciation				Written Down Value (WDV)	
	Opening Balance as at 1st Jan. 12	Addition during the year	Disposal during the year	Balance as on 31.12.12	Opening Balance as at 1st Jan. 12	Charged during the year	Adjustment during the year	Balance as on 31.12.12	Balance as on 31.12.12	Balance as on 31.12.11
Land & Porperty	52,520,000	50,380,000	-	102,900,000	-	-	-	-	102,900,000	52,520,000
Motor Car	18,911,116	17,843,666	6,220,000	30,534,782	4,545,755	3,413,439	6,220,000	1,739,194	28,795,588	14,365,361
Motor cycle	1,030,280	93,310	-	1,123,590	1,030,280	9,331	-	1,039,611	83,979	-
Bi-cycle	8,000	-	-	8,000	8,000	-	-	8,000	-	-
Furniture & Fixture	10,610,578	2,630,635	63,000	13,178,213	9,251,500	261,139	63,000	9,449,639	3,728,574	1,359,078
Electrical Fans	204,251	21,050	-	225,301	204,251	1,579	-	205,830	19,471	-
Air Cooler	1,595,317	147,280	-	1,742,597	1,488,601	27,053	-	1,515,654	226,943	106,716
Electrical Equipment	804,095	846,957	-	1,651,052	729,138	74,766	-	803,904	847,148	74,957
Typewriters	739,700	-	-	739,700	739,700	-	-	739,700	-	-
Photocopy Machine	415,369	127,610	-	542,979	348,307	19,630	-	367,937	175,042	67,063
Office Equipment	2,729,860	1,663,062	-	4,392,922	793,334	512,035	-	1,305,369	3,087,553	1,936,526
Computer	6,315,913	1,106,709	-	7,422,622	6,204,841	132,885	-	6,337,726	1,084,896	111,073
Telephone Install.	3,127,223	441,253	-	3,568,476	3,109,463	36,646	-	3,146,109	422,367	17,760
Fax Machine	535,265	50,175	-	585,440	514,268	6,913	-	521,181	64,259	20,998
Camera & Television	45,415	-	-	45,415	45,415	-	-	45,415	-	-
Generator	-	44,700	-	44,700	-	4,470	-	4,469	40,231	-
Total	99,592,382	75,396,407	6,283,000	168,705,789	29,012,852	4,499,886	6,283,000	27,229,738	141,476,051	70,579,532

Prime Insurance Company Limited

Notes to the Financial Statements

for the year ended December 31, 2012

1.00 Legal form of the Company :

The Company was incorporated as a public limited company on 21st March 1996 under the Companies Act 1994 (Previously Companies Act 1913) and obtained registration from the Insurance Development & Regulatory Authority (IDRA) Chief Controller of Insurance, Government of the People's Republic of Bangladesh on March 31st 1996 concurrently. The company has obtained registration certificate from the Insurance Development & Regulatory Authority (IDRA). The company is engaged in the business of all types of insurance other than life as per Insurance Act, 1938 as amended. The company is listed in both Dhaka and Chittagong Stock Exchange as a public traded company.

1.01 Address of Registered office and place of business of the company

The registered office of the company is located at 63, Dilkusha C/A, Dhaka-1000 Bangladesh. The business operation of the company are being carried out through 19 branches located in all over Bangladesh.

1.02 Principal Activities of the company :

The principal object and activities of the company is to carry on all kinds of Insurance, guarantee, and indemnity business other than life insurance business.

1.03 Date of Financial Statements Authorized for Issue :

Financial Statement of the Company for the year ended December 31, 2012 were authorized for issue on February 17, 2013 in accordance with a resolution of the Board of Directors of the company.

2.00 Summary of significant accounting policies and other related information:

a) Basis of Accounting & Presentation of Accounts.

The Board of Directors is responsible for the preparation and Presentation of financial statements under section 183 of the Companies Act 1994 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 :

1. Balance Sheet
2. Profit and Loss Account
3. Profit and Loss Appropriation Account

4. Statement of Cash Flows
5. Statement of Changes in Equity
6. Notes to the Financial Statements and Significant Policies

i) Basis of accounting:

The financial statements have been prepared on the basis of going concern concept under generally accepted accounting principles (GAAP) according to the historical cost convention in Bangladesh in compliance with the Companies Act 1994, the Securities and Exchange Rules 1987, Listing Regulations of Dhaka Stock Exchange Ltd & Chattagong Stock Exchange Ltd. These statements have also been prepared in accordance with applicable International Accounting Standards (IAS) and as were adopted in Bangladesh by the Institute of Chartered Accountants of Bangladesh (ICAB) under name & style Bangladesh Accounting Standards (BAS) with reference to disclosures of accounting policies and valuation of investment both.

ii) 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 general 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 as amended (new Insurance Act 2010). The classified summary of the assets has been prepared in accordance with Form “AA” as set forth in Part – II of the aforesaid Act.

iii) Method of Preparation:

The Financial statements have been drawn up on mercantile method.

iv) General Rules & Regulations:

The financial statement have been prepared and disclosures of information have been made in accordance with the requirements of insurance Act,1938 (New Act,2010), Insurance rules,1958, the companies Act,1994, the Securities and Exchange Rules,1987, the listing rules of Dhaka Stock Exchange and Chittgong Stock Exchange, Guidelines from Insurance Development and Regulatory Authority, Bangladesh Accounting Standards (BAS) and Bangladesh Financial Reporting Standards (BFRS) and other applicable laws and regulations.

1. The Figures in the financial statements have been rounded off to the nearest Taka (BDT).
2. Last year's figures have been rearranged and adjusted wherever considered necessary to conform with the current year balances.

vi) Branch Accounting :

The company has 19 (nineteen) branches under its umbrella without having any overseas branch up to the year ended December 31,2012. The accounts of the branches are maintained at the Head office level. Only petty cash book are maintained at the branches for meeting day to day cash expenses.

b) Revenue recognition :

i) Underwriting Premium Income :

Premium income is recognized 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.

ii) Public Sector Business (PSB) :

As Per Government decision effective from April 1990, all the Public Sector Insurance Business is being underwritten jointly by Sadharan Bima Corporation and 43 private Sector Insurance Companies on Co-insurance basis, 50% being underwritten by Shadharan Bima Corporation and the balance equally by 43 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 are received. The statements of account for the period from July 2011 to June, 2012 have been received from SBC and the Company's share of PSB for the aforesaid period has been recognized in these financial statements accordingly. Such method of account for the Public Sector insurance Business (PSB) has been consistently followed.

iii) Re-Insurance Ceded and Accepted :

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).

iv) Cover Notes Converted in to Policy (CCP) :

Amounts received against issue of cover notes that have not converted into policy are recognised as income. The cover note which were previously issued are converted into insurance policy or at the expiry of one year cover note as per circular of Shadharan Bima Corporation (SBC).

v) Investment Income :

i) Interest on Fixed Deposit Receipts (FDR) and 10 (Ten) years Bangladesh Government Treasury Bond (BGTB) on accrual basis after making provision for income tax deductible at source. Interest on STD account and other income are recognised on cash basis.

ii) Income on Investment in marketable securities has been taken into account at actual amount earned and received on its disposal. Surplus/(deficit) of cost over the market value of the Securities in hand at Balance Sheet date has not been taken into account.

iii) Dividend Income :

Dividend income on share investments if any, are recognized on cash basis and shown in Profit & Loss account. For stock dividend, received by the company against its investment, number of shares increased and average cost of investment decreased.

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

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

ii) Valuation of Investment of Share / Debenture and Mutual Fund :

Investment made in shares, debentures and Mutual fund are valued at cost or market price whichever is lower as per Bangladesh Accounting Standard (BAS)-25.

ii) Valuation of Fixed assets :

Building 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 acquisition of an asset comprise its purchase price and any directly attributable cost of bringing the asset to its working condition for its intended use inclusive of inward freight, duties and non-refundable taxes.

Recognition of Fixed Assets :

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

Depreciation on Building 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 newly acquired assets is charged for the average six month while no depreciation is charged on assets retiring during the year. As the company did not availed the use of space during the year as such the company has not charged Depreciation on Purchase of Head office space. The Property, Plant & Equipment are depreciated at the following rates:

Items	Ratae %
Building Property (Head office Space)	0
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 to 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 recognized 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-recognized .

Impairment of Assets :

The carrying amounts of the company's non financial 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 recognized 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.

d) Employees' Retirement Benefit Scheme :

Prime Insurance Company Ltd offers a number of benefit plan for all permanent Employee's of the company which includes Contributory Provident Fund, Gratuity Fund, Earn 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" bases of enumerating the above benefits schemes operated by the company are outlined below:

i) Provident Fund

Under defined Contribution scheme, Company operates duly recognized Provident Fund managed by independent Board of Trustees for all permanent employees excepting those who are on contract basis. The eligible employees contribute @ 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 fund scheme duly recognized 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 2 (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 BAS-19 "Employee Benefits". Basic pay in this regard represent 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 accounts.

iii. Health Plan Policy :

The company has been operating a Health Plan Policy for all confirmed/ Permanent employee's for the supporting of medical assistance as per health plan policy terms & condition.

iv. Group Insurance Policy :

The company has been operating a Group Insurance policy for all confirmed/ Permanent employee's for the supporting of family assistance after death of any Employee's as per Group Insurance Policy terms & condition.

v. 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 & Securities and Exchange Commission. The Company has complied with all related Bangladesh Accounting Standards adopted by the Institute of Chartered Accounts of Bangladesh.

vi. Incentive Bonus :

The company has resorted to a policy namely incentive Bonus Scheme for its employee's who meets 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.

vii Home Repairs Loan and Transport facilities Assistance :

With view to secured long term commitment of deserving employees, Company has introduced Employee's Home repairs loan and Transport facilities. All Permanent employees of the company has been enjoying the Home repairs loan facilities without interest and Transport facilities enjoyed by all of Head Office employee's whose rank stands above Assistant Manager.

e. 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, Motor, Miscellaneous, Marine cargo and 100% on Marine Hull business concern.

f. Allocation of Management Expenses :

As per section 40(C-2) insurance Act 1938 (Current Insurance Law 2010) all relevant of Management expenses have been allocated amongst different Revenue Account in respect of Fire, Marine, Motor and Miscellaneous insurance business on pro-rata basis at their respective gross premium Income. Management expenses as charged to Revenue Accounts amounting to Tk. 9,83,60,303/= represents 22.34% of Gross Premium Income of Tk. 44,02,37,124. /= and 36.93% of Net Premium Income for the year 2012 which was 22% in 2011.

g Remuneration or Compensation of CEO & Any Members of Board of Directors :

No remuneration or compensation was allowed to the Chief Executive Officer of the Company or any members of the Board for any special services rendered except as Note - 26 & 30 of this annual report.

h. Cash Flow Statement :

Cash Flow Statement is prepared principally in accordance with IAS -7' and 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.

i. Foreign Currency Transaction :

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

j. 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 know 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.

k. Appropriation during the year :

In accordance with IAS-1 " Presentation of Financial statement" the appropriations for the year have been reflected in the statement of change in equity. During the year under review , an amount of Tk. 2,92,11,221/= has been transferred to coporate tax provision as per section 45 of the Income Tax Ordinace,1984.

l. Comparative informantion :

Previous year's figure has been restated and rearranged whenever necessary due to fair presentaion in the Financial Statements December 31,2012 as per BAS-8 "Accounting Policies, Changes in Accounting Estimate and Errors".

m. Reporting period :

Financial Statements of the company cover for the year from January 01,2012 to December 31,2012.

n. Stock of Stationery & Forms :

Stock of Stationery & Forms has been valued at cost price.

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 Copenhensive income in the running business and in maintaining the Property,Plant and equipments in state of efficiency.

3.01 Borrowing Costs :

Borrowing Costs that are directly attributable to the acquistition and construction of a qualifying asset from part of the cost of that asset and , therefore, should be capitalized . Other borrowing costs are recognized as an expense.

3.02 Provision for Income Taxes:

The company has been made the income tax provision on the basis of BAS-12 and Finance Ordinace, 1984 amended time to time. Provision for Income Tax represents the sum of the current Tax on profit and deferred tax expense. Details are as under :

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 enacted on the balance sheet date.

3.04 Deferred Taxes:

Deferred tax is recognized 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 recognized for all taxable temporary differences. Deferred tax assets are generally recognized for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which such differences can be utilized. Adequate provision has been made for Deferred tax to profit and loss account.

4.00 Reserve or Contingencies Accounts :

4.01 Reserve for Exceptional losses :

As per Insurance Act 1938 as amended, 10% statutory reserve is maintained out of profit by the company to meet any possible future claims on net premium income during the year.

4.02 Investment Fluctuation Fund (Fair Value Reserve) :

The company made investments in the capital market in a large portfolio and income generated from the investment (realized gain and dividend received) is credited to the statement of comprehensive income. The company has made a provision considering the average movement of market price as the capital market of Bangladesh is volatile and market price of the stocks and shares changes very frequently and it is transferred to the investment Fluctuation Fund subsequently.

4.03 General Reserve fund :

The company creates 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 recognizes the provision in the balance sheet when the company has a legal or constructive obligation as a result of past event and it is probable that an outflow of economic benefit will be required to settle the obligations.

5.00 Earning Per Share (EPS) :

The company calculates Earning Per Share (EPS) in accordance with BAS -33 : "Earnings Per Share", which has been shown on the face of Profit and Loss Appropriation Account in the Annual Report.

5.01 Basic Earning 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 formulas have been used :

SI No.	Particulars	Amount in Taka	
		31.12.2012	31.12.2011
a.	Earning Attributable to the ordinary shareholders (Net Profit after Tax)	72,470,008	50,815,135
b.	Ordinary share at 1st January, 2012	26,761,267	20,585,590
	Bonus Share Issued.	2,676,126	6,175,677
b.	Weighted Average number of Ordinary shares outstanding during the year.	29,437,393	26,761,267
	Restated Weighed Average number of ordinary shares	29,437,393	29,437,393
d.	Basic Earnings Per Share after Tax	2.46	1.73

Basic Earnings :

The 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 Earning 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 extend such entitlement is not subject to unresolved contingencies.

At December 31, 2012 there was no scope for dilution and hence no dilution EPS is required to be calculated.

Particulars	Amount in Taka	
	31.12.2012	31.12.2011

6.00 Additional Information on Financial Statement for the year 2012

6.a Authorized, Issued, Subscribed and Paid up Capital:

Authorized Share Capital:

10,00,00,000 Ordinary shares of Tk. 10 each.

1,000,000,000 1,000,000,000

6.b. Issued, Subscribed and Paid up Capital :

1,50,00,000 Ordinary share of 10 each.

150,000,000 150,000,000

Bonus Share Issued different year :

14,437,393 Bonus share of 10 each

144,373,930 117,612,670

Paid- up Capital :

294,373,930 **267,612,670**

Particulars	2012		2011	
	No. of Shares	% of holding	No. of Share holding	% of holding
Category of Shareholders				
A.Group-A -Sponsors & Directors :				
1,02,67,235 shares of Tk.10 each fully paid in cash.	10,267,235	35%	8,448,600	32%
B. Group "B" -Others:				
1,91,70,158 shares of Tk.10 each fully paid in cash	19,170,158	65%	18,312,667	68%
1. Bank,ICB's,MF & Insurance	5,836,578	20%	3,370,531	13%
2. Employee's	-	0%	-	
3. ICB Investors Accounts	3,629,027	12%	3,890,344	15%
4. General Public & others	9,704,553	33%	11,051,792	41%
Total	29,437,393	100%	26,761,267	100%

Classification of shareholders as per their share holdings as on December 31,2012:

Group-"A" Sponsors Directors & Directors :

Class Interval	No. of share	No. of share Holders	% of Total holding	% of Total paid up capital
001-5000	-	-	-	0.00
5001-10000	-	0	0.00	0.00
10001-50000	-	0	0.00	0.00
50001-100000	159,180	2	1.55	0.54
100001-300000	482,900	3	4.70	1.64
300001-600000	3,075,875	6	29.96	10.45
600001-1500000	6,549,280	9	63.79	22.25
1500001-5000000	-	0	0.00	0.00
Total	10,267,235	20	100.00	34.88

Group- "B" Shareholders (Public)

Class Interval	No. of share	No. of share Holders	% of Total holding	% of Total paid up capital
001-5000	4,027,025	2743	21.01	13.68
5001-10000	606,411	75	3.16	2.06
10001-50000	1,465,078	61	7.64	4.98
50001-100000	1,504,912	21	7.85	5.11
100001-300000	3,522,682	24	18.38	11.97
300001-600000	2,313,335	5	12.07	7.86
600001-1500000	2,335,612	3	12.18	7.93
1500001-5000000	3,395,103	1	17.71	11.53
Total	19,170,158	2933	100.00	65.12
Grant Total (A+B):	29,437,393	2,953		100

2,676,126 Bonus shares of Tk.10 each Valued at Tk.26,761,260 for year 2011 has been transferred to Paid up Capital on account during the year 2012.

7.00 Reserve and Surplus :

Amount in Taka	
31.12.2012	31.12.2011

The Prime Insurance Company Limited has been made some exceptional reserves from Net profit to meet any future Claims losses or any sudden future fund crisis. These reserves are solvency margin of the Company. Details are as follows :

Reserve for Exceptional losses	7.01	100,491,087	73,857,068
General Reseve fund	7.02	6,500,000	5,500,000
Investment Fluctuation fund (Fair Value Reseve)	7.03	28,350,025	26,350,025
Retained Earnings (16.00)		48,848,774	32,774,052
Total Reserve & Surplus :		184,189,886	138,481,145

7.01 Reserve for Exceptional Losses:

As per Paragraph 2 of Forth Schedule of Income Tax Ordinance 1984, as earlier ,for the year, 10% of the net premium income was transferred to reserve for exceptional losses. Details calculation as under :

Opening balances	73,857,068	53,494,139
Add: Transferred during the year (Tax exempted) (7.01.a)	26,634,019	20,362,929
Closing balance as on December 31,2012	100,491,087	73,857,068

7.01.a Classwise Exceptional Loss Reserve :

This represents profit set-aside during the year under review at 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.

At 10% of Net Premium on:

01. Fire Insurance Business	6,259,191	4,652,014
02. Marine Insurance Business	14,302,915	8,708,279
03. Motor Insurance Business	4,301,870	3,695,010
04. Miscellaneous Insurance Business	1,770,043	3,307,626
Total	26,634,019	20,362,929

7.02 General Reserve Fund Account:

The company has created a General Reserve fund from financial year 2009 for avoiding any sudden fund crisis/contingency in future.

Opening Balance :	5,500,000	4,500,000
Add : Transferred during the year from current year pretax profit.	1,000,000	1,000,000
Closing balance as on December 31,2012	6,500,000	5,500,000

7.03 Investment Fluctuation Fund (Fair Value Reserve) :

Opening Balance	26,350,025	25,350,025
Add: Provision made during the year	2,000,000	1,000,000
Closing balance as on December 31,2012	28,350,025	26,350,025

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. Classwise Un-expired risk reserve are as follows :

Class of busines	Net Premium	Percentage	Amount in Taka	
			31.12.2012	31.12.2011
01. Fire	62,591,914	40%	25,036,765	18,608,057
02. Marine	140,637,547	40%	56,255,018	31,536,344
03. Marine Hull	2,391,600	100%	2,391,600	8,241,935
03. Motor	43,018,714	40%	17,207,486	14,780,041
04. Miscellaneous	17,700,432	40%	7,080,173	13,230,502
Total	266,340,207		107,971,042	86,396,879

9.00 Premium Deposit:

The above mentioned amount includes premium received against cover notes for which policies have not been issued within 31st December 2012. 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.

Closing balance as on December 31,2012

29,297,523

18,707,672

10.00 Estimated liability in respect of outstanding claims whether due or intimated :**Class of business**

Fire	3,605,116	8,772,546
Marine	31,093,514	27,190,974
Motor	2,955,633	7,740,036
Miscellaneous	9,988,038	8,823,535
Closing balance as on December 31,2012	47,642,301	52,527,091

All the claims of which the Company received intimations within December 31st 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 on account of re-insurance arrangements with them and to other local Insurance Companies under co-insurance scheme. Break up of the amount is as under:

01. Shadharan Bima Corporation (SBC) for Re-insurance Ceded.	85,306,288	71,588,789
02. Co-Insurance Claims Payable to others Insurance Company	-	106,474
03. Co-Insurance Premium Payable to others Insurance Company	3,376,158	9,991,298
Closing balance as on December 31, 2012	88,682,446	81,686,561

12.00 Sundry Creditors (including provision for expense and taxes) :

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

	Amount in Taka	
	31.12.2012	31.12.2011
Audit fees payable (12.01)	484,925	417,175
VAT Payable Including Client (12.02)	375,563	176,160
Employees' Tax deduction at source	221,599	150,358
Income Tax deduction at source	93,127	109,362
Bills Payable	144,820	144,820
Insurance stamps on Deposit premium (12.03)	17,938,154	7,417,351
Security Deposit	1,880,082	1,795,250
Unclaimed Dividend (12.04)	3,160,465	3,160,465
Gratuity Fund (12.05)	9,588,432	9,170,400
Provision for Expenses (12.06)	11,103,991	8,274,236
Provident Fund Payable (12.07)	2,938,905	3,067,377
Salary payable	2,670,000	1,570,000
Payable for acquisition of Head Office Space	32,740,000	-
Margin account	-	40,317,398
Closing balance as on December 31,2012	83,340,063	75,770,352

12.01 Audit Fee Payable :

Opening Balance	417,175	317,175
Add: Provision during the year	200,000	200,000
Total	617,175	517,175
Less: Paid during the year.	132,250	100,000
Closing balance as on December 31,2012	484,925	417,175

12.02 VAT Payable :

Opening Balance	176,160	2,542,453
Add: Payable during the year	42,041,943	24,879,525
Total	42,218,103	27,421,978
Less: Paid during the year	41,842,540	27,245,818
Closing balance as on December 31,2012	375,563	176,160

12.03 Insurance Stamp on Deposit Premium :

Opening Balance	7,417,351	7,230,855
Add: Payable during the year	40,667,317	13,025,400
Total	48,084,668	20,256,255
Less: Paid during the year	30,146,514	12,838,904
Closing balance as on December 31,2012	17,938,154	7,417,351

12.04 Unclaimed Dividend :

Unclaimed dividend amounting to Tk.3,160,465.00 payable to the Sponsor Directors and general shareholders to whom dividend warrants were issued but not placed for collection upto the date of Balance Sheet.

12.05 Gratuity Fund :

The company has been 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	
	31.12.2012	31.12.2011
Opening Balance	9,170,400	8,970,400
Add: Provision made during the year	2,200,000	1,200,000
	11,370,400	10,170,400
	(1,781,968)	(1,000,000)
Less: Transferred to the Gratuity Fund Account.	500,000	1,000,000
Less: Paid to the Employee's direct from company's own fund.	1,281,968	-
Closing balance as on December 31, 2012	9,588,432	9,170,400

12.06 Provisions were made on the followings :

Incentive (12.06.01)	7,798,621	5,227,900
Health Insurance	365,955	365,955
Mobile	64,100	58,400
Telephone (Res)	15,000	8,200
Telephone (Off)	28,850	22,500
Electricity	90,700	46,700
Car Allowance	174,180	147,720
Car Fuel	148,424	51,600
Car Maint.	114,900	42,000
Other Advance Agent Commission (12.06.2)	2,303,261	2,303,261
Closing balance as on December 31, 2012	11,103,991	8,274,236

12.06.1 Incentive for Employee's :

Opening Balance	5,227,900	3,857,633
Add: Provision during the year	7,798,584	4,798,584
Total	13,026,484	8,656,217
Less : Paid during the year	5,227,863	3,428,317
Closing balance as on December 31, 2012	7,798,621	5,227,900

12.06.2 Provision for other advances :

The above amount is receivable from various Insurance commission Agents for collection of Premium which was shown in Balance sheet. In this regard the Management of the company has taken all out efforts including legal action to collect the outstanding premium and recover the advance commission. However the management of the company has also decided to provide on total outstanding in this financial statements to record the probable losses in this regard.

	Amount in Taka	
	31.12.2012	31.12.2011
Opening Balance	2,303,261	4,606,522
Add : During the Year provision	2,303,261	2,303,261
Balance as on 31st December,2012	4,606,522	6,909,783
Less: Adjustment during the year	2,303,261	4,606,522
Unadjusted Balance as on December 31,2012	2,303,261	2,303,261

12.07 Provident Fund Payable :

The above amount was taken from the employees PF for the purpose of meeting administrative expenses of the company. During the year company were made the provision for Employee's Provident Fund as per Bangladesh Accounting Standard (BAS)-19 under Employee's Retirement Benefit scheme.

Opening Balance	3,067,377	4,003,397
Add : During the Year Provision	3,252,888	2,445,890
Total Fund :	6,320,265	6,449,287
	(3,381,360)	(3,381,910)
Less : Transferred to the Employee's Provident fund Account.	3,160,424	2,586,284
Less : Paid to the Employee's directly from company's own fund.	220,936	795,626
Closing balance as on December 31,2012	2,938,905	3,067,377

13.00 Income tax Provision :

This represents provision on account of Income tax, details whereof are as under:

Opening Balance as on 1st January,	51,998,148	41,998,148
Add : Provision during the year (13.a)	29,211,627	10,000,000
Total	81,209,775	51,998,148
Less : During the year Payment and adjustment.	-	-
Closing balance as on December 31,2012	81,209,775	51,998,148

13.a Provision for Current Tax made during the year :

Statement of Income:

Particulars	Taxable income	Exempted/ Tax holiday income	Taxable Income
Income from business Or Profession : (u/s-28 of Income Tax Ordinance 1984.)	93,653,104	26,634,021	67,019,083
Capital gain Income, us -31 (share Investment)	1,970,898	-	1,970,898
Capital gain Income, us -16(3) (Seles Motor car & Fixed assets)	3,542,846	-	3,542,846
Total Income :	99,166,848	26,634,021	72,532,827

Computation of Current Tax provision during the year

Particulars	Taxable income	Rate of Tax percentage	Taxable provision
Income tax on business Or Profession @ 42.50%	67,019,083	42.50	28,483,110
Income tax on Capital gain from share Investment @ 10%	1,970,898	10	197,090
Income tax on Capital gain from Motor car & Fixed assets @. 15%	3,542,846	15	531,427
Total Tax liability during the year :	72,532,827		29,211,627

13.b Provision for deferred tax :

	Amount in Taka	
	31.12.2012	31.12.2011
Balance brought forward	4,000,000	4,000,000
Add : Provision during the year-	-	-
Closing balance as on December 31,2012	4,000,000	4,000,000

14.00 Property, Plant & Equipment details shown in annexure "A"**14.01 BUILDING PROPERTY (HEAD OFFICE SPACE) :**

The management of the company has purchased two floors approximatly 15000 sft gross (4th and 5th floor) including 6 (six) car spaces total amounting to TK.10,29,00,000/= (Ten Crore twenty nine lac) only for Head office space purpose from " Tropical Homes Limited "as the name of the building " Tropical Molla Tower " situated at 15/1,15/2,15/3 & 15/4, Progatissarani, Badda, Dhaka 1212. The Board of director's in its 215th Board meeting dated 28-07-2011 accorded approved for purchase of the floor. In the year 2012, the company already paid 14 (Fourteen) installment of Tk.1,76,40,000/= (One Crore sevety six lac forty thaousand) only and total cash paid amounting to Tk.7,01,60,000/= and balance amount of Tk.3,27,40,000/= shall be paid within February 5, 2015 by 26 (Twenty six) installment.The company has not taken up the possession of the above property as yet as such no depreciation has been charged on the cost amount . Details are as follows :

	Amount in Taka	
	31.12.2012	31.12.2011
Building Property (Head office Space Purchase):	102,900,000	52,520,000
Total :	102,900,000	52,520,000

14.02 Fixed Assets :

A. Cost Price :		
Cost of Fixed Assets as on January 1,2012	99,592,382	31,343,334
Add : Addition during the year	75,396,407	69,425,178
Less: Adjustment/Disposal during the year	6,283,000	1,176,130
Cost of Fixed Assets as on December 31,2012	168,705,789	99,592,382
B. Accumulated Depreciation :		
Accumulated Depreciation Balance 1st January,2012.	29,012,852	25,199,668
Add : Depreciation during the year	4,499,886	4,989,314
Less : Disposal/Adjustment during year	6,283,000	1,176,130
Accumulated Depreciation Balance at 31st December,2012	27,229,738	29,012,852
Written Down Value As on December 31,2012.(A-B)	141,476,051	70,579,530
Less : Building Property (Head Office Space Purchase)	102,900,000	52,520,000
Office Equipment & Other Fixed Assets :	38,576,051	18,059,530

15.00 Investment (at cost) :

The investment has been stated at the cost of acquisition. This represents investment made by the Company both in listed , non-listed securities and Mutual Fund. The investment is made up are as under:

a) 10 Years Bangladesh Treasury Bond @ 9.45%	9,000,000	9,000,000
b) Investment in Listed Securities	181,594,215	181,977,092
c) Investment in Non listed Securities (5,71,181 No Shares in Central Depository (BD) Ltd.).	1,569,450	1,569,450
d) Investment in Mutual Fund	3,834,620	3,287,120
Closing balance as on December 31,2012	195,998,285	195,833,662

15.a a)The amount Tk.90,00,000/= represents statutory deposit with Bangladesh Bank as required under Sec.7 (1) of the Insurance Act, 1938.

10 Years Bangladesh Govt. Treasury Bond @ 9.45% Prime Bank Ltd , Islami Banking branch, Dhaka.	9,000,000	9,000,000
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15.b Invested in Listed Securities :

Comparison between cost price and Market price of quoted shares as on 31-12-2012

Name of Company	Quantity	Average Cost Price (Tk.)	Total Cost Value (Tk.)	Average Market Price (Tk.)	Market Value (Tk.)
AB Bank Ltd	49812	100.96	5,029,020	33.70	1,678,664
ACI Limited	21000	378.19	7,941,990	141.20	2,965,200
Al- Arafah Islami	91476	39.62	3,624,279	25.10	2,296,048
Bata Shoe	3800	762.64	2,898,032	535.70	2,035,660
BATBC	6950	751.75	5,224,663	839.50	5,834,525
Berger Paints	6100	921.46	5,620,906	530.30	3,234,830
Beximco Pha	29040	102.91	2,988,506	55.90	1,623,336
BSRM Steel Ltd	37200	193.26	7,189,198	67.90	2,525,880
City Bank	195000	56.47	11,011,650	26.80	5,226,000
Dhaka Bank Ltd	43524	40.79	1,775,344	24.80	1,079,395
Dhaka electric supply Co.	134981	154.72	20,884,260	72.10	9,732,130
Eastern Bank	62775	53.71	3,371,645	31.70	1,989,968
Exim Bank	54788	36.90	2,021,677	20.80	1,139,590
Fareast Islami Life	13125	200.27	2,628,544	106.20	1,393,875
First Lease Finance	22500	101.03	2,273,175	40.00	900,000
Glaxo smithkline	7800	1,391.46	10,853,388	570.00	4,446,000
Jumana Bank Ltd.	9217	6.67	61,477	21.70	200,009
Jumuna Oil Co.	9937	208.16	2,068,486	178.50	1,773,755
Lankabangla Finance	35650	143.35	5,110,288	59.00	2,103,350
Linde Bangladesh Ltd	8800	831.63	7,318,344	549.10	4,832,080
M.I Cement	56	75.73	4,241	82.90	4,642
Marico Bangladesh Ltd	1000	617.22	617,220	380.90	380,900
Mercantile Bank Ltd	60024	33.80	2,028,811	19.10	1,146,458
MJL Bangladesh Ltd	40388	86.96	3,512,140	79.70	3,218,924
National Bank	163287	55.93	9,132,642	22.10	3,608,643
One Bank Ltd	141050	53.68	7,571,564	22.80	3,215,940
Phoenix Finance & Invt.	8775	129.31	1,134,695	44.60	391,365
Powergrid Com. Of (Bd)	5500	75.85	417,175	55.60	305,800
Progati Life Insurance	3136	289.39	907,527	126.00	395,136
Prime Bank Ltd.	72000	42.29	3,044,880	37.00	2,664,000
Prime Islami Life Ins.	14231	284.62	4,050,427	116.00	1,650,796
Pubali Bank Ltd.	60453	63.39	3,832,116	33.00	1,994,949
Rupali Bank Ltd.	1320	94.21	124,357	79.40	104,808
S.Alam Cold Roll	890	8.37	7,445	49.10	43,699
Shinepukur Ceramics Ltd	6612	68.28	451,467	27.20	179,846
Square Pharma.	41580	200.37	8,331,385	168.60	7,010,388
Standard Bank Ltd	30720	38.85	1,193,472	19.20	589,824
Summit Power	27500	78.82	2,167,550	53.30	1,465,750
Titas Gas Transmission	18900	77.27	1,460,403	65.30	1,234,170
Union Capital Ltd	41525	113.47	4,711,842	27.80	1,154,395
United Insurance Co. Ltd.	9075	157.53	1,429,585	46.00	417,450
Uttara Bank Ltd	84180	110.07	9,265,693	38.10	3,207,258
Uttara Finance Ltd	15680	195.00	3,057,600	82.90	1,299,872
RAK Ceramics	23353	138.96 -	3,24,5106	56.80	132,6451
Total:	1,714,710		181,594,215	-	94,021,759

15.c Invested in Non Listed Securities :

Name of Company	Quantity	Average Cost Price (Tk.)	Total Cost Value (Tk.)	Average Market Price (Tk.)	Market Value (Tk.)
Central Depository Co.Ltd.	571,181	2.75	1,569,450	2.75	1,569,450
Total :	571,181	2.75	1,569,450	2.75	1,569,450

15.d Invested in Mutual Fund :

Name of Company	Quantity	Average Cost Price (Tk.)	Total Cost Value (Tk.)	Average Market Price (Tk.)	Market Value (Tk.)
Prime Bank 1st ICB	100,000	10.00	1,000,000	7.00	700,000
EBL 1st Mutual fund	30,000	18.25	547,500	8.90	267,000
Prime Finance 1st M.Fund	51,000	40.52	2,066,520	28.60	1,458,600
PHP First Mutual Fund	20,000	11.03	220,600	6.70	134,000
Total :	201,000	19.08	3,834,620	12.73	2,559,600
Grand Total :(b+c+d)			186,998,285		98,150,809

The Market value of above stated shares is higher/(lower) by Tk.(8,88,47,476.53)/=. The comparative position of market value and cost price of the shares included in the other investment has been shown above.

The company has earned an amount of Tk.19,70,898/= as capital gain from sale of shares & dividend income. This amount has been shown in the profit & Loss Statement and the income tax there on calculated @10% on the capital gain as per the provision of section 2(32) of the Income Tax Ordinance 1984. The company has made a Investment fluctuation fund from Profit and during the year transferred to the Investment fluctuation fund an amount of Tk.2,000,000/= from current year profit. The total fund stood at Tk.28,350,025.

It may be mentioned here that the company has been making continuous provision to adjust the amount cost price down in the share market.

16.00 Stock of Stationery (Inventories) :

Opening Balance
 Add : Purchase during the year
 Total Inventories
 Less :Total Utilization/ Consumption
Closing balance as on December 31,2012

Amount in Taka	
31.12.2012	31.12.2011
2,201,551	1,997,512
20,55,298	843,316
42,56,849	2,840,828
1,478,086	639,277
27,78,763	2,201,551

17.00 Outstanding Premium :

As directed by the Securities And Exchange Commission Vide letter No-SEC/Enforcement/645/2007/1090 dated 31/12/2009 appropriate steps have been taken to realize the outstanding premium and accordingly realized Tk. 59,15,831/= as against Previous outstanding Tk.59,15,831/= which is 100.00% of Previous total outstanding. During the year added Tk.84,14,744.00 against Marine Hull which will be adjusted next year.

It may be mentioned here that the outstanding premium of Tk 84,14,744/= against marine hull installments which will be adjusted subsequent year.

Break-up of the above amount is given bellow:

	Amount in Taka	
	31.12.2012	31.12.2011
01. Fire	-	-
02. Marine (previous)	-	5,915,831
03. Marine	-	7,617,467
04. Marine Hull	8,414,744	9,364,309
05. Motor & Miscellaneous	-	-
Closing balance as on December 31,2012	8,414,744	22,897,607

18.00 Interest accrued but not received :

a) On Fixed Deposit with different banks	18,570,557	11,431,467
b) 10 years Bangladesh Govt. Treasury Bond (9.45 %)	398,454	398,453
Closing balance as on December 31,2012	18,969,011	11,829,920

19.00 Amount due from other persons or bodies carrying on insurance business :

01. Co-insurance premium receivable from Other's Insurance Company	5,647,719	6,946,519
02. Co-Insurance Claims Receivable from Other's Insurance Company	1,273,003	1,273,003
03. Claims Recoverable from SBC Portion.	73,415,726	94,762,015
Closing balance as on December 31,2012	80,336,448	102,981,537

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:

VAT receivable on collection control premium (20.01)	11,313,977	17,782,505
Stamp receivable on collection control premium (20.02)	13,480,751	7,998,739
Advance Income Tax (20.03)	91,894,895	70,483,654
Advance office rent	7,253,601	4,079,050
Advance against salaries	2,359,123	2,517,701
Security Deposit	228,574	228,574
Advance to suppliers	137,300	137,300
Advance against Travel Expenses	215,693	215,693
Other Advances (20.04)	2,303,261	4,606,522
Closing balance as on December 31,2012	129,187,175	108,049,738

20.01 VAT receivable on collection control premium :

Opening Balance	17,782,505	21,872,215
Add: Receivable during the year	41,911,444	29,879,525
Total	59,693,949	51,751,740
Less: Received during the year	48,379,972	33,969,235
Closing balance as on December 31,2012	11,313,977	17,782,505

20.02 Stamp Receivable on collection control Premium :

	Amount in Taka	
	31.12.2012	31.12.2011
Opening Balance	7,998,739	5,179,442
Add: Receivable during the year	40,603,558	19,025,400
Total	48,602,297	24,204,842
Less: Received during the year	35,121,546	16,206,103
Closing balance as on December 31,2012	13,480,751	7,998,739

20.03 Advance Income Tax :

Statement of Comprehensive Corporate Advance Income Tax :

1. Corporate Advance Tax (Note 21.03.01)	73,197,233	55,197,233
2. Advance Tax deduction at Source on Bank Interest (Note-21.03.02)	18,697,662	15,286,421
Total Corporate Tax as on December 31,2012	91,894,895	70,483,654

20.03.1 Corporate Advance Tax :

Opening Balance	55,197,233	47,197,233
Paid during the year (including arrear)	18,000,000	8,000,000
Closing Balance :	73,197,233	55,197,233
Less : Adjustment during the year	-	-
Closing balance as on December 31,2012	73,197,233	55,197,233

20.03.2 Advance Tax deduction at source on Bank Interest and Cash dividend Income :

The above advance tax has been deducted from the Interest income from FDR, STD Accounts, National Investment Bond and dividend income maintained in the name of the company.

Balance on defferent source		
Balance on FDR Account (21.03.03):	15,088,285	12,513,402
Balance on NIB Account (21.03.04) :	1,383,750	1,383,750
Balance on STD Account (21.03.05) :	725,793	512,418
Balance on Cash Dividend Received Account (21.03.07) :	998,834	613,851
Balance on company's Car (21.03.06) :	501,000	263,000
Total balance as on December 31,2012	18,697,662	15,286,421

20.3.02.a Advance Tax deduction at source on FDR Interest :

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

	Amount in Taka	
	31.12.2012	31.12.2011
Openig Balance	12,513,402	10,380,132
During the Year deduction	2,574,883	2,133,270
Balance as on 31 December	15,088,285	12,513,402
Less : Adjustment during the year.	-	-
Closing balance as on December 31,2012	15,088,285	12,513,402

20.3.02.b Advance Tax deduction at source on 10 Years Bangladesh Treasury Bond Account Interest :

Openig Balance	1,383,750	1,383,750
During the Year deduction	-	-
Balance as on 31 December	1,383,750	1,383,750
Less : Adjustment during the year.	-	-
Closing balance as on December 31,2012	1,383,750	1,383,750

20.3.02.c Advance Tax deduction at source on STD Account Interest :

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

Openig Balance	512,418	458,314
During the Year deduction	213,375	54,104
Balance as on 31 December	725,793	512,418
Less : Adjustment during the year.	-	-
Closing balance as on December 31,2012	725,793	512,418

20.3.02.d Advance Tax deduction at source Cash Dividend Received Account :

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

Openig Balance	613,851	162,830
During the Year deduction.	384,983	451,021
balance as on December 31,2012	998,834	613,851
Less : Adjustment during the year.	-	-
Closing balance as on December 31,2012	998,834	613,851

20.3.02.e Advance Tax Paid against Company's Car :

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

Openig Balance	263,000	103,000
During the Year deduction (21.03.08.)	238,000	160,000
balance as on December 31,2012	501,000	263,000
Less : Adjustment during the year.	-	-
Closing balance as on December 31,2012	501,000	263,000

21.3.02.e.i Carwise Advance Tax paid by Company :

Sl.No.	Particulars	Amount in Taka	
		31.12.2012	31.12.2011
1	Dhaka M.Ga-17-6992		8,000
2	Dhaka M.Ga-14-8225	15,000	10,000
3	Dhaka M.Ga-14-5496		-
4	Dhaka M.Ga-14-8400		-
5	Dhaka M.Ga-14-5769	15,000	10,000
6	Dhaka M.Ga-11-5631		10,000
7	Chitta Metro-Ga-14-4109		-
8	Dhaka M.Ga-11-8723	35,000	14,000
9	Ctg- Metro-Bha-11-1051	30,000	16,000
10	Dhaka Metro-Ga-11-6551		8,000
11	Dhaka Metro-Ga-11-2965		10,000
12	Dhaka Metro-Bha-11-6380		8,000
13	Dhaka Metro-Ga--19-0785	10,000	8,000
14	Dhaka Metro-Ga--21-5294	10,000	-
15	Dhaka Metro-Ga--14-8273		10,000
16	Dhaka Metro-Ga-25-8452	10,000	16,000
18	Chitta Metro-Ga-12-0454	15,000	8,000
19	Dhaka Metro-Ga-29-2367	10,000	8,000
20	Dhaka Metro-Ga-29-4345	10,000	8,000
21	Dhaka Metro-Ga-29-4344	10,000	8,000
22	Dhaka Metro-Ga-31-9123	15,000	-
23	Dhaka Metro-Ga-31-9124	15,000	-
24	Dhaka Metro-Ga-31-9125	15,000	-
25	Dhaka Metro-Ga-31-9127	15,000	-
26	Dhaka Metro-Cha-29-4485	8,000	-
	Closing balance as on December 31,2012	238,000	160,000

20.04 Other Advances :

Above amount was given to various parties as agent commission in advance.

Break-up of the above amount is given bellow:

01. Marine Insurance Commission	4,606,522	9,213,044
Balance as on December 31, 2012	4,606,522	9,213,044
Less : Adjustment during the year	2,303,261	4,606,522
Unadjusted balance as on December 31,2012	2,303,261	4,606,522

21.00 Cash & Cash Equivalents :

01. Cash in hand	576,571	403,335
02. Balance with banks:	341,940,020	259,903,097
a) Fixed deposits	320,179,000	235,475,000
b) Short term deposits	19,290,429	13,249,041
c) Foreign Currency Account (USD.26000.30 equivalent @ TK.82.50)	2,145,025	3,171,465
d) Current Deposits	325,566	8,007,591
Closing balance as on December 31,2012	342,516,591	260,306,432

Under rules 4A(5) of the Insurance Rules, 1958, Fixed deposits receipts amounting to Tk. 3,00,00,000/= (Three crore) including Statutory deposit of Tk.90,00,000/= can not be encashed without prior permission of the IDRA.

21.02.a (a) Fixed deposits with different Banks as on 31 December, 2012, details are as below:

Sl.No.	Name of the Bank	FDR Amount 2012	FDR Amount 2011
1	Arab Bangladesh Bank Ltd.	6,000,000	4,000,000
2	Al Arafah Islami Bank Ltd.	26,200,000	12,200,000
3	Bank Asia Ltd.	12,500,000	8,500,000
4	Bank Alfalah Ltd.	4,000,000	4,000,000
5	BRAC Bank Ltd.	3,204,000	2,000,000
6	The City Bank Ltd.	5,000,000	5,000,000
7	Dhaka Bank Ltd.	1,000,000	5,000,000
8	Dutch Bangla Bank Ltd.	7,900,000	5,400,000
9	Delta Brac Housing Finance Ltd.	-	5,000,000
10	Eastern Bank Ltd.	3,500,000	3,500,000
11	Exim Bank Ltd.	29,500,000	14,000,000
12	First Secutrity Islami Bank Ltd.	2,000,000	2,000,000
13	First Lease Finance & Investment Ltd.	4,000,000	3,000,000
14	GSP Finance (BD) Ltd.	12,500,000	
15	HSBC	2,000,000	
16	ICB Islamic Bank Ltd.	275,000	575,000
17	IDLC Finance Ltd.	15,000,000	10,000,000
18	IFIC Bank Ltd.	7,000,000	5,000,000
19	Islami Bank Bangladesh Ltd.	6,100,000	5,000,000
20	Islamic Finance & Investment Ltd.	1,000,000	-
21	Jumuna Bank Ltd.	13,000,000	10,500,000
22	Mercantile Bank Ltd.	4,500,000	4,500,000
23	Mutual Trust Bank Ltd	4,000,000	2,000,000
24	National Bank Ltd.	3,500,000	4,500,000
25	NCC Bank Ltd.	2,000,000	
26	One Bank Ltd.	3,000,000	3,000,000
27	Pubali Bank Ltd.	1,000,000	
28	Premier Bank Ltd.	8,700,000	5,200,000
29	Prime Bank Ltd.	85,800,000	65,000,000
30	Prime Finance & Investment Ltd.	8,000,000	-
31	Peoples Leasing	2,500,000	7,500,000
32	Rajshahi Krishi Unnayan Bank	1,000,000	1,000,000
33	Reliance Finance & Investment Ltd.	2,000,000	11,100,000
34	Shahjalal Islami Bank Ltd.	8,500,000	8,500,000
35	Southeast Bank Ltd.	5,000,000	4,000,000
36	Social Islami Bank Ltd.	7,000,000	7,000,000
37	Standard Bank Ltd.	1,000,000	1,000,000
38	State Bank of India.	500,000	500,000
39	Union Capital Ltd.	2,500,000	
40	United Commercial Bank Ltd.	8,000,000	6,000,000
Total :		320,179,000	235,475,000

Maturity Wise FDR & Share Investments :

	Amount in Taka	
	31.12.2012	31.12.2011
Up to 3 Month (FDR)	15,000,000	-
Above 3 month to 6 month (FDR)	17,500,000	10,000,000
Above 6 month to 12 month (FDR)	287,679,000	225,475,000
Sub Total (FDR):	320,179,000	235,475,000
Above 12 month to 5 years (Share Investment)	186,998,285	186,833,662
Above 5 years (10 years Bangladesh Govt. Treasury Bond)	9,000,000	9,000,000
Grand Total :	516,177,285	431,308,662

The above amount includes investment in Government Securities as well as other investment.

22.00 Income Statement :

Gross Premium Income	440,237,124	305,507,172
Net Premium Reserve Retained (Previous year)	86,396,878	54,501,270
Net Earn Commission	25,078,782	15,272,303
Total Revenue Income : (a)	551,712,784	375,280,745
Less : Expenses :		
Re-Insurance Ceded	173,896,917	101,877,877
Un-Expired Risk Reserve	107,971,042	86,396,879
Management Expenses	98,360,303	69,919,618
Agent commission	66,444,921	53,044,387
Net Claims Paid	27,463,736	38,168,095
Total Expenses : (b)	474,136,919	349,406,856
Operating Profit :(a-b)	77,575,865	25,873,889
Add: Non operating Income :		
Interest income 31	29,192,103	23,653,053
Investment Income 32	1,970,898	18,598,646
Income from Motor car & Furniture sales 32	3,542,846	1,265,480
others income 32	864,971	369,791
Total non operating income	35,570,818	43,886,970
Gross Income :	113,146,683	69,760,859
Less : Non- Operating Expenses (P & L Account) :	11,465,048	8,945,724
Net Profit before Tax:	101,681,635	60,815,135
Less : Provision for Income Tax	29,211,627	10,000,000
Net Pprofit after Tax	72,470,008	50,815,135
Earning per Share (EPS) after Tax.	2.46	1.73
Price Earning Ratio (Times)	15.56	31.22
Weighted Average No. of Outstanding share	29,437,393	29,437,393

23.00 Profit and Loss Appropriation Account :

	Amount in Taka	
	31.12.2012	31.12.2011
Opening Balace (Accumulated un distributed profit) :	32,774,052	66,078,616
Bonus Share Issued for year 2011.	26,761,267	61,756,770
Retained Earnings from Previous year (16.01)	6,012,785	4,321,846
Add : Net Profit for the year (before Tax).	72,470,008	50,815,135
Total Profit :	78,482,794	55,136,981
Less : Reserve for Exceptional Losses (10% of Net Premium).	26,634,020	20,362,929
Less : Transfer to General Reserve Fund	1,000,000	1,000,000
Less : Transfer to Investment Fluctuation fund	2,000,000	1,000,000
Closing balace of Accumulated Profit /(loss) :	48,848,774	32,774,052

24.00 Interest income :

This represents the amount received/accrued during the year on interest bearing account with different Banks under the following category:

01. 10 Years Bangladesh Treasury Bond (9.45% on Tk.9,000,000)	425,251	761,043
02. On Fixed Deposits	27,705,910	22,398,145
03. On Short Term Deposits	1,060,942	493,865
Sub total :	29,192,103	23,653,053

25.00 Dividend & Other Income :

Profit from sale of Motor car (25.01)	3,542,846	1,209,350
Profit from Sale of Furniture & Fixture (25.02)	62,999	56,130
Service charge recovery & others	801,972	304,915
Income from share Trading (25.03)	1,970,898	18,598,646
Sundry receivable	-	64,876
Total	6,378,715	20,233,917

**25.01 Statement of Total Profit/(Loss) from disposal of Motor Car :
The above amount arrived at as under :**

Sl.No.	Particulars		
1	Sales Car No DM-Ga-25-8452 (25.01.a) :	879,999	
2	Sales Car No DM Ga-17-6992 (25.01.b) :	1,234,999	
3	Sales Car No DM Ba-11-1051 (25.01.c) :	719,999	
4	Sales Car No. DM Ga-14-2965 (25.01.d):	707,849	
	Total Profit :	3,542,846	

25.01.a Profit from sale of Motor Car :

The above amount arrived at as under :

Particulars		
Cost Price	1,100,000	
Less : Accumulated Depreciation	1,099,999	
Written down value	1	-
Sales (Car No DM-Ga-25-8452):	880,000	
Profit :	879,999	-

25.01.b Profit from sale of Motor Car :

	Amount in Taka	
	31.12.2012	31.12.2011
Cost Price	1,850,000	-
Less : Accumulated Depreciation	1,849,999	-
Written down value	1	-
Sales (Car No DM Ga-17-6992) :	1,235,000	-
Profit :	1,234,999	-

25.01.c Profit from sale of Motor Car :

Cost Price	2,670,000	-
Less : Accumulated Depreciation	2,669,999	-
Written down value	1	-
Sales (Car No DM Ba-11-1051) :	720,000	-
Profit :	719,999	-

25.01.d Profit/(Loss) from sale of Motor Car :

Cost Price	600,000	-
Less : Accumulated Depreciation	599,999	-
Written down value	1	-
Sales Car No. DM Ga-14-2965:	707,850	-
Profit /(Loss):	707,849	-

25.02 Profit/(Loss) from sale of Salvage Furniture & fixture of :

Cost Price	82,700	-
Less : Accumulated Depreciation	82,699	-
Written down value	1	-
Sales :	63,000	-
Profit /(Loss):	62,999	-

25.03 Net Income from share Trading :

Income from share Trading	-	22,837,588
Add : Cash Dividend received from share Investments	1,974,629	2,254,122
Sub Total :	1,974,629	25,091,710
Less: Interest on Margin Account.	-	6,440,090
Less :Brokarge Commission and others expenses.	3,731	52,974
Less : Provision for Investment fluctuation fund	-	-
Net Gain from Share Trading :	1,970,898	18,598,646

26.00 Directors fees :

For attending the meeting of the Board and other committee meetings @ Tk.5,000/= (Five thousand) only has been paid per attendance per person. Details are given below :

Particulars	Meeting held	Total Attended	Amount in Taka	
			31.12.2012	31.12.2011
Particulars				
Board Meeting	14	165	825,000	890,000
Executive Committee Meeting	10	71	355,000	675,000
Audit Committee Meeting	11	59	295,000	140,000
Total :			1,475,000	1,705,000

It may be mentioned here that the above amount has been shown in Profit and Loss Account in this Annual Report Page No-35

27.00 Audit Fees :

Statutory Audit
Audit as required by Controller of Insurance.

Total

Amount in Taka	
31.12.2012	31.12.2011
115,000	115,000
85,000	85,000
200,000	200,000

28.00 Registration renewal fee :

This represents fee for renewal of registration with the office of the Insurance Development & Regulatory Authority (IDRA) u/s. 3A of the Insurance Act. 1938, Present Insurance Act, 2010 U/S 11.02 which is equivalent to Tk.3.50 per thousand of Gross direct Premium written during the immediate preceding year of payment.

29.00 Salary and Allowances :

Employees Salary and Allowances (including CEO salary)
Employee's Provident fund (Company's contribution).
Employee's Gratuity fund
Employee's Incentive Bonus
Employee's Festival Bonus

Total :

50,910,253	35,610,985
1,785,504	1,223,199
2,200,000	1,200,000
7,798,584	4,798,584
3,503,856	3,040,065
66,198,197	45,872,833

30.00 Managing Directors Salary & Allowances :

The Managing Director has been appointed by the Insurance Development & Regulatory Authority with a certain salary scale. The Board of Director has increased their remuneration time to time. The Managing Director salary status are given below :

	Amount in Taka	
	31.12.2012	31.12.2011
Basic Salary	916,250	780,000
House Rent	342,500	351,000
House Maintainance	230,000	156,000
Leave fare	207,500	117,000
Utility Charge	207,500	117,000
Entertainment	45,500	85,000
Festival Bonus	130,000	130,000
Others Allowance	80,850	110,000
Total	2,160,100	1,846,000

It may be metioned here that the above amount has been shown in Revenue Account as Management espesnes.

31.00 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 by the company. The under mentioned expenses has been paid to Agency license holders as Agent commission :

Fire	24,067,845	18,077,028
Marine	28,294,897	15,613,183
Marine Hull	1,838,475	3,929,492
Motor	7,224,399	7,683,372
Miscellanious	5,019,304	7,741,311
Total :	66,444,920	53,044,386

32.00 Net Assets Value :

The price of the common stock of prime Insurance Company Ltd has been determind on the basis of net assets value break up is given below :

A. Assets :

a. Fixed Assets (Non Current Assets):

Building Property	10,29,00,000	52,52,00,00
Plant & Equipments	38,57,60,51	18,05,95,30
Total Fixed Assets (Long Term Assets) :	141,476,051	70,579,530

b.Current Assets :

Investment	195,998,285	195,833,662
Outstanding Premium	8,414,744	22,897,607
Amount due from other persons or bodies carrying on insurance business	80,336,448	102,981,537
Sundry Debtors	129,187,175	108,049,738
Cash and Cash Equivalentents	342,516,591	260,306,432
Other Accounts	22,777,672	14,822,012
Total Current Assets :	779,230,915	704,890,988
Total Assets (A=(a +b) :	920,706,966	775,470,518

	Amount in Taka	
	31.12.2012	31.12.2011
B.Liabilities :		
a. Long Term Liabilities (Non Current Liabilities):		
Share Capital	294,373,930	267,612,670
Reserves & Surplus	184,189,886	138,481,145
Total Long Term Liabilities :	478,563,816	406,093,815
b.Current liabilities :		
Balance of Fund Accounts :	107,971,042	86,396,879
Premium deposit	29,297,524	18,707,672
Estimated liability in respect of Out standing claims whethers due or intimated	47,642,301	52,527,091
Amount due to other persons or bodies carrying on Insurance business	88,682,446	81,686,561
Sundry Creditors & others Provision	168,549,838	130,058,500
Total Current Liabilities :	442,143,151	369,376,703
Net Assets Value : (A-B)	478,563,815	406,093,815
Number of weighted average shares outstanding during the year.	29,437,390	29,437,390
Net Assets Value Per share (Book Value)	16.26	13.80
Current Ratios (Times):	1.76	1.91

33.00 Shareholders Funds & Equity :

Paid up Capital	294,373,930	267,612,670
Reserve for Exceptional claims losses	100,491,087	73,857,068
General Reseve fund	6,500,000	5,500,000
Investment Fluctuation fund (Fair Value Reserve)	28,350,025	26,350,025
Retained Earnings	48,848,774	32,774,052
Total Share holders Funds & Equity	478,563,816	406,093,815

34.00 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 A) from previous rating of " A " (pronounce as A) based on the audited Financial Statements up to December 31,2011.

35.00 Number of Employee's Engaged :

Total number of 248 Employee's engaged for whole year whose service has been confirmed and drawn the salary by company's approved Service Rules and pay scale.

36.00 Event after Balance Sheet Date :

The Board of Directors has recommended 15% Bonus Share on paid up capital for the year ended December 31,2012 as per approval of Board meeting held on 17 February, 2013 as dividend on paid up capital of Tk. 294,373,930/= subject to the approval in the Annual General Meeting to be held on March 31, 2013. Proposed dividend total amount for the year is TK.4,41,56,089.00 After allowing this dividend the accumulated Profit/(loss) of the company will arrive at Tk. 46,92,685.00

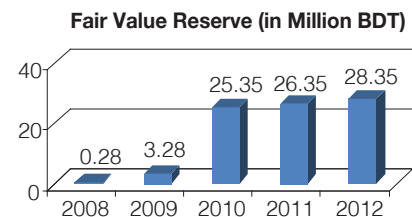
37.00 Additional Disclosure :

37.01 Margin Loan Adjusted :

Prime Insurance Company Limited has been maintaining a margin loan account with PFI Securities Ltd from the year form 2008. The company has a margin loan of an amount of Tk.4,20,00,000/= with PFI Securities Ltd since long. PFI Securities Ltd has been charging 17.50% interest on margin loan amount of Tk.4,20,00,000/= on daily product basis. In consideration of high interest paying ratio the Company has fully paid and adjusted the margin loan (Including Interest) amount of Tk.4,20,00,000/= (Four Crore twenty lac) to the PFI Securities Ltd in the year 2012. It may be mentioned here that in the year 2012 the company could be able to save interest amounting to Tk.1,00,00,000/= (One crore) approximatly.

37.02 Investment Fluctuation Fund (Fair Value Reserve) :

Prime Insurance Company has created investment fluctuation fund (Fair Value Reserve) from realized capital gain share investment for the year from 2007 for avoiding any capital losses and high fluctuation of share purchase rate. In the year 2012 Fair Value Reserve stood Taka 28.35 Million which was Taka 26.35 million in 2011, an increase of 8%.



37.03 Contingent Liability:

There are certain appeals and applications pending against penal VAT for 3½ years (July 1999 to December 2001) and subject to the outcome thereof, contingent liability of the company in respect of disputed additional VAT and penal VAT demanded by VAT authorities are as follows.

Additional VAT	12,266,825
Penal VAT	23,918,583
Miscellaneous Claims	83,810,000
Total	119,995,408

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

37.04 Miscellaneous Claims :

The above claim being company's 85% Share in the loss was repudiated by the Executive Committee in the meeting No. 26 held on 06/07/2005. Upon receipt of letter of repudiation from this company, the Insured M/S. Sigma Sea Foods Ltd. Instituted a Money Suit against the leading insurer (Prime Insurance Co. Ltd.) and other Co-Insurer in the Court of Joint Dist. Judge, Khulna. The Claim is now under Subjudice.

38.00 Transaction with related parties :

Prime Insurance Company Ltd in normal course of business, carried out a number of Transaction with other entities that fall within the definition of related party transaction as per Bangladesh Accounting Standard (BAS)-24 : Related Party Disclosures. All transactions involving related parties arising in normal course of business are conducted on an arm's length basis at commercial rates on the same terms and conditions as applicable to the third parties . Details transactions with related parties and balances with them as at December 31, 2012 were as follows :

Name of the related party	Name of transaction	Premium earned in	Premium outstanding during the year	Amount realized subsequently	Claim Paid
Dekko group	Insurance	12,894,066	-	-	186,567
Getco	Insurance	3,943,175	-	-	-
Popular Pharma	Insurance	7,519,151	-	-	1,331,301
Famous group	Insurance	5,669,253	-	-	199,514
G.Q. group	Insurance	1,577,304	-	-	5,798,715

39.00 Useful information for the Share holders :

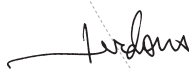
The history of rising of share capital of Prime Insurance Co. Ltd. :

One of the Prime objectives of Prime Insurance Company Ltd. Is to provide consistently good return to its shareholders. Below are the dividend and capital raising history. From the history it may be observed that company has been maintained 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 Accounts and holding of AGM, as may be noted from the Financial year below :

Date	Particulars	No of Shares	Value in Taka	Cumulative paid up capital
1996	As per MOA & AOA	6,000,000	60,000,000	60,000,000
2000	Initial Public offerings	9,000,000	90,000,000	150,000,000
2007	10% Bonus Shares	1,500,000	15,000,000	165,000,000
2008	10% Bonus Shares (public)	654,660	6,546,600	171,546,600
2009	20% Bonus shares	3,430,930	34,309,300	205,855,900
2010	30% Bonus Shares	6,175,670	61,756,770	267,612,670
2011	10% Bonus shares	2,676,126	26,761,260	294,373,930
2012	15% Bonus shares (Proposed)	4,415,609	44,156,089	338,530,019

40.00 Corporate Milestone :

Incorporation of the Company	March 21,1996
Certificate of Commencement of Business	March 31,1996
License issued for operating the first branch	March 03,1996
Signing of First insurance business	March 03,1996
Shifting register office	March 01,1996
Received consent from SEC for issuance of public share of BDT 90 Million	August 28,2000
Publication of prospectus	October 27,2000
Listed with Dhaka Stock Exchange Ltd.	March 21,2001
Subscreption Opened	Nov, 07,2000
subscreption Closed	Nov, 21,2000
First Trading of share on DSE	March 21,2001
Listed with Chittagong Stock Exchange Ltd.	March 22,2001
First Dividend Declared to the Sponsure Director by the Board 10% cash on Account of December 31,1999	February 2,2000
First dividend declared in the AGM 14% cash	August 01,2001
Issuance of First Bonus share (For the year 2007) 10%	July 17,2008
Agreement sign with CDBL	March 7,2005
15 Years celebrating of the Company	August 7,2010
Athorized Capital increase 25 creoe to 100 creoe (Record date)	October 31,2010
Completion of 15 Years of service to the clients	March 20,2011
Purchase of Head office space of the company (Agreement signing date)	August 03,2011
Agreement with IBCS-Primax on Software	December 14,2012


Ferdous Amin
Chairman


Md. Ezhar Hossain
Managing Director


Shah M. Hasan
Director


Abu Hasan Khan
Director

Signed as per our separate report of same date.

Place: Dhaka
Dated: February 17, 2013


AHMED ZAKER & CO.
Chartered Accountants