



annual
report
2011



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 Accreditation from
The United Kingdom Accrediation Service (UKAS)

'Efficiency, Quality & Service' is our motto

www.prime-insurance.net



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Letter of Transmittal

All Shareholders
Securities and Exchange Commission
Registrar of Joint Stock Companies and Firms
Dhaka Stock Exchange Limited
Chittagong Stock Exchange Limited

Sub: ANNUAL REPORT FOR THE YEAR ENDED DECEMBER 31, 2011

Dear All:

For your kind information, we are pleased to present a copy of our Annual Report 2011 along with the Audited Financial Statements for the year ended December 31, 2011 for your documentation and necessary actions.

Sincerely Yours

Kamal Pasha
Company Secretary (cc)



Forward Looking Statement

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

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

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

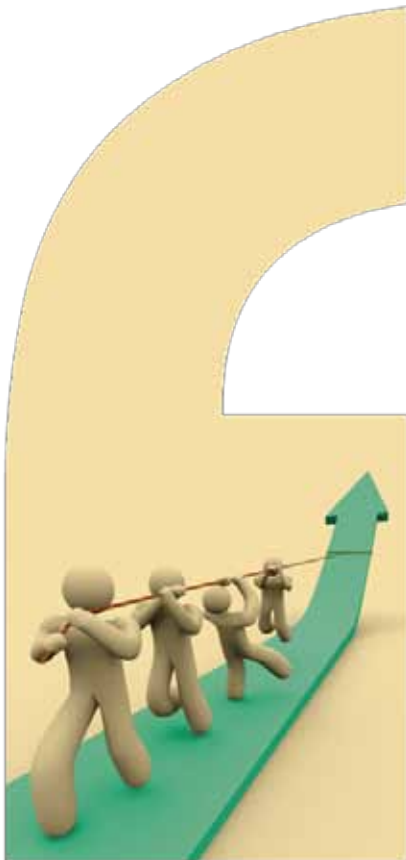


Introduction to
Prime Insurance



Vision

We envision being the leading insurer by maintaining the highest standards of service in all areas of our work in order to uphold our status as one of the market leaders in the insurance industry of Bangladesh.




Mission

- Providing world class service with supreme security to our clients
- Increasing awareness about insurance in the country
- Enhancing public confidence in the insurance industry
- Introducing modern insurance products comparable with international standards
- Emerge as an innovative insurer by providing complete risk management solutions to the clients



Corporate Information

Registered Name of the Company

 Prime Insurance Company Limited

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

Date of Incorporation	21 March 1996
Date of Registration with the Controller of Insurance	31 March 1996
Listing with Dhaka Stock Exchange Ltd	21 March 2001
Listing with Chittagong Stock Exchange Ltd	22 March 2001

Shareholding Structure Taka

Sponsors	31.57%	84,486,000
Public Shareholders	68.43%	183,126,670

Capital

Paid-up : 26761267 ordinary shares of Tk 10 each 26,7612,670

Authorized :

10,00,00,000 ordinary shares of Tk 10 each 100,00,00,000

Auditors

M M Rahman & Co
 Chartered Accountants

Major Stock Brokers

PFI Securities Ltd
 Prime Bank Investment Ltd

Principal Bankers

Al-Arafah Islami Bank Ltd
 Prime Bank Ltd
 Bank Alfalah Ltd

Legal Advisers

Syed Mizan & Associates
 Law & Remedy



Strategic Objectives

In order to prove the potentials as the provider of best quality of faster service in the Insurance sector of the country, Prime Insurance maintains a number of key Business Strategies that it believes are necessary to achieve the incorporated goal of the company. In recent years, these Strategies have been established by Prime Insurance's firm belief of incessant 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 practices

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

Prime Insurance's Core Values consists of 7 key elements. These values keep us close with our clients. Moreover, they help us to build a strong sense of fraternity among all the employees of the company. These values make us different. There is nothing wrong with being different; it is our differences that make us unique.

Our Values are:

1. Clients First

Clients are always our first priority. We take care of them as they are our business partners. We treat all clients with warmth and respect. We understand and try our level best to manage 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.



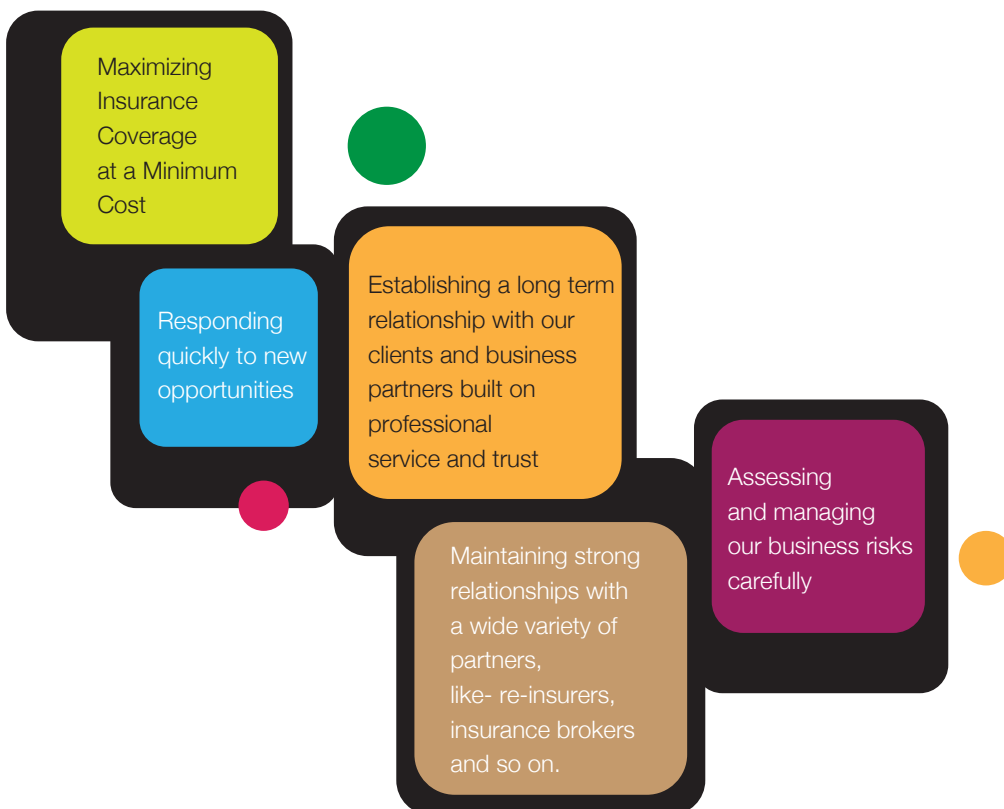
Ethical Business Principles

	Neutrality	Transparency	Cooperation	Honor	Professionalism	Privacy
Clients	Deal with all the clients without any inequity	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





Company Profile

Who We Are:

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 Limited was incorporated as a Public Limited Company on 21 March 1996 under the Companies Act, 1994. It obtained registration from the Chief Controller of Insurance, Government of the People's Republic of Bangladesh on 31 March 1996 and started underwriting Fire, Marine, Motor, Engineering and Miscellaneous Insurance Business. The Company was listed with Dhaka Stock Exchange and Chittagong Stock Exchange in the year 2001. 'Efficiency, Quality and Service' is the commitment of the company.

Business:

Prime Insurance offers a conclusive protection towards its customers with all types of non-life insurance Business in Bangladesh. With an experience of over 16 years, Prime Insurance has contributed significantly to the growth and development of the Non-life insurance industry in Bangladesh. With the passage of time the Company has diversified its business towards Aviation, Banking, Ship-Builders and so on. With a strong re-insurance and risk management system Prime Insurance provides its clients with the best quality of faster service. In the year 2011, the company achieved business growth of about 53% which is the highest since the inception of the company.

Network:

Prime Insurance has an expanding and well-organized network of 19 Branches covering Dhaka, Chittagong, DEPZ and other important business areas of the country. It has a plan to set up more branches to accelerate its business. The Company works in an integrated network. It is the pioneer in implementing automation system and all-time online business support in the country. In fact, it is the first insurance company in Bangladesh, who runs the office with on-line system through our IIMS Software. All the 19 branches of the company run in total automation system and provide prompt service through online support. Our web based communication system is growing gradually and the clients are being benefited by saving time.

Credit Rating:

In 2011 the Company has been graded "A" by the Credit Rating Information & Services (CRISL). This rating has been assigned in consideration of its good financial performance, improving solvency position, diversified investment portfolio, high claim paying ability, strong IT infrastructure and experienced top management.

Capital Structure, Assets & Investment in 2011:

Prime Insurance has an Authorized Capital of BDT 1,000 million and paid-up capital of BDT 267.61 million. The Total Assets of the company is of BDT 775.47 million. It invested BDT 431.31 million in different sectors for the development and expansion of the company.

Our Goal:

Prime Insurance's goal is to be the top insurer in the Non-life Insurance Sector of the Country, as well as one of the top institutions in terms of product & service, cost efficiency, market share, corporate governance and so on. To be one of such kind, the company is committed to deliver value to its stakeholders.

Business Strategies:

The Company is focused on few strategic objectives to accelerate and expand the business around the country and achieve its goal. In that purpose the business strategies are mainly focused on the development and expansion of the company, introducing need-based multi-dimensional new business products, developing the quality of existing products, maximizing insurance coverage at a minimum cost as well as providing faster quality service towards the clients through integration of modern technology.

Future Prospects:

The future prospect of Prime Insurance is not only to increase the business volume but also to upgrade the ranking and service quality of the company. Prime Insurance plans to hire more efficient and expert insurance personnel as well as fresh graduates to strengthen the work force. Moreover, the company is fully aware of the corporate social responsibility and plan to contribute in helping the mass of the country.



Our Branches

Dhaka Division

Branch Name & Location

Principal Branch

12 Dilkusha C/A, Phoenix Bhaban (3rd floor), Dhaka
e-mail: principal-branch@prime-insurance.net

Motijheel Branch

63 Dilkusha C/A (6th floor), Dhaka
e-mail: motijheel-branch@prime-insurance.net

Rajuk Avenue Branch

28/1-C Toyenbee Circular Road (MP Road)
Motijheel, Dhaka
e-mail: rajuk-branch@prime-insurance.net

Kawran Bazar Branch

49 Kazi Nuzrul Islam Sarani (2nd floor), Dhaka
e-mail: kawran-branch@prime-insurance.net

Bangshal Branch

121/2 Lutfor Rahman Lane (3rd floor), Dhaka
e-mail: bangshal-branch@prime-insurance.net

Mohakhali Branch

G P F – 93 (2nd floor) Mohakhali, Dhaka
e-mail: mohakhali-branch@prime-insurance.net

V I P Road Branch

Paramount Heights, 65/2/1 Box Calvert Road
(8th floor), Purana Paltan, Dhaka
e-mail: viproad-branch@prime-insurance.net

Gulshan Branch

106 Hosna Center (2nd floor), Suit # 207
Gulshan Avenue, Gulshan # 2, Dhaka
e-mail: gulshan-branch@prime-insurance.net

Mirpur Branch

184 Razia Plaza, Senpara Parbata
Mirpur # 10, Dhaka
e-mail: mirpur-branch@prime-insurance.net

Savar Branch

Biswas Tower (3rd floor)
Baipal, Ashulia, Savar, Dhaka
e-mail: savar-branch@prime-insurance.net

Narayangonj Branch

52/1 B.B Road (2nd floor), Narayangonj
e-mail: narayangonj-branch@prime-insurance.net

Head of Branch

Uttam Kumar Bhowmick
Vice president

A Z M Rezwanaul Haque
Assistant Vice President

Md Pallab Karder
Executive Vice President

K M Mostahid
Senior Assistant Vice President

Md Mozammel Hossain
Senior Assistant Vice President

M A Sattar Howlader
Executive Vice president

Gouranga Chandra Misra
Executive Vice President

Syed Monirul Huq
Assistant Managing Director

Monobrata Roy
Vice President

Mohammad Mahfujur Rahman
Manager

Bashu Dev Chakraborty
Deputy Managing Director

Contact No.

01711628695

01713331840
02-9562512 (Ext-116)

01911366388
02-7194043

9126685
01713331833

9563197
01713331841

9886177
01713331834

7126311
01713331856

01713331823
02-8812185

01713331837
01613331837

01755590769
01912093447

01713331821
7631936

Chittagong Division	Branch Name & Location Agrabad Branch 69 Agrabad, Daar-E-Shahidi (3 rd Floor) Double Mooring, Agrabad, Chittagong e-mail: agrabad-branch@prime-insurance.net	Head of Branch A A M Zahed Nizam Vice President	Contact No. 01713331835 031-715907
	Kadamtali Branch Rahat Center (1 st floor), 295 D. T. Road, Chittagong e-mail: kadamtali-branch@prime-insurance.net	Mainul Islam Chowdhury Executive Vice President	01730358444 031-2529225
	Port Branch Amin Future Park Limited, Strand Road Double Mooring, Chittagong e-mail: port-branch@prime-insurance.net	Mozzammel Haque Chowdhury Deputy Managing Director	01755597214
Rajshahi Division	Branch Name & Location Rajshahi Branch Shaheb Bazar, Natore Road, Rajshahi e-mail: rajshahi-branch@prime-insurance.net	Fazal Mahmud Senior Assistant Vice President	(072) 775277 01711855776
	Bogra Branch G.T Bhavan Bhandari Bari Lane, Rangpur Road Borogola, Bogra e-mail: bogra-branch@prime-insurance.net	Abdul Hai Sardar Executive Vice President	01711860008 051-60960
	Pabna Branch A U Center (3 rd floor) Holding # 864 Sonapotty, Dilapur, Pabna e-mail: pabna-branch@prime-insurance.net	Mijanur Rahman Executive Vice President	01713331843 0731-64124
Khulna Division	Branch Name & Location Khulna Branch Nizam Chamber (3 rd floor) 7 Old Jessore Road, Khulna e-mail: jessore-branch@prime-insurance.net	Head of Branch S.M. Mizanur Rahman Vice President	Contact No. 041-731164 01714083888
Barisal Division	Branch Name & Location Barisal Branch 95 Sadar Road (2 nd floor) e-mail: barisal-branch@prime-insurance.net	Head of Branch Abdul Halim Khan Vice President	Contact No. 01713331844 0431-64426



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
 A T M 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

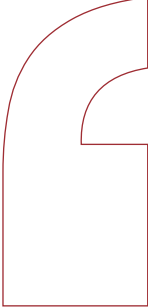
Householder's Comprehensive Insurance

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



Information about
Corporate
Governance





Chairman's Statement

Dear valued Shareholders

I am intensely delighted to welcome you all at the Sixteenth Annual General Meeting of Prime Insurance Company Limited, on behalf of the Board of Directors. I would like to express my felicitation and profound gratitude to all of you for believing in us and providing us with continuous support. It is a matter of immense pleasure to let you know that we have completed another successful and memorable year and now presenting the Annual Report for the year ended on December 31, 2011.

2011 was indeed a successful year for us. You will find the validation of such declaration after observing the Annual Accounts for the year 2011. The growth rate of this year is about 53% which was 22% in 2010. On the other hand, we have expanded our networks by adding three more branches at the prominent business areas like- Gulshan, DEPZ & Chittagong Port, of the country. More importantly, as a company of modern belief, we are proud to say that we are the pioneer in the insurance sector of Bangladesh to provide online service to our clients. It is also to be mentioned that all our 19 branches are run by fully automated system and all of them are always online.

Moreover, I'm also proud to say that our Company is also the pioneer in underwriting the Ship Builders' Liability Insurance in the country. And on a happy note I want to let you know that we've started to underwrite the Aviation Insurance from 2011. According to the directions given by the Board, all our staffs are always dedicated to upgrade the goodwill and achieve the projected goal of the company.

Chairman's Statement

In the Financial Year 2011 the Company earned a gross premium of BDT 305.50 million. Our net profit after tax is BDT 50.82 million. Though we're in a bit turmoil, due to the unstable condition in Share Market,

I'm happy to let you know that we've invested Tk.10.25 crore wherein we already paid Tk. 5.63 crore, to purchase our own premises at **Tropical Mollah Tower**, Pragati Sharani, Dhaka. We'll hopefully move there by 2015.

We believe our Clients are our corporate family members. We're always grateful to them for believing in us. And therefore, we settle claims within the shortest possible time after receiving all the required documents. You will be happy to know that our company has been rated as an 'A' category company by CRISL in 2011.

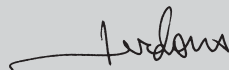
To upgrade the service as well as goodwill of the company, we've a strong Management Team along with efficient, competent and dedicated personnel. We're very much disciplined and therefore we've achieved the ISO 9001:2008 certificate. With our strong HR and IT Department and your incessant support, I believe, we'll be the best example for the Insurance Companies of the country within a short period of time.

For 2012, we plan to introduce some new and unconventional products in the market. To fulfill our dream we're already working on it. On the other hand, to demolish the unhealthy practice of commission based business in market, we highly appreciate the measurements that are taken by IDRA and hope for the fullest implementations of them.

To conclude, I would like to convey my felicitation and earnest thanks to my peer Directors for giving their continuous support and instruction for the betterment of the Company. I would also like to thank the Management Team along with all the Heads of Branches and employees for their relentless contribution towards the development of the Company.

I, on behalf of the Board of Director as well as the employees of Prime Insurance Company Limited, take hold of this opportunity to thank Almighty Allah for His blessings and pray to Him to favor us with a lot of luck as well as opportunities in the days ahead.

With best regards



Ferdous Amin



Board of Directors' Profile

Ferdous Amin Chairman

Mr Ferdous Amin has obtained his MSS degree in Government & Politics from Jahangir Nagar University. After completion of his education he involved himself in business. He was a Director of Bangladesh Garments Manufacturers and Exporters Association (BGMEA) in the year of 2001-2002 and 2003-2004. Presently, he is associated with the Ready-made Garments Industry.



Md Shah Alam Vice Chairman

Mr Md Shah Alam obtained his graduation from University of Chittagong. He is at present the Managing Director of M/s Radiant Shipping, Nice Food Products, Wellmart Super Store, Chief Executive of Ruhul Amin & Brothers and Director of Western Marine Group. He is also the President of Mohammedan Sporting Club, Chittagong. He is involved with Lions Club as well as different social and cultural activities.

Qazi Saleemul Huq Director

Qazi Saleemul Huq, a renowned industrialist and businessman, obtained MBA degree from IBA of University of Dhaka. He started business career through GQ Ball Pen Industries, a pioneer in production of one-time ballpoint pen in Bangladesh. He is the Chairman of GQ Group of Companies,

Mr. Huq is the Director of Prime Finance & Investment Limited, Delta Software Limited and News Corporation Limited, Managing Director of GEP Telecom Limited & GEP Holdings Limited. He is also involved in printing media, various social & educational activities. He received IBA Alumni Prize (awarded by the leading business school of Bangladesh) for his contribution in country's industries & business sector. He has got the rare recognition of being elected thrice as the Member of Parliament of the Peoples Republic of Bangladesh.





Nazma Haque
Director

Mrs Nazma Haque is a reputed businesswoman. She is a Director of Northern Pisciculture, Bogra and Asia Gate Ltd. She is an Executive Director of Bangla CAT Limited. She is also associated with a number of socio-cultural organizations.

Gole Afroz Banu
Director

Mrs Gole Afroz Banu is a renowned businesswoman and industrialist. She is a Director of GETCO Telecom Limited, GETCO Agro Vision Limited, M/s Khaled Textile Mills Ltd, Gazipur and Eurasia Gate Limited. She is associated with a number of social and cultural organizations.



Alhaj Abdul Gaffar Dubash
Director

After completion of education Alhaj Abdul Gaffar Dubash started business. At present, he is the Chairman of Orbit Pharmaceuticals Limited, Managing Director of Saracen International, Director of Premier Diagnostic Center and Independent Director of Confidence Cement Ltd. He was a former District Governor of Lions Club and involved with a number of social welfare organizations.



Sabiha Khaleque
Director

Mrs Sabiha Khaleque is a Director of Prime Islamic Life Insurance Company Limited. She was also a Director of Prime Finance & Investment Limited and Maksons Bangladesh Limited. Mrs. Khaleque has travelled various countries for business purposes.





Shah M Hasan
Director

Mr Shah M Hasan after his completion of graduation from Pakistan Navy joined Bangladesh Navy. After that, he served in Bangladesh Water Transport Authority and Chittagong Port Authority. At present, he is the Managing Director of Mariners Bangladesh Ltd and Director of M/S Confidence Cement Ltd, Confidence Steel Ltd, Confidence Power Ltd, Asian Paints Bangladesh and Orbit Pharmaceuticals Ltd.

Abu Hasan Khan
Director

Mr Abu Hasan Khan after obtaining his MCom joined Bangladesh Oxygen Company Ltd. He is the Director of GQ Ball Pen Industries Ltd, GQ Marketing Ltd, GQ Industries Ltd, CELLO-GQ Industries Ltd, and Managing Director of GQ Foods Ltd and Maladesh International (Pvt) Ltd. He is an active Lion.



Tahera Akhter
Director

Mrs Tahera Akhter is a reputed business woman. She is the Chairman of Popular Group having multifarious dimensions of medical services like Popular Hospital, Popular Pharmaceuticals Limited, Popular Medical College and Popular Diagnostic Centre. She is associated with a few social & cultural organizations.

Mohammed Hasan
Director

Mr Mohammed Hasan, a renowned industrialist and businessman, obtained MBA degree from Stamford University. He started business in 1991 and made immense contribution to the national economy.

He is the Managing Director of H & R Group of Companies Limited, H & R Share Management Limited, H & R Land Developments Limited, H& R Energy Limited, Badhon Food Industries and other sister concern of H & R Group.

He is the Director and also the Chairman of present Executive Committee of Shahjalal Islami Bank Limited, Vice Chairman of Shahjalal Islami Bank Securities Limited, Director of Famous Group of Companies Limited, South East University, Eden Multi-care Hospital Ltd, Diganta Media Corporation Ltd, the Daily Naya Diganta and Diganta Television. He was the Vice President of Bangladesh Plastic goods Manufacturers & Exporters Association (BPGMEA).





Mahabuba Haque
Director

Mrs Mahabuba Haque is a renowned businesswoman. She is associated with Manama Developments Limited. She is also involved with a number of socio-cultural organizations.

Md Shafiqur Rahman
Director

Mr. Md. Shafiqur Rahman, a renowned businessman & industrialist, has been contributing in the field of commerce & industries for the last 20 years. He obtained Post Graduation Degree from the University of Dhaka in 1990 and started business career by establishing Matco Enterprise in 1991. At present, he is the Chairman of Matco Enterprise and Matco Travels & Tours (Pvt.) Limited.

He is also the Managing Director of She & He Apparels Limited, Techno Real Estate Limited and Kerrystar Dairy Products (Pvt.) Limited; Director of Samatt Developers & Construction Limited and Proprietor of Matco Constructions. He was selected as CIP for 6 consecutive years during 1994 to 1999.



Mizanur Rahman Mostafa
Director

Mr Mizanur Rahman Mostafa, after completion of his education, engaged himself in the business and established a number of companies. At present, he is a Director of Prime Islami Life Insurance, Managing Director of Capital Living and Chairman of Capital Elevators. He is an active Rotarian.

Dr. Tazin Afrose Shah
Director

Dr. Tazin Afrose Shah completed her MBBS from Bangladesh Medical College Hospital in 1998 and obtained her FCPS in Medicine in 2006. She joined BIRDEM as Medical Officer in 2000 and was promoted to Registrar and the Consultant in 2006 after her post-graduation.

Apart from Internal Medicine, her specialization is in Diabetes and Cardiology. She is currently working as Associate Professor of Medicine in Delta Medical College and Hospital.





Farhana Chowdhury
Director

Mrs Farhana Chowdhury is a businesswoman and director of Prime Insurance Company Limited. She is associated with a number of socio-cultural activities.

Rahela Hossain
Director

Mrs Rahela Hossain is a renowned businesswoman and Director of Prime Insurance Company Limited. She is the Managing Partner of Samira Electronics. She is involved with a number of socio-cultural organizations.



Shahadat Hossain
Director

Mr Shahadat Hossain, one of the Sponsor Directors of Prime Bank Limited, started his business career in the year 1975. He is the owner of VIP Shahadat Cold Storage Limited, VIP Shahadat Poultry & Hatchery, Rangpur Agro Industries, S. H Designers & Builders. He was selected twice by the Government of Bangladesh as the VIP for payment of highest tax. He established various school, college & madrasa in Rangpur District/North Bengal.



AKM Nozmul Haque
Independent Director

Mr AKM Nozmul Haque did his MSc from Rajshahi University, MA from New York University, USA. He has served in Central Bank as well as in Development and Commercial Banks both in Public and Private Sectors. He was the Managing Directors of Agrani Bank Ltd, Rupali Bank Ltd, and Prime Finance & Investment Ltd. He has also published a number of articles in a number of journals, books and newspapers.





Corporate Governance

Generally, the foundation for any system of corporate governance is determined by several factors, all of which help to form the final form of governing the company. Corporate governance is a broad term that has to do with the manner in which the rights and responsibilities are shared among owners, managers and shareholders of a certain company. In essence, the exact structure of the corporate governance determines what rights, responsibilities, and privileges are extended to each of the corporate participants, and to what degree each participant may enjoy those rights. And Prime Insurance Company Limited strongly practices this culture.

In Prime Insurance, much of the basis for corporate governance is found in the documents that has been prepared and approved before the incorporation of the company. These documents helped the Company to form the basis for the final expression of the balance of power between Shareholders, Stakeholders, Management, and the Board of Directors.

Core Principles of Corporate Governance in Prime Insurance:

The core principles of Corporate Governance that are practiced in Prime Insurance Company are as follows:

- Suitability of Clients
- Internal Controls
- Internal as well as External Audit
- Risk Assessment and Risk Management
- Information disclosure and transparency towards the market
- Integrity & Ethical Behavior

Composition of Board

The Board of Directors is composed of 19 members. The names of the Directors and their position in the board is as follows:

SI No	Name	Position
1	Ferdous Amin	Chairman
2	Md Shah Alam	Vice Chairman
3	Qazi Saleemul Huq	Director
4	Nazma Haque	Director
5	Gole Afroz Banu	Director
6	Alhaj Abdul Gaffar Dubash	Director
7	Sabiha Khaleque	Director
8	Shah M Hasan	Director
9	Abu Hasan Khan	Director
10	Tahera Akhter	Director
11	Mohammed Hasan	Director
12	Mahabuba Haque	Director
13	Md Shafiqur Rahman	Director
14	Mizanur Rahman Mostafa	Director
15	Dr Tazin Afrose Shah	Director
16	Farhana Chowdhury	Director
17	Rahela Hossain	Director
18	Md Shahadat Hossain	Director
19	AKM Nozmul Haque	Independent Director

The Board of Directors is supported by the following two committees

- Executive Committee
- Audit Committee

Executive Committee

The Executive Committee comprises of 9 Board Members. The Executive Committee ensures implementation of policies, approves claims and other business proposals as per the approved policy of the Board to run the Company effectively and efficiently.

SI No	Name	Position
1	Abu Hasan Khan	Chairman
2	Md Shah Alam	Member
3	Nazma Haque	Member
4	Alhaj Abdul Gaffar Dubash	Member
5	Shah M Hasan	Member
6	Md Shafiqur Rahman	Member
7	Mizanur Rahman Mostafa	Member
8	Dr Tazin Afrose Shah	Member
9	Farhana Chowdhury	Member

Audit Committee

The Audit Committee comprises of 3 Board Members. The Committee is empowered to examine any matter relating to financial affairs of the Company and to review all audit programs, internal control systems and procedures, etc. The Audit Committee takes initiatives to keep the Company away from any probable disaster.

Sl No	Name	Position
1	Shah M Hasan	Chairman
2	Abu Hasan Khan	Member
3	AKM Nozmul Haque	Member

The Role & Responsibility of the Board of Directors and Management Team:

In Prime Insurance the Corporate Governance Guideline is complied to establish the Board of Directors, Executive Committee, Audit Committee as well as Management Team of the Company.

The Board is the focal point of the corporate governance system. It is ultimately accountable and responsible for the performance and conduct of the Company. Delegating authority to board committees or management does not in any way mitigate or dissipate the discharge by the board of directors of its duties and responsibilities. In the case of a policy established by the board, the board would need to be satisfied that the policy has been implemented and that compliance has been monitored. Similarly the board needs to be satisfied that applicable laws and regulations have been complied with. The responsibilities of the governing body must be consistent with the rules on governance structure established in the jurisdiction. The supervisory authority, Chairman will verify that appropriate controls are in place to ensure that management is sufficiently accountable to the board of directors.

For Prime Insurance it is an essential element of an internal audit system that the Board of Directors especially the Audit Committee receives regular reporting on the effectiveness of the internal audit. Any identified weakness is reported to the Board of Directors as soon as possible so that appropriate action can be taken.

Management

The day to day functions of the Company are being managed by an efficient Management Team. The Management Team of the Company is led by the Managing Director, Md Ezhar Hossain. Last year the team has been strengthened with the joining of Mohammudi Khanam as the Additional Managing Director. Moreover, the company has introduced a new department naming Public Relations & Corporate Affairs. The overall functions of the Company are being carried out by the following 11 Departments. They are:

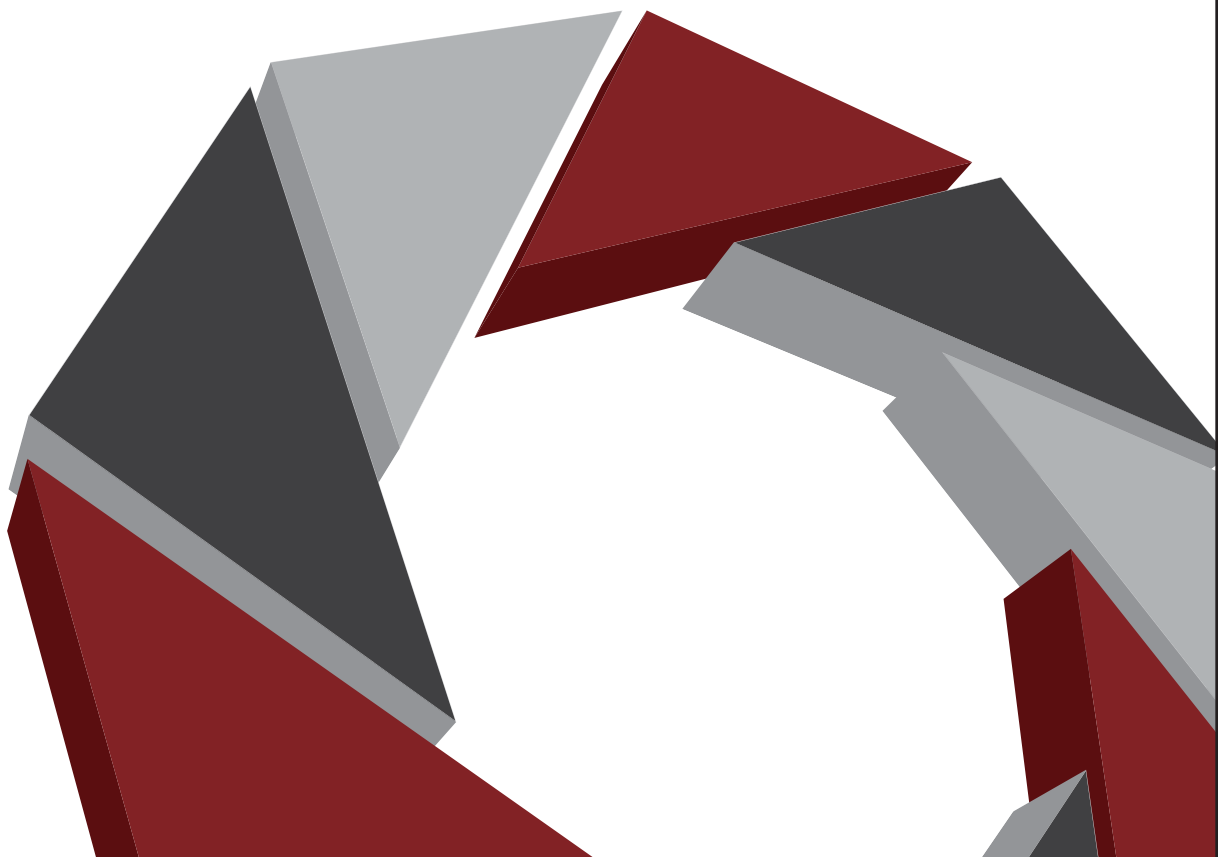
1. Administration & Establishment
2. Board Affairs
3. Branch Control
4. Finance & Accounts
5. Claims
6. Re-Insurance

7. Internal Control & Audit
8. Share Trade & Investment
9. Business Development Cell
10. Information & Technology
11. Public Relations & Corporate Affairs

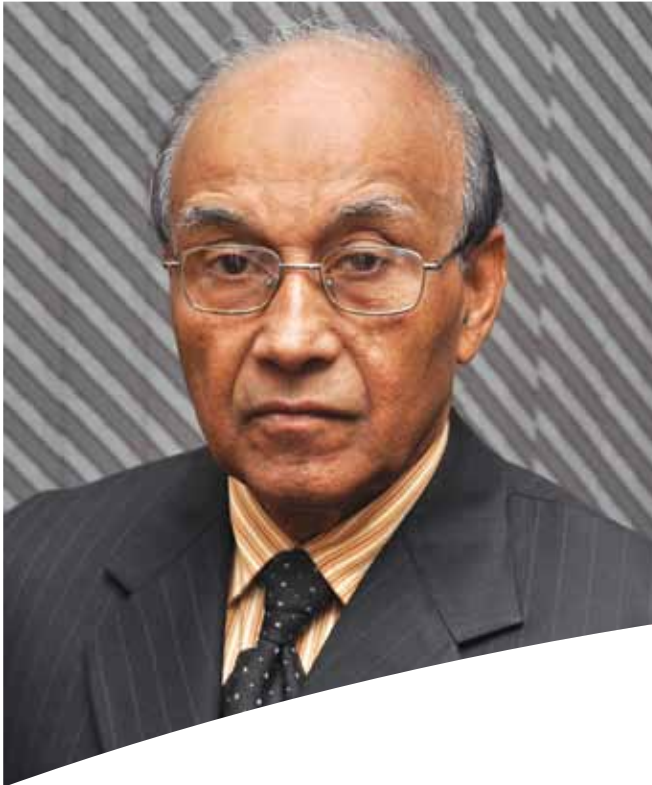
Heads of the Departments are well experienced and have dedication for the service to the Business Partners as well as clients. During the crisis moment, they work collectively as a strong team. Besides, several Management Committees are also working to handle the Company's operation and identifying the Management's risk.

The positive effect of corporate governance on different stakeholders ultimately is a strengthened economy, and hence good governance is a tool for socio-economic development.

In conclusion to match the strategic objectives of the company Prime Insurance has taken every possible steps to be the top Insurer in respect of complying Corporate Governance Guideline in the Insurance market of the country.



Management Team



Md Ezhar Hossain
Managing Director

Mr Md Ezhar Hossain, ABIA, a reputed insurance personality, joined the Company as the Managing Director in 2010. Prior to this assignment, he acted as Managing Director of Asia Insurance Ltd for about ten years. Mr Hossain is a Master of Commerce, University of Dhaka and obtained BIA diploma from Bangladesh Insurance Academy. He started his career in 1968 as Junior Executive Officer in the insurance industry. Thereafter, he worked in various capacities in Head Office and Zonal Offices of Sadharan Bima Corporation till 1997. He served the Central Insurance Co Ltd, as Deputy Managing Director and also served as Managing Director (cc). During this long 44 years insurance career he underwent various training courses at home and abroad on insurance.



Mohammodi Khanam
Additional Managing Director

Ms Mohammodi Khanam, ABIA, has in her credit more than two decades of experience in Insurance arena. She joined the Company as Additional Managing Director in March 2011. Prior to this appointment, she was an Executive Director & Head of Branch Control Department of Green Delta Insurance Company Ltd. Ms Khanam completed her MSS along with her BSS (Honors) in Economics from the University of Dhaka. She has been awarded the esteemed International Who's Who of Professionals (USA) and also has been featured in the 2009-2010 edition of the Madison Who's Who Registry of Executives and Professionals. She is a Life Member of Bangladesh Economics Association. She is also a regular trainer of Bangladesh Insurance Association and various institute of private banks. Currently, she is the Chief of Re-insurance, Marketing & Branch Control Department. Other than her professional background, she is attached with Bangladesh Television (BTV) as a regular program announcer since 1981.

Management Team



Bayazid Muztaba Siddiqui
Deputy Managing Director

Mr Bayazid Muztaba Siddiqui, an insurance personality, has spent about 26 years in the private sector insurance company in various capacities. He joined the Company on 31 December 2009 and presently holding the position of Deputy Managing Director. Before joining this organization he was the Dy Managing Director of Islami Insurance Bangladesh Ltd. He also served in Northern General Insurance, Janata Insurance & BGIC. He acquires knowledge in Underwriting, Claims, Re-Insurance and Marketing of Non-life Insurance Management. He attended numbers professional Training Courses and Workshops on Underwriting, Claims and Re-Insurance. He completed his MA from University of Chittagong.



Kamal Pasha
Company Secretary (CC)
Board Affairs

Mr Kamal Pasha joined Prime Insurance as an AVP in 2005. He has more than 25 years of experience in Administration and HR. He completed his MSc (1981) as well as BSc, Honors (1980) in Applied Physics from the University of Dhaka. He is a fellow of IPM, Bangladesh, affiliated with Chartered Institute of Personnel & Developements, UK and a member of Asia Pacific Federation of Human Resources Management and World Federation of Personnel Management Association, USA. At present he is holding the position of VP and serving the company as Company Secretary (Current Charge). Prior to his appointment, he visited UK and France in the year 1998 to attend a training course on Industrial Management, jointly organized by DFID, UK and the British Council, Dhaka.



Mohammed Masoom

Senior Executive Vice
President Head of Claims

Mr Mohammed Masoom has 41 years of experience in different areas of Insurance Industry. It includes service in world reputed inspection Company "Societe Generale De Surveillance (SGS)", Local Office in Dhaka, Bakhrabad Gas Systems Ltd. (Under Petrobangla) United Insurance and Central Insurance Co., Ltd. He joined Prime Insurance in 2005 and he is serving as Senior Executive Vice President in this Company with sound knowledge in Claim & Re-Insurance. He has completed his Bachelor of Science from Dhaka College under University of Dhaka in 1967.



Sujit Kumar Bhowmik

Executive Vice President
Head of Branch Control

Mr Sujit Kumar Bhowmik joined Prime Insurance in 1999 as an AVP. Prior to this appointment he was serving in Green Delta Insurance Company Limited as a Senior Executive Officer. He obtained extensive training in Underwriting, Claims & Re-Insurance. At present, he is serving as EVP and Head of Branch Control Department. He attended various seminars within the country. He is associated with Rotary International and in-house Insurance training of Prime Insurance. He has completed his BSS (HONS) in Economics from University of Dhaka.



Mohammed Monirul Alam

Senior Vice President
Head of Administration & Establishment

Mr Mohammed Monirul Alam joined Prime Insurance Company as Senior Vice President in 2008. He has 24 years of experience in Insurance industry in Human Resource, Establishment, Public Relations, Policy Servicing Dept, other related fields and businesses. He is responsible for Administration and Establishment in the Company. He has completed his BSc (Hons) and MSc in Economics from Jahangirnagar University.

Management Team



Md Lokman Hossain

CFO & Vice President
Head of Finance & Accounts

Mr Md Lokman Hossain is holding the position of Vice President and CFO of the Company. He has 24 years of work experience in Accounts & Audit department. He joined the Company as a Manager in 1996. He obtained his MCom in Management from the University of Dhaka. He also attended on various Seminars & Workshops in Corporate Governance from SEC, DSE and VAT & Tax Regulatory Authority. Moreover, he has taken professional training course on 'Standardization of Annual Report', 'Corporate TAX Management' & 'Internal Audit Control' from Institute of Chartered Secretaries of Bangladesh (ICAB).



Anamul Gani Chowdhury

Senior Assistant Vice President
Head of Internal Control & Audit

Mr Anamul Gani Chowdhury joined Prime Insurance Company in 2004 and holding the position of Senior Assistant Vice President and In-Charge of Audit & Internal Control Department. In 17 years of working experience he has sound knowledge on Finance, Accounting and Audit. He obtained his MBA with major in Finance from UITS.



Md Asaduzzaman Mia

Manager
Head of Share Trade & Investment

Mr Md Asaduzzaman Mia, Manager and Head of Share Trade & Investment has joined Prime Insurance in 1997. He has more than 15 years of experience in his career in financial institutions as well as in investment in Stock Market. He has completed his MSS from the National University of Bangladesh in the year 1993. He also attended various course on Share Investment, General Insurance, Compliance and VAT from reputed Training Institute in Dhaka.



Mahmuda Akter

Manager

Head of Business Development Cell

Ms Mahmuda Akter joined Prime Insurance Company Ltd in 2009 as a Manager of Business Development Cell. She is working here for last three years with honor and dedication as Head of the Department. She has completed her MBA from the University of Development Alternative (UODA) with major in Human Resource Management.



Md Abu Rokan

Assistant Manager

Head of Information & Technology

Mr Md Abu Rokan, Head of Information and Technology Department, joined Prime Insurance Company Limited in 2008. He is a qualified Microsoft Certified Technical Specialist (MCTS) and Oracle Certified Programmer (OCP). Prior to his joining this Company, he served in WARID Telecom and Bangladesh Airways under different capacities. He possesses versatile knowledge in the areas of Networking, Online System, VB.net programming with Sql server, Oracle programming with Mysql, Mail Server, Web Server, Database Server, Application Server, File Server, Print Server, etc.



Hasina Begum

Assistant Manager

Head of Public Relations & Corporate Affairs

Ms Hasina Begum joined the Company in January 2011 as an Assistant Manager in Administration Department. At present, she is holding the position of Head of Public Relations & Corporate Affairs Department. Ms Hasina completed her MA along with BA (Hons) in English from the University of Dhaka.



Functional Units



Management Team

Re-Insurance
Department



Branch Control
Department



Finance & Accounts
Department





Administration & Establishment Department



Share Trade & Investment Department with Company Secretary



Information & Technology Department



Claims Department



Internal Control & Audit Department



Head of Public Relations & Corporate Affairs with
Head of Business Development Cell



Reception Desk



Head Office Assistants & Attendants



Report on Going Concern

Going Concern is a *'view that an organization will continue in operation in the foreseeable future and that its assets are therefore to be accounted for on the basis of continued use rather than on the basis of market or liquidation value'*.

The purpose of the report on going concern is to let the stakeholders know about the exact state of a company's financial affairs. On the other hand, it is the requirement of Stock Exchange Commission (SEC) for the Listed Companies to inform about their ability to continue as going concern. The Board of Directors of Prime Insurance Company Limited has made annual assessment of whether the company is a going concern entity involves making appropriate inquiries including review of budget and future outcome of unavoidable uncertainties in existence. The Directors are convinced from the following indications, which give reasonable assurance as to company's continuance as a going concern for the foreseeable future.

Financial Indications

Positive Net Current Asset

Prime Insurance Company Limited has positive net current assets of TK. 706.07 million as on 31 December 2011. It signifies company's ability to meet its short-term obligations out of short-term assets.

Less Reliance on Current Liability

At the end of 2011, total current liabilities of the company were TK. 365.38 million, representing only 47.12 percent of total liabilities that indicates the company has least reliance on current liability.

Speedy Settlement of Claims

The company has a very good track record and reputation in settlement of its claims. A details report on claim settlement is given on page no 80.

Positive Operating Cash Flows

Cash flow statement of the company for the year 2011 shows positive operating cash flows of TK. 16.85 million. Statement of liquidity also shows overall positive liquidity gap representing strong ability to meet current and future obligations.

Positive Key Financial Ratios

The company has a very positive financial ratio as evident from financial highlights given on page no 86 of this Annual Report. Such positive financial ratios indicate company's sound financial strength and good prospects.

Consistent Payment of Dividends

The company has been paying dividend consistently to its shareholders over many years. Dividend payment record is given on page no 86 of this Annual Report, which reflects company's long-term vision. Every year since listing, the company has been continuously paying stock dividend that reflects Company's long-term liability in operational existence.

Performance Growth

Prime Insurance Company Limited has excellent growth in its operating performance. In 2011 Company's total investment has stood at TK. 431.31 million. The total investment in share market has increased from TK. 158.33 million to TK. 195.83 million, indicating a growth of 23.68 percent i.e. TK. 37.50 million over last year. FDR & Bank balance have increased by TK. 3.07 million i.e. 1.20 percent in 2011 as against 2010. Operating income has increased by TK. 20.79 million i.e. 409.28 percent in 2011 over last year. All those indications support company's continuance in foreseeable periods.

Operating Indications

No Key Management Turnover

During the year 2011, the company has not experienced any event of turnover in key management position. Employees have long-term communication and loyalty to the company. Average length of services of an employee at Prime Insurance Company Limited is 5.66 (approx.) years (2010: 7.50 approx.). A report on Human Recourse has been given on page no 77 of this Annual Report.

Expansion of Business

The Company has expanded its segment geographically by opening branches in different places considering the economic significance. Business expansion has also gained by investing in secondary share market. The Company has also

expanded its service range by enriching its product line with Ship Builders Liability Insurance, Aviation Insurance, Golf Hole-in-One Insurance and so on. These represent Company's intention for perpetuity.

Corporate Environment and Employee Satisfaction

There exists a very good corporate environment in the Company. Prime Insurance Company Limited is an excellent work place with friendly environment. The Management of the Company believes in teamwork and information sharing. The company dedicates to be honest and practices fair treatment to all employees which ensures good corporate environment. The Company pays a competitive compensation package and there exists a good number of employee benefits like transport benefit, health insurance policy, group insurance policy, maternity benefit, performance related bonus, gratuity fund, provident fund, etc, which is considered to be instrumental for employee satisfaction.

Other Indications

Maintenance of Sufficient Capital

As on 31 December 2011, the Company's total shareholders' equity stands at TK. 406.09 million while the paid-up capital is TK. 267.61 million. The Company's paid-up capital as on 31 December 2010 was TK. 205.85 million. The Board recommended 10% stock dividend for the year 2011. Upon approval by the Shareholders in the next AGM to be held on 18th April 2012, the paid up capital would stand at TK. 294.37 million.

Strong Equity Base

As on 31 December 2011, total equity of the Company stands at TK. 406.09 million where as in 2010 it was 329.93 million representing an increase of 23.08% over last year that reflects company's long-term liability.

Credit Rating Position

Credit Rating Information and Services Ltd (CRISL) has upgraded the Claim Paying Ability (CPA) rating of the company to 'A' (Pronounce as only A) from previous rating of 'A-' (Pronounce as A minus) based on the Audited Financial Statement up to December 31, 2010

Changes in Government Policy

Management anticipates no significant change in legislation or government policy, which may, materially affect the business of the Company except separations through formation of subsidiary.

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



Auditor's Report to the Shareholders of Prime Insurance Company Limited

We have audited the accompanying financial statements of the Prime Insurance Company Limited, which comprise the balance sheet as on December 31, 2011 and the related Revenue Accounts as well as the Profit and Loss Account and Profit and Loss Appropriation Account and Statement of Cash Flows for the year then ended and a summary of significant accounting policies and other explanatory notes.

Management 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. This responsibility includes designing, implementing and maintaining internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatements, whether due to fraud or error, selecting and applying appropriate accounting policies, and making accounting estimates that are reasonable in the circumstances.

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 (BSA). Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the Financial Statements. The procedures selected depend on the auditor's judgment, including the assessment of the risk of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessment, the auditor considers internal control relevant to the entities preparation and fair presentation of the financial statements in to design audit procedures that are

appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entities 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 opinion.

Financial Statement :

The financial statements, prepared in accordance with Bangladesh Accounting Standards (BAS) give a true and fair view of the state of the company's affairs as on December 31, 2011 and of the results of its operations and its cash flows for the year then ended and comply with the Insurance Act 1938, the Insurance Rules 1958, the Companies Act 1994, the Securities and Exchange Rules 1987 and other applicable laws and regulations.

Opinion :

In our opinion, the financial statements give a true and fair view of the financial position of the Prime Insurance Company Limited as of 31 December, 2011, and of its financial performance and its cash flows for the year then ended in accordance with Bangladesh Financial Reporting Standards along with other applicable Rules and Regulations.

We also report that:

- i) We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit and made due verification thereof;
- ii) In our opinion, proper books of account as required by law have been kept by the company so far as it appeared from our examination of those books and (where applicable) proper returns adequate for the purposes of our audit have been received from branches not visited by us;
- iii) The Company's Balance Sheet and Profit and Loss Account and its Cash Flows dealt with by the report are in agreement with the books of account and returns;
- iv) The expenditure incurred was for the purposes of the company's business;
- v) 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 explanations 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 report have been duly debited to the related Revenue Accounts and the Profit and Loss Accounts of the company; and
- vi) 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 information and as shown by its books, the company during the year under report has not paid to any person any commission in any form outside of Bangladesh in respect of any of its business re-insured abroad.

Place: Dhaka
Date: February 15, 2012


M.M. Rahman & Co.
Chartered Accountants



Report of Chairman Audit Committee

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

Member of the Audit Committee:

There are in total 3 (three) members in the Audit Committee including 1 (one) Independent Director. Followings are the members of the Audit committee:

- | | | |
|-----|------------------|-------------------------------|
| 01. | Shah M Hasan | Chairman |
| 02. | Abu Hasan Khan | Member |
| 03. | AKM Nozmul Haque | Member (Independent Director) |

Committee Meetings

During the year 2011 the committee held 10 (Ten) meetings in which the committee reviewed issues relating Business Operation, Administrative Control, Finance and Accounts, among other things. Head of Internal Audit and Company Secretary are permanent invitees in the meetings. Relevant departmental heads and other members of the management also attend the meetings as required. The proceeding of the committee meetings are regularly reported to the Board of Directors.

Scopes of the Audit Committee is defined as under:

1. Review the financial and other system and its reporting procedure.
2. Oversee the work of External Auditors, including matter of disagreement between the Management and External Auditors regarding financial reporting.
3. Discuss major issues concerning accounting principles and financial statement presentation.
4. Conduct audit concerning material violation by the management in carrying out operation of the company.
5. Review reports of litigation and regulatory compliance matters.
6. Review internal control and the policies related to liquidity management and capital management.
7. Identify suspected fraud or irregularity in the internal control system.

Activities in 2011

1. Guided the financial process of the year end closing.
2. Reviewed the Financial and Management Audit Reports of Branches and Head Office and other Statutory report.
3. Examined the financial reporting system.
4. Approved the Audit plan for the year 2012.
5. The committee considered the recommendations made by external and internal auditors of the company in their reports.

**Shah M Hasan**

Chairman

Audit committee



Directors' Report

Dear All

The Board of Directors of Prime Insurance Company Limited has the delight to welcome you all at the Sixteenth Annual General Meeting of the Company. It is a matter of immense pleasure to have the opportunity to present the 16th Annual Report and the Audited Financial Statements of the Company for the year ended on December 31, 2011 along with the Auditors' Report to the Shareholders. A brief overview of global economy with the performance of Bangladesh economy has also been provided in the report. A review of the report will present a synopsis of emerging growth of the company in the competitive insurance market of the country.

Global Economy

In 2011 global financial conditions has improved in an unusually fragile manner. In many emerging market economies, demand is vigorous and overheating (economic situation in which growth is occurring so quickly that economists fear a rise in inflation) is a growing policy concern. Developing economies have also carried on fast and sustainable growth. Rising food and commodity prices pose a threat to poor households, adding to social and economic tensions. On the other hand, oil price has increased since January 2011. In developing countries energy consumption has increased steadily. Mostly in Asian countries, more so than elsewhere, the growth in the consumption of natural gas has outpaced the growth in consumption of oil and the share of natural gas in total energy use has been doubled. This increase is largely in line with the growth in real GDP.

The greatest challenge for the global economy in this slow growth environment is to raise productivity without losing job opportunities for the millions who are looking for reasonably paid jobs to support their living standards. The growth rate of per capita income globally has been around 2.5 percent since the beginning of the century. At present growth rate of per capita income is about 5 percent in the world.

In advanced economies, weak balance sheets and still-declining real estate markets continue to present major concerns. Financial risks are also in problem as a result of the high funding requirements of banks and financial institutions. However, there is also the potential for upside surprises to growth in the short term, owing to strong corporate balance sheets in advanced economies and buoyant demand in emerging and developing economies.

Despite these challenges, the world economy also shows great promise. Technology has made possible further advances in all fields, from agriculture, to medicine, alternative energy, metallurgy, and transportation. Improved global communications have greatly reduced the costs of international trade, helping the world gain from the international division of labor, raise living standards, and reduce income disparities among nations. Much of the resilience of the world economy in the aftermath of the financial crisis has resulted from government - and central bank - leaders around the globe working in concert to stem the financial onslaught, knowing well the lessons of past economic failures.

Global Insurance Industry & Bangladesh

There is a close inter-action between insurance and economic growth. As economy grows, the living standards of people increase. As a consequence, demand for insurance increases. As the assets of people and of business enterprises increase in the growth process, the demand for general insurance also increases. In fact, with the widening trend of the economy, the demand for new types of insurance products emerges. Insurance now extends not only to product market but also to service industries including finance. It is equally true that growth itself is facilitated by insurance. The global consolidation of the financial services sector is in large part driven by acquisition activity. Companies competing for a greater share of consumer funds are seeking quick access to new markets, new products and new channels of distribution, both domestically and economically.

In 2010, global insurance premiums totaled \$4.33 trillion up from \$4.06 trillion in 2009. The growth rate was 2.7% in inflation-adjusted terms in the year. The return to growth was equal to 6.89% of global GDP. Life insurance premiums increased by 3.2% in 2010 and non-life premiums by 2.1%. While industrialized countries saw an increase in premiums of around 1.4%, insurance markets in emerging economies saw rapid expansion with 11% growth in premium income.

On the other hand, In 2010 the GDP growth in Bangladesh was about 6.02%. The total premium collected in Non-life Insurance Sector is BDT 14,883.94 million registering a growth rate of 21.16%. The gross direct premium income of Sadharan Bima Corporation (SBC) also increased from Tk. 1,613.51 million in 2009 to Tk. 1,659.96 million in 2010 registering a growth of 2.88%.

In 2011 the insurance industry of Bangladesh has gone through many regulatory changes. It has heightened the competition within the insurance industry—an area in which competition has always been fierce. IDRA has become stricter in controlling the insurance industry. Recently, they have issued many business regulatory circulars to stop the existing unhealthy practice of commission based business in the country. With the growing rate of investment, it is likely to expect that the existing condition of insurance industry will be in progress in the days ahead.

Our Principal Activities

Since its inception in 1996, Prime Insurance has been working hard to contribute to the National Exchequer of the country. The principal activities of the Company are providing any type of Non-life Insurance coverage and related businesses. The services the company provides are Fire, Marine, Motor, Engineering, Aviation and Miscellaneous Insurance. At present, through 19 Branches covering Dhaka, Chittagong, DEPZ and other important business areas Prime Insurance is serving its clients all over the country.



Strategy

2011 was a significant year for the history of Prime Insurance Company Limited. Over the past year we have remained focused on increasing the profitability of the Company through driving acceleration in the business system. The execution of our core strategy- to provide faster and quality service towards our clients has been strengthened. However, we have also begun to expand our networks by opening new branches in different important business areas around the country.

Information & Technology

We have started doing online business as the pioneer in the insurance industry of the country. We also began the work to plan and prepare for the alignment of our entire business automation system in order to add speed and effectiveness in our service. However, driving efficiencies in workflows, the updating of some of our systems and software is providing us with the capacity and the capabilities needed to ensure that we are able to support the future needs of our clients and business partners.

Human Resources

Prime Insurance is always eager to ensure proper human resources management. It has become the part and parcel of the management system of the company. To ensure all the possible steps that are to be taken to realize the corporate strategy of the company the Human Resources management system is always active. In Prime Insurance we consider each of our employees as an asset that provides competitive environment to the organization.

Basically, the HR Strategy of Prime Insurance focuses on service excellence. To ensure this criterion we provide and organize in-house and external training programs for the employees to increase their efficiency level. We believe ongoing training for current employees helps them adjust to rapidly changing job requirements. Moreover, to help the new employees we train them to join the workforce and add speed to it. To keep pace with the ever-changing world our HR management systems plans to continue its in-house and external training programs to make all the employees more efficient in order to ensure maximum benefit of the company.

In the year 2011 the main activities of our HR management system have been-

- Revision of recruitment process
- Approval of Employees' "Gratuity Fund Rules & Deed of Trust" by NBR
- Realization of 'Reward and Recognition policy'
- Providing manpower to the Branches and Departments
- Introduction of Public Relations and Corporate Affairs Department

Corporate Governance

As a leading company in the Insurance Industry of the country we are committed to practice the highest standards of Corporate Governance at every level of our work to ensure required protection for the interest of the Shareholders and Policyholders.

We follow good corporate governance system that is essential to ensure efficient and effective business operation to achieve the projected goal. To make sure the satisfactory result of it we have strong internal control in operational process.

Moreover, transparency and accountability are considered to be the most important factors for the credibility of the company. The Board of Directors is always supportive to all the positive steps that are taken by the Management for the betterment of the company. Moreover, it is also ensured that the responsibilities are properly distributed between the Board and the Management to adopt sufficient internal control and balance and flexibility for smooth business operations. The detail on this issue is given in the 'Report on Corporate Governance' given on page no 32.

Corporate Social Responsibilities

As the commercial sector increases its contribution in Corporate Social Responsibility in its three usual venues -the workplace, the marketplace, and the community, Prime Insurance has also stepped forward to contribute in CSR activities. The Company has taken initiatives in giving monetary support to destitute and also distributed 'Traffic Guide Book' among the mass in free of cost.

Credit Rating

Prime Insurance has been awarded as an A (Pronounce as only A) category from previous rating of 'A-' (Pronounce as A minus) Company by Credit Rating Information and Services Limited (CRISL) based on the company's high claim paying ability, satisfactory protection factor and extra ordinary performance.

Future Outlook

Though economic analyst predicted a slower growth of global economy in 2011 and 2012, they projected an upward trend in GDP growth rate in Bangladesh at the same period. For 2012 it is projected that the GDP Growth Rate will be 6.3 percent in Bangladesh.

Basically, Insurance plays a key role in a modern economy and contributes to its growth and development through various channels:

- Promoting financial stability and security at both the national and personal levels;
- Encouraging productive investments and innovation through the mitigation of the consequences of financial misfortune;
- Mobilizing savings;
- Contributing to an efficient use of capital based on insurers' role as significant institutional investors;
- Facilitating firms' access to capital (as institutional investors);
- Reducing the capital firms need to operate;
- Promoting sensible risk management through the price mechanism; and,
- Fostering stable consumption throughout the client's life.

Prime Insurance is well equipped to utilize all the channels and will continue to strive to innovate and capture opportunity for growth and value creation. The Insurance will continue to measure the scopes of new business and will adopt all possible steps to enrich the business volume. The Company will focus on its IT developments and clients' base to generate more business from the existing and potential clients. However, there are lots of hurdle in the path of success in the insurance sector of the country such as- less public

awareness, centralization, unethical practice, lack of planning and control and so on. Being aware of all these difficulties Prime Insurance is all set to meet all the challenges by implementing good corporate governance and practices and adequate risk management and mitigation policies.

Prime Insurance always runs its business following all the legislative rules and regulations circulated by IDRA from time to time. Being accountable to its ethical business principles it believes in fair and transparent business.

For 2012 Prime Insurance envision to:

- Expand and strengthen its mid-level management.
- Open new branches at Dinajpur, Sylhet and Kushtia.
- Focus on strengthening the HR system
- Set up secured back-up system to archive all the business information
- Frame the work schedule to avoid person based system
- Maintain the rules of ISO Certification and practice it in every level to ensure Quality Management system.
- Plan to invest more in branding of the Company

Business Review

- In the year ended on December 31, 2011 the total gross business growth is 52.67% which was 13.03% in 2010.
- In 2011 the company has earned Gross premium of Tk. 305.50 million which was Tk. 200.10 million in 2010.
- Total underwriting profit in 2011 is Tk. 25.87 million which was Tk. 5.08 million in 2010
- Net Claims paid is Tk. 38.16 million in 2011 while which was Tk. 19.72 million for the year 2010.
- Investment & other income is Tk. 43.89 million in 2011 while which was Tk. 93.40 million in 2010.

Financial Analysis

Total Assets:

Total Assets of the Company stood at Tk. 775.47 million in 2011 as against Tk. 649.96 million in 2010 registering a growth of 19.31%. In this year Net Assets Value of the company is Tk. 406.09 million as against Tk. 329.93 million in 2010.

Investment

- A. The Company invested a total amount of Tk. 431.31 million during the year 2011 where in FDR investment of Tk. 235.48 million and investment in Share of Tk. 195.83 million.
- B. During the year the Company has purchased a commercial space in 4th and 5th floor at Tropical Molla Tower, Progati Sharani, Badda, Dhaka. The premise covers a space measuring gross floor area of 15,000 Sft (approx) which is shown in Notes to the Accounts SL. No-22.01 on page no 132 in this Annual Report. Moreover, it has also invested in public relations and marketing. These investments have led Prime Insurance towards branding the Company and significantly enhancing its proposition in the insurance industry.



Gross Premium Income

In 2011 the company has earned a gross premium of Tk. 305.50 million while it was Tk. 200.10 million in 2010.

Fire Insurance Premium

In 2011 the Company earned gross premium of Tk. 93.40 million as Fire Insurance premium while it was Tk. 54.89 million in 2010.

Marine Insurance Premium

In 2011 the Company earned gross premium of Tk. 120.27 million as Marine Insurance premium while it was Tk. 93.68 million in 2010.

Motor Insurance Premium

In 2011 the Company earned gross premium of Tk. 39.46 million as Motor Insurance premium while it was Tk. 24.79 million in 2010.

Miscellaneous Insurance Premium

In 2011 the Company earned gross premium of Tk. 52.37 million as Miscellaneous Insurance premium while it was Tk.26.74 million in 2010.

Investment Income

In 2011 the company net earned from Stock Market: Tk. 18.60 million which was Tk. 70.28 million in 2010 and from FDR Interest Tk. 22.40 million in total Tk. 23.65 million while it was Tk. 21.70 in 2010.

Liabilities

The total Liabilities of Prime Insurance Company Limited stood at Tk. 775.47 million in 2011 from Tk. 649.96 million in 2010. The total liabilities excluding equity of the Company is Tk. 369.38 million registering a total growth of 19.31%.

Profit**Net Profit before Tax**

The company earned a net profit before tax of Tk. 60.82 million in 2011 while it was Tk. 92.73 million in 2010 registering a decrease of 34.41%.

Net Profit after Tax

The company earned a net profit after tax of Tk. 50.82 million in 2011 while it was Tk. 83.24 million in 2010 registering a decrease of 38.95%.

Reserve for Exceptional Losses :

As per Insurance Act 1938 amended in 2010, 10 % statutory by reserve is maintained out of profit by the Company to meet any future Claims losses on net premium income during the year. Details are as follows:

	Amount Taka
Opening Balance on January 1, 2011	53,494,139
Add : Provision during the year 10 on net Premium Income	20,362,929
Total :	73,857,068

General Reserve

Prime Insurance Company Limited has been created a general reserve fund from financial year December 31, 2009 for avoiding any sudden fund crisis in future. In 2011 Prime Insurance has transferred an amount of Tk. 10, 00,000 from current year profit. In 2011 the total General Reserve Fund stood at 5.5 million.

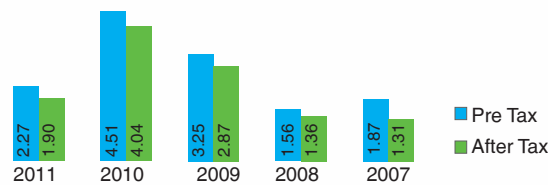
Dividends

For dividends fund available is Tk. 32.77 million (Tk. 28.45 million from current year profit plus Tk. 4.32 million from retained earnings of previous year). In order to maintain a satisfactory capital adequacy ratio of the Company, the board decided to recommend 10 percent stock dividend in 2011.

Shareholders' Value

Prime Insurance is always committed to deliver higher shareholder value. The weighted average earnings per share stood at Tk. 1.90 (after tax) and return on average equity stood at 19.00% during 2011. Market capitalization stood at Tk. 1442.43 million as at December 2011. Share of Prime Insurance Company Limited in market capitalization was .07 %.

Earnings Per Share



Claims

The company settled net claims of Tk.38.16 million on account of Fire, Marine, Motor and Miscellaneous Business in the year of 2011.

Compliance Status

Status of Compliance with the conditions imposed by the Securities and Exchange Commission's notification No SEC/CMRRCD/2006-158/Admin/02-08 dated February 20, 2006 is attached in Annexure- "I-IV".

Retirement of Directors

In terms of the Articles of Association, the following Directors are to be retired in the 16th Annual General Meeting:

Group A (Sponsor Directors)

1. Gole Afroz Banu
2. Nazma Haque
3. Farhana Chowdhury
4. Rahela Hossain
5. Md. Shafiqur Rahman
6. Mizanur Rahman Mostafa

Group B (Public Shareholder Directors)

7. Abu Hasan Khan (Representative of GQ Ball Pen Industries Ltd)
8. Md. Shahadat Hossain
9. Mohammed Hasan (Retired with effect from 15th February 2012)



The relevant notice relating to election of Directors from Public Shareholding was published in the national dailies on 16th February 2012 and 3 (Three) Shareholders (Abu Hasan Khan, Dil Ara Begum and Shaheda Parvin Trisha) have applied to be Directors of the Company and they will be elected in this Annual General Meeting.

Appointment of External Auditors

The auditors M/s M M Rahman & Co, Chartered Accountants are to retire as auditors of the Company. Ahmed Zaker & Co, Chartered Accountants have offered themselves for appointment. The recommendation is to be placed in the 16th Annual General Meeting.

Annual General Meeting

16th Annual General Meeting will be held on Wednesday, 18 April 2012 at 11:00 am at the Auditorium of Bangladesh Institute of Administration and Management (BIAM), 63 New Eskaton, Dhaka.

Acknowledgement

On behalf of the Board of Directors, I would like to express my deep gratitude to our respected valued Shareholders, Stakeholders, Regulatory Bodies, Clients, External Auditors and Well-wishers for their continuous support and guidance for excellence and giving us motivation for performing our responsibilities during the year.

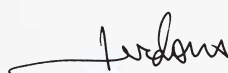
I also express my heartfelt felicitation towards the Ministry of Finance, IDRA, Registrar of joint Stock Companies and Firms, Securities and Exchange Commission, Shadharan Bima Corporation, Dhaka and Chittagong Stock Exchange, Bangladesh Insurance Association all the scheduled Banks & Leasing Companies and Government and Non-Government Organizations for their incessant support and cooperation around the year.

The Board of Directors also acknowledges with appreciation the commendable contribution made by the Honorable Directors as well as executives and the members of the staff.

Before I conclude, I thank all my colleagues in the Board of Directors for their consistent direction, support and leadership. All members of the Management Team and all staffs deserve our heartfelt appreciation for their dedication and hard work for the betterment of the Company. Their continuous support has made the year of 2011 a successful one.

May Allah bless us all.

On behalf of the Board of Directors



Ferdous Amin
Chairman
March 27, 2012



Compliance Report on SEC Notification

Annexure-I

Directors' report to the shareholders as per SEC Notification No SEC/CMRRCD/2006-158/Admin/02-08 dated 20 February 2006.

The directors also report that:

- The Financial Statements of the Company present fairly its state of affairs, result of operation, cash flows and changes in equity.
- Proper books of accounts as required by law have been maintained.
- Appropriate accounting policies have been followed in formulating the Financial Statements and Accounting estimates were reasonable and prudent.
- The Financial Statements were prepared in accordance with International Accounting Standard (IAS) as applicable in Bangladesh.
- The internal control system is sound in design and effectively implemented and monitored.
- There are no significant doubts upon the Company's ability to continue as an ongoing concern.
- There are no significant deviations from the operating result of the last year.
- Securities & Exchange Commission's Compliance Report is enclosed as Annexure -II.
- The pattern of shareholding is enclosed as Annexure -III.
- The Board of Directors hold 16 meetings. Directors' attendance is given as Annexure-IV.
- Key operating and financial data of last five years have been presented in summarized form.

Annexure-II

Status of Compliance with the Conditions Imposed by the SEC Notification No SEC/CMRRCD/2006-158/Admin/02-08 dated 20 February 2006.

Condition No	Title	Compliance Status	Explanation for Non-compliance with the condition
1.0	Size of the Board of Directors		
1.1	Board size	Complied	
1.2 (i)	Independent Directors	Complied	
1.2 (ii)	Appointment of Independent Director by elected Directors	Complied	
1.3	Chairman of the Board and Chief Executive Officer be different person with different roles and responsibilities	Complied	
1.4	The Directors' Report to Shareholders:		
1.4 (a)	Fairness of Financial Statements	Complied	
1.4 (b)	Maintenance of proper books of accounts	Complied	
1.4 (c)	Adoption of appropriate Accounting policies and estimates	Complied	
1.4 (d)	Compliance with International Accounting Standards (IAS)	Complied	
1.4 (e)	Soundness of internal control system	Complied	
1.4 (f)	Ability to continue as a Going Concern	Complied	
1.4 (g)	Significant deviations from last year	Complied	
1.4 (h)	Key operating and financial data	Complied	
1.4 (i)	Declaration of dividend	Complied	
1.4 (j)	Number of Board Meeting held during the year and attendance by each Director	Complied	
1.4 (k)	Shareholding pattern	Complied	
2.0	Appointment of :		
2.1	Company Secretary, CFO, Head of Internal Audit	Complied	
2.2	Attendance of Company Secretary, CFO at Board meeting	Complied	CFO attends as and when required.

Annexure-II

Status of Compliance with the Conditions Imposed by the SEC Notification No SEC/CMRRCD/2006-158/Admin/02-08 dated 20 February 2006.

Condition No	Title	Compliance Status	Explanation for Non-compliance with the condition
3.0	Audit Committee		
3(i)	Three members of the Audit Committee	Complied	
3.1(ii)	Inclusion of Independent Director in the Audit Committee	Complied	
3.2(i)	Chairman of the Committee	Complied	
3.2(ii)	Professional qualification of the Chairman of the Audit Committee	Complied	
3.3.1(i)	Reporting to the Board of Directors	Complied	
3.3.1(ii)	Any other matter which should be disclosed to the Board of Directors	Complied	
3.4	Reporting of activities to the Shareholders and General Investors	Complied	
4.0	External/Statutory Auditors		
4.00(i)	Appraisal or valuation services	Complied	
4.00(ii)	Financial information systems design & implementation	Complied	
4.00(iii)	Book keeping or other services related to financial statements	Complied	
4.00(iv)	Broker-dealer services	Complied	
4.00(v)	Actuarial services	Complied	
4.00(vi)	Internal Audit services	Complied	
4.00(vii)	Any other services that the Audit Committee determines	Complied	

Annexure-III

Pattern of Shareholding along with name-wise details of : As on 31 December 2011

Sl. No.	Name of Directors	Designation	Number of Share Held
1	Ferdous Amin	Chairman	252,000
2	Md Shah Alam	Vice Chairman	604,032
3	Qazi Saleemul Huq	Director	468,000
4	Nazma Haque	Director	686,400
5	Gole Afroz Banu	Director	686,400
6	Alhaj Abdul Gaffar Dubash	Director	390878
7	Sabiha Khaleque	Director	686400
8	Shah M Hasan	Director	485800
9	GQ Ball Pen Industries Ltd. represented by Abu Hasan Khan	Director	158236
10	Tahera Akhter	Director	686400
11	Mohammed Hasan	Director	858000
12	Mahabuba Haque	Director	179400
13	Md Shafiqur Rahman	Director	95800
14	Mizanur Rahman Mostafa	Director	171600
15	Dr Tazin Afrose Shah	Director	171600
16	Farhana Chowdhury	Director	68000
17	Rahela Hossain	Director	686400
18	Md Shahadat Hossain	Director	509600
19	AKM Nozmul Haque	Independent Director	–
20	Md Ezhar Hossain	Managing Director	–

Annexure-IV

Directors' Attendance of Board Meetings held from 1 January 2011 to 31 December 2011

Sl. No.	Name of Directors	Designation	Meeting Held	Present
1	Ferdous Amin	Chairman	16	15
2	Md Shah Alam	Vice Chairman	16	13
3	Qazi Saleemul Huq	Director	16	-
4	Nazma Haque	Director	16	10
5	Gole Afroz Banu	Director	16	1
6	Alhaj Abdul Gaffar Dubash	Director	16	14
7	Sabiha Khaleque	Director	16	1
8	Shah M Hasan	Director	16	13
9	Abu Hasan Khan	Director	16	16
10	Tahera Akhter	Director	16	2
11	Mohammed Hasan	Director	16	2
12	Mahabuba Haque	Director	16	8
13	Md Shafiqur Rahman	Director	16	6
14	Mizanur Rahman Mostafa	Director	16	16
15	Dr Tazin Afrose Shah	Director	16	9
16	Farhana Chowdhury	Director	16	15
17	Rahela Hossain	Director	16	12
18	Md Shahadat Hossain	Director	16	9
19	AKM Nozmul Haque	Independent Director	16	16
20	Md Ezhar Hossain	Managing Director	16	16

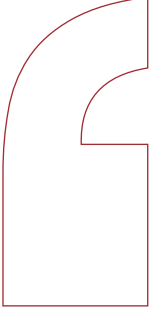
Annexure-IV (Continued)

Directors' Attendance of Audit Meetings held from 1 January 2011 to 31 December 2011

Sl. No.	Name of Directors	Position	Meeting Held	Present
1	Shah M Hasan	Chairman	10	9
2	Abu Hasan Khan	Member	10	10
3	AKM Nozmul Haque	Member (Independent Director)	10	9



Other
Reports



Shareholders'
Information



Financial
Statements

Prime Insurance Company Limited

Financial Position (Balance Sheet) as on 31 December 2011

Particulars	Note	Amount in Taka	
		2011	2010
CAPITAL AND 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:			
26,76,1267 Ordinary shares of Tk.10 each	03	267,612,670	205,855,900
Reserve or Contingency accounts :			
		138,481,145	87,666,010
Reserve for Exceptional Losses	07	73,857,068	53,494,139
General Reserve fund	09	5,500,000	4,500,000
Investment fluctuation fund	13.06.02	26,350,025	25,350,025
Profit & Loss Appropriation Account		32,774,052	4,321,846
Balance of Funds and Accounts:			
		86,396,879	54,501,270
Fire Insurance Business		18,608,057	7,404,216
Marine Insurance Business		39,778,279	30,370,274
Miscellaneous Insurance Business		28,010,543	16,726,780
Premium Deposit	10	18,707,672	12,643,926
Liabilities and Provisions			
		264,272,152	289,293,068
Estimated liability in respect of outstanding Claims whether due or intimated	11	52,527,091	55,630,671
Amount due to other persons or bodies carrying on insurance business	12	81,686,561	77,729,975
Sundry Creditors	13	74,060,352	48,177,504
Income Tax Provision	14	51,998,148	41,998,148
Deferred Tax	14.A	4,000,000	4,000,000
Proposed Dividend	15	-	61,756,770
Total		<u>775,470,518</u>	<u>649,960,174</u>

The accounting policies and other notes from 1 to 36 form an integral part of the Financial Statements.

The Financial Statements were authorised for issue by the Board of Directors on February 15, 2012 and signed on its behalf by:


Ferdous Amin
Chairman


Md. Ezhar Hossain
Managing Director


Alhaj Abdul Gaffar Dubash
Director


Dr. Tazin Afrose Shah
Director

This is the Financial Position (Balance Sheet) referred to in our report annexed.

Place: Dhaka
Dated: February 15, 2012


M. M Rahman & Co.
Chartered Accountants

Prime Insurance Company Limited

Financial Position (Balance Sheet) as on 31 December 2011

Particulars	Note	Amount in Taka	
		2011	2010
PROPERTY AND ASSETS			
Investment (at cost)	16	195,833,662	158,328,557
Outstanding Premium	17.01	22,897,607	22,986,282
Interest accrued but not received	18	11,829,920	12,298,647
Amount due from other persons or-bodies carrying on insurance business	19	102,981,537	92,503,444
Sundry Debtors (including advances,deposits and pre-payments)	20	108,049,738	97,693,689
Cash and Cash Equivalents	21	260,306,432	257,535,728
Cash in hand		403,335	705,660
Cash at bank		259,903,097	256,830,068
Other accounts		73,571,622	8,613,827
Property, Plant & Equipments	22.02	70,579,530	6,143,666
Stock of Stationery		2,201,551	1,997,512
Insurance Stamps in hand		790,541	472,649
Total		775,470,518	649,960,174

The accounting policies and other notes from 1 to 36 form an integral part of the Financial Statements.

The Financial Statements were authorised for issue by the Board of Directors on February 15, 2012 and signed on its behalf by:


Ferdous Amin
Chairman


Md. Ezhar Hossain
Managing Director


Alhaj Abdul Gaffar Dubash
Director


Dr. Tazin Afrose Shah
Director

This is the Financial Position (Balance Sheet) referred to in our report annexed.

Place: Dhaka
Dated: February 15, 2012


M. M Rahman & Co.
Chartered Accountants

Prime Insurance Company Limited

Comprehensive Income Statement (Profit & Loss Account) for the year ended 31 December 2011

Particulars	Note	Amount in Taka	
		2011	2010
Interest, Dividend and Rents (not applicable to any particular fund or account)			
Interest income	26	23,653,053	21,703,833
Other income	27	20,233,917	71,699,294
Profit/(loss) transferred from			
		25,873,889	5,080,503
Fire Insurance Revenue Account		5,841,972	5,192,864
Marine Insurance Revenue Account		12,991,380	(13,661,527)
Misc. Insurance Revenue Account		7,040,537	13,549,166
Total		69,760,859	98,483,630
Less : Expenses of Management (not applicable to any particular fund or account)		8,945,724	5,744,666
Directors' fees		1,705,000	1,406,000
Advertisement & publicity		261,310	350,494
Audit fees	23	200,000	170,000
Donation & subscription		235,957	173,730
Legal & professional fees		318,494	464,850
Depreciation	24	4,989,314	2,341,994
Registration fees	25	700,363	619,649
Meeting Expenses		535,286	217,949
Investment fluctuation fund		-	-
Lease rental		-	-
Interest on Margin Loan		-	-
Balance for the year carried to Profit & Loss Appropriation Account		60,815,135	92,738,964
		69,760,859	98,483,630

The accounting policies and other notes from 1 to 36 form an integral part of the Financial Statements.

The Financial Statements were authorised for issue by the Board of Directors on February 15, 2012 and signed on its behalf by:


Ferdous Amin
Chairman


Md. Ezhar Hossain
Managing Director


Alhaj Abdul Gaffar Dubash
Director


Dr. Tazin Afrose Shah
Director

Place: Dhaka
Dated: February 15, 2012


M. M Rahman & Co.
Chartered Accountants

Prime Insurance Company Limited

Profit & Loss Appropriation Account
for the year ended 31 December 2011

Particulars	Note	Amount in Taka	
		2011	2010
Profit/ (loss) before tax		60,815,135	92,738,964
Appropriation:			
Current tax provision		10,000,000	9,500,000
Deferred tax		-	-
Profit /(Loss) after tax		50,815,135	83,238,964
Less: Reserve for exceptional losses	8.00	20,362,929	10,299,888
Profit after Reserve for exceptional losses		30,452,206	72,939,076
Less : General Reserve Fund.	9.00	1,000,000	1,500,000
Less : Investment fluctuation fund :	13.06.02	1,000,000	-
Net profit		28,452,206	71,439,076
Add: Profit/(loss) carried forward		4,321,846	(5,360,460)
Retained Earnings		32,774,052	66,078,616
Less: Proposed Dividend Paid.		-	61,756,770
Closing balance transferred to Balance Sheet		32,774,052	4,321,846
Earning Per Share (EPS)		1.90	4.04
Weighted Average No. of outstanding Share		26,761,267	20,585,590

The accounting policies and other notes from 1 to 36 form an integral part of the Financial Statements.

The Financial Statements were authorised for issue by the Board of Directors on February 15, 2012 and signed on its behalf by:


Ferdous Amin
Chairman


Md. Ezhar Hossain
Managing Director


Alhaj Abdul Gaffar Dubash
Director


Dr. Tazin Afrose Shah
Director

Place: Dhaka
Dated: February 15, 2012


M. M Rahman & Co.
Chartered Accountants

Prime Insurance Company Limited

Fire Insurance Revenue Account for the year ended 31 December 2011

Particulars	Amount in Taka		Particulars	Amount in Taka	
	2011	2010		2011	2010
Claims under policies less re-insurances Paid during the year	(1,736,269) (5,456,155)	(7,877,203) (838,876)	Balance of account at the beginning of the year :		
Total estimated liability in respect of outstanding claims at the end of the year whether due or intimated	8,772,546 3,316,391	5,052,660 4,213,784	Reserve for unexpired risks	7,404,216	7,450,168
Less: Claims outstanding at the end of the previous year	5,052,660	12,090,987	Premium less re-insurances	46,520,142	14,808,432
Agent Commission	18,077,028	10,394,342	Commission on re-insurances	8,243,260	6,159,090
Expenses of management	21,376,830	13,303,472			
Profit transferred to Profit & Loss Account	5,841,972	5,192,864			
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	18,608,057	7,404,216			
Total	62,167,618	28,417,690	Total	62,167,618	28,417,690


Ferdous Amin
Chairman


Md. Ezhar Hossain
Managing Director


Alhaj Abdul Gaffar Dubash
Director


Dr. Tazin Afrose Shah
Director

This is the Fire Insurance Revenue Account referred to our report annexed.

Place: Dhaka

Dated: February 15, 2012


M. M Rahman & Co.
Chartered Accountants

Prime Insurance Company Limited

Marine Insurance Revenue Account for the year ended 31 December 2011

Particulars	Amount in Taka		Particulars	Amount in Taka	
	2011	2010		2011	2010
Claims under policies less re-insurances: Paid during the year	21,982,976	23,536,302	Balance of account at the beginning of the year :		
Total estimated liability in respect of outstanding claims at the end of the year whether due or intimated	24,656,185	11,071,325	Reserve for unexpired risks	30,370,274	19,947,637
Less: Claims outstanding at the end of the previous year	27,190,974	29,864,183	Premium less re-insurances	87,082,794	54,736,887
Agent commission	51,847,159	40,935,508	Commission on re-insurances	4,366,780	3,877,971
Expenses of management	29,864,183	17,399,206			
Profit transferred to Profit & Loss Account	19,542,675	15,611,606			
Balance of account at the end of the year as shown in the Balance Sheet	27,524,538	22,705,840			
Reserve for unexpired risks being 40% of premium income on Marine Cargo and 100% of premium income on Marine Hull of the year:	12,991,380	(13,661,527)			
	39,778,279	30,370,274			
Cargo	31,536,344	24,366,613			
Hull	8,241,935	6,003,661			
Total	121,819,848	78,562,495	Total	121,819,848	78,562,495


Ferdous Amin
Chairman


Md. Ezhar Hossain
Managing Director


Alhaj Abdul Gaffar Dubash
Director


Dr. Tazin Afrose Shah
Director

This is the Marine Insurance Revenue Account referred to our report annexed.

Place: Dhaka
Dated: February 15, 2012


M. M Rahman & Co.
Chartered Accountants

Prime Insurance Company Limited

Motor & Miscellaneous Insurance Revenue Account for the year ended 31 December 2011

Particulars	Amount in Taka			Particulars	Amount in Taka		
	2011		2010		2011		2010
	Motor	Misc.	Total		Motor	Misc.	Total
Claims under policies less re-insurances: Paid during the year	2,044,325	15,877,063	17,921,388	4,064,551			
Total estimated liability in respect of outstanding claims at the end of the year whether due or intimated	11,925,047	10,146,598	22,071,645	26,030,628			
Less: Claims outstanding at the end of the previous year	7,740,036	8,823,535	16,563,571	20,713,828			
Agent Commission	19,665,083	18,970,133	38,635,216	46,744,456			
Expenses of management	17,620,758	3,093,070	20,713,828	42,679,905			
Profit/(Loss) transferred to Profit & Loss Account	7,683,372	7,741,311	15,424,683	10,574,997			
Balance of account at the end of the year as shown in the Balance Sheet	9,031,783	11,986,468	21,018,251	12,491,893			
Reserve for unexpired risks being 40% of premium income on Motor & 40% of premium income on Misc. of the year	15,688,980	(8,648,443)	7,040,537	13,549,166			
Total	14,780,041	13,230,502	28,010,543	16,726,780			
	49,228,501	40,186,901	89,415,402	57,407,387			


Ferdous Amin
Chairman


Md. Ezhar Hossain
Managing Director


Alhaj Abdul Gaffar Dubash
Director


Dr. Tazin Afrose Shah
Director


M. M. Rahman & Co.
Chartered Accountants

This is the Motor & Miscellaneous Insurance Revenue Account referred to our report annexed.

Place: Dhaka

Dated: February 15, 2012

Prime Insurance Company Limited

Consolidated All Insurance Business Revenue Account for the year ended 31 December 2011

Particulars	Amount in Taka				2010 Total	
	2011	Fire	Marine	Motor		Misc.
Claims under policies less re-insurances: Paid during the year	(1,736,269)	21,982,976	2,044,325	15,877,063	38,168,095	19,723,650
Total estimated liability in respect of outstanding claims at the end of the year whether due or intimated	(5,456,155)	24,656,185	11,925,047	10,146,598	41,271,675	36,263,077
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	3,316,391	51,847,159	19,665,083	18,970,133	93,798,766	91,893,748
Expenses of management	5,052,660	29,864,183	17,620,758	3,093,070	55,630,671	72,170,098
Profit/(Loss) transferred to Profit & Loss Account	5,841,972	12,991,380	15,688,980	(8,648,443)	25,873,890	5,080,502
Balance of account at the end of the year as shown in the Balance Sheet	18,608,057	39,778,279	14,780,041	13,230,502	86,396,878	54,501,270
Reserve for unexpired risks being 40% of premium income on Marine, Motor & Misc and 100% of Premium income on Marine Hull of the year :	62,167,618	121,819,848	49,228,501	40,186,901	273,402,868	164,387,572
Total	62,167,618	121,819,848	49,228,501	40,186,901	273,402,868	164,387,572


Ferdous Amin
Chairman


Md. Ezhar Hossain
Managing Director


Alhaj Abdul Gaffar Dubash
Director


Dr. Tazin Afrose Shah
Director


M. M Rahman & Co.
Chartered Accountants

Place: Dhaka
Dated: February 15, 2012

Prime Insurance Company Limited

Cash Flow Statement for the year ended 31 December 2011

Particulars	Note	Amount in Taka	
		2011	2010
A. CASH FLOW FROM OPERATING ACTIVITIES:			
Turnover against Insurance Business and others		275,888,838	172,537,143
Payment for management expenses, Re-insurance and claims		(223,634,825)	(127,224,195)
Company's Income Tax Paid to Government		(8,160,000)	(8,732,547)
VAT paid to Government		(27,245,818)	(23,012,330)
Net cash flow from Operating Activities		16,848,195	13,568,071
Net Operating Cash flow per share		0.63	0.66
B. CASH FLOW FROM INVESTING ACTIVITIES:			
Acquisition of fixed assets		(52,520,000)	-
Investment in Stock		(40,352,355)	(81,674,324)
Sales proceeds of Investment in share & others		22,837,588	121,639,629
Disposal of fixed assets		1,176,130	1,841,850
Purchase of Fixed Assets		(16,905,178)	(7,073,943)
Fixed Deposit Opened		(103,500,000)	
Fixed Deposit Encashed		130,341,000	
Interest received		19,564,258	
Dividend received		2,254,122	
Margin loan		29,467,034	10,850,364
Interest paid on Margin loan		(6,440,090)	
Net cash flow from Investing activities		(14,077,491)	45,583,576
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)		2,770,704	59,181,647
Cash and Cash Equivalent at the beginning of the year		257,535,728	198,384,081
Cash and Cash Equivalent at the closing of the year		260,306,432	257,535,728

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


Ferdous Amin
Chairman


Md. Ezhar Hossain
Managing Director


Alhaj Abdul Gaffar Dubash
Director


Dr. Tazin Afrose Shah
Director

Place: Dhaka
Dated: February 15, 2012


M. M Rahman & Co.
Chartered Accountants

Prime Insurance Company Limited

Changes in Equity for the year ended 31 December 2011

For 2010

Particulars	Share Capital	General Reserve	Reserve for exceptional losses	Proposed Dividend	Profit & Loss Account	Total
Balance as on 1st January 2010	171,546,600	3,000,000	43,194,251	-	28,948,860	243,689,711
Stock Dividend	34,309,300		-		(34,309,320)	-
Profit after tax for the year -2010	-		-	-	83,238,964	83,238,964
Appropriation made during the year	-	1,500,000	10,299,888	-	(11,799,888)	-
Total	205,855,900	4,500,000	53,494,139	-	66,078,616	329,928,655

For 2011

Particulars	Share Capital	General Reserve	Reserve for exceptional losses	Investment Fluctuation Fund	Profit & Loss Account	Total
Balance as on 1st January 2011	205,855,900	4,500,000	53,494,139	25,350,025	66,078,616	355,278,680
Stock Dividend	61,756,770		-	-	(61,756,770)	-
Profit after tax for the year-2011	-		-	-	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

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


Ferdous Amin
Chairman


Md. Ezhar Hossain
Managing Director


Alhaj Abdul Gaffar Dubash
Director


Dr. Tazin Afrose Shah
Director

Place: Dhaka
Dated: February 15, 2012


M. M Rahman & Co.
Chartered Accountants

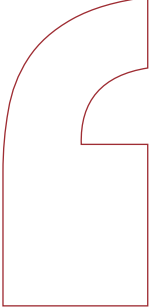
Prime Insurance Company Limited

Schedule of Property, Plant & Equipment

As on 31 December 2011

Annexure- A

PARTICULARS	COST			DEPRECIATION			WRITTEN DOWN VALUE(WDV)	
	Opening Balance as at 1st Jan.	Addition during the year	Disposal during the year	Balance as on 31.12.11	Charge during the year	Adjustment during the year	Balance as on 31.12.11	Balance as on 31.12.10
Land & Property	-	52,520,000	-	52,520,000	-	-	52,520,000	-
Motor Car	7,846,312	12,184,804	1,120,000	18,911,116	2,563,742	1,120,000	4,545,755	4,744,299
Motor cycle	1,030,280	-	-	1,030,280	-	-	1,030,280	-
Bi-cycle	8,000	-	-	8,000	-	-	8,000	-
Furniture & Fixture	8,929,248	1,737,460	56,130	10,610,578	676,283	56,130	9,251,500	297,901
Electrical Fans	204,251	-	-	204,251	18,392	-	204,251	18,392
Air Cooler	1,471,317	124,000	-	1,595,317	123,641	-	1,488,601	106,357
Electrical Equipment	753,733	50,362	-	804,095	117,337	-	729,138	141,932
Typewriters	739,700	-	-	739,700	-	-	739,700	-
Photocopy Machine	342,869	72,500	-	415,369	5,438	-	348,307	67,063
Office Equipment	993,683	1,736,177	-	2,729,860	279,265	-	793,334	479,614
Computer	5,357,938	957,975	-	6,315,913	1,167,386	-	6,204,841	320,483
Telephone Install.	3,108,023	19,200	-	3,127,223	1,440	-	3,109,463	-
Fax Machine	512,565	22,700	-	535,265	36,391	-	514,268	34,688
Camera & Television	45,415	-	-	45,415	-	-	45,415	-
Total	31,343,334	69,425,178	1,176,130	99,592,382	4,989,314	1,176,130	29,012,852	6,143,666
				70,579,530				



Employees' Retirement
Benefit Scheme:
Provident and
Gratuity Fund
& Others

Prime Insurance Company Ltd.

Employees' Provident Fund Statement of Financial Position For the year ended 31st December, 2011

Particulars	Notes	Amount
Property and Assets :		
Investment on FDR	1	18,007,556
Bank Balance (Prime Bank STD A/C)		21,820
Receivable from PICL	2	3,067,377
		21,096,753
Fund and Liabilities :		
Employees' Contribution A/C	3	8,812,505
Employer's Contribution A/C	4	8,812,505
Profit & Loss Account :	5	3,471,743
		21,096,753

Signed in terms of our separate report of even date


Md. Ezhar Hossain
Managing Director


Md. Lokman Hossain
Chief Financial Officer


M. M Rahman & Co.
Chartered Accountants

Prime Insurance Company Ltd.
Employees' Provident Fund
Statement of Comprehensive Income
For the half year ended 31st December, 2011

Particulars	Notes	Amount
Income :		
Interest on STD A/C		17,556
Interest on FDR A/C		1,184,456
		<u><u>1,202,012</u></u>
Expenditures :		
Bank Charges	6	132,052
Excess of income over expenditure (Balance transfer to Statement of Financial Position)		1,069,960
		<u><u>1,202,012</u></u>

Signed in terms of our separate report of even date



Md. Ezhar Hossain
Managing Director



Md. Lokman Hossain
Chief Financial Officer

Date : 26 February, 2012



M. M Rahman & Co.
Chartered Accountants

Prime Insurance Company Ltd.

Employees' Provident Fund Receipts and Payments Account For the year ended 31st December, 2011

Receipts:	Amount
Opening Balance of STD A/C	421,886
Employees' Contribution	1,293,142
Employer's Contribution	1,293,142
Receipt from PICL (As paid to the employees)	936,020
Interest Receipt :	
From STD A/C	17,556
From FDR A/C	1,184,456
	5,146,202
Payments:	
Bank Charges :	132,052
STD A/C	3,906
FDR A/C	128,146
Addition to FDR	4,056,310
Paid to Employees (From company's account)	936,020
Closing Balance of STD A/C	21,820
	5,146,202



Md. Ezhar Hossain
Managing Director



Md. Lokman Hossain
Chief Financial Officer



M. M Rahman & Co.
Chartered Accountants

Prime Insurance Company Ltd.

Head Office, Dhaka.

Statement of Employee's Provident fund FDR & STD Account Interest received for the year ended December 31, 2011.

Annexure - "A".

SL.No.	Opening Date	Particlars	Branch Name	Notes:	Account No.	Principal Amount of FDR (TK)	FDR Amount including Interest (TK)	Gross Interest	Bank Charge	VAT	Excise Duty	Tax deduction	Distributable Net Interest
1	1/1/2011	Prime Bank Ltd	Motijheel	a	26216	3,000,000	4,416,967.90	349735.42			1000	34973.54	313,761.88
2		Prime Bank Ltd	Motijheel	b	43506	1,500,000	1,801,579.70	142323.06			1000	14201.31	127,121.75
3		Prime Bank Ltd	Motijheel	c	37061	1,000,000	1,313,797.92	103801.43			1000	10380.14	92,421.29
4		Prime Bank Ltd	Motijheel	d	37057	1,000,000	1,313,797.92	103801.43			1000	10380.14	92,421.29
5		Prime Bank Ltd	Motijheel	e	37059	1,000,000	1,313,797.92	103801.43			1000	10380.14	92,421.29
6		Prime Bank Ltd	Motijheel	f	37060	1,000,000	1,313,797.92	103801.43			1000	10380.14	92,421.29
7	7/4/2011	Prime Bank Ltd	Motijheel	g	52862	1,000,000	1,073,892.78	82491.98			350	8249.2	73,892.78
8	1/1/2011	Prime Bank Ltd	Motijheel	h	48535	1,200,000	1,384,794.00	109723			1000	10972	97,751.00
9		Prime Bank Ltd	Motijheel	i	56569	1,000,000	1,075,128.65	84976			1000	8497	75,479.00
10	21/04/2011	Prime Bank Ltd	Motijheel	j	60430	1,000,000	1,000,000.00						
11		Prime Bank Ltd	Motijheel	k	62877	1,000,000	1,000,000.00						
12		Prime Bank Ltd	Motijheel	l	64642	1,000,000	1,000,000.00						
13		Receivable from Company											
		Total FDR & Interest :				14,700,000	18,007,554.71	1,184,455.18			8,350.00	118,413.61	1,057,691.57
8		Prime Bank Ltd	Motijheel		STD-A/C			17,555.74	2,382.00	150	1,000.00	1,755.57	12,268.17
		Total :				14,700,000	18,007,554.71	1,202,010.92	2,382.00	150	9,350.00	120,169.18	1,069,959.74


Md. Lokman Hossain
Chief Financial Officer


Md. Ezhar Hossain
Managing Director

Prime Insurance Company Ltd.

Employees' Provident Fund Notes to the Accounts As at 31st December, 2011

1	Investment on FDR :	18,007,556
	Previous Balance	13,951,246
	Add: Addition during the year	4,056,310
	FDR list shown in Annexure "A"	
2	Receivable from PICL	3,067,377
	Opening Balance	4,003,397
	Add: Contribution during the year	2,445,890
	Total Receipt	6,449,287
	Less : Paid to Fund	2,445,890
	Less : Paid Employees' this year	936,020
3	Employees' Contribution :	8,812,505
	Previous Balance	7,987,373
	Add : Receipt from PICL	1,293,142
		9,280,515
	Less : Adjusted during the year	468,010
4	Employer's Contribution :	8,812,505
	Previous Balance	7,987,373
	Add : Receipt from PICL	1,293,142
		9,280,515
	Less : Adjusted during the year	468,010
5	Profit & Loss Account :	3,471,743
	Previous Balance	2,401,783
	During this year	1,069,960
6	Bank & Others Charges :	132,052
	STD A/C	3,906
	FDR A/C	128,146
	Note : 6.1	
	Note : 6.2	
6.1	STD A/C	3,906
	Bank Charge	1,000
	VAT	150
	Source tax	1,756
	Excise duty	1,000
6.2	FDR A/C	128,146
	Source tax	119,446
	Excise duty	8,700

Prime Insurance Company Ltd.

Employees' Gratuity Fund Statement of Financial Position As at 31st December, 2011

	Notes	Amount
Property and Assets :		
Investment on FDR	1	3,165,997
Bank Balance (Prime Bank STD A/C)		34,798
Receivable from PICL	2	9,472,000
		12,672,795
Fund and Liabilities :		
PICL Employees' Gratuity Fund	3	12,497,000
Profit & Loss Account	4	175,795
		12,672,795

Signed in terms of our separate report of even date



Md. Ezhar Hossain
Managing Director



Md. Lokman Hossain
Chief Financial Officer

Date : 26 February, 2012



M. M Rahman & Co.
Chartered Accountants

Prime Insurance Company Ltd.
Employees' Gratuity Fund
Statement of Comprehensive Income
For the half year ended 31st December, 2011

Particulars	Notes	Amount
Income :		
Interest on FDR source		187,441
Interest on STD account		3,533
		<u>190,974</u>
Expenditures :		
Bank Charges	5	23,298
Excess of income over expenditure		167,676
		<u>190,974</u>

Signed in terms of our separate report of even date


Md. Ezhar Hossain
 Managing Director


Md. Lokman Hossain
 Chief Financial Officer

Date : 26 February, 2012


M. M Rahman & Co.
 Chartered Accountants

Prime Insurance Company Ltd.
Employees' Gratuity Fund
Receipts and Payments Account
For the half year ended 31st December, 2011

Receipts:	Amount
Opening Balance of STD A/C	33,120
Fund Received from PICL	1,000,000
Interest on FDR source	187,441
Interest on STD account	3,532
	<u>1,224,093</u>
Payments:	
FDR with bank	1,165,997
Bank charges	23,298
	<u>1,224,093</u>
Closing Balance of STD A/C	34,798
	<u>1,224,093</u>



Md. Ezhar Hossain
 Managing Director

Date : 26 February, 2012



Md. Lokman Hossain
 Chief Financial Officer



M. M Rahman & Co.
 Chartered Accountants

Prime Insurance Company Ltd.

Head Office, Dhaka.

Statement of Employee' Gratuity Fund FDR & STD A/c Interest received for the year ended December 31,2011.

Annexure - "A".

SL.No.	Opening Date	Particlars	Branch Name	Notes:	FDR Account No.	Principal Amount of FDR (TK)	FDR Amount including Interest (TK)	Gross Interest	Tax deduction	Excise Duty	VAT	Distributable Net Interest
1	24/10/2010	Prime Bank Ltd	Mojitheel	a	56733	1,000,000	1,075,127.91	84975.46	8497.55	1000	350	75,127.91
2	14/12/2010	Prime Bank Ltd	Mojitheel	b	57641	1,000,000	1,090,868.88	102465.4	10246.54	1000	350	90,868.88
3	11/12/2011	Prime Bank Ltd	Mojitheel	c	64437	1,000,000	1,000,000.00					
		Receivable from Company										
		Total FDR & Interest :				3,000,000	3,165,997	187,441	18,744	2,000	700	165,997
		Prime Bank Ltd	Mojitheel		STD-A/C			3532.11	353.32	1500		1678.79
		Total :				3,000,000	3,165,997	190,973	19,097	3,500	700	167,676



Md. Lokman Hossain
Chief Financial Officer



Md. Ezhar Hossain
Managing Director

Prime Insurance Company Ltd.

Employees' Gratuity Fund Notes to the Accounts As at 31st December, 2011

1 Investment on FDR :		3,165,997
Previous Balance		2,000,000
Add: Addition during the year		1,165,997
FDR list shown in Annexure "A"		
2 Receivable from PICL		9,472,000
Opening Balance		9,272,000
Add: Contribution during the year		1,200,000
Total Receipt		10,472,000
Less : Paid to Fund		1,000,000
Less : Paid to Employees' during the year		-
3 PICL Employees' Gratuity Fund :		12,497,000
Previous Balance		11,297,000
Add : Payable to Employees' during the year		1,200,000
		12,497,000
Less : Paid to Employees' during the year		-
4 Profit & Loss Account :		175,795
Previous Balance		8,119
Add : Profit during the year		167,676
5 Bank & Others Charges :		23,297
STD A/C	Note : 5.1	1,853
FDR A/C	Note : 5.2	21,444
5.1 STD A/C		1,853
Bank Charge		1,075
VAT		75
Source tax		353
Excise duty		350
5.2 FDR A/C		21,444
Bank Charge		-
VAT		700
Source tax		18,744
Excise duty		2,000



Prime Insurance Company Limited

63 Dilkusha Commercial Area (6th Floor), Dhaka-1000, Bangladesh

Proxy Form

I/We
of
being a member of Prime Insurance Company Limited and holder of
shares hereby appoint Mr/Ms
as my/our proxy to attend and vote for me/us on behalf of me/us at the 16th Annual General Meeting
of the Company to be held on Wednesday, April 18, 2012 at 11 am at the Auditorium of Bangladesh
Institute of Administration and Management (BIAM), 63 New Eskaton, Dhaka and any adjournment
thereof.

Revenue
Stamp
Tk 10.00

Signature of Proxy
Registered Folio/ BO

Signature of Shareholder
Registered Folio/ BO

Note: The Proxy Form, duly completed and stamped, must be submitted at least 48 hours before the
meeting at the Company's Registered office.



Prime Insurance Company Limited

63 Dilkusha Commercial Area (6th Floor), Dhaka-1000, Bangladesh

Attendance Slip

I hereby record my attendance at the 16th Annual General Meeting of the Company to be held on
Wednesday, April 18, 2012.

Name of the Member/Proxy
Registered Folio/ BO ID

Signature

Date

N.B. Shareholders attending the meeting in person or by proxy are requested to complete the Attendance Slip and
submit the same at the entrance of the meeting hall.