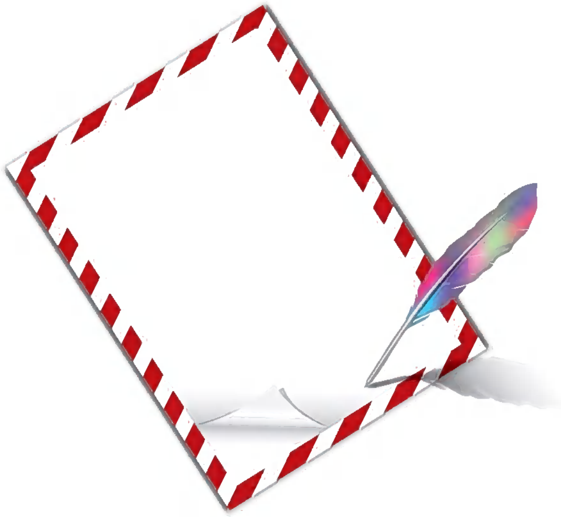
2017 Annual Report

LEADING THE WAY TO SUCCESS

CONTENTS

Letter of
TRANSMITTAL



All shareholders,

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

Dear Sir(s):

Annual Report For The Year Ended December 31, 2017

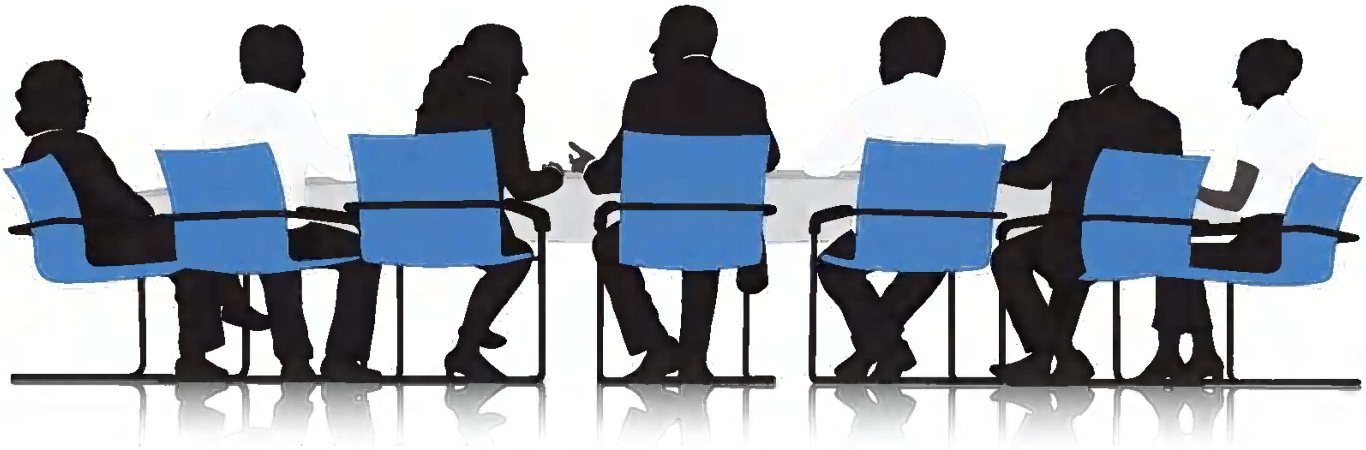
Enclosed please find a copy of the Annual Report together with the Audited Financial Statements including Statement of Financial Position as at December 31, 2017 and Statement of Comprehensive Income, Statements of Cash Flows for the year ended December 31, 2017 along with notes thereon of Prime Insurance Company Limited for kind information and record.

Best regards,

Yours sincerely,

Enamul Haque Khan
Company Secretary

March 13, 2018



Notice of the 22nd
ANNUAL GENERAL MEETING

Notice is hereby given to all members of Prime Insurance Company Limited that the twenty-second Annual General Meeting of the Company will be held at PSC Convention Hall, Mirpur-14, Dhaka-1206 on Thursday, March 29, 2018 at 11:00 a.m. to transact the following businesses:

1. To receive and adopt the Directors' Report and Audited Financial Statements for the year ended December 31, 2017 and the Auditors' Report thereon.
2. To declare dividend for the year 2017.
3. To elect/re-elect Directors.
4. To approve appointment/reappointment of Independent Directors.
5. To appoint Auditors for the year 2018 and to fix their remuneration.

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

By Order of the Board of Directors

Enamul Haque Khan
Company Secretary

March 13, 2017

Notes:

a) The "Record Date" shall be Tuesday, March 06, 2018. Shareholders whose names appear in the members' register of the company on the record date will be eligible to attend the meeting and qualify for dividend.
b) A member entitled to attend and vote at the Annual General Meeting may appoint a proxy to attend and vote in his/her stead. Duly stamped proxy must be submitted to the Share Department of the company at least 72 hours before the meeting at 11:00 am on March 29, 2018.
c) Shareholders and Proxies are requested to record their entry in the Annual General Meeting in time. No entry will be recorded before 8.00 a.m. and after 12:00 noon.
d) Members are advised to update change of address (if any) through their respective Depository Participant (DP).
e) No gift/gift coupon/food box/benefit in cash or kind shall be distributed /paid at the AGM as per BSEC Directives.
f) Entry to the AGM is reserved only for shareholders or his/her proxy on production of the attendance slip printed with the Proxy Form. No guest and children shall be allowed entrance in the Meeting.

Index as per

STANDARD CRITERIA

Awards and
RECOGNITIONS

Registration Certificate

This is to certify that the Management Systems of

Prime Insurance Company Ltd

have been assessed by AJA Registrars and registered against the requirements of

ISO 9001:2008

Certificate No. :	AJA12/15868	Date of Original Registration :	22/03/2012
Expiry Date :	24/02/2018	Date of Re-Registration :	08/06/2015

Chief Executive - AJA Registrars Ltd

ISO CERTIFICATE

SOUTH ASIAN FEDERATION OF ACCOUNTANTS
(An Apex Body of SAARC)

SAARC

SAFA

Committee for Improvement in Transparency, Accountability and Governance

Best Presented Annual Report Awards and SAARC Anniversary Awards for Corporate Governance Disclosures, 2016

Winner

Category: Insurance Sector

Prime Insurance Co. Limited, Bangladesh

President
South Asian Federation of Accountants

Chairman
Committee for Improvement in Transparency, Accountability and Governance

31 January, 2018
Kathmandu, Nepal

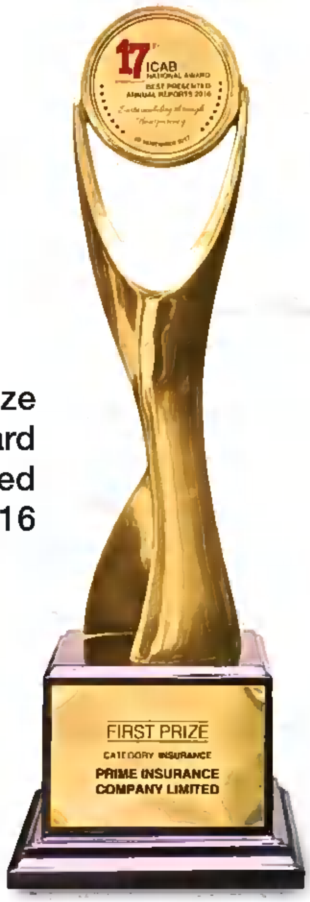
SAFA Award 2016

SAFA Award 2015

SAFA Award 2013

SAFA Award 2012

1st Prize
17th ICAB National Award
for Best Presented
Annual Reports 2016



The Institute of Chartered Accountants of Bangladesh

16TH ICAB NATIONAL AWARD FOR BEST PRESENTED ANNUAL REPORTS-2015

Insurance Category

Third Prize

Prime Insurance Company Limited participated in the 16th ICAB National Award for Best Presented Annual Reports-2015 Competition organized by the Institute of Chartered Accountants of Bangladesh and awarded the **Third Prize** in the **Insurance Category** as a mark of excellence in corporate reporting.

Parveen Mahmud FCA
Chairman, Review Committee for Published Accounts and Reports

Kamrul Abedin FCA
President

Dhaka, November 29, 2016

16th ICAB Award 2015

The Institute of Chartered Accountants of Bangladesh

14th ICAB NATIONAL AWARD FOR BEST PRESENTED ANNUAL REPORTS-2013

Certificate of Appreciation

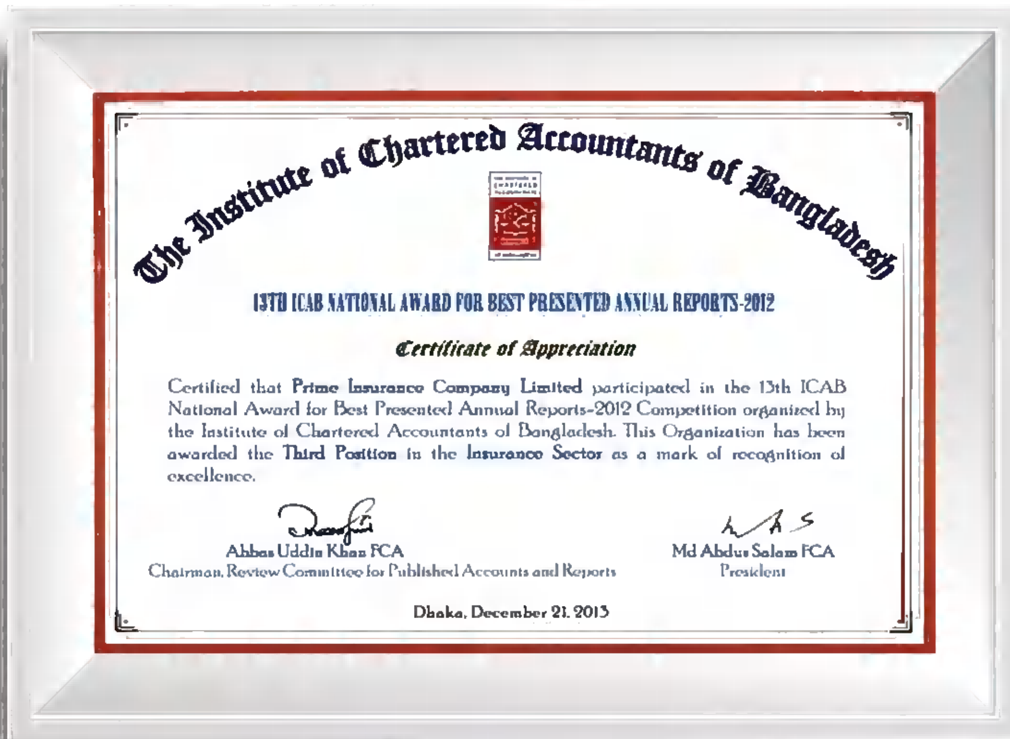
Certified that Prime Insurance Company Limited secured 3rd position in the 14th ICAB National Award for Best Presented Annual Reports-2013 as mark of recognition of excellence in the Insurance Sector.

Abbas Uddin Khan FCA
Chairman, Review Committee for
Published Accounts and Reports

Showkat Hossain FCA
President, ICAB

Dhaka, November 30, 2014

14th ICAB Award 2013



The Institute of Chartered Accountants of Bangladesh

13TH ICAB NATIONAL AWARD FOR BEST PRESENTED ANNUAL REPORTS-2012

Certificate of Appreciation

Certified that **Prime Insurance Company Limited** participated in the 13th ICAB National Award for Best Presented Annual Reports-2012 Competition organized by the Institute of Chartered Accountants of Bangladesh. This Organization has been awarded the **Third Position** in the **Insurance Sector** as a mark of recognition of excellence.

Abbas Uddin Khan FCA
Chairman, Review Committee for Published Accounts and Reports

Md Abdus Salam FCA
President

Dhaka, December 21, 2013

13th ICAB Award 2012

SILVER Award
ICSB National Award 2016
for Corporate Governance
Excellence

ICSB

SL. 38

Institute of Chartered Secretaries of Bangladesh

Statutory Body under an Act of Parliament

ICSB National Award 2014

Silver Award

Insurance Companies category

This is to certify

that Prime Insurance Co. Limited participated in the ICSB National Award for Corporate Governance 2014 Competition organized by the Institute of Chartered Secretaries of Bangladesh (ICSB). This Company has been awarded the Silver Award in the **Insurance Companies category**.

This Certificate of Appreciation has been awarded on the 10th day of November 2015

Mohammad Nurul Alam FCS
Chairman, CGA Committee

Mohammad Asad Ullah FCS
President

ICSB Award 2014

ICSB Award 2013

ICMAB Certificate of Merit

A+ rating has been endorsed
IN FAVOR OF PRIME BY CRISL

Credit Rating Information and Services Ltd (CRISL) confirmed the Claim Paying Ability (CPA) rating of Prime Insurance Company to A+ (pronounced as single A plus) for the year of 2016 based on the financials up to December 31, 2016 and other relevant qualitative and quantitative information up to the date of rating.

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

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

It should be mentioned that in the year 2015 Prime Insurance was also rated A+ for its good financial performance, improving solvency position, diversified investment portfolio, high claim paying ability, strong IT infrastructure and experienced top management. This continuation of upgraded rating proves that Prime Insurance Company operates its financial activities in a very transparent and professional manner.

Last four years CRISL rating at a glance

Year	CPA Rating
2016	A+ (single A plus) High claims paying ability
2015	A+ (single A plus)
2014	A+ (single A plus)
2013	A+ (single A plus)

Membership
AFFILIATION

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

BIA

BANGLADESH INSURANCE ASSOCIATION (BIA)

BAPLC

Bangladesh Association of Publicly Listed Companies

BGCCI

Bangladesh German Chamber of Commerce & Industry

BMCCI

Bangladesh-Malaysia Chamber of Commerce & Industry

CanCham

Canada Bangladesh Chamber of Commerce and Industry

CCIFB

France Bangladesh Chamber of Commerce & Industry

DCCI

Dhaka Chamber of Commerce & Industry

dbcci

Dutch-Bangla Chamber of Commerce & Industry

Forward looking STATEMENT

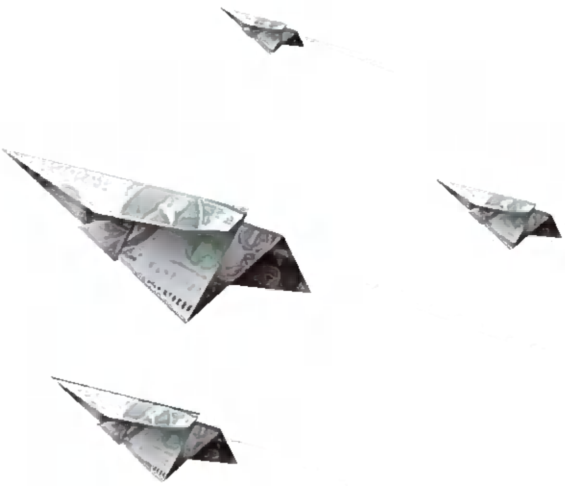
Since its inception, Prime is always looking forward to establishing its mission and vision. Therefore, forward looking statement and information is considered as one of the most important factors of Annual Report. We may acknowledge these statements by words such as look forward to, onward, advancing, frontward, accelerative, presumptions or words of similar meaning. These statements are based on the current activities and consequences of that future expectations and what strategies will be taken by the Management of Prime through the guidelines of its Board of Directors. Prime's foot step is very optimistic. Although Prime's turnover is not big compared to other non-life insurance companies, however, Prime is moving fast to accelerate its growth and turnover. But if we look all the factors of Prime such as professionally qualified resources, ethical business practices, innovative product design and diversification of products, good IT structures, risk protected by the overseas re-insurers, quality service provided to its business partners and valued clients and excellent as well as prompt services for claims settlement. In this area, Prime is different from other insurance companies. With these views, Prime is continuously focusing to improve its standards.

Some of the factors that may affect the business environment including the following but not limited to:

- Changes in economic and market conditions of Bangladesh as these may directly and indirectly impact the Company's insurance business procession.
- Development and stability of financial markets including interest rate, exchange rate etc.
- New regulatory circular from IDRA and policies from the government of Bangladesh.
- Changes of global economy which may impact on foreign re-insurance treaty with the reinsurer.
- Increase of area of corporate tax and VAT which may impact on insurance services.
- Changes in legal and Regulatory Framework of insurance business in Bangladesh.
- Changes of political environment of the Country.
- Changes caused due to natural calamities like Flood, Cyclone etc.
- Changes in credit rating system of the non-life insurance companies.
- Implementation and up-gradation of latest information technology.
- Innovation and launching of new insurance products in the market.
- Reducing the operational cost and degree of competitions in the business areas in which we operate.
- Fresh & young employee recruitment policy for the betterment of the Company

PREAMBLE TO

PRIME INSURANCE COMPANY LTD.



Our Vision

1 To uphold status of our Company as one of the most admired, trusted & successful market leaders in the Insurance Industry of Bangladesh by providing and maintaining highest quality & innovative insurance products & services backed by latest technologies & a team of highly dedicated & experienced professionals to deliver excellence in insurance.

2 To establish the company as a role model in the insurance sector of Bangladesh.

3 To provide our employees a safe and secured working atmosphere.

4 To protect our environment and benefit the community where we work.

Our Mission

1 Providing world class service with supreme security by ensuring complete risk management solutions to the clients, maintaining stringently ethical standard in business operation.

2 Increasing awareness about insurance in the Country and introducing non-traditional social insurance products for the mass people to bring them under the insurance umbrella for enhanced social security.

3 Introducing modern insurance products comparable with international standards.

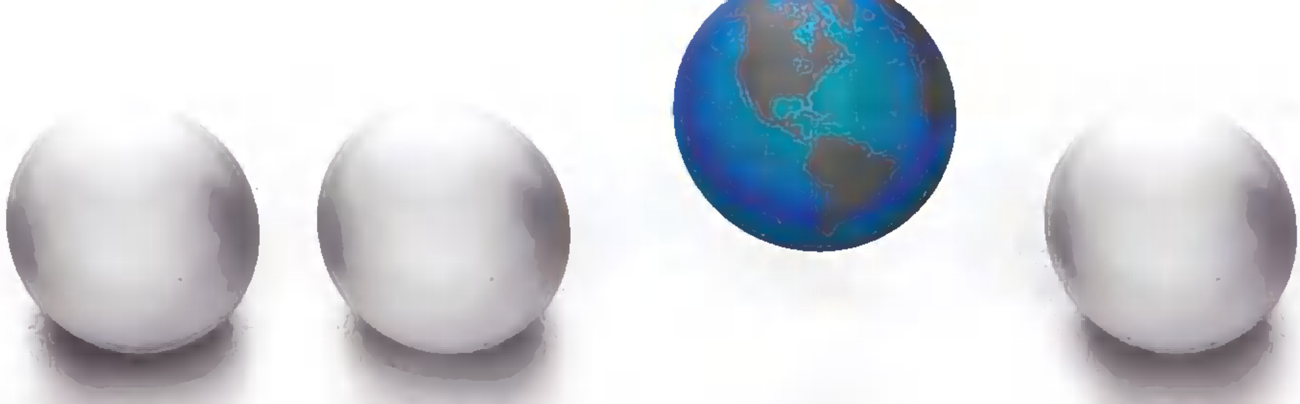
4 To maintain highest level of ethical standard and transparency in all business transactions.

5 Enhancing public confidence in the insurance industry by ensuring benefits to the policy holders, shareholders and the society at large.

6 To establish good governance for the Company and the insurance industry as a whole.

7 To be socially responsible and make effective contribution to the national development and national economy.

8 To provide a clear vision of the future to all of our employees to maximize their potentials to achieve a high level of performance.



Overall Strategic OBJECTIVES

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

COMPANY FOCUS

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

COMPANY FOCUS

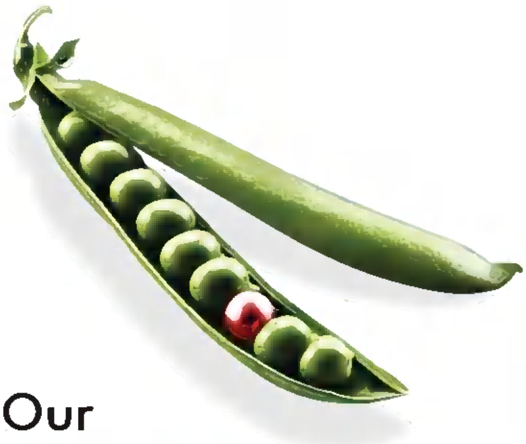
- Consistently improve the quality of our products to meet up the necessary business standards.
- Maximize insurance coverage at a minimum cost.
- Our growth, efficiency and productivity will allow us to offer competitive price to our clients. Our market expertise and innovation of new products will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

COMPANY FOCUS

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

COMPANY 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.



Our
CORE VALUES

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

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

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

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

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

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

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

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

Ethical

PRINCIPLES

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

Our Goal

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

To achieve the goal we aim at:

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

Profile of the COMPANY

Prime Insurance Company Limited is a second generation private sector non-life insurance company which has established itself as one of the leading non-life insurance companies in Bangladesh with its dynamic leadership in Management with specialized and significant expertise in serving unparallel insurance services for traditional and non-traditional risk underwriting. With a portfolio of broad range of products, Prime Insurance always works hard for the clients to deliver innovative products and services while maintaining a commitment to safety, security and sustainability.

Certification & Credit Ratings

Established in 1996, Prime Insurance has built its reputation as one of the most trustworthy insurance companies of the country. It is the first non-life insurance company in Bangladesh to achieve the ISO 9001:2008 certifications in 2011. The Credit Rating Information & Services Limited (CRISL) has rated Prime Insurance Company A+ (A Plus) for the year 2013, 2014, 2015 & 2016.

Awards & Acknowledgement

Prime Insurance continues to expand and explore new horizons of success with a vision to be a trusted and leading non-life insurance company of the country through transparent and quality services. Consequently the company has been awarded with a number of awards and recognitions:

- Winner of South Asian Federation of Accountants (SAFA) award for Best Presented Annual Reports for the year 2016.
- First Prize from 17th ICAB National Award for best presented Annual Report 2016 and Third (3rd) Prize from 16th, 14th & 13th ICAB National Award for Best Presented Annual Report for the years 2015, 2013 & 2012 respectively.
- Silver Award for Corporate Governance Excellence from ICSB National Award for the year 2016, 2014 & 2013.
- Certificate of Merit Award from South Asian Federation of Accountants (SAFA) for the year 2012, 2013 & 2015 and
- Certificate of Merit–2012 as the Best Corporate in General Insurance Sector by the Institute of Cost and Management Accountants of Bangladesh (ICMAB).

Business & Networks:

To provide protection and financial security to the society with utmost quality, Prime Insurance diversified its business with number of products together with an expanding and well-organized network of 18 Branches & 1 Booth with a presence in major divisional areas of the country. Furthermore, the Company is pioneer in implementing automation and online business support to its business partner-clients. With a view to ensuring prompt services, all its businesses are operated through automated system.

To cope with changing market demand, Prime Insurance is in the trendy pathway of innovation. Accordingly, it has unveiled four exclusive products: (i) Hajj & Umrah Insurance, which is the first of its kind in Bangladesh and also (ii) Health Insurance Product 'Prime Health Plan' in non-life insurance category which is hospitalization coverage with wider treatment facilities at home and abroad and fully supported by the overseas reinsurers. Moreover, for providing the financial security to the banks, the company has launched (iii) Bankers Blanket Bond (BBB) Coverage with wider coverage but fewer premium which works as a safeguard for the Banks to face any financial loss and (iv) Ship Builder's Liability Coverage.

Reinsurance Arrangements:

Prime Insurance sincerely and effectively deals with reinsurance matters making every insured protected. To secure affordable protection for the insured, Prime Insurance has its re-insurance support from the first line overseas re-insurers. As per the provision of Insurance Corporation Act, 50% re-insurable non-life insurance business of the Company is placed to Sadharan Bima Corporation (SBC) and 50% is free for all overseas Re-insurances. Very few companies have the arrangements with foreign re-insurers, Prime is one of them. Prime's overseas lead Treaty Re-insurer is Trust Re, Bahrain and follow liners are GIC Re India. Other than the Treaty Partners, many more reputed Reinsurers such as SWISS RE, XL Group plc, Ping an Insurance, ICICI Lombard India, Hannover Re, Marsh India, Korean Re, Sart Re are also working with Prime Insurance. All the Re-insurers enjoy at least AM Best rating of "A-".

Settlement of Claims:

As Prime Insurance takes proper reinsurance arrangements for all its re-insurable policies, claim settlement cannot come as big issue to the Company. Prime Insurance with its experienced claims settlement personnel handles all the claims with due care and offering the claimants with professional support in lodging the claims, and after receiving all papers from the clients as per its statistics, Prime settles claims at minimum 7 days and maximum 30 days.

Website and IT Facilities:

Prime Insurance has developed its Website with a view to providing mass information about the Company for the intended users. Prime Insurance is linked with all its branches through on-line network and can provide prompt services to the potential insured and clients. To ensure transparency and business ethics all transactions of the Company are being covered and reflected in the IT Software. MIS is being generated from the software and thus ensures proper reinsurance and claims settlement promptly.

CSR Activities:

Prime Insurance operates its CSR activities in a diverse way like creating awareness on different social issues, growing consciousness on various risks, safety & security matters through arrangement of training, seminars, workshops, organizing rallies, unveiling and distributing publications (Fire Guide Book, Traffic Guide Book, Health Guide Book, Hajj & Umrah Guidebook) and also conducting free consultation services on insurance for the clients. Moreover, Prime Insurance has become a part of different social and cultural activities through promoting and donating to the distressed people and also by donating towards Government Funds. The Company continues to extend its hands towards the underprivileged people and meritorious students providing them with fixed financial supports.

Under the environmental CSR activities, Prime Insurance Company has organized tree distribution campaign named "Plant for the future" around the country to promote the importance of environment. By distributing trees Prime is encouraging people to reforest their land, to preserve existing forest cover & generally to emphasize the importance of plants & forests.

Under this novel initiative the company has distributed shade and fruit trees for the workers of the factories, So that they can take rest under the shade, while they can eat seasonal fruits as well. The Company has also supported 'One Student One Tree' campaign of Treeism Foundation at New Model Multi Lateral High School, Dhaka. The main objective of this campaign was to raise interest among the school students about environment and bring all the school going children of Bangladesh under one green-umbrella. Recently the Company supported "Shilpir Chokhe Shobuj Dhaka' campaign of Shobuj Dhaka (an environmental organization) with an aim to create social awareness of tree plantation. The company also distributed many indoor plants to the valuable clients.

Credence

Prime Insurance believes in transparency and ethics and accordingly doesn't move towards unhealthy practice including credit business and premium under-cut prevailing in the industry. The re-insurers are very much willing to accept the risks underwritten by Prime with highest facilities in Bangladesh because compared to premium income the claim ratio is below 10%. This achievement of Prime Insurance is for quality business underwriting and professionally qualified personnel.

Information

ABOUT THE COMPANY

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 Non-life insurance sector in Bangladesh. Prime Insurance Company Ltd was incorporated as a public limited company on 21 March 1996 under Companies Act, 1994. It obtained registration from Former Chief Controller of Insurance, Government of the People's Republic of Bangladesh on 31 March 1996. Prime Insurance obtained renewal license from the Insurance Development & Regulatory Authority (IDRA) when the Authority came into being in 2011. The Company provides Non-life insurance services within the stipulations laid down by Insurance Act-2010 and directives received time to time from Insurance Development & Regulatory Authority.

The Company is listed with Dhaka Stock Exchange Ltd. and Chittagong Stock Exchange Ltd. as a publicly traded Company. The Company carries its insurance activities through 18 (eighteen) on-line branches spread across the country.

Name of the Company	:	Prime Insurance Company Limited	
Legal Form	:	Public Limited Company	
Certificate of Incorporation	:	C-30448(1664) / 96	Dated: 21-03-1996
Company Registration No	:	IDRA/NLI/2033/2011-990	
Certificate of Commencement of Business	:	No-22	Dated: 21-03-1996

Share Capital:

Authorized capital	:	1000.00 million Taka
Paid-up capital	:	408.78 million Taka

Shareholding Structure	For the Year 2017			For the Year 2016		
	No of Holding Shares	Holding %	Holding Share in Taka	No of Holding Shares	Holding %	Holding Share in Taka
Sponsor Shareholders and Directors	19,578,208	47.89	195,782,080	14,241,572	34.84	142,415,720
Public Shareholders including institutions	21,299,290	52.11	212,992,900	26,635,926	65.16	266,359,260
Total	**40,877,498**	**100**	**408,774,980**	**40,877,498**	**100**	**408,774,980**

Nature of Business	:	Non-life insurance business
Corporate website	:	www.prime-insurance.net
Listing Status	:	Listed
Dhaka Stock Exchange Ltd.	:	March 21, 2001
Chittagong Stock Exchange Ltd.	:	March 22, 2001
Market Price of Share	:	DSE CSE
Closing Price on 31 December, 2017		19.20 19.00
Market Category	:	"A" Category
Taxpayer's Identification Number (TIN)	:	New: 768008223459 Old: 140-200-6653/LTU/Dhaka
VAT Registration Number (BIN)	:	000162206
Chairman	:	Md. Zakiullah Shahid
Vice Chairperson	:	Saheda Pervin Trisha
Chief Executive Officer	:	Mohammodi Khanam
Chief Financial Officer (CFO)	:	Badal Chandra Rajbangshi FCS, FCA
Company Secretary	:	Enamul Haque Khan
Head of Accounts Department	:	Md. Lokman Hossain
Credit Rating Information	:	"A+" High claims paying ability
Auditors	:	M/s. Rahman Mostofa Alam & Co. Chartered Accountants
Tax Advisor	:	M/s. A. Hossain & Co. Chartered Accountants
Legal Advisor	:	Law & Remedy
Number of Employees'	:	189
Number of Branches	:	18
Number of Shareholders as on 31.12.2017	:	2001

Principal Bankers:

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

Membership:

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

Investor Inquiry (Stakeholders)

Enamul Haque Khan
SVP & Company Secretary and
In-Charge of Share Department
Unique Heights (9th floor)
117, Kazi Nazrul Islam Avenue
Dhaka-1000, Bangladesh
Phone : (+880-2) 55138659-62
Fax : (+ 880-2) 55138658
E-mail : info@prime-insurance.net

Investor Inquiry (Business Related)

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

Organogram

(Head Office) of Prime Insurance Company Ltd.

www.prime-insurance.net

Corporate CHRONICLE

Particulars	Dated
Incorporation of the Company	March 21, 1996
Certificate of Commencement of Business	March 31, 1996
License issued for operating the first branch	March 21, 1996
Received consent from SEC for issuance of public share of BDT 90 Million	August 28, 2000
Publication of prospectus	October 27, 2000
Listed with Dhaka Stock Exchange Ltd.	March 21, 2001
Subscription Opened	November 07, 2000
Subscription Closed	November 21, 2000
First Trading of share on DSE	March 21, 2001
Listed with Chittagong Stock Exchange Ltd.	March 22, 2001
First dividend declared to the Sponsors @10% for the year 1999.	February 2, 2000
First dividend declarded in the AGM 14% cash to all shareholders	August 01, 2001
Issuance of First Bonus share 10% on Account of 2007	July 17, 2008
Agreement sign with CDBL	March 7, 2005
15 Years celebration of the Company	August 07, 2010
Athorized Capital increase 25 crore to 100 crore	October 31, 2010
Completion of 15 Years of service to the clients	March 20, 2011
Two floor space purchase from "Tropical Homes Ltd" (Agreement signing date)	August 14, 2012
Certificate of Merit-ICMAB Best Corporate Award 2012	January 12, 2013
MOU signed with Standard Chartered Bank for Cash Management solution	August 21, 2013
Head office space purchase from "Unique Heights" (Agreement signing date)	November 07, 2013
Third Prize ICAB Best National Award on Annual Report 2012	December 21, 2013
Certificate of Merit-SAFA Best Presented Annual Reports Award 2012	May 03, 2014
Opening of Mobile Apps for public download	September 28, 2014
Third Prize ICAB Best National Award on Annual Report 2013	November 30, 2014
Certificate of Merit-SAFA Best Presented Annual Reports Award 2013	December 04, 2014
Silver Award ICSB National Award 2013 on Corporate Governance Excellence	December 04, 2014
Silver Award ICSB National Award 2014 for Corporate Governance Excellence	November 10, 2015
Third Prize ICAB Best National Award on Annual Report 2015	November 29, 2016
Certificate of Merit-SAFA Best Presented Annual Reports Award 2015	January 27, 2017
First Prize in ICAB BPA National Award on Annual Report 2016	November 25,2017
Silver Award in ICSB National Award 2016 for Corporate Governance Excellence	November 30, 2017
Winner in SAFA Best Presented Annual Reports Award 2016	January 31, 2018

Future
PROSPECTS

Bangladesh is one of the fastest growing developing countries. In last five years, the country has steadily progressed in terms of its GDP rates due to development and growth of different product and service oriented industries contributing immensely to the growth of GDP. During this period, there were significant improvements in other sectors as well, such as: RMG, Power & Gas, Financial Institutions, Agriculture and Information Technology. Moreover, foreign direct investment also increases which helped to create new job opportunities and contributed towards the development of overall economy of the country. Like other industries, Insurance sector also developed contributing to economic growth and creation of employment opportunities for unemployed youth of the country. At present, about 76 private insurance companies as well as two government insurance corporations are rendering insurance services and helping the country to grow its economy. However, still insurance industry is still recognized as a neglected sector due to the nature of market risk. Prime Insurance Company analyses the strategic position of this Industry risk to apply diversified business plans. Market risk generated due to payment of excess commission and, at the same time, stiff market competition become vulnerable to all most all companies. It has become a convention for long that the companies provide excess commission and the resultant effect is unnecessary losses of underwriting profit.

Prime Insurance Company, as a quality business entertainer, is trying to cover the underwriting business by introducing newer insurance products including non-insurance related services to the financial sector. Side by side with insurance business, Prime Insurance is providing trustee support against debt security and venture capital. The Company is maintaining traditional and contemporary portfolio of products as per industry trends and meeting opportunities as and when required.

The initiatives of our government and NGOs in last few decades succeeded in growing awareness inspiring people about Health consciousness, improved medicine and modern treatment as well. However, their intension was not so inspiring about health protection through insurance coverage which has been in practice in the most of the developed countries. Prime Insurance Company, therefore, has taken this challenge as opportunity and planned to move health insurance market both in rural and urban area from group to individual level at minimum cost.

Prime Insurance got enormous success in corporate health insurance business due to its wide range of product features and lower cost. Micro Insurance is other gray area of this industry and a topic of discussion of the insurance expertise. It's very rare to find a successful micro insurer in Bangladesh. There is huge scope of getting micro insurance from rural area. NGOs, in the name of risk covering, are selling a number of insurance products to the small holders. However, as per Insurance Act 2010, no organization shall have privileges of operating insurance business other than licensed insurer. Prime Insurance Company has planned to cover this area and is committed to innovating new products for protecting small holders' health and property risk. Agriculture and crop Insurance will also help enhancing insurance coverage socially. Accordingly Prime has designed Weather Index Based Agriculture Insurance Policy and Livestock Insurance Policy as the safeguard of the rural farmers and save their investment from natural disasters.

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

Side by side with covering agriculture and crop insurance for small holders' family, Prime is providing support to corporate world in the field of Home Loan, Auto Loan, Mobile Insurance, Agriculture Insurance, School Insurance and locker security of the clients.

Apart from that, there is huge scope of designing and launching innovative Banc assurance in Bangladesh as banking sector has made tremendous progress in the country and they have strong channel of distribution system. Different innovative insurance products can be innovated and sold through the banking channel. Prime Insurance is working really hard to innovate such type of products and eager to explore those products through banking channel.

Prime has already launched products for workers and employees of different power plants. There is huge scope for further improvement of this sector and Prime is working towards innovating more fruitful products to cater the growing needs of this sector. In coming years, the Company is expecting huge business growth and it will be focusing to continue its continued endeavors.

Strategic planning of the Company is not only focused on product development but also heavily depends on developing its Human Resources. On the job and off the job training to the employees and using motivational tools to improve their efficiency is no longer an old idea but a perpetual strategy of development. Prime has a plan to hold in-house seminar and workshops for the compliance and challenges of the insurance sector in cooperation with other stakeholders. Therefore, we are trying to build relationship with escalating agents i.e. Association, Forum, Ministry, Regulatory body and so on.

Prime has also plan to grasp the IT infrastructure to make the company transparent and therefore, it has a plan to implement customized insurance software which will be linked with the Insurance Regulatory Body to confirm accountability and transparency of the Company and its employees.

In conclusion, the Management and the Board of Prime Insurance Company Ltd believes in cooperation and proactive strategic planning. Therefore, Prime is hopeful to actualize almost all its commitment to achieve its goal.

Our

BRANCHES

Dhaka

Branch Name & Location	Head of Branch/ In-Charge	Contact No.
Narayangonj Branch 78 Banga Bandhu Road (3rd floor), Fazar Ali Trade Centre, Narayangonj E-mail: narayangonj-branch@prime-insurance.net	**Basudev Chakrabarty** Additional Managing Director	01713331821 Tel: 7631936
V I P Road Branch Paramount Heights, 65/2/1, Box Culvert Road, (2nd Floor), Flat # 2C1, Purana Paltan, Dhaka. E-mail: viproad-branch@prime-insurance.net	**Gouranga Chandra Misra** Sr. Executive Vice President	01713331856 Tel: 02-57164438 Ext: 229
Mohakhali Branch G P F – 93(2nd Floor), Mohakhali, Dhaka. E-mail: mohakhali-branch@prime-insurance.net	**Mohammed Monirul Alam** Executive Vice President	01713331820 Tel: 9886177
Mirpur Branch 184, Razia Plaza, Senpara Parbata, Rokeya Sarani, Mirpur#10, Dhaka. E-mail: mirpur-branch@prime-insurance.net	**Md. Shahid Hossain** Executive Vice President	01713331827 Ext: 210 Tel: 9007192
Principal Branch 12, Dilkusha C/A, Phoenix Bhaban (3rd Floor), Dhaka-1000. E-mail: principal-branch@prime-insurance.net	**Uttam Kumar Bhowmick** Senior Vice President	01711628695 02-9561361 02-9514126 Tel: 02-47111206 Ext: 225
Central Development Unit (CDU) Unique Heights (9th floor), 117 Kazi Nazrul Islam Avenue, Dhaka-1000	**K. M. Mostahid** Vice President	01713331833 Ext: 109 & 105
Gulshan Branch Hosna Center (2nd Floor), Suit # 207, 106 Gulshan Avenue, Gulshan # 2, Dhaka. E-mail: gulshan-branch@prime-insurance.net	**Mahbubur Rahman** Vice President	01713331847 02-55068946-47 Ext: 149,145
Rajuk Avenue Branch Rahmania International Complex (11th Floor), 28/1-C Toyenbee Circular Road, VIP Road, Motijheel, Dhaka-1000. E-mail: rajuk-branch@prime-insurance.net	**Md. Kamrul Hassan** Vice President	01730785334 7194047
Bangshal Branch 91 Shahid Nazrul Islam Sarani (3rd floor) North South Road, Dhaka E-mail: bangshal-branch@prime-insurance.net	**Md. Mozammel Hossain** Vice President	01713331841 9563197
Motijheel Branch 72, Dilkusha (4th Floor) C/A, Dhaka. Email: motijheel-branch@prime-insurance.net	**A. Z. M Rezwanul Haque** Senior Assistant Vice President	01713331840 9564100
Savar Branch Biswas Tower (3rd Floor), Baipail , Ashulia DEPZ, Savar, Dhaka. E-mail: savar-branch@prime-insurance.net	**Md. Nurul Absar** Manager	01755630972 Ext-133

	Branch Name & Location	Head of Branch/ In-Charge	Contact No.
Chittagong	Kadamtali Branch Rahat Centre (1st Floor), 295, D. T. Road Kadamtali, Chittagong. E-mail: kadamtali-branch@prime-insurance.net	Mainul Islam Chowdhury Executive Vice President	01730358444 031-2529225
	Agrabad Branch Akhteruzzaman Center, Agrabad Commercial Area, Plot no-21 & 22, 7th Floor Mouza-Ghosaildanga, Double Mooring, Chittagong. E-mail: agrabad-branch@prime-insurance.net	Mehrunnesa Shimul Deputy Manager	01711158224 031-715907
Rajshahi	Pabna Branch A U Center (3rd Floor), Holding # 864, Sonapotty, Dilalpur, Pabna. E-mail: pabna-branch@prime-insurance.net	Md. Mijanur Rahman Sr. Executive Vice President	01713331843 0731-64124
	Rajshahi Branch Shaheb Bazar, Natore Road, Rajshahi. E-mail: rajshahi-branch@prime-insurance.net	Fazal Mahmud Senior Assistant Vice President	01711855776 0721-775277
	Bogra Branch 1st Floor, Tip top Traders, Zilder Market Ideal School Lane, Boragola, Bogra. E-mail: bogra-branch@prime-insurance.net	Md. Mahfuzul Bari Manager	01766887088 051-60960
Khulna	Khulna Branch Nizam Chamber (3rd Floor), 7, Old Jessore Road, Khulna. E-mail: khulna-branch@prime-insurance.net	S.M Emran Hossen Deputy Manager & In-Charge of Branch	01841966786 041-731420
Barisal	Barisal Branch 95, Sadar Road (2nd Floor), Barisal. E-mail: barisal-branch@prime-insurance.net	Abdul Halim Khan Vice President	01713331844 0431-64426
Booth Office	Ekuria Booth 04 Container Port Road, 3rd Floor, Hasnabad, Keranigonj, Dhaka E-mail: ekuria-booth@prime-insurance.net	Md. Mozammel Hossain Vice President In-Charge of the Booth	01713331841 01916292307

Profile of
HEAD OF BRANCHES

BASUDEV CHAKRABARTY
Additional Managing Director and
Head of Narayangonj Branch

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

MD. MIJANUR RAHMAN
Senior Executive Vice President and
Head of Pabna Branch

"Mr. Md. Mijanur Rahman joined Prime Insurance Company Limited in 1996. At present, Mr. Rahman is holding the position of Senior Executive Vice President and Head of Pabna Branch. He has 27 years of working experience in the insurance industry including 21 years of service in Prime Insurance Company Limited. Mr. Rahman is associated with many social organizations in the periphery of his job location. He is a life member of Anjuman Mofidul Islam. He has completed his MBA (HRM) from Southeast University."

GOURANGA CHANDRA MISRA
Senior Executive Vice President and
Head of VIP Road Branch

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

MOHAMMED MONIRUL ALAM

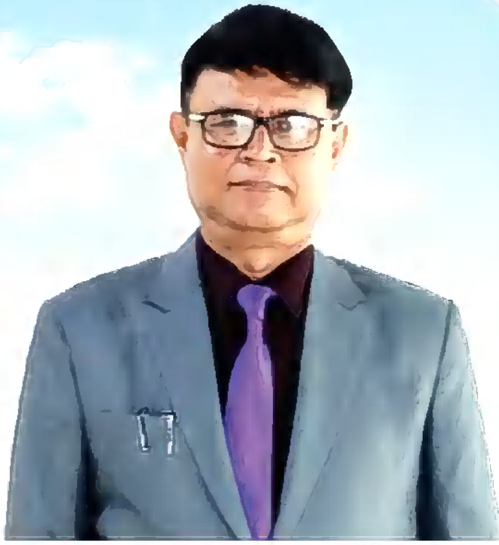
Executive Vice President and
In-Charge of Mohakhali Branch

"Mr. Mohammed Monirul Alam is the Executive Vice President & In-Charge of Mohakhali Branch of Prime Insurance Company Ltd. Prior to this, he was the Head of Administration Department of the Company. He joined the Company as Senior Vice President (SVP) in 2008. He obtained B.Sc (Hons.) & M.Sc. in Economics from Jahangir Nagar University in 1986. He has enriched his career through completing successfully the 'Qualifying Examination' in Bangladesh Insurance Academy & also attended diverse training programs. Mr. Alam is a veteran sportsman and participated in international level from Bangladesh especially in rowing. He visited India, Pakistan, Thailand, Singapore, Taiwan, Vietnam, Korea, Japan and China."

M. MAINUL ISLAM CHOWDHURY

Executive Vice President and
Head of Kadamtoli Branch

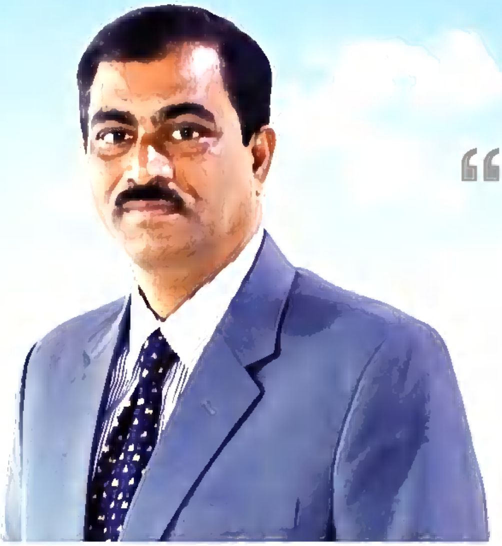
"Mr. M. Mainul Islam Chowdhury joined Prime Insurance Company in 2010 as Senior Vice President and Head of Kadamtoli Branch. He has altogether 25 years of experience as Branch Head in the insurance sector. During his 25 years of service, he has achieved several annual best performance awards from different Insurance Companies. Currently, he is holding the position of Executive Vice President and Head of Kadamtoli Branch of the Company. He has completed his graduation from Chittagong University."



MD. SHAHID HOSSAIN

Executive Vice President and
Head of Mirpur Branch

"Mr. Md. Shahid Hossain joined Prime Insurance Company Limited as an Executive Vice President (Marketing) in Rajuk Branch of the Company on 12th July 2015. Prior to his joining in Prime Insurance Ltd. he served in Karnafuli Insurance as DGM and in Pioneer Insurance as GM. He has completed his Master Degree (Major in Bangla) in1989 from the University of Dhaka. At present he holds the position of Executive Vice President & Head of Mirpur Branch. Since his joining, performanc of Mr. Shahid is excellent in terms of business for the company."



UTTAM KUMAR BHOWMICK

Senior Vice President and
Head of Principal Branch

“Mr. Uttam Kumar Bhowmick joined Prime Insurance Company Limited in 1999 as Senior Executive Officer in the Underwriting Department of the Principal Branch. Now he is holding the rank of Senior Vice President & Heading the Prime's Principal Branch. He has 23 years working experience in Underwriting. During his insurance career, he has taken several professional trainings from BIA, DCCI, FBCCI, Bdjob.com including in-house training program and attended various seminars and workshops in the field of insurance.”

KHONDKER MD. MOSTAHID

Vice President and
Head of Central Development Unit

“Mr. Khondker Md. Mostahid joined Prime Insurance in the year 2010 as an Assistant Vice President. He has completed MSS degree in Political Science from National University in the year 1999. Mr. Mostahid has attended training on Basic Course of Insurance Business & Underwriting from Bangladesh Insurance Association (BIA). He also obtained in house training program of the Company and attended various training from reputed organizations. At present, Mr. Mostahid is the Vice President and Head of CDU, Head Office, Dhaka.”

ABDUL HALIM KHAN

Vice President and
Head of Barisal Branch

“Mr. Abdul Halim Khan joined Prime Insurance Company as an Executive Officer in 1996 at Barisal Branch. He is associated with various social, cultural & religious organizations. He is a Member of Barisal Club Ltd. Mr. Khan Started his service career joining Bangladesh General Insurance in 1989 as In-Charge of Barisal Branch. He has 27 years of experience in insurance sector. At present, he is holding the position of Vice President & Head of Barisal Branch of the Company.”

MD. KAMRUL HASSAN
Vice President and
Head of Rajuk Branch

"Mr. Md. Kamrul Hassan joined Prime Insurance Company Limited in Rajuk Branch, Dhaka in 2013. Prior to joining Prime Insurance he had successfully completed external Basic Training Course from Bangladesh Insurance Academy (BIA) in the year 1998. Mr. Hassan has altogether more than 21 years of experience in his career in General Insurance Industry. Presently, he is the Vice President and Head of Rajuk Branch of the Company."

MD. MOZAMMEL HOSSAIN
Vice President and
Head of Bangshal Branch

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

MAHBUBUR RAHMAN
Vice President
In-Charge of Gulshan Branch

"Mr. Mahbubur Rahman is the Vice President & In-charge of Gulshan Branch of Prime Insurance Company Limited. He has joined the Company on 1 September 1996 as Junior Executive Officer (Under-writing & Accounts). He has completed his BA (Hons.) from Dhaka University. During his insurance career, he has participated in different training program such as Basic In-house Course on General Insurance, Business Communication Course from Professional Development Academy and Marine Insurance Underwriting Course from Bangladesh Insurance Academy (BIA)."

A .Z. M. REZWANUL HAQUE

Senior Assistant Vice President and Head of Motijheel Branch

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

FAZAL MAHMUD TULU

Senior Assistant Vice President and Head of Rajshahi Branch

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

MAHFUZUL BARI

Manager and Head of Bogra Branch

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

MUHAMMAD NURUL ABSAR

Manager and
Head of Savar Branch

"Mr. Muhammad Nurul Absar joined Prime Insurance Company Limited in July 2011 as an Assistant Manager in Business Development Cell. He was promoted as Deputy Manager & assigned as the Head of Savar Branch in September 2014. Thereafter, for his outstanding performances, he was promoted to the rank of Manager effective from 1-1-2017. Mr. Absar completed his MBA Degree from UODA (University of Development Alternative) with Major in Accounting & Finance in 2011. He also completed MBS (Masters in Business Studies) with major in Accounting from National University of Bangladesh. During his insurance career, he has attended in-house trainings like Basic Knowledge of General Insurance, Customer Relationship & Health Insurance from various local and foreign insurance experts."

MEHRUNNESA SHIMUL

Deputy Manager and
In-Charge of Agrabad Branch

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

S.M EMRAN HOSSEN

Deputy Manager and
In-charge of Khulna Branch

"Mr. S.M Emran Hossen joined Prime Insurance Company Limited on 13 November 2017 as Deputy Manager and he has been posted at Khulna Branch. Mr. Emran obtained his BBA in the year 1914 and at present continuing MBA (Management) from the National University. Prior to joining at Prime Insurance, he worked as a Cashier in Green Development Consulting Firm and before that as Custom Clearing & Forwarding Agent. He attended various Seminars & Training Programs on Scouting, Debating etc. At present, he is the In-Charge of Khulna Branch of the Company."

Corporate
OPERATIONAL TEAM

Chief Executive Officer
Mohammodi Khanam

Additional Managing Director
Basudev Chakrabarty

Deputy Managing Director
Syed Monirul Huq

Assistant Managing Director
Sujit Kumar Bhowmik

Chief Financial Officer
Badal Chandra Rajbangshi FCS, FCA

Company Secretary
Enamul Haque Khan

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

Executive Vice President
Mohammed Monirul Alam
Mainul Islam Chowdhury
Md. Shahid Hossain
Major Mohammad Nurul Ahsan (retd.)

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

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

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

Assistant Vice President
Shamima Nasrin
Zahid Hossain
Bahadur Hossain
A.K.M Mahbubur Rahman
Md. Lalchand Khan
Syed Mokbul Ahmed
Anwar Shameem

Board of the

DIRECTORS & THE MANAGEMENT

Chairman's STATEMENT

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

Distinguished Shareholders,

Assalamu Aalaikum!

It is a great pleasure for me to extend a warm welcome to all of you at the 22nd AGM of Prime Insurance Company Ltd and to present the performance and achievements of the Company for the year ended December 2017.

To begin with, on behalf of the Board of Directors and on my personal behalf, let me express my heartfelt gratitude for your continued support, cooperation and trust on the Board. It is your kind patronage and persistent support that we are growing.

On the occasion of the 22nd AGM of the shareholders of Prime Insurance Company Ltd., I would like to draw your attention to the principal achievements of the Company in 2017. The main focus of the company in 2017 was accelerating the revenue growth, ensuring quality business, complying corporate governance and building image of the Company.

At the very first outset of this report, I would like to address an introduction of global economic outlook compard with Bangladesh economy; Secondly, my intention is to narrow-down the economic discussion about the Insurance Industry of Bangladesh and finally I will present the operational strategy and market position of Prime Insurance Company Ltd.

Global Economic Output was 3.5% in 2017 and the projection for 2018 was also 3.5%. Comparatively, Economy of Bangladesh in real scenario has experienced high and steady growth for more than a decade and the average growth as per real economic report of Bangladesh Bank was 6% until 2016 and it is 7.28% in the financial year of 2017 as per Wikipedia. In terms of growth, Bangladesh economy is emerging comparatively, but Insurance Industry growth is only 2.12% and contribution of insurance sector in the GDP of Bangladesh is less than 1%.

Non-Life Insurance Industry hence became more competitive because all the Non-Life Insurance Companies are competing for limited traditional products which were mandatory as per Government regulation. But most of the Companies are not much caring about product innovation and they are not emphasizing on branding the product. Thus range of the insurance market has become concise. In spite of, Prime Insurance Company Ltd has revenue growth above 25% in 2017 compared to the year 2016.

The year 2017 was a noteworthy period because we have provided more coverage to the renowned clients and we have achieved number of awards due to our enormous performance.

Our Board frequently evaluates the efficiency of the management team and this approach maximized the abilities of the Executives of the team. All the achievement comes from the enthusiastic and relentless efforts of our employees, support of respected clients & the influence of shareholders and above all, the valuable guidance, inputs and monitoring of the Board.

I am proud that our Company is now a benchmark among the other leaders of Insurance Sector in Bangladesh. I am pleased to announce that the Company has met its desired expectation of profitability.

We under take responsibility for protecting clients, thus we are serving as a source of security and safety for them. We try to educate our clients about the products and services along with adequate regulatory requirements so that the insured can feel the insurance as their financial security rather than a financial burden. As per circular of IDRA, insured should know that maximum allowable agent commission on Non-Life Insurance business is 15%. Therefore, getting more than 15% agent commission is illegal and consequences of punishment.

Prime Insurance Company Ltd has introduced broad range of traditional and contemporary products for the clients as per their demand and contributing for strengthening the social security. Group Health Insurance, Hajj & Umrah Insurance, Avijita (a health insurance product for women entrepreneurs) and Bankers Blanket Bond Coverage (BBB) are the examples of ensuring corporate and social security now-a-days side by side traditional insurance products. We have a plan to cover financial risk of the small holders i.e. Farmers and other stakeholders by providing low cost crop and agriculture insurance coverage, Live-stock and other micro insurance as well as weather-index based insurance products and services.

Prime Insurance continuously analyzes clients' needs in detail and providing them high-value-added services. Through our efforts towards sound business management, we pay insurance claims and benefits reliably.

Good Governance

Shareholders of the Company through public subscriptions in the company are contributing in decision making. Our Board is formed on freedom of association and speech, as well as capacities to participate constructively with transparency and accountability. Prime Insurance as a public limited company is accountable to the shareholders and we comply with the legitimate institutions i.e. Insurance Development and Regulatory Authority, Bangladesh Securities & Exchange Commission, Dhaka Stock Exchange Ltd and Chittagong Stock Exchange Ltd. We are also maintaining free flow of clear information to the shareholders and disseminate regular information through electronic media, online portals, company websites, journals', annual reports and business information regularly. We are not only assisting the Regulators but also maintaining relationship and co-operation with the Associations and Forums to develop the insurance industry.

Based on the Annual report -2016, we have achieved the SAFA Award being Winner (1st Position) among the SAARC countries, 1st position at 17th ICAB BPA Award and ICSB Silver Award for Corporate Governance Excellence for our transparency and accountability in performing good corporate governance.

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

Transparency and Accountability

Prime Insurance Company always tries to ensure the transparency and accountability at all levels in doing business. To provide sustainable profitability, minimizing risks and establishing good governance in all spheres of company's operation, the company ensures the segregation of duties and responsibilities between the Board & Management.

It is our transparency and accountability that led us achieving the ISO 9001:2008: 2015 certifications for the Quality Management System. We have also accredited with A+ (Single A plus) since more than couple of years by the Credit Rating Information and Services Limited (CRISL) including 2016.

Corporate Responsibility

Since inception, Prime tried to enrich economic & social support to the nation through contribution towards financing in Education and Scholarship, Poverty elevations, Healthcare Support & motivating people for Green Environment.

Students' Scholarship is Prime's splendid initiative and recently, the Company is funding for the financially insolvent bright students of Banking & Insurance Department of the University of Dhaka.

Considering the growing importance of tree plantation to prevent the climate change, Prime Insurance provides indoor plants to the respected clients as a gesture of goodwill to encourage them for creating sustainable environment and to beautify our surroundings afflicted with urban amenities through planting trees.

Contribution to National Exchequer

The company continues its contribution to the Nation through payment of taxes and developing human resources. In 2017, we contributed BDT 111.68 million as Value Added Tax and other levies. Prime Insurance Company is always optimistic to contribute Tax and levies in the National Exchequer of the country for sustaining economic development.

Future Outlook

Prime Insurance Company Ltd continuously analyzes the market and its challenges. One macroeconomic challenge is the unhealthy competition in the insurance industry which affects the insurers to make quality business. Prime Insurance aware the clients and potential insureds' to do business in transparent way. The Board and Management of the Company is always brainstorming the Executives to carry out business with ethics to cope with the future.

Other macroeconomic challenge is developing the IT-infrastructure in insurance industry. IDRA, Ministry of Finance and the World Bank are trying to implement IT-infrastructure to regulate the insurance business.

We are proactive in this regard and we have already implemented automated IT infrastructure to govern the insurance policy.

Prime Insurance Company always concerns about protecting the interest of all its business partner clients and stakeholders. I am convinced that our strong management team, dedicated & hardworking employees, our well-built IT & online support, existing and new innovative products and quality customer service are all our strength.

Appreciation

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

In all, I'm grateful to all the shareholders of the Company for their trust and support.

Thank You

Md. ZakiullahShahid
Chairman

CEO's ROUNDUP

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

Honorable Shareholders,

A leader is the one in the charge, the person who convinces other people to follow. A great leader inspires confidence in other people and moves them to action. Leaders are essential elements of a great group although it is not only the leaders that make the group great, rather teamwork of all the people in the group makes the group great. Even then a strong leadership is very much essential for the steady growth and sustainability of the company depends on a prudent teamwork. Sustainability is an integral component of the business model. Prime believes this issue and at the beginning of the year we aim our plans how to progress our business growth economically, what to accomplish for socially responsible work, how to green the environment with our technology including tree plantation. Our business plan is - slow and steady wins the race. We do not go for aggressive business. We do quality business. This impacts our healthy reinsurance treaty. And again, before issuing a policy, we segregate the risk; physical inventory by the expert surveyor is a must for the protection of future risks, as protection is better than prevention. We always do nursing to our clients' properties. That is the main motto of our success. This successfulness comes from effective plans for sustainability economically, socially and environmentally.

Our footsteps are always through market research and need for the people. Therefore, as per research work we have diversified our products, ethical business and ensured accountability in all the segments. We are committed to maintain our business as per the rules of IDRA. No credit business, no undercut business; the properties of clients are fully secured by the local and foreign reinsurers.

By this time Prime Insurance has been able to create a goodwill in the industry. The confidence level of our business partners and clients is very high on the operations of the company.

The overseas reinsurers visit our office frequently for taking Prime's business as the business of Prime is being done with due care, after taking pre-risk inspection of the properties of potential insured where necessary. Thus the reinsurers find the business received from Prime more profitable compared to other insurance companies. All the employees and staff of the company are expected to behave and work with integrity, sincerity and devotion, and we have comprehensive policies which fulfill the clients demand and finally compliance measures as well. In addition to that, we always encourage training to our employees for maintaining the highest professional standards. These attributes made us different from other insurance companies. Most of the members of the staff are young, professional and hard working. The insurance industry of Bangladesh is severely suffering from huge shortage of qualified and professional employees to develop the industry. With a view to considering future growth and sustainability of Prime Insurance, we always prefer fresher employees and giving them necessary on the job training including professional trainings at home and abroad.

Education, training, professionalism and good service track indicate a person's confidence in the brand image of the company. We have 18 branches including Head Office but we can underwrite the insurance policy from any of the districts/subdivision because our technology permits us for this wider facility. Our website is ultra-modern and anyone can seek policy or bring complaints against us through our website.

To maintain ecofriendly atmosphere against global warming, we designed all our branches including Head Office, i.e. clean water, waste paper solution and green tree plantation.

Prime insurance has been developing its strategies as a going concern based on diversification in markets through introducing new products, ethical business policy, high potential growth, clients' business partners, professional services through qualified staff, and use of modern technology. Now, what is the impact of the above? It is indeed a proud moment for me to let you know the success of 2017.

Our business growth is above 25% compared to previous year. All of you know how severe the competition is in a small market like ours. Due to our market research, effective business model, sincerity, hard work, transparency, corporate governance culture and accountability, we have been able to bring an outstanding brand image in the market. This year has, therefore, been recognized as a great successful year of Prime Insurance Company Ltd. In this happy moment, I express my heartfelt thanks and gratefulness to all our valued clients, business partners, all our regulatory bodies, honourable shareholders for their kind support and above all, honourable Members of the Board of Prime Insurance for giving me the opportunity to lead the operations of Prime Insurance with their outstanding support.

Our business model:

A business model from our point of view consists of four interlocking elements that, taken together, create and deliver value. The most important to get right, by far is the first.

To do that, we have changed our business model. Business model innovations help us to improve our position and business growth of the company, as well as to create the brand image.

At first, we restructured our people, technology, products, facilities, equipment and brand required to deliver the value proposition to our target clients. You know that the clients are the key factors for a business organization. As the Chief Executive Officer of your company, I worked hard to improve our position and growth, to increase the client base of your company as well as to set a remarkable growth for the company with an excellent improvement in its profit earning.

Prime's achievements:

Again, I am very much proud to inform you that Prime Insurance became the Winner of SAFA Award in the Insurance Category in an Apex body of the South Asian Association for Regional Cooperation (SAARC) for the year 2016, 17th ICAB National Award for Best Presented Annual Report-2016 and also 4th ICSB Award for Corporate Governance Excellence-2016. All of these achievements prove the consistency of our vigorous efforts towards reaching the point of excellence in terms of service, functional expertise, transparency and accountability.

I would like to thank all the team members and members of the Board especially the Chairman to encourage us always for moving forward, without which our company would not be able to hold this top position.

Particulars	2017 (Taka)	2016 (Taka)	Growth
Gross Premium	669,071,015	535,008,897	25%
Net Premium	254,534,964	197,060,745	29%
Dividend income	6,517,138	4,844,662	35%
Dividend (recommended) for the year	15%	13%	15%

Strategy:

A brilliant Strategy by block buster product or breakthrough technology can put you on the competitive map, but only solid execution can keep you there. We have identified four fundamental building blocks executives can use to influence those actions clarifying decision rights, designing information flows, aligning motivators and making changes to structure.

Our successes and achievements depend on satisfying the clients and meeting market demands. A variety of diversified and unique products is superior in the market in terms of risk management mechanism. Our approach towards taking risk was calculative and we thought out of the basket. We continue to evaluate market demands and approached towards inventing new and socially acceptable products. We research for improvement of existing products and try to get contemporary insurance solutions through our research team. It is obvious that there is no alternative to market survey and investigation into clients' demand. Our efficient Management team meets frequently to identify problem and focus on using problem solving tools. Our dynamic Board guides us evaluating employees' efficiency and facilitates continuous training to develop the professional and technical skills of the employees. We also train young students through internship program throughout the year and we exchange academic and practical knowledge and reduce generation gap through our works. Through step by step efforts, we have generated the Brand of Prime. We became strategic all together meeting clients demand, facilitating productive solution and distributing contemporary products.

It is not possible overnight to change the macroeconomic variable that exists in our country, i.e. political atmosphere, organized crime and continuous breaking of commitment prevailing in the corporate culture. But we share ethical business practice and integrity strategy imposed by the Government. Our other strategy is to grow slowly and make profit with client satisfaction.

Our Strength

Our main strength is our human resources and experienced and qualified Management Team including dynamic members on the Board. Prime's corporate ethics are based on good governance, statutory compliance and transparency. The Company has been regularly recognized by independent bodies for the values underpinning its business and is proud to be a standard bearer for the Non-Life Insurance Sector of Bangladesh.

From the commencement, Prime has embarked on a journey to grow its capabilities and become larger and better–through launching notified technology, new products, experienced sales teams, new sales channels, new policies, strategic planning and its implementation and so on. All the success comes through our valued business partners clients. Prompt settlement of claims and world's best reinsurers' support brings us to improve our position in the market.

Our Products:

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

Moreover, by this time, Prime is rendering its services towards the biggest power projects of Bangladesh in private sector. In this sector we provide our services to cover Operational All Risks including Business Interruption and Erection All Risks including delay in Start-up. These projects include Summit Bibiyana Power Company Ltd, Summit Meghna Ghat Power Company Ltd, Bangla Trac Power Ltd, Acorn Infrastructure Services Ltd and Confidence Power.

I believe we have taken up the right strategy in delivering the products and services which are required by the client and at the same time making the company profitable.

Opportunities and future prospects:

Upon market research, Prime has introduced another income source for the company which is trustee service to be provided against bonds to be issued by banks and financial institutions. Prime has another scope to increase its income base through rental income of the floor space of Tropical Molla Tower situated at Rokeya Sarani, Badda.

Micro Insurance like crop and agriculture insurance, livestock insurance, small holders insurance, weather index based insurance has good prospect in the country. One-way, micro insurance will assist for financial securities of the small income group and other way, it will enhance the standard of living in the society. Taking policy will cover social understanding of security of the people.

There is a possible chance to integrate the insurance product, service of Government and NGOs at the same time and same point. A valuable supply chain through agency system may be established to develop the micro insurance product and services. Government is accelerating health and social security services from Union Parishad level; NGOs are approaching to the individuals and groups to enhance small business, health plan and financial services of the small holders; and insurance companies are pricing the insurance product to safeguard the security with minimum premium and offering future financial securities. Therefore, integration of these channels may be a future solution of providing micro insurance policy for the individuals and groups with wider coverage.

Besides, due to severe competition, insurance Companies are becoming more strategic and inventing newer products and distribution channels. Prime Insurance has a plan to provide wider coverage with Micro insurance products with a dynamic distribution channel in near future.

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

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

How to contribute to the GDP growth through insurance business:

The insurance industry of Bangladesh is lagging far behind in contributing to the GDP of Bangladesh. Presently, it has an overall contribution of around 0.7% to the GDP which is very insignificant to be considered. But there are ample opportunities to increase this contribution to bring it to a considerable percentage. The Government may take few strong decisions for increasing the scope of insurance industry making mandatory of some insurance coverage, such as Health insurance, Hajj & Umrah insurance, Crop insurance etc and making mandatory of taking policy from the local insurers regarding the capital machineries used in the projects under Public Private Partnership (PPP), and also obtaining Personal Accident Policy for the workers working in those projects.

Commitments & Deliveries towards Clients through different Approach

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

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

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

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

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

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

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

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

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

Thanking You All

Mohammodi Khanam
Chief Executive Officer

Profile of the

CHAIRMAN OF THE BOARD

Md. Zakiullah Shahid
Chairman

Mr. Md. Zakiullah Shahid was re-elected as the Chairman of the Board of Directors of Prime Insurance Company Limited in its 288^{th} Board Meeting held on 30 March 2017. He was the Chairman of the Company during the year 2002, 2007, 2015 and 2016. He is a dynamic entrepreneur and also a Sponsor Shareholder Director of the Company.

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

He is involved with numerous professional bodies including Chambers, Associations, Forums and Clubs. He is a life member of Dhaka Club Limited and Mohammedan Sporting Club Limited.

His experience proved to be instrumental in moulding Prime Insurance into a sustainable and effective organization. His contributions towards socio-cultural and professional activities are also remarkable.

PROFILE OF THE
DIRCTORS OF THE BOARD

Saheda Pervin Trisha
Vice-Chairperson

Ms. Saheda Pervin was elected as the Vice Chairperson of the Board of the Company in its 288th Board of Directors meeting held on 30 March 2017. Ms. Saheda Pervin Trisha is a young and promising entrepreneur. She did her MBA from the faculty of Business Studies, University of Dhaka in the year 2002. She was a Director of Prime Bank Limited. Now, she is a Director of VIP Shahadat Cold Storage, VIP Shahadat Poultry & Hatchery and Rangpur Agro Industries. She has got admirable experience in Agro-based Management and HRM.

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

Nazma Haque
Director

Ms. Nazma Haque was elected as the Chairperson of the Executive Committee (EC) of the Company in its 288th Board of Directors meeting held on 30 March 2017. She was in the same position in 2015 as well. In 2016, she was the Vice Chairperson of the Company.

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

Ms. Nazma Haque is one of the founders of Bangla Trac Cricket Academy, located at Rajshahi and engaged in imparting training to the underprivileged boys of the locality. Recently, she has become the chairperson of the Prime Bank Cricket Club.

Qazi Saleemul Huq

Director

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

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

Dr. Fatema Raushan Jahan

Director

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

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

Sabiha Khaleque
Director

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

Gole Afroz Banu
Director

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

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

Mahabuba Haque
Director

Ms. Mahabuba Haque is an entrepreneur with expertise in different realm of business for the last 2 decades. She is the Director of Manama Group, involved in the real estate sector and one of the biggest importers of fertilizers and food grains. Mrs. Haque is the major shareholder of Manama Developments Limited (Manama Group). She has been actively involved in insurance business since 1996.

Ms. Mahabuba Haque is the founder of Manama Food and Agro Limited. Furthermore, she is the Lifetime Member of Bangladesh Flying Academy. She is also involved with a number of socio-cultural organizations.

Rahela Hossain
Director

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

Hasina Khan

Director

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

Nilufar Hossain

Director

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

Mahanur Ummel Ara

Director

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

Tahera Akhter

Director

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

Abu Hasan Khan

Director

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

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

Dil Ara Begum

Director

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

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

Mizanur Rahman Mostafa

Nominated Director

Mr. Mizanur Rahman Mostafa is representing Maksons Bay Ltd, an institutional Director of the Company. He was nominated as Director from amongst public subscriber shareholders in the 21st AGM of Prime Insurance Company Ltd. He is a graduate in science. He has engaged himself in the business and established number of companies. At present, he is a Director of Prime Islami Life Insurance Limited, and Director of Capital Living. He is an active Rotarian.

Sarwat Khaled

Nominated Director

Ms. Sarwat Khaled is a Director of Prime Insurance Company Ltd. from amongst the public subscribers nominated by Prime Financial Securities Ltd. She has graduated in BBA (Bachelor of Business Administration) from York University, Toronto, Ontario, Canada. After completion of her bachelor's degree, she has engaged herself in entrepreneurship. At present, she is a Director of Prime Islami Life Insurance Ltd., Prime Financial Securities Ltd., MAKSONS Associates Ltd. & MAKSONS (Bangladesh) Ltd., MAKSONS Bay Limited and CAPM Venture Capital & Finance Limited. She is also a Member of the Board of Trustees of MAK Foundation. Ms. Sarwat Khaled is a member of the Board of Governors of Primeasia Foundation and Primeasia University.

Md. Ashaduzzaman

Nominated Director

Mr. Md. Ashaduzzaman is a Director of Prime Insurance Company Ltd from amongst the public subscriber shareholders nominated by Fareast Securities Limited. He has completed postgraduate degree in Commerce. Currently, he is holding the position of Executive Director in Fareast Securities Ltd. He was also working in various prestigious positions in Ramisha Group.

A. Z. M Sazzadur Rahman

Independent Director

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

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

Kazi Zahedul Hasan

Independent Director

Kazi Zahedul Hasan is an Independent Director of the company appointed in its 279th meeting held on July 23, 2016. He is the founder and Managing Director of Kazi Farms Limited.

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

Profile of the
CHIEF EXECUTIVE OFFICER

Mohammodi Khanam
Chief Executive Officer

Ms. Mohammodi Khanam is a dynamic, creative and hardworking person who has a passion to take new challenges. She joined Prime Insurance Company Limited in the year 2011 as an Additional Managing Director and subsequently she has been promoted as CEO of Prime Insurance Company Limited on March 10, 2014. She has been leading the team that is continuously making incredible progress in terms of the Company's business growth, profitability and also the Goodwill.

Ms. Mohammodi Khanam had completed MSS & BSS (Honors) in Economics from the University of Dhaka. She has also completed ABIA degree from Bangladesh Insurance Academy. Beside her academic & professional degrees, she always loves to read and acquire knowledge about new areas. With that view in mind, she undertook various training at home and abroad including the U.K., Singapore, Bahrain, Sri Lanka and India to learn and perform her duties properly to meet the expectation of the employees, customers and shareholders.

Ms. Mohammodi Khanam started her career in Insurance Sector as a Trainee Executive Officer in the year 1988 with Peoples Insurance Company Ltd. She has to her credit around 30 years of experience in insurance industry and she continuously been contributing for the growth and development of this sector. She has worked in different departments like Underwriting, Claims, Re-insurance in different insurance companies and in all the departments she accomplished her responsibilities successfully. In addition to her responsiblities as the CEO of Prime, she is a trainer of Bangladesh Insurance Association (BIA) and at various training institutes of private banks. In the year 2017 she became the Executive Member of Executive Council of Bangladesh Insurance Forum (BIF).

Ms. Khanam is one of the members of the Central Rating Committee (CRC), headed by the Chairman, IDRA. She is the pioneer of introducing innovative products and services in the insurance industry such as Bankers Blanket Bond (BBB), Hajj & Umrah and Health Insurance coverage under 'Prime Health Plan'. She carries out research to identify the needs of the market & contributes for the betterment of the industry. Therefore, every day she is learning more and more from the International Insurance Market maintaining relationship with the Brokers and Re-Insurers. Now this has become her hobby – so to say – to launch newer insurance products in the insurance industry.

Ms. Khanam is also the Technical Sub Committee Member of Non-Life Forum of BIA-Bangladesh Insurance Association. She is also internationally recognized as Trade Finance Specialist by the E-business School of Ireland. She has been awarded the esteemed International Who's Who of Professionals (USA) and also been featured in the 2009-2010 editions of the Madison Who's Who Registry of Executives and Professionals.

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

Directors'
REPORT-2017

Dear Shareholders

Directors have great pleasures in presenting the 22nd Annual Report to the members with the Audited Accounts along with the Auditors' Report thereon for the year ended 31 December 2017.

This report covers global and national economic outlook to compare the overall economic position of the insurance business in Bangladesh, especially the strategic position and strategic choice of prime insurance company Ltd during 2017.

Global Economic Scene

Growth forecasts for emerging Europe for 2017 have been marked up due to a reflection of stronger growth in Turkey and other countries in the same region. Stronger growth continued in Russia in 2017 and 2018, and Brazil was in similar fashion in 2017.

These prospects are also marked up by 0.1 percentage point for both emerging and developing economies in 2018. The world Economic Outlook Report on "Seeking Sustainable Growth, Short-Term Recovery and Long-Term Challenges" has shown the global cyclical upswing that began midway of 2016 through 2017 and continues to gather strength. The world economy faced stalling growth and financial market turbulence on or before 2016. The picture now is very different, with accelerating growth in Europe, Japan, China, and the United States. China has a target to double their GDP in between 2010-2020. These positive developments give good cause for greater confidence, but neither policymakers nor markets should be lulled into complacency. A closer look suggests that the global recovery may not be sustainable because all countries are not participating, inflation often remains below target with weak wage growth, and the medium-term outlook still disappoints in many parts of the world. Further, financial conditions remain buoyant across the world, and financial markets seem to be expecting little turbulence going forward.

The growth rate for emerging market and developing economies was forecast to rise to 4.6 percent in 2017, 4.9 percent in 2018, and about 5 percent over the medium term.

Global Economy is characterized by both Develop and Developing Countries economy and a developing nation can leapfrog the sharing economy of Developed Country. China is the best in the world and sharing world's most merchandise exports with develop Countries. Chinese are providing labor and used as opportunity of backward integration of the developed countries manufacturing industry. China is number one as world's highest Merchandise exporters in number one and India is in number 17 whereas Bangladesh is the world's 61st merchandise exporters.

Bangladesh Economy

According to Bangladesh Bureau of Statistics (BBS) estimates, the economy grew by 7.24 percent in FY17, up from 7.11 percent in FY16. A weaker performance in export demand driven manufacturing growth was more than offset by a buoyant domestic demand led manufacturing growth, alongside growth gains in the agriculture and services sectors. Strong private sector credit growth supported private investment and consumption for power projects, while a sharp slowdown in remittance weakened the tailwind Bangladesh has enjoyed in recent years. The sharp slowdown in economic activity in the Middle East from lower oil prices in recent years adversely affected remittance inflows, with large 14.5 percent inflows decline in FY17. However, stagnant investment and weaker export along with declining remittances have hindered quality job creation in Bangladesh, despite the country enjoying a sustained rate of Gross Domestic Product (GDP) growth.

Economic development largely depends on global export position and Bangladesh continues to be less attractive in it, which results serious detachment from sharing the global atmosphere. Besides, country's top import sources are China and India, and again Bangladesh is far behind from capturing the global economy in industrial sector of developed nations. Infrastructure development and service sector of China and India are also more advanced and Bangladesh lags behind these countries. The resultant effects are less human development and less penetrating in insurance market.

Conditions of financial sector in Bangladesh for 2017 were different and interest rates were single digit all the year and Banks were over liquidated. Investments were stagnant and investment in small and medium enterprise was walking sideway due to market risk. However, at the year-end interest rates of banks and NBFIs were growing and those were busy to collect funds from people and institutional investors. This is indicating that the economy of Bangladesh is getting momentum.

Insurance Industry Scenario

Healthy economic growth and rising disposable income will continue to boost demand for insurance products in many markets, such as China, India, Hong Kong, Singapore, Malaysia, Indonesia and Thailand. However, it is difficult to forecast the insurance industry of Bangladesh due to lack of proper data in proper time. The market is requiring a strong transparent and accountable independent insurance research centre. Recently, the University of Dhaka has established Actuarial Science Department and the Insurance Development and Regulatory Authority (IDRA) along with other Association and Forum, are influencing other public Universities to start insurance education both in professional and academic arena.

The Insurance Development and Regulatory Authority (IDRA) was established in 2010 through enactment of Insurance Development and Regulatory Authority Act, 2010. In the first half of 2017 the Authority could not work smoothly in absence of required members in the Authority including the position of the Chairman. However, at the end of 2017, the quorum was filled and IDRA proactively has been working for insurance awareness. The Authority successfully arranged a Divisional Insurance Fair-2017 in December in Sylhet. The main focus of this fair was to create awareness about the necessity of insurance and reset the trust on insurers among the mass people of Bangladesh. The number of individual participant was notable compared to the institutional participants. Therefore, non-life insurance companies did not receive desired responses.

With tremendous appeals from the insurers of non-life insurance sector, IDRA published an official gazette on July 18, 2016 on allowable management expenses which failed to satisfy the insurers demanding the replacement of Insurance Rules 1958. The then Chairman of IDRA expressed that the regulations gazetted was not the desired one and he assured the insurers that the Regulations would come with necessary revision. Thereafter, the non-life insurers are still awaiting the desired regulations on expenses of management of non-life insurance business. However, the new Authority recently has taken appropriate steps to receive comments and views regarding a number of Draft Regulations/Rules uploading in its website which are: (i) Actuary report & abstract; (ii) Settlement of small claims; (iii) Qualification, responsibilities & functions of Actuary; (iv) Scope of special audit; (v) Election of Directors of Insurance Companies; (vi) Distribution of Balances of Insurers; (vii) Various insurance related statistics etc.

Insurance Development and Regulatory Authority (IDRA) and Ministry of Finance at present possess much concern about the overall development of Insurance Sector. In practice, skilled professional and ambitious students with better caliber are not inclined to consider insurance as a lucrative career.

The Authority is thinking about implementation of an integrated common insurance software among all the insurers which will enable them to monitor and control the entire insurance system of Bangladesh. Especially, the non-life insurance sector will be benefited in reporting to the Authority, to the stakeholders, the business-partner clients with transparent information about their insurance business. The insurance companies will be more accountable to the Regulator automatically.

As a result, gross premium of the insurance sector would tremendously be increased and the stakeholders would certainly get better return against their investment. Government would get a handsome amount of revenue in the form of VAT, corporate taxes and insurance stamps and the insurance industry would be able to provide significant contribution to the GDP of the country. This would give rise to the insurance industry of Bangladesh and the industry will open huge employment opportunities for potential, skilled people with talent from all over the country.

Insurance Business in 2017

Prime Insurance Company has taken a diversified business policy with innovative products of insurance in addition to selective underwriting of insurance business; even though it is very difficult to increase the amount of gross premium at a significant level. Amidst all adversities you will be happy to learn that by dint of dynamic leadership of our Chief Executive Officer and her team, they enabled your company to earn a gross premium income of Tk. 669 million this year against Tk. 535 million last year, with a growth of 25%.

You are already aware that Prime Insurance maintains appropriate reinsurance arrangement at home and abroad with the remarkable reinsurers having best credit rating of at least "A+" and pays due reinsurance premium for the safety of the insured. After making of cession for reinsurance the net premium of the company stood at Tk. 254 million against Tk. 197 million in 2016.

Fire Insurance Business

The Company wrote fire insurance business with a gross premium income of Tk. 309.93 million in 2017 against Tk. 264 million in 2016. After ceding of the re-insurance premium, the net premium earn from Fire Insurance Business stood at Tk. 38.75 million. The Company earned an underwriting profit of Tk. 1.93 million from its fire insurance business in 2017.

Marine Insurance Business

The gross premium income from marine insurance business increased to Tk. 201.45 million in 2017 from Tk. 144 million in 2016, yielding a net premium of Tk. 154.42 million, after re-insurance cession. The Company earned an underwriting profit of Tk. 51.27 million.

Motor and Miscellaneous Insurance Business

In Motor, the gross premium income was slightly increased to Tk. 49.18 million from Tk. 46.37 million in 2016. After ceding of the re-insurance premium, the net premium of the Motor Department amounted to Tk. 45.54 million. The Company earned underwriting profit from Motor insurance business Tk. 26.58 million. Premium income from miscellaneous insurance business increased to Tk. 108.51 million against Tk. 81 million in 2016. Prime Insurance earned a profit of Tk. 5.75 million during the year under review.

Investment Income

At the year-end, the interest rate was slightly in the increasing trend but most of the time the interest rates were remained at a minimum level. Interest income from banks and non-banking financial institutions declined to Tk. 12.02 million in 2017 against Tk. 21.51 million in 2016. Management therefore shifted significant amount of investment to share market instead of FDRs, investment in shares increased to Tk. 24.11 million in 2017 from Tk. 9.02 million in 2016. Income from dividend has also increased to Tk. 6.52 million from Tk. 4.84 million in 2016 due to our prudent fund management.

Profit and Loss Account

The salient features are given below:

	2017 Taka	2016 Taka
Gross Premium	669,071,015	535,008,897
Net Premium	254,534,964	197,060,745
Underwriting profit	85,537,105	79,366,836
Interest income	12,022,498	21,512,746
Dividend income	6,517,138	4,844,662
Profit before tax	110,671,530	101,874,248
Provision for current tax	15,669,455	26,304,310
Transfer to reserve for exceptional losses	19,090,122	19,706,074
Retained earnings	76,679,316	61,195,010

Company's Vehicles

In compliance with the direction no. 5 of Circular No. Bi:U:Ni:Ka/GAD/1003/2011-554 dated 24 April 2014 of the Insurance Development and Regulatory Authority (IDRA); we confirm that total expenses relating to usage and maintenance of Company's vehicles in 2017 was Tk. 2.58 million. The total number of vehicles was 23 against 24 of 2016. The total cost of vehicle as at 31 December 2017 was Tk. 44.16 million.

Dividend

For the year 2016, the Company declared a cash dividend of 13% against a cash dividend of 12.50% in 2015.

From the retained earnings of 2017, the Board of Directors is pleased to recommend 15% cash dividend for its shareholders for 2017 against 13% cash dividend for 2016.

Cash Flow from Operating Activities

In 2017 the operating cash flow was Tk. 20.88 million against Tk. (55.42) million in 2016. In 2017 Prime Insurance could underwrite around 25% higher premium over 2016 and this helped the operating cash flow increased.

Investment

Total investment of the company comprising of investment in shares, BGTB and FDRs stood at Tk. 302.90 million against Tk. 277.07 million in 2016. Like previous year, investment in shares has been stated at fair value.

Assets

The assets of the company increased to Tk. 1,222.82 million from Tk. 1,111.22 million in 2016. The value of the assets increased mainly due to increase in investment in shares and overall growth of company's insurance business.

Reserves

The Company kept provision for exceptional loss reserve of Tk. 19.09 million for the year 2017 against Tk. 19.71 million in 2016 and the total reserve for exceptional losses of the company stood at Tk. 210.25 million against Tk. 191.16 million in 2016. Transferring Tk. 1 million to the general reserve fund has been increased to Tk. 9.9 million in the year under review from Tk. 8.9 million in 2016.

Prospects For 2018

A National Insurance Policy and Guideline (Bima Niti 2014) gazette published on 2014 to guide the insurance experts with a vision to develop the insurance industry. Ministry of Finance and IDRA along with Insurance Companies, Association and Forum are very united to strengthen the Insurance Industry of Bangladesh.

Government and Private Insurers are working very closely for the human resource development in the insurance sector. Insurers are also trying to cope with the instructions of the Authority. Insurance Companies are becoming technology friendly and most of the companies considering the temporized automated IT enabled system and use as a tool to enhance the transparency of insurance business in Bangladesh.

Ministry and Regulator are focusing on the development of the insurance industry and they have given priority to develop the insurance sector. They are going to implement the integrated software solution for this industry. IDRA now became more conscious on market position analysis to explore the actual contribution of insurance sector in GDP.

Prime Insurance Company Ltd not only achieved the business growth but also is concerned about building image of the company. Strategic choice of the Company is to innovate new products as per market demand. Global re-insurers are consequently eager to make relationship with our company due to its quality business, proper claim settlement and transparent financial transaction.

As a result, we achieved winner price of ICAB and SAFA award for the best presented Annual Report 2016. Executives and Management team are working efficiently and they are accountable under the dynamic leadership of the CEO of the Company.

We have efficient fund management team and the company has obtained enormous success from shares business in 2017. We hope that the same success will continue in 2018 as well. Side by side with insurance business, Management of Prime Insurance Company has started generating income from trustee services and committed to extend more income generating wing from Bank and Non-Bank financial market of the Country.

We hope our success will continue proactively and comparatively we shall continue reaching top most position in terms of quality business in the insurance sector in Bangladesh.

Directors

Group A:

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

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

Group B:

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

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

As required by the Insurance Act and Rules, election of directors from public subscribers (Group-B) will be held in the Annual General Meeting (AGM) scheduled to be held on 29 March 2018. A notification was published on 25 January 2018 in two national newspapers namely, the Somokal and the Financial Express.

Altogether five shareholders including the above three shareholders from public subscribers have submitted their nomination forms.

Independent Directors:

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

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

In compliance with the guidelines of Bangladesh Securities & Exchange Commission (BSEC) notification no:-SEC/CMRRCD/2006-158/134/ Admin/44 dated 7 August 2012, Mr. A.Z.M. Sazzadur Rahman was appointed on 26 June 2017 and he will complete his second term of three-year term on 25 June 2020 as independent director of the company.

Mr. A.Z.M. Sazzadur Rahman requires approval of the shareholders for his appointment for second term as independent director as per the BSEC Corporate Governance Notification dated 7 August 2012.

Auditors

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

Board Meeting Attendance

During the year, 13 Board Meetings were held. The attendance of the Directors is shown in Corporate Governance Chapter.

Corporate and Financial Reporting

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

Accordingly, the Directors are pleased to confirm the following:

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

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

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

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

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

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

(g) The company earned 25% higher gross premium than last year impacting positively on operating cash flows.

Key Operating and Financial Data

The Company's summarized key operating and financial data for the last five years are shown on page no.140.

Pattern of Shareholding

The pattern of shareholding is shown in Corporate Governance Chapter.

Corporate Governance Compliance Report

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

Acknowledgement

We gratefully acknowledge the trust of the shareholders of the Company including our clients for their brand loyalty. We deeply value the generous and complete support and cooperation of our business partners and we assure them that it will be our constant effort to prove worthy of the trust they have reposed on us.

We also sincerely appreciate the help and cooperation that we have received from the relevant Ministries, Sadharan Bima Corporation and its staff, our overseas re-insurers and their brokers, Bangladesh Bank and scheduled banks, financial institutions, Local and Foreign Chamber Bodies, the Institute of Chartered Accountants of Bangladesh (ICAB), the Institute of Chartered Secretaries of Bangladesh (ICSB), the Institute of Cost and Management Accountants (ICMAB), South Asian Federation of Accountants (SAFA), Registrar of Joint Stock Companies and Firms, Central Depository Bangladesh Ltd, Bangladesh Association of Public Listed Companies (BAPLC), Dhaka Stock Exchange Ltd, Chittagong Stock Exchange Ltd and Bangladesh Securities & Exchange Commission (BSEC).

The Chairman and Members of Insurance Development and Regulatory Authority (IDRA) and its staff have always been very helpful and their advice and guidance have made it possible for us to run the affairs of the Company smoothly. We would like to express our sincere thanks for extending their helpful hands.

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

For The Board Of Directors

Md. Zakiullah Shahid
Chairman

Management
COMMITTEE

Seating Left to Right

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

Standing Left to Right

1. Md. Lokman Hossain, SVP & Head of Accounts- Member
2. Enamul Haque Khan, SVP & Company Secretary- Member Secretary
3. Md. Lalchand Khan, AVP and Head of Internal Control and Audit Department- Member
4. Rehana Akter Ruma, VP & Head of PR, CA & Customer Care-Member
5. Major Mohammad Nurul Ahsan (retd), EVP & Head of HRD & Administration-Member

Profile of the Head of

DEPARTMENTS

Syed Monirul Huq
Deputy Managing Director & Head of Operation

Syed Monirul Huq joined Prime Insurance Company Limited in March 1997 as the Vice President. Prior to joining this company, he served at Green Delta Insurance Company Limited for about nine years. Mr. Huq completed his M. Com. in Accounting from the University of Dhaka. During his 30 years of working experience in insurance industry, he has attended various training courses on insurance. At present, he is holding the position of the Deputy Managing Director and Head of Operation of the Company.

Sujit Kumar Bhowmik
Assistant Managing Director

Mr. Sujit Kumar Bhowmik joined Prime Insurance in 1999 as AVP. Prior to his appointment, he was the Senior Executive Officer in Green Delta Insurance Company Limited. He obtained extensive training in Underwriting, Claims & Re-Insurance. At present he is serving as AMD and Head of Specialized Business & Market Development, Health Insurance Department and Chief of Branch Control & Re-insurance Department. He attended various seminars/workshops at home and abroad. He is associated with Rotary International.

Mr. Bhowmik is a regular trainer of in-house training program of Prime Insurance Company Limited. He has completed his BSS (Hons) in Economics from the University of Dhaka. He has attended a training program on "Introduction to Lloyd's and the London Market, Introduction to Marine Insurance, Introduction to Fire Risks, Aspects of Reinsurance" in London. Also attended two training programs on "Re- Insurance Fundamentals, Practice & Trends" in Mumbai, India and on "Re-Insurance Contract Treaty Wording, Individual Clauses & Contract Certainty" in Singapore.

Badal Chandra Rajbangshi FCS, FCA
Senior Executive Vice President & CFO

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

Mr. Rajbangshi did his SSC from Sholla High School & College and secured 2nd Position in Dhaka Board and completed HSC from Dhaka College. He completed B.Com (Hon's) and M. Com in Accounting from the University of Dhaka and also completed 3-year Articleship period from KPMG Rahman Rahman Huq, Chartered Accountants. He is a fellow member of the Institute of Chartered Accountants of Bangladesh (ICAB) and also a fellow member of the Institute of Chartered Secretaries of Bangladesh (ICSB). He is also the regular faculty of the Institute of Chartered Accountants of Bangladesh (ICAB). During his 21 years of career, he underwent various training courses, workshops and seminars and showed brilliant performance in diverse areas of insurance under different capacities.

Md. Delwar Hossain

Senior Executive Vice President & Head of Claims Department

Mr. Md. Delwar Hossain has more than 49 years of long experience in different areas of Insurance Industry. He joined Prime Insurance Company in 2006 as a Vice President in Claims Department. Prior to his joining in Prime Insurance Company he served in several Insurance Companies such as Homeland Insurance Company Ltd, Karnaphuli Bima Corporation & Sadharan Bima Corporation with sound knowledge in claims settlement. He has also participated in the training on In-Service Training Specialized Course on Claims from Bangladesh Insurance Academy (BIA) and has been awarded Grade "A"; he participated in in-house training program on "Bankers Blanket Bond, Directors & Officers Liability Insurance". Besides, he also participated in the training course on Effective Office Management & Filing System from DCCI Business Institute, Dhaka.

Major Mohammad Nurul Ahsan (retd.)

Executive Vice President and Head of HR & Administration

Major Mohammad Nurul Ahsan (retd.) joined Prime Insurance Company Limited as EVP and Head of HR & Administration Department on March 1, 2017. Prior to this, he worked at Escorts Bangladesh Ltd as Chief Business Officer and United Airways (BD) Ltd. as Head of HR. He has served in Bangladesh Army for 14 years in different capacities at home and abroad in UN Mission. He has completed MBA in HRM & Marketing from IBA of Dhaka University and PGDHRM from Association of Business Professionals of UK. He is a member of RAOWA club, Army Golf Club and Bangladesh Apparel Professionals Society.

Md. Lokman Hossain

Senior Vice President & Head of Accounts Department

Md. Lokman Hossain is the Senior Vice President and holding the position of Head of Accounts Department of the Company from 1st December, 2015. Prior to this, he had held the position of SVP & CFO and Head of Finance & Accounts Department from 1st April, 2008 to 30thNovember, 2015 in this Company. He has 31 years of practical experience in Finance & Accounts, Internal Audit Department and Marketing. He joined the Company as a Deputy Manager in 1996. He obtained his M.Com in Management from the University of Dhaka. He also attended various Seminars & Workshops in Corporate Governance from SEC, DSE and VAT & Tax Regulatory Authority. Moreover, he has taken professional training course on 'Standardization of Annual Report', 'Corporate TAX Management' and 'Internal Audit Control' from Institute of Chartered Secretaries of Bangladesh (ICSB). He has obtained certificate from BIA on Marine Insurance Underwriting and Claims. He also obtained Financial Analyst Certificate from CRISL.

Enamul Haque Khan

Senior Vice President & Company Secretary

Mr. Enamul Haque Khan joined Prime Insurance Company Limited as Senior Vice-President & Company Secretary in March, 2017. He has 12 years of working experience in the field of Company Secretariat and Administration, of which, more than 5 years of experience he received from the insurance sector in Bangladesh.

He has completed a Non-Degree programme on International Business and Language from Hanzehoge School Gronngen, The Netherlands in 2008 and it inspired him to study further in Europe. Further he earned MBA degree in Management from Umea University Sweden.

He has also completed Middle Management Training Programme from IIT, Kharagpur, India and IIM Calcutta in 2006; he received a fellowship from Royal Danish Embassy, Dhaka. Currently he is a student of Professional Master Programme of Actuarial Science in Dhaka University and The Institute of Chartered Secretaries of Bangladesh (ICSB).

Rehana Akter Ruma

Vice President & Head of PR, CA and Customer Care

Ms. Rehana Akter Ruma is currently holding the position of Vice President & Head of Public Relation, Corporate Affairs and Customer Care Department in Prime Insurance Company Limited and Management Representative of ISO 9001:2008 certification and Editor of the Quarterly News Letter of the company. Previously, she was Head of HR & Administration Department in the same company .Ms. Rehana is one of the widely recognized HR professionals with 17 years of experience in the HR field. Previously, she worked at Dhaka Chamber of Commerce and Industry as Deputy Secretary (HR & Admin). Besides, she held the additional position as Project Coordinator of Various DCCI's projects, funded by European Union.

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

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

Easin A. Khan,ACII (UK)

Senior Assistant Vice President & Head of Re-Insurance Department

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

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

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

He has taken part in a number of insurance trainings and workshops in his job tenure at home and abroad. In 2012, he participated in the training on 'Comprehensive General Insurance' at National Insurance Academy (NIA), Pune, India. He attended two training programs on "Reinsurance Management and Oil and Energy Insurance" in Insurance Institute of India in 2015 & 2016 respectively. In the year 2017 he has also participated "Reinsurance International Study course (RISC) 2017" in Singapore.

Anwar Shameem

Assistant Vice President and Head of Establishment & Logistics Department

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

Md. Lalchand Khan

Assistant Vice President and Head of Internal Control & Audit

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

Md. Abu Rokan

Manager and Head of IT Department

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

Products &

SERVICES

Fire Insurance

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

Marine Insurance

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

Motor Insurance

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

Engineering Insurance

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

Miscellaneous Accident Insurance

- Financial Category
- Money Insurance
  - i. Cash In Transit Insurance
  - ii. Cash in Safe Insurance
  - iii. Cash on Counter Insurance
  - iv. ATM Risk Insurance
- Bank Lockers Insurance
- Fidelity Guarantee Insurance
- Bankers' Blanket Bond Insurance
  - ★ Electronic & Computer Crime Insurance
  - ★ Professional Indemnity for Financial Institutions
  - ★ Directors' & Officers' Liability Insurance

Industrial Category

- Workmen's Compensation Insurance
- Peoples Personal Accident Insurance
- Public Liability Insurance
- Product Liability Insurance
- Employers' Liability Insurance
- Public & Product Liability Insurance

Medical Category

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

Business Category

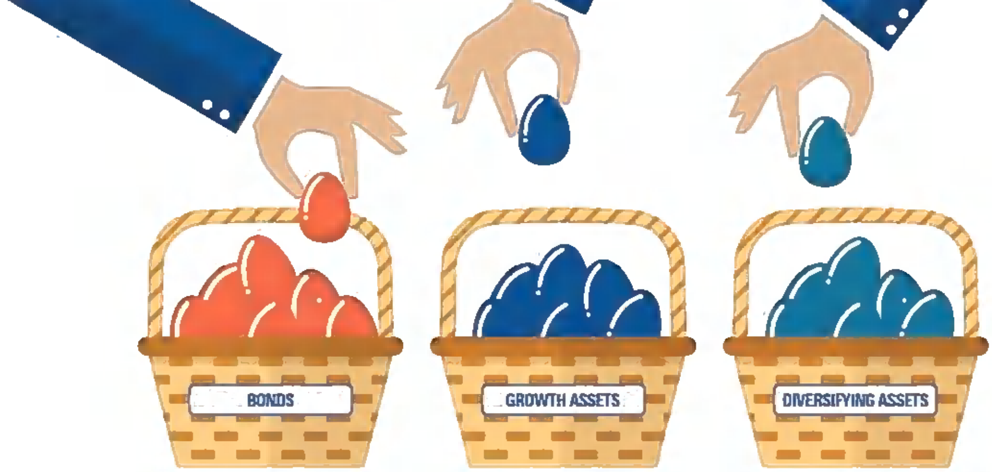
- Golf Hole-in-one Insurance
- Professional Indemnity Insurance
- Hotel Owners' All Risks Insurance

General Category

- Burglary & House Breaking Insurance
- Householders' Comprehensive Insurance
- All Risks Insurance
- Personal Accident Insurance

Aviation Insurance

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



Product

DIVERSIFICATION & INNOVATION

Diversification and innovation both are integral part to achieve the ultimate goal of a company. Especially, in insurance sector there are a lot of scopes to ensure the sustainability, business growth and customer reliability through Product Diversification & Innovation. In Bangladesh it has been found through the analysis that insurance companies always focus on doing the traditional businesses. Amongst 46 Non-Life Insurance companies, very few are involving themselves to work on the innovative and diversified business other than traditional ones.

Creativity is key to Diversity. Product diversification could be possible amongst the existing products or the new products or both. In contrast, innovation means which did not exist before. Diversification and innovation both helps to uplift the image and growth of a company. There are thousands of entities companies in various industries with business opportunities. To grab those opportunities, an insurance company has to be capable to exert all kinds of products and services that are needed by that particular company.

Prime Insurance Company Ltd never confines them only to doing the traditional businesses which made them unique amongst the non-life insurance companies. To increase market penetration, Prime Insurance always tries to work on demanding, purposeful innovative as well as diversified products. Visibly last 3 years, Prime has achieved a tremendous success through following the diversification and product innovation strategy.

To capture the existing market clients as well as the potential clients in to the market, Prime has a very strong overseas reinsurance support and resourceful team. Before launching a new product, Prime collects data from the market and tries to understand the market demand and based on that they collaborate to the overseas reinsurers to get the best rate/terms. Behind launching few exclusive products i.e. Health Insurance Product 'Prime Health Plan', Hajj &Umrah Insurance, social accountability got the priority than profitability.

Again, for making the existing product more attractive, Prime's steps are very constructive. Initially, Prime tries to find out scope amongst existing products for improvement, alter or change, and then undertakes suitable strategy. The process includes market research, product analysis as well as pricing. Following these strategies, Prime Insurance attains the potentials for getting new business opportunities by way of entering into additional/existing markets.

Product diversification and innovation plays a crucial role for any company's growth and expansion. Cost is involved in diversification and innovation which cannot be ignored. Cost in terms of money only is not always to be counted; the time value is also related to it. Sometimes company has to sacrifice huge time before launching a product, and the result could either be positive or be negative. In spite of that, Prime Insurance is always looking forward for the development of the insurance industry, and in creating market demand, the role of Prime Insurance is outstanding.

Sustainability
REPORTING

Corporate Social
RESPONSIBILITIES (CSR)

To survive in the modern business world, every company needs to take a social stand, which is Corporate Social Responsibility (CSR). Companies are prioritizing CSR, and holding corporations accountable for effecting social change with their business beliefs, practices and profits.

Corporate Social Responsibility is an extensive focus from community relation to sustainable development. However, there is one principle that lies at the core of CSR. It is the principle of conducting business in an economically, socially and environmentally responsible manner, and weaving this principle into the inherent foundation of every company. If every company adopted environmentally, economically and socially responsible practices, our world could be transformed to be more balanced and sustainable. Undertaking socially responsible initiatives is truly a win-win situation. Not only for the company appeal to socially conscious consumers and employees, but also make a real difference in the world.

Prime Insurance Company Limited also thinks that this is the high time to do things differently and to explore new avenues. To ensure the prosperous and peaceful future of Bangladesh, it is most essential that all sections of society benefit as inequities and inequalities breed social tensions. This is not only a concern for Governments. Individuals, civil society organizations and businesses all have a role to play. Indeed, many businesses are partners in development with significant efforts to reduce poverty, ensure environmental sustainability and provide decent living and working conditions. There truly is much that a company can do within the area of its daily business to make this world a better place.

As recognizing how important social responsibility is to their Clients, Prime Insurance now focuses on and practices a few broad categories of CSR:

Plant for the Future

In view of saving our planet planting trees is a must. Trees are a part and parcel of every community. Tree plantation on street-side, parks, playgrounds and backyards is creating a peaceful, aesthetically pleasing environment. Trees increase our quality of life by bringing natural elements and wildlife habitats into urban settings. But now-a-days, the condition is continuously getting worse for living as well as breathing for insufficient tree plantation. It's time to do something to make the city a better living place and the planet as well. With an aim to make this city a livable place with healthy atmosphere Prime Insurance Company is giving different kinds of tree plants, both indoor and outdoor, to all its associates and well-wishers as a gesture of generosity to encourage them in creating sustainable environment and to beautify our surroundings through planting trees which are now afflicted with urban amenities. Besides, Prime Insurance is also giving various kinds of fruit plants and shade trees to their corporate clients for their factories so that the factory surroundings remain environment friendly; the workers can also be benefited by the fruits and pass sometime beneath the trees and inhale fresh air.

CEO of Prime Insurance Company Limited Ms. Mohammodi Khanam handing over an indoor plant to Dr. Mohammed Farashuddin Chairperson, Board of Trustee, East West University.

Syed Monirul Huq, Deputy Managing Director & Head of Operations and Ms. Rehana Akter Ruma, Vice President & Head of Public Relation Department of Prime Insurance Company were also present there.

Ms. Mohammodi Khanam, CEO of Prime Insurance Company Ltd handed over an indoor plant to Professor Dr. Sushil Ranjan Howlader (the Founder Director of Institute of Health Econimics, University of Dhaka) as a token of gratitude.

Professor Dr. Syed Abdul Hamid, Director, and other faculty members of the institute, Syed Monirul Huq, Deputy Managing Director & Head of Operations and Ms. Rehana Akter Ruma, Vice President & Head of Public Relation Department and Mr. Mohammod Sozon, AVP of Prime Insurance Company were also present there.

Ms. Mohammodi Khanam, CEO of Prime Insurance Company Ltd handed over an indoor plant to Mr. Md. Ruhul Alam Al Mahbub, Managing Director, Fair Group (Samsung) as a token of gratitude.

The CFO Kazi Nasir Uddin FCA and Mr. Mohammed Mesbahuddin, Director (Sales) of Fair Group, Syed Monirul Huq, Deputy Managing Director & Head of Operations and Mr. Sujit Kumar Bhowmik, Assistant Managing Director of Prime Insurance Company were also present there.

Ms. Mohammodi Khanam, CEO of Prime Insurance Company Ltd handed over an indoor plant to Mr. Iqbal Hossain Managing Director, Tigerco Ltd.

Syed Monirul Huq, Deputy Managing Director & Head of Operations of Prime Insurance Company is also present there.

Ms. Mohammodi Khanam, CEO of Prime Insurance Company Ltd handed over an indoor plant to Mr. Md. Akter H. Sannamat, Chief Financial Officer of Omera Group.

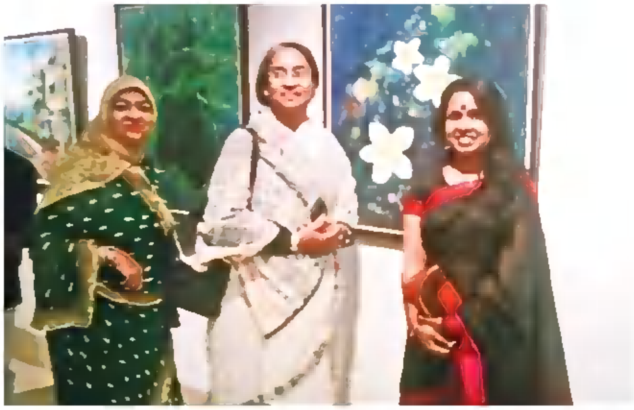
Mr. Md. Mozammel Hossain, VP & Head of Bangshal Branch is also present there.

Prime Insurance's different initiative to create People's awareness on insurance

Insurance Development & Regulatory Authority (IDRA) has organized a two day Insurance Fair 2017 in Sylhet whereas Prime Insurance arranged a raffle draw for the visitors of the fair with an aim to raising people's trust in insurers and increasing awareness about Insurance Industry in the country. Prime Insurance distributed People's Personal Accidents Policy as the prize of raffle draw which sum insured amount was Tk.100,000 to Tk. 500,000. The policy will cover accidental death, permanent and partial disablement of the insured. Mr. Abu Hanif has won the first prize of raffle draw.

Prime Insurance took part in the fair with a general stall. Prime Insurance Company's Chairman Mr. Md. Zakiullah Shahid, Vice-Chairperson, Ms. Shaheda Pervin Trisha along with other Board of Directors and CEO Ms. Mohammodi Khanam attended the inaugural session.

Prime Insurance Company has supported 'Shilpir Chokhe Shobuj Dhaka' campaign of Shobuj Dhaka:



Prime Insurance Company Ltd always do some different activities for its CSR activities. As such, under its CSR activities, the Company supported "Shilpir Chokhe Shobuj Dhaka' campaign of Shobuj Dhaka (an environmental organization), main goal of the campaign is to raise social awareness for tree plantation. The inaugural ceremony was held on November 11, 2017 at Bangladesh Shilpakala Academy. The program was organized in corporation with Dhaka North City Corporation.

Dr. Dipu Moni, former Foreign Minister to the Government of the People's Republic of Bangladesh, Professor Dr. Md. Akhtaruzzaman, Vice Chancellor, Dhaka University, Professor Dr. Kamal Uddin Ahamed, Vice-Chancellor of Sher-e-Bangla Agricultural University (SAU), Dhaka, Mr. Anisul Hoque, screenwriter, novelist, dramatist and journalist were the honorable guests of the inaugural ceremony. 300 artists join the campaign and paintings are displayed at the gallery of Bangladesh Shilpakala Academy.

Financial Aid for the Insolvent Meritorious Students:

A couple of years back the Board of Directors of Prime Insurance Company Ltd had given concurrence for creating an Endowment Fund of Tk. 10 lac with a view to extending their hand towards the poor but meritorious student. The profit of this fund has been spent to provide scholarships to the insolvent meritorious students. In the year 2017, the Board has increased the fund to Tk. 15 lac. The Company has been providing Scholarship to three poor but bright students of University of Dhaka. This year, one more student has been included from the Banking & Insurance Department of the University of Dhaka under this program.

Prime Insurance Company distributes relief among flood victims:

The miserable situation of the flood affected people is beyond any description. In this type of crisis, the country and its flood victims need every bit of help they can get. Thus, being a responsible citizen of the country and as part of corporate social responsibility Prime Insurance Company Ltd distributed relief goods amongst the flood affected people of Gangachora, Rangpur on September 14, 2017.

Mr. Ershad Ali Khan, Executive of Prime Insurance Company Ltd distributed the relief to the distressed people. Mr. Abdul Jalil, Chairman of Mohipur Primary School, Gangachora, Mr. Rezaul Karim, AVP & Head of Rangpur Branch, Prime Bank and Mohammad Saiful Islam were also present there.

Environmental
RELATED INITIATIVES

Environmental change is a change or fidgety of the environment most often caused by human influences and natural ecological processes. Environmental changes can include any number of things, including natural disasters, human interferences, or animal interaction. Environmental change does not only encompass physical changes, but things like an infestation of invasive species is also environmental changes.

Present World is constantly changing. In course of time, we are becoming more dependent on technology which has both positive & negative impacts in our life. Modern Technology is created by human beings for the benefit of mankind. But sometimes, we, the human do some inhuman activity which causes a great harm to our ecological systems, climate and even to our health. Realizing the importance of a sustainable society, Prime Insurance Company Ltd. is continuously making efforts to harmonize environmental preservation and pollution control with possible corporate activities. In order to support the economy and contribute to the betterment of society as a whole, we are committed to do the followings:

- Prime Insurance Company integrates & considers the environmental concerns & its impacts during the time of decision making & executing the activities.
- We provide environment-friendly office equipments, information and solutions which are supported by our clients as well as our employees to preserve the eco-system.
- We strictly comply with environment-related laws and regulations.
- Our determination is to fulfill our social responsibilities through minimizing usage of energy & water within our own premises & also in the branches.
- Educate our staff on a routine basis about our environmental principles is on our high priority to ensure that they conform to these principles in the performance of their work.
- We usually purchase computers, monitors, printers, fax machines, copiers & other office equipments keeping in mind that those are functional, cost effective & eco friendly.
- Prime Insurance uses laptop computers for its employees using instead of desktop computers in order to consume 90% less energy.
- The employees of Prime Insurance are very careful to turn off computers, monitors, printers, copiers and lights and also to put the main switch off at the end of each working day, and the practice is strictly maintained.
- Email usage is inspired here instead of sending memos and faxing documents for reducing time & papers as well.
- To reduce the usage of papers, we print both sides of a paper and also re-use the fresh side of a rough paper for drafting or taking internal print out and it always saves a handsome amount of money.
- LCD monitors are used for lesser power consumption.
- We are working to set up a paperless office.
- We are aware of preventing water taps from dripping, preventing misuse of paper napkin.
- To encourage others & save the world by going green, Prime Insurance keeps a slogan on its all sizes envelopes "LETS GO GREEN, TO KEEP OUR EARTH CLEAN."
- All the cars of the Company including the vehicles of transport pool of transportation of employees are converted to CNG system with a view to reducing air pollution.
- All Air coolers are operating on auto temperature basis which helps limited running of compressor unit and subsequently saving electricity.
- Energy savings bulbs are always used in the office premises in everywhere.
- We usually do and shall continue to maintain, in selecting and purchasing preferable products, supplies & services for all of our daily operational needs that do the least damage to the environment.
- We provide environmental training and information to all of the Executives to raise their awareness about environmental protection.
- As a corporate citizen, we work with the community to protect the environment. We also disclose environmental information and work for mutual understanding with the community.

Environment and
SOCIAL OBLIGATIONS

Environment is everything that is around us. It can be living or nonliving things. It includes physical, chemical and other natural forces. Living things live in their environment. They constantly interact with it and adapt themselves to the conditions in their environment. In the environment there are different interactions among animals, plants, soil, water, and other living and non-living things.

The world is changing constantly. War, terrorism and political instability are ruining our future. In addition to all these, underlying and exacerbating them, there is also an increasing sense that the natural environment of the globe is under terrible pressure and this fear is quite new, no more than half a century old.

The legal aspect of environmental protection is consistently being reviewed at state and local government level. This new legislation contains severe penalties for environmental offenders, so it is vital to know what our environmental obligations are and how to meet them.

Businesses require fulfilling legal obligations as it has got environmental impact. The requirements are relatively simple for business such as offices. Meeting the environmental obligations is not just a legal requirement, it is worth while in itself and helps minimize the likelihood of any environmental problems, costs and damages to the business.

Taking a responsible approach to the environment can also reduce the costs of unnecessary waste, strengthen the Company image and help us to win business from less reputable competitors. Major obligations are, among others, to-

- Minimize the consumption of energy and water use within our premises and branches.
- Purchase preferable products and services for all our daily operational needs that do the least damage to the environment.
- Conserve natural resources by adopting pollution prevention practices.
- Extending the life of equipments through maintenance scheduling, purchasing and reworking used equipments.
- Document Management Project Initiative to archive the backlog and day to day official documents which generates through daily operations and facilities express search capability for achieved materials using enadoc system.
- Remotely 18 Branches to be connected with systems and documents scanning, indexing. Export of scanned images to the enadoc system will be done through from one of the location in a centralized environment.
- Practices reusing, recycling and reprocessing materials that would otherwise be disregarded being waste.

Integrated

REPORTING

Integrated reporting in corporate communication is a "process that results in communication, most visibly a periodic "integrated report", about value creation over time. An integrated report is a concise communication about how an organization's strategy, governance, performance and prospects lead to the creation of value over the short, medium and long term.

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

1. Strategy: Strategy is a high level plan to achieve one or more goals under conditions of uncertainty. The word "strategy" came to denote "a comprehensive way to try to pursue political ends, including the threat or actual use of force, in a dialectic of wills" in a military conflict, in which both adversaries interact. But in case of a business organization Strategy is the direction and scope over the long-term, which achieves advantage for the organization through best utilization of its resources within a challenging environment, to meet the needs of markets and to fulfill stakeholders' expectations.

2. Governance: Governance is the way by which the rules, norms and actions are structured, sustained, regulated and held accountable. Corporate governance essentially involves balancing the interests of the many stakeholders in a company; these include its shareholders, management, customers, suppliers, financiers, government and the community. In Bangladesh, BSEC is regulating the good governance among the listed securities making mandatory compliance of a number of specified criteria. Prime Insurance Company has been maintaining strict compliance of those criteria with a view to ensuring very good corporate governance in doing its business.

3. Performance: The accomplishment of a given task measured against preset known standards of accuracy, completeness, cost and speed. Business performance management is a set of performance managing and analytical processes that enables the management of an organization's performance to achieve one or more pre-selected goals. Business performance management has three main activities (i) selection of goals; (ii) consolidation of measurement information relevant to an organization's progress against these goals, and (iii) interventions made by managers in light of this information with a view to improving future performance against these goals.

4. Prospects: A prospect is the possibility that something magnificent will happen for a particular organization. Prospects of a business organization sharply impacts on its sustainability. Therefore, it is very much important to define the prospects of a particular organization which largely depends on the qualification, expertise and capability of the Management to foresee the future of the organization among the future risks associated with the demand of its products and at the same time improvement and diversification of its products based on the future demand of consumers with due consideration to the probable changes in rules and regulations affecting the business. A very much qualified professional team of Prime Insurance is proactively taking appropriate measures to sustain its prospects.

Creation of value in the Long Term

A corporate body cannot but to abide by many additional rules to ensure their social responsibility that includes save the environment. With that view in mind, the Integrated Reporting comes into limelight. The International Integrated Reporting Council (IIRC) defines it as a process founded on integrated thinking that results in a periodic integrated report by an organization about value creation over time and related communications regarding aspects of value creation. An integrated report is a concise communication about how an organization's strategy, governance, performance and prospects, in the context of its external environment, lead to the creation of value in the short, medium and long term.

Value creation through risk management

Thinking is also possible in an integrated way and it helps to manage risk. While planning integrated all the possible risk areas must be considered including cyber risk. The Central Bank of Bangladesh was highly affected by the cyber crime which badly affected the goodwill of the country as well. So, all the corporate must brainstorm how to arrest all those risks that may be associated with the business of the concern and it has to invest for long period including the risk associated with day to day affairs as well. These risks may be minimized through integrated thinking and transmitting them to the stakeholders including the clientele also.

Increase in competitiveness

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

Changes management practices

Those who work under good governance, they will automatically be developed towards practice of good things. They would think good, behave good, do everything good and thus the corporate would find something certainly good. These good attributes of those in charge of the governance, strongly impacts the roles and issues of an organization spreading its good effects everywhere including in their family lives, which indeed impacts positively for sustainble development of the world at large. So, the Human Resources must be involved in the strategy and value chain of a business, and thus the Integrated Reporting will show a strong but positive result.

Emergent and growing

Two main challenges are required to be addressed and tackled (i) organization's strategy reflecting environmental, social and governance-related risks and opportunities while emphasizing financial, environmental and social sustainability is crucial; (ii) integrating sustainability data raises the credibility of the reported data as these are scrutinized by regulators and by external and internal auditors. The momentum for this move is to provide a clearer narrative around how sustainability actions make available or save longer-term financial returns.

How Prime Insurance has been involved in integrated reporting

A sub-committee of the Board of Directors, those who are assigned with governance of Prime Insurance i.e., the Audit Committee, by sitting regularly ensures its integrity in performing overall responsibility, in establishing a proper and unwavering internal control system through the performance of internal audit periodically, and also as and when required basis. The Audit Committee also considers the external auditors' findings and gives highest importance to those and takes appropriate measures for further development and assurance of the internal control system of the company.

The most exciting about Integrated Reporting is that, this is not just an imaginative change in communication, but a deep behavioral evolution in the way all stakeholders can assess value of a company and its environment which will unquestionably add value to the Prime Insurance Company.

Human Resource ACCOUNTING

Most important asset to be considered in this world is human resources and it is very much different from the physical assets. Physical assets do not have feelings and emotions, whereas human assets are subjected to various types of feelings and emotions of varoius natures. In the same way, unlike physical assets human assets never get depreciated. Therefore, the valuations of human resources along with other assets are also required in order to find out the total cost of an organization.

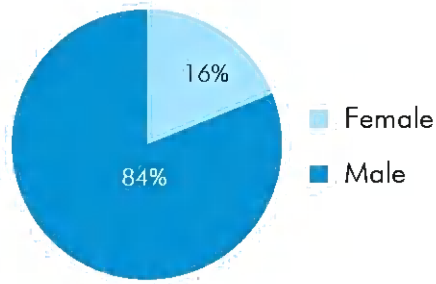
Human Resource Accounting (HRA) accounts for discovering and measuring data about human resources and communicating this information to stakeholders.It involves measuring the costs incurred by organizations to recruit, select, hire, train, and develop human assets. It also involves measuring the economic value of people to the organization.

In other words, **Human resource accounting** is the process of identifying and reporting investments made in the human resources of an organization that are presently unaccounted for in the conventional accounting practices. It is an extension of standard accounting principles. Measuring the value of human resources can assist organizations in accurately documenting their assets. Thus, **Human resource accounting** is a term by the Accountancy Profession to quantify the cost and value of employees of their employing organization.

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

Training 2017	Description	Partici-pants
Local	Human Resource Development.	1
	Effective English Communication at Work place.	4
	Claims Management.	2
	How to Switchover from Existing VAT to new Online VAT.	1
	Workshop on "VAT & TAX".	1
	Development of Employee Efficiency & Productivity.	1
	Fundamental Analysis.	1
	Advance Re-Insurance Course.	3
	Human Resource Management: Skills to resolves work place dispute.	2
	IT Seminar:" Chegus Info Tech" India, (BIA).	
	Technical Analysis: organized by DSE.	3
	Comprehensive Course on " Fire Insurance".	2
	Anti Money Laundering & Combating Financing of Terrorism (AML& CFT) for the Capital Market Intermediaries (DSE).	1
	Electronic Subscription System under Fixed Price Method & book Building Method.	1
	Professional English & Organizational Behavior.	3
	Total	
	Reinsurance International Study Course, Organized by JB Boda, Singapore.	1
Foreign	Residential International Re- Insurance Program Mumbai, India.	1
	International Workshop on Reinsurance Management 2017.	1

Prime Insurance considers that a wide range of matured and qualified group in its personnel helps the company to meet its various needs and helps in its increasing development. During recruitment, Prime Insurance gives emphasis to employ/appoint and retain brilliant people for its team. Besides recruiting highly experienced and technical persons from the Insurance Industry, the young graduates with versatile talent and skills are also given highest priority.



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

Induction

In human resource development, induction training is a form of introduction for new employees in order to enable them to perform their work/task effectively in a new profession or job role within a business (or establishment). Through Induction Program, a new employee becomes able to understand the followings:

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

Recruitment & Selection:

Recruitment can be defined as searching for and obtaining a pool of potential candidates with the desired knowledge, skills and experience to allow an organization to select the most appropriate people to fill job vacancies against defined position, descriptions and specifications.The real value of working at Prime Insurance cannot be simply described through direct compensation.

Recruitment efforts in 2016 touched most of the areas of Prime. In 2017 we also continued our employment to fill in vacancies created by regular turn around. HRD successfully filled the position of Executives in different departments; the roles were critical and related to the areas identified in the strategic plan for Prime.The HR made admirable endeavors in our recruitment processes and we have seen an improvement in the service level of HR.We are greatly appreciative of the support received from them.

Human resource management regards training and development as a function concerned with organizational activity aimed at enhancing the job performance of individuals and groups in organizational settings.Training consists of a range of processes making sure that job holders have the right skills, knowledge and attitudes required to help the organization achieve its objectives. Recruiting individuals to fill in particular posts within a business can be done either by recruitment internally, or by recruiting people externally from outside.

Talent Management

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

Training & Development

Striving for the employees with career and personal skill development opportunities through trainings to offer them with light of hope and success is our determination.

Trainee Executives

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

Experienced Professionals

We provide quality training (in-house, external and abroad) to different levels of employees according to their merit, performance and weak areas to enable them to perform their jobs effectively and progress in their careers. We ensure that staffs are developed to their fullest potential with the right level of authority, responsibility and skills; through training, both on-the-job and formal learning, job rotations and mentoring form the work and learn experience in the Company.

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

Succession Planning

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

Reward and Recognition/ Performer of the year:

Motivation system along with proper reward and punishment are essential for the growth of the Company and its human resources. A good recognition and reward system provides employees fervor and enthusiasm. Employees feel a fair return for their efforts, motivated to maintain and improve their performance; they are also elucidated as to what behaviors and outcomes will be valued by the organization.

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

Service benefit and facilities:

Orchestrating the lives of the employees both financially and mentally is on high priority of the Prime Insurance. Prime insurance offers some other facilities towards them. Our offered benefits can help the employees live well.

Prime Insurance endorses the betterment and productivity of its employees through a good number of facilities and measures, financial & non-financial, such as transportation facilities, contributory provident fund, gratuity fund, group insurance, annual increment, leave encashment, retirement benefits, two festival bonuses, incentive bonuses, car finance scheme for executives, health insurance, house building loan, training & workshop, telephone allowance, fair promotion & career growth opportunities, hygienic work environment, health care facilities etc. are significant benefits of Prime Insurance.

Annual Performance Appraisal:

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

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

- ensure thatall employees fully understand the appraisal system and takes part in it by putting self evaluation marking.
- have employee records, including appraisals, accessible to them.
- be specific in the performance assessment rather than use generalities such as 'poor attitude'.
- include positive feedback about where an employee performs well.
- train staff involved in giving appraisals.

Regulatory
REVIEW

Prime Insurance Company Limited was incorporated under the Companies Act, 1994 and licensed from the Office of the then Chief Controller of Insurance under the Ministry of Commerce and also under the Insurance Act, 1938. The Insurance Act, 1938 had been repealed and the Parliament enacted Insurance Act, 2010 and Insurance Development and Regulatory Authority Act, 2010 to administer the Insurance Industry of Bangladesh.

Segregation of life and non-life insurance business

As per the Insurance Act, 2010 no insurer is allowed to carry out Life and Non-life Insurance Business under an umbrella i.e., no insurance company is allowed to do life insurance and non-life insurance business simultaneously. As per the Regulatory requirement Prime Insurance Company Ltd is doing only non-life insurance business. Prime Insurance is also giving risk coverage of overseas mediclaim and hospitalization scheme including dread diseases within the purview of non-life insurance business.

Compliance with Insurance Act, Rules and Regulations

Prime Insurance Company Ltd follows the provisions of Insurance Act, Insurance Rules and Regulations applicable to the non-life insurance companies. It also complies with the circulars issued by the Insurance Development and Regulatory Authority (IDRA) from time to time. Prime Insurance provides required information by IDRA giving them highest priority.

Compliance with Regulatory Requirements

Prime Insurance Company Ltd follows rules and regulations of all regulatory bodies like National Board of Revenue, Bangladesh Securities and Exchange Commission (BSEC), Dhaka Stock Exchange Ltd (DSE), Chittagong Stock Exchange (CSE) and follows all other applicable laws of the land in performing business activities of the Company. The Corporate Governance Notification of Bangladesh Securities & Exchange Commission (BSEC) is a safeguard for the sustainability of the listed securities of Bangladesh. Prime Insurance has complied with all the criteria regarding good corporate governance being a listed company.

Minimum Stated Capital

As per the Insurance Act, 2010, Prime Insurance Company Ltd has complied with the minimum capital requirement of Tk. 400 million. The Company started its journey with a capital of Tk. 60 million and subsequently included public offering of Tk. 90 million having a total paid-up capital of Tk. 150 million. Considering the aspects of sustainability, Prime Insurance gradually increased its paid-up capital to over Tk. 400 million from internal generation of resources issuing bonus shares to its shareholders in a number of years; it has fulfilled the regulatory requirement of paid-up capital of a non-life insurance company.

Reporting to Bangladesh Bank

Prime Insurance Company Ltd is regularly reporting to Bangladesh Bank about the regulatory requirement of reporting on Suspicious Transaction Reports (STRs) with a view to combating against Money Laundering and Financing of Terrorism. Prime has been reporting to Bangladesh Financial Intelligence Unit (BFIU) of Bangladesh Bank which is responsible for analyzing Suspicious Transaction Reports (STRs), Cash Transaction Reports (CTRs) & information related to money laundering (ML)/financing of terrorism (TF) received from reporting agencies & other sources and disseminating information/intelligence thereon to relevant law enforcement agencies.

Our Sustainability REPORTING

Sustainability reporting comes from the sustainable development goal of a business concern or any other organization. The Sustainable Development Goal (SDG) is the replacement of Millennium Development Goal (MDG) in 2015 by United Nations and 193 countries, irrespective of developed or developing, adopted the Agenda 2030. The Sustainable Development Goals (SDGs) are a collection of 17 global goals set by the United Nations. The broad goals are interrelated though each has its own targets to achieve. The SDGs cover a broad range of social and economic development issues. These include:

(i) **No poverty:** End poverty in all its forms everywhere.

(ii) **Zero hunger**: End hunger, achieve food security and improved nutrition and promote sustainable agriculture.

(iii) **Good Health and Well-Being** for people: Ensure healthy lives and promote well-being for all at all ages.

(iv) **Quality Education:** Ensure inclusive and equitable quality education and promote lifelong learning opportunities for all.

(v) **Gender Equality**: Achieve gender equality and empower all women and girls.

(vi) **Clean Water and Sanitation**: Ensure availability and sustainable management of water and sanitation for all.

(vii) **Affordable and Clean Energy:** Ensure access to affordable, reliable, sustainable and modern energy for all.

(viii) **Decent Work and Economic Growth:** Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all.

(ix) **Industry, Innovation and Infrastructure:** Build resilient infrastructure, promote inclusive and sustainable industrialization and foster innovation.

(x) **Reduced Inequalities**: Reduce income inequality within and among countries.

(xi) **Sustainable Cities and Communities**: Make cities and human settlements inclusive, safe, resilient and sustainable.

(xii) **Responsible Consumption and Production**: Ensure sustainable consumption and production patterns

(xiii) **Climate Change**: Take urgent action to combat climate change and its impacts by regulating emissions and promoting developments in renewable energy.

(xiv) **Life Below Water:** Conserve and sustainably use the oceans, seas and marine resources for sustainable development

(xv) **Life on Land**: Protect, restore and promote sustainable use of terrestrial ecosystems, sustainably manage forests, combat desertification, and halt and reverse land degradation and halt biodiversity loss.

(xvi) **Peace, Justice and Strong Institutions**: Promote peaceful and inclusive societies for sustainable development, provide access to justice for all and build effective, accountable and inclusive institutions at all levels.

(xvii) **Partnerships for the Goals**: Strengthen the means of implementation and revitalize the global partnership for sustainable development.

A country's SDG achievement depends on the achievement of such goal by all individual units. Prime Insurance Company Ltd, in micro level, is also a part of the SDG of the country and it is trying to contribute to achieve the SDG of Bangladesh as far as practicable for it. In micro level all seventeen goals are not applicable and these should be done at macro level from the part of the Government of Bangladesh. Prime Insurance has been undertaking a number of activities as part of its Corporate Social Responsibility. The sustainable reporting may be done through the following processes:

Sustainable reporting process

At first the applicable goals for the company will be identified and relevant topics to be selected through assessment for the Sustainability Reporting and in this process due attention to be given to internal and external research and sources. In addition, surveys and interviews to be held with various business-partner clients and also with the stakeholders. All the data were sourced from the concerned departments and the financial data reported in this report were fully sourced and aligned with the OPL's financial report.

Sustainability reporting guidelines

Global Reporting Initiative has a guideline for sustainability reporting. Prime Insurance Company's Sustainability Report has been prepared following that guidelines keeping in mind the Sustainable Development Goal. It aims to provide only disclosures and indicators that are material to the business about the economic, environmental, and social impacts that really matter detailing it in CSR activities of the Company.

Commitment to future development

The Prime Insurance Company tried to cover few aspects of economic, environmental and social factors and gradually it would try to cover more and more items in the years to come. Prime Insurance is always committed to continue to develop the reporting process to accommodate the needs of the business partner-clients, different stakeholders, many of whom require different depths of information. This will include further integration and incorporation of financial and non-financial information about the activities of the company and also the indicators to provide the stakeholders with a holistic picture of the company's performance.

UNDP's initiative with Prime Insurance

Prime Insurance is going to join a tie with UNDP regarding sustainability reporting and agreed to be included in the Responsible Business Webpage of UNDP. Prime would provide with some defined activities as required by UNDP Innovation Hub which expresses its gratitude to Prime Insurance for sharing information through the UNDP Private Sector Survey 2017. In that survey Prime Insurance mentioned its CSR initiatives from 2012 to 2017. With a view to featuring information on the dashboard Prime Insurance would provide in details about name, location, target population, CSR area and amount invested about these initiatives. Prime's gradually increased numbers of CSR activities reveal its sustainability in doing its non-life insurance business.

Information About
CORPORATE GOVERNANCE

Report of the
AUDIT COMMITTEE CHAIRMAN

Prime Insurance Company Limited has constituted an Audit Committee and the Committee is appointed by & responsible to the Board of Directors. The terms of reference of the Audit Committee has been determined by the Board of Directors in accordance with the code of Corporate Governance. The Audit Committee assists the Board of Directors in ensuring whether the financial statements reflect true and fair view of the state of affairs of the company and assists in ensuring a good governance and good monitoring system within the Company.

Composition of the Audit Committee:

There are seven members in the Audit Committee including one Independent Director. All the members of the Committee are financially literate and appointed by Board of Directors. The present Audit Committee has been reconstituted by the Board in its 288th meeting held on 30th March 2017.

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

Committee Meeting:

During the year 2017, the Committee convened 4 (Four) meetings in which it reviewed, among other things, issues relating to business operations, administrative control, legal compliance and finance & accounts.

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

Scope of the Audit Committee is defined as under:

- To monitor and review the adequacy and effectiveness of the Company's financial reporting process, internal control and risk management system.
- To monitor and review the arrangements to ensure objectivity and effectiveness of the external and internal audit functions.
- To examine audit findings and material weakness in the system and monitor implementation of audit actions plan.
- To discuss major issues concerning accounting principles and financial statement presentation.
- To conduct audit concerning material violation by the management in carrying out operations of the company.
- To review reports of litigation and regulatory compliance matters.
- To monitor internal control risk management process.
- To oversee hiring and performance of external auditors.

- To review the annual and the quarterly and half yearly financial statements before submission to the board for approval.
- To review the adequacy of internal audit function.
- To indentify suspected fraud or irregularity in the internal control system.
- To review statement of significant related party transactions submitted by the management.
- To review management letters/letter of internal control weakness issued by statutory auditors.

Activities performed during 2017:

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

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

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

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

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

Finally, the Audit Committee would like to express sincere thanks to the members of the Board, key management personnel, internal audit division and all employee for their utmost dedication for achieving transparency in performance and all sorts of co-operation extended to the Committee in discharge of its responsibilities.

A.Z.M. Sazzadur Rahman
Chairman
Audit Committee

Management Committee
AND THEIR RESPONSIBILITIES

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

Management Committee:

The Management Committee is tasked with making key decisions of the Company's management and operation under the official delegation of authority from the Board. The Committee is comprised of senior executives who are from various key functions and smoothly operations of the company. The Management Committee has comprises of following executives of the company:

Composition of Management Committee:

Name	Designation in Company	Position in Committee
Mohammadi Khanam	Chief Executive Officer	Chairman
Syed Monirul Huq	DMD & Head of Operation	Member
Sujit Kumar Bhowmik	AMD & Head of Specialized Business Dev. Department	Member
Badal Chandra Rajbangshi FCA, FCS	SEVP & CFO	Member
Md. Delwar Hossain	SEVP & Head of Claims Department	Member
Major Mohammad Nurul Ahsan (retd.)	EVP & Head of HR & Administration	Member
Md. Lokman Hossain	SVP & Head of Accounts Department	Member
Rehana Akter	VP & Head of Public Relation, Corporate Affairs and Customer Care Department	Member
Md. Lalchand Khan	AVP & Head of Internal Control & Audit Department	Member
Enamul Haque Khan	SVP & Company Secretary	Member Secretary

Responsibilities of Management Committee:

Management Committee is responsible for the preparation and fair presentation of the financial statements in accordance with Bangladesh Accounting Standard (BAS), Bangladesh Financial Reporting Standards (BFRS) and in accordance with Bangladesh Securities & Exchange Commission (BSEC) Notification No.SEC/CMMRCD/2006-158/129/Admin/43 dated July 03, 2012 and other applicable Rules & Regulations. Management Committee is also responsible for designing, implementing and maintaining internal control system relevant to the preparation and fair presentation of financial statement that are free from material misstatements, whether due to fraud or error, selecting and applying appropriate accounting policies, and making accounting estimates that are reasonable in the circumstances.

Investment Committee:

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

Composition of Investment Committee:

Name	Designation in Company	Position in Committee
Md. Zakiullah Shahid	Chairman	Chairman
Mohammodi Khanam	Chief Executive Officer	Member
Badal Chandra Rajbangshi FCS, FCA	SEVP & Chief Financial Officer	Member
Md. Lokman Hossain	SVP and Head of Accounts	Member
Enamul Haque Khan	SVP & Company Secretary	Member

Claims Committee:

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

Composition of Claims Committee:

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

Health Insurance Claims Review Committee

Prime Insurance Company has launched Health Insurance and Hajj & Omrah Travel Policy from the year 2014. The Company has been issuing Overseas Medi-claim Policy through Sadharan Bima Corporation (SBC) from the same year. In view of assessing the loss properly, the Board of Directors in its 252nd Board Meeting held on 14 July 2014 constitued a Claims Review Committee with the following Physicians and Chairman of the Board of Directors.

Composition of Health Insurance Claims Review Committee:

Name	Status	Position in Committee
Md. Zakiullah Shahid	Chairman of Prime Insurance Company	Chairman
Dr. Shamim Khan, MBBS	Executive Director, Lion Mukhlesur Rahman Foundation, Chittagong	Member
Dr. Armin Hasan, MBBS	House: 94/1, Flat:A-2, Road: 10, Block- D, Nilketon, Gulshan, Dhaka.	Member

Profile of the members of Health Insurance Claims Review Committee:

Dr. Shamim Khan

Dr. Shamim Khan is a Business and Public Health Professional with More than 10 years of experiences in Health, disability elimination and Tea industry. He is currently serving as a Director of Halda Valley Tea Company Ltd, Executive Director of a reputed Children's Charity Organization named LMRF and an advancing not for profit Healthcare social business named LMRF Healthcare.

Dr. Khan is a medical doctor and achieved his MBBS degree from Bangladesh Medical College under Dhaka University. Started his medical career by working in Orthopedic Surgery department of various Hospitals in different parts of Bangladesh. He passed FCPS part 1 in Orthopedic Surgery and also joined the MS Orthopedic Surgery Course in Dhaka Medical College on 2009. Following that, he received extensive training in Orthopedic and General Surgery in BSMMU and CMCH. Along with his Medical Profession, Dr. Khan also developed himself as a social entrepreneur. On 2010, he founded the Zero Clubfoot Project, primary goal of which is to eliminate Congenital Clubfoot deformity from Bangladesh. Now this project is running under LMRF Healthcare.

Dr. Armin Hasan

Dr. Armin Hasan completed her MBBS from Chittagong Medical College in the year 2011. After completion of her internship she worked in Shahid Suhrawardi Medical College Hospital for 1.5 years and then completed MCPS in January 2016 and DDV (BSMMU) in the same year. Earlier, Dr. Armin also had completed her FCPS part one in Dermatology & Venereology in the year 2013.

Management Responsibility and

BUSINESS PERFORMANCE REVIEW AND ANALYSIS

Management Responsibility:

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

The Company prepares segment wise operation result separately as per requirement of Bangladesh Securities & Exchange Commission. The Company has mainly four reportable segments on the date of reporting namely Fire, Marine, Motor and Miscellaneous. This report describes Prime Insurance Company's operations and financial position for the year ended 31 December 2017.

Management Business Performance Review:

The Company's policy is to build its business upon strong customer services has been continued to deliver impressive results. The underlying performance of the business remains strong with revenue growth retaining well ahead of cost growth. The performance of individual business segment during the year 2017 and its future strategies are presented below:

Segment wise Operating Result/Performance of the Company:

Prime Insurance Company has earned gross premium Tk. 669.07 million and operating profit Tk. 85.54 million in 2017 as against gross premium Tk. 535.01 million and operating profit of Tk. 79.37 million in 2016. Segment wise operating results are as follows:

Segment wise Operating performance for the year 2017

Amount in Million Taka

Particulars	Fire	Marine	Marine Hull	Motor	Misc	For-2017	For-2016	Growth	Growth %
Premium Income (Own retention)	304.03	180.05	1.27	46.82	88.3	620.47	492.27	128.20	26%
Premium income on PSB	5.89	19.95	0.19	2.36	19.89	48.28	42.46	5.82	14%
R/I premium on acceptance	-	-	-	-	0.32	0.32	0.28	0.04	14%
Gross premium income	309.92	200.00	1.46	49.18	108.51	669.07	535.01	134.06	25%
Less:R/I premium ceded	266.44	30.48	0.88	3.54	73.73	375.07	302.75	72.32	24%
Less: R/I premium on PSB	4.73	15.56	0.11	0.10	18.96	39.46	35.2	4.26	12%
Net premium income	**38.75**	**153.96**	**0.47**	**45.54**	**15.82**	**254.54**	**197.06**	**57.48**	**29%**
Add: Net R/I Com.Earned	71.72	10.85	0.25	1.48	23.48	107.79	64.53	43.36	67%
Add: Reserve retained (Previous year)	11.62	43.30	0.06	16.88	6.99	78.85	90.26	(11.41)	(13%)
Less:									
Reserve for un-expired risk	15.50	61.58	0.47	18.21	6.33	102.09	78.85	23.24	29%
Agent commission	45.61	27.00	0.19	7.02	13.24	93.07	73.84	19.22	26%
Management expensens (Revenue A/C)	56.32	36.34	0.26	8.93	19.72	121.58	115.28	6.30	5%
Net claims	2.74	31.75	-	3.14	1.25	38.89	4.52	34.36	760%
Operating profit/(loss)	**1.92**	**51.44**	**(0.14)**	**26.60**	**5.86**	**85.54**	**79.37**	**6.31**	**8%**

Segment Wise Revenue Income of the Company:

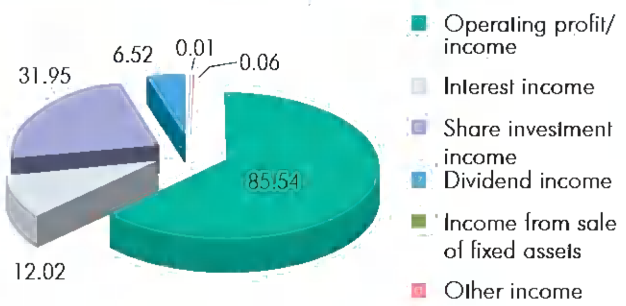
Total Revenue Income is Tk.136.10 million in 2017 against Tk.122.97 million in 2016. Operating profit Tk.85.54 million, Interest income Tk.12.02 million, Share investment income Tk.31.95 million, dividend income Tk.6.52 million and other income Tk.0.07 million as against operating profit Tk.79.37 million, interest income Tk.21.51 million, share investment incomeTk.15.95 million, dividend income Tk. 4.85 million and others income is Tk. 1.29 million. Segment wise Revenue income chart and graphs are given below:

Segment wise Operating performance for the year 2017

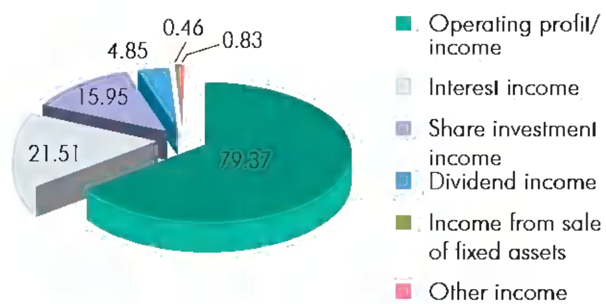
Amount in Million Taka

Components	2017		2016		Growth in amount	Growth %
	Amount (in million TK.)	% of Total Revenue	Amount (in million Tk.)	% of Total Revenue		
Operating profit/income	85.54	62.85	79.37	64.54	6.17	7.8%
Interest income	12.02	8.83	21.51	17.49	(9.49)	(44.1%)
Share investment income	31.95	23.48	15.95	12.97	16.00	100.3%
Dividend income	6.52	4.79	4.85	3.94	1.67	34.4%
Income from sale of fixed assets	0.01	0.01	0.46	0.37	(0.45)	(97.8%)
Other income	0.06	0.04	0.83	0.67	(0.77)	(92.8%)
Total revenue income	**136.10**	**100.00**	**122.97**	**100.00**	13.13	10.7%

Segment wise revenue income-2017
(in million Taka)

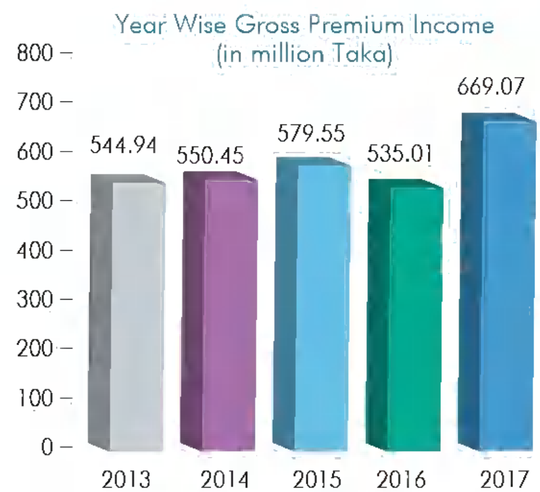


Segment wise revenue income-2016
(in million Taka)



Gross premium income (Turnover):

In the year 2017, Prime Insurance Company Limited attained gross premium Tk.669.07 million as against Tk. 535.01 million in 2016 and increase of 25% over the previous year. Class wise and year wise gross premium income are shown in flowing graphs:



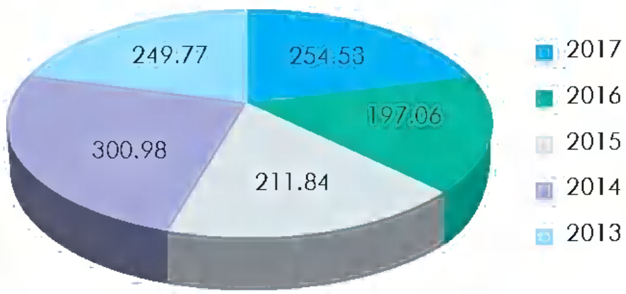
Net Premium income:

In the year 2017, the Company attained net premium income Tk. 254.53 million against Tk.197.06 million in 2016 and increased of 29.16% after reinsurance ceded premium. 5 years net premium income is given below :

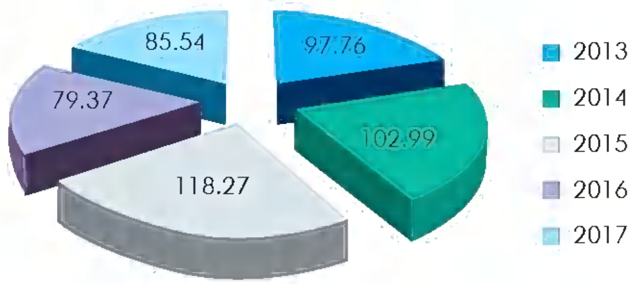
Operating Profit (Underwriting Profit):

In the year of 2017, operating profit of the Company increased to Tk.85.54 millin from 79.37 million in 2016 and the growth rate is 7.79% compared to 2016. 5 years operating income are as follows:

Year Wise Net Premium Income
(in Million Taka)



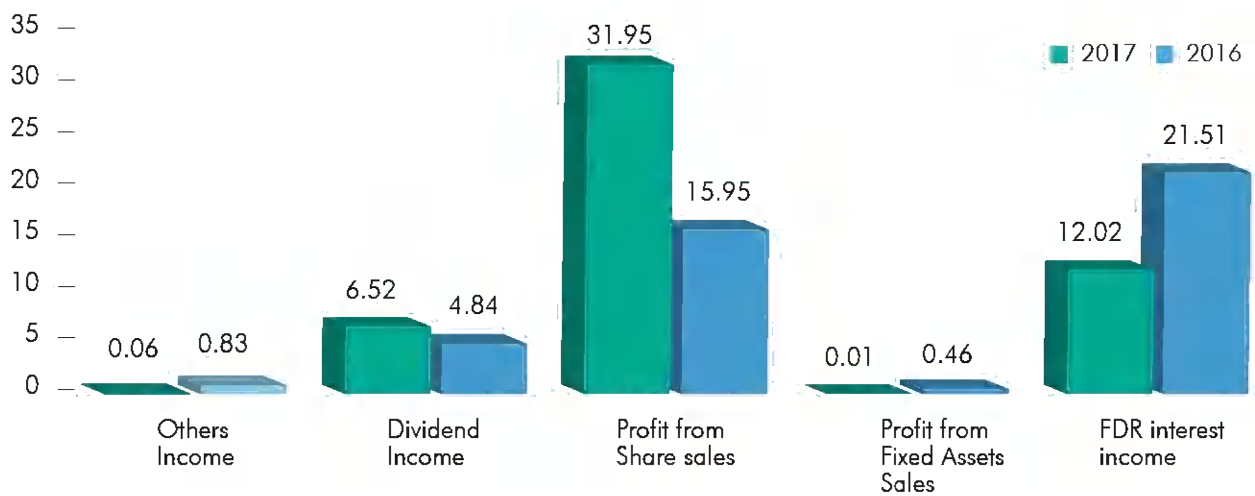
Year Wise Operating Profit
(in Million Taka)



Segment wise Investment & Others Income:

Particulars	2017		2016		Change in amount	Change in %
	Amount (in million TK.)	Total %	Amount (in million Tk.)	Total %		
Interest Income	12.02	23.77	21.51	49.35	(9.49)	(44.12)
Dividend income	6.52	12.90	4.84	11.10	1.68	34.71
Profit from sales of share & mutual fund	31.95	63.19	15.95	36.59	16.00	100.32
Profit from sales of Fixed Assets	0.01	0.02	0.46	1.06	(0.45)	0.00
Others income	0.06	0.12	0.83	1.90	(0.77)	(92.77)
Total :	**50.56**	**100.00**	**43.59**	**100.00**	**6.97**	

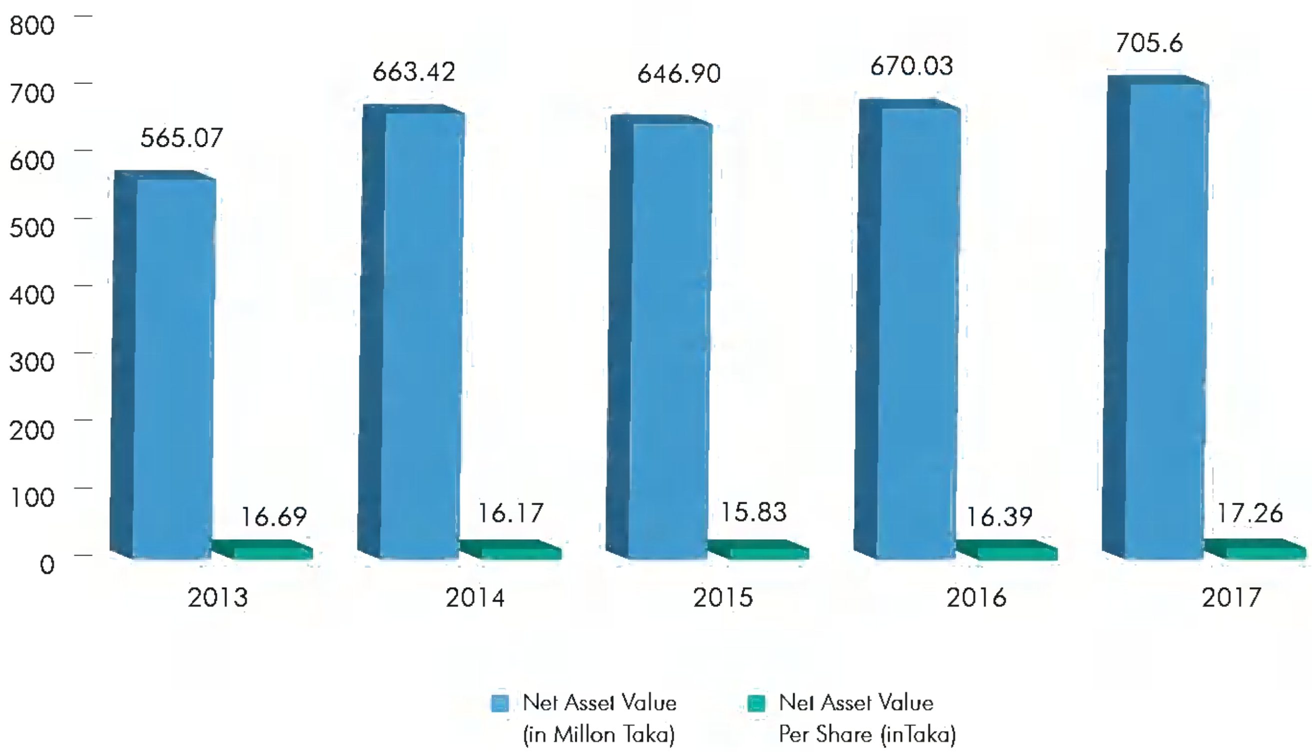
Invesment income (in Graphs)



Financial ratio analysis (Balance sheet analysis):

Net assets value (NAV) and net asset value per share:

Net Asset Value (NAV) of the Company stands at Tk.705.60 million in 2017 which was Tk. 670.03 million in 2016. At the same time net asset value per Share is Tk.17.26 in 2017 while it was Tk.16.39 in 2016 which has increased by 5.32%. 5 Years net assets value graph is given as under:



Report on
GOING CONCERN

Bangladesh Accounting Standard (BAS-1) :Presentation of Financial Statements requires management to make an assessment of an entity's ability to continue as a going concern. In other Financial Reporting Frameworks, there may be no explicit requirement for management to make specific assessment of an entity's ability to continue as a going concern. Nevertheless, since the going concern assumption is a fundamental principle in the preparation of financial statements as per BAS-1, the preparation of the financial statements requires management to assess Prime Insurance's ability to continue as a going concern even if the financial reporting framework does not include an explicit requirement to do so. Bangladesh Securities and Exchange Commission Notification dated 7 August 2012 requires the Directors of all the listed companies to report on its ability to continue as going concern. The Board of Directors of Prime Insurance makes annual assessment as to whether there exists any material uncertainty that may cast significant doubt about Prime Insurance's ability to continue as a going concern. Financial Statements are normally prepared on the assumption that an enterprise is a going concern and will continue in operation for the foreseeable future. Hence, it is assumed that the enterprise has neither the intention nor the need to liquidate or curtail materially the scale of its operations; if so, the basis used is disclosed. On the other hand Listed Companies are required by Bangladesh Securities and Exchange Commissionto report on its ability to continue as going concern. The Board of Directors of Prime Insurance Company Limited has made annual assessment about whether there exist material uncertainties which may cause significant doubt about the Company's ability to continue as going concern. The directors' assessment of whether the Company is a going concern involves making appropriate inquiries including review of budget, forecast, assumptions and future outcome of inherent uncertainties in existence. The Directors are convinced from the following indications, which gave reasonable assurance as to company's ability to continue as a going concern for the foreseeable future. The time period that the Directors have considered in assessing the appropriateness of the going concern, while preparing the financial statements for the year ended 31 December 2017, is a period of twelve months from the date of approval of these financial statements (the period of assessment). The Directors have focused on the matters setout below:

Financial Indications

* Positive Current Assets:

Prime Insurance has positive current assets of Tk. 872.97 million as on 31 December 2017. It signifies Company's ability to meet its short-term obligations using the short-term assets.

• Speedy settlement of Claims:

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

• Fixed term debt with realistic renewal or repayment:

At the end of financial year 2017, there was no fixed term borrowing of the Company. Based on Company's functional procedure, the company has been payingfixed term borrowing if any, at first priority basis.

• Less reliance on short term borrowing/ Current liabilities:

At the end of the financial year 2017, total short term borrowing/current liabilities of the company are Tk 517.22 million, representing 42.30% of total Liabilities that indicates that the company has least reliance on short term borrowings.

• Continuous financial support by lenders/ Valued Investors:

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

• Positive Operating Cash flows:

Cash flow statement of the Company for the year 2017, shows positive operating cash flows of Tk. 20.88 million. Net operating Cash flows Per Share is Tk. 0.51. 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 summary given in 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 has been given in this Annual Report, which reflects company's long term vision. Every year since listing, the Company has been continuously paying stock dividend that reflects Company's long-term viability in operational existence. The company has started to pay cash dividend again to the shareholders from the year 2014.

• Credibility in payment of obligations:

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

• Performance growth:

During the year the Company's performance is significantly upward. Prime Insurance Company has excellent growth in its overall performance in 2017. Profit before tax is Tk. 110.67 million and Net profit after Tax is Tk.88.72 million . All those indicators support Company's continuance in foreseeable periods.

• Positive underwriting results and trends:

Prime Insurance Company has excellent growth in its underwriting result /operating performance. Total consolidated underwriting/operating revenue is Tk.85.54 million in 2017 as against Tk.79.37 million in 2016 which indicates 7.77 % growth against last year and net profit after tax is Tk.88.72 million in 2017 as against Tk. 74.23 million in 2016 which indicates 19.25% growth against last year.

Operating indications

• No key management turnover:

In 2017, the company has not experienced any event of turnover in key management position. Employees have long term commitment and loyalty to the company. Average length of services of an employee at Prime Insurance company Ltd is 10.68 (approx) years .

• Good business expansion:

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

• Speedy settlement of Claims to the Clients:

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

• Good market reputation and clients' satisfaction:

The Company has built good market reputation by introducing its products and services to the clients step by step with professional and expert services demonstrating honesty and efficiency of the Management team. In 2017, the company has achieved premium earning of Tk. 669.07 million where position of the company is among top 10 of the Non-life insurance Premium Income in the Private Sector Insurance Companies of Bangladesh. The Company also tries to pay its clients any claims following easy process within minimum requirement of 90 days. All these indicate its good market reputation and marks of client satisfaction of the Company.

• Good Corporate environment and employee satisfaction:

Prime Insurance Company possesses a very good corporate environment. There exists excellent work atmosphere and very friendly environment. Communication among the employees is very outstanding. The Company endeavors to be honest and practices fair treatment to all employees which ensures good corporate environment. The Company pays a very competitive compensation package and there exists a good number of employee benefits like transport benefits, Performance related bonus, gratuity, Provident Fund, Group Insurance benefits etc. These are considered to be instrumental for employee satisfaction.

• Maintenance of Sufficient Capital base as required by law:

As on 31 December 2017, the Company's total equity stands at Tk. 705.60 million. While the minimum Paid-Up Capital required by Insurance Development and Regulatory Authority (IDRA) is Tk.400.00 (Four hundred) million. Company's Paid-up capital as on 31 December 2017 is Tk.408.77 million. The Board has recommended 15.00% cash dividend for the year 2017. Upon approval by the Shareholders in the forthcoming AGM scheduled to be held on 29th March 2018, the paid-up capital would remain at Tk.408.77 million.

• Strong Equity Base:

As on 31 December 2017, the Company' s total equity stands at Tk. 705.60 million as against total equity of Tk. 670.03 million in 2016 which was included in paid up Capital of Tk.408.77million representing an increase of 5.04% over last year that reflects company's strong equity base.

• Strong Claims Paying Ability (CPA):

In 2017, Credit Rating information and Services Limited (CRISL) has graded again the Claim Paying ability (CPA) rating of the company to "A+" (Pronounced as only single A+) based on the Audited Financial Statement for the year ended December 31, 2016 which was "A+" (Pronounced as only single A+) based on the audited Financial Statements as on December 31, 2015. This indicates the company's Strong Claim paying Ability (CPA) position.

• Anticipates no significant change in legislation or government policy:

Management anticipates no significant change in legislation or government policy, which may materially affect the business of the company. Based on the above indications, directors feel it is appropriate to adopt going concern assumption and there is no material uncertainty in preparing the financial statements. Adequate disclosures have been made in the financial statements and different sections of the annual report to understand the appropriateness of 'going concern basis' in preparing financial statements.

Responsibility of
CEO & CFO

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

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

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

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

We also Certify to the Board that:

(i) We have reviewed financial statements for the year 2017 and that to the best of our knowledge and belief:

- a) these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
- b) these statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards and applicable laws.

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

Badal Chandra Rajbangshi
SEVP & CFO

Mohammodi Khanam
Chief Executive Officer

Report on the
CORPORATE GOVERNANCE

The Corporate governance refers the system of rules, practices and processes of a company and how it is directed and controlled. Corporate governance essentially involves balancing the interests of a company's stakeholders i.e., shareholders, management, customers, suppliers, financiers, government and the community. It provides the guideline of attaining Company's objective through the action plan and internal controls of Management through disclosure. Corporate behavior is dictated by the Corporate Governance with a set of rules, controls, policies and regulations.

Boards are often comprised of inside and independent members. Insiders are major shareholders, founders and executives. Independent directors do not share the ties of the insiders, but they are chosen because of their experience of managing or directing other large companies. Independent persons on the Board are considered helpful for governance; because they dilute the concentration of power and help align shareholders' interest with those of the insiders.

Shareholders require reliability and integrity or Board and Management have obligations to the shareholders. Tolerance or support of illegal activities causes scandals and discontinue the brand loyalty and growth of the institutions. Hence, good corporate governance creates a transparent set of rules and controls in which shareholders, directors and officers have aligned incentives. Most companies strive to have a high level of corporate governance. For many shareholders, it is not enough for a company to merely be profitable; it also needs to demonstrate good corporate citizenship through environmental awareness, ethical behavior and sound corporate governance practices.

During the current era risk factors related to the business and putting the strategy of risk management are also being measured under the purview of good governance system. In Prime Insurance, Corporate Governance is not only a public procedure and obligation to the authority but Governance itself is a strategy to protect risk of stakeholders. The objective of practicing good governance in prime insurance company is to increase the wealth of stakeholders especially for the shareholders. The Board of the Company takes cognizance of good corporate governance practice as a core ingredient in the creation of sustainable shareholders' value and protecting interests of the stakeholders.

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

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

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

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

a. That the Board is appropriate in size and members are committed to their respective duties & responsibilities.
b. Representation of women on the Board is encouraging.
c. That timely flow of information to the Board and its Committees are ensured to enable them discharge their functions effectively.
d. That a sound system of risk management and internal control is in place.
e. That timely and balanced disclosure of all material information concerning the Company is made to all stakeholders.
f. That all transactions of the Company are transparent and accountability for the same is well established.
g. That all regulatory and statutory rules and regulations are complied with.
h. Partnering with the Regulators, Associations and Forums contributing towards development the insurance industry.
i. The Company is being run in line with Corporate Governance Guidelines of BSEC.

The role and responsibilities of the Board

To ensure effective adherence to of corporate governance, the Board of Prime Insurance formulates strategic objectives and policies for the Company and supervises management action in implementing those objectives of the Company. Board of Directors is in full control of the Company's affairs and is also accountable to the Shareholders. The Board firmly believes that the success of the Company largely depends on the purview of a feasible corporate governance practice.

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

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

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

Board Meetings and proceedings

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

13 Board Meetings were held in the year 2017, wherein policies and major business and strategic decisions were taken. At the invitation of the Board, Members of Senior Management or portion thereof Handed Board meetings for the purpose of participating in discussions.

Appointment of Directors

Prime Insurance does not have its own policy on appointment of directors, except for the very first Board that was held. The Company always complies with the prescription of the regulatory authorities regarding appointment of directors. IDRA Circulars, BSEC Notifications, Companies Act 1994 and Company's Articles of Association are strictly followed regarding this matter. Directors are appointed by the Shareholders in the AGM. Casual vacancies, if any, are filled by the Board in accordance with the stipulations of the Companies Act 1994 and the Articles of the Company. The Managing Director & CEO is appointed by the Board subject to the consent of the Shareholders in the AGM and approval of the IDRA. All Directors hold Company's common shares as per Company's Articles of Association and the requirements of BSEC.

Composition of the Board of Directors

The Board of the Company is comprised of 20 members as on 31 December 2017. The Managing Director & CEO acts on the Board as ex-officio Director. All the Directors on the Board are non-executive Directors and do not get any remuneration in addition to their Meeting attendance fee. Only the Chief Executive Officer is an Executive Director.

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

The name of the Directors and their position on the Board are as follows:

SL#	Composition of the Board	Position
	Non-executive Directors	
1	Md. Zakiullah Shahid	Chairman
2	Saheda Pervin Trisha	Vice Chairperson
3	Nazma Haque	Director
4	Qazi Saleemul Huq	Director
5	Sabiha Khaleque	Director
6	Mahanur Ummel Ara	Director
7	Rahela Hossain	Director
8	Gole Afroz Banu	Director
9	Dr. Fatema Raushan Jahan	Director
10	Nilufar Hossain	Director
11	Hasina Khan	Director
12	Tahera Akhter	Director
13	Mahabuba Haque	Director
14	Dil Ara Begum	Director
15	Mizanur Rahman Mostafa-Nominated by Makson Bay Ltd	Director
16	Abu Hasan Khan-Nominated by GQ Ball Pen Industries Ltd.	Director
17	Sarwat Khaled-Nominated by Prime Financial Securities Ltd	Director
18	Md. Ashaduzzaman-Nominated by Fareast Securities Ltd	Director
	Independent Directors	
19	A. Z. M. Sazzadur Rahman	Director
20	Kazi Zahedul Hasan	Director
	Executive Director	
21	Mohammodi Khanam (Ex-officio)	Chief Executive Officer

Directors' shareholding status

As per BSEC Notifications dated 22-11-2011 and 7-12-2011, each Director other than Independent Director(s) of any listed company shall hold minimum 2% shares of the paid-up capital by 21 May 2012; else there shall be a casual vacancy of Director(s). And all sponsors/promoters and Directors of a Company listed with any Stock exchange shall, at all time, jointly hold 30% shares of the paid up capital of the company. All the eligible Directors of Prime Insurance posseses required number of shares to comply with the above Notifications.

Separate Role of the Chairman & the Chief Executive Officer

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

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

Role of the Chairman

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

Functions of the Chairman of the Board of Directors:

- Chairs the Board and Shareholders' Meeting.
- Provides leadership to the Board in all affairs of the Board's function.
- Plans and organizes all the activities of the Board of Directors.
- Ensures effective operation & performance of the Board and its Committees in conformity with the highest standards of corporate governance.
- Works closely with and through the Managing Director and participates in the development of company's mission, vision, strategic objectives and business plans.
- Provides the key link between the Board and the Management.
- Ensures Corporate Social Responsibilities activities of the Company.

Role of the Chief Executive Officer

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

Functions of the Chief Executive Officer:

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

Independent Directors

As per Section 76 of Insurance Act, 2010, the Board of Directors of any Insurance Company shall not be more than 20, out of which there shall be 12 Sponsor Directors, 6 Directors from Public

Subscribers and 2 Independent Directors. At present, Board of Prime Insurance Company Ltd. is comprised with 2 Independent Directors: (1) A.Z.M Sazzadur Rahman and (2) Kazi Zahedul Hasan. Their individual profiles have been disclosed in the earlier part of the Annual Report.

A.Z.M Sazzadur Rahman was appointed in the 251st Board Meeting held on 26-06-2014 for a period of 3 years. His appointment was approved by the Shareholders in the 19th AGM. As per BSEC's Corporate Governance Guidelines of 30 August 2012, his term as Independent Director expired in June 2017 and upon successful completion of the term, he was appointed by the Board for second term subject to the approval of the Shareholders in AGM for another term of 3 years.

Kazi Zahedul Hasan was appointed in the 279th Board Meeting held on 23-07-2016 for a period of 3 years. His appointment conducted upon consent given by the shareholders in the 21st AGM held on 30 March 2017.

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

Vision, Mission and Strategy

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

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

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

Board Committees

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

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

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

Executive Committee (EC)

The Executive Committee guides the management in achieving the Company's Mission/Vision. The Committee ensures implementation of policies, approves claims and other business proposals as per the approved policy of the Board. It also approves the requirements for management personnel for different sections of the Company, review major compensation policies and recommend annual increment/promotion of employees & incentive programs, evaluate effectiveness of the HR policy etc. Eight meetings of the Executive Committee were held in the year 2017.

The Board, in its 276th Meeting held on 30 March 2017 reconstituted the Executive Committee with following 10 non-executive Directors:

SL#	Composition of the EC	Position
1.	Nazma Haque	Chairperson
2.	Qazi Saleemul Huq	Member
3.	Sabiha Khaleque	Member
4.	Dr. Fatema Raushan Jahan	Member
5.	Mahabuba Haque	Member
6.	Mahanur Ummel Ara	Member
7.	Rahela Hossain	Member
8.	Saheda Pervin Trisha	Member
9.	Abu Hasan Khan (Nominated by GQ Ball Pen Industries Ltd.)	Member
10.	Mizanur Rahman Mostafa (Nominated by Makson Bay Ltd)	Member

Audit Committee

The Audit Committee is empowered to examine any matter relating to financial affairs of the Company and to review all audit programs, internal control system & procedures, management information system, management of risks, internal audit reports and audit process, compliance with laws &

regulations including Company's own code of business conduct. The Committee recommends to the Board steps to improve the system of internal control derived from the findings of the internal and external auditors' report and from the experience of the audit committee itself gatherd in cause of carring out its functions.

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

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

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

The Audit Committee aims to create efficiency, remain compliant in the operations and to add value to the Company and to ensure corporate governance. The Committee also oversees the discharge of responsibilities of the External Auditors. 4 (Four) meetings of the Audit Committee were held in the year 2017.

The Board, in its 276th Meeting held on 30 March 2017 reconstituted the Audit Committee with following 7 (seven) non-executive Directors including Independent Director as Chairman of the Committee:

SL#	Composition of the Audit Committee	Position
1.	A.Z.M Sazzadur Rahman	Chairman
2.	Qazi Saleemul Huq	Member
3.	Ms. Sabiha Khaleque	Member
4.	Md. Ashaduzzaman	Member
5.	Dr. Fatema Raushan Jahan	Member
6.	Abu Hasan Khan	Member
7.	Hasina Khan	Member

While few members in the committee are from finance and accounts background, all member of the Audit committee are erudite in matters relating to finance.

Salient Features of the Audit Committee

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

Remuneration Committee

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

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

The Directors do not get any remuneration. They only get fees for attending Board/Committee Meetings. The Directors receives Tk. 5,000 for attending board meeting and any committee meeting as per IDRA circular dated 26. 8. 2010.

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

Composition of Remuneration Committee

SL#	Name of Directors	Position
1	A Z M Sazzadur Rahman	Chairman
2	Rahela Hossain	Member
3	Abu Hasan Khan Nominated by GQ ball Industries Ltd.	Member
4	Saheda Pervin Trisha	Member
5	Md. Zakiuilla Shahid	Special Invitee Member
6	Qazi Saleemul Huq	Special Invitee Member
7	Sabiha khaleque	Special Invitee Member

Term of Reference (TOR) of Remuneration Committee

Roles and responsibilities

The role of the remuneration committee is to assist and advise the Board to fulfill its responsibilities to members of the Prime Insurance Company Ltd (PICL) on matters relating to the compensation, bonuses, incentives and remuneration issues of the Chief Executive Officer (CEO) and other PICL staff.

The remuneration committee is not a policy making body but assists the Board/EC by implementing board policy.

Objectives of the committee include:

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

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

Composition and term

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

Meetings

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

Secretariat duties

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

Voting

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

Review of TOR

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

Management Committee (MANCOM)

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

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

1. Administration
2. Human Resources Department
3. Board Affairs
4. Establishment & Logistic
5. Finance & Accounts
6. Branch Control Department
7. Claims
8. Re- Insurance
9. Audit & Internal Control
10. Specialized Business & Market Development and Health Insurance
11. Share Trade & Investment
12. Information Technology
13. Public Relation & Corporate Affairs
14. Customer Care

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

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

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

Internal Control

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

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

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

Role of the Company Secretary

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

Role of the Head of Audit & Internal Control

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

Ethics and Compliance

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

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

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

Communication with Shareholders and Stakeholders

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

The Company disseminates its all Price Sensitive Information (PSI) within 30 minutes of the decision to the BSEC and the Stock Exchanges under the signature of Managing Director or Company Secretary through fax/e-mail and by special messenger, and through courier services in special cases and immediately publishes the same in 2 widely circulated newspapers, one in Bangla and the other in English and also in one online news portal.

The shareholders are provided routine services by the Company Secretary in the matters of transfer of shares, replacement in case of damage of shares, payment of dividend, reissue of dividend warrant when warrants expires in the hand of shareholders, issue of certificates on tax deduction from dividend etc.

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

The Board of Directors regards the Annual General Meeting (AGM) and other General Meetings as important opportunities for direct communication with the honorable Shareholders. To make the AGM more participatory, the Company declares the date of AGM well ahead of time, circulates Annual Reports and other documents in time, arrange AGM in a well-located place at convenient time, which allows the shareholders to attend and speak in the AGM freely. The company values their proposals and suggestions which are certainly pertinent and for the development and progress of the Company. In the last AGM held on 30 March 2016, a large number of shareholders attended the meeting and participated in the discussions and made different queries and suggestions on different subjects. The Company is fully committed to protect the interest of its shareholders.

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

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

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

Relationship with the Government

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

Human Capital

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

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

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

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

Environmental & Social Obligation

The Board of Directors is also aware of the social obligations, especially in the areas of gender equality, race-religion-regional equality, non-employment of child labor, human rights, environmental pollution, social activities (promotion of sports & culture), participation in charitable activities, financial assistance to handicapped or disabled children etc. with a non-partisan outlook.

Lately, the issue of climate change is being addressed seriously all over the world. It is identified that Bangladesh being in southern delta is under serious threat of natural disaster. A detailed discussion on environment and social obligation is included in this Report in the 'Report on other Activities Chapter'.

Quarterly Reports

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

Audit Committee Evaluation on Quarterly Reports

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

Compliance Report on
SEC NOTIFICATION

Status of compliance with the condition imposed by the Securities and Exchange Commission's Notification No. SEC/CM RRCD17006-158/229l admin /43: dated 7 August, 2012

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

Condition No.	Title	Compliance Status		Remarks (if any)
		Complied	Not Complied	
1.2 (Vi)	Tenure of office of an independent director shall be for a period of 3 (three) Years, which may be extended for 1 (one). Term only.	✓		
1.3	**Qualification of Independent Director (ID)**			
1.3 (i)	Knowledge of Independent Directors	✓		
1.3 (ii)	Background of Independent Directors	✓		
1.3 (iii)	Special cases for qualifications			N/A
1.4	**Individual Chairman of the Board and CEO**	✓		
1.5	The Directors' Report to Shareholders:	✓		
1.5 (i)	Industry outlook and possible future development in the industry	✓		
1.5 (ii)	Segment-wise or product-wise performance	✓		
1.5 (iii)	Risks and concerns	✓		
1.5 (iv)	Discussion of Cost of Goods Sold, Gross Profit Margin and Net Profit Margin.	✓		
1.5 (v)	Discussion on continuity of any Extra-Ordinary gain or loss	✓		
1.5 (vi)	Basis for related party transactions	✓		
1.5 (vii)	Utilization of proceeds from public issues, rights issues and/or through any others	✓		
1.5(Viii)	Explanation if the financial results deteriorate after the company goes for IPO, RPO, Rights Offer, Direct Listing.			N/A
1.5(ix)	Explanation about significant variance occurs when Quarterly Financial Performance and Annual Financial Statements.			N/A
1.5 (x)	Remuneration to directors including independent directors	✓		
1.5 (xi)	Fairness of Financial Statement	✓		
1.5 (xii)	Maintenance of proper books of accounts	✓		
1.5 (xiii)	Adoption of appropriate accounting policies and estimates	✓		
1.5 (xiv)	Followed IAS, BAS, IFRS and BFRS in preparation of financial statements	✓		
1.5 (xv)	Soundness of internal control system	✓		

Condition No.	Title	Compliance Status		Remarks (if any)
		Complied	Not Complied	
1.5 (xvi)	Ability to continue as a going concern	✓		
1.5 (xvii)	Significant deviations from the last year's operating results	✓		
1.5 (xviii)	Key operating and financial data of at least preceding 5 (five) years	✓		
1.5 (xix)	Reasons for not declared dividend			N/A
1.5 (xx)	Number of board meetings held during the year and attendance	✓		
1.5 (xxi)	Pattern of shareholding:			
1.5 (xxi) a)	Parent/Subsidiary/Associated Companies and other related parties	✓		Attached in the annexure -II
1.5 (xxi) b)	Directors, CEO, CS, CFO,HIA and their spouses and minor children	✓		do
1.5 (xxi) c)	Executives	✓		do
1.5 (xxi) d)	10% or more voting interest	✓		do
1.5 (xxii)	**Appointment/re-appointment of director**:			
1.5 (xxii) a)	Resume of the director	✓		
1.5 (xxii) b)	Expertise in specific functional areas	✓		do
1.5 (xxii) c)	Holding of directorship and membership of committees of the board other then this Company.	✓		do
2.1	Appointment of CFO, HIA and CS:			
2.2	Attendance of CFO and CS at the meeting of the Board of Directors.	✓		In practice
3	Audit Committee:			do
3 (i)	Constitution of Audit Committee	✓		do
3 (ii)	Assistance of the Audit Committee to Board of Directors	✓		In practice
3 (iii)	Responsibility of the Audit Committee	✓		In practice
3.1	Constitution of the Audit Committee:			
3.1 (i)	At least 3 (three) members	✓		7 members including 1 ID

Condition No.	Title	Compliance Status		Remarks (if any)
		Complied	Not Complied	
3.1 (ii)	Appointment of members of the Audit Committee	✓		
3.1 (iii)	Qualification of Audit Committee members	✓		
3.1 (iv)	Term of Service of Audit Committee members	✓		In practice
3.1 (v)	Secretary of the Audit Committee	✓		In practice
3.1 (vi)	Quorum of the Audit Committee	✓		In practice
3.2	**Chairman of the Audit Committee:**			
3.2 (i)	Board of Directors shall select the Chairman, who shall be a independent director	✓		Board in its meeting held on 31-3-2013 nominated ID as Chairman of the Audit committee
3.2 (ii)	Chairman of the audit committee shall remain present in the AGM.	✓		Will be present
3.3	**Role of Audit Committee:**			
3.3 (i)	Oversee the financial reporting process	✓		In practice
3.3 (ii)	Monitor choice of accounting policies and principles	✓		In practice
3.3 (iii)	Monitor Internal Control Risk management process	✓		In practice
3.3 (iv)	Oversee hiring and performance of external auditors	✓		In practice
3.3 (v)	Review the annual financial statements before submission to the board for approval	✓		In practice
3.3 (vi)	Review the quarterly and half yearly financial statements before submission to the board for approval	✓		In practice
3.3 (vii)	Review the adequacy of internal audit function	✓		In practice
3.3 (viii)	Review statement of significant related party transactions	✓		In practice
3.3 (ix)	Review Management Letters/ Letter of Internal Control weakness issued by statutory auditors	✓		In practice
3.3 (x)	Disclosure about the uses/applications of funds raised by IPO/RPO/Right issue			N/A
3.4	**Reporting of the Audit Committee:**			In practice
3.4.1	Reporting to the Board of Directors:	✓		
3.4.1 (i)	Activities of Audit Committee	✓		"

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

The Pattern of
SHAREHOLDING

As on 31 December 2017

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

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

SL	Name	Share Hold	% of Holding	Name of the spouse	Share held	% of Holding
1	Md. Zakiullah Shahid	1111371	2.72	Sonia Rahman	-	-
2	Saheda Pervin Trisha	824309	2.01	Md. Shahnewaz	-	-
3	Nazma Haque	1111372	2.72	Md. Aminul Haque	-	-
4	Qazi Saleemul Huq	913367	2.33	Mrs. Salma Huq	-	-
5	Sabiha Khaleque	1174277	2.87	M.A Khaleque	-	-
6	Mahanur Ummel Ara	880804	2.15	Mafiz .A.Bhuiyan	59,571	0.15
7	Rahela Hossain	1111372	2.72	S.A.M. Hossain	-	-
8	Gole Afroz Banu	1048467	2.56	K.M.Khaled	-	-
9	Dr. Fatema Raushan Jahan	880491	2.15	Kazi Sazid Ahmed	-	-
10	Nilufar Hossain	980312	2.39	M.Shahadat Hossain	-	-
11	Hasina Khan	1111371	2.72	Nader Khan	77,835	0.19
12	Tahera Akhter	1111372	2.72	Dr.Mostafizur Rahman	-	-
13	Mahabuba Haque	932168	2.28	Aynul Haque	-	-
14	Dil Ara Begum	956206	2.34	Md. Shamsul Alam	-	-
15	Mizanur Rahman Mostafa- Representing Makson Bay Ltd	2500000	6.11	Nahida Sarmin	-	-
16	Abu Hasan Khan Representing GQ Ball Pen	241501	0.59	Mahbuba H.Khan	-	-
17	Sarwat Khaled- Prime Financial Securities Ltd.	417000	1.02	Tanvirul Haque	-	-
18	Md. Ashaduzzaman Representing Fareast Securities Ltd	403178	.99			
19	A. Z. M. Sazzadur Rahman Independent Director	Nil	Nil	Nilufar Rahman	-	-
20	Kazi Zahedul Hasan Independent Director	Nil	Nil	Perween Hasan	-	-

iii)	Shareholding of CEO,CFO,CS and Head of Internal Audit					
1	CEO- Mohammodi Khanam	-	-	Mehmood Husain	-	-
2	CFO- Badal Chandra Rajbangshi	-	-	Nandita Rajbangshi	-	-
3	CS- Enamul Haque Khan		-	Shahanaz Parvin	-	-
4	Head of Internal Audit- Md.Lalchand Khan	-	-	Raisan Ara	-	-

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

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

Directors Attendance
IN MEETINGS

1 January 2017 to 31 December 2017

Board Meeting

Sl. No.	Name of the Directors	Position in the Board	Meeting Held	Present
1	Md. Zakiullah Shahid	Chairman	13	13
2	Saheda Pervin Trisha	Vice Chairperson	13	12
3	Nazma Haque	Director	13	10
4	Qazi Saleemul Huq	Director	13	4
5	Sabiha Khaleque	Director	13	6
6	Mahanur Ummel Ara	Director	13	3
7	Rahela Hossain	Director	13	10
8	Gole Afroz Banu	Director	13	-
9	Dr. Fatema Raushan Jahan	Director	13	10
10	Nilufar Hossain	Director	13	-
11	Hasina Khan	Director	13	7
12	Tahera Akhter	Director	13	3
13	Mahabuba Haque	Director	13	10
14	Dil Ara Begum	Director	13	12
15	Mizanur Rahman Mostafa-Nominated by Makson Bay Ltd	Director	13	9
16	Abu Hasan Khan-Nominated by GQ Ball Pen Industries Ltd.	Director	13	12
17	Sarwat Khaled-Nominated by Prime Financial Securities Ltd	Director	13	-
18	Md. Ashaduzzaman-Nominated by Fareast Securities Ltd	Director	13	4
19	Shah M. Hasan	Director (Retired on 30-03-17)	3	3
20	Al- Sadat Dubash	Director (Retired on 30-03-17)	3	3
21	Md. Shah Alam	Director (Retired on 30-03-17)	3	3
22	A. Z. M. Sazzadur Rahman	Independent Director	13	10
23	Kazi Zahedul Hasan	Independent Director	13	2
24	Mohammodi Khanam (Ex-officio)	Managing Director & CEO	13	13

Audit Committee

Sl.No.	Name of the Director	Position in the Committee	Meeting Held	Present
1.	A.Z.M Sazzadur Rahman	Chairman	4	4
2.	Qazi Saleemul Huq	Member	4	-
3.	Sabiha Khaleque	Member	4	-
4.	Md. Ashaduzzaman	Member	4	1
5.	Dr. Fatema Raushan Jahan	Member	4	3
6.	Hasina Khan	Member	4	1
7.	Abu Hasan Khan	Member	4	4
8.	Shah M. Hasan	Member (Retired on 30-03-17)	2	2
9.	Md. Shah Alam	Member (Retired on 30-03-17)	2	2

Executive Committee

Sl.	Name of the Director	Position in the Committee	Meeting Held	Present
1.	Nazma Haque	Chairman	8	7
2.	Qazi Saleemul Huq	Member	8	3
3.	Sabiha Khaleque	Member	8	3
4.	Mizanur Rahman Mostafa	Member	8	5
5.	Dr. Fatema Raushan Jahan	Member	8	6
6.	Mahabuba Haque	Member	8	4
7.	Abu Hasan Khan	Member	8	8
8.	Mahanur Ummel Ara	Member	8	4
9.	Rahela Hossain	Member	8	8
10.	Saheda Pervin Trisha	Member	8	7
1.	Shah M. Hasan	Member (Retired on 30-03-17)	3	3
12.	Md. Shah Alam	Member (Retired on 30-03-17)	3	3
	Attendance of Directors on special invitation			
1.	Md. Zakiullah Shahid	Chairman of the Board	N/A	8
2.	A.Z.M Sazzadur Rahman	Independent Director of the Board	N/A	4

Remuneration Committee

Sl.No.	Name of the Director	Position in the Committee	Meeting Held	Present
1	A Z M Sazzadur Rahman	Chairman	2	2
2	Rahela Hossain	Member	2	1
3	Abu Hasan Khan	Member	2	2
4	Saheda Pervin Trisha	Member	2	2
5	Md. Zakiuilla Shahid	Special Invitee Member	2	1
7	Sabiha khaleque	Special Invitee Member	2	1

M. M. RAHMAN & CO.
SINCE 1958
CHARTERED ACCOUNTANTS
M. Obaidur Rahman, FCA
Rafiqul Islam Khan, FCA
Md. Shah Alam Mridha, FCA

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

TEL : +880-2-48110189
CELL : 01775-889878
E-mail : rikhan@agni.com
m.mrahman58@yahoo.com
www.mmrahmanbd.com

Certificate on Compliance of Conditions of Corporate Governance

To the Shareholders of Prime Insurance Company Limited

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

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

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

Place -Dhaka.
Date- February 8, 2018.

M. M. Rahman & Co.
Chartered Accountants

RAHMAN
Chartered Accountants
DHAKA

Summary of Accounts

SEGMENT WISE OPERATING PROFIT/PERFORMANCE:

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

The company has earned gross Fire premium income of Tk.309.93 million, Marine premium income of Tk. 201.45 million Motor premium income of Tk.49.18 million and Miscellaneous premium income of Tk. 108.51 million in 2017. During the year, the Company has earned total gross premium income of Tk. 669.07 million including PSB premium income. The Oerating income/profit is Tk. 85.54 million and net profit after tax is Tk. 88.72 million. Segment wise financial result of the Company for the year 2017 and 2016 is given below:

Segment Wise Financial Result (in Million Taka)

Details	Fire	Marine	Marine Hull	Motor	Misc	2017	2016	Growth (Tk)	Growth in %
Gross premium income	309.93	199.99	1.46	49.18	108.51	669.07	535.01	134.06	25.06
Less:R/I premium ceded	266.44	30.48	0.88	3.54	73.73	375.07	302.76	72.31	23.88
Less: R/I premium on PSB	4.73	15.56	0.11	0.10	18.96	39.46	35.20	4.26	12.10
Net Premium income	**38.76**	**153.95**	**0.47**	**45.54**	**15.82**	**254.54**	**197.05**	**57.49**	**29.18**
Add: Net R/I commission earned	71.72	10.85	0.24	1.48	23.48	107.77	64.53	43.24	67.01
Add: Net premium reserve retained	11.62	43.30	0.06	16.89	6.99	78.86	90.26	(11.40)	(12.63)
Total income	**122.10**	**208.10**	**0.77**	**63.91**	**46.29**	**441.17**	**351.84**	**89.33**	**25.39**
Less: Expenses									
Reserve for un-expired risk	15.50	61.58	0.47	18.22	6.33	102.10	78.85	23.25	29.49
Agent commission paid	45.60	27.01	0.19	7.02	13.25	93.07	73.84	19.23	26.04
Management expenses (Revenue A/c)	56.32	36.34	0.26	8.93	19.72	121.57	115.27	6.30	5.47
Management expenses (P&L A/c)	11.78	7.60	0.06	1.87	4.12	25.43	21.08	4.35	20.64
Net claims	2.74	31.75	0.001	3.14	1.25	38.89	4.52	34.37	760.40
Operating profit (u/w result)	**(9.84)**	**43.82**	**(0.22)**	**24.73**	**1.62**	**60.11**	**58.28**	**1.83**	**3.14**
Interest income	-	-	-	-	-	12.02	21.51	(9.49)	(44.12)
Share investment income	-	-	-	-	-	31.94	15.95	15.99	100.25
Dividend received on investment						6.52	4.85	1.67	34.43
Other income						0.08	1.29	(1.21)	(93.80)
Profit before tax						**110.67**	**101.88**	**8.79**	**8.63**
Tax provision during the year						21.95	27.65	(5.69)	(20.58)
Profit after tax						**88.72**	**74.23**	**14.48**	**29.21**
Return on equity (%)						27.07	24.92	2.15	8.63
Return on shareholders fund & equity (%)						15.68	15.21	0.48	3.15
Shareholders fund & equity (in million Taka)						**705.60**	**670.03**	**35.57**	**5.31**
Shareholders equity (in million Taka)						**408.77**	**408.77**		

Summary of Quarterly

FINANCIAL PERFORMANCE (ACCOUNTS) FOR THE YEAR 2017

In accordance with para 20 of Bagladesh Accounting Standard (BAS-34) and as required by Bangladesh Securities & Exchange Commission (BSEC) Circular No-SEC/CFD/Misc./233/2004/615 dated 02/02/2010, Prime Insurance Company Limited has regularly published quarterly financial statements for its stakeholders and shareholders after those are approved by the Board of Directors of the Company. The company has also published financial statements in two daily news papers (English and Bangla), in one online news portal and also has incorporated in the Company's website.

In the year under review, the Company has earned total gross premium income of Tk. 669.07 million, operating income of Tk. 85.54 million and net profit after tax of Tk. 88.71 million which were Tk. 535.01 million, Tk.79.37 million and Tk. 74.23 million in 2016 respectively. In 2017, premium income has increased by 25.06% compared to 2016. Details of quarterly and yearly financial results of the Company for the years 2017 and 2016 are given below:

Segment Wise Financial Result (in Million Taka)

Particulars	2017				Total 2017	2016				Total 2016	Growth
	1st Quarter	2nd Quarter	3rd Quarter	4th Quarter		1st Quarter	2nd Quarter	3rd Quarter	4th Quarter		
Gross direct premium	196.28	201.28	127.47	95.44	620.47	156.29	128.69	107.73	99.57	492.28	128.19
Premium on PSB	11.30	18.75	9.13	9.10	48.28	9.41	16.48	7.89	8.67	42.45	5.83
R/I premium on acceptance	0.09	0.11	0.11	0.01	0.32	-	0.08	0.09	0.11	0.28	0.04
Total gross premium	**207.67**	**220.14**	**136.71**	**104.55**	**669.07**	**165.70**	**145.25**	**115.71**	**108.35**	**535.01**	**134.06**
Less:R/I premium ceded	171.77	54.21	88.15	60.95	375.08	129.62	56.99	63.86	52.27	302.74	72.34
Less: R/I premium on PSB	9.73	15.29	7.22	7.21	39.45	7.70	14.96	5.91	6.64	35.21	4.24
Net premium	**26.17**	**150.64**	**41.34**	**36.39**	**254.54**	**28.38**	**73.30**	**45.94**	**49.44**	**197.06**	**57.48**
Add: Net R/I commission earned	39.86	(2.61)	12.46	58.06	107.77	31.68	7.14	0.09	25.63	64.54	43.23
Add: Reserve Retained on NP	11.37	29.48	18.43	19.58	78.86	20.61	34.19	12.89	22.57	90.26	(11.40)
Total income	**77.40**	**177.51**	**72.23**	**114.03**	**441.17**	**80.67**	**114.63**	**58.92**	**97.64**	**351.86**	**89.31**
Less: Expenses											
Reserve for un-expired risk	10.48	60.42	16.58	14.61	102.09	11.37	29.48	18.43	19.58	78.86	23.23
Agent commission	29.44	30.19	19.12	14.32	93.07	23.44	19.30	16.16	14.94	73.84	19.23
Management expensens (Revenue A/c)	26.86	31.25	30.90	32.57	121.58	25.79	33.77	26.77	28.95	115.28	6.30
Management expensens (P&L A/c)	3.98	4.39	3.69	13.37	25.43	3.83	3.61	4.18	9.43	21.05	4.38
Net claims	4.50	44.64	1.38	(11.63)	38.89	3.32	7.78	11.99	(18.57)	4.52	34.37
Operating Profit (U/w Income)	**2.14**	**6.62**	**0.56**	**50.79**	**60.11**	**12.92**	**20.69**	**(18.61)**	**43.31**	**58.31**	**1.80**
Interest income	5.12	2.82	2.08	2.00	12.02	5.91	6.62	8.48	0.50	21.51	(9.49)
Investment income	6.78	3.47	0.87	12.99	24.11	0.28	4.39	0.46	10.80	15.93	8.18
Unrealized gain (loss) on shares	18.06	(9.12)	5.63	(6.73)	7.84	-				-	
Dividend income	1.80	2.03	1.29	1.40	6.52	-	2.81	1.05	0.98	4.84	1.68
Other income	0.01	0.01	0.01	0.04	0.07	0.06	-	0.82	0.41	1.29	(1.22)
Profit before tax	**33.91**	**5.83**	**10.44**	**60.49**	**110.67**	**19.17**	**34.51**	**(7.80)**	**56.00**	**101.88**	**0.95**
Tax provision	2.93	(2.18)	6.83	14.38	21.95	6.46	8.55	(4.86)	17.50	27.65	(5.69)
Net profit after tax	**30.98**	**8.01**	**3.61**	**46.11**	**88.72**	**12.71**	**25.96**	**(2.94)**	**38.50**	**74.23**	**14.48**
Earnings Per Share	0.76	0.20	0.09	1.13	2.17	0.31	0.64	(0.07)	0.94	1.82	0.35
Number of shares outstanding	40.88	40.88	40.88	40.88	40.88	40.88	40.88	40.88	40.88	40.88	

Risk Management
& CONTROL ENVIRONMENT

Report on

RISK MANAGEMENT

Insurance companies are in the business of taking risks. Worldwide these companies write policies that deal with specific risks, and in many cases, they even underwrite exotic risks. Therefore, insurance companies should be good at managing their own risks, as a direct corollary. Sound management of an insurer depends on how well the various risks are managed across the organization.

In an insurance company, the cash flows are organized along two streams:

a) **Inflows-** premium, investment income, claims recovery from reinsurer, refunds, and so on and

b) **Outflows-** claim payments, reinsurance premium, agent remuneration, salaries, interest and dividend to investors, and so forth. Thus, risks could be considered along these two flows.

In addition, insurance products rely on such models that deal with longevity/mortality, morbidity, economic conditions, or market conditions. There is a large risk that any of these assumptions or models could be incorrect, leading to first the pricing risk (that price charged was incorrect) and then the solvency risk- risk that arises from inadequate reserves leading the company to run out of capital. As many insurance companies have large fixed income holdings or equity position, there is also credit risk and market risk associated with their investment portfolio. Moreover, the processes, people, and systems of an insurance company are also exposed to risks. These are operational risks and are present throughout the company. Additionally, like other corporations, an insurance company is exposed to many other strategic risks, such as liquidity, reputation, legal, business planning, and so on.

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

Prime insurance operates its business under strong scrutiny of a tightening regulatory environment and required assessment framework. It recognizes that an effective risk management framework involves more than just robust controls. Effective ERM relies on two primary goals:

- To identify, evaluate and, where possible, quantify risks and their correlations and/or dependencies from all sources across an organization;
- To ensure that the organization actively implements risk treatment strategies that leverage knowledge of its risks to achieve appropriate risk and return tradeoffs in accordance with the organization's values and goals.

While there are many ways to illustrate the Effective Risk Management process (ERM), the following diagram highlights key concepts that insurance organizations have been using to employ ERM frameworks. These concepts include:

- A core risk culture, risk organization, and risk governance;
- An iterative process of identifying and evaluating risks, setting risk treatment strategies, and monitoring results, often called an ERM control cycle; and
- Recognition of the external impacts and influences of the economy, marketplace and views of regulators, the investment community and rating agencies.

Risk Framework

A good risk framework should have a strong governance structure. That's why the board and the management of PICL are able to manage their risks significantly. The process involves appointing a chief risk officer (CRO) for risk management and the organizational culture is continuing to support it. The whole activities are typically facilitated by designated persons in each of the various departments, such as underwriting, reinsurance, legal/compliance, accounts and finance, marketing and sales, branch control, claims, IT, and so on. The management should always be aware about risk-taking and risk monitoring roles of each department. To ensure this, there are a few well-known frameworks available such as ISO 31000 risk management standard and the COSO ERM. There is another framework used by S&P and A&M Best in their ratings as well. Prime Insurance has A+ Credit rating from CRISEL for its Financial strength, Stability and Risk Management. It is also an ISO Certified insurance company in Bangladesh.

Measuring effectiveness of Risk Framework

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

- Different risk management components in an ERM framework are designed and performed to improve decision making, control, transparency and confidence.
- Individuals operating the framework (from all lines of defense) have sufficient skill, caliber and motivation to ensure effective risk taking, challenge, influence and change.
- Embedding the above in business activities at optimum level improves risk management supporting strong business performance, better decision making, improved risk adjusted return and better preparation for future business uncertainty.

Where risk is assumed or identified, after assessing, it is calculated and monitored under the framework that assigns clear risk roles and responsibilities to the competent & skilled business level managers, risk compliance functions and internal audit to assess the risk factors and based on it take the effective and transparent decision for handing the risk in a proper means. In this way, PICL always takes up the risk and have been improving the risk management through effective and indicative actions.

The Risk we are facing

a. Strategic Risk & Management Plan:

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

b. Operational Risk:

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

c. Insurance Underwriting Risks:

Prudent underwriting is the key to success and growth of the company. The faulty underwriting decisions and imposing a high level of exposures on the company can destroy the financial strength in no time. Accordingly PICL maintain an underwriting strategy to achieve the company's mission and vision successfully and follow a structured process as below:

i. Set a strategy for risk acceptance and improvement
ii. Check and balance through monitoring;
iii. Periodical review of underwriting data;
iv. Training of officers and staff in all aspects of insurance underwriting and
v. Underwriting control by branch control department.

d. Reinsurance Risks:

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

i. Assessment of underwriting data and arrange suitable treaties and fac.;
ii. Working in close liaison with Reinsurance companies and brokers;
iii. Meeting the minimum rating as prescribed by the Regulators and
iv. Audit conducted at regular interval.

e. Market Risk:

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

f. Regulatory/ Legal Compliance Risk:

Now IDRA is very strict in monitoring and controlling the regulatory aspects of insurance market in Bangladesh. The management of PICL is very cautious to comply with the regulatory guidelines of the authorities. The management also issued internal circular & penalty policy for strict compliance of the IDRA rules and regulations in the year 2012; and by this time Prime's business operation is very much transparent and compliant with IDRA rules and regulations.

g. Information Technology (IT) Security Risk:

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

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

h. Claims Reserving Risk:

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

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

i. Investment Risks:

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

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

j. Credit Risk:

Credit risk is the possibility that a borrower or counter party will fail to meet its obligations in accordance with agreed terms. IDRA regulation strictly prohibits the credit business in insurance sector in Bangladesh. PICL strictly follows the IDRA rules and ensures zero percent of business credit that also reflects a very good and positive benefit to the business portfolio. Since no credit business is done by Prime, the Company considers this to be a low risk factor.Only a few business are done by Prime against Bank guarantee/deposit premium following insurance act.

k. Liquidity Risk:

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

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

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

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

l. Foreign Exchange Risk:

The Foreign Exchange Risk management is the process of prudently managing foreign currency position in order to control, with the set limits/parameters, the impact of change in exchange rates on the financial position of the organizations dealing with it. PICL has fifty percent surplus and Excess of Loss reinsurance treaty with foreign reinsurers as well as a number of facultative reinsurance placements in overseas market. To deal with foreign partners PICL carefully monitors and controls the price verification and exchange rates to pay the reinsurance premium and claims recovery. It involves a procedure regarding foreign exchange risk identification measurement of foreign exchange and limits setting for risk control.

m. Money Laundering Risk:

Money laundering may be defined as a "risk" for the reporting agencies and they need to mitigate it. Bangladesh Bank is increasingly recognizing the importance of ensuring that the Banks & Insurance companies have adequate controls and procedures in place so that they know the customers they are dealing with. Adequate diligence on new and existing customers is a key part of these controls. Without this due diligence, the financial institutions can be subject to reputational, operational, legal and concentration risks, which can result in significant financial loss. Money laundering risk control strategies of PICL are:

- Prime Insurance has its well written policy guidelines as which provided by Bangladesh Bank in respect of prevention of money laundering and combating financing of terrorism.
- To ensure correct and full documentation of Proposal Form (KYC), which enables the organization to prevent money laundering prudentially.
- To provide regular training on prevention of money laundering and combating financing of terrorism to enhance capability of its employee's
- Reporting Officer's to visit branches on a regular basis to check the status of AML Compliance
- PICL has integrated software in the CBS regarding customer information
- The Company has complied with all instruction of the Regulatory Authority.

n. Reputation Risk

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

Above all, Risk Management Planning is required for any organization to review the risk and take the management strategies according to the type of risk. But sometimes organizations are unable to take the proper and effective decisions because of biasness on several issues. So, an unbiased study on technical risk management measures adopted and insurance practices followed will help the management of the company to manage the risk effectively and profitably.

The management of Prime Insurance is always conscious about the organizational risks which can affect its smooth operation, growth and profitability. The periodical review of risk management methodology will add further value to the company.

Report on Insurance

RISK AND ITS MITIGATION

The ultimate purpose of risk identification and analysis is to prepare for risk mitigation. Mitigation includes reduction of the likelihood that a risk event will occur and/or reduction of the effect of a risk event if it does occur.

Risk management planning needs to be an ongoing effort that cannot stop after a qualitative risk assessment. Risk management includes front-end planning of how major risks will be mitigated and managed once identified. Therefore, risk mitigation strategies and specific action plans should be incorporated in the project execution plan. Risk mitigation plans should

- Characterize the root causes of risks that have been identified and quantified in earlier phases of the risk management process.
- Evaluate risk interactions and common causes.
- Identify alternative mitigation strategies, methods, and tools for each major risk.
- Assess and prioritize mitigation alternatives.
- Select and commit the resources required for specific risk mitigation alternatives.
- Communicate planning results to all project participants for implementation.

Although risk mitigation plans may be developed in detail and executed by contractors, the owner's program and project management should develop standards for a consistent risk mitigation planning process. Owners should have independent, unbiased outside expert's review the project's risk mitigation plans before final approval. This should be done prior to completing the project design or allocating funds for construction. Risk mitigation planning should continue beyond the end of the project by capturing data and lessons learned that can benefit future projects.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Disclosure of
RISK REPORTING

Disclosure is a primary form of investor protection and is fundamental to market efficiency. Investors are the beneficiary of financial reporting and disclosures and their input is an important contribution to the dialogue on disclosure effectiveness. Informative and effective presentation of the risks scenario facing them to the successful operation of business enterprises and is also of benefit to their investors. Whilst continuous disclosure is a policy that should provide a good basis for risk disclosure, periodic disclosure of risk has received significantly less attention. This is because periodic disclosure is more traditionally an area for disclosure in financial accounts than for management discussion and analysis. Traditional periodic disclosure has not paid significant attention to highlighting risk factors. Despite risk being an inherent part of the business enterprise, traditional periodic disclosure has focused heavily on numerical financial reporting, to the detriment of management discussion and the analysis of the figures and the risks involved in the business. It has been internationally accepted that substantial narrative reporting, including the disclosure of risk, is important to promote investor protection.

The Standard Disclosure of Risk reporting may include the followings:

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

While it is important for standard setters and policymakers to consider the reporting and disclosure in the context of investor experiences, it is also important for them to consider other matters investors perceive as impacting the current financial reporting environment. These matters include the following:

- Emerging trends in technology and connectivity,
- The inability of the existing model to provide investors with sufficient decision useful information in a new economy, and
- The lack of a measurement framework that can inform the disclosures necessary to make such measurements meaningful.

With a view to ensuring proper disclosure Prime Insurance clears the terms and conditions of each new policy issued from the company. For new but valued clients Prime does this service through surveyors' report to the potential insured. The main principle of insurance–utmost good faith–demands that both the insurer and the potential insured shall disclose the material facts to each other. If there is any excess/deductible for a particular policy, that fact should be disclosed to the insured. On the contrary, the potential insured shall further provide material facts about his property, to the best of his knowledge and belief, to the insurer before underwriting of the risk, including the ownership, position and value of his property, so that the insurer may inspect the insurable property properly with a view to providing consistent services to the potential insured including competitive figure and necessary advices. In particular, organizations are hesitant to disclose anything that might change competitive advantages or to discuss potential risks in detail in case this alarms stakeholders. There is a growing agreement among users, preparers and advisers that risk reporting needs to improve; better risk registration is integral part to better of governance. The question of how best to insure what investors and other users want to see in a risk report with what organizations are willing to disclose, however, remains to be answered.

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

Stakeholders
& INVESTOR'S INFORMATION

5-Years
FINANCIAL HIGHLIGHTS

Amount in Million Taka

Particulars	2017	2016	2015	2014	2013
Operational performance					
Gross premium income (turnover)	669.07	535.01	579.55	550.45	544.94
Re-insurance ceded	414.54	337.95	367.72	249.47	295.17
Net premium income	**254.53**	**197.06**	**211.84**	**300.98**	**249.77**
Management expenses	121.58	115.28	132.26	128.90	106.11
Net claims	38.89	4.52	(4.91)	19.87	11.83
Reserve for un-expired business	102.10	78.86	90.27	120.41	107.54
Operating profit/(loss)	**85.54**	**79.37**	**118.27**	**102.99**	**97.76**
Interest income	12.02	21.51	28.88	39.11	42.83
Investment & dividend income	38.47	20.79	4.15	19.32	8.84
Other income	0.08	1.29	1.43	1.93	1.28
Gross profit/(loss) before tax	**110.67**	**101.88**	**133.01**	**138.53**	**127.63**
Current tax provision	15.67	26.30	46.33	40.18	41.12
Net profit/(loss) after tax	**88.72**	**74.23**	**86.21**	**98.35**	**86.51**
Earnings before interest, Dep. and Tax	**122.81**	**111.27**	**143.24**	**147.56**	**136.05**
Earnings per share (EPS) after tax	**2.17**	**1.82**	**2.11**	**2.41**	**2.22**
Profitability and performance ratios:					
Gross profit margin ratio (%)	16.54	19.04	22.95	25.17	23.42
Operating income ratio (%)	12.78	14.84	20.41	18.71	17.94
Net profit margin ratio (after tax)(%)	13.26	13.87	14.88	17.87	15.88
Return on assets ratio (%)	7.23	6.68	7.58	8.27	8.29
Return on equity ratio (%)	12.57	11.08	13.33	14.82	15.31
Operating cash flow to net profit ratio (%)	23.53	(74.66)	(82.15)	85.19	83.98
Earnings per share before tax (Taka)	**2.71**	**2.49**	**3.30**	**3.56**	**3.72**
Earnings per share after tax (Taka)	**2.17**	**1.82**	**2.11**	**2.41**	**2.22**
Liquidity ratios:					
Current ratio (times)	1.70	2.13	2.03	1.88	1.48
Quick ratio (times)	1.67	2.12	2.02	1.87	1.50
External liability ratio	42.30	40.00	43.00	44.00	46.00
Internal capital generation ratio	79.00	78.00	77.00	77.00	73.00
Return on shareholders fund after tax (%)	12.57	11.08	13.33	14.82	15.31
Net operating cash flow per share (Taka)	0.51	(1.36)	(1.73)	2.15	1.87
Net operating cash flow (in million Taka)	20.88	(55.42)	(70.82)	83.78	72.65

Amount in Million Taka

Particulars	2017	2016	2015	2014	2013
Operating ratios:					
Retention ratio (%)	38.04	36.83	36.55	54.68	45.83
Net claims ratio (%)	15.28	2.29	(2.32)	6.60	4.74
Assets turnover ratio (%)	54.72	48.15	50.97	46.26	52.25
Statement of Financial Position:					
Authorised share capital (Taka in million)	1,000.00	1,000.00	1,000.00	1,000.00	1,000.00
Paid-up capital	408.77	408.77	408.77	389.31	338.53
Internal capital generation	555.60	520.03	496.90	513.42	415.07
Shareholders funds	705.60	670.03	646.90	663.42	565.07
Reserve & contingent accounts	296.83	261.26	303.41	274.11	226.54
Current liabilities	517.22	441.19	490.10	526.39	477.89
Current assets	872.97	940.61	995.19	992.14	583.23
Account receivable (amount due from other persons & sundry debtors)	377.97	516.97	537.97	410.35	292.99
Inventories (stationery & stamp)	4.79	5.02	5.66	4.95	4.46
Total Assets	**1,222.82**	**1,111.22**	**1,137.00**	**1,189.81**	**1,042.96**
Stockholders Information:					
Cash dividend (%)	15%	13%	12.50%	10%	0%
Stock dividend paid (%)	0%	0%	0%	5%	15%
Total dividend paid per share (%)	**15%**	**13%**	**12.50%**	**15%**	**15%**
Earnings per share (Taka) after tax	2.17	1.82	2.15	2.53	2.56
Price Earnings ratio (P/E)=(MV/EPS*100)	8.85	10.00	6.98	7.83	12.62
Dividend Payout ratio: (Dividends/NP*100)	69.12%	71.43%	58.14%	59.29%	58.59%
Dividend yield ratio: (Dividend per share/ Stock price*100)	7.81%	7.14%	8.33%	7.58%	4.64%
Net Asset Value (Book Value)	**705.60**	**670.03**	**646.90**	**663.42**	**565.07**
NAV (Book value) per share	17.26	16.39	15.83	16.23	16.69
Market shares capitalization	784.85	743.97	613.16	770.83	1,093.45
Market value closing price per share	19.20	18.20	15.00	19.80	32.30
Solvency Information					
Debt to Equity Ratio (Times)	0.73	0.66	0.76	0.79	0.85
Required Solvency Margin	86.23	68.17	74.90	71.97	71.80
Available Solvency Margin	472.80	332.93	361.09	387.03	320.14
Solvency Margin ratio (times)	5.48	4.88	4.82	5.38	4.46

Amount in Million Taka

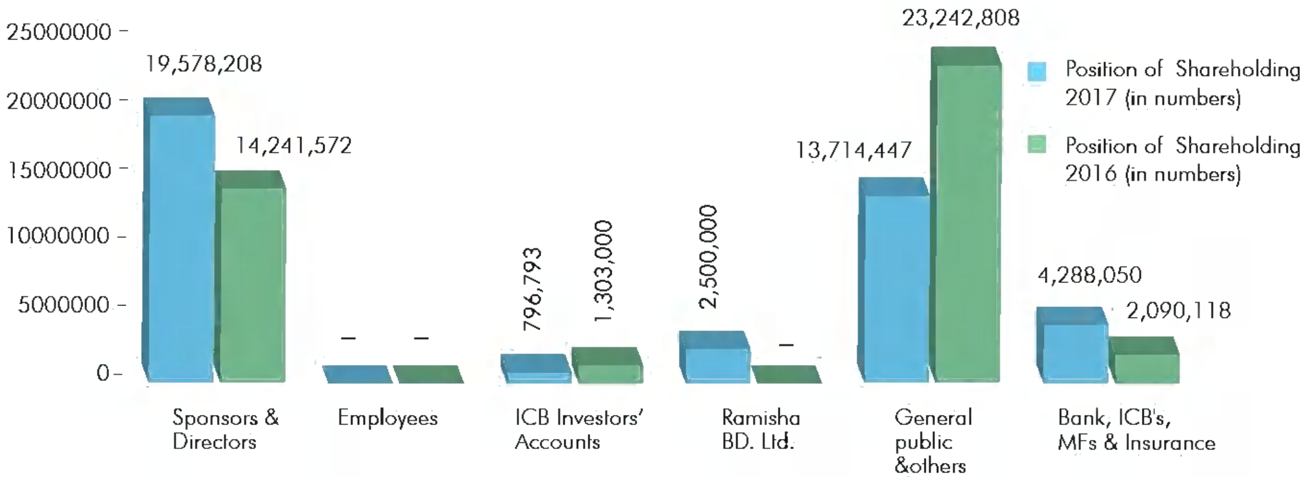
Particulars	2017	2016	2015	2014	2013
Financial position (Balance sheet analysis)					
Shareholders funds	705.60	670.03	646.90	663.42	565.07
Property, plant & equipments	211.89	57.94	57.65	45.49	46.29
Current assets	872.97	940.61	993.31	992.14	707.43
Current liabilities	517.22	441.19	490.10	526.39	477.89
Investable assets quality					
Total investment	**452.88**	**597.55**	**679.91**	**858.65**	**715.45**
Cash at bank (STD & CD Account)	45.58	50.63	35.10	46.35	30.84
Fixed deposit receipts	164.94	164.40	294.80	406.30	353.00
Share Investment	128.96	103.67	75.16	152.19	177.33
Bangladesh Government Treasury Bond (BGTB)	9.00	9.00	9.00	9.00	9.00
Advance against building property	104.40	269.85	265.85	244.81	145.28
Fixed Assets:					
Property, plant & equipments	211.89	57.94	57.65	45.49	46.29
Other assets:	558.06	455.73	399.44	285.67	281.22
Total assets	**1,222.82**	**1,111.22**	**1,137.00**	**1,189.81**	**1,042.96**
Other information					
Number of shares outstanding (In million)	40.88	40.88	40.88	38.93	33.85
Branch Offices	18	18	20	20	19
No. of shareholders as at December	2,001	2,238	2,941	3,752	3,920
Number of Employees as at December	189	211	256	297	303

Position of
SHAREHOLDING

The shareholding position of various stakeholders, institutions and promoter group etc has changed but overall paid up capital has not increased compared to previous year (2016) due to non-declaration of stock dividend or not raising share capital through new issuance of shares. Distribution of shareholders and number of shares along with category wise share holding position comparison statements are given below:

Category of Shareholders	2017 No. of Shares holding	2017 % of holding	2016 No. of Shares holding	2016 % of holding
A. Group-A: Sponsors & Directors: 19,578,208 shares of Tk.10 each fully paid-up	19,578,208	47.89%	14,241,572	34.84%
B. Group-B: Public Shareholders: shares of Tk.10 each fully paid-up	21,299,290	52.11%	26,635,926	65.16%
1. Banks, ICB, MFs & Insurance Companies	4,288,050	10.49%	2,090,118	5.11%
2. Employees -	-	0.00%	-	0.00%
3. ICB Investors' Accounts	796,793	1.95%	1,303,000	3.19%
4. Ramisha BD. Ltd.	2,500,000	6.12%	-	0.00%
5. General public	13,714,447	33.55%	23,242,808	56.86%
Total (A+B)	**40,877,498**	**100.00%**	**40,877,498**	**100.00%**

Position of Shareholding is shown in graphs

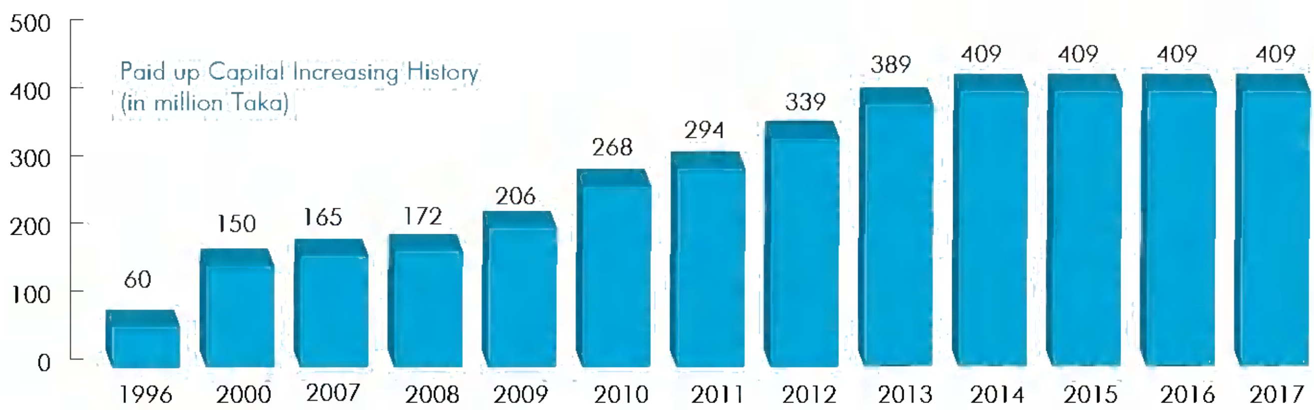


The Growth of
PAID-UP CAPITAL

Prime Insurance Company Ltd has started its business journey with initial paid-up capital of Tk. 60 million in 1996. In the year 2000, the company has received Tk. 90 million by Initial Public Offering shares (IPO). One of the main objectives of Prime Insurance is to provide consistently good return to its shareholders and buildup its strength. From the history, it may be observed that the company has been maintaining a stable and attractive dividend policy in line with the sound underwriting and investment results. After increasing paid-up capital in preceeding years by way of stock dividend, the total paid-up capital at present stood at Tk. 408.77 million in 2017. The company has also a policy of timely preparation of its Accounts and holding of AGM in stipulated time. At a glance the movement history of paid-up capital of the company is stated below:

Year	Particulars	No. of shares increased	Face value per share (Taka)	Increased value (in Taka)	Cumulative paid-up Capital (in Taka)
1996	As per MOA & AOA	6,000,000	100	60,000,000	60,000,000
2000	Initial public offerings (IPO)	9,000,000	100	90,000,000	150,000,000
2007	10% Bonus shares	1,500,000	100	15,000,000	165,000,000
2008	10% Bonus shares (General)	654,660	100	6,546,600	171,546,600
2009	20% Bonus shares	3,430,930	100	34,309,300	205,855,900
2010	30% Bonus Shares	6,175,677	100	61,756,770	267,612,670
2011	10% Bonus shares	2,676,126	10	26,761,260	294,373,930
2012	15% Bonus shares	4,415,608	10	44,156,080	338,530,010
2013	15% Bonus shares	5,077,950	10	50,779,500	389,309,510
2014	5% Bonus shares & 10% cash	1,946,547	10	19,465,470	408,774,980
2015	12.50% cash dividend	-	10	-	408,774,980
2016	13.00% cash dividend	-	10	-	408,774,980
2017	15.00% cash dividend (Proposed)	-	10	-	408,774,980

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



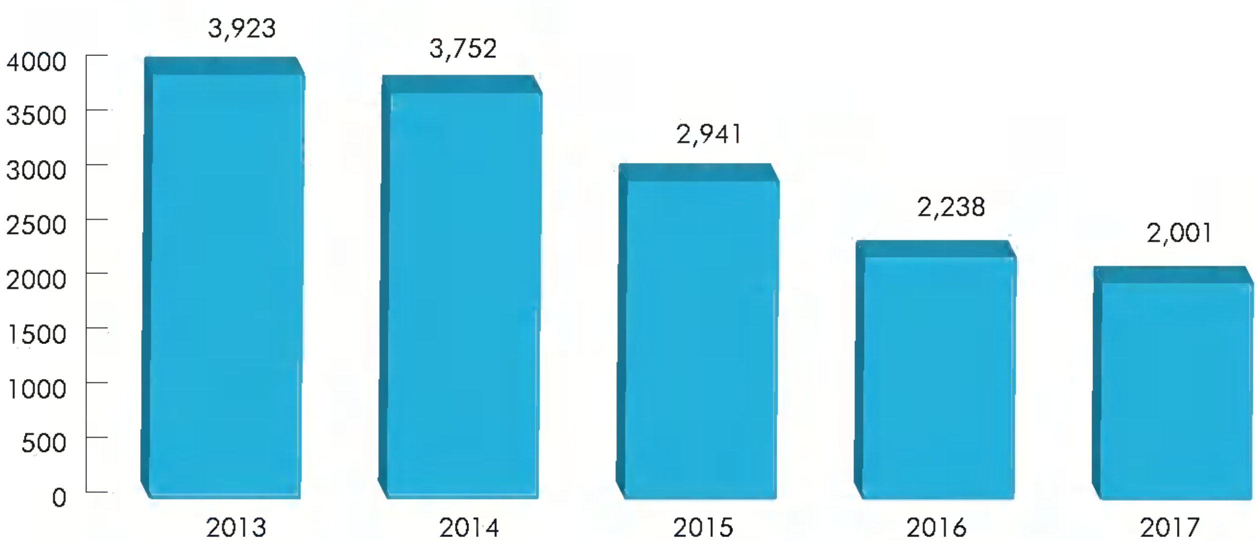
Number of

SHAREHOLDERS

The following table indicates the number of Shareholders holding their shares as on December 31, 2017.

Year	No. of Shareholders	Growth	% of Growth
2013	3,923	3923	100.00
2014	3,752	(171)	(4.56)
2015	2,941	(811)	(27.58)
2016	2,238	(703)	(31.41)
2017	2,001	(237)	(11.84)

Number of Shareholders



Equity
STATISTICS

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

Amount in Million Taka

Particulars	2017	2016	2015	2014	2013
Authorized capital	1,000.00	1,000.00	1,000.00	1,000.00	1,000.00
Paid-up capital	408.77	408.77	408.77	389.31	338.53
As per MOU & AOA	60.00	60.00	60.00	60.00	60.00
Initial public offerings	90.00	90.00	90.00	90.00	90.00
Bonus shares issue	258.77	258.77	258.77	239.31	188.53
Net assets value	705.60	670.03	646.90	663.42	565.07
Net assets value per share (Taka)	17.26	16.39	15.83	17.04	16.69
Market shares capitalization	784.85	743.97	613.16	770.83	1,093.45
Earnings per share (EPS) for each Tk. 10 share	2.17	1.82	2.11	2.41	2.56

Reserve & Contingent Liabilities

Amount in Million Taka

Particulars	2017	2016	2015	2014	2013
Reserve for exceptional losses	210.25	191.16	171.45	155.57	125.47
Investment fluctuation fund	-	-	-	50.85	40.85
General reserve	9.90	8.90	7.70	7.50	7.00
Retained earnings	76.68	61.19	58.97	60.20	53.22
Total	296.83	261.25	238.12	274.12	226.54

Investors and Stakeholders Friendly Information

ENQUIRIES AND COMMUNICATION

Prime Insurance Company Limited has separate Share Trade & Investment Department to communicate with shareholders and other stakeholders. Investors and individuals may contact at any time to the Share Department for any sort of information and query. To make the AGM more participatory, PICL arranges AGM in a well-known place at convenient time and allows shareholders to speak in the AGM freely and makes their valuable proposals and suggestions.

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

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

The Company communicates to shareholders in the following way:

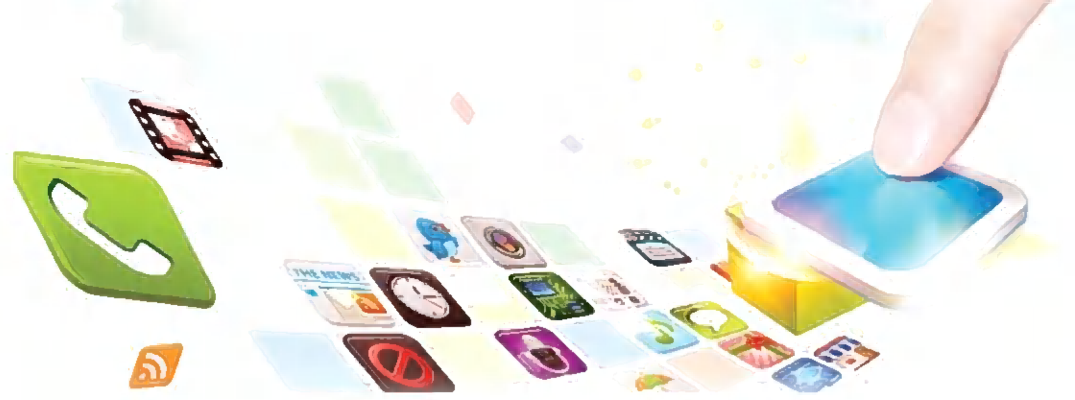
- Annual Report sent to shareholders in their BO address
- Final result published in the newspaper (English & Bangla)
- Interim quarterly report published in the newspapers (English & Bangla)
- Annual General Meeting
- All financial results & annual reports are made available in the website of the company: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

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

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

Share Department

E. H. Khan
SVP & Company Secretary
Prime Insurance Company Limited
Head Office:
Unique Heights: (9th floor) 117,
Kazi Nazrul Islam Avenue, Dhaka-1000
Phone NO : 55138659-62
E-mail: ehkhan@prime-insurance.net
www.prime-insurance.net



Clients Complaints
AND COMMUNICATION

Clients complaints are inevitable, no matter how streamlined a company's business is. The complaints must always be acknowledged and dealt with effectively. By ignoring or dismissing complaints, a business organization is effectively telling the customer that it doesn't value their opinions.

Many business owners see complaint management as a time-consuming and frustrating process. However, by developing an efficient system, complaints can be resolved quickly and easily and very often this process brings something good for the company.

A consumer complaint or customer complaint is an expression of dissatisfaction on a consumer's behalf to a responsible party. It can also be described in a positive sense as a report from a consumer providing documentation about a problem associated with a product or service.

We live in an era where the customer is king. Those days are gone when customers were thought of as an interruption or that answering their queries was doing them a favor. Now-a-days, good customer service provides an organization with its competitive edge and customers expect to be dealt with professionally and competently. Whether we are involved with customers on the telephone or deal with them direct, the following common sense guidelines will help us to make the right impression and give the customers what they are looking for.

As Prime Insurance is a service oriented company, clients' satisfaction is always its first priority. We conducted survey to all of our clients for feedback on their experience. We have Customer Feedback Form which we filled out through our visit. After that the Management go through the collected forms periodically and review them to identify recurring complaints.

Prime has also Customer Complain Box as per instruction of IDRA. We are always ready with our online service and being fully aware of this, Prime Insurance always attends to its client's complaints-whether related to its services or claim settlement. Prime Insurance encourages its clients to come forward with any complaint they may have and the top management is completely accessible to all of them. Complaints can be lodged with the management in writing, over telephone, fax, by e-mail or through the web site.

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

Sujit Kumar Bhowmik
AMD & Head of SBMD and
Branch Control Department
Unique Heights (9th floor)
Phone No: 55138659-62
E-mail: sujit@prime-insurance.net

Policy of Dividend

PAYMENTS OF THE COMPANY

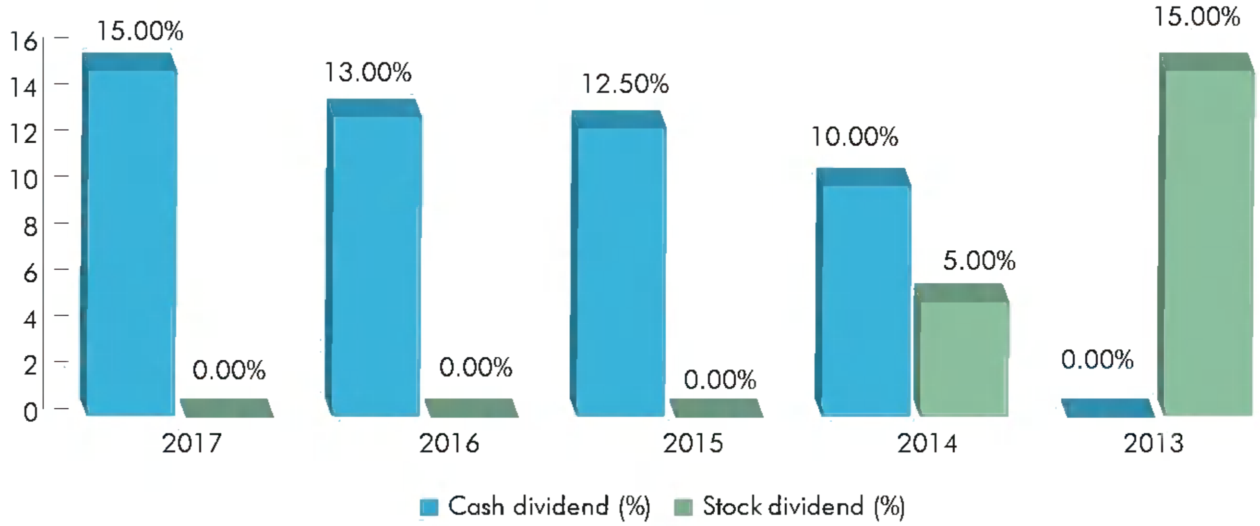
Prime Insurance Company Ltd has been maintaining a good and lucrative dividend payment policy to its stakeholders and investors. Stakeholders and Shareholders always expect maximum returns of their investment and the Board of Directors also wants paying out dividends obviously generating more income. The dividend policy of the company has always been to pay a satisfactory return to its shareholders. The Company has fulfilled minimum requirement of Paid-up Capital as per Insurance Act, 2010. During the last few years the company declared only stock dividend with a view to strengthening its Paid-up capital. The company has changed its stock dividend policy after fulfillment of minimum paid-up capital requirement of Tk. 400 million only. In this connection, the Company has been declaring cash dividends from 2014.

Considering the performance of the Company the Board of Directors in its meeting No-299 held on 7 February 2018 has recommended 15% cash dividend for the year ended December 31, 2017 on paid-up capital of TK. 40,87,74,980 subject to approval in the 22nd Annual General Meeting. The management tries to maintain the trust of shareholders and due to this, the Board of Directors allocates a handsome dividend and that dividend will be distributed among the shareholders' account within stipulated time as prescribed in the law. Last 5 years stock and cash dividend ratios and graphs are given below:

Cash and Stock dividend Ratios

Year	2017	2016	2015	2014	2013
Cash dividend (%)	15.00%	13.00%	12.50%	10.00%	0.00%
Stock dividend (%)	0.00%	0.00%	0.00%	5.00%	15.00%
Total dividend (%)	15.00%	13.00%	12.50%	15.00%	15.00%

5-year Cash and Stock dividend status are given in graphs:



Corporate

IT & WEBSITE INFORMATION

Prime Insurance Company Ltd has been operating an integrated software IIMS (Integrated Insurance Management System)-integrated with Underwriting Module, Accounts Module, Claims Module, Payroll Module and Re-Insurance Module and its operation is based on 100% online modules. The IT department at Head Office has been monitoring the activities of all the branches and a booth situated in different areas of the country through online control systems. Prime Insurance also has a Corporate Website: www.prime-insurance.net to publish updated information of the company. The Website of the Company is always open for stakeholders, shareholders, investors and valuable clients to provide updated corporate information in its website. The website of Prime Insurance focuses on Company Profile such as: Company's Vision, Mission, Company Focus, Business Focus, Capital Structure, Assets & Investment, Corporate Governance, Future Prospects, Products & Service Focus, National Economic Focus and any Price Sensitive Information Focus within stipulated time with a view to acquaint all stakeholders with all regular features of the Company. Prime Insurance website also focuses Board of Directors profile, Management team's profile, Re-insurers and Brokers etc. in details. Visiting the website viewers can inform about the position of Head of Branches and their short profile including other related information. The website also focuses all the latest financial statements including financial position (balance sheet), income statement, cash flow statement, and changes in shareholder's equity statement are also available in the website. The Annual Reports of different years are also made available in the website of the company: www.prime-insurance.net as per direction of the Bangladesh Securities and Exchange Commission (BSEC) Notification No-SEC/CMRRCD/2009-193/20 dated February 10, 2010.

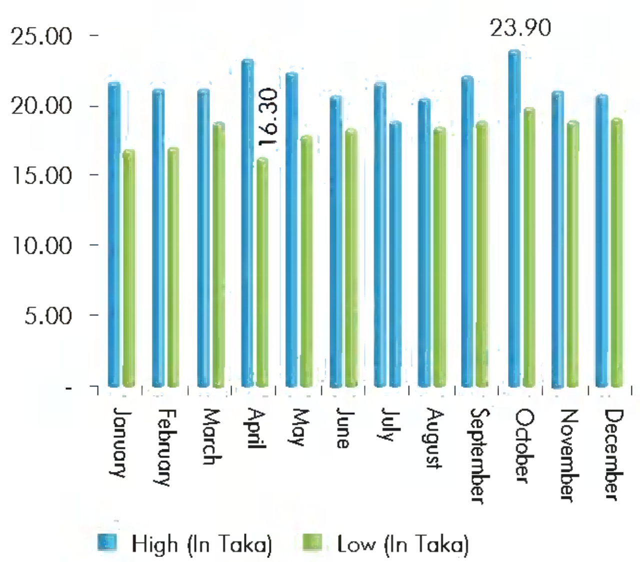
Market Share Price

OF THE COMPANY (DSE & CSE)

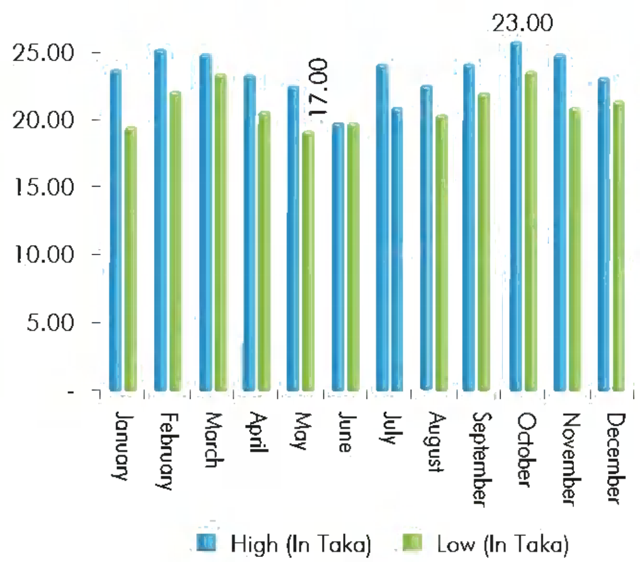
The Company has been listed with both Dhaka Stock Exchange Ltd (DSE) & Chittagong Stock Exchange Ltd (CSE) on March 21, 2001 & March 22, 2001 respectively. There was a direct relationship between the Prime Insurance share price and its trade volume. PICL share price increases inline with the stock market index. In 2017, PICL share price reached at highest price of Tk. 23.90 per share in the month of October and lowest price of Tk. 16.30 per share in the month of April at Dhaka Stock Exchange (DSE). PICL shares traded in the market (DSE & CSE) monthly highest and lowest share price position are given below:

Months in 2017	Dhaka Stock Exchange (DSE)		Chittagong Stock Exchange (CSE)	
	High (Tk)	Low (Tk)	High (Tk)	Low (Tk)
January	21.60	16.80	21.00	17.20
February	21.10	16.80	22.40	19.50
March	21.10	18.70	22.00	20.70
April	23.30	**16.30**	20.60	18.20
May	22.40	17.70	19.90	**17.00**
June	20.70	18.20	17.50	17.50
July	21.90	18.90	21.50	18.50
August	20.40	18.40	20.00	18.00
September	22.00	18.80	21.50	19.40
October	**23.90**	19.80	**23.00**	20.80
November	21.00	18.90	22.00	18.50
December	20.70	19.00	20.50	19.00

Dhaka Stock Exchange (DSE)



Chittagong Stock Exchange (CSE)



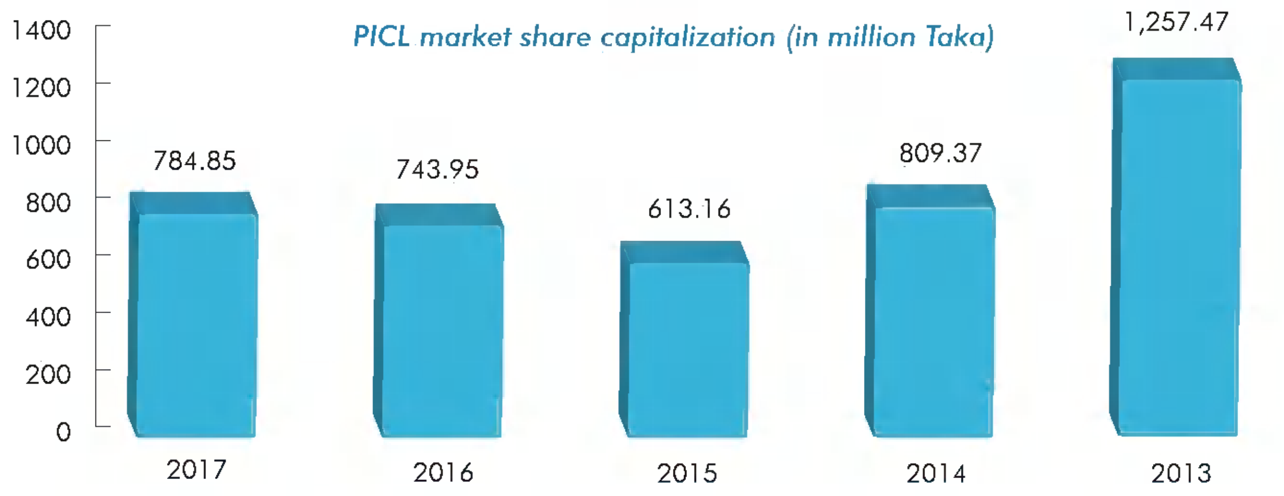
Market Capitalization
OF SHARES

Share market is a volatile market. There was direct relation between the share price of Prime Insurance Company Ltd and that of the turnover of Insurance sector for the year 2017. In the year 2017 Market capitalization of the company is Tk. 784.85 million while it was Tk. 743.97 million in the year 2016.

Overall, market trend has been going downward for more than 5 years. During the year 2017, it reveals that market trend has been going on upward to inspire of investment to all investors and stakeholders.

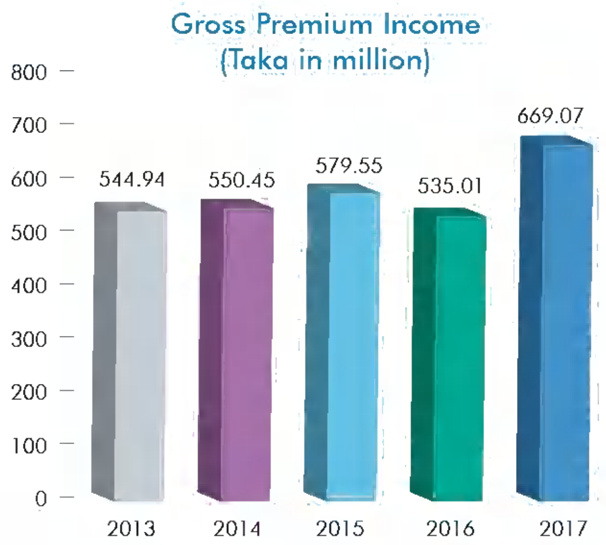
At a Glance 5 Years Market Capitalization status are given below:

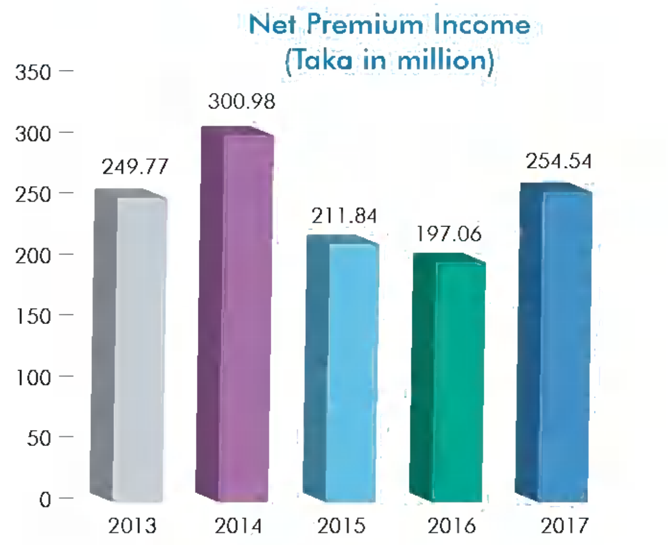
Particulars	2017	2016	2015	2014	2013
Total number of shares outstanding	40,877,498	40,877,498	40,877,498	40,877,498	38,930,951
Market closing price as on 31 Dec (DSE)	19.20	18.20	15.00	19.80	32.30
Market Shares Capitalization (in BDT)	784,847,962	743,970,464	613,162,470	809,374,460	1,257,469,717

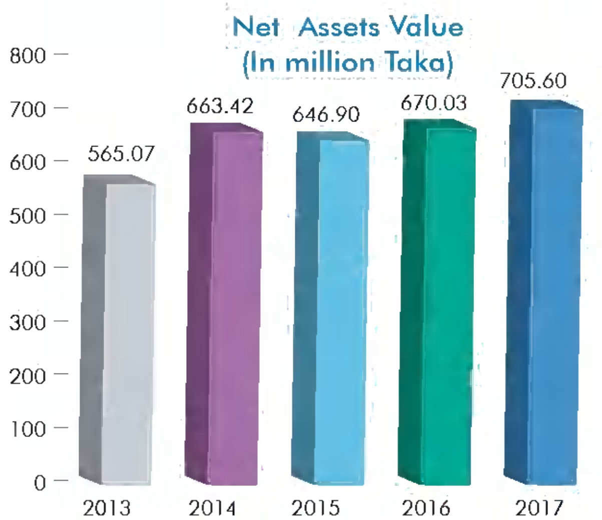


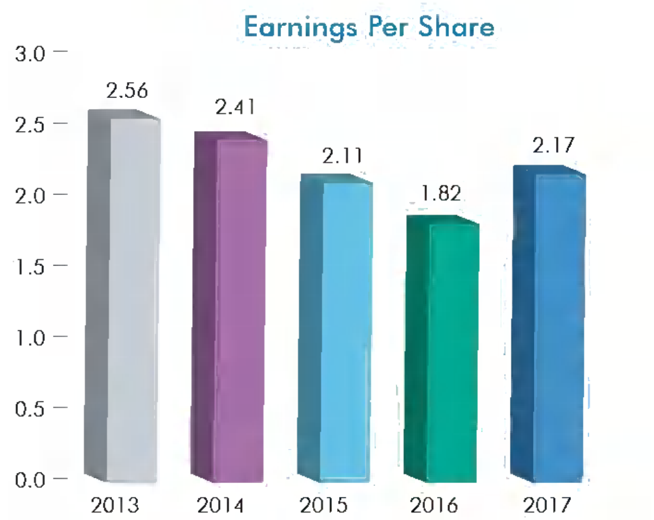
Graphical PRESENTATION

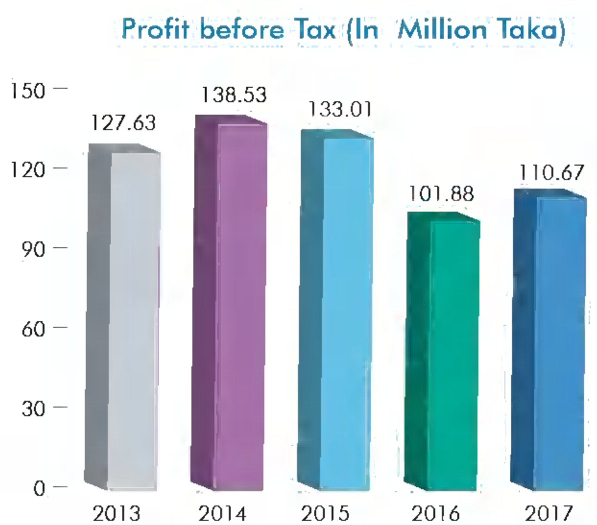
Graphical
PRESENTATION/PERFORMANCE IN GRAPHS

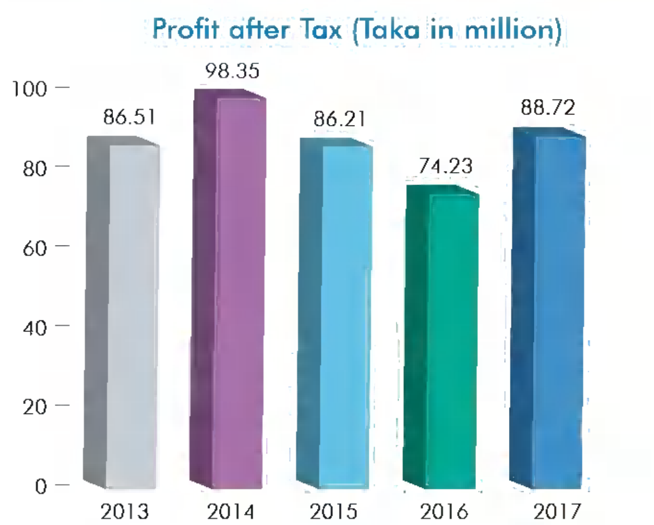




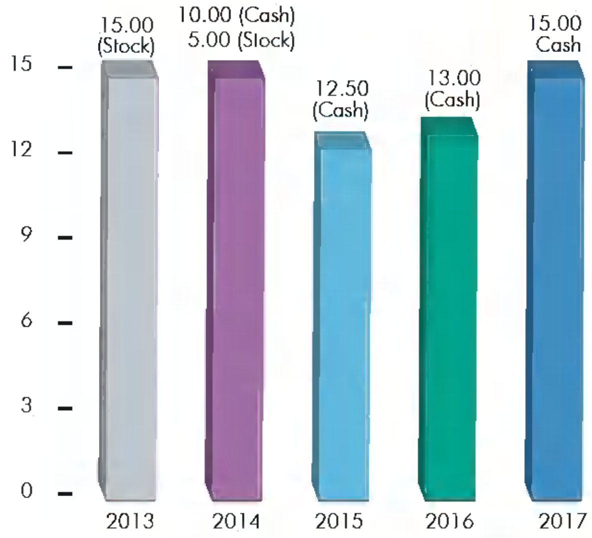




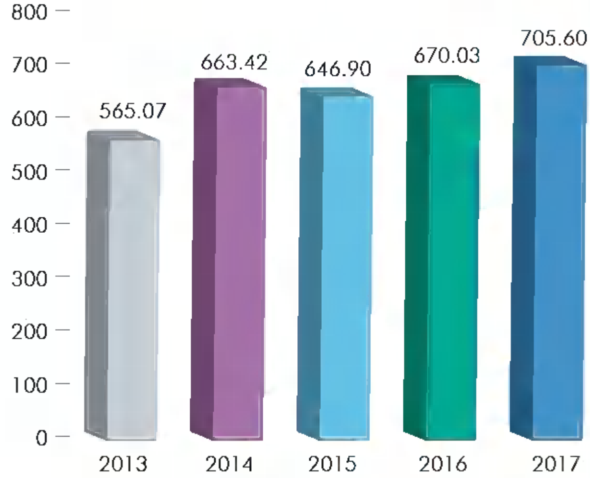




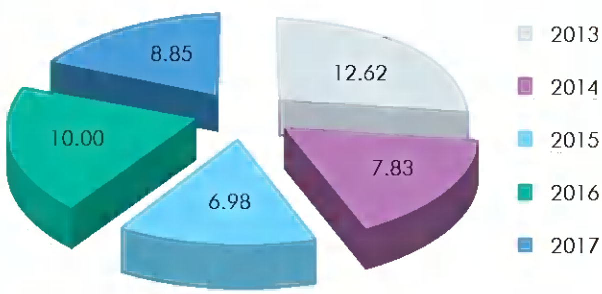
Dividend Performance (%)



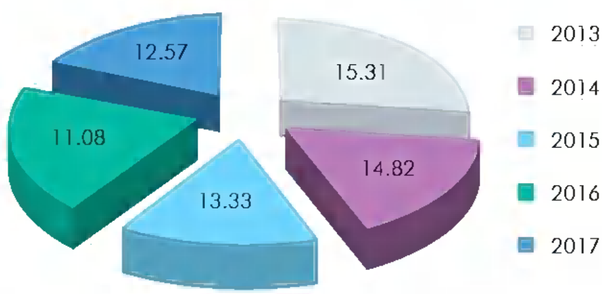
Shareholders Fund quity
(Taka in million)



Price Earning Ratio (Times)

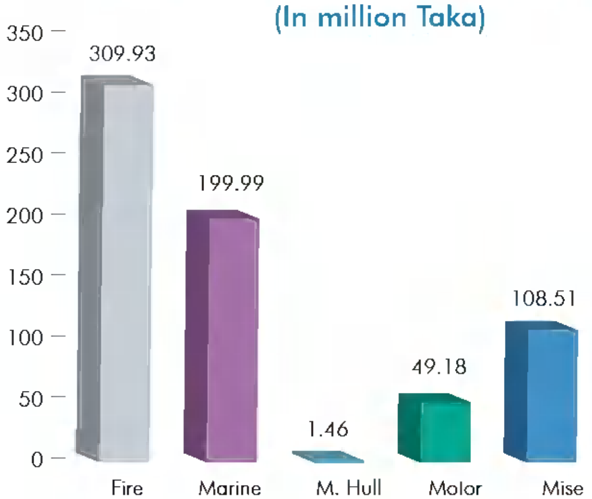


Return on Shareholders fund/Equity (%)

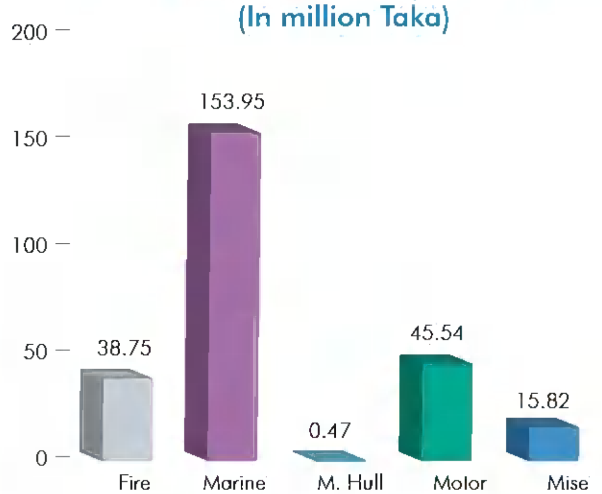


SEGMENT WISE OPERATING PERFORMANCE IN GRAPHS

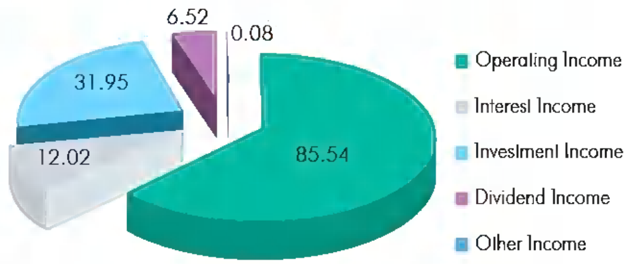
Class wise Gross Premium Income -2017
(In million Taka)



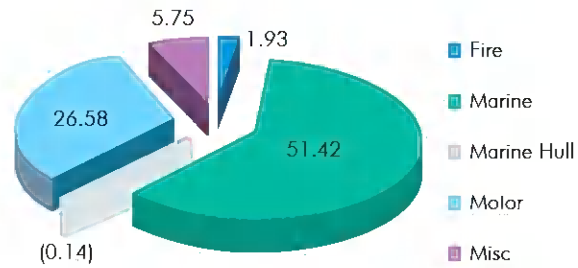
Class wise Net Premium Income -2017
(In million Taka)



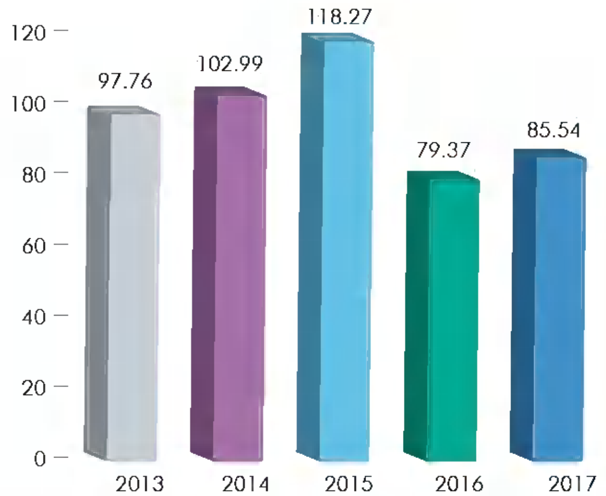
Segment Wise Income-2017
(In million Taka)



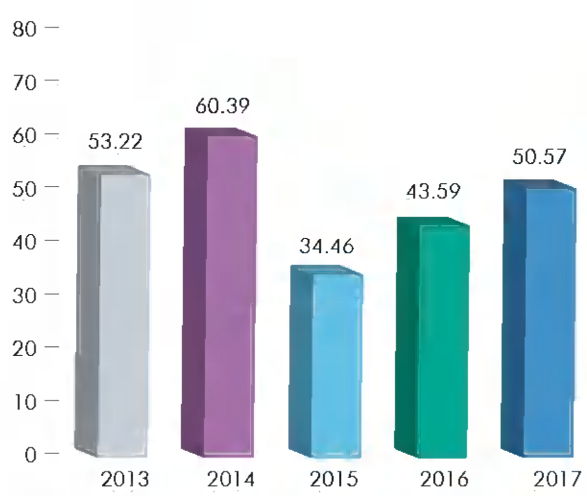
Class Wise Operating Income-2017
(In million Taka)



Operating Profit
(Taka in million)

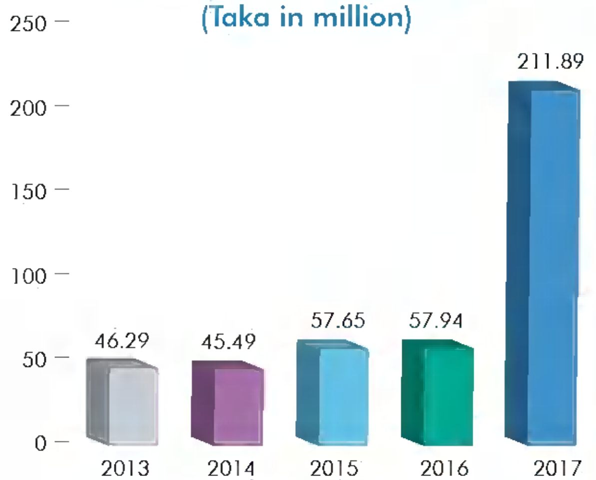


Investment & Other Income
(Taka in million)

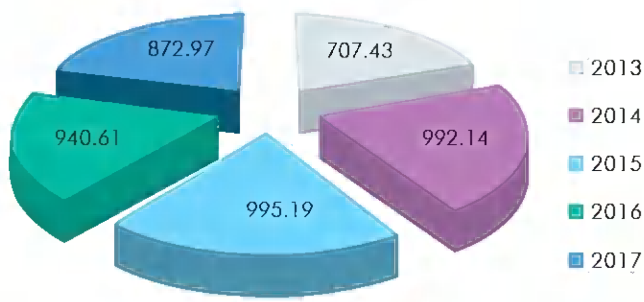


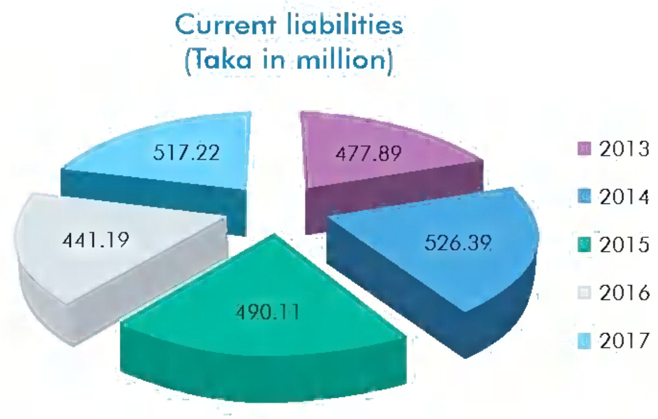
STATEMENT OF FINANCIAL POSITION (BALANCE SHEET)

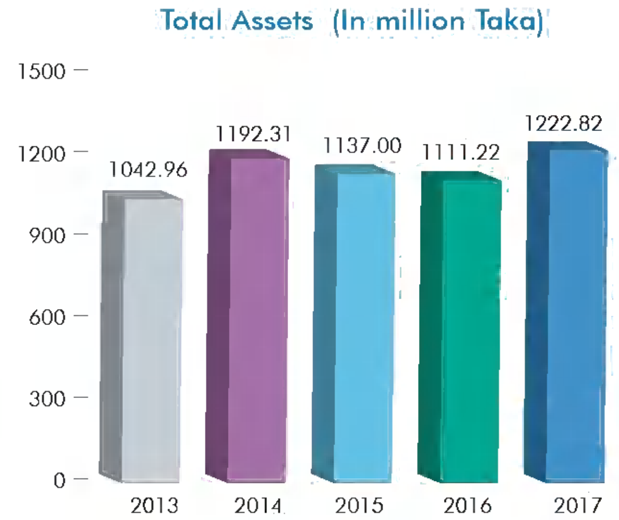
Property, Plant & Equipment
(Taka in million)

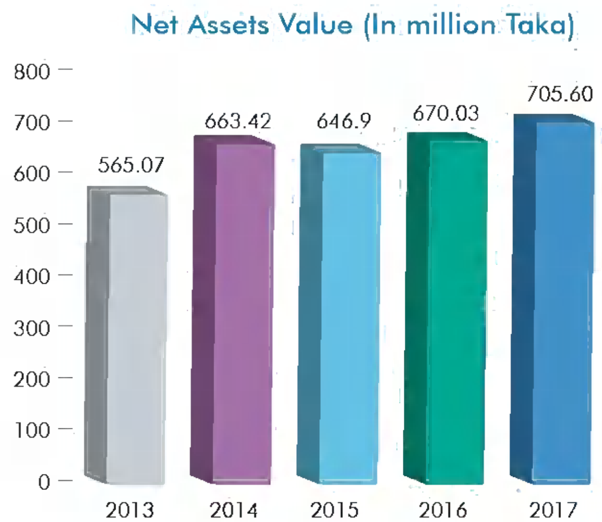


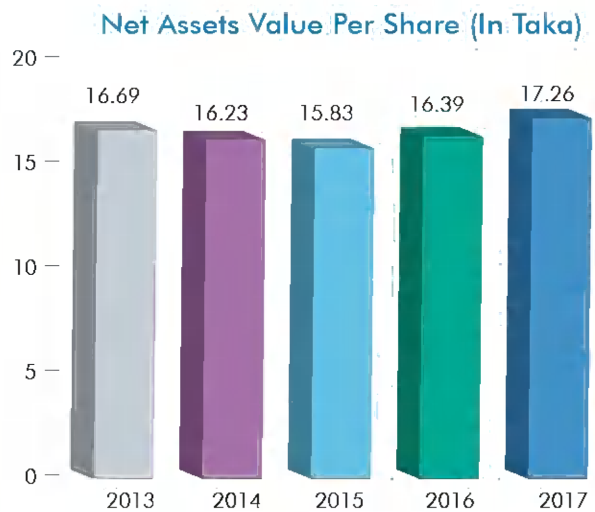
Current Assets
(Taka in million)

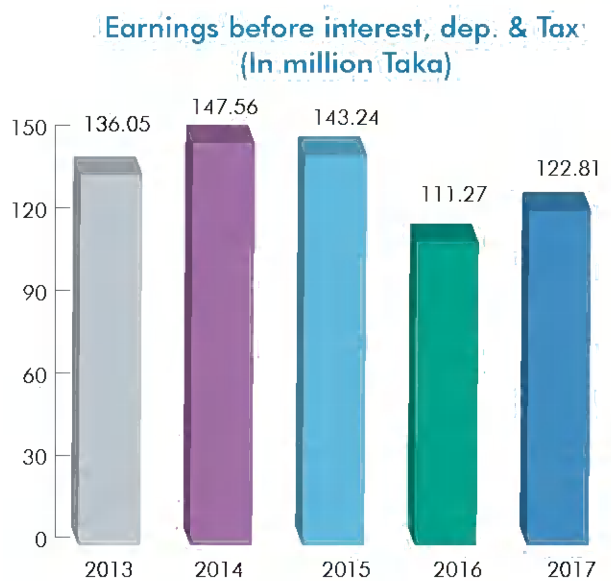


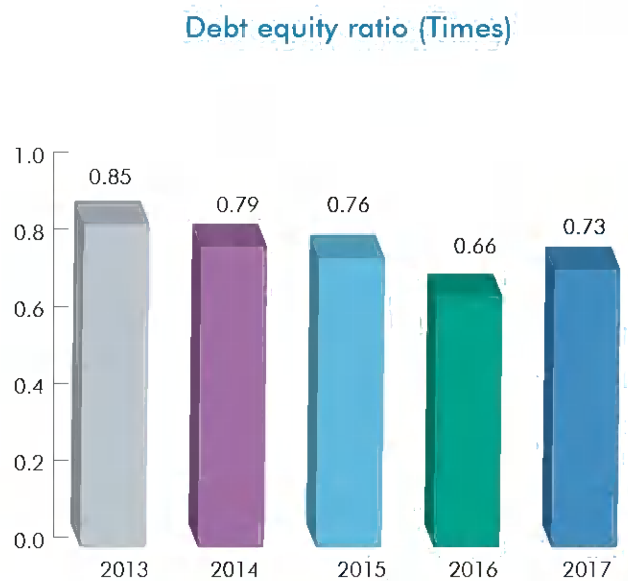

Current liabilities
(Taka in million)
517.22
477.89
441.19
526.39
490.11
2013
2014
2015
2016
2017


Total Assets (In million Taka)
1500
1200
900
600
300
0
1042.96
1192.31
1137.00
1111.22
1222.82
2013
2014
2015
2016
2017


Net Assets Value (In million Taka)
800
700
600
500
400
300
200
100
0
565.07
663.42
646.9
670.03
705.60
2013
2014
2015
2016
2017


Net Assets Value Per Share (In Taka)
20
15
10
5
0
16.69
16.23
15.83
16.39
17.26
2013
2014
2015
2016
2017


Earnings before interest, dep. & Tax
(In million Taka)
150
120
90
60
30
0
136.05
147.56
143.24
111.27
122.81
2013
2014
2015
2016
2017


Debt equity ratio (Times)
1.0
0.8
0.6
0.4
0.2
0.0
0.85
0.79
0.76
0.66
0.73
2013
2014
2015
2016
2017

Horizontal/Vertical Analaysis

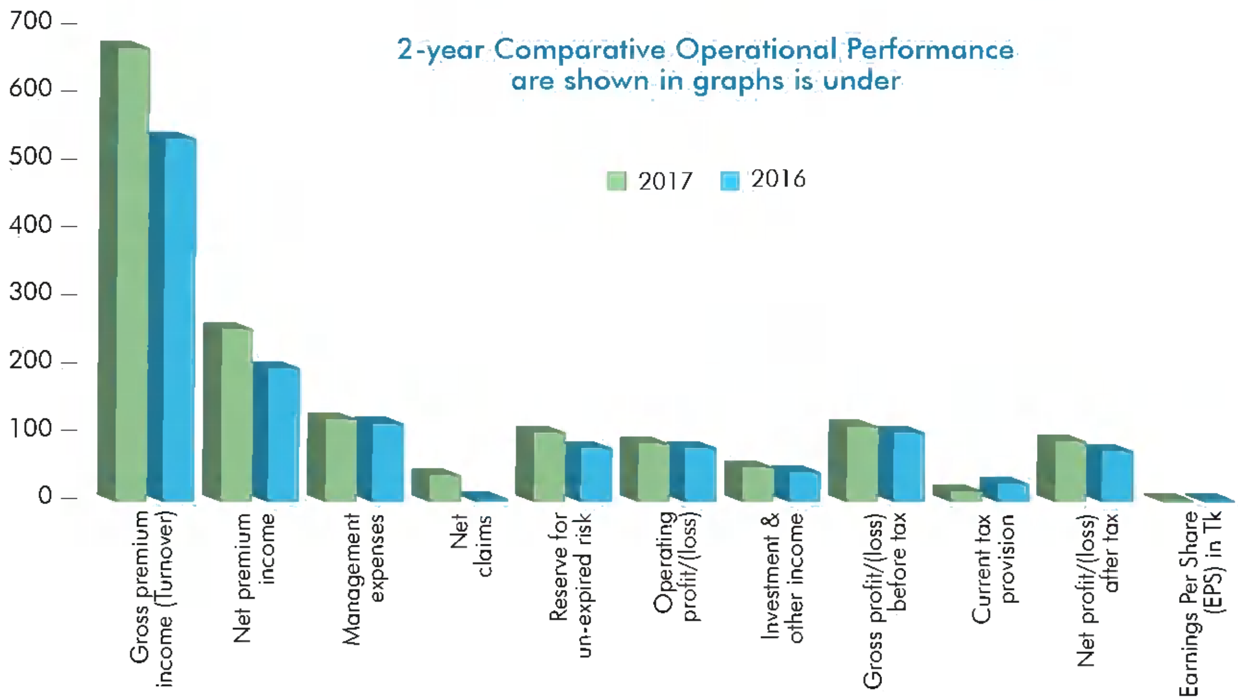
STATEMENT OF OPERATIONAL PERFORMANCE OF THE COMPANY

Prime Insurance Company Ltd has been maintaining a significant growth in the recent years in its financial position and performance of its business operation in the non-life insurance sector of Bangladesh. Under below statements and graphical composition of operational performance and financial position indicates its growth of performance of the company for the year ended December 31, 2017 and 2016.

Performance of the Company

In million Taka

Particulars/Year	2017	2016	Growth	Growth %
Gross premium/Turnover	**669.07**	**535.01**	**134.06**	**25.06**
Net premium	254.54	197.06	57.47	29.16
Management expenses	121.58	115.28	6.30	5.46
Net claims	38.89	4.52	34.37	760.40
Reserve for un-expired risk	102.10	78.86	23.24	29.47
Operating/underwriting profit	**85.54**	**79.37**	**6.17**	**7.77**
Investment and other income	50.57	43.54	7.03	16.15
Profit before tax	**110.67**	**101.88**	**8.79**	**8.63**
Current tax provision	15.67	26.33	(10.66)	(40.49)
Net profit after tax	**88.72**	**74.23**	**14.49**	**19.52**
Earnings per Share (EPS) In Taka	**2.17**	**1.82**	**0.35**	**19.23**



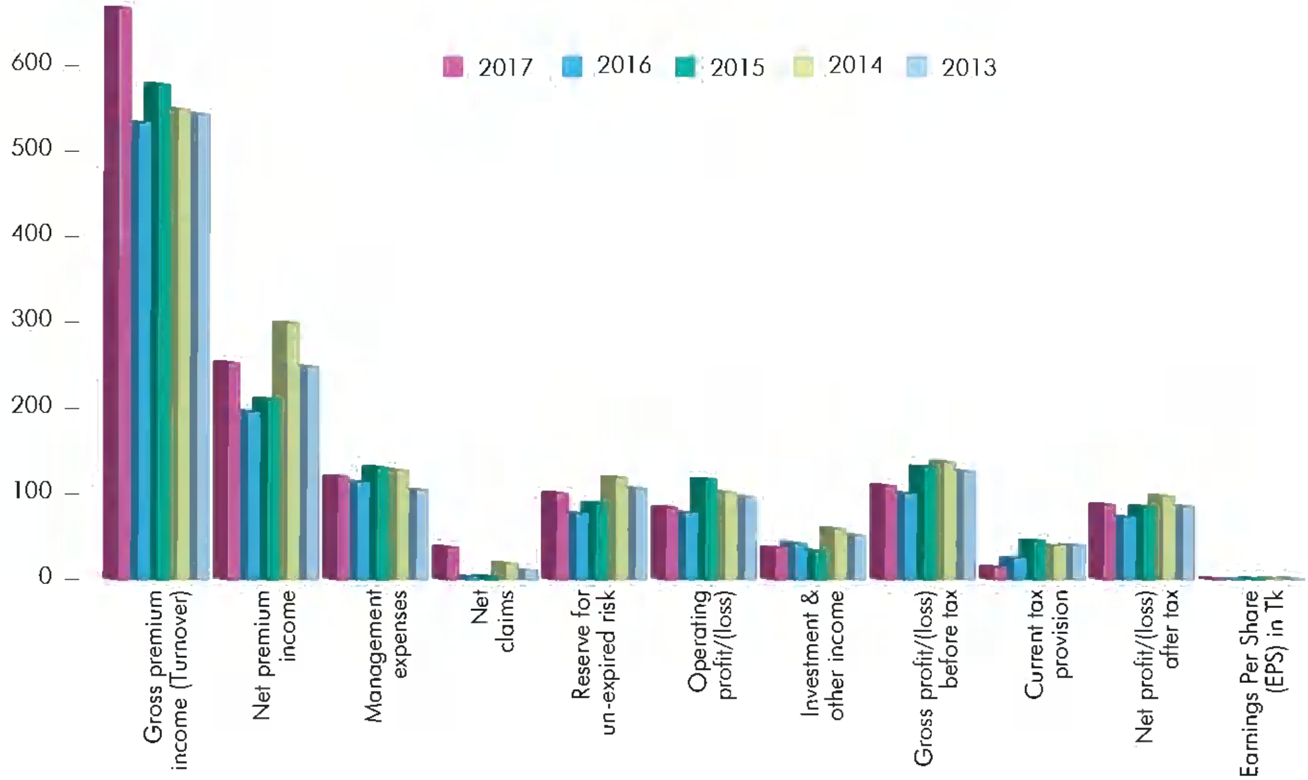
5 Years Operational Performance are given below

Operational Performance

In million Taka

Particulars/Year	2017	2016	2015	2014	2013
Gross premium income (Turnover)	669.07	535.01	579.55	550.45	544.94
Net premium income	254.54	197.06	211.84	300.98	249.77
Management expenses	121.58	115.28	132.26	128.90	106.11
Net claims	38.89	4.52	(4.91)	19.87	11.83
Reserve for un-expired risk	102.10	78.86	90.27	120.41	107.54
Operating profit/(loss)	**85.54**	**79.37**	**118.27**	**102.99**	**97.76**
Investment & other income	50.57	43.54	34.46	60.39	52.95
Gross profit/(loss) before tax	**110.67**	**101.88**	**133.01**	**138.53**	**127.63**
Current tax provision	15.67	26.33	46.53	40.18	41.12
Net profit/(loss) after tax	**88.72**	**74.23**	**86.20**	**98.35**	**86.51**
Earnings Per Share (EPS) in Tk.	**2.17**	**1.82**	**2.11**	**2.41**	**2.22**

At a Glance 5 Years Operational Performance (in graphs)

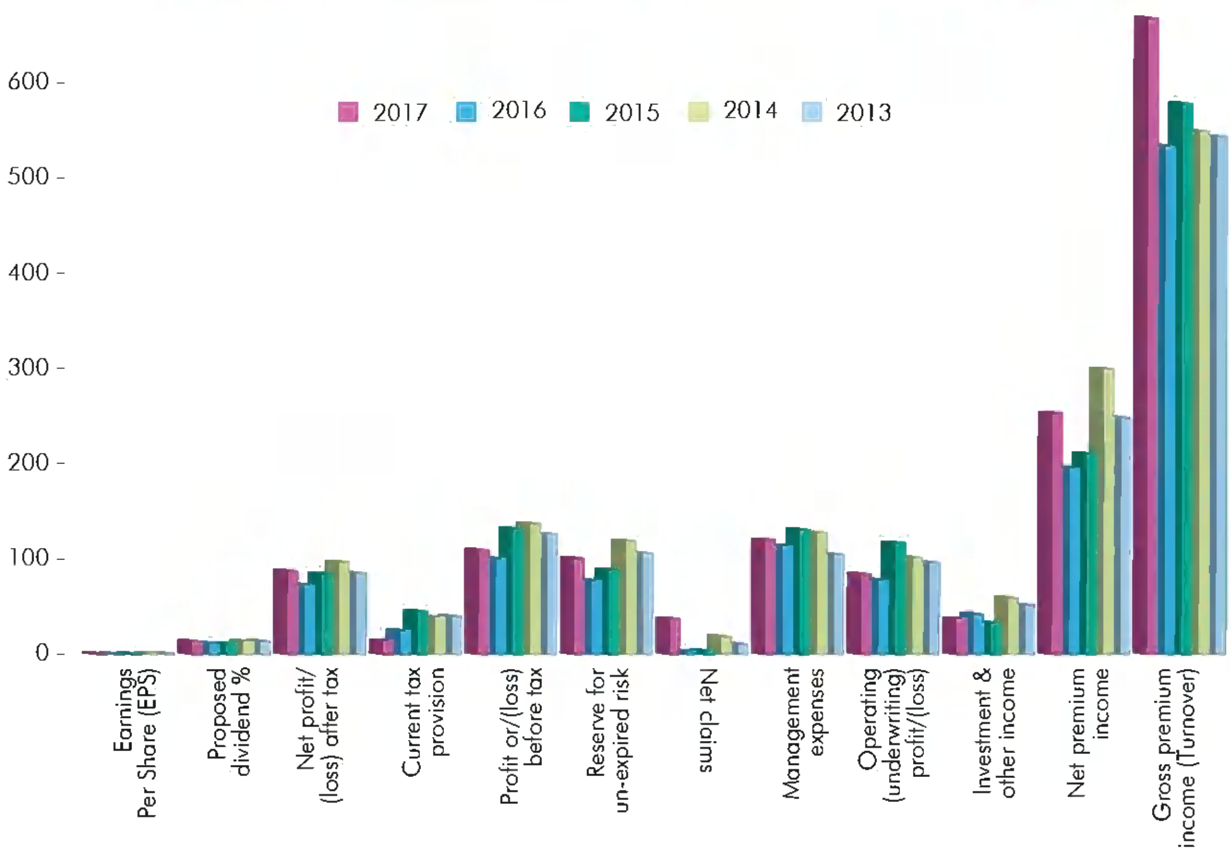


Operational Performance

In million Taka

Particulars/Year	2017	2016	2015	2014	2013
Earnings Per Share (EPS)	**2.17**	**1.82**	**2.11**	**2.41**	**2.22**
Proposed dividend %	15.00	13.00	12.50	15.00	15.00
Net profit/(loss) after tax	**88.72**	**74.23**	**86.21**	**98.35**	**86.51**
Current tax provision	15.67	26.33	46.53	40.18	41.12
Profit or/(loss) before tax	**110.67**	**101.88**	**133.01**	**138.53**	**127.63**
Reserve for un-expired risk	102.10	78.86	90.27	120.41	107.54
Net claims	38.89	4.52	(4.91)	19.87	11.83
Management expenses	121.58	115.28	132.26	128.90	106.11
Operating (underwriting) profit/(loss)	**85.54**	**79.37**	**118.27**	**102.99**	**97.76**
Investment & other income	50.57	43.54	34.46	60.39	52.95
Net premium income	254.54	197.06	211.84	300.98	249.77
Gross premium income (Turnover)	**669.07**	**535.01**	**579.55**	**550.45**	**544.94**

5 Years Operational Performance are shown in Graphs as under:



Financial Position
BALANCE SHEET ANALYSIS

Prime Insurance Company Ltd has been maintaining a steady growth in the recent years in its financial position. 2-years comparative financial position of the company is given below :

Balance Sheet Items

In million Taka

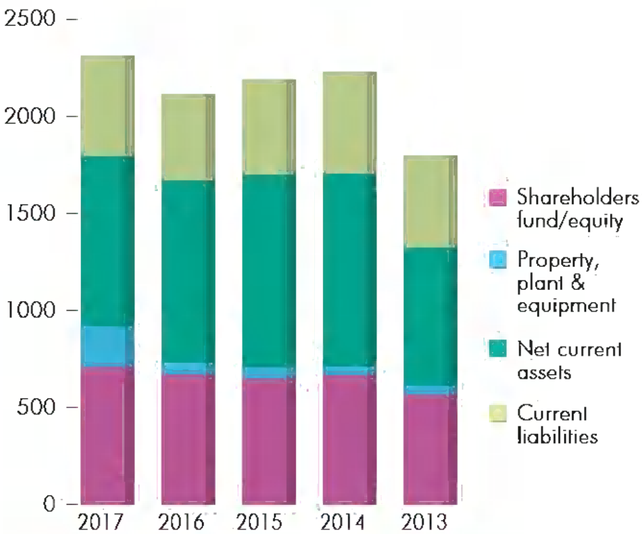
Particulars/Year	2017	2016	Growth	Growth %
Shareholders fund/equity	705.60	670.03	35.57	5.31
Property, plant & equipment	211.89	57.97	153.92	265.52
Current assets	872.97	940.61	(67.64)	(7.19)
Current liabilities	517.22	441.19	76.02	17.23

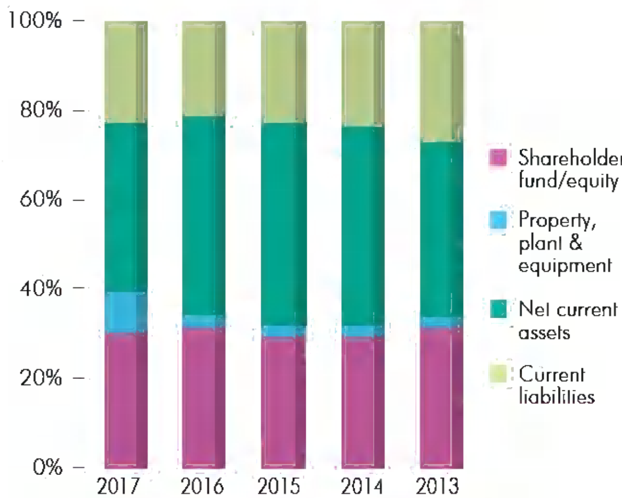
5 years Financial Position (Balance Sheet Analysis)

Balance sheet Items

In million Taka

Particulars/Year	2017	2016	2015	2014	2013
Shareholders fund/equity	705.60	670.03	646.90	663.42	565.07
Property, plant & equipment	211.89	57.97	57.65	45.49	46.29
Current assets	872.97	940.61	993.31	992.14	707.43
Current liabilities	517.22	441.19	490.10	526.39	477.89



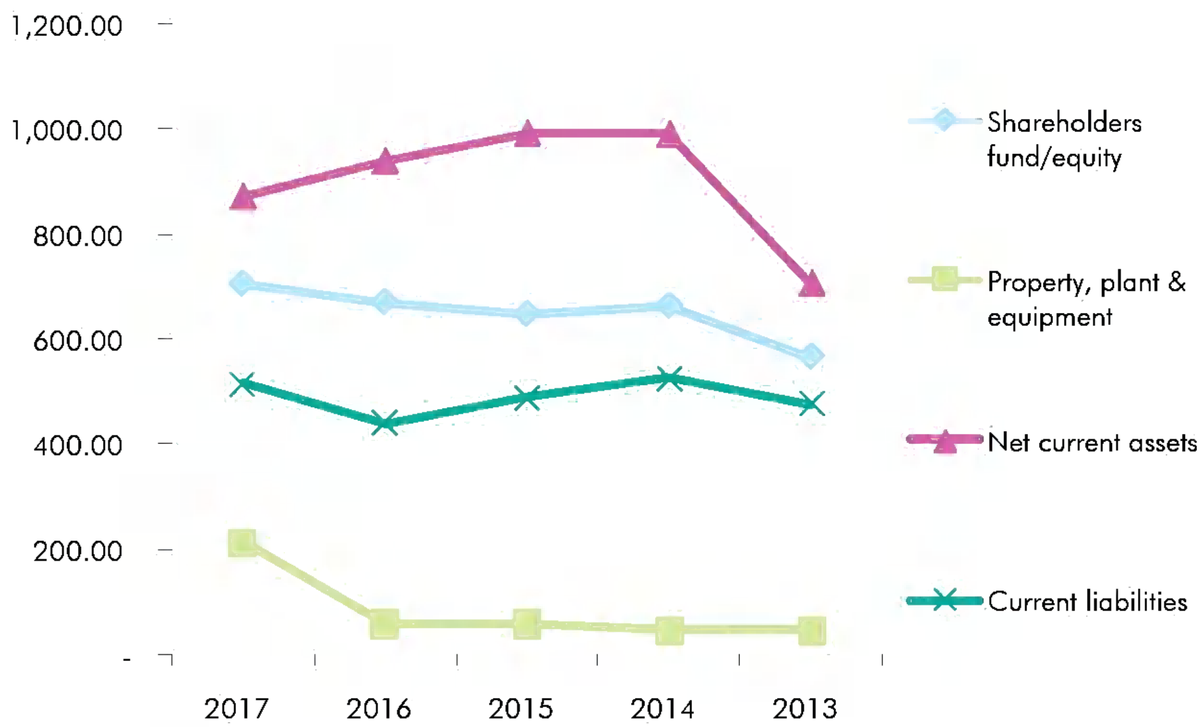


Financial Position (Balance Sheet Analysis)

Balance sheet Items

In million Taka

Particulars/Year	2017	2016	2015	2014	2013
Shareholders fund/equity	705.60	670.03	646.90	663.42	565.07
Property, plant & equipment	211.89	57.97	57.65	45.49	46.29
Current assets	872.97	940.61	993.31	992.14	707.43
Current liabilities	517.21	441.19	490.10	526.39	477.89



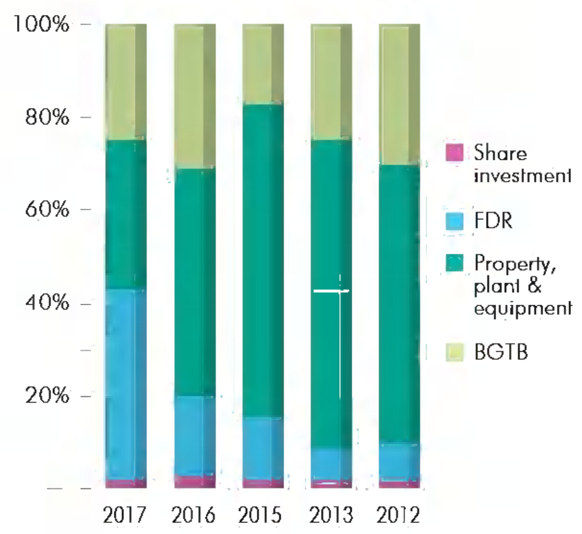
Investment (Taka in million)

Investment

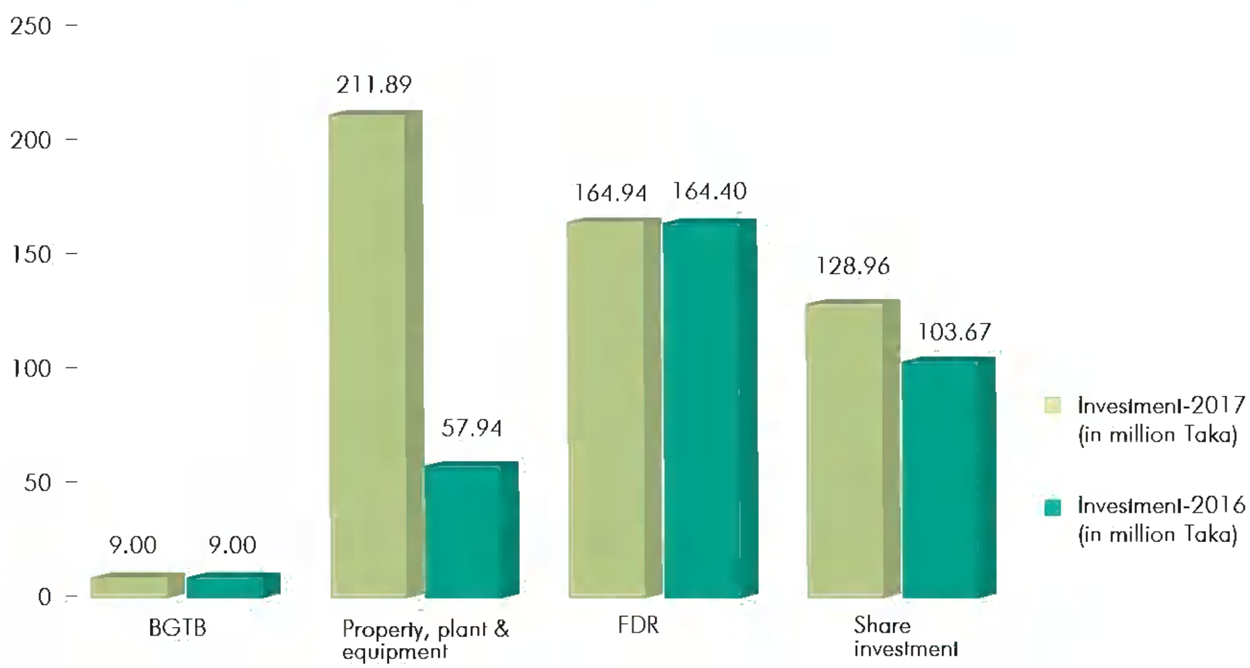
In million Taka

Particulars/Year	2017	2016	2015	2014	2013
Govt. Treasury Bond	9.00	9.00	9.00	9.00	9.00
Property, plant & equipment	211.89	57.94	57.65	45.49	46.29
FDR	164.94	164.40	294.80	406.30	353.00
Investment in shares	128.96	103.67	75.16	152.19	177.33

Investment are shown in graphs (in million Taka) as under:



Investment for the year 2017 & 2016 are shown in graphs



Value Added
STATEMENT

Value Added
STATEMENT

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

The Value Added Statement of Prime Insurance Company Ltd for the year 2017 and 2016 mentioned below and show how the value is created and distributed among different stakeholders i.e., Government, investors and employees of the company:

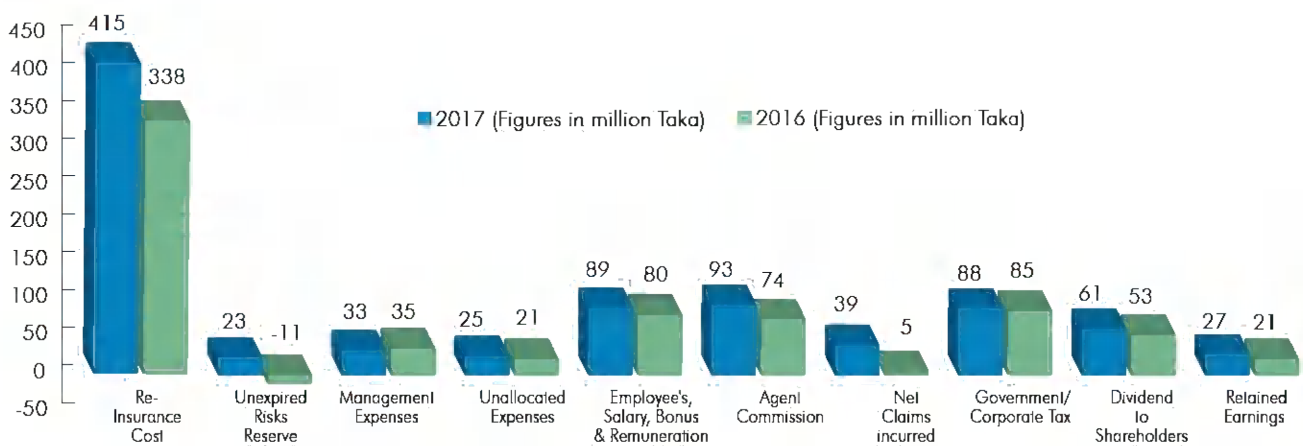
Particulars	Figure in Million (BDT) 2017		Figure in Million (BDT) 2016		Growt in Million (BDT)	Growth %
Value Added	**Amount**	**%**	**Amount**	**%**		
Gross premium income	669.07	74.87	535.01	76.40	134.06	25.06
VAT, stamp duty & source taxes	66.24	7.41	57.12	8.16	9.12	15.97
Interest income	12.02	1.35	21.51	3.07	(9.49)	(44.12)
Investment & dividend income	38.47	4.30	20.79	2.97	17.68	85.04
Other income	0.08	0.01	1.28	0.18	(1.20)	(94.06)
Re-insurance commission earned	107.79	12.06	64.54	9.22	43.25	67.01
Total Value Added during the year	**893.66**	**100.00**	**700.25**	**100.00**	**193.42**	**27.62**

Value Added Contribution to/application of the Value Added:

Reinsurance, claims & other	**627.76**	**70.25**	**461.39**	**65.89**	**166.37**	**518.21**
Re-insurance premium	414.54	46.39	337.95	48.26	76.59	22.66
Additional unexpired risks reserve retained	23.23	2.60	(11.41)	(1.63)	34.64	303.59
Management expenses (Excluding employee benefits)	32.60	3.65	35.41	5.06	(2.81)	(7.94)
Unallocated expenses	25.43	2.85	21.08	3.01	4.35	20.64
Agent commission	93.07	10.41	73.84	10.54	19.23	26.04
Net claims incurred	38.89	4.35	4.52	0.65	34.37	760.40

Particulars	Figure in Million (BDT) 2017		Figure in Million (BDT) 2016		Growt in Million (BDT)	Growth %
Employee benefits:	88.98	9.96	79.87	11.41	9.11	124.42
Salary & allowances	70.95	7.94	65.57	9.36	5.38	8.20
Incentive bonus	5.93	0.66	3.78	0.54	2.15	56.88
Festival bonus	5.38	0.60	5.25	0.75	0.13	2.48
Gratuity fund	4.00	0.45	2.55	0.36	1.45	56.86
Provident fund	2.72	0.30	2.72	0.39	-	-
Government/National Exchequer:	**88.20**	**9.87**	**84.76**	**12.10**	**3.44**	**(4.58)**
Corporate tax paid	21.96	2.46	27.64	3.95	(5.68)	(20.55)
VAT, stamp duty & source taxes paid	66.24	7.41	57.12	8.16	9.12	15.97
Provider of Capital:	**88.72**	**9.93**	**74.23**	**10.60**	**14.49**	**19.52**
Dividend to shareholders	61.32	6.86	53.14	7.59	8.19	15.40
Retained earnings	7.31	0.73	0.18	0.03	7.13	3961.11
Reserve & surplus	20.09	2.34	20.91	2.98	(0.82)	(3.92)
Total distribution & growth:	893.66	100.00	700.25	100.00	193.41	27.62

Distribution of Value added are shown in Graphs for the year 2017and 2016 (Figures in million Taka) as under:



Economic
VALUE ADDED STATEMENT

Economic value added (EVA) is a measure of a company's financial performance based on the residual wealth calculated by deducting its cost of capital from its operating profit, adjusted for taxes on a cash basis. EVA can also be referred to as economic profit, and it attempts to capture the true economic profit of a company. EVA is an internal management performance measure that compares net operating profit to total cost of capital. Economic value added is also referred to as economic profit. It provides a measurement of profit of the Company's economic success or failure over a period of time. The EVA is defined as:

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

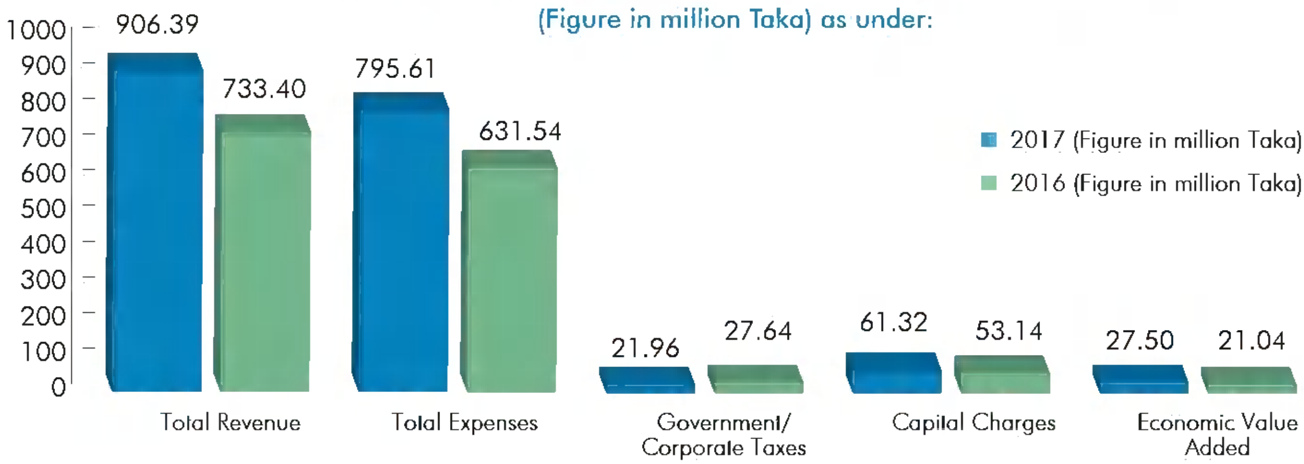
The goal of EVA is to quantify the charge, or cost, for investing capital into a certain project, and then assess whether it is generating enough cash to be considered a good investment. The charge represents the minimum return that investors require to make their investment worthwhile. A positive EVA shows a project is generating returns in excess of the required minimum return. Economic Value Added is important because it is used as an indicator of how profitable company projects are and it, therefore, serves as a reflection of management performance.

The purpose of EVA is to assess company and management performance. EVA champions the idea a business is only profitable when it creates wealth and returns for shareholders, and requires performance above a company's cost of capital. As a non-life Insurance company, Prime Insurance Company Ltd is deeply concerned for delivering higher value to its Shareholders/Equity providers. The following table indicates the EVA at the year ended on 31 December 2017 and 2016.

Amount in Million (BDT)

For the year ended 31st December	2017	2016	Growth	Growth (%)
Total revenue	906.39	733.40	172.99	25.98
Total expenses	795.61	631.54	164.07	19.79
Government/corporate taxes	21.96	27.68	(5.72)	(20.66)
Capital charges	61.32	53.14	8.18	15.39
Economic Value Added (EVA)	**27.50**	**21.04**	**6.46**	**30.70**

Economic Value Added are shown in Graphs for the year 2017 and 2016 (Figure in million Taka) as under:



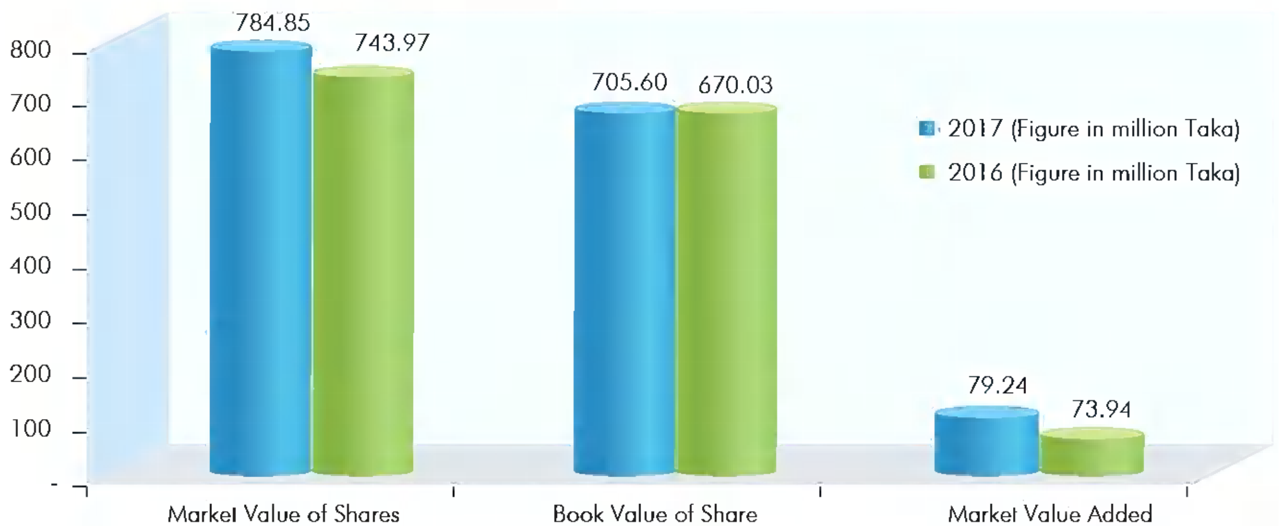
Market
VALUE ADDED STATEMENT

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

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

As at 31st December 2017, the market value of total outstanding shares of Prime Insurance Company Ltd stood at Tk. 784.85 million whereas the book value of the shares outstanding or shareholder's equity of the same period stood at Tk. 705.60 million. A positive MVA indicates that the company could add value to the shareholders' wealth. The following statement indicates the MVA as at 31 December 2017 compared to the MVA of 2016.

Particulars	For the Year 2017			For the Year 2016			Growth -2017	Growth %
	No. of shares	Value per share (Tk)	Total value (in Tk)	No. of shares	Value per share (Tk)	Total value (in Tk)		
Market value of shares outstanding	40877498	19.20	784,847,962	40877498	18.20	743,970,464	40,877,498	5
Book value of shares outstanding	40877498	17.26	705,604,794	40877498	16.39	670,030,366	35,574,428	5.31
Market Value Added			79,243,168			73,940,098	5,303,070	7.17



Contribution to the
NATIONAL EXCHEQUER/GOVERNMENT FUND

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

Our priorities:

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

For this reason, company made significant contribution to the Government each year by payment of Tax, VAT, Stamp duty etc. In the year 2017, company contributed Tk. 111.68 million to the National Exchequer as against Tk. 121.61 million in 2016 with an decrease of 8.17% over the year 2016.

Prime Insurance also made an economic impact by creating employment and trained the employees to serve for the country. Prime Insurance Company Ltd employed as many as 189 employees as on 31st December 2017. During the period the company has spent TK. 0.23 million for training and HR development. Company also paid Tk. 70.95 million as salary and allowances to its employees. The employees of the company paid Tk. 2.10 million as taxes to the Government with highest payment of Tk. 0.96 million by an individual employee.

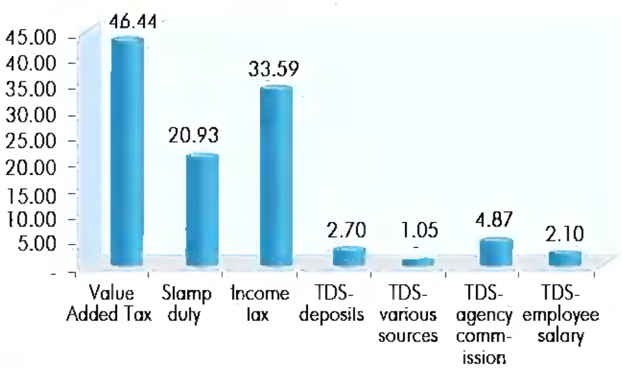
Contribution to National Exchequer/Government Fund:

Amount in Million Taka

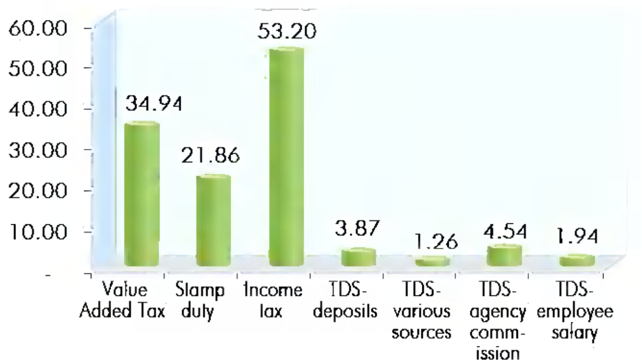
Particulars	2017	2016	Growth	Growth %
Value Added Tax	46.44	34.94	11.50	32.91
Stamp duty	20.93	21.86	(0.93)	(4.25)
Income tax	33.59	53.20	(19.61)	(36.86)
TDS-deposits	2.70	3.87	(1.17)	(30.23)
TDS-various sources	1.05	1.26	(0.21)	(16.67)
TDS-agency commission	4.87	4.54	0.33	7.27
TDS-employee salary	2.10	1.94	0.16	8.25
Total amount paid	111.68	121.61	(9.93)	(8.17)

Contribution to the National Exchequer/Government Fund are shown in Graphs for the year 2017 and 2016 as below:

Contribution to National Exchequer-2017 (in million Taka)



Contribution to National Exchequer-2016 (in million Taka)

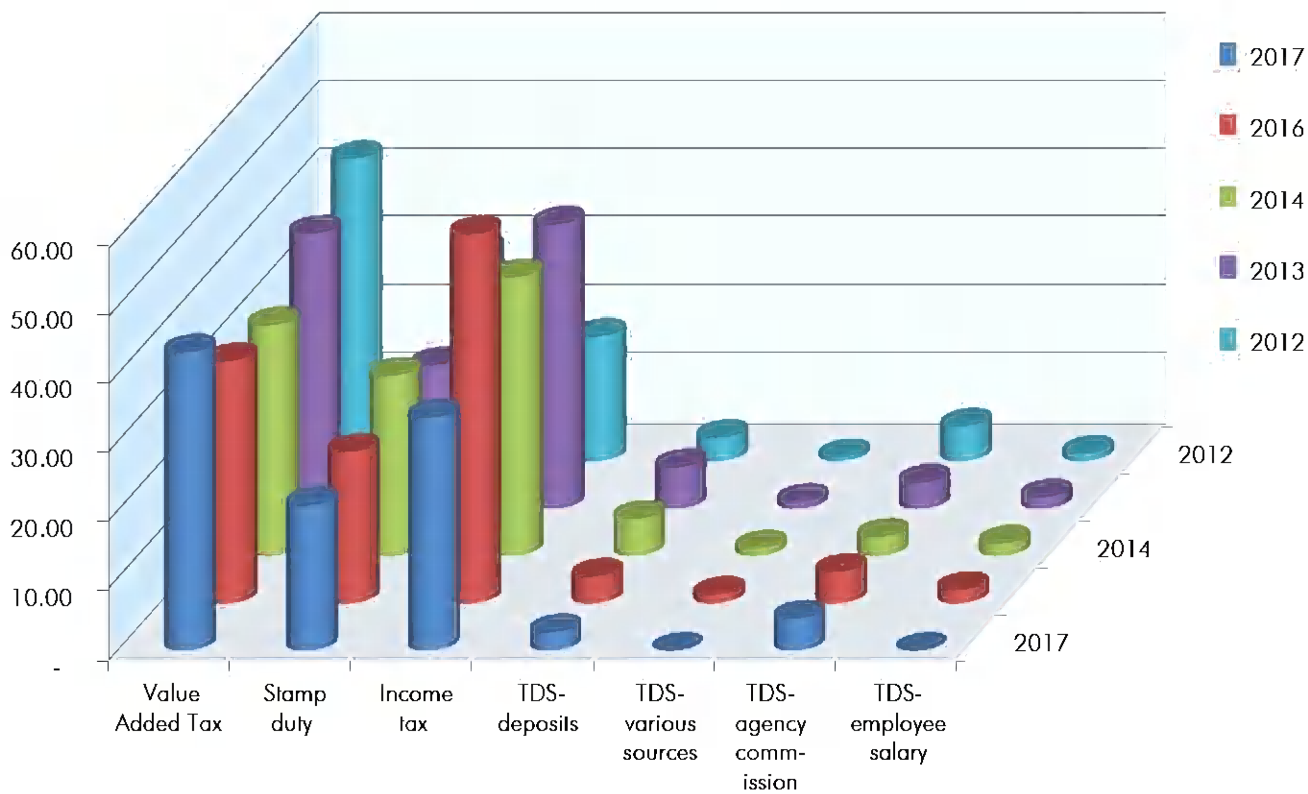


At a glance 5 Years Highlights of Contribution to the National Exchequer

Amount in Million Taka

Particulars	2017	2016	2015	2014	2013
Value Added Tax	46.44	34.94	33.25	39.64	43.63
Stamp duty	20.93	21.86	25.99	20.69	30.14
Income tax	33.59	53.20	40.18	40.96	18.00
TDS-deposits	2.70	3.87	5.40	5.98	3.41
TDS-various sources	1.05	1.26	1.13	1.01	0.61
TDS-agency commission	4.87	4.54	2.79	3.78	5.07
TDS-employee salary	2.10	1.94	1.81	1.66	1.11
Total	**111.68**	**121.61**	**110.55**	**113.72**	**101.97**

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



Market Share Position of
INSURANCE BUSINESS OF THE COMPANY

Bangladesh Non-life Insurance Business Market Composition and Status of Prime Insurance

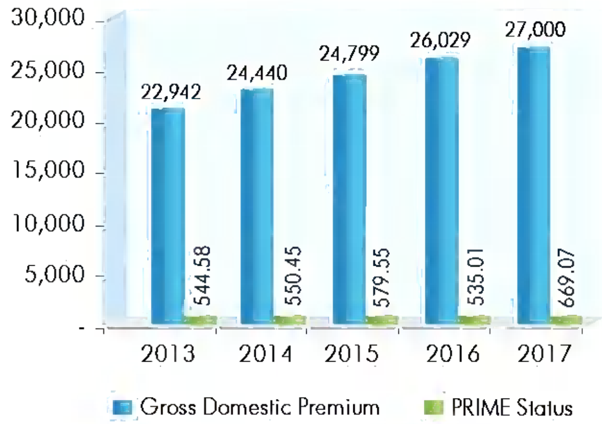
Market share position of the company's insurance business reflects the ability to exercise underwriting and pricing discipline as well as the risk management effectiveness in managing its business growth. As a second generation insurer, Prime Insurance Company Ltd is in a better pricing position than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

The Non-life Insurance the provisional premium income in 2017 is Tk. 27,000 million where PICL's contribution was Tk. 669.07 million. In 2016, the company earned Tk. 535.01 million. Last 5-year non-life insurance premium as a percentage of GDP shown in the chart below:

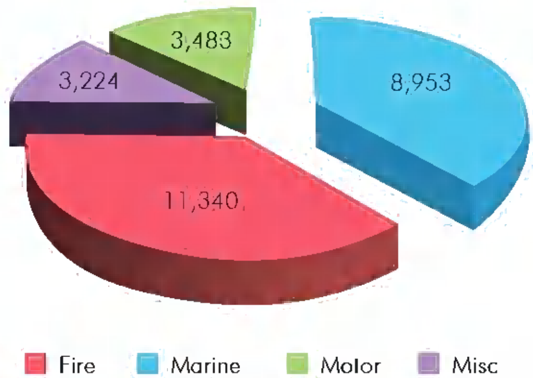
Year	Gross Domestic Premium Income	PICL's status on GDP	% PICL's status on GDPI
2009	13,898	177.04	1.27
2010	16,544	200.10	1.21
2011	19,249	305.37	1.59
2012	21,188	440.24	2.08
2013	22,942	544.58	2.37
2014	24,440	550.45	2.25
2015	24,799	579.55	2.23
2016	26,029	535.01	2.05
2017 (Prov.)	27,000	669.07	2.48

At a glance year wise private sector Bangladesh Non-life Insurance Companies' Gross Premium Income and Prime Insurance Company's premium income position out of 46 Non-life Insurance Companies are given below:

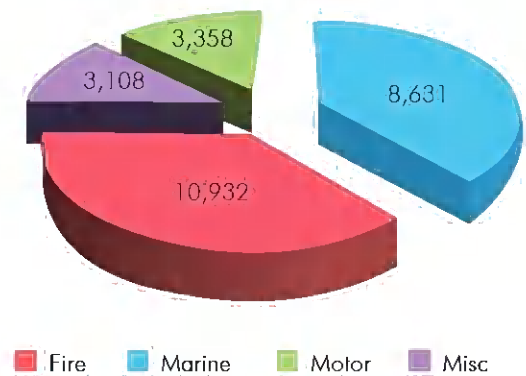
Class wise Premium income of Non- life Insurance is as follows :



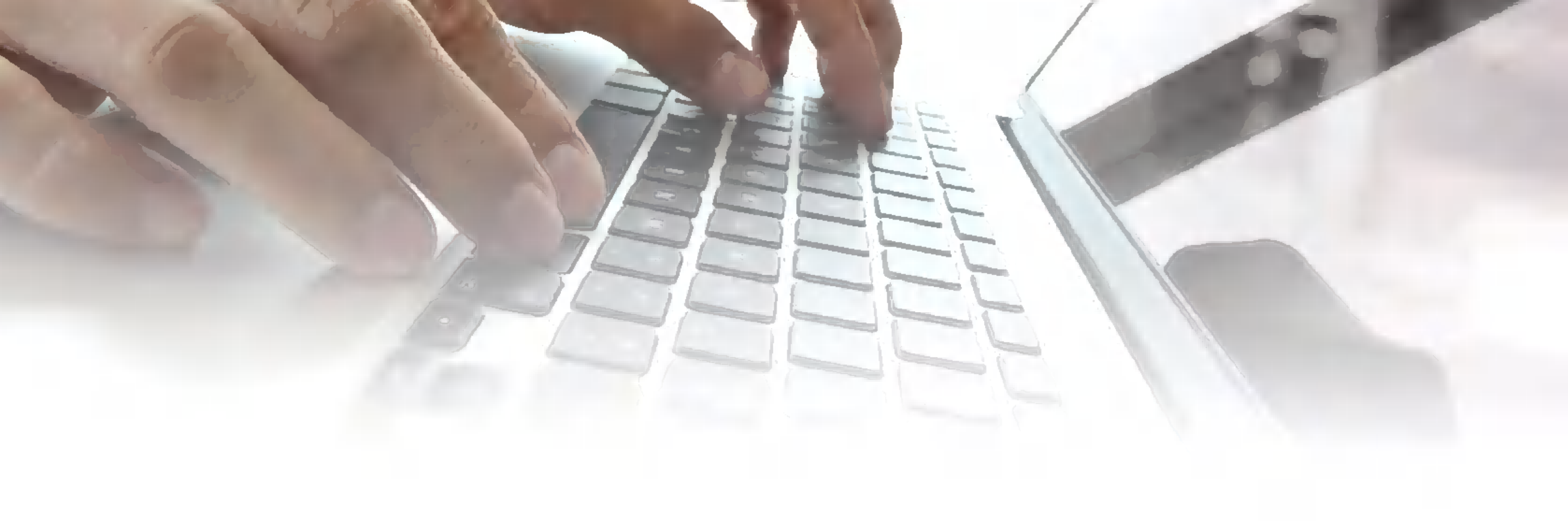
Gross Premium Income for the year 2017 (In million Taka)-Provisional



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



Specific Areas
FOR INSURANCE SECTOR



Claims Management

AND DETAILS OF OUTSTANDING CLAIMS (IBNR & IBNER) WITH AGEING THEREOF

Claim settlements are the main & sensitive issues for any Insurance Company and the Company's image depends on quick settlement of claims of the Insured.

In the present Liberalized scenario with cutthroat competition in the Insurance Market, sustenance and client satisfaction forgetting more business will depend on quick and easy settlement of claims, if any, keeping in mind their expectations; the settlementhas to be as per terms & conditions of the policy & Survey Report.

We the Prime Insurance Company pride ourselves on quick & hassle free claim settlement of the clients, as we are aware that the reputation and image of an Insurance Company depends on proper & adequate U/W which is very much essential considering the fact that defective U/W brings complication to settle claims. Any defect/ambiguity in the issued documents invariable goes against the Insurance Company. Delayed claim settlement generally results in higher claim cost. Claim cost is a very important factor vis-a-vis profitability.

U/W & Claims Department of Prime Insurance Company are well managed by experienced and qualified personnel and do not work in isolation, they maintained good relation/ co-ordination with each other and rendered their cordial services to the clients at the time of taking policy of their Insurable properties, upon request to disclose all the material facts relating to their Business. So, that no ambiguity arrives in case any claim happens/arises in future.

Prime Insurance whenever received any information against mishap to the Insured's Properties, instantly appointed a Licensed Surveyor. It takes only 5 to 7 days times to settle the claim upon having the minimum documents relating to the loss from the Insured. In some cases, there was a delay (max 30 days) due to delayed submission of documents by the clients.

Besides that Prime Insurance rendered their best services constantly through Customer Care Department equipped by highly experienced professionals to the clients after happening any mishap to the Insured's Properties.

Due to above, qualitative features, Prime Insurance awarded a credit rating of "A+" for higher claim paying ability by the CRISL.

In all its operations, Prime Insurance Company always follows the rules, regulations and guidelines of IDRA.

Outstanding Claims reserve (IBNR & IBNER) with ageing thereof

Outstanding claims reserves in accounting provision in Financial Statement of an Insurer where to quantity the outstanding loss liabilities for insurance claim which have been reported and not yet settled (RBNS) in full at the accounting date. The values for some of these claims and especially those relating to short tail business classes will be readily available without further need for estimation. Long tail business classes (e.g liability) and some larger claims however require skill and relevant expertise of claim assessors to come up with estimation as the information on the claim may not be sufficient to apply statistical models.

The acronym "IBNR" & "IBNER" stands/means for Incurred But Not Reported and Incurred But Not Enough Reported respectively.

These relate to claims that have already occurred, but that have not been reported to the insurer at the accounting date. These reserves are generally determined using statistical models. Most statistical models will estimate the ultimate claims value, deriving the IBNR claims reserves by subtracting the outstanding claims (mentioned under 'outstanding claims reserves' above) and paid claims from the ultimate claims.

Another reason for insurance to hold IBNER claims reserves is found in the outstanding claims estimation policy applied by the insurer. " The policy may state that if there was little or no information regarding a potential claim, a claim value should be raised. Obviously this increases the claim numbers. But leaves the claim amounts largely unaffected. If historical analysis shows that some of these types of claims were ultimately finalized by some amount, there is good reason for the insurer to hold IBNER claims reserves. Cognizance must also be taken of the fact that there could be a historical trend of overestimating the reserves, in which case a negative adjustment to the IBNR should be considered."

It is mandatory to provide quarterly Report to the Insurance Development & Regulatory Authority (IDRA) showing /stating therein cause of delay in settlement with ageing thereof. Prime Insurance maintains provision against such type of outstanding Claim with ageing thereof. But under the insurance law of the country, it is not obligatory to provides reserve for IBNR &/or IBNER claims.

Scenarios of the claim paid and outstanding for the last 05 (five) years are appended below:

Amount in Taka

Description	2017	2016	2015	2014	2013
1. Claim outstanding beginning of the year	49,671,371	57,355,958	45,976,138	39,694,999	52,527,091
2. Claim intimation during the year	115,646,353	48,561,276	153,747,661	35,385,961	17,444,552
3. Total Claim (1+2)	165,317,724	105,917,234	199,723,799	75,080,960	69,971,643
4. Claim paid during the year	96,030,268	56,245,863	142,367,841	29,104,822	30,276,644
Claim Paid as % of total claim	58.09%	53.10%	71.28%	38.76%	43.27%
Claim outstanding the end of the year	69,287,456	49,671,371	57,355,958	45,976,138	39,694,999

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

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

Solvency
MARGIN STATUS

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

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

On 31 December 2017, Prime Insurance Company Limited achieved solvency margin above the required level. PICL's required solvency is Tk. 86.23 million whereas the Company's available solvency margin was Tk. 472.80 million which means the value of assets had been more than the liabilities. Therefore, the available solvency is 5.48 times of required solvency margin in 2017 as against 4.88 times in the year 2016. Assets, Liabilities and Solvency Margin of the Company for the year ended 31 December 2017 are as under:

Statement of Solvency Margin based on Premium Income for the year 2017

For-2017 *RSM-1* *in Million Taka*

Sl.No.	Class of Business	Net Premium (NP)	Gross Premium (GP)	Factor	GP after application of factor	20% of GPF	20% of Net Premium	20% of (NP & GPF) which is higher
1	2	3	4	5	6	7	8	9
1	Fire	38.75	309.92	0.50	154.96	30.99	7.75	30.99
2	Marine cargo	153.95	199.99	0.70	139.99	28.00	30.79	30.79
3	Marine hull	0.47	1.46	0.50	0.73	0.15	0.09	0.15
4	Motor	45.54	49.18	0.85	41.80	8.36	9.11	9.11
5	Miscellaneous	15.82	108.51	0.70	75.96	15.19	3.16	15.19
	Total	**254.54**	**669.07**					**86.23**

Statement of Solvency Margin Based on Assets & Liabilities for the year 2017

For-2017 | *RSM-2* | *in Million Taka*

Sl.No.	Class of Business	Net Incurred Claims (NC)	Gross Incurred Claims (GC)	Factor	Gross Claims after application of factor	30% of Net Claims	30% of Gross Claims factor	Figure in col (7) & (8) whichever is higher	Required Solvency Margin (Higher of RSM-1 & RSM-2)
1	2	3	4	5	6	7	8	9	10
1	Fire	2.74	32.33	0.50	16.17	0.82	9.70	9.70	30.99
2	Marine Cargo	31.75	22.38	0.70	11.19	9.53	6.71	9.53	30.79
3	Marine Hull	-	-	0.50	-	-	-	-	0.15
4	Motor	3.15	6.67	0.85	3.34	0.95	2.00	2.00	9.11
5	Miscellaneous	1.25	34.65	0.70	17.33	0.38	10.40	10.40	15.19
	Total	**38.89**	**96.03**					**31.63**	**86.23**

Statement of Solvency Margin Based on Assets & Liabilities for the year 2017

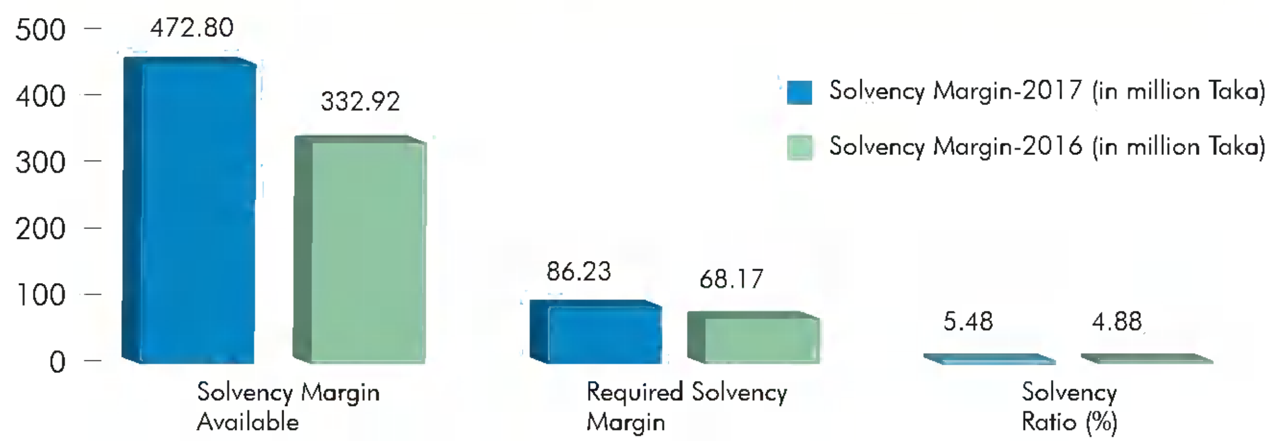
Amount in Million Taka

Particulars			Particulars			
A. Total assets as per balance sheet		**1,222.82**	**Assets to cover liabilities**		**920.70**	**Solvency Margin Available**
Less: Assets assumed to be zero value			**Liabilities:**			
			Sundry creditors	57.77		
Amount due from others	259.13		Amount due to others	15.44		
Premium collection control account	8.02		Provision for income tax	248.97		
Advance, deposits & prepayments	9.98		Deposit premium	23.63		
Computers etc	3.21		Reserve for unexpired risk	102.09		
Furniture & fixtues	21.78					
Total		302.12	**B. Total Liabilities**		**447.90**	
A. Total assets		**920.70**	**Solvency Margin Available**			**472.80**

Statement of Solvency Margin Based on Assets & Liabilities for the year 2017

Amount in Million Taka

Particulars	2017	2016	Growth	Growth (%)
Solvency Margin Available (SMA)(A-B)	472.80	332.92	139.88	42%
Required Solvency Margin (RSM)	86.23	68.17	18.06	26%
Solvency Ratio (ASM/RSM) (Times)	5.48	4.88	0.60	12%



At a glance 5 years Required Solvency Margin and Available Solvency Margin position of the Company are given below:

Amount in Million Taka

Particulars	2017	2016	2015	2014	2013
Required Solvency Margin	86.23	68.17	74.90	71.97	71.04
Available Solvency Margin	472.80	332.92	260.69	387.03	320.14
Solvency Margin Ratio (Times)	5.48	4.88	3.48	5.38	4.51

Required Solvency Margin is Tk. 86.23 million in the year 2017 where it was Tk. 68.17 million in 2016.
Note: Required Solvency Margin=(RSM is the higher of the amounts of RSM-1 and RSM-2)

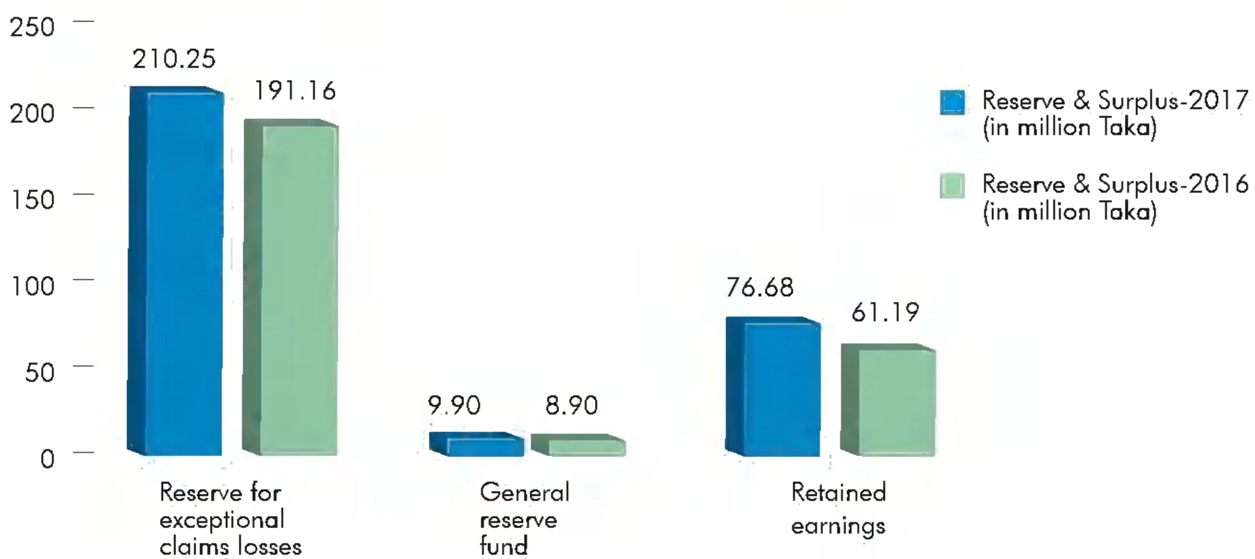
Reserve and Surplus

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

Details of Reserve & Surplus

Amount in Million Taka

Particulars	2017	Percentage	2016	Percentage	Growth in 2017	Growth %
Reserve for exceptional claims losses	210.25	70.83	191.16	73.17	19	9.99
General reserve fund	9.90	3.34	8.90	3.41	1	11.24
Investment fluctuation fund	-	-	-	-	-	0.00
Retained earnings	76.68	25.83	61.19	23.42	15	25.31
Total reserve & surplus	**296.83**	**100.00**	**261.25**	**100.00**	**36**	**13.78%**



Accounting Ratios Pertaining

TO INSURANCE BUSINESS OF THE COMPANY

Premium income of Prime Insurance Company Ltd has been increasing mostly in every year by dint of hard work of the head of Branches and executives including the top executives. They have given all-out efforts for smooth servicing to the clients. Management team also supported the head of Branches, if any, for procuring the business by providing uninterrupted services to the clients efficiently. The management of the company expects higher growth in 2018.

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

Amount in Taka

Particulars	2017	Ratios-2017	2016	Ratios-2016	Growth - 2017	Growth %
Gross premium income/turnover	669,071,015		535,008,897		134,062,118	25.06
Net premium income	254,534,964		197,060,745		57,474,219	29.17
Re-insurance premium ceded as % of GP	414,536,051	61.96	337,948,152	63.17	76,587,899	22.66
Net R/I commission earned as % of GP	107,786,712	16.11	64,539,166	12.06	43,247,546	67.01
Net R/I commission earned as % of NP	107,786,712	42.35	64,539,166	32.75	43,247,546	67.01
Agent Commission as % of GP	93,070,316	13.91	73,841,531	13.80	19,228,785	26.04
Management Expenses allocated as % of GP	121,584,320	18.17	115,279,037	21.55	6,305,283	5.47
Management Expenses allocated as % of NP	121,584,320	47.77	115,279,037	58.50	6,305,283	5.47
Un allocated expenses as % of GP	25,429,122	3.80	21,053,832	3.94	4,375,290	20.78
Un allocated expenses as % of NP	25,429,122	9.99	21,053,832	10.68	4,375,290	20.78
Gross Claims as % of GP	96,030,268	14.35	56,245,863	10.51	39,784,405	70.73
Gross Claims as % of NP	96,030,268	37.73	56,245,863	28.54	39,784,405	20.19
Net Claims as % of GP	38,891,821	5.81	4,520,897	0.85	14,754,839	326.37
Net Claims Paid as % of NP	38,891,821	15.28	4,520,897	2.29	14,754,839	326.37
Combined Expenses as % of GP	278,975,579	41.70	214,728,685	40.14	44,630,809	20.78
Combined Expenses as % of NP	278,975,579	109.60	214,728,685	108.97	44,630,809	20.78
Operating income as % of GP	85,537,105	12.78	79,366,836	14.83	6,170,269	7.77
Operating income as % of NP	85,537,105	33.61	79,366,836	40.28	6,170,269	7.77
Gross Profit Ratio on Turnover	110,671,530	16.54	101,874,249	19.04	8,797,281	8.64
Net Profit Ratio (after tax) on Turnover	88,715,175	13.26	74,229,638	13.87	14,485,537	19.51

Review of
ASSETS QUALITY

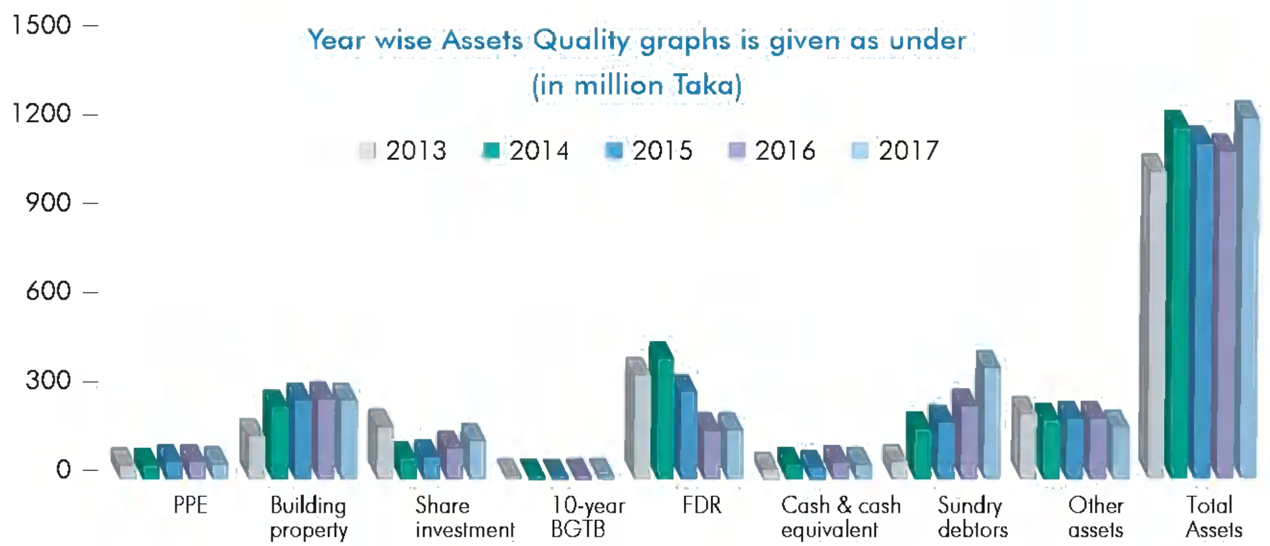
Prime Insurance Company Ltd always focuses on the superior assets quality so that these will bring highest value to the company, ensure satisfactory return to the stakeholders and ensure sustainable development. To perform the said objectives, company has the policy to review of its assets periodically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

Prime Insurance has high deqree of liquidity of its assets- more than 28.81%% of its assets comprise of cash and quickly disposable shares and securities. Its share investment portfolio comprise of investments into companies with strong fundamentals. Notwithstanding rather adverse performance of stock Markets in Bangladesh during the year 2017, Prime Insurance could maintain its investment income for the year 2017 higher than 2016 and 2015, which bear testimony to the prudent investment policies followed by the Company.

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

In Million Taka

Year	PPE	Advance against Building Property	Share investment	BGTB	FDR	Cash & cash equivalent	Sundry debtors	Other assets	Total Assets
2013	46.29	145.28	177.33	9.00	353.00	32.06	58.82	221.18	1042.96
2014	45.49	244.81	68.79	9.00	406.30	47.91	168.97	198.54	1189.81
2015	57.65	265.85	75.16	9.00	294.80	37.20	192.61	204.73	1137.00
2016	57.94	269.85	103.67	9.00	164.40	54.36	247.12	204.88	1111.22
2017	211.89	104.40	128.96	9.00	164.94	49.50	377.96	176.13	1222.82



Investable Asset Quality of the Company

Amount in Taka

Particulars	2017	%	2016	%	Growth	Growth %
(A) Share investment & debentures						
Long Term (BGTB)	9,000,000	1.46	9,000,000	1.51	-	-
Share investment					-	
Share investment listed companies	125,677,687	20.33	100,633,622	16.84	25,044,065	24.89
Share investment non listed companies	1,569,450	0.25	1,569,450	0.26	-	-
Investment in mutual fund	1,715,485	0.28	1,470,624	0.25	244,861	16.65
Total	**137,962,622**		**112,673,696**		**25,288,926**	**22.44**
(B) Cash at bank	**210,500,854**		**215,027,701**		**(4,526,847)**	**(2.11)**
Fixed deposit receipts (FDR)	164,944,478	26.68	164,400,000	27.51	544,478	0.33
STD & CD account balance	45,556,376	7.37	50,627,701	8.47	(5,071,325)	(10.02)
(C) Building property						
Advance againest building property	104,400,000	43.64	269,851,600	45.16	-	-
Total investable assets (A+B+C)	**452,863,476**	**100**	**597,552,997**	**100**	**20,762,079**	**20.34**
Property, plant & equipment and other fixed assets	211,887,457		57,939,614		153,947,843	265.70

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

In the year 2014 the Company has purchased another 01 (One) Unit floor space measuring 4,236 sft with 2 car parking at Unique Heights (9th floor): 117, Kazi Nazrul Islam Avenue, Ramna Dhaka. The book value of the floor cost was Tk.47.35 million . The total Cost Price of 3 (three) units floor stood Tk.177.29 million. The Company already shifted its Corporate office at Unique heights (9th floor) on 1st September, 2015. As per BAS-16, Advance againest building property of Unique height has been recognised as property plant and equipment under cost model. Accordingly depreciation has been charged.

www.prime-insurance.net

Report on
OTHER ACTIVITIES

Report on
SETTLEMENT OF CLAIMS

Claim settlements are the main & sensitive issues for an Insurance Company.

In the present Liberalized scenario with cutthroat competition in the Insurance Market, to get more business the clients have to be kept satisfied by quick & easy settlement of their claim, if any, as per their expectation.

We, the Prime Insurance Company, pride ourselves on quick & easy claim settlement, as we aware that the reputation and image of an Insurance Company depends on the speed & efficiency with which it settles a claim.

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Besides, Prime Insurance Company renders its best services constantly through Customer Care Department equipped with highly experienced professionals to the clients after happening any occurrence to the Insured's Properties.

Prime Insurance has been awarded a credit rating of "A+" for higher claim paying ability by the CRISL.

Prime Insurance Company always follows the rules, regulations and guidelines of IDRA.

Claims Settlement over the year

Prime Insurance organized Claims Settlement Ceremony

Insurance converses promises to take care of most of the financial burden of a policyholder in case of a claim. The hassle free claims settlement is a most important part of an insurance company. Hence, Prime Insurance Company Limited has evolved insurance claim management significantly over the past 21 years.

Consequently, Prime Insurance Company holds a "Claims Settlement Ceremony" at the Head office on December 13, 2017. Mr. Md. Shafiqur Rahman Patwary, Chairman of Insurance Development and Regulatory Authority (IDRA) was the Chief Guest of the ceremony. Chairman, IDRA handed over claims cheque to the valued clients from different Companies. Members of IDRA Mr. Gokul Chand Das and Executive Director Kazi Monower Hossain, Dr. Sheikh Md. Rezaul Islam were also present.

Chairman of Prime Insurance Mr. Md. Zakiullah Shahid, Vice Chairperson Ms. Saheda Pervin Trisha along with other Board of Directors and CEO of Prime Insurance Ms. Mohammodi Khanam were also present there.

Prime Insurance Company Settled Health Insurance Claim of Bank Asia

Ms. Mohammodi Khanam, CEO of Prime Insurance Company handed over health insurance claim cheque to Mr. Md. Arfan Ali, President and Managing Director of Bank Asia Ltd. at the office of Bank Asia. It is to be mentioned here that from last 2.5 years employees of Bank Asia are enjoying of their claims from Prime Insurance Company. Syed Monirul Huq, DMD & Head of Operation, Mr. Sujit Kumar Bhowmik, AMD & Head SMBD, Mr. Md. Delwar Hossain, SEVP & Head of Claims of Prime Insurance Company and other high official of Bank Asia were also present in the Ceremony.

Prime Insurance Company settled motor insurance Claim of Golden Harvest Ice Cream Ltd.

Golden Harvest is Bangladesh's one of the leading business groups with diversified interests in Food, Dairy, Commodity, Information Technology, Logistics, Real Estate, Aviation, Infrastructure Development and Insurance. Golden Harvest has been a pioneering force in the frozen food sector in Bangladesh and is the country's first company to develop its own Cold Chain network in collaboration with USAID.

Hence, it is to be mentioned that over the past years Prime Insurance is the Insurance Partner of Golden Harvest Ice-cream Ltd. As Insurance Partner, Prime Insurance Company Ltd settled a motor insurance claim of Golden Harvest Ice Cream Ltd. on September 21, 2017 at their office.

Ms. Mohammodi Khanam, CEO of Prime Insurance Company Ltd. handed over the cheque for Tk. 1,09,300.00 to Mr. Nirmal Chandra Sardar, Vice President (Finance) of Golden Harvest Ltd..

Mr. Md. Delwar Hossain, SEVP & Head of Claims, Mr. K M. Mostahid, Vice President and Head of CDU were also present in the ceremony.

Internal

AUDIT REPORT

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

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

a. Accuracy of financial statistics

b. Optimization of operational competence

c. Compliance with the laws and regulation

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

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

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

i. Systems audit

ii. Operational audit including efficiency audit

iii. Management audit

Internal Audit Process

A. Audit Program-

- Head of Internal Control and Audit Department starts to prepare audit plan before the commencement of each year. He draws it up and gets approval from the Audit Committee and the audit functions for that financial year are carried out accordingly.

- The annual program states the various areas which are subject to audit.
- The Audit Committee monitors the progress of work every monthly, quarterly, half-yearly and yearly.
- Company Secretary and Head of the Internal Control and Audit attend the meeting regularly.

B. Reporting Structure

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

C. Audit Function in Prime Insurance Company:

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

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

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

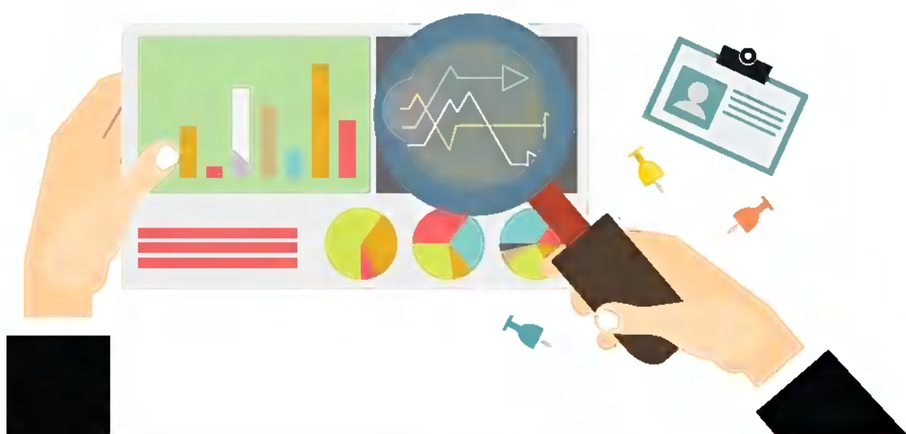
03. Performance /MIS Audit: A management information system (MIS) provides information which are needed to manage organization efficiently and effectively. The Company is able to highlight its strengths and weaknesses due to the presence of revenue reports, employees' performance record etc. The MIS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

D. Audit Finding & Audit Reporting

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

E. Follow-up

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



Report on
ISO CERTIFICATION

Prime Insurance Company Ltd is first ISO certified Insurance Company in Bangladesh. ISO 9001:2008 Quality Management System certification enables us to demonstrate our commitment to quality and customer satisfaction, as well as continuous improvement in company's operations.

By maintaining the certification since 2012, we are ensuring all requirements for quality management of the product or service that are covered in ISO 9001:2008, which includes a quality planning requirement along with policies, objectives and quantifiable targets.

The Certification also enables us to maintain continuous development in the following areas:

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

What we did in 2017

At the beginning of 2017, we executed our plan to implement an integrated internal audit program for QMS and subsequently the External Audit. This enabled a more efficient and effective way of sharing information among the employees and provided a holistic approach to our Company. It also added value for the Departments being audited with two ExternalAuditors bringing different knowledge and skill sets to the Company audit and gave each team the opportunity to learn from each other on audit and adapt their processes where necessary for continual improvement.

What we will do in 2018

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

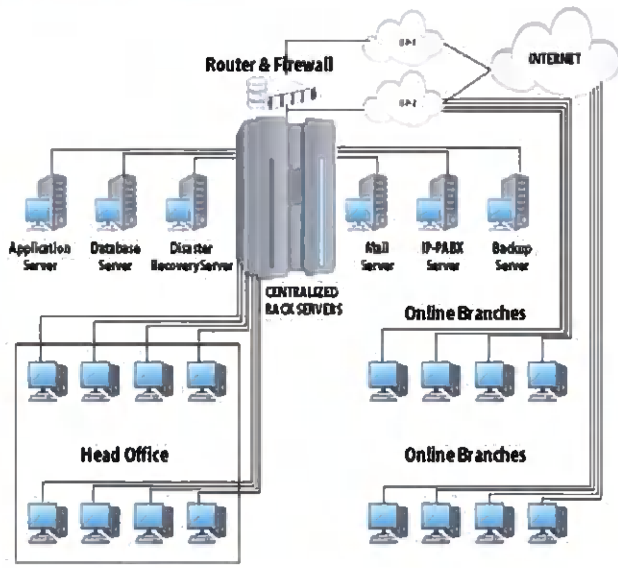
Report on

ONLINE BUSINESS SYSTEM

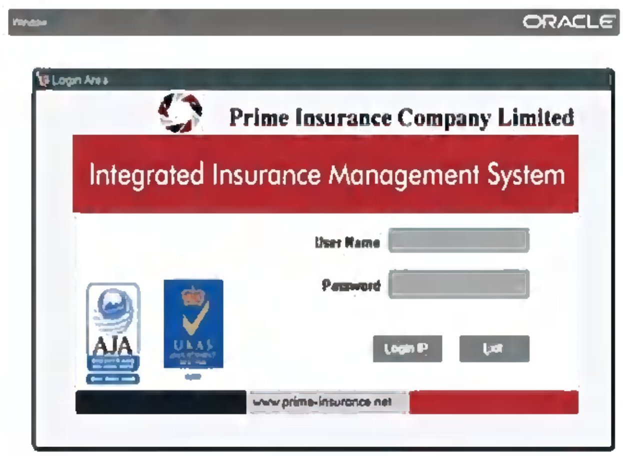
In today's world, technology has become an important tool for development. The advancement and usage of technology has not only eased our communication system, it is playing a vital role in the growth of financial sector as well. To keep pace with this ever changing scenario, it is very important for every financial organization to develop and utilize the technological innovations. Prime Insurance Company Ltd is a pioneer among the technology driven insurance companies of Bangladesh with its fully online based business system and faster communication through own developed internal mail system, IP-Phone and a vibrant website: www.prime-insurance.net.

We have 18 branches and 1 booth, and all of them are online based and operating under automated system. These branches and booth are also monitored and controlled online from the Head Office. We underwrite our policies through online insurance automation process which helps our business partners-clients to receive faster service in the shortest possible time that saves money as well. This system also enables our clients to compare the terms and conditions and rates with other companies; it also indicates the transparency of the company towards the clients. Through visiting the website of Prime Insurance a potential insured or an individual can easily know about the company in details -its products & services and the attributes including company's achievements and many more.

Network Diagram



Software



In Prime Insurance we have been operating Software named IIMS (Integrated Insurance Management System) which is integrated with Underwriting Module, Accounts Module, Claim Module, Payroll Module and Re Insurance Module. The Software is 100% online based.

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

Internal mail server:

We are operating an internal mail server for faster and notified communication with all employees, higher management and clients. Also we are controlling all works and documentation as per ISO certification 9001:2008 documentation standard.

Mobile App:

For the first time in the insurance history of Bangladesh, Prime Insurance Company launched Mobile app in the year 2014 to facilitate the clients through faster quality service. Through this app Client can get their required information & services, intimate their claims, if any, can look for a quotation and send renewal request to the concerned department. Anyone can download this App from Google Play Store in their Android Mobile Set and thus be self benefited.

CCTV, Meeting and video presentation in online:

We are introducing our products to the specific clients and also to potential insured making necessary presentation in power-point through online system to the specific clients. We are also conducted skype meeting, video conference and monitoring all of the departments and branches through CCTV.

Finger print access control:

Prime Insurance has introduced access control device with finger print security doors. In this system, we can control employees 'in and out' movement including time of office attendance time.

Automated System along with Online Support ensures:

Speed:

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

Accuracy:

Through Automated system we can accurately perform work.

Safety:

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

Efficiency:

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

Security:

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

Communication:

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

Spreading Out

PRIME INNOVATIVE INSURANCE PRODUCTS

Prime Insurance is one of the pioneer companies in Bangladesh who are philanthropic on innovating new products and services for its clients and customers. Since its inception, Prime has focused and carried out research and initiated knowledge sharing sessions with local academicians, overseas re-insurers and insurance experts to bring new insurance products in market to cater the growing needs and fulfilling the expectations of customers with a view to covering the risk in wider areas which usually traditional insurance products are unable to cover. Keeping that in mind, Prime has already launched few innovative products in the market which are creating positive impact in the insurance market while generating higher revenue for the company. Prime has decided to expand those innovative products and modify,if required,based on the feedback of clients who are currently enjoying the benefits of those products. Prime is expecting a brighter year in 2018 as it is working towards launching more innovative products which will help to bring the people under the safety net of insurance. Followings are existing innovative products which are currently available in the market:

Prime Health Plan

Prime has launched an innovative health insurance product namely Prime Health Plan which provides coverage due to hospitalization and other related expenses. The aim of this product is to increase the awareness so that people consult with a qualified doctor whenever he/she suffers any health issue without fearing the cost of hospitalization and other expenses. Various Corporate Clients & Multinational Companies are enjoying the benefits of the Prime Health Plan to ensure health insurance coverage of their employees and family members with a minimum amount of premium. The Management of Prime is working with a view to brining group of People under this health insurance policy. Moreover, we have made a strategy so that we can bring the common people under this policy. This product is fully supported by the abroad and enables treatment facilities at home and abroad.

Bankers' Blanket Bond Policy (BBB)

In accordance with the changes of global economy and market interest, Banks are now a days operating their business in a diversified ways. There are diversifying their portfolio day by day and increasing their product lines to meet up the clients latest requirements and, at the same time, to accommodate with global economy.

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

Banker's Blanket Bond Policy will cover any forgery, fraudulency by employees/third parties, cybercrime, professional indemnity of the Bankers and Directors and Employers' Liability. Banks do not need to take the coverage for cash-in-transit, cash-on-counter, cash-in-safe, cash-in-ATM policy etc. separately. So, this insurance will work as a safeguard of banking property where a Bank will get all insurance cover under one umbrella. The Policy has already been taken by few reputed private banks and some other banks are in the pipe line. We hope to see more banks enrolling in this proposal in the near future.

Hajj & Umrah InsurancePolicy

We know, for the Muslim People, Hajj is one of the fundamental rituals amongst the five pillars for those who are financially and physically sound. During the period of performing Hajj, they need to continue their journey uninterruptedly' however, the voyage sometimes comes across many unexpected accidental occurrences i.e. bodily injury, permanent disability even death. Hajj Insurance Policy can give the assurance of making the holy journey smooth, secured and sound.

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

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

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

Shipbuilders Liability Insurance Coverage

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

The Policy contains following two sections:

Section 1

(a) Covers the hull and machinery of the insured ship.

(b) Covers machinery while it is under construction at specified sub contractor's premises within the construction port.

Section 2

Covers machinery only at the builder's yard within the construction port (Does not include other parts or materials to be built into the ship).

The mentioned four products not only achieved the great success for Prime, those have also uplifted the image of the Company in the industry. We wish to continue such a way of introducing the exclusive products and services to make a healthy, secured and tension free life for the people of Bangladesh.

Report on

REINSURANCE

Reinsurance is the life blood of the non-life insurance company whereas a number of risks are underwritten of different sizes i.e. small, medium, big and large. Hence reinsurance provides the main underwriting support to protect the financial stability of the insurance company in the time of claim occurred. Proper reinsurance arrangement with the reputed reinsurance companies is the most important job of the reinsurance department of the company.

Reinsurance is, by its nature, a global business, which deploys capital across geographical boundaries and line of business. The intent of reinsurance is for an insurance company to reduce the risks associated with underwritten policies by spreading risk across alterative institutions.

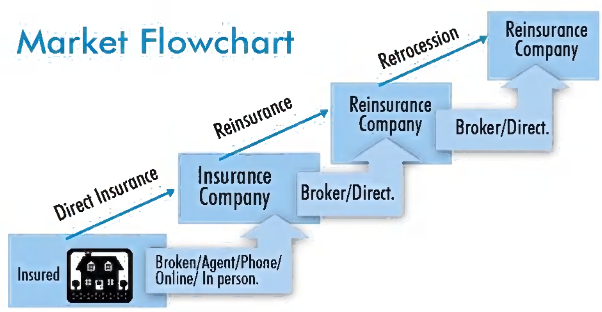
Reinsurance also increase the capacity of underwriting for the traditional and any new line of insurance business as well as reinsurance protect insurance company, policy holders and its stakeholders through providing instant solvency capital to stabilize net claim ratio.

Reinsurers apply sophisticated risk management process to take any risks. But to work in a prominent and effective way, it requires a reliable legal system which is secured and honors the freedom of contract.

In a developing country like Bangladesh, insurance companies are playing a very significant role in economic expansion. With higher income and literacy rate, people are expected to recognize the benefits of insurance in business and thus raising the demand of insurance services. Though insurance industry has a very high prospect in the economy but for some reasons it's totally failed to achieve its goal. The insurance industry in general and the reinsurance industry in particular is facing a number of significant challenges and constraints which will need to be decisively addressed in the coming years if the industry wants to maintain its role in an expanding global economy.

Regulation of the reinsurance industry is increasing but in a piecemeal fashion without any key techniques and parameters. At the same time the demand for reinsurance solutions in specific business segments and for specific needs of primary insurance companies' is growing. Satisfying this demand is the commercial role of the reinsurance industry and because of the industry's risk diversification; it is able to insure risks at a lower cost and higher security than primary insurers with less diversified portfolios. Thus, reinsurance which facilitates the spread of risk exposure over a larger capital base is an important tool for the insurance industry. Reinsurance plays a vital role in providing capital to insurers thus securing affordable protection to policyholders.

Since reinsurance is a financial and services arrangement between an insurer and a reinsurer, it contains a number of different steps to transfer the risk in global market as well as financing for ensuring underwriting capacity to the insurance companies.



The government of Bangladesh modified the system through promulgation of the Insurance Corporations (Amendment) Act 1990. The changes allowed private sector insurance companies to place 50% reinsurance of the business to state owned corporation and to place remaining 50% of their business with any reinsurer of their choice, at home or abroad. Sadharan Bima Corporation will underwrite 100% of Public Sector business and distribute 50% to private insurance companies in the country.

Out of 45 private Non-life Insurance Companies only few companies have their 50% Re-insurance arrangement with abroad. Prime Insurance is one of them who have their reinsurance support with very renowned reinsurers for its various businesses. As reinsurance is a key drive of growth and stability for an insurance company, Prime Insurance arranged the best reinsurance arrangement with the local reinsurer Sadharan Bima Corporation (State owned reinsurer of Bangladesh) and overseas reinsurers General Insurance Corporation of India (GIC Re) with credit rating "A-"(Excellent) by AM Best and Trust Re, Bahrain with credit rating "A-"by AM best and S&P, for its reinsurance treaty under review.

Prime insurance is enjoying the best Reinsurance Treaty Terms with its local and foreign reinsurers whereas the treaty limit is Tk. 1000 million for Fire business and Tk. 400 million for Marine business. As well as PICL has arranged Excess of Loss treaty for its retained portfolio to ensure the highest financial strength with net loss retention of Tk. 5.00 million for Fire business, Tk. 2.50 million for Marine business and Tk. 1.00 million for Motor business.

To mitigate the natural catastrophic risk Prime insurance has CAT excess of loss treaty with SBC and other overseas reinsurers. To protect the risk in fire business, it has reinsurance cover for losses arise from natural catastrophe losses of Tk.45.00 million in excess of Tk.5.00 million whereas it has the same treaty in marine cargo for losses of Tk.7.50 million in excess of Tk. 2.50 million.

Apart from the above treaty reinsurers Prime Insurance is also placing lot of insurance business on facultative basis to Swiss Re (Switzerland/Singapore), Munich Re (Germany), Hanover Re (Germany), Lloyds of London (UK), Alliance Global, XL Insurance Company, Korean Re (S. Korea), GIC Re (India), Trust Re (Bahrain), Malaysian Re (Malaysia), New India (India), ICICI Lombard (India), ARIG Re (Bahrain) etc. beyond the treaty capacity.

Other than reinsurance treaty we have build-up our strong affiliation with world's reputed reinsurers. Our most modern technological developments are the key success of service standard, good relationship with the insured as well as reinsurers and brokers. Risk mitigation and loss prevention are given the highest priority for Prime's vision. We have ceded premium Tk. 375.08 million to our reinsurer in the year of 2017 under surplus, Excess of Loss treaty and facultative reinsurance.

Prime Insurance has a very good business relationship with international insurance broker market as well like J B Boda (S) Pte Ltd. Singapore, J B Boda of India, Tyser & Co. Ltd. London, Marsh of London, Protection Insurance Services of Bahrain, Unison Insurance Services, India etc. Through them, Prime always provides its insurance business service to the clients with a very special rate /terms and secures the clients interest with the highest priority.

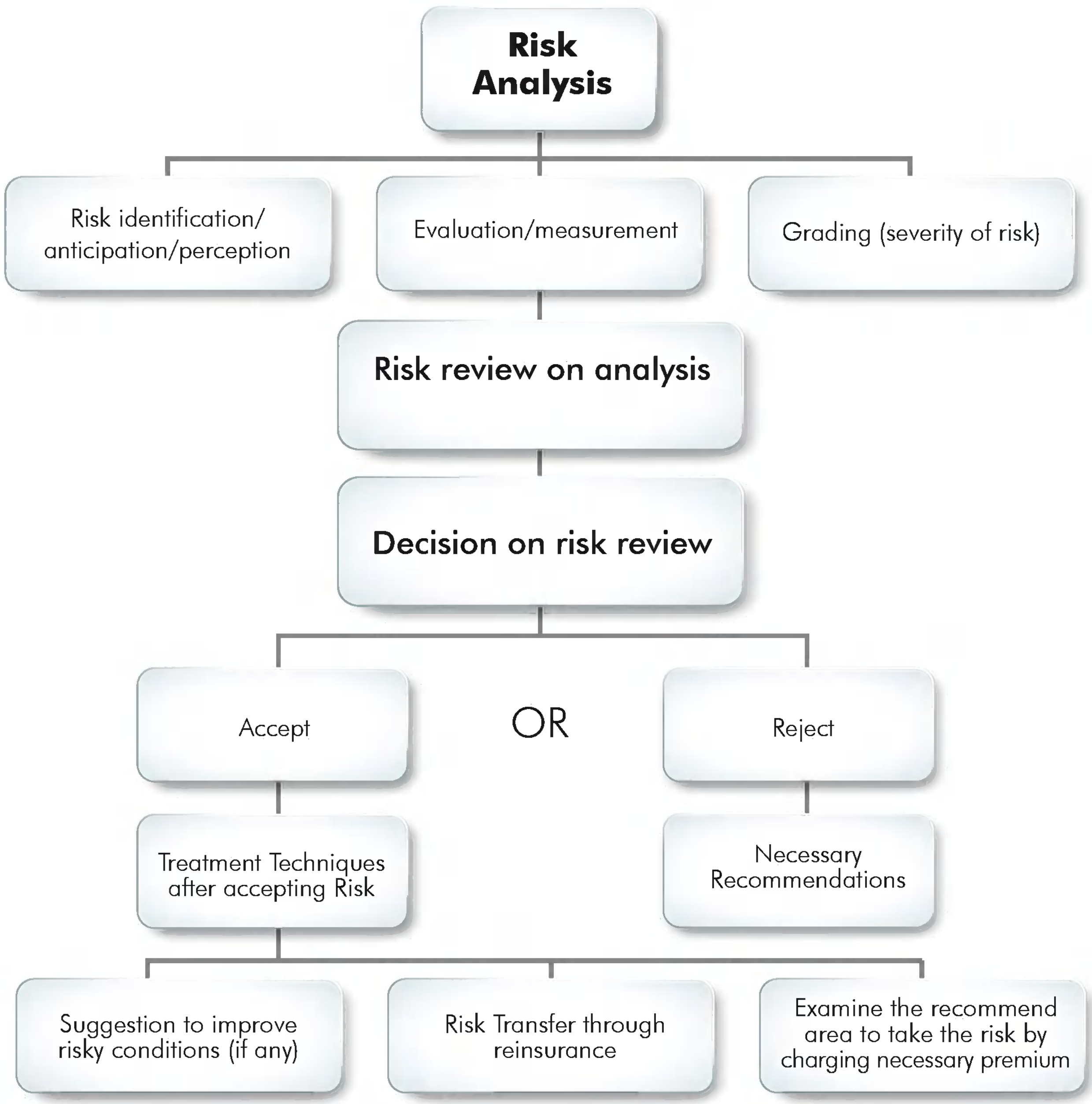
Since career development is an ongoing, dynamic process, employees may need encouragement and support in reviewing and re-assessing their goals and activities. Prime encourages growth and career development of employees by providing adequate in house & abroad training. As a result, the reinsurance department took part in The GIC Re 7th International Reinsurance Training Program at Mumbai, India and 2nd Reinsurance International Study Course (RISC) at Singapore. These training programs were conducted by Insurance Institute of India, College of Insurance, Mumbai and Singapore Insurance College, Singapore etc.

A collaborative effort between different insurance business functions and discipline is required for continued growth and sustainability of our insurance market where reinsurance department's contribution is indispensable. But in our country, 50% mandatory business with our local reinsurer becomes a hurdle to do an effective business whereas in our neighboring country (India) this percentage is only 5%. So, need to change the strategy by the regulatory authority for the betterment of the insurance industry.

Efficient service and the highest financial security to the clients are the most priority of Prime Insurance. So, Prime Insurance always ensures the full reinsurance protection with high rated reinsurers as well as provides systematic risk management advices and the best insurance terms to the clients with maintaining the full business ethics and regulations.

Report on
PRE-SURVEY RISK INSPECTION

PRE-SURVEY Risk inspection plays a vital role to identify threats of clients' businesses and implement best practiced mitigation measures. Risk analysis is the first step in managing and preventing risk that brings a revolutionary positive outcome while insurer takes decision to carry out an analysis through pre risk inspection. Effective steps of Pre-risk inspection:



Prime Insurance prefers to do Pre Risk Assessment by hiring professional expertise to improve, manage and prevent risk, as the pre-risk survey is mandatory for large facilities in international as well as local reinsurance markets. A professional risk survey is a basis for sound property insurance programs, allows making well-informed decisions on parameters of the coverage system, and avoiding both inappropriate over-estimation of insurance expenses as well as adoption of an insufficiently reliable risk insurance program.

Effective pre-risk inspection report allows insurers, reinsurers and insurance brokers to assess the quality of risk and to estimate the amount of potential damage as well as to obtain an unbiased independent opinion on the state of protection of their property from fire, explosions, machinery breakdown, malicious acts, climatic perils, the possibility of major losses due to business interruptions etc. In addition, the report suggests measures (recommendation) aimed at reduction of the probability of loss occurrences (prevention) and/or minimization of loss from the occurrences.

Prime Insurance always does the pre-inspection of any property of the client either by external or by internal expert. As per the Circular of Insurance Development & Regulatory Authority (IDRA), it is important to get the survey, if the insured amount is Tk. 5 crore or above. Prime Insurance always complies with the guidelines of the Authority regarding risk inspection.

Besides, Prime is also transparent in charging premium amount to its clients. In this way, Prime Insurance tries to mitigate the risk and build a positive image in clients' mind for mutual interest; Prime also tries to offer the client with the best and competitive rate and terms from CRC (Central Rating Committee) from abroad (if necessary).

Pre-risk assessment is the most important function of a risk assessment process to pre-determine the possible scenarios and potential damages and then take the steps insistently about the business portfolio. Pre-risk assessment also helps us relieved of the possible risk that might be created by clients through hiding information.

Financial CALENDAR

Prime Insurance Company Ltd is very much concerned of the stakeholders' interest on the company including the potential investors. The following historical information will help our current and potential investors for their decision making:

Financial Calendar to the Stakeholders:

Financial year -2017	
Publication of First Quarter Financial Statements (Un-audited)	April 22, 2017
Publication of Second Quarter Financial Statements (Un-audited)	July 29, 2017
Publication of Third Quarter Financial Statements (un-audited)	October 26, 2017
Announcement of 2017 Final Results	Feb 07, 2018
Record date	March 06, 2018
Annual Report 2017 dispatched	March 15, 2018
Date of 22nd Annual General Meeting	March 29, 2018
Dividend declared cash (Proposed)	15%

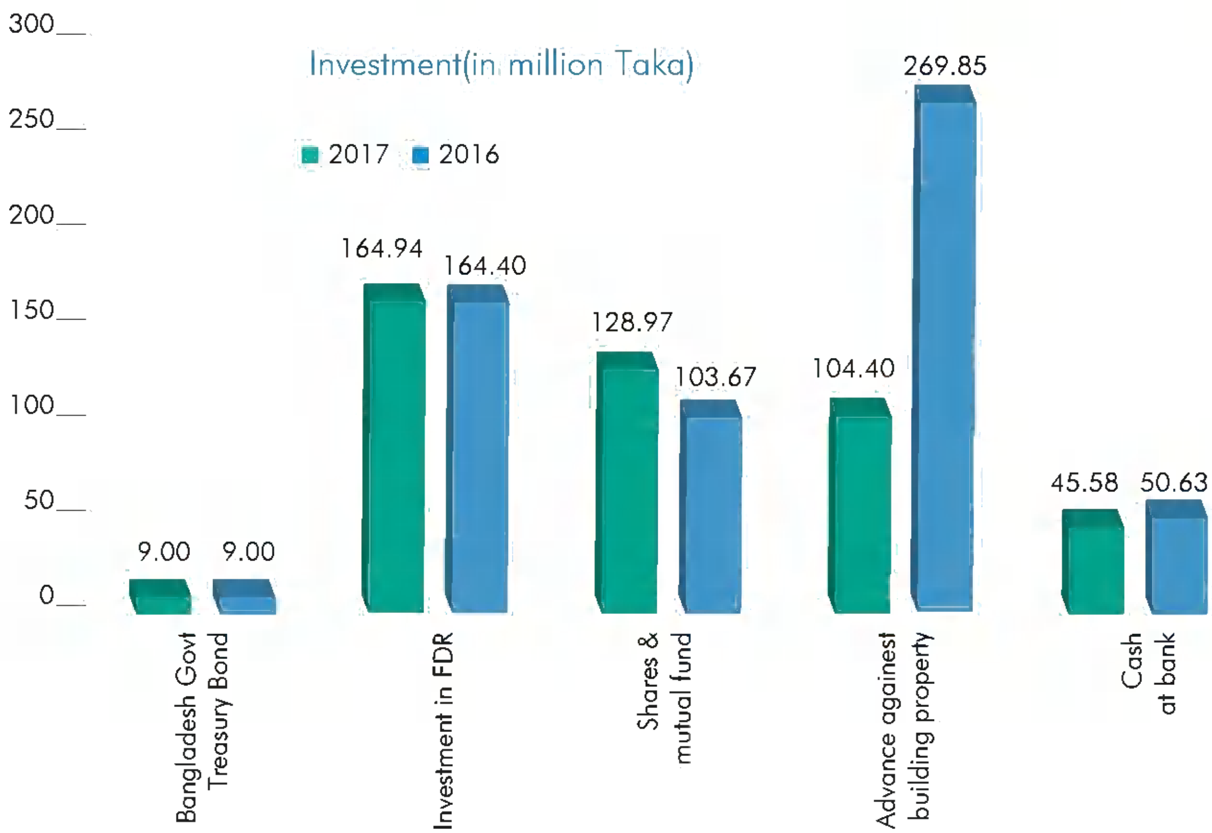
Financial year -2016	
Publication of First Quarter Financial Statements (Un-audited)	May 07, 2016
Publication of Second Quarter Financial Statements (Un-audited)	July 27, 2016
Publication of Third Quarter Financial Statements (un-audited)	October 30, 2016
Announcement of 2016 Final Results	Feb 20, 2017
Record date	March 14, 2017
Annual Report 2016 dispatched	March 16, 2017
Date of 21th Annual General Meeting	March 30, 2017
Dividend declared cash	13%

Financial year -2016	
Publication of Financial Statement for the 1st Quarter (Un-audited)	May 12, 2015
Publication of Financial Statement for the Half Year (Un-audited)	July 27, 2015
Publication of Financial Statement for 3rd Quarter (un-audited)	October 30, 2015
Announcement of 2015 Final Results	Feb 22, 2016
Record date	March14, 2016
Annual Report 2015 dispatched	March 16, 2016
Date of 20th Annual General Meeting	March 30, 2016
Despatch of sales proceeds of fractional shares	April 28, 2016
Dividend declared	12.5%

Investment
PROFILE

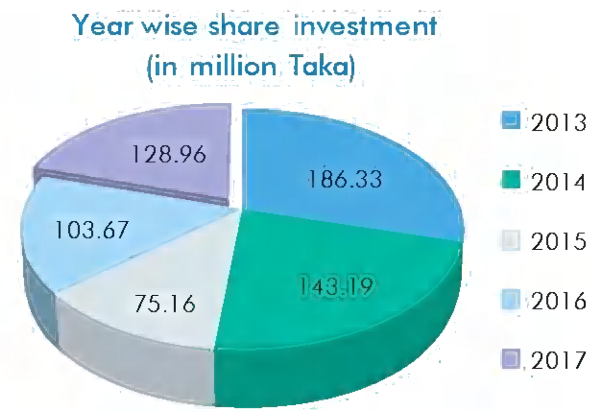
In the year 2017 the investment portfolio of Prime Insurance Company Ltd has decreased by 24.21% as against total investment for the year 2016 due to recognition of floor space of Head Office as property, plant and equipment under BAS-16. The Company has been investing its major fund in FDR in Banks and financial institutions and also investing in the fundamental shares of publicly traded companies, mutual fund, fixed assets and other non-current investment etc. Details of investment are as follows:

Particulars/Year	2017		2016		Change in amount	Change in %
	Amount (in million Tk.)	Total %	Amount (in million Tk.)	Total %		
Bangladesh Govt Treasury Bond	9.00	1.99	9.00	1.51	-	-
Investment in FDR	164.94	36.42	164.40	27.51	0.54	0.33
Shares & mutual fund	128.96	28.48	103.67	17.35	25.29	24.39
Advance againest building property	104.40	23.05	269.85	45.16	(165.45)	(61.31)
Cash at bank	45.58	10.06	50.63	8.47	(5.05)	(9.97)
Total Investment	452.88	100.00	597.55	100.00	(144.67)	(24.21)
PPE	211.89	46.79	57.94	9.70	153.95	265.71



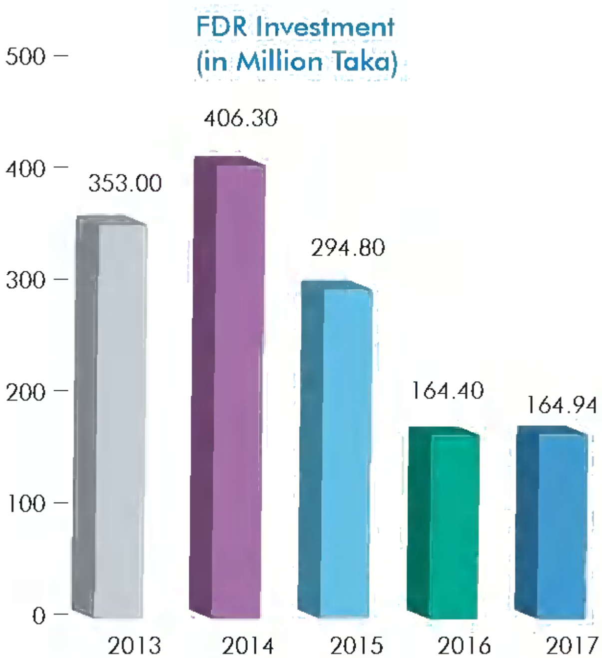
a. Share Investment

The Company registered total share investment of Tk. 128.96 million in 2017 which was Tk. 103.67 million in 2016, an increase of 24.21% for purchase of shares during the year. The major investment of Prime Insurance is in the fundamental shares of various company. Last 5-year Share Investment graph is given below:



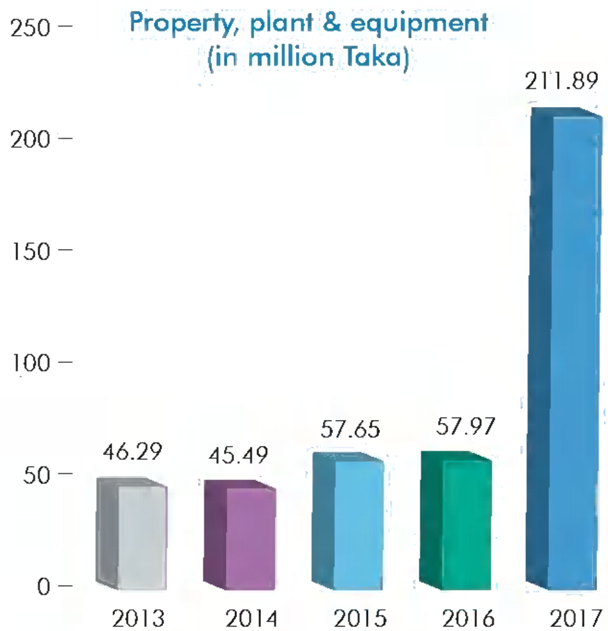
b. FDR Investment:

The Investment in FDR of the company is Tk.164.94 million in 2017 which was Tk. 164.40 million in 2016. The major investment of FDR of the company has been invested in the scheduled banks of Bangladesh. 5-Year FDR Investment Position graph is given below:



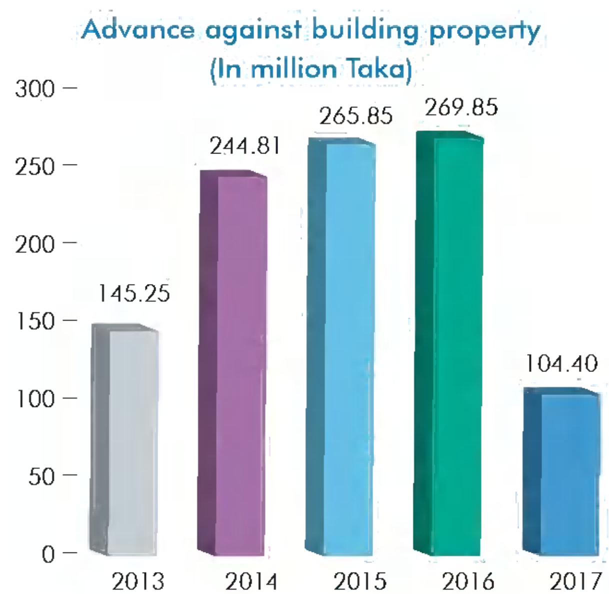
c. Property plant & equipment:

In the year 2017, the company's Property, Plant & Equipment Value is Tk. 211.89 million which was Tk. 57.94 million in 2016, an increase of 265.71% due to recognition of floor space of Unique Hieghts as Property, Plant and Equipment under BAS-16.



Advance against building property

In the year 2017, the company's floor space value is Tk. 104.40 million which was Tk. 269.85 million in 2016, a decrease of 61.31% due to recognition of floor space as property, plant and equipment under BAS-16.



Auditors' Report

AND FINANCIAL STATEMENTS

Auditors' Report to the Shareholders
OF PRIME INSURANCE COMPANY LIMITED

We have audited the accompanying financial statements of Prime Insurance Company Limited ("the company") which comprise the Statement of Financial Position as at December 31, 2017 and the Statement of Profit or Loss and Other Comprehensive Income, Profit & Loss Appropriation Account, Consolidated Insurance Revenue Account, Fire Insurance Revenue Account, Marine & Marine Hull Insurance Revenue Account, Motor Insurance Revenue Account, Miscellaneous Insurance Revenue Account, Statement of Changes in Shareholders' Equity, Statement of Cash Flows for the year then ended, Form "AA" as at December 31, 2017 and a summary of significant accounting policies and other explanatory information disclosed in Notes 1 to 40.

Management's Responsibility for the Financial Statements

Management of the company is responsible for the preparation and fair presentation of these financial statements in accordance with Bangladesh Financial Reporting Standards (BFRSs),along with Rules & Regulations Issued by the Insurance Development and Regulatory Authority (IDRA) and Insurance Act 2010, Insurance Rules 1958, SEC Rules 1987 and the Companies Act 1994 and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies and making accounting estimates that are responsible in the circumstances.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Bangladesh Standards on Auditing (BSAs). Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management of the company, as well as evaluating the overall presentation of the financial statements.

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

Opinion

In our opinion, the financial statements present fairly in all material respects, the financial position of the Company as at December 31, 2017 and of its financial performance and its cash flows for the year then ended in accordance with Bangladesh Financial Reporting Standards (BFRSs), Insurance Act 2010, Insurance Rules 1958, SEC Rules 1987 and the Companies Act 1994 and comply with the other applicable rules and regulations.

Report on Other Legal and Regulatory Requirements

We also report that:

a) we have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit and made due verification thereof;

b) in our opinion, proper books of account as required by law have been kept by the company so far as it appeared from our examination of those books and (where applicable) proper returns adequate for the purpose of our audit have been received from branches not visited by us and incorporated in the accompanying financial statements;

c) the company's Statement of Financial Position, Statement of Profit or Loss and Other Comprehensive Income and Statements of Cash Flows dealt with by the report are in agreement with the books of accounts and drawn as per Insurance Act , 2010 ;

d) the expenditure incurred and payments made during the year were for the purposes of the company's business;

e) as per section 63(2) of the Insurance Act, 2010 as amended, we certify that to the best of our knowledge and belief and according to the information and explanation given to us, all expenses of management wherever incurred and whether incurred directly or indirectly, in respect of insurance business of the company transacted in Bangladesh during the year under audit have been duly debited to the related Revenue Accounts and the Statement of Profit or Loss and Other Comprehensive Income of the Company;

f) as per section 59(5) of the Insurance Act 2010 as amended rule 1958, we also certify that to the best of our information and as shown by its books, the Company during the year under report has not paid any person any commission in any form outside Bangladesh in respect of any of its business re-insured abroad.

Rahman Mostafa Alam & Co.

Dated : Dhaka
February 07, 2018

Rahman Mostafa Alam & Co.
Chartered Accountants

Prime Insurance Company Limited

Statement of Financial Position (Balance Sheet)
As at December 31, 2017

Particulars	Notes	2017 Amount in Taka	2016 Amount in Taka
Shareholders Equity & Liabilities			
Share capital			
Authorised share capital			
100,000,000 ordinary shares of Tk. 10 each		1,000,000,000	1,000,000,000
Issued, subscribed & paid-up capital			
40,877,498 ordinary shares of Tk. 10 each	6.00	**408,774,980**	**408,774,980**
Reserve and contingent account		**296,829,814**	**261,255,386**
Reserve for exceptional losses	7.00	210,250,498	191,160,376
General reserve fund	8.00	9,900,000	8,900,000
Profit & loss appropriation account		76,679,316	61,195,010
Shareholders' equity:		**705,604,794**	**670,030,366**
Balance of funds and accounts	9.00	**102,098,593**	**78,860,479**
Fire insurance business		15,500,512	11,619,670
Marine insurance business		61,579,448	43,298,898
Marine hull insurance business		474,346	60,301
Motor insurance business		18,214,934	16,884,385
Miscellaneous insurance business		6,329,353	6,997,225
Premium deposits	10.00	**23,632,146**	**20,690,733**
Liabilities and provisions		**391,482,403**	**341,641,952**
Estimated liability in respect of outstanding claims whether due or intimated	11.00	69,287,456	49,671,371
Amount due to other persons or bodies carrying on insurance business	12.00	15,438,205	3,808,970
Sundry creditors	13.00	57,774,932	60,592,176
Income tax provision	14.00	243,238,890	227,569,435
Deferred tax liability	14.02	5,742,920	-
Total shareholder's equity & liabilities		**1,222,817,936**	**1,111,223,530**

The accompanying notes 1 to 40 form an integral part of these financial statements.

Md. Zakiullah Shahid	**Nazma Haque**	**A.Z.M. Sazzadur Rahman**	**Mohammodi Khanam**
Chairman	Director	Director	Chief Executive Officer

Signed in terms of our separate report even date.

Dated: Dhaka
February 07, 2018

Rahman Mostafa Alam & Co.
Chartered Accountants

Prime Insurance Company Limited

Statement of Financial Position (Balance Sheet)
As at December 31, 2017

Particulars	Notes	2017 Amount in Taka	2016 Amount in Taka
Property and Assets			
Non-current assets		**349,850,078**	**170,613,310**
Property, plant and equipment	15.00	211,887,457	57,939,614
10-Year Bangladesh Treasury Bond	16.01	9,000,000	9,000,000
Investment (at fair value)	16.02	128,962,621	103,673,696
Current assets		**872,967,858**	**940,610,220**
Stock of printing & stationery	17.00	3,753,670	3,843,461
Insurance stamp in hand		1,044,182	1,179,526
Premium collection control account	18.00	8,020,079	2,821,717
Interest accrued but not received	19.00	8,583,666	7,497,443
Amount due from other persons or bodies carrying on insurance business	20.00	259,129,285	188,993,285
Sundry debtors (including advances, deposits & pre-payments)	21.00	377,967,471	516,973,988
Deferred tax assets	14.02	-	543,980
Cash and cash equivalents	22.00	**214,469,505**	**218,756,820**
Cash in hand		3,944,989	3,729,665
Cash at Bank		45,580,038	50,627,155
Fixed deposit receipt (FDR)		164,944,478	164,400,000
Total assets		**1,222,817,936**	**1,111,223,530**

The accompanying notes 1 to 40 form an integral part of these financial statements.

Md. Zakiullah Shahid	**Nazma Haque**	**A.Z.M. Sazzadur Rahman**	**Mohammodi Khanam**
Chairman	Director	Director	Chief Executive Officer

Signed in terms of our separate report even date.

Dated: Dhaka
February 07, 2018

Rahman Mostafa Alam & Co.
Chartered Accountants

Prime Insurance Company Limited

Statement of Profit or Loss and other Comprehensive Income (Profit & Loss Account)
For the Year Ended December 31, 2017

Particulars	Notes	2017 Amount in Taka	2016 Amount in Taka
Operating profit/(loss) transferred from:		**85,537,105**	**79,366,836**
Fire insurance revenue account		1,927,459	1,653,639
Marine insurance revenue account		51,417,968	48,435,525
Marine hull insurance revenue account		(144,526)	8,417,749
Motor insurance revenue account		26,581,476	17,662,942
Miscellaneous insurance revenue account		5,754,728	3,196,981
Non-operating income:			
(Interest, dividend and rents not applicable to any particular fund or account)		**81,527,266**	**43,594,632**
Interest income	**23.00**	12,022,498	21,512,746
Share investment income	**24.00**	24,109,734	9,017,634
Dividend income	**26.00**	6,517,138	4,844,662
Increased of fair value on investment in shares	**16.02.4**	38,800,957	6,933,719
Other income	**27.00**	67,298	1,285,871
Foreign exchange gain	**28.00**	9,641	-
Total income		**167,064,371**	**122,961,468**
Less: Expenses of management			
(not applicable to any particular fund or account)		**56,392,841**	**21,087,220**
Directors' fees	**29.00**	1,240,000	1,385,000
Advertisement & publicity		874,801	854,663
Audit fees	**30.00**	555,000	345,000
Donation & subscriptions		435,754	226,260
Legal & professional fees		1,819,554	2,798,021
Depreciation	**15.00**	12,131,568	9,401,439
Registration fees	**31.00**	1,922,531	2,028,435
Meeting expenses		516,678	230,504
Incentive/Perfomance bonus for employees	**13.06.01**	5,928,070	3,782,439
Loss (realized) on investment in share sells	**25.00**	30,963,720	-
Interest on margin loan		5,165	34,413
Foreign exchange loss	**28.00**	-	1,046
Profit before tax		**110,671,530**	**101,874,248**
Provision for tax	**14.01**	15,669,455	26,304,310
Deferred tax expenses/(income) for the year	**14.02**	6,286,900	1,340,301
Profit after tax transferred to profit & loss appropriation account		**88,715,175**	**74,229,637**
Total		**167,064,371**	**122,961,468**
Earnings per share (EPS)	**5.01**	**2.17**	**1.82**

The accompanying notes 1 to 40 form an integral part of these financial statements.

Md. Zakiullah Shahid	**Nazma Haque**	**A.Z.M. Sazzadur Rahman**	**Mohammodi Khanam**
Chairman	Director	Director	Chief Executive Officer

Signed in terms of our separate report even date.

Dated: Dhaka
February 07, 2018

Rahman Mostafa Alam & Co.
Chartered Accountants

Prime Insurance Company Limited

Profit & Loss Appropriation Account
For the Year Ended December 31, 2017

Particulars	Notes	2017 Amount in Taka	2016 Amount in Taka
Opening balance of appropriation accounts		**61,195,010**	**58,968,134**
Profit/(loss) carried forward during the year		88,715,175	74,229,638
Total profit after tax		**149,910,185**	**133,197,771**
Appropriation			
Reserve for exceptional losses	7.01	19,090,122	19,706,074
Cash dividend paid for the year 2016		53,140,747	51,096,687
General reserve fund	8.00	1,000,000	1,200,000
Retained earnings transferred to balance sheet		**76,679,316**	**61,195,010**
Total		**149,910,185**	**133,197,771**

The accompanying notes 1 to 40 form an integral part of these financial statements.

Md. Zakiullah Shahid	**Nazma Haque**	**A.Z.M. Sazzadur Rahman**	**Mohammodi Khanam**
Chairman	Director	Director	Chief Executive Officer

Signed in terms of our separate report even date.

Dated: Dhaka
February 07, 2018

Rahman Mostafa Alam & Co.
Chartered Accountants

Prime Insurance Company Limited

Consolidated Insurance Revenue Account
For the Year Ended December 31, 2017

Amount in Taka

Particulars	2017 Fire	2017 Marine	2017 Marine Hull	2017 Motor	2017 Misc.	2017 Total	2016 Total
Claims under policies less re-insurances:	**2,741,399**	**31,753,840**	**620**	**3,144,997**	**1,250,965**	**38,891,821**	**4,520,897**
Claims paid during the year	32,321,854	17,567,482	-	6,516,586	34,606,970	91,012,892	55,569,425
Add: R/I claims paid/adjusted on PSB	7,632	4,811,867	620	154,271	36,558	5,010,948	673,610
Add: Claims paid on re-insurance acceptance	-	-	-	-	6,428	6,428	2,828
Less: R/I loss claims recovered/(adjusted) on R/I cedence	4,213,283	2,343,587	-	-	5,495,734	12,052,604	43,731,891
Less: Claims paid recoverable on on R/I	26,804,455	5,830,588	-	1,387,500	26,548,027	60,570,570	-
Add: Claims outstanding at the end of the year	9,979,536	43,526,277	-	5,735,000	10,046,643	69,287,456	49,671,371
Add: Outstanding claims recoverable on R/I	-	-	-	-	-	-	-
Less: Claims recovered on PSB	-	4,129,736	-	-	1,622	4,131,358	308,488
Less: Claims outstanding at the end of the previous year	8,549,885	21,847,875	-	7,873,360	11,400,251	49,671,371	57,355,958
Expenses of management	56,320,204	36,342,401	265,623	8,937,512	19,718,580	121,584,320	115,279,037
Agent commission	45,605,469	27,006,797	190,440	7,022,652	13,244,957	93,070,316	73,841,531
Profit/(loss) transferred to profit & loss account	**1,927,459**	**51,417,968**	**(144,526)**	**26,581,476**	**5,754,728**	**85,537,105**	**79,366,836**
Balance of account at the end of the year as shown in the balance sheet	15,500,512	61,579,448	474,346	18,214,934	6,329,353	102,098,593	78,860,479
(Reserve for unexpired risks being 40% of premium income on Marine, Motor & Miscellaneous and 100% of Premium income on Marine Hull of the year)							
Total	122,095,043	208,100,455	786,503	63,901,571	46,298,583	441,182,155	351,868,779

Amount in Taka

Particulars	2017 Fire	2017 Marine	2017 Marine Hull	2017 Motor	2017 Misc.	2017 Total	2016 Total
Balance of account at the beginning of the year:	11,619,670	43,298,898	60,301	16,884,385	6,997,225	78,860,479	90,268,868
Premium less re-insurances	**38,751,281**	**153,948,620**	**474,346**	**45,537,334**	**15,823,383**	**254,534,964**	**197,060,745**
Premium underwritten	305,139,230	186,089,478	1,269,600	46,817,683	89,103,029	628,419,020	499,381,885
Less : Premium refund	1,102,767	6,044,163	-	-	803,319	7,950,249	7,105,015
Add: Premium on PSB	5,890,144	19,944,678	192,106	2,364,895	19,887,331	48,279,154	42,453,110
Less: Re-insurance premium ceded	266,444,503	30,481,575	880,000	3,544,202	73,726,771	375,077,051	302,742,153
Less: Re-insurance premium on PSB	4,730,823	15,559,798	107,360	101,042	18,959,977	39,459,000	35,205,999
Add: Premium on Re-Insurance accepted	-	-	-	-	323,090	323,090	278,917
Net Commission earned on Re-insurances	**71,724,092**	**10,852,937**	**251,856**	**1,479,852**	**23,477,975**	**107,786,712**	**64,539,166**
Commission earned on R/I Ceded	71,113,856	7,775,812	245,951	1,479,852	20,987,023	101,602,494	59,113,676
Less: Commission paid on R/I accepted	-	-	-	-	113,081	113,081	97,621
Commission earned on PSB	610,236	3,077,125	5,905	-	2,604,033	6,297,299	5,523,111
Profit commission	-	-	-	-	-	-	-
Total	122,095,043	208,100,455	786,503	63,901,571	46,298,583	441,182,155	351,868,779

Md. Zakiullah Shahid
Chairman

Nazma Haque
Director

A.Z.M. Sazzadur Rahman
Director

Mohammodi Khanam
Chief Executive Officer

Signed in terms of our separate report even date.

Rahman Mostafa Alam & Co.
Chartered Accountants

Dated: Dhaka
February 07, 2018

Prime Insurance Company Limited

Fire Insurance Revenue Account
For the Year Ended December 31, 2017

Particulars	2017 Amount in Taka	2016 Amount in Taka
Claims under policies less re-insurances:	2,741,399	(14,687,072)
Claims paid during the year	32,321,854	22,927,525
Add: R/I Claims paid / adjusted on PSB	7,632	81,938
Add: Claims paid on re-insurance acceptance	-	-
Less: R/I loss claims recovered/(adjusted) on R/I cedence	4,213,283	39,400,661
Less: Claims paid recoverable on on R/I	26,804,455	-
Add: Claims outstanding at the end of the year	9,979,536	8,549,885
Less: Claims recovered on PSB	-	-
Add: Outstanding claims recoverable R/I		-
Less: Claims outstanding at the end of previous year	8,549,885	6,845,759
Expenses of management	56,320,204	56,862,294
Agent commission	45,605,469	39,077,997
Profit/(Loss) transferred to Profit & Loss Account.	**1,927,459**	**1,653,639**
Balance of account at the end of the year as shown in the Balance sheet.	15,500,512	11,619,670
(Reserve for unexpired risks being 40% of premium income on Fire of the year).		
Total	**122,095,043**	**94,526,527**

Particulars	2017 Amount in Taka	2016 Amount in Taka
Balance of account at the beginning of the year:	**11,619,670**	**13,362,848**
Premium less re-insurances	**38,751,281**	**29,049,174**
Premium underwritten	305,139,230	260,527,966
Less: Premium refunded	1,102,767	7,987
Add: Premium on PSB	5,890,144	3,377,376
Less: Re-insurance premium ceded	266,444,503	232,506,736
Less: Re-insurance premium on PSB	4,730,823	2,341,445
Add: Premium on re-insurance accepted	-	-
Commission earned on re-insurances	**71,724,092**	**52,114,505**
Commission earned on R/I ceded	71,113,856	51,754,669
Less: Commission paid on R/I accepted	-	-
Commission earned on PSB	610,236	359,836
Profit commission	-	-
Total	**122,095,043**	**94,526,527**

Md. Zakiullah Shahid
Chairman

Nazma Haque
Director

A.Z.M. Sazzadur Rahman
Director

Mohammodi Khanam
Chief Executive Officer

Signed in terms of our separate report even date.

Rahman Mostafa Alam & Co.
Chartered Accountants

Dated: Dhaka
February 07, 2018

Prime Insurance Company Limited

Marine & Marine Hull Insurance Revenue Account
For the Year Ended December 31, 2017

Amount in Taka

Particulars	2017 Marine	2017 Marine Hull	2017 Total	2016 Total
Claims under Policies less Re-insurances:	31,753,840	620	31,754,460	5,317,097
Claims paid during the year	17,567,482	-	17,567,482	10,281,332
Add: R/I claims paid/adjusted on PSB	4,811,867	620	4,812,487	189,339
Add: Claims paid on re-insurance acceptance	-	-	-	-
Less: R/I loss claims recovered/(adjusted) on R/I cedence	2,343,587	-	2,343,587	676,885
Less: Claims paid recoverable on on R/I	5,830,588	-	5,830,588	-
Add: Claims outstanding at the end of the year	43,526,277	-	43,526,277	21,847,875
Less: Claims recovered on PSB	4,129,736	-	4,129,736	1,586
Add: Outstanding claims recoverable R/I		-	-	-
Less: Claims outstanding at the end of the previous year	21,847,875	-	21,847,875	26,322,978
Expenses of management	36,342,401	265,623	36,608,024	31,034,556
Agent commission	27,006,797	190,440	27,197,237	18,882,688
Profit/(loss) transferred to profit & loss account	**51,417,968**	**(144,526)**	**51,273,443**	**56,853,274**
Balance of account at the end of the year as shown in the balance sheet	61,579,448	474,346	62,053,794	43,359,199
(Reserve for unexpired risks being 40% of premium income on Marine, and 100% of premium income on Marine Hull of the year).				
Total	208,100,455	786,503	208,886,958	155,446,815

Amount in Taka

Particulars	2017 Marine	2017 Marine Hull	2017 Total	2016 Total
Balance of account at the beginning of the year:	**43,298,898**	**60,301**	**43,359,199**	**42,109,342**
Premium less re-insurances	**153,948,620**	**474,346**	**154,422,966**	**108,307,547**
Premium underwritten	186,089,478	1,269,600	187,359,078	132,394,441
Less: Premium refunded	6,044,163	-	6,044,163	6,509,852
Add: Premium on PSB	19,944,678	192,106	20,136,784	18,146,485
Less: Re-insurance premium ceded	30,481,575	880,000	31,361,575	21,165,197
Less: Re-insurance premium on PSB	15,559,798	107,360	15,667,158	14,558,330
Add: Premium on re-insurance accepted	-	-	-	-
Commission earned on re-insurances	**10,852,937**	**251,856**	**11,104,793**	**5,029,926**
Commission earned on R/I ceded	7,775,812	245,951	8,021,763	2,203,645
Less :Commission paid on R/I accepted	-	-	-	-
Commission earned on PSB	3,077,125	5,905	3,083,030	2,826,281
Profit commission	-	-	-	-
Total	208,100,455	786,503	208,886,958	155,446,815

Md. Zakiullah Shahid
Chairman

Nazma Haque
Director

A.Z.M. Sazzadur Rahman
Director

Mohammodi Khanam
Chief Executive Officer

Signed in terms of our separate report even date.

Rahman Mostafa Alam & Co.
Chartered Accountants

Dated: Dhaka
February 07, 2018

Prime Insurance Company Limited

Motor Insurance Revenue Account
For the Year Ended December 31, 2017

Particulars	2017 Amount in Taka	2016 Amount in Taka
Claims under policies less re-insurances:	3,144,997	9,652,543
Claims paid during the year	6,516,586	8,673,221
Add: R/I claims paid/adjusted on PSB	154,271	82,793
Add: Claims paid on re-insurance acceptance	-	-
Less: R/I loss claims recovered/(adjusted) on R/I cedence	-	-
Less: Claims paid recoverable on on R/I	1,387,500	-
Less: Claims outstanding at the end of the year	5,735,000	7,873,360
Less: Claims recovered on PSB	-	-
Add: Outstanding claims recoverable R/I	-	-
Less: Claims outstanding at the end of the previous year	7,873,360	6,976,831
Expenses of management	8,937,512	9,990,981
Agent commission	7,022,652	6,616,377
Profit/(loss) transferred to profit & loss account	**26,581,476**	**17,662,942**
Balance of account at the end of the year as shown in the balance sheet	18,214,934	16,884,385
(Reserve for unexpired risks being 40% of Motor premium income of the year)		
Total	**63,901,571**	**60,807,227**

Particulars	2017 Amount in Taka	2016 Amount in Taka
Balance of account at the beginning of the year:	16,884,385	17,308,828
Premium less re-insurances	**45,537,334**	**42,210,962**
Premium underwritten	46,817,683	44,183,654
Less: Premium refund	-	74,475
Add: Premium on PSB	2,364,895	2,258,866
Less: Re-insurance premium ceded	3,544,202	4,157,083
Less: Re-insurance premium on PSB	101,042	-
Add: Premium on re-insurance accepted	-	-
Commission earned on re-insurances	**1,479,852**	**1,287,437**
Commission earned on R/I ceded	1,479,852	1,287,437
Less: Commission paid on R/I accepted	-	-
Commission earned on PSB	-	-
Profit commission	-	-
Total	**63,901,571**	**60,807,227**

Md. Zakiullah Shahid
Chairman

Nazma Haque
Director

A.Z.M. Sazzadur Rahman
Director

Mohammodi Khanam
Chief Executive Officer

Signed in terms of our separate report even date.

Rahman Mostafa Alam & Co.
Chartered Accountants

Dated: Dhaka
February 07, 2018

Prime Insurance Company Limited

Miscellaneous Insurance Revenue Account
For the Year Ended December 31, 2017

Particulars	2017 Amount in Taka	2016 Amount in Taka	Particulars	2017 Amount in Taka	2016 Amount in Taka
Claims under policies less re-insurances:	1,250,965	4,238,329	Balance of account at the beginning of the year:	6,997,225	17,487,850
Claims Paid during the year	34,606,970	13,687,347	**Premium less re-insurances**	**15,823,383**	**17,493,062**
Add: R/I claims paid / adjusted on PSB	36,558	319,540	Premium underwritten	89,103,029	62,275,824
Add: Claims paid on re-insurance acceptance	6,428	2,828	Less: Premium refunded	803,319	512,701
Less: R/I loss claims recovered/ (adjusted) on R/I cedence	5,495,734	3,654,345	Add: Premium on PSB	19,887,331	18,670,383
Less: Claims paid recoverable on on R/I	26,548,027	-	Less: Re-insurance premium ceded	73,726,771	44,913,137
Add: Claims outstanding at the end of the year	10,046,643	11,400,251	Less: Re-Insurance premium on PSB	18,959,977	18,306,224
Less: Claims recovered on PSB	1,622	306,902	Add: Premium on re-insurance accepted	323,090	278,917
Add: Outstanding claims recoverable R/I	-	-			
Less: Claims outstanding at the end of the previous year	11,400,251	17,210,390			
Expenses of management	19,718,580	17,391,207	**Commission earned on re-insurances**	**23,477,975**	**6,107,298**
Agent commission	13,244,957	9,264,468	Commission earned on R/I ceded	20,987,023	3,867,925
Profit/(Loss) transferred to Profit & Loss Account.	**5,754,728**	**3,196,981**	Less: Commission paid on R/I accepted	113,081	97,621
Balance of account at the end of the year as shown in the Balance sheet.	6,329,353	6,997,225	Commission earned on PSB	2,604,033	2,336,994
(Reserve for unexpired risks being 40% of Miscellnaneous premium income of the year).			Profit commission	-	-
Total	**46,298,583**	**41,088,210**	**Total**	**46,298,583**	**41,088,210**

Md. Zakiullah Shahid
Chairman

Nazma Haque
Director

A.Z.M. Sazzadur Rahman
Director

Mohammodi Khanam
Chief Executive Officer

Signed in terms of our separate report even date.

Rahman Mostafa Alam & Co.
Chartered Accountants

Dated: Dhaka
February 07, 2018

Prime Insurance Company Limited

Statement of Changes in Shareholders' Equity
For the year ended December 31, 2017

For the year 2017

Amount in Taka

Particulars	Share capital	General reserve Fund	Reserve for exceptional losses	Profit & loss appropriation account	Total
Balance as at January 1, 2017	**408,774,980**	**8,900,000**	**191,160,376**	**61,195,010**	**670,030,366**
Cash dividend for the year 2016				(53,140,747)	(53,140,747)
Profit after tax for the year	-		-	88,715,175	88,715,175
Appropriation made during the year	-	1,000,000	19,090,122	(20,090,122)	-
Balance as at December 31, 2017	**408,774,980**	**9,900,000**	**210,250,498**	**76,679,316**	**705,604,794**

For the year 2016

Amount in Taka

Particulars	Share capital	General reserve Fund	Reserve for exceptional losses	Profit & loss appropriation account	Total
Balance as at January 1, 2016	**408,774,980**	**7,700,000**	**171,454,302**	**58,968,134**	**646,897,416**
Cash dividend for the year 2015				(51,096,687)	(51,096,687)
Profit after tax for the year	-		-	74,229,637	74,229,637
Appropriation made during the year	-	1,200,000	19,706,074	(20,906,074)	-
Balance as at December 31, 2016	**408,774,980**	**8,900,000**	**191,160,376**	**61,195,010**	**670,030,366**

Md. Zakiullah Shahid	Nazma Haque	A.Z.M. Sazzadur Rahman	Mohammodi Khanam
Chairman	Director	Director	Chief Executive Officer

Prime Insurance Company Limited
Statement of Cash Flows
For the Year Ended December 31, 2017

Amount in Taka

Particulars	2017	2016
A. Cash flow from operating activities:		
Collection from premium and other income	693,013,520	569,895,307
Payment for management expenses, re-insurance and claims	(635,850,544)	(572,117,515)
Income tax paid	(36,285,871)	(53,199,714)
Net cash flow from operating activities	**20,877,105**	**(55,421,922)**
B. Cash flow from investing activities:		
Advance against fixed assets	-	(4,000,000)
Investment in shares	(358,869,321)	(85,993,279)
Sale proceeds of investment in shares	372,381,353	64,415,355
Sale proceeds of fixed assets	11,000	460,998
Purchase of fixed assets	(627,811)	(9,690,905)
Interest received	9,870,318	23,020,686
Dividend received	5,215,953	3,875,734
Interest paid on margin loan	(5,165)	34,413
Net cash flow from investing activities	**27,976,327**	**(7,876,998)**
C. Cash flow from financing activities:		
Cash dividend paid	(53,140,747)	(49,945,029)
Net cash flow from financing activities	**(53,140,747)**	**(49,945,029)**
Increase/(decrease) in cash and cash equivalent (A+B+C)	(4,287,315)	(113,243,949)
Cash and cash equivalent at the beginning of the year	218,756,820	332,000,769
Cash and Cash Equivalent at the end of the year	**214,469,505**	**218,756,820**
Net operating cash flow per share	**0.51**	**(1.36)**

Md. Zakiullah Shahid Chairman	**Nazma Haque** Director	**A.Z.M. Sazzadur Rahman** Director	**Mohammodi Khanam** Chief Executive Officer

Prime Insurance Company Limited

Notes to the Financial Statements
For the Year Ended December 31, 2017

1.00 Legal form of the Company

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

1.01 Address of registered office and place of business of the Company

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

1.02 Principal activities of the Company

The principal activity of the Company is to carry on all kinds of non-life insurance business. There were no significant changes in the nature of the principal activities of the Company during the year 2017 under review.

1.03 Date of financial statements authorised for issue

Financial Statements of the Company for the year ended December 31, 2017 were authorised for issue on February 07, 2018 in accordance with a resolution of the Board of Directors of the Company.

2.00 Summary of Significant Accounting Policies and Other related Policy Information

2.01 Basis of accounting preparation

The financial statements of the Company under reporting have been prepared under historical cost convention on a going concern concept and on accrual basis in accordance with Generally Accepted Accounting Principles (GAAP) and practice in Bangladesh. Disclosure of financial information as required by Insurance Act 2010 have been complied with while preparing statement of financial position, statement of profit or loss and other comprehensive income and revenue accounts for specific classes of insurance business in the form set forth in the first, second and third schedule of the Insurance Act and also in compliance with the Companies Act, 1994.

2.02 Management responsibility

The Management is responsible for the preparation and fair presentation of the financial statements in accordance with Bangladesh Financial Reporting Standards (BFRS) and existing accounting standards and applicable laws.

2.03 Directors responsibility statements

The Board of Directors are also responsible for the preparation and presentation of financial statements under section 183 of the Companies Act 1994, the Bangladesh Securities and Exchange Rules 1987, Listing Regulations of Dhaka Stock Exchange Ltd and Chittagong Stock Exchange Ltd and as per the ovision of " The International Accounting Standards Committee" (IASC). According to the "International Accounting Standard (IAS)-1 " and in accordance with the Bangladesh Accounting Standardrd (BAS) as adopted by the Institute of Chartered Accountants of Bangladesh (ICAB) Presentation of Financial Statements" the complete set of Financial Statements include the following componen

i) Statement of Financial Position (Balance Sheet)

ii) Statement of Profit or Loss and Other Comprehensive Income (Profit and Loss Account)

iii) Statement of Profit and Loss Appropriation Account

iv) Statement of Cash Flows

v) Statement of Changes in Equity

vi) Notes to the Financial Statements and Significant Accounting Policies

2.04 Basis of presentation

The Balance Sheet has been prepared in accordance with the regulations as contained in Part - I of the First Schedule and as per Form "A" as set forth in Part - II of that Schedule. Revenue Account of each class of non-life insurance business has been prepared in accordance with the regulations as contained in Part - I of the Third Schedule and as per Form 'F' as set forth in Part - II of that Schedule of the Insurance Act, 1938, in absence of such Forms in the Insurance Act 2010. The classified summary of the assets has also been prepared in accordance with Form "AA" as set forth in Part - II of the aforesaid Act.

i) Method of preparation

The financial statements have been prepared on mercantile method.

ii) Compliance statements and general rules & regulations

The financial statements have been prepared and disclosures of information have been made in accordance with the requirements of Insurance Act, 2010, Insurance rules,1958, the Companies Act,1994, the Securities and Exchange Rules,1987, the Securities and Exchange Ordinacne 1969, the Securities and Exchange Commission Act 1993, the Listing Regulations of Dhaka Stock Exchange Ltd and Chittagong Stock Exchange Ltd, and Guidelines, rules and regulations issued from time to time by the Insurance Development and Regulatory Authority (IDRA).

To comply with the International Accounting Standards and International Financial Reporting Standards as adopted by the Institute of Chartered Accountants of Bangladesh (ICAB) as Bangladesh Accounting Standards (BAS) and Bangladesh Financial Reporting Standards (BFRS) and other applicable laws and regulations.

Compliance with the Core IAS/IFRS or Compliance of Bangladesh Accounting Standards (BAS) and Bangladesh Financial Reporting Standards (BFRS)

These financial statements have been prepared and presented in accordance with the approved accounting and reporting standards as applicable in Bangladesh. Approved accounting standards comprise of International Accounting Standards (IAS) and International Financial Reporting Standards (IFRS) as adopted by the Institute of Chartered Accountants of Bangladesh. As of 31 December 2017 status and applicability of Bangladesh Accounting Standards (BASs) and Bangladesh Financial Reporting Standards (BFRSs) in the case of Prime Insurance Company Ltd are as under:

Prime Insurance Company Limited

Notes to the Financial Statements
For the Year Ended December 31, 2017

Compliance of Bangladesh Accounting Standards (BAS) and Bangladesh Financial Reporting Standards (BFRS).	IAS/BAS No	Applicability
Presentation of financial statements	1	Applied
Inventories	2	Applied
Statement of cash flows	7	Applied
Accounting policies, changes in accounting estimates and errors	8	Applied
Events after the reporting period	10	Applied
Construction contracts	11	N/A
Income taxes	12	Applied
Property, plant and equipment	16	Applied
Leases	17	N/A
Revenue	18	Applied
Employee's benefits	19	Applied
Accounting of government grants and disclosure of government assistance	20	N/A
The effects of changes in foreign exchange rates	21	Applied
Borrowing costs	23	Applied
Related party disclosures	24	Applied
Accounting and reporting by retirement benefit plans	26	Applied
Separate financial statements	27	N/A
Investments in associates and joint ventures	28	N/A
Financial reporting in hyperinflationary economics	29	N/A
Financial instruments: Presentation	32	Applied
Earnings per share	33	Applied
Interim financial reporting	34	Applied
Impairment of assets	36	Applied
Provisions, contingent liabilities and contingent assets	37	Applied
Intangible assets	38	N/A
Financial instruments: Recognition and measurement	39	Applied
Investment property	40	N/A
Agriculture	41	N/A

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

Title of Adopted IFRS as BFRS	IFRS / BFRS No	Status
First-time adoption of International financial reporting standards	1	N/A
Share-based payment	2	N/A

Title of Adopted IFRS as BFRS	IFRS / BFRS No	Status
Business combinations	3	N/A
Insurance contracts	4	Applied
Non-current assets held for sale and discontinued operations	5	N/A
Exploration for and evaluation of mineral resources	6	N/A
Financial instruments: disclosures	7	Applied
Operating segments	8	Applied
Financial instruments	9	Applied
Consolidated financial statements	10	N/A
Disclosure of interest in other entities	12	N/A
Fair value measurement	13	Applied
Regulatory deferred accounts	14	N/A
Revenue from contracts with customers	15	N/A

iii) Last Year's figures rearranged and adjusted

Previous year's figures have been rearranged wherever considered necessary to conform to the current year's presentation.

iv) Functional and presentational currency

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

v) Going concern basis

The Company has adequate resources to continue in the operation for the foreseeable future. For this reason, the Directors continue to adopt going concern basis in preparing the financial statements. The current credit facilities and adequate resources for providing sufficient funds to meet the present requirements of its existing business and operations.

vi) Interim financial reporting

In accordance with Bangladesh Accounting Standard (BAS-34), Interim Financial Reporting, publicly traded entities are encouraged to provide interim financial reports that confirm to the recognition, measurement and disclosure principles set out in this standard. Timely and reliable interim financial reporting improves the ability of investors, creditors, and others to understand an entity's capacity to generate earnings and cash flows and its financial condition and liquidity.
Prime Insurance Company applies the same accounting policies in its interim financial statements as are applied in its annual financial statements.

vii) Reporting period

Financial statements of the company consistently cover one calendar year from 1 January 2017 to 31 December 2017.

viii) Branch accounting

The company has 18 branches under its umbrella without having any overseas branch up to the year ended December 31, 2017. The accounts of the branches are maintained at the Head Office level. Only petty cash books are maintained at the branch level for meeting day to day cash expenses.

ix) Bangladesh Electronic Fund Transfer Network (BEFTN)

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

2.05 Significant Accounting Policies

i) Revenue recognition (BAS-18)

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

ii) Underwriting premium income

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

iii) Public sector business (PSB)

As per Government decision effective from April 1990, 100% Public Sector Insurance Business is being underwritten by Sadharan Bima Corporation (SBC), 50% premium being retained by SBC and the remaining balance is equally distributed among 45 private sector insurance companies.

The premium in respect of Company's share of Public Sector insurance Business (PSB) is accounted for in the year in which the relevant statement of accounts from Shadharan Bima Corporation is received. The statements of account for the period from July 2016 to June 2017 have been received from SBC and the Company's share of PSB for the aforesaid period has been recognised in these financial statements accordingly. Such method of account for the Public Sector Insurance Business (PSB) has been consistently followed.

iv) Re-Insurance ceded and accepted

a) Re-insurance ceded and Accepted with Sadharan Bima Corporation

Necessary adjustment in respect of Re-insurance ceded and accepted in Bangladesh has duly been made in respective Revenue Account as per Treaty between the Company and Shadharan Bima Corporation (SBC) and Foreign Re-Insurers.

b) Re-insurance with foreign re-insurer

Fifty percent (50%) of the re-insurable non-life insurance business shall be re-insured with Sadharan Bima Corporation and the remaining fifty percent (50%) of such business may be re-insured either with the SBC or with any other insurer whether in or outside Bangladesh.

v) Cover notes converted into policy (CCP)

Amounts received against issue of cover notes that have not been converted into policy are not recognised as income. The cover notes which were previously issued are converted into insurance policy at the expiry of nine months from the date of issue of such cover notes as per circular of the then Chief Controller of Insurance.

vi) Investment income

a) Interest on FDRs and 10-year Bangladesh Government Treasury Bond (BGTB) are recognised on accrual basis. Interest on STD/SND/PLS account and other income are recognised as and when amount credited to our account.

b) Cash dividend income and stock dividend from investment:

Dividend income on investment in shares are recognised when the Company is entitled to dividend from the investee and shown in the Statement of Profit or Loss and other Comprehensive Income. For stock dividend, the number of related shares of investee increases effecting decrease in average cost of investment.

2.06 Valuation non-current assets

i) Government bond

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

ii) Investment in shares/debenture and mutual Fund

Investment in stocks, shares and other securities are recognised in the financial statements at fair value considering long term investment and these are revalued at regular interval. Increases or decreases in the value of investment are recognised in the Financial Statements as per IAS-39 "Financial Instruments: Recognition and Measurement". Increase or decrease in the value of investment in listed shares are recognised in the financial statements considering average movement of market price as the capital market of Bangladesh is volatile and market price of the stocks and shares change very frequently. Increase/decreases in the market value on stocks and shares are recognised in the Statement of Profit or Loss and Other Comprehensive Income.

iii) Property, plant and equipment

All fixed assets are stated at cost less accumulated depreciation as per Bangladesh Accounting Standard (BAS)-16, "Property, Plant and Equipment". The cost of acquisition of an asset comprises its purchase price and any directly attributable cost of bringing the asset to its working condition for its intended use inclusive of inward freight, duties and non-refundable taxes.

Recognition of property, plant and equipment

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

Depreciation on property, plant & equipment

Property, Plant & Equipment are depreciated following the reducing balance method on the basis of economic life expectancy of the assets in accordance with BAS-16. Depreciation on addition of fixed assets has been charged when it is available for use. The Property, Plant & Equipment are depreciated at the following rates:

Items	Rate
Building floor space	2%
Motor vehicles	20%
Furniture & fixtures	10%
Office equipment	15%
Electrical equipment	15%
Computer	20%

The value of all assets as shown in the Balance Sheet and in the annexed Classified Summary of Assets drawn up in accordance with form "AA" of part II of the First Schedule of the Insurance Act 1938, have been reviewed and the balances are in agreement with the Balance Sheet amount and Form "AA" amount.

De-recognition

An item of property, plant and equipment is de-recognised upon disposal or when no future economic benefits are expected from its use. Any gain or loss arising on de-recognition of the asset is included in the statement of profit or loss and other comprehensive income in the year the asset is de-recognised.

Impairment of assets

As per BAS 36-Impairment of assets: The carrying amounts of the company's non-current assets, other than deferred tax assets are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated. An impairment loss is recognised if the carrying amount of an asset or its cash generating unit exceeds its estimated recoverable amount. Impairment losses are recognised in the statement of profit or loss and other comprehensive income. Considering the present conditions of the assets, management concludes that there is no such indication exists.

2.07 Employees retirement benefit scheme

Prime Insurance Company Ltd offers a number of retirement benefit plans for all permanent employees of the company which include Contributory Provident Fund and Gratuity Fund which have been accounted for in accordance with the provision of Bangladesh Accounting Standard (BAS) -19, "Employee's Benefit".

i) Provident fund

Under defined Contribution scheme, Company operates duly recognised Provident Fund managed by an independent Board of Trustees for all eligible employees. The eligible employees contribute @ 10% of their basic salary. The company's contribution to the scheme are charged to Statement of Profit or Loss and Other Comprehensive Income in the year in which they relate.

ii) Gratuity fund

The Company operates a funded gratuity scheme duly recognised by National Board of Revenue (NBR) on December 4, 2011 under the management of independent Board of Trustees. The fund is operated by a Board of Trustees consisting of Chairman and three Members of whom two are taken from the Board of Directors including the Chairman of the Board. All confirmed employee's are entitled to receive one month basic pay for each completed year of services after completion of minimum seven years of services with the company as per Bangladesh Accounting Standard (BAS) -19 "Employee Benefits". Basic pay represents the last basic of the employee. PICL Employees gratuity rules of the Company has approved in its Board Meeting No-170 held on September 15, 2008 under BM No.116/2008 dated September 22, 2008. Adequate provision has been made in these Financial Statements.

iii) Other benefits

In addition to provident fund and gratuity, the Company provides other benefits to the employees like earned leave encashment, transport facility, health insurance, group insurance, car facilities, home maintainence loan, incentive/performance bonus and honorarium for Insurance Diploma.

2.08 Balance of funds & accounts (Un-expired risk reserve)

Surplus/deficit on Revenue Accounts has been arrived at after making necessary provision for un-expired risk @ 40% of net premium income on Fire, Marine Cargo, Motor and Miscellaneous business and 100% on Marine Hull business concern.

2.09 Allocation of expenses of management

As per applicable insurance laws relevant management expenses wherever incurred directly or indirectly have been allocated amongst different Revenue Accounts in respect of Fire, Marine, Motor and Miscellaneous insurance business on pro-rata basis at their respective gross premium Income.

2.10 Cash flow statement

Cash flow statement is prepared in accordance with IAS-7 Statement of Cash Flows and the cash flow from the operating activities has been presented under direct method as prescribed by the Securities and Exchange Rules-1987. Cash flow statement is broken down into operating activities, investing activities, and financing activities.

2.11 Foreign currency transaction

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

2.12 Comparative information

Comparative information have been disclosed in respect of the previous year for all numerical information in the financial statements including narrative and descriptive information when it is relevant for understanding of the current years financial statements.

Previous year's figure have been restated and rearranged whereever necessary, to confirm to current years presentaion as per BAS-8 "Accounting Policies, Changes in Accounting Estimate and Errors".

2.13 Stock of stationery & forms

Stock of stationery and forms has been valued at the lower of cost and net realisable value in accordance with BAS-2.

2.14 Re-arrangement of head of accounts:

To comply with the International Accounting Standards and International Financial Reporting Standards as adopted by the Institute of Chartered Accountants of Bangladesh (ICAB), some of the heads of accounts have been re-arranged wherever necessary.

3.00 Recognition of expenses and taxes

Expenses are recognised on the basis of a direct association between the cost incurred and the earning of specific heads of income. All expenditure incurred has been charged to the Revenue Accounts and Statement of Profit or Loss and Comprehensive Income in running the business and in maintaining the Property, Plant and Equipment in state of efficiency.

3.01 Borrowing costs

In accordance with Bangladesh Accounting Standard (BAS-23)-Borrowing Costs that are directly attributable to the acquisition and construction of a qualifying asset form part of the cost of that asset and therefore, should be capitalised. Other borrowing costs are recognised as an expense.

3.02 Provision for income taxes

The company has made the income tax provision on the basis of BAS-12 "Income Taxes", Income Tax Ordinance, 1984 as amended from time to time and Finance Act, 2017.

3.03 Current tax provision

The tax currently payable is based on taxable profits for the year. Taxable profit differs from profit as reported in the statement of profit or loss and other comprehensive income because it excludes items of income or expenses that are taxable or deductible in succeeding years and it further excludes items that are never taxable or deductible. The Company's liability for current tax is calculated using tax rates as per Income Tax Ordinance 1984, that have been effective on the balance sheet date.

3.04 Deferred taxes

Deferred tax is recognised on differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit and are accounted for using the balance sheet liability method. Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are generally recognised for all deductable temporary differences to the extent that it is probable that taxable profits will be available against which such differences can be utilised. Adequate provision has been made for deferred tax to profit or loss and other comprensive income.

4.00 Reserve or Contingencies Accounts

4.01 Reserve for exceptional losses

As per Para 6 of the 4th Schedule of Income Tax Ordinance,1984 to meet the exceptional losses, the Company sets aside maximum ten percent of the net premium income of the year in which it is set aside from the balance of the profit to reserve for exceptional losses. As per Insurance law maximum 10% statutory reserve be maintained out of profit by the company to meet any possible future claims on net premium income during the year. In the year under review, the Company sets aside 10% of net premium.

4.02 General reserve fund

The Company has been maintaining a general reserve fund from the current year profit to meet future contingencies.

4.03 Provision for contingent liabilities and assets

According to BAS-37: "Provision, contingent liabilities and contingent assets" the company recognises the provision in the balance sheet when the company has a legal or constructive obligation as a result of past event and it is probable that an outflow of economic benefit will be required to settle the obligations.

4.04 Segment reporting

A business segment is a distinguishable component of the company that is engaged in providing services that are subject to risks and returns and are different from those of other business segments. The company accounts for segment reporting of operating results of each segment. The Company has four primary business segments for reporting purposes namely Fire, Marine, Motor and Miscellaneous.

5.00 Earnings per Share (EPS)

The Company calculates Earnings per Share (EPS) in accordance with BAS-33: "Earnings per Share", which has been shown on the Statement of Profit or Loss and Other Comprehensive Income (Profit and Loss Account).

5.01 Basic earnings per share

This has been calculated by dividing the basic earnings by the weighted average number of ordinary shares outstanding at the end of the year.
For calculation of basic earning and weighted average number of ordinary shares outstanding at the end of the year, the following formula has been used:

Sl. No.	Particulars	2017 Amount in Taka	2016 Amount in Taka
a.	Earnings attributable to the ordinary shareholders	88,715,175	74,229,638
b.	Ordinary share at 1st January	40,877,498	40,877,498
c.	Bonus shares issued	-	-
d.	Weighted average number of ordinary shares outstanding	40,877,498	40,877,498
	Basic earnings per share after tax	**2.17**	**1.82**

Basic earnings

This represents earnings for the year attributable to ordinary shareholders. As there was no preference dividend, minority interest or extra ordinary items, the net profit after tax for the year has been considered as fully attributable to the ordinary shareholders.

Weighted average number of ordinary shares outstanding during the year
This represents the number of ordinary shares outstanding at the beginning plus the number of ordinary shares issued during the year multiplied by a time-weighted factor. The time weighting factor is the number of days the specific shares outstanding as a proportion of the total number of days during the year.

Prime Insurance Company Limited

Notes to the Financial Statements
For the Year Ended December 31, 2017

5.02 Diluted earnings per share

Diluted earnings per share reflects the potential dilution that could occur if additional ordinary shares are assumed to be issued under securities or contracts that entitle their holders to obtain ordinary shares in future, to the extent such entitlement is not subject to unresolved contingencies.

At December 31, 2017 there was no scope for dilution and hence no diluted EPS is required to be calculated.

6.00 Authorised, issued, subscribed and paid-up capital of the Company

	2017 Amount in Taka	2016 Amount in Taka
Authorised share capital		
10,00,00,000 ordinary shares of Tk.10 each	1,000,000,000	1,000,000,000
Issued, subscribed and paid-up capital		
1,50,00,000 ordinary share of Tk. 10 each	150,000,000	150,000,000
Bonus shares issued in different years:		
25,877,498 bonus shares of Tk. 10 each	258,774,980	258,774,980
Paid-up capital	408,774,980	408,774,980

Category of Shareholders	2017 No. of Shares holding	2017 % of holding	2016 No. of Shares holding	2016 % of holding
A. Group-A: Sponsors & Directors: 19,578,208 shares of Tk.10 each fully paid-up	19,578,208	47.89%	14,241,572	34.84%
B. Group-B: Public Shareholders: shares of Tk.10 each fully paid-up	21,299,290	52.11%	26,635,926	65.16%
1. Banks, ICB, MFs & Insurance Companies	4,288,050	10.49%	2,090,118	5.11%
2. Employees -	-	0.00%	-	0.00%
3. ICB Investors' Accounts	796,793	1.95%	1,303,000	3.19%
4. Ramisha BD. Ltd.	2,500,000	6.12%		
5. General public	13,714,447	33.55%	23,242,808	56.86%
Total (A+B)	**40,877,498**	**100.00%**	**40,877,498**	**100.00%**

Classification of shareholders as per their share holdings as on December 31, 2017

Group-A: Sponsors & Directors

Class Interval	No. of Shares	No. of share Holders	% of Total holding	% of Total paid up capital
001-5000	-	-	-	-
5001-10000	-	-	-	-
10001-50000	-	-	-	-
50001-100000	74,232	1	0.38	0.18
100001-300000	1,043,322	4	5.33	2.55
300001-600000	1,819,152	2	9.29	4.45
600001-1500000	14,141,502	12	72.23	34.59
1500001-5000000	2,500,000	1	12.77	6.12
Total	**19,578,208**	**20**	**100**	**47.89**

Prime Insurance Company Limited
Notes to the Financial Statements
For the Year Ended December 31, 2017

Group-B: Public shareholders

Class Interval	No. of Shares	No. of share Holders	% of Total holding	% of Total paid up capital
001-5000	1,650,033	1,714	7.75	4.04
5001-10000	822,829	101	3.86	2.01
10001-300000	7,490,346	140	35.17	18.32
300001-600000	3,132,175	10	14.71	7.66
600001-1500000	2,663,907	15	12.51	6.52
1500001-5000000	5,540,000	1	26.01	13.55
Total	**21,299,290**	**1,981**	**100.00**	**52.11**
Grant Total (A+B):	**40,877,498**	**2,001**		**100.00**

7.00 Reserve for exceptional losses

As per Paragraph 2 of Fourth Schedule of Income Tax Ordinance 1984, for the year 7.50% of the net premium income was transferred to reserve for exceptional losses. Details of calculation as hereunder:

	Notes No.	2017 Amount in Taka	2016 Amount in Taka
Opening balance as on 1 January		191,160,376	171,454,302
Add: Transferred during the year (tax exempted)	7.01	19,090,122	19,706,074
Closing balance as on 31 December		**210,250,498**	**191,160,376**

7.01 Class wise exceptional loss reserve

This represents profit set-aside during the year under review at 7.50% (2016:10%) of net premium allowed as expenses to meet any exceptional losses. The aforesaid set-aside of profit has been allowed as expenses by paragraph 6(2) of 4th Schedule of the Income Tax Ordinance, 1984.

Exceptional Loss Reserve	Net Premium	2017 Amount in Taka	2016 Amount in Taka
01. Fire Insurance Business	38,751,281	2,906,346	2,904,917
02. Marine Insurance Business	154,422,966	11,581,722	10,830,755
03. Motor Insurance Business	45,537,334	3,415,300	4,221,096
04. Miscellaneous Insurance Business	15,823,383	1,186,754	1,749,306
Total	**254,534,964**	**19,090,122**	**19,706,074**

8.00 General reserve fund account

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

	2017 Amount in Taka	2016 Amount in Taka
Opening balance as on 1 January	8,900,000	7,700,000
Add: Transferred during the year	1,000,000	1,200,000
Closing balance as on 31 December	**9,900,000**	**8,900,000**

9.00 Balance of fund and accounts (un-expired risk reserve)

As per Para 27A(2)(b) Insurance Act, 1938, as amended 2010 for the purpose of Sub-section (1) the company has made necessary provision for un-expired risk reserve during the year 40% of net premium on Fire, Marine, Motor, Miscellaneous and 100% on Marine Hull business. Details of class wise un-expired risk reserve are as follows:

Class of business	Net Premium	Percentage	2017 Amount in Taka	2016 Amount in Taka
01. Fire	38,751,281	40%	15,500,512	11,619,670
02. Marine	153,948,620	40%	61,579,448	43,298,898
03. Marine Hull	474,346	100%	474,346	60,301
04. Motor	45,537,334	40%	18,214,934	16,884,385
05. Miscellaneous	15,823,383	40%	6,329,353	6,997,225
Total	**254,534,964**		**102,098,593**	**78,860,479**

10.00 Premium deposit

The below mentioned amount includes premium received against cover notes for which policies have not been issued within 31 December, 2017. While the risks against non-marine and marine hull have been assumed from the issuance of cover notes, risk against marine cargo have not been assumed until shipment advices are provided and accordingly policies are issued.

	2017 Amount in Taka	2016 Amount in Taka
Premium deposits	**23,632,146**	**20,690,733**

11.00 Estimated liability in respect of outstanding claims whether due or intimated

Class of business	2017 Amount in Taka	2016 Amount in Taka
Fire	9,979,536	8,549,885
Marine	43,526,277	21,847,875
Motor	5,735,000	7,873,360
Miscellaneous	10,046,643	11,400,251
Closing balance as on 31 December	**69,287,456**	**49,671,371**

All the claims of which the Company received intimations within December 31, 2017 have been taken into consideration while estimating the liability in respect of outstanding claims.

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12.00 Amount due to other persons or bodies carrying on insurance business

This amount is payable to Shadharan Bima Corporation and other foreign re-insurers and private sector insurance companies on account of re-insurance arrangements with them and to other local insurance companies under co-insurance premium. Break up of the amount is as under:

	2017 Amount in Taka	2016 Amount in Taka
01. Re-insurance ceded premium	7,386,379	172,450
02. Co-insurance premium payable to other insurance companies	8,051,826	3,636,520
Closing balance as on 31 December	**15,438,205**	**3,808,970**

13.00 Sundry creditors (including provision for expenses and taxes)

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

	Notes No.	2017 Amount in Taka	2016 Amount in Taka
Audit fees payable	13.01	1,029,508	694,925
VAT payable	13.02	4,914,805	6,459,230
Employees' tax deduction at source		177,678	142,273
Income tax deduction at source		529,348	230,746
Bills payable		119,820	119,820
Insurance stamps on deposit premium	13.03	33,574,507	33,016,042
Security deposit		1,805,082	1,805,082
Unclaimed dividend	13.04	2,783,185	3,286,623
Gratuity fund	13.05	2,699,699	4,883,364
Accrued expenses	13.06	7,429,254	7,357,830
Provident fund payable	13.07	199,249	174,349
Salary payable		2,316,642	2,158,642
Office rent		196,155	263,250
Closing balance as on 31 December		**57,774,932**	**60,592,176**

13.01 Audit fees payable

	2017 Amount in Taka	2016 Amount in Taka
Opening balance as on 1 January	694,925	536,175
Add: Provision made during the year	555,000	345,000
Total	1,249,925	881,175
Less: Paid during the year	220,417	186,250
Closing balance as on 31 December	**1,029,508**	**694,925**

13.02 VAT payable

	2017 Amount in Taka	2016 Amount in Taka
Opening balance as on 1 January	6,459,230	6,234,880
Add: Payable during the year	41,437,729	32,037,297
Total	**47,896,959**	**38,272,177**
Less: Paid during the year	42,982,154	31,812,947
Closing balance as on 31 December	**4,914,805**	**6,459,230**

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

13.03 Insurance stamp on deposit premium

	2017 Amount in Taka	2016 Amount in Taka
Opening balance as on 1 January	33,016,042	32,833,587
Add: Payable during the year	21,487,079	22,040,306
Total	**54,503,121**	**54,873,893**
Less: Paid during the year	20,928,614	21,857,851
Closing balance as on 31 December	**33,574,507**	**33,016,042**

13.04 Unclaimed dividend

Unclaimed dividend amounting to Tk.2,783,185 payable to the Shareholders to whom dividend warrants were issued but not placed for collection up to the date of Balance Sheet.

		2017 Amount in Taka	2016 Amount in Taka
1	Unclaimed dividend for the year 2016	1,631,527	2,134,965
2	Unclaimed dividend previous year	1,151,658	1,151,658
	Total unclaimed dividend	**2,783,185**	**3,286,623**

13.05 Employees gratuity fund

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

	2017 Amount in Taka	2016 Amount in Taka
Opening balance as on 1 January	4,883,364	7,680,905
Add: Provision made during the year	4,000,000	2,550,000
Total	**8,883,364**	**10,230,905**
Less: Transferred to the gratuity fund	2,652,877	2,500,000
Less: Paid to the employees from company's own fund	3,530,788	2,847,541
Closing balance as on 31 December	**2,699,699**	**4,883,364**

13.06 Accrued expenses

	Notes No.	2017 Amount in Taka	2016 Amount in Taka
Incentive	13.06.01	6,290,518	6,248,613
Health insurance		365,955	365,955
Mobile		68,300	62,800
Telephone (ressident)		17,130	16,946
Telephone (office)		20,000	19,400
Electricity		225,450	223,450
Car allowance		197,900	176,665
Car fuel		115,101	115,101
Car maintenance		128,900	128,900
Closing balance as on 31 December		**7,429,254**	**7,357,830**

13.06.01 Incentive/performance bonus for employees

	2017 Amount in Taka	2016 Amount in Taka
Opening balance as on 1 January	6,248,613	7,724,648
Add: Provision made during the year	5,928,070	3,782,439
Total	**12,176,683**	**11,507,087**
Less : Paid during the year	5,886,165	5,258,474
Closing balance as on 31 December	**6,290,518**	**6,248,613**

13.07 Provident fund payable

This represents amount taken as a loan from the employees' Provident Fund for the purpose of meeting administrative expenses of the company. During the year, provision made for Employees' Provident Fund as per Bangladesh Accounting Standard (BAS)-19 under "Employees Retirement Benefit Scheme".

	2017 Amount in Taka	2016 Amount in Taka
Opening balance as on 1 January	174,349	2,392,130
Add: Provision made during the year	5,444,402	5,431,204
Total fund	**5,618,751**	**7,823,334**
Total Provident fund transferred & paid	**5,419,502**	**7,648,985**
Less: Transferred to the Employees Provided fund Account.	5,419,502	4,542,940
Less: Paid to the employees from company's own fund	-	3,106,045
Closing balance	**199,249**	**174,349**

14.00 Corporate income tax provision

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

	2017 Amount in Taka	2016 Amount in Taka
Opening balance as on 1 January	227,569,435	201,265,125
Add: Provision made during the year (14.01)	15,669,455	26,304,310
Total	**243,238,890**	**227,569,435**
Less: Adjustment made for Assessment year	-	-
Closing balance as on 31 December	**243,238,890**	**227,569,435**

14.01 Provision for income tax (Current year)

Statement of Income	Notes No.	Taxable Income	Exempted (Exceptional loss reserve & unrealised gain)	Taxable Income
Income from business or profession: (U/s 28 of ITO, 1984)		29,153,904	19,090,122	10,063,782
Interest income from FDR & STD Accounts (U/s 22)	23.00	12,022,498	-	12,022,498
Capital gains from share trading (U/s 31)	24.00	24,109,734	-	24,109,734
Gain (unrealised) on investment in securites	16.02	38,800,958	7,837,238	30,963,720
Dividend income from investment in securities (U/s 54 Rule 19)	26.00	6,517,138	-	6,517,138
Fixed assets U/S -16(3)	27.00	-	-	-
Gain from sale of furniture	27.00	11,000	-	11,000
Other income (U/S-33)	27.00	56,298	-	56,298
Total Profit/Income (before Tax):		**110,671,530**	**26,927,360**	**83,744,170**

Computation of current year tax provision

Particulars	Taxable income	Rate of Tax percentage	Tax provision
Income tax on business @ 40%	10,063,782	40	4,025,513
Income tax on interest income @ 40%	12,022,498	40	4,809,000
Income tax on capital gains from share trading @10%	24,109,734	10	2,410,973
Income tax on dividend income @ 20%	6,517,138	20	1,303,428
Income tax on capital gains from share trading @10%	30,963,720	10	3,096,372
Gain from sale of motor car @15%	-	15	-
Gain from sale of furniture & fixture @15%	11,000	15	1,650
Other income @40%	56,298	40	22,519
Total tax liability during the year	**83,744,170**		**15,669,455**

14.02 Deferred tax

The impact on account of changes in the deferred tax assets/liabilities for the year ended December 31, 2017 has been recognised in the statement of profit or loss and other comprehensive income (profit & loss account) and in the statement of financial position as per "BAS-12" Income Taxes".

	2017 Amount in Taka	2016 Amount in Taka
Carrying amount of property, plant and equipment excluding land	211,887,457	57,939,614
Tax base	183,728,509	40,560,627
Total difference	**28,158,948**	**17,378,987**
Less: Permanent difference	4,612,181	5,765,227
Taxable temporary difference	**23,546,767**	**11,613,760**
Provision for gratuity	2,699,699	5,289,914
Provident fund payable	199,249	174,349
Provision for incentive bonus	6,290,518	7,509,447
Deductible temporary difference	**9,189,466**	**12,973,710**
Total (taxable)/deductible temporary difference	(14,357,301)	1,359,950
Tax rate	40%	40%
Deferred tax assets/(liability) as at 31 December	(5,742,920)	543,980
Deferred tax assets in previous year	**543,980**	**1,884,281**
Deferred tax (expense)/income for the year	(6,286,900)	(1,340,301)

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15.00 Property, plant and equipment (at cost less accumulated depreciation)

Figures in Taka

Particulars	Cost				Depreciation					Written Down Value (WDV)	
	Opening balance as at 1-Jan-17	Addition during the year	Disposal during the year	Balance as on 31-Dec-2017	Rate	Opening balance as at 1-Jan-17	Charged during the year	Adjustment during the year	Balance as on 31-Dec-2017	Balance as on 31-12-2017	Balance as on 31-12-2016
Land				-	0%		-		-	-	
Building	-	165,451,600		165,451,600	2%	-	3,309,032		3,309,032	162,142,568	-
Motor car	44,160,042	7,008	-	44,167,050	20%	22,654,115	4,301,886	-	26,956,001	17,211,049	21,505,927
Motor cycle	1,999,090	-	-	1,999,090	20%	1,535,918	92,634	-	1,628,552	370,538	463,172
Bi-cycle	22,700	4,850	-	27,550	20%	12,285	2,568	-	14,853	12,697	10,415
Furniture & fixtures	37,672,778	32,936	-	37,705,714	10%	13,500,221	2,418,903	-	15,919,124	21,786,590	24,172,557
Electrical fans	274,995	4,000	-	278,995	15%	230,067	7,039	-	237,106	41,889	44,928
Air cooler	6,098,240	-	-	6,098,240	15%	2,980,386	467,678	-	3,448,064	2,650,176	3,117,854
Electrical equipment	3,492,921	66,059	-	3,558,980	15%	1,652,457	281,024	-	1,933,481	1,625,499	1,840,464
Typewriters	739,700	-	-	739,700	15%	739,699	-	-	739,699	1	1
Photocopy machine	642,979	-	-	642,979	15%	494,799	22,227	-	517,026	125,953	148,180
Office equipment	5,237,109	125,860	-	5,362,969	15%	3,018,083	342,293	-	3,360,376	2,002,593	2,219,026
Computer	13,452,520	223,558	-	13,676,078	20%	9,688,720	775,116	-	10,463,836	3,212,242	3,763,800
Telephone & mobile Installation	3,847,496	163,540	-	4,011,036	15%	3,417,038	76,834	-	3,493,872	517,164	430,458
Fax machine	704,290	-	-	704,290	15%	596,371	16,188	-	612,559	91,731	107,919
Camera & television	213,415	-	-	213,415	15%	116,671	14,512	-	131,183	82,232	96,744
Generator	48,360	-	-	48,360	20%	30,192	3,634		33,825	14,535	18,168
Total Taka - 2017	**118,606,635**	**166,079,411**	-	**284,686,046**		**60,667,022**	**12,131,568**	-	**72,798,589**	**211,887,457**	**57,939,614**
Total Taka - 2016	**109,666,230**	**9,690,905**	**750,500**	**118,606,635**		**52,016,083**	**9,401,439**	**750,500**	**60,667,021**	**57,939,614**	

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16.00 Investment

	Notes No.	2017 Amount in Taka	2016 Amount in Taka
Held to maturity	16.01	9,000,000	9,000,000
Held for trading		-	-
Fair value through profit & loss	16.02	128,962,622	103,673,696
		137,962,622	**112,673,696**

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

Investment particulars	Value at cost (Tk) as on 31 Dec 2017	Fair value (Tk) as on 31 Dec 2017	Value at cost (Tk) as on 31 Dec 2016	Fair value (Tk) as on 31 Dec 2016
a) 10-year Bangladesh Treasury Bond @ 9.45%	9,000,000	9,000,000	9,000,000	9,000,000
b) Investment in Listed Securities	151,424,158	125,677,687	163,207,210	100,633,622
c) Investment in Non-listed Securities				
(571,181 Shares in Central Depository (BD) Ltd	1,569,450	1,569,450	1,569,450	1,569,450
d) Investment in Mutual Fund	2,105,610	1,715,485	3,834,591	1,470,624
Closing balance	**164,099,219**	**137,962,622**	**177,611,251**	**112,673,696**

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

	2017 Amount in Taka	2016 Amount in Taka
16.01 Bangladesh Govt Treasury Bond (BGTB) Prime Bank Ltd, Islami Banking branch, Dhaka	**9,000,000**	**9,000,000**

16.02 Investment in securities (fair value through profit & loss)

Investment in shares are non-derivative investments that are designated as fair value through profit and loss. The Company follows trade date accounting for regular way purchase and sale of investments. As of December 31, 2017 the company had the following securities:

16.02.1 Investment in listed securities

Name of Company	No of shares as on 31 Dec 2017	Average cost (Tk) as on 31 Dec 2017	Value at cost (Tk) as on 31 Dec 2017	Fair value (Tk) as on 31 Dec 2017	Value at cost (Tk) as on 31 Dec 2016	Fair value (Tk) as on 31 Dec 2016
AB Bank Ltd	260,000	28.28	7,351,838.00	5,746,000.00	6,165,073	4,022,519
ACI Limited					1,932,728	1,821,488
ACI Limited					138,127	131,478
Al- Arafah Islami Bank					2,425,549	2,036,345
Argon Denims Limited					2,816	3,110
Asia Insurance Ltd					82,830	58,200
Baraka Power Limited	207,000	44.03	9,113,733.90	7,120,800.00	-	-
BBS Cables Ltd.	35,850	112.94	4,048,896.99	3,789,345.00	-	
BD Submarine Cable Ltd.					11,461,718	11,211,614

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Name of Company	No of shares as on 31 Dec 2017	Average cost (Tk) as on 31 Dec 2017	Value at cost (Tk) as on 31 Dec 2017	Fair value (Tk) as on 31 Dec 2017	Value at cost (Tk) as on 31 Dec 2016	Fair value (Tk) as on 31 Dec 2016
BSRM Steel Ltd					7,189,384	3,624,768
City Bank					9,602,730	7,774,032
Delta Brac Housing Finance Co.					1,150,499	1,132,274
Dhaka Electric Supply Co.					20,884,433	8,300,988
Dhaka Bank Ltd					1,864,046	1,239,128
Eastern Housing Ltd.	257,666	54.52	14,047,769.95	12,677,167.20	-	-
Eastern Bank					3,371,645	2,093,539
Exim Bank					2,456,387	1,445,933
Fareast Islami Life					2,628,595	1,123,955
FAS Finance Ltd.					1,449,335	1,450,000
First Finance Ltd.	1,500	52.05	78,071.43	17,400.00	1,639,500	306,000
First Security Islami Bank	400,000	15.48	6,192,240.00	6,120,000.00	-	-
Fortune shoes Limited	112,560	51.03	5,744,229.46	4,468,632.00	-	-
Golden Harvest Agro	166,217	49.38	8,208,410.46	6,997,735.70	-	-
IDLC Finance Limited	7,000	79.20	554,376.90	597,100.00	-	-
IFIC Bank	210,000	19.67	4,130,091.00	3,780,000.00	-	-
GlaxoSmithKline					9,125,195	10,052,758
Grameenphone Ltd.					2,461,106	2,329,620
IT Consultants Limited.	76,463	50.27	3,843,932.64	2,714,436.50	3,843,935	3,477,638
Lankabangla Finance	410,500	59.21	24,305,838.96	19,621,900.00	5,110,296	1,812,558
Linde Bangladesh Ltd	3,668	1353.39	4,964,228.65	4,712,279.60	4,834,806	4,624,128
MJL Bangladesh Ltd.	23,200	121.91	2,828,284.16	2,531,120.00	-	-
Mercantile Bank Ltd					2,029,282	1,096,320
National Bank	500,000	23.72	11,859,650.00	6,500,000.00	9,133,938	2,317,562
One Bank Ltd					9,576,885	7,358,320
Phoenix Finance & Invt.	-				1,143,491	311,556
Pioneer Insurance	-				2,153,255	2,135,472
Powergrid Com. Of (Bd)					417,175	297,000
Progati Life Insurance					907,546	349,747
Prime Bank Ltd.					2,110,717	1,401,840
Prime Islami Life Ins.					4,050,369	1,475,807
Pubali Bank Ltd.	90,153	48.20	4,345,554.91	2,740,651.20	3,832,278	1,523,400
Shahjibazar Power Co.Ltd.	134,880	133.74	18,038,535.84	16,369,519.50	4,941,730	4,513,893
Summit Power	202,000	44.45	8,978,253.60	7,251,800.00	2,167,278	1,562,769
Union Capital Ltd					4,691,980	1,152,244
United Insurance Co. Ltd.					1,429,557	273,000
Uttara Bank Ltd					9,431,312	2,651,718
United Finance Ltd	60,000	24.47	1,468,164.00	1,428,000.00	2,417,400	919,500
Uttara Finance Ltd	142,000	79.73	11,322,057.60	10,493,800.00		
RAK Ceramics					2,952,287	1,221,403
Total	**3,300,657**		**151,424,158.45**	**125,677,686.70**	**163,207,210**	**100,633,622**

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16.02.2 Investment in non- listed securities

Name of Company	No of shares as on 31 Dec 2017	Average cost (Tk) as on 31 Dec 2017	Value at cost (Tk) as on 31 Dec 2017	Fair value (Tk) as on 31 Dec 2017	Value at cost (Tk) as on 31 Dec 2016	Fair value (Tk) as on 31 Dec 2016
Central Depository (BD) Ltd.	571,181	2.75	1,569,450	1,569,450	1,569,450	1,569,450
Total	**571,181**	**2.75**	**1,569,450**	**1,569,450**	**1,569,450**	**1,569,450**

16.02.3 Invested in Mutual Fund

Name of Company	No of shares as on 31 Dec 2017	Average cost (Tk) as on 31 Dec 2017	Value at cost (Tk) as on 31 Dec 2017	Fair value (Tk) as on 31 Dec 2017	Value at cost (Tk) as on 31 Dec 2016	Fair value (Tk) as on 31 Dec 2016
Prime Bank 1st ICB	190,000	9.08	1,724,649.00	1,406,000	1,000,000	560,000
EBL 1st Mutual Fund					547,509	134,050
Prime Finance 1st Mutual Fund				-	2,066,520	642,600
PHP First Mutual Fund	48,357	7.88	380,961.28	309,484.80	220,562	133,974
Total	**203,747**		**2,105,610**	**1,715,485**	**3,834,591**	**1,470,624**
Grand Total :(b+c+d)			**155,099,219**	**128,962,622**	**168,611,251**	**103,673,696**

16.02.4 Changes in fair value of shares:

	2017 Amount in Taka	2016 Amount in Taka
Fair value of investment in shares	128,962,622	103,673,696
Cost price of the investment	155,099,219	168,611,251
Total unrealised loss	**(26,136,597)**	**(64,937,555)**
Total unrealised loss recognised in previous years as created fluctuation fund	64,937,555	71,871,274
Fair value adjustment made for the year	**38,800,958**	**6,933,719**

Previously the difference between cost and fair value of investment in securities amounting Tk. 71,871,274 had been shown under investment fluctuation fund. In view of compliance of BAS-39 "Financial Instrument:Presentation and recognition" investment in securities has been presented in accordance with fair value through profit or loss. Accordingly the accounts have been re-arranged and restated. During the year 2017, the Company has been charged an amount of Tk.38,800,958.00 Profit and Loss account as a income from fair value reserve fund which were earlier provisioned as a fluctuation fund through Profit & Loss Account.

17.00 Stock of printing & stationery (inventories)

	2017 Amount in Taka	2016 Amount in Taka
Opening balance	3,843,461	4,061,261
Add: Purchase during the year	1,906,826	2,505,330
Total inventories	5,750,287	6,566,591
Less: Total utilisation/consumption	1,996,617	2,723,130
Closing balance	**3,753,670**	**3,843,461**

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18.00 Premium collection control account

Outstanding premium of Marine cargo for the year 2016 subsiquently was collected/adjusted and during the year Tk.8,020,079 has been added against Marine Cargo against Bank Guarantee which will be adjusted within the year.

Break-up of the above amount is given below:	2017 Amount in Taka	2016 Amount in Taka
1 Fire	-	-
2 Marine (previous)	-	-
3 Marine	8,020,079	2,821,717
4 Marine Hull	-	-
5 Motor & Miscellaneous		-
Closing balance	**8,020,079**	**2,821,717**

19.00 Accrued Interest

	2017 Amount in Taka	2016 Amount in Taka
a) Opening balance (On fixed deposit with different banks)	4,167,310	8,429,422
Add: Accrued during the year	3,118,154	5,040,319
Total:	**7,285,464**	**13,469,741**
Less: Received during the year	4,167,310	9,302,431
Total accrued interest on FDR	**3,118,154**	**4,167,310**
b) Opening balance (10-year Bangladesh Govt Treasury Bond)	398,453	452,047
Add: Accrued during the year	398,452	398,453
Total:	**796,905**	**850,500**
Less: Received during the year	398,453	452,047
Total accrued interest on BGTB	**398,452**	**398,453**
c) Opening balance (On fixed deposit with double benefit scheeme)	2,931,680	1,029,336
Add: Accrued during the year	2,135,380	1,902,344
Total:	**5,067,060**	**2,931,680**
Less: Received during the year	-	-
Total accrued interest on FDR	**5,067,060**	**2,931,680**
Closing balance (a+b)	**8,583,666**	**7,497,443**

20.00 Amount due from other persons or bodies carrying on insurance business

	2017 Amount in Taka	2016 Amount in Taka
01. Co-insurance premium receivable from other insurance companies	4,151,205	4,167,994
02. Co-insurance claims receivable from other insurance companies	1,273,003	1,273,003
03. Claims recoverable from SBC portion	253,705,077	183,552,288
Closing balance	**259,129,285**	**188,993,285**

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21.00 Sundry debtors (including advances, deposits and pre-payments)

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

	Notes No.	2017 Amount in Taka	2016 Amount in Taka
Advances for Unique Heights (Head office floor space)	21.01	-	165,451,600
Advances for Tropical Homes Ltd.			
(Two Floor Space in Tropical Mollah Tower)	21.02	104,400,000	104,400,000
VAT receivable on collection control premium	21.03	2,148,796	3,870,625
Stamp receivable on collection control premium	21.04	809,364	7,494,367
Advance income tax	21.05	263,587,434	227,301,543
Advance office rent		3,183,158	4,291,945
Advance against salaries		1,055,261	1,437,200
Security deposit		228,574	228,574
Advance to suppliers		137,300	137,300
Advance against travel expenses		297,443	240,693
Advance against expenses		20,141	20,141
Other advances (Co-operative fund Unique Heights)	21.06	2,100,000	2,100,000
Closing balance		**377,967,471**	**516,973,988**

21.01 Unique Heights (Head Office Floor Space)

The company has purchased 9th floor at Unique Heights (5 units) for Head Office Floor Space measuring total 15,736 sft (approximately) at an average rate of Tk. 10,866 per sft total amounting to Tk. 177,288,800 (Taka seventeen crore seventy two lac eightyeight thousand eight hundred) only including seven car spaces cost of Tk. 5,600,000 (Taka fifty six lac) only. As per Deed of Agreement the Company has already paid a total amount of Tk. 165,451,600 (Taka sixteen crore fiftyfour lac fiftyone thousand and six hundred) only by instalments and balance amount of Tk. 11,837,200 (Taka one crore eighteen lac thirtyseven thousand two hundred) only will be paid at the time of registration of the floor space. The Company has taken up the possession and shifted its Head Office on 10 September 2015 to the Unique Heights (9th floor) situated at 117, Kazi Nazrul Islam Avenue, Ramna, Dhaka-1000. As per BAS-16, the Company has recognised the advances as property, plant & equipment and accordingly has charged depreciation on the cost of the said floor space in the accounts.

Payment movement to Unique Heights (Advance)	2017 Amount in Taka	2016 Amount in Taka
Opening balance	165,451,600	165,451,600
Paid during the year	-	-
Total amount paid	**165,451,600**	**165,451,600**
Transferred to the property, plant & equipment	165,451,600	-
Closing balance as on 31st December	**-**	**165,451,600**

21.02 Advances for floor space at Tropical Molla Tower

The management of the company is in the process to purchase two floor spaces measuring 15,000 sft approximately (4th and 5th floor) including 6 (six) car spaces at a total amount of Tk.102,900,000 (Ten Crore twenty nine lac) only from Tropical Homes Limited. The name of the building is "Tropical Molla Tower" situated at 15/1,15/2,15/3 & 15/4, Progati Sarani, Badda, Dhaka-1212. The Board of Directors at its 215th meeting dated 28-07-2011 accorded approval for the purchase of the said floors. It may be mentioned here that as per deed of agreement Tk.1,500,000 was payable on account of utility charge as an integral part of the agreement and which was already been paid to the Tropical Homes Limited. The possession of the above property has not yet been taken as such no depreciation has been charged in the accounts. Details are as follows:

Payment movement	2017 Amount in Taka	2016 Amount in Taka
Opening balance	104,400,000	100,400,000
During the year paid (including utility charges)	-	4,000,000
Total amount paid	**104,400,000**	**104,400,000**

21.03 VAT receivable on collection control premium

	2017 Amount in Taka	2016 Amount in Taka
Opening balance	3,870,625	5,177,934
Add: Receivable during the year	41,565,881	32,637,297
Total	**45,436,506**	**37,815,231**
Less: Received during the year	43,287,710	33,944,606
Closing balance as on 31st December	**2,148,796**	**3,870,625**

21.04 Stamp receivable on collection control premium

	2017 Amount in Taka	2016 Amount in Taka
Opening balance	7,494,367	7,771,955
Add: Receivable during the year	21,487,079	22,640,306
Total	**28,981,446**	**30,412,261**
Less: Received during the year	28,172,082	22,917,894
Closing balance as on 31st December	**809,364**	**7,494,367**

21.05 Advance income tax

		2017 Amount in Taka	2016 Amount in Taka
1. Corporate advance tax	21.05.1	219,985,537	186,396,947
2. Advance tax deduction at source on bank interest	21.05.2	43,601,897	40,904,596
Total Corporate Tax as on 31st December		**263,587,434**	**227,301,543**

21.05.1 Corporate advance tax

	2017 Amount in Taka	2016 Amount in Taka
Opening balance	186,396,947	133,197,233
Add:Tax paid during the year	33,588,590	53,199,714
Total advance tax paid	**219,985,537**	**186,396,947**
Less: Adjustment made during the year for assessment year	-	-
Total corporate advacne tax as on 31st December	**219,985,537**	**186,396,947**

21.05.2 Tax deducted at source on bank interest, cash dividend income and company's car

The above advance tax has been deducted from interest income of FDR, STD Accounts, Bangladesh Government Treasury Bond (BGTB) and dividend income maintained in the name of the company.

Balance on different sources	Notes No.	2017 Amount in Taka	2016 Amount in Taka
Balance on FDR account	21.05.2.a	28,102,114	27,190,097
Balance on BGTB account	21.05.2.b	1,383,750	1,383,750
Balance on STD account	21.05.2.c	1,802,767	1,683,668
Balance on cash dividend received account	21.05.2.d	9,973,214	8,672,029
Balance on company's car	21.05.2.e	2,340,052	1,975,052
Total balance as on 31 December		**43,601,897**	**40,904,596**

21.05.2.a Tax deducted at source on FDR interest

	2017 Amount in Taka	2016 Amount in Taka
Opening balance	27,190,097	24,830,902
During the year deduction	912,017	2,359,195
Balance as on 31 December	28,102,114	27,190,097
Less: Adjustment made during the year for assessment year	-	-
Closing balance as on 31 December	**28,102,114**	**27,190,097**

21.05.2.b Tax deducted at source on 10-year Bangladesh Govt Treasury Bond interest

	2017 Amount in Taka	2016 Amount in Taka
Opening balance	1,383,750	1,383,750
During the year deduction	-	-
Balance as on 31 December	**1,383,750**	**1,383,750**
Less: Adjustment made during the year	-	-
Closing balance as on 31 December	**1,383,750**	**1,383,750**

21.05.2.c Advance tax deducted at source on STD account interest

	2017 Amount in Taka	2016 Amount in Taka
Opening balance	1,683,668	1,551,519
During the year deduction	119,099	132,149
Balance as on 31 December	**1,802,767**	**1,683,668**
Less: Adjustment made during the year for assessment year	-	-
Closing balance as on 31 December	**1,802,767**	**1,683,668**

21.05.2.d Advance tax deduction at source cash dividend received account

	2017 Amount in Taka	2016 Amount in Taka
Opening balance	8,672,029	7,703,101
During the year deduction (including corporate dividend tax)	1,301,185	968,928
Balance as on 31 December	**9,973,214**	**8,672,029**
Less: Adjustment made during the year for assessment year	-	-
Closing balance as on 31 December	**9,973,214**	**8,672,029**

21.05.2.e Advance tax paid against Company's car

	2017 Amount in Taka	2016 Amount in Taka
Opening balance	1,975,052	1,565,052
During the year deduction	365,000	410,000
Balance as on 31 December	**2,340,052**	**1,975,052**
Less: Adjustment made during the year for assessment year	-	-
Closing balance as on 31 December	**2,340,052**	**1,975,052**

21.06 Other advance (Co-operative fund of Unique Heights)

	2017 Amount in Taka	2016 Amount in Taka
Total Co-operative fund of Unique Heights	**2,100,000**	**2,100,000**

The above advance has been made to the Borak Real State for Unique Heights Co-operative Fund against service charge purpose time to time in future.

22.00 Cash & cash equivalents

	2017 Amount in Taka	2016 Amount in Taka
01. Cash in hand	3,944,989	3,729,665
02. Balance with banks:	**210,524,516**	**215,027,155**
a) Short term deposits	39,012,721	45,065,892
b) Foreign currency account (USD 2,273.68 equivalent @ TK.82.50)	187,578	177,938
c) Current deposits	6,379,739	5,383,325
d) Fixed deposit receipt (Notes-22.01)	164,944,478	164,400,000
Closing balance as on 31 December	**214,469,505**	**218,756,820**

22.01 Fixed deposit receipt (FDR)

	2017 Amount in Taka	2016 Amount in Taka
Opening balance	164,400,000	294,800,000
Add: Placed during the year	58,144,478	98,300,000
Less: Encashed during the year	(57,600,000)	(228,700,000)
Closing balance as on 31 December	**164,944,478**	**164,400,000**

23.00 Interest income

This represents the amount received or accrued during the year on interest bearing account with different banks under the following category accounts:

	2017 Amount in Taka	2016 Amount in Taka
01. 10-years Bangladesh Treasury Bond (9.45% on Tk. 9,000,000)	850,500	850,500
02. On fixed deposit receipts	10,273,075	19,630,588
03. On short term deposits	898,923	1,031,658
Total	**12,022,498**	**21,512,746**

24.00 Investment income (share trading)

This represents the amount received during the year from sale of shares

	2017 Amount in Taka	2016 Amount in Taka
Income from share trading	24,109,734	9,017,634
Total income/(loss) from share trading	**24,109,734**	**9,017,634**

25.00 Loss on shares sells

This represents the amount realized loss during the year from sale of shares

	2017 Amount in Taka	2016 Amount in Taka
Total loss on shares sells	**30,963,720**	**-**

26.00 Dividend income

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

	2017 Amount in Taka	2016 Amount in Taka
Cash dividend received from share investments	**6,517,138**	**4,844,662**

27.00 Other income

	2017 Amount in Taka	2016 Amount in Taka
Gains on sale of motor car	-	400,999
Gains on sale of furniture & fixtures	11,000	59,999
Other income	56,298	824,873
Total	**67,298**	**1,285,871**

28 Gains/(loss) on foreign exchange

	2017 Amount in Taka	2016 Amount in Taka
Gains/(loss) on foreign exchange	**9,641**	**(1,046)**

29.00 Directors fees

The company pays fees to its Directors for attending the Board meeting and its Committee meetings as permitted by Insurance Development and Regulatory Authority. As per IDRA circular no-Pro:Bi:Ni:-15/01/96/Part-1 dated 26-08-2010, a Director may be paid fees for attending Board meeting or its Committee meetings which shall not exceed Tk. 5,000 (five thousand) for attending each meeting. Details are as given below:

Particulars	Attendance fee per meeting	Meeting held	Total attended	Amount in Taka	
				31.12.2017	31.12.2016
Board meeting	5,000	12	139	695,000	730,000
Executive Committee meeting	5,000	8	67	335,000	410,000
Audit Committee meeting	5,000	5	23	115,000	130,000
Remunaration Committee	5,000	1	3	15,000	-
Claims Review Committee	5,000	4	16	80,000	15,000
Inquery Committee	5,000	-	-	-	100,000
Total			**248**	**1,240,000**	**1,385,000**

It may be mentioned here that the above amount has been accounted for in the statement of profit or loss and other comprehensive income (Profit and Loss Account).

30.00 Audit fees

	2017 Amount in Taka	2016 Amount in Taka
Statutory audit	195,000	175,000
Corporate governance audit	30,000	30,000
Special audit	330,000	140,000
Total	**555,000**	**345,000**

Prime Insurance Company Limited
Notes to the Financial Statements
For the Year Ended December 31, 2017

31.00 Registration renewal fee

This represents fee for renewal of registration with the office of the Insurance Development & Regulatory Authority (IDRA) U/S 11 of the Insurance Act, 2010, which is equivalent to Tk.3.50 per thousand of gross direct premium written during the immediate preceding year of payment.

	2017 Amount in Taka	2016 Amount in Taka
Registration renewal fees	**1,922,531**	**2,028,435**

32.00 Employee's salary and allowances

	2017 Amount in Taka	2016 Amount in Taka
Employees salary and allowances (including CEO's salary)	70,948,475	65,565,407
Employees provident fund (Company's contribution)	2,722,201	2,715,602
Employees gratuity fund	4,000,000	2,550,000
Employees group insurance	264,274	-
Employees incentive/performance bonus	5,928,070	3,782,439
Employees festival bonus	5,378,907	5,252,941
Total	**89,241,927**	**79,866,389**

33.00 Chief Executive Officer's salary & allowances

The CEO has been appointed with the approval from Insurance Development & Regulatory Authority (IDRA) with a certain salary scale. As per the IDRA Regulations the Board of Directors may revise this remuneration at the time of renewal of agreement for each term of 3 years. In addition to remuneration, the CEO is also provided with Company's vehicle, cell phone, and other allowances as per the terms of appointment or reappointment. The Chief Executive Officer's salaries and allowances status are given below:

	2017 Amount in Taka	2016 Amount in Taka
Basic salary	3,150,000	2,400,000
House rent	1,417,500	1,080,000
House maintenance	375,000	360,000
Leave fare	550,000	360,000
Medical allowances	335,000	240,000
Entertainment	472,500	360,000
Festival bonus	550,000	400,000
Performance bonus & other allowances	2,000,000	2,000,000
Total	**8,850,000**	**7,200,000**

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

34.00 Agent commission

As directed by the Insurance Development & Regulatory Authority (IDRA) vide Circular No- Non-Life-32/2012 dated 01/04/2012 appropriate steps have been taken in payment of agency commission and the following payment has been made to Agency license holders as agent commission:

	2017 Amount in Taka	2016 Amount in Taka
Fire	45,605,469	39,077,997
Marine	27,006,797	18,358,555
Marine Hull	190,440	524,134
Motor	7,022,652	6,616,377
Miscellaneous	13,244,957	9,264,468
Total	**93,070,316**	**73,841,531**

It may be mentioned that as per Income Tax Ordinance, 1984, under section 53 (uma) at Source Tax has been deducted from Agent Commission and has been deposited to the Bangladesh Bank through challan within 15th day of the following month.

35.00 Net assets value (NAV)

Net Asset Value (NAVs) per share has been calculated by dividing net asset value reported in the statement of financial position by the weighted average number of ordinary shares in issue.

	2017 Amount in Taka	2016 Amount in Taka
Shareholders' equity	705,604,794	670,030,366
Weighted average number of shares	40,877,498	40,877,498
Net assets value per share at the balance sheet date	**17.26**	**16.39**

36.00 Net operating cashflows

Net Operating Cash Flows (NOCFs) per share has been calculated by dividing net cash used in operating activities reported in the cash flows statement by the weighted average number of ordinary shares in issue.

	2017 Amount in Taka	2016 Amount in Taka
Net cash used in operating activities	20,877,105	(55,421,922)
Weighted average number of shares	40,877,498	40,877,498
Net operating cash flows per share on shares at balance sheet date	**0.51**	**(1.36)**

37.00 Number of employees engaged

Total number of 189 employees engaged for whole year whose service has been confirmed and drawn salary as per the company's approved Service Rules and pay scale.

38.00 Event after the reporting period (balance sheet date)

The Board of Directors has recommended 15% cash dividend totaling Tk. 61,316,247 on paid-up capital of Tk.408,774,980 for the year ended December 31, 2017 at its 299th Board Meeting held on February 07, 2018 subject to the approval of the AGM. After allowing this dividend, the balance in accumulated profit/(loss) of the company will be Tk. 15,363,069.

Under Bangladesh Accounting Standard (BAS) 10: Events after the reporting period, dividend was declared after the balance sheet date should not be classified as a liability at the balance sheet date as the proposed dividend does not represent a present obligation under BAS 37: Provisions, contingent liabilities and contingent assets.

39.00 Transaction with related parties

Prime Insurance Company Ltd in normal course of business, carried out a number of transactions with other entities that fall within the definition of related party transaction as per Bangladesh Accounting Standard (BAS)-24 and under the condition No 1.5(vi) of the Corporate governance guidelines of the Bangladesh Securities & Exchange Commission rules and regulations. All transactions involving related parties arising in normal course of business are conducted on an arm's length basis at commercial rates on the same terms and conditions as applicable to the third parties. Detail of transactions with related parties and balances with them as at December 31, 2017 are as follows:

Name of the related party	Relationship	Name of transaction	Premium earned	Premium outstanding during the year against Bank Guarantee	Amount realized subsequently	Claim Paid
GQ group	Common Director	Insurance	418,820	-	-	-
Dekko group	Common Director	Insurance	23,345,944	1,602,159	1,602,159	5,997,593
GETCO Telecom	Common Director	Insurance	348,335	-	-	263,900
Popular Pharma	Common Director	Insurance	759,602	-	-	1,207,120
Electra	Common Director	Insurance	5,388,802	-	-	-
Bangla Trac Group	Common Director	Insurance	110,096,000	5,947,679	5,947,679	2,602,237
Pedrollo Group	Common Director	Insurance	178,000	-	-	-

40.00 Useful information for the shareholders

40.01 Contingent liability

There are some reference appeals and applications made from July 1999 to December 2001 pending against imposition of additional VAT and penalty thereof the company and no verdict has yet been received. Therefore, contingent liabilities of the company in respect of disputed additional VAT and penal VAT demanded by VAT authorities are as follows.

	2017 Amount in Taka	2016 Amount in Taka
Additional VAT	12,266,825	12,266,825
Disputed VAT	23,918,583	23,918,583
Miscellaneous claims	83,810,000	83,810,000
Total	**119,995,408**	**119,995,408**

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

40.02 Miscellaneous claims

The above claim being company's 85% share in the loss was repudiated by the Executive Committee in the meeting # 26 held on 06/07/2005. Upon receipt of letter of repudiation from this company, the Insured M/s. Sigma Sea Foods Ltd instituted a Money Suit against the leading insurer (Prime Insurance Co. Ltd.) and other Co-Insurer in the Court of Joint Dist. Judge, Khulna. The Claim is now under Subjudice.

40.03 The history of raising of paid-up share capital

One of the prime objectives of Prime Insurance Company Ltd is to provide consistently good return to its shareholders and with that end in view a chronological statements of dividend and capital raising history is given below. From the detail chart it may be observed that the company has been maintaining and made up a stable and attractive dividend policy in line with the sound underwriting and investment results. The Company has also a policy of timely preparation of its financial statements and holding of AGM.

Year	Particulars	No. of Shares increasing	Value per Share (Taka)	Value of Shares (in Taka)	Cumulative paid-up Capital (Value In Taka)
1996	As per MOA & AOA	600,000	100	60,000,000	60,000,000
2000	Initial Public offerings	900,000	100	90,000,000	150,000,000
2007	10% Bonus Shares	150,000	100	15,000,000	165,000,000
2008	10% Bonus Shares (public)	65,466	100	6,546,600	171,546,600
2009	20% Bonus shares	343,093	100	34,309,300	205,855,900
2010	30% Bonus Shares	617,567	100	61,756,770	267,612,670
2011	10% Bonus shares	2,676,126	10	26,761,260	294,373,930
2012	15% Bonus shares	4,415,609	10	44,156,080	338,530,010
2013	15% Bonus shares	5,077,950	10	50,779,500	389,309,510
2014	5% Bonus shares	1,946,547	10	19,465,470	408,774,980

Md. Zakiullah Shahid
Chairman

Nazma Haque
Director

A.Z.M. Sazzadur Rahman
Director

Mohammodi Khanam
Chief Executive Officer

Prime Insurance Company Limited

Classified Summary of Assets
as at December 31, 2017

Form "AA"

Sl. No.	Class of Assets	2017 Amount in Taka Book Value	2016 Amount in Taka Book Value
A.	**Non Current Assets:**		
i)	**Property, Plant & Equipments**	**211,887,457**	**57,939,614**
(a)	Building floor space	162,142,568	-
(b)	Motor car	17,211,049	21,505,927
(c)	Motor cycle	370,538	463,172
(d)	Bi-cycle	12,697	10,415
(e)	Furniture & fixtures	21,786,590	24,172,557
(f)	Electrical fans	41,889	44,928
(g)	Air cooler	2,650,176	3,117,854
(h)	Electrical equipment	1,625,499	1,840,464
(i)	Typewriters	1	1
(j)	Photocopy machine	125,953	148,180
(k)	Office equipment	2,002,593	2,219,026
(l)	Computer	3,212,242	3,763,800
(m)	Telephone & mobile Installation	517,164	430,458
(n)	Fax machine	91,731	107,919
(o)	Camera & television	82,232	96,744
(p)	Generator	14,535	18,168
ii)	**Investment:**	**137,962,622**	**112,673,696**
(a)	10 Years Bangladesh Government Treasury Bond	9,000,000	9,000,000
(b)	Shares of Listed Company	125,677,687	100,633,622
(c)	Investment in Non Listed Company	1,569,450	1,569,450
(d)	Mutual funds	1,715,485	1,470,624
	Total non current assets =(i+ii)	**349,850,078**	**170,613,310**
B)	**Current Assets:**	**872,967,858**	**940,066,240**
(a)	Investment in fixed deposits receipts (FDR)	164,944,478	164,400,000
(b)	STD Accounts balance with banks	39,012,721	45,065,892
(c)	Current accounts balance with banks	6,567,317	5,561,263
(d)	Cash in hand as on December 31,2017.	3,944,989	3,729,665
(e)	Premium collection control account	8,020,079	2,821,717
(f)	Interest accrued	8,583,666	7,497,443
(g)	Sundry debtors	377,967,471	516,973,988
(h)	Amount due from other persons or bodies carrying on insurance business	259,129,285	188,993,285
(i)	Stock of printing materials in hand	3,753,670	3,843,461
(j)	Stamps in hand	1,044,182	1,179,526
C)	**Other Assets**		
	Deferred tax assets	-	543,980
	Total Assets =(A+B+C):	**1,222,817,936**	**1,111,223,530**

Md. Zakiullah Shahid	**Nazma Haque**	**A.Z.M. Sazzadur Rahman**	**Mohammodi Khanam**
Chairman	Director	Director	Chief Executive Officer

Others
REPORTS

Events
HIGHLIGHTS

Mr. Md. Zakiullah Shahid, Chairman of Prime Insurance is addressing the Annual General Meeting (AGM) 2016 at BIAM Auditorium, Dhaka on March 30, 2017. Vice Chairman, CEO Ms. Mohammodi Khanam and Directors of the Company are also seen.

A Glimpse of Shareholders at 21st AGM held on March 30, 2017.

Prime Insurance Company has been honored as the WINNER (1st position) of South Asian Federation of Accountants (SAFA) Award for the "Best Presented Annual Reports 2016" in the category of Insurance Sector among the SAARC countries. The award has been presented on the basis of evaluation for implementation in Transparency, Accountability and Corporate Governance.

Ms. Mohammodi Khanam, CEO of Prime Insurance Company Ltd received the award from Mr. Shankar Prasad Adhikari, Finance Secretary, Government of Nepal on January 31, 2018 at Hotel Soaltee Crowne Plaza, Kathmandu, Nepal.

In this connection, Prime felicitated its gratitude to the ICAB for nominating it to SAFA to participate in the competition. PICL also recognizes the accelerating activities that ICAB takes with the CFOs of Bangladesh for better presentation of their annual reports holding a seminar at ICAB every year.

Prime Insurance Company Limited was honored and awarded 1st position at the 17th ICAB National Awards for the "Best Presented Annual Report 2016" under the Insurance Category at a grand ceremony held at the Pan Pacific Sonargaon Hotel on November 25, 2017.

Ms. Mohammodi Khanam, CEO of Prime Insurance Company Limited received this prestigious National Award from Honorable Finance Minister Abul Maal Abdul Muhit.

The ICAB National Awards are given on extensive evaluation of the Financial Reports of all listed companies in different industries, and is recognition of excellence in corporate governance.

Prime Insurance Company Limited won the silver award from 4th ICSB National Award 2016 for Corporate Governance Excellence under insurance category.

Honorable Commerce Minister Tofail Ahmed, MP handed over the Crest to Ms. Mohammodi Khanam, CEO of Prime Insurance Company.

Prime Insurance Company's Chairman Mr. Md. Zakiullah Shahid, Vice- Chairperson Ms. Saheda Pervin Trisha, Director Ms. Nazma Haque and Mr. Abu Hasan Khan were also present in the occasion.

With an aim to promote the advancement of knowledge of all aspects of Poultry Science and Poultry Industry in Bangladesh and abroad and to attract the general public engaged in poultry profession with the modern technology in Poultry Science, the World Poultry Science Association-Bangladesh Branch (WPSA-BB) organized 10th International Poultry Show and Seminar on March 2-4, 2017 with a slogan-"Poultry for better tomorrow".

Mr. Md. Zakiullah Shahid, Chairman, Vice Chairperson Ms. Shaheda Parvin Trisha, Former Director Mr. Shahadat Hossen and CEO Ms. Mohammodi Khanam of the Company attended the inaugural session.

Prime Insurance celebrated its 21st Anniversary at Le Meridian, Dhaka in a befitting manner on March 31, 2017.
Mr. Md. Zakiullah Shahid, Chairman of the company along with the Directors; CEO, Ms. Mohammodi Khanam and their spouses celebrated the occasion.

Handover Ceremony of Prime Health Plan Insurance Coverage between Tiffin Box Limited (a franchise of Burger King Bangladesh) and Prime Insurance Company Limited was held on July 2017.

Ms. Mohammodi Khanam, CEO, Prime Insurance Company Ltd. handed over the policy to Ms. Nazma Haque, Executive Director, Bangla Trac Group.

On behalf of Bangla Trac- Group CEO Mr. M Jahangir Alam, Head of Finance Mr. Fahad Mahmud Islam, Head of Commercial Operations Mr. Mushroof Ahmed, Assistant Manager Fariha Parvin and Executive Fahmida Jasmeen were present. Also on behalf of Prime Insurance Company DMD Syed Monirul Huq and VP & Head of PR, CA and Customer Care Department Ms. Rehana Akter Ruma were also present at the ceremony.

Prime Insurance Company Ltd becomes the insurance partner of ARS Consortium Ltd. Under this agreement, Prime Insurance Company Ltd will provide insurance coverages for all the motor cycles of their Let's Go service of ARS Consortium Ltd.

CEO of Prime Insurance Company Ltd, Mohammodi Khanam and Chairman of ARS Consortium Ltd, S. M. Asaduzzaman signed the agreement on their respective sides.

Major Rabiul Alam (Retd), Managing Director of ARS Consortium Ltd, Syed Monirul Huq, Deputy Managing Director of Prime Insurance Company Ltd and other high officials from both of the companies were present in the occasion.

Half yearly branch conference of Prime Insurance Company Ltd was held on July 31, 2017 at the Head Office of the Company.

Chief Executive Officer Ms. Mohammodi Khanam presided over the meeting. Mr. Md. Zakiullah Shahid, Chairman of the company graced the conference as the Chief Guest.

All the Head of Branches, Head of Departments along with other top Executives from the Company were present in the conference.

The Certificate awarding ceremony of the day long In-house training program on "Basic Course of General Insurance" of Prime Insurance Company was held on August 27, 2017 at the Board Room of the Head Office. Mr. Md. Zakiullah Shahid, Chairman of the Company handed over the certificates to the participants. Ms. Saheda Previn Trisha, Vice Chairperson, Ms. Mohammodi Khanam, CEO, Department Heads and all the participants were present at the ceremony.

Prime Insurance cheerfully celebrated the New Year 2018 at its Corporate Head Office. Mr. Md. Zakiullah Shahid, Chairman, Ms. Shaheda Pervin Trisha, Vice Chairperson along with other Directors and Ms. Mohammodi Khanam, CEO of the Company celebrate the occasion with the Branch Heads, Department Heads & all the Executives of the Head Office & made it eventful.

The Annual Branch Conference- 2017 of Prime Insurance Company Ltd was held recently at the head office of the Company. The Chief Executive Officer Ms. Mohammodi Khanam presided over the conference. Mr. Md Zakiullah Shahid, Chairman of the Company was the Chief Guest of the conference. Company's Vice Chairperson Ms. Saheda Pervin Trisha and Directors, Head of all Branch, Departmental Heads and Marketing Executives were present in the conference.

Good Health is the greatest and priceless blessing of life. Without having a good health, life could be miserable. To keep this in mind, to create awareness among all the Executives of Prime Insurance Company Limited an awareness program on "Prime Health Plan" was held at Company's Head Office on January 17, 2018. The Presentation was given by Mr. Sujit Kumar Bhowmik, Assistant Managing Director and Head of SBMD & Mr. Mohammad Sozon, AVP of Prime Insurance Company Limited. The employees of Prime Insurance Company are enjoying health insurance policy provided by the Company. But for more coverage and benefit the Management of the company has decided to include them under the abroad policy "Prime Health Plan".

Checklist of
SECRETARIAL STANDARD DISCLOSURE

SL	Particulars of Secretarial Standards	Compliance Status	
		Complied	Not-complied
1.0.0	Convening of a Meeting		
1.1.0	Authority for Convening of a Meeting		
1.1.1	Requisitioned by any Director/Chairman the Secretary may summon a Meeting of the Board unless the Articles provide otherwise.	√	
1.2.0	Notice of a Meeting	√	
1.2.1	Every Director of the Company shall be entitled to get the Notice.	√	
1.2.2	The Notice shall specify the day, date, time and full address of the venue.	√	
1.2.3	The Notice shall be given in respect of all meetings.	√	
1.2.4	Notice shall be given at least seven days before scheduled date unless the Articles of the company denote a longer period.	√	
1.2.5	Unless a Notice has not been given to the directors no business shall be transacted at a Meeting.	√	
1.2.6	The Agenda as to be transacted at the Meeting along with Notes to the Agenda shall be circulated or sent at least three days before the date of the Meeting.	√	
1.2.7	Each Agenda to be transacted in the meeting shall be supported by notes, details of the item and, where a Resolution is required to be passed, the draft Resolution shall be attached with the Notice.	√	
1.2.8	The Notice may be given at shorter period of time than those respectively stated above if the majority of members of the Board or Committee so agree.	√	
1.2.9	Any supplementary item not originally included in the Agenda may be taken up for consideration with the permission of the Chairman and with the consent of the majority of the Directors present in the Meeting.	√	
2.0.0	Frequency of Meetings		
2.1.0	Meetings of the Board		
2.1.1	The Board shall meet at least once in every quarter of a calendar year and at least four Meetings to be held in each year. The maximum interval between any two Meetings shall not be more than 90 days.	√	
2.2.0	Meetings of Committees		
2.2.1	Committees shall meet at least as often as stipulated by the Board or as prescribed by any other authority.	√	
3.0.0	Quorum		
3.1.0	Meetings of the Board		
3.1.1	Quorum shall be present throughout the Meeting. No business shall be transacted unless the Quorum is so present.	√	

3.1.2	Where the number of Directors is reduced below the minimum fixed by the Articles no business shall be transacted unless the number is first made up by the remaining Director(s} or Through a general Meeting.	√	
3.2.0	Meetings of Committees	√	
3.2.1	The presence of all the members of any Committee constituted by the Board is necessary to form Quorum for Meetings of such Committee unlessotherwise stipulated by the Board while constituting the Committee.	√	
4.0.0	Attendance at Meetings		
4.1.0	An Attendance Register		
4.1.1	An Attendance Register shall be maintained containing the names and signatures of the Directors present at the Meeting.	√	
4.2.0	Leave of Absence	√	
4.2.1	Leave of absence shall be granted to a Director only when a request for such leave has been communicated to the Secretary or to the Board or to the Chairman.	√	
5.0.0	**Chairman**		
5.1.0	Meetings of the Board.		
5.1.1	Every company shall have a Chairman who will preside over the Meetings of the Board.	√	
5.1.2	The Chairman shall look into that the Meeting is duly convened and constituted as per the provisions of the Act or any other applicable guidelines, Rules and Regulations before it proceeds to transact business.	√	
5.1.3	The Chairman shall then conduct the proceedings of the Meeting and ensure that only those items of business as have been set out in the Agenda are transacted and ideally in the order in which the items, appear on the Agenda.	√	
5.1.4	The Chairman shall encourage deliberations and debate and assess the sense of the Meeting. The Chairman shall ensure that the proceedings of the Meeting are correctly recorded and, in doing so, he may include or exclude any matter as he deems fit.	√	
5.1.5	In the case of a public company, if the Chairman himself is interested in any item of business, he shall entrust any other disinterested Director present to conduct the proceedings in respect of such item. After the transaction of the item of business is over the Chairman may resume his position.	√	
5.2.0	Meetings of Committees		
5.2.1	The Board, while constituting any Committee, shall also appoint the Chairman of the Committee so constituted.		
6.0.0	Passing of Resolution by Circulation		
6.1.0	Circulation of Resolution and Supporting Papers		
6.1.1	A Resolution proposed to be passed by circulation shall be sent in draft, together with supporting papers to all the Directors separately, and in the case of a Committee, to all the members of the Committee.	√	
6.2.0	Passing and recording of Resolution by Circulation	√	
6.1.2	The Resolution as to be passed by circulation and the supporting papers shall be circulated by hand, or by post, or by facsimile, or by e-mail or by any other electronic mode.	√	

6.2.1	The Resolution shall be deemed to have been passed on the date on which it is signed and dated as approved by all the Directors then in Bangladesh, being not less than the Quorum, or on the date on which it is approved by the majority of the Directors entitled to vote on the Resolution, whichever is earlier.	√	
6.2.2	Resolutions sent for passing by circulation shall be noted along with the decision thereof, at the next Meeting of the Board or Committee, as the case may be, and to be recorded in the Minutes of such Meeting.	√	
6.3.0	Resolutions not to be Passed by Circulation	√	
6.3.1	The annual accounts of a company shall be approved at a Meeting of the Board and shall not be by a Resolution by circulation.	√	
6.3.2	Quarterly or half-yearly financial results shall be approvae at a Meeting of the Board or its Committee and shall not be by a Resolution by circulation.	√	
6.3.3	In the case of a listed company, if there is any material variance between un-audited and audited results, the review report of the Auditors shall also be discussed and approved at a Meeting of the Board and not approved by a Resolution by circulation.	√	
7.0.0	Minutes		
7.1.0	Recording of Minutes		
7.1.1	Within fifteen days from the date of the Meeting of the Board or Committee or of an adjourned Meeting, the draft Minutes thereof shall be circulated to all the members of the Board or the Committee, as the case may be, for their necessary comments.	√	
7.1.2	The Minutes of proceedings of a Meeting shall be entered in the Minutes Book within thirty days from the conclusion of the Meeting.	√	
7.1.3	The date of entering the Minutes shall be specified in the Minutes Book by the Secretary.	√	
7.1.4	The Chairman shall put his initial on each page of the Minutes, and put his full signature on the last page of the Minutes along with the date of signing of the Minutes.	√	
7.1.5	Minutes shall not be pasted or attached to the Minutes Book.	√	
7.1.6	Minutes, if maintained in loose-leaf form, shall be bound at intervals coinciding with the financial year of the company.	√	
7.1.7	Extracts of the Minutes shall be given only after the Minutes have duly been signed. However, certified copies of any Resolution passed at a Meeting may be issued even pending signing of the Minutes by the Chairman, if the draft of that Resolution had been placed at the Meeting and was duly approved.	√	
7.1.8	Minutes of an earlier Meeting shall be noted at the next Meeting.	√	
7.1.9	Any alteration, other than grammatical, typographical or minor ceations, in the Minutes as entered, shall be made only under the approval taken in the subsequent Meeting in which such Minutes are sought to be altered.	√	
7.1.10	The Minutes of Meetings of any Committee shall be circulated to the Members of the Board along with the Agenda for the Meeting of the Board next following such Meeting of the Committee and shall be noted at the Board Meeting.	√	
7.2.0	Recording in the Minutes	√	
7.2.1	The names of the Directors present in the Meeting along with the names of persons who were in attendance and the names of invitees in the Meeting, if any, shall be recorded in the Minutes.	√	

7.2.2	Apart from the Resolution or the decision, the Minutes shall mention the brief background of the proposal and the rationale for passing the Resolution or taking of the decision.	√	
7.2.3	The names of the Directors who have dissented or have abstained from the decision shall be recorded. Similarly, the fact that an interested Director who did not participate in the discussion or vote on the agenda shall also be recorded in the Minutes.	√	
7.2.4	Wherever any approval of the Board or of the Committee is taken on the basis of certain papers laid before the Board or the Committee, Proper identification by initialing of such papers by the Chairman or any Director shall be made and a reference thereto shall be made in the Minutes.	√	
7.3.0	Preservation of Minutes and Supporting Papers		
7.3.1	The Minutes of all Meetings shall be preserved permanently.	√	
7.3.2	If a company has been merged or amalgamated with any other company, the Minutes of all Meetings of the Board and Committees of the transferor company shall be preserved permanently by the transferee company for any future references notwithstanding the fact that the identity of the transferor company may not survive under such arrangement.	√	
7.3.3	All office copies of Notices, Agenda and Notes to Agenda and other related papers shall be preserved in orderly manner for as long as they remain current or for twelve years, whichever is later, and may not be destroyed thereafter without the authority of the Board.	√	
8.0.0	Disclosure		
8.1.0	Disclosure regarding Meetings of the Board and committees		
8.1.1	The Annual Report of a company shall disclose the number of Meetings of the Board and Committees held during the year indicating the number of Meetings attended by each Director.	√	

Checklist of
DISCLOSURE AS PER ICMAB

SL	EVALUATION CRITERIA	Page No.
1	Capitalization/Solvency	
	External Liab. Ratio	140-142
	Internal Capital Generation (ICGR)	
	Exceptional Loss Reserve to Net Premium	
	Capital & Fund to Total Asset	
2	Technical	
	Retention Ratio	140-142, 179
	Expenses Ratio	
	Claim Ratio	
	Outstanding Premium to Equity	
3	Liquidity and Funding Flexibility	
	Current Ratio	140-142
	Liquid Asset to Total Insurance Fund Total	
	Liquid Asset to Total Asset	
4	Profitability	
	Gross Underwriting Margin Return on	140-142
	Average Assets (ROAA) Return on	
	Average Equity (ROAE) Return on	
	Average Investment (ROA!)	
5	Market share	
	Gross Premium	140
6	Contribution to National Economy and CSR	170-171
	Qualitative areas:	
(a)	Corporate Governance	
(b)	Risk Management	107-125
(c)	Regulatory Compliance	130-138
(d)	Disclosure	118-126
(e)	Market Franchise and Others	

Integrated

REPORTING CHECKLIST

SL. No.	Particulars	Page
1	Elements of an Integrated Report	
1.1	Organizational overview and external environment	
	An integrated report should disclose the main activities of the organization and the environment of which it operates.	20-21
	An integrated report should identify the organization's mission and vision, and provides essential context by identifying matters such as:	
	The organization's:	
	Culture, ethics and values	23-24
	Ownership and operating structure including size of the organization, location of its operations	28 34, 172
	Principal activities and markets	26, 28, 75
	Competitive landscape and market positioning	172
	Position within the value chain	23
	Key quantitative information	140-142
	The number of employees, revenue and number of countries in which the organization operates highlighting, in particular, significant changes from prior periods	168, 246
	Significant factors affecting the external environment and the organization's response	84
	The legitimate needs and interests of key stakeholders	147
	Macro and micro economic conditions, such as economic stability, globalization, and industry trends	65
	Market forces, such as the relative strengths and weaknesses of competitors and customer demand	76
	The speed and effect of technological change	150
	Societal issues, such as population and demographic changes, human rights, health, poverty, collective values and educational systems	82, 90-91
	Environmental challenges, such as climate change, the loss of ecosystems, and resource shortages as planetary limits are approached	81 90-91
	The legislative and regulatory environment in which the organization operates	89
	The political environment in countries where the organization operates and other countries that may affect the ability of the organization to implement its strategy	65
1.2	**Governance**	
	An integrated report should how does the organization's governance structure support its ability to create value in the short, medium and long term.	140-141
	An integrated report needs to provide an insight about how such matters as the following are linked to its ability to create value: The organization's leadership structure, including the skills and diversity (e.g., range of backgrounds, gender, competence and experience) of those charged with governance and whether regulatory requirements influence the design of the governance structure	53-63

SL. No.	Particulars	Page
	Mandatory and voluntary code of corporate governance adopted by the Company	118, 125
	Code of ethical conduct adopted by the Company in relation to ethical business.	23-24
	Specific processes used to make strategic decisions and to establish and monitor the culture of the organization, including its attitude to risk and mechanisms for addressing integrity and ethical issues	130-137
	Particular actions those charged with governance have taken to influence and monitor the strategic direction of the organization and its approach to risk management	94
	How the organization's culture, ethics and values are reflected in its use of and effects on the capitals, including its relationships with key stakeholders	10
	Whether the organization is implementing governance practices that exceed legal requirements/ Key Policies	118-126
	The responsibility those charged with governance take for promoting and enabling innovation	111-114
	How remuneration and incentives are linked to value creation in the short, medium and long term, including how they are linked to the organization's use of and effects on the capitals.	117
1.3	**Stakeholder Identification/relationships** An integrated report should identify its key stakeholders and provide insight into the nature and quality of the organization's relationships with its key stakeholders, including how and to what extent the organization understands, takes into account and responds to their legitimate needs and interests. Stakeholders are the groups or individuals that can reasonably be expected to be significantly affected by an organization's business activities, outputs or outcomes or whose actions can reasonably be expected to significantly affect the ability of the organization to create value.	147-149 198
	An entity may disclose the following in their integrated reports in respect of stakeholder relationships. • How the company has identified its stakeholders. • Stakeholder engagement methodology. • Identification of material matters of stakeholders. • How the Company has applied such matters. • How the stakeholders are engaged in assessing impacts, implications and outlook unrespects of Company's business model. **Capitals**	116
	An integrated report needs to provide insight about the resources and the relationships used and affected by the organization, which are referred to collectively as the capitals and how the organization interacts with the capitals to create value over the short, medium and long term	107
	An integrated report need to identify the various forms of capitals which are essential for the success of its business operations. Eg: Financial Capital–The pool of funds that is available to the organization for use in the production of goods or provision of services.	143
	Manufacturing Capital–Manufactured physical objects that are available to the organization for use in the production of goods and provision of services.	N/A
	Intellectual Capital–Organizational, Knowledge based intangibles.	76
	Human Capital–People's competencies, capabilities and experience, and their motivations to innovate	117

SL. No.	Particulars	Page
	Social and Relationship Capital–The institutions and the relationships within and between communities, groups of stakeholders and other networks and the ability to share information to enhance individual and collective wellbeing.	78
	Natural Capital–All renewable and non-renewable environmental resources and processes that provide goods and services that support the past, current and future prosperity of the organization.	81
	However an entity can do its own classification of capitals based on its business activities. An entity needs to ensure that it does not overlook a capital that it uses or affects.	
1.4	**Business model**	81
	An integrated report should describe the organization's business model	
	Inputs	26-27
	Business activities	
	Outputs	
	Outcomes	
	Identification of critical stakeholder and other	147
	Connection to information covered by other Content Elements, such as strategy, risks and opportunities, and performance (including KPIs and financial considerations, like cost containment and revenues).	
	Inputs	26-27
	An integrated report shows how key inputs relate to the capitals on which the organization depends, or that provide a source of differentiation for the organization, to the extent they are material to understanding the robustness and resilience of the business model.	
	Business activities	
	An integrated report describes key business activities. This can include:	75-76
	How the organization differentiates itself in the market place (e.g., through product differentiation, market segmentation, delivery channels and marketing)	
	The extent to which the business model relies on revenue generation after the initial point of sale (e.g., extended warranty arrangements or network usage charges)	
	How the business model has been designed to adapt to change	
	How the business model has been designed to adapt to change.	
	When material, an integrated report discusses the contribution made to the organization's long term success by initiatives such as process improvement, employee training and relationships management.	
	Outputs An integrated report identifies an organization's key products and services.	
	Outcomes: An integrated report describes key outcomes, including: Both internal outcomes, and external outcomes, Both positive outcomes and negative outcomes	
	When material, an integrated report discusses the contribution made to the organization's long term success by initiatives such as process improvement, employee training and relationships management.	
1.5	**Performance**	
	An integrated report needs to explain the extent to which the organization has achieved its strategic objectives for the period and what are its outcomes in terms of effects on the capitals?	140-142

SL. No.	Particulars	Page
	An integrated report should contain qualitative and quantitative information about performance that may include matters such as:	128, 140-142 148, 152
	Quantitative indicators with respect to targets and risks and opportunities, explaining their significance, their implications, and the methods and assumptions used in compiling them	
	The state of key stakeholder relationships and how the organization has responded to key stakeholders' legitimate needs and interests	
	The linkages between past and current performance, and between current performance and the organization's outlook.	
	KPIs that combine financial measures with other components or narrative that explains the financial implications of significant effects on other capitals and other causal relationships may be used to demonstrate the connectivity of financial performance with performance regarding other capitals. In some cases, this may also include monetizing certain effects on the capitals.	
	Risks and opportunities and Internal Controls	130-137
	An integrated report should explain what are the specific risks and opportunities that affect the organization's ability to create value over the short, medium and long term, and how is the organization dealing with them?	
	This can include identifying:	
	The specific source of risks and opportunities, which can be internal, external or, commonly, a mix of the two.	
	The organization's assessment of the likelihood that the risk or opportunity will come to fruition and the magnitude of its effect if it does.	
	The specific steps being taken to mitigate or manage key risks or to create value from key opportunities, including the identification of the associated strategic objectives, strategies, policies, targets and KPIs.	
1.7	**Strategy and resource allocation**	22, 23, 25
	An integrated report should describe it strategic direction (Where does the organization want to go and how does it intend to get there)	
	An integrated report need to identify:	
	The organization's short, medium and long term strategic objectives	
	The strategies it has in place, or intends to implement, to achieve those strategic objectives	
	The resource allocation plans it has to implement its strategy	
	How it will measure achievements and target outcomes for the short, medium and long term. This can include describing:	
	The linkage between the organization's strategy and resource allocation plans, and the information covered by other Content Elements, including how its strategy and resource allocation plans: relate to the organization's business model, and what changes to that business model might be necessary to implement chosen strategies to provide an understanding of the organization's ability to adapt to change are influenced by/respond to the external environment and the identified risks and opportunities affect the capitals, and the risk management arrangements related to those capitals	
	What differentiates the organization to give it competitive advantage and enable it to create value	

SL. No.	Particulars	Page
1.8	**Outlook**	
	An integrated report should explain what challenges and uncertainties is the organization likely to encounter in pursuing its strategy, and what are the potential implications for its business model and future performance?	44-47 48-52, 67 140-142
	An integrated report should highlight anticipated changes over time and provides information on: The organization's expectations about the external environment the organization is likely to face in the short, medium and long term	75, 78-82
	How that will affect the organization	75, 78-82
	How the organization is currently equipped to respond to the critical challenges and uncertainties that are likely to arise.	
	The discussion of the potential implications, including implications for future financial performance may include:	
	The external environment, and risks and opportunities, with an analysis of how these could affect the achievement of strategic objectives	
	The availability, quality and afford-ability of capitals the organization uses or affects including how key relationships are managed and why they are important to the organization's ability to create value over time.	147, 149 198
	An integrated report may also provide lead indicators, KPIs or objectives, relevant information from recognized external sources, and sensitivity analyses. If forecasts or projections are included in reporting the organization's outlook, a summary of related assumptions is useful.	65-69 140-142
	Comparisons of actual performance to previously identified targets further enables evaluation of the current outlook.	140-142
	Disclosures about an organization's outlook in an integrated report should consider the legal or regulatory requirements to which the organization is subject.	89 202-203
1.9	**Basis of Preparation and Presentation**	
	An integrated report should answer the question: How does the organization determine what matters to include in the integrated report and how are such matters quantified or evaluated?	83-84
	An integrated report describes its basis of preparation and presentation, including:	147-149
	A summary of the organization's materiality determination process	
	Brief description of the process used to identify relevant matters, evaluate their importance and narrow them down to material matters	147-149
	Identification of the role of those charged with governance and key personnel in the identification and prioritization of material matters.	94-95
	A description of the reporting boundary and how it has been determined	94-95
	A summary of the significant frameworks and methods used to quantify or evaluate material matters	94-95
2	**Responsibility for an integrated report**	
	An integrated report should include a statement from those charged with governance that includes:	83-84
	An acknowledgment of their responsibility to ensure the integrity of the integrated report	
	An acknowledgment that they have applied their collective mind to the preparation and presentation of the integrated report	
	Their opinion or conclusion about whether the integrated report is presented in accordance with the Framework	

SL. No.	Particulars	Page
	Other Qualitative Characteristics of an Integrated Report Consistency and Comparability The information in an integrated report should be presented:	
	On a basis that is consistent over time	107, 140
	Presenting information in the form of ratios	179
	Connectivity of Information	154-157
	An integrated report should show a holistic picture of the combination, interrelatedness and dependencies between the factors that affect the organization's ability to create value over time.	83 140, 143
	Content elements	02
	Past, Present & Future	44-47, 48-52, 65-69
	Finance and other information	204-248
	Materiality	
	An integrated report should disclose information about matters that substantively affect the organization's ability to create value over the short, medium and long term	166-171
	Assurance on the Report	
	The policy and practice relating to seeking assurance on the report the nature and scope of assurance provided for this particular report any qualifications arising from the assurance, and the nature of the between the organization and the assurance providers	126 202-203

Corporate
GOVERNANCE DISCLOSURE

		Pg Ref
1.	BOARD OF DIRECTORS, CHAIRMAN AND CEO	
1.1	Company's policy on appointment of directors disclosed.	109
1.2	Adequate representation of non executiv e directors i.e. one third of the board, subject to a minimum of two	109
1.3	At least one independent director on the board and disclosure/ affirmation of the board on such director's independence.	109
1.4	Chairman to be independent of CEO	53, 64, 109
1.5	Responsibilities of the Chairman of the Board appropriately defined and disclosed. Disclosure of independence of Non Executive Directors	109, 110
1.6	Existence of a scheme for annual appraisal of the boards performance and disclosure of the same.	124-125
1.7	Disclosure of policy on annual evaluation of the CEO by the Board.	113
1.8	Disclosure of policy on training (including details of the continuing training program) of directors and type and nature of training courses organized for directors during the year Existence of a scheme for annual appraisal of the boards performance	108
1.9	At least one director having thorough knowledge and expertise in finance and accounting to provide guidance in the matters applicable to accounting and auditing standards to ensure reliable financial reporting.	94
1.10	Disclosure of number of meetings of the board and participation of each director (at least 4 meetings are required to be held)	113
1.10	Directors issue a report on compliance with best practices on Corporate Governance that is reviewed by the external auditors	69
2.	VISION / MISSION AND STRATEGY	
2.1	Company's vision / mission statements are approved by the board and disclosed in the annual report.	20, 21
2.2	Identification of business objectives and areas of business focus disclosed	22
2.3	General description of strategies to achieve the company's business objectives	76
3.	AUDIT COMMITTEES	

		Pg Ref
3.1	Appointment and Composition	
3.1.1	Whether the Audit Committee Chairman is an independent Non – Executive Director and Professionally Qualified	111-112
3.1.2	Whether it has specific terms of reference and whether it is empowered to investigate / question employees and retain external counsel	94-95
3.1.3	More than two thirds of the members are to be Non Executive Directors	109
3.14	All members of the audit committee to be suitably qualified and at least one member to have expert knowledge of finance and accounting.	111-112
3 .1.5	Head of internal audit to have direct access to audit committee	94
3.1.6	The committee to meet at least four times a year and the number of meetings and attendance by individual members disclosed in the annual report.	94, 125
3.2	Objectives & Activities	
3.2.2	Statement on Audit Committee's review to ensure that internal controls are well conceived properly administered and satisfactorily monitored	94, 95
3.2.3	Statement to indicate audit committees role in ensuring compliance with	94, 95
3.2.4	Statement of Audit committee involvement in the review of the external audit function • Ensure effective coordination of external audit function • Ensure independence of external auditors • To review the external auditors findings in order to be satisfied that appropriate action is being taken • Review and approve any non- audit work assigned to the external auditor and ensure that such such work does not compromise the independence of the external auditors. • Recommend external auditor for appointment/reappointment	94, 95
3.2.5	Statement on Audit committee involvement in selection of appropriate accounting policies that are in line will applicable accounting standards and annual review.	94, 95
3.2.6	Statement of Audit Committee involvement in the review and recommend to the board of directors, annual and interim financial releases	94, 95
3.2.7	Reliability of the management information used for such computation	94, 95
4.	INTERNAL CONTROL & RISK MANAGEMENT	
4.1	Statement of Director's responsibility to establish appropriate system of internal control	115
4.2	Narrative description of key features of the internal control system and the manner in which the system is monitored by the Board, Audit Committee or Senior Management.	94-95 115,187
4.3	Statement that the Director's have reviewed the adequacy of the system of internal controls	115
4.4	Disclosure of the identification of risks the company is exposed to both internally & externally	130-137
4.5	Disclosure of the strategies adopted to manage and mitigate the risks	135-136

		Pg Ref
5.	**Ethics and Compliance**	
5.1	Disclosure of statement of ethics and values, covering basic principles such as integrity, conflict of interest, compliance with laws and regulations etc.	89, 115
5.2	Dissemination/communication of the statement of ethics & business practices to all directors and employees and their acknowledgement of the same	69, 108, 116
5.3	Board's statement on its commitment to establishing high level of ethics and compliance within the organization	115
5.4	Establishing effective anti-fraud programs and controls, including effective protection of whistle blowers, establishing a hot line reporting of irregularities etc.	94-95
6.	**REMUNERATION COMMITTEE**	
6.1	Disclosure of the charter (role and responsibilities) of the committee	112-114
6.2	Disclosure of the composition of the committee (majority of the committee should be non-executive directors, but should also include some executive directors)	112-114
6.3	Disclosure of key policies with regard to remuneration of directors, senior management and employees	112-114
6.4	Disclosure of number of meetings and work performed	125
6.5	Disclosure of Remuneration of directors, chairman, chief executive and senior executives.	243
7.	**HUMAN CAPITAL**	
7.1	Disclosure of general description of the policies and practices codified and adopted by the company with respect to Human Resource Development and Management, including succession planning, merit based recruitment, performance appraisal system, promotion and reward and motivation, training and development, grievance management and counciling.	85-88, 117
7.2	Organizational Chart	30
8.	**Communication to Shareholders & Stakeholders**	
8.1	Disclosure of the Company's policy / strategy to facilitate effective communication with shareholders and other stake holders	147, 148
8.2	Disclosure of company's policy on ensuring participation of shareholders in the Annual General Meeting and providing reasonable opportunity for the shareholder participation in the AGM.	250
9.	**Environmental and Social Obligatoins**	
9.1	Disclosure of general description of the company'spolicies and practices relating to social and environmental responsibility of the entity	78-83
9.2	Disclosure of specific activities undertaken by the entity in pursuance of these policies and practices	78-79
	TOTAL	

PRIME INSURANCE COMPANY LIMITED
Unique Heights (9th Floor), 117, Kazi Nazrul Islam Avenue, Dhaka-1000, Bangladesh

PROXY FORM

I/We --

of --

being a member of Prime Insurance Company Limited and holder of ----------------------------

shares hereby appoint Mr/Ms ---

as my /our proxy to attend and vote for me / us on behalf of me/us at the 22nd Annual General Meeting of the Company to be held on Thursday, March 29, 2018 at 11 am at PSC Convention Hall, Mirpur-14, Dhaka-1206 and any adjournment thereof.

Signature of Proxy ------------------------------

Registered Folio/ BO ID -------------------------

Revenue Stamp Tk 20.00

Signature of Shareholder ------------------------

Registered Folio/ BO ID -------------------------

Note: The Proxy Form, duly completed and stamped, must be submitted at least 72 hours before the meeting at the Company's Registered office.

PRIME INSURANCE COMPANY LIMITED
Unique Heights (9th Floor), 117, Kazi Nazrul Islam Avenue, Dhaka-1000, Bangladesh

ATTENDANCE SLIP

I hereby record my attendance at the 22nd Annual General Meeting of the Company to be held on Thursday, March 29, 2018 --

Name of the Member/Proxy --

Registered Folio/ BO ID

Signature ------------------------------

Date -----------------------------------

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

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